

GENOVA

Company Presentation  
Q2 2023



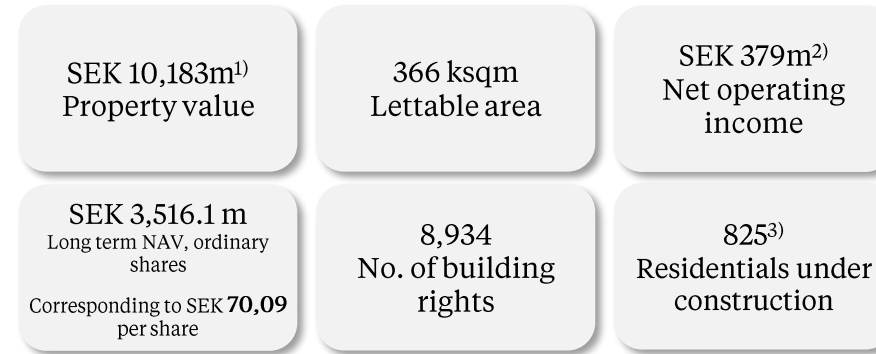
# Genova in brief

Genova's mission is to combine stable cash flows from the investment property portfolio with cost-efficient project development of mainly rental apartments and community service properties for our own long-term management

Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio

Genova's core markets – Greater Stockholm and the Uppsala Region – are characterised by strong growth, high disposable income, high level of education and low unemployment. During 2022, the position in Western Sweden was also strengthened through the acquisition of an additional 1 percent in Järngrinden

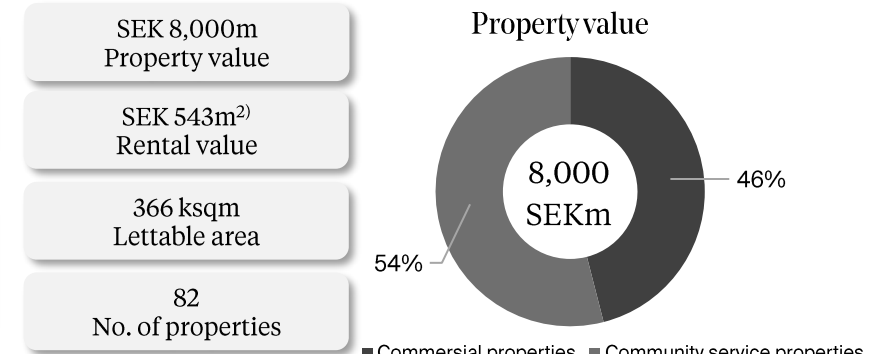
## Overview



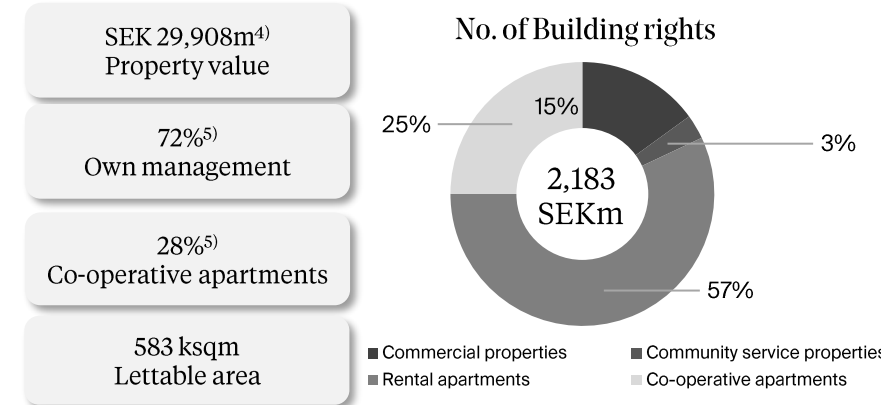
## Geographic focus



## Investment properties

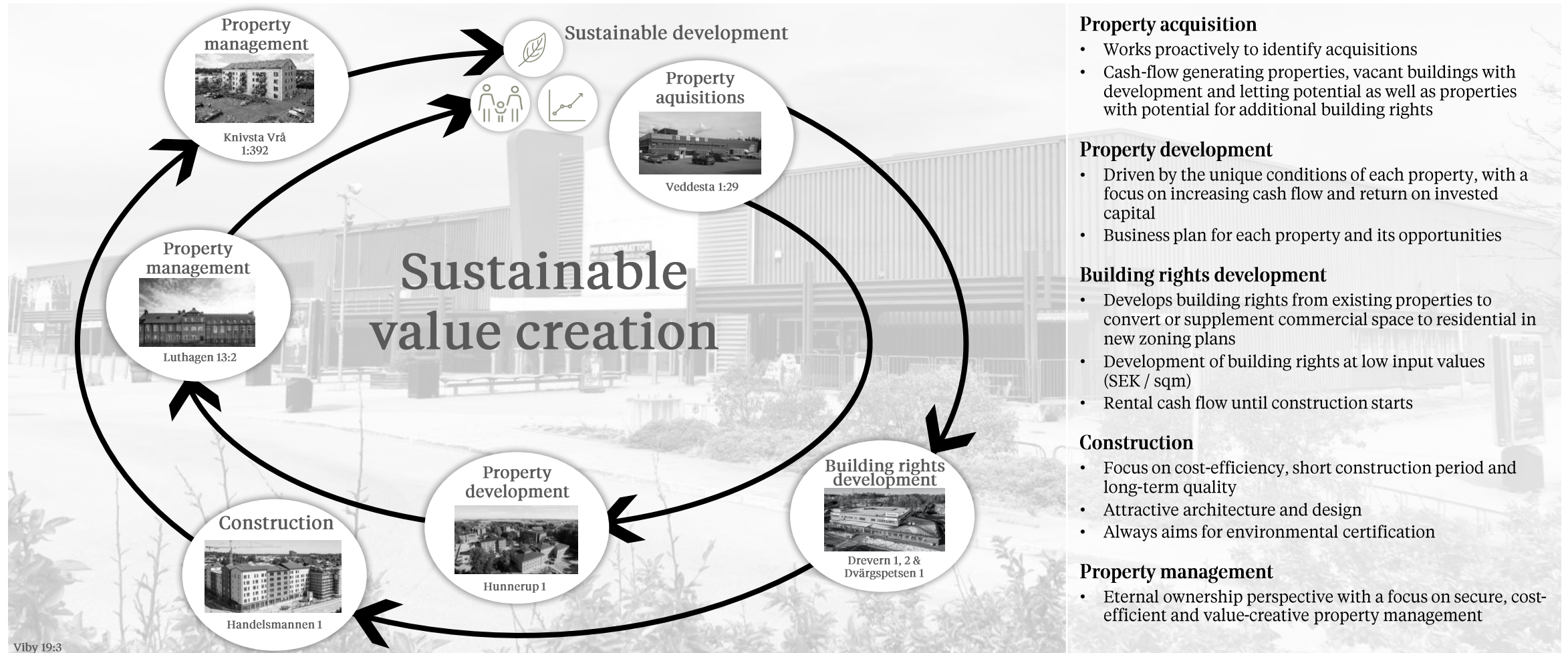


## Project properties



1) Of which ongoing construction and planned projects of SEK 2,183m. 2) According to current earnings capacity. 3) Including 40 hotel rooms. 4) Refers to estimated value at completion. 5) Based on estimated value at completion.

# Genova's business model



# Operational update

## Financing

- In May, Genova repurchased bonds in the amount of SEK 115m of a bond loan due on 30 September 2023

## Project development

- During the quarter, an additional 66 residential units in the Tryckeriet project in Norrtälje were completed for a rental value of approximately SEK 6.0m
- During the quarter, 52 residential units in the Segerdal project in Knivsta were completed. Genova owns 50% of the project

## Sustainability

- In May, Genova announced that its climate targets had been validated and published by the Science Based Target initiative. The targets are to reduce the company's GHG emissions by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2, and to measure and reduce emissions in Scope 3

## Divestments

- In May, Genova agreed to sell the Gredelby 7:89 property in central Knivsta. The sale was transacted at an underlying property value of SEK 85m. The annual rental value amounted to approximately SEK 6.0m and the remaining duration was 4.5 years
- In July, an agreement was signed to divest two fully leased hotel properties in Palma, Majorca, for approximately EUR 35m, corresponding to approximately SEK 410m. The properties are not of a long-term strategic nature for the company and are low-leveraged, and the divestment provides Genova with net liquidity of approximately SEK 350m, which will be used to reduce our indebtedness. Exit is planned for September 2023

## Other

- The Annual General Meeting resolved to introduce a long-term incentive programme by way of a directed issue of warrants with subsequent transfer to the participants



Hotel Concepcio, Palma



# Focus 2023

## Ongoing constructions

As of Q2, Genova had 825<sup>1</sup> residential units under construction where several stages will be completed during the 2023. The projects are expected to contribute to an increased earnings capacity of SEK 80m when completed<sup>2</sup>

### Hotell Can Oliver, Palma

- 5-star hotel consisting of 40 rooms with Nobis as sole tenant. To be completed in august and will be exited in September 2023

### Handelsmannen, Norrtälje

- 246 rental apartments with completion in stages during 2023 and 2024

### Segerdal, Knivsta

- 232 rental units directly adjacent to the train station in central Knivsta, of which Genova's share amounts to 50%

### Korsängen, Enköping

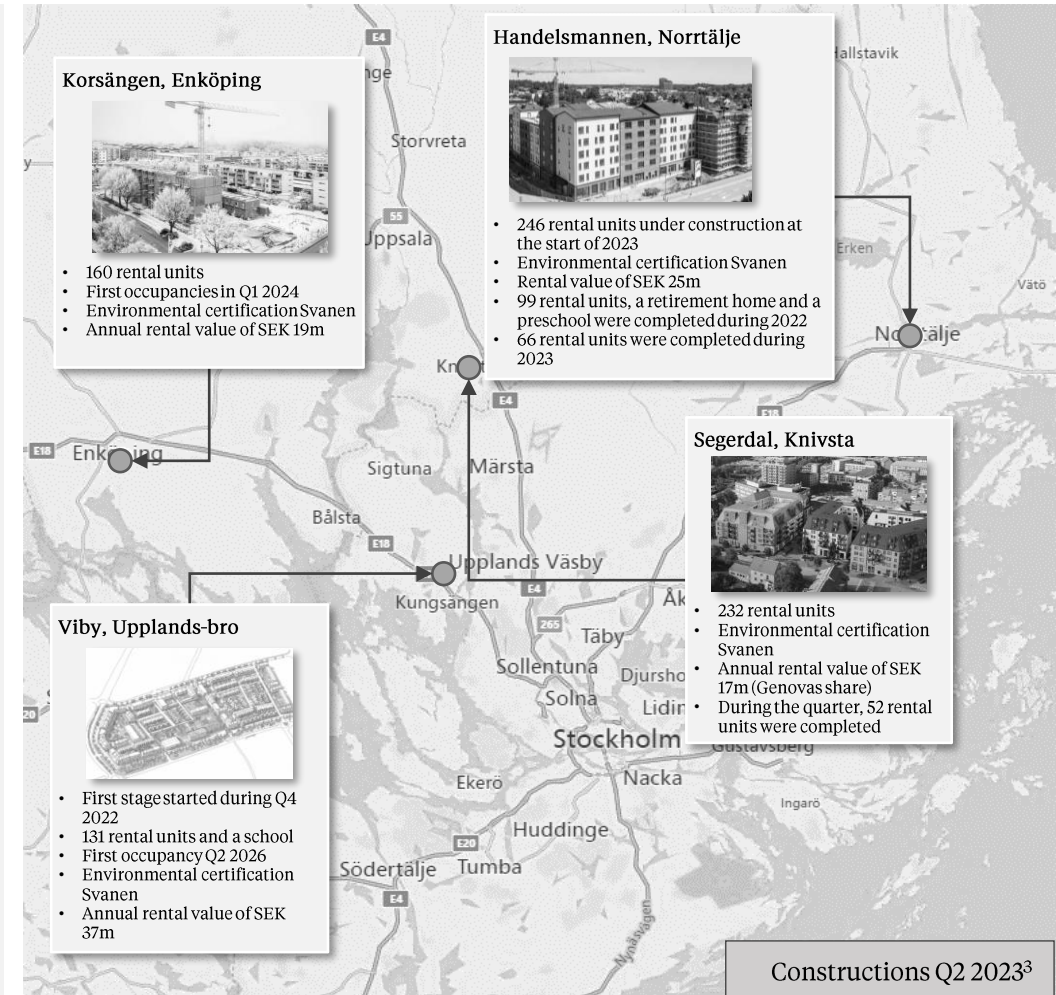
- 160 rental units in the center of Enköping with occupancies during 2024

### Viby, Upplands Bro

- 131 rental units and a school in the first stage. Construction started during Q4 2022

## Focus going forward

- Long-term stable financing is central for Genova and acquired an even greater focus in the current capital market uncertainty. We worked to secure financing through refinancing and by extending loans. A directed issue in early 2023 further strengthened Genova's financial position and created the capacity to act on business opportunities that we believe may arise due to the ongoing changes in the property market. At the same time, reputable investors were added to the company's ownership structure, who believe in, and want to invest long-term, in Genova
- During the first half of the year, bonds in the amount of just over SEK 115m were repurchased under the bond that matures in September 2023. The remaining bonds of SEK 410m will be redeemed on the maturity date. Genova has also repurchased bonds of approximately SEK 30m under the bond that matures in September 2024
- Our ongoing projects are proceeding as planned, with an approximate total of 1,000 residential units in Norrtälje, Enköping, Knivsta and Upplands-Bro and completion scheduled for 2023–2026. We see continued demand for new rental apartments in our core markets of Greater Stockholm and the Uppsala Region, as well as our new West region



1) Of which 40 hotel rooms. 2) Refers to fully owned properties. 3) Ongoing construction under Genova's management. Excludes Can Oliver in Palma as well as construction managed by Genova's daughter company Järngrinden.



# 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

**>20%**  
Target  
**45.2%**  
Average annual growth 2019-Q2 2023

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

**>20%**  
Target  
**94.6%**  
Average annual growth 2019-Q2 2023

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

**>35%**  
Target  
**38%**  
Q2 2023

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

### Loan-to-value ratio

**<65%**  
Target  
**59%**  
Q2 2023

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

### Interest coverage ratio

**>2.0x**  
Target  
**1.7x**  
Q2 2023

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

## Operational targets

### Rental income

**>55%**  
Target  
**54%**  
Q2 2023

Rental income from residential and community service properties shall account for at least 55% of Genova's total rental income by the end of 2023

### Ongoing construction

**1,000**  
Target  
**825<sup>1)</sup>**  
Q2 2023

Ongoing construction of own-produced residential units shall amount to at least 1,000 residential units per year as of 2024

### Property value

**SEK 20bn**  
Target  
**SEK 10.2bn**  
Q2 2023

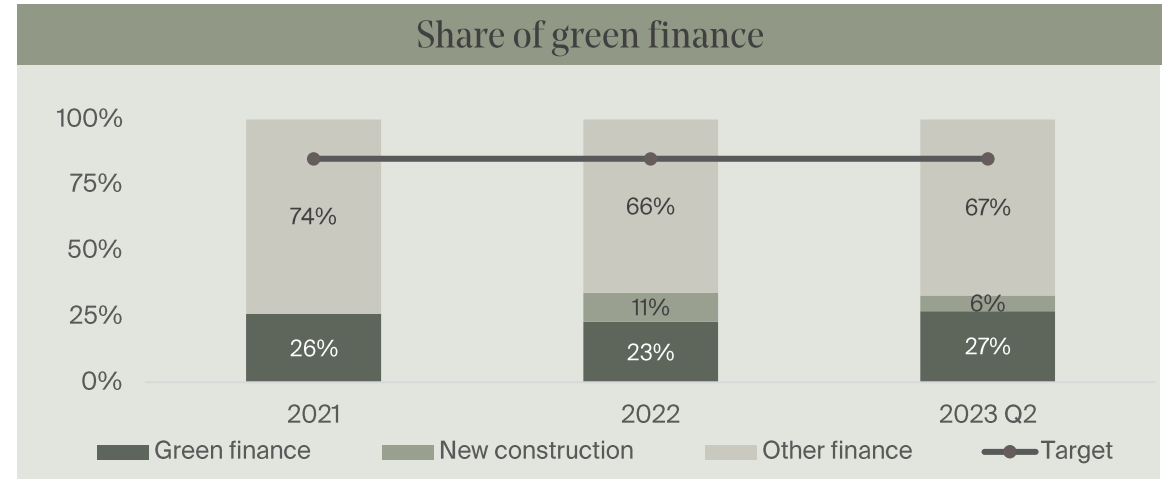
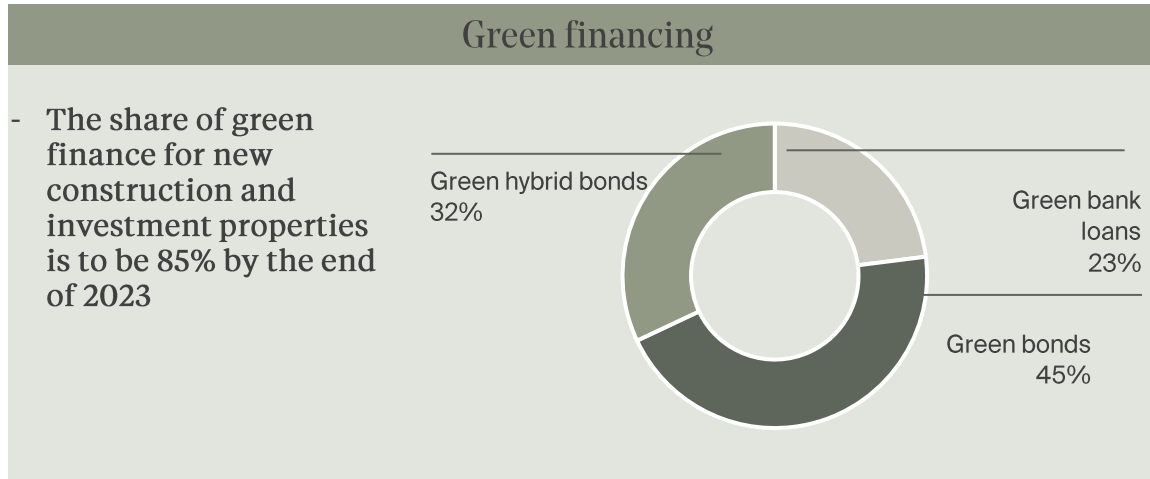
The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

## Utdelningspolicy

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

<sup>1)</sup> Including 40 hotel rooms.

# Green financing



## Environmental certification

Certification	Investment properties				Total	Construction Ongoing
	Certified	Ongoing	Continuing/ planned	Ongoing planning		
Nordic Swan	2				2	3
Green Building	2				2	
Miljöbyggnad iDrift						
Silver	2	27			29	
Broze	1				1	
Not certified				27	27	
<b>Total</b>	<b>7</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>61</b>	<b>3</b>

## Energy consumption

All new construction is to have environmental certification. In addition, all investment properties that are owned and managed on a long-term basis are to have environmental certification by the end of 2023

GHG emissions are to decrease by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2. Emissions in Scope 3 are to be measured and reduced. The targets have been validated and published by the Science Based Target initiative



# Financial development

## Income statement

SEKm	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Rental income	254.5	185.7	463.4	394.7
Maintenance costs and operating expenses	-68.1	-53.4	-131.5	-116.9
<b>Net operating income</b>	<b>186.4</b>	<b>132.3</b>	<b>331.9</b>	<b>277.8</b>
Central administration, property management	-11.5	-11.4	-23.2	-23.2
Central administration, property development	-18.7	-13.9	-33.1	-28.3
Income from associations in joint ventures	-18.6	17.4	3.3	39.3
<b>Net financial items</b>	<b>-113.5</b>	<b>-68.1</b>	<b>-190.2</b>	<b>-144.9</b>
<b>Income from property management</b>	<b>24.1</b>	<b>56.3</b>	<b>88.7</b>	<b>120.7</b>
Income from new residential construction	43.0	-	32.6	-
Other income	-	0.6	2.0	2.6
Other costs	-2.2	-	-2.2	-
Value changes, properties	-302.9	370.0	-474.1	198.7
Value changes, derivatives	36.3	-	36.3	-
Currency effects, properties	19.5	3.8	17.8	2.2
<b>Income before tax</b>	<b>-182.2</b>	<b>430.7</b>	<b>-288.6</b>	<b>324.2</b>
Income tax	33.8	-88.2	53.7	-68.3
<b>Income for the period</b>	<b>-148.3</b>	<b>342.5</b>	<b>-234.9</b>	<b>255.9</b>

## Key metrics

	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Rental income, SEKm	254.5	185.7	463.4	394.7
NOI, SEKm	186.4	132.3	331.9	277.8
Income from property management, SEKm	24.1	56.3	88.6	120.8
Income from property management per ordinary share, SEK	-0.33	0.74	0.41	1.53
Residential units under construction, no.	825.0	863.0	825.0	1,006.0
Residential units completed, no.	181.0	-	360.0	179.0
Net investments, SEKm	11.4	515.1	215.4	719.2
Loan-to-value ratio, %	58.8	60.7	58.8	59.1
Equity/assets ratio, %	38.2	38.7	38.2	38.4
Interest coverage ratio, times	1.7	2.0	1.8	2.0
Long-term NAV, SEKm	5,100.0	4,573.0	5,100.0	5,134.0
Long-term NAV referable to shareholders, SEKm	3,516.1	3,649.5	3,516.1	3,584.1
Long-term NAV per ordinary share, SEK	77.09	86.94	77.09	85.38

## Balance sheet

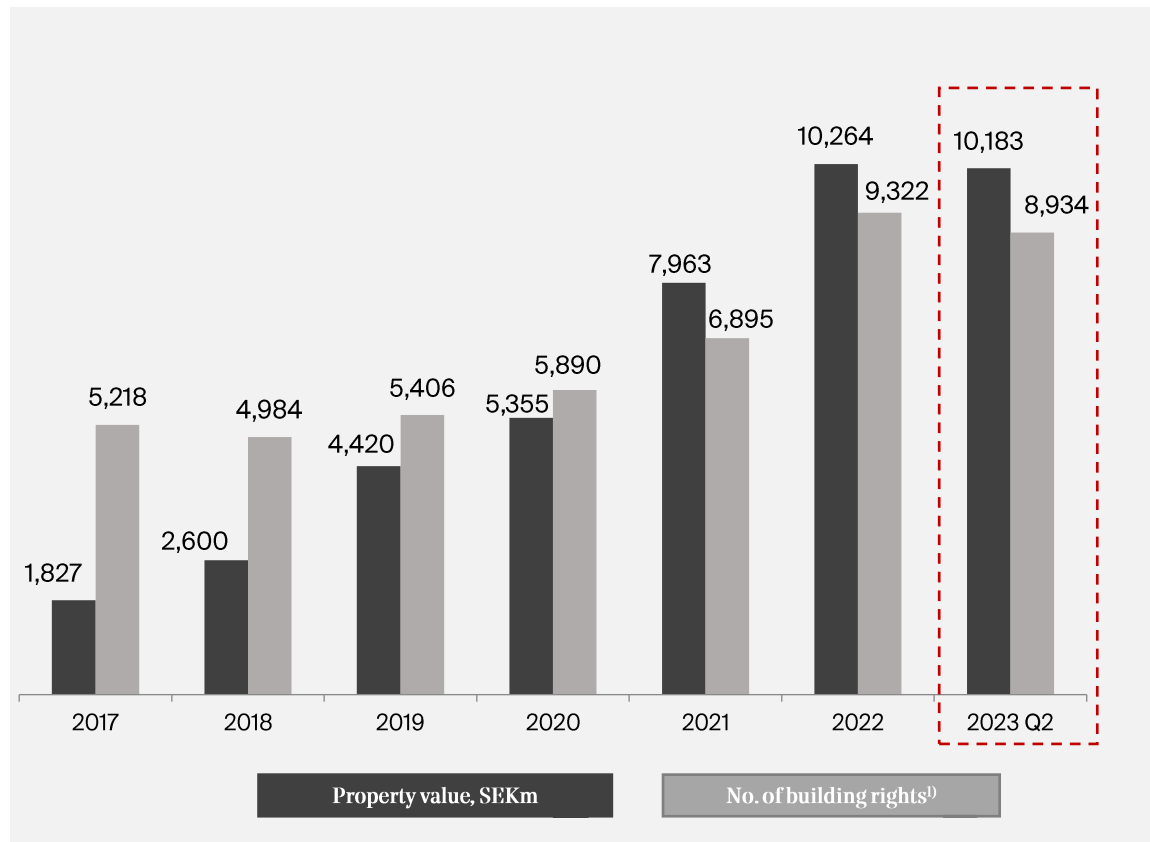
SEKm	2023 30 June	2022 30 June	2022 31 Dec
Investment properties	7,999.9	7,596.2	8,183.2
Properties under construction	860.9	1,119.5	860.5
Development properties	1,209.7	132.7	1,023.2
Other fixed assets	1,194.1	1,238.1	1,197.3
Ongoing residential projects	112.3	0.0	197.0
Cash and cash equivalents	374.0	201.9	257.7
Other current assets	317.4	244.5	258.2
<b>Total assets</b>	<b>12,068.1</b>	<b>10,532.9</b>	<b>11,977.1</b>
Total equity	4,605.3	4,080.7	4,595.5
Loans from credit institutions	5,190.3	4,313.8	5,052.3
Bond loans	1,138.3	1,268.3	1,275.2
Deferred tax liability	578.0	570.0	619.5
Other liabilities	556.4	300.1	434.6
<b>Total equity and liabilities</b>	<b>12,068.1</b>	<b>10,532.9</b>	<b>11,977.1</b>



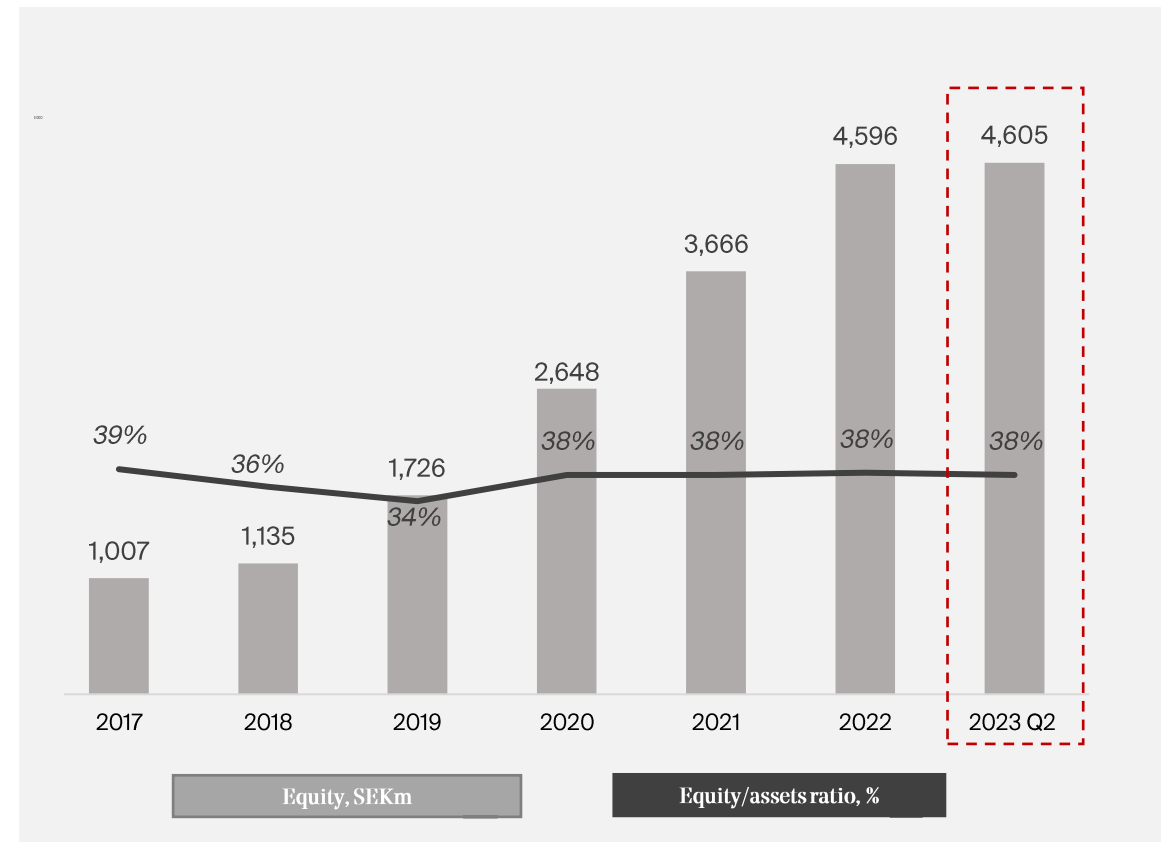


# Financial development

### Property value and no. of building rights



### Equity and Equity/assets ratio



<sup>1)</sup> At 30 June 2023, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 3.4 billion. At 30 June 2022, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, as well as accumulated investments for planned projects had a book value of approximately SEK 2.0 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.4 billion at the end of the reporting period.



# Financial development

## Financing in brief

Interest-bearing debt  
SEK 6,239m<sup>1)</sup>

Average interest rate<sup>2)</sup> (3m STIBOR floating)  
5.5 %

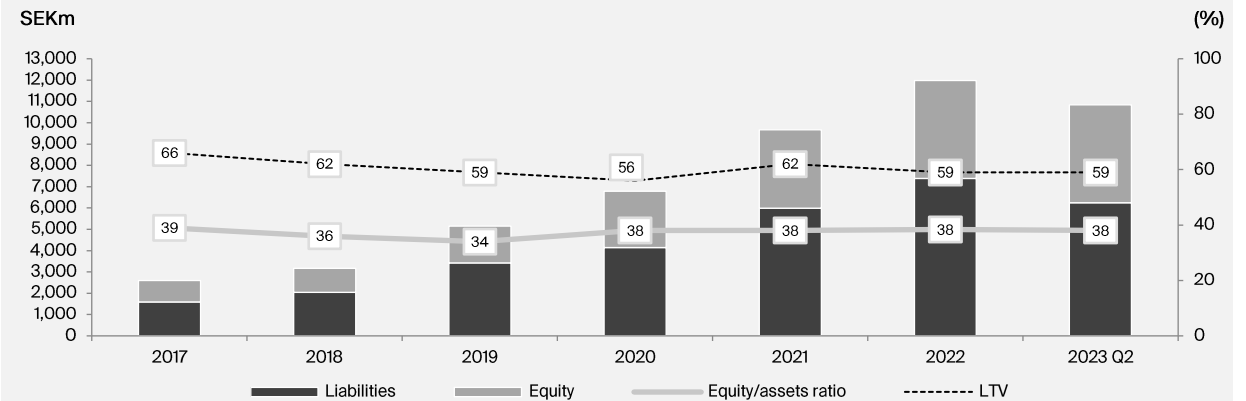
Average duration (loans)  
2.4 years

Available liquidity, including undrawn construction credits  
SEK 1,460

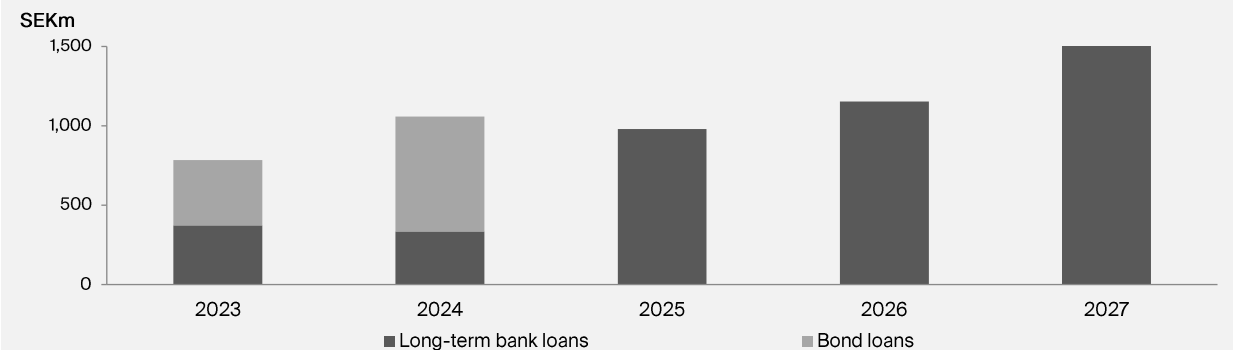
Financing from Nordea, Swedbank, SBAB, SEB och  
Danske Bank

1) Includes bond loan of SEK 1,132.5m (3m STIBOR +4.50/5.25%). 2) Interest-bearing debt to credit institutions.

## Capital structure

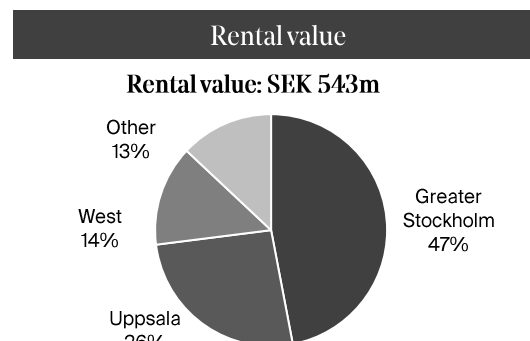
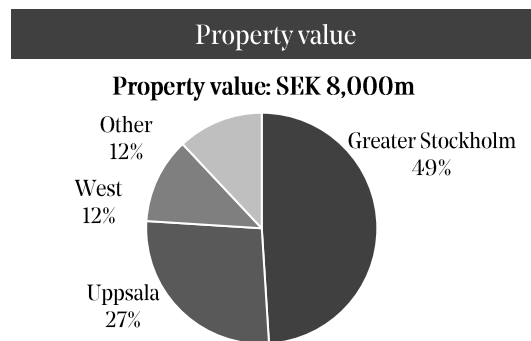


## Debt maturity schedule



# Investment properties

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	52	201,090	3,525	17,531	261	1,297	89.9	235	-67	-332	168	835
Community service properties <sup>3)</sup>	30	164,510	4,475	27,200	282	1,715	95.9	271	-60	-363	211	1,282
<b>Total</b>	<b>82</b>	<b>365,600</b>	<b>8,000</b>	<b>21,882</b>	<b>543</b>	<b>1,485</b>	<b>93.1</b>	<b>505</b>	<b>-127</b>	<b>-346</b>	<b>379</b>	<b>1,036</b>
<b>Per geography</b>												
Greater Stockholm	34	168,388	4,085	24,261	266	1,580	95.5	254	-59	-353	195	1,157
Uppsala	17	79,574	2,057	25,848	130	1,632	92.3	120	-34	-426	86	1,080
West	23	78,652	958	12,184	79	1,007	89.8	71	-18	-230	53	674
Other	8	38,986	900	23,075	68	1,740	88.6	60	-15	-390	45	1,152
<b>Total</b>	<b>82</b>	<b>365,600</b>	<b>8,000</b>	<b>21,882</b>	<b>543</b>	<b>1,485</b>	<b>93.1</b>	<b>505</b>	<b>-127</b>	<b>-346</b>	<b>379</b>	<b>1,036</b>
<i>Of which Järngrinden</i>	<i>21</i>	<i>63,046</i>	<i>711</i>	<i>11,273</i>	<i>61</i>	<i>967</i>	<i>86.7</i>	<i>53</i>	<i>-13</i>	<i>-200</i>	<i>40</i>	<i>639</i>
Ongoing construction			973									
Planned projects			1,210									
<b>Total as per the balance sheet</b>			<b>10,183</b>									
Near-term completed constructions <sup>4)</sup>	1	4,090	83	44,494	9	2,231	100	9	-2	-375	8	1,856
<b>Total</b>	<b>83</b>	<b>369,690</b>	<b>10,266</b>		<b>552</b>	<b>1,493</b>	<b>93.2</b>	<b>514</b>	<b>-128</b>	<b>-346</b>	<b>386</b>	<b>1,045</b>
Properties owned through joint ventures			789									



**Estimated earnings capacity as of 30 June 2023**

(SEKm)	Investment properties Genova	Investment properties Järngrinden	Investment properties Total	Ongoing construction	Total
Rental value	482	61	543	80	623
Vacancy rate	-30	-8	-38	0	-38
<b>Rental income</b>	<b>452</b>	<b>53</b>	<b>505</b>	<b>80</b>	<b>585</b>
Property costs	-114	-13	-127	-12	-139
<b>Net operating income</b>	<b>338</b>	<b>40</b>	<b>379</b>	<b>68</b>	<b>447</b>

1) Based on the primary use of the property. 2) Not including rental discounts of SEK 12m. 3) Of which 239 rental apartments are allocated between eight properties. 4) Refers to stages in the Kryddgården project that will be completed within 12 months. The property value when completed will amount to SEK 182m but as of 30 June SEK 99m was recognised in the balance sheet under properties under construction.



# Project development

## 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 <sup>2</sup>
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Handelsmannen 1	Norrköping	Rental apartments	Q4 2019	Q4 2023/Q2 2024	246	12,752	-	601	47,130	25	1,933	526	290	306
Segerdal <sup>3</sup>	Knivsta	Rental apartments	Q4 2020	Q3 2023/Q1 2025	116	7,289	323	380	49,921	17	2,274	350	177	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	381	193	198
Hotell Can Oliver <sup>4</sup>	Palma	Commercial properties	Q2 2021	Q3 2023	40	3,300	-	246	74,681	13	3,800	263	247	230
Viby, Etapp <sup>15</sup>	Upplands-bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	87	87
Viby, Etapp <sup>15</sup>	Upplands-bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	238	41	41
Järngrinden <sup>6</sup>	Borås	Own management <sup>9</sup>			72	4,048	-	150	36,993	6	1,600	134	-	-
Järngrinden <sup>6</sup>	Borås	Co-operative apartments			60	2,484	-	148	59,402	-	-	122	112	112
<b>Total</b>					<b>825</b>	<b>46,633</b>	<b>7,930</b>	<b>2,712</b>	<b>49,704</b>	<b>117</b>	<b>2,243</b>	<b>2,443</b>	<b>1,148</b>	<b>973</b>

## Planned projects

Per category	No. of units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value <sup>2</sup>
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Rental apartments	6,079	352,422	-	16,951	48,099	765	2,172	14,493	613	665
Community service properties	185	14,415	15,751	1,357	44,973	64	2,125	1,122	46	46
Commercial properties	-	-	15,574	550	40,072	31	2,228	541	93	96
Co-operative apartments	1,845	130,647	-	8,339	63,827	-	-	6,734	375	403
<b>Total per category</b>	<b>8,109</b>	<b>497,484</b>	<b>31,325</b>	<b>27,196</b>	<b>51,609</b>	<b>860</b>	<b>2,164</b>	<b>22,891</b>	<b>1,127</b>	<b>1,210</b>

Per category	No. of units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value <sup>2</sup>
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Greater Stockholm	3,199	198,412	17,292	12,926	59,924	315	2,365	10,647	543	610
Uppsala	1,809	97,525	12,065	5,025	46,195	214	2,168	4,271	155	165
West	2,536	169,462	1,968	7,820	45,891	276	1,984	6,707	357	357
Other	565	32,085	-	1,426	44,448	55	2,028	1,266	72	77
<b>Total per geography</b>	<b>8,109</b>	<b>497,484</b>	<b>31,325</b>	<b>27,196</b>	<b>51,609</b>	<b>860</b>	<b>2,164</b>	<b>22,891</b>	<b>1,127</b>	<b>1,210</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 investment upon completion. 2) Refers to only wholly owned projects. Book value attributable to jointly owned projects is presented under shares in joint ventures and associated companies on the balance sheet. 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. During the quarter, 52 apartments were completed and transferred to investment (Genova's financial stake corresponds to completion of 26 apartments). 4) The Can Oliver Hotel is subject to a divestment agreement and will be exited during the third quarter. 5) The Viby project is 70/30 owned by Genova and K2A. 6) Järngrinden is a subsidiary, in which Genova has a 51% stake. Järngrinden's wholly owned, and stake in jointly owned, projects under construction are presented in the table.

The table only shows the number of residential units, area, property and rental value, and investment amounts that correspond to Genova's financial stake in jointly owned properties. Properties in which Genova owns more than 50% are recognised as wholly owned. Projects in Genova's Järngrinden subsidiary are recognised using the same principle.