



# GENOVA

*Q4 2020*

## **Company Presentation**

Genova Property Group AB (publ)

Stockholm

# Table of contents

1

Introduction

2

Operational and financial  
update

3

Appendix



---

# INTRODUCTION

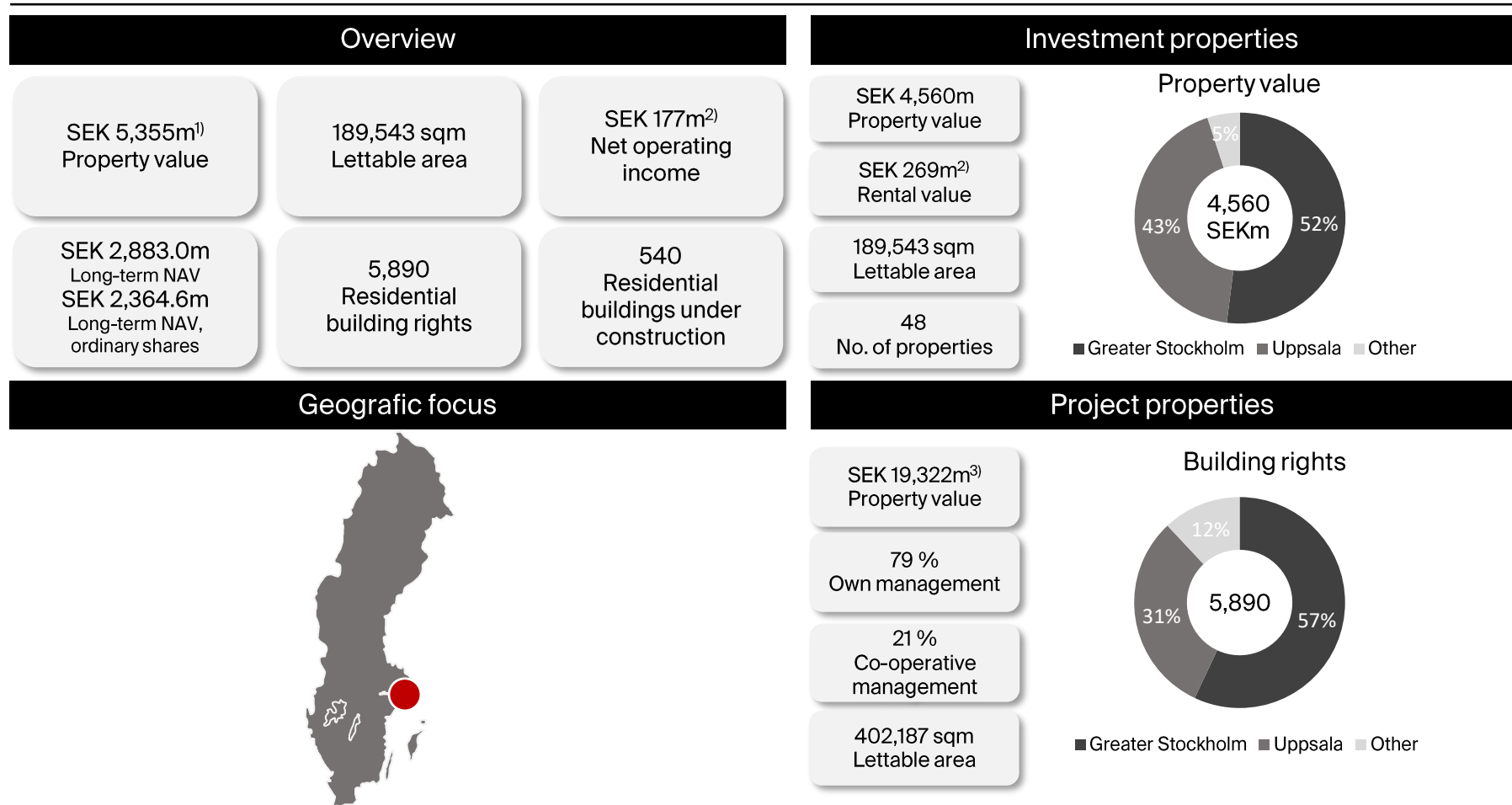
---

1



# Genova in short

## As of Q4 – 2020

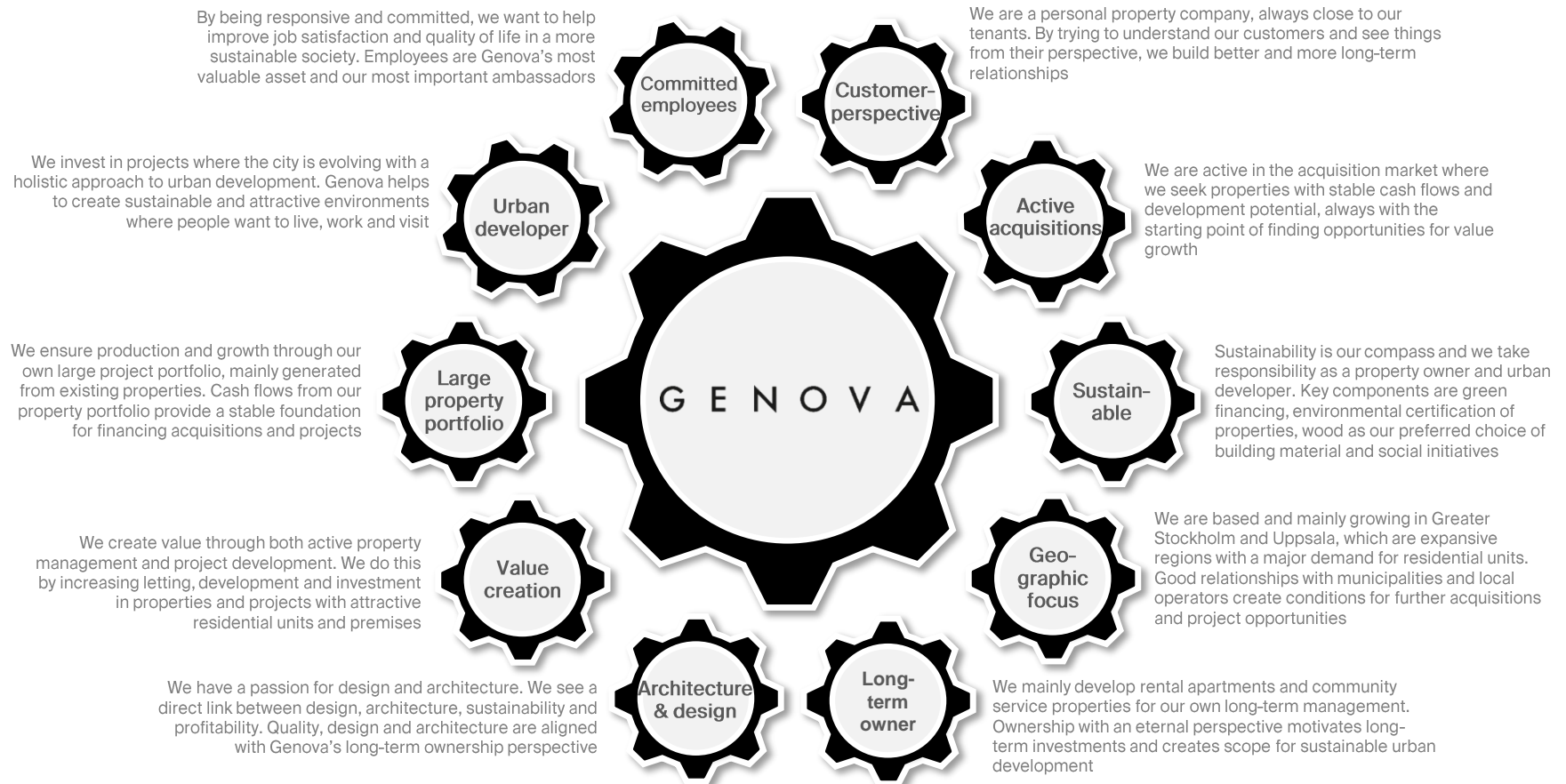


1) Refers to investment properties, ongoing construction, planned projects and ongoing co-operative apartment projects. 2) According to earnings capacity as of 31 december 2020. 3) Refers to estimated value at completion.

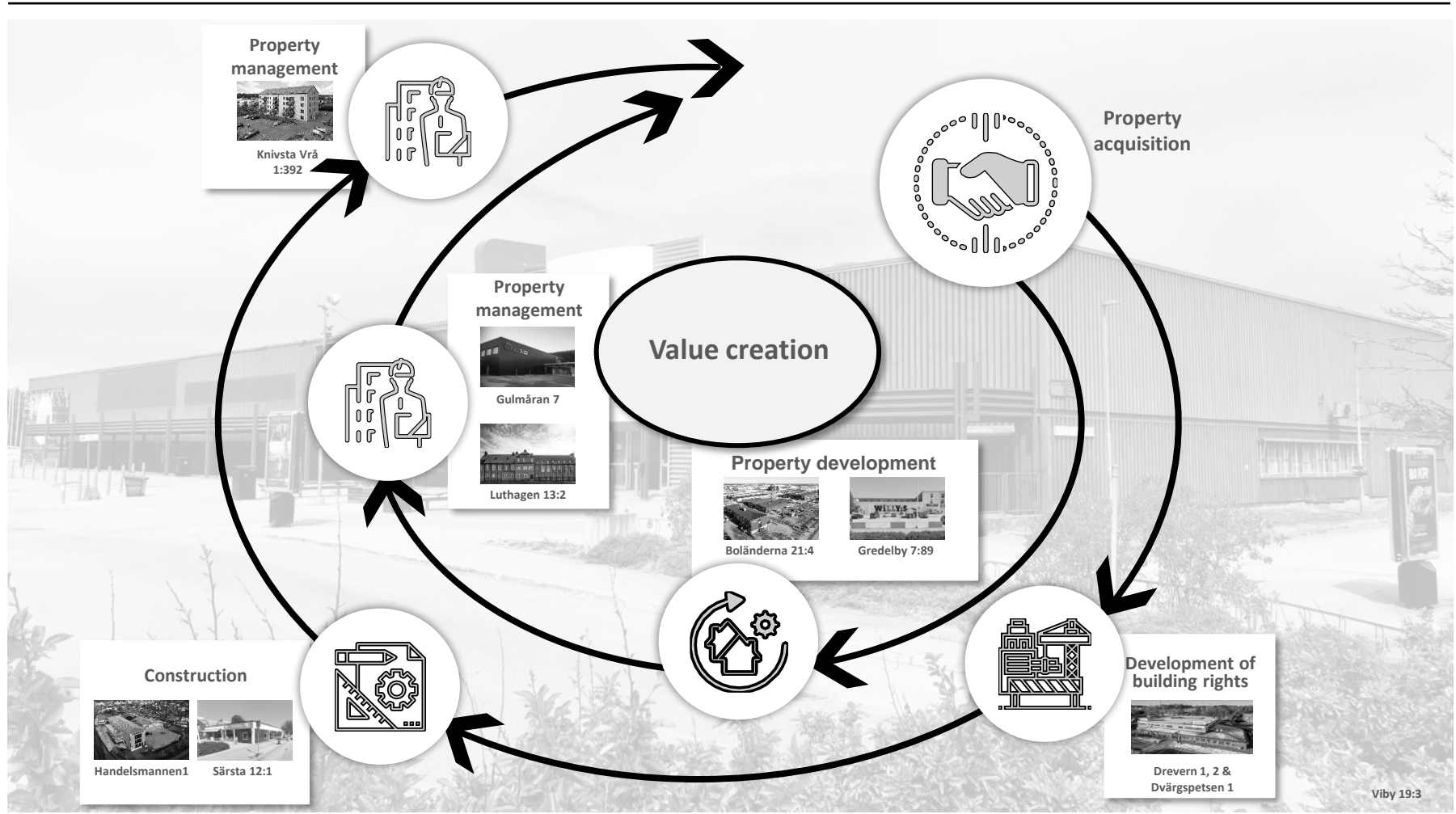


# Genova – the personal property company

## Genova's cornerstones



# Genova's business model



---

# OPERATIONAL AND FINANCIAL UPDATE

2

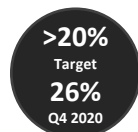


# Financial and operational targets

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

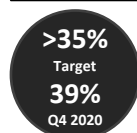
### Income from property management



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

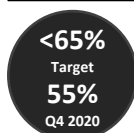
The goal is to create growth in net asset value and income from property management, while maintaining a continued stable and strong financial position with balanced financial risk-taking, meaning that:

### Equity/assets ratio



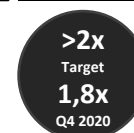
Over time, the equity/assets ratio shall be at least 35%

### Loan-to-value ratio



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

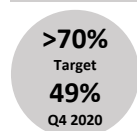
### Interest coverage ratio



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 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

## 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 Q4 – 2020

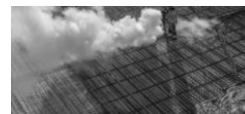
### Comments

- In October, Genova agreed to acquire a project property for warehouse and logistics strategically located in Uppsala. When completed, the property will contain approximately 21,500 sqm of lettable area and entail a total investment of SEK 275m. The property value when the project is completed is an estimated SEK 360m, with a total rental value of approximately SEK 23.5m. The property value when the project is completed is an estimated SEK 360m
- 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. The total lettable area is approximately 8,700 sqm and also include land of approximately 50,000 sqm with the potential for future development of residential units and community service properties. The annual rental value for the properties is approximately SEK 14m. Accession took place on 1 December 2020
- In November, Genova entered into a barter transaction whereby Genova would divest the Sjöborren 5 & 6 properties in Sollentuna at an underlying property value of SEK 111m, while also acquiring one newly renovated preschool in Kungsängen and one newly renovated school in Örnberg for a total underlying property value of SEK 129m. The accession/exit date was 15 February 2021
- In December, Genova agreed to divest three commercial properties in Gävle and Sundsvall at an underlying property value of SEK 128m. The selling price exceeds the book value by approximately 10%. The exit date was 15 December 2020
- After the end of the quarter, Genova extended the rental agreement with Glutens Montessori School for the Flogsta 47:1 property with approximately 6,000 sqm and an annual rental value of approximately SEK 11m until 31 August 2041. In addition, the rental agreement with Leo's Lekland for the Mackmyra 20:18 property of approximately 3,600 sqm and an annual rental value of SEK 4.5m was extended for three years until 2029

### Accessess and acquisitions during Q4

#### Uppsala

(Danmarks-Kumla 8:31)



- Underlying property value of SEK 360m upon completion
- Annual rental value of SEK 23.5m

#### Knivsta

(Gredelby 7:89 & Särsta 3:398)



- Underlying property value of SEK 246m
- Annual rental value of SEK 14m

#### Stockholm

(Kungsängens-Tibble 25:1 & Örnberg 2)



- Underlying property value of SEK 129m
- Annual rental value of SEK 6.6m



# Focus 2021

## Ongoing construction

As of 31 December 2020, Genova had 540 residential units, including 35 hotel rooms, under construction. During the next six months, Genova plans to increase the production rate and is expected to have almost 900 residential units in production by the end of the first quarter of 2021.

- *Segerdal, Knivsta*

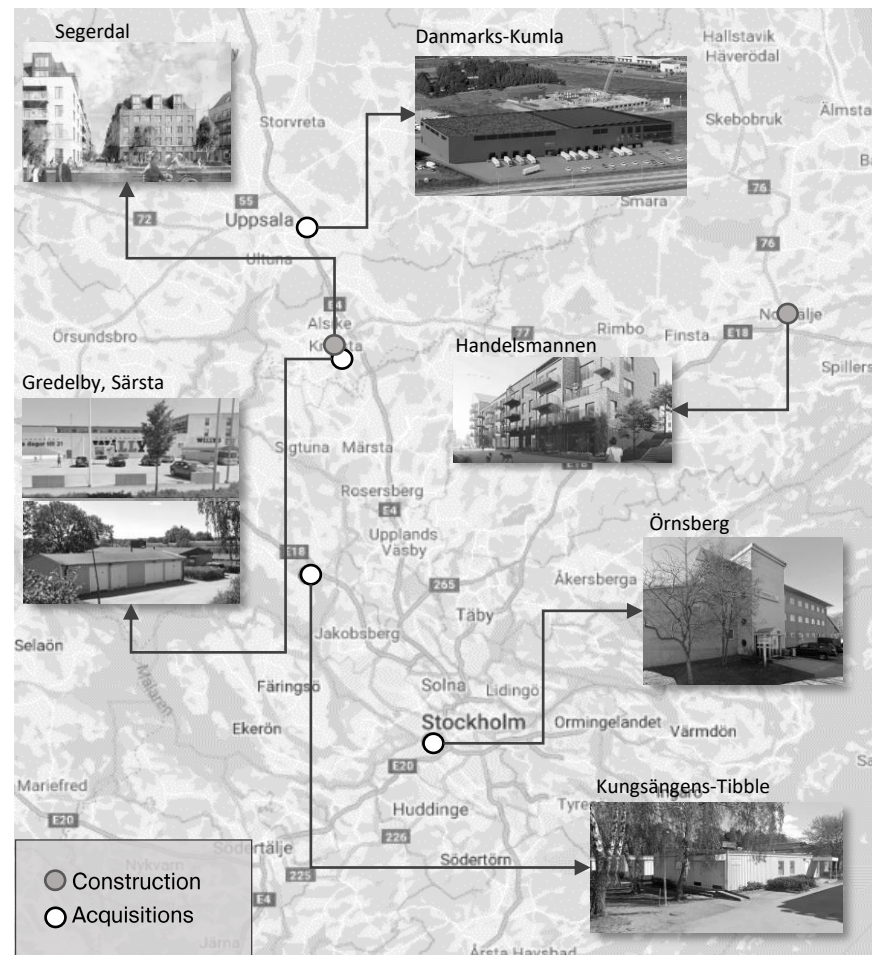
In December, Genova commenced the Segerdal project located in central Knivsta. The project comprises new construction of approx. 300 rental apartments. The buildings will be environmentally certified and the first occupancy is scheduled for year-end 2022/2023. The project is being carried out as a joint venture together with Redito

- *Handelsmannen 1, Norrtälje*

In Norrtälje, Genova has worked on, and thereby increased the utilization of the existing building right in the ongoing Handelsmannen 1 project. The ongoing project comprises two blocks containing one retirement home with 80 residential units, one preschool with 125 places and approx. 440 rental apartments. The first occupancies are scheduled for the first half of 2022

## New growth targets and focus going forward

- In January 2021, the Board of Genova set new growth targets for the operations and extended the business plan to cover the period up to the end of 2025. The operational targets were revised upwards and, as of 2022, will increase ongoing construction of own-produced residential units to 1,500 per year from the previous figure of 750 and increase the share of rental income from residential and community service properties to at least 70% of Genova's total rental income by the end of 2023, from the previous figure of 60% by the end of 2024
- Genova is in a strong financial position for further growth through both acquisitions and construction for own management. New business opportunities are being evaluated on an ongoing basis and Genova will continue to be active in the transaction market
- As part of further strengthening Genova's financial position ahead of an eventful 2021, Genova has engaged ABG Sundal Collier AB and Swedbank AB (publ) to act as joint bookrunners and arrange investor meetings starting on 24 February 2021 to study the possibility of issuing subordinated green hybrid bonds with a volume of up to SEK 600-700m under a framework of SEK 1,250m



# Financial development

## As of Q4 – 2020

Income statement					Balance sheet		
SEKm	2020 Jan-dec	2019 Jan-dec	2020 Oct-dec	2019 Oct-dec	SEKm	2020 31 dec	2019 31 dec
Rental income	231.1	180	62.8	52.6	Investment properties	4,559.6	3,661.3
Maintenance costs and operating expenses	-53.7	-50.7	-15.6	-17.1	Properties under construction	704.1	702.0
<b>Net operating income</b>	<b>177.4</b>	<b>129.9</b>	<b>47.2</b>	<b>35.5</b>	Other fixed assets	665.0	304.9
Central administration, property management	-26.1	-12.4	-4.6	-3.2	Development properties	91.4	56.5
Central administration, property development	-39.1	-22.5	-6.8	-5.8	Cash and cash equivalents	578.4	109.1
Income from associations in joint ventures	55.7	25.4	2.8	13.0	Other current assets	186.2	315.1
Net financial items	-107.1	-79.6	-27.8	-25.8	<b>Total assets</b>	<b>6,784.7</b>	<b>5,148.9</b>
<b>Income from property management</b>	<b>60.8</b>	<b>40.8</b>	<b>10.8</b>	<b>13.7</b>	Total equity	2,647.8	1,726.2
Income from production of co-ops	37.0	57.4	37.0	57.4	Loans from credit institutions	2,560.0	2,243.9
Other operating income	2.2	3.2	0.2	1.0	Bond loans	954.6	659.4
Changes in value, properties	380.0	606.5	83.3	97.1	Deferred tax liability	324.6	280.7
<b>Income before tax</b>	<b>-6.8</b>	<b>2.1</b>	<b>-8.5</b>	<b>-4.4</b>	Other liabilities	297.7	238.7
Income tax	473.2	710.0	122.8	164.8	<b>Total equity and liabilities</b>	<b>6,784.7</b>	<b>5,148.9</b>
<b>Income for the period</b>	<b>-55.2</b>	<b>-139.0</b>	<b>14.6</b>	<b>-14.2</b>			

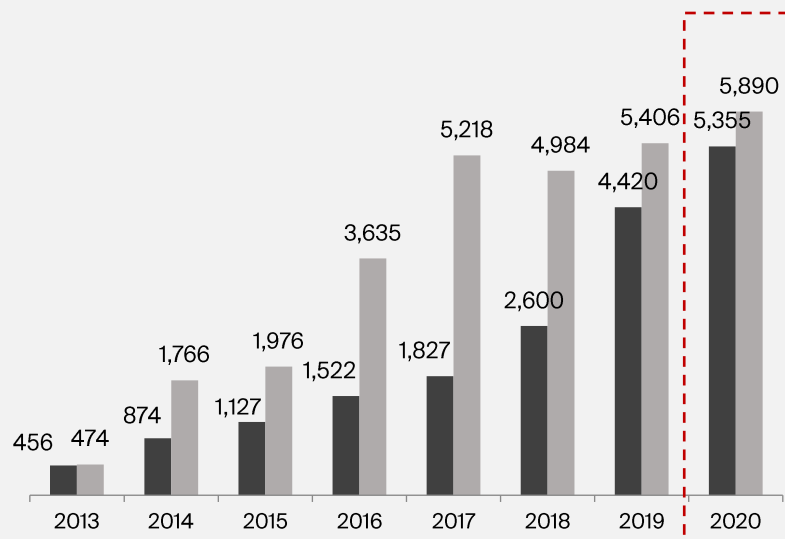
Key metrics				
	2020 Jan-dec	2019 Jan-dec	2020 Oct-dec	2019 Oct-dec
Rental income, SEKm	231.1	180.6	62.8	52.6
NOI, SEKm	177.4	129.9	47.2	35.5
Income from property management, SEKm	60.8	40.8	10.8	13.7
Income from property management per ordinaryshare, SEK	0.53	0.09	0.01	0.10
Residential units under construction, no.	540	527	540	527
Residential units completed, no.	137	133	48	133
Net investments, SEKm	1,074.7	1,146.1	368.1	132.5
Loan-to-value ratio, %	55.2	61.0	55.2	61.0
Equity/assets ratio, %	39.0	33.5	39.0	33.5
Interest coverage ratio, times	1.8	1.8	1.7	1.4
Long-term NAV, SEKm	2,883.0	1,975.3	2,883.0	1,975.3
Long-term NAV referable to shareholders, SEKm	2,364.6	1,457.0	2,364.6	1,457.0
Long-term NAV per ordinaryshare, SEK	59.75	47.43	59.75	47.43



# Financial development

## As of Q4 – 2020

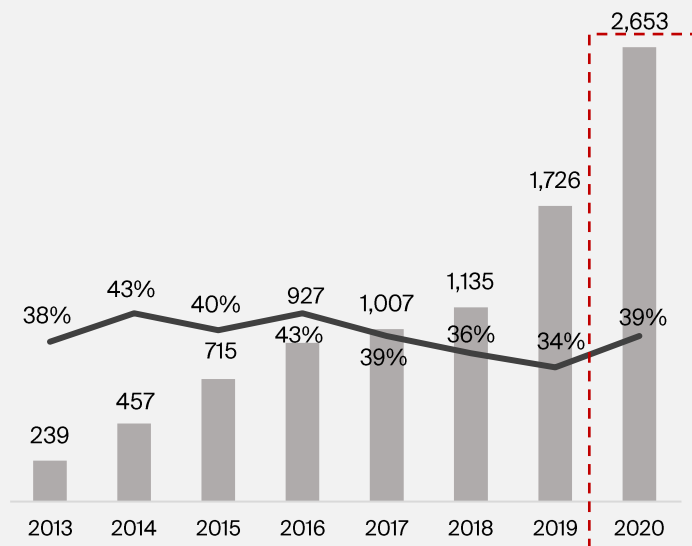
### Property value and no. of building rights



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 31 December 2020, CBRE's market evaluation of the expected unused building rights in Sweden included in Planned projects was just over SEK 2.6bn. As of 31 December 2020, the existing buildings 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 approximately SEK 1.5bn. On the basis of this valuation, the assessment is that the excess value in the Group's building rights portfolio amounted to approximately SEK 1.1bn at the end of the reporting period.



# Financial development

## As of Q4 – 2020

### Financing in brief

**Gross interest-bearing debt**  
SEK 3,534m<sup>1)</sup>

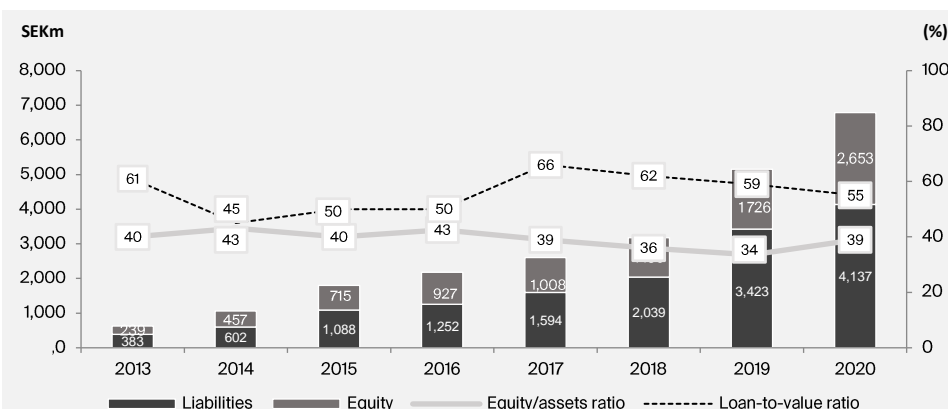
**Average interest rate<sup>2)</sup> (3m STIBOR floating)**  
2.1 %

**Average duration (loan)**  
3 years

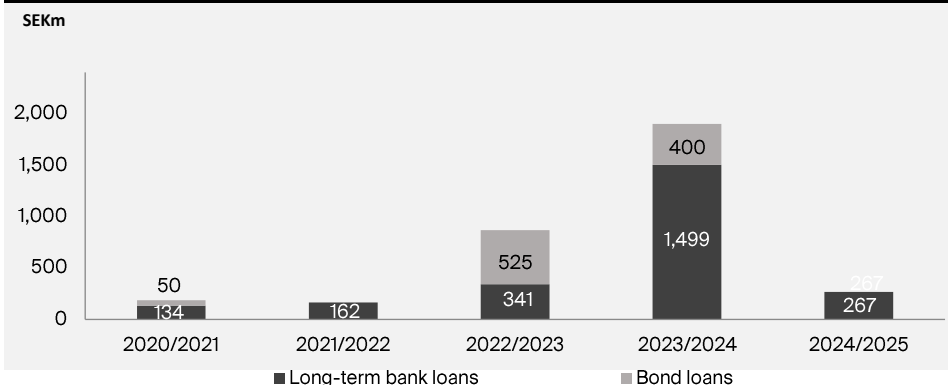
**Available liquidity**  
SEK 1,013m

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

### Capital structure



### Debt maturity schedule



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



---

---

# APPENDIX



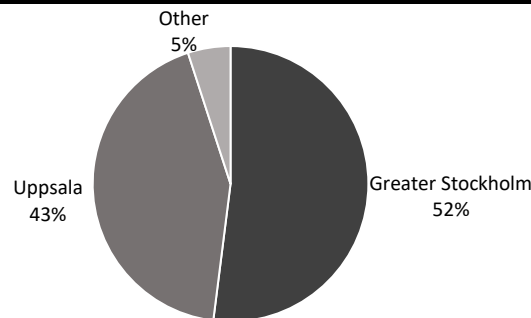
# The portfolio

## As of Q4 - 2020

### Estimated earnings capacity of investment properties as of 31 dec 2020 (SEKm)

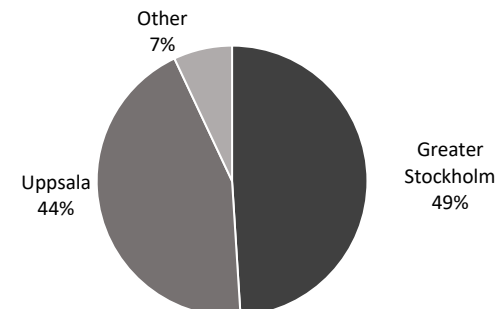
Rental value <sup>1)</sup>	269
Vacancy rate	-7
<b>Rental income</b>	<b>263</b>
Operating and maintenance costs	-55
Property tax	-6
<b>Total property costs</b>	<b>-61</b>
<b>Net operating income</b>	<b>202</b>

### Property value



Property value: SEK 4,560m

### Rental value



Rental value: SEK 269m

- At the end of the period, Genova had approximately 280 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 14,4% of rental income
- Of the total rental value, the proportion derived from publicly funded tenants amounted to nearly 49%

Investment property portfolio	Properties	Lettable area	Property value		Rental value		Occupancy rate	Contracted annual rent <sup>1)</sup>	Property costs		Net operating income		
		No. of	Sqm	SEKm	SEK/sqm	SEKm	SEK/sqm	%	SEKm	SEKm	SEK/sqm	SEKm	SEK/sqm
Per property category													
Commercial properties	33	110 409	2 355	21 331	136	1 234	96,1	131	-38	-344	93	839	
Community service properties <sup>2)</sup>	15	79 134	2 205	27 858	133	1 680	99,2	132	-23	-290	109	1 377	
Total	48	189 543	4 560	24 056	269	1 420	97,6	263	-61	-322	202	1 064	
Per geography													
Greater Stockholm	25	96 895	2 371	24 472	131	1 351	98,2	129	-30	-309	99	1 017	
Uppsala	17	76 547	1 946	25 416	118	1 547	96,9	115	-26	-2342	89	1 157	
Other	6	16 101	243	15 086	20	1 232	97,3	19	-5	-296	15	903	
Total	48	189 543	4 560	24 056	269	1 420	97,6	263	-61	-322	202	1 064	
Ongoing construction				416									
Planned projects				380									
Total as per the balance sheet			5 355										
Acquired, not yet accessed properties and near-term completed constructions <sup>3)</sup>													
	3	5 741	246		15	2 561	100	15	-0,5	81	14	2 481	
Total	51	195 284	5 601		284	1 454	97,7	277	-61	-315	216	1 106	
Properties owned through joint ventures			654										

1) Not including rental discounts of SEK 6.3m. 2) Of which two properties pertains 51 rental apartments. 3) Ongoing construction that will generate rental income within 12 months.



# Project development

## As of Q4 - 2020

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
Hotell Nobis	Palma	Commercial properties <sup>2)</sup>	Q3 2019	Q2 2021	35	2,300	-	253	110,000	7	3,250	116	92	161
Handelsmannen <sup>1)</sup>	Norrtälje	Community service properties	Q4 2019	Q4 2021	80	6,021	1,296	337	46,057	16	2,132	251	100	126
Handelsmannen <sup>1)</sup>	Norrtälje	Rental apartments	Q4 2019	Q4 2021/Q2 2022	275	13,257	-	588	44,354	29	2,150	486	96	128
Segerdal <sup>4)</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	8,328	222	392	45,844	19	2,232	331	29	0
<b>Total ongoing construction</b>					<b>540</b>	<b>29,906</b>	<b>1,518</b>	<b>1,570</b>	<b>49,961</b>	<b>71</b>	<b>2,248</b>	<b>1,184</b>	<b>317</b>	<b>416</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	SEKm
Rental apartments	3,771	210,410	-	9,504	45,167	449	2,135	7,798	83	134	
Community service properties	290	20,810	18,478	1,683	42,846	83	2,106	1,367	4	4	
Commercial properties <sup>2)</sup>	40	3,300	39,040	1,210	28,578	69	1,626	953	174	183	
Co-operative apartments	1,249	78,725	-	5,355	68,025	-	-	3,924	30	58	
<b>Total per category</b>	<b>5,350</b>	<b>313,245</b>	<b>57,518</b>	<b>17,752</b>	<b>47,880</b>	<b>601</b>	<b>2,057</b>	<b>14,043</b>	<b>292</b>	<b>380</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	SEKm
Greater Stockholm	3,030	184,700	18,148	11,180	55,114	290	2,210	8,735	39	107	
Uppsala	1,670	89,875	38,905	4,881	37,905	231	1,895	3,975	114	124	
Other	650	38,670	465	1,691	43,212	80	2 048	1,332	139	149	
<b>Total per geography</b>	<b>5,350</b>	<b>313,245</b>	<b>57,518</b>	<b>17,752</b>	<b>47,880</b>	<b>601</b>	<b>2 057</b>	<b>14,043</b>	<b>292</b>	<b>380</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) Where the number and lettable area of residential units specified in the 'Commercial properties' category refers to hotel development. 3) Handelsmannen 1 has been redesigned and will be considerably larger with approximately 440 rental apartments, which will have a major impact on the project's completion date. The table is updated in the Q1 report. 4) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake.





# Project development

## As of Q4 - 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	Hotel Nobis	H	Palma	Q3 2019	Q2 2021	35	2 300	•	•	•	•
	Handelsmannen 1 <sup>1)</sup>	CSP, R	Norrköping	Q4 2019	Q4 2021/Q2 2022	355	20 574	•	•	•	•
	Segerdal <sup>2)</sup>	R	Knivsta	Q4 2020	Q4 2023	150	8 328	•	•	•	•
Planned projects	Korsängen	R, CSP	Enköping	2021	2023	220	10 800	•	•	•	•
	Danmarks-Kumla 8:31	C	Uppsala	2021	2021		21 460	•	•	•	•
	Hotell Can Oliver	C	Palma	2021	2023	40	3 300	•	•	•	•
	Boländerna 21:4	C	Uppsala	2021	2022		6 400	•	•	•	•
	Luthagen	CoA, C	Uppsala	2021	2023	45	2 180	•	•	•	•
	Gredelby	R, C	Knivsta	2021	2023	45	2 820	•	•	•	•
	Klostergården	R	Lund	2021	2023	165	7 700	•	•		
	Viby <sup>3)</sup>	R, CoA, CSP, C	Upplands-bro	2021	2028	910	66 808	•	•	•	
	Ekeby	R, C	Uppsala	2022	2024	90	5 400	•	•		
	Storvreta	R	Uppsala	2022	2024	80	4 560	•			
	Drevn 1, 2	R, CSP, C	Stockholm	2022	2024	200	17 770	•	•		
	Dvärgspetsen 1	R	Stockholm	2022	2024	150	7 700	•	•		
	Odalmanen	R	Huddinge	2022	2024	56	2 960	•			
	Jaktvarvet	CoA, C	Nacka	2022	2024	90	4 750	•	•		
	Kryddgården	R, CoA, CSP, C	Enköping	2022	2026	1 555	40 160	•	•		
	Västra Knivsta	R	Knivsta	2022	2024	250	15 400	•			
	Sydöstra Vikdalen	R	Nacka	2022	2024	250	14 600	•	•		
	Gulmårn 7, 8 <sup>2)</sup>	R, CSP	Borås	2022	2024	315	20 050	•	•		
	Nacka Strand <sup>2)</sup>	R, CoA, CSP, C	Nacka	2022/2025	2025/2027	191	11 970	•	•		
	Brynjan 5	R, C	Huddinge	2023	2025	145	9 225	•			
	Gäddviken	CoA	Nacka	2023	2025	100	6 840	•	•		
	Örnsberg	CoA	Stockholm	2023	2025	120	7 500	•	•		
	Runö 7:84	R, CoA	Österåker	2023	2025	258	14 250	•			
	Särsta	R, CSP	Knivsta	2023	2025	110	9 600	•			
	Runö 7:146	CSP	Österåker	2023	2025		5 850	•			
	Skvaltän <sup>2)</sup>	CoA	Nacka	2024	2026	175	9 625	•			
	Rivan	R	Lund	2025	2027	50	3 465	•			
	Västerbro	R	Lund	2025	2027	80	4 620	•			
	Kungsängen	R	Uppsala	2025	2027	175	10 000	•			
	Gåshaga <sup>2)</sup>	R, CoA	Lidingö	2025	2027	385	23 000	•			
Total						5 890	402 187				

### Definitions

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

1) Handelsmannen 1 has been redesigned and will be considerably larger with approximately 440 rental apartments, which will have a major impact on the project's completion date. Updated in the Q1 report. 2) Owned at 50% and refers to Genova's shares in the project. 3) Owned at 70 % and refers to Genova's shares in the project.

