

GENOVA

Company Presentation
Q2 2024



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

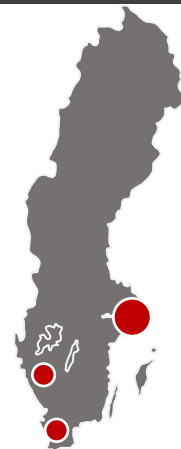
Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio

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. Genova has also widened its geographic focus through the acquisition of *Järngrinden* who operates in strong growth markets in Western Sweden

Overview

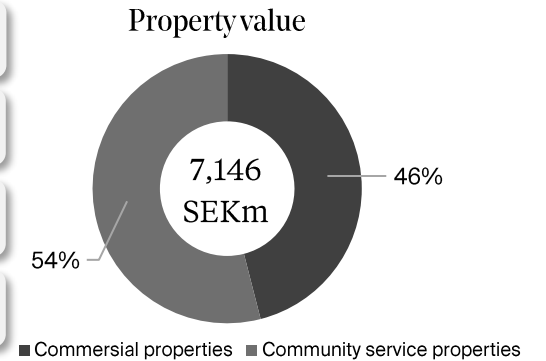
SEK 9,460m ¹⁾ Property value	339 ksqm Lettable area	SEK 375m ²⁾ Net operating income
SEK 3,262.8m Long term NAV, ordinary shares Corresponding to SEK 71.53 per share	9,344 No. of building rights	535 No. of residentials under construction

Geographic focus



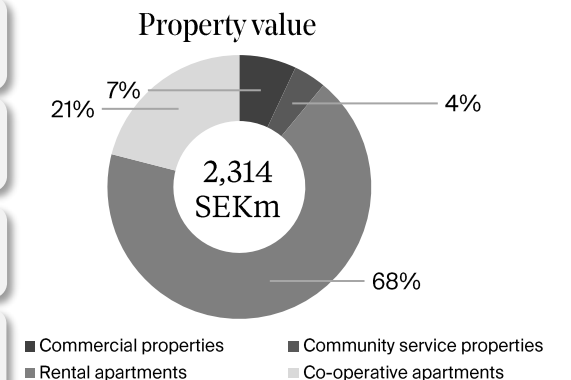
Investment properties

SEK 7,146m Property value
SEK 534m ²⁾ Rental value
339 ksqm Lettable area
80 No. of properties



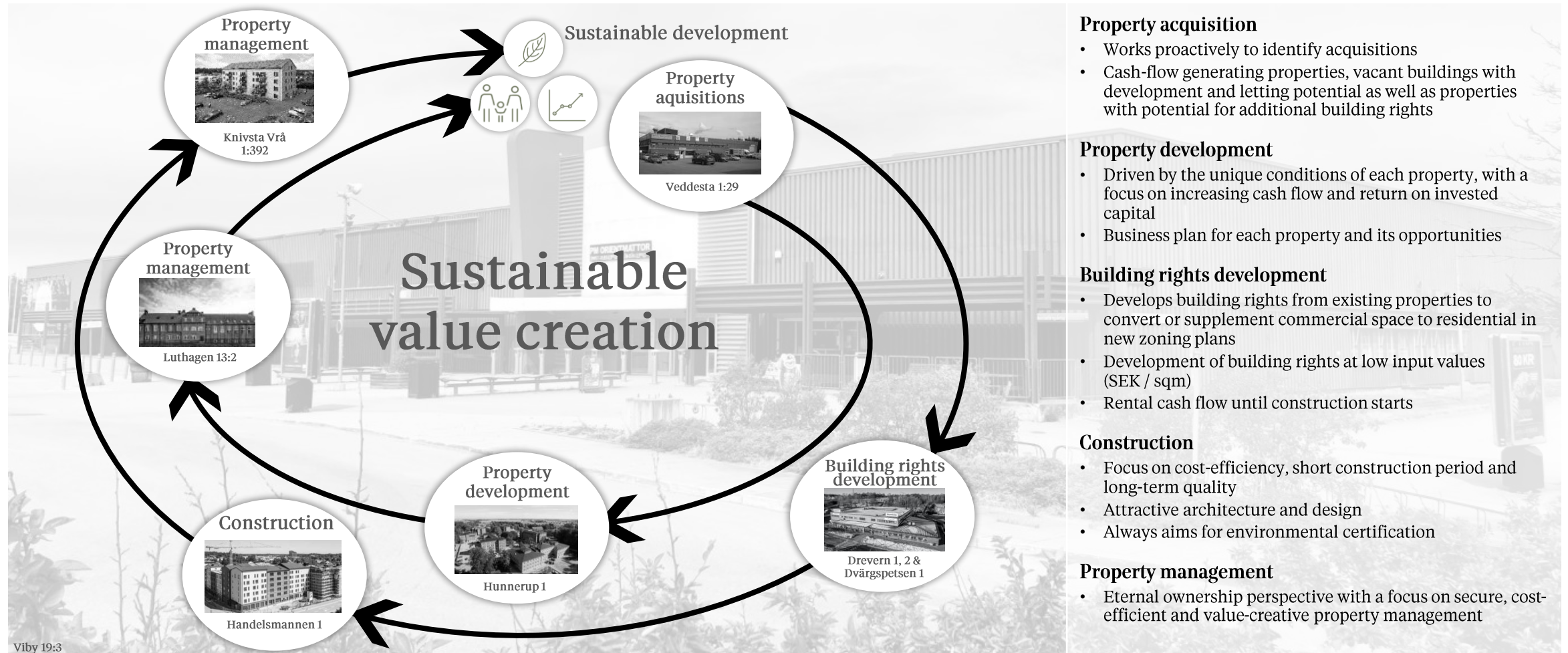
Project properties

SEK 29,276m ³⁾ Property value
70% ⁴⁾ Own management
30% ⁴⁾ Co-operative apartments
594 ksqm Lettable area



1) Of which ongoing construction and planned projects of SEK 2,314m. 2) According to current earnings capacity. 3) Refers to estimated value at completion. 4) Based on estimated value at completion.

Genova's business model



Operational update

Financing

- In April, additional green senior unsecured bonds of SEK 150m were issued. The issue was initiated by institutional investors. At the same time, additional hybrid bonds of approximately SEK 60m were repurchased.
- After the end of the period, interest rate swaps of SEK 700m were entered into, with an average rate of approximately 2.40% and a term of about six years.
- After the end of the period, a new green finance framework was established with a “second opinion” from Sustainalytics.

Project development

- During the quarter 77 rental apartments in Norrtälje were completed and the tenants have moved in.
- Our ongoing residential projects will add nearly 320 rental apartments for own long-term management during the year– all environmentally certified under the Nordic Swan Ecolabel scheme.
- We are continuing to priorities work on zoning plans in our building rights portfolio, which will create considerable value for Genova, and that we intend to realize through either our own project development or by divesting building rights as we move forward.

Divestments

- In June, two properties in Norrtälje were partially divested to a newly formed joint venture, in which Genova is a half-owner together with Nrep. The sale was carried out at an underlying property value of approximately SEK 1.3 billion, corresponding to the book values.
- After the end of the period, three properties in Uppsala and Upplands-Bro were divested. The sale was carried out at an underlying property value of SEK 121m, which exceeded the book value.



Focus 2024

Ongoing constructions

As of Q2, Genova had 535 residential units under construction where several stages will be completed during the 2024. The projects are expected to contribute to an increased earnings capacity of SEK 80m when completed¹

Handelsmannen, Norrtälje

- 169 rental apartments with completion in stages during 2024

Segerdal, Knivsta

- 150 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

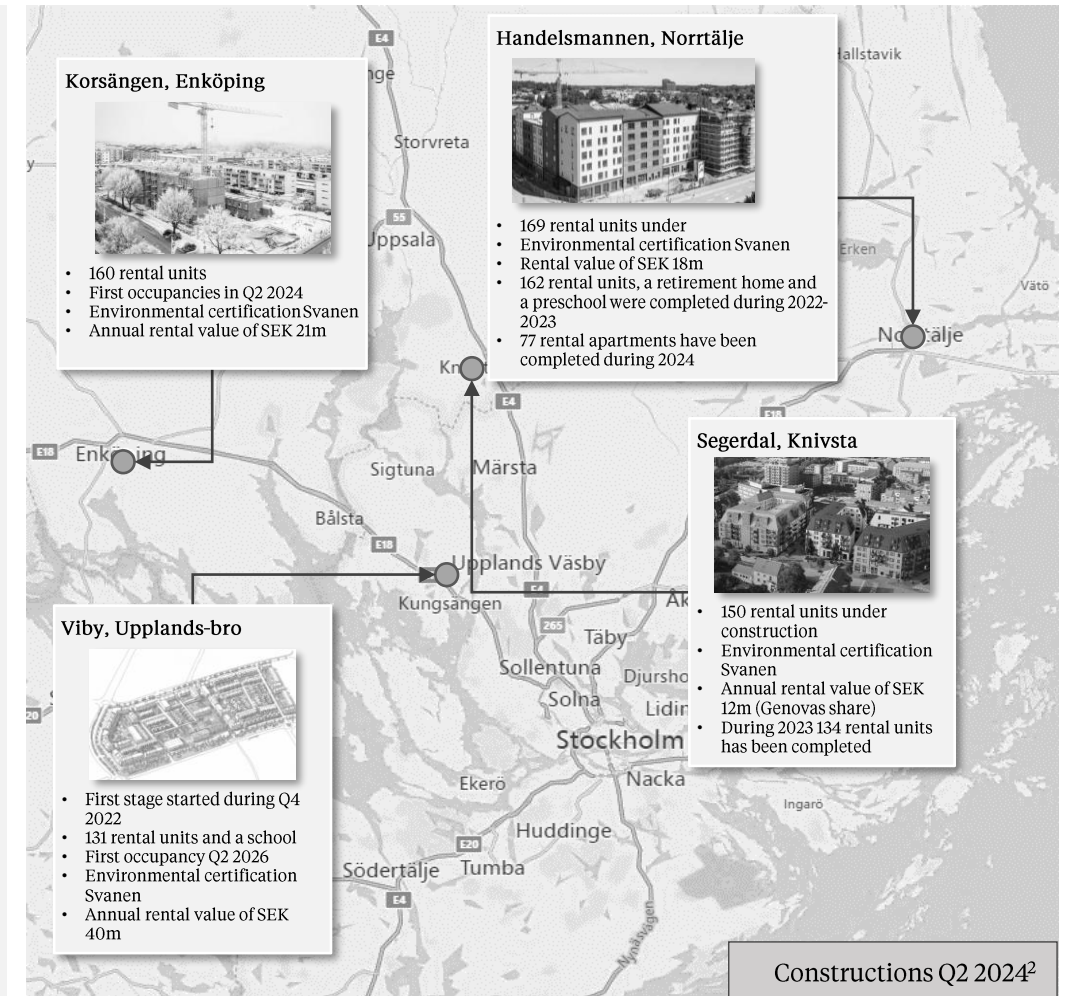
- 131 rental units and a school in the first stage. Construction started during Q4 2022

Apotea, Varberg

- Aotea's new central warehouse in Varberg

Focus going forward

- Our ongoing projects with rental apartments in Norrtälje, Knivsta, Enköping and Upplands-Bro, as well as the construction of Apotea's new central warehouse, are progressing as planned. During the first half-year, 77 rental apartments in Norrtälje were completed, and in the second half-year, nearly 320 rental apartments for own long-term management will be completed – all environmentally certified under the Nordic Swan Ecolabel scheme. Annual rent for the planned accessions in the second half-year is approximately SEK 39m.
- We are continuing to prioritise work on zoning plans in our building rights portfolio, which will create considerable value for Genova, and that we intend to realise through either our own project development or by divesting building rights as we move forward.
- Expectations of a policy rate cut in 2024 have improved, creating conditions for reduced pressure on property values and lower interest expense. Our focus on improving Genova's capital structure and liquidity will continue to create the best possible conditions for the business moving forward. Genova is stable, and the trend shows that the company's business concept of sustainable value creation and a long-term approach is working.



¹) Refers to fully owned properties. ²) Ongoing construction under Genova's management. Excludes 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
33.5%
Average annual growth 2019- Q2 2024

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
122.9%
Average annual growth 2019- Q2 2024

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
37.6%
Q2 2024

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

Loan-to-value ratio

<65%
Target
61.3%
Q2 2024

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

Loan-to-value ratio

51.5%
Q2 2024

Interest coverage ratio

>2.0x
Target
1.8x
Q2 2024

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

Operational targets

Rental income

>55%
Target
52%
Q2 2024

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
535
Q2 2024

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

Property value

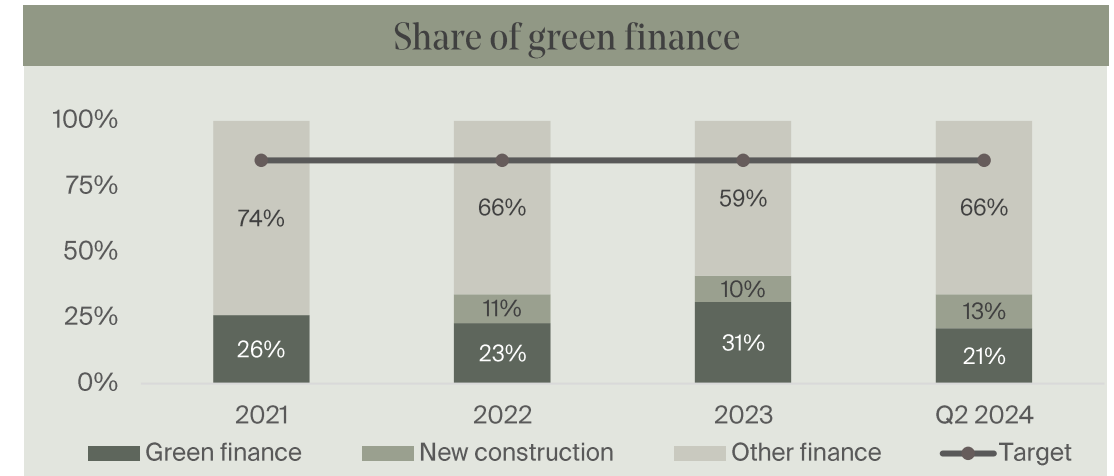
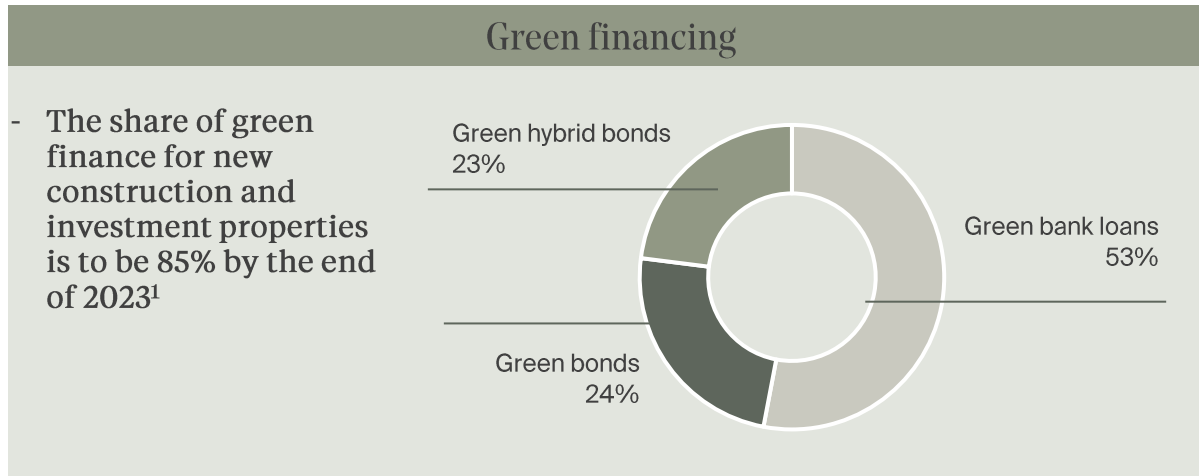
20bn
Target
9.5bn
Q2 2024

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

Green financing



Environmental Certification

Certification ²	Investment properties				Total	Construction
	Certified	Ongoing	Continuing/planned	Ongoing planning		Ongoing
Nordic Swan	2				2	3
Green Building	2				2	
Miljöbyggnad iDrift						
Silver	24	3			27	
Broze	1				1	
Not certified				26	26	
Total	29	3	0	26	58	3

Energy Consumption

GHG emissions (CO ₂ e)	2023	2022	2021
Scope 1	81.9	4.0	0.0
Scope 2 location-based	1,499.7	976.0	1,069.5
Scope 3	906.7	259.0	347.6
of which purchased goods and services	94.0	30.0	160.9
of which energy-related emissions not included in Scope 1 or Scope 2	197.9	118.0	-
of which business travel	67.5	30.0	46.2
downstream leased assets	547.3	81.0	140.6
Total	2,488.2	1,239.0	1,417.2
Biogenic CO ₂ emissions	39.8	0.3	9.0

1) In 2024, the Board will evaluate and make decisions about new targets. 2) An evaluation of environmental certification of Järngrinden's investment properties commenced in 2023.



Financial development

Income statement

SEKm	Jan-jun 2024	Jan-jun 2023	Jul 2023- jun 2024	Jan-dec 2023
Rental income	262,1	254,5	510,6	503,0
Maintenance costs and operating expenses	-71,0	-68,0	-138,4	-135,4
Net operating income	191,1	186,4	372,2	367,6
Central administration, property management	-11,1	-11,5	-21,4	-21,8
Central administration, property development	-18,1	-18,7	-34,9	-35,5
Income from associations in joint ventures	4,7	-18,6	6,9	-16,4
- of which value changes, properties	-0,8	-16,8	-11,3	-27,3
Net financial items	-110,0	-113,5	-229,9	-233,3
Income from property management	56,6	24,1	93,1	60,6
Income from new residential construction	0,0	43,0	-3,0	40,0
Other costs	-4,0	-2,2	-13,0	-11,2
Value changes, properties	3,8	-302,9	-223,6	-530,3
Value changes, derivatives	18,5	36,3	-67,8	-50,0
Currency effects, properties	2,0	19,5	-5,2	12,3
Income before tax	77,0	-182,2	-219,5	-478,7
Income tax	-17,4	33,8	11,5	62,7
Income for the period	59,6	-148,3	-208,0	-416,0

Key metrics

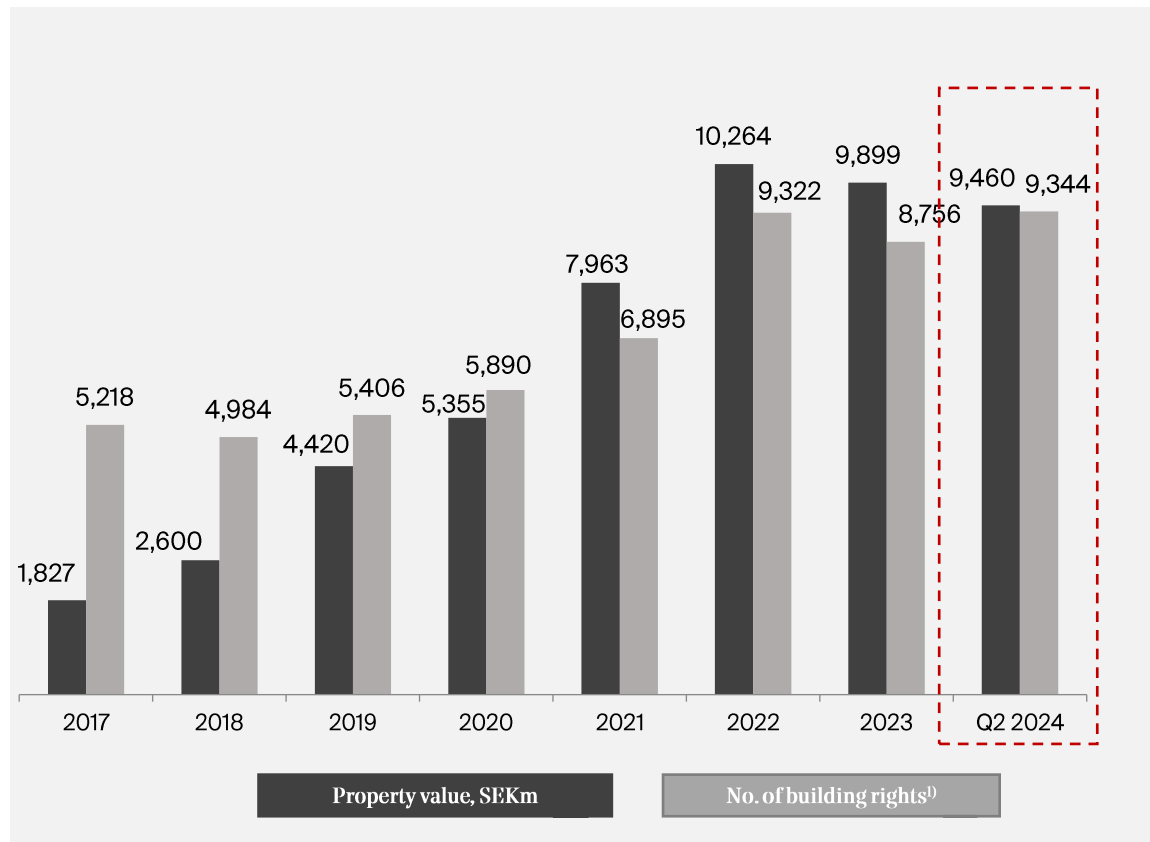
	Jan-jun 2024	Jan-jun 2023	Jul 2023- jun 2024	Jan-dec 2023
Rental income, SEKm	262,1	254,5	510,6	503,0
NOI, SEKm	191,1	186,4	372,2	367,6
Income from property management, SEKm	56,6	24,1	93,1	60,6
Income from property management per ordinary share, SEK	0,41	-0,33	-0,20	-0,49
Residential units under construction, no.	535,0	825,0	535,0	625,0
Residential units completed, no.	90,0	181,0	198,0	289,0
Net investments, SEKm	214,5	142,2	190,6	118,3
Loan-to-value ratio, %	51,5	49,6	51,5	51,8
Loan-to-value ratio, properties %	61,3	58,8	61,3	60,5
Equity/assets ratio, %	37,6	38,2	37,6	37,3
Interest coverage ratio, times	1,8	1,7	1,7	1,6
Long-term NAV, SEKm	4,710,1	5,109,6	4,710,1	4,821,9
Long-term NAV referable to shareholders, SEKm	3,262,8	3,521,8	3,262,8	3,225,5
Long-term NAV per ordinary share, SEK	71,53	77,21	71,53	70,71

Balance sheet

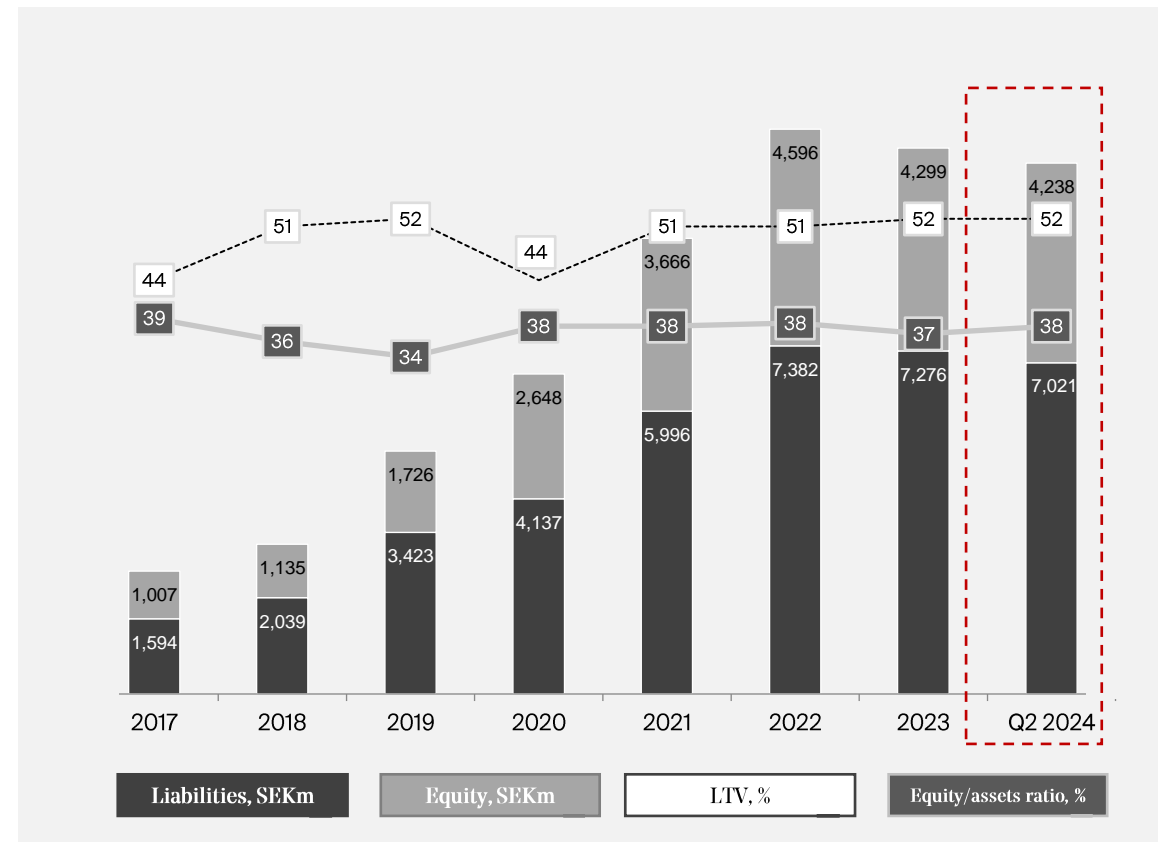
SEKm	2024 30 jun	2023 31 jun
Investment properties	7,145,8	7,999,9
Properties under construction	868,1	860,9
Development properties	1,446,2	1,219,3
Other fixed assets	1,278,4	1,194,0
Ongoing residential projects	0,0	112,3
Cash and cash equivalents	283,6	374,0
Other current assets	237,1	317,4
Total assets	11,259,2	12,077,7
Total equity	4,238,2	4,613,0
Loans from credit institutions	6,083,4	6,365,1
Bond loans	29,5	0,0
Deferred tax liability	521,4	579,9
Other liabilities	386,7	519,7
Total equity and liabilities	11,259,2	12,077,7

Financial development

Property value and no. of building rights



Capital structure



¹⁾ At 30 June 2024, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 3.6 billion. 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 2.3 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.3 billion at the end of the reporting period.



Financial development

Financing in brief

Interest-bearing debt
SEK 6,048m¹⁾

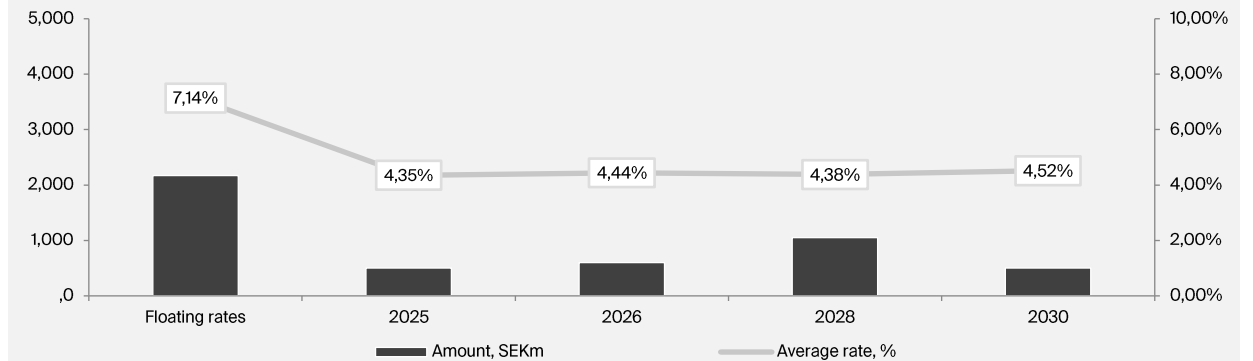
Average interest rate²⁾
5.6 %

Average duration (loans)
1.9 years

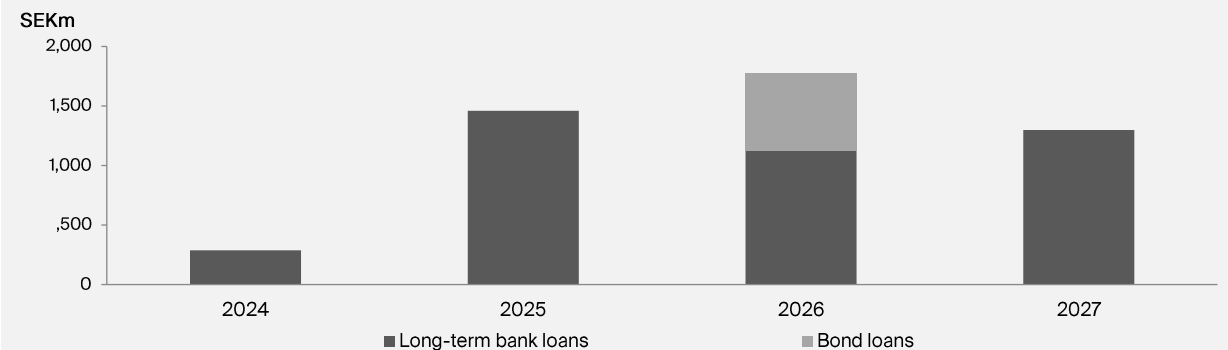
Available liquidity, including undrawn construction credits
SEK 791m

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

Interest rate term



Credit term structure



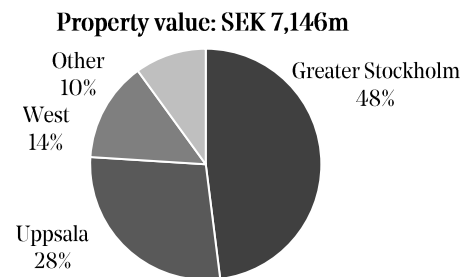
1) Includes bond loan of SEK 650m (3m STIBOR +5.95%). 2) Average interest rate is calculated using daily interest rates as of 30 June and do not take an average for the entire period into account. Constructions credits are excluded in the average interest rate.



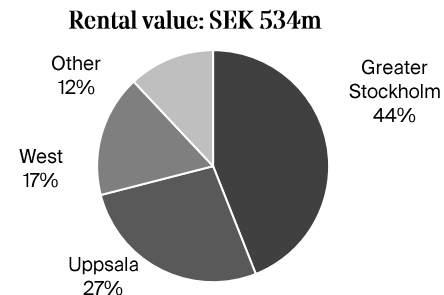
Investment properties

Investment property portfolio	Properties No. of	Lettable area KSqm	Property value		Rental value		Occupancy rate %	Contracted annual rent ¹⁾ SEKm	Property costs		Net operating income	
			SEKm	SEK/sqm	SEKm	SEK/sqm			SEKm	SEK/sqm	SEKm	SEK/sqm
Per property category²⁾												
Commercial properties	49	182,1	3,314	18,204	263	1,445	91,0	239	-60	-331	179	983
Community service properties ³⁾	31	157,0	3,832	24,412	271	1,727	94,3	256	-60	-383	196	1,246
Total	80	339,0	7,146	21,078	534	1,576	92,7	495	-120	-355	375	1,105
Per geography												
Greater Stockholm	33	141,8	3,415	24,084	239	1,688	93,7	224	-54	-380	171	1,203
Uppsala	16	76,7	1,999	26,071	142	1,853	94,6	135	-33	-431	101	1,322
West	24	83,9	1,011	12,055	91	1,081	90,1	82	-19	-223	63	751
Other	7	36,7	721	19,653	62	1,691	87,8	54	-15	-407	40	1,079
Total	80	339,0	7,146	21,078	534	1,576	92,7	495	-120	-355	375	1,105
Ongoing construction			868									
Planned projects			1,446									
Total as per the balance sheet			9,460									
Near-term completed constructions ⁴⁾	2	17,2	97		39	2,267	100	39	-6	-375	33	1,892
Total	82	356,2	9,557		573	1,609	93,2	534	-127	-356	407	1,143
Properties owned through joint ventures			1,356									

Property value



Rental value



Estimated earnings capacity as of 30 June 2024

(SEKm)	Investment properties	Ongoing construction	Total
Rental value	534	80	614
Vacancy rate	-39	-	-39
Rental income	495	80	575
Property costs	-120	-11	-131
Net operating income	375	69	444

1) Based on the primary use of the property. 2) Not including decreasing rental discounts with a current annual value of SEK 5m. 3) Of which 155 rental apartments are allocated between eight properties. 4) Refers the Korsängen project Handelsmannen project, which will be completed within 12 months. The property value upon completion will amount to SEK 783m but as of 30 June SEK 686m 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 ¹		Rental value		Investment, SEKm		Book value
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqn	Estimated	Accumulated	SEKm
Handelsmannen 1 ²	Norrköping	Rental apartments	Q4 2019	Q3 / Q4 2024	169	8,914	-	384	43,066	18	2,056	376	367	391
Segerdal ³	Knivsta	Rental apartments	Q4 2020	Q1 2025/Q4 2025	75	4,744	208	234	47,254	12	2,513	231	136	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q3 2024	160	8,031	244	399	48,218	21	2,494	391	295	294
Viby, Etapp 1 ⁴	Upplands-bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	483	46,375	25	2,444	374	45	101
Viby, Etapp 1 ⁴	Upplands-bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	301	53,000	15	2,700	230	21	48
Apotea ⁵	Varberg	Commercial	Q1 2024	Q1 2025	-	-	11,767	141	11,980	7	628	123	34	34
Total					535	30,417	19,582	1,942	38,834	100	1,991	1,725	897	868

Planned projects

Per category	No. of units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Rental apartments	6,403	350,004	-	16,584	47,382	826	2,359	14,116	757	802
Community service properties	185	14,415	15,751	1,318	43,704	71	2,345	1,155	56	56
Commercial properties	-	-	14,944	507	33,959	30	2,154	481	101	101
Co-operative apartments	2,221	148,928	-	8,925	59,926	-	-	7,270	450	487
Total per category	8,809	513,347	30,695	27,334	50,242	926	2,345	23,022	1,364	1,446

Per category	No. of units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Greater Stockholm	3,899	231,852	17,292	13,728	55,100	397	2,549	11,391	664	741
Uppsala	1,809	87,200	11,435	4,560	46,233	207	2,357	3,885	206	206
West	2,536	168,730	1,968	7,915	46,368	270	2,095	6,754	403	403
Other	565	25,565	-	1,131	44,252	53	2,317	991	91	96
Total per geography	8,809	513,347	30,695	27,334	50,242	926	2,345	23,022	1,364	1,446

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) Project Handelsmannen 1 will receive investment support of SEK 130m that will reduce the accrued investment. 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. The project's book value is included in the balance sheet under shares in joint ventures and associated companies. 4) The Viby project is 70/30 owned by Genova and K2A. 5) Refers to construction of Apotea's new central warehouse in Varberg. The table only shows the information that corresponds to Järngrinden's 39% financial stake.

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.