



# GENOVA

*Q4 2021*

## **Company Presentation**

Genova Property Group AB (publ)

Stockholm

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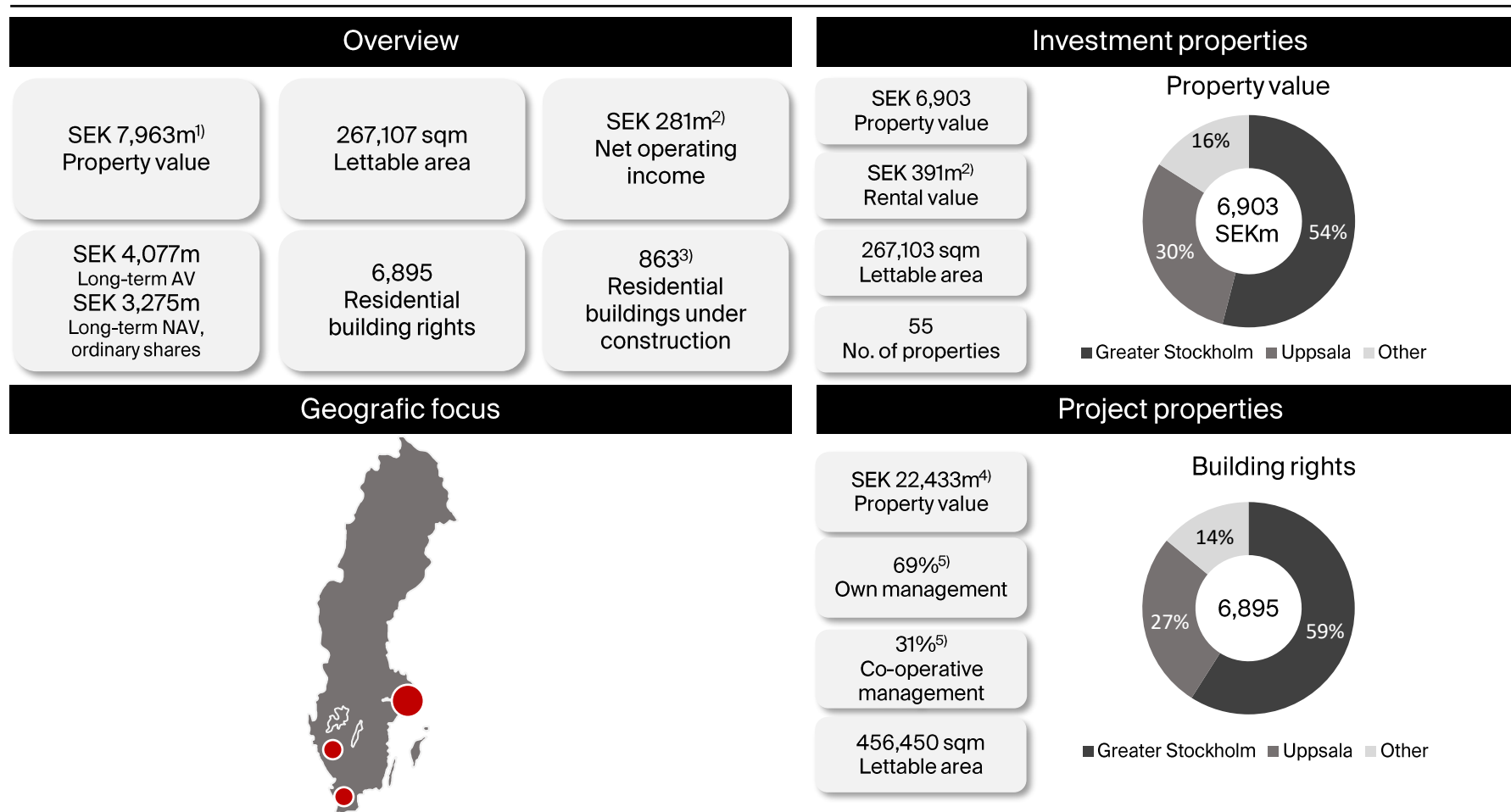
# INTRODUCTION

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# Genova in short

## As of Q4 – 2021

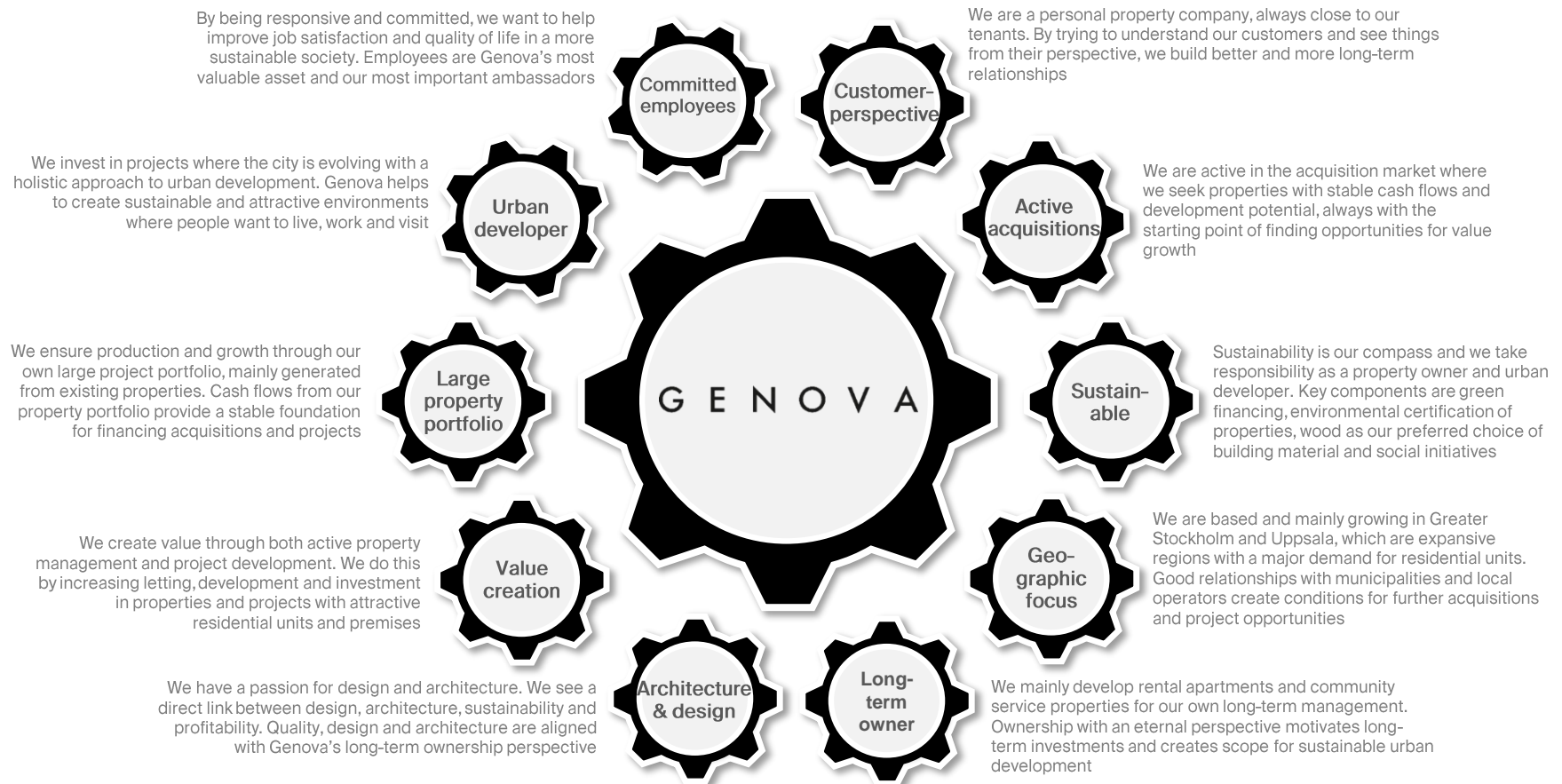


1) Refers to investment properties and ongoing construction. 2) According to earnings capacity as of 31 December 2021. 3) Including 40 hotel rooms. 4) Refers to estimated value at completion. 5) Based on estimated value at completion.

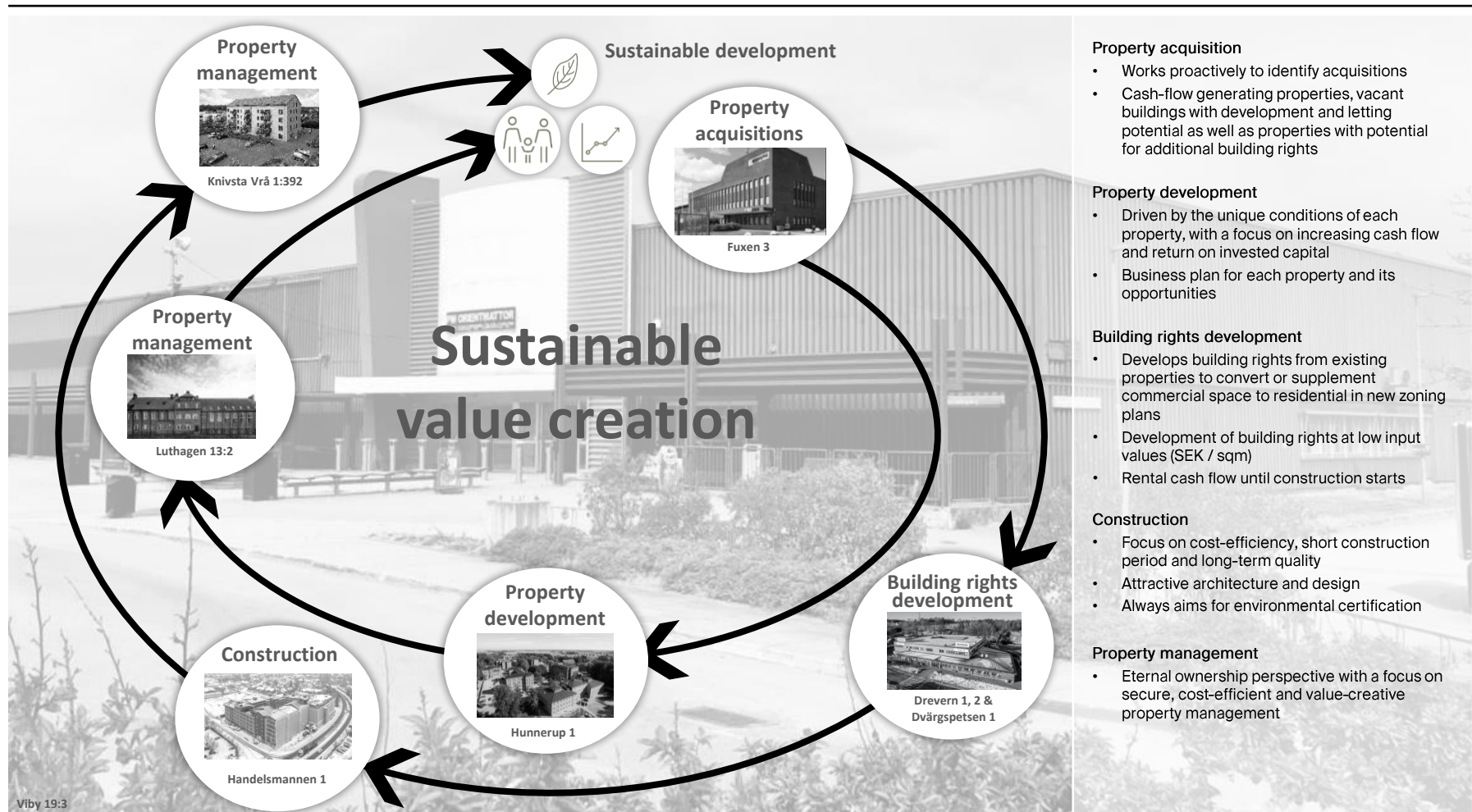


# Genova – the personal property company

## Genova's cornerstones



# Genova's business model



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# OPERATIONAL AND FINANCIAL UPDATE

2

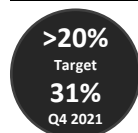


# Financial and operational targets

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<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

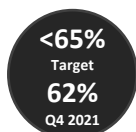
The goal is to create growth in net asset value and income from property management, while maintaining a continued stable and strong financial position with balanced financial risk-taking, meaning that:

### 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%

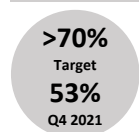
### Interest coverage ratio



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

## 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.





# Operational update

## As of Q4 – 2021

### Comments

- In October, Genova issued subsequent senior unsecured green bonds in the amount of SEK 100m due 9 September 2024 under the existing framework of SEK 750m which has now been fully utilised
- In October, Genova announced that almost 7,000 sqm had been let in the Söderhällby 1:9 property in Uppsala with an annual rental value of approximately SEK 8.3m. The property was acquired in May 2021 as a project property totalling approximately 14,000 sqm of lettable area for warehouse and logistics. Since the acquisition, Genova has successfully completed a number of strategic lettings
- In October, Genova announced that the company is taking a comprehensive approach to the planned development of a new district in Skarpnäck. Genova already owns two properties in Skarpnäck and has now signed a strategically important land-use agreement with the City of Stockholm to expand the building right
- At the end of October, the acquired shares in Järngrinden were accessed. Genova has an option and the ambition to also acquire the remaining shares. Järngrinden has a cash flow generating property portfolio of approximately SEK 500m and a project portfolio comprising nearly 100,000 sqm of residential space, allocated between approximately 2,000 residential building rights. With this acquisition, Genova is making a strategic establishment in western Sweden that complements our core markets of Greater Stockholm and the Uppsala Region
- In November, Genova signed an option agreement with Uppsala Municipality related to land allocation for future development after winning a tender competition together with Coop Butiker och Stormarknader. The agreement pertains to the development of housing, a grocery store and city premises in a new district square south of Gunsta. The land will be allocated when the zoning plan becomes final, which is expected to take place in 2022
- In December, Genova entered into a joint venture with Green Group to take a unified approach to the entrance to Åkersberga Centrum. The joint venture owns properties with an underlying property value of SEK 58.5m and a total lot size of more than 14,000 sqm in a future conversion area that the municipality has designated as a potential main thoroughfare in a densely built-up area
- On 1 December, the Executive Management Team was strengthened with Anna-Karin Malmqvist as Head of Housing Management

### Acquisitions, land allocations and access during Q4

#### Södra Gunsta

(part of the properties Funbo-Bärby 10:87 och Årnevi 1:28)



- Expected building right of approximately 7,200 sqm GFA
- Approximately 65 residential units

#### Österåker

(Runö 7:374 & 7:86)



- Underlying property value of SEK 36m
- Expected annual rental value of SEK 1.4m

#### Borås et al.

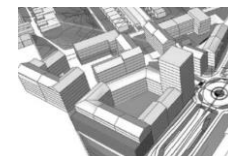
(50% of shares in Järngrinden)



- 50% of shares in Järngrinden for SEK 562.5m
- Two call options to acquire an additional 50% of shares within five and seven years

#### Skarpnäck

(Drevren 1, 2 & Dvärgspetsen 1)



- Expected building right of approximately 42,000 sqm GFA
- Approximately 500 residential units



# Focus 2022

## Ongoing construction

As of 31 Dec 2021, Genova had 863 residential units under construction, of which 40 hotel rooms, with a book value of SEK 864m

### Segerdal, Knivsta

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

### Händelsmannen 1, Norrtälje

In Norrtälje, Genova has increased the utilisation of the existing building right in the ongoing project. 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 the second half of 2022

### Korsängen, Enköping

In the first quarter of 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

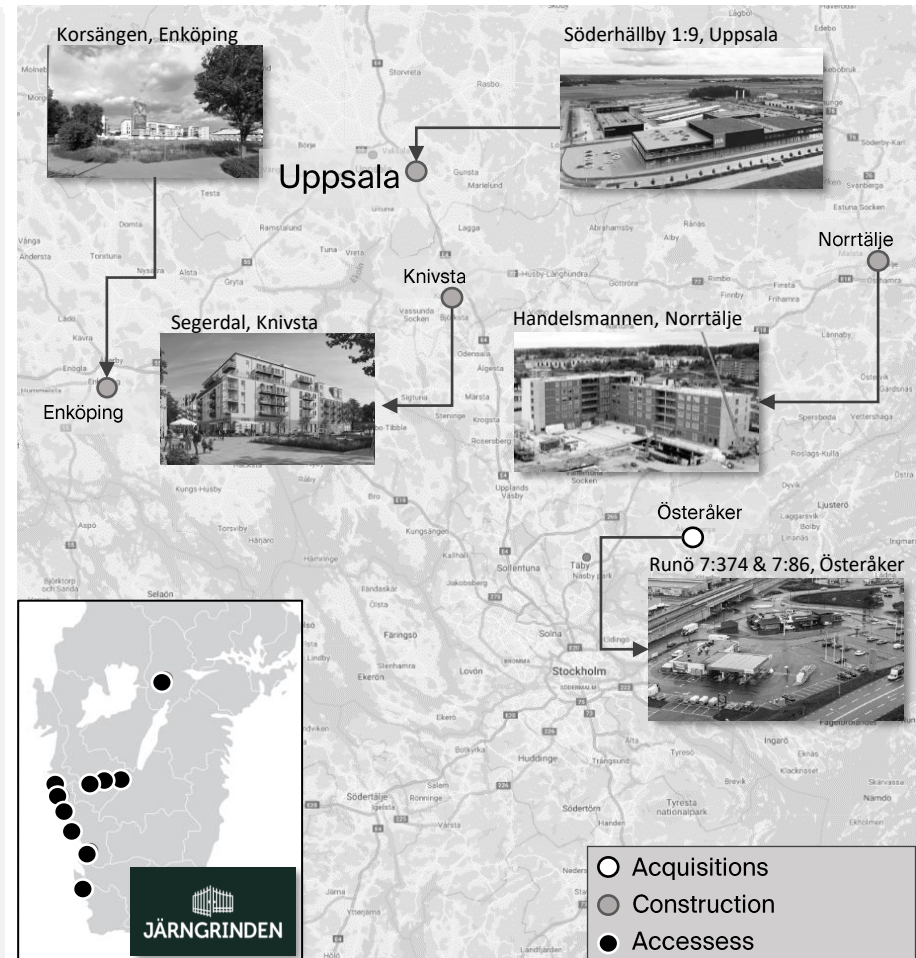
In September, Genova accessed a green project property for warehouse and logistics purposes in Uppsala. The property is strategically located and will contain approx. 14,000 sqm of lettable area. The total investment for Genova when completed will amount to SEK 218m and expected completion is scheduled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

- Genova will focus on the new growth targets from 2021, saying that Genova shall increase ongoing construction of residential units and increase the share of rental income from residential and community service properties
- Genova has approx. 30 zoning plans under development where several projects has an expected construction start within the next two years. Approx. 80 % of the building rights regards development for own management
- During 2021 Genova has issued green capital securities of SEK 700m, which has partly been used to redeem outstanding preference shares in order to reduce financial costs, and successfully issued subsequent senior unsecured green bonds in the amount of SEK 250m and then SEK 100m under the existing framework totalling SEK 750m, that has now been fully utilised
- The issued green bonds is part of Genova's work in regard to its sustainability initiatives, with continued ambition to environmentally certify all new production and to initiate the work of certifying investment properties
- 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 development

## As of Q4 – 2021

Income statement			Balance sheet		
SEKm	2021 Jan-Dec	2020 Jan-Dec	SEKm	2021 31 Dec	2020 31 Dec
Rental income	319.9	231.1	Investment properties	6,902.6	4,559.6
Maintenance costs and operating expenses	-84.6	-53.7	Properties under construction	945.8	704.1
<b>Net operating income</b>	<b>235.3</b>	<b>177.4</b>	Other fixed assets	1,197.7	665.0
Central administration, property management	-20.9	-26.1	Development properties	114.1	91.4
Central administration, property development	-22.5	-39.1	Cash and cash equivalents	316.0	578.4
Income from associations in joint ventures	22.5	55.7	Other current assets	184.8	186.2
Net financial items	-115.2	-107.1	<b>Total assets</b>	<b>9,661.0</b>	<b>6,784.7</b>
<b>Income from property management</b>	<b>99.2</b>	<b>60.8</b>	Total equity	3,665.9	2,647.8
Income from production of co-ops	-	37.0	Loans from credit institutions	3,966.3	2,560.0
Other operating income	14.5	2.2	Bond loans	1,263.2	954.6
Changes in value, properties	681.9	380.0	Deferred tax liability	497.8	324.6
Currency effects, properties	3.1	-6.8	Other liabilities	267.8	297.7
<b>Income before tax</b>	<b>798.7</b>	<b>473.2</b>	<b>Total equity and liabilities</b>	<b>9,661.0</b>	<b>6,784.7</b>
Income tax	187.7	-55.2			
<b>Income for the period</b>	<b>611.0</b>	<b>418.0</b>			

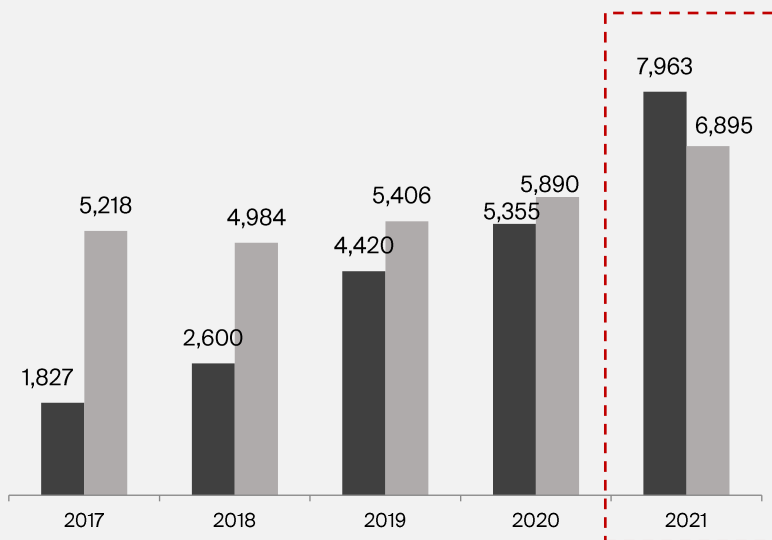
Key metrics		
	2021 Jan-Dec	2020 Jan-Dec
Rental income, SEKm	319.9	231.1
NOI, SEKm	235.3	177.4
Income from property management, SEKm	99.2	60.8
Income from property management per ordinary share, SEK	0.98	0.53
Residential units under construction, no.	863	540
Residential units completed, no.	35	137
Net investments, SEKm	1,881.6	1,074.7
Loan-to-value ratio, %	61.8	55.2
Equity/assets ratio, %	37.9	39.0
Interest coverage ratio, times	2.2	1.8
Long-term NAV, SEKm	4,077.3	2,883.0
Long-term NAV referable to shareholders, SEKm	3,274.7	2,364.6
Long-term NAV per ordinary share, SEK	78.01	59.75



# Financial development

## As of Q4 – 2021

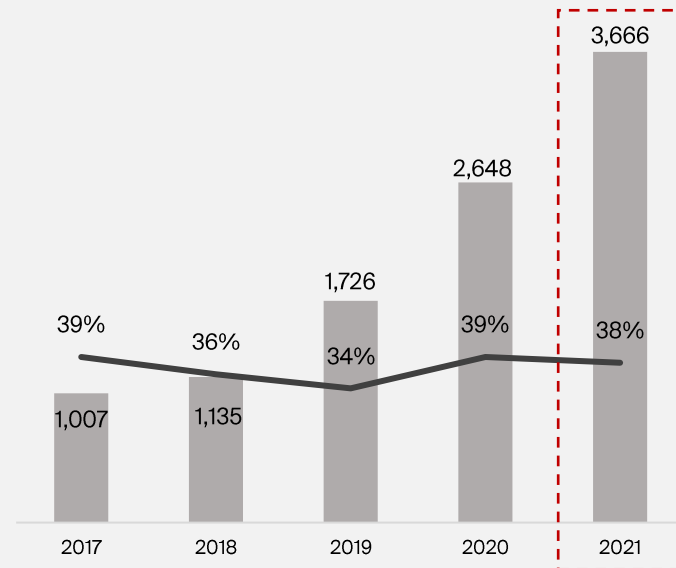
### Property value and no. of building rights



Property value, SEKm

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

### Equity and Equity/assets ratio



Equity, SEKm

Equity/assets ratio, %

1) As of 31 December 2021, CBRE's market evaluation of the expected unused building rights in Sweden included in Planned projects was just over SEK 3.9bn. As of 31 December 2021, 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 2.3bn. The assessment is that the excess value in the Group's building rights portfolio amounted to approximately SEK 1.6bn at the end of the reporting period.



# Financial development

## As of Q4 – 2021

### Financing in brief

**Interest-bearing debt**  
SEK 5,233m<sup>1)</sup>

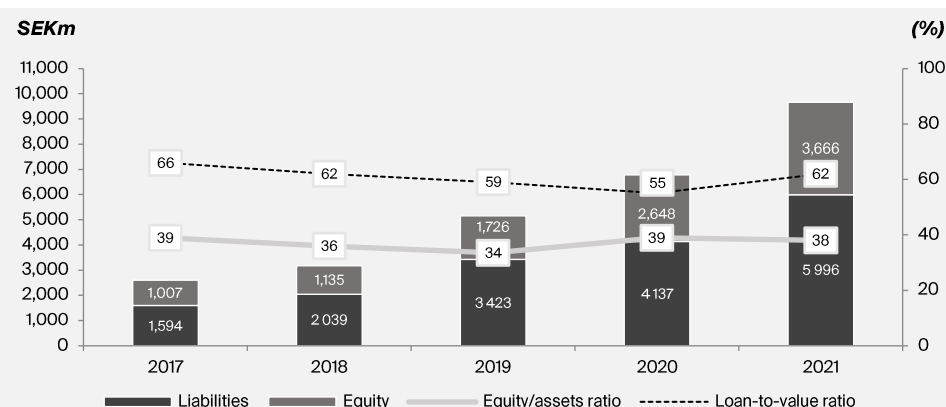
**Average interest rate<sup>2)</sup> (3m STIBOR floating)**  
2.0%

**Average duration (loan)**  
3.8 years

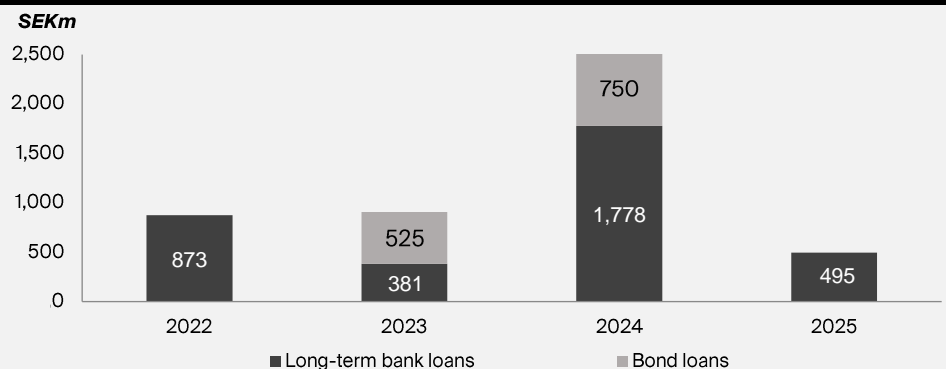
**Available liquidity**  
SEK 751m

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

### Capital structure



### Debt maturity schedule



1) Includes bond loan of SEK 1,275m (3m STIBOR + 4.50/5.25%). 2) Interest-bearing debt to credit institutions.



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# APPENDIX



# The portfolio

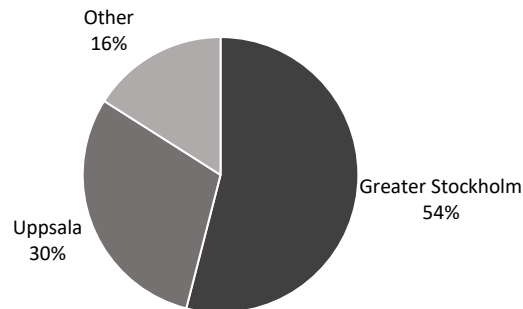
## As of Q4 - 2021

### Estimated earnings capacity of investment properties as of 31 Dec 2021 (SEKm)

Rental value <sup>1)</sup>	391
Vacancy rate	-19
<b>Rental income</b>	<b>372</b>
Operating and maintenance costs	-83
Property tax	-8
<b>Total property costs</b>	<b>-91</b>
<b>Net operating income</b>	<b>281</b>

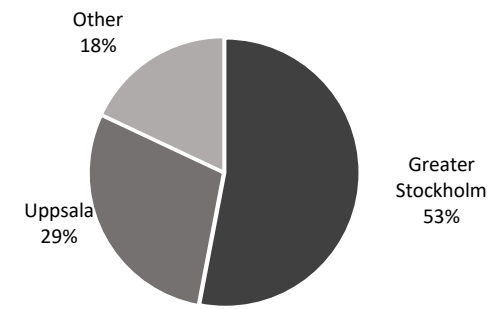
- At the end of the period, Genova had 308 commercial tenants with an average remaining rental duration of 6.1 years
- The three largest tenants were Internationella Engelska Skolan, Coop Sverige and Uppsala Music School Trust, which jointly accounted for 16% of rental income
- The proportion of rental income derived from residential units and publicly funded tenants was approximately 53%. If supermarkets are also included, the proportion of total rental income was approximately 62%

### Property value



Property value: SEK 6,903m

### Rental value<sup>1</sup>



Rental value: SEK 391m

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 <sup>2</sup>													
Commercial properties	33	139,320	3,165	22,718	183	1,310	92.0	168	-49	-352	119	853	
Community service properties <sup>3)</sup>	22	127,783	3,738	29,249	209	1,632	97.8	204	-43	-337	161	1,259	
Total	55	267,103	6,903	25,842	391	1,464	95.1	372	-92	-345	280	1,047	
Per geography													
Greater Stockholm	29	143,227	3,700	25,835	204	1,424	95.8	195	-45	-311	151	1,053	
Uppsala	18	74,180	2,070	27,909	115	1,548	96.0	110	-29	-385	82	1,100	
Other	8	49,697	1,133	22,788	72	1,453	91.6	66	-19	-381	47	950	
Total	55	267,103	6,903	25,844	391	1,464	95.1	372	-92	-345	280	1,047	
Ongoing construction			864										
Planned projects			196										
Total as per the balance sheet			7,963										
Acquired, not yet accessed properties and near-term completed constructions <sup>4)</sup>													
	2	26,636	472		42	1,585	91.3	39	-4	-163	34	1,285	
Total	57	293,739	8,435		433	1,475	94.7	410	-96	-328	314	1,069	
Properties owned through joint ventures			728										

1) Not including rental discounts of SEK 13m. 2) Based on the primary use of the property. 3) Of which 51 rental apartments are allocated between two 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 929m but as of 31 December was SEK 456m recognised in the balance sheet under properties under construction.



# Project development

## As of Q4 - 2021

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	
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q3 2022	80	6,080	1,437	395	52,548	16	2,126	279	176	206
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2022/Q4 2023 <sup>2)</sup>	408	21,314	-	985	46,214	37	1,730	720	227	296
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	77	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q4 2023	185	7,979	243	378	45,970	16	1,937	315	64	67
Hotel Can Oliver	Palma	Commercial properties <sup>5)</sup>	Q2 2021	Q2 2023	40	3,300	-	288	87,273	13	3,806	198	140	158
Söderhällby	Uppsala	Commercial properties	Q2 2021	Q2 2022	-	-	14,000	300	21,429	17	1,214	218	98	137
Total ongoing construction					863	47,255	16,034	2,794	44,143	116	1,839	2,085	782	864

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	4,167	228,395	-	10,303	45,111	485	2,125	8,520	50	103	103
Community service properties	355	27,568	18,619	1,975	42,772	98	2,119	1,596	7	7	7
Commercial properties	-	-	14,030	430	30,665	26	1,951	388	8	10	10
Co-operative apartments	1,510	104,550	-	6,930	66,288	-	-	5,106	49	76	76
Total per category	6,032	360,513	32,649	19,639	49,952	609	2,110	15,609	114	196	196

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	3,070	193,230	20,126	11,967	56,089	277	2,223	9,394	66	133	133
Uppsala	1,854	99,775	11,825	4,890	43,816	209	2,074	4,002	36	46	46
Other	1,108	67,508	698	2,782	40,795	123	1,943	2,214	12	17	17
Total per geography	6,032	360,513	32,649	19,639	49,952	609	2,110	15,609	114	196	196

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.





# Project development

## As of Q4 - 2021

	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	Handelsmannen 1 <sup>1)</sup>	R, CSP	Norrtälje	Q4 2019	Q4 2022/Q4 2023 <sup>3)</sup>	488	28,831	•	•	•	•
	Segerdal <sup>2)</sup>	R	Knivsta	Q4 2020	Q4 2023/Q4 2024 <sup>3)</sup>	150	8,936	•	•	•	•
	Korsängen	R	Enköping	Q1 2021	Q4 2023	185	8,222	•	•	•	•
	Hotel Can Oliver	H	Palma	Q2 2021	Q2 2023	40	3,300	•	•	•	•
Planned projects	Söderhällby	C	Uppsala	Q2 2021	Q2 2022	-	14,000	•	•	•	•
	Viby <sup>4)</sup>	R, CoA, CSP, C	Upplands-bro	2022	2028	690	59,956	•	•	•	•
	Gredelby	C, R	Knivsta	2022	2024	45	2,820	•	•	•	•
	Klostergården	C	Lund	2022	2024	165	7,700	•	•		
	Ekeby	CoA, C	Uppsala	2022	2024	90	5,400	•	•	•	
	Storvreta	R	Uppsala	2022	2024	68	3,900	•	•		
	Drevern 1, 2 & Dvärgspetsen 1	R, CoA, CSP, C	Stockholm	2022	2024	470	33,170	•	•		
	Odalmannen	CoA	Huddinge	2023	2025	26	2,850	•	•		
	Jaktvarvet	CoA	Nacka	2023	2025	45	4,275	•	•		
	Luthagen	C, CoA	Uppsala	2023	2025	45	2,180	•	•	•	
	Kryddgården	R, CoA, CSP, C	Enköping	2023	2027	655	40,160	•	•		
	Västra Knivsta	R	Knivsta	2023	2025	250	15,400	•			
	Gulmäran 7, 8 <sup>5)</sup>	CSP, R	Borås	2023	2025	473	30,075	•	•		
	Nacka Strand <sup>2)</sup>	CoA, R	Nacka	2023/2025	2025/2027	191	11,970	•	•		
	Sydöstra Vikdalen	R	Nacka	2023	2025	250	14,600	•	•		
	Brynjan 5	R, C	Huddinge	2023	2025	145	7,950	•			
	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	•			
	Södra Gunsta	R, C	Uppsala	2023	2025	82	5,580	•	•	•	
	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	•			
	Hunnerup	CSP, CoA, R	Lund	2024	2027	341	22,345	•	•		
	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	•			
	Fuxen	R, CoA	Täby	2025	2027	215	11,520	•	•		
	Kvarngärdet	R, CoA	Uppsala	2025	2027	334	16,560	•			
Total						6,895	456,450				

### Definitions

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

1) Approximately 35% of the rental units will be completed in Q4 2022 in a first stage. 2) Owned at 50% and refers to Genova's shares in the project. 3) Approximately 50% of the rental units will be completed in Q4 2023 in a first stage. 4) Owned at 70 % and refers to Genova's shares in the project. 5) Owned at 75% and refers to Genova's shares in the project.

