

GENOVA



Interim report January-June / **2020**



The period in summary

April-June 2020 quarter

- Rental income amounted to SEK 56.6m (41.9).
- Net operating income amounted to SEK 44.9m (31.6).
- Income from property management amounted to SEK 2.9m (18.6), of which income from property management attributable to ordinary shareholders was SEK -7.6m (10.7), corresponding to SEK -0.14 (0.21) per ordinary share.
- Net income after tax amounted to SEK 40.4m (78.5), corresponding to SEK 0.55 (1.32) per ordinary share.
- Long-term net asset value attributable to ordinary shareholders amounted to SEK 1,675.3m (920.0), corresponding to SEK 54.53 (18.40) per ordinary share.

January-June 2020 period

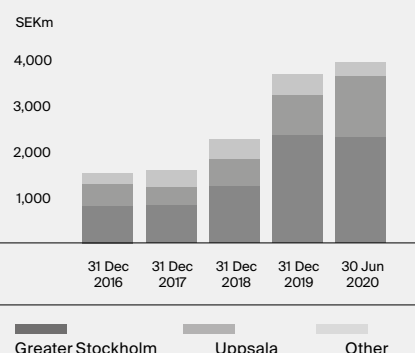
- Rental income amounted to SEK 110.6m (81.4).
- Net operating income amounted to SEK 84.9m (58.4).
- Income from property management amounted to SEK 21.3m (23.0), of which income from property management attributable to ordinary shareholders was SEK 0.3m (7.2), corresponding to SEK 0.01 (0.15) per ordinary share.
- Net income after tax amounted to SEK 231.0m (120.3), corresponding to SEK 3.64 (1.82) per ordinary share.
- Long-term net asset value attributable to ordinary shareholders amounted to SEK 1,675.3m (920.0), corresponding to SEK 54.53 (18.40) per ordinary share.

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Rental income, SEKm	56.6	41.9	110.6	81.4	180.6
Net operating income, SEKm	44.9	31.6	84.9	58.4	129.9
Income from property management, SEKm	2.9	18.6	21.3	23.0	42.9
Income from property management per ordinary share, SEK	-0.14	0.21	0.01	0.15	0.11
Residential units under construction, no. ¹	438	250	438	250	527
Residential units completed, no.	35	-	89	-	133
Net investments, SEKm	168.7	151.7	274.4	375.8	1,141.2
Loan-to-value ratio, %	64.0	62.7	64.0	62.7	59.4
Equity/assets ratio, %	34.9	30.5	34.9	30.5	33.5
Interest-coverage ratio, times ²	1.9	1.9	1.8	1.7	1.7
Long-term net asset value, SEKm	2,193.5	1,409.2	2,193.5	1,409.2	1,975.3
Long-term net asset value attributable to ordinary shareholders, SEKm	1,675.3	920.0	1,675.3	920.0	1,457.0
Total no. of ordinary shares outstanding, 000s	30,722	50,000	30,722	50,000	61,444
Long-term net asset value attributable to ordinary shareholders per ordinary share, SEK	54.53	18.40	54.53	18.40	23.71

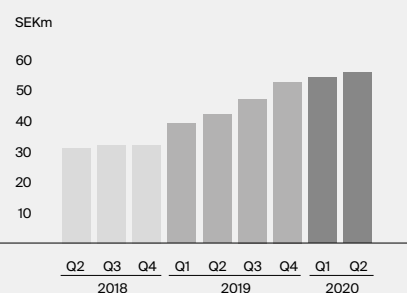
1) Including 35 hotel rooms.

2) Excluding non-recurring items.

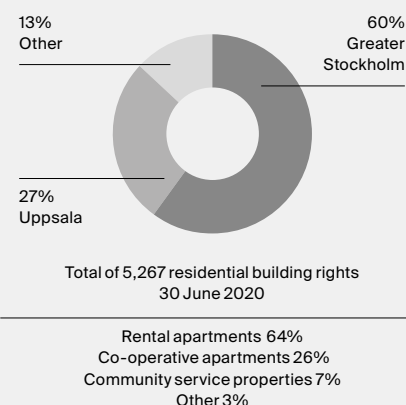
Value of investment properties per geography



Rental income



Project development



SEK 4,727m

Property value

5,267

Residential building rights

64%

Loan-to-value ratio

SEK 2,194m

Long-term net asset value

Significant events during and after the end of the period

First quarter

- In February, Genova's Board of Directors adopted new financial and operational targets and a new dividend policy.
- In March, Genova concluded an agreement to divest 50% of the shares in the property-owning company that owns Stapelbädden 3 in Lidingö at an underlying property value of SEK 400m before deductions for deferred tax.
- In March, Genova signed a letter of intent with Internationella Engelska Skolan to build an elementary school with a 20-year rental agreement in the Viby 19:3 property in Upplands-Bro, where Genova is planning to build a new district together with housing company K2A.
- In March, Genova agreed to acquire the Skarpnäs 6:12 ground lease in Nacka at an underlying property value of approximately SEK 40m. Accession took place in May 2020.
- During the quarter, rental agreements for approximately 4,500 sqm in two properties in Lund were extended, with an annual rental value of approximately SEK 6.2m. The agreements have terms of five and eight years, respectively, with National Historical Museums and Friskis & Svettis as the tenants.
- Genova decided to change its accounting policies and will henceforth consolidate the co-operative housing association that owns the Liljegatan 1 project in Fålhagen, Uppsala. Under the new policies, the date on which income from newly constructed co-operative apartments is recognised is the point in time when home buyers gain accession to their units and not, as previously, over a

period of time as the work is completed. Due to application of the new accounting policies from the first quarter of 2020, items attributable to prior periods have been restated, which is presented in Note 1. As a result of the restatement, equity decreased by SEK 47.0m. When the project is completed, which is scheduled for the fourth quarter of 2020, SEK 47m will be returned to equity.

Second quarter

- In May, Genova agreed to acquire the Flogsta 47:1 community service property in Ekeby, Uppsala, at an underlying property value of SEK 350m. The lettable area is approximately 16,500 sqm with a lot size of about 16,700 sqm. The largest tenants are Gluntens Montessori School, Stadsmissionens Skolstiftelse, Friskis & Svettis and Uppsala Municipality. The average rental duration is 2.9 years and the annual rental value approximately SEK 26m. Accession took place in August 2020.
- In June, Genova agreed to acquire the Runö 7:146 property in Åkersberga at an underlying property value of SEK 20m. The property is located in central Åkersberga adjacent to one of Genova's existing properties. The lettable area is about 1,100 sqm, with an approximate lot size of 6,000 sqm. The property is fully let to Lidl Sweden, has an annual rental value of approximately SEK 1.3m and a rental term of approximately 3.5 years. Accession took place in July 2020.
- In June, 50% of the shares in the property-owning company that owns Stapelbädden 3 in Lidingö were divested. The shares were acquired by Samhällsbyggnadsbolaget i Norden AB

(SBB) in March 2020, and the parties will develop the property jointly with a focus on sustainable homes with elements of community services. The underlying property value of SEK 400m in the transaction exceeded Genova's book value by approximately SEK 220m, which was recognised as a value change in the first quarter.

- In June, Genova's first own-produced rental apartments were completed and occupied. Genova will own and manage the 35 rental apartments, which are located in Alsike in Knivsta.
- As of 12 June, Genova's preference shares were admitted to trading on Nasdaq Stockholm's Main Market.
- In June, Genova decided on an offering to subscribe for and purchase ordinary shares in the company, and a subsequent listing of the ordinary shares on Nasdaq Stockholm. The offering was over-subscribed and in total, including the over-allotment option that was exercised in July, the company generated proceeds of approximately SEK 576m before listing expenses.
- 30 June was the first day of trading for the ordinary shares on Nasdaq Stockholm's Main Market.
- During the quarter, new rental agreements for approximately 3,000 sqm were signed and extended in four properties, with an annual rental value of approximately SEK 3m. The agreements have terms ranging from one to three years.

Events after the end of the period

- In July, Genova announced that the over-allotment option had been fully exercised.
- In July, the zoning plan for Genova's jointly owned project in central Knivsta came into force. The zoning plan for the Segerdal project grants permission to develop approximately 25,000 sqm, where Genova is planning to construct approximately 300 rental apartments combined with some commercial operations.
- In July, Peter Lövgren resigned from his position as Head of Business Development. In conjunction with this, Head of Properties Henrik Sandström assumed responsibility for Genova's business development.
- In August, Genova and SBB jointly acquired and gained accession to Nackahusen Holding AB, which owns six properties in Nacka Strand. The properties, which contain building rights of approximately 40,000 sqm of gross lighted floor area, were acquired for SEK 1 and the parties assumed the existing bond loan of approximately SEK 360m. Nackahusen Holding has previously divested properties and when these transactions have been settled, Genova and SBB will jointly control properties and building rights of about 30,000 sqm of gross lighted floor area at an underlying property value of approximately SEK 190m. The properties are owned through a joint venture, where Genova's investment commitment amounts initially to SEK 30m, and is financed with own capital.
- In August, Genova mandated Carnegie Investment Bank and Nordea to explore the conditions to issue new senior unsecured bonds in the range of SEK 300-400m under a framework of SEK 750m and a tenor of 4 years, subject to market conditions. Genova intends to use the proceeds from the new bonds to repurchase and/or call its SEK 500m (of which SEK 156m is outstanding) 2017/2021 senior unsecured bonds, and for general corporate purposes.
- After the end of the period, rental agreements for approximately 5,000 sqm were signed and extended in two properties, with an annual rental value of approximately SEK 8m. The agreements have terms of three years.

Impact of COVID-19

The COVID-19 outbreak is continuing to have both humanitarian and economic effects on the world around us, and posing a challenge for people, society and the business community. Genova's priority is to protect the health of our employees and tenants and to prevent the risk of spreading the virus. We will continue to monitor the situation and are continuously assessing the risks for Genova.

However, the effects of COVID-19 on Genova have been manageable to date, and our assessment is that the basic conditions for a relatively limited impact on the company will remain favourable. Genova has a stable financial position, good liquidity and a diversified tenant mix, where approximately half of the rental value is derived from publicly funded operations and supermarkets. Rental apartments and community service properties in Greater Stockholm and the Uppsala Region account for over 70% of Genova's ongoing and planned project development.

Business support

Genova has not needed to use the Swedish government's support for furlough schemes, give notice of termination or to terminate any employees. Nor has the company claimed tax relief, but has taken advantage of the possibility to reduce employer contributions for the March to June period of 2020 that was available to all employers.

Rent payments

Genova's tenants, however, like society in general, are impacted by COVID-19. Of Genova's annual rental income of SEK 228m,

60% is due quarterly in advance, and 40% monthly in advance. Genova has engaged in discussion with a number of individual tenants with liquidity concerns and offered some of these the possibility to switch from quarterly rent payments to monthly payments. Of the adjusted rent receivable due for payment by 30 June 2020, 97% had been received by 15 July, which is in line with the normal outcome.

Project development

All of Genova's projects are more or less on track, and we do not envisage any significant delays at present. Should material deliveries be at risk of delay, we will look into alternative solutions. At present, we can see that the timetables are being met.

Liquidity and financing

Genova has a stable financial position and good liquidity. As of 30 June 2020, cash and cash equivalents and undrawn credit facilities amounted to SEK 453.6m. Loans maturing in 2020 amounted to SEK 79.5m, of which all were refinanced after the end of the period. In the second quarter, Genova implemented a successful spread of ownership and listing of the company's ordinary shares on Nasdaq Stockholm's Main Market, which in the beginning of July generated proceeds of approximately SEK 576m for the company before listing expenses. The proceeds from the issue that were provided to the company in July, combined with existing undrawn credit facilities, allows excellent access to finance.



Genova was listed on Nasdaq Stockholm's Main Market in June 2020.

Genova – the personal property company

Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. We are focused on commercial, community service and residential properties in Greater Stockholm and the Uppsala Region.

Genova's large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio, regardless of economic conditions. We are active across the entire value chain – from acquisitions, urban and project development to letting and property management.

Our 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.

Sustainable, safe and attractive urban environments evolve where Genova develops and invests. We see a direct link between good architecture, sustainability and profitability. New construction is carried out efficiently, with wood as our building material of choice, in close collaboration with well-established construction companies.

Genova's cornerstones

Customer perspective

We are a personal property company, always close to our tenants. By trying to understand our customers and see things from their perspective, we build better and more long-term relationships.

Active acquisitions

We are active in the acquisition market where we seek properties with stable cash flows and development potential, always with the starting point of finding opportunities for value growth.

Sustainable

Sustainability is our compass and we take responsibility as a property owner and urban developer. Key components are green financing, environmental certification of properties, wood as our preferred choice of building material and social initiatives.

Geographic focus

We are based and mainly growing in Greater Stockholm and Uppsala, which are expansive regions with a major demand for residential units. Good relationships with municipalities and local operators create conditions for further acquisitions and project opportunities.

Long-term owner

We mainly develop rental apartments and community service properties for our own long-term management. Ownership with an eternal perspective motivates long-term investments and creates scope for sustainable urban development.

Urban developer

We invest in projects where the city is evolving with a holistic approach to urban development. Genova helps to create sustainable and attractive environments where people want to live, work and visit.

Value creation

We create value through both active property management and project development. We do this by increasing letting, development and investment in properties and projects with attractive residential units and premises.

Large project portfolio

We ensure production and growth through our own large project portfolio, mainly generated from existing properties. Cash flows from our property portfolio provide a stable foundation for financing acquisitions and projects.

Architecture and design

We have a passion for design and architecture. We see a direct link between design, architecture, sustainability and profitability. Quality, design and architecture are aligned with Genova's long-term ownership perspective.

Committed employees

By being responsive and committed, we want to help improve job satisfaction and quality of life in a more sustainable society. Employees are Genova's most valuable asset and our most important ambassadors.

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 targets¹

Long-term net asset value	>20%
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.	Target
	44%
	30 Jun 2020

Income from property management	>20%
Achieve an average annual growth of at least 20% in income from property management per ordinary share over a business cycle.	Target
	31%
	Rolling 12-month period 30 June 2020

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%
Over time, the equity/assets ratio shall be at least 35%.	Target
	35%
	30 Jun 2020

Loan-to-value ratio	<65%
Over time, the loan-to-value ratio shall not exceed 65%.	Target
	64%
	30 Jun 2020

Interest-coverage ratio	>2.0 times
Over time, the interest-coverage ratio shall be higher than 2.0.	Target
	1.9 times
	30 Jun 2020

Operational targets¹

Rental income	>60%
Rental income from residential and community service properties shall account for at least 60% of Genova's total rental income by the end of 2024.	Target
	42%
	30 Jun 2020

Ongoing construction	750
Ongoing construction of own-produced residential units shall amount to at least 750 residential units per year as of 2021.	Target
	438²
	30 Jun 2020

²) Including 35 hotel rooms

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) The outcome as of 30 June 2020 does not include the effects of the completed new share issue and listing that will not affect the Group's financial position and key metrics until the third quarter of 2020.

CEO's statement

The second quarter of 2020 was historical for Genova in several ways. During the quarter, Genova's first rental apartments were completed, a category of investment properties for long-term ownership that will form a growing part of our investment property portfolio. In June, the company was listed on Nasdaq Stockholm's Main Market. The listing of our ordinary shares is a milestone on the journey that Genova began 14 years ago, and the positive response from investors and the public to the offering feels fantastic.

Successful issue and listing

In June, Genova decided on an offering to subscribe for and purchase ordinary shares in the company, and a listing of the ordinary shares on Nasdaq Stockholm. I am both proud and gratified that we were able to carry out the offering and listing so successfully in the uncertain market that characterised the spring and summer due to the coronavirus pandemic. A strong effort from everyone at Genova contributed to the positive outcome. We noted a major interest in the company from both reputable institutions and the public, and were able to welcome more than 8,000 new shareholders. That will provide us with a strong and stable ownership base, in which our former principal owners and founders have retained a significant holding and a strong commitment to the company.

Occupation of our first rental apartments

In June, we achieved yet another milestone in Genova's development when our first own-produced rental apartments in Alsike, Knivsta, were completed and occupied. The project, which is Nordic Swan Ecolabelled, is financed with green loans and the plan is to environmentally certify all our new construction going forward. Genova has a clear focus on the development of sustainable rental apartments which, together with community service properties, will account for a major share of our investment property portfolio over time. This is in line with Genova's long-term approach and focus on stable cash flows, and aligned with market demand.

In central Knivsta, we are running another project to develop about 300 rental apartments that will also be environmentally certified. In June, the zoning plan for this project came into force and we are now preparing for construction start in the fourth quarter of 2020. During

the period, we signed a letter of intent with Internationella Engelska Skolan to construct a school building in Upplands-Bro where we are planning one of our other major urban development projects with residential units, a supermarket, school, preschool and healthcare facility.

Acquisitions with potential

It has also been an active quarter in regard to acquisitions. We added properties in Stockholm and Uppsala with stable cash flows and future development potential to our portfolio. Just recently, Genova and SBB jointly acquired the Nackahusen Holding company, with six properties and building rights for about 40,000 sqm, at low intrinsic value. The aim is that we will develop both rental apartments for long-term management and co-operative apartments together. The properties are close to some of Genova's own properties in Nacka and we believe the area has major development potential.

Performance for the period

In the first half-year, our rental income increased 36% and net operating income rose 45% due to an expanded investment property portfolio. Income from property management declined slightly year-on-year, due to lower value changes in joint ventures and currency effects compared with the corresponding period of 2019. Excluding value changes from joint ventures and currency effects, income from property management increased to SEK 18m in the first half-year, compared with SEK 9m in the first half of 2019.

COVID-19 continues to impact our day-to-day activities and operations. However, the effects of the pandemic have been manageable for Genova, and our assessment is that the conditions for a relatively limited impact will remain favourable. We have a stable financial position and diversified tenant mix, where approximately half of the rental

value is derived from publicly funded operations and supermarkets. We are following developments closely and will respond to both the challenges and opportunities that may arise in an uncertain market situation.

Strengthened liquidity

In July, the successful spread of ownership and listing of ordinary shares generated proceeds of approximately SEK 576m for the company before listing expenses. The strengthened liquidity will help us build resilience to market volatility, and to continue developing Genova through acquisitions and projects. With more than 8,000 new shareholders on board, this creates even more motivation now. Together with the team at Genova, I am looking forward to an active autumn and to continuing our exciting journey.

Michael Moschewitz, CEO



“The strengthened liquidity will help us build resilience to market volatility, and to continue developing Genova through acquisitions and projects.”

Property portfolio

Investment properties

Genova's investment property portfolio comprises commercial properties for retail, office and warehouse space, as well as community service properties. Genova also owns properties with ongoing planning for future rental apartments combined with community service properties, mostly in new districts. The properties are mainly located in Greater Stockholm and Uppsala.

Genova works continuously to identify properties that will contribute to achieving the financial targets. Potential acquisition candidates include cash flow-generating properties, fully or partly let, and vacant buildings with

development and letting potential. Genova's aim is that the acquired properties will eventually provide opportunities to create building rights for new construction projects in the future.

At the end of the period, Genova's wholly owned investment property portfolio comprised a total of 45 investment properties with a market value of approximately SEK 3,930m, allocated over approximately 168,000 sqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 5,200m.

Development during and after the end of the period

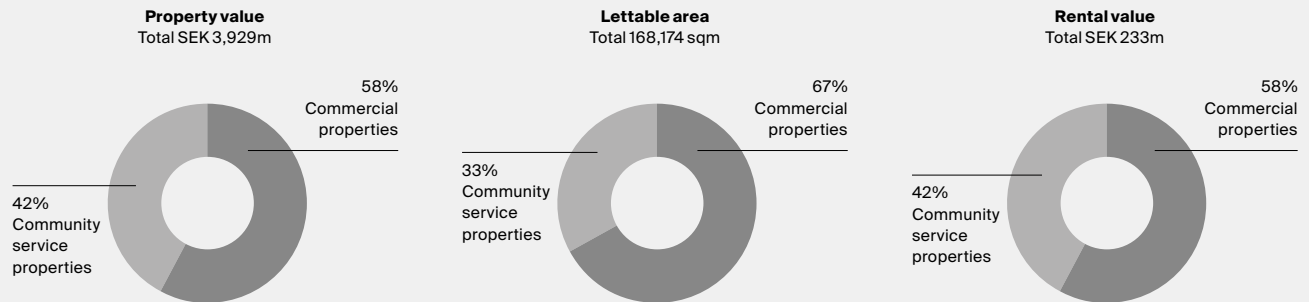
Acquisitions, accessions and reclassifications

During the period, Genova acquired properties at a total underlying property value of SEK 370m.

In May, Genova agreed to acquire the Flogsta 47:1 community service property in Ekeby, Uppsala, at an underlying property value of SEK 350m. The lettable area is about 16,500 sqm, with an approximate lot size of 16,700 sqm. The largest tenants are Glutens Montessori School, Stadsmissionens Skolstiftelse,

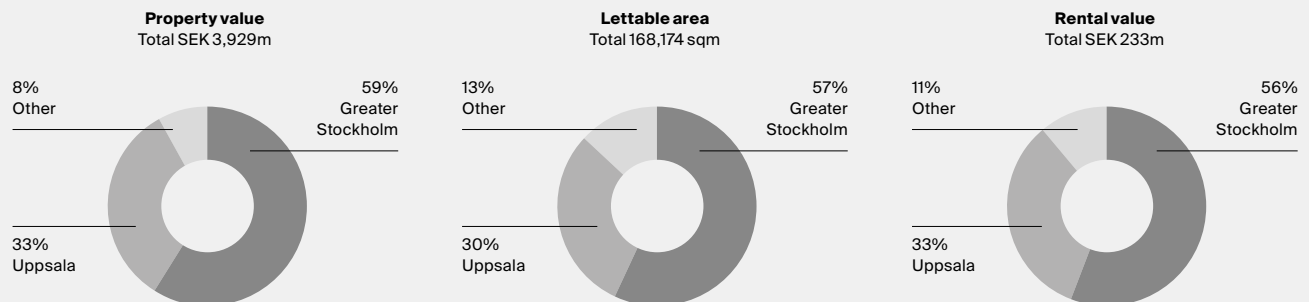
Investment properties per property category

30 June 2020



Investment properties per geography

30 June 2020



Friskis & Svettis and Uppsala Municipality, who together rent more than 90% of the property. The average rental duration is 2.9 years. The total annual rental income is approximately SEK 26m. Accession took place in August 2020.

In June, Genova agreed to acquire the Runö 7:146 property in Åkersberga at an underlying property value of SEK 20m. The property is located in central Åkersberga adjacent to one of Genova's existing properties. The lettable area is about 1,100 sqm, with an approximate lot size of 6,000 sqm. The property is fully let to Lidl Sweden, has an annual rental value of approximately SEK 1.3m and a rental term of approximately 3.5 years. Accession took place in July 2020.

In June, Genova's first own-produced rental apartments were completed and occupied. Genova will own and manage the 35 rental apartments, which are located in Alsike in Knivsta. The property was previously recognised as a property under construction, but was reclassified as an investment property during the quarter.

During the period, accession was gained to the Jungfrun 4 and Skarpnäs 6:12 properties that were acquired in 2019 and 2020, respectively.

Divestments

In June, 50% of the shares in the property-owning company that owns Stapelbädden 3 in Lidingö were divested. The

shares were purchased by SBB in March 2020 and the parties will develop the property jointly with a focus on sustainable homes with elements of community services. The underlying property value of SEK 400m in the transaction exceeded Genova's book value by approximately SEK 220m, which was recognised as a value change in the first quarter.

Lettings

During and after the end of the quarter, rental agreements for approximately 8,000 sqm were signed and extended in six properties, with an annual rental value of approximately SEK 11m. The agreements have terms ranging from one to three years.

Investment property portfolio

30 June 2020

	No. of proper- ties	Lettable area, sqm	Property value		Rental value		Occu- pancy rate, %	Contracted annual rent¹, SEKm	Property costs		Net operating income	
			SEKm	SEK/ sqm	SEKm	SEK/ sqm			SEKm	SEK/ sqm	SEKm	SEK/ sqm
Per property category												
Commercial properties	32	112,845	2,287	20,264	135	1,198	97.3	131	-36	-322	95	843
Community service properties²	13	55,329	1,643	29,690	98	1,763	99.4	97	-15	-280	81	1,473
Total	45	168,174	3,929	23,365	233	1,384	98.1	228	-52	-308	177	1,050
Per geography												
Greater Stockholm	24	95,797	2,304	24,050	129	1,348	98.1	127	-29	-305	98	1,018
Uppsala	14	49,751	1,316	26,448	78	1,560	98.2	76	-18	-366	58	1,166
Other	7	22,626	310	13,688	26	1,148	98.0	25	-4	-194	21	931
Total	45	168,174	3,929	23,365	233	1,384	98.1	228	-52	-308	177	1,050
Ongoing construction			270									
Planned projects			293									
Ongoing co-operative apartment projects³			235									
Total as per the balance sheet			4,727									
Acquired, not yet accessed properties and near-term completed constructions⁴												
	6	23,738	615		38	1,586	98.8	37	-7	-284	30	1,269
Total	51	191,912	5,342		270	1,409	98.1	265	-59	-305	207	1,077
In addition:												
Properties owned through joint ventures			453									

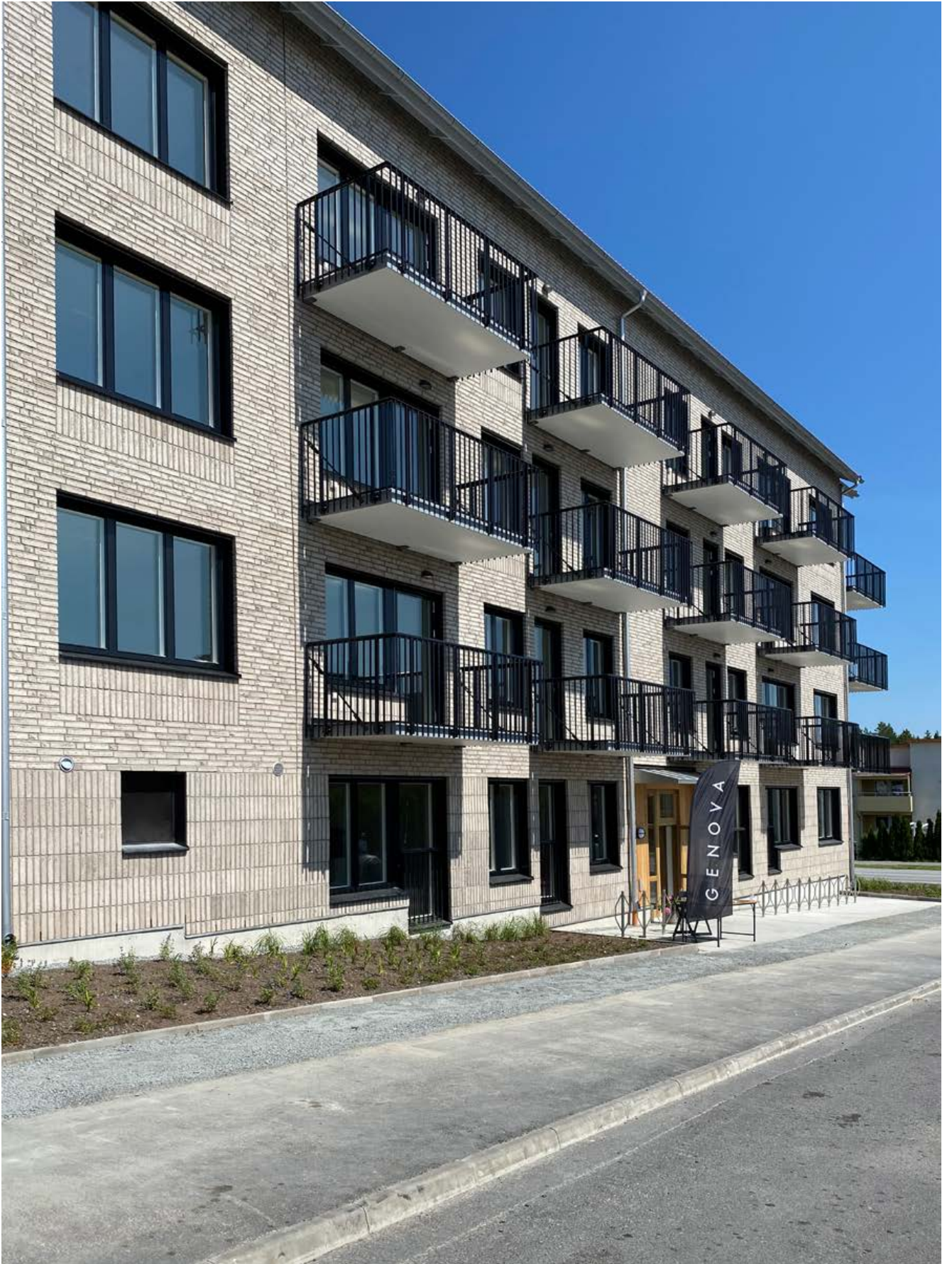
1) Not including rental discounts of SEK 6.4m.

2) Of which one property pertains to 35 rental apartments with a property value of SEK 76m, rental value of SEK 3.3m and net operating income of SEK 2.8m.

3) The Liljegatan 1 co-operative housing association has been included as of Q1 2020. The project will be completed in Q4 2020, and subsequently leave the Group.

4) Ongoing construction that will generate rental income within 12 months.

The above summary pertains to the properties owned by Genova at the end of the period, with the addition of acquired but not accessed properties and near-term completed constructions. The table reflects income from, and costs of, the properties as if they had been owned throughout the entire period.



Rental apartments in Alsike, Knivsta.

Tenants and rental agreement structure

At the end of the period, Genova had approximately 220 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 17% of rental income. At the end of the period, the proportion of publicly funded tenants in the portfolio was approximately 39%. Of the total rental value, the proportion derived from publicly funded tenants and supermarkets amounted to nearly 48%.

Of the adjusted rent receivable due for payment by 30 June 2020, 97% had been received by 15 July, which is in line with the normal outcome.

Structure of rental agreements

30 June 2020

	No. of rental agreements	Area Ksqm	Contracted rent, SEKm	Percentage %
Term				
2020	12	3	3	1
2021	54	18	22	10
2022	28	23	34	15
2023	27	16	17	7
2024	19	21	26	12
>2024	40	81	123	54
Total	180	160	225	99
Rental apartments	35	2	3	1
Parking spaces and other	3	-	-	-
Total	218	162	228	100
Vacant		6	4	
Total		168	233	

10 largest tenants

30 June 2020

Tenants	Contracted rent, SEKm	% of total portfolio
Coop Sverige Fastigheter AB	13.5	6.0
Stiftelsen Uppsala Musikklasser	12.9	5.7
HOOM Home & Hotel AB	11.4	5.0
City of Stockholm, Education Administration	11.3	5.0
Yrkesplugget i Sverige AB	9.8	4.3
Norlandia Care AB	9.5	4.2
Scanreco AB	8.6	3.8
AmiSgo AB	6.1	2.7
Ramilton Apartments Hotel Danderyd AB	6.1	2.7
Uppsala Municipality	6.0	2.7
Total	95.2	42.0
Average weighted remaining term, years		5.59

Current earnings capacity

The table shows Genova's current earnings capacity on a 12-month basis. The earnings capacity is based on the investment properties accessed by Genova at the end of the period.

It is important to note that the current earnings capacity is not a forecast for the next 12 months. Earnings capacity does not, for example, include an assessment of occupancy, vacancy or interest-rate changes.

Genova's earnings are also impacted by changes in the value of investment properties. Earnings are also affected by tax. Genova's current earnings capacity does not account for any of the above factors.

Rental income is based on contracted income at the end of the period. Decreasing rental discounts of SEK 6.4m have not been deducted from the rental value. Property costs reflect the past 12-month outcome for properties owned throughout the entire period. Properties

acquired and projects completed have been adjusted to an annual rate.

Central administrative expenses pertain to costs attributable to property management, and are based on estimated costs for the next 12-month period, excluding any non-recurring costs.

Net financial items have been calculated on the basis of current interest-bearing net debt. No interest is received on cash and cash equivalents, and interest on the interest-bearing debt has been calculated using the average interest rate at the end of the period.

After the end of the period, the Flogsta 47:1 and Runö 7:146 properties were accessed, which will generate approximately SEK 27m in annual rental value with approximately SEK 21m in net operating income. Since the properties had not been accessed as of 30 June 2019, they are not included in the table of estimated earnings capacity.

Estimated earnings capacity of investment properties

SEKm	
Rental value ¹	233
Vacancy rate	-4
Rental income	228
Operating costs	-38
Maintenance costs	-9
Property tax	-5
Total property costs	-52
Net operating income	177
Central administration, property management	-12
Genova's share of income from property management through joint ventures	11
Net financial items	-80
Income from property management	97

¹) Not including rental discounts of SEK 6.4m.

Project development

Project development for rental apartments, community service properties and commercial premises accounts for a growing proportion of Genova's project development. We construct buildings for long-term ownership and property management as part of profitable and sustainable growth. Genova's project development also includes, to a lesser extent, the construction of co-operative apartments. Thus, Genova is active across the entire chain of property investments – from acquisitions to property management, project development and construction, where the assignment often includes contributing to the development of new districts.

Genova's project portfolio is mainly focused on the creation of building rights from the company's own investment properties using existing cash flow. We work together with municipalities to enable the conversion of these properties from mainly commercial space to residential units or community services. A few acquisitions and granted land-use

agreements have also been added to the project portfolio. As of 30 June 2020, Genova's project portfolio comprised nearly 332,000 sqm of lettable area allocated between 5,267 residential units, of which rental apartments and community service properties that Genova is planning to develop for own long-term management accounted for 70%, and co-operative apartments and commercial properties for 30%.

87% of the building rights are located in Greater Stockholm and the Uppsala Region.

Building rights portfolio

Genova uses an estimated excess value to illustrate the value of the company's building rights portfolio in Sweden.

The excess value is calculated using an externally estimated market value of the unused building rights. This could be relevant if Genova did not follow its business plan to develop the building rights and instead chose to divest them. As of 30 June 2020, CBRE's market evaluation

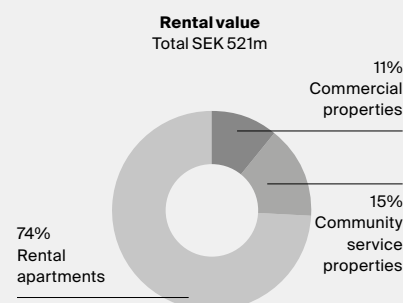
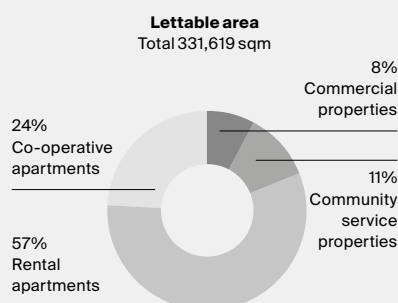
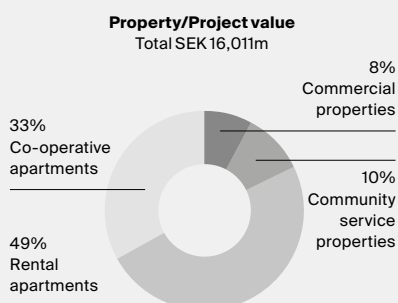
of the estimated unused building rights in Sweden included in Planned projects was just over SEK 2.1 billion. As of 30 June 2020, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, and Planned projects had a book value of approximately SEK 1.15 billion. On the basis of this valuation, a review was carried out on 30 June 2020 and the assessment is that the excess value in the Group's building rights portfolio amounted to approximately SEK 1.0 billion at the end of the reporting period. Adjustment was made for the partial sale of the Stapelbädden 3 property in Gåshaga, Lidingö, which was exited in June.

Long-term and sustainable development

Sustainability is a key area for Genova and we work actively to take our responsibility as a property owner and urban developer. With a focus on sustainability, wood is the preferred choice of

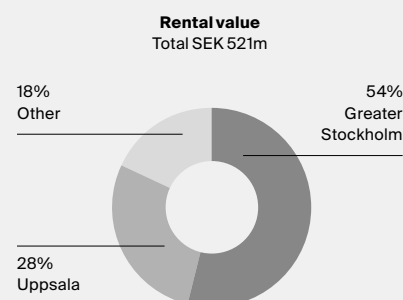
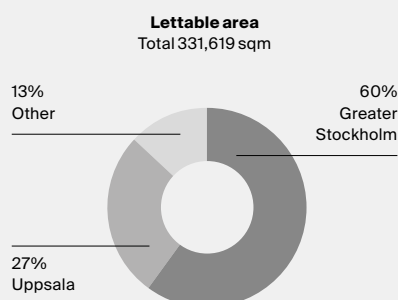
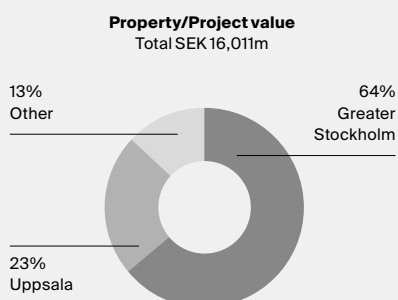
Project development per property category

30 June 2020



Project development per geography

30 June 2020





Central Knivsta, Segerdal

building material for Genova, enabling us to reduce our carbon footprint and thereby our greenhouse gas emissions. Wood is a renewable and resource-efficient material that stores and delays CO₂ emissions, while wood-framed buildings offer a more comfortable indoor climate and reduce overall noise. Building with wood is also faster, reduces noise at the building site and requires less construction traffic. Our long-term target is that all newly constructed properties in our portfolio will be environmentally certified in order to meet customer requirements, reduce greenhouse gas emissions and risk, increase value and receive more favourable loan terms.

Ongoing construction

As of 30 June 2020, Genova had 438 residential units, including 35 hotel rooms, under construction. Genova recognised ongoing construction of SEK 270m. The projects mainly pertain to projects in Palma, Mallorca, (hotels) and Norrtälje (retirement home, preschool and rental apartments), with construction commenced in the fourth quarter of 2019. When these projects are completed, they will remain owned and managed by Genova. All ongoing construction is scheduled for completion by 2022, although most is scheduled for completion in 2021.

The number of residential units under construction also includes the Liljegatan 1 co-operative apartment

project, comprising 48 residential units that are scheduled for completion in the fourth quarter of 2020.

Planned projects

Planned projects comprised a total of approximately 4,829 expected residential building rights allocated between nearly 277,000 sqm, of which just over 85% is intended for long-term management with a focus on Greater Stockholm and Uppsala.

Development during and after the end of the period

In the second quarter, Genova completed 35 rental apartments intended for long-term ownership and management which have now been occupied by all tenants. With the construction and completion, Genova's operations have been broadened to include ownership and management of rental apartments.

In July, the zoning plan for Genova's jointly owned project in central Knivsta came into force. The zoning plan for the Segerdal project grants permission to develop approximately 25,000 sqm, where Genova is planning to construct approximately 300 rental apartments combined with some commercial operations.

In August, Genova and SBB jointly acquired and gained accession to Nackahusen Holding AB, which owns six properties in Nacka Strand. The properties, which contain building rights of approximately 40,000 sqm of gross lighted floor area, were

acquired for SEK 1 and through the parties assumed the existing bond loan of approximately SEK 360m. Nackahusen Holding has previously divested properties and when these transactions have been settled, Genova and SBB will jointly control properties and building rights of about 30,000 sqm of gross lighted floor area at an underlying property value of approximately SEK 190m. The properties are owned through a joint venture, where Genova's investment commitment amounts initially to SEK 30m, and is financed with own capital.

Joint ventures

Genova owns 50% of the shares in four joint ventures, together with Fastator, Redito, Järngrinden and SBB. These joint ventures own five properties with a total property value of SEK 906m, of which Genova's share amounts to SEK 453m. Shares in joint ventures are recognised using the equity method. The properties, which are currently let, comprise a total of approximately 2,050 residential building rights (of which Genova's stake is 1,025) for the future development of residential units.

In June, 50% of the shares in the property-owning company that owns Stapelbädden 3 in Lidingö were divested. The shares were purchased by SBB in March 2020 and the parties will develop the property jointly with a focus on sustainable homes with elements of community services.

Ongoing construction

30 June 2020

Project	Municipality	Category	Construction start	Scheduled completion	No. of residential units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value, SEKm
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	
Liljegatan 1 ²	Uppsala	Co-operative apartments	Q3 2018	Q4 2020	48	4,352	483	336	69,590	-	-	276	235	-
Hotell Nobis	Palma	Commercial properties	Q3 2019	Q2 2021	35	2,300	-	253	110,000	7	3,250	116	68	108
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q4 2021	80	6,021	1,296	337	46,057	16	2,132	251	48	66
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2021/Q2 2022 ³	275	13,257	-	588	44,354	29	2,150	486	73	95
Total ongoing construction					438	25,930	1,779	1,514	54,656	52	2,255	1,129	424	270

1) Refers to fair value of the completed investment.

2) Due to the new accounting policies, SEK 47m of total project profit was reversed and reduced equity by the corresponding amount. The amount will be recognised as profit upon completion in Q4 2020.

3) Approximately 35% of the residential units are scheduled for completion in Q4 2021 in a first stage.

Planned projects

30 June 2020

Project	No. of residen- tial units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value, SEKm
		Residen- tial units	Premises	SEKm	SEK /sqm	SEKm	SEK /sqm	Esti- mated	Accum- ulated	
Per category										
Rental apartments	3,097	175,225	–	7,352	41,959	354	2,019	5,996	26	69
Community service properties	290	22,270	7,660	1,286	42,968	64	2,140	957	5	5
Commercial properties ²	137	5,800	19,180	965	38,644	52	2,070	745	142	149
Co-operative apartments	1,305	73,775	–	4,893	66,319	–	–	3,657	33	70
Total per category	4,829	277,070	26,840	14,496	47,700	470	2,040	11,354	206	293
Per geography – Own management										
Greater Stockholm	1,691	101,000	13,000	4,939	43,326	239	2,097	4,027	17	51
Uppsala	1,183	62,085	13,375	2,889	38,282	147	1,953	2,353	30	36
Other	650	40,210	465	1,776	43,658	83	2,044	1,317	126	136
Total per geography	3,524	203,295	26,840	9,604	41,731	470	2,040	7,697	173	223
Per geography – Co-operative apartments										
Greater Stockholm	1,120	64,425	0	4,412	68,489	0	0	3,282	26	59
Uppsala	185	9,350	0	480	51,367	0	0	375	7	12
Other	0	0	0	0	0	0	0	0	0	0
Total per geography	1,305	73,775	0	4,893	66,319	0	0	3,657	33	70
Per geography – Own management and co-ops										
Greater Stockholm	2,811	165,425	13,000	9,352	52,412	239	2,097	7,309	42	110
Uppsala	1,368	71,435	13,375	3,369	39,724	147	1,953	2,728	37	47
Other	650	40,210	465	1,776	43,658	83	2,044	1,317	126	136
Total own management and co-ops per geography	4,829	277,070	26,840	14,496	47,700	470	2,040	11,354	206	293

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.

The table only shows the number of residential units, area, property and rental value, investment amount and book value that correspond to Genova's financial stake in jointly owned properties.

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.

Project

30 June 2020

30 June 2020

							Phase			
Project specification	Municipality	Category¹	Estimated construction start	Estimated completion	No. of residential units	Lettable area, sqm	Planning permission decision	Planning consultation	Review	Enacted zoning plan
WHOLLY OWNED PROJECTS										
Ongoing construction										
Liljegatan 1	Uppsala	Co-operative apartments	Q3 2018	Q4 2020	48	4,835	•	•	•	•
Hotell Nobis	Palma	Commercial properties	Q3 2019	Q2 2021	35	2,300	•	•	•	•
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q4 2021	80	7,317	•	•	•	•
		Rental apartments	Q4 2019	Q4 2021/Q2 2022²	275	13,257	•	•	•	•
					438	27,709				
Planned projects										
Hotell Can Oliver	Palma	Commercial properties	2020	2021	40	3,300	•	•	•	•
Boländerna 21:4	Uppsala	Commercial properties	2020	2021	97	7,500	•	•	•	•
Luthagen	Uppsala	Commercial properties	2020	2022		680	•	•	•	•
		Co-operative apartments	2020	2022	45	1,500	•	•	•	•
Klostergården	Lund	Rental apartments	2021	2023	165	9,240	•	•		
Ekeby	Uppsala	Rental apartments	2021	2023	51	2,160	•	•		
		Commercial properties	2021	2023		900	•	•		
		Co-operative apartments	2021	2023	40	2,460	•	•		
Sydöstra Vikdalen	Nacka	Rental apartments	2021	2023	250	14,600	•	•		
Storvreta	Uppsala	Rental apartments	2021	2023	80	3,900	•			
		Commercial properties	2021	2023		800	•			
Drevern 1, 2	Stockholm	Rental apartments	2022	2024	140	7,700	•	•		
		Community service properties	2022	2024	60	4,600	•	•		
		Commercial properties	2022	2024		2,700	•	•		
Dvärgspetsen 1	Stockholm	Rental apartments	2022	2024	150	9,240	•	•		
Odalmannen	Huddinge	Rental apartments	2022	2024	56	2,960	•			
Jaktvarvet	Nacka	Co-operative apartments	2022	2024	90	5,400	•	•		
Kryddgården 6:3	Enköping	Rental apartments	2022	2024	300	14,630	•	•		
		Co-operative apartments	2022	2024	100	5,390	•	•		
		Community service properties	2022	2024	80	7,440	•	•		
		Commercial properties	2022	2024		3,600	•	•		
Västra Knivsta	Knivsta	Rental apartments	2022	2024	250	15,400	•			
Brynjan 5	Huddinge	Rental apartments	2023	2024	75	4,070	•			
		Co-operative apartments	2023	2024	100	5,400	•			
Gäddviken	Nacka	Co-operative apartments	2023	2025	100	6,840	•	•		
Örnsberg	Stockholm	Co-operative apartments	2023	2025	120	6,300	•	•		
Runö	Österåker	Rental apartments	2023	2025	50	2,890	•			
		Co-operative apartments	2023	2025	150	8,660	•			
Rivan	Lund	Rental apartments	2025	2027	50	3,465	•			
Västerbo	Lund	Rental apartments	2025	2027	80	4,620	•			
Kungsängen	Uppsala	Rental apartments	2025	2027	175	10,000	•			
Total					2,894	178,345				
JOINTLY OWNED PROJECTS (Refers to Genova's stake³)										
Planned projects										
Segerdal⁴	Knivsta	Rental apartments	2020	2022	150	7,450	•	•	•	•
		Commercial properties	2020	2022		1,000	•	•	•	•
Gulmäran 7, 8⁵	Borås	Community service properties	2021	2024	70	4,650	•	•		
		Rental apartments	2021	2024	245	15,400	•	•		
Viby⁶	Upplands-Bro	Rental apartments	2021	2028	620	36,000	•	•		
		Co-operative apartments	2021	2028	210	10,700	•	•		
		Community service properties	2021	2028	80	13,240	•	•		
		Commercial properties	2021	2028		4,500	•	•		
Skvaltán⁷	Nacka	Co-operative apartments	2024	2026	175	9,625	•			
Gåshaga⁸	Lidingö	Rental apartments	2025	2027	210	11,500	•			
		Co-operative apartments	2025	2027	175	11,500	•			
Total					1,935	125,565				
Total					5,267	331,619				

1) Where the number of residential units specified in the 'Commercial properties' category refers to hotel development.

2) Approximately 35% of the residential units are scheduled for completion in Q4 2021 in a first stage.

3) The table only shows the number of residential units and area that correspond to Genova's financial stake in jointly owned properties.

4) Segerdal is 50/50 owned by Genova and Redito.

5) Gulmäran is 50/50 owned by Genova and Järngrinden.

6) Viby is 70/30 owned by Genova and K2A.

7) Skvaltán is 50/50 owned by Genova and Fastator.

8) Gåshaga is 50/50 owned by Genova and SBB.

Consolidated statement of comprehensive income

SEKm	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jul 2019- Jun 2020	Jan-Dec 2019
Rental income	56.6	41.9	110.6	81.4	209.8	180.6
Operating costs	-8.5	-7.6	-20.0	-18.2	-39.3	-37.5
Maintenance costs	-1.4	-1.3	-2.3	-2.1	-7.8	-7.6
Property tax	-1.8	-1.4	-3.4	-2.7	-6.3	-5.6
Total Property costs	-11.7	-10.3	-25.7	-23.0	-53.4	-50.7
Net operating income	44.9	31.6	84.9	58.4	156.4	129.9
Central administration, property management	-3.8	-3.2	-6.8	-6.0	-13.2	-12.4
Central administration, project development	-5.7	-6.3	-10.1	-11.8	-20.8	-22.5
Share of profit from joint ventures	3.6	11.2	4.7	12.1	18.0	25.4
Net financial items	-36.1	-14.7	-51.4	-29.7	-99.2	-77.5
Income from property management	2.9	18.6	21.3	23.0	41.2	42.9
Income from new construction, co-ops	-	-	-	-	57.4	57.4
Other operating income	0.3	0.6	0.9	1.0	3.1	3.2
Value changes, properties	14.7	80.2	233.9	128.8	711.6	606.5
Income before tax	17.9	99.4	256.1	152.8	813.3	710.0
Income tax	22.5	-20.9	-25.1	-32.5	-131.6	-139.0
Net income for the period	40.4	78.5	231.0	120.3	681.7	571.0
Other comprehensive income for the period	-	-	-			-
Total comprehensive income for the period	40.4	78.5	231.0	120.3	681.7	571.0
Net income for the period attributable to:						
Parent Company shareholders	40.4	73.8	231.1	106.6	674.2	549.7
Non-controlling interests	0.0	4.7	-0.1	13.7	7.5	21.3
Total comprehensive income attributable to:						
Parent Company shareholders	40.4	73.8	231.1	106.6	674.2	549.7
Non-controlling interests	0.0	4.7	-0.1	13.7	7.5	21.3
Income per ordinary share before and after dilution, SEK ¹	0.55	1.32	3.64	1.82	11.36	9.53
No. of ordinary shares at the end of the period, 000s	30,722	50,000	30,722	50,000	30,722	61,444
Average no. of ordinary shares, 000s ²	53,934	50,000	57,689	50,000	57,659	53,815
No. of preference shares outstanding, 000s	4,000	4,000	4,000	4,000	4,000	4,000
Average no. of preference shares, 000s	4,000	3,156	4,000	3,078	4,000	3,500

1) Earnings in relation to average number of ordinary shares after dividends to preference shareholders.

2) As of 8 May 2020, half of the number of ordinary shares were withdrawn.

Performance analysis

Rental income

The Group's rental income during the period amounted to SEK 110.6m (81.4). The increase corresponds to rental income growth of 36%. The growth in rental income was mainly attributable to a growing investment property portfolio from acquisitions, and an improved occupancy rate in the existing investment property portfolio. During the period, the lettable area increased approximately 21,000 sqm to 168,000 sqm, or 14%, with a total rental value of SEK 233m, corresponding to approximate growth of 5%. The community service properties category accounted for the greatest increase. At the end of the period, the economic occupancy rate was 98% (95), mainly the result of successful letting efforts, and reclassification of the Handelsmannen 1 property vacated in 2019 as a property under construction in December.

Rental income for the second quarter amounted to SEK 56.6m (41.9), up 35%.

Income development			
SEKm	Jan-Jun 2020	Jan-Jun 2019	Change, %
Comparable portfolio	67.0	66.1	1
Properties acquired	39.9	11.1	260
Properties sold	3.7	4.2	-12
Rental income	110.6	81.4	36
Commercial properties	71.3	61.9	15
Community service properties	39.4	19.5	102
Rental income	110.6	81.4	36

Property costs

During the period, operating and maintenance costs and property tax increased to SEK -25.7m (-23.0), up 12%. The increase in property costs was largely due to the fact that Genova managed a larger investment property portfolio compared with the preceding period.

Property costs for the second quarter amounted to SEK -11.7m (-10.3), and the increase was attributable to a growing investment property portfolio and higher maintenance costs during the quarter.

Property costs development

SEKm	Jan-Jun 2020	Jan-Jun 2019	Change, %
Comparable portfolio	-17.1	-18.3	-7
Properties acquired	-7.5	-3.5	115
Properties sold	-1.1	-1.2	-11
Property costs	-25.7	-23.0	12
Commercial properties	-18.9	-19.4	-3
Community service properties	-6.8	-3.6	91
Property costs	-25.7	-23.0	12

Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-219.4	-239.7	-225.6
Maintenance	-64.4	-21.2	-51.3
Property tax	-43.3	-4.8	-31.1
Total	-326.4	-265.7	-307.9

Net operating income

During the period, net operating income increased to SEK 84.9m (58.4), up 45%. The NOI margin for the period was 76.8%, an increase compared with the corresponding period of 2019, when the figure was 71.7%.

In the second quarter, net operating income amounted to SEK 44.9m (31.6), up 42%. The NOI margin for the second quarter was 79.3%, an improvement compared with the corresponding quarter of 2019.

Central administration

Central administrative expenses are allocated between property management and project development. During the period, central administrative expenses totalled SEK -16.9m (-17.8), which is somewhat lower than the corresponding period of 2019.

In the second quarter, central administrative expenses amounted to SEK -9.5m (-9.5), which is in line with the second quarter of 2019.

Central administration		
SEKm	Jan-Jun 2020	Jan-Jun 2019
Property management		
Other external costs	-2.8	-2.0
Personnel costs	-2.6	-2.8
Depreciation/amortisation and leases	-1.4	-1.2
Central administration, property management	-6.8	-6.0
Project development		
Other external costs	-4.1	-4.0
Personnel costs	-3.9	-5.6
Depreciation/amortisation and leases	-2.1	-2.2
Central administration, project development	-10.1	-11.8

Share of profit from joint ventures

The earnings effect of Genova's properties owned through joint ventures is reported in this item. During the period, share of profit from joint ventures amounted to SEK 4.7m (12.1) and pertained to income of SEK 2.3m (2.2) from operating activities and value changes of SEK 2.4m (9.9). Income from operating activities was in line with the preceding year, while value changes had a greater impact on income from property management in the second quarter of 2019.

Net financial items

Net financial items amounted to SEK -51.4m (-29.7) during the period, which is lower compared with the corresponding period of the preceding year. The item includes positive currency effects of SEK 0.7m (4.1) pertaining to projects in Palma. Excluding currency effects, interest expense increased in line with operational growth. Interest-bearing liabilities, including the bond loan, increased from SEK 2,083m to

SEK 3,107m compared with the year-on-year period. As of the balance-sheet date, the average interest rate was 2.4% (3.1% including the bond loan). Financial expenses during the period include SEK -7.4m (-4.4) pertaining to bond financing costs, which are allocated over the terms of the loans. The higher expense in 2020 compared with 2019 also pertains to the bond loan issued in the third quarter of 2019. As of 2019, interest expense of SEK -1m from lease liabilities is also included and mainly pertains to ground leases. The interest-coverage ratio for the period was 1.8 times (1.7). The interest-coverage ratio does not include bond financing costs, since these are considered non-recurring costs, together with currency effects.

Net financial items		
SEKm	Jan-Jun 2020	Jan-Jun 2019
Interest income	1.1	0.4
Exchange rate gains	0.7	4.1
Interest expense, loans	-44.8	-28.7
Leases	-1.0	-1.1
Other financial expenses	-7.4	-4.4
Net financial items	-51.4	-29.7

Income from property management

During the period, income from property management amounted to SEK 21.3m (23.0). Compared with the preceding period, rental income rose 36% while property costs increased 12% and central administrative expenses declined slightly. However, profit from joint ventures decreased due to higher value changes in 2019 and the positive impact of currency effects on net financial items in 2019. Excluding value changes from joint ventures and currency effects, income from property management amounted to SEK 18.2m (9.0), representing an increase of 102%.

In the second quarter, income from property management amounted to SEK 2.9m (18.6). In addition to the aforementioned effects in comparison to 2019, currency effects also had a negative impact on income from property management in the second quarter of 2020. In the first quarter of 2020, positive currency effects of SEK 9.7m were recognised. As the SEK strengthened, the currency effect from the first quarter was virtually eliminated, which had a negative impact of SEK 9.0m on net financial items in the second quarter.

Value changes

The divestment of 50% of the shares in the company that owns the Stapelbädden 3 property to SBB, which was closed in the second quarter of 2020, was conducted at an underlying property value of SEK 400m. The agreed value exceeded Genova's book value by approximately SEK 220m, resulting in a positive value change during the period. Ongoing construction in Norrtälje and Palma (Majorca) contributed value changes of SEK 36.0m during the period, plus an additional SEK 7.2m in increased value from higher net operating income in the Gördelmakaren 5 property in Norrtälje where Sportringen is a new tenant. During the period, accessed properties had a positive impact on value changes of SEK 9.5m. The ongoing COVID-19 pandemic had some impact on the value of Genova's two extended-stay hotels which, together with a few other properties, declined in value by a total of SEK -35.0m during the period due to changed yield requirements. In total, a positive value change of SEK 233.9m was subsequently recognised during the period.

Value changes, properties			
SEKm	Jan-Jun 2020	Jan-Jun 2019	
Change in net operating income	7.7	33.9	
Ongoing construction	36.0	4.9	
Land and unused building rights	215.7	8.9	
Change in yield requirement	-35.0	11.9	
Acquisitions	9.5	69.2	
Value changes, properties	233.9	128.8	

Income tax

Recognised tax amounted to SEK -25.1m. Current tax has been calculated using a nominal tax rate of 21.4%, while deferred tax has been calculated with the lower tax rate of 20.6% that will apply from 2021 and onwards. Remaining tax loss carryforwards are an estimated SEK 386m (345), with untaxed reserves of approximately SEK 52m (36). The fair value of the properties exceeded their taxable value by SEK 2,781m (1,706). Deferred tax liabilities are calculated using the nominal tax rate of 20.6% of the difference between the book value and tax base, less the tax attributable to asset acquisitions.

Tax calculation			
SEKm	Jan-Jun 2020	Jan-Jun 2019	
Income before tax	256.1	152.8	
Tax rate, %	21.4	21.4	
Income tax at the current tax rate	-54.8	-32.7	
Non-deductible net interest income	-7.5	-4.2	
Deductible costs not included in profit or loss	6.2	3.4	
Reversal of tax on sale of property	34.5	-	
Adjustment of deferred tax for prior periods	-6.7	-	
Adjustment of ongoing construction	1.4	-	
Effect of changed tax rates	1.8	1.0	
Tax for the period as per the income statement	-25.1	-32.5	

Deferred tax liabilities, net			
SEKm	Jan-Jun 2020	Jan-Jun 2019	
Temporary differences, properties	-279.2	-157.6	
Untaxed reserves	-10.8	-7.4	
Total deferred tax liabilities	-290.0	-165.0	
Loss carryforwards	79.5	71.2	
Total deferred tax assets	79.5	71.2	
Deferred tax liabilities, net	-210.5	-93.8	

Consolidated balance sheet

SEKm	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Investment properties	3,929.4	2,658.0	3,661.3
Properties under construction	476.3	374.4	702.0
Development properties	86.6	72.4	56.5
Right-of-use assets	37.3	39.2	39.0
Equipment	1.8	7.6	2.8
Deferred tax assets	79.5	71.2	78.6
Unlisted shares	–	1.4	–
Shares in joint ventures	200.9	74.7	88.5
Other non-current receivables	258.3	8.6	96.0
Total non-current assets	5,070.1	3,307.5	4,724.7
Current assets			
Ongoing co-operative apartment projects	235.1	454.1	199.3
Rent receivable and accounts receivable	9.2	2.2	4.0
Other receivables	134.4	4.9	27.8
Prepaid expenses and accrued income	44.4	44.1	84.0
Cash and cash equivalents	53.1	224.1	109.1
Total current assets	476.2	729.4	424.2
TOTAL ASSETS	5,546.3	4,036.9	5,148.9
EQUITY			
Total comprehensive income for the period			
Share capital	0.7	0.5	0.7
Other capital contributions	647.6	439.4	647.6
Retained earnings, including net income for the period	1,209.5	743.6	999.6
Non-controlling interests	78.2	49.2	78.3
Total equity	1,936.0	1,232.7	1,726.2
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	2,008.2	1,349.5	1,664.6
Bond loans	662.4	491.3	659.4
Lease liabilities	32.7	36.4	34.4
Other non-current liabilities	42.1	1.3	42.1
Deferred tax liabilities	290.0	165.0	280.7
Total non-current liabilities	3,035.4	2,043.5	2,681.2
Current liabilities			
Loans from credit institutions	387.5	615.4	579.3
Overdraft facility	34.5	–	–
Accounts payable	50.5	57.0	41.1
Lease liabilities	4.8	5.0	4.7
Current tax liabilities	12.1	7.9	11.0
Other liabilities	40.8	35.5	69.3
Accrued expenses and deferred income	44.7	39.9	36.1
Total current liabilities	574.9	760.7	741.5
TOTAL LIABILITIES AND EQUITY	5,546.3	4,036.9	5,148.9

Consolidated statement of changes in equity

SEKm	Attributable to Parent Company shareholders					Total	Non-con- trolling interests	Total equity
	No. of shares out- standing, 000s		Share capital	Other capital contribu- tions	Retained earnings incl. net income for the period			
	Ordinary shares	Preference shares						
Opening balance, 1 January 2019	50,000	3,000	0.5	319.7	748.8	1,069.0	66.1	1,135.0
Effect of change in accounting policies					-65.2	-65.2	-12.4	-77.6
Opening balance according to changed policies	50,000	3,000	0.5	319.7	683.6	1,003.8	53.7	1,057.4
Comprehensive income								
Net income for the year					549.7	549.7	21.3	571.0
Other comprehensive income								
Total comprehensive income					549.7	549.7	21.3	571.0
Transactions with shareholders								
Transaction with non- controlling interests					-146.9	-146.9	10.3	-136.6
Dividends					-86.8	-86.8	-7.0	-93.8
New issue of preference shares		1,000	0.0	124.0		124.0		124.0
Issue costs				-4.5		-4.5		-4.5
New issue of ordinary shares	11,444		0.2	208.2		208.3		208.3
Total Transactions with shareholders	11,444	1,000	0.2	327.7	-233.7	94.2	3.3	97.4
Closing balance, 31 December 2019	61,444	4,000	0.7	647.6	999.6	1,647.9	78.3	1,726.2
Opening balance, 1 January 2020	61,444	4,000	0.7	647.6	999.6	1,647.9	78.3	1,726.2
Comprehensive income								
Net income/loss for the period					231.1	231.1	-0.1	231.0
Other comprehensive income								
Total comprehensive income					231.1	231.1	-0.1	231.0
Transactions with shareholders								
Transaction with non-controlling interests					-0.4	-0.4		-0.4
Withdrawal of ordinary shares	-30,722							
Dividends					-21.0	-21.0		-21.0
Total Transactions with shareholders	-30,722				-21.4	-21.4	0.0	-21.4
Closing balance, 30 June 2020	30,722	4,000	0.7	647.6	1,209.5	1,857.8	78.2	1,936.0

Comments on the balance sheet

Property portfolio and property value

Investment properties

The Group's investment properties comprise a total of 45 wholly owned properties. The fair value of investment properties is mainly estimated using a Discounted Cash Flow Model, where the value has been calculated as the present value of expected future cash flows and the residual value during a calculation period, where discounting has taken place using an estimated cost of capital. The average yield requirement for the property portfolio was an estimated 4.32% as of the balance-sheet date. (Excluding Viby 19:3, which has been partially divested based on a valuation of building rights, the average yield requirement is an estimated 4.72%). As of 30 June 2020, the book value of the Group's investment properties was SEK 3,929.4m, up SEK 268.1m compared with 31 December 2019. The increase was mainly due to the completion of one community service property and rental units in Knivsta, the change in value of the Stapelbädden 3 property and acquisitions during the period. However, Stapelbädden 3 was divested to a joint venture during the period, which reduced the balance-sheet item in the Genova Group.

Properties under construction

Properties under construction comprised the construction of two planned hotels in Palma, Majorca, of which one is under construction, and construction of the Handelsmannen 1 project in Norrtälje, which commenced in the fourth quarter of 2019. The balance-sheet item also includes value changes in building rights related to a number of upcoming projects. A total amount of SEK 96.0m was capitalised during the period. During the period, the completed retirement home and rental units in Alsike, Knivsta, were reclassified as investment properties.

Development properties

Development properties refers to accrued and capitalised costs for construction projects not yet started. At construction starts, the amounts are reclassified as properties under construction.

Ongoing co-operative apartment projects

Genova decided to change its accounting policies and is now consolidating the co-operative housing association that owns the Liljegatan 1 project in Fålhagen, Uppsala. The project is recognised as an Ongoing co-operative apartment project under Current assets. For a description of the effects of changes in accounting policies, refer to Note 1.

Property value

The entire investment property portfolio is externally appraised at least once annually. As of 30 June 2020, the entire investment property portfolio had been externally appraised by CBRE and Newsec, based on the most recent external appraisal on 31 March 2020. In the fair value hierarchy, investment properties are considered Level 3 assets, which means that the fair value of the asset is based on unobservable inputs.

Change in investment property portfolio

SEKm	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Opening value, investment properties	3,661.3	2,270.9	2,271.0
+ Acquisitions	94.2	253.8	960.3
+ Building extensions and renovations	17.7	8.6	8.0
- Divestments	-349.0	-	-7.0
- Reclassifications	308.0	-	-58.0
+/- Unrealised value changes	197.2	124.7	487.0
Closing value, investment properties	3,929.4	2,658.0	3,661.3
Opening value, properties under construction	702.0	279.0	279.0
+ New construction	96.3	90.5	229.5
+ Reclassifications	-308.0	-	69.0
- Divestments	-50.0	-	-
+/- Unrealised value changes	36.0	4.9	124.4
- of which ongoing construction	36.0	4.9	-18.6
- of which unused building rights	-	-	143.0
Closing value, properties under construction	476.3	374.4	702.0
Opening value, development properties	56.5	50.3	50.3
+ Capitalisation	30.1	22.1	22.1
+ Reclassifications	-	-	-11.0
+/- Unrealised value changes	-	-	-4.9
- of which unused building rights	-	-	-4.9
Closing value, development properties	86.6	72.4	56.5
Opening value, ongoing co-operative apartment projects	199.3	311.7	311.7
+ Capitalisation	35.8	142.4	113.8
- Divestments	-	-	-226.2
Closing value, ongoing co-operative apartment projects	235.1	454.1	199.3
Closing value, investment property portfolio	4,727.4	3,558.9	4,619.1
Investment properties	3,929.4	2,658.0	3,661.3
Ongoing construction	269.9	374.4	451.5
Planned projects	293.0	72.4	307.0
Ongoing co-operative apartment projects	235.1	454.1	199.3
Closing value, investment property portfolio	4,727.4	3,558.9	4,619.1

Property yield per category

%	30 Jun 2020	30 Jun 2019
Commercial properties ¹	4.16	4.73
Community service properties	4.56	5.77
Total	4.32	4.95

1) Viby 19:3 has been partially divested to K2A based on a valuation of building rights. Excluding Viby 19:3, the yield for commercial properties is 4.85% and the total yield for the entire investment property portfolio is 4.72%.

Key metrics, property value

	30 Jun 2020	30 Jun 2019
Rental value, SEK/sqm	1,384	1,218
Economic occupancy rate, %	98	95
Property costs, SEK/sqm	308	267
Net operating income, SEK/sqm	1,050	895
NOI margin, %	75	75
Investment property value, SEK/sqm	23,365	18,073
Lettable area, ksqm	168,174	147,068
No. of properties	45	35

Equity and net asset value

As of 30 June 2020, consolidated equity amounted to SEK 1,936.0m (1,726.2) and the equity/assets ratio was 34.9% (33.5).

Long-term net asset value amounted to SEK 2,193.5m (1,975.3), up 11%. Long-term net asset value attributable to ordinary shareholders was SEK 1,675.3m (1,457.0), corresponding to an increase of 15%. The long-term net asset value attributable to ordinary shareholders per ordinary share amounted SEK 54.53 per ordinary share (23.71).

Genova decided to change its accounting policies and is now consolidating the co-operative housing association that owns the Liljegatan 1 project in Fålhagen, Uppsala. Under the new policies, the date on which income from new construction of co-operative apartments is recognised is the point in time when home buyers gain accession to their units and not,

as previously, over a period of time as the work is completed. Due to application of the new accounting policies from the first quarter of 2020, items attributable to prior periods have been restated, which is presented in Note 1. For the reporting period ending on 30 June 2020, the restatement led to a decrease of SEK 47.0m in equity. Since the project will be completed in the fourth quarter of 2020, SEK 47m will be returned to equity during the year. This amount has therefore been reversed in the calculation of long-term net asset value, and long-term net asset value attributable to ordinary shareholders.

After the end of the period, Genova completed an issue of new ordinary shares, generating proceeds of SEK 576m for the Group before listing expenses.

Net asset value

	30 Jun 2020		30 Jun 2019		31 Dec 2019	
	SEKm	SEK/ordinary share	SEKm	SEK/ordinary share	SEKm	SEK/ordinary share
Equity as per the balance sheet	1,936.0	63.02	1,232.7	24.65	1,726.2	28.09
Reversal:						
Deferred tax liabilities as per the balance sheet	290.0	9.44	165.0	3.30	280.7	4.57
Effect of change in accounting policies	47.0	1.53	82.7	1.65	47.0	0.76
Less:						
Deferred tax assets as per the balance sheet	-79.5	-2.59	-71.2	-1.42	-78.6	-1.28
Preference share capital	-440.0	-14.32	-440.0	-8.80	-440.0	-7.16
Non-controlling interests	-78.2	-2.55	-49.2	-0.98	-78.3	-1.27
Long-term net asset value attributable to ordinary shareholders	1,675.3	54.53	920.0	18.40	1,457.0	23.71

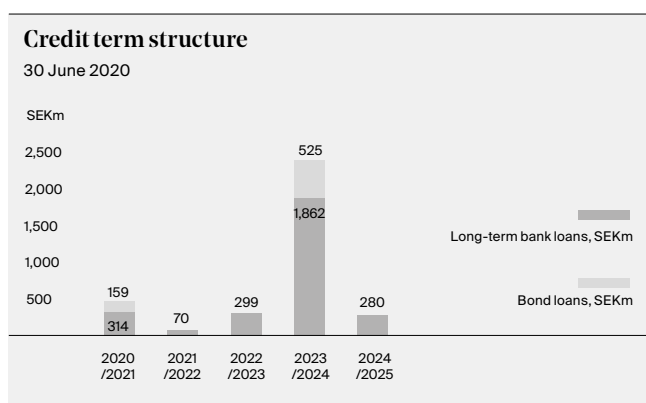
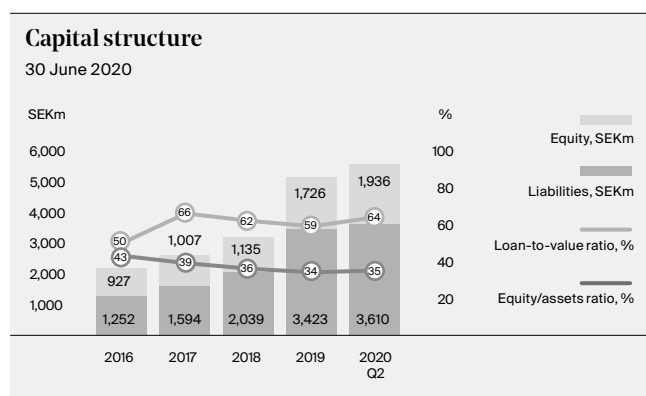
Interest-bearing liabilities

As of 30 June 2020, the Group's interest-bearing liabilities attributable to investment properties and project properties were approximately SEK 3,107m (2,903), representing a loan-to-value ratio of about 64.0% (59.4) adjusted for cash and cash equivalents. As of 30 June 2020, the average interest rate was approximately 2.4% (3.1% including the bond loan) and the equity/assets ratio was 34.9% (33.5).

As of 30 June 2020, the Group's total interest-bearing liabilities of SEK 2,423m (2,244) to credit institutions were attributable to acquisition financing, refinancing of the Group's existing property portfolio and project financing. The Group's credit facilities contain customary loan guarantees and covenants, including the requirement that Genova and its subsidiaries meet certain financial key metrics, such as the loan-to-value ratio and interest coverage ratio.

As of 30 June 2020, the average maturity was 3.3 years (3.0). The credit term structure as of 30 June 2020 is shown in the table below.

During the period, Genova's credit facility was extended by SEK 100m. At the end of the period, undrawn credit facilities totalled SEK 400m. In 2020, loans of SEK 79.5m will mature, of which the entire amount was refinanced after the end of the period.



Interest-rate derivatives

Genova has purchased interest-rate caps for a total of SEK 600m in the loan portfolio, limiting interest rates to 2%. The caps apply until 2022 for SEK 300m, and until 2023 for the remaining SEK 300m. At the end of the period, the Group had no other outstanding derivatives or interest-rate swaps, and all loans carried variable interest rates with three-month STIBOR as the reference base.

Credit and interest rate term structure

30 June 2020

Term	Fixed-rate period		Maturity		
	Amount, SEKm	Average rate, %	Credit agreement, SEKm	Drawn, SEKm	Undrawn, SEKm
0-1 years	314	4.53	314	314 ¹	0
1-2 years	70	2.34	70	70	0
2-3 years	299	2.29	299	299	0
3-4 years	1,862	3.08	2,162	1,862 ²	300
4-5 years	280	2.06	280	280	0
Total	2,825	3.04	3,125	2,825	300
Construction credit	282	3.09	894	282	612
Total	3,107	3.04	4,019	3,107	912
Loans, excluding Bonds and Construction credit	2,141	2.30	2,441	2,141	300

1) SEK 159m pertains to a bond interest rate of 5.75%.

2) SEK 525m pertains to a bond interest rate of 5.25%.

Consolidated cash flow statement

SEKm	30 Jun 2020	30 Jun 2019	31 Dec 2019
Cash flow from operating activities			
Income from property management	21.3	23.0	42.9
Adjustment for non-cash items ¹⁾	10.5	2.2	-14.3
Other operating income	0.9	1.1	3.2
Income tax paid	-15.6	-2.0	3.0
Cash flow from operating activities before changes in working capital	17.1	24.3	34.7
Changes in working capital			
Change in accounts receivable	-5.2	-0.6	-2.3
Change in other operating receivables	-67.0	9.2	-42.0
Change in accounts payable	9.4	-10.7	-16.2
Change in other operating liabilities	-22.5	10.7	34.5
Cash flow from operating activities	-68.2	32.9	8.7
Cash flow from investing activities			
Investments in properties and projects	-274.4	-375.8	-1,148.2
Investments in equipment	-	-3.3	-0.3
Divestments of investment properties	-	-	7.0
Increase in other financial assets	130.0	-	17.4
Decline in other financial assets	-	52.0	-
Cash flow from investing activities	-144.4	-327.1	-1,124.1
Cash flow from financing activities			
New share issue	-	119.7	119.7
Change in overdraft facility	34.5	-	-
Loans raised	350.5	768.5	1,503.3
Repayment of loans	-207.4	-481.7	-481.2
Dividends paid	-21.0	-47.8	-86.8
Changes in non-controlling interests	-	-16.9	-7.0
Cash flow from financing activities	156.6	341.8	1,048.0
Cash flow for the period	-56.0	47.6	-67.4
Opening cash and cash equivalents	109.1	176.5	176.5
Closing cash and cash equivalents	53.1	224.1	109.1
<i>1) Other non-cash items</i>			
Reversal of depreciation and amortisation	3.5	3.4	1.3
Share of profit from joint ventures	-4.7	-12.1	-25.4
Accrued interest	11.7	10.9	9.8
	10.5	2.2	-14.3
Interest received	1.1	0.4	1.9
Interest paid	-44.8	-28.7	-66.1

Segment reporting

SEKm	Jan-Jun 2020				Jan-Jun 2019			
	Investment properties	Other	Not allocated	Total	Investment properties	Other	Not allocated	Total
Rental income	110.6			110.6	81.4			81.4
Income from new construction		-		-		20.9		20.9
Total income	110.6	-		110.6	81.4	20.9		102.3
Property costs	-25.7			-25.7	-23.0			-23.0
Total costs	-25.7			-25.7	-23.0			-23.0
Net operating income/Income from new construction	84.9	-		84.9	58.4	20.9		79.3
Central administration	-6.8		10.1	-16.9	-6.0		11.8	-17.8
Share of profit from joint ventures	4.7			4.7	12.1			12.1
Net financial items			-51.4	-51.4			-29.7	-29.7
Other operating income			0.9	0.9			1.0	1.0
Value changes, properties	233.9			233.9	128.8			128.8
Income before tax				256.1				173.7
Segment-specific assets								
Investment properties	3,929.4				2,658.0			
Properties under construction	476.3				374.4			
Development properties	86.6				72.4			
Shares in joint ventures	200.9				74.7			
Accrued income		47.0				98.5		
Segment-specific investments								
Acquisitions and investments	238.3	35.8			375.0	142.4		

Segment reporting

Management has identified operating segments on the basis of internal management reports to the company's highest executive decision-maker, which the Group has identified as the CEO. Based on the internal management reports, the operations are organised, managed and reported as two operating segments: Property management and Other. The Investment properties operating segment has been consolidated according to the same policies as for the Group as a whole. The income and expenses reported for each operating segment are actual costs. The same applies to the assets and liabilities reported per segment and that are shown in the Consolidated statement of financial position.

In the segment reporting, ongoing residential projects are recognised under co-operative housing associations in the Other segment, in accordance with the previously applied revenue recognition policy described in the Group's 2019 Annual

Report. As a result, Genova considers the co-operative housing association an external counterparty and therefore recognises income from the sale of the property to the co-operative housing association at a point in time, and income from the project management as the work is completed over a period of time using the percentage of completion method. Income from transactions with co-operative housing associations is recognised in the 'Other' segment. These policies entail that Genova does not apply IFRS 10 Consolidated Financial Statements in its segment reporting, since the co-operative housing associations included in the consolidated financial statements are considered external parties in the segment reporting. Genova deems that this method of recognition best reflects Genova's residential transactions and the Board of Directors and management will continue to monitor the company's operations using this approach.

Key metrics¹

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Key metrics, properties					
Residential units under construction, no.	438	250	438	250	527
Residential units completed, no.	35	–	89	–	133
Total no. of building rights	5,267	5,292	5,267	5,292	5,406
Lettable area, commercial properties, ksqm	112.9	128.1	113	128.1	112.9
Lettable area, community service properties, ksqm	55.3	19.0	55	19.0	55.3
Total lettable area, ksqm	168.2	147.1	168	147.1	168.2
Economic occupancy rate, %	98.1	95.0	98	95.0	97.8
NOI margin, %	79.3	75.4	76.8	71.7	71.9
Net investments, SEKm	168.7	151.7	274.4	375.8	1,141.2
Financial key metrics					
Return on equity, %	2.5	7.8	14.6	11.9	39.9
Equity/assets ratio, %	34.9	30.5	34.9	30.5	33.5
Loan-to-value ratio, %	64.0	62.7	64.0	62.7	58.1
Average interest rate, %	2.4	2.3	2.4	2.3	2.4
Average interest rate including bond loans, %	3.1	3.1	3.1	3.1	3.0
Interest-coverage ratio, times	1.9	1.9	1.8	1.7	1.7
Maturity, no. of years	3.3	3.0	3.3	3.0	3.6
Key metrics, shares					
Total no. of preference shares outstanding, 000s	4,000	4,000	4,000	4,000	4000
Average no. of preference shares outstanding, 000s	4,000	3,156	4,000	3,078	3500
Total dividend on preference shares, SEKm	10.5	7.9	21.0	7.9	36.8
Dividend on preference share, SEK	2.62	2.62	5.25	5.25	10.50
Total no. of ordinary shares outstanding, 000s	30,722	50,000	30,722	50,000	61,444
Average no. of ordinary shares outstanding, 000s	53,934	50,000	57,689	50,000	53,815
Income from property management per ordinary share, SEK	–0.14	0.21	0.01	0.39	0.11
Income per ordinary share, SEK	0.55	1.32	3.64	1.82	9.53
Equity, SEKm	1,936.0	1,232.7	1,936.0	1,232.7	1,726.2
Equity attributable to ordinary shareholders, SEKm	1,417.8	845.0	1,417.8	845.0	1,207.9
Equity per ordinary share, SEK	46.15	16.90	46.1	16.9	19.66
Long-term net asset value, SEKm	2,193.5	1,409.2	2,193.5	1,409.2	1,975.3
Long-term net asset value attributable to ordinary shareholders, SEKm	1,675.3	920.0	1,675.3	920.0	1,457.0
Long-term net asset value per ordinary share, SEK	54.53	18.40	54.53	18.40	23.71

1) The key metrics have been restated to reflect the changes in accounting policies.

Parent Company income statement

SEKm	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Total operating income	-	-	-	-	-
Other external costs	-0.4	-0.1	-0.6	-0.2	-0.3
Personnel costs	-1.4	-	-2.3	-	-
Total operating expenses	-1.8	-0.1	-2.9	-0.2	-0.3
Operating loss	-1.8	-0.1	-2.9	-0.2	-0.3
Impairment of participations in Group companies	-	-	-	-	-7.4
Interest income and similar profit items	0.2	0.1	0.3	0.1	0.3
Interest expense and similar loss items	-12.9	-8.3	-25.5	-17.3	-38.7
Loss from financial items	-12.7	-8.2	-25.2	-17.2	-45.8
Loss before tax	-14.5	-8.3	-28.1	-17.4	-46.1
Tax on net income for the year	-	-	-	-	-0.2
Net loss for the year	-14.5	-8.3	-28.1	-17.4	-46.3

Parent Company balance sheet

SEKm	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	222.0	14.0	222.1
Deferred tax assets	9.4	9.6	9.4
Receivables from Group companies	830.5	627.8	820.6
Other receivables	0.1	0.5	0.1
Total financial assets	1,062.0	651.9	1,052.2
Current receivables			
Prepaid expenses and accrued income	17.1	34.4	11.0
	17.1	34.4	11.0
Cash and cash equivalents	28.2	200.8	57.0
Total current assets	45.3	200.8	68.0
TOTAL ASSETS	1,107.3	887.1	1,120.2
EQUITY AND LIABILITIES			
Total comprehensive income for the period			
Restricted equity			
Share capital	0.7	0.5	0.7
Total restricted equity	0.7	0.5	0.7
Unrestricted equity			
Retained earnings	338.3	244.0	405.5
Net loss for the period/year	-28.1	-17.4	-46.3
Total unrestricted equity	310.2	226.6	359.2
Total equity	310.9	227.1	359.9
Non-current liabilities			
Bond loans	662.4	491.3	657.3
Other non-current liabilities	40.0	-	40.0
Total non-current liabilities	702.4	491.3	697.3
Current liabilities			
Overdraft facility	34.5	-	-
Liabilities to Group companies	56.5	157.7	60.5
Other liabilities	0.6	4.8	-
Accrued expenses and deferred income	2.4	6.2	2.5
Total current liabilities	94.0	168.7	63.0
TOTAL LIABILITIES AND EQUITY	1,107.3	887.1	1,120.2

Parent Company statement of changes in equity

SEKm	Share capital	Retained earnings	Net income for the year	Total equity
Opening balance, 1 January 2019	0.5	94.8	70.2	165.5
Carried forward		70.2	-70.2	
Net loss for the year			-46.3	-46.3
Transactions with shareholders				
Dividends		-86.8		-86.8
New issue of preference shares	0.0	124.0		124.0
Issue costs		-4.5		-4.5
New issue of ordinary shares	0.2	208.2		208.4
Total Transactions with shareholders	0.2	240.9		240.7
Closing balance, 31 December 2019	0.7	405.9	-46.3	359.9
Opening balance, 1 January 2020	0.7	405.9	-46.3	359.9
Carried forward		-46.3	46.3	
Net loss for the year			-28.1	-28.1
Transactions with shareholders				
Dividends		-21.0		-21.0
Total Transactions with shareholders		-21.0		-21.0
Closing balance, 30 June 2020	0.7	338.3	-28.1	310.9

Opportunities and risks for the Group and the Parent Company

Through its operations, Genova is exposed to various risks that could have a material effect on the company's future performance, earnings and financial position.

In Genova's business process, all major transaction and project decisions are analysed to identify risks and risk management, as well as opportunities. Risk management is an integral part of Genova's decision-making. For more information about Genova's risks, refer to the 2019 Annual Report on pages 68-71.

Regarding the possible effects of the COVID-19 pandemic, we are following the situation carefully and continuously analysing the risks for our operations. Our current assessment is that the pandemic will have a limited impact on the company due to our diverse tenant mix. A significant share of our rental income is derived from tenants who are not considered to be affected by the pandemic to any great extent, such as publicly funded operations and supermarkets. Genova's finances are strong, liquidity is very good following completion of the new share issue and we have access to extra capital should it be required, which may create opportunities.

Opportunities and risks in cash flow

Genova aims to achieve secure, cost-efficient and well-functioning property management. This requires a high level of service and close relationships with tenants. Genova applies an eternal perspective to property management, with the aim of continuing to grow the existing property portfolio through acquisitions and project development. Cash flows from the property portfolio provide a solid foundation for financing project development of residential units, primarily rental apartments, and community service properties such as schools, preschools, retirement homes and residential care facilities, while building on land that we have developed for own long-term management.

Genova's primary markets are Greater Stockholm and Uppsala, where most of the future project portfolio is located. Since existing and future investment property portfolios are located in attractive growth markets with long-term favourable demand for rental apartments, schools, preschools, retirement homes and residential care facilities, demand is expected to remain high. For new construction, the company is focused on cost efficiency, high profitability, short construction times and long-term quality assurance, while architecture and design are important elements.

The assessment is that Genova has good opportunities for maintaining a high level of customer service and therefore offer products with attractive rent levels, low costs and low vacancy rates.

Sensitivity analysis, cash flow¹

	Change	Impact on cash flow
Rental value	+/-5%	+/- SEK 12m
Occupancy rate	+/-2 percentage points	+/-SEK 5m
Property costs	+/-10%	+/-SEK 5m
Interest expense	+/- 1 percentage points	+/- SEK 24m

¹) The cash flow pertains to the last 12 months. Occupancy rate is based on the rental value.

Property value opportunities and risks

Genova's investment property portfolio, investment properties and properties under construction are internally or externally appraised every quarter. External appraisals are carried out by an independent appraisal organisation. Internal appraisals are based on information and market data from independent appraisal organisations or transactions carried out in the market. Changes in the value of properties are included in profit or loss.

The appraisal method used to assess the value of properties is mainly based on the present value of future cash flows and determined by four input parameters – rents, maintenance costs, vacancy rates and internal rate of return. The rent concept includes the actual rent level and any future rental assumptions. The internal rate of return is a sum of the risk-free interest rate and the risk premium that investors can expect to realise from a given investment.

The value of properties is driven by supply and demand, where investors analyse the expected net operating income and, in combination with the willingness to accept a given level of risk, assess the internal rate of return. Increased demand/willingness to accept risk lowers internal rates of return and therefore raises the value, while declining demand/willingness to accept risk has the opposite effect.

By continuing to develop and build attractive properties for own management in growth areas, Genova's believes that the company can maintain favourable rent levels, low vacancy rates and low costs.

Sensitivity analysis, value changes¹

Value changes, %	+/-5%	+/- SEK 236m
Value changes, %	+/-10%	+/- SEK 473m
Loan-to-value ratio ²	+/-5%	61/67%
Loan-to-value ratio ²	+/-10%	58/71%

¹) The value change is based on fair value as of the balance-sheet date.

²) The loan-to-value ratio has been adjusted for the theoretical value change.

Financial risk

In addition to equity, Genova's operations are largely financed by loans from credit institutions, whereby interest expense is one of the company's largest cost items. Genova's financial risk therefore includes interest-rate risk, financing risk and liquidity risk. The company is exposed to interest-rate risk, since changes in interest rates affect the company's interest expense.

Financing risk pertains to the risk of higher costs for raising new loans or financing and/or that the refinancing of overdue loans will be more difficult or only possible on unfavourable terms. Liquidity risk pertains to the risk that Genova is unable to pay anticipated and/or unforeseen expenses. Genova works actively to manage these risks by allocating capital to hedge interest-rate risk in the credit portfolio, maintaining a positive and proactive dialogue with the company's banks, and monitoring liquidity risk on a regular basis.

Shares and ownership structure

Genova has two classes of shares – ordinary shares and preference shares. The ordinary shares were listed on Nasdaq Stockholm as of 30 June 2020. The preference shares were listed on Nasdaq Stockholm as of 12 June 2020 and were previously listed on Nasdaq First North Premier Growth Market as of 20 November 2015. At the end of the period, Genova had 1,858 shareholders.

Each preference share entitles the owner to an annual dividend of SEK 10.50, which is paid out quarterly. The next payment date for the quarterly dividend on preference shares is 20 November 2020.

As of 30 June 2020, the closing price for the ordinary share was SEK 76. As of 30 June 2020, the closing price for the preference share was SEK 129.

As of 30 June 2020, the total number of shares in Genova was 34,721,966, of which 30,721,966 were ordinary shares and 4,000,000 preference shares.

Offering of ordinary shares and listing

As of 18 June, Genova Property Group decided on an offering to subscribe for and purchase ordinary shares in the company, and a subsequent listing of the ordinary shares on Nasdaq Stockholm, with 30 June 2020 as the first day of trading. The offering comprised a maximum of SEK 650m (excluding over-allotment), of which new ordinary shares accounted for SEK 500.5m and existing ordinary shares in the company for SEK 149.5m, which were offered by the company's largest shareholders Micael Bile and Andreas Eneskjöld. The price per ordinary share in the offering was SEK 65, corresponding to a valuation of Genova of approximately SEK 1,997m prior to the offering. The offering was directed to the public in Sweden, and to institutional investors in Sweden and internationally. A high level of interest was shown by the public in Sweden, as well as institutional investors in Sweden and internationally.

The offering was oversubscribed and brought more than 8,000 new ordinary shareholders into the company.

The former principal owners, Micael Bile and Andreas Eneskjöld, are still the company's largest shareholders. The company's CEO, Michael Moschewitz, who together with the principal owners owned all ordinary shares before the transaction, retained his existing ownership and, together with the principal owners, entered into a 720-day lock-up agreement for their existing ordinary shares.

Länsförsäkringar Fondförvaltning AB, Lancelot Asset Management AB, funds managed or advised by Capital Research and Management Company and Skandia Fonder AB, together were anchor investors who purchased ordinary shares for a total of SEK 450m, accounted for 60% of the offering, including over-allotment.

In connection with the offering, an over-allotment option was made available to Carnegie to purchase a maximum of 1,500,000 ordinary shares in the company. As of 8 July, it was announced that the over-allotment option had been exercised in full.

The new ordinary shares were registered in July, when proceeds from the transaction were also recorded in the company's bank account. The transaction will not therefore affect the Group's financial position or key metrics until the third quarter of 2020.

Listing of preference shares

As of 12 June, Genova Property Group AB's preference shares were admitted to trading on Nasdaq Stockholm's Main Market. There was no offering to subscribe for, or otherwise purchase, shares when they were transferred to the new listing segment. The preference shares were previously listed on Nasdaq First North Premier Growth Market.

Shareholders

30 June 2020

Name	No. of ordinary shares	No. of preference shares	Holding (%)	Votes (%)
Micael Bile (via company)	19,999,999	140,000	58.00	64.31
Andreas Eneskjöld (via company)	8,571,429	39,729	24.80	27.55
Michael Moschewitz (via company)	2,150,538	22,298	6.26	6.92
Avanza Pension	0	453,315	1.31	0.15
RBC Investor Services Bank SA	0	300,000	0.86	0.10
JRS Asset Management AB	0	217,922	0.63	0.07
Nordnet Pensionsförsäkring AB	0	186,856	0.54	0.06
Peter Lindell	0	100,000	0.29	0.03
Swedbank Försäkring AB	0	87,289	0.25	0.03
PEG Capital Partners	0	84,106	0.24	0.03
AB Stena Metall Finans	0	80,000	0.23	0.03
Futur Pension Försäkringsaktiebolag	0	73,080	0.21	0.02
Jessica Rahi	0	70,000	0.20	0.02
Total other shareholders	0	2,145,405	6.18	0.69
Total	30,721,966	4,000,000	100.00	100.00

Other information

Organisation

During the period, the average number of employees in the organisation was 26 (25), of whom 13 (11) were women. The employees have relevant and broad experience in property management, project management, construction, finance, law, marketing and sales.

Related-party transactions

Related-party transactions are presented in Note 38 of Genova's 2019 Annual Report. The year-on-year volume and nature of the transactions remained essentially unchanged during the period.

Annual General Meeting

The Annual General Meeting of Genova Property Group AB (publ) was held on 24 April 2020 at 10.00 a.m. at Gernandt & Danielsson Advokatbyrå, Hamngatan 2, Stockholm, Sweden.

Accounting policies

Genova applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The information required by IAS 34.16A is also disclosed, except in the financial statements and their related notes, in other sections of the interim report. The Parent Company's accounts are prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The same principles of accounting and measurement are applied as in the most recent Annual Report, refer to Note 2 in Genova's 2019 Annual Report, except for the policy used to recognise revenue for residential projects, refer to Note 1 below.

Change in previously applied accounting policies

As a result of the Swedish Financial Supervisory Authority's dialogue with listed residential developers over a longer period of time regarding the application of IFRS 10 Consolidated Financial Statements and IFRS 15 Revenue from Contracts with Customers in relation to the recognition of income from co-operative apartment projects constructed on behalf of a co-operative housing association and whether Genova is considered to control the co-operative housing association, Genova, in line with several other operators in the industry, has changed its accounting policy and now consolidates the co-operative housing association.

This has affected the Group's financial earnings and position, since income from the sale of a property under the previous policy was recognised on the date of the sale to the co-operative housing association, while income from project management was recognised as the work was completed over a period of time using the percentage of completion method. Due to the change in accounting policy, the buyer, and not the co-operative housing association, is considered Genova's

customer. In accordance with the new accounting policy, income is recognised when the buyer gains accession to the residential unit, for both the land and the project management contract. Before the customer gains accession, Genova recognises the property as a current asset: Ongoing co-operative apartment project. The co-operative housing association's other assets and liabilities as well as income and expenses are included in Genova's financial statements. Internal transactions and balance sheet items between Genova and the co-operative housing association are eliminated.

In the segment reporting, co-operative apartment projects will continue to be recognised in accordance with the previously applied accounting policies during the implementation of the project, which means that income will be recognised over a period of time based on the percentage of completion of the project. Genova deems that this method of recognition is fairest and best reflects Genova's co-operative apartment transactions and the Board and management will continue to monitor the company's operations using this approach.

The new accounting policy has been applied as of 2020 and in accordance with IAS 8, adjusted retroactively. This means that items attributable to prior periods have been restated. The restatements have also affected previously reported key metrics. See Note 1 for more information about the restatement effects. The new accounting policies for revenue are set out below.

Revenue

Revenue from contracts with customers refers to income from the sale of goods and services from Genova's ordinary operations. Revenue is recognised when the customer obtains control over the goods or services that the company deems to be distinct in a contract and reflects the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer. The Group's revenue is derived from lease income and recognised in accordance with IFRS 16 Leases. These principles are described in Note 2 of the 2019 Annual Report. Other revenue is derived from the sale of apartments to home buyers, who are normally private consumers. Agreements to purchase apartments are continuously concluded with customers, and start before construction has commenced. The Group has identified a distinct performance obligation in these agreements: the sale of a dwelling unit. The transaction price is fixed in its entirety. Revenue is recognised when the customer has obtained control, by allowing the customer to use or benefit from the unit, whereby control is considered transferred. Genova has made the assessment that control of the dwelling unit is transferred to the customer at a point in time, when the buyer gains accession to the residential unit. This normally takes place over a shorter period of time as the residential property is completed.

Critical accounting estimates and assumptions

Control over co-operative housing associations

As a result of the Swedish Financial Supervisory Authority's dialogue with listed residential developers over a longer period of time regarding the application of IFRS 10 Consolidated Financial Statements and IFRS 15 Revenue from Contracts with Customers in relation to the recognition of income from co-operative apartment projects constructed on behalf of a co-operative housing association and whether Genova is considered to control the co-operative housing association, Genova, in line with several other operators in the industry, has decided to change its accounting policy and consolidate the co-operative housing association.

Auditors' review

This interim report has not been audited

Assurance of the Board of Directors and Chief Executive Officer

The Board of Directors and Chief Executive Officer hereby certify that this interim report provides a true and fair view of the Parent Company and the Group's operations, financial position and earnings and describes significant risks and uncertainties faced by the Parent Company and those companies included in the Group.

Stockholm, 31 August 2020

Mikael Borg, Chairman of the Board

Micael Bile, Board member

Jan Björk, Board member

Andreas Eneskjöld, Board member

Erika Olsén, Board member

Maria Rankka, Board member

Knut Ramel, Board member

Michael Moschewitz, CEO

Financial calendar

Interim report, January-September 2020 **13 November 2020**

Year-end report 2020 **26 February 2021**

For further information, please contact:

Michael Moschewitz, CEO
e-mail: michael.moschewitz@genova.se
mobile: +46 (0)707 13 69 39

Edvard Schéele, CFO
e-mail: edvard.scheele@genova.se
mobile: +46 (0)703 99 69 90

This information is inside information that Genova Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, as of 31 August 2020 at 8:15 a.m. CEST.

Note 1

Effects of change in accounting policy

Genova has decided to adjust its previously applied accounting policies for co-operative apartment projects. The changed application has been adjusted retroactively in accordance with IAS 8, refer to the section on Accounting policies for more information about the new accounting policies. The effects on the Group's income statement and balance sheet are described below.

Effects on the income statement and balance sheet **Consolidation of co-operative housing associations**

In accordance with previously applied policies, Genova considered each co-operative housing association a separate legal entity that was not under the Group's control. Based on this assessment, the co-operative housing associations were not included in the consolidated financial statements. IFRS is a principle-based accounting framework that provides scope for professional judgement. In its 2019 Annual Report, Genova has described the assessments underlying the previous principle to not consolidate the co-operative housing associations. Based on its review and assessment of residential projects conducted by other industry operators, the Swedish Financial Supervisory Authority deems that co-operative housing associations should be consolidated. Genova has followed the course of this dialogue, analysed its own transactions and made the decision to consolidate the co-operative housing associations, which also means that the point in time for when income and expenses attributable to the project should be recognised has also changed.

Revenue recognition

According to previous accounting policies where the co-operative housing association was considered a separate legal entity, Genova recognised income from the sale of a property when the co-operative housing association acquired the property, and income from project management of the co-operative apartment project over the period of time that Genova completed the work. Now that the co-operative housing association is considered part of the Group, the home buyer is now considered Genova's customer. As a result, Genova recognises revenue as each buyer gains accession to their residential unit, which normally takes place over a shorter period of time as the residential property is completed. In 2019, this resulted in a change of SEK 30.6m in Income from new construction, co-ops (Jan-Jun 2019: -20.9m).

Ongoing co-operative apartment projects

Due to the need for Genova to change its accounting policies, Genova recognises the co-operative housing association's property and ongoing construction of co-operative apartment project on the balance sheet as: Ongoing co-operative apartment project. This balance-sheet item includes the cost of the property, the external contractor's expenses, and internal expenses from project management of the co-operative apartment project. Interest rates and other borrowing costs such as origination fees for the funding of the co-operative apartment project are capitalised on an ongoing basis as part of the same balance-sheet item. This led to an increase of SEK 86.4m in current assets for 2019 (Jan-Jun 2019: 329.6). At the same time, receivables from the co-operative housing associations, recognised as Accrued income, decreased SEK 104.4m for 2019 (Jan-Jun 2019: -98.5), while Other receivables decreased SEK 65.9m for 2019 (Jan-Jun 2019: -63.9).

Loans from credit institutions

When co-operative housing associations were consolidated, the co-operative housing association's loans from credit institutions to finance the construction of the residential property were included. This increased the Group's external short-term loans from credit institutions by SEK 126.4m for 2019 (Jan-Jun 2019: 372.9). The property with the ongoing co-operative apartment project has been pledged as collateral for the loan to the credit institution.

The summary on the following pages shows the effects of the changed accounting policy on the Group's financial statements for 2019 and for the January-June period of 2019.

Consolidated statement of comprehensive income

Jan-Dec 2019

SEKm	Jan-Dec 2019 according to previous policies	Adjustment	Jan-Dec 2019 restated
Rental income	180.6		180.6
			0.0
Operating costs	-37.5		-37.5
Maintenance costs	-7.6		-7.6
Property tax	-5.6		-5.6
Total Property costs	-50.7		-50.7
Net operating income	129.9		129.9
Central administration, property management	-12.4		-12.4
Central administration, project development	-22.5		-22.5
Share of profit from joint ventures	25.4		25.4
Net financial items	-77.5		-77.5
Income from property management	42.9		42.9
Income from new construction, co-ops	26.8	30.6	57.4
Other operating income	3.2		3.2
Value changes, properties	606.5		606.5
Income before tax	679.4	30.6	710.0
Income tax	-139.0		-139.0
Net income for the period	540.4	30.6	571.0
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	540.4	30.6	571.0
Net income for the year attributable to:			
Parent Company shareholders	523.7	26.0	549.7
Non-controlling interests	16.7	4.6	21.3

Consolidated statement of comprehensive income

Jan-Jun 2019

SEKm	Jan-Jun 2019 according to previous policies	Adjustment	Jan-Jun 2019 restated
Rental income	81.4		81.4
			0.0
Operating costs	-18.2		-18.2
Maintenance costs	-2.1		-2.1
Property tax	-2.7		-2.7
Total Property costs	-23.0		-23.0
Net operating income	58.4		58.4
Central administration, property management	-6.0		-6.0
Central administration, project development	-11.8		-11.8
Share of profit from joint ventures	12.0		12.0
Net financial items	-29.7		-29.7
Income from property management	22.9		22.9
Income from new construction, co-ops	20.9	-20.9	0.0
Other operating income	1.0		1.0
Value changes, properties	128.8		128.8
Income before tax	173.6	-20.9	152.7
Income tax	-32.4		-32.4
Net income for the period	141.2	-20.9	120.3
Total comprehensive income for the period	141.2	-20.9	120.3
Net income for the year attributable to:			
Parent Company shareholders	124.4	-17.8	106.6
Non-controlling interests	16.8	-3.1	13.7

Consolidated balance sheet

31 Dec 2019

SEKm	31 Dec 2019 according to previous policies	Adjustment	31 Dec 2019 restated
ASSETS			
Non-current assets			
Investment properties	3,661.3		3,661.3
Properties under construction	702.0		702.0
Development properties	56.5		56.5
Right-of-use assets	37.2		37.2
Equipment	4.6		4.6
Deferred tax assets	78.6		78.6
Unlisted shares	–		0.0
Shares in joint ventures	88.5		88.5
Accrued income	–		0.0
Other non-current receivables	96.0		96.0
Total non-current assets	4,724.7		4,724.7
Current assets			
Ongoing residential projects	0.0	199.3	199.3
Rent receivable and accounts receivable	4.0		4.0
Accrued income	104.4	–104.4	0.0
Other receivables	93.7	–65.9	27.8
Prepaid expenses and accrued income	26.6	57.4	84.0
Cash and cash equivalents	109.1		109.1
Total current assets	337.8	86.4	424.2
TOTAL ASSETS	5,062.5	86.4	5,148.9
EQUITY			
Total comprehensive income for the period			
Share capital	0.7		0.7
Other capital contributions	647.6		647.6
Retained earnings, including net income for the period	1,046.6	–47.0	999.6
Non-controlling interests	78.3		78.3
Total equity	1,773.2	–47.0	1,726.2
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	1,664.6		1,664.6
Bond loans	659.4		659.4
Lease liabilities	34.4		34.4
Other non-current liabilities	42.1		42.1
Deferred tax liabilities	280.7		280.7
Total non-current liabilities	2,681.2		2,681.2
Current liabilities			
Loans from credit institutions	452.9	126.4	579.3
Accounts payable	34.1	7.0	41.1
Lease liabilities	4.7		4.7
Current tax liabilities	11.0		11.0
Other liabilities	69.3		69.3
Accrued expenses and deferred income	36.1		36.1
Total current liabilities	608.1	133.4	741.5
TOTAL LIABILITIES AND EQUITY	5,062.5	86.4	5,148.9

Consolidated balance sheet

30 June 2019

SEKm	30 Jun 2019 according to previous policies	Adjustment	30 Jun 2019 restated
ASSETS			
Non-current assets			
Investment properties	2,658.0		2,658.0
Properties under construction	374.4		374.4
Development properties	72.4		72.4
Right-of-use assets	39.2		39.2
Equipment	7.6		7.6
Deferred tax assets	71.2		71.2
Unlisted shares	1.4		1.4
Shares in joint ventures	74.7		74.7
Accrued income	37.9	-37.9	0.0
Other non-current receivables	8.6		8.6
Total non-current assets	3,345.4	-37.9	3,307.5
Current assets			
Ongoing residential projects	0	454.1	454.1
Rent receivable and accounts receivable	2.2		2.2
Accrued income	60.6	-60.6	0.0
Other receivables	68.8	-63.9	4.9
Prepaid expenses and accrued income	44.1		44.1
Cash and cash equivalents	224.1		224.1
Total current assets	399.8	329.6	729.4
TOTAL ASSETS	3,745.2	291.7	4,036.9
EQUITY			
Total comprehensive income for the period			
Share capital	0.5		0.5
Other capital contributions	439.4		439.4
Retained earnings, including net income for the period	826.3	-82.7	743.6
Non-controlling interests	65.0	-15.8	49.2
Total equity	1,331.2	-98.5	1,232.7
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	1,349.5		1,349.5
Bond loans	491.3		491.3
Lease liabilities	36.4		36.4
Other non-current liabilities	1.3		1.3
Deferred tax liabilities	165.0		165.0
Total non-current liabilities	2,043.5		2,043.5
Current liabilities			
Loans from credit institutions	242.5	372.9	615.4
Accounts payable	39.7	17.3	57.0
Lease liabilities	5.0		5.0
Current tax liabilities	7.9		7.9
Other liabilities	35.5		35.5
Accrued expenses and deferred income	39.9		39.9
Total current liabilities	370.5	390.2	760.7
TOTAL LIABILITIES AND EQUITY	3,745.2	291.7	4,036.9

Definitions

Genova or the company

Genova Property Group AB (publ).

Return on equity

Income after tax in relation to average equity, based on a rolling 12-month period. Return on equity is used to assess Genova's ability to generate profits from its shareholders' investments in the company.

Loan-to-value ratio, %

Interest-bearing liabilities less cash and cash equivalents in relation to the market value of investment properties, properties under construction and development properties at the end of the reporting period. The loan-to-value ratio is used to assess Genova's financial risk.

Net operating income

Rental income less property costs. This key metric is used to measure the profitability of property management before central administrative expenses, net financing costs and unrealised value changes.

Equity attributable to ordinary shareholders

Equity less the value of all preference shares outstanding as of the balance-sheet date, in relation to the number of ordinary shares outstanding as of the balance-sheet date. The value of all preference shares outstanding is calculated as SEK 110 multiplied by the number of preference shares as of the balance-sheet date. SEK 110 corresponds to the amount per preference share that the holder is entitled to receive, before ordinary shares, in the event of the company's dissolution. Equity attributable to ordinary shareholders is used to measure the ordinary shareholders' proportion of the company's equity per ordinary share.

Investment properties

Refers to properties with existing cash flows and includes commercial premises, residential units and community service properties.

Income from property management

Income before value changes and tax. Income from property management is used to measure the profitability of property management after financial income and expenses, but not unrealised value changes.

Income from property management per ordinary share

Income from property management less dividend payments on preference shares

during the period, in relation to the number of weighted average ordinary shares outstanding during the period. Income from property management per ordinary share is used to measure the ordinary shareholders' proportion of income from property management per ordinary share.

Rental value

Contract value plus estimated market rent for vacant properties. Rental value is used to measure the Group's potential net income.

Adjusted income per ordinary share

Net income attributable to Parent Company shareholders less dividend payments on preference shares during the period, in relation to the number of weighted average ordinary shares outstanding during the period. Adjusted income after tax per ordinary share is used to measure Parent Company shareholders' proportion of the company's net income after tax per ordinary share.

Long-term net asset value

Recognised equity with reversal of deferred tax. Long-term net asset value is used to provide stakeholders with information about Genova's long-term net asset value estimated in a standard manner for listed property companies.

Long-term net asset value attributable to ordinary shareholders

Long-term net asset value less the value of all preference shares outstanding. The value of all preference shares outstanding is calculated as SEK 110 multiplied by the number of preference shares as of the balance-sheet date. SEK 110 corresponds to the amount per preference share that the holder is entitled to receive, before ordinary shares, in the event of the company's dissolution. Long-term net asset value attributable to ordinary shareholders is used to clarify the proportion of long-term net asset value considered attributable to ordinary shareholders after the proportion attributable to preference shareholders and non-controlling interests has been eliminated.

Long-term net asset value per ordinary share

Long-term net asset value attributable to ordinary shareholders divided by the number of ordinary shares outstanding as of the balance-sheet date. Long-term net asset value per ordinary share is used to measure

the ordinary shareholders' proportion of the company's long-term net asset value attributable to ordinary shareholders per ordinary share.

Development properties

Refers to properties for further development.

Income per ordinary share

Net income for the period/year less dividends paid on preference shares during the period, in relation to the weighted average number of ordinary shares outstanding during the period. Net income after tax per ordinary share is used to measure ordinary shareholders' proportion of the company's net income after tax per ordinary share.

Interest-coverage ratio

Net operating income less costs for central administrative expenses attributable to property management in relation to net interest income (over the past 12 months). Non-recurring financial items are not included in the calculation. The interest-coverage ratio is used to measure the sensitivity of the company's income to interest-rate fluctuations.

Equity/assets ratio

Equity at the end of the period in relation to total assets at the end of the period. The equity/assets ratio is used to measure Genova's financial stability.

Lettable area

Total area in sqm that is available to let.

Economic occupancy rate

Contract value in relation to rental value at the end of the period. This key metric is expressed as a percentage and used to measure vacancies, where a high percentage of occupancy equates to a low economic vacancy rate.

NOI margin

Net operating income in relation to rental income (over the past 12 months). The net operating income (NOI) margin is used to measure the profitability of property management before financial income and expenses, and unrealised value changes.

Contact

Street addresses

Head office
Smålandsgatan 12,
SE-111 46 Stockholm,
Sweden

Genova Gallery
Sysslomansgatan 9,
SE-753 11 Uppsala,
Sweden

genova.se

G E N O V A