

G E N O V A

Company presentation  
Q3 2022



# Genova in brief

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

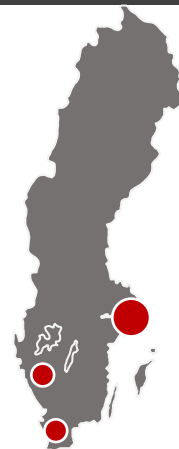
Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio

Genova's core markets – Greater Stockholm and the Uppsala Region – are characterised by strong growth, high disposable income, high level of education and low unemployment. In 2021, the position was also strengthened in Lund and western Sweden by acquiring 50% of Järngrinden

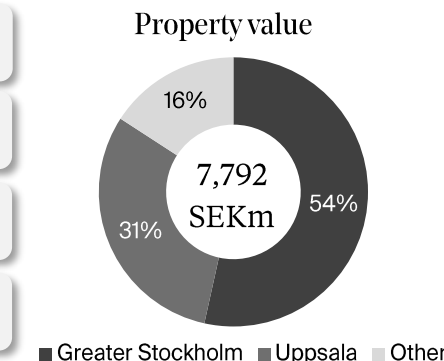
## Overview



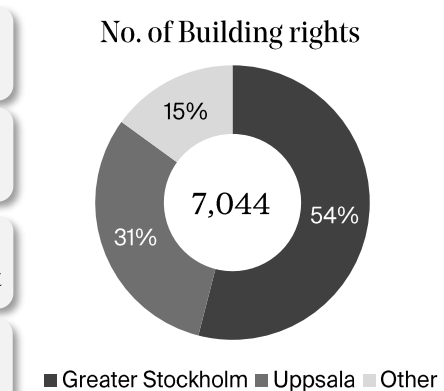
## Geographic focus



## Investment properties

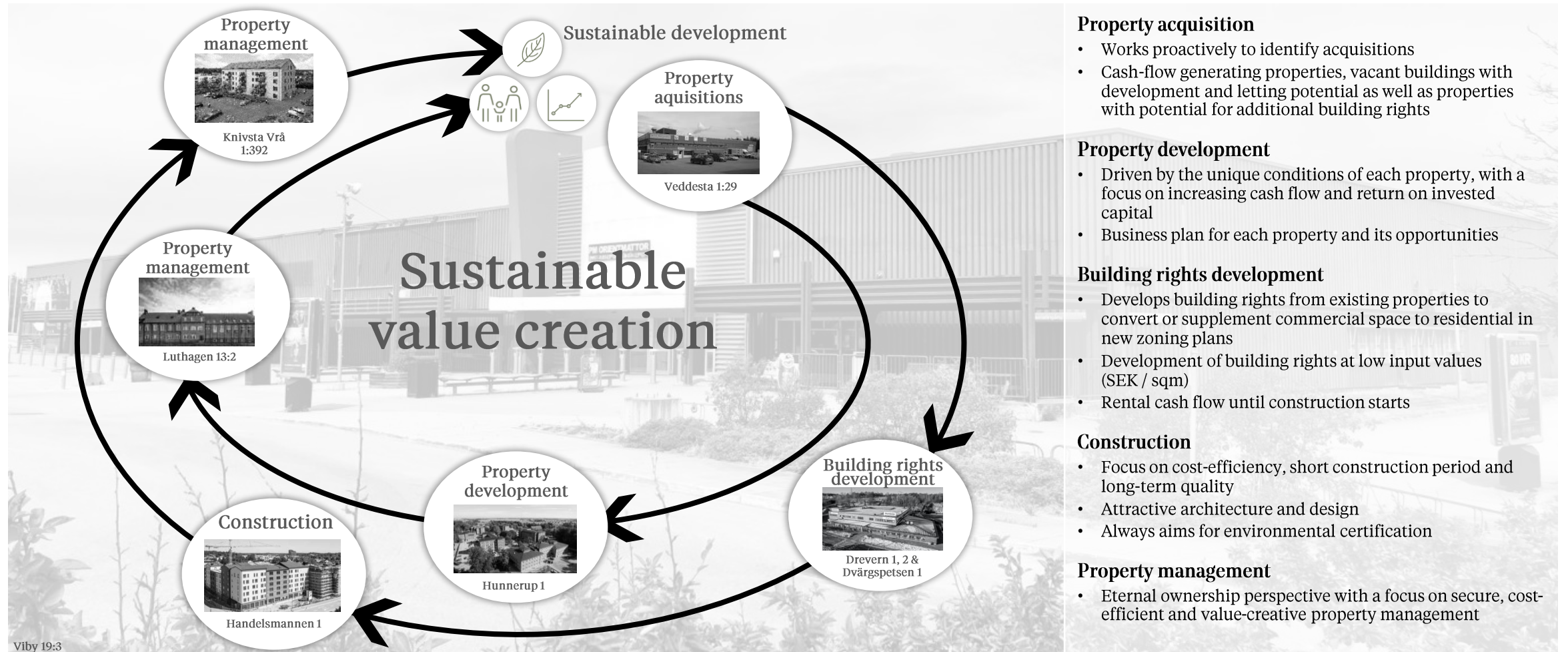


## Project properties



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

# Genova's business model



# Operational update

## Project development

- During the third quarter, the zoning plan for Viby, Genova's urban development project in central Brunna in Upplands-Bro Municipality, came into force. The total lettable area upon completion is estimated to be about 60,000 sqm. The project is jointly owned with property company K2A, which owns a 30% stake, and construction start is planned for the fourth quarter of 2022
- During the third quarter, 66 rental apartments were completed and occupied in the first stage of the Handelsmannen project (Tryckeriet quarter) in Norrtälje
- In October, the zoning plan for Genova's upcoming project in Ekeby, Uppsala, comprising residential units and a grocery store, was approved

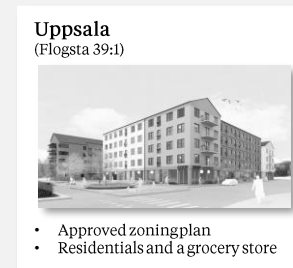
## Environmental certifications

- Genovas long-term goal is to environmentally certify all newly produced properties and long-term managed properties. During the third quarter, two investment properties received certification according to Miljöbyggnad iDrift, level silver
- As of 30 September 2022 Genova has five certified properties and 17 ongoing certification processes, of which three refers to ongoing construction

## Organisation

- Henrik Zetterström has been recruited as the new CFO of Genova Property Group and will take up the position on 1 January 2023. Henrik has broad experience in the real estate sector, including CFO at Estea and M2 Gruppen, and has worked as an authorized public accountant at KPMG in different leading roles

## Project development in Q3



# Focus 2022/2023

## Ongoing construction

As of Q3, Genova had 797<sup>1</sup> residential units under construction with a book value of SEK 1 022m.<sup>2</sup> Ongoing construction is expected to increase current earnings capacity with SEK 78m<sup>2</sup> when completed

### Handelsmannen, Norrtälje

- 408 rental units, retirement home and preschool, of which 66 units were completed in September 2022

### Segerdal, Knivsta

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

### Korsängen, Enköping

- 185 rental units in the center of Enköping

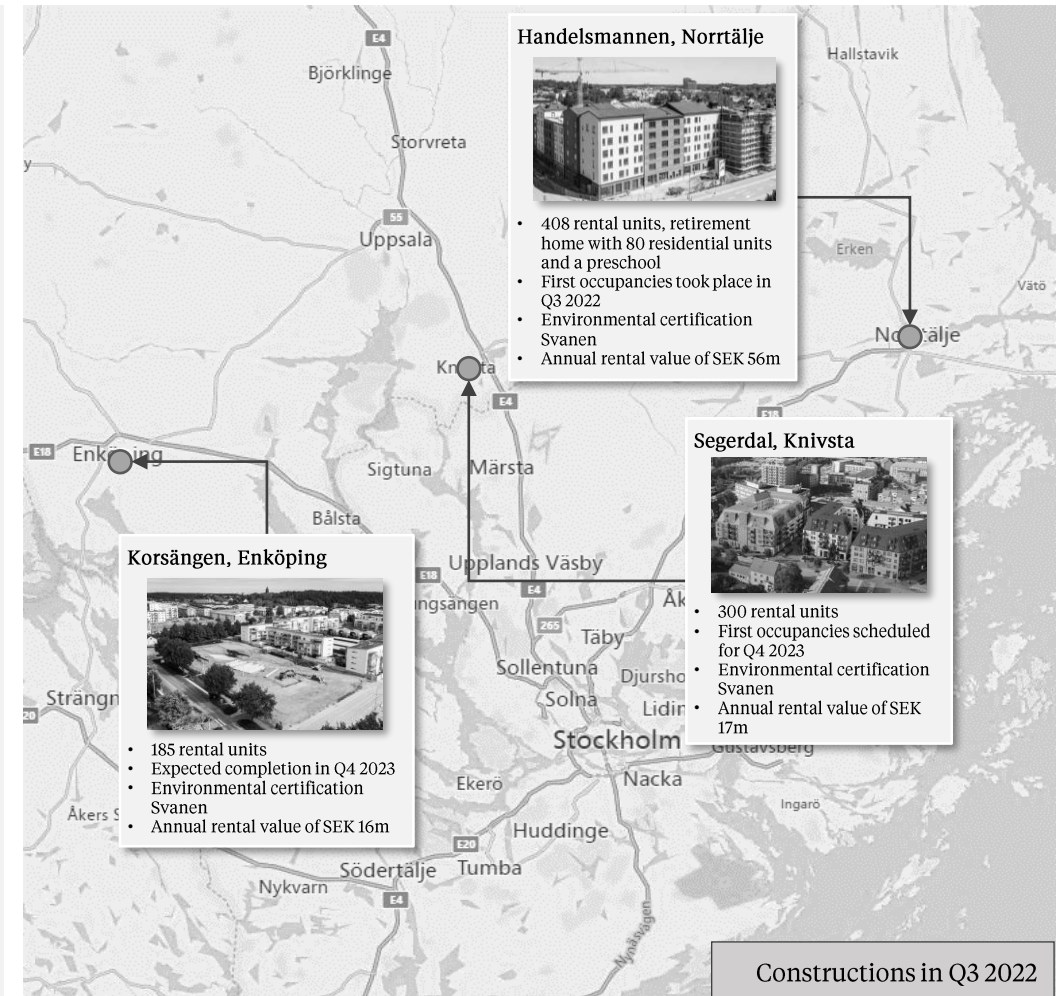
### Hotel Can Oliver, Palma

- Hotel with 40 rooms with Nobis as sole tenant

## Focus going forward

- During 2022, Genova worked proactively with the capital structure and has signed new financing agreements for approximately SEK 3.6bn. Approximately 20% of Genova's loans consist of bond loans, the majority of which are green bonds. Going forward, we strive for good foresight when it comes to maturity dates, and continuously evaluate our refinancing options 12-24 months before loans fall due
- The third quarter was marked by interest-rate hikes and surging energy prices. Most of Genova's rental agreements are inflation-adjusted using the Consumer Price Index at year-end, which offsets cost increases to some extent. We maintain close dialogue with our tenants and the assessment is that rental increases are manageable
- During the third quarter a new zoning plan came into force for the urban development project Viby in Upplands-Bro. In Viby, Genova is planning for a new district comprising a mix of housing, services, schools and green areas with a total lettable area of approximately 60,000 sqm. In the construction contract market, we see signs of a slowdown in prices, which could provide good conditions for the Viby project, where construction start is planned at the end of 2022
- Genova's business model and operations are stable and resilient, with a clear long-term approach and focus on cash flows and great flexibility to adapt our project development going forward which we consider to be of great benefit in the market we find ourselves in today

1) Of which 40 hotel rooms. 2) Refers to fully owned properties.





# Financial and operational targets

Genova's overall objective is to create value for the company's shareholders. Value creation is measured over a business cycle as growth in both long-term net asset value and income from property management per ordinary share

## Financial targets

### Long term net asset value

**>20%**  
Target  
**26%**  
Q3 2022

Achieve an average annual growth of at least 20% in long-term net asset value per ordinary share (including any value distributions to ordinary shareholders) over a business cycle

### Income from property management

**>20%**  
Target  
**58%**  
Rolling 12-month period

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

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

### Equity/assets ratio

**>35%**  
Target  
**39%**  
Q3 2022

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

### Loan-to-value ratio

**<65%**  
Target  
**62%**  
Q3 2022

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

### Interest coverage ratio

**>2,0x**  
Target  
**2,0x**  
Q3 2022

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

## Operational targets

### Rental income

**>70%**  
Target  
**53%**  
Q3 2022

Rental income from residential and community service properties shall account for at least 70% of Genova's total rental income by the end of 2023

### Ongoing construction

**1 500**  
Target  
**797<sup>1)</sup>**  
Q3 2022

Ongoing construction of own-produced residential units shall amount to at least 1 500 residential units per year as of 2022

### Property value

**SEK 20bn**  
Target  
**SEK 9,0bn**  
Q2 2022

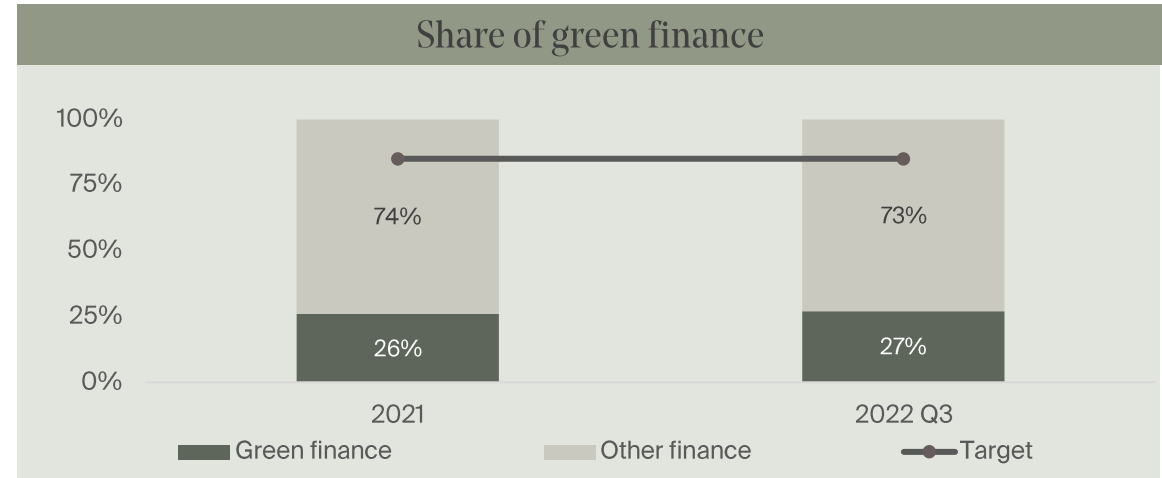
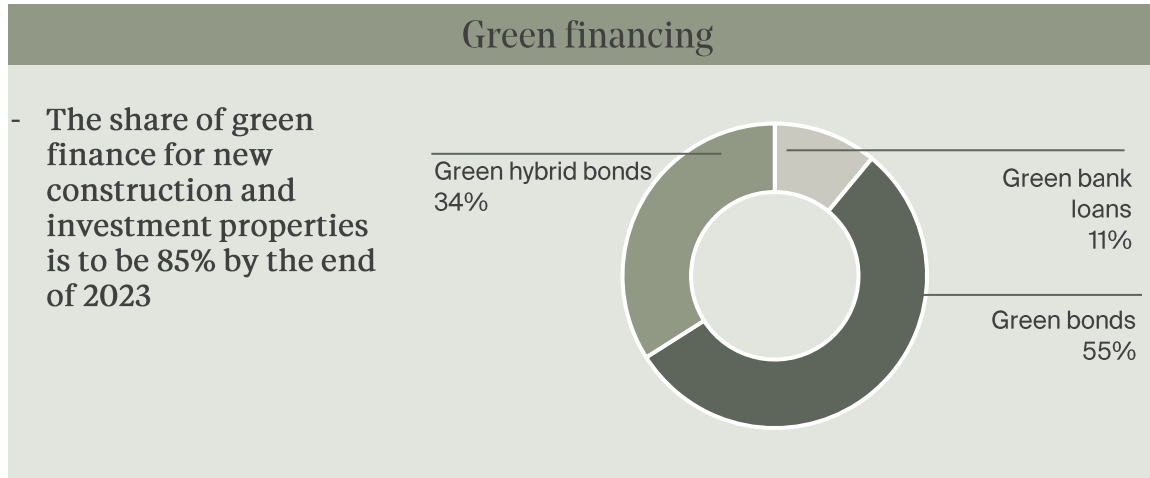
The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

## Utdelningspolicy

Genova's overall objective is to create value for the company's shareholders. In the coming years, this is deemed best achieved by reinvesting cash flows in operations to create further growth through investments in new construction, existing properties and property acquisitions, which could lead to either small or no dividends at all on ordinary shares. In the long-term, the dividend on ordinary shares shall be at least 50% of income from property management attributable to ordinary shares. Dividends on preference shares shall be paid in accordance with the provisions of the Articles of Association

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

# Green financing



**Environmental certification**

Certification	Investment properties			Construction	Total
	Certified	Ongoing	Planned	Ongoing	
Svanen	1	-	-	3	4
Green Building	1	1	-	-	2
Miljöbyggnad iDrift	-	-	-	-	-
Silver	2	13	15	-	30
Bron	1	-	-	-	1
<b>Total</b>	<b>5</b>	<b>14</b>	<b>15</b>	<b>3</b>	<b>37</b>

**Energy consumption**

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

Genova is aiming to join the Science Based Targets initiative and thereby undertake to set ambitious and scientific climate targets in order to reach the Paris Agreement's goal of reducing emissions and limiting global warming to no more than 1.5 degrees



# Financial development

## Income statement

SEKm	Jan-Sep 2022	Jan-Sep 2021	Oct 2021- Sep 2022	Jan-Dec 2021
Rental income	286.0	225.2	380.7	319.9
Maintenance costs and operating expenses	-79.9	-54.6	-109.9	-84.6
<b>Net operating income</b>	<b>206.1</b>	<b>170.6</b>	<b>270.8</b>	<b>235.3</b>
Central administration, property management	-17.2	-15.3	-22.8	-20.9
Central administration, property development	-21.1	-16.5	-27.1	-22.5
Income from associations in joint ventures	33.7	9.8	46.4	22.5
Net financial items	-105.9	-82.7	-138.4	-115.2
<b>Income from property management</b>	<b>95.6</b>	<b>65.9</b>	<b>128.9</b>	<b>99.2</b>
Other operating income	1.1	15.4	0.2	14.5
Changes in value, properties	423.4	379.6	725.7	681.9
Currency effects, properties	6.7	3.1	6.7	3.1
<b>Income before tax</b>	<b>526.8</b>	<b>464</b>	<b>861.5</b>	<b>798.7</b>
Income tax	-111.1	-115.6	-183.2	-187.7
<b>Income for the period</b>	<b>415.7</b>	<b>348.4</b>	<b>678.3</b>	<b>611.0</b>

## Key metrics

	Jan-Sep 2022	Jan-Sep 2021	Okt 2021- Sep 2022	Jan-dec 2021
Rental income, SEKm	286.0	225.2	380.7	319.9
NOI, SEKm	206.1	170.6	270.8	235.3
Income from property management, SEKm	95.6	65.9	128.9	99.2
Income from property management per ordinary share, SEK	1.3	0.5	1.8	1.0
Residential units under construction, no.	797.0	863.0	863.0	863.0
Residential units completed, no.	66.0	35.0	0.0	35.0
Net investments, SEKm	653.8	1 811.7	723.7	1 881.6
Loan-to-value ratio, %	61.7	60.5	61.7	61.8
Equity/assets ratio, %	38.6	37.9	38.6	37.9
Interest coverage ratio, times	2.0	2.2	2.2	2.2
Long-term NAV, SEKm	4 644.6	3 714.4	4 644.6	4 077.3
Long-term NAV referable to shareholders, SEKm	3 703.0	2 935.9	3 703.0	3 274.7
Long-term NAV per ordinary share, SEK	88.21	69.94	88.21	78.01

## Balance sheet

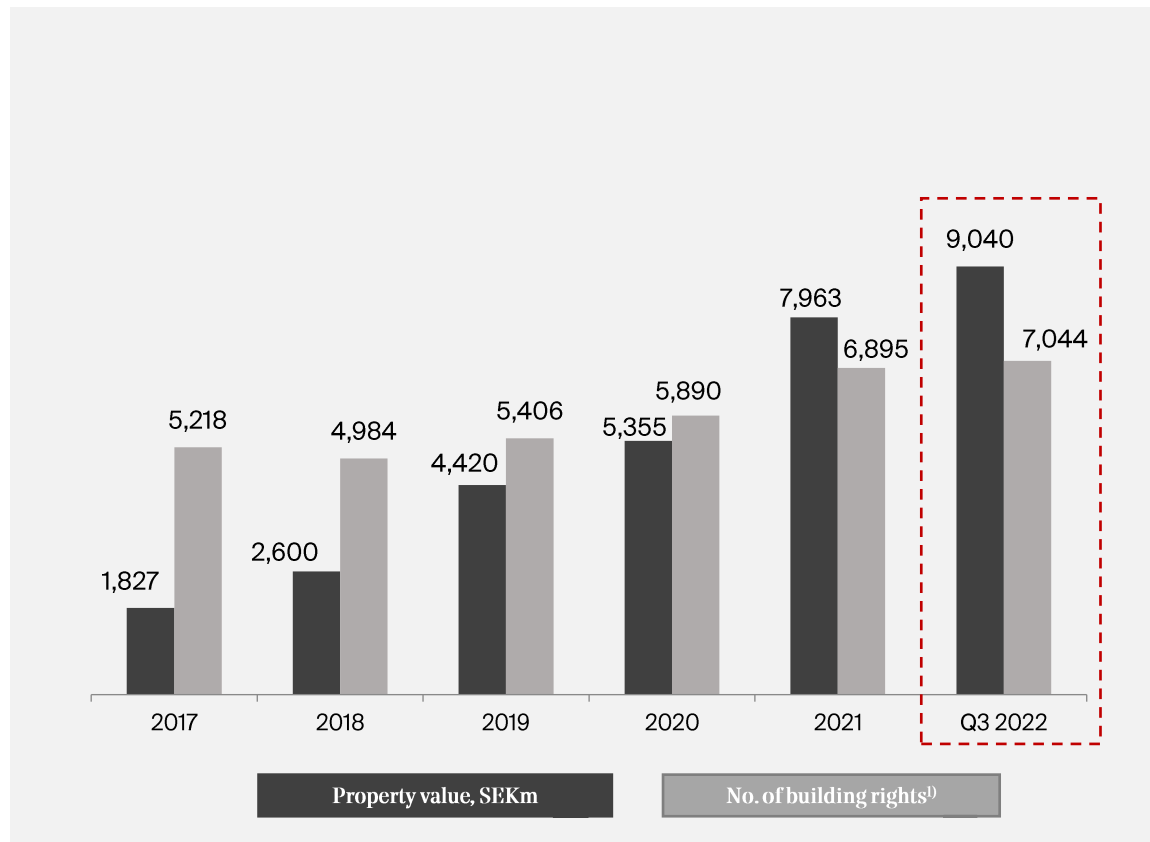
SEKm	2022 30 Sep	2021 30 Sep	2021 31 Dec
Investment properties	7,792.4	6,359.7	6,902.6
Properties under construction	1,104.6	1,072.0	945.8
Other fixed assets	1,248.0	672.3	1,197.7
Development properties	143.4	123.4	114.1
Cash and cash equivalents	206.3	271.0	316.0
Other current assets	217.0	454.7	184.8
<b>Total assets</b>	<b>10,711.7</b>	<b>8,953.1</b>	<b>9,661.0</b>
Total equity	4,138.5	3,394.5	3,665.9
Loans from credit institutions	4,460.2	3,669.6	3,966.3
Bond loans	1,271.4	1,161.9	1,263.2
Deferred tax liability	584.6	406.4	497.8
Other liabilities	257	320.7	267.8
<b>Total equity and liabilities</b>	<b>10,711.7</b>	<b>8,953.1</b>	<b>9,661.0</b>



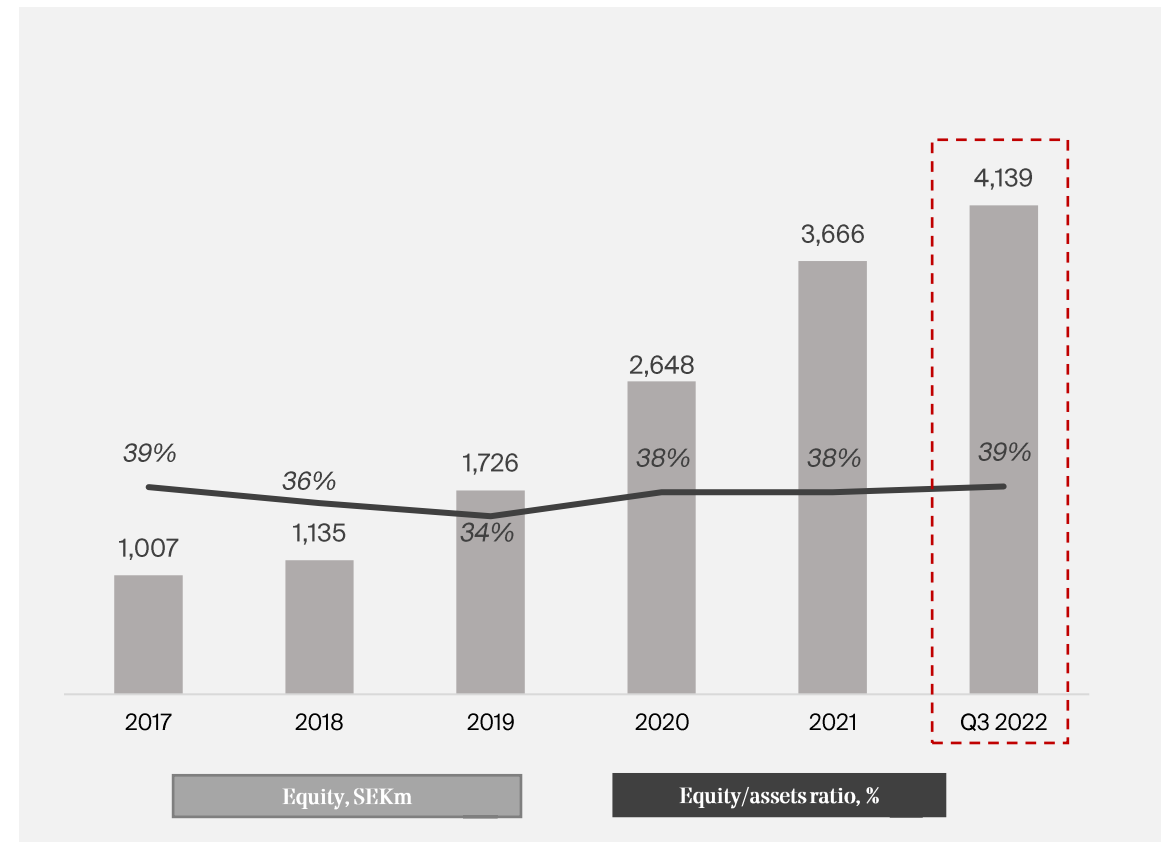


# Financial development

### Property value and no. of building rights



### Equity and Equity/assets ratio



1) At 30 September 2022, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 4.3 billion. At 30 September 2022, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, as well as accumulated investments for planned projects had a book value of approximately SEK 2.5 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.8 billion at the end of the reporting period.



# Financial development

## Financing in brief

Interest-bearing debt  
SEK 5.743m<sup>1)</sup>

Average interest rate<sup>2)</sup> (3m STIBOR floating)  
3.7 %

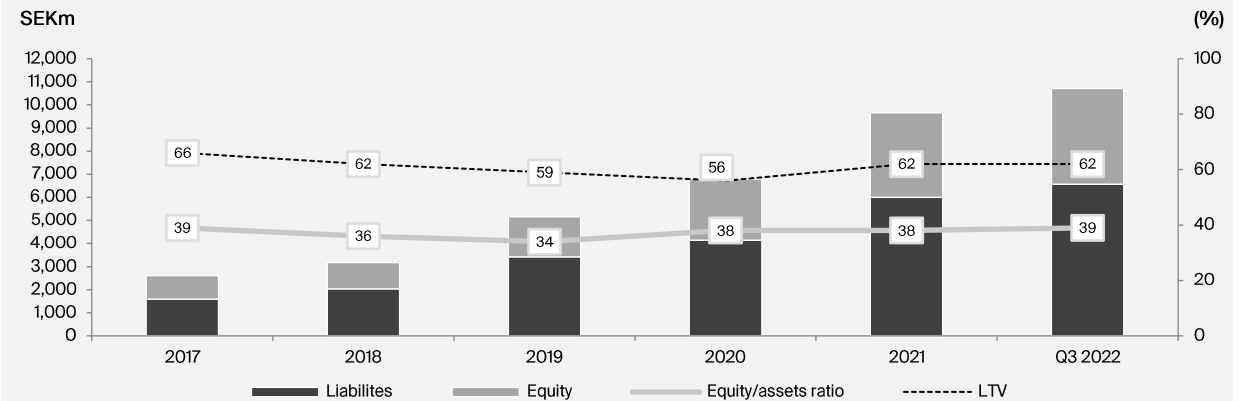
Average duration (loans)  
2.9 years

Available liquidity, including undrawn construction credits  
SEK 1,247m

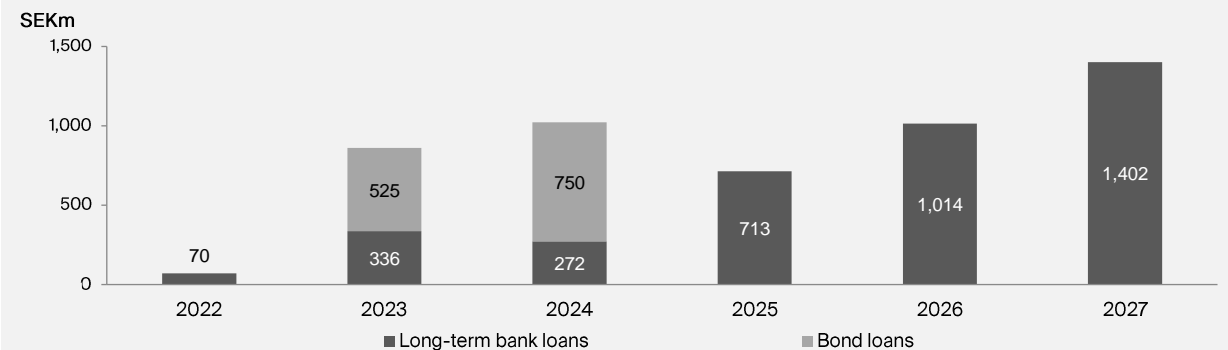
Financing from Nordea, Swedbank, SBAB, SEB  
and Danske Bank

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

## Capital structure



## Debt maturity schedule

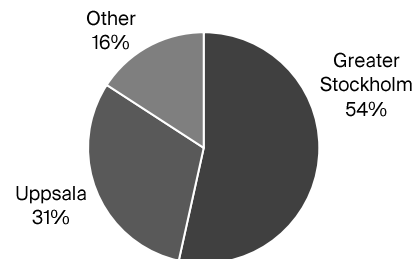


# Investment properties

Investment property portfolio	Properties	Lettable area Sqm	Property value		Rental value		Occupancy rate %	Contracted annual rent <sup>1)</sup> SEKm	Property costs		Net operating income	
	No. of		SEKm	SEK/sqm	SEKm	SEK/sqm			SEKm	SEK/sqm	SEKm	SEK/sqm
<b>Per property category<sup>2</sup></b>												
Commercial properties	36	156,406	3,675	23,499	198	1,265	91.3	181	-51	-328	129	827
Community service properties <sup>3)</sup>	28	143,257	4,117	28,739	234	1,636	97.8	229	-47	-331	182	1,270
<b>Total</b>	<b>64</b>	<b>299,663</b>	<b>7,792</b>	<b>26,004</b>	<b>432</b>	<b>1,442</b>	<b>94.9</b>	<b>410</b>	<b>-99</b>	<b>-329</b>	<b>311</b>	<b>1,039</b>
<b>Per geography</b>												
Greater Stockholm	35	157,014	4,185	26,657	222	1,416	95.4	212	-49	-311	163	1,040
Uppsala	19	88,097	2,378	26,988	134	1,516	96.9	129	-30	-337	100	1,131
Other	10	54,552	1,229	22,535	76	1,401	89.6	69	-20	-369	48	887
<b>Total</b>	<b>64</b>	<b>299,663</b>	<b>7,792</b>	<b>26,004</b>	<b>432</b>	<b>1,442</b>	<b>94.9</b>	<b>410</b>	<b>-99</b>	<b>-329</b>	<b>311</b>	<b>1,039</b>
Ongoing construction			1,022									
Planned projects			226									
<b>Total as per the balance sheet</b>			<b>9,040</b>									
Near-term completed constructions <sup>4)</sup>	2	16,229	208		39	2,431	94.4	37	-4	-267	33	2,028
<b>Total</b>	<b>66</b>	<b>315,892</b>	<b>9,248</b>		<b>472</b>	<b>1,493</b>	<b>94.6</b>	<b>447</b>	<b>-103</b>	<b>-326</b>	<b>344</b>	<b>1,076</b>
Properties owned through joint ventures			1,060									

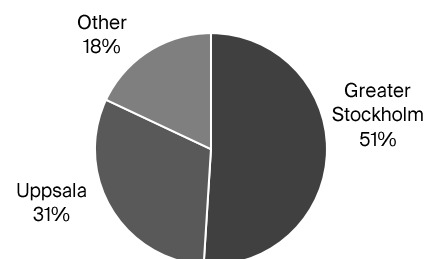
## Property value

Property value: SEK 7,792m



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

Rental value: SEK 432m



## Estimated earnings capacity as of 30 September 2022

(SEKm)	Investment properties	Ongoing construction	Total
Rental value	432	78	510
Vacancy rate	-22	0	-23
<b>Rental income</b>	<b>410</b>	<b>78</b>	<b>488</b>
Property costs	-99	-12	-111
<b>Net operating income<sup>5)</sup></b>	<b>311</b>	<b>66</b>	<b>377</b>

1) Not including rental discounts of SEK 8m. 2) Based on the primary use of the property. 3) Of which 143 rental apartments are allocated between eight properties. 4) Refers to stages in the Handelsmannen project and Hotel Can Oliver in Palma that will be completed within 12 months. The property value when completed will amount to SEK 931m but as of 30 Sep SEK 722m was recognised in the balance sheet under properties under construction. 5) Net operating income does not include income from properties owned through joint ventures.



# Project development

## Ongoing construction

Project	Municipality	Category	Construction start	Scheduled completion	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q4 2022	80	6,698	689	395	53,472	15	2,058	290	280	352
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2022/Q4 2023 <sup>2</sup>	342	17,801	-	824	46,290	34	1,908	640	227	370
Segerdal <sup>3</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023/Q4 2024 <sup>4</sup>	150	8,616	368	448	49,839	17	1,931	367	113	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q4 2023	185	8,018	244	378	45,691	16	1,971	336	108	115
Hotel Can Oliver	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	-	307	93,030	13	3,800	236	163	185
<b>Summa pågående byggnationer</b>					<b>797</b>	<b>44,433</b>	<b>1,301</b>	<b>2,351</b>	<b>51,406</b>	<b>95</b>	<b>2,085</b>	<b>1,869</b>	<b>890</b>	<b>1,022</b>

## Planned projects

Per category	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Rental apartments	4,431	245,110	-	12,750	52,018	552	2,251	10,408	67	120
Community service properties	225	15,083	19,169	1,579	46,104	74	2,151	1,286	8	8
Commercial properties	-	-	16,030	561	34,989	32	1,979	542	10	13
Co-operative apartments	1,591	108,325	-	7,624	70,385	-	-	5,773	58	86
<b>Total per category</b>	<b>6,247</b>	<b>368,518</b>	<b>35,199</b>	<b>22,515</b>	<b>55,769</b>	<b>657</b>	<b>2,225</b>	<b>18,009</b>	<b>143</b>	<b>226</b>

Per geography	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Greater Stockholm	3,355	207,280	22,676	14,516	63,126	325	2,362	11,513	87	154
Uppsala	1,854	99,775	11,825	5,280	47,315	218	2,171	4,251	41	51
Other	1,038	61,463	698	2,718	43,725	114	1,991	2,245	15	20
<b>Total per geography</b>	<b>6,247</b>	<b>368,518</b>	<b>35,199</b>	<b>22,515</b>	<b>55,769</b>	<b>657</b>	<b>2,225</b>	<b>18,009</b>	<b>143</b>	<b>226</b>

Information about ongoing construction and planned projects in the interim report is based on assessments of size, focus and scope, and when projects are scheduled for start-up and completion. The information is also based on assessments of future project costs and rental value. These assessments and assumptions should not be considered a forecast. Assessments and assumptions entail uncertainties in regard to the implementation, design, size, timetables, project costs and future rental value of projects. The information about ongoing construction and planned projects is regularly reviewed and assessments and assumptions are adjusted as ongoing construction is completed or added, and circumstances change. For projects not yet started, financing has not been arranged, which means that financing for planned projects represents an uncertainty.

1) Refers to fair value of the completed investment. 2) Approximately 35% of the rental units will be completed in Q4 2022 in a first stage, of which 66 units were completed in Sep 2022. 3) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake. 4) Approximately 50% of the rental units will be completed in Q4 2023 in a first stage.