

GENOVA

Company Presentation
Q3 2023

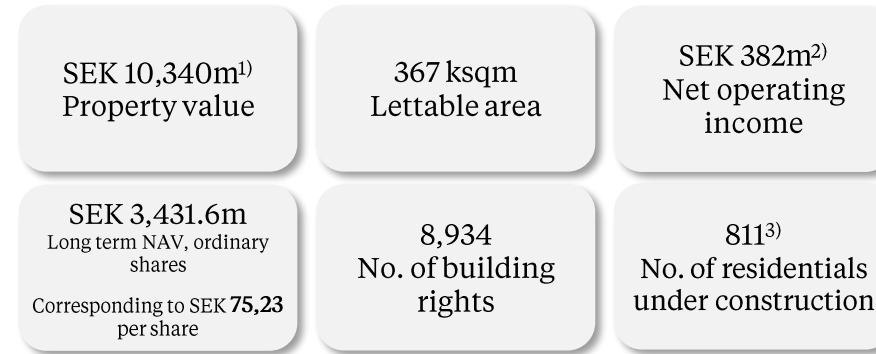
Genova in brief

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

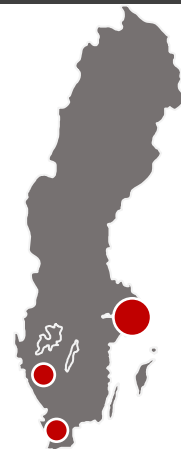
Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio

Genova's core markets – Greater Stockholm and the Uppsala Region – are characterised by strong growth, high disposable income, high level of education and low unemployment. Genova has also widened its geographic focus through the acquisition of *Järngrinden* who operates in strong growth markets in Western Sweden

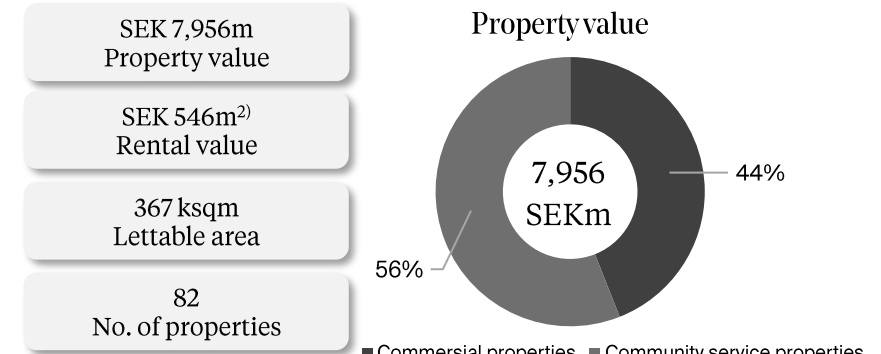
Overview



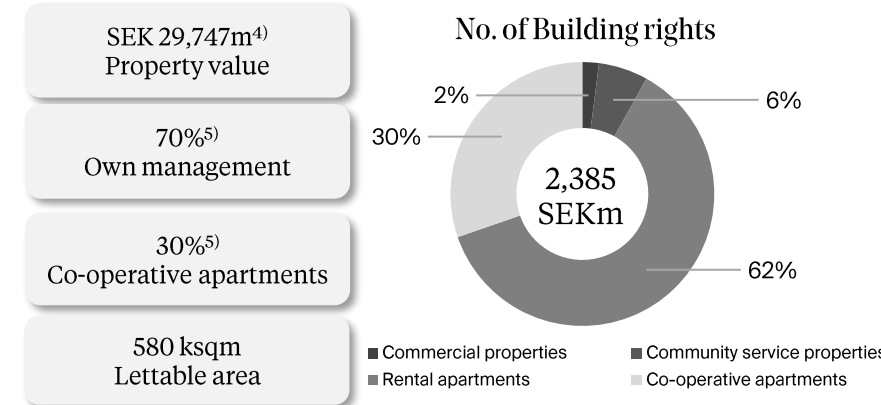
Geographic focus



Investment properties

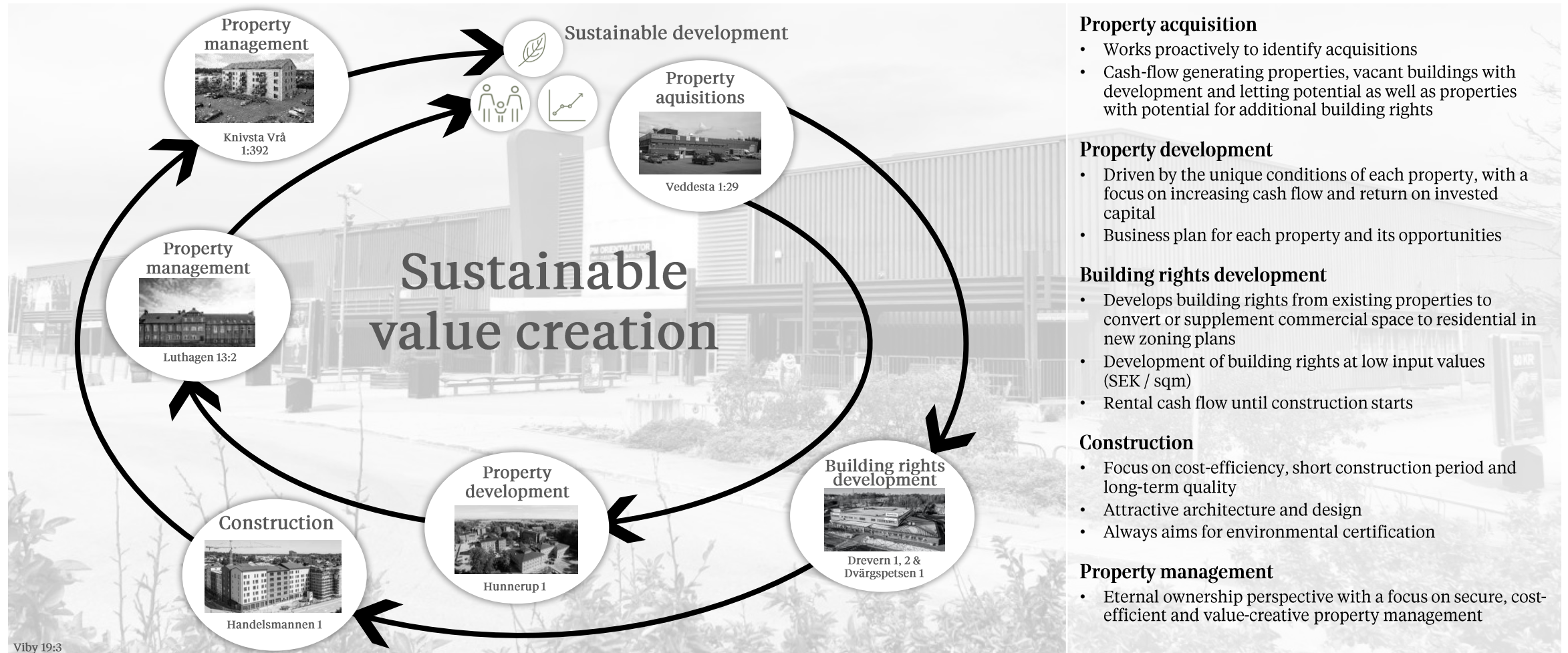


Project properties



1) Of which ongoing construction and planned projects of SEK 2,385m. 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

Financing

- Bond loan with ISIN SE0013222593 (senior unsecured bonds 2019/2023) and a final maturity date of 30 September 2023 was fully repaid. The total remaining amount that was redeemed amounted to SEK 410m after Genova cancelled its previously repurchased bonds of SEK 115m in connection with the redemption

Project development

- During the quarter, 27 residential units in the Segerdal project in Knivsta were completed. Genova owns 50% of the project

Divestments

- In May, Genova agreed to sell the Gredelby 7:89 property in central Knivsta. The sale was transacted at an underlying property value of SEK 85m. The annual rental value amounted to approximately SEK 6.0m and the remaining duration was 4.5 years
- In July, an agreement was signed to divest two fully leased hotel properties in Palma, Majorca, for approximately EUR 35m, corresponding to approximately SEK 410m. The properties are not of a long-term strategic nature for the company and are low-leveraged, and the divestment provides Genova with net liquidity of approximately SEK 350m, which will be used to reduce our indebtedness. The exit date was 18 October 2023
- After the end of the period, Genova divested a property in Uppsala at an underlying property value of SEK 50m, which is in line with book value. The property has a lettable area of approximately 3,300 square meters with warehouse and light industry and is fully let with an annual rental value of approximately SEK 4.0m. Average remaining contract term is 1.0 years. Exit date is planned to November 1, 2023

Lettings

- In September, a 15-year rental agreement was signed for the Söderhällby 1:9 property in Uppsala, with approximately 5,000 sqm and an annual rental value of approximately SEK 9m. The letting will involve leasehold improvements, where Genova's total investment commitment is expected to be approximately SEK 40m. The tenant will gain accession to 4,000 sqm on 1 April 2024, and the remaining area in 2025



Project Segerdal, Knivsta

Focus 2023

Ongoing constructions

As of Q3, Genova had 811¹ residential units under construction where several stages will be completed during the 2023. The projects are expected to contribute to an increased earnings capacity of SEK 80m when completed²

Hotell Can Oliver, Palma

- Hotel consisting of 40 rooms with Nobis as sole tenant. Has been completed and exited after the period

Handelsmannen, Norrtälje

- 246 rental apartments with completion in stages during 2023 and 2024

Segerdal, Knivsta

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

Korsängen, Enköping

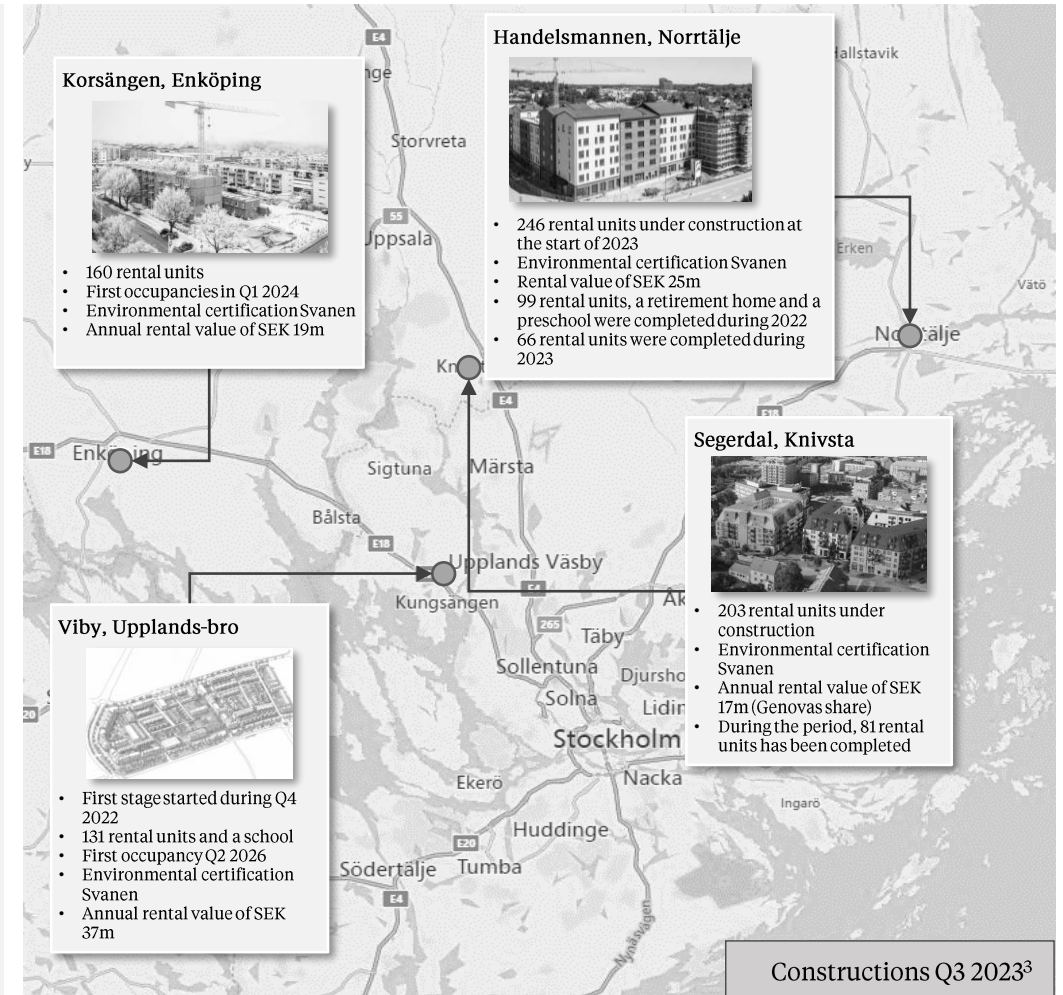
- 160 rental units in the center of Enköping with occupancies during 2024

Viby, Upplands Bro

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

Focus going forward

- Genova will continue to work pro-actively to strengthen the balance sheet and improve our net financial position. Genova's strengths is the combination of investment properties with stable cash flows and profitable project development of rental units and premises that creates organic growth
- Long-term stable financing is central for Genova and acquired an even greater focus in the current capital market uncertainty. We worked to secure financing through refinancing and by extending loans. A directed issue in early 2023 further strengthened Genova's financial position and created the capacity to act on business opportunities that we believe may arise due to the ongoing changes in the property market. At the same time, reputable investors were added to the company's ownership structure, who believe in, and want to invest long-term, in Genova
- Genova's focus moving forward is to manage the bond maturity in 2024 and the plan is to reduce exposure to the bond market. The maturity amounts to SEK 750m in total, of which SEK 27.5m has already been repurchased
- Our ongoing projects are proceeding as planned, with an approximate total of 1,000 residential units in Norrtälje, Enköping, Knivsta and Upplands-Bro and completion scheduled for 2023–2026. We see continued demand for new rental apartments in our core markets of Greater Stockholm and the Uppsala Region, as well as our new West region



¹ Of which 40 hotel rooms. ² Refers to fully owned properties and excludes Hotel Can Oliver which was exited after the period. ³ Ongoing construction under Genova's management. Excludes Can Oliver in Palma as well as construction managed by Genova's daughter company Järngröden.



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
44%
Average annual growth 2019-Q3 2023

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
101%
Average annual growth 2019-Q3 2023

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
36%
Q3 2023

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

Loan-to-value ratio

<65%
Target
60%
Q3 2023

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

Interest coverage ratio

>2.0x
Target
1.6x
Q3 2023

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

Operational targets

Rental income

>55%
Target
54%
Q3 2023

Rental income from residential and community service properties shall account for at least 55% of Genova's total rental income by the end of 2023

Ongoing construction

1,000
Target
811¹⁾
Q3 2023

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

Property value

SEK 20bn
Target
SEK 10.3bn
Q3 2023

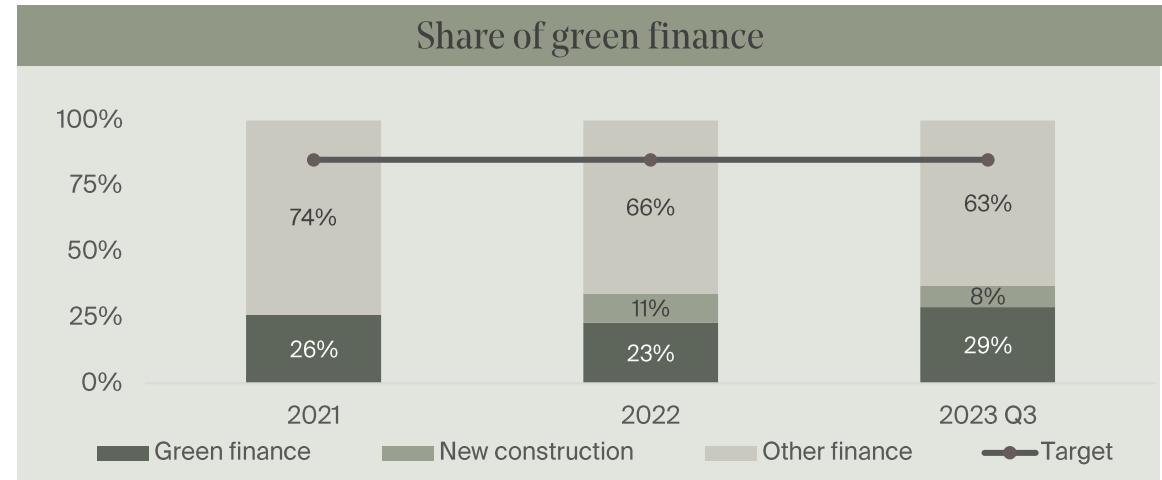
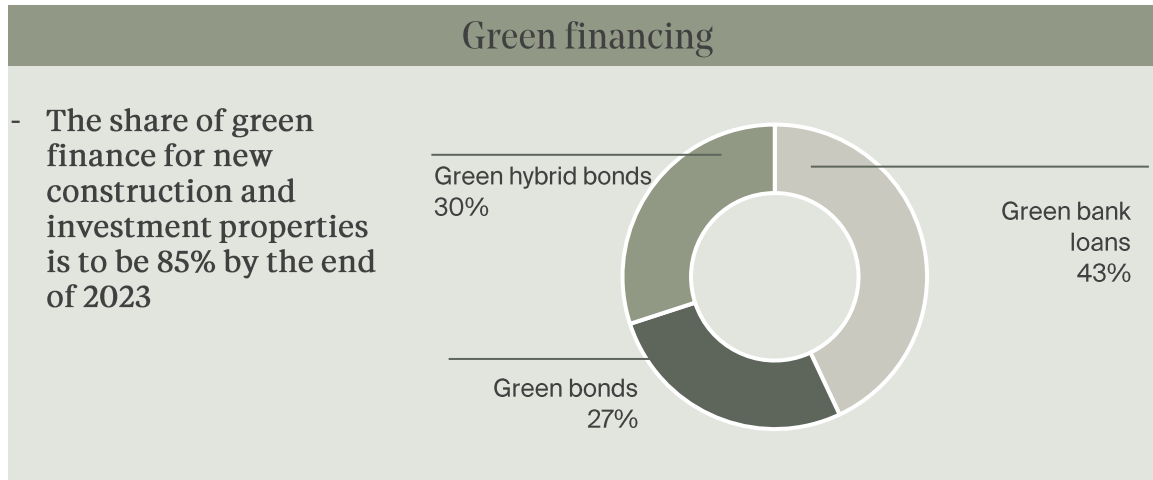
The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

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

¹⁾ Including 40 hotel rooms.

Green financing



Environmental certification

Certification	Investment properties				Total	Construction Ongoing
	Certified	Ongoing	Continuing/ planned	Ongoing planning		
Nordic Swan	2				2	3
Green Building	2				2	
Miljöbyggnad iDrift						
Silver	7	22			29	
Broze	1				1	
Not certified				27	27	
Total	12	22	0	27	61	3

An evaluation of the environmental certification of Järngrinden's 21 investment properties will begin in 2023.

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

GHG emissions are to decrease by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2. Emissions in Scope 3 are to be measured and reduced. The targets have been validated and published by the Science Based Target initiative. The targets will be followed up annually, starting with the Sustainability Report for 2023



Financial development

Income statement

SEKm	Jan-Sep 2023	Jan-Sep 2022	Okt 2022- Sep 2023	Jan-Dec 2022
Rental income	377.1	286.0	485.8	394.7
Maintenance costs and operating expenses	-96.4	-79.9	-133.4	-116.9
Net operating income	280.7	206.1	352.4	277.8
Central administration, property management	-17.5	-17.2	-23.4	-23.2
Central administration, property development	-28.5	-21.1	-35.7	-28.3
Income from associations in joint ventures	-15.5	33.7	-9.9	39.3
Net financial items	-176.6	-105.9	-215.6	-144.9
Income from property management	42.6	95.6	67.8	120.7
Income from new residential construction	43.0	-	43.0	0.0
Other income	-	1.1	1.5	2.6
Other costs	-4.6	-	-4.6	-
Value changes, properties	-368.3	423.4	-593.0	198.7
Value changes, derivatives	35.2	-	35.2	-
Currency effects, properties	9.1	6.7	4.5	2.2
Income before tax	-243.1	526.8	-445.7	324.2
Income tax	41.2	-111.1	84.0	-68.3
Income for the period	-201.9	415.7	-361.7	255.9

Key metrics

	Jan-Sep 2023	Jan-Sep 2022	Okt 2022- Sep 2023	Jan-Dec 2022
Rental income, SEKm	377.1	286.0	485.8	394.7
NOI, SEKm	280.7	206.1	352.3	277.8
Income from property management, SEKm	42.5	95.6	67.7	120.8
Income from property management per ordinary share, SEK	-0.40	1.31	-0.21	1.53
Residential units under construction, no.	811	797	811	1,006
Residential units completed, no.	195	66	308	179
Net investments, SEKm	394.0	653.8	459.4	719.2
Loan-to-value ratio, %	60.4	61.7	60.4	59.1
Equity/assets ratio, %	36.3	38.6	36.3	38.4
Interest coverage ratio, times	1.6	2.0	1.7	2.0
Long-term NAV, SEKm	5,015.3	4,644.6	5,015.3	5,134.0
Long-term NAV referable to shareholders, SEKm	3,431.6	3,703.0	3,431.6	3,584.1
Long-term NAV per ordinary share, SEK	75.23	88.21	75.23	85.38

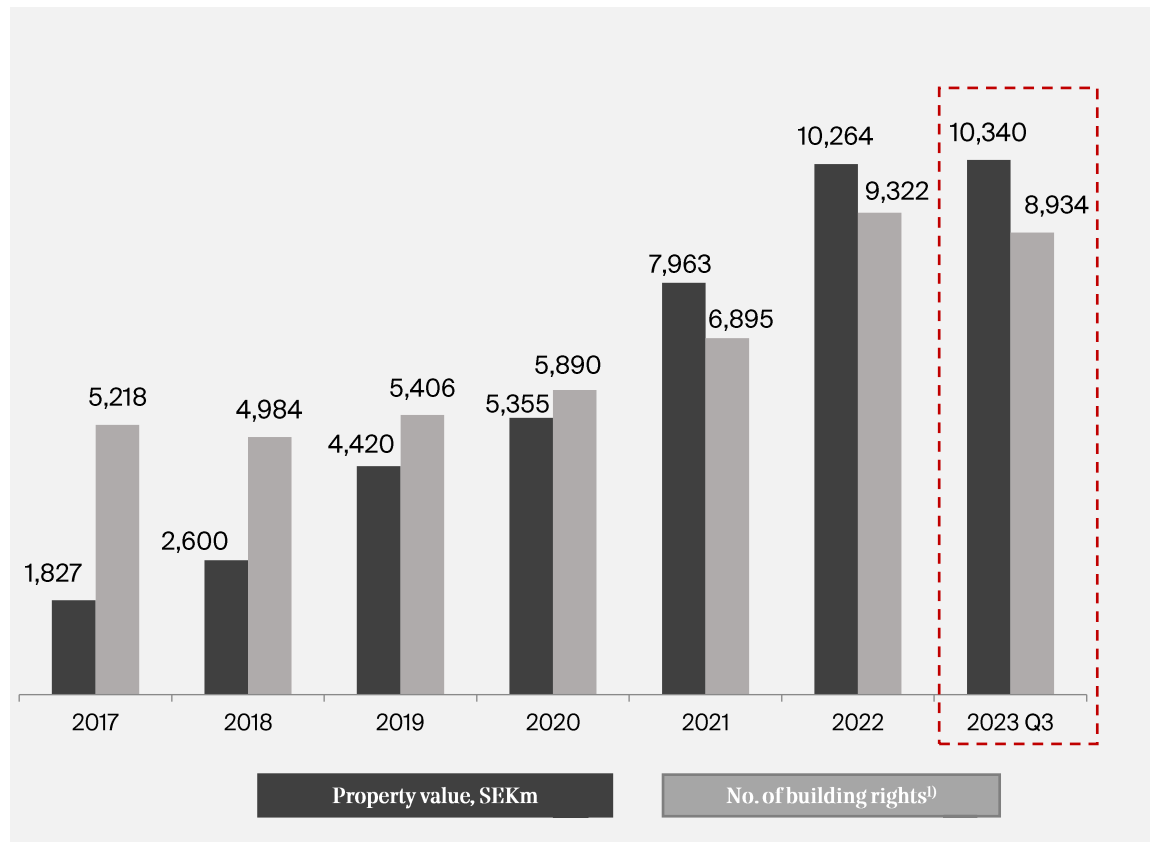
Balance sheet

SEKm	2023 30 Sep	2022 30 Sep	2022 31 Dec
Investment properties	7,955.6	7,792.4	8,183.2
Properties under construction	1,012.4	1,104.6	860.5
Development properties	1,249.1	143.4	1,023.2
Other fixed assets	1,215.0	1,248.0	1,197.3
Ongoing residential projects	123.3	0.0	197.0
Cash and cash equivalents	669.0	206.3	257.7
Other current assets	252.2	217.0	258.2
Total assets	12,476.5	10,711.7	11,977.1
Total equity	4,529.9	4,138.5	4,595.5
Loans from credit institutions	5,771.2	4,460.2	5,052.3
Bond loans	1,141.8	1,271.4	1,275.2
Deferred tax liability	570.9	584.6	619.5
Other liabilities	462.8	257.0	434.6
Total equity and liabilities	12,476.5	10,711.7	11,977.1

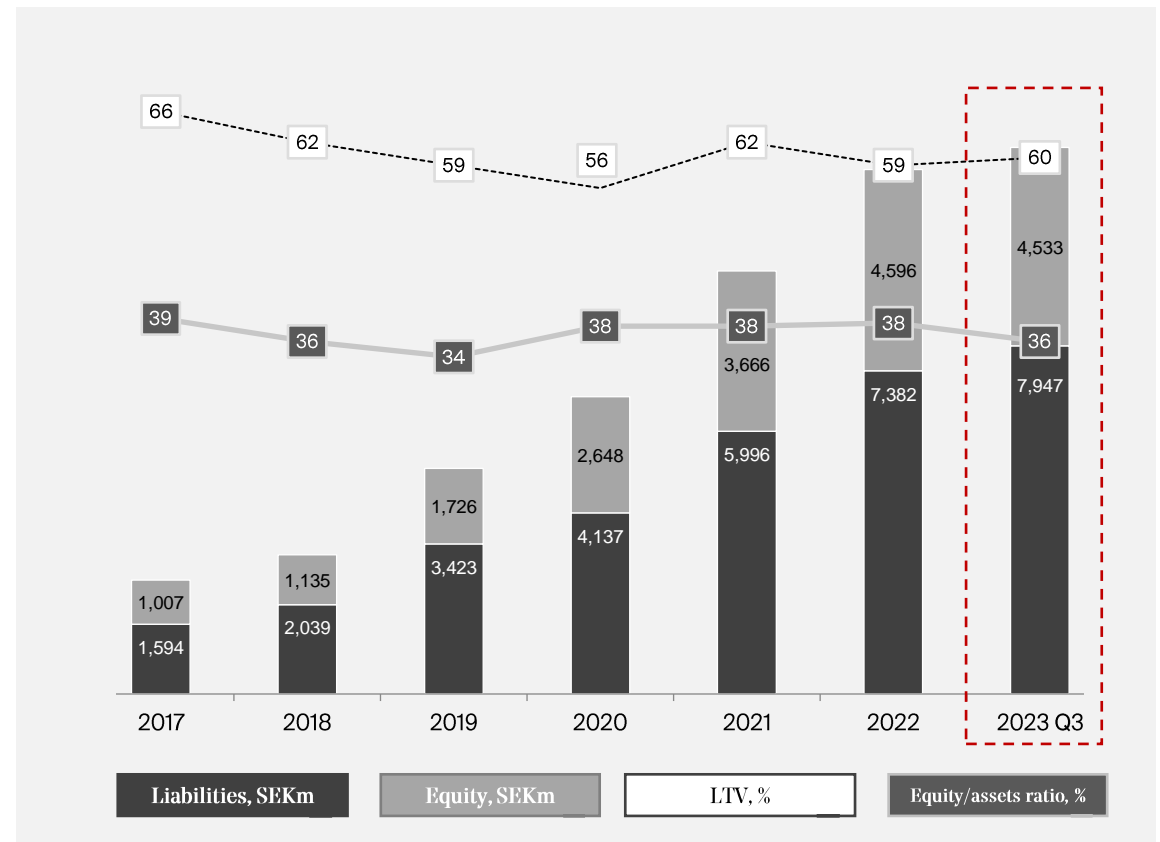


Financial development

Property value and no. of building rights



Capital structure



1) At 30 September 2023, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 3.4 billion. At 30 September 2023, 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 2.1 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.3 billion at the end of the reporting period.



Financial development

Financing in brief

Interest-bearing debt
SEK 6,916m¹⁾

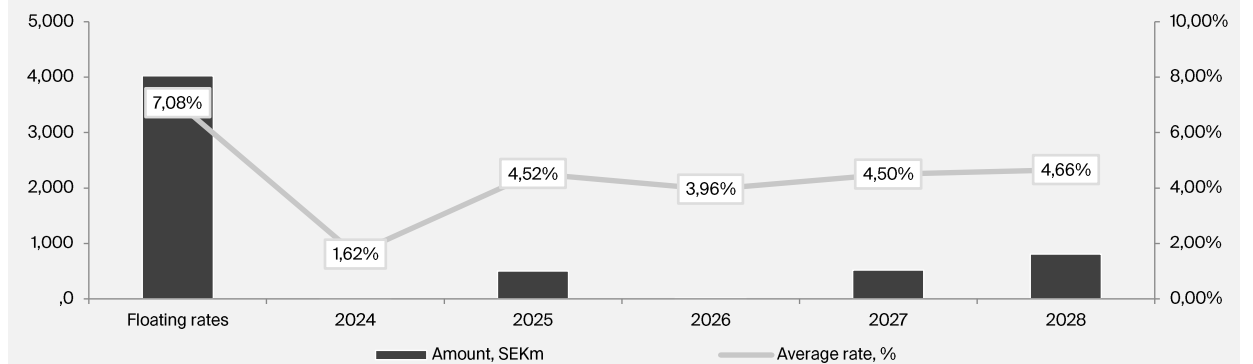
Average interest rate²⁾ (3m STIBOR floating)
6.0 %

Average duration (loans)
2.3 years

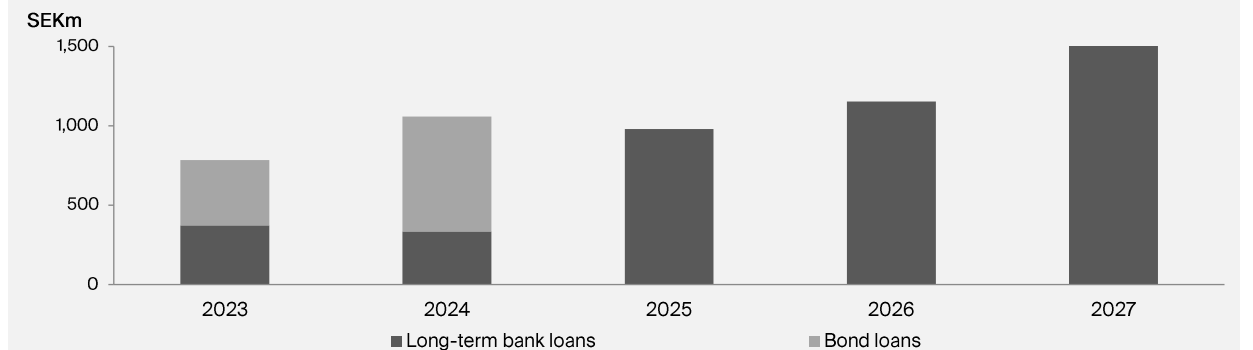
Available liquidity, including undrawn construction credits
SEK 1,303

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

Interest rate term³⁾



Credit term structure⁴⁾

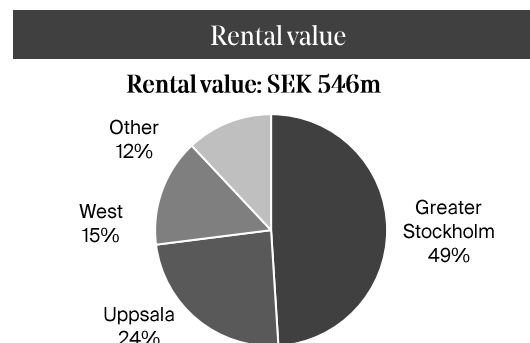
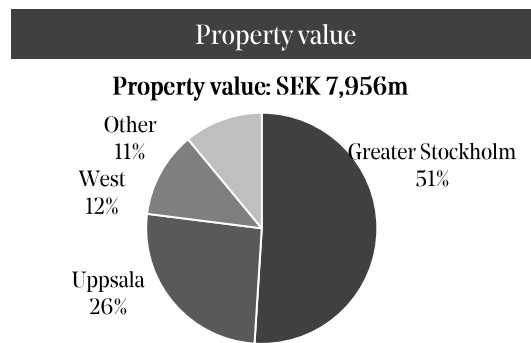


1) Includes bond loan of SEK 1,132.5m (3m STIBOR +4.50/5.25%). 2) Interest-bearing debt to credit institutions. 3) Average interest rates are calculated using daily interest rates as of 30 September and do not take an average for the entire period into account. 4) Excluding the outstanding bond loan of SEK 410m, which was redeemed on 2 October 2023.



Investment properties

Investment property portfolio	Properties	Lettable area	Property value		Rental value		Occupancy rate	Contracted annual rent ¹⁾	Property costs		Net operating income	
	No. of	Sqm	SEKm	SEK/sqm	SEKm	SEK/sqm	%		SEKm	SEK/sqm	SEKm	SEK/sqm
Per property category²⁾												
Commercial properties	52	202.0	3,530	17,481	263	1,300	90.2	237	-67	-331	170	843
Community service properties ³⁾	30	165.1	4,425	26,800	284	1,719	95.8	272	-60	-362	212	1,285
Total	82	367.1	7,956	21,673	546	1,489	93.1	509	-127	-345	382	1,041
Per geography												
Greater Stockholm	34	169.1	4,044	23,908	268	1,587	95.7	257	-59	-351	197	1,168
Uppsala	17	80.0	2,053	25,647	130	1,623	92.4	120	-34	-423	86	1,077
West	23	78.9	960	12,164	79	1,007	89.0	71	-18	-229	53	666
Other	8	39.0	899	23,067	69	1,762	89.2	61	-15	-390	46	1,181
Total	82	367.1	7,956	21,673	546	1,489	93.1	509	-127	-345	382	1,041
<i>Of which Järngrinden</i>	<i>21</i>	<i>63.3</i>	<i>711</i>	<i>11,227</i>	<i>61</i>	<i>967</i>	<i>85.7</i>	<i>52</i>	<i>-13</i>	<i>-199</i>	<i>40</i>	<i>629</i>
Ongoing construction			1,136									
Planned projects			1,249									
Total as per the balance sheet			10,340									
Near-term completed constructions ⁴⁾	2	13.8	141		30	2,146	100.0	30	-5	-375	24	1,771
Total	84	380.9	10,482		576	1,512	93.5	538	-132	-346	407	1,068
Properties owned through joint ventures			906									



Estimated earnings capacity as of 30 September 2023

(SEKm)	Investment properties Genova	Investment properties Järngrinden	Investment properties Total	Ongoing construction	Total
Rental value	485	61	546	80	627
Vacancy rate	-29	-9	-38	0	-38
Rental income	456	52	509	80	589
Property costs	-114	-13	-127	-12	-139
Net operating income	342	40	382	68	450

1) Based on the primary use of the property. 2) Not including decreasing rental discounts with a current annual value of SEK 12m. 3) Of which 238 rental apartments are allocated between eight properties. 4) Refers the Kryddgården project and part of the Handelsmannen project, which will be completed within 12 months. The property value upon completion will amount to SEK 554m but as of 30 September SEK 413m was recognised in the balance sheet under properties under construction.



Project development

Ongoing construction														
Project	Municipality	Category	Construction start	Scheduled completion	No. of units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value ²
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Handelsmannen 1	Norrköping	Rental apartments	Q4 2019	Q2 / Q4 2024	246	12,752	-	601	47,130	25	1,933	545	368	402
Segerdal ³	Knivsta	Rental apartments	Q4 2020	Q2 2023/Q1 2025	102	6,309	271	329	50,000	15	2,301	301	158	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	386	236	239
Viby, Etapp 1 ⁴	Upplands-bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	90	90
Viby, Etapp 1 ⁴	Upplands-bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	238	43	43
Järngrinden ⁵	Borås	Own management ⁶			72	4,048	-	150	36,993	-	-	134	-	-
Järngrinden ⁵	Borås	Co-operative apartments			60	2,484	-	148	59,402	-	-	121	123	123
Hotel Can Oliver ⁷	Palma	Commercial properties	Q2 2021	Q3 2023	40	-	-	-	-	-	-	-	-	239
Total					811	42,353	7,878	2,415	45,105	96	1,874	2,155	1,018	1,136

Planned projects											
Per category	No. of units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value ²	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Rental apartments	5,913	342,434	-	16,542	48,306	746	2,180	14,135	632	685	685
Community service properties	185	14,415	15,751	1,357	44,973	64	2,125	1,122	48	48	48
Commercial properties	-	-	15,574	550	35,318	31	1,964	541	93	95	95
Co-operative apartments	2,025	141,426	-	8,884	62,820	-	-	7,188	393	421	421
Total per category	8,123	498,275	31,325	27,333	51,611	841	2,171	22,987	1,167	1,249	1,249

Per category	No. of units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value ²	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Greater Stockholm	3,199	198,412	17,292	12,926	59,924	315	2,365	10,640	554	621	621
Uppsala	1,809	97,525	12,065	5,025	45,854	214	2,168	4,275	170	180	180
West	2,550	170,253	1,968	7,956	46,194	257	1,991	6,806	365	365	365
Other	565	32,085	0	1,426	44,448	55	2,028	1,266	78	83	83
Total, per, geography	8,123	498,275	31,325	27,333	51,611	841	2,171	22,987	1,167	1,249	1,249

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

1) Refers to fair value of the investment upon completion. 2) Refers to only wholly owned projects. Book value attributable to jointly owned projects is presented under shares in joint ventures and associated companies on the balance sheet. 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. During the quarter, 27 apartments were completed and transferred to investment (Genova's financial stake corresponds to completion of 14 apartments). 4) The Viby project is 70/30 owned by Genova and K2A. 5) Järngrinden is a subsidiary, in which Genova has a 51% stake. Järngrinden's wholly owned, and stake in jointly owned, projects under construction are presented in the table. 6) Of which 23 apartments are completed and will be handed over to the co-operative housing association in the next quarter. 7) The Can Oliver Hotel was exited after the end of the quarter.

The table only shows the number of residential units, area, property and rental value, and investment amounts that correspond to Genova's financial stake in jointly owned properties. Properties in which Genova owns more than 50% are recognised as wholly owned. Projects in Genova's Järngrinden subsidiary are recognised using the same principle.