



# GENOVA

*Q1 2021*

## **Company Presentation**

Genova Property Group AB (publ)

Stockholm

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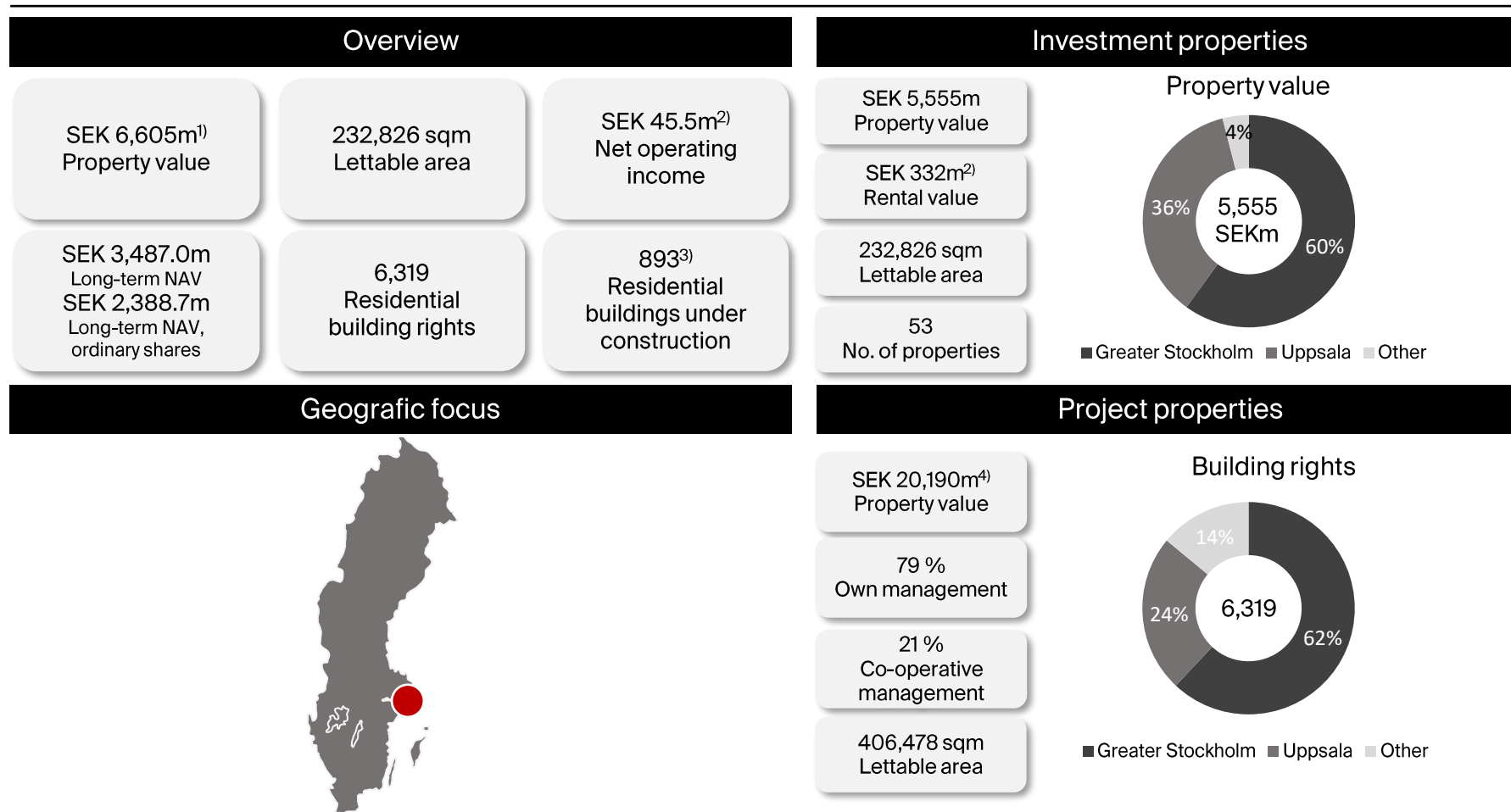
# INTRODUCTION

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# Genova in short

## As of Q1 – 2021

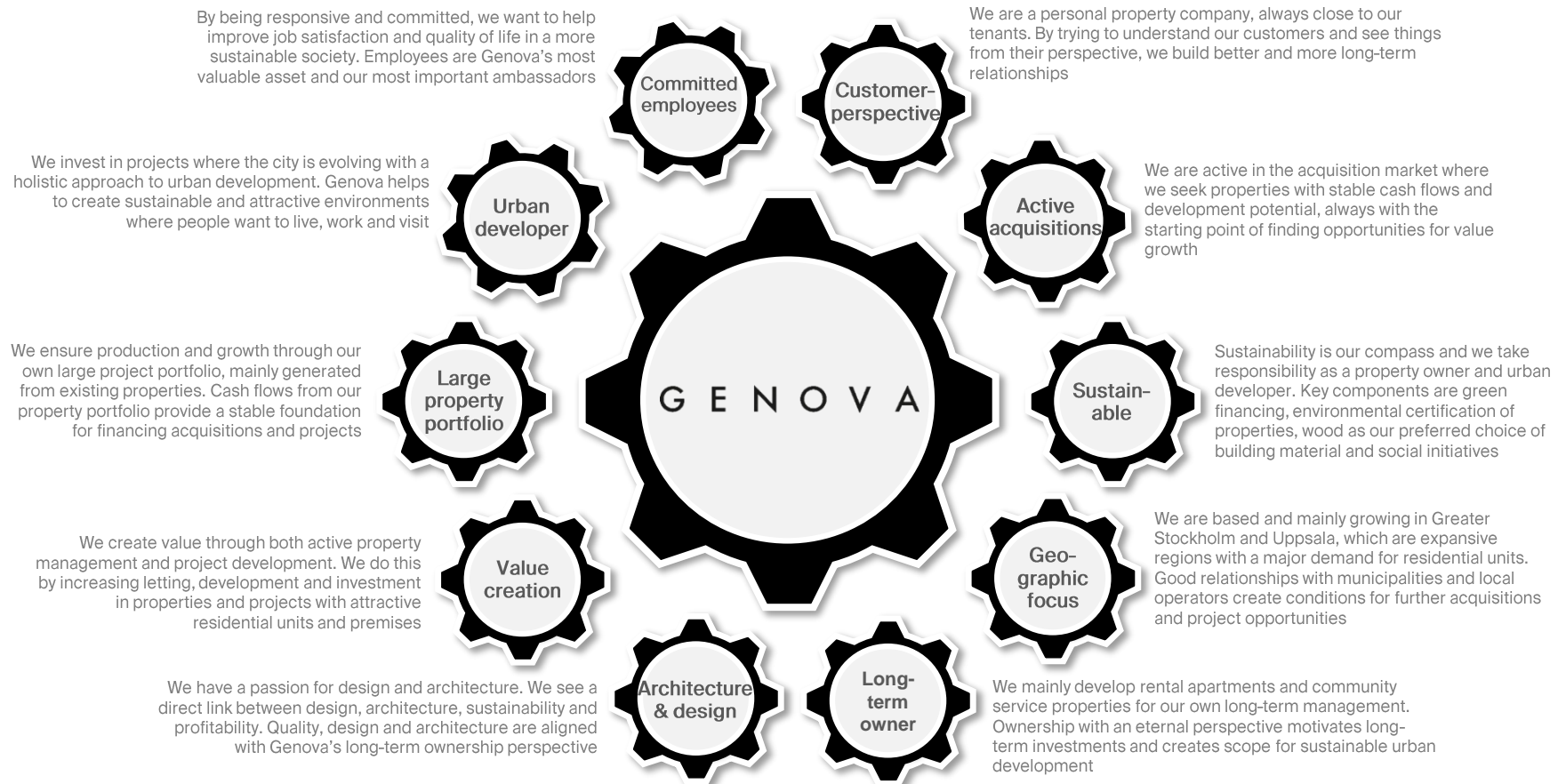


1) Refers to investment properties, ongoing construction, planned projects and ongoing co-operative apartment projects. 2) According to earnings capacity as of 31 March 2021. 3) Including 35 hotel rooms. 4) Refers to estimated value at completion.

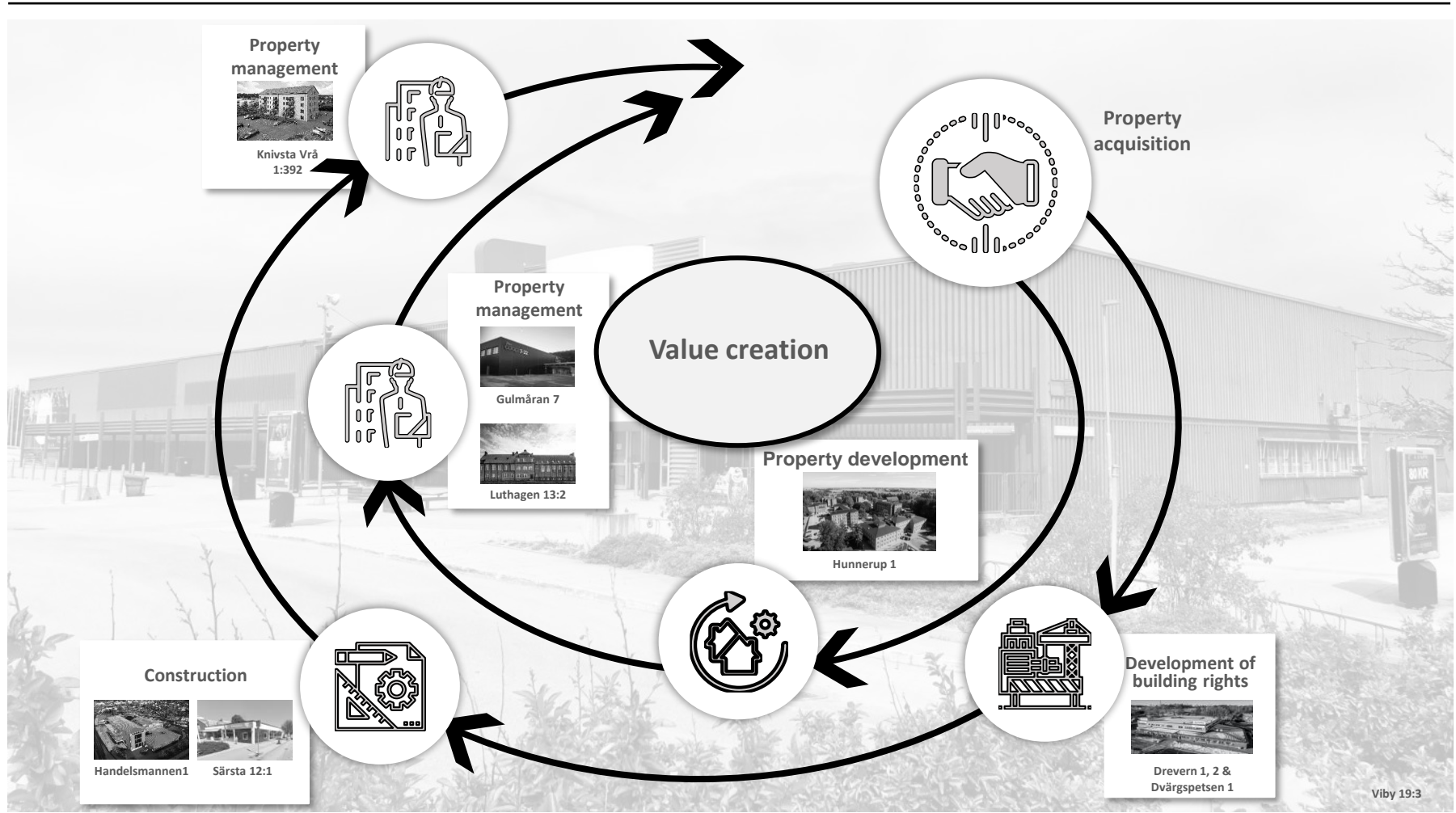


# Genova – the personal property company

## Genova's cornerstones



# Genova's business model



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# OPERATIONAL AND FINANCIAL UPDATE

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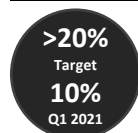


# Financial and operational targets

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

## Financial targets

### Long-term net asset value<sup>1)</sup>



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

### Income from property management<sup>2)</sup>



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

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

### Equity/assets ratio



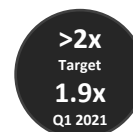
Over time, the equity/assets ratio shall be at least 35%

### Loan-to-value ratio



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

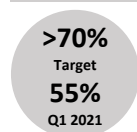
### Interest coverage ratio



Over time, the interest coverage ratio shall be higher than 2

## Operational targets

### Rental income



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

### Ongoing construction



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

## Dividend policy

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

1) Long-term net asset value attributable to ordinary shareholders has decreased by SEK 80m due to the proposed redemption of outstanding preference shares. 2) New ordinary shares in a new share issue during 2020 not included in the calculation of annual growth per ordinary share. From Q4 2020, exchange rate effects have been broken out of the income statement result and are reported on a separate line in the income statement where comparative figures have been recalculated. Since Q4 2020, currency effects are no longer included in income from property management and are presented on a separate line in the income statement where the comparative figures have been restated. 3) Including 35 hotel rooms.





# Operational update

## As of Q1 – 2021

### Comments

- In January, Genova announced a significant acceleration in the pace of its ongoing construction of properties for own long-term management by starting the construction of projects in Knivsta and Enköping, and an increased area in the ongoing project in Norrtälje. In total, these projects comprise approximately 60,000 sqm and more than 1,000 rental apartments
- In January 2021, the Board of Genova set new operational growth targets for the company and extended the business plan to cover the period up to the end of 2025
- In Uppsala, the rental agreement with Gluntens Montessori School for approximately 6,000 sqm was extended until 31 August 2041, with an annual rental value of approximately SEK 11m, and in Gävle, the rental agreement with Leo's Lekland for approximately 3,600 sqm was extended up to 2029, with an annual rental value of SEK 4.5m
- After the period, new rental agreements have been signed with the Swedish Police Authority and Botkyrka Municipality in Tumba and Botkyrka respectively, with a total annual rental value of approximately SEK 13.6m. The new rental agreement with the Swedish Police Authority is green
- In February, Genova successfully issued green capital securities of SEK 500m under a framework of SEK 1,250m. The capital is proposed to be used to redeem the outstanding preference shares
- In March, Genova entered into an agreement to acquire a portfolio of community service properties located in attractive areas of Greater Stockholm at an underlying property value of SEK 970m. The properties were accessed 31 March
- In March, Genova entered into a barter agreement, in which Genova will acquire two community service-oriented properties and additional building rights in Lund and Haninge for SEK 477m, and divest four commercial properties and one project property for SEK 657m. The acquired properties have potential for future development of both residential units and community service properties

### Accessess and acquisitions during Q1

**Botkyrka**  
(Trädgårdsmästaren 14)



- Underlying property value of SEK 165m
- Annual rental value of 9.8m

**Lund**  
(Hunnerup 1)



- Underlying property value of SEK 387m
- Annual rental value of 32m

**Haninge**  
(Ribby 1:451)



- Underlying property value of SEK 90m
- Annual rental value of 9.1m

**Täby**  
(Degeln 1, Brandsprutan 2)



- Underlying property value of SEK 460m
- Annual rental value of 26.1m

**Nacka**  
(Gustavsberg 1:316)



- Underlying property value of SEK 345m
- Annual rental value of 25.4m



# Focus 2021

## Ongoing construction

As of 31 March 2021, Genova had 893 residential units under construction, of which 35 hotel rooms, with a book value of SEK 725m. Completion of the project in Palma is scheduled for the second quarter of 2021, when the tenant Nobis will take over the hotel

### Segerdal, Knivsta

Before the end of 2020, Genova commenced the Segerdal project located in central Knivsta, next to the Town Hall and directly adjacent to the train station. The project comprises new construction of approximately 300 rental apartments with a lettable area of approximately 18,000 sqm. The buildings will be environmentally certified and the first occupancy is scheduled for the fourth quarter of 2023

### Handelmannen 1, Norrtälje

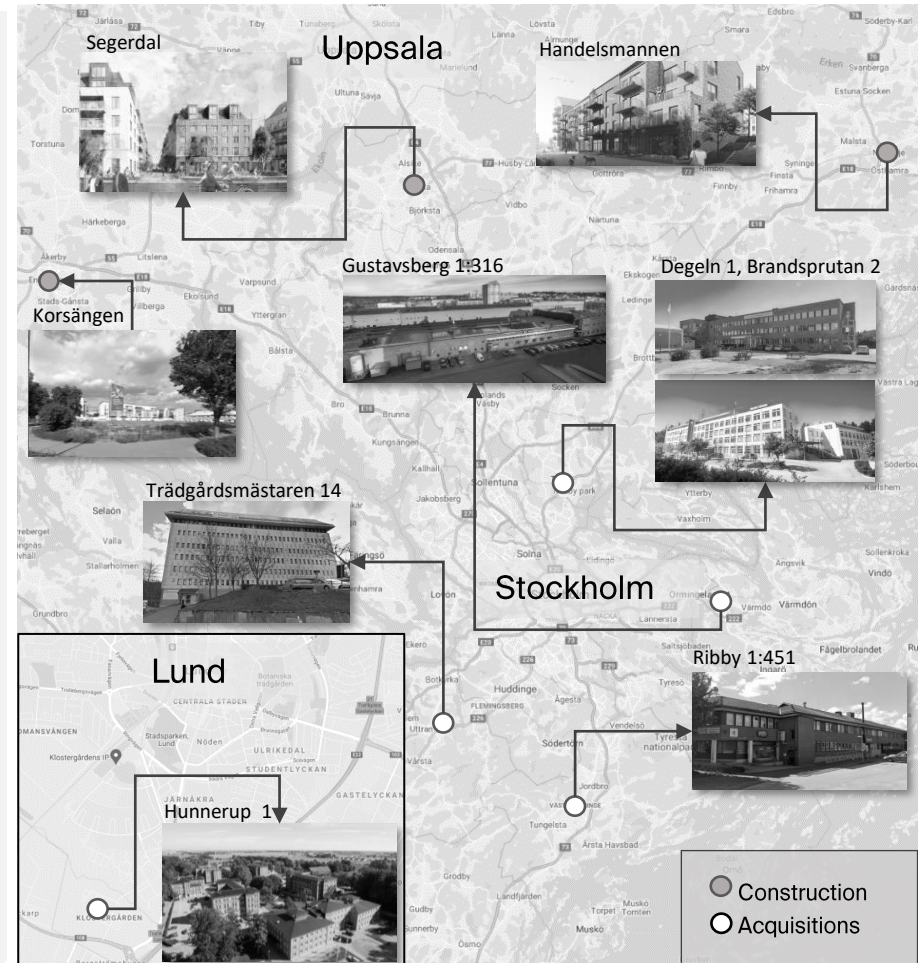
In Norrtälje, Genova has worked on, and thereby increased the utilisation of the existing building right in the ongoing Handelmannen 1 project, which means that the project will increase from approximately 21,000 sqm of lettable area to nearly 29,000 sqm. The ongoing project comprises two blocks containing one retirement home with 80 residential units, one preschool with 125 places and 408 rental apartments. The first occupancies are scheduled for the second half of 2022

### Korsängen, Enköping

In the first quarter of 2021, construction of the Korsängen project in Enköping started. The project comprises 220 rental apartments with a lettable area of just over 12,000 sqm. Korsängen is located directly adjacent to Genova's Kryddgården 6:3 and Kryddgården 6:5 investment properties, with estimated completion in the first quarter 2021

## Focus going forward

- Genova will focus on the new growth targets that were issued in January 2021, saying that Genova shall increase the ongoing construction of own-produced residential units and increase the share of rental income from residential and community service properties
- Genova currently has approximately 30 zoning plans under development with a number of projects with an expected construction start within the next two years, where approximately 80 percent of the building rights regards development for own management
- In February, Genova issued green capital securities and has also proposed a redemption regarding outstanding preference shares in order to reduce financial costs. This change in capital structure will contribute to a stronger cash flow and to better terms and conditions for continued growth
- Genova is in a strong financial position for further growth through both acquisitions and construction for own management and new business opportunities are being evaluated on an ongoing basis



# Financial development

## As of Q1 – 2021

Income statement					Balance sheet			
SEKm	2021 Jan-Mar	2019 Jan-Mar	Apr 2020- Mar 2021	2020 Jan-Dec	SEKm	2021 31 Mar	2020 31 Mar	2020 31 Dec
Rental income	63.6	54.0	240.7	231.1	Investment properties	5,554.6	4,097.5	4,559.6
Maintenance costs and operating expenses	-18.1	-14.0	-57.8	-53.7	Properties under construction	947.7	556.5	704.1
<b>Net operating income</b>	<b>45.5</b>	<b>40.0</b>	<b>182.9</b>	<b>177.4</b>	Other fixed assets	669.0	311.7	665.0
Central administration, property management	-4.8	-3.0	-27.9	-26.1	Development properties	103.1	68.4	91.4
Central administration, property development	-5.2	-4.4	-39.9	-39.1	Cash and cash equivalents	729.1	158.5	578.4
Income from associations in joint ventures	1.3	1.1	55.9	55.7	Other current assets	143.3	304.5	186.2
Net financial items	-25.2	-25.0	-107.3	-107.1	<b>Total assets</b>	<b>8,146.8</b>	<b>5,497.1</b>	<b>6,784.7</b>
<b>Income from property management</b>	<b>11.6</b>	<b>8.7</b>	<b>63.7</b>	<b>60.8</b>	Total equity	3,227.3	1,905.7	2,647.8
Income from production of co-ops	-	-	37.0	37.0	Loans from credit institutions	3,211.3	2,380	2,560.0
Other operating income	0.1	0.6	1.7	2.2	Bond loans	904.4	659.9	954.6
Changes in value, properties	120.3	219.2	281.1	380.0	Deferred tax liability	352.0	330.5	324.6
Currency effects, properties	3.7	9.7	-12.8	-6.8	Other liabilities	451.8	221.0	297.7
<b>Income before tax</b>	<b>135.7</b>	<b>238.2</b>	<b>370.7</b>	<b>473.2</b>	<b>Total equity and liabilities</b>	<b>8,146.8</b>	<b>5,497.1</b>	<b>6,784.7</b>
Income tax	-32.3	-47.6	-39.9	-55.2				
<b>Income for the period</b>	<b>103.4</b>	<b>190.6</b>	<b>330.8</b>	<b>418.0</b>				

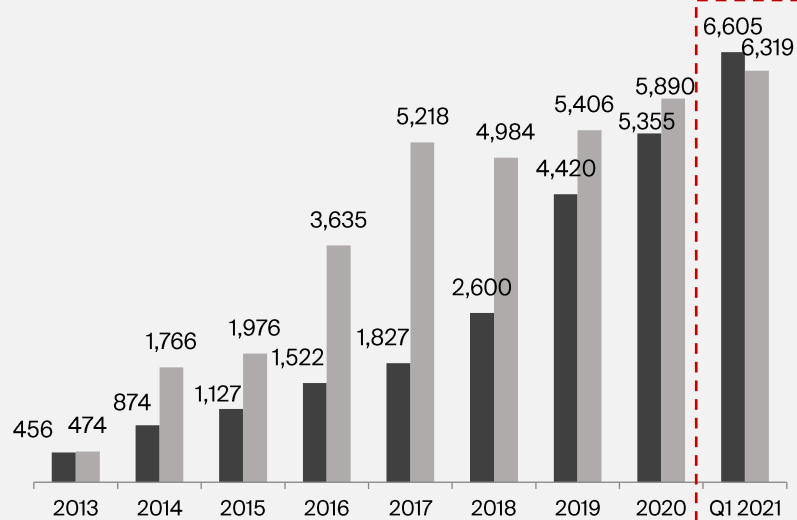
Key metrics			
	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
Rental income, SEKm	63.6	54.0	231.1
NOI, SEKm	45.5	40.0	177.4
Income from property management, SEKm	11.6	8.7	60.8
Income from property management per ordinaryshare, SEK	0.03	-0.06	0.53
Residential units under construction, no.	893	473	540
Residential units completed, no.	-	54	137
Net investments, SEKm	116.1	105.7	1074.7
Loan-to-value ratio, %	51.5	58.6	55.2
Equity/assets ratio, %	39.6	34.7	39.0
Interest coverage ratio, times	1.9	1.7	1.8
Long-term NAV, SEKm	3,487.0	2,197.5	2,883.0
Long-term NAV referable to shareholders, SEKm	2,388.7	1,679.3	2,364.6
Long-term NAV per ordinaryshare, SEK	60.36	54.66	59.75



# Financial development

## As of Q1 – 2021

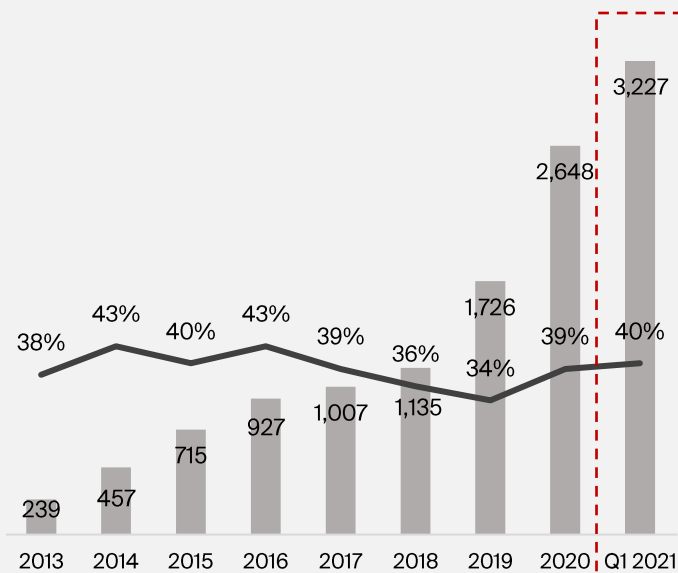
### Property value and no. of building rights



Property value, SEKm

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

### Equity and Equity/assets ratio



Equity, SEKm

Equity/assets ratio, %

<sup>1)</sup> As of 31 December 2020, CBRE's market evaluation of the expected unused building rights in Sweden included in Planned projects was just over SEK 2.6bn. As of 31 December 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 1.5bn. On the basis of this valuation, the assessment is that the excess value in the Group's building rights portfolio amounted to approximately SEK 1.1bn at the end of the reporting period.



# Financial development

## As of Q1 – 2021

### Financing in brief

**Interest-bearing debt**  
SEK 4,134m<sup>1)</sup>

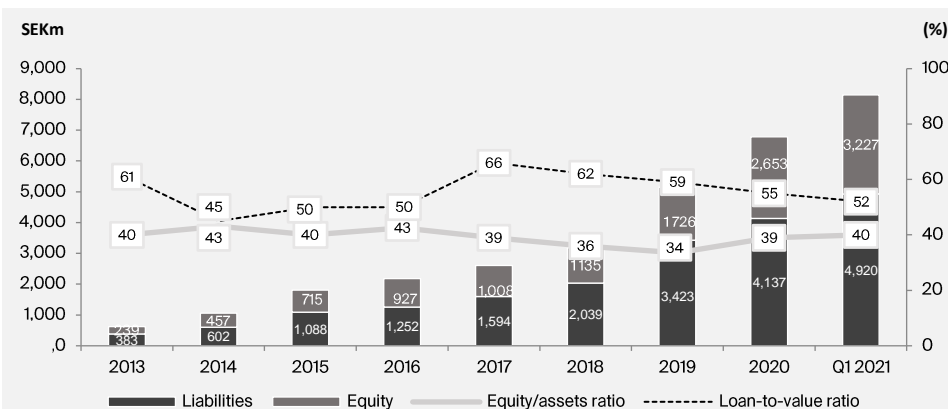
**Average interest rate<sup>2)</sup> (3m STIBOR floating)**  
2.0 %

**Average duration (loan)**  
2.5 years

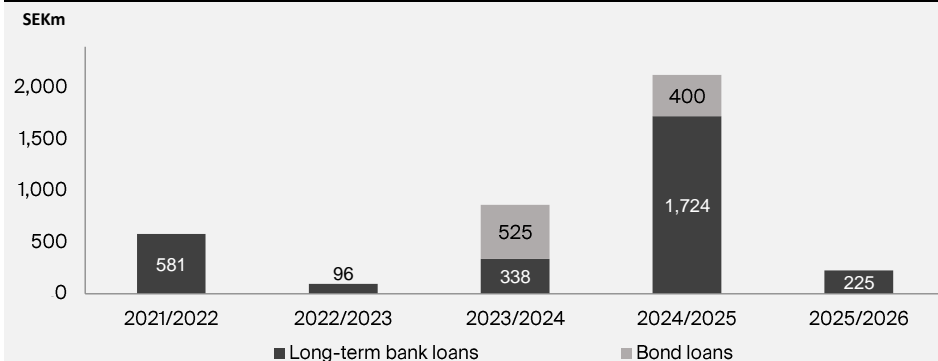
**Available liquidity**  
SEK 1,164m

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

### Capital structure



### Debt maturity schedule



1) Includes bond loan of SEK 925m (3m STIBOR + 4.50/5.25%). 2) Interest-bearing debt to credit institutions.



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# APPENDIX



# The portfolio

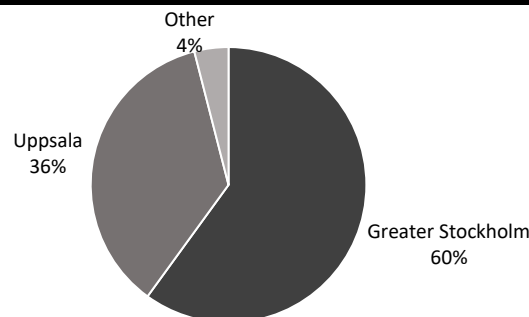
## As of Q1 - 2021

### Estimated earnings capacity of investment properties as of 31 Mar 2020 (SEKm)

Rental value <sup>1)</sup>	332
Vacancy rate	-9
<b>Rental income</b>	<b>323</b>
Operating and maintenance costs	-71
Property tax	-6
<b>Total property costs</b>	<b>-77</b>
<b>Net operating income</b>	<b>246</b>

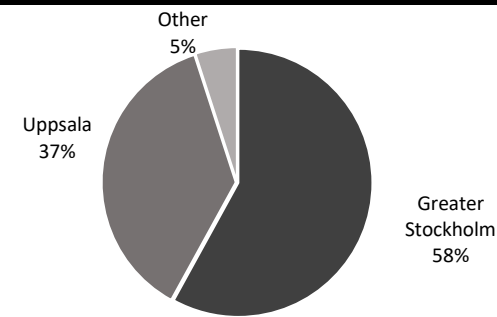
- At the end of the period, Genova had 244 commercial tenants with an average remaining rental duration of just over six years
- The three largest tenants were Internationella Engelska Skolan, Coop Sverige and Uppsala Music School Trust, which jointly accounted for 14.8% of rental income.
- Of the total rental value, the proportion derived from residential units and publicly funded tenants was approximately 55%. If supermarkets are also included, the proportion of total rental value was approximately 63%.

### Property value



Property value: SEK 5,555m

### Rental value



Rental value: SEK 332m

Investment property portfolio	Properties	Lettable area	Property value		Rental value		Occupancy rate	Contracted annual rent <sup>1)</sup>	Property costs		Net operating income		
		No. of	Sqm	SEKm	SEK/sqm	SEKm	SEK/sqm	%	SEKm	SEKm	SEK/sqm	SEKm	SEK/sqm
Per property category <sup>2)</sup>													
Commercial properties	32	111,997	2,244	20,037	135	1,206	95.8%	129	-36	-322	93	833	
Community service properties <sup>3)</sup>	21	120,829	3,311	27,398	197	1,630	98.3%	194	-41	-340	153	1,263	
Total	53	232,826	5,555	23,857	332	1,426	97.6%	323	-77	-332	246	1,056	
Per geography													
Greater Stockholm	30	140,178	3,360	23,971	194	1,383	97.8%	190	-47	-333	143	1,019	
Uppsala	19	80,365	1,995	24,818	121	1,505	96.6%	117	-27	-333	90	1,120	
Other	4	12,283	200	16,275	17	1,397	96.9%	17	-4	-302	13	1,052	
Total	53	232,826	5,555	23,857	332	1,426	97.6%	323	-77	-332	246	1,056	
Ongoing construction			724										
Planned projects			326										
Total as per the balance sheet			6,605										
Acquired, not yet accessed properties and near-term completed constructions <sup>4)</sup>													
	3	28,776	630		44	1,546	100.0%	44	-10.9	-378	34	1,168	
Total	56	261,602	7,235		376	1,439	97.6%	367	-88	-337	279	1,068	
Divested, but not exited properties													
	-4	-18,073	-295		-23	-1,273	96.4%	-22	7.1	392	-15	-835	
Total	52	243,529	6,940		353	1,451	97.7%	345	-81	-333	264	1,085	
Properties owned through joint ventures			654										

1) Not including rental discounts of SEK 8m. 2) Based on the primary use of the property. 3) Of which two properties pertains 51 rental apartments. 4) Ongoing construction that will generate rental income within 12 months, not including rental discounts of SEK 4m.



# Project development

## As of Q1 - 2021

Ongoing construction														
Project	Municipality	Category	Construction start	Scheduled completion	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value <sup>4)</sup>
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm
Hotell Nobis	Palma	Commercial properties <sup>2)</sup>	Q3 2019	Q2 2021	35	2,300	-	253	110,000	7	3,250	131	116	210
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q3 2022	80	6,080	1,437	370	49,222	16	2,126	283	109	135
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2022/Q4 2023 <sup>3)</sup>	408	21,314	-	975	45,745	44	2,069	824	97	143
Segerdal <sup>3)</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	9,027	252	398	42,908	19	2,056	345	29	0
Korsängen	Enköping	Rental apartments	Q1 2021	Q1 2023	220	11,800	296	527	43,560	26	2,112	453	53	53
Total ongoing construction					893	50,521	1,985	2,523	48,052	112	2,137	2,036	405	542
Planned projects														
Per category	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value <sup>4)</sup>				
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm				
Rental apartments	3,782	211,460	-	9,522	45,027	450	2,127	7,795	51	103				
Community service properties	360	26,855	18,478	1,949	43,000	96	2,118	1,573	7	7				
Commercial properties <sup>5)</sup>	40	3,300	10,880	631	44,480	32	2,244	488	142	151				
Co-operative apartments	1,244	83,000	-	5,566	67,056	-	-	4,068	37	65				
Total per category	5,426	324,615	29,358	17,667	49,911	578	2,131	13,923	238	326				
Per geography	No. of units	Lettable area, sqm		Property value <sup>1)</sup>		Rental value		Investment, SEKm		Book value <sup>4)</sup>				
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm				
Greater Stockholm	2,985	184,225	18,148	11,143	55,062	290	2,210	8,715	60	128				
Uppsala	1,450	79,375	10,745	3,835	42,553	171	2,059	3,118	33	43				
Other	991	61,015	465	2,689	43,741	117	2,054	2,091	145	155				
Total per geography	5,426	324,615	29,358	17,667	49,911	578	2,131	13,923	238	326				

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

1) Refers to fair value of the completed investment. 2) Approximately 35% of the rental units will be completed in Q4 2022 in a first stage. 3) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake. 4) Excluding the ongoing Danmarks-Kumla project in Uppsala, for which a divestment agreement was concluded during the quarter with exit scheduled for Q4 2021. At 31 March 2021, the book value of the project was SEK 183m. 5) Where the number and lettable area of residential units specified in the 'Commercial properties' category refers to hotel development.





# Project development

## As of Q1 - 2021

	Project	Category	Municipality	Scheduled construction start	Scheduled completion	No. of units	Lettable area, sqm	Planning notification	Consulting in planning	Exhibition	Established zoning plan
Ongoing construction	Hotel Nobis	H	Palma	Q3 2019	Q2 2021	35	2,300	•	•	•	•
	Handelsmannen 1 <sup>1)</sup>	R, CSP	Norrtälje	Q4 2019	Q4 2022/Q2 2023	488	28,831	•	•	•	•
	Segerdal <sup>2)</sup>	R	Knivsta	Q4 2020	Q4 2023	150	9,278	•	•	•	•
	Korsängen	R	Enköping	Q1 2021	Q1 2023	220	12,096	•	•	•	•
Planned projects	Hotell Can Oliver	H	Palma	2021	2023	40	3,300	•	•	•	•
	Luthagen	C, CoA	Uppsala	2021	2023	45	2,180	•	•	•	•
	Gredelby	C, R	Knivsta	2021	2023	45	2,820	•	•	•	•
	Viby <sup>3)</sup>	R, CoA, CSP, C	Upplands-bro	2021	2028	910	66,808	•	•	•	
	Klostergården	C	Lund	2022	2024	165	7,700	•	•		
	Ekeby	CoA, C	Uppsala	2022	2024	90	5,400	•	•		
	Storvreta	R	Uppsala	2022	2024	80	4,560	•			
	Drevern 1, 2	R, CSP, C	Stockholm	2022	2024	200	17,770	•	•		
	Dvärgspetsen 1	R	Stockholm	2022	2024	150	7,700	•	•		
	Odal mannen	R	Huddinge	2022	2024	56	2,960	•			
	Jaktvarvet	CoA	Nacka	2022	2024	45	4,275	•	•		
	Kryddgården	R, CoA, CSP, C	Enköping	2022	2026	655	40,160	•	•		
	Västra Knivsta	R	Knivsta	2022	2024	250	15,400	•			
	Gulmäran 7, 8 <sup>2)</sup>	CSP, R	Borås	2022	2024	315	20,050	•	•		
	Nacka Strand <sup>2)</sup>	CoA, R	Nacka	2022/2023/2025	2025/2027	191	11,970	•	•		
	Sydöstra Vikdalen	R	Nacka	2023	2025	250	14,600	•	•		
	Brynjan 5	R, C	Huddinge	2023	2025	145	9,225	•			
	Gäddviken	CoA	Nacka	2023	2025	100	6,840	•	•		
	Örnsberg	CoA	Stockholm	2023	2025	120	7,500	•	•		
	Runö 7:84	R, CoA	Österåker	2023	2025	258	14,250	•			
	Särsta	R, CSP	Knivsta	2023	2025	110	9,600	•			
	Runö 7:146	CSP	Österåker	2023	2025	-	5,850	•			
	Skvaltän <sup>2)</sup>	CoA	Nacka	2024	2026	175	9,625	•			
	Hunnerup	CSP, CoA, R	Lund	2024	2027	341	22,345	•			
	Rivan	R	Lund	2025	2027	50	3,465	•			
	Västerbro	R	Lund	2025	2027	80	4,620	•			
	Kungsängen	R	Uppsala	2025	2027	175	10,000	•			
	Gåshaga <sup>2)</sup>	R, CoA	Lidingö	2025	2027	385	23,000	•			
Total						6,319	406,478				

### Definitions

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

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

