

# GENOVA

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## Press release

Stockholm 12 March 2024

## Genova Property Group intends to carry out a new issue of convertible bonds of around 200 MSEK

Genova Property Group AB ("Genova" or the "Company") intends to, with deviation from the shareholder's preferential rights, carry out a new issue of senior unsecured convertible bonds in cash of around 200 MSEK directed to Swedish and International institutional investors (the "New Convertible Bond Issue"), through an accelerated book-building procedure, which is to commence immediately, and have for this reason engaged Arctic Securities to investigate the possibilities of conducting the New Convertible Bond Issue.

### Background

The purpose of the New Convertible Bond Issue is to diversify Genova's sources of financing with a new debt instrument to the benefit of both Genova's shareholders and bond investors. The net proceeds from the New Convertible Bond issue is intended to be used for improving Genova's capital structure as well as for enabling value creating investments. Genova has in this context, carefully considered the possibility of acquiring the corresponding capital through a new issue with preferential rights for the current shareholders, but it has, however, been assessed that such new issue, compared to the New Convertible Bond Issue, would entail a significantly longer implementation period and higher costs. A longer implementation period may entail that the Company misses out on market opportunities. A longer implementation period also entails an increased market exposure as well as a higher potential risk of a material negative impact on the share price of the Company's ordinary shares. Such new issue would also entail higher costs and would likely be carried out at a lower subscription price. On the basis of the perceived investor interest, the Company assesses that the New Convertible Bond Issue can be carried out on attractive terms in relation to the current stock market price of the Company's shares, and the Board of Directors' overall assessment is that the company cannot carry out a procurement of capital to create financial preparedness in another form on more favourable terms for the Company and its shareholders.

The size of the New Convertible Bond Issue, the interest rate and the conversion price is expected to be decided by an accelerated book building procedure, with institutional investors, carried out by Arctic Securities, why it is the Board of Directors' assessment that the terms will reflect current market conditions and demand and therefore be line with market conditions. The book building procedure will be initiated immediately after the publication of this press release and will end no later than when trading is initiated on Nasdaq Stockholm on 13 March 2024. The Company will announce the result of the New Convertible Bond Issue in a press release when the book building procedure has been carried out. The Company can, at any time, end, shorten or extend the book building procedure and refrain from, wholly or partly, carrying out the directed new share issue.

The New Convertible Bond Issue is subject to, among other things, a resolution by the Board of Directors of Genova, which is expected to occur prior when trading is initiated on Nasdaq Stockholm 13 March 2024. If the New Convertible Bond Issue is carried out, it will be executed in accordance with the authorisation granted by the Annual General Meeting on 3 May 2023.

## **Advisors**

Arctic Securities acts as arranger and Sole Bookrunner and Gernandt & Danielsson Advokatbyrå KB is legal advisor in connection with the New Convertible Bond Issue.

## **For further information, please contact:**

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This information is such information that Genova Property Group AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 12 March 2024 at 8.55 a.m. CET.

## **About Genova**

Genova Property Group AB (publ) is a modern property company with a personal touch that owns, manages and develops properties with focus on Greater Stockholm area and Uppsala Region. On 31 December 2023, the value of the company's property portfolio amounted to approximately SEK 9.9 billion with a lettable area of approximately 360,000 sqm and the company held approximately 8,800 building rights for residential units. Genova's share has been listed on Nasdaq Stockholm since June 2020.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Genova has not approved any offer to the public of convertible bonds or other securities in any of the EEA countries and no prospectus has been or will be prepared in connection with the Directed Issue. In all EEA Member States, this notice is addressed and is addressed only to qualified investors in that Member State within the meaning of the Prospectus Regulation.

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#### **Forward looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, including Genova's current beliefs or expectations about future events and financial and operational achievements, including statements about guidance, planning, prospects and strategies. Words like "intend", "estimate", "expect", "can" and similar expressions about indications or predictions about future development or trends which are not based on historical facts constitutes forward-looking information. Even if Genova believes that these statements are based on reasonable assumptions and expectations, it cannot give any warranties for that any such forward looking statements will be materialised. Since these forward looking statements involve both known and unknowns risks and uncertainties, the actual outcome can be essentially different compared to the forward-looking information. Forward looking statements in this press release only apply at the time for the press release and may be changed without notice. Genova does not undertake any obligation to publicly update or revise any forward looking statement as a result of new information, future events or anything else, if it is not required by applicable law or rules at the stock exchange.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014 /65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the convertible bonds in Genova have been subject to a product approval process, which has determined that (i) the target market for the convertible bonds in the EEA is eligible counterparties and professional clients only, each as defined in MiFID II, and (ii) all channels for distribution of the bonds to eligible counterparties and professional clients are appropriate (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Genova may decline and investors could lose all or part of their investment; the shares in Genova offer no guaranteed income and no capital protection; and an investment in the shares in Genova is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits

and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Any person subsequently offering, selling or recommending the convertible bonds (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the convertible bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the New Convertible Bond Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the convertible bonds in Genova.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Genova and to resolve on suitable distribution channels.