

G E N O V A

Company Presentation
Q1 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. During 2022, the position in Western Sweden was also strengthened through the acquisition of an additional 1 percent in Järngrinden

Overview

SEK 10,221m¹⁾
Property value

369 ksqm
Lettable area

SEK 383m²⁾
Net operating
income

SEK 3,685.1 m
Long term NAV, ordinary
shares
Corresponding to SEK 80,79
per share

9,230
No. of building
rights

914³⁾
Residentials under
construction

Geographic focus



Investment properties

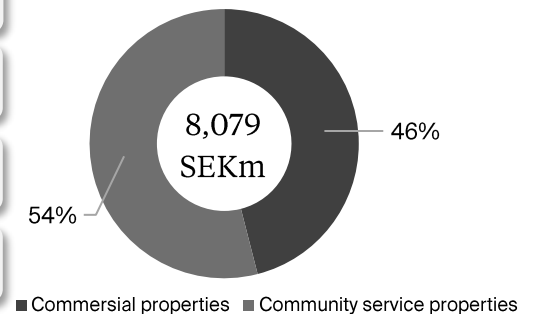
SEK 8,079m
Property value

SEK 546m²⁾
Rental value

369 ksqm
Lettable area

84
No. of properties

Property value



Project properties

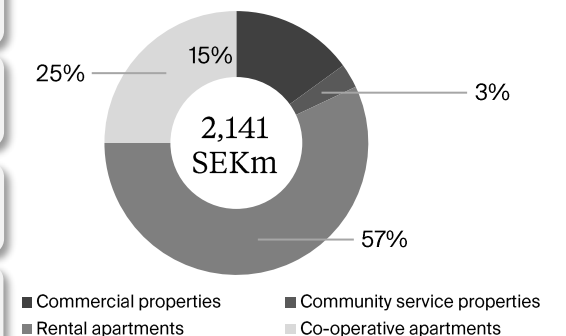
SEK 31,096m⁴⁾
Property value

70%⁵⁾
Own management

30%⁵⁾
Co-operative apartments

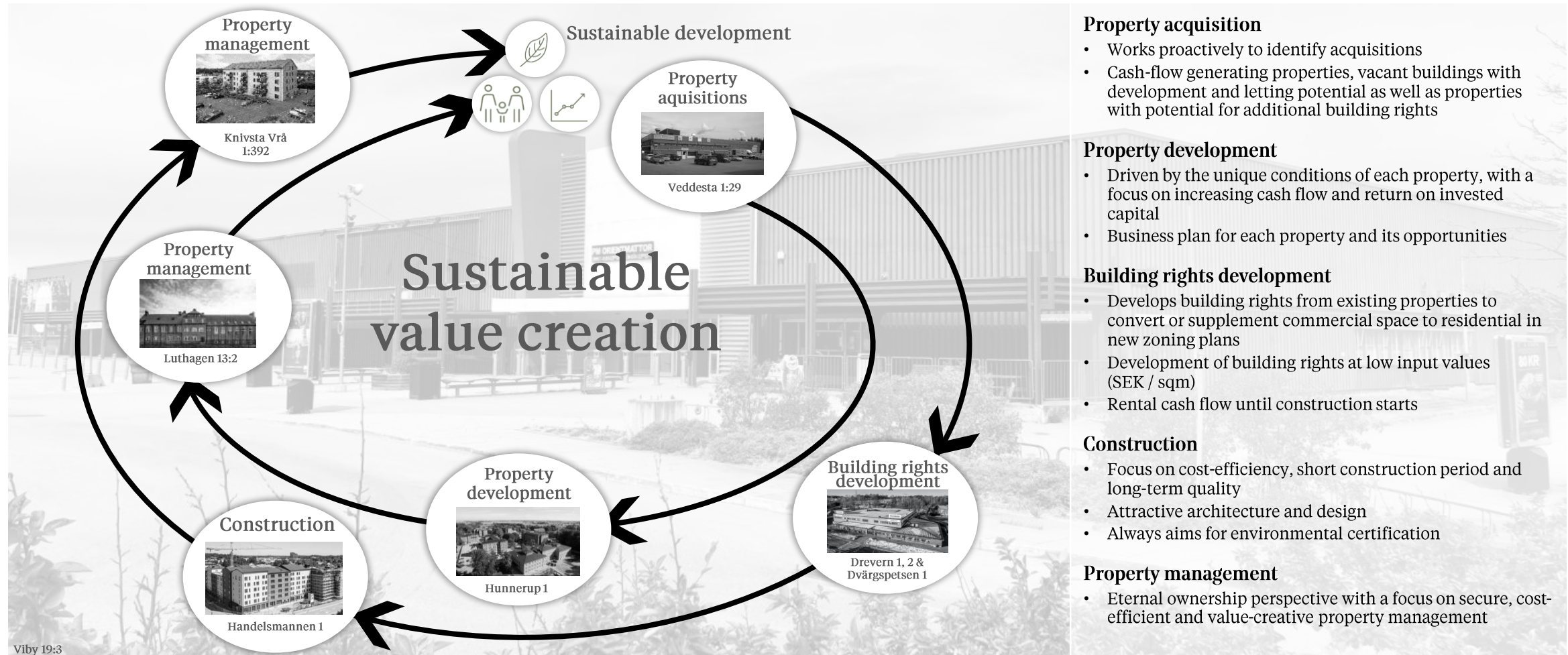
598 ksqm
Lettable area

No. of Building rights



1) Of which ongoing construction and planned projects of SEK 2,141m. 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

- In January, Genova completed a directed issue of approximately 3.6 million new ordinary shares at a subscription price of SEK 55 per ordinary share, and raised proceeds of approximately SEK 200m before deductions for share issue costs
- In January, Genova entered into a five-year interest-rate swap totaling SEK 800m

Project development

- In January, one of Järngrinden's rental unit projects outside Borås was exited. The exit had a positive impact on Genova's financial key metrics and an earnings effect of approximately SEK 30m
- After the end of the period, 66 residential units in the Tryckeriet project in Norrtälje were completed for a rental value of approximately SEK 6.0m

Operational targets

- On 21 February 2023, the Board decided to update the company's operational targets for ongoing construction, and the percentage of rental income from residential and community service properties

Assessment of divestments

- At the beginning of the period, Genova initiated a process for a possible divestment of the company's assets in Palma in Spain



Hotel Concepcio, Palma

Focus 2023

Ongoing constructions

As of Q4, Genova had 914¹ 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 99m when completed²

Hotell Can Oliver, Palma

- 5-star hotel consisting of 40 rooms with Nobis as sole tenant. To be completed and occupied during the summer of 2023

Handelsmannen, Norrtälje

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

Segerdal, Knivsta

- 284 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

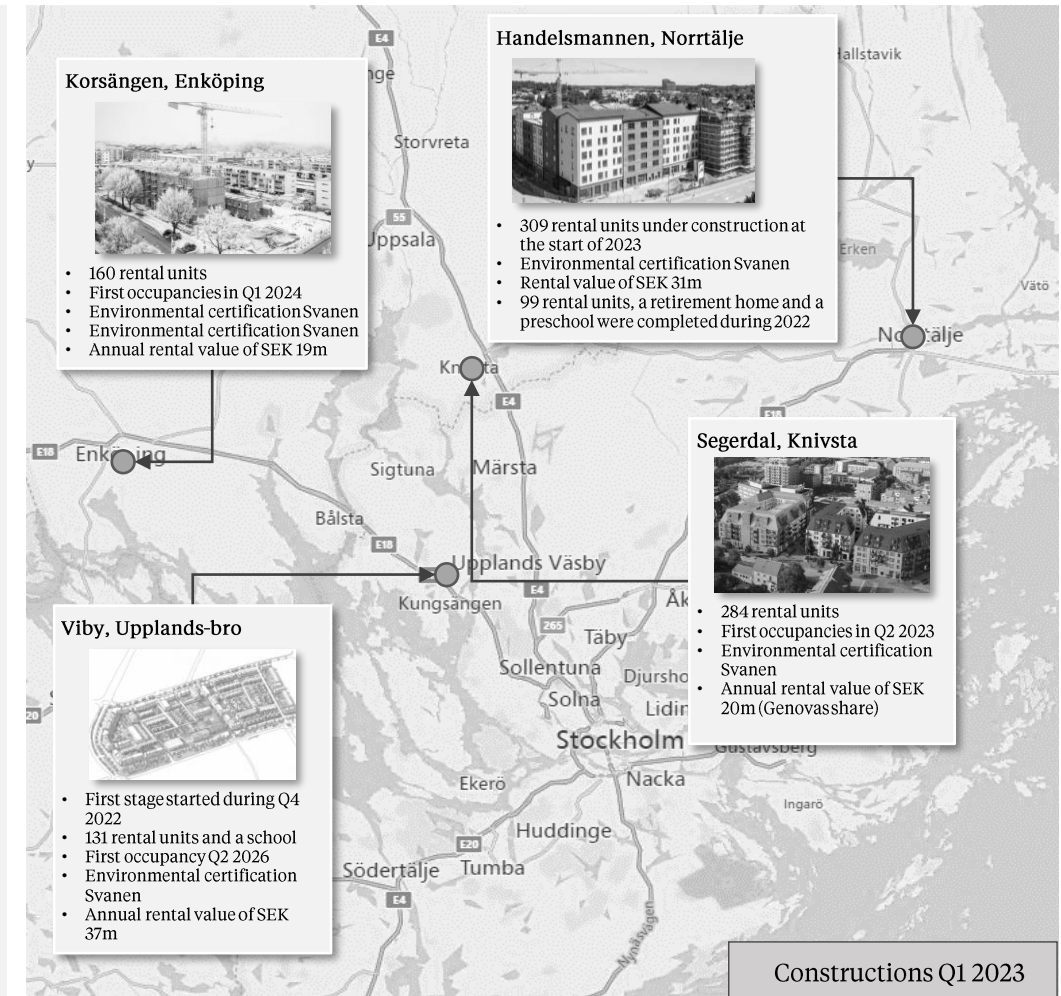
Viby, Upplands Bro

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

Focus going forward

- 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 will repay our outstanding bond loan of SEK 525m that falls due in September 2023 using existing liquidity and the company has made repurchases for approx. SEK 30m under the bond that matured in 2024
- 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.



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
-1,4%
Q1 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
-16%
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%
Q1 2023

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

Loan-to-value ratio

<65%
Target
58%
Q1 2023

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

Interest coverage ratio

>2,0x
Target
1,8x
Q1 2023

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

Operational targets

Rental income

>55%
Target
53%
Q1 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
914¹⁾
Q1 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 10.2bn
Q1 2023

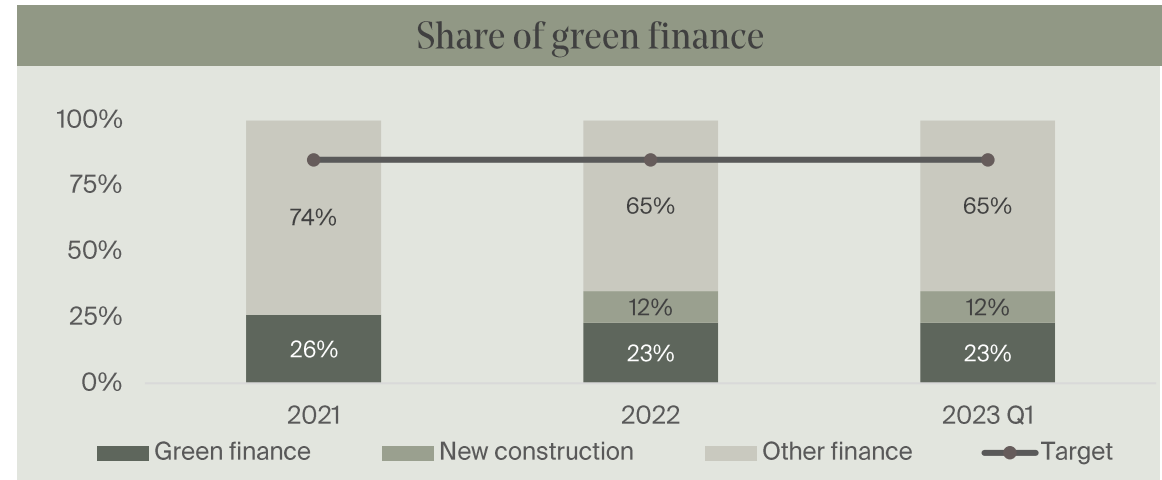
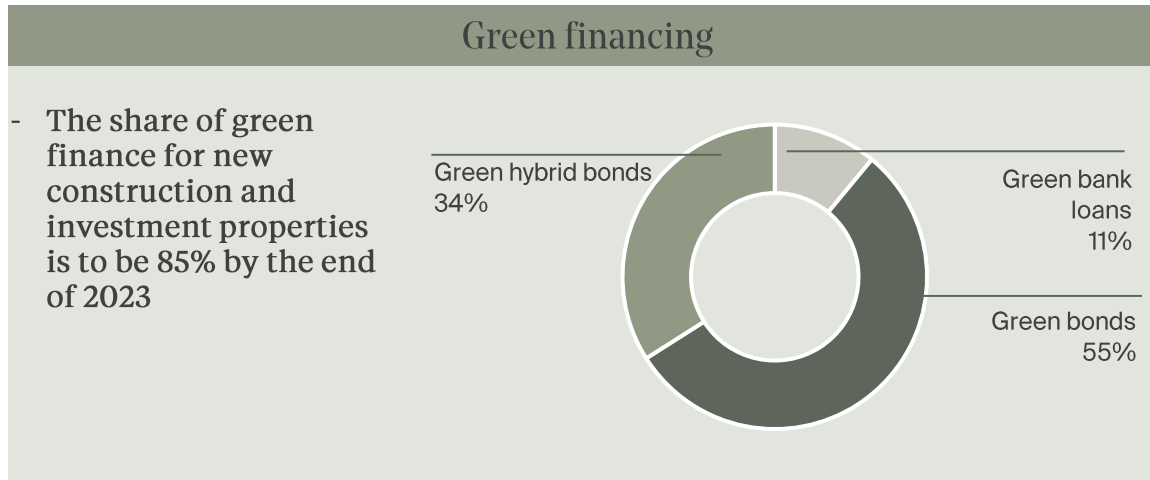
The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

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	
	Certified	Ongoing	Continuing/ planned	Ongoing planning		Ongoing	
Nordic Swan	2				2	3	
Green Building	1	1			2		
Miljöbyggnad iDrift							
Silver	2	15	14		31		
Broze	1				1		
Not certified				27	27		
Total	6	16	14	27	63	3	

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-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Rental income	128.9	93.6	430.0	394.7
Maintenance costs and operating expenses	-38.1	-30.1	-124.7	-116.9
Net operating income	90.8	63.5	305.3	277.8
Central administration, property management	-6.6	-5.6	-24.1	-23.2
Central administration, property development	-10.7	-6.8	-32.2	-28.3
Income from associations in joint ventures	-10.3	13.0	16.0	39.3
Net financial items	-52.0	-33.2	-163.7	-144.9
Income from property management	11.2	30.9	101.3	120.7
Income from new residential construction	32.6	-	32.6	0.0
Other income	-	0.4	2.2	2.6
Other costs	-0.7	-	-0.7	-
Value changes, properties	-97.3	170.2	-68.7	198.7
Value changes, derivatives	0.3	-	0.3	-
Currency effects, properties	4.0	3.0	3.2	2.2
Income before tax	49.7	240.5	70.0	324.2
Income tax	9.5	-37.5	-21.3	-68.3
Income for the period	-40.2	167.0	48.7	255.9

Key metrics

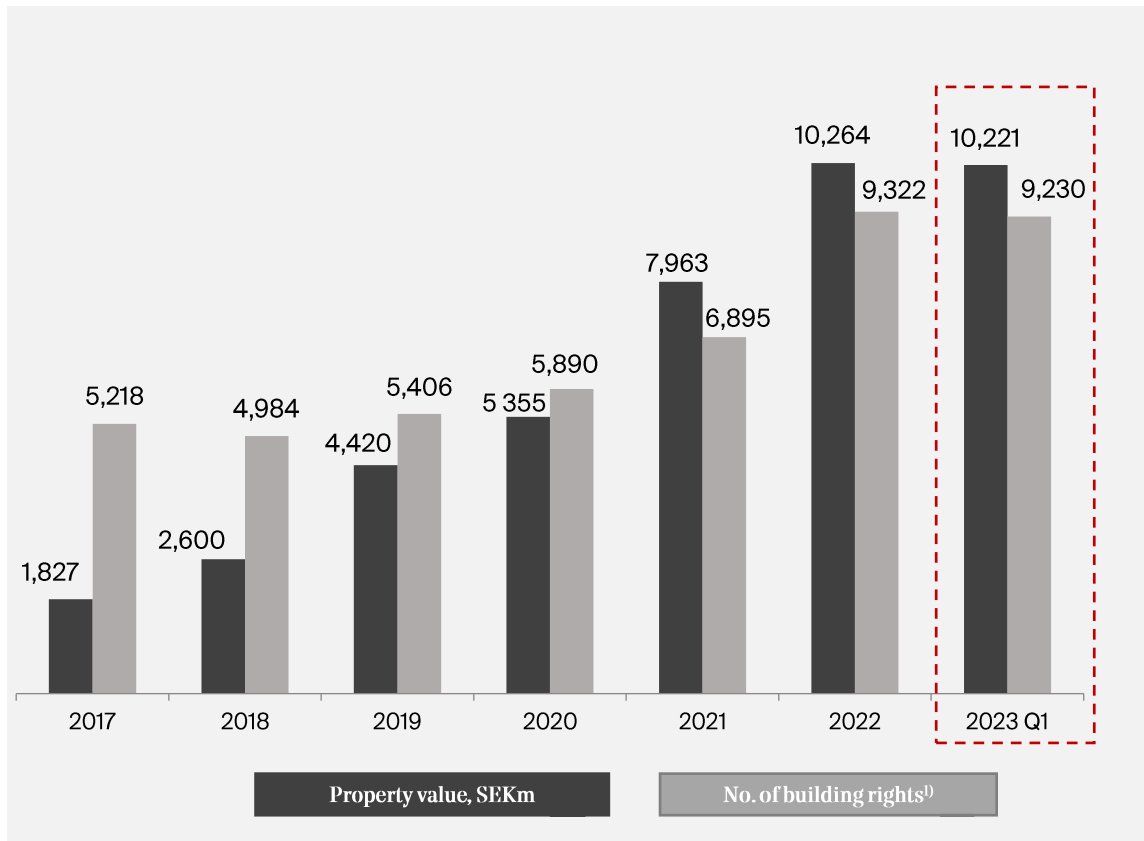
	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Jan-Dec 2022
Rental income, SEKm	128.9	93.6	430.0	394.7
NOI, SEKm	90.9	63.5	305.2	277.8
Income from property management, SEKm	11.3	30.9	101.2	120.8
Income from property management per ordinary share, SEK	-0.16	0.46	0.88	1.53
Residential units under construction, no.	914.0	863.0	914.0	1,006.0
Residential units completed, no.	92.0	-	271.0	179.0
Net investments, SEKm	76.2	258.9	-577.6	719.2
Loan-to-value ratio, %	58.1	61.1	58.1	59.1
Equity/assets ratio, %	39.5	39.1	39.5	38.4
Interest coverage ratio, times	1.8	2.0	1.9	2.0
Long-term NAV, SEKm	5,259.4	4,263.3	5,259.4	5,134.0
Long-term NAV referable to shareholders, SEKm	3,685.1	3,439.5	3,685.1	3,584.1
Long-term NAV per ordinary share, SEK	80.79	81.94	80.79	85.38

Balance sheet

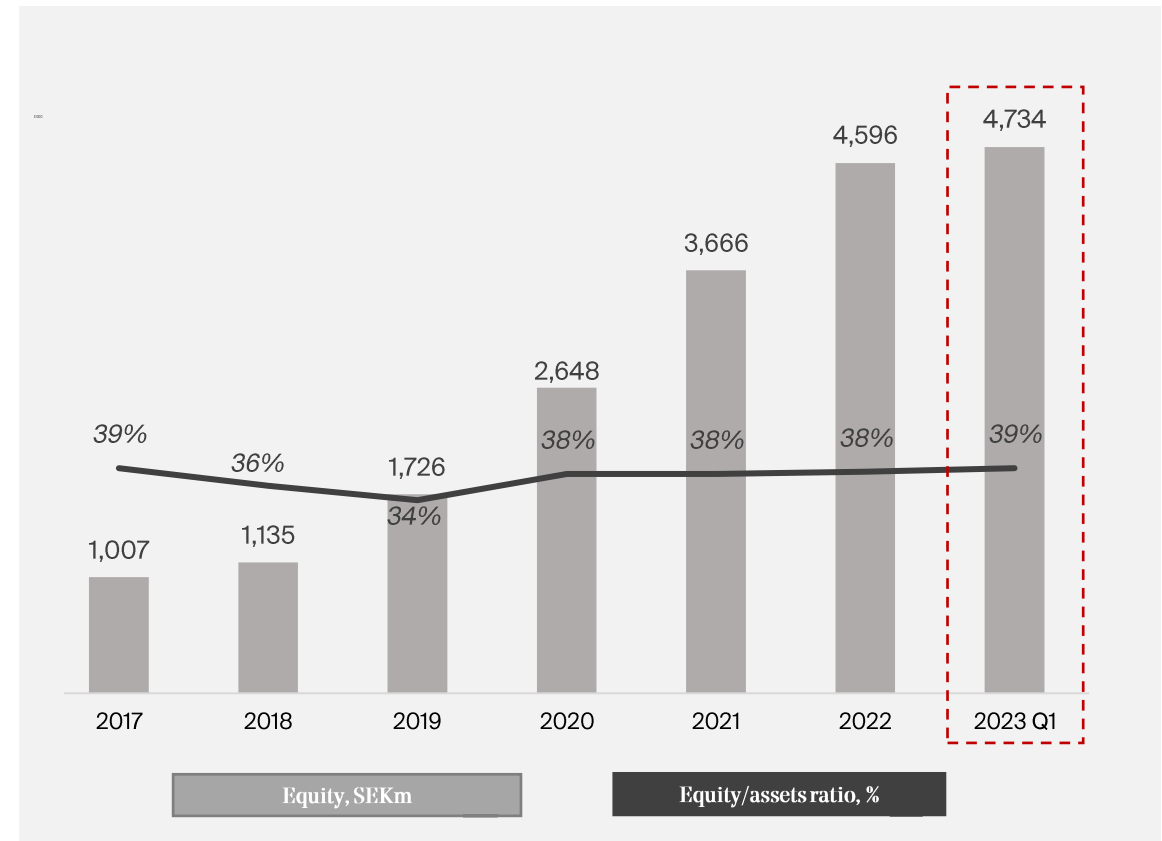
SEKm	2023 31 Mar	2022 31 Mar	2022 31 Dec
Investment properties	8,079.1	6,902.9	8,183.2
Properties under construction	945.6	1,139.3	860.5
Development properties	1,105.8	122.4	1,023.2
Other fixed assets	1,186.6	1,236.6	1,197.3
Ongoing residential projects	90.0	0.0	197.0
Cash and cash equivalents	318.7	185.6	257.7
Other current assets	262.0	194.9	258.2
Total assets	11,987.8	9,781.7	11,977.1
Total equity	4,733.8	3,820.6	4,595.5
Loans from credit institutions	4,980.1	3,909.6	5,052.3
Bond loans	1,251.1	1,265.6	1,275.2
Deferred tax liability	607.5	525.4	619.5
Other liabilities	415.2	260.5	434.6
Total equity and liabilities	11,987.8	9,781.7	11,977.1

Financial development

Property value and no. of building rights



Equity and Equity/assets ratio



1) At 31 March 2023, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 3.8 billion. At 31 March 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 2.2 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.6 billion at the end of the reporting period.

Financial development

Financing in brief

Interest-bearing debt
SEK 6,231m¹⁾

Average interest rate²⁾ (3m STIBOR floating)
5.1 %

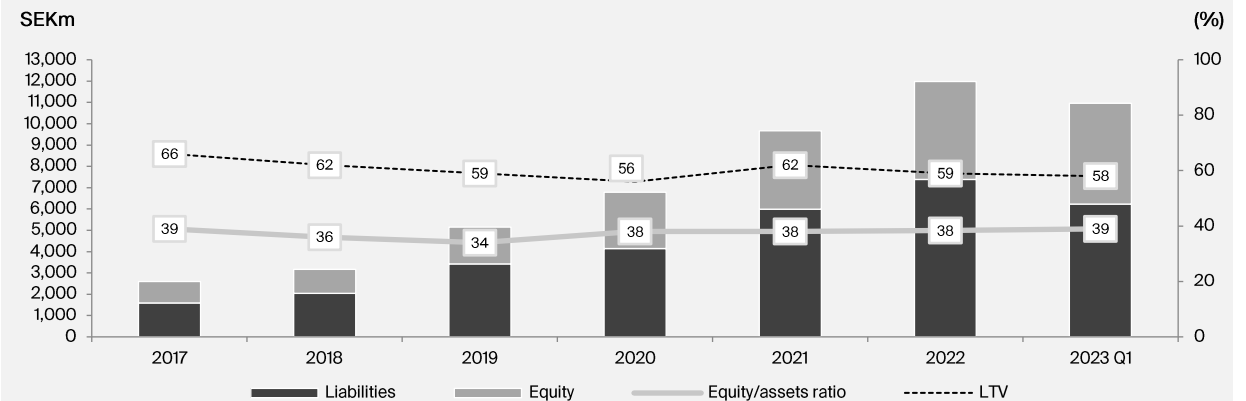
Average duration (loans)
2.4 years

Available liquidity, including undrawn construction credits
SEK 1,728

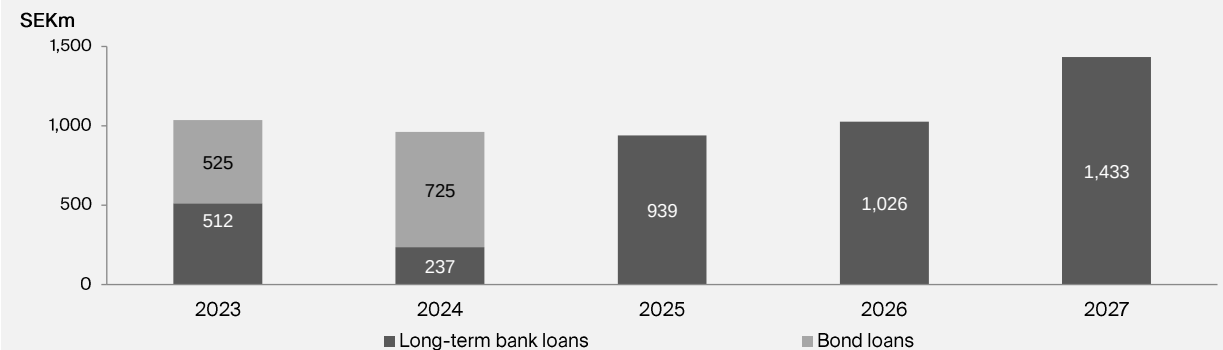
Financing from Nordea, Swedbank, SBAB, SEB och Danske Bank

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

Capital structure

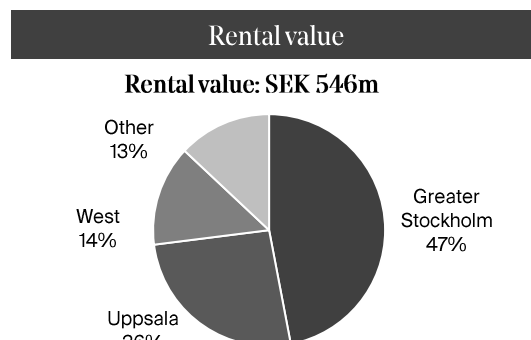
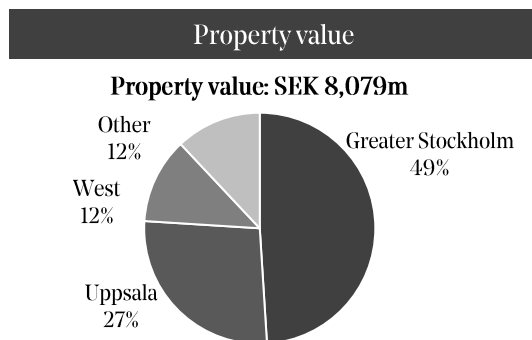


Debt maturity schedule



Investment properties

Investment property portfolio	Properties No. of	Lettable area Sqm	Property value		Rental value		Occupancy rate	Contracted annual rent ¹⁾	Property costs		Net operating income	
			SEKm	SEK/sqm	SEKm	SEK/sqm	%	SEKm	SEKm	SEK/sqm	SEKm	SEK/sqm
Per property category ¹												
Commercial properties	54	207,605	3,701	17,825	269	1,296	91.1	245	-69	-330	177	851
Community service properties ³⁾	30	161,136	4,378	27,171	277	1,721	95.9	266	-60	-371	206	1,279
Total	84	368,742	8,079	21,909	546	1,482	93.5	511	-128	-348	383	1,038
Per geography												
Greater Stockholm	34	165,151	3,968	24,028	259	1,570	95.2	247	-59	-359	187	1,135
Uppsala	19	85,737	2,221	25,901	141	1,645	94.6	133	-36	-416	98	1,140
West	23	78,908	960	12,166	79	1,003	90.1	71	-18	-230	53	674
Other	8	38,946	930	23,879	67	1,720	88.9	60	-15	-390	44	1,139
Total	84	368,742	8,079	21,909	546	1,482	93.5	511	-128	-348	383	1,038
Of which Järngrinden	21	63,302	710	11,221	61	963	87.1	53	-13	-199	40	639
Ongoing construction			1,036									
Planned projects			1,106									
Total as per the balance sheet			10,221									
Near-term completed constructions ⁴	3	10,869	165		28	2,573	100	28	-3	-271	25	2,302
Total	87	379,611	10,386		574	1,513	93.8	539	-131	-346	408	1,074
Properties owned through joint ventures			878									



Estimated earnings capacity as of 31 March 2023					
(SEKm)	Investment properties Genova	Investment properties Järngrinden	Investment properties Total	Ongoing construction	Total
Rental value	486	61	546	99	646
Vacancy rate	-27	-8	-35	0	-35
Rental income	458	53	511	99	610
Property costs	-116	-13	-128	-13	-142
Net operating income	342	40	383	86	469

1) Based on the primary use of the property. 2) Not including rental discounts of SEK 8m. 3) Of which 176 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 449m but as of 31 Dec SEK 365m 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 ³
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqn	Estimated	Accumulated ²⁾	SEKm
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q2 2023/Q2 2024	309	16,238	-	759	46,742	31	1,906	633	360	431
Segerdal ⁴⁾	Knivsta	Rental apartments	Q4 2020	Q2 2023/Q1 2025	142	8,616	368	449	49,978	20	2,271	411	-	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	378	161	165
Hotell Can Oliver	Palma	Commercial properties	Q2 2021	Q3 2023	40	3,300	-	282	85,424	13	3,800	250	201	223
Viby, Etapp ¹⁵⁾	Upplands-bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	86	86
Viby, Etapp ¹⁵⁾	Upplands-bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	244	41	41
Järngrinden ⁶⁾	Borås	Own management ⁹⁾			72	4,048	-	150	36,993	6	1,600	140	-	-
Järngrinden ⁶⁾	Borås	Co-operative apartments			60	2,486	-	148	59,359	-	-	123	90	90
Total					914	1,447	7,975	2,974	50,055	126	2,217	2,609	938	1,036

Planned projects														
Per category	No. of units	Lettable area, sqm		Property value ¹⁾	SEKm	SEK/sqm	Rental value		Investment, SEKm	Estimated	Accumulated ²⁾	Book value ³⁾		
		Residential	Premises				SEKm	SEK/sqm				SEKm		
Rental apartments	6,124	354,672	-	17,090	48,186		771	2,173	14,611		507	560		
Community service properties	185	14,415	15,751	1,356	44,942		64	2,125	1,130		33	33		
Commercial properties	-	-	15,334	536	34,947		30	1,961	528		73	75		
Co-operative apartments	2,007	138,549	-	9,140	65,971		-	-	7,314		410	437		
Total per category	8,316	507,635	31,085	28,122	52,201		865	2,161	23,583		1,023	1,106		

Per category	No. of units	Lettable area, sqm		Property value ¹⁾	SEKm	SEK/sqm	Rental value		Investment, SEKm	Estimated	Accumulated ²⁾	Book value ³⁾		
		Residential	Premises				SEKm	SEK/sqm				SEKm		
Greater Stockholm	3,374	208,037	17,292	13,755	61,044		315	2 365	11,252		513	580		
Uppsala	1,854	99,775	11,825	5,139	46,050		218	2 171	4,378		91	101		
West	2,523	167,739	1,968	7,802	45,973		276	1 984	6,686		339	339		
Other	565	32,085	-	1,426	44,448		55	2 028	1,266		80	85		
Total per geography	8,316	507,635	31,085	28,122	52,201		865	2 161	23,583		1,023	1,106		

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. 3) 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. 4) The Segerdal project is 50/50 owned by Genova and Redito. On 31 March, Genova's share of costs incurred amounted to about SEK 161m, corresponding to about 40% of the total investment. 5) The Viby project is 70/30 owned by Genova and K2A. 6) 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.

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.