

G E N O V A

Company Presentation
Q4 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. During 2022, the position in Western Sweden was also strengthened through the acquisition of an additional 1 percent in Järngrinden

Overview

SEK 10,264m¹⁾
Property value

368,067 sqm
Lettable area

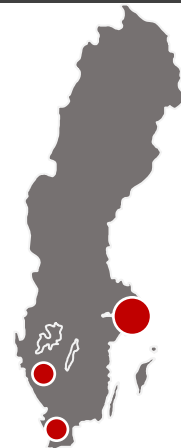
SEK 388m²⁾
Net operating
income

SEK 3,584m
Long term NAV, ordinary
shares
Corresponding to SEK 85,38
per share

9,322
No. of building
rights

1,006³⁾
Residentials under
construction

Geographic focus



Investment properties

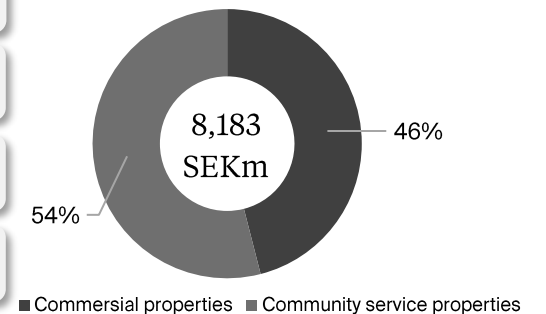
SEK 8,183m
Property value

SEK 549m²⁾
Rental value

299,663 sqm
Lettable area

64
No. of properties

Property value



Project properties

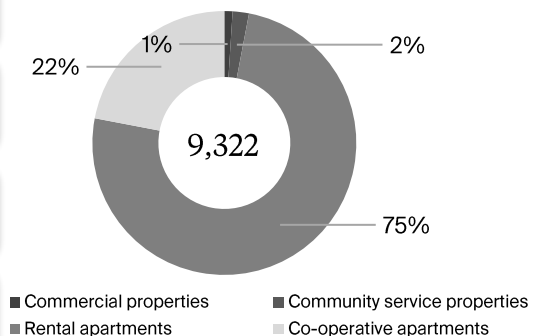
SEK 31,264m⁴⁾
Property value

70%⁵⁾
Own management

30%⁵⁾
Co-operative apartments

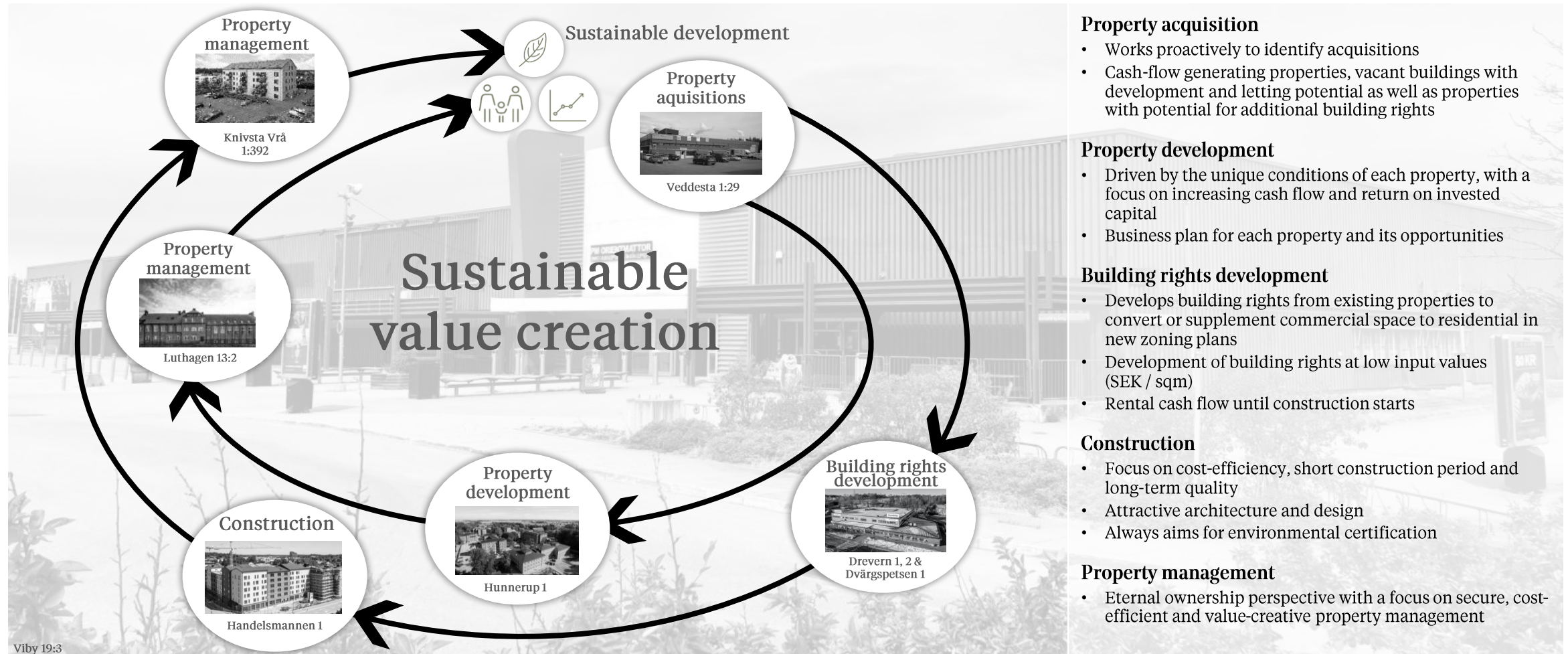
603,115 kvm
Lettable area

No. of Building rights



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

Järngrinden incorporated into the Genova Group

- In December 2022, the Järngrinden property company was consolidated as a subsidiary of the Genova Group following our acquisition of an additional 1% of the shares in the company. The consolidation has increased the value of the investment property portfolio by just over SEK 1 billion, with a future earnings impact of SEK 60m in increased annual rental value. It therefore demonstrates values and strengthens Genova's balance sheet

Financing

- In December, Genova strengthened its financial stability with a new revolving credit facility of SEK 300m. The facility is secured and intended to be used for general business purposes, and enable the redemption of existing uncovered bonds
- 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. The new share issue strengthened Genova's financial position and the capacity to act on value-creating opportunities that are expected to arise due to the ongoing changes in the property market
- In January, Genova entered into a five-year interest-rate swap totaling SEK 800m, bringing the total derivatives portfolio to just over 35% of total outstanding debt attributable to banks

Project development

- During the fourth quarter, 33 rental apartments, a retirement home with 80 apartments and a preschool were completed in the Handelsmannen 1 project in Norrtälje
- During the fourth quarter, the construction of part of Viby, Genova's urban development project in Upplands-Bro, commenced. The total lettable area upon completion is estimated to be about 70,000 sqm. The project is jointly owned with property company K2A (30%)
- In October, the zoning plan for Genova's upcoming project in Ekeby, Uppsala, comprising residential units and a grocery store, was approved

Project development in Q4

Norrtälje
(Journalisten 1)



- Occupancies in 33 rental apartments, a retirement home and a preschool

Uppsala
(Flogsta 39:1)



- Approved zoning plan
- Residentials and a grocery store

Upplands-Bro
(Viby 19:3)



- Construction start of stage 1 consisting of rental housing and community properties

Focus 2023

Ongoing constructions

As of Q4, Genova had 1,006¹ residential units under construction with a book value of SEK 1,057m² 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

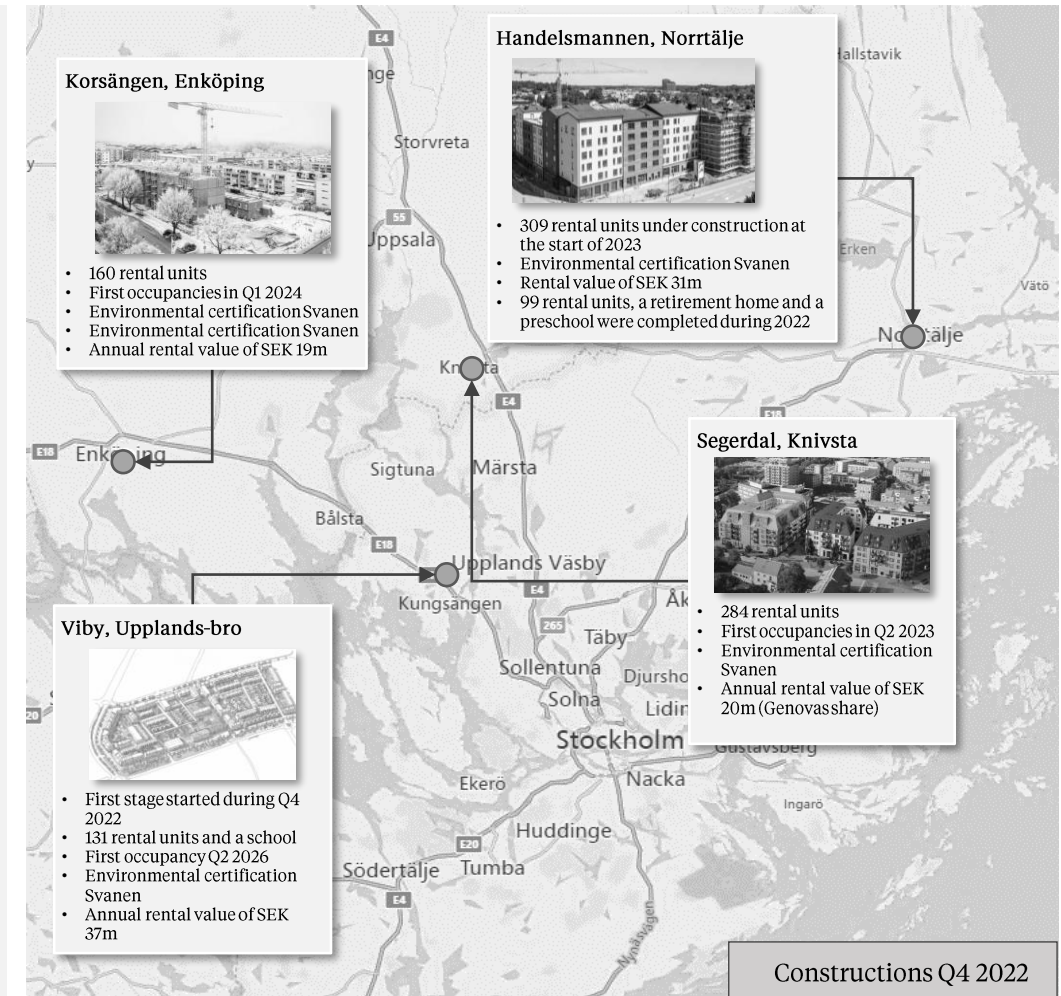
Viby, Upplands bro

- 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 year's 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
- At the beginning of the year, we initiated a process for a possible divestment of our assets in Palma, Spain – one completed hotel, and one hotel scheduled for completion in May 2023. These properties do not hold any long-term strategic value for Genova, and with low indebtedness, a divestment would free-up considerable liquidity
- 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
9%
Q4 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
17%
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
38%
Q4 2022

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

Loan-to-value ratio

<65%
Target
59%
Q4 2022

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

Interest coverage ratio

>2,0x
Target
2,0x
Q4 2022

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

Operational targets

Rental income

>55%
Target
52%
Q4 2022

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
1,006¹⁾
Q4 2022

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
Q4 2022

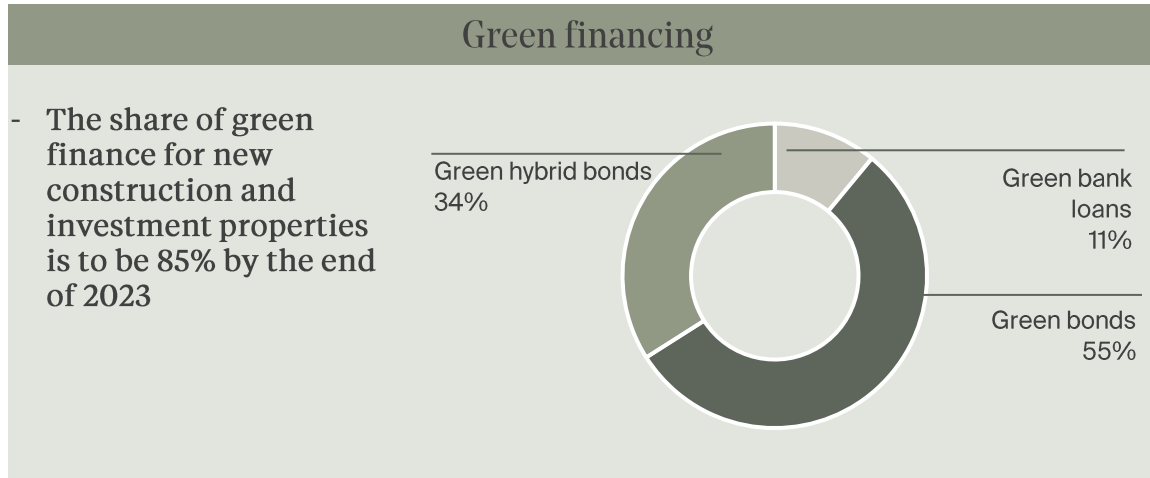
The value of the investment property portfolio is to be SEK 20 billion by the end of 2025

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

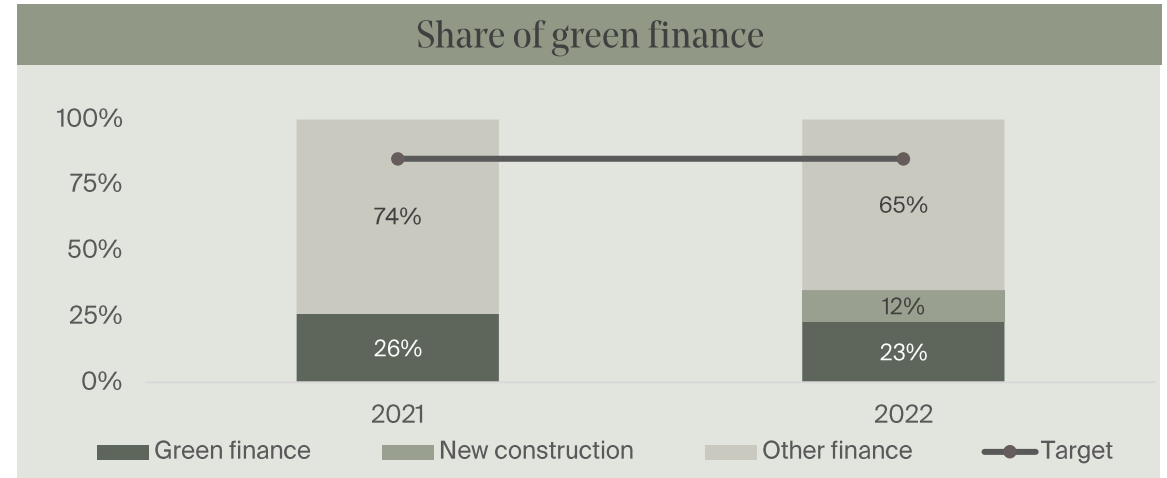
¹⁾ Including 40 hotel rooms.

Green financing



Environmental certification

Certification	Investment properties			Construction	Total
	Certified	Ongoing	Planned	Ongoing	
Svanen	2	-	-	3	5
Green Building	1	1	-	-	2
Miljöbyggnad iDrift	-	-	-	-	-
Silver	2	15	13	-	30
Bron	1	-	-	-	1
Total	6	16	13	3	38



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-Dec 2022	Jan-Dec 2021	Okt-Dec 2022	Okt-Dec 2021
Rental income	394.7	319.9	108.7	94.7
Maintenance costs and operating expenses	-116.9	-84.6	-37.0	-30.0
Net operating income	277.8	235.3	71.7	64.7
Central administration, property management	-23.2	-20.9	-6.0	-5.6
Central administration, property development	-28.3	-22.5	-7.2	-6.0
Income from associations in joint ventures	39.3	22.5	5.6	12.7
Net financial items	-144.9	-115.2	-39.0	-32.5
Income from property management	120.8	99.2	25.2	33.3
Other operating income	2.6	14.5	1.5	-0.9
Changes in value, properties	198.7	681.9	-224.7	302.3
Currency effects, properties	2.2	3.1	-4.5	-
Income before tax	324.2	798.7	-202.6	334.7
Income tax	-68.3	-187.7	42.8	-72.1
Income for the period	255.9	611.0	-159.8	262.6

Key metrics

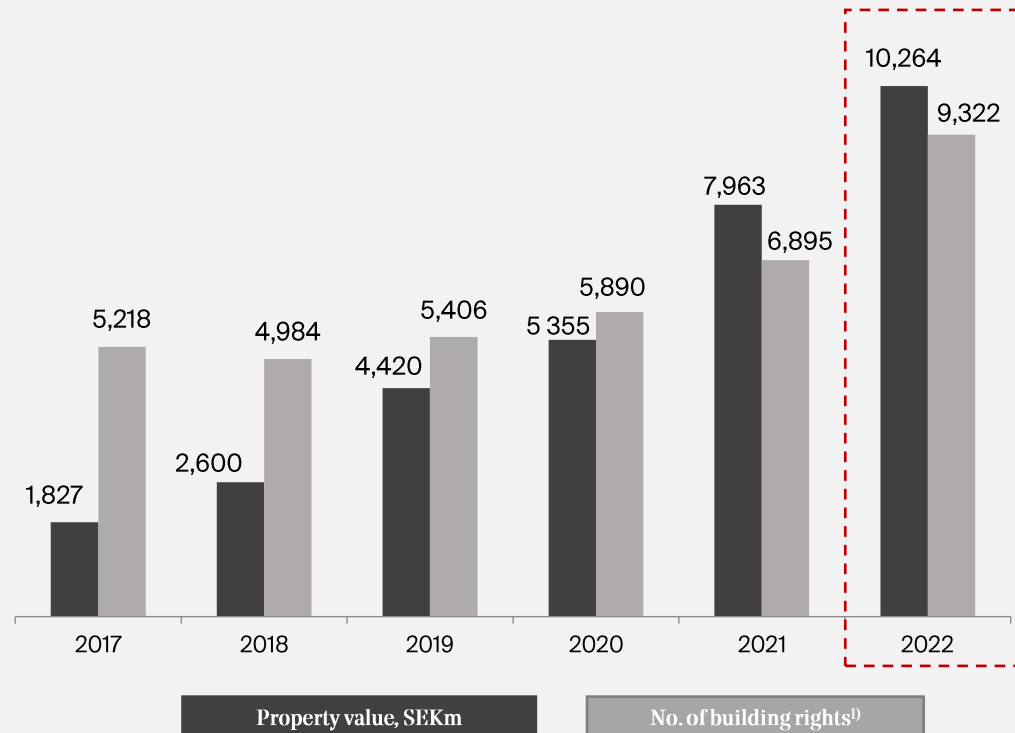
	Jan-Dec 2022	Jan-Dec 2021	Okt-Dec 2022	Okt-Dec 2021
Rental income, SEKm	394.7	319.9	108.7	94.7
NOI, SEKm	277.8	235.3	71.7	64.7
Income from property management, SEKm	120.8	99.2	25.2	33.3
Income from property management per ordinaryshare, SEK	1.53	0.98	0.22	0.51
Residential units under construction, no.	1,006.0	863.0	1,006.0	863.0
Residential units completed, no.	179.0	35.0	113.0	0.0
Net investments, SEKm	717.2	1,881.6	63.4	73.9
Loan-to-value ratio, %	59.1	61.8	59.1	61.8
Equity/assets ratio, %	38.4	37.9	38.4	37.9
Interest coverage ratio, times	2.0	2.2	1.9	2.2
Long-term NAV, SEKm	5,134.0	4,077.3	5,134.0	4,077.3
Long-term NAV referable to shareholders, SEKm	3,584.1	3,274.7	3,584.1	3,274.7
Long-term NAV per ordinary share, SEK	85.38	78.01	85.38	78.01

Balance sheet

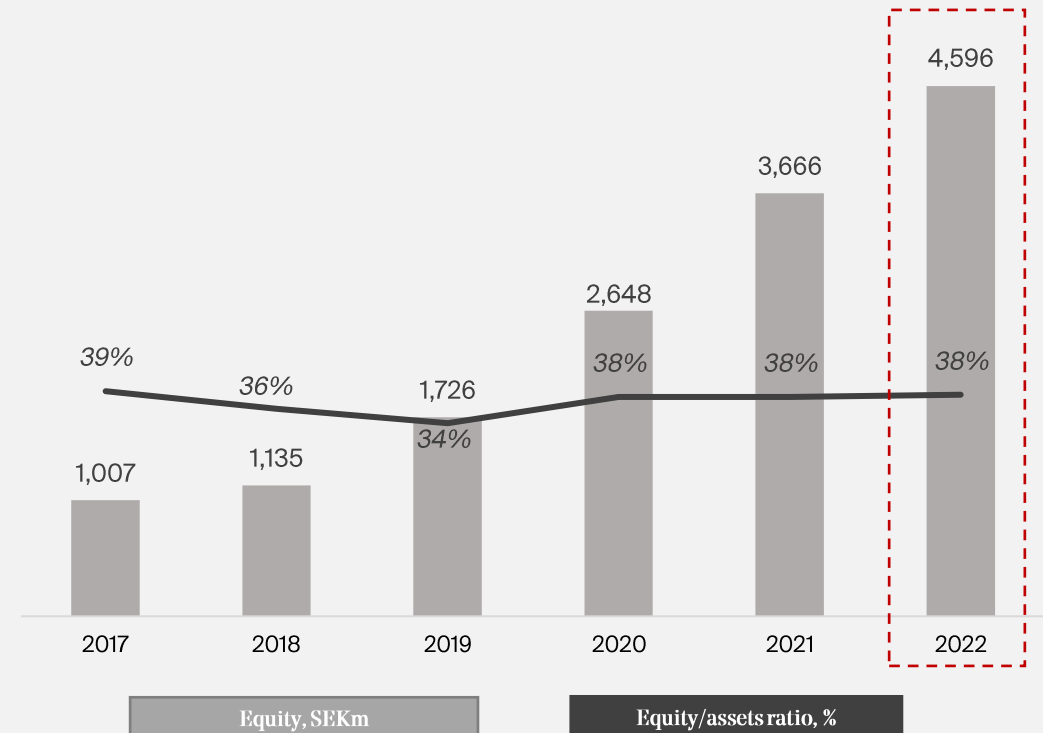
SEKm	2022 31 Dec	2021 31 Dec
Investment properties	8,183.2	6,902.6
Properties under construction	860.5	945.8
Development properties	1,023.2	114.1
Other fixed assets	1,197.3	1,197.7
Ongoing residential projects	197.0	0.0
Cash and cash equivalents	257.7	316.0
Other current assets	258.2	184.8
Total assets	11,977.1	9,661.0
Total equity	4,595.5	3,665.9
Loans from credit institutions	5,052.3	3,966.3
Bond loans	1,275.2	1,263.2
Deferred tax liability	619.5	497.8
Other liabilities	434.5	267.8
Total equity and liabilities	11,977.1	9,661.0

Financial development

Property value and no. of building rights



Equity and Equity/assets ratio



1) At 31 December 2022, 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 December 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 2.1 billion. This means that the excess value in the Group's building rights portfolio is estimated to be approximately SEK 1.7 billion at the end of the reporting period.

Financial development

Financing in brief

Räntebärande skulder
SEK 6,334m¹⁾

Average interest rate²⁾ (3m STIBOR floating)
4.5 %

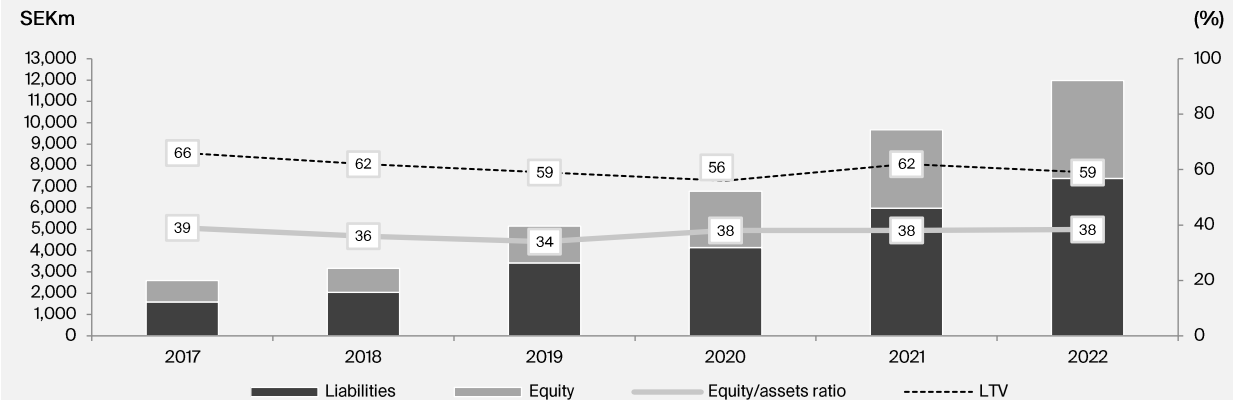
Average duration (loans)
2.6 år

Available liquidity, including undrawn construction credits
SEK 1,576m

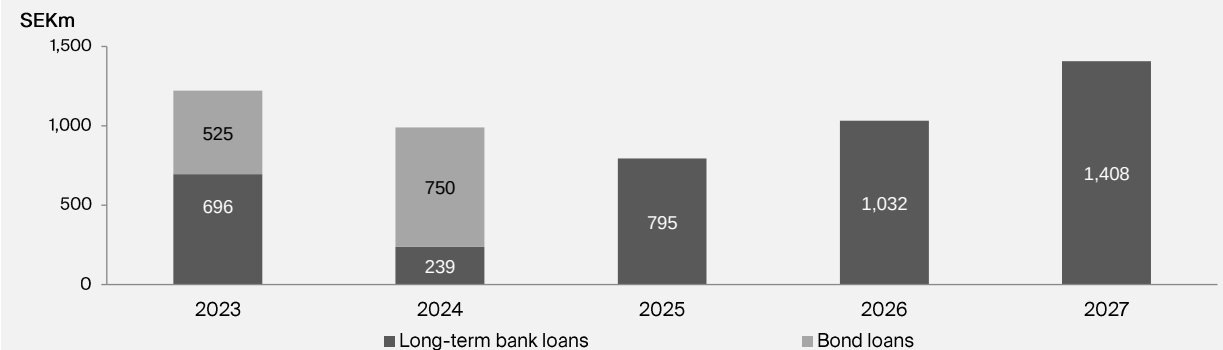
Finansiering från Nordea, Swedbank, SBAB, SEB och Danske Bank

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

Capital structure

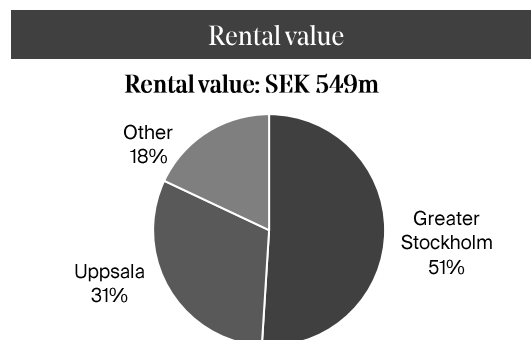
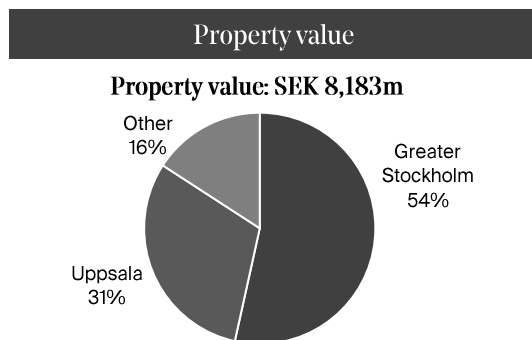


Debt maturity schedule



Investment properties

Investment property portfolio	Properties No. of	Lettable area Sqm	Property value SEKm	SEK/sqm	Rental value SEKm	SEK/sqm	Occupancy rate %	Contracted annual rent ¹⁾ SEKm	Property costs SEKm	SEK/sqm	Net operating income SEKm	SEK/sqm
Per property category¹⁾												
Commercial properties	54	207,629	3,777	18,192	271	1,304	91,9	249	-69	-330	180	869
Community service properties ³⁾	30	160,437	4,406	27,462	278	1,733	96,1	267	-60	-373	207	1,293
Total	84	368,067	8,183	22,233	549	1,491	94,0	516	-128	-349	388	1,054
Per geography												
Greater Stockholm	34	165,661	4,001	24,150	261	1,577	95,2	249	-59	-358	189	1,143
Uppsala	19	85,628	2,248	26,254	141	1,646	97,1	137	-36	-417	101	1,181
West	23	77,832	960	12,340	77	990	89,1	69	-18	-233	50	649
Other	8	38,946	974	25,009	70	1,792	89,0	62	-15	-390	47	1,206
Total	84	368,067	8,183	22,233	549	1,491	94,0	516	-128	-349	388	1,054
Of which Järngrinden	21	62,226	710	11,415	60	966	88,1	53	-13	-203	40	648
Ongoing construction			1,057									
Planned projects			1,023									
Total as per the balance sheet			10,264									
Near-term completed constructions ⁴⁾	2	6,779	84		19	2,780	100,0	19	-1	-208	17	2,572
Total	86	374,846	10,348		568	1,515	94,2	535	-130	-346	405	1,081
Properties owned through joint ventures			894									



Estimated earnings capacity as of 31 December 2022					
(SEKm)	Investment properties Genova	Investment properties Järngrinden	Investment properties Total	Ongoing construction	Total
Rental value	489	60	549	99	648
Vacancy rate	-26	-7	-33	0	-33
Rental income	463	53	516	99	615
Property costs	-116	-13	-128	-13	-142
Net operating income	348	40	388	86	473

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
						Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqn	Estimated	Accumulated	SEKm
Handelsmannen ²⁾	Norrköping	Rental apartments	Q4 2019	Q2 2023/Q2 2024 ⁴	309	16,238	-	759	46,742	31	1,906	600	165	372
Segerdal ⁵⁾	Knivsta	Rental apartments	Q4 2020	Q2 2023/Q1 2025 ⁶⁾	142	8,616	368	449	49,978	20	2,236	411	135	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	375	145	150
Hotell Can Oliver	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	-	290	87,879	13	3,800	247	191	213
Viby, Etapp ⁷⁾	Upplands-bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	85	85
Viby, Etapp ⁷⁾	Upplands-bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	244	40	40
Järngrinden ⁸⁾		Own management ⁹⁾			164	9,020	-	309	34,229	15	-	258	110	110
Järngrinden ⁸⁾		Co-operative apartments			60	2,486	-	148	59,359	-	-	123	87	87
Total					1,006	56,419	7,975	3,142	48,786	134	2,169	2,687	958	1,057

Planned projects											
Per category	No. of units	Lettable area, sqm		Property value ¹⁾		Rental value		Investment, SEKm		Book value	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Rental apartments	6,125	354,672	-	17,090	48,186	771	2,173	14,590	555	608	
Community service properties	185	14,415	15,751	1,356	44,942	64	2,125	1,128	35	35	
Commercial properties	-	-	15,334	536	34,947	30	1,961	518	32	34	
Co-operative apartments	2,006	138,549	-	9,140	65,971	-	-	7,299	318	346	
Total per category	8,316	507,635	31,085	28,122	52,201	865	2,161	23,535	941	1,023	

Per category	No. of units	Lettable area, sqm		Property value ¹⁾		Rental value		Investment, SEKm		Book value	
		Residential	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	SEKm	SEKm
Greater Stockholm	3,374	208,037	17,292	13,755	61,044	315	2,365	11,196	489	557	
Uppsala	1,854	99,775	11,825	5,139	46,050	218	2,171	4,387	96	106	
West	2,523	167,739	1,968	7,802	45,973	276	1,984	6,687	336	336	
Other	565	32,085	-	1,426	44,448	55	2,028	1,266	19	24	
Total per geography	8,316	507,635	31,085	28,122	52,201	865	2,161	23,535	941	1,023	

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) Book value in 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) In 2022, 99 apartments were completed whose proportion of the project has been transferred from ongoing project to investment property. 4) 63 apartments will be completed in the second quarter of 2023. 5) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake. 6) Approximately 35% of the rental units will be completed in the second quarter 2023 in a first stage. 7) The Viby project is 70/30 owned by Genova and K2A. The entire project value is presented in the table, since the project has been consolidated in the Genova Group's accounts. 8) 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. 9) Järngrinden's rental apartments under ongoing production at the end of the quarter were completed and exited in the first quarter 2023 and are no longer included in the Group.