

## Press release

Stockholm, 11 March 2021

## **Genova acquires portfolio of community service properties in Greater Stockholm for SEK 970m**

Genova entered into an agreement today to acquire four community service properties located in attractive areas of Greater Stockholm at an underlying property value of SEK 970m, with accession on 31 March 2021.

### **The acquisition in brief:**

- Genova is acquiring four community service properties for SEK 970m with a total lettable area of approximately 42,300 sqm (corresponding to about SEK 23,000/sqm).
- The properties are strategically located in growth areas with good public transport services and will complement Genova's existing investment property portfolio in Greater Stockholm.
- The largest tenants are Internationella Engelska Skolan, Botkyrka Municipality, Värmdö Tekniska Gymnasium and Värmdö Municipality (the authority responsible for Gustavsbergs Gymnasium).
- The average remaining rental period is approximately five years, and annual rental income is approximately SEK 59m with estimated net operating income of approximately SEK 46m, of which tenants with publicly funded operations account for approximately 80% of rental income.
- At the acquisition date, the economic occupancy rate was approximately 97% with average rent of about SEK 1,300/sqm excluding surcharges.
- The accession date is 31 March 2021.
- The acquisition will be financed with existing funds and newly raised credit facilities.

### **The acquired properties**

The acquired properties are Degeln 1 and Brandsprutan 2 in Täby, Gustavsberg 1:316 in Värmdö and Trädgårdsmästaren 14 in Botkyrka. The total lettable area is approximately 42,300 sqm. The properties are situated in strategic locations with good public transport services and close to expansive areas. The total rental income on an annual basis is approximately SEK 59m, with estimated net operating income of about SEK 46m. The tenants are mainly schools and municipal operations, including Internationella Engelska Skolan, Botkyrka Municipality, Värmdö Tekniska Gymnasium and Värmdö Municipality (the authority responsible for Gustavsbergs Gymnasium). The average remaining rental period is approximately five years.

The accession date is 31 March 2021. The properties were acquired through companies and the consideration is based on an agreed property value of SEK 970m before deductions for deferred tax, corresponding to about SEK 23,000/sqm. The seller is Profi Fastigheter.

*"This is a strategic acquisition that is well-matched with Genova in terms of both geography and profile. With this transaction, we are taking a significant growth step forward in our core market of Greater Stockholm, and our rental income from community service properties and residential units is getting close to 60%. The portfolio will add considerably improved earnings capacity and income from property management from stable tenants, while the properties offer value potential through active management,"* says Michael Moschewitz, CEO of Genova Property Group.

### **Preliminary estimated earnings capacity proforma**

To describe the effects of the acquisition on Genova's earnings capacity, the estimated earnings capacity as of 31 March 2021 was calculated as if the acquisition had been completed and acceded on 31 March 2021. The estimated earnings capacity as of 31 March 2021 is solely meant to describe a hypothetical condition and is not intended to, and should not be compared with, a forecast of Genova's financial position or income for the current year or coming 12 months.

# GENOVA

The preliminary estimated earnings capacity proforma, which only refers to properties under management, has been prepared as if the acquisition was completed and acceded on 31 March 2021. This preliminary estimated earnings capacity proforma is an assumption of Genova's recognized estimated earnings capacity as of 31 December 2020, in the properties owned by Genova as of 31 December 2020, as well as contracted rental income and actual property costs at that date.

Central administrative expenses for property management are based on estimated annual costs on the basis of the size and scope of the central administration pertaining to property management as of 31 December 2020 (central administrative expenses for project development activities are not included).

Genova's share of income from property management through joint ventures is calculated using the corresponding principles for properties included in Genova's consolidated accounts and that are presented below. Net financial items have been calculated using Genova's average interest rate as of 31 December 2020 of 2.1% on interest-bearing liabilities as of 31 December 2020. No interest income on cash and cash equivalents has been assumed. Additional interest expense due to an increase in interest-bearing liabilities has been calculated using the average interest rate for credit facilities of 2.1% as of 31 December 2020.

<b>(SEKm)</b>	<b>31 December 2020</b>	<b>The acquisition</b>	<b>Proforma, 31 March 2021</b>
Rental value	269	61	330
Vacancy rate	-7	-2	-9
<b>Rental income</b>	<b>262</b>	<b>59</b>	<b>321</b>
Property costs	-61	-13	-74
<b>Net operating income</b>	<b>201</b>	<b>46</b>	<b>247</b>
Central administration, property management	-13	-1	-14
Genova's share of income from property management through joint ventures	12	0	12
Net financial items	-90	-13	-103
<b>Income from property management</b>	<b>110</b>	<b>32</b>	<b>142</b>

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

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## **ABOUT GENOVA**

*Genova Property Group AB (publ) is a modern property company with a personal touch that owns, manages and develops properties with a focus on Greater Stockholm and the Uppsala Region. On 31 December 2020, the value of the company's property portfolio amounted to approximately SEK 5.4 billion with a lettable area of approximately 190,000 sqm and the company held approximately 5,890 building rights for residential units. Genova's preference shares and ordinary shares have been listed on Nasdaq Stockholm since 12 June and 30 June 2020, respectively.*

*This information is such information that Genova Property Group AB (publ) is obliged 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 11 March 2021 at 1:00 p.m. CET.*

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