

GENOVA



Interim report January-March/**2021**



The period in summary

January–March 2021 period

- Rental income amounted to SEK 63.6m (54.0), an increase of 18%.
- Net operating income amounted to SEK 45.5m (40.0), an increase of 14%.
- Income from property management¹ increased 33% to SEK 11.6m (8.7), of which income from property management attributable to ordinary shareholders was SEK 1.1m (-1.8), corresponding to SEK 0.03 (-0.06) per ordinary share.
- Net income after tax amounted to SEK 103.4m (190.6), corresponding to SEK 2.35 (5.86) per ordinary share. The decrease was due to lower value changes during the period compared with the year-on-year quarter.
- Long-term net asset value attributable to ordinary shareholders increased 42% to SEK 2,388.7m (1,679.3), corresponding to SEK 60.36 (54.66) per ordinary share.

1) 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.

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Rental income, SEKm	63.6	54.0	231.1
Net operating income, SEKm	45.5	40.0	177.4
Income from property management, SEKm ¹	11.6	8.7	60.8
Income/loss from property management per ordinary share, SEK ¹	0.03	-0.06	0.53
Residential units under construction, no. ²	893	473	540
Residential units completed, no.	–	54	137
Net investment, SEKm	1,116.1	105.7	1,074.7
Loan-to-value ratio, %	51.5	58.6	55.2
Equity/assets ratio, %	39.6	34.7	39.0
Interest-coverage ratio, times ³	1.9	1.7	1.8
Long-term net asset value, SEKm	3,487.0	2,197.5	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,388.7	1,679.3	2,364.6
Total no. of ordinary shares outstanding, 000s ⁴	39,577	30,722	39,577
Long-term net asset value attributable to ordinary shareholders per ordinary share, SEK	60.36	54.66	59.75

1) 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.

2) Including 35 hotel rooms.

3) Excluding non-recurring costs.

4) Restated for Q1 2021 to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

SEK 6,605m

Property value

6,319

Residential building rights

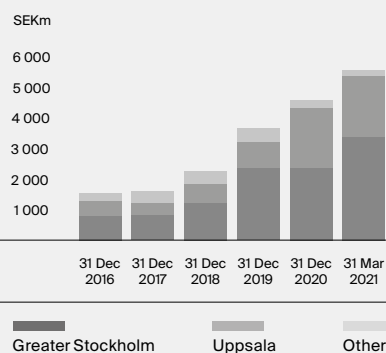
51.5%

Loan-to-value ratio

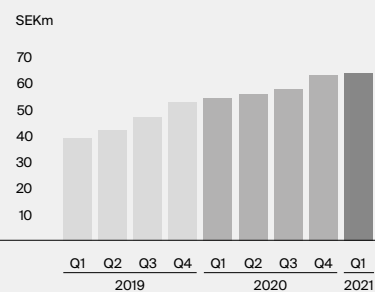
SEK 3,487m

Long-term net asset value

Value of investment properties per geography



Rental income



Project development



Genova entered 2021 with a strong first quarter, while the effects of the pandemic remained minimal.

Significant events during and after the end of the period

First quarter

- 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.
- In February, Genova successfully issued green capital securities of SEK 500m under a framework of SEK 1,250m.
- 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.
- 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.

Events after the end of the period

- After the end of the period, Genova announced that the company had proposed a redemption of outstanding preference shares in accordance with the redemption clause in the Articles of Association, as set out in the Notice convening the Annual General Meeting.
- After the end of the period, Genova published a prospectus and applied for admission of its green capital securities to trading on Nasdaq Stockholm.
- After the period, a new rental agreement has been signed with the Swedish Police Authority and a prolongment with Botkyrka Municipality for three years. The agreements, which relate to properties in Tumba, cover almost 9,000 sq.m. with a total annual rental value of approximately SEK 13.6m. Rental levels in the new agreements have been increased by an average of 25% with rents up to SEK 1,600/sq.m.

Impact of COVID-19

The COVID-19 outbreak is continuing to have both humanitarian and economic effects on the world around us, and posing a challenge for people, society and the business community. Genova's priority is to protect the health of our employees and tenants and to minimise the risk of spreading the virus. We will continue to monitor the situation and are continuously assessing the risks for Genova.

However, the effects of COVID-19 on Genova have been manageable to date, and our assessment is that the basic conditions

for a relatively limited impact on the company will remain favourable. Genova has a stable financial position, good liquidity and a diversified tenant mix, where approximately 63% of the rental value is derived from residential units, publicly funded operations and supermarkets. Rental apartments and community service properties in Greater Stockholm and the Uppsala Region account for just over 75% of the rental value of Genova's ongoing and planned project development.



Handelsmannen 1, Norrtälje

Genova – the personal property company

Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. We are focused on commercial, community service and residential properties in Greater Stockholm and the Uppsala Region.

Genova's large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio, regardless of economic conditions. We are active across the entire value chain – from acquisitions, urban and project development to letting and property management.

Our 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.

Sustainable, safe and attractive urban environments evolve where Genova develops and invests. We see a direct link between good architecture, sustainability and profitability. New construction is carried out efficiently, with wood as our building material of choice, in close collaboration with well-established construction companies.

Genova's cornerstones

Customer perspective

We are a personal property company, always close to our tenants. By trying to understand our customers and see things from their perspective, we build better and more long-term relationships.

Active acquisitions

We are active in the acquisition market where we seek properties with stable cash flows and development potential, always with the starting point of finding opportunities for value growth.

Sustainable

Sustainability is our compass and we take responsibility as a property owner and urban developer. Key components are green finance, environmental certification of properties, wood as our preferred choice of building material and social initiatives.

Geographic focus

We are based and mainly growing in Greater Stockholm and Uppsala, which are expansive regions with a major demand for residential units. Good relationships with municipalities and local operators create conditions for further acquisitions and project opportunities.

Long-term owners

We mainly develop rental apartments and community service properties for our own long-term management. Ownership with an eternal perspective motivates long-term investments and creates scope for sustainable urban development.

Urban developer

We invest in projects where the city is evolving with a holistic approach to urban development. Genova helps to create sustainable and attractive environments where people want to live, work and visit.

Value creation

We create value through both active property management and project development. We do this by increasing letting, development and investment in properties and projects with attractive residential units and premises.

Large project portfolio

We ensure production and growth through our own large project portfolio, mainly generated from existing properties. Cash flows from our property portfolio provide a stable foundation for financing acquisitions and projects.

Architecture and design

We have a passion for design and architecture. We see a direct link between design, architecture, sustainability and profitability. Quality, design and architecture are aligned with Genova's long-term ownership perspective.

Committed employees

By being responsive and committed, we want to help improve job satisfaction and quality of life in a more sustainable society. Employees are Genova's most valuable asset and our most important ambassadors.

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 value¹	>20%
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.	Target
	10%
	31 March 2021

Income from property management²	>20%
Achieve an average annual growth of at least 20% in income from property management per ordinary share over a business cycle.	Target
	35%
	Rolling 12-month period 31 March 2021

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%
Over time, the equity/assets ratio shall be at least 35%.	Target
	39.6%
	31 March 2021

Loan-to-value ratio	<65%
Over time, the loan-to-value ratio shall not exceed 65%.	Target
	51.5%
	31 March 2021

Interest-coverage ratio	>2.0 times
Over time, the interest-coverage ratio shall be higher than 2.0.	Target
	1.9 times
	31 March 2021

Operational targets

Rental income	>70%
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.	Target
	55%
	31 March 2021

Ongoing construction	1,500
Ongoing construction of own-produced residential units shall amount to at least 1,500 residential units per year as of 2022.	Target
	893³
	31 March 2021

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. See further under "Equity and net asset value" on page 25.
- 2) New 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.

CEO's statement

Genova entered 2021 with a strong first quarter, while the effects of the pandemic remained minimal. We significantly accelerated the pace of our ongoing production of sustainable rental apartments for own management. In addition, we made several acquisitions that are strengthening our earnings capacity, while also providing considerable development potential in property management and for future residential projects. We are consolidating our sustainability profile with a new green finance framework, and in February green capital securities were issued which both creates stronger liquidity and conditions for continued growth.

In the first quarter, Genova continued to grow profitably towards the company's targets. Over the past 12 months, income from property management has risen to SEK 64m, up 35% per ordinary share. However, due to lower year-on-year value growth in the portfolio, net income for the period was lower while net asset value per ordinary share increased 10%. In pace with our accession of completed acquisitions, earnings and net asset value will further increase in the second quarter.

In early 2021, we significantly accelerated the pace of ongoing production by starting the construction of residential projects in Knivsta and Enköping, and increased the area of our ongoing project in Norrtälje. In total, these projects comprise approximately 60,000 sqm and more

than 1,000 rental apartments, and we have more projects in the pipeline with planned construction start during the year.

Acquisitions with development potential

Genova has a considerable building rights portfolio of approximately 400,000 sqm, securing our future growth. By acquiring investment properties with development potential, we can gradually increase the number of building rights. We are currently running a total of around 30 ongoing and planned projects with development of properties for long-term management, which upon completion will have an estimated value of approximately SEK 20 billion. One example is the transaction we completed in March, where we acquired two properties with considerable development potential in Lund, in particular, which is an expanding city where we want to continue growing. Genova already owns properties in central Lund, where we are now pursuing a residential zoning process. This transaction is strengthening our presence in the area and we see potential for creating a new attractive district for residential and community service properties in an historic environment with cultural significance close to the city centre.

During the quarter, we also completed a major acquisition of a community service property portfolio in prime locations in Greater Stockholm with a focus on educational facilities. With this transaction, we are taking a significant growth step forward and Genova's rental income from community service properties and residential units is almost 60%, well on its way towards the target of 70%. At the same time, the portfolio will add considerably improved earnings capacity and income from property management from stable tenants.

Clear sustainability profile

Genova's focus on sustainability is a competitive advantage. We are working actively to live up to our responsibilities as a property owner, and as a property and urban developer. All buildings in our ongoing projects are constructed with a clear sustainability profile and will hold environmental certification, which we believe is an effective tool for property management and provides a roadmap for improving environmental performance.

With sustainable properties under construction and in our portfolio, we are also creating conditions for various forms of green finance. As part of this process, we have created a new green finance framework that defines a number of sustainability criteria for our operations and has been reviewed by the green bond evaluator, CICERO Shades of Green. For Genova, this is yet another way to ensure that we focus on the right sustainability activities moving forward, as well as providing opportunities for favourable financing terms.

In February, we issued green capital securities of SEK 500m under a SEK 1,250m framework. We are planning to use the capital in accordance with our green framework and in accordance with the proposal to the AGM regarding a redemption of outstanding preference shares. We believe that this change in our capital structure will contribute to a stronger cash flow and to better terms and conditions for our continued growth.

Continued development potential

Looking forward, we see significant development potential in both our project and investment property portfolios, while we are continuously evaluating interesting business opportunities. With stable cash flows, a strong balance sheet and good financing options, we have the flexibility to create continued high profitability and value growth for Genova's shareholders.



"In the first quarter, Genova continued to grow profitably towards the company's targets."

Investment property portfolio

Investment properties

Genova's investment property portfolio comprises community service properties, rental apartments, and commercial properties for retail, offices and warehousing. Future rental apartments combined with community service properties are being planned for most of Genova's existing investment properties, often in new districts. The investment properties are mainly located in Greater Stockholm and Uppsala.

Genova works continuously to identify properties that will contribute to achieving the financial and operational targets. Potential acquisition candidates include cash flow-generating properties, fully or partly let, and vacant buildings with development and letting potential. Genova's aim is that the acquired properties will eventually provide opportu-

nities to create building rights for new construction projects in the future.

At the end of the period, Genova's wholly owned investment property portfolio comprised a total of 53 investment properties with a market value of approximately SEK 5,555m, allocated over approximately 233,000 sqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 7,260m.

Development during and after the end of the quarter

Acquisitions and accessions

During and after the end of the quarter, Genova acquired investment properties at a total underlying property value

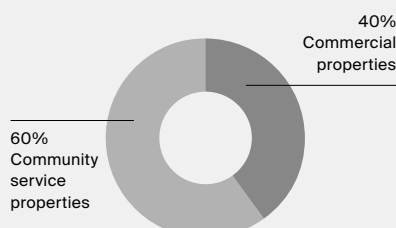
of SEK 1,447m (of which SEK 970m was accessed during the quarter) and divested investment properties at an underlying property value of SEK 295m.

In March, Genova entered into an agreement 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 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

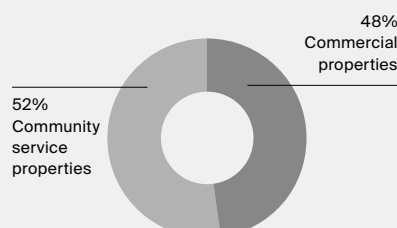
Investment properties per property category

31 March 2021

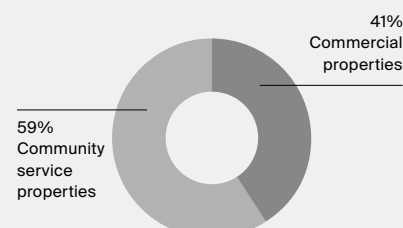
Property value
Total SEK 5,555m



Lettable area
Total 232,826 sqm



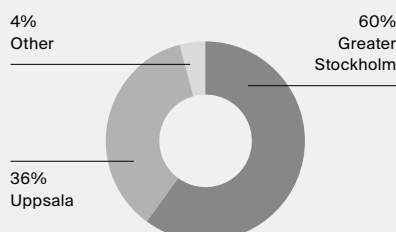
Rental value
Total SEK 332m



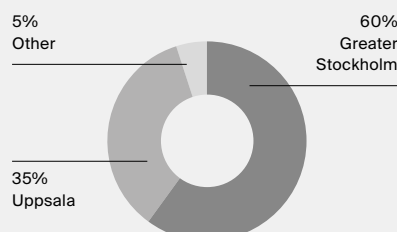
Investment properties per geography

31 March 2021

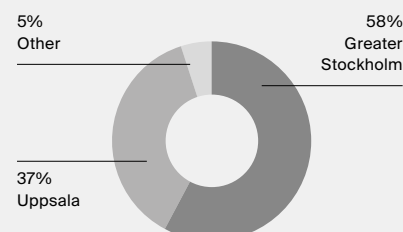
Property value
Total SEK 5,555m



Lettable area
Total 232,826 sqm



Rental value
Total SEK 332m



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 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.

In March, Genova entered into a barter agreement with Nyfosa, in which Genova will acquire two community service-oriented properties and additional building rights in Lund and Haninge, and divest four commercial properties

and one project property. The properties, Hunnerup 1 in Lund and Ribby 1:451 in Haninge, will be acquired at an underlying property value of SEK 477m (SEK 18,000/sqm) before deductions for deferred tax. The properties, with both publicly funded and stable commercial tenants, are located in fast-growing municipalities and have major development potential. The total lettable area is approximately 26,500 sqm, of which Hunnerup 1 is the largest with a total lettable area of about 20,000 sqm. The properties also include approximately 80,000 sqm of land with potential for future development of both residential and community service properties. For the property in Lund, zoning is currently taking place to allow more than 30,000 sqm of gross lighted floor area for resi-

dential units. Annual rental income for the properties amounts to approximately SEK 37m with initially expected net operating income of approximately SEK 25m. The average remaining term of the rental agreements is about three years. The largest tenants include Repligen, Lime Technology, GHP and Lund Municipality. The planned accession date is 31 May 2021 and Genova's acquisitions will be financed through a combination of loans and own funds.

As part of the barter agreement, Genova is divesting four commercial properties in Greater Stockholm and Uppsala for an underlying property value of SEK 295m before deductions for deferred tax, with tenants including Dollarstore, Ramirent and Cija Tank. In addition, the Danmarks-Kumla

Investment property portfolio

31 March 2021

	No. of proper- ties	Let- table area, sqm	Property value		Rental value		Occu- pancy rate, %	Contracted annual rent ² , SEKm	Property costs		Net operating income	
			SEKm	SEK/sqm	SEKm	SEK/sqm			SEKm	SEK/sqm	SEKm	SEK/ sqm
Per property category ¹												
Commercial properties	32	111,997	2,244	20,037	135	1,206	95.8	129	-36	-322	93	833
Community service properties ³	21	120,829	3,311	27,398	197	1,630	98.3	194	-41	-340	153	1,263
Total per property category	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 per geography	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 ⁴	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
In addition:												
Properties owned through joint ventures			654									

1) Based on the primary use of the property.

2) Not including rental discounts of SEK 8m.

3) Of which two properties pertain to 51 rental apartments.

4) Ongoing construction that will generate rental income within 12 months, not including rental discounts of SEK 4m.

The above summary pertains to the properties owned by Genova at the end of the period, with the addition of acquired but not accessed properties and near-term completed constructions. The table reflects income from, and costs of, the properties as if they had been owned throughout the entire period.

8:31 project property in Uppsala will be divested for an underlying property value of SEK 362m. Genova acquired this project property in October 2020 at an underlying property value of SEK 275m, and the tenants include Östra Aros Padelutveckling, Vaksala glas, Carglass and Anticimex. The total lettable area of the divested properties is approximately 40,000 sqm. Exit is scheduled for 31 May 2021, except for the Danmarks-Kumla 8:31 project property, which will be exited on 1 November 2021.

Lettings

Genova extended the rental agreement with Gluntens Montessori School for the Flogsta 47:1 property with approximately 6,000 sqm and an annual rental

value of approximately SEK 11m until 31 August 2041. In addition, the rental agreement with Leo's Lekland for the Mackmyra 20:18 property of approximately 3,600 sqm and an annual rental value of SEK 4.5m was extended for three years until 2029.

After the period, new rental agreements have been signed with the Swedish Police Authority and prolonged with Botkyrka Municipality for three years. The agreements, which relate to properties in Tumba, cover almost 9,000 sq.m. with a total annual rental value of approximately SEK 13.6m. Rental levels in the new agreements have been increased by an average of 25% with rents up to SEK 1,600/sqm.

Tenants and rental agreement structure

At the end of the period, Genova had approximately 300 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%.

Structure of rental agreements

31 March 2021

	No. of rental agreements	Area Ksqm	Rental value, SEKm	Percent- age %
Term				
2021	50	20	24	7
2022	63	20	25	8
2023	37	34	45	14
2024	40	30	37	11
2025	12	29	48	15
>2025	42	87	139	43
Total	244	220	318	98
Rental apartments	51	3	5	2
Other	3	-	-	-
Total	298	223	323	100
Vacant		10	9	
Total		233	332	

10 largest tenants

31 March 2021

Tenants	Contracted rent, SEKm	% of total portfolio
Internationella Engelska Skolan Sweden	20.3	6.3
Coop Sverige Fastigheter AB	14.5	4.5
Uppsala Music School Trust	12.9	4.0
HOOM Home & Hotel AB	11.4	3.5
City of Stockholm, Education Administration	11.3	3.5
Gluntens Montessori School	11.1	3.4
Yrkesplugget i Sverige AB	9.8	3.0
Norlandia Care AB	9.5	2.9
Dagab Inköp och Logistik AB	9.3	2.9
Uppsala Municipality	8.0	2.5
Total	118.1	36.6
Average weighted remaining term, years		6.4

Allocation of rental income¹

31 March 2021

Rental agreements	Contracted annual rent, SEKm	Participation, %
Community service properties	172	53
Residential units	5	2
Supermarkets	28	9
Other commercial	118	36
Total	323	100.00

¹⁾ Based on individual rental agreements regardless of property category.

Current earnings capacity

The table shows Genova's current earnings capacity on a 12-month basis. The earnings capacity is based on the investment properties accessed by Genova at the end of the period.

It is important to note that the current earnings capacity is not a forecast for the next 12 months. The earnings capacity does not include, for example, an assessment of occupancy, vacancy or interest-rate changes.

Genova's earnings are also impacted by changes in the value of investment properties. Earnings are also affected by tax. Genova's current earnings capacity does not account for any of the above factors.

Rental income is based on contracted income at the end of the period. Decreasing rental discounts of SEK 8m have not been deducted from the rental value. Property costs reflect the past 12-month outcome for properties owned throughout the entire period. Properties acquired and projects completed have been adjusted to an annual rate.

Administrative expenses pertain to costs attributable to property management, and are based on estimated costs for the next 12-month period, excluding any non-recurring costs.

Net financial items have been calculated on the basis of current interest-bearing net debt. No interest is received on cash and cash equivalents, and interest on the interest-bearing debt has been calculated using the average interest rate at the end of the period.

The two acquired properties in Lund and Haninge properties will be accessed in the second quarter of 2021. At the same time, the four acquired properties in Nacka, Norrtälje och Uppsala will be exited. These accessions and exits will increase rental income by approximately SEK 14m and net operating income by approximately SEK 7m. Since these properties had not been accessed or exited as of 31 March 2021, they are not included in the table of estimated earnings capacity.

Estimated earnings capacity of investment properties

SEKm	
Rental value ¹	332
Vacancy rate	-9
Rental income	323
Operating costs	-59
Maintenance costs	-12
Property tax	-6
Total property costs	-77
Net operating income	246
Central administration, property management	-14
Genova's share of income from property management through joint ventures	12
Net financial items	-103
Income from property management	141

1) Not including rental discounts of SEK 8m.



Brandsprutan 2, Täby

Project development

Genova's organic growth is generated from project development for rental apartments, community service properties and commercial premises. Up to and including 2028, Genova plans to invest just over SEK 15 billion in our ongoing and planned production to complete investment properties for long-term ownership and management. Completed value is estimated to amount to approximately SEK 20 billion with an estimated rental value of approximately SEK 700m. Genova's project development also includes, to a lesser extent, the construction of co-operative apartments. Thus, Genova is active across the entire chain of property investments – from acquisitions to property management, project development and construction, where the assignment often includes contributing to the development of new districts.

Genova's project portfolio is mainly focused on the creation of building rights from the company's own investment properties using existing cash flow. We work together with municipalities to

enable the conversion of these properties from mainly commercial space to residential units or community services. A few acquisitions and granted land-use agreements have also been added to the project portfolio. As of 31 March 2021, Genova's project portfolio comprised approximately 400,000 sqm of lettable area allocated between 6,319 residential building rights, of which nearly 80% consisted of rental apartments and community service properties that Genova intends to develop for own long-term management, and approximately 20% co-operative apartments and commercial properties.

About 84% of the building rights are located in Greater Stockholm and the Uppsala Region.

Building rights portfolio

Genova uses an estimated excess value to indicate the value of the company's building rights portfolio in Sweden. The excess value is based on an externally estimated market value of the unused building

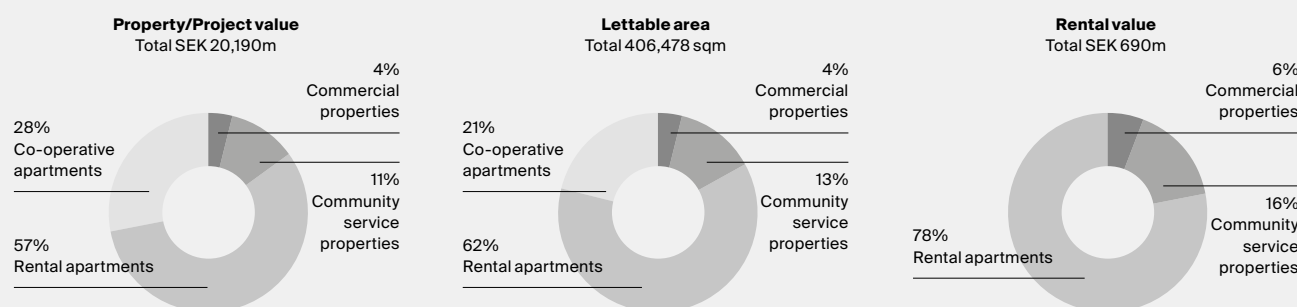
rights. This could be relevant if Genova did not follow its business plan to develop the building rights and instead chose to divest them. At 31 December 2020, CBRE's market evaluation of the expected unused building rights in Sweden included in planned projects was just over SEK 2.6 billion. At 31 December 2020, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, and accumulated investments for planned projects had a book value of approximately SEK 1.5 billion. On the basis of this valuation, a review was carried out on 31 March 2021 and the assessment is that the excess value in the Group's building rights portfolio remained at approximately SEK 1.1 billion at the end of the reporting period.

Long-term and sustainable development

Sustainability is a key area for Genova and we work actively to take our responsibility as a property owner and urban

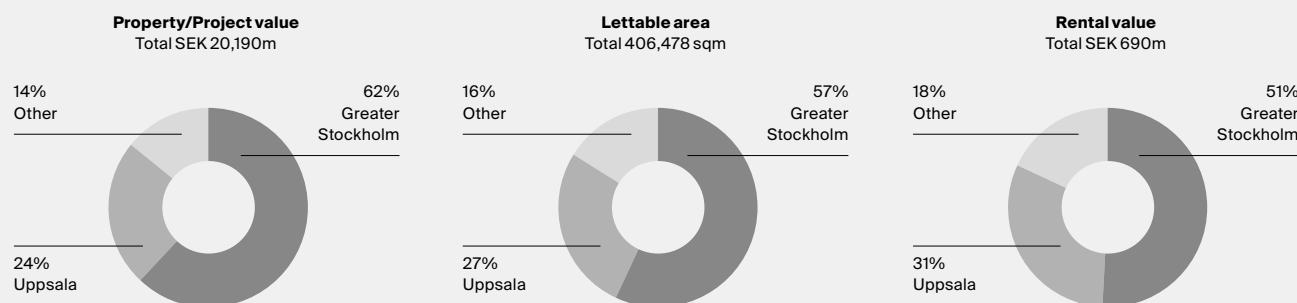
Project development per property category

31 March 2021



Project development per geography

31 March 2021



developer. With a focus on sustainability, wood is the preferred choice of building material for Genova, enabling us to reduce our carbon footprint and thereby our greenhouse gas emissions. Our long-term target is that all newly constructed properties in our portfolio will be environmentally certified in order to meet customer requirements, reduce greenhouse gas emissions and risk, increase value and receive more favourable loan terms.

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 724m.

The units under construction are Hotell Nobis in Palma, Majorca (hotel), Handelsmannen 1 in Norrtälje (retirement home, preschool and rental apartments) Segerdal in Knivsta (rental apartments) and Korsängen in Enköping (rental apartments). When these projects are completed, they will remain owned and managed by Genova. The Segerdal Project is being carried out as a joint venture together with Redito and comprises a total of 300 rental apartments, of which 150 are recognised as ongoing construction, which corresponds to Genova's stake.

Completion of the project in Palma is scheduled for the second quarter of 2021, when the tenant Nobis will take over the hotel.

In Norrtälje, Genova has worked on, and thereby increased the utilisation of the existing building right in the ongoing Handelsmannen 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.

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.

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, which means the completed project will increase the size of the managed portfolio in Enköping.

In March, Genova agreed to divest the Danmarks-Kumla 8:31 project property in Uppsala at an underlying property value of SEK 362m. Construction of the property commenced in the first quarter

of 2021 and is scheduled for completion in the fourth quarter of 2021. Genova acquired this project property in October 2020 at an underlying property value of SEK 275m, and rental agreements were signed with such tenants as Östra Aros Padelutveckling, Vaksala glas, Carglass and Anticimex. The total lettable area of the divested property is approximately 21,000 sqm. The scheduled exit date is 1 November 2021.

Planned projects

Planned projects comprised a total of approximately 5,426 expected residential building rights allocated between approximately 355,000 sqm, of which about 80% is intended to be constructed for own long-term management with a focus on Greater Stockholm and Uppsala.

Joint ventures

Genova owns 50% of the shares in five joint ventures, together with SBB, Fastator, Redito and Järngrinden. These joint ventures own a total of 11 properties with a combined property value of SEK 1,308m, of which Genova's share amounts to SEK 654m. Shares in joint ventures are recognised using the equity method. The properties, which are currently let, comprise a total of approximately 2,434 residential building rights (of which Genova's share is 1,217 and included in the total number of building rights recognised for the ongoing and future development of residential units).



Segerdal, Knivsta

Ongoing construction

31 March 2021

Project	Municipality	Category	Construction start	Planned completion	No. of residential units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value, SEKm ⁴
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	
Hotell Nobis	Palma	Commercial properties	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 ²	408	21,314	-	975	45,745	44	2,069	824	97	143
Segerdal ³	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

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 182m.

Planned projects

31 March 2021

Project	No. of residen- tial units	Lettable area, sqm		Property value¹		Rental value		Investment, SEKm		Book value, SEKm
		Residen- tial units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimat- ed	Accum- ulated	
Per category										
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 properties²	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 – Own management										
Greater Stockholm	1,926	112,865	18,148	6,161	47,024	290	2,210	5,080	30	70
Uppsala	1,305	72,485	10,745	3,499	42,035	171	2,059	2,851	25	35
Other	951	56,265	465	2,442	43,049	117	2,054	1,924	145	155
Total per geography	4,182	241,615	29,358	12,102	44,660	578	2,131	9,855	201	261
Per geography – Co-operative apartments										
Greater Stockholm	1,059	71,360	0	4,982	69,820	0	0	3,635	29	57
Uppsala	145	6,890	0	336	48,807	0	0	267	8	8
Other	40	4,750	0	247	0	0	0	166	0	0
Total per geography	1,244	83,000	0	5,566	67,056	0	0	4,068	37	65
Per geography – Own management and co-operative apartments										
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 own management and co-operative apartments per geography	5,426	324,615	29,358	17,667	49,911	578	2,131	13,923	238	326

1) Refers to fair value of the completed investment.

2) Where the number and lettable area of residential units specified in the 'Commercial properties' category refers to hotel development.

The table only shows the number of residential units, area, property and rental value, as well as investment amounts and book value corresponding to Genova's financial stake in jointly owned properties.

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.

Project

31 March 2021

31 March 2021							Phase			
Project specification	Municipality	Category ¹	Estimated construction start	Estimated completion	No. of residential units	Lettable area, sqm	Planning permission decision	Planning consultation	Review	Approved zoning plan
Ongoing construction										
Hotell Nobis	Palma	Commercial properties	Q3 2019	Q2 2021	35	2,300	•	•	•	•
Handelsmannen 1 ²	Norrtälje	Community service properties	Q4 2019	Q3 2022	80	7,517	•	•	•	•
		Rental apartments	Q4 2019	Q4 2022/Q4 2023	408	21,314	•	•	•	•
Segerdal ³	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	9,278	•	•	•	•
Korsängen	Enköping	Rental apartments	Q1 2021	Q1 2023	220	12,096	•	•	•	•
					893	52,505				
WHOLLY OWNED PROJECTS										
Planned projects										
Hotell Can Oliver	Palma	Commercial properties	2021	2023	40	3,300	•	•	•	•
Luthagen	Uppsala	Commercial properties	2021	2023		680	•	•	•	•
		Co-operative apartments	2021	2023	45	1,500	•	•	•	•
Gredelby	Knivsta	Rental apartments	2021	2023	45	2,250	•	•	•	•
		Commercial properties	2021	2023		570	•	•	•	•
Klostergården	Lund	Rental apartments	2022	2024	165	7,700	•	•		
Ekeby	Uppsala	Rental apartments	2022	2024	90	4,500	•	•		
		Commercial properties	2022	2024		900	•	•		
Storvreta	Uppsala	Rental apartments	2022	2024	80	4,560	•			
Drevn 1, 2	Stockholm	Rental apartments	2022	2024	140	7,700	•	•		
		Community service properties	2022	2024	60	7,820	•	•		
		Commercial properties	2022	2024		2,250	•	•		
Dvärgspetsen 1	Stockholm	Rental apartments	2022	2024	150	7,700	•	•		
Odalmannen	Huddinge	Rental apartments	2022	2024	56	2,960	•			
Jaktvarvet	Nacka	Co-operative apartments	2022	2024	45	4,275	•	•		
Kryddgården	Enköping	Rental apartments	2022	2026	475	23,730	•	•		
		Co-operative apartments	2022	2026	100	5,390	•	•		
		Community service properties	2022	2026	80	7,440	•	•		
		Commercial properties	2022	2026		3,600	•	•		
Västra Knivsta	Knivsta	Rental apartments	2022	2024	250	15,400	•			
Sydöstra Vikdalen	Nacka	Rental apartments	2023	2025	250	14,600	•	•		
Brynjan 5	Huddinge	Rental apartments	2023	2025	145	7,875	•			
		Commercial properties	2023	2025		1,350	•			
Gäddviken	Nacka	Co-operative apartments	2023	2025	100	6,840	•	•		
Örnsberg	Stockholm	Co-operative apartments	2023	2025	120	7,500	•	•		
Runö 7:84	Österåker	Rental apartments	2023	2025	120	6,000	•			
		Co-operative apartments	2023	2025	138	8,250	•			
Särsta	Knivsta	Rental apartments	2023	2025	110	6,000	•			
		Community service properties	2023	2025		3,600	•			
Runö 7:146	Österåker	Community service properties	2023	2025		5,850	•			
Hunnerup	Lund	Community service properties	2024	2027	70	6,045	•			
		Co-operative apartments	2024	2027	40	4,750	•			
		Rental apartments	2024	2027	231	11,550	•			
Rivan	Lund	Rental apartments	2025	2027	50	3,465	•			
Västerbro	Lund	Rental apartments	2025	2027	80	4,620	•			
Kungsängen	Uppsala	Rental apartments	2025	2027	175	10,000	•			
Total					3,449	222,520				
JOINTLY OWNED PROJECTS (Refers to Genova's stake ⁴)										
Planned projects										
Viby ⁵	Upplands-Bro	Rental apartments	2021	2028	620	38,250	•	•	•	
		Co-operative apartments	2021	2028	210	17,100	•	•	•	
		Community service properties	2021	2028	80	9,928	•	•	•	
		Commercial properties	2021	2028		1,530	•	•	•	
Gulmäran 7, 8 ⁶	Borås	Community service properties	2022	2024	70	4,650	•	•		
		Rental apartments	2022	2024	245	15,400	•	•		
Nacka Strand ⁷	Nacka	Co-operative apartments	2022	2025	53	3,420	•	•		
		Co-operative apartments	2022	2025	44	2,850	•	•		
		Rental apartments	2023	2025	25	1,520	•	•		
		Rental apartments	2025	2027	70	4,180	•	•		
Skvaltån ⁸	Nacka	Co-operative apartments	2024	2026	175	9,625	•			
Gåshaga ⁹	Lidingö	Rental apartments	2025	2027	210	11,500	•			
		Co-operative apartments	2025	2027	175	11,500	•			
Total					1,976	131,453				
Total					6,319	406,478				

1) Where the number of residential units specified in the 'Commercial properties' category refers to hotel development.

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) The table only shows the number of residential units and area that correspond to Genova's financial stake in jointly owned properties.

5) Viby is 70/30 owned by Genova and K2A.

6) Gulmäran is 50/50 owned by Genova and Järngrinden.

7) Nacka Strand is 50/50 owned by Genova and SBB.

8) Skvaltån is 50/50 owned by Genova and Fastator.

9) Gåshaga is 50/50 owned by Genova and SBB.



Handelsmannen 1, Norrtälje

Consolidated statement of comprehensive income

SEKm	Jan-Mar 2021	Jan-Mar 2020	Apr 2020- Mar 2021	Jan-Dec 2020
Rental income	63.6	54.0	240.7	231.1
Operating costs	-15.3	-11.5	-46.8	-43.0
Maintenance costs	-1.2	-0.9	-4.6	-4.3
Property tax	-1.6	-1.6	-6.4	-6.4
Total Property costs	-18.1	-14.0	-57.8	-53.7
Net operating income	45.5	40.0	182.9	177.4
Central administration, property management	-4.8	-3.0	-27.9	-26.1
Central administration, project development	-5.2	-4.4	-39.9	-39.1
Share of profit from joint ventures	1.3	1.1	55.9	55.7
Net financial items	-25.2	-25.0	-107.3	-107.1
Income from property management	11.6	8.7	63.7	60.8
Income from new construction, co-operative apartments	-	-	37.0	37.0
Other operating income	0.1	0.6	1.7	2.2
Value changes, properties	120.3	219.2	281.1	380.0
Currency effects, properties	3.7	9.7	-12.8	-6.8
Profit before tax	135.7	238.2	370.7	473.2
Income tax	-32.3	-47.6	-39.9	-55.2
Net income for the period	103.4	190.6	330.8	418.0
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	103.4	190.6	330.8	418.0
Net income for the period attributable to:				
Parent Company shareholders	103.5	190.7	330.7	417.9
Non-controlling interests	-0.1	-0.1	0.1	0.1
Total comprehensive income attributable to:				
Parent Company shareholders	103.5	190.7	330.7	417.9
Non-controlling interests	-0.1	-0.1	0.1	0.1
Income per ordinary share before and after dilution, SEK ¹	2.35	5.86	7.18	10.69
No. of ordinary shares at the end of the period, 000s ²	39,577	30,722	39,577	39,577
Average no. of ordinary shares, 000s ²	39,577	30,722	39,577	35,149
No. of preference shares outstanding, 000s	4,000	4,000	4,000	4,000
Average no. of preference shares, 000s	4,000	4,000	4,000	4,000

1) Earnings in relation to average number of ordinary shares after dividends to preference shareholders.

2) Restated for Q1 2021 to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

Performance analysis

Rental income

During the period, the Group's rental income amounted to SEK 63.6m (54.0). The increase corresponds to rental income growth of 18%. Growth in rental income was mainly attributable to an expanding investment property portfolio from acquisitions. At 31 March 2021, accession was gained to four properties with annual rental income of approximately SEK 59m, which will not be recognised on the Group income statement until the second quarter of 2021. During the period, the lettable area increased almost 60,000 sqm to 233,000 sqm, or 34%, with a total rental value of SEK 332m, corresponding to growth of about 44%. The community service properties category accounted for the greatest increase. At the end of the period, the economic occupancy rate was about 98% (98), which is in line with the corresponding period of 2020.

Income development

SEKm	Jan-Mar 2021	Jan-Mar 2020	Change, %
Comparable portfolio	50.1	48.4	4
Properties acquired	12.1	0.0	n/a
Properties sold	1.3	5.6	-76
Rental income	63.6	54.0	18
Commercial properties	32.7	35.0	-6
Community service properties	30.8	19.1	62
Rental income	63.6	54.0	18

Property costs

During the period, property costs in the form of operating and maintenance costs and property tax increased to SEK -18.1m (-14.0), up approximately 29%. The increase in property costs was largely due to the fact that Genova is managing a larger investment property portfolio compared with the preceding period, but also to higher costs for snow clearing and heating in the first quarter of 2021 compared with the milder first quarter of 2020.

Property costs development

SEKm	Jan-Mar 2021	Jan-Mar 2020	Change, %
Comparable portfolio	-14.1	-12.9	9
Properties acquired	-3.5	0.0	n/a
Properties sold	-0.5	-1.1	-54
Property costs	-18.1	-14.0	29
Commercial properties	-10.7	-10.0	6
Community service properties	-7.4	-4.0	87
Property costs	-18.1	-14.0	29

Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-237.6	-266.4	-252.5
Maintenance	-36.5	-68.6	-53.1
Property tax	-48.0	-5.4	-25.9
Total	-322.0	-340.3	-331.5

Net operating income

During the period, net operating income increased to SEK 45.5m (40.0), up 14%. The NOI margin for the period was 71.5%, which is slightly lower compared with 74.1% for the corresponding period of 2020. The lower NOI margin was primarily due to increased property costs during a cold and snowy first quarter of 2021.

Central administration

Central administrative expenses are allocated between property management and project development. During the period, central administrative expenses totalled SEK -10.0m (-7.4), corresponding to an increase of SEK -2.6m or 35%. The increase was due to the growing operations, which have been impacted by costs for extra resources.

Central administration		
SEKm	Jan-Mar 2021	Jan-Mar 2020
Property management		
Other external costs	-2.4	-1.0
Personnel costs	-1.7	-1.3
Depreciation/amortisation and leases	-0.7	-0.7
Central administration, property management	-4.8	-3.0
Project development		
Other external costs	-2.6	-1.5
Personnel costs	-1.8	-1.9
Depreciation/amortisation and leases	-0.8	-1.0
Central administration, project develop- ment	-5.2	-4.4

Share of profit from joint ventures

The earnings effect of Genova's properties owned through joint ventures is reported in this item. During the period, share of profit from joint ventures amounted to SEK 1.3m (1.1) and pertained to income from operating activities. Income from operating activities increased in line with an improved occupancy rate and is expected to further improve in 2020 with the additional properties owned through joint ventures.

Net financial items

Net financial items amounted to SEK -25.2m (-25.0) during the period, where net financial expense was marginally higher year-on year due to increased borrowings in the growing operations, but also lower financial expenses related to bond loans. Currency effects pertaining to the projects in Palma in Spain were previously recognised under this item. As of the fourth quarter of 2020, these currency effects have been presented on a separate line in the income statement and are no longer included in income from property management. The reason being that the currency effects, which cannot be influenced, reduce comparability in the development of income from property management. The comparative figures for the first quarter of 2020 have been restated.

Interest-bearing liabilities, including the bond loan, increased from SEK 3,056m to SEK 4,134m compared with the year-on-year period. As of the balance-sheet date, the average interest rate was 2.0% (3.0% including the bond loan). Financial expenses during the period included SEK 3.4m (3.8) pertaining to bond financing costs, which are allocated over the terms of the loans. The interest-coverage ratio for the period was 1.9 times (1.7). The interest-coverage ratio does not include bond financing costs, since these are considered non-recurring costs.

Net financial items		
SEKm	Jan-Mar 2021	Jan-Mar 2020
Interest income	0.5	0.5
Interest expense, loans	-21.8	-21.2
Interest expense leases	-0.5	-0.5
Other financial expenses	-3.4	-3.8
Net financial items	-25.2	-25.0

Income from property management

During the period, income from property management amounted to SEK 11.6m (8.7), up 33%. The increase was mainly due to higher net operating income. Currency effects pertaining to the projects in Palma were previously recognised under this item. As of the fourth quarter of 2020, these currency effects have been reported on a separate line in the income statement and are no longer included in income from property management. The reason being that the currency effects cannot be influenced and reduce comparability in the development of income from property management.

Value changes

The ongoing construction of a warehouse and logistics property in Uppsala was sold to Nyfosa at an underlying property value of SEK 362m, and will be exited in the fourth quarter of 2021. The agreed value exceeded Genova's book value of the completed property by approximately SEK 71m, resulting in a positive value change during the period. In addition, the properties accessed during the quarter resulted in positive value changes of SEK 28.9m. Ongoing construction in Norrtälje and Palma (Majorca) contributed SEK 20.4m in positive value changes in line with the construction progress. In the year-on-year period, the value change comprised the sale of the Stapelbädden 3 property in Gåshaga on Lidingö to a joint venture together with SBB.

Value changes, properties

SEKm	Jan-Mar 2021	Jan-Mar 2020
Change in net operating income	-	7.2
Ongoing construction	20.4	25.9
Land and unused building rights	-	219.2
Change in yield requirement	-	-33.1
Acquisitions	28.9	-
Divestments	71.0	-
Value changes, properties	120.3	219.2

Income tax

Recognised tax amounted to SEK -32.3m (-47.6). Both current and deferred tax was calculated using a nominal tax rate of 20.6%. Remaining tax loss carryforwards are an estimated SEK 448m (416), with untaxed reserves of approximately SEK 67m (56). The fair value of the properties exceeded their tax base by SEK 4,112m (2,970). Deferred tax liabilities are calculated using the nominal tax rate of 20.6% of the difference between the book value and tax base, less the tax attributable to asset acquisitions.

Tax calculation

SEKm	Jan-Mar 2021	Jan-Mar 2020
Income before tax	135.7	238.2
Tax rate, %	20.6	21.4
Income tax at the current tax rate	-29.0	-51.0
Non-taxable income	0.3	-
Non-deductible expenses	-1.1	-
Non-deductible net interest income	-4.3	-3.2
Deductible costs not included in profit or loss	0.2	6.2
Property transaction reversals	1.6	-
Adjustment of ongoing construction	-	-1.4
Effect of changed tax rates	-	1.8
Tax for the period as per the income statement	-32.3	-47.6

Deferred tax liabilities, net

SEKm	Jan-Mar 2021	Jan-Mar 2020
Temporary differences, properties	-338.1	-318.9
Untaxed reserves	-13.9	-11.6
Total deferred tax liabilities	-352.0	-330.5
Tax loss carryforwards	92.3	85.7
Total deferred tax assets	92.3	85.7
Deferred tax liabilities, net	-259.7	-244.8

Net income for the period

Net income for the period amounted to SEK 103.4m (190.6). Compared with the year-on-year period, both net operating income and income from property management have increased in 2021. However, the value changes, with deferred tax provision, were higher year-on-year due to divestment of the Stapelbädden 3 property in Gåshaga on Lidingö to a joint venture together with SBB, which meant that Genova recognised net income after tax for the period that is lower than for the first quarter of 2020.

Consolidated balance sheet

SEKm	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS			
Non-current assets			
Investment properties	5,554.6	4,097.5	4,559.6
Properties under construction	947.7	556.5	704.1
Development properties	103.1	68.4	91.4
Right-of-use assets	36.3	38.1	32.1
Equipment	2.4	2.3	6.6
Deferred tax assets	92.3	85.7	89.6
Shares in joint ventures	280.7	89.6	279.4
Other non-current receivables	257.3	96.0	257.3
Total non-current assets	7,274.4	5,034.1	6,020.1
Current assets			
Ongoing co-operative apartment projects	-	221.6	-
Rent receivable and accounts receivable	6.3	2.2	10.6
Other receivables	110.4	42.5	131.4
Prepaid expenses and accrued income	26.6	38.2	44.2
Cash and cash equivalents	729.1	158.5	578.4
Total current assets	872.4	463.0	764.6
TOTAL ASSETS	8,146.8	5,497.1	6,784.7
EQUITY			
Total comprehensive income for the period			
Share capital	52.3	0.7	52.3
Other capital contributions	1,183.0	647.6	1,183.0
Retained earnings, including net income for the period	1,413.7	1,179.2	1,334.1
Green capital securities	500.0	-	-
Non-controlling interests	78.3	78.2	78.4
Total equity	3,227.3	1,905.7	2,647.8
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	2,457.5	1,886.7	2,261.9
Bond loans	903.3	659.9	901.9
Lease liabilities	31.3	33.6	30.6
Other non-current liabilities	43.1	42.1	43.1
Deferred tax liabilities	352.0	330.5	324.6
Total non-current liabilities	3,787.2	2,952.8	3,562.1
Current liabilities			
Loans from credit institutions	753.8	493.3	298.1
Bond loans	1.1	-	52.7
Accounts payable	58.2	47.0	40.8
Lease liabilities	5.3	4.7	5.3
Current tax liabilities	12.7	11.4	13.5
Other liabilities	193.9	38.7	119.1
Accrued expenses and deferred income	107.3	43.5	45.3
Total current liabilities	1,132.3	638.6	574.8
TOTAL LIABILITIES AND EQUITY	8,146.8	5,497.1	6,784.7

Consolidated statement of changes in equity

SEK m	Attributable to Parent Company shareholders					Capital securities	Non-con- trolling interests	Total equity
	No. of shares out- standing, 000s		Share capital	Other capital contribu- tions	Retained earnings incl. net income for the period			
	Ordinary shares	Preference shares						
Opening balance, 1 January 2020	61,444	4,000	0.7	647.6	999.6	-	78.3	1,726.2
Comprehensive income								
Net income for the year					417.9		0.1	0.1
Other comprehensive income								
Total comprehensive income					417.9		0.1	418.0
Bonus issue			0.7		-0.7			-
Withdrawal of ordinary shares	-30,722		-0.7		0.7			-
Dividends					-42.0			-42.0
Bonus issue			41.0		-41.0			-
New issue of ordinary shares	8,855		10.6	565.0				575.6
Issue costs of ordinary shares				-29.6				-29.6
Currency effects					-0.6			-0.6
Closing balance, 31 December 2020	39,577	4,000	52.3	1,183.0	1,334.1	0.0	78.4	2,647.8
Opening balance, 1 January 2021	39,577	4,000	52.3	1,183.0	1,334.1	-	78.4	2,647.8
Comprehensive income								
Net income/loss for the period					103.5		-0.1	103.4
Other comprehensive income								
Total comprehensive income					103.5		-0.1	103.4
Dividend (SEK 2.62 per preference share)					-10.5			-10.5
Issue of green capital securities						500.0		500.0
Issue costs, green capital securities					-10.8			-10.8
Dividends, green capital securities					-2.4			-2.4
Closing balance, 31 March 2021	39,577	4,000	52.3	1,183.0	1,413.7	500.0	78.3	3,227.3

Comments on the balance sheet

Investment property portfolio and property value

Investment properties

The Group's investment properties comprise a total of 53 wholly owned properties. The fair value of investment properties is mainly estimated using a Discounted Cash Flow Model, where the value has been calculated as the present value of expected future cash flows and the residual value during a calculation period, where discounting has taken place using an estimated cost of capital. The average yield requirement for the property portfolio was an estimated 4.43% as of the balance-sheet date. (Adjusted for the Viby 19:3 property, which has been partially divested based on a valuation of building rights, the average yield requirement is an estimated 4.68%). As of 31 March 2021, the book value of the Group's investment properties was SEK 5,555m, up SEK 995m compared with 31 December 2020. The increase mainly pertains to the acquisition of four community service properties at an underlying property value of SEK 970m, to which accession was gained on 31 March 2021. During the period, two community service properties were also accessed, while one extended-stay hotel was exited.

Properties under construction

Properties under construction comprise two planned hotels in Palma, Majorca, of which one is under construction, together with the Handelsmannen 1 project in Norrtälje, as well as the Korsängen project in Enköping and the warehouse and logistics property in Uppsala, both of which were acquired in 2020 and construction has now started. The balance-sheet item also includes value changes in building rights related to a number of upcoming projects. A total amount of SEK 152m was capitalised during the period. The ongoing construction of a warehouse and logistics property in Uppsala was sold to Nyfosa at an underlying property value of SEK 362m, and will be exited in the fourth quarter of 2021. The agreed value exceeded Genova's book value of the completed property by approximately SEK 71m, resulting in a positive value change during the period, which increased the book value.

Development properties

Development properties refers to accrued and capitalised costs for construction properties not yet started. At construction starts, the amounts are reclassified as properties under construction.

Ongoing co-operative apartment projects

In 2020, Genova decided to change its accounting policies and consolidated the co-operative housing association that owns the Liljegatan 1 project in Fålhagen, Uppsala. The project is presented as an Ongoing co-operative apartment project under current assets. The Liljegatan project was completed in the fourth quarter of 2020 and no new co-operative apartment projects have commenced.

Property value

The entire investment property portfolio is externally appraised at least twice annually, usually at 30 June and 31 December. As of 31 December 2020, the entire investment

property portfolio had been externally appraised by CBRE and Newsec, based on the most recent external appraisal on 30 June 2020. In the fair value hierarchy, investment properties are considered Level 3 assets, which means that the fair value of the asset is based on unobservable inputs.

Change in investment property portfolio

SEKm	31 Mar 2021	31 Mar 2020	31 Dec 2020
Opening value, investment properties	4,559.6	3,661.3	3,661.3
+ Acquisitions	1,071.1	-	735.6
+ Building improvements and renovations	6.0	10.6	23.0
- Divestments	-111.0	-	-465.1
+/- Reclassifications	-	233.0	308.0
+/- Unrealised value changes	28.9	192.6	296.8
Closing value, investment properties	5,554.6	4,097.5	4,559.6
Opening value, properties under construction	704.1	702.0	702.0
+ Acquisitions	-	-	69.2
+ New construction	152.2	61.6	207.7
+/- Reclassifications	-	-233.0	-308.0
- Divestments	-	-	-50.0
+/- Unrealised value changes	91.4	25.9	83.2
- of which ongoing construction	91.4	25.9	83.2
Closing value, properties under construction	947.7	556.5	704.1
Opening value, development properties	91.4	56.5	56.5
+ Capitalisation	11.7	11.9	34.9
+/- Reclassifications	-	-	-
+/- Unrealised value changes	-	-	-
- of which unused building rights	-	-	-
Closing value, development properties	103.1	68.4	91.4
Opening value, ongoing co-operative apartment projects	-	199.3	199.3
+ Capitalisation	-	22.3	53.6
- Divestments	-	-	-252.9
Closing value, ongoing co-operative apartment projects	-	221.6	-
Closing value, investment property portfolio	6,605.4	4,944.0	5,355.1
Investment properties	5,554.6	4,097.5	4,559.6
Ongoing construction	724.4	294.5	415.8
Planned projects	326.8	330.4	379.7
Ongoing co-operative apartment projects	-	221.6	-
Closing value, investment property portfolio	6,605.4	4,944.0	5,355.1

Property yield per category

%	31 Mar 2021	31 Mar 2020
Commercial properties ¹	4.16	3.81
Community service properties	4.61	4.59
Total	4.43	4.09

1) Viby 19:3 has been partially divested based on a valuation of building rights. Excluding Viby 19:3, the yield for commercial properties is 4.80% and the total yield for the entire investment property portfolio is 4.68%.

Key metrics, property value

	31 Mar 2021	31 Mar 2020
Rental value, SEK/sqm	1,426	1,334
Economic occupancy rate, %	98	98
Property costs, SEK/sqm	332	298
Net operating income, SEK/sqm	1,056	1,007
NOI margin, %	76	75
Investment property value, SEK/sqm	23,857	23,611
Lettable area, ksqm	232,826	173,540
No. of properties	53	44

Equity and net asset value

At 31 March 2021, consolidated equity amounted to SEK 3,227.3m (2,647.8) and the equity/assets ratio was 39.6% (39.0).

Long-term net asset value amounted to SEK 3,487.0m (2,883.0), up 21%. Long-term net asset value attributable to ordinary shareholders amounted to SEK 2,388.7m (2,364.6), representing a marginal increase. Long-term net asset value attributable to ordinary shareholders per ordinary share amounted to SEK 60.36 per ordinary share (59.75).

Genova proposes a redemption of outstanding preference shares at a redemption price of SEK 130. In the calculation of long-term net asset value, the previous preference shares were eliminated using the long-term redemption price of SEK

110 per preference share. In the calculation of net asset value at 31 March 2021, the preference shares have been deducted with the proposed redemption price of SEK 130 per preference share, which means that the long-term net asset value attributable to ordinary shareholders has decreased by SEK 80 million as of 31 March 2021 due to the redemption procedure.

During the period, Genova issued green capital securities with a total value of SEK 500.0m, generating proceeds of SEK 489.2m after issuance costs for the Group. The green capital securities, including interest payments, are recognised in equity.

Net asset value

	31 Mar 2021		31 Mar 2020		31 Dec 2020	
	SEKm	SEK/ordinary share	SEKm	SEK/ordinary share ¹	SEKm	SEK/ordinary share ¹
Equity as per the balance sheet	3,227.3	81.54	1,905.7	62.03	2,647.8	66.90
Reversal:						
Deferred tax liabilities as per the balance sheet	352.0	8.89	330.5	10.76	324.7	8.20
Effect of change in accounting policies	-	-	47.0	1.53	-	-
Less:						
Deferred tax assets as per the balance sheet	-92.3	-2.33	-85.7	-2.79	-89.5	-2.26
Preference share capital	-520.0	-13.14	-440.0	-14.32	-440.0	-11.12
Green capital securities	-500.0	-12.63	-	-	-	-
Non-controlling interests	-78.3	-1.98	-78.2	-2.55	-78.4	-1.98
Long-term net asset value attributable to ordinary shareholders	2,388.7	60.36	1,679.3	54.66	2,364.6	59.75

1) Restated to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

Interest-bearing liabilities

As of 31 March 2021, the Group's interest-bearing liabilities attributable to investment properties and project properties were approximately SEK 4,134m (3,534), representing a loan-to-value ratio of 51.5% (55.2) adjusted for cash and cash equivalents. As of 31 March 2021, the average interest rate was approximately 2.0% (3.0% including the bond loan) and the equity/assets ratio on the same date was 39.6% (39.0).

As of 31 March 2021, the Group's total interest-bearing liabilities of SEK 3,209m (2,559) to credit institutions were attributable to acquisition financing, refinancing of the Group's existing property portfolio and project financing. The Group's credit facilities contain customary loan guarantees and covenants, including the requirement that Genova and its subsidiaries meet certain financial key metrics, such as the loan-to-value ratio and interest-coverage ratio.

As of 31 March 2021, the average maturity was 2.5 years (3.0). The credit term structure at 31 March 2021 is shown in the table below.

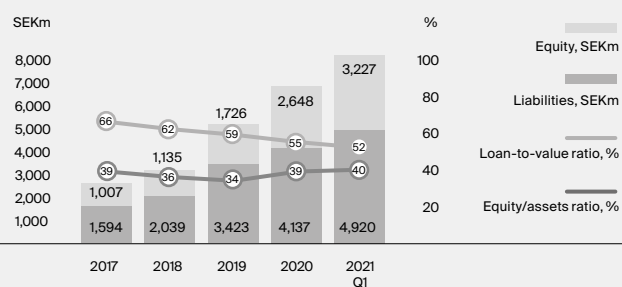
At the end of the period, undrawn facilities in the form of revolving credit and a bank overdraft totalled SEK 435m. In addition to these facilities, granted construction credit of SEK 913m is still undrawn. A total amount of SEK 581m will mature within 12 months of the reporting date, and Genova intends to refinance the entire amount before the maturity dates.

Interest-rate derivatives

Genova has purchased interest-rate caps for a total of SEK 600m in the loan portfolio, limiting interest rates to 2%. The caps apply until 2022 for SEK 300m, and until 2023 for the remaining SEK 300m. At the end of the period, the Group had no other outstanding derivatives or interest-rate swaps, and all loans carried variable interest rates with three-month STIBOR as the reference base.

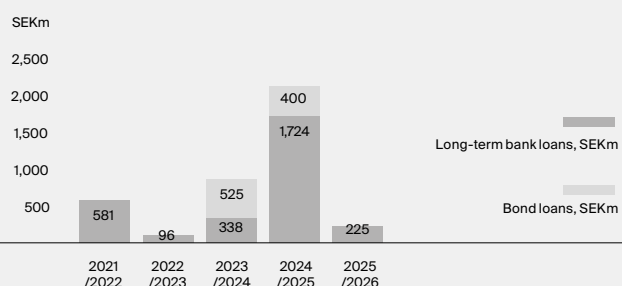
Capital structure

31 March 2021



Credit term structure

31 March 2021



Credit and interest rate term structure

31 March 2021

Term	Fixed-rate period		Maturity		
	Amount, SEKm	Average rate, %	Credit agreement, SEKm	Drawn, SEKm	Un-drawn, SEKm
0-1 year	581	2.19%	581	581	0
1-2 years	96	2.09%	96	96	0
2-3 years ¹	863	3.99%	863	863	0
3-4 years ²	2,124	2.92%	2,384	2,124	260
4-5 years	225	1.94%	225	225	0
Total	3,890	2.97%	4,150	3,890	260
Construction credit	244	2.79%	857	244	913
Total	4,134	2.96%	5,007	4,134	1,173
Loans, excluding bonds and construction credit	2,965	2.04%	3,225	2,965	260

1) SEK 525m pertains to a bond interest rate of 5.25%.

2) SEK 400m pertains to a bond interest rate of 4.50%.

Consolidated cash flow statement

SEKm	31 Mar 2021	31 Mar 2020	31 Dec 2020
Cash flow from operating activities			
Income from property management	11.6	8.7	60.8
Adjustment for non-cash items ¹⁾	10.0	11.2	-43.1
Other operating income	0.1	0.6	2.2
Income tax paid	-3.9	-4.5	-3.4
Cash flow from operating activities before changes in working capital	17.8	16.0	16.5
Changes in working capital			
Change in accounts receivable	4.3	1.8	-6.6
Change in other operating receivables	28.4	31.1	36.7
Change in accounts payable	17.4	5.9	-0.3
Change in other operating liabilities	131.8	-23.7	50.2
Cash flow from operating activities	199.7	31.1	96.5
Cash flow from investing activities			
Investments in properties and projects	-1,227.1	-96.0	-1,074.7
Investments in equipment	-1.9	-1.2	-2.4
Divestments of investment properties	111.0	-	115.9
Change in other financial assets	-	-	103.5
Cash flow from investing activities	-1,118.0	-97.2	-857.7
Cash flow from financing activities			
New issue of ordinary shares	-	-	546.0
Issue of green capital securities	489.2	-	-
Loans raised	940.2	246.1	1,174.3
Repayment of loans	-349.9	-120.1	-447.8
Dividends paid	-10.5	-10.5	-42.0
Changes in non-controlling interests	-	-	-
Cash flow from financing activities	1,069.0	115.5	1,230.5
Cash flow for the period	150.7	49.4	469.3
Opening cash and cash equivalents	578.4	109.1	109.1
Closing cash and cash equivalents	729.1	158.5	578.4
<i>1) Other non-cash items</i>			
Reversal of depreciation and amortisation	0.7	1.7	0.4
Share of profit from joint ventures	-1.3	-1.1	-55.7
Accrued interest	10.6	10.6	12.2
	10.0	11.2	-43.1
Interest received	0.5	0.5	3.4
Interest paid	-21.8	-21.2	-92.4

Segment reporting

SEKm	Jan-Mar 2021				Jan-Mar 2020			
	Investment properties	Other	Not allocated	Total	Investment properties	Other	Not allocated	Total
Rental income	63.6			63.6	54.0			54.0
Income from new construction		-		-		-		-
Total income	63.6			63.6	54.0			54.0
Property costs	-18.1			-18.1	-14.0			-14.0
Total costs	-18.1			-18.1	-14.0			-14.0
Net operating income/Income from new construction	45.5			45.5	40.0			40.0
Central administration	-4.8		-5.2	-10.0	-3.0		-4.4	-7.4
Share of profit from joint ventures	1.3			1.3	1.1			1.1
Net financial items			-25.2	-25.2			-25.0	-25.0
Other operating income			0.1	0.1			0.6	0.6
Value changes, properties	120.3			120.3	219.2			219.2
Currency effects, properties	3.7			3.7	9.7			9.7
Profit before tax				135.7				238.2
Segment-specific assets								
Investment properties	5,554.6				4,097.5			
Properties under construction	947.7				556.5			
Development properties	103.1				68.4			
Shares in joint ventures	280.7				89.6			
Accrued income		-				47		
Segment-specific investments								
Acquisitions and investments in properties	1,116.1				105.7			

Segment reporting

Management has identified operating segments on the basis of internal management reports to the company's chief operating decision-maker, which the Group has identified as the CEO. Based on the internal management reports, the operations are organised, managed and reported as two operating segments: Property management and Other. The Investment properties operating segment has been consolidated according to the same policies as for the Group as a whole. The income and expenses reported for each operating segment are actual costs. The same applies to the assets and liabilities reported per segment and that are shown in the Consolidated statement of financial position.

In the segment reporting, ongoing residential projects are recognised under co-operative housing associations in the Other segment, in accordance with the previously applied revenue recognition policy described in the Group's 2020 Annual

Report. As a result, Genova considers the co-operative housing association an external counterparty and therefore recognises income from the sale of the property to the co-operative housing association at a point in time, and income from the project management as the work is completed over a period of time using the percentage of completion method. Income from transactions with co-operative housing associations is recognised in the 'Other' segment. These policies entail that Genova does not apply IFRS 10 Consolidated Financial Statements in its segment reporting, since the co-operative housing associations included in the consolidated financial statements are considered external parties in the segment reporting. Genova deems that this method of recognition best reflects Genova's residential transactions and the Board of Directors and management will continue to monitor the company's operations using this approach.



Hinnerup 1, Lund

Key metrics

	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Key metrics, properties			
Residential units under construction, no.	893	473	540
Residential units completed, no.	–	54	89
Total no. of building rights	6,319	5,487	5,890
Lettable area, commercial properties, ksqm	107.8	126.9	110.4
Lettable area, community service properties, ksqm	125.0	46.6	79.1
Total lettable area, ksqm	232.8	173.5	187.4
Economic occupancy rate, %	97.6	97.8	98.2
NOI margin, %	71.5	74.1	76.8
Net investments, SEKm	1,116.1	105.7	1,074.7
Financial key metrics			
Return on equity, %	14.1	42.0	19.1
Equity/assets ratio, %	39.6	34.7	39.0
Loan-to-value ratio, %	51.5	58.6	55.2
Average interest rate, %	2.0	2.4	2.1
Average interest rate including bond loans, %	3.0	3.1	2.9
Interest-coverage ratio, times	1.9	1.7	1.8
Maturity, no. of years	2.5	3.4	3.0
Key metrics, shares			
Total no. of preference shares outstanding, 000s	4,000	4,000	4,000
Average no. of preference shares outstanding, 000s	4,000	4,000	4,000
Total dividend on preference shares, SEKm	10.5	10.5	42.0
Dividend on preference share, SEK	2.62	2.62	10.5
Total no. of ordinary shares outstanding, 000s ¹	39,577	30,722	39,577
Average no. of ordinary shares outstanding, 000s	39,577	30,722	35,149
Income/loss from property management per ordinary share, SEK	0.03	–0.06	0.53
Income per ordinary share, SEK	2.35	5.86	10.69
Equity, SEKm	3,227.3	1,905.7	2,647.8
Equity attributable to ordinary shareholders, SEKm	2,129.0	1,387.5	2,129.4
Equity per ordinary share, SEK	53.79	45.16	53.80
Long-term net asset value, SEKm	3,487.0	2,197.5	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,388.7	1,679.3	2,364.6
Long-term net asset value per ordinary share, SEK	60.36	54.66	59.75

1) Restated to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

Parent Company income statement

SEKm	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	-	-	3.5
Total operating income	-	-	3.5
Other external costs	-1.5	-0.2	-29.6
Personnel costs	-1.9	-0.9	-7.8
Total operating expenses	-3.4	-1.1	-37.4
Operating loss	-3.4	-1.1	-33.9
Impairment of participations in Group companies	-	-	-52.8
Interest income and similar profit items	-	-	64.1
Interest expense and similar loss items	-14.5	-12.6	-59.6
Loss from financial items	-14.5	-12.6	-48.3
Loss before tax	-17.9	-13.7	-82.2
Tax on net income for the year	-	-	12.2
Net loss for the year	-17.9	-13.7	-70.0

Parent Company balance sheet

SEKm	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	221.7	222.1	222.0
Deferred tax assets	21.6	9.4	21.6
Receivables from Group companies	1,562.6	791.6	1,173.6
Other receivables	–	0.1	–
Total financial assets	1,805.9	1,023.2	1,417.2
Current receivables			
Other receivables	10.6	–	9.2
Prepaid expenses and accrued income	3.8	16.1	3.2
	14.4	16.1	12.4
Cash and cash equivalents	464.5	61.3	509.5
Total current assets	478.9	77.4	521.9
TOTAL ASSETS	2,284.8	1,100.6	1,939.1
EQUITY AND LIABILITIES			
Total comprehensive income for the period			
Restricted equity			
Share capital	52.3	0.7	52.3
Total restricted equity	52.3	0.7	52.3
Unrestricted equity			
Retained earnings	717.7	348.7	811.5
Net loss for the period/year	–17.9	–13.6	–70.0
Total unrestricted equity	699.8	335.1	741.5
Green capital securities	500.0	–	–
Total equity	1,252.1	335.8	793.8
Non-current liabilities			
Bond loans	903.3	659.9	901.9
Other non-current liabilities	40.0	40.0	40.0
Total non-current liabilities	943.3	699.9	941.9
Current liabilities			
Bond loans	–	–	52.7
Liabilities to Group companies	48.1	62.3	114.2
Other liabilities	36.1	0.3	36.5
Accrued expenses and deferred income	5.2	2.3	–
Total current liabilities	89.4	64.9	203.4
TOTAL LIABILITIES AND EQUITY	2,284.8	1,100.6	1,939.1

Parent Company statement of changes in equity

SEKm	Share capital	Retained earnings	Net income for the year	Green capital securities	Total equity
Opening balance, 1 January 2020	0.7	405.5	-46.3		359.9
Carried forward		-46.3	46.3		
Net loss for the year			-70.0		-70.0
Dividends		-42.0			-42.0
Bonus issue	41.0	-41.0			
New issue of ordinary shares	10.6	565.0			575.6
Issue costs of ordinary shares		-29.6			-29.6
New share issue					0.0
Loans raised from related parties, equity component					0.0
Closing balance, 31 December 2020	52.3	811.5	-70.0		793.8
Opening balance, 1 January 2021	52.3	811.5	-70.0		793.8
Carried forward		-70.0	70.0		
Net loss for the year			-17.9		-17.9
Dividend (SEK 2.62 per preference share)		-10.5			-10.5
Issue of green capital securities				500.0	500.0
Issue costs, green capital securities		-10.8			-10.8
Dividends, green capital securities		-2.4			-2.4
Closing balance, 31 December 2020	52.3	717.7	-17.9	500.0	1,252.1

Opportunities and risks for the Group and the Parent Company

Through its operations, Genova is exposed to various risks that could have a material effect on the company's future performance, earnings and financial position.

In Genova's business process, all major transaction and project decisions are analysed to identify risks and risk management, as well as opportunities. Risk management is an integral part of Genova's decision-making. For more information about Genova's risks, refer to the 2020 Annual Report on pages 66–69.

Regarding the possible effects of the COVID-19 pandemic, we are following the situation carefully and continuously analysing the risks for our operations. Our current assessment is that the pandemic will have a limited impact on the company due to our diverse tenant mix. A significant share of our rental income is derived from tenants who are not considered to be affected by the pandemic to any great extent, such as publicly funded operations and supermarkets. Genova's finances are strong, liquidity is good and we have access to extra capital should it be required, which may create opportunities.

Opportunities and risks in cash flow

Genova aims to achieve secure, cost-efficient and well-functioning property management. This requires a high level of service and close relationships with tenants. Genova applies an eternal perspective to property management, with the aim of continuing to grow the existing property portfolio through acquisitions and project development. Cash flows from the property portfolio provide a solid foundation for financing project development of residential units, primarily rental apartments, and community service properties such as schools, preschools, retirement homes and residential care facilities, while building on land that we have developed for own long-term management.

Genova's primary markets are Greater Stockholm and Uppsala, where most of the future project portfolio is located. Since existing and future investment property portfolios are located in attractive growth markets with long-term favourable demand for rental apartments, schools, preschools, retirement homes and residential care facilities, demand is expected to remain high. For new construction, the company is focused on cost efficiency, high profitability, short construction times and long-term quality assurance, while architecture and design are important elements.

The assessment is that Genova has good opportunities for maintaining a high level of customer service and therefore offer products with attractive rent levels, low costs and low vacancy rates.

Sensitivity analysis, cash flow¹

	Change	Effect on cash flow
Rental value	+/- 5%	+/- SEK 17m
Occupancy rate	+/- 2 percentage points	+/- SEK 7m
Property costs	+/- 10%	+/- SEK 8m
Interest expense	+/- 1 percentage points	+/- SEK 32m

¹ The cash flow pertains to the last 12 months. Occupancy rate is based on the rental value.

Property value opportunities and risks

Genova's investment property portfolio, investment properties and properties under construction are internally or externally appraised every quarter. External appraisals are carried out by an independent appraisal organisation. Internal appraisals are based on information and market data from independent appraisal organisations or transactions carried out in the market. Changes in the value of properties are included in profit or loss.

The appraisal method used to assess the value of properties is mainly based on the present value of future cash flows and determined by four input parameters – rents, maintenance costs, vacancy rates and internal rate of return. The rent concept includes the actual rent level and any future rental assumptions. The internal rate of return is a sum of the risk-free interest rate and the risk premium that investors can expect to realise from a given investment.

The value of properties is driven by supply and demand, where investors analyse the expected net operating income and, in combination with the willingness to accept a given level of risk, assess the internal rate of return. Increased demand/willingness to accept risk lowers internal rate of return and therefore raises the value, while declining demand/willingness to accept risk has the opposite effect.

By continuing to develop and build attractive properties for own management in growth areas, Genova believes that the company can maintain favourable rent levels, low vacancy rates and low costs.

Sensitivity analysis, value changes¹

Value changes, %	+/- 5%	+/- SEK 330m
Value changes, %	+/- 10%	+/- SEK 661m
Loan-to-value ratio ²	+/- 5%	49%/54%
Loan-to-value ratio ²	+/- 10%	47%/57%

¹ The value change is based on fair value as of the balance-sheet date.

² The loan-to-value ratio has been adjusted for the theoretical value change.

Financial risk

In addition to equity, Genova's operations are largely financed by loans from credit institutions, whereby interest expense is one of the company's largest cost items. Genova's financial risk therefore includes interest-rate risk, funding risk and liquidity risk. The company is exposed to interest-rate risk, since changes in interest rates affect the company's interest expense.

Financing risk pertains to the risk of higher costs for raising new loans or financing and/or that the refinancing of overdue loans will be more difficult or only possible on unfavourable terms. Liquidity risk pertains to the risk that Genova is unable to pay anticipated and/or unforeseen expenses. Genova works actively to manage these risks by allocating capital to hedge interest-rate risk in the credit portfolio, maintaining a positive and proactive dialogue with the company's banks, and monitoring liquidity risk on a regular basis.

Shares and ownership structure

Genova has two classes of shares – ordinary shares and preference shares. The ordinary shares were listed on Nasdaq Stockholm as of 30 June 2020. The preference shares were listed on Nasdaq Stockholm as of 12 June 2020 and were previously listed on Nasdaq First North Premier Growth Market as of 20 November 2015. At the end of the period, Genova had 4,428 shareholders.

Each preference share entitles the owner to an annual dividend of SEK 10.50, which is paid out quarterly. The next payment date for the quarterly dividend on preference shares is 20 May 2021.

As of 31 March 2021, the closing price for the ordinary share was SEK 79.50. As of 31 March 2021, the closing price for the preference share was SEK 130.

As of 31 March 2021, the total number of shares in Genova was 43,576,966, of which 39,576,966 were ordinary shares and 4,000,000 preference shares.

Proposed redemption of preference shares

In April, Genova announced that the company proposes a redemption of outstanding preference shares in accordance with the redemption clause in the company's now registered Articles of Association, as set out in the Notice convening the Annual General Meeting of Genova that was published on the company's website (www.genova.se) on 6 April 2021. On the redemption date of 14 June 2021, the redemption price will amount to SEK 130 and SEK 00.70 per redeemable preference share. The proposed record date for the redemption is 9 June 2021. The AGM's approval and execution of the redemption is conditional upon the holders of the company's outstanding 2020/2024 bonds with ISIN SE0014808820, and 2019/2023 bonds with ISIN SE0013222593, approving a redemption of the preference shares.

Shareholders

31 March 2021

Name	No. of ordinary shares	No. of preference shares	Holding (%)	Votes (%)
Micael Bile (via company)	17,814,999	140,000	41.20	44.60
Andreas Eneskjöld (via company)	8,111,429	39,729	18.71	20.30
Länsförsäkringar Fondförvaltning AB	3,874,479	0	8.89	9.69
Michael Moschewitz (via company)	2,150,538	22,298	4.99	5.39
Lancelot Asset Management	1,763,000	0	4.05	4.41
Avanza Pension	1,075,350	449,852	3.50	2.80
Capital Research and Management	1,384,600	0	3.18	3.46
Skandia Fonder	929,787	0	2.13	2.33
SEB Investment Management	400,795	0	0.92	1.00
Enter Fonder	381,818	0	0.88	0.96
BNP Paribas	342,267	0	0.79	0.86
RBC Investor Services Bank SA	0	300,000	0.69	0.08
Cancerfonden	230,000	0	0.53	0.58
Total other shareholders	1,117,904	3,048,121	9.56	3.56
Total	39,576,966	4,000,000	100.00	100.00

Other information

Organisation

During the period, the average number of employees in the organisation was 26 (26), of whom 13 (13) were women. The employees have relevant and broad experience in property management, project management, construction, finance, law, marketing and sales.

Related-party transactions

Related-party transactions are presented in Note 36 of Genova's 2020 Annual Report. The year-on-year volume and nature of the transactions remained essentially unchanged during the period. Customary remuneration has been paid to the Board of Directors and senior executives.

Annual General Meeting

The Annual General Meeting of Genova Property Group AB (publ) will be held on 7 May 2021 at 11:00 a.m. in Stockholm, Sweden. Due to the COVID-19 pandemic, the Annual General Meeting will be held only by postal ballot as based on temporary legislation.

Accounting policies

Genova applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The information required by IAS 34.16A is also disclosed, except in the financial statements and their related notes, in other sections of the interim report. The Parent Company's accounts are prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The same principles of accounting and measurement are applied as in the most recent Annual Report, refer to Note 2 in Genova's 2020 Annual Report.

Revenue

Revenue from contracts with customers refers to income from the sale of goods and services from Genova's ordinary operations. Revenue is recognised when the customer obtains control over the goods or services that the company deems to be distinct in a contract and reflects the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer. The Group's revenue is derived from lease income and recognised in accordance with IFRS 16 Leases. These principles are described in Note 2 of the 2020 Annual Report. Other revenue is derived from the sale of apartments to home buyers, who are normally private consumers. Agreements to purchase apartments are continuously concluded with customers, and start before construction has commenced. The Group has identified a distinct performance obligation in these agreements: the sale of a dwelling unit. The transaction price is fixed in its entirety. Revenue is recognised when the customer has obtained control, by allowing the customer to use or benefit from the unit, whereby control is considered transferred. Genova has made the assessment that control of the dwelling unit is transferred to the customer at a point in time, when the buyer gains accession to the residential unit. This normally takes place over a shorter period of time as the residential property is completed.

Auditors' review

This interim report has not been audited.

Assurance of the Board of Directors and Chief Executive Officer

The Board of Directors and Chief Executive Officer hereby certify that this interim report provides a true and fair view of the Parent Company and the Group's operations, financial position and earnings and describes significant risks and uncertainties faced by the Parent Company and those companies included in the Group.

Stockholm, 7 May 2021

Mikael Borg, Chairman of the Board

Micael Bile, Board member

Jan Björk, Board member

Andreas Eneskjöld, Board member

Erika Olsén, Board member

Maria Rankka, Board member

Knut Ramel, Board member

Michael Moschewitz, CEO

Financial calendar

Annual General Meeting 2021	7 May 2021
Interim report, January-June 2021	16 August 2021
Interim report January-September 2021	29 October 2021

For further information, please contact:

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This information is inside 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 7 May 2021 at 08:00 a.m. (CET).

Definitions

Genova or the company

Genova Property Group AB (publ).

Return on equity

Net income after tax, based on a rolling 12-month period, in relation to average equity. Return on equity is used to assess Genova's ability to generate profits from its shareholders' investments in the company.

Loan-to-value ratio, %

Interest-bearing liabilities less cash and cash equivalents in relation to the market value of investment properties, properties under construction and development properties at the end of the reporting period. The loan-to-value ratio is used to assess Genova's financial risk.

Net operating income

Rental income less property costs. This key metric is used to measure the profitability of property management before central administrative expenses, net financing costs and unrealised value changes.

Equity attributable to ordinary shareholders

Equity less the value of all preference shares outstanding as of the balance-sheet date, in relation to the number of ordinary shares outstanding as of the balance-sheet date. The value of all preference shares outstanding is calculated as SEK 130 multiplied by the number of preference shares as of the balance-sheet date. SEK 130 corresponds to the amount per preference share that the holder is entitled to receive, before ordinary shares, in the event of the company's dissolution. Equity attributable to ordinary shareholders is used to measure the ordinary shareholders' proportion of the company's equity per ordinary share.

Investment properties

Refers to properties with existing cash flows and includes commercial premises, residential units and community service properties.

Income from property management

Income before value changes and tax. Income from property management is used to measure the profitability of property management after financial income and expenses, but not unrealised value changes.

Income from property management per ordinary share

Income from property management less dividend payments on preference shares during the period, in relation to the number of weighted average ordinary shares outstanding during the period. Income from property management per ordinary share is used to measure the ordinary shareholders' proportion of income from property management per ordinary share.

Rental value

Contract value plus estimated market rent for unlet spaces. Rental value is used to measure the Group's potential net income.

Adjusted income per ordinary share

Net income attributable to Parent Company shareholders less dividend payments on preference shares during the period, in relation to the number of weighted average ordinary shares outstanding during the period. Adjusted income after tax per ordinary share is used to measure Parent Company shareholders' proportion of the company's net income after tax per ordinary share.

Long-term net asset value

Recognised equity with reversal of deferred tax. Long-term net asset value is used to provide stakeholders with information about Genova's long-term net asset value estimated in a standard manner for listed property companies.

Long-term net asset value attributable to ordinary shareholders

Long-term net asset value less the value of all preference shares outstanding. The value of all preference shares outstanding is calculated as SEK 130 multiplied by the number of preference shares as of the balance-sheet date. SEK 130 corresponds to the amount per preference share that the holder is entitled to receive, before ordinary shares, in the event of the company's dissolution. Long-term net asset value attributable to ordinary shareholders is used to clarify the proportion of long-term net asset value considered attributable to ordinary shareholders after the proportion attributable to preference shareholders and non-controlling interests has been eliminated.

Long-term net asset value per ordinary share

Long-term net asset value attributable to ordinary shareholders divided by the number of ordinary shares outstanding as of the balance-sheet date. Long-term net asset value per ordinary share is used to measure the ordinary shareholders' proportion of the company's long-term net asset value attributable to ordinary shareholders per ordinary share.

Development properties

Refers to properties for further development.

Income per ordinary share

Net income for the period/year less dividends paid on preference shares during the period, in relation to the weighted average number of ordinary shares outstanding during the period. Net income after tax per ordinary share is used to measure ordinary shareholders' proportion of the company's net income after tax per ordinary share.

Interest-coverage ratio

Net operating income less costs for central administrative expenses attributable to property management in relation to net interest income (over the past 12 months). Non-recurring financial items are not included in the calculation. The interest-coverage ratio is used to measure the sensitivity of the company's income to interest-rate fluctuations.

Equity/assets ratio

Equity at the end of the period in relation to total assets at the end of the period. The equity/assets ratio is used to measure Genova's financial stability.

Lettable area

Total area in sqm that is available for letting

Economic occupancy rate

Contract value in relation to rental value at the end of the period. This key metric is expressed as a percentage and used to measure vacancies, where a high percentage of occupancy equates to a low economic vacancy rate.

NOI margin

Net operating income in relation to rental income. The net operating income (NOI) margin is used to measure the profitability of property management before financial income and expenses, and unrealised value changes.

Contact

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genova.se



Brf Balneum, Gröndal

G E N O V A