

GENOVA



Interim report January–June / **2021**

The period in summary

January–June 2021 period

- Rental income amounted to SEK 141.8m (110.6), an increase of 28%.
- Net operating income amounted to SEK 104.2m (84.9), an increase of 23%.
- Income from property management¹ increased 69% to SEK 34.8m (20.6), of which income from property management attributable to ordinary shareholders was SEK 11.0m (0.4), corresponding to SEK 0.28 (-0.01) per ordinary share.
- Net income after tax amounted to SEK 263.8m (231.0), corresponding to SEK 6.06 (6.84) per ordinary share.
- Long-term net asset value attributable to ordinary shareholders increased 53% to SEK 2,563.0m (1,675.3), corresponding to SEK 64.76 (54.53) per ordinary share.

April–June 2021 quarter

- Rental income amounted to SEK 78.2m (56.6), an increase of 38%.
- Net operating income amounted to SEK 58.7m (44.9), an increase of 31%.
- Income from property management¹ increased 95% to SEK 23.2m (11.9), of which income from property management attributable to ordinary shareholders was SEK 9.9m (1.4), corresponding to SEK 0.25 (0.05) per ordinary share.
- Net income after tax amounted to SEK 160.4m (40.4), corresponding to SEK 3.71 (0.97) per ordinary share. Asides from increased income from property management, the increase is the result of higher value changes during the quarter compared with the year-on-year quarter.

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-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Rental income, SEKm	141.8	110.6	78.2	56.6	231.1
Net operating income, SEKm	104.2	84.9	58.7	44.9	177.4
Income from property management, SEKm ¹	34.8	20.6	23.2	11.9	60.8
Income/loss from property management per ordinary share, SEK ¹	0.28	-0.01	0.25	0.05	0.53
Residential units under construction, no. ²	898	438	898	438	540
Residential units completed, no. ³	35	89	35	35	137
Net investment, SEKm	1,450.3	273.7	223.2	168.7	1,074.7
Loan-to-value ratio, %	59.2	64.0	59.2	64.0	55.2
Equity/assets ratio, %	37.0	34.9	37.0	34.9	39.0
Interest-coverage ratio, times ⁴	2.1	1.8	2.4	1.9	1.8
Long-term net asset value, SEKm	3,341.4	2,193.5	3,341.4	2,193.5	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,563.0	1,675.3	2,563.0	1,675.3	2,364.6
Total no. of ordinary shares outstanding, 000s ⁵	39,577	30,722	39,577	30,722	39,577
Long-term net asset value attributable to ordinary shareholders per ordinary share, SEK	64.76	54.53	64.76	54.53	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 40 hotel rooms.

³ Completed residential units in 2021 pertains to hotel rooms.

⁴ Excluding non-recurring costs.

⁵ Restated for Q1 2020 to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

SEK 7,139 m

Property value

6,782

Residential building rights

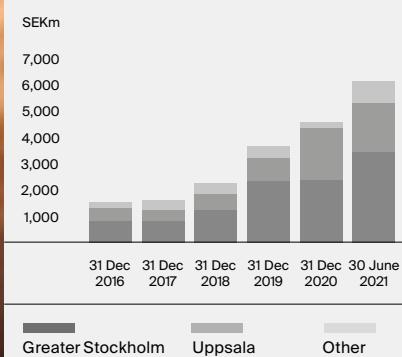
59%

Loan-to-value ratio

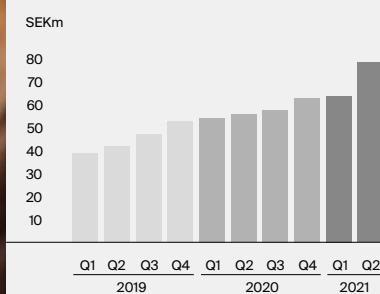
SEK 3,341 m

Long-term net asset value

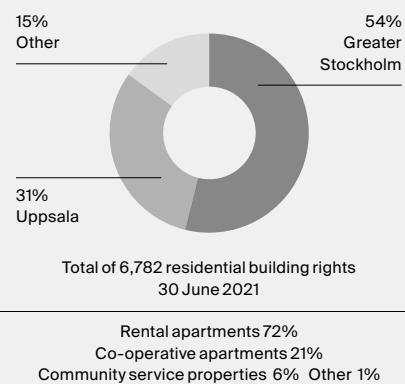
Value of investment properties per geography



Rental income



Project development



Genova continued to grow rapidly during the first half of 2021.

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 expanded the 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 until 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.

Second quarter

- In April, 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.
- Also in April, Genova published a prospectus and applied for admission of its green capital securities to trading on Nasdaq Stockholm.
- In May, a new green rental agreement was signed with the Swedish Police Authority for six years and an extension with Botkyrka Municipality for three years. The agreements, which relate to properties in Tumba, cover almost 9,000 sqm 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.
- In May, Genova successfully issued a further tranche of green capital securities of SEK 200m under its outstanding green framework.
- In May, an agreement was signed to acquire a green project property for warehouse and logistics purposes in Uppsala. The property is strategically located and upon completion will comprise approximately 14,000 sqm of lettable area for warehouse and logistics purposes. The total investment for Genova when completed will amount to SEK 210m (SEK 15,000/sqm) before deductions for deferred tax. Accession is scheduled for August 2021.
- In May, the Annual General Meeting of Genova resolved on the redemption of all preference shares in the company in accordance with the redemption clause in the company's Articles of Association. The record date for the redemption was set as 9 June 2021. 7 June was the last day of trading in Genova's preference shares.
- In May, the Annual General Meeting resolved to issue a maximum of 400,000 warrants. Each warrant entitles the holder to subscribe for one new ordinary share in the company for SEK 125.10 per ordinary share during the period from 20 June 2024 until the date that follows 30 calendar days thereafter. All employees have been offered to participate in the programme and in June the staff subscribed for 400,000 warrants.
- In June, an agreement was signed to acquire properties with development potential in Täby at an underlying property value of SEK 92m. Annual rental income amounts to approximately SEK 5.5m with initially expected net operating income of approximately SEK 4.7m. The total lettable area is approximately 4,400 sqm with a total land area of approximately 6,300 sqm. Genova deems that future residential building rights will amount to approximately 16,000 sqm gross lighted floor area. Accession is scheduled for 1 September 2021.
- In June, an agreement was signed to acquire properties with development potential in Uppsala at an underlying property value of SEK 97m. Annual rental income amounts to approximately SEK 6.9m with initially expected net operating income of just over SEK 4.8m. The total

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

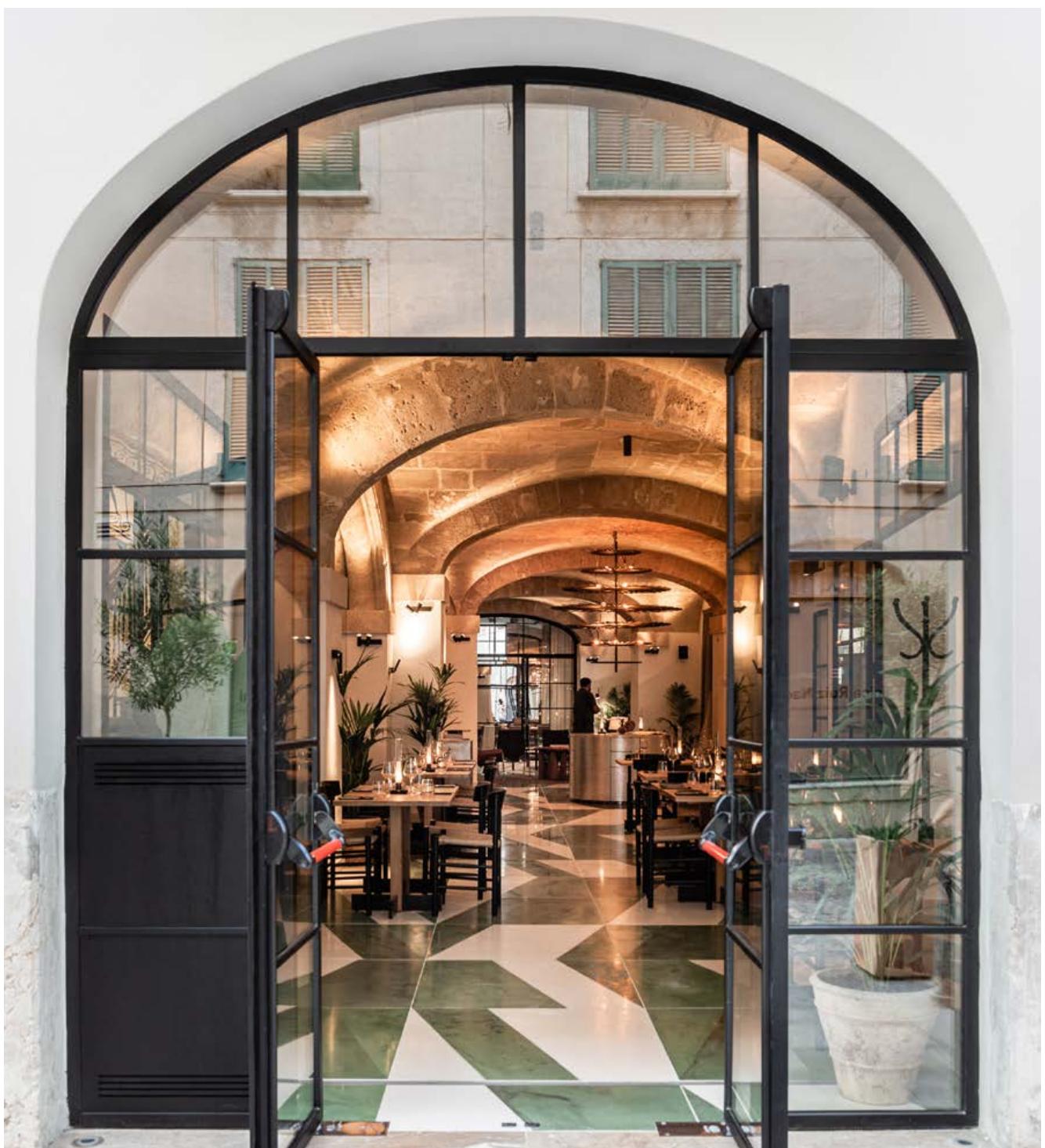
for a relatively limited impact on the company will remain favourable. Genova has a stable financial position, good liquidity and a diversified tenant mix, where approximately 63% of the rental value is derived from residential units, publicly funded operations and supermarkets. Rental apartments and community service properties in Greater Stockholm and the Uppsala Region account for just over 80% of the rental value of Genova's ongoing and planned project development.

lettable area is approximately 4,900 sqm with a total land area of approximately 9,200 sqm. Genova deems that future residential building rights could amount to approximately 23,000 sqm gross lighted floor area. Accession is scheduled for 1 September 2021.

- In June, Genova published a prospectus and applied for admission to trading on Nasdaq Stockholm of its green capital securities issued in May 2021.

Events after the end of the period

- In July, a new two-year rental agreement was signed with Cytiva for 2,000 sqm in the Boländerna 9:11 property in Uppsala. The annual rental value is approximately SEK 2.1m.



Hotell Nobis, Palma, Majorca

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%	Rental income
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 19% 30 June 2021	Target >70% 30 June 2021
Income from property management²	>20%	Ongoing construction
Achieve an average annual growth of at least 20% in income from property management per ordinary share over a business cycle.	Target 76% Rolling 12-month period 30 June 2021	Target 1,500 30 June 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%	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.
Over time, the equity/assets ratio shall be at least 35%.	Target 37% 30 June 2021	
Loan-to-value ratio	<65%	
Over time, the loan-to-value ratio shall not exceed 65%.	Target 59% 30 June 2021	
Interest-coverage ratio	>2.0 times	
Over time, the interest-coverage ratio shall be higher than 2.0.	Target 2.1 times 30 June 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% 30 June 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 898³ 30 June 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 declined SEK 80m due to the proposed redemption of preference shares outstanding. For more information, see "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. 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 40 hotel rooms.

CEO's statement

Genova continued on its growth journey during the first half of 2021. Acquisitions that strengthened earnings were completed and we significantly increased the volume of the ongoing construction of rental apartments. The production will increase further during the autumn, with project starts with a clear focus on sustainability in our core markets of Stockholm and the Uppsala region.

In the first half of the year 2021, Genova posted significant increase in net asset value and income from property management, our most important measurements of growth. Over the past 12 months, income from property management has risen to SEK 75m, up 76% per ordinary share. Growth in net asset value per ordinary share increased 19%. In pace with our accession of completed acquisitions, earnings capacity will further increase during the second half of the year.



"We possess the organisational capacity and financing to gear up production."

Increased ongoing production

During the first half of the year, we significantly accelerated the production pace of sustainable rental apartments for own long-term management by starting the construction of projects in Knivsta and Enköping, and expanding the area in our ongoing project in Norrtälje.

With these projects totalling about 60,000 sqm, we will strengthen our rental income by over SEK 100m annually and add almost 1,000 rental apartments to our portfolio during the 2022–2023 period. We are planning for construction starts of additional projects during the second half of the year totaling 70,000 sqm, including almost 800 rental apartments, schools, preschools, etc. Demand for rental apartments remains high in our core markets and we possess the organisational capacity and financing to gear up production. The goal is to have at least 1,500 rental apartments in ongoing production per year from 2022.

Acquisitions with stable cash flow and potential

Through acquisitions of investment properties with development potential, we are strengthening our earnings and acquiring the potential to create new building rights. During the second quarter, we acquired two properties in Täby and Uppsala that have potential for future residential development. These properties are strategically situated with stable cash flows in attractive growth communities where we own several other properties.

Green finance

All of Genova's ongoing construction projects are being constructed with a clear sustainability profile and will be environmentally certified. This provides us with efficient tools in our property

management and clear goals for increasing environmental performance. During 2021, Genova is taking further steps in regard to its sustainability initiatives that include focusing on the certification of existing investment properties and prioritising green finance. In May, Genova issued a further tranche of green capital securities of SEK 200m under its green framework. We have thus issued a total of SEK 700m under the outstanding framework of SEK 1,250m. The capital was used in accordance with the green framework and for the redemption of preference shares outstanding in June, a change in our capital structure that will contribute to a stronger cash flow and better terms and conditions for our continued growth.

Growth and sustainability in focus

June marked one year since Genova's listing of its ordinary share on Nasdaq Stockholm, a milestone for the company. In May, Genova was awarded the prize of best 2020 listing in the "Quality in class environmental company" category by Affärsverlden. It is of course extremely pleasing for us that Genova has been recognised for our work with the listing of our ordinary shares. I am proud that we were able to complete the offering and listing successfully in the uncertain market at that time. We had investors that believed in us, a long-term plan and a strong team to make it possible. Our performance since the listing demonstrates that our business concept with sustainable value creation, quality and a long-term perspective is appreciated by the market. Now we are looking forward to an intense second half of the year, with growth and sustainability in focus

Michael Moschewitz, CEO

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 opportunities 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 51 investment properties with a market value of approximately SEK 6,148m, allocated over approximately 243,000 sqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 7,780m.

Development during and after the end of the quarter

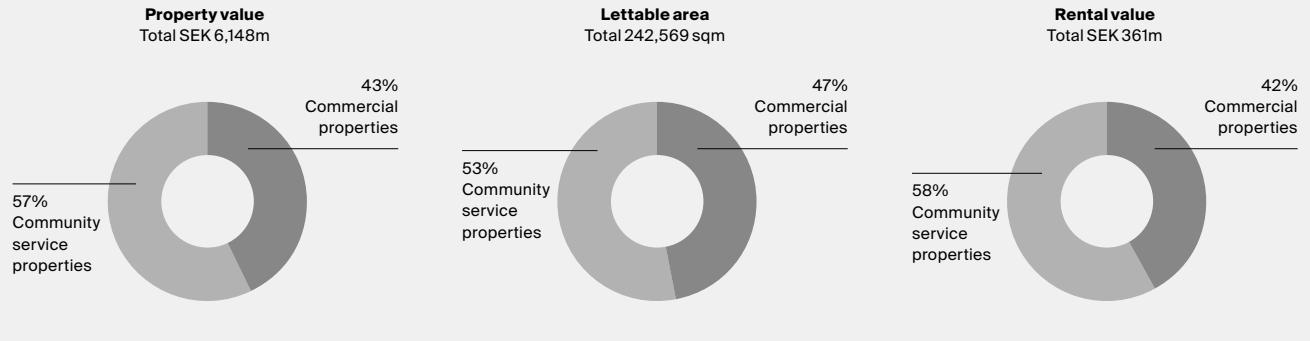
Acquisitions and accessions

During and after the quarter, Genova acquired investment properties at a total underlying property value of SEK 189m with accession set for the third quarter of 2021. During the quarter, Genova accessed investment properties of SEK 477m and exited investment properties of SEK 295m from barter agreements with Nyfosa that were made in the first quarter of 2021.

In June, Genova entered into an agreement to acquire properties with development potential in Täby at an underlying property value of SEK 92m

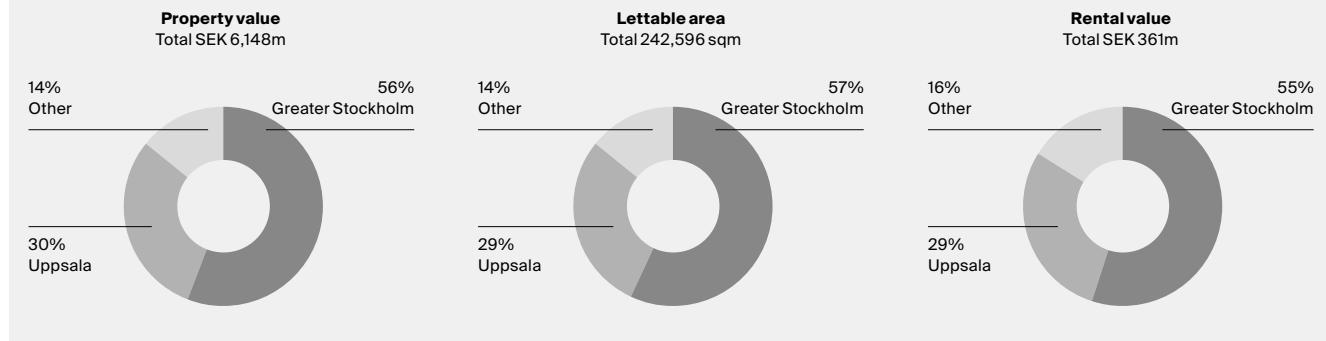
Investment properties per property category

30 June 2021



Investment properties per geography

30 June 2021



(SEK 20,909/sqm) before deductions for deferred tax. The Fuxen 3 property is currently almost 90% let to the tenant WesDyne Sweden with a rental agreement in place until 2027. Annual rental income for the property amounts to approximately SEK 5.5m with initially expected net operating income of approximately SEK 4.7m. The total lettable area is approximately 4,400 sqm with a total land area of approximately 6,300 sqm. Accession is scheduled for 1 September 2021. The property, which is situated by the new Täby Park district, has previously received positive plan-

ning permission decision for the development of rental apartments. Genova deems that the future residential building rights will amount to approximately 16,000 sqm gross lighted floor area.

Genova also signed an agreement in June to acquire properties with development potential in Uppsala at an underlying property value of SEK 97m (SEK 19,923/sqm). The Kvarngärdet 63:2-4 properties are currently about 75% let, with the largest tenants comprising Uppsala Student Union and Uppsala Municipality. Annual rental income amounts to approximately SEK 6.9m

with initially expected net operating income of just over SEK 4.8m. The total lettable area is approximately 4,900 sqm with a total land area of approximately 9,200 sqm. Accession is scheduled for 1 September 2021. Genova estimates that future residential building rights may amount closer to 23,000 sqm gross lighted floor area. The acquired properties make up the final part of Kapellgärdet's development area, a new district about one kilometre north of central Uppsala.

Investment property portfolio

30 June 2021

	No. of properties	Lett able area, sqm	Property value		Rental value		Occupancy 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 category¹												
Commercial properties	29	114,789	2,629	22,901	152	1,323	93.5	142	-39	-341	103	896
Community service properties ³	22	127,780	3,519	27,543	209	1,638	98.3	206	-45	-349	161	1,262
Total per property category	51	242,569	6,148	25,346	361	1,489	96.3	348	-84	-345	264	1,089
Per geography												
Greater Stockholm	28	139,182	3,444	24,746	197	1,417	97.7	193	-49	-349	144	1,035
Uppsala	17	69,179	1,855	26,807	106	1,527	96.9	102	-23	-332	79	1,148
Other	6	34,208	849	24,833	58	1,707	90.5	53	-12	-358	41	1,187
Total per geography	51	242,569	6,148	25,346	361	1,489	96.3	348	-84	-345	264	1,089
Ongoing construction ⁴				789								
Planned projects				202								
Total as per the balance sheet				7,139								
Acquired, not yet accessed properties and near-term completed constructions	2	9,251	189		15	1,648	81.0	12	-2.8	-308	10	1,027
Total	53	251,820	7,328		376	1,495	95.7	360	-87	-344	274	1,086

In addition:

Properties owned through joint ventures	640
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1) Based on the primary use of the property.

2) Not including rental discounts of SEK 13m.

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

4) Including the ongoing Danmarks-Kumla project in Uppsala, for which a divestment agreement was concluded in Q1 2021 with exit scheduled for Q4 2021. The project's book value amounted to SEK 248m as of 30 June 2021.

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.

Lettings

In May, a new green rental agreement was signed with the Swedish Police Authority for six years and an extension with Botkyrka Municipality for three years. The agreements, which relate to properties in Tumba, cover almost 9,000 sqm 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.

In July, a new two-year rental agreement was signed with Cytiva for 2,000 sqm in the Boländerna 9:11 property

in Uppsala. The annual rental value is approximately SEK 2.1m.

Tenants and rental agreement structure

At the end of the period, Genova had approximately 330 tenants with an average remaining rental duration of six and a half years.

The three largest tenants were Internationella Engelska Skolan, Coop Sverige and Uppsala Music School Trust, which jointly accounted for 14% 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

30 June 2021

	No. of rental agreements	Area Ksqm	Rental value, SEK m	Percent-age %
Term				
2021	43	7	8	2
2022	91	24	33	10
2023	44	36	50	14
2024	44	33	44	13
2025	16	33	58	17
>2025	44	91	149	43
Total	282	224	343	99
Rental apartments	51	3	5	1
Total	333	227	348	100
Vacant				
Total	243	361		

10 largest tenants

30 June 2021

Tenants	Contracted rent, SEKm	% of total portfolio
Internationella Engelska Skolan Sweden	20.3	5.9
Coop Sverige Fastigheter AB	14.5	4.2
Uppsala Music School Trust	12.9	3.7
HOOM Home & Hotel AB	11.4	3.3
City of Stockholm, Education Administration	11.3	3.3
Gluntens Montessori School	11.1	3.2
Repligen Sweden AB	10.5	3.0
Yrkesplugget i Sverige AB	9.8	2.8
Norlandia Care AB	9.5	2.7
Dagab Inköp och Logistik AB	9.3	2.7
Total	120.7	34.8
Average weighted remaining term, years (10 largest)		8.0
Average weighted remaining term, years (all agreements)		6.5

Allocation of rental income¹

30 June 2021

Rental agreements	Contracted annual rent, SEKm	Participation, %
Community service properties	188	54
Residential units	5	1
Supermarkets	28	8
Other commercial	127	37
Total	348	100

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 13m 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.

During the third quarter of 2021, the two acquired properties in Täby and Uppsala were accessed. These accessions will increase rental income by approximately SEK 12m and net operating income by approximately SEK 10m. Since these properties had not been accessed or exited as of 30 June 2021, they are not included in the table of estimated earnings capacity.

Estimated earnings capacity of investment properties

SEKm	
Rental value ¹	361
Vacancy rate	-13
Rental income	348
Operating costs	-63
Maintenance costs	-14
Property tax	-7
Total property costs	-84
Net operating income	264
Central administration, property management	-18
Genova's share of income from property management through joint ventures	8
Net financial items	-109
Income from property management	145

1) Not including rental discounts of SEK 13m.



Kvarngärdet 63:2-4, Uppsala

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 approximately SEK 12 billion in our ongoing and planned production to complete investment properties for long-term ownership. Completed value is estimated to amount to approximately SEK 15 billion with an estimated rental value of approximately SEK 700m. Genova's project development also comprises the construction of future co-operative apartments with planned investments of just over SEK 4 billion and a completed value of just over SEK 6 billion. 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 30 June 2021, Genova's project portfolio comprised approximately 430,000 sqm of lettable area allocated between 6,782 residential building rights, of which nearly 75% consisted of rental apartments and community service properties that Genova intends to develop for own long-term management, and approximately 25% co-operative apartments and commercial properties.

About 85% 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

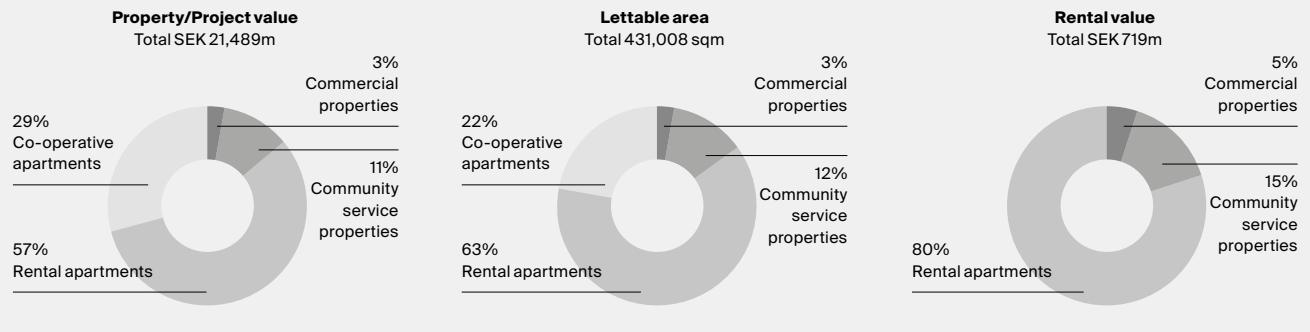
building rights. This could be relevant if Genova did not follow its business plan to develop the building rights and instead chose to divest them. At 30 June 2021, CBRE's market evaluation of the expected unused building rights in Sweden included in Planned projects amounted approximately SEK 3.1 billion. At 30 June 2021, 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 1.7 billion. On the basis of a completed market valuation, the assessment is that the excess value in the Group's building rights portfolio amounted to approximately SEK 1.4 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 developer. Genova's goal is that all newly

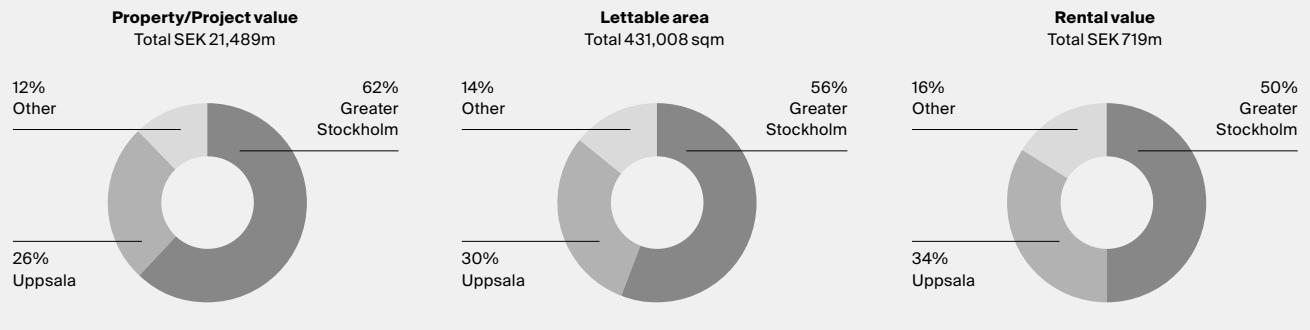
Project development per property category

30 June 2021



Project development per geography

30 June 2021



constructed properties in our portfolio will be environmentally certified in order to meet customer requirements, reduce its greenhouse gas emissions, minimise risk, increase value and facilitate more favourable loan terms.

Genova believes that certification of the properties is a useful tool for promoting long-term management and clear goals for improving the environmental performance of the properties. In 2020, Genova constructed its first Nordic Swan Ecolabelled building with rental apartments in Knivsta and there are plans to environmentally certify the rental apartments and community service properties in Norrtälje, Knivsta and Enköping that are currently under construction.

Genova is aiming to increase the proportion of projects with green finance. Green finance further exemplifies the connection between sustainability and profitability when it is possible to influence the company's financial expenses by running projects and management with a sustainability focus. As part of these efforts, we have produced a green finance framework that outlines Genova's operations based on a number of sustainability criteria, focusing on energy-efficient buildings. Read more at www.genova.se.

Ongoing construction

As of 30 June 2021, Genova had 898 residential units under construction, of which 40 hotel rooms, with a book value of SEK 789m. The amount includes SEK 248m pertaining to the ongoing Danmarks-Kumla project in Uppsala in which Genova is constructing a warehouse and logistics building. The project property was acquired at an underlying property value of SEK 275m. The property was divested in the first quarter of 2021 at an underlying property value of SEK 362m and is scheduled for exit in the fourth quarter of 2021. As such, the project is not included in ongoing construction in the tables on pages 15–16. The divestment entailed a value change of SEK 71m, which was reported in the consolidated statement of comprehensive income for the period.

The units under construction are Can Oliver 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.

The Hotell Nobis project was completed during the quarter and the tenant Nobis has commenced operations in the hotel. In conjunction with the completion, the property was reclassified as an investment property. The other hotel project in Palma, Can Oliver, commenced during the quarter with scheduled completion in the second quarter of 2023.

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 May, Genova agreed to acquire a green project property for warehouse and logistics purposes in Uppsala. The Söderhällby 1:9 property is strategically located and upon completion will contain approximately 14,000 sqm of lettable area for warehouse and logistics purposes. The total investment for Genova when completed will amount to SEK 210m (SEK 15,000/sqm) before deductions for deferred tax. Accession is scheduled for August 2021. The property will be certified to SGBC Silver standard and is scheduled for completion in June 2022. As of today, almost 15% of the existing area is let to PDL, which has a ten-year rental agreement. The property value when completed is estimated at approximately SEK 265m (SEK 18,930/sqm) with an estimated total annual rental value of approximately SEK 17m and an expected annual net operating income of approximately SEK 16m.

Planned projects

Planned projects comprised a total of approximately 5,884 expected residential building rights allocated between approximately 350,000 sqm, of which about 75% 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 1,280m, of which Genova's share amounts to SEK 640m. Shares in joint ventures are recognised using the equity method. The properties, which are currently let, comprise a total of approximately 2,432 residential building rights, of which Genova's share is 1,216 and included in the total number of building rights recognised for the ongoing and future development of residential units.



Fuxen 3, Täby

Ongoing construction

30 June 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 ⁵
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimat-ed	Accum-ulated	
Handelsmannen 1	Norrköping	Community service properties	Q4 2019	Q3 2022	80	6,080	1,437	370	49,222	16	2,126	283	139	167
Handelsmannen 1	Norrköping	Rental apartments	Q4 2019	Q4 2022/Q4 2023 ²	408	21,314	—	975	45,745	44	2,069	824	130	178
Segerdal ³	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	9,027	252	398	42,908	19	2,056	345	29	—
Korsängen	Enköping	Rental apartments	Q1 2021	Q1 2023	220	11,800	296	527	43,560	26	2,112	453	57	57
Hotell Can Oliver ⁴	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	—	286	86,784	13	3,806	193	134	139
Total ongoing construction					898	51,521	1,985	2,556	47,778	117	2,336	2,098	489	541

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) Pertains to hotel rooms.

5) Excluding the ongoing Danmarks-Kumla project in Uppsala, for which a divestment agreement was concluded in Q1 with exit scheduled for Q4 2021. At 30 June 2021, the book value of the project was SEK 248m.

Planned projects

30 June 2021

Project	No. of residential units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value, SEKm
		Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimat-ed	Accum-ulated	
Per category										
Rental apartments	4,085	227,340	—	10,321	45,401	486	2,137	8,506	57	109
Community service properties	360	26,855	18,478	1,949	43,000	96	2,118	1,576	10	10
Commercial properties	—	—	10,880	339	31,188	20	1,813	303	7	10
Co-operative apartments	1,440	93,950	—	6,323	67,297	—	—	4,589	47	74
Total per category	5,884	348,145	29,358	18,933	50,152	601	2,121	14,973	120	202
Per geography – Own management										
Greater Stockholm	1,990	117,465	18,148	6,408	47,249	300	2,216	5,313	38	78
Uppsala	1,544	83,765	10,745	4,052	42,868	197	2,079	3,333	24	34
Other	911	52,965	465	2,151	40,258	104	1,955	1,739	11	16
Total per geography	4,445	254,195	29,358	12,610	44,471	601	2,121	10,384	73	128
Per geography – Co-operative apartments										
Greater Stockholm	1,180	78,170	—	5,470	69,978	—	—	3,965	39	66
Uppsala	220	11,030	—	605	54,885	—	—	457	8	8
Other	40	4,750	—	247	52,000	—	—	166	—	—
Total per geography	1,440	93,950	—	6,323	67,297	—	—	4,589	47	74
Per geography – Own management and co-operative apartments										
Greater Stockholm	3,170	195,635	18,148	11,878	55,560	300	2,216	9,278	77	144
Uppsala	1,764	94,795	10,745	4,657	44,124	197	2,079	3,790	32	42
Other	951	57,715	465	2,398	41,216	104	1,955	1,905	11	16
Total own management and co-operative apartments per geography	5,884	348,145	29,358	18,933	50,152	601	2,121	14,973	120	202

1) Refers to fair value of the completed investment.

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

30 June 2021

Project specification	Municipality	Category ¹	Estimated construction start	Estimated completion	No. of residential units	Lettable area, sqm	Phase			
							Planning permission decision	Planning consultation	Review	Approved zoning plan
Ongoing construction										
Handelsmannen ¹²	Norrköping	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	•	•	•	•
Hotell Can Oliver	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	•	•	•	•
					898	52,505				
WHOLLY OWNED PROJECTS										
Planned projects										
Gredelby	Knivsta	Rental apartments	2022	2024	45	2,250	•	•	•	•
		Commercial properties	2022	2024		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	60	3,420	•			
Drevvern 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	Co-operative apartments	2022	2024	26	2,850	•			
Jaktvarvet	Nacka	Co-operative apartments	2022	2024	45	4,275	•	•		
Luthagen	Uppsala	Commercial properties	2023	2025		680	•	•		
		Co-operative apartments	2023	2025	45	1,500	•	•		
Kryddgården	Enköping	Rental apartments	2023	2027	475	23,730	•	•		
		Co-operative apartments	2023	2027	100	5,390	•	•		
		Community service properties	2023	2027	80	7,440	•	•		
		Commercial properties	2023	2027		3,600	•	•		
Västra Knivsta	Knivsta	Rental apartments	2023	2025	250	15,400	•			
Sydöstra Vikdalen	Nacka	Rental apartments	2023	2025	250	14,600	•	•		
Brynján 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	•			
Fuxen	Täby	Rental apartments	2025	2027	120	7,560	•	•		
		Co-operative apartments	2025	2027	95	3,960	•	•		
Kvarngärdet	Uppsala	Rental apartments	2025	2027	259	12,420	•			
		Co-operative apartments	2025	2027	75	4,140	•			
Total					3,908	246,050				
JOINTLY OWNED PROJECTS (Refers to Genova's stake⁴)										
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	•	•	•	•
Gulmåran 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	•	•		
Skvaltan 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					6,782	431,008				

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

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

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

2) Approximately 35% of the rental units will be completed in Q4 2022 in a first stage.

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

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

3) The Segerdal project is 50/50 owned by Genova and Redito.

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

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

The table only shows the information that corresponds to Genova's financial stake.



Handelsmannen 1, Norrtälje

Consolidated statement of comprehensive income

SEKm	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jul 2020- Jun 2021	Jan-Dec 2020
Rental income	141.8	110.6	78.2	56.6	262.3	231.1
Operating costs	-28.1	-20.0	-13.8	-8.5	-51.1	-43.0
Maintenance costs	-6.3	-2.3	-4.1	-1.4	-8.3	-4.3
Property tax	-3.2	-3.4	-1.6	-1.8	-6.2	-6.4
Total property costs	-37.6	-25.7	-19.5	-11.7	-65.6	-53.7
Net operating income	104.2	84.9	58.7	44.9	196.7	177.4
Central administration, property management	-9.7	-6.8	-4.9	-3.8	-29.0	-26.1
Central administration, project development	-10.6	-10.1	-5.4	-5.7	-39.6	-39.1
Share of profit from joint ventures	3.9	4.7	2.6	3.6	54.9	55.7
Net financial items	-53.0	-52.1	-27.8	-27.1	-108.0	-107.1
Income from property management¹	34.8	20.6	23.2	11.9	75.0	60.8
Income from new construction, co-operative apartments	-	-	-	-	37.0	37.0
Other operating income	0.4	0.9	0.3	0.3	1.7	2.2
Value changes, properties	313.4	233.9	193.1	14.7	459.5	380.0
Currency effects, properties	1.7	0.7	-2.0	-9.0	-5.8	-6.8
Profit before tax	350.3	256.1	214.6	17.9	567.4	473.2
Income tax	-86.5	-25.1	-54.2	22.5	-116.6	-55.2
Net income for the period	263.8	231.0	160.4	40.4	450.8	418.0
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	263.8	231.0	160.4	40.4	450.8	418.0
Net income for the period attributable to:						
Parent Company shareholders	263.8	231.1	160.3	40.4	450.6	417.9
Non-controlling interests	0.0	-0.1	0.1	0.0	0.2	0.1
Total comprehensive income attributable to:						
Parent Company shareholders	263.8	231.1	160.3	40.4	450.6	417.9
Non-controlling interests	0.0	-0.1	0.1	0.0	0.2	0.1
Income per ordinary share before and after dilution, SEK ²	6.06	6.84	3.71	0.97	9.91	10.69
No. of ordinary shares at the end of the period, 000s	39,577	30,722	39,577	30,722	30,722	39,577
Average no. of ordinary shares, 000s ³	39,577	30,722	39,577	30,722	30,722	35,149
No. of preference shares outstanding, 000s	-	4,000	-	4,000	-	4,000
Average no. of preference shares, 000s	3,667	4,000	3,333	4,000	3,833	4,000

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

3) As of 8 May 2020, half of the number of ordinary shares were withdrawn.

Performance analysis

Rental income

During the period, the Group's rental income amounted to SEK 141.8m (110.6). The increase corresponds to rental income growth of 28%. Growth in rental income was mainly attributable to an expanding investment property portfolio from acquisitions. During the period, the lettable area increased approximately 75,000 sqm to 243,000 sqm, or 45%, with a total rental value of SEK 361m, corresponding to approximate growth of 55%. The community service properties category accounted for the greatest increase. At the end of the period, the economic occupancy rate was about 96% (98), which is a decline compared with the corresponding period of 2020 and pertains to the acquired properties during the period.

Rental income amounted to SEK 78.2m (56.6) in the second quarter, corresponding to an increase of 38% and pertaining to acquired properties. At 31 March 2021, accession was gained to four community service properties with annual rental income of SEK 59m, which will be recognised on the Group income statement as of the second quarter of 2021.

Income development

SEKm	Jan-Jun 2021	Jan-Jun 2020	Change, %
Comparable portfolio	92.9	89.6	4
Properties acquired	39.1	0.0	n/a
Properties sold	9.8	21.0	-53
Rental income	141.8	110.6	28
Commercial properties	65.4	71.3	-8
Community service properties	76.4	39.4	94
Rental income	141.8	110.6	28

Property costs

During the period, property costs in the form of operating and maintenance costs and property tax increased to SEK -37.6m (-25.7), up approximately 46%. The increase in property costs was largely due to the fact that Genova is managing a larger investment property portfolio with future maintenance requirements 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 for the second quarter amounted to SEK -19.5m (-11.7), and the increase was attributable to a growing investment property portfolio in which some maintenance investments were made during the quarter.

Property costs development

SEKm	Jan-Jun 2021	Jan-Jun 2020	Change, %
Comparable portfolio	-24.7	-20.9	18
Properties acquired	-9.9	0.0	n/a
Properties sold	-3.0	-4.8	-38
Property costs	-37.6	-25.7	46
Commercial properties	-20.2	-18.9	7
Community service properties	-17.5	-6.8	157
Property costs	-37.6	-25.7	46

Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-245.7	-273.8	-260.5
Maintenance	-43.0	-70.3	-57.4
Property tax	-52.5	-5.1	-27.5
Total	-341.2	-349	-345.4

Net operating income

During the period, net operating income increased to SEK 104.2m (84.9), up 23%. The NOI margin for the period was 73.5%, which is slightly lower compared with 76.8% 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.

Net operating income for the second quarter amounted to SEK 58.7m (44.9), up 31%. The NOI margin was 75.1%, which is in line with the estimated earnings capacity.

Central administration

Central administrative expenses are allocated between property management and project development. During the period, central administrative expenses totalled SEK -20.3m (-16.9), corresponding to an increase of SEK -3.4m or 20%. The increase was due to the growing operations, which have been impacted by costs for extra resources.

Central administrative expenses amounted to SEK 10.3m for the second quarter, which is in line with the first quarter of 2021 where expenses amounted to SEK 10.0m.

Central administration		Jan-Jun 2021	Jan-Jun 2020
SEKm			
Property management			
Other external costs		-4.8	-2.8
Personnel costs		-3.3	-2.6
Depreciation/amortisation and leases		-1.6	-1.4
Central administration, property management		-9.7	-6.8
Project development			
Other external costs		-5.3	-4.1
Personnel costs		-3.6	-3.9
Depreciation/amortisation and leases		-1.7	-2.1
Central administration, project development		-10.6	-10.1

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 3.9m (4.7) 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. Value changes had a greater impact on income from property management in the second quarter of 2020.

Net financial items

Net financial items amounted to SEK -53.0m (-52.1) during the period, where net financial expense was marginally higher year-on year due to increased borrowings in the growing operations, but also lower interest expenses related to bond loans. Interest expenses pertaining to the financing of ongoing and future projects were also capitalised from 2021. 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 second quarter of 2020 have been restated.

As of the balance-sheet date, the average interest rate was 2.1% (2.9% including the bond loan). Financial expenses during the period included SEK 8.4m (7.4) pertaining to bond financing costs, which are allocated over the terms of the loans. The interest-coverage ratio for the period was 2.1 times (1.8). The interest-coverage ratio does not include bond financing costs, since these are considered non-recurring costs.

Net financial items

SEKm	Jan-Jun 2021	Jan-Jun 2020
Interest income	1.3	1.1
Interest expense, loans	-44.9	-44.8
Interest expense leases	-1.0	-1.0
Other financial expenses	-8.4	-7.4
Net financial items	-53.0	-52.1

Income from property management

During the period, income from property management amounted to SEK 34.8m (20.6), up 69%. 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.

Income from property management for the second quarter amounted to SEK 23.2m (11.9), up 95%, with the change mainly attributable to increased net operating income.

Value changes

The warehouse and logistics property under construction 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 period resulted in positive value changes of SEK 109.8m. Ongoing construction in Norrtälje and Palma (Majorca) contributed SEK 44.2m in positive value changes in line with the construction progress and the completion of the property in Palma. Changed yield requirements due to market values resulted in positive effects of SEK 51.8m while increased net operating income from lettings and renegotiations increased the item by SEK 16.6m. In the year-on-year period, the value change mainly comprised the sale of the Stålbaden 3 property in Gåshaga on Lidingö to a joint venture together with SBB.

Tax calculation

SEKm	Jan-Jun 2021	Jan-Jun 2020
Income before tax	350.3	256.1
Tax rate, %	20.6	21.4
Income tax at the current tax rate	-72.2	-54.8
Non-taxable income	0.8	-
Non-deductible expenses	-3.6	-
Non-deductible net interest income	-8.7	-7.5
Deductible costs not included in profit or loss	-	6.2
Property transaction reversals	-3.1	34.5
Adjustment of deferred tax for prior periods	-	-6.7
Adjustment of ongoing construction	-	1.4
Effect of changed tax rates	-	1.8
Other	0.3	-
Tax for the period as per the income statement	-86.5	-25.1

Value changes, properties

SEKm	Jan-Jun 2021	Jan-Jun 2020
Change in net operating income	16.6	7.7
Ongoing construction	44.2	36.0
Land and unused building rights	20.0	215.7
Change in yield requirement	51.8	-35.0
Acquisitions	109.8	9.5
Divestments	71.0	-
Value changes, properties	313.4	233.9

Deferred tax liabilities, net

SEKm	Jan-Jun 2021	Jan-Jun 2020
Temporary differences, properties	-372.1	-279.2
Untaxed reserves	-14.1	-10.8
Total deferred tax liabilities	-386.2	-290.0
Tax loss carryforwards	87.9	79.5
Total deferred tax assets	87.9	79.5
Deferred tax liabilities, net	-298.3	-210.5

Income tax

Recognised tax amounted to SEK -86.5m (-25.1). Both current and deferred tax was calculated using a nominal tax rate of 20.6%. Remaining tax loss carryforwards are an estimated SEK 427m (386), with untaxed reserves of approximately SEK 68m (52). 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.

Net income for the period

Net income for the period amounted to SEK 263.8m (231.0). Compared with the year-on-year period, both net operating income and income from property management have increased in 2021. Even the value changes, including the provision for deferred tax, increased, meaning that Genova's net income after tax for the period was higher than in the first half of 2020.

Consolidated balance sheet

SEKm	30 June 2021	30 June 2020	31 Dec 2020
ASSETS			
Non-current assets			
Investment properties	6,147.7	3,929.4	4,559.6
Properties under construction	871.2	476.3	704.1
Development properties	120.0	86.6	91.4
Right-of-use assets	34.1	37.3	32.1
Equipment	2.1	1.8	6.6
Deferred tax assets	87.9	79.5	89.6
Shares in joint ventures	283.3	200.9	279.4
Other non-current receivables	257.3	258.3	257.3
Total non-current assets	7,803.6	5,070.1	6,020.1
Current assets			
Ongoing co-operative apartment projects	–	235.1	–
Rent receivable and accounts receivable	8.5	9.2	10.6
Other receivables	154.1	134.4	131.4
Prepaid expenses and accrued income	46.9	44.4	44.2
Cash and cash equivalents	210.5	53.1	578.4
Total current assets	420.0	476.2	764.6
TOTAL ASSETS	8,223.6	5,546.3	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	1,029.4	1,209.5	1,334.1
Green capital securities	700.0	–	–
Non-controlling interests	78.4	78.2	78.4
Total equity	3,043.1	1,936.0	2,647.8
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	2,520.5	2,008.2	2,261.9
Bond loans	906.3	662.4	901.9
Lease liabilities	29.0	32.7	30.6
Other non-current liabilities	43.0	42.1	43.1
Deferred tax liabilities	386.2	290.0	324.6
Total non-current liabilities	3,885.0	3,035.4	3,562.1
Current liabilities			
Loans from credit institutions	980.6	387.5	298.1
Bond loans	4.8	–	52.7
Bank overdraft	18.0	34.5	–
Accounts payable	95.1	50.5	40.8
Lease liabilities	5.3	4.8	5.3
Current tax liabilities	14.3	12.1	13.5
Other liabilities	97.7	40.8	119.1
Accrued expenses and deferred income	79.7	44.7	45.3
Total current liabilities	1,295.5	574.9	574.8
TOTAL LIABILITIES AND EQUITY	8,223.6	5,546.3	6,784.7

Consolidated statement of changes in equity

SEKm	Attributable to Parent Company shareholders								Total equity	
	No. of shares outstanding, 000s			Other capital contributions	Retained earnings incl. net income for the period		Green capital securities	Non-controlling interests		
	Ordinary shares	Preference shares	Share capital		for the period	incl.				
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 for the period						263.8			263.8	
Other comprehensive income										
Total comprehensive income						263.8		0.0	263.8	
Dividend (SEK 5.95 per preference share)						-23.8			-23.8	
Issue of green capital securities							700.0		700.0	
Issue costs, green capital securities						-13.6			-13.6	
Dividends, green capital securities						-12.2			-12.2	
Redemption of preference shares	-4,000		-0.0		-520.0				-520.0	
Warrants issued						1.1			1.1	
Closing balance, 30 June 2021	39,577	0	52.3	1,183.0	1,029.4		700.0	78.4	3,043.1	

Comments on the balance sheet

Investment property portfolio and property value

Investment properties

The Group's investment properties comprise a total of 51 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 4.52% 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). As of 30 June 2021, the book value of the Group's investment properties was SEK 6,148m, up SEK 1,588m compared with 31 December 2020. The increase mainly pertains to the acquisition of six community service properties at an underlying property value of SEK 1,447m, to which accession was gained in the first half of 2021. Two community service properties that were acquired in 2020 at an underlying property value of SEK 129m were also accessed during the period. Five properties with a value of SEK 406m were exited.

Properties under construction

Properties under construction comprise one planned hotel in Palma, Majorca of which construction began in the second quarter of 2021, 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. The balance-sheet item also includes value changes in building rights related to a number of upcoming projects. A total of SEK 296m was capitalised during the period. The first hotel in Palma was completed during the quarter and reclassified as an investment property.

Development properties

Development properties refers to accrued and capitalised costs for construction projects 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 30 June 2021, the entire investment property portfolio had been externally appraised by CBRE and Newsec,

based on the most recent external appraisal on 31 December 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	30 June 2021	30 June 2020	31 Dec 2020
Opening value, investment properties	4,559.6	3,661.3	3,661.3
+ Acquisitions	1,520.5	94.2	735.6
+ Building improvements and renovations	13.1	17.7	23.0
- Divestments	-406.4	-349.0	-465.1
+/- Reclassifications	244.1	308.0	308.0
+/- Unrealised value changes	216.8	197.2	296.8
Closing value, investment properties	6,147.7	3,929.4	4,559.6
Opening value, properties under construction	704.1	702.0	702.0
+ Acquisitions	-	-	69.2
+ New construction	296.0	96.3	207.7
+/- Reclassifications	-244.1	-308.0	-308.0
- Divestments	-	-50.0	-50.0
+/- Unrealised value changes	115.2	36.0	83.2
- of which ongoing construction	115.2	36.0	83.2
Closing value, properties under construction	871.2	476.3	704.1
Opening value, development properties	91.4	56.5	56.5
+ Capitalisation	28.6	30.1	34.9
Closing value, development properties	120.0	86.6	91.4
Opening value, ongoing co-operative apartment projects	-	199.3	199.3
+ Capitalisation	-	35.8	53.6
- Divestments	-	-	-252.9
Closing value, ongoing co-operative apartment projects	-	235.1	-
Closing value, investment property portfolio	7,138.9	4,727.4	5,355.1
Investment properties	6,147.7	3,929.4	4,559.6
Ongoing construction	789.2	269.9	415.8
Planned projects	202.0	293.0	379.7
Ongoing co-operative apartment projects	-	235.1	-
Closing value, investment property portfolio	7,138.9	4,727.4	5,355.1

Property yield per category

%	30 June 2021	30 June 2020
Commercial properties ¹	4.41	4.85
Community service properties	4.58	4.56
Total	4.52	4.72

1) Excluding the Viby 19:3 property that has been partially divested based on a valuation of building rights.

Key metrics, property value

	30 June 2021	30 June 2020
Rental value, SEK/sqm	1,489	1,384
Economic occupancy rate, %	96	98
Property costs, SEK/sqm	345	308
Net operating income, SEK/sqm	1,089	1,050
NOI margin, %	76	75
Investment property value, SEK/sqm	25,346	23,365
Lettable area, ksqm	242,569	168,174
No. of properties	51	45

Equity and net asset value

At 30 June 2021, consolidated equity amounted to SEK 3,043.1m (2,647.8) and the equity/assets ratio was 37.0% (34.9).

Long-term net asset value amounted to SEK 3,341.4m (2,883.0), up 16%. Long-term net asset value attributable to ordinary shareholders amounted to SEK 2,563.0m (2,364.6), up 8%. Long-term net asset value attributable to ordinary shareholders per ordinary share amounted to SEK 64.76 per ordinary share (59.75).

During the period, Genova has completed the redemption of preference shares outstanding at the rate of SEK 130 and SEK 0.70 in accrued interest, resulting in a SEK 522.8m reduction of equity as a result of the settlement. In comparative figures, the previous preference shares were eliminated using the long-term redemption price of SEK 110 per preference share.

During the period, Genova issued green capital securities with a total value of SEK 700.0m, generating proceeds of SEK 686.4m after issuance costs for the Group. The green capital securities, including interest payments, are recognised in equity.

Net asset value

	30 June 2021		30 June 2020		31 Dec 2020	
	SEKm	SEK/ordinary share	SEKm	SEK/ordinary share ¹	SEKm	SEK/ordinary share ¹
Equity as per the balance sheet	3,043.1	76.89	1,936.0	63.02	2,647.8	66.90
Reversal:						
Deferred tax liabilities as per the balance sheet	386.2	9.76	290.0	9.44	324.7	8.20
Effect of change in accounting policies	-	-	47.0	1.53	-	-
Less:						
Deferred tax assets as per the balance sheet	-87.9	-2.22	-79.5	-2.59	-89.5	-2.26
Preference share capital	-	-	-440.0	-14.32	-440.0	-11.12
Green capital securities	-700.0	-17.69	-	-	-	-
Non-controlling interests	-78.4	-1.98	-78.2	-2.55	-78.4	-1.98
Long-term net asset value attributable to ordinary shareholders	2,563.0	64.76	1,675.3	54.53	2,364.6	59.75

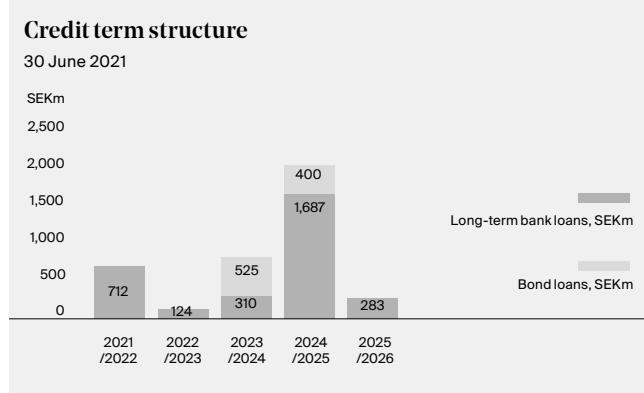
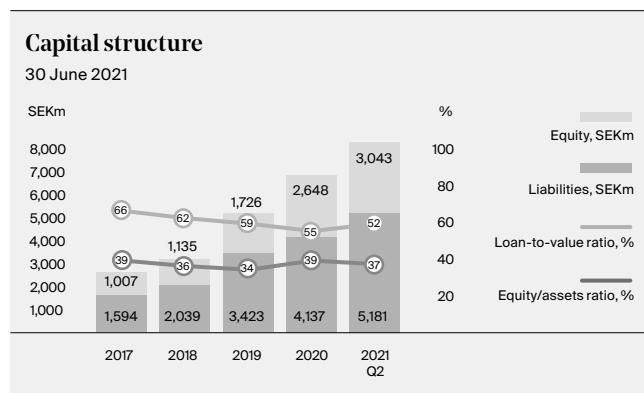
1) Restated to correspond to the number following the withdrawal of every other share in the second quarter of 2020.

Interest-bearing liabilities

As of 30 June 2021, the Group's interest-bearing liabilities attributable to investment properties and project properties were approximately SEK 4,421m (3,534), representing a loan-to-value ratio of 59.2% (64.0) adjusted for cash and cash equivalents. As of 30 June 2021, the average interest rate was approximately 2.1% (2.9% including the bond loan) and the equity/assets ratio was 37.0% (34.9).

As of 30 June 2021, the Group's total interest-bearing liabilities of SEK 3,446m (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 30 June 2021, the average maturity was 2.3 years (3.0). The credit term structure at the same date is shown in the table below.



A total amount of SEK 712m will mature within 12 months of the reporting date regarding properties acquired in 2021. Long-term financing with the corresponding amount has already been agreed and will start after completed internal mergers. The already agreed financing also has a positive effect on the stated maturity period. At the end of the period, undrawn facilities in the form of revolving credit and a bank overdraft totalled SEK 417m. In addition to these facilities, granted construction credit of SEK 776m is still undrawn.

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.

Credit and interest rate term structure

30 June 2021

Term	Fixed-rate period		Maturity		
	Amount, SEKm	Average rate, %	Credit agreement, SEKm	Drawn, SEKm	Un-drawn, SEKm
0–1 year	712	2.16	712	712	0
1–2 years	124	2.26	124	124	0
2–3 years ¹	835	4.06	835	835	0
3–4 years ²	2,087	2.95	2,347	2,087	260
4–5 years	283	1.95	283	283	0
Total	4,041	2.95	4,301	4,041	260
Construction credit	380	2.71	1,156	380	776
Total	4,421	2.93	5,457	4,421	1,036
Loans, excluding bonds and construction credit	3,116	2.05	3,376	3,116	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	30 June 2021	30 June 2020	31 Dec 2020
Cash flow from operating activities			
Income from property management	34.8	20.6	60.8
Adjustment for non-cash items ¹⁾	12.6	10.5	-43.1
Other operating income	0.4	0.9	2.2
Income tax paid	-2.7	-15.6	-3.4
Cash flow from operating activities before changes in working capital	45.1	16.4	16.5
Changes in working capital			
Change in accounts receivable	2.1	-5.2	-6.6
Change in other operating receivables	-44.2	-67.0	36.7
Change in accounts payable	54.3	9.4	-0.3
Change in other operating liabilities	13.2	-22.5	50.2
Cash flow from operating activities	70.5	-68.9	96.5
Cash flow from investing activities			
Investments in properties and projects	-1,858.0	-273.7	-1,074.7
Investments in equipment	1.3	-	-2.4
Divestments of investment properties	406.4	-	115.9
Change in other financial assets	-18.0	130	103.5
Cash flow from investing activities	-1,468.3	-143.7	-857.7
Cash flow from financing activities			
New issue of ordinary shares	-	-	546.0
Issue of green capital securities	686.4	-	-
Redemption of preference shares	-520.0	-	-
Loans raised	1,268.2	385.0	1,174.3
Repayment of loans	-368.6	-207.4	-447.8
Dividends paid	-36.0	-21.0	-42.0
Cash flow from financing activities	1,030.0	156.6	1,230.5
Cash flow for the period	-367.8	-56.0	469.3
Opening cash and cash equivalents	578.4	109.1	109.1
Closing cash and cash equivalents	210.5	53.1	578.4
1) Other non-cash items			
Reversal of depreciation and amortisation	0.7	3.5	0.4
Share of profit from joint ventures	-3.9	-4.7	-55.7
Accrued interest	15.8	11.7	12.2
	12.6	10.5	-43.1
Interest received	1.3	1.1	3.4
Interest paid	-44.9	-44.8	-92.4

Segment reporting

SEKm	Jan–Jun 2021			Jan–Jun 2020				
	Investment properties	Other	Not allocated	Total	Investment properties	Other	Not allocated	Total
Rental income	141.8			141.8	110.6			110.6
Income from new construction		–		–		–		–
Total income	141.8			141.8	110.6			110.6
Property costs	–37.6			–37.6	–25.7			–25.7
Total costs	–37.6			–37.6	–25.7			–25.7
Net operating income/Income from new construction	104.2			104.2	84.9			84.9
Central administration	–9.7		–10.6	–20.3	–6.8		–10.1	–16.9
Share of profit from joint ventures	3.9			3.9	4.7			4.7
Net financial items	–53.0			–53.0	–52.1			–52.1
Other operating income			0.4	0.4		0.9		0.9
Value changes, properties	313.4			313.4	233.9			233.9
Currency effects, properties	1.7			1.7	0.7			0.7
Profit before tax				350.3				256.1
Segment-specific assets								
Investment properties	6,147.7				3,929.4			
Properties under construction	871.2				476.3			
Development properties	120				86.6			
Shares in joint ventures	283.3				200.9			
Accrued income								
Segment-specific investments								
Acquisitions and investments in properties	1,858.0				273.7			

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.



Handelsmannen 1, Norrtälje

Key metrics¹

	Jan-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Key metrics, properties					
Residential units under construction, no.	898	438	898	438	540
Residential units completed, no.	35	89	35	35	137
Total no. of building rights	6,782	5,267	6,782	5,267	5,890
Lettable area, commercial properties, ksqm	114.8	112.9	114.8	112.9	110.4
Lettable area, community service properties, ksqm	127.8	55.3	127.8	55.3	79.1
Total lettable area, ksqm	242.6	168.2	242.6	168.2	187.4
Economic occupancy rate, %	96.3	98.1	95.7	98.1	98.2
NOI margin, %	73.5	76.8	75.1	79.3	76.8
Net investments, SEKm	1,450.3	273.7	223.2	168.7	1,074.7
Financial key metrics					
Return on equity, %	18.5	25.2	22.5	8.8	19.1
Equity/assets ratio, %	37.0	34.9	37.0	34.9	39.0
Loan-to-value ratio, %	59.2	64.0	59.2	64.0	55.2
Average interest rate, %	2.1	2.4	2.1	2.4	2.1
Average interest rate including bond loans, %	2.9	3.1	2.9	3.1	2.9
Interest-coverage ratio, times	2.1	1.8	2.4	1.9	1.8
Maturity, no. of years	2.3	3.3	2.3	3.3	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	3,667	4,000	3,333	4,000	4,000
Total dividend on preference shares, SEKm	23.8	21.0	13.3	10.5	42.0
Dividend on preference share, SEK	5.95	5.25	3.33	2.63	10.5
Total no. of ordinary shares outstanding, 000s ²	39,577	30,722	39,577	30,722	39,577
Average no. of ordinary shares outstanding, 000s	39,577	30,722	39,577	30,722	35,149
Income/loss from property management per ordinary share, SEK	0.28	-0.01	0.25	0.05	0.53
Income per ordinary share, SEK	6.06	6.84	3.71	0.97	10.69
Equity, SEKm	3,043.1	1,936.0	3,043.1	1,936.0	2,647.8
Equity attributable to ordinary shareholders, SEKm	2,264.7	1,417.8	2,264.7	1,417.8	2,129.4
Equity per ordinary share, SEK	57.22	46.15	57.22	46.15	53.80
Long-term net asset value, SEKm	3,341.4	2,193.5	3,341.4	2,193.5	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,563.0	1,675.3	2,563.0	1,675.3	2,364.6
Long-term net asset value per ordinary share, SEK	64.76	54.53	64.76	54.53	59.75

1) The key metrics have been restated to reflect the changes in accounting policies.

2) 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-Jun 2021	Jan-Jun 2020	Apr-Jun 2021	Apr-Jun 2020	Jan-Dec 2020
Net sales	-	-	-	-	3.5
Total operating income	-	-	-	-	3.5
Other external costs	-2.6	-0.6	-1.1	-0.4	-29.6
Personnel costs	-4.4	-2.3	-2.5	-1.4	-7.8
Total operating expenses	-7.0	-2.9	-3.6	-1.8	-37.4
Operating loss	-7.0	-2.9	-3.6	-1.8	-33.9
Impairment of participations in Group companies	-	-	-	-	-52.8
Interest income and similar profit items	-	0.3	-	-	64.1
Interest expense and similar loss items	-28.8	-25.5	-14.3	-12.9	-59.6
Loss from financial items	-28.8	-25.2	-14.3	-12.7	-48.3
Loss before tax	-35.8	-28.1	-17.9	-14.5	-82.2
Tax on net income for the year	-	-	-	-	12.2
Net loss for the year	-35.8	-28.1	-17.9	-14.5	-70.0

Parent Company balance sheet

SEKm	30 June 2021	30 June 2020	31 Dec 2020
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	221.7	222.0	222.0
Deferred tax assets	21.6	9.4	21.6
Receivables from Group companies	1,721.6	830.5	1,173.6
Other receivables	–	0.1	–
Total financial assets	1,964.9	1,062.0	1,417.2
Current receivables			
Other receivables	5.6	–	9.2
Prepaid expenses and accrued income	3.8	17.1	3.2
	9.4	17.1	12.4
Cash and cash equivalents	21.6	28.2	509.5
Total current assets	31.0	45.3	521.9
TOTAL ASSETS	1,995.9	1,107.3	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	172.9	338.3	811.5
Net loss for the period/year	-35.8	-28.1	-70.0
Total unrestricted equity	137.1	310.2	741.5
Green capital securities	700.0	–	–
Total equity	889.4	310.9	793.8
Non-current liabilities			
Bond loans	905.3	662.4	901.9
Other non-current liabilities	40.0	40.0	40.0
Total non-current liabilities	945.3	702.4	941.9
Current liabilities			
Bank overdraft	18.0	34.5	–
Bond loans	–	–	52.7
Accounts payable	1.6	–	–
Liabilities to Group companies	100.3	22.8	114.2
Other liabilities	35.6	0.6	36.5
Accrued expenses and deferred income	5.7	2.4	–
Total current liabilities	161.2	59.5	203.4
TOTAL LIABILITIES AND EQUITY	1,995.9	1,072.8	1,939.1

Parent Company statement of changes in equity

SEKm	Share capital	Retained earnings	Net loss 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			-35.8		-35.8
Dividend (SEK 5.95 per preference share)		-23.8			-23.8
Issue of green capital securities				700.0	700.0
Issue costs, green capital securities		-13.6			-13.6
Dividends, green capital securities		-12.2			-12.2
Redemption of preference shares	-0.0	-520.0			-520.0
Warrants issued		1.1			1.1
Closing balance, 30 June 2021	52.3	172.9	-35.8	700.0	889.4

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 18m
Occupancy rate	+/-2 percentage points	+/- SEK 7m
Property costs	+/-10%	+/- SEK 8m
Interest expense	+/-1 percentage points	+/- SEK 35m

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's believes that the company can maintain favourable rent levels, low vacancy rates and low costs.

Sensitivity analysis, value changes¹

Value changes, %	+/-5%	+/- SEK 357m
Value changes, %	+/-10%	+/- SEK 714m
Loan-to-value ratio ²	+/-5%	56%/62%
Loan-to-value ratio ²	+/-10%	54%/66%

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

Until 7 June, Genova had two classes of shares – ordinary shares and preference shares. Ordinary shares and preference shares were listed on Nasdaq Stockholm in June 2020 and preference shares were previously listed on Nasdaq First North Premier Growth Market since November 2015. On 7 June 2021, the preference shares were delisted from Nasdaq Stockholm, see more below. At the end of the period, Genova had 2,297 shareholders.

As of 30 June 2021, the closing price for the ordinary share was SEK 106. As of 30 June 2021, the total number of ordinary shares in Genova was 39,576,966.

Redemption and delisting of preference shares

On 7 May 2021, the Annual General Meeting of Genova Property Group resolved on the redemption of all preference shares in the company in accordance with the redemption clause in the company's Articles of Association. The record date for the redemption was set as 9 June 2021.

The Annual General Meeting's resolution was conditional on the holders of the company's outstanding bonds 2020/2024 with ISIN SE0014808820 and bonds 2019/2023 with ISIN SE0013222593 consenting to the redemption of the company's preference shares not later than 27 May 2021 in accordance with the written procedure initiated on 6 April 2021. The holders of the company's outstanding bonds 2019/2023 with ISIN SE0013222593 gave consent for the company to redeem the preference shares in a written procedure concluded on 30

April 2021. The holders of the company's outstanding bonds 2020/2024 with ISIN SE0014808820 gave consent for the company to redeem the preference shares in a written procedure concluded on 27 April 2021. Nasdaq approved the company's application for delisting and 7 June 2021 was the last day of trading in Genova's preference shares on Nasdaq Stockholm.

Incentive programme 2021/2024

The Annual General Meeting on 7 May 2021 resolved to issue a maximum of 400,000 warrants. Each warrant entitles the holder to subscribe for one new ordinary share in the company for SEK 125.10 per ordinary share during the period from 20 June 2024 until the date that follows 30 calendar days thereafter.

The company's subsidiary, Genova Fastigheter AB, has subscribed for 400,000 warrants, and Genova Fastigheter AB has, in turn, transferred 400,000 of the warrants to employees and consultants of the company. The price (option premium) has been determined using the Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt & Transaktion.

If all 400,000 warrants are exercised for subscription of 400,000 new ordinary shares, the dilution effect will be approximately 1 percent (calculated on the basis of the number of ordinary shares on the date of the Annual General Meeting 2021).

Shareholders

30 June 2021

Name	No. of ordinary shares	Holding (%)	Votes (%)
Micael Bile (via company)	17,814,999	45.01	45.01
Andreas Eneskjöld (via company)	8,111,429	20.50	20.50
Länsförsäkringar Fondförvaltning AB	3,926,733	9.92	9.92
Michael Moschowitz (via company)	2,150,538	5.43	5.43
Lancelot Asset Management	1,525,000	3.85	3.85
Capital Research and Management	1,384,600	3.50	3.50
Avanza Pension	1,084,333	2.74	2.74
Skandia Fonder	929,787	2.35	2.35
SEB Investment Management	550,267	1.39	1.39
Enter Fonder	477,359	1.21	1.21
BNP Paribas	417,267	1.05	1.05
Handelsbanken Funds	156,877	0.40	0.40
Cancerfonden	110,000	0.28	0.28
Total other shareholders	937,777	2.37	2.37
Total	39,576,966	100.00	100.00

Other information

Organisation

During the period, the average number of employees in the organisation was 27 (26), of whom 15 (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) was held on 7 May 2021 at 11:00 a.m. in Stockholm, Sweden. Information on the resolutions of the Annual General Meeting is available on the company's website, www.genova.se.

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, 16 August 2021

Mikael Borg, Chairman of the Board

Anette Asklin, Board member

Micael Bile, Board member

Andreas Eneskjöld, Board member

Erika Olsén, Board member

Maria Rankka, Board member

Michael Moschewitz, CEO

Financial calendar

Interim report January–September 2021

29 October 2021

Year-end report 2021

23 February 2022

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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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, as of 16 August 2021 at 8:00 a.m. (CEST).

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 issued green capital securities and non-controlling interests, in relation to the number of ordinary shares outstanding as of the balance-sheet date. 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, currency effects 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 issued green capital securities and non-controlling interests. 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 green capital securities holders 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 bal-

ance-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

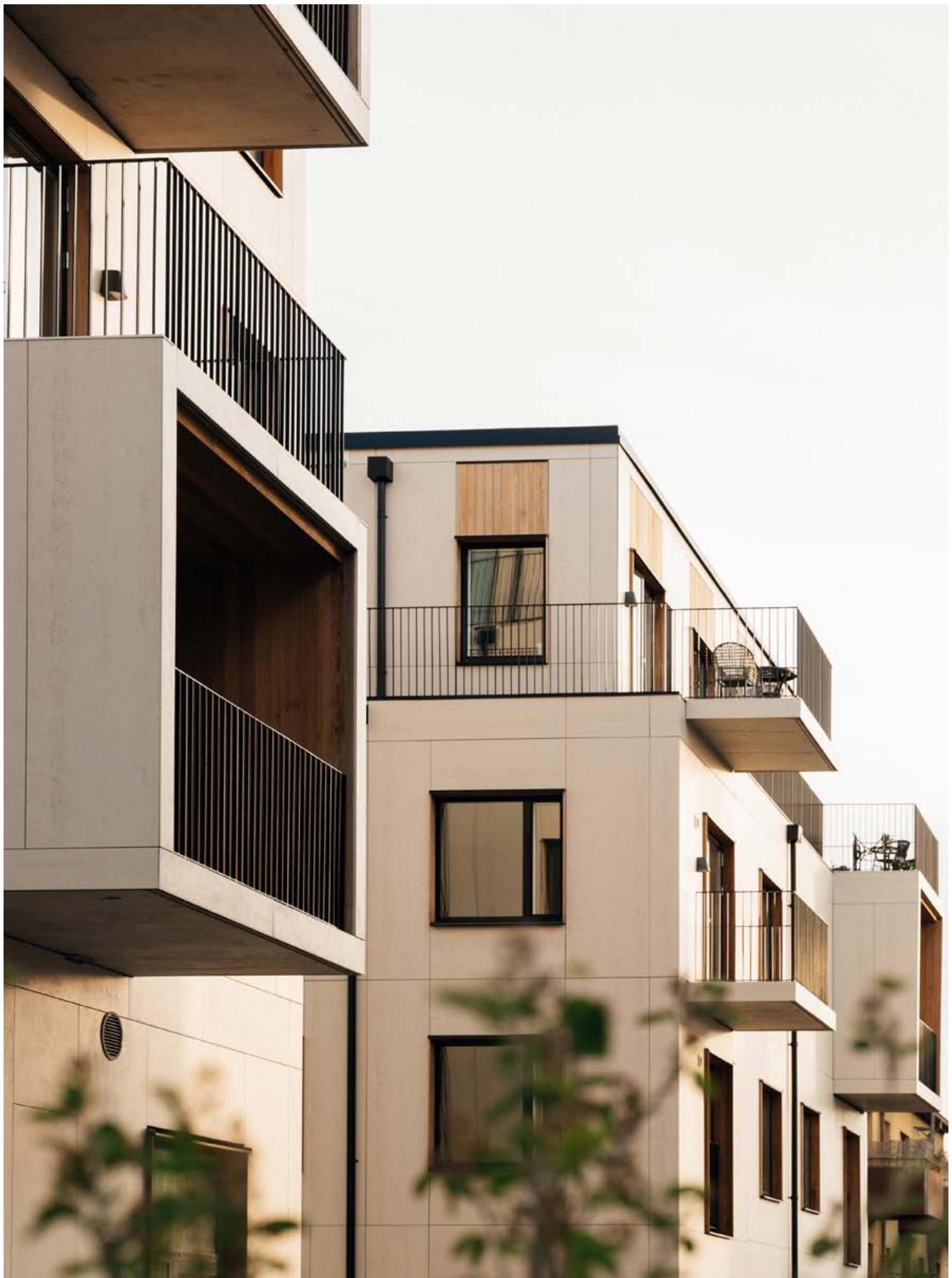
Net operating income in relation to rental income. The net operating income (NOI) margin is used to measure the profitability of property management before financial income and expenses, and unrealised value changes.

Contact

Street addresses

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genova.se



Brf Liljegatan, Uppsala

G E N O V A