

# GENOVA



Interim report, January–September / 2021

# The period in summary

## January–September 2021 period

- Rental income amounted to SEK 225.2m (168.3), an increase of 34%.
- Net operating income amounted to SEK 170.6m (130.2), an increase of 31%.
- Income from property management<sup>1</sup> increased 32% to SEK 65.9m (50.0), of which income from property management attributable to ordinary shareholders was SEK 17.9m (18.5), corresponding to SEK 0.45 (0.55) per ordinary share.
- Net income after tax amounted to SEK 348.4m (309.8), corresponding to SEK 7.59 (8.26) per ordinary share.
- Long-term net asset value attributable to ordinary shareholders increased 28% to SEK 2,935.3m (2,299.8), corresponding to SEK 69.94 (58.11) per ordinary share.

## July–September 2021 quarter

- Rental income amounted to SEK 83.4m (57.7), an increase of 45%.
- Net operating income amounted to SEK 66.4m (45.3), an increase of 47%.
- Income from property management<sup>1</sup> increased 6% to SEK 31.1m (29.4), of which income from property management attributable to ordinary shareholders was SEK 19.1m (18.9), corresponding to SEK 0.48 (0.48) per ordinary share.
- Net income after tax amounted to SEK 84.6m (78.8), corresponding to SEK 1.83 (1.73) per ordinary share.

<sup>1</sup> 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-Sep 2021	Jan-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Jan-Dec 2020
Rental income, SEKm	225.2	168.3	83.4	57.7	231.1
Net operating income, SEKm	170.6	130.2	66.4	45.3	177.4
Income from property management, SEKm <sup>1</sup>	65.9	50.0	31.1	29.4	60.8
Income from property management per ordinary share, SEK <sup>1</sup>	0.45	0.55	0.48	0.48	0.53
Residential units under construction, no. <sup>2</sup>	863	438	863	438	540
Residential units completed, no. <sup>3</sup>	35	89	35	35	137
Net investment, SEKm	1,811.7	706.6	361.4	432.2	1,074.7
Loan-to-value ratio, %	60.5	55.9	60.5	55.9	55.2
Equity/assets ratio, %	37.9	37.9	37.9	37.9	39.0
Interest-coverage ratio, times <sup>4</sup>	2.2	1.8	2.2	2.1	1.8
Long-term net asset value, SEKm	3,714.4	2,818.1	3,714.4	2,818.1	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,935.9	2,299.8	2,935.9	2,299.8	2,364.6
Total no. of ordinary shares outstanding, 000s <sup>5</sup>	41,977	39,577	41,977	39,577	39,577
Long-term net asset value attributable to ordinary shareholders per ordinary share, SEK	69.94	58.11	69.94	58.11	59.75

<sup>1</sup> 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.

<sup>2</sup> Including 40 hotel rooms.

<sup>3</sup> Completed residential units in 2021 pertains to hotel rooms.

<sup>4</sup> Excluding non-recurring costs.

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

**SEK 7,555 m**

Property value

**6,867**

Residential building rights

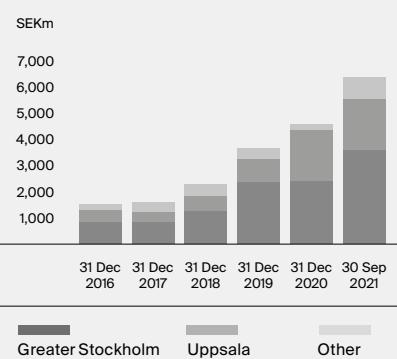
**61%**

Loan-to-value ratio

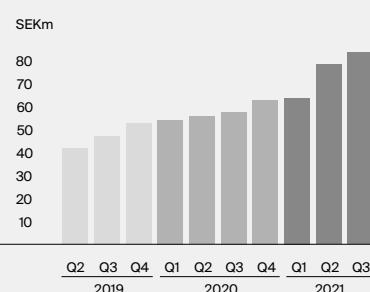
**SEK 3,714 m**

Long-term net asset value

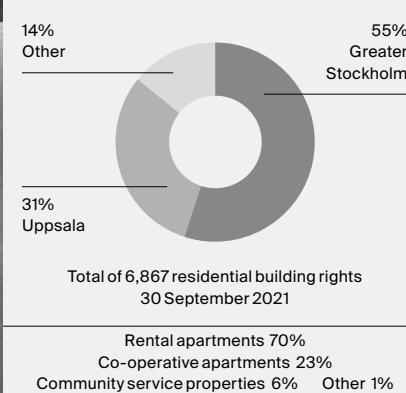
#### Value of investment properties per geography



#### Rental income



#### Project development



**Genova has a high level of activity in new construction that will considerably strengthen our earnings capacity.**

# 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 existing rental agreement with a school for approximately 6,000 sqm was extended until 31 August 2041, with an annual rental value of approximately SEK 11m. In Gävle, the rental agreement with a playland chain 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.

(SEK 15,000/sqm) before deductions for deferred tax. Accession took place in August 2021.

## Second quarter

- In April, Genova announced that the company had proposed a redemption of preference shares outstanding 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, Genova agreed to acquire a green project property for warehouse and logistics purposes in Uppsala. The 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
- 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 took place on 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 con-

ditions 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 income 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 almost 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 took place on 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.

### Third quarter

- In July, a new two-year commercial rental agreement was signed for 2,000 sqm in the Boländerna 9:11 property in Uppsala. The annual rental value is approximately SEK 2.1m.
- In August, Genova issued subsequent senior unsecured green bonds in the amount of SEK 250m due 9 September 2024 and amended and restated the terms and conditions for its existing senior unsecured bond due 2024.
- In August, Genova became a partner to Läxhjälpen whereby Genova will offer financial assistance to the foundation over a period of three years.

- In September, Genova published a prospectus and applied for admission to trading on Nasdaq Stockholm of its green bonds issued in August 2021.

- In September, an agreement was signed to acquire 50% of shares in the property and project development company Järngrinden AB for SEK 562.5m, of which SEK 275m will be paid as a capital contribution in the form of a share issue in Järngrinden and SEK 287.5m in the form of the direct acquisition of existing shares from Järngrinden's principal owner, including two call options to acquire an additional 50% of shares within five and seven years, respectively.
- In September, Genova completed a directed issue of 2.4 million new ordinary shares at a subscription price of SEK 120 per share, directed to institutional investors. As a result of the directed issue, Genova raised SEK 288m less costs. Investors in the directed issue comprised a number of Swedish and international institutional investors.

### Events after the end of the period

- In October, Genova issued subsequent senior unsecured green bonds in the amount of SEK 100m due 9 September 2024 under the existing framework of SEK 750m which has now been fully utilised.
- In October, Genova announced that almost 7,000 sqm had been let in the Söderhällby 1:9 property in Uppsala with an annual rental value of approximately SEK 8.3m. The property was acquired in May 2021 as a project property totalling approximately 14,000 sqm of lettable area for warehouse and logistics. Since the acquisition, Genova has successfully completed a number of strategic lettings.
- In October, Genova announced that the company is taking a comprehensive approach to the planned development of a new district in Skarpnäck. Genova already owns two properties in Skarpnäck and has now signed a strategically important land-use agreement with the City of Stockholm to expand the building right. Genova is planning to build almost 500 residential units in the area and the future expected building right, after the land allocation, amounts to a lettable area of approximately 42,000 sqm gross lighted floor area.
- At the end of October, the acquired shares in Järngrinden were accessed.



# 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 value<sup>1</sup>

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.

**>20%**

Target

**20%**

30 Sep 2021

### Income from property management<sup>2</sup>

Achieve an average annual growth of at least 20% in income from property management per ordinary share over a business cycle.

**>20%**

Target

**34%**

Rolling 12-month period  
30 Sep 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

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

**>35%**

Target

**38%**

30 Sep 2021

### Loan-to-value ratio

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

**<65%**

Target

**61%**

30 Sep 2021

### Interest-coverage ratio

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

**>2.0 times**

Target

**2.2 times**

30 Sep 2021

## Operational targets

### Rental income

**>70%**

Target

**55%**

30 Sep 2021

### Ongoing construction

**1,500**

Target

**863<sup>3</sup>**

30 Sep 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.

<sup>1)</sup> 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 26.

<sup>2)</sup> New shares in a new share issue in 2020 and 2021 are 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.

<sup>3)</sup> Including 40 hotel rooms.

# CEO's statement

During the quarter, Genova took an important step to broaden and grow its operations with our acquisition of 50% of the property and project development company Järngrinden. The acquisition marks a strategic establishment in western Sweden that complements our core markets. In parallel, we reported a continued positive trend in our property management with favourable lettings and a high level of activity in new construction that will substantially strengthen our earnings capacity in the long-term.

## Strategic corporate acquisition offers platform in western Sweden

For many years, Genova has had its primary markets in Greater Stockholm and the Uppsala Region. Here, we have endeavoured to realise our mission to combine stable cash flows from the investment property portfolio with value-creating project development of mainly community service and residential properties for our own long-term management. We have, at the same time, always been open to acquisitions that would be appropriate for us in other growth areas that we believe in.

The acquisition of 50% of Järngrinden offers us an excellent platform for growth also in western Sweden in cities such as Gothenburg, Borås, Kungsbacka, Varberg, Halmstad, Helsingborg, etc. Järngrinden has an experienced organisation, a property portfolio that generates cash flow of about SEK 500m, and a project portfolio that includes almost 100,000 sqm of residential floor space. Taken together, I am very pleased with this transaction, which will contribute

towards our operational and financial targets. Both Genova's founders and myself have known Järngrinden's CEO, Patrik Ivarson, and the company for many years and we share values and ambitions for the future. The acquisition, which includes an option to acquire the remaining 50%, was financed partly with a directed issue where we expanded the investor base with reputable institutional investors.

## High level of activity in new construction

There is a high level of activity in our new construction with ongoing projects in Norrtälje, Knivsta, Uppsala and Enköping. Upon completion, these properties will strengthen our rental income by almost SEK 120m per year and offer significant project gains, providing us with additional capacity to grow. At the same time, we have a number of property and city district projects in the planning phase where the ongoing zoning plans are progressing well. This includes the new district we are planning in Upplands-Bro together with the property company K2A and in Skarpnäck in southern Stockholm. In October, plans to expand our existing building right in Skarpnäck were finalised with the signing of a strategically important land-use agreement with the City of Stockholm. When a new zoning plan has been adopted, this will give Genova an opportunity to realise plans for a new sustainable district in Skarpnäck with about 500 residential units, retirement homes, preschools and a grocery store with Hemköp as tenant.

The environmental certification of the buildings in our new construction projects, such as the district planned in Skarpnäck, is a key element of our sustainability work. In addition, we are now focusing intensely on work to reduce the climate impact from the existing portfo-

lio of investment properties. This entails identifying and implementing initiatives that can make the most effective contribution to reduced energy consumption and thereby lower CO2 emissions which, in parallel, makes a positive contribution to profitability and green financing opportunities.

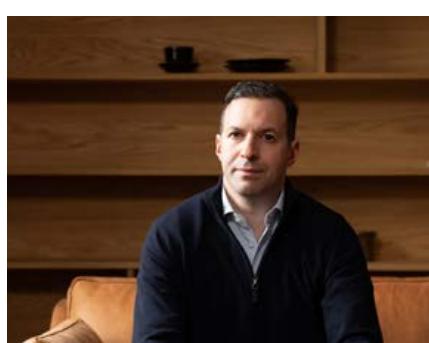
During the quarter, we signed an agreement with the Läxhjälpen organisation, which strives to create conditions to enable more pupils to secure sufficient grades in primary school so that they are eligible for secondary school, with a greater sense of self-confidence and a stronger belief in the future. We view this as an important way for us to contribute towards a positive development in society and are proud to support Läxhjälpen's strong commitment.

## Increase in NAV and income from property management

I am satisfied with the performance during the quarter. In the first nine months of the year, Genova posted a 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 77m, up 34% per ordinary share. Growth in net asset value per ordinary share was 20%.

The increase in earnings and strong balance sheet offer us the right conditions to continue to grow, through both project development for long-term ownership and acquisitions. We are continuing to evaluate transactions that are appropriate for Genova with focus on cash flow-generating properties that also have development potential. Our aim is to grow rapidly with good profitability, sustainability and a long-term approach. I believe Genova has every opportunity to succeed in this.

Michael Moschewitz, CEO



**"We are now focusing intensly on work to reduce the climate impact from the existing portfolio."**

# 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 53 investment properties with a market value of approximately SEK 6,360m, allocated over approximately 252,000 sqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 8.2 billion.

### Development during and after the end of the quarter

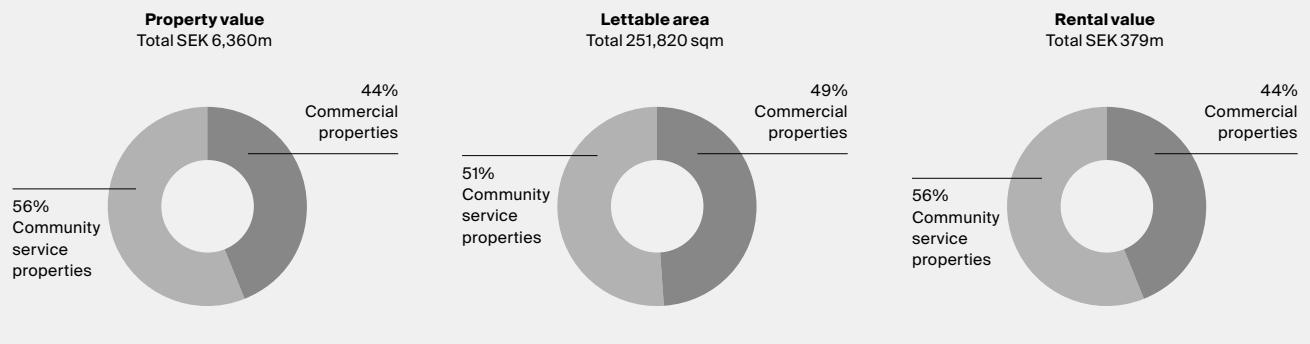
#### Acquisitions and accessions

During the quarter, Genova accessed investment properties of SEK 189m.

In September, Genova gained accession to the Fuxen 3 property, which was acquired in June 2021 at an underlying property value of SEK 92m before deductions for deferred tax. The property, which is currently fully let, has annual rental income of approximately SEK 5.5m with net operating income of approximately SEK 4.7m. The total lettable area is approximately 4,400 sqm

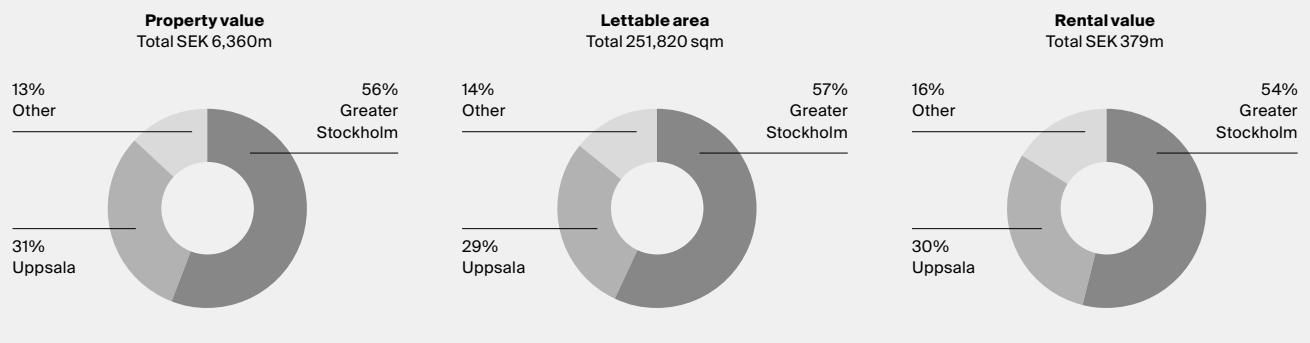
### Investment properties per property category

30 Sep 2021



### Investment properties per geography

30 Sep 2021



with a total land area of approximately 6,300 sqm. The property, which is situated by the new Täby Park district, has previously received positive planning 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.

In September, Genova also gained accession to properties with development potential in Uppsala at an underlying property value of SEK 97m. 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. Genova deems that future residential building rights could amount to approximately 23,000 sqm gross lighted floor area.

#### Lettings

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

In October, Genova announced that almost 7,000 sqm had been let in the Söderhällby 1:9 property in Uppsala with an annual rental value of approximately SEK 8.3m. The property was acquired in May 2021 as a project property totalling approximately 14,000 sqm of lettable area for warehouse and logistics.

#### Tenants and rental agreement structure

At the end of the period, Genova had approximately 340 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%.

#### Investment property portfolio

30 Sep 2021

	No. of properties	Lett able area, sqm	Property value		Rental value		Occupancy rate, %	Contracted annual rent <sup>2</sup> , SEKm	Property costs		Net operating income	
			SEKm	SEK/sqm	SEKm	SEK/sqm			SEKm	SEK/sqm	SEKm	SEK/sqm
<b>Per property category<sup>1</sup></b>												
Commercial properties	31	124,040	2,827	22,793	168	1,357	91.4	154	-42	-339	112	902
Community service properties <sup>3</sup>	22	127,780	3,532	27,645	210	1,645	97.9	206	-45	-349	161	1,262
<b>Total per property category</b>	<b>53</b>	<b>251,820</b>	<b>6,360</b>	<b>25,255</b>	<b>379</b>	<b>1,503</b>	<b>95.0</b>	<b>360</b>	<b>-87</b>	<b>-344</b>	<b>273</b>	<b>1,085</b>
<b>Per geography</b>												
Greater Stockholm	29	143,564	3,546	24,698	205	1,429	96.4	198	-49	-344	148	1,034
Uppsala	18	74,048	1,963	26,513	115	1,553	96.1	111	-25	-338	86	1,156
Other	6	34,208	851	24,869	58	1,707	88.0	51	-12	-358	39	1,144
<b>Total per geography</b>	<b>53</b>	<b>251,820</b>	<b>6,360</b>	<b>25,255</b>	<b>379</b>	<b>1,503</b>	<b>95.0</b>	<b>360</b>	<b>-87</b>	<b>-344</b>	<b>273</b>	<b>1,085</b>
Ongoing construction <sup>4</sup>				990								
Planned projects				206								
<b>Total as per the balance sheet</b>				<b>7,555</b>								
Near-term completed constructions <sup>5</sup>	2	21,517	419		33	1,525	100.0	33	-2.9	-136	30	1,389
<b>Total</b>	<b>55</b>	<b>273,337</b>	<b>7,974</b>		<b>411</b>	<b>1,505</b>	<b>95.4</b>	<b>392</b>	<b>-90</b>	<b>-327</b>	<b>303</b>	<b>1,108</b>
In addition:												
Properties owned through joint ventures				641								

1) Based on the primary use of the property.

2) Not including rental discounts of SEK 10m.

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

4) Including ongoing projects in Danmarks-Kumla, Uppsala, which during Q1 2021 were agreed on divestment with exit in Q4 2021. The project's book value amounted to SEK 285.5m as of September 30, 2021.

5) Pertains to the Söderhällby project and stages in the Handelsmannen project that will be completed within 12 months. The property value when completed will amount to SEK 650m but as of 30 September was SEK 231m recognised in the balance sheet under properties under construction.

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.



Lillsätra 2, Stockholm

## Structure of rental agreements

30 Sep 2021

Term	No. of rental agreements	Area Ksqm	Rental value, SEK m	Percent-age, %
2021	10	3	3	1
2022	110	19	27	8
2023	55	43	57	16
2024	46	34	46	13
2025	25	40	70	19
>2025	45	92	152	42
<b>Total</b>	<b>291</b>	<b>231</b>	<b>355</b>	<b>99</b>
Rental apartments	51	3	5	1
<b>Total</b>	<b>342</b>	<b>234</b>	<b>360</b>	<b>100</b>
Vacant		18	19	
<b>Total</b>		<b>252</b>	<b>379</b>	

## 10 largest tenants

30 Sep 2021

Tenants	Contracted rent, SEKm	% of total portfolio
Internationella Engelska Skolan Sweden	21.2	5.9
Coop Sverige Fastigheter AB	14.5	4.0
Uppsala Music School Trust	12.9	3.6
HOOM Home & Hotel AB	11.4	3.2
City of Stockholm, Education Administration	11.3	3.1
Gluntens Montessori School	11.1	3.1
Repligen Sweden AB	10.5	2.9
Yrkesplugget i Sverige AB	9.8	2.7
Norlandia Care AB	9.5	2.6
Dagab Inköp och Logistik AB	9.3	2.6
<b>Total</b>	<b>121.5</b>	<b>33.8</b>
<b>Average weighted remaining term, years (10 largest)</b>		<b>7.9</b>
<b>Average weighted remaining term, years (all agreements)</b>		<b>6.5</b>

## Allocation of rental income<sup>1</sup>

30 Sep 2021

Rental agreements	Contracted annual rent, SEKm	Participation, %
Community service properties	189	53
Residential units <sup>1</sup>	7	2
Supermarkets	28	8
Other commercial	135	38
<b>Total</b>	<b>360</b>	<b>100</b>

1) Of which approximately SEK 2.5m pertains to student accommodation let through a rental contract.

# 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 10m 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 manage-

ment, 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 fourth quarter of 2021, accession will be gained of 50% of shares in Järngrinden AB. Ownership of Järngrinden will be recognised as a joint venture. The share of profits from Järngrinden will be reported on an ongoing basis as Share of income from property management through joint ventures and will increase Genova's income from property management. Based on Järngrinden's earnings for the 12-month period until 30 June 2021, the acquisition is initially expected to have a positive impact on Genova's income from property management of about SEK 35m on an annual basis.

## Estimated earnings capacity of investment properties

SEKm	
Rental value <sup>1</sup>	379
Vacancy rate	-19
<b>Rental income</b>	<b>360</b>
Operating costs	-65
Maintenance costs	-14
Property tax	-7
<b>Total property costs</b>	<b>-87</b>
<b>Net operating income</b>	<b>273</b>
Central administration, property management	-18
Genova's share of income from property management through joint ventures	8
Net financial items	-123
<b>Income from property management</b>	<b>140</b>

1) Not including rental discounts of SEK 10m.



Luthagen 13:2, 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 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 about SEK 5 billion and a completed value of about SEK 7 billion. Thus, Genova is active across the entire chain of property investments – from acquisitions to property management, project development and construction, where the projects often include contributing to the development of new districts.

Taking into account time and planning risk, assumptions about the fair value of the projects upon completion

are of a defensive nature. Nor has investment support been taken into account in the assumptions. In the table on page 16, completed values are assessed amount to approximately SEK 45 thousand per square meter for rental housing and approximately SEK 67 thousand per square meter for co-operative apartments, including association loans. Based on current market values on apartments and as about 85% of the building rights are located in Greater Stockholm and the Uppsala Region and we believe the value of residential units completed in the future could be higher. The estimate was defensive with consideration for timetable and planning risks. Nor was investment aid taken into account in the assumptions.

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

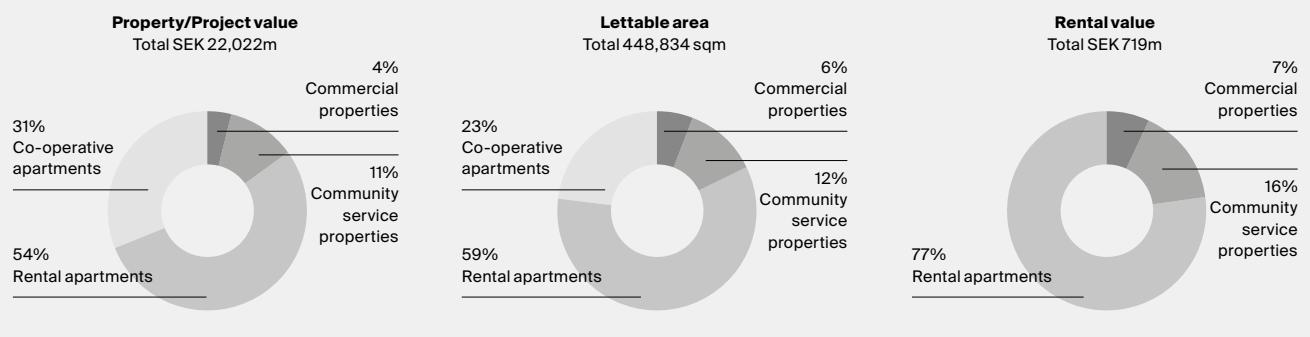
residential units or community services. A few acquisitions and granted land-use agreements have also been added to the project portfolio. As of 30 September 2021, Genova's project portfolio comprised approximately 450,000 sqm of lettable area allocated between 6,867 residential building rights, of which about 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.

## 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

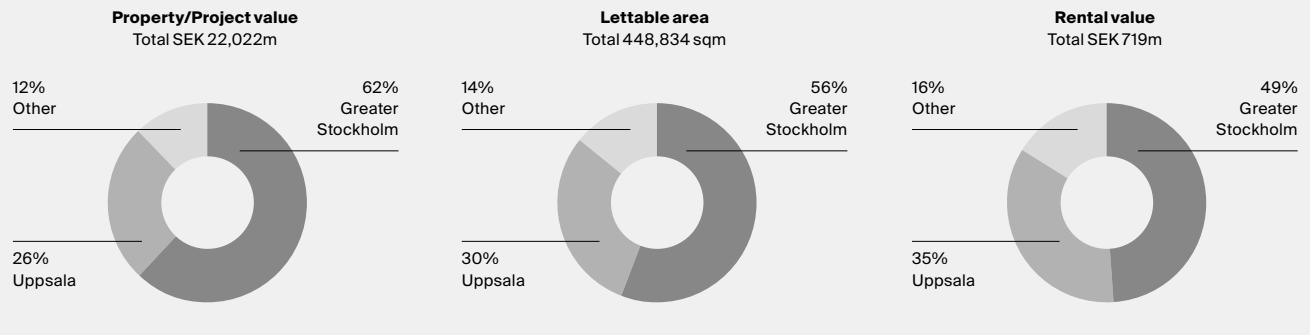
### Project development per property category

30 Sep 2021



### Project development per geography

30 Sep 2021





Segerdal project, Knivsta

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 this valuation, a review was carried out on 30 September 2021 and 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, which is in line with the second quarter of 2021.

### 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 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 the rental apartments and community service properties in Norrtälje. Knivsta and Enköping that are currently under construction will be environmentally certified.

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](http://www.genova.se).

### Ongoing construction

As of 30 September 2021, Genova had ongoing construction with a book value of SEK 990m. The amount includes SEK 286m pertaining to the ongoing Danmarks-Kumla project in Uppsala in which Genova is constructing a warehouse and logistics building. The project property, which is divested, will be completed and exited in the fourth quarter of 2021 is therefore not included in the tables of ongoing construction on page 16.

The units under construction are Handelsmannen 1 in Norrtälje (retirement home, preschool and rental apartments) Segerdal in Knivsta (rental apartments), Korsängen in Enköping (rental apartments), Can Oliver in Palma, Majorca, (hotel) and Söderhällby (warehouse/logistics). 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 year and the tenant Nobis has commenced operations in the hotel. In conjunction with the completion, the property was reclassified as an investment property.

In Norrtälje, this includes the ongoing Handelsmannen 1 project comprising 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.

The Segerdal project is 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 and the first occupancy is scheduled for the fourth quarter of 2023.

The Korsängen project in Enköping comprises 185 rental apartments with a lettable area of just over 8,000 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 September, Genova gained accession to 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 218m. During the third quarter, construction began that is expected to be completed in June 2022. The property value when completed is estimated at approximately SEK 280m with an estimated total annual rental value of approximately SEK 17m and an expected annual net operating income of approximately SEK 16m. Approximately 50% of the project was let as of October.

## Planned projects

Planned projects comprised a total of approximately 6,004 expected residential building rights allocated between approximately 355,000 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 1,282m, of which Genova's share amounts to SEK 641m. Shares in joint ventures are recognised using the equity method. The properties, which are cash flow generating, comprise a total of approximately 2,432 residential building rights, of which Genova's share is 1,216 and is included in the total number of building rights recognised for the ongoing and future development of residential units.



Sicklaön 386:6, Nacka

## Ongoing construction

30 Sep 2021

Project	Municipality	Category	Construction start	Planned completion	No. of residential units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value, SEKm <sup>4</sup>
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimat-ed	Accum-ulated	
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q3 2022	80	6,080	1,437	370	49,222	16	2,126	279	155	186
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2022/Q4 2023 <sup>2</sup>	408	21,314	-	900	42,226	37	1,730	720	177	239
Segerdal <sup>3</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	9,027	252	398	42,908	19	2,060	345	62	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1 2023	185	7,979	243	378	45,970	16	1,978	286	59	63
Hotell Can Oliver	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	-	286	86,784	13	3,806	193	138	157
Söderhällby	Uppsala	Commercial properties	Q3 2021	Q2 2022	-	-	14,000	280	20,000	17	1,214	218	45	60
<b>Total ongoing construction</b>					<b>863</b>	<b>47,700</b>	<b>15,932</b>	<b>2,612</b>	<b>41,056</b>	<b>118</b>	<b>1,851</b>	<b>2,041</b>	<b>636</b>	<b>705</b>

1) Refers to fair value of the completed investment.

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

3) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake.

4) Excluding the ongoing Danmarks-Kumla project in Uppsala, for which a divestment agreement was concluded in Q1 with exit scheduled for Q4 2021. As of 30 September 2021, the book value of the project was SEK 285.5m.

## Planned projects

30 Sep 2021

Project	No. of residential units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value, SEKm <sup>4</sup>
		Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimat-ed	Accum-ulated	
<b>Per category</b>										
Rental apartments	4,085	227,340	-	10,321	45,401	486	2,137	8,483	58	110
Community service properties	360	26,855	18,478	1,949	43,000	96	2,118	1,564	10	10
Commercial properties	-	0	10,880	339	31,188	20	1,813	299	7	10
Co-operative apartments	1,560	101,650	-	6,800	66,896	-	-	4,974	48	76
<b>Total per category</b>	<b>6,004</b>	<b>355,845</b>	<b>29,358</b>	<b>19,410</b>	<b>50,389</b>	<b>601</b>	<b>2,121</b>	<b>15,320</b>	<b>123</b>	<b>206</b>
<b>Per geography - Own management</b>										
Greater Stockholm	1,990	117,465	18,148	6,408	47,249	300	2,216	5,275	38	79
Uppsala	1,544	83,765	10,745	4,052	42,868	197	2,079	3,333	25	35
Other	911	52,965	465	2,151	40,258	104	1,955	1,739	12	17
<b>Total per geography</b>	<b>4,445</b>	<b>254,195</b>	<b>29,358</b>	<b>12,610</b>	<b>44,471</b>	<b>601</b>	<b>2,121</b>	<b>10,347</b>	<b>75</b>	<b>131</b>
<b>Per geography - Co-operative apartments</b>										
Greater Stockholm	1,300	85,870	-	5,948	69,263	-	-	4,350	40	67
Uppsala	220	11,030	-	605	54,885	-	-	457	8	8
Other	40	4,750	-	247	52,000	-	-	166	-	-
<b>Total per geography</b>	<b>1,560</b>	<b>101,650</b>	<b>-</b>	<b>6,800</b>	<b>66,896</b>	<b>-</b>	<b>-</b>	<b>4,974</b>	<b>48</b>	<b>75</b>
<b>Per geography - Own management and co-operative apartments</b>										
Greater Stockholm	3,290	203,335	18,148	12,355	55,784	300	2,216	9,625	78	146
Uppsala	1,764	94,795	10,745	4,657	44,124	197	2,079	3,790	33	43
Other	951	57,715	465	2,398	41,216	104	1,955	1,905	12	17
<b>Total own management and co-operative apartments per geography</b>	<b>6,004</b>	<b>355,845</b>	<b>29,358</b>	<b>19,410</b>	<b>50,389</b>	<b>601</b>	<b>2,121</b>	<b>15,320</b>	<b>123</b>	<b>206</b>

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 Sep 2021

Project specification	Municipality	Category <sup>1</sup>	Estimated construction start	Estimated completion	No. of residential units	Lettable area, sqm	Phase			
							Planning permission decision	Planning consultation	Review	Approved zoning plan
<b>Ongoing construction</b>										
Handelsmannen <sup>1,2</sup>	Norrköping	Community service properties	Q4 2019	Q3 2022	80	7,517	•	•	•	•
		Rental apartments	Q4 2019	Q4 2022/Q4 2023	408	21,314	•	•	•	•
Segerdal <sup>3</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023	150	9,278	•	•	•	•
Korsängen	Enköping	Rental apartments	Q1 2021	Q1 2023	185	8,222	•	•	•	•
Hotell Can Oliver	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	•	•	•	•
Söderhällby	Uppsala	Commercial properties	Q3 2021	Q2 2022	14,000	14,000	•	•	•	•
<b>Total ongoing</b>					<b>863</b>	<b>63,631</b>				
<b>WHOLLY OWNED PROJECTS</b>										
<b>Planned projects</b>										
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	•			
Drevern 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	•	•		
		Co-operative apartments	2022	2024	120	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 Väldalen	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	•			
<b>Total wholly owned</b>					<b>4,028</b>	<b>253,750</b>				

Continuation and notes on the following page.

## Project, cont.

30 Sep 2021

Project specification	Municipality	Category <sup>1</sup>	Estimated construction start	Estimated completion	No. of residential units	Lettalbe area, sqm	Planning permission decision	Planning consultation	Review	Approved zoning plan	Phase
<b>JOINTLY OWNED PROJECTS (Refers to Genova's stake<sup>4</sup>)</b>											
<b>Planned projects</b>											
Viby <sup>5</sup>	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 <sup>6</sup>	Borås	Community service properties	2023	2025	70	4,650	•	•			
		Rental apartments	2023	2025	245	15,400	•	•			
Nacka Strand <sup>7</sup>	Nacka	Co-operative apartments	2023	2025	53	3,420	•	•			
		Co-operative apartments	2023	2025	44	2,850	•	•			
		Rental apartments	2023	2025	25	1,520	•	•			
		Rental apartments	2025	2027	70	4,180	•	•			
Skvaltan <sup>8</sup>	Nacka	Co-operative apartments	2024	2026	175	9,625	•				
Gåshaga <sup>9</sup>	Lidingö	Rental apartments	2025	2027	210	11,500	•				
		Co-operative apartments	2025	2027	175	11,500	•				
<b>Total jointly owned</b>					<b>1,976</b>	<b>131,453</b>					
<b>Total</b>					<b>6,867</b>	<b>448,834</b>					

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

6) Gulmåran is 50/50 owned by Genova and Järngrinden. In Q4, the properties will be consolidated and the stake will amount to 75% following Genova's acquisition of 50% of shares in Järngrinden

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

## An effective project process

Genova has an effective work process that enables it to quickly commence a project after completing the acquisition of land. This means short lead times from accession to the completed building. The Söderhällby 1:9 project property in Uppsala was acquired in May 2021 and is scheduled for completion in June 2022.

Genova is developing a green project property here that when completed will contain approximately 14,000 sqm of lettable area for warehouse and logistics. The property value when completed is estimated at approximately SEK 280m with an estimated total annual rental value of approximately SEK 17m and an expected annual net operating income of approximately SEK 16m.



# Consolidated statement of comprehensive income

SEKm	Jan-Sep 2021	Jan-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Oct 2020- Sep 2021	Jan-Dec 2020
Rental income	225.2	168.3	83.4	57.7	288.0	231.1
Operating costs	-40.3	-30.3	-12.2	-10.3	-53.0	-43.0
Maintenance costs	-9.8	-3.0	-3.5	-0.7	-11.1	-4.3
Property tax	-4.5	-4.8	-1.3	-1.4	-6.1	-6.4
<b>Total property costs</b>	<b>-54.6</b>	<b>-38.1</b>	<b>-17.0</b>	<b>-12.4</b>	<b>-70.2</b>	<b>-53.7</b>
<b>Net operating income</b>	<b>170.6</b>	<b>130.2</b>	<b>66.4</b>	<b>45.3</b>	<b>217.8</b>	<b>177.4</b>
Central administration, property management	-15.3	-21.5	-5.6	-14.7	-19.9	-26.1
Central administration, project development	-16.5	-32.3	-5.9	-22.2	-23.3	-39.1
Share of profit from joint ventures	9.8	52.9	5.9	48.2	12.6	55.7
Net financial items	-82.7	-79.3	-29.7	-27.2	-110.5	-107.1
<b>Income from property management<sup>1</sup></b>	<b>65.9</b>	<b>50.0</b>	<b>31.1</b>	<b>29.4</b>	<b>76.7</b>	<b>60.8</b>
Income from new construction, co-operative apartments	-	-	-	-	37.0	37.0
Other operating income	15.4	2.0	15.0	1.1	15.6	2.2
Value changes, properties	379.6	296.7	66.2	62.8	462.9	380.0
Currency effects, properties	3.1	1.7	1.4	1.0	-5.4	-6.8
<b>Profit before tax</b>	<b>464.0</b>	<b>350.4</b>	<b>113.7</b>	<b>94.3</b>	<b>586.8</b>	<b>473.2</b>
Income tax	-115.6	-40.6	-29.1	-15.5	-130.2	-55.2
<b>Net income for the period</b>	<b>348.4</b>	<b>309.8</b>	<b>84.6</b>	<b>78.8</b>	<b>456.6</b>	<b>418.0</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>348.4</b>	<b>309.8</b>	<b>84.6</b>	<b>78.8</b>	<b>456.6</b>	<b>418.0</b>
<b>Net income for the period attributable to:</b>						
Parent Company shareholders	348.3	309.8	84.5	78.7	456.4	417.9
Non-controlling interests	0.1	0.0	0.1	0.1	0.2	0.1
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders	348.3	309.8	84.5	78.7	456.4	417.9
Non-controlling interests	0.1	0.0	0.1	0.1	0.2	0.1
Income per ordinary share before and after dilution, SEK <sup>2</sup>	7.59	8.26	1.83	1.73	10.01	10.69
No. of ordinary shares at the end of the period, 000s	41,977	39,577	41,977	39,577	30,722	39,577
Average no. of ordinary shares, 000s <sup>3</sup>	39,577	33,674	39,577	39,577	30,722	35,149
No. of preference shares outstanding, 000s	-	4,000	-	4,000	-	4,000
Average no. of preference shares, 000s	2,326	4,000	-	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 and payment for green capital securities.

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 225.2m (168.3). The increase corresponds to rental income growth of 34%. Growth in rental income was mainly attributable to an expanding investment property portfolio from acquisitions. Over the past 12 months, the lettable area increased approximately 65,000 sqm to 252,000 sqm, or 35%, with a total rental value of SEK 379m, corresponding to approximate growth of 46%. The community service properties category accounted for the greatest increase. At the end of the period, the economic occupancy rate was about 95% (98), which is a decline compared with the corresponding period of 2020 and pertains to the acquired properties during the period.

The 3 percent reduction in revenue for comparable portfolio, according to the table below, is due to non-recurring effects of Covid 19 support provided.

Rental income amounted to SEK 83.4m (57.7) in the third quarter, corresponding to an increase of 45% and pertaining to acquired properties.

## Income development

SEKm	Jan-Sep 2021	Jan-Sep 2020	Change, %
Comparable portfolio	126.1	130.6	-3
Properties acquired	89.2	7.4	n/a
Properties sold	9.8	30.3	-68
<b>Rental income</b>	<b>225.2</b>	<b>168.3</b>	<b>34</b>
Commercial properties	100.2	105.5	-5
Community service properties	125.0	62.7	99
<b>Rental income</b>	<b>225.2</b>	<b>168.3</b>	<b>34</b>

## Property costs

During the period, property costs in the form of operating and maintenance costs and property tax increased to SEK -54.6m (-38.1), up approximately 43%. 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 third quarter amounted to SEK -17.0m (-12.4), 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-Sep 2021	Jan-Sep 2020	Change, %
Comparable portfolio	-32.4	-31.4	3
Properties acquired	-19.0	-1.3	n/a
Properties sold	-3.2	-5.5	-41
<b>Property costs</b>	<b>-54.6</b>	<b>-38.1</b>	<b>43</b>
Commercial properties	-29.5	-27.8	6
Community service properties	-25.1	-10.3	143
<b>Property costs</b>	<b>-54.6</b>	<b>-38.1</b>	<b>43</b>

## Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-242.7	-273.8	-258.4
Maintenance	-42.8	-70.3	-56.8
Property tax	-53.2	-4.7	-28.6
<b>Total</b>	<b>-339</b>	<b>-349</b>	<b>-344</b>

## Net operating income

During the period, net operating income increased to SEK 170.6m (130.2), up 31%. The NOI margin for the period was 75.8%, which is slightly lower compared with 77.4% for the corresponding period of 2020. The lower NOI margin was primarily due to higher property costs in the form of increased maintenance and a cold and snowy first quarter of 2021.

Net operating income for the third quarter amounted to SEK 66.4m (45.3), up 47%. The NOI margin was 79.6%. The higher NOI margin is due to seasonal variations in operating costs and lower level of maintenance work during the summer months.

## Central administration

Central administrative expenses are allocated between property management and project development. During the period, central administrative expenses totalled SEK -31.8m (-53.8), corresponding to a decrease of SEK -22.0m or 41%. The higher cost in 2020 is due to SEK 25.3m expensed in the third quarter of 2020 that related to the listing of the company's shares on Nasdaq Stockholm.

Central administrative expenses amounted to SEK 11.5m for the third quarter, which is a slight increase compared with the second quarter of 2021 as the business grows.

Central administration		Jan-Sep 2021	Jan-Sep 2020
SEKm			
<b>Property management</b>			
Other external costs	-8.5	-4.7	
Personnel costs	-5.4	-4.9	
Depreciation/amortisation and leases	-1.4	-1.8	
Listing expenses	-	-10.1	
<b>Central administration, property management</b>	<b>-15.3</b>	<b>-21.5</b>	
<b>Project development</b>			
Other external costs	-9.2	-7.0	
Personnel costs	-5.8	-7.4	
Depreciation/amortisation and leases	-1.5	-2.7	
Listing expenses	-	-15.2	
<b>Central administration, project development</b>	<b>-16.5</b>	<b>-32.3</b>	

## 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 9.8m (52.9) and pertained to income from operating activities. The share of profits for 2021 includes SEK 5.1m in value changes from the ongoing Segerdal project, which is jointly owned with Redito. The substantial share of profits in 2020 mainly comprised value changes relating to Nackahusen Holding AB, which was acquired in the third quarter of 2020 and is owned together with SBB. Income from operating activities increased in line with an improved occupancy rate and is expected to further improve in 2020 with the additional properties owned through joint ventures.

## Net financial items

Net financial items amounted to SEK -82.7m (-79.3) during the period, where net financial expense was slightly 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 third quarter of 2020 have been restated.

As of the balance-sheet date, the average interest rate was 2.0% (2.8% including the construction credit and bond loans). Financial expenses during the period include SEK -10.9m (-13.1) pertaining to bond financing costs, which are allocated over the terms of the loans. The interest-coverage ratio for the period was 2.2 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-Sep 2021	Jan-Sep 2020
Interest income	1.9	1.9
Interest expense, loans	-72.3	-65.9
Interest expense leases	-1.4	-1.5
Other financial expenses	-10.9	-13.8
<b>Net financial items</b>	<b>-82.7</b>	<b>-79.3</b>

## Income from property management

During the period, income from property management amounted to SEK 65.9m (50.0), up 32%. 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 third quarter amounted to SEK 31.1m (29.4), up 6%, with the change mainly attributable to the positive effects from increased net operating income. The increase was reduced by the value changes from joint ventures that were higher in 2020.

## Value changes

The warehouse and logistics property under construction in Uppsala was sold 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 76m, resulting in a positive value change during the period. In addition, the properties accessed during the period resulted in positive value changes of SEK 114m. Ongoing construction in Norrtälje, Enköping, Uppsala and Palma (Majorca) contributed SEK 101m in positive value changes in line with construction progress and the completion of the property in Palma. Changed yield requirements due to market values resulted in positive effects of SEK 52m while increased net operating income from lettings and renegotiations increased the item by SEK 17m. In the year-on-year period, the value change mainly comprised the sale of the Stapelbädden 3 property in Gåshaga on Lidingö to a joint venture together with SBB.

### Value changes, properties

SEKm	Jan-Sep 2021	Jan-Sep 2020
Change in net operating income	16.6	7.7
Ongoing construction	101.3	58.6
Land and unused building rights	20.0	215.7
Change in yield requirement	52.0	-36.3
Acquisitions	113.7	51.0
Divestments	76.0	-
<b>Value changes, properties</b>	<b>379.6</b>	<b>296.7</b>

## Income tax

Recognised tax amounted to SEK -115.6m (-40.6). Both current and deferred tax was calculated using a nominal tax rate of 20.6%. Remaining tax loss carryforwards are an estimated SEK 420m (420), with untaxed reserves of approximately SEK 73m (56). Deferred tax liabilities are calculated using the nominal tax rate of 20.6% of the difference between the book value and tax base, less the tax attributable to asset acquisitions.

### Tax calculation

SEKm	Jan-Sep 2021	Jan-Sep 2020
Income before tax	464.0	350.4
Tax rate, %	20.6	21.4
Income tax at the current tax rate	-95.6	-75.0
Non-taxable income	2.0	11.3
Non-deductible expenses	-5.4	-5.5
Non-deductible net interest income	-13.6	-11.9
Deductible costs not included in profit or loss	-	9.5
Property transaction reversals	-5.3	34.5
Adjustment of deferred tax for prior periods	-	-6.7
Change in unused tax loss carryforward	2.4	-
Effect of changed tax rates	-	2.4
Other	-0.1	0.8
<b>Tax for the period as per the income statement</b>	<b>-115.6</b>	<b>-40.6</b>

### Deferred tax liabilities, net

SEKm	30 Sep 2021	30 Sep 2020
Temporary differences, properties	-391.4	-296.1
Untaxed reserves	-15.0	-11.7
<b>Total deferred tax liabilities</b>	<b>-406.4</b>	<b>-307.8</b>
Tax loss carryforwards	86.5	86.6
<b>Total deferred tax assets</b>	<b>86.5</b>	<b>86.6</b>
<b>Deferred tax liabilities, net</b>	<b>-319.9</b>	<b>-221.2</b>

### Net income for the period

Net income for the period amounted to SEK 348.4m (309.8). 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 three quarters of 2020.

# Consolidated balance sheet

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	6,359.7	4,324.3	4,559.6
Properties under construction	1,072.0	550.8	704.1
Development properties	123.4	95.3	91.4
Right-of-use assets	33.1	34.4	32.1
Equipment	3.7	5.0	6.6
Deferred tax assets	86.5	86.6	89.6
Shares in joint ventures	291.7	249.1	279.4
Other non-current receivables	257.3	258.2	257.3
<b>Total non-current assets</b>	<b>8,227.4</b>	<b>5,603.7</b>	<b>6,020.1</b>
<b>Current assets</b>			
Ongoing co-operative apartment projects	-	252.9	-
Rent receivable and accounts receivable	16.2	11.0	10.6
Other receivables	412.8	119.4	131.4
Prepaid expenses and accrued income	25.7	18.0	44.2
Cash and cash equivalents	271.0	715.2	578.4
<b>Total current assets</b>	<b>725.7</b>	<b>1,116.5</b>	<b>764.6</b>
<b>TOTAL ASSETS</b>	<b>8,953.1</b>	<b>6,720.2</b>	<b>6,784.7</b>
<b>EQUITY</b>			
<b>Total comprehensive income for the period</b>			
Share capital	50.4	52.3	52.3
Other capital contributions	1,459.5	1,193.6	1,183.0
Retained earnings, including net income for the period	1,106.1	1,225.7	1,334.1
Green capital securities	700.0	-	-
<b>Non-controlling interests</b>	<b>78.5</b>	<b>78.3</b>	<b>78.4</b>
<b>Total equity</b>	<b>3,394.5</b>	<b>2,549.9</b>	<b>2,647.8</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from credit institutions	2,602.3	2,106.9	2,261.9
Bond loans	1,156.7	900.0	901.9
Lease liabilities	28.0	32.1	30.6
Other non-current liabilities	3.1	42.1	43.1
Deferred tax liabilities	406.4	307.8	324.6
<b>Total non-current liabilities</b>	<b>4,196.5</b>	<b>3,388.9</b>	<b>3,562.1</b>
<b>Current liabilities</b>			
Loans from credit institutions	1,067.3	563.5	298.1
Bond loans	5.2	46.5	52.7
Accounts payable	65.9	35.9	40.8
Lease liabilities	5.3	4.8	5.3
Current tax liabilities	20.5	17.7	13.5
Other liabilities	97.8	65.5	119.1
Accrued expenses and deferred income	100.1	47.5	45.3
<b>Total current liabilities</b>	<b>1,362.1</b>	<b>781.4</b>	<b>574.8</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,953.1</b>	<b>6,720.2</b>	<b>6,784.7</b>

# Consolidated statement of changes in equity

SEKm	Attributable to Parent Company shareholders							
	No. of shares outstanding, 000s		Share capital	Other capital contributions	Retained earnings incl. net income for the period	Green capital securities	Non-controlling interests	Total equity
	Ordinary shares	Preference shares						
<b>Opening balance, 1 January 2020</b>	<b>61,444</b>	<b>4,000</b>	<b>0.7</b>	<b>647.6</b>	<b>999.6</b>	<b>-</b>	<b>78.3</b>	<b>1,726.2</b>
<b>Comprehensive income</b>								
Net income for the year					417.9		0.1	0.1
Other comprehensive income								
<b>Total comprehensive income</b>					<b>417.9</b>		<b>0.1</b>	<b>418.0</b>
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
<b>Closing balance, 31 December 2020</b>	<b>39,577</b>	<b>4,000</b>	<b>52.3</b>	<b>1,183.0</b>	<b>1,334.1</b>	<b>0.0</b>	<b>78.4</b>	<b>2,647.8</b>
<b>Opening balance, 1 January 2021</b>	<b>39,577</b>	<b>4,000</b>	<b>52.3</b>	<b>1,183.0</b>	<b>1,334.1</b>	<b>-</b>	<b>78.4</b>	<b>2,647.8</b>
<b>Comprehensive income</b>								
Net income for the period					348.3		0.1	348.4
Other comprehensive income								
<b>Total comprehensive income</b>					<b>348.3</b>		<b>0.1</b>	<b>348.4</b>
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					-13.9			-13.9
Dividends, green capital securities					-24.2			-24.2
Redemption of preference shares		-4,000	-4.8		-515.2			-520.0
New issue of ordinary shares	2,400		2.9	285.1				288.0
Issue costs of ordinary shares				-8.6				-8.6
Warrants issued					1.1			1.1
Currency effects					-0.3			-0.3
<b>Closing balance, 31 September 2021</b>	<b>41,977</b>	<b>0</b>	<b>50.4</b>	<b>1,459.5</b>	<b>1,106.1</b>	<b>700.0</b>	<b>78.5</b>	<b>3,394.5</b>

# Comments on the balance sheet

## Investment property portfolio and property value

### Investment properties

The Group's investment properties comprise a total of 53 wholly owned properties. The fair value of investment properties is mainly estimated using a Discounted Cash Flow Model, where the value has been calculated as the present value of expected future cash flows and the residual value during a calculation period, where discounting has taken place using an estimated cost of capital. The average yield requirement for the property portfolio was an estimated 4.51% 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 September 2021, the book value of the Group's investment properties was SEK 6,360m, up SEK 1,800m compared with 31 December 2020. The increase mainly pertains to the acquisition of five community service properties and three commercial properties at an underlying property value of SEK 1,577m, which were accessed 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, the Handelsmannen 1 project in Norrtälje, as well as the Korsängen project in Enköping. In addition, the two warehouse and logistics properties in Uppsala are also included, of which Danmarks-Kumla has been divested and will be exited in the fourth quarter of 2021. The balance-sheet item also includes value changes in building rights related to a number of upcoming projects. A total of SEK 400m was capitalised during the period. The first hotel in Palma was completed during the year 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 Sep 2021	30 Sep 2020	31 Dec 2020
Opening value, investment properties	4,559.6	3,661.3	3,661.3
+ Acquisitions	1,706.1	447.6	735.6
+ Building improvements and renovations	28.0	18.4	23.0
- Divestments	-406.4	-349.0	-465.1
+/- Reclassifications	244.1	308.0	308.0
+/- Unrealised value changes	228.3	238.0	296.8
<b>Closing value, investment properties</b>	<b>6,359.7</b>	<b>4,324.3</b>	<b>4,559.6</b>
Opening value, properties under construction	704.1	702.0	702.0
+ Acquisitions	44.6	-	69.2
+ New construction	397.7	148.2	207.7
+/- Reclassifications	-244.1	-308.0	-308.0
- Divestments	-	-50.0	-50.0
+/- Unrealised value changes	169.7	58.6	83.2
- of which ongoing construction	169.7	58.6	83.2
<b>Closing value, properties under construction</b>	<b>1,072.0</b>	<b>550.8</b>	<b>704.1</b>
Opening value, development properties	91.4	56.5	56.5
+ Capitalisation	32.0	38.8	34.9
<b>Closing value, development properties</b>	<b>123.4</b>	<b>95.3</b>	<b>91.4</b>
Opening value, ongoing co-operative apartment projects	-	199.3	199.3
+ Capitalisation	-	53.6	53.6
- Divestments	-	-	-252.9
<b>Closing value, ongoing co-operative apartment projects</b>	<b>-</b>	<b>252.9</b>	<b>-</b>
<b>Closing value, investment property portfolio</b>	<b>7,555.1</b>	<b>5,223.3</b>	<b>5,355.1</b>
Investment properties	6,359.7	4,324.3	4,559.6
Ongoing construction	989.7	328.5	415.8
Planned projects	205.7	317.6	379.7
Ongoing co-operative apartment projects	-	252.9	-
<b>Closing value, investment property portfolio</b>	<b>7,555.1</b>	<b>5,223.3</b>	<b>5,355.1</b>

### Property yield per category

%	30 Sep 2021	30 Sep 2020
Commercial properties <sup>1</sup>	4.42	4.76
Community service properties	4.57	5.09
<b>Total</b>	<b>4.51</b>	<b>4.93</b>

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

### Key metrics, property value

	30 Sep 2021	30 Sep 2020
Rental value, SEK/sqm	1,503	1,387
Economic occupancy rate, %	95	98
Property costs, SEK/sqm	344	303
Net operating income, SEK/sqm	1,085	1,056
NOI margin, %	76	78
Investment property value, SEK/sqm	25,255	23,077
Lettable area, ksqm	251,820	187,383
No. of properties	53	47

### Equity and net asset value

As of 30 September 2021, consolidated equity amounted to SEK 3,394.5m (2,647.8) and the equity/assets ratio was 37.9% (37.9).

Long-term net asset value amounted to SEK 3,714.4m (2,883.0), up 29%. Long-term net asset value attributable to ordinary shareholders amounted to SEK 2,935.9m (2,364.6), up 24%. Long-term net asset value attributable to ordinary shareholders per ordinary share amounted to SEK 69.94 per ordinary share (58.11).

During the period, Genova 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. During the period, Genova also conducted a directed issue of 2.4 million ordinary shares at a subscription price of SEK 120 per ordinary share. The issue generated proceeds of approximately SEK 279m for the company after listing expenses.

### Net asset value

	30 Sep 2021		30 Sep 2020		31 Dec 2020	
	SEKm	SEK/ordinary share	SEKm	SEK/ordinary share <sup>1</sup>	SEKm	SEK/ordinary share <sup>1</sup>
Equity as per the balance sheet	3,394.5	80.87	2,549.9	64.43	2,647.8	66.90
Reversal:						
Deferred tax liabilities as per the balance sheet	406.4	9.68	307.8	7.78	324.7	8.20
Effect of change in accounting policies	-	-	47.0	1.19	-	-
Less:						
Deferred tax assets as per the balance sheet	-86.5	-2.06	-86.6	-2.19	-89.5	-2.26
Preference share capital	-	-	-440.0	-11.12	-440.0	-11.12
Green capital securities	-700.0	-16.68	-	-	-	-
Non-controlling interests	-78.5	-1.87	-78.3	-1.98	-78.4	-1.98
<b>Long-term net asset value attributable to ordinary shareholders</b>	<b>2,935.9</b>	<b>69.94</b>	<b>2,299.8</b>	<b>58.11</b>	<b>2,364.6</b>	<b>59.75</b>

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 September 2021, the Group's interest-bearing liabilities attributable to investment properties and project properties were approximately SEK 4,839m (3,534), representing a loan-to-value ratio of about 60.5% (55.9) adjusted for cash and cash equivalents. As of 30 September 2021, the average interest rate was approximately 2.0% (2.8% including the construction credit and bond loans) and the equity/assets ratio was 37.9% (37.9).

As of 30 September 2021, the Group's total interest-bearing liabilities of SEK 3,664m (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 September 2021, the average maturity was 2.0 years (3.0). The credit term structure at the same date is shown in the table below.

Within 12 months of the reporting date, loans of SEK 655m will mature related to properties acquired in 2021. Long-term financing with the corresponding amount is already agreed and will begin after completion of the internal mergers. The agreed financing also has a positive impact on the stated average maturity. At the end of the period, undrawn facilities

in the form of revolving credit and a bank overdraft totalled SEK 435m. In addition to these facilities, granted construction credit of SEK 816m is still undrawn.

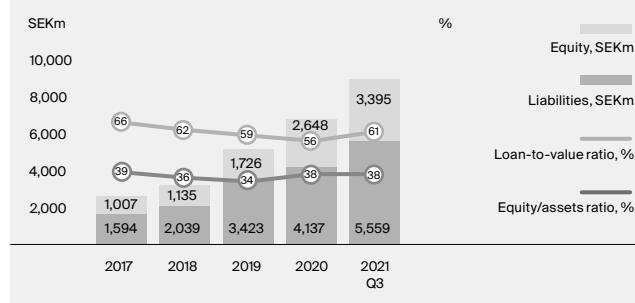
In August, Genova successfully issued subsequent senior unsecured green bonds in the amount of SEK 250m due 9 September 2024 under the existing framework totalling SEK 750m. The additional green bonds were issued at a price of 101% of nominal amount corresponding to a coupon of three months STIBOR plus approximately 415 basis points. In October, an additional SEK 100m was issued at a price of 101.5% of nominal amount corresponding to a coupon of three months STIBOR plus approximately 395 basis points. Following the issues, the framework of SEK 750m has been fully utilised. The net issue proceeds will be used in accordance with Genova's green finance framework and the green bonds are traded on the sustainable bond list of Nasdaq Stockholm.

## Interest-rate derivatives

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

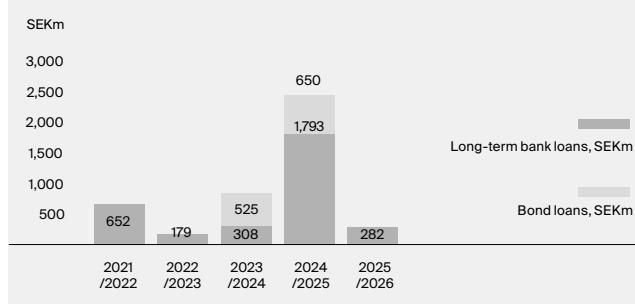
### Capital structure

30 Sep 2021



### Credit term structure

30 Sep 2021



### Credit and interest rate term structure

30 Sep 2021

	Fixed-rate period		Maturity		
	Amount, SEKm	Average rate, %	Credit agreement, SEKm	Drawn, SEKm	Undrawn, SEKm
<b>Term</b>					
0-1 year	652	2.16	652	652	0
1-2 years	179	2.13	179	179	0
2-3 years <sup>1</sup>	833	4.06	833	833	0
3-4 years <sup>2</sup>	2,443	2.60	2,703	2,443	260
4-5 years	282	1.95	282	282	0
<b>Total</b>	<b>4,389</b>	<b>2.75</b>	<b>4,649</b>	<b>4,389</b>	<b>260</b>
Construction credit	450	2.29	1,156	450	816
<b>Total</b>	<b>4,839</b>	<b>2.71</b>	<b>5,805</b>	<b>4,839</b>	<b>1,076</b>
<b>Loans, excluding bonds and construction credit</b>	<b>3,214</b>	<b>2.04</b>	<b>3,474</b>	<b>3,214</b>	<b>260</b>

<sup>1</sup> SEK 625m pertains to a bond interest rate of 5.25%.

<sup>2</sup> SEK 650m pertains to a bond interest rate of 4.50%.

# Consolidated cash flow statement

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Cash flow from operating activities</b>			
Income from property management	65.9	51.7	60.8
Adjustment for non-cash items <sup>1)</sup>	10.3	-40.5	-43.1
Other operating income	15.4	2.0	2.2
Income tax paid	-6.7	1.6	-3.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>84.9</b>	<b>14.8</b>	<b>16.5</b>
<b>Changes in working capital</b>			
Change in accounts receivable	-5.6	-7.0	-6.6
Change in other operating receivables	-289.0	-25.6	36.7
Change in accounts payable	25.1	-5.2	-0.3
Change in other operating liabilities	34.3	-42.9	50.2
<b>Cash flow from operating activities</b>	<b>-150.3</b>	<b>-65.9</b>	<b>96.5</b>
<b>Cash flow from investing activities</b>			
Investments in properties and projects	-2,217.7	-706.6	-1,074.7
Investments in equipment	-0.4	-2.9	-2.4
Divestments of investment properties	406.4	-	115.9
Change in other financial assets	-2.5	130.1	103.5
<b>Cash flow from investing activities</b>	<b>-1,814.2</b>	<b>-579.4</b>	<b>-857.7</b>
<b>Cash flow from financing activities</b>			
New issue of ordinary shares	279.4	546.0	546.0
Issue of green capital securities	686.3	-	-
Redemption of preference shares	-520.0	-	-
Loans raised	1,828.3	1,015.5	1,174.3
Repayment of loans	-568.8	-278.6	-447.8
Dividends paid	-48.0	-31.5	-42.0
<b>Cash flow from financing activities</b>	<b>1,657.2</b>	<b>1,251.4</b>	<b>1,230.5</b>
<b>Cash flow for the period</b>	<b>-307.3</b>	<b>606.1</b>	<b>469.3</b>
Opening cash and cash equivalents	578.4	109.1	109.1
<b>Closing cash and cash equivalents</b>	<b>271.0</b>	<b>715.2</b>	<b>578.4</b>
1) Other non-cash items			
Reversal of depreciation and amortisation	2.8	0.7	0.4
Share of profit from joint ventures	-9.8	-52.9	-55.7
Accrued interest	17.3	11.7	12.2
	<b>10.3</b>	<b>-40.5</b>	<b>-43.1</b>
Interest received	1.9	1.9	3.4
Interest paid	-72.3	-65.9	-92.4

# Segment reporting

SEKm	Jan-Sep 2021			Jan-Sep 2020				
	Investment properties	Other	Not allocated	Total	Investment properties	Other	Not allocated	Total
Rental income	225.2			225.2	168.6			168.6
Income from new construction		-		-		-		-
<b>Total income</b>	<b>225.2</b>			<b>225.2</b>	<b>168.6</b>			<b>168.6</b>
Property costs	-54.6			-54.6	-38.1			-38.1
<b>Total costs</b>	<b>-37.6</b>			<b>-37.6</b>	<b>-38.1</b>			<b>-38.1</b>
<b>Net operating income/Income from new construction</b>	<b>170.6</b>			<b>170.6</b>	<b>130.2</b>			<b>130.2</b>
Central administration	-15.3		-16.5	-31.8	-21.5		-32.3	-53.8
Share of profit from joint ventures	9.8			9.8	52.9			52.9
Net financial items	-82.7			-82.7	-79.3			-79.3
Other operating income			15.4	15.4		2.0		2.0
Value changes, properties	379.6			379.6	296.7			296.7
Currency effects, properties	3.1			3.1	1.7			1.7
<b>Profit before tax</b>				<b>464.0</b>				<b>350.4</b>
<b>Segment-specific assets</b>								
Investment properties	6,359.7				4,324.3			
Properties under construction	1,072.0				550.8			
Development properties	123.4				95.3			
Shares in joint ventures	291.7				249.1			
Accrued income					47.0			
<b>Segment-specific investments</b>								
Acquisitions and investments in properties	2,217.7				653.0	53.6		

## 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.



# Key metrics<sup>1</sup>

	Jan-Sep 2021	Jan-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Jan-Dec 2020
<b>Key metrics, properties</b>					
Residential units under construction, no.	863	438	863	438	540
Residential units completed, no.	35	89	35	35	137
Total no. of building rights	6,867	5,777	6,867	5,777	5,890
Lettalbe area, commercial properties, ksqm	124.0	113.9	124.0	113.9	110.4
Lettalbe area, community service properties, ksqm	127.8	73.5	127.8	73.5	79.1
Total lettable area, ksqm	251.8	187.4	251.8	187.4	189.5
Economic occupancy rate, %	95.0	98.1	95.0	98.1	98.2
NOI margin, %	75.8	77.4	79.6	78.5	76.8
Net investments, SEKm	1,811.7	706.6	361.4	432.2	1,074.7
<b>Financial key metrics</b>					
Return on equity, %	15.4	19.3	10.5	14.1	19.1
Equity/assets ratio, %	37.9	37.9	37.9	37.9	39.0
Loan-to-value ratio, %	60.5	55.9	60.5	55.9	55.2
Average interest rate, %	2.0	2.2	2.0	2.2	2.0
Average interest rate including bond loans, %	2.8	3.1	2.8	3.1	2.8
Interest-coverage ratio, times	2.2	1.8	2.2	2.1	1.8
Maturity, no. of years	2.1	3.3	2.1	3.3	3.0
<b>Key metrics, shares</b>					
Total no. of preference shares outstanding, 000s	-	4,000	-	4,000	4,000
Average no. of preference shares outstanding, 000s	2,326	4,000	-	4,000	4,000
Total dividend on preference shares, SEKm	23.8	31.5	13.3	10.5	42.0
Dividend on preference share, SEK	5.95	7.87	3.33	2.62	10.5
Total no. of ordinary shares outstanding, 000s <sup>2</sup>	41,977	39,577	41,977	39,577	39,577
Average no. of ordinary shares outstanding, 000s	39,577	33,674	39,577	39,577	35,149
Income from property management per ordinary share, SEK	0.45	0.55	0.48	0.48	0.53
Income per ordinary share, SEK	7.59	8.26	1.83	1.73	10.69
Equity, SEKm	3,394.5	2,549.9	3,394.5	2,549.9	2,647.8
Equity attributable to ordinary shareholders, SEKm	2,616.0	2,031.6	2,616.0	2,031.6	2,129.4
Equity per ordinary share, SEK	62.32	51.33	62.32	51.33	53.80
Long-term net asset value, SEKm	3,714.4	2,818.1	3,714.4	2,818.1	2,883.0
Long-term net asset value attributable to ordinary shareholders, SEKm	2,935.9	2,299.8	2,935.9	2,299.8	2,364.6
Long-term net asset value per ordinary share, SEK	69.94	58.11	69.94	58.11	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-Sep 2021	Jan-Sep 2020	Jul-Sep 2021	Jul-Sep 2020	Jan-Dec 2020
Net sales	5.8	-	5.8	-	3.5
<b>Total operating income</b>	<b>5.8</b>	<b>-</b>	<b>5.8</b>	<b>-</b>	<b>3.5</b>
Other external costs	-4.5	-27.2	-1.8	-26.6	-29.6
Personnel costs	-7.2	-8.1	-2.8	-5.8	-7.8
<b>Total operating expenses</b>	<b>-11.7</b>	<b>-35.3</b>	<b>-4.6</b>	<b>-32.4</b>	<b>-37.4</b>
<b>Operating income/loss</b>	<b>-5.9</b>	<b>-35.3</b>	<b>1.2</b>	<b>-32.4</b>	<b>-33.9</b>
Impairment of participations in Group companies	-	-	-	-	-52.8
Interest income and similar profit items	-	0.4	-	0.1	64.1
Interest expense and similar loss items	-44.1	-40.4	-15.4	-14.9	-59.6
<b>Loss from financial items</b>	<b>-44.1</b>	<b>-40.0</b>	<b>-15.4</b>	<b>-14.8</b>	<b>-48.3</b>
<b>Loss before tax</b>	<b>-50.0</b>	<b>-75.3</b>	<b>-14.2</b>	<b>-47.2</b>	<b>-82.2</b>
Tax on net income for the year	-	-	-	-	12.2
<b>Net loss for the year</b>	<b>-50.0</b>	<b>-75.3</b>	<b>-14.2</b>	<b>-47.2</b>	<b>-70.0</b>

# Parent Company balance sheet

SEKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Participations in Group companies	221.8	222.0	222.0
Deferred tax assets	21.6	9.4	21.6
Receivables from Group companies	1,797.1	1,004.7	1,173.6
Other receivables	-	0.7	-
<b>Total financial assets</b>	<b>2,040.5</b>	<b>1,236.8</b>	<b>1,417.2</b>
<b>Current receivables</b>			
Other receivables	282.2	-	9.2
Prepaid expenses and accrued income	3.3	4.9	3.2
	<b>285.5</b>	<b>4.9</b>	<b>12.4</b>
<b>Cash and cash equivalents</b>			
	<b>135.3</b>	<b>672.5</b>	<b>509.5</b>
<b>Total current assets</b>	<b>420.8</b>	<b>677.4</b>	<b>521.9</b>
<b>TOTAL ASSETS</b>	<b>2,461.3</b>	<b>1,914.2</b>	<b>1,939.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total comprehensive income for the period</b>			
<b>Restricted equity</b>			
Share capital	50.4	52.3	52.3
<b>Total restricted equity</b>	<b>50.4</b>	<b>52.3</b>	<b>52.3</b>
<b>Unrestricted equity</b>			
Retained earnings	442.0	822.2	811.5
Net loss for the period/year	-50.0	-75.3	-70.0
<b>Total unrestricted equity</b>	<b>392.0</b>	<b>746.9</b>	<b>741.5</b>
Green capital securities	700.0	-	-
<b>Total equity</b>	<b>1,142.4</b>	<b>799.2</b>	<b>793.8</b>
<b>Non-current liabilities</b>			
Bond loans	1,155.7	900.0	901.9
Other non-current liabilities	-	75.0	40.0
<b>Total non-current liabilities</b>	<b>1,155.7</b>	<b>975.0</b>	<b>941.9</b>
<b>Current liabilities</b>			
Bond loans	-	46.5	50.0
Accounts payable	1.1	-	-
Liabilities to Group companies	113.7	89.9	114.2
Other liabilities	41.5	0.4	36.5
Accrued expenses and deferred income	6.9	3.2	2.7
<b>Total current liabilities</b>	<b>163.2</b>	<b>140.0</b>	<b>203.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,461.3</b>	<b>1,914.2</b>	<b>1,939.1</b>

# Parent Company statement of changes in equity

SEKm	Share capital	Retained earnings	Net loss for the year	Green capital securities	Total equity
<b>Opening balance, 1 January 2020</b>	<b>0.7</b>	<b>405.5</b>	<b>-46.3</b>		<b>359.9</b>
Carried forward		-46.3	46.3		
<b>Net loss for the year</b>			<b>-70.0</b>		<b>-70.0</b>
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
<b>Closing balance, 31 December 2020</b>	<b>52.3</b>	<b>811.5</b>	<b>-70.0</b>		<b>793.8</b>
<b>Opening balance, 1 January 2021</b>	<b>52.3</b>	<b>811.5</b>	<b>-70.0</b>		<b>793.8</b>
Carried forward		-70.0	70.0		
<b>Net loss for the year</b>			<b>-50.0</b>		<b>-50.0</b>
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		-13.9			-13.9
Dividends, green capital securities		-24.2			-24.2
Redemption of preference shares	-4.8	-515.2			-520.0
New issue of ordinary shares	2.9	285.1			288.0
Issue costs of ordinary shares		-8.6			-8.6
Warrants issued		1.1			1.1
<b>Closing balance, 30 September 2021</b>	<b>50.4</b>	<b>442.0</b>	<b>-50.0</b>	<b>700.0</b>	<b>1,142.4</b>

# 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 flow<sup>1</sup>

Change	Effect on cash flow
Rental value	+/-5% +/- SEK 19m
Occupancy rate	+/-2 percentage points +/- SEK 8m
Property costs	+/-10% +/- SEK 9m
Interest expense	+/-1 percentage points +/- SEK 37m

<sup>1)</sup> The cash flow pertains to current earnings capacity. 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 changes<sup>1</sup>

Value changes, %	+/-5%	+/- SEK 377m
Value changes, %	+/-10%	+/- SEK 754m
Loan-to-value ratio <sup>2</sup>	+/-5%	58%/64%
Loan-to-value ratio <sup>2</sup>	+/-10%	55%/67%

<sup>1)</sup> The value change is based on fair value as of the balance-sheet date.

<sup>2)</sup> 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.

Funding 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 2021, 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 2,405 shareholders.

As of 30 September 2021, the closing price for the ordinary share was SEK 117.

## New share issue

In September, Genova completed a directed issue of 2.4 million new ordinary shares at a subscription price of SEK 120 per share, directed to institutional investors. As a result of the directed issue, Genova raised SEK 288m less costs. The subscription price in the directed issue was determined through an accelerated book-building procedure led by Carnegie Investment Bank AB (publ) and Swedbank AB (publ). Investors in the directed issue comprised a number of Swedish and international institutional investors. The new shares were registered on 29 September 2021 so the total number of ordinary shares at 30 September 2021 amounted to 41,976,966.

## 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 as of 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. All employees have been offered to participate in the incentive programme. 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% (calculated on the basis of the number of ordinary shares on the date of the Annual General Meeting 2021).

## Shareholders

30 Sep 2021

Name	No. of ordinary shares	Holding (%)	Votes (%)
Micael Bile (via company)	17,814,999	42,44	42,44
Andreas Eneskjöld (via company)	8,111,429	19,32	19,32
Länsförsäkringar Fondförvaltning AB	4,151,733	9,89	9,89
Michael Moschewitz (via company)	2,150,538	5,12	5,12
Capital Research and Management	2,126,731	5,07	5,07
Skandia Fonder	2,080,244	4,96	4,96
Lancelot Asset Management	1,213,000	2,89	2,89
Avanza Pension	1,027,082	2,45	2,45
Enter Fonder	993,144	2,37	2,37
SEB Investment Management	614,702	1,46	1,46
BNP Paribas	404,350	0,96	0,96
IKC Fonder AB	140,000	0,33	0,33
Handelsbanken fonder	139,000	0,33	0,33
Total other shareholders	1,010,014	2,41	2,41
<b>Total</b>	<b>41,976,966</b>	<b>100,00</b>	<b>100,00</b>

# Other information

## Organisation

During the period, the average number of employees in the organisation was 29 (26), of whom 17 (13) were women. The employees have relevant and broad experience in property management, project management, construction, finance, law, marketing and sales.

## Related-party transactions

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

## Annual General Meeting

The Annual General Meeting of Genova Property Group AB (publ) will be held on 4 May 2022 at 10:00 a.m. in Stockholm, Sweden.

## Nomination Committee

The Nomination Committee prior to the 2022 Annual General Meeting comprises Fredrik Ahlqvist, Chairman of the Committee, appointed by Micael Bile with companies, Andreas Eneskjöld, appointed by Andreas Eneskjöld with companies, Johannes Wingborg, appointed by Länsförsäkringar Fondförvaltning AB (publ) and Mikael Borg, Chairman of Genova Property Group AB. The mandate of the Nomination Committee runs until a new Nomination Committee is appointed.

## 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 con-

trol, 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 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, 29 October 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

Year-end report 2021

**23 February 2022**

2021 Annual Report

**31 March 2022**

Interim report January–March 2022

**4 May 2022**

Annual General Meeting

**4 May 2022**

## For further information, please contact:

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This information is inside information that Genova Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 29 October 2021 at 8:00 a.m. (CEST).

# Auditor's review

Genova Property Group AB, Corp. Reg. No. 556864-8116

## Introduction

We have performed a review of the interim financial information for Genova Property Group AB at 30 September 2021 and the nine-month period that ended on that date. The Board and the Chief Executive Officer are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report on the basis of our review.

## Focus and scope of the review

We performed our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of interim financial information performed by the independent auditor of the entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards.

The review procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed on the basis of a review does not therefore provide the same level of assurance as a conclusion expressed on the basis of an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 29 October 2021  
Ernst & Young AB

Henrik Nilsson  
Authorised Public Accountant

# 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 and payment for green capital securities 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 and payment for green capital securities 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 balance-sheet date. Long-term net asset value per ordinary share is used to measure the ordinary shareholders' proportion of the company's long-term net asset value

attributable to ordinary shareholders per ordinary share.

## Development properties

Refers to properties for further development.

## Income per ordinary share

Net income for the period/year less dividend payments on preference shares and payment for green capital securities during the period, in relation to the number of weighted average 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. Non-recurring financial items are not included in the calculation. The interest-coverage ratio is used to measure the sensitivity of the company's income to interest-rate fluctuations.

## Equity/assets ratio

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

## Lettable area

Total area in sqm that is available for letting.

## Economic occupancy rate

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

## NOI margin

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

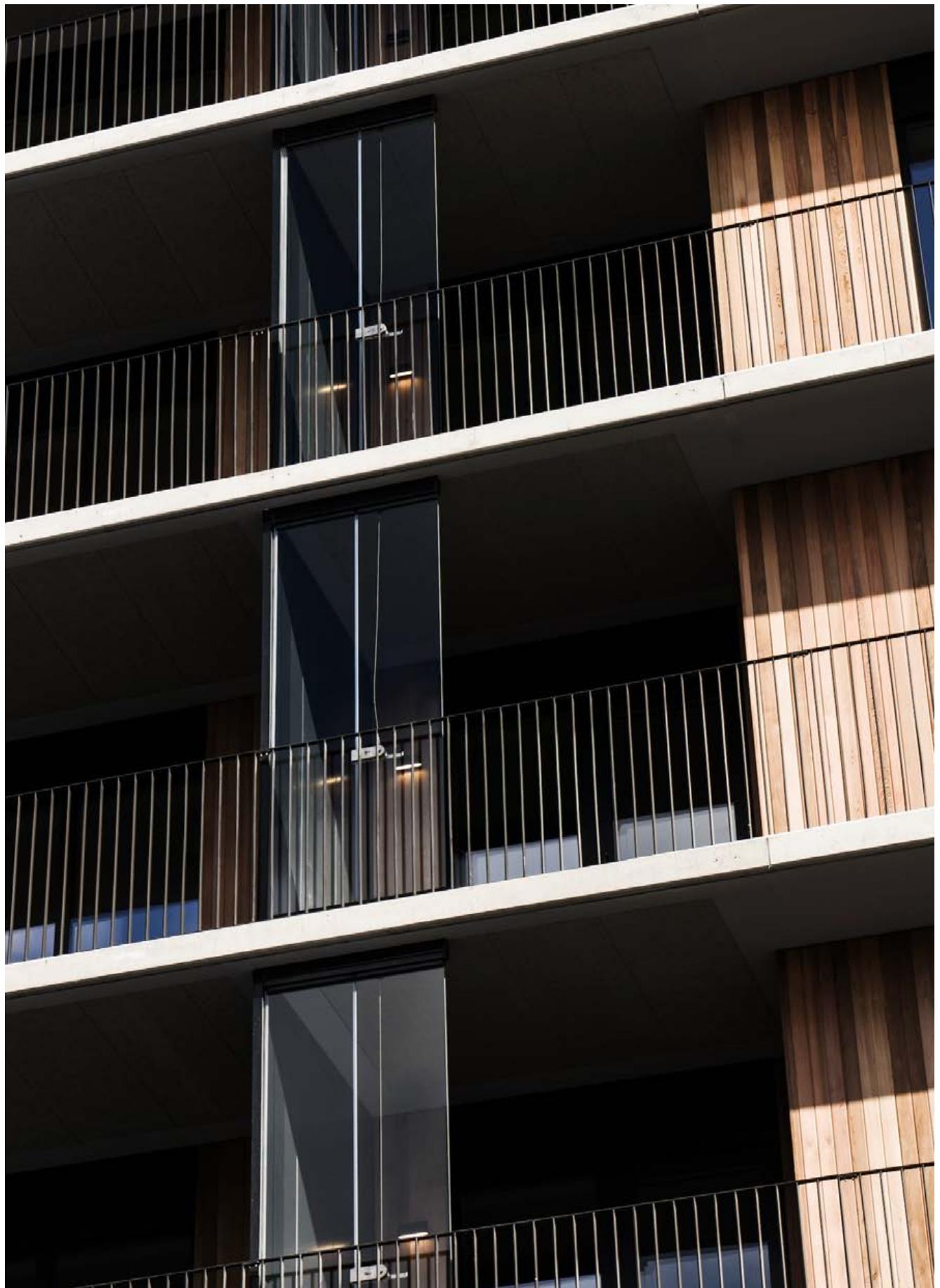
# Contact

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**genova.se**



G E N O V A