

# GENOVA



Interim report January-September/**2022**



# The period in summary

## January-September 2022 period

- Rental income amounted to SEK 286.0m (225.2), an increase of 27%.
- Net operating income amounted to SEK 206.1m (170.6), an increase of 21%.
- Income from property management increased 45% to SEK 95.6m (65.9), of which income from property management attributable to shareholders was SEK 55.1m (17.9), corresponding to SEK 1.31 (0.45) per share.
- Net income after tax amounted to SEK 415.7m (348.4), corresponding to SEK 8.01 (7.59) per share.
- Long-term net asset value attributable to shareholders increased 26% to SEK 3,703.0m (2,935.3), corresponding to SEK 88.21 (69.94) per share.

## July-September 2022 quarter

- Rental income amounted to SEK 100.3m (83.4), an increase of 20%.
- Net operating income amounted to SEK 73.8m (66.4), an increase of 11%.
- Income from property management increased 26% to SEK 39.3m (31.1), of which income from property management attributable to shareholders was SEK 24.0m (19.1), corresponding to SEK 0.57 (0.48) per share.
- Net income after tax amounted to SEK 73.2m (84.6), corresponding to SEK 0.95 (1.83) per share.

**SEK 9,040m**

Property value

**7,044**

Residential building rights

**61.7%**

Loan-to-value ratio

**SEK 88.21**

Long-term net asset value  
attributable to shareholders  
per share

	Jan-Sep 2022	Jan-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Oct 2021- Sep 2022	Jan-Dec 2021
Rental income, SEKm	286.0	225.2	100.3	83.4	380.7	319.9
Net operating income, SEKm	206.1	170.6	73.8	66.4	270.8	235.3
Income from property management, SEKm	95.6	65.9	39.3	31.1	128.9	99.2
Income from property management attributable to shareholders per share, SEK	1.31	0.45	0.57	0.48	1.84	0.98
Residential units under construction, no. <sup>1</sup>	797	863	797	863	863	863
Residential units completed, no. <sup>2</sup>	66	35	66	35	-	35
Net investment, SEKm	653.8	1,811.7	138.7	361.4	723.7	1,881.6
Loan-to-value ratio, %	61.7	60.5	61.7	60.5	61.7	61.8
Equity/assets ratio, %	38.6	37.9	38.6	37.9	38.6	37.9
Interest-coverage ratio, times <sup>3</sup>	2.0	2.2	2.0	2.2	2.2	2.2
Long-term net asset value, SEKm	4,644.6	3,714.4	4,644.6	3,714.4	4,644.6	4,077.3
Long-term net asset value attributable to shareholders, SEKm	3,703.0	2,935.9	3,703.0	2,935.9	3,703.0	3,274.7
Total no. of shares outstanding, 000s	41,977	41,977	41,977	41,977	41,977	41,977
Long-term net asset value attributable to shareholders per share, SEK	88.21	69.94	88.21	69.94	88.21	78.01

1) Including 40 hotel rooms.

2) Residential units completed in 2021 pertains to hotel rooms.

3) Excluding non-recurring costs.

# Significant events during and after the end of the period

## First quarter

- In January, rental agreements for 9,600 sqm were let and extended to an average duration of more than seven years in Lund, Uppsala, Nacka and Gävle. The total rental value for the entire duration of all rental agreements was approximately SEK 110m with a total investment commitment of SEK 8.9m.
- In February, a barter transaction was conducted, where Genova divested a property with a long-stay hotel in Järfälla at an underlying property value of SEK 214.5m and acquired a portfolio of properties in Greater Stockholm, Nyköping and Hallstahammar at an underlying property value of SEK 104m. The closing date was 18 February 2022.
- In February, the Board of Genova established a new growth target and sustainability targets for the business. The company's other operational targets, financial targets, risk limits and dividend policy are unchanged.

## Second quarter

- In April, Genova and Green Group extended their collaboration with the acquisition of two properties in the Södra Veddesta development area in Järfälla, at an underlying property value of approximately SEK 115m. The lettable area is approximately 4,000 sqm with a lot size of about 13,000 sqm, and the annual rental value amounts to approximately SEK 8m.
- In April, additional green hybrid bonds of SEK 100m were issued under the green finance framework of SEK 1,250m. The green hybrid bonds carry a perpetual tenor and the issue price was 100.25% of nominal value, equal to 3 months STIBOR plus 668 basis points.
- In April, new financing agreements totalling SEK 3,200m were concluded, including a revolving credit facility of SEK 350m attributable to Genova's existing investment property portfolio comprising 43 properties. The refinancing also strengthened liquidity by almost SEK 170m. The financing agreements will mature in May 2027, with an average maturity of approximately four years.

- In May, a newly developed and environmentally certified property was acquired in Järfälla at an underlying property value of SEK 94.5m. The property has a lettable area of 4,200 sqm and is fully let. The annual rental value amounts to SEK 5.5m with estimated annual net operating income of approximately SEK 5.3m and a remaining duration of nine years.
- In June, two properties were accessed in Norrtälje at an underlying property value of approximately SEK 153m before deductions for deferred tax, and with a lettable area of approximately 10,800 sqm, where 96% of the area has been let. The annual rental value amounts to approximately SEK 10.5m with estimated net operating income of approximately SEK 7.2m and a remaining average duration of 4.3 years. Genova thereby owns adjacent properties in Norrtälje covering an area of approximately 30,000 sqm, in an area that is expected to be developed with residential units over time.
- In June, available liquidity was increased by approximately SEK 500m when SBAB granted approximately SEK 400m in additional construction credit, and Nordea granted a revolving credit facility of SEK 100m.

## Third quarter

- Edvard Schéele announced that he will be stepping down as CFO to take up a position outside the company. Edvard will remain in office until the end of the year.
- The zoning plan for Viby, Genova's urban development project in central Brunna in Upplands-Bro Municipality, came into force. The total lettable area upon completion is estimated to be about 60,000 sqm. The project is jointly owned with property company K2A, which owns a 30% stake, and construction is planned to commence in the fourth quarter of 2022.
- 66 rental apartments were completed and occupied in the first stage of the Handelsmannen 1 project (Tryckeriet quarter) in Norrtälje.

## Events after the end of the period

- Henrik Zetterström has been employed as new CFO and will take up his position on 1 January 2023.
- In October, the zoning plan for Genova's upcoming project in Ekeby, Uppsala, comprising residential units and a grocery store, was approved.



# CEO's statement

The social challenges created by inflation, interest rate hikes and geopolitical uncertainty are obvious to everyone. This situation calls for caution and Genova's focus on cash flow, healthy liquidity and to safeguard the balance sheet are key elements for navigating a turbulent business environment. At the same time, we delivered a quarter with continued growth in income from property management and net asset value. Genova's business model, which combines stable cash flows from investment properties with project development for long-term ownership, is also serving the company well in this market situation.

## Stable financing

We are experiencing a well-functioning bank market while bond markets remain challenging and almost closed. This is creating challenges for the property sector in general, since the sector is financed to a large extent by bonds. Genova's financing mainly comprises bank loans from major Nordic banks (approximately 80%), while the remainder is bond financing, and predominantly green bonds. During the period, we worked proactively with our capital structure to secure Genova's long-term financing, and in the second quarter, we signed new financing agreements for approximately 3.2 billion for our existing investment property portfolio, and were granted additional construction credit of approximately SEK 400m for our project development. This means that we have refinanced a substantial share of our loan volume, with long maturities at favourable terms that reduce Genova's

total borrowing costs, while also strengthening our liquidity. We strive for good foresight when it comes to maturity dates, and continuously evaluate our refinancing options 12–24 months before loans fall due.

## Continued growth

Genova continued to grow profitably during the period due to acquisitions and completed projects, and posted increases in rental income as well as income from property management and net asset value per share. At the same time, the third quarter was marked by interest-rate hikes and surging energy prices. Most of Genova's rental agreements are inflation-adjusted using the Consumer Price Index at year-end, which offsets cost increases to some extent. During the quarter, we completed several lettings and we see continued favourable demand for Genova's premises. We maintain close dialogue with our tenants and the assessment is that rental increases are manageable. Our tenant mix, where community service properties, residential units and supermarkets account for approximately 60% of our rental income, provides good risk diversification, while the average rent in the investment property portfolio in total is relatively low, about SEK 1,450/sqm.

## Ongoing and planned projects

Genova currently has four ongoing production projects, with the construction of approximately 800 rental apartments and premises in expansive parts of Uppsala and the Stockholm region for our own long-term ownership. All projects are progressing well, with occupancy planned for the current year and up to 2024. In the third quarter, we completed the first stage of our largest ongoing project, Handelsmannen 1, in Norrtälje, with

the occupancy of 66 rental apartments in the Tryckeriet quarter, and in the coming quarter, we will occupy one retirement home, one preschool and additional rental apartments.

Next on our planning agenda is the Viby urban development project in Upplands-Bro, for which a new zoning plan came into force during the quarter. The Viby project is an example of Genova's long-term value creation, where we have worked methodically since the acquisition in 2014 to create the conditions for a completely new district comprising a mix of housing, services, schools and green areas with a total lettable area of approximately 60,000 sqm.

In the construction contract market, we see signs of a slowdown in prices. That creates conditions for reasonable construction costs in our future and planned projects. For the Viby project, construction is planned to commence in the fourth quarter of 2022, and we currently assess the conditions for both financing and contractor procurement as favourable.

I can once again confirm that Genova's business model and operations are stable and resilient, with a clear long-term approach and focus on cash flows. Our own building rights in attractive locations have low intrinsic value and considerable excess value that is not currently reflected on our balance sheet. We have full control over our building rights portfolio and also, therefore, the flexibility to adapt our project development to the prevailing market conditions and demand as we move forward. At the same time, our investment properties generate secure and healthy cash flows. That is more important than ever in the current market situation.

Michael Moschewitz, CEO

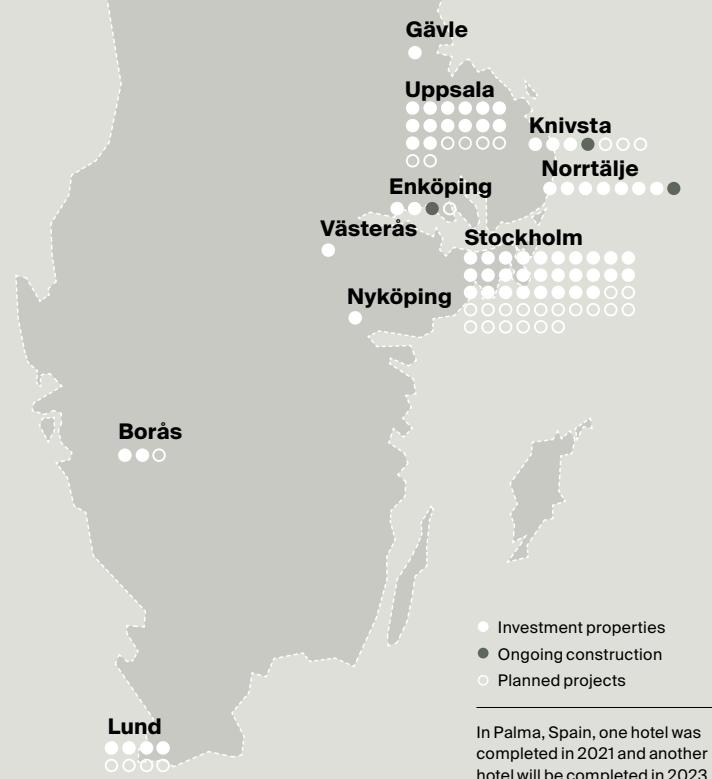


**“Our investment properties generate secure and healthy cash flows.”**

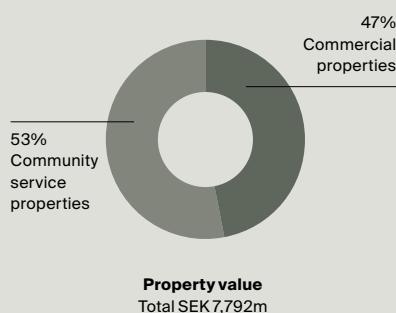
# Genova – the personal property company

Genova's mission is to combine stable cash flows from the investment property portfolio with cost-efficient project development of mainly rental apartments and community service properties for our own long-term management.

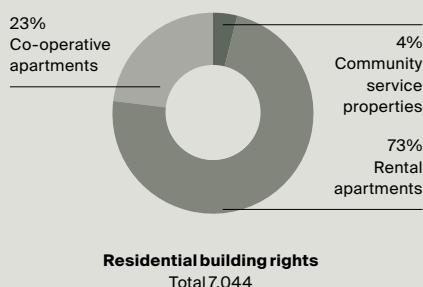
Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio. Genova's core markets – Greater Stockholm and the Uppsala Region – are characterised by strong growth, high disposable income, high level of education and low unemployment. In 2021, the position was also strengthened in Lund and western Sweden by acquiring 50% of Järngrinden.



## Investment properties

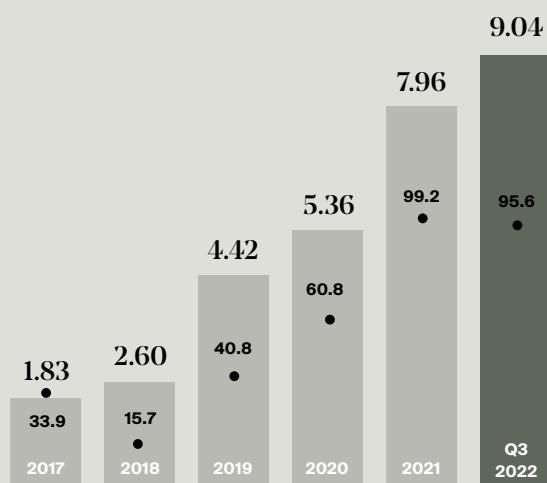


## Project development



## Property value, SEK billion

- Income from property management, SEKm



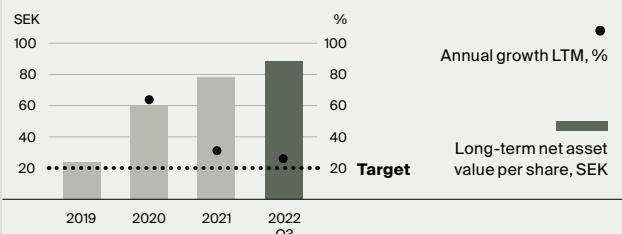
## Financial targets

### Long term net asset value

Achieve an average annual growth of at least 20% in long-term net asset value per share (including any value distributions to shareholders) over a business cycle.

**26%**

30 Sep 2022



### Income from property management

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

**>20%**

Target

**58%**

Rolling 12-month period  
30 Sep 2022

### Equity/assets ratio

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

**>35%**

Target

**39%**

30 Sep 2022

### Loan-to-value ratio

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

**<65%**

Target

**62%**

30 Sep 2022

### Interest-coverage ratio

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

**>2.0**

times

**2.0**

times

Target

30 Sep 2022

## 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

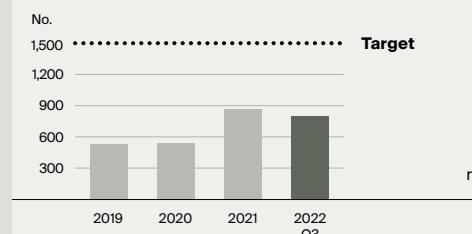
## Operational targets

### Ongoing construction

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

**797**

30 Sep 2022

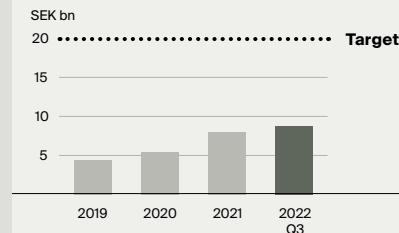


### Property value

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

**SEK 9.0 billion**

30 Sep 2022



### Rental income

Rental income from residential and community service properties shall account for at least 70% of Genova's total rental income by the end of 2023.

**>70%**

Target

**53%**

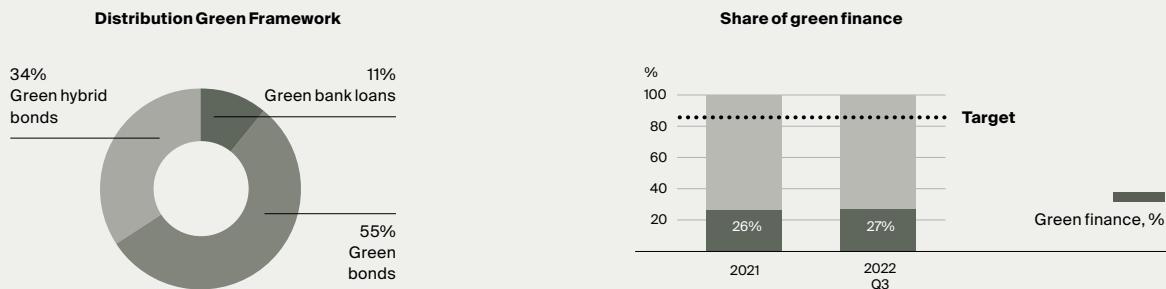
30 Sep 2022

and property acquisitions, which could lead to either small or no dividends at all on shares. In the long-term, the dividend on shares shall be at least 50% of income from property management attributable to shares.

# Sustainability targets

## Green finance

The share of green finance for new construction and investment properties is to be 85% by the end of 2023.



## Environmental certification

All new construction is to have environmental certification. In addition, all investment properties that are owned and managed on a long-term basis are to have environmental certification by the end of 2023.

Certification	Investment properties			Construction	
	Certified	Ongoing	Remaining	Ongoing	Total
Nordic Swan	1			3	4
Green Building	1	1			2
Miljöbyggnad iDrift					
Silver	2	13	15		30
Bronze	1				1
<b>Total</b>	<b>5</b>	<b>14</b>	<b>15</b>	<b>3</b>	<b>37</b>

## Energy consumption

Genova is aiming to join the Science Based Targets initiative and thereby undertake to set ambitious and scientific climate targets in order to reach the Paris Agreement's goal of reducing emissions and limiting global warming to no more than 1.5 degrees.

# Sustainability work

## Sustainability strategy

The sustainability strategy is divided into three main areas: building and managing for tomorrow's environment and climate, long-term urban development, and pursuing sustainable business activities. These three areas have, in turn, objectives that are continuously reviewed and adopted by the Board at least once annually. In 2022, Genova will develop specific targets to reduce our emissions, increase our share of properties with environmental certification, and increase the share of green finance.

## Green Finance Framework

In December 2020, Genova established a green finance framework aligned with

the Green Bond Principles issued by the ICMA (International Capital Market Association). This document governs the conditions for using the proceeds from green bonds, green loans and other types of debt instruments. Genova's Green Finance Framework and related information are available on the company's website ([genova.se](http://genova.se)).

## Environmental certification

Genova's long-term goal is that all newly constructed properties and properties under long-term management in our portfolio will be environmentally certified in order to meet customer and investor requirements, reduce our negative impact, increase our positive

impact, increase the value of the property, and enable better terms for loans.

## Events during the quarter

During the quarter, all of Genova's employees completed training in the sustainability strategy and the updated Code of Conduct. The environmental certification of Genova's properties continued as planned and during the quarter, two investment properties were certified according to Sweden Green Building Council iDrift, level Silver. Otherwise, efforts to set Science-Based Targets are ongoing, as well as preparations for the 2022 Sustainability Report.

# Investment property portfolio

## Investment properties

Genova's investment property portfolio comprises community service properties and residential units, as well as commercial properties for retail, offices and warehousing. The development of 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 the Uppsala Region.

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 64 investment properties with a market value of approximately SEK 7.8 billion, allocated over approximately 300 ksqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 10.2 billion.

### Acquisitions, divestments and completed projects

At 15 September, the first stage of the Handelsmannen 1 project in Norrtälje was completed. This stage comprises 66 rental apartments allocated between 3,500 sqm. The total annual rental value amounts to approximately SEK 6.1m, with estimated annual net operating income of SEK 4.9m. The stage was fully let upon completion. During the quarter, the completed stage was reclassified

from properties under construction to investment properties with a value of SEK 161m.

### Leasing

In various properties in the portfolio during the quarter, Genova has leased and extended leases of approximately 9,000 sqm with annual rental value of SEK 5.5m.

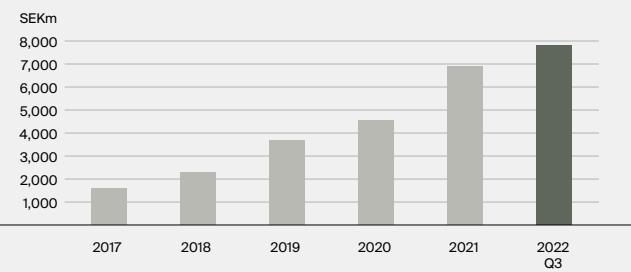
### Tenants and rental agreement structure

At the end of the period, Genova had approximately 465 rental agreements with an average remaining rental duration of 5.4 years.

Of the total rental value, the proportion derived from residential units and publicly funded tenants was approximately 53%. If supermarkets are also included, the proportion of total rental value was approximately 62%.

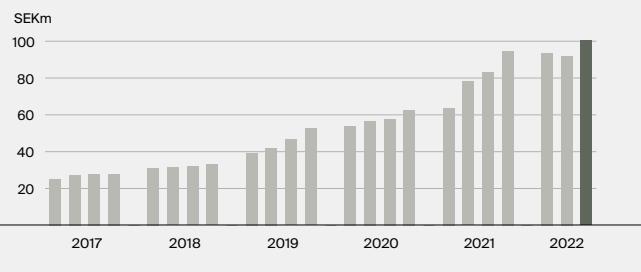
#### Performance of value of investment properties

30 September 2022



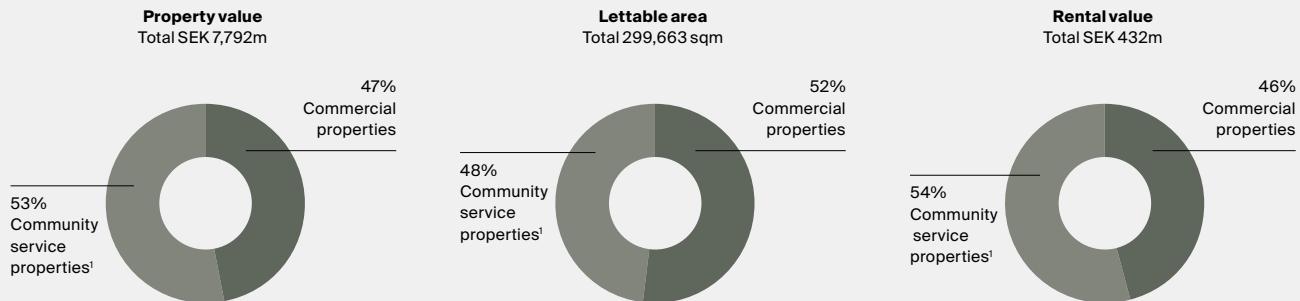
#### Rental income per quarter

30 September 2022



## Investment properties per property category

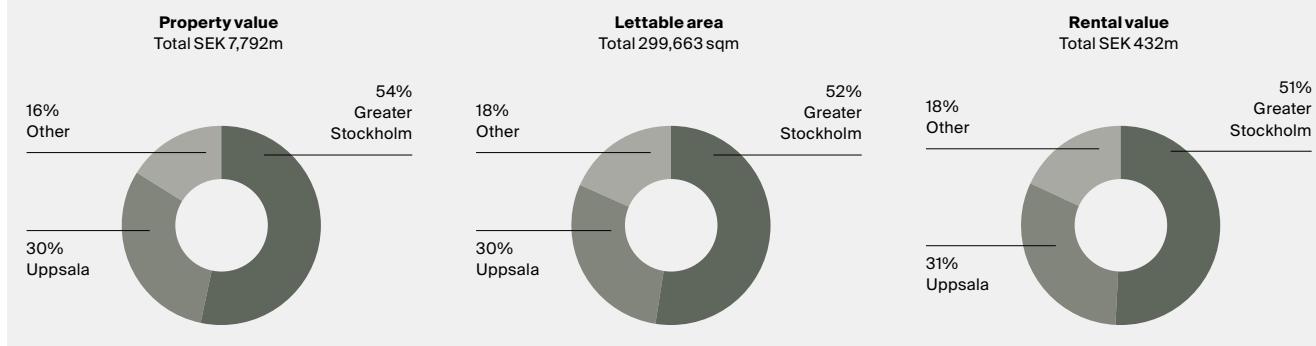
30 September 2022



<sup>1)</sup> Existing rental apartments are included in the Community service properties category.

## Investment properties per geography

30 September 2022



## Allocation of rental income

30 September 2022

Rental agreements	Contracted annual rent, SEKm	Participation, %
Community service	202	49
Residential units <sup>1</sup>	16	4
Supermarkets	35	9
Other commercial	157	38
<b>Total rental income</b>	<b>410</b>	<b>100</b>
Average weighted remaining term, years (10 largest)	6.2 years	
Average weighted remaining term, years (total portfolio)	5.4 years	

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

## Structure of rental agreements

30 September 2022

	No. of rental agreements	Area Ksqm	Contracted rent, SEKm	Percentage, %
Term				
2022	51	8	11	3
2023	80	41	57	14
2024	71	40	46	11
2025	46	46	72	18
2026	30	34	46	11
>2026	44	94	163	40
<b>Total</b>	<b>322</b>	<b>263</b>	<b>396</b>	<b>97</b>
Rental apartments	143	8	14	3
<b>Total</b>	<b>465</b>	<b>271</b>	<b>410</b>	<b>100</b>
Vacant		29	22	
<b>Total</b>		<b>300</b>	<b>432</b>	



Project Handelsmannen 1, Norrtälje

## Investment property portfolio

30 September 2022

	No. of properties	Lettable 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			SEK/sqm	SEKm	SEK/sqm	SEKm
<b>Per property category<sup>1</sup></b>												
Commercial properties	36	156,406	3,675	23,499	198	1,265	91.3	181	-51	-328	129	827
Community service properties <sup>3</sup>	28	143,257	4,117	28,739	234	1,636	97.8	229	-47	-331	182	1,270
<b>Total per property category</b>	<b>64</b>	<b>299,663</b>	<b>7,792</b>	<b>26,004</b>	<b>432</b>	<b>1,442</b>	<b>94.9</b>	<b>410</b>	<b>-99</b>	<b>-329</b>	<b>311</b>	<b>1,039</b>
<b>Per geography</b>												
Greater Stockholm	35	157,014	4,185	26,657	222	1,416	95.4	212	-49	-311	163	1,040
Uppsala	19	88,097	2,378	26,988	134	1,516	96.9	129	-30	-337	100	1,131
Other	10	54,552	1,229	22,535	76	1,401	89.6	69	-20	-369	48	887
<b>Total per geography</b>	<b>64</b>	<b>299,663</b>	<b>7,792</b>	<b>26,004</b>	<b>432</b>	<b>1,442</b>	<b>94.9</b>	<b>410</b>	<b>-99</b>	<b>-329</b>	<b>311</b>	<b>1,039</b>
Ongoing construction					1,022							
Planned projects					226							
<b>Total as per the balance sheet</b>					<b>9,040</b>							
Near-term completed constructions <sup>4</sup>	2	16,229	208		39	2,431	94.4	37	-4	-267	33	2,028
<b>Total</b>	<b>66</b>	<b>315,892</b>	<b>9,248</b>		<b>472</b>	<b>1,493</b>	<b>94.6</b>	<b>447</b>	<b>-103</b>	<b>-326</b>	<b>344</b>	<b>1,076</b>
In addition:												
Properties owned through joint ventures					1,060							

1) Based on the primary use of the property.

2) Not including rental discounts of SEK 8m

3) Of which 143 rental apartments are allocated between eight properties

4) Refers to stages of the Handelsmannen 1 project and the Can Oliver Hotel in Palma, which will be completed within 12 months. Property value upon completion amounted to SEK 931m but as of 30 September, SEK 722m was recognised on 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.

## Current earnings capacity

At the end of the third quarter of 2022, the first stage of the Handelsmannen 1 project in Norrtälje was completed. The stage comprises 66 rental apartments with a total rental value of SEK 6m. All residential units are let and occupied. In the fourth quarter of 2022, completed and occupied retirement homes, rental apartments and a newly-opened preschool in the Handelsmannen 1 project will strengthen the rental value. At the same time, parts of the Särsta 3:398 property will be reclassified as project properties, which will reduce the rental value. The net effect of these events will be a total increase of SEK 14m in rental value.

The table below was prepared to provide an indication of Genova's estimated earnings capacity at income from property management level for management activities. The earnings capacity is based on the company's investment objects and earnings capacity from ongoing development projects where construction has started following completion and occupancy. It is important to note that the current earnings capacity is not a forecast for the next 12 months. The earnings capacity does not, for example, include an assessment of occupancy, vacancy or interest-rate changes. Most of the company's premise rents, excluding rent surcharges, are subject to indexation at year-end. In addition to the estimated earnings capacity, the current

level of inflation will mean that contracted rental income will increase by SEK 31m as of January 2023.

The rental value for each investment object and ongoing development projects included in current earnings is presented in the sections "Investment properties" and "Project development" in the interim report. Rental income is based on contracted income at the end of the period and includes relevant rent surcharges. Decreasing rental discounts of SEK 8m have not been deducted from rental value. Vacancy rates for investment properties are based on current vacancies at the end of the period. For

ongoing construction, this refers to a decrease in the long-term vacancy rate. Property costs are an estimate of normalised costs for a full year. Administrative expenses pertain to costs attributable to property management, and are based on estimated costs for the next 12-month period, excluding any non-recurring costs.

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

### Estimated earnings capacity of investment properties

SEKm	Investment properties	Ongoing construction	Total
Rental value <sup>1</sup>	432	78	510
Vacancy	-22	0	-23
<b>Rental income</b>	<b>410</b>	<b>78</b>	<b>488</b>
Property costs	-99	-12	-111
<b>Net operating income</b>	<b>311</b>	<b>66</b>	<b>377</b>
Central administration, property management	-23		-23
Genova's share of income from property management through joint ventures	35	10	45
Net financial items	-161	-25	-186
<b>Income from property management</b>	<b>162</b>	<b>51</b>	<b>213</b>

1) Excluding indexation



# Project development

Genova's organic growth is generated from project development for rental apartments, community service properties and commercial premises where the project portfolio is mainly focused on the creation of building rights from the company's own investment properties using existing cash flow. Up to and including 2028, Genova is planning to invest approximately SEK 13 billion in ongoing and planned production to complete investment properties for long-term ownership. Completed value is estimated to be approximately SEK 17 billion with an estimated rental value of SEK 753m. 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. In the table on page 15, completed values are estimated to amount to approximately SEK 52,000 per sqm for rental apartments and approximately SEK 70,000 per sqm for co-operative apartments, including association loans. These valuations are reasonable based on current market values for residential units in combination with the fact that approximately 85% of the building rights are located in Greater Stockholm and the Uppsala Region.

As of 30 September 2022, Genova's project portfolio comprised approximately 450,000 sqm of lettable area allocated between 7,044 residential building rights, of which about 66% consisted of rental apartments and community

service properties that Genova intends to develop for own long-term management, and about 34% 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 in the event that Genova does not follow its business plan to develop the building rights, but instead divests them. At 30 September 2022, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 4.3 billion. At 30 September 2022, the existing buildings on these properties, which in some cases will need to be demolished when using the planned unused building rights, as well as accumulated investments for planned projects had a book value of approximately SEK 2.5 billion. This means that the excess value in the Group's building rights portfolio was estimated to be approximately SEK 1.8 billion at the end of the reporting period. This excess value is not reflected on Genova's balance sheet.

## Ongoing construction

As of 30 September 2022, the book value of Genova's ongoing construction amounted to SEK 1,105m.

The units under construction are Handelsmannen 1 in Norrtälje (retirement home, preschool and rental apartments in the Tryckeriet quarter), Segerdal in Knivsta (rental apartments), Korsängen in Enköping (rental apartments) and Can Oliver in Palma, Majorca (hotel). When these projects are completed, they will remain owned and managed by Genova.

In Norrtälje, this includes the ongoing Handelsmannen 1 project comprising two quarters containing one retirement home with 80 residential units, one preschool and 408 rental apartments. During the quarter, the first occupancies comprising 66 rental apartments took part in the first stage.

The Segerdal project is located in central Knivsta, next to the Town Hall and directly adjacent to the train station. The project is being carried out in a joint venture with Redito and 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. 150 rental apartments with approximately 9,000 sqm are reported as ongoing projects, corresponding to Genova's stake.

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 Palma, Majorca, a 40-room hotel is being completed with occupancy scheduled for the second quarter of 2023. The project is centrally located in Palma and let to Nobis, which also rents the hotel that was completed in 2021 in the same area.

The zoning plan for Viby, Genova's urban development project in central Brunna in Upplands-Bro Municipality, came into force. The total lettable area upon completion is estimated to be about 60,000 sqm. Construction start is planned for the fourth quarter of 2022. The project is jointly owned with property company K2A (30%).

**7,044**

No. of residential building rights

**SEK 1.8 billion**

Excess value in building rights portfolio

**SEK 753m**

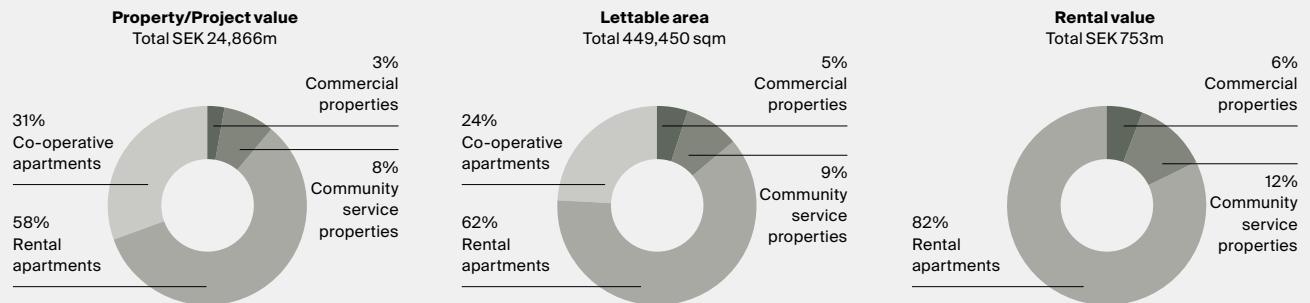
Estimated rental value



Project Viby, Upplands-Bro

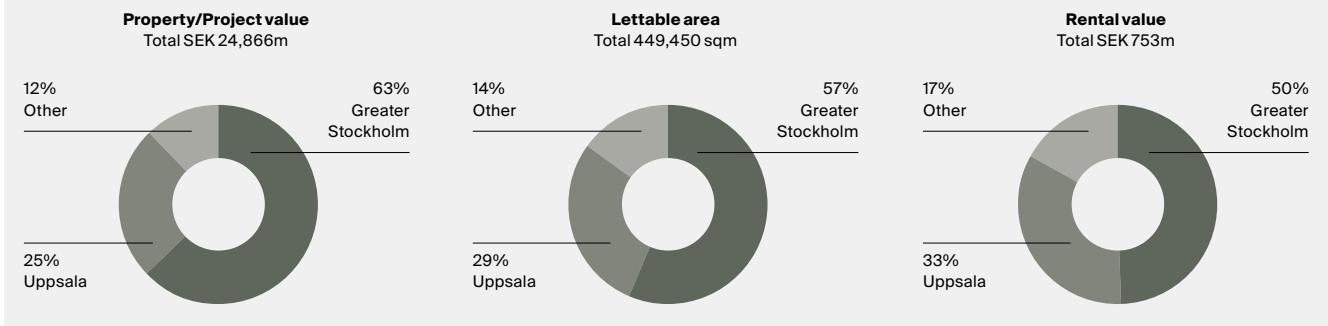
### Project development per property category

30 September 2022



### Project development per geography

30 September 2022



## Ongoing construction

30 September 2022

Project	Muni- cipality	Category	Construc- tion start	Planned completion	No. of residen- tial units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value, SEKm
						Residen- tial units	Premises	SEKm	SEK/ sqm	SEKm	SEK/ sqm	Estimated	Accum- ulated	
Handelsmannen 1	Norrtälje	Community service properties	Q4 2019	Q4 2022	80	6,698	689	395	53,472	15	2,058	290	280	352
Handelsmannen 1 <sup>2</sup>	Norrtälje	Rental apartments	Q4 2019	Q4 2022/ Q4 2023 <sup>3</sup>	342	17,801	-	824	46,290	34	1,908	640	227	370
Segerdal <sup>4</sup>	Knivsta	Rental apartments	Q4 2020	Q4 2023/ Q4 2024 <sup>5</sup>	150	8,616	368	448	49,839	17	1,931	367	113	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q4 2023	185	8,018	244	378	45,691	16	1,971	336	108	115
Can Oliver Hotel	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	-	307	93,030	13	3,800	236	163	185
<b>Total ongoing construction</b>					<b>797</b>	<b>44,433</b>	<b>1,301</b>	<b>2,351</b>	<b>51,406</b>	<b>95</b>	<b>2,085</b>	<b>1,869</b>	<b>890</b>	<b>1,022</b>

1) Refers to fair value of the investment upon completion.

2) During the quarter, 66 apartments were completed whose proportion has been transferred from ongoing project to investment property.

3) About 35% of the rental units will be completed in Q4 2022 in a first stage, of which 66 apartments were already occupied in September 2022.

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

5) Approximately 50% of the rental units will be completed in Q4 2023 in a first stage.



Project Segerdal, Knivsta

## Planned projects

30 September 2022

Project	No. of residential units	Lettable area, sqm	Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value, SEKm
		Residen- tial units	Premises	SEKm	SEK/ sqm	SEKm	SEK/ sqm	Esti- mated	Accum- ulated
<b>Per category</b>									
Rental apartments	4,431	245,110	-	12,750	52,018	552	2,251	10,408	67
Community service properties	225	15,083	19,169	1,579	46,104	74	2,151	1,286	8
Commercial properties	-	-	16,030	561	34,989	32	1,979	542	10
Co-operative apartments	1,591	108,325	-	7,624	70,385	-	-	5,773	58
<b>Total per category</b>	<b>6,247</b>	<b>368,518</b>	<b>35,199</b>	<b>22,515</b>	<b>55,769</b>	<b>657</b>	<b>2,225</b>	<b>18,009</b>	<b>143</b>
<b>Per geography – Own management</b>									
Greater Stockholm	2,023	114,735	22,676	7,754	56,428	325	2,362	6,385	38
Uppsala	1,635	88,745	11,825	4,670	46,437	218	2,171	3,787	33
Other	998	56,713	698	2,466	42,958	114	1,991	2,064	15
<b>Total per geography</b>	<b>4,656</b>	<b>260,193</b>	<b>35,199</b>	<b>14,890</b>	<b>50,408</b>	<b>657</b>	<b>2,225</b>	<b>12,236</b>	<b>85</b>
<b>Per geography – Co-operative apartments</b>									
Greater Stockholm	1,332	92,545	-	6,762	73,072	-	-	5,128	49
Uppsala	219	11,030	-	610	55,322	-	-	464	8
Other	40	4,750	-	252	53,000	-	-	181	1
<b>Total per geography</b>	<b>1,591</b>	<b>108,325</b>	<b>-</b>	<b>7,624</b>	<b>70,385</b>	<b>-</b>	<b>-</b>	<b>5,773</b>	<b>58</b>
<b>Per geography – Own management and co-operative apartments</b>									
Greater Stockholm	3,355	207,280	22,676	14,516	63,126	325	2,362	11,513	87
Uppsala	1,854	99,775	11,825	5,280	47,315	218	2,171	4,251	41
Other	1,038	61,463	698	2,718	43,725	114	1,991	2,245	15
<b>Total own management and co-operative apartments per geography</b>	<b>6,247</b>	<b>368,518</b>	<b>35,199</b>	<b>22,515</b>	<b>55,769</b>	<b>657</b>	<b>2,225</b>	<b>18,009</b>	<b>143</b>
<b>Total</b>									
									<b>226</b>

1) Refers to fair value of the investment upon completion.

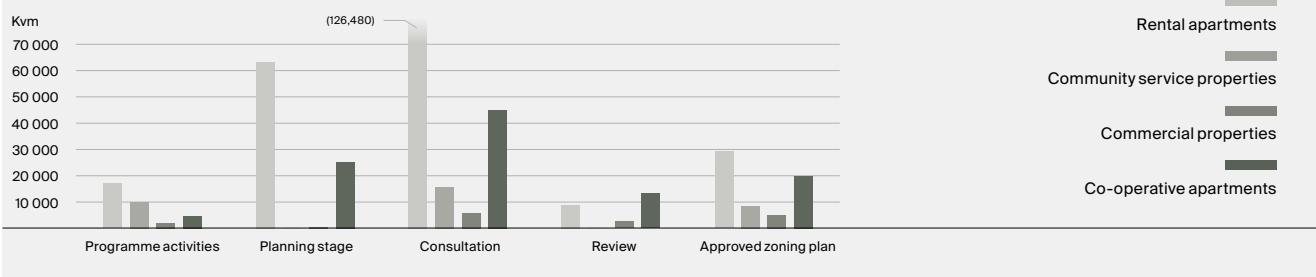
The table only shows the number of residential units, area, property and rental value, as well as investment amounts and book value corresponding to Genova's financial stake in jointly owned properties.

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.

## Planned projects and planning stage, lettable area

30 September 2022



# Joint ventures

Part of Genova's operations includes investments in joint ventures to gain access to additional attractive cash flow-generating investment properties with the option of project development for rental apartments, community service properties and commercial premises.

As of 30 September 2022, Genova owned 50% of the shares in six joint ventures. These joint ventures hold a total of 41 cash flow-generating properties with a combined property value of approximately SEK 2,120m, of which Genova's

share amounts to approximately SEK 1,060m. Genova's share of the residential building rights is about 2,100, allocated over approximately 134,000 sqm.

During the first quarter of 2022, a joint venture was formed with Green Group, which accessed three commercial properties in the entrance to Åkersberga Centrum. The properties comprise just over 14,000 sqm in a future conversion area, as designated by the municipality. In April 2022, the collaboration with Green Group was extended through the joint acquisition of two project proper-

ties in the Södra Veddesta development area in Järfälla. The acquired properties comprise approximately 13,000 sqm, where a planning process will begin to develop mainly rental apartments with a potential volume of about 45,000 sqm of gross lighted floor area.

In the third quarter 2022, Järngrinden acquired a total of 13 investment properties in Borås and Mölnlycke at an underlying property value of SEK 383m. The properties comprises about 38,000 sqm in total, with a total rental value of approximately SEK 31m.

## Genova's share in joint ventures

30 September 2022

Name	Participa-tion, %	Book value, SEKm	Geography	Property management		Project development, share of:	
				No. of properties	Share of property value	No. of residential units	Lettable area, sqm
Järngrinden AB	50	562	Western Sweden	28	426	887	55,924
SBBGenova Gåshaga	50	114	Stockholm	1	200	385	23,000
SBBGenova Nackahusen	50	78	Stockholm	4	216	192	11,970
GenovaFastator	50	23	Stockholm	1	109	175	9,625
GenovaRedito	50	82	Knivsta	2	14	150	8,936
Greenova	50	7	Stockholm	5	95	285	24,150
		<b>866</b>		<b>41</b>	<b>1,060</b>	<b>2,074</b>	<b>133,605</b>

## Järngrinden

Järngrinden owns and develops modern properties in attractive locations in western Sweden – mainly residential units but also customised total solutions for large-scale and modern industrial and logistics buildings. The investment in Järngrinden also

complements Genova's core markets and forms an excellent platform for growth in attractive locations such as Gothenburg, Borås, Kungsbacka, Varberg, Halmstad and Helsingborg.



# Consolidated statement of comprehensive income

SEKm	Jan-Sep 2022	Jan-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Oct 2021- Sep 2022	Jan-Dec 2021
Rental income	286.0	225.2	100.3	83.4	380.7	319.9
Operating costs	-58.2	-40.3	-17.7	-12.2	-79.5	-61.6
Maintenance costs	-15.5	-9.8	-6.7	-3.5	-21.7	-16.0
Property tax	-6.2	-4.5	-2.1	-1.3	-8.7	-7.0
<b>Total property costs</b>	<b>-79.9</b>	<b>-54.6</b>	<b>-26.5</b>	<b>-17.0</b>	<b>-109.9</b>	<b>-84.6</b>
<b>Net operating income</b>	<b>206.1</b>	<b>170.6</b>	<b>73.8</b>	<b>66.4</b>	<b>270.8</b>	<b>235.3</b>
Central administration, property management	-17.2	-15.3	-5.8	-5.6	-22.8	-20.9
Central administration, project development	-21.1	-16.5	-7.2	-5.9	-27.1	-22.5
Share of profit from joint ventures	33.7	9.8	16.3	5.9	46.4	22.5
Net financial items	-105.9	-82.7	-37.8	-29.7	-138.4	-115.2
<b>Income from property management</b>	<b>95.6</b>	<b>65.9</b>	<b>39.3</b>	<b>31.1</b>	<b>128.9</b>	<b>99.2</b>
Other operating income	1.1	15.4	0.5	15.0	0.2	14.5
Value changes, properties	423.4	379.6	53.4	66.2	725.7	681.9
Currency effects, properties	6.7	3.1	2.9	1.4	6.7	3.1
<b>Income before tax</b>	<b>526.8</b>	<b>464.0</b>	<b>96.1</b>	<b>113.7</b>	<b>861.5</b>	<b>798.7</b>
Income tax	-111.1	-115.6	-22.9	-29.1	-183.2	-187.7
<b>Net income for the period</b>	<b>415.7</b>	<b>348.4</b>	<b>73.2</b>	<b>84.6</b>	<b>678.3</b>	<b>611.0</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>415.7</b>	<b>348.4</b>	<b>73.2</b>	<b>84.6</b>	<b>678.3</b>	<b>611.0</b>
<b>Net income for the period attributable to:</b>						
Parent Company shareholders	376.7	348.3	55.0	84.5	637.1	608.7
Non-controlling interests	39.0	0.1	18.2	0.1	41.2	2.3
<b>Total comprehensive income attributable to:</b>						
Parent Company shareholders	376.7	348.3	55.0	84.5	637.1	608.7
Non-controlling interests	39.0	0.1	18.2	0.1	41.2	2.3
Income per share before and after dilution, SEK <sup>1</sup>	8.01	7.59	0.95	1.83	14.08	13.66
No. of shares at the end of the period, 000s	41,977	41,977	41,977	41,977	41,977	41,977
Average no. of shares, 000s	41,977	39,577	41,977	39,577	41,977	40,177
No. of preference shares outstanding, 000s	-	-	-	-	-	-
Average no. of preference shares, 000s	-	2,326	-	-	-	1,744

1) Earnings in relation to average number of shares after dividends to preference shareholders and payment for hybrid bonds.

# Performance analysis

## Rental income

During the period, the Group's rental income amounted to SEK 286.0m (225.2). The increase corresponds to rental income growth of 27%. Growth in rental income was mainly attributable to an expanding investment property portfolio from acquisitions and completed projects. Net income for the quarter increased SEK 8.2m quarter-on-quarter. The increase was mainly attributable to acquisitions completed in June, completion of the Söderhällby project which was gradually occupied in the third quarter, and completion of the first stage of Handelsmannen 1. The first stage of Handelsmannen 1 comprises 66 rental apartments with a rental value of SEK 6m.

Over the past 12 months, the lettable area has increased by about 48 ksqm to approximately 300 ksqm, or 19%. At the end of the period, the rental value of the investment properties amounted to approximately SEK 432m, corresponding to growth of about 14%. At the end of the period, the economic occupancy rate was 95% (95), which is in line with the corresponding period of 2021. Projects completed in the third quarter will strengthen future earnings capacity.

Income from the comparable portfolio was SEK 10m higher year-on-year, due to inflation adjustments and a decrease in rental discounts.

Income development			
SEKm	Jan-Sep 2022	Jan-Sep 2021	Change, %
Comparable portfolio	167.8	157.8	6
Properties acquired	116.6	47.2	n/a
Properties sold	1.6	20.3	-92
<b>Rental income</b>	<b>286.0</b>	<b>225.2</b>	<b>27</b>
Commercial properties	124.9	100.2	25
Community service properties	161.1	125.0	29
<b>Rental income</b>	<b>286.0</b>	<b>225.2</b>	<b>27</b>

## Property costs

During the period, property costs in the form of operating and maintenance costs and property tax increased to SEK -79.9m (-54.6), up approximately 46%. The increase in property costs was largely due to the fact that Genova is managing a larger investment property portfolio compared with the preceding period. In the growing long-term investment property portfolio, maintenance projects are a key element of Genova's strategy, where quality and sustainability are a fundamental part of operations.

Energy costs have risen in the comparable portfolio due to the development of prices in the electricity market. As part of the company's sustainability strategy and objective to certify investment properties, Genova's management is conducting energy and operation optimisation projects.

## Property costs development

SEKm	Jan-Sep 2022	Jan-Sep 2021	Change, %
Comparable portfolio	-46.8	-43.8	7
Properties acquired	-32.9	-7.1	n/a
Properties sold	-0.2	-3.7	-94
<b>Property costs</b>	<b>-79.9</b>	<b>-54.6</b>	<b>46</b>
Commercial properties	-41.3	-29.5	40
Community service properties	-38.6	-25.2	53
<b>Property costs</b>	<b>-79.9</b>	<b>-54.6</b>	<b>46</b>

## Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-236	-269	-252
Maintenance	-38	-58	-47
Property tax	-54	-4	-30
<b>Total</b>	<b>-328</b>	<b>-331</b>	<b>-329</b>

## Net operating income

During the period, net operating income increased to SEK 206.1m (170.6), up 21%. The NOI margin for the period was 72.1%, which is lower than 75.8% for the corresponding period of 2021. The lower NOI margin was primarily due to the acquisition of properties with future development potential and for which Genova can conduct active planning. Higher market prices for energy also led to increased costs. In the growing long-term investment property portfolio, both energy efficiency projects and property maintenance are key elements of Genova's strategy, where quality and sustainability are a fundamental part of operations.

## Central administration

Central administrative expenses are allocated between property management and project development. During the period, central administrative expenses totalled SEK 38.3m (-31.8), corresponding to an increase of 20%. The increase is a result of the expanding operations compared with 2021.

### Central administration

SEKm	Jan-Sep 2022	Jan-Sep 2021
<b>Property management</b>		
Other external costs	-6.9	-8.5
Personnel costs	-8.1	-5.4
Depreciation/amortisation and leases	-2.2	-1.4
<b>Central administration, property management</b>	<b>-17.2</b>	<b>-15.3</b>
<b>Project development</b>		
Other external costs	-8.4	-9.2
Personnel costs	-10.0	-5.8
Depreciation/amortisation and leases	-2.7	-1.5
<b>Central administration, project development</b>	<b>-21.1</b>	<b>-16.5</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 33.7m (9.8) and pertained to income from operating activities and value changes. The share of profit included SEK 14.3m in value changes from the production of rental units in the ongoing Segerdal project, which is jointly owned with Redito. The share of profit from Järngrinden, amounting to SEK 11.9m, is also included.

## Net financial items

Net financing cost amounted to SEK -105.9m (-82.7) in the growing property management and project activities, which are financed by bank loans and bond loans. Project activities include properties under construction, future projects and investments in joint ventures. The interest expense attributable to property management is a running cost that is charged to net financial items. The financing of project activities, however, is part of the acquisition cost and therefore capitalised for each project and not charged to profit or loss. Interest payments related to property management are settled with current earnings, while interest payments related to project development are mainly settled with construction credit.

In 2022, SEK 20m attributable to project activities has been capitalised. The current assessment is that annual capitalisation attributable to project activities will amount to approximately 25-30% of the Group's total interest expense.

As of the balance-sheet date, the average interest rate was 3.7% (4.3% including bond loans and construction credit). Financial expenses during the period included SEK -10.8m (-10.9) pertaining to bond financing costs, which are allocated over the terms of the bonds. The interest-coverage ratio for the period was 2.0 times (2.2). The interest-coverage ratio does not include bond financing costs, since these are considered non-recurring costs.

### Net financial items

SEKm	Jan-Sep 2022	Jan-Sep 2021
Interest income	3.7	1.9
Interest expense, loans	-97.7	-72.3
Interest expense leases	-1.1	-1.4
Other financial expenses	-10.8	-10.9
<b>Net financial items</b>	<b>-105.9</b>	<b>-82.7</b>

## Income from property management

During the period, income from property management amounted to SEK 95.6m (65.9), up 45%. The increase was mainly due to higher net operating income, but also a higher share of profit from joint ventures.

## Value changes

The index-linked rental income across most of the portfolio resulted in positive value changes due to higher net operating income. On the other hand, yield requirements rose approximately 10 points on average, resulting in impairment losses of approximately SEK -18m. Ongoing construction in Norrtälje, Enköping, Uppsala and Palma (Majorca) contributed SEK 150m in positive value changes in line with the progress and completion of constructions. The value change for land and unused building rights mainly pertained to our upcoming project in Viby. The zoning plan will come into effect in the third quarter, and the project will commence in the fourth quarter of 2022. Acquisitions during the period resulted in positive value changes of SEK 50m.

### Value changes, properties

SEKm	Jan-Sep 2022	Jan-Sep 2021
Change in net operating income	29.6	16.6
Ongoing construction	150.0	101.3
Land and unused building rights	211.1	20.0
Change in yield requirement	-17.5	52.0
Acquisitions	50.2	113.7
Divestments	-	76.0
<b>Value changes, properties</b>	<b>423.4</b>	<b>379.6</b>

## Income tax

Recognised tax amounted to SEK -111.1m (-115.6) and was mainly attributable to deferred tax on value changes. Both current and deferred tax was calculated using a nominal tax rate of 20.6%. Remaining tax loss carryforwards are an estimated SEK 380m (420), with untaxed reserves of approximately SEK 71m (73). 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 2022	Jan-Sep 2021
Income before tax	526.8	464.0
Tax rate, %	20.6%	20.6
Income tax at the current tax rate	-108.5	-95.6
Non-taxable income	7.3	2.0
Non-deductible expenses	-3.2	-5.4
Non-deductible net interest income	-8.2	-13.6
Property transaction reversals	1.1	-5.3
Change in unused tax loss carryforward	-	2.4
Other	0.4	-0.1
<b>Tax for the period as per the income statement</b>	<b>-111.1</b>	<b>-115.6</b>

## Deferred tax liabilities, net

SEKm	Jan-Sep 2022	Jan-Sep 2021
Temporary differences, properties	-570.9	-391.4
Untaxed reserves	-14.7	-15.0
<b>Total deferred tax liabilities</b>	<b>-585.6</b>	<b>-406.4</b>
Tax loss carryforwards	78.5	86.5
<b>Total deferred tax assets</b>	<b>78.5</b>	<b>86.5</b>
<b>Deferred tax liabilities, net</b>	<b>-507.1</b>	<b>-319.9</b>

## Net income for the period

Net income for the period amounted to SEK 415.7m (348.4). Compared with the year-on-year period, both net operating income and income from property management increased in 2022. The value changes also increased, including provision for deferred tax, which means that Genova reported higher net income after tax for the period than for the corresponding period of 2021.

# Consolidated balance sheet

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	7,792.4	6,359.7	6,902.6
Properties under construction	1,104.6	1,072.0	945.8
Development properties	143.4	123.4	114.1
Right-of-use assets	29.4	33.1	31.8
Equipment	3.0	3.7	5.0
Deferred tax assets	78.5	86.5	86.4
Shares in joint ventures	865.7	291.7	818.0
Other non-current receivables	271.4	257.3	256.5
<b>Total non-current assets</b>	<b>10,288.4</b>	<b>8,227.4</b>	<b>9,160.2</b>
<b>Current assets</b>			
Rent receivable and accounts receivable	14.5	16.2	15.9
Other receivables	164.8	412.8	143.2
Prepaid expenses and accrued income	37.7	25.7	25.7
Cash and cash equivalents	206.3	271.0	316.0
<b>Total current assets</b>	<b>423.3</b>	<b>725.7</b>	<b>500.8</b>
<b>TOTAL ASSETS</b>	<b>10,711.7</b>	<b>8,953.1</b>	<b>9,661.0</b>
<b>EQUITY</b>			
<b>Total comprehensive income for the period</b>			
Share capital	50.4	50.4	50.4
Other capital contributions	1,459.5	1,459.5	1,459.5
Retained earnings, including net income for the period	1,687.0	1,106.1	1,353.4
Hybrid bond	800.0	700.0	700
<b>Non-controlling interests</b>	<b>141.6</b>	<b>78.5</b>	<b>102.6</b>
<b>Total equity</b>	<b>4,138.5</b>	<b>3,394.5</b>	<b>3,665.9</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from credit institutions	4,087.7	2,602.3	2,934.8
Bond loans	1,264.7	1,156.7	1,257.7
Lease liabilities	25.1	28.0	26.7
Other non-current liabilities	3.1	3.1	3.1
Deferred tax liabilities	584.6	406.4	497.8
<b>Total non-current liabilities</b>	<b>5,965.2</b>	<b>4,196.5</b>	<b>4,720.1</b>
<b>Current liabilities</b>			
Loans from credit institutions	372.5	1,067.3	1,031.5
Bond loans	6.7	5.2	5.5
Bank overdraft	42.3	-	-
Accounts payable	54.2	65.9	55.9
Lease liabilities	4.3	5.3	5.3
Current tax liabilities	12.5	20.5	7.1
Other liabilities	24.4	97.8	86.7
Accrued expenses and deferred income	91.1	100.1	83.0
<b>Total current liabilities</b>	<b>608.0</b>	<b>1,362.1</b>	<b>1,275.0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,711.7</b>	<b>8,953.1</b>	<b>9,661.0</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	Hybrid bond	Non-controlling interests	Total equity
	Shares	Preference shares						
<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>78.4</b>	<b>2,647.8</b>
<b>Comprehensive income</b>								
Net income for the year					608.7		2.3	611.0
Other comprehensive income								
<b>Total comprehensive income</b>					<b>608.7</b>		<b>2.3</b>	<b>611.0</b>
Transactions with non-controlling interests							21.9	21.9
Dividend (SEK 5.95 per preference share)					-23.8			-23.8
Issue of hybrid bond						700.0		700.0
Issue costs, hybrid bond					-15.2			-15.2
Dividends, hybrid bond					-36.2			-36.2
Redemption of preference shares		-4,000	-4.8		-515.2			-520.0
New issue of shares	2,400		2.9	285.1				288.0
Issue costs of shares				-8.6				-8.6
Warrants issued					1.1			1.1
Currency effects					-0.1			-0.1
<b>Closing balance, 31 December 2021</b>	<b>41,977</b>	-	<b>50.4</b>	<b>1,459.5</b>	<b>1,353.4</b>	<b>700.0</b>	<b>102.6</b>	<b>3,665.9</b>
<b>Opening balance, 1 January 2022</b>	<b>41,977</b>	-	<b>50.4</b>	<b>1,459.5</b>	<b>1,353.4</b>	<b>700.0</b>	<b>102.6</b>	<b>3,665.9</b>
<b>Comprehensive income</b>								
Net income for the period					376.7		39.0	415.7
Other comprehensive income								
<b>Total comprehensive income</b>					<b>376.7</b>		<b>39.0</b>	<b>415.7</b>
Issue of hybrid bond						100.0		100.0
Issue costs, hybrid bond					-1.5			-1.5
Dividends, hybrid bond					-40.5			-40.5
Currency effects					-1.1			-1.1
<b>Closing balance, 30 June 2022</b>	<b>41,977</b>	-	<b>50.4</b>	<b>1,459.5</b>	<b>1,687.0</b>	<b>800.0</b>	<b>141.6</b>	<b>4,138.5</b>

# Comments on the balance sheet

## Investment property portfolio and property value

### Investment properties

The Group's investment properties comprise a total of 64 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 4.9% 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 and Hotel Concepcio in Palma, Majorca which was valued internally). As of 30 September 2022, the book value of the Group's investment properties was SEK 7,792m, up SEK 900m compared with the value at 31 December 2021. During the period, eight properties totalling SEK 345m were acquired and two properties totalling SEK 228.5m were divested. The Söderhällby Project was completed in the second quarter, which increased the value of the investment properties by SEK 300m. In the third quarter, the completed stage of the Handelsmannen 1 project was reclassified from properties under construction to investment properties at a value of SEK 161m. During the period, the change in value of investment properties amounted to SEK 274m.

### Properties under construction

Properties under construction comprise the Handelsmannen 1 project in Norrtälje, the Korsängen project in Enköping and one hotel in Palma, Majorca. The balance-sheet item also includes value changes in building rights related to a number of upcoming projects. Approximately SEK 470m was capitalised during the period.

### 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.

### Property value

The entire investment property portfolio is externally appraised every quarter. As of 30 September 2022, the entire investment property portfolio had been externally appraised by CBRE, Newsec and Forum, based on the most recent external appraisal on 30 June 2022. 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 2022	30 Sep 2021	31 Dec 2021
Opening value, investment properties	6,902.6	4,559.6	4,559.6
+ Acquisitions	345.0	1,706.1	1,934.3
+ Building improvements and renovations	38.1	28.0	42.6
- Divestments	-228.5	-406.4	-406.4
+/- Reclassifications	461.0	244.1	244.1
+/- Unrealised value changes	274.2	228.3	528.4
<b>Closing value, investment properties</b>	<b>7,792.4</b>	<b>6,359.7</b>	<b>6,902.6</b>
Opening value, properties under construction	945.8	704.1	704.1
+ Acquisitions	-	44.6	44.6
+ New construction	469.8	397.7	548.3
- Divestments	-	-	-304.5
+/- Reclassifications	-461.0	-244.1	-244.1
+/- Unrealised value changes	150.0	169.7	197.4
- of which ongoing construction	150.0	169.7	197.4
<b>Closing value, properties under construction</b>	<b>1,104.6</b>	<b>1,072.0</b>	<b>945.8</b>
Opening value, development properties	114.1	91.4	91.4
+ Capitalisation	29.4	32.0	22.7
<b>Closing value, development properties</b>	<b>143.5</b>	<b>123.4</b>	<b>114.1</b>
<b>Closing value, investment property portfolio</b>	<b>9,040.5</b>	<b>7,555.1</b>	<b>7,962.5</b>
Investment properties	7,792.4	6,359.7	6,902.6
Ongoing construction	1,022.1	989.7	863.9
Planned projects	226.0	205.7	196.0
<b>Closing value, investment property portfolio</b>	<b>9,040.5</b>	<b>7,555.1</b>	<b>7,962.5</b>

Property yield per category		
%	30 Sep 2022	30 Sep 2021
Commercial properties <sup>1</sup>	5.6	5.6
Community service properties	4.5	4.7
<b>Total</b>	<b>4.9</b>	<b>5.1</b>

1) Refers to average yield requirements for the residual value of Genova's investment properties. Based on external valuations and excluding the Viby 19:3 property, which is valued as a building right, and Hotel Concepció in Palma, which is valued internally.

### Key metrics investment properties

	30 Sep 2022	30 Sep 2021
Rental value, SEK/sqm	1,442	1,503
Economic occupancy rate, %	95	95
Property costs, SEK/sqm <sup>1</sup>	329	344
Net operating income, SEK/sqm <sup>1</sup>	1,039	1,085
NOI margin, % <sup>1</sup>	76	76
Investment property value, SEK/sqm	26,004	25,255
Lettable area, ksqm	300	252
No. of properties	64	53

1) Calculated based on estimated annual value.

### Equity and net asset value

As of 30 September 2022, consolidated equity amounted to SEK 4,138.5m (3,665.9) and the equity/assets ratio was 38.6% (37.9).

Long-term net asset value amounted to SEK 4,644.6m (4,077.3), up 14%. Long-term net asset value attributable to

shareholders was SEK 3,703.0m (3,274.7), up 13%. Long-term net asset value attributable to shareholders per share was SEK 88.21 per share (78.01).

### Net asset value

	30 Sep 2022		30 Sep 2021		31 Dec 2021	
	SEKm	SEK/share	SEKm	SEK/share	SEKm	SEK/share
Equity as per the balance sheet	4,138.5	98.59	3,394.5	80.87	3,665.9	87.33
Reversal:						
Deferred tax liabilities as per the balance sheet	584.6	13.93	406.4	9.68	497.8	11.86
Less:						
Deferred tax assets as per the balance sheet	-78.5	-1.87	-86.5	-2.06	-86.4	-2.06
Hybrid bond	-800.0	-19.06	-700.0	-16.68	-700.0	-16.68
Non-controlling interests	-141.6	-3.37	-78.5	-1.87	-102.6	-2.44
<b>Long-term net asset value attributable to shareholders</b>	<b>3,703.00</b>	<b>88.22</b>	<b>2,935.9</b>	<b>69.94</b>	<b>3,274.7</b>	<b>78.01</b>

### Interest-bearing liabilities

As of 30 September 2022, the Group's interest-bearing liabilities attributable to investment properties and project properties were SEK 5,743m (5,233), representing a loan-to-value ratio of 61.7% (61.8) adjusted for cash and cash equivalents. As of 30 September 2022, the average interest rate was approximately 3.7% (4.4% including construction credit and bond loans) and the equity/assets ratio was 38.6% (37.9).

As of 30 September 2022, the Group's total interest-bearing liabilities of SEK 4,469m (3,958) 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

property-owning subsidiaries meet certain financial key metrics, such as the loan-to-value ratio and interest-coverage ratio.

As of 30 September 2022, the average maturity was 2.9 years (2.1). The credit term structure at the same date is shown in the table below.

In April, Genova issued subsequent green hybrid bonds in the amount of SEK 100m under its total green finance framework of SEK 1,250m. The green hybrid bonds carry a perpetual tenor and the issue price was 100.25% of nominal value, equal to 3 months STIBOR plus 668 basis points. The proceeds are used in accordance with Genova's green finance framework and the green bonds are traded on the sustainable bond list of Nasdaq Stockholm.

## Net financial items

Property management and project activities, which includes properties under construction, future projects and investments in joint ventures, are financed by bank loans and bond loans. The interest expense attributable to property management is a running cost that is charged to net financial items. The financing of project activities, however, is part of the acquisition cost and therefore capitalised for each project and not charged to profit or loss. Interest payments related to property management are settled with current earnings, while interest payments related to project development are mainly settled with construction credit.

In 2022, SEK 20m attributable to project activities has been capitalised. The current assessment is that annual capitalisation attributable to project activities will amount to approximately 25-30% of the Group's total interest expense, which is considered reasonable on the basis of Genova's operations.

As of the balance-sheet date, the average interest rate was approximately 3.7% (4.3% including bond loans and construction credit). Financial expenses during the period included SEK -10.8m (-10.9) pertaining to bond financing costs, which are allocated over the terms of the bonds. The interest-coverage ratio for the period was 2.0 times (2.2). The interest-coverage ratio does not include bond financing costs, since these are considered non-recurring costs.

## Long term financing

In the second quarter, Genova entered into new financing agreements with Swedbank and SBAB for a total amount of SEK 3,600m, including a revolving credit facility of SEK 350m. The new facilities with Swedbank of total SEK 3,200m are attributable to Genova's existing investment property portfolio comprising a total of 43 properties. The new financ-

ing agreements will mature in May 2027, with an average maturity of approximately four years. The new financing agreements are based on Genova's Green Finance Framework and can be converted into green finance when the investment properties become environmentally certified, which is aligned with Genova's sustainability targets. The refinancing with Swedbank also entails a lower repayment rate than previous agreements, which is positive for liquidity.

In the third quarter, undrawn construction credit increased when SBAB granted approximately SEK 400m in additional construction credit for the Handelsmannen 1 project.

## Liquidity and undrawn facilities

Total available liquidity, including construction credit, amounted to SEK 1,247m. The amount includes bank balances of SEK 206m, undrawn revolving credit facilities and a bank overdraft totalling SEK 304m and granted construction credit of SEK 737m which is still undrawn.

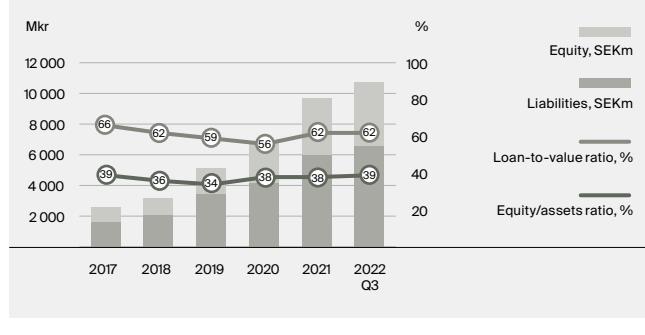
## Fixed-rate period

Genova works with short-term fixed rates because we believe this is most cost-efficient for the company in the long term. If, on the other hand, favorable opportunities arise to extend the fixed interest rate via derivatives, it is a possible strategy for Genova.

As per 30 September, Genova had purchased two interest-rate caps limiting interest rates to 2% for SEK 300m, and 5% for SEK 230m of the total loan portfolio. The caps apply until 2023 and 2025, respectively. 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 3-month STIBOR as the reference rate, as shown in the table below.

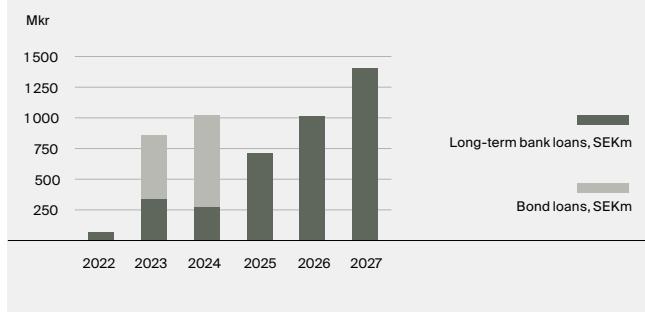
### Capital structure

30 September 2022



### Credit term structure

30 September 2022



### Credit portfolio

30 September 2022

	Credit agreement	Drawn, SEKm	Undrawn, SEKm	Average rate, %
<b>Term</b>				
2022		70	70	0
2023 <sup>1</sup>		960	860	100
2024 <sup>2</sup>		1,022	1,022	0
2025		713	713	0
2026		1,014	1,014	0
2027		1,573	1,402	171
<b>Total</b>	<b>5,352</b>	<b>5,081</b>	<b>271</b>	<b>4.42</b>
Construction credit		1,399	662	737
<b>Total</b>	<b>6,751</b>	<b>5,743</b>	<b>1,008</b>	<b>4.32</b>
<b>Loans, excluding bonds and construction credit</b>				
		<b>4,078</b>	<b>3,807</b>	<b>271</b>
				<b>3.71</b>

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

2) SEK 750m pertains to a bond interest rate of 4.50%.

# Consolidated cash flow statement

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Cash flow from operating activities</b>			
Income from property management	95.6	65.9	99.2
Adjustment for non-cash items <sup>1)</sup>	-19.6	10.3	0.1
Other operating income	1.1	15.4	14.5
Income tax paid	1.0	-6.7	-2.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>78.1</b>	<b>84.9</b>	<b>111.8</b>
<b>Changes in working capital</b>			
Change in accounts receivable	1.4	-5.6	-5.3
Change in other operating receivables	-45.6	-289.0	-17.6
Change in accounts payable	-1.7	25.1	15.1
Change in other operating liabilities	-44.7	34.3	-31.9
<b>Cash flow from operating activities</b>	<b>-12.5</b>	<b>-150.3</b>	<b>72.1</b>
<b>Cash flow from investing activities</b>			
Investments in properties and projects	-881.7	-2,217.7	-2,380.8
Investments in equipment	-0.6	-0.4	-2.1
Divestments of investment properties	228.5	406.4	710.9
Change in other financial assets	-28.9	-2.5	-581.3
<b>Cash flow from investing activities</b>	<b>-682.7</b>	<b>-1,814.2</b>	<b>-2,253.3</b>
<b>Cash flow from financing activities</b>			
New issue of shares	-	279.4	276.5
Issue of hybrid bond	98.5	686.3	685
Redemption of preference shares	-	-520.0	-520.0
Loans raised	865.5	1,828.3	2,025.6
Repayment of loans	-337.8	-568.8	-488.0
Dividends paid	-40.5	-48.0	-60.0
<b>Cash flow from financing activities</b>	<b>585.7</b>	<b>1,657.2</b>	<b>1,918.9</b>
<b>Cash flow for the period</b>	<b>-109.5</b>	<b>-307.3</b>	<b>-262.3</b>
Opening cash and cash equivalents	316.1	578.4	578.4
<b>Closing cash and cash equivalents</b>	<b>206.3</b>	<b>271.0</b>	<b>316.1</b>
1) Other non-cash items			
Reversal of depreciation and amortisation	5	2.8	3.2
Share of profit from joint ventures	-33.7	-9.8	-22.5
Accrued interest	9.1	17.3	19.4
	<b>-19.6</b>	<b>10.3</b>	<b>0.1</b>
Interest received	3.7	1.9	2.5
Interest paid	99.7	-72.3	-99.4

# Segment reporting

SEKm	Jan-Sep 2022			Jan-Sep 2021				
	Property management	Other	Not allocated	Total	Property management	Other	Not allocated	Total
Rental income	286.0			286.0	225.2			225.2
<b>Total income</b>	<b>286.0</b>			<b>286.0</b>	<b>225.2</b>			<b>225.2</b>
Property costs	-79.9			-79.9	-54.6			-54.6
<b>Total property costs</b>	<b>-79.9</b>			<b>-79.9</b>	<b>-54.6</b>			<b>-54.6</b>
<b>Net operating income/Income from new construction</b>	<b>206.1</b>			<b>206.1</b>	<b>170.6</b>			<b>170.6</b>
Central administration	-17.2		-21.1	-38.3	-15.3		-16.5	-31.8
Share of profit from joint ventures	33.7			33.7	9.8			9.8
Net financial items	-105.9			-105.9	-82.7			-82.7
Other operating income			1.1	1.1			15.4	15.4
Value changes, properties	423.4			423.4	379.6			379.6
Currency effects, properties	6.7			6.7	3.1			3.1
<b>Income before tax</b>	<b>546.8</b>		<b>-20.0</b>	<b>526.8</b>				<b>464.0</b>
<b>Segment-specific assets</b>								
Investment properties	7,792.4				6,359.7			
Properties under construction	1,104.6				1,072.0			
Development properties	143.4				123.4			
Shares in joint ventures	865.7				291.7			
<b>Segment-specific investments</b>								
Acquisitions and investments in properties	882.3				2,217.7			

## Segment reporting

Management has identified operating segments on the basis of internal management reports to the company's chief operating decision-maker, which the Group has identified as the CEO. Based on the internal management reports, the operations are organised, managed and reported as two operating segments: Property management and Other. The Investment properties operating segment has been consolidated according to the same policies as for the Group as a whole. The income and expenses reported for each operating segment are actual costs. The same applies to the assets and liabilities reported per segment and that are shown in the Consolidated statement of financial position. Management regularly reviews how internal reporting could be developed. As the number of managed rental apartments grows, recognition and segment reporting will also increase. At present, a volume of 1,000 rental apartments is deemed reasonable to make a new segment.

In the segment reporting, ongoing residential projects are reported under co-operative housing associations, when relevant, in the Other segment, in accordance with the pre-

viously applied revenue recognition policy described in the Group's 2021 Annual Report. As a result, Genova considers the co-operative housing association an external counter-party 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

	Jan-Sep 2022	Jan-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Dec 2021
<b>Key metrics, properties</b>					
Ongoing construction, no.	797	863	797	863	863
Residential units completed, no.	0	35	-	35	35
Total no. of building rights	7,044	6,867	7,044	6,867	6,895
Lettable area, commercial properties, ksqm	156.4	124.0	156.4	124.0	139.3
Lettable area, community service properties, ksqm	143.3	127.8	143.3	127.8	127.8
Total lettable area, ksqm	299.7	251.8	299.7	251.8	267.1
Economic occupancy rate, %	94.9	95.0	94.9	95.0	95.1
NOI margin, %	72.1	75.8	73.6	79.6	73.6
Net investments, SEKm	653.8	1,811.7	138.7	361.4	1,881.6
<b>Financial key metrics</b>					
Return on equity, %	14.2	15.4	7.4	10.5	19.4
Equity/assets ratio, %	38.6	37.9	38.6	37.9	37.9
Loan-to-value ratio, %	61.7	60.5	61.7	60.5	61.8
Average interest rate, %	3.7	2.0	3.7	2.0	2.0
Average interest rate including bond loans, %	4.4	2.8	4.4	2.8	2.7
Interest-coverage ratio, times	2.0	2.2	2.0	2.2	2.2
Maturity, no. of years	2.9	2.1	2.9	2.1	2.1
<b>Key metrics, shares</b>					
Total no. of preference shares outstanding, 000s	-	-	-	-	-
Average no. of preference shares outstanding, 000s	-	2,326	-	-	1,744
Total dividend on preference shares, SEKm	-	23.8	-	13.3	23.80
Dividend on preference share, SEK	-	5.95	-	3.33	5.95
Total no. of shares outstanding, 000s	41,977	41,977	41,977	41,977	41,977
Average no. of shares outstanding, 000s	41,977	39,577	41,977	39,577	40,177
Income from property management per share, SEK	1.31	0.45	0.57	0.48	0.98
Growth income from property management LTM, per share before dividend, %	58.4	34.0	58.4	34.0	60.0
Income per share, SEK	8.01	7.59	0.95	1.83	13.66
Equity, SEKm	4,138.5	3,394.5	4,138.5	3,394.5	3,665.9
Equity attributable to shareholders, SEKm	3,196.9	2,616.0	3,196.9	2,616.0	2,863.3
Equity per share, SEK	76.16	62.32	76.16	62.32	68.21
Long-term net asset value, SEKm	4,644.6	3,714.4	4,644.6	3,714.4	4,077.3
Long-term net asset value attributable to shareholders, SEKm	3,703.0	2,935.9	3,703.0	2,935.9	3,274.7
Long-term net asset value per share, SEK	88.21	69.94	88.21	69.94	78.01

# Parent Company income statement

SEKm	Jan-Sep 2022	Jan-Sep 2021	Jul-Sep 2022	Jul-Sep 2021	Jan-Dec 2021
Net sales	7.0	5.8	0.1	5.8	5.8
<b>Total operating income</b>	<b>7.0</b>	<b>5.8</b>	<b>0.1</b>	<b>5.8</b>	<b>5.8</b>
Other external costs	-4.3	-4.5	-0.9	-1.8	-5.4
Personnel costs	-8.8	-7.2	-3.2	-2.8	-9.8
<b>Total operating expenses</b>	<b>-13.1</b>	<b>-11.7</b>	<b>-4.1</b>	<b>-4.6</b>	<b>-15.2</b>
<b>Operating profit/loss</b>	<b>-6.1</b>	<b>-5.9</b>	<b>-4.0</b>	<b>1.2</b>	<b>-9.4</b>
Impairment of participations in Group companies	-5.5	-	-	-	-64.5
Interest income and similar profit items	38.2	-	38.1	-	87.3
Interest expense and similar loss items	-57.3	-44.1	-20.5	-15.4	-65.8
<b>Profit/loss from financial items</b>	<b>-24.6</b>	<b>-44.1</b>	<b>17.6</b>	<b>-15.4</b>	<b>-43.0</b>
<b>Appropriations</b>					
Group contributions received	-	-	-	-	8.7
Income before tax	-30.7	-50.0	13.6	-14.2	-43.7
Tax on net income for the year	-	-	-	-	0.9
<b>Net income/loss for the year</b>	<b>-30.7</b>	<b>-50.0</b>	<b>13.6</b>	<b>-14.2</b>	<b>-42.8</b>

# Parent Company balance sheet

SEKm	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Participations in Group companies	221.8	221.8	221.8
Participations in associated companies	563.4	-	563.4
Deferred tax assets	22.5	21.6	22.5
Receivables from Group companies	1,727.6	1,797.1	1,641.1
<b>Total financial assets</b>	<b>2,535.3</b>	<b>2,040.5</b>	<b>2,448.8</b>
<b>Current receivables</b>			
Other receivables	3.5	282.2	5.0
Prepaid expenses and accrued income	1.4	3.3	3.2
	<b>4.9</b>	<b>285.5</b>	<b>8.2</b>
<b>Cash and cash equivalents</b>	<b>209.0</b>	<b>135.3</b>	<b>244.1</b>
<b>Total current assets</b>	<b>213.9</b>	<b>420.8</b>	<b>252.3</b>
<b>TOTAL ASSETS</b>	<b>2,749.2</b>	<b>2,461.3</b>	<b>2,701.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total comprehensive income for the period</b>			
<b>Restricted equity</b>			
Share capital	50.4	50.4	50.4
<b>Total restricted equity</b>	<b>50.4</b>	<b>50.4</b>	<b>50.4</b>
<b>Unrestricted equity</b>			
Retained earnings	343.7	442.0	428.6
Net loss for the period/year	-30.7	-50.0	-42.8
<b>Total unrestricted equity</b>	<b>313.0</b>	<b>392.0</b>	<b>385.8</b>
Hybrid bond	800.0	700.0	700.0
<b>Total equity</b>	<b>1,163.4</b>	<b>1,142.4</b>	<b>1,136.2</b>
<b>Non-current liabilities</b>			
Bond loans	1,264.7	1,155.7	1,257.7
<b>Total non-current liabilities</b>	<b>1,264.7</b>	<b>1,155.7</b>	<b>1,257.7</b>
<b>Current liabilities</b>			
Bank overdraft	42.3	-	-
Bond loans	6.7	-	5.5
Accounts payable	1.0	1.1	1.3
Liabilities to Group companies	268.0	113.7	258.9
Other liabilities	0.9	41.5	40.8
Accrued expenses and deferred income	2.2	6.9	0.7
<b>Total current liabilities</b>	<b>321.1</b>	<b>163.2</b>	<b>307.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,749.2</b>	<b>2,461.3</b>	<b>2,701.1</b>

# Parent Company statement of changes in equity

SEKm	Share capital	Retained earnings	Net income for the year	Hybrid bond	Total equity
<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 income/loss for the year</b>			<b>-42.8</b>		<b>-42.8</b>
Dividend (SEK 5.95 per preference share)		-23.8			-23.8
Issue of hybrid bond				700.0	700.0
Issue costs, hybrid bond		-15.2			-15.2
Dividends, hybrid bond		-36.2			-36.2
Redemption of preference shares	-4.8	-515.2			-520.0
New issue of shares	2.9	285.1			288.0
Issue costs of shares		-8.7			-8.7
Warrants issued		1.1			1.1
<b>Closing balance, 31 December 2021</b>	<b>50.4</b>	<b>428.6</b>	<b>-42.8</b>	<b>700.0</b>	<b>1,136.2</b>
<b>Opening balance, 1 January 2022</b>	<b>50.4</b>	<b>428.6</b>	<b>-42.8</b>	<b>700.0</b>	<b>1,136.2</b>
Carried forward		-42.8	42.8		
<b>Net income/loss for the year</b>			<b>-30.7</b>		<b>-30.7</b>
Issue of hybrid bond				100.0	100.0
Issue costs, hybrid bond		-1.5			-1.5
Dividends, hybrid bond		-40.5			-40.5
<b>Closing balance, 30 June 2022</b>	<b>50.4</b>	<b>343.8</b>	<b>-30.7</b>	<b>800.0</b>	<b>1,163.4</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 2021 Annual Report on pages 71–75.

After two years that were largely marked by macroeconomic uncertainty due to the pandemic, Genova can confirm that the effects on the company's business were limited. The risk that Genova now believes will be most material for operations going forward is inflation, which is gaining an increasingly large foothold and will have some impact on costs in both routine property management and construction projects, while borrowing costs also rise. Genova is continuously analysing development in the macro environment and carefully considering decisions based on the risks and opportunities that arise due to the constantly changing market conditions. Genova has a diversified mix of tenants and rental income that is indexed in accordance with inflation trends. This, supplemented with good liquidity, provides security in an uncertain time.

## 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.

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.

Most of Genova's rental agreements for premises are index-linked to protect against inflation, which balances the effects of rising interest rates. For Genova, a 10% inflation rate and a 1 percentage point interest rate hike would increase rental income by approximately SEK 31m and interest expense by approximately SEK 58m, and reduce earnings by approximately SEK 27m, all other things being equal.

## Sensitivity analysis, cash flow<sup>1</sup>

	Change	Effect on cash flow
Contracted annual rent	+/-5%	+/- SEK 21m
Indexed rental income	+10%	+SEK 31m
Occupancy rate	+/-2 percentage points	+/- SEK 9m
Property costs	+/-10%	+/- SEK 10m
Interest expense	+/-1 percentage point	+/- SEK 58m

1) 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 yield requirements. The rent concept includes the actual rent level and any future rental assumptions. The yield requirements 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 the properties is driven by supply and demand, where investors analyse the estimated net operating income of the properties and, in combination with the willingness to accept a given level of risk, determine the required rate of return. Increased demand/willingness to accept risk lowers yield requirements 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 change	+/-5%	+/-10%
Effect on property value	+/- SEK 452m	+/- SEK 904m
Adjusted property value	SEK 9,492/8,588m	SEK 9,944/8,136m
Effect on loan-to-value ratio	-2.9/3.2%	-5.6/6.9%
Adjusted loan-to-value ratio	59/65%	56/69%
Effect on equity/assets ratio	1.7/-1.8%	3.2/-3.8%
Adjusted equity/assets ratio	40/37%	42/35%

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

## 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. The company strives for good foresight in order to manage credit maturities, which means that options for refinancing are continuously evaluated 12–24 months before maturity.

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

Genova has one class of shares – ordinary shares – which were listed on Nasdaq Stockholm in June 2020. At the end of the period, Genova had 2,168 shareholders. At 30 September 2022, the closing price of the share was SEK 56.40. As of 30 September 2022, the total number of shares in Genova to 41,976,966.

In October 2021, Genova entered into an agreement with ABG Sundal Collier whereby ABG Sundal Collier would act as

liquidity provider for Genova's share. The purpose is to continually provide liquidity for the share and the undertaking is subject to Nasdaq Stockholm's rules for liquidity provision. This means that the liquidity provider quotes both buy and sell volumes corresponding to at least SEK 30,000 with a maximum bid-ask spread of 4%.

## Shareholders

30 September 2022

Name	No. of shares	Holding (%)	Votes (%)
Micael Bile (via company)	17,814,999	42.44	42.44
Andreas Eneskjöld (via company)	7,500,000	17.87	17.87
Länsförsäkringar Fondförvaltning AB	3,502,659	8.34	8.34
Skandia	2,243,705	5.35	5.35
Michael Moschowitz (via company)	2,155,538	5.14	5.14
Capital Research and Management	2,126,731	5.07	5.07
Swedbank Robur Fonder	1,802,929	4.30	4.30
Enter Fonder	1,031,995	2.46	2.46
Lancelot Asset Management	1,024,000	2.44	2.44
Avanza Pension	951,919	2.27	2.27
BNP Paribas	477,565	1.14	1.14
SEB Investment Management	426,264	1.02	1.02
Handelsbanken Funds	173,510	0.41	0.41
Total other shareholders	745,152	1.78	1.78
<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 35 (29), of whom 21 (17) 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 2021 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 in Stockholm on 3 May 2023.

## Nomination Committee

The Nomination Committee prior to the 2023 Annual General Meeting comprises Fredrik Ahlvist, 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 2021 Annual Report.

## Financial calendar

Year-end report, January-December 2022	<b>22 February 2023</b>
2022 Annual Report	<b>30 March 2023</b>
Interim report January-March 2023	<b>3 May 2023</b>
Annual General Meeting 2023	<b>3 May 2023</b>

## 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 2021 Annual Report.

## 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, 27 October 2022

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

## 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 27 October 2022 at 08:30 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 2022 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.

Ängelholm, 27 October 2022  
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 shareholders

Equity less the value of issued hybrid bonds and non-controlling interests, in relation to the number of shares outstanding as of the balance-sheet date. Equity attributable to shareholders is used to measure the shareholders' proportion of the company's equity per share.

## 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.

## 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/loss from property management per share

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

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

Long-term net asset value less the value of all issued hybrid bonds and non-controlling interests. Long-term net asset value attributable to shareholders is used to clarify the proportion of long-term net asset value considered attributable to shareholders after the proportion attributable to hybrid bond holders and non-controlling interests has been eliminated.

## Long-term net asset value per share

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

## Development properties

Refers to properties for further development.

## Income per share

Net income for the year/period less dividend payments on preference shares and payment for hybrid bonds during the period, in relation to the number of weighted average shares outstanding during the period. Net income after tax per share is used to measure the shareholders' proportion of the company's net income after tax per 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.

## NOI margin

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

# Contact

## Street addresses

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

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