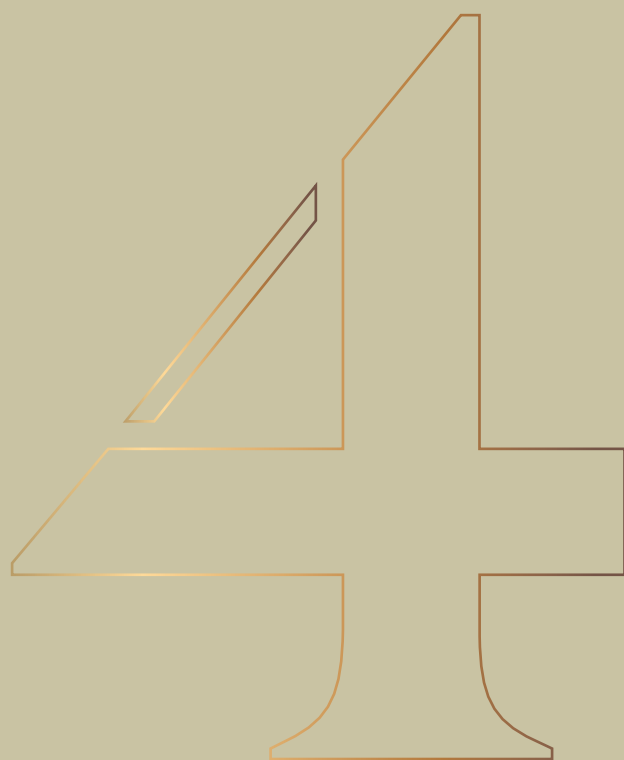


# GENOVA



Year-end Report, January-December/**2022**



# The year in summary

## Full-year January-December 2022

- Rental income amounted to SEK 394.7m (319.9), an increase of 23%.
- Net operating income amounted to SEK 277.8m (235.3), an increase of 18%.
- Income from property management increased 22% to SEK 120.8m (99.2), of which income from property management attributable to shareholders was SEK 64.3m (39.2), corresponding to SEK 1.53 (0.98) per share.
- Net income after tax amounted to SEK 255.9m (611.0), corresponding to SEK 3.98 (13.66) per share.
- Long-term net asset value attributable to shareholders increased 9% to SEK 3,584.1m (3,274.7), corresponding to SEK 85.38 (78.01) per share.
- The Board proposes a resolution to the AGM that no dividend be paid for the 2022 financial year.

## October-December 2022 quarter

- Rental income amounted to SEK 108.7m (94.7), an increase of 15%.
- Net operating income amounted to SEK 71.7m (64.7), an increase of 11%.
- Income from property management decreased 24% to SEK 25.2m (33.3), of which income from property management attributable to shareholders was SEK 9.2m (21.3), corresponding to SEK 0.20 (0.51) per share.
- Net income after tax amounted to SEK -159.8m (262.6), corresponding to SEK -4.03 (5.92) per share.

**SEK 10,264<sub>m</sub>**

Property value

**9,322**

Residential building rights

**59.1%**

Loan-to-value ratio

**SEK 85.38**

Long-term net asset value attributable to shareholders per share

	Jan-Dec 2022	Jan-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
Rental income, SEKm	394.7	319.9	108.7	94.7
Net operating income, SEKm	277.8	235.3	71.7	64.7
Income from property management, SEKm	120.8	99.2	25.2	33.3
Income from property management attributable to shareholders per share, SEK	1.53	0.98	0.22	0.51
Residential units under construction, no. <sup>1</sup>	1,006	863	1,006	863
Residential units completed, no. <sup>2</sup>	179	35	113	–
Net investment, SEKm	717.2	1,881.6	63.4	73.9
Loan-to-value ratio, %	59.1	61.8	59.1	61.8
Equity/assets ratio, %	38.4	37.9	38.4	37.9
Interest-coverage ratio, times <sup>3</sup>	2.0	2.2	1.9	2.2
Long-term net asset value, SEKm	5,134.0	4,077.3	5,134.0	4,077.3
Long-term net asset value attributable to shareholders, SEKm	3,584.1	3,274.7	3,584.1	3,274.7
Total no. of shares outstanding, 000s	41,977	41,977	41,977	41,977
Long-term net asset value attributable to shareholders per share, SEK	85.38	78.01	85.38	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 year

## 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 SEK 110m with an 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.
- 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 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 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 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 SEK 5.3m and a remaining duration of nine years.

- In June, two properties were accessed in Norrtälje at an underlying property value of 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 SEK 10.5m with estimated net operating income of SEK 7.2m and a remaining average duration of 4.3 years.
- 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.
- The zoning plan for Viby, Genova's urban development project in central Brunna in Upplands-Bro Municipality, came into force.
- 66 rental apartments were completed and occupied in the first stage of the Handelsmannen project (Tryckeriet quarter) in Norrtälje.

## Fourth quarter

- Henrik Zetterström was employed as new CFO and took up his position on 1 January 2023.
- The construction of Viby, Genova's urban development project in Upplands-Bro, commenced. The total lettable area upon completion is estimated to be about 70,000 sqm. The project is jointly owned with property company K2A (30%).
- In October, the zoning plan for Genova's upcoming project in Ekeby, Uppsala, comprising residential units and a grocery store, was approved.
- In November, an agreement was signed to acquire an additional 1% of the shares in Järngrinden for SEK 13m. Järngrinden was thereby consolidated as a subsidiary of the Genova Group as of the accession date of 31 December 2022.

Genova already owns 50% of the shares in Järngrinden and has call options to acquire the remaining shares.

- Genova strengthened its financial stability with a new revolving credit facility of SEK 300m. The facility is secured and intended to be used for general business purposes, and enable the redemption of existing uncovered bonds.

## Events after the end of the year

- In January, Genova completed a directed issue of approximately 3.6 million new ordinary shares at a subscription price of SEK 55 per ordinary share, and raised proceeds of approximately SEK 200m before deductions for share issue costs. Investors in the new share issue comprised a number of institutional investors. The new share issue strengthened Genova's financial position and the capacity to act on value-creating opportunities that are expected to arise due to the ongoing changes in the property market.
- In January, one of Järngrinden's rental unit projects outside Borås was exited. The project comprised 92 newly developed rental units. The exit had a positive impact on Genova's financial key metrics and an earnings effect of approximately SEK 30m.
- In January, Genova entered into a five-year interest-rate swap totalling SEK 800m, bringing the total derivatives portfolio to just over 35% of total outstanding debt attributable to banks.
- At the beginning of the year, Genova initiated a process for a possible divestment of the company's assets in Palma in Spain – one completed hotel, and one hotel scheduled for completion in May 2023. The properties do not hold any long-term strategic value for Genova, and with low indebtedness, a divestment would free-up considerable liquidity.
- On 21 February 2023, the Board decided to update the company's operational targets for ongoing construction, and the percentage of rental income from residential and community service properties.

# CEO's statement

In many ways, 2022 was a year of upheaval. While the pandemic subsided, war, rising interest rates, energy prices and inflation created uncertainty. Genova's stable financial performance with healthy growth and improved earnings capacity in such an environment is a sign of strength. At the same time, we took important steps to secure our long-term financing and liquidity alongside of a heightened focus on sustainability. The Järngrinden property company was consolidated as a subsidiary of the Group, which demonstrates values and strengthens our balance sheet.

Genova continued to grow profitably during the year with completed projects and several strategic acquisitions that are contributing stable cash flows. Rental income increased 23% and we noted positive growth in income from property management per share of 17%, while net asset value per share increased 9%. If we look at the development since 2019, both income from property management per share and net asset value per share have increased by an average of 38 percent per year.

Most of our rental agreements are linked to the Consumer Price Index, which strengthens Genova's earnings and offsets rising interest rates and higher energy prices. As a result, annual rental income increased by approximately SEK 35m from January 2023. We have noted that our tenants are generally able to cope with higher rents and we see continued demand for Genova's premises. The relatively low average rent in our investment property portfolio, approximately

SEK 1,500/sqm, is a contributing factor, as is our tenant mix. Community service properties, residential units and super-markets account for about 60% of our rental income, which generally provides good risk diversification.

## Järngrinden incorporated into the Genova Group

In December 2022, the Järngrinden property company was consolidated as a subsidiary of the Genova Group following our acquisition of an additional 1% of the shares in the company. Genova already owned half of the shares in Järngrinden, and I am happy that we took the next step in our partnership through this acquisition. Järngrinden's operations are stable and growing, with investment properties and profitable project development in western Sweden, which is well in line with Genova's strategy. The consolidation means that investment and project properties increase by just over SEK 1 billion, with a future earnings impact of SEK 60m in increased annual rental value. It therefore demonstrates values and strengthens Genova's balance sheet. Our long-term plan is to exercise our option to acquire the remaining shares in Järngrinden.

## Organic growth

We continued to grow organically through our project development, with occupancy of a retirement home and rental apartments in the first stage of the Handelsmannen project in Norrtälje. Our other ongoing projects are proceeding as planned, with an approximate total of 1,000 residential units in Norrtälje, Enköping, Knivsta and Upplands-Bro and completion scheduled for 2023–2026. The first stages of our urban development project in Viby in Upplands-Bro commenced following the enactment of a new zoning

plan during the year. This a fantastic and important step forward for Genova. We see continued demand for new rental apartments in our core markets of Greater Stockholm and the Uppsala Region, as well as our new West region.

## Focus on financing

Long-term stable financing is central for Genova and acquired an even greater focus in the year's capital market uncertainty. We worked to secure financing for the coming years through refinancing and by extending loans. A directed issue in early 2023 further strengthened Genova's financial position and created the capacity to act on business opportunities that we believe may arise due to the ongoing changes in the property market. At the same time, reputable investors were added to the company's ownership structure, who believe in, and want to invest long-term, in Genova. At the beginning of the year, we also initiated a process for a possible divestment of our assets in Palma in Spain – one completed hotel, and one hotel scheduled for completion in May 2023. These properties do not hold any long-term strategic value for Genova, and with low indebtedness, a divestment would free-up considerable liquidity.

Genova is a company with a long-term ownership perspective that strives to be well-equipped for handling all types of markets, and we are looking forward to an active 2023. With stable cash flows from our investment property portfolio, we have the capacity to handle higher borrowing costs. At the same time, the building rights that we have created with low intrinsic value and excess value provide the flexibility to step up or step down our project development, depending on the market conditions.

Michael Moschewitz, CEO



**"Genova continued to grow profitably during the year."**

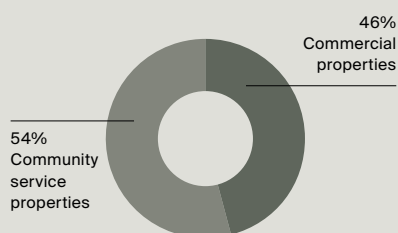
# Genova – the personal property company

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 2022, our position was also strengthened in western Sweden through the acquisition of an additional 1% of Järngrinden.

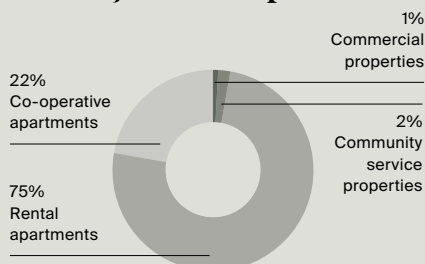


## Investment properties



**Property value**  
Total SEK 8,183m

## Project development

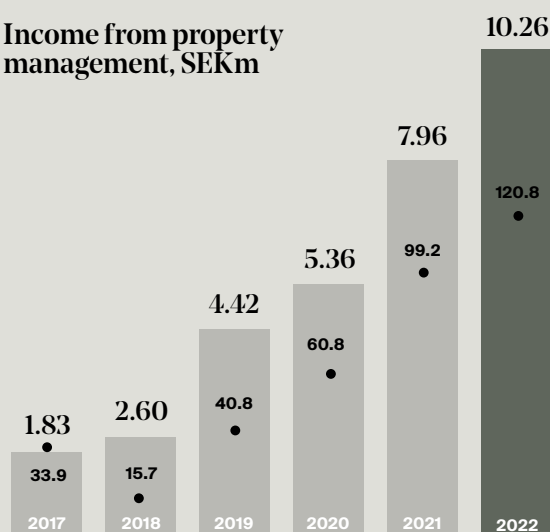


**Residential building rights**  
Total 9,322

**No. of sqm**  
603 ksqm

## Property value, SEK billion

### Income from property management, SEKm



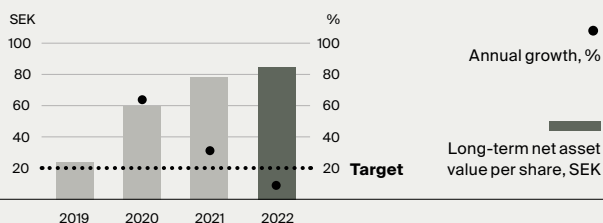
## Financial targets

### 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.

**9%**

31 Dec 2022



### Income from property management

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

**>20%**

Target

**17%**

2022

### Equity/assets ratio

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

**>35%**

Target

**38%**

31 Dec 2022

### Loan-to-value ratio

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

**<65%**

Target

**59%**

31 Dec 2022

### Interest-coverage ratio

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

**>2.0 times**

Target

**2.0 times**

31 Dec 2022

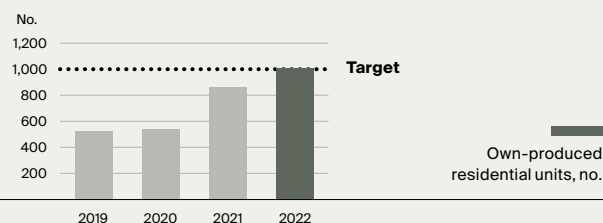
## Operational targets

### Ongoing construction

Ongoing construction of own-produced residential units shall amount to at least 1,000 residential units per year by the end of 2024.

**1,006**

31 Dec 2022

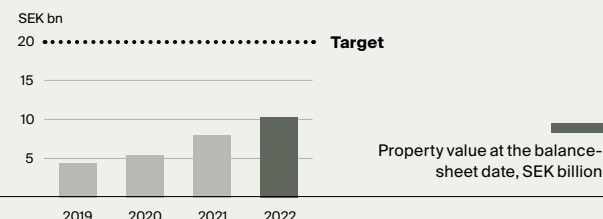


### Property value

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

**SEK 10.3 billion**

31 Dec 2022



### Rental income

Rental income from residential and community service properties shall account for at least 55% of Genova's total rental income by the end of 2023.

**>55%**

Target

**52%**

31 Dec 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

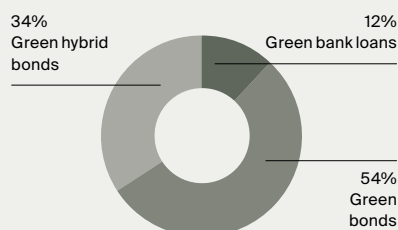
and property acquisitions, which could lead to either small or no dividends at all on shares. In the long-term, the dividend on shares shall be at least 50% of income from property management attributable to shares.

# Sustainability targets

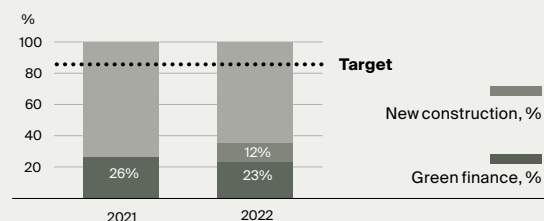
## Green finance

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

Distribution Green Framework



Share of green finance



In the fourth quarter, the company elected to highlight the ongoing new constructions that will be classified as green upon completion and final placement.

## 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	2			3	5
Green Building	1	1			2
Miljöbyggnad					
iDrift					
Silver	2	15	13		30
Bronze	1				1
<b>Total</b>	<b>6</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>38</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 developed specific targets for the reduction of its emissions, increased the share of properties with environmental certification, and increased 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 International Capital Market Association (ICMA). 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 developed properties and properties under long-term management in our portfolio will be environmentally certi-

fied 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, sustainability work was focused on setting our Science-Based Target and identification of the actions that the company will need to take to reduce its emissions. We also commenced a process related to the EU Taxonomy regulation to establish, in the first stage, which of our economic activities are taxonomy-eligible. The EU's Taxonomy regulation does not apply to Genova at present.



# Investment property portfolio

## Acquisition of shares in Järngrinden

In November, Genova, which already owned 50% of the shares in property and project development company Järngrinden, acquired an additional 1% of the

shares in the company. Järngrinden was thereby consolidated as a subsidiary of the Genova Group as of the accession date of 31 December 2022.

For the Genova Group, this means that investment and project properties increase

by just over SEK 1 billion, with a future earnings impact of SEK 60m in increased annual rental value. Genova's intention is to exercise its future call options to also purchase the remaining shares.

## 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. Due to the consolidation of Järngrinden, the investment property portfolio increased in western Sweden.

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 prop-

erties will eventually provide opportunities to create building rights for new construction projects in the future.

At year-end, Genova's wholly owned investment property portfolio comprised a total of 84 investment properties with a market value of approximately SEK 8.2 billion, allocated over approximately 368 ksqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 11.3 billion.

### Acquisitions, divestments, reclassifications and completed projects

In September, the first stage of the Handelsmannen 1 project in Norrtälje was completed, and another two stages were completed in the fourth quarter. Overall, the completed stages comprise a retirement home, a preschool and 99 rental apartments allocated between approx-

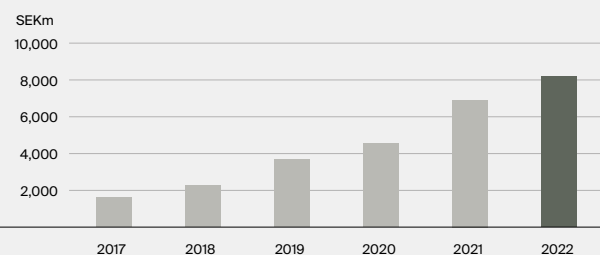
imately 12,500 sqm. The annual rental value of these stages is approximately SEK 26.7m with estimated annual net operating income of SEK 22.5m. Upon completion, the stages were fully let and initial contracted rental discounts will gradually decrease in 2023. Overall, the completed stages were reclassified from properties under construction to investment properties with a value of SEK 595m.

During the quarter, the Odal mannen 1 property, parts of Viby 19:3 and parts of Särsta 3:398 were reclassified to development properties and properties under construction with a value of SEK 554m.

As of 31 December, Järngrinden was consolidated as a subsidiary of the Group. Of Järngrinden's portfolio, 21 properties are classified as investment properties with a value of SEK 710m. The properties are largely classified as commercial properties and located

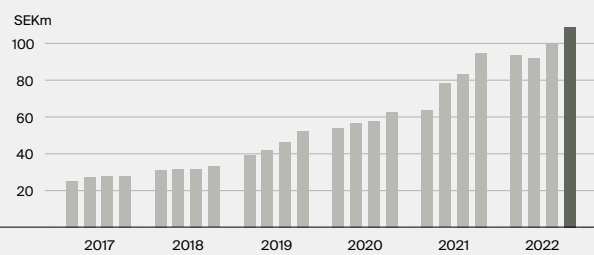
### Performance of value of investment properties

31 December 2022



### Rental income per quarter

31 December 2022







Lillsåtra 2, Sättra

in and around Borås and Gothenburg, and are included in Genova's new West region. The annual rental value amounted to approximately SEK 60m, with estimated annual net operating income of approximately SEK 40m. The properties comprise approximately 62 ksqm and the economic occupancy rate was 88.1%.

### Lettings

During the quarter, rental agreements with a total annual rental value of SEK 14.3m were signed. After the end of the year, one five-year rental agreement was signed with an existing tenant in Hunnerup, starting from August 2023.

The total annual rental value is approximately SEK 4.4m.

### Tenants and rental agreement structure

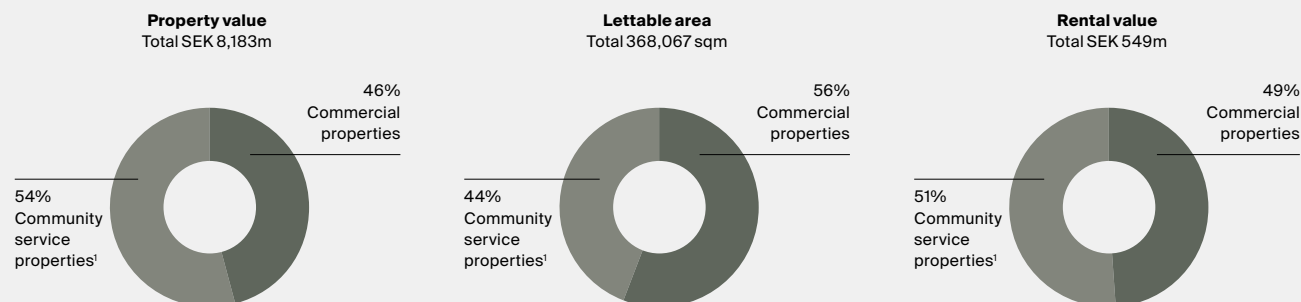
At the end of the year, Genova had approximately 460 rental agreements with an average remaining rental duration of 5.5 years, and 176 agreements for rental apartments.

Of total contracted rental income, the proportion derived from residential units and publicly funded tenants was approximately 52%. If supermarkets are also included, the proportion of contracted rental income was approximately 60%. A large proportion of Genova's rental agree-

ments for premises are index-linked. The inflation-adjusted increase for 2023 rent levels is included in the table for the investment property portfolio on page 11 and increased the rental value by approximately SEK 34m. The rental increases were implemented in the first quarter of 2023. The average rent per sqm in Genova's investment property portfolio is below SEK 1,500 per sqm.

## Investment properties per property category

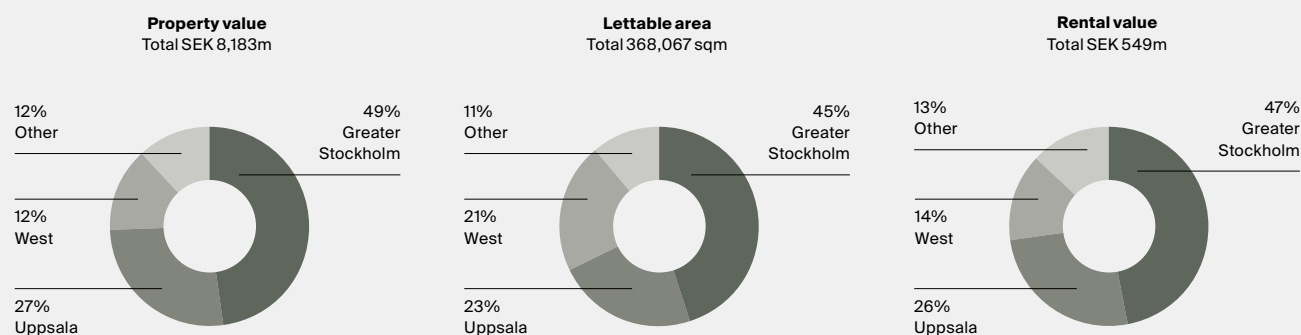
31 December 2022



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

## Investment properties per geography

31 December 2022



## Allocation of rental income

31 December 2022

Rental agreements	Contracted annual rent, SEKm	Participation, %
Community service	251	48
Residential units <sup>1</sup>	19	4
Supermarkets	41	8
Other commercial	205	40
<b>Total rental income</b>	<b>516</b>	<b>100</b>
Average weighted remaining term, years (10 largest)		
		7.1 years
Average weighted remaining term, years (total portfolio)		
		5.5 years

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

## Structure of rental agreements

31 December 2022

	No. of rental agreements	Area Ksqm	Contracted rent, SEKm	Percentage, %
Term				
2023	131	24	38	7%
2024	129	59	70	14%
2025	77	61	96	19%
2026	66	63	94	18%
2027	10	16	27	5%
>2027	44	95	174	34%
<b>Total</b>	<b>457</b>	<b>318</b>	<b>499</b>	<b>97%</b>
Rental apartments	176	10	17	3%
<b>Total</b>	<b>633</b>	<b>328</b>	<b>516</b>	<b>100%</b>
Vacant		40	33	
<b>Total</b>		<b>368</b>	<b>549</b>	



Handelsmannen 1, Norrtälje

## Investment property portfolio

31 December 2022

	No. of proper- ties	Lettable area, sqm	Property value		Rental value <sup>5</sup>		Occu- pancy rate, %	Contracted annual rent <sup>2</sup> , SEKm	Property costs		Net operating income	
			SEKm	SEK/ sqm	SEKm	SEK/ sqm			SEKm	SEK/ sqm	SEKm	SEK/ sqm
Per property category <sup>1</sup>												
Commercial properties	54	207,629	3,777	18,192	271	1,304	91.9	249	-69	-330	180	869
Community service properties <sup>3</sup>	30	160,437	4,406	27,462	278	1,733	96.1	267	-60	-373	207	1,293
Total per property category	84	368,067	8,183	22,233	549	1,491	94.0	516	-128	-349	388	1,054
Per geography												
Greater Stockholm	34	165,661	4,001	24,150	261	1,577	95.2	249	-59	-358	189	1,143
Uppsala	19	85,628	2,248	26,254	141	1,646	97.1	137	-36	-417	101	1,181
West	23	77,832	960	12,340	77	990	89.1	69	-18	-233	50	649
Other	8	38,946	974	25,009	70	1,792	89.0	62	-15	-390	47	1,206
Total per geography	84	368,067	8,183	22,233	549	1,491	94.0	516	-128	-349	388	1,054
Of which Järngrinden	21	62,226	710	11,415	60	966	88.1	53	-13	-203	40	648
Ongoing construction			1,058									
Planned projects			1,023									
Total as per the balance sheet			10,264									
Near-term completed constructions <sup>4</sup>	2	6,779	84		19	2,780	100.0	19	-1	-208	17	2,572
Total	86	374,846	10,348		568	1,515	94.2	535	-130	-346	405	1,081
In addition:												
Properties owned through joint ventures			894									

1) Based on the primary use of the property.

2) Not including rental discounts of SEK 15m.

3) Of which 176 rental apartments are allocated between eight properties

4) Refers to stages of the Handelsmannen project and the Can Oliver Hotel in Palma, which will be completed within 12 months. Property value upon completion amounted to SEK 449m but, as of 31 December, SEK 365m was recognised on the balance sheet under properties under construction.

5) The inflation-adjusted increase for 2023 rent levels is included and increased the rental value by approximately SEK 34m.

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

The consolidation of Järngrinden as a subsidiary has strengthened the rental value by SEK 60m.

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.

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 annual rental value less vacant premises. 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 year-end.

Estimated earnings capacity of investment properties					
SEKm	Investment properties Genova	Investment properties Järngrinden	Total Investment properties	Ongoing construction	Total
Rental value	489	60	549	99	648
Vacancy rate	-26	-7	-33	-	-33
<b>Rental income</b>	<b>463</b>	<b>53</b>	<b>516</b>	<b>99</b>	<b>615</b>
Property costs	-116	-13	-128	-13	-142
<b>Net operating income</b>	<b>348</b>	<b>40</b>	<b>388</b>	<b>86</b>	<b>473</b>
Central administration, property management	-21	-8	-29	-	-29
Genova's share of income from property management through joint ventures	9	4	13	4	17
Net financial items	-205	-13	-218	-50	-268
<b>Income from property management</b>	<b>131</b>	<b>23</b>	<b>154</b>	<b>40</b>	<b>194</b>





Gredelby 21:1, Knivsta

## 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 19 billion in ongoing and planned production to complete investment properties for long-term ownership. Completed value is estimated to be approximately SEK 22 billion with

an estimated rental value of SEK 999m. Genova's project development also comprises the construction of future co-operative apartments with planned investments of about SEK 7 billion and completed values of about SEK 9 billion. As part of Genova's project development, organic growth is taking place through Genova's subsidiary Järngrinden. Järngrinden is a project development company in western Sweden with a focus on the construction of rental and co-operative apartments. Up to and including 2030, Järngrinden is planning

to invest approximately SEK 6 billion in ongoing and planned projects, with an estimated completed value of approximately 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.

**9,322**

No. of residential building rights

**SEK 1.7 billion**

Excess value in building rights portfolio

**SEK 999m**

Estimated rental value

In the table on page 17, completed values are estimated to amount to approximately SEK 48,000 per sqm for rental apartments and approximately SEK 66,000 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 65% of the building rights are located in Greater Stockholm and the Uppsala Region.

As of 31 December 2022, Genova's project portfolio, including Järngrinden's project portfolio, comprised approximately 600,000 sqm of lettable area allocated between 9,322 residential building rights, of which approximately 80% consisted of rental apartments and community service properties that Genova intends to develop for own long-term management, and approximately 20% co-operative apartments and commercial properties.

### 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. As of 31 December 2022, CBRE's market valuation of the estimated unused building rights in Sweden included in planned projects amounted to approximately SEK 3.8 billion. At 31 December 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 2.1 billion. This means that the excess value in the Group's building rights portfolio was estimated to be approximately SEK 1.7 billion at the end of the reporting period. This excess value is not reflected on Genova's balance sheet.

The Järngrinden Group contains approximately 2,300 residential building rights mainly located in western and southern Sweden, comprising a lettable area of approximately 140,000 sqm. These building rights have not been externally appraised and are excluded from the excess value that Genova deems to exist in addition to the balance sheet. The aim moving forward is that Järngrinden's building rights will be externally appraised to also illustrate Järngrinden's excess value, which will eventually become part of the Genova Group.

### Ongoing construction

At 31 December 2022, the book value of Genova's ongoing construction amounted to SEK 1,058m, of which SEK 197m pertains to ongoing construction for co-operative apartments and rental unit projects that were exited in January 2023.

In addition to the construction of rental units in Norrtälje, Knivsta, Enköping and Upplands-Bro, the construction of a hotel in Palma, Mallorca, is also ongoing. Genova will continue to own and manage completed projects in our core markets.

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. In the third quarter of 2022, the first occupancy took place in 66 rental apartments in the first stage, followed by 33 apartments, a retirement home with 80 residential units and a preschool in the fourth quarter.

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 the new construction of 284 rental apartments with a lettable area of just over 17,000 sqm, and the first occupancies are scheduled for the second quarter of 2023. 142 rental apartments of approximately 8,600 sqm are recognised as ongoing projects, corresponding to Genova's stake.

The Korsängen project in Enköping comprises 160 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.

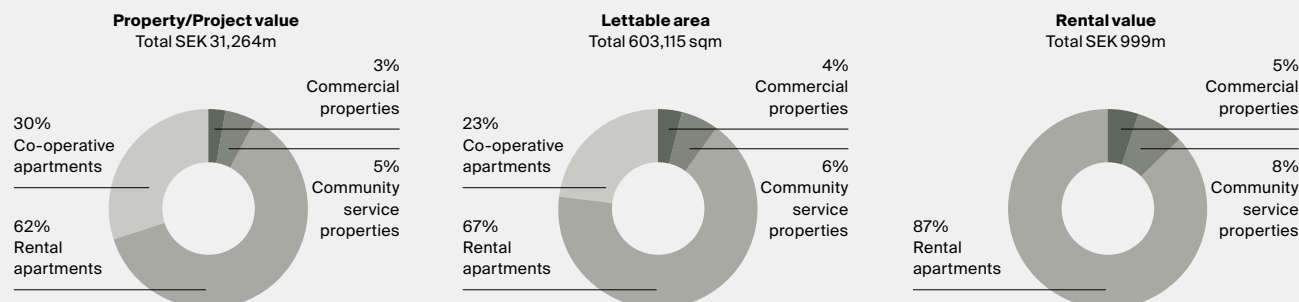
In Palma, Majorca, a 40-room hotel is being completed with occupancy scheduled for the second quarter of 2023. The project is centrally located in Palma and let to Nobis, which also rents the hotel that was completed in 2021 in the same area.

The zoning plan for Viby, Genova's urban development project in central Brunnåsa in Upplands-Bro Municipality, came into force and construction commenced in the fourth quarter. The first stage comprises 131 residential units, a grocery store and an elementary school. Genova has signed letters of intent with Axfood and the Raoul Wallenberg School for long-term agreements to operate on the premises. The total estimated lettable area for the entire Viby project upon completion is approximately 70,000 sqm and will comprise about 850 residential units. The project is jointly owned with property company K2A (30%).

At the end of the quarter, Genova's subsidiary Järngrinden had ongoing projects in Borås and Mark comprising 36 co-operative apartments and 92 rental apartments. The rental apartments were subject to an existing divestment agreement and were exited after the end of the quarter. In addition, Järngrinden has ongoing projects in Borås through joint ventures, where Järngrinden's share amounts to 72 rental apartments and 24 co-operative apartment plots. All ongoing projects in the Järngrinden Group will be completed and handed over in 2023.

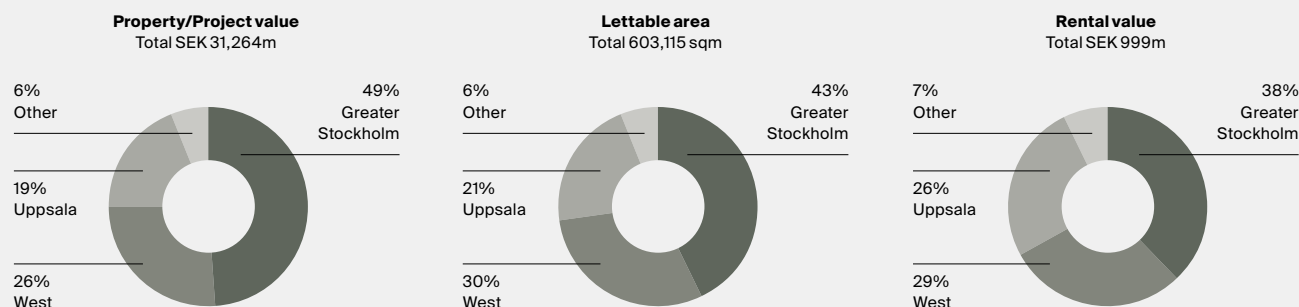
## Project development per property category

31 December 2022



## Project development per geography

31 December 2022



Korsängen 20:47, Enköping





Kvarteret Ankan, Helsingborg

## Ongoing construction

31 December 2022

Project	Municipality	Category	Construction start	Planned completion	No. of residential units	Lettable area, sqm		Property value <sup>1</sup>		Rental value		Investment, SEKm		Book value <sup>2</sup> , SEKm
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	
Handelsmannen 1 <sup>3</sup>	Norrköping	Rental apartments	Q4 2019	Q2 2023/ Q2 2024 <sup>4</sup>	309	16,238	-	759	46,742	31	1,906	600	165	372
Segerdal <sup>5</sup>	Knivsta	Rental apartments	Q4 2020	Q2 2023/ Q1 2025 <sup>6</sup>	142	8,616	368	449	49,978	20	2,236	411	135	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	375	145	150
Can Oliver Hotel	Palma	Commercial properties	Q2 2021	Q2 2023	40	3,300	-	290	87,879	13	3,800	247	191	213
Viby, Stage 1 <sup>7</sup>	Upplands-Bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	85	85
Viby, Stage 1 <sup>7</sup>	Upplands-Bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	244	40	40
Järngrinden <sup>8</sup>		Own management <sup>9</sup>			164	9,020	-	309	34,229	15	-	258	110	110
Järngrinden <sup>8</sup>		Co-operative housing associations			60	2,486	-	148	59,359	-	-	123	87	87
<b>Total ongoing construction</b>					<b>1,006</b>	<b>56,419</b>	<b>7,975</b>	<b>3,142</b>	<b>48,786</b>	<b>134</b>	<b>2,169</b>	<b>2,687</b>	<b>958</b>	<b>1,057</b>

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

2) Book value in wholly owned projects. Book value attributable to jointly owned projects is presented under shares in joint ventures and associated companies on the balance sheet.

3) In 2022, 99 apartments were completed whose proportion of the project has been transferred from ongoing project to investment property.

4) 63 apartments will be completed in the second quarter of 2023.

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

6) Approximately 35% of the rental units will be completed in the second quarter 2023 in a first stage.

7) The Viby project is 70/30 owned by Genova and K2A. The entire project value is presented in the table, since the project has been consolidated in the Genova Group's accounts.

8) Järngrinden is a subsidiary, in which Genova has a 51% stake. Järngrinden's wholly owned, and stake in jointly owned, projects under construction are presented in the table.

9) Järngrinden's rental apartments under ongoing production at the end of the quarter were completed and exited in the first quarter 2023 and are no longer included in the Group.

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

31 December 2022

Project	No. of residen- tial units	Lettable area, sqm		Property value¹		Rental value		Investment, SEKm		Book value², SEKm
		Residen- tial units	Premises	SEKm	SEK/ sqm	SEKm	SEK/ sqm	Esti- mated	Accum- ulated	
Per category										
Rental apartments	6,125	354,672	-	17,090	48,186	771	2,173	14,590	555	608
Community service properties	185	14,415	15,751	1,356	44,942	64	2,125	1,128	35	35
Commercial properties	-	-	15,334	536	34,947	30	1,961	518	32	34
Co-operative apartments	2,006	138,549	-	9,140	65,971	-	-	7,299	318	346
Total per category	8,316	507,635	31,085	28,122	52,201	865	2,161	23,535	941	1,023
Per geography – Own management										
Greater Stockholm	2,028	115,964	17,292	7,162	53,744	315	2,365	6,021	287	327
Uppsala	1,635	88,745	11,825	4,548	45,224	218	2,171	3,891	87	97
West	2,122	137,043	1,968	6,074	43,694	276	1,984	5,268	231	231
Other	525	27,335	-	1,198	43,831	55	2,028	1,057	18	23
Total per geography	6,310	369,087	31,085	18,982	47,435	865	2,161	16,236	622	677
Per geography – Co-operative apartments										
Greater Stockholm	1,346	92,073	-	6,593	71,608	-	-	5,175	202	230
Uppsala	219	11,030	-	591	53,584	-	-	496	10	10
West	401	30,696	-	1,728	56,292	-	-	1,419	105	105
Other	40	4,750	-	228	48,000	-	-	209	1	1
Total per geography	2,006	138,549	-	9,140	65,971	-	-	7,299	318	346
Per geography – Own management and co-operative apartments										
Greater Stockholm	3,374	208,037	17,292	13,755	61,044	315	2,365	11,196	489	557
Uppsala	1,854	99,775	11,825	5,139	46,050	218	2,171	4,387	96	106
West	2,523	167,739	1,968	7,802	45,973	276	1,984	6,687	336	336
Other	565	32,085	-	1,426	44,448	55	2,028	1,266	19	24
Total own management and co-operative apartments per geography	8,316	507,635	31,085	28,122	52,202	865	2,161	23,535	941	1,023
Of which Järngrinden, Own management	1,649	97,873	1,038	4,415	44,636	197	1,995	3,754	231	231
Of which Järngrinden, co-operative housing associations	401	30,696	-	1,728	56,292	-	-	1,419	105	105
Of which Järngrinden, Total	2,050	128,569	1,038	6,143	47,396	197	1,995	5,173	336	336

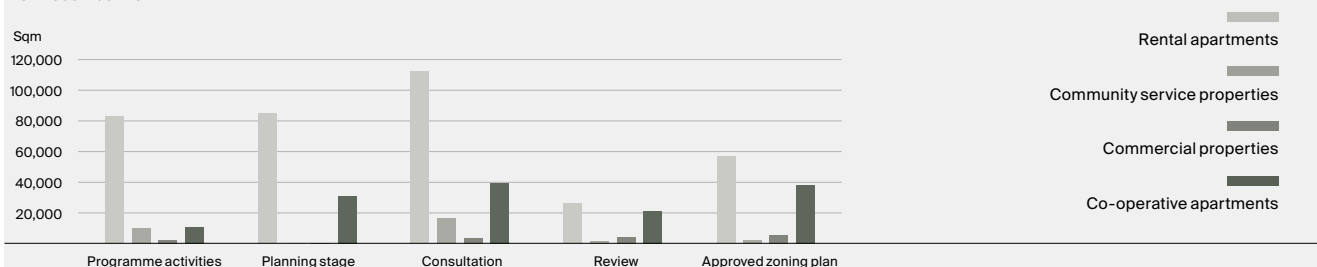
1) Refers to fair value of the investment upon completion.

2) Book value in wholly owned projects. Book value attributable to jointly owned projects is presented under shares in joint ventures and associated companies on the balance sheet.

The table only shows the number of residential units, area, property and rental value, and investment amounts that correspond to Genova's financial stake in jointly owned properties. Properties in which Genova owns more than 50% are recognised as wholly owned. Planned projects in Genova's Järngrinden subsidiary are recognised using the same principle.

## Planned projects and planning stage, lettable area

31 December 2022



## Joint ventures and associated companies

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 31 December 2022, Genova owned 50% of the shares in five different joint ventures, and indirectly owned 49% of a number of associated companies through ownership of Järngrinden. These joint ventures hold a total of 20 cash flow-generating properties with a combined property value of approximately SEK 1,788m, of which Genova's

share amounts to approximately SEK 894m. Genova's share of the number of residential building rights is about 1,600, allocated over approximately 106,000 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 during the year. 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 properties in the Södra

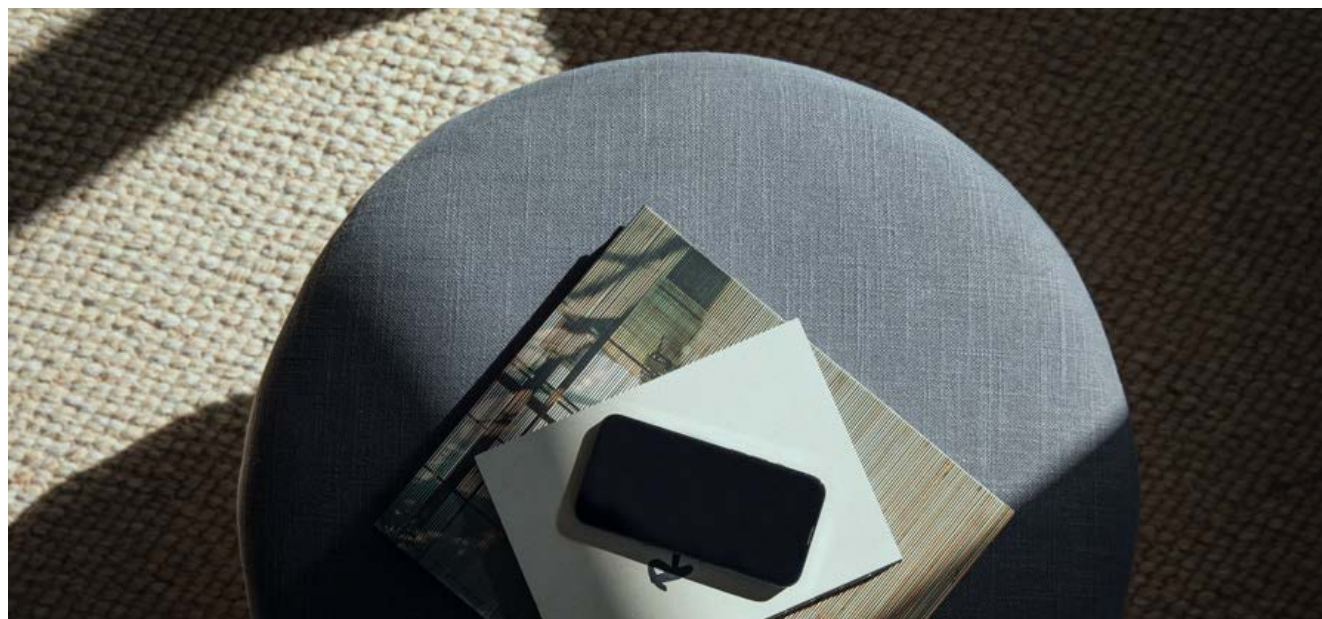
Veddesta development area in Järfälla. The acquired properties comprise approximately 13,000 sqm, where a planning process will be initiated to develop mainly rental apartments with a potential volume of about 45,000 sqm of gross lighted floor area.

In the fourth quarter of 2022, Genova acquired an additional 1% of the shares in Järngrinden for SEK 13m. Following the acquisition, Järngrinden and its stakes in associated companies became consolidated as a subsidiary of the Genova Group as of the accession date of 31 December 2022.

### Genova's share in joint ventures and associated companies

31 December 2022

Name	Participation, %	Book value, SEKm	Geography	Property management		Project development	
				No. of properties	Share of property value	No. of residential units	Lettable area, sqm
Share of Järngrinden's associated companies	49	259	Western Sweden	5	256	398	28,166
SBBGenova Gåshaga	50	114	Stockholm	1	200	385	23,000
SBBGenova Nackahusen	50	81	Stockholm	4	219	192	11,970
GenovaFastator	50	22	Stockholm	1	107	175	9,625
GenovaRedito	50	69	Knivsta	2	14	142	8,984
Greenova	50	11	Stockholm	5	99	285	24,150
		<b>556</b>		<b>18</b>	<b>894</b>	<b>1,577</b>	<b>105,895</b>



# Consolidated statement of comprehensive income

SEKm	Jan-Dec 2022	Jan-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
Rental income	394.7	319.9	108.7	94.7
Operating costs	-84.1	-61.6	-25.9	-21.3
Maintenance costs	-23.7	-16.0	-8.2	-6.2
Property tax	-9.1	-7.0	-2.9	-2.5
<b>Total property costs</b>	<b>-116.9</b>	<b>-84.6</b>	<b>-37.0</b>	<b>-30.0</b>
<b>Net operating income</b>	<b>277.8</b>	<b>235.3</b>	<b>71.7</b>	<b>64.7</b>
Central administration, property management	-23.2	-20.9	-6.0	-5.6
Central administration, project development	-28.3	-22.5	-7.2	-6.0
Share of profit from joint ventures and associated companies	39.3	22.5	5.6	12.7
Net financial items	-144.9	-115.2	-39.0	-32.5
<b>Income from property management</b>	<b>120.8</b>	<b>99.2</b>	<b>25.2</b>	<b>33.3</b>
Other operating income	2.6	14.5	1.5	-0.9
Value changes, properties	198.7	681.9	-224.7	302.3
Currency effects, properties	2.2	3.1	-4.5	-
<b>Income/loss before tax</b>	<b>324.2</b>	<b>798.7</b>	<b>-202.6</b>	<b>334.7</b>
Income tax	-68.3	-187.7	42.8	-72.1
<b>Net income/loss for the period</b>	<b>255.9</b>	<b>611.0</b>	<b>-159.8</b>	<b>262.6</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>		
<b>Total comprehensive income for the period</b>	<b>255.9</b>	<b>611.0</b>	<b>-159.8</b>	<b>262.6</b>
<b>Net income for the period attributable to:</b>				
Parent Company shareholders	223.5	608.7	-153.2	260.4
Non-controlling interests	32.5	2.3	-6.5	2.3
<b>Total comprehensive income attributable to:</b>				
Parent Company shareholders	223.5	608.7	-153.2	260.4
Non-controlling interests	32.5	2.3	-6.5	2.3
Income/loss per share before and after dilution, SEK <sup>1</sup>	3.98	13.66	-4.03	5.92
No. of shares at the end of the period, 000s	41,977	41,977	41,977	41,977
Average no. of shares, 000s	41,977	40,177	41,977	41,977
No. of preference shares outstanding, 000s	-	-	-	-
Average no. of preference shares, 000s	-	1,744	-	-

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

# Performance analysis

## Rental income

During the year, the Group's rental income amounted to SEK 394.7m (319.9). The increase corresponds to rental income growth of 23%. 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 8.4m quarter-on-quarter. The increase was mainly attributable to completion of the Handelsmannen 1 and Söderhällby projects, which were gradually occupied in the third and fourth quarters.

Income from the comparable portfolio was SEK 8m higher year-on-year, corresponding to the inflation adjustment for 2022.

At the end of the year, the economic occupancy rate was 94% (95).

Income development			
SEKm	Jan-Dec 2022	Jan-Dec 2021	Change, %
Comparable portfolio	225.8	217.4	4
Properties acquired	167.3	79.7	n/a
Properties sold	1.6	22.9	-93
<b>Rental income</b>	<b>394.7</b>	<b>319.9</b>	<b>23</b>
Commercial properties	173.3	144.1	20
Community service properties	221.4	175.9	26
<b>Rental income</b>	<b>394.7</b>	<b>319.9</b>	<b>23</b>

## Property costs

During the year, property costs in the form of operating and maintenance costs and property tax increased to SEK -116.9m (-84.6), up approximately 38%. The increase in property costs was largely due to the fact that Genova is managing a larger investment property portfolio compared with the preceding year.

Energy costs have risen in the comparable portfolio due to the development of prices in the electricity market.

## Property costs development

SEKm	Jan-Dec 2022	Jan-Dec 2021	Change, %
Comparable portfolio	-65.0	-60.1	8
Properties acquired	-51.8	-20.4	n/a
Properties sold	-0.1	-4.1	-98
<b>Property costs</b>	<b>-116.9</b>	<b>-84.6</b>	<b>38</b>
Commercial properties	-57.9	-44.2	31
Community service properties	-59.0	-40.4	46
<b>Property costs</b>	<b>-116.9</b>	<b>-84.6</b>	<b>38</b>

## Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-250	-327	-284
Maintenance	-34	-38	-36
Property tax	-46	-7	-29
<b>Total</b>	<b>-330</b>	<b>-373</b>	<b>-349</b>

## Net operating income

During the year, net operating income increased to SEK 277.8m (235.3), up 18%. The NOI margin for the year was 70.4%, which is lower than 73.6% for 2021. The lower NOI margin was the result of higher market prices for energy combined with acquisitions of properties with future development potential, where Genova can pursue active planning.

## Central administration

Central administrative expenses are allocated between property management and project development. During the year, central administrative expenses totalled SEK -51.5m (-43.4), up 19%. The increase is a result of the expanding operations compared with 2021.

Central administration		
SEKm	Jan-Dec 2022	Jan-Dec 2021
<b>Property management</b>		
Other external costs	-8.8	-11.5
Personnel costs	-11.4	-7.8
Depreciation/amortisation and leases	-3.0	-1.6
<b>Central administration, property management</b>	<b>-23.2</b>	<b>-20.9</b>
<b>Project development</b>		
Other external costs	-10.8	-12.4
Personnel costs	-13.9	-8.4
Depreciation/amortisation and leases	-3.6	-1.7
<b>Central administration, project development</b>	<b>-28.3</b>	<b>-22.5</b>

## Share of profit from joint ventures and associated companies

The earnings effect of Genova's properties owned through joint ventures is reported in this item. During the year, share of profit from joint ventures amounted to SEK 39.3m (22.5) and pertained to income from operating activities and value changes. The amount mainly includes profit shares of SEK 10.7m from Greenova and SEK 14.4m from Järngrinden, as well as SEK 13.4m from the acquisition of Järngrinden.

## Net financial items

Net financing cost amounted to SEK -144.9m (-115.2) 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 is capitalised for each project and not charged to profit or loss.

In 2022, SEK 42m attributable to project activities was 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 4.5% (5.1% including bond loans and construction credit). Financial expenses during the year included SEK -14.6m (-16.5) pertaining to bond financing costs, which are allocated over the terms of the bonds. The interest-coverage ratio for the year 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-Dec 2022	Jan-Dec 2021
Interest income	3.2	2.5
Interest expense, loans	-131.9	-99.4
Interest expense leases	-1.6	-1.8
Other financial expenses	-14.6	-16.5
<b>Net financial items</b>	<b>-144.9</b>	<b>-115.2</b>

## Income from property management

During the year, income from property management amounted to SEK 120.8m (99.2), up 22%. 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 40 points on average, resulting in value changes of approximately SEK -217m. Ongoing construction in Norrtälje, Enköping, Uppsala and Palma (Mallorca) contributed SEK 157m 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, where construction commenced for some parts of the project in the fourth quarter, following enactment of the zoning plan in the third quarter. Acquisitions during the year resulted in positive value changes of approximately SEK 31m.

Value changes, properties		
SEKm	Jan-Dec 2022	Jan-Dec 2021
Change in net operating income	25.7	57.6
Ongoing construction	156.7	129.0
Land and unused building rights	204.4	48.0
Change in yield requirement	-217.3	257.6
Acquisitions	30.9	113.7
Divestments	-1.7	76.0
<b>Value changes, properties</b>	<b>198.7</b>	<b>681.9</b>

## Income tax

Recognised tax amounted to SEK -68.3m (-187.7) 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 390m (420), with untaxed reserves of approximately SEK 79m (81). 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-Dec 2022	Jan-Dec 2021
Income before tax	323.6	798.7
Tax rate, %	20.6	20.6
Income tax at the current tax rate	-66.7	-164.5
Non-taxable income	23.6	5.5
Non-deductible expenses	-14.8	-9.1
Non-deductible net interest income	-30.2	-20.7
Deductible costs not included in profit or loss	28.6	6.5
Taxable income not included in profit or loss	-3.0	-
Property transaction reversals	1.1	-5.3
Adjustment of deferred tax for prior periods	-3.1	-
Change in unused tax loss carryforward	-	-
Effect of changed tax rates	-	-
Other	-3.8	-0.1
<b>Tax for the period as per the income statement</b>	<b>-68.3</b>	<b>-187.7</b>

## Deferred tax liabilities, net

SEKm	Jan-Dec 2022	Jan-Dec 2021
Temporary differences, properties	-603.2	-481.1
Untaxed reserves	-16.3	-16.7
<b>Total deferred tax liabilities</b>	<b>-619.5</b>	<b>-497.8</b>
Tax loss carryforwards	81.1	86.4
<b>Total deferred tax assets</b>	<b>81.1</b>	<b>86.4</b>
<b>Deferred tax liabilities, net</b>	<b>-538.4</b>	<b>-411.4</b>

## Net income for the year

Net income for the year amounted to SEK 255.9m (611.0). Compared with 2021, both net operating income and income from property management increased in 2022. The value changes, including provision for deferred tax, decreased, which means that Genova's net income after tax for the year was lower than in 2021.



# Consolidated balance sheet

SEKm	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	202.9	-
Investment properties	8,183.2	6,902.6
Properties under construction	860.5	945.8
Development properties	1,023.2	114.1
Other tangible assets	18.9	-
Right-of-use assets	34.6	31.8
Equipment	2.7	5.0
Deferred tax assets	81.1	86.4
Shares in joint ventures and associated companies	556.1	818.0
Other non-current receivables	301.1	256.5
<b>Total non-current assets</b>	<b>11,264.2</b>	<b>9,160.2</b>
<b>Current assets</b>		
Ongoing residential projects	197.0	-
Rent receivable and accounts receivable	33.3	15.9
Other receivables	186.5	143.2
Prepaid expenses and accrued income	38.4	25.7
Cash and cash equivalents	257.7	316.0
<b>Total current assets</b>	<b>712.9</b>	<b>500.8</b>
<b>TOTAL ASSETS</b>	<b>11,977.1</b>	<b>9,661.0</b>
<b>EQUITY</b>		
<b>Total comprehensive income for the period</b>		
Share capital	50.4	50.4
Other capital contributions	1,459.5	1,459.5
Retained earnings, including net income for the period	1,535.7	1,353.4
Hybrid bond	800.0	700
<b>Non-controlling interests</b>	<b>749.8</b>	<b>102.6</b>
<b>Total equity</b>	<b>4,595.5</b>	<b>3,665.9</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	4,285.8	2,934.8
Bond loans	1,267.0	1,257.7
Lease liabilities	29.5	26.7
Other non-current liabilities	63.0	3.1
Deferred tax liabilities	619.5	497.8
<b>Total non-current liabilities</b>	<b>6,264.9</b>	<b>4,720.1</b>
<b>Current liabilities</b>		
Loans from credit institutions	766.5	1,031.5
Bond loans	8.2	5.5
Accounts payable	84.0	55.9
Lease liabilities	4.8	5.3
Current tax liabilities	11.2	7.1
Other liabilities	144.4	86.7
Accrued expenses and deferred income	97.6	83.0
<b>Total current liabilities</b>	<b>1,116.7</b>	<b>1,275.0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,977.1</b>	<b>9,661.0</b>

# Consolidated statement of changes in equity

SEKm	Attributable to Parent Company shareholders					Hybrid bond	Non-con-trolling interests	Total equity
	No. of shares outstanding, 000s		Share capital	Other capital contribu-tions	Retained earnings incl. net income for the period			
	Shares	Preference shares						
Opening balance, 1 January 2021	39,577	4,000	52.3	1,183.0	1,334.1	-	78.4	2,647.8
Comprehensive income								
Net income for the year					608.7		2.3	611.0
Other comprehensive income								
Total comprehensive income					608.7		2.3	611.0
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, shares				-8.6				-8.6
Warrants issued					1.1			1.1
Currency effects					-0.1			-0.1
Closing balance, 31 December 2021	41,977	-	50.4	1,459.5	1,353.4	700.0	102.6	3,665.9
Opening balance, 1 January 2022	41,977	-	50.4	1,459.5	1,353.4	700.0	102.6	3,665.9
Comprehensive income								
Net income for the period					223.5		32.5	255.9
Other comprehensive income								
Total comprehensive income					223.5		32.5	255.9
Transactions with non-controlling interests					19.4		614.7	634.1
Issue of hybrid bond						100.0		100.0
Issue costs, hybrid bond					-1.5			-1.5
Dividends, hybrid bond					-57.7			-57.7
Currency effects					-1.3			-1.3
Closing balance, 31 December 2022	41,977	-	50.4	1,459.5	1,535.8	800.0	749.8	4,595.5

# Comments on the balance sheet

## Goodwill

The Group's goodwill is entirely attributable to the acquisition of Järngrinden at 31 December 2022.

## Investment property portfolio and property value

### Investment properties

The Group's investment properties comprise a total of 84 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 5.3% as of the balance-sheet date. As of 31 December 2022, the book value of the Group's investment properties amounted to SEK 8,183m, up approximately SEK 1,300m compared with the value at 31 December 2021. During the year, 29 properties were acquired for SEK 1,055.3m, of which 21 properties with a value of SEK 710.3m were attributable to the acquisition of an additional 1% of Järngrinden. 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 second half of the year, the completed stages of the Handelsmannen project were reclassified from properties under construction to investment properties with a value of SEK 595m. The stages include a retirement home, a preschool and 99 rental apartments. The Oldalmanen 1, parts of Särsta 3:398 and parts of Viby 19:3 properties were reclassified as development properties and properties under construction with a total value of SEK 553m.

### Properties under construction

Properties under construction comprise projects in Norrtälje, Enköping, Upplands-Bro and a hotel in Palma (Mallorca). In the balance-sheet item, value changes in building rights related to a number of upcoming projects were reclassified to development properties. Approximately SEK 623m was capitalised during the year.

### Development properties

Development properties refers to accrued and capitalised costs for construction projects that have not yet commenced and in some cases measured at fair value using the same method as for investment properties. When construction commences, the actual amounts are reclassified as properties under construction.

### Ongoing residential projects

Ongoing residential projects refer to Järngrinden's ongoing co-operative apartment project, and an ongoing rental apartment property that was completed and divested in early 2023. The projects were recognised as Ongoing residential projects under current assets.

## Property value

The entire investment property portfolio is externally appraised every quarter. As of 31 December 2022, the entire investment property portfolio had been externally appraised by CBRE, Newsec and Forum, based on the most recent external appraisal on 31 December 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	31 Dec 2022	31 Dec 2021
Opening value, investment properties	6,902.6	4,559.6
+ Acquisitions	1,055.3	1,934.3
+ Building improvements and renovations	56.8	42.6
- Divestments	-228.5	-406.4
+/- Reclassifications	341.4	244.1
+/- Unrealised value changes	55.7	528.4
<b>Closing value, investment properties</b>	<b>8,183.2</b>	<b>6,902.6</b>
Opening value, properties under construction	945.8	704.1
+ Acquisitions	-	44.6
+ New construction	622.6	548.3
- Divestments	-	-304.5
+/- Reclassifications	-864.4	-244.1
+/- Unrealised value changes	156.7	197.4
<b>Closing value, properties under construction</b>	<b>860.5</b>	<b>945.8</b>
Opening value, development properties	114.1	91.4
+ Acquisitions	336.1	-
+/- Reclassifications	523.0	-
+/- Unrealised value changes	-10.9	-
+ Capitalisation	60.9	22.7
<b>Closing value, development properties</b>	<b>1,023.2</b>	<b>114.1</b>
Opening value, ongoing residential project	-	-
+ Acquisitions	197.0	-
<b>Closing value, ongoing co-operative apartment projects</b>	<b>197.0</b>	<b>-</b>
<b>Closing value, investment property portfolio</b>	<b>10,264.0</b>	<b>7,962.5</b>
Investment properties	8,183.2	6,902.6
Ongoing construction	860.5	863.9
Planned projects	1,023.2	196.0
Ongoing residential projects	197.0	-
<b>Closing value, investment property portfolio</b>	<b>10,264.0</b>	<b>7,962.5</b>

### Yield requirement per category

%	31 Dec 2022	31 Dec 2021
Commercial properties <sup>1</sup>	5.9	5.6
Community service properties	4.8	4.5
<b>Total</b>	<b>5.3</b>	<b>4.9</b>

1) Refers to average yield requirement for the residual value for Genova's wholly owned and consolidated investment properties. Based on external valuations for investment properties and excluding Hotel Concepcio in Palma, which is valued internally.

### Key metrics investment properties

	31 Dec 2022	31 Dec 2021
Rental value, SEK/sqm	1,491	1,464
Economic occupancy rate, %	94	95
Property costs, SEK/sqm <sup>1</sup>	-349	-345
Net operating income, SEK/sqm <sup>1</sup>	1,054	1,047
NOI margin, % <sup>1</sup>	75	75
Investment property value, SEK/sqm	22,233	25,842
Lettable area, ksqm	368	267
No. of properties	84	55

1) Calculated based on estimated annual value.

## Equity and net asset value

As of 31 December, consolidated equity amounted to SEK 4,595.5m (3,665.9) and the equity/assets ratio was 38.4% (37.9).

Long-term net asset value amounted to SEK 5,134.0m (4,077.3), up 26%. Long-term net asset value attributable to

shareholders was SEK 3,584.1m (3,274.7), up 9%. Long-term net asset value attributable to shareholders per share was SEK 85.38 per share (78.01).

### Net asset value

	31 Dec 2022		31 Dec 2021	
	SEKm	SEK/share	SEKm	SEK/share
Equity as per the balance sheet	4,595.5	109.48	3,665.9	87.33
Reversal:				
Deferred tax liabilities as per the balance sheet	619.5	14.76	497.8	11.86
Less:				
Deferred tax assets as per the balance sheet	-81.1	-1.93	-86.4	-2.06
Hybrid bond	-800.0	-19.06	-700.0	-16.68
Non-controlling interests	-749.8	-17.86	-102.6	-2.44
<b>Long-term net asset value attributable to shareholders:</b>	<b>3,584.1</b>	<b>85.39</b>	<b>3,274.7</b>	<b>78.01</b>

## Interest-bearing liabilities

As of 31 December 2022, the Group's interest-bearing liabilities attributable to investment properties and project properties were SEK 6,334m (5,233), representing a loan-to-value ratio of 59.1% (61.8) adjusted for cash and cash equivalents. As of 31 December 2022, the average interest rate was approximately 4.5% (5.1% including construction credit and bond loans) and the equity/assets ratio was 38.4% (37.9).

As of 31 December 2022, the Group's total interest-bearing liabilities of SEK 5,059m (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 subsidiary meet certain financial key metrics, such as the loan-to-value ratio and interest-coverage ratio.

As of 31 December 2022, the average maturity was 2.6 years (2.1). The credit term structure at the same date is shown in the table below.

## 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 refinancing also strengthened Genova's liquidity by almost SEK 170m. The new financing 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, Genova was granted additional construction credit of approximately SEK 400m and in the fourth quarter, Genova strengthened its financial flexibility with a new revolving credit facility of SEK 300m. The new facility is secured and intended to be used for general business purposes, and also enables the redemption of existing uncovered bonds. In 2023, Genova has maturities of SEK 1.2 billion in the credit term structure shown below. Of this amount, SEK 525m pertains to existing bond loans that the company is planning to redeem. Approximately SEK 700m pertains to financing in the bank market, where Genova and the now consolidated company Järngrinden will refinance the liabilities associated with their existing investment properties.

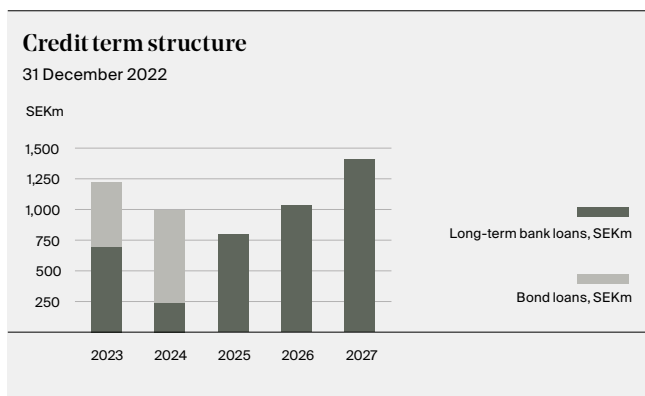
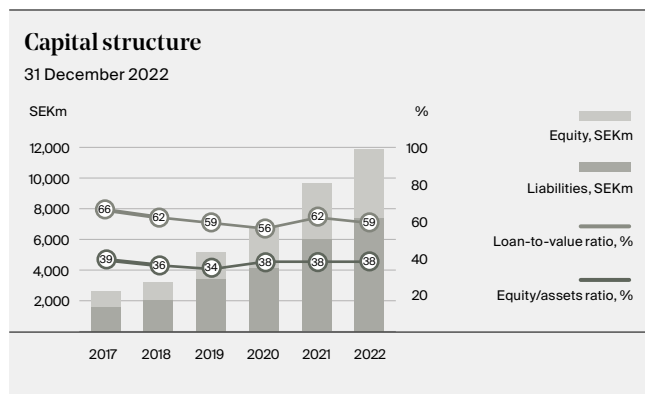
## Liquidity and undrawn facilities

Total available liquidity, including construction credit, amounted to SEK 1,591m. The amount includes bank balances of SEK 258m, undrawn revolving credit facilities and a bank overdraft totalling SEK 661m, and SEK 672m of granted construction credit that has not yet been drawn.

## 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, favourable opportunities arise to extend the fixed-rate period via derivatives, this could be a possible strategy for Genova.

At 31 December, 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 year, 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. After the end of the year, Genova entered into a five-year interest-rate swap totalling SEK 800m, bringing the total derivatives portfolio to just over 35% of total outstanding debt attributable to banks.



## Credit portfolio

31 December 2022

	Credit agree- ment	Drawn, SEKm	Undrawn, SEKm	Average rate, %
Term				
2023 <sup>1</sup>	1,321	1,221	100	5.68
2024 <sup>2</sup>	1,289	989	300	6.39
2025	795	795	-	4.49
2026	1,032	1,032	-	4.54
2027	1,579	1,408	171	4.75
<b>Total</b>	<b>6,016</b>	<b>5,445</b>	<b>571</b>	<b>5.18</b>
Construction credit	1,561	889	672	4.70
<b>Total</b>	<b>7,577</b>	<b>6,334</b>	<b>1,243</b>	<b>5.11</b>
<b>Loans, excluding bonds and construction credit</b>	<b>4,741</b>	<b>4,170</b>	<b>571</b>	<b>4.51</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	31 Dec 2022	31 Dec 2021
<b>Cash flow from operating activities</b>		
Income from property management	120.8	99.2
Adjustment for non-cash items*	-41.0	0.1
Other operating income	2.6	14.5
Income tax paid	2.5	-2.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>84.9</b>	<b>111.8</b>
<b>Changes in working capital</b>		
Change in accounts receivable	-9.9	-5.3
Change in other operating receivables	-58.1	-17.6
Change in accounts payable	25.2	15.1
Change in other operating liabilities	37.1	-31.9
<b>Cash flow from operating activities</b>	<b>79.2</b>	<b>72.1</b>
<b>Cash flow from investing activities</b>		
Investments in properties and projects	-1,095.7	-2,380.8
Investments in equipment	0.6	-2.1
Divestments of investment properties	228.5	710.9
Investments in subsidiaries <sup>1</sup>	149.5	-
Change in other financial assets	-48.3	-581.3
<b>Cash flow from investing activities</b>	<b>-765.5</b>	<b>-2,253.3</b>
<b>Cash flow from financing activities</b>		
New issue of ordinary shares	-	276.5
Issue of hybrid bond	98.5	684.8
Redemption of preference shares	-	-520.0
Loans raised	922.0	2,025.6
Repayment of loans	-336.0	-488.0
Dividends paid	-56.5	-60.0
<b>Cash flow from financing activities</b>	<b>628.0</b>	<b>1,918.9</b>
<b>Cash flow for the period</b>	<b>-58.3</b>	<b>-262.3</b>
Opening cash and cash equivalents	316.0	578.4
<b>Closing cash and cash equivalents</b>	<b>257.7</b>	<b>316.0</b>
<i>1) Other non-cash items</i>		
Reversal of depreciation and amortisation	5.5	3.2
Share of profit/loss from joint ventures	-39.3	-22.5
Accrued interest	-7.2	19.4
	<b>-41.0</b>	<b>0.1</b>
Interest received	8.4	2.5
Interest paid	-155.3	-99.4

1) Includes acquired cash and cash equivalents of SEK 162.5m.

# Segment reporting

SEKm	Jan-Dec 2022				Jan-Dec 2021			
	Property management	Other	Not allocated	Total	Property management	Other	Not allocated	Total
Rental income	394.7			394.7	319.9			319.9
<b>Total income</b>	<b>394.7</b>			<b>394.7</b>	<b>319.9</b>			<b>319.9</b>
Property costs	-116.9			-116.9	-84.6			-84.6
<b>Total property costs</b>	<b>-116.9</b>			<b>-116.9</b>	<b>-84.6</b>			<b>-84.6</b>
<b>Net operating income/Income from new construction</b>	<b>277.8</b>			<b>277.8</b>	<b>235.3</b>			<b>235.3</b>
Central administration	-23.2		-28.3	-51.5	-20.9		-22.5	-43.4
Share of profit from joint ventures	39.3			39.3	22.5			22.5
Net financial items	-144.9			-144.9	-115.2			-115.2
Other operating income			2.6	2.6			14.5	14.5
Value changes, properties	198.7			198.7	681.9			681.9
Currency effects, properties	2.2			2.2	3.1			3.1
<b>Income/loss before tax</b>	<b>350.0</b>		<b>-25.7</b>	<b>324.2</b>				<b>798.7</b>
<b>Segment-specific assets</b>								
Investment properties	8,183.2				6,902.6			
Properties under construction	970.3				945.8			
Development properties	1,096.2				114.1			
Shares in joint ventures	493.7				818.0			
<b>Segment-specific investments</b>								
Acquisitions and investments in properties	1,970.9				2,596.5			

## 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.



# Key metrics

	Jan-Dec 2022	Jan-Dec 2021	Oct-Dec 2022	Oct-Dec 2021
<b>Key metrics, properties</b>				
Ongoing construction, no.	1,006	863	1,006	863
Residential units completed, no.	179	35	113	-
Total no. of building rights	9,322	6,895	9,322	6,895
Lettable area, commercial properties, ksqm	207.6	139.3	207.6	139.3
Lettable area, community service properties, ksqm	160.4	127.8	160.4	127.8
Total lettable area, ksqm	368.0	267.1	368.0	267.1
Economic occupancy rate, %	94.0	95.1	94.0	95.1
NOI margin, %	70.4	73.6	66.0	68.3
Net investments, SEKm	717.2	1,881.6	63.4	73.9
<b>Financial key metrics</b>				
Return on equity, %	6.2	19.4	-14.6	29.8
Equity/assets ratio, %	38.4	37.9	38.4	37.9
Loan-to-value ratio, %	59.1	61.8	59.1	61.8
Average interest rate, %	4.5	2.0	4.5	2.0
Average interest rate including bond loans, %	5.1	2.7	5.1	2.7
Interest-coverage ratio, times	2.0	2.2	1.9	2.2
Maturity, no. of years	2.6	2.1	2.6	2.1
<b>Key metrics, shares</b>				
Total no. of preference shares outstanding, 000s	-	-	-	-
Average no. of preference shares outstanding, 000s	-	1,744	-	-
Total dividend on preference shares, SEKm	-	23.80	-	-
Dividend on preference share, SEK	-	5.95	-	-
Total no. of shares outstanding, 000s	41,977	41,977	41,977	41,977
Average no. of shares outstanding, 000s	41,977	40,177	41,977	41,977
Income from property management per share, SEK	1.53	0.98	0.22	0.51
Growth income from property management LTM, per share before dividend, %	16.5	60.0	16.5	34.0
Income/loss per share, SEK	3.98	13.66	-4.03	5.92
Equity, SEKm	4,595.5	3,665.9	4,595.5	3,665.9
Equity attributable to shareholders, SEKm	3,045.7	2,863.3	3,045.7	2,863.3
Equity per share, SEK	72.56	68.21	72.56	68.21
Long-term net asset value, SEKm	5,134.0	4,077.3	5,134.0	4,077.3
Long-term net asset value attributable to shareholders, SEKm	3,584.1	3,274.7	3,584.1	3,274.7
Long-term net asset value per share, SEK	85.38	78.01	85.38	78.01

# Parent Company income statement

SEKm	Jan-Dec 2022	Jan-Dec 2021
Net sales	7.0	5.8
<b>Total operating income</b>	<b>7.0</b>	<b>5.8</b>
Other external costs	-5.9	-5.4
Personnel costs	-11.2	-9.8
<b>Total operating expenses</b>	<b>-17.1</b>	<b>-15.2</b>
<b>Operating loss</b>	<b>-10.1</b>	<b>-9.4</b>
Impairment of participations in Group companies	-83.4	-64.5
Interest income and similar profit items	38.1	87.3
Interest income from Group companies	98.8	
Interest expense and similar loss items	-80.9	-65.8
Interest expense to Group companies	-6.1	
<b>Loss from financial items</b>	<b>-33.5</b>	<b>-43.0</b>
Appropriations		
Group contributions received	10.7	8.7
<b>Loss before tax</b>	<b>-32.9</b>	<b>-43.7</b>
Tax on net income for the year	-0.1	0.9
<b>Net loss for the year</b>	<b>-33.0</b>	<b>-42.8</b>

# Parent Company balance sheet

SEKm	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Financial assets</b>		
Participations in Group companies	818.2	221.8
Participations in associated companies	-	563.4
Deferred tax assets	22.4	22.5
Receivables from Group companies	1,886.3	1,641.1
<b>Total financial assets</b>	<b>2,726.9</b>	<b>2,448.8</b>
<b>Current receivables</b>		
Other receivables	5.2	5.0
Prepaid expenses and accrued income	1.3	3.2
	<b>6.6</b>	<b>8.2</b>
<b>Cash and cash equivalents</b>	<b>65.1</b>	<b>244.1</b>
<b>Total current assets</b>	<b>71.7</b>	<b>252.3</b>
<b>TOTAL ASSETS</b>	<b>2,798.5</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
<b>Total restricted equity</b>	<b>50.4</b>	<b>50.4</b>
<b>Unrestricted equity</b>		
Share premium reserve	811.7	811.7
Retained earnings	-485.1	-383.2
Net loss for the period/year	-33.0	-42.8
<b>Total unrestricted equity</b>	<b>293.6</b>	<b>385.8</b>
Hybrid bond	800.0	700.0
<b>Total equity</b>	<b>1,144.0</b>	<b>1,136.2</b>
<b>Non-current liabilities</b>		
Bond loans	1,267.0	1,257.7
<b>Total non-current liabilities</b>	<b>1,267.0</b>	<b>1,257.7</b>
<b>Current liabilities</b>		
Bond loans	8.2	5.5
Accounts payable	0.1	1.3
Liabilities to Group companies	355.9	258.9
Current tax liabilities	0.2	-
Other liabilities	22.4	40.8
Accrued expenses and deferred income	0.6	0.7
<b>Total current liabilities</b>	<b>387.5</b>	<b>307.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,798.5</b>	<b>2,701.1</b>

# Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Retained earnings	Net income for the year	Hybrid bond	Total equity
<b>Opening balance, 1 January 2021</b>	<b>52.3</b>	<b>535.3</b>	<b>811.5</b>	<b>-70.0</b>		<b>793.8</b>
Carried forward			-70.0	70.0		
<b>Net loss for the year</b>				<b>-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 ordinary shares	2.9	285.1				288.0
Issue costs of ordinary shares		-8.7				-8.7
Warrants issued			1.1			1.1
<b>Closing balance, 31 December 2021</b>	<b>50.4</b>	<b>811.7</b>	<b>-383.2</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>811.7</b>	<b>-383.2</b>	<b>-42.8</b>	<b>700.0</b>	<b>1,136.2</b>
Carried forward			-42.8	42.8		
<b>Net loss for the year</b>				<b>-33.0</b>		<b>-33.0</b>
Issue of hybrid bond					100.0	100.0
Issue costs, hybrid bond			-1.5			-1.5
Dividends, hybrid bond			-57.7			-57.7
<b>Closing balance, 31 December 2022</b>	<b>50.4</b>	<b>811.7</b>	<b>-485.1</b>	<b>-33.0</b>	<b>800.0</b>	<b>1,144.0</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 tenant mix and rental income that is inflation-linked. Combined with healthy liquidity, this provides security in uncertain times.

## 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.

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

	Change	Effect on cash flow
Contracted annual rent	+/- 5%	+/- SEK 26m
Occupancy rate	+/- 2 percentage points	+/- SEK 11m
Property costs	+/- 10%	+/- SEK 13m
Interest expense	+/- 1 percentage point	+/- SEK 63m

<sup>1)</sup> The cash flow pertains to current earnings capacity. Occupancy rate is based on the rental value.

## Property value opportunities and risks

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

The appraisal method used to assess the value of properties is mainly based on the present value of future cash flows and determined by four input parameters – rents, maintenance costs, vacancy rates and 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 513m	+/- SEK 1,026m
Adjusted property value	SEK 10,777m/ SEK 9,751m	SEK 11,290m/ SEK 9,238m
Effect on loan-to-value ratio	-2,8/3,1 %	-5,4/6,6 %
Adjusted loan-to-value ratio	56/62 %	54/66 %
Effect on equity/assets ratio	1,7/-1,8 %	3,2/-3,8 %
Adjusted equity/assets ratio	40/37 %	42/35 %

<sup>1)</sup> 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 when it comes to maturity dates, which means that refinancing options are continuously evaluated 12–24 months before loans fall due.

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 year-end, Genova had 2,125 shareholders. As of 31 December 2022, the closing price for the share was SEK 52.40. As of 31 December 2022, the total number of ordinary shares in Genova was 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%.

## Directed issue 2023

After the end of the year, Genova completed a directed issue of approximately 3.6 million new ordinary shares at a sub-

scription price of SEK 55 per share. The directed issue raised proceeds of approximately SEK 200m for Genova before share issue costs. Investors in the new share issue included institutional investors, such as Lancelot Asset Management (on behalf of customers), Swedbank Robur, Länsförsäkringar Fondförvaltning and Enter Fonder.

The subscription price per new ordinary share issued was set at SEK 55 through an accelerated bookbuild, which was supported by the approval of shareholders at the Annual General Meeting on 4 May 2022. The subscription price corresponds to a premium of 3.1% in relation to the volume-weighted average price of the share for the ten most recent consecutive trading days.

The new share issue strengthened Genova's financial position and the capacity to act on value-creating opportunities that are expected to arise due to the ongoing changes in the property market.

### Shareholders

31 December 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	2,238,705	5.33	5.33
Michael Moschewitz (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
Avanza Pension	1,087,325	2.59	2.59
Lancelot Asset Management	1,032,740	2.46	2.46
Enter Fonder	1,028,410	2.45	2.45
BNP Paribas	437,238	1.04	1.04
SEB Investment Management	199,008	0.47	0.47
Handelsbanken Fonder	173,568	0.41	0.41
Total other shareholders	877,116	2.09	2.09
<b>Total</b>	<b>41,976,966</b>	<b>100.00</b>	<b>100.00</b>

# Other information

## Organisation

During the year, 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.

In October, Henrik Zetterström was recruited as the new CFO of Genova Property Group. Henrik has broad experience from the property sector, including CFO positions at Estea and M2 Gruppen, and was employed as an auditor at KPMG where he held various senior roles. Henrik assumed the role of CFO on 1 January 2023.

## Related-party transactions

Related-party transactions are presented in Note 36 of Genova's 2021 Annual Report. The year-on-year nature of transactions and volume remained essentially unchanged during the year. 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 Ahlqvist, Chairman of the Committee, appointed by Micael Bile with companies, Andreas Eneskjöld, appointed by Andreas Eneskjöld with companies, Johannes Wingborg, appointed by Länsförsäkringar Fondförvaltning AB (publ) and Mikael Borg, Chairman of Genova Property Group AB. The mandate of the Nomination Committee runs until a new Nomination Committee is appointed.

## Proposed appropriation of profits

Genova's overall objective is to create value for the company's shareholders. In the coming years, this is deemed best achieved by reinvesting cash flows in operations to create further growth through investments in new construction, existing properties and property acquisitions, which could lead to either small or no dividends at all on ordinary shares. In the long-term, dividend payments on ordinary shares shall amount to at least 50% of income from property management.

The Board proposes that no dividend be paid for the 2022 financial year.

## 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.

## 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 year-end report has not been audited.

## Assurance of the Board of Directors and Chief Executive Officer

The Board of Directors and Chief Executive Officer hereby certify that this year-end 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, 22 February 2023

Mikael Borg, Chairman of the Board

Anette Asklin, Board member

Micael Bile, Board member

Andreas Eneskjöld, Board member

Erika Olsén, Board member

Maria Rankka, Board member

Michael Moschewitz, CEO



## Financial calendar

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>
Interim report, January-June 2023	<b>16 August 2023</b>
Interim report, January-September 2023	<b>27 October 2023</b>

## For further information, please contact:

Michael Moschewitz, CEO  
e-mail: [michael.moschewitz@genova.se](mailto:michael.moschewitz@genova.se)  
mobile: +46 (0)707 13 69 39

Henrik Zetterström, CFO  
e-mail: [henrik.zetterstrom@genova.se](mailto:henrik.zetterstrom@genova.se)  
mobile: +46 (0)707 870 04 96

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 22 February 2023 at 8:30 a.m. (CET).

# Definitions

## **Genova or the company**

Genova Property Group AB (publ).

## **Return on equity**

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

## **Loan-to-value ratio, %**

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

## **Net operating income**

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

## **Equity attributable to 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. 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 from property management attributable to shareholders 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

Head office  
Smålandsgatan 12,  
SE-111 46 Stockholm, Sweden

Genova Gallery  
Sysslomansgatan 9,  
SE-753 11 Uppsala, Sweden

**genova.se**

G E N O V A