

GENOVA



Interim report January-June / **2023**



The period in summary

January-June 2023 period

- Rental income amounted to SEK 254.5m (185.7), an increase of 37%.
- Net operating income amounted to SEK 186.4m (132.3), an increase of 41%.
- Income from property management decreased 57% to SEK 24.1m (56.3), of which income from property management attributable to shareholders was SEK 15.2m (31.1), corresponding to SEK -0.33 (0.74) per share. The decline was mainly due to negative changes in the values of properties in joint ventures of appropriately SEK -29m and higher interest expense.
- Net income after tax amounted to SEK -148.3m (342.5), corresponding to SEK -4.89 (7.06) per share.
- Long-term net asset value attributable to shareholders decreased 4% to SEK 3,516.1m (3,649.5), corresponding to SEK 77.09 (86.94) per share.

April-June 2023 quarter

- Rental income amounted to SEK 125.6m (92.1), an increase of 36%.
- Net operating income amounted to SEK 95.5m (68.8), an increase of 39%.
- Income from property management decreased 49% to SEK 12.8m (25.4), of which income from property management attributable to shareholders was SEK -7.8m (11.9), corresponding to SEK -0.17 (0.28) per share. The decline was mainly due to negative changes in the values of properties in joint ventures of appropriately SEK -10m and higher interest expense.
- Net income after tax amounted to SEK -106.6m (175.5), corresponding to SEK -3.04 (3.87) per share.

SEK 10,183m¹

Property value

8,934

Residential building rights

58.8%

Loan-to-value ratio

SEK 77.09

Long-term net asset value attributable to shareholders per share

1) Of which ongoing construction and planned projects of SEK 2,183m.

	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Rental income, SEKm	254.5	185.7	125.5	92.1	463.4	394.7
Net operating income, SEKm	186.4	132.3	95.5	68.8	331.9	277.8
Income from property management, SEKm	24.1	56.3	12.8	25.4	88.6	120.8
Income from property management attributable to shareholders per share, SEK	-0.33	0.74	-0.58	0.28	0.41	1.53
Residential units under construction, no. ¹	825	863	825	863	825	1,006
Residential units completed, no.	181	-	89	-	360	179
Net investment, SEKm	142.2	515.1	515.1	484.7	346.3	719.2
Loan-to-value ratio, %	58.8	60.7	58.8	60.7	58.8	59.1
Equity/assets ratio, %	38.2	38.7	38.2	38.7	38.2	38.4
Interest-coverage ratio, times ²	1.7	2.0	1.6	2.0	1.8	2.0
Long-term net asset value, SEKm	5,100.0	4,573.0	5,100.0	4,573.0	5,100.0	5,134.0
Long-term net asset value attributable to shareholders, SEKm	3,516.1	3,649.5	3,516.1	3,649.5	3,516.1	3,584.1
Total no. of shares outstanding, 000s	45,613	41,977	45,613	41,977	45,613	41,977
Long-term net asset value attributable to shareholders per share, SEK	77.09	86.94	77.09	86.94	77.09	85.38

1) Including 40 hotel rooms.

2) Excluding non-recurring costs.

Significant events during and after the end of the quarter

Second quarter

- During the quarter, 66 residential units in the Tryckeriet project in Norrtälje were completed for a rental value of approximately SEK 6.0m.
- In May, Genova repurchased bonds in the amount of SEK 115m of a bond loan due on 30 September 2023.
- In May, Genova announced that its climate targets had been validated and published by the Science Based Target initiative. The targets are to reduce the company's GHG emissions by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2, and to measure and reduce emissions in Scope 3.

- In May, Genova agreed to sell the Gredelby 7:89 property in central Knivsta. The sale was transacted at an underlying property value of SEK 85m. The annual rental value amounted to approximately SEK 6.0m and the remaining duration was approximately 4.5 years.
- The Annual General Meeting resolved to introduce a long-term incentive programme by way of a directed issue of warrants with subsequent transfer to the participants.

Events after the end of the quarter

- In July, an agreement was signed to divest two fully leased hotel properties in Palma, Majorca, for approximately EUR 35m, corresponding to approximately SEK 410m. The properties are not of a long-term strategic nature for the company and are low-leveraged, and the divestment provides Genova with net liquidity of approximately SEK 350m, which will be used to reduce the company's indebtedness. Exit is planned for September 2023.



Handelsmannen 1, Norrtälje

CEO's statement

We find ourselves in a challenging time with rising interest rates that are weighing on profitability in the industry, which is leading to higher yield requirements resulting in declining property value. The key for Genova in this market climate is to act proactively and ensure a long-term stable balance sheet and strong liquidity. During and after the end of the period, we have taken several steps to strengthen our financial position and reduce interest expense.



“We have taken several steps to strengthen our financial position and reduce interest expense.”

Operations continued to perform stably during the first half of the year in both property management and project development. We reported positive growth in rental income of 37% and an increase in net operating income of 41%, mainly due to a larger investment property portfolio and completed projects. Income from property management was impacted by rising interest expense, and in particular negative changes in value in associated companies, falling to SEK 24m compared with SEK 56m last year. We conduct an external assessment of our investment properties every quarter and noted negative changes in value of approximately SEK 200m, mainly due to higher yield requirements. Overall, this had a negative impact on net asset value per share.

Financing

During the quarter, work continued to ensure strong liquidity and to reduce indebtedness. We conducted a number of divestments that strengthened our balance sheet and reduced our annual interest expense by approximately SEK 50m. In May, an investment property was sold in Uppsala for SEK 85m and after the end of the period an agreement was signed to divest two hotel properties in Palma, Majorca, for approximately SEK 410m. The properties do not constitute a strategic holding for the company and are low-leveraged, entailing a significant contribution in net liquidity of approximately SEK 350m, which will be used to reduce our indebtedness.

During the first half of the year, bonds in the amount of just over SEK 115m were repurchased under the bond that matures in September 2023. The remaining bonds of SEK 410m will be redeemed on the maturity date. Thereafter, we

have approximately SEK 725m in an outstanding bond loan due in September 2024. Our ambition is to continue to work proactively with our balance sheet and to safeguard our liquidity.

Investments

During the period, we continued to invest in project development, which mainly comprises newly developed rental apartments in ongoing projects in Norrtälje, Enköping, Upplands-Bro and Knivsta. Demand for the apartments we develop remains strong and we can see clear interest in newly developed rental apartments in the investor market. Occupancy began in Knivsta during the second quarter and the remainder will be gradually completed in 2023 and 2024. In Norrtälje, 66 residential units were completed for occupancy in the first half of 2023. Occupancies in 2023 will help to strengthen our long-term earnings.

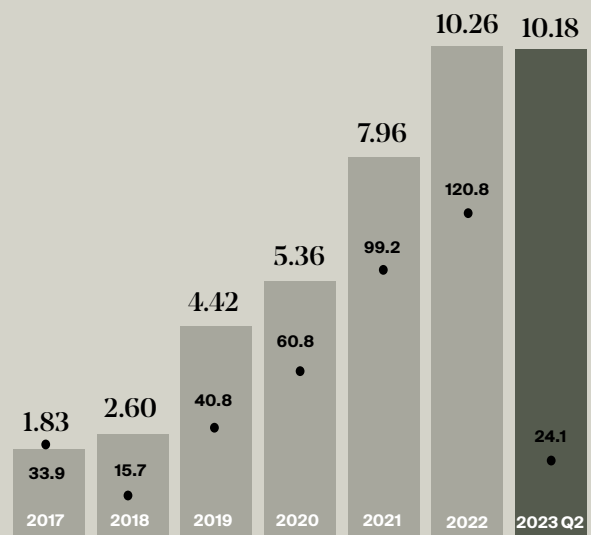
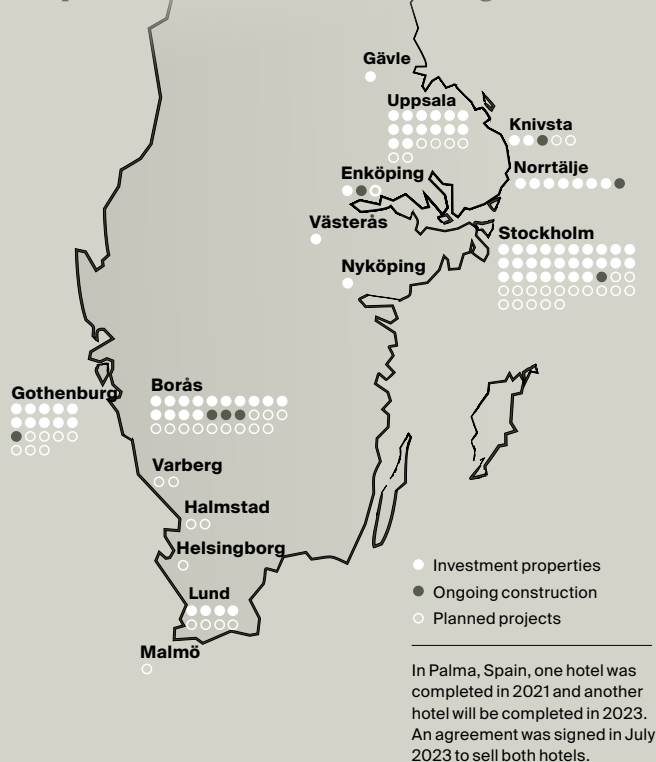
Genova's business model, which combines good, stable cash flows from investment properties with profitable project development, provides us with a stable foundation, even in a challenging market. Our existing property portfolio, focusing above all on Stockholm and Uppsala, generates stable earnings. Divestments during the period generated liquidity and our bond repurchases have reduced our interest expense. Concurrently, we control almost 600,000 sqm of land with significant excess value that is not reflected in our balance sheet. Since the company was founded in 2006 it has grown with good profitability and high growth in net asset value. We have a long-term approach and are firmly committed to emerge strong when the market recovers.

Michael Moschewitz, CEO

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.

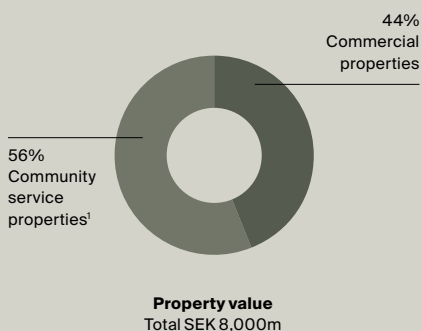
Genova is a personal property company that owns, manages and develops properties with a long-term, sustainable and highly committed approach. The large portfolio of own residential building rights ensures the Group's long-term growth and continued stable growth of the investment property portfolio. Genova's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



Property value, SEK billion

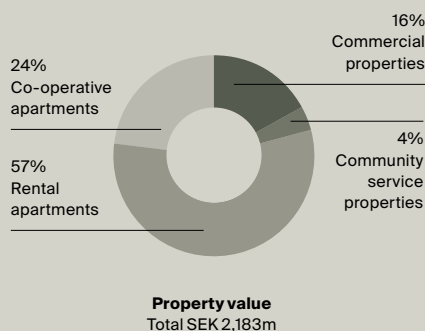
Income from property management, SEKm

Investment properties

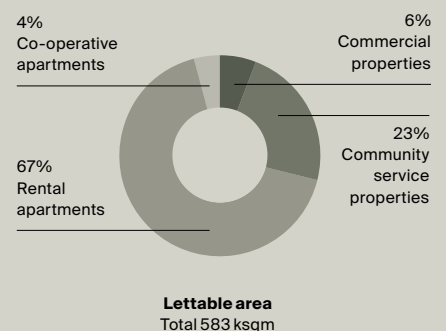


1) Of which 236 rental apartments

Ongoing projects and development properties



Building rights portfolio



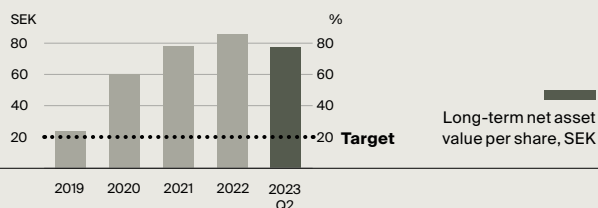
Financial targets

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.

45,2 %

Average annual growth
2019-Q2 2023

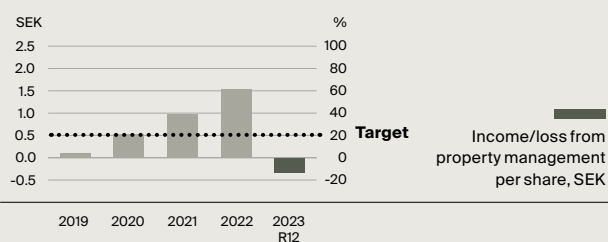


Income from property management

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

94,6 %

Average annual growth
2019-Q2 2023

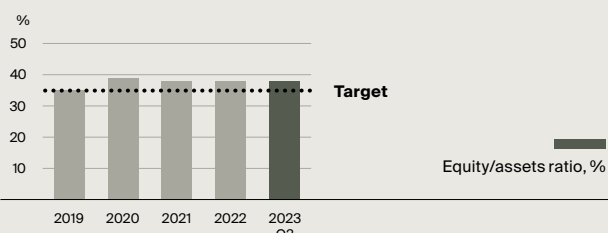


Equity/assets ratio

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

38.2%

30 June 2023

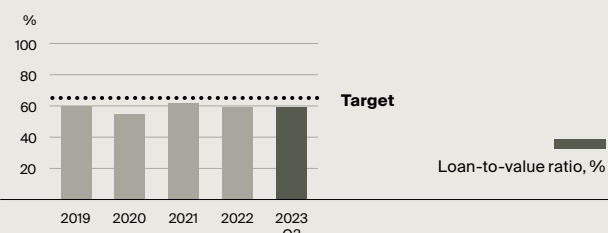


Loan-to-value ratio

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

58.8%

30 June 2023

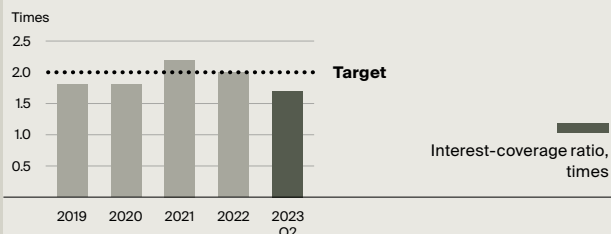


Interest-coverage ratio

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

1.7 times

30 June 2023



Dividend policy

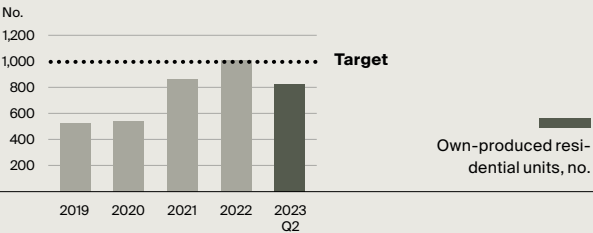
Genova's overall objective is to create value for the company's shareholders. In the coming years, this is deemed best achieved by reinvesting cash flows in operations to create further growth through investments in new construction, existing properties and property acquisitions, which could lead to 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.

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.

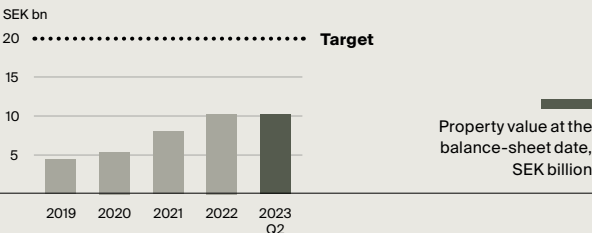
825
30 June 2023



Property value

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

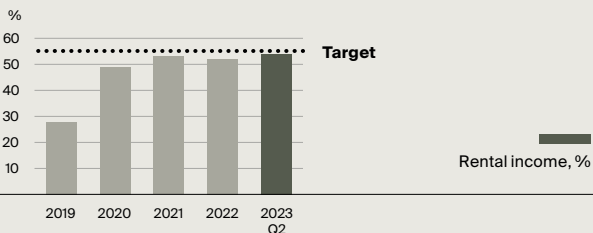
SEK 10.2
billion
30 June 2023



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.

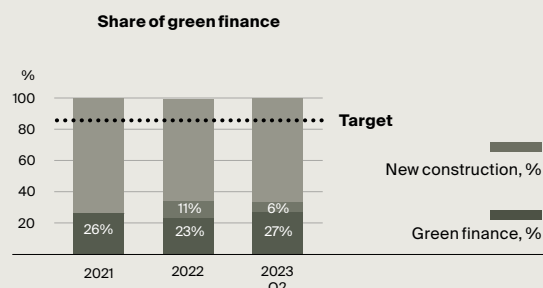
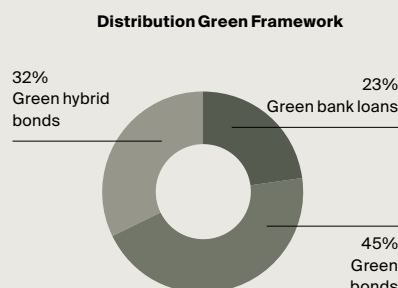
54%
30 June 2023



Sustainability targets

Green finance

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



The company has 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 (excluding Järngrinden's properties) are to have environmental certification by the end of 2023.

Certification	Investment properties				Construction	
	Certified	Ongoing	Continuing/ Planned	Ongoing planning	Total	Ongoing
Nordic Swan	2				2	3
Green Building	2				2	
Miljöbyggnad iDrift						
Silver	2	27			29	
Bronze	1				1	
Not certified				27	27	
Total	7	27	0	27	61	3

An evaluation of the environmental certification of Järngrinden's 21 investment properties will begin in 2023.

Climate targets

GHG emissions are to decrease by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2. Emissions in Scope 3 are to be measured and reduced. The targets have been validated and published by the Science Based Target initiative.

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](https://www.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 certified in order to meet customer and investor requirements, reduce our negative impact, increase our positive impact,

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

Events during the period

During the quarter, Genova set climate targets that have been validated and published by the Science Based Target initiative. The targets are to reduce the company's GHG emissions by 42% by 2030 compared with levels in 2021 in Scope 1 and Scope 2, and to measure and reduce emissions in Scope 3. The new climate targets complement Genova's existing sustainability targets concerning environmental certification and green financing.



Handelsmannen 1, Norrtälje

Investment property portfolio

Investment properties

Genova's investment property portfolio comprises community service properties and residential units, as well as commercial properties for retail, offices and warehousing. The development of future rental apartments combined with community service properties are being planned for most of Genova's existing investment properties, often in new districts. The investment properties are mainly located in Greater Stockholm, the Uppsala Region and 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 properties will eventually provide opportunities to create building rights for new construction projects in the future.

In June, the Gredelby 7:89 property in central Knivsta was exited. The annual rental value amounts to approximately SEK 6.0m and the remaining duration is approximately 4.5 years. During the quarter, a property in Enköping was reclassified to a development property. At the end of the period, Genova's wholly owned investment property portfolio comprised a total of 82 investment properties with a market value of SEK 8 billion, allocated over 365.6 ksqm. The total property value, including accessed properties, properties under construction and joint ventures, was approximately SEK 11 billion.

Rental agreements

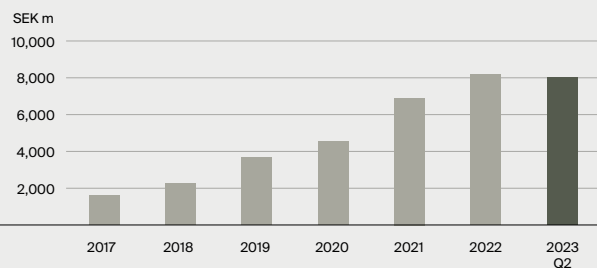
At the end of the period, Genova had approximately 450 rental agreements with an average remaining rental duration of 5.3 years, and 236 agreements for rental apartments.

Of total contracted rental income, the proportion derived from residential units and publicly funded tenants was approximately 54%. If supermarkets are also included, the proportion of contracted rental income was approximately 61%.

During the second quarter, an additional 66 residential units in the Tryckeriet project in Norrtälje were completed for a rental value of approximately SEK 6.0m.

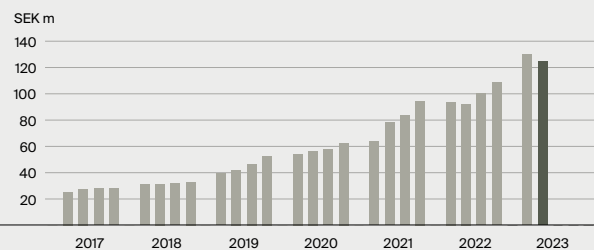
Performance of value of investment properties

30 June 2023



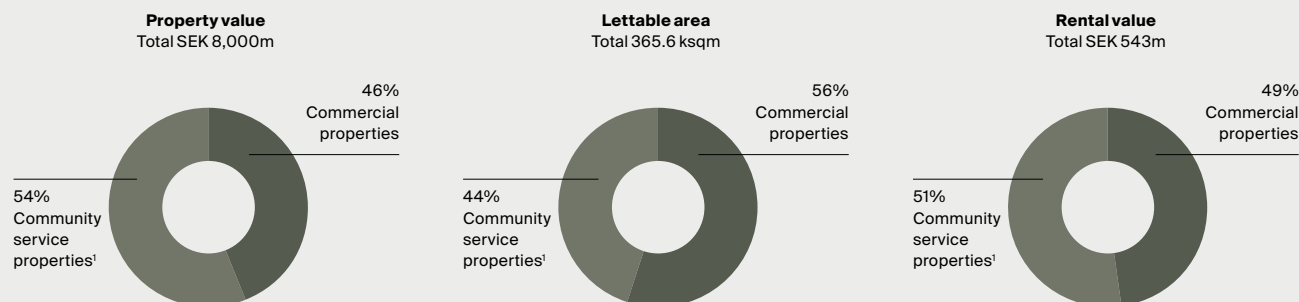
Rental income per quarter

30 June 2023



Investment properties per property category

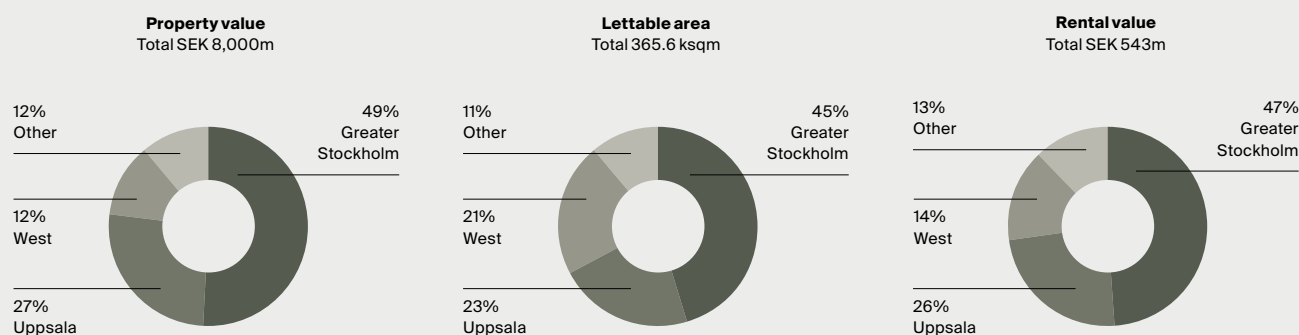
30 June 2023



¹) Existing rental apartments are included in the Community service properties category.

Investment properties per geography

30 June 2023



Allocation of rental income

30 June 2023

Rental agreements	Contracted annual rent, SEKm	Percentage, %
Community service	249	49
Residential units ¹	25	5
Supermarkets	35	7
Other commercial	196	39
Total rental income	505	100
Average weighted remaining term, years (10 largest)		6.7 years
Average weighted remaining term, years (total portfolio)		5.3 years

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

Structure of rental agreements

30 June 2023

	No. of rental agreements	Area Ksqm	Contracted rent, SEKm	Percentage, %
Term				
2023	80	4	12	2
2024	139	55	73	14
2025	83	67	100	20
2026	70	58	82	16
2027	25	18	28	5
>2027	53	105	188	37
Total	450	307	482	95
Rental apartments	236	13	23	5
Total	626	320	505	100
Vacant		46	38	
Total		366	543	

Investment property portfolio

30 June 2023

	No. of Lettable proper- ties area, sqm		Property value		Rental value		Occu- pancy rate, %	Contracted annual rent ² , SEKm	Property costs		Net operating income	
			SEKm	SEK/ sqm	SEKm	SEK/ sqm			SEKm	SEK/ sqm	SEKm	SEK/ sqm
Per property category ¹												
Commercial properties	52	201,090	3,525	17,531	261	1,297	89.9	235	-67	-332	168	835
Community service prop- erties ³	30	164,510	4,475	27,200	282	1,715	95.9	271	-60	-363	211	1,282
Total per property cat- egory	82	365,600	8,000	21,882	543	1,485	93.1	505	-127	-346	379	1,036
Per geography												
Greater Stockholm	34	168,388	4,085	24,261	266	1,580	95.5	254	-59	-353	195	1,157
Uppsala	17	79,574	2,057	25,848	130	1,632	92.3	120	-34	-426	86	1,080
West	23	78,652	958	12,184	79	1,007	89.8	71	-18	-230	53	674
Other	8	38,986	900	23,075	68	1,740	88.6	60	-15	-390	45	1,152
Total per geography	82	365,600	8,000	21,882	543	1,485	93.1	505	-127	-346	379	1,036
Of which Järngrinden	21	63,046	711	11,273	61	967	86.7	53	-13	-200	40	639
Ongoing construction			973									
Planned projects			1,210									
Total as per the balance sheet			10,183									
Near-term completed constructions ⁴	1	4,090	83	44,494	9	2,231	100	9	-2	-375	8	1,856
Total	83	369,690	10,266		552	1,493	93.2	514	-128	-346	386	1,045
In addition:												
Properties owned through joint ventures			789									

1) Based on the primary use of the property.

2) Not including rental discounts of SEK 12m.

3) Of which 239 rental apartments are allocated between eight properties

4) Refers to part of the Korsängen project, which will be completed within 12 months. The property value when completed will amount to SEK 182m but as of 30 June the equivalent of SEK 99m was recognised in the balance sheet under properties under construction.

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

Current earnings capacity

The table below was prepared to provide an indication of Genova's estimated earnings capacity 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 include, for

example, an assessment of occupancy, vacancy or interest-rate changes.

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 the end of the period.

Estimated earnings capacity, 30 June 2023

SEKm	Investment properties Genova	Investment properties Järngrinden	Total Investment properties	Ongoing construction	Total
Rental value	482	61	543	80	623
Vacancy rate	-30	-8	-38	0	-38
Rental income	452	53	505	80	585
Property costs	-114	-13	-127	-12	-139
Net operating income	338	40	379	68	447
Central administration, property management	-17	-4	-21	0	-21
Genova's share of income from property management through joint ventures	12	4	16	4	20
Net financial items	-218	-20	-238	-53	-291
Income from property management	115	20	135	19	154



Lillsätra 2, Stockholm

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. 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.

Ongoing construction

Genova's ongoing projects comprise the rental units in Norrtälje, Knivsta, Enköping and Upplands-Bro as well as construction of a hotel in Palma, Majorca. Järngrinden's ongoing projects are the co-operative apartments in Mark. Completed projects in our core markets will be owned and managed by Genova.

The first block in Norrtälje was completed and occupied. The second block, which is under construction, contains 240 rental apartments.

The Segerdal project is located in central Knivsta, directly adjacent to the train station. The project is being carried out in a joint venture with Redito and the first occupancies started in the second quarter of 2023.

The Korsängen project in central Enköping is located directly adjacent to Genova's Kryddgården 6:3 and Kryddgården 6:5 investment properties. Genova is constructing 160 rental apartments that are scheduled for completion next year.

In Palma, Majorca, a 40-room hotel is being completed with occupancy scheduled for the third 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.

After the end of the period, an agreement was signed to divest both of these hotels with an exit planned for September 2023.

Construction on Genova's urban development project Viby in central Brunna in Upplands-Bro started in the fourth quarter of 2022. The first stage comprises 131 residential units, a grocery store and a school. Genova has signed letters of intent with Axfood and the Raoul Wallenberg School to operate on the premises. The Viby project will encompass a total of 850 residential units and service. The project is jointly owned with property company K2A (30%).

During the period, Järngrinden exited a rental unit project containing 92 rental apartments and a co-operative apartment project with 23 co-operative apartments, both located in Borås. Järngrinden's ongoing projects in Mark include 13 co-operative apartments and the projects will be completed and exited in 2023. In addition, Järngrinden has one ongoing project in Borås through joint ventures comprising 24 co-operative apartments.

Building rights portfolio

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

market value of the unused building rights in planned projects. 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 30 June, CBRE's market valuation of the future building rights amounted to approximately SEK 3.4 billion. The existing buildings on these properties, which in some cases will need to be demolished in connection with development, and accumulated investments for planned projects had a book value of approximately SEK 2.0 billion as of 30 June. This means that the excess value in the Group's building rights portfolio was estimated to be approximately SEK 1.4 billion. This excess value is not reflected on Genova's balance sheet.

Järngrinden's 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 become part of the Genova Group.

8,934

No. of residential building rights

SEK 1.4 billion

Excess value in building rights portfolio

SEK 977m

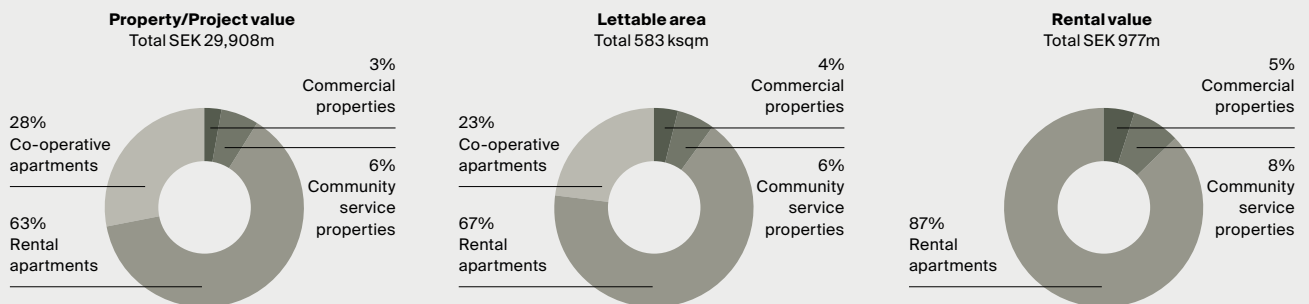
Estimated rental value



Gredelby 21:1, Knivsta

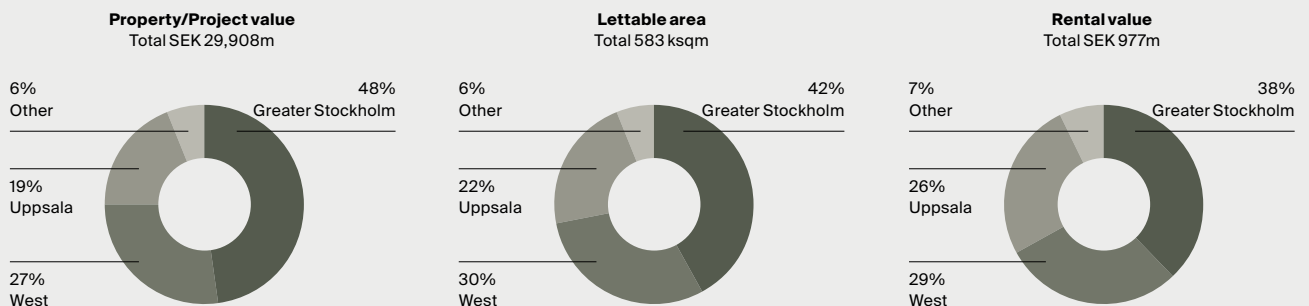
Project development per property category

30 June 2023



Project development per geography

30 June 2023





Handelsmannen 1, Norrtälje

Ongoing construction

30 June 2023

Project	Municipality	Category	Construction start	Planned completion	No. of residential units	Lettable area, sqm		Property value ¹		Rental value		Investment, SEKm		Book value ² , SEKm
						Residential units	Premises	SEKm	SEK/sqm	SEKm	SEK/sqm	Estimated	Accumulated	
Handelsmannen 1	Norrtälje	Rental apartments	Q4 2019	Q4 2023/ Q2 2024	246	12,752	-	601	47,130	25	1,933	526	290	306
Segerdal ³	Knivsta	Rental apartments	Q4 2020	Q3 2023/ Q1 2025	116	7,289	323	380	49,921	17	2,274	350	177	-
Korsängen	Enköping	Rental apartments	Q1 2021	Q1/Q3 2024	160	8,031	244	389	47,009	19	2,283	381	193	198
Can Oliver Hotel ⁴	Palma	Commercial properties	Q2 2021	Q3 2023	40	3,300	-	246	74,681	13	3,800	263	247	230
Viby, Stage 1 ⁵	Upplands-Bro	Rental apartments	Q4 2022	Q2 2026	131	8,728	1,693	492	47,213	22	2,132	429	87	87
Viby, Stage 1 ⁵	Upplands-Bro	Community service properties	Q4 2022	Q2 2026	-	-	5,670	306	54,000	15	2,600	238	41	41
Järngrinden ⁶	Borås	Own management			72	4,048	-	150	36,993	6	1,600	134	-	-
Järngrinden ⁶	Borås	Co-operative housing associations			60	2,484	-	148	59,402	-	-	122	112	112
Total ongoing construction					825	46,633	7,930	2,712	49,704	117	2,243	2,443	1,148	973

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

2) Refers to only 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) The Segerdal project is 50/50 owned by Genova and Redito. The table only shows the information that corresponds to Genova's financial stake. During the quarter, 52 apartments were completed and transferred to investment (Genova's financial stake corresponds to completion of 26 apartments).

4) The Can Oliver Hotel is subject to a divestment agreement and will be exited during the third quarter.

5) 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 Genova's consolidated financial statements.

6) 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.

7) Of which 23 apartments are completed and will be handed over to the co-operative housing association during the next quarter.

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. Projects in Genova's Järngrinden subsidiary are recognised using the same principle.

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

30 June 2023

	No. of residen- tial units	Lettable area, sqm Residen- tial units Premises		Property value ¹ SEKm	SEK/ sqm	Rental value SEKm	SEK/ sqm	Investment, SEKm Esti- mated	Accum- ulated	Book value ² , SEKm
Per category										
Rental apartments	6,079	352,422	-	16,951	48,099	765	2,172	14,493	613	665
Community service properties	185	14,415	15,751	1,357	44,973	64	2,125	1,122	46	46
Commercial properties	-	-	15,574	550	40,072	31	2,228	541	93	96
Co-operative apartments	1,845	130,647	-	8,339	63,827	-	-	6,734	375	403
Total per category	8,109	497,484	31,325	27,196	51,609	860	2,164	22,891	1,127	1,210
Per geography – Own management										
Greater Stockholm	2,028	115,964	17,292	7,151	53,661	315	2,365	6,049	322	362
Uppsala	1,590	86,495	12,065	4,434	45,361	214	2,168	3,776	139	149
West	2,121	137,043	1,968	6,075	44,029	276	1,984	5,274	221	221
Other	525	27,335	-	1,198	43,831	55	2,028	1,057	70	75
Total per geography	6,264	366,837	31,325	18,858	47,584	860	2,164	16,156	752	807
Per geography – Co-operative apartments										
Greater Stockholm	1,171	82,448	-	5,775	70,045	-	-	4,598	221	248
Uppsala	219	11,030	-	591	53,584	-	-	494	16	16
West	415	32,419	-	1,745	53,816	-	-	1,433	136	136
Other	40	4,750	-	228	48,000	-	-	209	2	2
Total per geography	1,845	130,647	-	8,339	63,827	-	-	6,734	375	403
Per geography – Own management and co-operative apartments										
Greater Stockholm	3,199	198,412	17,292	12,926	59,924	315	2,365	10,647	543	610
Uppsala	1,809	97,525	12,065	5,025	46,195	214	2,168	4,271	155	165
West	2,536	169,462	1,968	7,820	45,891	276	1,984	6,707	357	357
Other	565	32,085	-	1,426	44,448	55	2,028	1,266	72	77
Total own management and co-operative apartments per geography	8,109	497,484	29,477	27,196	51,609	860	2,164	22,891	1,127	1,210
Of which Järngrinden	2,063	130,292	1,038	6,160	46,902	197	1,995	5,194	357	357

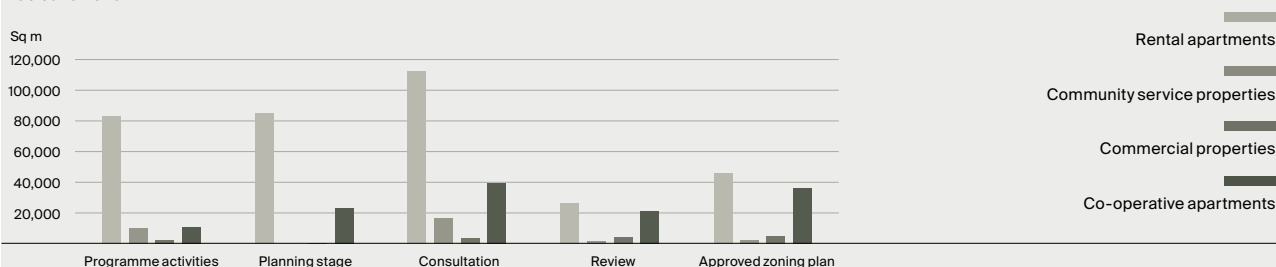
1) Refers to fair value of the investment upon completion.

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

30 June 2023



Joint ventures and associated companies

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

As of 30 June 2023, Genova owned

participations in four joint ventures, and indirectly owned participations in a number of associated companies through ownership of Järngrinden. During the period, Genova divested its share in GenovaFastator to Fastator. These joint ventures hold a total of 17 cash flow-generating properties with a combined property value of approximately SEK

1,578m, of which Genova's share amounts to approximately SEK 789m.

Genova's share of the number of residential building rights is about 1,400, allocated over approximately 93 ksqm.

The share of profit/loss from joint ventures and associated companies was impacted by negative changes in value of approximately SEK 29m.

Genova's share in joint ventures and associated companies

30 June 2023

Name	Percent- age, %	Book value, SEKm	Geography	Property management		Project development	
				No. of properties	Share of property value	No. of residential units	Lettable area, ksqm
Share of Järngrinden's associated companies	49	261	Western Sweden	5	256	400	25
SBBGenova Gåshaga	50	113	Stockholm	1	200	385	23
SBBGenova Nackahusen	50	87	Stockholm	4	224	192	12
GenovaRedito	50	73	Knivsta	2	14	142	9
Greenova	50	8	Stockholm	5	95	285	24
		542		17	789	1,404	93



Korsängen 20:47, Enköping

Consolidated statement of comprehensive income

SEKm	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Jul 2022- Jun 2023	Jan-Dec 2022
Rental income	254.5	185.7	125.5	92.1	463.4	394.7
Operating costs	-51.0	-40.5	-20.6	-17.2	-94.6	-84.1
Maintenance costs	-11.5	-8.8	-6.7	-4.0	-26.4	-23.7
Property tax	-5.6	-4.1	-2.8	-2.1	-10.5	-9.1
Total property costs	-68.0	-53.4	-30.0	-23.3	-131.5	-116.9
Net operating income	186.4	132.3	95.5	68.8	331.9	277.8
Central administration, property management	-11.5	-11.4	-4.9	-5.8	-23.2	-23.2
Central administration, project development	-18.7	-13.9	-8.0	-7.1	-33.1	-28.3
Share of profit from joint ventures and associated companies	-18.6	17.4	-8.3	4.4	3.3	39.3
Net financial items	-113.5	-68.1	-61.5	-34.9	-190.2	-144.9
Income from property management	24.1	56.3	12.8	25.4	88.6	120.8
Income from new residential construction	43.0	-	10.4	-	32.6	0.0
Other income	-	0.6	0.0	0.2	2.0	2.6
Other costs	-2.2	-	-	-	-2.2	-
Value changes, properties	-302.9	370.0	-205.6	199.8	-474.1	198.7
Value changes, derivatives	36.3	-	36.0	-	36.3	-
Currency effects, properties	19.5	3.8	15.5	0.8	17.8	2.2
Income/loss before tax	-182.2	430.7	-130.9	226.2	-288.6	324.2
Income tax	33.8	-88.2	24.3	-50.7	53.7	-68.3
Net income/loss for the period	-148.3	342.5	-106.6	175.5	-234.9	255.9
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-148.3	342.5	-106.6	175.5	-234.9	255.9
Net income for the period attributable to:						
Parent Company shareholders	-182.5	321.7	-117.8	175.9	-280.7	223.5
Non-controlling interests	34.2	20.8	9.6	-0.4	45.8	32.5
Total comprehensive income attributable to:						
Parent Company shareholders	-182.5	321.7	-117.8	175.9	-280.7	223.5
Non-controlling interests	34.2	20.8	9.6	-0.4	45.8	32.5
Income/loss per share before and after dilution, SEK ¹	-4.89	7.06	-3.04	3.87	-7.97	3.98
No. of shares at the end of the period, 000s	45,613	41,977	45,613	41,977	45,613	41,977
Average no. of shares, 000s	45,391	41,977	45,613	41,977	43,661	41,977

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

Performance analysis

Amounts in brackets refer to the period January–June 2022.

Rental income

During the period, the Group's rental income amounted to SEK 254.5m (185.7). The increase corresponds to rental income growth of 37%. Rental income in the second quarter amounted to SEK 125.5m (92.1). Growth in rental income was mainly attributable to an expanding investment property portfolio.

Income from the comparable portfolio was SEK 16.7m higher year-on-year, mainly due to inflation adjustments and higher rent surcharges relating to energy in 2023.

At the end of the period, the economic occupancy rate was 93.1% (95.1).

Income development			
SEKm	Jan-Jun 2023	Jan-Jun 2022	Change, %
Comparable portfolio	194.9	178.2	9
Properties added	57.2	3.2	n/a
Properties sold	2.4	4.3	n/a
Rental income	254.5	185.7	37
Commercial properties	122.1	80.9	51
Community service properties	132.4	104.8	26
Rental income	254.5	185.7	37

Property costs

During the period, property costs in the form of operating and maintenance costs and property tax increased to SEK -68.0m (-53.4), up approximately 27%. Property costs for the quarter amounted to SEK -30.0m (-23.3). 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 and higher energy costs.

Property costs development			
SEKm	Jan-Jun 2023	Jan-Jun 2022	Change, %
Comparable portfolio	-53.8	-51.9	4
Properties added	-13.9	-0.7	n/a
Properties sold	-0.3	-0.8	n/a
Property costs	-68.0	-53.3	27
Commercial properties	-32.8	-26.7	23
Community service properties	-35.3	-26.7	32
Property costs	-68.0	-53.4	27

Annual property costs per sqm

SEK/sqm	Commercial properties	Community service properties	Total
Operation	-253	-319	-283
Maintenance	-34	-37	-36
Property tax	-45	-7	-28
Total	-332	-363	-346

Net operating income

During the period, net operating income increased to SEK 186.4m (132.3), up 41%. The NOI margin for the period was 73.3%, which is higher than 71.2% for the year-earlier period. The higher NOI margin is an effect of inflation adjustments to rental income as well as properties added during the preceding and current years through completed projects and acquisitions.

Net operating income for the quarter amounted to SEK 95.5m (68.8) with a NOI margin of 76.1% (74.7).

Central administration

Central administrative expenses are allocated between property management and project development. During the year, central administrative expenses totalled SEK 30.2m (25.3), up 19%. The increase is mainly a result of the expanding operations including the acquisition of Järngrinden.

Central administration		
SEKm	Jan-Jun 2023	Jan-Jun 2022
Property management		
Other external costs	-1.9	-5.0
Personnel costs	-8.4	-4.9
Depreciation/amortisation and leases	-1.2	-1.5
Central administration, property management	-11.5	-11.4
Project development		
Other external costs	-3.1	-6.1
Personnel costs	-13.7	-6.0
Depreciation/amortisation and leases	-1.9	-1.8
Central administration, project development	-18.7	-13.9

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 period, share of profit from joint ventures amounted to SEK -18.6m (17.4) and pertained to income from operating activities and value changes as well as the divestment of GenovaFastator. The negative earnings effect compared with 2022 of approximately SEK -29m is attributable to changes in value of properties.

Net financial items

Net financing cost amounted to SEK -113.5m (-68.1) 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.

During the period, SEK 52.8m 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 5.5% (6.1% including bond loans and construction credit). Financial expenses during the period included SEK -9.2m (-7.2) pertaining to financing costs, which are allocated over the terms of the loans. The interest-coverage ratio for the period was 1.7 times (2.0). The interest-coverage ratio excludes non-recurring costs.

Net financial items		
SEKm	Jan-Jun 2023	Jan-Jun 2022
Interest income	16.1	1.5
Interest expense, loans	-118.7	-62.0
Interest expense leases	-0.8	-0.8
Other financial expenses	-10.0	-6.8
Net financial items	-113.5	-68.1

Income from property management

During the period, income from property management amounted to SEK 24.1m (56.3), down 57%. The decline was due to negative changes in the values of properties in joint ventures of about SEK 29m and higher interest expense, but was offset by higher net operating income.

Income from new residential construction

In January, one of Järngrinden's rental unit projects outside Borås was exited, with an earnings effect of SEK 32.6m. The project comprised 92 newly developed rental units.

In June, Järngrinden's co-operative apartment project in Borås was completed and divested, with an earnings effect of SEK 10.4m. The project comprised 23 newly developed apartments.

Value changes, properties

Higher yield requirements of an average of about 50 points had a negative impact on values during the period.

Value changes, properties		
SEKm	Jan-Jun 2023	Jan-Jun 2022
Change in net operating income	-39.1	38.2
Ongoing construction	-41.3	120.3
Land and unused building rights	-52.3	137.7
Change in yield requirement	-160.2	23.6
Acquisitions	-	50.2
Divestments	-10.1	-
Value changes, properties	-302.9	370.0

Value changes, derivatives

The item mainly comprises changes in fair value of an interest-rate swap of SEK 800m.

Income tax

Recognised tax amounted to SEK 33.8m (-88.2) 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 404m (377), with untaxed reserves of approximately SEK 85m (73). Deferred tax liabilities are calculated using the nominal tax rate of 20.6% of the difference between the book value and tax base, less the tax attributable to asset acquisitions.

Tax calculation		
SEKm	Jan-Jun 2023	Jan-Jun 2022
Income before tax	-182.2	430.7
Tax rate, %	20.6	20.6
Income tax at the current tax rate	37.5	-88.7
Non-taxable income	12.8	3.6
Non-deductible expenses	-7.0	-4.2
Non-deductible net interest income	-26.8	-
Deductible costs not included in profit or loss	12.3	-
Taxable income not included in profit or loss	-0.1	-
Property transaction reversals	-	1.1
Adjustment of deferred tax for prior periods	0.7	-
Change in unused tax loss carryforward	2.1	-
Other	2.3	-
Tax for the period as per the income statement	33.8	-88.2

Deferred tax liabilities, net		
SEKm	Jan-Jun 2023	Jan-Jun 2022
Temporary differences, properties	-560.5	-554.9
Untaxed reserves	-17.6	-15.1
Total deferred tax liabilities	-578.0	-570.0
Tax loss carryforwards	83.3	77.7
Total deferred tax assets	83.3	77.7
Deferred tax liabilities, net	-494.7	-492.3

Net income for the period

Net income/loss for the period amounted to SEK -148.3m (342.5). Compared with 2022, net operating income increased and income from property management decreased during the first half of 2023. The value changes, including provision for deferred tax, decreased, which means that Genova's net income after tax for the period was lower than the year-earlier period.

Consolidated balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	202.9	-	202.9
Investment properties	7,999.9	7,596.2	8,183.2
Properties under construction	860.9	1,119.5	860.5
Development properties	1,209.7	132.7	1,023.2
Other tangible assets	18.3	-	18.9
Right-of-use assets	7.4	30.5	32.6
Equipment	5.1	3.3	4.7
Deferred tax assets	83.3	77.7	81.1
Shares in joint ventures and associated companies	542.5	848.2	556.1
Derivatives	42.2	-	-
Other non-current receivables	292.4	278.4	301.1
Total non-current assets	11,264.5	10,086.5	11,264.2
Current assets			
Ongoing residential projects	112.3	-	197.0
Rent receivable and accounts receivable	73.3	19.2	33.3
Other receivables	166.6	183.6	186.5
Prepaid expenses and accrued income	77.5	41.7	38.4
Cash and cash equivalents	374.0	201.9	257.7
Total current assets	803.7	446.4	712.9
TOTAL ASSETS	12,068.1	10,532.9	11,977.1
EQUITY			
Total comprehensive income for the period			
Share capital	54.7	50.4	50.4
Other capital contributions	1,652.6	1,459.5	1,459.5
Retained earnings, including net income for the period	1,314.1	1,647.3	1,535.7
Hybrid bond	800.0	800.0	800.0
Non-controlling interests	783.9	123.5	749.8
Total equity	4,605.3	4,080.7	4,595.5
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	4,816.6	3,952.0	4,151.1
Bond loans	721.6	1,262.4	742.0
Lease liabilities	30.1	25.2	29.5
Other non-current liabilities	62.9	3.1	63.0
Deferred tax liabilities	578.0	570.0	619.5
Total non-current liabilities	6,209.2	5,812.7	5,605.2
Current liabilities			
Loans from credit institutions	373.6	361.8	901.2
Bond loans	416.7	5.9	533.2
Bank overdraft	36.6	-	0.0
Accounts payable	122.7	80.5	93.9
Lease liabilities	2.9	5.3	4.8
Current tax liabilities	14.2	5.2	11.2
Other liabilities	176.8	47.6	130.7
Accrued expenses and deferred income	110.2	133.2	101.4
Total current liabilities	1,253.7	639.5	1,776.4
TOTAL LIABILITIES AND EQUITY	12,068.1	10,532.9	11,977.1

Consolidated statement of changes in equity

SEKm	Attributable to Parent Company shareholders				Hybrid bond	Non-controlling interests	Total equity
	No. of shares outstanding, 000s	Share capital	Other capital contributions	Retained earnings incl. net income for the period			
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 year				223.5		32.5	255.9
Other comprehensive income				-		-	-
Total comprehensive income				223.5		32.5	255.9
Transactions with owners							
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
Opening balance, 1 January 2023	41,977	50.4	1,459.5	1,535.8	800.0	749.8	4,595.5
Comprehensive income							
Net income for the period				-182.5		34.2	-148.3
Other comprehensive income				-		-	-
Total comprehensive income				-182.5		34.2	-148.3
Transactions with owners							
Dividends, hybrid bond				-39.3			-39.3
New issue of ordinary shares	3,636	4.4	193.1				197.4
Closing balance, 30 June 2023	45,613	54.7	1,652.6	1,314.0	800.0	783.9	4,605.3

Comments on the balance sheet

Amounts in brackets refer to 31 December 2022.

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 82 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 5.4% as of the balance-sheet date. During the period, one property was divested and one property was reclassified to a development property.

Properties under construction

Properties under construction comprise projects in Norrtälje, Enköping, Upplands-Bro and a hotel in Palma (Majorca).

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 are recognised as Ongoing residential projects under current assets.

Property value

The investment property portfolio excluding Järngrinden's portfolio is externally appraised every quarter. The external appraisals as of 30 June were carried out by CBRE, Newsec and Forum. In the fair value hierarchy, investment properties are considered Level 3 assets, which means that the fair value of the asset is based on unobservable inputs.

Change in investment property portfolio			
SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
Opening value, investment properties	8,183.2	6,902.6	6,902.6
+ Acquisitions	-	345.0	1,055.3
+ Building improvements and renovations	34.4	26.5	56.8
- Divestments	-87.9	-228.5	-228.5
+/- Reclassifications	135.1	300.0	341.4
+/- Unrealised value changes	-264.9	250.6	55.7
Closing value, investment properties	7,999.9	7,596.2	8,183.2
Opening value, properties under construction	860.5	945.8	945.8
+ Acquisitions	-	-	0.0
+ New construction	222.1	353.4	622.6
- Divestments	-	-	0.0
+/- Reclassifications	-173.7	-300.0	-864.4
+/- Unrealised value changes	-48.0	120.3	156.7
Closing value, properties under construction	860.9	1,119.5	860.5
Opening value, development properties	1,023.2	114.1	114.1
+ Acquisitions	-	-	336.1
+/- Reclassifications	50.4	-	523.0
+/- Unrealised value changes	30.0	-	-10.9
+ Capitalisation	106.0	18.6	60.9
Closing value, development properties	1,209.6	132.7	1,023.2
Opening value, ongoing residential projects	197.0	-	-
+ Acquisitions	-	-	197.0
+ New construction	25.3	-	-
- Divestments	-110.0	-	-
Closing value, ongoing residential projects	112.3	0.0	197.0
Closing value, investment property portfolio	10,182.7	8,848.4	10,264.0
Investment properties	7,999.9	7,596.2	8,183.2
Ongoing construction	860.9	1,037.0	860.5
Planned projects	1,209.6	215.2	1,023.2
Ongoing residential projects	112.3	-	197.0
Closing value, investment property portfolio	10,182.7	8,848.4	10,264.0

Yield requirement per category

%	30 June 2023	30 June 2022
Commercial properties ¹	6.0	5.5
Community service properties	4.9	4.5
Total	5.4	4.9

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.

Key metrics investment properties

	30 June 2023	30 June 2022
Rental value, SEK/sqm	1,485	1,439
Economic occupancy rate, %	93	95
Property costs, SEK/sqm ¹	-346	-330
Net operating income, SEK/sqm ¹	1,036	1,039
NOI margin, % ¹	75	76
Investment property value, SEK/sqm	21,882	25,689
Lettable area, ksqm	365.6	295.7
No. of properties	82	63

1) Calculated based on estimated annual value.

Equity and net asset value

As of 30 June, consolidated equity amounted to SEK 4,605.3m (4,595.5) and the equity/assets ratio was 38.2% (38.4).

Long-term net asset value amounted to SEK 5,100.0m (5,134.0), down 1%. Long-term net asset value attributable to

shareholders was SEK 3,516.1m (3,584.1), down 2%. Long-term net asset value attributable to shareholders per share was SEK 77.09 per share (85.38).

Net asset value

	30 June 2023		30 June 2022		31 Dec 2022	
	SEKm	SEK/share	SEKm	SEK/share	SEKm	SEK/share
Equity as per the balance sheet	4,605.3	100.96	4,080.7	97.21	4,595.5	109.48
Reversal:						
Deferred tax liabilities as per the balance sheet	578.0	12.67	570.0	13.58	619.5	14.76
Less:						
Deferred tax assets as per the balance sheet	-83.3	-1.83	-77.7	-1.85	-81.1	-1.93
Hybrid bond	-800.0	-17.54	-800.0	-19.06	-800.0	-19.06
Non-controlling interests	-783.9	-17.19	-123.5	-2.94	-749.8	-17.86
Long-term net asset value attributable to shareholders	3,516.1	77.09	3,649.5	86.94	3,584.1	85.38

Interest-bearing liabilities

As of 30 June 2023, the Group's interest-bearing liabilities attributable to investment properties and project properties amounted to SEK 6,239m (6,334), representing a loan-to-value ratio of 58.8% (59.1) adjusted for cash and cash equivalents. As of 30 June 2023, the average interest rate was approximately 5.5% (4.5% including construction credit and bond loans) and the equity/assets ratio was 38.2% (38.4).

The average interest rate describes the Group's current interest rate in the credit portfolio on a daily basis as of 30 June and should not be viewed as the average interest rate for the January to June period. Nor is the average interest rate a forecast for the next 12 months since maturity dates and changes in STIBOR have not been taken into account.

Interest-bearing liabilities were attributable to loans raised

in connection with acquisitions, refinancing of the existing property portfolio, project financing and investments in joint ventures. 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 30 June 2023, the average maturity was 2.4 years (2.5). The credit term structure at the same date is shown in the table on page 26.

Long-term financing

Last year, Genova entered into a new financing agreement with Swedbank and SBAB for a total amount of SEK 3,600m, including a revolving credit facility of SEK 350m. 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, as aligned with Genova's sustainability targets. At the end of the year, Genova strengthened its financial stability with another 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.

During the period, Genova repurchased bonds in the amount of SEK 142.5m, of which SEK 115m for the bond loan of SEK 525m due in September 2023 and SEK 27.5m for the bond loan of SEK 750m due in September 2024. Following the repurchasing in 2023, Genova has maturities of SEK 780m in the credit term structure shown below. Of this amount, SEK 410m pertains to existing bond loans that the company will redeem using existing liquidity and thus reduce its indebtedness. Approximately SEK 370m 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 1,460m. The amount includes bank balances of SEK 374m, undrawn revolving credit facilities and a bank overdraft totalling SEK 574m, and SEK 512m of granted construction credit that has not yet been drawn.

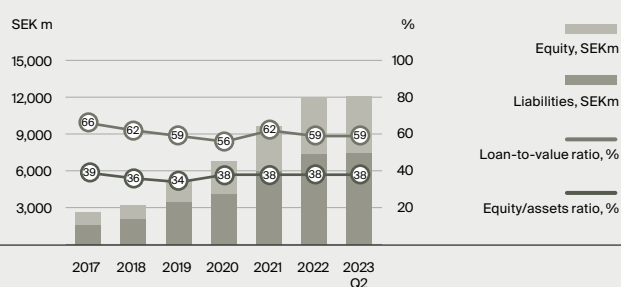
Fixed-rate period

In the past, Genova has focused on short-term fixed rates as part of its creation of the current investment property portfolio. The strategy going forward will strive to find a better balance in the interest rate strategy to create the highest possible level of predictability. Therefore, derivative opportunities offered in the market are regularly evaluated.

There were two interest-rate cap agreements and one interest-rate swap agreement as per 30 June 2023. The interest-rate cap agreement limits interest rates to 5.0% for SEK 230m and expires in July 2025. During the first quarter of 2023, Genova entered into an interest-rate swap totalling SEK 800m with an underlying STIBOR of 2.35% that expires in January 2028. These derivatives are included in the table on the credit portfolio presented below.

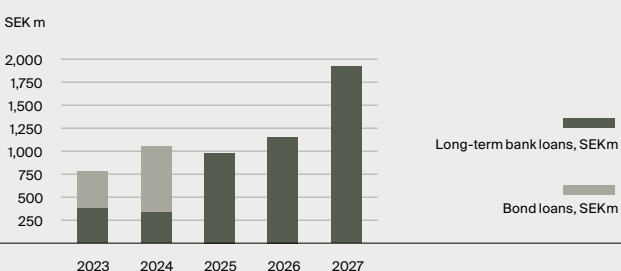
Capital structure

30 June 2023



Credit term structure

30 June 2023



Credit portfolio

30 June 2023

	Credit agree- ment	Drawn, SEKm	Undrawn, SEKm	Average rate ¹ , %
Term				
2023 ²	784	784	-	7.57
2024 ³	1,108	1,058	50	7.82
2025	1,280	980	300	5.59
2026	1,153	1,153	-	5.70
2027	2,091	1,921	171	4.97
2028	10	10	-	3.69
Total	6,425	5,904	521	6.07
Construction credit	940	428	512	6.38
Total	7,365	6,332	1,032	6.09
Loans, excluding bonds and construction credit	5,292	4,771	521	5.48

1) Average interest rates are calculated using prevailing levels on a daily basis as of 30 June and do not take into account an average over the whole period.

2) SEK 410.0m (net after repurchasing of SEK 115.0m) pertains to a bond interest rate of 5.25%.

3) SEK 722.5m (net after repurchasing of SEK 27.5m) pertains to a bond interest rate of 4.50%.

Consolidated cash flow statement

SEKm	30 June 2023	30 June 2022	31 Dec 2022
Cash flow from operating activities			
Income from property management	24.1	56.3	120.8
Adjustment for non-cash items*	9.2	-12.1	-41.0
Other income	-	0.6	2.6
Other costs	-2.2	-	-
Income tax paid	-4.3	-0.7	2.5
Cash flow from operating activities before changes in working capital	26.8	44.1	84.9
Changes in working capital			
Change in accounts receivable	-48.6	-3.3	-9.9
Change in other operating receivables	-21.9	-56.7	-58.1
Change in accounts payable	76.5	24.6	25.2
Change in other operating liabilities	33.3	11.5	37.1
Cash flow from operating activities	66.0	20.2	79.2
Cash flow from investing activities			
Investments in properties and projects	-373.1	-743.5	-1,095.7
Investments in equipment	-0.3	-0.1	0.6
Divestments of properties	231.3	228.5	228.5
Investments in subsidiaries ¹	-	-	149.5
Change in other financial assets	-2.1	-34.7	-48.3
Cash flow from investing activities	-144.3	-549.8	-765.5
Cash flow from financing activities			
New issue of ordinary shares	197.9	-	-
Issue of hybrid bond	-	98.5	98.5
Loans raised	479.8	546.7	922.0
Repayment of loans	-442.3	-204.6	-336.0
Dividends paid	-39.3	-25.2	-56.5
Cash flow from financing activities	194.5	415.4	628.0
Cash flow for the period	116.3	-114.2	-58.3
Opening cash and cash equivalents	257.7	316.1	316.0
Closing cash and cash equivalents	374.0	201.9	257.7
<i>*) Other non-cash items</i>			
Reversal of depreciation and amortisation	3.1	3.4	5.5
Share of profit/loss from joint ventures	10.9	-17.4	-39.3
Accrued interest	-4.9	1.9	-7.2
	9.2	-12.1	-41.0
Interest received	14.5	1.5	8
Interest paid	-125.3	-62.8	-155

1) The amount 2022 includes acquired cash and cash equivalents of SEK 162.5m.

Segment reporting

SEKm	Jan-Jun 2023				Jan-Jun 2022			
	Property management	Other	Not allocated	Total	Property management	Other	Not allocated	Total
Rental income	254.5			254.5	185.7			185.7
Total income	254.5			254.5	185.7			185.7
Property costs	-68.0			-68.0	-53.4			-53.4
Total property costs	-68.0			-68.0	-53.4			-53.4
Net operating income/Income from new construction	186.4			186.4	132.3			132.3
Central administration	-11.5		-18.7	-30.2	-11.4		-13.9	-25.3
Share of profit/loss from joint ventures	-18.6			-18.6	17.4			17.4
Net financial items	-113.5			-113.5	-68.1			-68.1
Income from new residential construction			43.0	43.0				-
Other income				-			0.6	0.6
Other costs			-2.2	-2.2				0.0
Value changes, properties	-302.9			-302.9	370.0			370.0
Value changes, derivatives	36.3			36.3				0.0
Currency effects, properties	19.5			19.5	3.8			3.8
Income/loss before tax	-204.3		22.1	-182.2	444.0		-13.3	430.7
Segment-specific assets								
Investment properties	7,999.9				7,596.2			
Properties under construction	860.9				1,119.5			
Development properties	1,209.7				132.7			
Shares in joint ventures	542.5				848.2			
Segment-specific investments								
Acquisitions and investments in properties	34.4				743.5			

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-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
Key metrics, properties					
Ongoing construction, no.	825	863	825	863	1,006
Residential units completed, no.	181	-	89	-	179
Total no. of building rights	8,934	7,110	8,933	7,110	9,322
Lettable area, commercial properties, ksqm	201.1	156.0	201.1	156.0	207.6
Lettable area, community service properties, ksqm	164.5	139.7	164.5	139.7	160.4
Total lettable area, ksqm	365.6	295.7	365.6	295.7	368.0
Economic occupancy rate, %	93.1	95.1	93.1	95.1	94.0
NOI margin, %	73.3	71.2	76.1	74.7	70.4
Net investments, SEKm	142.2	515.1	515.1	484.7	717.2
Financial key metrics					
Return on equity, %	-12.9	17.7	-9.1	17.8	6.2
Equity/assets ratio, %	38.2	38.7	38.2	38.7	38.4
Loan-to-value ratio, %	58.8	60.7	58.8	60.7	59.1
Average interest rate, %	5.5	2.7	5.5	2.7	4.5
Average interest rate including bond loans, %	6.1	3.5	6.1	3.5	5.1
Interest-coverage ratio, times	1.7	2.0	1.6	2.0	2.0
Maturity, no. of years	2.4	3.1	2.4	3.1	2.6
Key metrics, shares					
Total no. of shares outstanding, 000s	45,613	41,977	45,613	41,977	41,977
Average no. of shares outstanding, 000s	45,391	41,977	45,391	41,977	41,977
Income/loss from property management per share, SEK	-0.33	0.74	-0.58	0.28	1.53
Growth income from property management LTM, per share before dividend, %	-17.7	17.8	-17.7	17.8	16.5
Income/loss per share, SEK	-4.89	7.06	-3.04	3.87	3.98
Equity, SEKm	4,605.3	4,080.7	4,605.3	4,080.7	4,595.5
Equity attributable to shareholders, SEKm	3,021.4	3,157.2	3,021.4	3,157.2	3,045.7
Equity per share, SEK	66.24	75.21	66.24	75.21	72.56
Long-term net asset value, SEKm	5,100.0	4,573.0	5,100.0	4,573.0	5,134.0
Long-term net asset value attributable to shareholders, SEKm	3,516.1	3,649.5	3,516.1	3,649.5	3,584.1
Long-term net asset value per share, SEK	77.09	86.94	77.09	86.94	85.38

Parent Company income statement

SEKm	Jan-Jun 2023	Jan-Jun 2022	Apr-Jun 2023	Apr-Jun 2022	Jan-Dec 2022
Net sales	-	6.9	-	-	7.0
Total operating income	-	6.9	-	-	7.0
Other external costs	-2.9	-3.4	-1.5	-1.4	-5.6
Personnel costs	-4.6	-5.6	-2.3	-2.4	-11.5
Total operating expenses	-7.5	-9.0	-3.8	-3.7	-17.1
Operating loss	-7.5	-2.1	-3.8	-3.7	-10.1
Impairment of participations in Group companies	-	-5.5	-	-	-83.4
Interest income and similar profit items	48.8	-	30.7	18.1	136.9
Interest expense and similar loss items	-58.2	-36.8	-31.5	-26.7	-87.0
Loss from financial items	-9.4	-42.3	-0.8	-8.6	-33.5
Appropriations					
Group contributions received	-	-	-	-	10.7
Loss before tax	-16.9	-44.4	-4.6	-12.3	-32.9
Tax on net income for the year	-	-	-	-	-0.1
Net loss for the year	-16.9	-44.4	-4.6	-12.3	-33.0
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-16.9	-44.4	-4.6	-12.3	-33.0

Parent Company balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	818.2	221.8	818.2
Participations in associated companies	-	563.4	-
Deferred tax assets	22.4	22.5	22.4
Receivables from Group companies	1,970.2	1,802.1	1,886.3
Total financial assets	2,810.8	2,609.8	2,726.9
Current receivables			
Other receivables	5.7	3.0	5.2
Prepaid expenses and accrued income	1.8	1.2	1.3
	7.6	4.2	6.6
Cash and cash equivalents	89.0	108.8	65.1
Total current assets	96.6	113.0	71.7
TOTAL ASSETS	2,907.4	2,722.8	2,798.5
EQUITY AND LIABILITIES			
Total comprehensive income for the period			
Restricted equity			
Share capital	54.7	50.4	50.4
Total restricted equity	54.7	50.4	50.4
Unrestricted equity			
Share premium reserve	1,004.8	-	811.7
Retained earnings	-557.3	359.0	-485.1
Net loss for the period/year	-16.9	-44.4	-33.0
Total unrestricted equity	430.5	314.6	293.6
Hybrid bond	800.0	800.0	800.0
Total equity	1,285.3	1,165.0	1,144.0
Non-current liabilities			
Bond loans	721.6	1,262.4	742.0
Total non-current liabilities	721.6	1,262.4	742.0
Current liabilities			
Bond loans	408.5	5.9	533.2
Accounts payable	0.3	0.2	0.1
Liabilities to Group companies	489.0	265.5	355.9
Current tax liabilities	0.1	-	0.2
Other liabilities	0.8	22.4	22.4
Accrued expenses and deferred income	1.8	1.4	0.6
Total current liabilities	900.6	295.4	912.5
TOTAL LIABILITIES AND EQUITY	2,907.4	2,722.8	2,798.5

Parent Company statement of changes in equity

SEKm	Share capital	Share premium reserve	Retained earnings	Net income for the year	Hybrid bond	Total equity
Opening balance, 1 January 2022	50.4	811.7	-383.2	-42.8	700.0	1,136.2
Carried forward			-42.8	42.8		0.0
Net income for the year				-33.0		-33.0
Other comprehensive income						-
Total comprehensive income				-33.0		-33.0
Transactions with owners						
Issue of hybrid bond					100.0	100.0
Issue costs, hybrid bond			-1.5			-1.5
Dividends, hybrid bond			-57.7			-57.7
Closing balance, 31 December 2022	50.4	811.7	-485.1	-33.0	800.0	1,144.1
Opening balance, 1 January 2023	50.4	811.7	-485.1	-33.0	800.0	1,144.1
Carried forward			-33.0	33.0		-
Comprehensive income						
Net income for the year				-16.9		-16.9
Other comprehensive income				-		-
Total comprehensive income				-16.9		-16.9
Transactions with owners						
Dividends, hybrid bond			-39.3			-39.3
New issue of ordinary shares	4.4	193.1				197.4
Closing balance, 30 June 2023	54.7	1,004.8	-557.2	-16.9	800.0	1,285.2

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 2022 Annual Report on pages 70-75.

The risk that Genova 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 are used to finance 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 markets with population growth and expected long-term needs 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 flow¹

	Change	Effect on cash flow
Contracted annual rent	+/- 5%	+/- SEK 25m
Occupancy rate	+/- 2 percentage points	+/- SEK 11m
Property costs	+/- 10%	+/- SEK 13m
Interest expense	+/- 1 percentage point	+/- SEK 64m

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

Property value opportunities and risks

Genova's investment properties are appraised every quarter by independent appraisal organisations. 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 believes that the company can maintain favourable rent levels, low vacancy rates and low costs.

Sensitivity analysis, value changes¹

Value change	+/- 5%	+/- 10%
Effect on property value	+/- SEK 509m	+/- SEK 1,018m
Adjusted property value	SEK 10,692m/ SEK 9,674m	SEK 11,201m/ SEK 9,164m
Effect on loan-to-value ratio	-2.8/3.1%	-5.3%/6.5%
Adjusted loan-to-value ratio	55%/62%	53%/65%
Effect on equity/assets ratio	1.7%/-1.8%	3.2%/-3.8%
Adjusted equity/assets ratio	40%/36%	41%/34%

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

Funding and liquidity risk

Funding and liquidity risk refers to the risk of having insufficient liquidity, that financing cannot be obtained, or only obtained at unfavourable terms for the company. Genova's operations, especially property acquisitions, are largely

financed by loans from external creditors, and interest expense is the company's largest cost item. Some of Genova's operations comprise property development projects, which may be delayed or impacted by unforeseen or additional costs.

Shares and ownership structure

Genova has one class of shares – ordinary shares – which were listed on Nasdaq Stockholm in June 2020. At the end of the period, Genova had 2,029 shareholders. At 30 June 2023, the closing price of the share was SEK 45.70. As of 30 June 2023, the total number of shares in Genova was 45,613,329.

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

In January, Genova completed a directed issue of approximately 3.6 million new ordinary shares at a subscription

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

30 June 2023

Name	No. of shares	Holding (%)	Votes (%)
Micael Bile (via company)	17,814,999	39.06	39.06
Andreas Eneskjöld (via company)	7,500,000	16.44	16.44
Länsförsäkringar Fondförvaltning AB	3,569,607	7.83	7.83
Lancelot Asset Management	3,237,702	7.10	7.10
Swedbank Robur Fonder	2,702,929	5.93	5.93
Skandia	2,239,731	4.91	4.91
Michael Moschewitz (via company)	2,155,538	4.73	4.73
Capital Research and Management	2,126,731	4.66	4.66
Enter Fonder	1,148,410	2.52	2.52
BNP Paribas	419,030	0.92	0.92
Cancerfonden	300,000	0.66	0.66
Handelsbanken Fonder	250,000	0.55	0.55
Roosgruppen	230,000	0.50	0.50
Avanza Pension	186,346	0.41	0.41
SEB Investment Management	199,006	0.44	0.44
Futur Pension	193,195	0.42	0.42
Total other shareholders	1,340,105	2.94	2.94
Total	45,613,329	100.00	100.00

Other information

Organisation

During the period, the average number of employees in the organisation was 36 (34), of whom 20 (19) were women. The employees have relevant and broad experience in property management, project management, construction, finance, law, marketing and sales.

Related-party transactions

Related-party transactions are presented in Note 39 of Genova's 2022 Annual Report. The year-on-year volume and nature of the transactions remained essentially unchanged during the period. Customary remuneration has been paid to the Board of Directors and senior executives.

Annual General Meeting

The Annual General Meeting of Genova Property Group AB (publ) was held in Stockholm, Sweden on 3 May 2023.

Incentive programme

The Annual General Meeting on 3 May 2023 resolved to issue a maximum of 400,000 warrants. Each warrant entitles the holder to subscribe for one new ordinary share in the company for SEK 85.90 per ordinary share during the period as of 1 July 2026 until the date that follows 30 calendar days thereafter. The company's subsidiary, Genova Fastigheter AB, has subscribed for 400,000 warrants, and Genova Fastigheter AB has, in turn, transferred 396,000 of the warrants to employees and consultants of the company. The price (option premium) has been determined using the Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt & Transaktion. If all 400,000 warrants are exercised for subscription of 400,000 new ordinary shares, the dilution effect will be approximately 1% (calculated on the basis of the number of ordinary shares on the date of the 2023 Annual General Meeting).

Genova has an additional incentive programme from 2021 under which each warrant entitles the holder to subscribe for one new ordinary share in the company for SEK 125.10 per ordinary share during the period as of 20 June 2024 until the date that follows 30 calendar days thereafter. If all 400,000 warrants are exercised for subscription of 400,000 new ordinary shares, the dilution effect will be approximately 1% (calculated on the basis of the number of ordinary shares on the date of the 2021 Annual General Meeting).

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 2022 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 2022 Annual Report.

Auditors' review

This interim report has not been audited.

Assurance of the Board of Directors and CEO

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

Stockholm, 16 August 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

Interim report, January–September 2023 **27 October 2023**

Year-end report, January–December 2023 **21 February 2024**

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This information is inside information that Genova Property Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 16 August 2023 at 8:30 a.m. CEST.

Definitions

Genova or the company

Genova Property Group AB (publ).

Return on equity

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

Loan-to-value ratio, %

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

Net operating income

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

Equity attributable to 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

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