

GENOVA

Press release

Stockholm 29 October 2021

Genova Property Group Interim report January–September 2021

January–September 2021 period

- Rental income amounted to SEK 225.2m (168.3), an increase of 34%.
- Net operating income amounted to SEK 170.6m (130.2), an increase of 31%.
- Income from property management¹ increased 32% to SEK 65.9m (50.0), of which income from property management attributable to ordinary shareholders was SEK 17.9m (18.5), corresponding to SEK 0.45 (0.55) per ordinary share.
- Net income after tax amounted to SEK 348.4m (309.8), corresponding to SEK 7.59 (8.26) per ordinary share.
- Long-term net asset value attributable to ordinary shareholders increased 28% to SEK 2,935.3m (2,299.8), corresponding to SEK 69.94 (58.11) per ordinary share.

July–September 2021 quarter

- Rental income amounted to SEK 83.4m (57.7), an increase of 45%.
- Net operating income amounted to SEK 66.4m (45.3), an increase of 47%.
- Income from property management¹ increased 6% to SEK 31.1m (29.4), of which income from property management attributable to ordinary shareholders was SEK 19.1m (18.9), corresponding to SEK 0.48 (0.48) per ordinary share.
- Net income after tax amounted to SEK 84.6m (78.8), corresponding to SEK 1.83 (1.73) per ordinary share.

1) Since Q4 2020, currency effects are no longer included in income from property management and are presented on a separate line in the income statement where the comparative figures have been restated.

Significant events during and after the end of the quarter

- In July, a new two-year commercial rental agreement was signed for 2,000 sqm in the Boländerna 9:11 property in Uppsala. The annual rental value is approximately SEK 2.1m.
- In August, Genova issued subsequent senior unsecured green bonds in the amount of SEK 250m due 9 September 2024 and amended and restated the terms and conditions for its existing senior unsecured bond due 2024.
- In August, Genova became a partner to Läxhjälpen whereby Genova will offer financial assistance to the foundation over a period of three years.
- In September, Genova published a prospectus and applied for admission to trading on Nasdaq Stockholm of its green bonds issued in August 2021.
- In September, an agreement was signed to acquire 50% of shares in the property and project development company Järngrinden AB for SEK 562.5m, of which SEK 275m will be paid as a capital contribution in the form of a share issue in Järngrinden and SEK 287.5m in the form of the direct acquisition of existing shares from Järngrinden's principal owner, including two call options to acquire an additional 50% of shares within five and seven years, respectively.
- In September, Genova completed a directed issue of 2.4 million new ordinary shares at a subscription price of SEK 120 per share, directed to institutional investors. As a result of the directed issue, Genova raised SEK 288m less costs. Investors in the directed issue comprised a number of Swedish and international institutional investors.
- In October, Genova issued subsequent senior unsecured green bonds in the amount of SEK 100m due 9 September 2024 under the existing framework of SEK 750m which has now been fully utilised.
- In October, Genova announced that almost 7,000 sqm had been let in the Söderhällby 1:9 property in Uppsala with an annual rental value of approximately SEK 8.3m. The property was acquired in May 2021 as a project property totalling approximately 14,000 sqm of lettable area

for warehouse and logistics. Since the acquisition, Genova has successfully completed a number of strategic lettings.

- In October, Genova announced that the company is taking a comprehensive approach to the planned development of a new district in Skarpnäck. Genova already owns two properties in Skarpnäck and has now signed a strategically important land-use agreement with the City of Stockholm to expand the building right. Genova is planning to build almost 500 residential units in the area and the future expected building right, after the land allocation, amounts to a gross lighted floor area of approximately 42,000 sqm.
- At the end of October, the acquired shares in Järngrinden were accessed.

CEO'S STATEMENT

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

Strategic corporate acquisition offers platform in western Sweden

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

The acquisition of 50% of Järngrinden offers us an excellent platform for growth also in western Sweden in cities such as Gothenburg, Borås, Kungälv, Varberg, Halmstad, Helsingborg, etc. Järngrinden has an experienced organisation, a property portfolio that generates cash flow of about SEK 500m, and a project portfolio that includes almost 100,000 sqm of residential floor space. Taken together, I am very pleased with this transaction, which will contribute towards our operational and financial targets. Both Genova's founders and myself have known Järngrinden's CEO, Patrik Ivarson, and the company for many years and we share values and ambitions for the future. The acquisition, which includes an option to acquire the remaining 50%, was financed partly with a directed issue where we expanded the investor base with reputable institutional investors.

High level of activity in new construction

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

The environmental certification of the buildings in our new construction projects, such as the district planned in Skarpnäck, is a key element of our sustainability work. In addition, we are now focusing intensely on work to reduce the climate impact from the existing portfolio of investment properties. This entails identifying and implementing initiatives that can make the most effective contribution to reduced energy consumption and thereby lower CO2 emissions which, in parallel, makes a positive contribution to profitability and green financing opportunities.

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

Increase in NAV and income from property management

I am satisfied with the performance during the quarter. In the first nine months of the year, Genova posted a significant increase in net asset value and income from property management, our most important measurements of growth. Over the past 12 months, income from property management has risen to SEK 77m, up 34% per ordinary share. Growth in net asset value per ordinary share was 20%.

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

Michael Moschewitz, CEO

For further information, please contact:

CEO, Michael Moschewitz, mobile +46 (0)70-713 69 39, michael.moschewitz@genova.se

About Genova

Genova Property Group AB (publ) is a modern property company with a personal touch that owns, manages and develops properties with focus on Greater Stockholm area and Uppsala Region. On 30 September 2021, the value of the company's property portfolio amounted to approximately SEK 7.6 billion with a lettable area of approximately 252,000 sqm and the company held 6,867 building rights for residential units. Genova's ordinary shares have been listed on Nasdaq Stockholm since June 2020.

This information is such information that Genova Property Group AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 29 October 2021 at 8.00 a.m. CEST.

Genova – Smålandsgatan 12 – SE-111 46 Stockholm – www.genova.se