

# year-end report

January to December 2022

	2022 Jan-Dec	2021 Jan-Dec	2022 Oct-Dec	2021 Oct-Dec
Property fair value, EUR million	6,173	6,020	6,173	6,020
Number of apartments	19,545	17,770	19,545	17,770
Residential rentable area, thousand sqm	1,190	1,068	1,190	1,068
Real vacancy rate, residential, percent	2.0	2.6	2.0	2.6
Vacancy rate, residential, percent	8.1	12.5	8.1	12.5
Rent potential, percent	22	25	22	25
Loan-to-value, percent	16	-	16	-
Cash sources to cash uses, percent	1,915	5,361	1,915	5,361
Interest coverage ratio 12 months	8.8	63.2	8.8	63.2
Interest coverage ratio, excluding realized value growth 12 months	9.6	2.8	9.6	2.8
Credit rating, Standard & Poor's	BBB	BBB	BBB	BBB
Credit rating, Fitch Ratings	BBB	BBB	BBB	BBB
Net asset value, EUR million	4,433	7,087	4,433	7,087
Rental income, EUR million	303	212	83	58
Like-for-like growth in rental income, percent	11.9	1.5	13.4	7.5
Net operating income, EUR million	148	99	41	27
Net operating income margin, percent	48.9	46.8	49.7	46.9
Like-for-like growth in net operating income, percent	18.9	-2.1	19.5	12.4
EBITDA, EUR million	127	82	36	20
Profit or loss, EUR million	-597	-226	-443	-120

Definitions on pages 38-40.



590 Avenue Outremont, Montreal  
Acquired in August 31, 2017

## higher rents, higher capitalization rates

Inflation increased during 2022,  
Central banks increased their policy rates.

Akelius is positively affected by the strong  
markets for rental apartments.

Akelius is negatively affected by higher  
costs and increased capitalization rates on  
properties.

Income growth is usually lasting and key to  
long-term success.

Capitalization rates' changes due to the  
interest rate tend to be reversed throughout  
the business cycle.

## like-for-like rental income growth 11.9 percent

Akelius is finalizing construction projects and  
continues to reduce investment vacancy.  
Strong underlying markets in the areas  
where Akelius operates,  
supported the strong like-for-like rental  
growth.

Both yielded to a reduction of the like-for-  
like vacancy by thirty percent during 2022,  
from 12.2 to 8.6 percent.

Acquisitions and sales have both contributed  
to the total vacancy reduction from  
12.5 percent to 8.1 percent during the year.

## like-for-like net operating income growth 18.9 percent

Akelius' focus on increasing cash flow has  
paid and still pays off.

Akelius estimates that the strong growth in  
net operating income will continue in 2023.

Akelius' rents on aggregated level are below  
market level.

The market fundamentals for growth are  
strong and Akelius is reducing construction  
related vacancy.



Ralf Spann,  
CEO and Managing Director

## negative property value growth 9.8 percent

The negative value growth was EUR 592 million, or 9.8 percent. Increasing interest rate levels affect valuations negatively, while growing rent levels affect valuations positively. The value growth might become negative in the short-term. Higher rental growth will lead to higher property values over time.

## acquisitions EUR 457 million

During 2022, Akelius entered the market in Quebec City and Ottawa by acquiring 216 and 120 apartments respectively. Other acquisitions were made in Toronto, Montreal, Washington D.C., and Boston. In total, Akelius increased its property portfolio with 1,775 apartments to 19,545 apartments during 2022. The average capitalization rate for acquired properties was 4.16 percent. Akelius has acquired properties in growing locations, with no need for major maintenance, no vacancy, and higher cash flow.

## new development potential of 2,500 apartments

Akelius has the opportunity to grow the portfolio by twelve percent, realizing development potential in its existing portfolio. Currently the market for new construction may be challenging, but in the long-term it provides Akelius the opportunity to add extra value. Eighty percent of the potential is in Toronto and Montreal. Toronto and Montreal population is expected to grow by 25 and 10 percent respectively, in the coming ten years.

## long-term financing keeps Akelius safe

Increased inflation, higher interest rates, and higher market uncertainty have considerably increased the cost for new long-term financing. As a result, Akelius' economic value of existing long-term funding has increased.

Due to accounting principles, such unrealized value change is not reported in the profit or loss statement.

The same market effects have a negative impact on the value of Akelius' bond investments.

This negative effect is neutralized by the positive value change of the debt portfolio.

Akelius benefits from having long-term debt with fixed interest rate for on average 5.1 years.

Akelius has no need to raise more debt, and expects lower interest cost in the short to medium term due to a decreasing debt level.

## continued focusing on sustainability

Thanks to the successfully executed measures in sustainability during the past years, Akelius improved its external sustainability rating twice during 2022. Akelius' sustainability risk is now considered low.

Akelius continues to further improve its external sustainability ratings with completed improvement measures.

In 2022, Akelius kicked off a new sustainability assessment and auditing criteria for its suppliers.

During the last twelve months, gender pay rate for managers improved from 138 to 120, indicating equal opportunities within the company.

Besides energy efficiency projects like solar panels, Akelius contributes to biodiversity. Akelius' properties have green roofs with a combined area of 1,504 square meters and is planning additional four green roofs for the coming year.

## largest owner in Castellum AB

During 2022, 12.8 percent in Castellum AB was bought, for EUR 441 million.

Castellum AB is a leading commercial property company, primarily in Sweden.

Akelius supports Castellum's ambition to strengthen its credit metrics and the markets view of the governance.

This work will be beneficial for Akelius and other shareholders in Castellum AB.

# property portfolio December 31, 2022

fair value properties EUR 6,173 million

US

Canada

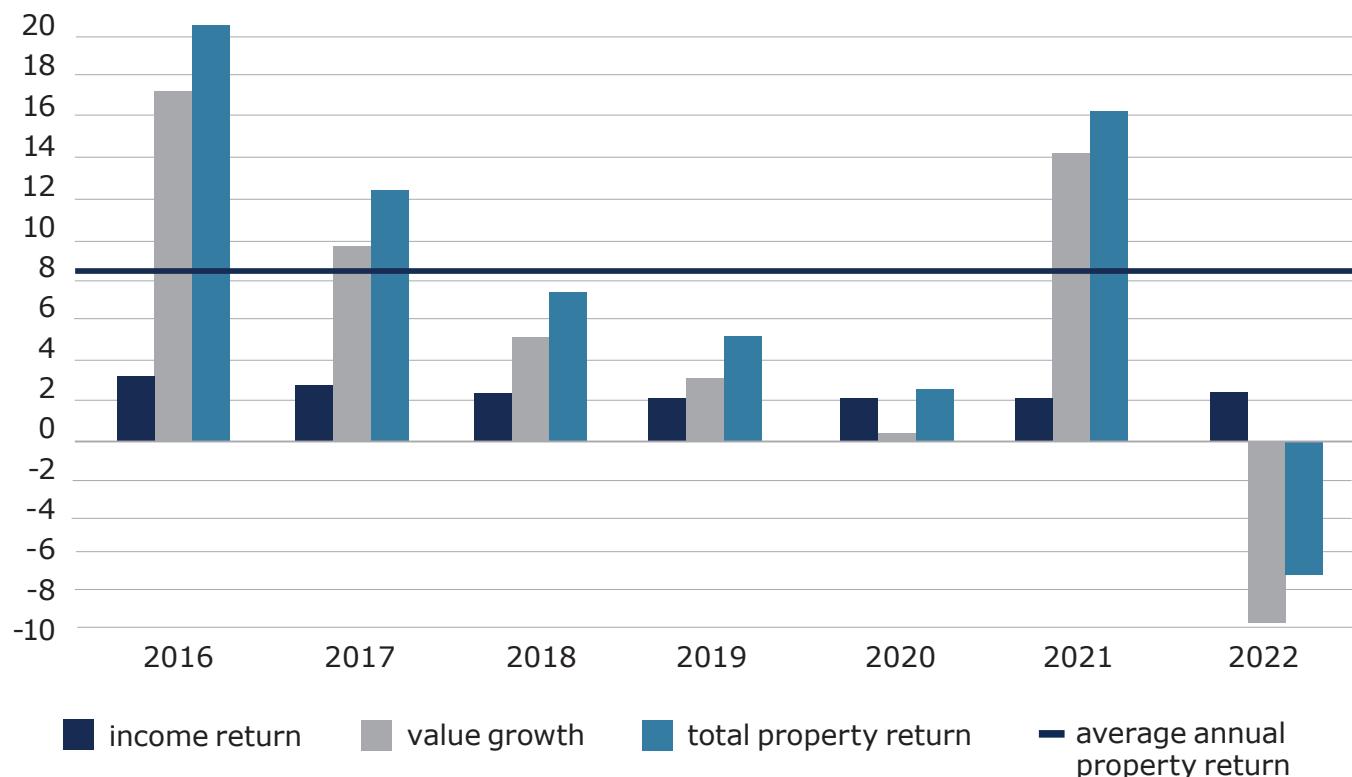
Europe



City	Number of apartments	Rentable area, thousand sqm	Fair value			Vacancy rate, residential, percent	Capitalization rate, percent
			EUR million	EUR/sqm	Proportion, percent		
London	2,223	104	939	9,046	15	5.2	4.17
Paris	1,565	52	467	8,909	8	24.8	3.77
<b>Europe</b>	<b>3,788</b>	<b>156</b>	<b>1,406</b>	<b>9,000</b>	<b>23</b>	<b>13.3</b>	<b>4.03</b>
Washington D.C.	3,064	246	968	3,922	16	11.7	4.53
New York	1,745	123	696	5,684	11	2.9	4.34
Boston	1,253	81	667	8,195	11	12.2	4.18
Austin	861	66	203	3,083	3	4.3	4.00
<b>US</b>	<b>6,923</b>	<b>516</b>	<b>2,534</b>	<b>4,906</b>	<b>41</b>	<b>8.7</b>	<b>4.35</b>
Toronto	4,283	243	1,163	4,791	19	2.3	3.88
Montreal	4,215	292	1,028	3,521	17	8.9	4.36
Ottawa	120	12	21	1,804	0	0.0	4.15
Quebec City	216	15	21	1,364	0	0.0	4.75
<b>Canada</b>	<b>8,834</b>	<b>562</b>	<b>2,233</b>	<b>3,977</b>	<b>36</b>	<b>5.4</b>	<b>4.13</b>
<b>Total/Average</b>	<b>19,545</b>	<b>1,234</b>	<b>6,173</b>	<b>5,001</b>	<b>100</b>	<b>8.1</b>	<b>4.20</b>

# property return -7.4 percent

percent



	EUR million	Growth/return, percent
<b>Fair value, Jan 1, 2022</b>	<b>6,020</b>	
Revaluations	-592	-9.8
Investments	205	3.4
Purchases	457	7.6
Sales	-11	-0.2
Exchange differences	94	1.6
<b>Fair value, Dec 31, 2022</b>	<b>6,173</b>	<b>2.5</b>
Net operating income	148	2.4
Transaction cost	-	0.0
<b>Total property return</b>	<b>-444</b>	<b>Per annum: -7.4</b>

capitalization rate 4.20 percent

change in value EUR -592 million

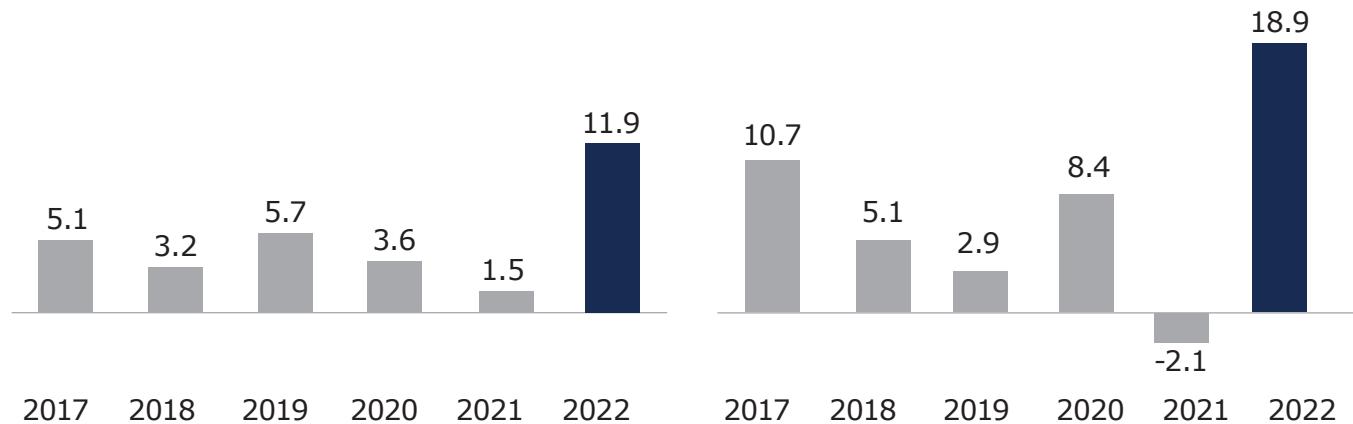
Percent	Capitalization rate	Discount rate
Jan 1, 2022	3.99	5.99
Purchases	0.00	0.00
Sales	0.00	0.00
Like-for-like	0.21	0.21
Exchange differences	0.00	0.00
<b>Dec 31, 2022</b>	<b>4.20</b>	<b>6.20</b>

	EUR million	Return, percent
Cash flow	-200	-3.32
Required rate of return	-357	-5.92
Sales	-15	-0.25
Purchases	-20	-0.34
<b>Total change in value</b>	<b>-592</b>	<b>-9.83</b>

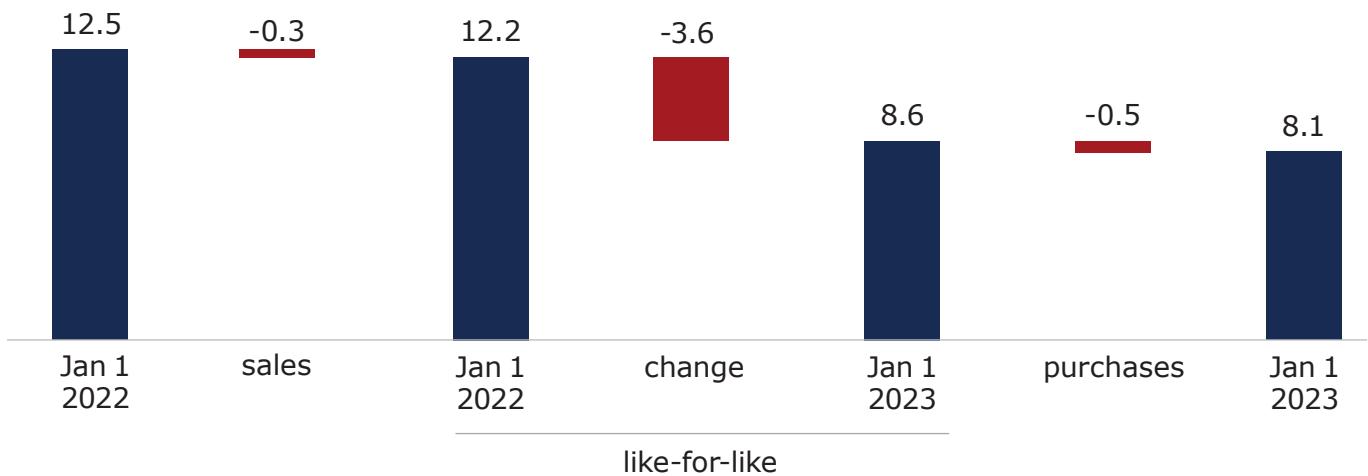
## like-for-like growth

rental income 11.9 percent

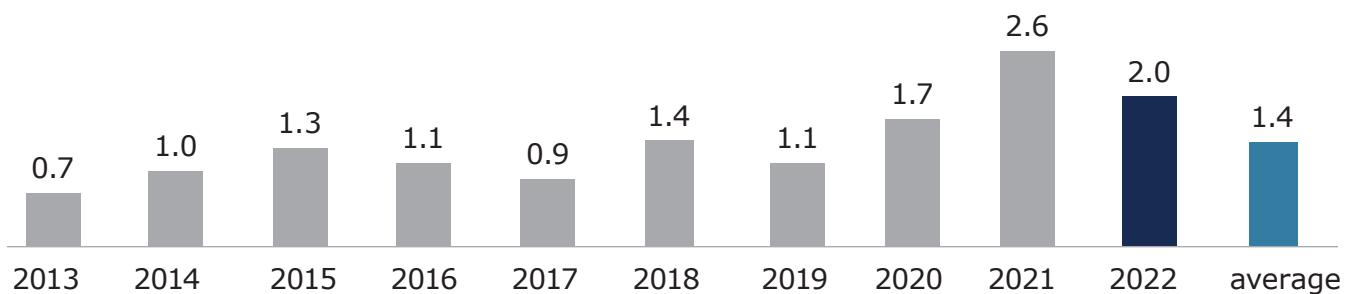
net operating income 18.9 percent



vacancy rate, residential, 8.1 percent



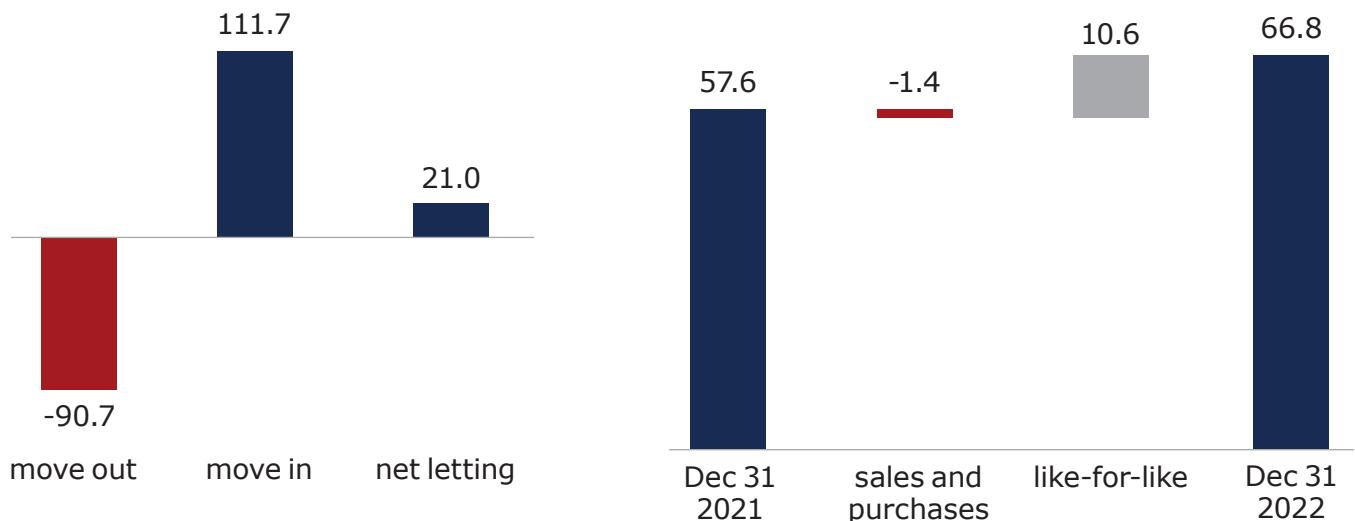
real vacancy rate, residential, 2.0 percent



## net letting and upgraded apartments

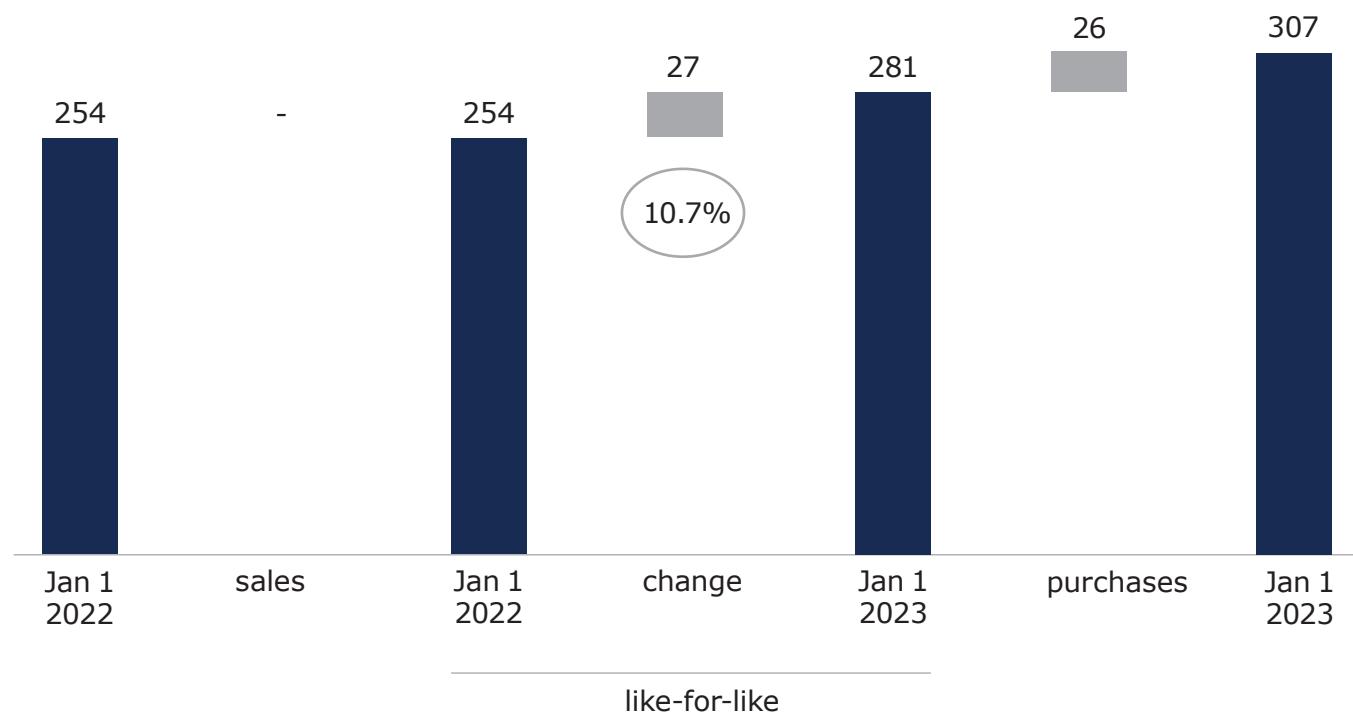
net letting EUR 21.0 million  
January to December 2022

upgraded apartments  
66.8 percent



## development residential in-place rent

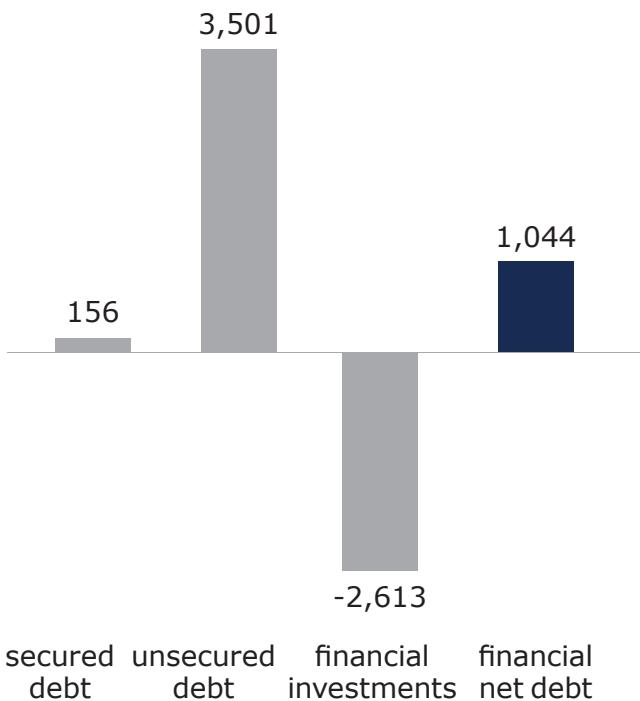
EUR million



# financing

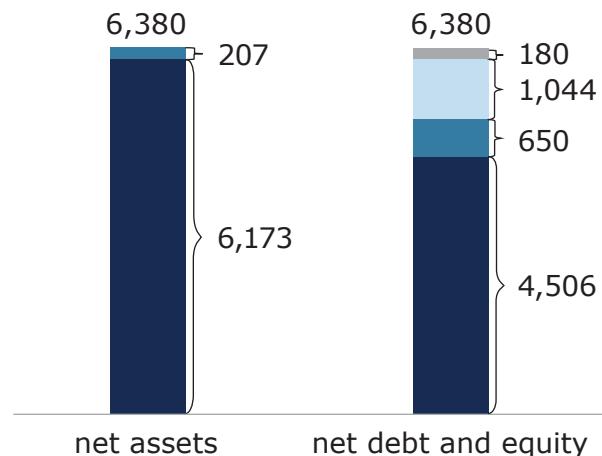
## financial net debt

EUR million



## net balances

EUR million

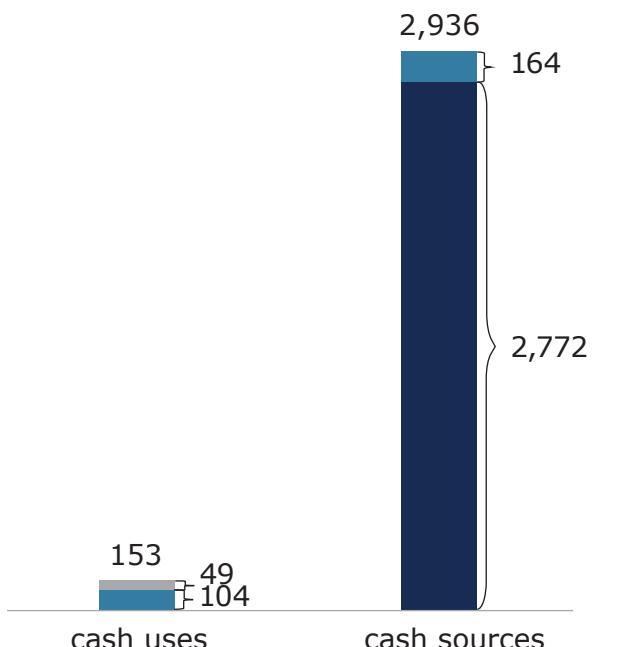


non-financial assets  
properties

non-interest bearing debt  
financial net debt  
hybrid bonds  
equity

## cash uses and sources

EUR million, 12 months forward

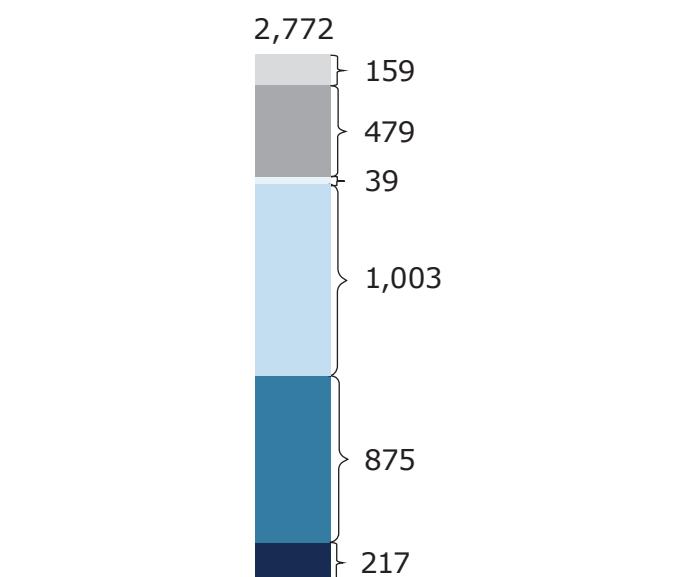


investments  
short-term loans

profit before tax and revaluation  
liquidity

## liquidity

EUR million



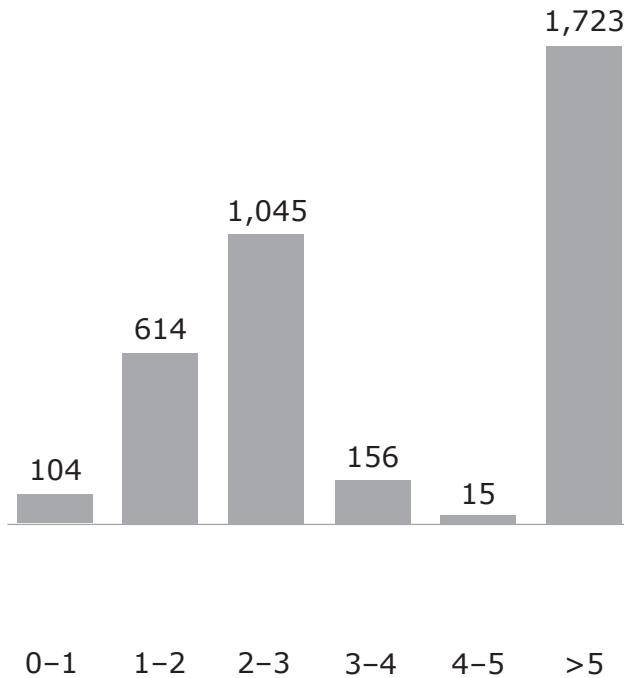
cash and cash equivalents  
covered bonds

senior bonds

hybrid- and subordinated bonds  
shares  
unutilized credit facilities

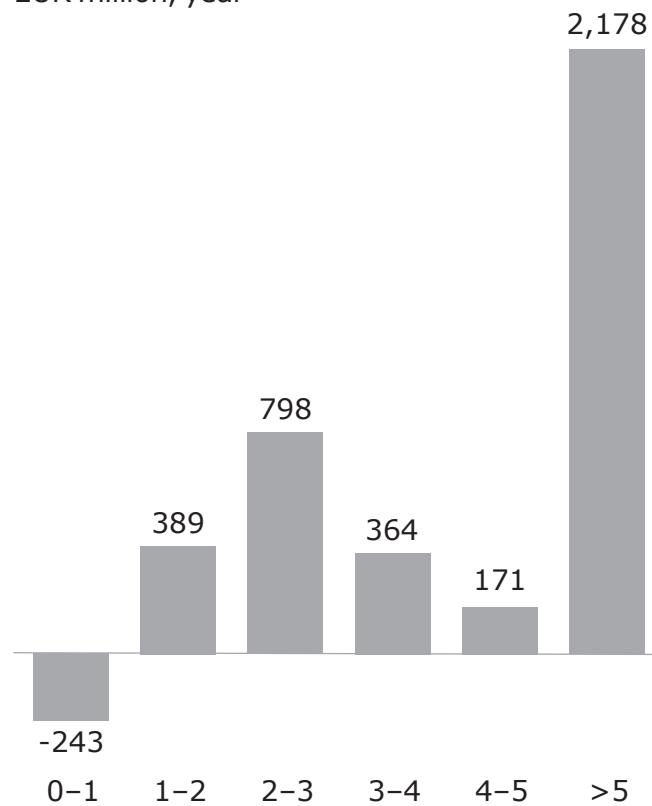
## financing debt maturities

EUR million, year

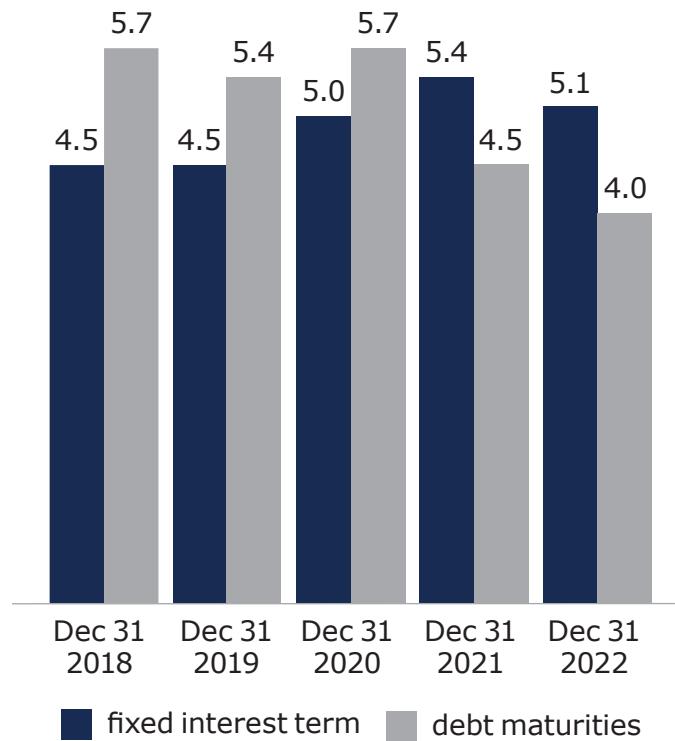


## interest rate hedges

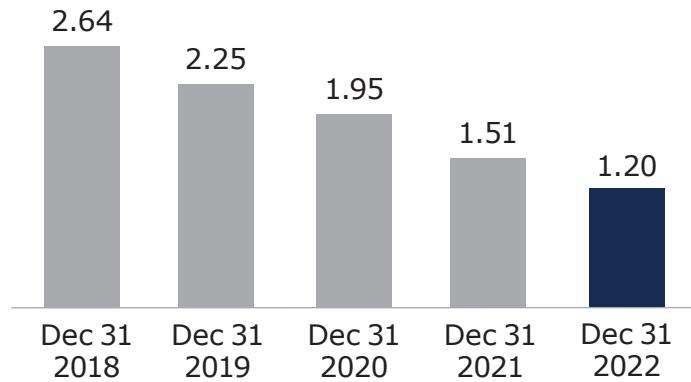
EUR million, year



## fixed interest terms 5.1 years debt maturities 4.0 years



## interest rate 1.20 percent

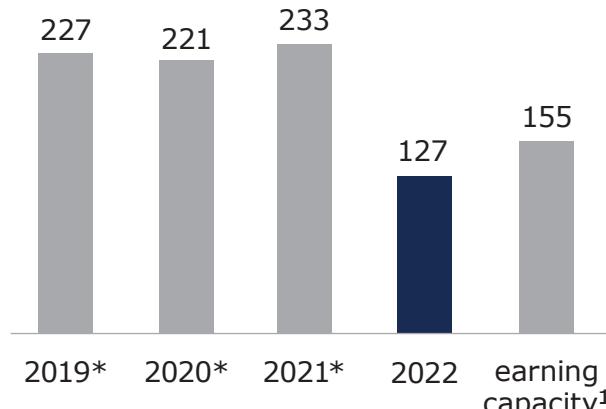


■ fixed interest term ■ debt maturities

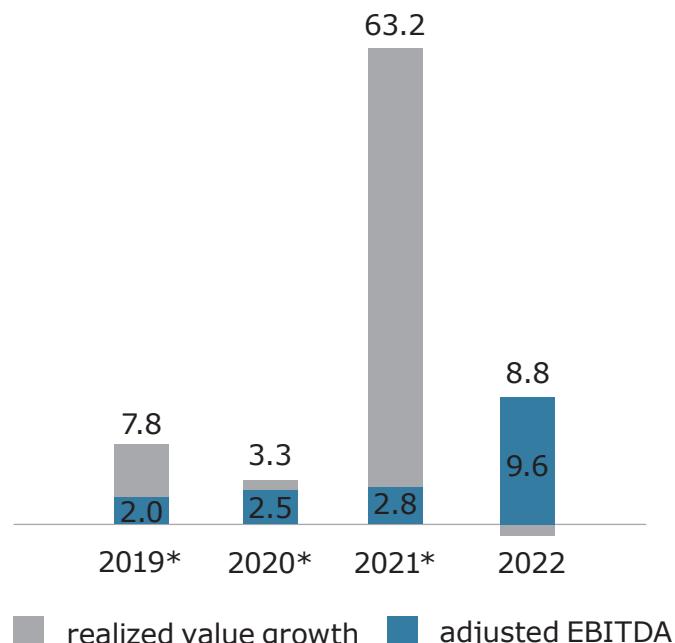
# financing

EBITDA EUR 127 million

interest coverage ratio 8.8



\*) includes discontinued and continuing operations



## current interest and debt coverage capacity

	2022 Jan-Dec	Earning capacity as at Dec 31, 2022 <sup>1</sup>
EUR million		
Rental income	303	339 <sup>2</sup>
Operating expenses	-133	-143
Maintenance	-22	-23
<b>Net operating income</b>	<b>148</b>	<b>173</b>
Central administrative expenses	-21	-18
<b>EBITDA</b>	<b>127</b>	<b>155</b>
Other financial income and expenses	-2	-2
<b>Adjusted EBITDA</b>	<b>125</b>	<b>153</b>
Net interest expenses	-13	11
<b>Interest coverage ratio excluding realized value growth</b>	<b>9.6</b>	<b>-<sup>3</sup></b>
Realized value growth	-11	
<b>Interest coverage ratio</b>	<b>8.8</b>	
Net debt as at Dec 31, 2022	1,044	1,044
Net debt / EBITDA	8.2	6.7
Net debt / EBITDA including realized value growth	9.0	

1) The earning capacity is based on the property portfolio as at Dec 31, 2022.

2) Includes EUR 330 million in residential rental value as at Jan 1, 2023, EUR 11 million in rental income for commercial properties and parking, EUR -8 million in real vacancy for apartments and EUR 6 million in other income.

Residential rental value of EUR 330 million minus vacancy and plus debiting of operating expenses is equivalent to EUR 307 million in residential in-place rent.

3) Interest coverage ratio on earnings capacity is not possible to calculate due to positive net interest expenses.

# financing

## carrying value and fair value of interest-bearing liabilities

EUR million	Dec 31	Dec 31	Dec 31	Dec 31
	2022 Carrying value	2022 Fair value	2021 Carrying value	2021 Fair value
Loans	3,657	3,140	4,219	4,261
Hybrid bonds	650	558	971	983
<b>Total</b>	<b>4,307</b>	<b>3,698</b>	<b>5,190</b>	<b>5,244</b>

## financial instruments recorded at fair value

EUR million	Dec 31	Dec 31
	2022	2021
Assets	2,493	5,083
Liabilities	34	47

Carrying value and fair value of outstanding derivatives and interest-bearing liabilities are excluding leasing.

Loans and outstanding hybrid bonds which are not measured at fair value through profit or loss are recognized at amortized cost using the effective interest rate method.

Derivatives and financial investments are measured continuously at fair value through profit or loss.

The fair values of derivatives and bonds, excluding Akelius' issued hybrid bonds, and other interest-bearing liabilities are based on level 2 data in the fair value hierarchy. Akelius' hybrid bonds are based on level 1 data.

In the fourth quarter, Akelius bought 12.8 percent of the outstanding shares in Castellum AB.

The investment is measured at fair value through profit and loss and reported according to level 1.

Transfers have taken place between the various hierarchical levels.

At end of 2021, the bonds were reported according to level 1.

Reclassification has been made to align with market practice.

The majority of the assets are frequently traded, hence no significant change in market value due to change in valuation method.

## changes in fair value of debt, hybrid bonds, financial assets, and derivatives

EUR million	2022 Jan–Dec
Change in fair value of debt	559
Change in fair value of hybrid bonds	104
<b>Total change in fair value not reported in the income statement</b>	<b>663</b>
Unrealized change in fair value of derivatives	97
Realized change in fair value currency derivatives <sup>1</sup>	89
Realized change in fair value of hybrid bonds <sup>1</sup>	6
Change in fair value of financial assets <sup>2</sup>	-332
<b>Total change in fair value reported in the income statement</b>	<b>-140</b>
<b>Total change in fair value</b>	<b>523</b>

1) Reported in other financial income and expenses in the income statement.

The table does not include EUR 21 million currency effects on external bonds and EUR 8 million currency effects related to external shares reported in other financial income and expenses.

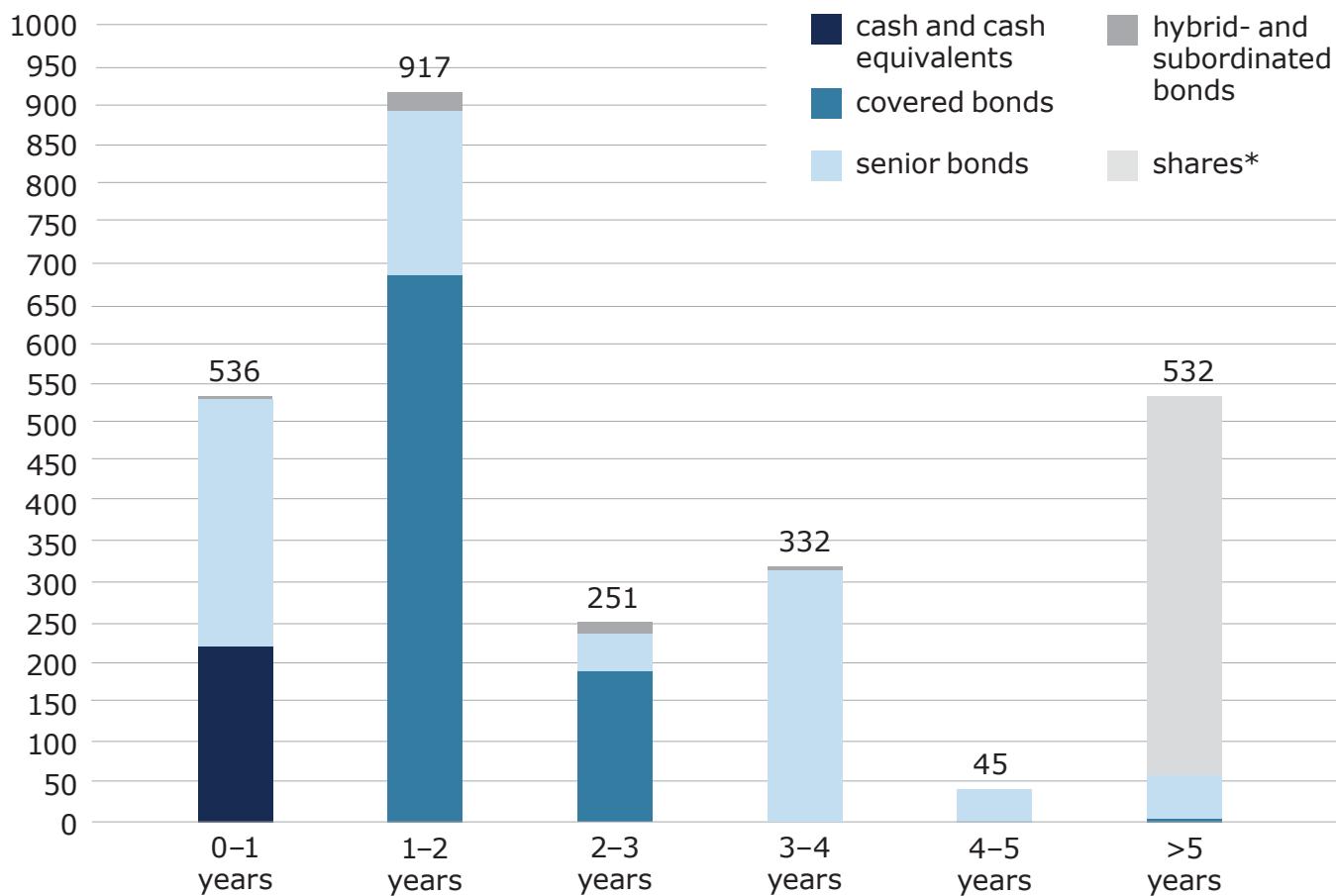
2) EUR 46 million relates to change in fair value in Castellum investment.

# financing

## financial investments

average maturity 2.0 years and average interest rate 2.44 percent

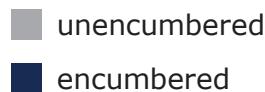
EUR million



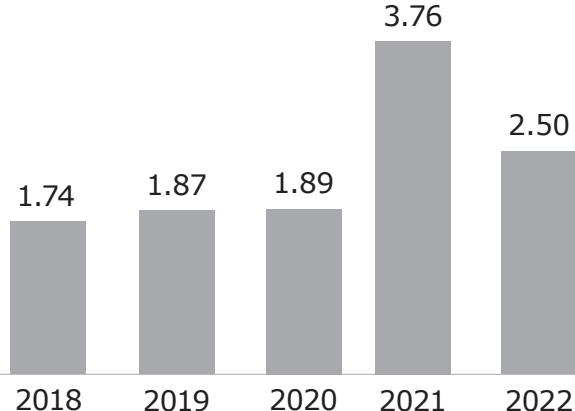
\*) shares are not included in calculations on average maturity or average interest rate

## encumbrance properties

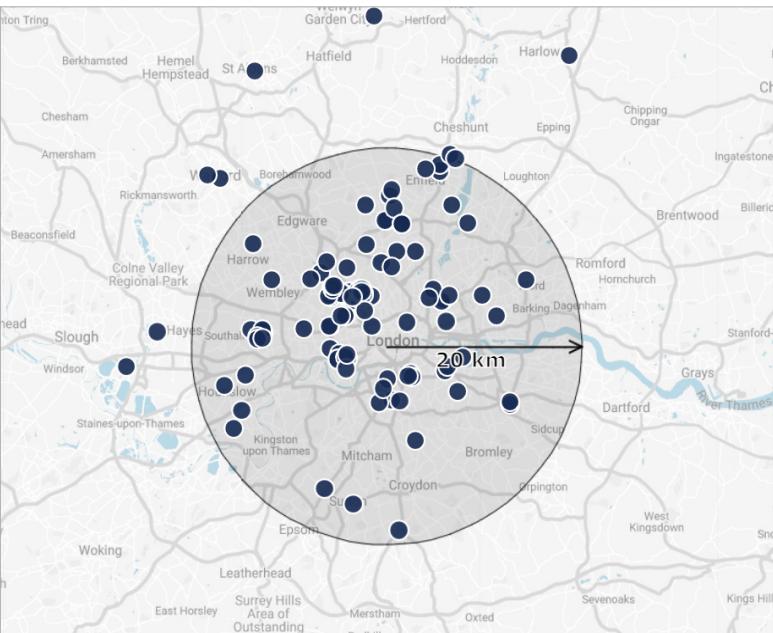
EUR million



## unencumbered asset ratio

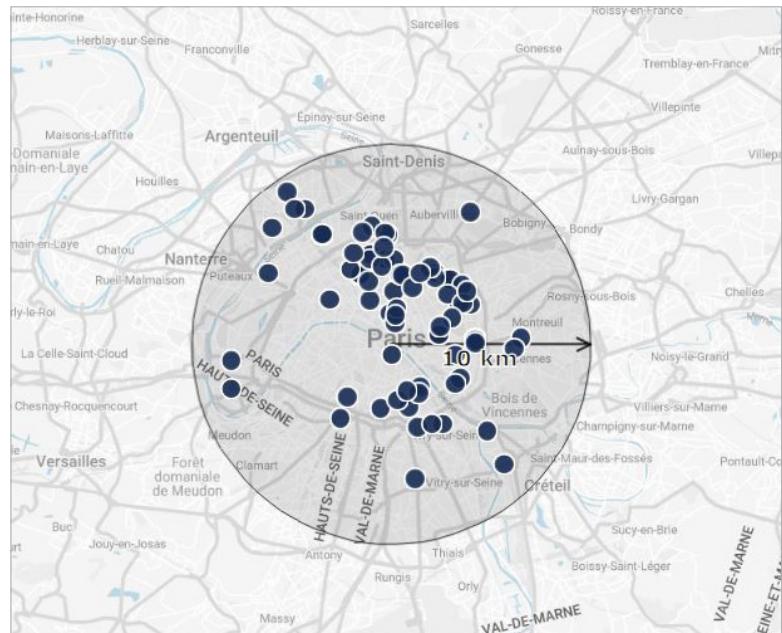


# London



- like-for-like properties

# Paris



## London

## Paris

### Property portfolio

Fair value, EUR million	939	467
Capitalization rate, percent	4.17	3.77
Proportion upgraded apartments, percent	75	59
Residential rentable area, thousand sqm	88	47
Commercial rentable area, thousand sqm	16	5
Average apartment size, sqm	39	30
Walk score	86	97

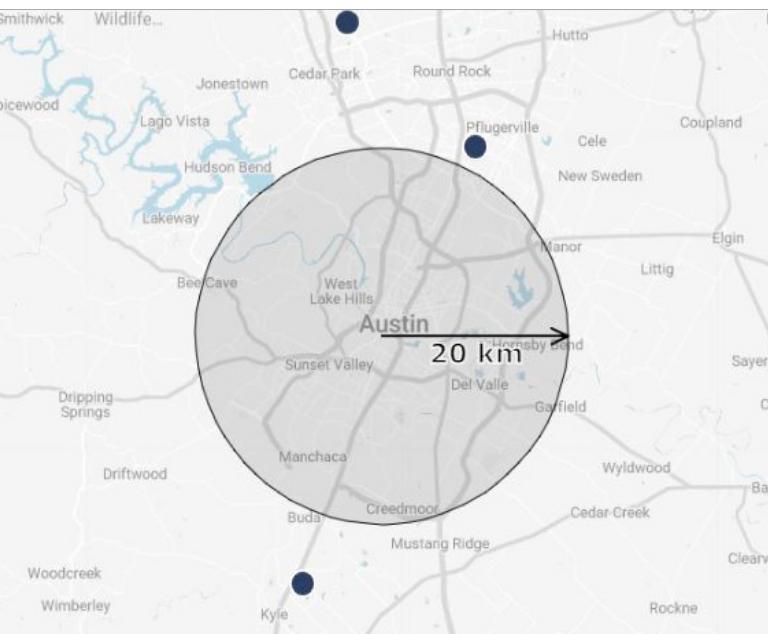
### Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2022	35.08	27.61
Exchange difference	-1.84	-
Adjusted total portfolio Jan 1, 2022	33.24	27.61
Sales and ended units	0.00	-
Like-for-like Jan 1, 2022	33.24	27.61
Like-for-like change	2.33	1.45
- Change in percent	7.0	5.2
Like-for-like Jan 1, 2023	35.57	29.06
Purchases and new constructions	-	0.12
Total portfolio Jan 1, 2023	35.57	29.18
New lease level	41.40	35.11

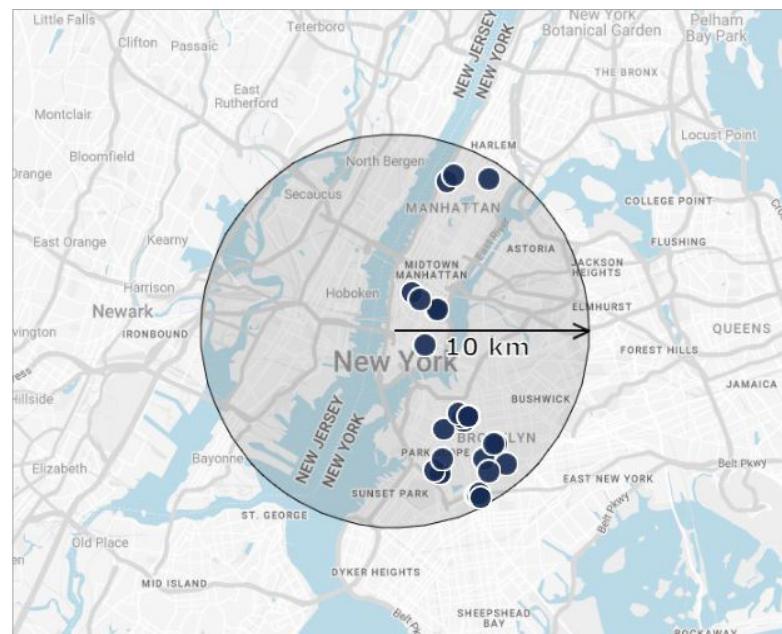
### Vacancy rate residential

	Percent	Percent
Real vacancy rate	0.7	3.3
Apartments being upgraded	4.5	21.5
Vacancy rate	5.2	24.8

# Austin



# New York



- like-for-like properties

## Austin

## New York

### Property portfolio

	Austin	New York
Fair value, EUR million	203	696
Capitalization rate, percent	4.00	4.34
Proportion upgraded apartments, percent	100	58
Residential rentable area, thousand sqm	66	118
Commercial rentable area, thousand sqm	-	5
Average apartment size, sqm	76	68
Walk score	7	95

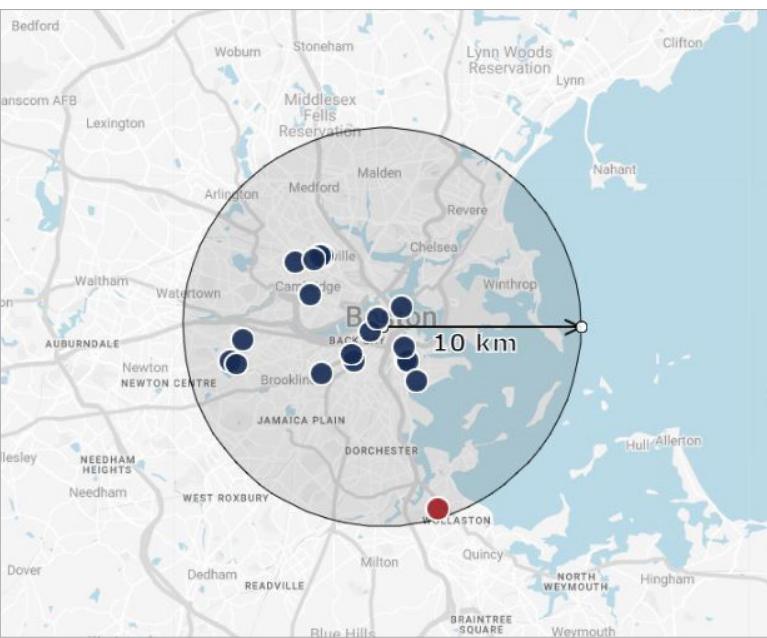
### Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2022	15.50	28.95
Exchange difference	0.96	1.79
Adjusted total portfolio Jan 1, 2022	16.46	30.74
Sales and ended units	-	-
Like-for-like Jan 1, 2022	16.46	30.74
Like-for-like change	1.92	4.08
- Change in percent	11.7	13.3
Like-for-like Jan 1, 2023	18.38	34.82
Purchases and new constructions	-	-
Total portfolio Jan 1, 2023	18.38	34.82
New lease level	18.81	57.48

### Vacancy rate residential

	Percent	Percent
Real vacancy rate	3.9	1.0
Apartments being upgraded	0.4	1.9
Vacancy rate	4.3	2.9

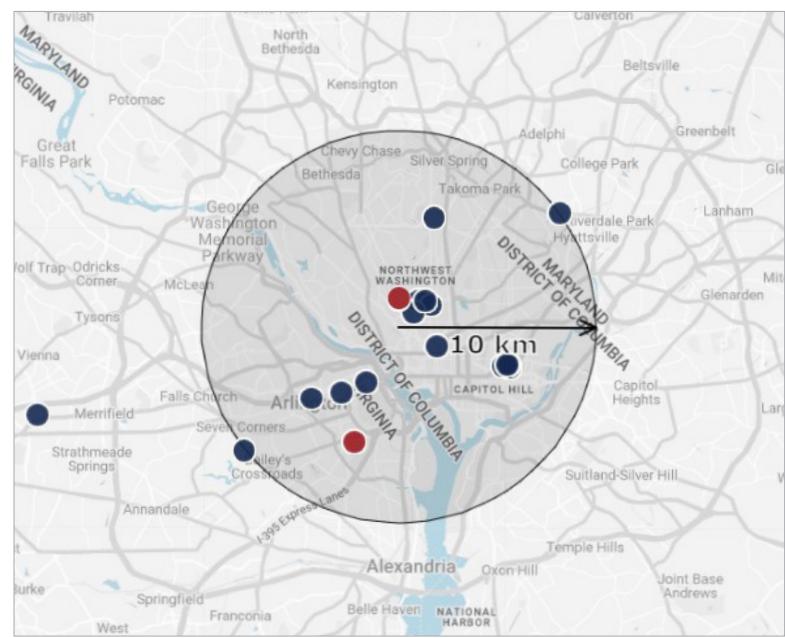
# Boston



- like-for-like properties

- acquired properties 2022

# Washington D.C.



Boston

Washington D.C.

## Property portfolio

Fair value, EUR million	667	968
Capitalization rate, percent	4.18	4.53
Proportion upgraded apartments, percent	86	77
Residential rentable area, thousand sqm	79	242
Commercial rentable area, thousand sqm	2	4
Average apartment size, sqm	63	79
Walk score	89	83

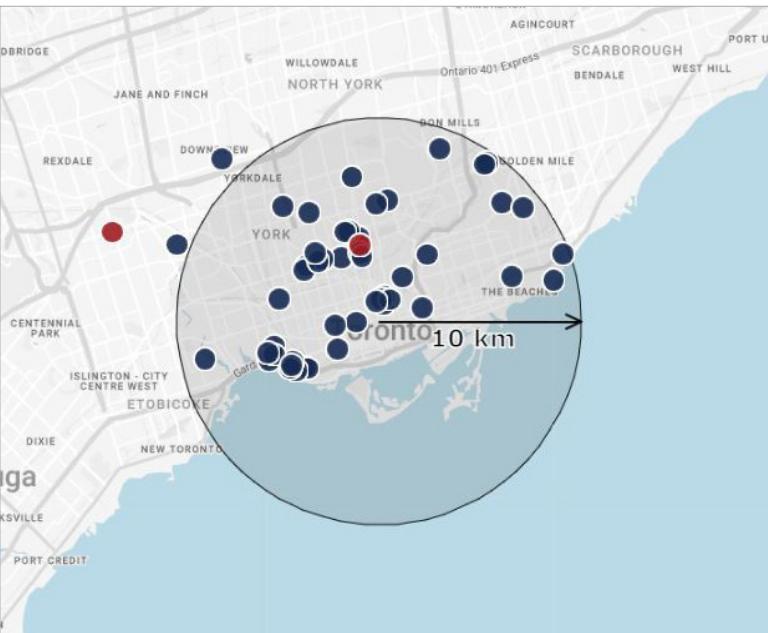
## Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2022	37.75	21.18
Exchange difference	2.33	1.31
Adjusted total portfolio Jan 1, 2022	40.08	22.49
Sales and ended units	-	-
Like-for-like Jan 1, 2022	40.08	22.49
Like-for-like change	1.91	0.80
- Change in percent	4.8	3.6
Like-for-like Jan 1, 2023	41.99	23.29
Purchases and new constructions	-2.46	0.48
Total portfolio Jan 1, 2023	39.53	23.77
New lease level	42.96	24.46

## Vacancy rate residential

	Percent	Percent
Real vacancy rate	2.8	4.3
Apartments being upgraded	9.4	7.4
Vacancy rate	12.2	11.7

# Toronto

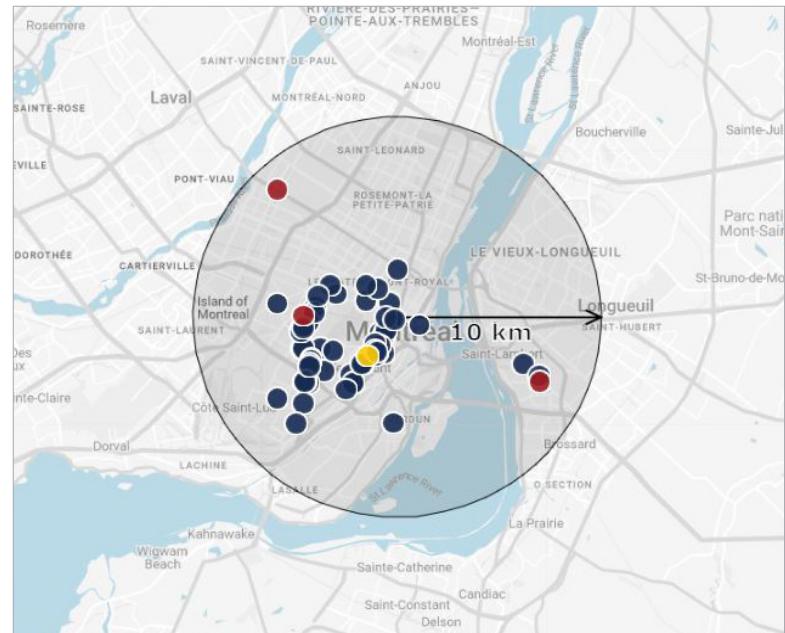


● like-for-like properties

● acquired properties 2022

● sold property 2022

Toronto



Montreal

## Property portfolio

Fair value, EUR million	1,163	1,028
Capitalization rate, percent	3.88	4.36
Proportion upgraded apartments, percent	61	58
Residential rentable area, thousand sqm	238	285
Commercial rentable area, thousand sqm	5	7
Average apartment size, sqm	56	68
Walk score	76	83

## Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2022	18.07	14.10
Exchange difference	-0.06	-0.05
Adjusted total portfolio Jan 1, 2022	18.01	14.05
Sales and ended units	-	-
Like-for-like Jan 1, 2022	18.01	14.05
Like-for-like change	0.89	0.80
- Change in percent	5.0	5.7
Like-for-like Jan 1, 2023	18.90	14.85
Purchases and new constructions	-0.66	-0.16
Total portfolio Jan 1, 2023	18.24	14.69
New lease level	24.34	17.52

## Vacancy rate residential

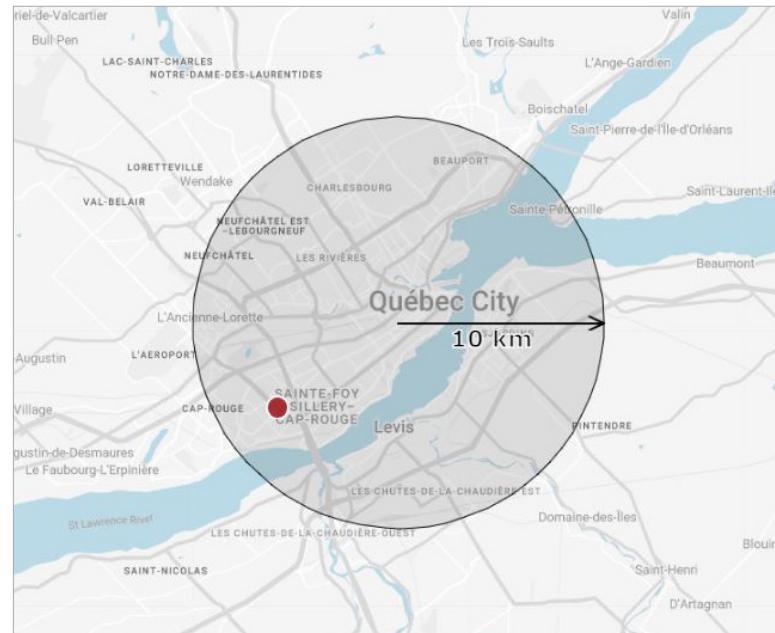
	Percent	Percent
Real vacancy rate	0.5	1.8
Apartments being upgraded	1.8	7.1
Vacancy rate	2.3	8.9

# Ottawa



- acquired properties 2022

# Quebec City



Ottawa

Quebec City

## Property portfolio

Fair value, EUR million	21	21
Capitalization rate, percent	4.15	4.75
Proportion upgraded apartments, percent	100	0
Residential rentable area, thousand sqm	12	15
Commercial rentable area, thousand sqm	-	-
Average apartment size, sqm	95	71
Walk score	10	75

## Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2022	-	-
Exchange difference	-	-
Adjusted total portfolio Jan 1, 2022	-	-
Sales and ended units	-	-
Like-for-like Jan 1, 2022	-	-
Like-for-like change	-	-
- Change in percent	-	-
Like-for-like Jan 1, 2023	-	-
Purchases and new constructions	8.21	8.10
Total portfolio Jan 1, 2023	8.21	8.10
New lease level	9.58	10.67

## Vacancy rate residential

	Percent	Percent
Real vacancy rate	0.0	0.0
Apartments being upgraded	0.0	0.0
Vacancy rate	0.0	0.0

# sustainability in all decisions

## Akelius' focus areas



### environment

- reduce energy and water consumption
- decarbonize the company
- reduce waste and use sustainable materials



### governance

- enhance business ethics and compliance
- improve digitalization and cyber security
- implement sustainable supply chain



### social

- promote diversity and non-discrimination
- have healthy and safe employees and tenants
- ensure an attractive work environment



### focus on employees

	Target	2022	2021	2020	2019
Number of employees	n.a.	755	865	1,300	1,456
Gender pay rate, percent	100	114	114	116	123
Annual sick leave, percent	<2.0	1.9	1.5	1.9	2.9
Fatality cases	0	-	-	-	-
Injury rate*	0.00	0.06	0.25	0.14	0.04
Lost day rate*	0.00	0.00	0.96	2.60	0.00

\*) rate per 100,000 hours worked



### life-cycle assessments in capital projects

During 2022, Akelius worked on setting up the process on how to use life-cycle assessments in capital projects.

The first project was done in London in relation to achieve the certification BREEAM UK Refurbishment and Fit-out scheme.

This is in line with Akelius' ambition to turn the portfolio green.

The first part of the life cycle analysis considered the environmental qualities and quantities of construction materials on architecture drawings.

With the help of external software, Akelius could substitute more polluting materials with alternatives.

The alternatives had better Environmental Performance Declarations, improved material quality, increased life expectancy, reduced maintenance costs, and minimal or no cost implication on the build.

# consolidated income statement and comprehensive income

EUR million	Note	2022 Jan-Dec 12 months	2021 Jan-Dec 12 months	2022 Oct-Dec 3 months	2021 Oct-Dec 3 months
<b>Continuing operations</b>					
Rental income	1	303	212	83	58
Operating expenses	2	-133	-98	-36	-27
Maintenance	2	-22	-15	-6	-4
<b>Net operating income</b>	2	<b>148</b>	<b>99</b>	<b>41</b>	<b>27</b>
Central administrative expenses		-21	-15	-5	-5
Other income and expenses		-	-2	-	-2
<b>EBITDA</b>	3	<b>127</b>	<b>82</b>	<b>36</b>	<b>20</b>
Depreciation, impairment, and operational foreign exchange differences		-14	-5	-1	1
Realized revaluation of investment properties		-15	-	-15	-
Unrealized revaluation of investment properties		-577	-192	-452	-106
Reversal of restructuring expenses		1	3	1	3
<b>Operating profit or loss</b>		<b>-478</b>	<b>-112</b>	<b>-431</b>	<b>-82</b>
Interest income	4	34	6	13	5
Interest expenses	4	-54	-72	-12	-16
Interest expenses hybrid bonds	4	-22	-31	-5	-8
Change in fair value of financial assets	4	-332	-22	59	-22
Change in fair value of derivatives	4	97	15	3	-3
Other financial income and expenses	4	131	-14	-94	-1
<b>Profit or loss before tax</b>	5	<b>-624</b>	<b>-230</b>	<b>-467</b>	<b>-127</b>
Current tax		-5	-	11	-
Deferred tax		32	4	13	7
<b>Profit or loss for the period continuing operations</b>		<b>-597</b>	<b>-226</b>	<b>-443</b>	<b>-120</b>
<b>Discontinued operations</b>					
Profit for the period discontinued operations		-	2,640	-	1,352
<b>Profit or loss for the period</b>		<b>-597</b>	<b>2,414</b>	<b>-443</b>	<b>1,232</b>
<b>Items that will not be reclassified to profit or loss</b>					
Revaluation reserve		-	8	-	-
Tax on items that will not be reclassified		-	-2	-	-
<b>Items that may be reclassified to profit or loss</b>					
Translation differences	6	88	298	-439	79
Hedge of net investments	6	-	-165	-	-83
Tax on items that may be reclassified		-22	-10	54	1
Realized and reclassified to profit or loss, discontinued operations		-	242	-	242
<b>Other comprehensive income for the period</b>		<b>66</b>	<b>371</b>	<b>-385</b>	<b>239</b>
<b>Total comprehensive income for the period</b>		<b>-531</b>	<b>2,785</b>	<b>-828</b>	<b>1,471</b>

# consolidated income statement and comprehensive income

EUR million	2022 Jan-Dec 12 months	2021 Jan-Dec 12 months	2022 Oct-Dec 3 months	2021 Oct-Dec 3 months
<b>Profit or loss attributable to</b>				
Owners of the Parent Company				
continuing operations	-597	-226	-443	-120
discontinued operations	-	2,606	-	1,349
Non-controlling interests				
continuing operations	-	-	-	-
discontinued operations	-	34	-	3
<b>Total comprehensive income attributable to</b>				
owners of the Parent Company	-532	2,751	-828	1,468
non-controlling interests	1	34	-	3
<b>Earnings per share, basic, EUR</b>	<b>-0.18</b>	<b>0.70</b>	<b>-0.13</b>	<b>0.36</b>
continuing operations	-0.18	-0.06	-0.13	-0.04
discontinued operations	-	0.76	-	0.40
<b>Earnings per share, diluted, EUR</b>	<b>-0.11</b>	<b>0.70</b>	<b>-0.08</b>	<b>0.36</b>
continuing operations	-0.11	-0.06	-0.08	-0.04
discontinued operations	-	0.76	-	0.40

## note 1 rental income

Rental income was EUR 303 million (212), an increase of 42.9 percent compared to 2021. The increase is mainly related to acquired properties in Washington D.C., Austin, Boston, Montreal, and Toronto.

Like-for-like growth in rental income was EUR 26 million (3) or 11.9 percent (1.5). The like-for-like rental income was positively affected by lower vacancy across most cities.

During 2022, 11,131 rental contracts (3,938) with an annual rent of EUR 171 million (49) were renewed or renegotiated.

The new yearly rent is EUR 178 million (51), an increase of 4.2 percent (4.0).

The vacancy rate for residential units decreased by 4.4 percentage points to 8.1 percent (12.5) compared to the end of 2021.

This is mainly due to fewer apartments being upgraded.

76 percent (79) of vacancy was due to upgrades. The real vacancy rate decreased by 0.6 percentage points during 2022 to 2.0 percent (2.6).

## note 2 net operating income

Property expenses totaled EUR 155 million (113).

EUR 22 million (15) was attributable to maintenance, corresponding to EUR 18 (15) per square meter per year.

Net operating income was EUR 148 million (99). Like-for-like growth in net operating income was 18.9 percent (-2.1).

Like-for-like growth in net operating income was positively affected by the increase in revenue.

Net operating income margin was 48.9 percent (46.8).

Adjusted net operating income margin was 61.9 percent (58.3).

## note 3 EBITDA

EBITDA was EUR 127 million (82), an increase of 54.4 percent compared to 2021.

The increase is mainly related to acquisitions and growth in like-for-like net operating income.

## note 4 net financial items

Interest income was EUR 34 million (6) and interest expenses were EUR 54 million (72). Interest expenses related to hybrid bonds were EUR 22 million (31).

Revaluations of financial assets affected earnings by EUR -332 million (-22), of which EUR 46 million relates to change in fair value of the Castellum investment. Unrealized changes in fair value related to loans, bonds, and hybrid bonds, not reported in the income statement, totaled EUR 663 million.

For more information regarding net effects of unrealized changes, refer to page 11.

Revaluations of financial derivatives affected earnings by EUR 97 million (15).

Other financial income and expenses amounted to EUR 131 million (-14).

The increase is mainly due to the positive effect of currency fluctuation USD versus EUR on the loans.

EUR 7 million is related to dividend declared from Castellum AB.

## note 5 profit or loss before tax

Profit or loss before tax was EUR -624 million (-230).

Main effects from unrealized revaluation of investment properties EUR -577 million (-192), revaluation of financial assets for EUR -332 million (-22), change in fair value for derivatives of EUR 97 million (15), and currency effects EUR 122 million (-).

## note 6 other comprehensive income

Currency translation reserve increased by EUR 66 million in 2022.

It mainly relates to net investments in foreign operations that are translated to EUR.

The remaining currency effects of EUR 122 million related to financial investments, external loans and derivatives, are reported in other financial income and expenses since Akelius discontinued net investment hedge accounting in December 2021.

# condensed consolidated statement of financial position

EUR million	Note	Dec 31 2022	Dec 31 2021
<b>Assets</b>			
Intangible assets	7	-	18
Investment properties	8	6,162	5,986
Owner-occupied properties	8	11	34
Right-of-use-assets		7	5
Tangible fixed assets		4	4
Derivatives		73	7
Deferred tax assets	9	48	64
Financial assets	10, 11, 13	2,077	4,981
Receivables and other assets		4	4
<b>Total non-current assets</b>		<b>8,386</b>	<b>11,103</b>
Financial assets	10, 11, 13	319	95
Receivables and other assets		47	84
Derivatives		24	-
Cash and cash equivalents	11, 13	217	1,193
<b>Total current assets</b>		<b>607</b>	<b>1,372</b>
<b>Total assets</b>		<b>8,993</b>	<b>12,475</b>
Equity attributable to the Parent Company's shareholders		4,506	7,039
Non-controlling interests		-	10
<b>Total equity</b>	12	<b>4,506</b>	<b>7,049</b>
Unsecured loans	13	3,418	4,010
Secured loans	13	135	156
Hybrid bonds		650	971
Lease liabilities		6	5
Derivatives		30	40
Deferred tax liabilities		38	62
Provisions		-	6
Other liabilities		18	13
<b>Total non-current liabilities</b>		<b>4,295</b>	<b>5,263</b>
Unsecured loans	13	83	-
Secured loans	13	21	53
Lease liabilities		1	1
Derivatives		4	7
Provisions		4	13
Other liabilities		79	89
<b>Total current liabilities</b>		<b>192</b>	<b>163</b>
<b>Total equity and liabilities</b>		<b>8,993</b>	<b>12,475</b>

## note 7 intangible assets

The change in intangible assets is due to the sale of Akelius Technology AB to Akelius Apartments Ltd on July 29, 2022.

## note 8 property portfolio fair value EUR 6,173 million

The fair value was EUR 6,173 million (6,020), which is equivalent to an average of EUR 5,001 (5,399) per square meter.

The average capitalization rate was 4.20 percent, compared to 3.99 percent at the end of 2021. Refer to table page 5.

The decrease of EUR per square meter is due to decreased value of properties in mainly Austin, Boston, New York, Washington D.C., and Toronto.

## revaluation of investment properties EUR -592 million

The change in property value was EUR -592 million (1,719), or -9.8 percent (14.2). Refer to table on page 5.

## property investments EUR 205 million

Investments in properties amounted to EUR 205 million (360). On an annual basis, this corresponds to EUR 171 (116) per square meter. 14 percent (12) of the total investments was due to apartment upgrades.

## property purchases EUR 457 million

Property purchases amounted to EUR 457 million (588) during the year. The purchased properties are located in Quebec City, Ottawa, Toronto, Montreal, Washington D.C., and Boston.

The capitalization rate for the purchased properties was 4.16 percent (4.09).

## property sale EUR 11 million

Property sale amounted to EUR 11 million (38) during the year. The sold property was located in Montreal.

## note 9 deferred tax assets

The change in deferred tax assets during the year is mainly due to utilization of tax loss carryforward in the Parent Company.

## note 10 liquid financial assets

Liquid financial assets decreased from EUR 5,076 million to EUR 2,396 million during the year.

The change is mainly related to the sale of financial assets due to dividend distribution decision and acquired shares in Castellum AB. At year-end Akelius held 12.8 percent of the shares outstanding in Castellum AB, in total EUR 479 million.

46 percent (47) of the investments in bonds are covered bonds with minimal credit risk. 98 percent (93) of the bond investments are covered bonds with minimal credit risk or senior bonds with low risk.

Investments have been made into 103 different bonds, issued in SEK, EUR, GBP, and USD.

## note 11 liquidity

Available funds in the form of cash, liquid financial assets, and unutilized credit facilities totaled EUR 2,772 million (6,524).

Unutilized credit facilities amounted to EUR 159 million (255) with an average maturity of 0.5 years (1.1).

Facilities intended to be kept are extended prior to maturity.

The unutilized bilateral credit agreements are provided by 5 banks (6).

The fair value of the unencumbered properties was EUR 5,606 million (5,326).

## note 12

### equity

#### equity and hybrid capital ratio

Equity decreased by EUR 2,543 million to EUR 4,506 million (7,049) during the year. Share issue of EUR 4,085 million has increased equity and dividends of EUR 6,086 million has reduced equity.

The equity and hybrid capital ratio amounted to 57 percent (64).

### D-shares

The number of ordinary shares of class D was 220,000,000, equivalent to EUR 166 million reported in equity.

D-shares represent 3.69 percent of the total number of shares in Akelius Residential Property AB.

On December 31, 2022, the closing price per D-share was EUR 1.846.

## note 13

### financing

#### net debt EUR 1,044 million

Loans excluding hybrid bonds decreased by EUR 562 million during the year, to EUR 3,657 million (4,219).

The loan-to-value ratio was 16 percent (-).

Unsecured debt includes 10 bonds (11) and loans from large investors and related companies.

Financial investments amounted to EUR 2,613 million (6,269).

Net debt amounts to EUR 1,044 million (-2,050).

### maturities

Loans excluding hybrid bonds had an average maturity of 4.0 years, compared to 4.5 years at the end of 2021. EUR 104 million (53) mature within one year.

Financial investments had on average a maturity of 2.0 years, compared to 2.6 years at the end of 2021.

### interest rate hedge

EUR 2,178 million (2,349) of the debt portfolio excluding hybrid bonds had a fixed interest rate term of more than five years.

On average, the underlying interest rate is secured for 5.1 years for the debt portfolio excluding hybrid bonds, compared to 5.4 years at the end of 2021.

The financial investments had an average interest hedge of 1.8 years, compared to 2.4 years at the end of 2021.

### average interest rate

During the year, the average interest rate has decreased to 1.20 percent (1.51), on the debt portfolio excluding hybrid bonds.

Financial investments had an average interest rate of 2.44 percent, compared to 0.55 percent at the end of 2021.

### credit rating

Fitch Ratings confirmed Akelius' long-term issuer of default rating of BBB. Akelius' senior unsecured bonds received the sector specific one-notch uplift to BBB+. Akelius' hybrid bonds are graded BBB-.

Standard and Poor's has assessed Akelius a BBB rating with negative outlook.

The rating for Akelius' hybrid bonds is BB+.

### unencumbered asset ratio 2.50

The unencumbered asset ratio was 2.50, compared to 3.76 at the end of 2021.

# consolidated statement of changes in equity

Attributable to the Parent Company's  
shareholders

EUR million	Share capital	Share premium	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at Jan 1, 2021</b>	<b>199</b>	<b>1,102</b>	<b>-298</b>	<b>4,289</b>	<b>5,292</b>	<b>82</b>	<b>5,374</b>
Total comprehensive income for the year	-	-	365	2,386	2,751	34	2,785
Dividend	-	-	-	-972	-972	-	-972
Divestment of non-controlling interests	-	-	-	-	-	-138	-138
Remeasured non-controlling interests	-	-	-	-32	-32	32	-
<b>Balance at Dec 31, 2021</b>	<b>199</b>	<b>1,102</b>	<b>67</b>	<b>5,671</b>	<b>7,039</b>	<b>10</b>	<b>7,049</b>
<b>Balance at Jan 1, 2022</b>	<b>199</b>	<b>1,102</b>	<b>67</b>	<b>5,671</b>	<b>7,039</b>	<b>10</b>	<b>7,049</b>
Profit or loss for the year	-	-	-	-597	-597	-	-597
Other comprehensive income	-	-	65	-	65	1	66
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>-597</b>	<b>-532</b>	<b>1</b>	<b>-531</b>
Share issue	149	3,936	-	-	4,085	-	4,085
Dividend*	-	-1,376	-	-4,710	-6,086	-	-6,086
Purchase of non-controlling interests	-	-	-	-	-	-11	-11
<b>Balance at Dec 31, 2022</b>	<b>348</b>	<b>3,662</b>	<b>132</b>	<b>364</b>	<b>4,506</b>	<b>-</b>	<b>4,506</b>

\*) EUR 6,064 million for class A ordinary shares and EUR 22 million for class D ordinary shares

# consolidated statement of cash flows

EUR million	2022 Jan-Dec 12 months	2021 Jan-Dec 12 months	2022 Oct-Dec 3 months	2021 Oct-Dec 3 months
Net operating income, continuing operations	148	99	41	27
Net operating income, discontinued operations	-	166	-	30
Central administrative expenses	-21	-31	-5	-8
Restructuring expenses	-	3	-	3
Interest paid	-77	-99	-18	-17
Interest received	58	5	26	5
Income tax paid	-2	-3	-1	-
<b>Cash flow before changes in working capital</b>	<b>106</b>	<b>140</b>	<b>43</b>	<b>40</b>
Change in current assets	44	-10	33	-5
Change in current liabilities	-3	-21	-37	-10
<b>Cash flow from operating activities</b>	<b>147</b>	<b>109</b>	<b>39</b>	<b>25</b>
Investments in intangible assets	-3	-7	-	-1
Investments in properties	-205	-360	-54	-121
Acquisition of properties*	-456	-578	-30	-379
Acquisition of financial assets	-1,717	-5,836	-1,667	-5,836
Acquisition of other assets	-2	-2	-2	-1
Sale of properties	11	38	11	5
Sales of discontinued operations	-3	7,765	-3	7,765
Sale of financial assets	4,089	676	1,757	662
Sale of other assets	8	6	-	1
<b>Cash flow from investing activities</b>	<b>1,722</b>	<b>1,702</b>	<b>12</b>	<b>2,095</b>
Share issue	4,085	-	-	-
Purchase of non-controlling interests	-11	-	-	-
Loans raised	-	1,786	-	491
Repayment of loans	-945	-1,534	-84	-536
Settlement of derivatives	83	-146	-10	-68
Amortization leasing	-1	-2	-	-
Dividend A-shares	-6,064	-950	-	-830
Dividend D-shares	-22	-22	-5	-5
<b>Cash flow from financing activities</b>	<b>-2,875</b>	<b>-868</b>	<b>-99</b>	<b>-948</b>
<b>Cash flow for the period</b>	<b>-1,006</b>	<b>943</b>	<b>-48</b>	<b>1,172</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,193</b>	<b>250</b>	<b>271</b>	<b>21</b>
Translation difference in cash and cash equivalents	30	-	-6	-
<b>Cash and cash equivalents at the end of the period</b>	<b>217</b>	<b>1,193</b>	<b>217</b>	<b>1,193</b>

\*) Jan-Dec 2022 includes EUR -457 million for acquisitions of properties and EUR 1 million for pre-payment of properties

# segment reporting

## net operating income Jan–Dec 2022

EUR million	Rental income	Operating expenses	Maintenance	Net operating income
London	37	-10	-3	24
Paris	14	-9	-	5
<b>Europe</b>	<b>51</b>	<b>-19</b>	<b>-3</b>	<b>29</b>
New York	45	-23	-4	18
Washington D.C.	62	-27	-5	30
Boston	33	-12	-2	19
Austin	15	-8	-1	6
<b>US</b>	<b>155</b>	<b>-70</b>	<b>-12</b>	<b>73</b>
Toronto	52	-23	-3	26
Montreal	44	-21	-3	20
Ottawa <sup>1</sup>	1	-	-1	-
Quebec City <sup>2</sup>	-	-	-	-
<b>Canada</b>	<b>97</b>	<b>-44</b>	<b>-7</b>	<b>46</b>
<b>Total</b>	<b>303</b>	<b>-133</b>	<b>-22</b>	<b>148</b>

1) one property was acquired on the 24<sup>th</sup> of May 2022 in Ottawa  
 2) one property was acquired on 16<sup>th</sup> of October 2022 in Quebec City

## net operating income Jan–Dec 2021

EUR million	Rental income	Operating expenses	Maintenance	Net operating income
London	33	-10	-3	20
Paris	13	-8	-	5
<b>Europe</b>	<b>46</b>	<b>-18</b>	<b>-3</b>	<b>25</b>
New York	33	-19	-3	11
Washington D.C.	37	-18	-3	16
Boston	21	-9	-1	11
Austin*	-	-	-	-
<b>US</b>	<b>91</b>	<b>-46</b>	<b>-7</b>	<b>38</b>
Toronto	39	-18	-3	18
Montreal	36	-16	-2	18
<b>Canada</b>	<b>75</b>	<b>-34</b>	<b>-5</b>	<b>36</b>
<b>Total</b>	<b>212</b>	<b>-98</b>	<b>-15</b>	<b>99</b>

\*) properties in Austin were acquired at the end of December 2021

# segment reporting

## property return Jan–Dec 2022

EUR million	Net operating income	Realized and unrealized revaluation	Total property, return	Total property return, percent	Net operating income margin, percent	Property fair value
London	24	-30	-6	-0.7	65.7	939
Paris	5	1	6	1.4	35.1	467
<b>Europe</b>	<b>29</b>	<b>-29</b>	<b>-</b>	<b>0.0</b>	<b>57.0</b>	<b>1,406</b>
New York	18	-149	-131	-17.1	40.7	696
Washington D.C.	30	-151	-121	-13.8	47.3	968
Boston	19	-91	-72	-11.8	58.4	667
Austin	6	-	6	3.1	42.2	203
<b>US</b>	<b>73</b>	<b>-391</b>	<b>-318</b>	<b>-13.0</b>	<b>47.2</b>	<b>2,534</b>
Toronto	26	-71	-45	-4.1	49.8	1,163
Montreal	20	-101	-81	-7.7	45.1	1,028
Ottawa	-	-	-	0.0	47.6	21
Quebec City	-	-	-	0.0	0.0	21
<b>Canada</b>	<b>46</b>	<b>-172</b>	<b>-126</b>	<b>-5.8</b>	<b>47.5</b>	<b>2,233</b>
<b>Total</b>	<b>148</b>	<b>-592</b>	<b>-444</b>	<b>-7.4</b>	<b>48.9</b>	<b>6,173</b>

## property return Jan–Dec 2021

EUR million	Net operating income	Realized and unrealized revaluation	Total property, return	Total property return, percent	Net operating income margin, percent	Property fair value
London	20	-21	-1	-0.1	62.7	985
Paris	5	5	10	2.3	36.5	448
<b>Europe</b>	<b>25</b>	<b>-16</b>	<b>9</b>	<b>0.7</b>	<b>55.4</b>	<b>1,433</b>
New York	11	-211	-200	-23.3	32.3	763
Washington D.C.	16	1	17	3.2	44.0	885
Boston	11	4	15	2.7	52.5	607
Austin	-	-	-	0.0	51.7	191
<b>US</b>	<b>38</b>	<b>-206</b>	<b>-168</b>	<b>-8.6</b>	<b>41.8</b>	<b>2,446</b>
Toronto	18	9	27	3.0	46.5	1,092
Montreal	18	21	39	4.5	48.8	1,049
<b>Canada</b>	<b>36</b>	<b>30</b>	<b>66</b>	<b>3.8</b>	<b>47.6</b>	<b>2,141</b>
<b>Total</b>	<b>99</b>	<b>-192</b>	<b>-93</b>	<b>-1.8</b>	<b>46.8</b>	<b>6,020</b>

# key figures

	Dec 31 2022	Dec 31 2021	Dec 31 2020	Dec 31 2019	Dec 31 2018
<b>Equity</b>					
Equity, EUR million	4,506	7,049	5,374	5,526	5,370
Equity ratio, percent	50	57	43	45	43
Equity and hybrid capital ratio, percent	57	64	51	50	47
Return on equity, percent	-8	52	0	8	9
Net asset value, EUR million	4,433	7,087	6,324	6,533	6,284
<b>Net operating income*</b>					
Rental income, EUR million	303	212	190	188	157
Growth in rental income, percent	42.9	12.1	0.4	19.7	26.1
Like-for-like growth in rental income, percent	11.9	1.5	3.5	4.0	2.8
Net operating income, EUR million	148	99	91	86	77
Growth in net operating income, percent	49.6	8.6	5.4	12.9	26.4
Like-for-like growth in net operating income, percent	18.9	-2.1	9.7	-1.6	8.6
Net operating income margin, percent	48.9	46.8	48.2	46.0	48.7
Adjusted net operating income margin, percent	61.9	58.3	59.7	56.8	63.5
<b>Financing</b>					
Loan-to-value, percent	16	-	39	40	44
Unencumbered asset ratio	2.50	3.76	1.89	1.87	1.74
Interest coverage ratio 12 months	8.8	63.2	3.3	7.8	2.8
Interest coverage ratio excluding realized value growth 12 months	9.6	2.8	2.5	2.0	1.8
Average interest rate, percent	1.20	1.51	1.95	2.25	2.64
Fixed interest term, years	5.1	5.4	5.0	4.5	4.5
Debt maturities, years	4.0	4.5	5.7	5.4	5.7
<b>Properties</b>					
Number of apartments	19,545	17,770	44,443	44,226	50,407
Rentable area, thousand sqm	1,234	1,115	2,986	2,968	3,422
Rent potential, percent	22	25	24	55	56
Real vacancy rate, residential, percent	2.0	2.6	1.7	1.1	1.4
Vacancy rate, residential, percent	8.1	12.5	7.5	8.6	9.6
Turnover of tenants, percent	25	27	16	15	15
Fair value, EUR per sqm	5,001	5,399	4,066	4,031	3,617
In-place rent, all unit types, EUR million	317	258	473	485	516
Capitalization rate, percent	4.20	3.99	3.28	3.67	3.67
Like-for-like change in capitalization rate, percentage points	0.21	-0.16	-0.38	0.00	0.02
Opening balance fair value, EUR million	6,020	12,139	11,964	12,379	10,624
Change in fair value, EUR million	-592	1,719	34	423	553
Investments, EUR million	205	360	381	468	349
Purchases, EUR million	457	588	172	181	1,286
Sales, EUR million	-11	-9,138	-185	-1,616	-300
Exchange differences, EUR million	94	352	-227	129	-133
Closing balance fair value, EUR million	6,173	6,020	12,139	11,964	12,379

\*) 2018–2020 has been recalculated due to discontinued operations in 2021

# condensed income statement for the Parent Company

EUR million	2022 Jan-Dec 12 months	2021 Jan-Dec 12 months	2022 Oct-Dec 3 months	2021 Oct-Dec 3 months
Central administrative expenses	-8	-10	-1	-3
<b>Operating profit or loss</b>	<b>-8</b>	<b>-10</b>	<b>-1</b>	<b>-3</b>
Result from shares in subsidiaries <sup>1</sup>	-391	6,086	-391	6,050
Financial income <sup>2</sup>	435	190	-280	30
Financial expenses	-90	-144	-19	-37
Change in fair value of financial assets	-332	-22	59	-22
Change in the fair value of derivatives	97	23	3	14
<b>Profit or loss before appropriations</b>	<b>-289</b>	<b>6,123</b>	<b>-629</b>	<b>6,032</b>
Appropriations	-1	-12	-1	-12
<b>Profit or loss before tax</b>	<b>-290</b>	<b>6,111</b>	<b>-630</b>	<b>6,020</b>
Tax	-16	-3	58	10
<b>Profit or loss for the period</b>	<b>-306</b>	<b>6,108</b>	<b>-572</b>	<b>6,030</b>

1) Jan-Dec 2022 includes impairment of shares in subsidiaries

2) exchange differences of EUR 243 million during 2022

The Parent Company has no items in other comprehensive income.

# condensed balance sheet for the Parent Company

	Dec 31 2022	Dec 31 2021
EUR million		
Shares in Group companies	2,418	1,984
Receivables from Group companies	3,587	3,853
Financial assets	2,077	5,036
Derivatives	73	7
Deferred tax assets	47	63
<b>Total non-current assets</b>	<b>8,202</b>	<b>10,943</b>
Receivables from Group companies	11	14
Financial assets	319	95
Derivatives	24	-
Prepaid expenses and accrued income from Group companies	-	1
Other assets	20	54
Cash and cash equivalents	127	1,045
<b>Total current assets</b>	<b>501</b>	<b>1,209</b>
<b>Total assets</b>	<b>8,703</b>	<b>12,152</b>
Restricted equity	351	202
Non-restricted equity	3,662	6,118
<b>Total equity</b>	<b>4,013</b>	<b>6,320</b>
Interest-bearing liabilities	2,475	2,946
Interest-bearing liabilities from Group companies	1,992	2,718
Derivatives	30	40
Provisions	-	6
<b>Total non-current liabilities</b>	<b>4,497</b>	<b>5,710</b>
Interest-bearing liabilities	83	-
Interest-bearing liabilities from Group companies	51	51
Derivatives	4	7
Provisions	1	9
Other current liabilities	38	39
Other current liabilities from Group companies	16	16
<b>Total current liabilities</b>	<b>193</b>	<b>122</b>
<b>Total equity and liabilities</b>	<b>8,703</b>	<b>12,152</b>

# alternative performance measures

Calculation of alternative key figures using guidelines published by the European Securities and Markets Authority.

## net asset value and loan-to-value ratio

EUR million	Dec 31 2022	Dec 31 2021
Equity	4,506	7,049
Deferred tax	-10	-2
Derivatives	-63	40
<b>Net asset value</b>	<b>4,433</b>	<b>7,087</b>
Total interest-bearing liabilities	4,307	5,190
Hybrid bonds	-650	-971
Cash and cash equivalents	-217	-1,193
Financial assets	-2,396	-5,076
<b>Net debt</b>	<b>1,044</b>	<b>-2,050</b>
Total assets	8,993	12,475
Cash and cash equivalents	-217	-1,193
Financial assets	-2,396	-5,076
<b>Net assets</b>	<b>6,380</b>	<b>6,206</b>
<b>Loan-to-value ratio, percent</b>	<b>16</b>	-

## average interest rate

EUR million	Dec 31 2022	Dec 31 2021
Interest-bearing liabilities excluding hybrid bonds	3,657	4,219
Interest cost based on interest as at Dec 31	44	64
<b>Average interest rate</b>	<b>1.20</b>	<b>1.51</b>

## liquidity

EUR million	Dec 31 2022	Dec 31 2021
Cash and cash equivalents	217	1,193
Unutilized credit facilities	159	255
Liquid financial assets	2,396	5,076
<b>Liquidity</b>	<b>2,772</b>	<b>6,524</b>

# alternative performance measures

## unencumbered asset ratio

	Dec 31 2022	Dec 31 2021
EUR million		
Intangible assets	-	18
Unencumbered properties	5,606	5,326
Right-of-use-assets	7	5
Tangible fixed assets	4	4
Deferred tax assets	48	64
Financial assets	2,396	5,076
Receivables and other assets	51	88
Derivatives	97	7
<b>Unencumbered assets</b>	<b>8,209</b>	<b>10,588</b>
Unsecured loans	3,501	4,010
Cash and cash equivalents	-217	-1,193
<b>Net unsecured senior debt</b>	<b>3,284</b>	<b>2,817</b>
<b>Unencumbered asset ratio</b>	<b>2.50</b>	<b>3.76</b>

## equity

	Dec 31 2022	Dec 31 2021
EUR million		
Comprehensive income for the year	-531	2,785
Opening balance equity	7,049	5,374
<b>Return on equity, percent</b>	<b>-8</b>	<b>52</b>
Equity	4,506	7,049
Hybrid bonds	650	971
<b>Equity and hybrid bonds</b>	<b>5,156</b>	<b>8,020</b>
<b>Total assets</b>	<b>8,993</b>	<b>12,475</b>
<b>Equity ratio, percent</b>	<b>50</b>	<b>57</b>
<b>Equity and hybrid capital ratio, percent</b>	<b>57</b>	<b>64</b>

# alternative performance measures

## rental income and net operating income growth for like-for-like properties

EUR million	2022 Jan-Dec	2021 Jan-Dec	Growth percent
Rental income	303	212	42.9
Purchases and sales	-57	-10	
Service income	-1	-1	
Exchange differences	-	18	
<b>Like-for-like rental income</b>	<b>245</b>	<b>219</b>	<b>11.9</b>
Net operating income	148	99	49.6
Purchases and sales	-27	-5	
Exchange differences	-	8	
<b>Like-for-like net operating income</b>	<b>121</b>	<b>102</b>	<b>18.9</b>

## adjusted net operating income margin

EUR million	2022 Jan-Dec	Adjustment for other services*	Adjusted 2022 Jan-Dec
Rental income	303	-63	240
Operating expenses	-133	63	-70
Maintenance	-22		-22
<b>Net operating income</b>	<b>148</b>		<b>148</b>
<b>Net operating income margin, percent</b>	<b>48.9</b>		<b>61.9</b>

\*) adjustment for turnover from operating expenses invoiced to the tenants in France, Canada, and US amounted to EUR 63 million (42)

## realized value growth

EUR million	2022 Jan-Dec	2021 Jan-Dec
Proceeds from the sale of properties	11	9,138
Costs of sale	-	-30
Acquisition costs	-13	-3,100
Accumulated investments	-9	-1,202
<b>Realized value growth</b>	<b>-11</b>	<b>4,806</b>

# alternative performance measures

## development of EBITDA

EUR million	Dec 2021- Dec 2022
<b>EBITDA, Dec 31, 2021</b>	<b>82</b>
Like-for-like rental income	26
Like-for-like operating expenses and maintenance	-7
<b>Like-for-like net operating income</b>	<b>19</b>
Purchase and sales rental income	47
Purchase and sales operating expenses and maintenance	-25
<b>Purchase and sales net operating income</b>	<b>22</b>
Exchange differences	8
Central administrative expenses	-6
Other income and expenses	2
<b>EBITDA, Dec 31, 2022</b>	<b>127</b>

# other information

## basis of presentation

The Akelius Residential Property Group's year-end report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act.

The financial statements of the Parent Company, Akelius Residential Property AB, corporate identity number 556156-0383, have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities.

Disclosures in accordance with IAS 34, Interim Financial Reporting are submitted both in the notes and in other sections of the year-end report.

The figures in this year-end report have been rounded, while the calculations have been made without rounding.

As a result, certain tables and key figures may appear not to add up correctly.

## accounting principles

Accounting principles can be found in Akelius annual report 2021.

Stockholm, Malmö, Copenhagen, Hamburg, and Berlin have been classified as discontinued operations during 2021.

The profit of discontinued operations has been reported on a separate line in the consolidated income statement for the comparison year.

Until the end of December 2021, Akelius accounted for hedge of net investments in foreign operations. Due to the sales of operations in Scandinavia and Germany, the Board decided to discontinue hedge accounting of net investments.

## **new and amended IFRS standards adopted by the EU applied as at January 1, 2022**

New and amended IFRS standards that came into effect after January 1, 2022, have not had any material impact on the Group's financial reports.

## risks and uncertainties

The Group is impacted by various types of risks.

Operational risks are limited by concentrating the property portfolio to residential properties in metropolitan areas.

Strong residential rental markets in Canada, UK, France, and the US reduce the risk of long-term vacancies on aggregated level.

To reduce risk or variations in cash flow further, interest rates are secured on a long-term basis.

Access to capital from a large number of banks and through the capital market mitigates the refinancing risk.

Currency positions are in the currencies of the properties that Akelius holds or intend to hold. Financial investments net out the volume of interest bearing debt in respective currency. Currency changes therefore have limited negative impact of Akelius' credit worthiness. Financial investments consist mainly of covered bonds or senior bonds with minimal or low credit risk.

The Group is also impacted by external risks, for example, new rent regulations, climate risks, pandemics, and war.

These risk areas can impact the business negatively both in the long- and short-term.

Due to uncertainty on the market, property valuation by external party has been reviewed for the total portfolio in Toronto, Austin, New York, Boston and Washington D.C.

## cash flow

Operating cash flow before change in working capital was EUR 106 million (140).

Cash flow from investing activities was EUR 1,722 million (1,702).

Cash required for the acquisition of properties is secured before the agreements are signed. On average, upgrades can be stopped within a three-month period.

Cash flow from financing activities was EUR -2,875 million (-868).

# other information

## Parent Company

During the second quarter an issue of class A ordinary shares took place. The Parent Company issued 2,553,447,296 common shares at a subscription price of EUR 1.60 per share, totaling EUR 4,085 million.

Dividend of EUR 1.90 per class A ordinary share was paid during the second quarter 2022, totaling EUR 6,064 million.

Dividends of EUR 0.025 per class D ordinary share was paid five banking days from the record dates pursuant to the Articles of Association: May 5, 2022, Aug 5, 2022, Nov 4, 2022 and Feb 3, 2023, totaling EUR 22 million.

The profit or loss before tax was EUR -290 million (6,111).

Financial income mainly includes interest income, dividend from external shares, and financial exchange differences.

Financial expenses mainly include interest expenses.

## related party transactions

Net debt from related parties is unchanged (6) compared to the end of 2021.

The net amount of sold bonds to Akelius Apartments Ltd, Xange Holding Ltd and Giannis Beta Holding Ltd totaled EUR 1,602 million (657).

Akelius Apartments Ltd has also purchased Akelius Residential Property AB's D-shares totaling EUR 212 million (11).

Due to that Akelius Technology AB was sold to Akelius Apartments Ltd in the third quarter, the circle of related parties has expanded since the annual report 2021.

The sale price was EUR 8 million (-).

## fourth quarter

Profit or loss before tax amounted to EUR -467 million (-127).

Revaluation of properties impacted the net income with EUR -467 million (-106).

Rental income was EUR 83 million (58).

Property expenses totaled EUR 42 million (31).

Net operating income was EUR 41 million (27).

Net financial items totaled EUR -36 million (-45).

Cash flow amounted to EUR -48 million (1,172).

Cash flow generated from operations was EUR 39 million (25).

Net cash from investing activities amounted to EUR 12 million (2,095).

Akelius purchased shares in Castellum AB for EUR 441 million, reported as acquisition of financial assets.

Financing activities impacted the cash flow with EUR -99 million (-948).

## significant events after the reporting period

Akelius Residential Property AB has committed to vote in favor of the rights issue of approximately SEK 10 billion at the Annual General Meeting in Castellum AB and to subscribe for its pro rata share, 12.8 percent. Additionally, the company has entered into a guarantee undertaking to subscribe for an additional 29.1 percent of the rights issue without subscription rights.

Ralf Spann  
CEO, Managing Director

Stockholm, February 20, 2023  
Akelius Residential Property AB (publ.)

The year-end report has not been reviewed by the company's auditors.

# definitions

## adjusted EBITDA

*EBITDA* plus other financial income and expenses.  
Used to show results excluding interest expenses and changes in the value of assets and liabilities.

## adjusted net operating income margin

*Net operating income* margin excluding income from operating expenses included in the rent invoiced to the tenants, such as utility and property taxes.  
Highlights the ongoing earning capacity from property management related to rental services only.

## annual property return

*Net operating income* plus unrealized and realized changes in the value of properties on an annual basis in relation to the fair value of the properties at the beginning of the year.  
It illustrates the total return on the *property portfolio*.

## average interest rate

Average interest rate on the total interest-bearing liabilities, excluding hybrid bonds, at period end.  
This key figure shows financial risk.

## capitalization rate

The rate of return used in assessing the terminal value of property in the fair value assessment.

## cash sources

Cash sources include *liquidity*, contracted sales and profit before tax and revaluation.

## cash uses

Cash uses include investments, contracted purchases and short-term loans.

## debt coverage capacity

*Net debt* in relation to *EBITDA*.  
*Net debt* in relation to *EBITDA* including realized change in value.  
Shows how many years it takes for the company to pay off its debts with current earnings.

## debt maturities, years

Volume-weighted remaining term of interest-bearing loans and derivatives on the balance sheet date.  
Illustrates the company's refinancing risk.

## discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a geographical area.

## discount rate

Rate of return used in assessing the present value of future cash flow and terminal value in the fair value assessment of properties.

## earning capacity

The earning capacity is based on the *property portfolio* at the balance sheet date and the portfolio's gross rent, *real vacancy*, estimated operating expenses and maintenance costs during a normal year, as well as central administrative expenses.

Interest expenses are based on net debt on the balance sheet date calculated at the currency rate on the balance sheet date.

No tax has been calculated as it relates mainly to deferred tax that does not affect the cash flow.

The earning capacity is not a forecast for the coming twelve months.

It contains no estimates of rent, *vacancy*, currency exchange, future property purchases and sales or interest rate changes.

## EBITDA

*Net operating income* plus central administrative expenses, and other income and expenses.

Facilitates the analysis of current operating profit.

## equity ratio

Equity in relation to total assets.  
Highlights the company's financial stability.

## income return

*Net operating income* on an annual basis in relation to the fair value of the properties at the beginning of the year.  
Measures the yield on the *property portfolio*.

# definitions

## in-place rent

Contracted rent excluding rental discounts and temporary charges.

## interest coverage ratio

*Adjusted EBITDA* plus *realized value growth* for the latest rolling 12-month period in relation to *net interest expenses* for the latest rolling 12-month period.

Illustrates the company's sensitivity to interest rate changes.

## interest rate hedge

Volume-weighted remaining term of interest rates on interest-bearing loans and derivatives on the balance sheet date.

Illustrates the company's sensitivity to interest rate changes.

## liquid financial assets

Holdings in listed debt securities and equity securities with assessed high creditworthiness. Included in the calculation of *liquidity*.

## liquidity

The liquidity reserve consists of cash and cash equivalents, unutilized credit facilities and *liquid financial assets* that can be liquidized within three working days.

## like-for-like properties

Properties owned during the compared periods.

This means that properties that were acquired or sold during any of the compared periods are excluded.

Facilitates the analysis and the comparison between different periods when properties that do not figure in all the periods are excluded.

## loan-to-value ratio

*Net debt* divided by *net assets*.

The key figure shows financial risk.

## net asset

Total assets minus pledged cash, cash and cash equivalents, and financial assets.

Used to illustrate the company's net assets.

## net asset value

Equity, deferred tax, and derivatives. Used to highlight the company's long-term capital that is not interest-bearing.

## net debt

Interest-bearing liabilities excluding leasing less subordinated debt, cash and cash equivalents, pledge cash assets, and financial assets.

Used to facilitate analysis of the company's real indebtedness.

## net interest expenses

Total interest expenses less interest on subordinated debt, one-off financing charges and other income payable on cash, cash equivalents and *liquid financial assets*.

Used to facilitate analysis of the company's interest results.

## net letting

The sum of agreed contracted annual rents for new lettings for the period less terminated annual rents.

Demonstrates the effect of the vacancy development illustrated in annual rent.

## net operating income

*Rental income* less *property costs*.

Highlights the ongoing earning capacity from property management.

## net operating income margin

*Net operating income* in relation to *rental income*.

Highlights the ongoing earning capacity from property management.

## other financial income and expenses

This item include change in fair value of derivatives, change in fair value of hybrid bonds, dividend from external shares, currency effects on external loans, and administrative finance cost.

# definitions

## other income and expenses

Items from secondary activities such as gains on disposals of fixed assets other than investment properties, income and expenses from temporary services rendered after the sale of properties. Summarizes income and expenses from business operations ancillary to the main business operations.

## property costs

This item includes direct property costs, such as operating expenses, utility expenses, maintenance costs and property taxes.

## property portfolio

Investment properties, owner-occupied properties, and investment properties classified as assets held for sale.

## realized value growth

Proceeds from the sale of investment properties minus acquisition costs, accumulated investments and costs of sale. This item demonstrates the actual result of sales measured from the acquisition to sale.

## real vacancy rate

The total number of vacant apartments less the number of apartments vacant due to renovation work or planned sales, in relation to the total number of apartments. Real vacancy is measured on the first day after the period end.

This rate facilitates the analysis of long-term vacancy for the company.

## renewed and renegotiated rental contracts

All changes in rental levels for remaining tenants. Highlights changes in contracts with existing customers.

## rent potential

The new lease level per area of the last 12 months divided by the rent per area per the last day of the period for all occupied apartments.

## rental income

*Rental value less vacancies and rent discounts.*

## rental value

12 months' rent for apartments, including a market rent for vacant apartments.

## return on equity

Comprehensive income divided by opening balance equity.

Shows the return offered on the owners' invested capital.

## sales and ended units

Sales or split of an apartment where one apartment object is ended and two new ones are created.

## unencumbered asset ratio

Unencumbered assets divided by unsecured loans minus subordinated debt, cash and cash equivalents.

Used to assess unencumbered assets in relation to unsecured senior interest-bearing debt.

## vacancy rate

The number of vacant apartments in relation to the total number of apartments.

The vacancy rate is measured on the first day after the period end.

## value growth

Changes in the value of investments properties excluding investment and change in currencies.

Demonstrates the changes in value of properties cleared for currency effects and capital spent.

## walk score

Rating from 0 to 100 for how easy it is to carry out daily errands without a car, where 100 is the best.

Walk score is provided by Walkscore.com and is disclosed to rate the location of the properties.

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# **Akelius in brief**

## **apartments for metropolitans**

All apartments are located in metropolitan cities, such as Paris, London, Toronto, Montreal, Ottawa, Quebec City, New York, Boston, Washington D.C., and Austin.

## ***better living***

Akelius restores and upgrades existing properties with a long-term perspective. Akelius continuously improves the quality of the properties to provide families and individuals a *better living*.

## **acquire via cherry-picking**

Akelius prefers to make many smaller acquisitions of properties that are exactly right, by cherry-picking, rather than making a few large acquisitions of properties that are not quite right.

## **strong capital structure, low refinancing risk**

Akelius has agreements with several capital markets, listed senior unsecured bonds, and listed ordinary shares of class D. Akelius is one of Europe's largest listed residential companies and has ten thousand shareholders.

## **sustainability is part of all decisions**

One of Akelius' main sustainability goals is to align with the net zero initiative on reduction of carbon emissions by 2050.

Akelius' main priorities include promoting a safe environment for its employees and tenants, using ethical business practices, and improving digitization and cybersecurity.

## **financial calendar**

annual report 2022	March 10, 2023
interim report Jan–Mar 2023	April 28, 2023
interim report Jan–Jun 2023	July 31, 2023