

year-end report

January to December 2023

	2023 Jan–Dec	2022 Jan–Dec	2023 Oct–Dec	2022 Oct–Dec
Property fair value, EUR million	5,686	6,173	5,686	6,173
Number of apartments	19,652	19,545	19,652	19,545
Residential rentable area, thousand sqm	1,196	1,190	1,196	1,190
Real vacancy rate, residential, percent	1.3	2.0	1.3	2.0
Vacancy rate, residential, percent	5.9	8.1	5.9	8.1
Rent potential, percent	21	22	21	22
Loan-to-value, percent	42	16	42	16
Cash sources to cash uses, percent	170	1,915	170	1,915
Interest coverage ratio, 12 months	21.7	8.8	21.7	8.8
Interest coverage ratio, excluding realized value growth, 12 months	22.0	9.6	22.0	9.6
Credit rating, Standard & Poor's	BBB-	BBB	BBB-	BBB
Credit rating, Fitch Ratings	BBB	BBB	BBB	BBB
Net asset value, EUR million	2,863	4,433	2,863	4,433
Rental income, EUR million	333	303	86	83
Like-for-like growth in rental income, percent	10.8	11.9	8.8	13.4
Net operating income, EUR million	173	148	46	41
Net operating income margin, percent	51.9	48.9	53.7	49.7
Like-for-like growth in net operating income, percent	18.0	18.9	18.1	19.5
EBITDA, EUR million	156	127	42	36
Profit or loss, EUR million	-260	-597	-95	-443

Alternative performance measurements and definitions on pages 30–37.



52 rue Eugène Carrière, Paris
Acquired 2017

18 percent net operating income growth, like-for-like

The main drivers are higher occupancy rate, completion of capital projects, increasing new lease levels, and less rent concessions. Despite an increase in costs, the like-for-like net operating income growth is 18.0 percent. The growth is expected to continue during 2024.

like-for-like vacancy rate decrease 2.1 percentage points

Thanks to the completion of capital projects and purely focusing on property management, the like-for-like vacancy rate decreased with 2.1 percentage points during the last twelve months down to 5.9 percent. Akelius expects further decreases during 2024.

Vacancy rate excluding construction work and sales was 1.3 percent.

like-for-like rental income growth 10.8 percent

The trend with rental income growth continues.

Strong demand for Akelius' apartments coupled with higher occupancy rates and completion of capital projects are main drivers.

Additionally, the in-place rent, like-for-like, increased by 8.1 percent during the last twelve months.

capitalization rate from 4.20 to 4.74 percent

Property prices in all markets are still declining.

The negative value growth during 2023 was EUR 582 million, or 9.4 percent.

Increasing interest rate levels and consequently a change in the capitalization rate from 4.20 to 4.74 percent are the key drivers behind the value decrease.

The pace of rental growth is substantial and will with time lead to positive value growth.

strong financial position

The liquidity has decreased during the last quarter due to the extra dividend of EUR 1,314 million.

In connection with the dividend, Akelius received a financial guarantee from the main owner.

Akelius has no need for new borrowings, and the financial guarantee will be used to continue repaying maturing debt.

A decreasing debt, together with the financial guarantee, is resulting in a strong financial position.

continue improving the properties

Focusing on improving the existing portfolio by finishing large capital projects and reducing vacancies pays off.

The results are strong rental income and net operating income growth.

Akelius continues with further improvements of the portfolio.

Akelius monitors the property markets closely and is selective with transactions.



Ralf Spann,
CEO and Board Member

property portfolio December 31, 2023

fair value properties EUR 5,686 million

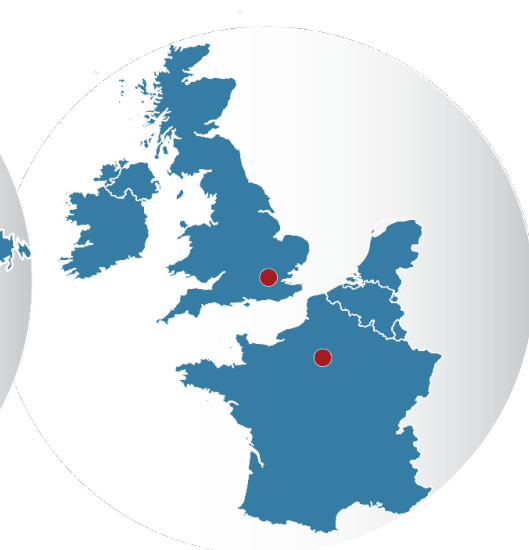
US



Canada



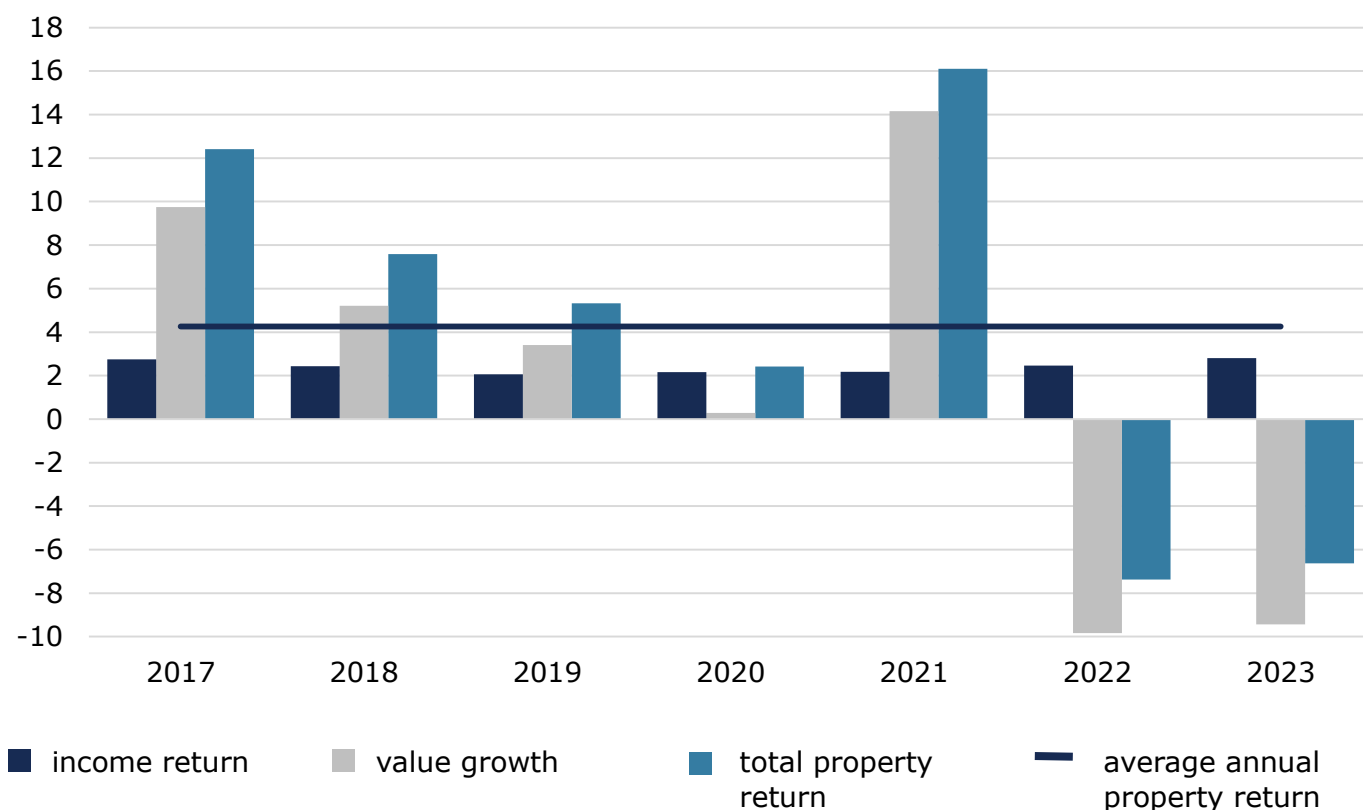
Europe



City	Number of apartments	Rentable area, thousand sqm	Fair value			Vacancy rate, residential, percent	Capitaliza- tion rate, percent
			EUR million	EUR/ sqm	Proportion, percent		
London	2,348	103	949	9,234	17	3.8	4.38
Paris	1,540	52	429	8,308	8	19.0	3.90
Europe	3,888	155	1,378	8,924	25	9.9	4.22
Washington D.C.	3,064	248	824	3,321	14	10.3	5.54
New York	1,745	122	637	5,203	11	2.9	5.10
Boston	1,258	81	588	7,247	10	4.5	4.94
Austin	861	66	167	2,532	3	5.5	5.09
US	6,928	517	2,216	4,282	38	6.8	5.23
Toronto	4,286	243	1,112	4,579	20	1.7	4.34
Montreal	4,214	291	940	3,228	17	5.6	4.81
Ottawa	120	12	20	1,750	0	0.0	4.75
Quebec City	216	15	20	1,330	0	0.0	5.00
Canada	8,836	561	2,092	3,732	37	3.5	4.57
Total/Average	19,652	1,233	5,686	4,613	100	5.9	4.74

property return -6.6 percent

percent



	EUR million	Growth/return, percent
Fair value Jan 1, 2023	6,173	
Revaluations	-582	-9.4
Investments	194	3.1
Purchases	-	0.0
Sales	-5	-0.1
Exchange differences	-94	-1.5
Fair value Dec 31, 2023	5,686	-7.9
Revaluations	-582	-9.4
Net operating income	173	2.8
Transaction cost	-	0.0
Total property return	-409	Per annum: -6.6

capitalization rate 4.74 percent

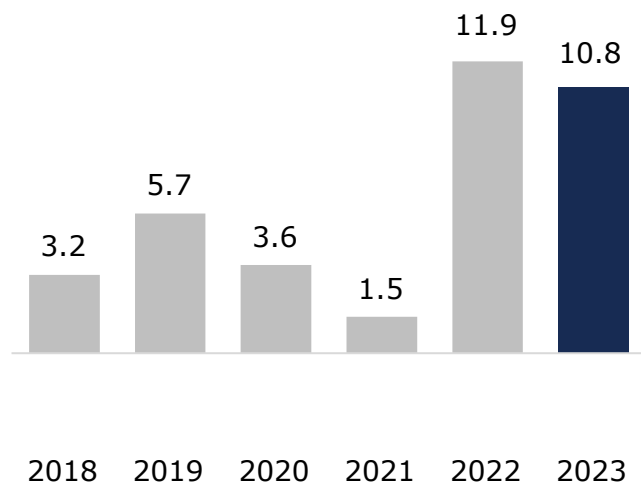
EUR million	Capitalization rate	Discount rate
Jan 1, 2023	4.20	6.20
Purchases	0.00	0.00
Sales	0.00	0.00
Like-for-like	0.55	0.53
Exchange differences	-0.01	0.00
Dec 31, 2023	4.74	6.73

change in value EUR -582 million

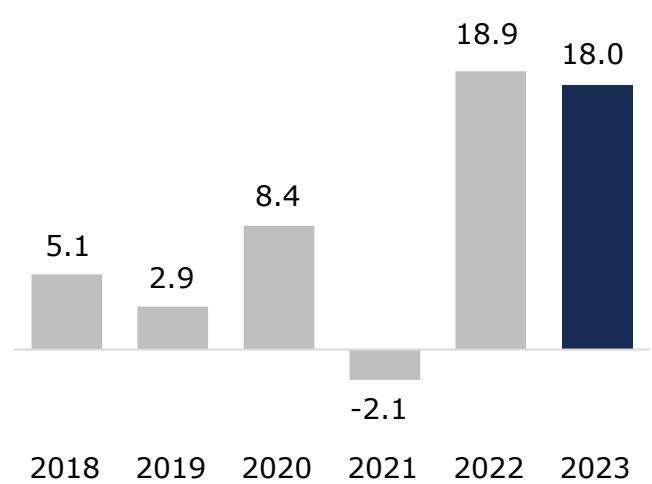
	EUR million	Return, percent
Cash flow	185	3.00
Required rate of return	-767	-12.42
Sales	-	0.00
Purchases	-	0.00
Total change in value	-582	-9.42

like-for-like growth

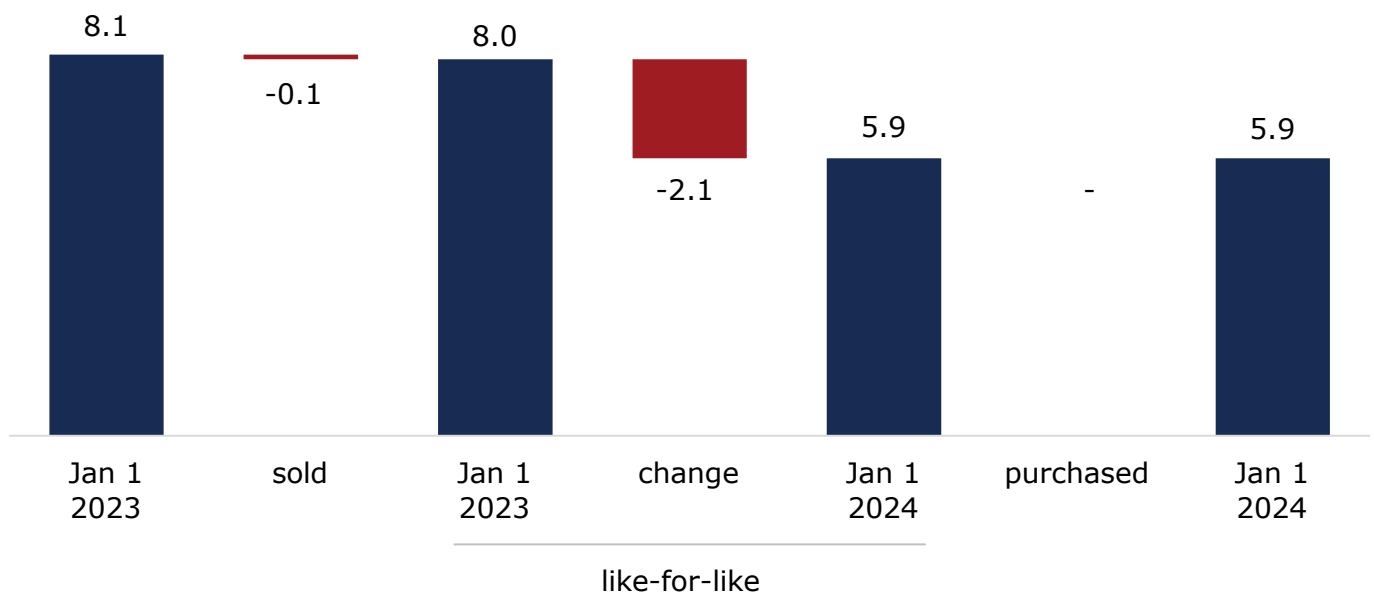
rental income 10.8 percent



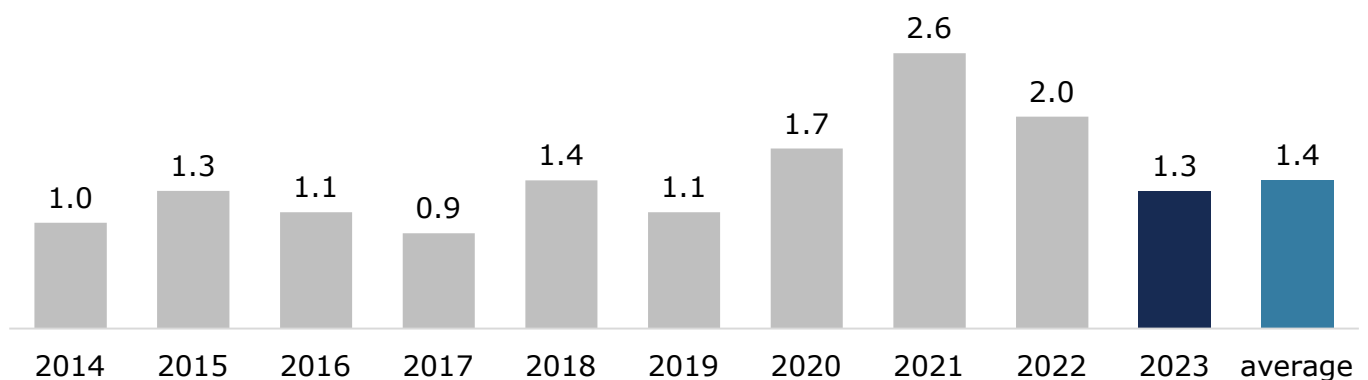
net operating income 18.0 percent



vacancy rate, residential, 5.9 percent



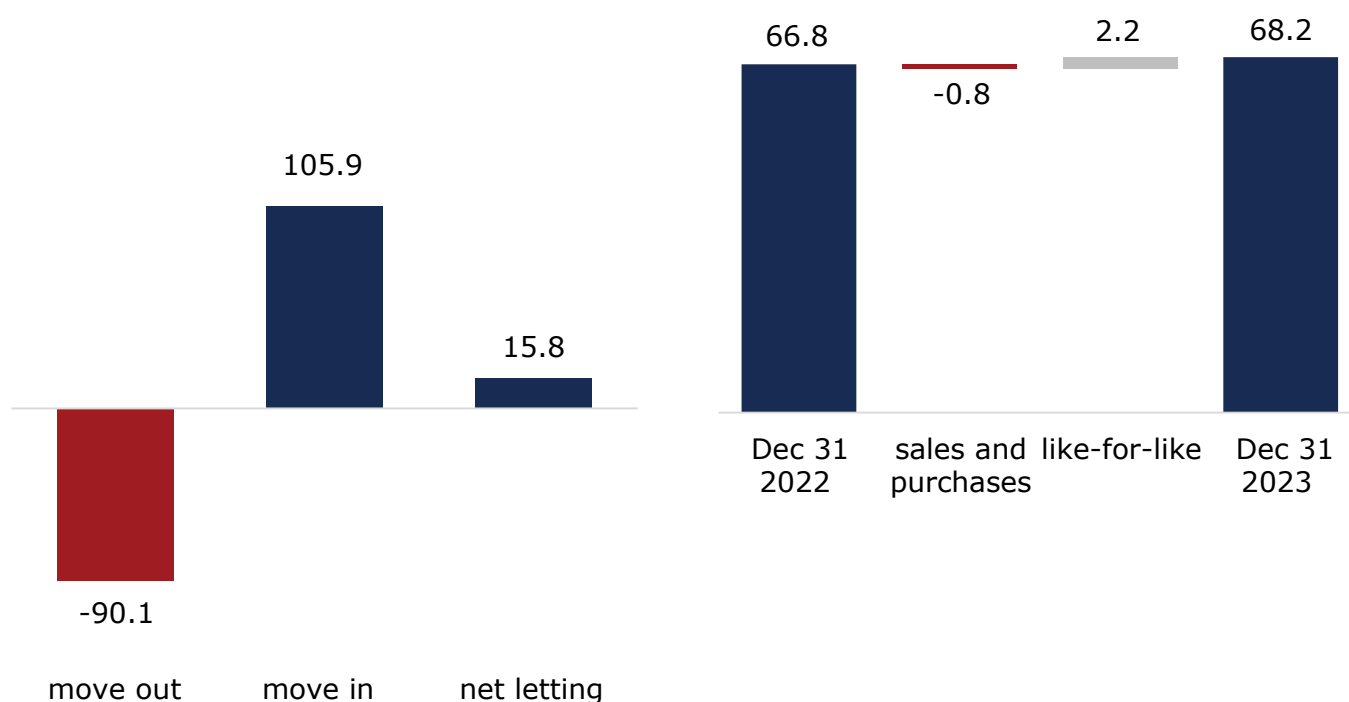
real vacancy rate, residential, 1.3 percent



net letting and upgraded apartments

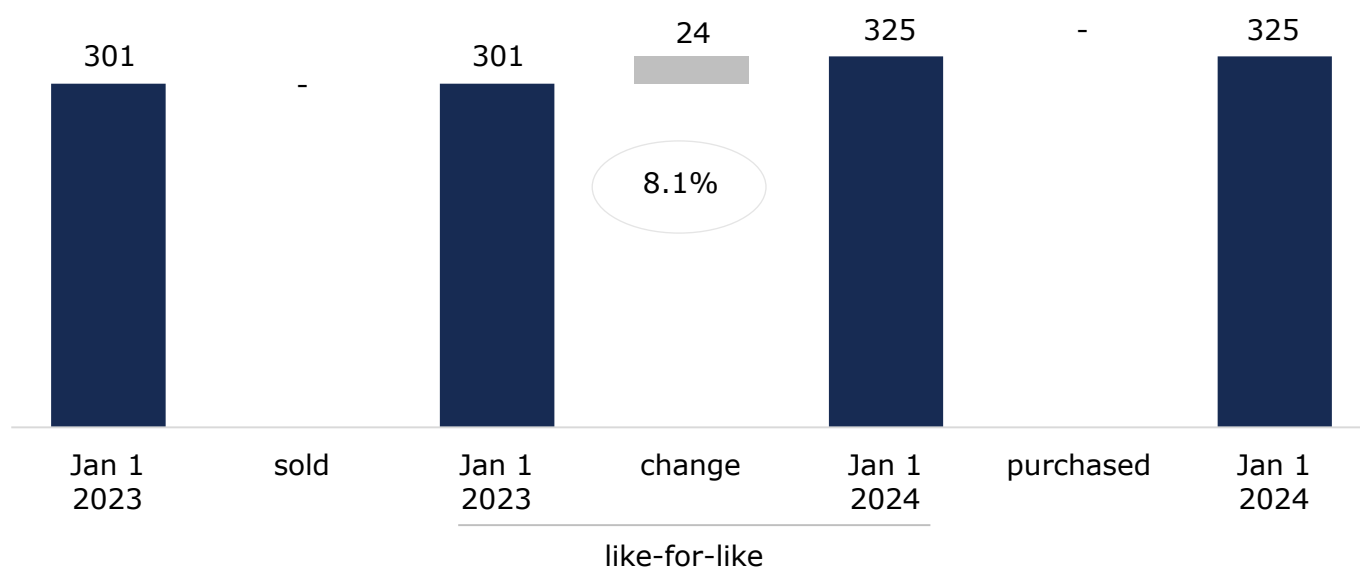
net letting EUR 15.8 million
January to December 2023

upgraded apartments
68.2 percent



development residential in-place rent

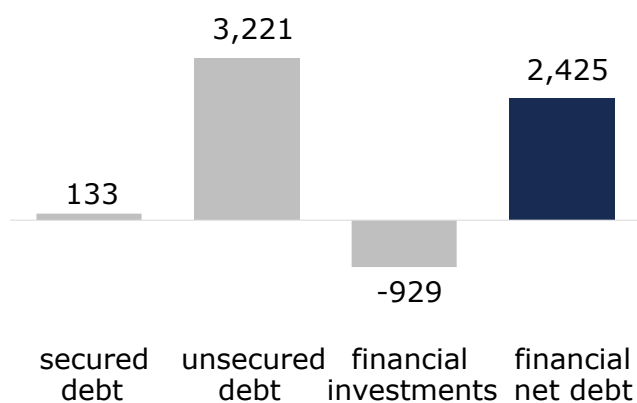
EUR million



financing

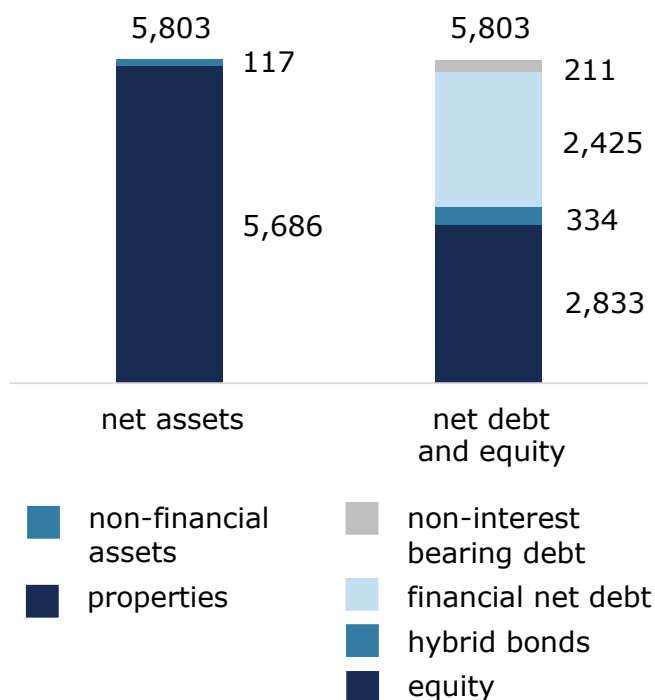
financial net debt

EUR million



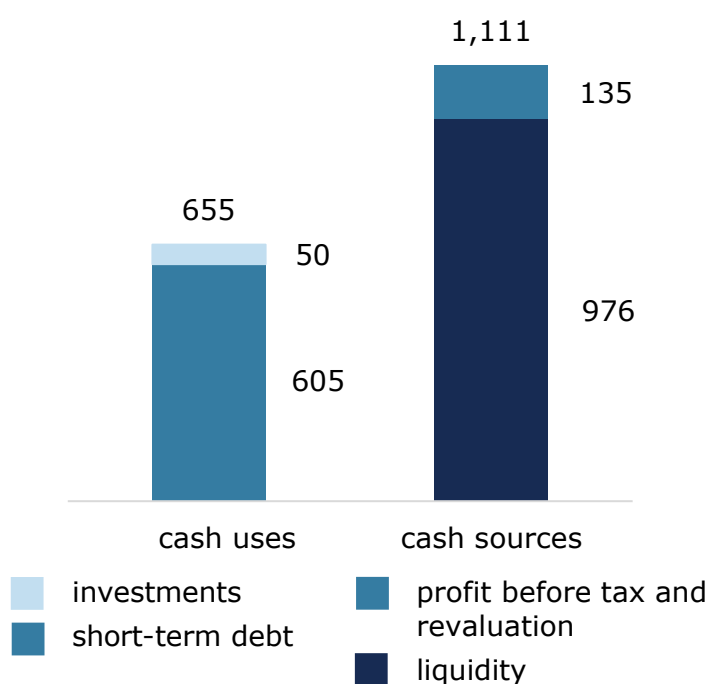
net balance

EUR million



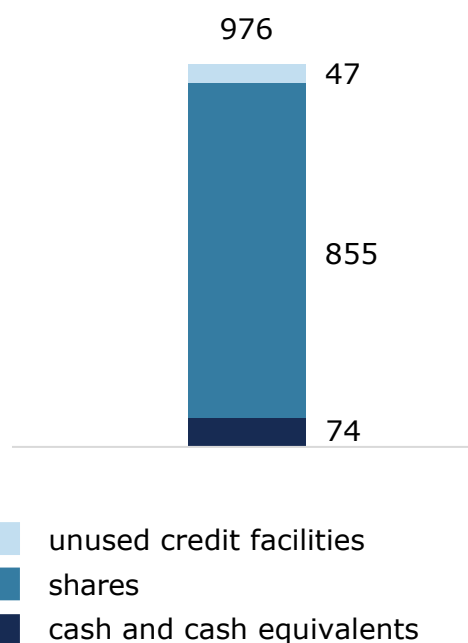
cash uses and cash sources

EUR million, 12 months forward



liquidity

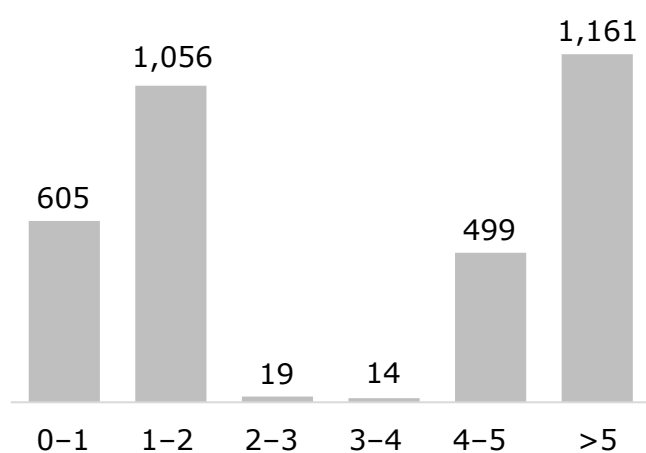
EUR million



financing

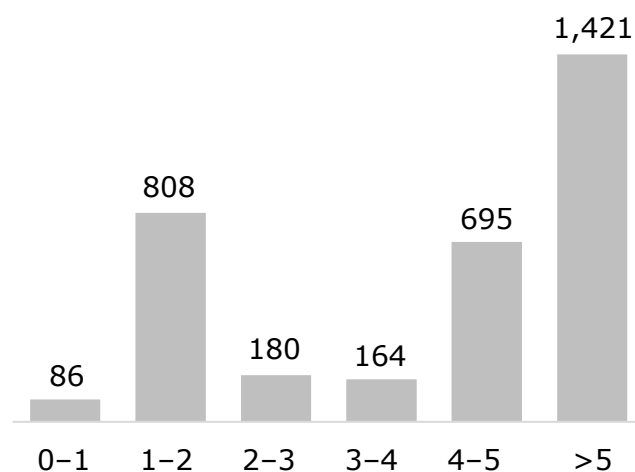
debt maturities

EUR million per year

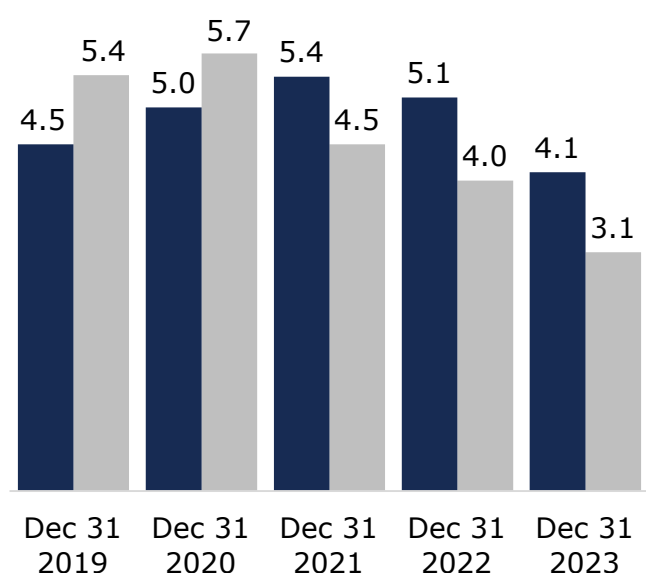


interest rate hedges

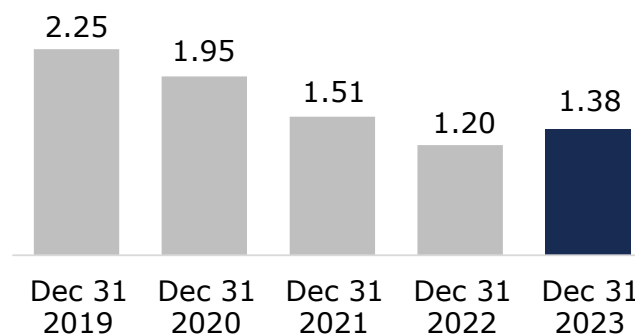
EUR million per year



fixed interest terms 4.1 years
debt maturities 3.1 years



interest rate 1.38 percent



■ fixed interest term
■ debt maturities

financing

current interest and debt coverage capacity

EUR million	2023 Jan-Dec	Earning capacity as at Dec 31, 2023
Rental income	333	356
Operating expenses	-136	-135
Maintenance	-24	-24
Net operating income	173	197
Central administrative expenses	-17	-16
EBITDA	156	181
Other financial income and expenses	-2	-2
Adjusted EBITDA	154	179
Net interest expenses	-7	-44
Interest coverage ratio excluding realized value growth	22.0	4.1
Realized value growth	-2	
Interest coverage ratio	21.7	
Net debt as at Dec 31, 2023	2,425	2,425
Net debt / EBITDA	15.5	13.4

earning capacity

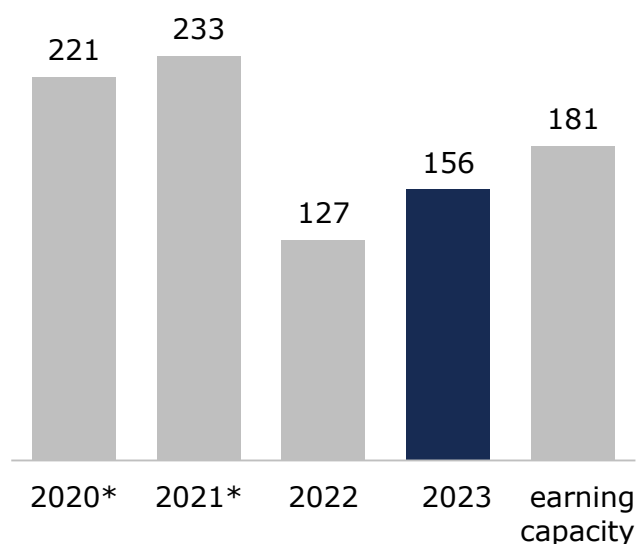
The earning capacity is based on the property portfolio and net debt as at December 31, 2023.

Rental income includes EUR 341 million in residential rental value as at January 1, 2024, EUR 13 million in rental income for commercial properties and parking, EUR -5 million in real vacancy for apartments, and EUR 7 million in other income.

Residential rental value of EUR 341 million minus vacancy, plus recharge of operating expenses to tenants is equivalent to EUR 325 million in residential in-place rent.

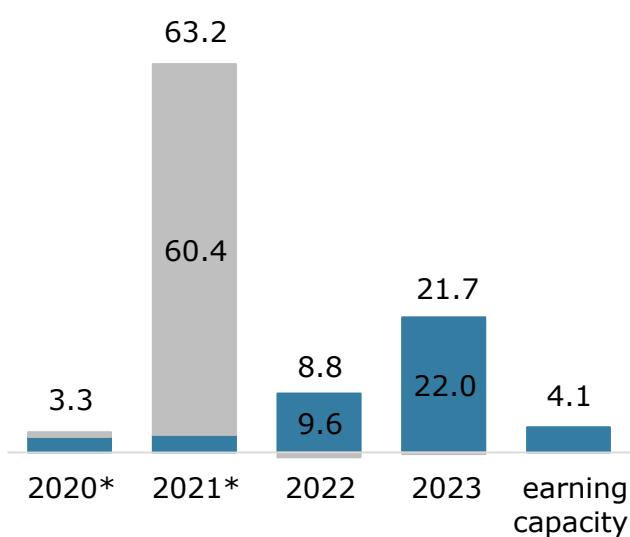
Only interest expenses are included in earning capacity, due to sale of financial investments in the end of 2023.

EBITDA EUR 156 million



*) includes discontinued and continuing operations

interest coverage ratio 21.7

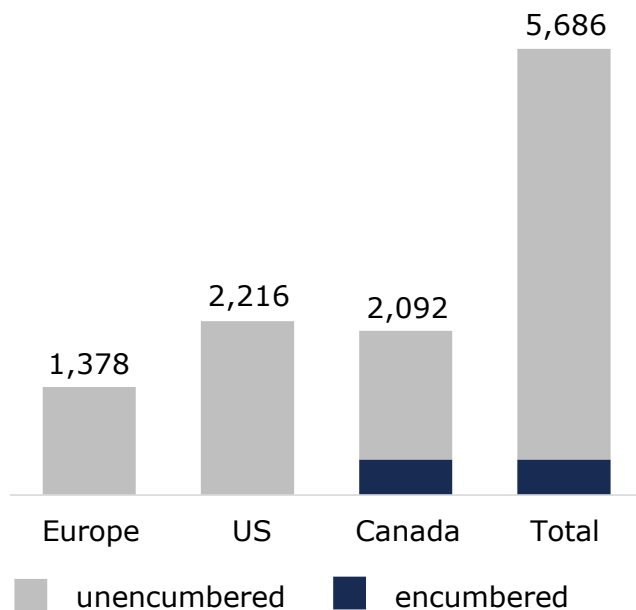


■ realized value growth ■ EBITDA

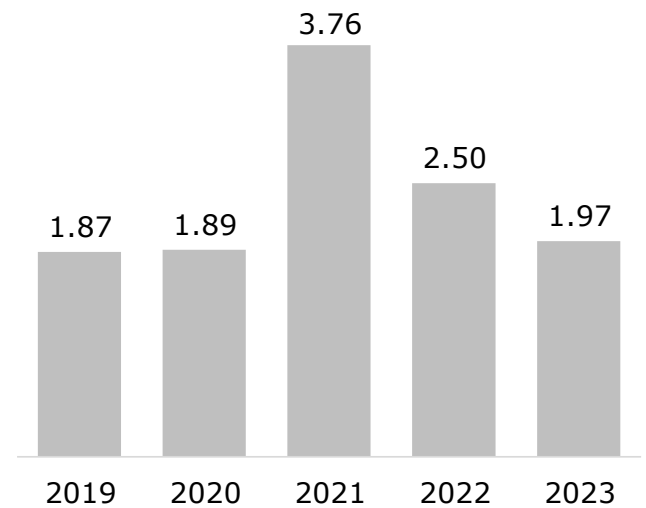
financing

encumbrance properties

EUR million



unencumbered asset ratio



loans and hybrid bonds reported at amortized cost

EUR million	Dec 31 2023 Carrying value	Dec 31 2023 Fair value	Dec 31 2022 Carrying value	Dec 31 2022 Fair value
Loans	3,354	3,012	3,657	3,140
Hybrid bonds	334	281	650	558
Total	3,688	3,293	4,307	3,698

financial instruments reported at fair value

EUR million	Dec 31 2023	Dec 31 2022
Assets	907	2,493
Liabilities	56	34

Loans and hybrid bonds are recognized at amortized cost using the effective interest rate method.

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

The fair value of loans and derivatives are based on level 2 data in the fair value hierarchy.

The fair value of hybrid bonds are based on level 1 data.

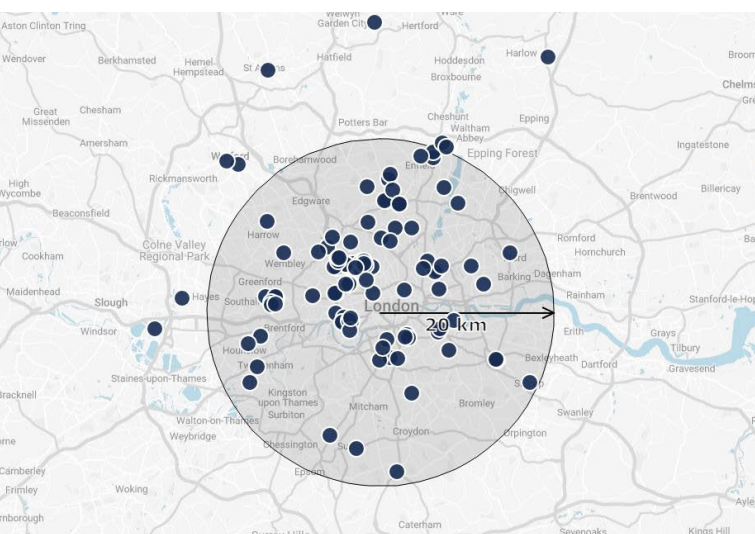
Derivatives and financial investments are measured continuously at fair value through profit or loss.

Financial instruments reported at fair value decreased from EUR 2,493 million to EUR 907 million during the year, mainly as a result of the sale of all bonds.

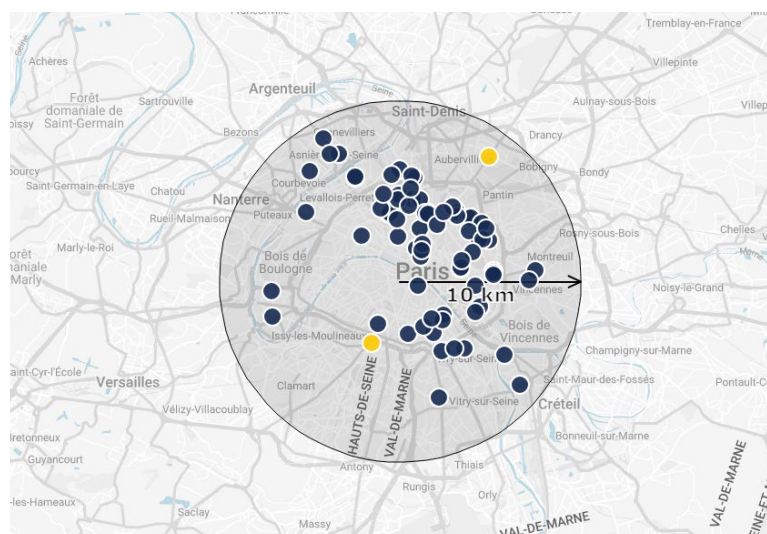
At the end of the year, Akelius owns 13.5 percent of the outstanding shares in Castellum AB, with a reported value of EUR 855 million. The investment in Castellum AB is measured at fair value through profit and loss based on level 1 data.

No transfers have taken place between the various hierarchical levels during 2023.

London



Paris



● like-for-like properties ● sold properties 2023

London

Paris

Property portfolio

Fair value, EUR million	949	429
Capitalization rate, percent	4.38	3.90
Proportion upgraded apartments, percent	79	64
Residential rentable area, thousand sqm	94	47
Commercial rentable area, thousand sqm	9	5
Average apartment size, sqm	40	30
Walk score	84	97

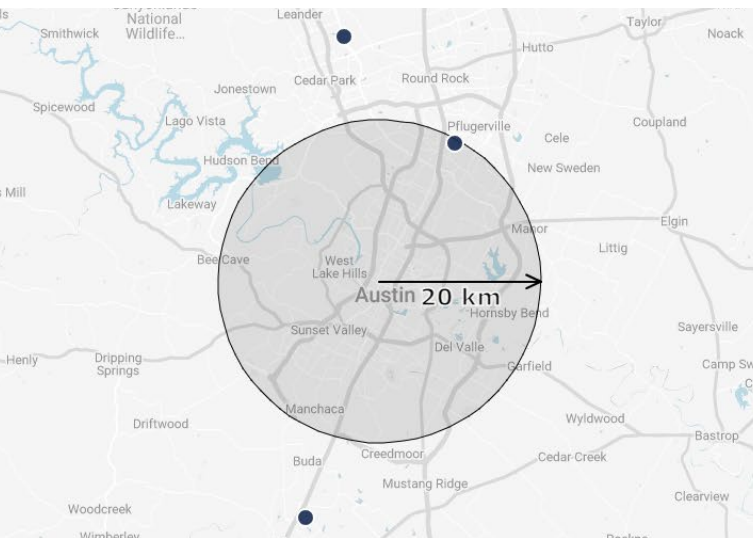
Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2023	35.57	29.18
Exchange difference	0.73	-
Adjusted total portfolio Jan 1, 2023	36.30	29.18
Sales and ended units	-	-
Like-for-like Jan 1, 2023	36.30	29.18
Like-for-like change	3.10	0.64
- Change in percent	8.5	2.2
Like-for-like Jan 1, 2024	39.40	29.82
Purchases and new constructions	0.30	-
Total portfolio Jan 1, 2024	39.70	29.82
New lease level	46.54	34.09

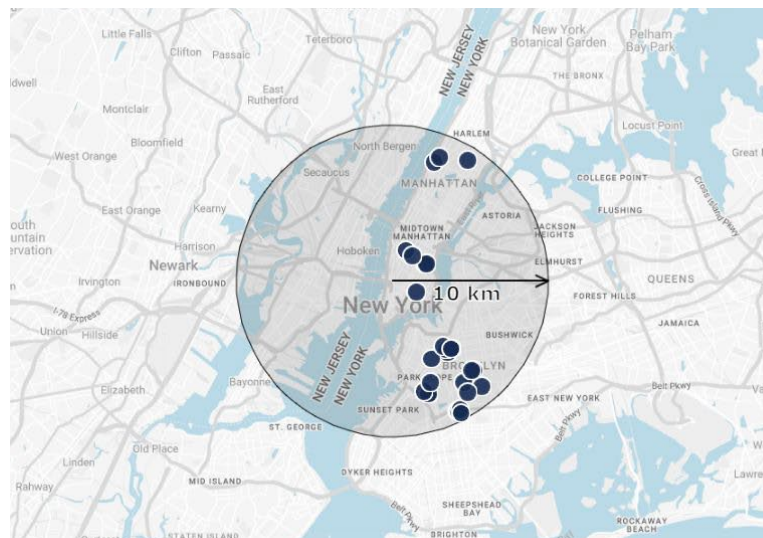
Vacancy rate residential

	Percent	Percent
Real vacancy rate	0.7	0.8
Apartments being upgraded	3.1	18.2
Vacancy rate	3.8	19.0

Austin



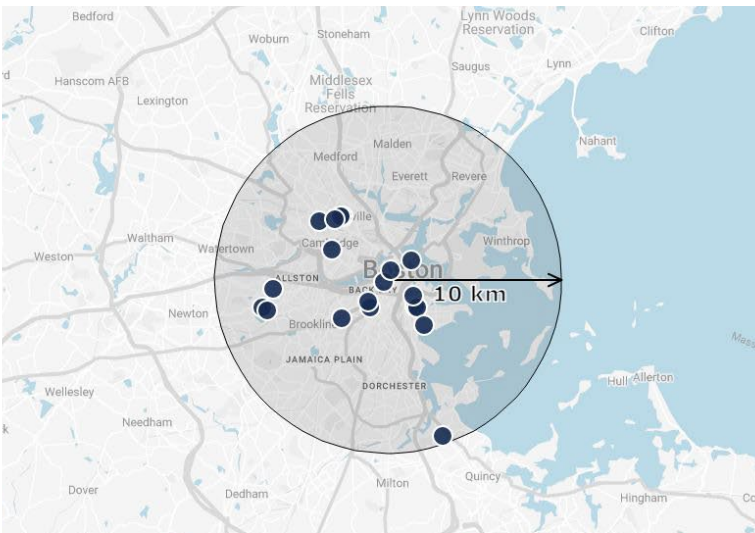
New York



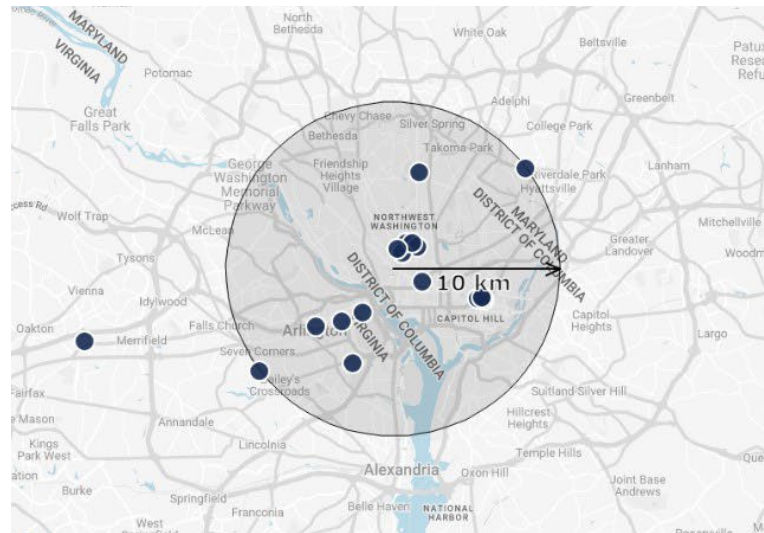
● like-for-like properties

	Austin	New York
Property portfolio		
Fair value, EUR million	167	637
Capitalization rate, percent	5.09	5.10
Proportion upgraded apartments, percent	100	59
Residential rentable area, thousand sqm	66	118
Commercial rentable area, thousand sqm	-	4
Average apartment size, sqm	76	68
Walk score	7	96
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2023	18.38	34.82
Exchange difference	-0.64	-1.21
Adjusted total portfolio Jan 1, 2023	17.74	33.61
Sales and ended units	-	-
Like-for-like Jan 1, 2023	17.74	33.61
Like-for-like change	-0.06	1.33
- Change in percent	-0.4	4.0
Like-for-like Jan 1, 2024	17.68	34.94
Purchases and new constructions	-	-
Total portfolio Jan 1, 2024	17.68	34.94
New lease level	17.38	56.81
Vacancy rate residential		
	Percent	Percent
Real vacancy rate	5.5	0.7
Apartments being upgraded	0.0	2.2
Vacancy rate	5.5	2.9

Boston



Washington D.C.



● like-for-like properties

Boston Washington D.C.

Property portfolio

Fair value, EUR million	588	824
Capitalization rate, percent	4.94	5.54
Proportion upgraded apartments, percent	92	77
Residential rentable area, thousand sqm	79	243
Commercial rentable area, thousand sqm	2	5
Average apartment size, sqm	63	79
Walk score	91	84

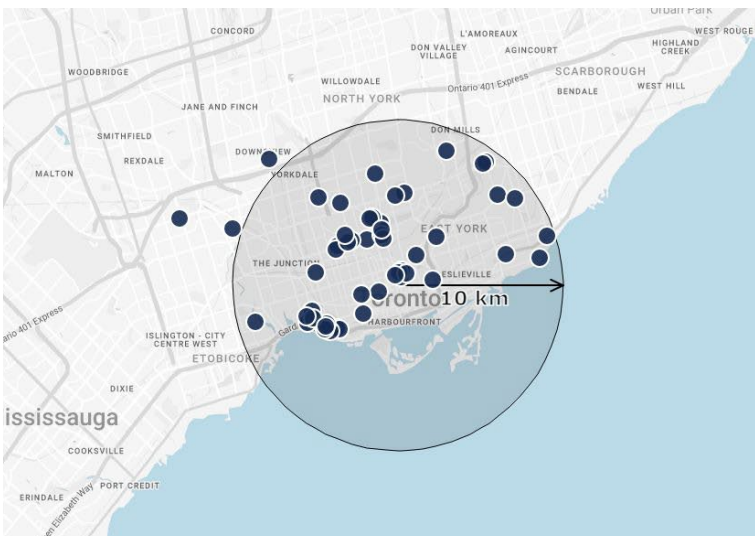
Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2023	39.53	23.77
Exchange difference	-1.38	-0.83
Adjusted total portfolio Jan 1, 2023	38.15	22.94
Sales and ended units	-	-
Like-for-like Jan 1, 2023	38.15	22.94
Like-for-like change	2.43	0.77
- Change in percent	6.4	3.3
Like-for-like Jan 1, 2024	40.58	23.71
Purchases and new constructions	-	-
Total portfolio Jan 1, 2024	40.58	23.71
New lease level	43.43	24.33

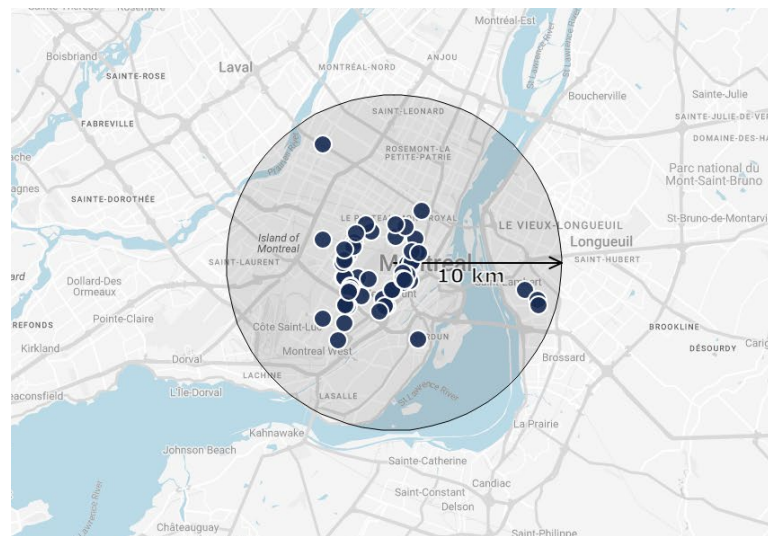
Vacancy rate residential

	Percent	Percent
Real vacancy rate	1.9	2.7
Apartments being upgraded	2.6	7.6
Vacancy rate	4.5	10.3

Toronto



Montreal



● like-for-like properties

Toronto

Montreal

Property portfolio

Fair value, EUR million	1,112	940
Capitalization rate, percent	4.34	4.81
Proportion upgraded apartments, percent	63	57
Residential rentable area, thousand sqm	238	284
Commercial rentable area, thousand sqm	5	7
Average apartment size, sqm	56	67
Walk score	74	77

Average rent residential

EUR/sqm/month

EUR/sqm/month

Total portfolio Jan 1, 2023	18.24	14.69
Exchange difference	-0.25	-0.20
Adjusted total portfolio Jan 1, 2023	17.99	14.49
Sales and ended units	-	-
Like-for-like Jan 1, 2023	17.99	14.49
Like-for-like change	1.17	0.79
- Change in percent	6.5	5.5
Like-for-like Jan 1, 2024	19.16	15.28
Purchases and new constructions	-	0.02
Total portfolio Jan 1, 2024	19.16	15.30
New lease level	29.99	18.19

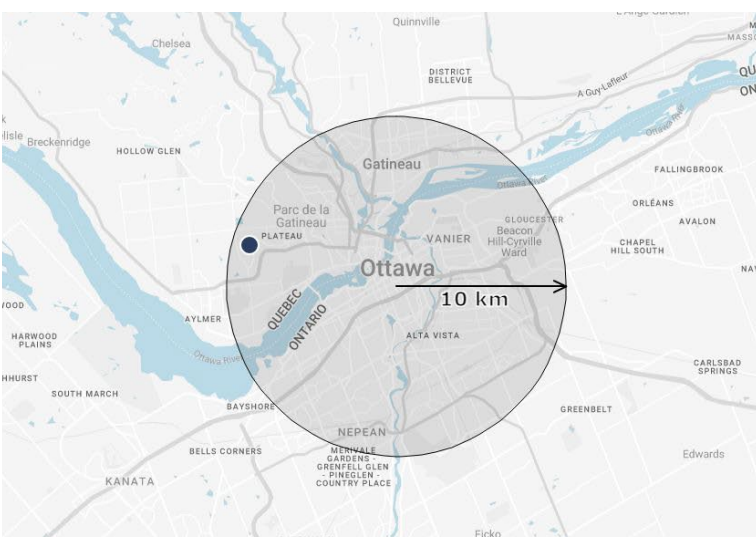
Vacancy rate residential

Percent

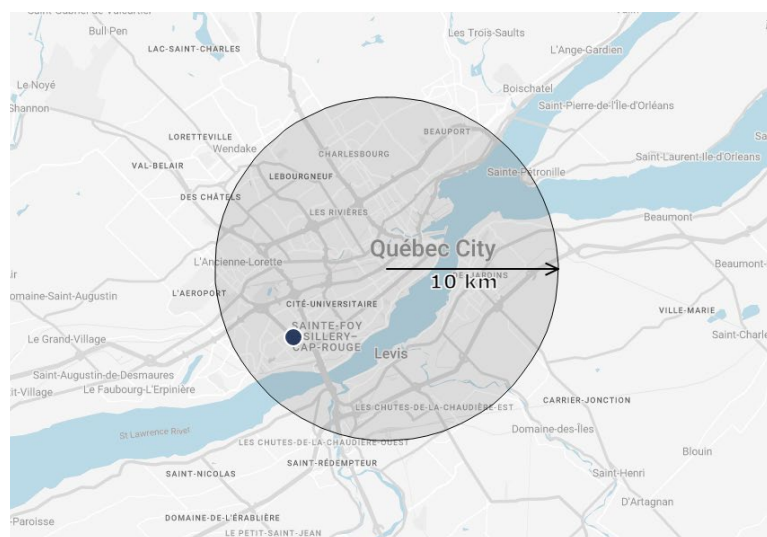
Percent

Real vacancy rate	0.3	0.9
Apartments being upgraded	1.4	4.7
Vacancy rate	1.7	5.6

Ottawa



Quebec City



● like-for-like properties

	Ottawa	Quebec City
Property portfolio		
Fair value, EUR million	20	20
Capitalization rate, percent	4.75	5.00
Proportion upgraded apartments, percent	100	1
Residential rentable area, thousand sqm	12	15
Commercial rentable area, thousand sqm	-	-
Average apartment size, sqm	95	71
Walk score	3	68
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2023	8.21	8.10
Exchange difference	-0.12	-0.11
Adjusted total portfolio Jan 1, 2023	8.09	7.99
Sales and ended units	-	-
Like-for-like Jan 1, 2023	8.09	7.99
Like-for-like change	0.69	0.53
- Change in percent	8.5	6.7
Like-for-like Jan 1, 2024	8.78	8.52
Purchases and new constructions	-	-
Total portfolio Jan 1, 2024	8.78	8.52
New lease level	10.71	10.43
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



governance

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



social

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

energy inspections completed

All Akelius properties that are not under construction has been energy inspected during 2023.

As a result, a total of 575 properties have an energy inspection protocol and an energy summary report available.

Details regarding building envelope, mechanical and electrical systems, utility consumption, and maintenance amongst others are included in the reports.

low climate risk continues in Akelius portfolio

A climate risk assessment has been completed on the Akelius portfolio during 2023.

All the properties continue to be at low risk. For the current decade, the average risk is at 0.2 percent of asset value.

This valuation is for the RCP 4.5 scenario where the assumption is a temperature increase between 2.1 to 3.5 degree Celsius by the year 2100.

Fluvial flooding and temperature extremes represent the highest physical climate risks for Akelius during the current decade, 2020 to 2029.

boiler optimization in London

Four optimization devices were installed at the four boilers located in McMillan House property in London during 2023.

The device should reduce unnecessary firing on boilers and does also provide real time data.

Since the installation, the four devices have

- stopped the boilers over ten thousand times for unnecessary firing
- saved 6,294 kg of CO₂ which represents eight percent of Akelius total boiler emissions
- reduced consumption with fifteen percent kWh, leading to cost reduction in gas bills.

focus on employees

	Target	2023	2022	2021	2020
Number of employees	n/a	655	755	865	1,300
Gender pay rate, percent	100	112	114	114	116
Annual sick leave, percent	<2.0	2.3	1.9	1.5	1.9
Fatality cases	0	-	-	-	-
Injury rate*	0.00	0.07	0.06	0.25	0.14
Lost day rate*	0.00	0.00	0.00	0.96	2.60

*) per 100,000 worked hours

consolidated income statement and comprehensive income

EUR million	Note	2023 Jan–Dec 12 months	2022 Jan–Dec 12 months	2023 Oct–Dec 3 months	2022 Oct–Dec 3 months
Rental income	1	333	303	86	83
Operating expenses	2	-136	-133	-34	-36
Maintenance	2	-24	-22	-6	-6
Net operating income	2	173	148	46	41
Central administrative expenses		-17	-21	-4	-5
EBITDA	3	156	127	42	36
Depreciation		-3	-14	-	-1
Realized revaluation of investment properties		-	-15	-	-15
Unrealized revaluation of investment properties		-582	-577	-293	-452
Reversal of restructuring expenses		-	1	-	1
Operating profit or loss		-429	-478	-251	-431
Interest income	4	50	34	9	13
Interest expenses	4	-57	-54	-14	-12
Interest expenses hybrid bonds	4	-14	-22	-2	-5
Change in fair value of financial assets	4	264	-332	208	59
Change in fair value of derivatives	4	-67	97	-32	3
Other financial income and expenses	4	45	131	-16	-94
Profit or loss before tax	5	-208	-624	-98	-467
Current tax	6	-2	-5	1	11
Deferred tax	6	-50	32	2	13
Profit or loss		-260	-597	-95	-443
Items that may be reclassified to profit or loss					
Translation differences	7	-93	88	-157	-439
Tax on items that may be reclassified	7	15	-22	15	54
Other comprehensive income	7	-78	66	-142	-385
Total comprehensive income*		-338	-531	-237	-828
Earnings per share, basic and diluted, EUR		-0.04	-0.11	-0.01	-0.08

*) of which EUR 1 million is attributable to non-controlling interest during Jan–Dec 2022

note 1

rental income

Rental income was EUR 333 million (303), an increase of 10.0 percent compared to 2022.

Like-for-like growth in rental income was EUR 29 million (26) or 10.8 percent (11.9). The increase is mainly related to decreased vacancy and increased rents due to high demand in Akelius apartments.

During the year, 12,330 rental contracts (11,131) with an annual rent of EUR 190 million (171) were renewed or renegotiated.

The new yearly rent is EUR 198 million (178), an increase of 4.3 percent (4.2).

The vacancy rate for residential units decreased by 2.2 percentage points to 5.9 percent (8.1), compared to the end of 2022.

This is mainly due to an increased amount of completed apartment upgrades.

79 percent (76) of vacancy was due to upgrades.

The real vacancy rate decreased by 0.7 percentage points to 1.3 percent (2.0) during the year.

note 2

net operating income

Property expenses totaled EUR 160 million (155). EUR 24 million (22) was attributable to maintenance, corresponding to EUR 19 per square meter (18) per year.

Net operating income was EUR 173 million (148).

Like-for-like growth in net operating income was 18.0 percent (18.9).

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

Net operating income margin was 51.9 percent (48.9).

Adjusted net operating income margin was 63.9 percent (61.9).

note 3

EBITDA

EBITDA was EUR 156 million (127), an increase by 22.3 percent compared to 2022.

The increase is mainly related to growth in like-for-like rental income.

note 4

net financial items

Interest income was EUR 50 million (34) and interest expenses were EUR 57 million (54). Interest expenses related to hybrid bonds were EUR 14 million (22).

Revaluations of financial assets affected earnings by EUR 264 million (-332), of which EUR 230 million relates to change in fair value of investment in Castellum AB.

Revaluations of financial derivatives impacted earnings by EUR -67 million (97).

Other financial income and expenses amounted to EUR 45 million (131), and are mainly related to currency effects from derivatives, financial investments, and external loans.

note 5

profit or loss before tax

Profit or loss before tax was EUR -208 million (-624).

Profit or loss before tax was mainly affected by positive net operating income of EUR 173 million (148), negative unrealized changes of investment properties EUR -582 million (-577), and a positive financial net of EUR 221 million (-146).

note 6

tax

Reported tax in profit or loss totaled EUR -52 million (27).

EUR -50 million (32) refer to deferred tax, mainly due to utilization of tax losses in Parent Company and non-capitalized deferred tax assets.

note 7

other comprehensive income

Other comprehensive income was EUR -78 million (66).

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

condensed consolidated statement of financial position

EUR million	Note	Dec 31 2023	Dec 31 2022
Assets			
Investment properties	8	5,679	6,162
Owner-occupied properties	8	7	11
Right-of-use-assets		6	7
Tangible fixed assets		4	4
Derivatives		44	73
Deferred tax assets		22	48
Financial assets	9, 10, 12	855	2,077
Receivables and other assets		6	4
Total non-current assets		6,623	8,386
Financial assets	9, 10, 12	-	319
Receivables and other assets		27	47
Derivatives		8	24
Cash and cash equivalents	10, 12	74	217
Total current assets		109	607
Total assets		6,732	8,993
Equity and liabilities			
Equity attributable to the Parent Company's shareholders	11	2,833	4,506
Total equity	11	2,833	4,506
Unsecured loans	12	2,644	3,418
Secured loans	12	105	135
Hybrid bonds		334	650
Lease liabilities		5	6
Derivatives		11	30
Deferred tax liabilities		48	38
Provisions		1	-
Other liabilities		20	18
Total non-current liabilities		3,168	4,295
Unsecured loans	12	577	83
Secured loans	12	28	21
Lease liabilities		1	1
Derivatives		45	4
Provisions		2	4
Other liabilities		78	79
Total current liabilities		731	192
Total equity and liabilities		6,732	8,993

note 8

property fair value EUR 5,686 million

Fair value was EUR 5,686 million (6,173), which is equivalent to an average of EUR 4,613 per square meter (5,001).

The changes are due to increased capitalization rates during the year, which has pushed down property values.

The average capitalization rate was 4.74 percent, compared to 4.20 percent at the end of 2022.

Refer to table on page 5.

revaluation of properties EUR -582 million

The change in property value was EUR -582 million (-592), or -9.4 percent (-9.8).

Refer to table on page 5.

property investments EUR 194 million

Investments in properties amounted to EUR 194 million (205).

On an annual basis, this corresponds to EUR 157 per square meter (171).

14 percent (14) of the total investments referred to apartment upgrades.

property sales EUR 5 million

Akelius sold properties for EUR 5 million (11).

Sales refers to two properties in Paris and one residential unit in London.

note 9

financial assets

Financial assets decreased from EUR 2,396 million to EUR 855 million during the year.

The decrease is mainly due to the sale of all bonds in the fourth quarter to pay for the additional dividend of EUR 1,314 million.

At the end of the year, Akelius held 13.5 percent (12.8) of the shares outstanding in Castellum AB, at a fair value of EUR 855 million (479).

note 10

liquidity

Available funds in the form of cash equivalents, financial assets, and unutilized credit facilities totaled EUR 976 million (2,772).

Unutilized credit facilities amounted to EUR 47 million (159), with an average maturity of 1.2 years (0.5). Facilities intended to be kept are extended prior maturity.

The unutilized bilateral credit agreements are provided by 4 banks (5).

The fair value of the unencumbered properties was EUR 5,232 million (5,606).

note 11

equity ratio

Equity decreased by EUR 1,673 million to EUR 2,833 million (4,506) during the year. Issue of shares, dividends, translation differences, and profit or loss for the year had an impact on changes in equity.

The equity ratio amounted to 47 percent (57), when including the hybrid bonds.

D-shares

The number of ordinary shares of class D was 220,000,000, equivalent to EUR 103 million in equity.

Akelius Apartments Ltd, majority owner of Akelius Residential Property AB (publ), has purchased D-shares for EUR 25 million (212) during the year.

D-shares represent 3.63 percent of the total amount of shares in Akelius Residential Property AB.

The closing price per D-share was EUR 1.530 at the end of the year.

note 12

net debt EUR 2,425 million

Loans excluding hybrid bonds decreased by EUR 303 million during the year, to EUR 3,354 million (3,657).

The loan-to-value ratio was 42 percent (16). The loan-to-value increased after the dividend of EUR 1,314 million.

Unsecured debt includes 8 bonds (10) and loans from related companies.

Financial investments, including cash and cash equivalents, amounted to EUR 929 million (2,613).

Net debt amounts to EUR 2,425 million (1,044).

maturities 3.1 years

Loans excluding hybrid bonds had an average maturity of 3.1 years, compared to 4.0 years at the end of 2022. EUR 605 million (104) mature within one year.

interest rate hedge 4.1 years

EUR 1,421 million (2,178) 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 4.1 years for debt portfolio excluding hybrid bonds, compared to 5.1 years at the end of 2022.

average interest rate

1.38 percent

During the year, the average interest rate increased from 1.20 percent to 1.38 percent on debt portfolio excluding hybrid bonds.

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-.

Fitch Ratings revised the outlook on Akelius' credit rating to negative from stable.

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

The rating for Akelius' hybrid bonds is BB.

Both rating actions came after Akelius announced the extra dividend on class A ordinary shares.

unencumbered asset ratio 1.97

The unencumbered asset ratio was 1.97, compared to 2.50 at the end of 2022.

consolidated statement of changes in equity

EUR million	Attributable to the Parent Company's shareholders				Total	Non controlling interest	Total equity
	Share capital	Share premium	Currency trans- lation reserve	Retained earnings			
Balance at Jan 1, 2022	199	1,102	67	5,671	7,039	10	7,049
Total comprehensive income for the year	-	-	65	-597	-532	1	-531
Share issue	149	3,936	-	-	4,085	-	4,085
Dividend	-	-1,376	-	-4,710	-6,086	-	-6,086
Purchase of non-controlling interest	-	-	-	-	-	-11	-11
Balance at Dec 31, 2022	348	3,662	132	364	4,506	-	4,506
Balance at Jan 1, 2023	348	3,662	132	364	4,506	-	4,506
Profit or loss for the year	-	-	-	-260	-260	-	-260
Other comprehensive income	-	-	-78	-	-78	-	-78
Total comprehensive income for the year	-	-	-78	-260	-338	-	-338
Share issue	6	162	-	-	168	-	168
Dividend*	-	-1,503	-	-	-1,503	-	-1,503
Balance at Dec 31, 2022	354	2,321	54	104	2,833	-	2,833

*) EUR 1,481 million for class A ordinary shares and EUR 22 million for class D ordinary shares

consolidated statement of cash flows

EUR million	2023 Jan-Dec 12 months	2022 Jan-Dec 12 months	2023 Oct-Dec 3 months	2022 Oct-Dec 3 months
Net operating income	173	148	46	41
Central administrative expenses	-17	-21	-3	-5
Interest paid	-71	-77	-6	-18
Interest received	51	58	19	26
Income tax paid	-3	-2	-1	-1
Cash flow before changes in working capital	133	106	55	43
Change in current assets	8	44	8	33
Change in current liabilities	6	-3	-4	-37
Cash flow from operating activities	147	147	59	39
Investments in intangible assets	-	-3	-	-
Investment in properties	-194	-205	-52	-54
Aquisition of properties	2	-456	-	-30
Acquisition of financial assets ¹	-140	-1,717	-	-1,667
Acquisition of other assets	-2	-2	-	-2
Sale of properties	5	11	4	11
Sales of discontinued operations	-	-3	-	-3
Sale of financial assets ²	1,939	4,089	1,593	1,757
Sale of other assets	-	8	-	-
Cash flow from investing activities	1,610	1,722	1,545	12
Share issue	168	4,085	-	-
Purchase of non-controlling interests	-	-11	-	-
Loans raised	296	-	56	-
Repayment of loans	-923	-945	-333	-84
Settlement of derivatives	61	83	-39	-10
Amortization leasing	-2	-1	-1	-
Dividend A-shares	-1,481	-6,064	-1,314	-
Dividend D-shares	-22	-22	-5	-5
Cash flow from financing activities	-1,903	-2,875	-1,636	-99
Cash flow for the period	-146	-1,006	-32	-48
Cash and cash equivalents at beginning of the period	217	1,193	107	271
Translation difference in cash and cash equivalents	3	30	-1	-6
Cash and cash equivalents at end of the year	74	217	74	217

1) during 2023, the financial investment refers to Castellum AB

2) refers to sold bonds to related-and external parties during 2023

segment reporting

net operating income Jan–Dec 2023

EUR million	Rental income	Operating expenses	Maintenance	Net operating income
London	40	-10	-3	27
Paris	16	-10	-1	5
Europe	56	-20	-4	32
New York	50	-23	-4	23
Washington D.C.	68	-29	-5	34
Boston	36	-13	-2	21
Austin	16	-7	-2	7
US	170	-72	-13	85
Toronto	55	-22	-3	30
Montreal	49	-20	-4	25
Ottawa	1	-1	-	-
Quebec City	2	-1	-	1
Canada	107	-44	-7	56
Total	333	-136	-24	173

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
Europe	51	-19	-3	29
New York	45	-23	-4	18
Washington D.C.	62	-27	-5	30
Boston	33	-12	-2	19
Austin	15	-8	-1	6
US	155	-70	-12	73
Toronto	52	-23	-3	26
Montreal	44	-21	-3	20
Ottawa ¹	1	-	-1	-
Quebec City ²	-	-	-	-
Canada	97	-44	-6	46
Total	303	-133	-22	148

1) one property was acquired in Ottawa in May 2022

2) one property was acquired in Quebec City in October 2022

segment reporting

total property return Jan–Dec 2023

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	27	-48	-21	-2.2	67.0	949
Paris	5	-49	-44	-9.5	30.2	429
Europe	32	-97	-65	-4.6	56.5	1,378
New York	23	-53	-30	-4.3	45.5	637
Washington D.C.	34	-165	-131	-13.5	49.9	824
Boston	21	-77	-56	-8.4	58.9	588
Austin	7	-31	-24	-11.8	44.3	167
US	85	-326	-241	-9.5	50.0	2,216
Toronto	30	-52	-22	-1.9	53.8	1,112
Montreal	25	-106	-81	-7.9	51.4	940
Ottawa	-	-	-	0.6	50.6	20
Quebec City	1	-1	-	1.1	42.9	20
Canada	56	-159	-103	-4.6	52.5	2,092
Total	173	-582	-409	-6.6	51.9	5,686

total 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
Europe	29	-29	-	0.0	57.0	1,406
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
US	73	-391	-318	-13.0	47.2	2,534
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
Canada	46	-172	-126	-5.8	47.5	2,233
Total	148	-592	-444	-7.4	48.9	6,173

key figures

	Dec 31 2023	Dec 31 2022	Dec 31 2021	Dec 31 2020	Dec 31 2019
Equity					
Equity, EUR million	2,833	4,506	7,049	5,374	5,526
Equity ratio, percent	42	50	57	43	45
Equity and hybrid bond ratio, percent	47	57	64	51	50
Return on equity, percent	-8	-8	52	0	8
Net asset value, EUR million	2,863	4,433	7,087	6,324	6,533
Net operating income*					
Rental income, EUR million	333	303	212	190	188
Growth in rental income, percent	10.0	42.9	12.1	0.4	19.7
Like-for-like growth in rental income, percent	10.8	11.9	1.5	3.5	4.0
Net operating income, EUR million	173	148	99	91	86
Growth in net operating income, percent	16.7	49.6	8.6	5.4	12.9
Like-for-like growth in net operating income, percent	18.0	18.9	-2.1	9.7	-1.6
Net operating income margin, percent	51.9	48.9	46.8	48.2	46.0
Adjusted net operating income margin, percent	63.9	61.9	58.3	59.7	56.8
Financing					
Loan-to-value, percent	42	16	-	39	40
Unencumbered asset ratio	1.97	2.50	3.76	1.89	1.87
Interest coverage ratio, 12 months	21.7	8.8	63.2	3.3	7.8
Interest coverage ratio excluding realized value growth, 12 months	22.0	9.6	2.8	2.5	2.0
Average interest rate, percent	1.38	1.20	1.51	1.95	2.25
Fixed interest term, years	4.1	5.1	5.4	5.0	4.5
Debt maturities, years	3.1	4.0	4.5	5.7	5.4
Properties					
Number of apartments	19,652	19,545	17,770	44,443	44,226
Rentable area, thousand sqm	1,233	1,234	1,115	2,986	2,968
Rent potential, percent	21	22	25	24	55
Real vacancy rate, residential, percent	1.3	2.0	2.6	1.7	1.1
Vacancy rate, residential, percent	5.9	8.1	12.5	7.5	8.6
Turnover of tenants, percent	23	25	27	16	15
Fair value, EUR per sqm	4,613	5,001	5,399	4,066	4,031
In-place rent, all unit types, EUR million	337	317	258	473	485
Capitalization rate, percent	4.74	4.20	3.99	3.28	3.67
Like-for-like change in capitalization rate, percentage points	0.55	0.21	-0.16	-0.38	0.00
Opening balance fair value, EUR million	6,173	6,020	12,139	11,964	12,379
Change in fair value, EUR million	-582	-592	1,719	34	423
Investments, EUR million	194	205	360	381	468
Purchases, EUR million	-	457	588	172	181
Sales, EUR million	-5	-11	-9,138	-185	-1,616
Exchange differences, EUR million	-94	94	352	-227	129
Closing balance fair value, EUR million	5,686	6,173	6,020	12,139	11,964

*) 2019–2020 has been recalculated due to discontinued operations in 2021

condensed income statement for the Parent Company

EUR million	2023 Jan-Dec 12 months	2022 Jan-Dec 12 months	2023 Oct-Dec 3 months	2022 Oct-Dec 3 months
Central administrative expenses	-4	-8	-1	-1
Operating profit or loss	-4	-8	-1	-1
Result from shares in subsidiaries	-357	-391	-336	-391
Financial income	280	435	-	-280
Financial expenses	-107	-90	-46	-19
Change in fair value of financial assets	264	-332	208	59
Change in fair value of derivatives	-67	97	-32	3
Profit or loss before appropriations	9	-289	-207	-629
Appropriations	7	-1	7	-1
Profit or loss before tax	16	-290	-200	-630
Tax	-29	-16	18	58
Profit or loss	-13	-306	-182	-572

The Parent Company has no items in other comprehensive income.

condensed balance sheet for the Parent Company

EUR million	Dec 31 2023	Dec 31 2022
Assets		
Shares in Group companies	3,116	2,418
Receivables from Group companies	2,321	3,587
Financial assets	855	2,077
Derivatives	44	73
Deferred income tax assets	18	47
Total non-current assets	6,354	8,202
Receivables from Group companies	10	11
Financial assets	-	319
Derivatives	8	24
Prepaid expenses and accrued income from Group companies	-	1
Other assets	2	19
Cash and cash equivalents	56	127
Total current assets	76	501
Total assets	6,430	8,703
Equity and liabilities		
Restricted equity	357	351
Non-restricted equity	2,308	3,662
Total equity	2,665	4,013
Interest-bearing liabilities	1,386	2,476
Interest-bearing liabilities from Group companies	1,695	1,991
Derivatives	11	30
Provisions	1	-
Total non-current liabilities	3,093	4,497
Interest-bearing liabilities	577	83
Interest-bearing liabilities from Group companies	2	51
Derivatives	45	4
Provisions	-	1
Other liabilities	32	38
Other liabilities from Group companies	16	16
Total current liabilities	672	193
Total equity and liabilities	6,430	8,703

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

	Dec 31 2023	Dec 31 2022
EUR million		
Equity	2,833	4,506
Deferred tax	26	-10
Derivatives	4	-63
Net asset value	2,863	4,433
Total interest-bearing liabilities	3,688	4,307
Hybrid bonds	-334	-650
Cash and cash equivalents	-74	-217
Financial assets	-855	-2,396
Net debt	2,425	1,044
Total assets	6,732	8,993
Cash and cash equivalents	-74	-217
Financial assets	-855	-2,396
Net assets	5,803	6,380
Loan-to-value ratio, percent	42	16

average interest rate

	Dec 31 2023	Dec 31 2022
EUR million		
Interest-bearing liabilities excluding hybrid bonds	3,354	3,657
Interest cost based on interest at end of year	46	44
Average interest rate	1.38	1.20

liquidity

	Dec 31 2023	Dec 31 2022
EUR million		
Cash and cash equivalents	74	217
Unutilized credit facilities	47	159
Financial assets	855	2,396
Liquidity	976	2,772

alternative performance measures

unencumbered asset ratio

EUR Million	Dec 31 2023	Dec 31 2022
Unencumbered properties	5,232	5,606
Right-of-use-assets	6	7
Tangible fixed assets	4	4
Deferred tax assets	22	48
Financial assets	855	2,396
Receivables and other assets	33	51
Derivatives	52	97
Unencumbered assets	6,204	8,209
Unsecured loans	3,221	3,501
Cash and cash equivalents	-74	-217
Net unsecured senior debt	3,147	3,284
Unencumbered asset ratio	1.97	2.50

equity

EUR million	Dec 31 2023	Dec 31 2022
Comprehensive income for the year	-338	-531
Opening balance equity	4,506	7,049
Return on equity, percent	-8	-8
Equity	2,833	4,506
Hybrid bonds	334	650
Equity and hybrid bonds	3,167	5,156
Total assets	6,732	8,993
Equity ratio, percent	42	50
Equity and hybrid capital ratio, percent	47	57

development of EBITDA

EUR million	Dec 2022- Dec 2023
EBITDA, Dec 31, 2022	127
Like-for-like rental income	29
Like-for-like property costs	-5
Like-for-like net operating income	24
Purchase and sales rental income	11
Purchase and sales property costs	-5
Purchase and sales net operating income	6
Exchange differences	-5
Central administrative expenses	4
EBITDA, Dec 31, 2023	156

alternative performance measures

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

EUR million	2023 Jan–Dec	2022 Jan–Dec	Growth, percent
Rental income	333	303	10.0
Purchases and sales	-27	-16	
Service income	-5	-4	
Exchange differences	-	-11	
Like-for-like rental income	301	272	10.8
Net operating income	173	148	16.7
Purchases and sales	-14	-8	
Exchange differences	-	-5	
Like-for-like net operating income	159	135	18.0

adjusted net operating margin

EUR million	2023 Jan–Dec	Adjustment for other services*	Adjusted 2023 Jan–Dec
Rental income	333	-63	270
Operating expenses	-136	63	-73
Maintenance	-24	-	-24
Net operating income	173	-	173
Net operating income margin, percent	51.9	-	63.9

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

realized value growth

EUR million	2023 Jan–Dec	2022 Jan–Dec
Proceeds from the sale of properties	5	11
Acquisition costs	-5	-13
Accumulated investments	-2	-9
Realized value growth	-2	-11

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 (publ), 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.

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 Akelius' cities 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, through the capital market, and the financial guarantee from Akelius Apartments Ltd mitigates the refinancing risk.

Akelius' currency risk is mitigated by interest-bearing debt in the same currencies as the properties that Akelius holds or intends to hold.

Also, Akelius uses derivatives to obtain a desired currency position.

The Group is 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.

accounting principles

Accounting principles can be found in Akelius annual report 2022.

new and amended IFRS standards adopted by the EU applied as at January 1, 2023

New and amended IFRS standards that came into effect after January 1, 2023, have not had any material impact on the Group's financial reports.

the fourth quarter

Rental income was EUR 86 million (83).

Property expenses totaled EUR 40 million (42).

Net operating income was EUR 46 million (41).

Revaluation of properties impacted the net income with EUR -293 million (-467).

Net financial items totaled EUR 153 million (-36).

Profit or loss before tax amounted to -98 meur (-467).

Cash flow amounted to EUR -32 million (-48).

Cash flow generated from operations was EUR 59 million (39). Net cash from investing activities amounted to EUR 1,545 million (12).

The change is related to the sale of bond investments.

Financing activities impacted the cash flow with EUR -1,636 million (-99), mainly because of an extra dividend in the end of the year.

cash flow

Operating cash flow before change in working capital was EUR 133 million (106).

Cash flow from investing activities was EUR 1,610 million (1,722).

On average, upgrades can be stopped within a three-month period.

Cash flow from financing activities was EUR -1,903 million (-2,875).

Repurchase agreements impacted raised loans by EUR 296 million (-).

All transactions were settled before the end of the year.

other information

Parent Company

During the second quarter an issue of class A ordinary shares took place.

The Parent Company issued 94,743,564 common shares at a subscription price of EUR 1.77 per share, totaling EUR 167.7 million.

Dividend of EUR 0.029 per class A share was paid during the second quarter of 2023, totaling EUR 167 million.

Dividend of EUR 0.025 per class D ordinary share was or will be paid five banking days from the record dates pursuant to the Articles of Association: 2023-05-05, 2023-08-04, 2023-11-03 and 2024-02-05, totaling EUR 22 million.

An extraordinary General Meeting was held on December 20, 2023.

It was decided, in accordance with the proposal of the Board, to pay an extra dividend of EUR 0.225 per class A ordinary share.

The extra dividend on ordinary shares class A has been paid out, a total of EUR 1,314 million.

No extra dividend have been paid on class D ordinary shares.

Result from shares in subsidiaries mainly consists of impairment of shares of EUR -545 million, which was justified by the decrease in the property value in Group companies.

Financial income mainly includes interest income.

Financial expenses mainly include interest expense and financial exchange differences.

The profit or loss before tax was EUR 16 million (-290).

annual general meeting 2024

Akelius Residential Property AB's Annual General Meeting will be held on April 18, 2024.

The Board intends to propose to the Annual General Meeting a dividend of maximum EUR 0.10 per class D ordinary share.

In total, the distribution of profits on class D ordinary shares shall be paid in the amount corresponding to a maximum of EUR 22,000,000.

related party transactions

Akelius received EUR 5 million in compensation for acting as guarantor for the share issue with preferential rights in Castellum AB in 2023.

The net amount of sold bonds including accrued interest to the owners of Akelius A-shares, Akelius Apartments Ltd, Xange Holding Ltd, and Giannis Beta Holding Ltd totaled EUR 1,293 million (1,617).

Akelius Apartments Ltd, owning 85 percent of the class A ordinary shares in Akelius Residential Property AB, has issued a financial guarantee to Akelius Residential Property AB, due to the extra dividend paid in December.

Akelius purchased administration services from related parties of EUR 4 million (1). This is reported as central administrative expenses in the income statement.

Net debt from related parties is unchanged compared to the end of 2022.

All transactions are carried out on market terms.

The circle of related parties has not changed significantly since the annual report 2022.

significant events after the reporting period

There are no significant events after the end of the reporting period.

Ralf Spann
CEO and Board Member

Stockholm, February 6, 2024
Akelius Residential Property AB (publ)

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

definitions

adjusted EBITDA

EBITDA plus other financial income and expenses.

Shows the 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.

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 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 the number of years it takes for the company to pay off its debt 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 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, maintenance costs,

and central administrative expenses during a normal year.

Net interest is based on the interest rate for net debt and investments at the balance sheet date.

The exchange rate at closing balance is used.

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

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.

financial assets

Holdings in listed debt securities and equity securities with assessed high creditworthiness.

Included in the calculation of *liquidity*.

gender pay rate

The difference in average gross hourly earnings between women and men.

Based on salaries paid directly to employees.

definitions

income return

Net operating income on an annual basis in relation to the fair value of properties at the beginning of the year.

Measures the yield on the *property portfolio*.

injury rate

Refers to the frequency of injuries, relative to the total time of 100,000 hours worked.

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 at the balance sheet date. Illustrates the company's sensitivity to interest rate changes.

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 comparing periods. Properties acquired or sold during any of the comparing periods are excluded. Facilitates the analysis and comparison between different periods as properties not included in all periods are excluded.

loan-to-value ratio

Net debt divided by *net assets*.

The key figure shows financial risk.

lost day rate

Refers to the impact of occupational accidents and diseases relative to the total time of 100,000 hours worked.

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 and 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 includes 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

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 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

Total number of vacant apartments less number of vacant apartments 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

New lease level per area the last 12 months divided by the rent per area 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

Number of vacant apartments in relation to total number of apartments.

Vacancy rate is measured on the first day after the period end.

value growth

Changes in value of investments properties excluding investment and currency changes. Demonstrates value changes of properties adjusted 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 in order to rate the location of the properties.

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Akelius in brief

apartments for metropolitans

Akelius' 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 by cherry-picking properties that are exactly right, rather than a few large portfolio acquisitions with partial right properties.

strong capital structure, low refinancing risk

Akelius' well diversified capital market activities include listed senior unsecured bonds in various currencies, hybrid bonds, and listed ordinary shares of class D. The D-shares are publicly traded on Nasdaq First North Growth Market Stockholm with ownership spread across ten thousand shareholders.

sustainability is part of all decisions

One of Akelius' main sustainability goals is to align with climate neutrality on reduction of carbon emissions in scope 1, 2, and 3 by the end of 2050.

Akelius' main priorities include promoting a green portfolio, a safe environment for employees and tenants, and using ethical business practices.

financial calendar

annual report 2023	March 15, 2024
Annual General Meeting 2024	April 18, 2024
interim report Jan–Mar 2024	April 19, 2024
interim report Jan–Jun 2024	July 19, 2024