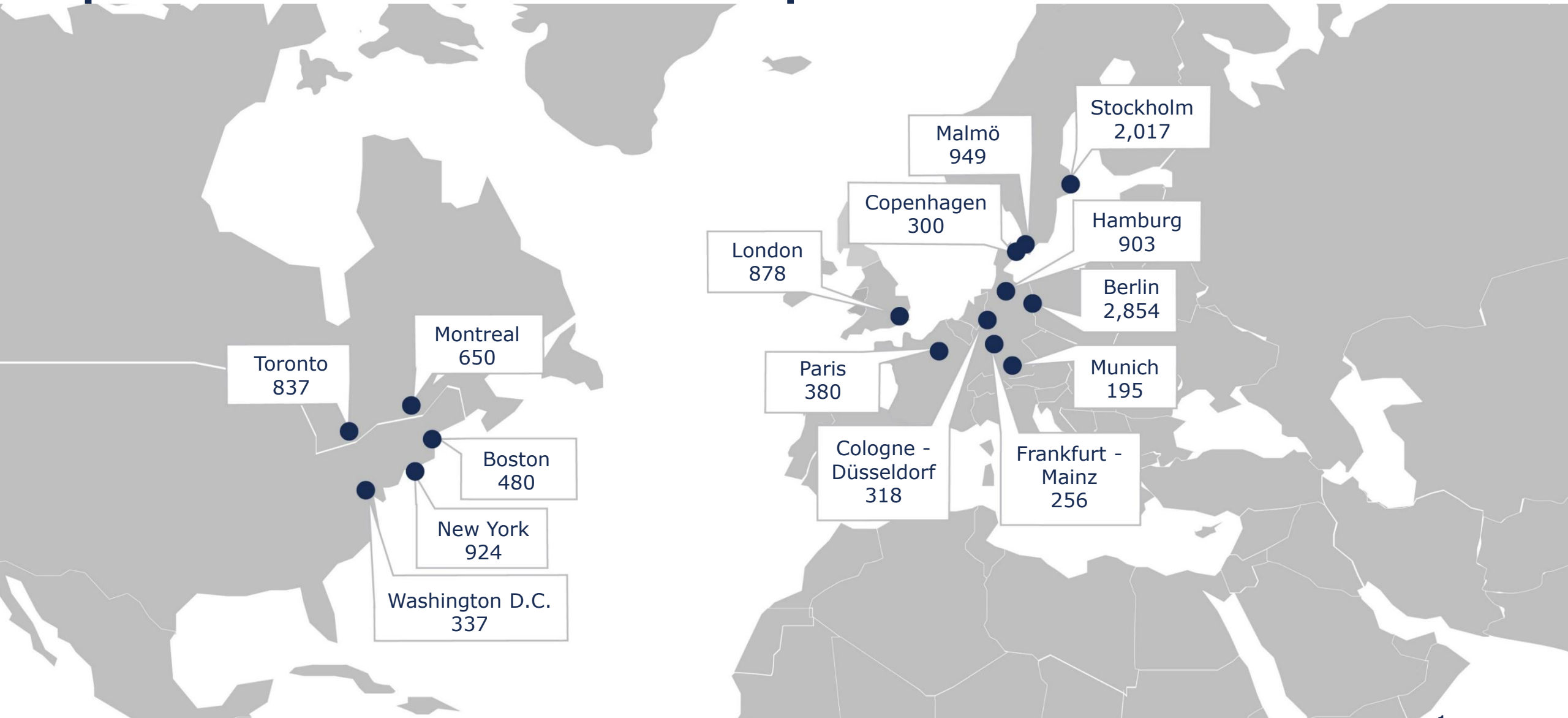
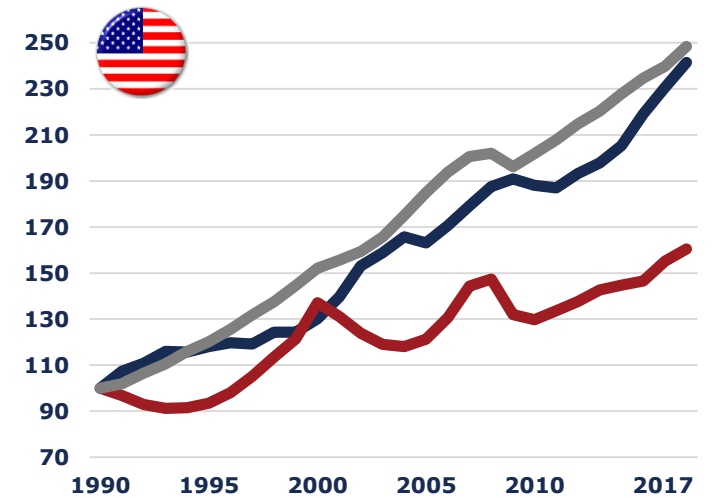
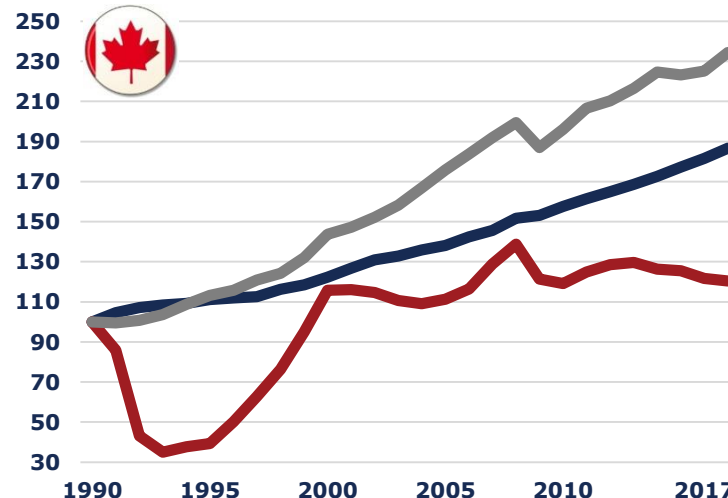
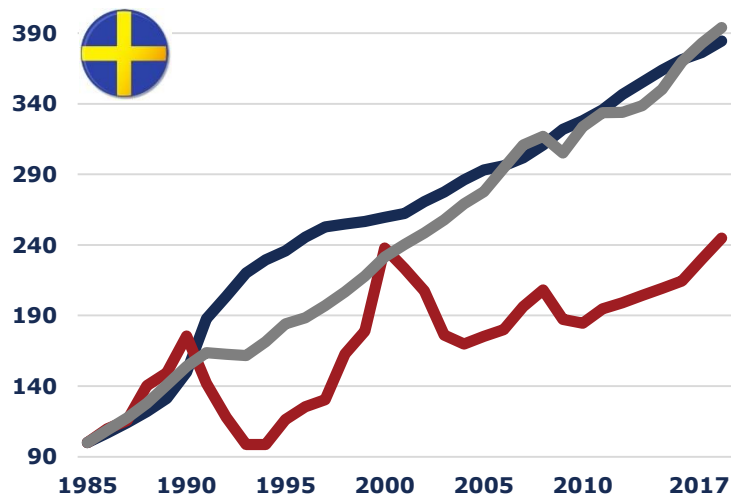
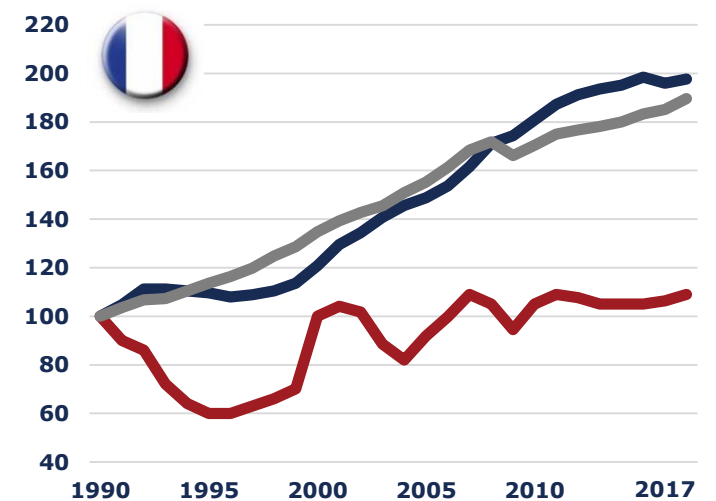
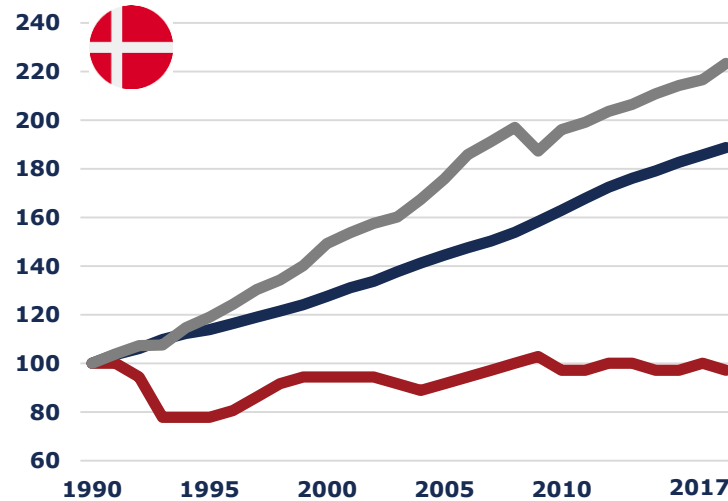
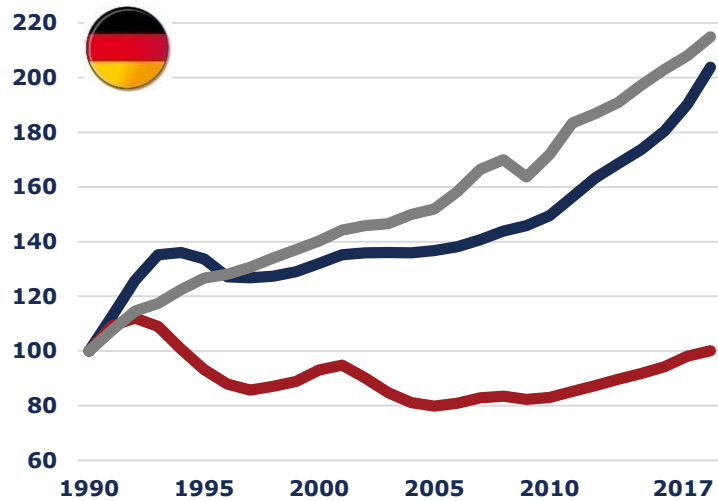


# apartments in metropolitan cities



# residential rent vs office rent

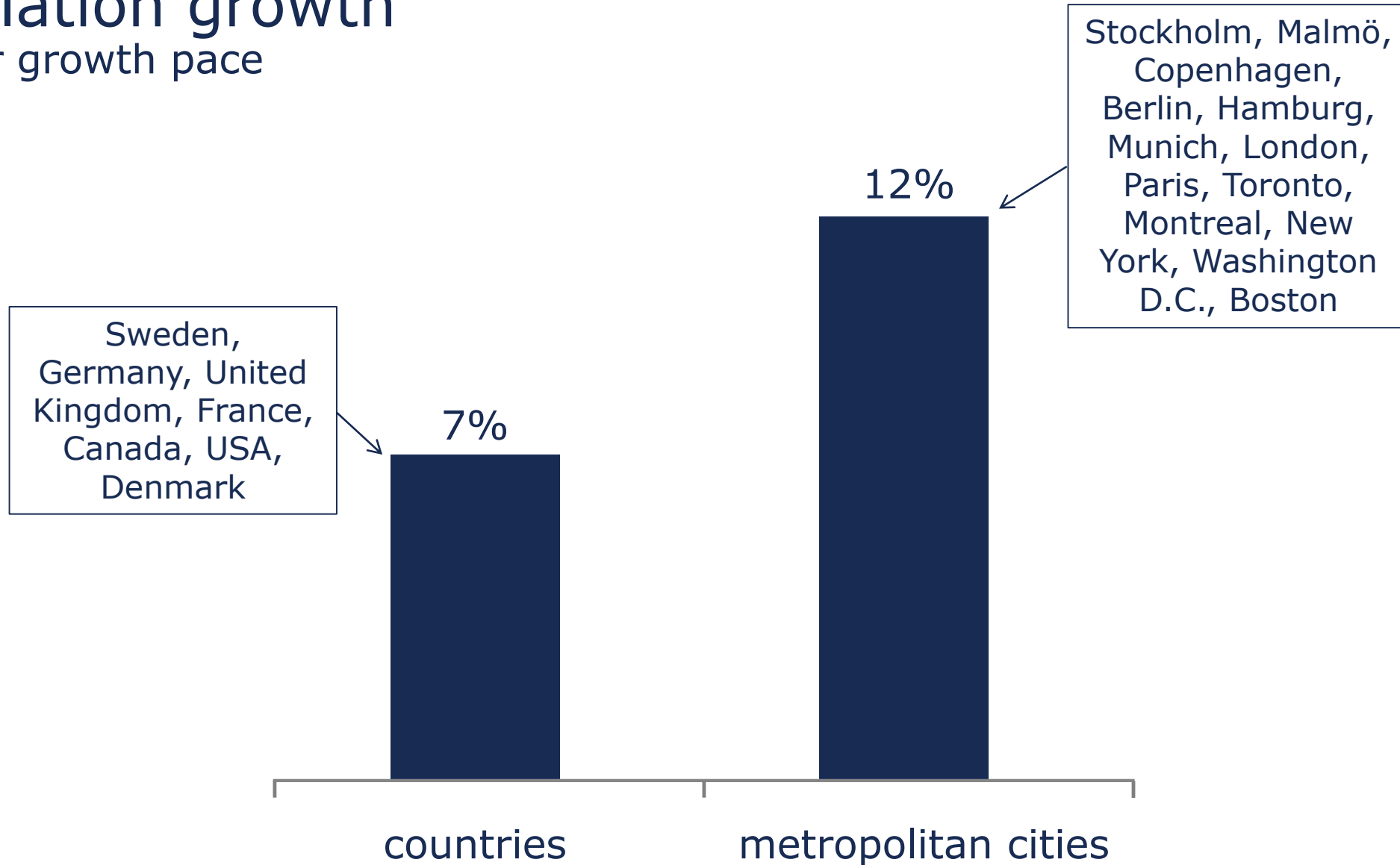
— residential — office — nominal GDP per capita



sources: Statistics Sweden, Boverket, Cushman & Wakefield, Bullwiengesa AG, CBRE, Canada Mortgage and Housing Corporation, US Census Bureau, JLL, The World Bank, OLAP, INSEE, Statistics Denmark, Sadolin & Albaek

# population growth

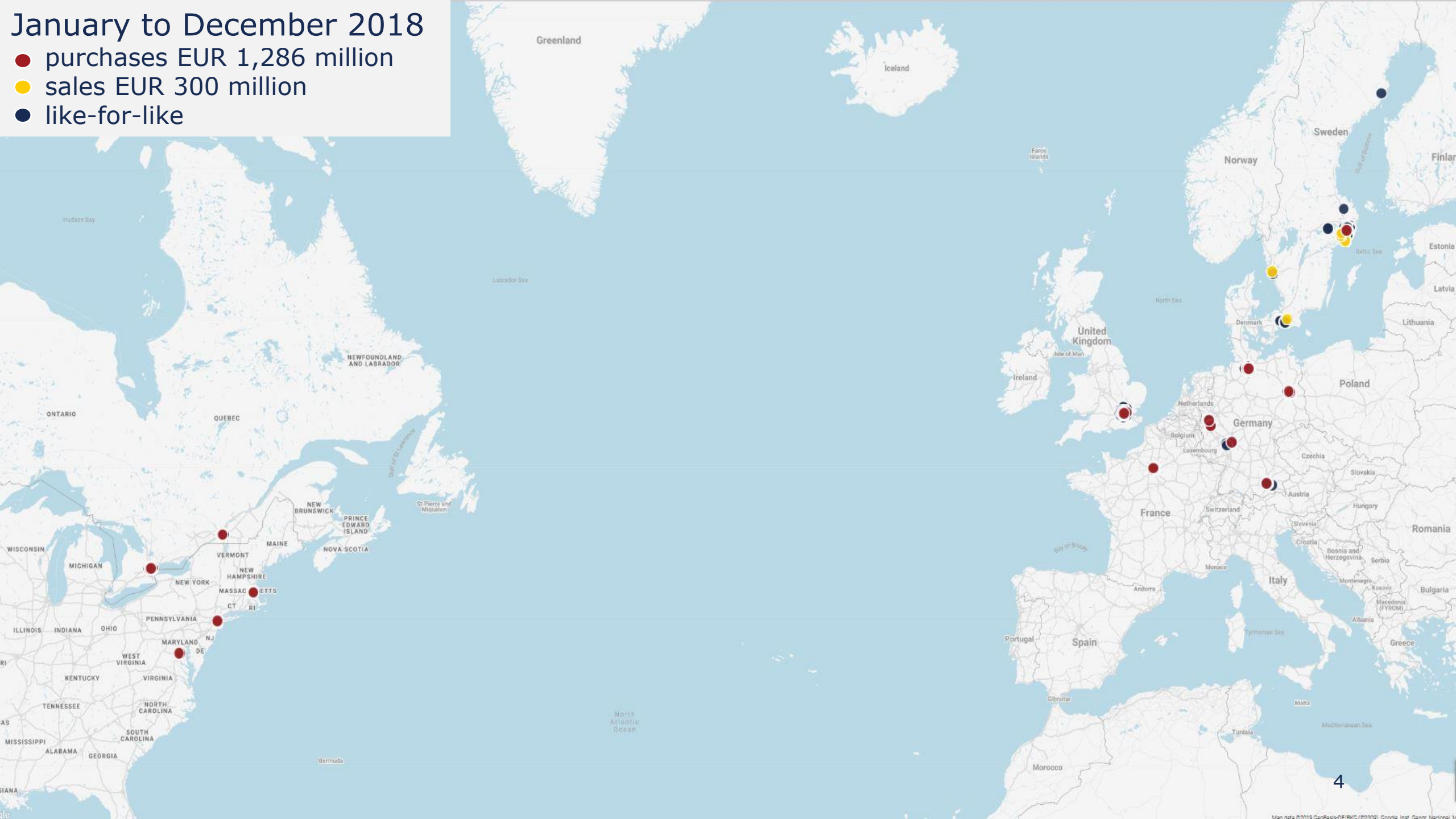
10 year growth pace



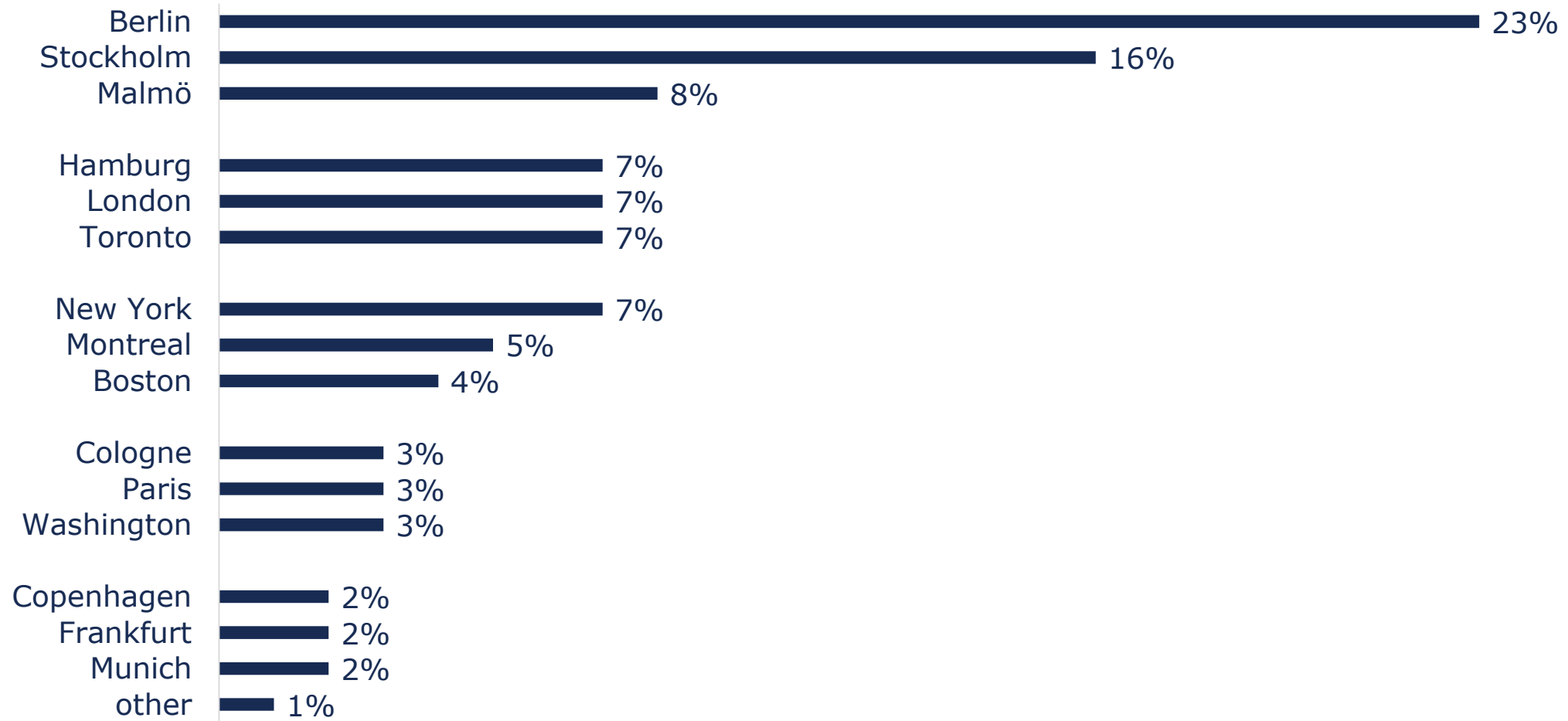
*sources: Statistics Sweden, Statistics Denmark, Statistics Canada, INSEE, Office for National Statistics, Statistisches Bundesamt, US Census Bureau, London data store and several local Bundesländer statistics offices.*

# January to December 2018

- purchases EUR 1,286 million
- sales EUR 300 million
- like-for-like



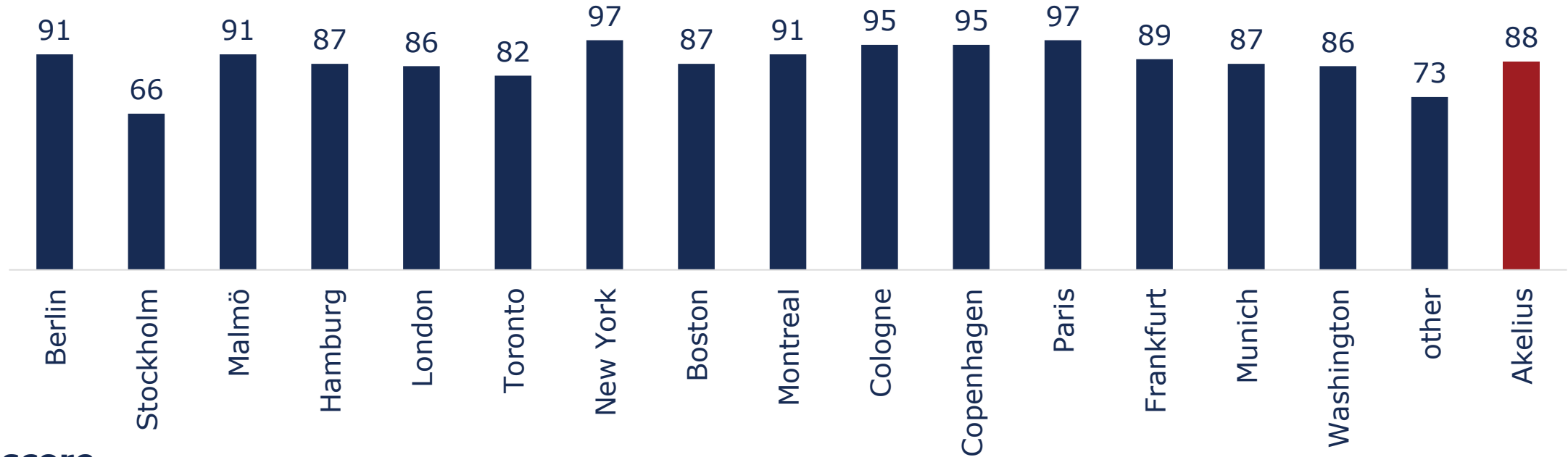
# focus on metropolitan cities



share of fair value as at 31 December 2018

# very walkable locations

walkscore.com



## score

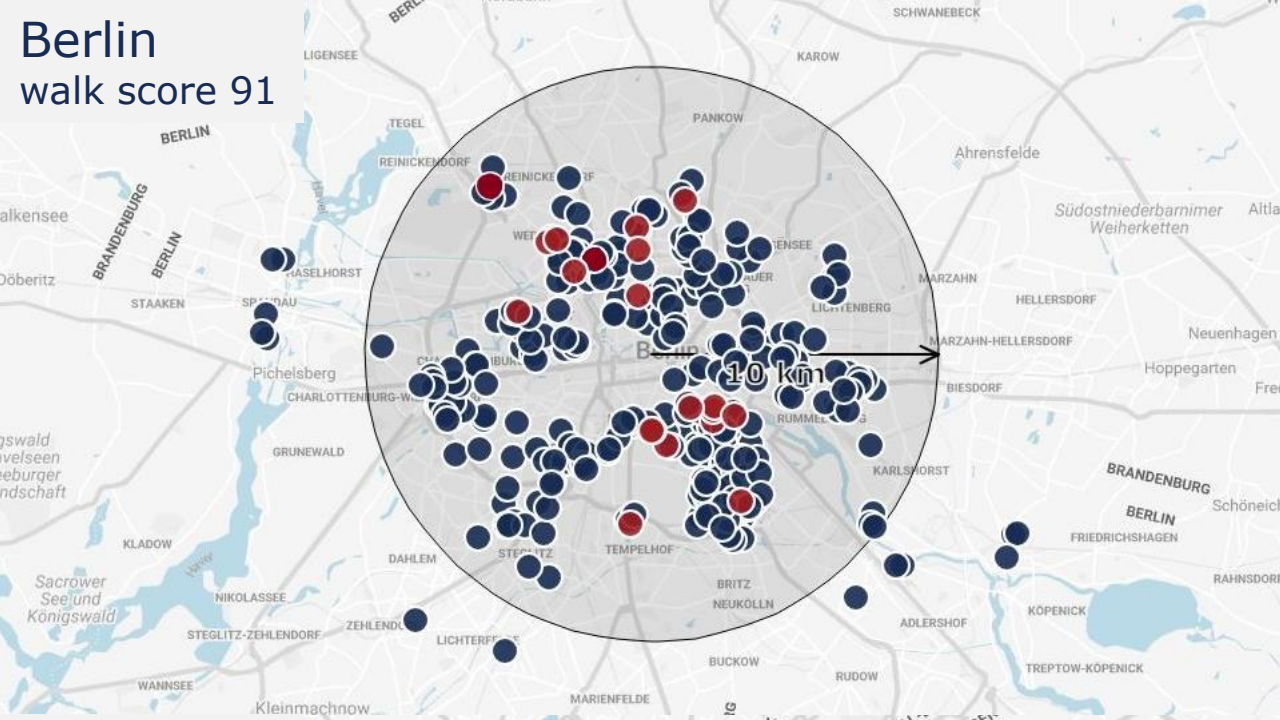
- 90-100 walker's paradise
- 70-90 very walkable
- 50-70 somewhat walkable
- 0-50 car dependent

*"Walk score measures walkability from 0 to 100 based on walking routes to destinations such as grocery stores, schools, parks, and retail."*

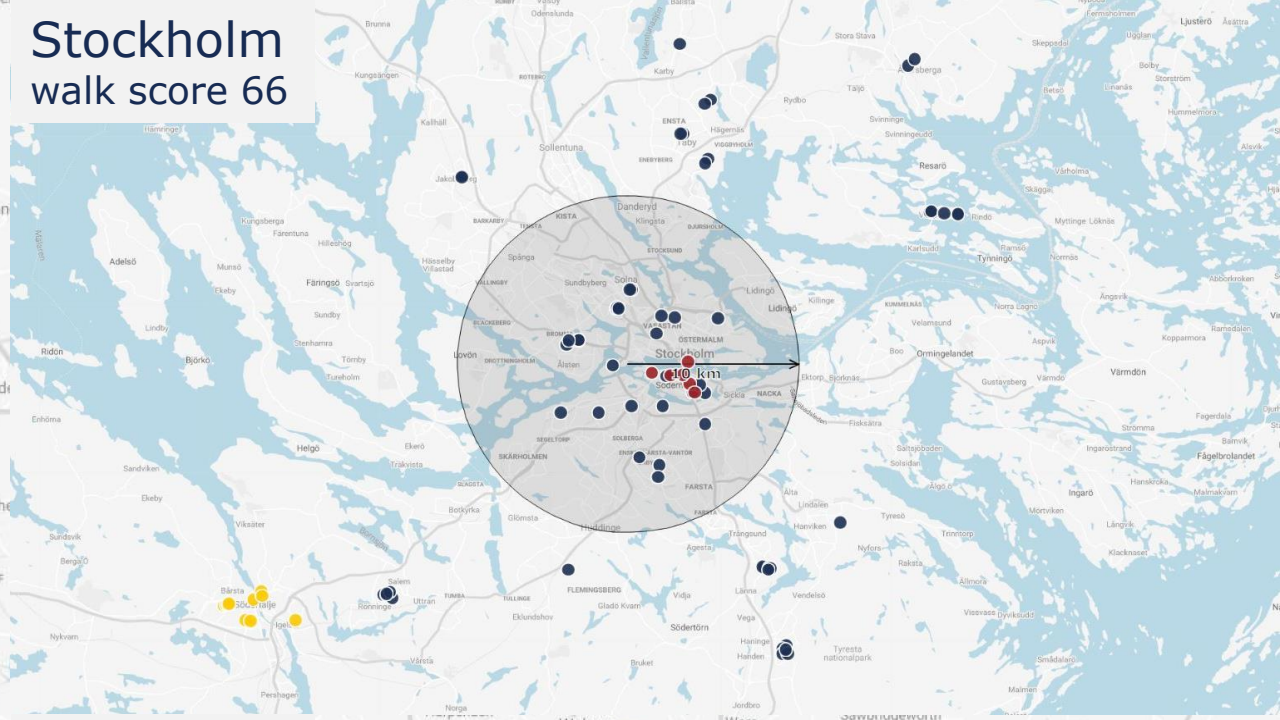
[www.walkscore.com](http://www.walkscore.com)

as at 2018-12-31 for all properties owned at 2018-12-31

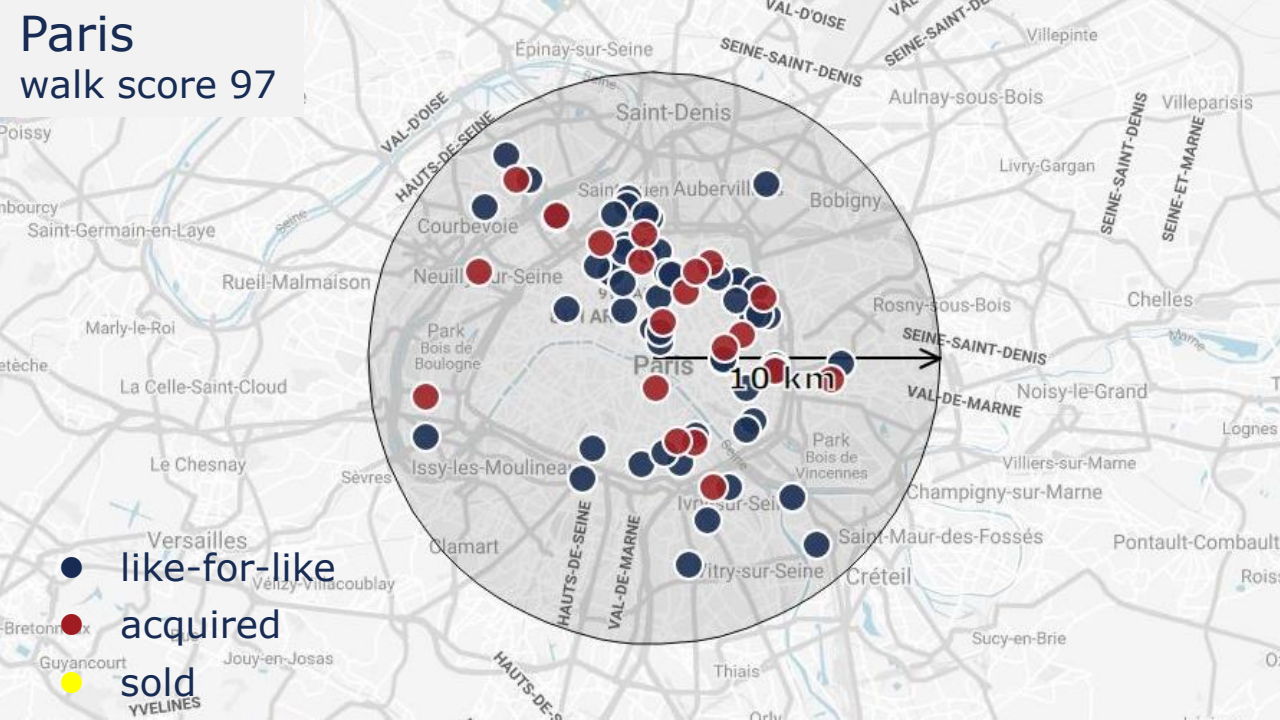
**Berlin**  
walk score 91



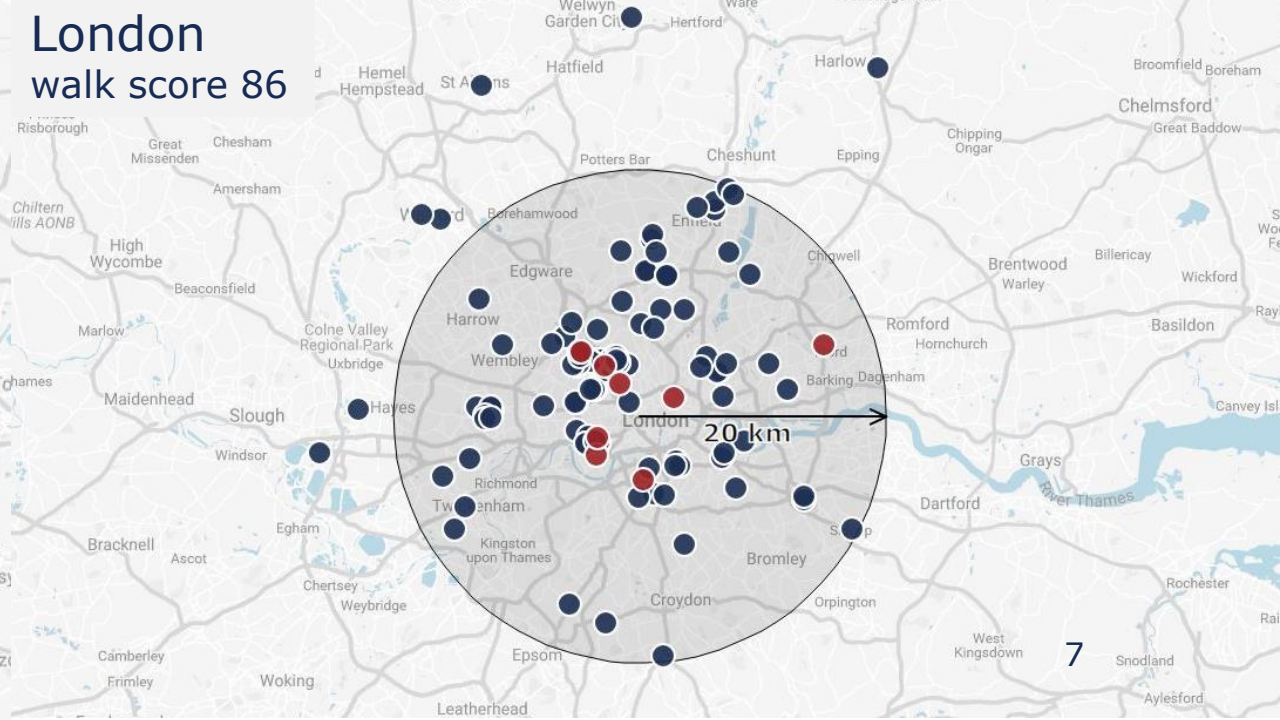
**Stockholm**  
walk score 66



**Paris**  
walk score 97

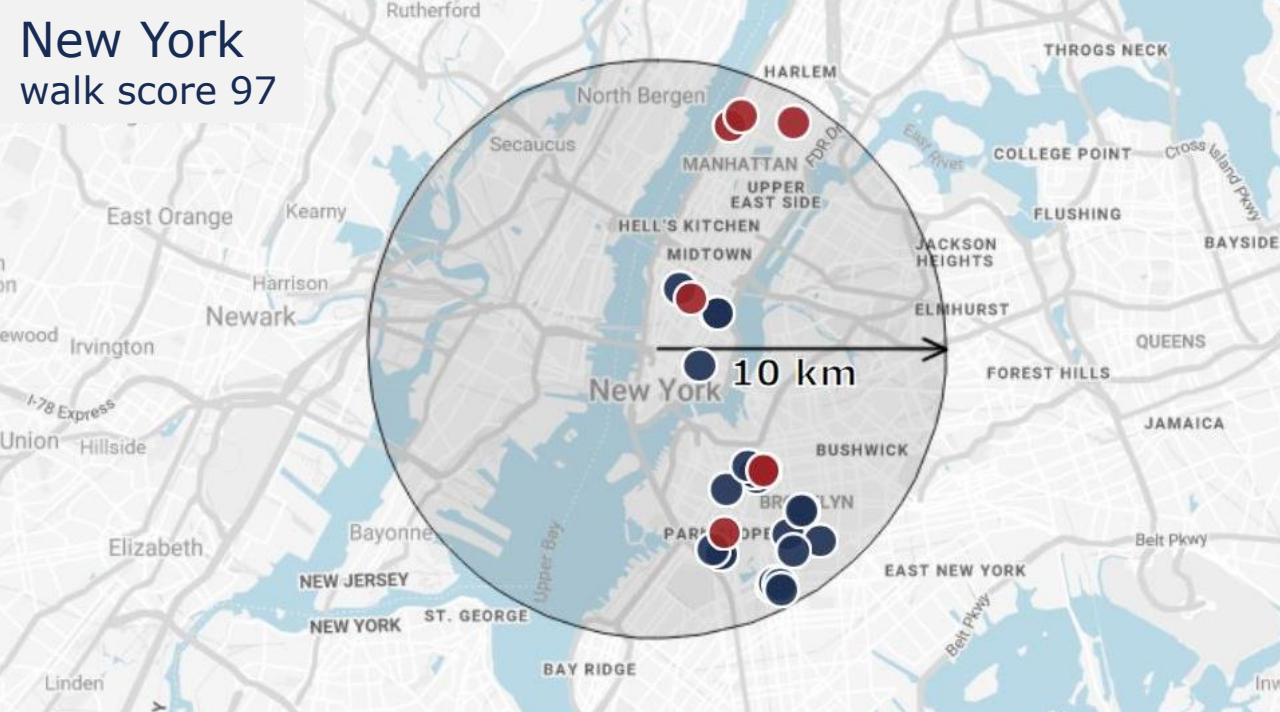


**London**  
walk score 86

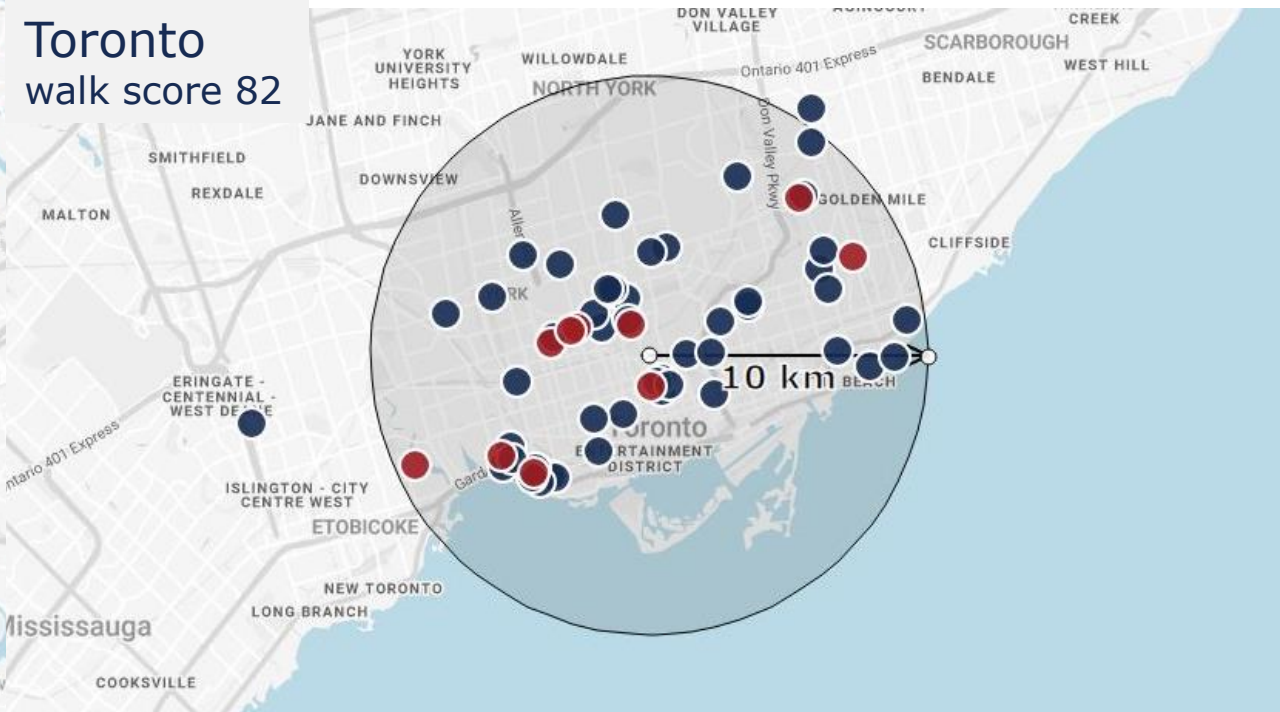


● like-for-like  
● acquired  
● sold

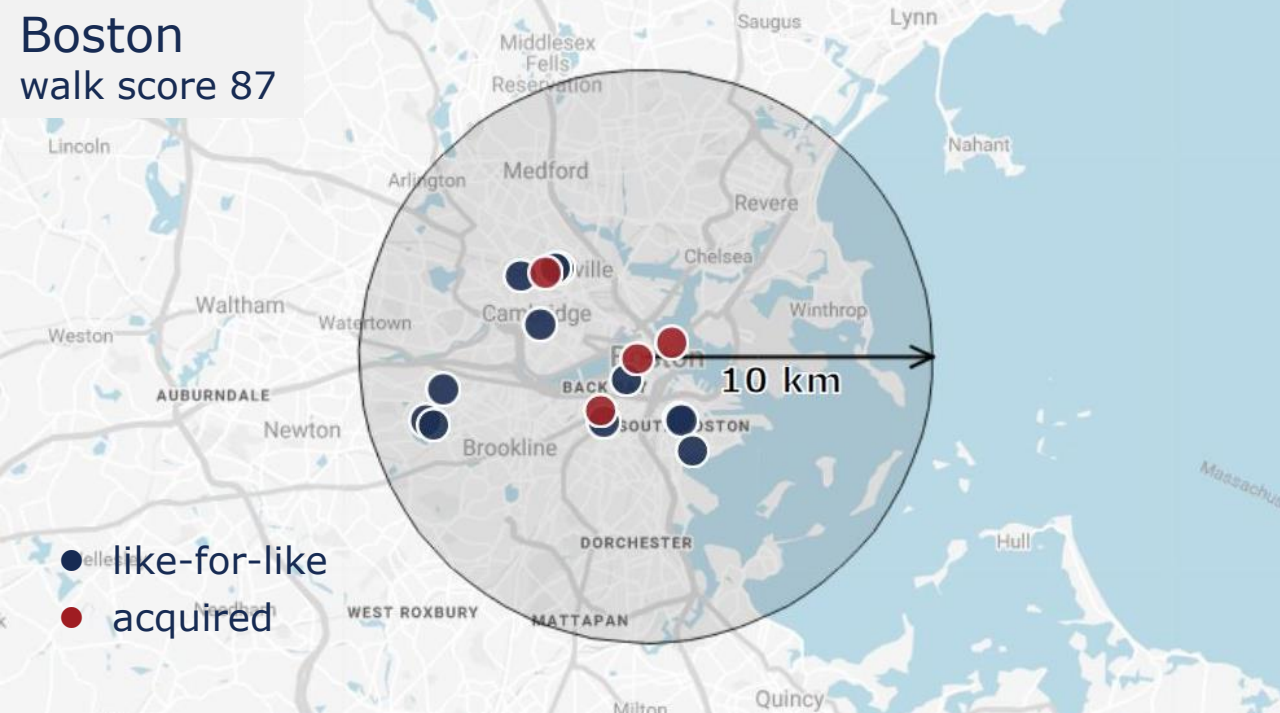
New York  
walk score 97



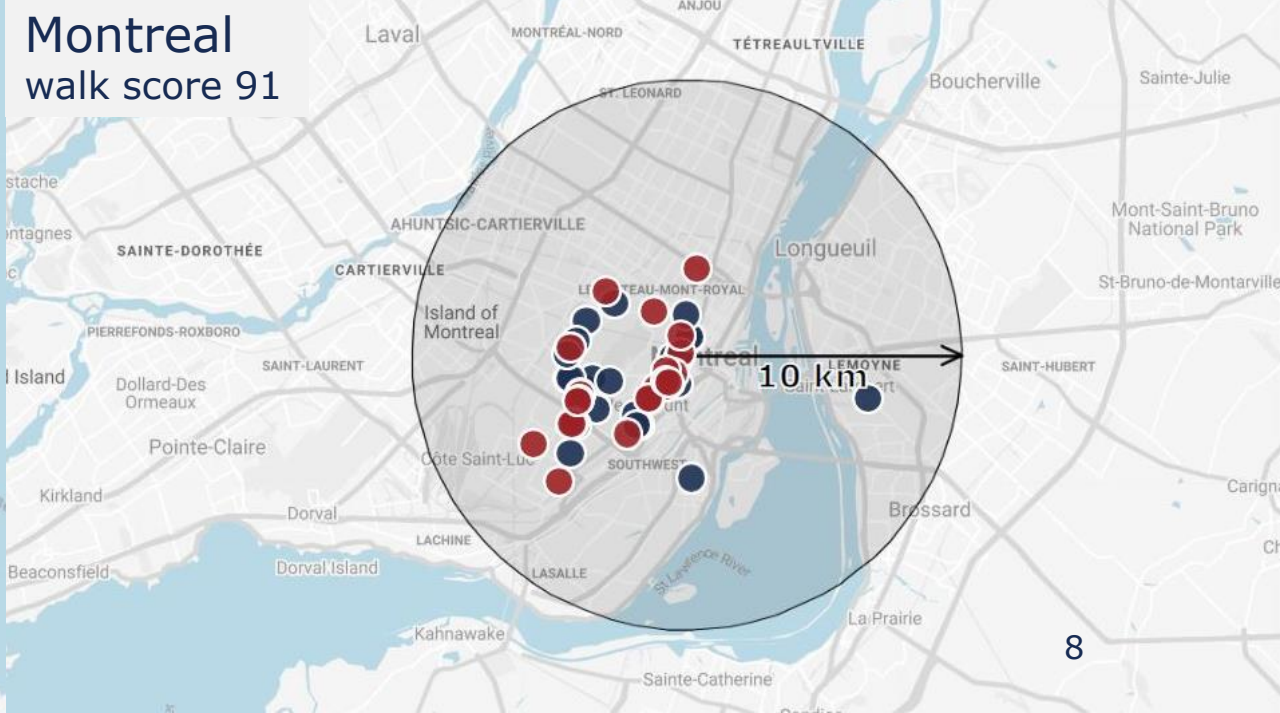
Toronto  
walk score 82



Boston  
walk score 87



Montreal  
walk score 91



- like-for-like
- acquired



luxury: 0 %

A+ locations  
extraordinary buildings,  
extraordinary service



London  
Kensington

prime: 49 %

A+ to B+ locations  
soulful, attractive  
buildings



Holländische Reihe  
Hamburg  
Ottensen

acquired 2008

mid: 35 %

B+ to B locations  
regular buildings



Brettnacher Straße  
Berlin  
Zehlendorf

acquired 2007

entry: 16 %

B to B- locations  
regular buildings,  
"Plattenbau"



Greta-Garbo-Straße  
Berlin  
Pankow

acquired 2013

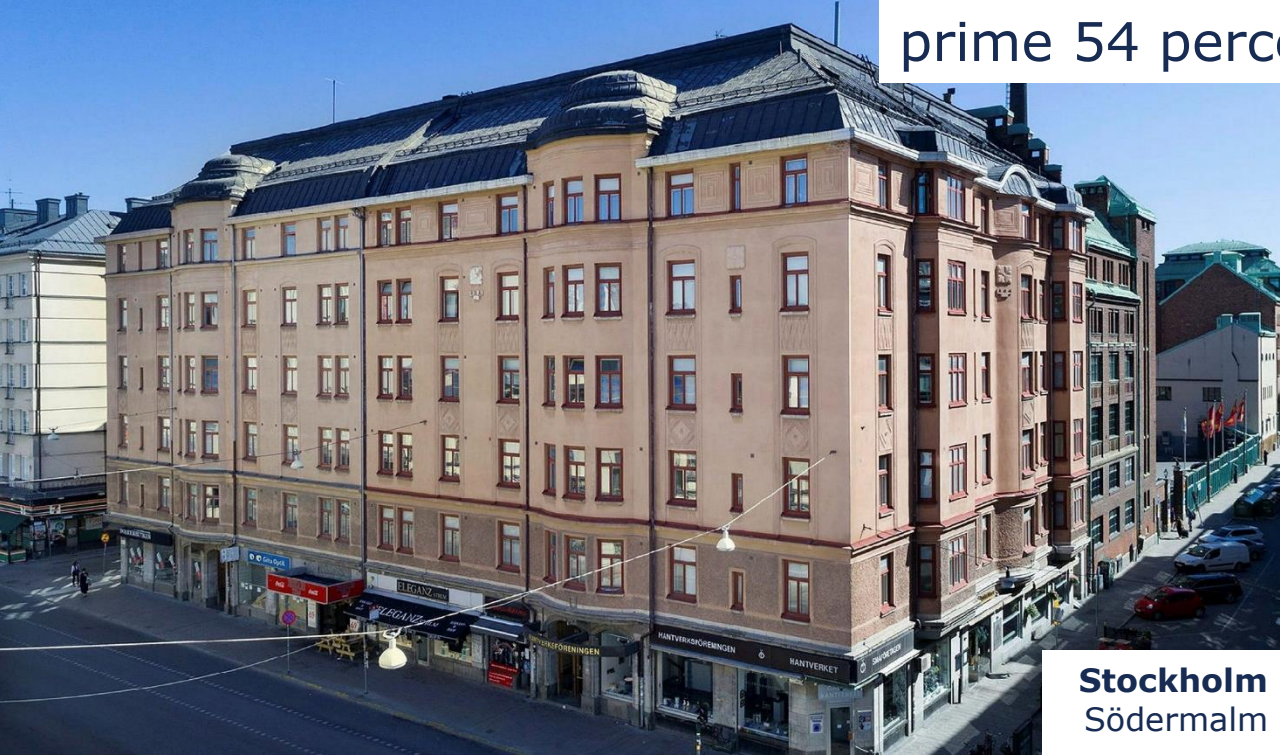
discount: 0 %

C+ to C- locations  
"Plattenbau", socially  
challenging areas



Stockholm  
Fittja

prime 54 percent of portfolio



**Stockholm**  
Södermalm



**New York**  
Brooklyn



**London**  
Hampstead



**Paris**  
12th district

mid 39 percent of portfolio



**Berlin**  
Mitte



**Hamburg**  
Wandsbek



**London**  
Kensington



**Frankfurt**  
Wiesbaden

entry 8 percent of portfolio



**Berlin**  
Köpenick



**Malmö**  
Nobeltorget



**Toronto**  
Eglinton W



**Stockholm**  
Huddinge

# upgraded apartments 42.6 percent

upgrading 5 to 6 percent of the portfolio a normal year

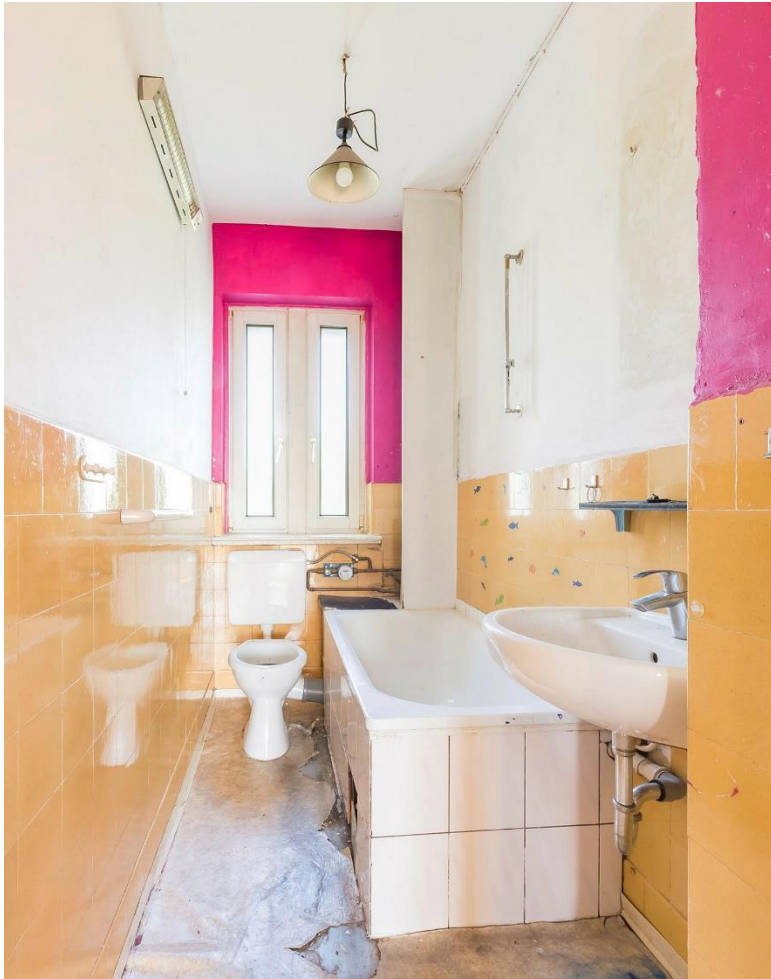
percent



# upgrading is profitable and optional

policy: upgrade when yield is above 7 percent

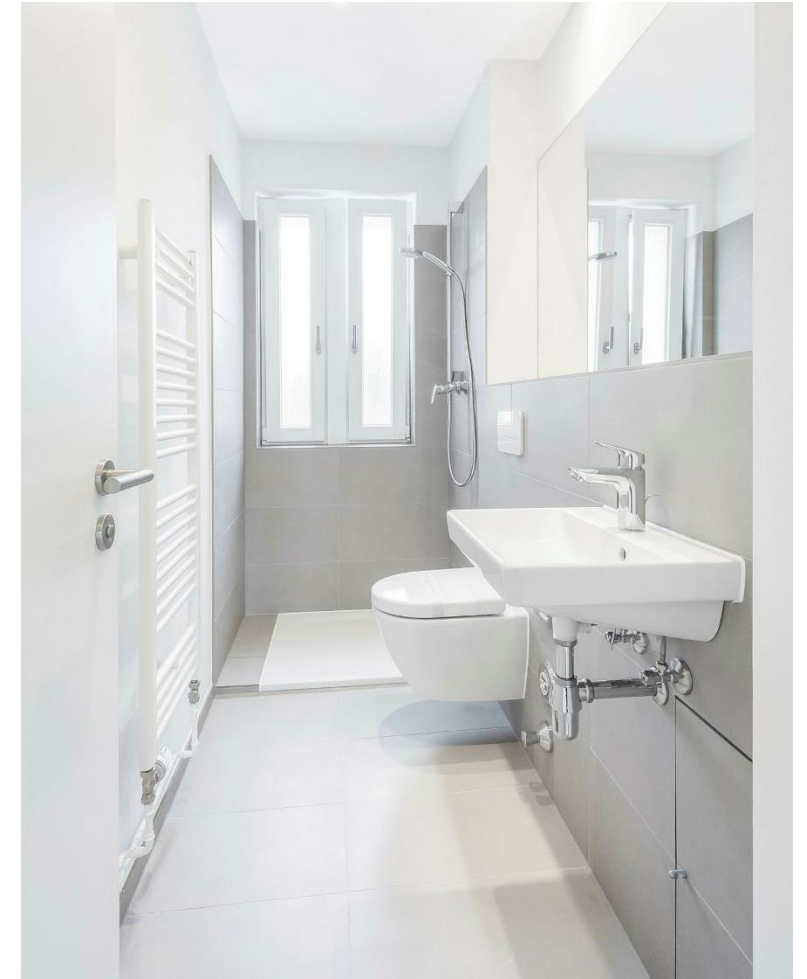
need 3 percent



optional 54 percent



upgraded 43 percent





before

Boston  
334 Harvard  
Street  
A location

392 sqft

rent  
\$1,650 month  
\$4,21 sqft

upgrade  
optional



after

Boston  
334 Harvard  
Street  
A location

392 sqft

rent

\$2,300 month

\$5,87 sqft

39% increase

upgrade

\$72,800

yield 11%





before

London  
28A Campbell  
Road  
B location

769 sqft

rent  
£1,050 month  
£1.37 sqft

upgrade  
optional



after

London  
28A Campbell  
Road  
B location

769 sqft

rent

£1,395 month

£1,81 sqft

33% increase

upgrade

£29,076

yield 14%

## in crisis yearly free funds are EUR 141 million

EUR million	outcome 2018	crisis <sup>1</sup> 2018	crisis <sup>1</sup> pro-forma 2019 <sup>2</sup>
EBITDA	236	236	306
financial costs	-131	-131	-148
funds from operations	105	105	158
capital expenditures <sup>3</sup>	-290	-17	-17
free funds	-185	88	141
capital expenditures EUR per sqm	-87	-5	-5

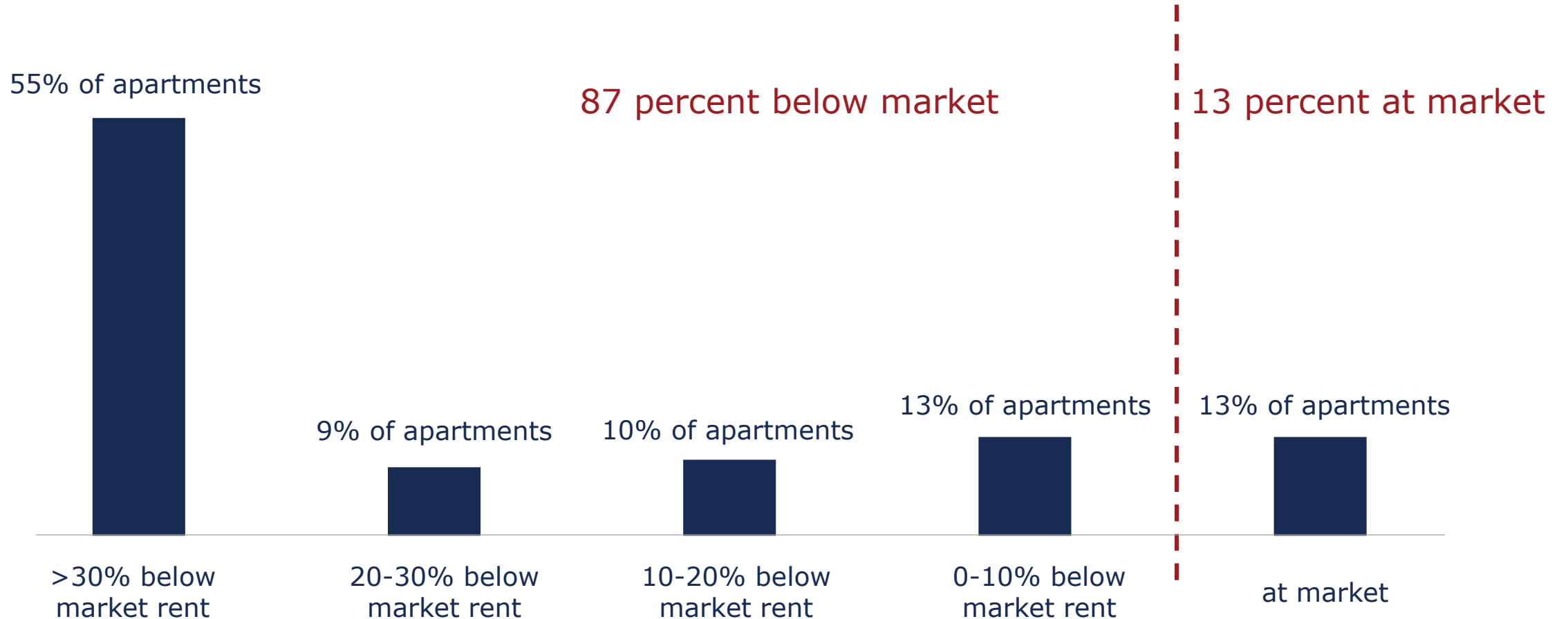
1. a "crisis" means a situation where the Group's ability to raise new funding is limited

2. based on rent levels, real vacancy rate, interest rates at 2018-12-31

3. EUR 17m of capital expenditures is needed, the remaining part is voluntary

# 87 percent of portfolio below market rent

reason is rent regulation



# in-place rent 36 percent below market rent

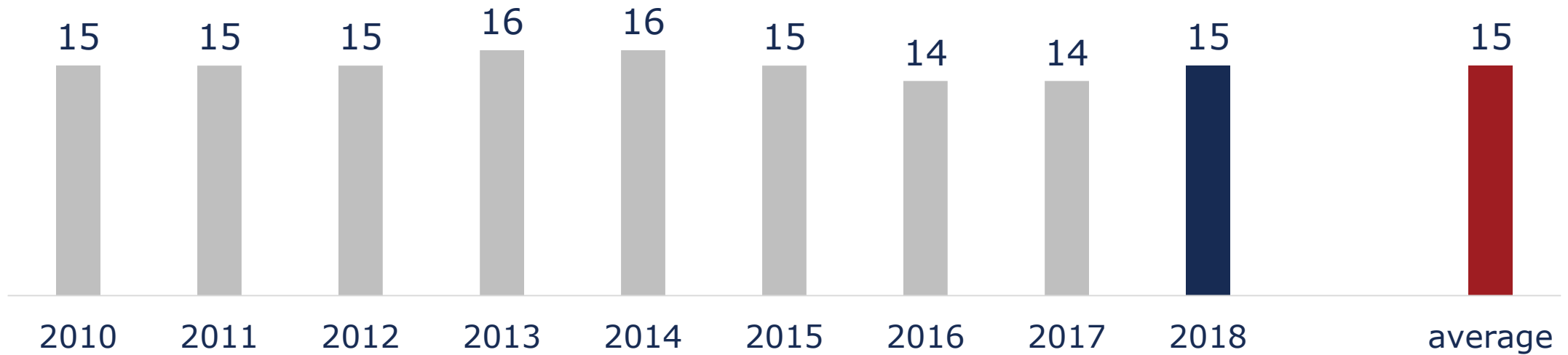
main reason is rent regulation

EUR per month and apartment



# 15 percent tenant turnover

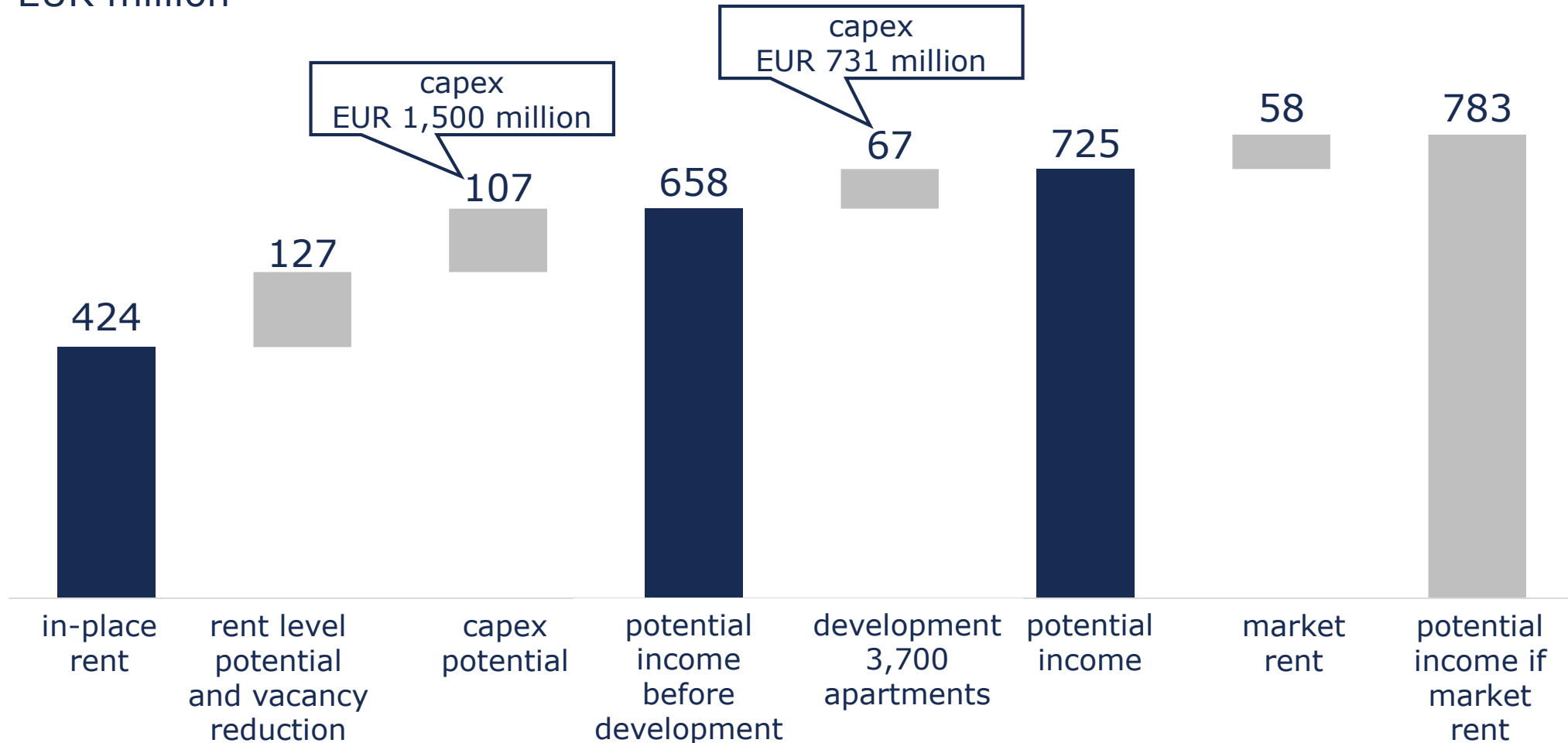
in-place rents below market reduces turnover



# potential additional income EUR 301 million

another EUR 58 million if de-regulation

EUR million



# constant and stable growth in net operating income

like-for-like change of net operating income

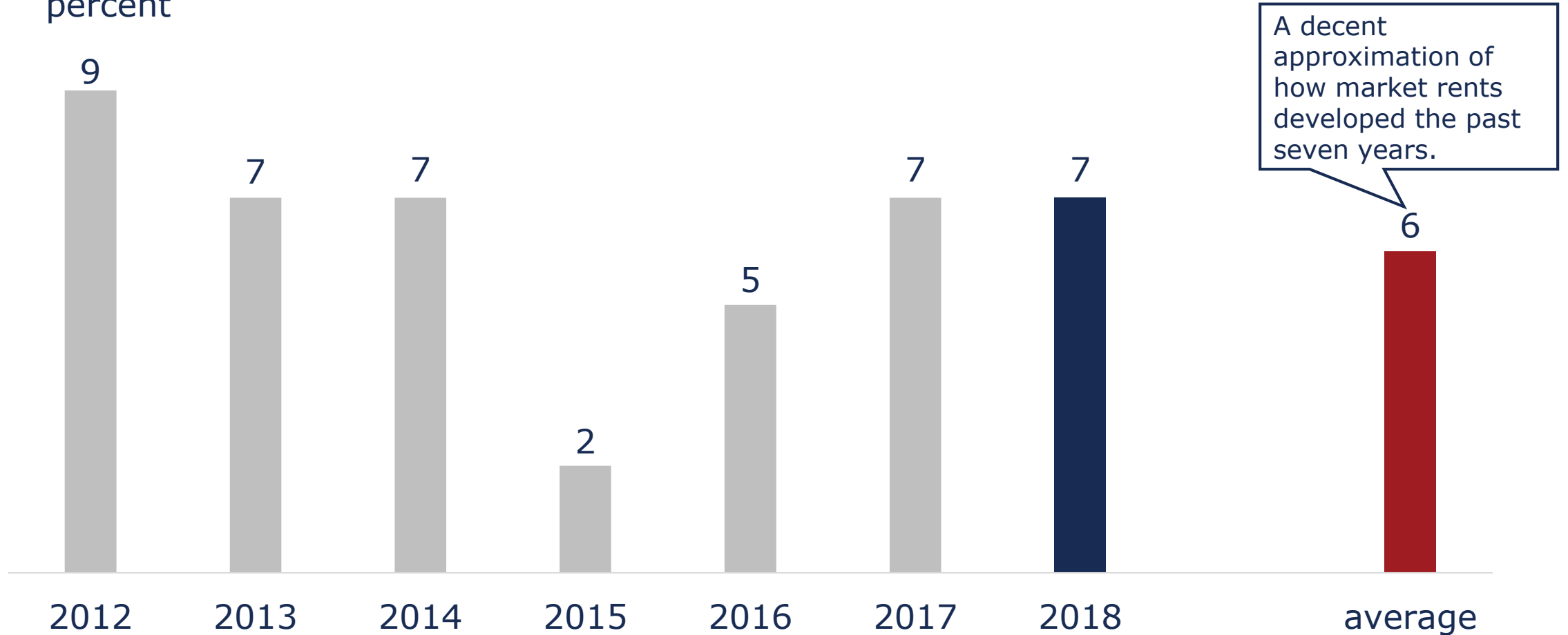
percent



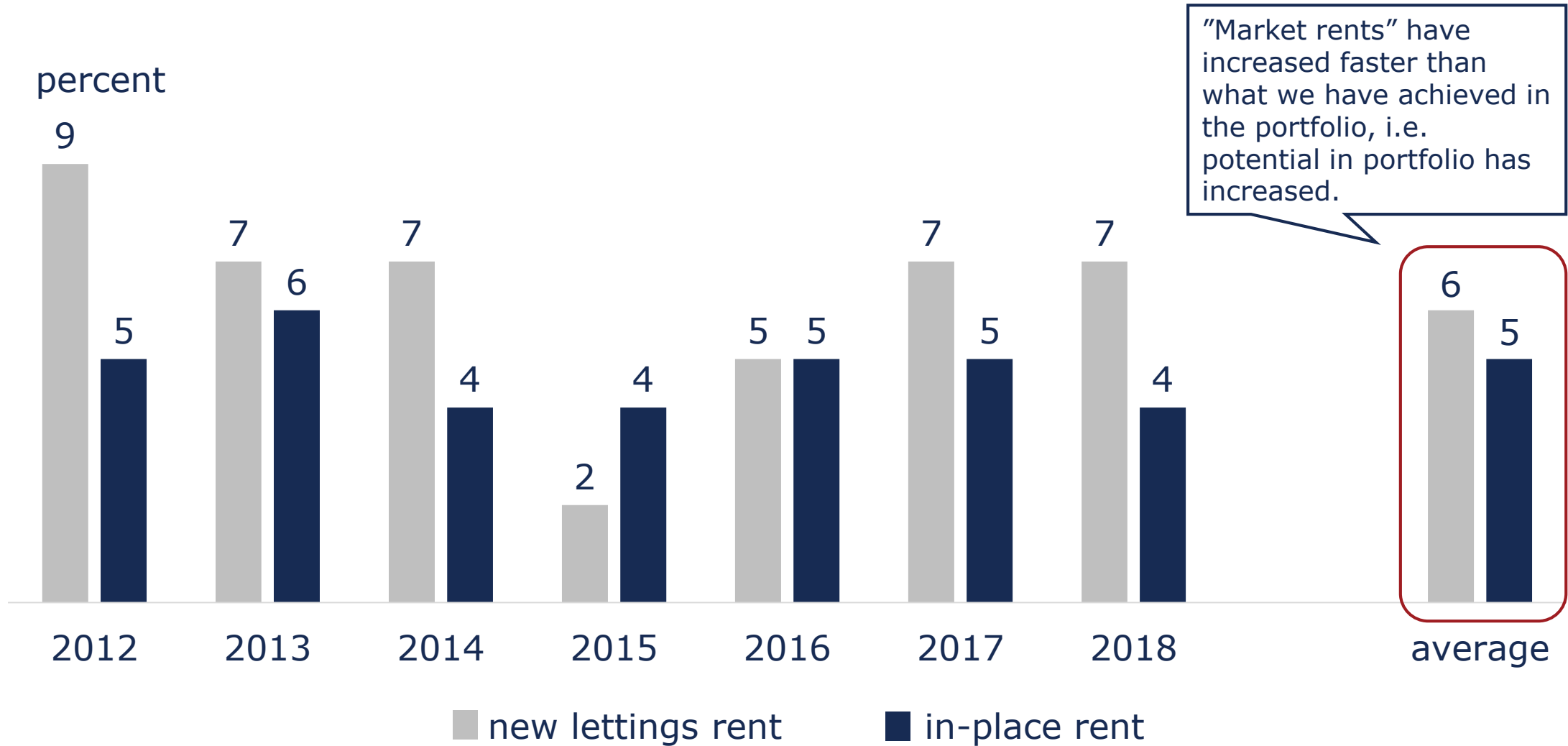


# new lettings rent level has increased 7 percent like-for-like

percent

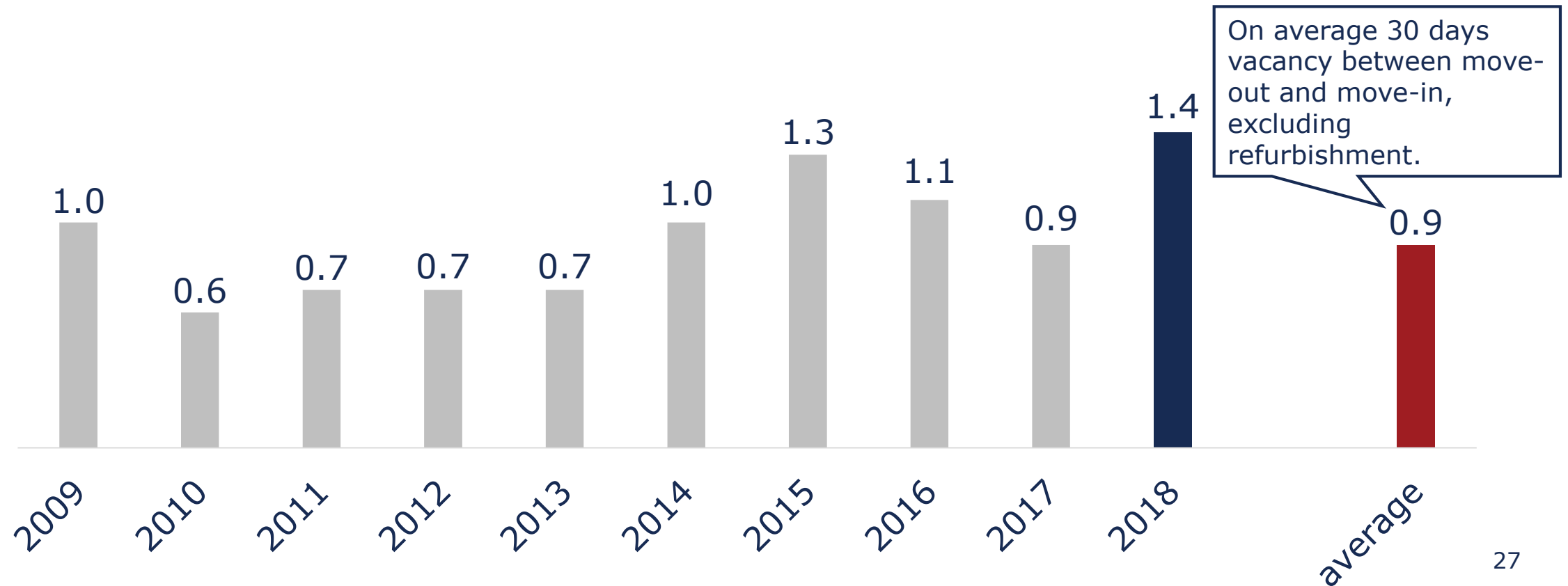


# new lettings rent increases faster than in-place rent like-for-like



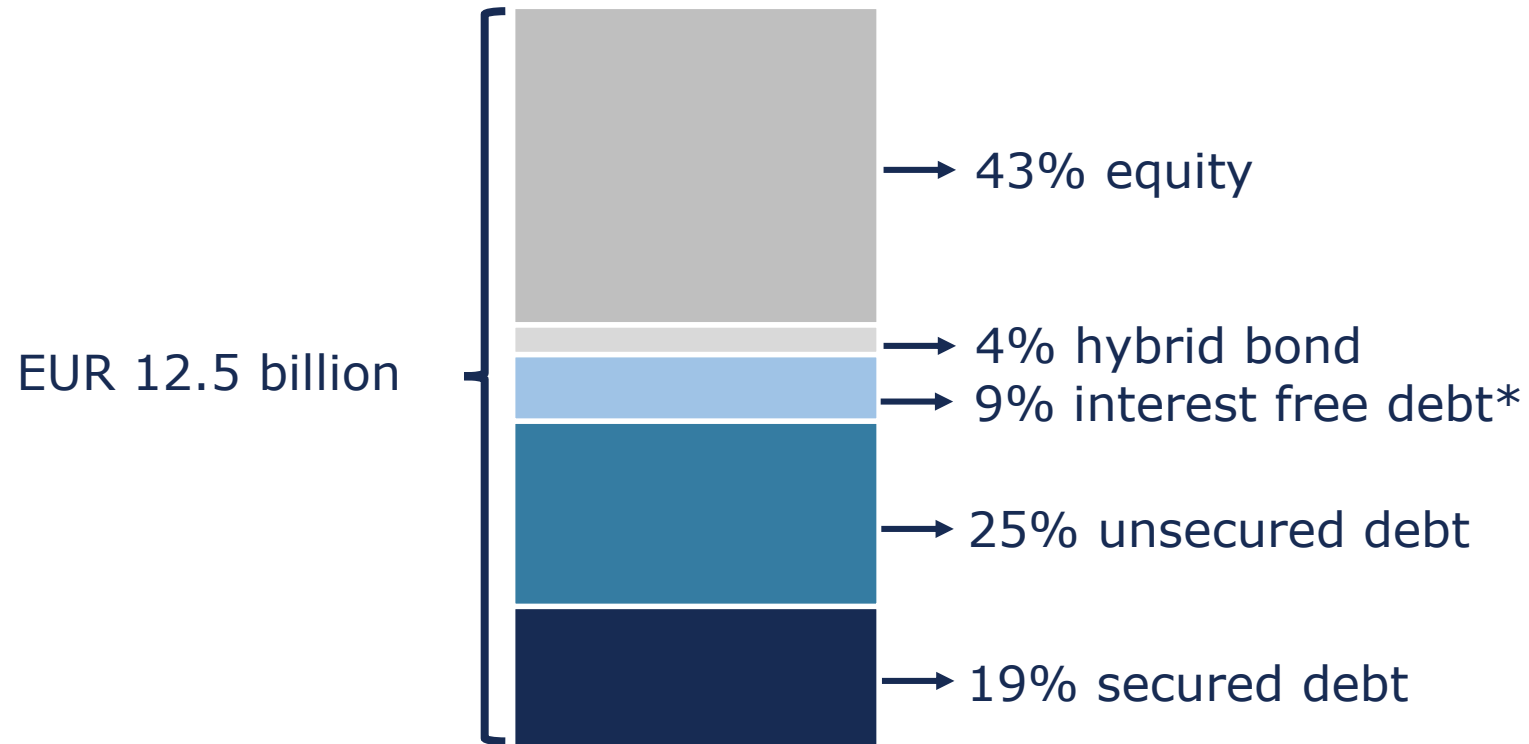
# real vacancy stable around 1 percent

real vacancy excludes apartment under refurbishment and sale



# LTV 44 percent

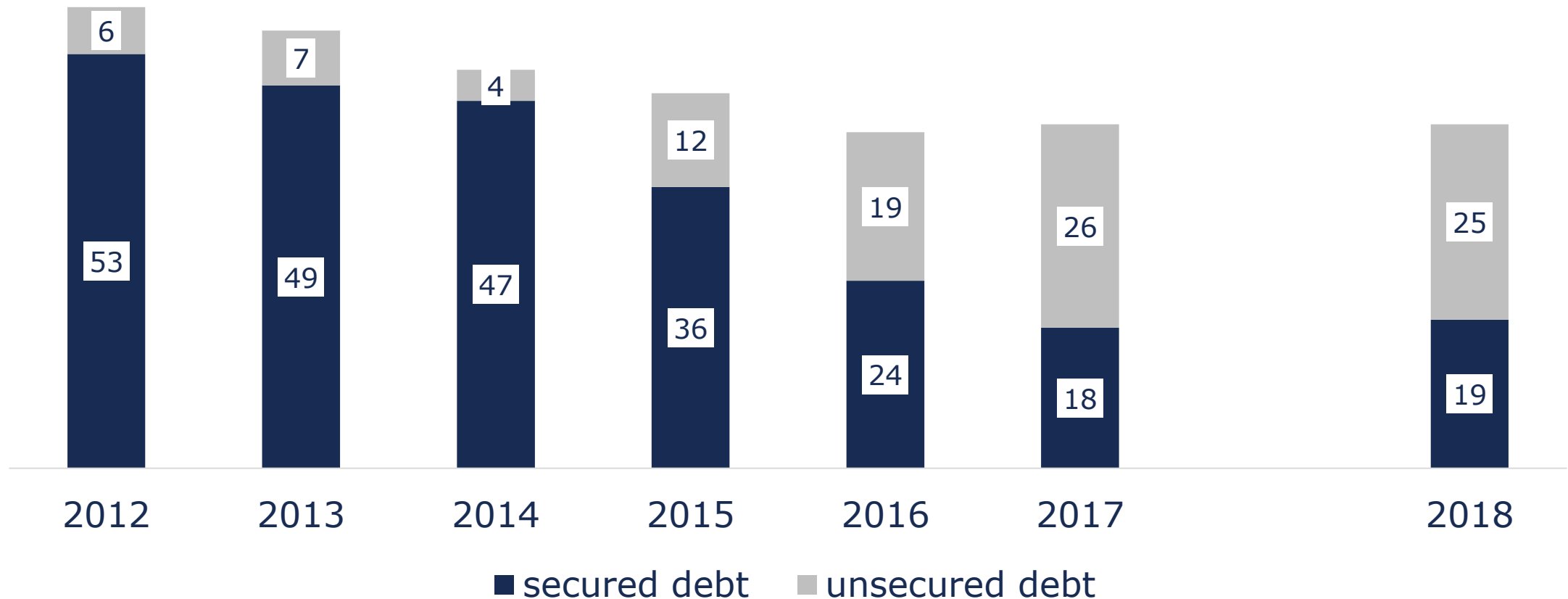
capital structure 2018-12-31



\*deferred tax 7.1 %, derivatives 0.4% , other debt 1.6%

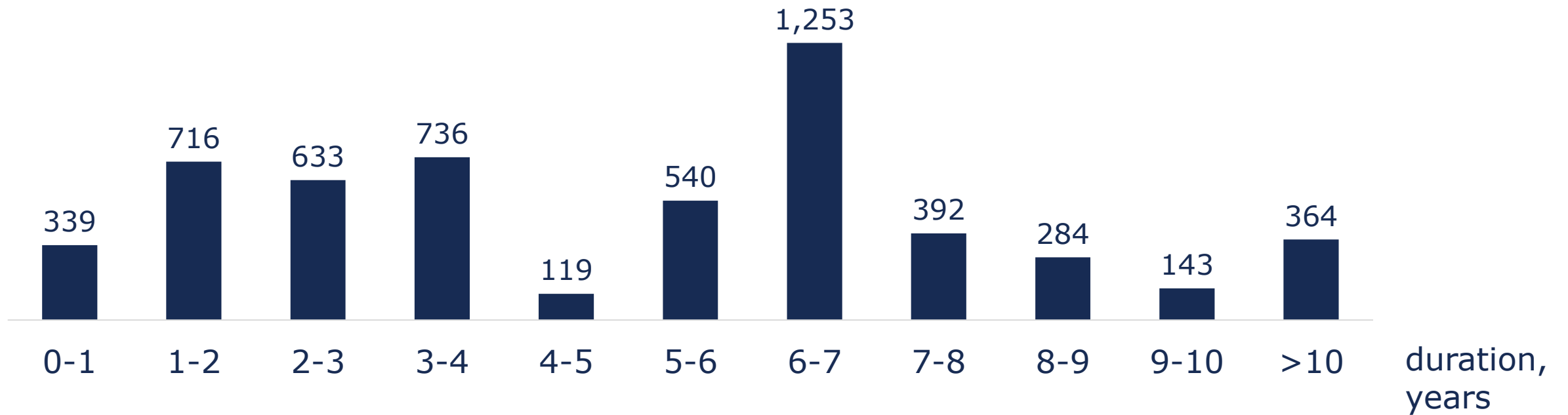
# secured LTV 19 percent

policy: max 40 percent LTV from 2020, max 25 percent secured LTV

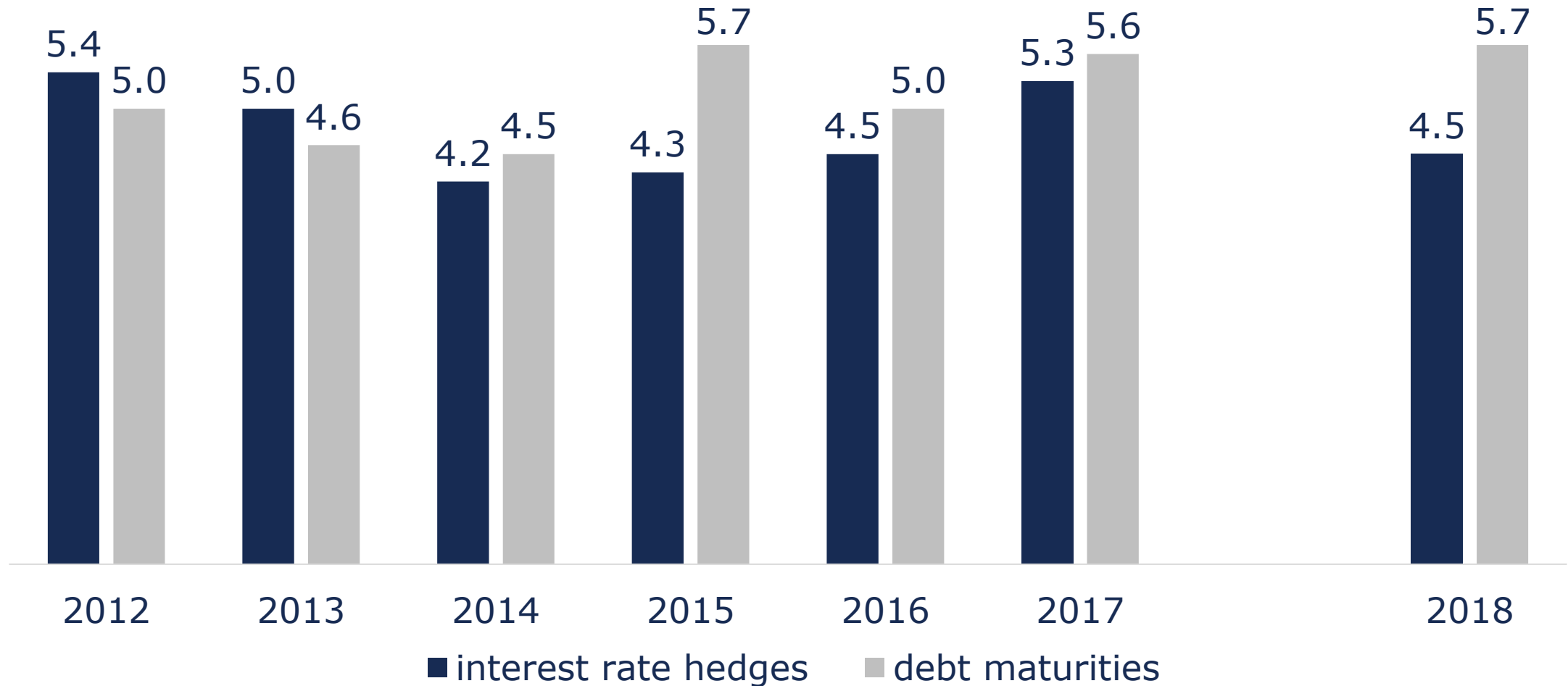


# debt maturity per year

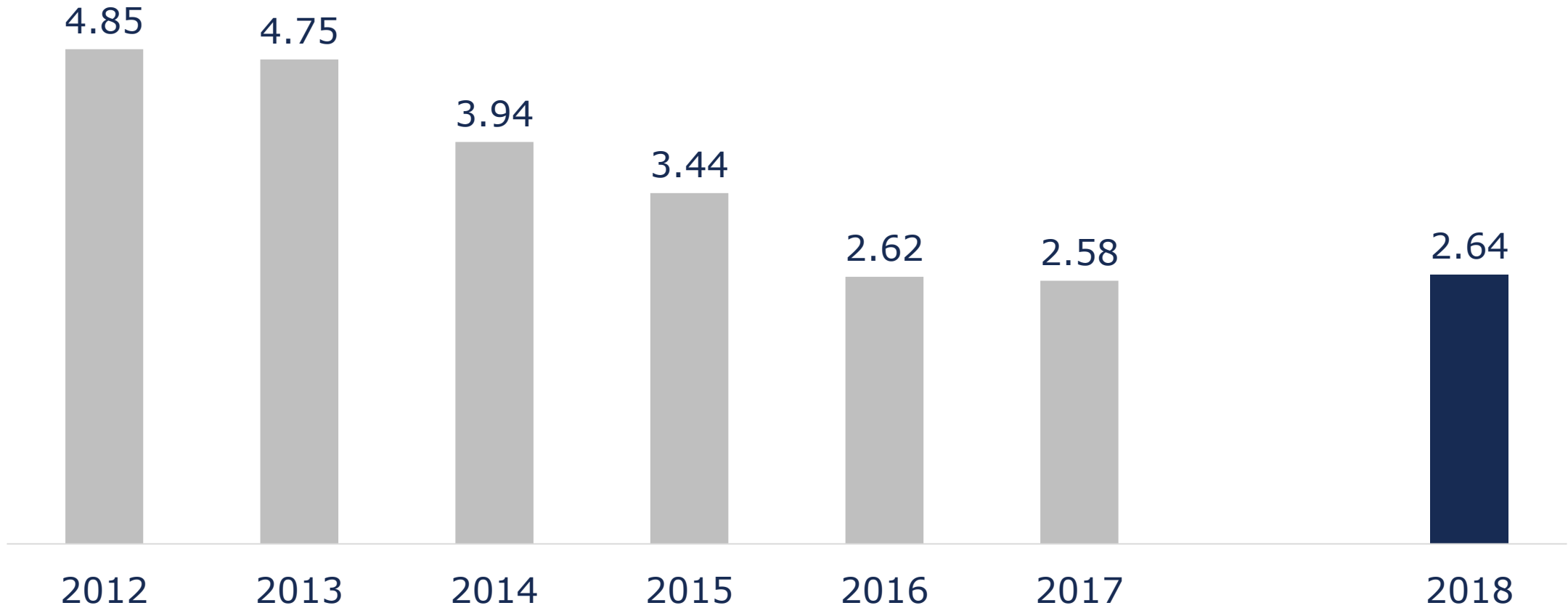
EUR million



# average debt maturity 5.7 years



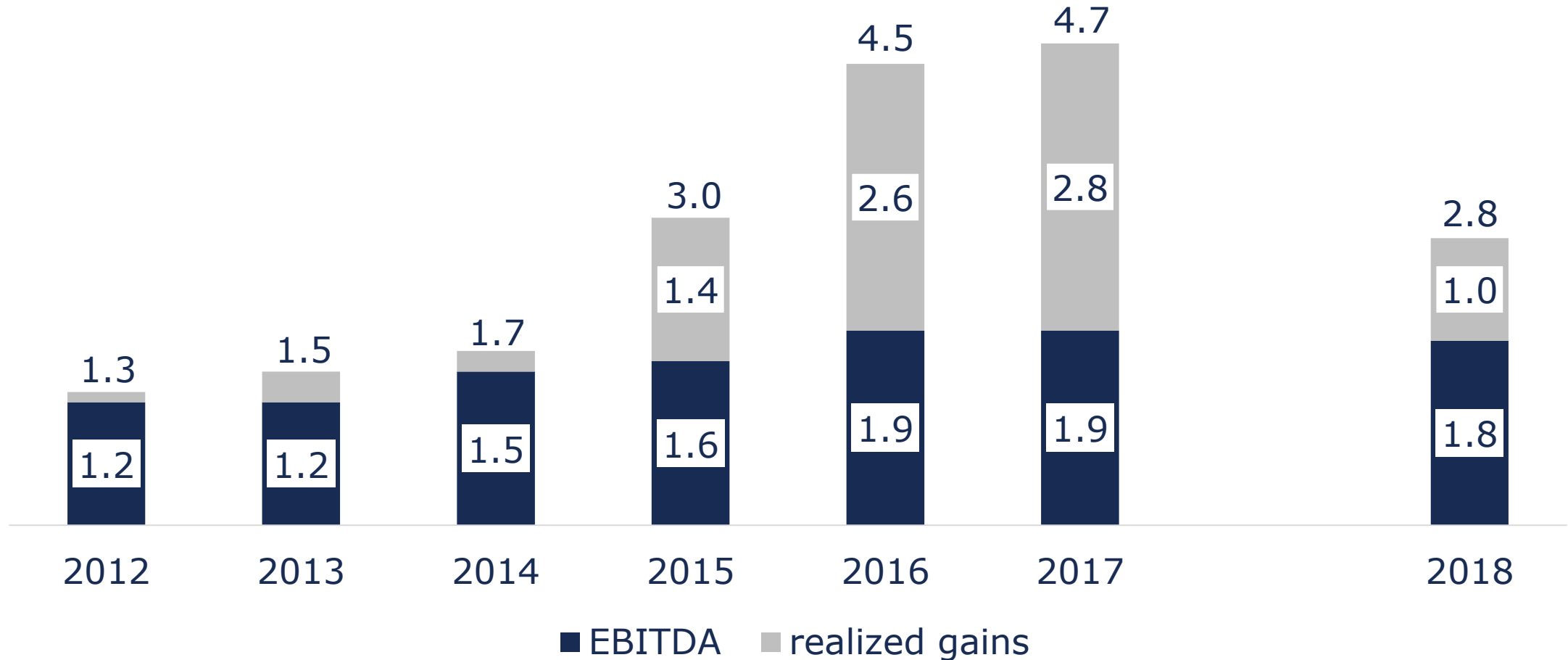
average interest rate 2.64 percent





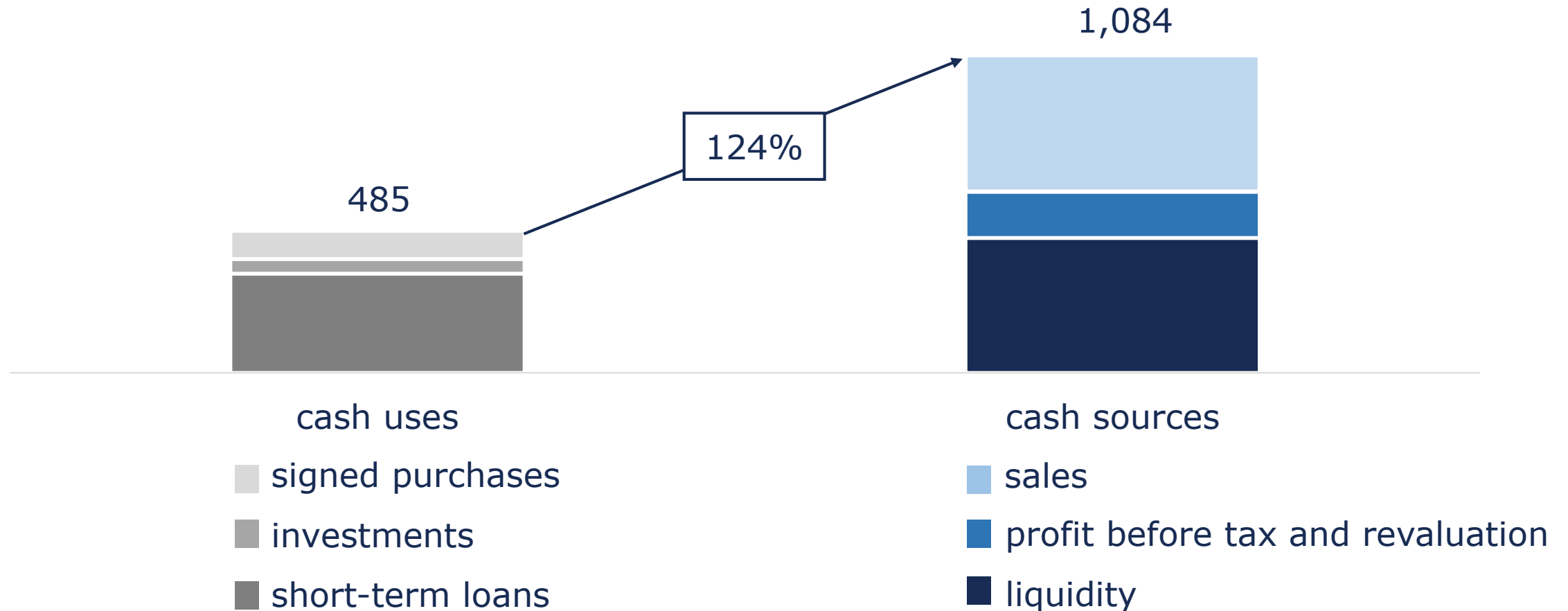
# interest coverage ratio 2.8 times

policy: minimum 2.0 excluding realized gains from 2020



# cash sources EUR 599 million larger than cash uses

EUR million



as at 2018-12-31

# finance policy

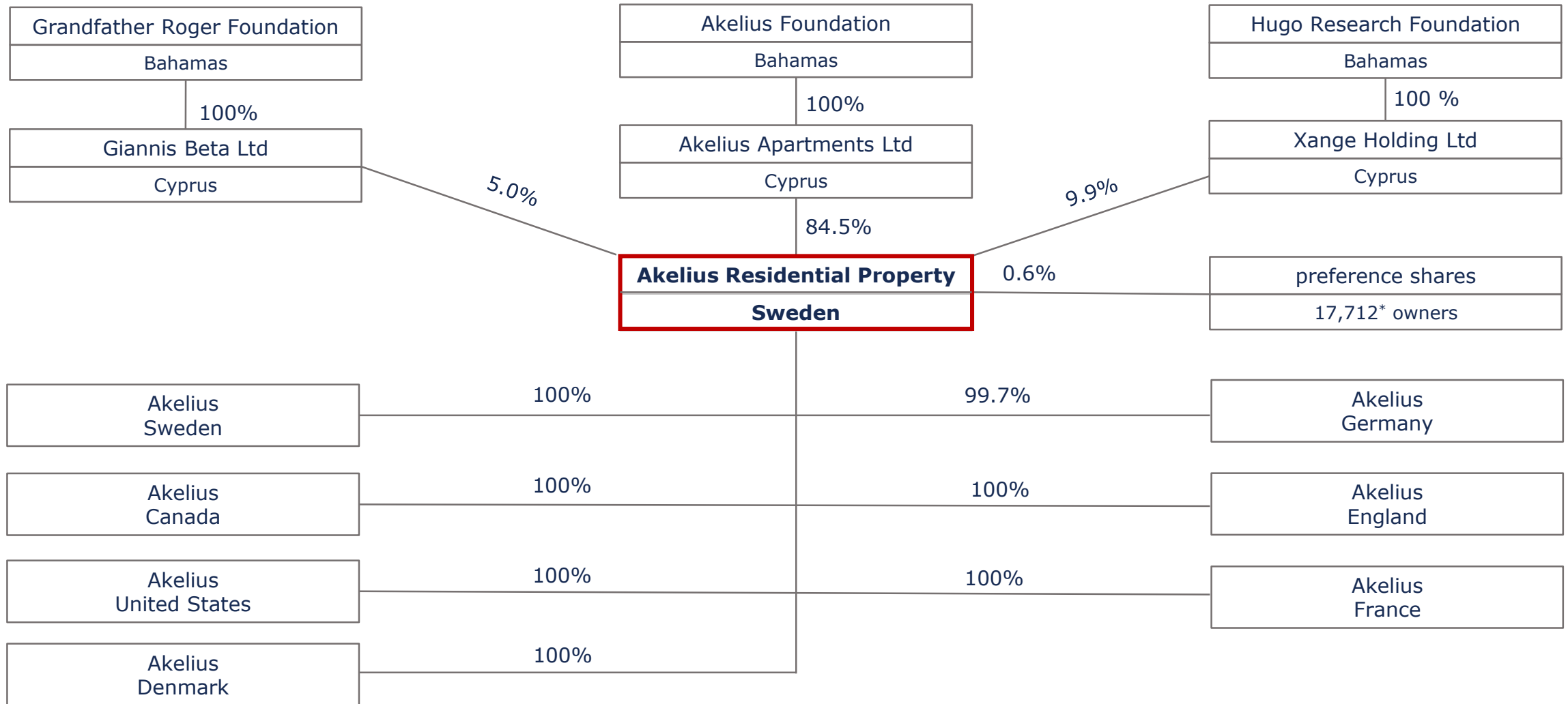
	<u>policy</u>	<u>2018-12-31</u>
rating	strive for BBB+ or higher minimum BBB	BBB
interest coverage ratio	minimum 2.0 from 2020	1.8, historic 12m
loan-to-value	maximum 40 percent from 2020	44 percent
dividend	no common net dividend if loan-to-value is above 40 percent from 2020  no preferred dividend in financial stress	

Akelius



business risk:	<i>better end of</i> Strong
financial risk :	significant
issuer:	BBB, stable outlook
senior unsecured:	BBB

# group structure



*\*as at 2018-12-31*

# Akelius foundation

## business policies

- residential real estate
- stable countries
- max 50 percent loan-to-value
- min 51 percent of shares in Akelius Residential Property AB

## purpose

- charity, SOS Children's Villages
- research, residential real estate

Swedish foundation donates €11M for long-term SOS Gaza project



SOS Children's Villages receives large donation for work in Haiti from Swedish businessman Roger Akelius



# Akelius Foundation



EUR 80 million



EUR 10 million



EUR 10 million

**safety first**