

# Akelius Residential Property AB (publ)

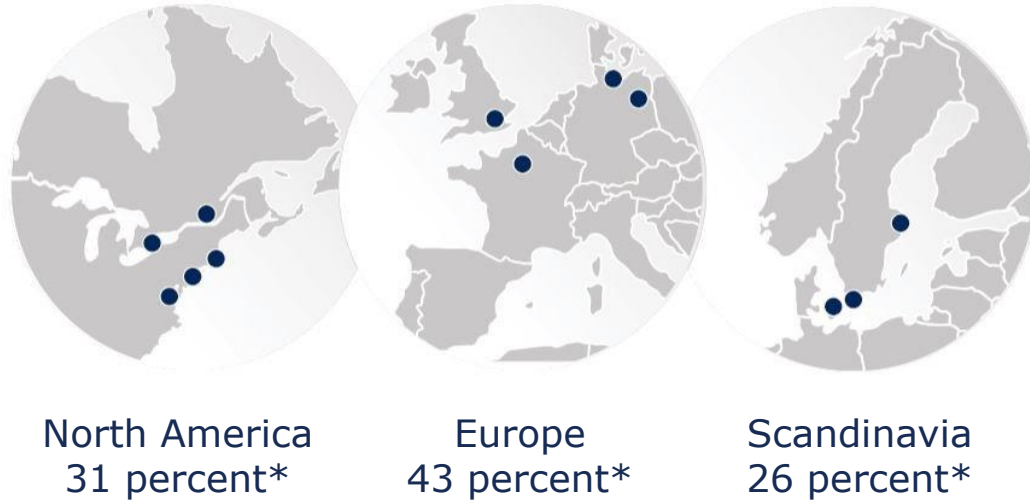
interim report, January to December 2020

Akelius



Fasanenstraße 59, Wilmersdorf, Berlin

# Akelius at a glance



## key metrics as at 2020-12-31

property fair value	EUR 12,139 million
residential share <sup>1)</sup>	97 percent
cities	12
number of apartments	44,835
real vacancy rate <sup>2)</sup>	1.7 percent
loan-to-value <sup>3)</sup>	39 percent
interest coverage ratio <sup>4)</sup>	2.5
walk score <sup>5)</sup>	88

\*) percentages represent share of fair value in portfolio

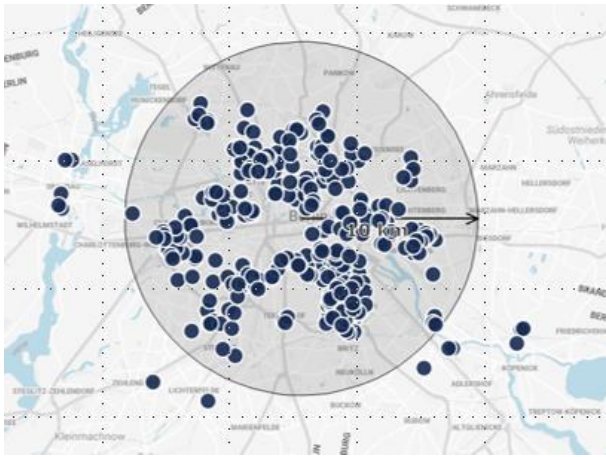


- 1) residential share: a residential property has more than fifty percent residential area
- 2) the total number of vacant apartments less the number of apartments due to renovation work or planned sales, in relation to the total number of apartments.
- 3) loan-to-value: Net Debt/Net Assets
- 4) ICR: Adjusted EBITDA/Net Interest Expenses, excluding realised value growth
- 5) walk score measures walkability from 0 to 100 based on walking routes to destinations such as grocery stores, schools, parks, and retail outlets, [www.walkscore.com](http://www.walkscore.com)

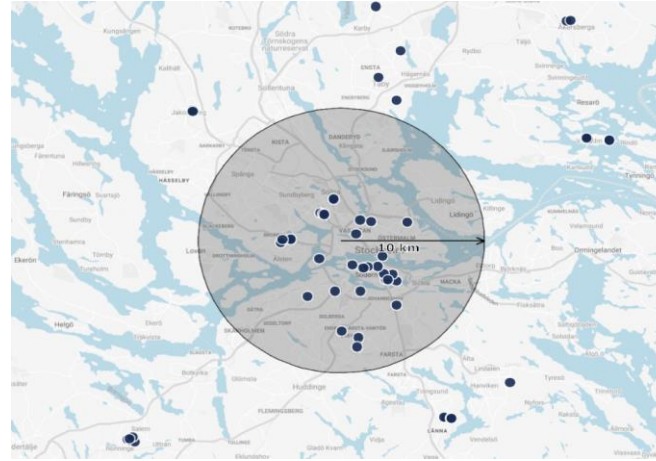
# focus on metropolitan cities with high population growth

central locations give low vacancy risk, diversification reduces risk even further

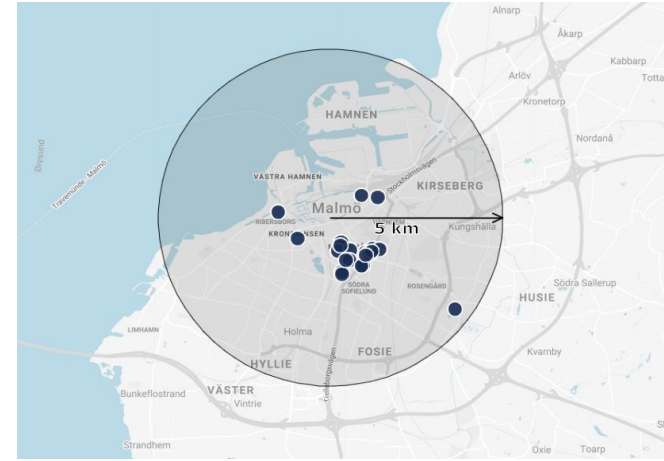
**Berlin** – walk score 90  
share of fair value – 25 percent



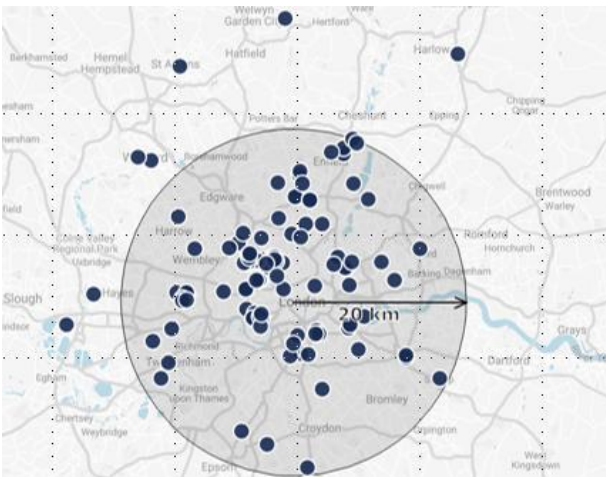
**Stockholm** – walk score 72  
share of fair value – 14 percent



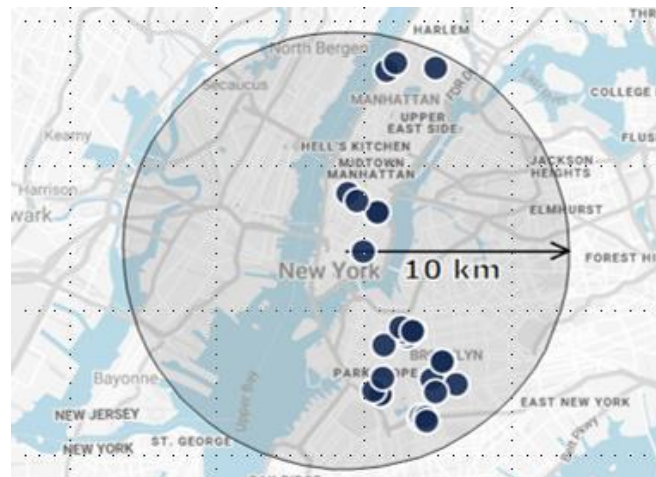
**Malmö** – walk score 89  
share of fair value – 9 percent



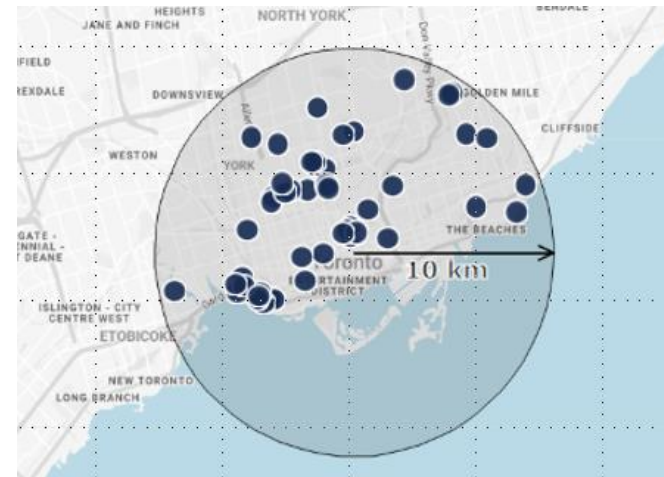
**London** – walk score 86  
share of fair value – 8 percent



**New York** – walk score 97  
share of fair value – 7 percent

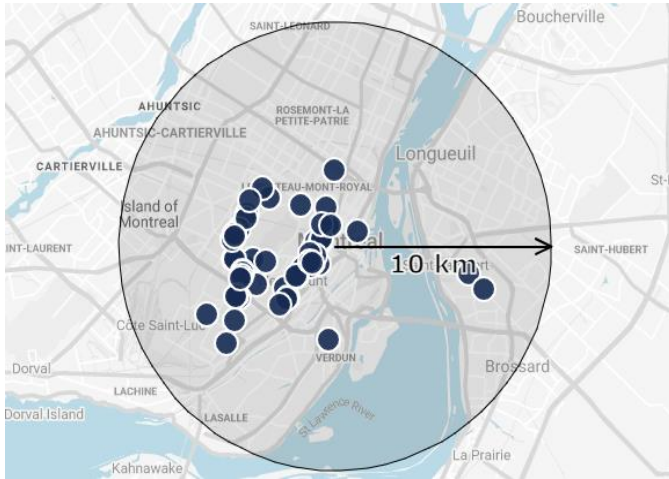


**Toronto** – walk score 77  
share of fair value – 7 percent

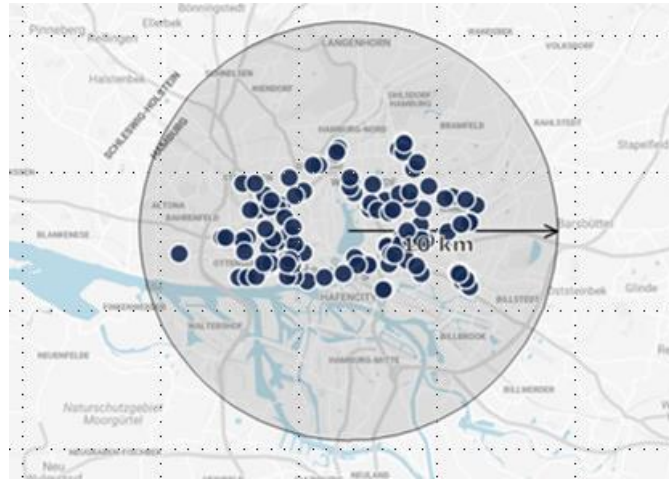


# focus on metropolitan cities with high population growth

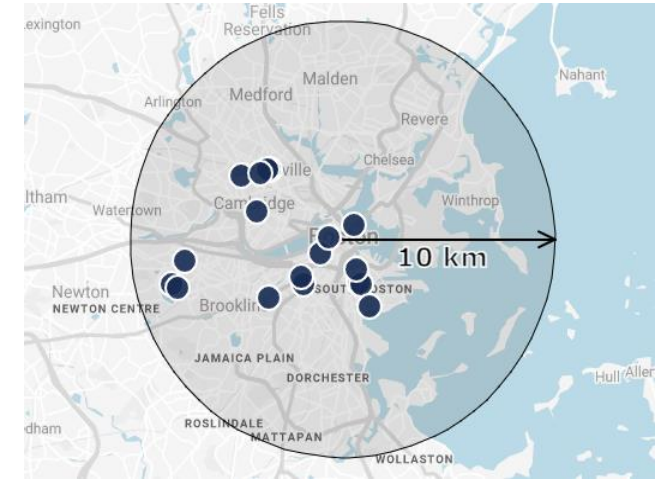
**Montreal** – walk score 82  
share of fair value – 7 percent



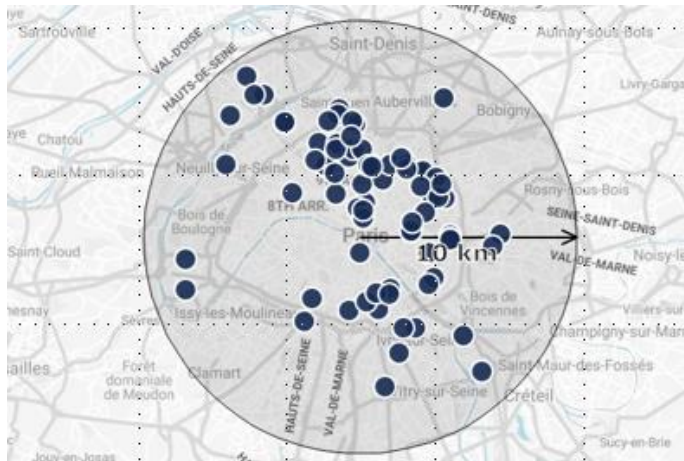
**Hamburg** – walk score 91  
share of fair value – 7 percent



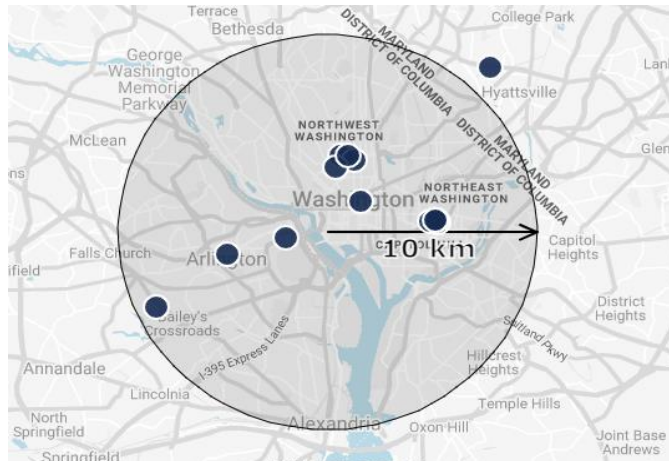
**Boston** – walk score 92  
share of fair value – 4 percent



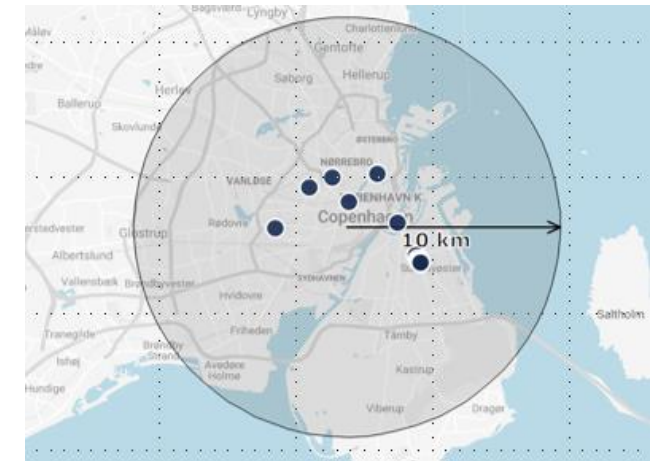
**Paris** – walk score 97  
share of fair value – 4 percent



**Washington D.C.** – walk score 88  
share of fair value – 5 percent



**Copenhagen** – walk score 95  
share of fair value – 3 percent



luxury: 0 %

A+ locations  
extraordinary buildings,  
extraordinary service



London  
Kensington

prime: 52%

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: 13%

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 52 percent of portfolio



**Stockholm**  
Södermalm



**New York**  
Brooklyn



**Berlin**  
Schöneberg

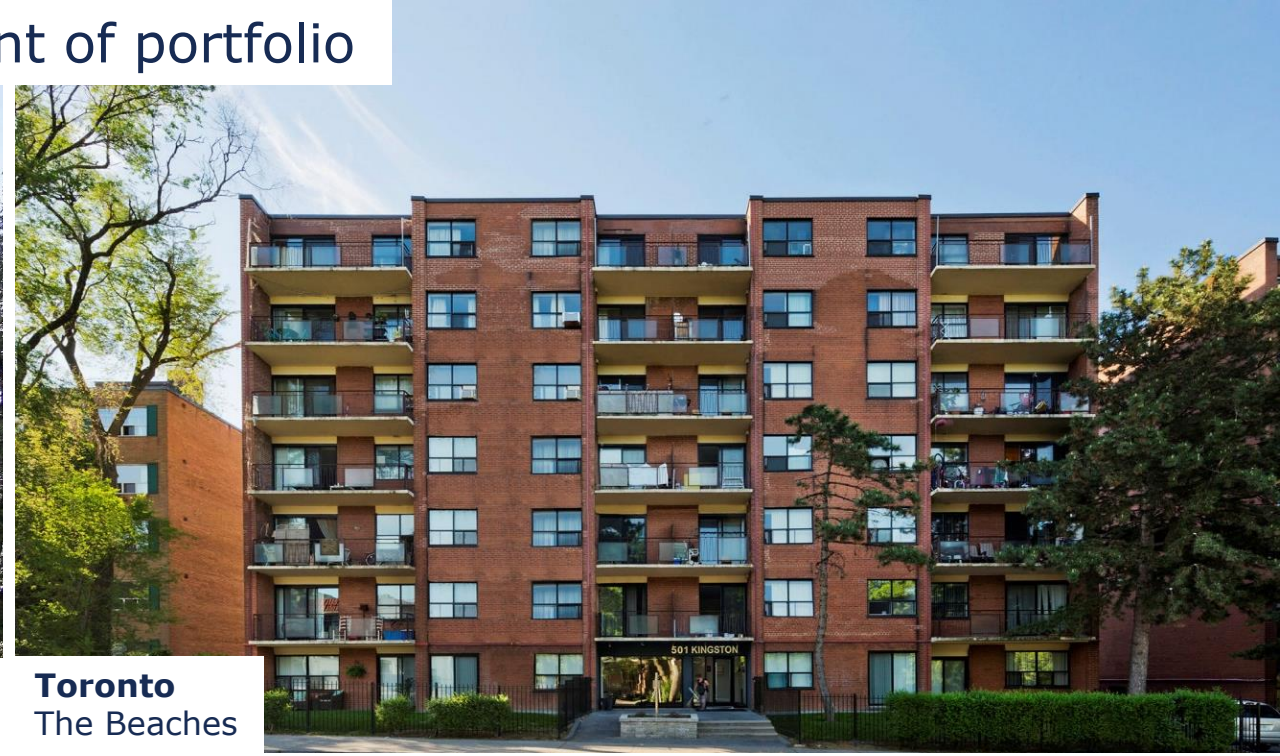


**Paris**  
5th District

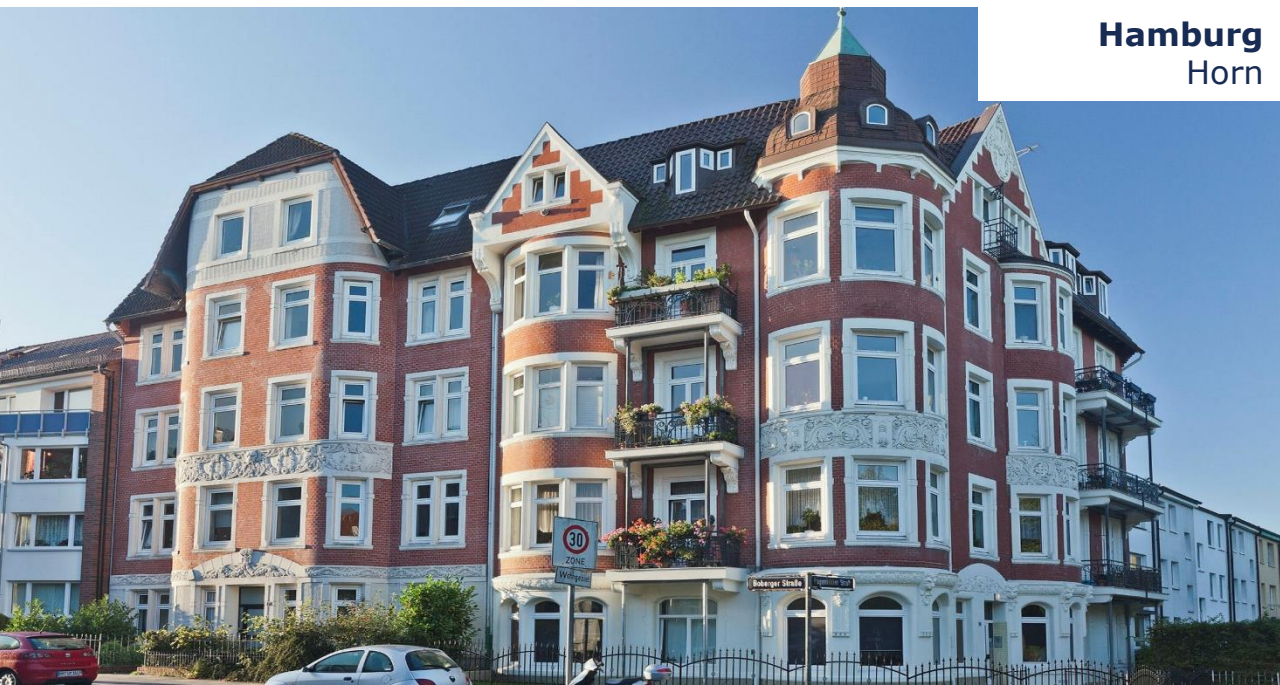
mid 35 percent of portfolio



**Berlin**  
Wedding



**Toronto**  
The Beaches



**Hamburg**  
Horn



**London**  
Clapham

entry 13 percent of portfolio



**Berlin**  
Lichterfelde



**Stockholm**  
Åkersberga



**Washington**  
Falls Church



**Malmö**  
Almgården



# first acquisitions with new direction

## 1800 Victoria, Montreal<sup>1)</sup>

- built in 2016
- no need for upgrading in ten years
- easy accessibility and more affordable housing have made the location very popular
- suitable for home office environment
  - one hundred meters from the nearest park and golf course
  - average size of 79 square meter
  - out of 32 apartments, 26 apartments have balconies
- initial yield 4.2 percent

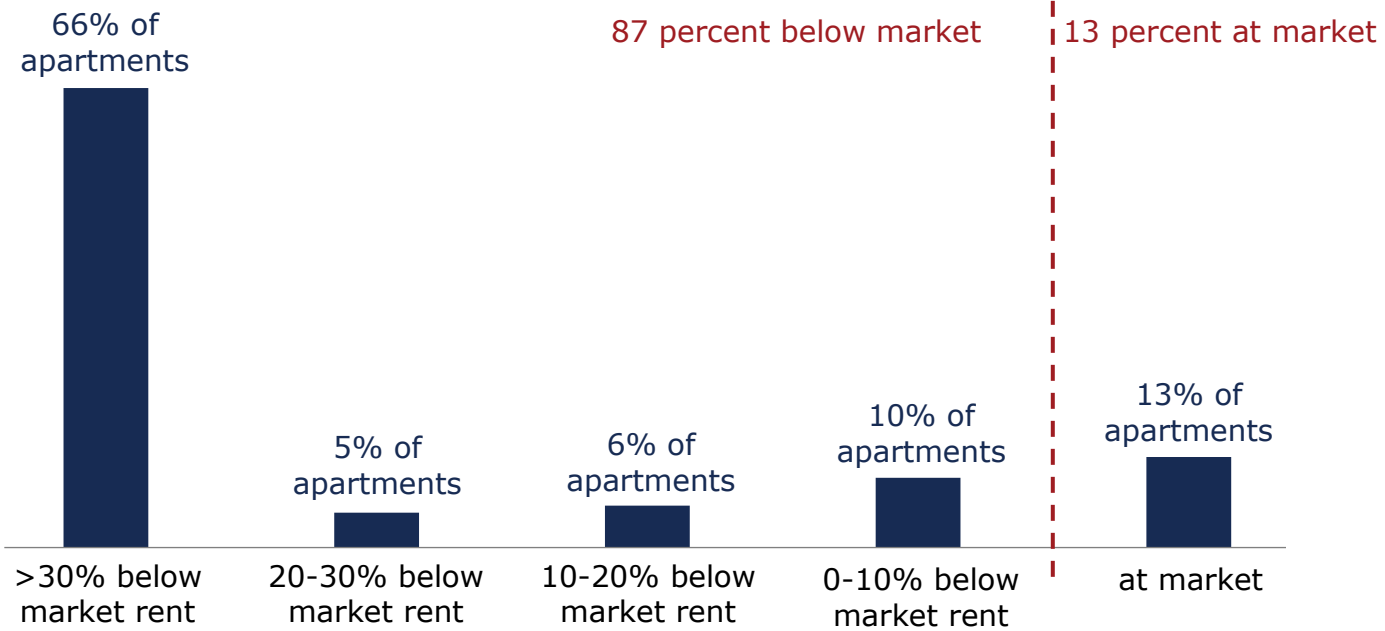


Victoria, Montreal  
acquired in 2020

1) see the drone video  
<https://www.youtube.com/watch?v=hQTUD2mrkg&feature=youtu.be>

# rent is below the market due to regulations

less sensitive to market developments

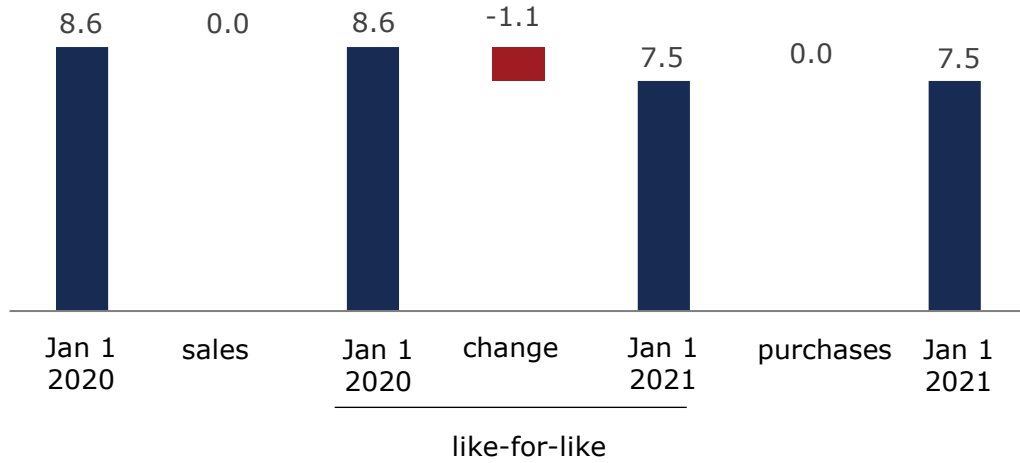


Akelius' own assessment



1650 Harvard Street, Washington D.C.

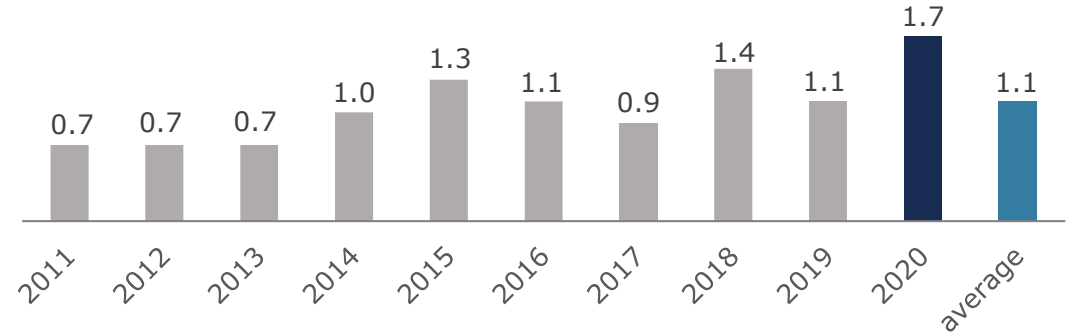
development vacancy  
percent



real vacancy 1.7 percent

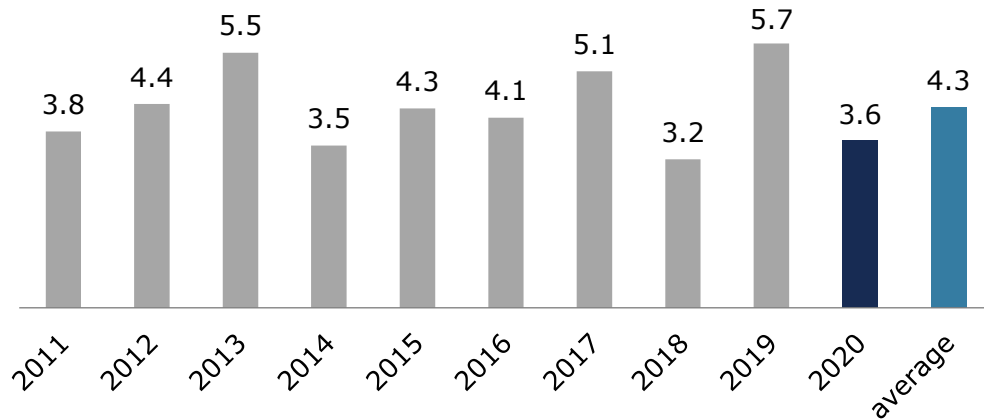
real vacancy excludes vacancy due to upgrades and disposals

percent



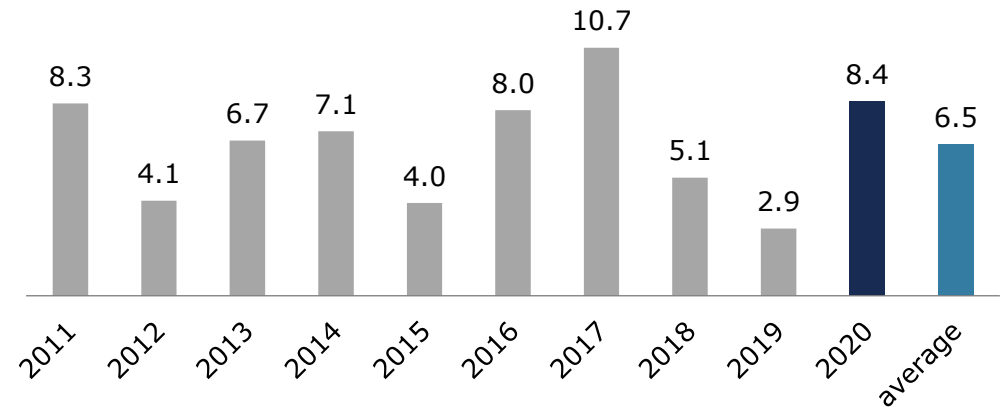
rental income growth 4.3 percent on average

like-for-like, percent



net operating income growth 6.5 percent on average

like-for-like, percent



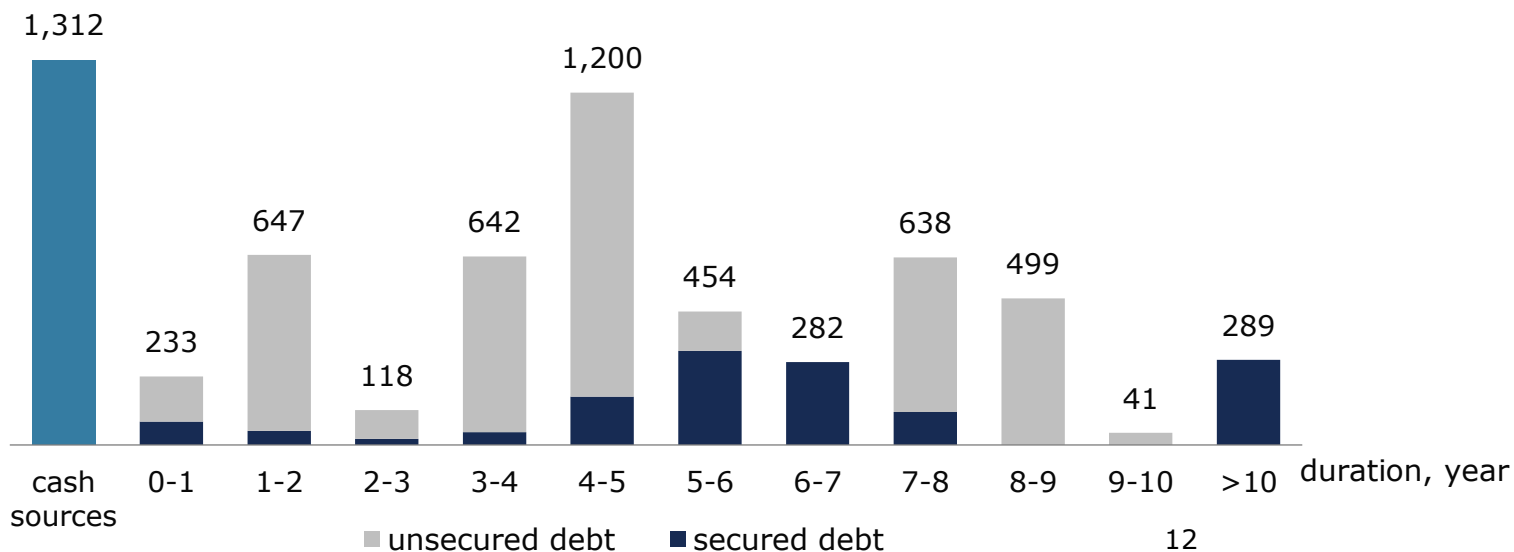
# funding overview as at 31<sup>st</sup> of December 2020

## diversified funding

- access to debt capital market through five bonds in EUR, one bond in GBP, six bonds in SEK and one private placement in USD
- two listed EUR 500 million hybrid bonds
- borrowings from 22 banks in five countries reduces the dependence of the financial strength of one individual bank or country
- access to equity capital through listed common shares of class D with eleven thousand shareholders

## debt maturity

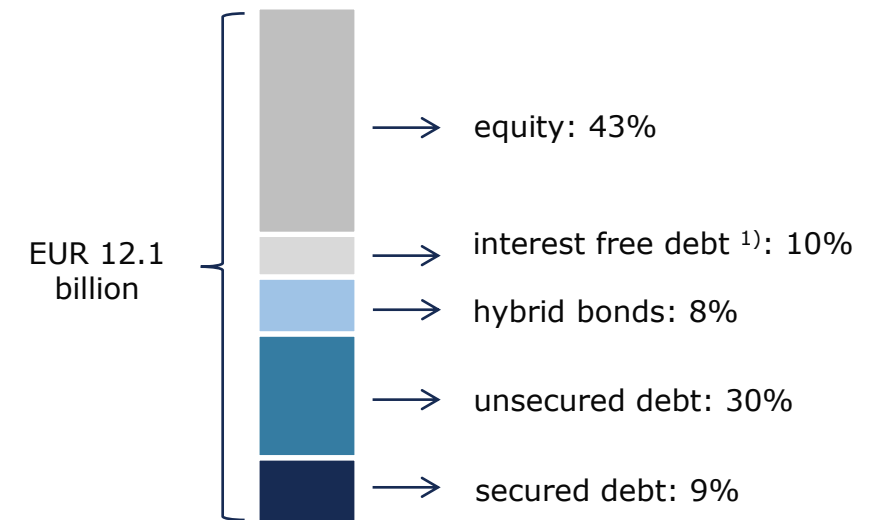
EUR million



## financing

- loan-to-value 39 percent
- average interest rate of 1.95 percent
- debt maturity 5.7 years
- unencumbered asset ratio 189 percent

## capital structure

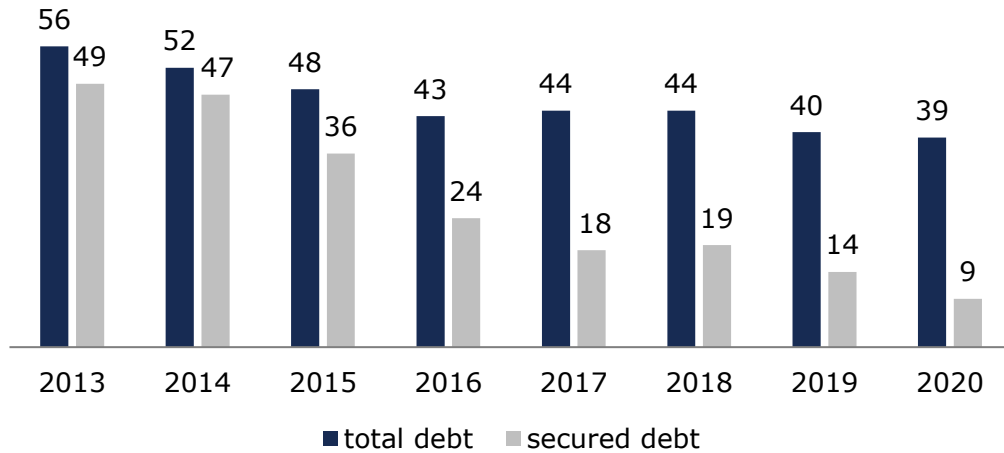


1) interest free debt: deferred tax, derivatives, other liabilities

# low financial risk through a conservative financial policy

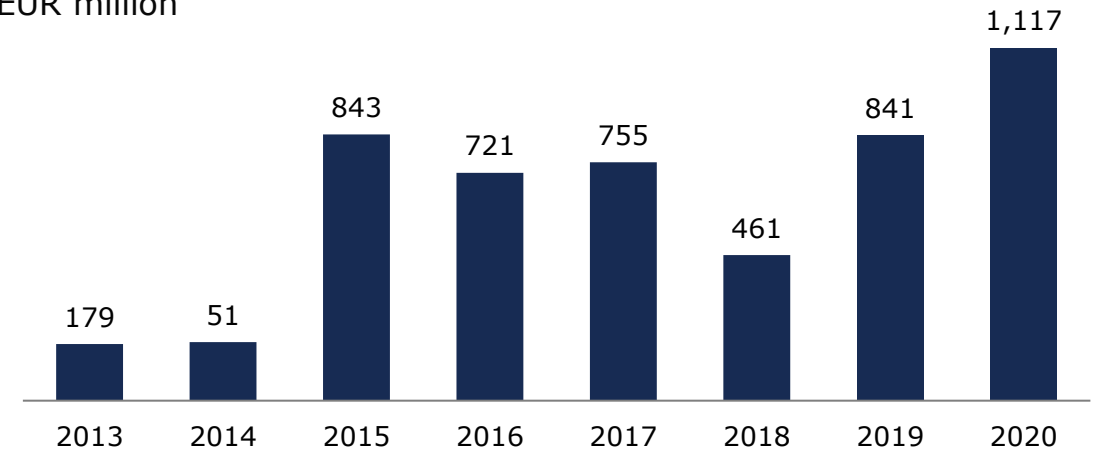
loan-to-value<sup>1)</sup>

percent

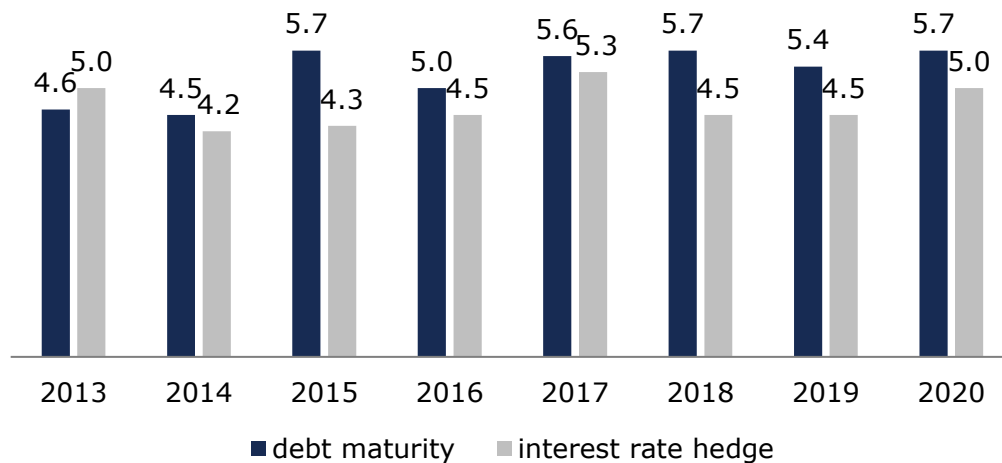


liquidity<sup>2)</sup>

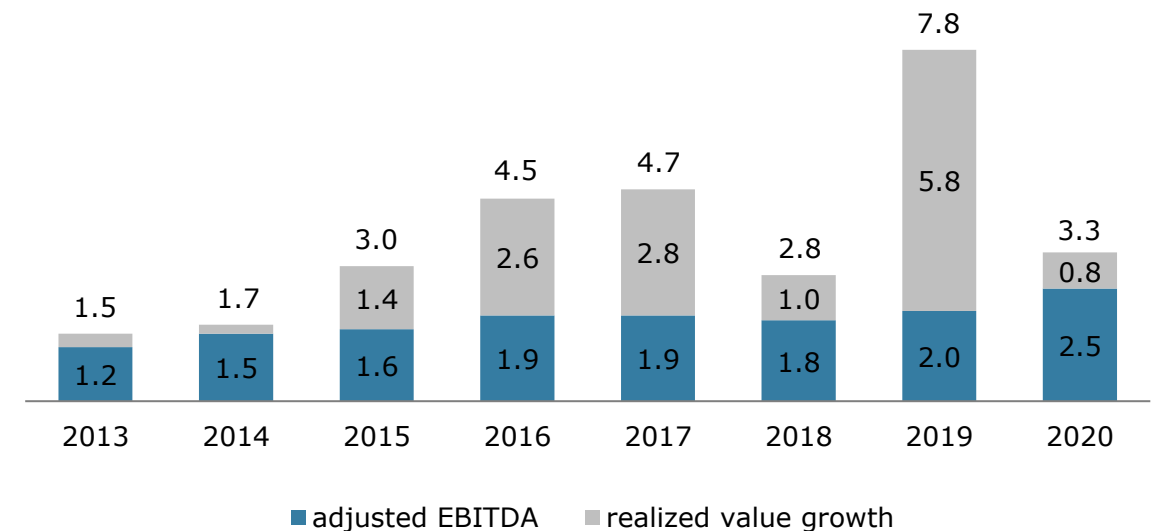
EUR million



average interest rate duration and capital tied-up, senior debt, years



interest coverage ratio 3.3

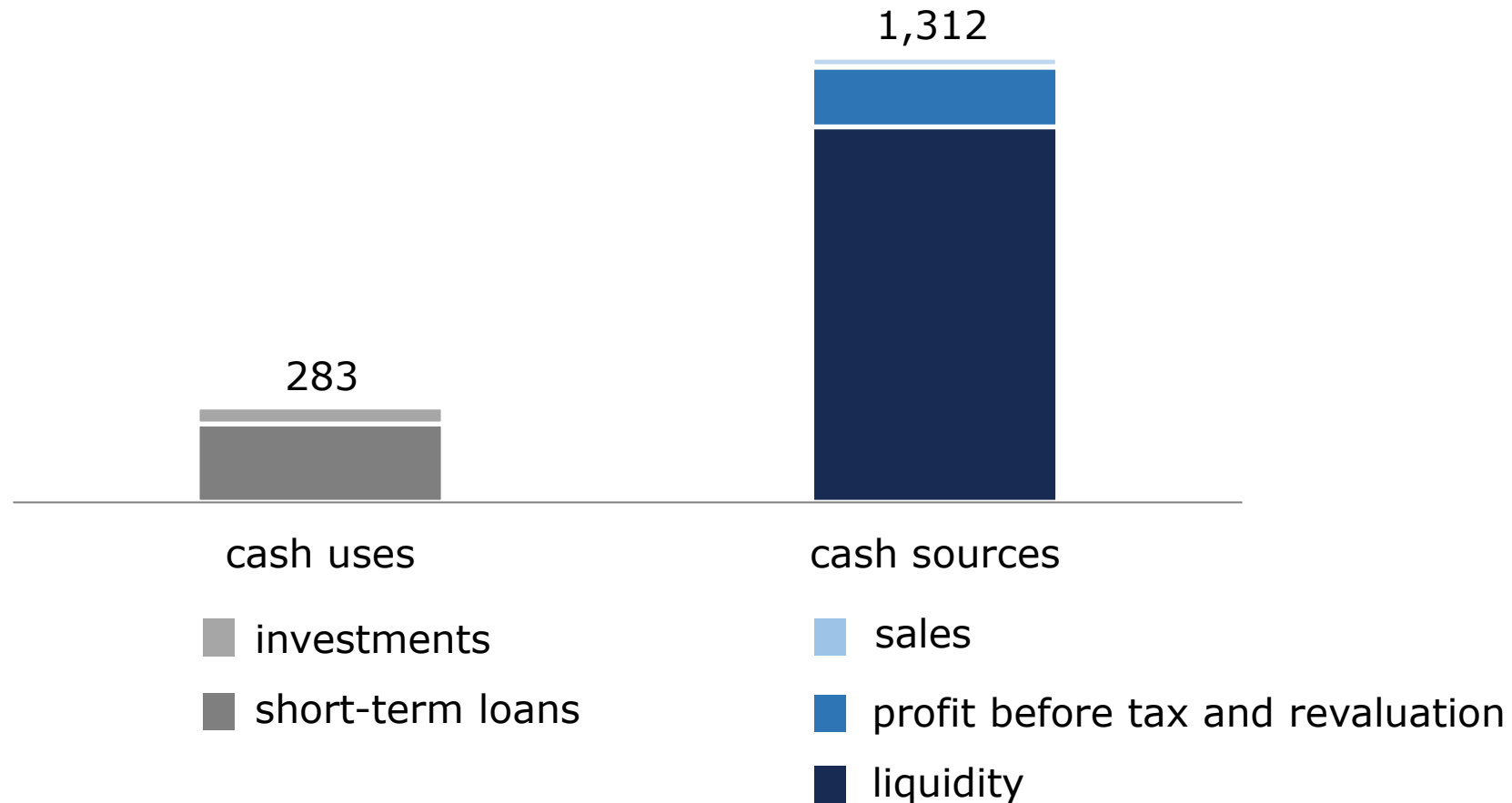


1) loan-to-value total loans = net debt to net assets. Loan-to-value secured loans = net secured debt to net assets

2) liquidity is cash and cash equivalent and unutilized but available credit facilities per 2020-12-31

cash sources EUR 1,029 million larger than cash uses

EUR million



as at 2020-12-31

# financial policy and rating



	<b>policy</b>	<b>2020-12-31</b>
rating	min BBB	BBB
interest coverage ratio <sup>1)</sup>	min 2.0	2.5
loan-to-value	max 45 percent	39 percent
secured loan-to-value	max 25 percent	9 percent
unencumbered asset ratio	min 150 percent	189 percent
liquidity, EUR million	300	1,117
cash uses to cash sources	min 1.0	4.64

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

1) excluding realized value growth

**safety first**