

AKELIUS APARTMENTS LIMITED

REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS

31 December 2025

AKELIUS APARTMENTS LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

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AKELIUS APARTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Demetris Syllouris
Igor Rogulj

Company Secretary:

Ekaterini Iacovidou
69 Agiou Meletiou Street
2025 Strovolos
Nicosia, Cyprus

Independent Auditors:

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors
10 Esperidon Street,
1087, Nicosia
Cyprus

Registered office:

80 Aischylou Street
Ground floor, Office 1
1011 Nicosia
Cyprus

AKELIUS APARTMENTS LIMITED

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of Akelius Apartments Limited (the "Company") presents to the members its Management Report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2025.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are the holding of investments in subsidiary undertakings (Note 27) and any interest-bearing activities (granting loans, promissory notes, etc.). The Group also undertakes transactions in financial assets.

The principal activities of the Group, which are unchanged from last year, are to own and administer residential properties. The Group owns properties in Canada, UK, France, Germany, the US and Cyprus.

Review of current position, and performance of the Group's business

The net profit for the year amounted to €88 million (2024: €20 million). On 31 December 2025 the total assets of the Group were €7,615 million (2024: €8,837 million) and the net assets of the Group were €4,710 million (2024: €5,563 million). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in notes 6 and 7 of the consolidated financial statements.

Future developments of the Group

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Group in the foreseeable future.

Key intangible resources

The Group's business model is primarily based on its investment property portfolio. The Board has not identified any material intangible resources that are fundamental to the Group's business model or constitute a significant source of value creation. Value is generated principally through the ownership, management and appreciation of the Group's investment properties.

Use of financial instruments by the Group

The Group is exposed to market price risk, interest rate risk and credit risk from the financial instruments it holds.

The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either at fair value through other comprehensive income or at fair value through profit or loss. The Group is not exposed to commodity price risk.

As at 31 December 2025, the Group has investments in equity and debt securities that are publicly traded. The Group does not apply any hedge accounting for price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Receivables from related parties at fixed rates expose the Group to fair value interest rate risk. Promissory notes with non-related parties at variable rates expose the Group to cash flow risk.

AKELIUS APARTMENTS LIMITED

CONSOLIDATED MANAGEMENT REPORT

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables.

The Group structures the levels of credit risk it undertakes by placing limits on the amounts of risk accepted in relationship to one borrower, or groups of borrowers, and to industry sectors. Such risks are subject to regular review. Limits on the level of credit risk by product, borrower and industry sectors are approved regularly by management. Actual exposures against limits are regularly monitored.

Exposure to credit risk is managed through regular assessment of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing the lending limits where appropriate.

Results and Dividends

The Group's results for the year are set out on page 7. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Group, does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Group's Board of Directors as at 31 December 2025 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2025.

Events after the reporting period

The significant events that occurred after the end of the reporting period are described in note 30 to the consolidated financial statements.

Independent Auditors

The Independent Auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Ekaterini Iacovidou
Secretary

Nicosia, 10 July 2026

Independent Auditor's Report

To the Members of Akelius Apartments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Akelius Apartments Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.



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Independent Auditor's Report (continued)

To the Members of Akelius Apartments Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.



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Independent Auditor's Report (continued)

To the Members of Akelius Apartments Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 10 July 2026

AKELIUS APARTMENTS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2025

	Note	2025 € m	2024 € m
Revenue	8	368	359
Property costs	10	(158)	(158)
Realised and unrealised fair value losses on investment and owner-occupied properties	17	(39)	(93)
Other operating income/(loss)	9	11	45
Operating expenses	10	(21)	(23)
Operating profit		161	130
Finance costs	12	(69)	(79)
Profit before tax		92	51
Income tax	13	(4)	(31)
Net profit for the year		88	20
Other comprehensive income			
Currency translation difference		(477)	152
Tax on items that may be reclassified		8	2
Other comprehensive (loss)/income for the year		(469)	154
Total comprehensive (loss)/income for the year		(381)	174
Net profit for the year attributable to:			
Equity holders of the parent		85	28
Non-controlling interests		3	(8)
		88	20
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the parent		(373)	169
Non-controlling interests		(8)	5
		(381)	174

The notes on pages 11 to 40 form an integral part of these consolidated financial statements.

AKELIUS APARTMENTS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Note	2025 € m	2024 € m
ASSETS			
Non-current assets			
Property, plant and equipment	15	4	5
Lease agreements - right-of-use assets	16	5	4
Investment properties	17	5,707	6,020
Intangible assets	18	-	6
Owner occupied properties	17	10	10
Financial assets at fair value through profit or loss	21	26	40
Loans and non-current receivables	19	14	11
Deferred tax assets	26	18	2
		<u>5,784</u>	<u>6,098</u>
Current assets			
Trade and other receivables	20	32	36
Financial assets at fair value through profit or loss	21	1,503	1,730
Cash at bank	22	296	962
		<u>1,831</u>	<u>2,728</u>
Assets classified as held for sale		-	11
Total assets		<u>7,615</u>	<u>8,837</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	23	-	-
Share premium	23	1,994	1,994
Other reserves		(268)	188
Retained earnings		2,984	3,017
		<u>4,710</u>	<u>5,199</u>
Non-controlling interests		-	364
Total equity		<u>4,710</u>	<u>5,563</u>
Non-current liabilities			
Borrowings	24	1,765	2,024
Lease liabilities	25	4	4
Financial liabilities at fair value through profit or loss	21	-	1
Other long term liabilities		20	21
Deferred tax liabilities	26	40	44
		<u>1,829</u>	<u>2,094</u>
Current liabilities			
Trade and other payables		56	76
Borrowings	24	1,012	1,084
Lease liabilities	25	2	2
Financial liabilities at fair value through profit or loss	21	6	18
		<u>1,076</u>	<u>1,180</u>
Total liabilities		<u>2,905</u>	<u>3,274</u>
Total equity and liabilities		<u>7,615</u>	<u>8,837</u>

On 10 July 2026 the Board of Directors of Akelius Apartments Limited authorised these consolidated financial statements for issue.

.....
Igor Rogulj
Director

.....
Demetris Syllouris
Director

The notes on pages 11 to 40 form an integral part of these consolidated financial statements.

AKELIUS APARTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2025

Note	Share capital (3) € m	Share premium € m	Translation reserve € m	Retained earnings € m	Total € m	Non-controlling interests € m	Total € m
Balance at 1 January 2024 as previously reported	-	1,994	47	3,003	5,044	445	5,489
Net profit for the year	-	-	-	28	28	(8)	20
Other comprehensive income for the year	-	-	141	-	141	13	154
Issue of share capital	23	-	-	-	-	75	75
Dividends (1)	-	-	-	-	-	(7)	(7)
Repurchase of D shares (2)	-	-	-	-	-	(4)	(4)
Total transactions with owners	-	-	-	-	-	64	64
Other transactions with non controlling interest	-	-	-	(14)	(14)	(150)	(164)
Balance at 31 December 2024	-	1,994	188	3,017	5,199	364	5,563
Balance at 31 December 2024/ 1 January 2025	-	1,994	188	3,017	5,199	364	5,563
Comprehensive income							
Net profit for the year	-	-	-	85	85	3	88
Other comprehensive (loss)/income for the year	-	-	(461)	-	(461)	(8)	(469)
Total comprehensive (loss)/income for the year	-	-	(461)	85	(376)	(5)	(381)
Transactions with owners							
Repurchase of D shares (2)	-	-	-	-	-	(35)	(35)
Other transactions with non controlling interest	-	-	5	(118)	(113)	(324)	(437)
Total transactions with owners	-	-	5	(118)	(113)	(359)	(472)
Balance at 31 December 2025	-	1,994	(268)	2,984	4,710	-	4,710

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year (applicable for profits up until tax year 2025 inclusive). The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

(1) Dividends of EUR Nil (2024: EUR 7 million) were declared and paid to the minority shareholders of group companies.

(2) Akelius Residential Property AB has issued ordinary D shares that are listed on Nasdaq First North Growth Market. During 2024 and 2025, the Group has repurchased 8.042.173 and 69.950.000 D-shares of Akelius Residential Property AB respectively. At 31 December 2025, the Group has repurchased all D-shares and the shares were de-listed from the stock market. The last day of trading in Akelius Residential Property AB's D shares on Nasdaq First North Growth Market was 7 April 2025.

(3) The Authorised share capital of the Company is 500.000 ordinary shares of EUR 1 each of which 300.000 shares were issued and fully paid.

The notes on pages 11 to 40 form an integral part of these consolidated financial statements.

AKELIUS APARTMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS 31 December 2025

	Note	2025 € m	2024 € m
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating profit		67	35
Adjustments for:			
Depreciation of property, plant and equipment	15	2	2
Depreciation of leased assets	16	1	2
Foreign exchange transaction loss		37	10
Amortisation of intangible assets	18	6	3
Fair value losses on investment property		39	93
Interest income	9	(20)	(68)
Interest expense	12	58	71
		<u>190</u>	148
Changes in working capital:			
Decrease in trade and other receivables		3	12
Decrease in financial assets/liabilities at fair value through profit or loss		228	1,368
Decrease in trade and other payables		(21)	(3)
Cash generated from operations		<u>400</u>	<u>1,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	-	(2)
Payment for purchase of property, plant and equipment	15	(2)	(1)
Acquisition of investment properties	17	(110)	(135)
Investment in owner occupied properties		-	(3)
Loans and non current receivables		(2)	(3)
Proceeds from sale of investment properties	17	16	29
Investment in properties		(112)	(157)
Interest received		20	85
Net cash used in investing activities		<u>(190)</u>	<u>(187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of bank borrowing – net		(756)	(580)
Lease amortisations		(1)	(1)
Interest paid		(58)	(71)
Other long term liabilities		(1)	-
Share issue non controlling interest		-	75
Acquired non controlling interest		(485)	(168)
Dividends to non-controlling interest		-	(7)
Net cash used in financing activities		<u>(1,301)</u>	<u>(752)</u>
Net (decrease)/increase in cash and cash equivalents		(1,091)	586
Cash and cash equivalents at beginning of the year		<u>962</u>	<u>376</u>
Cash and cash equivalents at end of the year	22	<u>(129)</u>	<u>962</u>

The notes on pages 11 to 40 form an integral part of these consolidated financial statements.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

1. Incorporation and principal activities

Country of incorporation

The Company Akelius Apartments Limited (the "Company") was incorporated in Cyprus on 11 February 1997 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 80 Aischylou Street, Ground floor, Office 1, 1011 Nicosia, Cyprus.

Akelius Apartments Ltd and its subsidiaries (Note 27) are together the "Group" or "Akelius". Akelius Apartments Ltd is the Parent Company within the Group.

Principal activities

The principal activities of the Group, which are unchanged from last year, are the holding of investments in subsidiary undertakings (Note 27) and any interest-bearing activities (granting loans, promissory notes, etc.). The Group also undertakes transactions in financial assets.

The principal activities of the Group, which are unchanged from last year, are to own and administer residential properties. The Group owns properties in Canada, UK, France, Germany, the US and Cyprus.

All the shares in Akelius Apartments Ltd are owned and controlled by Akelius Foundation a foundation registered in Cyprus on 7 April 2025. The shares were previously held by Akelius Foundation a foundation registered in Bahamas and are now owned by the Cyprus foundation through a transfer of assets. The foundations are considered to be a continuation as all the assets have been transferred from the Bahamas Foundation to the Cyprus foundation, except for those that there are legal procedures to be fulfilled before the foundation is able to transfer them.

Operating Environment of the Group

On 28 February 2026, the geopolitical situation in the Middle East escalated due to the armed conflict. The situation has created heightened uncertainty in international relations and financial markets, with potential implications for global trade, energy supply, and overall economic stability.

Although the conflict is taking place outside of the geographical area that the Group operates, it may have indirect effects on the economy, given its openness on international trade, tourism, shipping, and financial services. Potential consequences include volatility in energy and commodity prices, disruptions in global supply chains, fluctuations in foreign exchange and capital markets, and heightened uncertainty in sectors such as tourism and transport. The extent and duration of these effects remain uncertain and cannot be reliably estimated at this stage.

Despite the limited exposure, the conflict is expected to negatively impact the services industries. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Group. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any action to be taken in case the crisis becomes prolonged.

The Company's Management is unable to predict all developments which could have an impact on the Global economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and owner-occupied properties and financial assets/liabilities at fair value through profit or loss.

The preparation of these consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Group.

4. Material accounting policy information

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these consolidated financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Basis of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

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AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Basis of consolidation (continued)

Inter-company transactions balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for the sale of services, net of any sales taxes, rebates and discounts. Revenues earned by the Group are recognised on the following bases:

- **Rental income**

Rental income is recognised in the period to which it relates. In the event of prior redemption of a temporary agreement, the reimbursed amount is periodised over the original term of the agreement, unless a new agreement is concluded, in which case the amount redeemable is taken up in its entirety.

All rental agreements in the Group are classified as operating leases as risks and rewards associated with ownership fall to the lessor. Service revenue includes operating costs that are either included in the rent or invoiced separately. Operating costs such as heat, electricity, water, and property tax that are billed to tenants are based on invoices from vendors.

- **Interest income**

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

- **Dividend income**

Dividend income is recognised when the right to receive payment is established.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

4. Material accounting policy information (continued)

Employee benefits

Some of the Group's entities operate defined contribution schemes the assets of which are held in separate trustee-administered funds. The schemes are funded by payments from employees and by Group entities. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

For the translation into the functional currency, assets and liabilities are translated into EUR at the prevailing exchange rates at the balance sheet date. Revenues and expenses are translated into EUR at the rates prevailing at the dates of the transactions. Any resulting foreign exchange differences are recognised in a separate reserve in equity.

(3) Group entities

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at the average exchange rates during the year;
- All resulting exchange differences are recognised as a separate component in the consolidated financial statements of the consolidated entities.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Current and deferred tax

The tax expense for the year includes current and deferred tax. The current tax expense is calculated based on the tax regulations that are adopted as of the statement of financial position date or for all intents and purposes adopted in the countries in which the Company and its subsidiaries operate and generate taxable income. Current tax also includes adjustment of current tax attributable to prior periods.

Deferred tax is recognised using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognised on temporary differences arising as a result of a transaction that constitutes the first reporting of an asset or liability that is not a business combination that at the time of the transaction affects neither profit nor taxable profit. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is recognised at nominal value.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Offsetting of deferred tax claims and deferred tax liabilities takes place when the legal right to implement such offsetting exists.

Tax is recognised in the income statement, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases the tax is also recognised in other comprehensive income or equity.

Property, plant and equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Increases in the carrying amount arising on revaluation of land and buildings are credited to fair value reserves in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost amounts to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Computer equipment	20
Furniture and other equipment	10-20
Motor vehicles	20-25
Owner occupied properties/buildings	2.5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entities owned by the Group and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and these are included in the income statement and are included in "Operating expenses".

Investment properties

Investment property is held in order to generate rental income and increases in value. Investment property is initially recognised at acquisition value, including directly attributable transaction costs. After initial recognition, investment property is recognised at fair value.

Fair value is based in the first instance on prices on an active market and is the amount for which an asset could be transferred between willing parties that are independent of one another and have an interest in conducting the transaction. In order to establish the fair value of investment property for the annual consolidated financial statements, all properties are valued by a combination of internal and external valuations. Note 4 includes a more detailed description of the basis of the Group's valuation of investment property. Changes in the fair value of investment property are reported as changes in value in the income statement. Additional expenses are capitalised only when it is probable that future economic benefits associated with the asset will fall to the Group and the expense can be established reliably and the action concerns the replacement of an existing or the introduction of a new identified component. Repair and maintenance expenses are continually expensed in the periods in which they arise. Investment properties are valued according to Level 3 of the fair value hierarchy of IFRS 13.

Realised and unrealised changes in value are recognised in the income statement. Gains or losses from the sale or disposal of investment properties is the difference between the selling price and the carrying amount based on the fair value in the latest annual financial statements less transaction costs incurred in connection with the sale of investment properties. Transaction costs incurred in connection with the sale of investment properties are recognised as other expenses in the consolidated income statement.

Income from property sales is normally reported on the date of possession unless the risks and rewards have been transferred to the buyer on an earlier occasion. Control of the asset may have been transferred at an earlier time than the access time and if this has been the case, income from property sale has been recognised on that earlier date. In assessing the timing of income recognition, consideration is given to agreements between the parties regarding the risks and rewards and involvement in the ongoing management.

Intangible assets

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are recognised as an expense as incurred.

Computer software costs are amortised using the straight-line method over their estimated useful lives at the rate of 33 1/3% per annum. Amortisation commences when the computer software is available for use and is included within administrative expenses.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

4. Material accounting policy information (continued)

Leases

The Group as lessor

Leases where essentially all the risks and rewards of ownership fall to the lessor are classified as operating leases. Consequently, all of the Group's rental agreements are classified as operating leases. Properties that are let under operating leases are included in the item investment property. The policy for reporting rental income is presented in the section on rental income.

The Group as lessee

A contract includes a lease, if a contract conveys the right to control the use of an identified asset over a period of time in exchange of consideration. A right-of-use asset and a lease liability is recognised upon the commencement of the lease. The right-of-use asset is measured at cost less accumulated depreciation and impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the lease agreements interest rate. The amounts expected to be payable by the lessee under residual value guarantees are also included in the measurement of the lease liability. The lease liability is subsequently remeasured to reflect changes in the lease term, the assessment of a purchase option, amounts expected to be payable under residual value guarantees and change in future lease payments. Lease payments for short-term and low value leases are amortised on a straight-line basis over the lease term. The Group's leases refer to offices, site leaseholds, cars and office equipment.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the statement of financial position date.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss within "other gains/(losses) - net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss, as part of other gains, when the Group's right to receive payments is established.

Derivative instruments

The Group uses derivatives in accordance with its finance policy to achieve the desired average fixed-interest term and interest risk. The Group does not apply hedge accounting. Derivative financial instruments which include mainly interest rate swaps are initially recognised in the statement of financial position at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are determined by prices quoted by the counterparty financial institution. Derivative financial instruments are included within financial assets at fair value through profit or loss when fair value is positive and within financial liabilities when fair value is negative. Gains/losses on derivative financial instruments are recognised in the profit or loss.

Other interest-bearing liabilities are assessed based on level 2 data. The fair values of interest-bearing liabilities are calculated by discounting the future contracted cash flow with the current market interest rate. The fair value of derivatives that are not traded in an active market is calculated based on the present value of future cash flows.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Derivative instruments (continued)

The future cash flow from derivative contracts are discounted with the market interest rate. The fair values are based on level 2 of the fair value hierarchy. No transfers have taken place between the various hierarchical levels during the year.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the statement of financial position date. These are classified as non-current assets. The Group's loans and receivables comprise "promissory notes receivable", "other receivables", and "cash and cash equivalents" in the statement of financial position. Loans and receivables are carried at amortised cost using the effective interest method, less any provision for impairment based on expected credit losses.

Impairment of financial assets

Under IFRS 9, the new impairment model requires the recognition of impairment provisions based on the expected credit losses rather than only incurred credit losses under IAS 39. The expected credit losses represent measures of an asset's credit risk. This requires judgment about how changes in economic factors affect expected credit losses, which is determined on a probability-weighted basis.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Cash and cash equivalents

For the purposes of the cash flow statement, cash at bank comprises cash at bank and deposits held at call with banks with original maturities of three months or less and bank overdrafts. In the statement of financial position bank overdrafts are included in borrowings in current liabilities.

Classification as trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Expected credit losses are also calculated for trade receivables and are recognised in the statement of profit and loss. The Group applies the simplified approach for lease receivables and trade receivables. The model to calculate the provision for expected credit losses is based on historical credit loss experience and forward-looking factors. The model includes operational simplifications of rent receivables and trade receivables.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Promissory notes receivable

Promissory notes are loans granted by the Group by providing money directly to the counterparties. All promissory notes are recorded when cash is advanced to counterparties. Initially they are recorded at cost, which is the fair value of the consideration given, and subsequently are carried at amortised cost less provision for impairment (expected credit losses).

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Restructuring provisions comprise lease termination penalties and employee termination payments and are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance. Provisions are not recognised for future operating losses.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in profit or loss except to the extent that it arises as a result of transactions with shareholders acting in their capacity as shareholders when it is recognised directly in equity. Any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. Material accounting policy information (continued)

Borrowings (continued)

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Trade and other payables

Trade and other payables are obligations to pay services that have been acquired in the ordinary course of business of the Group. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6. Financial risk management

The Group's activities expose it to a variety of financial risks: Rental income and occupancy risk, market value risk, interest rate risk, credit risk, liquidity risks, currency risk, refinancing risk and price risk. The Group's risk management policy programme is explained below:

Financial risk factors

6.1 Rental income and occupancy risk

The Group's business concept is for the long-term ownership and administration of residential properties with the ability to generate a constantly growing cash flow.

The operational risks are limited by the fact that the property portfolio is concentrated in residential properties in locations with population growth. A strong residential market for residences in Canada, England, USA, France and Cyprus reduces the risk of long-term vacancies. The current rent levels provide the possibility for future rent increases and thereby, increased property values. A change of 1% to residential income corresponds to change of rental income of EUR 4 million (2024: EUR 4 million).

6.2 Market value risk

a) Property values

The investment properties are recorded and measured at fair value. The fair value is influenced by the development of anticipated operating surplus and yield requirements. The sensitivity analysis performed on the Groups' properties shows the impact of the most important value drivers of the property values. These are capitalization rate, rental income, vacancy level and property cost. The effect of possible fluctuations in these drivers are described separately for each of them.

A change to anticipated rental income of +/- 10% corresponds to +/- EUR 453 million (2024: +/- 10% corresponds to +/- EUR 454 million) in property fair value of the properties. If the direct yield requirement is altered by an average of +/- 0,5% (2024: +/- 0,5%), the market value changes by EUR -547 million (2024: EUR -585 million) or EUR 677 million (2024: +EUR 722 million) respectively. A change to the property cost of +/- 10% corresponds to +/- EUR 260 million (2024: +/- 10% corresponds to +/- EUR 280 million), while a change of +/-1% in the vacancy level corresponds to +/- EUR 88 million (2024: +/-1% corresponds to +/- EUR 93 million).

b) Derivatives value

In order to achieve a desired fixed interest rate, interest derivatives are used. The interest derivative values development depends on how the market interest rate develops in relation to the agreed interest rate and the remaining term to maturity. At the end of the year, the fair value of the interest derivative portfolio was EUR 26 million (2024: EUR 38 million).

6.3 Interest rate risk

The Group's interest rate risk arises from interest-bearing assets and long-term borrowings. Interest-bearing assets and borrowings at variable rates expose the Group to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Interest rate risk is the risk that the Group is negatively affected by changes in the interest rate level. In order to further reduce the risk, or fluctuations in cash flow, interest rates are fixed for long durations. Interest rate derivatives are used to hedge loans. Changes in the value of interest rate derivatives depend on how the market develops in relation to the agreed interest rate and the remaining maturity.

In order to reduce the risk, or variations in the cash flow further, interest rates are fixed for long durations. At the end of the year 15% (2024: 30%) of the property credits had a fixed interest rate for longer than five years and 2% (2024: 13%) had a fixed interest rate shorter than one year. With regard to the low proportion of loans with variable interest, a change to the market interest rates will have a limited effect on the results.

6.4 Credit risk

Operational credit risk is the risk that Group's tenants will not meet their payment obligations. Regional managers are responsible for establishing provisions for impairment that represent their estimate of incurred losses. The provisions include individual exposures and collective loss components based on historical information.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6. Financial risk management (continued)

6.4 Credit risk (continued)

With regards to receivables that are not overdue and for which no valuation allowances have been recognised, there was no evidence that the debtors will fail to meet their payment obligations as of the reporting date.

6.5 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

31 December 2025

	<1 year	1-2 years	2-5 years	More than 5 years
	€ m	€ m	€ m	€ m
Borrowings	1,026	-	1,595	156
Derivatives	6	-	-	-
Other long term liabilities	-	20	-	-
	<u>1,032</u>	<u>20</u>	<u>1,595</u>	<u>156</u>

31 December 2024

	<1 year	1-2 years	2-5 years	More than 5 years
	€ m	€ m	€ m	€ m
Borrowings	1,084	369	664	991
Derivatives	18	1	-	-
Other long term liabilities	-	21	-	-
	<u>1,178</u>	<u>391</u>	<u>664</u>	<u>991</u>

6.6 Currency risk

The Group operates in several geographic markets and conduct transactions in foreign currencies and is therefore exposed to foreign exchange fluctuations. This affects the Group's results and statement of financial position as follows:

- A single company may have monetary assets and liabilities denominated in a currency other than its functional currency, which is translated to the functional currency at the closing rate. Upon settlement of monetary assets and liabilities a foreign exchange rate difference between the transaction date and the transaction price is incurred. All changes in exchange rates attributable to the translation or settlement of monetary items are recognised in the consolidated income statement (transaction effect).
- Revenues, expenses, assets and liabilities in a functional currency other than the Group's reporting currency (EUR) are translated at the average rates and the closing rates. The effect arising from the changes in the closing exchange rate changes compared to exchange rates at the beginning of the year and differences between the average annual rates compared to the closing rate are recognised in the translation reserve in other comprehensive income (translation effect).

According to the finance policy, investments in every country shall be financed in the local currency, so that the relation between net assets in the local currency and gross assets is in line with the Group's equity/assets ratio. This means that exchange rate fluctuations do not affect the Group's equity/assets ratio. In terms of risk, low variations in the equity/assets ratio are more important than low variations in equity expressed in the Group's functional currency, EUR.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6. Financial risk management (continued)

6.7 Refinancing risk

Refinancing risk is the risk of not having access to adequate financing on acceptable terms at any point in time. Group's refinancing risk is mitigated by diversified borrowing through 4 bonds (2024: 6) and loans from 3 banks (2024: 4), 3.2 years (2024: 2.7) of debt duration, unencumbered properties of EUR 5,148 million (2024: 5,638), diversification through assets in eleven metropolitan cities and five countries and BBB- credit rating with stable outlook from Standard & Poor's.

6.8 Price risk

The Group is exposed to equity and debt securities price risk because of investments held by the Group and classified on the statement of financial position at fair value through profit or loss.

As at 31 December 2025, the Group has investments in equity and debt securities that are publicly traded. The Group does not apply any hedge accounting for price risk.

Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The capital as defined by management at 31 December 2025 and 31 December 2024 was as follows:

	2025	2024
	€ m	€ m
Total borrowings (Note 24)	2,777	3,108
Less: Cash and cash equivalents (Note 22)	(296)	(962)
Net debt	2,481	2,146
Total equity (excluding non-controlling interest)	4,710	5,199
Total capital	7,191	7,345
Gearing ratio	34.5%	29.2%

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6. Financial risk management (continued)

Fair value estimation

Fair value of properties

The Group's property portfolio consists of 379 (2023: 384) properties in 6 countries (2024: 5) for a total of EUR 5.717 million (2024: EUR 6.041 million). Each region is unique, requiring specific considerations. The value of the properties is based on internal valuations. All properties have been valued by discounting the estimated future cash flows. The estimated future cash flows are based on existing rental income and estimated operating and maintenance costs adjusted for expected changes in rental and vacancy levels.

The property's fair value comprises the sum of the discounted cash flows during the calculation period and the terminal value. The gain on revaluation was recognised in the statement of comprehensive income, note 9, in accordance with the relevant accounting policy.

The different levels have been defined as follows:

- Level 1 Quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for asset that are not based on observable market data, that is unobservable inputs.

The valuation is made under IFRS 13, level 3. There were no transfers between levels during the year.

Fair value of financial instruments

The fair value of financial instruments traded in active markets, such as publicly traded financial assets/liabilities at fair value through profit or loss is based on quoted market prices at the consolidated statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at the consolidated statement of financial position date.

The Group's financial assets and liabilities both current and non-current are carried at amounts that approximate their fair values.

Fair value estimates

The level in the fair value hierarchy within which the fair value measurements is categorised is determined on the basis of the lowest level input that is significant to the fair value measurements in its entirety. For this purpose significance of the inputs is assessed against the fair value measurement in its entirety. Assessing the significance of a particular input to the fair values measurement in its entirety requires judgment, considering factors specific to the asset or liability. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs or any other significant unobservable inputs, that measurement is a Level 3 measurement.

Disclosure of fair value measurements by level is according to the following fair value measurement hierarchy:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs for asset or liability that are not based on observable data.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

6. Financial risk management (continued)

Fair value estimation (continued)

Fair value for financial instruments that are quoted in active markets are based on the quoted prices at the statement of financial position.

Fair value for financial instruments that are not quoted in active markets are assessed by discounting the future contractual cash flow with relevant market interest for similar financial instrument.

For financial instruments such as rent claims, accounts outstanding and other financial instruments which fair value is not based on observable market data the fair value is estimated to be in conformity with the carrying value since the duration of the financial instrument is short. These financial instruments are accounted at accumulated acquisition value with a deduction for any writing-down. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments for Level 2 include:

- Quoted market prices or dealer quotes for similar instruments.
- Adjusted comparable price-to-book value multiples.
- Other techniques, such as discounted cash flow analysis.

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m
As at 31 December 2025				
Financial assets at fair value through profit or loss:	-	-	-	-
- Derivative financial instruments	-	26	-	-
- Listed securities	1,503	-	-	1,529
Financial assets at fair value through other comprehensive income	-	-	-	-
	1,503	26	-	1,529
Financial liabilities				
Financial liabilities at fair value through profit or loss:	-	-	-	-
- Derivative financial instruments	(6)	-	-	(6)
	(6)	-	-	(6)
As at 31 December 2024				
Financial assets at fair value through profit or loss:	-	-	-	-
- Derivative financial instruments	-	41	-	41
- Listed securities	1,729	-	-	1,729
	1,729	41	-	1,770
Financial liabilities				
Financial liabilities at fair value through profit or loss:	-	-	-	-
- Derivative financial instruments	(2)	(17)	-	(19)
	(2)	(17)	-	(19)

There were no transfers between Levels 1 and 2 during the year.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

6. Financial risk management (continued)

Fair value estimation (continued)

Group's valuation process

The Group's treasury department performs valuation of financial assets required for financial reporting purposes.

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The drawing up of financial reports requires the Board of Directors and Group management to make estimates and to employ certain assumptions. Estimates and assumptions affect both the statement of comprehensive income and the statement of financial position as well as information provided, such as contingent liabilities. Areas which cover a significant element of estimates and assumptions are:

- **Fair value of investment property**

As per the closing of accounts the market value of all properties has been assessed. The market value assessment is made in three stages: 1) assessment with the help of a cash-flow model for each single property with an individual assessment of the yield requirements and future cash-flow, 2) a reasonableness check of the cash-flow model's value against comparable transactions at respective locations, and 3) second opinion and verification of a third of the market value assessments by external parties.

The reasonableness check of the cash-flow model's market value assessment is made against equivalent value transactions at the respective locations. This reasonableness assessment is made in comparison with the acquisitions and sales carried out during the year and in comparison with large number of prospect which did not in the end lead to an acquisition.

The result of the cash-flow model's value, adjusted for reasonableness, was then examined and verified by external parties. During the year external parties have examined a third of the market value assessments.

The average direct yield requirement in the market value assessment for residential was 4,76 per cent in Canada, 4,69 per cent in England, 5,27 per cent in USA 3,92 per cent in France and 3,75 per cent in Germany. The average direct yield requirement for the entire property portfolio was 4,88 per cent, which is 0,01 percentage points lower than at the beginning of the year.

The estimated market value of the Group's property holding at the end of the year was EUR 5.717 million (2024: EUR 6.041 million) including owner-occupied properties and assets held for sale, which is equivalent to an average of EUR 4.698 per square metre (2024: EUR 4.698 per square metre). Purchases and investments for the year amounted to EUR 222 million (2024: EUR 292 million) and property sales totaled EUR 16 million (2024: EUR 29 million).

Of the total market value EUR 1.984 million (2024: EUR 2.106 million) to properties in Canada, EUR 980 million (2024: EUR 1.006 million) to properties in England, EUR 418 million (2024: EUR 419 million) to properties in France, EUR 55 million (2024: EUR Nil) to properties in Germany, EUR 2.222 million (2024: EUR 2.461 million) to properties in the USA and EUR 116 million (2024: EUR 48) to properties in Cyprus.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

7. Critical accounting estimates, judgments and assumptions (continued)

- **Business acquisitions versus asset acquisitions**

Acquisitions may under IFRS 3 be classified as either business combinations or asset acquisitions. It is an individual assessment that must be made for each individual acquisition. In cases where the primary purpose is the acquisition of a company's property and where the acquired company lacks management organisation and administration, or when this is of secondary importance to the acquisition, the acquisition is classified as an asset acquisition. Other corporate acquisitions that typically contain an independent business are classified as business combinations.

On asset acquisition, no deferred taxes related to property acquisition is recognised. Business combinations are accounted for using the purchase method and deferred tax is recognised at the nominal current tax rate with no discount.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In management's opinion the Group is in substantial compliance with the tax laws governing its operations.

- **Deferred tax**

The Group recognise deferred tax assets based on management estimates of future taxable profits affected by the tax laws that apply in the jurisdictions the company operates in. The outcome can be different depending on changes in tax and business climate.

8. Rental income

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	2025	2024
	€ m	€ m
Residential	342	335
Commercial	6	5
Service charge	13	12
Other rental revenue (1)	7	7
	368	359

(1) Mainly refers to revenue from parking

9. Other operating income/(losses) - net

	2025	2024
	€ m	€ m
Interest income	23	68
Foreign exchange transaction losses	(35)	(15)
Dividend income	36	9
Fair value losses on financial assets at fair value through profit or loss	(53)	(49)
Fair value gains on derivatives	40	32
	11	45

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

10. Expenses by nature

Property Costs	2025	2024
	€ m	€ m
Heating, electricity and water	23	21
Investment property operating expenses	32	30
Repairs and maintenance	23	25
Property tax	40	39
Property administration	40	43
	158	158
Operating expenses:		
Depreciation of property, plant and equipment (Note 15)	2	2
Depreciation of leased assets (Note 16)	1	2
Amortisation of intangible assets (Note 18)	6	3
Auditors' remuneration	2	2
Other expenses	10	14
	21	23
Total expenses	179	181

Other services from Ernst & Young have been provided during the year but amount to less than EUR 1 million for the year.

11. Staff costs (included above)

	2025	2024
	€ m	€ m
Salaries	54	56
	54	56
Average number of employees	680	662

The remuneration of the senior management of the Group, which comprises 7 (2024: 6) employees, for the year ended 31 December 2025 was EUR 3 million (2024: EUR 3 million). Included in this amount is EUR 281.000 (2024: EUR 267.000) concerning the 2 directors of the Company.

12. Finance costs

	2025	2024
	€ m	€ m
Interest expense	58	71
Sundry finance expenses	11	8
Finance costs	69	79

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31 December 2025

13. Income tax

	2025	2024
	€ m	€ m
Corporation tax - current year	8	6
Corporation tax - prior years	(1)	6
Deferred tax - (credit)/charge (Note 26)	(8)	16
Withholding tax	5	3
Charge for the year	<u>4</u>	<u>31</u>

The tax on the Group's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2025	2024
	€ m	€ m
Profit before tax	<u>92</u>	<u>51</u>
Tax calculated at the applicable tax rates	12	6
Tax effect of expenses not deductible for tax purposes	-	(1)
Tax effect on non-taxable income and non-deductible costs net	19	18
Non-recognised deferred tax assets	(27)	(9)
Prior year tax adjustments	(1)	6
Change in capitalised tax loss carried forward	(8)	6
Deferred tax - prior year	5	-
Corporation tax - prior year	(1)	-
Withholding tax	5	3
Tax charge	<u>4</u>	<u>31</u>

The Company is subject to Cyprus corporation tax on taxable profits at the rate of 12,5% (15% from 1 January 2026). The enacted corporation tax rate at 31 December 2025 and applicable as of 1 January 2026, is 15%.

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates.

During the year, reversal of previously non recognized deferred tax assets totaled EUR -27 million (2024: -9 million).

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gain on disposal of qualifying instruments such as shares, bonds, rights, options etc. are exempt from Cyprus income tax.

The subsidiary undertakings are subject to tax at the rates in force in their country of residence ranging between 0% and 25%.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

14. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2025

	Fair value through profit or loss € m	Financial assets at amortised cost € m	Total € m
Assets as per consolidated statement of financial position:			
Non current receivables	-	14	14
Cash and cash equivalents	-	296	296
Trade and other receivables	-	19	19
Financial assets at fair value through profit or loss	1,529	-	1,529
Total	<u>1,529</u>	<u>329</u>	<u>1,858</u>

	Fair value through profit or loss € m	Derivatives used for risk management for which no hedge accounting is applied € m	Borrowings and other financial liabilities € m	Total € m
Liabilities as per consolidated statement of financial position:				
Borrowings	-	-	2,442	2,442
Hybrid loan	-	-	335	335
Trade and other payables	-	-	23	23
Financial liabilities at fair value through profit or loss	6	-	-	6
Total	<u>6</u>	<u>-</u>	<u>2,800</u>	<u>2,806</u>

31 December 2024

	Fair value through profit or loss € m	Financial assets at amortised cost € m	Total € m
Assets as per consolidated statement of financial position:			
Non current receivables	-	11	11
Cash and cash equivalents	-	962	962
Trade and other receivables (1)	-	20	20
Financial assets at fair value through profit or loss	1,770	-	1,770
Total	<u>1,770</u>	<u>993</u>	<u>2,763</u>

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31 December 2025

14. Financial instruments by category (continued)

	Fair value through profit or loss € m	Derivatives used for risk management for which no hedge accounting is applied € m	Borrowings and other financial liabilities € m	Total € m
Liabilities as per consolidated statement of financial position:				
Borrowings	-	-	2,774	2,774
Hybrid loan	-	-	334	334
Trade and other payables (2)	-	-	31	31
Financial liabilities at fair value through profit or loss	2	17	-	19
Total	<u>2</u>	<u>17</u>	<u>3,139</u>	<u>3,158</u>

(1) The rest of the statement of financial position item "trade and other receivables" is prepayments and inventories.

(2) The rest of the statement of financial position item "trade and other payables" is accruals.

(3) Information related to fair value hierarchy and valuation technique can also be found in note 6 on page 24.

15. Property, plant and equipment

	Plant and machinery € m
Balance at 1 January 2024	5
Additions	1
Disposals	-
Exchange differences	1
Depreciation charge	<u>(2)</u>
Balance at 31 December 2024/ 1 January 2025	5
Additions	2
Exchange differences	(1)
Depreciation	<u>(2)</u>
Balance at 31 December 2025	<u>4</u>
Net book amount	
Balance at 31 December 2025	<u>4</u>
Balance at 31 December 2024	<u>5</u>

AKELIUS APARTMENTS LIMITED

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16. Lease agreements - right-of-use assets

	Offices	Site leasehold	Total
	€ m	€ m	€ m
Balance at 1 January 2024	5	1	6
Depreciation	(2)	-	(2)
Balance at 31 December 2024/ 1 January 2025	3	1	4
Additions	2	-	2
Depreciation	(1)	-	(1)
Balance at 31 December 2025	4	1	5
Net book amount			
Balance at 31 December 2025	4	1	5
Balance at 31 December 2024	3	1	4

17. Investment properties

	2025	2024
	€ m	€ m
Balance at 1 January	6,020	5,718
Additions	110	135
Disposals	(16)	(29)
Exchange differences	(491)	143
Investments	112	157
Assets held for sale	11	(11)
Fair value adjustment	(39)	(93)
Balance at 31 December	5,707	6,020

	2025	2024
	€ m	€ m
Number of apartments	20,791	20,134
Residential area, square metres	1,259,880	1,232,000
Commercial area, square metres	54,000	54,000
Balance at 31 December	1,313,880	1,286,000

Investment property is presented within the section on operating activities as part of changes in working capital in the consolidated statement of cash flows.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

17. Investment properties (continued)

The investment properties are valued at the end of each financial year at fair value comprising open-market value by a combination of internal and external valuations (Note 7). All properties have been valued by discounting the estimated future cash flows. The estimated future cash flows are based on existing rental income and estimated operating and maintenance costs adjusted for expected changes in rental and vacancy levels. The property's fair value comprises the sum of the discounted cash flows during the calculation period and the terminal value. The gain on revaluation is recognised in the statement of comprehensive income in accordance with the relevant accounting policy.

The different levels of measurement as per IFRS 13 are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset that are not based on observable market data (that is unobservable inputs) (Level 3).

The fair value measurement of investment properties followed by the Group is classified as Level 3 under IFRS 13 (Note 4).

The Groups' property portfolio is valued at fair value internally each quarter. The Group performs complete valuation appraisals. To ensure the quality of the internal valuations, parts of the portfolio are valued externally during the year.

For the valuation of properties, assessments and assumptions can have a significant impact on profit and loss, and the financial position. Internal valuations of properties require, for example, assessments and assumptions of future cash flows and capitalization rates for each property.

The fair value of properties is the sum of discounted cash flows and residual value. Cash flows are based on rental income and operation and maintenance costs, adjusted for expected changes in rental and vacancy levels. Rental levels are based on actual rents adjusted for potential rental growth due to planned investments and inflation.

Vacancy is assessed for each property based on the current vacancy situation, market vacancy level, and individual characteristics. Operating and maintenance costs are calculated either according to current market conditions adjusted for inflation or actual charges. The capitalization rate is the sum of interest rates and risk premiums. The risk premium covers the market risk and the property related risk based on the location of the building and the prevailing housing supply and demand. The capitalization rate is assessed based on completed property transactions on the market, invitations to buy and sell, and by looking at comparable properties.

Owner occupied property

	2025	2024
	m	m
	€ m	€ m
Balance at 1 January	10	7
Investments	-	3
Balance at 31 December	10	10

AKELIUS APARTMENTS LIMITED

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31 December 2025

18. Intangible assets

	Computer software
	€ m
Balance at 1 January 2024	7
Additions	2
Amortisation	(3)
Balance at 31 December 2024/ 1 January 2025	6
Amortisation	(6)
Net book amount	
Balance at 31 December 2025	-
Balance at 31 December 2024	6

19. Loans and non-current receivables

	2025	2024
	€ m	€ m
Other receivable (2)	9	6
Pledged Bank accounts (1)	5	5
	14	11

(1) Restricted cash mainly consists of guarantees to banks for derivative transactions and deposited funds from tenants.

(2) Part of the Other Receivables of EUR 5 million (2024: EUR 5 million), relates to withholding tax receivable on dividends

The exposure of the Group to credit risk in relation to loans receivable is reported in note 6 of the consolidated financial statements.

The fair values of the above loans and non-current receivables approximate their carrying amounts at the statement of financial position date.

20. Trade and other receivables

	2025	2024
	€ m	€ m
Trade receivables	3	3
Receivables from other related parties	1	-
Deposits and prepayments	12	15
Promissory notes receivable	-	1
Pledged Bank Accounts (1)	8	8
Advances for property acquisition	1	1
Other receivables	7	8
	32	36

(1) Restricted cash mainly consists of guarantees to banks for derivative transactions and deposited funds from tenants.

The fair value of trade and other receivables which are due within one year approximates their carrying amount at the statement of financial position date.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 to the consolidated financial statements.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21. Financial assets/liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss	2025	2024
	€ m	€ m
Current		
Unlisted:		
Derivative financial instruments	-	1
Listed securities:		
Equity Securities quoted on US and European Stock Exchanges	<u>1,503</u>	<u>1,729</u>
	<u>1,503</u>	<u>1,730</u>
Non current		
Unlisted:		
Derivative financial instruments	<u>26</u>	<u>40</u>
	<u>26</u>	<u>40</u>
	<u>1,529</u>	<u>1,770</u>

Financial assets designated as at fair value through profit or loss are analysed as follows:

Financial assets at fair value through profit or loss	2025	2024
	€ m	€ m
Unlisted:	-	-
Derivative financial instruments	26	41
Listed securities:		
Equity Securities quoted on US and European Stock Exchanges	<u>1,503</u>	<u>1,729</u>
	<u>1,529</u>	<u>1,770</u>
Financial liabilities at fair value through profit or loss		
Current		
Unlisted securities:		
Interest rate swaps	-	2
Foreign exchange forward contracts	-	14
Listed securities:		
Call options	<u>6</u>	<u>2</u>
	<u>6</u>	<u>18</u>
Non current:		
Unlisted securities:		
Foreign exchange forward contracts	<u>-</u>	<u>1</u>
	<u>6</u>	<u>19</u>

All the above financial assets are classified as held for trading. The non-current derivative financial instruments have maturities over one year and are linked with financial liabilities to offset interest and exchange rate fluctuations.

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement. Changes in fair values of financial assets at fair value through profit or loss are recognised in the statement of comprehensive income.

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

22. Cash at bank

	2025	2024
	€ m	€ m
Cash at bank	<u>296</u>	962
	<u>296</u>	<u>962</u>

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2025	2024
	€ m	€ m
Cash at bank	296	962
Bank overdrafts (Note 24)	<u>(425)</u>	-
	<u>(129)</u>	<u>962</u>

The exposure to the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 to the consolidated financial statements.

23. Share capital and share premium

	2025	2025	2024	2024
	Number of	€ m	Number of	€ m
	shares		shares	
Authorised				
Ordinary shares of €1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid				
	Number of	Share capital	Share	Total
	shares	€ m	premium	€ m
Balance at 1 January 2024	300,000	-	1,994	1,994
Balance at 31 December 2024/ 1 January 2025	<u>300,000</u>	<u>-</u>	<u>1,994</u>	<u>1,994</u>
Balance at 31 December 2025	<u>300,000</u>	<u>-</u>	<u>1,994</u>	<u>1,994</u>

24. Borrowings

	2025	2024
	€ m	€ m
Current borrowings		
Bank overdrafts (Note 22)	425	-
Secured loans	21	8
Listed bonds	-	1,076
Hybrid bond	335	-
Unsecured loan	<u>231</u>	-
	<u>1,012</u>	<u>1,084</u>
Non-current borrowings		
Secured loans	170	96
Listed bonds	1,595	1,594
Hybrid bond	-	334
	<u>1,765</u>	<u>2,024</u>
Total	<u>2,777</u>	<u>3,108</u>

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31 December 2025

24. Borrowings (continued)

The Group has entered into two separate Overdraft Facility Agreement with Skandinaviska Enskilda Banken AB Luxembourg Branch (SEB Luxembourg) for the lower of EUR150,000,000 and the Borrowing Base and the lower of EUR300,000,000 and the Borrowing Base. Both facilities have an interest rate of 0.75% (Margin). The Company also pays a facility fee of 0.05% of the facility amount annually and an arrangement fee of 0.10% of the facility amount. As part of the Overdraft facility agreements the Company has pledged all present and future investment accounts held with the lender (SEB Luxembourg). During 2026 the total overdraft facility was increased from EUR 450,000,000 to EUR 500,000,000 with and the availability period for both facilities has been extended to 6 August 2027.

Unutilized credit agreements of EUR 44 million (2024: 47 million) exists that are not included in cash and cash equivalents.

Unsecured interest-bearing loans and hybrid bonds refer to 4 listed bonds (2024: 6) at year-end. Assets pledged as collateral for mortgages decreased from EUR 137 million to EUR 163 million during the year.

Most borrowings contain financial covenants, specific to each counterpart. Loan-to-value ratio and interest coverage ratio are the most common covenants for the Group. Covenants include Loan to value of maximum 60 percent, interest coverage ratio of min 1.5, secured loan to value of maximum 45 percent and unencumbered asset ratio of minimum 124 percent. There was no breach of covenants during the year.

More information on covenants on borrowings can be found in the 2025 Annual Report of Akelius Residential Property AB published on <https://akelius.com/en/investor/reports>.

Maturity of non-current borrowings:

	2025	2024
	€ m	€ m
Between one to two years	-	369
Between two and five years	1,595	664
After five years	170	991
	<u>1,765</u>	<u>2,024</u>

Total borrowings per currency

	2025	2024
Currency	€ m	€ m
SEK	-	1,070
EUR	1,932	1,606
CAD	191	87
GBP	654	145
USD	-	200
Total	<u>2,777</u>	<u>3,108</u>

	2025	2024
Average interest rate hedge, years	3.6	3.7
Average interest rate, percent	<u>1.91</u>	<u>1.15</u>

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31 December 2025

24. Borrowings (continued)

The bank loans and overdrafts are secured by mortgage on the Group's investment property for EUR 163 million (2024: EUR 137 million) (Note 17).

As part of Bank Overdrafts the Company has pledged all present and future investment accounts held with the lender Skandinaviska Enskilda Banken AB (SEB Luxembourg).

The carrying amounts and fair values of non-current borrowings approximate their carrying values at the statement of financial position date.

Most borrowings contain financial covenants, specific to each counterpart. Loan-to-value and interest coverage ratio are the most common for the Group.

The Group entities were in compliance with all the financial covenants of their borrowings throughout the years ended 31 December 2025 and 2024.

The subsidiary Akelius Residential Property AB has issued bonds listed on the Irish Stock Exchange, amounting to EUR 1.486 million (2024: EUR 2.458 million).

The fair values are based on discounted cash flows using a discount rate based upon market interest rates prevailing for similar instruments at the reporting date. The carrying amounts of short-term bank overdrafts, bank loans, unsecured borrowings and finance lease obligations approximate their fair value.

25. Lease liabilities

	2025	2024
	€ m	€ m
Opening balance	6	6
Amended and new leases	2	-
Amortization of lease liabilities	(1)	(1)
Translation difference	(1)	1
Closing balance	6	6
	6	6
Lease Liabilities		
Non-current	4	4
Current	2	2
	6	6

All lease obligations are denominated in Euro.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

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26. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 13). The enacted corporation tax rate at 31 December 2025 and applicable as of 1 January 2026 is 15%.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Group where there is an intention to settle the balances on a net basis.

The movement on the deferred taxation account is as follows:

	Translation on foreign net investments € m	Fair value gains on investment property € m	Tax loss carry forward € m	Other € m	Total € m
Balance at 1 January 2024	-	153	(127)	1	27
Charged/(credited) to:					
Changes through statement of profit or loss (Note 13)	2	-	21	(6)	17
Changes through other comprehensive income	(2)	-	-	-	(2)
Exchange differences	-	(2)	2	-	-
Transferred to liabilities held for sale	-	1	-	(1)	-
Balance at 31 December 2024/ 1 January 2025	-	152	(104)	(6)	42
Charged/(credited) to:					
Changes through statement of profit or loss for the year (Note 13)	7	(2)	(14)	1	(8)
Changes through other comprehensive income	(7)	-	-	-	(7)
Exchange differences	-	(8)	6	(2)	(4)
Redistribution	-	(1)	-	-	(1)
Balance at 31 December 2025	-	141	(112)	(7)	22

	2025			2024		
	Assets € m	Liabilities € m	Net € m	Assets € m	Liabilities € m	Net € m
Opening balance	3	(44)	(41)	22	(49)	(27)
Changes through profit or loss	5	3	8	(17)	-	(17)
Changes through other comprehensive income	7	-	7	2	-	2
Netting	3	1	-	(5)	5	-
Present value of lease liabilities	18	(40)	(22)	2	(44)	(42)

AKELIUS APARTMENTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27. Principal subsidiaries

The principal subsidiary undertakings of which are unlisted are:

Name	Principal activity	Country of incorporation	2025 Interest held %	2024 Interest held %
Akelius Residential Property AB	Real Estate	Sweden	100	89.25

Akelius Apartments Ltd – Group owns 100% (2024: 89.25%) of the shares in subsidiary, Akelius Residential Property AB, that has listed bonds on Nasdaq Stockholm and Irish Stock Exchange. Akelius Residential Property AB, has issued in October 2019 class D ordinary shares that were listed on Nasdaq First North. The D shares have been delisted during 2025 and Akelius Apartments now owns the entirety of the issued shares of Akelius Residential Property AB. Its consolidated financial statements can be found at www.akelius.com/en/investor/financial/reports.

28. Related party transactions

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions as defined by IAS24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

During the years 2025 and 2024, a number of transactions were entered into with related parties in the normal course of business. Certain of these transactions, particularly where a broad market does not exist, were consummated at terms agreed between the parties.

The Group is controlled by the Council of Akelius Foundation (a foundation registered in Cyprus) which owns 100% of the Company's shares. Refer to <https://www.akelius-foundation.org>. In 2024 the Group was 100% owned by Akelius Foundation (a foundation registered in Bahamas). All shares held by Akelius Foundation (Bahamas) were transferred to Akelius Foundation (Cyprus) on 31 October 2025.

Balances and transactions with related parties are as follows:

Key management compensation

The remuneration of the senior management of the Group, which comprises 7 (2024: 6) employees, for the year ended 31 December 2025 was EUR 3 million (2024: EUR 3 million).

29. Contingent liabilities and commitments

As at 31 December 2025 the Group had EUR 163 million (2024: EUR 137 million) property mortgages, of assets that have been pledged for bank loans. This consists of properties in Canada, recognised to a total value of EUR 521 million (2024: EUR 354 million).

30. Events after the reporting period

During March 2026 Akelius Residential Property AB (publ) has issues a EUR550 million senior unsecured bond.

In May 2026 the subsidiary company Akelius Residential Property AB has repurchased the remaining outstanding hybrid bond, EUR 334,701,000.

On 31 December 2025, Cyprus enacted significant tax reform measures aimed at stimulating economic growth and enhancing tax compliance, with most changes effective from 1 January 2026. The tax reform includes amendments to six tax laws, namely the Income Tax law, the Special Contribution for Defence law, the Capital Gains Tax law, the Assessment and Collection of Taxes law, the Collection of Taxes law and the Stamp Duty law. Amongst the changes is the increase in the corporate income tax rate from 12,5% to 15%.

There were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages 4 to 6