

Akoya REITco Limited

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 12231633

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Akoya REITco Limited

Company Information

Directors	D Turner D Nigam N I Cahoon
Registered number	12231633
Registered office	55 Baker Street London United Kingdom W1U 7EU
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

Akoya REITco Limited

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Akoya REITco Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their report together with the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company is to be a REIT listed company on The International Stock Exchange. The REIT structure's objective is to invest in real estate with a focus on generating positive cash flow and maximising each assets value through capital improvements and renovations and, in particular, but without limitation; the properties as investments and to actively manage the assets in accordance with the relevant approved business plans.

Results and dividends

The loss for the year, after taxation, amounted to a loss of £11,469,537 (2021 - profit of £15,407,639).

During the year dividends of £5,046,212 were paid (2021 - £Nil).

Directors

The Directors who served during the year were:

D Turner
D Nigam
N I Cahoon

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Akoya REITco Limited

Directors' Report (continued) for the Year Ended 31 December 2022

Going concern

The Directors have considered the residual impact of the COVID-19 pandemic and the current wider economic climate on the performance of the underlying portfolio and its effect on the partnership. The pandemic has resulted in a shift in the office sector, as businesses evolved to a hybrid work model, we see tenants seeking high quality, sustainable offices to attract talent and entice the workforce back to the office. The Akoya portfolio with its tenant focused strategy, is perfectly positioned to accommodate businesses sourcing high quality and innovative spaces and are achieving record rents within the portfolio. Although tenants are exercising breaks or breaking their lease, we have a high proportion of tenants relocating to more suitable units within the portfolio.

The Russian Federation's invasion of Ukraine and the subsequent global response to those military actions, has impacted the UK economy. The Akoya portfolio does not have any exposure to Ukraine, Russia or Belarus and therefore is not directly impacted by the war. However, rising interest rates and inflation, and the surge in commodity prices that follow the war have resulted in a sharp rise in consumer prices and reduced growth. Soaring energy prices are a concern for both our tenants and the portfolio. Void costs incurred during the reporting period are marginally higher than forecast, with higher costs offset with shorter void periods.

The impact of the rise in interest rates has been assessed by Management and will continue to be monitored closely. Despite the increased costs, Management is confident that the Group has sufficient resources to meet all liabilities. The SMBC and OCBC loan facilities do not have loan to value or interest cover covenants, however, the Metlife Investment Management secured loan does. During the year, the interest cover covenants on this facility were breached, which would have resulted in the loan being in default. However, as per the facility agreement, the interest cover breach was remedied by crediting the Security Deposit Account. The market is seeing a negative impact on property values due to higher property yields caused by high interest rates, however, the portfolio has outperformed from an asset and development management and leasing perspective and has therefore been comparably resilient. The market value of the Eversholt Street asset would have to fall by 80% to breach the Loan to Value covenant.

As part of their going concern review, the directors have reviewed the current and projected financial position of the Partnership Group. As part of the review, the Group has scrutinised the partnership model as well as the individual asset business plans, considered its cash balances, undrawn debt facilities, the long-term nature of the tenant leases and as well as carefully considering the impact on the partnership Group of the economic downturn and shift to remote and hybrid working. Given the gross undrawn available commitment from investors, the available unsecured debt facilities and strength of the real estate assets the directors are confident that there are adequate resources available to the partnership and Group to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements and will provide a letter of comfort to companies within the structure. Management has considered the consequences of the above, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Having assessed the heightened risks as well as mitigating factors and management strategies available to reduce such risks, the Directors have determined that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the Directors was in force during the financial year and at the date of approval of the financial statements.

Akoya REITco Limited

Directors' Report (continued) for the Year Ended 31 December 2022

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Post balance sheet events

On 23 February 2023, Akoya Bidco 2 Limited negotiated a new loan facility of £45,000,000 (facility B) which exists available for use as an addition to the original facility of £89,400,000 (facility A) with Overseas Chinese Banking Corporation.

On 2 March 2023, Akoya Bidco 2 Limited drew down £6,250,000 of the available facility with Overseas Chinese Banking Corporation.

On 5 April 2023, Rachel Securities Limited, a company within the group, was entered into liquidation.

Share issuances

On 12 May 2023, Akoya REITco Limited issued 1 ordinary share for an amount of £10,002,469.
On 12 May 2023, Akoya Bidco 3 Limited issued 1 ordinary share for an amount of £2,144,362.
On 12 May 2023, Akoya Propco 4 Limited issued 1 ordinary share for an amount of £2,134,362.
On 12 May 2023, Akoya Bidco Limited issued 1 ordinary share for an amount of £50,000.
On 12 May 2023, Akoya Bidco 2 Limited issued 1 ordinary share for an amount of £7,658,107.
On 12 May 2023, Akoya Power Road Hold Limited issued 1 ordinary share for an amount of £2,454,622.
On 12 May 2023, Akoya Power Road Limited issued 1 ordinary share for an amount of £2,454,622.
On 12 May 2023, Akoya Carlson Limited issued 1 ordinary share for an amount of £3,040,817.
On 12 May 2023, Akoya Croydon Limited issued 1 ordinary share for an amount of £2,112,668.

Auditor

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

David Turner

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David Turner
Director

Date: 27th June 2023

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited

Opinion

We have audited the financial statements of Akoya REITco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

Summary of our audit approach

Key audit matters	Group
	Investment property valuation
	Parent Company
	No key audit matters
Materiality	Group
	· Overall materiality: £4,010,000 (2020: £3,600,000)
	· Performance materiality: £3,010,000 (2021: £2,700,000)
	Parent Company
	· Overall materiality: £3,170,000 (2021: £3,290,000)
	· Performance materiality: £2,380,000 (2021: £2,470,000)
Scope	Our audit procedures covered 76% of revenue, 72% of total assets and 86% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in relation to the parent company.

Valuation of Investment Property

Key audit matter description	The Group owns a portfolio of commercial investment properties in Greater London. The total value of the portfolio at 31 December 2022 was £373 million. The Group either acquires sites which are already let, or sites that it plans to develop in the future.
	The Directors' assessment of the value of the investment properties at year end date, is considered a key audit matter due to the magnitude of the total amount, the potential impact of the movement in value on the reported results, and the subjectivity and complexity of the valuation process.
	The valuation is carried out by external valuers, Cushman & Wakefield, in line with the methodology set out in note 11.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

Valuation of Investment Property

How the matter was addressed in the audit

We audited the independent valuations of investment properties to ensure that, where appropriate, they had been prepared on a consistent basis for all properties, and in accordance with RICs standards. We considered whether these were correctly recorded in the financial statements in line with the requirements of the Accounting Standards. We assessed the external valuer's qualifications and expertise.

We engaged a property valuation specialist as our auditor expert to assist in the review of the valuations. They provided us with sector specific data to assist in our challenge of the assumptions applied by the valuer. In addition, we selected a sample of sites that were either individually material or had valuation or yield movements that were higher or lower than expected from our overall review of the portfolio and requested our auditor's expert to complete a detailed valuation review.

We discussed with the Asset Manager and the valuer the overall movement in property values giving consideration to the current occupancy of the properties and the future plans for each asset. We also specifically discussed any properties whose movement was not consistent with overall movements of the entire portfolio, to gain an understanding of why these exceptions were reasonable.

All sites were valued at fair value using a methodology which is commonly applied in this sector. We discussed the methodology with the Asset Manager, the valuer, and the auditor's expert to ensure these were the most appropriate valuation methodologies for each property type.

We tested inputs provided by the asset manager to the valuer to ensure these reflected the key observable inputs for each property.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£4,010,000 (2021: £3,600,000)	£3,170,000 (2021: £3,290,000)
Basis for determining overall materiality	1% of gross assets	1.5% of gross assets
Rationale for benchmark applied	Total assets used as a benchmark as assessed that the shareholders will be primarily interested in the growth in the value of the property portfolio, represented by the property valuation.	Total assets used as a benchmark as assessed that the shareholders will be primarily interested in the growth in the value of investments held by the parent company in its property holding subsidiaries.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

	Group	Parent company
Performance materiality	£3,010,000 (2021: £2,700,000)	£2,380,000 (2021: £2,470,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £200,000 (2021: £180,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £158,000 (2021: £123,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 20 components, located in the UK and Jersey.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	4	0%	4%	35%
Specific audit procedures	4	76%	68%	51%
Total	8	76%	72%	86%

Full scope audits were performed for 4 components, specific audit procedures for 4 components and analytical procedures at group level for the remaining components.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company'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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, and tax legislation specific to REITs. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included agreeing the financial statement disclosures to underlying supporting documentation, review of board meeting minutes, and enquiries with management.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, and specific regulations applying to landlords. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations and inspected legal expenditure and board minutes in the period to identify any potentially undisclosed non-compliance.

The group audit engagement team identified the risk of management override of controls and valuation of investment properties as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the valuation of investment properties using the assistance of a valuation expert.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Akoya REITco Limited

Independent Auditor's Report to the Members of Akoya REITco Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Euan Banks

Euan Banks (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 28th June 2023

Akoya REITco Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	14,039,970	9,121,259
Gross profit		14,039,970	9,121,259
Administrative expenses		(6,484,808)	(5,513,439)
(Loss)/gain on revaluation of investment property	11	(15,391,657)	13,362,187
Gain on revaluation of financial instruments	15	1,755,905	-
Operating (loss)/profit		(6,080,590)	16,970,007
Interest receivable and similar income	7	37	-
Interest payable and similar charges	8	(5,411,733)	(1,693,560)
(Loss)/profit before taxation		(11,492,286)	15,276,447
Tax on (loss)/profit		22,749	131,192
(Loss)/profit for the financial year		(11,469,537)	15,407,639

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 December 2022 (2021: £Nil).

The notes on pages 17 to 31 form part of these financial statements.

Akoya REITco Limited
Registered number:12231633

Consolidated Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investment property	11	373,034,000	352,735,650
Current assets			
Derivative instruments	12	3,053,905	-
Debtors: amounts falling due within one year	12	4,421,732	2,672,847
Cash and cash equivalents		24,183,425	5,327,259
		<u>31,659,062</u>	<u>8,000,106</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(18,019,009)	(72,321,338)
Net current assets/(liabilities)		<u>13,640,053</u>	<u>(64,321,232)</u>
Total assets less current liabilities		<u>386,674,053</u>	<u>288,414,418</u>
Loans and borrowings	14	(207,754,763)	(124,881,267)
Net assets		<u><u>178,919,290</u></u>	<u><u>163,533,151</u></u>
Capital and reserves			
Share capital	16	26	21
Share premium	17	182,203,656	101,296,937
Capital contribution	17	-	49,004,836
Profit and loss account	17	(3,284,392)	13,231,357
		<u><u>178,919,290</u></u>	<u><u>163,533,151</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

David Turner

.....
David Turner
Director

Date: 27th June 2023

The notes on pages 17 to 31 form part of these financial statements.

Akoya REITco Limited
Registered number:12231633

Company Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	181,785,762	149,951,804
Current assets			
Debtors	12	13,437,050	832,574
Cash and cash equivalents		12,612,344	1,084,522
		<u>26,049,394</u>	<u>1,917,096</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(25,541,084)	(2,190,102)
Net current assets/(liabilities)		<u>508,310</u>	<u>(273,006)</u>
Total assets less current liabilities		<u>182,294,072</u>	<u>149,678,798</u>
Net assets		<u>182,294,072</u>	<u>149,678,798</u>
Capital and reserves			
Share capital	16	26	21
Share premium	17	182,203,656	101,296,937
Capital contribution	17	-	49,004,836
Profit and loss account	17	90,390	(622,996)
		<u>182,294,072</u>	<u>149,678,798</u>

Akoya REITco Limited
Registered number:12231633

Company Statement of Financial Position (continued)
As at 31 December 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent entity for the year was £5,759,598 (2021 - loss of £277,170).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

David Turner
.....
David Turner
Director

Date: 27th June 2023

The notes on pages 17 to 31 form part of these financial statements.

Akoya REITco Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total equity £
At 1 January 2021	15	81,089,025	-	(2,176,282)	78,912,758
Comprehensive income for the year					
Profit for the year	-	-	-	15,407,639	15,407,639
Contributions by and distributions to owners					
Shares issued during the year	6	20,207,912	-	-	20,207,918
Capital contribution	-	-	49,004,836	-	49,004,836
At 1 January 2022	21	101,296,937	49,004,836	13,231,357	163,533,151
Comprehensive income for the year					
Loss for the year	-	-	-	(11,469,537)	(11,469,537)
Contributions by and distributions to owners					
Dividends paid (see note 9)	-	-	-	(5,046,212)	(5,046,212)
Shares issued during the year	5	80,906,719	-	-	80,906,724
Capital contribution (see note 17)	-	-	(49,004,836)	-	(49,004,836)
At 31 December 2022	26	182,203,656	-	(3,284,392)	178,919,290

The notes on pages 17 to 31 form part of these financial statements.

Akoya REITco Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total equity £
At 1 January 2021	15	81,089,025	-	(345,826)	80,743,214
Comprehensive income for the year					
Loss for the year	-	-	-	(277,170)	(277,170)
Contributions by and distributions to owners					
Shares issued during the year	6	20,207,912	-	-	20,207,918
Capital contribution	-	-	49,004,836	-	49,004,836
At 1 January 2022	21	101,296,937	49,004,836	(622,996)	149,678,798
Comprehensive income for the year					
Profit for the year	-	-	-	5,759,598	5,759,598
Contributions by and distributions to owners					
Dividends paid (see note 9)	-	-	-	(5,046,212)	(5,046,212)
Shares issued during the year	5	80,906,719	-	-	80,906,724
Capital contribution (see note 17)	-	-	(49,004,836)	-	(49,004,836)
At 31 December 2022	26	182,203,656	-	90,390	182,294,072

The notes on pages 17 to 31 form part of these financial statements.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1. General information

Akoya REITco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the group's operations and its principal activities are set out in the Directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Audit exemption provided to UK group subsidiaries

The group is providing wholly owned UK subsidiaries (as disclosed in note 10 and which are included within these consolidated financial statements) with guarantees of their respective debts in the form prescribed by Section 479C of the Companies Act 2006 ('the Act') as applicable for qualifying groups such that they can claim exemption from requiring an audit in accordance with Section 479A of the Act. These guarantees cover all of the outstanding liabilities of these companies as at 31 December 2022.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2. Accounting policies (continued)

2.4 Going concern

The Directors have considered the residual impact of the COVID-19 pandemic and the current wider economic climate on the performance of the underlying portfolio and its effect on the partnership. The pandemic has resulted in a shift in the office sector, as businesses evolved to a hybrid work model, we see tenants seeking high quality, sustainable offices to attract talent and entice the workforce back to the office. The Akoya portfolio with its tenant focused strategy, is perfectly positioned to accommodate businesses sourcing high quality and innovative spaces and are achieving record rents within the portfolio. Although tenants are exercising breaks or breaking their lease, we have a high proportion of tenants relocating to more suitable units within the portfolio.

The Russian Federation's invasion of Ukraine and the subsequent global response to those military actions, has impacted the UK economy. The Akoya portfolio does not have any exposure to Ukraine, Russia or Belarus and therefore is not directly impacted by the war. However, rising interest rates and inflation, and the surge in commodity prices that follow the war have resulted in a sharp rise in consumer prices and reduced growth. Soaring energy prices are a concern for both our tenants and the portfolio. Void costs incurred during the reporting period are marginally higher than forecast, with higher costs offset with shorter void periods.

The impact of the rise in interest rates has been assessed by Management and will continue to be monitored closely. Despite the increased costs, Management is confident that the Group has sufficient resources to meet all liabilities. The SMBC and OCBC loan facilities do not have loan to value or interest cover covenants, however, the Metlife Investment Management secured loan does. During the year, the interest cover covenants on this facility were breached, which would have resulted in the loan being in default. However, as per the facility agreement, the interest cover breach was remedied by crediting the Security Deposit Account. The market is seeing a negative impact on property values due to higher property yields caused by high interest rates, however, the portfolio has outperformed from an asset and development management and leasing perspective and has therefore been comparably resilient. The market value of the Eversholt Street asset would have to fall by 80% to breach the Loan to Value covenant.

As part of their going concern review, the directors have reviewed the current and projected financial position of the Partnership Group. As part of the review, the Group has scrutinised the partnership model as well as the individual asset business plans, considered its cash balances, undrawn debt facilities, the long-term nature of the tenant leases and as well as carefully considering the impact on the partnership Group of the economic downturn and shift to remote and hybrid working. Given the gross undrawn available commitment from investors, the available unsecured debt facilities and strength of the real estate assets the directors are confident that there are adequate resources available to the partnership and Group to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements and will provide a letter of comfort to companies within the structure. Management has considered the consequences of the above, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Having assessed the heightened risks as well as mitigating factors and management strategies available to reduce such risks, the Directors have determined that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2. Accounting policies (continued)

2.5 Turnover

The group's turnover is derived solely from payments arising from operating lease contracts. Therefore, the payments are credited to the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease. This is representative of the pattern in which benefit from the use of the underlying asset is diminished.

Rent receivable is recognised on a straight-line basis over the period of the lease.

2.6 Interest income

Interest income is recognised as interest accrues on cash balances held by the group. Where any interest is charged to a tenant on any overdue rental income, this would also be recognised within interest income.

2.7 Finance costs

Any finance costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete are capitalised as part of the cost of the asset. All other finance expenses are recognised in the period in which they relate. Finance cost consists of interest and other costs that an entity incurs in connection with bank and other borrowings.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2. Accounting policies (continued)

2.0 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The group maintained its REIT status and as such, no deferred tax asset or liability has been recognised in the current period.

Due to the group's status as a REIT and the intention to continue meeting the conditions required to retain approval as a REIT in the foreseeable future, the group has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

2.9 Investment property

The group's investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income. No depreciation is provided.

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2. Accounting policies (continued)

2.14 Financial Instruments

The group enters into basic and complex financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate derivatives.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment property (see note 11)

The partnership obtains valuations performed by external valuers in order to determine the fair value of its investment property. The valuation is based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuers also make reference to market-based evidence of transaction prices for similar properties. Further information in relation to the valuation of investment property is disclosed in note 11 to the financial statements.

Valuation of derivatives (see note 15)

Interest rate caps, designated as cash flow hedges, are measured at fair value. Reliance is placed by discounting future cash flows of the swap to arrive at a current value. Uncertain cash flows are generally derived from forward curves, correlation and volatility levels based upon observable market inputs. Judgement is made on a regular basis, through prospective and retrospective testing, including at the reporting date, to determine if the hedge is still ineffective.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Rental income	13,725,731	8,943,038
Insurance income	261,457	156,847
Miscellaneous income	52,782	21,374
	<u>14,039,970</u>	<u>9,121,259</u>

All turnover arose within the United Kingdom.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

5. Auditor's remuneration

Fees payable to the Group's auditor and its associates in respect of:

	2022 £
Audit Fees	112,500

Fees payable to the group's auditor for the audit of the group's annual financial statements totalled £112,500 (2021 - £95,000).

6. Employees

The group and company have no employees other than the Directors, who did not receive any remuneration (2021 - £Nil). The Directors are considered to be the key management personnel of the group and are remunerated by a company under common control and is not recharged.

7. Interest receivable

	2022 £	2021 £
Bank interest receivable	37	-

8. Interest payable and similar charges

	2022 £	2021 £
Bank interest payable	-	160
Bank loan interest and similar charges payable	5,411,733	1,693,400
	<u>5,411,733</u>	<u>1,693,560</u>

9. Dividends

	2022 £	2021 £
Dividends paid	5,046,212	-
	<u>5,046,212</u>	<u>-</u>

During the year, dividends of £5,046,212 (2021 - £Nil) were declared and paid to the group's parent, Akoya Limited Partnership, out of distributable reserves.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10. Fixed asset investments

Company

	2022 £
Cost	
At 1 January 2022	149,951,804
Additions	31,833,958
At 31 December 2022	<u>181,785,762</u>

The additions during the year reflect additional investments made by the partnership into its already owned subsidiary entities.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Akoya Bidco Limited	Intermediary holding company	Ordinary	100%
Akoya Bidco 2 Limited	Intermediary holding company	Ordinary	100%
Akoya Bidco 3 Limited	Intermediary holding company	Ordinary	100%
Akoya Lonsdale Limited *	Letting of owned real estate	Ordinary	100%
Akoya NW Works Limited *	Letting of owned real estate	Ordinary	100%
Pearl UK Midco Limited *	Intermediary holding company	Ordinary	100%
Pearl UK Holdco Limited *	Intermediary holding company	Ordinary	100%
House Owners Investments Limited *	Intermediary holding company	Ordinary	100%
House Owners Investments (London) Limited *	Intermediary holding company	Ordinary	100%
Akoya Netil House Limited *	Letting of owned real estate	Ordinary	100%
Rachel Securities Limited *	Letting of owned real estate	Ordinary	100%
Akoya Power Road Limited *	Letting of owned real estate	Ordinary	100%
Akoya Salusbury Limited *	Letting of owned real estate	Ordinary	100%
Allenby Investment Holdings Limited *	Intermediary holding company	Ordinary	100%
Akoya Carlson Limited *	Letting of owned real estate	Ordinary	100%
Akoya Propco 4 Limited *	Letting of owned real estate	Ordinary	100%
Akoya Croydon Limited *	Letting of owned real estate	Ordinary	100%
Akoya Power Road Hold Limited *	Intermediary holding company	Ordinary	100%

The registered office address for all of the subsidiaries, except Allenby Investment Holdings Limited, is 55 Baker Street, London, W1U 7EU.

The registered office address for Allenby Investment Holdings Limited is Ritter House, Wickhams Cay II, PO Box 3170, Road Town, Tortola, British Virgin Islands.

* Indirectly held

Pearl UK Midco Limited, Pearl UK Holdco Limited, House Owners Investments Limited, House Owners Investments (London) Limited and Rachel Securities Limited are in the process of being liquidated.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

11. Investment property

Group

	2022 £
Valuation	
At 1 January 2022	352,735,650
Additions at cost	35,690,007
Deficit on revaluation	(15,391,657)
At 31 December 2022	373,034,000

The group has freehold investment properties totalling £373 million as at 31 December 2022 (As at 31 December 2021 - £353 million). The investment property is carried at its fair value as determined by an external valuer. The valuation has been conducted by Cushman & Wakefield who provide independent valuations for all properties on a six-monthly basis in accordance with the RICS Red Book. The asset and investment manager is experienced and has extensive knowledge of the property market and as such are able to review the underlying individual property valuations and has concluded that the valuation is appropriate.

The assumptions are based upon comparable market evidence obtained by Cushman & Wakefield. The comparable evidence is detailed within each of the valuation reports with commentary as to how they formed their assumptions. The valuations are then updated twice a year, taking into account market evidence, along with evidence of actual performance of each real estate asset, such as recent leasing transactions.

Cushman & Wakefield undertake the Valuation based on market value, fair value and market rent and are not permitted to make special assumptions. Market value basis is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Fair value basis being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion and; market rent basis is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably and prudently.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due after more than one year				
Financial asset derivative (see note 15)	3,053,905	-	-	-
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Trade debtors	2,211,435	1,466,603	-	-
Amounts owed by group undertakings	-	-	11,958,743	372,850
Amounts owed by parent undertakings	23,994	43,940	-	14,982
Other debtors	1,428,432	333,849	1,478,307	444,742
Prepayments and accrued income	757,871	828,455	-	-
	4,421,732	2,672,847	13,437,050	832,574

Amounts owed by group and parent undertakings are unsecured, interest free and repayable on demand.

13. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	5,220,630	1,092,678	146,852	14,360
Amounts owed to group undertakings	-	66,000,000	20,533,650	2,083,492
Amounts owed to parent undertakings	4,097,116	133,326	3,958,826	-
Corporation tax	-	49,479	-	100
Other creditors	4,989,611	2,700,132	800,256	-
Accruals and deferred income	3,711,652	2,345,723	101,500	92,150
	18,019,009	72,321,338	25,541,084	2,190,102

Amounts owed to group and parent undertakings are unsecured, interest free and repayable on demand.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

14. Loans and borrowings

	Group 2022 £	Group 2021 £
Amounts falling due 2-5 years		
2-5 yrs	207,754,763	124,881,267
	<u>207,754,763</u>	<u>124,881,267</u>

Loan arrangement fees of £738,508 (2021: £431,987) have been offset against these loan balances.

On 10 December 2019, a term loan facility agreement for £53,100,000 was entered into with Sumitomo Mitsui Banking Corporation (SMBC). The loan is to be drawn down in 2 terms of £46,100,000 and £7,000,000 respectively. Interest on term 1 accrues at a 0.95% applicable margin above LIBOR. Interest on term 2 accrues at a 1.00% applicable margin above LIBOR. The facility and interest is repayable on 10 December 2024, five years from the first utilisation date. A balance of £Nil (2021: £5,960,717) remains available to be drawn down up to the date one month prior to the final maturity date. The amounts drawn down have been analysed in the table below:

	Amount drawn £	Balance available to draw £	Interest rate %
10 December 2019	46,100,000	7,000,000	0.95 + LIBOR
3 April 2020	1,039,283	5,960,717	0.95 + LIBOR
12 May 2022	4,750,000	1,210,717	0.95 + LIBOR
1 November 2022	1,210,717	-	0.95 + LIBOR
	<u>53,100,000</u>		

On 21 October 2020, a facility agreement for £89,400,000 was entered into with Overseas Chinese Banking Corporation (OCBC). A balance of £Nil (2021: £11,226,029) remains available to be drawn down up to the date one month prior to the final maturity date. Interest on this facility accrues at 1.22% + LIBOR per annum. Interest was payable from 21 April 2021. The facility is repayable on 21 October 2025, five years from the first utilisation date. The amounts drawn down have been analysed in the table below:

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Loans and borrowings (continued)

	Amount drawn	Balance available to draw	Interest rate
	£	£	%
21 October 2020	34,112,153	55,287,847	1.22 + LIBOR
26 October 2020	10,053,275	45,234,572	1.22 + LIBOR
18 November 2020	17,420,252	27,814,320	1.22 + LIBOR
11 February 2021	3,325,000	24,489,320	1.22 + LIBOR
21 April 2021	(2,714,000)	17,203,320	1.22 + LIBOR
4 May 2021	15,977,291	11,226,029	1.22 + LIBOR
21 July 2022	1,058,650	10,167,379	1.22 + LIBOR
16 September 2022	10,167,379	-	1.22 + LIBOR
	<u>89,400,000</u>		

On 23 February 2023, a new loan facility of £45,000,000 (facility B) was entered into and exists available for use as an addition to the original facility of £89,400,000 (facility A) with Overseas Chinese Banking Corporation. The repayment date for facility B remains at five years from the first utilisation date. Interest on facility B will accrue at a rate of 1.70% + LIBOR per annum.

The above loans have an unconditional guarantee provided by Europe Realty Holdings Pte Limited, a company under common control. The guarantee is for up to 99% of all payments due by the group. Additionally a letter of comfort has been provided by GIC (Realty) Private Limited, the ultimate parent company.

On 9 May 2022, a term loan facility agreement for £71,000,000 was entered into with Metlife Investment Management Limited. £66,000,000 was drawn down on 9 May 2022. A balance of £5,000,000 remains available to be drawn down up to the date of the third anniversary of the agreement date. Interest on this facility accrues at 2.35% + SONIA per annum, payable quarterly. The facility is repayable on 9 May 2027, 5 years from the first utilisation date.

This Metlife Investment Management Limited loan is guaranteed by way of a first fixed charge, as a continuing security for the payment and discharge of all the secured obligations, for all the present and future right, title and interest in the shares and related assets of Akoya Bidco 3 Limited.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

15. Complex financial instruments

	Group 2022 £	Group 2021 £
Financial asset derivatives		
Interest rate caps	<u>3,053,905</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise an interest rate cap hedging the cash flow risk on the variable SONIA portion of interest accruing on the groups's bank loan. The hedge agreement was entered into with SMBC Capital Markets Inc with a notional value of £56,800,000. The interest rate cap covers the period from 1 June 2022 to the termination date on 6 May 2025. The cap strike rate is set at 2.00% up until 23 April 2024, at which point the cap will increase to 2.25% until the termination date. A premium of £1,298,000 has been charged to facilitate the transaction with a fair value gain of £1,755,905 arising in the year.

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
26 (2021 - 21) Ordinary shares of £1.00 each	<u>26</u>	<u>21</u>

On 9 March 2022 1 Ordinary share was issued for consideration of £49,004,836. This gave rise to a share premium of £49,004,835.

On 9 May 2022 1 Ordinary share was issued for consideration of £6,900,207. This gave rise to a share premium of £6,900,206.

On 22 September 2022 1 Ordinary share was issued for consideration of £1,890,781. This gave rise to a share premium of £1,890,780.

On 30 September 2022 1 Ordinary share was issued for consideration of £5,110,900. This gave rise to a share premium of £5,110,899.

On 7 October 2022 1 Ordinary share was issued for consideration of £18,000,000. This gave rise to a share premium of £17,999,999.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

17. Reserves

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital contributions

The capital contribution reserve relates to a cash contribution into the business from the parent company as agreed.

On 9 March 2022 capital contributions were converted into share capital and share premium for the amount of £49,004,836.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

18. Related party transactions

The group has taken advantage of the exemption available under paragraph 1AC.35 of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

During the year the group paid asset management fees of £1,854,287 (2021: £1,217,011) to Brunswick Property Partners, a related company under common control.

During the year the group paid development fees of £421,020 (2021: £Nil) to Brunswick Property Partners, a related company under common control.

During the year the group paid debt arrangement fees of £106,500 (2021: £Nil) to Brunswick Property Partners, a related company under common control.

As at 31 December 2022 £516,753 (2021: £395,642) was due to Brunswick Property Partners.

On 15 February 2021, Brunswick Property Partners undertook a lease at 11 Lonsdale Road for £56,000 per annum. Rental income of £18,296 (2021: £47,830) in the accounts and records of Akoya Lonsdale Road was billed to Brunswick Property Partners to 31 December 2022.

During the year the group settled professional fees of £146,829 on behalf of Akoya Regal Limited and Beta Akoya REITco, being related companies under common control. As at 31 December 2022, £52,876 (2021: £Nil) was due from Akoya Regal Limited and £93,953 (2021: £Nil) was due from Beta Akoya REITco Limited.

During the year, dividends of £5,046,212 (2021 - £Nil) were declared and paid to the group's parent, Akoya Limited Partnership, out of distributable reserves.

Akoya REITco Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

19. Post balance sheet events

On 23 February 2023, Akoya Bidco 2 Limited negotiated a new loan facility of £45,000,000 (facility B) which exists available for use as an addition to the original facility of £89,400,000 (facility A) with Overseas Chinese Banking Corporation.

On 2 March 2023, Akoya Bidco 2 Limited drew down £6,250,000 of the available facility with Overseas Chinese Banking Corporation.

On 5 April 2023, Rachel Securities Limited, a company within the group, was entered into liquidation.

Share issuances

On 12 May 2023, Akoya REITco Limited issued 1 ordinary share for an amount of £10,002,469.

On 12 May 2023, Akoya Bidco 3 Limited issued 1 ordinary share for an amount of £2,144,362.

On 12 May 2023, Akoya Propco 4 Limited issued 1 ordinary share for an amount of £2,134,362.

On 12 May 2023, Akoya Bidco Limited issued 1 ordinary share for an amount of £50,000.

On 12 May 2023, Akoya Bidco 2 Limited issued 1 ordinary share for an amount of £7,658,107.

On 12 May 2023, Akoya Power Road Hold Limited issued 1 ordinary share for an amount of £2,454,622.

On 12 May 2023, Akoya Power Road Limited issued 1 ordinary share for an amount of £2,454,622.

On 12 May 2023, Akoya Carlson Limited issued 1 ordinary share for an amount of £3,040,817.

On 12 May 2023, Akoya Croydon Limited issued 1 ordinary share for an amount of £2,112,668.

20. Controlling party

The company's immediate parent company is Akoya Limited Partnership, a partnership registered in England and Wales.

The ultimate controlling parent company is GIC (Realty) Private Limited, a company incorporated in Singapore, under the control of the minister of finance for the government of Singapore.

Akoya Limited Partnership, a partnership incorporated in England and Wales, is the largest and smallest company in the group of which the company is a member which prepares consolidated accounts.

The largest publicly available consolidated accounts are Akoya Limited Partnership. This can be obtained from 55 Baker Street, London, United Kingdom, W1U 7EU.