

**SUPPLEMENT DATED 1 SEPTEMBER 2020 TO THE BASE PROSPECTUS DATED
23 JULY 2020**



AKELIUS RESIDENTIAL PROPERTY AB (PUBL)

(incorporated in the Kingdom of Sweden as a public company with limited liability)

AKELIUS RESIDENTIAL PROPERTY FINANCING B.V.

(incorporated with limited liability under the laws of The Netherlands having its seat (statutaire zetel) in Amsterdam, The Netherlands)

Guaranteed by

(in respect of Notes issued by Akelius Residential Property Financing B.V. only)

AKELIUS RESIDENTIAL PROPERTY AB (PUBL)

€3,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Base Prospectus Supplement**") to the Base Prospectus dated 23 July 2020 (the "**Base Prospectus**") constitutes a supplement to the Base Prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Terms defined in the Base Prospectus have the same meaning when used in this Base Prospectus Supplement.

This Base Prospectus Supplement is supplemental to and should be read in conjunction with the Base Prospectus prepared by Akelius Residential Property AB (publ) and Akelius Residential Property Financing B.V. (the "**Issuers**" and each an "**Issuer**") and by Akelius Residential Property AB (publ) in its capacity as guarantor in respect of Notes issued by Akelius Residential Property Financing B.V. (the "**Guarantor**") in connection with the Programme.

The purpose of the Base Prospectus Supplement is:

- (a) to incorporate by reference into the Base Prospectus the unaudited interim consolidated financial statements of Akelius Residential Property AB (publ) in respect of the six-month period ended 30 June 2020 (the "**H1 2020 Financial Statements**") as set out on pages 1–35 (inclusive) of Akelius Residential Property AB (publ)'s interim report for the first six months of 2020;
- (b) update the sub-section entitled "*Recent developments*" under the section entitled "*Description of Akelius Residential Property AB (publ) and the Group*"; and
- (c) update the section entitled "*General Information*" in the Base Prospectus.

This Base Prospectus Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either Issuer, the Guarantor or the quality of the Notes that are the subject of this Base Prospectus Supplement and investors should make their own assessment as to the suitability of investing in the Notes.

Each Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of each of the Issuers' and the Guarantor's knowledge, the

information contained in this Base Prospectus Supplement is in accordance with the facts and this Base Prospectus Supplement makes no omission likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Base Prospectus Supplement or any statement incorporated by reference into the Base Prospectus by this Base Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statement in (a) above will prevail.

Save as disclosed in this Base Prospectus Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus.

To the extent permitted by the laws of any relevant jurisdiction neither the Arranger nor any Dealers nor any of their respective affiliates accepts any responsibility as to the accuracy or completeness of the information contained in or incorporated in this Base Prospectus Supplement or the Base Prospectus as supplemented by this Base Prospectus Supplement.

AMENDMENTS TO THE "INFORMATION INCORPORATED BY REFERENCE" SECTION

With effect from the date of this Base Prospectus Supplement, the first paragraph of the "*Information Incorporated by Reference*" section on page 21 of the Base Prospectus is updated by adding the following paragraph after the numbered sub-paragraph 6:

"7. the unaudited interim consolidated financial statements of Akelius Residential Property AB (publ) in respect of the six-month period ended 30 June 2020 (the "**H1 2020 Financial Statements**") as set out on pages 1–35 (inclusive) of Akelius Residential Property AB (publ)'s interim report for the first six months of 2020:

https://www.ise.ie/debt_documents/Interim%20Report%20H1%202020_f792eada-c2f9-4f49-ab12-6abf6ab9b8ac.PDF"

A copy of the H1 2020 Financial Statements incorporated by reference in this Base Prospectus Supplement may be inspected, free of charge, during usual business hours at the specified offices of the Principal Paying Agent and also on the website of Akelius Residential Property AB (publ) (<https://www.akelius.com/en/investor/financial/reports>).

Any information contained in or incorporated by reference in the H1 2020 Financial Statements incorporated by reference above which is not incorporated by reference in the Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus Supplement, information contained on the abovementioned websites do not form part of this Base Prospectus Supplement.

The H1 2020 Financial Statements are English translations of the Swedish financial statements prepared for and used in the Kingdom of Sweden.

AMENDMENTS TO THE "DESCRIPTION OF AKELIUS RESIDENTIAL PROPERTY AB (PUBL) AND THE GROUP" SECTION

The following wording shall be included at the end of the sub-section entitled "*Recent developments*" under the section entitled "*Description of Akelius Residential Property AB (publ) and the Group*" on page 100 of the Base Prospectus:

"Recent Developments due to COVID-19

Rent collection is currently improving after an initial decrease on the back of COVID-19, rent payments are 2 per cent. lower than previous years as at 30 June 2020. Vacancy is generally decreasing in Akelius despite COVID-19.

Value growth has been 0.5 per cent. for the six months ended 30 June 2020, a lower pace than previous years. Lower transaction volumes in the market due to COVID-19 and new rent regulations in Berlin results in higher uncertainty of market prices.

Akelius Residential Property AB (publ) decided in March 2020 not to initiate new major investments due to market uncertainty and the lockdown of cities. Akelius Residential Property AB (publ) has thereafter decided to continue with upgrading projects needed for being able to let out apartments. Apartments are currently only upgraded if they do not meet Akelius Residential Property AB (publ)'s criteria of clean, safe and functional.

Recent Developments - Akelius focuses on cash flow

Recent rent regulations in Berlin, New York and Copenhagen make upgrading of properties less profitable. The demand for value-add properties by investors increases prices and thereby reduces the added value of acquiring such properties. Akelius Residential Property AB (publ) has seen increased costs for upgrading in expanding metropolitan cities.

Akelius Residential Property AB (publ) estimates that properties with higher cash flow offers similar total return as value-add properties. In addition, higher cash flow properties have lower risk and provide better financing. Accordingly, Akelius Residential Property AB (publ) will focus on cash flow.

Akelius Residential Property AB (publ) intends to reduce staff from currently 1,500 to 1,100 over the next three years. The reductions will predominantly be in construction and construction related departments and will mean closing the construction related technology development department. Akelius Residential Property AB (publ) will finish ongoing upgrading projects and avoid starting new extensive upgrading projects. Staff will be gradually reduced as projects are finalized.

The proposed reduction in staff numbers by approximately 400 to an approximate total of 1,100 will reduce costs by approximately EUR 42 million per year (compared to 2019) when the programme is fully implemented by the end of 2022. This saving is calculated on the total cost of the staff leaving Akelius Residential Property AB (publ). Akelius Residential Property AB (publ) currently aims to complete any current ongoing construction work before the end of 2022, such apartments currently under construction account for approximately 50 per cent. of the vacant apartments in the Group. Whilst that there can be no assurance that these apartments will be fully let once construction is completed, if these apartments were to be fully let, Akelius Residential Property AB (publ) estimates annual revenues would increase by approximately EUR 25 million (compared to 2019).

In addition, a one-time restructuring provision estimated to be EUR 13 million will be taken in 2020."

AMENDMENT TO THE "GENERAL INFORMATION" SECTION

With effect from the date of this Base Prospectus Supplement, paragraph 4 (*Significant/Material Change*) of the section entitled "*General Information*" starting on page 117 of the Base Prospectus is updated by deleting the section and replacing it with the following:

- "4. There has been no significant change in the financial position or financial performance of (i) Akelius Residential Property AB (publ) or the Group since 30 June 2020 or (ii) Akelius Residential Property Financing B.V. since the date of its incorporation. There has been no material adverse change in the prospects of (i) Akelius Residential Property AB (publ) since 31 December 2019 or (ii) Akelius Residential Property Financing B.V. since the date of its incorporation."