

interim report

January to September 2021

Segment information	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020 Jan-Dec
Property fair value, EUR million	14,247	11,951	14,247	11,951	12,139
Number of apartments	45,118	44,100	45,118	44,100	44,443
Residential rentable area, thousand sqm	2,814	2,724	2,814	2,724	2,752
Real vacancy rate, residential, percent	0.8	1.9	0.8	1.9	1.7
Vacancy rate, residential, percent	5.9	7.9	5.9	7.9	7.5
Rent potential, percent	47	33	47	33	24
Rental income, EUR million	377	356	127	118	471
Like-for-like growth in rental income, percent	1.3	5.3	2.8	3.4	3.6
Net operating income, EUR million	208	198	72	68	259
Net operating income margin, percent	55.1	55.8	56.2	58.4	54.9
Like-for-like growth in net operating income, percent	-0.9	10.3	-0.6	10.1	8.4
EBITDA, EUR million	186	170	65	59	221

Financing	2021 Jan-Sep	2020 Jan-Sep	2021 Jul-Sep	2020 Jul-Sep	2020 Jan-Dec
Loan-to-value, percent	37	38	37	38	39
Cash sources to cash uses, percent	6,998	516	6,998	516	456
Interest coverage ratio	2.9	5.6	2.9	5.6	3.3
Interest coverage ratio, excluding realized value growth	2.6	2.5	2.6	2.5	2.5
Credit rating, Standard & Poor's	BBB	BBB	BBB	BBB	BBB
Credit rating, Fitch Ratings	BBB	-	BBB	-	-
Net asset value, EUR million	7,846	6,301	7,846	6,301	6,324

Segment information includes discontinued operations in Stockholm, Malmö, Copenhagen, Hamburg, and Berlin, and continuing operations in London, Washington D.C., New York, Boston, Toronto, Montreal, and Paris.
Refer to other information on page 43-44.

In this report amounts and comments are based on segment information if not otherwise specified.

Definitions on pages 45-48.



16-19A Forest Street, Boston

Akelius sells properties for EUR 9.1 billion

Akelius has signed an agreement to sell all apartments in Germany, Sweden, and Denmark, in total 28,776 apartments. Closing is planned to December 2021. Sales price is EUR 9,100 million.

It took 27 years in Sweden and 15 years in Germany of hard work to create the residential portfolio. Thanks to all staff that built and managed a portfolio with unique quality, low risk, and high long-term potential. You can be proud.

Heimstaden Bostad AB will take over Akelius' staff and continue to manage the premium assets.

vacancy down by 2.0 percentage points

During the last year the vacancy rate has decreased by 2.0 percentage points to 5.9 percent.

This follows the ambition to reduce construction related vacancy and increase the cash flow from properties.

During 2021 the vacancy has dropped by 1.6 percentage points.

rental income growth 6.1 percent

The like-for-like rental income grew by 2.8 percent during the last quarter. COVID-19 continues to affect rental income, currently to a decreasing degree. Akelius has given temporarily rent concessions particularly in the United States and in London.

Lower vacancy, acquisitions, and a one-off effect from the Berlin rent regulation affected rental growth positively.

property value increases by EUR 1,468 million

The fair value of properties in Germany, Sweden, and Denmark has been adjusted to reflect the sales price, reduced with sales cost and estimated portfolio premium. The market value of the total portfolio is EUR 14,247 million

loan-to-value down to 37 percent

The loan-to-value has decreased from 39 to 37 percent during 2021. Akelius expects the loan-to-value to decrease further during the fourth quarter.

purchases EUR 209 million

Akelius acquired properties for EUR 209 million during the period, primarily in North America. The average capitalization rate was 4.1 percent. The new acquisitions provide stable cash flow from day one and do not need major upgrades.

fifty thousand apartments again

Akelius intends to re-invest the utmost part of the sale proceeds in residential properties in growing cities in Canada, United States, and England. Akelius aims to grow to fifty thousand apartments again.

Ralf Spann,
CEO and Managing Director

property portfolio September 30, 2021

fair value properties EUR 14,247 million

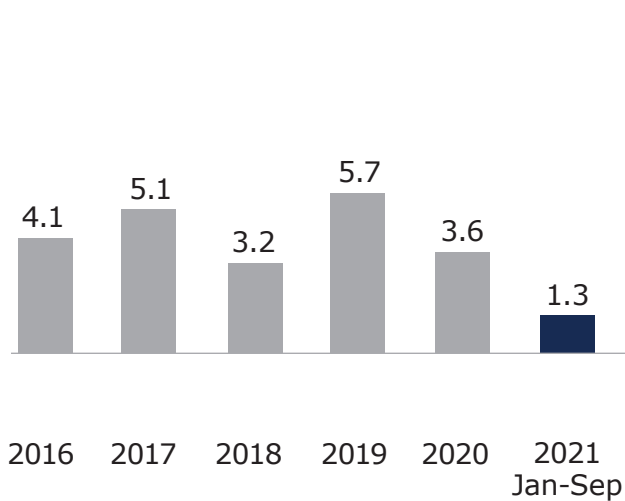


City	Number of apartments	Rentable area, thousand sqm	EUR million	Fair value EUR/sqm	proportion, percent	Vacancy rate, residential, percent	Capitalization rate, percent
Berlin*	14,048	935	3,814	4,079	27	2.4	2.46
London	2,065	104	959	9,227	7	8.6	4.13
Hamburg*	3,586	206	1,071	5,187	7	4.2	2.92
Paris	1,568	53	441	8,352	3	28.6	3.77
Europe	21,267	1,298	6,285	4,841	44	5.2	2.90
Stockholm*	5,936	458	2,134	4,664	15	1.2	2.28
Malmö*	4,102	350	1,271	3,633	9	0.2	2.73
Copenhagen*	1,093	94	401	4,256	3	2.7	2.84
Scandinavia	11,131	902	3,806	4,222	27	0.9	2.50
Toronto	3,771	203	1,034	5,106	7	6.2	3.51
Montreal	4,038	277	1,004	3,618	7	15.1	4.22
New York	1,736	123	824	6,718	6	10.8	4.34
Washington D.C.	2,146	179	703	3,916	5	11.2	4.69
Boston	1,029	67	591	8,837	4	15.2	4.17
North America	12,720	849	4,156	4,895	29	11.2	4.15
Total/Average	45,118	3,049	14,247	4,673	100	5.9	3.17

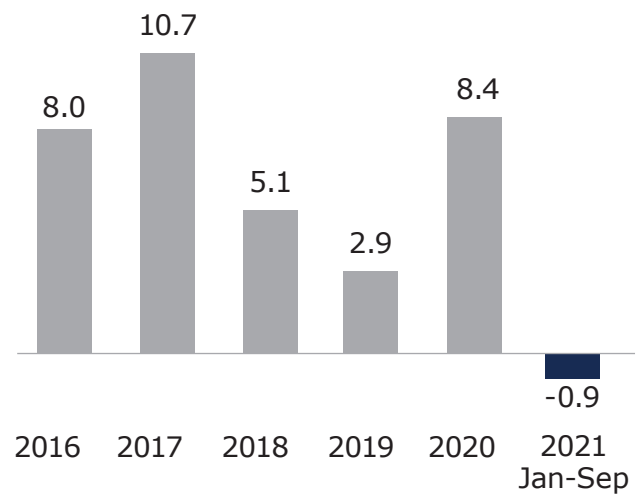
*) discontinued operations

like-for-like growth

rental income 1.3 percent

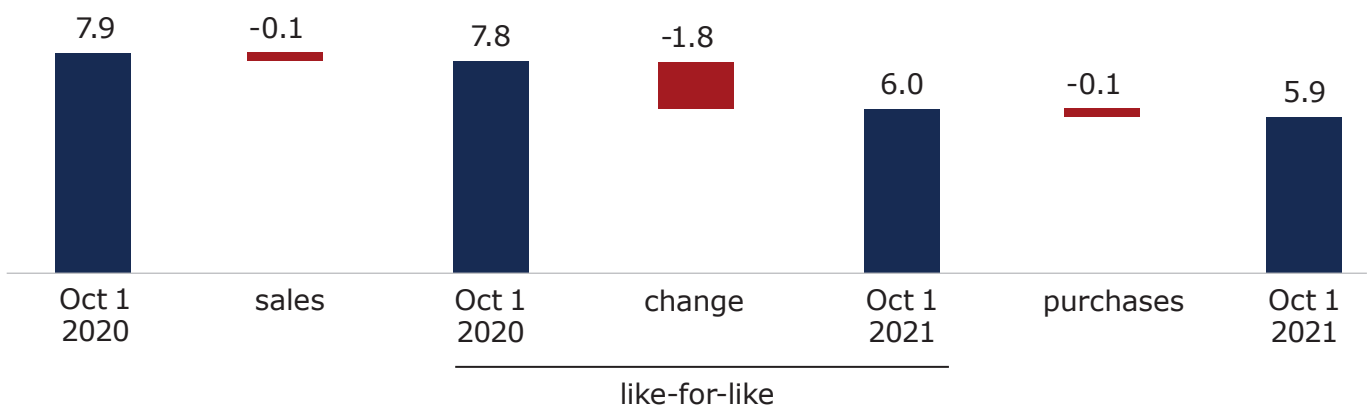


net operating income -0.9 percent

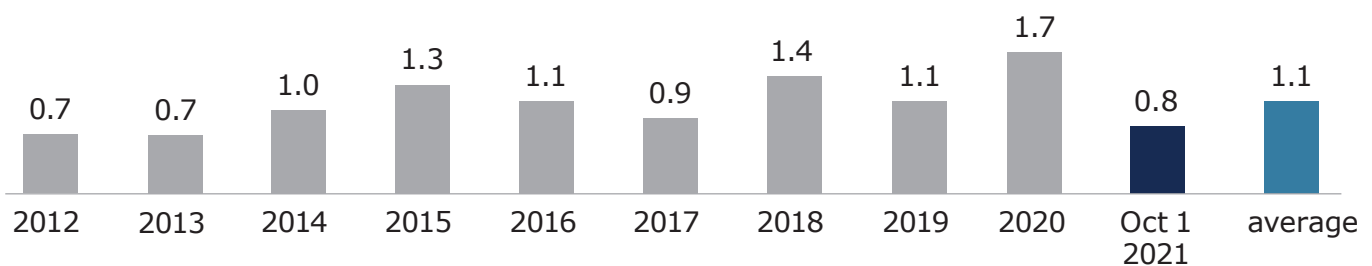


development vacancy rate, residential

percent



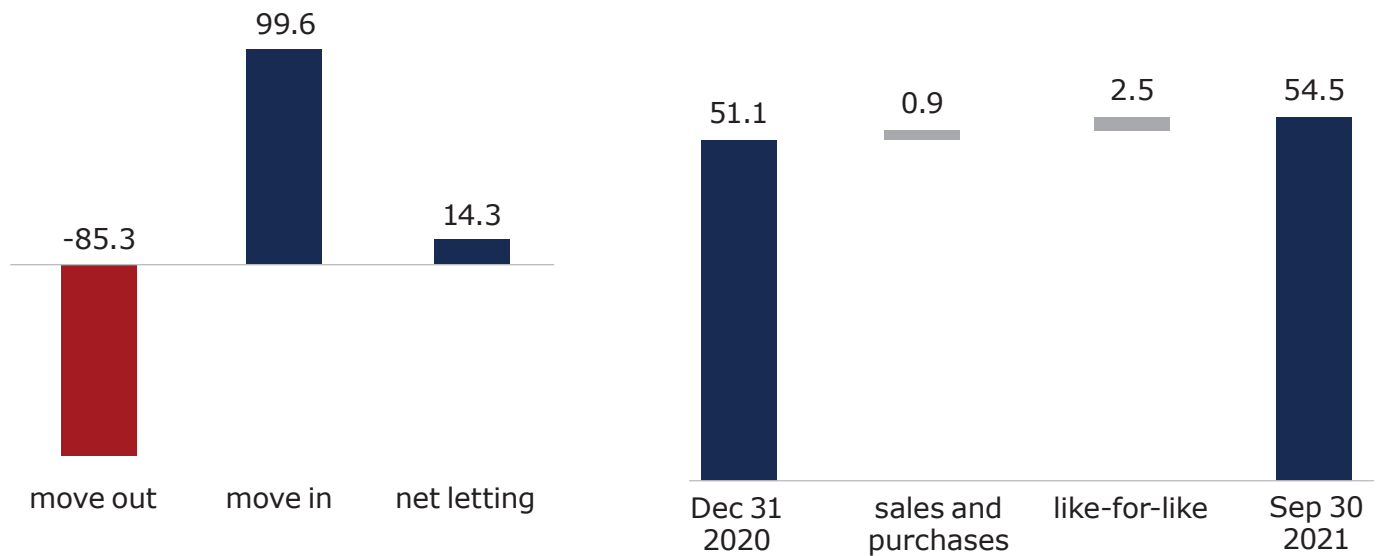
real vacancy rate, residential, 0.8 percent



net letting and upgraded apartments

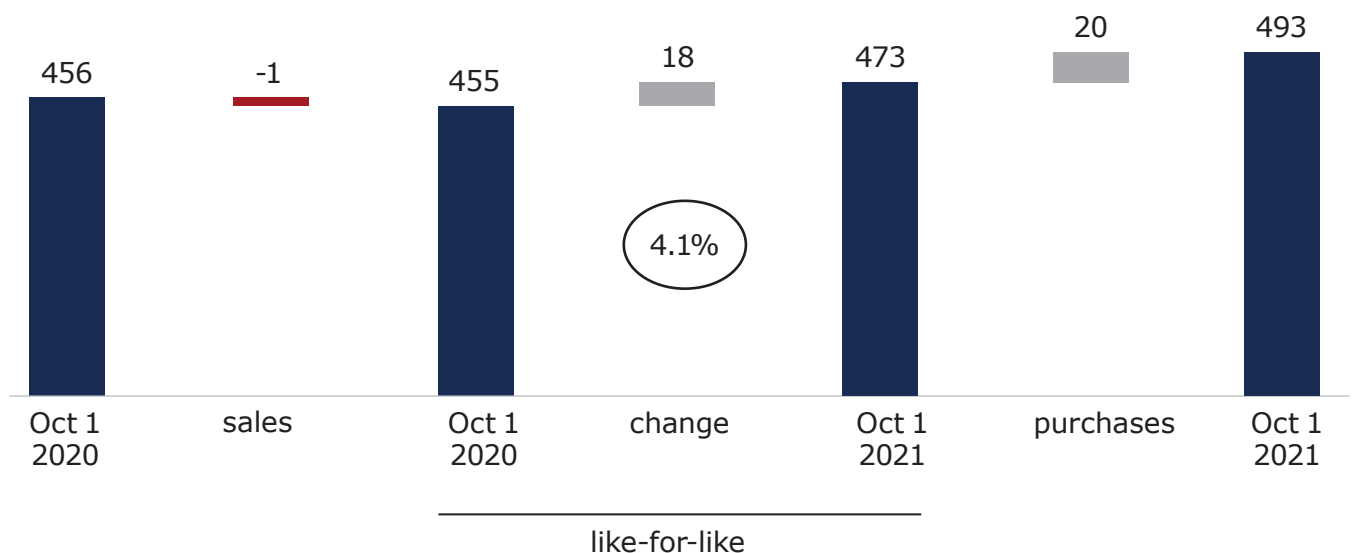
net letting EUR 14.3 million
January to September 2021

upgraded apartments
54.5 percent



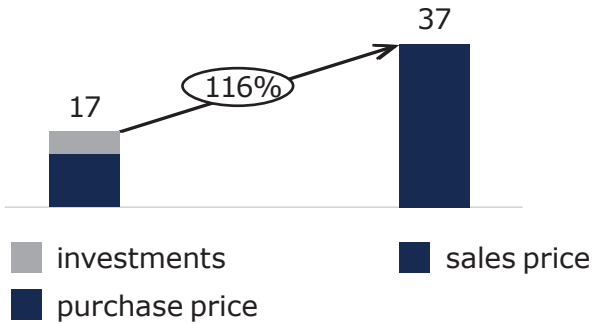
development residential in-place rent

EUR million

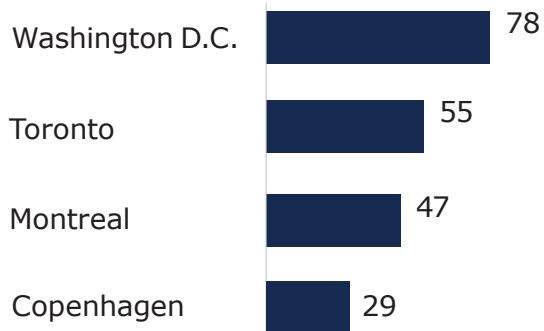


changes in the property portfolio

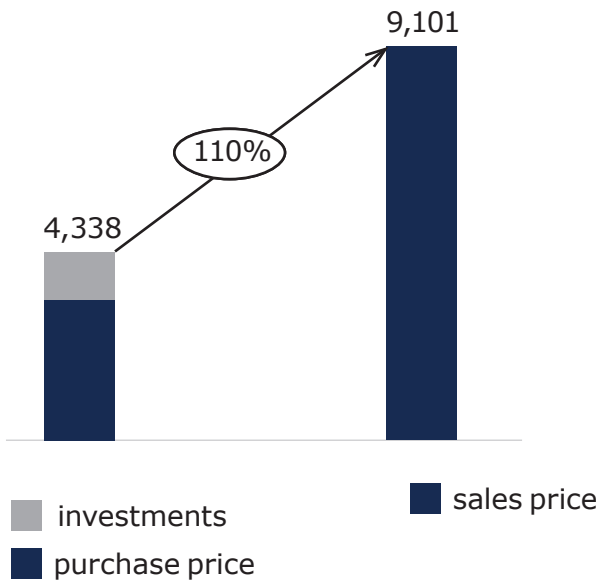
property sales EUR 37 million



property purchases EUR 209 million



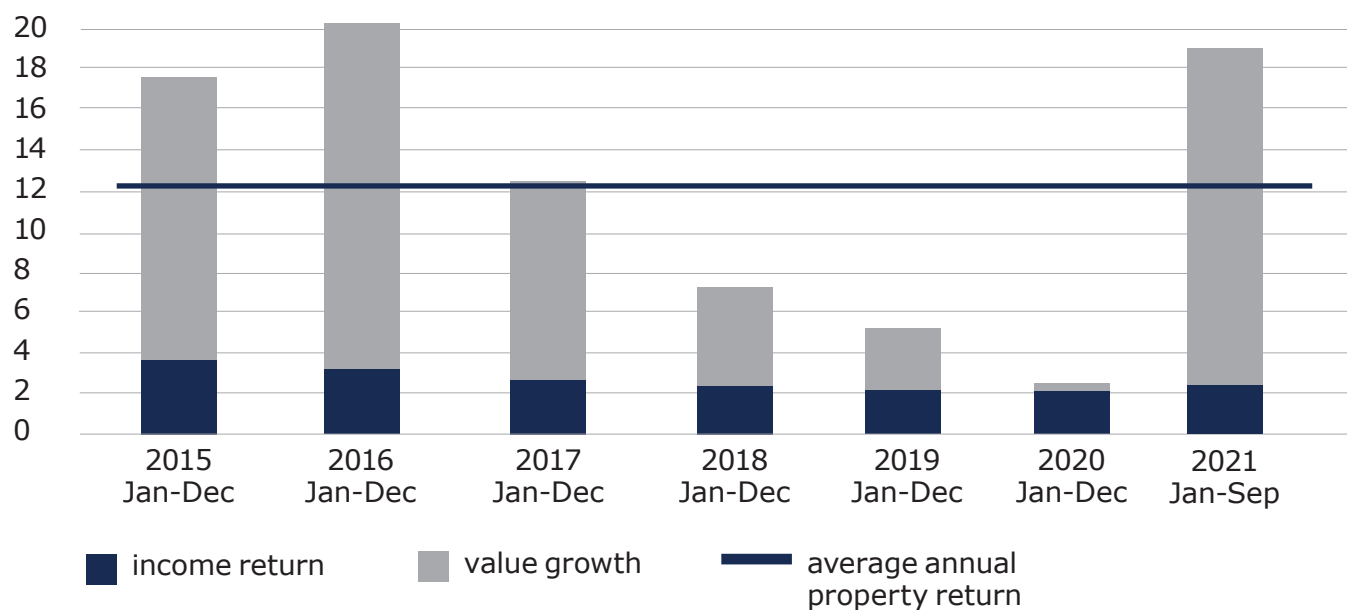
contracted sales EUR 9,101 million



Akelius has signed an agreement for property sales in Stockholm, Malmö, Copenhagen, Hamburg, and Berlin. Another agreement has been signed for the sale of a property in Paris. The closing dates for both transactions are planned to year-end 2021.

property return 18.8 percent

percent



	EUR million	Growth Jan-Sep percent
Fair value, Jan 1, 2021	12,139	
Revaluations	1,468	12.1
Investments	239	2.0
Purchases	209	1.7
Sales	-37	0.3
Exchange differences	229	1.9
Fair value, Sep 30, 2021	14,247	17.4
Net operating income	208	1.7
Transaction cost	-1	0.0
Total property return	1,675	Per annum: 18.8

capitalization rate 3.17 percent

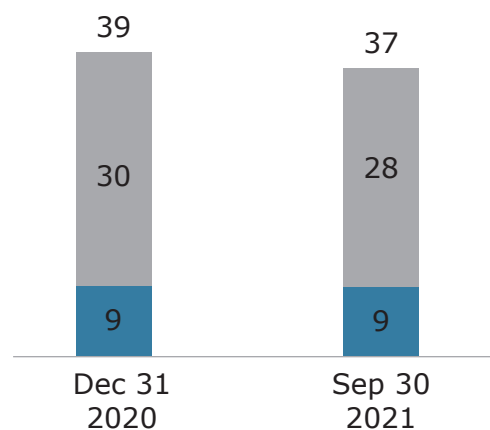
percent	Capitalization rate	Discount rate
Jan 1, 2021	3.28	5.26
Purchases	0.00	0.00
Sales	0.01	0.01
Like-for-like	-0.14	-0.14
Exchange differences	0.02	0.02
Sep 30, 2021	3.17	5.15

change in value EUR 1,468 million

	EUR million	Return, percent
Cash flow	1,219	10.04
Required rate of return	243	2.00
Sales	6	0.05
Purchases	-	0.00
Total change in value	1,468	12.09

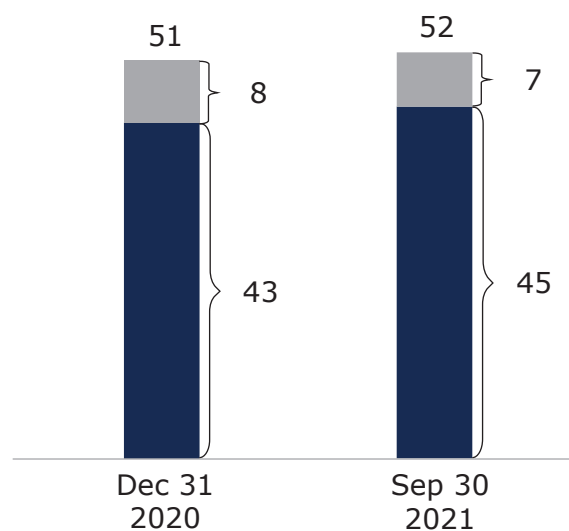
financing

loan-to-value ratio
37 percent



unsecured loans
secured loans

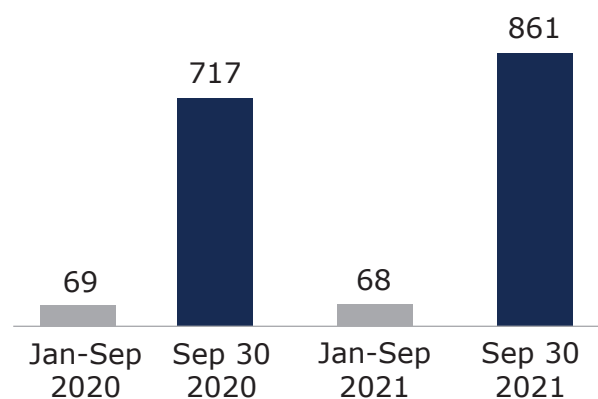
equity and hybrid capital ratio
52 percent



hybrid bonds
ordinary equity

interest expenses and liquidity

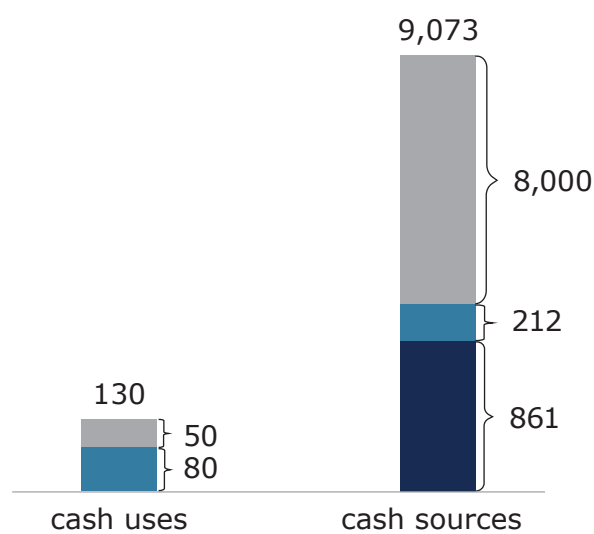
EUR million



interest expenses
liquidity

cash uses and sources

EUR million, 12 months forward

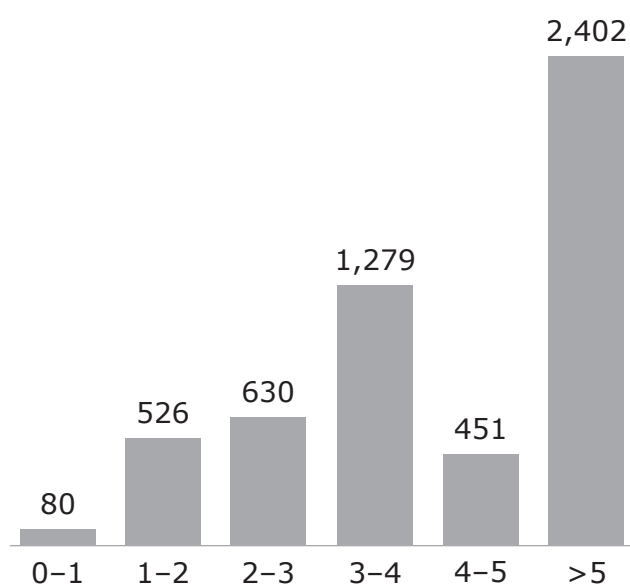


investments
short-term loans
contracted sales
profit before tax and revaluation
liquidity

financing

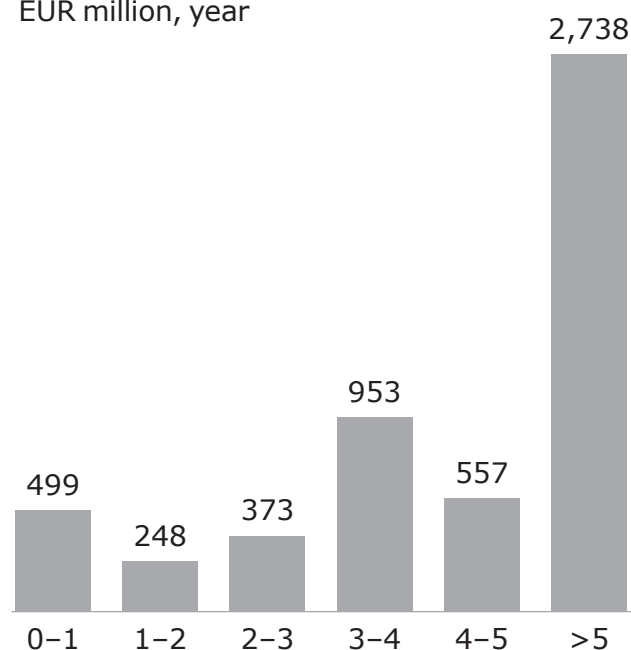
debt maturities

EUR million, year

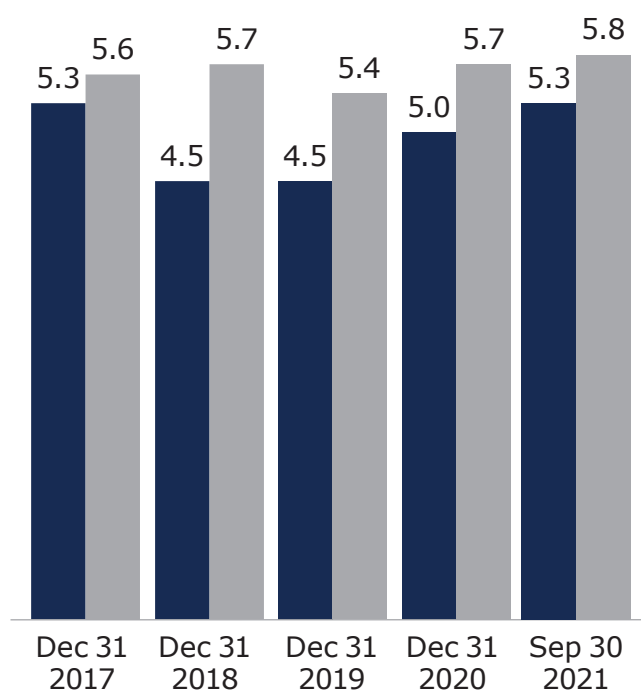


interest rate hedges

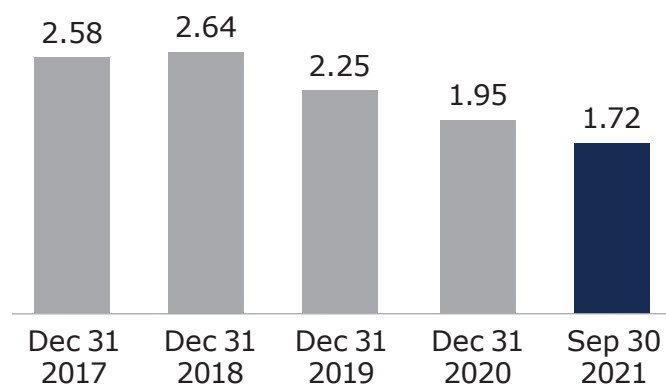
EUR million, year



fixed interest terms 5.3 years
debt maturities 5.8 years



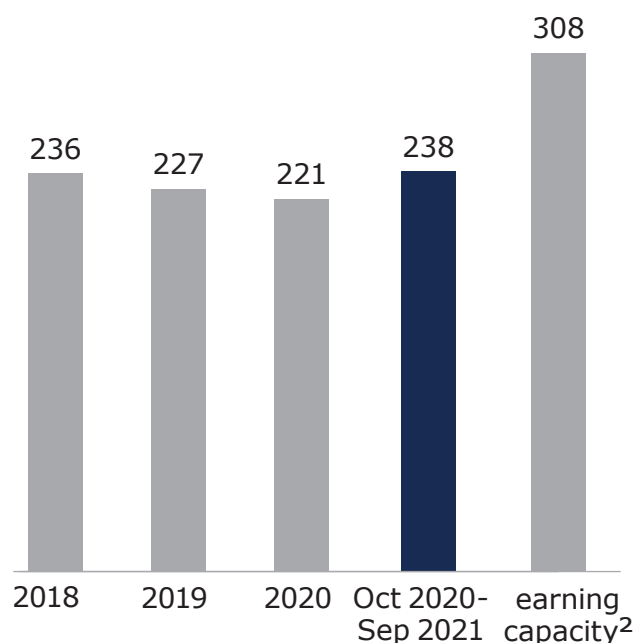
interest rate 1.72 percent



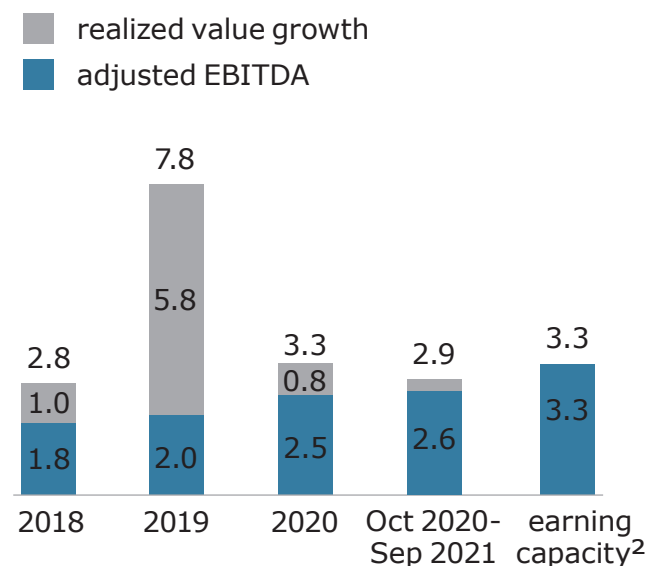
■ debt maturities
■ fixed interest term

financing

EBITDA EUR 238 million



interest coverage ratio 2.9



current interest and debt coverage capacity

EUR million	Oct 2020-Sep 2021	Earning capacity as at Sep 30, 2021 ²
Rental income	492	564 ³
Operating expenses	-192	-194
Maintenance	-32	-33
Net operating income	268	337
Central administrative expenses	-31	-30
Other income and expenses	1	1
EBITDA	238	308
Other financial income and expenses	-14 ¹	-4
Adjusted EBITDA	224	304
Net interest expenses	-85	-92
Interest coverage ratio excluding realized value growth	2.6	3.3
Realized value growth	22	-
Interest coverage ratio	2.9	-
Net debt as at Sep 30, 2021	5,347	5,347
Net debt/EBITDA	22.5	17.4
Net debt/EBITDA including realized value growth	20.6	-

1) EUR 10 million is a one-off cost to redeem a bond.

2) the earnings capacity is based on the property portfolio as at Sep 30, 2021.

It includes the property portfolio's gross rent minus real vacancy, estimated operating expenses, maintenance costs, and central administration during a normal year.

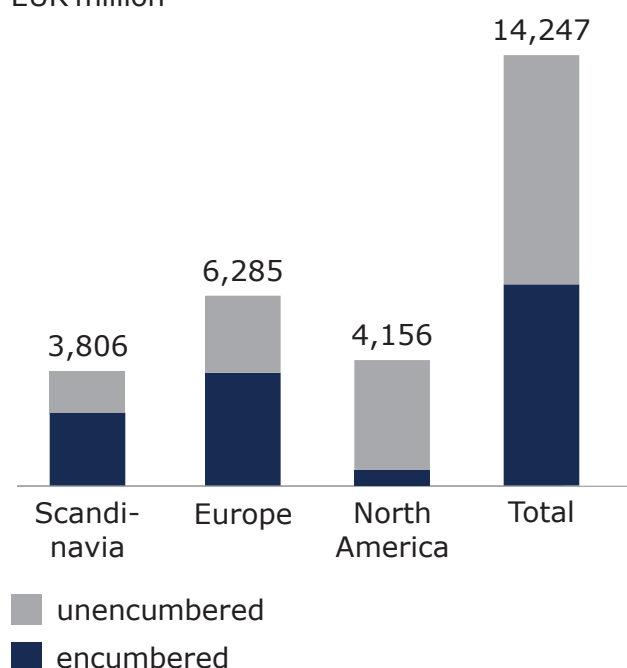
3) includes EUR 489 million in residential rental value as at Oct 1, 2021, EUR 39 million in rental income for commercial properties and parking, EUR -5 million in real vacancy for apartments and EUR 41 million in other income.

Residential rental value of EUR 489 million minus vacancy and plus debiting of operating expenses is equivalent to EUR 493 million in residential in-place rent.

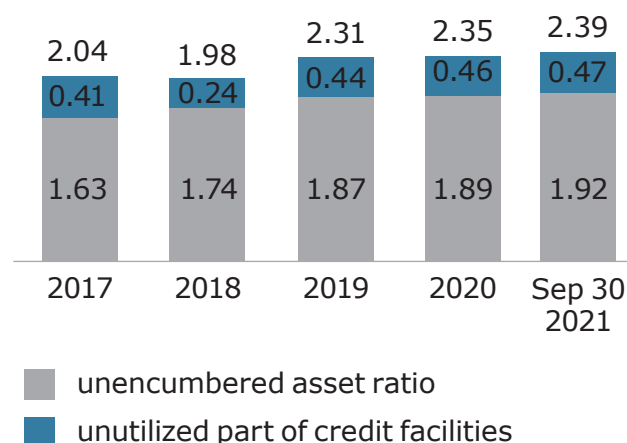
financing

encumbered properties

EUR million



adjusted unencumbered asset ratio



carrying value and fair value of interest-bearing liabilities

EUR million	2021 Sep 30 Carrying value	2021 Sep 30 Fair value	2020 Dec 31 Carrying value	2020 Dec 31 Fair value
Loans	5,368	5,459	5,043	5,178
Hybrid bonds	999	1,034	999	1,038
Total	6,367	6,493	6,042	6,216

Carrying value and fair value of outstanding derivatives and interest-bearing liabilities are excluding leasing.

Interest-bearing liabilities are also including liabilities held for sale totaled EUR 1,113 million.

Derivatives are measured continuously at fair value through profit or loss.

Financial instruments that are not measured at fair value through profit and loss are recognized at amortized cost using the effective interest rate method.

The fair values of bonds are based on level 1, and the fair values of derivatives and other interest-bearing liabilities are based on level 2 in the fair value hierarchy.

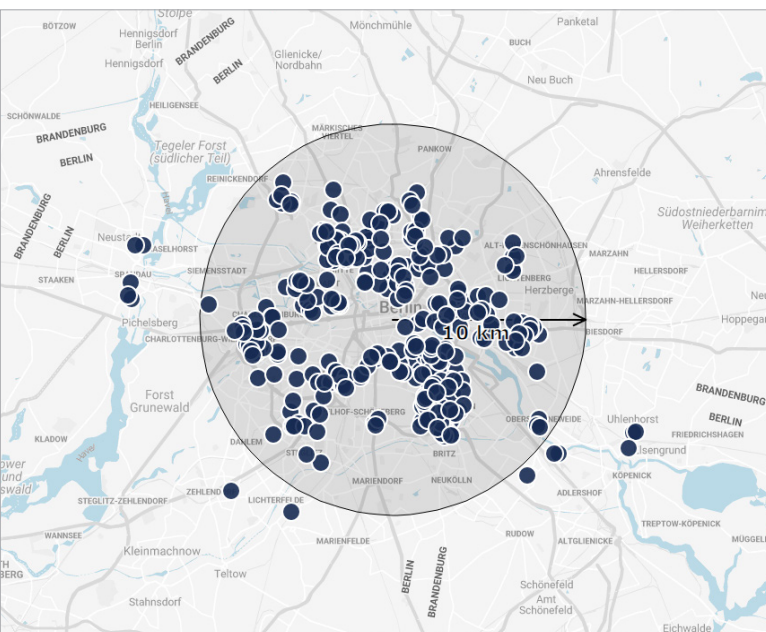
Discontinued operations only have interest-bearing liabilities based on level 2.

Compared to 2020, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant change has been made to valuation techniques.

derivatives recorded at fair value

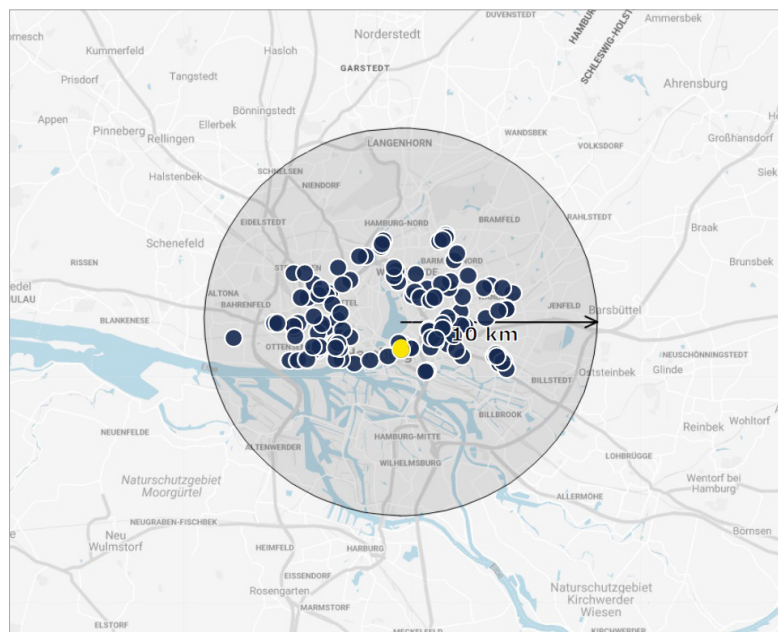
EUR million	2021 Sep 30	2020 Dec 31
Assets	8	14
Liabilities	62	96

Berlin



● like-for-like properties ● sold properties 2021

Hamburg



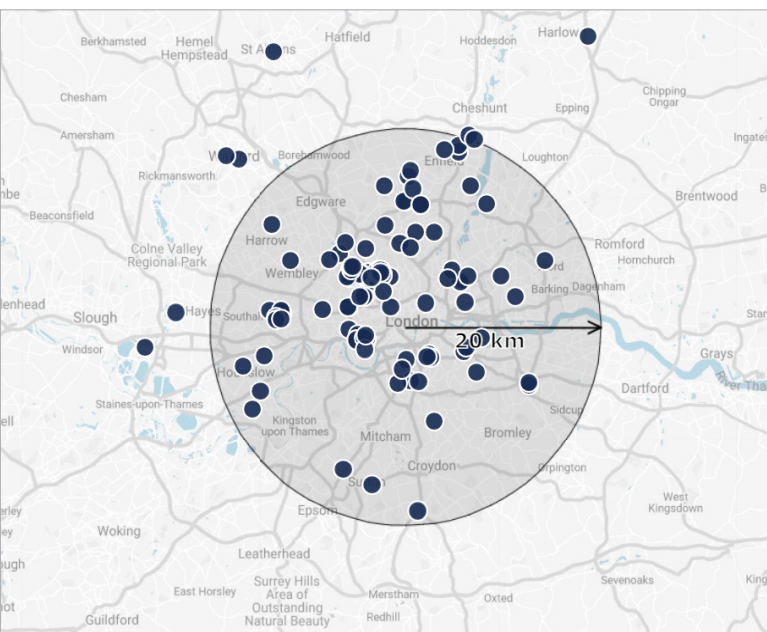
Berlin*

Hamburg*

Property portfolio		
Fair value, EUR million	3,814	1,071
Capitalization rate, percent	2.46	2.92
Proportion upgraded apartments, percent	43	57
Residential rentable area, thousand sqm	881	195
Commercial rentable area, thousand sqm	54	11
Average apartment size, sqm	63	55
Walk score	91	91
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Oct 1, 2020	9.42	12.24
Exchange difference	-	-
Adjusted total portfolio Oct 1, 2020	9.42	12.24
Sales and ended units	0.01	0.00
Like-for-like Oct 1, 2020	9.43	12.24
Like-for-like change	0.18	0.16
– Change in percent	1.9	1.3
Like-for-like Oct 1, 2021	9.61	12.40
Purchases and new constructions	0.02	0.06
Total portfolio Oct 1, 2021	9.63	12.46
New lease level	12.73	15.32
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.8	0.6
Apartments being upgraded	1.6	3.6
Vacancy rate	2.4	4.2

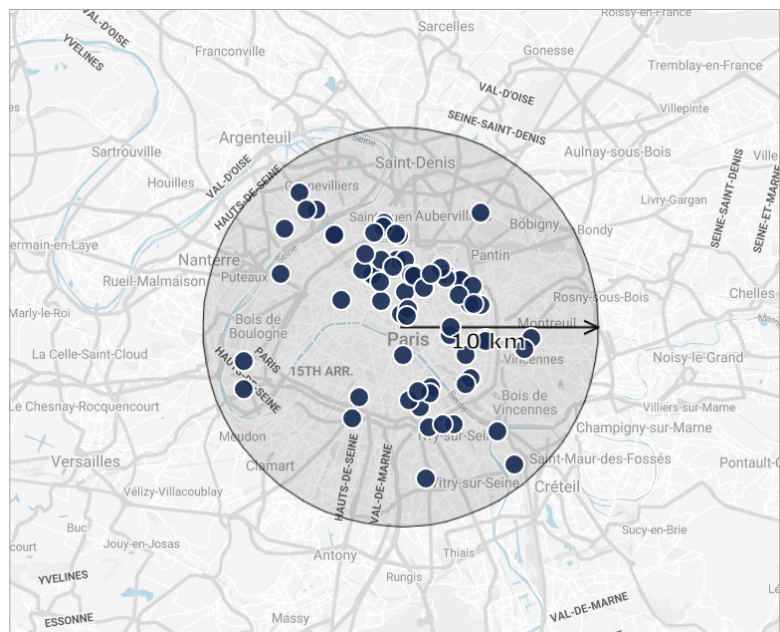
*) discontinued operations

London



● like-for-like properties

Paris

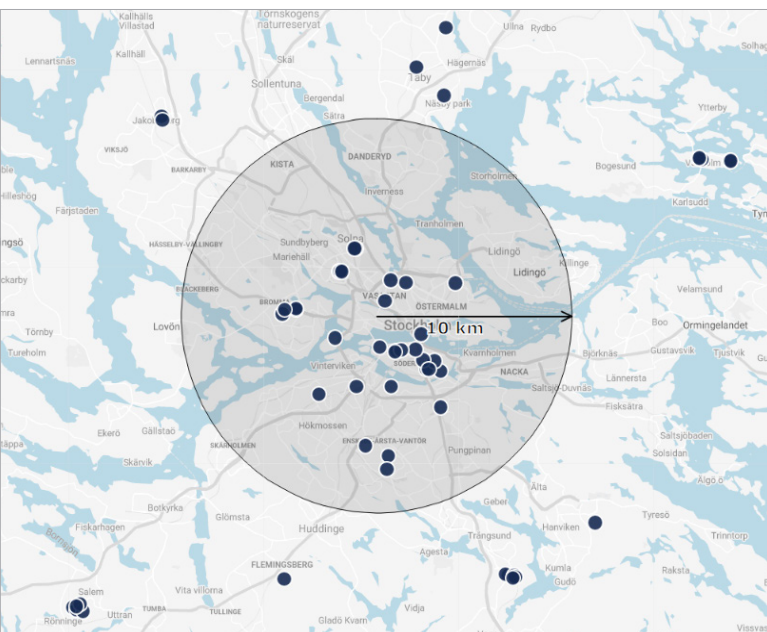


London

Paris

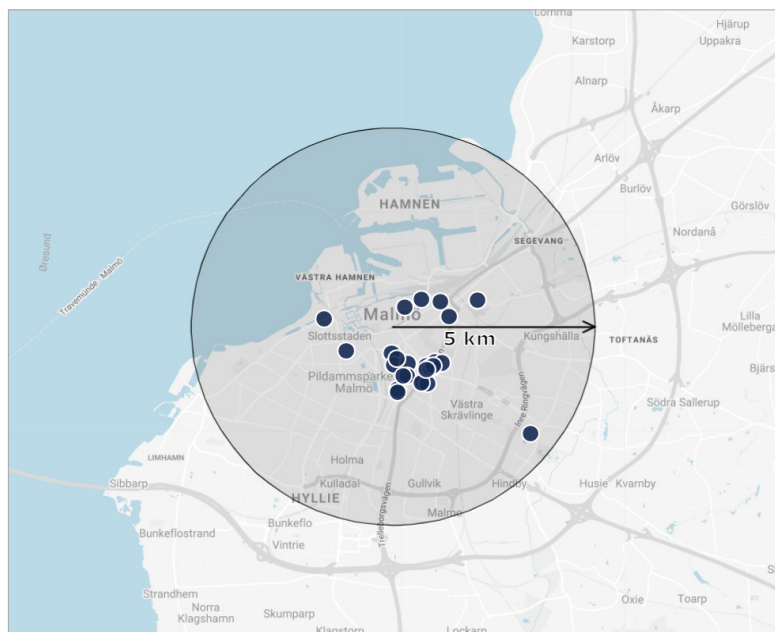
Property portfolio		
Fair value, EUR million	959	441
Capitalization rate, percent	4.13	3.77
Proportion upgraded apartments, percent	77	44
Residential rentable area, thousand sqm	85	48
Commercial rentable area, thousand sqm	19	5
Average apartment size, sqm	41	30
Walk score	86	97
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Oct 1, 2020	38.09	27.07
Exchange difference	-2.02	-
Adjusted total portfolio Oct 1, 2020	36.07	27.07
Sales and ended units	-	-
Like-for-like Oct 1, 2020	36.07	27.07
Like-for-like change	-1.73	0.27
– Change in percent	-4.8	1.0
Like-for-like Oct 1, 2021	34.34	27.34
Purchases and new constructions	-	0.10
Total portfolio Oct 1, 2021	34.34	27.44
New lease level	35.95	33.40
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.7	1.7
Apartments being upgraded	7.9	26.9
Vacancy rate	8.6	28.6

Stockholm



● like-for-like properties

Malmö



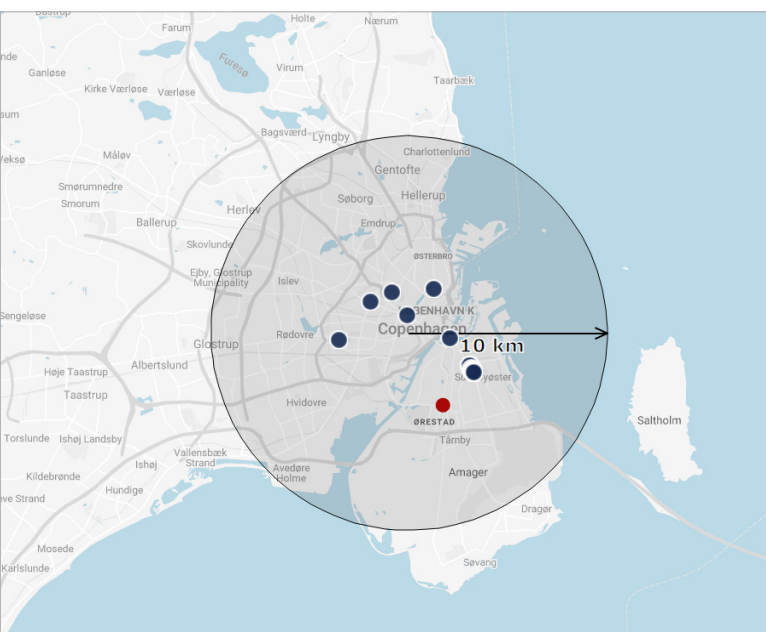
Stockholm*

Malmö*

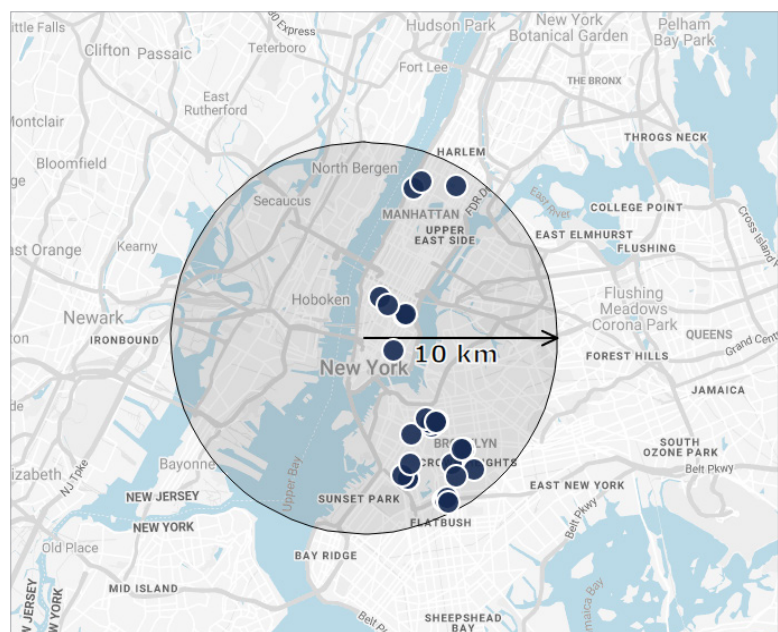
Property portfolio		
Fair value, EUR million	2,134	1,271
Capitalization rate, percent	2.28	2.73
Proportion upgraded apartments, percent	58	60
Residential rentable area, thousand sqm	424	267
Commercial rentable area, thousand sqm	34	83
Average apartment size, sqm	71	65
Walk score	72	91
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Oct 1, 2020	11.68	12.14
Exchange difference	-0.36	-0.37
Adjusted total portfolio Oct 1, 2020	11.32	11.77
Sales and ended units	-	-
Like-for-like Oct 1, 2020	11.32	11.77
Like-for-like change	0.27	0.14
– Change in percent	2.4	1.3
Like-for-like Oct 1, 2021	11.59	11.91
Purchases and new constructions	0.01	0.03
Total portfolio Oct 1, 2021	11.60	11.94
New lease level	13.29	12.97
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.0	0.0
Apartments being upgraded	1.2	0.2
Vacancy rate	1.2	0.2

*) discontinued operations

Copenhagen



New York



● like-for-like properties ● acquired properties 2021

Copenhagen*

New York

Property portfolio

Fair value, EUR million	401	824
Capitalization rate, percent	2.84	4.34
Proportion upgraded apartments, percent	46	49
Residential rentable area, thousand sqm	88	118
Commercial rentable area, thousand sqm	6	5
Average apartment size, sqm	81	68
Walk score	95	96

Average rent residential

EUR/sqm/month

EUR/sqm/month

Total portfolio Oct 1, 2020	12.26	27.62
Exchange difference	-0.01	-0.35
Adjusted total portfolio Oct 1, 2020	12.25	27.27
Sales and ended units	-	0.01
Like-for-like Oct 1, 2020	12.25	27.28
Like-for-like change	-0.22	0.64
– Change in percent	-1.8	2.3
Like-for-like Oct 1, 2021	12.03	27.92
Purchases and new constructions	0.44	0.01
Total portfolio Oct 1, 2021	12.47	27.93
New lease level	17.13	40.15

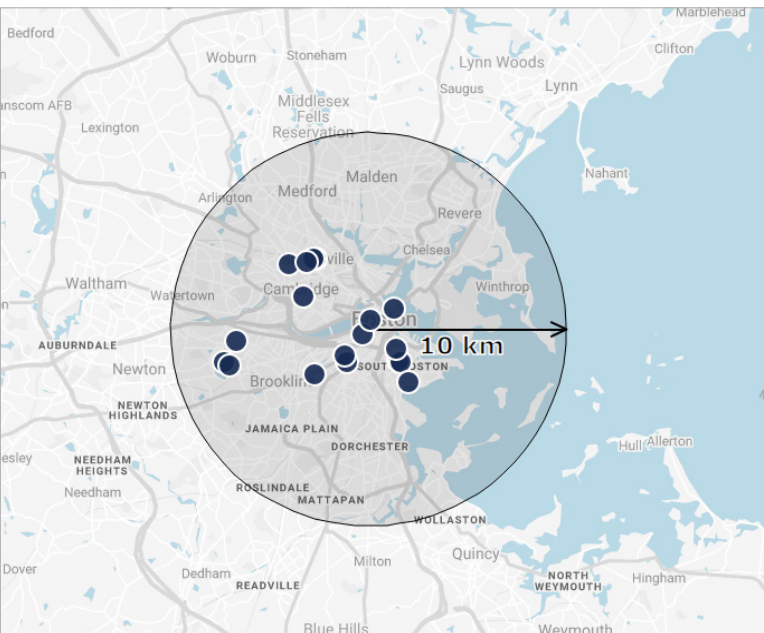
Vacancy rate residential

percent

percent

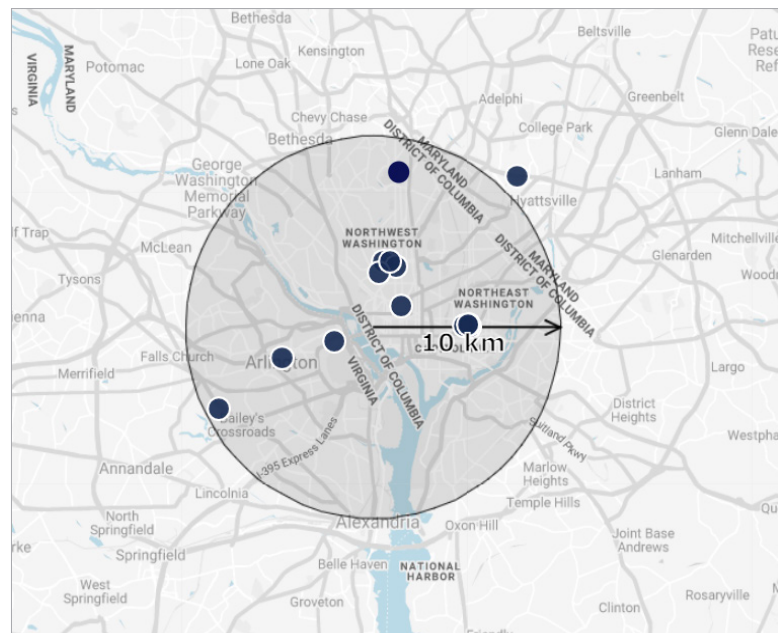
Real vacancy rate	0.0	0.7
Apartments being upgraded	2.7	10.1
Vacancy rate	2.7	10.8

Boston



● like-for-like properties

Washington D.C.



Boston Washington D.C.

Property portfolio

Fair value, EUR million	591	703
Capitalization rate, percent	4.17	4.69
Proportion upgraded apartments, percent	80	78
Residential rentable area, thousand sqm	65	175
Commercial rentable area, thousand sqm	2	4
Average apartment size, sqm	63	82
Walk score	91	90

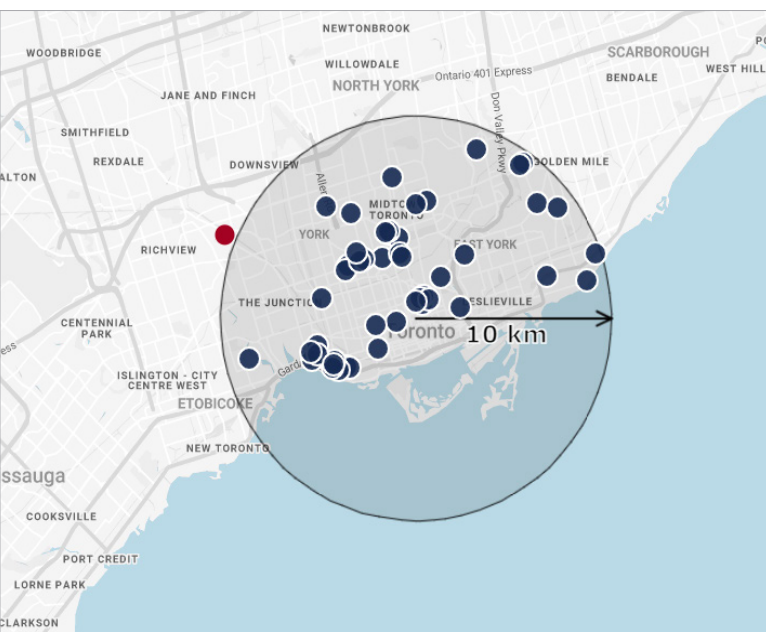
Average rent residential

	EUR/sqm/month	EUR/sqm/month
Total portfolio Oct 1, 2020	36.27	23.62
Exchange difference	-0.46	-1.59
Adjusted total portfolio Oct 1, 2020	35.81	22.03
Sales and ended units	-	-
Like-for-like Oct 1, 2020	35.81	22.03
Like-for-like change	0.54	0.23
– Change in percent	1.5	1.1
Like-for-like Oct 1, 2021	36.35	22.26
Purchases and new constructions	-	-1.83
Total portfolio Oct 1, 2021	36.35	20.43
New lease level	38.02	22.22

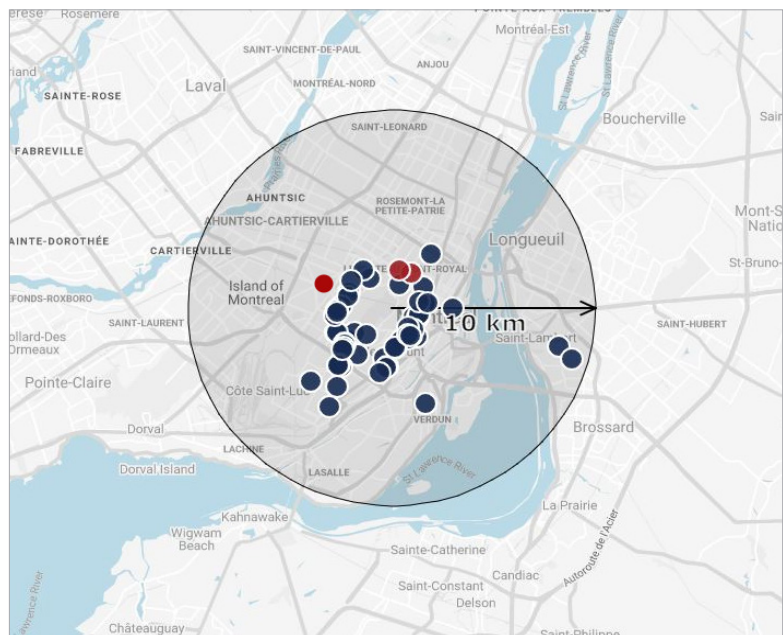
Vacancy rate residential

	percent	percent
Real vacancy rate	2.0	1.3
Apartments being upgraded	13.2	9.9
Vacancy rate	15.2	11.2

Toronto



Montreal



● like-for-like properties ● acquired properties 2021

	Toronto	Montreal
Property portfolio		
Fair value, EUR million	1,034	1,004
Capitalization rate, percent	3.51	4.22
Proportion upgraded apartments, percent	60	56
Residential rentable area, thousand sqm	198	270
Commercial rentable area, thousand sqm	5	7
Average apartment size, sqm	52	67
Walk score	77	83
Average rent residential		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Oct 1, 2020	19.14	13.81
Exchange difference	-1.06	-0.76
Adjusted total portfolio Oct 1, 2020	18.08	13.05
Sales and ended units	-	-0.01
Like-for-like Oct 1, 2020	18.08	13.04
Like-for-like change	0.12	0.58
– Change in percent	0.7	4.4
Like-for-like Oct 1, 2021	18.20	13.62
Purchases and new constructions	-0.45	0.17
Total portfolio Oct 1, 2021	17.75	13.79
New lease level	23.18	15.92
Vacancy rate residential		
	percent	percent
Real vacancy rate	1.6	2.1
Apartments being upgraded	4.6	13.0
Vacancy rate	6.2	15.1

segment information

rental income EUR 377 million

Rental income was EUR 377 million (356), an increase of 6.1 percent compared to the same period in 2020.

EUR 10 million is related to acquisitions.

EUR 4 million relates to income from the correction of the Berlin rent cap for 2020. Germany's highest court overturned the Berlin rent cap in April.

Like-for-like growth in rental income was EUR 4 million (16) or 1.3 percent (5.3).

The like-for-like rental income was affected by discounts and lower lease levels, offered to avoid vacancies primarily in the United States and in London due to COVID-19 effects.

During the period, 13,553 rental contracts (17,067) with an annual rent of EUR 228 million (227) were renewed or renegotiated.

The new yearly rent is EUR 231 million (232), an increase of 1.6 percent (2.0).

The vacancy rate for residential units decreased by 2.0 percentage points to 5.9 percent (7.9) compared to end of September 2020.

This is mainly due to a decrease of real vacancy and fewer apartments being upgraded.

86 percent (76) of vacancy was due to upgrades or planned sale of apartments.

The real vacancy rate decreased by 1.1 percentage points to 0.8 percent (1.9) compared to end of September 2020.

net operating income EUR 208 million

Net operating income was EUR 208 million (198).

Property expenses totaled EUR 169 million (158).

EUR 24 million (21) was attributable to maintenance, corresponding to EUR 11 (9) per square meter per year.

Like-for-like growth in net operating income was -0.9 percent (10.3).

Net operating income margin was 55.1 percent (55.8).

Adjusted net operating income margin was 68.8 percent (69.0).

EBITDA EUR 186 million

EBITDA was EUR 186 million (170), an increase of 9.6 percent compared to the same period in 2020.

The change is mainly due to increased rental income, which is due to acquisitions and one-time effects of the abolished rent cap in Berlin.

The table of development of EBITDA can be found on page 20, 38, and 42.

fair value EUR 14,247 million

The fair value was EUR 14,247 million (11,951), which is equivalent to an average of EUR 4,673 (4,021) per square meter.

The average capitalization rate was 3.17 percent (3.32), compared to 3.28 percent at year-end 2020. The decrease is mainly a consequence of sales in Germany and Scandinavia, where a reduction in the capitalization rates was made in accordance with the agreed sales prices.

Refer to table on page 8.

segment information

EBITDA Jan–Sep 2021

EUR million	Rental income	Operating expenses	Maintenance	Net operating income	Central administrative expenses	Other income and expenses	EBITDA
Berlin*	102	-33	-5	64			
London	24	-7	-2	15			
Hamburg*	27	-9	-1	17			
Paris	10	-7	-	3			
Europe	163	-56	-8	99			
Stockholm*	49	-16	-4	29			
Malmö*	35	-12	-3	20			
Copenhagen*	10	-4	-	6			
Scandinavia	94	-32	-7	55			
Toronto	28	-13	-2	13			
Montreal	27	-12	-2	13			
New York	24	-14	-2	8			
Washington D.C.	26	-12	-2	12			
Boston	15	-6	-1	8			
North America	120	-57	-9	54			
Total continuing operations	154	-71	-11	72			
Total discontinued operations	223	-74	-13	136			
Total	377	-145	-24	208	-23	1	186

*) discontinued operations

segment information

property return Jan–Sep 2021

EUR million	Net operating income	Realized and unrealized revalua- tion**	Total property, return	Total property return, percent	Net opera- ting income margin, percent	Property fair value
Berlin*	64	719	783	35.3	63.0	3,814
London	15	-15	-	0.0	62.2	959
Hamburg*	17	227	244	39.7	62.2	1,071
Paris	3	2	5	1.6	34.2	441
Other*	-	-	-	4.5	-14.1	-
Europe	99	933	1,032	26.9	61.1	6,285
Stockholm*	29	366	395	30.7	58.3	2,134
Malmö*	20	206	226	30.2	57.5	1,271
Copenhagen*	6	35	41	16.4	58.9	401
Scandinavia	55	607	662	29.0	58.0	3,806
Toronto	13	11	24	3.6	47.1	1,034
Montreal	13	21	34	5.3	49.0	1,004
New York	8	-116	-108	-16.4	32.2	824
Washington D.C.	12	1	13	3.1	44.9	703
Boston	8	10	18	4.3	51.1	591
North America	54	-73	-19	-0.7	44.5	4,156
Total continuing operations	72	-86	-14	-0.4	46.7	5,556
Total discontinued operations	136	1,553	1,689	33.0	60.8	8,691
Total	208	1,467	1,675	18.8	55.1	14,247

*) discontinued operations

**) includes transaction cost of EUR 1 million

segment information

EBITDA Jan–Sep 2020

EUR million	Rental income	Operating expenses	Maintenance	Net operating income	Central administrative expenses	Other income and expenses	EBITDA
Berlin*	96	-33	-5	58			
London	26	-7	-2	17			
Hamburg*	27	-9	-1	17			
Paris	8	-6	-	2			
Other*	1	-	-1	-			
Europe	158	-55	-9	94			
Stockholm*	46	-15	-4	27			
Malmö*	33	-11	-2	20			
Copenhagen*	9	-3	-	6			
Scandinavia	88	-29	-6	53			
Toronto	27	-12	-2	13			
Montreal	24	-11	-1	12			
New York	26	-15	-1	10			
Washington D.C.	16	-8	-1	7			
Boston	17	-7	-1	9			
North America	110	-53	-6	51			
Total continuing operations	144	-66	-8	70			
Total discontinued operations	212	-71	-13	128			
Total	356	-137	-21	198	-28	-	170

*) discontinued operations

segment information

property return Jan–Sep 2020

EUR million	Net operating income	Realized and unrealized revalua- tion**	Total property return	Total property return, percent	Net opera- ting income margin, percent	Property fair value
Berlin*	58	8	66	2.9	60.7	3,076
London	17	-13	4	0.5	65.8	898
Hamburg*	17	24	41	6.7	62.2	850
Paris	2	5	7	2.5	22.6	425
Other*	-	-	-	-0.1	3.3	11
Europe	94	24	118	3.0	59.5	5,260
Stockholm*	27	5	32	2.6	59.5	1,669
Malmö*	20	-13	7	0.9	59.4	971
Copenhagen*	6	2	8	3.0	58.6	333
Scandinavia	53	-6	47	2.1	59.4	2,973
Toronto	13	13	26	3.9	47.6	892
Montreal	12	26	38	6.2	49.4	836
New York	10	3	13	1.9	40.7	939
Washington D.C.	7	2	9	2.9	47.3	498
Boston	9	4	13	3.1	55.5	553
North America	51	48	99	3.7	47.5	3,718
Total continuing operations	70	40	110	3.0	49.3	5,041
Total discontinued operations	128	26	154	2.9	60.1	6,910
Total	198	66	264	3.0	55.8	11,951

*) discontinued operations

**) includes transaction cost of EUR 3 million

income statement, IFRS

rental income EUR 154 million

Rental income was EUR 154 million (144), an increase of 7.0 percent compared to the same period in 2020. The increase is mainly related to acquisitions.

net operating income EUR 72 million

Net operating income was EUR 72 million (70).

Property expenses totaled EUR 82 million (74). EUR 11 million (8) was attributable to maintenance, corresponding to EUR 15 (12) per square meter per year.

EBITDA EUR 62 million

EBITDA was EUR 62 million (60), an increase of 3.3 percent compared to the same period in 2020. The increase is mainly due to acquisitions.

net financial items EUR -74 million

Interest expenses were EUR -57 million (-56) and interest income was EUR 1 million (-).

Interest expenses for the hybrid bonds were EUR -23 million (-21).

Revaluations of financial derivatives affected earnings by EUR 18 million (-38).

Other financial income and expenses amounted to EUR -13 million (-4).

An early redemption of a bond generated a premium cost of EUR 10 million reported as other financial expenses.

profit before tax EUR -103 million

Profit before tax was EUR -103 million (-36). Mainly related to unrealized change in fair value of EUR -86 million (40).

tax expenses EUR 3 million

Tax expenses totaled EUR 3 million (-1). EUR 3 million (-3) was deferred tax.

discontinued operations

Profit for the period for discontinued operations was 1,288 (97), mainly related to the unrealized change in fair value of the properties.

In the fourth quarter, both the currency reserve and the portfolio premium will be reported in the profit for the period.

Currency reserve totaled EUR -172 million at the end of third quarter and is mainly related to the currency SEK.

The portfolio premium is estimated to EUR 363 million.

third quarter

Profit before tax amounted to EUR -38 million (-12).

Change in fair value of properties impacted the profit with EUR -35 million (6).

Rental income was EUR 54 million (46).

Property expenses totaled EUR 28 million (25).

Net operating income was EUR 26 million (21).

Net financial items totaled EUR - 24 million (-22).

property portfolio, IFRS

fair value EUR 5,555 million

The fair value of investment and owner-occupied properties was EUR 5,555 million (11,936), which is equivalent to an average of EUR 5,524 (4,039) per square meter. The decrease is due to a reclassification of properties to assets held for sale.

The average capitalization rate was 4.12 percent (3.32), compared to 3.28 percent at year-end 2020.

change in property value 12.1 percent

The increase in property value was EUR 1,468 million (69), or 12.1 percent (0.6). See table on page 8.

property investments EUR 239 million

Investments in properties amounted to EUR 239 million (283). On an annual basis, this corresponds to EUR 106 (133) per square meter.

11 percent (21) of the total investments were due to apartment upgrades.

In line with the new strategy, Akelius completes planned projects and limits the start of new comprehensive projects.

property purchases EUR 209 million

Property purchases amounted to EUR 209 million (83) during the period. The purchased properties are located in Montreal, Toronto, Washington D.C., and Copenhagen.

The capitalization rate for the purchased property was 4.09 percent (4.84).

property sales EUR 37 million

In total, Akelius sold properties for EUR 37 million (147). Sales took place in Germany.

properties held for sale EUR 8,692 million

Properties held for sale are reported at fair value minus remaining investments, portfolio premium, and cost of sales.

discontinued operations

Akelius has signed agreements for the sale of companies in Stockholm, Malmö, Copenhagen, Hamburg, and Berlin. Assets and liabilities in those cities are classified as assets and liabilities held for sale. Assets held for sale amounts to EUR 8,740 million and liabilities to EUR 2,433 million.

Investment and owner-occupied properties related to discontinued operations totaled EUR 8,691 million. for more information regarding discontinued operations see page 33–34.

properties held for sale

Akelius has signed an agreement for the sale of one property in Paris. The sale will be finalized during the year. EUR 1 million (15) relates to investment properties and EUR 0 million (1) to deferred taxes.

financing, IFRS

equity and hybrid capital ratio 52 percent

Equity increased by EUR 1,172 million to EUR 6,546 million (5,297) during the period. The increase is mainly due to the properties fair value development and changes in the Group's currency translation reserve.

The equity and hybrid capital ratio amounted to 52 percent (52).

loan-to-value ratio 37 percent

Loans excluding the hybrid bonds increased by EUR 325 million during the period. to EUR 5,368 million (4,634).

The loan-to-value ratio was 37 percent (38), a decrease by 2 percentage points since the end of 2020.

Secured loans were EUR 1,300 million (1,442), compared to EUR 1,357 million at the end of 2020.

The secured loan-to-value ratio has been stable at 9 percent (12) since the year-end 2020.

The secured debt was borrowed from 20 banks (23) in 5 countries.

Unsecured debt includes 11 bonds (11) and loans from large investors and related companies.

debt maturities 5.8 years

Loans have an average maturity of 5.8 years (5.5), compared to 5.7 at the end of 2020. EUR 80 million (124) mature within one year.

interest rate hedge 5.3 years

EUR 2,738 million (1,824) have a fixed interest rate term of more than five years and EUR 499 million (156) have a fixed interest rate term of less than one year.

On average, the underlying interest rate is secured for 5.3 years (4.8), compared to 5.0 years at the end of 2020.

average interest rate 1.72 percent

During the period the average interest rate decreased from 1.95 to 1.72 percent (1.97). Debt with high interest rate has been replaced by debt with lower interest rate.

liquidity EUR 861 million

Available funds in the form of cash, liquid financial assets and unutilized credit facilities totaled EUR 861 million (717).

Unutilized credit facilities amounted to EUR 832 million (693) with an average maturity of 1.5 years (1.1).

Facilities intended to be kept are extended at least one year prior maturity.

The unutilized bilateral credit agreements are provided by 7 banks (7).

The fair value of the unencumbered properties was EUR 7,585 million (6,200).

An increase due to the shift from secured to more unsecured funding.

adjusted unencumbered asset ratio 2.39

The unencumbered asset ratio was 1.92 (2.02) compared to 1.89 at the end of 2020.

The adjusted unencumbered asset ratio amounted to 2.39 (2.44) and includes pledged properties where the counterparty has no claim.

other financial information

cash flow

year-to-date

Operating cash flow before change in working capital was EUR 100 million (70).

Cash flow from investing activities was EUR -393 million (-335).

Cash required for the acquisition of properties is secured before the agreements are signed. On average, upgrades can be stopped within a three-month period.

Cash flow from financing activities was EUR 79 million (241).

third quarter

Cash flow amounted to EUR -205 million (-18).

Cash flow generated from operations was EUR 47 million (28).

Net cash from investing activities amounted to EUR -101 million (-117).

Financing activities had a negative effect on cash flow of EUR -151 million (71).

parent company

Dividend of EUR 0.0375 per class A ordinary share was paid on May 12, 2021 totaling EUR 120 million.

Dividends of EUR 0.025 per class D ordinary share were or will be paid five banking days from the record dates pursuant to the Articles of Association: May 5, 2021, August 5, 2021, November 5, 2021 and February 4, 2022, totaling EUR 22 million.

The profit before tax was EUR 91 million (-40).

Financial income mainly includes interest income, currency exchange effects related to currency derivatives, bonds and other financial instruments in foreign currency.

Financial costs mainly include interest expenses, change in derivatives, and financial exchange differences.

D-shares

The number of ordinary shares of class D was 220,000,000, equivalent to EUR 415 million reported in equity.

D-shares represent 6.45 percent of the total number of shares in Akelius Residential Property AB.

On September 30, 2021, the closing price per D-share was EUR 1.63.

credit rating

Due to the upcoming sale of properties in Germany and Scandinavia, Standard and Poor' has assessed Akelius a BBB rating with negative outlook.

The rating for Akelius' hybrid bonds is BB+.

Fitch Ratings confirmed Akelius a long-term issuer default rating of BBB. Akelius' senior unsecured bonds received the sector specific one-notch uplift to BBB+. Akelius' hybrid bonds are graded BBB-.

staff

1,130 people (1,355) were employed as at September 30, compared to 1,300 at the end of 2020.

related party transactions

Net debt from related parties increased by EUR 7 million (-10).

The circle of related parties has not changed significantly since the annual report 2020.

significant events after the reporting period

There are no significant events after the end of the reporting period.

consolidated income statement, IFRS

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Rental income	154	144	54	46	190
Operating expenses	-71	-66	-25	-22	-89
Maintenance	-11	-8	-3	-3	-10
Net operating income	72	70	26	21	91
Central administrative expenses	-10	-10	-3	-4	-14
EBITDA	62	60	23	17	77
Depreciation and operational foreign exchange differences	-5	-7	-2	-3	-8
Unrealized revaluation of investment properties	-86	40	-35	6	-23
Restructuring expenses	-	-10	-	-10	-10
Operating profit	-29	83	-14	10	36
Interest income	1	-	-	-	1
Interest expenses	-57	-56	-18	-18	-73
Interest expenses hybrid bonds	-23	-21	-8	-8	-29
Other financial income and expenses	-13	-4	-1	-	-2
Change in fair value of derivatives	18	-38	3	4	-34
Profit before tax	-103	-36	-38	-12	-101
Current tax	-	-2	-	-	-3
Deferred tax	-3	3	-1	5	7
Profit for the period continuing operations	-106	-35	-39	-7	-97
Profit for the period discontinued operations	1,288	97	946	33	213
Profit for the period	1,182	62	907	26	116
Profit attributable to					
Owners of the Parent Company					
continuing operations	-106	-35	-39	-7	-97
discontinued operations	1,258	95	924	31	209
Non-controlling interests					
continuing operations	-	-	-	-	-
discontinued operations	30	2	22	2	4
Earnings per share before and after dilution, EUR					
continuing operations	-0.03	-0.01	-0.01	0.00	-0.03
discontinued operations	0.37	0.03	0.27	0.01	0.06

consolidated statement of comprehensive income, IFRS

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Profit for the period	1,182	62	907	26	116
Items that may be reclassified to profit or loss					
Translation differences	219	-276	33	-137	-218
Hedge of net investments	-81	101	-13	44	50
Revaluation reserve*	8	1	5	-	1
Tax on items that may be reclassified	-14	6	-6	5	24
Other comprehensive income for the period	132	-168	19	-88	-143
Total comprehensive income for the period	1,314	-106	926	-62	-27
Total comprehensive income attributable to					
owners of the Parent Company	1,283	-108	904	-64	-31
non-controlling interests	31	2	22	2	4

*) the revaluation reserve consists of owner-occupied properties

condensed consolidated statement of financial position, IFRS

EUR million	2021 Sep 30	2020 Sep 30 ¹	2020 Dec 31 ¹
Assets			
Intangible assets	26	24	23
Investment properties	5,523	11,827	12,021
Owner-occupied properties	32	109	100
Right-of-use-assets ²	5	15	14
Tangible fixed assets	4	5	5
Derivatives	7	1	4
Deferred tax assets	1	4	4
Financial assets	4	4	5
Total non-current assets	5,602	11,989	12,176
Receivables and other assets	60	111	109
Derivatives	1	18	10
Cash and cash equivalents	12	13	250
Assets held for sale	8,741	15	18
Total current assets	8,814	157	387
Total assets	14,416	12,146	12,563
Equity attributable to the Parent Company's shareholders	6,433	5,215	5,292
Non-controlling interests	113	82	82
Total equity	6,546	5,297	5,374
Unsecured loans	4,057	3,178	3,533
Secured loans	127	1,332	1,277
Hybrid bonds	999	999	999
Lease liabilities	5	12	12
Derivatives	43	82	75
Deferred tax liabilities	4	940	869
Provisions	1	-	1
Other liabilities	13	17	16
Total non-current liabilities	5,249	6,560	6,782
Unsecured loans	10	14	153
Secured loans	61	110	80
Lease liabilities	1	2	2
Derivatives	19	4	21
Provisions	5	14	8
Other liabilities	92	144	140
Liabilities held for sale	2,433	1	3
Total current liabilities	2,621	289	407
Total equity and liabilities	14,416	12,146	12,563

1) includes assets and liabilities related to discontinued operations

2) EUR 4 million (9) for leased offices and EUR 1 million (6) for site leasehold agreements

consolidated statement of changes in equity, IFRS

Attributable to the Parent Company's
shareholders

EUR million	Share capital	Share premium	Currency trans- lation reserve*	Retained earnings	Total	Non- con- trolling interests	Total equity
Balance at Dec 31, 2019	199	1,102	-155	4,295	5,441	85	5,526
Total comprehensive income for the period	-	-	-168	60	-108	2	-106
Dividend	-	-	-	-118	-118	-	-118
Divestment of minority	-	-	-	-	-	-5	-5
Balance at Sep 30, 2020	199	1,102	-323	4,237	5,215	82	5,297
Total comprehensive income for the period	-	-	25	52	77	2	79
Other transactions with minority	-	-	-	-	-	-2	-2
Balance at Dec 31, 2020	199	1,102	-298	4,289	5,292	82	5,374
Profit for the period	-	-	-	1,152	1,152	30	1,182
Other comprehensive income	-	-	126	5	131	1	132
Total comprehensive income for the period	-	-	126	1,157	1,283	31	1,314
Dividend	-	-	-	-142	-142	-	-142
Balance at Sep 30, 2021	199	1,102	-172	5,304	6,433	113	6,546

*) currency translation reserve is mainly related to discontinued operation and will be recycled at the time of the handover

consolidated statement of cash flows, IFRS

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Net operating income	208	198	72	68	259
Central administrative expenses	-23	-28	-7	-9	-37
Restructuring expenses	-	-14	-	-14	-14
Interest paid	-82	-83	-23	-31	-114
Income tax paid	-3	-3	-2	-1	-6
Cash flow before changes in working capital	100	70	40	13	88
Change in current assets	-5	-1	7	3	14
Change in current liabilities	-11	19	-	12	10
Cash flow from operating activities	84	88	47	28	112
Investments in intangible assets	-6	-8	-2	-2	-11
Investments in properties	-239	-283	-79	-81	-381
Acquisition of properties ¹	-199	-81	-28	-38	-169
Acquisition of other assets	-1	-19	-	-1	-36
Sale of properties ²	33	49	7	5	84
Sale of other assets ³	19	7	1	-	10
Cash flow from investing activities	-393	-335	-101	-117	-503
Transaction with minority	-	-5	-	-	-5
Loans raised	1,294	1,768	18	685	2,320
Repayment of loans	-998	-1,430	-159	-617	-1,586
Settlement of derivatives	-78	18	-3	9	9
Amortization leasing	-2	-3	-1	-1	-3
Dividend A-shares	-120	-96	-	-	-96
Dividend D-shares	-17	-11	-6	-5	-17
Cash flow from financing activities	79	241	-151	71	622
Cash flow for the period	-230	-6	-205	-18	231
Cash and cash equivalents at the beginning of the period	250	19	225	31	19
Translation differences in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the period	20	13	20	13	250

Jan-Sep 2021

1) EUR -209 million for acquisition of properties and EUR 10 million for acquisition of other net assets

2) EUR 37 million related to sales in Germany, EUR -3 million for payments not yet received for condominium sales, and EUR -1 million related to transaction costs

3) EUR 14 million for the sale of bonds and EUR 5 million for the sale of condominiums in Sweden

discontinued operations, IFRS

On June 23, 2021, Akelius announced in a press release that the Board discussed the divestment of fully developed properties in Stockholm, Malmö, Copenhagen, Hamburg, and Berlin.

On September 26, 2021 Akelius signed the agreement for the sale of 28,776 apartments with a planned closing in 2021.

1,093 of the apartments are in Copenhagen, 4,107 in Malmö and 5,934 in Stockholm, 14,050 are in Berlin and 3,592 in Hamburg.

Akelius sells companies containing all its real estate assets.

Local staff follow the properties.

Thus, Akelius' operations in Stockholm, Malmö, Copenhagen, Hamburg and Berlin meets the requirements for reporting as discontinued operations.

As per September 30, 2021, assets and liabilities are classified as held for sale for the above cities.

income statement

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Rental income	223	212	73	72	281
Operating expenses	-74	-71	-23	-21	-95
Maintenance	-13	-13	-4	-4	-18
Net operating income	136	128	46	47	168
Central administrative expenses	-13	-18	-4	-5	-23
Other income and expenses	1	-	-	-	-1
EBITDA	124	110	42	42	144
Depreciation and other expenses	-2	-6	-1	-6	-6
Realized and unrealized revaluation of investment properties*	1,545	25	1,179	7	53
Operating profit	1,667	129	1,220	43	191
Net financial items	-10	-14	-3	-5	-18
Profit before tax	1,657	115	1,217	38	173
Tax	-369	-18	-271	-5	40
Profit for the period	1,288	97	946	33	213

*) net income from the revaluation and disposal include change in fair value of properties of EUR 1,554 million (29), minus transaction cost of EUR 1 million (3), and minus revaluation reserve for owner-occupied properties of EUR 8 million (1)

discontinued operations, IFRS

assets and liabilities held for sale

EUR million	2021 Sep 30
Investment properties	8,645
Owner-occupied properties	46
Deferred tax assets	3
Other non-current assets	10
Current assets	28
Cash and cash equivalents	8
Total assets	8,740
Long-term loans	1,104
Deferred tax liabilities	1,246
Other long-term liabilities	13
Short-term loans	9
Other current liabilities	61
Total liabilities	2,433

cash flow

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Cash flow from operating activities	100	112	39	32	142
Cash flow from investing activities	-84	-73	-50	-25	-78
Cash flow from financing activities	-20	-71	-	-15	-95
Net cash flow for the period	-4	-32	-11	-8	-31

key figures

	2021 Sep 30	2020 Dec 31	2019 Dec 31	2018 Dec 31	2017 Dec 31
Equity					
Equity, EUR million	6,546	5,374	5,526	5,370	4,901
Equity ratio, percent	45	43	45	43	46
Equity and hybrid capital ratio, percent	52	51	50	47	46
Return on equity, percent	24	-	8	9	19
Net asset value, EUR million	7,846	6,324	6,533	6,284	5,840
Net operating income					
Rental income, EUR million	377	471	496	482	469
Growth in rental income, percent	6.1	-5.0	2.7	2.8	-0.6
Like-for-like growth in rental income, percent	1.3	3.6	5.7	3.2	5.1
Net operating income, EUR million	208	259	260	260	252
Growth in net operating income, percent	4.7	-0.5	-1.3	3.3	4.4
Like-for-like growth in net operating income, percent	-0.9	8.4	2.9	5.1	10.7
Net operating income margin, percent	55.1	54.9	52.4	53.9	53.6
Adjusted net operating income margin, percent*	68.8	68.2	65.2	69.7	61.4
Financing					
Loan-to-value ratio, secured loans, percent	9	9	14	19	18
Loan-to-value ratio, percent	37	39	40	44	44
Unencumbered asset ratio	1.92	1.89	1.87	1.74	1.63
Interest coverage ratio 12 months	2.9	3.3	7.8	2.8	4.7
Interest coverage ratio excluding realized value growth 12 months	2.6	2.5	2.0	1.8	1.9
Average interest rate, percent	1.72	1.95	2.25	2.64	2.58
Fixed interest term, years	5.3	5.0	4.5	4.5	5.3
Debt maturities, years	5.8	5.7	5.4	5.7	5.6
Properties					
Number of apartments	45,118	44,443	44,226	50,407	47,177
Rentable area, thousand sqm	3,049	2,986	2,968	3,422	3,228
Rent potential, percent	47	24	55	56	50
Real vacancy rate, residential, percent	0.8	1.7	1.1	1.4	0.9
Vacancy rate, residential, percent	5.9	7.5	8.6	9.6	6.6
Turnover of tenants, percent	18	16	15	15	14
Fair value, EUR per sqm	4,673	4,066	4,031	3,617	3,292
In-place rent, all unit types, EUR million	534	473	485	516	484
Capitalization rate, percent	3.17	3.28	3.67	3.67	3.60
Like-for-like change in capitalization rate, percentage points	-0.14	-0.38	0.00	0.02	-0.22
Opening balance fair value, EUR million	12,139	11,964	12,379	10,624	9,171
Change in fair value, EUR million	1,468	34	423	553	886
Investments, EUR million	239	381	468	349	288
Purchases, EUR million	209	172	181	1,286	1,297
Sales, EUR million	-37	-185	-1,616	-300	-737
Exchange differences, EUR million	229	-227	129	-133	-281
Closing balance fair value, EUR million	14,247	12,139	11,964	12,379	10,624

*) adjustment for revenue from operating expenses invoiced to the tenants in Germany, France, Canada, United States and Sweden amounted to EUR 75 million (69) for Jan–Sep 2021

condensed income statement for the Parent Company

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Central administrative expenses	-8	-5	-3	-1	-9
Restructuring expenses	-	-1	-	-1	-1
Operating profit	-8	-6	-3	-2	-10
Profit from shares in subsidiaries	36	-	36	-	34
Financial income	160	133	54	39	171
Financial expenses	-106	-155	-31	-85	-244
Change in the fair value of derivatives	9	-12	-7	35	-39
Profit before appropriations	91	-40	49	-13	-88
Appropriations	-	-	-	-	29
Profit before tax	91	-40	49	-13	-59
Tax*	-12	6	-5	7	22
Profit for the period	79	-34	44	-6	-37

*) The Parent Company recognizes tax losses amounted to EUR 53 million at the end of third quarter, EUR 12 million tax losses used during the year.

The Parent Company has no items in other comprehensive income.

condensed balance sheet for the Parent Company

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Shares in Group companies	2,633	2,632	2,665
Receivables from Group companies	4,836	4,196	4,369
Other receivables	4	6	5
Derivatives	7	1	4
Deferred income tax assets	53	50	66
Total non-current assets	7,533	6,885	7,109
Receivables from Group companies	28	47	57
Derivatives	1	18	10
Prepaid expenses and accrued income from Group companies	49	71	-
Other assets	27	48	53
Cash and cash equivalents	4	-	211
Total current assets	109	184	331
Total assets	7,642	7,069	7,440
Restricted equity	202	202	202
Non-restricted equity	918	979	981
Total equity	1,120	1,181	1,183
Interest-bearing liabilities	2,966	3,751	3,533
Interest-bearing liabilities from Group companies	3,068	1,426	1,970
Derivatives	43	74	70
Total non-current liabilities	6,077	5,251	5,573
Interest-bearing liabilities	12	10	148
Interest-bearing liabilities from Group companies	349	559	460
Derivatives	19	3	21
Other current liabilities	52	64	53
Other current liabilities from Group companies	13	1	2
Total current liabilities	445	637	684
Total equity and liabilities	7,642	7,069	7,440

alternative performance measures

Calculation of alternative key figures using guidelines published by the European Securities and Markets Authority.

Alternative performance measures are based on segment information, including both continuing and discontinued operations.

result, segment information

EUR million	2021 Jan-Sep 9 months	2020 Jan-Sep 9 months	2021 Jul-Sep 3 months	2020 Jul-Sep 3 months	2020 Jan-Dec 12 months
Rental income	377	356	127	118	471
Operating expenses	-145	-137	-48	-43	-184
Maintenance	-24	-21	-7	-7	-28
Net operating income	208	198	72	68	259
Central administrative expenses	-23	-28	-7	-9	-37
Other income and expenses	1	-	-	-	-1
EBITDA	186	170	65	59	221
Depreciation and operational foreign exchange differences	-7	-9	-3	-5	-10
Realized revaluation of investment properties*	5	-	4	-	6
Unrealized revaluation of investment properties*	1,454	65	1,140	13	24
Restructuring expenses	-	-14	-	-14	-14
Operating profit	1,638	212	1,206	53	227
Interest income	1	-	-	-	1
Interest expenses	-68	-69	-21	-23	-88
Interest expenses hybrid bonds	-23	-21	-8	-8	-29
Other financial income and expenses	-12	-4	-1	-	-4
Change in fair value of derivatives	18	-39	3	4	-35
Profit before tax	1,554	79	1,179	26	72
Current tax	-9	-8	-6	-2	-13
Deferred tax	-363	-9	-266	2	57
Profit for the period	1,182	62	907	26	116

*) net income from the revaluation and disposal include change in fair value of properties of EUR 1,468 million (69), minus transaction cost of EUR 1 million (3), minus revaluation reserve for owner-occupied properties of EUR 8 million (1)

alternative performance measures

net asset value and loan-to-value ratio

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Equity	6,546	5,297	5,374
Deferred tax	1,246	937	868
Derivatives	54	67	82
Net asset value	7,846	6,301	6,324
Total interest-bearing liabilities	6,367	5,633	6,042
Hybrid bonds	-999	-999	-999
Cash and cash equivalents	-20	-13	-250
Pledged cash assets	-1	-	-1
Net debt	5,347	4,621	4,792
Total assets	14,416	12,146	12,563
Cash and cash equivalents	-20	-13	-250
Pledged cash assets	-1	-	-1
Net asset	14,395	12,133	12,312
Loan-to-value ratio, percent	37	38	39
Net debt	5,347	4,621	4,792
Less senior unsecured debt	-4,067	-3,192	-3,686
Secured debt minus pledged cash, cash and cash equivalents	1,280	1,429	1,106
Net asset	14,395	12,133	12,312
Loan-to-value ratio, secured loan, percent	9	12	9

average interest rate

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Interest-bearing liabilities excluding hybrid bonds	5,368	4,634	5,043
Interest cost based on interest at Sep 30	92	91	98
Average interest rate	1.72	1.97	1.95

alternative performance measures

unencumbered asset ratio

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Intangible assets	26	24	23
Unencumbered properties	7,585	6,200	6,324
Right-of-use-assets	12	15	14
Tangible fixed assets	5	5	5
Deferred tax assets	4	4	4
Financial assets	6	4	5
Receivables and other assets	88	111	109
Derivatives	8	19	14
Unencumbered assets	7,734	6,382	6,498
Unsecured loans	4,067	3,192	3,686
Subordinated debt	-13	-22	-6
Cash and cash equivalents	-20	-13	-250
Net unsecured senior debt	4,034	3,157	3,430
Unencumbered asset ratio	1.92	2.02	1.89
Unutilized part of credit facilities	0.47	0.42	0.46
Adjusted unencumbered asset ratio	2.39	2.44	2.35

equity

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Comprehensive income for the year	1,313	-106	-27
Opening balance equity	5,374	5,526	5,526
Return on equity	24	-2	-
Equity	6,546	5,297	5,374
Hybrid bonds	999	999	999
Equity and hybrid bonds	7,545	6,296	6,373
Total asset	14,416	12,146	12,563
Equity ratio, percent	45	44	43
Equity and hybrid capital ratio, percent	52	52	51

liquidity

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Cash and cash equivalents	20	13	250
Unutilized credit facilities	832	693	844
Liquid financial assets	9	11	23
Liquidity	861	717	1,117

alternative performance measures

rental income and net operating income growth for like-for-like properties

EUR million	2021 Jan-Sep	2020 Jan-Sep	Growth percent
Rental income	377	356	6.1
Purchases and sales	-16	-6	
Service revenue	-27	-26	
Berlin rent regulation correction	-4	1	
Exchange differences	-	1	
Like-for-like rental income	330	326	1.3
Net operating income	208	198	4.7
Purchases and sales	-9	-3	
Berlin rent regulation correction	-4	1	
Exchange differences	-	1	
Like-for-like net operating income	195	197	-0.9

adjusted net operating income

EUR million	2021 Jan-Sep	Adjustment for other services	Adjusted 2021 Jan-Sep
Rental income	377	-75	302
Operating expenses	-145	75	-70
Maintenance	-24		-24
Net operating income	208	-	208
Net operating income margin, percent	55.1		68.8

realized value growth

EUR million	2021 Sep 30	2020 Sep 30	2020 Dec 31
Proceeds from the sale of properties	37	147	185
Costs of sale	-1	-3	-4
Acquisition costs	-9	-64	-93
Accumulated investments	-5	-18	-23
Realized value growth	22	62	65

alternative performance measures

development of EBITDA

EUR million	Sep 2020– Sep 2021
EBITDA, 30 Sep 2020	170
Like-for-like rental income	4
Like-for-like operating expenses and maintenance	-6
Like-for-like net operating income	-2
Purchase and sales rental income	10
Purchase and sales operating expenses and maintenance	-4
Purchase and sales net operating income	6
Berlin rent regulation correction	4
Service revenue	1
Exchange differences	1
Central administrative expenses	5
Other income and expenses	1
EBITDA , 30 Sep 2021	186

other information

basis of presentation

The Akelius Residential Property Group's interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act.

The financial statements of the Parent Company, Akelius Residential Property AB, corporate identity number 556156-0383, have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities.

Disclosures in accordance with IAS 34 Interim Financial Reporting are submitted both in the notes and in other sections of the interim report.

The figures in this interim report have been rounded, while the calculations have been made without rounding.

As a result, certain tables and key figures may appear not to add up correctly.

accounting principles

Accounting principles can be found in Akelius annual report 2020.

Provisions under IAS 37 Provisions, Contingent Liabilities and Contingent assets are recognized:

- when the Group has a present legal or constructive obligation because of past events
- it is probable that an outflow of resources will be required to settle the obligation
- and the amount can be estimated reliably.

The amount expected to be required to settle the obligation is recognized as provision.

Provision are reviewed at each balance sheet date and adjusted so that it reflects the current best estimate.

If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision shall be reversed.

The Group has changed the presentation of the Group's consolidated statement of cash flow from 2021.

Transactions related to acquisition of properties and sale of properties are presented on one row each instead of on several rows in the cash flow related to investing activities.

The presentation of the Group's consolidated statement of financial position has changed from 2021.

Loans are presented on two rows, unsecured and secured loans.

When changed presentation of the Group's consolidated statements, historical periods have been adjusted.

According to IFRS 5 Non-current assets held for sale and discontinued operations, assets must be classified as held for sale if their value will be recovered through a disposal rather than through the continuing use.

In order to be assessed as probable, arrangements to carry out the sale must have begun and is expected to be implemented within one year.

At the time of the reclassification, assets and liabilities are measured at the lower of fair value less costs to sale and the carrying amount.

Properties held for sale are initially recognized at the contractually selling price, and subsequently measured at fair value less costs to sell, consisting of transaction costs and remaining investment costs.

Akelius has met the requirements for classifying operations in Stockholm, Malmö, Copenhagen, Hamburg, and Berlin as discontinued operations.

In the report, Group's financial position shows discontinued operations as assets and liabilities held for sale.

Discontinued operations are excluded from the result of continuing operations and are presented with a single amount as profit after tax from discontinued operations.

The income statement is adjusted for historical periods.

Akelius believes that the best model to describe Akelius' business is segment information.

It is also how the CEO follows up the operations.

The difference between segment information and reporting according to IFRS is discontinued operations.

Segment information includes continuing and discontinued operations.

other information

new and amended IFRS standards adopted by the EU applied as at January 1, 2021

New and amended IFRS standards that came into effect after January 1, 2021 have not had any material impact on the Group's financial reports.

Interest Rate Benchmark Reform, amendments to IFRS 7, IFRS 9 and IAS 39

Amendments are effective for annual reporting periods beginning on or after 1 January 2021.

The amendments address the accounting issues that arise when financial instruments that reference an IBOR interest rate transition to an alternative benchmark rate.

Akelius has reviewed effects on

- hedge accounting
- financial instrument including the reference to IBOR

The new reform has not had any impact on the Group's financial position, results, or cash flows.

risks and uncertainties

The Group is impacted by various types of risks.

Operational risks are limited by concentrating the property portfolio to residential properties in metropolitan areas.

Strong residential rental markets in Sweden, Germany, Canada, England, France, the United States and Denmark reduce the risk of long-term vacancies.

To reduce risk or variations in cash flow further, interest rates are secured on a long-term basis.

Access to capital from many banks and through the capital market mitigates the refinancing risk.

Overseas investments are hedged to reduce the impact of currency movements related to the Group's equity ratio.

The Group is also impacted by external risks, for example new rent regulations and pandemics.

These risk areas can impact the business negatively both in the long and short term.

There have been no material changes in the company's assessment of risks since the publication of the annual report 2020.

Ralf Spann
CEO, Managing Director

Stockholm, October 25, 2021.
Akelius Residential Property AB (publ)

The interim report has not been reviewed by the company's auditors.

definitions

adjusted EBITDA

EBITDA plus other financial income and expenses.

It is used to show results excluding interest expenses and changes in the value of assets and liabilities.

adjusted net operating income margin

Net operating income margin excluding income from operating expenses included in the rent invoiced to the tenants, such as utility and property taxes.

It highlights the ongoing earning capacity from property management related to rental services only.

adjusted unencumbered asset ratio

Adjusted unencumbered asset ratio, includes properties pledged under unutilized credit facilities.

annual property return

Net operating income plus unrealized and realized changes in the value of properties on an annual basis in relation to the fair value of the properties at the beginning of the year. It illustrates the total return on the *property portfolio*.

average interest rate

Average interest rate on the total interest-bearing liabilities, excluding hybrid bonds, at period end. This key figure shows financial risk.

capitalization rate

The rate of return used in assessing the terminal value of property in the fair value assessment.

cash sources

Cash sources include *liquidity*, contracted sales and profit before tax and revaluation.

cash uses

Cash uses include investments, contracted purchases and short-term loans.

debt coverage capacity

Net debt in relation to *EBITDA*.

Net debt in relation to *EBITDA* including realized change in value.

It shows how many years it takes for the company to pay off its debts with current earnings.

debt maturities, years

Volume-weighted remaining term of interest-bearing loans and derivatives on the balance sheet date.

It illustrates the company's refinancing risk.

discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a geographical area.

discount rate

Rate of return used in assessing the present value of future cash flow and terminal value in the fair value assessment of properties.

earnings capacity

The earnings capacity is based on the *property portfolio* at the balance sheet date and the portfolio's gross rent, *real vacancy*, estimated operating expenses and maintenance costs during a normal year, as well as central administrative expenses.

Interest expenses are based on net debt on the balance sheet date calculated at the currency rate on the balance sheet date.

No tax has been calculated as it relates mainly to deferred tax that does not affect the cash flow.

The earnings capacity is not a forecast for the coming twelve months.

It contains no estimates of rent, *vacancy*, currency exchange, future property purchases and sales or interest rate changes.

definitions

EBITDA

Net operating income plus central administrative expenses, and other income and expenses, Facilitates the analysis of current operating profit.

equity ratio

Equity in relation to total assets, It highlights the company's financial stability.

income return

Net operating income on an annual basis in relation to the fair value of the properties at the beginning of the year. It measures the yield on the *property portfolio*.

in-place rent

Contracted rent excluding rental discounts and temporary charges.

interest coverage ratio

Adjusted EBITDA plus *realized value growth* for the latest rolling 12-month period in relation to *net interest expenses* for the latest rolling 12-month period. It illustrates the company's sensitivity to interest rate changes.

interest rate hedge

Volume-weighted remaining term of interest rates on interest-bearing loans and derivatives on the balance sheet date. It illustrates the company's sensitivity to interest rate changes.

liquid financial assets

Holdings in listed debt securities and equity securities with an investment grade rating. Included in the calculation of *liquidity*.

liquidity

The liquidity reserve consists of cash and cash equivalents, unutilized credit facilities and *liquid financial assets* that can be liquidized within three working days.

like-for-like properties

Properties owned during the compared periods.

This means that properties that were acquired or sold during any of the compared periods are excluded.

It facilitates the analysis and the comparison between different periods when properties that do not figure in all the periods are excluded.

loan-to-value ratio

Net debt divided by *net assets*. This key figure shows financial risk.

loan-to-value ratio. secured loans

Net debt reduced by unsecured interest-bearing debt divided by *net assets*. This key figure shows financial risk.

net asset

Total assets minus pledged cash. cash and cash equivalents.

It is used to illustrate the company's net assets.

net asset value

Equity, deferred tax, and derivatives, It is used to highlight the company's long-term capital that is not interest-bearing.

net debt

Interest-bearing liabilities excluding leasing less subordinated debt, cash and cash equivalents, and pledge cash assets.

It is used to facilitate analysis of the company's real indebtedness.

net financial items

The net of interest income, interest expenses, other financial income and expenses and changes in the fair value of derivatives. Summarizes financial income and expenses and is used to explain the financial items' contribution to profit or loss.

definitions

net interest expenses

Total interest expenses less interest on subordinated debt, one-off financing charges and interest on cash, cash equivalents and *liquid financial assets*.
It is used to facilitate analysis of the company's interest results.

net letting

The sum of agreed contracted annual rents for new lettings for the period less terminated annual rents,
Demonstrates the effect of the vacancy development illustrated in annual rent.

net operating income

Rental income less property costs.
It highlights the ongoing earning capacity from property management.

net operating income margin

Net operating income in relation to rental income.
It highlights the ongoing earning capacity from property management.

other income and expenses

Items from secondary activities such as gains on disposals of fixed assets other than investment properties,
income and expenses from temporary services rendered after the sale of properties.
It summarizes income and expenses from business operations ancillary to the main business operations.

property costs

This item includes direct property costs, such as operating expenses, utility expenses, maintenance costs and property taxes.

property portfolio

Investment properties, owner-occupied properties, and investment properties classified as assets held for sale.

realized value growth

Proceeds from the sale of investment properties minus acquisition costs, accumulated investments and costs of sale.
This item demonstrates the actual result of sales measured from the acquisition to sale.

real vacancy rate

The total number of vacant apartments less the number of apartments vacant due to renovation work or planned sales, in relation to the total number of apartments.
Real vacancy is measured on the first day after the period end.
This rate facilitates the analysis of long-term vacancy for the company.

renewed and renegotiated rental contracts

All changes in rental levels for remaining tenants.
This item highlights changes in contracts with existing customers.

rental income

Rental value less vacancies and rent discounts.

rent potential

The new lease level per area of the last 12 months divided by the rent per area per the last day of the period for all occupied apartments.

rental value

12 months' rent for apartments, including a market rent for vacant apartments.

return on equity

Comprehensive income divided by opening balance equity.
It shows the return offered on the owners' invested capital.

definitions

sales and ended units

Sales or split of an apartment where one apartment object is ended and two new ones are created.

unencumbered asset ratio

Unencumbered assets divided by unsecured loans minus subordinated debt, cash and cash equivalents.

It is used to assess unencumbered assets in relation to unsecured senior interest-bearing debt.

vacancy rate

The number of vacant apartments in relation to the total number of apartments.

The vacancy rate is measured on the first day after the period end.

value growth

Changes in the value of investments properties excluding investment and change in currencies.

It demonstrates the changes in value of properties cleared for currency effects and capital spent.

walk score

Rating from 0 to 100 for how easy it is to carry out daily errands without a car, where 100 is the best.

Walk score is provided by Walkscore.com and is disclosed to rate the location of the properties.

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Akelius in brief

apartments for metropolitans

All apartments are in metropolitan cities, such as Berlin, Hamburg, Paris, London, Toronto, Montreal, New York, Boston, Washington D.C., Stockholm, and Copenhagen.

better living

Akelius helps families and individuals by providing a *better living*.

acquire via cherry-picking

Akelius prefers to make many smaller acquisitions of properties that are exactly right, by cherry-picking, rather than making a few large acquisitions of properties that are not quite right.

strong capital structure, low refinancing risk

Akelius has agreements with 26 banks, listed senior unsecured bonds and listed common shares of class D.

Akelius is one of Europe's largest listed residential companies and has thirteen thousand shareholders.

first-class personnel

More than three hundred employees have graduated from the Residential Real Estate Management program at Akelius Business School.

financial calendar

year-end report 2021	February 7, 2022
annual report 2021	March 11, 2022
interim report Jan–Mar 2022	April 25, 2022