

# Year-end report

## January–December 2021

### Events during the period

- Rental income was MSEK 3,062 (3,032), up 1 percent on 2020. Rental income for the like-for-like portfolio rose MSEK 71 or 2.4 percent.
- Net operating income rose MSEK 8 or 0.5 percent to MSEK 1,768 (1,760). Costs for urgent repairs and maintenance fell during the year.
- Income from property management increased by MSEK 247 or 19.3 percent to MSEK 1,526 (1,279). The improvement can mainly be attributed to an increase in the value of properties in joint ventures.

- The change in value for investment properties was MSEK 5,509 (1,825), primarily driven by decreasing property yield requirements.
- Profit before tax for the year increased by MSEK 4,340 or 244 percent to MSEK 7,347 (3,007). Profit after tax increased by MSEK 3,450 or 239 percent to MSEK 5,931 (2,481).
- Property acquisitions during the year amounted to MSEK 532 (285) and divestments to MSEK 862 (1,259). The largest acquisition in 2021 was a combined residential property and property for public use in Norrköping.

The largest divestment concerned 25 properties in Västerås and Helsingborg, mainly homes for people with disabilities and apartments. Other properties divested included a property for public use in Kalmar.

- Property investments for the year totaled MSEK 1,851 (1,592).

### Significant events after the end of the period

- Acquisition of a project in the Västerbro district in Lund, a new establishment for Rikshem. New production of a first stage of about 210 apartments is expected to start in 2022.

### Rental income

# MSEK 3,062

### Net operating income

# MSEK 1,768

### Profit after tax

# MSEK 5,931

### Rikshem in summary

	Jan–Dec 2021	Jan–Dec 2020	Oct–Dec 2021	Oct–Dec 2020
Rental income, MSEK	3,062	3,032	786	756
Net operating income, MSEK	1,768	1,760	409	414
Income from property management, MSEK	1,526	1,279	356	337
Profit, MSEK	5,931	2,481	3,074	885
Market value of properties, MSEK	58,780	51,750	58,780	51,750
Number of apartments	28,514	28,730	28,514	28,730
Lettable area, 1,000 sqm	2,216	2,232	2,216	2,232
Economic occupancy rate, %	95.8	96.4	95.8	96.4
Average lease term, years*	8.3	8.8	8.3	8.8
Loan-to-value ratio, %	46	51	46	51
Interest-coverage ratio, multiple	3.6	3.7	3.6	3.7
Equity, MSEK	28,855	22,921	28,855	22,921
Total return incl. joint ventures, %	13.9	7.0	13.9	7.0
Return on equity, %	22.9	11.4	22.9	11.4

\* Pertains to properties for public use.  
See page 21 for definitions of key figures

# Strong result following positive change in value



Anette Frumerie, CEO

“ I’m proud of how Rikshem’s employees have really gone the extra mile during the pandemic, found solutions, and embraced new ways of working to make things easier for our customers, at a time when customer-facing work has been challenging.

For Rikshem, 2021 was shaped by construction starting on a large number of projects, increased customer focus in the rental process, and a solutions-oriented approach to property management in the face of changing coronavirus restrictions. The financials are heading in the right direction and rental income is increasing, despite property sales and low annual rent increases. Net operating income is also increasing. Income from property management rose just over 19 percent to MSEK 1,526 (1,279), mainly as a result of the increase in value in our joint ventures. The change in value is strong at MSEK 5,509 (1,825), with profit before tax at MSEK 7,346 (3,007). The total return for the year was 13.9 percent.

## Ambitious rental efforts

There is good demand for our apartments with many applicants. The market vacancy rate for rental apartments, primarily related to Norrköping and the large number of new builds there, is 1.5 percent. This comes in the wake of highly successful rental efforts, including for our new builds, which added substantial new volume during the year. The economic occupancy rate was further improved for properties for public use.

## Increased green financing

The equity/assets ratio has strengthened and the loan-to-value ratio has decreased. We have reduced the refinancing risk and interest expense going forward by doing a partial buy-back of an outstanding bond. Green financing now represents 23 percent of interest-bearing liabilities, more than double what it was at year-end 2020.

## SEK 62 billion portfolio

The statement of financial position has been significantly strengthened by the portfolio's

increase in value and, including our joint ventures, the property value has now passed SEK 60 billion. The yield requirement has continued to fall. This points to a continuing high level of interest in residential properties and properties for public use, which are strong segments from a risk perspective, and shows that investors see a good risk-adjusted return here. At Rikshem, we take a long-term approach to ownership, property management, and development. We operate in attractive property segments and we do it well – we continue to deliver new construction projects at the same time as looking after our existing portfolio and upgrading it in line with modern standards.

## Building from Luleå to Malmö

We started construction of around 700 apartments in 2021, a substantial increase on the previous year. Fall saw projects starting up in both Luleå and Malmö. Building residential properties – from the initial preliminary discussions via cutting the first sod to when the first tenants move in – is a lengthy process. A long-term perspective and clarity concerning the parameters for property development are crucial for success, which is why it is unfortunate that the investment support scheme was withdrawn at short notice at the end of the year. Rapidly changing the terms for an industry with long time frames is not the right way to achieve sustainable and stable housing production. It's only natural that there are differing views about the best way to produce attractive housing that people want to live in, but there is a need for broad political consensus so that Sweden can build the homes the country needs.

## Positive customer journey

Higher customer satisfaction is one of our target areas. We've been on a positive

customer journey over the last few years, and our 2021 customer survey shows that we maintained the level achieved in 2020. Innovations such as a case management system and new options for customer surveys will help us continue this upward trend. Customer-facing work has been challenging during the pandemic, and I'm proud of how Rikshem's employees have gone the extra mile, found solutions, and embraced new ways of working to make things easier for our customers. Just how challenging it has been is also reflected in a slight fall in employee satisfaction in our employee survey – something we will work hard to turn around in 2022.

## Climate-neutral for the future

Rikshem's property management shall be climate-neutral by 2030, with all the company's operations following suit by 2045 at the latest. Our road map sets out how we will achieve this, and we've also joined LFM 30, a local industry-driven initiative in Malmö that aims to accelerate climate change adaptation in the building and construction sector. Taking local learnings on climate work and leveraging them throughout our portfolio will enable Rikshem to raise the level of ambition for our climate efforts above the statutory requirements. When it comes to social sustainability, we strive to provide safe and attractive neighborhoods, using everything from safety patrols to measures to tackle illegal subletting. This is a challenging goal when many people say they feel less safe, and we will continue to work proactively in 2022. With long-term owners behind us, we can take the long view and work methodically on sustainability.

Anette Frumerie, CEO

# One of Sweden's largest private property companies

Rikshem owns, develops and manages residential properties and properties for public use, sustainably and for the long term. The properties are located in selected growth areas across Sweden. Rikshem's vision is to make a difference in developing the good community.

## Market value

**SEK 62 billion**

The market value of the properties totals MSEK 62,112 (including Rikshem's share of the property value in joint ventures).

## Residential

**29,000**

Rikshem has approximately 29,000 apartments: a mix of rental apartments, senior accommodation, student accommodation and youth apartments.

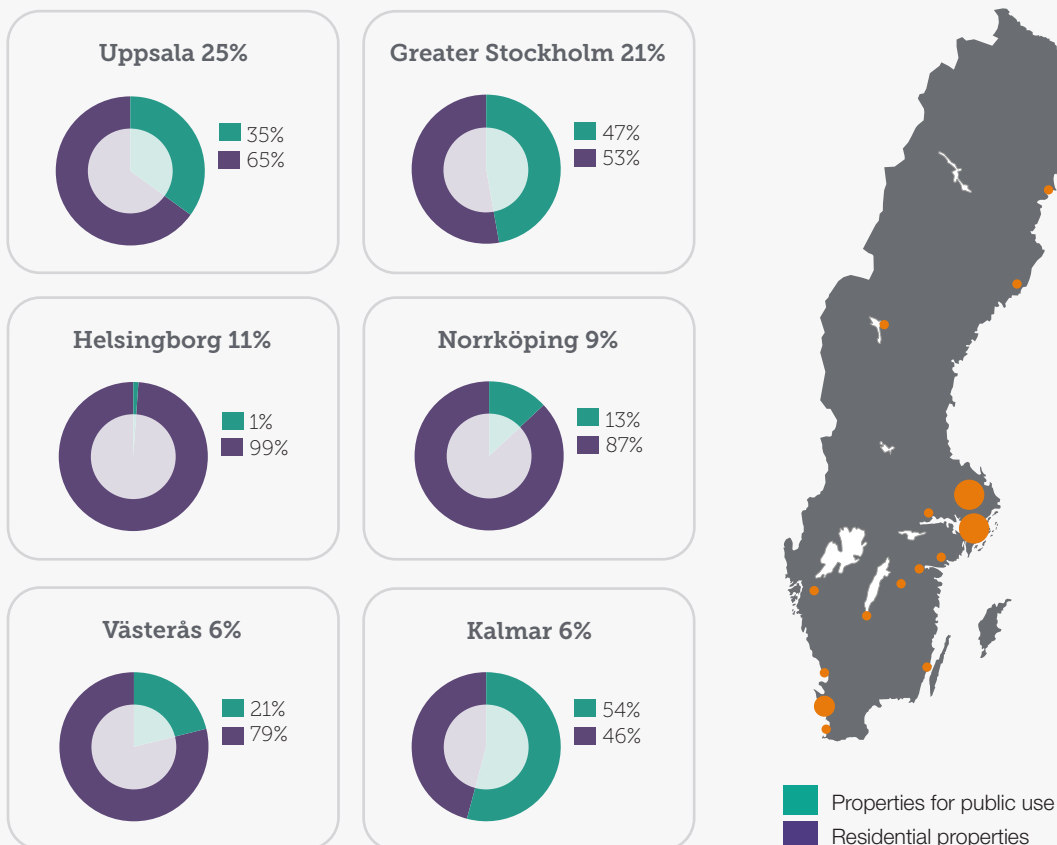
## Properties for public use

**29%**

29 percent of Rikshem's portfolio comprises properties for public use, primarily nursing homes, as well as preschools and schools.

## Our largest locations

The map shows the distribution of Rikshem's property portfolio in Sweden. For our six largest locations, it also shows the percentage share of the portfolio and the split between residential properties and properties for public use.



# Rikshem's targets

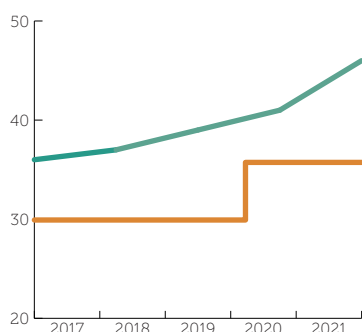
Rikshem has five long-term targets that guide the focus of our operations. The business is run according to a number of strategies intended to contribute to achieving these targets.

Target area	Good total return	Customer satisfaction	Employee satisfaction	Climate-neutral operations	Safe and attractive neighborhoods										
Long-term target	Deliver a total return of minimum 5% in real terms on the property capital in the long term.	Achieve a score of <b>62</b> (index 100) on the Customer Satisfaction Index (CSI) for housing in 2022.	Achieve a score of <b>82</b> (index 100) on the Employee Satisfaction Index (ESI) in 2022.	Reduce energy use by <b>2.5% per year</b> and CO <sub>2</sub> emissions by <b>2.0 kg/m<sup>2</sup> per year</b> .	Achieve a score of <b>85</b> for perceived safety (index 100) among tenants in 2022.										
Strategies	Dedicated property management organization • Diverse offer of housing and properties for public use for all life stages Active portfolio development • Professionalism and community engagement in combination • Long-term neighborhood development • Energy optimization and efficiency measures • Inclusive and positive employeeship														
Result	2021 <b>10.0%*</b>	2020 <b>6.7%</b>	2019 <b>5.5%</b>	2021 <b>58.7</b>	2020 <b>58.7</b>	2019 <b>56.6</b>	2021 <b>68</b>	2020 <b>71</b>	2019 <b>70</b>	2021 <b>-0,3 %</b>	2020 <b>-8.0%</b>	2019 <b>+0.7%</b>	2021 <b>76,4</b>	2020 <b>76.8</b>	2019 <b>77.2</b>

\*preliminary calculation

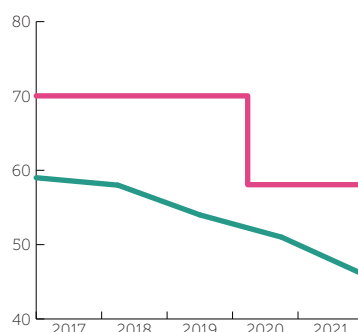
## Rikshem's key financial indicators

Equity/assets ratio (%)



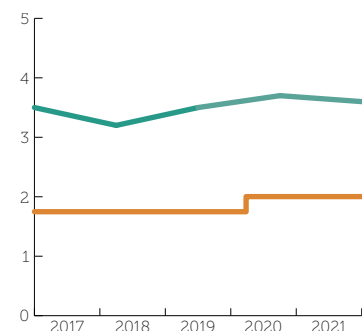
46%

Loan-to-value ratio (%)



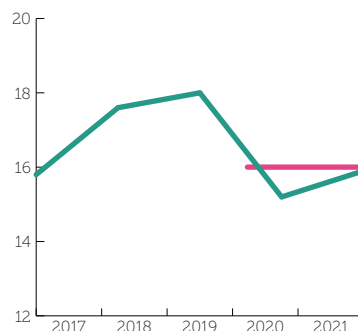
46%

Interest-coverage ratio (multiple)



3.6

Net debt/EBITDA (multiple)



15.9

# Income, costs and profit

## Net operating income

Rental income was MSEK 3,062 (3,032). The relatively small increase is explained by property sales in 2020 and 2021 and vacancies. Rental income for the like-for-like portfolio rose MSEK 71 or 2.4 percent.

**MSEK 3,062**  
(3,032)

Property expenses for the year increased by MSEK 21 or 1.7 percent to MSEK 1,294 (1,272). Expenses for the like-for-like portfolio increased by MSEK 52 or 4.3 percent. Utility-related costs – mainly for heating and electricity – increased by MSEK 28. Operating expenses also increased, while costs for repairs and maintenance were lower than in 2020 because there were fewer urgent repairs.

Overall, total net operating income increased by MSEK 8 year-on-year to MSEK 1,768 (1,760). Net operating income for the like-for-like portfolio increased by MSEK 19 or 1.1 percent compared with 2020.

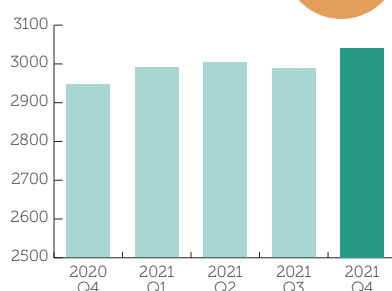
At the end of 2021, the vacancy rate for residential properties was 5.1 percent (4.0). Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.5 percent (1.4). This year-on-year increase can mainly be attributed to new-build and newly renovated apartments in Norrköping that are in the process of being rented. Measures were taken during the year to reduce vacancies, including organizational changes and the adoption of a new rental policy. The economic occupancy rate for properties for public use improved slightly during the year to 98.2 percent (97.9). The economic occupancy rate for the portfolio as a whole was 95.8 percent (96.4).

The average remaining lease term for properties for public use was 8.3 years (8.8). A high proportion of the new leases signed for 15–20 years relates to acquisitions. Leases are normally renewed for shorter periods.

Income statement MSEK	Jan–Dec 2021	Jan–Dec 2020
Rental income	3,062	3,032
Property expenses	-1,294	-1,272
<b>Net operating income</b>	<b>1,768</b>	<b>1,760</b>
Central administration	-100	-78
Net financial items	-472	-463
Earnings from joint ventures	330	60
<b>Income from property management</b>	<b>1,526</b>	<b>1,279</b>
Change in value of properties	5,509	1,825
Change in value of derivatives and foreign exchange effects on financial liabilities	311	-97
<b>Profit before tax</b>	<b>7,347</b>	<b>3,007</b>
Tax	-1,416	-526
<b>Profit for the period</b>	<b>5,931</b>	<b>2,481</b>

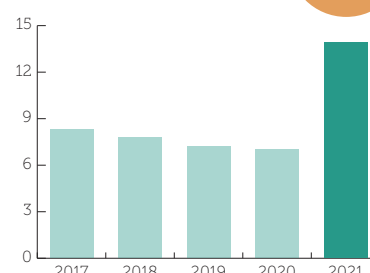
Annual rent as of the closing date (MSEK)

**MSEK 3,040**



Total return incl. joint ventures (%)

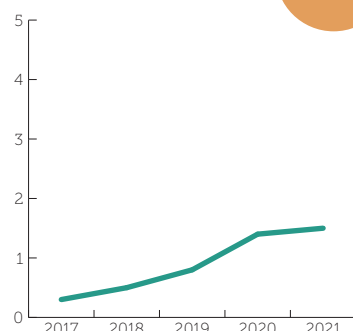
**13.9%**



The diagram shows the total return without any adjustment for inflation.

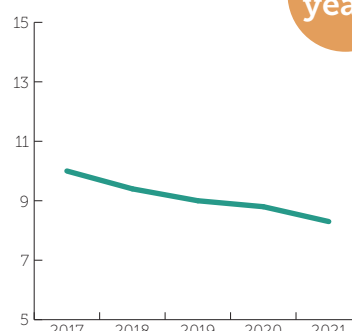
Market vacancy rate, residential properties (%)

**1.5%**



Average lease term, properties for public use (years)

**8.3 years**



For income statement items, amounts in parentheses show figures for the corresponding period of the prior year. For balance sheet items, amounts in parentheses show figures at the most recent year-end. Amounts in the interim report have been rounded to the nearest SEK 1 million, which means that figures in tables and those mentioned in the text are not always the same.



### Central administration

Costs for central administration amounted to MSEK -100 (-78). Central administration includes group-wide costs. The increase relative to 2020 can partly be explained by costs for digitalization and new appointments.

MSEK  
-100  
(-78)

### Net financial items

Net financial items totaled MSEK -472 (-463). Net financial items mainly comprise the Company's external interest expense. Net financial items has increased as a result of the bond repurchase carried out in the fourth quarter; read more on page 11. The average interest rate on interest-bearing liabilities was 1.5 percent (1.7).

MSEK  
-472  
(-463)

### Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 330 (60). This increase can mainly be attributed to higher net operating income and change in value of the properties. See the section on Joint ventures on page 10 for further information.

MSEK  
330  
(60)

### Change in value for public use

The change in value of the investment properties during the year was MSEK 5,509 (1,825), equivalent to an increase in value of 10.6 percent (3.7). The property yield requirement used in the valuation decreased by 0.35% during the year. More information on the valuation of properties can be found on page 8.

MSEK  
5,509  
(1,825)

### Change in value of financial derivative instruments

The Company's financial derivative instruments are interest rate swaps, which extend interest duration, and combined currency and interest rate swaps, which have been entered into to eliminate currency risk on interest payments and repayments of loans raised in EUR, NOK and AUD. Sweden's long-term interest rates rose during the year, positively impacting the change in value of interest rate

derivatives. The change in value during the period was MSEK 575 (-232). The change in value of foreign exchange derivatives amounted to MSEK 168 (-535). The foreign exchange effects on financial liabilities in EUR, NOK and AUD totaled MSEK -432 (670) and relate to the weakening of the Swedish krona against these currencies during the year.

### Tax

Tax reported for the year amounted to MSEK -1,416 (-526), MSEK -95 (-66) of which was current tax and MSEK -1,321 (-460) deferred tax. Deferred tax is mainly affected by the change in temporary differences between the carrying amount and tax base of investment properties and the change in value of financial items, while current tax is mostly affected by non-deductible interest and tax depreciation. The effective tax rate for the year was 19.3 percent (17.5). The variance from the Swedish corporate tax rate of 20.6 percent is mainly explained by earnings from joint ventures, which are already taxed, and non-deductible interest expense attributable to current rules limiting interest deduction. The deferred tax asset has been offset against the deferred tax liability in the statement of financial position.

MSEK  
-1,416  
(-526)

### Profit for the year

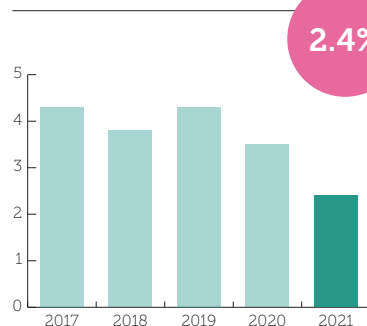
Profit for the year totaled MSEK 5,931 (2,481).

MSEK  
5,931  
(2,481)

### Effects of Covid-19

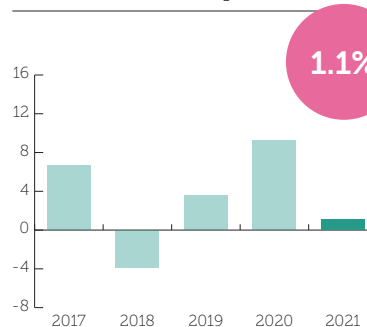
With a property portfolio mainly comprising residential properties and properties for public use, exposure to the categories of commercial tenants that have been most vulnerable during the pandemic is extremely low. Rikshem's profit has been only marginally impacted by the effects of the pandemic.

Change in rental income in the like-for-like portfolio (%)



2.4%

Change in net operating income in the like-for-like portfolio (%)



1.1%

# Property portfolio

At year-end, Rikshem's property portfolio comprised 514 properties (540) with a fair value of MSEK 58,780 (51,750). MSEK 41,024 of this pertained to residential properties, MSEK 13,903 to nursing homes, MSEK 2,977 to schools and MSEK 876 to

commercial properties. The property portfolio includes development rights valued at MSEK 666. Properties representing 46 percent of the fair value are located along the Greater Stockholm–Uppsala axis.

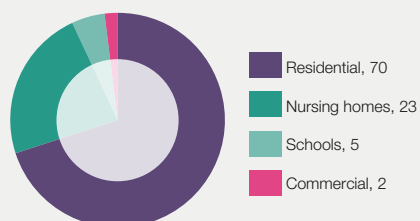
Altogether, the property portfolio comprises approximately 29,000 apartments (29,000) and a total lettable area of approximately 2,216,000 sqm (2,232,000).

## Rikshem's property portfolio, December 31, 2021

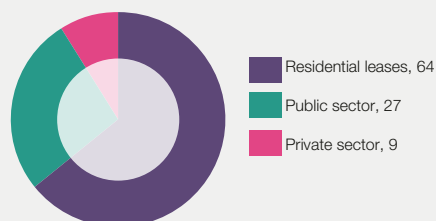
Type	Value, MSEK	Percentage share	Area, 1,000 sqm	Fair value, SEK/sqm	Annual rent, MSEK	Annual rent broken down by type of tenant, %				
						Residential leases	Public sector	Private sector	Total	
<b>Residential properties segment</b>										
- Residential	41,024	70	1,595	25,713						
- Commercial*	566	1	13	44,808						
<b>Residential</b>	<b>41,591</b>	<b>71</b>	<b>1,608</b>	<b>25,863</b>	<b>2,126</b>	<b>88</b>	<b>4</b>	<b>8</b>	<b>100</b>	
<b>Properties for public use segment</b>										
- Nursing homes	13,903	23	457	30,436						
- Schools	2,977	5	116	25,697						
- Commercial*	310	1	36	8,726						
<b>Properties for public use</b>	<b>17,190</b>	<b>29</b>	<b>608</b>	<b>28,265</b>	<b>914</b>	<b>5</b>	<b>82</b>	<b>13</b>	<b>100</b>	
<b>Total</b>	<b>58,780</b>	<b>100</b>	<b>2,216</b>	<b>26,522</b>	<b>3,040</b>	<b>64</b>	<b>27</b>	<b>9</b>	<b>100</b>	



Breakdown of fair value of investment properties (%)



Breakdown of rental income (%)



\*Commercial premises for neighborhood services or areas of use for future residential properties or properties for public use.

# Property valuation and segment reporting

Rikshem reports investment properties at fair value in accordance with IAS 40. Internal property valuations are carried out on a quarterly basis. To verify the internal valuation, the majority of the property portfolio undergoes an external valuation every year. Yield requirement and cost of capital are checked with external appraisers in the second quarter. The valuation conforms to level 3 in the IFRS 13 fair value hierarchy. Deviations between the values assessed internally and externally are well within the uncertainty range of +/- 5 percent.

The average yield requirement decreased by 0.35 percentage point relative to the value at year-end 2020 to 3.65 percent. Of this year's change in value, just over 70 percent is attributable to changes in discount rates and yield requirements in the like-for-like portfolio. The remaining part is a result of improved cash flows in properties, as a result of value-developing projects..

## Yield requirement and rent/sqm by property type

Property type	Rent/sqm			Yield requirement		
	min.	average	max.	min.	average	max.
Residential	825	1,341	2,603	2.09%	3.39%	5.00%
Properties for public use:					4.04%	
Nursing homes	770	1,547	2,826	2.50%	3.98%	6.70%
Schools	730	1,516	2,356	4.00%	4.35%	6.30%
Commercial	932	1,148	1,938	3.90%	5.56%	6.15%
<b>Average</b>		<b>1,403</b>			<b>3.65%</b>	

## Change in yield requirement by property type

Property type	Value in MSEK	Dec 31, 2021	Dec 31, 2020	Change
Residential	41,024	3.39%	3.77%	-0.38%
Properties for public use:				
Nursing homes	13,903	3.98%	4.45%	-0.47%
Schools	2,977	4.35%	4.79%	-0.44%
Commercial	876	5.56%	4.91%	0.65%
<b>Total</b>	<b>58,780</b>	<b>3.65%</b>	<b>4.00%</b>	<b>-0.35%</b>

## Fair value of investment properties

Amounts in MSEK	Jan-Dec 2021	Jan-Dec 2020
<b>Fair value at the beginning of the period</b>	<b>51,750</b>	<b>49,307</b>
Change in value	5,509	1,825
Investments	1,851	1,592
Acquisitions	532	285
Divestments	-862	-1,259
Fair value at the end of the period	58,780	51,750
<b>Fair value incl. Rikshem's share of properties in joint ventures</b>	<b>62,112</b>	<b>54,485</b>

## Segment reporting

Amounts in MSEK	Residential		Properties for public use		Total	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Rental income	2,148	2,121	914	911	3,062	3,032
Property expenses	-982	-982	-311	-290	-1,294	-1,272
<b>Net operating income</b>	<b>1,166</b>	<b>1,139</b>	<b>602</b>	<b>621</b>	<b>1,768</b>	<b>1,760</b>
Change in value of properties	3,890	1,325	1,619	500	5,509	1,825
<b>Total return</b>	<b>5,056</b>	<b>2,464</b>	<b>2,222</b>	<b>1,121</b>	<b>7,278</b>	<b>3,585</b>
Total return excl. joint ventures, % (R12)	13.7	7.1	14.3	7.5	13.9	7.2
Fair value of properties	41,591	36,243	17,189	15,507	58,780	51,750
Percentage share	71	70	29	30	100	100
Area, 1,000 sqm	1,608	1,611	608	622	2,216	2,232
Fair value, SEK/sqm	25,863	22,501	28,265	24,942	26,522	23,181
Investments	1,661	1,246	190	346	1,851	1,592



# Investments and projects

Rikshem has several projects in progress: both new construction of residential properties and properties for public use and major renovations.

## Transactions and investments

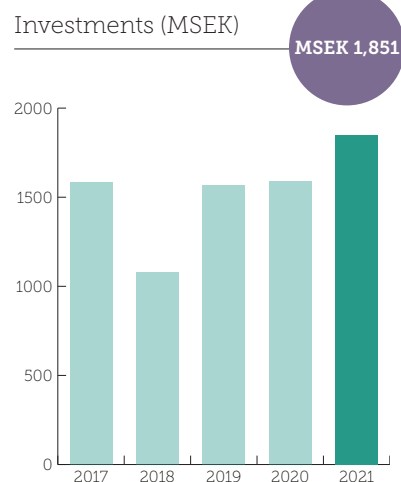
Acquisitions during the year totaled MSEK 532. Most of this relates to a new-build property in Norrköping comprising apartments and a nursing home. Rikshem divested properties worth MSEK 862 during the year. These primarily concerned 25 properties in Västerås and Helsingborg, mainly homes for people with disabilities and apartments, as well as a property for public use in Kalmar.

Investments in existing properties during the year amounted to MSEK 1,851 (1,592), MSEK 956 (976) of which pertained to redevelopment and renovation of residential properties, MSEK 705 (271) to new construction of residential properties, and

MSEK 190 (345) to investments in properties for public use.

Construction of 839 new apartments is under way, with residents expected to move in between Q3 2022 and Q3 2023. RM&U renovation projects are in progress in 1,763 apartments across 11 properties, with tenants moving in on an ongoing basis. In 2021, residents moved in to 267 apartments that had undergone RM&U renovation, 217 apartments that had been renovated after the previous tenant moved out, and 445 new-build apartments.

During the year, residents also moved into Oxhagshemmet in Kalmar, a 75-apartment nursing home that has undergone renovation over the last few years.



## Major projects in progress

Property/project	Municipality	Project category	Number of apartments before	Number of apartments after	Investment amount, MSEK	Estimated completion
Porsön	Luleå	RM&U renovation	426	426	317	Q3 2024
Eriksborg	Västerås	New construction (apartments)		252	350	Q2 2023
Kantorn	Uppsala	RM&U renovation	160	231	208	Q2 2022
Flyttfågeln	Umeå	RM&U renovation	188	188	204	Q4 2022
Bonden	Halmstad	New construction (apartments)		175	355	Q4 2022
Repet	Södertälje	New construction (apartments)		130	243	Q4 2022
Orrspelet	Umeå	New construction (residential)		103	173	Q4 2022
Nåden	Halmstad	New construction (residential)		92	116	Q2 2022



Kronan – Kulturbyn, Luleå

### Construction starts at Kronan, Luleå

Rikshem has started construction of the first stage of the Kronan project in the Kulturbyn neighborhood at Östra Kronan in Luleå, comprising 92 new apartments in two six-floor buildings. In all, Rikshem intends to build almost 400 apartments at Kronan.

The buildings will have silver certification from the Swedish Green Building Council. They will be fitted with solar panels, providing self-generated electricity both for the buildings and charging points for electric cars.

Construction began in December 2021, and the apartments are expected to be ready for tenants to move in in October 2023.

# Joint ventures

## Stakes in joint ventures

Rikshem owns stakes in joint ventures with a total value of MSEK 2,191 (1,768). The value of Rikshem's share of the property holdings in these joint ventures, which are consolidated according to the equity method, is SEK 3.3 billion. The largest joint venture holding of MSEK 1,193 pertains to 49 percent of VärmdöBostäder; the remainder is owned by Värmdö Municipality. The second-largest holding of MSEK 789 pertains to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikano Bostad each owning 50 percent.

Other participations in associated companies totaling MSEK 209 pertain to development projects owned and

MSEK  
2,191  
(1,768)

operated together with Nordr (formerly Veidekke Eiendom), P&E Fastighetspartner, Glommen & Lindberg and Huseriet.

The joint ventures involve some development of condominiums. At December 31, 2021, there were 111 apartments in production, 107 of which had been sold. Rikshem's share of the unsold apartments is two.

## Earnings from joint ventures

Rikshem's share of profit after tax amounted to MSEK 330 (60). The earnings improvement can be attributed to the increase in the value of the properties, mainly in Farsta Stadsutveckling and VärmdöBostäder.

MSEK  
330  
(60)



### Rikshem's joint ventures

- VärmdöBostäder AB
- Farsta Stadsutveckling AB
- Boostad Bostad Sverige AB
- Bergagårdshöjdens JV AB
- JV Tidmätaren AB
- Huseriet Riks AB



Telestaden. Photographer: Staffan Ellasson

# Financing

Rikshem's financing activities aim to safeguard good access to financing in both the short and long term. To achieve this, Rikshem shall be a borrower of good repute and strive to maintain its A3/A- credit rating. Net financial items shall be optimized within given risk limits.

At the start of the year, the interest rate market experienced a significant rise in long-term interest rates in the wake of forecasts of higher inflation and the positivity surrounding the vaccination rollout and, with it, optimism about the global recovery. After a period in June and July when interest rates were falling, they started to climb again during September. Rising long-term interest rates have had a marginal effect on Rikshem's interest expense, as interest duration has previously been managed using interest rate swaps and fixed-rate bonds. However, interest rate changes have a substantial impact on the value of the company's financial derivative instruments. Access to capital was good during the year.

In October, Rikshem repurchased almost EUR 130 million of an EUR 300 million bond that matures in 2024. The repurchase was carried out with a view to reducing the refinancing risk and, among other things, means a higher interest expense for 2021, while the interest expense for the remainder of the bond

term will decrease. This will negatively impact the interest-coverage ratio for a 12-month period from October 2021. In the fourth quarter, Rikshem issued bonds worth SEK 1.6 billion with maturity of 3–5 years. In total, seven bonds worth approximately SEK 3.2 billion were issued in 2021, including the longest bond Rikshem has ever issued: MAUD 30 with a maturity of 20 years. Commercial paper is issued on an ongoing basis, and funding through commercial paper increased by MSEK 1,411 during the year. Secured bank loans fell during the year, with total repayments of MSEK 1,508. At the same time, borrowing from the European Investment Bank (EIB) increased by MSEK 800; these loans are unsecured.

## Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 468 (830). On the closing date, pledged assets received under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 48. These pledged assets are settled on a monthly basis.

## Financial derivative instruments

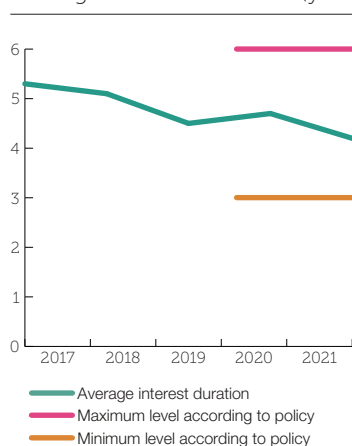
At December 31, 2021, the Company had an interest rate derivative portfolio that hedged SEK 15.2 billion on a net basis. The Company also has combined interest rate and currency swaps to hedge loans raised in other currencies. The total fair value of the Company's financial derivative instruments with a positive fair value was MSEK 403 (281), while that of instruments with a negative fair value was MSEK -343 (-968). The net fair value of the derivative portfolio was MSEK 60 (-687).

## Interest-bearing liabilities

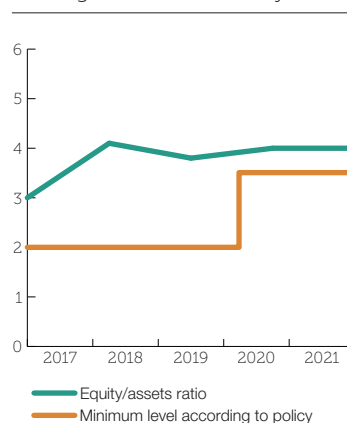
At December 31, 2021, interest-bearing liabilities amounted to MSEK 26,922 (26,315). Of these, MSEK 3,306 (4,814) pertained to secured bank loans, MSEK 999 (199) to liabilities to the EIB, MSEK 3,550 (2,139) to funding through commercial paper, and MSEK 18,892 (18,988) to bond loans. In addition, the Company had MSEK 175 (175) in interest-bearing liabilities to related parties.

MSEK  
26,922  
(26,315)

Average interest duration (years)



Average debt duration (years)





All bank loans are secured by collateral in properties. In total, secured financing accounted for 6 percent (9) of the fair value of the investment properties.

Of Rikshem's outstanding bonds, bonds corresponding to SEK 2.8 billion have been issued in EUR, SEK 5.5 billion in NOK, and SEK 0.5 billion in AUD. The remaining bonds have been issued in SEK. The carrying amount of foreign-currency bonds on the closing date was SEK 2.9 billion (EUR), SEK 5.4 billion (NOK), and SEK 0.5 billion (AUD). At year-end, the average interest rate was 1.5 percent, down 0.2 percentage point on year-end 2020 and

unchanged from the end of the previous quarter. Fees for unutilized backup facilities are included in the average interest rate. The average debt duration is 4.0 years (4.0), and the average interest duration is 4.2 years (4.7).

#### Green financing

Green bonds worth a total of SEK 2.5 billion were issued during the year. At year-end, outstanding green bonds totaled approx. SEK 5.1 billion. Loans from the EIB for energy efficiency initiatives amounted to MSEK 999. In total, green financing represented approx. 23 percent of interest-bearing liabilities.

#### Backup facilities

The refinancing and liquidity risk inherent in the maturity structure is managed in part by using backup facilities with Rikshem's owners (SEK 10 billion) and Swedish banks (SEK 3 billion). There is also an overdraft facility of MSEK 500.

#### Rating

Rikshem has an A3 credit rating with stable outlook from the credit rating agency Moody's.

### Interest-bearing external liabilities

Maturity	Interest duration		Debt duration	
	Amount (MSEK)	Percentage	Amount (MSEK)	Percentage
2022	6,585	24.5%	7,064	26.2%
2023	-	-	3,294	12.2%
2024	2,649	9.8%	3,842	14.3%
2025	3,888	14.5%	3,378	12.6%
2026	3,500	13.0%	2,423	9.0%
2027	2,000	7.4%	512	1.9%
2028	3,000	11.1%	1,021	3.8%
2029	2,400	8.9%	874	3.2%
2030	1,900	7.1%	1,066	4.0%
2031–	1,000	3.7%	3,448	12.8%
<b>Total</b>	<b>26,922</b>	<b>100%</b>	<b>26,922</b>	<b>100%</b>

# Group – Condensed statement of comprehensive income

Amounts in MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
<b>Rental income</b>	786	756	3,062	3,032
Operating expenses	-211	-190	-783	-736
Repairs and maintenance	-91	-88	-249	-278
Property administration	-65	-55	-220	-216
Property tax	-10	-9	-42	-42
<b>Total property expenses</b>	<b>-377</b>	<b>-342</b>	<b>-1,294</b>	<b>-1,272</b>
<b>Net operating income</b>	<b>409</b>	<b>414</b>	<b>1,768</b>	<b>1,760</b>
Central administration	-37	-20	-100	-78
Net financial items	-152	-116	-472	-463
Earnings from joint ventures	136	59	330	60
of which income from property management	11	1	35	26
of which change in value of properties	158	70	379	52
of which change in value of financial derivative instruments	1	0	2	-1
of which tax	-35	-12	-85	-17
<b>Income from property management</b>	<b>356</b>	<b>337</b>	<b>1,526</b>	<b>1,279</b>
Change in value of investment properties	3,367	803	5,509	1,825
Change in value of interest rate derivatives	136	92	575	-232
Change in value of combined foreign exchange/interest rate derivatives	115	-381	168	-535
Foreign exchange effects on financial liabilities	-100	184	-432	670
<b>Profit before tax</b>	<b>3,875</b>	<b>1,035</b>	<b>7,347</b>	<b>3,007</b>
Tax	-801	-150	-1,416	-526
<b>Profit for the period/year</b>	<b>3,074</b>	<b>885</b>	<b>5,931</b>	<b>2,481</b>
<b>Other comprehensive income</b>				
Revaluation of pensions	4	-1	4	-1
Tax, pensions	-1	-	-1	-
<b>Other comprehensive income for the period/year, net after tax</b>	<b>3</b>	<b>-1</b>	<b>3</b>	<b>-1</b>
<b>Total comprehensive income for the period/year</b>	<b>3,077</b>	<b>884</b>	<b>5,934</b>	<b>2,480</b>



# Group – Condensed statement of financial position

Amounts in MSEK	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
Capitalized development expenditure	8	7
Investment properties	58,780	51,750
Stakes in joint ventures	2,191	1,768
Equipment	2	3
Leaseholds and other right-of-use assets	134	137
Financial derivative instruments	403	281
Non-current receivables	227	281
<b>Total non-current assets</b>	<b>61,745</b>	<b>54,227</b>
Current receivables	198	214
Cash and cash equivalents	468	830
<b>Total current assets</b>	<b>666</b>	<b>1,044</b>
<b>TOTAL ASSETS</b>	<b>62,411</b>	<b>55,271</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>28,855</b>	<b>22,921</b>
Deferred tax	5,173	3,852
Interest-bearing liabilities	19,858	20,061
Financial derivative instruments	343	968
Non-current liabilities, leases	117	121
Non-interest-bearing liabilities	6	9
<b>Total non-current liabilities</b>	<b>25,497</b>	<b>25,011</b>
Interest-bearing liabilities	7,064	6,254
Current liabilities, leases	15	14
Non-interest-bearing liabilities	980	1,071
<b>Total current liabilities</b>	<b>8,059</b>	<b>7,339</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,411</b>	<b>55,271</b>

# Consolidated statement of changes in equity

Amounts in MSEK	Share capital	Other paid-in capital	Retained earnings including profit for the year	Total equity
<b>Opening balance, Jan 1, 2020</b>	<b>100</b>	<b>4,874</b>	<b>15,467</b>	<b>20,441</b>
Profit for the year			2,481	2,481
Other comprehensive income			-1	-1
Total comprehensive income			2,480	2,480
<b>Closing balance, Dec 31, 2020</b>	<b>100</b>	<b>4,874</b>	<b>17,947</b>	<b>22,921</b>
<b>Opening balance, Jan 1, 2021</b>	<b>100</b>	<b>4,874</b>	<b>17,947</b>	<b>22,921</b>
Profit for the year			5,931	5,931
Other comprehensive income			3	3
Total comprehensive income			5,934	5,934
<b>Closing balance, Dec 31, 2021</b>	<b>100</b>	<b>4,874</b>	<b>23,881</b>	<b>28,855</b>

# Consolidated statement of cash flows

Amounts in MSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Cash generated from operations	374	397	1,670	1,686
Interest paid	-155	-122	-483	-458
Tax paid	-20	20	-26	-2
Change in working capital	6	74	9	-28
<b>Cash flow from operating activities</b>	<b>205</b>	<b>369</b>	<b>1,171</b>	<b>1,198</b>
Investment in investment properties	-635	-414	-1,851	-1,592
Acquisition of investment properties	-1	-191	-533	-243
Divestment of investment properties	33	425	862	1,227
Change in intangible assets and equipment	2	-7	-1	-8
Investment in financial assets	-7	-30	-67	-170
Divestment of financial assets	30	-	30	50
<b>Cash flow from investing activities</b>	<b>-578</b>	<b>-217</b>	<b>-1,559</b>	<b>-736</b>
Loans raised	4,113	3,972	12,881	13,718
Repayment of loans	-4,175	-4,597	-12,710	-13,597
Change in collateral	0	-229	-143	-316
Redemption of financial instruments	0	0	-3	-4
Repayment of finance leases	1	0	-	-1
<b>Cash flow from financing activities</b>	<b>-61</b>	<b>-854</b>	<b>25</b>	<b>-200</b>
<b>Cash flow for the period/year</b>	<b>-434</b>	<b>-702</b>	<b>-362</b>	<b>262</b>
Cash and cash equivalents at the beginning of the period/year	902	1,532	830	568
<b>Cash and cash equivalents at the end of the period/year</b>	<b>468</b>	<b>830</b>	<b>468</b>	<b>830</b>

## Parent Company – Condensed income statement

Amounts in MSEK	Oct–Dec 2021	Oct–Dec 2020	Jan–Dec 2021	Jan–Dec 2020
<b>Income</b>	<b>65</b>	<b>61</b>	<b>248</b>	<b>243</b>
Other operating expenses	-37	-35	-123	-128
Personnel expenses	-68	-54	-232	-204
Depreciation	-1	-1	-2	-2
<b>Operating profit/loss</b>	<b>-40</b>	<b>-29</b>	<b>-109</b>	<b>-91</b>
Earnings from Group companies	96	35	96	108
Net interest income	30	61	252	268
Change in value of interest rate derivatives	136	92	575	-232
Change in value of combined foreign exchange/interest rate derivatives	115	-381	168	-535
Foreign exchange effects on financial liabilities	-100	185	-432	670
<b>Profit after financial items</b>	<b>237</b>	<b>-37</b>	<b>550</b>	<b>188</b>
Appropriations	-44	-	-44	-
Tax	-31	-66	-84	29
<b>Profit for the period/year</b>	<b>162</b>	<b>-103</b>	<b>422</b>	<b>217</b>

## Parent Company – Condensed balance sheet

Amounts in MSEK	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>		
Capitalized development expenditure	8	7
Equipment	2	3
Shares and participations in Group companies	2,724	2,117
Receivables from Group companies	31,668	30,963
Financial derivative instruments	403	281
Non-current receivables	144	79
<b>Total non-current assets</b>	<b>34,949</b>	<b>33,450</b>
Current assets	119	100
Cash and cash equivalents	465	826
<b>Total current assets</b>	<b>584</b>	<b>926</b>
<b>TOTAL ASSETS</b>	<b>35,533</b>	<b>34,376</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>8,085</b>	<b>7,662</b>
Provisions	3	2
Deferred tax	243	175
Financial derivative instruments	343	968
Interest-bearing liabilities	24,474	23,384
Liabilities to Group companies	2,150	1,821
Non-interest-bearing liabilities	235	364
<b>Total liabilities</b>	<b>27,448</b>	<b>26,714</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,533</b>	<b>34,376</b>

### Parent Company

The activities of the Parent Company Rikshem AB (publ) primarily comprise managing the Group's properties through the ownership of shares and participations

in its property-owning subsidiaries. The Parent Company's billings are mainly fees for services provided to the subsidiaries.

## Board of Directors

At an extraordinary general meeting on April 20, 2021, ordinary board member Per Uhlén was elected as the new Chairman of the Board following Bo Magnusson's announcement that he wished to step down as a member and Chairman of the Board. Peter Strand was elected as a new ordinary member at the same time.

At an extraordinary general meeting on October 26, 2021, Ulrica Messing stepped down from her position as a member of Rikshem's Board of Directors at her own request.

## Employees

The number of employees in the Rikshem Group at year-end was 286 (271): 145 men and 141 women.

## Risks

The Board of Directors and management work continuously on managing the risks to which the business is exposed. Rikshem's risks and uncertainties are described on page 54 of the Annual and Sustainability Report 2020. The spread of Covid-19 and the measures this has necessitated have had a significant impact on society and the global economy. Rikshem's assessment is that residential properties and properties for public use have been less affected than other segments of the property market.

## Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as approved by the European Union (EU). The Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups have also been applied. This interim report has been prepared according to IAS 34 Interim Financial Reports and the Annual Accounts Act. The Parent Company's accounting policies comply with the Annual Accounts Act and RFR 2. The same accounting policies, valuation principles and calculation methods have been applied as in the most recent annual report.

## New standards and interpretations that come into force from 2022 onwards

New and amended standards and interpretation statements approved by the EU are currently not considered to have a material impact on Rikshem's earnings or financial position.

## Related-party transactions

Rikshem's related parties are presented in Note 21 of the Annual and Sustainability Report 2020. There were no other material related-party transactions during the

period apart from customary salaries and remuneration to the Board of Directors, CEO and other senior executives.

## Significant events after the end of the period

Acquisition of a property project in the Västertbro district in Lund, a new establishment for Rikshem. New production of a first stage of about 210 apartments is expected to start in 2022.

## Affirmation of the Board of Directors and the CEO

The Board of Directors and the CEO affirm that this year-end report provides a true and fair view of the Parent Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

This year-end report has not been reviewed by the company's auditors.

Stockholm, February 3, 2022

Per Uhlén  
Chairman of the Board

Pernilla Arrrud Melin  
Board member

Liselotte Hjorth  
Board member

Andreas Jensen  
Board member

Per-Gunnar Persson  
Board member

Peter Strand  
Board member

Anette Frumerie  
CEO

# Quarterly data

Amounts in MSEK	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
<b>Income statement</b>						
Rental income	786	754	762	760	756	755
Property expenses	-377	-262	-295	-360	-342	-270
Net operating income	409	492	467	400	414	485
Central administration	-37	-21	-24	-18	-20	-13
Net financial items	-152	-106	-105	-109	-116	-119
Earnings from joint ventures	136	9	183	2	59	6
Income from property management	356	374	521	275	337	359
Change in value of investment properties	3,367	112	1,935	95	803	163
Change in value of and foreign exchange effects on financial instruments	151	39	58	63	-105	-29
Profit before tax	3,875	525	2,514	433	1,035	493
Tax and other comprehensive income	-798	-54	-464	-97	-150	-76
Comprehensive income for the period	3,077	471	2,050	336	885	417
<b>Statement of financial position</b>						
Investment properties	58,780	54,809	54,370	52,167	51,750	50,761
Stakes in joint ventures	2,191	1,963	1,954	1,771	1,768	1,710
Other assets	972	1,056	1,060	1,184	923	1,099
Cash and cash equivalents	468	902	342	1,072	830	1,532
Total assets	62,411	58,730	57,726	56,194	55,271	55,102
Equity	28,855	25,778	25,307	23,257	22,921	22,037
Deferred tax	5,173	4,368	4,354	3,924	3,852	3,568
Interest-bearing liabilities	26,922	26,882	26,445	27,505	26,315	27,124
Other liabilities	1,461	1,702	1,620	1,508	2,183	2,373
Total equity and liabilities	62,411	58,730	57,726	56,194	55,271	55,102
<b>Key performance indicators</b>						
Loan-to-value ratio, %	46	49	49	53	51	53
Equity/assets ratio, %	46	44	44	41	41	40
Interest-coverage ratio, multiple*	3.6	3.9	3.8	3.7	3.7	3.6
Return on equity, %*	22.9	15.6	15.7	11.4	11.4	10.9
Property yield, %*	3.2	3.4	3.4	3.4	3.5	3.5
Surplus ratio, %	52	65	61	53	55	64

\* Rolling 12 months



# Key performance indicators

Amounts in MSEK	2021	2020	2019	2018	2017
<b>Income statement</b>					
Rental income	3,062	3,032	2,916	2,792	2,665
Net operating income	1,768	1,760	1,586	1,524	1,555
Income from property management	1,526	1,279	1,286	1,008	1,150
Change in value of properties	5,509	1,825	1,538	2,107	1,647
Profit for the period	5,931	2,481	2,244	2,489	2,430
<b>Statement of financial position</b>					
Equity	28,855	22,921	20,441	18,199	15,710
External liabilities	26,922	26,315	26,838	26,493	24,022
Fair value of properties	58,780	51,750	49,307	45,687	41,039
Total assets	62,411	55,271	52,612	48,734	43,501
<b>Financial indicators</b>					
Equity/assets ratio, %	46	41	39	37	36
Loan-to-value ratio, %	46	51	54	58	59
Interest-coverage ratio, multiple*	3.6	3.7	3.5	3.2	3.5
Net debt/EBITDA, multiple	15.9	15.2	18.0	17.6	15.8
Loan-to-value ratio, secured loans, %	6	9	9	10	12
Average interest rate, %	1.5	1.7	1.6	1.7	2.0
Interest duration, years	4.2	4.7	4.5	5.1	5.3
Debt duration, years	4.0	4.0	3.8	4.1	3.0
Return on equity, %	22.9	11.4	11.6	14.7	16.8
Property yield, %*	3.2	3.5	3.3	3.5	3.9
Total return excl. joint ventures, %	13.9	7.2	6.7	8.6	8.3
Total return incl. joint ventures, %	13.9	7.0	7.2	7.8	8.3
<b>Property-related indicators</b>					
Number of properties	514	540	560	555	586
Lettable area, 1,000 sqm	2,216	2,232	2,292	2,274	2,219
Number of apartments	28,514	28,730	29,214	28,840	27,924
Share of properties for public use, %	29	30	30	29	29
Vacancy rate, residential properties, %	5.1	4.0	3.5	3.2	2.7
Market vacancy rate, residential properties, %	1.5	1.4	0.8	0.5	0.3
Remaining lease term for properties for public use, years	8.3	8.8	9.0	9.4	9.8
Fair value, SEK/sqm	26,522	23,181	21,512	20,090	18,494
Growth in income for the like-for-like portfolio, %	2.4	3.5	4.3	3.8	4.3
Growth in net operating income for the like-for-like portfolio, %	1.1	9.2	3.6	-3.9	6.7
Surplus ratio, %	58	58	54	55	58
<b>Employees</b>					
Number of employees	286	271	259	242	206

# Key performance indicators – calculations

Both interim and annual reports refer to a number of financial metrics that are not defined by IFRS. Rikshem believes that these metrics help both investors and management to analyze the Company's results and financial position. Not all companies calculate financial metrics in the same way, so the metrics are not always comparable with those used by other companies. Amounts in MSEK unless stated otherwise.

	Jan–Dec 2021	Jan–Dec 2020
<b>Return on equity</b>		
Profit for the year	5,931	2,481
Average equity	25,888	21,681
<b>Return on equity</b>	<b>22.9%</b>	<b>11.4%</b>
<b>Net operating income</b>		
Rental income	3,062	3,032
Property expenses	-1,294	-1,272
<b>Net operating income</b>	<b>1,768</b>	<b>1,760</b>
<b>Surplus ratio</b>		
Net operating income	1,768	1,760
Rental income	3,062	3,032
<b>Surplus ratio</b>	<b>58%</b>	<b>58%</b>
<b>Property yield</b>		
Net operating income	1,768	1,760
Opening property value	51,750	49,307
Closing property value	58,780	51,750
Adjusted average property value	55,265	50,529
<b>Property yield</b>	<b>3.2%</b>	<b>3.5%</b>
<b>Total return</b>		
Net operating income	1,768	1,760
Change in value of properties	5,509	1,825
<b>Total</b>	<b>7,278</b>	<b>3,585</b>
Opening property value	51,750	49,307
Closing property value	58,780	51,750
Minus unrealized change in value	-5,509	-1,825
Adjusted average property value	52,510	49,616
<b>Total return</b>	<b>13.9%</b>	<b>7.2%</b>
<b>Interest-coverage ratio</b>		
Profit before tax	7,347	3,007
Reversal		
Change in value of properties	-5,509	-1,825
Change in value of financial derivative instruments and loans	-311	97
Earnings from joint ventures	-330	-60
Other financial expenses	32	29
Interest expense	448	439
<b>Operating profit/loss</b>	<b>1,676</b>	<b>1,687</b>
External interest	-467	-460
<b>Interest-coverage ratio, multiple</b>	<b>3.6</b>	<b>3.7</b>

Amounts in MSEK	Dec 31, 2021	Dec 31, 2020
<b>Loan-to-value ratio</b>		
External interest-bearing liabilities	26,922	26,315
Fair value of investment properties	58,780	51,750
<b>Loan-to-value ratio</b>	<b>46%</b>	<b>51%</b>
<b>Loan-to-value ratio, secured loans</b>		
Outstanding secured debt	3,306	4,814
Fair value of investment properties	58,780	51,750
<b>Loan-to-value ratio, secured loans</b>	<b>6%</b>	<b>9%</b>
<b>Net debt/EBITDA</b>		
External interest-bearing liabilities	26,922	26,315
Cash and cash equivalents	-468	-830
Collateral relating to CSA agreements	48	192
<b>Net debt</b>	<b>26,503</b>	<b>25,677</b>
Net operating income	1,768	1,760
Central administration	-100	-78
Depreciation	2	2
<b>EBITDA</b>	<b>1,670</b>	<b>1,684</b>
<b>Net debt/EBITDA, multiple</b>	<b>15.9</b>	<b>15.2</b>

# Definitions

<b>Amounts within parentheses</b>	For income statement items, amounts in parentheses show figures for the corresponding period of the prior year. For balance sheet items, amounts in parentheses refer to the result at the end of the preceding year.
<b>Average interest rate</b>	Average interest rate for interest-bearing liabilities including expenses for backup facilities in relation to current loans on the closing date.
<b>Debt duration</b>	The weighted remaining maturity of interest-bearing liabilities on the closing date.
<b>Economic occupancy rate</b>	Contract rent in relation to total rental value on the closing date less rent related to vacancies due to renovation.
<b>Equity/assets ratio</b>	Equity in relation to total assets.
<b>Income from property management</b>	Net operating income less administrative costs and net financial items plus earnings from joint ventures.
<b>Interest-coverage ratio</b>	Profit before tax after reversal of earnings from joint ventures, interest expense, change in value of assets and liabilities, and other financial expenses in relation to interest expense for external borrowings.
<b>Interest duration</b>	The weighted remaining interest duration for interest-bearing liabilities and financial derivative instruments on the closing date.
<b>Loan-to-value ratio</b>	External interest-bearing liabilities in relation to the fair value of properties.
<b>Loan-to-value ratio, secured loans</b>	Secured interest-bearing liabilities in relation to the fair value of properties.
<b>Market vacancy rate, residential properties</b>	The number of unrented apartments less apartments unrented due to renovation in relation to the total number of apartments on the closing date.
<b>Net debt/EBITDA</b>	External interest-bearing liabilities minus cash and cash equivalents, adjusted for collateral relating to CSA agreements, in relation to EBITDA. EBITDA is calculated as net operating income excluding central administration plus reversal of depreciation included in central administration.
<b>Net financial items</b>	Net amount of interest income, interest expense, similar revenue and costs, and leasehold fees.
<b>Net operating income</b>	Rental income less property expenses.
<b>Property expenses</b>	Costs for heating, electricity, water, operation, maintenance, property tax, rent losses and property administration.
<b>Property yield</b>	Annualized net operating income in relation to the average fair value of properties.
<b>Remaining lease term, properties for public use</b>	The weighted remaining lease term in the rental value on the closing date in the properties for public use segment.
<b>Rental income</b>	Rental value less vacancies and rent discounts.
<b>Return on equity</b>	Profit for the year in relation to average equity.
<b>Secured loans</b>	Loans raised against liens on properties.
<b>Surplus ratio</b>	Net operating income in relation to rental income.
<b>Total return</b>	Net operating income plus change in value in relation to the average fair value of properties, less last four quarters change in value. This definition has been changed since last year, and comparative figures have been restated.
<b>Vacancy rate, residential properties</b>	The number of unrented apartments in relation to the total number of apartments on the closing date.

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## Financial calendar



### Reports

Annual Report and Sustainability Report 2021	March 25, 2022
Interim report, Jan–Mar 2022	May 6, 2022
Six-month report, Jan–June 2022	August 26, 2022