

# Interim report Q3

## January–September 2021

### Events during the period

- Rental income was MSEK 2,276 (2,276), unchanged because of property sales in 2020 and 2021.
- Net operating income rose MSEK 13 or 1.0 percent to MSEK 1,359 (1,346). The improvement is mainly attributable to reduced costs for repairs and maintenance
- Income from property management increased by MSEK 228 or 24.2 percent to MSEK 1,170 (942). The improvement can mainly be attributed to an increase in the value of properties in joint ventures.
- The change in value of investment properties was MSEK 2,142 (1,022).
- Profit before tax for the period increased by MSEK 1,500 or 76.1 percent to MSEK 3,472 (1,972). Profit after tax increased by MSEK 1,261 or 79.0 percent to MSEK 2,857 (1,596).
- Property acquisitions during the period amounted to MSEK 532 (59) and divestments to MSEK 829 (805). The largest acquisition in the period was a combined residential property and property for public use in Norrköping. The largest divestments 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 for the period totaled MSEK 1,215 (1,178).

### Significant events after the end of the period

In October, Rikshem repurchased approximately EUR 130 million of the outstanding EUR 300 million bond with an interest coupon of 1.25% and maturity on 28 June 2024 (ISIN XS1636469865).

At the Extraordinary General Meeting on October 26, 2021, Ulrica Messing left her position as a member of Rikshem's Board of Directors at her own request when she was appointed Governor of Blekinge County.

### Rental income

# MSEK 2,276

### Net operating income

# MSEK 1,359

### Profit after tax

# MSEK 2,857

### Rikshem in summary

	Jan–Sep 2021	Jan–Sep 2020	Oct 2020–Sep 2021	Jan–Dec 2020
Rental income, MSEK	2,276	2,276	3,032	3,032
Net operating income, MSEK	1,359	1,346	1,773	1,760
Income from property management, MSEK	1,170	942	1,507	1,279
Profit, MSEK	2,857	1,596	3,742	2,481
Fair value of properties, MSEK	54,809	50,761	54,809	51,750
Number of apartments	28,512	28,552	28,512	28,730
Lettable area, 1,000 sqm	2,216	2,239	2,216	2,232
Economic occupancy rate, %	96.0	96.4	96.0	96.4
Average lease term, years*	8.3	8.9	8.3	8.8
Loan-to-value ratio, %	49	53	49	51
Interest-coverage ratio, multiple**	3.9	3.6	3.9	3.7
Equity, MSEK	25,778	22,037	25,778	22,921
Total return incl. joint ventures, %**	9.3	6.2	9.3	7.0
Return on equity, %**	15.6	10.9	15.6	11.4

\* Pertains to properties for public use. \*\* Pertains to rolling 12 months See page 21 for definitions of key figures

# Properties for good community development



Anette Frumerie, CEO

“ In many of our areas Rikshem owns both residential properties and properties for public use. Good community development requires both housing and social infrastructure to be developed in line with the needs of citizens and the economy, and we can contribute in both segments which is a strength.

”

Rikshem is reporting rental income of MSEK 2,276 for the period, which is on a par with the same period of 2020 but based on a smaller portfolio, as we have divested a number of properties in both 2020 and 2021. The current property market offers scope to achieve good prices for properties that are not a good fit for the portfolio in the long term. Rental income for the like-for-like portfolio is up 1.7 percent and net operating income up 1.9 percent. The low increases resulting from this year's rent negotiations are affecting rental income. The fact that increases in income ensuing from the annual rent negotiations do not match the cost increases is a problem in the long term in terms of being able to own and manage rental apartments that meet current criteria for modern housing. On the other hand, working proactively to reduce vacancies, for example in Kalmar, is helping to increase income.

## New homes for more people

We continue to start new construction projects, both on our own sites and through acquired projects. Since the summer, we have started three projects involving a total of almost 500 rental apartments in Södertälje, Västerås and Umeå. To make rental apartments accessible to as many people as possible, we apply for investment support wherever we can. The government's proposal in its autumn budget to increase this year's appropriation for investment support by MSEK 650 is a positive sign. This support is needed, but the long waiting times that have built up to use it outside the major urban areas are impacting planning and impeding the building of rental apartments. On the

subject of increased building, Rikshem has also participated in follow-up talks on construction with Housing Minister Märta Stenevi to gather information on the draft bill concerning certified building design companies, which is intended to speed up the building permit process.

## Residential properties and properties for public use

In many of our areas Rikshem owns both residential properties and properties for public use. Good community development requires both housing and social infrastructure to be developed in line with the needs of citizens and the economy, and we can contribute in both segments which is a strength. In Halmstad, where we previously owned only properties for public use, we are now building 350 rental apartments. One of the buildings is being rented to a public authority for staff accommodation, and in October we are starting construction of a further 50 apartments on their behalf. By developing housing for our customers, we are helping them to develop their operations in Halmstad – a growth area – as well as creating opportunities for more jobs in the municipality. In the last few days, we have taken possession of a large property in development in Norrköping that combines social infrastructure with rental apartments – a modern building in the central area that is a good complement to our existing portfolio in the city.

## Attractive to customers and employees

After many of us spending a lot of time working from home over the last 18 months, it is inspirational that we can now

meet “properly” to a greater extent, while continuing to work flexibly. Now we are also able to meet our customers in person again. During the pandemic, we learnt that many things work brilliantly digitally but that certain things are simpler or better when we can meet face to face. We will continue to develop the digital options, which we can see our customers are embracing, at the same time as being available in other ways for customers who prefer that.

## Homework assistance for the future

Since 2015, Rikshem has been a committed main partner in the Läxhjälpen foundation, including helping to establish the organization in several new locations around Sweden where Rikshem has properties. Over the years, the collaboration between the Läxhjälpen foundation and Rikshem has already helped hundreds of students to finish school and face the future with confidence. Now we are helping to provide better opportunities for students in Östersund too. Providing extra support in school can reduce segregation, make neighborhoods safer, and make schools more equal and inclusive. Rikshem and the Läxhjälpen foundation also collaborate in Uppsala, Västerås, Norrköping and Umeå, where we are helping to lay the foundations for better opportunities for young people.

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.

## Fair value

**SEK 58 billion**

The fair value of the properties totals MSEK 57,921 (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.

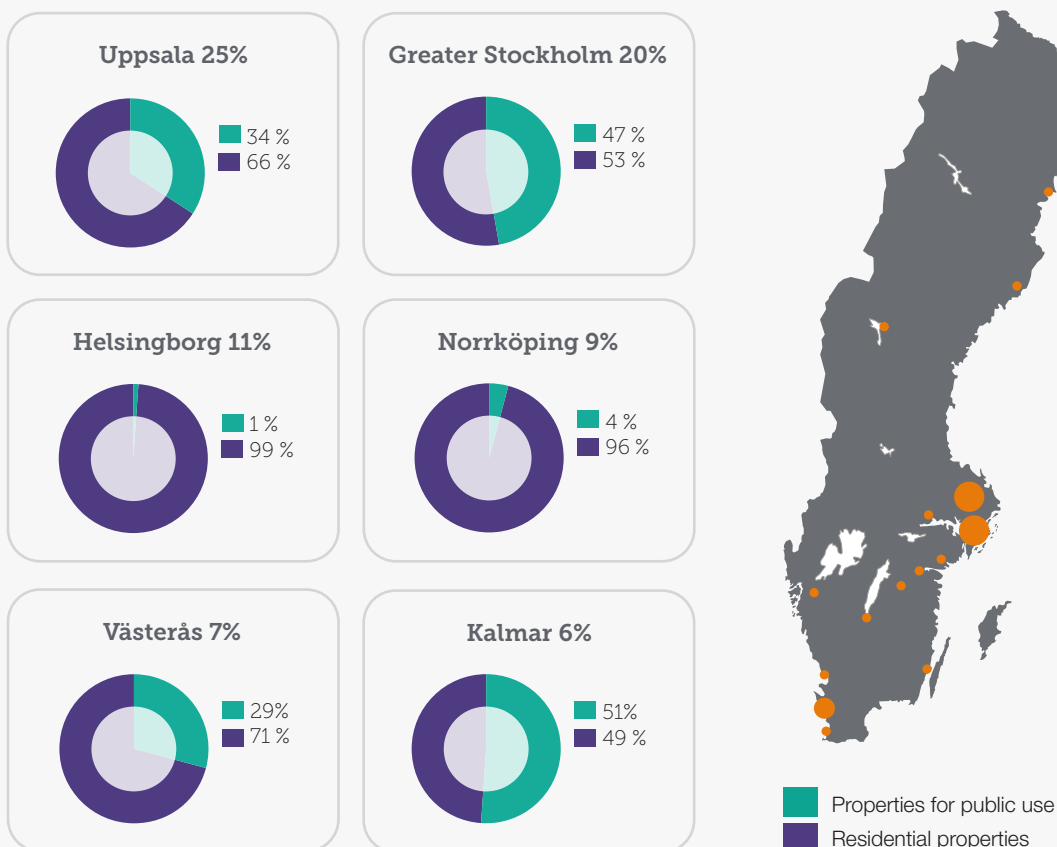
## Properties for public use

**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.



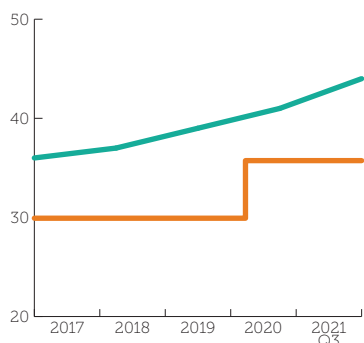
# Rikshem's targets

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 62 (index 100) on the Customer Satisfaction Index (CSI) for housing in 2022.	Achieve a score of 82 (index 100) on the Employee Satisfaction Index (ESI) in 2022.	Reduce energy use by 2.5% per year and CO2 emissions by 2.0 kg/m2 per year.	Achieve a score of 85 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	2020 6.7%	2019 5.5%	2018 5.8%	2020 58.7	2019 56.6	2018 54.0	2020 71	2019 70	2018 71	2020 -8.0%	2019 +0.7%	2018 -3.5%	2020 76.8	2019 77.2	2018 75.6
										-0.7 kg/m2 per year	-1.7 kg/m2 per year	+0.9 kg/m2 per year			

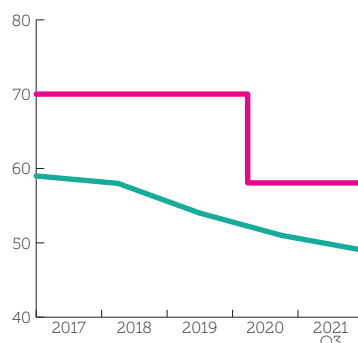
## Rikshem's key financial indicators

Equity/assets ratio (%)



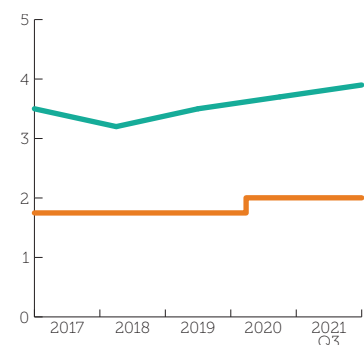
44%

Loan-to-value ratio (%)



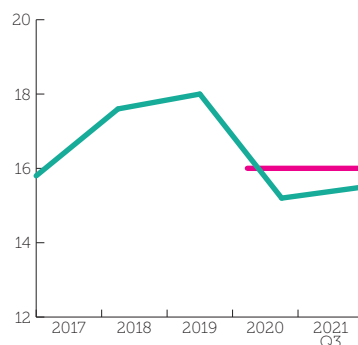
49%

Interest-coverage ratio (multiple)



3.9

Net debt/EBITDA (multiple)



15.5

# Income, costs and profit

## Net operating income

Rental income was MSEK 2,276 (2,276), unchanged because of property sales in 2020 and 2021. Rental income for the like-for-like portfolio rose MSEK 37 or 1.7 percent.

**MSEK 2,276**  
(2,276)

Property expenses for the period fell MSEK 13 or 1.4 percent to MSEK 917 (930). Expenses for the like-for-like portfolio increased by MSEK 13 or 1.5 percent. Operating expenses increased by MSEK 26, mainly because costs for heating and snow clearance were higher than in 2020. Expenses for repairs and maintenance were MSEK 32 lower than the same period last year.

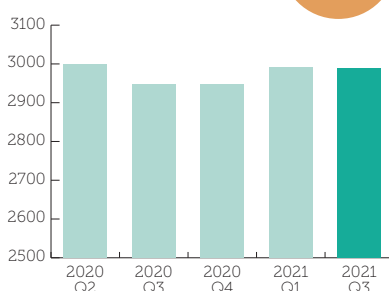
Altogether, total net operating income increased by MSEK 13 year on year, amounting to MSEK 1,359 (1,346). Net operating income for the like-for-like portfolio increased by MSEK 24 or 1.9 percent compared with the same period of 2020.

At the end of the period, the vacancy rate for residential properties was 4.9 percent. Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.5 percent (1.3). 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 have been taken to reduce vacancies, including organizational changes and the adoption of a new rental policy. The economic occupancy rate for properties for public use was 97.7 percent. The economic occupancy rate for the portfolio as a whole was 96.0 percent. The average remaining lease term for properties for public use was 8.3 years (8.9).

Income statement, MSEK	Jan–Sep 2021	Jan–Sep 2020
Rental income	2,276	2,276
Property expenses	-917	-930
<b>Net operating income</b>	<b>1,359</b>	<b>1,346</b>
Central administration	-63	-58
Net financial items	-320	-347
Earnings from joint ventures	194	1
<b>Income from property management</b>	<b>1,170</b>	<b>942</b>
Change in value of properties	2,142	1,022
Change in value of financial derivative instruments and foreign exchange effects on financial liabilities	160	8
<b>Profit before tax</b>	<b>3,472</b>	<b>1,972</b>
Tax	-615	-376
<b>Profit for the period</b>	<b>2,857</b>	<b>1,596</b>

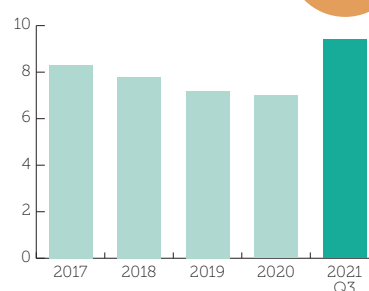
Annual rent as of the closing date (MSEK)

**MSEK 2,988**



Total return incl. joint ventures (%)

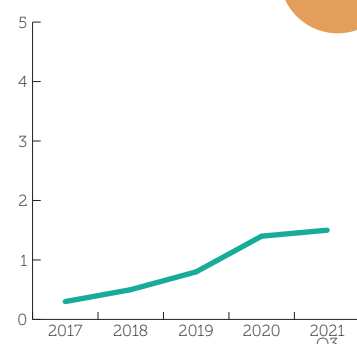
**9.3%**



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

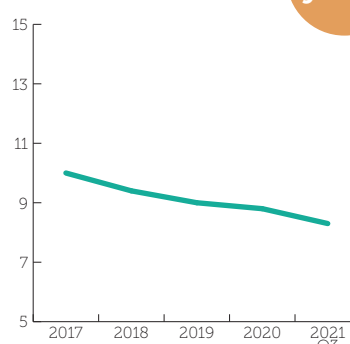
Market vacancy rate, residential properties (%)

**1.5%**



Average lease term, properties for public use

**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 do not always match.

### Central administration

Costs for central administration amounted to MSEK -63 (-58). Central administration includes group-wide costs.

MSEK -63  
(-58)

### Net financial items

Net financial items totaled MSEK -320 (-347). Net financial items mainly comprise the Company's external interest expense. Net financial items have primarily decreased as a result of a lower average interest rate on debt compared with 2020. The average interest rate on interest-bearing liabilities was 1.5 percent (1.7).

MSEK -320  
(-347)

### Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 194 (1). This increase can mainly be attributed to changes in value of the properties. See the section on Joint ventures on page 10 for further information.

MSEK 194  
(1)

### Change in value of properties

The change in value of the investment properties in the period was MSEK 2,142 (1,022), equivalent to an increase in value of 4.1 percent (2.1). More information on the valuation of properties can be found on page 8.

MSEK 2,142  
(1,022)

### 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 period, positively impacting the change in value of interest rate derivative instruments. The change in value during the period was MSEK 439 (-324). The change in value of foreign exchange derivatives amounted to MSEK 53 (-154). The foreign exchange

MSEK -615  
(-376)

effects on financial liabilities in EUR, NOK and AUD totaled MSEK -332 (466) and were attributable to the weakening of the Swedish krona against these currencies during the period.

### Tax

Tax reported for the period amounted to MSEK -615 (-376), MSEK -99 (-199) of which was current tax and MSEK -516 (-177) 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 period was 17.7 percent (19.0). The variance from the Swedish corporate tax rate of 20.6 percent is mainly explained by earnings from joint ventures and non-deductible interest further to current rules limiting interest deduction. The deferred tax asset has been offset against the deferred tax liability in the statement of financial position.

### Profit for the period

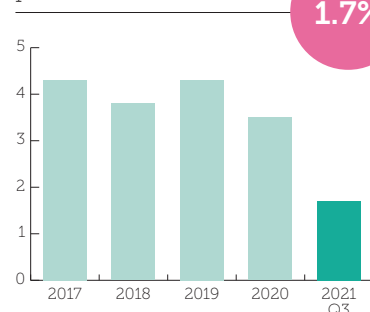
Profit for the period totaled MSEK 2,857 (1,596).

MSEK 2,857  
(1,596)

### Effects of the coronavirus pandemic

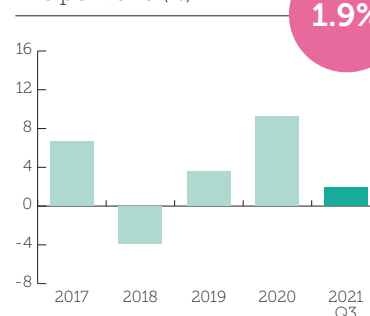
With a property portfolio mainly comprising residential properties and properties for public use, exposure to the categories of commercial tenants that have been most vulnerable to the pandemic is extremely low. Rikshem's profit has been only marginally impacted by the effects of the pandemic.

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



1.7%

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



1.9%

# Property portfolio

At September 30, 2021, Rikshem's property portfolio comprised 515 properties (540) with a fair value of MSEK 54,809 (51,750). MSEK 38,230 of this pertained to residential properties, MSEK 12,968 to nursing homes, MSEK 2,727 to

schools and MSEK 884 to commercial properties. The property portfolio includes development rights valued at MSEK 579. Properties representing 46 percent of the fair value are located along the Greater Stockholm-Uppsala axis.

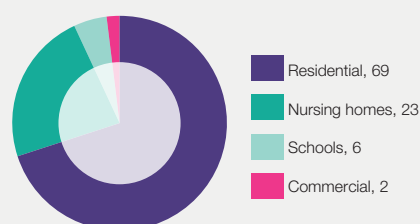
Altogether, the property portfolio comprises approximately 29,000 apartments (29,000) and lettable area of approximately 2,216,000 sqm (2,232,000).

## Rikshem's property portfolio, September 30, 2021

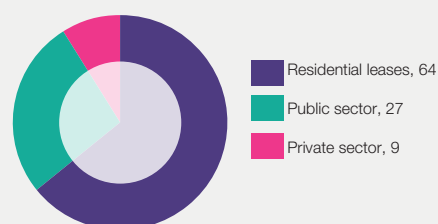
Type	Value, MSEK	Percentage share	Area, 1,000 sqm	Fair value, SEK/sqm	Annual rent, MSEK	Annual rent broken down by type of tenant, %			
						Residential leases	Public sector	Private sector	Total
<b>Residential properties segment</b>									
- Residential	38,230	70	1,595	23,961					
- Commercial*	551	1	13	43,669					
<b>Residential properties</b>	<b>38,781</b>	<b>71</b>	<b>1,608</b>	<b>24,116</b>	<b>2,115</b>	<b>89</b>	<b>4</b>	<b>7</b>	<b>100</b>
<b>Properties for public use segment</b>									
- Nursing homes	12,968	23	457	28,393					
- Schools	2,727	5	116	23,542					
- Commercial*	333	1	36	9,359					
<b>Properties for public use</b>	<b>16,028</b>	<b>29</b>	<b>608</b>	<b>26,356</b>	<b>873</b>	<b>5</b>	<b>82</b>	<b>13</b>	<b>100</b>
<b>Total</b>	<b>54,809</b>	<b>100</b>	<b>2,216</b>	<b>24,731</b>	<b>2,988</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

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 has fallen by 0.11 percentage point relative to the value at year-end 2020 to 3.89 percent. The majority of the change in value for the period can be attributed to change in cost of capital and yield requirement for the unchanged part of the portfolio.

## Yield requirement and rent/sqm by property type

Property type	Rent/sqm			Yield requirement		
	min.	average	max.	min.	average	max.
Residential properties	750	1,319	2,536	2.29%	3.69%	5.40%
Properties for public use:					4.34%	
Nursing homes	770	1,511	2,826	3.05%	4.27%	7.30%
Schools	670	1,520	2,356	4.30%	4.68%	6.45%
Commercial	752	1,346	5,850	3.65%	4.86%	7.35%
<b>Average</b>		<b>1,361</b>			<b>3.89%</b>	

## Change in yield requirement by property type

Property type	Value in MSEK	Dec 31, 2020	Sep 30, 2021	Change
Residential properties	38,230	3.77%	3.69%	-0.08%
Properties for public use:				
Nursing homes	12,968	4.45%	4.27%	-0.18%
Schools	2,727	4.79%	4.68%	-0.11%
Commercial	884	4.91%	4.86%	-0.05%
<b>Total</b>	<b>54,809</b>	<b>4.00%</b>	<b>3.89%</b>	<b>-0.11%</b>

## Fair value of investment properties

Amounts in MSEK	Jan–Sep 2021	Jan–Sep 2020	Jan–Dec 2020
<b>Fair value at the beginning of the period</b>	<b>51,750</b>	<b>49,307</b>	<b>49,307</b>
Change in value	2,142	1,022	1,825
Investments	1,215	1,178	1,592
Acquisitions	532	59	285
Divestments	-829	-805	-1,259
Fair value at the end of the period	54,809	50,761	51,750
<b>Fair value incl. Rikshem's share of properties in joint ventures</b>	<b>57,921</b>	<b>53,412</b>	<b>54,485</b>

## Segment reporting

Amounts in MSEK	Residential		Properties for public use		Total	
	Jan–Sep 2021	Jan–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Jan–Sep 2021	Jan–Sep 2020
Rental income	1,597	1,590	679	686	2,276	2,276
Property expenses	-698	-718	-219	-212	-917	-930
<b>Net operating income</b>	<b>899</b>	<b>872</b>	<b>460</b>	<b>474</b>	<b>1,359</b>	<b>1,346</b>
Change in value of properties	1,663	856	479	166	2,142	1,022
<b>Total return</b>	<b>2,562</b>	<b>1,728</b>	<b>939</b>	<b>640</b>	<b>3,501</b>	<b>2,368</b>
Total return excl. joint ventures, % (R12)	9.2	5.6	9.3	7.2	9.2	6.1
Fair value of properties	38,781	35,387	16,028	15,374	54,809	50,761
Percentage share	71%	70%	29%	30%	100	100
Area, 1,000 sqm	1,608	1,605	608	634	2,216	2,239
Fair value, SEK/sqm	24,116	22,044	26,356	24,256	24,731	22,670
Investments	1,080	906	135	272	1,215	1,178



# Investments and projects

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

## Transactions and investments

Acquisitions for the period totaled MSEK 532. Most of this relates to a new-build property in Norrköping comprising apartments and a nursing home. Divestments for the period totaled MSEK 829. 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 period amounted to MSEK 1,215 (1,178), MSEK 640 (701) of which pertained to redevelopment and renovation of residential properties, MSEK 440 (205) to new construction of residential properties

and MSEK 135 (273) to investments in properties for public use.

Construction of 892 new apartments is under way, with residents expected to move in between Q4 2021 and Q2 2023. RM&U renovation projects are in progress in 1,749 apartments across nine properties, with tenants moving in on an ongoing basis. Year to date, residents have moved in to 122 apartments that have undergone RM&U renovation, 262 apartments that have been renovated after the previous tenant moved out, and 286 new-build apartments. During the period under review, residents have also moved into Oxhagshemmet in Kalmar, a 75-apartment nursing home that has undergone renovation in 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
Kantorn	Uppsala	RM&U renovation	160	231	208	Q2 2022
Eriksborg	Västerås	New construction (apartments)		252	350	Q2 2023
Flyttfågeln	Umeå	RM&U renovation	188	188	204	Q4 2022
Bonden	Halmstad	New construction (apartments)		178	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



Vilunda 28:22, Vilunda, Upplands Väsby

### Vilunda 28:22, Vilunda, Upplands Väsby

Rikshem is renovating Holmvägen 4-20. The project started in fall 2021 and is expected to be completed during 2022.

The renovation involves replacing plumbing, electrical installations and ventilation. The apartments are also getting new kitchens, bathrooms, windows and security doors. Among other things, the investment will lead to reduced energy consumption in the property.

# Joint ventures

## Stakes in joint ventures

Rikshem owns stakes in joint ventures with a total value of MSEK 1,963 (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 3.1 billion.

The largest joint venture holding of MSEK 1,123 pertains to 49 percent of VärmdöBostäder; the remainder is owned by Värmdö Municipality.

The second-largest holding of MSEK 726 pertains to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikano Bostad each owning 50 percent.

Other participations in associated companies totaling MSEK 114 pertain to development projects owned and operated

MSEK 1,963  
(1,768)

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

The joint ventures involve some development of condominiums. At September 30, 2021, there were 111 apartments in production, 105 of which had been sold. Rikshem's share of the unsold apartments is three.

## Earnings from joint ventures

Rikshem's share of profit after tax amounted to MSEK 194 (1). The earnings improvement can be attributed to the increase in the value of the properties, mainly in Farsta Stadsutveckling and VärmdöBostäder.

MSEK 194  
(1)



## Rikshem's joint ventures

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



Bergagårdshöjden in Kalmar

# 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 has remained good during the third quarter.

Rikshem issued bonds worth MSEK 200 with a maturity of 4.5 years in the third quarter. During the first six months of the year, four bonds were issued at a value of around MSEK 1,400. Commercial paper is

issued on an ongoing basis, with borrowing against commercial paper increasing by MSEK 521 during the period. Bank loans of around MSEK 621 were repaid in the third quarter, and a further MSEK 600 was drawn on the credit facility with the European Investment Bank (EIB).

### Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 902 (830). On the closing date, pledged assets received under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 168.

These pledged assets are settled on a monthly basis.

### Financial derivative instruments

At September 30, 2021, the Company had an interest rate derivative portfolio that hedged SEK 15.5 billion on a net basis, with the Company paying a fixed rate and receiving floating interest. The Company also has combined interest rate and cur-

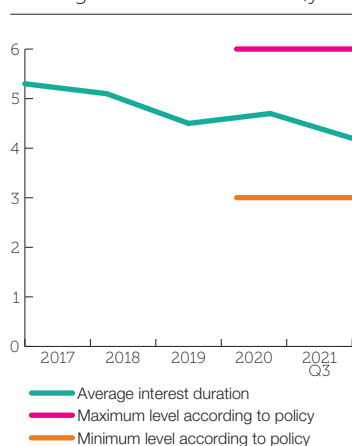
rency swaps to hedge loans raised in other currencies. The total fair value of the Company's financial derivative instruments with a positive fair value amounted to MSEK 357 (281), while the fair value of financial derivative instruments with a negative fair value was MSEK -548 (-968). The net fair value of the derivative portfolio was MSEK -191 (-687).

### Interest-bearing liabilities

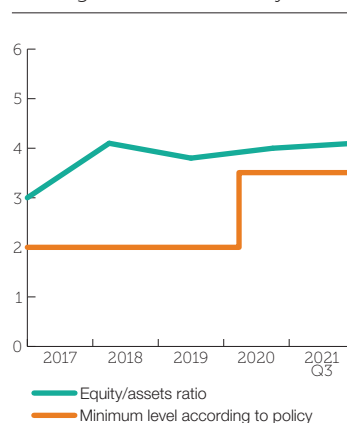
At September 30, 2021, interest-bearing liabilities amounted to MSEK 26,882 (26,315). Of these, MSEK 3,711 (4,814) pertained to secured bank loans, MSEK 999 (199) to liabilities to the EIB, MSEK 2,660 (2,139) to funding through commercial paper and MSEK 19,337 (18,988) to bond loans. In addition, the Company had MSEK 175 (175) in interest-bearing liabilities to related parties. All bank loans are secured by collateral in properties. In total, secured financing accounted for 7 percent (9) of the fair value of the investment properties.

MSEK  
26,882  
(26,315)

Average interest duration (years)



Average debt duration (years)



Of Rikshem's outstanding bonds, bonds corresponding to SEK 4.1 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 4.2 billion (EUR), SEK 5.2 billion (NOK) and SEK 0.5 billion (AUD). At September 30, 2021, the average interest rate was 1.5 percent, which is down 0.2 percentage point on September 30, 2020 and down 0.1 per-

centage point on June 30, 2021. Fees for unutilized backup facilities are included in the average interest rate. The average debt duration is 4.1 years (3.7), and the average interest duration is 4.2 years (4.5).

#### Green financing

A total of MSEK 900 in green bonds has been issued year to date. At September 30, 2021, outstanding green bonds totaled SEK 3.6 billion. Loans from the EIB for energy efficiency initiatives amounted to MSEK 999.

#### 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 date	Interest duration		Debt duration	
	Amount (MSEK)	Percentage	Amount (MSEK)	Percentage
2021	5,012	18.6%	2,318	8.6%
2022	1,226	4.6%	5,270	19.6%
2023	-	-	3,294	12.2%
2024	3,957	14.7%	4,206	15.6%
2025	2,887	10.7%	2,877	10.7%
2026	4,000	14.9%	2,112	7.9%
2027	2,500	9.3%	500	1.9%
2028	3,000	11.2%	996	3.7%
2029	2,400	8.9%	861	3.2%
2030–	1,900	7.1%	4,448	16.6%
<b>Total</b>	<b>26,882</b>	<b>100%</b>	<b>26,882</b>	<b>100%</b>

# Group – Condensed statement of comprehensive income

Amounts in MSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020–Sep 2021	Jan-Dec 2020
<b>Rental income</b>	754	755	2,276	2,276	3,032	3,032
Operating expenses	-153	-151	-572	-546	-762	-736
Repairs and maintenance	-51	-57	-158	-190	-246	-278
Property administration	-47	-51	-155	-161	-210	-216
Property tax	-11	-11	-32	-33	-41	-42
<b>Total property expenses</b>	<b>-262</b>	<b>-270</b>	<b>-917</b>	<b>-930</b>	<b>-1,259</b>	<b>-1,272</b>
<b>Net operating income</b>	<b>492</b>	<b>485</b>	<b>1,359</b>	<b>1,346</b>	<b>1,773</b>	<b>1,760</b>
Central administration	-21	-13	-63	-58	-83	-78
Net financial items	-106	-119	-320	-347	-436	-463
Earnings from joint ventures	9	6	194	1	253	60
of which income from property management	10	13	24	25	25	26
of which change in value of properties	1	0	220	-18	290	52
of which change in value of financial derivative instruments	0	0	2	-1	2	-1
of which tax	-2	-7	-51	-5	-63	-17
<b>Income from property management</b>	<b>374</b>	<b>359</b>	<b>1,170</b>	<b>942</b>	<b>1,507</b>	<b>1,279</b>
Change in value of investment properties	112	163	2,142	1,022	2,945	1,825
Change in value of interest rate derivatives	122	-5	439	-324	531	-232
Change in value of combined foreign exchange/interest rate derivatives	-22	-44	53	-154	-328	-535
Foreign exchange effects on financial liabilities	-61	20	-332	486	-148	670
<b>Profit before tax</b>	<b>525</b>	<b>493</b>	<b>3,472</b>	<b>1,972</b>	<b>4,507</b>	<b>3,007</b>
Tax	-54	-76	-615	-376	-765	-526
<b>Profit for the period/year</b>	<b>471</b>	<b>417</b>	<b>2,857</b>	<b>1,596</b>	<b>3,742</b>	<b>2,481</b>
<b>Other comprehensive income</b>						
Revaluation of pensions	-	-	-	-	-1	-1
Tax, pensions	-	-	-	-	-	-
<b>Other comprehensive income for the period/year, net after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-1</b>

# Group – Condensed statement of financial position

Amounts in MSEK	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>ASSETS</b>			
Capitalized development expenditure	10	–	7
Investment properties	54,809	50,761	51,750
Stakes in joint ventures	1,963	1,710	1,768
Equipment	3	4	3
Leaseholds and other right-of-use assets	135	132	137
Financial derivative instruments	357	513	281
Non-current receivables	342	220	281
<b>Total non-current assets</b>	<b>57,618</b>	<b>53,340</b>	<b>54,227</b>
Current receivables	210	230	214
Cash and cash equivalents	902	1,532	830
<b>Total current assets</b>	<b>1,112</b>	<b>1,762</b>	<b>1,044</b>
<b>TOTAL ASSETS</b>	<b>58,730</b>	<b>55,102</b>	<b>55,271</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>25,778</b>	<b>22,037</b>	<b>22,921</b>
Deferred tax	4,368	3,568	3,852
Interest-bearing liabilities	20,507	19,224	20,061
Financial derivative instruments	548	912	968
Non-current liabilities, leases	118	118	121
Non-interest-bearing liabilities	9	6	9
<b>Total non-current liabilities</b>	<b>25,551</b>	<b>23,828</b>	<b>25,011</b>
Interest-bearing liabilities	6,375	7,900	6,254
Current liabilities, leases	14	12	14
Non-interest-bearing liabilities	1,012	1,325	1,071
<b>Total current liabilities</b>	<b>7,401</b>	<b>9,237</b>	<b>7,339</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58,730</b>	<b>55,102</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
Opening balance, Jan 1, 2020	100	4,874	15,467	20,441
Profit for the period, Jan–Sep			1,596	1,596
Other comprehensive income, Jan–Sep			–	–
<b>Closing balance, Sep 30, 2020</b>	<b>100</b>	<b>4,874</b>	<b>17,063</b>	<b>22,037</b>
Profit for the period, Oct–Dec			885	885
Other comprehensive income, Oct–Dec			-1	-1
<b>Closing balance, Dec 31, 2020</b>	<b>100</b>	<b>4,874</b>	<b>17,947</b>	<b>22,921</b>
Opening balance, Jan 1, 2021	100	4,874	17,947	22,921
Profit for the period, Jan–Sep			2,857	2,857
Other comprehensive income, Jan–Sep			–	–
<b>Closing balance, Sep 30, 2021</b>	<b>100</b>	<b>4,874</b>	<b>20,804</b>	<b>25,778</b>

# Consolidated statement of cash flows

Amounts in MSEK	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Oct 2020–Sep 2021	Jan–Dec 2020
Cash generated from operations	471	472	1,296	1,289	1,694	1,686
Interest paid	-100	-114	-328	-336	-450	-458
Tax paid	1	–	-6	-22	14	-2
Change in working capital	152	27	4	-102	78	-28
<b>Cash flow from operating activities</b>	<b>525</b>	<b>385</b>	<b>966</b>	<b>829</b>	<b>1,335</b>	<b>1,198</b>
Investment in investment properties	-480	-368	-1,215	-1,178	-1,628	-1,592
Acquisition of investment properties	-458	–	-532	-52	-724	-243
Divestment of investment properties	611	758	829	802	1,254	1,227
Change in intangible assets and equipment	0	0	-3	-1	-10	-8
Investment in financial assets	-12	-40	-60	-140	-90	-170
Divestment of financial assets	–	50	–	50	–	50
<b>Cash flow from investing activities</b>	<b>-340</b>	<b>400</b>	<b>-981</b>	<b>-519</b>	<b>-1,198</b>	<b>-736</b>
Loans raised	2,956	1,738	8,768	9,746	12,739	13,718
Repayment of loans	-2,581	-2,433	-8,535	-9,000	-13,132	-13,597
Change in collateral	–	-112	-143	-87	-372	-316
Redemption of financial instruments	0	0	-3	-4	-3	-4
Repayment of finance leases	0	0	-1	-1	-1	-1
<b>Cash flow from financing activities</b>	<b>375</b>	<b>-807</b>	<b>86</b>	<b>654</b>	<b>-768</b>	<b>-200</b>
<b>Cash flow for the period/year</b>	<b>560</b>	<b>-22</b>	<b>72</b>	<b>964</b>	<b>-630</b>	<b>262</b>
Cash and cash equivalents at the beginning of the period/year	342	1,554	830	568	1,532	568
<b>Cash and cash equivalents at the end of the period/year</b>	<b>902</b>	<b>1,532</b>	<b>902</b>	<b>1,532</b>	<b>902</b>	<b>830</b>

# Parent Company – Condensed income statement

Amounts in MSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020-Sep 2021	Jan-Dec 2020
<b>Income</b>	<b>59</b>	<b>59</b>	<b>183</b>	<b>182</b>	<b>244</b>	<b>243</b>
Other operating expenses	-32	-29	-87	-93	-121	-128
Personnel expenses	-49	-48	-165	-150	-219	-204
Depreciation	0	-	-1	-1	-2	-2
<b>Operating profit/loss</b>	<b>-23</b>	<b>-18</b>	<b>-69</b>	<b>-62</b>	<b>-98</b>	<b>-91</b>
Earnings from Group companies	-44	26	-	73	35	108
Net interest income	76	63	222	207	283	268
Change in value of interest rate derivatives	122	-5	439	-324	531	-232
Change in value of combined foreign exchange/interest rate derivatives	-22	-45	53	-154	-328	-535
Foreign exchange effects on financial liabilities	-62	19	-332	485	-147	670
<b>Profit after financial items</b>	<b>47</b>	<b>40</b>	<b>313</b>	<b>225</b>	<b>276</b>	<b>188</b>
Tax	-8	71	-53	95	-118	29
<b>Profit for the period/year</b>	<b>39</b>	<b>111</b>	<b>260</b>	<b>320</b>	<b>158</b>	<b>217</b>

# Parent Company – Condensed balance sheet

Amounts in MSEK	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>ASSETS</b>			
Capitalized development expenditure	10	-	7
Equipment	2	3	3
Shares and participations in Group companies	2,117	1,945	2,117
Receivables from Group companies	31,473	30,515	30,963
Financial derivative instruments	357	513	281
Non-current receivables	139	49	79
<b>Total non-current assets</b>	<b>34,098</b>	<b>33,025</b>	<b>33,450</b>
Current assets	102	136	100
Cash and cash equivalents	900	1,529	826
<b>Total current assets</b>	<b>1,002</b>	<b>1,665</b>	<b>926</b>
<b>TOTAL ASSETS</b>	<b>35,099</b>	<b>34,690</b>	<b>34,376</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>7,923</b>	<b>7,765</b>	<b>7,662</b>
Provisions	2	-	2
Deferred tax	212	143	175
Financial derivative instruments	548	911	968
Interest-bearing liabilities	24,433	23,688	23,384
Liabilities to Group companies	1,639	1,637	1,821
Non-interest-bearing liabilities	343	546	364
<b>Total liabilities</b>	<b>27,177</b>	<b>26,925</b>	<b>26,714</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,099</b>	<b>34,690</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 the 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.

## Employees

The number of employees in the Rikshem Group at the end of the period was 286 (267): 147 men and 139 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 2021 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.

eration to the Board of Directors, CEO and other senior executives.

## Significant events after the end of the period

In October, Rikshem repurchased approximately EUR 130 million of the outstanding EUR 300 million bond with an interest coupon of 1.25% and maturity on 28 June 2024 (ISIN XS1636469865).

At the Extraordinary General Meeting on October 26, 2021, Ulrica Messing left her position as a member of Rikshem's Board of Directors at her own request when she was appointed Governor of Blekinge County.

## Affirmation of the Board of Directors and the CEO

The Board of Directors and the CEO affirm that this interim 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 interim report has not been reviewed by the Company's auditors.

Stockholm, October 27, 2021

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	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Income statement</b>						
Rental income	754	762	760	756	755	760
Property expenses	-262	-295	-360	-342	-270	-312
Net operating income	492	467	400	414	485	448
Central administration	-21	-24	-18	-20	-13	-23
Net financial items	-106	-105	-109	-116	-119	-116
Earnings from joint ventures	9	183	2	59	6	-8
Income from property management	374	521	275	337	359	301
Change in value of investment properties	112	1,935	95	803	163	730
Change in value of and foreign exchange effects on financial instruments	39	58	63	-105	-29	60
Profit before tax	525	2,514	433	1,035	493	1,091
Tax and other comprehensive income	-54	-464	-97	-150	-76	-228
Comprehensive income for the period	471	2,050	336	855	417	863
<b>Statement of financial position</b>						
Investment properties	54,809	54,370	52,167	51,750	50,761	50,989
Stakes in joint ventures	1,963	1,954	1,771	1,768	1,710	1,679
Other assets	1,056	1,060	1,184	923	1,099	1,154
Cash and cash equivalents	902	342	1,072	830	1,532	1,554
Total assets	58,730	57,726	56,194	55,271	55,102	55,376
Equity	25,778	25,307	23,257	22,921	22,037	21,620
Deferred tax	4,368	4,354	3,924	3,852	3,568	3,548
Interest-bearing liabilities	26,882	26,445	27,505	26,315	27,124	27,837
Other liabilities	1,702	1,620	1,508	2,183	2,373	2,371
Total equity and liabilities	58,730	57,726	56,194	55,271	55,102	55,376
<b>Key performance indicators</b>						
Loan-to-value ratio, %	49	49	53	51	53	55
Equity/assets ratio, %	44	44	41	41	40	39
Interest-coverage ratio, multiple*	3.9	3.8	3.7	3.7	3.6	3.7
Return on equity, %*	15.6	15.7	11.4	11.4	10.9	11.2
Property yield, %*	3.4	3.4	3.4	3.5	3.5	3.5
Surplus ratio, %	60	61	53	55	64	59

\* Rolling 12 months

# Key performance indicators

Amounts in MSEK	Jan-Sep 2021	2020	2019	2018	2017	2016
<b>Income statement</b>						
Rental income	2,276	3,032	2,916	2,792	2,665	2,484
Net operating income	1,359	1,760	1,586	1,524	1,555	1,420
Income from property management	1,170	1,279	1,286	1,008	1,150	1,208
Change in value of properties	2,142	1,825	1,538	2,107	1,647	1,962
Profit for the period	2,857	2,481	2,244	2,489	2,430	2,433
<b>Statement of financial position</b>						
Equity	25,778	22,921	20,441	18,199	15,710	13,281
External liabilities	26,882	26,315	26,838	26,493	24,022	23,422
Fair value of properties	54,809	51,750	49,307	45,687	41,039	37,878
Total assets	58,730	55,271	52,612	48,734	43,501	40,114
<b>Financial indicators</b>						
Equity/assets ratio, %	44	41	39	37	36	33
Loan-to-value ratio, %	49	51	54	58	59	62
Interest-coverage ratio, multiple*	3.9	3.7	3.5	3.2	3.5	3.8
Net debt/EBITDA, multiple	15.5	15.2	18.0	17.6	15.8	17.2
Loan-to-value ratio, secured loans, %	7	9	9	10	12	15
Average interest rate, %	1.5	1.7	1.6	1.7	2.0	1.5
Interest duration, years	4.2	4.7	4.5	5.1	5.3	2.6
Debt duration, years	4.1	4.0	3.8	4.1	3.0	1.9
Return on equity, %*	15.6	11.4	11.6	14.7	16.8	20.6
Property yield, %*	3.4	3.5	3.3	3.5	3.9	4.1
Total return excl. joint ventures, %*	9.2	7.2	6.7	8.6	8.3	10.0
Total return incl. joint ventures, %*	9.3	7.0	7.2	7.8	8.3	10.3
<b>Property-related indicators</b>						
Number of properties	515	540	560	555	586	574
Lettable area, 1,000 sqm	2,216	2,232	2,292	2,274	2,219	2,182
Number of apartments	28,512	28,730	29,214	28,840	27,924	27,224
Share of properties for public use, %	29	30	30	29	29	29
Vacancy rate, residential properties, %	4.9	4.0	3.5	3.2	2.7	3.6
Market vacancy rate, residential properties, %	1.5	1.4	0.8	0.5	0.3	0.5
Remaining lease term for properties for public use, years	8.3	8.8	9.0	9.4	9.8	10.3
Fair value, SEK/sqm	24,731	23,181	21,512	20,090	18,494	17,362
Growth in income for the like-for-like portfolio, %	1.7	3.5	4.3	3.8	4.3	3.7
Growth in net operating income for the like-for-like portfolio, %	1.9	9.2	3.6	-3.9	6.7	3.4
Surplus ratio, %*	58	58	54	55	58	57
<b>Employees</b>						
Number of employees	286	271	259	242	206	192

\* Rolling 12 months

# 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.

	Oct 2020– Sep 2021	Jan– Dec 2020	Oct 2019– Sep 2020	Jan– Dec 2019
<b>Return on equity</b>				
Profit for the period	3,741	2,480	2,274	2,242
Average equity	23,907	21,681	20,900	19,320
<b>Return on equity</b>	<b>15.6%</b>	<b>11.4%</b>	<b>10.9%</b>	<b>11.6%</b>
<b>Net operating income</b>				
Rental income	3,032	3,032	3,005	2,916
Property expenses	-1,259	-1,272	-1,294	-1,330
<b>Net operating income</b>	<b>1,773</b>	<b>1,760</b>	<b>1,711</b>	<b>1,586</b>
<b>Surplus ratio</b>				
Net operating income	1,773	1,760	1,711	1,586
Rental income	3,032	3,032	3,005	2,916
<b>Surplus ratio</b>	<b>58%</b>	<b>58%</b>	<b>57%</b>	<b>54%</b>
<b>Property yield</b>				
Net operating income	1,773	1,760	1,711	1,586
Opening property value	50,761	49,307	48,198	45,687
Closing property value	54,809	51,750	50,761	49,307
<b>Adjusted average property value</b>	<b>52,785</b>	<b>50,529</b>	<b>49,480</b>	<b>47,497</b>
<b>Property yield</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.3%</b>
<b>Total return</b>				
Net operating income	1,773	1,760	1,711	1,586
Change in value of properties	2,945	1,825	1,247	1,538
<b>Total</b>	<b>4,718</b>	<b>3,585</b>	<b>2,958</b>	<b>3,124</b>
Opening property value	50,761	49,307	48,198	45,687
Closing property value	54,809	51,750	50,761	49,307
Minus unrealized change in value	-2,945	-1,825	-1,247	-1,538
<b>Adjusted average property value</b>	<b>51,313</b>	<b>49,616</b>	<b>48,856</b>	<b>46,728</b>
<b>Total return</b>	<b>9.2%</b>	<b>7.2%</b>	<b>6.1%</b>	<b>6.7%</b>
<b>Interest-coverage ratio</b>				
Profit before tax	4,507	3,007	2,878	2,844
Reversal				
Change in value of properties	-2,945	-1,825	-1,247	-1,538
Change in value of financial derivative instruments and loans	-56	97	-317	-20
Earnings from joint ventures	-253	-60	-153	-244
Other financial expenses	26	29	29	29
Interest expense	418	439	430	421
<b>Operating profit/loss</b>	<b>1,697</b>	<b>1,708</b>	<b>1,620</b>	<b>1,500</b>
External interest	-437	-460	-449	-429
<b>Interest-coverage ratio, multiple</b>	<b>3.9</b>	<b>3.7</b>	<b>3.6</b>	<b>3.5</b>

	Sep 30, 2021	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
<b>Loan-to-value ratio</b>				
External interest-bearing liabilities	26,882	26,315	27,124	26,838
Fair value of investment properties	54,809	51,750	50,761	49,307
<b>Loan-to-value ratio</b>	<b>49%</b>	<b>51%</b>	<b>53%</b>	<b>54%</b>
<b>Loan-to-value ratio, secured loans</b>				
Outstanding secured debt	3,711	4,814	5,309	4,317
Fair value of investment properties	54,809	51,750	50,761	49,307
<b>Loan-to-value ratio, secured loans</b>	<b>7%</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>
<b>Net debt/EBITDA</b>				
External interest-bearing liabilities	26,882	26,315	27,124	26,838
Cash and cash equivalents	-902	-830	-1,532	-568
Collateral relating to CSA agreements	168	192	421	507
<b>Net debt</b>	<b>26,148</b>	<b>25,677</b>	<b>26,013</b>	<b>26,777</b>
Net operating income	1,773	1,760	1,711	1,586
Central administration	-83	-78	-97	-100
Depreciation	2	2	2	2
<b>EBIDTA</b>	<b>1,692</b>	<b>1,684</b>	<b>1,616</b>	<b>1,488</b>
<b>Net debt/EBITDA, multiple</b>	<b>15.5</b>	<b>15.2</b>	<b>16.1</b>	<b>18.0</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 in the residential properties segment 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 unrealized 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 in the residential properties segment on the closing date.

Rikshem is one of Sweden's largest private property companies. We own, develop and manage residential properties and properties for public use in selected municipalities in Sweden, where we offer safe, pleasant and flexible housing in attractive locations. Rikshem is owned by the Fourth Swedish National Pension Fund and AMF Pensionsförsäkring AB.

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## Financial calendar



### Reports

Year-end report 2021	February 4, 2022
Interim report, Jan–Mar 2022	May 6, 2022