



Interim report

January–September 2022

January–September in brief

- Rental income was MSEK 2,366 (2,276), up 4.0 percent on the same period of 2021.
- Rental income for the like-for-like portfolio rose MSEK 62 or 3.2 percent.
- Net operating income was MSEK 1,381 (1,359), up 1.6 percent on the same period of 2021.
- Income from property management fell by MSEK 69 or 5.9 percent to MSEK 1,101 (1,170).
- The change in value of investment properties was MSEK 178 (2,142).
- The change in value of financial derivative instruments and loans in foreign currency was MSEK 1,061 (160).
- Profit before tax for the period was MSEK 2,340 (3,472). Profit after tax was MSEK 1,876 (2,857).
- Property acquisitions during the period amounted to MSEK 500 (532). The Company is now established in Lund following the acquisition of development properties in the Västerbro neighborhood. In addition, a residential property was acquired in Kalmar's Bergagårdshöjden neighborhood plus two development properties in Sollentuna.
- The Lagern 6 property in Stockholm has been sold and will be vacated in Q4.
- Property investments in the period totaled MSEK 1,779 (1,215).

Rental income

MSEK 2,366

Net operating income

MSEK 1,381

Profit after tax

MSEK 1,876

Rikshem in summary

| | Jan–Sep 2022 | Jan–Sep 2021 | Oct 2021– Sep 2022 | 2021 Jan–Dec |
|--|-----------------|-----------------|-----------------------|-----------------|
| Rental income, MSEK | 2,366 | 2,276 | 3,152 | 3,062 |
| Net operating income, MSEK | 1,381 | 1,359 | 1,790 | 1,768 |
| Income from property management, MSEK | 1,101 | 1,170 | 1,457 | 1,526 |
| Profit, MSEK | 1,876 | 2,857 | 4,950 | 5,931 |
| Market value of properties, MSEK | 61,238 | 54,809 | 61,238 | 58,780 |
| Number of apartments | 28,823 | 28,512 | 28,823 | 28,514 |
| Lettable area, 1,000 sqm | 2,239 | 2,216 | 2,239 | 2,216 |
| Economic occupancy rate, % | 96.4 | 96.0 | 96.4 | 95.8 |
| Average lease term, years* | 7.8 | 8.3 | 7.8 | 8.3 |
| Loan-to-value ratio, % | 47 | 49 | 47 | 46 |
| Interest-coverage ratio, multiple (R12) | 3.6 | 3.9 | 3.6 | 3.6 |
| Equity, MSEK | 30,731 | 25,778 | 30,731 | 28,855 |
| Total return incl. joint ventures, % (R12) | 9.6 | 9.3 | 9.6 | 13.9 |
| Return on equity, % (R12) | 17.5 | 15.6 | 17.5 | 22.9 |

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

Sustainability provides stability

The property sector has had a long period where conditions have been favorable. We are now facing a new reality with the invasion of Ukraine, high inflation and interest rate hikes. Experts cannot agree on future developments, apart from the fact that there will be an economic downturn, but how deep it will be and how long it lasts remains to be seen. Even though it means that we, like others, need to review the business Rikshem is holding its ground – we are sustainable, we operate in stable segments and have strong owners. In times like these, our stability is something that is particularly appreciated by tenants, employees and the financial market. The latter is noticeable, among other things, when we under autumn has succeeded in issuing several bonds in a challenging capital market.

Inflation-proof properties for public use

Rikshem increased its income by 4.0 percent during the period and by 3.2 percent for comparable properties. Our active letting efforts are producing results and vacancies are down; both the market vacancy rate and the project vacancy rate have fallen. But in spite of this, property costs are increasing at a faster rate than income, primarily due to sharply increasing electricity costs, which is one of the major cost items for a property company such as Rikshem. In the properties for public use segment, however, the vast majority of contracts are indexed and therefore inflation-proof which partly compensates for the increase in expenses. Net operating income was up 1.6 percent during the period and up 0.7 percent for comparable properties. Rising interest rates are also affecting Rikshem, but with our relatively long interest and debt duration, it takes time before higher interest rates have a significant impact. The yield requirements generally correlate with the interest rate and we work to strengthen our cash flows by continuously develop our portfolio.

New conditions for rent reviews

Prior to the annual housing rent reviews, the market partners have agreed on five factors that reviews must focus on. These relate partly to actual administration costs, and partly to developments in the national economy. Hopefully, this will result in



Anette Frumerie, CEO

reviews that work better this year and lead to a faster process so that tenants are not affected by retrospective increases to the same extent as in previous years. This is especially important this year when it is clear that rents need to be increased significantly more than in recent years in order to offset high electricity prices for example. In order to secure the role of rental apartments in the market, it is vital that property companies cover their cost increases.

Higher renovation rate and more energy projects

We have a number of residential projects under construction, but due to the uncertain market that is resulting in high costings, we are more cautious ahead of the start of new construction projects. Instead, we are increasing our focus on renovating our properties, where we are working on the basis of our new renovation model, primarily with tenants who are still living in the properties.

“ So far, 2022 is our best year in terms of energy efficiency and we are working to further reduce consumption.”

This model reduces the need to vacate buildings for an extended period and will bring down our project vacancy rate. It also helps reduce the costs of emergency maintenance that is often associated with water damage in older buildings requiring renovation, as we can get started on renovations more quickly with the new model. Our energy investments are gathering pace and we are embarking on more energy projects. So far, 2022 is our best year in terms of energy efficiency. To further reduce consumption, we make the best of what is already in place and carry out the necessary modifications, monitor temperatures in stairwells, and ensure that unused premises do not consume power or are heated unnecessarily. We also inform our

tenants about what they can do to reduce their electricity consumption.

Development together with municipalities

In collaboration with municipalities across Sweden, we are developing modern retirement homes that are fit for purpose. Together with Nacka Municipality, we have drawn up a proposal to increase the amount of living space at the Talliden retirement home, a development project that is currently underway. The property, which was built in the 1950s, will be modernized, extended and adapted to meet current and future requirements for this type of property. We create high-quality homes for residents, but also a modern workplace for the people who work there. An overhaul of existing facilities and installation of ground-source heating will make a positive contribution from a sustainability perspective.

Award-winning retirement home

The Harplinge retirement home in Halmstad won the international ELCA Trend Award in September. The European Landscape Contractors Association presents the award to projects that meet the highest professional standards in the landscaping sector. Read more on page 9.

An even better company going forward

An unsettled world and an unsettled market provide a reason to examine what you are working on and how you are doing it – both in terms of the big things and the small things. I am confident that Rikshem will be stable both today and in the future. Our efforts are going to plan and we are developing where necessary in order to manage the changes that affect us. This means that together we are building an even better company for the future.

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 65 billion

The market value of the properties totals MSEK 64,657 (including Rikshem's share of the property value in joint ventures).

Residential

29,000

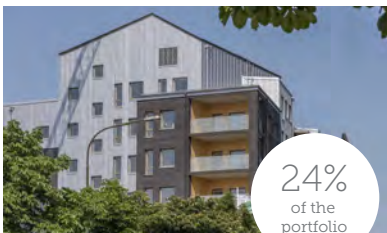
Rikshem has approximately 29,000 apartments: a mix of rental apartments, senior accommodation, student accommodation and youth apartments.

Properties for public use

30%


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

Our biggest areas in terms of property management (share of property value)




24%
of the portfolio

Uppsala
Number of apartments: **6,529**
Share of properties for public use: **33%**
Total area (sqm): **423,254**




22%
of the portfolio

Greater Stockholm
Number of apartments: **4,502**
Share of properties for public use: **48%**
Total area (sqm): **471,929**




10%
of the portfolio

Helsingborg
Number of apartments: **3,529**
Share of properties for public use: **1%**
Total area (sqm): **253,812**




10%
of the portfolio

Norrköping
Number of apartments: **3,380**
Share of properties for public use: **5%**
Total area (sqm): **237,769**




6%
of the portfolio

Västerås
Number of apartments: **1,807**
Share of properties for public use: **35%**
Total area (sqm): **132,171**




6%
of the portfolio

Kalmar
Number of apartments: **1,671**
Share of properties for public use: **43%**
Total area (sqm): **153,747**




5%
of the portfolio

Umeå
Number of apartments: **1,656**
Share of properties for public use: **5%**
Total area (sqm): **115,219**



5%
of the portfolio

Luleå
Number of apartments: **1,913**
Share of properties for public use: **15%**
Total area (sqm): **159,257**

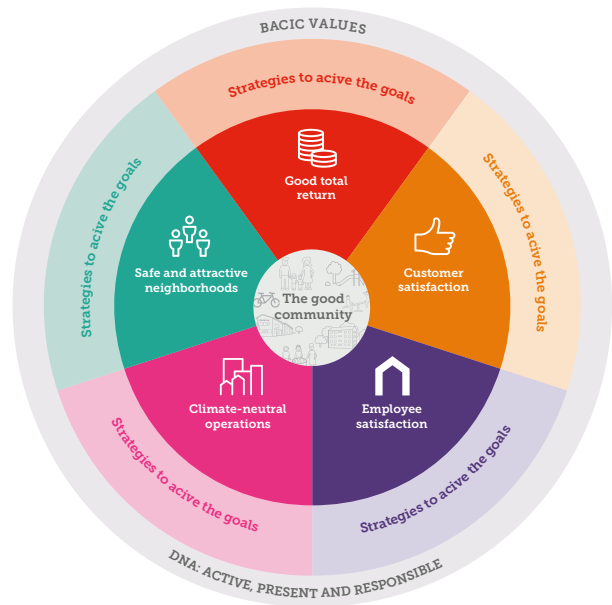


4%
of the portfolio

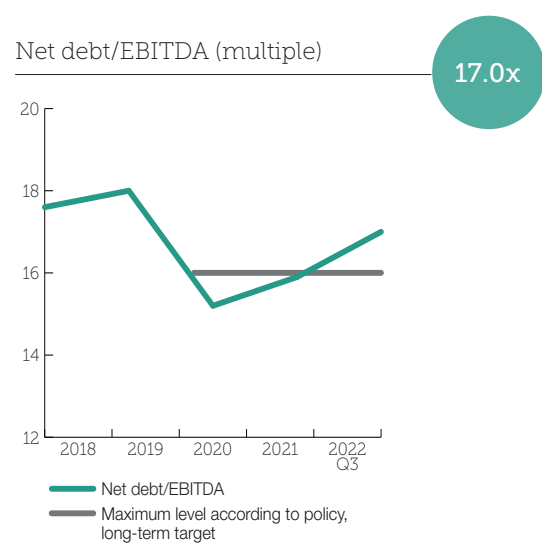
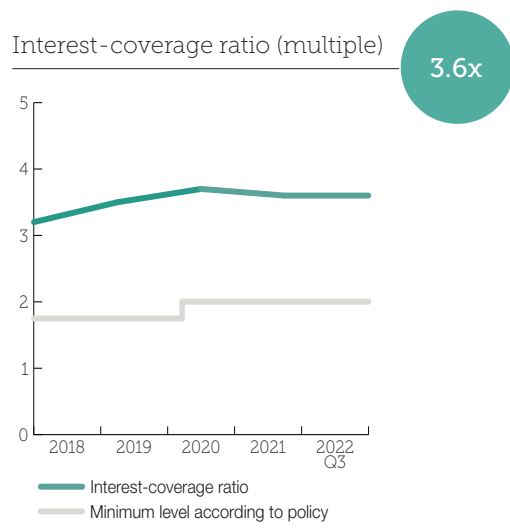
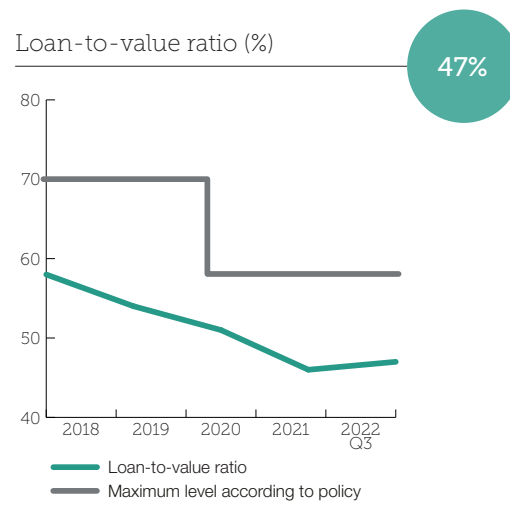
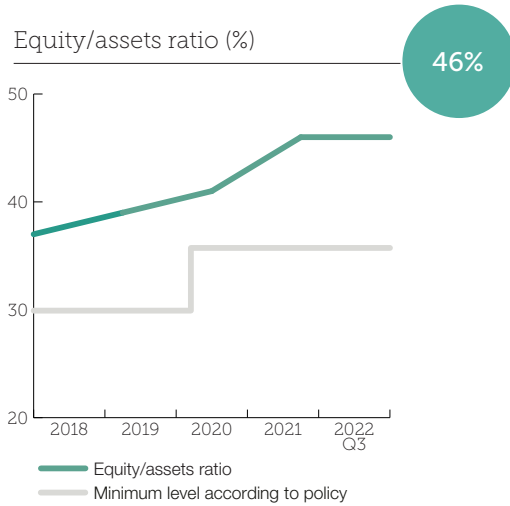
Östersund
Number of apartments: **1,883**
Share of properties for public use: **0%**
Total area (sqm): **136,603**

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.



Rikshem's key financial indicators



Rikshem's overall key financial indicators have consistently been strengthened in recent years. The target is for net debt/EBITDA to be below 16x long term.

This level has been exceeded, mainly because of an increased project volume – entailing higher net debt – and higher utility costs.

The indicator will be able to be restored to levels below 16x by continued focus on portfolio optimization and net operating income.

Income, costs and profit

Net operating income

Rental income increased by MSEK 90 or 4.0 percent compared with the same period of 2021 to MSEK 2,366 (2,276). The increase mainly relates to the annual rent adjustment and effects of investments that impact rent. Rental income for the like-for-like portfolio rose MSEK 62.2 or 3.2 percent.

Property expenses for the period increased by MSEK 68 or 7.4 percent to MSEK 985 (917). Expenses for the like-for-like portfolio increased by MSEK 54.1 or 7.1 percent. The main contributor to this was higher utility costs, particularly for electricity as a result of the increase in electricity prices. Costs for planned maintenance increased as forecast, while costs for emergency maintenance decreased. The cost allocation was changed during the first quarter in order to better reflect the cost structure used by MSCI. Some of the costs that were previously recognized as operating expenses are now recognized under Central administration. This increases the Central administration costs for the period by MSEK 19.

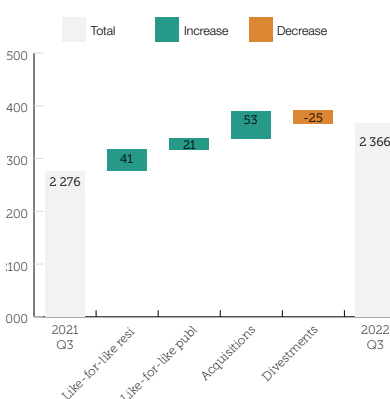
Overall, total net operating income increased by MSEK 22 year on year, amounting to MSEK 1,381 (1,359). Net operating income for the like-for-like portfolio increased by MSEK 8.2 million or 0.7 percent.

The vacancy rate fell during the period, especially in the third quarter. At the end of the period, the vacancy rate for apartments was 3.7 percent (4.9). Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.0 percent (1.5). The economic occupancy rate for properties for public use was 98.3 percent (97.7), and 96.4 percent (96.0) for the portfolio as a whole.

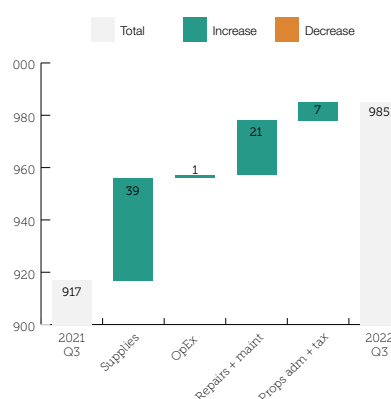
The average remaining lease term for properties for public use was 7.8 years (8.3). A high proportion of the new leases signed for 15–20 years relates to acquisitions. When leases are renewed, it is normally for shorter periods.

| Income statement MSEK | 2022 Jan–Sep | 2021 Jan–Sep |
|--|--------------|--------------|
| Rental income | 2,366 | 2,276 |
| Property expenses | -985 | -917 |
| Net operating income | 1,381 | 1,359 |
| Central administration | -98 | -63 |
| Net financial items | -314 | -320 |
| Earnings from joint ventures | 132 | 194 |
| Income from property management | 1,101 | 1,170 |
| Change in value of properties | 178 | 2,142 |
| Change in value of derivatives and foreign exchange effects on loans | 1,061 | 160 |
| Profit before tax | 2,340 | 3,472 |
| Tax | -464 | -615 |
| Profit for the period | 1,876 | 2,857 |

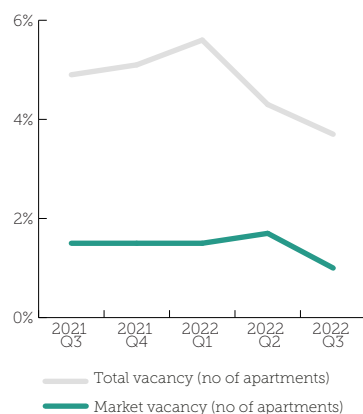
Rental income



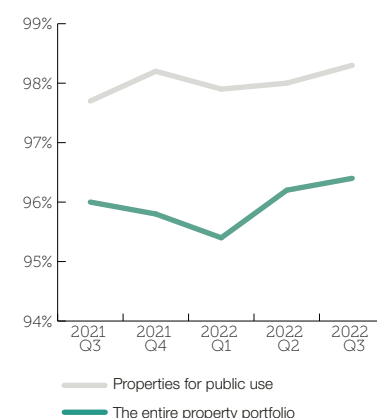
Property expenses



Vacancy rate, apartments (%)



Economic occupancy rate (%)



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 -98 (-63). Central administration includes group-wide costs. The cost allocation was changed during the first quarter in order to better reflect the cost structure used by MSCI. Some of the costs that were previously recognized as operating expenses are now recognized under Central administration. The change was made to better reflect the structure used by MSCI. Organizational strengthening has also increased costs.

MSEK
-98
(-63)

Net financial items

Net financial items mainly comprise the Company's external interest expense. Net financial items totaled MSEK -314 (-320). The average interest rate on interest-bearing liabilities increased to 1.8 percent (1.5). To date, higher market interest rates and credit margins have had a limited impact on net financial items. Their impact will be felt gradually, as a large part of the loan portfolio is subject to long interest and debt duration. Read more on page 11.

MSEK
-314
(-320)

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 132 (194). The change in value during the period was lower than in the same period of 2021. See the section on Joint ventures on page 10 for further information.

MSEK
132
(194)

Change in value of properties

The change in value of investment properties in the period was MSEK 178 (2,142), an increase of 0.3 percent (4.1). The average yield requirement used in the valuation increased by 0.09 percentage points during the period. More information on the valuation of properties can be found on page 8.

MSEK
178
(2,142)

Change in value of financial derivative instruments and loans in foreign currency

The Company's financial derivative instruments are interest-rate swaps, which

MSEK
1,061
(160)

extend interest duration, and combined interest-rate and currency swaps, which have been entered into to eliminate currency risk on interest payments and repayments of loans raised in EUR, NOK and AUD. The substantial rise in interest rates during the period had a positive impact on the change in value of interest-rate derivatives in SEK, which amounted to MSEK 1,860 (439). The change in value of combined interest-rate and currency derivatives was MSEK -452 (53), impacted negatively by the rise in interest rates and positively by the weakening of the Swedish krona. The foreign exchange effect on loans in EUR, NOK and AUD totaled MSEK -347 (-332) and relates to the weakening of the Swedish krona against these currencies during the period.

Tax

Tax reported for the period amounted to MSEK -464 (-615), MSEK -78 (-99) of which was current tax and MSEK -386 (-516) 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 19.8 percent (17.7). The variance in relation to the Swedish corporate tax rate of 20.6 percent is explained mainly by earnings from joint ventures, which are already taxed, and by 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
-464
(-615)

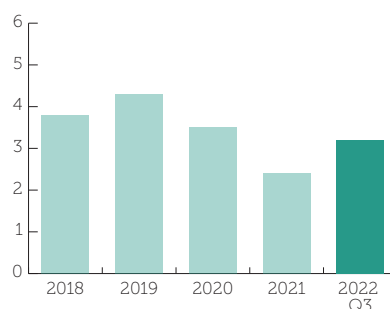
Profit for the period

Profit for the period totaled MSEK 1,876 (2,857).

MSEK
1,876
(2,857)

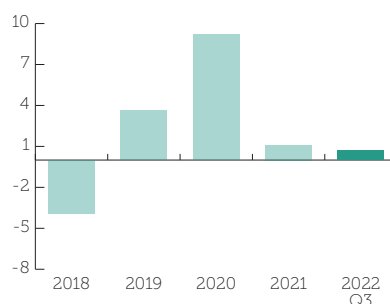
Change in rental income in the like-for-like portfolio (%)

3.2%



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

0.7%



Property portfolio

At September 30, 2022, Rikshem's property portfolio comprised 520 properties (515) with a market value of MSEK 61,238 (58,780). MSEK 41,954

of this pertained to apartments, MSEK 14,653 to nursing homes, MSEK 3,291 to schools and MSEK 1,340 to commercial properties. The property portfolio includes

development rights valued at MSEK 662. Properties representing 46 percent of the market value are located along the Greater Stockholm-Uppsala axis.

Number of properties

520

Market value

MSEK 61,238

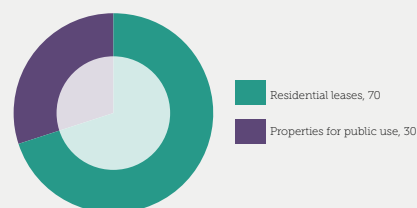
Rikshem's property portfolio, September 30, 2022

| Type | Value, MSEK | Percentage share | Area, 1,000 sqm | Market value, SEK/sqm | Annual rent, MSEK | Annual rent broken down by type of tenant, % | | | |
|--|---------------|------------------|-----------------|-----------------------|-------------------|--|---------------|----------------|------------|
| | | | | | | Residential leases | Public sector | Private sector | Total |
| Residential properties segment | | | | | | | | | |
| - Residential | 41,954 | 69 | 1,581 | 26,543 | | | | | |
| - Commercial* | 1,131 | 2 | 43 | 26,453 | | | | | |
| - Schools | 50 | 0 | 2 | 26,269 | | | | | |
| Residential | 43,135 | 70 | 1,625 | 26,540 | 2,206 | 88 | 3 | 9 | 100 |
| Properties for public use segment | | | | | | | | | |
| - Nursing homes | 14,653 | 24 | 474 | 30,904 | | | | | |
| - Schools | 3,240 | 5 | 120 | 27,036 | | | | | |
| - Commercial* | 209 | 0 | 20 | 10,688 | | | | | |
| Properties for public use | 18,103 | 30 | 614 | 29,504 | 939 | 7 | 82 | 11 | 100 |
| Total | 61,238 | 100 | 2,239 | 27,353 | 3,145 | 64 | 27 | 9 | 100 |

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



Breakdown of market value of investment properties (%)



Property valuation and segment reporting

Rikshem reports investment properties at fair value in accordance with IAS 40. External property valuations of the whole property portfolio are carried out on a quarterly basis. In addition, internal valuation is carried out primarily for properties with major ongoing or upcoming projects. The valuation conforms to level 3 in the IFRS 13 fair value hierarchy.

The average yield requirement increased by 0.09 percentage points relative to the value at year-end 2021 to 3.74 percent.

Yield requirement and rent/sqm by property type

| Property type | Rent/sqm | | | Yield requirement | | |
|----------------------------|----------|--------------|-------|-------------------|--------------|-------|
| | min. | average | max. | min. | average | max. |
| Residential | 310 | 1,406 | 3,339 | 2.34% | 3.66% | 6.00% |
| Properties for public use: | | | | | 3.94% | |
| Nursing homes | 813 | 1,610 | 3,119 | 2.80% | 3.88% | 5.50% |
| Schools | 458 | 1,506 | 2,516 | 3.70% | 4.19% | 5.50% |
| Commercial | 178 | 1,176 | 2,803 | 3.52% | 3.68% | 6.00% |
| Average | | 1,449 | | | 3.74% | |

Change in yield requirement by property type

| Property type | Value in MSEK | Dec 31, 2021 | Sep 30, 2022 | Change |
|----------------------------|---------------|--------------|--------------|--------------|
| Residential | 41,954 | 3.39% | 3.66% | 0.27% |
| Properties for public use: | | | | |
| Nursing homes | 14,653 | 3.98% | 3.88% | -0.10% |
| Schools | 3,291 | 4.35% | 4.19% | -0.16% |
| Commercial | 1,340 | 5.56% | 3.68% | -1.88% |
| Total | 61,238 | 3.65% | 3.74% | 0.09% |

Fair value of investment properties

| Amounts in MSEK | 2022 Jan-Sep | Jan-Sep 2021 | Jan-Dec 2021 |
|---|-----------------|-----------------|-----------------|
| Fair value at the beginning of the period | 58,780 | 51,750 | 51,750 |
| Change in value | 178 | 2,142 | 5,509 |
| Investments | 1,779 | 1,215 | 1,851 |
| Acquisitions | 500 | 532 | 532 |
| Divestments | – | -829 | -862 |
| Fair value at the end of the period | 61,238 | 54,809 | 58,780 |
| Fair value incl. Rikshem's share of properties in joint ventures | 64,657 | 57,921 | 62,112 |

Segment reporting

| Amounts in MSEK | Residential | | Properties for public use | | Total | |
|--|-----------------|-----------------|---------------------------|-----------------|-----------------|-----------------|
| | 2022 Jan-Sep | 2021 Jan-Sep | 2022 Jan-Sep | 2021 Jan-Sep | 2022 Jan-Sep | 2021 Jan-Sep |
| Rental income | 1,651 | 1,597 | 715 | 679 | 2,366 | 2,276 |
| Property expenses | -754 | -698 | -231 | -219 | -985 | -917 |
| Net operating income | 897 | 899 | 484 | 460 | 1,381 | 1,359 |
| Change in value of properties | -229 | 1,663 | 407 | 479 | 178 | 2,142 |
| Total return | 668 | 2,562 | 891 | 939 | 1,559 | 3,501 |
| Fair value of properties | 43,135 | 38,781 | 18,103 | 16,028 | 61,238 | 54,809 |
| Total return excl. joint ventures, % (R12) | 7.9 | 9.2 | 13.4 | 9.3 | 9.5 | 9.2 |
| Percentage share | 70 | 71 | 30 | 29 | 100 | 100 |
| Area, 1,000 sqm | 1,625 | 1,608 | 614 | 608 | 2,239 | 2,216 |
| Fair value, SEK/sqm | 26,540 | 24,116 | 29,504 | 26,356 | 27,353 | 24,731 |
| Investments | 1,652 | 1,080 | 128 | 135 | 1,779 | 1,215 |

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 period totaled MSEK 500 and were mainly from joint venture companies; see page 10. Three properties in development in Lund and a residential property were acquired in the first quarter, and properties in development in Sollentuna were acquired in the second quarter.

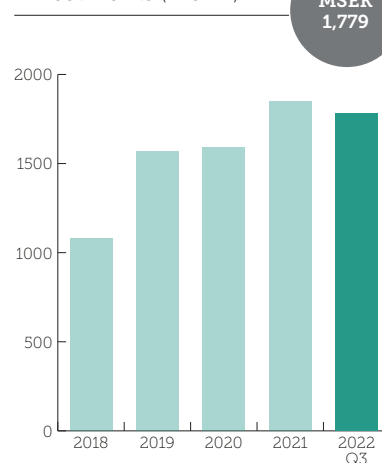
The Lagern 6 property in Stockholm has been sold and will be vacated in Q4.

Investments in existing properties during the period amounted to MSEK 1,779

(1,215), MSEK 820 (640) of which pertained to redevelopment and renovation of residential properties, MSEK 831 (440) to new construction of residential properties, and MSEK 128 (135) to investments in properties for public use.

Construction of 1,595 new apartments is under way, with residents expected to move in between Q1 2023 and Q4 2025. RM&U renovation projects are in progress in 2,002 apartments across 13 properties, with tenants moving in on an ongoing basis. Year to date, residents have moved in to 1,333 newly renovated and constructed apartments.

Investments (MSEK)



Major projects in progress

| Property/project | Municipality | Project category | Number of apartments before | Number of apartments after | Investment amount, MSEK | Outstanding investment amount, MSEK | Estimated completion |
|------------------|--------------|-------------------------------|-----------------------------|----------------------------|-------------------------|-------------------------------------|----------------------|
| Bonden | Halmstad | New construction (apartments) | | 175 | 355 | 103 | Q1 2023 |
| Eriksborg | Västerås | New construction (apartments) | | 252 | 350 | 147 | Q3 2023 |
| Topasen | Norrköping | New construction (apartments) | | 141 | 260 | 203 | Q2 2024 |
| Brönnestad | Malmö | New construction (apartments) | | 260 | 417 | 272 | Q4 2024 |
| Grafikern | Uppsala | New construction (apartments) | | 162 | 313 | 196 | Q4 2024 |
| Kantorn | Uppsala | RM&U renovation | 160 | 231 | 269 | 223 | Q4 2024 |
| Porsön | Luleå | RM&U renovation | 426 | 426 | 317 | 201 | Q2 2025 |
| Repet | Södertälje | New construction (apartments) | | 235 | 460 | 296 | Q4 2025 |
| Kantorn | Uppsala | New construction (apartments) | | 133 | 330 | 240 | Q4 2025 |
| Elneberg | Helsingborg | RM&U renovation | 269 | 269 | 257 | 177 | Q4 2025 |



Harplinge retirement home comes out on top in international competition

The Harplinge retirement home in Halmstad won the international ELCA Trend Award. It was one of five entries nominated from Sweden for the competition.

The European Landscape Contractors Association, ELCA, presents the ELCA Trend Award every two years to a project that meets the highest professional standards in the landscape sector. Every two years, a country with a specific theme is nominated for the Trend Award. In 2020, Sweden was nominated with the theme "Impact of green environment on people's health for well-being and learning".

Read more about the award, [ELCA Trend Award](#)

Joint ventures

Stakes in joint ventures

Among other things, joint venture partnerships enable Rikshem to enter new markets, develop new and existing neighborhoods, and exchange expertise with our partners.

Rikshem owns stakes in joint ventures with a total value of MSEK 2,312 (2,191). The value of Rikshem's share of the property holdings in these joint ventures, which are consolidated according to the equity method, is SEK 3.4 billion. The largest joint venture holding of MSEK 1,302 pertains to 49 percent of VärmdöBostäder; the remainder is owned by Värmdö Municipality. The second-largest holding of MSEK 801 relates to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikanö Bostad each owning 50 percent. Other participations in associated companies totaling MSEK 209 concern development projects owned and operated together with Nordr, P&E Fastighetspartner and Huseriet.

MSEK
2,312
(2,191)

During the period under review, Rikshem acquired Glommen & Lindberg's 50 percent share in JV Tidmätaren AB, meaning that Rikshem now owns 100 percent of the shares in the company and the JV partnership has consequently been dissolved. Rikshem also acquired a property from Bergagårdshöjdens JV AB during the period.

The joint ventures involve some development of condominiums. At September 30, 2022, 174 apartments were under construction, 165 of which had been sold. Rikshem's share of the unsold apartments is five.

Earnings from joint ventures

Rikshem's share of profit after tax amounted to MSEK 132 (194). The difference can mainly be attributed to the change in value of the properties.

MSEK
132
(194)



Rikshem's joint ventures

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



Telestaden in Farsta.
Photographer Staffan Eliasson

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.

The year started with the Covid-19 pandemic ongoing and, just as this started to abate, Russia invaded Ukraine and new pandemic-related restrictions were introduced in China. This has driven price increases, and inflation has risen fast. Central banks have announced and implemented interest-rate increases with a view to keeping down inflation, which has led to rises in interest rates and high volatility on the interest-rate and capital markets. Access to capital on the bond and certificate markets has been limited or non-existent at times, causing loan margins to rise rapidly too. This has impacted the entire property sector but primarily companies with lower credit ratings than Rikshem. In the short term, the interest-rate and margin changes have only a limited impact on Rikshem's financial position, as a large part of the loan portfolio has long interest and debt duration. However, interest-rate changes have a substantial impact on the value of the company's financial derivative instruments.

In the third quarter, Rikshem issued bonds worth SEK 1.0 billion with a maturity of five years. A new four-year bank loan totaling MSEK 746 has also been taken out. Commercial paper is issued on an ongoing basis with funding through commercial paper decreasing by MSEK 1,542 during the quarter.

Cash and cash equivalents

Cash and cash equivalents amounted to SEK 645 million (468). On the closing date, assets pledged under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 102. Assets of this type are settled on a monthly basis.

MSEK
645
(468)

Financial derivative instruments

At September 30, 2022, the Company had an interest-rate derivative portfolio that hedged SEK 15.2 billion on a net basis. The

MSEK
1,467
(60)

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 2,125 (403), while that of instruments with a negative fair value was MSEK -658 (-343). The net fair value of the derivative portfolio was MSEK 1,467 (60).

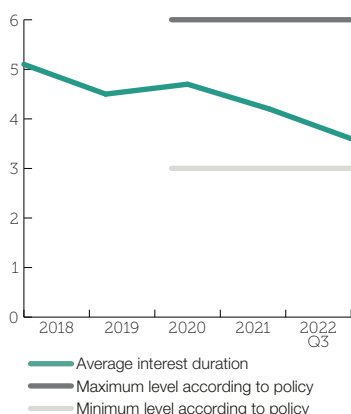
Interest-bearing liabilities

At September 30, 2022, interest-bearing liabilities amounted to MSEK 28,872 (26,922). The current portion of this totaled MSEK 6,510 (7,064). MSEK 4,549 (4,306) of the interest-bearing liabilities pertained to secured bank loans, MSEK 999 (999) to liabilities to the EIB, MSEK 2,651 (3,550) to funding through commercial paper, and MSEK 20,528 (18,892) to bond loans. In addition, the Company had MSEK 145 (175) in interest-bearing liabilities to related companies.

MSEK
28,872
(26,922)

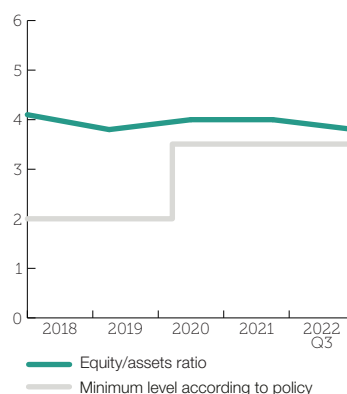
Average interest duration (years)

3.6 years



Average debt duration (years)

3.8 years



All bank loans are secured by collateral in properties. In total, secured financing accounted for 7 percent (6) of the market value of the investment properties.

Of Rikshem's outstanding bonds, bonds corresponding to SEK 2.8 billion have been issued in EUR, SEK 5.0 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 3.1 billion (EUR), SEK 4.9 billion (NOK), and SEK 0.6 billion (AUD). At September 30, 2022, the average interest rate was 1.8 percent, up 0.3 percentage points year on year and up 0.3 percentage points on the end of the previous quarter. The average interest rate has increased during

the quarter as a result of higher market interest rates. Fees for unutilized backup facilities are included in the average interest rate. The average debt duration is 3.8 years (4.0), and the average interest duration is 3.6 years (4.2).

Green financing

Rikshem updated the framework for green bonds in February. Green bonds worth a total of SEK 1.0 billion were issued during the quarter. At September 30, 2022, outstanding green bonds totaled approx. SEK 8.1 billion. Loans from the EIB for energy efficiency initiatives amounted to MSEK 999. In total, green financing represented approx. 31 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. The backup facilities cover refinancing of loan maturities of more than two years.

Rating

Rikshem has an A3 credit rating with stable outlook from the credit rating agency Moody's. The rating was confirmed by Moody's in June.

Interest-bearing external liabilities

| Maturity | Interest duration | | Debt duration | |
|--------------|-------------------|-------------|---------------|-------------|
| | Amount (MSEK) | Percentage | Amount (MSEK) | Percentage |
| 2022 | 6,329 | 22% | 2,899 | 10% |
| 2023 | 967 | 3% | 4,561 | 16% |
| 2024 | 3,275 | 11% | 4,267 | 15% |
| 2025 | 4,702 | 16% | 4,850 | 17% |
| 2026 | 3,700 | 13% | 3,174 | 11% |
| 2027 | 2,499 | 9% | 2,019 | 7% |
| 2028 | 3,000 | 11% | 1,039 | 3% |
| 2029 | 1,500 | 5% | 1,395 | 5% |
| 2030 | 2,400 | 8% | 1,079 | 4% |
| 2031– | 500 | 2% | 3,589 | 12% |
| Total | 28,872 | 100% | 28,872 | 100% |

Group – Condensed statement of comprehensive income

| Amounts in MSEK | 2022 Jul–Sep | 2021 Jul–Sep | 2022 Jan–Sep | 2021 Jan–Sep | Oct 2021– Sep 2022 | 2021 Jan–Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Rental income | 795 | 754 | 2,366 | 2,276 | 3,152 | 3,062 |
| Operating expenses | -170 | -153 | -612 | -572 | -823 | -783 |
| Repairs and maintenance | -54 | -51 | -179 | -158 | -270 | -249 |
| Property administration | -46 | -47 | -160 | -155 | -225 | -220 |
| Property tax | -11 | -11 | -34 | -32 | -44 | -42 |
| Total property expenses | -281 | -262 | -985 | -917 | -1,362 | -1,294 |
| Net operating income | 514 | 492 | 1,381 | 1,359 | 1,790 | 1,768 |
| Central administration | -34 | -21 | -98 | -63 | -135 | -100 |
| Net financial items | -119 | -106 | -314 | -320 | -466 | -472 |
| Earnings from joint ventures | 9 | 9 | 132 | 194 | 268 | 330 |
| of which income from property management | 8 | 10 | 28 | 24 | 39 | 35 |
| of which change in value of properties | 8 | 1 | 136 | 220 | 295 | 379 |
| of which change in value of financial derivative instruments | 0 | 0 | 4 | 2 | 4 | 2 |
| of which tax | -7 | -2 | -36 | -51 | -70 | -85 |
| Income from property management | 370 | 374 | 1,101 | 1,170 | 1,457 | 1,526 |
| Change in value of investment properties | 2 | 112 | 178 | 2,142 | 3,545 | 5,509 |
| Change in value of interest-rate derivatives | 338 | 122 | 1,860 | 439 | 1,996 | 575 |
| Change in value of combined interest-rate and currency derivatives | -103 | -22 | -452 | 53 | -337 | 168 |
| Foreign exchange effect on loans | -137 | -61 | -347 | -332 | -447 | -432 |
| Profit before tax | 470 | 525 | 2,340 | 3,472 | 6,215 | 7,347 |
| Tax | -85 | -54 | -464 | -615 | -1,265 | -1,416 |
| Profit for the period/year | 385 | 471 | 1,876 | 2,857 | 4,950 | 5,931 |
| Other comprehensive income | | | | | | |
| Revaluation of pensions | - | - | - | - | 4 | 4 |
| Tax, pensions | - | - | - | - | -1 | -1 |
| Other comprehensive income for the period/year, net after tax | - | - | - | - | 3 | 3 |

Group – Condensed statement of financial position

| Amounts in MSEK | Sep 30, 2022 | Sep 30, 2021 | Dec 31, 2021 |
|--|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Capitalized development expenditure | 11 | 10 | 8 |
| Investment properties | 61,238 | 54,809 | 58,780 |
| Stakes in joint ventures | 2,312 | 1,963 | 2,191 |
| Equipment | 4 | 3 | 2 |
| Leaseholds and other right-of-use assets | 177 | 135 | 134 |
| Financial derivative instruments | 2,125 | 357 | 403 |
| Non-current receivables | 64 | 342 | 227 |
| Total non-current assets | 65,931 | 57,618 | 61,745 |
| Current receivables | 356 | 210 | 198 |
| Cash and cash equivalents | 645 | 902 | 468 |
| Total current assets | 1,001 | 1,112 | 666 |
| TOTAL ASSETS | 66,932 | 58,730 | 62,411 |
| EQUITY AND LIABILITIES | | | |
| Equity | 30,731 | 25,778 | 28,855 |
| Deferred tax | 5,558 | 4,368 | 5,173 |
| Interest-bearing liabilities | 22,362 | 20,507 | 19,858 |
| Financial derivative instruments | 658 | 548 | 343 |
| Non-current liabilities, leases | 153 | 118 | 117 |
| Non-interest-bearing liabilities | 4 | 9 | 6 |
| Total non-current liabilities | 28,735 | 25,551 | 25,497 |
| Interest-bearing liabilities | 6,510 | 6,375 | 7,064 |
| Current liabilities, leases | 23 | 14 | 15 |
| Non-interest-bearing liabilities | 933 | 1,012 | 980 |
| Total current liabilities | 7,466 | 7,401 | 8,059 |
| TOTAL EQUITY AND LIABILITIES | 66,932 | 58,730 | 62,411 |

Group – Statement of changes in equity

| Amounts in MSEK | Share capital | Other paid-in capital | Retained earnings incl. profit for the year | Total equity |
|--------------------------------------|---------------|-----------------------|---|--------------|
| 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 | | | – | – |
| Closing balance, Sep 30, 2021 | 100 | 4,874 | 20,804 | 25,778 |
| Profit for the period, Oct–Dec | | | 3,074 | 3,074 |
| Other comprehensive income, Oct–Dec | | | 3 | 3 |
| Closing balance, Dec 31, 2021 | 100 | 4,874 | 23,881 | 28,855 |
| Opening balance, Jan 1, 2022 | 100 | 4,874 | 23,881 | 28,855 |
| Profit for the period, Jan–Sep | | | 1,876 | 1,876 |
| Other comprehensive income, Jan–Sep | | | – | – |
| Closing balance, Sep 30, 2022 | 100 | 4,874 | 25,757 | 30,731 |

Group – Statement of cash flows

| Amounts in MSEK | 2022 Jul–Sep | 2021 Jul–Sep | Jan–Sep 2022 | Jan–Sep 2021 | Oct 2021–Sep 2022 | Jan–Dec 2021 |
|--|--------------|--------------|---------------|--------------|-------------------|---------------|
| Operating activities | | | | | | |
| Income from property management | 370 | 374 | 1,101 | 1,170 | 1,457 | 1,526 |
| Adjustment for non-cash items | -7 | -9 | -129 | -194 | -263 | -328 |
| Reversal of net interest income | 119 | 106 | 314 | 320 | 466 | 472 |
| Interest paid | -97 | -102 | -293 | -333 | -450 | -489 |
| Interest received | 0 | 2 | 1 | 5 | 2 | 6 |
| Tax paid | -3 | 1 | -88 | -6 | -108 | -26 |
| Cash flow from operating activities before changes in working capital | 382 | 372 | 905 | 962 | 1,105 | 1,162 |
| Decrease (+)/increase (-) in operating receivables | 37 | 32 | -147 | 15 | -137 | 25 |
| Decrease (-)/increase (+) in operating liabilities | 54 | 120 | 77 | -11 | 72 | -16 |
| Cash flow from operating activities | 473 | 525 | 835 | 966 | 1,040 | 1,171 |
| Investing activities | | | | | | |
| Investment in investment properties | -530 | -480 | -1,779 | -1,215 | -2,415 | -1,851 |
| Acquisition of investment properties | 0 | -458 | -500 | -532 | -501 | -533 |
| Divestment of investment properties | 0 | 611 | 0 | 829 | 33 | 862 |
| Investment in other fixed assets | -5 | 0 | -8 | -3 | -6 | -1 |
| Investment in financial assets | 0 | -12 | 164 | -60 | 157 | -67 |
| Dividend from financial assets | 0 | – | 0 | – | 0 | – |
| Divestment of financial assets | 0 | – | 12 | – | 42 | 30 |
| Cash flow from investing activities | -535 | -340 | -2,111 | -981 | -2,689 | -1,559 |
| Financing activities | | | | | | |
| Loans raised | 3,805 | 2,956 | 14,657 | 8,768 | 18,770 | 12,881 |
| Repayment of loans | -4,285 | -2,581 | -13,055 | -8,535 | -17,230 | -12,710 |
| Change in collateral | -100 | – | -150 | -143 | -150 | -143 |
| Redemption of financial instruments | 1 | 0 | 0 | -3 | 0 | -3 |
| Repayment of finance leases | 2 | 0 | 1 | -1 | 2 | – |
| Cash flow from financing activities | -577 | 375 | 1,453 | 86 | 1,392 | 25 |
| Cash flow for the period/year | -639 | 560 | 177 | 72 | -257 | -362 |
| Cash and cash equivalents at the beginning of the period/year | 1,284 | 342 | 468 | 830 | 902 | 830 |

Parent Company – Condensed income statement

| Amounts in MSEK | 2022 Jul–Sep | 2021 Jul–Sep | Jan–Sep 2022 | Jan–Sep 2021 | Oct 2021– Sep 2022 | Jan–Dec 2021 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Income | 68 | 59 | 216 | 183 | 281 | 248 |
| Other operating expenses | -44 | -32 | -126 | -87 | -162 | -123 |
| Personnel expenses | -50 | -49 | -165 | -165 | -232 | -232 |
| Depreciation | -1 | 0 | -2 | -1 | -3 | -2 |
| Operating profit/loss | -27 | -23 | -77 | -69 | -117 | -109 |
| Earnings from Group companies | 22 | -44 | 57 | – | 153 | 96 |
| Net interest income | 71 | 76 | 242 | 222 | 272 | 252 |
| Change in value of interest-rate derivatives | 338 | 122 | 1,860 | 439 | 1,996 | 575 |
| Change in value of combined interest-rate and currency derivatives | -103 | -22 | -452 | 53 | -337 | 168 |
| Foreign exchange effect on financial liabilities | -137 | -62 | -347 | -332 | -447 | -432 |
| Profit after financial items | 164 | 47 | 1,283 | 313 | 1,520 | 550 |
| Appropriations, group contribution | – | – | – | – | -44 | -44 |
| Appropriations, profit to principal | 145 | – | 367 | – | 367 | – |
| Tax | -52 | -8 | -299 | -53 | -330 | -84 |
| Profit for the period/year | 257 | 39 | 1,351 | 260 | 1,513 | 422 |

Parent Company – Condensed balance sheet

| Amounts in MSEK | 2022 Sep 30, | Sep 30, 2021 | Dec 31, 2021 |
|--|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Capitalized development expenditure | 11 | 10 | 8 |
| Equipment | 4 | 2 | 2 |
| Shares and participations in Group companies | 2,724 | 2,117 | 2,724 |
| Receivables from Group companies | 32,632 | 31,473 | 31,668 |
| Financial derivative instruments | 2,125 | 357 | 403 |
| Non-current receivables | 17 | 139 | 144 |
| Total non-current assets | 37,513 | 34,098 | 34,949 |
| Current assets | 278 | 102 | 119 |
| Cash and cash equivalents | 643 | 900 | 465 |
| Total current assets | 921 | 1,002 | 584 |
| TOTAL ASSETS | 38,434 | 35,099 | 35,533 |
| EQUITY AND LIABILITIES | | | |
| Equity | 9,436 | 7,923 | 8,085 |
| Provisions | 1 | 2 | 3 |
| Deferred tax | 466 | 212 | 243 |
| Financial derivative instruments | 658 | 548 | 343 |
| Interest-bearing liabilities | 19,216 | 24,433 | 24,474 |
| Liabilities to Group companies | 2,399 | 1,639 | 2,150 |
| Non-interest-bearing liabilities | 6,258 | 343 | 235 |
| Total liabilities | 28,998 | 27,177 | 27,448 |
| TOTAL EQUITY AND LIABILITIES | 38,434 | 35,099 | 35,533 |

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. Since January 2022, the Parent Company has been included as principal for fiscal

purposes with the majority of its subsidiaries. These subsidiaries also part of a VAT group as of July 1, 2022.

Board of Directors

At the Annual General Meeting on March 24, 2022, Siv Malmgren and Zdravko Markovski were elected as new ordinary members of the Board of Directors. The remaining members were re-elected.

Employees

The number of employees in the Rikshem Group at the end of the period was 309 (286): 156 men and 153 women.

Risks

The Board of Directors and management work continuously on managing the risks to which the business is exposed. The year has been hallmarked by the war in Ukraine, inflation, high electricity prices, rising interest rates and volatile financial markets. This has affected Rikshem to date mainly through higher electricity costs and interest rates. Inflation has increased the prices of building materials, for instance, which to some extent affects ongoing projects. Rikshem's risks and uncertainties are described on page 60 of the Annual and Sustainability Report 2021.

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 accounting policies, valuation principles and calculation methods applied are consistent with the most recent annual report.

New standards and interpretations

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 22 of the Annual and Sustainability Report 2021. 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.

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 28, 2022

Per Uhlén
Chairman of the Board

Pernilla Arnrud Melin
Board member

Liselotte Hjorth
Board member

Andreas Jensen
Board member

Siv Malmgren
Board member

Zdravko Markovski
Board member

Per-Gunnar Persson
Board member

Peter Strand
Board member

Anette Frumerie
CEO

Quarterly data

| Amounts in MSEK | 2022 Q3 | 2022 Q2 | 2022 Q1 | 2021 Q4 | 2021 Q3 | Q2 2021 |
|---|------------|------------|------------|------------|------------|------------|
| Income statement | | | | | | |
| Rental income | 795 | 801 | 770 | 786 | 754 | 762 |
| Property expenses | -281 | -319 | -385 | -377 | -262 | -295 |
| Net operating income | 514 | 482 | 385 | 409 | 492 | 467 |
| Central administration | -34 | -33 | -31 | -37 | -21 | -24 |
| Net financial items | -119 | -102 | -93 | -152 | -106 | -105 |
| Earnings from joint ventures | 9 | 113 | 10 | 136 | 9 | 183 |
| Income from property management | 370 | 460 | 271 | 356 | 374 | 521 |
| Change in value of investment properties | 2 | 52 | 124 | 3,367 | 112 | 1,935 |
| Change in value of and foreign exchange effect on financial instruments | 98 | 434 | 529 | 151 | 39 | 58 |
| Profit before tax | 470 | 946 | 924 | 3,875 | 525 | 2,514 |
| Tax and other comprehensive income | -85 | -190 | -189 | -798 | -54 | -464 |
| Comprehensive income for the period | 385 | 756 | 735 | 3,077 | 471 | 2,050 |
| Statement of financial position | | | | | | |
| Investment properties | 61,238 | 60,705 | 59,683 | 58,780 | 54,809 | 54,370 |
| Stakes in joint ventures | 2,312 | 2,302 | 2,201 | 2,191 | 1,963 | 1,954 |
| Other assets | 2,737 | 2,417 | 1,727 | 972 | 1,056 | 1,060 |
| Cash and cash equivalents | 645 | 1,284 | 503 | 468 | 902 | 342 |
| Total assets | 66,932 | 66,708 | 64,114 | 62,411 | 58,730 | 57,726 |
| Equity | 30,731 | 30,346 | 29,591 | 28,855 | 25,778 | 25,307 |
| Deferred tax | 5,558 | 5,506 | 5,348 | 5,173 | 4,368 | 4,354 |
| Interest-bearing liabilities | 28,872 | 29,212 | 27,553 | 26,922 | 26,882 | 26,445 |
| Other liabilities | 1,771 | 1,644 | 1,623 | 1,461 | 1,702 | 1,620 |
| Total equity and liabilities | 66,932 | 66,708 | 64,114 | 62,411 | 58,730 | 57,726 |
| Key performance indicators | | | | | | |
| Loan-to-value ratio, % | 47 | 48 | 46 | 46 | 49 | 49 |
| Equity/assets ratio, % | 46 | 45 | 46 | 46 | 44 | 44 |
| Interest-coverage ratio, multiple (R12) | 3.6 | 3.7 | 3.6 | 3.6 | 3.9 | 3.8 |
| Return on equity, % (R12) | 17.5 | 18.1 | 24.0 | 22.9 | 15.6 | 15.7 |
| Property yield, % (R12) | 3.1 | 3.1 | 3.1 | 3.2 | 3.4 | 3.4 |
| Surplus ratio, % | 65 | 60 | 50 | 52 | 65 | 61 |

Key figures

| Amounts in MSEK | 2022 Jan-Sep | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-----------------|--------|--------|--------|--------|--------|
| Income statement | | | | | | |
| Rental income | 2,366 | 3,062 | 3,032 | 2,916 | 2,792 | 2,665 |
| Net operating income | 1,381 | 1,768 | 1,760 | 1,586 | 1,524 | 1,555 |
| Income from property management | 1,101 | 1,526 | 1,279 | 1,286 | 1,008 | 1,150 |
| Change in value of properties | 178 | 5,509 | 1,825 | 1,538 | 2,107 | 1,647 |
| Profit for the period | 1,876 | 5,931 | 2,481 | 2,244 | 2,489 | 2,430 |
| Statement of financial position | | | | | | |
| Equity | 30,731 | 28,855 | 22,921 | 20,441 | 18,199 | 15,710 |
| External liabilities | 28,872 | 26,922 | 26,315 | 26,838 | 26,493 | 24,022 |
| Fair value of properties | 61,238 | 58,780 | 51,750 | 49,307 | 45,687 | 41,039 |
| Total assets | 66,932 | 62,411 | 55,271 | 52,612 | 48,734 | 43,501 |
| Financial indicators | | | | | | |
| Equity/assets ratio, % | 46 | 46 | 41 | 39 | 37 | 36 |
| Loan-to-value ratio, % | 47 | 46 | 51 | 54 | 58 | 59 |
| Interest-coverage ratio, multiple (R12) | 3.6 | 3.6 | 3.7 | 3.5 | 3.2 | 3.5 |
| Net debt/EBITDA, multiple | 17.0 | 15.9 | 15.2 | 18.0 | 17.6 | 15.8 |
| Loan-to-value ratio, secured loans, % | 7 | 6 | 9 | 9 | 10 | 12 |
| Average interest rate, % | 1.8 | 1.5 | 1.7 | 1.6 | 1.7 | 2.0 |
| Interest duration, years | 3.6 | 4.2 | 4.7 | 4.5 | 5.1 | 5.3 |
| Debt duration, years | 3.8 | 4.0 | 4.0 | 3.8 | 4.1 | 3.0 |
| Return on equity, % (R12) | 17.5 | 22.9 | 11.4 | 11.6 | 14.7 | 16.8 |
| Property yield, % (R12) | 3.1 | 3.2 | 3.5 | 3.3 | 3.5 | 3.9 |
| Total return excl. joint ventures, % (R12) | 9.5 | 13.9 | 7.2 | 6.7 | 8.6 | 8.3 |
| Total return incl. joint ventures, % (R12) | 9.6 | 13.9 | 7.0 | 7.2 | 7.8 | 8.3 |
| Property-related indicators | | | | | | |
| Number of properties | 520 | 514 | 540 | 560 | 555 | 586 |
| Lettable area, 1,000 sqm | 2,239 | 2,216 | 2,232 | 2,292 | 2,274 | 2,219 |
| Number of apartments | 28,823 | 28,514 | 28,730 | 29,214 | 28,840 | 27,924 |
| Share of properties for public use (fair value), % | 30 | 29 | 30 | 30 | 29 | 29 |
| Vacancy rate, apartments, % | 3.7 | 5.1 | 4.0 | 3.5 | 3.2 | 2.7 |
| Market vacancy rate, apartments, % | 1.0 | 1.5 | 1.4 | 0.8 | 0.5 | 0.3 |
| Remaining lease term for properties for public use, years | 7.8 | 8.3 | 8.8 | 9.0 | 9.4 | 9.8 |
| Fair value, SEK/sqm | 27,353 | 26,522 | 23,181 | 21,512 | 20,090 | 18,494 |
| Growth in income for the like-for-like portfolio, % | 3.2 | 2.4 | 3.5 | 4.3 | 3.8 | 4.3 |
| Growth in net operating income for the like-for-like portfolio, % | 0.7 | 1.1 | 9.2 | 3.6 | -3.9 | 6.7 |
| Surplus ratio, % | 58 | 58 | 58 | 54 | 55 | 58 |
| Employees | | | | | | |
| Number of employees | 309 | 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.

| | Oct 2021– Sep 2022 | 2021 Jan– Dec | Oct 2020– Sep 2021 | Jan– Dec 2020 |
|---------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| Return on equity | | | | |
| Profit | 4,950 | 5,931 | 3,742 | 2,481 |
| Average equity | 28,254 | 25,888 | 23,907 | 21,681 |
| Return on equity, % | 17.5 | 22.9 | 15.7 | 11.4 |
| Net operating income | | | | |
| Rental income | 3,152 | 3,062 | 3,032 | 3,032 |
| Property expenses | -1,362 | -1,294 | -1,259 | -1,272 |
| Net operating income | 1,790 | 1,768 | 1,773 | 1,760 |
| Surplus ratio | | | | |
| Net operating income | 1,790 | 1,768 | 1,773 | 1,760 |
| Rental income | 3,152 | 3,062 | 3,032 | 3,032 |
| Surplus ratio, % | 57 | 58 | 58 | 58 |
| Property yield | | | | |
| Net operating income | 1,790 | 1,768 | 1,773 | 1,760 |
| Opening property value | 54,809 | 51,750 | 50,761 | 49,307 |
| Closing property value | 61,238 | 58,780 | 54,809 | 51,750 |
| Adjusted average property value | 58,024 | 55,265 | 52,785 | 50,529 |
| Property yield, % | 3.1 | 3.2 | 3.4 | 3.5 |
| Total return | | | | |
| Net operating income | 1,790 | 1,768 | 1,773 | 1,760 |
| Change in value of properties | 3,546 | 5,509 | 2,945 | 1,825 |
| Total | 5,336 | 7,278 | 4,718 | 3,585 |

| | | | | |
|----------------------------------|------------|-------------|------------|------------|
| Opening property value | 54,809 | 51,750 | 50,761 | 49,307 |
| Closing property value | 61,238 | 58,780 | 54,809 | 51,750 |
| Minus unrealized change in value | -3,546 | -5,509 | -2,945 | -1,825 |
| Adjusted average property value | 56,251 | 52,510 | 51,313 | 49,616 |
| Total return, % | 9.5 | 13.9 | 9.2 | 7.2 |

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Interest-coverage ratio | | | | |
| Profit before tax | 6,214 | 7,347 | 4,507 | 3,007 |
| Reversal | | | | |
| Change in value of properties | -3,546 | -5,509 | -2,945 | -1,825 |
| Change in value of financial derivative instruments and loans | -1,212 | -311 | -56 | 97 |
| Earnings from joint ventures | -268 | -330 | -253 | -60 |
| Other financial expenses | 33 | 32 | 26 | 29 |
| Interest expense | 437 | 448 | 418 | 439 |
| Operating profit/loss | 1,659 | 1,676 | 1,697 | 1,687 |
| External interest | -463 | -467 | -437 | -460 |
| Interest-coverage ratio, multiple | 3.6 | 3.6 | 3.9 | 3.7 |

| Amounts in MSEK | 2022 Sep 30, | Dec 31, 2021 | 2021 Sep 30, | Dec 31, 2020 |
|--|-----------------|-----------------|-----------------|-----------------|
| Loan-to-value ratio | | | | |
| External interest-bearing liabilities | 28,872 | 26,922 | 26,882 | 26,315 |
| Fair value of investment properties | 61,238 | 58,780 | 54,809 | 51,750 |
| Loan-to-value ratio, % | 47 | 46 | 49 | 51 |
| Loan-to-value ratio, secured loans | | | | |
| Outstanding secured debt | 4,549 | 3,306 | 3,711 | 4,814 |
| Fair value of investment properties | 61,238 | 58,780 | 54,809 | 51,750 |
| Loan-to-value ratio, secured loans, % | 7 | 6 | 7 | 9 |
| Net debt/EBITDA | | | | |
| External interest-bearing liabilities | 28,872 | 26,922 | 26,882 | 26,315 |
| Cash and cash equivalents | -645 | -468 | -902 | -830 |
| Collateral relating to CSA agreements | -102 | 48 | 168 | 192 |
| Net debt | 28,125 | 26,503 | 26,148 | 25,677 |
| Net operating income | 1,790 | 1,768 | 1,773 | 1,760 |
| Central administration | -135 | -100 | -83 | -78 |
| Depreciation | 3 | 2 | 2 | 2 |
| EBITDA | 1,658 | 1,670 | 1,692 | 1,684 |

Definitions

| | |
|--|---|
| Amounts within parentheses | 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. |
| Average interest rate | Average interest rate for interest-bearing liabilities including expenses for backup facilities in relation to current loans on the closing date. |
| Debt duration | The weighted remaining maturity of interest-bearing liabilities on the closing date. |
| Economic occupancy rate | Contract rent in relation to total rental value on the closing date less rent related to vacancies due to renovation. |
| Equity/assets ratio | Equity in relation to total assets. |
| Income from property management | Net operating income less administrative costs and net financial items plus earnings from joint ventures. |
| Interest-coverage ratio | 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. |
| Interest duration | The weighted remaining interest duration for interest-bearing liabilities and financial derivative instruments on the closing date. |
| Like-for-like portfolio | For financial monitoring, this refers to the properties that have been owned or, in the case of new construction projects, that have been moved into during the last four quarters. |
| Loan-to-value ratio | External interest-bearing liabilities in relation to the fair value of properties. |
| Loan-to-value ratio, secured loans | Secured interest-bearing liabilities in relation to the fair value of properties. |
| Market vacancy rate, residential properties | The number of unrented apartments less apartments decommissioned due to renovation, for example, in relation to the total number of apartments on the closing date. |
| Net debt/EBITDA | 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. |
| Net financial items | Net interest income, interest expense, ground rents and similar income and expenses. |
| Net operating income | Rental income less property expenses. |
| Property expenses | Costs for heating, electricity, water, operation, maintenance, property tax, rent losses and property administration. |
| Property yield | Annualized net operating income in relation to the average fair value of properties. |
| Remaining lease term, properties for public use | The weighted remaining lease term in the rental value in the properties for public use segment on the closing date. |
| Rental income | Rental value less vacancies and rent discounts. |
| Return on equity | Profit for the year in relation to average equity. |
| Secured loans | Loans raised against liens on properties. |
| Surplus ratio | Net operating income in relation to rental income. |
| Total return | Net operating income plus change in value in relation to the average fair value of properties, less rolling four-quarter changes in value. |
| Vacancy rate, residential properties | The number of unrented apartments in relation to the total number of apartments 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, offering safe, pleasant and flexible housing in attractive locations. Rikshem is owned by the Fourth Swedish National Pension Fund (AP4) and AMF Tjänstepension AB.

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Financial calendar



Reports

| | |
|--|------------------|
| Year-end report 2022 | February 3, 2023 |
| Rikshem's Annual Report and Sustainability Report 2022 | March 22, 2023 |
| Interim report Jan-Mar 2023 | May 5, 2023 |