



Interim report

January–March 2022

January–March in brief

- Rental income was MSEK 770 (760), up 1.3 percent on the same period of 2021.
- Rental income for the like-for-like portfolio rose MSEK 7 or 1.2 percent.
- Net operating income fell by MSEK 15 or 3.7 percent to MSEK 385 (400).
- Income from property management fell by MSEK 3 or 1.0 percent to MSEK 272 (275).
- The change in value of the investment properties was MSEK 124 (95).

- The change in value of financial derivative instruments and loans in foreign currency was MSEK 528 (63).
- Profit before tax for the period increased by MSEK 491 or 113 percent to MSEK 924 (433). Profit after tax increased by MSEK 399 or 119 percent to MSEK 735 (336).
- Property acquisitions during the period amounted to MSEK 338 (19). The company is now established in Lund following the acquisition of properties in

- development in the Västerbro neighborhood. A residential property was also acquired in Kalmar's Bergagårdshöjden neighborhood. No divestments were carried out during the period.
- Property investments in the period totaled MSEK 440 (304)
- At the Annual General Meeting in March, Siv Malmgren and Zdravko Markovski were elected as new ordinary members of the Board of Directors. The remaining members were re-elected.

Profit after tax

MSEK 735

Net operating income

MSEK 385

Rental income

MSEK 770

Rikshem in summary

	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Jan–Dec 2021
Rental income, MSEK	770	760	3,072	3,062
Net operating income, MSEK	385	400	1,753	1,768
Income from property management, MSEK	272	275	1,523	1,526
Profit, MSEK	735	336	6,330	5,931
Market value of properties, MSEK	59,683	52,167	59,683	58,780
Number of apartments	28,683	28,996	28,683	28,514
Lettable area, 1,000 sqm	2,230	2,247	2,230	2,216
Economic occupancy rate, %	95.4	96.0	95.4	95.8
Average lease term, years*	8.3	8.8	8.3	8.3
Loan-to-value ratio, %	46	53	46	46
Interest-coverage ratio, multiple (R12)	3.6	3.7	3.6	3.6
Equity, MSEK	29,591	23,257	29,591	28,855
Total return incl. joint ventures, % (R12)	13.8	6.9	13.8	13.9
Return on equity, % (R12)	24.0	11.4	24.0	22.9

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

Enhanced property management and increased focus on properties for public use

The start of the year saw changed conditions on the markets and in the wider world. The challenges presented by the pandemic, the invasion of Ukraine and the sanctions against Russia are affecting supply chains, and inflation is rising, which will affect both individuals and businesses. Rikshem operates with a long-term focus in order to live up to our business concept of owning properties for the long term and be able to meet our customers' and owners' expectations in different economic conditions.

Residential properties and properties for public use are secure asset classes and, with a gross LTV of 46%, Rikshem has relatively conservative funding. We also have a good rating of A3 from Moody's, making Rikshem an attractive borrower even in uncertain times. Our average interest duration of 4.0 years means the higher financing costs will impact profit gradually. Inflation concerns and future interest-rate rises may also create new business opportunities for Rikshem.

Enhanced property management

Rental income for the first quarter shows limited growth. The annual rent increases are applied at different times in different places, and in a number of places only come into effect in the second quarter. Energy prices have been unusually high in recent months, and our price-hedging strategy for electricity has not been able to fully counter the effects of the price increases, resulting in higher utility costs. We must reckon on electricity being more expensive going forward. This means that we need to work even harder to use energy more efficiently and press on with the energy efficiency projects we have planned. We're concentrating on optimizing our own energy use and are starting to see positive effects from our ongoing energy investments. In the first quarter, we've achieved total energy savings of more than 10 percent. We're increasing planned maintenance, while costs for emergency maintenance continue to fall. We have strengthened the property management organization so as to be able to deliver improved customer work



and enhanced property management. A change in the cost allocation principle together with the strengthened organization means that the central costs increase when we establish long-term sustainable company-wide functions.

“ Rikshem operates with a long-term focus in order to live up to our business concept of owning properties for the long term and be able to meet our customers' and owners' expectations in different economic conditions.

Splitting into two business areas

Rikshem's property portfolio comprises approx. 70 percent residential properties and 30 percent properties for public use. The activities relating to these two categories differ in some respects but to date we've handled them both within the same organization. We're now increasing our focus on the properties for public use and splitting our activities into two business areas – residential and properties for public use – which will enable us to use our resources more effectively.

Rikshem in Lund

For some time, 14 percent of our portfolio has been in Helsingborg and Malmö, and now we're expanding our presence in Skåne by establishing ourselves in Lund. In February we acquired an initial project in the Västerbro neighborhood, where we plan to start construction of 210 apart-

ments during 2022. In the long term, the total investment volume for the project as a whole is estimated at around SEK 2 billion. All the properties will be built in accordance with the criteria for silver certification from the Swedish Green Building Council (SGBC). Rikshem maintained a high rate of new construction projects in 2021, and our ambition is to continue this in 2022, predominantly via our framework agreements. We also intend to maintain a high rate regarding renovations. The prevailing market and wider conditions may, however, affect how many of our planned projects are started.

Social housing activities

The large number of people currently arriving in Sweden is increasing the pressure on housing. In Helsingborg we'll assist by providing apartments for refugees from Ukraine, and we're also in discussion with the Swedish Migration Agency and municipalities concerning various housing options in our locations. Providing housing when it's needed is nothing new to Rikshem. Through our social housing activities, we currently offer more than 300 apartments to people who are unable to access the housing market on their own. As a long-term and responsible property owner, we help where we can, mindful that no one can do everything but everyone can do something.

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 63 billion

The market value of the properties totals MSEK 62,988 (including Rikshem's share of the property value in joint ventures).

Apartments

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 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: **35%**
Total area (sqm): **421,275**



22%
of the
portfolio

Greater Stockholm

Number of apartments: **4,502**
Share of properties for public use: **48%**
Total area (sqm): **466,121**



11%
of the
portfolio

Helsingborg

Number of apartments: **3,520**
Share of properties for public use: **1%**
Total area (sqm): **253,534**



10%
of the
portfolio

Norrköping

Number of apartments: **3,380**
Share of properties for public use: **13%**
Total area (sqm): **237,769**



6%
of the
portfolio

Västerås

Number of apartments: **1,807**
Share of properties for public use: **21%**
Total area (sqm): **132,171**



6%
of the
portfolio

Kalmar

Number of apartments: **1,671**
Share of properties for public use: **44%**
Total area (sqm): **159,862**



5%
of the
portfolio

Umeå

Number of apartments: **1,630**
Share of properties for public use: **6%**
Total area (sqm): **115,531**



5%
of the
portfolio

Luleå

Number of apartments: **1,904**
Share of properties for public use: **19%**
Total area (sqm): **157,911**



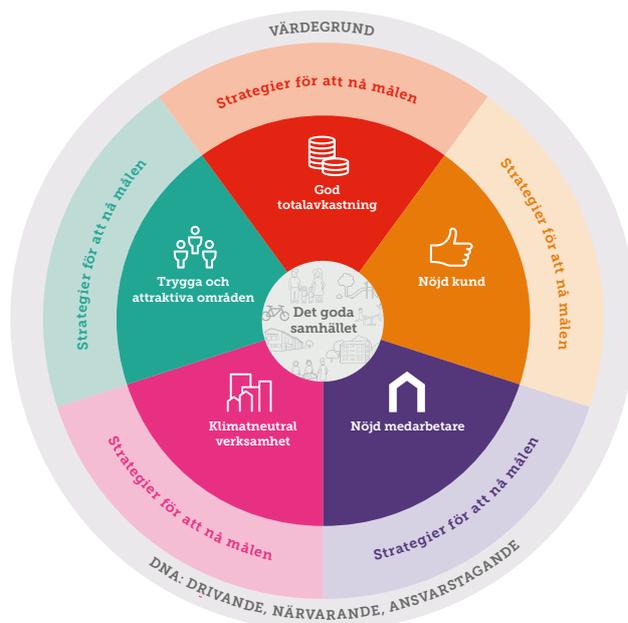
4%
of the
portfolio

Östersund

Number of apartments: **1,879**
Share of properties for public use: **0%**
Total area (sqm): **136,391**

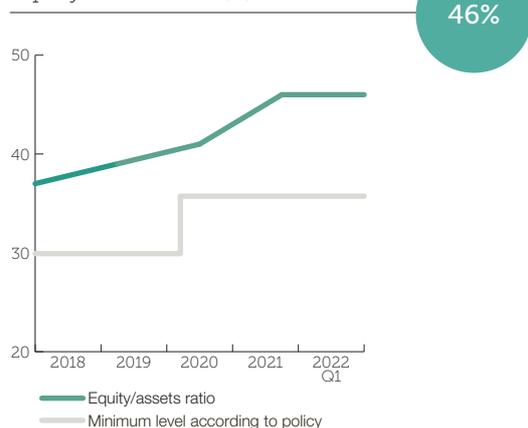
Rikshem's targets

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.

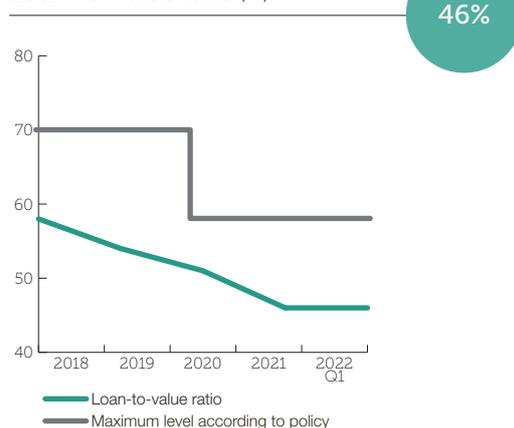


Rikshem's key financial indicators

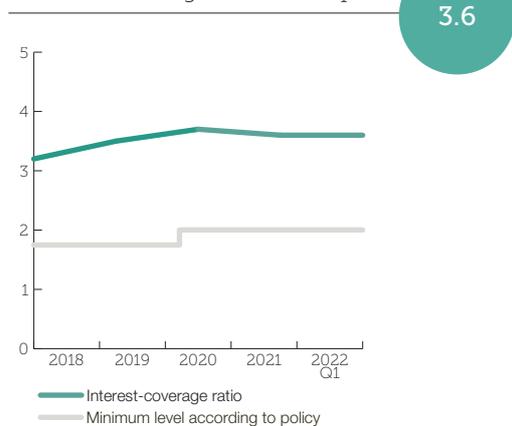
Equity/assets ratio (%)



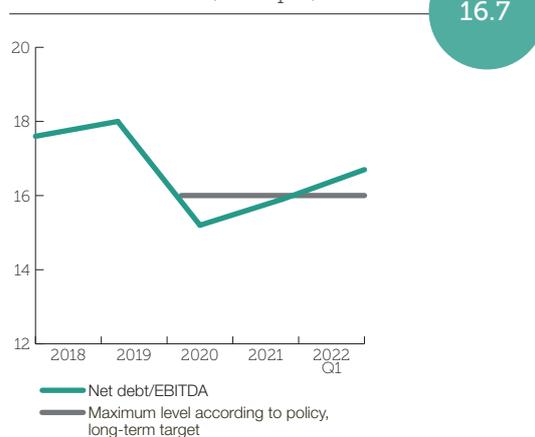
Loan-to-value ratio (%)



Interest-coverage ratio (multiple)



Net debt/EBITDA (multiple)



Rikshem's overall key financial indicators have strengthened continuously in recent years. The interest coverage ratio deteriorated slightly during the last the quarter of 2021 as a result of a bond repurchase, which will affect

the interest coverage ratio through the third quarter of 2022. The target for indicator Net debt / EBITDA is that it is long-term should be below 16 times. This level has been exceeded as a result of the annual rent increases not fully

implemented yet at the same time as investments and costs for supplies increased. The indicator will be able to be returned to levels below 16 times through continued focus on investments and net operating income.

Income, costs and profit

Net operating income

Rental income was MSEK 770 (760).

Rental income for the like-for-like portfolio rose MSEK 7 or 1.2 percent. The annual rent increase comes into force at different times in different places, and for a number of Rikshem's locations had not been implemented at the end of the period.

Property expenses for the period increased by MSEK 25 or 6.9 percent to MSEK 385 (360). Expenses for the like-for-like portfolio increased by MSEK 24 or 8.0 percent. Electricity costs increased as a result of higher electricity prices. Costs for planned maintenance increased as forecast, while costs for emergency maintenance decreased. The cost allocation principle has been changed, leading to a decrease in operating expenses and an increase in the costs for central administration. This change has been made to better reflect the structure used by MSCI.

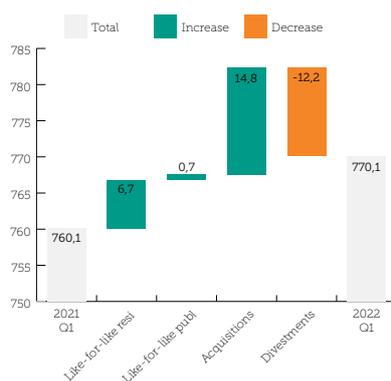
Overall, total net operating income decreased by MSEK 15 year on year to MSEK 385 (400). Net operating income for the like-for-like portfolio decreased by MSEK 16 or 4.8 percent compared with Q1 2021.

At the end of the period, the vacancy rate for apartments was 5.6 percent (4.6). Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.5 percent (2.0). The economic occupancy rate for properties for public use was 97.9 percent (97.9). The economic occupancy rate for the portfolio as a whole was 95.4 percent (96.0).

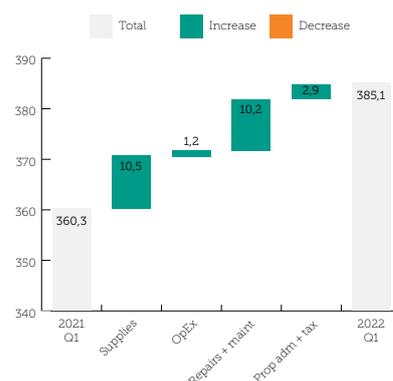
The average remaining lease term for properties for public use was 8.3 years (8.8). A high proportion of the new leases signed for 15–20 years relates to acquisitions. When leases are renewed, it is normally for shorter periods.

Income statement MSEK	Jan–Mar 2022	Jan–Mar 2021
Rental income	770	760
Property expenses	-385	-360
Net operating income	385	400
Central administration	-31	-18
Net financial items	-93	-109
Earnings from joint ventures	10	2
Income from property management	272	275
Change in value of properties	124	95
Change in value of derivatives and foreign exchange effect on loans	528	63
Profit before tax	924	433
Tax	-189	-97
Profit for the period	735	336

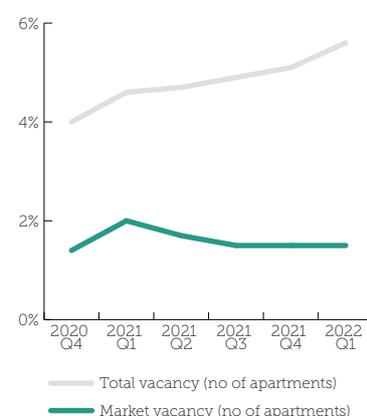
Rental income



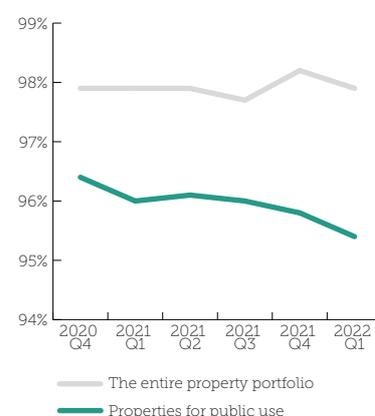
Property expenses



Vacancy rate, residential (units) (%)



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 -31 (-18). Central administration includes group-wide costs. The cost allocation principle has been changed, leading to an increase in the costs for central administration and a decrease in operating expenses. This change has been made to better reflect the structure used by MSCl. Organizational strengthening has also increased costs.

MSEK -31
(-18)

Net financial items

Net financial items totaled MSEK -93 (-109). Net financial items mainly comprise the Company's external interest expense. The improvement is mainly due to the average interest rate on interest-bearing liabilities having fallen to 1.4 percent (1.6). See page 12 for more information.

MSEK -93
(-109)

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 10 (2). The earnings improvement can mainly be attributed to higher income from property management. See the section on Joint ventures on page 10 for further information.

MSEK 10
(2)

Change in value of properties

The change in value of the investment properties during the period was MSEK 124 (95), equivalent to an increase of 0.2 percent (0.2). The property yield requirement used in the valuation increased by 0.02 percentage point during the period. More information on the valuation of properties can be found on page 8.

MSEK 124
(95)

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

The Company's financial derivative instruments are interest-rate swaps, which extend interest duration, and combined interest-rate and currency swaps, which have been entered into to eliminate cur-

MSEK 528
(63)

rency risk on interest payments and repayments of loans raised in EUR, NOK and AUD. A substantial interest-rate rise during the period had a positive impact on the change in value of interest-rate derivatives in SEK, which amounted to MSEK 895 (302). The change in value of combined interest-rate and currency derivatives amounted to MSEK -58 (252), impacted negatively by the interest-rate rise and positively by the weakening of the Swedish krona. The foreign exchange effect on loans in EUR, NOK and AUD totaled MSEK -309 (-491) and relates to the weakening of the Swedish krona against these currencies during the period.

Tax

Tax reported for the period amounted to MSEK -189 (-97), MSEK -14 (-24) of which was current tax and MSEK -175 (-73) 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 20.4 percent (22.3). The variance from the Swedish corporate tax rate of 20.6 percent is explained by earnings from joint ventures, which are already taxed, and non-deductible interest expense attributable to current rules limiting interest deduction. The deferred tax asset has been offset against the deferred tax liability in the statement of financial position.

MSEK -189
(-97)

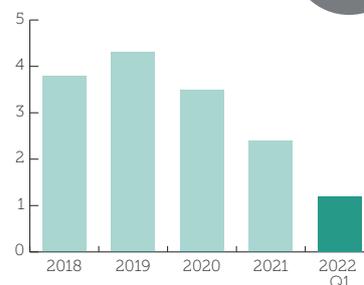
Profit for the period

Profit for the period totaled MSEK 735 (336).

MSEK 735
(336)

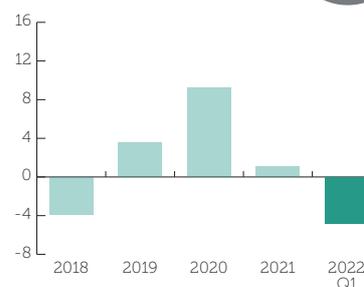
Change in rental income in the like-for-like portfolio (%)

1.2%



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

-4.8%



Property portfolio

At March 31, 2022, Rikshem's property portfolio comprised 518 properties (545) with a market value of MSEK 59,683 (58,780). MSEK 41,573 of this pertained

to residential properties, MSEK 13,987 to nursing homes, MSEK 3,032 to schools and MSEK 1,091 to commercial properties. The property portfolio includes

development rights valued at MSEK 670. Properties representing 46 percent of the market value are located along the Greater Stockholm-Uppsala axis.

Number of properties

518

Market value

MSEK 59,683

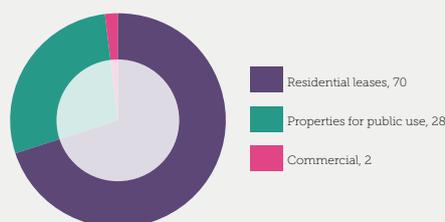
Rikshem's property portfolio, March 31, 2022

Type	Value, MSEK	Percentage share	Area, 1,000 sqm	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	41,573	70	1,604	25,922						
- Commercial*	771	1	24	32,393						
Residential	42,344	71	1,628	26,017	2,158	88	4	8	100	
Properties for public use segment										
- Nursing homes	13,987	23	455	30,766						
- Schools	3,032	5	116	26,159						
- Commercial*	320	1	32	9,965						
Properties for public use	17,339	29	603	28,773	931	5	82	13	100	
Total	59,683	100	2,230	26,762	3,089	63	28	9	100	



Smugglaren 1, Västerås

Breakdown of market value of investment properties (%)



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

Property valuation and segment reporting

Rikshem reports investment properties at fair value in accordance with IAS 40. Internal property valuations are carried out on a quarterly basis. To verify the internal valuation, the majority of the property portfolio undergoes an external valuation every year. Yield requirement and cost of capital are checked with external appraisers in the second quarter. The valuation conforms to level 3 in the IFRS 13 fair value hierarchy. Deviations between the values assessed internally and externally are well within the uncertainty range of +/- 5 percent. The average yield requirement decreased by 0.02 percentage point relative to the value at year-end 2021 to 3.67 percent. The change can be attributed to a change in weighting as a result of changes in property values in the like-for-like portfolio.

Yield requirement and rent/sqm by property type

Property type	Rent/sqm			Yield requirement		
	min.	average	max.	min.	average	max.
Residential	825	1,367	2,603	2.09%	3.52%	5.00%
Properties for public use:					3.98%	
Nursing homes	770	1,612	2,826	2.50%	3.90%	6.70%
Schools	730	1,542	2,356	4.00%	4.38%	6.30%
Commercial	932	1,181	1,938	3.52%	4.70%	6.15%
Average		1,440			3.67%	

Change in yield requirement by property type

Property type	Value in MSEK	Dec. 31, 2021	Mar. 31, 2022	Change
Residential	41,573	3.39%	3.52%	0.13%
Properties for public use:				
Nursing homes	13,987	3.98%	3.90%	-0.08%
Schools	3,032	4.35%	4.38%	0.03%
Commercial	1,091	5.56%	4.70%	-0.86%
Total	59,683	3.65%	3.67%	0.02%

Fair value of investment properties

Amounts in MSEK	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Fair value at the beginning of the period	58,780	51,750	51,750
Change in value	124	95	5,509
Investments	440	304	1,851
Acquisitions	338	19	532
Divestments	-	-	-862
Fair value at the end of the period	59,683	52,167	58,780
Fair value incl. Rikshem's share of properties in joint ventures	62,988	55,007	62,112

Segment reporting

Amounts in MSEK	Residential		Properties for public use		Total	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Rental income	541	533	229	227	770	760
Property expenses	-294	-274	-91	-86	-385	-360
Net operating income	247	259	138	141	385	400
Change in value of properties	0	75	123	21	124	95
Total return	247	333	261	162	509	495
Fair value of properties	42,344	36,607	17,339	15,561	59,683	52,167
Total return excl. joint ventures, % (R12)	13.2	7.2	14.9	6.8	13.7	7.1
Percentage share	71	70	29	30	100	100
Area, 1,000 sqm	1,628	1,618	602	628	2,230	2,247
Fair value, SEK/sqm	26,017	22,619	28,773	24,773	26,762	23,221
Investments	415	273	26	31	440	304

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

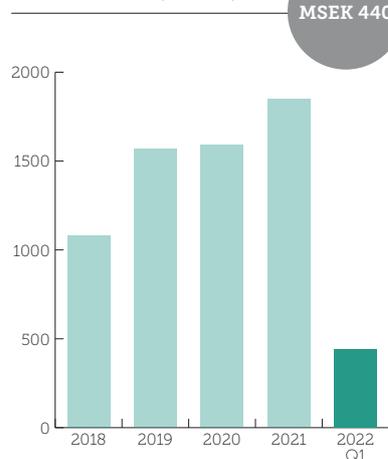
Acquisitions during the period totaled MSEK 338. In February Rikshem acquired three properties in development in Lund from the joint venture company JV Huseriet Riks AB, with a first stage comprising construction of around 210 apartments planned to start this year. A residential property in Kalmar was also acquired from the joint venture company Bergagårdshöjden JV AB.

Investments in existing properties during the period amounted to MSEK 440 (304), MSEK 232 (205) of which pertained to

redevelopment and renovation of residential properties, MSEK 182 (66) to new construction of residential properties, and MSEK 26 (33) to investments in properties for public use.

Construction of 1,627 new apartments is under way, with residents expected to move in between Q3 2022 and Q2 2024. RM&U renovation projects are in progress in 1,771 apartments across 13 properties, with tenants moving in on an ongoing basis. Year to date, residents have moved in to 168 newly renovated 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
Porsön	Luleå	RM&U renovation	426	426	317	235	Q3 2024
Brönnestad	Malmö	New construction (apartments)		260	417	279	Q2 2024
Eriksborg	Västerås	New construction (apartments)		252	350	213	Q2 2023
Kantorn	Uppsala	RM&U renovation	160	231	208	47	Q2 2022
Flyttfågeln	Umeå	RM&U renovation	188	188	204	97	Q4 2022
Bonden	Halmstad	New construction (apartments)		175	355	162	Q4 2022
Grafikern	Uppsala	New construction (apartments)		162	313	287	Q2 2023
Topasen	Norrköping	New construction (apartments)		141	260	241	Q4 2023
Repet	Södertälje	New construction (apartments)		130	243	131	Q4 2022
Orrspelet	Umeå	New construction (apartments)		103	173	76	Q4 2022



Solar panels with battery storage at Grafikern in Uppsala

Rikshem is building 162 new apartments in a property comprising two towers of eight and sixteen floors respectively in Bruno Liljeforsgatan in Uppsala's Gränby neighborhood.

Solar panels with battery storage are being installed on the roof. Two underground tanks harness heat from waste water, which is then cycled back into the heating system.

Grafikern is expected to be ready by mid-2024.

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.

MSEK 2,201
(1,771)

Rikshem owns stakes in joint ventures with a total value of MSEK 2,201 (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 3.3 billion. The largest joint venture holding of MSEK 1,199 pertains to 49 percent of VärmdöBostäder; the remainder is owned by Värmdö Municipality. The second-largest holding of MSEK 789 pertains to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikano Bostad each owning 50 percent. Other participations in associated companies totaling MSEK 213 pertain to development projects owned and

operated together with Nordr (formerly Veidekke Eiendom), P&E Fastighetspartner, Glommen & Lindberg and Huseriet. After the end of 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 that the JV partnership has been dissolved.

The joint ventures involve some development of condominiums. At March 31, 2022, there were 111 apartments in production, 109 of which had been sold. Rikshem's share of the unsold apartments is one.

Earnings from joint ventures

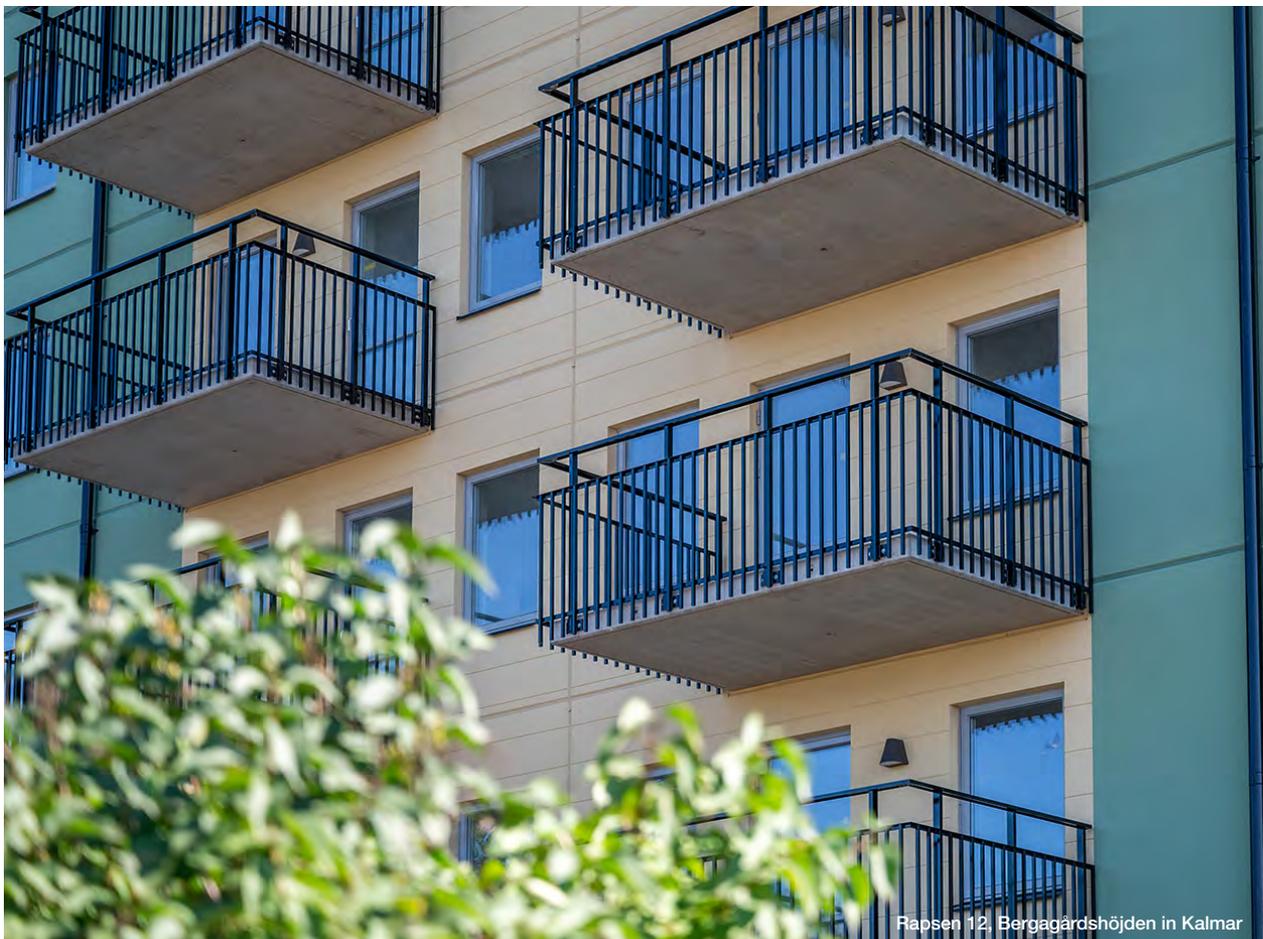
Rikshem's share of profit after tax amounted to MSEK 10 (2). The earnings improvement can mainly be attributed to the higher income from property management.

MSEK 10
(2)



Rikshem's joint ventures

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



Rapsen 12, 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 specified risk limits.

The year started with the Covid-19 pandemic ongoing and, just as this started to abate, Russia invaded Ukraine. This resulted in a high level of volatility on the interest and capital markets during the first quarter. The margins on the bond market have increased from relatively low levels in tandem with interest-rate rises. Long-term interest rates have seen a rising trend since the start of 2021, but short-term rates, too, started to rise at the end of the quarter. Despite the market unrest, Rikshem has had access to the necessary financing throughout the period. In the short term, the interest-rate changes have only a minor impact on Rikshem's financial position, as a large part of the loan portfolio is hedged. However, the interest-rate changes combined with the weaker krona have a substantial impact on the value of the company's financial derivative instruments.

In the first quarter, Rikshem issued bonds worth SEK 1.1 billion with maturity of 1.75–3 years. Commercial paper is issued on an ongoing basis, with funding through commercial paper increasing by MSEK 385 during the quarter.

Cash and cash equivalents

Cash and cash equivalents totaled MSEK 503 (468). On the closing date, pledged assets received under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 350. These pledged assets are settled on a monthly basis.

MSEK 503
(468)

Financial derivative instruments

At March 31, 2022, the Company had an interest-rate derivative portfolio that hedged SEK 15.0 billion on a net basis. The Company also has combined interest-rate and currency swaps to hedge loans raised in other currencies. The total fair value of the Company's financial derivative instruments with a positive fair value was MSEK 1,209 (403), while that of instruments with a negative fair value was MSEK -312 (-343). The net fair value of the derivative portfolio was MSEK 897 (60).

MSEK 897
(60)

Interest-bearing liabilities

At March 31, 2022, interest-bearing liabilities amounted to MSEK 27,552 (26,922). Of these, MSEK 3,305 (3,306) pertained to secured bank loans, MSEK 999 (999) to liabilities to the EIB, MSEK 3,935 (3,550) to funding through commercial paper, and MSEK 19,139 (18,892) to bond loans. In addition, the Company had MSEK 175 (175) in interest-bearing liabilities to related parties.

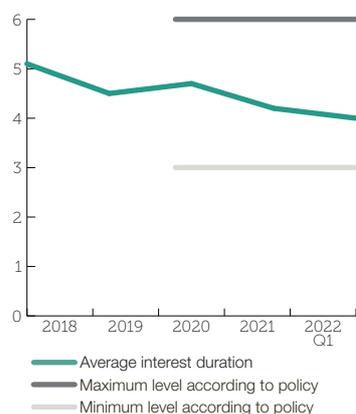
MSEK 27,552
(26,922)

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

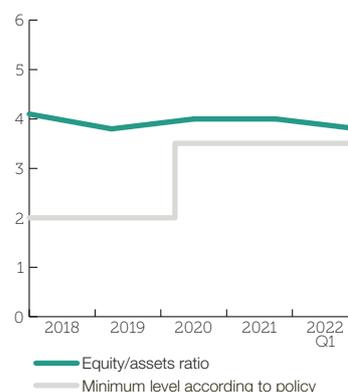
Average interest duration (years)

4.0 years



Average debt duration (years)

3.8 years



the closing date was SEK 2.9 billion (EUR), SEK 5.1 billion (NOK) and SEK 0.6 billion (AUD). At March 31, 2022, the average interest rate was 1.4 percent, down 0.2 percentage point on March 31, 2021 and down 0.1 percentage point on year-end 2021. The improved average interest rate is a result of increase in the proportion of commercial papers and the buy-back of a EUR bond during the fourth quarter of 2021. 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 4.0 years (4.2).

Green financing

Rikshem updated its framework for green bonds in February. Green bonds worth a total of SEK 1.1 billion were issued during the quarter. At March 31, 2022, outstanding green bonds totaled SEK 5.8 billion. Loans from the EIB for energy efficiency initiatives amounted to MSEK 999. In total, green financing represented approx. 25 percent of interest-bearing liabilities.

Backup facilities

The refinancing and liquidity risk inherent in the maturity structure is managed in part by using backup facilities with Rikshem's

owners (SEK 10 billion) and Swedish banks (SEK 3 billion). There is also an overdraft facility of MSEK 500.

Rating

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

Interest-bearing external liabilities

Maturity	Interest duration		Debt duration	
	Amount (MSEK)	Percentage	Amount (MSEK)	Percentage
2022	7,062	25%	6,298	23%
2023	-	-	3,594	13%
2024	2,690	10%	4,180	15%
2025	4,500	16%	3,879	14%
2026	3,000	11%	2,447	9%
2027	2,000	7%	537	2%
2028	3,000	11%	1,070	4%
2029	2,400	9%	901	3%
2030	1,900	7%	1,103	4%
2031–	1,000	4%	3,544	13%
Total	27,552	100%	27,552	100%

Group – Condensed statement of comprehensive income

Amounts in MSEK	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Jan–Dec 2021
Rental income	770	760	3,072	3,062
Operating expenses	-257	-245	-795	-783
Repairs and maintenance	-61	-51	-259	-249
Property administration	-55	-54	-221	-220
Property tax	-12	-10	-44	-42
Total property expenses	-385	-360	-1,319	-1,294
Net operating income	385	400	1,753	1,768
Central administration	-31	-18	-113	-100
Net financial items	-93	-109	-456	-472
Earnings from joint ventures	10	2	338	330
of which income from property management	6	3	37	35
of which change in value of properties	4	1	381	379
of which change in value of financial derivative instruments	3	0	5	2
of which tax	-3	-2	-85	-85
Income from property management	272	275	1,523	1,526
Change in value of investment properties	124	95	5,538	5,509
Change in value of interest-rate derivatives	895	302	1,168	575
Change in value of combined interest-rate and currency derivatives	-58	252	-142	168
Foreign exchange effect on loans	-309	-491	-250	-432
Profit before tax	924	433	7,838	7,347
Tax	-189	-97	-1,508	-1,416
Profit for the period/year	735	336	6,330	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	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Capitalized development expenditure	8	9	8
Investment properties	59,683	52,167	58,780
Stakes in joint ventures	2,201	1,771	2,191
Equipment	2	3	2
Leaseholds and other right-of-use assets	143	135	134
Financial derivative instruments	1,209	429	403
Non-current receivables	101	311	227
Total non-current assets	63,347	54,825	61,745
Current receivables	264	297	198
Cash and cash equivalents	503	1,072	468
Total current assets	767	1,369	666
TOTAL ASSETS	64,114	56,194	62,411
EQUITY AND LIABILITIES			
Equity	29,591	23,257	28,855
Deferred tax	5,348	3,924	5,173
Interest-bearing liabilities	20,404	20,536	19,858
Financial derivative instruments	312	560	343
Non-current liabilities, leases	126	118	117
Non-interest-bearing liabilities	6	9	6
Total non-current liabilities	26,196	25,147	25,497
Interest-bearing liabilities	7,148	6,969	7,064
Current liabilities, leases	15	15	15
Non-interest-bearing liabilities	1,164	806	980
Total current liabilities	8,327	7,790	8,059
TOTAL EQUITY AND LIABILITIES	64,114	56,194	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–Mar			336	336
Other comprehensive income, Jan–Mar			–	–
Closing balance, Mar 31, 2021	100	4,874	18,283	23,257
Profit for the period, Apr–Dec			5,595	5,595
Other comprehensive income, Apr–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–Mar			735	735
Other comprehensive income, Jan–Mar			–	–
Closing balance, Mar 31, 2022	100	4,874	24,616	29,591

Group – Statement of cash flows

Amounts in MSEK	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Jan–Dec 2021
Operating activities				
Income from property management	272	275	1,523	1,526
Adjustment for non-cash items	-10	-2	-336	-328
Reversal of net interest income	93	109	456	472
Interest paid	-101	-125	-465	-489
Interest received	1	1	6	6
Tax paid	-62	-5	-83	-26
Cash flow from operating activities before changes in working capital	193	253	1,102	1,162
Decrease (+)/increase (-) in operating receivables	-31	-18	12	25
Decrease (-)/increase (+) in operating liabilities	-97	-109	-4	-16
Cash flow from operating activities	65	127	1,110	1,171
Investing activities				
Investment in investment properties	-440	-304	-1,986	-1,851
Acquisition of investment properties	-338	-19	-852	-533
Divestment of investment properties	–	0	862	862
Investment in other fixed assets	-1	-1	-1	-1
Investment in financial assets	128	-30	91	-67
Dividend from financial assets	–	–	30	–
Divestment of financial assets	–	–	–	30
Cash flow from investing activities	-651	-354	-1,856	-1,559
Financing activities				
Loans raised	4,415	3,355	13,941	12,881
Repayment of loans	-4,095	-2,657	-14,148	-12,710
Change in collateral	301	-226	384	-143
Redemption of financial instruments	–	-3	0	-3
Repayment of finance leases	–	–	–	–
Cash flow from financing activities	621	469	177	25
Cash flow for the period/year	35	242	-568	-362
Cash and cash equivalents at the beginning of the period/year	468	830	468	830
Cash and cash equivalents at the end of the period/year	503	1,072	-100	468

Parent Company condensed income statement

Amounts in MSEK	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Jan–Dec 2021
Income	69	61	256	248
Other operating expenses	-32	-25	-130	-123
Personnel expenses	-61	-58	-236	-232
Depreciation	0	0	-2	-2
Operating profit/loss	-24	-22	-112	-109
Earnings from Group companies	19	19	96	96
Net interest income	88	70	270	252
Change in value of interest-rate derivatives	895	302	1,169	575
Change in value of combined interest-rate and currency derivatives	-58	252	-142	168
Foreign exchange effect on financial liabilities	-309	-491	-250	-432
Profit after financial items	611	130	1,031	550
Appropriations, group contribution	–	–	-44	-44
Appropriations, profit to principal	65	–	65	–
Tax	-123	-29	-178	-84
Profit for the period/year	553	101	874	422

Parent Company – Condensed balance sheet

Amounts in MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Capitalized development expenditure	8	8	8
Equipment	2	3	2
Shares and participations in Group companies	2,724	2,117	2,724
Receivables from Group companies	32,502	31,394	31,668
Financial derivative instruments	1,209	429	403
Non-current receivables	17	109	144
Total non-current assets	36,462	34,060	34,949
Current assets	142	150	119
Cash and cash equivalents	460	1,057	465
Total current assets	602	1,207	584
TOTAL ASSETS	37,064	35,267	35,533
EQUITY AND LIABILITIES			
Equity	8,637	7,763	8,085
Provisions	3	2	3
Deferred tax	352	192	243
Financial derivative instruments	312	560	343
Interest-bearing liabilities	25,106	25,054	24,474
Liabilities to Group companies	2,148	1,527	2,150
Non-interest-bearing liabilities	506	169	235
Total liabilities	28,427	27,504	27,448
TOTAL EQUITY AND LIABILITIES	37,064	35,267	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.

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 296 (286): 148 men and 148 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 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 same accounting policies, valuation principles and calculation methods have been applied as in the most recent annual report.

New standards and interpretations that come into force from 2022 onwards

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

Related-party transactions

Rikshem's related parties are presented in Note 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.

Stockholm, May 5, 2022

This interim report has not been reviewed by the Company's auditors.

Per Uhlén
Chairman of the Board

Pernilla Arnrud Melin
Board member

Liselotte Hjorth
Board member

Andreas Jensen
Board member

Per-Gunnar Persson
Board member

Peter Strand
Board member

Siv Malmgren
Board member

Zdravko Markovski
Board member

Anette Frumerie
CEO

Quarterly data

Amounts in MSEK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Income statement						
Rental income	770	786	754	762	760	756
Property expenses	-385	-377	-262	-295	-360	-342
Net operating income	385	409	492	467	400	414
Central administration	-31	-37	-21	-24	-18	-20
Net financial items	-93	-152	-106	-105	-109	-116
Earnings from joint ventures	10	136	9	183	2	59
Income from property management	272	356	374	521	275	337
Change in value of investment properties	124	3,367	112	1,935	95	803
Change in value of and foreign exchange effect on financial instruments	528	151	39	58	63	-105
Profit before tax	924	3,875	525	2,514	433	1,035
Tax and other comprehensive income	-189	-798	-54	-464	-97	-150
Comprehensive income for the period	735	3,077	471	2,050	336	885
Statement of financial position						
Investment properties	59,683	58,780	54,809	54,370	52,167	51,750
Stakes in joint ventures	2,201	2,191	1,963	1,954	1,771	1,768
Other assets	1,727	972	1,056	1,060	1,184	923
Cash and cash equivalents	503	468	902	342	1,072	830
Total assets	64,114	62,411	58,730	57,726	56,194	55,271
Equity	29,591	28,855	25,778	25,307	23,257	22,921
Deferred tax	5,348	5,173	4,368	4,354	3,924	3,852
Interest-bearing liabilities	27,553	26,922	26,882	26,445	27,505	26,315
Other liabilities	1,623	1,461	1,702	1,620	1,508	2,183
Total equity and liabilities	64,114	62,411	58,730	57,726	56,194	55,271
Key performance indicators						
Loan-to-value ratio, %	46	46	49	49	53	51
Equity/assets ratio, %	46	46	44	44	41	41
Interest-coverage ratio, multiple (R12)	3.6	3.6	3.9	3.8	3.7	3.7
Return on equity, % (R12)	24.0	22.9	15.6	15.7	11.4	11.4
Property yield, % (R12)	3.1	3.2	3.4	3.4	3.4	3.5
Surplus ratio, %	50	52	65	61	53	55

Key figures

Amounts in MSEK	Q1 2022	2021	2020	2019	2018	2017
Income statement						
Rental income	770	3,062	3,032	2,916	2,792	2,665
Net operating income	385	1,768	1,760	1,586	1,524	1,555
Income from property management	272	1,526	1,279	1,286	1,008	1,150
Change in value of properties	124	5,509	1,825	1,538	2,107	1,647
Profit	735	5,931	2,481	2,244	2,489	2,430
Statement of financial position						
Equity	29,591	28,855	22,921	20,441	18,199	15,710
External liabilities	27,553	26,922	26,315	26,838	26,493	24,022
Fair value of properties	59,683	58,780	51,750	49,307	45,687	41,039
Total assets	64,114	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, %	46	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	16.7	15.9	15.2	18.0	17.6	15.8
Loan-to-value ratio, secured loans, %	6	6	9	9	10	12
Average interest rate, %	1.4	1.5	1.7	1.6	1.7	2.0
Interest duration, years	4.0	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)	24.0	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)	13.7	13.9	7.2	6.7	8.6	8.3
Total return incl. joint ventures, % (R12)	13.8	13.9	7.0	7.2	7.8	8.3
Property-related indicators						
Number of properties	518	514	540	560	555	586
Lettable area, 1,000 sqm	2,230	2,216	2,232	2,292	2,274	2,219
Number of apartments	28,683	28,514	28,730	29,214	28,840	27,924
Share of properties for public use (fair value), %	29	29	30	30	29	29
Vacancy rate, apartments, %	5.6	5.1	4.0	3.5	3.2	2.7
Market vacancy rate, apartments, %	1.5	1.5	1.4	0.8	0.5	0.3
Remaining lease term for properties for public use, years	8.3	8.3	8.8	9.0	9.4	9.8
Fair value, SEK/sqm	26,762	26,522	23,181	21,512	20,090	18,494
Growth in income for the like-for-like portfolio, %	1.1	2.4	3.5	4.3	3.8	4.3
Growth in net operating income for the like-for-like portfolio, %	-4.8	1.1	9.2	3.6	-3.9	6.7
Surplus ratio, %	50	58	58	54	55	58
Employees						
Number of employees	296	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.

	Apr 2021– Mar 2022	Jan– Dec 2021	Apr 2020– Mar 2021	Jan– Dec 2020
Return on equity				
Profit	6,330	5,931	2,500	2,481
Average equity	26,424	25,888	22,007	21,681
Return on equity, %	24.0	22.9	11.4	11.4
Net operating income				
Rental income	3,072	3,062	3,031	3,032
Property expenses	-1,319	-1,294	-1,284	-1,272
Net operating income	1,753	1,768	1,747	1,760
Surplus ratio				
Net operating income	1,753	1,768	1,747	1,760
Rental income	3,072	3,062	3,031	3,032
Surplus ratio, %	57	58	58	58
Property yield				
Net operating income	1,753	1,768	1,747	1,760
Opening property value	52,167	51,750	49,718	49,307
Closing property value	59,683	58,780	52,167	51,750
Adjusted average property value	55,925	55,265	50,943	50,529
Property yield, %	3.1	3.2	3.4	3.5
Total return				
Net operating income	1,753	1,768	1,747	1,760
Change in value of properties	5,538	5,509	1,791	1,825
Total	7,292	7,278	3,538	3,585

Opening property value	52,167	51,750	49,718	49,307
Closing property value	59,683	58,780	52,167	51,750
Minus unrealized change in value	-5,538	-5,509	-1,791	-1,825
Adjusted average property value	53,156	52,510	50,047	49,616
Total return, %	13.7	13.9	7.1	7.2

Interest-coverage ratio				
Profit before tax	7,838	7,347	3,052	3,007
Reversal				
Change in value of properties	-5,538	-5,509	-1,791	-1,825
Change in value of financial derivative instruments and loans	-777	-311	12	97
Earnings from joint ventures	-338	-330	-59	-60
Other financial expenses	32	32	29	29
Interest expense	432	448	437	439
Operating profit/loss	1,649	1,676	1,679	1,687
External interest	-452	-467	-458	-460
Interest-coverage ratio, multiple	3.6	3.6	3.7	3.7

Amounts in MSEK	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Dec 31, 2020
Loan-to-value ratio				
External interest-bearing liabilities	27,553	26,922	27,504	26,315
Fair value of investment properties	59,683	58,780	52,167	51,750
Loan-to-value ratio, %	46	46	53	51
Loan-to-value ratio, secured loans				
Outstanding secured debt	3,305	3,306	4,333	4,814
Fair value of investment properties	59,683	58,780	52,167	51,750
Loan-to-value ratio, secured loans, %	6	6	8	9
Net debt/EBITDA				
External interest-bearing liabilities	27,553	26,922	27,504	26,315
Cash and cash equivalents	-503	-468	-1,072	-830
Collateral relating to CSA agreements	350	48	-34	192
Net debt	27,399	26,503	26,398	25,677
Net operating income	1,754	1,768	1,747	1,760
Central administration	-113	-100	-74	-78
Depreciation	2	2	1	2
EBITDA	1,642	1,670	1,674	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, for new construction, 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, where we offer 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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[Read more at rikshem.se](#)

Financial calendar

Reports

Six-month report, Jan–Jun 2022

August 26, 2022

Interim report, Jan–Sep 2022

October 7, 2022

