

Interim report

January–March 2023

January–March in brief

- Rental income was MSEK 841 (770), up 9.2 percent on the same period in 2022.
- Rental income for the like-for-like portfolio rose MSEK 48 or 7.1 percent.
- Net operating income was SEK 420 (385), up 9.1 percent on the same period in 2022.
- Income from property management fell to MSEK 246 (268).
- The change in value of investment properties was MSEK -1,003 (124), which is equivalent to a change in value of -1.7 percent (0.2).
- The change in value of financial derivative instruments and loans in foreign currency was MSEK -319 (528).
- Profit before tax for the period was MSEK -1,075 (924). Profit after tax was MSEK -852 (735).
- Property acquisitions during the period amounted to MSEK 25 (338). This relates essentially to the final payment for a new construction project.
- Property investments in the period totaled MSEK 476 (440).
- Rikshem issued two bonds totaling MSEK 550 with a maturity of four years.
- At the Annual General Meeting on March 21, 2023, Kerstin Lindberg Göransson was elected as a new member and Chair of the Board of Directors. Former Chair of the Board of Directors Per Uhlén and Board member Liselotte Hjorth had declined re-election. The remaining members were re-elected.



Net operating income
MSEK 420

Rental income
MSEK 841

Profit after tax
MSEK -852

Rikshem in summary	Jan–Mar 2023	Jan–Mar 2022	Apr 2022–Mar 2023	Jan–Dec 2022
Rental income, MSEK	841	770	3,240	3,169
Net operating income, MSEK	420	385	1,795	1,760
Income from property management, MSEK	246	268	1,176	1,198
Profit, MSEK	-852	735	-1,359	228
Fair value of properties, MSEK	58,918	59,683	58,918	59,423
Lettable area, 1,000 sqm	2,257	2,230	2,257	2,240
Economic occupancy rate, %	96.5	95.4	98.7	96.9
Loan-to-value ratio, %	50	46	50	49
Interest-coverage ratio, multiple (R12)	3.2	3.6	3.2	3.5
Equity, MSEK	28,233	29,591	28,233	29,085
Total return incl. joint ventures, % (R12)	-2.1	13.8	-2.1	-0.4
Return on equity, % (R12)	-4.7	24.0	-4.7	0.8

Net operating income up in uncertain times

We are currently operating in a more hostile economic environment where there is uncertainty about inflation and interest rates. Due to the turmoil in the global markets, further interest rate hikes are being called into question, and for the time being market expectations of future interest rate hikes are dissipating. Rikshem, which has strong owners and a stable cash flow, still has access to financing from the capital markets and banks. Rikshem issued two bonds totaling MSEK 550 with a maturity of four years during the first quarter and we issue commercial paper on an ongoing basis on maturity. Inflation and the higher interest rates also mean that new construction projects, mainly involving residential properties, have declined significantly. The withdrawal of investment support reduced the pace of new construction projects, and given the long construction processes there is a risk that it will take time for construction to get going again. Our position remains stable, but we now need to prioritize our investments more rigorously if we want Rikshem to grow. A few transactions are still ongoing, primarily in the residential segment, and we are not expecting this situation to change in the short term. However, we are seeing an increase in yield requirements, which resulted in a negative change in value of MSEK -1,003 during the period.

Net operating income up...

Revenue for the period was up by just over nine percent, driven partly by the indexation of contracts for properties for public use. Property costs increased at the same rate and utility-related costs, together with maintenance, continue to account for this increase. Net operating income was up nine percent. Income from property management was down due to a deterioration in net financial items linked to rising interest rates. Rikshem has long debt and interest-rate duration, which means that it will take a long time for the higher interest rates to have a full impact. Our average interest rate is now 2.2 percent.

...and vacancies are down

Our occupancy rate continues to be high on the residential side and the market vacancy rate is 1.2 percent (1.5). We are facing challenges with the letting process in the Snurrom neighborhood

of Kalmar as there has been a lot of construction in this area, but we are pleased to see that vacancies in Norrköping are continuing their downward trend. A large new construction project in Halmstad, where letting efforts began later than expected due to rent negotiations that dragged on, had a negative impact on vacancy figures at the start of the year. Letting efforts for the first phase of a large new construction project in Västerås, involving a total of 250 apartments that are due to be ready for tenants to move into in the summer, have gone according to plan, and all the apartments are already let. The economic occupancy rate for properties for public use was 98.7 (97.9) percent. Here we are seeing that as municipalities' financial room for maneuver shrinks, offers for newly built properties for public use become less attractive, giving us better opportunities to renegotiate the leases of our existing properties when they expire.

Advantages of living in rented accommodation

Rent negotiations have dragged on in many locations this year. Although the rent increases are higher in percentage terms than in previous years, they are a long way from what is required in order to cover the huge cost increases we have incurred in managing

On the customer side, we saw satisfaction continue to rise at the beginning of the year."

our properties. Unfortunately, the new tripartite model for rent negotiations developed by Fastighetsägarna, Public Housing Sweden and the Swedish Union of Tenants has not worked as intended. This is a new model that was tested during extreme times, but hopefully it will work better in the long run. The basic idea of the model to look at cost trends over a three-year period should ensure higher rent increases in subsequent years, as the full impact of high tax increases has not been felt in this year's negotiations, for example. Historically, rent increases have compensated for inflation but with a delay. Better covering of costs

is also needed if rental apartments are to remain an attractive form of housing for the long run. Negotiations also need to be faster as the current lengthy process risks a situation where tenants are charged rent retroactively. However, in times like these, living in rented accommodation is an advantage. Even though there are annual rent increases for our residential properties, these increases are small in comparison with the higher costs now affecting people with variable rate mortgages or expiring fixed rate mortgages, and who are now seeing their monthly expenses increase exponentially. In 2022, we saw a sharp increase in the number of people who joined our housing register, and in tougher times we expect this influx to continue.

Positive customer development

Over the next few years, we intend to continue advancing our positions in terms of our customer efforts, developing our properties and focusing further on business excellence. The latter is always important but it will be given additional focus in this period. We work consistently on cost control and have recently drilled down on our approach to purchasing. We also have opportunities for economies of scale where we can make more effective use of time and reduce costs by continuing to adopt collective approaches. On the customer side, we saw satisfaction continue to rise at the beginning of the year. It's great to see that customers feel we are improving with them in mind and making living and working with us easier.

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 create good living environments and make everyday life easier for our customers. We intend to achieve this by combining professionalism with social responsibility.

SEK 62 billion Fair value

The fair value of the properties totals MSEK 62,034 (including Rikshem's share of the property value in joint ventures).

30,000 Residential properties

Rikshem has approximately 30,000 apartments: a mix of rental apartments, senior accommodation, student accommodation and youth apartments.

30% Properties for public use

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





Uppsala
26% of the portfolio

Number of apartments: 6,858
Share of properties for public use: 35%
Total area (sqm): 444,190



Greater Stockholm
20% of the portfolio

Number of apartments: 4,464
Share of properties for public use: 50%
Total area (sqm): 454,649



Helsingborg
10% of the portfolio

Number of apartments: 3,544
Share of properties for public use: 1%
Total area (sqm): 254,145



Norrköping
9% of the portfolio

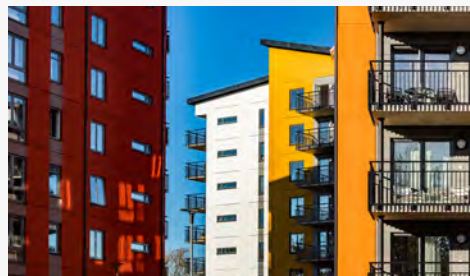
Number of apartments: 3,497
Share of properties for public use: 6%
Total area (sqm): 240,193

Our biggest area in terms of property management



Västerås
6% of the portfolio

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



Kalmar
5% of the portfolio

Number of apartments: 1,691
Share of properties for public use: 44%
Total area (sqm): 153,702



Halmstad
5% of the portfolio

Number of apartments: 1,428
Share of properties for public use: 82%
Total area (sqm): 108,274



Luleå
5% of the portfolio

Number of apartments: 1,908
Share of properties for public use: 15%
Total area (sqm): 157,031

Income, costs and profit

Rental income

Rental income increased by MSEK 71 or 9.2 percent compared with the same period of 2022 to MSEK 841 (770). The increase is related mainly to the annual rent adjustment, completed projects and fewer vacancies. Rental income for the like-for-like portfolio rose MSEK 48 or 7.1 percent.

Property expenses

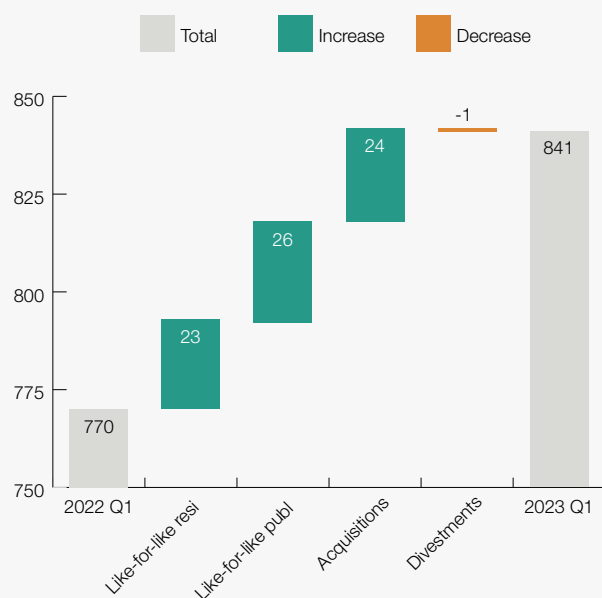
Property expenses for the period increased by MSEK 36 or 9.2 percent to MSEK 421 (385). Expenses for the like-for-like portfolio were up MSEK 23 or 6.8 percent. The increase relates mainly to utility costs due to higher electricity prices and maintenance costs.

Net operating income

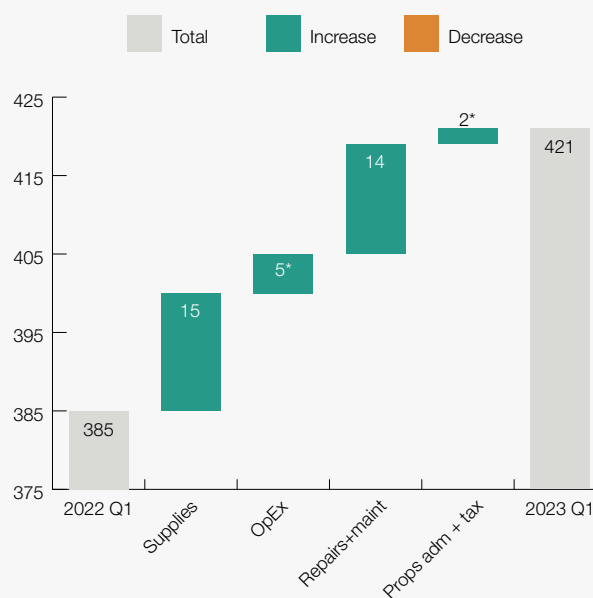
All in all, total net operating income increased by MSEK 35, or 9.1 percent year-on-year, and amounted to MSEK 420 (385). Net operating income for the like-for-like portfolio was up SEK 26 million or 7.4 percent.

Condensed income statement, MSEK	2023 Jan–Mar	2022 Jan–Mar
Rental income	841	770
Property expenses	-421	-385
Net operating income	420	385
Central administration	-37	-31
Earnings from joint ventures	4	10
Operating profit/loss	387	364
Financial income and expense	-140	-93
Profit after financial items	247	272
of which income from property management	246	268
Change in value of properties	-1,003	124
Change in value of derivatives and foreign exchange fluctuation on loans	-319	528
Profit before tax	-1,075	924
Tax	223	-189
Profit for the period	-852	735

Rental income



Property expenses



*Net after changed cost allocation



Vacancies

The vacancy rate was 4.0 percent which is lower than at the same point in 2022 (5.6). Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.2 percent (1.5). During the first quarter the vacancy rate for apartments is negatively affected by new production project where the letting efforts began later than expected due to rent negotiations that dragged on. The economic occupancy

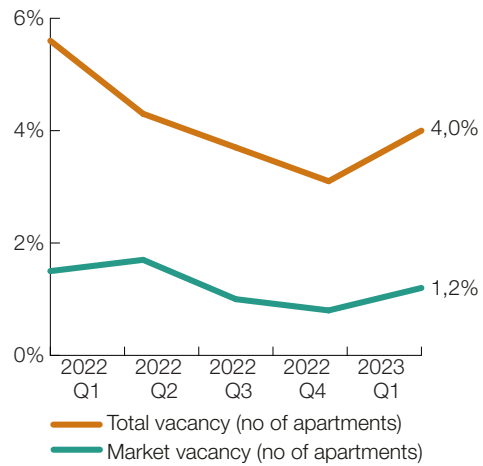
rate for properties for public use was 98.7 percent (97.9). The occupancy rate for the portfolio as a whole was 96.5 percent (95.4).

Lease duration

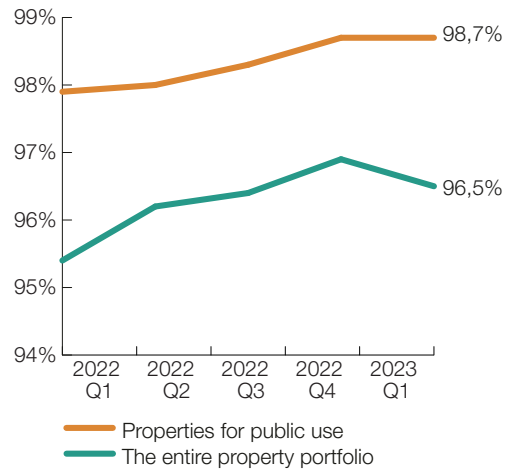
The average remaining lease term for properties for public use was 7.8 years (8.3). A high proportion of the new leases signed for 15–20 years relates to acquisitions. When leases are renewed, it is normally for shorter periods.



Vacancy rate, residential properties (%)



Economic occupancy rate (%)



Central administration

The costs for central administration amounted to MSEK -37 (-31). The increase can be attributed mainly to higher personnel expenses. Central administration includes Group-wide costs.

Financial income and expense

Net financial income and expense consists primarily of the Company's external interest expense and totaled MSEK -140 (-93).

The increase in expense was due to an increase in interest-bearing liabilities and the rise in market interest rates and credit margins. These have a gradual impact since a large part of the loan portfolio has long interest-rate and debt duration. The average interest rate for interest-bearing liabilities was 2.2 percent (1.4) at the end of the period. Capitalized interest for the period amounted to MSEK 14 (6). Read more about Rikshem's financing on pages 13-14.

MSEK
-140
(-93)

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 4 (10); see the section on joint ventures on page 12 for more information.

Change in value of properties

The change in value of the investment properties amounted to MSEK -1,003 (124) during the period, which equates to a change in value of -1.7 percent (0.2). The average yield requirement used in the valuation increased by 0.09 percentage points during the period. More information about property valuations can be found on page 10.

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-rate duration, and combined currency and interest-rate swaps, which have been included in order to eliminate currency risk on interest payments and

repayments of loans raised in foreign currencies. Long-term market interest rates fell during the period which had a negative impact on the change in value of interest-rate derivatives in SEK, which amounted to MSEK -253 (895). The change in value of combined currency and interest-rate derivative instruments amounted to MSEK -329 (-58). The main reason for the decline in market value is the strengthening of the Swedish krona against the Norwegian krone. The change in value was also positively affected by the decline in interest rates and the weakening of the Swedish krone against the euro and negatively by the strengthening of the Swedish krona against the Australian dollar. This also affected exchange rate fluctuations for loans in EUR, NOK and AUD which totaled MSEK 263 (-309). If loans and derivative instruments are held to term, previously reported earnings impacts are neutralized.

Tax

Tax reported for the period amounted to MSEK 223 (-189), MSEK -22 (-14) of which was current tax and MSEK 245 (-175) 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 20.7 percent (20.4). The deviation in relation to Swedish corporation tax of 20.6 percent is mainly explained by non-deductible interest expenses and earnings from joint ventures. The deferred tax asset has been offset against the deferred tax liability in the statement of financial position.

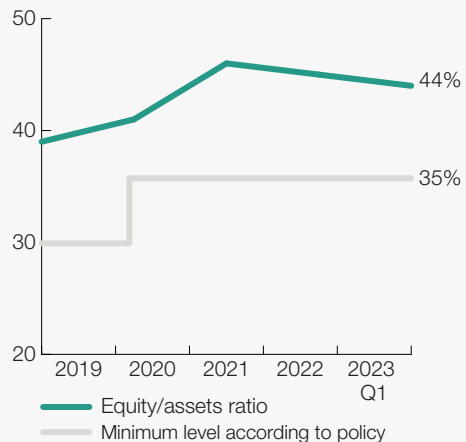
Profit for the period

Profit for the period totaled MSEK -852 (735).

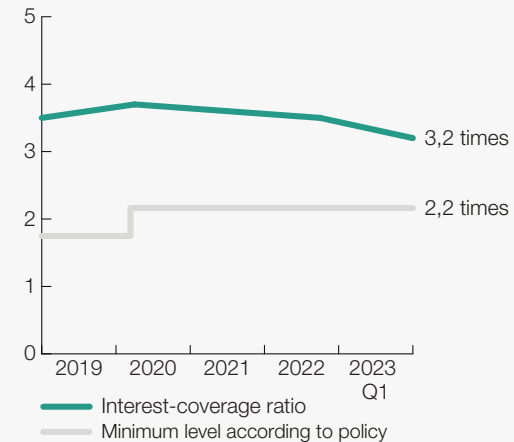


Rikshem's key financial indicators

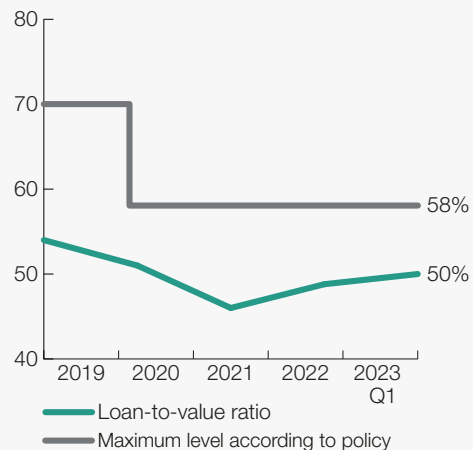
Equity/assets ratio (%)



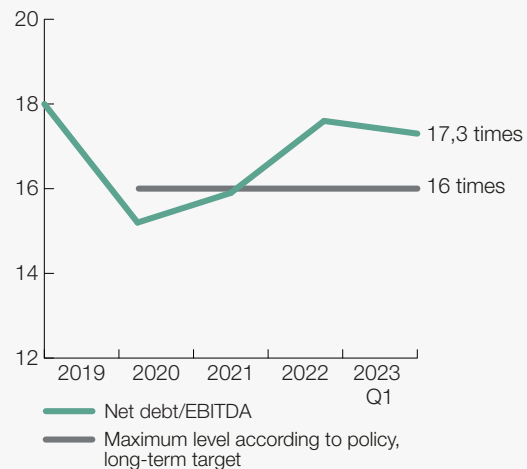
Interest-coverage ratio (multiple)



Loan-to-value ratio (%)



Net debt/EBITDA (multiple)



Rikshem's key figures for equity ratio, loan-to-value ratio and interest coverage ratio are significantly better than the Company's policy levels. However, these key figures have weakened somewhat due to the decline in the value of property and higher financing costs. 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 key indicator can be restored to levels below 16x by continued focus on portfolio optimization and net operating income.

Property portfolio

Rikshem's property portfolio comprised 518 properties (518). The fair value of the properties was MSEK 58,918 (59,423).

MSEK 40,314 of the fair value pertained to residential properties, MSEK 14,430 to nursing homes, MSEK 3,196 to schools and MSEK 979 to commercial properties.

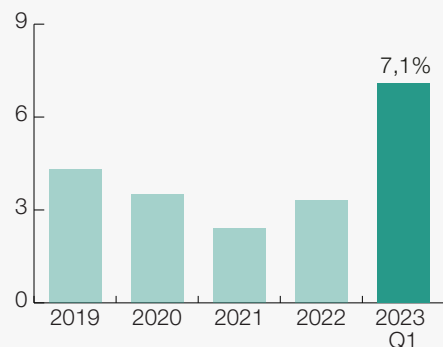
The property portfolio includes development rights valued at MSEK 837. Properties representing 46 percent of fair value are located along the Greater Stockholm–Uppsala axis.

Rikshem's property portfolio, March 31, 2023

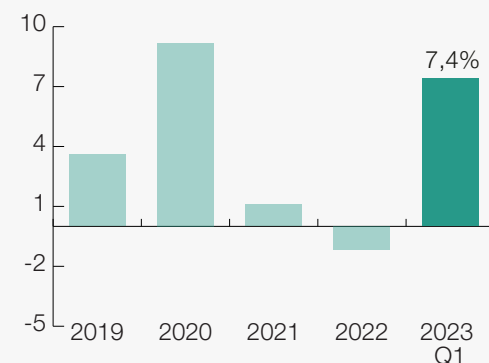
Type	Value, MSEK	Percentage share	Area, 1,000 sqm	Market value, SEK/sqm	Annual rent, MSEK	Annual rent broken down by type of tenant, (%)				
						Residential leases	Public sector	Private sector	Total	
Residential properties segment										
- Residential properties	40,314	68	1,601	25,174						
- Commercial*	773	1	38	20,503						
- Schools	51	0	2	26,582						
Residential properties	41,137	70	1,641	25,069	2,332	89	3	8	100	
Properties for public use segment										
- Nursing homes	14,430	24	477	30,252						
- Schools	3,145	5	120	26,248						
- Commercial*	206	0	20	10,545						
Properties for public use	17,781	30	616	28,848	1,030	6	83	11	100	
Total	58,918	100	2,257	26,101	3,362	64	27	9	100	

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

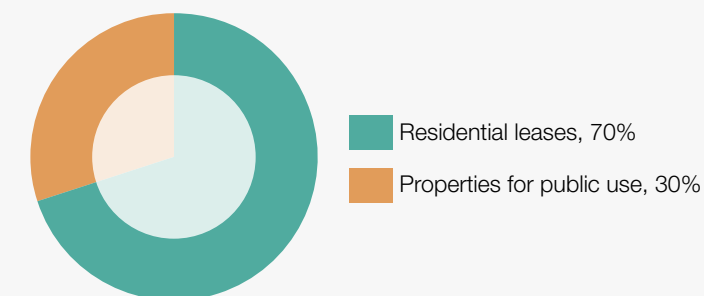
Change in rental income in the like-for-like portfolio (%)



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



Breakdown of fair 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 entire property portfolio are carried out quarterly. In addition to this, internal valuation is carried out mainly on properties with major ongoing or upcoming projects. The valuation conforms to level 3 in the IFRS 13 fair value hierarchy.

Unrealized change in value amounted to MSEK -1,003 and is primarily driven by the market's increased yield requirement. The average yield requirement increased by 0.09 percentage points to 4.03 percent relative to the value at year-end 2022.

Yield requirement and rent/sqm by property type

Property type*	Income (SEK)/sqm			Yield requirement (%)		
	min.	average	max.	min.	average	max.
Residential properties	929	1,583	3,550	2.55	3.88	6.30
Properties for public use:					4.26	
Nursing homes	878	1,757	3,420	3.22	4.21	5.70
Schools	886	1,451	2,736	4.00	4.48	5.70
Commercial	940	1,684	2,049	4.47	5.78	8.00
Average		1,622			4.03	

Property type*, %	Mar 31, 2023	Dec 31, 2022	Change
Residential properties	3.88	3.77	0.11
Properties for public use:			
Nursing homes	4.21	4.15	0.06
Schools	4.48	4.43	0.05
Commercial	5.78	5.71	0.07
Total	4.03	3.94	0.09

* From 2023, the average yield requirement will be calculated based on a like-for-like portfolio. The previous calculation method, based on the total portfolio, produced a result of 3.90 percent as at December 31, 2022 whilst the result was 3.94 percent using the updated calculation method.

Fair value of investment properties

Amounts in MSEK	Jan–Mar 2023	Jan–Mar 2022	Jan–Dec 2022
Fair value at the beginning of the period	59,423	58,780	58,780
Change in value	-1,003	124	-1,935
Investments	476	440	2,460
Acquisitions	25	338	500
Divestments	-3	–	-382
Fair value at the end of the period	58,918	59,683	59,423
Fair value incl. Rikshem's share of properties in joint ventures	62,034	62,988	62,532

Segment reporting

Property type	Residential properties		Properties for public use		Total	
	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar	2023 Jan–Mar	2022 Jan–Mar
Rental income	581	541	260	229	841	770
Property expenses	-326	-294	-95	-91	-421	-385
Net operating income	255	247	165	138	420	385
Change in value of properties	-962	0	-41	123	-1,003	124
Total return	-707	247	124	261	-583	509
Fair value of properties	41,137	42,344	17,781	17,339	58,918	59,683
Total return excl. joint ventures, % (R12)	-4.1	13.2	2.9	14.9	-2.1	13.7
Percentage share	70	71	30	29	100	100
Area, 1,000 sqm	1,641	1,628	616	602	2,257	2,230
Fair value, SEK/sqm	25,069	26,017	28,848	28,773	26,101	26,762
Investments	434	415	42	26	476	440

Investments and projects

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

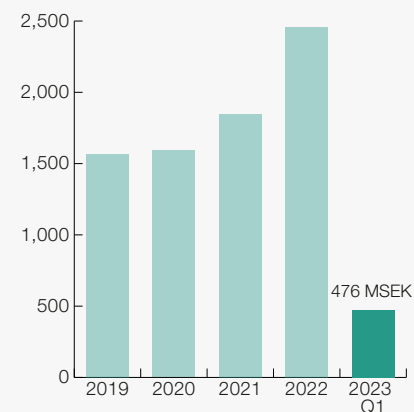
Transactions and investments

Acquisitions amounted to MSEK 25 during the period which related to the final payment for a new construction project.

Divested property amounted to MSEK -3 during the period and related to the final payment for previous transactions. Investments during the period amounted to MSEK 476 (440), MSEK 262 (232) of which pertained to the redevelopment and renovation of residential properties, MSEK 172 (182) to new construction projects involving residential properties and MSEK 42 (26) to investments in properties for public use.

New construction projects involving 1,143 apartments are under way. Estimated occupancy is between the first quarter of 2023 and the fourth quarter of 2025. No new construction projects have been started since Q2 2022. RM&U renovation projects are in progress in 1,561 apartments across 7 properties, with tenants moving in on an ongoing basis. 451 new-build or newly renovated apartments were completed during the period.

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 date
Flyttfågeln	Umeå	RM&U renovation	170	170	208	17	Q2 2023
Gottsunda	Uppsala	RM&U renovation	297	297	182	22	Q2 2023
Eriksborg	Västerås	New construction (residential properties)		252	350	66	Q3 2023
Kronan	Luleå	New construction (residential properties)		92	169	58	Q3 2023
Topasen	Norrköping	New construction (residential properties)		141	160	68	Q4 2023
Brönnestad	Malmö	New construction (residential properties)		260	414	161	Q2 2024
Grafikern	Uppsala	New construction (residential properties)		162	313	138	Q2 2024
Repet	Södertälje	New construction (residential properties)		60	124	97	Q2 2024
Porsön	Luleå	RM&U renovation	426	426	331	173	Q1 2025
Kantorn	Uppsala	New construction (residential properties)		139	325	208	Q2 2025

118 apartments in Södertälje were modernized

We renovated 118 apartments in the Saltskog area of Södertälje in line with Rikshem's new renovation model where residents remain in their apartments. The project involved a plumbing overhaul and bathroom renovations. The renovation work started at the beginning of the year and the first stairwell has been installed.



Joint ventures

Stakes in joint ventures

JV partnerships allow Rikshem to operate in new markets, develop new and existing neighborhoods and share and replenish skills.

Rikshem owns shares in joint ventures with a total value of MSEK 2,092 (2,088). The largest joint venture holding of MSEK 1,201 pertains to 49 percent of VärmdöBostäder (the remainder is owned by Värmdö Municipality). The second-largest holding of MSEK 672 relates to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikano Bostad each owning 50 percent. Other participations in associated companies totaling MSEK 219 concern development projects

owned and operated together with Nordr, P&E Fastighetspartner and Huseriet. The value of Rikshem's share of the property holdings in these joint ventures, which are consolidated according to the equity method, is SEK 3.1 billion.

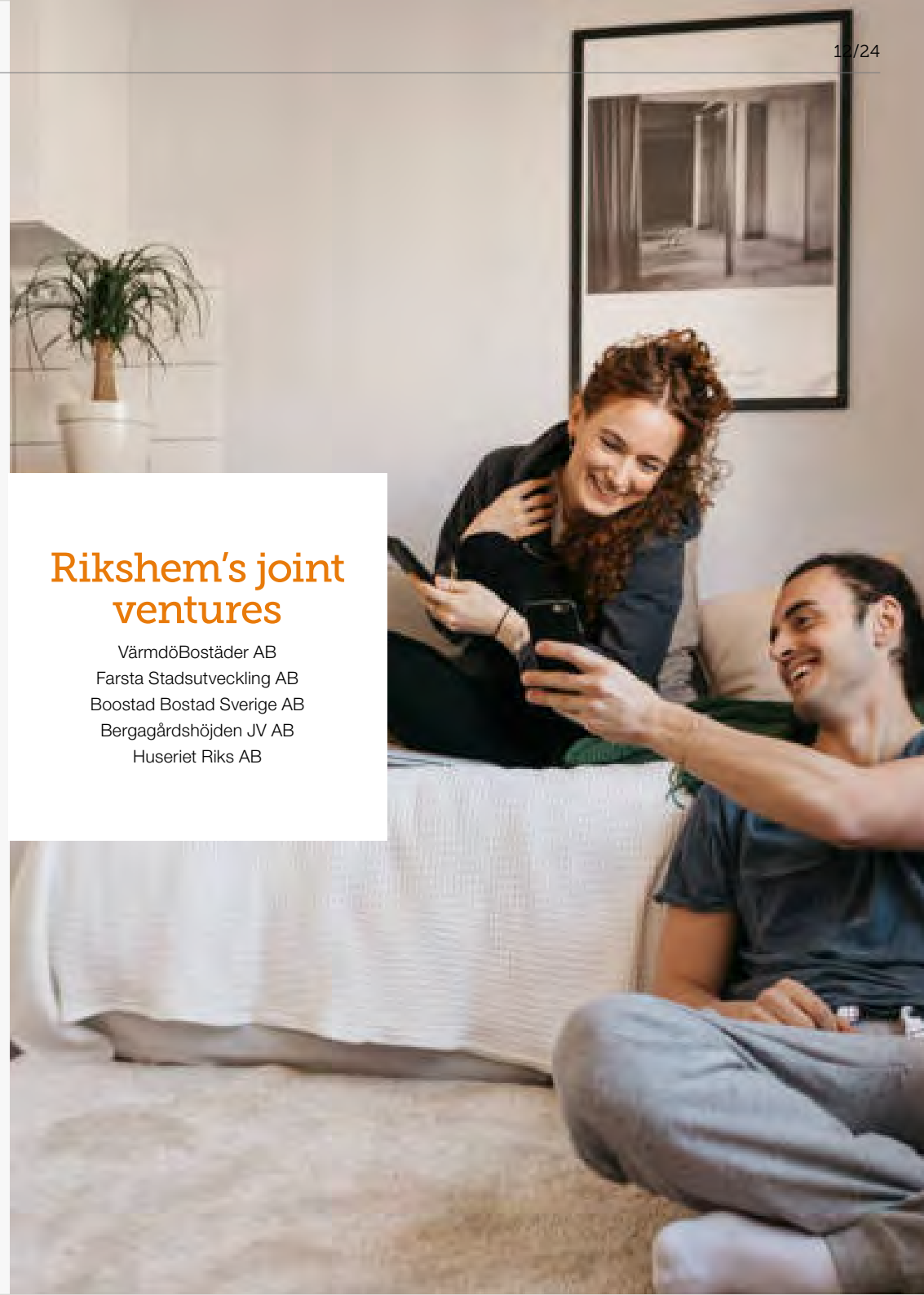
The joint ventures involve some development of condominiums. As of March 31, 2023, 134 apartments were under construction, 70 of which had been sold. Rikshem's share of unsold apartments was 32.

Earnings from joint ventures

Rikshem's share of profit after tax amounted to MSEK 4 (10).

Earnings from joint ventures

Amounts in MSEK	Jan–Mar 2023	Jan–Mar 2022	Apr 2022– Mar 2023	Jan–Dec 2022
Income from property management	3	6	36	39
Change in value of properties	2	4	-161	-159
Change in value of derivatives	-1	3	2	6
Tax	0	-3	26	23
Total	4	10	-97	-91
Carrying amount in joint ventures, shares	2,092	2,201	2,092	2,088



Rikshem's joint ventures

VärmdöBostäder AB
Farsta Stadsutveckling AB
Boostad Bostad Sverige AB
Bergagårdshöjden JV AB
Huseriet Riks AB

Financing

Uncertainty about inflation and interest rate outlooks remains high. Banking sector concerns that were sparked in March shook the interest rate markets and volatility was high. The need to focus on financial stability dampened the expectations of future interest rate hikes in the USA, Europe, and Sweden.

The first quarter was characterized by volatility and turmoil on the global financial markets. It started off in a relatively low-key fashion with capital markets functioning at least for companies with a rating similar to or higher than Rikshem's. However, in March, problems at banks in the USA and Switzerland raised concerns for financial stability which led to large interest rate swings. Investor demand for bonds and certificates declined and there were only a few issues. Risk appetite returned in the last week of the quarter and a number of bonds were issued.

Rikshem issued two bonds totaling MSEK 550 with a maturity of four years during the first quarter. Bank loans of MSEK 707 were renegotiated and extended from three to seven years. Commercial paper is issued on an ongoing basis, with funding through commercial paper increasing by MSEK 723 during the quarter.

Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 440 (783). On the closing date, assets pledged under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 416. Assets of this type are settled on a monthly basis.

Financial derivative instruments

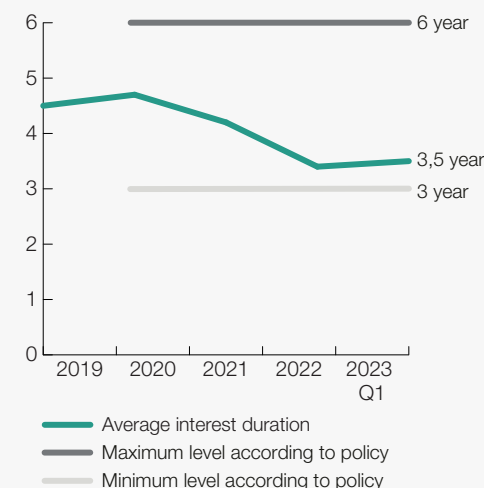
The Company's interest-rate duration is managed on an ongoing basis mainly through the extension and new subscription of interest-rate swaps. At March 31, 2023, the portfolio of interest-rate derivatives amounted to MSEK 16,250 net. The Company also has combined interest-rate and currency swaps to hedge loans raised in other currencies. The net fair value of the derivative portfolio was MSEK 1,129 (1,710), of which positive value amounted to 1,831 (2,142) and negative value to -702 (-432).

Interest-bearing liabilities

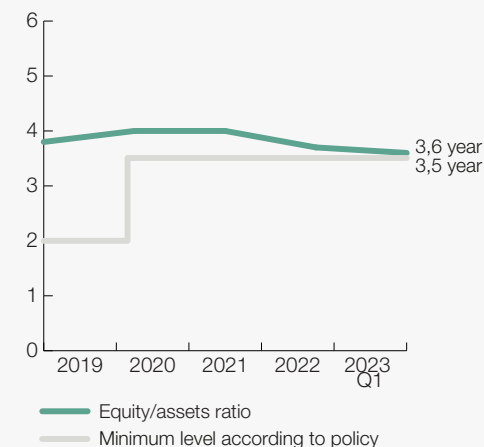
At March 31, 2023, interest-bearing liabilities amounted to MSEK 29,181 (29,021). The current portion of this totaled MSEK 6,708 (6,435). Secured financing accounted for 8 percent (8) of the fair value of investment properties. The average interest rate has increased in the last year due to rising market interest rates and higher credit margins. At March 31, 2023, the average interest rate was 2.2 percent, which was 0.2 percentage points higher than at year-end, and 0.8 percentage points higher than in the equivalent quarter in 2022. Fees for unutilized backup facilities are included in the average interest rate. The average debt duration was 3.6 years (3.7) and the average interest-rate duration was 3.5 years (3.4).

**MSEK
29,181**
(29,021)

Average interest-rate duration (years)



Average debt duration (years)



Green financing

Rikshem's framework for green bonds is updated regularly, most recently in February 2022. No new green bonds were issued in the first quarter. At March 31, 2023, outstanding green bonds totaled approx. SEK 7.9 billion. Loans from the EIB for energy efficiency initiatives amounted to MSEK 999. In total, green financing represented approximately 31 percent of interest-bearing liabilities at year-end.

Backup facilities

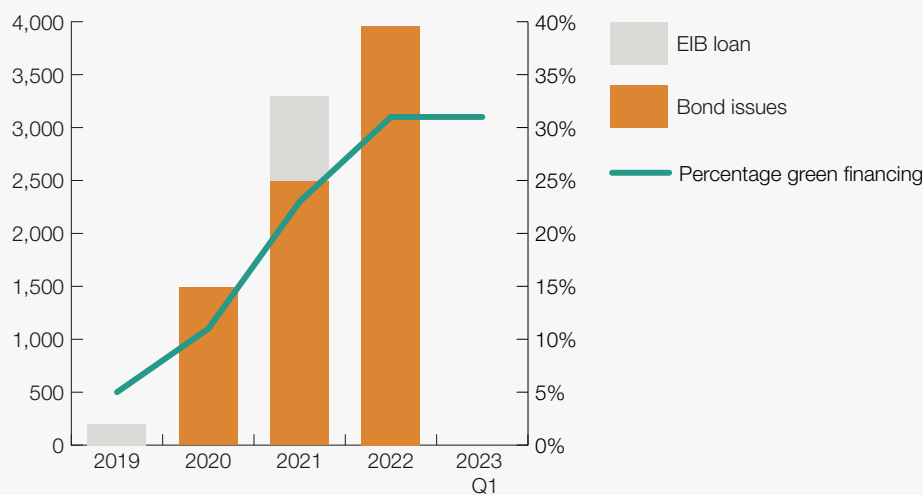
The refinancing and liquidity risk inherent in the maturity structure is managed in part by using backup facilities with Rikshem's

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 2022.

Green financing



Interest-bearing external liabilities

Maturity	Interest-rate duration		Debt duration	
	Amount (MSEK)	Percentage	Amount (MSEK)	Percentage
2023	6,626	23	6,213	21
2024	3,213	11	4,406	15
2025	3,493	12	4,853	17
2026	4,200	14	2,891	10
2027	2,949	10	3,153	11
2028	3,000	10	992	3
2029	1,500	5	1,377	5
2030	2,400	8	1,748	6
2031	500	2	800	3
2032	1,300	5	2,748	9
Total	29,181	100	29,181	100

Interest-bearing liabilities by type of financing

Financing type	Outstanding amount (MSEK)	Percentage of interest-bearing liabilities
Commercial papers, SEK	3,564	12
Secured bank loans, SEK	4,526	16
Unsecured loans, SEK	1,145	4
Bonds, SEK	11,359	39
Bonds, NOK	4,720	16
Bonds, EUR	3,315	11
Bonds, AUD	552	2
Total	29,181	100

Consolidated statement of comprehensive income

Amounts in MSEK	2023 Jan–Mar	2022 Jan–Mar	Apr 2022 Mar 2023	2022 Jan–Dec
Rental income	841	770	3,240	3,169
Operating expenses	-277	-257	-893	-873
Repairs and maintenance	-75	-61	-280	-266
Property administration	-58	-55	-225	-222
Property tax	-11	-12	-47	-48
Total property expenses	-421	-385	-1,445	-1,409
Net operating income	420	385	1,795	1,760
Central administration	-37	-31	-162	-156
Earnings from joint ventures	4	10	-97	-91
Operating profit/loss	387	364	1,536	1,513
Financial income	3	1	7	5
Financial expenses	-143	-94	-499	-450
Profit after financial items	247	272	1,044	1,068
of which income from property management	246	268	1,176	1,198
Change in value of investment properties	-1,003	124	-3,062	-1,935
Change in value of interest-rate derivatives	-253	895	632	1,780
Change in value of foreign exchange derivatives	-329	-58	-400	-129
Foreign exchange effect on financial liabilities	263	-309	107	-465
Profit before tax	-1,075	924	-1,680	319
Tax	223	-189	321	-91
Profit for the period/year	-852	735	-1,359	228
Other comprehensive income that is not to be reclassified to the income statement in subsequent periods				
Revaluation of pensions	-	-	3	3
Tax, pensions	-	-	-1	-1
Other comprehensive income for the period, net after tax	-	-	2	2
Total comprehensive income for the period	-852	735	-1,357	230

Consolidated statement of financial position

Amounts in MSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	17	8	15
Total intangible fixed assets	17	8	15
Property, plant and equipment			
Investment properties	58,918	59,683	59,423
Leaseholds and other right-of-use assets	177	143	177
Fixtures and fittings	6	2	6
Total property, plant and equipment	59,101	59,828	59,606
Financial assets			
Stakes in joint ventures	2,092	2,201	2,088
Financial derivative instruments	1,831	1,209	2,142
Non-current receivables	62	101	62
Total financial assets	3,985	3,511	4,292
Total fixed assets	63,103	63,347	63,913
Current assets			
Current receivables			
Accounts receivable	30	20	28
Other receivables	548	143	116
Prepaid expenses and accrued income	101	101	82
Total current receivables	679	264	226
Cash and cash equivalents	440	503	783
Total current assets	1,119	767	1,009
TOTAL ASSETS	64,222	64,114	64,922

Amounts in MSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	100	100	100
Other paid-in capital	4,874	4,874	4,874
Retained earnings	23,259	24,617	24,111
Total equity	28,233	29,591	29,085
Liabilities			
Non-current liabilities			
Deferred tax liability	4,944	5,348	5,189
Interest-bearing liabilities	22,328	20,229	22,441
Liabilities to Parent Company	145	175	145
Financial derivative instruments	672	312	432
Non-current liabilities, finance leases	153	126	151
Other provisions for pensions and similar obligations	1	6	1
Total non-current liabilities	28,243	26,196	28,359
Current liabilities			
Interest-bearing liabilities	6,708	7,148	6,435
Accounts payable	159	80	122
Tax liabilities	92	51	57
Current liabilities, finance leases	21	15	22
Financial derivative instruments	30	–	–
Other current liabilities	53	446	65
Accrued expenses and deferred income	683	587	777
Total current liabilities	7,746	8,327	7,478
Total liabilities	35,989	34,523	35,837
TOTAL EQUITY AND LIABILITIES	64,222	64,114	64,922

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, 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
Profit for the period, Apr–Dec			-507	-507
Other comprehensive income, Apr–Dec			2	2
Closing balance, Dec 31, 2022	100	4,874	24,111	29,085
Opening balance, Jan 1, 2023	100	4,874	24,111	29,085
Profit for the period, Jan–Mar			-852	-852
Other comprehensive income, Jan–Mar			–	–
Closing balance, Mar 31, 2023	100	4,874	23,259	28,233

Group – Statement of cash flows

Amounts in MSEK	2023 Jan–Mar	2022 Jan–Mar	Apr 2022 Mar 2023	2022 Jan–Dec
Operating activities				
Profit after financial items	247	272	1,043	1,068
Adjustment for non-cash items	-4	-10	101	95
Reversal of net interest income	140	93	492	445
Interest paid	-137	-101	-449	-413
Interest received	2	1	6	5
Tax paid	13	-62	-83	-158
Cash flow from operating activities before changes in working capital	261	193	1,110	1,042
Decrease (+)/increase (-) in operating receivables	-418	-31	-405	-18
Decrease (-)/increase (+) in operating liabilities	304	-97	526	125
Cash flow from operating activities	147	65	1,231	1,149
Investing activities				
Investment in investment properties	-476	-440	-2,496	-2,460
Acquisition of investment properties	-25	-338	-187	-500
Divestment of investment properties	3	–	385	382
Investment in other fixed assets	-3	-1	-16	-14
Investment in financial assets	0	128	-129	-1
Divestment of financial assets	0	–	179	179
Cash flow from investing activities	-501	-651	-2,263	-2,414
Financing activities				
Loans raised	3,661	4,415	16,834	17,589
Repayment of loans	-3,237	-4,095	-15,098	-15,956
Change in collateral	-414	301	-766	-51
Repayment of finance leases	1	–	-1	-2
Cash flow from financing activities	11	621	969	1,580
Cash flow for the period/year	-343	35	-63	315
Cash and cash equivalents at the beginning of the period/year	783	468	503	468
Cash and cash equivalents at the end of the period/year	440	503	440	783

Parent Company income statement

Amounts in MSEK	2023 Jan–Mar	2022 Jan–Mar	Apr 2022 Mar 2023	2022 Jan–Dec
Income	76	69	307	300
Other operating expenses	-36	-32	-197	-193
Personnel expenses	-72	-61	-245	-234
Depreciation	-1	0	-3	-2
Operating profit/loss	-33	-24	-138	-129
Earnings from Group companies	-23	19	173	215
Financial income	248	196	872	820
Financial expenses	-143	-108	-524	-489
Change in value of interest-rate derivatives	-253	895	632	1,780
Change in value of combined interest-rate and currency derivatives	-329	-58	-400	-129
Foreign exchange effect on financial liabilities	263	-309	106	-466
Profit after financial items	-270	611	721	1,602
Appropriations, Group contribution	–	–	-21	-21
Appropriations, profit to principal	-2	65	-3	64
Tax	63	-123	-136	-322
Profit for the period/year ¹⁾	-209	553	561	1,323

¹⁾In the Parent Company, there are no items under other comprehensive income.

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. The Parent Company has been included as principal for fiscal purposes with the majority of its subsidiaries. All the subsidiaries included for fiscal purposes are also part of a VAT group.

Parent Company balance sheet

Amounts in MSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	17	8	15
Total intangible fixed assets	17	8	15
Property, plant and equipment			
Fixtures and fittings	6	2	5
Total property, plant and equipment	6	2	5
Financial assets			
Participations in subsidiaries	2,690	2,724	2,690
Receivables from Group companies	33,006	32,502	32,607
Financial derivative instruments	1,831	1,209	2,142
Non-current receivables	17	17	18
Total financial assets	37,544	36,452	37,457
Total fixed assets	37,567	36,462	37,477
Current assets			
Current receivables			
Accounts receivable	1	0	1
Other receivables	467	97	17
Prepaid expenses and accrued income	8	45	42
Total current receivables	476	142	60
Cash and cash equivalents	440	460	783
Total current assets	916	602	843
TOTAL ASSETS	38,483	37,064	38,320

Amounts in MSEK	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	100	100	100
Revaluation reserve	143	143	143
	243	243	243
Non-restricted equity			
Retained earnings	8,324	7,001	7,001
Share premium reserve	841	841	841
Profit for the year	-209	553	1,323
	8,956	8,395	9,165
Total equity	9,199	8,637	9,408
Provisions			
Deferred tax liability	407	352	492
Other provisions for pensions and similar obligations	1	3	1
Total provisions	408	355	493
Non-current liabilities			
Interest-bearing liabilities	18,834	17,783	18,945
Liabilities to Parent Company	145	175	145
Financial derivative instruments	672	312	432
Total non-current liabilities	19,651	18,270	19,522
Current liabilities			
Interest-bearing liabilities	6,708	7,148	6,435
Accounts payable	6	5	13
Liabilities to Group companies	2,250	2,148	2,232
Tax liability	88	8	64
Financial derivative instruments	30	–	–
Other liabilities	10	383	22
Accrued expenses and deferred income	133	110	131
Total current liabilities	9,225	9,802	8,897
Total liabilities	29,284	28,427	28,912
TOTAL EQUITY AND LIABILITIES	38,483	37,064	38,320

Board of Directors

At the Annual General Meeting on March 21, 2023, Kerstin Lindberg Göransson was elected as a member and Chair of the Board of Directors. Former Chair of the Board of Directors Per Uhlén and Board member Liselotte Hjorth had declined re-election. The remaining members were re-elected.

Employees

The number of employees in the Rikshem Group at the end of the period was 326 (316): 164 men and 162 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 2022.

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

The change to IAS 12 with regard to deferred tax on leases became effective on January 1, 2023 and means that companies applying IFRS in their consolidated financial statements must report deferred tax on all temporary differences. The change has a marginal impact on the financial statements. Other 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 2022. There were no 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 report has not
been reviewed by the
Company's auditors.

Stockholm, May 4, 2023

Kerstin Lindberg Göransson
Chair of the Board Of Directors

Pernilla Arnrud Melin
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	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Income statement						
Rental income	841	803	795	801	770	786
Property expenses	-421	-424	-281	-319	-385	-377
Net operating income	420	379	514	482	385	409
Central administration	-37	-58	-34	-33	-31	-37
Earnings from joint ventures	4	-223	9	113	10	136
Net financial income and expenses	-140	-131	-119	-102	-93	-152
Profit after financial items	247	-33	370	460	271	356
of which income from property management	246	201	369	361	268	232
Change in value of investment properties	-1,003	-2,113	2	52	124	3,367
Change in value of and exchange rate effects on financial instruments	-319	125	98	434	529	151
Profit before tax	-1,075	-2,021	470	946	924	3,875
Tax and other comprehensive income	223	375	-85	-190	-189	-798
Comprehensive income for the quarter	-852	-1,646	385	756	735	3,077
Statement of financial position						
Investment properties	58,918	59,423	61,238	60,705	59,683	58,780
Stakes in joint ventures	2,092	2,088	2,312	2,302	2,201	2,191
Other assets	2,772	2,628	2,737	2,417	1,727	972
Cash and cash equivalents	440	783	645	1,284	503	468
Total assets	64,222	64,922	66,932	66,708	64,114	62,411
Equity	28,233	29,085	30,731	30,346	29,591	28,855
Deferred tax	4,944	5,189	5,558	5,506	5,348	5,173
Interest-bearing liabilities	29,181	29,021	28,872	29,212	27,553	26,922
Other liabilities	1,864	1,627	1,771	1,644	1,623	1,461
Total equity and liabilities	64,222	64,922	66,932	66,708	64,114	62,411
Key figures						
Loan-to-value ratio, %	50	49	47	48	46	46
Equity/assets ratio, %	44	45	46	45	46	46
Interest-coverage ratio, multiple (R12)	3.2	3.5	3.6	3.7	3.6	3.6
Return on equity, % (R12)	-4.7	0.8	17.5	18.1	24.0	22.9
Property yield, % (R12)	3.0	3.0	3.1	3.1	3.1	3.2
Surplus ratio, %	50	47	65	60	50	52

Key figures

Amounts in MSEK	2023 Q1	2022	2021	2020	2019
Income statement					
Rental income	841	3,169	3,062	3,032	2,916
Net operating income	420	1,760	1,768	1,760	1,586
Profit after financial items	247	1,068	1,526	1,279	1,286
of which income from property management	246	1,198	1,230	1,245	1,048
Change in value of properties	-1,003	-1,935	5,509	1,825	1,538
Profit for the period	-852	228	5,931	2,481	2,244
Statement of financial position					
Equity	28,233	29,085	28,855	22,921	20,441
External liabilities	29,181	29,021	26,922	26,315	26,838
Fair value of properties	58,918	59,423	58,780	51,750	49,307
Total assets	64,222	64,922	62,411	55,271	52,612
Financial key figures					
Equity/assets ratio, %	44	45	46	41	39
Loan-to-value ratio, %	50	49	46	51	54
Interest-coverage ratio, multiple (R12)	3.2	3.5	3.6	3.7	3.5
Net debt/EBITDA, multiple	17.3	17.6	15.9	15.2	18.0
Loan-to-value ratio, secured loans, %	8	8	6	9	9
Average interest rate, %	2.2	2.0	1.5	1.7	1.6
Fixed interest, years	3.5	3.4	4.2	4.7	4.5
Debt duration, years	3.6	3.7	4.0	4.0	3.8
Return on equity, % (R12)	-4.7	0.8	22.9	11.4	11.6
Property yield, % (R12)	3.0	3.0	3.2	3.5	3.3
Total return excl. joint ventures, % (R12)	-2.1	-0.3	13.9	7.2	6.7
Total return incl. joint ventures, % (R12)	-2.1	-0.4	13.9	7.0	7.2

Amounts in MSEK	2023 Q1	2022	2021	2020	2019
Property-related key indicators					
Number of properties	518	519	514	540	560
Lettable area, 1,000 sqm	2,257	2,240	2,216	2,232	2,292
Number of apartments	29,572	29,230	28,514	28,730	29,214
Share of properties for public use (fair value), %	30	30	29	30	30
Vacancy rate, residential properties, %	4.0	3.1	5.1	4.0	3.5
Market vacancy rate, residential properties, %	1.2	0.8	1.5	1.4	0.8
Remaining lease term for properties for public use, years	7.8	7.6	8.3	8.8	9.0
Fair value, SEK/sqm	26,101	26,525	26,522	23,181	21,512
Growth in revenue for the like-for-like portfolio, %	7.1	3.3	2.4	3.5	4.3
Growth in net operating income for the like-for-like portfolio, %	7.4	-1.2	1.1	9.2	3.6
Surplus ratio, %	50	56	58	58	54
Employees					
Number of employees	326	316	286	271	259

Key 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.

Amounts in MSEK	Apr 2022– Mar 2023	2022 Jan–Dec	Apr 2021– Mar 2022	2021 Jan–Dec
Return on equity				
Profit for the year	-1,359	228	6,330	5,931
Average equity	28,912	28,970	26,424	25,888
Return on equity, %	-4.7	0.8	24.0	22.9
Net operating income				
Rental income	3,240	3,169	3,072	3,062
Property expenses	-1,445	-1,409	-1,319	-1,294
Net operating income	1,795	1,760	1,753	1,768
Surplus ratio				
Net operating income	1,795	1,760	1,753	1,768
Rental income	3,240	3,169	3,072	3,062
Surplus ratio, %	55	56	57	58
Property yield				
Net operating income	1,795	1,760	1,753	1,768
Opening property value	59,683	58,780	52,167	51,750
Closing property value	58,918	59,423	59,683	58,780
Adjusted average property value	59,300	59,102	55,925	55,265
Property yield, %	3.0	3.0	3.1	3.2
Total return				
Net operating income	1,795	1,760	1,753	1,768
Change in value of properties	-3,062	-1,935	5,538	5,509
Total	-1,267	-175	7,292	7,278
Opening property value	59,683	58,780	52,167	51,750
Closing property value	58,918	59,423	59,683	58,780
Minus unrealized change in value	3,062	1,935	-5,538	-5,509
Adjusted average property value	60,831	60,069	53,156	52,510
Total return, %	-2.1	-0.3	13.7	13.9

Amounts in MSEK	Apr 2022– Mar 2023	2022 Jan–Dec	Apr 2021– Mar 2022	2021 Jan–Dec
Interest-coverage ratio				
Profit before tax	-1,680	319	7,838	7,347
Reversal				
Change in value of properties	3,062	1,935	-5,538	-5,509
Change in value of financial derivative instruments and loans	-339	-1,186	-777	-311
Earnings from joint ventures	97	91	-338	-330
Financial expenses	499	450	464	480
Total	1,639	1,609	1,649	1,676
External interest	-511	-456	-452	-467
Interest-coverage ratio, multiple	3.2	3.5	3.6	3.6
Loan-to-value ratio				
External interest-bearing liabilities	29,181	29,021	27,553	26,922
Fair value of investment properties	58,918	59,423	59,683	58,780
Loan-to-value ratio, %	50	49	46	46
Loan-to-value ratio, secured loans				
Outstanding secured debt	4,526	4,530	3,305	3,306
Fair value of investment properties	58,918	59,423	59,683	58,780
Loan-to-value ratio, secured loans, %	8	8	6	6
Net debt/EBITDA				
External interest-bearing liabilities	29,181	29,021	27,553	26,922
Cash and cash equivalents	-440	-783	-503	-468
Collateral relating to CSA agreements	-416	-2	350	48
Net debt	28,325	28,236	27,399	26,503
Net operating income	1,795	1,760	1,754	1,768
Central administration	-162	-156	-113	-100
Depreciation	2	2	2	2
EBITDA	1,635	1,606	1,642	1,670
Net debt/EBITDA, multiple	17.3	17.6	16.7	15.9

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 income and expenses plus income from property management from participations in 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-rate duration	The weighted remaining fixed interest period for interest-bearing liabilities and financial derivative instruments on the closing date.
Lease duration, properties for public use	The remaining lease term weighted in rental value in the properties for public use segment on the closing date, excluding garages/parking and residential properties let to private individuals.
Like-for-like portfolio	Properties owned for the whole period and the whole of the comparative period and which have not been classified as development properties during these periods.
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 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.

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.

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. The amounts in this report are rounded to the nearest million kroner, which means that tables and figures do not always agree.

Financial calendar

Six month report January–June 2023 July 14, 2023

Interim report January–September 2023 October 27, 2023

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