

Rikshem's Interim report

January–September 2023

The period in brief

- Rental income was MSEK 2,605 (2,366), up 10.1 percent on the same period in 2022.
- Rental income for the like-for-like portfolio rose MSEK 152 or 7.4 percent.
- Net operating income was MSEK 1,495 (1,381), up 8.3 percent on the same period in 2022.
- Income from property management fell to MSEK 943 (997), which is attributable largely to higher interest expenses.

- The change in value of investment properties was MSEK -3,267 (178), which is equivalent to a change in value of -5.5 percent (0.3).
- The net from the change in value of financial derivative instruments and foreign exchange effect from loans in foreign currency was MSEK -368 (1,061).
- Profit before tax for the period was MSEK -2,840 (2,340). Profit after tax was MSEK -2,304 (1,876).

- Property acquisitions during the period amounted to MSEK 27 (500). The amount relates essentially to the final payment for a new construction project.
- Property investment in the period totaled MSEK 1,333 (1,779).

Events during the third quarter

- A property in Kalmar was sold (and vacated) for a total value of MSEK 41.
- An agreement was signed in September regarding the sale of a

property in Sigtuna municipality. The property will be vacated in the fourth quarter.

- An agreement was signed regarding the sale of Rikshem's shares in Boostad Bostad Sverige AB, including Folkhem Trä AB, to Nordr Sverige AB. The transaction will be closed in the fourth quarter.

Rikshem in summary	2023 Jul-Sep	2022 Jul-Sep	Jan-Sep 2023	Jan-Sep 2022	Oct 2022– Sep 2023	Jan-Dec 2022
Rental income, MSEK	899	795	2,605	2,366	3,408	3,169
Net operating income, MSEK	575	514	1,495	1,381	1,874	1,760
Income from property management, MSEK	382	369	943	997	1,144	1,198
Profit for the period/year, MSEK	-640	385	-2,304	1,876	-3,952	228
Fair value of properties, MSEK	57,366	61,238	57,366	61,238	57,366	59,423
Lettable area, 1,000 sqm	2,269	2,239	2,269	2,239	2,269	2,240
Economic occupancy rate, %	96.9	96.4	96.9	96.4	96.9	96.9
Loan-to-value ratio, %	51	47	51	47	51	49
Interest-coverage ratio, multiple (R12)	2.7	3.6	2.7	3.6	2.7	3.5
Equity, MSEK	26,781	30,731	26,781	30,731	26,781	29,085
Total return incl. joint ventures, % (R12)	-5.7	9.6	-5.7	9.6	-5.7	-0.4
Return on equity, % (R12)	-13.7	17.5	-13.7	17.5	-13.7	0.8



Positive progress in uncertain times

We live in uncertain times. Macroeconomic challenges, the rise in gang crime, war in Europe and the development of the Israeli-Palestinian conflict are a cause for concern in many ways. As a property owner, greater insecurity has an impact on our neighborhoods, tenants and employees, and is something we are constantly working to address. Some of our properties are located in challenging neighborhoods and for a long time we have been seeing a trend towards greater insecurity and worked to counteract that. In today's surveys we can see that the trend indicates that tenants feel that security in our areas is increasing, and we continue to do safety patrols, contract checks, and social initiatives among other things. We have procedures in place for how our employees should act and established contacts with the police. We also welcome the conclusions of the investigation "Measures for safer residential neighborhoods" which has now been handed over to Department of Justice. The investigation seems to want to adapt the legislation to today's social climate and to a greater extent protect the tenant collective instead of the individual tenant. Another positive aspect is that the report clearly emphasizes the protection of landlords' staff. Keeping our employees safe in our properties and neighborhoods is an important health and safety issue.

Market vacancies continue to fall

Despite the challenging times that have had a major impact on the property sector, Rikshem has seen positive trends. Market vacancies are continuing to fall and our focus is on Norrköping and Kalmar in particular where the vacancy rate is slightly higher than in the rest of the portfolio. As a percentage, property expenses are still increasing more than income, but on the positive side, electricity costs are now falling and electricity subsidy for businesses has now been paid. From the support we have received, we have passed on the part that relates to residential tenants with individual metering and the local tenants who buy electricity through us. Net operating income was up year-on-year, while income

from property management was down due to rising interest rates. This meant that we have reduced our investments, but as was the case earlier in the year, we continued to have access to financing via the bond market.

Rent negotiations started

The annual rent negotiations for 2024 have begun. In order to manage residential properties on a long-term basis, it is important that rents develop in line with costs. The three party agreement that now exists between the Swedish Tenants Association, Public Housing Sweden and Fastighetsägarna, states among other things that interest rates and inflation are variables that must be taken into account as factors for rent adjustment. As the agreement looks back three years and we have had a longer period of high inflation and rising interest rates, we expect better outcomes in negotiations for 2024 than in 2023.

Sales provide opportunities

We signed an agreement in September regarding the sale of a property in Sigtuna municipality. We have major development opportunities in the portfolio and are continuously developing the portfolio through investments in our properties. The sale, which was finalized in October, gives us the opportunity to prioritize investments in other parts of the portfolio. At present, our focus is on continuing to renovate and take care of our existing properties. We have also signed an agreement regarding the sale of our share in the joint venture involving Folkhem Trä and the multiple award-winning Cederhusen, one of the world's largest apartment building projects in solid wood. The joint venture has made good progress, but we believe the next step for Folkhem is best taken by Nordr driving operations forward themselves. The winding up of the joint venture means that Rikshem will continue to streamline the business to run long-term operations with a focus on developing our existing portfolio of rental properties and properties for public use.

Occupancy in Luleå and Norrköping

Customer care has been a priority for us in recent years and still remains so. We are seeing that our work produces good results and customer satisfaction continues to increase. Our 'Easy living in rented accommodation' campaign to raise awareness of Rikshem will also get underway in the fall. The fact that many people know about us and what we offer makes it easier in terms of letting efforts, for example, in our new construction projects where tenants have now moved into properties in Luleå and Norrköping. A total of 233 rental apartments have been built and are virtually all occupied. We are pleased to be able to offer new modern apartments where people now have an opportunity to build their lives in our buildings. We have a few other new construction projects that are ongoing, but higher financing costs mean that we are not starting any new ones. The next few years will see the release of apartments that are already under construction, but a significant dip in the curve is expected after that. Given the situation, it was disappointing that there was no investment in construction in the government's fall budget. The reintroduction of investment support or an initiative for more energy-efficient apartment buildings might have kick-started construction and saved many jobs. Moreover, the latter would have had long-lasting positive effects on Swedish energy consumption and the transition of society as a whole.

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.

The market value of the properties totals **MSEK 60,351** (including Rikshem's share of the property value in joint ventures).

30,000 Residential properties

Rikshem has approximately 30,000 residential properties: 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/Knivsta
27% of the portfolio

Number of apartments: 6,943
Proportion of properties for public use: 33%
Total area (sqm): 449,142



Greater Stockholm
20% of the portfolio

Number of apartments: 4,411
Proportion of properties for public use: 50%
Total area (sqm): 453,559



Helsingborg
10% of the portfolio

Number of apartments: 3,544
Proportion of properties for public use: 4%
Total area (sqm): 254,140



Norrköping
10% of the portfolio

Number of apartments: 3,541
Proportion of properties for public use: 6%
Total area (sqm): 242,026

Our biggest area in terms of property management

(share of property value)



Västerås
6% of the portfolio

Number of apartments: 2,059
Proportion of properties for public use: 35%
Total area (sqm): 143,255



Halmstad & Ale
5% of the portfolio

Number of apartments: 1,428
Share of properties for public use: 81%
Total area (sqm): 108,673



Luleå
5% of the portfolio

Number of apartments: 1,952
Proportion of properties for public use: 15%
Total area (sqm): 159,160



Kalmar
5% of the portfolio

Number of apartments: 1,641
Proportion of properties for public use: 47%
Total area (sqm): 148,401

We are also in the following locations: Malmö, Nyköping, Umeå and Östersund.

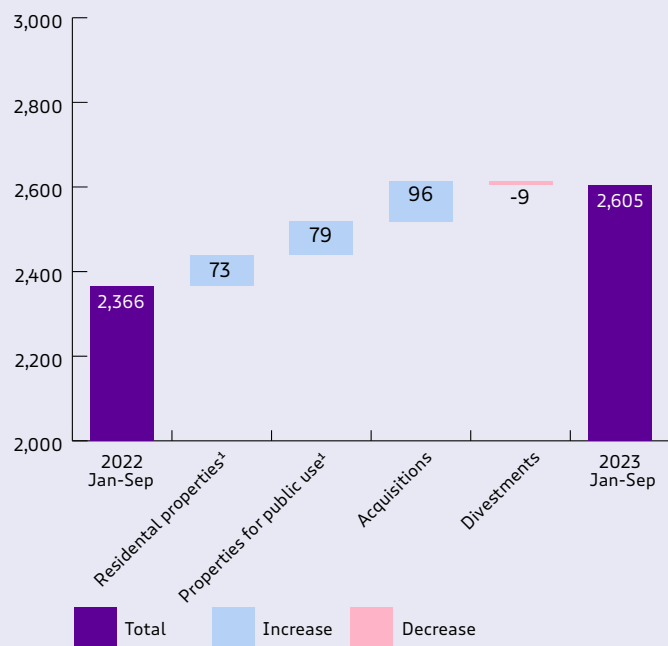
Income, costs and profit

Rental income

Rental income increased by MSEK 239 or 10.1 percent compared to the previous year and amounted to MSEK 2,605 (2,366). The increase is related mainly to the annual rent adjustment, completed projects and fewer vacancies. Rental income includes the government electricity support paid out during the third quarter. Electricity support is redistributed, where appropriate, to the tenants who have paid Rikshem for electricity according to actual consumption and cost.

Rental income for the like-for-like portfolio rose MSEK 152 or 7.4 percent.

Rental income (MSEK)

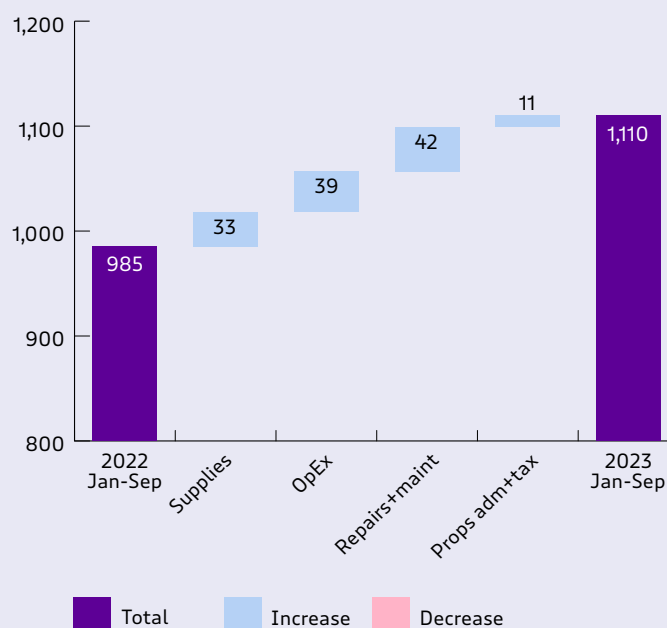


¹Like-for-like portfolio

Property expenses

Property expenses increased by MSEK 124 or 12.6 percent compared with the previous year and amounted to MSEK 1,110 (985). Expenses for the like-for-like portfolio were up MSEK 89 or 10.6 percent. The increase relates mainly to costs for operation and maintenance.

Property expenses (MSEK)



Net operating income

All in all, total net operating income increased by MSEK 114, or 8.3 percent year-on-year, and amounted to MSEK 1,495 (1,381). Net operating income for the like-for-like portfolio increased by SEK 63 million or 5.2 percent.

Condensed income statement, MSEK	2023 Jan-Sep	2022 Jan-Sep
Rental income	2,605	2,366
Property expenses	-1,110	-985
Net operating income	1,495	1,381
Central administration	-114	-98
Earnings from joint ventures	-122	132
Operating profit/loss	1,259	1,415
Financial income and expense	-464	-314
Profit after financial items	795	1,101
of which income from property management	943	997
Change in value of properties	-3,267	178
Change in value of derivatives and foreign exchange fluctuation on loans	-368	1,061
Profit before tax	-2,840	2,340
Tax	536	-464
Profit for the period	-2,304	1,876

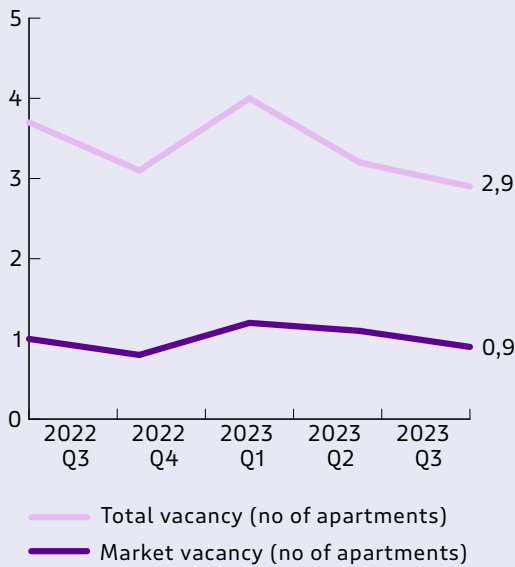
Vacancies

The vacancy rate for residential properties continued to fall and was 2.9 percent at the end of the period; lower than at the same point in the previous year (3.7). Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 0.9 percent (1.0). The economic occupancy rate for properties for public use was 98.4 percent (98.3). The occupancy rate for the portfolio as a whole was 96.9 percent (96.4).

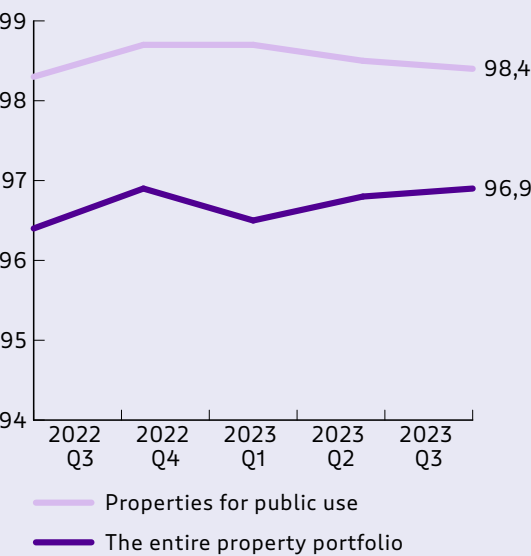
Lease duration

The average remaining lease term for properties for public use was 7.4 years (7.8). A high proportion of the leases were signed for 15-20 years in conjunction with 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 114 (98). The increase is mainly attributed to higher personnel costs due to the fact that the average number of employees was higher than in the same period previous year. 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 -464 (-314). The increase in expense was mainly due to the rise in market interest rates and credit margins. These have a gradual impact since a large part of the loan portfolio has long-term interest rate duration and debt duration. The average interest rate was 2.5 percent (1.8) at the end of the period. Capitalized interest for the period amounted to MSEK 49 (22). Read more about Rikshem's financing on pages 13-14.

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK -122 (132) driven primarily by changes in the value of properties. More information in the Joint ventures section on page 12.

Change in value of properties

The change in value of the investment properties amounted to MSEK -3,267 (178) during the period, which equates to a change in value of -5.5 percent (0.3). The average yield requirement increased in value by 0.38 percentage points to 4.31 percent relative to the yield requirement as at December 31, 2022. More information about property valuations can be found on page 10.

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. As the maturity of derivatives becomes shorter and remaining cash flow decreases, the fair value at unchanged interest levels also decreases (or increases at negative fair value). Changes in the value of interest-rate derivatives during the period amounted to MSEK -45 (1,860). The change in value of combined currency and interest-rate derivative instruments amounted to MSEK -397 (-452). This is caused by interest rate changes and exchange rate fluctuations between the Swedish krona and NOK, EUR and AUD. Exchange rate fluctuations also give rise to currency effects on the value of loans in foreign currencies, which amounted to MSEK 74 (-347). If loans and derivative instruments are held to term, previously reported earnings impacts are neutralized.

Tax

Tax reported for the period totaled MSEK 536 (-464), MSEK -91 (-78) of which was current tax and MSEK 627 (-386) 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 18.9 percent (19.8). The deviation in relation to Swedish corporation tax of 20.6 percent is primarily explained by non-deductible interest costs and profit shares from joint ventures. The deferred tax asset has been offset against the deferred tax liability in the statement of financial position.

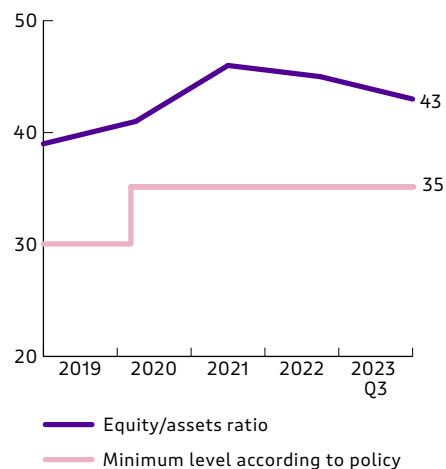
Profit for the period

Profit for the period totaled MSEK -2,304 (1,876).

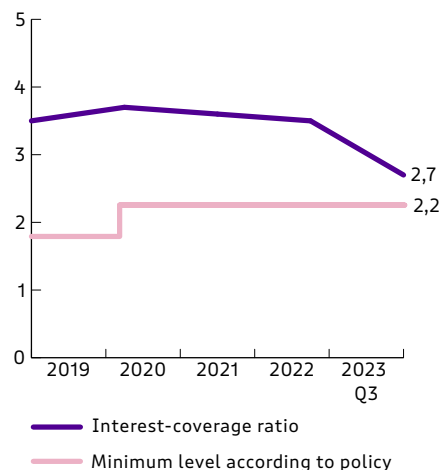


Rikshem's key financial indicators

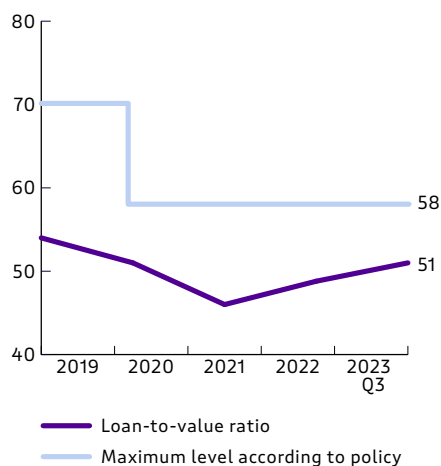
Equity/assets ratio (%)



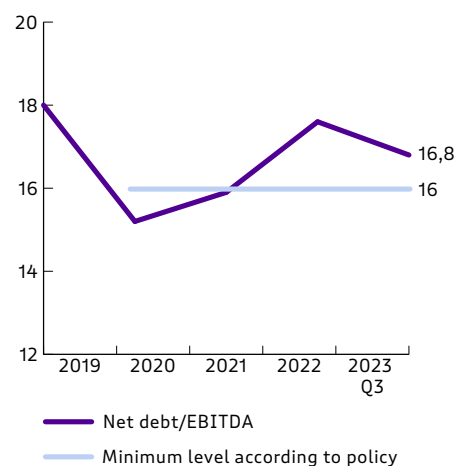
Interest-coverage ratio (multiple)



Loan-to-value ratio (%)



Net debt/EBITDA (multiple)



Rikshem's key figures for equity ratio, loan-to-value ratio and interest coverage ratio are 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 primarily as a result of increased project volume and currency fluctuations, both of which result in an increase in net debt. The key indicator can be restored to levels below 16x by continued focus on portfolio optimization and net operating income as projects are completed and start to deliver positive cash flow.

*Definitions can be found on page 25.

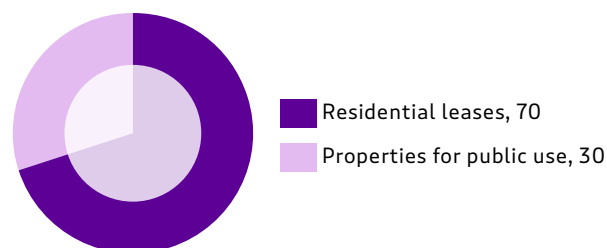
Property portfolio

Rikshem's portfolio comprised 513 properties (519) at the end of the third quarter. The fair value of the properties was MSEK 57,366 (59,423).

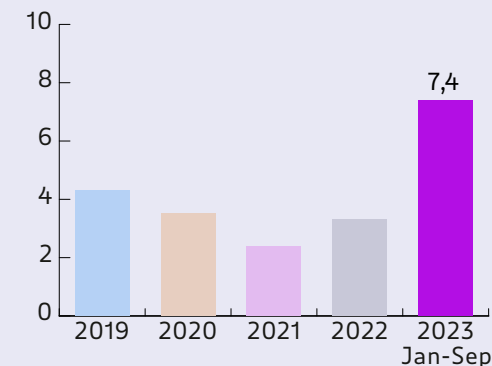
MSEK 39,432 of the fair value pertained to residential properties, MSEK 13,971 to nursing homes, MSEK 3,111 to schools and MSEK 852 to commercial properties.

The property portfolio includes development rights valued at MSEK 730. Properties representing 47 percent of the fair value are located along the Greater Stockholm–Uppsala axis.

Breakdown of fair value of investment properties (%)



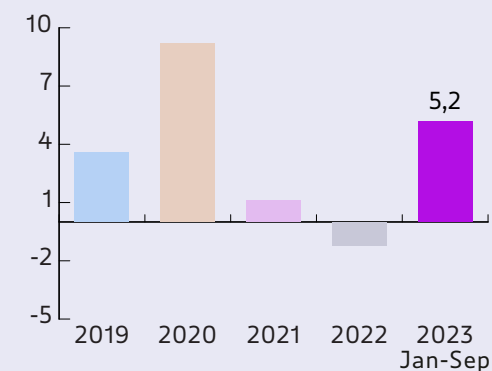
Change in rental income in like-for-like portfolio (%)



Rikshem's property portfolio as at September 30, 2023

TYPE	VALUE, MSEK	PERCENTAGE	AREA, 1,000 SQM	MARKET VALUE, SEK/SQM	ANNUAL RENT, MSEK	ANNUAL RENT BROKEN DOWN BY TYPE OF TENANT, (%)			
Residential properties segment						Residential leases	Public sector	Private sector	Total
- Residential properties	39,432	69	1,612	24,463					
- Commercial*	653	1	38	17,078					
- Schools	53	0	1	47,085					
Residential properties	40,138	70	1,651	24,307	2,387	89	3	8	100
Properties for public use segment									
- Nursing homes	13,971	24	479	29,180					
- Schools	3,059	5	120	25,532					
- Commercial*	198	0	20	10,131					
Properties for public use	17,228	30	618	27,870	1,043	7	82	11	100
Total	57,366	100	2,269	25,277	3,430	64	27	9	100

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



*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. External property valuations of the whole property portfolio are carried out on a quarterly basis. 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 -3,267 during the period and is driven primarily by the market's increased yield requirement. The average yield requirement increased by 0.38 percentage points to 4.31 percent relative to the yield requirement as at December 31, 2022.

Yield requirement and rent/sqm by property type

Property type*	INCOME (SEK/SQM)			YIELD REQUIREMENT (%)		
	min.	average	max.	min.	average	max.
Residential properties	931	1,489	3,530	2.90	4.13	5.50
Properties for public use:					4.55	
Nursing homes	878	1,759	3,452	3.50	4.51	6.15
Schools	959	1,726	3,235	4.30	4.70	5.80
Commercial	1,010	1,286	2,049	5.65	6.37	7.00
Average		1,566			4.31	

Property type*, %	Sep 30, 2023	Dec 31, 2022	Change
Residential properties	4.13	3.74	0.39
Properties for public use:			
Nursing homes	4.51	4.16	0.35
Schools	4.70	4.43	0.27
Commercial	6.37	5.61	0.76
Total	4.31	3.93	0.38

* 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.

Segment reporting

Property type	RESIDENTIAL		PUBLIC USE		TOTAL	
	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep
Rental income	1,804	1,651	801	715	2,605	2,366
Property expenses	-863	-754	-246	-231	-1,110	-985
Net operating income	941	897	555	484	1,495	1,381
Change in value of properties	-2,428	-229	-839	407	-3,267	178
Total return	-1,487	668	-285	891	-1,772	1,559
Fair value of properties	40,138	43,135	17,228	18,103	57,366	61,238
Total return excl. joint ventures, % (R12)	-6.8	7.9	-2.9	13.4	-5.7	9.5
Percentage share	70	70	30	30	100	100
Area, 1,000 sqm	1,651	1,625	618	614	2,269	2,239
Fair value, SEK/sqm	24,307	26,540	27,870	29,504	25,277	27,353
Investments	1,180	1,652	154	128	1,333	1,779

Fair value of investment properties

Amounts in MSEK	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Fair value at the beginning of the period	59,423	58,780	58,780
Change in value	-3,267	178	-1,935
Investments	1,333	1,779	2,460
Acquisitions	27	500	500
Divestments	-150	-	-382
Fair value at the end of the period	57,366	61,238	59,423
Fair value incl. Rikshem's share of properties in joint ventures	60,351	64,657	62,532

Transactions and investments

Transactions

Acquisitions amounted to MSEK 27 during the period, most of which related to the final payment for previous transactions.

Five properties were sold (and vacated) during the period for a total value of MSEK 150. Three of these were residential properties in Kalmar, one residential property in Malmö and a small property for public use in Uppsala.

In September, an agreement was signed to sell the Norrbacka 1:48 property in the Sigtuna municipality. The property will be vacated in the fourth quarter.

Investments and projects

Investments for the period totaled MSEK 1,333 (1,779). MSEK 723 (819) of this figure related to redevelopment and renovation, MSEK 462 (847) to new construction projects and MSEK 148 (113) to energy projects.

Construction of 762 new apartments is under way. Estimated occupancy is between the fourth quarter of 2023 and the third quarter of 2026. Repair, renovation and conversion projects are ongoing in five properties and include 1,257 apartments where occupancy takes place continuously. During the period, 1,315 newly constructed and newly renovated apartments have been completed.



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
Topasen	Norrköping	New construction projects (residential properties)		141	260	69	Q4 2023
Daldockan	Södertälje	Repair, renovation and conversion	118	118	76	25	Q4 2023
Kantorn	Uppsala	Repair, renovation and conversion	160	231	269	48	Q1 2024
Brönnestad	Malmö	New construction projects (residential properties)		260	414	94	Q2 2024
Grafikern	Uppsala	New construction projects (residential properties)		162	313	92	Q2 2024
Repet 4	Södertälje	New construction projects (residential properties)		60	124	72	Q2 2024
Filen	Helsingborg	Repair, renovation and conversion	44	44	68	27	Q2 2024
Lärjungen	Uppsala	New construction projects (residential properties)		139	306	157	Q1 2025
Porsön	Luleå	Repair, renovation and conversion	426	426	331	131	Q2 2025
Hagalund	Solna	Repair, renovation and conversion	438	438	243	222	Q3 2026

Densification in Norrköping

141 apartments have been completed in the Vilbergen area of Norrköping. The project began in spring 2022 and the first tenants have now moved in. Rikshem already had around 300 apartments in the area built in the 1960s. The new-build apartments consist mostly of one- and two-room apartments, which complement the existing apartment types, and the buildings have elevators. This means the neighborhood now has apartments offering an attractive place for residents to live for the whole of their lives.

Illustration: Topesen 2, Norrköping

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 1,965 (2,088). The largest joint venture holding of MSEK 1,170 pertains to 49 percent of VärmdöBostäder (the remainder is owned by Värmdö Municipality). The second-largest holding of MSEK 608 pertains to Farsta Stadsutveckling (Telestaden), with Rikshem and Ikano Bostad each owning 50 percent. Other participations in joint ventures totaling MSEK 187 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 3.0 billion.

The joint ventures involve some development of condominiums. As of September 30, 2023, 134 apartments were under construction, 80 of which had been sold. Rikshem's share of unsold apartments was 27.

An agreement was signed in the third quarter regarding the sale of Rikshem's shares in Boostad Bostad Sverige AB, including Folkhem Trä AB, to Nordr Sverige AB. The transaction is subject to approval by the Swedish Competition Authority which is expected to be announced in the fourth quarter.

Earnings from joint ventures

Rikshem's share of earnings after tax amounted to MSEK -122 (132) driven primarily by changes in the value of properties.

Rikshem's joint ventures

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

Earnings from joint ventures

Amounts in MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022– Sep 2023	Jan-Dec 2022
Income from property management	13	8	26	28	37	39
Change in value of properties	0	8	-164	136	-459	-159
Change in value of derivatives	0	0	0	4	2	6
Tax	-8	-7	16	-36	75	23
Total	5	9	-122	132	-345	-91
Carrying amount in joint ventures, shares	1,965	2,312	1,965	2,312	1,965	2,088



Financing

High inflation persisted for longer than expected. With a view to curbing inflation, Riksbank raised its key interest rate several times, from 0.25 percent in May 2022 to 4.00 percent in September this year. The rise in interest rates has had a major impact on financing costs of property companies. The Swedish property companies usually have significantly shorter interest rate duration and a higher loan-to-value ratio than foreign companies, which means that the rise in interest rates has hit many Swedish companies hard. The uncertainty surrounding the Swedish property market has meant reduced interest mainly from foreign bond investors, and property companies' credit margins have increased as a result.

In the first half of the year it was relatively difficult for Swedish property companies to find financing on the bond markets. The situation has gradually improved since the early part of the summer and now there is plenty of capital in the market. Many companies have seized the opportunity and the number of issues has increased significantly. Short-term interest rates are higher than long-term ones which, together with concerns about the property sector, has meant that demand for bonds has been strongest at maturities of up to three years. As Rikshem prefers to keep debt duration relatively long, the choice was made in the third quarter to take out a five-year bank loan rather than issue bonds. Commercial paper is issued on an ongoing basis with funding through commercial paper decreasing by MSEK 250 during the quarter.

Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 575 (783). On the closing date, assets pledged under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 167. Assets of this type are settled on a monthly basis.

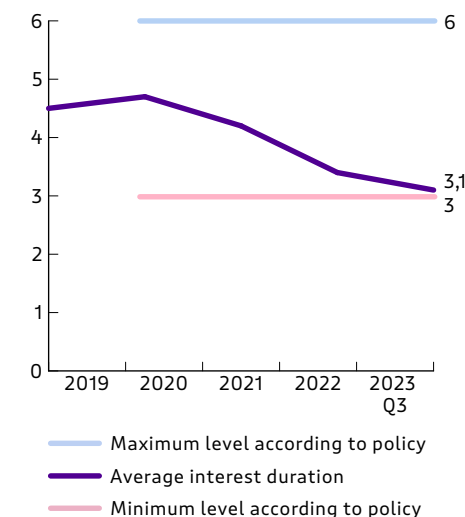
Financial derivative instruments

The Company's interest-rate duration is managed on an ongoing basis mainly through the extension and new subscription of interest-rate swaps. At September 30, 2023, the portfolio of interest-rate derivatives amounted to SEK 16.7 billion 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 1,269 (1,710), of which positive value amounted to 2,145 (2,142) and negative value to -876 (-432).

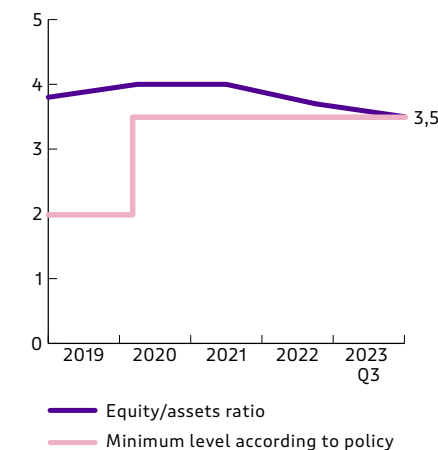
Interest-bearing liabilities

At September 30, 2023, interest-bearing liabilities amounted to MSEK 29,326 (29,021). The current portion of this totaled MSEK 6,711 (6,435). Secured financing accounted for 9 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 September 30, 2023, the average interest rate was 2.5 percent, which was 0.5 percentage points higher than at year-end, and 0.7 percentage points higher than

Average interest-rate duration (years)



Average debt duration (years)



in the equivalent quarter in 2022. Fees for unutilized backup facilities are included in the average interest rate. The average debt duration was 3.5 years (3.7) and the average interest-rate duration was 3.1 years (3.4). Average debt and interest-rate duration are currently close to the minimum limits as defined in the financial policy.

Green financing

Rikshem's framework for green bonds is updated regularly, most recently in February 2022. A total of MSEK 500 in green bonds has been issued during the period. At September 30, 2023, outstanding green bonds totaled approx. SEK 8.4 billion. Loans from the European Investment Bank for energy efficiency initiatives amounted to MSEK 999. In total, green financing represented approximately 32 percent of interest-bearing liabilities at the end of the period.

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.

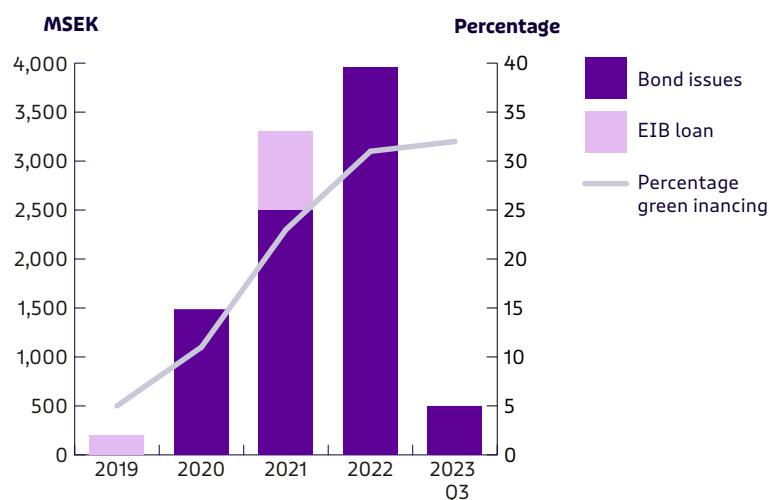
Rating

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 2023.

Interest-bearing external liabilities

Maturity Year	INTEREST RATE DURATION		DEBT DURATION	
	Amount (MSEK)	Percentage	Amount (MSEK)	Percentage
2023	3,592	12	2,884	10
2024	4,206	14	5,376	18
2025	4,879	17	4,856	16
2026	4,200	15	4,115	14
2027	2,949	10	3,168	11
2028	3,000	10	2,164	7
2029	1,500	5	1,393	5
2030	2,400	8	1,765	6
2031	900	3	800	3
2032	1,700	6	2,805	10
Total	29,326	100	29,326	100

Green financing



Interest-bearing liabilities by type of financing

Financing type	Outstanding amount (MSEK)	Percentage of interest-bearing liabilities
Commercial papers, SEK	2,944	10
Secured bank loans, SEK	4,912	17
Unsecured loans, SEK	1,153	4
Bonds, SEK	11,540	39
Bonds, NOK	4,838	16
Bonds, EUR	3,379	12
Bonds, AUD	560	2
Total	29,326	100

Consolidated statement of comprehensive income

Amounts in MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022– Sep 2023	2022 Jan-Dec
Rental income	899	795	2,605	2,366	3,408	3,169
Operating expenses	-184	-170	-683	-612	-944	-873
Repairs and maintenance	-74	-54	-220	-179	-307	-266
Property administration	-54	-46	-172	-160	-234	-222
Property tax	-12	-11	-35	-34	-49	-48
Total property expenses	-324	-281	-1,110	-985	-1,534	-1,409
Net operating income	575	514	1,495	1,381	1,874	1,760
Central administration	-36	-34	-114	-98	-172	-156
Earnings from joint ventures	5	9	-122	132	-345	-91
Operating profit/loss	544	489	1,259	1,415	1,357	1,513
Financial income	10	1	21	2	24	5
Financial expenses	-180	-120	-485	-316	-619	-450
Profit after financial items	374	370	795	1,101	762	1,068
of which income from property management	382	369	943	997	1,144	1,198
Change in value of investment properties	-1,180	2	-3,267	178	-5,380	-1,935
Change in value of interest-rate derivatives	62	338	-45	1,860	-125	1,780
Change in value of foreign exchange derivatives	-102	-103	-397	-452	-74	-129
Foreign exchange effect on financial liabilities	53	-137	74	-347	-44	-465
Profit before tax	-793	470	-2,840	2,340	-4,861	319
Tax	153	-85	536	-464	909	-91
Profit for the period/year	-640	385	-2,304	1,876	-3,952	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	-640	385	-2,304	1,876	-3,950	230

Comprehensive income is attributable to the Parent Company's shareholder.

Consolidated statement of financial position

Amounts in MSEK	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	20	11	15
Total intangible fixed assets	20	11	15
Property, plant and equipment			
Investment properties	57,366	61,238	59,423
Leaseholds and other right-of-use assets	180	177	177
Fixtures and fittings	6	4	6
Total property, plant and equipment	57,552	61,419	59,606
Financial assets			
Stakes in joint ventures	1,965	2,312	2,088
Financial derivative instruments	1,857	2,125	2,142
Non-current receivables	61	64	62
Total financial assets	3,883	4,501	4,292
Total fixed assets	61,455	65,931	63,913
Current assets			
Current receivables			
Accounts receivable	38	37	28
Financial derivative instruments	288	-	-
Other receivables	303	233	116
Prepaid expenses and accrued income	74	86	82
Total current receivables	703	356	226
Cash and cash equivalents	575	645	783
Total current assets	1,278	1,001	1,009
TOTAL ASSETS	62,733	66,932	64,922

Amounts in MSEK	Sep 30, 2023	Sep 30, 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 incl profit for the period	21,807	25,757	24,111
Total equity	26,781	30,731	29,085
Liabilities			
Non-current liabilities			
Deferred tax liability	4,562	5,558	5,189
Interest-bearing liabilities	22,470	22,217	22,441
Liabilities to Parent Company	145	145	145
Financial derivative instruments	854	658	432
Non-current liabilities, finance leases	154	153	151
Other provisions for pensions and similar obligations	2	4	1
Total non-current liabilities	28,187	28,735	28,359
Current liabilities			
Interest-bearing liabilities	6,711	6,510	6,435
Accounts payable	118	75	122
Tax liabilities	162	88	57
Current liabilities, finance leases	21	23	22
Financial derivative instruments	22	-	-
Other current liabilities	70	109	65
Accrued expenses and deferred income	661	661	777
Total current liabilities	7,765	7,466	7,478
Total liabilities	35,952	36,201	35,837
TOTAL EQUITY AND LIABILITIES	62,733	66,932	64,922

Consolidated 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–Sep			1,876	1,876
Other comprehensive income, Jan–Sep			–	–
Closing balance, Sep 30, 2022	100	4,874	25,757	30,731
Profit for the period, Oct–Dec			-1,648	-1,648
Other comprehensive income, Oct–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–Sep			-2,304	-2,304
Other comprehensive income, Jan–Sep			–	–
Closing balance, Sep 30, 2023	100	4,874	21,807	26,781

Consolidated statement of cash flows

Amounts in MSEK	2023 Jul–Sep	2022 Jul–Sep	2023 Jan–Sep	2022 Jan–Sep	Oct 2022– Sep 2023	2022 Jan–Dec
Operating activities						
Profit after financial items	374	370	795	1,101	762	1,068
Adjustment for non-cash items	-4	-7	124	-129	348	95
Reversal of net interest income	170	119	464	314	595	445
Interest paid	-163	-97	-449	-293	-568	-413
Interest received	10	0	21	1	25	5
Tax paid	-14	-3	15	-88	-55	-158
Cash flow from operating activities before changes in working capital	373	382	970	905	1,107	1,042
Decrease (+)/increase (-) in operating receivables	-9	37	3	-147	132	-18
Decrease (-)/increase (+) in operating liabilities	-43	54	-157	77	-109	125
Cash flow from operating activities	321	473	816	835	1,130	1,149
Investing activities						
Investment in investment properties	-281	-530	-1,333	-1,779	-2,014	-2,460
Acquisition of investment properties	0	0	-27	-500	-27	-500
Divestment of investment properties	48	0	150	0	532	382
Investment in other fixed assets	-1	-5	-8	-8	-14	-14
Investment in financial assets	0	0	-35	164	-200	-1
Divestment of financial assets	20	0	20	12	187	179
Cash flow from investing activities	-214	-535	-1,233	-2,111	-1,536	-2,414
Financing activities						
Loans raised	3,891	3,805	12,447	14,657	15,379	17,589
Repayment of loans	-4,217	-4,285	-12,072	-13,055	-14,973	-15,956
Change in collateral	201	-100	-165	-150	-66	-51
Redemption of financial instruments	–	1	–	0	–	–
Change in finance leases	1	2	-1	1	-4	-2
Cash flow from financing activities	-124	-577	209	1,453	336	1,580
Cash flow for the period/year	-17	-639	-208	177	-70	315
Cash and cash equivalents at the beginning of the period/year	592	1,284	783	468	645	468
Cash and cash equivalents at the end of the period/year	575	645	575	645	575	783

Parent Company income statement

Amounts in MSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022– Sep 2023	2022 Jan-Dec
Income	72	68	229	216	313	300
Other operating expenses	-39	-44	-121	-126	-188	-193
Personnel expenses	-63	-50	-204	-165	-273	-234
Depreciation	-1	-1	-2	-2	-2	-2
Operating profit/loss	-31	-27	-98	-77	-150	-129
Earnings from Group companies	19	22	-5	57	153	215
Financial income	289	200	808	593	1,035	820
Financial expenses	-167	-129	-466	-351	-604	-489
Change in value of interest-rate derivatives	62	338	-45	1,860	-125	1,780
Change in value of combined interest rate and currency derivatives	-102	-103	-397	-452	-74	-129
Foreign exchange effect on financial liabilities	52	-137	74	-347	-45	-466
Profit after financial items	122	164	-129	1,283	190	1,602
Appropriations, Group contribution	0	-	0	-	-21	-21
Appropriations, profit to principal	50	145	66	367	-237	64
Tax	-42	-52	4	-299	-19	-322
Profit for the period/year ¹⁾	130	257	-59	1,351	-87	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	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	20	11	15
Total intangible fixed assets	20	11	15
Property, plant and equipment			
Fixtures and fittings	6	4	5
Total property, plant and equipment	6	4	5
Financial assets			
Participations in subsidiaries	2,690	2,724	2,690
Receivables from Group companies	32,674	32,632	32,607
Financial derivative instruments	1,857	2,125	2,142
Non-current receivables	17	17	18
Total financial assets	37,238	37,498	37,457
Total fixed assets	37,264	37,513	37,477
Current assets			
Current receivables			
Accounts receivable	1	0	1
Financial derivative instruments	288	-	-
Other receivables	254	238	17
Prepaid expenses and accrued income	11	40	42
Total current receivables	554	278	60
Cash and cash equivalents	575	643	783
Total current assets	1,129	921	843
TOTAL ASSETS	38,393	38,434	38,320

Amounts in MSEK	Sep 30, 2023	Sep 30, 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	-59	1,351	1,323
	9,106	9,193	9,165
Total equity	9,349	9,436	9,408
Provisions			
Deferred tax liability	398	466	492
Other provisions for pensions and similar obligations	1	1	1
Total provisions	399	467	493
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	18,328	19,216	18,945
Liabilities to Parent Company	145	145	145
Financial derivative instruments	854	658	432
Total non-current liabilities	19,327	20,019	19,522
Current liabilities			
Interest-bearing liabilities	6,703	5,997	6,435
Accounts payable	11	4	13
Liabilities to Group companies	2,278	2,254	2,232
Tax liability	154	68	64
Financial derivative instruments	22	-	-
Other liabilities	10	71	22
Accrued expenses and deferred income	140	118	131
Total current liabilities	9,318	8,512	8,897
Total liabilities	29,044	28,998	28,912
TOTAL EQUITY AND LIABILITIES	38,393	38,434	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 311 (316): 150 men and 161 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.

Stockholm, October 26, 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

Review report

Rikshem AB (publ), corporate identity number 556709-9667

Introduction

We have reviewed the condensed interim report for Rikshem AB (publ) as of September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review

do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 26 October 2023

Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant



Quarterly data

Amounts in MSEK	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Income statement						
Rental income	899	865	841	803	795	801
Property expenses	-324	-365	-421	-424	-281	-319
Net operating income	575	500	420	379	514	482
Central administration	-36	-41	-37	-58	-34	-33
Earnings from joint ventures	5	-131	4	-223	9	113
Net financial income and expenses	-170	-154	-140	-131	-119	-102
Profit after financial items	374	174	247	-33	370	460
of which income from property management	382	315	246	201	369	361
Change in value of investment properties	-1,180	-1,084	-1,003	-2,113	2	52
Change in value and exchange rate effects on financial instruments	13	-62	-319	125	98	434
Profit before tax	-793	-972	-1,075	-2,021	470	946
Tax and other comprehensive income	153	160	223	375	-85	-190
Comprehensive income for the quarter	-640	-812	-852	-1,646	385	756
Statement of financial position						
Investment properties	57,366	58,312	58,918	59,423	61,238	60,705
Stakes in joint ventures	1,965	1,961	2,092	2,088	2,312	2,302
Other assets	2,827	3,056	2,772	2,628	2,737	2,417
Cash and cash equivalents	575	592	440	783	645	1,284
Total assets	62,733	63,921	64,222	64,922	66,932	66,708
Equity	26,781	27,421	28,233	29,085	30,731	30,346
Deferred tax	4,562	4,755	4,944	5,189	5,558	5,506
Interest-bearing liabilities	29,326	29,702	29,181	29,021	28,872	29,212
Other liabilities	2,064	2,043	1,864	1,627	1,771	1,644
Total equity and liabilities	62,733	63,921	64,222	64,922	66,932	66,708
Key figures						
Loan-to-value ratio, %	51	51	50	49	47	48
Equity/assets ratio, %	43	43	44	45	46	45
Interest-coverage ratio, multiple (R12)	2.7	2.9	3.2	3.5	3.6	3.7
Return on equity, % (R12)	-13.7	-10.1	-4.7	0.8	17.5	18.1
Property yield, % (R12)	3.2	3.1	3.0	3.0	3.1	3.1
Surplus ratio, %	64	58	50	47	65	60



Key figures

Amounts in MSEK	2023 Jan-Sep	2022	2021	2020	2019
Income statement					
Rental income	2,605	3,169	3,062	3,032	2,916
Net operating income	1,495	1,760	1,768	1,760	1,586
Profit after financial items	795	1,068	1,526	1,279	1,286
of which income from property management	943	1,198	1,230	1,245	1,048
Change in value of properties	-3,267	-1,935	5,509	1,825	1,538
Profit for the period	-2,304	228	5,931	2,481	2,244
Statement of financial position					
Equity	26,781	29,085	28,855	22,921	20,441
External liabilities	29,326	29,021	26,922	26,315	26,838
Fair value of properties	57,366	59,423	58,780	51,750	49,307
Total assets	62,733	64,922	62,411	55,271	52,612
Financial key figures					
Equity/assets ratio, %	43	45	46	41	39
Loan-to-value ratio, %	51	49	46	51	54
Interest-coverage ratio (R12)	2.7	3.5	3.6	3.7	3.5
Net debt/EBITDA, multiple	16.8	17.6	15.9	15.2	18.0
Loan-to-value ratio, secured loans, %	9	8	6	9	9
Average interest rate, %	2.5	2.0	1.5	1.7	1.6
Interest-rate duration, years	3.1	3.4	4.2	4.7	4.5
Debt duration, years	3.5	3.7	4.0	4.0	3.8
Return on equity, % (R12)	-13.7	0.8	22.9	11.4	11.6
Property yield, % (R12)	3.2	3.0	3.2	3.5	3.3
Total return excl. joint ventures, % (R12)	-5.7	-0.3	13.9	7.2	6.7
Total return incl. joint ventures, % (R12)	-6.0	-0.4	13.9	7.0	7.2

Amounts in MSEK	2023 Jan-Sep	2022	2021	2020	2019
Property-related key indicators					
Number of properties	513	519	514	540	560
Lettable area, 1,000 sqm	2,269	2,240	2,216	2,232	2,292
Number of apartments	29,883	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, %	2.9	3.1	5.1	4.0	3.5
Market vacancy rate, residential properties, %	0.9	0.8	1.5	1.4	0.8
Remaining lease term for properties for public use, years	7.4	7.6	8.3	8.8	9.0
Fair value, SEK/sqm	25,277	26,525	26,522	23,181	21,512
Growth in revenue Like-for-like portfolio, %	7.4	3.3	2.4	3.5	4.3
Growth in net operating income Like-for-like portfolio, %	5.2	-1.2	1.1	9.2	3.6
Surplus ratio, %	57	56	58	58	54
Employees					
Number of employees	311	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	Oct 2022– Sep 2023	2022 Jan–Dec	Oct 2021– Sep 2022	2021 Jan– Dec
Return on equity				
Profit for the year	-3,952	228	4,950	5,931
Average equity	28,756	28,970	28,254	25,888
Return on equity, %	-13.7	0.8	17.5	22.9
Net operating income				
Rental income	3,408	3,169	3,152	3,062
Property expenses	-1,534	-1,409	-1,362	-1,294
Net operating income	1,874	1,760	1,790	1,768
Surplus ratio				
Net operating income	1,874	1,760	1,790	1,768
Rental income	3,408	3,169	3,152	3,062
Surplus ratio, %	55	56	57	58
Property yield				
Net operating income	1,874	1,760	1,790	1,768
Opening property value	61,238	58,780	54,809	51,750
Closing property value	57,366	59,423	61,238	58,780
Adjusted average property value	59,302	59,102	58,024	55,265
Property yield, %	3.2	3.0	3.1	3.2
Total return				
Net operating income	1,874	1,760	1,790	1,768
Change in value of properties	-5,380	-1,935	3,546	5,509
Total	-3,506	-175	5,336	7,278
Opening property value	61,238	58,780	54,809	51,750
Closing property value	57,366	59,423	61,238	58,780
Minus unrealized change in value	5,380	1,935	-3,546	-5,509
Adjusted average property value	61,992	60,069	56,251	52,510
Total return, %	-5.7	-0.3	9.5	13.9

Amounts in MSEK	Oct 2022– Sep 2023	2022 Jan–Dec	Oct 2021– Sep 2022	2021 Jan– Dec
Interest-coverage ratio				
Profit before tax	-4,861	319	6,214	7,347
Reversal				
Change in value of properties	5,380	1,935	-3,546	-5,509
Change in value of financial derivative instruments and loans	243	-1,186	-1,212	-311
Earnings from joint ventures	345	91	-268	-330
Financial expenses	619	450	470	480
Total	1,726	1,609	1,659	1,676
External interest	-647	-456	-463	-467
Interest-coverage ratio, multiple	2.7	3.5	3.6	3.6
Loan-to-value ratio				
External interest-bearing liabilities	29,326	29,021	28,872	26,922
Fair value of investment properties	57,366	59,423	61,238	58,780
Loan-to-value ratio, %	51	49	47	46
Loan-to-value ratio, secured loans				
Outstanding secured debt	4,912	4,530	4,549	3,306
Fair value of investment properties	57,366	59,423	61,238	58,780
Loan-to-value ratio, secured loans, %	9	8	7	6
Net debt/EBITDA				
External interest-bearing liabilities	29,326	29,021	28,872	26,922
Cash and cash equivalents	-575	-783	-645	-468
Collateral relating to CSA agreements	-167	-2	-102	48
Net debt	28,584	28,236	28,125	26,503
Net operating income	1,874	1,760	1,790	1,768
Central administration	-172	-156	-135	-100
Depreciation	2	2	3	2
EBITDA	1,704	1,606	1,658	1,670
Net debt/EBITDA, multiple	16.8	17.6	17.0	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	Contracted rents in relation to total rental value on the closing date less rent related to areas that are unrented 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.

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

Financial calendar

Year-end report 2023	February 9, 2024
Rikshem's Annual Report and Sustainability Report 2023	March 21, 2024
Interim report Jan–Mar 2024	May 3, 2024

Rikshem

Rikshem is one of Sweden's largest private property companies. We own, develop and manage residential properties and properties for public use in selected municipalities in Sweden, offering safe, pleasant and flexible housing in attractive locations. Rikshem is owned by the Fourth Swedish National Pension Fund (AP4) and AMF Tjänstepension AB. Read more at rikshem.se

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