



# Interim report

January–June 2019



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## Events during the period

- Profit before tax for the period increased MSEK 137 to MSEK 1,374.
- Rental income increased MSEK 68 or 4.9 percent to MSEK 1,442.
- Net operating income declined to MSEK 740 (748), mainly as a result of an increased focus on the quality of our property management operations and maintenance. During the period, unusually high damage costs arose, which will partly be recovered through insurance compensation in future periods.
- Income from property management increased MSEK 82 to MSEK 562 (480). The increase in the value of the property holdings of the joint ventures VärmdöBostäder and Farsta

Stadsutveckling accounted for the largest share of the increase, while net financial items improved MSEK 7 due to the lower average interest rate in the loan portfolio.

- During the period, four properties were acquired for MSEK 361 (906). The largest acquisitions in terms of value were a newly built property for public use in Staffanstorp and a residential property in development in Kalmar.
- The change in value of investment properties was MSEK 1,030 (933), corresponding to a percentage increase in average fair value of 2.3 percent (2.3).

## Events during the second quarter

- In the second quarter, rental income increased MSEK 30 or 4.3 percent to MSEK 724, compared to the corresponding quarter in the prior year.
- The development property Sivia Torg, with approximately 13,000 square meters in central Uppsala, was divested.
- A new loan facility was signed with the European Investment Bank. The loan is to be used for energy efficiency investments. The borrowing limit is MSEK 1,000 and the facility allows for loans of up to 15 years.

## Rikshem in summary

	Jan–Jun 2019	Jan–Jun 2018	Jul 2018–Jun 2019	Jan–Dec 2018
Rental income, MSEK	1,442	1,374	2,860	2,792
Net operating income, MSEK	740	748	1,516	1,524
Income from property management, MSEK	562	480	1,090	1,008
Profit after tax, MSEK	1,126	1,144	2,471	2,489
Fair value of properties, MSEK	47,392	43,239	47,392	45,687
Number of apartments	28,838	28,417	28,838	28,840
Lettable area, 1,000 sqm	2,267	2,254	2,267	2,274
Vacancy rate, residential properties, %*	0.9	0.6	0.9	0.5
Average lease length, years**	9.2	9.6	9.2	9.4
Loan-to-value ratio, %	55	60	55	58
Interest-coverage ratio, multiple***	3.3	3.2	3.3	3.2
Equity, MSEK	19,325	16,854	19,325	18,199
Total return, %***	8.2	7.6	8.2	8.4
Return on equity, %***	13.7	13.4	13.7	14.7

\* Pertains to market vacancy rate. \*\* Pertains to properties for public use. \*\*\* Pertains to rolling 12 months. Definitions of key figures are present on page 29

# Statement by the CEO

As part of Rikshem's own project development, where we create efficient and high-quality residential properties, we have begun the procurement of contractors for long-term partnerships on new construction projects. With a large number of zoning plans being drawn up on our properties we have provided conditions for new construction and development. We have also provided more than 1,000 young people in our neighbourhoods an opportunity to enter the labor market through summer jobs at Rikshem. Hopefully this will contribute to improve the prospects for the participants.

The development of the rental income for the first half of the year has been positive. This was not fully reflected in our net operating income as a result of the high damage costs that arose during the period, which impacted property expenses. We are continuing our work to strengthen the property management organization and improve the quality of our property management. This will yield results in the long term. At a time when we can see that it is relatively expensive to acquire properties, we are also focusing on enhancing and optimizing both our property portfolio and our way of working. We are reviewing ways to utilize the potential in the portfolio and how we can increase the share of properties for public use.

400,000 square meters GFA over the coming years

Rikshem has increased its focus on property projects and development as part of its efforts to raise the company's total rate of investment. During the spring, we began the procurement of framework agreement contractors for long-term partnerships on new construction projects. Rikshem will continue to work with industrial construction, which offers many advantages from an efficiency and sustainability perspective. We aim to contribute student apartments, rental apartments, nursing homes and sheltered housing to create the right conditions for Sweden's development. We will construct efficiently to satisfy the need for housing and

properties for public use in the long term. However, the high price of land makes it difficult to construct rental apartments and our current focus is primarily on construction on our own land. A large number of zoning plans are being drawn up and many are in the final stages. By planning our existing areas, we estimate that land equivalent to 400,000 square meters of gross area (GFA) can be developed by 2022.

Housing shortage and saturated submarkets

Our efforts to create opportunities for new construction must be balanced against the market's ability to welcome newly built rental apartments. The market for large, newly built – and thus more expensive – apartments is becoming saturated in some parts of the country, which may result in slightly higher initial vacancies in these types of projects. Demand for smaller, newly built apartments and all types of apartments in the older portfolio remains strong. We want to contribute to a better society by providing housing to residents, but the payment capacity among many people who are in need of housing makes this a challenge. We will continue to create small, space-efficient apartments wherever possible, given that it is often young people and single-income households who need to enter the residential market. For larger families with children, solutions are more likely to lie in the existing residential portfolio complemented with a review of the support offered to economically weaker households.

More than 1,000 summer workers  
As part of our prioritized efforts in neighborhood development, the summer jobs we offer young people in our areas are an important element of our focus on social development. This also offer a practical example of how we combine business operations with community involvement. Since 2012, Rikshem has offered a total of 1,000 young people an opportunity to take their first steps into the labor market through work such as outdoor maintenance in our residential areas. Through these summer jobs, many young people have become more committed to their neighborhoods and prouder of their own residential area.



**Sophia Mattsson-Linnala**  
Chief Executive Officer

\* GFA – Gross area is the sum of measurable floor area which is limited by the outside of the surrounding building envelope.

# Rikshem in brief

Rikshem is one of Sweden's largest private property companies. The company owns, develops and manages residential properties and properties for public use – sustainably and for the long term.

Rikshem's vision is to make a difference in the development of the good community. By combining professionalism with area development, Rikshem aims to promote long-term, sustainable community development from a social, environmental and financial perspective.



One of Sweden's largest private property companies



30,000

Rikshem provides Sweden with 29,860 residential properties across the country (including Rikshem's share of properties in joint ventures).



SEK 50 billion

The fair value of the properties totaled MSEK 49,680 (including Rikshem's share of the property value in joint ventures).



Long-term owner

Rikshem AB (publ) is 100 percent owned by Rikshem Intressenter AB, in which AMF Pensionsförsäkring AB and the Fourth Swedish National Pension Fund own 50 percent each.



Credit rating

Rikshem's credit rating from S&P Global is A- with a stable outlook.

# Comments on Group earnings

## Net operating income

The Group's rental income for the period increased MSEK 68 or 4.9 percent to MSEK 1,442 (1,374). The increase mainly derived from annual rent increases and the effects of investments that enable rents to be raised in the properties. Rental income for like-for-like portfolio rose MSEK 44 or 3.3 percent (4.5).

Property expenses for the period increased MSEK 76 or 12.1 percent to MSEK 702 (626). Expenses for like-for-like portfolio rose MSEK 70 or 11.3 percent. Expenses are increasing due to a more proactive approach to maintenance in line with the long-term plan to increase the company's property management focus. Starting in 2018, the administration organization was strengthened and costs therefore increased to MSEK 109 (86). Costs also arose due to the unusually high level of damage, although these costs will partly be recovered through insurance compensation in future periods. Changes in the property portfolio increased rental income by MSEK 24 net

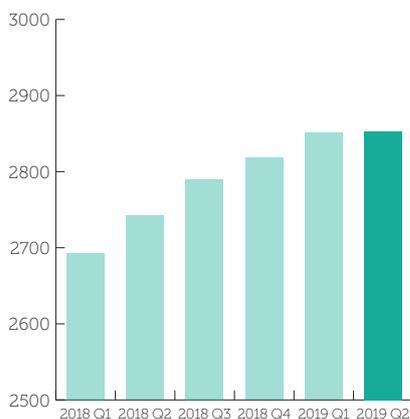
and reduced property expenses by MSEK 6 compared with the first six months of the prior year.

Altogether, total net operating income declined MSEK 8 compared with the year-earlier period and amounted to MSEK 740 (748). Net operating income for like-for-like portfolio declined 3.5 percent compared with the year-earlier period.

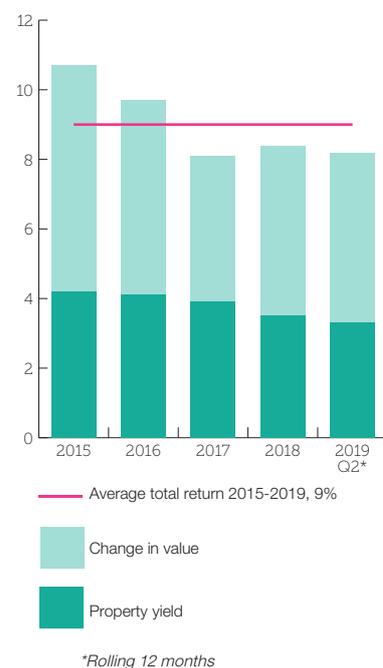
The surplus ratio for the total property holding was 51 percent (54).

At the end of the period, the vacancy rate for residential properties was 3.2 percent. Adjusted for apartments that have been vacated in preparation for renovation, the market vacancy rate was 0.9 percent (0.6). The increase in the vacancy rate is considered temporary and is geographically limited. The average remaining lease term for properties for public use was 9.2 years (9.6). The economic occupancy rate for properties for public use was 97.0 percent. The economic occupancy rate for the total portfolio was 96.6 percent.

## Annual rent as of the closing date (MSEK)



## Total return (%)



## Statement of income MSEK

	Jan–Jun 2019	Jan–Jun 2018
Rental income	1,442	1,374
Property expenses	-702	-626
<b>Net operating income</b>	<b>740</b>	<b>748</b>
Central administration	-41	-27
Net financial items	-228	-235
Earnings from joint ventures	91	-6
<b>Income from property management</b>	<b>562</b>	<b>480</b>
Change in value of properties	1,030	933
Change in value of financial derivative instruments and foreign exchange effects on financial liabilities	-218	-176
<b>Profit before tax</b>	<b>1,374</b>	<b>1,237</b>
Tax	-248	-93
<b>Profit for the period</b>	<b>1,126</b>	<b>1,144</b>

### Central administration

Costs for central administration amounted to MSEK -41 (-27). Central administration includes group-wide costs. The cost increase is in line with the long-term plan to increase the company's focus on property management and to invest in digitization.

### Net financial items

Net financial items totaled MSEK -228 (-235). Net financial items mainly comprise the company's external interest expenses. Despite an increase in interest-bearing liabilities and an extended debt duration, external interest expenses decreased compared with the year-earlier period. This is due to the fact that the average interest rate on the debts has decreased.

The average interest rate at the end of the period was 1.7 percent, compared with 1.9 percent on June 30, 2018.

The average interest rate includes fees for unutilized backup facilities.

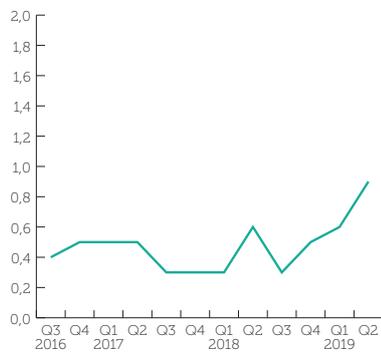
### Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 91 (-6) for the period. The improvement in earnings is primarily a result of an increase in the value of the property portfolios of VärmdöBostäder and Farsta Stadsutveckling and is mainly related to an increase in leasing. The largest rental agreement was signed by Farsta Stadsutveckling with the Swedish Police Authority.

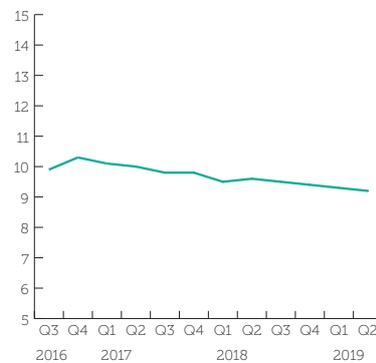
### Change in value of financial derivative instruments

The company's financial derivative instruments are interest-rate swaps that extend interest-rate duration and combined currency and interest-rate swaps, which were entered into to eliminate all foreign-exchange risk for interest payments and repayments of loans raised in EUR and NOK. The change in value of the interest-rate derivatives is due to falling interest rates and amounted to MSEK -519 (-124) for the period. The change in value of foreign exchange derivatives amounted to MSEK 718 (424). The foreign exchange effects on financial liabilities in EUR and NOK amounted to MSEK -417 (-476) and were attributable to the weakening of the SEK against these currencies during the period.

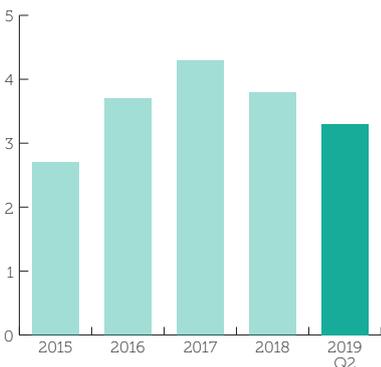
Market vacancy rate, residential properties (%)



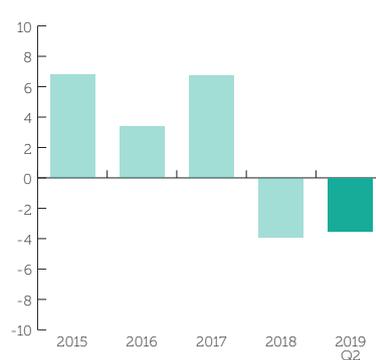
Average lease length, properties for public use (years)



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



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



## Change in value of properties

The change in value for investment properties for the first six months was MSEK 1,030 (933), corresponding to a yield of 2.3 percent (2.3). The unrealized change in value is attributable to the change in net operating income and the market's lower yield requirement. The average yield requirement declined 0.1 of a percentage point to 4.17 percent compared with the year-earlier period, but decreased 0.03 of a percentage point compared with year-end.

Rikshem recognizes investment properties at fair value in accordance with IAS 40. As of June 30, 2019, all properties have been valued internally. To verify the internal

valuation, an annual external valuation is conducted of most of the property portfolio. Deviations between the internal and external assessed values are well within the uncertainty range of +/- 5 percent.

## Tax

Tax reported for the period amounted to MSEK -248 (-93), of which current tax was MSEK 0 (0) and deferred tax MSEK -248 (-93), and was largely impacted by unrealized changes in the value of properties and financial derivative instruments. The corporate tax rate for 2019 has been lowered to 21.4 percent, and the reduction will take place in two stages. The next reduction will take place in 2021 and will then fall to 20.6 percent. According to Rikshem's assessment, the company's

deferred tax liability will, in all materiality, be realized after 2021. The restatement, which took place in the second quarter of 2018, resulted in a positive earnings effect of MSEK 149.

The company's deferred tax asset totaled MSEK 190 (193) at the end of the period. The deferred tax liability totaled MSEK 3,235 (2,651). The deferred tax asset is net accounted against the deferred tax liability in the balance sheet.

## Profit for the period

Profit for the period totaled MSEK 1,126 (1,144)

## Yield requirement and rent/sqm per property type

Property type	Rent/sqm			Yield requirement		
	min	average	max	min	average	max
Residential properties	709	1,211	2,773	2.40%	3.86%	5.65%
Properties for public use:					4.84%	
Nursing homes	550	1,441	2,667	3.65%	4.71%	7.40%
Schools	781	1,485	2,143	4.90%	5.36%	6.65%
Commercial properties	740	1,190	4,200	3.85%	5.15%	7.45%
<b>Average</b>		<b>1,272</b>			<b>4.17%</b>	

## Change in yield requirement per property type

Property type	Value in MSEK	Dec 31, 2018	Jun 30, 2019	Change
Residential properties	32,918	3.89%	3.86%	-0.03%
Properties for public use:				
Nursing homes	10,995	4.78%	4.71%	-0.07%
Schools	2,700	5.42%	5.36%	-0.06%
Commercial properties	779	5.19%	5.15%	-0.04%
<b>Total</b>	<b>47,392</b>	<b>4.20%</b>	<b>4.17%</b>	<b>-0.03%</b>

# Transactions and investments

Rikshem continues to improve its property portfolio through selective acquisitions and divestments of properties that will not be suitable for the target portfolio in the long term.

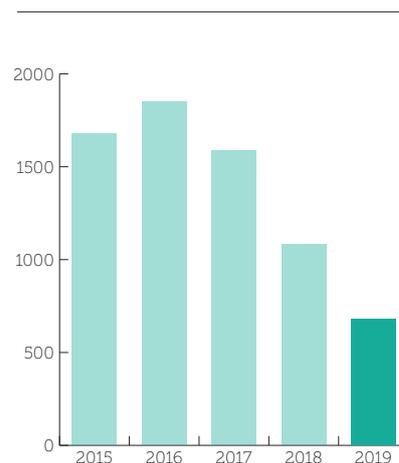
During the period, properties were acquired in Staffanstorps, Kalmar, Uppsala and Västerås for a total of MSEK 361 (906). The acquisitions added three residential properties in development and a newly built property for public use with a total of 72 apartments and approximately 5,000 square meters of lettable area to the property portfolio. In addition, agreements were signed concerning the acquisition of a property in development in Upplands Väsby, where some 70 rental apartments and approximately 350 square meters of offices will be built.

A development property in Uppsala, Sivia Torg, with approximately 13,000 square

meters, was divested in the second quarter. Investments in existing properties during the period amounted to MSEK 679 (614), of which MSEK 214 (394) pertained to redevelopment and renovation of residential properties, MSEK 311 (99) to new construction of residential properties and MSEK 154 (121) to investments in properties for public use.

Rikshem had no condominiums under construction as of the closing date (32) and no unsold condominiums. Rikshem's joint ventures had 80 (80) condominiums under construction, of which 58 were sold. Rikshem's share of unsold apartments is 11.

Investments (MSEK)



## Fair value of investment properties

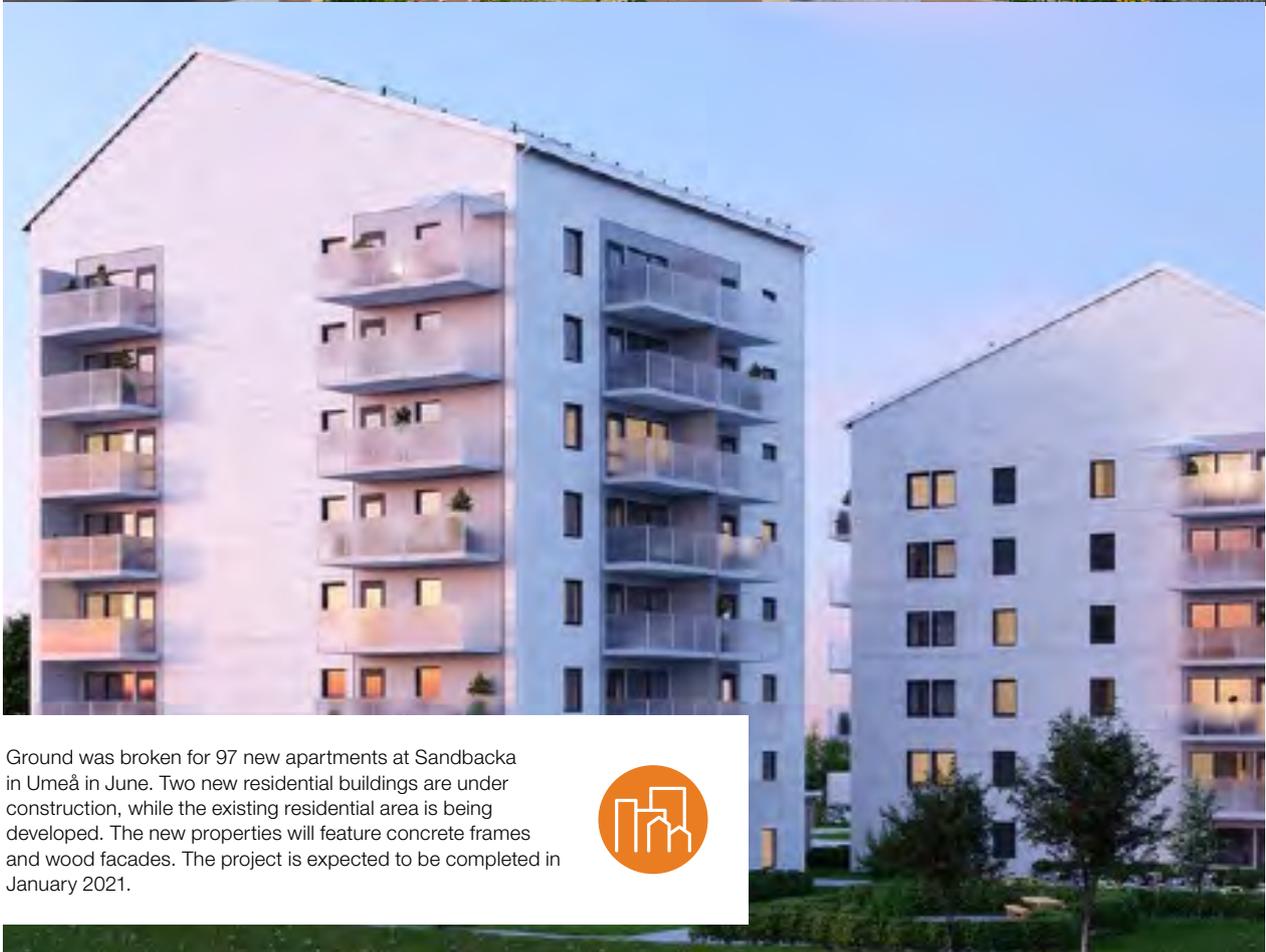
Amounts in MSEK	Jan–Jun 2019	Jan–Jun 2018	Jan–Dec 2018
<b>Fair value at the beginning of the period</b>	<b>45,687</b>	<b>41,039</b>	<b>41,039</b>
Change in value	1,030	933	2,107
Investment	679	614	1,083
Acquisitions	361	906	1,786
Divestments	-365	-253	-328
<b>Fair value at the end of the period</b>	<b>47,392</b>	<b>43,239</b>	<b>45,687</b>
Fair value incl. Rikshem's share of properties in joint ventures	49,680	45,368	47,848

## Larger projects in progress during 2019

Property/project	Location	Project category	No. of residences	Estimated completion
Repet	Södertälje	RM&U renovation	397	Q4 2020
Niten, stage 3	Norrköping	RM&U renovation	160	Q2 2020
Måbäret	Kalmar	New construction (residential)	134	Q4 2019
Dörren 16	Norrköping	New construction (residential)	132	Q4 2019
Kvarngärdet 56:14	Uppsala	New construction (public use)	105	Q3 2019



In April, ground was broken for 74 new apartments in Hyacinten in Östersund. The new buildings are built with wood frames and wood facades. The buildings will mainly house one-room and two-room apartments in order to meet the demand for small, space-efficient apartments. Move-in is scheduled for February 2020.



Ground was broken for 97 new apartments at Sandbacka in Umeå in June. Two new residential buildings are under construction, while the existing residential area is being developed. The new properties will feature concrete frames and wood facades. The project is expected to be completed in January 2021.

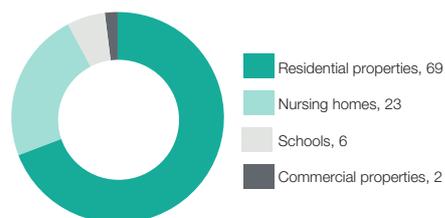


# Comments on the balance sheet

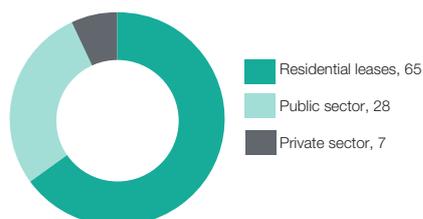
At the end of the period, Rikshem's property portfolio consisted of 557 properties (555) with a fair value of MSEK 47,392 (45,687). Of the properties' fair value, MSEK 32,918 pertained to residential properties, MSEK 10,995 to nursing homes, MSEK 2,700 to schools and MSEK 779 to commercial properties.

The property portfolio includes development rights of MSEK 702. Properties corresponding to 46 percent of the fair value are located along the Stockholm-Uppsala axis. The property portfolio comprises a total of 28,838 apartments (28,840) and 2,267,000 square meters (2,274,000) of lettable area.

Breakdown of fair value of investment properties, %



Breakdown of rental income, %



Rikshem's property portfolio, June 30, 2019

Type	Value, MSEK	Proportion, %	Area, 1,000 sqm	Value, SEK/sqm	Annual rent, MSEK	Annual rent broken down by type of tenant, %				
						Residential leases	Public sector	Private sector	Total	
<b>Residential properties segment</b>										
- Residential	32,918	69	1,637	20,105						
- Commercial*	429	1	13	33,907						
<b>Residential properties</b>	<b>33,347</b>	<b>70</b>	<b>1,650</b>	<b>20,210</b>	<b>2,014</b>	90	4	6	100	
<b>Properties for public use segment</b>										
- Nursing homes	10,995	23	451	24,370						
- Schools	2,700	6	127	21,280						
- Commercial*	350	1	39	8,995						
<b>Properties for public use</b>	<b>14,045</b>	<b>30</b>	<b>617</b>	<b>22,764</b>	<b>839</b>	6	87	7	100	
<b>Total</b>	<b>47,392</b>	<b>100</b>	<b>2,267</b>	<b>20,905</b>	<b>2,853</b>	<b>65</b>	<b>28</b>	<b>7</b>	<b>100</b>	

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

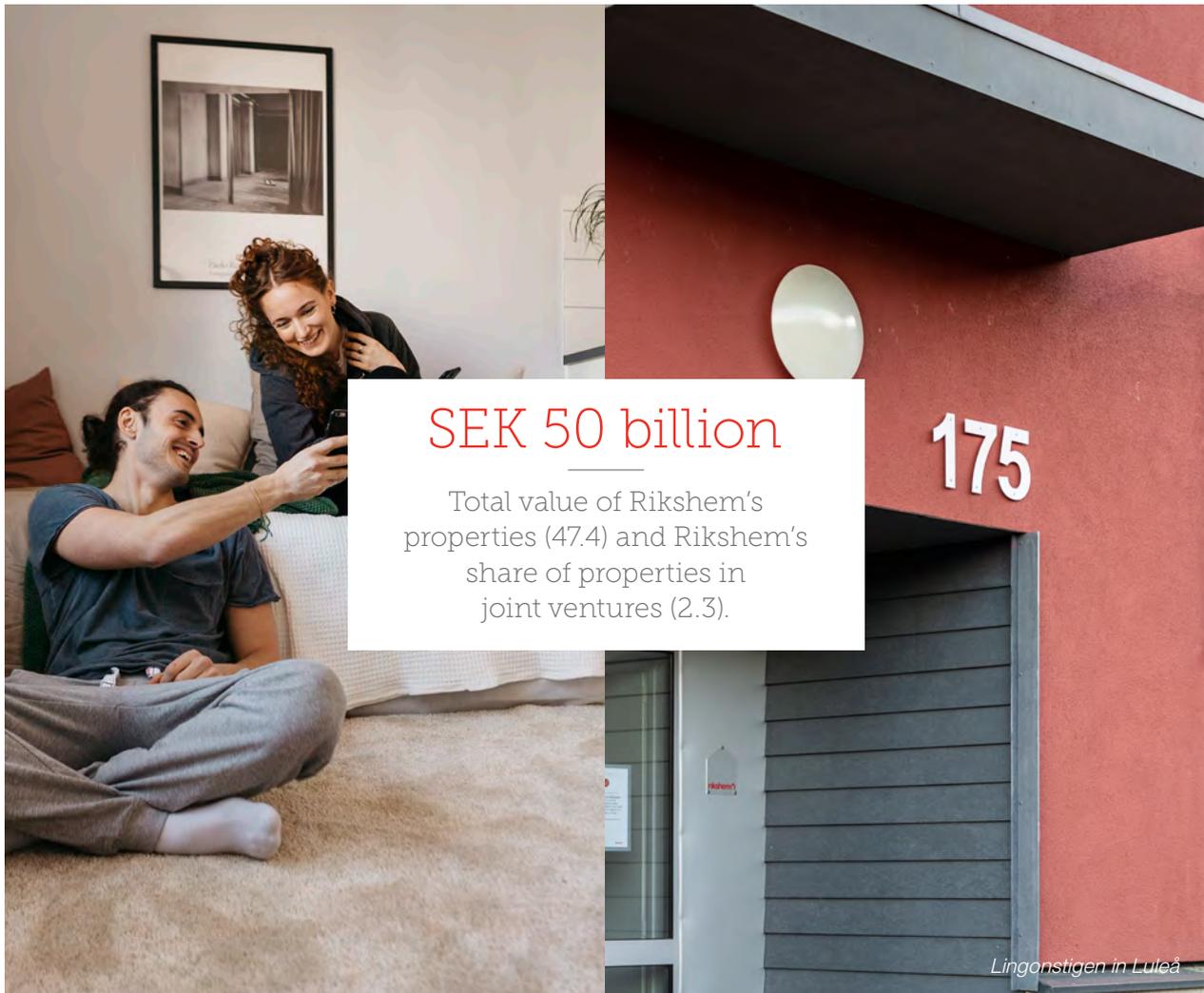
# Our largest cities



Uppsala 25%  
Stockholm 21%  
Helsingborg 11%  
Norrköping 7%  
Västerås 6%  
Kalmar 6%  
Östersund 6%

We are also active in:

Umeå 5%  
Luleå 5%  
Halmstad 3%  
Malmö 3%  
Åle 1%  
Nyköping 1%  
Jönköping <1%  
Linköping <1%



## Segment reporting

Amounts in MSEK	Residential properties		Properties for public use		Total	
	Jan–Jun 2019	Jan–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jan–Jun 2019	Jan–Jun 2018
Rental income	1,016	966	426	408	1,442	1,374
Property expenses	-537	-481	-165	-145	-702	-626
<b>Net operating income</b>	<b>479</b>	<b>485</b>	<b>261</b>	<b>263</b>	<b>740</b>	<b>748</b>
Change in value of properties	632	612	398	321	1,030	933
<b>Total return</b>	<b>1,111</b>	<b>1,097</b>	<b>659</b>	<b>584</b>	<b>1,770</b>	<b>1,681</b>
Total return, % (R12)	7.7	7.4	9.4	8.2	8.2	7.6
Fair value of properties	33,347	30,717	14,045	12,522	47,392	43,239
Proportion, %	70	71	30	29	100	100
Area, 1,000 sqm	1,650	1,645	617	609	2,267	2,254
Fair value, SEK/sqm	20,210	18,672	22,764	20,561	20,905	19,187
Investments	525	493	154	121	679	614

## Participations in joint ventures

Rikshem holds participations in joint ventures with a total value of MSEK 1,474 (1,353). The value of Rikshem's share of the property holding amounts to approximately SEK 2.3 billion. The largest joint venture holding of MSEK 960 pertains to 49 percent of VärmdöBostäder. The remaining part of VärmdöBostäder is owned by Värmdö Municipality. The second largest holding of MSEK 426 pertains to Farsta Stadsutveckling, where Rikshem and Ikano Bostad each hold 50 percent. Farsta Stadsutveckling owns the Burmanstorp 1 property in Farsta. This is where the new city area Telestaden is under development, with residential properties and premises for offices and neighborhood services. Other participations in associated companies totaling MSEK 88 pertain to development projects owned and operated together with Veidekke Bostad, P&E Fastighetspartner and Glommen & Lindberg.

## Receivables

Non-current receivables amounted to MSEK 192 (276) and mainly comprised loans to joint ventures. Current receivables totaled MSEK 334 (245), of which MSEK 147 (97) pertained to prepaid expenses and accrued income and MSEK 0 (17) pertained to loans to joint ventures.

## Interest-rate derivative portfolio

Maturity date	Nominal amount (end of the year), SEK billion	Average interest rate (end of the year)
2019	17.8	0.7%
2020	17.8	0.8%
2021	16.5	0.8%
2022	14.5	0.9%
2023	11.5	0.9%
2024	10.5	0.9%
2025	6.5	1.0%
2026	3.5	1.1%
2027	1.0	1.1%

Accounts receivable amounted to MSEK 17 (18).

## Cash and bank balances

Cash and cash equivalents totaled MSEK 482 (1,015).

On the closing date, assets received pledged by banks under a Credit Support Annex (CSA) for combined interest-rate and currency swaps amounted to MSEK 718. These pledged assets are settled on a monthly basis.

## Financial derivative instruments

At the end of the period, the company had an interest-rate derivative portfolio that hedged SEK 17.8 billion, with the company paying a fixed interest rate and receiving floating interest. The company also has combined interest-rate and currency swaps to hedge loans raised in other currencies. The total fair value of the company's financial derivative instruments with a positive fair value amounted to MSEK 685 (153), while the fair value of financial derivative instruments with a negative fair value amounted to MSEK -644 (-311). The net fair value of the derivative portfolio totaled MSEK 41 (-158).

## Interest-bearing liabilities

At the end of the period, interest-bearing liabilities amounted to MSEK 26,233 (26,550). Of these interest-bearing liabilities, MSEK 4,318 (4,535) pertained to bank loans, MSEK 1,965 (2,060) to borrowings through commercial papers and MSEK 19,902 (19,898) to bonds. In addition, the company had MSEK 48 (57) in interest-bearing liabilities to related parties. The fair value of the liabilities does not deviate in any material respects from the carrying amount. All bank loans are secured by collateral in properties. In total, secured financing accounted for 9 percent (10) of the fair value of investment properties. Of Rikshem's outstanding bonds, bonds corresponding to SEK 4.1 billion are issued in EUR and bonds corresponding to SEK 5.1 billion are issued in NOK. The carrying amount of these bonds on the closing date amounted to SEK 4.4 billion and SEK 5.2 billion, respectively.

A new loan facility was signed with the European Investment Bank.

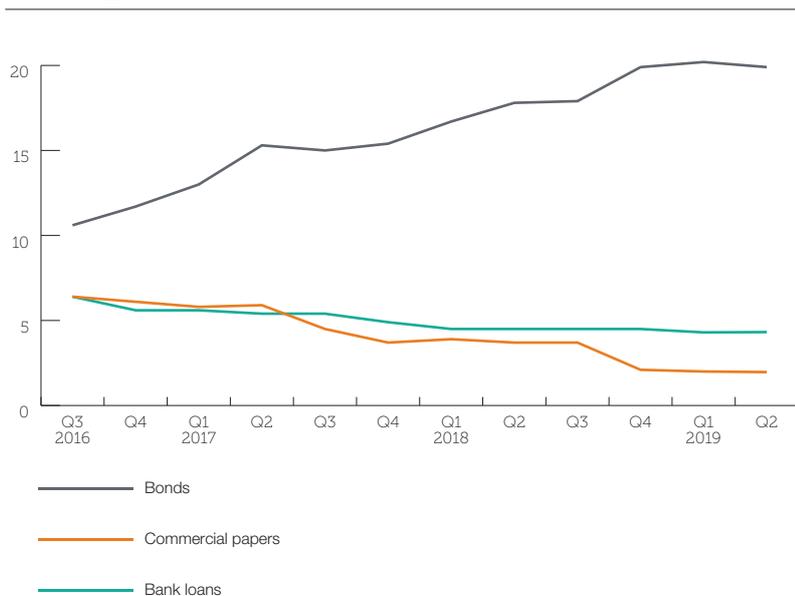
The loan is to be used for energy efficiency investments. The borrowing limit is MSEK 1,000 and the facility allows for loans of up to 15 years.

The average debt duration is 4.1 years (3.5) and the average interest-rate duration is 4.7 years (4.9).

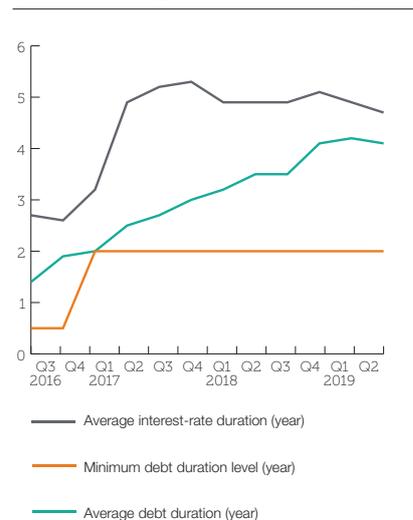
## Interest-bearing external liabilities

Maturity Year	Interest-rate duration		Debt duration	
	Amount (MSEK)	Proportion	Amount (MSEK)	Proportion
2019	833	3.2%	3,021	11.5%
2020	1,877	7.2%	4,963	19.0%
2021	2,153	8.2%	4,473	17.1%
2022	3,225	12.3%	2,919	11.1%
2023	3,000	11.5%	1,819	6.9%
2024	4,597	17.5%	3,596	13.7%
2025	4,000	15.3%	–	–
2026	3,000	11.5%	720	2.7%
2027	2,500	9.5%	544	2.1%
2028-	1,000	3.8%	4,130	15.9%
<b>Total</b>	<b>26,185</b>	<b>100%</b>	<b>26,185</b>	<b>100%</b>

Financing sources (SEK billion)



Average interest-rate duration (years) Average debt duration (years)



SEK 26.2 billion

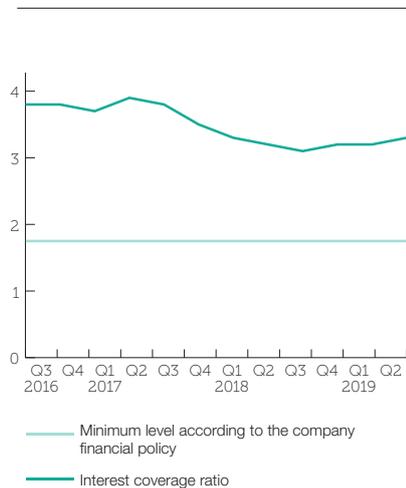
Rikshem's external loans on the closing date amounted to MSEK 26,185 divided between bonds, commercial papers and bank loans.

Financial key figures

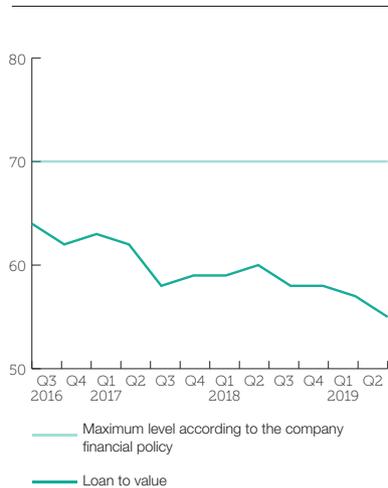
Rikshem's interest-coverage ratio for external financing was a multiple of 3.3 (3.2).

The loan-to-value ratio declined to 55 percent (58) and the equity/assets ratio increased to 38 percent (37).

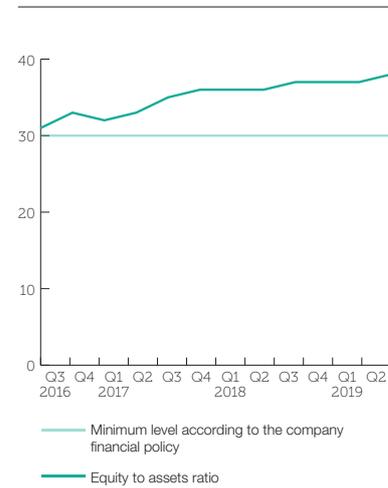
Interest-coverage ratio (multiple)



Loan-to-value ratio (%)



Equity/assets ratio (%)



# Group – Condensed statement of comprehensive income

Amounts in MSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jul 2018–Jun 2019	Jan–Dec 2018
<b>Rental income</b>	724	694	1,442	1,374	2,860	2,792
Operating expenses	-173	-170	-412	-401	-751	-740
Maintenance	-79	-69	-161	-120	-347	-306
Administration	-61	-47	-109	-86	-205	-182
Property tax	-10	-10	-20	-19	-41	-40
<b>Total property expenses</b>	<b>-323</b>	<b>-296</b>	<b>-702</b>	<b>-626</b>	<b>-1,344</b>	<b>-1,268</b>
<b>Net operating income</b>	<b>401</b>	<b>398</b>	<b>740</b>	<b>748</b>	<b>1,516</b>	<b>1,524</b>
Central administration	-20	-13	-41	-27	-79	-65
Net financial items	-114	-119	-228	-235	-451	-458
Earnings from joint ventures	83	-5	91	-6	104	7
<i>of which, income from property management</i>	2	2	7	-1	15	7
<i>of which, change in value of properties</i>	104	-10	104	-8	114	2
<i>of which, change in value of financial derivative instruments</i>	-	1	-	0	1	1
<i>of which, tax</i>	-23	2	-20	3	-26	-3
<b>Income from property management</b>	<b>350</b>	<b>261</b>	<b>562</b>	<b>480</b>	<b>1,090</b>	<b>1,008</b>
Change in value of investment properties	857	664	1,030	933	2,204	2,107
Change in value of interest-rate derivatives	-294	-104	-519	-124	-540	-145
Change in value of foreign exchange derivatives	201	157	718	424	337	43
Foreign exchange effects on financial liabilities	-125	-167	-417	-476	-32	-91
<b>Profit before tax</b>	<b>989</b>	<b>811</b>	<b>1,374</b>	<b>1,237</b>	<b>3,059</b>	<b>2,922</b>
Tax	-155	4	-248	-93	-588	-433
<b>Profit for the period/year</b>	<b>834</b>	<b>815</b>	<b>1,126</b>	<b>1,144</b>	<b>2,471</b>	<b>2,489</b>
<b>Other comprehensive income</b>						
Revaluation of pensions	-	-	-	-	-	0
Tax, pensions	-	0	-	0	0	0
<b>Other comprehensive income for the period/year, net after tax</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period/year</b>	<b>834</b>	<b>815</b>	<b>1,126</b>	<b>1,144</b>	<b>2,471</b>	<b>2,489</b>

# Group – Condensed statement of financial position

Amounts in MSEK	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
Investment properties	47,392	43,239	45,687
Participations in joint ventures	1,474	1,339	1,353
Equipment	5	6	5
Leaseholds and other right-of-use assets	123	–	–
Financial derivative instruments	685	343	153
Non-current receivables	192	268	276
<b>Total non-current assets</b>	<b>49,871</b>	<b>45,195</b>	<b>47,474</b>
Current receivables	334	409	245
Cash and cash equivalents	482	1,228	1,015
<b>Total current assets</b>	<b>816</b>	<b>1,637</b>	<b>1,260</b>
<b>TOTAL ASSETS</b>	<b>50,687</b>	<b>46,832</b>	<b>48,734</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>19,325</b>	<b>16,854</b>	<b>18,199</b>
Deferred tax	3,045	2,459	2,797
Interest-bearing liabilities	21,940	18,628	21,467
Financial derivative instruments	644	554	311
Non-current liabilities, finance leases	110	–	–
Non-interest-bearing liabilities	3	3	3
<b>Total non-current liabilities</b>	<b>25,742</b>	<b>21,644</b>	<b>24,578</b>
Interest-bearing liabilities	4,293	7,470	5,083
Current liabilities, finance leases	12	–	–
Non-interest-bearing liabilities	1,315	864	874
<b>Total current liabilities</b>	<b>5,620</b>	<b>8,334</b>	<b>5,957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,687</b>	<b>46,832</b>	<b>48,734</b>

# Consolidated statement of changes in equity

Amounts in MSEK	Share capital	Other contributed capital	Retained earnings including profit for the year	Total equity
<b>Opening balance, Jan 1, 2018</b>	<b>100</b>	<b>4,874</b>	<b>10,736</b>	<b>15,710</b>
Profit for the period, Jan–Jun			1,144	1,144
Other comprehensive income, Jan–Jun			0	0
<b>Closing balance, Jun 30, 2018</b>	<b>100</b>	<b>4,874</b>	<b>11,880</b>	<b>16,854</b>
Profit for the period, Jul–Dec			1,345	1,345
Other comprehensive income, Jul–Dec			0	0
<b>Closing balance, Dec 31, 2018</b>	<b>100</b>	<b>4,874</b>	<b>13,225</b>	<b>18,199</b>
<b>Opening balance, Jan 1, 2019</b>	<b>100</b>	<b>4,874</b>	<b>13,225</b>	<b>18,199</b>
Profit for the period, Jan–Jun			1,126	1,126
<b>Closing balance, Jun 30, 2019</b>	<b>100</b>	<b>4,874</b>	<b>14,351</b>	<b>19,325</b>

# Consolidated statement of cash flows

Amounts in MSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jul 2018–Jun 2019	Jan–Dec 2018
Cash flow from operating activities	386	386	704	722	1,444	1,462
Interest paid	-120	-127	-225	-242	-481	-498
Tax paid	0	-1	-24	-13	-34	-23
Change in working capital*	-103	-47	-145	-21	-28	96
<b>Cash flow from operating activities</b>	<b>163</b>	<b>211</b>	<b>310</b>	<b>446</b>	<b>901</b>	<b>1,037</b>
Investment in investment properties	-439	-275	-679	-614	-1,148	-1,083
Acquisition of investment properties	0	-103	-361	-906	-1,214	-1,759
Divestment of investment properties	365	2	365	253	440	328
Investment in equipment	-1	-1	-2	-1	-2	-1
Investment in financial assets	-14	-15	-45	-40	-98	-93
Divestment of financial assets	25	85	113	85	231	204
Dividend from financial assets	1	10	1	10	1	10
<b>Cash flow from investing activities</b>	<b>-63</b>	<b>-297</b>	<b>-608</b>	<b>-1,213</b>	<b>-1,790</b>	<b>-2,394</b>
Loans raised	200	1,736	3,448	6,403	5,139	8,094
Repayment of loans	-705	-1,135	-4,180	-5,064	-5,024	-5,908
Change in collateral*	207	177	498	270	484	255
Redemption of financial instruments	–	–	–	–	-455	-455
Repayment of finance leases	0	–	-1	–	-1	–
<b>Cash flow from financing activities</b>	<b>-298</b>	<b>778</b>	<b>-235</b>	<b>1,609</b>	<b>143</b>	<b>1,986</b>
<b>Cash flow for the period/year</b>	<b>-198</b>	<b>692</b>	<b>-533</b>	<b>842</b>	<b>-746</b>	<b>629</b>
Cash and cash equivalents at the beginning of the period/year	680	536	1,015	386	1,228	386
<b>Cash and cash equivalents at the end of the period/year</b>	<b>482</b>	<b>1,228</b>	<b>482</b>	<b>1,228</b>	<b>482</b>	<b>1,015</b>

\* From the third quarter of 2018, cash and cash equivalents pledged as collateral for foreign exchange derivatives are reclassified according to the Credit Support Annex (CSA) from "Change in working capital" to "financing activities." Comparative figures have been restated.



# MSEK 679

Investments in existing properties during the period.

Of this amount, redevelopment and renovation of residential properties accounted for MSEK 214, new construction for MSEK 311 and investments in properties for public use for MSEK 154.

*Flyttfågeln, Umeå*

# Parent Company – Condensed statement of income

Amounts in MSEK	Apr–Jun 2019	Apr–Jun 2018	Jan–Jun 2019	Jan–Jun 2018	Jul 2018– Jun 2019	Jan–Dec 2018
<b>Revenue</b>	<b>66</b>	<b>53</b>	<b>121</b>	<b>97</b>	<b>229</b>	<b>205</b>
Other operating expenses	-32	-27	-59	-47	-118	-106
Personnel expenses	-52	-42	-102	-80	-193	-171
Depreciation	-1	0	-1	-1	-2	-2
<b>Operating loss</b>	<b>-19</b>	<b>-16</b>	<b>-41</b>	<b>-31</b>	<b>-84</b>	<b>-74</b>
Earnings from Group companies	215	4	230	26	693	489
Net interest income	-1	10	3	17	41	55
Change in value of interest-rate derivatives	-294	-104	-519	-124	-540	-145
Change in value of foreign exchange derivatives	201	156	718	423	338	43
Foreign exchange effects on financial liabilities	-125	-167	-417	-476	-31	-90
<b>Profit/loss after financial items</b>	<b>-23</b>	<b>-117</b>	<b>-26</b>	<b>-165</b>	<b>417</b>	<b>278</b>
Appropriations	–	–	–	–	24	24
Tax	27	31	-4	42	-100	-54
<b>Profit for the period/year</b>	<b>4</b>	<b>-86</b>	<b>-30</b>	<b>-123</b>	<b>341</b>	<b>248</b>

## Parent Company

The operations of the Parent Company Rikshem AB (publ) primarily comprise managing the Group's properties through the ownership of shares and participations in the property holdings of its subsidiaries. No properties are owned directly by the Parent Company. The Parent Company's revenue for the period amounted to MSEK 121 (97) and mainly comprised fees for services to the subsidiaries. Administrative costs amounted to

MSEK -161 (-127). Financial items totaled MSEK 15 (-134). Financial items included earnings from participations in Group companies of MSEK 230 (26) and unrealized changes in value concerning financial instruments corresponding to MSEK -218 (-177).

Comprehensive income for the period amounted to MSEK -30 (-123). The Parent Company's assets at June 30,

2019 amounted to MSEK 33,205 (32,676) and primarily comprised shares and participations in and receivables from Group companies. At the end of the period, cash and cash equivalents amounted to MSEK 482 (1,015). The Parent Company's liabilities totaled MSEK 26,252 (25,693) and primarily comprised bonds, corporate papers and bank loans. Equity totaled MSEK 6,953 (6,983) on the closing date.

# Parent Company – Condensed balance sheet

Amounts in MSEK	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
Equipment	4	5	4
Shares and participations in Group companies	1,945	1,967	1,967
Receivables from Group companies	29,981	28,275	29,418
Financial derivative instruments	685	343	153
Non-current receivables	29	54	58
<b>Total non-current assets</b>	<b>32,644</b>	<b>30,644</b>	<b>31,600</b>
Current assets	79	179	61
Cash and cash equivalents	482	1,228	1,015
<b>Total current assets</b>	<b>561</b>	<b>1,407</b>	<b>1,076</b>
<b>TOTAL ASSETS</b>	<b>33,205</b>	<b>32,051</b>	<b>32,676</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>6,953</b>	<b>6,612</b>	<b>6,983</b>
Untaxed reserves	–	24	–
Deferred tax	182	81	178
Financial derivative instruments	644	554	311
Interest-bearing liabilities	23,925	23,767	24,233
Liabilities to Group companies	670	645	623
Non-interest-bearing liabilities	831	368	348
<b>Total liabilities</b>	<b>26,252</b>	<b>25,439</b>	<b>25,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,205</b>	<b>32,051</b>	<b>32,676</b>

# Other information

## Board of Directors

The composition of the Board of Directors of Rikshem AB (publ) changed during the period, with Andreas Jensen elected as a Board member at the annual general meeting (AGM). This means that Rikshem's Board of Directors has been expanded by one member and now comprises seven regular Board members.

## Employees

The number of employees in the Rikshem Group at the end of the period was 264 (226), of whom 150 were men and 114 were women.

## Risks

The Board of Directors and management continuously work to manage the risks to which the operations are exposed. No material changes in the risk profile have occurred during the period. Rikshem's risks and uncertainties are described on page 61 of the annual report for 2018.

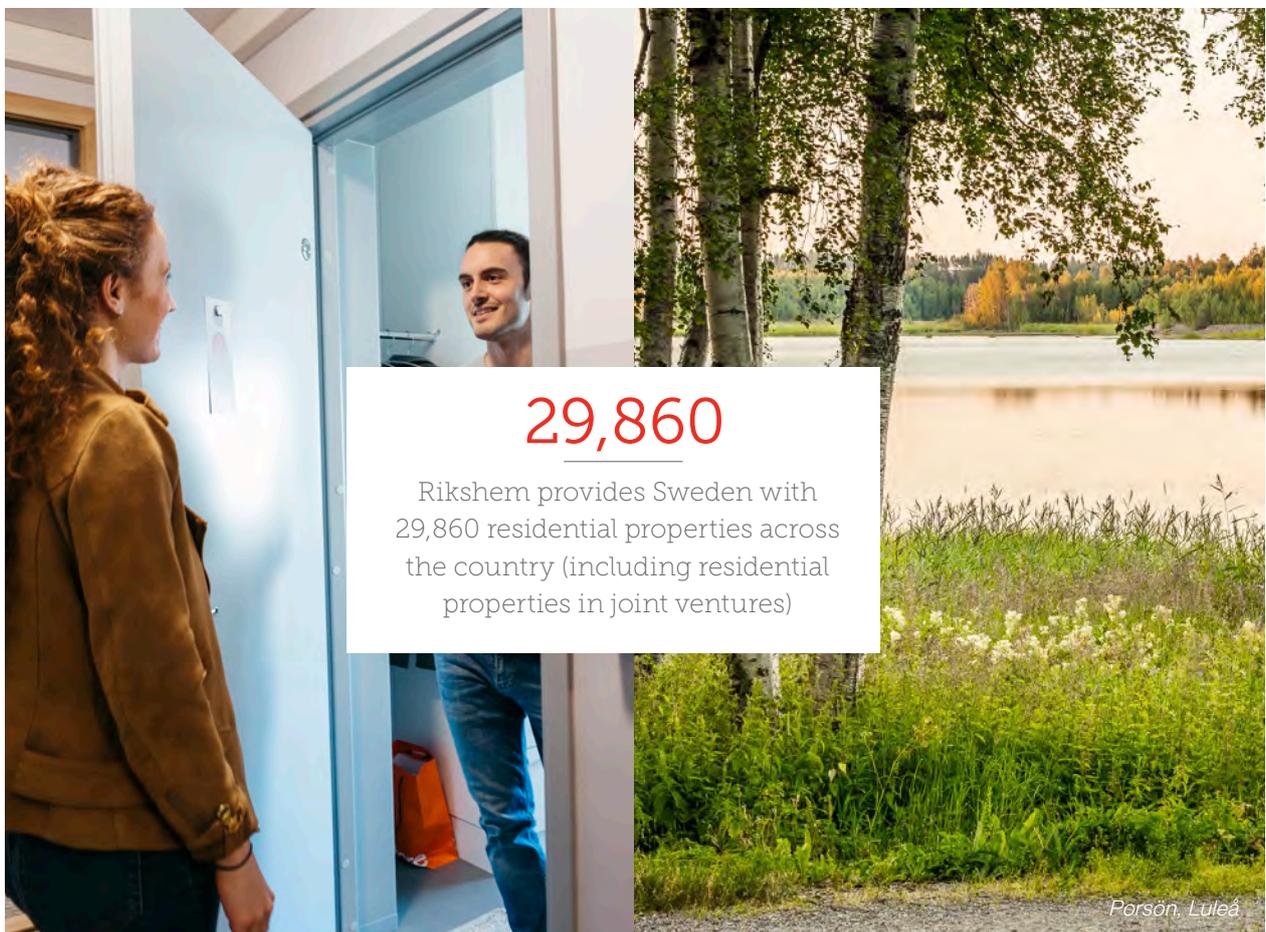
## Accounting policies

The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union (EU). The 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. No changes in accounting policies, valuation principles and calculation methods have been applied compared to annual report 2018, with the exception of the information stated below concerning IFRS 16.

## New standards and policies

IFRS 16 Leases is applied as of January 1, 2019 and replaces IAS 17 Leases. According to this standard, a lessee is to recognize assets and liabilities attributable to all leases in the balance sheet, with the exception of leases with a term of less than 12 months and/or leases that pertain to a low value.

Rikshem has not applied the standard retrospectively, but rather has chosen to apply the exemption rules and recognize the remaining lease payments discounted by the company's incremental borrowing rate as of January 1, 2019 as a leasing liability. Rikshem has chosen to apply the same principle for all right-of-use assets and recognize assets at the value of the liabilities, which is why no deferred tax has arisen and there will be no impact on the Group's equity. As of January 1, the Group's right-of-use assets and lease



liabilities amounted to MSEK 109, of which leaseholds account for MSEK 97.

In the balance sheet at June 30, right-of-use assets are recognized as “Leaseholds and other right-of-use assets” and a non-current and current lease liability are recognized on the liability side. As of June 30, the Group’s right-of-use assets amounted to MSEK 123, of which leaseholds accounted for MSEK 98.

In the statement of income, lease payments for other right-of-use assets are recognized as depreciation and an interest expense, while leasehold fees are recognized in their entirety as an interest expense. Interest expenses and leasehold fees have been reclassified from property expenses to net financial items, which had a positive impact of approximately MSEK 2 on net operating income. Income from property management has not been impacted.

#### **New and amended standards and interpretations that have not yet come into force**

No new or amended standards or interpretations from IASB that have not yet come into force are expected to impact the interim report or the accounting policies that have been applied and are described in Note 1 of Rikshem’s annual report for 2018.

#### **Regulatory changes in the field of taxation**

A decision by the Swedish Parliament (Riksdag) to introduce changes to the Income Tax Act regarding corporate taxation came into effect on January 1, 2019. The change entails a cap on deductions for negative net interest income at 30 percent of taxable EBITDA. Considering the current economic circumstances, some of Rikshem’s interest will not be tax deductible but the impact on current tax will be limited through existing loss carryforwards.

#### **Related-party transactions**

Rikshem’s related parties are presented in Note 28 of Rikshem’s annual report for 2018. No material related-party transactions took place during the period.

#### **Significant events after the end of the period**

No significant events occurred after the closing date.

#### **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, August 21, 2019**

Bo Magnusson  
Chairman of the Board

Pernilla Arrrud Melin  
Board member

Lena Boberg  
Board member

Liselotte Hjorth  
Board member

Andreas Jensen  
Board member

Per-Gunnar Persson  
Board member

Per Uhlén  
Board member

Sophia Mattsson-Linnala  
CEO

# Review report

Rikshem AB (publ), org nr 556709-9667

This is a translation from the Swedish original

## Introduction

We have reviewed the condensed interim report for Rikshem AB (publ) as at June 30, 2019, and for the six 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

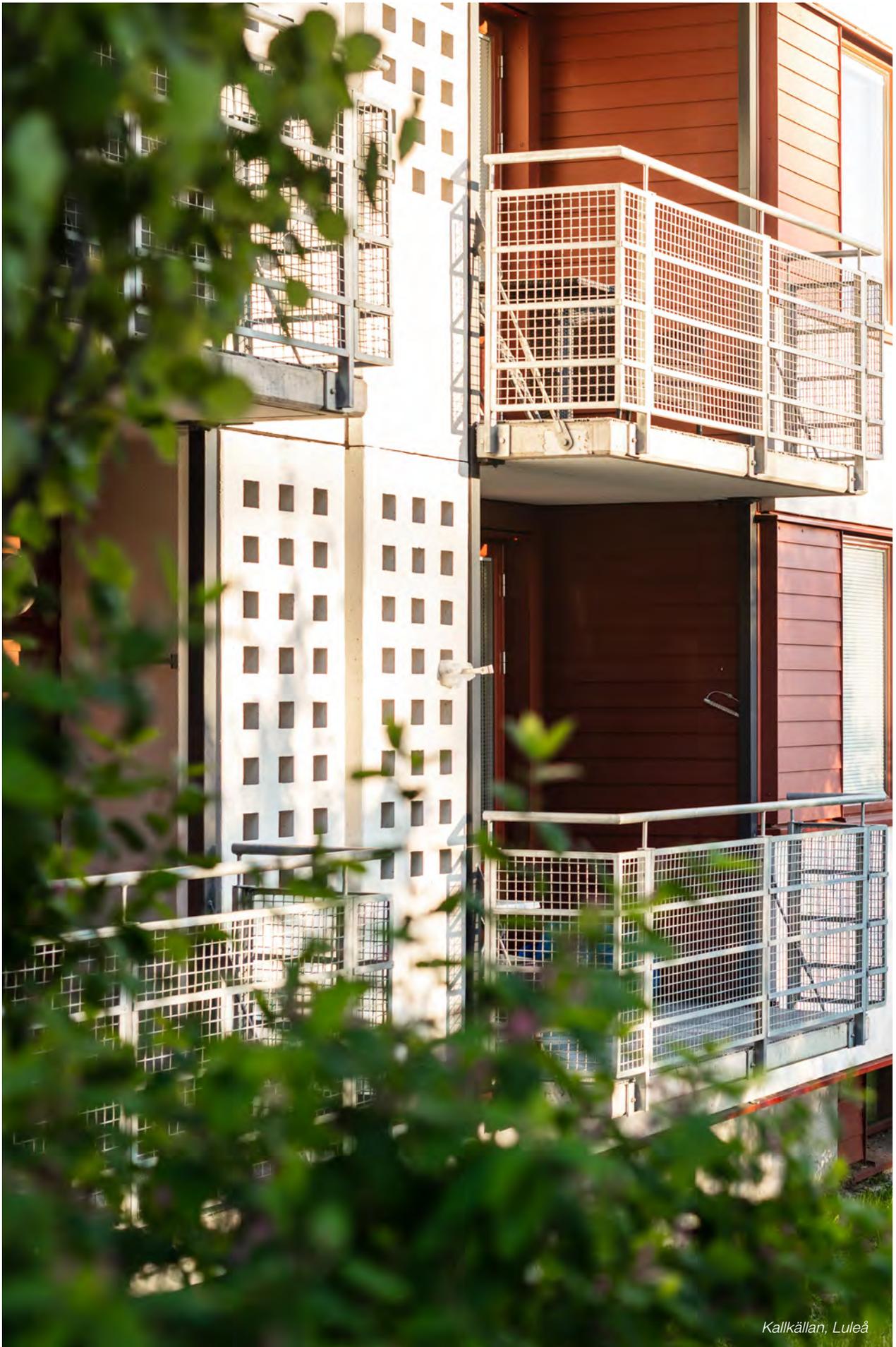
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent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

**Stockholm, August 21, 2019**

Ernst & Young AB

Mikael Ikonen

Authorized Public Accountant



*Kallkällan, Luleå*

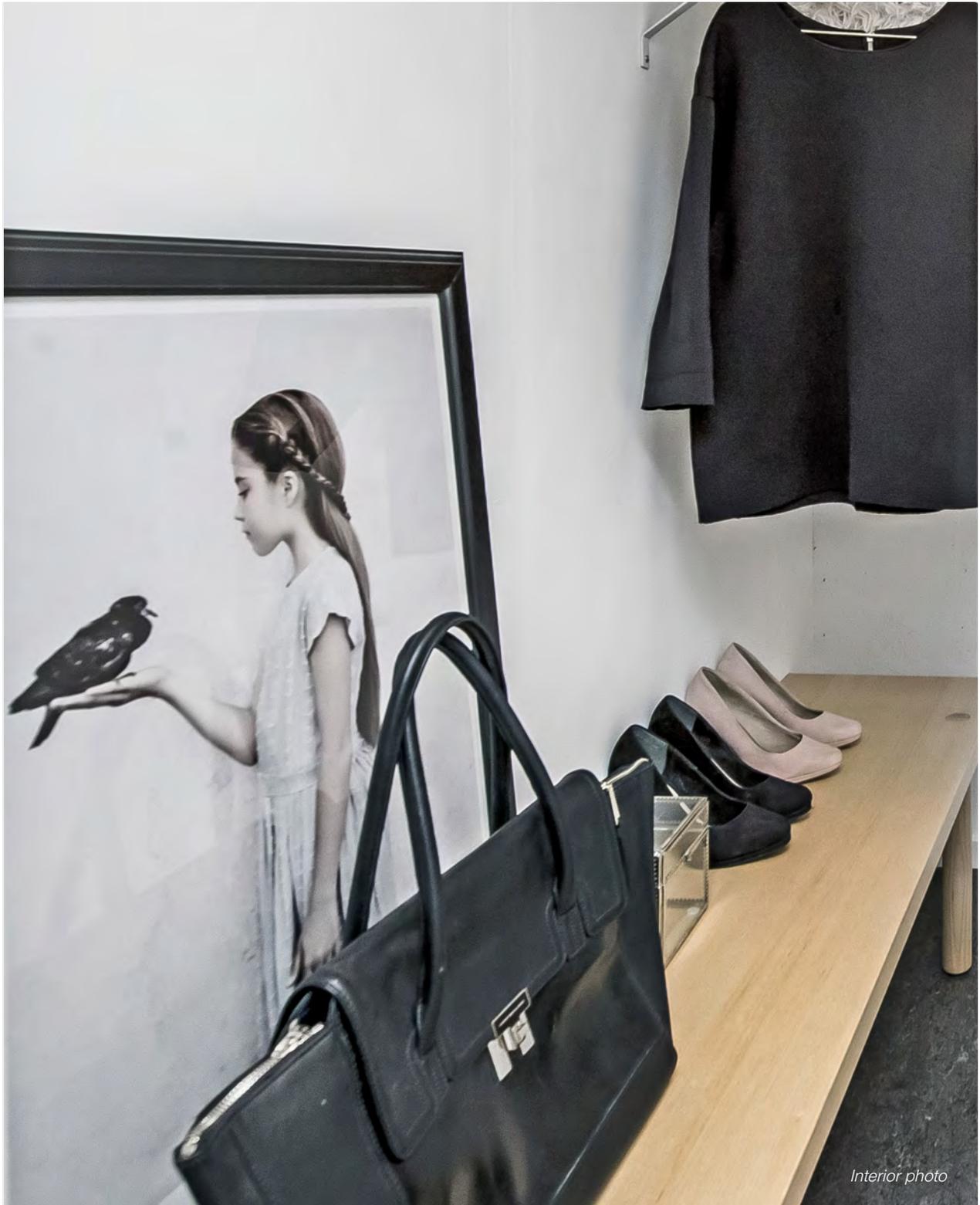
## Quarterly data

Amounts in MSEK	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1
<b>Statement of income</b>						
Rental income	724	718	721	697	694	680
Property expenses	-323	-379	-380	-262	-296	-330
Net operating income	401	339	341	435	398	350
Central administration	-20	-21	-21	-18	-13	-14
Net financial items	-114	-114	-111	-112	-119	-116
Earnings from joint ventures	83	8	12	1	-5	-1
Income from property management	350	212	221	306	261	219
Change in value of investment properties	857	173	981	193	664	269
Change in value and foreign exchange effects of financial instruments	-218	0	-153	137	-114	-62
Profit before tax	989	385	1,049	636	811	426
Tax and other comprehensive income	-155	-93	-210	-130	4	-97
Comprehensive income for the period	834	292	839	506	815	329
<b>Balance sheet</b>						
Investment properties	47,392	46,461	45,687	44,282	43,239	42,199
Participations in joint ventures	1,474	1,391	1,353	1,341	1,339	1,354
Other assets	1,339	1,100	679	851	1,026	958
Cash and cash equivalents	482	680	1,015	795	1,228	536
Total assets	50,687	49,632	48,734	47,269	46,832	45,047
Equity	19,325	18,491	18,199	17,360	16,854	16,039
Deferred tax	3,045	2,891	2,797	2,588	2,459	2,463
Interest-bearing liabilities	26,233	26,613	26,550	25,854	26,098	25,334
Other liabilities	2,084	1,637	1,188	1,467	1,421	1,211
Total equity and liabilities	50,687	49,632	48,734	47,269	46,832	45,047
<b>Key performance data</b>						
Loan-to-value ratio, %	55	57	58	58	60	59
Equity/assets ratio, %	38	37	37	37	36	36
Interest-coverage ratio, multiple*	3.3	3.2	3.2	3.1	3.2	3.3
Return on equity, %*	13.7	14.2	14.7	11.2	13.4	16.0
Property yield, %*	3.3	3.4	3.5	3.6	3.7	3.8
Total return, %*	8.2	8.0	8.4	6.6	7.6	7.9
Surplus ratio, %	55	47	47	62	57	51

\*Rolling 12 months

## Key performance data

Amounts in MSEK	Jan–Jun 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
<b>Statement of income</b>						
Rental income	1,442	2,792	2,665	2,484	2,040	1,691
Net operating income	740	1,524	1,555	1,420	1,192	954
Income from property management	562	1,008	1,150	1,208	579	380
Change in value of properties, MSEK	1,030	2,107	1,647	1,962	1,856	1,262
Profit for the period	1,126	2,489	2,430	2,433	1,964	1,010
<b>Balance sheet</b>						
Equity	19,325	18,199	15,710	13,281	10,360	4,850
External interest-bearing liabilities	26,185	26,493	24,022	23,422	21,074	16,248
Fair value of properties	47,392	45,687	41,039	37,878	32,009	25,160
Total assets	50,687	48,734	43,501	40,114	34,053	26,036
<b>Financial key figures</b>						
Equity/assets ratio, %	38	37	36	33	30	19
Loan-to-value ratio, %	55	58	59	62	66	65
Interest-coverage ratio	3.3	3.2	3.5	3.8	3.6	2.9
Loan-to-value ratio, secured loans, %	9	10	12	15	21	23
Average interest rate, %	1.7	1.7	2.0	1.5	1.6	1.8
Interest-rate duration, years	4.7	5.1	5.3	2.6	2.4	3.4
Debt duration, years	4.1	4.1	3.0	1.9	1.4	1.1
Return on equity, %*	13.7	14.7	16.8	20.6	25.8	23.6
Property yield, %*	3.3	3.5	3.9	4.1	4.2	4.2
Total return, %*	8.2	8.4	8.1	9.7	10.7	9.8
<b>Property-related key figures</b>						
Number of properties	557	555	586	574	533	496
Lettable area, 1,000 sqm	2,267	2,274	2,219	2,182	1,975	1,708
Number of apartments	28,838	28,840	27,924	27,224	24,203	20,844
Proportion of properties for public use, %	30	29	29	29	38	42
Vacancy rate, residential properties	3.2	3.2	2.7	3.6	2.6	1.8
Market vacancy rate, residential properties, %	0.9	0.5	0.3	0.5	0.4	–
Remaining lease term for properties for public use, years	9.2	9.4	9.8	10.3	10.5	11.4
Fair value, SEK/sqm	20,905	20,090	18,494	17,362	16,205	14,727
Growth in revenue for existing properties, %	3.3	3.8	4.3	3.7	2.7	2.4
Growth in net operating income for existing properties, %	-3.5	-3.9	6.7	3.4	6.8	8.4
Surplus ratio, %	51	55	58	57	58	56
*Rolling 12 months						
<b>Employees</b>						
Number of employees	264	241	206	192	173	134



*Interior photo*

## Financial calendar

Interim report Jan–Sep 2019  
Year-end report 2019

November 6, 2019  
February 7, 2020

# Definitions

<b>Amounts within parentheses</b>	For income statement items, amounts within parentheses refer to the outcome for the corresponding year-earlier period and for balance sheet items, amounts within parentheses refer to the outcome at the end of the preceding year.
<b>Average interest rate</b>	Average interest rate for interest-bearing liabilities including expenses for back-up facilities in relation to current loans on the closing date.
<b>Debt duration, years</b>	The weighted remaining maturity of interest-bearing liabilities on the closing date. This is stated to illuminate the company's financial risk.
<b>Economic occupancy rate</b>	Contract rent in relation to total rental value less rent related to vacancies due to renovation.
<b>Equity/assets ratio</b>	Equity in relation to total assets. This is stated to illuminate the company's financial stability.
<b>Income from property management</b>	Net operating income less administrative costs and net financial items plus earnings from joint ventures. This is stated to illuminate the continuous earnings capacity of the business.
<b>Interest-coverage ratio</b>	Profit before tax following a reversal of earnings from joint ventures, interest expenses, change in value of assets and liabilities and other financial expenses in relation to interest expenses for external borrowings. This is stated to illuminate the company's sensitivity to interest-rate fluctuations.
<b>Interest-rate duration, years</b>	The weighted remaining interest-rate duration for interest-bearing liabilities and financial derivative instruments on the closing date. This is stated to illuminate the company's financial risk.
<b>Loan-to-value ratio</b>	Interest-bearing liabilities in relation to the fair value of properties. This is stated to illuminate the company's financial risk.
<b>Loan-to-value ratio, secured loans</b>	Secured interest-bearing liabilities in relation to the fair value of properties. This is stated to illuminate the company's financial risk.
<b>Market vacancy rate, residential properties</b>	As per the closing date, the number of apartments less apartments unrented due to renovation in relation to the total number of apartments in the residential properties segment.
<b>Net financial items</b>	Net of interest income, interest expenses and similar revenue and costs.
<b>Net operating income</b>	Rental income less property expenses.
<b>Property expenses</b>	Costs for heat, electricity, water, operation, maintenance, property tax, leasehold fees, rent losses and administration.
<b>Property yield</b>	Annualized net operating income in relation to the average fair value of properties. This is stated to illuminate the property investments' ability to generate a return.
<b>Remaining lease term, properties for public use</b>	The weighted remaining lease term in the rental value on the closing date in the properties for public use segment.
<b>Rental income</b>	Rental value less vacancies and rent discounts.
<b>Return on equity</b>	Profit for the year in relation to average equity. This is stated to illuminate the company's ability to generate a return on the capital invested by the shareholders.
<b>Secured loans</b>	Loans raised against liens on properties.
<b>Surplus ratio</b>	Net operating income in relation to rental income. This is stated to illuminate the property investments' continuous earnings capacity.
<b>Total return</b>	Net operating income plus change in value in relation to the average fair value of properties. This is stated to illuminate the property investments' ability to generate a return.
<b>Vacancy rate, residential properties</b>	As per the closing date, the number of unrented apartments in relation to the total number of apartments in the residential properties segment.

The calculation of alternative performance measures is available on Rikshem's website: [www.rikshem.se](http://www.rikshem.se).

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

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