



Interim report Q3

January–September 2020



Interim report

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Events during the period

- Rental income for the period increased by MSEK 89 or 4.0 percent on the same period last year to MSEK 2,276 (2,187).
- Net operating income rose MSEK 125 or 10.2 percent to MSEK 1,346 (1,221), as a result of higher income and a reduction in both operating expenses and repair and maintenance costs.
- Income from property management increased by MSEK 27 or 2.9 percent to MSEK 942 (915).
- The change in value of investment properties was MSEK 1,022 (1,312).

- Profit before tax for the period increased by MSEK 35 or 1.8 percent to MSEK 1,972 (1,937). Profit after tax rose MSEK 2 or 2.0 percent to MSEK 1,596 (1,564).
- Divestments of properties in the period totaled MSEK 805 (365), and properties were acquired for MSEK 59 (611).
- Investments for the period amounted to 1,178 MSEK (953).
- The coronavirus pandemic has had a limited impact on Rikshem's results, as the residential properties and properties for public use segments have been relatively unaffected by the crisis.

Events during the third quarter

- Rikshem has received an A3 credit rating with stable outlook from the credit rating agency Moody's.
- Thirteen residential properties in Östersund, comprising 883 apartments, have been divested.
- An agreement to sell properties and development rights in Orminge, Nacka, have been entered into. The properties were taken into possession by the buyer on October 1, 2020 and will thus be included in the Q4 reporting.

Rikshem in summary

	Jan–Sep 2020	Jan–Sep 2019	Oct 2019– Sep 2020	Jan–Dec 2019
Rental income, MSEK	2,276	2,187	3,005	2,916
Net operating income, MSEK	1,346	1,221	1,711	1,586
Income from property management, MSEK	942	915	1,313	1,286
Profit, MSEK	1,596	1,564	2,276	2,244
Fair value of properties, MSEK	50,761	48,198	48,198	49,307
Number of apartments	28,552	28,973	28,552	29,214
Lettable area, 1,000 sqm	2,239	2,273	2,239	2,292
Economic occupancy rate, %	96.4	96.7	96.4	96.4
Average lease term, years*	8.9	9.0	8.9	9.0
Loan-to-value ratio, %	53	54	53	54
Interest-coverage ratio, multiple**	3.6	3.5	3.6	3.5
Equity, MSEK	22,037	19,763	22,037	20,441
Total return excl. joint ventures, %**	6.1	8.6	6.1	6.7
Total return incl. joint ventures, %**	6.2	7.9	6.2	7.2
Return on equity, %**	10.9	12.9	10.9	11.6

* Pertains to properties for public use. ** Pertains to rolling 12 months
See page 27 for definitions of key figures

Cover photo: Fyrtornet 1, Västerås

Statement from the CEO



Anette Frumerie, CEO

” *Being immersed in all Rikshem’s issues and seeing the important role access to high-quality rental apartments and properties for public use plays in Sweden’s development is truly inspiring.*

Rikshem is posting a strong result for the period, with rental income up 4 percent and net operating income up 10 percent. On the cost side, the combination of less emergency maintenance and the mild start to the year means maintenance costs were considerably lower than in the corresponding period of 2019. We’re definitely on the right track and there is great potential in the company, but as always room for improvement. For example, one current focus area is reviewing our renting process to reduce the risk of vacancies. We’re also working to get our renovation projects started more quickly. There are certain challenges with this at present, so we’re looking at new ways of renovating our properties.

Coronavirus and our day-to-day operations

The business remains financially relatively unaffected by the coronavirus pandemic, and we’ve not experienced any increase in rental losses. However, we’ve all been forced to acknowledge that society will probably be affected by the virus for a long time. In this ‘new normal’, we’re trying to meet our customers face to face – in line with official guidance – but are also continuing to develop digital ways of working that make things easier for them. We’ve taken steps to enable us to change our working methods at short notice in the event of local restrictions.

Strong credit rating

Rikshem recently received an A3 credit rating from Moody’s. A positive assessment from an external party such as Moody’s is important for us, sending valuable signals both internally and externally.

Many indicators suggest that interest rates will remain low for a long time to come, and our financing costs are low. This puts us in a strong position going forward.

Many acquisition opportunities

During the period, we’ve divested residential properties in Östersund and entered into an agreement to sell Ormingehus in Nacka. This is in line with our strategy of being a long-term property company that continuously assesses whether we can add value to our portfolio ourselves and whether we have properties that another company is better able to develop further. We receive many enquiries about acquiring properties, which, in combination with increased cash from the divestments, enables us to pick and choose.

Project to connect properties gathers pace

At the end of 2019, we signed an agreement with Telia to connect our properties, among other things to be able to offer next-generation services and to facilitate more efficient and sustainable property management. At the same time, our tenants gain access to an open network, and we improve our net operating income. After a successful pilot project in Uppsala, we are now rolling this out at an ever-increasing pace in our properties. By the end of the year, we plan to have connected almost 9,000 of our apartments.

Motivated and loyal

This year’s employee survey shows that we have motivated and loyal employees. During a very different year when many employees’ work situations have been

affected in various ways, we’ve come out well in our Employee Satisfaction Index, which is up slightly on last year. At the same time, we must reach higher, as I am absolutely convinced that a profitable company with satisfied customers relies on the company having highly satisfied employees.

Opportunities for many people

Being immersed in all Rikshem’s issues and seeing the important role access to high-quality rental apartments and properties for public use plays in Sweden’s development is truly inspiring. Rental accommodation is flexible, providing opportunities that let people make a good life for themselves close to family in places where there are jobs and educational provision. Our ambition to combine professionalism and community engagement enables us to create opportunities for many people – not just by building new properties and being able to offer someone their first apartment, but also by supporting the Låxhjälpen foundation, enabling it to start offering free homework assistance in Uppsala in the fall. Since its launch, the foundation has enabled thousands of students to gain entry to an upper-secondary school. Now, young people in our neighborhoods in Uppsala will have better prospects for the future.

Anette Frumerie, CEO

One of Sweden's largest private property companies

Rikshem owns, develops and manages residential properties and properties for public use, sustainably and for the long term. The properties are located in selected growth areas across Sweden. Rikshem's vision is to make a difference in developing the good community.



Fair value
SEK 53 billion

The fair value of the properties totaled MSEK 53,412 (including Rikshem's share of the property value in joint ventures).



29,000 apartments

70 percent of the portfolio is made up of residential properties: rental apartments, senior accommodation, student accommodation and youth apartments.

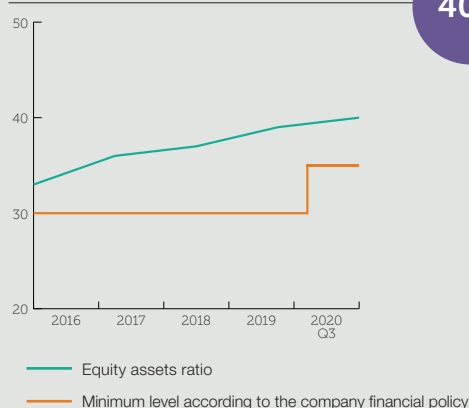


30% properties for public use

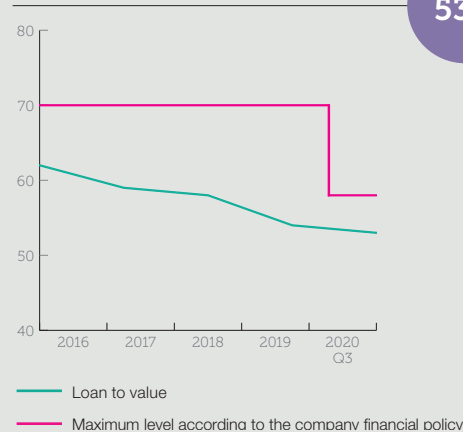
30 percent of Rikshem's portfolio comprises properties for public use, for example nursing homes, care facilities, pre-schools and schools.

Rikshem's overall financial key figures

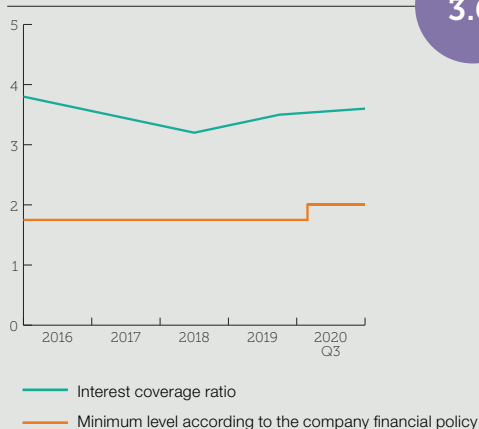
Equity/assets ratio (%)



Loan-to-value ratio (%)



Interest-coverage ratio (multiple)



Net debt/EBITDA (multiple)



Income, costs and profit

Net operating income

The Group's rental income for the period increased by MSEK 89 or 4.0 percent on the same period last year to MSEK 2,276 (2,187). Besides annual rent increases and investments in the properties that enable higher rents, the full-year effects of new construction and acquisitions in 2019 also contributed to the higher rental income. Rental income for the like-for-like portfolio rose MSEK 52 or 2.5 percent.

MSEK 2,276
(2,187)

Property expenses for the period fell MSEK 36 or 3.8 percent to MSEK 930 (966). Expenses for the like-for-like portfolio fell MSEK 38 or 4.0 percent. One of the reasons for the lower operating costs was the mild winter. Costs for repairs and maintenance have been lower during the period compared with the corresponding period of 2019.

Altogether, total net operating income increased by MSEK 125 year-on-year,

amounting to MSEK 1,346 (1,221). Net operating income for the like-for-like portfolio increased by MSEK 90 or 7.5 percent compared with the same period of 2019.

The surplus ratio for the total property portfolio for the period was 59 percent (56).

At the end of the period, the vacancy rate for residential properties was 3.3 percent. Adjusted for apartments that have been vacated for renovation, the market vacancy rate was 1.3 percent (0.6). The increase can mainly be attributed to new-build and newly renovated apartments in the process of being rented. The average remaining lease term for properties for public use was 8.9 years (9.0). The economic occupancy rate for properties for public use was 97.0 percent. The economic occupancy rate for the portfolio as a whole was 96.4 percent.

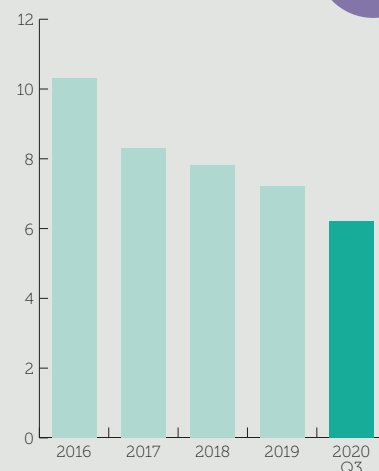
Income statement MSEK	Jan–Sep 2020	Jan–Sep 2019
Rental income	2,276	2,187
Property expenses	-930	-966
Net operating income	1,346	1,221
Central administration	-58	-61
Net financial items	-347	-337
Earnings from joint ventures	1	92
Income from property management	942	915
Change in value of properties	1,022	1,312
Change in value of financial derivative instruments and foreign exchange effects on financial liabilities	8	-290
Profit before tax	1,972	1,937
Tax	-376	-373
Profit for the period	1,596	1,564



For income statement items, amounts in parentheses show figures for the corresponding period of the prior year. For balance sheet items, amounts in parentheses show figures at the most recent year-end.

Total return incl. joint ventures (%)

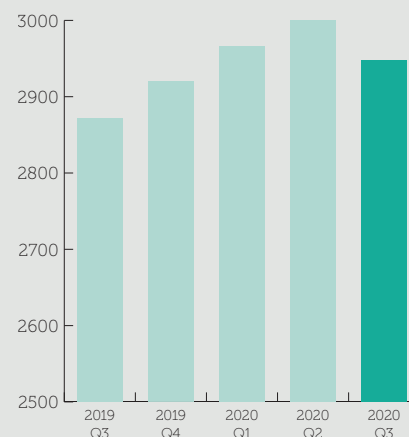
6.2%



Rikshem's long-term financial target is to deliver a total return of at least 5% in real terms on the property capital. The graph above shows the total return without any adjustment for inflation; see calculation on page 26.

Annual rent as at the closing date (MSEK)

MSEK 2,948



Central administration

Costs for central administration amounted to MSEK -58 (-61). Central administration includes group-wide costs.

MSEK -58
(-61)

Net financial items

Net financial items totaled MSEK -347 (-337). The increase relates primarily to higher interest-bearing liabilities but also to a temporary increase in financing costs in connection with the coronavirus pandemic. Net financial items mainly comprise the company's external interest expenses. The average interest rate on interest-bearing liabilities was 1.7 percent (1.6).

MSEK -347
(-337)

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 1 (92). See the section on Joint ventures on page 11 for further information.

Change in value of financial derivative instruments

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 entered into to eliminate currency risk on interest payments and repayments of loans raised in EUR, NOK and AUD. Sweden's long-term interest rates were lower on the closing date than at year-end 2019, which has negatively affected the change in value of the interest-rate derivative instruments. The change in value during the period was MSEK -324 (-710). The change in value of foreign exchange derivatives amounted to MSEK -154 (863). The foreign exchange effects on financial liabilities in EUR, NOK and AUD totaled MSEK 486 (-443) and were mostly attributable to the strengthening of the Swedish krona against NOK during the period.

MSEK -324
(-710)

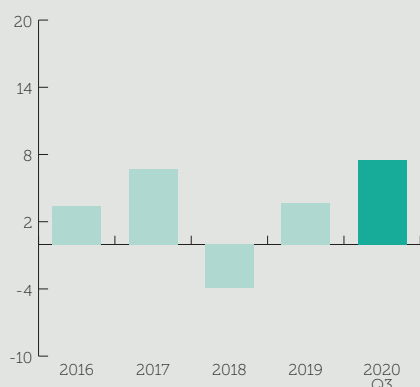
Change in value of properties

The change in value for investment properties in the period was MSEK 1,022 (1,312), equivalent to an increase in value of 2.1 percent (2.9). The unrealized change in value is mainly attributable to the change in net operating income and the higher project completion rate. No change in yield requirements has been done during the third quarter.

MSEK 1,022
(1,312)

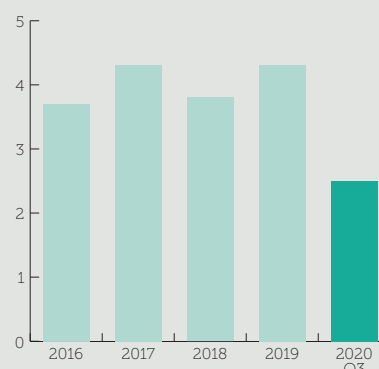
Rikshem reports investment properties at fair value in accordance with IAS 40. Internal property valuations are carried out on a quarterly basis. To verify the internal valuation, the majority of the property portfolio undergoes an external valuation every year. Yield requirement and cost of capital were checked with external appraisers in the second quarter. The valuation conforms to level 3 in the IFRS 13 fair value hierarchy. Deviations between the values assessed internally and externally are well within the uncertainty range of +/- 5 percent.

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



7.5%

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



2.5%

Tax

Reported tax for the period amounted to MSEK -376

MSEK -376
(-373)

(-373), representing both current and deferred tax. Deferred tax is primarily affected by changes in temporary differences between the carrying amount and tax base of investment properties and change in value of financial derivative instruments, while current tax is mostly affected by non-deductible interest and tax-deductible depreciation. 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 1,596 (1,564).

MSEK 1,596
(1,564)

Effects of the coronavirus pandemic

With a property portfolio mainly comprising rental apartments and properties for public use, exposure to the sectors that have been most vulnerable to the pandemic is extremely low. Just under 4 percent of the company's rental income comes from letting commercial premises. Only a small number of Rikshem's tenants have applied

for rent respite or requested rent discounts within the framework of the part-government-financed rent support scheme. Rikshem monitors debt collection cases on an ongoing basis, and there is nothing to suggest an increasing trend.

Yield requirement and rent/sqm per property type

Property type	Rent/sqm			Yield requirement		
	min.	average	max.	min.	average	max.
Residential properties	729	1,269	2,870	2.40%	3.84%	5.60%
Properties for public use:					4.68%	
Nursing homes	550	1,481	2,818	3.60%	4.59%	7.50%
Schools	699	1,543	2,351	4.70%	5.05%	6.65%
Commercial properties	736	1,312	5,515	3.80%	5.22%	7.45%
Average		1,330			4.11%	

Change in yield requirement per property type

Property type	Value in MSEK	Sept. 30, 2020	Dec. 31, 2019	Change*
Residential properties	34,866	3.84%	3.85%	-0.01%
Properties for public use:				
Nursing homes	11,972	4.59%	4.59%	0.00%
Schools	2,943	5.05%	5.07%	-0.02%
Commercial properties	980	5.22%	5.09%	0.13%
Total	50,761	4.11%	4.12%	-0.01%

*The change is related to reclassification of properties

Property portfolio

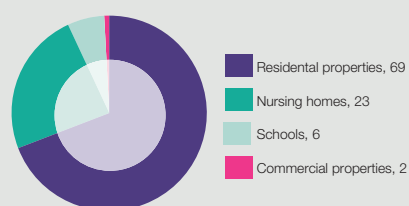
At September 30, 2020, Rikshem's property portfolio comprised 541 properties (560) with a fair value of MSEK 50,761 (49,307). MSEK 34,866 of this pertained to residential properties, MSEK 11,972 to nursing homes, MSEK 2,943 to schools and MSEK 980 to commercial properties.

The property portfolio includes development rights valued at MSEK 811. Properties representing 47 percent of the fair value are located along the Greater Stockholm-Uppsala axis. Altogether, the property portfolio comprises 28,552 apartments

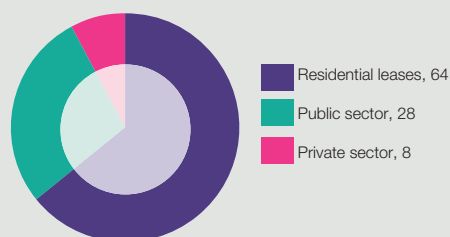
(29,214) and lettable area of approximately 2,239,000 sqm (2,292,000).



Breakdown of fair value of investment properties (%)



Breakdown of rental income (%)



Rikshem's property portfolio, September 30, 2020

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	
Residential properties segment										
- Residential	34,866	69	1,592	21,891						
- Commercial*	521	1	13	41,248						
Residential properties	35,387	70	1,605	22,044	2,058	90	4	6	100	
Properties for public use segment										
- Nursing homes	11,972	23	464	25,791						
- Schools	2,943	6	133	22,179						
- Commercial*	459	1	37	12,432						
Properties for public use	15,374	30	634	24,256	890	5	83	12	100	
Total	50,761	100	2,239	22,670	2,948	64	28	8	100	

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



Rikshem continues to refine its property portfolio through selective acquisitions as well as divestments of properties that are not considered suitable for the portfolio in the long term. Since 2019, the company has also intensified its work on project development within existing properties.

Transactions and investments

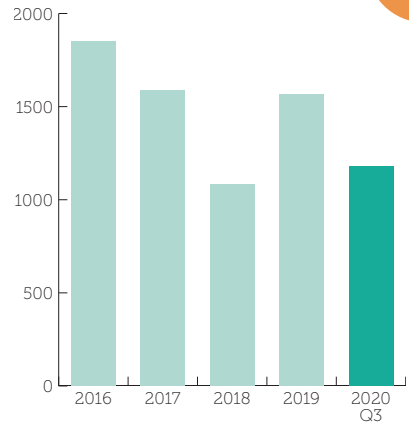
Rikshem acquired properties totaling MSEK 59 during the period, including a property in development in Uppsala. Properties have been divested for MSEK 805. The biggest sale involved 883 apartments in Östersund, comprising approximately 62,500 sqm across 13 residential properties in Torvalla, Odensala and central Östersund. The properties were taken into possession by the buyer during the third quarter.

Investments in existing properties during the period amounted to MSEK 1,178 (953), of which MSEK 701 (355) pertained to redevelopment and renovation of residential properties, MSEK 205 (369) to new construction of residential properties and

MSEK 273 (229) to investments in properties for public use.

Construction of 723 new apartments is under way, with residents expected to move in between Q4 2020 and Q4 2022. RM&U renovation projects are in progress in 1,533 apartments across ten properties, with residents moving in on an ongoing basis. Year to date, residents have moved in to 296 apartments that have undergone RM&U renovation, 135 apartments that have been renovated after the previous tenant moved out, and 179 new-build apartments, including 105 in nursing homes.

Investments (MSEK)

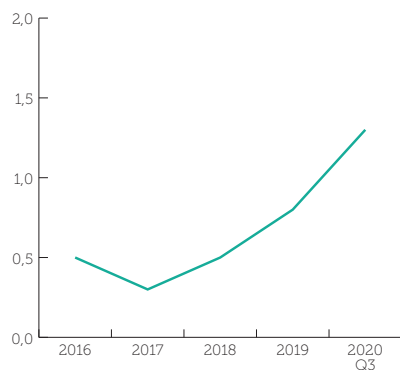


MSEK 1,178

Fair value of investment properties

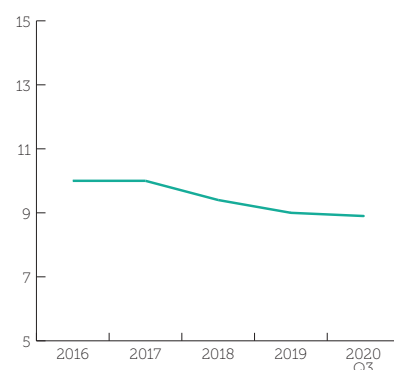
Amounts in MSEK	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Fair value at the beginning of the period	49,307	45,687	45,687
Change in value	1,022	1,312	1,538
Investments	1,178	953	1,568
Acquisitions	59	611	879
Divestments	-805	-365	-365
Fair value at the end of the period	50,761	48,198	49,307
Fair value incl. Rikshem's share of properties in joint ventures	53,412	50,507	51,871

Market vacancy rate, residential properties (%)



1.3%

Average lease term, properties for public use (years)



8.9 years

Projects in development

Rikshem has several projects in progress, both new construction of residential properties and properties for public use and a number of RM&U renovations.

Larger projects in progress

Property/project	Location	Project category	Number of apartments before	Number of apartments after	Estimated completion
Bonden	Halmstad	New construction (residential)		178	Q4 2022
Flyttfågeln	Umeå	RM&U renovation	188	188	Q4 2024
Vård södra	Uppsala	New construction (public use)		96	Q3 2021
Enheten 1	Halmstad	New construction (residential)		155	Q2 2022
Planen	Norrköping	RM&U renovation	167	227	Q1 2022
Planen	Norrköping	New construction (residential)		99	Q1 2021
Nåden	Halmstad	New construction (residential)		92	Q2 2022

Example of project



Enheten 1 (Halmstad)

The project comprises construction of 87 new rental apartments of 1 to 3 rooms and kitchen, covering a total area of approximately 5,700 sqm across three five-floor buildings. Residents are expected to move in during the fall 2021.

The property is being developed by densifying land already owned by Rikshem in the Galgberget district.

Joint ventures



Rikshem's joint ventures

- VärmdöBostäder AB
- Farsta Stadsutveckling AB
- Boostad Bostad Sverige AB
- Bergagårdshöjdens JV AB
- Tidmätaren Fastighets AB

Participations in joint ventures

Rikshem holds participations in joint ventures with a total value of MSEK 1,710 (1,658).

The value of Rikshem's share of the property holdings in these joint ventures, which are consolidated according to the equity method, is SEK 2.7 billion. The largest joint venture holding of MSEK 995 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 Ilikano Bostad each owning 50 percent.

Other participations in associated companies totaling MSEK 106 pertain to development projects owned and operated together with Nordr (formerly Veidekke Eiendom), P&E Fastighetspartner and Glommen & Lindberg.

MSEK 1,710
(1,658)

The joint ventures involve some development of condominiums. At September 30, 2020, there were 111 apartments in production, 44 of which had been sold. Rikshem's share of the unsold apartments is 33. One completed apartment remained unsold, of which Rikshem's share is 0.5.

Earnings from joint ventures

Earnings from joint ventures amounted to MSEK 1 (92). The difference between the periods is essentially explained by the change in value of properties, with Farsta Stadsutveckling AB accounting for a significant share.

MSEK 1
(92)

Example of joint venture



Photo from VärmdöBostäder

VärmdöBostäder

VärmdöBostäder owns and manages approximately 2,000 apartments in Gustavsberg, Hemmesta, Stavsnäs/Djurö and Ingarö.

New construction in Brunn C.

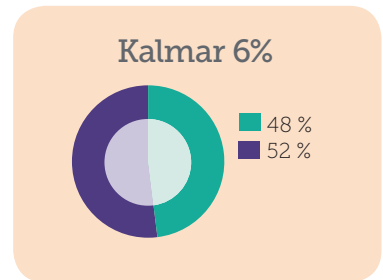
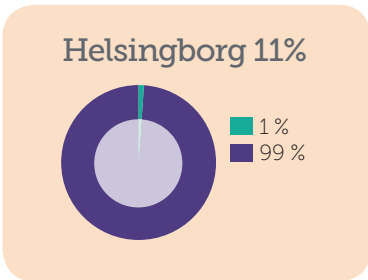
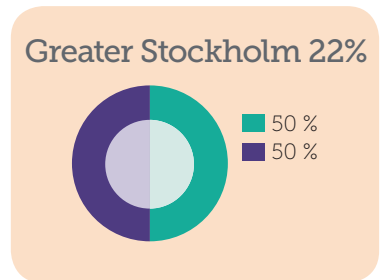
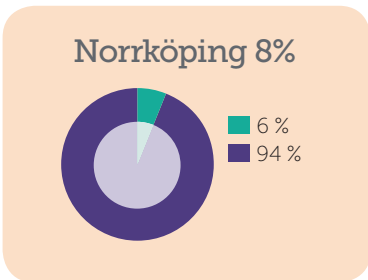
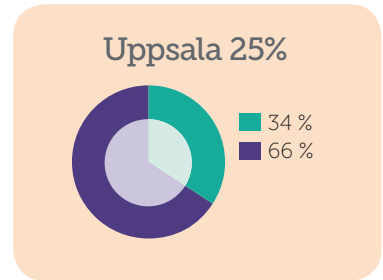
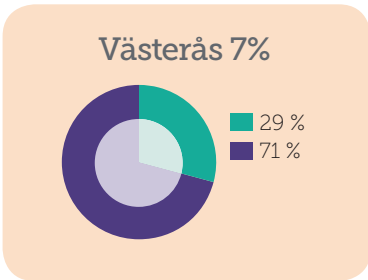
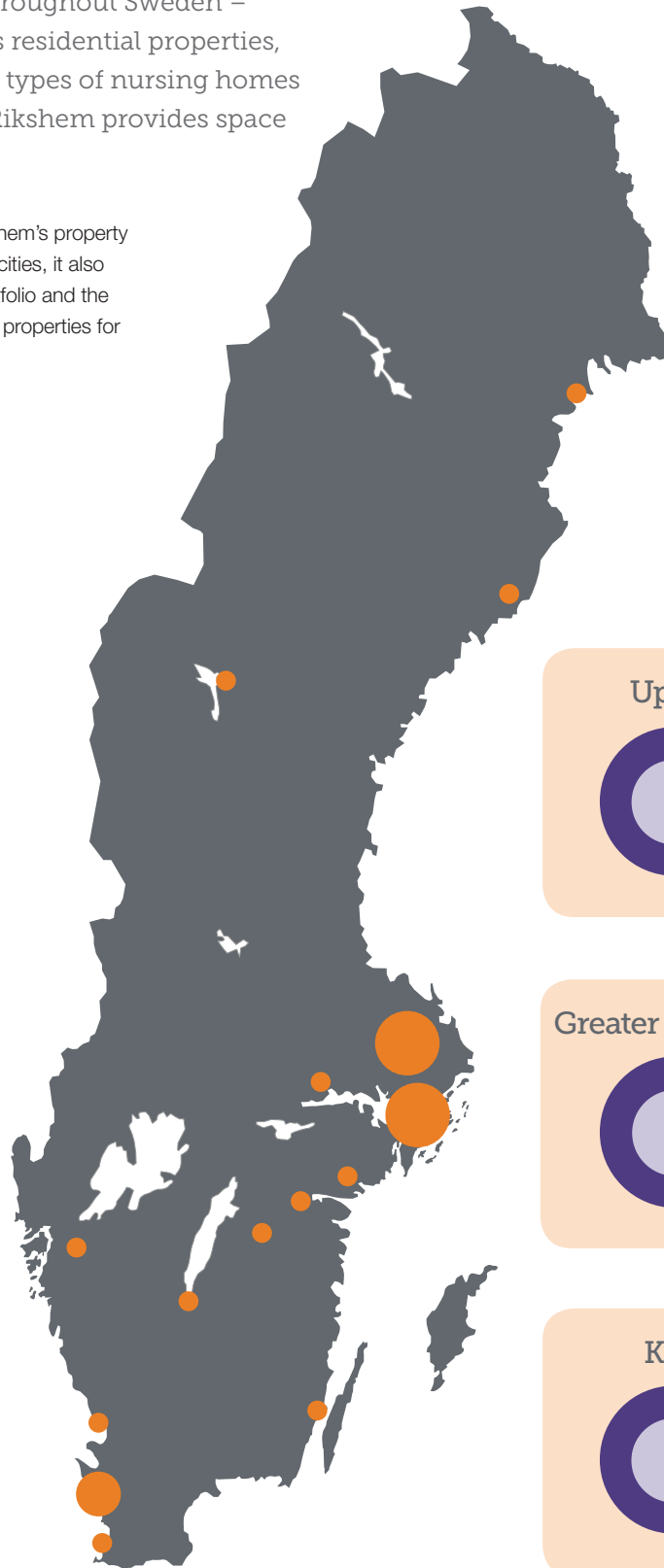
VärmdöBostäder's new construction project for residential housing in the central area of Brunn comprises approximately 130 new rental apartments of 1 to 3 rooms and kitchen as well as 500 sqm commercial premises adjacent to a new public square. The work is being carried out in two stages, with the turf-cutting ceremony scheduled for November 2020. The project is expected to be completed in fall/winter 2021.

Our largest cities

Rikshem owns properties throughout Sweden – from north to south. With its residential properties, schools, preschools, various types of nursing homes and social meeting places, Rikshem provides space for all life stages.

The map shows the distribution of Rikshem's property portfolio in Sweden. For our six largest cities, it also shows the percentage share of the portfolio and the split between residential properties and properties for public use.

- Properties for public use
- Residential properties



Segment reporting

Amounts in MSEK	Residential properties		Properties for public use		Total	
	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Rental income	1,590	1,538	686	649	2,276	2,187
Property expenses	-718	-742	-212	-224	-930	-966
Net operating income	872	796	474	425	1,346	1,221
Change in value of properties	856	861	166	451	1,022	1,312
Total return	1,728	1,657	640	876	2,368	2,533
Total return excl. joint ventures, % (R12)	5.6%	8.0%	7.2%	9.8%	6.1%	8.6%
Fair value of properties	35,387	33,769	15,374	14,429	50,761	48,198
Proportion, %	70	70	30	30	100	100
Area, 1,000 sqm	1,605	1,651	634	622	2,239	2,273
Fair value, SEK/sqm	22,044	20,454	24,256	23,190	22,670	21,206
Investments	906	724	272	229	1,178	953



Financing

Significant turbulence was experienced on the capital market in the second quarter, with limited access to capital at times as a result of the coronavirus pandemic. Liquidity was restored to the market over the summer and, at the end of the period, the credit margins for companies with Rikshem's credit rating were essentially back at pre-pandemic levels.

The uncertainty in the capital markets during March and April pushed up Rikshem's credit margins, which affected the interest expense. Since the early summer, liquidity in the capital market has improved. Credit margins have declined and, at the end of the period, were essentially back at the same levels as before the pandemic.

A five-year MSEK 200 bond and commercial papers of MSEK 1,538 have been issued during the third quarter. Nine bonds with a total value of approximately SEK 2.7 billion have been issued year to date. A new SEK 1 billion bank loan has been signed, and an MSEK 475 bank loan extended to 2023.

Cash and cash equivalents

Cash and cash equivalents amounted to MSEK 1,532 (568). The increase was implemented to increase flexibility in an at times turbulent market situation. On the closing date, pledged assets received under Credit Support Annexes (CSAs) for combined interest-rate and currency swaps amounted to MSEK 421. These pledged assets are settled on a monthly basis.

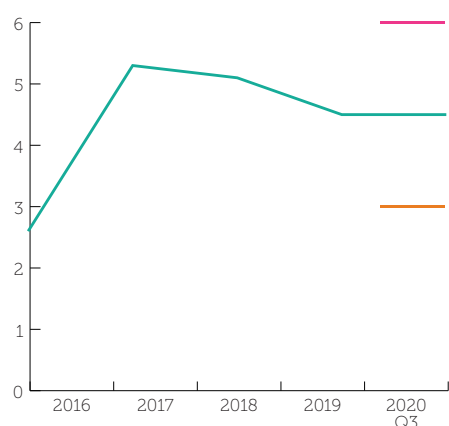
Financial derivative instruments

At September 30, 2020, the company had an interest-rate derivative portfolio that hedged SEK 17.8 billion, with the

company paying a fixed rate and receiving floating interest.

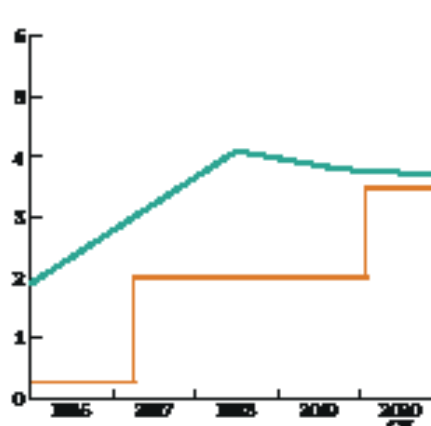
The company also has combined interest-rate and currency swaps to hedge loans raised in other currencies. The total fair value of the company's financial derivative instruments with a positive fair value amounted to MSEK 513 (509), while the fair value of financial derivative instruments with a negative fair value was MSEK -912 (-432). The net fair value of the derivative portfolio was MSEK -398 (77).

Average interest-rate duration (years)



- Average interest-rate duration (years)
- Minimum level according to the company financial policy
- Maximum level according to the company financial policy

Average debt duration (years)



- Average debt duration (years)
- Minimum level average debt duration, according to the company financial policy

Interest-bearing liabilities

At the end of the period, interest-bearing liabilities amounted to MSEK 27,124 (26,868). Of these, MSEK 5,309 (4,317) pertained to secured bank loans, MSEK 199 (199) to liabilities to the European Investment Bank, MSEK 1,538 (2,740) to funding through commercial paper and MSEK 19,893 (19,582) to bond loans. In addition, the company had MSEK 185 (30) in interest-bearing liabilities to related parties. All bank loans are secured by collateral in properties. In total, secured financing accounted for 10 percent (9) of the fair value of the investment properties.

Of Rikshem's outstanding bonds, bonds corresponding to SEK 4.1 billion have been issued in EUR, SEK 5.7 billion in NOK and SEK 0.3 billion in AUD. The remaining bonds have been issued in SEK.

MSEK
27,124
(26,868)

The carrying amount of foreign-currency bonds on the closing date was SEK 4.4 billion (EUR), SEK 5.1 billion (NOK) and SEK 0.3 billion (AUD). At the end of the period, the average interest rate was 1.7 percent, which is up 0.1 percentage point on the same date in 2019 and unchanged from the end of the previous quarter. Fees for unutilized backup facilities are included in the average interest rate.

The average debt duration is 3.7 years (3.8), and the average interest-rate duration is 4.5 years (4.5).

Green financing

A total of SEK 1.2 billion in green bonds has been issued year to date. At September 30, 2020, outstanding green bonds totaled SEK 2.4 billion. Loans from the European Investment Bank for energy efficiency initiatives amounted to MSEK 199.

Backup facilities

The refinancing and liquidity risk inherent in the maturity structure is managed in part with backup facilities from Rikshem's owners (SEK 10 billion) and Swedish banks (SEK 3 billion). In addition, MSEK 800 of the credit facility with the European Investment Bank is unutilized, and there is an overdraft facility of MSEK 500. The credit facility with the European Investment Bank can only be used to finance investments in energy efficiency initiatives.

Rating

Rikshem has an A3 credit rating with stable outlook from the credit rating agency Moody's. In September Rikshem decided to end the rating by S&P Global.

Interest-bearing external liabilities

Maturity Years	Interest-rate duration		Debt duration	
	Amount (MSEK)	Proportion,	Amount (MSEK)	Proportion,
<1 year	4,176	15.4%	7,900	29.1%
1-2 years	1,776	6.5%	3,690	13.6%
2-3 years	2,450	9.0%	3,343	12.3%
3-4 years	4,538	16.7%	4,188	15.5%
4-5 years	1,884	6.9%	1,568	5.8%
5-6 years	3,000	11.1%	875	3.2%
6-7 years	2,000	7.4%	1,191	4.4%
7-8 years	2,500	9.2%	471	1.7%
8-9 years	2,400	8.9%	833	3.1%
>9 years	2,400	8.9%	3,065	11.3%
Total	27,124	100%	27,124	100%

Interest-rate derivative portfolio

Maturity date	Nominal amount (year-end), SEK billion	Average interest rate (year-end)
2020	17.8	0.8%
2021	17.3	0.8%
2022	15.8	0.8%
2023	13.8	0.8%
2024	13.3	0.8%
2025	10.8	0.9%
2026	7.8	0.9%
2027	5.8	0.8%
2028	3.8	0.7%
2029	1.9	0.9%
2030	0	

Group – Condensed statement of comprehensive income

Amounts in MSEK	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Oct 2019–Sep 2020	Jan–Dec 2019
Rental income	755	745	2,276	2,187	3,005	2,916
Operating expenses	-151	-147	-546	-559	-758	-771
Repairs and maintenance	-57	-62	-190	-223	-273	-306
Property administration	-51	-45	-161	-154	-218	-211
Property tax	-11	-10	-33	-30	-45	-42
Total property expenses	-270	-264	-930	-966	-1,294	-1,330
Net operating income	485	481	1,346	1,221	1,711	1,586
Central administration	-13	-20	-58	-61	-97	-100
Net financial items	-119	-109	-347	-337	-454	-444
Earnings from joint ventures	6	1	1	92	153	244
<i>of which income from property management</i>	<i>13</i>	<i>4</i>	<i>25</i>	<i>11</i>	<i>20</i>	<i>6</i>
<i>of which change in value of properties</i>	<i>0</i>	<i>-2</i>	<i>-18</i>	<i>102</i>	<i>180</i>	<i>300</i>
<i>of which change in value of financial derivative instruments</i>	<i>0</i>	<i>-</i>	<i>-1</i>	<i>-</i>	<i>0</i>	<i>1</i>
<i>of which tax</i>	<i>-7</i>	<i>-1</i>	<i>-5</i>	<i>-21</i>	<i>-47</i>	<i>-63</i>
Income from property management	359	353	942	915	1,313	1,286
Change in value of investment properties	163	282	1,022	1,312	1,247	1,538
Change in value of interest-rate derivatives	-5	-191	-324	-710	116	-270
Change in value of foreign exchange derivatives	-44	145	-154	863	-512	505
Foreign exchange effects on financial liabilities	20	-26	486	-443	714	-215
Profit before tax	493	563	1,972	1,937	2,878	2,844
Tax	-76	-125	-376	-373	-602	-600
Profit/loss for the period/year	417	438	1,596	1,564	2,276	2,244
Other comprehensive income						
Revaluation of pensions	-	-	-	-	-3	-3
Tax, pensions	-	-	-	-	1	1
Other comprehensive income for the period/year, net after tax	-	-	-	-	-2	-2
Total comprehensive income for the period/year	417	438	1,596	1,564	2,274	2,242

Group – Condensed statement of financial position

Amounts in MSEK	Sept. 30, 2020	Sept. 30, 2019	Dec. 31, 2019
ASSETS			
Investment properties	50,761	48,198	49,307
Participations in joint ventures	1,710	1,475	1,658
Equipment	4	5	5
Leaseholds and other right-of-use assets	132	128	131
Financial derivative instruments	513	835	509
Non-current receivables	220	192	179
Total non-current assets	53,340	50,833	51,789
Current receivables	230	349	255
Cash and cash equivalents	1,532	607	568
Total current assets	1,762	956	823
TOTAL ASSETS	55,102	51,789	52,612
EQUITY AND LIABILITIES			
Equity	22,037	19,763	20,441
Deferred tax	3,568	3,171	3,392
Interest-bearing liabilities	19,224	21,721	19,699
Financial derivative instruments	912	840	432
Non-current liabilities, leases	118	114	117
Non-interest-bearing liabilities	6	3	6
Total non-current liabilities	23,828	25,849	23,646
Interest-bearing liabilities	7,900	4,574	7,169
Current liabilities, leases	12	12	14
Non-interest-bearing liabilities	1,325	1,591	1,342
Total current liabilities	9,237	6,177	8,525
TOTAL EQUITY AND LIABILITIES	55,102	51,789	52,612

Consolidated statement of changes in equity

Amounts in MSEK	Share capital	Other contributed capital	Retained earnings including profit for the year	Total equity
Opening balance, Jan. 1, 2019	100	4,874	13,225	18,199
Profit for the period, Jan–Sep			1,564	1,564
Other comprehensive income, Jan–Sep			-	-
Closing balance, Sept. 30, 2019	100	4,874	14,789	19,763
Profit for the period, Oct–Dec			680	680
Other comprehensive income, Oct–Dec			-2	-2
Closing balance, Dec. 31, 2019	100	4,874	15,467	20,441
Opening balance, Jan. 1, 2020	100	4,874	15,467	20,441
Profit for the period, Jan–Sep			1,596	1,596
Other comprehensive income, Jan–Sep			-	-
Closing balance, Sept. 30, 2020	100	4,874	17,063	22,037



Investments in existing properties in the period.

MSEK 1,178

Of this amount, redevelopment and renovation of residential properties accounted for MSEK 701, new construction for MSEK 205 and investments in properties for public use for MSEK 273.

Consolidated statement of cash flows

Amounts in MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct 2019-Sep 2020	Jan-Dec 2019
Cash flow from operating activities	472	461	1,289	1,165	1,615	1,491
Interest paid	-114	-105	-336	-330	-451	-445
Tax paid	-	-	-22	-24	-22	-24
Change in working capital	27	-57	-102	-202	242	142
Cash flow from operating activities	385	299	829	609	1,384	1,164
Investment in investment properties	-368	-274	-1,178	-953	-1,793	-1,568
Acquisition of investment properties	-	-250	-52	-611	-292	-851
Divestment of investment properties	758	0	802	365	802	365
Change in equipment	0	0	-1	-2	-1	-2
Investment in financial assets	-40	0	-140	-45	-172	-76
Divestment of financial assets	50	0	50	113	64	127
Dividend from financial assets	-	-	-	1	-	1
Cash flow from investing activities	400	-524	-519	-1,132	-1,392	-2,004
Loans raised	1,738	3,100	9,746	8,173	12,271	10,698
Repayment of loans	-2,433	-3,065	-9,000	-8,870	-10,722	-10,592
Change in collateral	-112	316	-87	814	-613	287
Redemption of financial instruments	0	-	-4	-	-4	-
Repayment of finance leases	0	-1	-1	-2	1	0
Cash flow from financing activities	-807	350	654	115	933	393
Cash flow for the period/year	-22	125	964	-408	925	-447
Cash and cash equivalents at the beginning of the period/year	1,554	482	568	1,015	607	1,015
Cash and cash equivalents at the end of the period/year	1,532	607	1,532	607	1,532	568

Parent Company – Condensed income statement

Amounts in MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Oct 2019–Sep 2020	Jan-Dec 2019
Income	59	50	182	171	247	235
Other operating expenses	-29	-27	-93	-86	-143	-136
Personnel expenses	-48	-43	-150	-145	-212	-207
Depreciation	–	-1	-1	-2	-2	-2
Operating profit	-18	-21	-62	-62	-110	-110
Earnings from Group companies	26	27	73	257	400	584
Net interest income	63	11	207	14	221	28
Change in value of interest-rate derivatives	-5	-191	-324	-710	116	-270
Change in value of foreign exchange derivatives	-45	145	-154	863	-512	505
Foreign exchange effects on financial liabilities	19	-26	485	-443	713	-215
Profit/loss after financial items	40	-55	225	-81	828	522
Tax	71	-38	95	-42	77	-60
Profit/loss for the period/year	111	-93	320	-123	905	462

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 its property-owning subsidiaries. No properties are owned directly by the Parent Company.

The Parent Company's income for the period amounted to MSEK 182 (171) and mainly comprised fees for services provided to the subsidiaries. Administrative costs increased to MSEK -244 (-233). Financial items totaled MSEK 287 (19).

In addition to net interest income, financial items included earnings from participations in Group companies of MSEK 73 (257) and changes in value of financial instruments equivalent to MSEK 7 (-290).



The Parent Company's assets at September 30, 2020 amounted to MSEK 34,690 (34,000) and mostly comprised shares and participations in subsidiaries and receivables from Group companies.

Cash and cash equivalents amounted to MSEK 1,529 (561). The Parent Company's liabilities totaled MSEK 26,925 (26,555) and mainly comprised commercial papers, bonds and bank loans. Equity totaled MSEK 7,765 (7,445) on the closing date.

Parent Company – Condensed balance sheet

Amounts in MSEK	Sept. 30, 2020	Sept. 30, 2019	Dec. 31, 2019
ASSETS			
Equipment	3	4	4
Shares and participations in Group companies	1,945	1,945	1,945
Receivables from Group companies	30,515	30,220	30,887
Financial derivative instruments	513	835	509
Non-current receivables	49	29	29
Total non-current assets	33,025	33,033	33,374
Current assets	136	86	65
Cash and cash equivalents	1,529	603	561
Total current assets	1,664	689	626
TOTAL ASSETS	34,690	33,722	34,000
EQUITY AND LIABILITIES			
Equity	7,765	6,859	7,445
Deferred tax	143	220	238
Financial derivative instruments	911	840	432
Interest-bearing liabilities	23,688	23,993	24,579
Liabilities to Group companies	1,637	676	678
Non-interest-bearing liabilities	546	1,134	628
Total liabilities	26,925	26,863	26,555
TOTAL EQUITY AND LIABILITIES	34,690	33,722	34,000

Other information

Board of Directors and CEO

The composition of the Board of Directors of Rikshem AB (publ) has changed during the period, with Per Uhlén and Ulrica Messing elected as ordinary members at the AGM and Lena Boberg standing down at the same time. This means that Rikshem's board now consists of seven ordinary members. Anette Frumerie took up the position of CEO on 5 May.

Employees

The number of employees in the Rikshem Group at the end of the period was 267 (256): 147 men and 120 women.

Risks

The spread of the COVID-19 virus and the measures this has necessitated have had a significant impact on society and the

global economy. No segment or market will be unaffected by the pandemic. However, Rikshem's assessment is that the residential properties and properties for public use segments have been less affected than other segments of the property market. In combination with the company's strong financial position, this means Rikshem is well equipped to weather the crisis. If the crisis is prolonged and results in a deep recession, Rikshem envisages risks in the impact this could have on the company's tenants, restrictions in access to capital, and completion of projects.

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 52 of the annual report for 2019.

Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as approved by the European Union (EU). The Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups have also been applied. This interim report has been prepared according to IAS 34 Interim Financial Reports and the Annual Accounts Act. The Parent Company's accounting policies comply with the Annual Accounts Act and RFR 2. The same accounting policies, valuation principles and calculation methods have been applied as in the annual report for 2019.



New standards and interpretations that come into force from 2020 onwards

Effective 2020, the IASB has implemented a change in IFRS 3 that addresses the boundary between a business combination and an asset acquisition by providing a new definition of a business. The change and the definition are in line with Rikshem's current treatment of acquisitions and are not deemed to have any material effects on Rikshem's earnings or financial position. 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 29 of the annual report for 2019. No material related-party transactions have been carried out during the period.

Significant events after the end of the period

No significant events have taken place after the end of the period.

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.



Financial calendar

Year-end report 2020
February 5, 2021

Annual Report and Sustainability Report 2020
March 29, 2021

Interim report Jan–Mar 2021
May 8, 2021

Stockholm, November 3, 2020

Bo Magnusson
Chairman of the Board

Pernilla Arnrud Melin
Board member

Liselotte Hjorth
Board member

Andreas Jensen
Board member

Ulrica Messing
Board member

Per-Gunnar Persson
Board member

Per Uhlén
Board member

Anette Frumerie
CEO

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

Quarterly data

Amounts in MSEK	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Income statement						
Rental income	755	760	761	729	745	724
Property expenses	-270	-312	-348	-364	-264	-323
Net operating income	485	448	413	365	481	401
Central administration	-13	-23	-22	-39	-20	-20
Net financial items	-119	-116	-112	-107	-109	-114
Earnings from joint ventures	6	-8	3	152	1	83
Income from property management	359	301	282	371	353	350
Change in value of investment properties	163	730	129	226	282	857
Change in value of and foreign exchange effects on financial instruments	-29	60	-23	310	-72	-218
Profit before tax	493	1,091	388	907	563	989
Tax and other comprehensive income	-76	-228	-72	-229	-125	-155
Comprehensive income for the period	417	863	316	678	438	834
Statement of financial position						
Investment properties	50,761	50,989	49,718	49,307	48,198	47,392
Participations in joint ventures	1,710	1,679	1,662	1,658	1,475	1,474
Other assets	1,099	1,154	1,316	1,079	1,509	1,339
Cash and cash equivalents	1,532	1,554	858	568	607	482
Total assets	55,102	55,376	53,554	52,612	51,789	50,687
Equity	22,037	21,620	20,757	20,441	19,763	19,325
Deferred tax	3,568	3,548	3,399	3,392	3,171	3,045
Interest-bearing liabilities	27,124	27,837	26,963	26,868	26,295	26,233
Other liabilities	2,373	2,371	2,435	1,911	2,560	2,084
Total equity and liabilities	55,102	55,376	53,554	52,612	51,789	50,687
Key performance indicators						
Loan-to-value ratio, %	53	55	54	54	54	55
Equity/assets ratio, %	40	39	39	39	38	38
Interest-coverage ratio, multiple*	3.6	3.7	3.7	3.5	3.5	3.3
Return on equity, %*	10.9	11.2	11.6	11.6	12.9	13.7
Property yield, %*	3.5	3.5	3.5	3.3	3.4	3.3
Surplus ratio, %	64	59	54	50	65	55

*Rolling 12 months

Key performance indicators

Amounts in MSEK	Jan–Sep 2020	2019	2018	2017	2016	2015
Income statement						
Rental income	2,276	2,916	2,792	2,665	2,484	2,040
Net operating income	1,346	1,586	1,524	1,555	1,420	1,192
Income from property management	942	1,286	1,008	1,150	1,208	579
Change in value of properties, MSEK	1,022	1,538	2,107	1,647	1,962	1,856
Profit for the period	1,596	2,244	2,489	2,430	2,433	1,964
Statement of financial position						
Equity	22,037	20,441	18,199	15,710	13,281	10,360
External liabilities	27,124	26,838	26,493	24,022	23,422	21,074
Fair value of properties	50,761	49,307	45,687	41,039	37,878	32,009
Total assets	55,102	52,612	48,734	43,501	40,114	34,053
Financial key figures						
Equity/assets ratio, %	40	39	37	36	33	30
Loan-to-value ratio, %	53	54	58	59	62	66
Interest-coverage ratio, multiple*	3.6	3.5	3.2	3.5	3.8	3.6
Net debt/EBITDA, multiple	16.1	18.0	17.6	15.8	17.2	19.0
Loan-to-value ratio, secured loans, %	10	9	10	12	15	21
Average interest rate, %	1.7	1.6	1.7	2.0	1.5	1.6
Interest-rate duration, years	4.5	4.5	5.1	5.3	2.6	2.4
Debt duration, years	3.7	3.8	4.1	3.0	1.9	1.4
Return on equity, %*	10.9	11.6	14.7	16.8	20.6	25.8
Property yield, %*	3.5	3.3	3.5	3.9	4.1	4.2
Total return excl. joint ventures, %*	6.1	6.7	8.6	8.3	10.0	11.0
Total return incl. joint ventures, %*	6.2	7.2	7.8	8.3	10.3	11.3
Property-related key figures						
Number of properties	541	560	555	586	574	533
Lettable area, 1,000 sqm	2,239	2,292	2,274	2,219	2,182	1,975
Number of apartments	28,552	29,214	28,840	27,924	27,224	24,203
Proportion of properties for public use, %	30	30	29	29	29	38
Vacancy rate, residential properties, %	3.3	3.5	3.2	2.7	3.6	2.6
Market vacancy rate, residential properties, %	1.3	0.8	0.5	0.3	0.5	0.4
Remaining lease term for properties for public use, years	8.9	9.0	9.4	9.8	10.3	10.5
Fair value, SEK/sqm	22,670	21,512	20,090	18,494	17,362	16,205
Growth in income for the like-for-like portfolio, %	2.5	4.3	3.8	4.3	3.7	2.7
Growth in net operating income for the like-for-like portfolio, %	7.5	3.6	-3.9	6.7	3.4	6.8
Surplus ratio, %*	59	54	55	58	57	58
*Rolling 12 months						
Employees						
Number of employees	267	259	242	206	192	173

Key performance indicators – calculations

Both interim and annual reports refer to a number of financial metrics that are not defined by IFRS. Rikshem believes that these metrics help both investors and the company's 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	Sep 2019– Oct 2020	Jan–Dec 2019	Sep 2018– Oct 2019	Jan–Dec 2018
Return on equity				
Profit for the period	2,276	2,244	2,403	2,489
Average equity	20,900	19,320	18,562	16,954
Return on equity	10.9%	11.6%	12.9%	14.7%
Net operating income				
Rental income	3,005	2,916	2,908	2,792
Property expenses	-1,294	-1,330	-1,346	-1,268
Net operating income	1,711	1,586	1,562	1,524
Surplus ratio				
Net operating income	1,711	1,586	1,562	1,524
Rental income	3,005	2,916	2,908	2,792
Surplus ratio	57%	54%	54%	55%
Property yield				
Net operating income	1,711	1,586	1,562	1,524
Opening property value	48,198	45,687	44,282	41,039
Closing property value	50,761	49,307	48,198	45,687
Adjusted average prop- erty value	49,480	47,497	46,240	43,363
Property yield	3.5%	3.3%	3.4%	3.5%
Total return				
Net operating income	1,711	1,586	1,562	1,524
Change in value of prop- erties	1,247	1,538	2,293	2,107
Total	2,959	3,124	3,855	3,631
Opening property value	48,198	45,687	44,282	41,039
Closing property value	50,761	49,307	48,198	45,687
Minus unrealized change in value	-1,247	-1,538	-2,293	-2,107
Adjusted average prop- erty value	48,856	46,728	45,093	42,310
Total return	6.1%	6.7%	8.6%	8.6%

Interest-coverage ratio				
Profit before tax	2,878	2,844	2,987	2,922
<i>Reversal</i>				
<i>Change in value of properties</i>	<i>-1,247</i>	<i>-1,538</i>	<i>-2,293</i>	<i>-2,107</i>
<i>Change in value of financial deriva- tive instruments and loans</i>	<i>-317</i>	<i>-20</i>	<i>443</i>	<i>193</i>
<i>Earnings from joint ventures</i>	<i>-153</i>	<i>-244</i>	<i>-104</i>	<i>-7</i>
<i>Other financial expenses</i>	<i>29</i>	<i>29</i>	<i>29</i>	<i>13</i>
<i>Interest expenses</i>	<i>448</i>	<i>429</i>	<i>433</i>	<i>458</i>
Operating profit	1,638	1,500	1,495	1,472
External interest	-448	-429	-433	-458
Interest-coverage ratio, multiple	3.6	3.5	3.5	3.2

Amounts in MSEK	Sept. 30, 2020	Dec. 31, 2019	Sept. 30, 2019	Dec. 31, 2018
Loan-to-value ratio				
External interest-bear- ing liabilities	27,124	26,838	26,253	26,493
Fair value of invest- ment properties	50,761	49,307	48,198	45,687
Loan-to-value ratio	53%	54%	54%	58%
Loan-to-value ratio, secured loans				
Outstanding secured debt	5,309	4,317	4,318	4,535
Fair value of invest- ment properties	50,761	49,307	48,198	45,687
Loan-to-value ratio, secured loans	10%	9%	9%	10%
Net debt/EBITDA				
External interest-bearing liabilities	27,124	26,838	26,253	26,493
Cash and cash equiva- lents	-1,532	-568	-607	-1,015
Collateral relating to CSA agreements	421	507	1,034	220
Net debt	26,013	26,777	26,680	25,698
Net operating income	1,711	1,586	1,562	1,524
Central administration	-97	-100	-82	-65
Depreciation	2	2	3	3
EBITDA	1,616	1,488	1,483	1,462
Net debt/EBITDA, multiple	16.1	18.0	18.0	17.6

Definitions

Return on equity	Profit for the year in relation to average equity.
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.
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.
Property yield	Annualized net operating income in relation to the average fair value of properties.
Net operating income	Rental income less property expenses.
Economic occupancy rate	Contract rent in relation to total rental value on the closing date less rent related to vacancies due to renovation.
Property expenses	Costs for heating, electricity, water, operation, maintenance, property tax, rent losses and administration.
Net financial items	Net amount of interest income, interest expenses, similar revenue and costs, and leasehold fees.
Income from property management	Net operating income less administrative costs and net financial items plus earnings from joint ventures.
Rental income	Rental value less vacancies and rent discounts.
Debt duration	The weighted remaining maturity of interest-bearing liabilities on the closing date.
Market vacancy rate, residential properties	The number of unrented apartments less apartments unrented due to renovation in relation to the total number of apartments in the residential properties segment on the closing date.
Average interest rate	Average interest rate for interest-bearing liabilities including expenses for backup facilities in relation to current loans 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 EBIDTA. EBIDTA is calculated as net operating income excluding central administration plus reversal of depreciation included in central administration.
Interest-rate duration	The weighted remaining interest-rate duration for interest-bearing liabilities and financial derivative instruments on the closing date.
Interest-coverage ratio	Profit before tax after 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.
Equity/assets ratio	Equity in relation to total assets.
Secured loans	Loans raised against liens on properties.
Total return	Net operating income plus change in value in relation to the average fair value of properties, less unrealized change in value. This definition has been changed since last year, and comparative figures have been restated.
Vacancy rate, residential properties	The number of unrented apartments in relation to the total number of apartments in the residential properties segment on the closing date.
Remaining lease term, properties for public use	The weighted remaining lease term in the rental value in the properties for public use segment on the closing date.
Surplus ratio	Net operating income in relation to rental income.

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