

Uncertain world but stable performance

Akademiska Hus increases its earnings before changes in value and tax for 2022 compared with the previous year. The improvement is mainly attributable to an increase in net operating income, which is in part due to the completion of new buildings. At year-end, the Company's assessed property value totalled just over SEK 115 billion, up from SEK 112 billion the year before. **Read more in the Statement by the CEO on page 6.**

FINANCIAL KEY FIGURES

January–December

- Rental revenue was SEK 6,845 million (6,568).
- Net operating income totalled SEK 5,143 million (4,707).
- Profit before changes in value and tax was SEK 4,490 million (4,136).
- Changes in property values amounted to SEK 1,108 million (12,481). Changes in value for the fourth quarter totalled SEK -2,249 million (4,472).
- Net interest income amounted to SEK -452 million (-368) and changes in the value of financial instruments amounted to SEK 1,310 million (380).
- Profit before tax was SEK 6,909 million (16,997) and profit for the year was SEK 5,490 million (13,790).
- Investments in redevelopment, extensions and new construction totalled SEK 2,551 million (2,524).
- Properties with an underlying value of SEK 722 million (2,293) were sold during the year. The capital gain was SEK 8 million (29). Properties worth SEK 110 million (0) were acquired.
- The yield* (excluding properties under construction) was 4.8 per cent (4.7) over the past 12 months.
- The Board of Directors will propose a dividend of SEK 2,905 million (2,484) at the 2023 Annual General Meeting.

* See definition on page 24.

KEY EVENTS DURING THE QUARTER

- The starting gun has fired on the Umeå Campus for a new building that will meet Umeå University's needs for premises for teaching, examinations and offices. With its strategic and central location in the middle of the campus, the building will be an important addition to the campus. The building is expected to be completed by spring 2025.
- Akademiska Hus continues its expansion of solar panels. Eight new facilities are now ready to deploy at Uppsala University, which are expected to produce a total of 430,000 kWh of renewable energy every year. With this initiative, Akademiska Hus expands its lead as the property company with the most solar panel arrays in Sweden, while making key advances towards achieving its vision of a zero carbon footprint.
- In order to welcome the pharmaceutical research company Xspray Pharma to the Solna Campus, Akademiska Hus is investing SEK 56 million to renovate the Scheele Laboratory. With this new tenant on site, the Solna Campus and neighbouring Hagastaden will be strengthened into one of the most powerful life science clusters in the world. The renovation project is expected to be completed in November 2023.
- Karlstad University and Akademiska Hus have formulated a new vision for the future development of the campus. The Campus plan will serve as a planning tool for the physical environment up until 2040, and includes both indoor and outdoor environments. The objective is to create a sustainable and vibrant campus, as well as a campus that is linked more closely to the city that promotes increased collaboration involving students, graduate students and the business community.
- Akademiska Hus and Linköping University are collaborating with approximately twenty partners from all over Europe in the new EU project TwinAIR (Digital Twins Enabled Indoor Air Quality Management for Healthy Living). The project will be conducted until 2026 and aims to improve air quality in cities using new technology and behaviours.

This is Akademiska Hus

Akademiska Hus' remit is to own, develop and manage properties for colleges and universities. Our operations will be run on a commercial basis and generate a yield that is in line with the market.

In Sweden, the state largely finances higher education at colleges and universities, thereby securing the country's long-term supply of skills. Centres of education are responsible for the provision of premises and Akademiska Hus is the largest property owner nationwide. We contribute experience and expertise based on our remit from the Parliament (the Riksdag): to own, develop and manage properties for colleges and universities, where the primary focus is on education and research, as well as activities compatible therewith. Operations will be run on a commercial basis and generate a yield that is in line with the market by setting rents that take into account the operating risk.

CREDITWORTHY TENANTS AND LONG-TERM CONTRACTS

The majority of Akademiska Hus' revenue, approximately 93 per cent, comes from colleges and universities. Since they are essentially government agencies, this customer group has the highest credit rating. To meet customer needs, we often invest in specially adapted premises, which results in longer lease terms. The average lease term for all signed leases at year-end was 10.2 years (10.4). The average remaining lease term is 6.1 years (6.2). The financial vacancy rate accounts for 2.4 per cent (2.2) of our total rental revenue at year-end. The vacancy rate regarding rentable space excluding properties that will be demolished is 3.4 per cent (3.1). One reason for the relatively low vacancy rate is that new projects generally are not initiated until leases are signed.

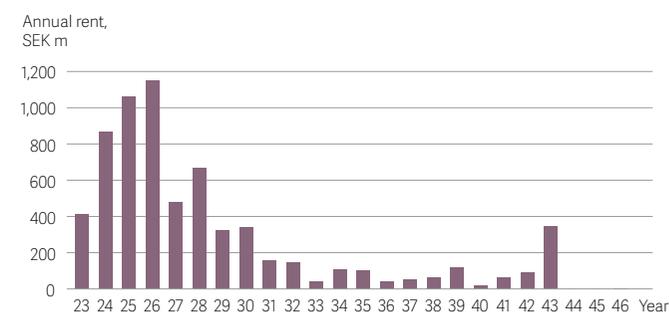
LONG-TERM FINANCING

Cash flow from current operations is reinvested for the most part in new construction as well as in new construction, redevelopment and extensions of existing holdings. The liability portfolio is financed via the public financing programme and primarily in the bond market. Akademiska Hus has had a long-term rating of AA from Standard & Poor's since 1996. These ratings reflect the state ownership, our strong financial position, creditworthy tenants and stable, predictable cash flows, as well as our market position as the leader in knowledge environments for Swedish colleges and universities.

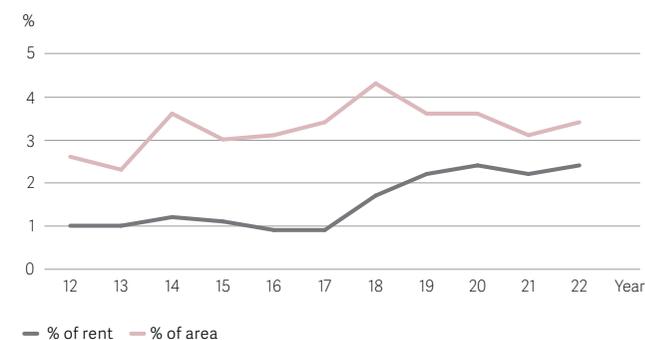
AA

We have had a "AA" long-term rating from Standard & Poor's since 1996.

MATURITY STRUCTURE ON LEASES



LEVEL OF VACANT SPACE





AKADEMISKA HUS IN BRIEF	2022 Oct.–Dec.	2021 Oct.–Dec.	2022 Full-year	2021 Full-year	2020 Full-year
Income from property management, SEK m	1,761	1,701	6,954	6,679	6,418
Net operating income, SEK m	1,246	1,097	5,143	4,707	4,485
Profit before changes in value and taxes, SEK m	1,036	925	4,490	4,136	3,920
Key figures					
Equity ratio	50.2	49.6	50.2	49.6	44.5
Return on operating capital, %	*	*	6.3	18.7	9.0
Return on equity, % after standard tax	*	*	8.6	24.0	11.1
Interest coverage ratio, %	*	*	990	896	768
Loan-to-value ratio, %	26.5	29.8	26.5	29.8	35.6
Yield, properties, % ¹	*	*	4.8	4.7	5.0
Yield, properties, % ²	*	*	4.5	4.4	4.7
Assessed market value, properties, SEK m	115,371	112,323	115,371	112,323	99,611

* Key figures are calculated only for the twelve-month period

¹ Excl. properties under construction and expansion reserves. ² Incl. properties under construction and expansion reserves

OWNER'S FINANCIAL OBJECTIVES:

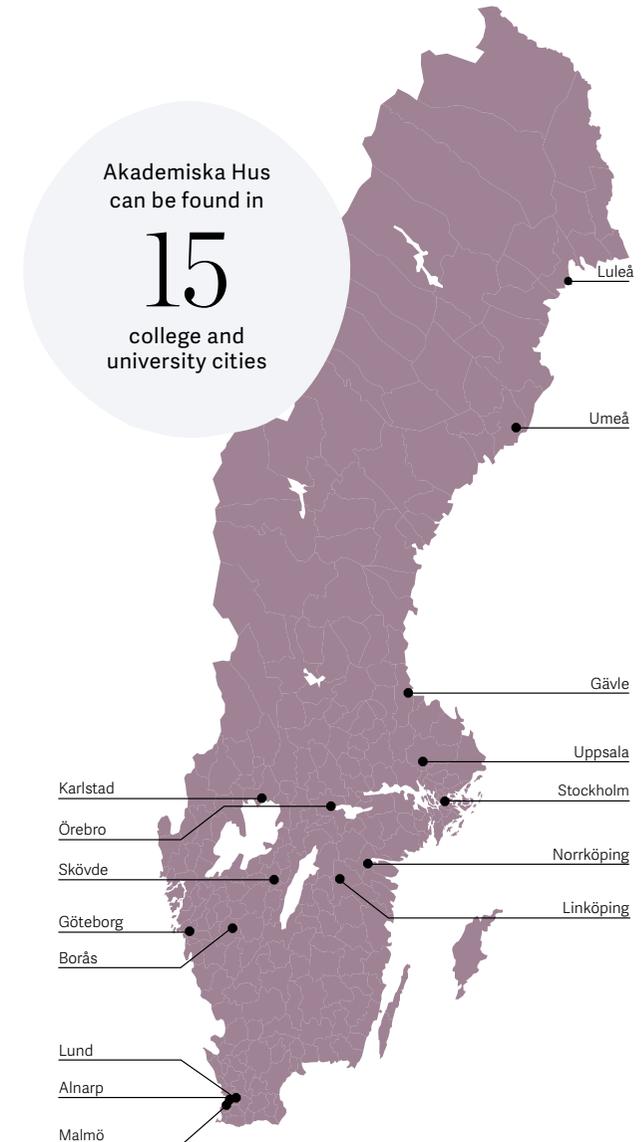
- Return on operating capital shall be at least 6.0 per cent over a business cycle.
- The ordinary dividend shall amount to between 40 and 70 per cent of the net profit after tax for the year after reversal of unrealised changes in value and related deferred tax.
- The equity ratio should be between 35 and 45 per cent over a business cycle.

Our vision – to strengthen Sweden as a nation of knowledge

Together with academia, industry and the community, we develop and manage sustainable and attractive knowledge environments. In this way we strengthen Sweden as a nation of knowledge and create value for both our owner and our customers.

We are the market leader in Sweden in our segment, premises for higher education and research, and our nationwide presence enables us to improve efficiency and transfer examples from one part of the country to another. The collective financial strength that our property portfolio provides creates long-term security, which benefits Swedish research and education. Value-adding knowledge environments entail both successfully developing custom-

ised premises and properties and that we constantly develop our collective deliverables and our service offering. The key to this is a close and effective dialogue with our customers. Read more in our annual report or on our website about how we work with our customers to develop value-adding knowledge environments.



Our six largest locations

Market share, per city/town	Market value and area	Largest centres of education
	SEK 56 billion 1,051,000 m ²	Stockholm University Karolinska Institutet Royal Institute of Technology
	SEK 19 billion 599,000 m ²	Uppsala University Swedish University of Agricultural Sciences, Ultuna
	SEK 12 billion 358,000 m ²	University of Gothenburg Chalmers University of Technology
	SEK 9 billion 374,000 m ²	Lund University
	SEK 5 billion 238,000 m ²	Umeå University Swedish University of Agricultural Sciences, Umeå
	SEK 5 billion 235,000 m ²	Linköping University

● Akademiska Hus ● Other

Source: Andel 2022, Swedish National Financial Management Authority

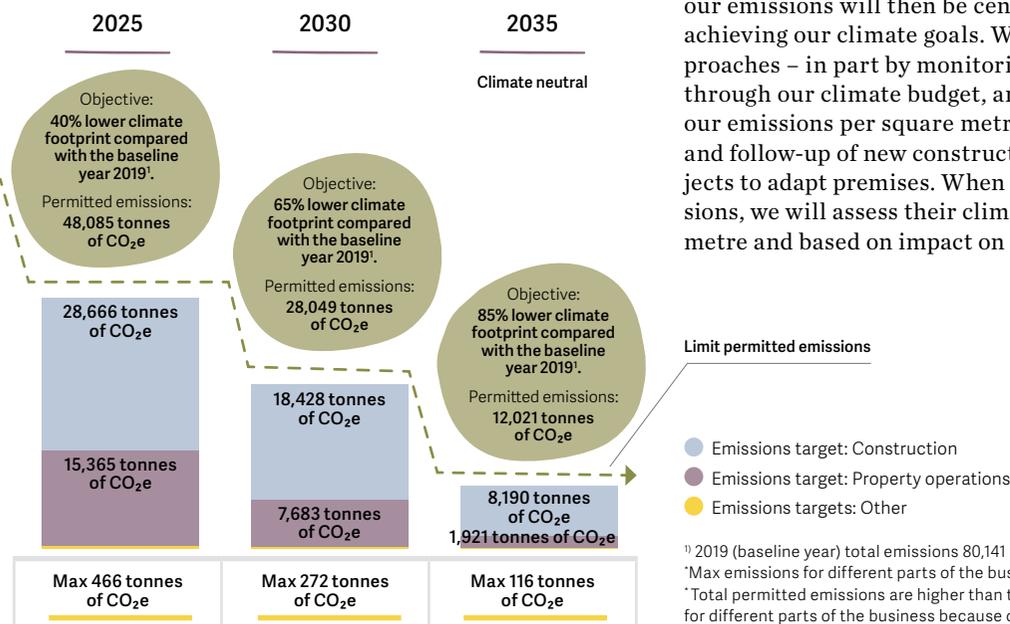
The climate budget is crucial for achieving our climate goals

To achieve the sweeping climate change transformation that society needs, the property industry must fundamentally change. Consequently, Akademiska Hus is increasing the pace in the journey towards climate neutrality. One prerequisite for success is our climate budget for the Company's annual emission levels.

Akademiska Hus will gradually reduce the climate impact from the entire value chain to achieve climate neutrality by 2035. The goal is ambitious and can only be achieved by transitioning to climate-efficient processes and solutions at every level. The road to this destination includes intermediate targets stipulating that emissions will be reduced by 40 per cent by 2025 and 65 per cent by 2030. Our definition of climate neutrality entails reducing our greenhouse gas emissions by 85 per cent compared with our baseline year, 2019, and eliminating the

remaining emissions by using measures that generate negative emissions, for example by capturing and storing biogenic carbon dioxide through bio-CCS.

One crucial aspect of this effort to achieve climate neutrality involves formulating a climate budget for the Company that includes limits on emission levels that may not be exceeded. In the climate budget, we break down our emissions targets by function and create separate emission ceilings for construction, property operations and other items based on their long-term and short-term circumstances. Measuring and monitoring our emissions will then be central to our governance for achieving our climate goals. We will do so using two approaches – in part by monitoring our absolute emissions through our climate budget, and in part by monitoring our emissions per square metre through specific targets and follow-up of new construction, renovation and projects to adapt premises. When taking investment decisions, we will assess their climate impact both per square metre and based on impact on our climate budget.

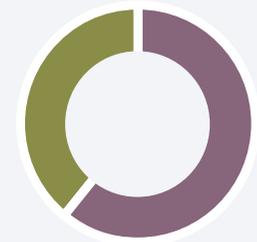


EU TAXONOMY

40 percent of Akademiska Hus turnover is compatible with the requirements of the EU taxonomy. This portion is considered to be sustainable turnover because the assets (properties) meet the requirements for environmental objective 1, Climate change mitigation. The taxonomy-aligned properties are reviewed based on activity 7.7 Acquisition and ownership of buildings, while also meeting the requirement of not causing material damage to the other environmental objectives. In 2023, the properties that do not fulfil the requirements will be analysed and the vision is to increase our sustainable portfolio.

40%

of turnover at Akademiska Hus is taxonomy-aligned



Uncertain world but stable performance

2022 was a turbulent year in many ways. At the same time that the restrictions related to the COVID-19 pandemic began to be phased out, Russia launched its invasion of Ukraine and the geopolitical landscape changed in just a short period of time. The economic recovery that we saw at the end of 2021 after the pandemic has evolved into an environment with rising inflation, driven by record-high electricity prices and higher interest rates. We have not seen such great uncertainties in the current situation and for the future in a very long time.

The current market situation has begun to have an impact on the property market, where we have seen falling property values during the second half of the year. The downward trend for property values also affects community properties and Akademiska Hus' portfolio. Consequently, in the fourth quarter we adjusted our yield requirement in the valuation upwards by an average of 20 points. The net effect of the higher yield requirement and cost of capital, along with upward adjustment of rental prices, gives a negative impact on value of approximately SEK 2.6 billion on Akademiska Hus' property holdings during the fourth quarter. Accumulated during 2022, the net effect provides a positive impact on value of approximately SEK 0.4 billion. At 31 December 2022, the Company's assessed property value totalled approximately SEK 115 billion, up from SEK 112 billion the year before.

The management result for the year on a comparable basis resulted in an improvement of just over SEK 100 million year-on-year and totalled SEK 4,490 million. Since the changes in value for the year are clearly lower than the previous year, profit for the year after changes in value and tax dropped to SEK 5,490 million, compared with SEK 13,790 million for 2021.

Good opportunities despite the global situation

Despite the circumstances, we have successfully adjusted to the new conditions to be able to continue to deliver value to our customers and our owner, and to develop our campuses. One good example is the development at the Solna

Campus. Since Biomedicum was completed and Karolinska Institutet moved in with large parts of its activities, intensive efforts have been underway to develop the campus into a world-leading life science cluster. As part of this effort, we are now remodelling 1,500 square metres at the Scheele Laboratory to enable Xspray Pharma to move in to state-of-the-art office and lab environments.

Sustainability in a broad perspective

Integrating the sustainability issue throughout our operations and value chain is a given for us; it is essential if we are to successfully achieve our climate goal of being climate neutral by 2035 and to promote other important sustainability issues within our four sustainability areas: Ecological, Social, Economic and Cultural Sustainability. We dedicate extra attention to energy efficiency, renewable energy and biodiversity. We continue our expansion of solar panels and we are the property company with the most solar panel arrays in Sweden, thereby making key advances towards achieving our vision of a zero carbon footprint. The most recent addition, eight new arrays at Uppsala University, is now ready for deployment and is expected to produce a total of 430,000 kWh of renewable energy every year.

Efficient use of premises

Efficient design is a focus issue for our customers, for both financial and sustainability reasons. We are involved in a series of collaborative projects that use data-driven insights and AI to both increase the degree of utilisation and gain insights into how we can develop existing premises so that they even better meet the needs of the future. The universities have great ambitions regarding the restructuring of their own operations to make them more sustainable. This trend is completely in line with our own ambitions. Our strategic choice to increase the use of existing properties and to choose new construction as a last resort to reduce the climate footprint is an important aspect of this approach. However, it will not have a full impact until a few years from now, because it takes some

time for the previously decided projects to be completed. At the same time, we have developed a "four-step principle" where we work in dialogue with customers to find solutions for future needs in our existing portfolio, where new construction is always the last option.

Stable base for the future

Quite a few changes have occurred internally in the Company during the year. Several new additions to the management team have been recruited and we launched our new organisational structure, which enables us to better leverage our collective expertise so that it benefits all of our customers. We have also adopted a new strategy for the upcoming three-year period. This strategy makes clear that we must have a cost-conscious and long-term focus on investments in and management of our property portfolio, where we strive to care for and refurbish our buildings. Our investments are sustainable, future-safe and balance our risk-taking. The majority of our cash flow is reinvested in the development of our properties and campuses. We have a constant focus on our core delivery in order to achieve the best climate, function and experience in our premises. Our unique and strong financial position means that overall we have a really strong platform to stand on – which feels especially important when the challenges for us as a property company are greater than ever.



*Caroline Arehult
Chief Executive Officer*

Uncertainty on the financial market

TRENDS

Central banks have substantially raised interest rates in a very short period. The central bank in the US (the Fed), the European Central Bank (ECB) and the Swedish central bank (the Riksbank) raised interest rates a total of 425, 250 and 250 basis points respectively in 2022. The central banks are signalling continued increases and that the interest rate may have to be kept at a high level for an extended period of time to curb the high inflation.

Higher interest rates and high inflation erode consumers' purchasing power and companies' willingness to invest, thereby putting the brakes on economic activity and ultimately the rate of inflation, but the effect will come with a certain lag. Growth forecasts for 2023 have gradually been adjusted downwards over the course of the autumn. For the US, the Eurozone and Sweden, the National Institute of Economic Research forecasts in its December Swedish Economy Report a growth rate of 0.6, 0.0 and -1.1 per cent respectively. However, uncertainty regarding the depth of the recession is great. For Sweden, global developments play a major role for exports, while many households are particularly exposed to high interest rate sensitivity, which sets Sweden apart from an international perspective.

In the US, inflation has fallen during the autumn and consensus forecasts suggest that it will continue to drop in 2023. However, the Fed needs to see a weaker labour market to be convinced that service inflation will also come down. In Sweden and the Eurozone, inflation is expected to peak right after the turn of the year, after which it will drop sharply in 2023. In Europe, the challenges in the energy sector can be great even before next winter, and highly volatile energy prices create uncertainty in inflation forecasts, which also affects Sweden. How quickly and how far inflation drops is difficult to assess, and will be carefully monitored by the central banks.

FINANCIAL MARKETS

Short interest rates have risen sharply in the wake of upwardly revised central bank forecasts. The rate for a Swedish 2-year government bond rose by approx. 300 percentage points in 2022. Bond yields have also risen sharply but not to the same extent. This means that bond yields at year-end are at a lower level than short interest rates, which is extremely uncommon. The higher interest rate situation, in particular higher real interest rates, as well as an expected recession in 2023, have contributed to the stock market decline during the year. For the OMX Stockholm 30 index (OMXS30), the drop is estimated at 16 per cent. Rising interest rates and the uncertainty regarding economic developments have also led to widening credit spreads.

PROPERTY MARKET

The higher financing costs are now affecting the property market, where deals are on hold and direct yield requirements have been raised, resulting in falling property values. A weaker economy will also have a negative impact on property values. The generally higher interest rates due to the year's indexation adjustment of leases has also had a positive effect on market rent levels during the year, which has an impact on Akademiska Hus' holdings. With continued high inflation, the impending recession and high market interest rates, additional increases in the yield requirement and continued falling property values can be expected in 2023.

Following an active beginning of the year on the transaction market, activity declined in the summer and in pace with growing uncertainty on the market. During the fourth quarter, a handful of large deals were carried out, but a cautious approach similar to the attitude at the beginning of the autumn has characterised the market. In 2022, the transaction volume amounted to approximately SEK 220 billion (399), which is 45 per cent lower than in the same period last year, which was a record-breaking year. Housing was the largest segment at 24 per cent of the volume, followed by community properties and logistics/industry at 21

per cent each, with community properties' share somewhat above the average in recent years. As a result of the uncertain market situation and more expensive financing for many property companies, sellers and buyers have found it more difficult to reach common ground and a number of broken or deferred deals have been noted.

Regarding the rental market for modern offices in Stockholm, Gothenburg and Malmö CBD, we see rising rent levels since the previous quarter, in part because of the large indexation adjustment. Rent levels are currently SEK 10,500/m², SEK 4,100/m² and SEK 3,450/m² respectively with a rising trend during the year. Demand from tenants continues to be strong for modern and flexible offices in good locations, despite the uncertain market situation. The trend for offices in more peripheral locations is predicted to be worse in the coming period, in part because of a higher vacancy rate, which counteracts the sharp increase in the index as tenants have more choices.

The community property sector continues to be an attractive segment among investors, largely due to the low vacancy risk and predictable cash flows. With the exception of a couple of large portfolio transactions involving community properties during the fourth quarter, the market development for the segment is similar to the property market at large. This trend is largely due to the higher interest rates and the uncertain economy, which has now begun to affect participants in the market. The market situation has contributed to the rising direct yield requirements and cost of capital during the fourth quarter. Consultants now note that they are beginning to see higher yield requirements in current deals. The discrepancy in expectations regarding price level among buyers and sellers is expected to persist at the beginning of 2023, but decrease during the second half of the year. Premises for higher education and research, which is Akademiska Hus' primary market, are expected to be affected by the economic situation with continued rising interest rates and weaker economy, while following the trend for community properties in general.

Five-year summary

	2022	2021	2020	2019	2018
INCOME STATEMENTS, SEK M					
Property management income	6,954	6,679	6,418	6,217	6,117
Operating costs	-1,089	-983	-850	-891	-894
Maintenance costs	-105	-418	-445	-619	-676
Property administration	-457	-430	-403	-391	-372
Net operating income	5,143	4,707	4,485	4,160	3,938
Central administration costs	-68	-67	-60	-69	-78
Development costs ¹	-50	-53	-40	-40	—
Net interest income/expense	-452	-368	-381	-377	-268
Profit before changes in value and taxes	4,490	4,136	3,920	3,589	3,592
Change in value, properties	1,108	12,481	3,141	3,872	2,585
Change in value, financial instruments	1,310	380	-192	-503	-360
Profit before tax	6,909	16,997	6,869	6,957	5,818
Profit for the year	5,490	13,790	5,440	5,658	5,314
STATEMENT OF FINANCIAL POSITION, SEK M					
Assessed market value, properties	115,371	112,323	99,611	91,424	85,865
Other assets	14,742	12,858	13,365	13,562	7,612
Equity	65,353	62,103	50,292	46,760	42,832
Liabilities and provisions	64,760	63,079	62,684	58,226	50,645
CASH FLOW, SEK M					
Cash flow from operating activities	4,651	3,528	4,398	3,519	2,998
Cash flow from investing activities	-1,620	-139	-3,639	-1,685	-2,991
Cash flow before financing	3,031	3,389	760	1,834	7
Cash flow from financing activities	-41	-2,999	-1,420	-801	-3,183
Cash flow for the year	2,990	390	-660	1,033	-3,176
PROPERTY-RELATED KEY FIGURES					
Total yield, properties, %	5.8	18.0	8.7	9.8	8.5
of which direct yield, % ²	4.8	4.7	5.0	5.0	5.1
of which change in value, % ³	1.0	13.3	3.7	4.8	3.5
Rental revenue, SEK/m ²	2,015	1,948	1,867	1,820	1,791
Operating costs, SEK/m ²	321	292	253	268	270
Maintenance costs, SEK/m ² ⁵	31	124	133	186	204
Net operating income in relation to property management income, % ⁵	74	70	70	67	64
Net operating income, SEK/m ² ⁵	1,514	1,396	1,337	1,251	1,190

	2022	2021	2020	2019	2018
cont. PROPERTY-RELATED KEY FIGURES					
Level of vacant space, area, %	3.4	3.1	3.6	3.8	5.2
Level of vacant space, rent, %	2.4	2.2	2.4	2.2	1.7
Assessed market value, properties, SEK/m ² ⁴	32,295	31,696	27,703	25,736	24,173
Energy use, kWh/m ² ⁶	177.8	184	183	192	201
CO ₂ , kg/m ² ⁷	4.8	5.6	5.8	7	7
FINANCIAL KEY FIGURES					
Return on equity after standard tax, %	8.6	24.0	11.1	12.2	11.2
Return on operating capital, %	6.3	18.7	9.0	10.3	9.2
Return on total assets, %	6.0	14.7	6.8	7.5	6.6
Interest-bearing net loan liability, SEK m	30,578	33,439	35,468	32,900	30,416
Equity ratio, %	50.2	49.6	44.5	44.5	45.8
Interest coverage ratio, %	990	896	768	679	736
Financing cost, %	-2.5	0.1	2.1	2.6	2.3
Loan-to-value ratio, %	26.5	29.8	35.6	36.0	35.4
Internal financing level, %	210.2	1,744	221.7	172.7	115
Ordinary dividend, SEK m ⁸	2,905	2,484	2,142	1,905	1,663
PERSONNEL					
Average number of employees	527	528	523	490	480

¹ Beginning in 2020, development costs are recognised separately. Comparative figures for 2019 have been adjusted. For definition, see page 25.

² Excluding properties under construction and expansion reserves.

³ Change in value in relation to properties, excluding new construction in progress and expansion reserves.

⁴ Excluding the value of properties under construction and expansion reserves.

⁵ Beginning in 2022, preventive maintenance is capitalised in the Group. No adjustment has taken place for the comparative years.

⁶ Including energy consumption by tenants.

⁷ Includes scope 1 and 2, including emissions from energy consumption by tenants.

⁸ Dividend proposed by the Board of Directors for 2022.

Consolidated income statement

Consolidated income statement, summary, SEK m	2022 Oct.–Dec.	2021 Oct.–Dec.	2022 Full-year	2021 Full-year
Rental revenue	1,730	1,671	6,845	6,568
Other property management income	31	30	109	110
Total property management income	1,761	1,701	6,954	6,679
Operating costs	-288	-293	-1,089	-983
Maintenance costs	-27	-145	-105	-418
Property administration	-130	-124	-457	-430
Other property management expenses	-69	-42	-160	-140
Total costs from property management	-514	-604	-1,811	-1,972
NET OPERATING INCOME	1,246	1,097	5,143	4,707
Central administration costs	-19	-22	-68	-67
Development costs	-15	-23	-50	-53
Interest income	115	14	230	36
Interest expense	-271	-120	-682	-404
Site leasehold fees	-20	-20	-82	-83
PROFIT BEFORE CHANGES IN VALUE AND TAXES	1,036	925	4,490	4,136
Change in value, properties	-2,249	4,472	1,108	12,481
Change in value, financial instruments	-13	-126	1,310	380
PROFIT BEFORE TAX	-1,227	5,272	6,909	16,997
Tax	256	-1,219	-1,419	-3,207
PROFIT FOR THE YEAR	-970	4,052	5,490	13,790
Of which attributable to the Parent Company's shareholder	-970	4,052	5,490	13,790

Consolidated statement of comprehensive income, summary, SEK m	2022 Oct.–Dec.	2021 Oct.–Dec.	2022 Full-year	2021 Full-year
Profit for the year	-970	4,052	5,490	13,790
Reclassifiable items				
Profit/loss from cash flow hedges	-393	81	87	157
Tax attributable to cash flow hedges	81	1	-26	-8
Non-reclassifiable items				
Revaluation of defined benefit pensions	230	16	230	16
Tax attributable to pensions	-47	-3	-47	-3
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE YEAR	-129	95	244	162
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-1,099	4,147	5,734	13,952
Of which attributable to the Parent Company's shareholder	-1,099	4,147	5,734	13,952

Comment: Operating profit

FOURTH QUARTER

Profit for the quarter before changes in value and taxes increased by SEK 111 million since the beginning of the year and amounted to SEK 1,036 million (925). The increased profit is primarily attributable to an increase in net operating income of SEK 149 million compared with the previous year, which is an effect of the completion of additional new buildings, as well as an accounting-related change in the assessment of preventive maintenance. Rising interest rates have had a negative impact of SEK 50 million on net interest income compared with the previous year. The total change in value relating to properties amounted to SEK -2,249 million, corresponding to -1.9 per cent, mainly as an effect of the yield requirement, which was raised due to the increased uncertainty in the property market.

FULL-YEAR 2022

Profit for the period before changes in value and tax was SEK 4,490 million (4,136). The improved performance is attributable to an increase in net operating income of SEK 436 million compared with the previous year due to the completion of additional new buildings, as well as an accounting-related change in the assessment of preventive maintenance.

The change in the value of properties amounted to SEK 1,108 million (12,481), of which SEK 8 million relates to realised changes in value. The total change in value amounted to 1.0 per cent. The average yield requirement was 4.71 per cent (4.47). The change for the year can be attributed to SEK -4,922 million of changed yield requirements and cost of capital. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million. An increase in the standard maintenance price resulted in an impact of SEK -305 million. Other change in value amounted to SEK 1,006 million.

RENTAL REVENUE

Rental revenue increased by SEK 277 million compared with the same period the previous year and totalled SEK

6,845 million (6,568). The completion of new buildings contributes approximately SEK 160 million to increased revenue, mainly attributable to Albano, the Ångström Laboratory and KI Residence. The index contributed with an increase of SEK 101 million. Increased revenue related to the completion of new buildings is offset by a decline in rental revenue of SEK 56 million attributable to properties sold primarily in Uppsala, Malmö and Kristianstad. Utility costs passed on to tenants increased by SEK 28 million. Parking revenue increased by SEK 25 million, thereby recovering to pre-pandemic levels. In a comparable portfolio, contractual rental revenue increased by 4.2 per cent compared with the previous year.

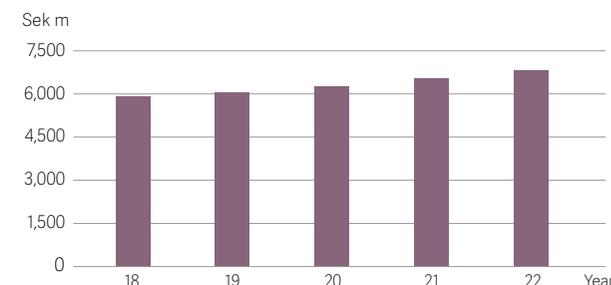
LEASING LEVEL

The financial vacancy rate accounts for 2.4 per cent (2.2) of our total rental revenue, which corresponds to SEK 170 million on an annual basis (150). Discussions with potential tenants related to vacant premises are underway at several centres of education, mainly the Solna and Frescati campuses in Stockholm. Vacant space in terms of area at the end of the year amounted to 117,000 square metres, corresponding to 3.4 per cent (3.1) of our total rentable area of approximately 3.4 million square metres. Rentable floor space was affected during the year by the completion of new buildings and sold properties, resulting in a net increase of approximately 10,000 square metres.

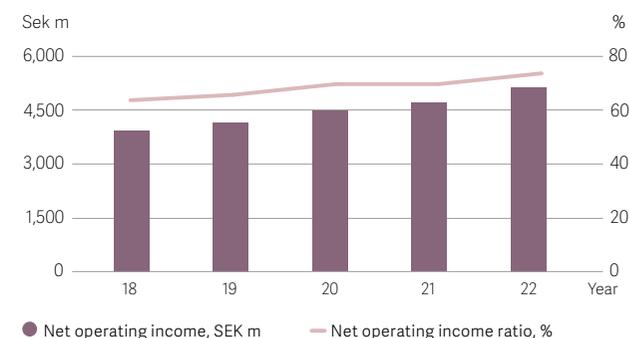
OPERATING AND MAINTENANCE COSTS

Expenses for operation and maintenance decreased by SEK 207 million and amounted to SEK 1,194 million (1,401). Maintenance costs declined by SEK 313 million compared with the same period the previous year and totalled SEK 105 million (418). This decline is primarily an effect of a new accounting-related assessment regarding preventive maintenance, which from 2022 is capitalised on the properties, instead of being expensed. According to the new assessment, maintenance costs for the period

STABLE AND RISING RENTAL REVENUE



STABLE NET OPERATING INCOME AND RISING NET OPERATING INCOME RATIO



decreased by SEK 331 million compared with the previous assessment. The comparative year was not adjusted.

Operating costs involve inspection and maintenance, as well as provision of utilities, and increased by SEK 106 million. The increase consists of utility costs and is mainly an effect of the rising price trend in the electricity market. Operating costs of SEK 1,089 million (983) include provision of utilities of SEK 716 million (638), equivalent to SEK 211/m² (188) over the past 12 months. Other management costs increase by SEK 20 million attributable to wasted planning for projects that never materialised.

ADMINISTRATION COSTS

Total administration costs increased by SEK 28 million and amounted to SEK 525 million (497). The increase can mainly be attributed to increased expenses for travel, internal conferences and IT costs. In addition, an increased pension liability reserve, an effect of assumptions for the calculation bases regarding old-age pension for ITP, which changed 1 January 2022, also had an impact.

Development costs decreased by SEK 3 million and amounted to SEK 50 million (53).

NET INTEREST INCOME/EXPENSE

Net interest income, which primarily consists of interest on loans and net interest income from the interest rate swap portfolio, amounted to SEK 452 million (368) for the full year, corresponding to an interest rate of 1.69 per cent (1.28), which includes capitalised interest expense of SEK 67 million (67) for projects in progress. The increase in net interest income can mainly be attributed to a higher STIBOR rate, which increases the cost of floating interest rate loans. See table describing the composition of net interest income and expense on page 23.

TOTAL FINANCING COST INCLUDING CHANGES IN VALUE

	2022 Full-year	2021 Full-year
Interest cost for loans, including charges, %	1.70	1.22
Interest swaps, net interest, %	-0.01	0.06
Net interest income/expense, %	1.69	1.28
Changes in value, financial derivatives, %	-4.16	-1.15
Total financing cost, %	-2.47	0.13

CHANGES IN VALUE, FINANCIAL INSTRUMENTS

Changes in value in the derivative portfolio are positive and amounted to SEK 1,310 million (380) at year-end, which can largely be attributed to rising market interest rates during the year. Of the positive changes in value, SEK 725 million (-65) have been realized. The derivative portfolio largely consists of interest rate derivatives that are primarily entered into with the aim of extending the fixed interest period in the liability portfolio, where approximately half of financing currently relies on floating interest rates. Akademiska Hus' interest risk exposure de-

rives consists largely of interest rate derivatives, which means that even minor changes in the interest rate situation affects earnings through changes in value that can become significant. Falling market interest rates combined with a flatter yield curve have a negative impact on profit, while the opposite is true for rising interest rates and steeper yield curve.

COMPARATIVE CALCULATION, TOTAL FINANCING COST

To clarify the underlying financing cost at Akademiska Hus, a comparative calculation is carried out in which the realised result of the closed interest rate derivatives is allocated to the remaining underlying maturity of each instrument. This allocation corresponds this year to an interest expense of -0.04 per cent for the past twelve-month period. The accrual and the net interest income reflect the underlying financing cost and amount to 1.65 per cent as at year-end, see the diagram on the right, in which interest rates are expressed as a rolling 12-month interest rate (annualised).

When calculating the interest coverage ratio, the capitalised interest expense and the accrued earnings from the closed interest rate derivatives mentioned above are included. The interest coverage ratio continues to be very high at 990 per cent (896), see diagram on the right.

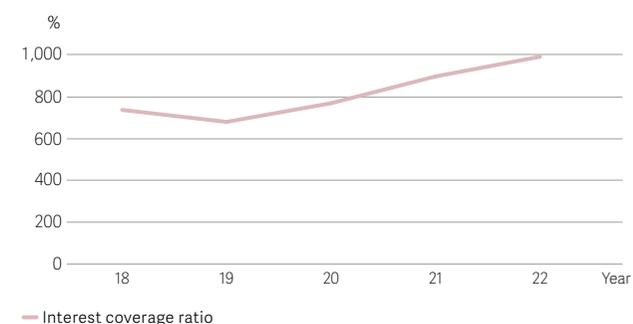
CHANGES IN VALUE, PROPERTIES

The market value of the Group's property holdings was set using an internal property valuation that is compared annually against external value statements where a selection of the holdings was externally valued. As at 31 December 2022, net changes in property values had an impact on profit of SEK 1,108 million (12,481), of which SEK 8 million relates to realised changes in value. The total change in value amounted to 1.0 per cent. The change for the year can be attributed to SEK -4,922 million of changed yield requirements and cost of capital. During the first quarter of the year the trend for the property market was positive, for which reason Akademiska Hus lowered the average yield requirement and the cost of capital by 14 points. From the second quarter, however, circumstances changed due to uncertainty in the property market. Consequently, Akademiska Hus raised the average yield requirement and cost of capital in subsequent quarters. In the second quarter, the average yield requirement and cost of capital were raised by 1

COMPARATIVE CALCULATION TOTAL FINANCING COST, ROLLING 12-MONTH BASIS



INTEREST COVERAGE RATIO



and 11 points respectively, in the third quarter by 17 and 27 points respectively, and finally in the fourth quarter by 20 and 11 points, respectively, so that at year-end they were 4.71 and 6.91, respectively (4.47 and 6.56, respectively). During the third quarter the standard maintenance charge was also increased by SEK 5/m², which had a negative impact on value of SEK 305 million. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million. Other change in value of SEK 1,006 million (3,972) is attributable to projects in progress, renegotiated leases and other factors affecting value. This increase is primarily attributable to the Stockholm and Gothenburg regions. For the fourth quarter the change in value is SEK -2,249 million, corresponding to -1.9 per cent of the property value at the beginning of the quarter.

Consolidated statement of financial position

Consolidated statement of financial position, summary, SEK m	31 Dec. 2022	31 Dec. 2021
ASSETS		
Non-current assets		
Capitalised expenditure	5	6
Properties	115,371	112,323
Site leasehold rights	2,663	2,663
Equipment, fixtures and fittings	34	34
Derivatives	2,566	3,474
Other non-current receivables	410	428
Total non-current assets	121,048	118,928
Current assets		
<i>Current receivables</i>		
Derivatives	217	152
Other current receivables	1,791	2,034
Total current receivables	2,008	2,186
Cash and cash equivalents		
Cash and cash equivalents	7,057	4,067
Total cash and cash equivalents	7,057	4,067
Total current assets	9,064	6,253
TOTAL ASSETS	130,113	125,181

Consolidated statement of financial position, summary, SEK m	31 Dec. 2022	31 Dec. 2021
EQUITY AND LIABILITIES		
Equity	65,353	62,103
LIABILITIES		
<i>Non-current liabilities</i>		
Loans	31,093	31,240
Derivatives	1,749	1,315
Deferred tax	16,893	16,180
Long-term debt finance lease	2,663	2,663
Other non-current liabilities	830	949
Total non-current liabilities	53,228	52,348
<i>Current liabilities</i>		
Loans	6,389	4,979
Derivatives	172	4
Other current liabilities	4,972	5,748
Total current liabilities	11,532	10,731
Total liabilities	64,760	63,079
TOTAL EQUITY AND LIABILITIES	130,113	125,181

Comment: Statement of financial position

PROPERTIES

At the end of the year, the assessed market value of Akademiska Hus' property holdings totalled SEK 115,371 million, an increase of SEK 3,048 million, corresponding to 2.7 per cent compared with the previous year-end. The market value includes the completed portions of projects in progress. The unrealised change in value amounted to SEK 1,101 million (12,453), which corresponds to an increase of 1.0 per cent (12.5) compared with the previous year. Remaining changes relate to investments in properties for the year of SEK 2,551 million (2,524), acquisitions of SEK 110 million (0) and sales of SEK 714 million (2,264). During the third quarter, Göteborg Lorensberg 24:2 was acquired. During the second quarter, the property Bergsmannen Större 8 was sold to the Stockholm School of Economics, while the property Änggården 34:2 was sold to Skandia Fastigheter and land, part of Intellectet 1, was sold to Linköping Municipality.

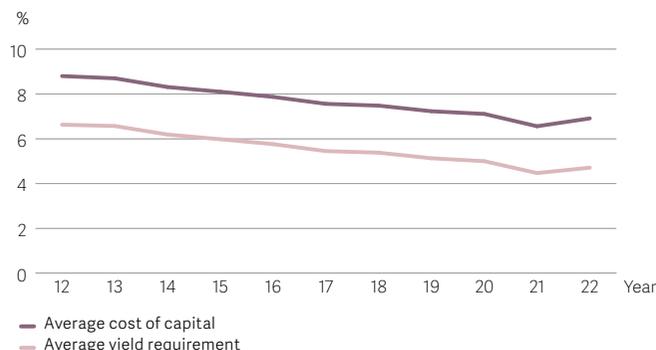
During the first quarter of the year the trend for the property market was positive, for which reason Akademiska Hus lowered the average yield requirement and the cost of capital by 14 points. From the second quarter, however, there has been uncertainty in the property market and a change in circumstances. Consequently, in subsequent quarters Akademiska Hus raised the average yield requirement and cost of capital by 38 and 49 points, respectively, and at year-end they were 4.71 and 6.91, respectively (4.47 and 6.56, respectively). At the year-end, the accumulated change in market value was SEK -4,922 million, attributable to the changed yield requirement and cost of capital. During the third quarter the standard maintenance charge was also increased by SEK 5/m², which had a negative impact on value of SEK 305 million. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million.

The market value was calculated by means of an internal property valuation covering all the Company's properties. The value is affected by property-specific conditions such as net operating income, rent levels, vacancy levels, lease term and property type, as well as by market-related yield

PROPERTIES 31 DECEMBER 2022 (incl. new construction in progress and capitalised interest costs)

Change in property holdings, SEK m	31 Dec. 2022	31 Dec. 2021
Opening assessed market value	112,323	99,611
+ Investments in new construction, extensions and redevelopment	2,551	2,524
+ Acquisitions	110	—
- Sales	-714	-2,264
+/- Change in market value	1,101	12,453
Of which change in value due to a change in the cost of capital and yield requirement	-4,922	8,481
Of which change in value due to the change in the standard maintenance charge	-305	—
Of which change in value due to the change in the assumed rate of KPI	5,322	—
Of which other change in value	1,006	3,972
CLOSING ASSESSED MARKET VALUE	115,371	112,323

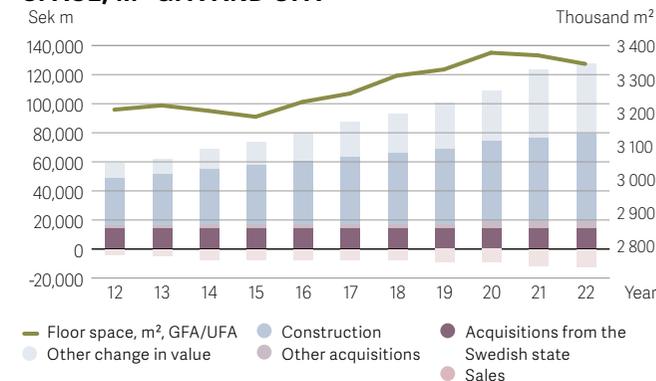
YIELD REQUIREMENTS AND COST OF CAPITAL



requirement and cost of capital. Akademiska Hus engages external rating agencies to verify the yield requirement and fixed costs on a quarterly basis to ensure that market rates are applied in the internal valuation.

Each year 25–30 per cent of the total value of the property portfolio is also valued by external valuation professionals. External valuations are used as a benchmark for the internal valuation, thereby confirming its reliability that we are within the interval stated below. The discrepancy between Akademiska Hus' internal valuation and the external

PROPERTY PORTFOLIO'S ACCUMULATED VALUE GROWTH AND NUMBER OF SQUARE METRES FLOOR SPACE, M² GFA AND UFA



valuations in 2022 was less than +/- two per cent for the externally valued stock. The change in value is attributable to both differing assessments of the yield requirement and cash flow differences, primarily assessed market rent.

All property valuation includes assessments that are associated with a certain degree of uncertainty. A normal uncertainty range in conjunction with a property valuation is +/- five to ten per cent, which would be equivalent to approximately +/- SEK 5,769 million to SEK 11,537 million in the Akademiska Hus portfolio.

FINANCING

The financing requirement at Akademiska Hus has continued to be extremely limited, but two issuances in the Swedish bond market were carried out during the fourth quarter. The issuances were made with extremely long maturities of 19 and 22 years, respectively, and the volumes were SEK 300 million and SEK 100 million, respectively. Committed credit facilities in banks are unchanged and amount to SEK 6,000 million; all were unutilised at year-end. In addition, the credit facility at the European Investment Bank (EIB) of SEK 1,200 million, which was obtained in December 2021, remains unutilised. With the bond issuances, credit facilities and stable quarterly rental payments, Akademiska Hus has a strong liquidity reserve. Short-term funding under the ECP programme has decreased slightly during the quarter.

The net liability portfolio at year-end totalled SEK 30,578 million, corresponding to a decrease of SEK 2,861 million during the year. This decline can mainly be attributed to an increase in cash and cash equivalents, though a decrease in CSA securities for surplus values in financial derivatives also had an impact. The equity ratio is 50.2 per cent (49.6).

NET LOAN LIABILITY

SEK m	31 Dec. 2022	31 Dec. 2021
Gross loan debt	-37,481	-36,220
Collateral for derivatives, net	-643	-2,091
Cash and cash equivalents	7,057	4,067
Other current receivables	489	805
Total net loan liability	-30,578	-33,439

FIXED INTEREST PERIOD AND MATURITY

Akademiska Hus has a long average maturity, which was 8.8 years at year-end. Bonds denominated in foreign currency are swapped for SEK with floating interest rates and therefore do not entail a corresponding extension of interest rate duration. Interest rate risk in the debt portfolio is instead primarily managed using interest rate derivatives.

Normally, financial markets price in long-term fixed interest periods and maturities at higher risk premiums. The objective of debt management is therefore to balance the additional costs of long-term fixed interest periods and maturities, and thus limit uncertainty, against savings of more short-term fixed interest periods and maturities, where greater uncertainty is accepted. With sharply rising interest rates during the year, the risks in the fixed income market are deemed to be more balanced than previously, resulting in a gradual reduction in the fixed interest period. As previously, debt management will focus on allocating the portfolio's interest rate risk to the most effective periods on the yield curve. At year-end, the interest rate duration in the total portfolio was 6.1 years.

The liability portfolio is allocated as follows:

- Basic portfolio – ECP, commercial papers, loans, bonds and interest rate derivatives.
- Long-term portfolio – bonds denominated in SEK with both fixed interest and maturity terms longer than 15 years.

FIXED INTEREST PERIOD AND MATURITY

	Fixed interest, years, Dec. 2022	Fixed interest, years, Dec. 2021	Maturity, years, Dec. 2022	Maturity, years, Dec. 2021
Basic portfolio	3.8	5.6	7.0	7.5
Long-term portfolio	19.2	19.2	19.2	19.2
Total portfolio	6.1	7.9	8.8	9.5

Year	Fixed interest, SEK m	Maturity, SEK m
2023	18,664	6,446
2024–2028	9,686	13,016
2029–2033	2,850	5,438
2034–2038	1,895	2,473
2039–2043	3,236	5,020
2044–2048	805	4,743
TOTAL	37,136	37,136

The table above shows the nominal amounts.

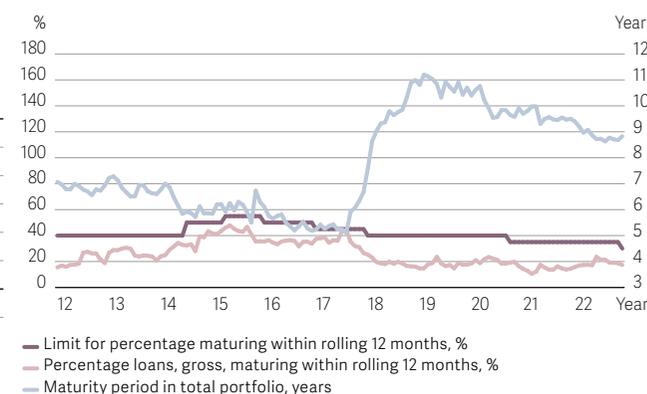
SUMMARY OF FINANCIAL RISKS AND MANDATE

Financial risks	Mandate	31 Dec. 2022
Refinancing risk		
portion of debt maturing within 12 months	Max 30% of total portfolio	17.4%
Interest risk		
average fixed interest period, basic portfolio	3–6 years	3.8 years
proportion long-term portfolio	Max 20% of total portfolio	12.6%
proportion index-linked bonds	Max 5% of total portfolio	1.7%
Counterparty risk		
	Limit system and CSA agreements with derivative transactions	Satisfied
Foreign currency risk		
	No currency exposure with foreign financing is allowed	Satisfied

FIXED INTEREST PERIOD IN TOTAL PORTFOLIO



AVERAGE MATURITY AND PERCENTAGE MATURING



PROJECTS

The project portfolio includes future investments over the next few years. The projects are largely located in Gothenburg and Lund, where there are several large new construction and renovation projects. Our approved and planned projects amounted to SEK 14,400 million, of which approximately SEK 4,300 million has already been invested in projects in progress. The approved and planned projects include six student housing projects with a combined budget of approximately SEK 2,700 million.

PROJECT PORTFOLIO

SEK m	31 Dec. 2022	31 Dec. 2021
Approved projects	9,100	7,500
Planned projects	5,300	6,500
APPROVED AND PLANNED PROJECTS	14,400	14,000
of which already invested in projects in progress	-4,300	-3,600
REMAINDER OF APPROVED AND PLANNED PROJECTS	10,100	10,400

The different investments are categorised as:

- Approved projects.
- Planned projects – have an inquiry or planning framework, where some form of agreement exists between the Company and the tenant.

APPROVED PROJECTS

Project name	Location	Type of premises	Investment limits, SEK m	Percentage accrued, %	Miljöbyggnad certification system	Additional floor space, m ² , GFA	Expected completion	Customer
Konstnärliga	Gothenburg	Education	1,953	6	Gold	33,000	2027-Q2	University of Gothenburg
Natrium	Gothenburg	Laboratory	1,803	63	Gold	28,000	2023-Q3	University of Gothenburg
Forum Medicum	Lund	Education	821	66	Gold	13,800	2023-Q2	Lund University
School of Business, Economics and Law	Gothenburg	Education	529	23	Gold	9,200	2026-Q3	University of Gothenburg
LTH Maskinteknik	Lund	Education	499	97	Gold	19,000	2023-Q2	Lund University
Albano development and land	Stockholm	Education	439	82	Silver	—	2023-Q3	Stockholm University
Aquila Rosendal	Uppsala	Residential	361	15	Silver	10,000	2024-Q4	Akademiska Hus
A-, B-, E- and F-building, Luleå	Luleå	Education	320	21	—	—	2028-Q4	Luleå University of Technology
Universeum Building K	Umeå	Education	272	9	Gold	6,500	2024-Q4	Umeå University
Fysiologen building	Stockholm	Education	215	6	Silver	—	2024-Q3	Karolinska Institutet
Kemicentrum	Stockholm	Laboratory	120	63	—	—	2024-Q1	Royal Institute of Technology
Astrid Fagreus Lab	Stockholm	Laboratory	103	54	Gold	—	2023-Q3	Karolinska Institutet
Språkskrapan	Gothenburg	Residential	103	79	—	—	2023-Q3	University of Gothenburg
Projects under SEK 100 million			1,562					
Total			9,100			119,500		

OFFICES TO BE CONVERTED INTO STUDENT HOUSING

We are converting a former office building into 61 apartments in the Näckrosen area in central Gothenburg. The initiative will create much-needed campus-based housing for 125 undergraduate and graduate students and help to reduce the student housing shortage. Akademiska Hus is now converting the “Språkskrapan” building, which was built in the 1960s, into modern housing for undergraduate and graduate students at the University of Gothenburg. Some of the apartments are larger and will be in line with Akademiska Hus’ co-living student housing concept. In these apartments, five to six people can each have their own bedroom, while sharing the kitchen, living room and bathroom. Occupancy will take place in 2023.



Changes in group equity

Changes in group equity in brief, SEK m	Attributable to the Parent Company's shareholder					
	Share capital	Other contrib- uted capital	Hedge reserve	Actuarial profit and loss	Profit for the year brought forward	Total equity
EQUITY, 1 JAN. 2021	2,135	2,135	0	-102	46,124	50,292
Dividends ¹⁾					-2,142	-2,142
Total comprehensive income, Jan.–Dec. 2021			150	12	13,790	13,952
EQUITY 31 Dec. 2021	2,135	2,135	150	-90	57,772	62,102
Dividends ²⁾					-2,484	-2,484
Total comprehensive income, Jan.–Dec. 2022			62	183	5,490	5,735
EQUITY, 31 DEC. 2022	2,135	2,135	212	93	60,778	65,353

1) Dividend of SEK 2,142,000,000 was authorised by the Annual General Meeting on 28 April 2021.

2) Dividend of SEK 2,484,000,000 was authorised by the Annual General Meeting on 28 April 2022.

Consolidated statement of cash flows

Consolidated statement of cash flows, summary, SEK m	2022 Full-year	2021 Full-year
CURRENT OPERATIONS		
Profit before tax	6,909	16,997
Adjustment for items not included in cash flow	-2,491	-12,911
Tax paid	-563	-416
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	3,855	3,670
CASH FLOW FROM CHANGES IN WORKING CAPITAL		
Increase (+)/decrease (-) in current receivables	556	-450
Increase (+)/decrease (-) in current liabilities	240	-56
CASH FLOW FROM OPERATING ACTIVITIES	4,651	3,164
INVESTING ACTIVITIES		
Investments in properties	-2,484	-2,407
Acquisition of properties	-16	—
Sale of properties	689	2,166
Investments in other non-current assets	-11	-18
Increase (+)/decrease (-) in non-current receivables	18	120
Increase (+)/decrease (-) in non-current liabilities	184	—
CASH FLOW FROM INVESTING ACTIVITIES	-1,620	-139
FINANCING ACTIVITIES		
Raising of interest-bearing loans, excluding refinancing	16,597	9,866
Repayment of loan	-13,431	-10,442
Realised derivatives and CSA	-723	83
Dividend paid	-2,484	-2,142
CASH FLOW FROM FINANCING ACTIVITIES	-41	-2,635
CASH FLOW FOR THE PERIOD	2,990	390
Opening cash and cash equivalents	4,067	3,677
Closing cash and cash equivalents	7,057	4,067

Comment: Statement of cash flows

Cash flow from operating activities before changes in working capital totalled SEK 3,855 million (3,670). The impact of investments in properties on cash flow was SEK -2,500 million (-2,407). Cash flow relating to investing activities amounted to SEK -1,620 million (-139). The year-over-year decrease is mainly attributable to major property sales in 2021.

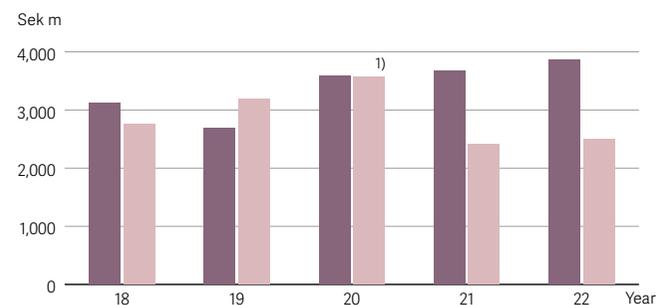
Cash flow relating to financing activities amounted to SEK -41 million (-2,635). The change is largely due to net borrowing during the year, compared with net amortisation during the previous year.

Total cash flow for the year was SEK 2,990 million (390).

CASH FLOW AND INVESTMENTS

Total cash flow from current operations before change in working capital during the period 2018 to 2022 was SEK 16,921 million. Investments during the same period totalled SEK 14,412 million. The diagram shows that historically, cash flow from operating activities is reinvested largely in new construction as well as in redevelopment and extensions of existing holdings.

STABLE CASH FLOW FROM OPERATING ACTIVITIES



● Cash flow from operating activities before changes in working capital
● Investments

¹⁾ Includes payment for the acquisition of Alba Nova

Risk management

Akademiska Hus' material risks are described on pages 45–48 of the 2021 Annual Report. After the publication of the annual report, the Company's risks have mainly been affected by the following. The war in Ukraine, persistent supply disruptions in the wake of the pandemic and the energy crisis in Europe have led to increased uncertainty regarding both growth prospects and inflation trends in Europe. For Akademiska Hus, higher prices or shortages of materials could entail increased project expenses, project delays and increased operating and maintenance costs. Efforts to manage these risks include securing project budgets in relation to the market before making investment decisions, close dialogue with customers and contractors during projects in progress regarding schedules, assessment of the opportunities to bring in contractors earlier in the process, and increasing the focus on recycling.

Over the past few months, there has been a real risk of a power shortage. A prolonged power outage due to a

power shortage could significantly impact our customers' operations. To reduce the risk, short and long-term local action plans are being formulated, including a review of options for redirecting loads to other alternatives.

There is always a risk that the capital market will be less effective for various reasons, which would make it difficult to access capital, or financing may become considerably more expensive. This risk is higher in times of great geopolitical uncertainty. Akademiska Hus has had an extremely limited need for funding during the quarter, but two bond issuances were completed. The bond issuances, committed credit facilities through the bank and stable quarterly rental payments have contributed to continued good liquidity during the fourth quarter.

Even with these increased risks, we see no risk that the Company's ability to survive as a going concern has been affected.

SENSITIVITY ANALYSIS, PROPERTY VALUE 31 DEC. 2022

Change	Increase by one percentage point			Decrease by one percentage point		
	Impact on net operating income, SEK m	Impact on change in value and assessed market value, SEK m ¹	Impact on assessed market value, percentage points	Impact on net operating income, SEK m	Impact on change in value and assessed market value, SEK m ¹	Impact on assessed market value, percentage points
Rental revenue	68	175	0.2	-68	-175	-0.2
Vacant space	-65	-981	-0.8	65	981	0.8
Operating costs	-11	-121	-0.1	11	121	0.1
of which provision of utilities	-7	-61	-0.1	7	61	0.1
Cost of capital	—	-7,432	-6.4	—	8,266	7.2
Yield requirement	—	-10,355	-9.0	—	16,325	14.1

1) Refers only to properties subjected to discounted cash flow analysis.

Parent Company income statement

Parent Company income statement, summary, SEK m	2022 Oct.–Dec.	2021 Oct.–Dec.	2022 Full-year	2021 Full-year
Income from property management	1,760	1,701	7,078	6,679
Property management expenses	-677	-616	-2,256	-2,157
NET OPERATING INCOME	1,084	1,085	4,822	4,522
Central administration costs	-19	-22	-68	-67
Development costs	-15	-23	-50	-53
Depreciation and impairment as well as reversed impairment in property management	-443	-426	-1,618	-1,579
PROFIT BEFORE FINANCIAL ITEMS	606	614	3,087	2,823
Result, shares in subsidiaries	—	—	1,338	—
Interest income	115	14	230	36
Interest expense	-295	-135	-749	-471
Change in value, financial instruments	-13	-126	1,310	380
Appropriations	537	507	537	507
PROFIT BEFORE TAX	951	874	5,752	3,275
Tax	28	-175	-962	-680
PROFIT FOR THE YEAR	978	699	4,791	2,595

Parent Company statement of comprehensive income, summary, SEK m	2022 Oct.–Dec.	2021 Oct.–Dec.	2022 Full-year	2021 Full-year
Profit for the year	978	699	4,791	2,595
Reclassifiable items				
Profit/loss from cash flow hedges	81	81	88	157
Tax attributable to cash flow hedges	1	1	-26	-8
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD	82	82	62	149
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,060	781	4,853	2,744

Parent Company statement of financial position

Parent Company statement of financial position, summary, SEK m	31 Dec. 2022	31 Dec. 2021
ASSETS		
<i>Non-current assets</i>		
Capitalised expenditure	5	6
Properties	49,127	48,559
Equipment, fixtures and fittings	34	34
Shares in Group companies	1	1
Derivatives	2,566	3,474
Other non-current receivables	410	428
Total non-current assets	52,142	52,502
<i>Current assets</i>		
Receivables from subsidiary	2	—
Derivatives	217	152
Other current receivables	1,791	2,034
Cash and cash equivalents	7,057	4,067
Total current assets	9,066	6,253
TOTAL ASSETS	61,208	58,755

Parent Company statement of financial position, summary, SEK m	31 Dec. 2022	31 Dec. 2021
EQUITY AND LIABILITIES		
Equity	10,041	7,673
Untaxed reserves	2,888	3,425
LIABILITIES		
<i>Non-current liabilities</i>		
Loans	31,093	31,240
Derivatives	1,749	1,315
Deferred tax	2,671	2,448
Other non-current liabilities	741	584
Total non-current liabilities	36,254	35,588
<i>Current liabilities</i>		
Loans	6,389	4,979
Derivatives	172	4
Other current liabilities	5,465	7,086
Total current liabilities	12,025	12,069
Total liabilities	48,279	47,657
TOTAL EQUITY AND LIABILITIES	61,208	58,755

Parent Company

Akademiska Hus AB is the Parent Company in the Akademiska Hus Group and is wholly owned by the Swedish state. Operations mainly comprise owning and managing university and college properties. The majority of the Group's revenue is derived from leasing property for education purposes under government auspices. Essentially the entire Group's operations are conducted in the Parent Company, which means that the description of risks and uncertainties is the same in both the Group and the Parent Company.

TURNOVER AND PROFIT/LOSS

The Company's turnover for the year amounted to SEK 7,078 million (6,679). Profit before financial items was SEK 3,087 million (2,823). Profit/loss from subsidiaries amounted to SEK 1,338 million (0). Profit after tax was SEK 4,791 million (2,595).

DEPRECIATION

The Company's profit for the year totalled SEK 1,618 million (1,579). The revaluations of investment properties made in 2014 and 2015 are depreciated at a rate such that the revaluation is fully written off when the rest of the building is fully depreciated.

INVESTMENTS

Investment in machinery and equipment amounted to SEK 11 million (14) and in properties to SEK 2,140 million (4,586).

EQUITY

Equity totalled SEK 10,041 million (7,673) at the end of the year. In May 2022 a dividend of SEK 2,484 million was paid to the shareholder.

KEY EVENTS DURING THE YEAR

Akademiska Hus completed four property sales during the year. The sales price for all transactions totalled a value of SEK 204 million, with capital gains of SEK 125 million.

During the year, the property Göteborg Lorensberg 24:2 was acquired via a company transaction from the Göteborgs Stads Parkeringsaktiebolag.

Russia's invasion of Ukraine has had repercussions on the world economy. To date, Akademiska Hus' financial situation has only been marginally affected.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No events of a material nature occurred.

Signing of the Report

Anitra Steen
Chairperson of the Board

Peter Gudmundson
Board member

Mariette Hilmersson
Board member

Håkan Stenström
Board member

Josef Mård
Employee representative

Sofi Sonesson
Employee representative

Christer Nerlich
Board member

Erik Sandstedt
Board member

Mariell Juhlin
Board member

Örjan Wikforss
Board member

Caroline Arehult
Chief Executive Officer

The Chief Executive Officer hereby certifies that this Interim Report provides a true and fair overview of the Company's and the Group's operations, financial position and results and describes material risks and uncertainties that the Company and the companies that form part of the Group face.

Gothenburg on 8 February 2023

This Interim Report has not been the subject of an examination by the auditors.

Notes

NOTE 1 ACCOUNTING POLICIES

Akademiska Hus complies with the EU-endorsed International Financial Reporting Standards (IFRS). This Interim Report for the Group has been prepared according to IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the recommendation of the Swedish Financial Reporting Board, RFR 2 Accounting for Legal Entities.

Unless stated otherwise below, the accounting policies and computation methods are the same as the accounting policies used in the most recent Annual Report.

Disclosures under IAS 34.16A are presented except in the financial statements and the related notes in other parts of the interim report.

The general principles for the valuation of financial instruments are that financial investment assets and all derivative instruments should be valued at fair value whilst other financial assets and financial liabilities are measured at amortised cost. Financial instruments are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs for all financial instruments, other than those that belong to the category Financial Assets, which are measured at fair value through profit and loss.

Beginning on 1 January 2022, the Company is using a new approach to assess preventive maintenance. According to the new assessment, preventive maintenance must be reported in groups as additional capitalisation (cost) on the investment property in accordance with IAS 40. For the year, this has entailed lower maintenance costs of approximately SEK 331 million. The comparative year was not adjusted.

NOTE 2 ALTERNATIVE PERFORMANCE MEASURES

In accordance with European Securities and Markets Authority guidelines (ESMA) on reporting of alternative performance measures, the definition and reconciliation of alternative performance measures for Akademiska Hus are presented here. The guidelines entail additional disclosures regarding financial measures that are not defined in IFRS. The performance measures presented below are reported in the year-end report. They are used for internal governance and follow-up and are generally accepted in the property industry. Owner objectives have also been set for return on operating capital and the equity ratio. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies.

Return on equity

Profit before tax less the standard tax (according to the current tax rate) in relation to average Equity (OB+CB)/2.

Return on operating capital

Profit before tax excluding the changes in the value of financial instruments and net interest income/expense in relation to average operating capital.

Loan-to-value ratio

Net loan liability in relation to the closing value of properties.

Yield

Net operating income with reversal of site leasehold fees in relation to average assessed market value excluding buildings under construction and expansion reserves.

This performance measure shows the return from operations in relation to the value of the properties.

Net operating income ratio

Net operating income in relation to property management income.

The net operating income ratio shows how much the Company gets to keep from each krona earned from business operations. It is a type of efficiency measure that is comparable over time.

Net interest income and expense, breakdown, SEK m

SEK m	2022	2021
Net interest income/expense, net loans and financial assets	-513	-367
Net interest derivatives	4	-18
Other interest costs	-10	-50
Capitalised interest costs, projects	67	67
Total net interest income/expense	-452	-368
Change in value, independent financial derivatives		
-unrealised	309	370
-realised	725	-65
Changes in value, fair value hedges	276	75
Total changes in value	1,310	380
Site leasehold fees	-82	-83
Reported net interest income and expense	776	-71

Net investments

Closing balance minus the opening balance for non-current assets plus depreciation and impairment losses less revaluations.

Net loan liability

All loans are included in gross loan debt. Net loan liability includes some current receivables, cash and cash equivalents and security transfers for derivative instruments. Pension provisions and similar items are not included.

SEK m	31 Dec. 2022	31 Dec. 2021
Gross loan debt	-37,481	-36,220
Collateral for derivatives, net	-643	-2,091
Cash and cash equivalents	7,057	4,067
Other current receivables	489	805
Total net loan liability	-30,578	-33,439
Average interest-bearing capital (full-year basis)	-31,551	-32,924

Operating capital

Equity plus interest-bearing net loan liability.

Interest coverage ratio

Net operating income with reversal of site leasehold fees and the addition of central administration costs in relation to net financial income/expense excluding site leasehold fees, including period allocation of realised profits from derivative instruments and including capitalised interest in projects. The interest coverage ratio is a financial measure that shows how many times the Company is able to pay its interest with adjusted earnings before financial items.

Equity ratio

Equity in relation to total assets.

Definitions/Glossary

Comparable portfolio

Property holdings excluding properties that have been acquired and sold or have been classified as projects during the period or the comparison period.

Development costs

Development costs relate to costs for innovation and operational development, as well as associated staff costs. These company-wide strategic costs are aimed at developing operations for the Company and/or the customer. They are not directly linked to the current property portfolio and are usually one-off posts.

FLOOR SPACE, m², GFA

Rentable floor space in square metres.

FLOOR SPACE, m², GFS

Gross floor space of building. Comprises rentable floor space as well as common areas and the areas surrounding the building.

FLOOR SPACE, m², UFA

Rentable usable floor space in square metres.

Maintenance costs

Costs for measures taken aimed at reinstating the original standard and function of worn or damaged parts of a building excluding preventive maintenance, which is capitalised in the Group.

Operating costs

Operating costs are costs incurred to keep a property, installation or similar facility functioning. Operating costs are divided into provision of utilities, inspection and maintenance.

Property administration

Expenses for management and rental of properties, project management and expenses for operational support excluding central administration.

Rental and vacancy levels

Leased or vacant floor space in relation to the total floor space. Financial leasing or vacant space levels are rental revenue for space leased and estimated rental revenue for vacant space in relation to the total rental revenue.

Rental revenue

Rent, index-linked, and estimated rent for vacant rentable floor space and supplements, with a deduction for vacant space and rent reductions. Also included are additional operations, tenant adaptations and parking.

REPORT CALENDAR

Annual Report 2022	15 March 2023
Interim Report January–March	26 April 2023
Interim Report January–June	7 July 2023
Interim Report January–September	25 Oct. 2023

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