

# Interim Report

1st quarter – 2023

1 JANUARY–31 MARCH 2023

## KEY EVENTS DURING THE QUARTER

- During the quarter, Anitra Steen announced that she had decided to step down from the position of chairperson of the company's Board of Directors at the Annual General Meeting of Akademiska Hus on 26 April. The proposed new chairperson is Lena Erixon, who previously served as Director General of the Swedish Transport Administration and the Swedish Defence Materiel Administration.
- Every year, the Scandinavian Green Roof Institute organizes The Green Roof Award – an award for the best green roof in Scandinavia. This year, the Akademiska Hus building A Working Lab on the Chalmers campus in Gothenburg won the category for extensive green roofs.
- Akademiska Hus has signed a letter of intent with Stockholm Exergi for the purchase of negative emissions from bio-CCS. Green district heating agreements have also previously been signed with a number of suppliers who are driving the development of fossil-free energy. In total, the agreements represent approximately 45 per cent of the volume of district heating supplied to Akademiska Hus.
- Akademiska Hus and Uppsala University have signed a new agreement that will promote both greater cooperation regarding sustainable development and long-term development of an attractive university that is integrated into the urban environment. The previous cooperation agreement, signed in April 2019, has resulted in several major sustainability initiatives.

AKADEMISKA HUS IN BRIEF	2023 Jan.–March	2022 Jan.–March	Rolling 12 months April 22–March 23	2022 Full-year	2021 Full-year
Income from property management, SEK m	1,928	1,727	7,154	6,954	6,679
Net operating income, SEK m	1,341	1,259	5,225	5,143	4,707
Profit before changes in value and taxes, SEK m	1,128	1,117	4,501	4,490	4,136
<b>Financial key figures</b>					
Equity ratio	49.6	51.2	49.6	50.2	49.6
Return on operating capital, %	*	*	2.3	6.3	18.7
Return on equity, %	*	*	2.7	8.6	24.0
Interest coverage ratio, %	*	*	885	990	896
Loan-to-value ratio, %	26.9	27.1	26.9	26.5	29.8
Yield, properties, % <sup>1</sup>	*	*	4.8	4.8	4.7
Yield, properties, % <sup>2</sup>	*	*	4.5	4.5	4.4
Assessed market value, properties, SEK m	115,356	116,499	115,356	115,371	112,323

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

<sup>1</sup> Excluding properties under construction and expansion reserves. <sup>2</sup> Including properties under construction and expansion reserves.

## FINANCIAL KEY FIGURES

### Period January–March

- Rental revenue was SEK 1,897 million (1,701), an increase of 11.5 per cent year-on-year. The increase is mainly attributable to indexed rental prices, as well as an increase in electricity costs passed on to tenants.
- Operating costs totalled SEK 405 million (311), corresponding to an increase of 30.2 per cent over the previous year. The increase can mainly be attributed to higher electricity costs for the period.
- Net interest income amounted to SEK -166 million (-93) and changes in the value of financial instruments amounted to SEK -99 million (657).
- Profit before changes in value and tax was SEK 1,128 million (1,117).
- Changes in property values amounted to SEK -354 million (3,529).
- Profit before tax was SEK 675 million (5,303) and profit for the period was SEK 536 million (4,211).
- Investments in redevelopment, extensions and new construction totalled SEK 424 million (647).
- Properties with a carrying amount of SEK 91 million (0) were sold during the quarter. The capital gain amounted to SEK 4 million (0).
- The yield\* (excluding properties under construction) was 4.8 per cent (4.6) over the past 12 months.

\* Please see the 2022 Akademiska Hus Annual Report for definitions

# We continue to deliver despite tough times

Despite a challenging market with rising yield requirements and falling property values, Akademiska Hus has delivered a stable performance. Net operating income for the period increased to SEK 1,341 million. The changed circumstances in the market have resulted in negative changes in the value of properties of SEK 354 million and negative changes in the value of financial instruments of SEK 99 million. Earnings for the period amounted to SEK 536 million.

We have continued to focus on driving sustainable development and creating value for the higher education institutions, our owner and society. Our financial position remains strong and during the quarter we issued long-term bonds with a volume corresponding to approximately SEK 3,400 million.

A report by PwC and the Urban Land Institute on the European property market shows that property companies are worried about inflation, interest rates and economic growth, and expectations for profitability have fallen dramatically since last year. The majority believe that Europe will enter a recession before the end of the year. Nevertheless, despite the challenging conditions, we continue to develop our project operations and have taken several decisions to carry out renovations in 2023. We are also maintaining the planned pace of maintenance activities, while continuing to develop our existing portfolio. According to the report, a majority of respondents also believe that sustainability and social impact are key factors for success over the next 20 years. Akademiska Hus is focusing on these areas as well.

## Strong collaboration with higher education institutions

Our strong collaboration with Uppsala University continues to develop through a new cooperation agreement that will clarify efforts to create a sustainable and attractive environment for the university. We have also signed a

declaration of intent with Lund Municipality and 15 other participants to collaborate on climate initiatives in the area. These initiatives provide us with even better opportunities to drive development together with higher education institutions.

Another good example of collaboration with our core customers is the change of direction for the Delta new construction project with Luleå University of Technology. As a result, the scope of the new construction project in the Delta block has been reduced by 50 per cent and existing premises on campus will be developed instead. This solution offers a much lower carbon footprint, higher utilization of existing buildings, faster completion, plus a lower cost for the centre of education.

## Major investment in fossil-free district heating and district heating with negative emissions

An important aspect of our climate work is to contribute to a high demand for fossil-free district heating, since district heating is one of the largest sources of our emissions. Green district heating agreements with suppliers have been signed, representing approximately 45 per cent of the volume of district heating supplied to Akademiska Hus. We have now also signed a letter of intent with Stockholm Exergi for the purchase of negative emissions from bio-CCS, which can be used to reduce the carbon footprint from district heating. The goal is to achieve climate neutrality throughout the value chain by 2035.

Our operations are stable and, despite tough times, we can continue to provide strong support to our customers in their important work in education and research.

*Caroline Arehult*  
Chief Executive Officer



“We are actively promoting demand for fossil-free district heating, since district heating is one of our biggest sources of emissions. By signing green district heating agreements, we can help achieve climate neutrality throughout the value chain by 2035.”

# Four-step principle enables low climate impact project portfolio

By reducing new construction and using existing buildings more resource efficiently, we can achieve the goal of a reduced carbon footprint. To help us, we use a process that we call the four-step approach.

The four-step principle is used to assess our customers' needs for premises, starting with making the most of and using existing premises as a first choice, optimising premises as a second choice, adapting as a third choice and remodelling and new construction as a last choice. The four-step principle is based on the concept that climate-conscious choices potentially reduce climate impact more and lower overall costs the earlier we make them in the project.

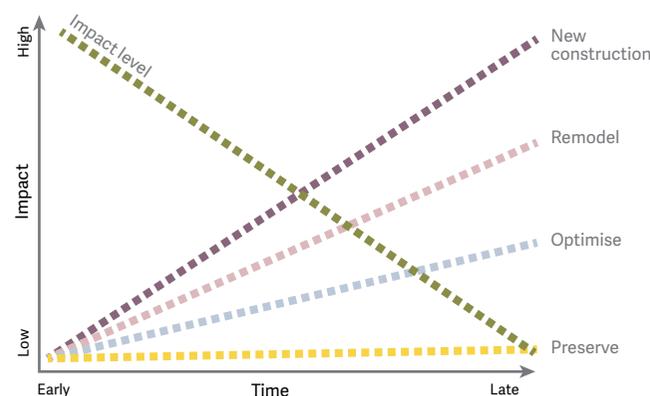
As a basis for implementation, we analyse factors such as presence data in premises where accessibility, use in booking systems and dialogue with customers are essential to understand what needs exist and how the premises are used. In new construction, extensions or major remodelling, we use circular principles and build climate-efficiently to achieve the lowest possible climate impact. The following measures are central:

- A minimised need for premises and an optimised physical design that ensures well designed, efficiently utilised and future-safe campus environments.
- Designs and systems with optimised materials, use of recycled materials and reduction of construction and demolition waste.
- Actively demand low-carbon materials, with a particular focus on materials that generate high climate emissions and are present in large volumes.
- Reduce the climate impact from groundwork.

Read more about our climate and energy strategy on our website.

## Four-step principle – four steps for reduced new construction

1. Use existing	2. Optimise existing	3. Retrofit	4. New construction
Analyse needs with the customer and consider measures other than construction.	Through measures leading to smarter and more efficient use of premises.	Implement limited measures where they are most beneficial based on needs analysis and use of premises.	Only chosen if the need cannot be met in the previous three steps.
Measures may include: Digitalisation of properties, organisation and better booking systems.	Measures may include: Efficient design, higher utilisation rates, relocation, sharing economy.	Measures may include: Retrofitting, renovation, reinforcement, upgrade, recycling.	Measures may include: Extensions and new construction, as well as major remodelling projects.



The degree to which the chosen solution can be influenced decreases as the project progresses, for which reason it is important to make decisions on important choices as early as possible in the process, when it is still possible to make changes before the consequences become too expensive in terms of both time and money.

## AKADEMISKA HUS IS INVESTING HEAVILY IN DISTRICT HEATING WITH NEGATIVE EMISSIONS

By 2025, Akademiska Hus will reduce the quantity of delivered energy to one half of what it was in 2000. At the same time, we will ensure that the energy that must be purchased is fossil-free. The work is part of our goal to achieve climate neutrality throughout the value chain by 2035, when emissions will be reduced by at least 85 per cent compared with 2019. The remaining 15 per cent of emissions are removed in the same financial year via options such as negative emissions.

Akademiska Hus has therefore signed an agreement of intent to purchase negative emissions from district heating from 2026 onwards via the bio-CCS plant that Stockholm Exergi plans to build. Green district heating agreements have previously also been signed with a number of suppliers who are driving the development of fossil-free energy. In total, the agreements represent approximately 45 per cent of the volume of district heating supplied to Akademiska Hus.



# Consolidated income statement

Consolidated income statement, summary, SEK m	2023 Jan.–March	2022 Jan.–March	Rolling 12 months April 22–March 23	2022 Full-year
Rental revenue	1,897	1,701	7,040	6,845
Other property management income	31	26	114	109
<b>Total property management income</b>	<b>1,928</b>	<b>1,727</b>	<b>7,154</b>	<b>6,954</b>
Operating costs	-405	-311	-1,183	-1,089
Maintenance costs	-29	-21	-113	-105
Property administration	-117	-111	-463	-457
Other property management expenses	-36	-26	-170	-160
<b>Total costs from property management</b>	<b>-587</b>	<b>-468</b>	<b>-1,930</b>	<b>-1,811</b>
<b>NET OPERATING INCOME</b>	<b>1,341</b>	<b>1,259</b>	<b>5,225</b>	<b>5,143</b>
Central administration costs	-16	-15	-69	-68
Development costs	-9	-13	-47	-50
Interest income	458	16	672	230
Interest expense	-624	-109	-1,197	-682
Site leasehold fees	-21	-21	-82	-82
<b>PROFIT BEFORE CHANGES IN VALUE AND TAXES</b>	<b>1,128</b>	<b>1,117</b>	<b>4,501</b>	<b>4,490</b>
Change in value, properties	-354	3,529	-2,775	1,108
Change in value, financial instruments	-99	657	554	1,310
<b>PROFIT BEFORE TAX</b>	<b>675</b>	<b>5,303</b>	<b>2,280</b>	<b>6,909</b>
Tax	-139	-1,092	-466	-1,419
<b>PROFIT FOR THE PERIOD</b>	<b>536</b>	<b>4,211</b>	<b>1,815</b>	<b>5,490</b>
Of which attributable to the Parent Company's shareholder	536	4,211	1,815	5,490

Consolidated statement of comprehensive income, summary, SEK m	2023 Jan.–March	2022 Jan.–March	Rolling 12 months April 22–March 23	2022 Full-year
Profit for the period	536	4,211	1,815	5,490
Reclassifiable items				
Profit/loss from cash flow hedges	-194	66	-173	87
Tax attributable to cash flow hedges	34	-23	31	-26
Non-reclassifiable items				
Revaluation of defined benefit pensions	—	—	230	230
Tax attributable to pensions	—	—	-47	-47
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-160</b>	<b>43</b>	<b>41</b>	<b>244</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>376</b>	<b>4,254</b>	<b>1,856</b>	<b>5,734</b>
Of which attributable to the Parent Company's shareholder	376	4,254	1,856	5,734

# Comment: Operating profit

## FIRST QUARTER

Profit for the quarter before changes in value and taxes increased by SEK 11 million since the beginning of the year and amounted to SEK 1,128 million (1,117). Earnings were essentially unchanged because of an increased net operating income of SEK 82 million compared with the previous year, mainly attributable to indexed rental prices, while also negatively affected by increased electricity costs. The increased net operating income is offset by lower net interest income of SEK -73 million compared with the previous year. The total change in value of properties was negative and amounted to SEK -354 million (3,529), due to changed yield requirements and cost of capital.

## RENTAL REVENUE

Rental revenue increased by SEK 196 million compared with the same period the previous year and totalled SEK 1,897 million (1,701). The index contributed with an increase of SEK 130 million and completion of new buildings contributed approximately SEK 12 million, mainly attributable to Albano. Utility costs passed on to tenants increased by SEK 51 million, and can be attributed to higher electricity prices. In a comparable portfolio, rental revenue increased by 8.5 per cent compared with the previous year.

## LEASING LEVEL

The financial vacancy rate accounts for 2.6 per cent (2.4 at year-end) of our total rental revenue, which corresponds to SEK 193 million on an annual basis (171 at year-end). Discussions with potential tenants related to vacant premises are underway at several centres of education, mainly at the Solna and Frescati campuses.

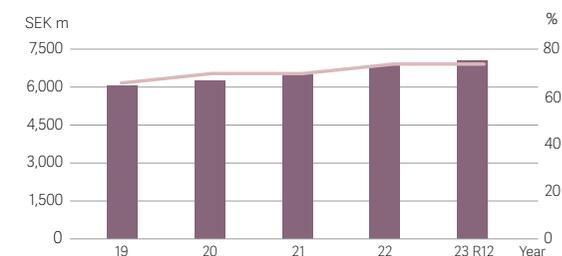
## OPERATING AND MAINTENANCE COSTS

Expenses for operation and maintenance increased by SEK 102 million and totalled SEK 434 million (332). Maintenance costs increased by SEK 8 million compared with the same period the previous year and totalled SEK 29 million (21). Operating costs involve inspection and maintenance, as well as provision of utilities, and increased by SEK 94 million. The increase relates to utility costs and is an effect of rising electricity prices, a trend since the autumn of 2021, as well as slightly increased heat consumption in order to relieve the electricity grid. Operating costs of SEK 405 million (311) include provision of utilities of SEK 291 million (212), equivalent to SEK 236/m<sup>2</sup> (191) over the past 12 months. Inspection and maintenance totalled SEK 114 million (99) and the increase is mainly an effect of index-adjusted contract prices.

## ADMINISTRATION COSTS

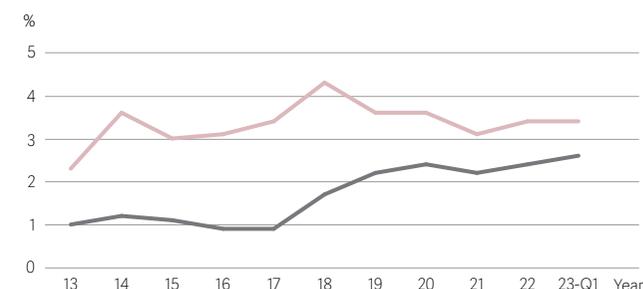
Total administration costs increased by SEK 7 million and amounted to SEK 133 million (126). The increase is mainly attributable to higher personnel costs resulting from contractual salary increases and additional staff. Development costs decreased by SEK 4 million and amounted to SEK 9 million (13).

## RENTAL REVENUE AND RISING NET OPERATING INCOME RATIO



● Rental revenue, SEK m — Net operating income ratio, %

## VACANCY RATE



— % of rent — % of area

## 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 166 million (93) for the quarter, corresponding to an interest rate of 2.57 per cent (1.27), which includes capitalised interest expense of SEK 30 million (9) for projects in progress. The increase in net interest income can be attributed to the rise in market interest rates, especially the higher STIBOR rate, which increases the cost of loans with floating interest rates. See table describing the composition of net interest income and expense on page 14.

## TOTAL FINANCING COST INCLUDING CHANGES IN VALUE

	2023	Jan.– March	2022	Jan.– March	2022	Full- year
Interest cost for loans, including charges, %		2.70		1.26		1.70
Interest swaps, net interest, %		-0.13		0.01		-0.01
<b>Net interest income/expense, %</b>		<b>2.57</b>		<b>1.27</b>		<b>1.69</b>
Changes in value, financial derivatives, %		1.27		-8.33		-4.16
<b>Total financing cost, %</b>		<b>3.84</b>		<b>-7.06</b>		<b>-2.47</b>

## CHANGES IN VALUE, PROPERTIES

For the first quarter, changes in the value of properties affecting earnings amounted to SEK -354 million (3,529), of which SEK 4 million relates to realised changes in value. The contribution from changed yield requirements and the cost of capital is SEK -759 million. The other change in value amounted to SEK 401 million (546).

## CHANGES IN VALUE, FINANCIAL INSTRUMENTS

Changes in value in the derivative portfolio are negative and amounted to SEK -99 million (657) as of 31 March, which can largely be attributed to lower market interest rates during the period. 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 derives in part from 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

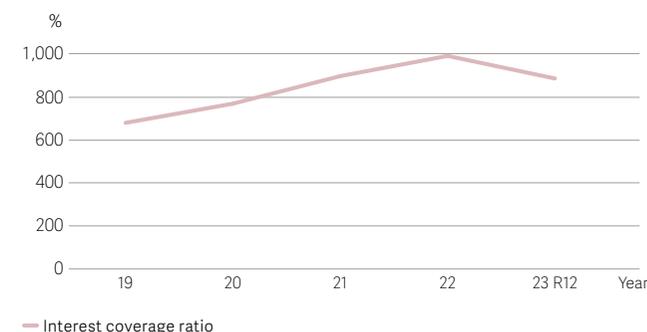
To clarify the underlying financing cost of Akademiska Hus over time, a comparative calculation is carried out in which the realised result of the closed interest rate derivatives is allocated to the remaining underlying maturity of each instrument. This allocation corresponds to an interest expense of -0.11 per cent for the past twelve-month period. The accrual and the net interest income reflect the underlying financing cost and amount to 1.90 per cent as at 31 March, 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 885 per cent (927), see diagram on the right.

## COMPARATIVE CALCULATION TOTAL FINANCING COST, ROLLING 12-MONTH BASIS



## INTEREST COVERAGE RATIO



# Consolidated statement of financial position

Consolidated statement of financial position, summary, SEK m	31 March 2023	31 March 2022	31 Dec. 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised expenditure	4	6	5
Properties	115,356	116,499	115,371
Site leasehold rights	2,663	2,663	2,663
Equipment, fixtures and fittings	33	33	34
Derivatives	2,481	2,130	2,566
Other non-current receivables	410	415	410
<b>Total non-current assets</b>	<b>120,948</b>	<b>121,745</b>	<b>121,048</b>
<b>Current assets</b>			
Derivatives	50	188	217
Other current receivables	1,995	1,801	1,791
<b>Total current receivables</b>	<b>2,045</b>	<b>1,989</b>	<b>2,008</b>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	9,406	5,939	7,057
<b>Total cash and cash equivalents</b>	<b>9,406</b>	<b>5,939</b>	<b>7,057</b>
<b>Total current assets</b>	<b>11,451</b>	<b>7,928</b>	<b>9,064</b>
<b>TOTAL ASSETS</b>	<b>132,398</b>	<b>129,673</b>	<b>130,113</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Consolidated statement of financial position, summary, SEK m</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 Dec. 2022</b>
Equity	65,729	66,356	65,353
<b>LIABILITIES</b>			
Loans	33,804	30,764	31,093
Derivatives	1,486	831	1,749
Deferred tax	16,886	17,218	16,893
Long-term debt finance lease	2,663	2,663	2,663
Other non-current liabilities	830	953	830
<b>Total non-current liabilities</b>	<b>55,669</b>	<b>52,429</b>	<b>53,228</b>
Loans	6,503	6,370	6,389
Derivatives	25	—	172
Other current liabilities	4,472	4,518	4,972
<b>Total current liabilities</b>	<b>11,001</b>	<b>10,888</b>	<b>11,532</b>
<b>Total liabilities</b>	<b>66,670</b>	<b>63,317</b>	<b>64,760</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>132,398</b>	<b>129,673</b>	<b>130,113</b>

# Changes in group equity

Changes in group equity in brief, SEK m	Attributable to the Parent Company's shareholder					Total equity
	Share capital	Other contributed capital	Hedge reserve	Actuarial profit and loss	Profit for the year brought forward	
<b>EQUITY, 1 JAN. 2022</b>	<b>2,135</b>	<b>2,135</b>	<b>150</b>	<b>-90</b>	<b>57,772</b>	<b>62,102</b>
Total comprehensive income, Jan.–March 2022	—	—	43	—	4,211	4,254
<b>EQUITY, 31 MARCH 2022</b>	<b>2,135</b>	<b>2,135</b>	<b>193</b>	<b>-90</b>	<b>61,983</b>	<b>66,356</b>
Dividends <sup>1)</sup>	—	—	—	—	-2,484	-2,484
Total comprehensive income, April–Dec. 2022	—	—	19	183	1,279	1,481
<b>EQUITY, 31 Dec. 2022</b>	<b>2,135</b>	<b>2,135</b>	<b>212</b>	<b>93</b>	<b>60,778</b>	<b>65,353</b>
Total comprehensive income, Jan.–March 2023	—	—	-160	—	536	376
<b>EQUITY, 31 MARCH 2023</b>	<b>2,135</b>	<b>2,135</b>	<b>52</b>	<b>93</b>	<b>61,314</b>	<b>65,729</b>

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

# Comment: Statement of financial position

## PROPERTIES

As of the end of the first quarter, the market value of Akademiska Hus' property holdings totalled SEK 115,356 million, a decrease of SEK -15 million compared with year-end. The unrealised change in value amounted to SEK -358 million (3,529), which corresponds to a -0.3 per cent decrease compared with year-end (3.1). Remaining changes relate to investments in properties for the year of SEK 424 million (647), acquisitions of SEK 10 million (0) and sales of SEK 91 million (0). During the first quarter, part of Uppsala Ultuna 2:1 was acquired and sales were completed for part of Uppsala Ultuna 2:23, part of Luleå Porsön 1:405 and part of Göteborg Änggården 718:138.

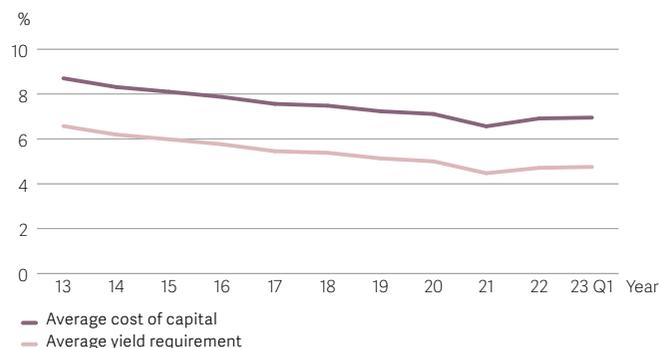
During the first quarter of the year, continued high inflation and uncertainty about the economy contributed to a negative trend in the property market, for which reason Akademiska Hus raised the average yield requirement and cost of capital by 4 points. The average yield requirement and cost of capital at 31 March 2023 were 4.75% (4.71) and 6.95% (6.91), respectively, and the adjustment during the first quarter contributed a negative change in value of SEK -759 million. The inflation assumption was not adjusted during the quarter and therefore had no impact on the value compared with the value at year-end. Other changes in value amounted to SEK 401 million (546) and are mainly attributable to adjusted market rents, projects in progress and renegotiated leases.

Market value is determined by a quarterly internal valuation of all the company's properties, where yield requirements and standardised costs are reconciled with external valuation agencies. Each year, 25–30 per cent of the market value of the property portfolio is also externally valued, with a focus on typical properties. The difference in value between the most recent internal and external valuations was 2.5 per cent, with the external valuers assessing a higher value. The differences in value are mainly due to different assessments of yield requirements and market rents.

## PROPERTIES 31 MARCH 2023 (incl. new construction in progress and capitalised interest costs)

Change in property holdings, SEK m	31 March 2023	31 March 2022	31 Dec. 2022
Opening assessed market value	115,371	112,323	112,323
+ Investments in new construction, extensions and redevelopment	424	647	2,551
+ Acquisitions	10	—	110
- Sales	-91	—	-714
<b>+/- Change in market value</b>	<b>-358</b>	<b>3,529</b>	<b>1,101</b>
Of which change in value due to a change in the cost of capital and yield requirement	-759	2,983	-4,922
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 inflation	—	—	5,322
Of which other change in value	401	546	1,006
<b>CLOSING ASSESSED MARKET VALUE</b>	<b>115,356</b>	<b>116,499</b>	<b>115,371</b>

## YIELD REQUIREMENTS AND COST OF CAPITAL



## PROPERTY PORTFOLIO'S ACCUMULATED VALUE GROWTH AND NUMBER OF SQUARE METRES FLOOR SPACE, M<sup>2</sup> GFA AND UFA



## SENSITIVITY ANALYSIS, PROPERTY VALUE 31 MARCH 2023

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 <sup>1</sup>	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 <sup>1</sup>	Impact on assessed market value, percentage points
Rental revenue	70	175	0.2	-70	-175	-0.2
Vacant space	-66	-981	-0.9	66	981	0.9
Operating costs	-12	-121	-0.1	12	121	0.1
of which provision of utilities	-8	-61	-0.1	8	61	0.1
Cost of capital		-7,432	-6.4		8,266	7.2
Yield requirement		-10,335	-9.0		16,325	14.2

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

## FINANCING

The financing requirement at Akademiska Hus has continued to be limited, but two bond issuances were carried out during the quarter in order to pre-finance bond maturities in the spring. One issuance in Switzerland had a volume corresponding to approximately SEK 3,100 million and a maturity of 10 years. In addition, a longer-term 15-year issuance was carried out, denominated in Swedish kronor and with a volume of SEK 300 million. Credit facilities in banks are unchanged and amount to SEK 6,000 million; all were unutilised as at 31 March. 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 very strong liquidity reserve. Short-term financing under the ECP programme remained essentially unchanged during the quarter.

The net liability portfolio as of 31 March totalled SEK 31,077 million. The change in net liability is minor during the quarter, totalling only SEK 499 million. The equity ratio is 49.6 per cent (51.2).

## NET LOAN LIABILITY

SEK m	31 March 2023	31 March 2022	31 Dec. 2022
Gross loan debt	-40,308	-37,134	-37,481
Collateral for derivatives, net	-828	-1,121	-643
Cash and cash equivalents	9,406	5,939	7,057
Other current receivables	652	764	489
<b>Total net loan liability</b>	<b>-31,077</b>	<b>-31,553</b>	<b>-30,578</b>
<b>Average interest-bearing capital (full-year basis)</b>	<b>-31,450</b>	<b>-32,631</b>	<b>-31,551</b>

## FIXED INTEREST PERIOD AND MATURITY

Akademiska Hus has a long average period for tied-up capital, which was 9.0 years as of 31 March. Bonds denominated in foreign currency are swapped for SEK with floating interest rates and therefore do not entail a corre-

sponding 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. As previously, debt management will focus on allocating the portfolio's interest rate risk to the most effective periods on the yield curve. As of 31 March the interest rate duration in the total portfolio was 6.4 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, March 2023	Fixed interest, years, Dec. 2022	Maturity, years, March 2023	Maturity, years, Dec. 2022
Basic portfolio	4.2	3.8	7.2	7.0
Long-term portfolio	19.0	19.2	19.0	19.2
<b>Total portfolio</b>	<b>6.4</b>	<b>6.1</b>	<b>9.0</b>	<b>8.8</b>

Year	Fixed interest, SEK m	Maturity, SEK m
2023	18,223	5,513
2024–2028	11,928	13,030
2029–2033	3,250	8,560
2034–2038	2,195	2,771
2039–2043	3,236	5,020
2044–2048	805	4,743
<b>TOTAL</b>	<b>39,638</b>	<b>39,638</b>

The table above shows the nominal amounts.

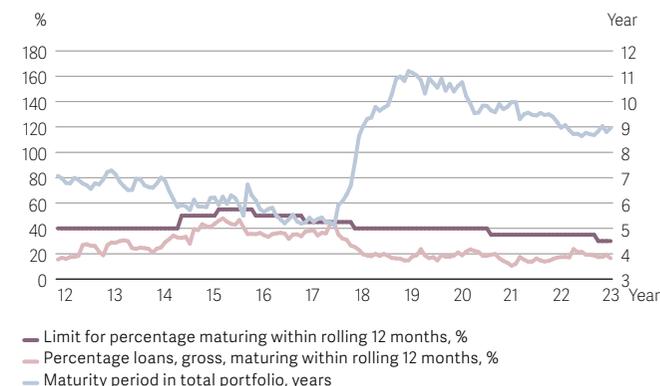
## SUMMARY OF FINANCIAL RISKS AND MANDATE

Financial risks	Mandate	31 March 2023
<b>Refinancing risk</b>		
portion of debt maturing within 12 months	Max 30% of total portfolio	16.4%
<b>Interest risk</b>		
average fixed interest period, basic portfolio	3–6 years	4.2
proportion long-term portfolio	Max 20% of total portfolio	11.7%
proportion index-linked bonds	Max 5% of total portfolio	1.6%
<b>Counterparty risk</b>	Limit system and CSA agreements with derivative transactions	Satisfied
<b>Foreign currency risk</b>	No currency exposure with foreign financing is allowed	Satisfied

## FIXED INTEREST PERIOD IN TOTAL PORTFOLIO



## AVERAGE MATURITY AND PERCENTAGE MATURING



## PROJECTS

The majority of the portfolio is located in Lund and Gothenburg, with a number of major new construction and renovation projects. In 2023, several major projects will be completed: Natrium, Forum Medicum, LTH Maskinteknik, Albano development and land, Astrid Fagreus lab and Språkskrapan.

The project portfolio increased by SEK 900 million since last quarter to SEK 15,300 million because of the addition of four planned projects, mainly involving remodeling.

## PROJECT PORTFOLIO

SEK m	31 March 2023	31 Dec. 2022
Approved projects	9,100	9,100
Planned projects	6,200	5,300
<b>APPROVED AND PLANNED PROJECTS</b>	<b>15,300</b>	<b>14,400</b>
of which already invested in projects in progress	-4,500	-4,300
<b>REMAINDER OF APPROVED AND PLANNED PROJECTS</b>	<b>10,800</b>	<b>10,100</b>

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.

### NATRIUM – UNIVERSITY OF GOTHENBURG

The new Natrium building will gather large parts of the Faculty of Science under one roof, while promoting continued development within the life sciences on Medicinareberget at the University of Gothenburg. The investment of more than SEK 1.8 billion will involve approximately 32,000 square metres. The project is being built according to the gold level of the Miljöbyggnad certification system and will be completed in the spring of 2023.



## APPROVED PROJECTS

Project name	Location	Type of premises	Investment limits, SEK m	Leasing level, %	Percentage accrued, %	Miljöbyggnad certification system	Additional floor space, m <sup>2</sup> , GFA	Expected completion	Customer
Konstnärliga	Gothenburg	Education	1,953	82	8	Gold	33,000	2027-Q2	University of Gothenburg
Natrium	Gothenburg	Laboratory	1,803	100	66	Gold	28,000	2023-Q3	University of Gothenburg
Forum Medicum	Lund	Education	821	100	67	Gold	13,800	2023-Q2	Lund University
School of Business, Economics and Law	Gothenburg	Education	529	97	24	Gold	9,200	2026-Q3	University of Gothenburg
LTH Maskinteknik	Lund	Education	499	100	97	Silver	19,000	2023-Q2	Lund University
Albano development and land	Stockholm	Education	439	—	82	Silver	—	2023-Q3	Stockholm University
Aquila Rosendal	Uppsala	Residential	361	—	25	Silver	10,000	2024-Q4	Akademiska Hus
A-, B- E- and F- building, Luleå	Luleå	Education	320	—	22	—	—	2028-Q4	Akademiska Hus
Universum Building K	Umeå	Education	272	100	17	Gold	6,500	2025-Q1	Umeå University
Fysiologen building	Stockholm	Education	215	—	6	Silver	—	2024-Q3	Karolinska Institutet
Kemicentrum	Stockholm	Laboratory	120	—	67	—	—	2024-Q1	Royal Institute of Technology
Local plan Rosendal	Uppsala	—	115	—	—	—	—	2025-Q2	Akademiska Hus
Astrid Fagreus Lab	Solna	Laboratory	103	—	63	Gold	—	2023-Q3	Karolinska Institutet
Språkskrapan	Gothenburg	Residential	103	100	82	—	—	2023-Q3	University of Gothenburg
Projects under SEK 100 million			1,372						
<b>Total</b>			<b>9,025</b>		<b>50</b>		<b>119,500</b>		

## Consolidated statement of cash flows

Consolidated statement of cash flows, summary, SEK m	2023 Jan.– March	2022 Jan.– March	2022 Full-year
<b>CURRENT OPERATIONS</b>			
Profit before tax	675	5,303	6,909
Adjustment for items not included in cash flow	238	-4,145	-2,491
Tax paid	-591	-150	-563
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>322</b>	<b>1,008</b>	<b>3,855</b>
<b>CASH FLOW FROM CHANGES IN WORKING CAPITAL</b>			
Increase (+)/decrease (-) in current receivables	-214	154	556
Increase (+)/decrease (-) in current liabilities	-195	-86	240
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-88</b>	<b>1,076</b>	<b>4,651</b>
<b>INVESTING ACTIVITIES</b>			
Investments in properties	-393	-637	-2,484
Acquisition of properties	-10	—	-16
Sale of properties	95	—	689
Investments in other non-current assets	-2	-2	-11
Increase (+)/decrease (-) in non-current receivables	-1	—	18
Increase (+)/decrease (-) in non-current liabilities	-23	22	184
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-334</b>	<b>-617</b>	<b>-1,620</b>
<b>FINANCING ACTIVITIES</b>			
Raising of interest-bearing loans, excluding refinancing	7,440	3,573	16,597
Repayment of loan	-4,835	-1,358	-13,431
Realised derivatives and CSA	166	-802	-723
Dividend paid	—	—	-2,484
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2,771</b>	<b>1,413</b>	<b>-41</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>2,349</b>	<b>1,872</b>	<b>2,990</b>
Opening cash and cash equivalents	7,057	4,067	4,067
Closing cash and cash equivalents	9,406	5,939	7,057

## Comment: Statement of cash flows

Cash flow from current operations before changes in working capital totalled SEK 322 million (1,008). The higher tax paid in the quarter is mainly due to the settlement of the final tax for the 2021 financial year of SEK 391 million. Cash flow from investing activities increased by SEK 283 million compared with the corresponding period in 2022 due to lower new investments in properties.

During the period, cash flow from financing activities increased compared with the previous year, due to an increase in net borrowing, but mainly to an increase in the inflow of CSA collateral due to higher claims on derivative counterparties.

Total cash flow for the year amounted to SEK 2,349 million (1,872).

# Quarterly overview\*

## INCOME STATEMENTS

SEK m	2023		2022			2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income from property management	1,928	1,761	1,740	1,726	1,727	1,701	1,632	1,650	1,696
Net operating income	1,341	1,246	1,331	1,307	1,259	1,097	1,176	1,208	1,227
Profit before changes in value and taxes	1,128	1,036	1,158	1,179	1,117	925	1,048	1,089	1,084
Change in value, properties	-354	-2,249	-1,654	1,482	3,529	4,472	2,092	4,484	1,433
Profit for the period	536	-970	-377	2,627	4,211	4,052	2,736	4,433	2,580

## PROPERTY-RELATED KEY FIGURES

	2023		2022			2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Floor space, m <sup>2</sup> <sup>2)</sup>	3,386	3,397	3,397	3,389	3,372	3,371	3,369	3,377	3,381
Market value properties, SEK m	115,356	115,371	116,812	117,791	116,499	112,323	107,264	104,665	100,293
Investments in properties, SEK m	424	809	564	531	647	587	507	603	827
Property acquisitions, SEK m	10	0	110	-	-	-	-	-	-
Property sales, SEK m	-91	0	-	-714	-	-	-	-679	-1,585
Net operating income ratio, % <sup>3)</sup>	73.0	74.0	72.4	71.3	70.6	70.5	69.8	70.0	70.4
Yield, %	4.8	4.8	4.7	4.6	4.6	4.7	4.9	5.0	5.1
Total yield, %	2.3	5.8	12.5	16.4	20.0	17.9	15.7	14.7	10.2
Financial vacancy rate, % <sup>4)</sup>	2.6	2.4	2.3	2.3	2.4	2.2	2.4	2.2	2.4

2) Floor space, m<sup>2</sup> – Average GFA the past twelve months

3) Net operating income – Net operating income divided by property management income.

4) Financial vacancy rate – Rental value of unoccupied floor space divided by total rental value.

## FINANCIAL KEY FIGURES

	2023		2022			2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Equity ratio, %	49.6	50.2	49.7	50.8	51.2	49.6	48.4	47.0	46.6
Net loan debt, SEK m	-31,077	-30,578	-31,312	-31,274	-31,553	-33,439	-33,437	-34,091	-32,641
Loan-to-value ratio, %	26.9	26.5	26.8	26.6	27.1	29.8	31.2	32.6	32.5
Net debt ratio, multiple <sup>5)</sup>	6.2	6.2	6.5	6.8	6.9	7.4	7.6	7.7	7.4
Interest coverage ratio, %	885	990	1,008	996	927	896	900	843	810
Total financing cost, %	3.8	-2.5	-4.0	-7.7	-7.1	0.1	-0.9	-1.2	-4.9
Fixed-interest term, years <sup>6)</sup>	6.1	6.1	6.5	6.5	7.9	7.9	8.0	8.0	8.1
Return on operating capital, %	2.3	6.3	13.3	17.3	20.8	18.7	16.3	15.0	10.5

5) Net debt ratio, multiple – Interest-bearing net debt divided by rolling 12-month income from property management excluding net interest income. The debt ratio describes the Group's ability to pay its debts.

6) Fixed-interest period, years – Average fixed-interest period at the end of the period for the total portfolio.

\* Please see the 2022 Akademiska Hus Annual Report for definitions of the remaining performance measures

## Parent Company income statement

Parent Company income statement, summary, SEK m	2023 Jan.– March	2022 Jan.– March	2022 Full- year
Income from property management	1,997	1,727	7,078
Property management expenses	-694	-565	-2,256
<b>NET OPERATING INCOME</b>	<b>1,303</b>	<b>1,162</b>	<b>4,822</b>
Central administration costs	-16	-15	-68
Development costs	-9	-13	-50
Depreciation and impairment as well as reversed impairment in property management	-392	-392	-1,618
<b>PROFIT BEFORE FINANCIAL ITEMS</b>	<b>886</b>	<b>742</b>	<b>3,087</b>
Result, shares in subsidiaries	—	—	1,338
Interest income	458	16	230
Interest expense	-654	-119	-749
Change in value, financial instruments	-99	657	1,310
Appropriations	—	—	537
<b>PROFIT BEFORE TAX</b>	<b>590</b>	<b>1,297</b>	<b>5,752</b>
Tax	-123	-267	-962
<b>PROFIT FOR THE PERIOD</b>	<b>467</b>	<b>1,030</b>	<b>4,791</b>
<b>Parent Company statement of comprehensive income, summary, SEK m</b>	<b>2023 Jan.– March</b>	<b>2022 Jan.– March</b>	<b>2022 Full- year</b>
Profit for the period	467	1,030	4,791
Reclassifiable items			
Profit/loss from cash flow hedges	-194	66	88
Tax attributable to cash flow hedges	34	-23	-26
<b>TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-160</b>	<b>43</b>	<b>62</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>307</b>	<b>1,073</b>	<b>4,853</b>

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.

## Parent Company statement of financial position

Parent Company statement of financial position, summary, SEK m	31 March 2023	31 March 2022	31 Dec. 2022
<b>ASSETS</b>			
<i>Non-current assets</i>			
Capitalised expenditure	4	6	5
Properties	49,094	48,778	49,127
Equipment, fixtures and fittings	33	33	34
Shares in Group companies	1	1	1
Derivatives	2,481	2,130	2,566
Other non-current receivables	410	415	410
<b>Total non-current assets</b>	<b>52,023</b>	<b>51,362</b>	<b>52,142</b>
<i>Current assets</i>			
Receivables from subsidiary	4	—	2
Derivatives	50	188	217
Other current receivables	1,994	1,801	1,791
Cash and cash equivalents	9,406	5,939	7,057
<b>Total current assets</b>	<b>11,454</b>	<b>7,928</b>	<b>9,066</b>
<b>TOTAL ASSETS</b>	<b>63,478</b>	<b>59,290</b>	<b>61,208</b>
<b>Parent Company statement of financial position, summary, SEK m</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 Dec. 2022</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	10,349	8,746	10,041
Untaxed reserves	2,888	3,425	2,888
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Loans	33,804	30,764	31,093
Derivatives	1,486	831	1,749
Deferred tax	2,648	2,660	2,671
Other non-current liabilities	810	638	741
<b>Total non-current liabilities</b>	<b>38,748</b>	<b>34,892</b>	<b>36,254</b>
<i>Current liabilities</i>			
Loans	6,503	6,370	6,389
Derivatives	25	—	172
Other current liabilities	4,964	5,856	5,465
<b>Total current liabilities</b>	<b>11,492</b>	<b>12,226</b>	<b>12,025</b>
<b>Total liabilities</b>	<b>50,240</b>	<b>47,119</b>	<b>48,279</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,478</b>	<b>59,290</b>	<b>61,208</b>

# Other information

## ACCOUNTING POLICIES

Akademiska Hus complies with the EU-endorsed International Financial Reporting Standards (IFRS). The 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 derivatives 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.

## KEY EVENTS AFTER THE END OF THE REPORTING PERIOD

No events of a material nature occurred after the end of the reporting period.

## RISK MANAGEMENT

Akademiska Hus' material risks are described on pages 45–48 of the 2022 Annual Report. There has been no significant change in the company's risks since the publication of the annual report. Consequently, we see no risk that the company's ability to survive as a going concern has been affected.

## NET INTEREST INCOME AND EXPENSE, BREAKDOWN, SEK M

SEK m	2023 Jan.– March	2022 Jan.– March	2022 Full-year
Net interest income/expense, net loans and financial assets	-206	-93	-513
Net interest derivatives	10	-1	4
Other interest costs	0	-9	-10
Capitalised interest costs, projects	30	9	67
<b>Total net interest income/expense</b>	<b>-166</b>	<b>-94</b>	<b>-452</b>
Change in value, independent financial derivatives			
-unrealised	-45	403	309
-realised	-19	167	725
Changes in value, fair value hedges	-35	87	276
<b>Total changes in value</b>	<b>-99</b>	<b>657</b>	<b>1,310</b>
Site leasehold fees	-21	-21	-82
<b>Reported net interest income and expense</b>	<b>-286</b>	<b>543</b>	<b>776</b>

# Signing of the Report

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 26 April 2023

Caroline Arehult  
*Chief Executive Officer*

This report has not been reviewed by Akademiska Hus auditors.

## REPORT CALENDAR

Interim Report January–June	11 July 2023
Interim Report January–September	25 October 2023
Year-end report 2023	February 2024
Annual Report 2023	March 2024

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