

Interim Report

2nd quarter – 2023

1 JANUARY – 30 JUNE 2023

KEY EVENTS DURING THE QUARTER

- At the Annual General Meeting on 26 April, Lena Erixon was elected to serve as the new Chairperson of the Board of Directors of Akademiska Hus. She has previously served as Director-General of the Swedish Transport Administration and the Swedish Defence Materiel Administration. Erixon is replacing Anitra Steen, who served as chairperson for seven years before stepping down this spring.
- Akademiska Hus is investing just over SEK 200 million in the refurbishment of the Maskrosen building on the Ultuna Campus in Uppsala. The aim is to use new attractive lab and office environments to draw more innovative companies, particularly in green tech, to the area and to strengthen the green profile of the Ultuna Campus.
- Akademiska Hus is investing approximately SEK 90 million to convert a building previously used for teaching into 72 apartments. The project at Frescati Hage will create much-needed campus-based housing for 86 undergraduate and graduate students and help to reduce the student housing shortage in Stockholm.
- Akademiska Hus is investing just over SEK 260 million in yet another extensive renovation project in Solna. This time, five buildings in what is known as the CMB block will be transformed into state-of-the-art lab environments. With its central location in the middle of the campus, the initiative provides an attractive opportunity for more life science companies to become established in the area.

AKADEMISKA HUS IN BRIEF	2023 April–June	2022 April–June	2023 Jan.–June	2022 Jan.–June	Rolling 12 months July 2022–June 2023	2022 Full-year	2021 Full-year
Rental revenue, SEK million	1,858	1,702	3,754	3,403	7,196	6,845	6,568
Net operating income, SEK m	1,375	1,307	2,716	2,566	5,293	5,143	4,707
Income from property management, SEK m	1,135	1,179	2,262	2,296	4,457	4,490	4,136
Financial key figures							
Equity ratio	48.1	50.8	48.1	50.8	48.1	50.2	49.6
Return on operating capital, %	*	*	*	*	1.0	6.3	18.7
Return on equity, %	*	*	*	*	0.5	8.6	24.0
Interest coverage ratio, %	*	*	*	*	723	990	896
Loan-to-value ratio, %	29.3	26.6	29.3	26.6	29.3	26.5	29.8
Yield, properties, % ¹	*	*	*	*	4.8	4.8	4.7
Yield, properties, % ²	*	*	*	*	4.5	4.5	4.4
Assessed market value, properties, SEK m	116,224	117,791	116,224	117,791	116,224	115,371	112,323

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

¹ Excluding properties under construction and expansion reserves. ² Including properties under construction and expansion reserves.

FINANCIAL KEY FIGURES

Period January – June

- Rental revenue was SEK 3,754 million (3,403), an increase of 10 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 696 million (547), corresponding to an increase of 27 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 -357 million (-165) and changes in the value of financial instruments amounted to SEK 5 million (1,307).
- The management result was SEK 2,262 million (2,296).
- Changes in property values amounted to SEK -178 million (5,011).
- Profit before tax was SEK 2,089 million (8,615) and profit for the period was SEK 1,616 million (6,837).
- Investments in redevelopment, extensions and new construction totalled SEK 1,116 million (1,178).
- Properties with a carrying amount of SEK 91 million (714) has been sold. The capital gain amounted to SEK 4 million (8).
- 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

Green bonds and smart remodelling strengthen our operations

Based on our strong financial position and our creditworthy tenants, we have seen great interest in our bonds during the quarter. An example is a recent issue corresponding to SEK 1.8 billion with a maturity of 12 years.

Our updated green bond framework was published in June. The framework now includes requirements for environmental certification and energy efficiency, along with parts of the EU Taxonomy criteria. The latest framework update paves the way for additional green financing, reflecting our high ambitions in sustainability.

Rättvist byggande (Fair construction)

We are now taking another step in the struggle for a healthier construction industry by becoming a member of Rättvist byggande (Fair Construction). We invest SEK 2.5–3 billion annually in developing attractive campuses, and our suppliers and contractors must meet high standards in order to ensure economic, ecological, social and cultural sustainability throughout the construction process. By joining Rättvist byggande, we strengthen our commitment and gain additional tools to ensure that fair competition and social responsibility are integral to all of our projects. We look forward to this collaboration and to being part of this important change in the construction industry.

Delivery to customer builds Sweden as a nation of knowledge

Forum Medicum, an investment of approximately SEK 800 million for Lund University, is now complete after three years of construction. The combined new construction and renovation project, which covers a total of 23,800 square metres, now brings medical and health science education and research under one roof and accommodates 4,000 students, researchers and staff. The building is a valuable addition that strengthens the Lund University campus. I am truly proud of our excellent construction project and the work we are now doing to make a long-term transition

towards less new construction and, as in this example, more renovation, based on increased use of premises.

More solar energy in Örebro

Our solar energy initiative continues with the installation of a new solar panel array on the roof of the University Library at Campus Örebro. This expansion brings the total amount of renewable solar electricity at the university to 1.1 million kWh per year. With seven solar panel arrays, the campus produces more energy than it consumes during the sunny summer months. This initiative, along with others across the country, strengthens the position of Akademiska Hus as a leader in solar energy in the property sector. It is also an important initiative towards the goal of climate neutrality by 2035.

Billion investment strengthens Solna Campus

The Solna Campus and Hagastaden have become a leading life science cluster in which Akademiska Hus plays a major role. The area, which brings together the community, university and industry, offers unique opportunities for knowledge exchange and innovation.

Over 90 companies are already located in Akademiska Hus premises, and the demand to relocate to the Solna Campus remains high. In line with this strong growth, we have invested over SEK 1 billion in several remodelling projects to provide facilities in which everything from small start-ups to large companies can rent space – from a single lab bench to larger lab environments and entire headquarters.

Two current projects involve the renovation of the Fysiologen building and the CMB block. The 8,000-square metre Fysiologen building is being converted into a modern office and lab environment with an investment of SEK 215 million. The CMB block, consisting of five buildings with a total of over 9,000 square metres, is undergoing extensive renovation with an investment of just over SEK 260 million.



Sustainability is a central aspect of these projects. The Fysiologen building will offer common spaces for efficient use of premises and resources. The CMB block will be equipped with solar panels and other energy-saving measures. The renovation project will also have a strong focus on reuse. Both projects are expected to be ready for occupancy between the autumn of 2024 and 2025, marking the next exciting chapter in the development of the Solna Campus.

Caroline Arehult
Chief Executive Officer

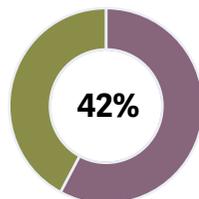
Akademiska Hus publishes new green framework

Akademiska Hus published an updated green bond framework in June. The framework has incorporated parts of the EU Taxonomy criteria, with a focus on the technical criteria, in order to indicate how well investments under the green framework align with the EU Taxonomy regulation. This change complements the environmental certification and energy efficiency requirements that remain the basis of the selection criteria. The framework also provides an updated view of sustainability work at Akademiska Hus, where we describe our roadmap towards climate neutrality by 2035. In addition to properties, investments related to energy efficiency, solar panels and climate-related measures will also be eligible for funding. The framework was reviewed by Cicero and awarded a Medium Green rating.

The green framework can be read in its entirety on our website.

EU TAXONOMY

In all, 42 per cent of Akademiska Hus' turnover is classified as sustainable in accordance with the EU taxonomy regulation, compared with 40 per cent as of year end. The buildings generating this turnover comply with the technical requirements that have been imposed to contribute to environmental objective 1, Climate change mitigation, for which reason they are classified as environmentally sustainable.



During the first half of the year, the next step linked to climate risks for our portfolio has also been taken, with an in-depth vulnerability analysis underway. In addition, data collection is being refined and methodology is being developed to take the next step in taxonomy reporting.



AKADEMISKA HUS ACHIEVES RECORD ENERGY SAVINGS

Last autumn and winter, the energy market saw a turbulent period with skyrocketing electricity prices and a risk of power shortages in southern Sweden. Through a combination of rapid measures, long-term efforts and successful cooperation with Sweden's higher education institutions, Akademiska Hus can now report a reduction in electricity consumption of more than ten million kWh from October 2022 to March 2023 compared with the same period last year. To achieve such large electricity savings in a short period of time, we identified which electricity loads can be switched off or controlled more efficiently, without disrupting customers' operations. Such measures have included switching off equipment and lighting, changing ventilation operating times and lowering indoor temperatures.

There has also been a strong focus on working with our customers to identify "energy thieves" in the premises, while also providing simple tips on how those who spend time in these environments can help save energy. Tips included closing and turning off lights in unused rooms, closing fume hoods in labs, not opening windows and sitting with others. Tips included closing and turning off lights in unused rooms, closing fume cupboards in labs, not opening windows and sitting with others.

For many years, Akademiska Hus has actively worked to make buildings as energy efficient as possible and we are well on our way to reaching our target of reducing the amount of delivered energy by 50 per cent by 2025, using 2000 as the baseline year.

Consolidated income statement

Consolidated income statement, summary, SEK m	2023 April–June	2022 April–June	2023 Jan.–June	2022 Jan.–June	Rolling 12 months July 22–June 23	2022 Full-year
Rental revenue	1,858	1,702	3,754	3,403	7,196	6,845
Other property management income	23	24	55	50	114	109
Total income from property	1,881	1,726	3,809	3,453	7,309	6,954
Operating costs	-290	-236	-696	-547	-1,237	-1,089
Maintenance costs	-44	-29	-73	-50	-129	-105
Property administration	-139	-121	-255	-231	-481	-457
Other property management expenses	-33	-34	-69	-59	-169	-160
Total property expenses	-506	-420	-1,093	-888	-2,016	-1,811
NET OPERATING INCOME	1,375	1,307	2,716	2,566	5,293	5,143
Central administration costs	-16	-16	-33	-31	-69	-68
Development costs	-13	-19	-22	-31	-41	-50
Interest income	226	22	351	38	543	230
Interest expense	-417	-94	-708	-203	-1,187	-682
Site leasehold fees	-21	-21	-42	-42	-83	-82
INCOME FROM PROPERTY MANAGEMENT	1,135	1,179	2,262	2,296	4,457	4,490
Change in value, properties	177	1,482	-178	5,011	-4,081	1,108
Change in value, financial instruments	104	650	5	1,307	8	1,310
PROFIT BEFORE TAX	1,415	3,312	2,089	8,615	383	6,909
Tax	-335	-685	-474	-1,777	-115	-1,419
PROFIT FOR THE PERIOD	1,080	2,627	1,616	6,837	268	5,490
Of which attributable to the Parent Company's shareholder	1,080	2,627	1,616	6,837	268	5,490

Consolidated statement of comprehensive income, summary, SEK m	2023 April–June	2022 April–June	2023 Jan.–June	2022 Jan.–June	Rolling 12 months July 22–June 23	2022 Full-year
Profit for the period	1,080	2,627	1,616	6,837	268	5,490
Reclassifiable items						
Profit/loss from cash flow hedges	-100	34	-294	100	-307	87
Tax attributable to cash flow hedges	10	-13	44	-36	54	-26
Non-reclassifiable items						
Revaluation of defined benefit pensions	—	—	—	—	230	230
Tax attributable to pensions	—	—	—	—	-47	-47
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-90	21	-250	64	-70	244
COMPREHENSIVE INCOME FOR THE PERIOD	990	2,648	1,366	6,901	198	5,734
Of which attributable to the Parent Company's shareholder	990	2,648	1,366	6,901	198	5,734

Comment: Operating profit

SECOND QUARTER

Income from property management for the second quarter decreased by SEK 44 million compared with the same period the previous year and totalled SEK 1,135 million (1,179). The lower result can be attributed to net interest income of SEK 119 million, which decreased because of higher market interest rates. This effect was offset in part by an increase in net operating income of SEK 68 million, mainly attributable to indexed rental prices, though increased electricity and contractual prices had a negative impact. The change in the value of properties affecting profit for the quarter was positive and amounted to SEK 177 million (1,482), which is a consequence of a changed inflation assumption.

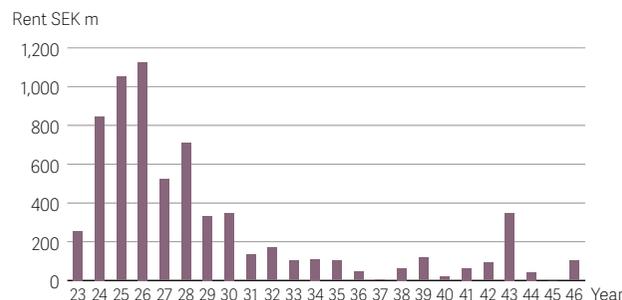
RENTAL REVENUE

Rental revenue increased by SEK 351 million compared with the same period the previous year and totalled SEK 3,754 million (3,403). The index contributed with an increase of SEK 262 million and completion of new buildings contributed approximately SEK 25 million, mainly attributable to Albano, Forum Medicum and LTH Maskinteknik. Utility costs passed on to tenants increased by SEK 74 million, and can be attributed to higher electricity prices. In a comparable portfolio, contractual rental revenue increased by 8.2 per cent compared with the previous year.

OPERATING AND MAINTENANCE COSTS

Expenses for operation and maintenance increased by SEK 172 million and totalled SEK 769 million (597). Maintenance costs increased by SEK 23 million compared with the previous year and totalled SEK 73 million (50), which is an effect of index-adjusted contract prices and measures taken in Luleå. Operating costs involve inspection and maintenance, as well as provision of utilities, and increased by SEK 149 million. Much of 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 696 million (547) include provision of utilities of SEK 478 million (361), equivalent to SEK 246/m² (202) over the past

MATURITY STRUCTURE, LEASES



12 months. Inspection and maintenance totalled SEK 216 million (184) and the increase is mainly an effect of index-adjusted contract prices as well as higher snow removal costs.

LEASING LEVEL AND LEASE PERIODS

The financial vacancy rate accounts for 2.6 per cent (2.4 at year-end) of our total rental revenue, which corresponds to SEK 198 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.

The majority of our lease periods are long and the average lease term for leases in effect on 30 June was 10.0 years (10.2 at 1 January). The average remaining lease term is 5.7 years (6.1 at year-end).

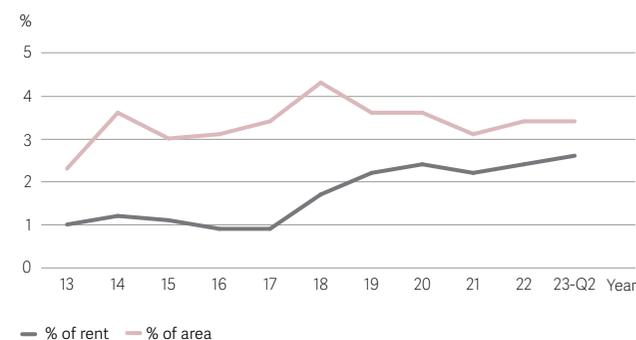
ADMINISTRATION COSTS

Total administration costs increased by SEK 26 million and amounted to SEK 288 million (262). The increase is mainly attributable to personnel costs in line with contractual salary increases and some additional staffing, as well as increased IT costs. Development costs decreased by SEK 9 million and amounted to SEK 22 million (31).

RENTAL REVENUE AND RISING NET OPERATING INCOME RATIO



VACANCY RATE



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 -357 million (-165) for the period, corresponding to an interest rate of 2.83 per cent (1.34), which includes capitalised interest expense of SEK 64 million (27) for projects in progress. The increase in net interest income can be attributed to the rise in market interest rates which gradually impact net interest income, 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.–June	2022 Jan.–June	2022 Full-year
Interest cost for loans, including charges, %	2.96	1.33	1.70
Interest swaps, net interest, %	-0.13	0.01	-0.01
Net interest income/expense, %	2.83	1.34	1.69
Changes in value, financial derivatives, %	-0.03	-9.06	-4.16
Total financing cost, %	2.80	-7.72	-2.47

CHANGES IN VALUE, PROPERTIES

Changes in the value of properties affecting profit for the period amounted to SEK -178 million (5,011), 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 effect of adjusted inflation assumptions was SEK 182 million (1,464), while other changes in value amounted to SEK 395 million (1,349) and are mainly attributable to adjusted market rents, projects in progress and renegotiated leases.

CHANGES IN VALUE, FINANCIAL INSTRUMENTS

Changes in value in the derivative portfolio were slightly positive during the period and amounted to SEK 5 million (1,307). Market interest rates rose during the period, but short interest rates rose more than bond yields, which resulted in a flatter yield curve. 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 60 per cent of financing currently relies on floating interest rates. Thus 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. Since debt management allocates interest rate risk to different parts of the yield curve, in an effort to achieve the most effective interest rate risk management possible, the impact on profit from changes in value varies with changes in market interest rates at different parts of the yield curve.

COMPARATIVE CALCULATION, TOTAL FINANCING COST

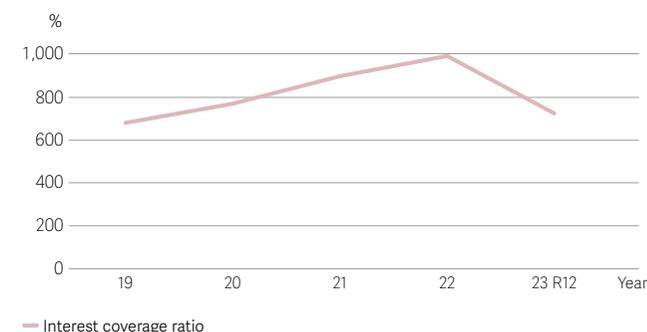
To clarify the underlying financing cost at Akademiska Hus over time, a comparative calculation is carried out in which the realised result of the closed interest rate derivatives is allocated to the remaining underlying maturity of each instrument. This allocation corresponds to an interest expense of -0.10 per cent for the past twelve-month period. The accrual and the net interest income reflect the underlying financing cost and amount to 2.33 per cent as at 30 June, 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 high at 723 per cent (996), see diagram on the right. While this high level is still reassuring, the decline can be attributed to the gradually worsening of net interest income.

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	30 June 2023	30 June 2022	31 Dec. 2022
ASSETS			
Non-current assets			
Capitalised expenditure	4	5	5
Properties	116,224	117,791	115,371
Site leasehold rights	2,663	2,663	2,663
Equipment, fixtures and fittings	32	31	34
Derivatives	3,750	2,015	2,566
Other non-current receivables	418	423	410
Total non-current assets	123,092	122,929	121,048
Current assets			
Derivatives	79	406	217
Other current receivables	1,801	1,936	1,791
Total current receivables	1,880	2,342	2,008
Cash and cash equivalents			
Cash and cash equivalents	7,711	5,666	7,057
Total cash and cash equivalents	7,711	5,666	7,057
Total current assets	9,591	8,008	9,064
TOTAL ASSETS	132,683	130,938	130,113

Consolidated statement of financial position, summary, SEK m	30 June 2023	30 June 2022	31 Dec. 2022
EQUITY AND LIABILITIES			
Equity	63,814	66,520	65,353
LIABILITIES			
Loans	35,733	27,823	31,093
Derivatives	1,465	1,881	1,749
Deferred tax	17,061	17,293	16,893
Long-term debt finance lease	2,663	2,663	2,663
Other non-current liabilities	830	960	830
Total non-current liabilities	57,752	50,620	53,228
Loans	4,249	9,046	6,389
Derivatives	85	2	172
Other current liabilities	6,783	4,749	4,972
Total current liabilities	11,117	13,798	11,532
Total liabilities	68,869	64,418	64,760
TOTAL EQUITY AND LIABILITIES	132,683	130,938	130,113

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	
EQUITY, 1 JAN. 2022	2,135	2,135	150	-90	57,772	62,103
Dividends ¹⁾					-2,484	-2,484
Total comprehensive income, Jan.–June 2022	—	—	64	—	6,837	6,901
EQUITY, 30 JUNE 2022	2,135	2,135	214	-90	62,125	66,520
Total comprehensive income, July–Dec. 2022	—	—	-2	183	-1,347	-1,166
EQUITY, 31 Dec. 2022	2,135	2,135	212	93	60,778	65,353
Dividends ²⁾					-2,905	-2,905
Total comprehensive income, Jan.–June 2023	—	—	-250	—	1,616	1,366
EQUITY, 30 JUNE 2023	2,135	2,135	-38	93	59,489	63,814

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

2) Dividend of SEK 2,905,000,000 was authorised by the Annual General Meeting on 26 April 2023.

Comment: Statement of financial position

PROPERTIES

As of the end of the second quarter, the market value of Akademiska Hus' property holdings totalled SEK 116,224 million, an increase of SEK 853 million since year-end. The unrealised change in value amounted to SEK -182 million (5,004), which corresponds to a -0.2 per cent decrease compared with year-end (4.5). Remaining changes relate to investments in properties for the year of SEK 1,116 million (1,178), acquisitions of SEK 10 million (0) and sales of SEK 91 million (-714). During the first quarter, part of Ultuna 2:1 was acquired and sales were completed for part of Ultuna 2:23, part of Porsön 1:405 and part of Änggården 718:138.

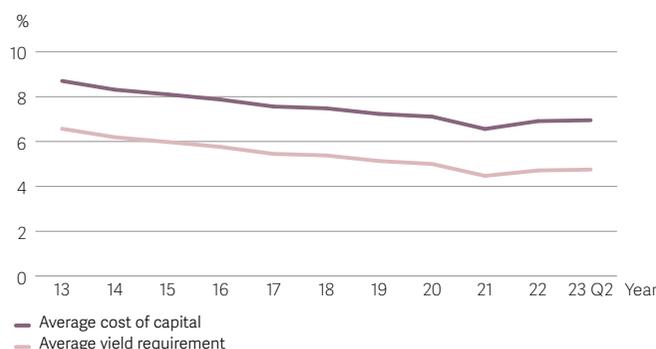
During the quarter, the negative trend in the property market continued, mainly due to uncertainty about inflation and interest rates. During the first quarter, Akademiska Hus raised the average yield requirement and the average cost of capital by 4 points. In light of the increase in the previous quarter, Akademiska Hus left the yield requirement and cost of capital unchanged in the second quarter. The average yield requirement and cost of capital were 4.75 per cent (4.71) and 6.95 per cent (6.91), respectively, and the adjustment during the first half of the year contributed a negative change in value of SEK -759 million. This effect is offset by SEK 182 million in changed inflation assumptions and SEK 395 million in other changes in value.

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 3.2 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.

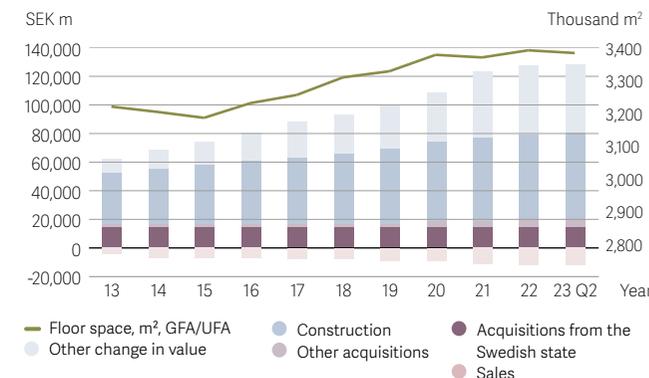
PROPERTIES 30 JUNE 2023 (incl. new construction in progress and capitalised interest costs)

Change in property holdings, SEK m	30 June 2023	30 June 2022	31 Dec. 2022
Opening assessed market value	115,371	112,323	112,323
+ Investments in new construction, extensions and redevelopment	1,116	1,178	2,551
+ Acquisitions	10	—	110
- Sales	-91	-714	-714
+/- Change in market value	-182	5,004	1,101
Of which change in value due to a change in the cost of capital and yield requirement	-759	2,191	-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	182	1,464	5,322
Of which other change in value	395	1,349	1,006
CLOSING ASSESSED MARKET VALUE	116,224	117,791	115,371

YIELD REQUIREMENTS AND COST OF CAPITAL



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



SENSITIVITY ANALYSIS, PROPERTY VALUE 30 JUNE 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 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	72	175	0.2	-72	-175	-0.2
Vacant space	-68	-981	-0.8	68	981	0.8
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	7.1
Yield requirement		-10,355	-8.9		16,325	14.0

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

FINANCING

The financing requirement at Akademiska Hus has been limited during the quarter, but interest in bonds from Akademiska Hus has been strong and a bond issuance was carried out in Switzerland. The issuance corresponded to approximately SEK 1,800 million and had a maturity of 12 years. Committed credit facilities in banks are unchanged and amount to SEK 6,000 million; all were unutilised at 30 June. 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 during the spring, credit facilities and stable quarterly rental payments, the liquidity reserve is very strong. Short-term funding under the ECP programme has decreased somewhat during the quarter.

An updated green bond framework was published in June. Akademiska Hus has been active in the green bond market since 2019 and the outstanding volume totalled SEK 3,000 million as at 30 June.

The net liability portfolio as at 30 June totalled SEK 34,067 million. This corresponds to an increase of SEK 3,489 million since 1 January and can be attributed to net borrowing, revaluation effects due to hedge accounting, and an inflow of CSA securities for surplus values in outstanding derivatives. The equity ratio is 48.1 per cent (50.8).

NET LOAN LIABILITY

SEK m	30 June 2023	30 June 2022	31 Dec. 2022
Gross loan debt	-39,982	-36,869	-37,481
Collateral for derivatives, net	-1,846	-432	-643
Cash and cash equivalents	7,711	5,666	7,057
Other current receivables	50	360	489
Total net loan liability	-34,067	-31,274	-30,578
Average interest-bearing capital (full-year basis)	-32,574	-32,079	-31,551

FIXED INTEREST PERIOD AND MATURITY

Akademiska Hus has a long average period for tied-up capital, which at 30 June was 9.7 years. 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. As previously, debt management will focus on allocating the portfolio's interest rate risk to the most effective periods on the yield curve. As at 30 June the interest rate duration in the total portfolio was 5.7 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, June 2023	Fixed interest, years, Dec. 2022	Maturity, years, June 2023	Maturity, years, Dec. 2022
Basic portfolio	3.7	3.8	8.3	7.0
Long-term portfolio	18.9	19.2	18.9	19.2
Total portfolio	5.7	6.1	9.7	8.8

Year	Fixed interest, SEK m	Maturity, SEK m
2023	16,708	2,204
2024–2028	11,935	13,038
2029–2033	3,250	8,560
2034–2038	2,195	4,564
2039–2043	3,236	5,020
2044–2048	805	4,743
TOTAL	38,129	38,129

The table above shows the nominal amounts.

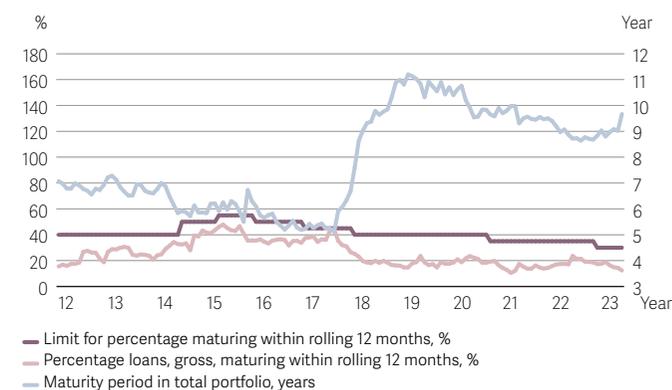
SUMMARY OF FINANCIAL RISKS AND MANDATE

Financial risks	Mandate	30 June 2023
Refinancing risk		
portion of debt maturing within 12 months	Max 30% of total portfolio	12.3%
Interest risk		
average fixed interest period, basic portfolio	3–6 years	3.7
proportion long-term portfolio	Max 20% of total portfolio	11.5%
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 declined by SEK 1,600 million since the last quarter to SEK 13,700 million and can mainly be attributed to the completion of two major projects: Forum Medicum (726) and LTH Maskinteknik (581).

A number of projects were approved during the quarter and have therefore changed category from planned projects, including new construction of student housing in Lund, Cassiopeia (1,049), renovation of the CMB block at KI (277) and renovation of Maskrosen in Uppsala (216). These changes are completely in line with our focus on shifting toward renovation projects and the new construction projects will mainly involve student housing.

In terms of value, the majority of the portfolio is located in Gothenburg with a number of major new construction and renovation projects.

APPROVED PROJECTS

Project name	Location	Type of premises	Investment limits, SEK m	Leasing level, %	Percentage accrued, %	Miljöbyggnad certification system	Additional floor space, m ² , GFA	Expected completion	Customer
Konstrnärliga	Gothenburg	Education	1,953	82	13	Gold	33,000	2027-Q2	University of Gothenburg
Natrium	Gothenburg	Laboratory	1,803	100	70	Gold	28,000	2023-Q3	University of Gothenburg
Cassiopeia	Lund	Residential	1,049	—	5	Silver	19,500	2026-Q3	Akademiska Hus
School of Business, Economics and Law	Gothenburg	Education	529	97	24	Gold	9,200	2026-Q3	University of Gothenburg
Albano development and land	Stockholm	Education	439	—	84	Silver	—	2023-Q3	Stockholm University
Aquila Rosendal	Uppsala	Residential	361	—	37	Silver	10,000	2024-Q4	Akademiska Hus
A-, B- E- and F-building, Luleå	Luleå	Education	626	—	13	—	—	2028-Q4	Akademiska Hus
CMB block	Stockholm	Laboratory	277	—	5	Silver	—	2025-Q3	Karolinska Institutet
Universum Building K	Umeå	Education	272	100	27	Gold	6,500	2025-Q1	Umeå University
Maskrosen	Uppsala	Offices	216	—	4	Silver	—	2025-Q1	Akademiska Hus
Fysiologen building	Stockholm	Education	215	—	17	Silver	—	2024-Q3	Karolinska Institutet
Kemicentrum	Stockholm	Laboratory	120	—	86	—	—	2024-Q1	Royal Institute of Technology
Rosendal local plan	Uppsala	—	115	—	—	—	—	2025-Q2	Akademiska Hus
North Campus Park development	Uppsala	—	110	—	1	—	—	2026-Q4	Akademiska Hus
Astrid Fagreus Lab	Solna	Laboratory	103	—	77	Gold	—	2023-Q3	Karolinska Institutet
Språkskrapan	Gothenburg	Residential	103	100	90	—	—	2023-Q3	University of Gothenburg
Projects under SEK 100 million			1,400						
Total			9,700		51		106,200		

PROJECT PORTFOLIO

SEK m	30 June 2023	31 Dec. 2022
Approved projects	9,700	9,100
Planned projects	4,000	5,300
APPROVED AND PLANNED PROJECTS	13,700	14,400
of which already invested in projects in progress	-3 800	-4,300
REMAINDER OF APPROVED AND PLANNED PROJECTS	9,900	10,100

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.

FORUM MEDICUM – LUND UNIVERSITY

A 23,800-square-metre new construction and renovation project at Lund University has facilitated the co-location of medical health sciences education and research. The project was one of the largest initiatives ever carried out together with the University. The project involved an investment of SEK 726 million and was built to meet the standard for the gold level of the Miljöbyggnad certification system. The project was commissioned during the second quarter. Architect: Henning Larsen



Consolidated statement of cash flows

Consolidated statement of cash flows, summary, SEK m	2023 Jan.–June	2022 Jan.–June	2022 Full-year
CURRENT OPERATIONS			
Profit before tax	2,089	8,615	6,909
Adjustment for items not included in cash flow	-70	-6,242	-2,491
Tax paid	-865	-202	-563
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	1,154	2,171	3,855
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (+)/decrease (-) in current receivables	-61	292	556
Increase (+)/decrease (-) in current liabilities	-190	1	240
CASH FLOW FROM OPERATING ACTIVITIES	903	2,464	4,651
INVESTING ACTIVITIES			
Investments in properties	-1,116	-1,139	-2,484
Acquisition of properties	-6	—	-16
Sale of properties	91	689	689
Investments in other non-current assets	-3	-3	-11
Increase (+)/decrease (-) in non-current receivables	-9	4	18
Increase (+)/decrease (-) in non-current liabilities	—	—	184
CASH FLOW FROM INVESTING ACTIVITIES	-1,043	-449	-1,620
FINANCING ACTIVITIES			
Raising of interest-bearing loans, excluding refinancing	12,762	8,409	16,597
Repayment of loan	-11,704	-5,442	-13,431
Realised derivatives and CSA	1,189	-899	-723
Dividend paid	-1,453	-2,484	-2,484
CASH FLOW FROM FINANCING ACTIVITIES	794	-416	-41
CASH FLOW FOR THE PERIOD	654	1,599	2,990
Opening cash and cash equivalents	7,057	4,067	4,067
Closing cash and cash equivalents	7,711	5,666	7,057

Comment: Statement of cash flows

Cash flow from operating activities before changes in working capital totalled SEK 1,154 million (2,171). The decrease is due to the higher tax paid in 2023, as well as the settlement of the final tax for the 2021 financial year of SEK 391 million. The impact of investments in properties on cash flow was SEK 1 116 million (1,139). Cash flow from investing activities decreased by SEK 530 million compared with the corresponding period in 2022 due to lower sales of properties.

Cash flow relating to financing activities amounted to SEK 794 million (-416). During the period, cash flow from financing activities increased compared with the previous year, due to an increase in the inflow of CSA collateral because of higher claims on derivative counterparties. In addition, only half of the dividend has been paid to the owner. The remaining dividend of SEK 1,452 million will be paid in November, as resolved by the Annual General Meeting.

Total cash flow for the period amounted to SEK 654 million (1,599).

Quarterly overview*

INCOME STATEMENTS

SEK m	2023		2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income from property	1,881	1,928	1,761	1,740	1,726	1,727	1,701	1,632	1,650
Net operating income	1,375	1,341	1,246	1,331	1,307	1,259	1,097	1,176	1,208
Income from property management	1,135	1,128	1,036	1,158	1,179	1,117	925	1,048	1,089
Change in value, properties	177	-354	-2,249	-1,654	1,482	3,529	4,472	2,092	4,484
Profit for the period	1,080	536	-970	-377	2,627	4,211	4,052	2,736	4,433

PROPERTY-RELATED KEY FIGURES

	2023		2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Floor space, m ² 1)	3,384	3,386	3,397	3,397	3,389	3,372	3,371	3,369	3,377
Market value properties, SEK m	116,224	115,356	115,371	116,812	117,791	116,499	112,323	107,264	104,665
Investments in properties, SEK m	692	424	809	564	531	647	587	507	603
Property acquisitions, SEK m	—	10	0	110	—	—	—	—	—
Property sales, SEK m	—	-91	0	—	-714	—	—	—	-679
Net operating income ratio, % 2)	72.4	73.0	74.0	72.4	71.3	70.6	70.5	69.8	70.0
Yield, % 6)	4.8	4.8	4.8	4.7	4.6	4.6	4.7	4.9	5.0
Total yield, % 6)	1.2	2.3	5.8	12.5	16.4	20.0	17.9	15.7	14.7
Financial vacancy rate, % 3)	2.6	2.6	2.4	2.3	2.3	2.4	2.2	2.4	2.2

1) Floor space, m² – Average GFA the past twelve months

2) Net operating income ratio – Net operating income divided by property management income, rolling 12-month.

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

FINANCIAL KEY FIGURES

	2023		2022				2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Equity ratio, %	48.1	49.6	50.2	49.7	50.8	51.2	49.6	48.4	47.0
Net loan debt, SEK m	-34,067	-31,077	-30,578	-31,312	-31,274	-31,553	-33,439	-33,437	-34,091
Loan-to-value ratio, %	29.3	26.9	26.5	26.8	26.6	27.1	29.8	31.2	32.6
Net debt ratio, xx ⁴⁾	6.7	6.2	6.2	6.5	6.8	6.9	7.4	7.6	7.7
Interest coverage ratio, %	723	885	990	1,008	996	927	896	900	843
Total financing cost, %	2.8	3.8	-2.5	-4.0	-7.7	-7.1	0.1	-0.9	-1.2
Fixed-interest term, years ⁵⁾	5.7	6.4	6.1	6.5	6.5	7.9	7.9	8.0	8.0
Return on operating capital, % ⁶⁾	1.0	2.3	6.3	13.3	17.3	20.8	18.7	16.3	15.0

4) 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.

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

6) Based on rolling 12-month.

* 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 April–June	2022 April–June	2023 Jan.–June	2022 Jan.–June	2022 Full-year
Income from property management	1,881	1,876	3,878	3,603	7,078
Property management expenses	-609	-507	-1,303	-1,072	-2,256
NET OPERATING INCOME	1,272	1,368	2,575	2,531	4,822
Central administration costs	-16	-16	-33	-31	-68
Development costs	-13	-19	-22	-31	-50
Depreciation and impairment as well as reversed impairment in property management	-398	-390	-790	-782	-1,618
PROFIT BEFORE FINANCIAL ITEMS	845	944	1,730	1,687	3,087
Result, shares in subsidiaries	490	1,338	490	1,338	1,338
Interest income	226	22	351	38	230
Interest expense	-451	-112	-772	-231	-749
Change in value, financial instruments	104	650	5	1,307	1,310
Appropriations	—	—	—	—	537
PROFIT BEFORE TAX	1,214	2,841	1,805	4,138	5,752
Tax	-196	-589	-319	-856	-962
PROFIT FOR THE PERIOD	1,018	2,252	1,485	3,282	4,791
Parent Company statement of comprehensive income, summary, SEK m	2023 April–June	2022 April–June	2023 Jan.–June	2022 Jan.–June	2022 Full-year
Profit for the period	1,018	2,252	1,485	3,282	4,791
Reclassifiable items					
Profit/loss from cash flow hedges	-100	34	-294	100	88
Tax attributable to cash flow hedges	10	-13	44	-36	-26
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-90	21	-250	64	62
COMPREHENSIVE INCOME FOR THE PERIOD	928	2,273	1,235	3,346	4,853

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	30 June 2023	30 June 2022	31 Dec. 2022
ASSETS			
<i>Non-current assets</i>			
Capitalised expenditure	4	5	5
Properties	49,268	48,763	49,127
Equipment, fixtures and fittings	32	31	34
Shares in Group companies	1	1	1
Derivatives	3,750	2,015	2,566
Other non-current receivables	418	423	410
Total non-current assets	53,473	51,239	52,142
<i>Current assets</i>			
Receivables from subsidiary	4	879	2
Derivatives	79	406	217
Other current receivables	1,800	1,918	1,791
Cash and cash equivalents	7,711	5,666	7,057
Total current assets	9,593	8,869	9,066
TOTAL ASSETS	63,067	60,108	61,208
Parent Company statement of financial position, summary, SEK m	30 June 2023	30 June 2022	31 Dec. 2022
EQUITY AND LIABILITIES			
Equity	8,372	8,535	10,041
Untaxed reserves	2,888	3,425	2,888
LIABILITIES			
<i>Non-current liabilities</i>			
Loans	35,733	27,823	31,093
Derivatives	1,465	1,881	1,749
Deferred tax	2,683	2,638	2,671
Other non-current liabilities	806	641	741
Total non-current liabilities	40,668	32,983	36,254
<i>Current liabilities</i>			
Loans	4,249	9,046	6,389
Derivatives	85	2	172
Other current liabilities	6,785	6,117	5,465
Total current liabilities	11,119	15,165	12,025
Total liabilities	51,806	48,148	48,279
TOTAL EQUITY AND LIABILITIES	63,067	60,108	61,208

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.–June	2022 Jan.–June	2022 Full-year
Net interest income/expense, net loans and financial assets	-448	-184	-513
Net interest derivatives	19	-2	4
Other interest costs	8	-7	-10
Capitalised interest costs, projects	64	27	67
Total net interest income/expense	-357	-165	-452
Change in value, independent financial derivatives			
-unrealised	-88	560	309
-realised	-14	687	725
Changes in value, fair value hedges	107	60	276
Total changes in value	5	1,307	1,310
Site leasehold fees	-42	-42	-82
Reported net interest income and expense	-394	1,101	776

Signing of the Report

The Board of Directors and 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 11 July 2023

Lena Erixon
Chairperson

Christer Nerlich
Board member

Peter Gudmundson
Board member

Örjan Wikforss
Board member

Håkan Stenström
Board member

Mariell Juhlin
Board member

Mariette Hilmersson
Board member

Josef Mård
Employee representative

Sofi Sonesson
Employee representative

Caroline Arehult
Chief Executive Officer

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

REPORT CALENDAR

Interim Report January–September 2023	25 October
Year-end report 2023	6 February 2024
Annual Report 2023	March 2024

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