

Year-end Report

4th QUARTER – 2023

1 JANUARY – 31 DECEMBER 2023

SIGNIFICANT EVENTS DURING THE QUARTER

- Akademiska Hus acquired three buildings from RISE Research Institutes of Sweden under the site leasehold right of Stockholm Forskningen 1 at the KTH Campus in Östermalm in Stockholm. Closing took place on 25 October and the acquisition took place in the form of a corporate acquisition at an agreed building value of SEK 105 million.
- Akademiska Hus and Uppsala University are making comprehensive efforts to reduce the amount of energy delivered to the Ångström Laboratory by 30 per cent. The laboratory, comprising approximately 100,000 m², has an energy requirement of 26 GWh per year. A saving of this size is unique for Akademiska Hus and part of its endeavour to achieve climate-neutral operations.
- A Letter of Intent was signed between Akademiska Hus and Luleå University of Technology regarding a joint initiative for new campus premises. This is an important step in plans for building a campus of the future in Luleå that meets the increased need for flexible, modern premises and advanced technical laboratories.

AKADEMISKA HUS IN BRIEF	2023 Oct–Dec	2022 Oct–Dec	2023 Full year	2022 Full year	2021 Full year
Rental revenue, SEK m	1,913	1,730	7,511	6,845	6,568
Net operating income, SEK m	1,161	1,246	5,336	5,143	4,707
Income from property management, SEK m	852	1,036	4,264	4,490	4,136
Equity ratio	47.9	50.2	47.9	50.2	49.6
Return on operating capital, %	*	*	1.7	6.3	18.7
Return on equity, %	*	*	0.6	8.6	24.0
Interest coverage ratio, %	*	*	503	990	896
Loan-to-value ratio, %	30.8	26.5	30.8	26.5	29.8
Yield, properties, % ¹	*	*	4.9	4.8	4.7
Yield, properties, % ²	*	*	4.6	4.5	4.4
Assessed market value, properties, SEK m	114,600	115,371	114,600	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

January–December

- Rental revenue was SEK 7,511 million (6,845), an increase of 10 per cent year-on-year. The increase is mainly attributable to indexed rental prices, as well as completion of a number of major projects.
- Operating costs totalled SEK 1,308 million (1,089), corresponding to an increase of 20 per cent on the previous year. The increase was mainly attributed to higher electricity costs.
- Net interest income amounted to SEK -868 million (-452) and changes in the value of financial instruments amounted to SEK -298 million (1,310).
- Income from property management was SEK 4,264 million (4,490).
- Changes in property values amounted to SEK -3,475 million (1,108).
- Profit before tax was SEK 491 million (6,909) and profit for the period was SEK 307 million (5,490).
- Investments in redevelopment, extensions and new construction totalled SEK 2,684 million (2,551).
- Properties with a carrying amount of SEK 91 million (714) were sold. The capital gain amounted to SEK 4 million (8).
- The yield^{*}, excluding properties under construction, was 4.9 per cent (4.8) over the past 12 months.
- The Board of Directors proposes a dividend of SEK 2,218 million (2,905).

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

2023 – a challenging year focusing on development and sustainability

Challenging conditions impacted earnings

It is clear as I reflect on the 2023 financial year that our focus was on adapting and acting responsibly according to the challenging conditions brought about by the continuing effects of the pandemic, changes in interest rates, an economic slowdown, an energy crisis and global uncertainty. These factors impacted both our operations and those of our customers.

These challenging conditions also left a mark in our earnings: profit before tax is SEK 6.4 billion lower than last year. The main reason is the negative changes in the value of our properties of SEK 3.5 billion. Our underlying earnings, income from property management, were also lower than last year since indexed rental revenue was not fully able to offset higher expenses. Overall, this meant that profit for the period was approximately SEK 300 million. Our financial stability remains favourable, despite the weaker earnings, which can be seen in our equity ratio of 47.9 per cent.

Stable foundation and responsible management and property development

We are continuing to work according to our strategy, which involves reducing construction of new buildings while primarily modifying and developing our existing portfolio to realise its full potential.

An example of how we are looking after what we already own is our ongoing work to develop and convert existing buildings at the Solna Campus, where our investments in Innoventum, Fysiologen and the CMB block are creating a better platform for innovation and collaboration in the life science sector. Another is how at the Frescati Campus we are converting former classrooms into modern student housing, which in addition to being an important boost to the pool of student housing is also creating a more attractive environment on the campus, ensuring a lively and vibrant atmosphere all hours of the day and night. Finally, I would like to take this opportunity to mention the recently opened Natrium building at the University of Gothenburg. It not only marks the start of a new chapter for the university but also makes it possible for us to develop and optimise the buildings vacated by the university.

Looking ahead to 2024

In 2024, we will continue to focus on maintaining close partnerships with our tenants to promote optimal development of the campus environments. We will continue our journey towards realising our vision of helping to build Sweden as a nation of knowledge and a sustainable society by continuously improving and adapting our properties to meet future needs.

Caroline Arehult
Chief Executive Officer



Örebro Campus wins Sweden Green Building Awards

Every year, the Sweden Green Building Council presents awards in a number of different categories to acknowledge organisations that have conscientiously worked to reduce their climate footprint in the property sector. This year, the Citylab Project of the Year was won by Örebro Campus, which is the first existing campus in Sweden to report according to the ambitious Citylab green building certification and its strict requirements.

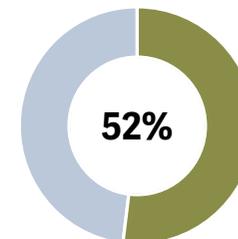
“Reporting according to the Citylab certification has intensified our partnership with Örebro University and is part of Akademiska Hus’s journey towards climate-neutral operations. It has enabled us to discover any shortcomings at an early stage and also allowed us to establish a foundation for even more sustainable manage-

ment and future development of the campus. We have also received confirmation that the visions, targets and work methods we are using are truly resulting in a campus centred on sustainability – and winning this prize is yet further confirmation of this,” says Erik Florman, Director of Sustainability at Akademiska Hus.

Citylab reporting is based on 15 indicators: safety, neighbourhood, trust, meeting places, range of services, mix of residential properties, acoustic environment, air quality, indoor environment, residual waste, travel patterns, energy consumption of buildings, climate impact, biodiversity, surface water treatment and flooding risks.

EU TAXONOMY

52 per cent of Akademiska Hus’s turnover is classified as sustainable according to the EU Taxonomy Regulation. The buildings generating this turnover comply with the technical screening criteria that have been set to contribute to environmental objective 1 (Climate change mitigation), and on this basis they are classified as environmentally sustainable.



AKADEMISKA HUS TO PAINSTAKINGLY RENOVATE ONE OF THE MOST BEAUTIFUL BUILDINGS IN SWEDEN

Lund University Library has been voted the most beautiful building in both Lund and Sweden. Akademiska Hus is now investing SEK 45 million on maintenance and future-proofing of this more than 100-year-old university building. After the work is completed, all of the windows will have been renovated and more study places will have been added. The remodelling will also improve orientation and accessibility, and create larger and more appropriate spaces for exhibitions and a better working environment.

The University Library was built in Helgonabacken in Lund in 1907. The building, featuring a typical mix that incorporates elements of both neo-Renaissance and neo-Gothic styles, was extended in the 1930s, 1950s and 1990s, more than doubling its size. It was designated a listed building by the government in 1993, which means that its architectural value must be preserved whenever remodelling takes place.



Consolidated income statement

Consolidated income statement, summary, SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Rental revenue	1,913	1,730	7,511	6,845
Other property management income	34	31	139	109
Total income from property	1,947	1,761	7,651	6,954
Operating costs	-375	-288	-1,308	-1,089
Maintenance costs	-59	-27	-174	-105
Property administration	-304	-130	-662	-457
Other property management expenses	-49	-69	-170	-160
Total property expenses	-787	-514	-2,314	-1,811
NET OPERATING INCOME	1,161	1,246	5,336	5,143
Central administration costs	-21	-19	-68	-68
Development costs	-20	-15	-54	-50
Interest income ¹⁾	-337	115	188	95
Interest expense ¹⁾	89	-271	-1,056	-547
Site leasehold fees	-20	-2	-82	-82
INCOME FROM PROPERTY MANAGEMENT	852	1,036	4,264	4,490
Change in value, properties	-2,686	-2,249	-3,475	1,108
Change in value, financial instruments	-321	-13	-298	1,310
PROFIT BEFORE TAX	-2,155	-1,227	491	6,909
Tax	404	256	-184	-1,419
PROFIT FOR THE PERIOD	-1,751	-970	307	5,490
Of which attributable to the Parent Company's shareholder	-1,751	-970	307	5,490

1) From 2023, flows from interest rate swaps are recognised net, which affects the distribution between interest income and interest expense. The adjustment was made in the fourth quarter of 2023 and is included in profit for the year. Comparative figures for the full year 2022 have been adjusted.

Consolidated statement of comprehensive income, summary, SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Profit for the period	-1,751	-970	307	5,490
Reclassifiable items				
Profit/loss from cash flow hedges	45	-393	-274	87
Tax attributable to cash flow hedges	-9	81	40	-26
Non-reclassifiable items				
Revaluation of defined benefit pensions	-6	230	-6	230
Tax attributable to pensions	1	-47	1	-47
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD	31	-129	-239	244
COMPREHENSIVE INCOME FOR THE PERIOD	-1,720	-1,099	68	5,734
Of which attributable to the Parent Company's shareholder	-1,720	-1,099	68	5,734

Comment: Operating profit

FOURTH QUARTER

Income from property management for the fourth quarter decreased by SEK 184 million compared with the corresponding period in the previous year and totalled SEK 852 million (1,036). Lower income was mainly due to the non-recurring effect of pension costs of SEK -135 million. This was the result of revaluation effects of pension liabilities and the change in pension safeguarding form, which is included in the line property administration under net operating income. Net interest income, the difference between interest expense and interest income, was charged to income from property management in the amount of SEK 92 million last year.

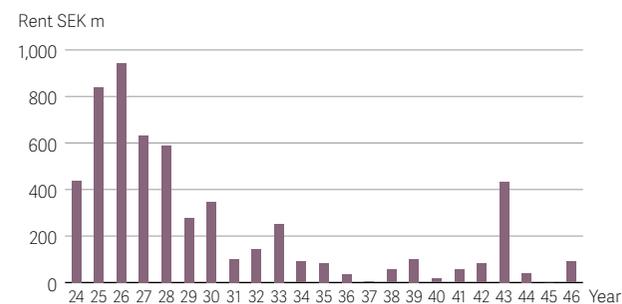
Excluding the effect of pension costs, net operating income increased by SEK 65 million, which was primarily due to indexed rent. This increase was offset by higher operating and maintenance costs attributable to index-adjusted contract prices and a higher volume of corrective maintenance, mainly related to water.

The change in the value of properties had a negative impact on profit for the quarter and amounted to SEK -2,686 million (-2,249), due to increased yield requirements and cost of capital.

RENTAL REVENUE

Rental revenue increased by SEK 667 million compared with the corresponding period in the previous year and totalled SEK 7,511 million (6,845). Indexation contributed an increase of SEK 508 million, while completion of new buildings contributed SEK 94 million, mainly attributable to Forum Medicum, LTH Maskinteknik, Natrium and Albano. Rent deductions increased by SEK -27 million mainly due to higher vacancies, which was offset in part by lower rent reductions and discounts. Utility costs passed on to tenants increased by SEK 93 million, due to higher electricity prices during the first half of the year. In a comparable portfolio, contractual rental revenue increased by 7.6 per cent compared with the previous year.

MATURITY STRUCTURE, LEASES



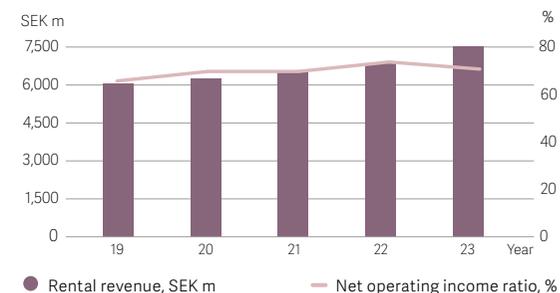
Other property management income increased by SEK 30 million, primarily due to electricity subsidies received.

OPERATING AND MAINTENANCE COSTS

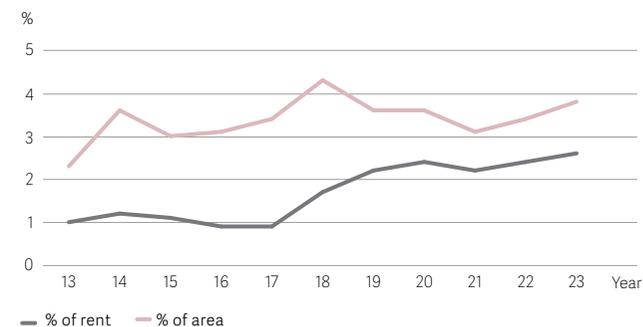
Operating and maintenance costs increased by SEK 289 million to SEK 1,482 million (1,194). Operating costs consist of inspection and maintenance, as well as provision of utilities, and increased by SEK 219 million. Much of the increase relates to utility costs and is an effect of rising electricity prices during the first half of the year, as well as slightly increased heat consumption in order to relieve the electricity grid. Operating costs of SEK 1,308 million (1,089) include provision of utilities of SEK 886 million (716), equivalent to SEK 261 per m² (211) over the past 12 months. Inspection and maintenance totalled SEK 421 million (371) and the increase is mainly an effect of index-adjusted contract prices as well as higher snow removal costs. Maintenance costs increased by SEK 69 million compared with the previous year and totalled SEK 174 million (105), which is an effect of index-adjusted contract prices and measures taken in Luleå.

Other property management expenses rose by SEK 10 million and can be attributed in part to a one-off cost related to property tax due to a change in the taxation of premises previously used for educational purposes.

RENTAL REVENUE AND NET OPERATING INCOME RATIO



VACANCY RATE



LEASING LEVEL AND LEASE TERMS

The financial vacancy rate accounts for 2.9 per cent (2.4) of total rental revenue, which corresponds to SEK 225 million on an annual basis (170). The increased compared with the start of the year was mainly due to vacancies arising after completions. Discussions with potential tenants related to vacant premises are underway at several centres of education, mainly at the Solna and Frescati Campuses. Most of our leases have long-term leases and the average lease term on 31 December was 10.2 years (10.2). The average remaining lease term is 5.9 years (6.1).

ADMINISTRATION COSTS

Total administration costs increased by SEK 205 million and amounted to SEK 730 million (525). This increase was mainly attributable to the non-recurring effect of SEK 151 million on pension costs due to the revaluation effects of pension liabilities and the change in pension safeguarding form.

Furthermore, administration costs increased by SEK 54 million, and this was attributable to contractual salary increases, some additional staffing and temporary employees, as well as higher IT costs. Development costs increased by SEK 4 million and amounted to SEK 54 million (50).

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 -868 million (-452) for the period. This corresponds to an interest rate of 3.12 per cent (1.69), which includes capitalised interest expense of SEK 142 million (67) 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 Full year	2022 Full year
Interest expense for loans, including charges, %	3.34	1.70
Interest swaps, net interest, %	-0.22	-0.01
Net interest income/expense, %	3.12	1.69
Changes in value, financial derivatives, %	0.91	-4.16
Total financing cost, %	4.03	-2.47

CHANGES IN VALUE, PROPERTIES

Changes in property values affecting profit amounted to SEK -3,475 million (1,108), of which SEK 4 million relates to realised changes in value. The contribution from changed yield requirements and the cost of capital was SEK -4,040 million. The effect of adjusted inflation assumptions was SEK 416 million (5,322), while other changes in value amounted to SEK 145 million (1,006) and are mainly attributable to adjusted market rents, projects in progress and renegotiated leases.

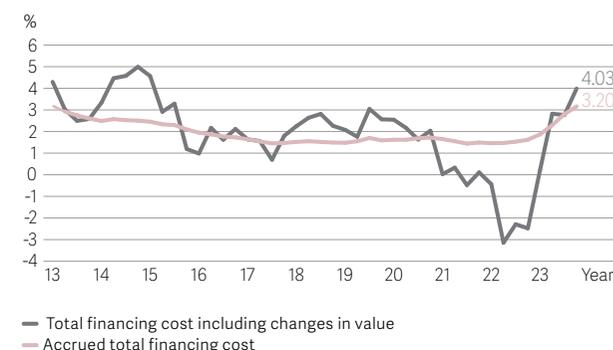
CHANGES IN VALUE, FINANCIAL INSTRUMENTS

The changes in value in the derivative portfolio were negative for the full year and amounted to SEK -298 million (1,310), which was largely due to falling interest rates, both short and long-term, and a continuing flat yield curve. The derivative portfolio largely consists of interest rate derivatives that are primarily entered into with the aim of extending the fixed-interest term in the debt portfolio, where approximately 60 per cent of financing currently is subject to floating interest rates. Accordingly, Akademiska Hus's 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.

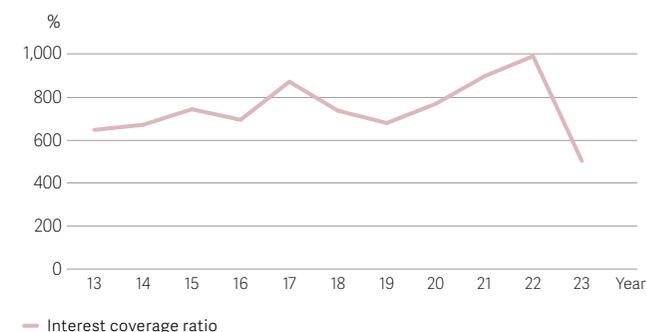
COMPARATIVE CALCULATION, TOTAL FINANCING COST

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 0.08 per cent for the past twelve-month period. The accrual and the net interest income reflect

COMPARATIVE CALCULATION TOTAL FINANCING COST, ROLLING 12-MONTH BASIS



INTEREST COVERAGE RATIO



the underlying financing cost and amount to 3.20 per cent at year-end, see the diagram on the right, in which interest rates are expressed as a rolling 12-month interest rate (annualised).

When calculating the interest coverage ratio, the capitalised interest expense and the accrued earnings from the closed interest rate derivatives mentioned above are included. The interest coverage ratio is at a solid 503 per cent (990). The decline from previously very high levels can be attributed to higher interest rates that have impacted net interest income.

Consolidated statement of financial position

Consolidated statement of financial position, summary, SEK m	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Capitalised expenditure	3	5
Investment properties	114,600	115,371
Site leasehold rights	2,663	2,663
Equipment, fixtures and fittings	34	34
Derivatives	3,966	2,566
Other non-current receivables	379	410
Total non-current assets	121,645	121,048
Current assets		
Derivatives	47	217
Other current receivables	2,085	1,791
Total current receivables	2,132	2,008
Cash and cash equivalents		
Cash and cash equivalents	6,716	7,057
Total cash and cash equivalents	6,716	7,057
Total current assets	8,849	9,064
TOTAL ASSETS	130,494	130,113

Consolidated statement of financial position, summary, SEK m	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity	62,515	65,353
LIABILITIES		
Loans	34,561	31,093
Derivatives	1,289	1,749
Deferred tax	16,488	16,893
Non-current liabilities, site leasehold rights	2,663	2,663
Other non-current liabilities	412	830
Total non-current liabilities	55,413	53,228
Loans	6,014	6,389
Derivatives	140	172
Other current liabilities	6,412	4,972
Total current liabilities	12,566	11,532
Total liabilities	67,979	64,760
TOTAL EQUITY AND LIABILITIES	130,494	130,113

Changes in Group equity

Changes in Group equity in brief, SEK m	Attributable to the Parent Company's shareholder					
	Share capital	Other contributed capital	Hedge reserve	Actuarial profit and loss	Profit for the year brought forward	Total equity
EQUITY, 1 Jan 2022	2,135	2,135	150	-90	57,772	62,103
Dividends ¹⁾					-2,484	-2,484
Total comprehensive income, Jan-Dec 2022			62	183	5,490	5,735
EQUITY, 31 DEC 2022	2,135	2,135	212	93	60,778	65,353
Dividends ²⁾					-2,905	-2,905
Total comprehensive income, Jan-Dec 2023			-234	-5	307	67
EQUITY, 31 DEC 2023	2,135	2,135	-23	88	58,180	62,515

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 fourth quarter, the assessed market value of Akademiska Hus's property holdings was SEK 114,600 million, a decrease of SEK -771 million in relation to year-end 2022. The unrealised change in value was SEK -3,479 million (1,101), which corresponds to a -3.0 per cent (1.0) reduction compared with year-end 2022. Remaining changes relate to investments in properties for the year of SEK 2,684 million (2,551), acquisitions of SEK 115 million (110) and sales of SEK -91 million (-714), with acquisitions of SEK 105 million taking place in the fourth quarter.

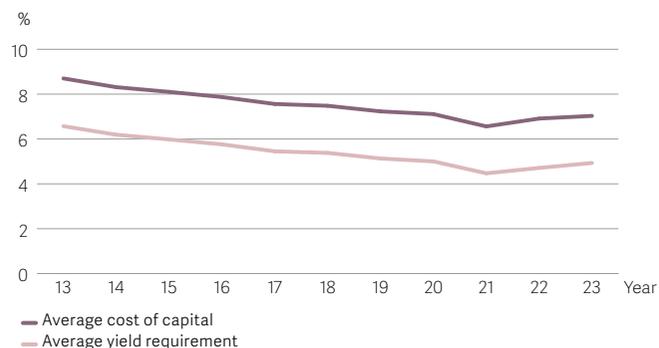
During the final quarter of the year, the trend in the property market was cautious, mainly due to uncertainty about financing and the future economic climate. During the fourth quarter, the average yield requirement and the average cost of capital for Akademiska Hus's portfolio increased by 13 and 5 points, respectively. Akademiska Hus's yield requirement and cost of capital were raised by a total of 22 and 12 points, respectively, during the year, which contributed to a negative change in value of SEK -4,040 million in 2023. Q2 2022 marked the start of the upwards adjustment of the yield requirement and the total adjustment amounts to 59 points. This corresponds to a negative change in value of SEK -11,153 million or -9.5 per cent. The average yield requirement and cost of capital at the end of the year were 4.93 per cent (4.71) and 7.03 per cent (6.91).

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 2.8 per cent, with the external valuers assessing a lower value. The differences in value are mainly due to different assessments of yield requirements and market rents.

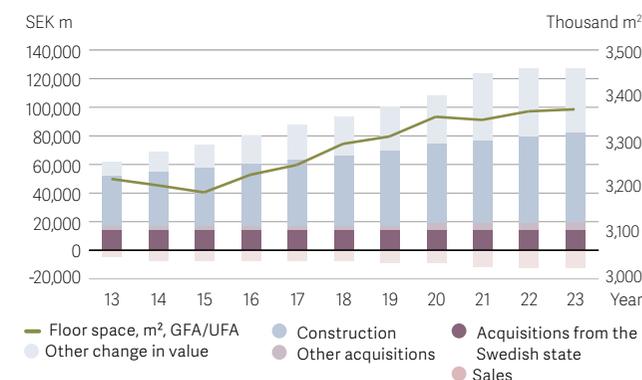
PROPERTIES 31 DECEMBER 2023 (incl. new construction in progress and capitalised interest expense)

Change in property holdings, SEK m	31 Dec 2023	31 Dec 2022
Opening assessed market value	115,371	112,323
+ Investments in new construction, extensions and redevelopment	2,684	2,551
+ Acquisitions	115	110
- Sales	-91	-714
+/- Change in market value	-3,479	1,101
Of which change in value due to a change in the cost of capital and yield requirement	-4,040	-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	416	5,322
Of which other changes in value	145	1,006
CLOSING ASSESSED MARKET VALUE	114,600	115,371

YIELD REQUIREMENTS AND COST OF CAPITAL



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



SENSITIVITY ANALYSIS, PROPERTY VALUE, 31 DEC 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	75	333	0.3	-75	-333	-0.3
Vacant space	-71	-1,010	-0.1	71	1,010	0.1
Operating costs	-13	-123	-0.1	13	123	0.1
of which provision of utilities	-9	-60	-0.1	9	60	0.1
Cost of capital		-7,758	-6.8		8,787	7.7
Yield requirement		-10,164	-8.9		15,801	13.8

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

FINANCING

The financing requirement at Akademiska Hus was limited, for which reason no bonds were issued during the quarter. Committed credit facilities in banks are unchanged and amount to SEK 6,000 million; all were unutilised at year-end. In addition, the credit facility at the European Investment Bank (EIB) of SEK 1,200 million, which was obtained in December 2021, remains unutilised. With the bond issuances in the first half of the year, committed credit facilities and stable quarterly rental payments, Akademiska Hus has a very strong liquidity reserve. Short-term funding under the ECP programme decreased slightly during the quarter.

The net loan debt amounted to SEK 35,297 million at year-end. This corresponds to an increase of SEK 4,719 million for the full year 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 was 47.9 per cent (50.2).

NET LOAN DEBT

SEK m	31 Dec 2023	31 Dec 2022
Gross loan debt	-40,574	-37,481
Collateral for derivatives, net	-2,125	-643
Cash and cash equivalents	6,716	7,057
Other current receivables	686	489
Total net loan debt	-35,297	-30,578
Average interest-bearing capital (full-year basis)	-32,810	-31,551

FIXED-INTEREST AND MATURITY TERMS

Akademiska Hus has a long average maturity, which was 9.2 years at year-end. Bonds denominated in foreign currency are swapped for SEK with floating interest rates and therefore do not entail a corresponding extension of the fixed-interest term. Interest rate risk in the debt portfolio is instead primarily managed using interest rate derivatives.

Normally, financial markets price in long fixed-interest and maturity terms at higher risk premiums. The objective of debt management is therefore to balance the additional costs of long fixed-interest and maturity terms, and thus limit uncertainty, against savings of more short-term fixed-interest and maturity terms, where greater uncertainty is accepted. As in the past, the focus of managing debt is allocating interest rate risk to the most effective periods of the yield curve. At year-end, the fixed-interest term in the total portfolio was 5.9 years.

The debt 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 AND MATURITY TERMS

	Fixed interest, years, Dec 2023	Fixed interest, years, Dec 2022	Maturity, years, Dec 2023	Maturity, years, Dec 2022
Basic portfolio	4.1	3.8	7.9	7.0
Long-term portfolio	18.7	19.2	18.7	19.2
Total portfolio	5.9	6.1	9.2	8.8

Year	Fixed interest, SEK m	Maturity, SEK m
2024	19,925	6,140
2025–2029	4,366	12,516
2030–2034	7,450	5,195
2035–2039	2,388	4,554
2040–2044	3,336	6,412
2045–2049	705	3,351
TOTAL	38,169	38,169

The table above shows the nominal amounts

SUMMARY OF FINANCIAL RISKS AND MANDATE

Financial risks	Mandate	31 Dec 2023
Refinancing risk		
Portion of debt maturing within 12 months	Max 30% of total portfolio	16.1
Interest rate risk		
Average fixed-interest term, basic portfolio	3–6 years	4.1
Proportion long-term portfolio	Max 20% of total portfolio	10.4
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 TERMS IN TOTAL PORTFOLIO



AVERAGE MATURITY AND PORTION OF DEBT MATURING



PROJECTS

The project portfolio declined by an additional SEK 2,200 million during the quarter to SEK 9,700 million, which was due to three projects with a framework of just under SEK 1,700 million in Luleå being removed and we no longer report early-stage development projects. In Luleå, a Letter of Intent was signed with Luleå University of Technology in the fourth quarter for new campus premises, which meant that the current projects will be discontinued and new projects will be initiated. The projects for new premises are not included in the project portfolio until they have been formalised.

A project portfolio with fewer new construction projects is completely in line with our focus on shifting toward more renovation projects and those new construction projects that are being carried out 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
Konstnärliga	Gothenburg	Education	1,953	82	18	Gold	33,000	2028-Q2	University of Gothenburg
Cassiopeia	Lund	Residential	1,046	—	8	Silver	19,500	2027-Q3	Akademiska Hus
School of Business, Economics and Law	Gothenburg	Education	529	97	26	Gold	9,200	2026-Q3	University of Gothenburg
Aquila Rosendal	Uppsala	Residential	361	—	66	Silver	10,000	2024-Q4	Akademiska Hus
Albano development and land	Stockholm	Education	311	N/A ¹⁾	96	Silver	—	2024-Q3	Stockholm University
CMB block	Stockholm	Laboratory	278	—	8	Silver	—	2025-Q3	Karolinska Institutet
Universum Building K	Umeå	Education	272	100	58	Gold	6,500	2025-Q1	Umeå University
Maskrosen	Uppsala	Offices	216	—	24	Silver	—	2025-Q1	Akademiska Hus
Fysiologen building	Stockholm	Education	215	8	26	Silver	—	2024-Q4	Karolinska Institutet
Kemacentrum	Stockholm	Laboratory	120	100	101	—	—	2024-Q1	Royal Institute of Technology
Projects under SEK 100 million			1,399						
Total			6,700		44		78,200		

1) relates to development and local plan projects, for which reason there is no link to rental agreements.

PROJECT PORTFOLIO

SEK m	31 Dec 2023	31 Dec 2022
Approved projects	6,700	9,100
Planned projects	3,000	5,300
APPROVED AND PLANNED PROJECTS	9,700	14,400
of which already invested in projects in progress	-3,000	-4,300
REMAINDER OF APPROVED AND PLANNED PROJECTS	6,700	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.

LIFE SCIENCE TO SOLNA CAMPUS

In order to welcome pharmaceutical company Xspray Pharma to Solna Campus, Akademiska Hus is investing SEK 56 million in converting the Scheele laboratory. Ultra-modern office and laboratory environments will be created in premises of about 1,500 m². Sustainability is a focal point of the project based on making sustainable choices of materials and reusing wherever possible. Completed in fourth quarter 2023.



Consolidated statement of cash flows

Consolidated statement of cash flows, summary, SEK m	2023 Full year	2022 full year
OPERATING ACTIVITIES		
Profit before tax	491	6,909
Adjustment for items not included in cash flow	3,277	-2,491
Tax paid	-1,317	-563
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	2,451	3,855
CASH FLOW FROM CHANGES IN WORKING CAPITAL		
Increase (+)/decrease (-) in current receivables	-388	556
Increase (+)/decrease (-) in current liabilities	819	240
CASH FLOW FROM OPERATING ACTIVITIES	2,882	4,651
INVESTING ACTIVITIES		
Investments in properties	-2,684	-2,484
Acquisition of properties	-115	-16
Sale of properties	95	689
Investments in other non-current assets	-10	-11
Increase (+)/decrease (-) in non-current receivables	31	18
Increase (+)/decrease (-) in non-current liabilities	-28	184
CASH FLOW FROM INVESTING ACTIVITIES	-2,711	-1,620
FINANCING ACTIVITIES		
Raising of interest-bearing loans, excluding refinancing	18,931	16,597
Repayment of loan	-17,847	-13,431
Realised derivatives and CSA	1,309	-723
Dividend paid	-2,905	-2,484
CASH FLOW FROM FINANCING ACTIVITIES	-512	-41
CASH FLOW FOR THE PERIOD	-341	2,990
Opening cash and cash equivalents	7,057	4,067
Closing cash and cash equivalents	6,716	7,057

Comment: Statement of cash flows

Cash flow from operating activities before changes in working capital totalled SEK 2,451 million (3,855). 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 -2,799 million (-2,500). Cash flow relating to investing activities amounted to SEK -2,711 million (-1,620). The year-over-year decrease was mainly attributable to lower sales of investment properties.

Cash flow relating to financing activities amounted to SEK -512 million (-41). This was mainly due to a decrease in net borrowing, although this was offset in part by an increased inflow of CSA collateral because of higher receivables from derivative counterparties.

Total cash flow for the year was SEK -341 million (2,990).

Quarterly overview*

INCOME STATEMENTS

SEK m	2023				2022				2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Rental revenue	1,913	1,844	1,858	1,897	1,730	1,712	1,702	1,701	1,671
Net operating income	1,161	1,460	1,375	1,341	1,246	1,331	1,307	1,259	1,097
Income from property management	852	1,149	1,135	1,128	1,036	1,158	1,179	1,117	925
Change in value, properties	-2,686	-611	177	-354	-2,249	-1,654	1,482	3,529	4,472
Profit for the period	-1,751	442	1,080	536	-970	-377	2,627	4,211	4,052

PROPERTY-RELATED KEY FIGURES

	2023				2022				2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Floor space, m ² ¹⁾	3,404	3,390	3,384	3,386	3,397	3,397	3,389	3,372	3,371
Market value properties, SEK m	114,600	116,288	116,224	115,356	115,371	116,812	117,791	116,499	112,323
Investments in properties, SEK m	894	674	692	424	809	564	531	647	587
Property acquisitions, SEK m	105	—	—	10	—	110	—	—	—
Property sales, SEK m	—	—	—	-91	—	—	-714	—	—
Net operating income ratio, % ²⁾	69.7	72.6	72.4	73.0	74.0	72.4	71.3	70.6	70.5
Yield, % ⁶⁾	4.9	4.9	4.8	4.8	4.8	4.7	4.6	4.6	4.7
Total yield, % ⁶⁾	1.7	2.2	1.2	2.3	5.8	12.5	16.4	20.0	17.9
Financial vacancy rate, % ³⁾	2.9	2.6	2.6	2.6	2.4	2.3	2.3	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. Calculated on a rolling 12-month basis.

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

FINANCIAL KEY FIGURES

	2023				2022				2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Equity ratio, %	47.9	48.0	48.1	49.6	50.2	49.7	50.8	51.2	49.6
Net loan debt, SEK m	-35,297	-32,767	-34,067	-31,077	-30,578	-31,312	-31,274	-31,553	-33,439
Loan-to-value ratio, %	30.8	28.2	29.3	26.9	26.5	26.8	26.6	27.1	29.8
Net debt ratio, xx ⁴⁾	6.9	6.3	6.7	6.2	6.2	6.5	6.8	6.9	7.4
Interest coverage ratio, % ⁵⁾	503	538	723	885	990	1,008	996	927	896
Total financing cost, %	4.0	2.9	2.8	3.8	-2.5	-4.0	-7.7	-7.1	0.1
Fixed-interest term, years ⁵⁾	5.9	5.8	5.7	6.4	6.1	6.5	6.5	7.9	7.9
Return on operating capital, % ⁶⁾	1.7	2.2	1.0	2.3	6.3	13.3	17.3	20.8	18.7

4) Net debt ratio, xx – Interest-bearing net loan 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 term, years – Average fixed-interest term at the end of the period for the total portfolio.

6) Calculated on a rolling 12-month basis.

* Please see the Akademiska Hus 2022 Annual Report for definitions of the remaining key figures.

Parent Company income statement

Parent Company income statement, summary, SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Income from property	1,946	1,760	7,719	7,078
Property expenses	-1,050	-677	-2,932	-2,256
NET OPERATING INCOME	896	1,084	4,787	4,822
Central administration costs	-18	-19	-65	-68
Development costs	-20	-15	-54	-50
Depreciation and impairment as well as reversed impairment in property management	-391	-443	-1,583	-1,618
PROFIT BEFORE FINANCIAL ITEMS	467	606	3,085	3,087
Result, shares in subsidiaries	—	—	490	1,338
Interest income ¹⁾	-337	115	188	95
Interest expense ¹⁾	53	-295	-1,189	-614
Change in value, financial instruments	-321	-13	-298	1,310
Appropriations	571	537	571	537
PROFIT BEFORE TAX	433	951	2,838	5,752
Tax	-108	28	-551	-962
PROFIT FOR THE PERIOD	326	978	2,288	4,791
Parent Company statement of comprehensive income, summary, SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Full year	2022 Full year
Profit for the period	326	978	2,288	4,791
Reclassifiable items				
Profit/loss from cash flow hedges	45	81	-274	88
Tax attributable to cash flow hedges	-9	1	40	-26
TOTAL, OTHER COMPREHENSIVE INCOME FOR THE PERIOD	36	82	-234	62
COMPREHENSIVE INCOME FOR THE PERIOD	362	1,060	2,054	4,853

1) From 2023, flows from interest rate swaps are recognised net, which affects the distribution between interest income and interest expense. The adjustment was made in the fourth quarter of 2023 and is included in profit for the year. Comparative figures for the full year 2022 have been adjusted.

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. Essentially the entire Group's operations are conducted in the Parent Company, which means that risks, uncertainties and significant events are 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 Dec 2023	31 Dec 2022
ASSETS		
<i>Non-current assets</i>		
Capitalised expenditure	3	5
Investment properties	49,645	49,127
Equipment, fixtures and fittings	34	34
Shares in Group companies	112	1
Derivatives	3,966	2,566
Other non-current receivables	379	410
Total non-current assets	54,138	52,142
<i>Current assets</i>		
Receivables from subsidiaries	25	2
Derivatives	47	217
Other current receivables	2,085	1,791
Cash and cash equivalents	6,704	7,057
Total current assets	8,861	9,066
TOTAL ASSETS	62,999	61,208
Parent Company statement of financial position, summary, SEK m	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity	9,190	10,041
Untaxed reserves	2,317	2,888
LIABILITIES		
<i>Non-current liabilities</i>		
Loans	34,561	31,093
Derivatives	1,289	1,749
Deferred tax	2,629	2,671
Other non-current liabilities	442	741
Total non-current liabilities	38,920	36,254
<i>Current liabilities</i>		
Loans	6,014	6,389
Derivatives	140	172
Other current liabilities	6,418	5,465
Total current liabilities	12,572	12,025
Total liabilities	51,492	48,279
TOTAL EQUITY AND LIABILITIES	62,999	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. For further information, refer to the 2022 Akademiska Hus 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 while 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 measured at fair value through profit or loss.”

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred after the end of the reporting period.

RISK MANAGEMENT

Akademiska Hus's 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 Full year	2022 full year
Net interest income/expense, net loans and financial assets	-1,070	-513
Net interest derivatives	73	4
Other interest expense	-13	-10
Capitalised interest expense, projects	142	67
Total net interest income/expense	-867	-452
Change in value, independent financial derivatives		
– unrealised	-42	309
– realised	-173	725
Changes in value, fair value hedges	-83	276
Total changes in value	-298	1,310
Site leasehold fees	-82	-82
Reported net interest income and expense	-1,247	776

Signing of the Report

Lena Erixon
Chairperson

Peter Gudmundson
Board member

Mariette Hilmersson
Board member

Mariell Juhlin
Board member

Erik Mattsson
Board member

Christer Nerlich
Board member

Håkan Stenström
Board member

Örjan Wikforss
Board member

Josef Mård
Employee representative

Sofi Sonesson
Employee representative

Caroline Arehult
CEO

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, 6 February 2024

The interim report is unaudited.

REPORT CALENDAR

2023 Annual Report	15 March 2024
Interim Report January–March	22 April 2024
Interim Report January–June	5 July 2024
Interim Report January–September	24 October 2024

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