

Financial information

FOR 2023



AKADEMISKA HUS

AKADEMISKA HUS 2023 IN BRIEF

Akademiska Hus

- Sweden's leading property company for higher education and research
- Rentable area of approximately 3.4 million square metres
- Property portfolio totalling SEK 115 billion

Wholly owned by the Swedish state through the Ministry of Finance

- Ownership clause in EMTN programme
- Will remain wholly owned by the Swedish state according to 2013 Parliament decision

Long-term leases with highly creditworthy customers

- Approx. 89 per cent rental revenue from colleges and universities
- Approx. 60 per cent market share for the entire country

Rating

- Rating AA/A-1+/K-1 (stable outlook) from Standard & Poor's (since 1996)

MARKET

Akademiska Hus owns, develops and manages knowledge environments for education and research in Sweden. With extensive experience and a broad geographic presence, we develop sustainable and efficient environments, while harnessing economies of scale. The focus of the core business on long-term leases with creditworthy customers ensures a stable cash flow. With overall responsibility for developing campuses at colleges and universities, student housing investments also contribute to growth. In addition, Akademiska Hus's three-year strategy involves a continued focus on the digital and sustainable transition. This includes advances in terms of optimal use of premises and more data-driven work methods, which require close cooperation with our customers. Since 2022, Akademiska Hus has an updated climate and energy strategy. It entails an acceleration of sustainability efforts with the goal of achieving climate neutrality throughout the value chain by 2035¹. A climate budget has been implemented to support these sustainability efforts. The budget act as an important tool in the daily operations and sets limits on emissions that may not be exceeded. The climate budget breaks down the emission targets into separate emission caps for the different functions of the business. Since 2006, Akademiska Hus has also worked actively on reducing energy consumption, which includes all energy that is consumed in the properties. An important step in achieving these climate goals is to transition the project portfolio from new construction to renovation and redevelopment to make better use of existing properties. An updated green bond framework was published in June 2023 to incorporate larger parts of the EU Taxonomy's technical screening criteria.

MANAGEMENT AND INVESTMENTS

The project portfolio with approved and planned projects at year-end amounted to approximately SEK 10 billion, of which SEK 2.9 billion has already been invested in projects in progress. The portfolio includes investments in both new construction and redevelopment. Demand for new premises is strongest in the major centres of education that focus on research. In 2023, Akademiska hus net investments amounted to SEK 2,552 million in its own projects and

properties corresponding to a net market value of SEK 24 million were acquired. The financial vacancy rate has increased but remains low, just 2.9 per cent as of year-end. The average lease term for all current leases was 10.2 years and the average remaining lease term was 5.9 years at year-end.

FINANCING

In 2023, bonds totalling SEK 5,200 million were primarily issued in Switzerland, but also in Sweden. Maturities have varied between ten and 15 years. Committed credit facilities with banks amounted to a total of SEK 6,000 million and were all unutilised at year-end. In addition, the facility with the European Investment Bank (EIB) of SEK 1,200 million for 10 years remained unutilised at year-end. Bond issuances, stable quarterly rental payments and the committed credit facilities contributed to a continued good liquidity reserve for Akademiska Hus. The bond issuances were carried out under the well-established EMTN programme.

The ECP programme is the most important source of short-term financing. Use of the ECP programme decreased slightly during the year.

Net debt increased by SEK 4,719 million during the year and totalled SEK 35,297 million at year-end. The increase was partly due to the pre-financing that took place in the first half of the year. Average maturity in the debt portfolio was 9.2 years and the proportion of loans that fall due within the next 12 months was 16.1 per cent.

The rise in interest rates during the year motivated a gradual reduction in fixed-interest terms and in the total debt portfolio it was 5.9 years at the end of the year. Interest rate derivatives continued to serve as an important tool to maintain the fixed-interest term. Net interest income and expense was SEK -1,248 million, including site leasehold fees and changes in the value of financial derivative instruments, and the total financing cost was 4.03 per cent for 2023. The largest contribution to net interest income and expense was net interest that amounted to SEK -868 million.

The general terms and conditions of the EMTN programme include an ownership clause stating that if the Swedish state, directly or indirectly, ceases to be the majority owner, the loans immediately fall due for payment.

¹ Akademiska Hus has chosen to define climate neutrality as a reduction of reported GHG emissions of 85 per cent compared with the baseline year, 2019.

FINANCING PROGRAMMES AND FACILITIES

	S&P Global Ratings	Limit 31 Dec 2023	Utilised, nominal 31 Dec 2023
Committed credit facilities with banks	—	SEK 6,000 m	—
Commercial paper	A1+/K1	SEK 4,000 m	—
ECP (Euro Commercial Paper)	A1+	EUR 1,200 m	EUR 195 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 4,000 m	EUR 3,417 m

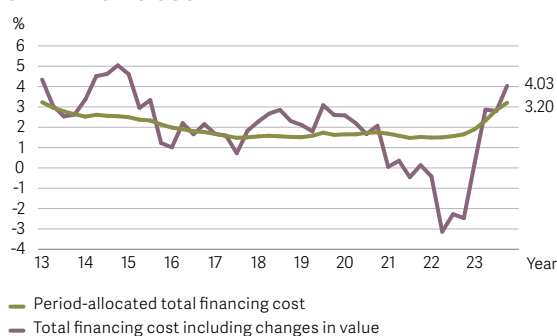
	2023	2022	2021
INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION, KEY FIGURES			
Property management income, SEK m	7,651	6,954	6,679
Net operating income, SEK m	5,336	5,143	4,707
Change in value, properties, SEK m	-3,475	1,108	12,481
Profit after financial items (incl. changes in value of properties), SEK m	491	6,909	16,997
Assessed market value, properties, SEK m	114,600	115,371	112,323
of which transferred from new construction in progress	4,840	4,358	3,626
Investments in properties, SEK m	2,552	1,880	192

PROPERTY-RELATED KEY FIGURES

Total yield, properties, %	1.7	5.8	18.0
of which direct yield, %	4.9	4.8	4.7
of which change in value, %	-3.2	1.0	13.3
Return on equity, %	0.6	8.6	24.0
Return on operating capital, %	1.7	6.3	18.7
Equity ratio, %	47.9	50.2	49.6
Loan-to-value ratio properties, %	30.8	26.5	29.8
Level of vacant space, rent, %	2.9	2.4	2.2
Level of vacant space, area, %	4.8	3.4	3.4

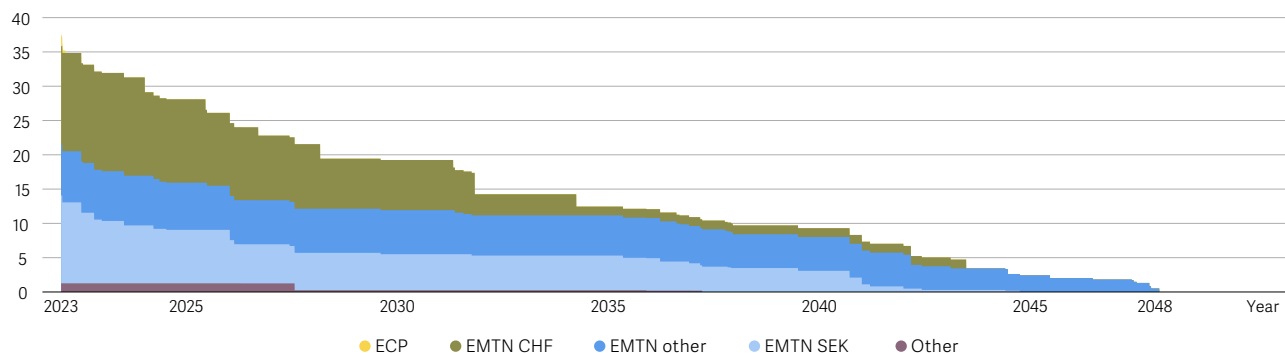
	2023	2022	2021
FINANCIAL KEY FIGURES			
Gross loan debt, SEK m	40,574	37,481	36,220
Net loan debt, SEK m	35,297	30,578	33,439
Interest coverage ratio, %	503	990	896
Fixed-interest term, total portfolio, years	5.9	6.1	7.9
Maturity, years	9.2	8.8	9.5

COMPARISONS, DIFFERENT CALCULATIONS OF FINANCING COST



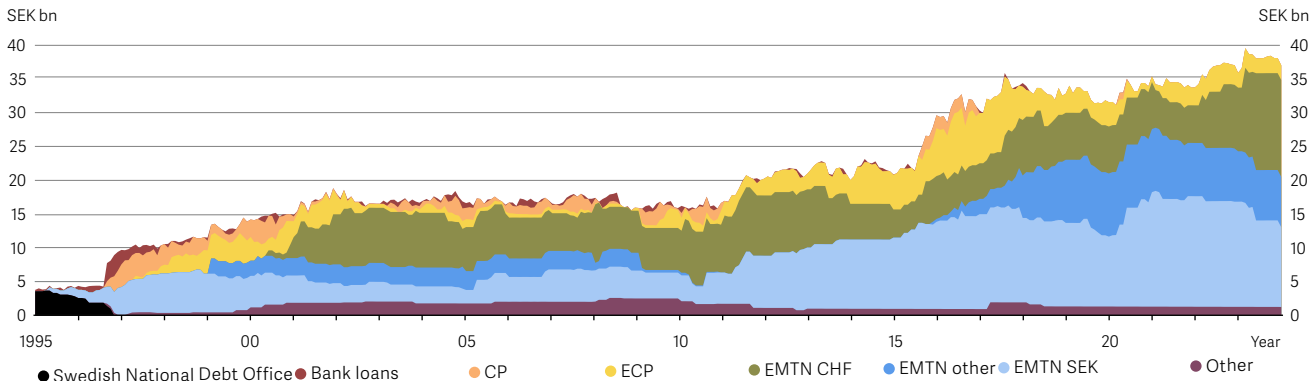
DEBT MATURITY PROFILE, SEK BN

SEK bn



FINANCING SOURCES, SEK BN

SEK bn



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