

# Financial information

FOR 2022



AKADEMISKA HUS

## AKADEMISKA HUS 2022 IN BRIEF

### Akademiska Hus

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

### Wholly owned by the Swedish state through the Ministry of Finance

- Owner 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. 90 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. The digitalisation trend entails changed needs among customers, which requires continued development of the service offering. More digital working methods also go hand in hand with sustainability work both within Akademiska Hus and at the centres of education. In 2022 a new climate and energy strategy for Akademiska Hus was launched. The strategy entails an acceleration of sustainability efforts with the goal of achieving climate neutrality throughout the value chain by 2035<sup>1</sup>. One crucial aspect of this effort to achieve climate neutrality involves formulating a climate budget that includes limits on emission levels 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 is also actively working on reducing energy consumption, which includes all energy that is consumed in the properties and thus requires close collaboration with our customers.

## MANAGEMENT AND INVESTMENTS

The project portfolio with approved and planned projects at year-end amounted to approximately SEK 14 billion, of which SEK 4.4 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 2022 Akademiska Hus had investments of SEK 2,551 million in its own projects and properties corresponding to a net market value of SEK 604 million were sold. The financial vacancy rate is extremely low, just 2.4 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 6.1 years at year-end.

## FINANCING

In 2022, bond issuances totalling SEK 4,250 million took place in Sweden and Switzerland. Maturities have varied between 5 and 22 years. No green bonds were issued during the year, which means that the outstanding volume is unchanged at SEK 3,000 million. Committed credit facilities in bank 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 ETMN programme.

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

The net liability portfolio decreased by SEK 2,861 million during the year and totalled SEK 30,578 million at year-end. Average maturity in the debt portfolio was 8.8 years and the proportion of loans that fall due within 12 months was 17.4 per cent.

The rising interest rates during the year motivated a gradual reduction in the interest rate duration and in the total debt portfolio it was 6.1 years at the end of the year. Interest rate derivatives continued to serve as an important means to maintain the fixed interest period. Net interest income and expense was SEK 776 million, including site leasehold fees and changes in the value of financial derivative instruments, and the total financing cost was -2.47 per cent for 2022.

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

<sup>1</sup> Akademiska Hus has chosen to define climate neutrality as a reduction of reported greenhouse gas emissions of 85 per cent compared with the baseline year, 2019.

## FINANCING PROGRAMMES AND FACILITIES

	Rating S&P	Limit 31 Dec. 2022	Utilised, nominal 31 Dec. 2022
Committed credit facilities in bank	—	SEK 6,000 m	—
Commercial paper	A-1+/K1	SEK 4,000 m	—
ECP (Euro Commercial Paper)	A-1+	EUR 1,200 m	EUR 339 m
EMTN (Euro Medium Term Note)	AA/A-1+	EUR 4,000 m	EUR 3,294 m

	2022	2021	2020
<b>INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION, KEY FIGURES</b>			
Property management income, SEK m	6,954	6,679	6,418
Net operating income, SEK m	5,143	4,707	4,485
Change in value, properties, SEK m	1,108	12,481	3,141
Profit after financial items (incl. changes in value of properties), SEK m	6,909	16,997	6,869
Assessed market value, properties, SEK m	115,371	112,323	99,611
of which transferred from new construction in progress	3,626	3,626	4,903

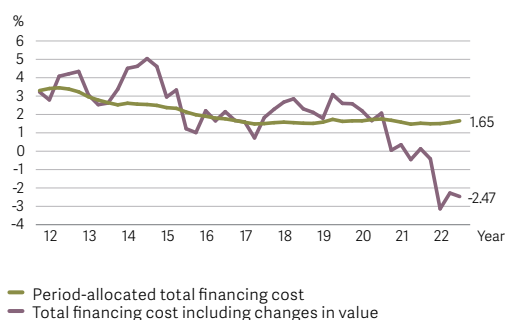
## PROPERTY-RELATED KEY FIGURES

Total yield, properties, %	5.8	18.0	8.7
of which direct yield, %	4.8	4.7	5.0
of which change in value, %	1.0	13.3	3.7
Return on equity, %	8.6	24.0	11.1
Return on operating capital, %	6.3	18.7	9.0
Equity ratio, %	50.2	49.6	44.5
Loan-to-value ratio properties, %	26.5	29.8	35.6
Vacancy level, rent, %	2.4	2.2	2.4
Vacancy level, area, %	3.4	3.4	3.6

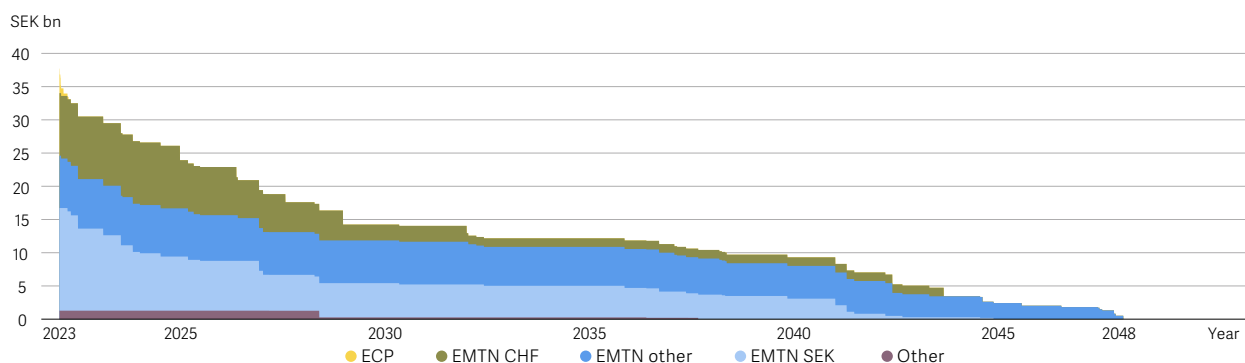
## FINANCIAL KEY FIGURES

	2022	2021	2020
Gross loan debt, SEK m	37,481	36,220	37,091
Net loan debt, SEK m	30,578	33,439	35,468
Interest coverage ratio, %	990	896	768
Fixed interest period, total portfolio, years	6.1	7.9	7.1
Maturity, years	8.8	9.5	9.9

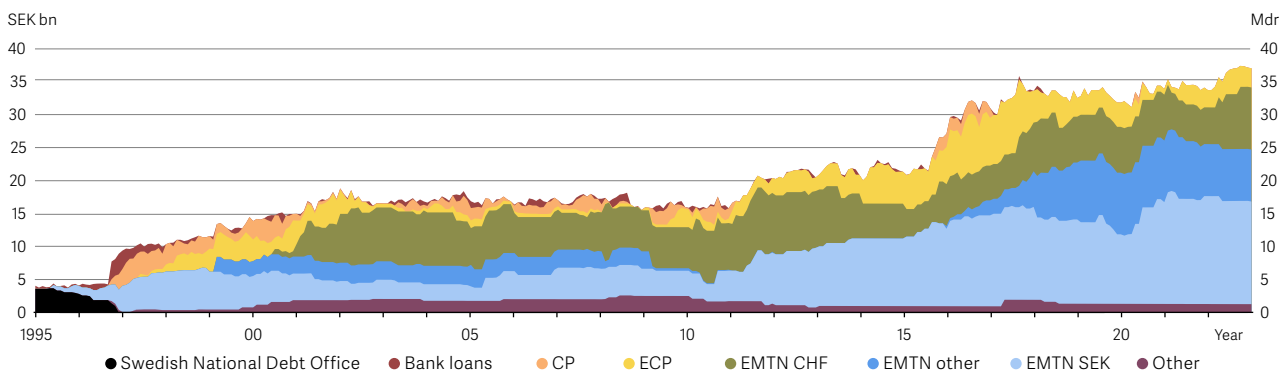
## COMPARISONS, DIFFERENT CALCULATIONS OF FINANCING COST



## DEBT MATURITY STRUCTURE, SEK BN



## FINANCING SOURCES, SEK BN



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