

# Akademiska Hus

29 May 2024

Peter Anderson, CFO

Erik Florman, Chief Sustainability Officer

Emil Rundell, Deputy Treasurer





## Agenda – 45 minutes

- **Introduction** **Peter Anderson**
- **Sustainability** **Erik Florman**
- **Financial Key figures** **Peter Anderson**
- **Green Bond Framework** **Erik Florman, Emil Rundell**
- **Funding and Risk management** **Emil Rundell**
- **Questions**



AKADEMISKA HUS



## Our mission

The mission of Akademiska Hus is to own, develop and manage **properties for universities and colleges**, with a primary focus on education and research activities.

The company's operations shall be carried out in a **businesslike manner** and yield competitive profits by adapting rents to the company's business risk.

Akademiska Hus shall work to promote a sustainable long-term development of university and college campuses.

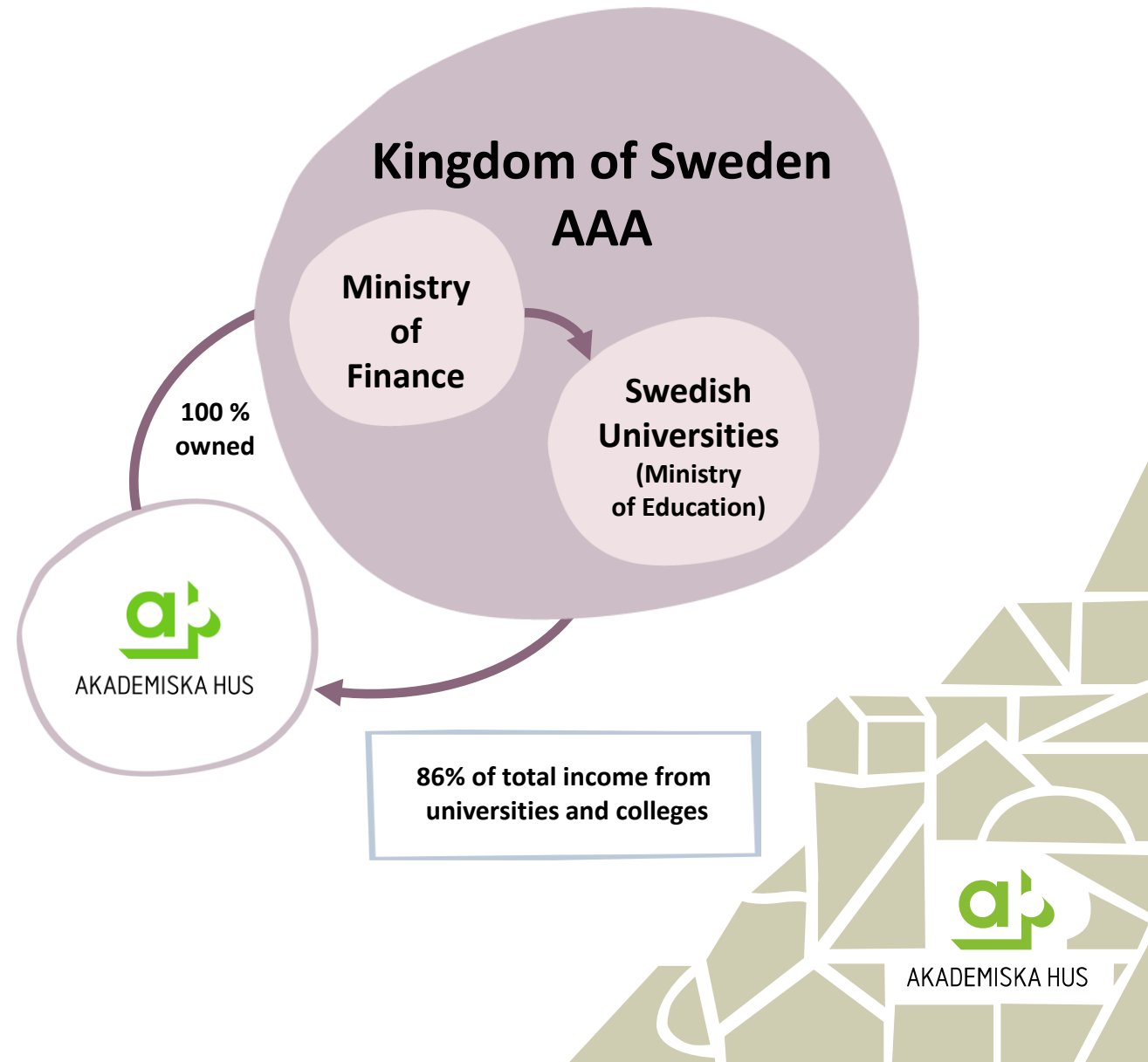
Akademiska Hus will contribute to the creation of more **student housing** by making clear that the company's focus includes the construction and management of student housing.



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# Akademiska Hus – Key strength factors

- 100% owned by Kingdom of Sweden (AAA)
- Owner clause EMTN: Majority owned or controlled by the Kingdom of Sweden
- Stable and high-quality tenant base
- Market leader: 60 percent
- S&P rating AA/A-1+ stable outlook since 1996



# Portfolio facts

## REAL ESTATE PORTFOLIO Q1 2024

115.5  
billion  
SEK

Real estate  
value

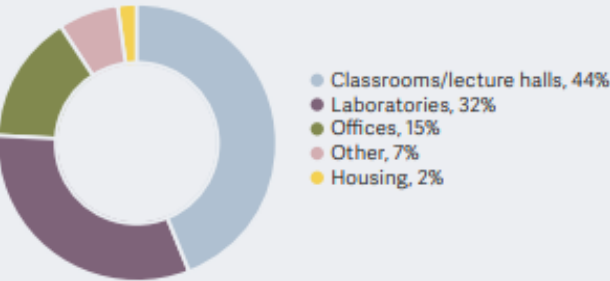
3.4  
million  
sqm

Total area

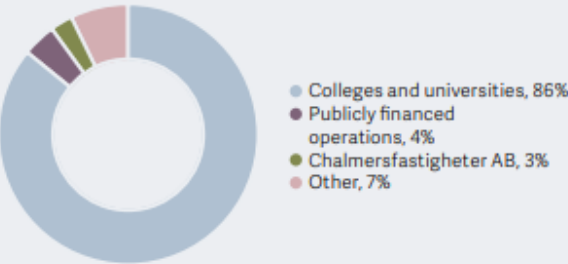
10.3  
billion  
SEK

Project  
portfolio

Premise category



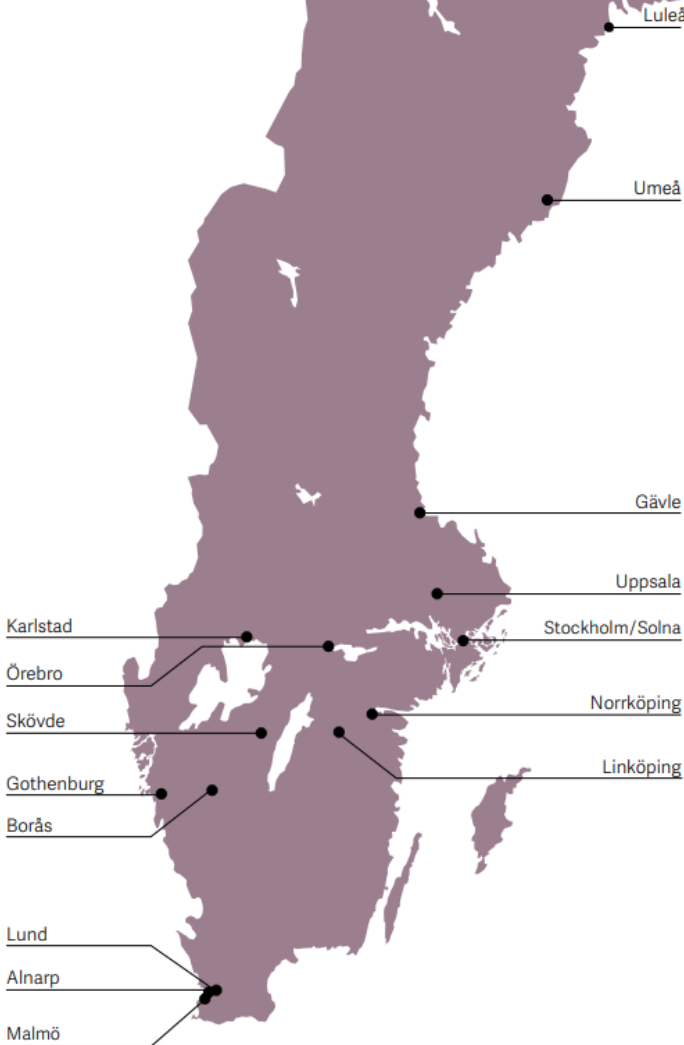
Tenant categories



Akademiska Hus  
can be found in

15

college and university  
cities



# Akademiska Hus financial and climate targets

## Owner's financial targets

- Equity ratio 35-45 %
- Return on operating capital > 6 % over a business cycle
- Dividend policy: 40-70 % of the profit available for payment of dividend

## Climate targets

- Climate neutrality in the entire value chain by 2035. Our definition: 85 % reduction of GHG emission in scope 1, 2 and 3 (compared with 2019)
- Energy reduction: 50 % reduction in delivered energy by 2025 (compared with 2000)

The background of the image is a solid blue color, overlaid with a complex, white line pattern. This pattern consists of various geometric shapes, including rectangles, triangles, and circles, which are interconnected to form a continuous, abstract design. In the center of the image, there is a light gray rectangular box. Inside this box, the word "Sustainability" is written in a bold, black, sans-serif font.

# **Sustainability**



# Sustainable Campuses: An Asset for the Entire Society

**We develop competitive campuses in collaboration with academia, industry, and society, focusing on the following key aspects:**

- Providing state-of-the-art facilities to bolster Sweden's position as a knowledge nation
- Enabling collaboration between academia and industry, driving innovation and economic growth
- Designing campuses that interact with and enrich the surrounding communities
- Promoting health and wellbeing through inclusive spaces that cater to diverse needs and enhance quality of life
- Offering a balanced mix of classrooms, shops, housing, cafés, gyms, and more
- Enhancing spaces between buildings with greenery, art, and cultural elements







# SUSTAINABLE DEVELOPMENT GOALS

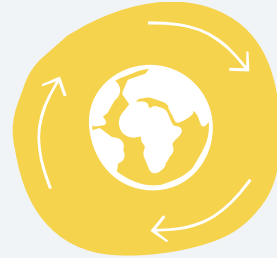


# The four dimensions of our Sustainability strategy



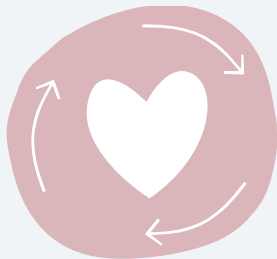
## **Ecological Sustainability**

- Climate neutrality by 2035 throughout the value chain.
- Energy-use reduction 50 per cent between 2000 and 2025.
- Improved biodiversity on campuses and throughout the value chain.



## **Economic Sustainability**

- Make sustainable and long-term investments.
- Future proof campuses against extreme weather events and address climate risks.
- Promote circularity, water efficiency and resource efficient use of premises.



## **Social Sustainability**

- Sustainable campuses with healthy buildings.
- Social responsibility with a focus on creating a sustainable supply chain.
- Equal company with good ethics and work environment

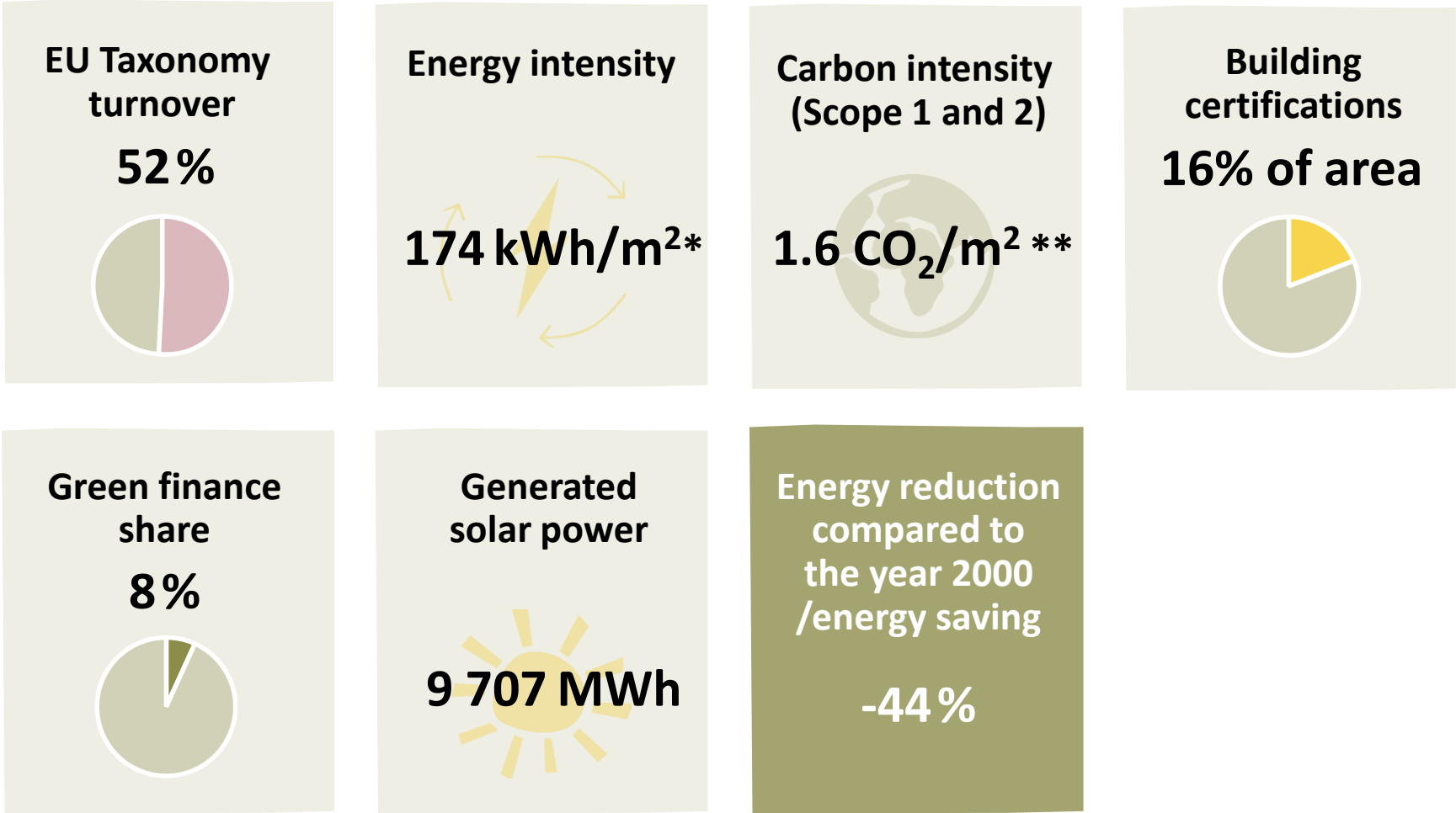


## **Cultural Sustainability**

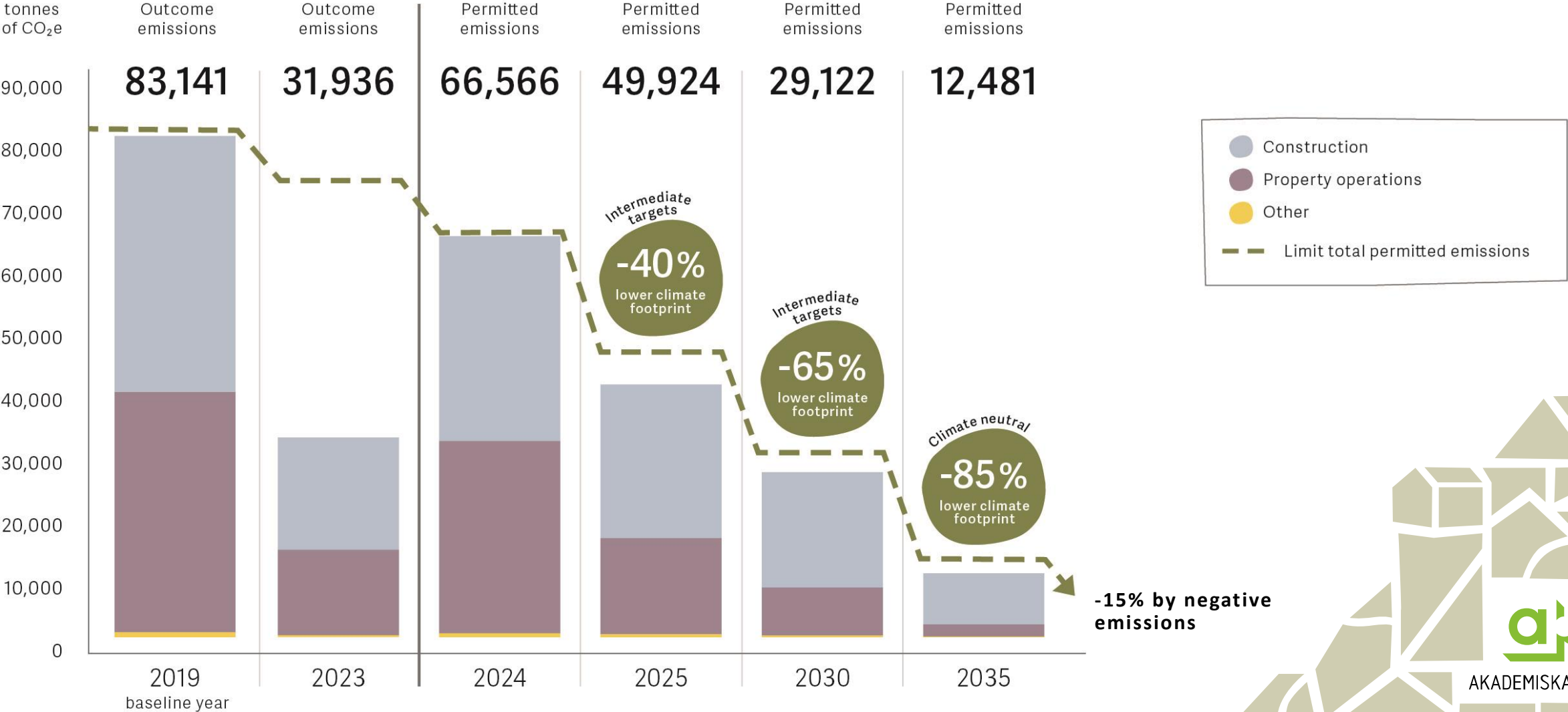
- Preserve historical buildings and campus environments.
- Work with place identity on our campuses.
- Improve art on campus



# Key figures – sustainability



# Climate budget



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# CLIMATE ACTION

## RESOURCE EFFICIENCY & USE OF LOW CARBON MATERIALS

- Focus on re-use of existing buildings and less new construction
- Data-driven intelligence for efficient use of premises
- Circular material flows
- Use materials with low carbon footprint

## FOSSIL-FREE ENERGY TRANSITION

- 100% renewable energy
- Energy efficiency
- Fossil-free transports and machinery
- Locally produced renewable energy

## TAKING CONTROL

- Ambitious carbon goals
- Following a carbon budget

# Sustainability criterias for project investments

We rate projects based on its sustainable performance as a basis for investment decisions by the Board of Directors.

-  **Ecological Sustainability:** Emissions and Biodiversity
-  **Social Sustainability:** Building certification and social engagement
-  **Economic Sustainability:** Climate risk assessment and circularity
-  **Cultural Sustainability:** Building heritage and place identity
-  **Energy efficiency**
-  **EU Taxonomy compliance**

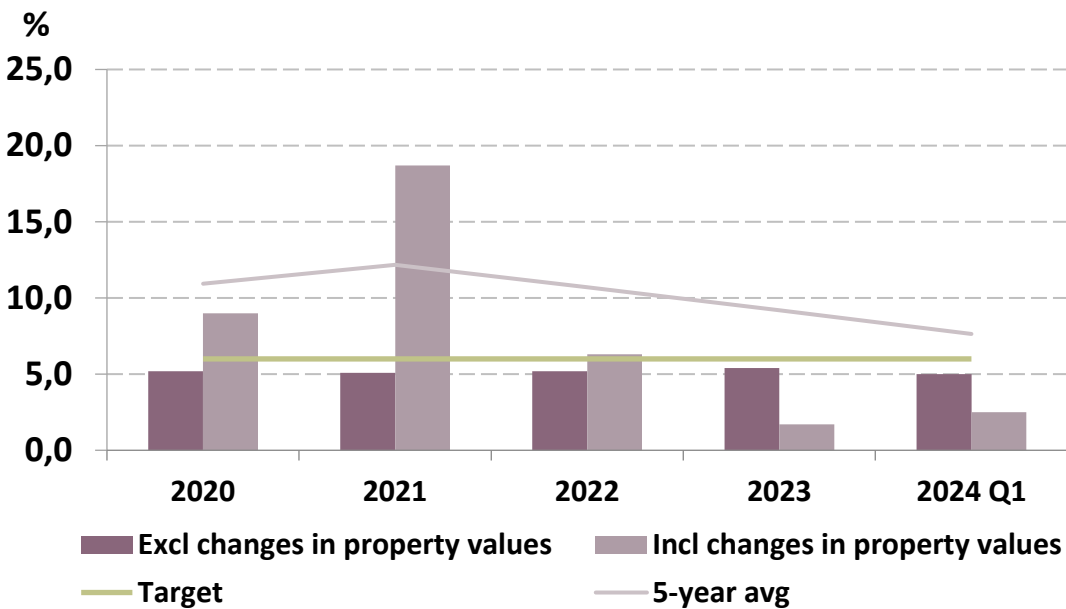




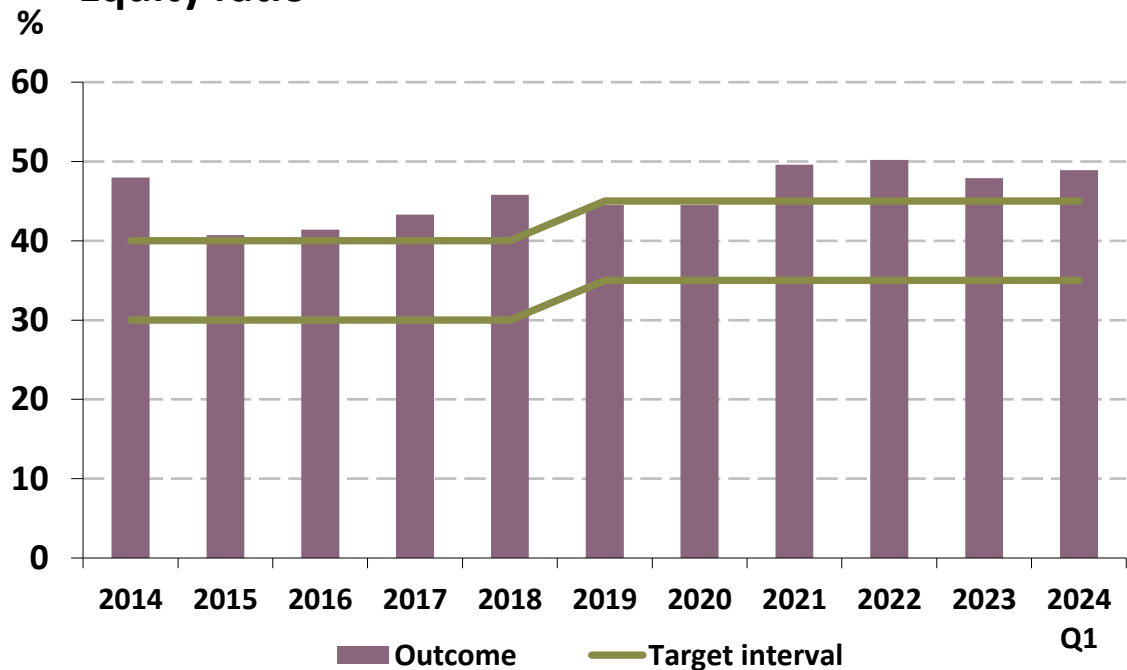
## Financial Key figures

# Financial targets

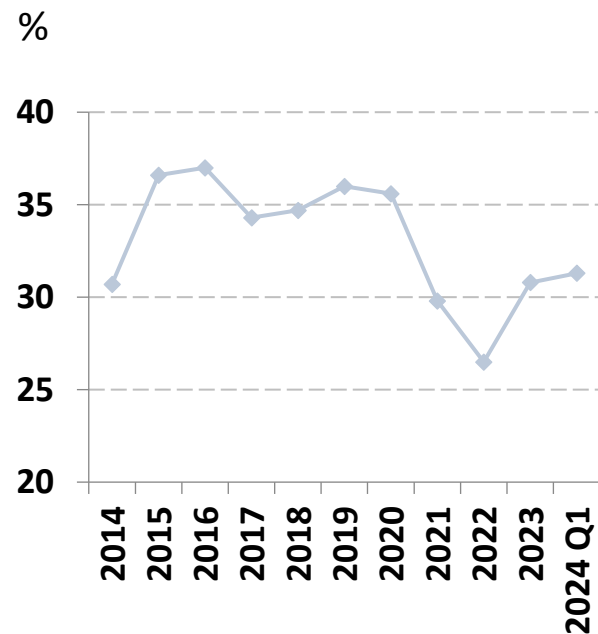
Return on operating capital



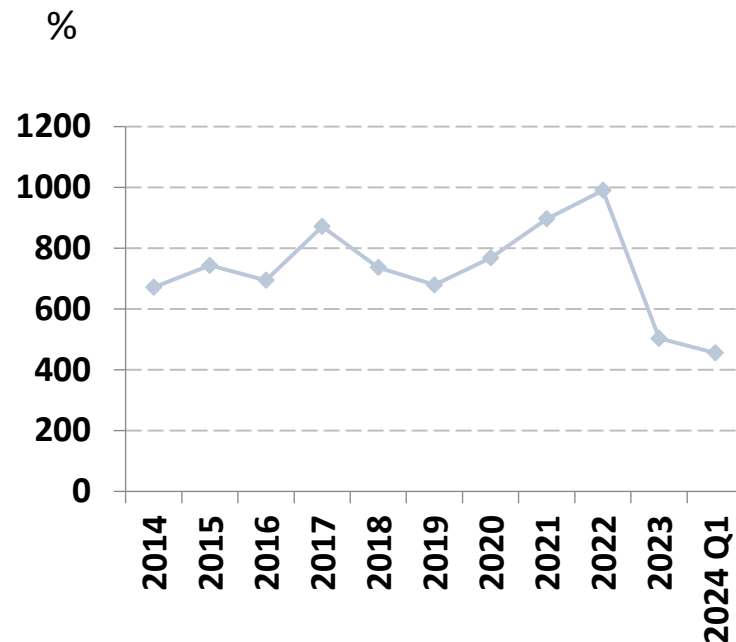
Equity ratio



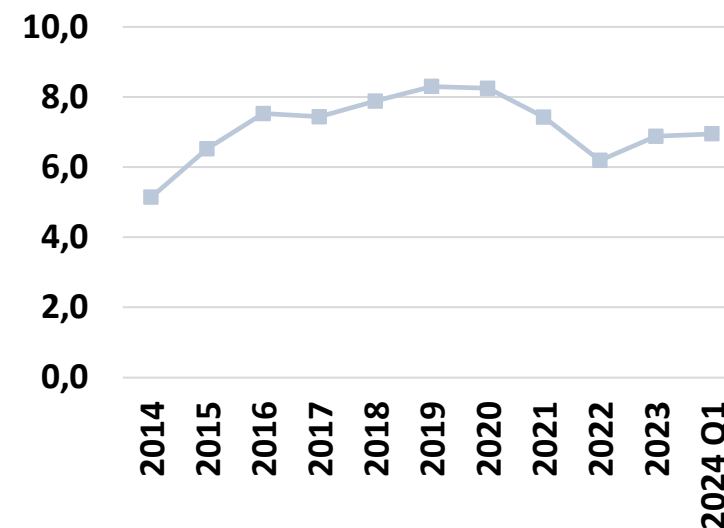
## Loan-to-value ratio



## Interest coverage ratio\*



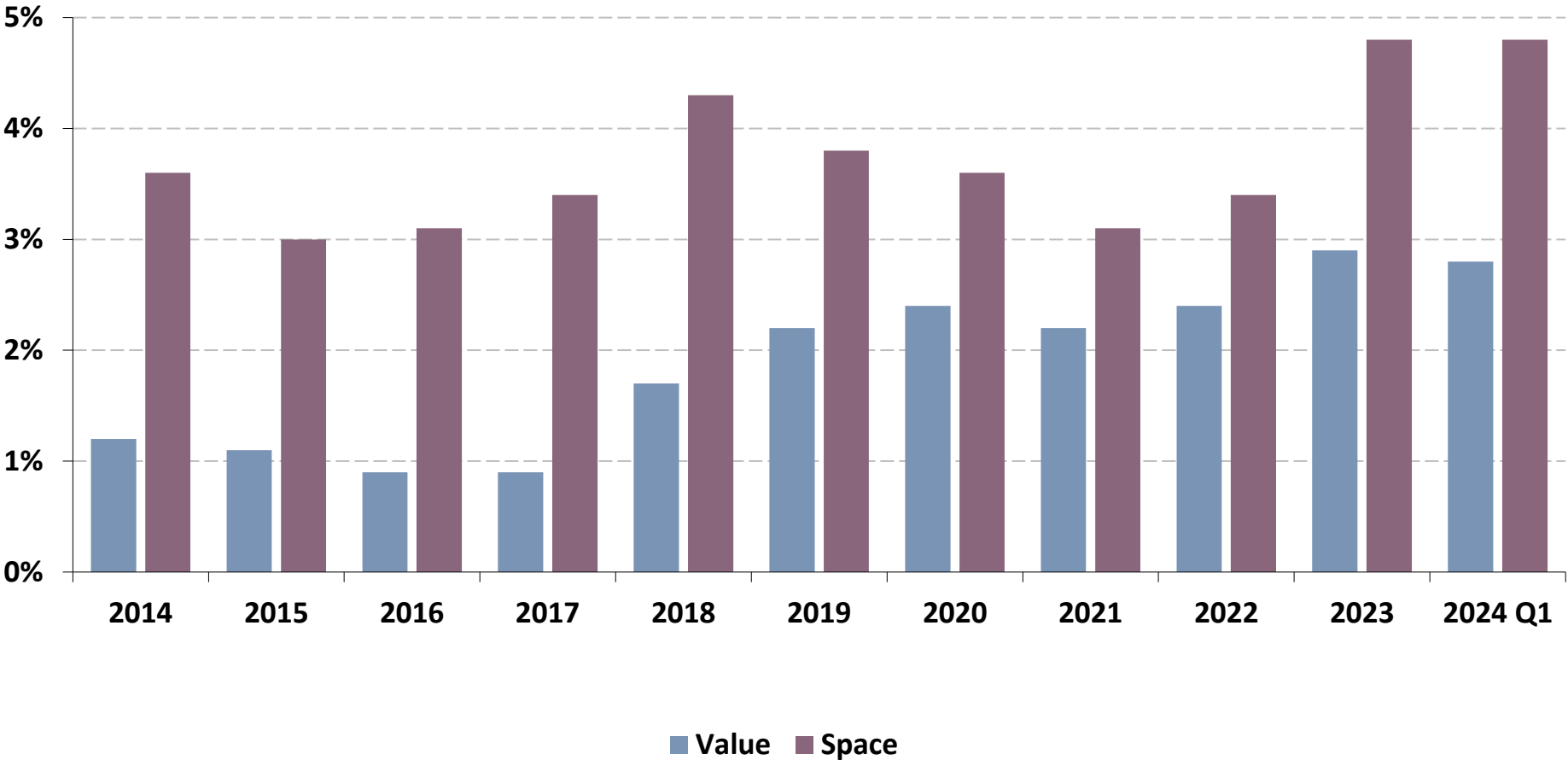
## Net debt/EBITDA



\* Net operating income with the addition for central administration in relation to net financial income/expense, including period allocation of realised profits from derivatives and including capitalised interest in projects



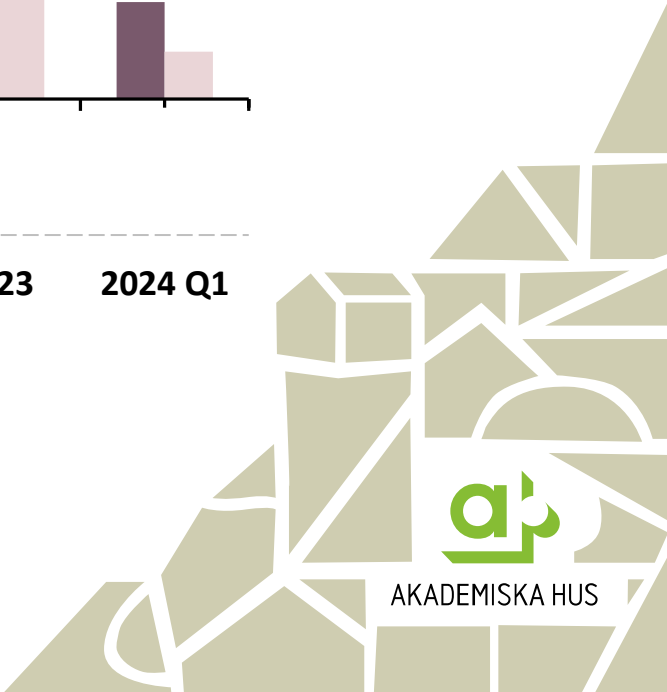
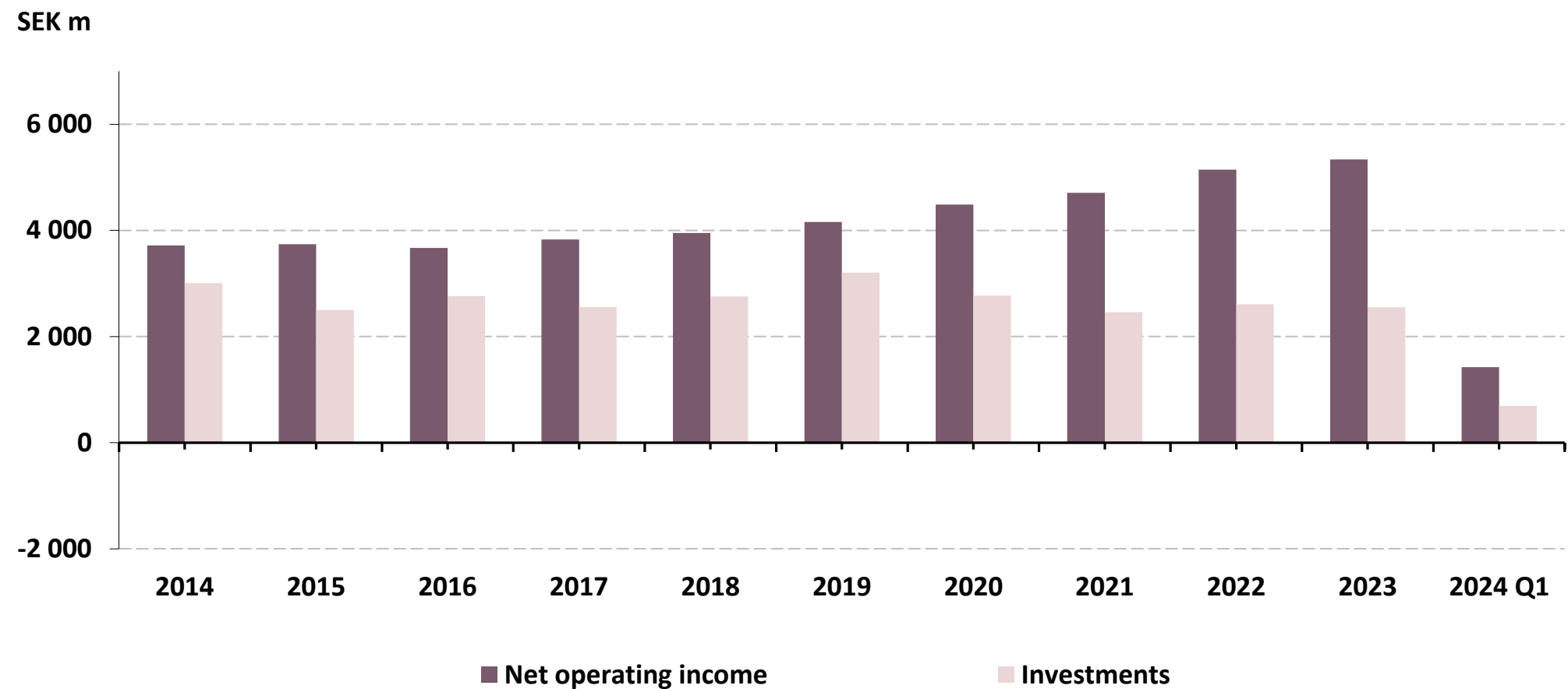
# Vacancy rate, 2014 – 2024 Q1



Space vacancies is measured in relation to rentable area. Properties planned to be demolished or in construction are excluded.



# Net operating income and investments, 2014 – 2024 Q1



# Summary 2024 Q1

**Rental revenue**  
**1 992**  
**(1 897)**

**Net operating income**  
**1 422**  
**(1 341)**

**Market value**  
**115.5**  
**(115.4)**

AKADEMISKA HUS IN BRIEF	2024 Jan–Mar	2023 Jan–Mar	Rolling 12 months April 23–March 24	2023 Full year	2022 Full year
Rental revenue, SEK m	1,992	1,897	7,607	7,511	6,854
Net operating income, SEK m	1,422	1,341	5,417	5,336	5,143
Income from property management, SEK m	1,112	1,128	4,248	4,264	4,490
Equity ratio	48.9	49.6	48.9	47.9	50.2
Return on operating capital, %	*	*	2.5	1.7	6.3
Return on equity, %	*	*	1.5	0.6	8.6
Interest coverage ratio, %	*	*	455	503	990
Loan-to-value ratio, %	31.3	26.9	31.3	30.8	26.5
Yield, properties, % <sup>1</sup>	*	*	4.9	4.9	4.8
Yield, properties, % <sup>2</sup>	*	*	4.7	4.6	4.5
Assessed market value, properties, SEK m	115,511	115,356	115,511	114,600	115,371

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

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





# Green Bond Framework



## Green Bond Framework

Akademiska Hus launched an updated framework for green bonds in June 2023 where the main criteria are:

- Environmental building certifications
- Energy efficiency and minimum safeguards as per EU Taxonomy
- Climate risk as per EU Taxonomy

The framework is based on ICMA Green Bond Principles 2021.





# Eligible Green Activities\*

- **Climate change adaptation (5 %)**
  - Activities that mitigate the adverse effects of climate change and their impact on real estates.
- **Energy efficiency (15 %)**
  - Investments in the existing portfolio of buildings that target a lower overall energy use and an improved environmental footprint.
- **Green buildings (75 %)**
  - Investments in environmentally accredited and energy efficient buildings, campus areas and student accommodation.
- **Renewable energy (5 %)**
  - Investments in renewable energy production.

\*Estimate of long term share of allocation within parenthesis



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# ***Green buildings in detail***

- **New buildings**

- Environmental certification of “Miljöbyggnad Guld”
- Energy demand of at least 25 % lower than NZEB
- Compliant with majority of EU Taxonomy technical screening criteria
- Screening of material climate risks

- **Existing buildings**

- Environmental certification of “Miljöbyggnad Silver”
- Compliant with majority of EU Taxonomy technical screening criteria
- Screening of material climate risks

- **Renovation**

- Environmental certification of “Miljöbyggnad Silver”
- Compliant with majority EU Taxonomy technical screening criteria
- Screening of material climate risks

# Second opinion – Cicero Shades of Green

## SHADES OF GREEN



<sup>°CICERO</sup>  
Medium Green

## GOVERNANCE ASSESSMENT



## GREEN BOND PRINCIPLES

Based on this review, this framework is found to be aligned with the principles.

- Climate change adaptation – *Dark Green*
- Energy efficiency – *Medium to Dark Green*
- Green buildings – *Medium Green*
- Renewable energy – *Dark Green*
- Governance – *Excellent*

*“Akademiska Hus shows a strong awareness of its climate impact, and has a clear strategy to reduce its own carbon footprint”*



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# Reporting

- Impact report published yearly
- Impact report will include:
  - Allocation for each category
  - The sum of outstanding Green Bonds
  - The sum of green portfolio balance
  - Proportion of net proceeds allocated to new investments
  - Disclosure of asset level performance indicators

GBP Categories	Indicators and Metrics
Climate change adaptation	<p>Each yearly report will include an example of an investment that has been financed with green net proceeds (if such a project has been financed). Given the number of project types that qualify under the category the KPI's will not be disclosed beforehand in the Framework.</p> <p>Akademiska Hus will where applicable, emphasise a description of the need for the investment. And if possible, what resilience the investment creates.</p>
Energy efficiency	<ul style="list-style-type: none"> <li>i. Energy savings (aggregated, MWh/year)</li> <li>ii. Carbon savings (aggregated, tonnes/year)</li> <li>iii. Examples of at least 2 projects that have been financed during the year with green net proceeds (if such a project has been financed)</li> </ul>
Green buildings	<ul style="list-style-type: none"> <li>i. Environmental certification</li> <li>ii. Absolute energy use (MWh) and intensity (PED per square meter) per year</li> <li>iii. The reduction in Primary Energy Demand (PED) compared to the requirement in the national implementation of NZEB</li> <li>iv. Calculated carbon footprint disclosed by absolute emissions (kilos) and intensity (kilo per square meter)</li> <li>v. Buildings that qualify according to an Energy Performance Certificate (EPC): the level of the EPC</li> <li>vi. Buildings that qualify based on Primary Energy Demand (PED): confirm that the PED was within acceptable limits of the national or regional building stock (top 15%)</li> <li>vii. Verify that the building has undergone a screening of material climate risks</li> </ul>
Renewable energy	<ul style="list-style-type: none"> <li>i. Yearly production (MWh)</li> <li>ii. Prevented CO<sub>2</sub>e emissions from production (tonnes)</li> </ul>



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## Funding and Risk management

# Program and credit facilities as of Q1 2024

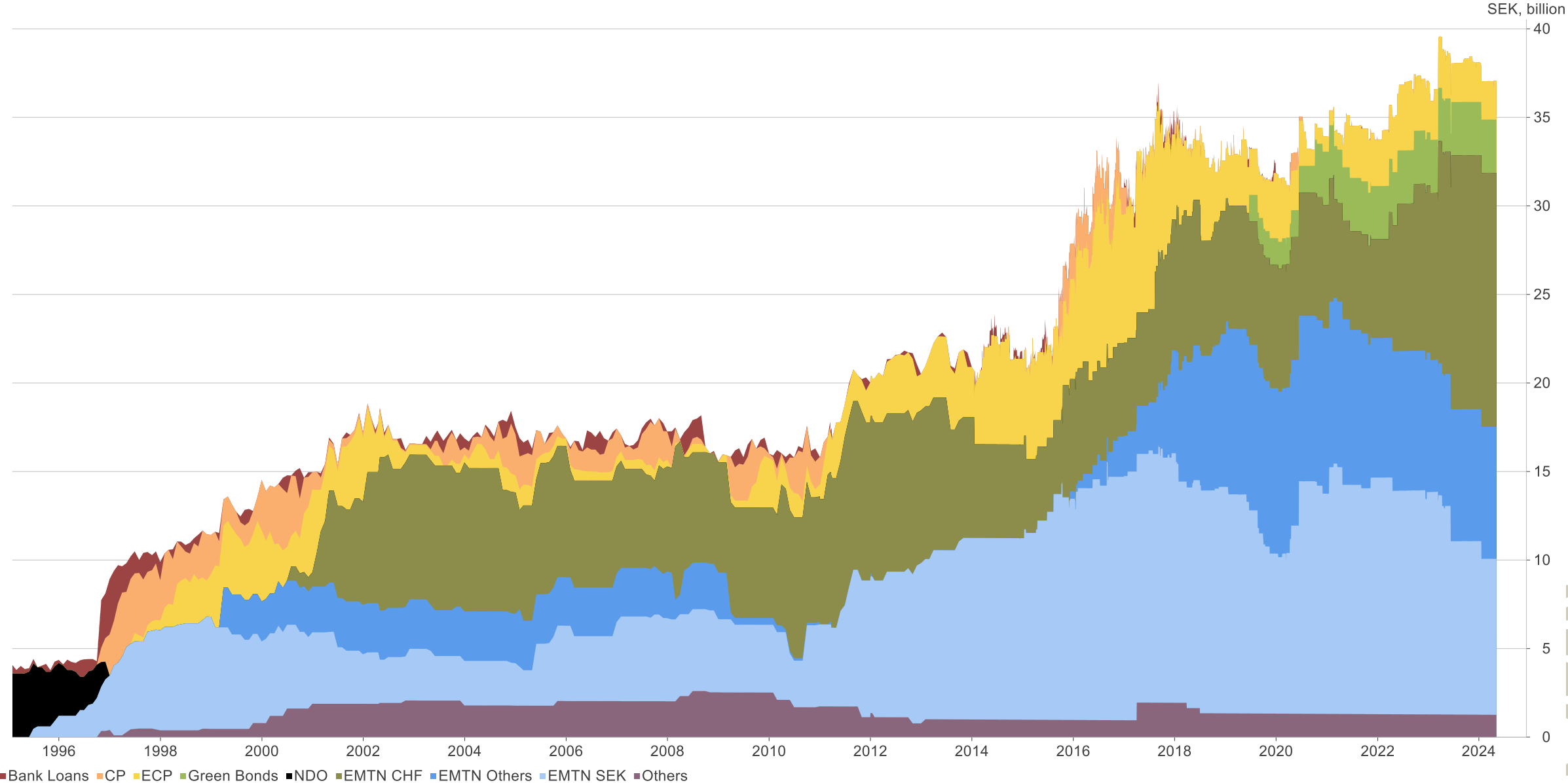
Facilities, Programs	Limit, currency	Limit, million	Used, million	Used, SEK m	Usage, %
CP Program	SEK	4,000	0	0	0
ECP Program	EUR	1,200	194	2,191	16
EMTN Program	EUR	4,000	3,318	33,510	83
<b>Sum</b>				<b>35,701</b>	

Committed credit facilities in banks:	6,000 SEK m (Usage 0%)
EIB loan:	1,200 SEK m (Usage 0%)

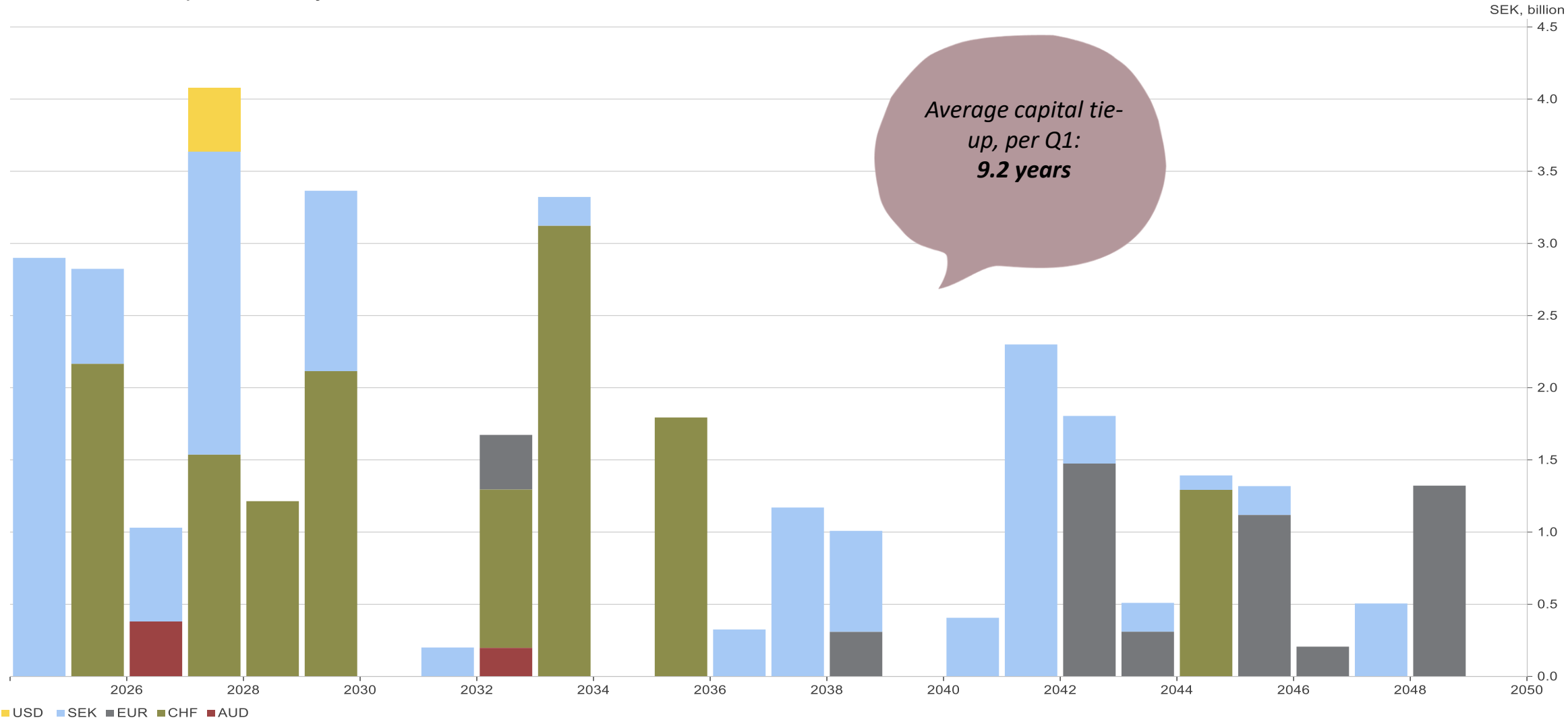
# Financial Policy

Risk	Policy	Q1 2024
Interest rate risk	• Long bond portfolio: maximum 20 per cent of the total portfolio	10.7 %
	• Index-linked bond portfolio: maximum 5 per cent of the total portfolio	1.7 %
	• Basic portfolio, average fixed interest period: within the range of 3 – 6 years	3.9 years
Refinancing risk	• Maturity mandate: the proportion of loans maturing within each 12-month period may not exceed 30 per cent of the total portfolio	13.7 %
Counterparty risk	• Exposure to counterparty risk is managed by limit system based on the counterparties' ownership and rating, and the term of the commitment	Fulfilled
	• In derivative transactions, ISDA and CSA agreements are required, which reduces the counterparty risk substantially	Fullfilled
Foreign currency risk	• When financing in foreign currencies, foreign currency risk must be eliminated. This is made using foreign exchange swaps or cross currency swaps.	Fullfilled

Funding Sources



Bond maturities per currency





**Thank you!**

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# Key figures

Real Estate	31 March, 2024	31 Dec, 2023	31 Dec, 2022
Income property management, SEK m, R12	2,019	7,651	6,954
EBITDA margin %, R12	70.0	69.7	74.0
Fair value, properties, SEK m	115,511	114,600	115,371
of which properties under construction, SEK m	3,382	3,623	4,342
Change in value, properties, SEK m	353	-3,479	1,101
Vacant space, rent, %	2.8	2.9	2.4
Vacant space, area, % *	4.8	4.8	3.4
Direct yield properties, incl valuation %	4.9	4.9	4.8
Total yield properties, incl valuation %	2.4	1.7	5.8

Financials	31 March, 2024	31 Dec, 2023	31 Dec, 2022
Return on operating capital, %	2.5	1.7	6.3
Return on equity, after tax, %	1.5	0.6	8.6
Equity ratio, %	48.9	47.9	50.2
Interest coverage, %	455	503	990
Loan-to-value ratio, %	31.3	30.8	26.5
Gross loan debt/NOI	7.1	7.3	7.8

# Natrium – University of Gothenburg

Aims to  
strengthen the  
field of life science

- At Medicinareberget in Gothenburg, Natrium creates a cohesive campus and strengthens the link between the Faculty of Science and the medical education and research at Sahlgrenska Academy
- The 34,000 sqm building provides mainly advanced lab environments, but also classrooms and offices
- Solar panels on the roof and demand-controlled ventilation and lighting
- Facade and windows designed to improve energy-efficiency
- Certification: Miljöbyggnad GULD



# Hus K, Campus Umeå – Umeå University

Flexibility to  
adapt to changing  
needs

- 8,000 sqm new building for education, exams and offices
- Increase utilization of the premises by being able to easily adapt the premises to different kinds of activities depending on need
- Project was reduced to a smaller area after analyzing current premises and increase flexibility in the new facilities
- Certification: Miljöbyggnad GULD





# Forum Medicum – Lund University

State of the art  
facilities to  
strengthen research  
in health sciences

- Enables collocation of education and research in medicine and health sciences
- 16,000 sqm to meet future need for flexible, activity-based environments for research and education
- 7,800 sqm renovation
- New building and renovation including docking the existing building with an addition
- Certification: Miljöbyggnad GULD (New building)



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## Solar panels – Campus Örebro

Our first energy  
net positive  
campus

- On the roof of the University library in Örebro, we have expanded our investments in solar panels with 5,600 sqm and a capacity of 230 000 kWh per year
- Solar power installed at Campus Örebro since 2008 has now reached 1.1 million kWh per year
- In total, 7 installations have the capacity to provide more energy than the Campus itself consumes