Nordic Credit Rating

CORPORATE: REAL ESTATE

Sweden
10 Jul. 2026

Axfast AB (publ)

Full Rating Report

LONG-TERM RATING

BBB

OUTLOOK

Stable

SHORT-TERM RATING

N3

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RATING RATIONALE

Our 'BBB' long-term issuer rating on Sweden-based commercial property manager Axfast AB (publ) reflects strong underlying asset quality and low leverage. The company benefits from a portfolio in prime locations, supporting low vacancy risks and cash flow visibility through a long remaining lease maturity profile. Combined with a relatively low loan-to-value (LTV) ratio versus Nordic peers, this underpins solid credit metrics. We also expect the company's main owners to support the company, if needed, to sustain growth while preserving a strong capital structure.

The rating is constrained by geographic and tenant concentration risks. Axfast's focus on the Stockholm region increases exposure to a single market, while reliance on a limited number of tenants and sectors heightens the risk of earnings volatility in a downturn. In addition, the company's smaller portfolio relative to peers limits diversification benefits, and its relatively short debt maturity profile increases refinancing risk.

We expect Axfast's financial profile to remain stable over the near to medium term, with LTV at around 30–32%, broadly supported by stable asset values and low growth. EBITDA interest coverage is likely to remain structurally modest at around 2.5–2.8x, reflecting the company’s focus on low-risk, low-yielding assets, but remains adequate for the current rating.

STABLE OUTLOOK

The outlook is stable, reflecting low risk rental income from a stable base of primary tenants on long-term contracts and our expectation that vacancies will gradually decline over 2026-2028, supported by the company's central locations. We assume limited near term acquisition activity, followed by selective growth in high-quality properties over the medium term, which should gradually improve diversification. While this may temporarily increase leverage, we expect it to remain comfortably within expectations for the current rating.

POTENTIAL POSITIVE RATING DRIVERS

- Increased portfolio size and improved diversification by tenant and location, while maintaining high portfolio quality and low leverage.

POTENTIAL NEGATIVE RATING DRIVERS

- Net LTV above 40% or EBITDA interest coverage below 2.2x.
- Weaker market conditions negatively affecting occupancy and profitability.
- A material increase in development exposure.

Figure 1. Key credit metrics, 2022–2028e

SEKm	2022	2023	2024	2025	2026e	2027e	2028e
Rental income	704	868	1,013	1,091	1,089	1,159	1,228
EBITDA	491	618	755	777	770	819	868
EBITDA margin (%)	69.8	71.2	74.5	71.2	70.7	70.7	70.7
Investment property	20,097	21,732	24,229	26,071	26,407	27,257	28,107
Net debt	4,272	5,962	7,216	8,045	7,970	8,454	8,935
Total assets	20,498	22,282	24,711	26,608	27,187	28,167	29,100
Net debt/EBITDA (x)	8.9	9.6	9.6	10.4	10.3	10.3	10.3
EBITDA/net interest (x)	4.0	2.6	2.6	2.8	2.7	2.6	2.5
Net LTV (%)	21.8	27.4	29.8	30.9	30.2	31.0	31.8
FFO/net debt (%)	4.9	6.7	2.5	3.3	4.8	4.7	4.4

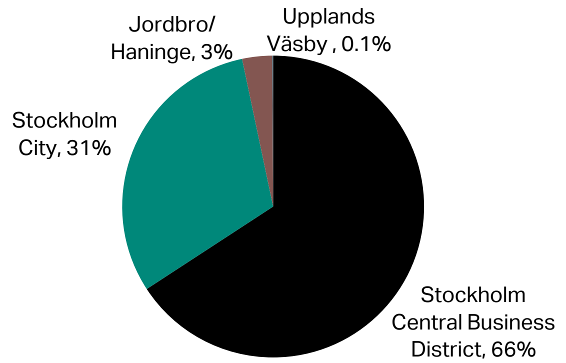
Source: company and NCR. e–estimate. FFO–funds from operations. All metrics adjusted in line with NCR methodology.

ISSUER PROFILE

Axfast is a Sweden-based commercial property company focused on centrally located properties in the Stockholm region. The portfolio is concentrated in multi-purpose offices, hotels and high-street retail properties, with a smaller presence in other segments such as logistics. The company targets growth through acquisitions and development projects in Stockholm's central business district (CBD). As of 31 Mar. 2026, the portfolio comprised 22 properties totalling some 221,700 sqm with a value of SEK 25.1bn.

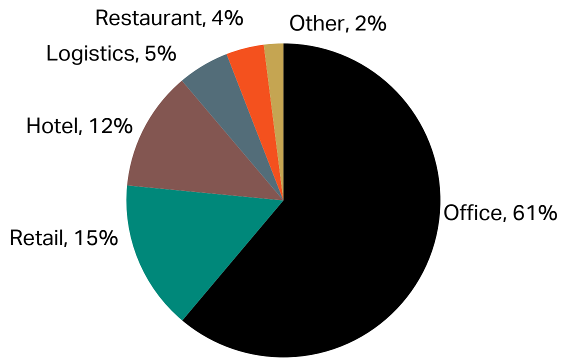
Axfast is a part of the Axel Johnson Group and provides commercial space to some entities within the group. However, nearly 100% of the company's tenants are external.

Figure 2. Rental income by area, 31 Mar. 2026



Source: company.

Figure 3. Rental income by property type, 31 Mar. 2026



Source: company.

BUSINESS RISK ASSESSMENT

High office segment exposure supported by concentration to strong Stockholm CBD area

Axfast's business risk profile is supported by its high concentration in the Stockholm CBD, which we view as a key credit strength due to structurally strong demand and low long-term vacancy risk. However, this geographic concentration also increases exposure to a single market.

The portfolio has significant exposure to the office segment, partially balanced by a mix of tenants across retail, hotel and logistics (see Figure 3). This has supported resilience in Axfast's portfolio during the recent economic slowdown, although vacancy levels have increased, particularly in the office segment. We expect demand for centrally located office space to remain relatively resilient and gradually improve over 2026–2028, but downside risks remain if corporate tenants reduce space due to hybrid working. Any shift towards smaller leased areas could be partly offset by higher rents per square metre, but this may not fully mitigate potential volatility in demand.

Exposure to the hotel segment adds cyclicality, with Scandic Hotels AB accounting for 12% of rental income, creating single-tenant concentration risk. While Scandic Hotels has delivered stable performance in recent years and current booking trends indicate continued improvement, this exposure could amplify earnings volatility in a downturn.

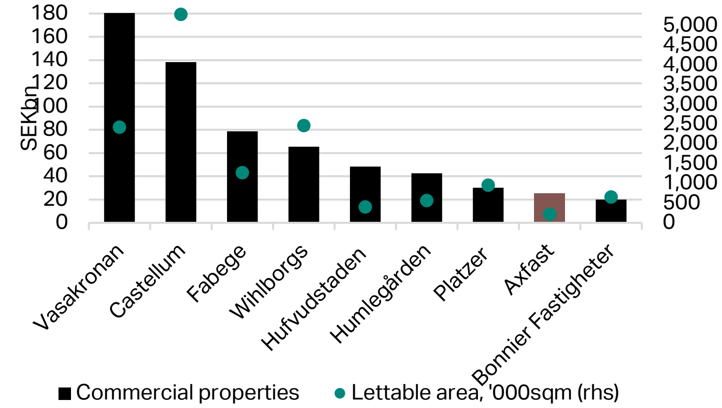
The retail segment remains pressured by weak consumer demand and structural shifts towards e-commerce, which continues to outpace overall retail growth. While this weighs on physical retail demand, it supports demand for logistics properties, providing some diversification benefit to the portfolio. According to Postnord AB, Swedish e-commerce grew by 10% in 2025, compared with total retail trade growth of just below 3%.

Limited market position, high geographic concentration and single-name tenant exposure

Axfast's business risk profile is constrained by its relatively small portfolio and limited geographic diversification compared with larger Nordic peers. While recent acquisitions have increased Axfast's property portfolio value to over SEK 25bn, the company remains less diversified by asset and tenant than Nordic property peers with a similar focus on the Stockholm region, such as Vasakronan, Fabege, Castellum, Hufvudstaden, and Humlegården.

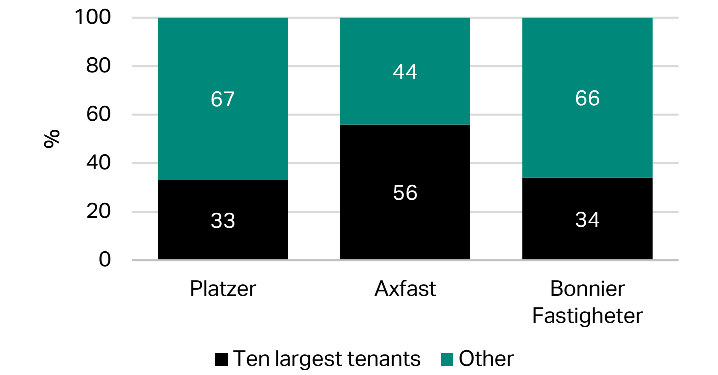
Axfast's tenant concentration remains elevated compared with more similarly sized peers, such as Bonnier Fastigheter and Platzer, increasing cash flow volatility in the event of tenant-specific stress, as illustrated in Figure 5. Although concentration has decreased as the portfolio has grown, exposure to cyclical sectors remains material, with around 32% of rental income derived from tenants in the hotel, restaurant and retail sectors. This adds earnings sensitivity to economic conditions, partly mitigated by the generally strong credit quality of both public- and private-sector tenants.

Figure 4. Peer group breakdown by size and property type, 31 Mar. 2026



Source: companies.

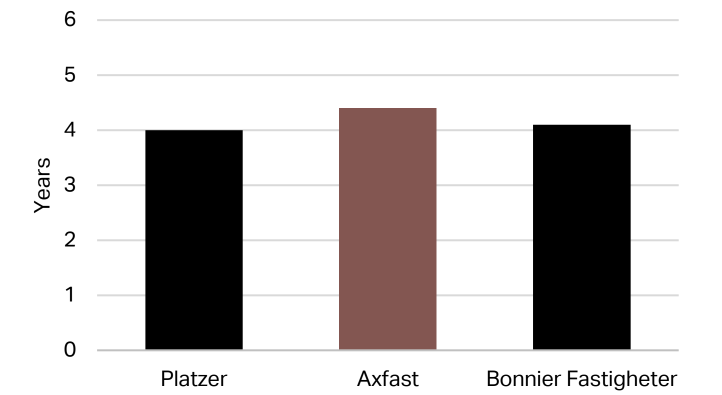
Figure 5. Peer group ten largest tenants % of rental value, 31 Mar. 2026*



Source: companies. * per 30 Aug. 2025.

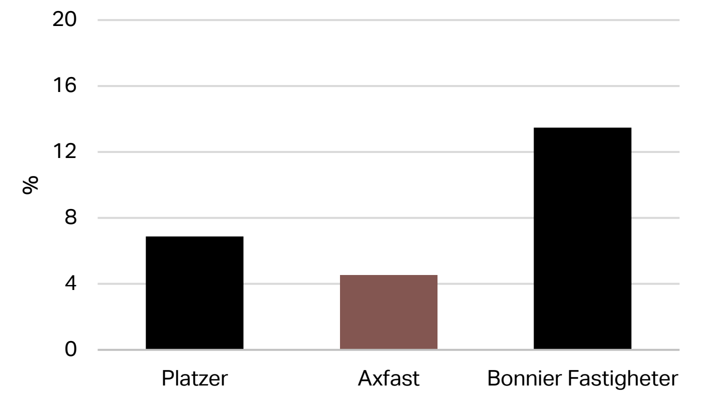
Axfast's property portfolio primarily comprises multipurpose properties in central Stockholm, with a strong focus on the CBD, which we view as a key competitive advantage given low long-term vacancy risk and flexibility of use. As of 31 Dec. 2025, 78% of the portfolio was environmentally certified and all bank loans are sustainability-linked, which could support access to funding and align the company with evolving investor requirements.

Figure 6. Peer group average lease maturity, 31 Mar. 2026*



Source: companies. *per 30 Apr. 2026 for Bonnier Fastigheter.

Figure 7. Peer group development of portfolio value, 31 Mar. 2026*



Source: companies. *per 30 Apr. for Bonnier Fastigheter.

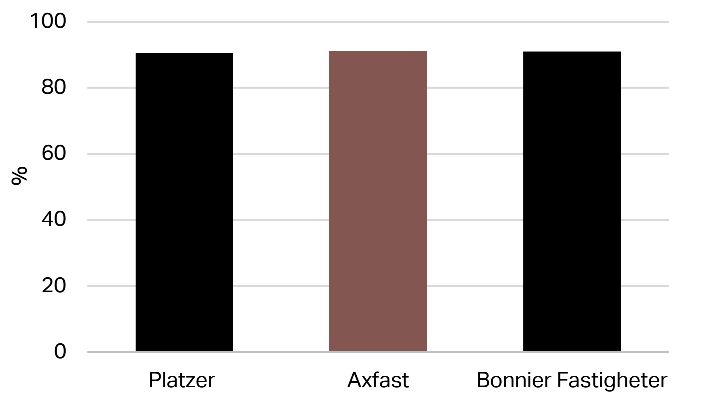
Limited development pipeline, solid operating efficiency and relatively long lease terms

While increasing due to the decision to redevelop some recent vacancies, Axfast's development portfolio remains low compared with peers, at just above 4% of the overall property portfolio.

Like its peers, the company has long remaining lease terms for the relevant sectors, supporting low vacancies and stable earnings. Although increasing, the vacancy rates remain in line with peers. The relocation of two large tenants in 2024 increased vacancy in Axfast's portfolio and has led to a gradual decline in occupancy to 91% as of 30 Mar. 2026 and 92% at year-end 2025, down from above 95% previously. The company is renovating parts of the vacated area, with completion expected in 2026 and 2027. We expect occupancy to remain at current levels due to near term weak net letting, with some recovery anticipated in 2027.

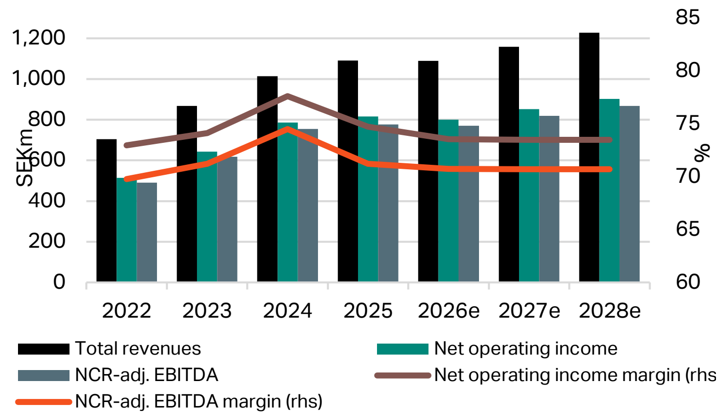
The EBITDA margin declined to 71% in 2025 from 74.5% in 2024, primarily due to increased vacancies. We expect margins to remain near 71% through 2028, as the process of filling vacancies is likely to be prolonged.

Figure 8. Peer occupancy rate, 31 Mar. 2026*



Source: companies. * per 30 Apr. 2026 for Bonnier Fastigheter.

Figure 9. Revenues, net operating income, EBITDA, and margins, 2022–2028e



Source: company and NCR. e-estimate.

FINANCIAL RISK ASSESSMENT

Low leverage and strong ownership support partly offset short debt maturities

Axfast's financial risk profile is supported by low leverage relative to Nordic peers and a financial policy committed to maintaining gross LTV below 40%, providing headroom within rating thresholds. We expect leverage to remain broadly stable at a relatively low level, despite ongoing investments in acquisitions and refurbishments.

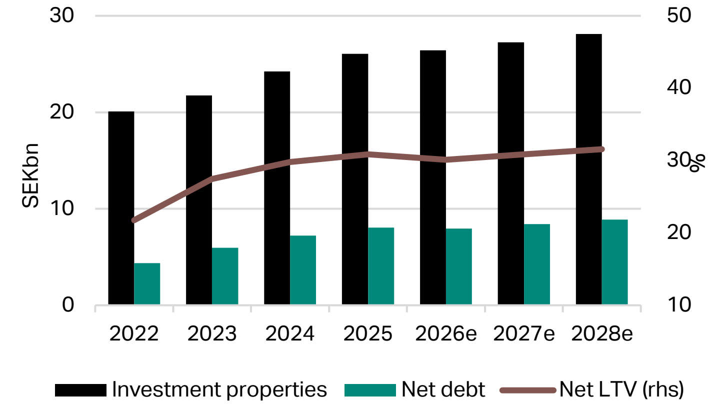
However, the company's relatively short debt maturity profile increases refinancing risk and could expose credit metrics to changes in funding conditions. This risk is partly mitigated by expected support from the owners and the company's strong balance sheet, which should support continued access to funding.

Figure 10. Key base-case forecast assumptions and credit metrics, 2026–2028e

	2026e	2027e	2028e
Rental growth (%)	-0.1	6.4	6.0
EBITDA margin (%)	70.7	70.7	70.7
Average interest rate (%)	3.4	3.6	3.8
Capital expenditure (SEKm)	312	850	850
Dividend payment (SEKm)	25	25	25
Net debt/EBITDA (x)	10.3	10.3	10.3
EBITDA/net interest (x)	2.7	2.6	2.5
Net LTV (%)	30.2	31.0	31.8
FFO/net debt (%)	4.8	4.7	4.4

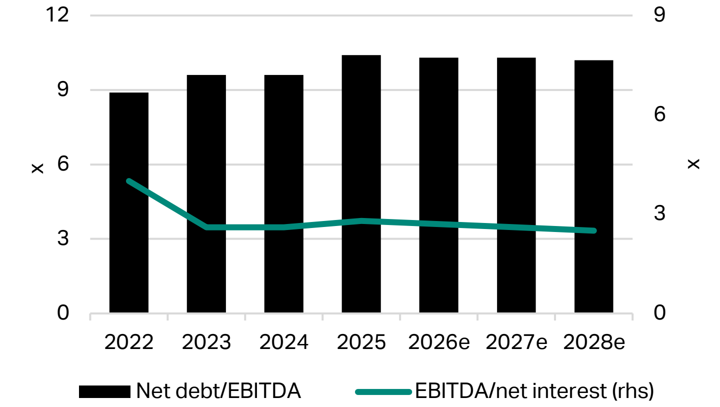
Source: NCR. e–estimate. All metrics adjusted in line with NCR methodology.

Figure 11. NCR-adj. investment properties, net debt, and net LTV, 2022–2028e



Source: company and NCR. e–estimate.

Figure 12. NCR-adj. net debt/EBITDA and EBITDA/net interest, 2022–2028e

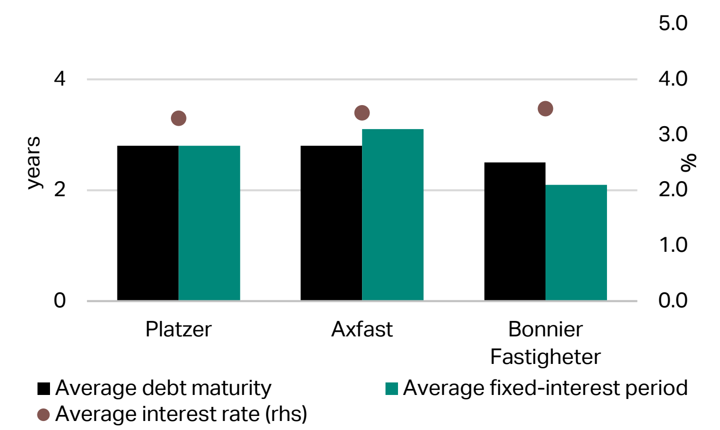


Source: company and NCR. e–estimate.

Axfast's financial risk profile benefits from strong ownership support and a conservative financial policy, including limited dividend distributions, which support financial flexibility and access to funding. We view the owners as likely to provide equity support if needed to sustain credit metrics as the portfolio expands.

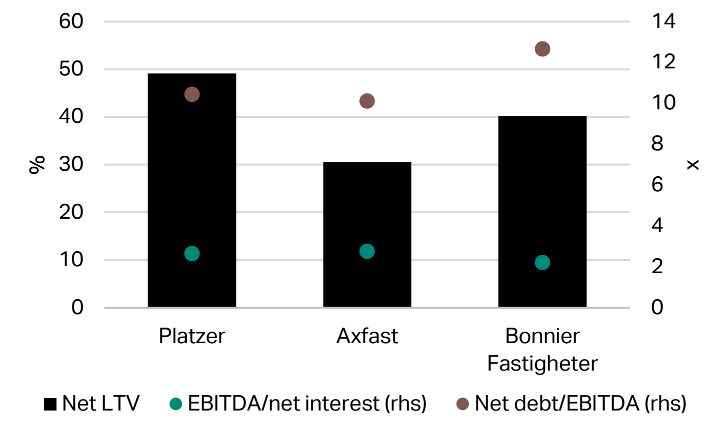
Compared with peers such as Platzer and Bonnier Fastigheter, which also have centrally located large city portfolios with a high proportion of office tenants, Axfast's financial profile is broadly comparable. All three companies have relatively short debt maturities, rely on strong bank relationships, and report similar average interest costs. Axfast's lower leverage supports its credit profile, while EBITDA interest coverage remains broadly in line with peers.

Figure 13. Peer group average interest rate, average debt maturity and fixed-interest maturity period, 31 Mar. 2026*



Source: companies. * per 30 Apr. 2026 for Bonnier Fastigheter.

Figure 14. Peer group NCR-adjusted key financial metrics LTM ending 31 Mar. 2026*



Source: companies, NCR. LTM–Last twelve months. * per 30 Apr. 2026 for Bonnier Fastigheter.

Axfast finances its operations through a mix of equity, secured bank debt, and commercial paper. The company enters into interest rate swaps with strong counterparties, and fixed rates on these swaps have extended its average interest rate period to over three years. Covenants on Axfast's bank loans are modest, and we expect the company to maintain ample covenant headroom over our forecast period. We also note the low dividend payouts which have supported high levels of reinvestment and a strong financial position.

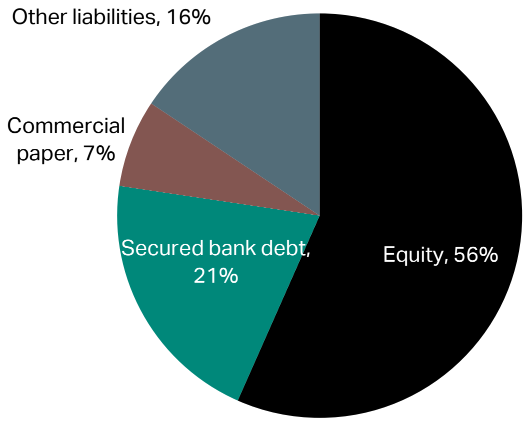
Figure 15. Financial covenants, policies and reported metrics

Metric	Common loan covenants	Financial policy/targets	Reported 31 Mar. 2026
Equity ratio (%)	≥40%	>30%	56%
Gross LTV (%)	≤60%	≤40%	29.5%
Interest coverage ratio	≥2x	2x	2.9*
Average debt maturity**	n.a.	≥1.5 years	2.8 years
Debt maturities within a 12-month period***	n.a.	<50%	30%
Average interest rate maturity	n.a.	≥1.5 years	3.1 years

Source: company. * last 12 months. **Including back-up facilities to commercial paper. ***Excluding commercial paper. n.a.–Not applicable.

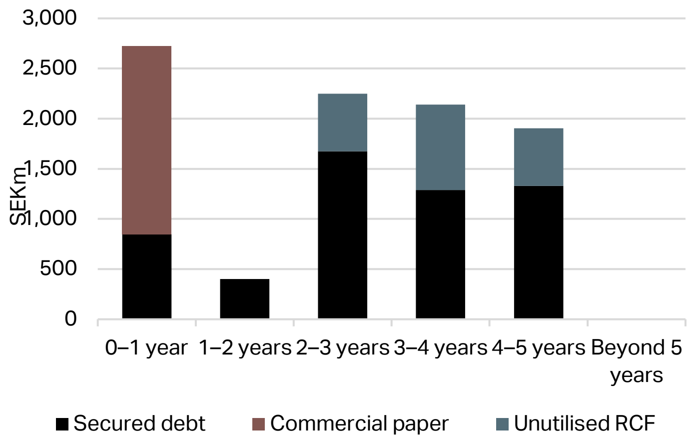
As of 31 Mar. 2026, Axfast had SEK 7.4bn in outstanding debt, including SEK 5.5bn in secured bank debt and approximately SEK 1.9bn in commercial paper, backed by SEK 2.0bn in unutilised bank credit facilities. The average debt maturity was 2.8 years as of 31 Mar. 2026 and has been increased to above 3 years per 30 Jun. 2026. We view the company's longstanding relationships with strong domestic banks as supportive of our overall financial risk assessment.

Figure 16. Funding profile, 31 Mar. 2026



Source: company.

Figure 17. Debt maturity profile, 31 Mar. 2026



Source: company. RCF–revolving credit facility, used as back-up to commercial paper.

ADJUSTMENT FACTORS

Adjustment factors are assessed as neutral and have no effect on the rating.

Liquidity

We assess Axfast's liquidity as adequate, with sources exceeding uses by SEK 1.1bn over the 12 months to 31 March 2027, providing a buffer against refinancing risk. We expect the company to comfortably meet its obligations over the next 12 months without relying on external market access. We typically expect a company with an investment grade rating ('BBB-' or above) to cover its liquidity needs, with limited need for external funding over the coming 12 months.

Liquidity is supported by committed bank facilities, mainly backing its commercial paper programme, as well as strong relationships with domestic banks, supporting refinancing capacity. These relationships are reinforced by the ownership structure, which we believe enhances the company's access to bank funding.

Figure 18. Liquidity analysis (stressed scenario) 1 Apr. 2026–31 Mar. 2027

Liquidity, next 12 months	Amount (SEKm)
Cash and cash equivalents (100%)	408
Proceeds from borrowings	1,435
Adjusted FFO	280
Unutilised credit facilities	2,000

Total sources	**4,124**
Repayment of borrowings	-2,723
Committed capital spending	-304
Total uses	**-3,027**
Sources/uses (x)	**1.4**
Sources-uses (SEKm)	**1,097**

Source: company and NCR.

OWNERSHIP ANALYSIS

Axfast is one of four entities in the Axel Johnson Group. The other entities are the Nordic-focused investment holding company Axel Johnson AB, US investment holding company Axel Johnson Inc. and asset management company AltoCumulus AB.

Axfast Holding owns 100% of Axfast. Antonia Ax:son Johnson, a descendant of the group's founder, holds 75% of Axfast Holding, with the remaining 25% held by other family members. This ownership structure reflects long-term family control and continuity.

We view Axfast's ownership structure as supportive of the company's long-term strategy and financial policy. The main owner is represented on the board of directors through two board members, indicating active ownership involvement and influence.

ISSUE RATINGS

Figure 19. Instrument rating

Seniority	Issue rating and rationale
Senior secured	'BBB'/not rated; in line with issuer rating.
Senior unsecured issue rating	'BBB'/not rated; gross secured LTV expected below 40% over a protracted period.

Issue ratings are assigned in accordance with our Corporate Rating Methodology. In cases where two alternatives for issue ratings are possible, the rating is assigned based on our forward-looking view of an issuer's capital structure, typically over the next 12-18 months.

Figure 20. Calculation of gross secured LTV

Senior unsecured notching calculations	Last twelve months ending 30 Sep. 2025
Gross secured debt (SEKm)	5,542
Property value (SEKm)	26,134
Gross secured LTV (%)	21.2

Source: company and NCR.

SHORT-TERM RATING

Figure 21. Short-term issuer rating

Short-term issuer rating	Rationale
'N3'	Adequate liquidity for the long-term rating.

Short-term are mapped to the long-term issuer rating, in accordance with our Rating Principles. In cases where two alternatives for short-term ratings are possible, the short-term rating is assigned based on liquidity being strong, adequate, or weak, as applicable. See definitions in the methodology.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

We consider ESG factors throughout the analysis where they are material to our credit assessment of Axfast.

Figure 22. Priority ESG factors

Issue/area	Risk/opportunity	Impacted subsections (impact on credit assessment*)
Local community relations and land-use acceptance	Stable operations benefit from long-term relationships with local communities, landowners, and municipalities; reduces risk of protests, permitting delays, or land-use disputes.	Market position (+) Risk appetite (+) Operating efficiency (0)
Carbon dioxide emissions	Increased costs due to regulatory and/or taxation charges.	Portfolio assessment (+) Operating efficiency (+)
Increased environmental focus on financial markets	Adverse effect on financing possibilities or higher financing costs due to slow transitioning to lower fossil-fuel dependence.	Risk appetite (+)

Source: company and NCR. See ESG factors in corporate ratings. *Defined on a 5-step scale ranging from double minus (--) to double plus (++), with (--) representing the most negative impact and (++) the most positive.

APPENDIX

Figure 23. NCR's adjustments to credit metrics, 2022–2028e

SEKm	2022	2023	2024	2025	2026e	2027e	2028e
EBITDA	491	618	755	777	770	819	868
NCR-adj. EBITDA	491	618	755	777	770	819	868
Net interest	-99	-212	-264	-258	-258	-286	-324
Financial costs from leasing	-24	-24	-29	-25	-25	-26	-26
NCR-adj. net interest	-122	-235	-294	-283	-311	-350	-386
NCR-adj. EBITDA	491	618	755	777	770	819	868
NCR-adj. net interest	-122	-235	-294	-283	-311	-350	-386
Current tax	-156	18	-283	-232	-108	-115	-122
NCR-adj. FFO	213	401	177	262	380	393	397
Investment property	19,318	20,767	23,263	25,076	25,412	26,262	27,112
Non-current right-of-use assets	779	965	966	995	995	995	995
NCR-adj. investment property	20,097	21,732	24,229	26,071	26,407	27,257	28,107
Cash and cash equivalents	218	417	333	361	592	701	763
NCR-adj. cash and equivalents	218	417	333	361	592	701	763
Gross interest-bearing debt	3,817	5,420	6,589	7,418	7,574	8,167	8,709
Long-term leasing liabilities	773	959	960	988	988	988	988
NCR-adj. cash and equivalents	-218	-417	-333	-361	-613	-743	-826
NCR-adj. net debt	4,372	5,962	7,216	8,045	7,970	8,454	8,935

Source: company and NCR. e–estimate.

METHODOLOGIES USED

(i) Corporate Rating Methodology, 8 May 2023.
(ii) Rating Principles, 14 Feb. 2024.
(iii) Group and Government Support Rating Methodology, 14 Feb. 2024.

RELEVANT RESEARCH

(i) Swedish real estate snapshot (Q1 2026): Stable fundamentals amid rising uncertainty, 8 Jun. 2026.
(ii) Capital allocation choices may weaken credit quality of Swedish real estate issuers in 2026, 10 Mar. 2026.
(iii) Swedish real estate snapshot (Q4 2025): Transaction activity surges and capital efficient growth initiatives pave the way for 2026, 3 Mar. 2026.

Figure 24. Axfast key financial data, 2022–Q1 2026

SEKm	FY	FY	FY	FY	LTM
Period-end	31 Dec. 2022	31 Dec. 2023	31 Dec. 2024	31 Dec. 2025	31 Mar. 2026
Accounting standard	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Rental income	703	868	1,013	1,091	1,105
Other income	1	–	–	–	–
Total costs from operations	-190	-225	-227	-276	-290
Net operating income	**514**	**643**	**786**	**815**	**815**
Administrative expenses	-22	-25	-32	-38	-26
Administrative expenses, project portfolio	–	–	–	–	–
EBITDA	**491**	**618**	**755**	**777**	**789**
Share of profit in associated companies and joint ventures	–	–	–	–	–
Interest expenses	-100	-212	-264	-258	-260
Interest income	1	–	–	–	–
Interest expenses, shareholder loans	–	–	–	–	–
Financial costs from leasing	-24	-24	-29	-25	-24
Other financial costs	–	–	–	–	–
Changes in investment property	238	-393	833	569	569
Gain (loss) on financial assets held at fair value	–	–	–	–	–
Disposals of investment properties	–	–	–	–	–
Gain (loss) on derivatives	175	-134	29	12	51
Depreciation and amortisation	-1	-1	-2	-3	-3
Restructuring activities	–	–	–	–	–
Income (expense) on discontinued operations	–	–	–	–	–
Pre-tax profit	**780**	**-145**	**1,320**	**1,072**	**1,122**
Current taxes	-156	18	-283	-232	-241
Deferred taxes	–	–	–	–	–
Net profit	**625**	**-127**	**1,037**	**840**	**881**
BALANCE SHEET					
Investment property	19,318	20,767	23,263	25,076	25,139
Other non-current assets	887	994	1,012	1,050	1,086
Total non-current assets	**20,205**	**21,761**	**24,275**	**26,126**	**26,225**
Cash and cash equivalents	218	417	333	361	408
Other current assets	75	104	103	121	112
Total current assets	**294**	**521**	**436**	**482**	**520**
Total assets	**20,498**	**22,282**	**24,711**	**26,608**	**26,745**
Total equity	**13,263**	**13,131**	**14,164**	**15,001**	**15,145**
Non-current borrowings	1,728	3,803	4,000	4,680	4,681
Non-current borrowings, shareholder loans	–	–	–	–	–
Deferred tax liabilities	2,395	2,344	2,589	2,785	2,811
Other non-current liabilities	757	992	975	1,004	974
Total non-current liabilities	**4,879**	**7,139**	**7,564**	**8,469**	**8,466**
Total current liabilities	**2,356**	**2,011**	**2,983**	**3,138**	**3,133**
Total equity and liabilities	**20,498**	**22,282**	**24,711**	**26,608**	**26,745**
CASH FLOW STATEMENT					
Pre-tax profit	780	-145	1,320	1,072	1,122
... of which changes in investment property	238	-393	833	569	569
Depreciation and amortisation	–	–	–	–	–
Tax paid	9	-32	-46	-40	-41
Adjustment for items not in cash flow	-412	528	-859	-578	-618
Cash flow from operating activities before changes in working capital	**378**	**351**	**415**	**454**	**464**
Changes in working capital	-10	81	4	-8	2
Cash flow from operating activities	**368**	**432**	**419**	**446**	**465**
Cash flow from investment activities	**-218**	**-1,835**	**-1,669**	**-1,243**	**-1,262**
Cash flow from financing activities	**-164**	**1,601**	**1,166**	**826**	**811**
Cash and cash equivalents at beginning of period	232	218	417	333	394
Cash flow for period	-14	199	-84	29	14
Cash and cash equivalents at end of period	**218**	**417**	**333**	**361**	**408**

Source: company. FY–full year. LTM–last 12 months.

Figure 25. Axfast rating scorecard

Subfactors	Impact	Score
Operating environment	20.0%	bbb-
Market position, size and diversification	12.5%	b+
Portfolio assessment	12.5%	a
Operating efficiency	5.0%	a-
Business risk assessment	50.0%	bbb-
Ratio analysis		bbb+
Risk appetite		bbb+
Financial risk assessment	50.0%	bbb+
Indicative credit assessment		**bbb**
Liquidity		Adequate
ESG		Adequate
Peer calibration		Neutral
Stand-alone credit assessment		**bbb**
Support analysis		Neutral
Issuer rating		**BBB**
Outlook		Stable
Short-term rating		**N3**

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