



Tomorrow's knowledge environments

ANNUAL AND SUSTAINABILITY
REPORT 2022




AKADEMISKA HUS

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We strengthen Sweden as a nation of knowledge

Together with academia, industry and the community, we develop and manage sustainable and attractive knowledge environments. In this way we strengthen Sweden as a nation of knowledge and create long-term value for both our owner and our customers.



 Akademiska Hus

 Campus Albano är öppet / is open:

 Mån-Tors / Mon-Thur 06:30 - 22:00

 Fre-Fre 06:30 - 20:00

 Lör-Sön / Sat-Sun 08:00-18:00

 Hörsalbyggnad "KANTIN" / National holidays: 03 0950

The Albano Campus bubbles with life and connects the university city of Stockholm. Read more on page 24.

THIS IS AKADEMISKA HUS

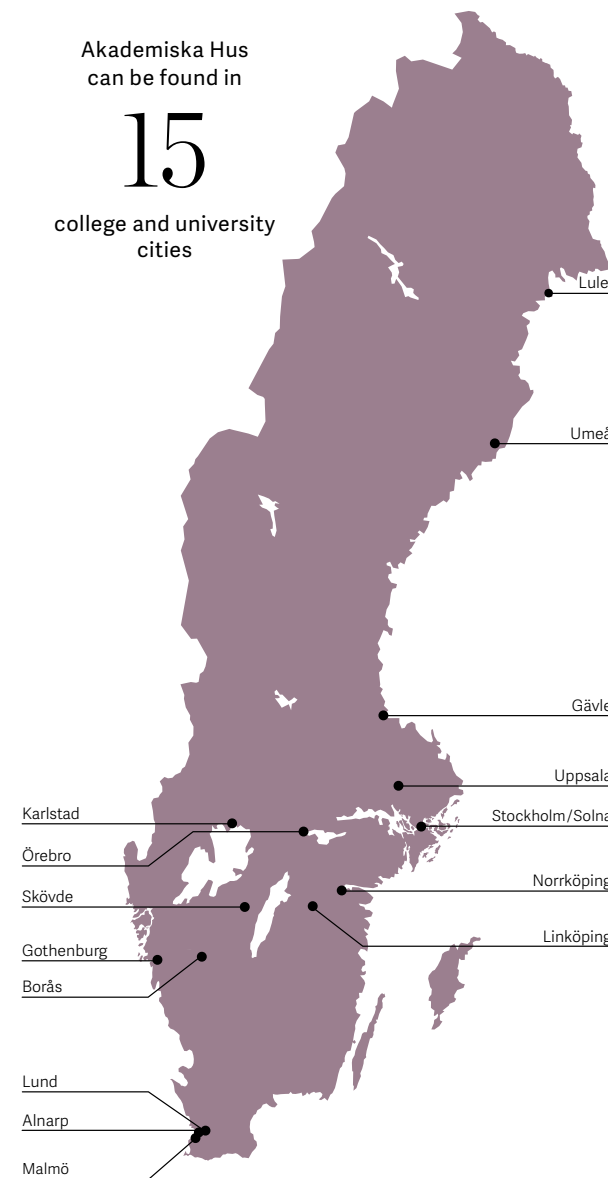
Akademiska Hus is one of the largest property companies in Sweden and is owned by the Swedish state. Our mission is to provide the centres of education with the best possible conditions for their activities. We develop sustainable campuses of the future together with colleges and universities. That is how we strengthen Sweden as a nation of knowledge.



Akademiska Hus can be found in

15

college and university cities



billion

We have a property value of SEK 115 billion



rating

We have had a "AA" long-term rating from Standard & Poor's since 1996



thousand

320,000 people study, conduct research and work in the environments we manage



million

The total area of our properties is 3.4 million square metres



GWh

In 2022, energy-efficiency measures were implemented that resulted in energy savings of 26,847 MWh



Statement by the CEO

As I look in the rear view mirror, we have truly left an extraordinary year behind us. In just a few months at the beginning of the year, the security policy situation changed for us in Sweden and the rest of Europe when Russia launched its invasion of Ukraine. The post-pandemic economic recovery that we saw at the end of 2021 has now been replaced by a situation with rising inflation, rising interest rates and electricity prices at record levels. We have not seen such great uncertainties now and for the future in a very long time.

The high inflation and increased market interest rates have had a substantial impact on the property market in 2022. While the transaction market began the year on a strong note, activity slowed down somewhat after the summer in the face of rising uncertainty in the market. After a long period of rising property values, we see how the increased financing costs are now driving the yield requirements upwards. This trend has contributed to declining property values during the second half of 2022, which also affects Akademiska Hus' holdings. At year-end, our estimated property value was approximately SEK 115 billion (112).

Regarding the trend for community properties, we still see strong demand for high-quality properties.

The management result for the year resulted in an improvement of just over SEK 100 million year-on-year and totalled SEK 4,490 million. Since the changes in value for the year are clearly lower than the previous year, profit for the year after changes in value and tax dropped to SEK 5,490 million, compared with SEK 13,790 million for 2021.

STRONG PLATFORM

Quite a few changes have occurred internally in the company during the year. Several new additions to the management group have been recruited and we launched our new organisational structure, which aims to better

leverage our collective expertise so that it benefits all of our customers. We have also adopted a new strategy for the upcoming three-year period with a focus on campus development, value-creating expertise and our role as a responsible community participant (read more on page 13). Our unique and strong financing base means that overall we have a really strong platform to stand on – which feels especially important when the challenges for us as a property company are greater than ever.

CUSTOMER ENCOUNTERS PROVIDE INSIGHT

Over the course of the year I have met with representatives from all colleges and universities that are our customers, and it has become clear that there are a number of important future areas for which we can contribute with our delivery and our expertise. During and after the pandemic, for example, traditional teaching has been challenged and new educational approaches have been developed. During 2022 we have together with Örebro university and Umeå university opened two testbeds for future learning – Learning Labs. The aim is to accelerate the development of learning environments of the future and explore the interplay between people, teaching practices, space and technology.

Efficient design is another issue in focus for our customers, for both financial and sustainability reasons. Here, too, we are involved in a series of collaborative

STATEMENT BY THE CEO

projects that use data-driven insights and AI to both increase the degree of utilisation and gain insights into how we can develop existing premises so that they meet the needs of the future. The universities have great ambitions regarding the restructuring of their own operations to make them more sustainable. This trend is completely in line with our own ambitions. Our strategic choice to increase the use of existing properties and choose new construction as a last resort to reduce the climate footprint is an important aspect of this approach. However, it will not have a full impact until a few years from now. We are in a transitional period where we still have a project portfolio with a number of previously planned new construction and addition projects, for a total of approximately SEK 3 billion, which were planned based on the needs of the customers and approved prior to our change in approach. At the same time, we have now developed a four-step principle (read more on page 26) where we work in dialogue with customers to find solutions for future needs in our existing portfolio, where new construction is always the last option.

“We will increase the use of existing properties and choose new construction as a last resort to reduce our climate footprint.”

SUSTAINABILITY IN A BROAD PERSPECTIVE

Integrating sustainability dimensions throughout our operations and value chain is a matter of course for us. This is essential if we are to successfully achieve our climate goal of being climate neutral by 2035 and to promote other important sustainability issues within our four sustainability areas: Ecological, Social, Economic and Cultural Sustainability (read more on page 15). We dedicate extra attention to energy efficiency, renewable energy and biodiversity. During the year we made major



Increased biodiversity is an increasingly important aspect in our sustainability work.

advances in our climate change initiatives and can now show how we plan to achieve our climate targets through our climate roadmap and climate budget.

Akademiska Hus continues to support the UN Global Compact and the ten principles in the fields of human rights, labour rights, the environment and anti-corruption.

INSPIRING CAMPUSES

I personally believe that the significance of the site of physical encounters is more important than ever and that campuses and other knowledge environments have an important role to play in society. Creating natural and inspiring meeting places contributes to both a dynamic and creative environment. Meeting places and knowledge environments can be found both indoors and outdoors. That is why we are now investing even more in our outdoor environments, which, in addition to serving as important places for learning, meeting with others and spending time alone, can also contribute to biological diversity.

GOOD OPPORTUNITIES DESPITE THE GLOBAL SITUATION

Despite the circumstances, we have successfully adjusted to the new conditions to be able to continue to deliver value to our customers and our owner. Even if the challenging conditions persist, with rising costs, uncertain interest rates and high inflation, we still – with our long-term perspective and stable base – have good opportunities to continue developing our important campus environments so that they become sustainable in the long-term and even more inspiring. Through this work, we can support our customers and ensure that they are optimally equipped to continue to evolve.

CAROLINE AREHULT
CEO

2022 in brief for Akademiska Hus

New initiatives for more student housing, continued broad solar panel campaign and new construction, extension and renovation projects in our property areas. Below, we present a selection of events that can summarise 2022 for Akademiska Hus.



Grand opening of the New Ångström Laboratory

During the year, the Ångström Laboratory in Uppsala celebrated its grand opening. Undergraduate and graduate students are now occupying a creative and interdisciplinary research and education environment that meets the demands placed on a leading international university. The construction project covered 30,000 square metres and is the largest initiative that Uppsala University and Akademiska Hus have ever undertaken together.

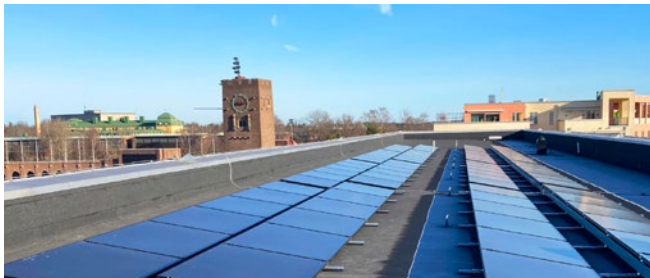


Investment decision for Konstnärliga fakulteten at the University of Gothenburg

In 2022, the Board of Directors of Akademiska Hus resolved to invest approximately SEK 1.9 billion in a new construction and extension project that will enable the University of Gothenburg to locate the entire Konstnärliga fakulteten between Götaplatsen and Korsvägen. The initiative will be a key component in the development of the Näckrosen campus and a meeting place for academia and the surrounding community within the humanities, art and culture.

New hub on campus for Umeå University

The starting gun fired in December for a new building that will meet Umeå University's needs for premises for teaching and offices, while also addressing the shortage of campus-based examination halls. With its strategic and central location, the building will be the future hub of the campus. The new building will link together Universum, Aula Nordica and Naturvetarhuset and will strengthen the physical identity of the Umeå Campus.



Major solar energy initiative

Our extensive nationwide solar energy initiative continues. During the year, two new solar panel arrays were installed at the Royal College of Music campus on Östermalm. This is yet another example of the sun providing us with more and more energy on campus. An analysis during the year showed that Akademiska Hus is the industry leader in solar energy, which we view as one of many pieces of the puzzle in our work to achieve climate neutrality by 2035.

Collaboration for a more digitalised industry

In 2022, the Real Estate Digitalisation Initiative (REDI-city), an initiative to strengthen the industry in digitalisation issues, was launched. Akademiska Hus is one of the participating parties. The property industry accounts for a substantial portion of Sweden's total carbon dioxide emissions and digitalisation of buildings is an important part of the effort to reduce the climate footprint.

Learning Lab in Umeå and Örebro

During the year, two test beds for learning environments celebrated their grand openings, Learning Lab at Örebro University and Umeå University. They provide an opportunity to develop and explore student-active learning, with the support of the physical space and technology for hybridity.



More higher education institutions get digital twins

In 2022, the Umeå and Gävle campuses, as well as the Solna Campus at Karolinska Institutet were scanned. The primary purpose of the digital twin is to promote smarter use of premises, which can ultimately reduce the need for new construction. Calculations on campuses across the country show that an increase in utilisation of up to 30 per cent is possible. Akademiska Hus sees potential to reduce our collective energy consumption, especially our power demand, by up to 20 per cent by using sensors, visualisations and new analytical capabilities via the digital twin.

Continued climate focus in a troubled world

The year 2022 has been marked by a greatly deteriorated security policy situation following Russia's invasion of Ukraine, followed by an energy crisis in Europe and an inflation rate not seen in decades. At the same time, the major challenges of the past remain: how will we deal with climate change and how can digitalisation help us along the way?

We have essentially left the pandemic behind us, but entered a world with ever-increasing uncertainty and more questions than answers. The war in Ukraine and uncertainties in both the energy and commodities sectors can pose long-term challenges for the property industry, which we, like many other participants, need to find ways to address.

CLIMATE AND ENERGY CRISIS

There has long been a need for energy efficiency improvements for the sake of the climate. With the war in Ukraine, the economic aspects and the need to reduce European dependence on Russian gas have emerged as additional arguments to reduce energy consumption. How this will evolve in the longer term remains to be seen. But research in the field of energy is likely to receive increased focus in the future. As a major participant with connections to the higher education institutions and through various test beds on campus, we can play an even greater role in the field of energy in the future.

The energy crisis has pushed important aspects of the climate debate into the spotlight, but there is a risk that other areas of sustainability will receive less attention. For example, attention to reduced biodiversity has not made its way into the general debate. Perhaps the new global UN agreement on biodiversity from COP15 in Montreal in December could be a turning point.

The floods in Pakistan are another example of a disaster that has not received much media attention in our part of

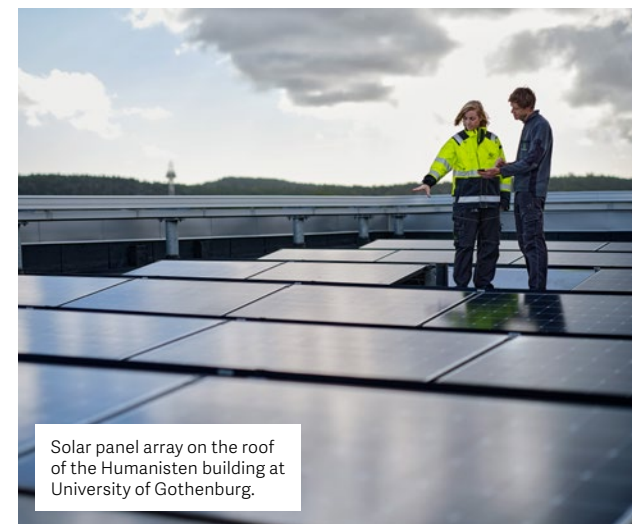
the world, given everything else that is happening in Europe. We will see more examples of how climate change has real and serious consequences, both globally and closer to home.

Resource utilisation and the need for circular processes are subjects that have received considerable attention in our industry, as well as in many others. This aspect involves everything from reuse to how we use our already built environments instead of new construction.

The EU Taxonomy, a regulatory framework for the classification and reporting of sustainable activities, has now begun to have a real effect and in the long run will likely create greater consensus and direction in how the sustainability initiatives are implemented and their follow-up.

DIGITALISATION'S OPPORTUNITIES

Digitalisation has enabled structural transformations in many different industries in recent decades, especially in times of crisis. In recent years, many tools and methods have been developed in the property industry, in pilot projects and on a smaller scale to develop and streamline deliverables. Much of what is done today will serve as the foundation for future developments within the industry. Examples include AI support for developing operations and control systems, or digital case management systems that can streamline the traditional property business deal. Other examples include large digitalisation projects where digital



twins lay the foundation for integrating several different systems and connecting them to physical and geographical locations, such as passage and security systems, room booking engines and facility management. This trend will facilitate completely new ways of working with efficient utilisation, as well as a new path to explore to enhance the quality of the user experience.

“Russia’s war is not only a war against Ukraine, but also against Europe, against our values and our future. Putin and Russia will lose, Ukraine and Europe will win.”

URSULA VON DER LEYEN

President of the European Commission

Trends in higher education and research

If our customers are to view us as a strategic partner, we need to understand Sweden's higher education institutions, the challenges they face and the trends that may be important for us to act upon as property owners.

Just as the rest of society, Sweden's colleges and universities have been affected by the uncertainty caused by Russia's invasion of Ukraine. But based on experiences from the pandemic, we know that the centres of education are good at adjusting and adapting.

TOMORROW'S LEARNING ENVIRONMENTS

A long-term trend that was accelerated by the pandemic is an increased focus on higher education pedagogy. The challenges became particularly clear when what was previously done in person was moved to a digital context. A greater understanding of educational and didactic methods and tools within the university is accompanied by greater demands on how different resources should best be used. Tomorrow's learning environments are innovative, inclusive and flexible. They are also varied and adapted to support different types of learning activities.

CAMPUS LIFE IS BACK

In general, UKÄ's surveys show that students feel that the higher education institutions handled the pandemic and the transition to distance learning well, although they note that the digital expertise among teachers has had its shortcomings. UKÄ has measured mobile phone activity on campus and can conclude that post-pandemic activity in the knowledge environments is equal to or even greater than it was prior to the pandemic. The centres of education have largely resumed their education and research activities on campus.

LIFELONG LEARNING

For many years, lifelong learning has received increasing attention at Sweden's higher education institutions, especially in 2021 when a new formulation of the Higher Education Act emphasised this particular aspect of activities at the colleges and universities. In 2022, a student finance scheme for transition and retraining (Omställningsstudiestödet) was implemented to increase opportunities for people to change occupations later in their career. The result may be a somewhat larger influx of older students with work experience to the universities.

INCREASED GENDER GAP

The 2022 Youth Barometer shows a growing gender gap in the issues that are considered most important. Young women prioritise areas such as climate, health care and social services, while young men view issues such as reduced immigration and lower taxes as most important. The gender gap is also reflected in a higher proportion of women applying to higher education institutions. In the 2020/21 academic year, 19 per cent of women and 13 per cent of men continued on to higher education immediately after upper secondary school. The gap is widening even more with respect to the number of graduates.

CAMPUS IN THE METAVERSE

Global social media company Meta is stepping into the education sector, investing heavily in creating campuses in the "Metaverse". Ten US universities are participating in the project, which aims to explore remote university studies through Virtual Reality. Students are taught and meet other students in a three-dimensional digital campus.

Swedish education and research model

In Sweden, the state largely finances higher education at colleges and universities, thereby securing the country's long-term supply of skills. Centres of education are responsible for the provision of premises, where Akademiska Hus is the single largest property owner nationwide.

The Swedish Parliament (the Riksdag) and the Government have overall responsibility for higher education and research in Sweden. In most cases, the higher education institutions are public authorities and have three main duties: to educate, conduct research and to collaborate with society and the business community so that research findings can benefit society. According to the Government mandate, they are also tasked with planning for the provision of premises for the future. Here Akademiska Hus contributes its experience and expertise based on its remit from the Parliament (the Riksdag): to own, develop and manage properties for colleges and universities, where the primary focus is on education and research. To avoid distorting the competition in relation to customers or other property companies, business will be conducted on a commercial basis and generate a yield that is in line with the market.

CONTINUED STRONG INTEREST IN HIGHER EDUCATION

The Swedish Higher Education Authority's (UKÄ) 2022 annual report shows that interest in higher education was at record levels during the coronavirus pandemic. For the autumn term of 2021, the number of applicants who had never previously studied at a college or university continued to rise, and the number of applicants was higher than at any time during the past decade. This increase is greater among women than among men. UKÄ also notes that exchange students have returned to Sweden. The number of exchange students who came to Sweden was reduced by more than 50 per cent during the pandemic, but had

returned to almost the same level as before Covid-19 by the autumn of 2021.

SWEDEN – A STRONG RESEARCH NATION

The Swedish Research Barometer 2021 shows that Sweden has long been an internationally prominent research nation with a citation impact (percentage of frequently cited publications) above the world average. We are one of the five countries in the OECD with the highest research and education expenditure as a percentage of GDP, both totally and for the business and academic sectors separately. This shows that Sweden is well-positioned to be a leading research nation. Sweden is also one of the five OECD countries that publishes the most scientific publications in relation to population. With respect to citation impact, Sweden ranks 13th in the world.

EFFECTS OF THE PANDEMIC

During the pandemic, research had to take a back seat. Education needed to be prioritised when more people wanted to study and education was transitioned from in-person to digital. The term “research deficit” appeared in the debate. The centres of education also received funding to admit more students and to handle the negative effects of the pandemic on research.

The long-term expansion of the theoretical education capacity has increased since 2018. The temporary expansion that occurred during the pandemic will gradually be phased out by 2026. According to the Swedish Higher Education Authority (UKÄ) forecast, the number of openings for students will be reduced over the next few years.

STUDYING EARLY – OR LATE

In recent years, a growing number of young people have begun to attend colleges or universities directly after graduating from upper secondary school. Young people have had fewer options, with fewer opportunities to travel abroad. This trend can be noted in that the percentage of Sweden's 19-year-olds who have begun college has increased, while the percentage of the total number of beginners in this age group has also increased. At the same time, interest in the new Omställningsstudiestödet, a student finance scheme for transition and retraining, has been greater than expected, which provides an opportunity for and encourages studies later in life.



“Knowledge and education are the basis for social development and prosperity. Sweden must develop as a knowledge nation, with world-class research and higher education.”

MATS PERSSON Minister for Education (L)

Property market in college and university cities

More than 200 property companies rent premises to the higher education institutions in Sweden. Akademiska Hus holds a special position with more than 60 per cent of the market in the segment.

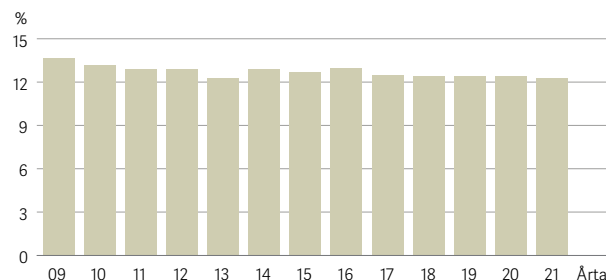
We are one of the largest property companies in Sweden with a total area of approximately 3.4 million square metres. Most of our cash flow is reinvested each year in our projects and our robust financial position creates stability while promoting a long-term approach for our customers. Since the inception of Akademiska Hus in 1993, we have invested approximately SEK 61 billion in our property holdings to strengthen growth at higher education institutions.

CAUTIOUS PROPERTY MARKET

The property market started the year on a strong note with continued high demand and an active transaction market. As the geopolitical situation became more uncertain, inflation rose and uncertainty regarding the economy grew, the market became more cautious. The transaction rate slowed down in the second half of the year, buyers and sellers found it difficult to reach agreement and property values are expected to fall. Despite the cautious market, demand for modern premises continues to be strong and the high inflation rate has contributed to higher rent levels.

Interest in community properties continues to be strong and the higher education and research segment, in which Akademiska Hus is the single largest property owner in Sweden, is considered to be relatively cyclically insensitive since the number of students tends to increase when market conditions are less favourable. High-quality properties within the segment, with their often long and reliable cash flows, are still considered to be desirable in the market. Typical community property owners are often long-term and as a result of the shortage of high-quality properties on the market, several participants have decided to develop projects under their own management. In 2022, however, the project market was affected not only by the general circumstances, but also by increased construction costs, leading to reduced activity. Both the transaction and the project market are expected to remain cautious in the beginning of 2023.

Stable proportion of cost of premises for Sweden's centres of education

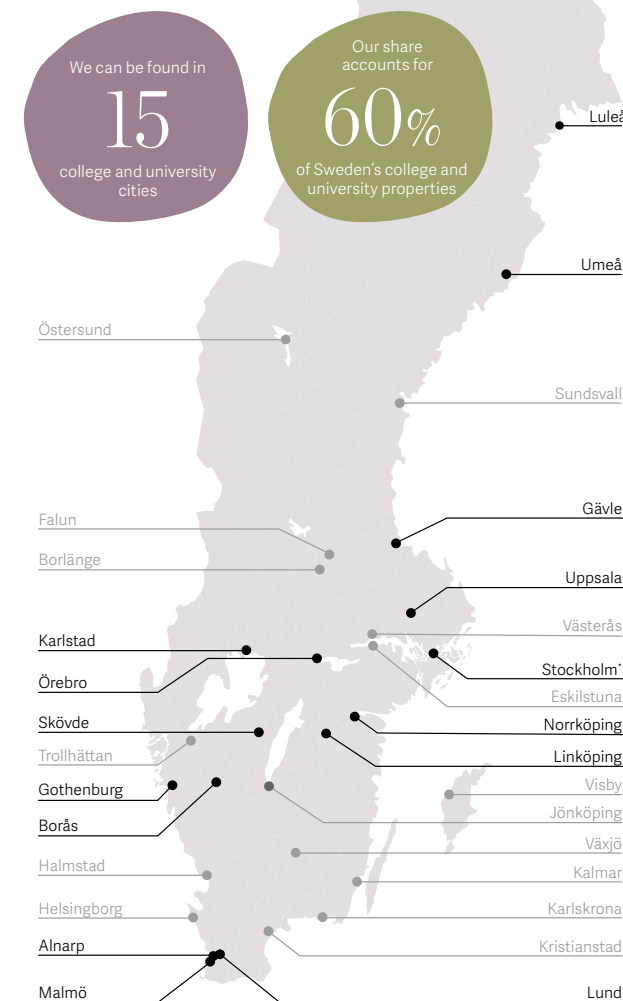


The diagram above shows the proportion of cost of premises for Sweden's centres of education over time. Despite extensive investments, costs for premises as a percentage of total costs have declined somewhat over time.

AKADEMISKA HUS' KEY FIGURES	Outcome 2022	Budget 2023	Forecast 2024	Forecast 2025
PROPERTY HOLDINGS				
Average rentable area, 1,000 m ²	3,377	3,386	3,405	3,413
Property values, SEK m ²	115,371	118,100	120,800	123,400
Net investment in properties, SEK m ¹	2,594	2,300	2,400	2,300
KEY FIGURES				
Net operating income, SEK/m ²	1,516	1,622	1,670	1,723
FINANCIAL KEY FIGURES				
Rental revenue, SEK m	6,845	7,550	7,750	7,900
Net operating income, SEK m	5,143	5,500	5,700	5,900
Profit before tax, SEK m	6,909	4,400	4,500	4,650
Equity ratio, %	50.2	50.9	50.7	50.6
Return on operating capital, % ²	6.3	5.2	5.2	5.4
Return on equity, % ²	8.6	5.8	5.7	5.7

¹ Includes preventive maintenance, which is capitalised in the statement of financial position beginning in 2022.

² Budget and forecast values without taking any changes in value into account.

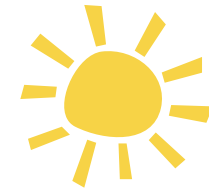


● Cities where Akademiska Hus has its holdings
● Other college and university cities

*Stockholm includes Solna and Huddinge.



We strengthen Sweden as a nation of knowledge



Based on the vision – We strengthen Sweden as a nation of knowledge – we serve as a strategic partner for centres of education in the development of tomorrow's knowledge environments.

Strategy

2019–2022



**UPGRADED
CORE DELIVERY**



**DEVELOPED
CUSTOMER
RELATIONSHIPS**



**INNOVATIVE
BUSINESS
DEVELOPMENT**

Read more on pages 10–12

Strategy

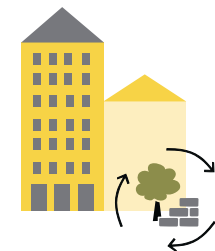
2023–2025



**OUR CAMPUSES ARE
ENVIRONMENTS
THAT INSPIRE**



**OUR EXPERTISE
CREATES VALUE
FOR CUSTOMERS**



**WE ARE A
RESPONSIBLE
COMMUNITY
PARTICIPANT**

Read more on page 13

Strategy summary 2019–2022

Over the past four years, we have taken great strides with respect to the development of both our core delivery and our collaboration with customers. The foundation has been laid to take the next step. With a retained vision – to strengthen Sweden as a nation of knowledge – the Board of Directors of Akademiska Hus has adopted a new strategy for the next three years (read more on page 13).

In order to develop attractive and sustainable campuses, we have worked over the past few years based on our strategy “Collaboration in the development of future knowledge environments”, with the goal that our customers should view us as a strategic partner. With increased dialogue, we have initiated a number of collaborative efforts with various centres of education based on the increased focus on the climate issue, how premises and spaces are used and how future learning environments should be designed. These issues have been accentuated even more in the wake of the coronavirus pandemic. We have made great strides regarding our digital transformation and we have also adopted a new climate and energy strategy.

1. UPGRADED CORE DELIVERY

We have focused on simplifying and improving daily life for customers by delivering high-quality facilities with a good user experience. With our systematic approach to energy efficiency, we are in line with the target of reducing the proportion of delivered energy by 50 per cent by 2025. A comprehensive skills upgrade has been carried out within the facilities management organisation, including certification of our facilities engineers. We have also begun to establish systematic and digital working methods for facilities management to improve efficiency and quality.

To future-proof our portfolio, we have conducted an analysis of our holdings and then formulated action

plans for maintenance and development needs of campuses and individual properties. We have also completed an array of projects to strengthen our outdoor environments, with a major focus on reuse.

2. DEVELOPED CUSTOMER RELATIONSHIPS

We develop relationships with all of our customers through close and systematic dialogue. Our many collaboration agreements with the higher education institutions are good examples of tools to strengthen cooperation. We have also further developed our “Aha” concept, which is our arena for dialogue on campus development and during the pandemic we transitioned from in-person to digital seminars where issues such as digitisation, improving the efficiency of premises and the campus of the future were discussed together with customers and experts. We also launched the “My Campus App” to simplify communication with the customers for matters such as reporting problems.

3. INNOVATIVE BUSINESS DEVELOPMENT

In recent year, we have created clear added value for both customer and owner by collaborating with our customers on development and innovation. In order to continue to be relevant for our customers, we have developed our value proposition in several areas. During the period, we have built up our own operating capability for on-campus co-working and “space-as-a-service” through A Working Lab. The digitalisation of campuses

and buildings has continued at a rapid pace. We have also established a number of test beds and pilot projects on campus to explore new opportunities ranging from the sharing economy to energy solutions, as well as learning environments and housing arrangements of the future. We have become better at analysing business intelligence and monitoring the rapid changes in our industry. We have good insight into what it takes to stay on the leading edge and leverage the potential of digitalisation.

“In my meeting with the management at each higher education institution, it has become more apparent that we share an array of common challenges, such as climate change initiatives and the development of knowledge environments after the pandemic. There is a strong desire for further cooperation on these issues.”

CAROLINE AREHULT CEO

Targets for follow-up of our strategy

Strategy
2019–2022

The targets of the operation steer towards the company's overall strategies and in recent years have been based on Finance, Customer, Property, Employees and Development. Overall, we can conclude that there has been a good rate of achievement of the targets through 2022. The outcomes for all of our energy and climate targets are presented on pages 17–18. New targets and KPIs apply from 2023 based on the strategy adopted for 2023–2025.

FINANCE

We deliver the owner's financial targets over a business cycle.

	Outcome				Target
	2019	2020	2021	2022	2022
Return on operating capital, %	10.3	9.0	18.7	6.3	≤6.0
Equity ratio, %	44.5	44.5	49.6	50.2	35–45
Dividend to the owner, share of earnings, %	60	70	70	70	40–70

CUSTOMER

We provide better deliverables than others and we are our customers' first choice.

	Outcome				Target
	2019	2020	2021	2022	2022
Customer Satisfaction Index	61	67	67	—	≤70

PROPERTY

Our work helps to increase the long-term value of our property portfolio.

	Outcome				Target
	2019	2020	2021	2022	2022
Energy reduction (kWh/sq m), %	1.9	3.1	3.1	2.7	≤4.0

EMPLOYEES

We have dedicated employees who achieve high standards.

	Outcome				Target
	2019	2020	2021	2022	2022
Performance index (AHPI)	73	79	80	76	≤79
Accident-free workplaces, ELTAR	2.4	2.5	2.8	1.6	≤2

DEVELOPMENT

We are increasing the share of collaborative innovation projects with our customers, as well as construction of student housing.

	Outcome				Target
	2019	2020	2021	2022	2022
Number of undergraduate and graduate student housing units	710	1,163	1,640	1,640	1,700
Innovation in collaboration, %	62	63	74	68	≤70

*Refers to an average of rolling 36 months

Comments on target fulfilment

FINANCE

The owner of Akademiska Hus has set three financial targets: Return on operating capital of at least 6 per cent over a business cycle, equity ratio within an interval of 35 to 45 per cent and dividend within an interval of 40 to 70 per cent of the profit available for the payment of a dividend.

Return on operating capital is affected by both current income from property management and changes in value. The contribution from property management has been stable over time and in 2022 was 5.3 per cent. Changes in value vary greatly over time and in 2022 were 1 per cent. In the first half of the year, changes in value were positive, before turning negative in the second half due to weak developments in the property market.

The equity ratio in 2022 was 50.2 per cent. This is higher than the target interval, which can be attributed to the large increases in value in recent years. The dividend based on earnings in 2021, which was resolved by the Annual General Meeting in April 2022, was 70 per cent of the profit available for the payment of a dividend. The proposed dividend that the Board of Directors calculated based on earnings in 2022, which will be adopted by the Annual General Meeting in April 2023, is also 70 per cent.

CUSTOMER

In 2022, no survey was conducted to measure the Customer Satisfaction Index. The reason for this is that we want to change the timing of the survey from the autumn to the spring term, which would be a better fit in our business planning process. A survey will be conducted in early 2023.

Customer dialogues are in progress at every level and on all our property areas. In the spring and summer the CEO, Facilities Manager and Sustainability Manager visited all higher education institution customers. The discussions have addressed matters such as our climate targets and how we can work together to reduce our negative climate impact.

PROPERTY

Akademiska Hus has a long-term target to reduce the amount of delivered energy by 50 per cent by 2025, taking on the level in 2000. In 2022, we can state that we have reached a total reduction of 42.7 per cent and that we are approaching the target. Operationally, the long-term goal until 2025 has been translated into reduce the relative energy use per square meter by four per cent over 36-month periods. The outcome for 2022 is a 2.7 per cent energy reduction per square metre. This is not quite on a level with the target, which can be attributed to longer lead times. With respect to our long-term target of a 50 per cent energy reduction by 2025, however, we have reached 42.7 per cent.

EMPLOYEES

The Akademiska Hus Performance index (AHPI) is used to determine whether employees thrive at work and to assess whether they are well-prepared to perform.

In the spring a major reorganisation was carried out within Akademiska Hus. To identify areas on which we need to focus if we are to achieve maximum benefit from the reorganisation, and extra AHPI survey was conducted in September. The outcome of this survey was an index of 74.

The survey shows that the employees both want to and can contribute and believe in the reorganisation. However, the employees feel there is a need for clarification of duties and formulation of new working methods based on the new circumstances. During the regular survey in early 2023, the outcome was 76, which is somewhat lower than the target but higher than the September survey. The target level was not achieved because of some continued ambiguity regarding the mission, working methods and organisation.

An accident-free workplace is assessed using ELTAR, which is a lost-time accident rate for our contractors. The target level is a maximum of 2.0 and the outcome for 2022 is a 1.6.

DEVELOPMENT

Akademiska Hus continued its focus on undergraduate and graduate student housing in 2022. Approximately 500 residences are now under construction and during the year decisions were taken on additional projects, including one that will provide Uppsala with 350 residences.

Innovation in energy and construction technology, learning environments and campus development can be pursued in collaboration with higher education institutions, suppliers and other partners. According to the target, at least 70 per cent should be accomplished as a collaborative effort. In 2022, 25 of 37 innovation projects were carried out as collaborative efforts, corresponding to 68 per cent.



Strategy
2023–2025

We strengthen Sweden as a nation of knowledge

We live in a time of climate change, financial turmoil and conflicts in our geographical region, resulting in mounting uncertainty about the future. The surrounding society is becoming evermore complex, especially in the field of sustainability, where new technology and business models must be rapidly deployed to reduce climate emissions.

Strategic objectives



Our campuses are environments that inspire

Sub-strategies

- Our campuses are sustainable
- We take full responsibility for campuses
- Our campuses are open, safe and secure
- We enhance our existing holdings
- We reduce our new construction



Our expertise create value for customers

- We are the first choice for our customers
- We know our customers
- We help our customers to optimise their premises
- We are experts in strategic areas
- We develop in partnership
- We offer flexible solutions



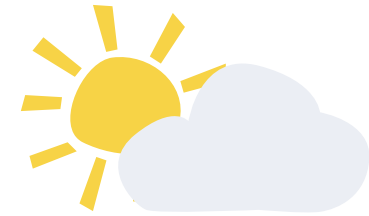
We are a responsible social actor

- We act sustainably
- We drive development
- We work efficiently
- We maintain and further develop our internal knowledge
- We are courageous and curious
- We act in line with market terms

Our operations

Sustainability and climate efforts	page 15
Properties	page 21
Projects	page 25
Overall responsibility	page 29
Innovation initiatives	page 33
Relationships	page 35
Employees	page 37

Our sustainability and climate efforts



Our sustainability work is based on Agenda 2030 and the UN's global goals for sustainable development. We involve our customers in the sustainability work in order to jointly create an attractive and inclusive environment on our campuses that stands the test of time.

Our sustainability areas

ECOLOGICAL SUSTAINABILITY

We are part of an ecosystem with limited resources and are doing what we can to mitigate climate change.

OUR FOCUS

1. Achieve climate neutrality by 2035 throughout the value chain.
2. Reduce the amount of delivered energy by 50 per cent between 2000 and 2025.
3. Improve biodiversity on campus and throughout the value chain.

SOCIAL SUSTAINABILITY

We develop sustainable, vibrant and inclusive campus environments and serve as a force for good in society.

OUR FOCUS

1. Develop sustainable campuses with healthy buildings.
2. Assume social responsibility with a focus on student well-being.
3. Be a sustainable company based on gender equality, with an inclusive culture, good ethics and a good working environment.

ECONOMIC SUSTAINABILITY

We use our resources efficiently, future-proof our properties and work to ensure that our business is long-term and sustainable.

OUR FOCUS

1. Make sustainable and long-term investments.
2. Future-proof campuses and address climate risks.
3. Promote circularity and resource-efficient use of premises.

CULTURAL SUSTAINABILITY

We preserve our historic campus environments and make them more attractive and inspiring through design and art.

OUR FOCUS

1. Preserve historic buildings and campus environments.
2. Develop good place identity on our campuses.
3. Manage existing and provide space for new art in our knowledge environments.



We take our climate responsibility seriously – strategy for climate neutrality 2035

For us, taking climate responsibility seriously means that we view the climate issue as being as important as financial objectives and we adapt our entire operations based on agreed emissions levels.

We have an ambitious climate goal of being climate neutral by 2035, which includes our direct emissions (scope 1), our indirect emissions from energy (scope 2) and indirect emissions from the entire value chain (scope 3), with intermediate targets stipulating that emissions will be reduced by 40 per cent by 2025 and 65 per cent by 2030. Our definition of climate neutrality entails reducing our greenhouse gas emissions by 85 per cent compared with our baseline year, 2019, and eliminating the remaining emissions that same financial year, for example through negative emissions.

OUR CLIMATE BUDGET

In 2022, we analysed how we will achieve our climate goal and as part of this process we chose to create a climate budget for the company that includes emissions levels which may not be exceeded. In the climate budget, we broke down our emissions targets by function and created separate emission ceilings for construction, property operations and other items based on their long-term and short-term circumstances. Our roadmap to climate neutrality points the way to the measures we need to take and the skills we need to develop to get there.

Measuring and monitoring our emissions is central to our governance to achieve our climate goals. We measure and monitor internally using two approaches – in part by monitoring our absolute emissions through our climate budget, and in part by monitoring our emissions per square metre through specific targets and follow-up of new construction, renovation and projects to adapt premises.

When taking investment decisions related to major projects, we will assess their climate impact per square metre and their impact on our climate budget.

ROADMAP TO CLIMATE NEUTRALITY 2035

Our roadmap guides us towards becoming climate neutral by 2035 and is based on climate measures for property development and early stages, project operations, property operations, our own operations, procurement and working with our customers.

The roadmap helps us stay within the climate budget. We have identified the emission sources that account for more than 95 per cent of our emissions and prioritised measures to reduce our climate emissions as quickly as possible.

CLIMATE RESPONSIBILITY FOR REMAINING EMISSIONS

We take responsibility for all of our emissions from our operations today through annual carbon offsetting. We use either the Clean Development Mechanism (CDM) or Gold standard, which are the main international standards available for carbon offsetting. We invested in renewable energy in 2022 to contribute to the transition to a fossil-free world. This means that we are not really climate neutral yet, but that we want to do the right thing about our emissions, using the best available methodology. We continually develop our methodology for carbon offsetting.

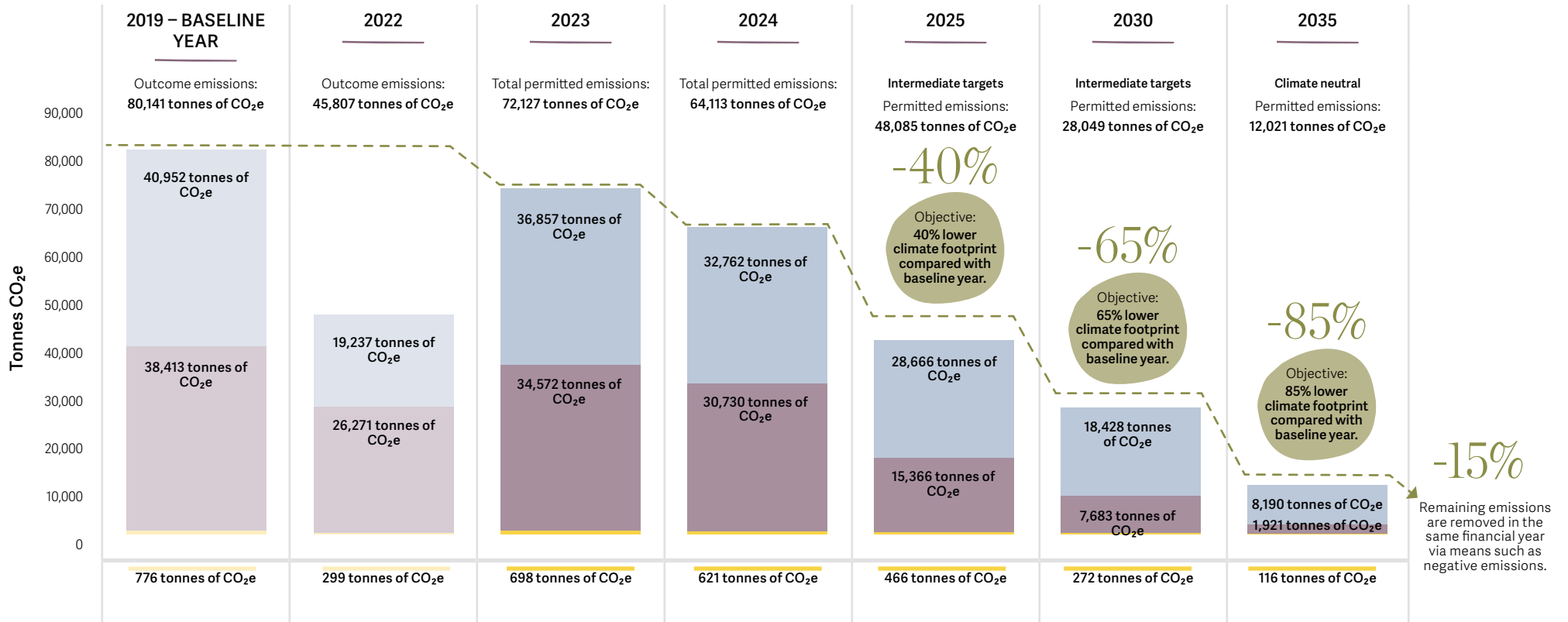
PRIORITY CLIMATE MEASURES FROM OUR BIGGEST SOURCES OF EMISSIONS

Emissions source	Prioritised measures
Construction	
Material	→ Use low carbon materials, choose renovation over new construction and reuse more.
Transport	→ Use fossil-free transport and machinery to, from and on construction sites.
Waste	→ Avoid landfills through smart procurement and by developing circular processes.
Property operations	
Energy	→ Continue to improve energy efficiency, install more locally produced renewable energy and avoid peaks in the electricity grid.
District heating	→ Use district heating with the lowest carbon footprint and promote a fossil-free energy production process.
Refrigerants	→ Replace refrigerants with a high carbon footprint and ensure minimal leakage.
Grounds-keeping	→ Use fossil-free fuels.

Our climate budget

The climate budget guides our activities and sets limits on allowable emissions. In 2022, Akademiska Hus had significantly reduced emissions, mainly due to a relatively low number of new construction projects completed, but also lower than expected emissions from property operations. Total permitted emissions

for the 2025/2030 intermediate targets and for the final target in 2035 are higher than the aggregate emissions targets for different parts of the business because of the use of a safety margin.



- Actual emissions Construction
 - Actual emissions Property operations
 - Actual emissions Other
 - Emissions target: Construction
 - Emissions target: Property operations
 - Emissions targets: Other
- Limit total permitted emissions

THE TOP THREE SOURCES OF EMISSIONS BY FIELD:

- Construction**
 - 1 Materials in construction projects
 - 2 Transports to, from and on construction sites
 - 3 Waste from construction projects
- Property operations**
 - 1 District heating for heating
 - 2 Refrigerants
 - 3 Groundskeeping
- Other**
 - 1 Commutes to and from work
 - 2 Plane travel
 - 3 Company cars

The above sources of emissions account for more than 95 per cent of emissions from Akademiska Hus within Scope 1-3. For more detailed information, see pages 118-120.

Transition towards a project portfolio with low climate impact

To implement the climate transformation that society needs, the construction industry must fundamentally change. We need to carefully evaluate what needs serve as the foundation for a new construction project before we break ground.

We have a company-wide goal to reduce our aggregate carbon footprint, mainly by reducing our new construction and using our existing buildings and facilities more resource-efficiently. We have an optimised design process to ensure that we only choose new construction when it is truly necessary (read more on page 26).

SENSOR DATA AND DATA-DRIVEN DECISIONS

Digitalisation of buildings presents opportunities for more efficient and sustainable use of premises, which in turn reduces the need for new construction. By analysing how rooms are booked and used, we get presence data that we can use together with the higher education institutions to optimise room use and increase booking rates.

REUSE AND CIRCULAR PROCESSER

Reuse is an important piece of the puzzle in achieving our sustainability and climate goals. The transition from a linear to a circular construction process is complex. The four-step principle (read more on page 26) guides us at every

phase to promote a circular process and more sustainable working methods. Instead of traditional demolition, we try to dismantle to allow maximum reuse of materials, either by us or by another builder. Continuously developing and challenging established work processes over the course of the project will be necessary, since there are no ready-made working methods or industry practices to guide us.

We work with CCBuild as our recycling platform and plan to implement reuse in all of our projects. There are several good examples within Akademiska Hus of value-creating resource use where preservation, reuse and high quality recycling have reduced climate impacts compared with a traditional project process. One such example is the Språkskrapan building in Gothenburg, where we are converting a former office building into student housing.

MILJÖBYGGNAD CERTIFICATION SYSTEM, GOLD RATING

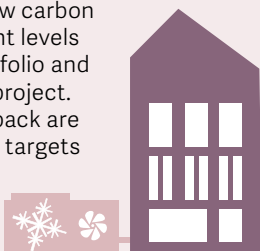
Building to environmental certification system standards provides confirmation of important qualities in a building in terms of energy, indoor environment and material

choices. We currently have 53 certified buildings, including twelve at the Gold level and 41 at the Silver level. The certified new construction and renovation projects must subsequently undergo verification, and to date 36 buildings have been verified with retained certificates. We require all new construction projects to obtain the Gold level of the Miljöbyggnad certification system and all major renovation projects must be certified at the Silver level. In student housing projects we strive to achieve the Silver level of the Miljöbyggnad certification system.

We continually review our certification strategy based on how it contributes to our sustainability and climate goals. In 2023, we will evaluate the new version of the Miljöbyggnad certification system for new construction and renovation projects, as well as for existing buildings, to determine which projects and buildings are suitable for certification and at what level. Certification for entire campuses will also be of interest for us to evaluate in the coming years as part of developing sustainable campus environments.

CLIMATE TARGETS AND FOLLOW-UP

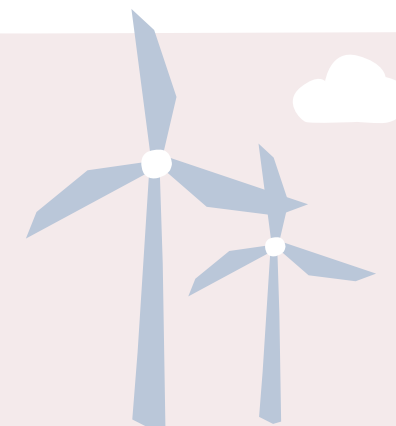
In new construction and renovation projects, as well as projects to adapt premises, we have climate targets and climate calculations as instruments to promote reuse and ensure low carbon construction. These requirement levels apply for the entire project portfolio and are set at an early stage in the project. Follow-up and experience feedback are crucial for success. Our climate targets for construction projects (see table) are continually evaluated and can be revised.



Our goal for a reduced carbon footprint per m² construction (kg CO₂e/m²)

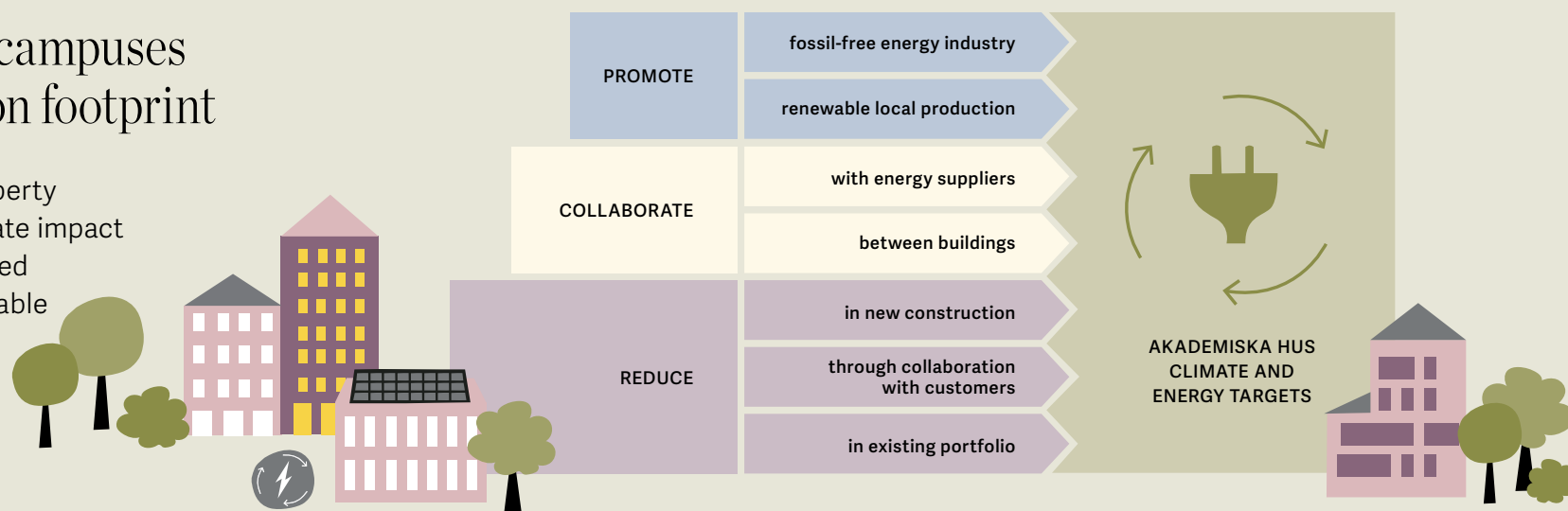
EMISSIONS	2021	2022–2024	2025
NEW CONSTRUCTION	380	266	190
REDEVELOPMENT	160	122	80
RETROFITTING	61	50	30

The year refers to when the project goes through the early phase, i.e. Gate 1. In future revisions, the target value may be defined with reference to the planned year for construction start.



Energy-efficient campuses for reduced carbon footprint

We strive to achieve a property portfolio in which the climate impact of each building is minimised through long-term sustainable technical choices.



The energy needs of the buildings over time account for the largest climate impact within property operations. In an uncertain time of potential electricity shortages, buildings with good energy performance are therefore essential to future-proof the property portfolio.

By 2025, the quantity of delivered energy, including energy that our customers use in their operations, will be reduced to one half of what it was in 2000. We base our decisions regarding climate and energy efficiency measures in property operations on the parameters of reduced energy consumption and finances. We develop calculation models and purchasing strategies to provide increased climate benefit. When preparing for investments, alternative solutions and scenarios must always be developed and compared. Our aim is for all delivered energy to be fossil free and we actively support increased traceability from production source to our actual use. To achieve this overarching energy target, while also moving towards our climate target, we are active through three principles – Reduce, Collaborate and Promote.

REDUCE

The primary focus is on reducing energy needs in the property portfolio; here, we place great emphasis on the daily work. With energy-efficient assets, we create economic and sustainability values, benefitting both our customers and ourselves. Ensuring that our buildings have low energy needs is always the first step in our energy procedure before we move on to how we provide energy.

We reduce energy and power requirements during construction and in our existing property portfolio by:

- Ensuring a building design that results in high durability with an energy-efficient building shell, while equipping the building with well-adapted and energy-efficient technical systems and solutions.
- Conducting a systematic and ongoing energy review in current holdings with a focus on operational optimisation and energy efficiency measures.
- Cooperating with our customers to reduce the energy consumption and climate impact of their operations by introducing agreement models that promote energy efficiency and motivate sustainable behaviour.

COLLABORATE

Through collaboration in our aggregate holdings and by leveraging energy surpluses and deficits between the buildings, we can reduce our total energy needs. Whenever possible, we collaborate with the energy suppliers' systems to optimise energy delivery with respect to power and climate.

PROMOTE

We promote the use of energy with a low climate impact by installing local renewable energy facilities. We also provide an impetus to the energy industry by actively requesting delivery of heating and cooling with a low climate impact.

INCREASED SUSTAINABILITY FOCUS FROM CUSTOMERS

Our customers place ever higher demands on the sustainability of our deliverables, an expectation that has been accelerated and clarified through the Climate Framework to which the majority of higher education institutions are committed. The higher education institutions that have signed on to the framework must implement measures by 2030 to ensure that they are in line with the 1.5-degree target of the Paris Agreement. More efficient use of existing premises is an important piece of the puzzle to seriously address climate impact. We note a growing interest among our customers to address matters such as the need for premises in the future and efficient design of premises, working together to explore whether renovation and adaptation of premises could be fully acceptable alternatives to new construction.

OUR FOOTPRINT MAKES A DIFFERENCE

In our role of Sweden's largest property developers and managers, we have major opportunities to contribute to a more sustainable society and it is when we work in close collaboration with our customers that we achieve the best results. Emissions from Akademiska Hus' operations mainly come from two areas: our property operations, including the carbon footprint from new construction and redevelopment, and our property operations, including the energy used in operations and from the customers' activities.

RESPONSIBILITY IN THE ENERGY CRISIS

The year 2022 has largely been characterised by turmoil in Europe. This turmoil has caused the European and Swedish energy systems to come under pressure, with high electricity prices in the winter of 2022. In Sweden,

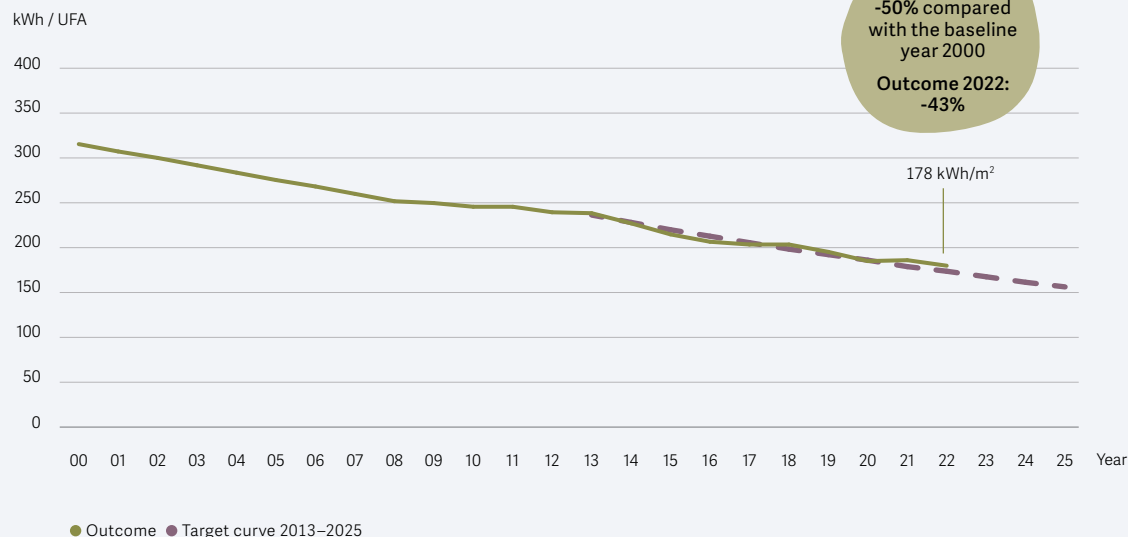
the southern part of the country in particular is at risk of power shortages; there is also a risk that additional electricity will need to be produced with a high climate impact from fossil fuels. In addition to our regular work, we therefore launched a special initiative during the year focusing on preparedness in case of power shortages and a joint effort with the higher education institutions to further reduce energy consumption, for both the short and long term. Together with our customers, we are taking joint action to reduce electricity use and steer the electricity use that is required away from peak demand. We have also formulated information material aimed at those who spend their daily lives on campus describing how we can all contribute and together save as much electricity as possible.

Close to the target of 50 per cent less energy by 2025

We have worked long and hard to make our buildings and their operation as energy efficient as possible. We are approaching the home stretch for our ambitious target of reducing the quantity of delivered energy by 2025, with 2000 serving as our base year. As the diagram on the right shows, we are following our target curve. Collaboration with our customers has been crucial for getting where we are today, and will continue to do so to reach the finish line.

The diagram shows the target curve for reduced quantity of delivered energy by 2025 and how we delivered compared with the target figures, year by year.

OUTCOME, TARGET AND ESTIMATED OUTCOME OR MEASURES



Long-term management of our portfolio for sustainable development

We are the single largest property owner in Sweden, with a focus on colleges and universities. This entails great responsibility for sustainable development and provides excellent opportunities to transfer and rapidly scale up good practices for carbon footprint reduction.

There is great variation among our properties. A campus can include high-tech laboratories, offices, various types of education environments, undergraduate and graduate housing and co-working spaces. A campus environment also needs to include restaurants, cafés, services and other facilities.

We own properties totalling 3.4 million square metres. The collective financial strength that our property portfolio provides creates long-term security, where we have invested an average of approximately SEK 2 billion in construction projects every year since 1993 to strengthen Sweden as a nation of knowledge. Our national presence and broad expertise enable us to transfer lessons gained from experience in one part of the country to another. With this approach, good examples can benefit more people and together we can find ways to create sustainable conditions for education and research in Sweden.

PROPERTY MANAGEMENT IN DIALOGUE

We must be where the customers are, locally, digitally and in person, which is why we work to develop our platforms to meet the needs of our tenants and to clarify and improve

these contact channels. High-quality management, with a strong focus on efficient operation and maintenance processes, makes it possible for us to provide premises with both high quality and a positive user experience.

PORTFOLIO ANALYSIS

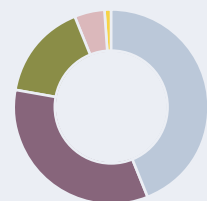
An annual review of the property holdings by campus is conducted to inventory the condition and attractiveness. If necessary, the review is complemented by a more in-depth systematic building assessment. We take the insights gained from this analysis of our holdings into account in our maintenance work. A maintenance plan for the next twenty years is formulated and then updated annually, specifying the next two years in more detail. We manage a highly varied portfolio with the aim of ensuring that the properties maintain a high standard for a long time. At the same time, they must be able to be adapted to keep up with changing needs, which places high demands on ensuring that technical installations and control systems are modern.



Digitalisation provides new opportunities

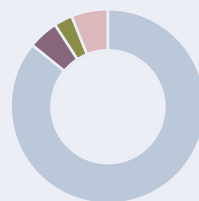
Through systematic dialogue with those who have an interest in what we do, we learn what the needs of our customers look like today and how they change over time. We explore the opportunities that accompany digitalisation with great curiosity. Data and insights from digital systems and sensors enable us to better prioritise and optimise resources for the operation of our properties, as well as to efficiently plan investments and maintenance. Digitalisation also provides us with the opportunity to assume an advisory role in the development of premises, such as through proactive assessment of the need for premises and resource efficiency. A digital infrastructure is believed to provide better opportunities to take greater responsibility and contribute to the long-term sustainability work of both our customers and ourselves.

OUR TENANTS AND TYPE OF PROPERTIES



Breakdown by premise category

- Classrooms and lecture halls, 44%
- Laboratories, 34%
- Offices, 16%
- Other, 5%
- Residential, 1%



Tenant categories

- Colleges and universities, 86%
- Publicly financed operations, 5%
- Chalmersfastigheter AB, 3%
- Other, 6%

CONTINUED FOCUS ON SOLAR ENERGY

We invest in renewable energy, including solar panels. These initiatives will make our campuses more sustainable and create good opportunities to focus on energy issues with our customers. At the end of 2022, we had 129 arrays that produce 9.5 million kWh of renewable electricity annually for Swedish centres of education, corresponding to three per cent of electricity consumption by us and by our customers. This makes us the property company with the most solar panel arrays in Sweden. Through 2024, we plan to install more arrays which, when completed, will contribute to the total quantity of solar power we generate, estimated at a minimum of 13.5 million kWh.

CLIMATE-RELATED RISK FOR OUR PROPERTIES

We need to prepare for and act based on the predicted climate scenarios. When the climate changes, properties still need to provide a good indoor environment to tenants, while construction designs and surrounding soil conditions must offer resistance to a changed climate and minimise the risk of climate-related damage. In the future, temperature levels are expected to rise by as much as four degrees, depending on the emission scenario, and the number of days with extreme weather and flooding is expected to increase from current levels, which will have physical consequences on both land and buildings. For example, a warmer and more humid climate can result in an increased risk of moisture and mould, while changing temperature conditions have an impact on dimensioning of heating and cooling capacity.

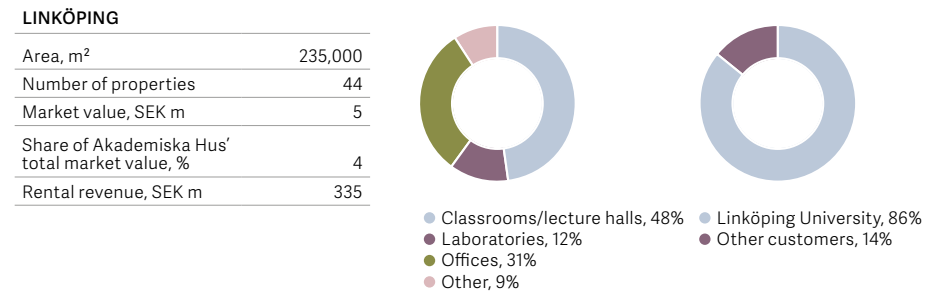
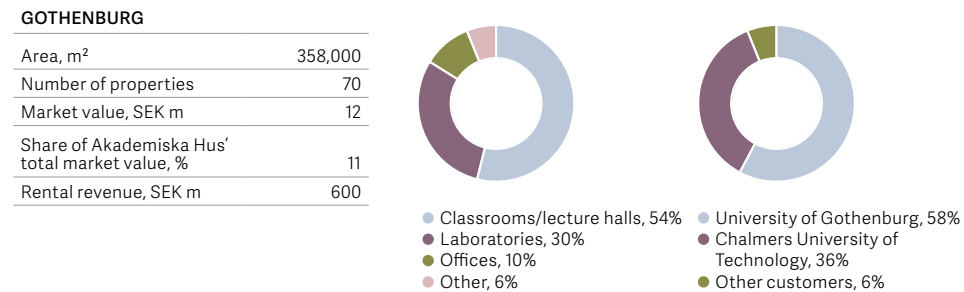
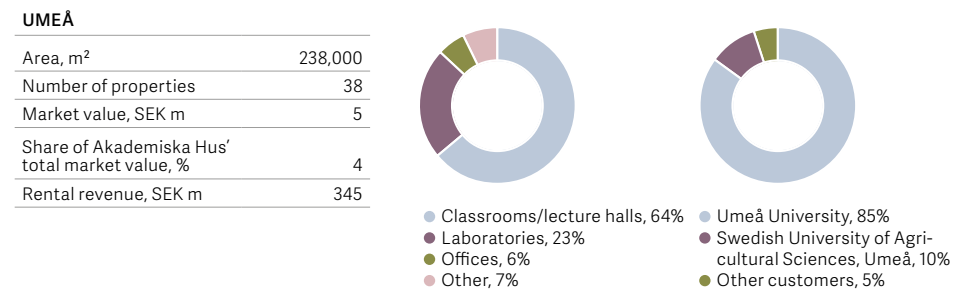
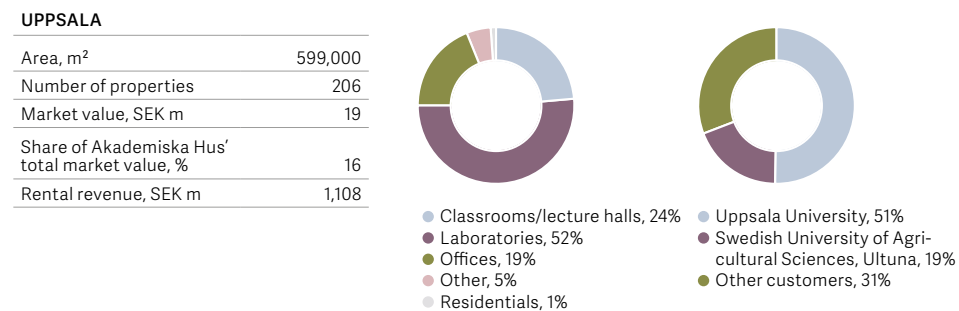
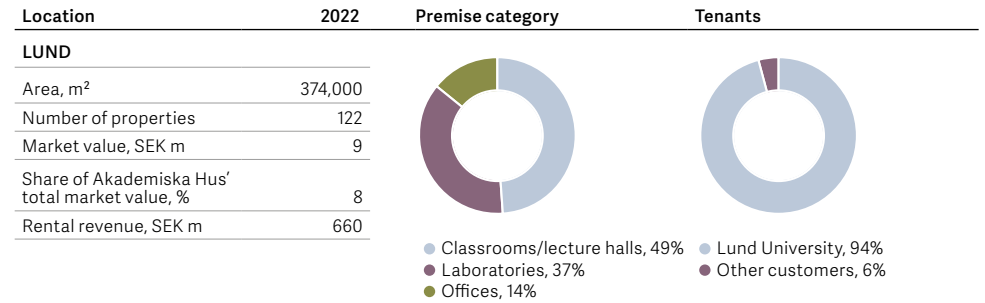
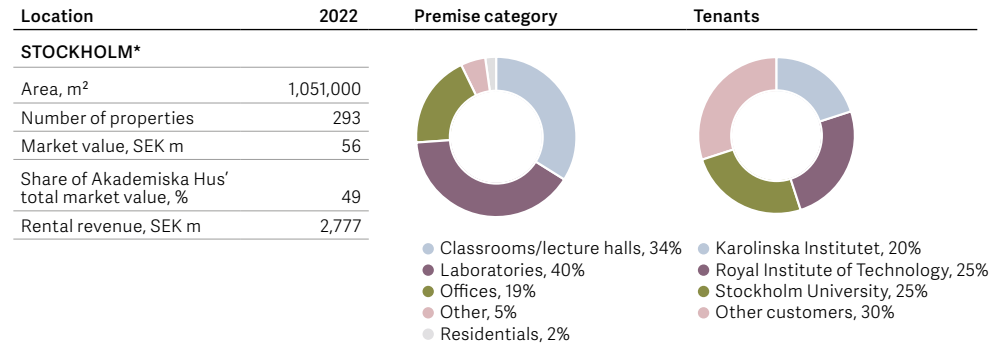
During the year we initiated a climate risk analysis based on the requirements of the EU Taxonomy. The climate projections use the year 2100 for the time horizon. The climate risk analysis covers all of our properties and buildings and includes an analysis of climate risks related to earthquakes and landslides, erosion, rising sea levels, rising lakes and rivers, torrential rain, fire and high temperatures. Many of our campuses are well positioned to withstand major changes in the climate. But it is also unavoidable that some buildings will be impacted should our climate become more extreme. In 2023, we will conduct a more in-depth analysis by studying vulnerabilities in our property and building holdings. We will also report on our climate risks in accordance with the framework from the Task Force on Climate Related Financial Disclosures (TCFD). Read more on pages 127–129.



Best in the industry

An analysis by the publication Fastighetsnytt shows that we are the property company that has installed the most solar panels. But we are by no means finished. In 2023, we plan a major initiative with even more solar panel arrays across the country, which will generate more renewable electricity for colleges and universities in Sweden.

Our six largest locations



* Stockholm includes Solna and Huddinge.

Students bring life to Albano Campus

Just in time for the autumn term of 2022, undergraduate and graduate students from Stockholm University and KTH were finally able to move in to all four buildings that Akademiska Hus built on the Albano Campus. What was once an abandoned industrial site is now home to a brand new university campus.

Construction has been underway since the autumn of 2015 and planning of the campus dates back to 2006.

In addition to the new university facilities, we have created parks, shops and restaurants and Svenska Bostäder is building housing for 1,000 undergraduate and graduate students. With its strategic location just a stone's throw from downtown Stockholm, the Albano Campus strengthens the links between the higher education institutions and forms a new neighbourhood that is vibrant regardless of time of day.

The Albano Campus was developed into a modern university environment in harmony with nature and with the objective of serving as a role model in sustainable urban construction. From historically having been a green space, Albano was transformed during the twentieth century into an industrial area split down the middle by the Värtabanan railroad track. Building in this environment has therefore placed high demands on both process and execution.

As evidence of its success with respect to sustainability, Albano is the first campus in Sweden to qualify for certification according to Citylab standards, a sustainability certification that covers not just an individual building, but an entire urban development project.

“It is fun to see life and movement in the premises and I am convinced that the new university campus will be appreciated by students, teachers and employees.”

RIKARD NILSSON Section manager at the property department at Stockholm University.



Projects that strengthen Sweden as a nation of knowledge

We develop our knowledge environments with long-term sustainable solutions. Through close dialogue with customers, we develop our property portfolio based on current and future needs.

Our project operations include new construction, additions and renovation projects that equip the centres of education for their activities. Through stable finances and extensive experience of developing and building premises for education and research, we are a proactive and strategic partner for our customers. The projects vary substantially, ranging from minor renovations to construction of advanced research facilities.

Akademiska Hus is both builder and manager, for which reason we ensure that we build for long-term management, which facilitates investments in sustainable and innovative solutions. Investments are pursued from project concept to final decision, using a systematic process to work closely with customers.

GLOBAL SITUATION AFFECTS OUR PROJECTS

Naturally, our project operations are also affected by these troubled times with the energy and inflation crises and war that marked Europe in 2022. Longer delivery times for materials can impact our construction projects and a greater degree of flexibility and openness to new solutions are necessary to reduce the risk of delays. Inflation drives up the price of building materials and the energy crisis is reflected in the increased costs when keeping a construction project going. Close dialogue with the customer and an openness to how the situation changes the conditions are paramount. With the broad expertise and experience of our employees, however, we are well equipped to maintain progress in our projects.

DIGITALISATION IN CONSTRUCTION PROJECTS

Our world is rapidly changing and although access to digital tools is high, we need to constantly develop our working methods to achieve maximum benefit from new technical advances. Digital processes in construction can better equip us to achieve our climate targets. Moving forward, our project organisation will focus on implementing digital working methods for the entire project unit. The purpose is to better equip our customers and ourselves to reduce our climate footprint, but also to help the entire construction industry to take important steps in digitalisation.

REDUCED NEW CONSTRUCTION

Our goal is always to deliver the highest possible customer value through resource efficiency and good cost management. Akademiska Hus strives to minimise environmental impact through sustainable construction processes and carefully considered material and design choices. Before taking decisions on new construction, alternative solutions must always be tested. We set ambitious goals for our new construction and remodelling projects to meet the standards of the Miljöbyggnad environmental certification system, where new buildings will qualify for the Gold level and renovations for Silver.

The optimised design process and Four-Step Principle will ensure that we maintain and develop long-term and sustainable buildings that strengthen the activities of our customers, along with their identity and support on campus.



Collaboration important in construction process

Our projects must result in the right conditions for students, researchers and teachers. We must therefore work together to understand the needs of our customers. We want to partner with customers already from the concept development stage in order to create the most efficient and sustainable projects together. By having clear requirements and expectations throughout the construction process, from early phases to the transfer, we can deliver a product of the right quality according to a common vision. The process also helps us to jointly determine when we really need to build something new and when we can meet new needs in existing premises instead.

OPTIMISED DESIGN PROCESS

Our early-stage design process provides a climate-optimised vision that enables efficient use and ensures a sustainable and long-term solution that meets customer needs, while strengthening the character of the campus. Alternative solutions will be tested early in the process by following the four-step principle to steer away from new construction and towards a more efficient use of the existing property portfolio, where new additions are long-term, robust and circular, and where the life cycles of both the building's structure and its components are taken into account.

FOUR-STEP PRINCIPLE

We use a process we call the four-step principle to assess the need for premises, starting with making the most of and using existing premises as a first choice, optimising premises as a second choice, adapting as a third choice and remodelling and new construction as a last choice. The four-step principle is based on the concept that climate-conscious choices potentially reduce climate impact more

and lower overall costs the earlier we make them in the project. See the fact box for more information.

WE BUILD SUSTAINABLY

We continually review our certification strategy to ensure that the systems we work with are appropriate for the purpose and help to stimulate and develop sustainable solutions. We want to create the most efficient and sustainable buildings possible for our customers. To learn more about circular material flows and business models, we are an active party in the CCBuild collaborative project, an arena in which property owners, architects, public participants and researchers work together to find methods and promote increased recycling in the construction industry.

Building sustainably also involves safety and reducing the risk of accidents at our construction sites. We work proactively for safer workplaces and are one of the orchestrators of the industry-wide organisation Håll Nollan initiative.



From offices to housing – Språkskrapan

Språkskrapan in central Gothenburg was built in the 1960s and has been vacant since 2019. Now we are converting the office building into undergraduate and graduate student housing. In addition, an array of trees, shrubs and perennials have been removed and placed in a recycling park while waiting to be replanted. Språkskrapan will be ready for occupancy just in time for the autumn term of 2023.

FOUR-STEP PRINCIPLE – FOUR STEPS FOR REDUCED NEW CONSTRUCTION

As a basis for implementing the four-step principle, we analyse factors such as presence data in premises where availability, use in booking systems and dialogue with customers are essential to understand what needs there are and how the premises are used. We carry out climate assessments for all of our construction projects and at different stages to understand and minimise climate impact.

For new buildings, additions or major renovations, we use circular principles to achieve the lowest possible carbon footprint. The following measures are central:

- A minimised need for premises and an optimised physical design that ensures well designed, efficiently utilised and future-safe campus environments.
- Designs and systems with optimised materials, use of recycled materials and reduction of construction and demolition waste.
- Actively demand low-carbon materials, with a particular focus on materials that generate high climate emissions and are present in large volumes.
- Reduce the climate impact from groundwork.

1. Use existing
Analyse needs with the customer and consider measures other than construction.

Measures may include: digitalisation of properties, organisation and better booking systems.

2. Optimise existing
Implement measures leading to smarter and more efficient use of premises.

Measures can include: Efficient design, higher utilisation rates, relocation, sharing economy.

3. Retrofit
Implement limited measures where they are most beneficial based on needs analysis and use of premises.

Measures can include: Retrofitting, renovation, reinforcement, upgrade, recycling.

4. New construction
Only chosen if the need cannot be met in the previous three steps.

Measures can include: extensions and new construction, as well as major remodelling projects.

PROJECT REVIEWS

Project reviews are continually conducted to identify and manage risks associated with the construction projects and to contribute to constant improvements in Akademiska Hus' management system and project methodology. The reviews support the operation and help the employees to do their jobs. During the year, reviews were initiated for a number of construction projects and this work will continue in 2023; the insights gained will serve as the foundation for further development of our project operations. In addition to initiating the project-specific reviews, a review was also carried out focusing on all work environment initiatives at Akademiska Hus. We are ISO-certified for both the environment and occupational health and safety, which means that we have a documented management system that covers the requirements of the standard. The management system is implemented in all operations and both supports and helps us to reach our goals.

OUR PROJECT PORTFOLIO

The investment portfolio includes new construction, extension and renovation of existing properties with long lease terms, typically between ten and 25 years. The emphasis in the project portfolio remains in Gothenburg, but projects are underway in all of our larger towns and cities. Five student housing projects remain in the project portfolio, totalling SEK 2.6 billion. The project portfolio is divided into two parts – approved and planned projects – and approximately SEK 14 billion, of which SEK 4.4 billion is already invested. All planned projects have an inquiry or planning framework, where some form of agreement exists between us and the tenant. Three approved projects dominate the portfolio: Konstnärliga with commissioning in 2027 and Natrium with commissioning in 2023, both in Gothenburg, as well as Forum Medicum in Lund, which will also be commissioned in 2023.

Commissioned projects per 31 Dec. 2022, over SEK 100 million

Project name	Location	Type of premises	Investment limits, SEK m	Miljöbyggnad certification system	Additional floor space, m ² , GFA	Completion	Customer
Albano Building 1	Stockholm	Education	809	Gold	15,000	2022-Q2	Stockholm University
TOTAL			809		15,000		

Approved projects per 31 Dec. 2022 over SEK 100 million

Project name	Location	Type of premises	Investment limits, SEK m	Percentage accrued, %	Miljöbyggnad certification system	Additional floor space, m ² , GFA	Expected completion	Customer
Konstnärliga	Gothenburg	Education	1,953	6	Gold	33,000	2027-Q2	University of Gothenburg
Natrium	Gothenburg	Laboratory	1,803	63	Gold	28,000	2023-Q3	University of Gothenburg
Forum Medicum	Lund	Education	821	66	Gold	13,800	2023-Q2	Lund University
School of Business, Economics and Law	Gothenburg	Education	529	23	Gold	9,200	2026-Q3	University of Gothenburg
LTH Maskinteknik	Lund	Education	499	97	Silver	19,000	2023-Q2	Lund University
Albano development and land	Stockholm	Education	439	82	Silver	—	2023-Q3	Stockholm University
Aquila Rosendal	Uppsala	Residential	361	15	Silver	10,000	2024-Q4	Akademiska Hus
A, B, E and F building	Luleå	Education	320	21	—	—	2028-Q4	Luleå University of Technology
New building	Umeå	Education	272	9	Gold	6,500	2024-Q4	Umeå University
Fysiologen building	Stockholm	Education	215	6	Silver	—	2024-Q3	Karolinska Institutet
Kemicentrum	Stockholm	Laboratory	120	63	—	—	2024-Q1	Royal Institute of Technology
Astrid Fagreus Lab	Solna	Laboratory	103	54	Gold	—	2023-Q3	Karolinska Institutet
Språkskrapan	Gothenburg	Residential	103	79	—	—	2023-Q3	University of Gothenburg
Projects under SEK 100 million			1,562					
TOTAL			9,100	48		119,500		

Planned projects per 31 Dec. 2022 over SEK 100 million

Project name	Location	Type of premises	Investment limits, SEK m	Additional floor space, m ² , GFA	Expected completion	Customer
Deltakvarteret	Luleå	Education	1,552	32,000	2028-Q4	Luleå University of Technology
North Campus Park	Umeå	Student housing	1,030	24,500	2026-Q1	Akademiska Hus
Cassiopeia	Lund	Student housing	987	17,500	2026-Q1	Akademiska Hus
CMB block	Stockholm	Offices	303	—	2025-Q3	Karolinska Institutet
Social Science Centre	Lund	Offices	290	3,120	2026-Q2	Lund University
Klerken 4 block	Malmö	Education	240	700	2026-Q2	Malmö University
Universum	Umeå	Education	195	500	2026-Q1	Umeå University
Maskrosen	Uppsala	Offices	175	5,200	2024-Q3	Uppsala University
Norma-Leo	Uppsala	Student housing	101	—	2025-Q1	Akademiska Hus
Projects under SEK 100 million			82			
TOTAL			4,955	83,520		



KONSTNÄRLIGA – UNIVERSITY OF GOTHENBURG

We will invest approximately SEK 1.9 billion in a redevelopment and extension project at the University of Gothenburg to relocate the entire Konsthögskolan between Götaplatsen and Korsvägen. The initiative will be a key component in the development of the Näckrosen campus, where it will create a meeting place for the humanities, art and culture. Occupancy will take place in phases during the period 2025–2027. The 45,000 square metre project meets the requirements for the Gold level of the Miljöbyggnad certification system. Architect: Tham and Videgård.



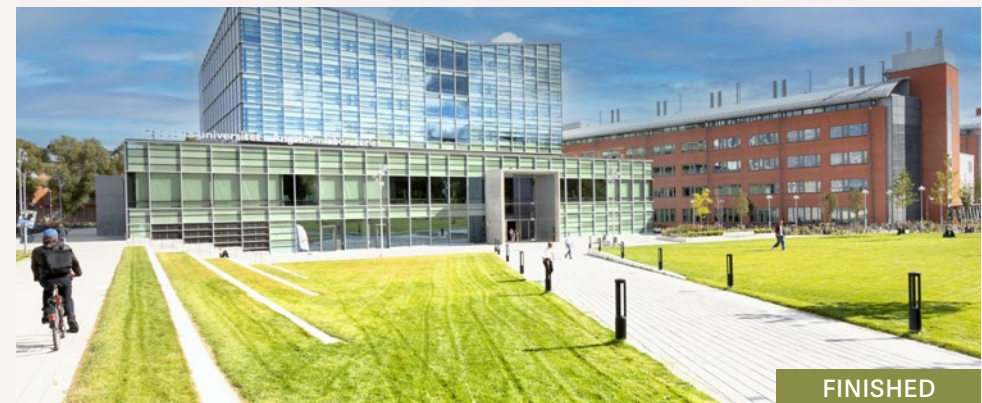
NATRIUM – UNIVERSITY OF GOTHENBURG

The new Natrium building will gather large parts of the Faculty of Science under one roof, while promoting continued development within the life sciences on Medicinareberget at the University of Gothenburg. We are investing approximately SEK 1.8 billion in the project which is being built to comply with the Gold level of the Miljöbyggnad certification system. Approximately 32,000 square metres will be completed in the spring of 2023. Architect: Kanozi Architects.



FORUM MEDICUM – LUND UNIVERSITY

A 23,800 square metre new construction and remodelling project at Lund University will enable the co-location of education and research in the fields of medicine and the health sciences. This project is one of the largest initiatives that we have ever carried out together with the University. Akademiska Hus is investing SEK 820 million in the project, which is being built to comply with the Gold level of the Miljöbyggnad certification system and is expected to be completed in 2023. Architect: Henning Larsen.



ÅNGSTRÖM LABORATORY – UPPSALA UNIVERSITY

On 13 May 2022, the 30,000 square metre Nya Ångström building held its grand opening in Uppsala. Akademiska Hus invested SEK 1.1 billion in the project, making this the largest investment we have ever carried out with the university. The new building houses learning environments, offices and labs, as well as a reception area, student services, meeting spaces, and a café, library, atrium and auditorium. Architect: PE Technology & Architecture.

Our campuses are environments that inspire

A sustainable knowledge environment can never be reduced to a single building or a specific question or issue. We can only create cohesive, vibrant and competitive campus environments across the country when we take a holistic approach.

Campuses are our product. That is also why we clearly state in our strategy the importance of taking overall responsibility for our knowledge environments. We elevate the campus experience by seeing the whole and the details interplay in a way that is natural and dynamic and we want our customers to view us as a strategic partner in all aspects of campus development.

We recognise that campuses are integrated and interact more and more with the surrounding community, which is why we develop natural meeting places that promote collaboration and knowledge transfer between academia, industry and society at large. We work with the higher education institutions to develop campus environments with room for people with different attributes, circumstances and life experiences.

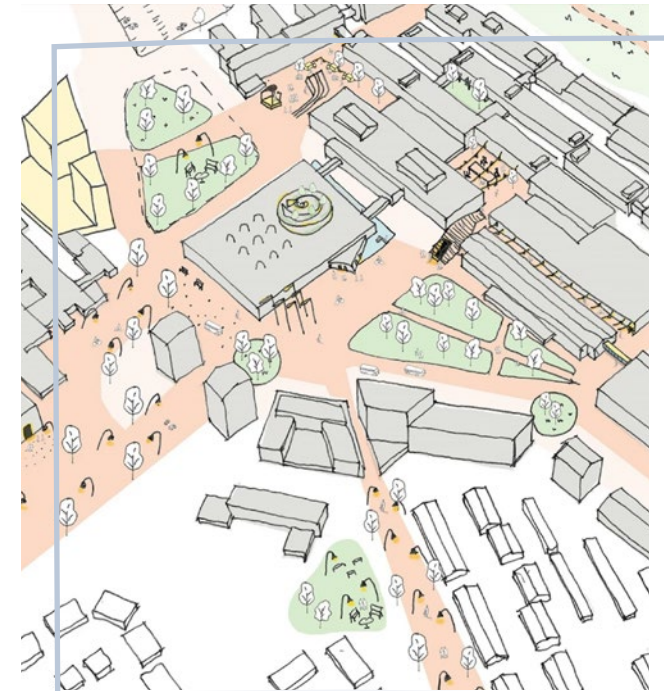
CAMPUS DEVELOPMENT METHOD

Campus plans are visionary documents that are created in a collaboration involving a higher education institution, Akademiska Hus, municipalities and other local participants. The plans include a vision, a number of targets and strategies that are formulated to develop the physical environment on campus in order to best support the activities of the higher education

institution. The campus plan uses the vision and goal documents formulated by the higher education institution and Akademiska Hus as its point of departure, thereby contributing to the objectives of both parties. The plans are long-term and have a strong focus on sustainable development. As a visionary document it is possible to theoretically test ideas and concepts on campus in order to ultimately find development paths towards desired goals and implementation.

AHA – ARENA FOR DIALOGUE ABOUT CAMPUSES

In 2022 we continued with the Aha seminars, our public arena for questions about campus development. The popular seminars have become an opportunity for dialogue and the exchange of knowledge, as was intended. Sustainability is a recurring theme and Aha was nominated in 2022 at the Återvinningsgala (Recycling Awards Ceremony) for the way in which we raised issues of circularity in the construction industry. The Aha website has been further developed and now provides even more space and better opportunities for inspiration and dialogue regarding tomorrow's knowledge environments.



Vision drawing Karlstad

The recently completed campus plan for Karlstad University is a good example of how sustainable development efforts have become increasingly in the spotlight. The document describes how to work with sustainability in the future, noting that it should permeate the whole. This becomes particularly clear in the statement: "Long-term sustainability should always be a priority in all decisions regarding the development of campus environments." A direct consequence has been discussions about how the higher education institution can expand by making better use of existing environments rather than building new ones.

OUTDOOR ENVIRONMENTS AND BIODIVERSITY

Our outdoor environments play an important role in creating a more complete campus and the areas between buildings can be used for activities, recovery, work and studies. The outdoor environments could also potentially create meeting places and learning environments for people other than those who have the campus as their workplace and can act as a bridge between the higher education institution and the surrounding community. Our green spaces on campus also serve as important lungs and contribute a variety of ecosystem services to the city.

We prioritise issues related to biodiversity, social sustainability and preparing campuses for a changing climate. A good example of our work on outdoor environments and biodiversity is a project at Karlstad University, where a dead forest has once again been given life. By planting a variety of trees, shrubs and herbs, the forest will promote biodiversity. A path and meeting places have been created in the forest to contribute to the health and well-being of students, graduate students and teachers. We work with researchers at the university to disseminate knowledge about biodiversity and research through exhibitions and displays. Meadows, birdhouses, hedgehog nests and fauna depots have also been created as part of the project.



The greenhouse is part of Biotronen, a plant research facility at the Swedish University of Agricultural Sciences in Alnarp.

UNDERGRADUATE AND GRADUATE STUDENT HOUSING

Academic Living is the Akademiska Hus concept for innovative on-campus student housing. We know that life affects learning and how people feel affects how they perform. Student life is easier for people who enjoy their social lives. That is why we build undergraduate and graduate student housing as part of our campuses, conveniently located near teaching environments, cafés, libraries, and offices, as well as exercise and recreation opportunities.

A cornerstone of the concept is housing that combines private space with common facilities. The idea is based on creating an environment that provides space for the privacy of the individual, while allowing for a social life within the framework of the residential concept. In addition, coliving

makes it possible to save a considerable amount of carbon dioxide, by sharing spaces such as the kitchen and bathroom.

There are many good reasons to build more undergraduate and graduate student housing in Sweden. The most obvious, of course, is that no one should have to turn down educational opportunities or research positions because of a housing shortage. In addition, housing contributes to more vibrant campuses and strengthens the significance of the centres of education for community development, as well as for Sweden's growth as a knowledge nation. We rent the undergraduate and graduate student housing that we build as blocks, mainly through long ten-year leases. We also support and coordinate innovation projects aimed at identifying new services and sustainable housing options for undergraduate and graduate students.



STUDENT HOUSING IN UPPSALA

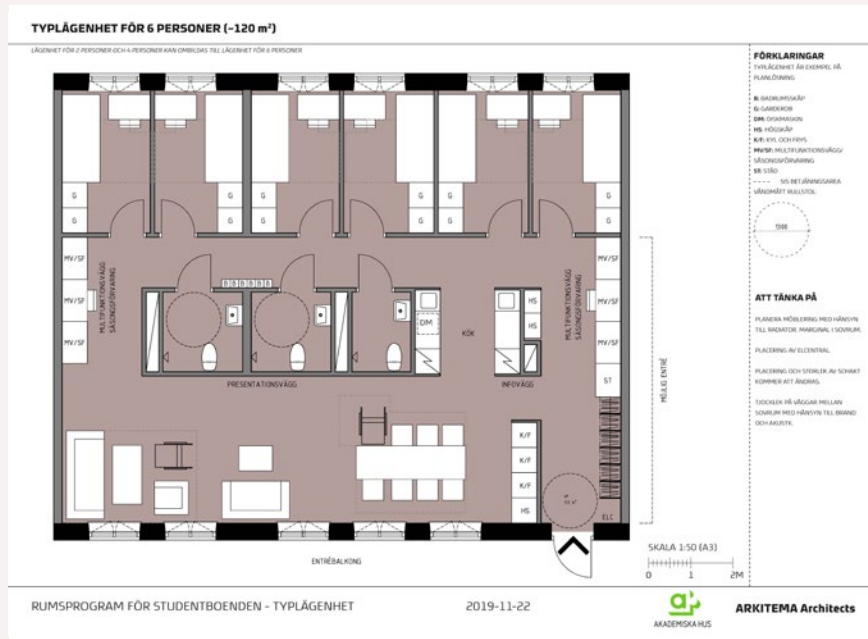
Construction of Aquila began during the year. The project includes 170 apartments that will provide 350 undergraduate and graduate students with campus-based housing adjacent to the Ångström Laboratory and the Biomedical Centre (BMC) at Uppsala University. The initiative is an important contribution to reduce the current student housing shortage in the city, as a result of which Uppsala was recently red-listed in the annual report of the Swedish National Union of Students with respect to the housing situation for Sweden's students in 34 college and university towns and cities. The new undergraduate and graduate student housing project has been named Aquila (which is Latin for "eagle"), after the constellation that is the Uppland county constellation.



ACADEMIC LIVING

Akademiska Hus studentbostäder

To the right is an example of what a floor plan for shared student housing might look like. In a report on coliving, in which we analysed different types of housing arrangements based on a number of parameters, we found that coliving concepts can reduce the carbon footprint by up to 50 per cent per individual, compared with "efficient single housing".



TOMORROW'S LEARNING ENVIRONMENTS

Learning environments as an area is in a strong development phase, driven primarily by interest in new teaching methods and digitalisation. This interest has accelerated with experiences gained from the pandemic and the climate issue, which focus on how premises can be adapted to become more appropriate, which means they would be used more. Within the framework of our initiative dedicated to learning environments, we continue to work using our methodological aid: a "Needs Dialogue" which provides support for collaboration in development and innovation projects for learning environments of the future, adapted to the circumstances and needs of the individual centre of education. In 2022, we celebrated the grand opening of test beds for learning environments at both Umeå University and Örebro University.

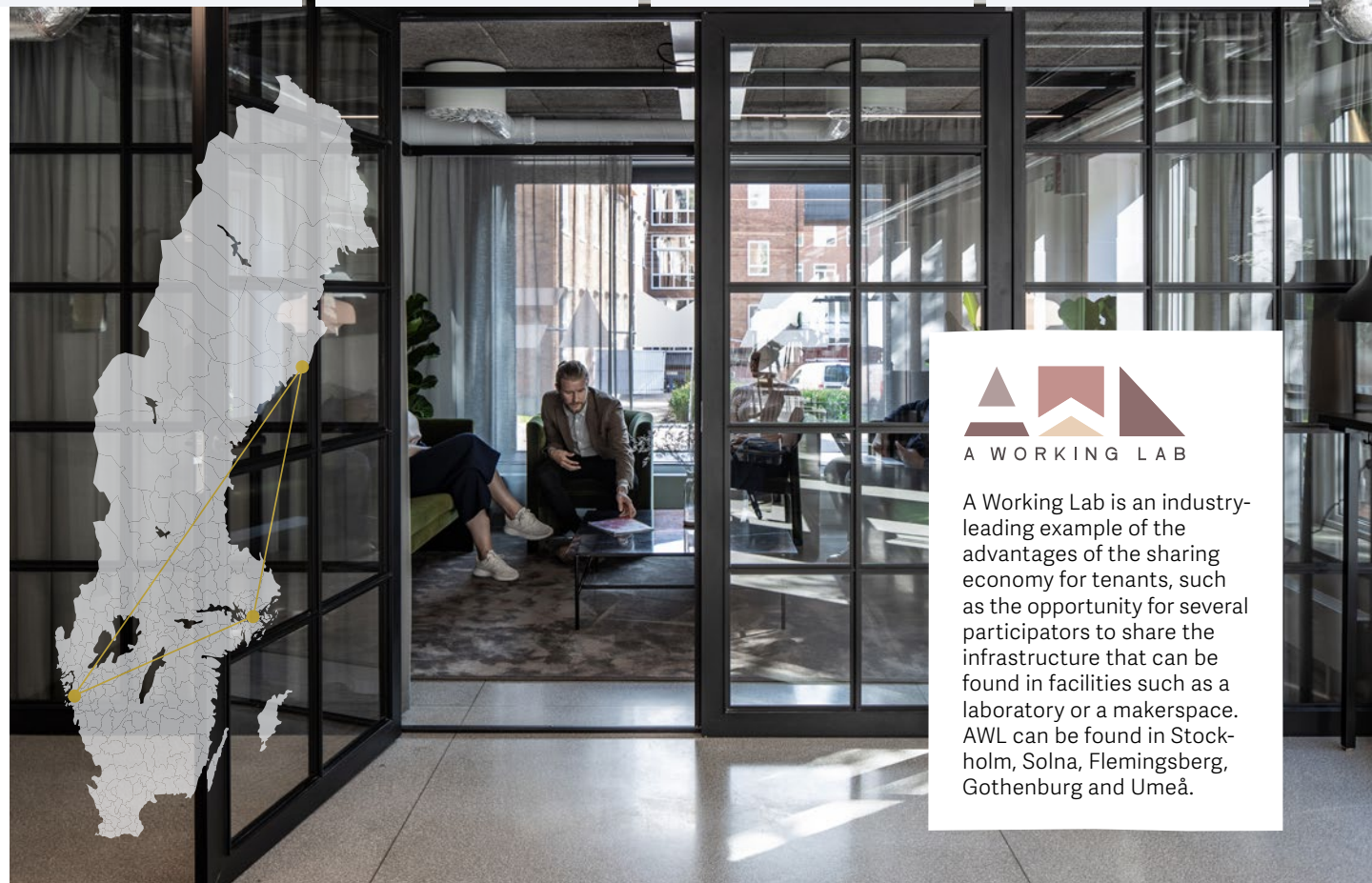
A WORKING LAB

A Working Lab (AWL) is Akademiska Hus' concept for co-working, makerspace, learning environments of the future and other flexible meeting places. Through AWL we develop campus-based environments and provide an opportunity for students, graduate students, industry and other community participants to meet under new flexible conditions. The concept is under development in collaboration with those who occupy our premises. Here companies and businesses can rent space for the time they need and gain access to services and physical environments based on their specific needs. The concept can be found in Stockholm, Solna, Flemingsberg, Gothenburg and Umeå.

Working in close collaboration with Karolinska Institutet, in 2022 we opened an 1,100 square-metre hub for co-working and shared laboratory environments on the Flemingsberg Campus in Stockholm. The new site will be a natural extension of A Working Lab's popular environments on the Solna Campus, for both current and new members in the life science sector.

ART ON CAMPUS

Akademiska Hus works closely with Public Art Agency Sweden. Since 2019, we have jointly invested at least SEK ten million annually in art at Sweden's colleges and universities. As a result of the initiative, the arts are finding



A Working Lab is an industry-leading example of the advantages of the sharing economy for tenants, such as the opportunity for several participants to share the infrastructure that can be found in facilities such as a laboratory or a makerspace. AWL can be found in Stockholm, Solna, Flemingsberg, Gothenburg and Umeå.

their place in the development of attractive campuses. Moreover, through this initiative we were the first government-owned property company to put into practice the 2018 Parliament (the Riksdag) decision promoting an increased focus on art in government construction projects. In 2022 we arranged an Aha seminar specifically on the theme of the meaning of art in a knowledge environment.

DEVELOPMENT COLLABORATION WITH CUSTOMER

Collaboration with the higher education institutions is necessary for us to succeed together and we have a number of collaboration agreements with our customers in a wide range of areas. The collaboration agreements signed in the

field of sustainability will be a common starting point guiding ideas and potential actions in the field of climate change and other sustainability issues where we share common interests. The agreement is then followed up through an action plan to ensure that ideas become concrete actions, which we then follow up to ensure momentum.

During the year, we took steps to convert our aspirations into reality by signing a new collaboration agreement with Linköping University. This is a good example of how we can accomplish more by working together to find new and more sustainable ways to strengthen Sweden as a nation of knowledge. We have collaboration agreements with twelve higher education institutions regarding sustainability.

Innovation to meet societal challenges

Innovation and digitalisation are high-priority areas of focus that will enable us to meet these changes and work with an agile approach. We do this to test new ways of meeting society's challenges and the needs of our customers.

Our innovation process is based on three areas that can all be linked to our sustainability initiatives: learning environments of the future, building and energy technology, as well as campus and urban development. Curiosity and involvement of the entire organisation are the hallmarks of our innovation initiatives. In 2022, we had a total of 37 innovation projects underway, of which 25 were in collaboration with our customers.

The long-term agenda for our innovation initiatives is governed by our needs and the needs of our customers. One way to achieve success is to keep the formal requirements low during the early stages, to avoid creating barriers that can slow down good ideas. Another key is to promote dialogue early in the process between innovation management and needs owners.

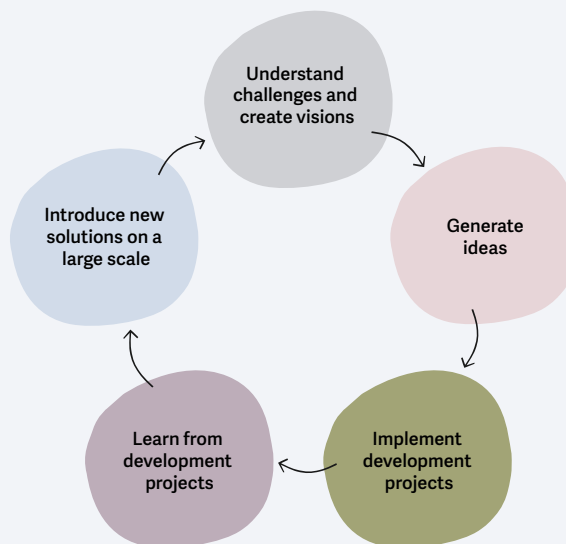
INNOVATION PROCESS

Our innovation process takes place in collaboration with others – customers, industry participants and researchers – to connect challenges and needs with implementation potential and to achieve mutual value creation. The knowledge, insights and capabilities gained from completed innovation projects can be integrated into the continued work in order to create cyclical learning and development.

RESEARCH COLLABORATION

Our definition of research collaboration is that we offer our existing resources to research. For example, a campus can be a test bed, where we share our knowledge, data from systems, or by using investments as alternative funding for research grant applications.

OUR INNOVATION PROCESS IS DIVIDED INTO FIVE STEPS:



1. Understand challenges and create visions

To understand, together with the outside world, real problems and needs that can form the basis for innovation initiatives. Challenges and visions are formulated by innovation area and serve as driving factors in the work towards common goals.

2. Generate ideas

By clearly communicating the company's vision for the future, we can leverage the benefits of "open innovation", where collaboration with employees, customers, industry and other external participants plays a major role in the idea generation process.

3. Implement innovation projects

Implementation is led by innovation project managers and takes place with our own employees in collaboration with customers and external participants. We can also participate in external projects with resources or by leading sub-projects. Financing can be both internal and external.

4. Learn from innovation projects

Knowledge transfer takes place continuously during the project to disseminate lessons learnt and knowledge from the project internally and in some cases externally. When an innovation project is completed, it is documented and evaluated using a structured approach.

5. Introduce new solutions on a large scale

Innovation projects that create benefit for the company and our customers are implemented on a larger scale. By focusing on new technologies, services and working methods, we can contribute to faster technology adoption, new business models and more sustainable urban development.

Campus as test bed

In close collaboration with our customers, our buildings serve as test beds for innovation, research and development across the country. The test beds have different areas of focus and direction. Everything from future learning environments to digital campuses and smart energy systems are being explored to meet the increasingly complex challenges of the future.



TEST BEDS FOR LEARNING ENVIRONMENTS – LEARNING LAB

The Learning Lab is a concept for working together with customers to test and accelerate development of future learning environments. By working together with teachers, researchers and building designers, three Learning Labs have been developed at Umeå University, Örebro University and at A Working Lab on the Chalmers Johanneberg campus in Gothenburg. The test beds and the people working in the environments are also part of a knowledge-sharing and research network.



RUGGEDISED

For four years, Akademiska Hus has participated in the successful EU Ruggedised project along with several other participants in the University City collaboration group in Umeå, with the aim of finding and testing energy solutions for the future. The project has been an important piece of the puzzle for the Umeå campus energy initiative aimed at reducing energy consumption.

Akademiska Hus has participated in many of the Ruggedised projects, and has had special responsibility for three of them.



STOCKHOLM LIFE TECH

We are participating in Stockholm Life Tech, a three-year collaborative project funded by the European Regional Development Fund. The project aims to further develop and make available research and innovation infrastructures in the region. Our contribution includes co-working environments and labs through our own initiative, A Working Lab.

EXPANDED CALCULATION OF CARBON FOOTPRINT

We have a construction project for a new building at the School of Business, Economics and Law for the University of Gothenburg. As part of this project, the climate footprint of components of a building are being investigated that are not usually included in climate calculations, such as interior walls, finishes, heating and ventilation. The hope is that the results will inspire others and that the model will be used in future construction projects to provide better climate calculations at an early stage.



We develop knowledge environments through responsible relationships

By accepting responsibility in our relationships we win the trust of those who have an interest in our work and can create sustainable values together. That is why we set high standards in our procurement processes, have a transparent rental model and proactively work for a safer construction industry.

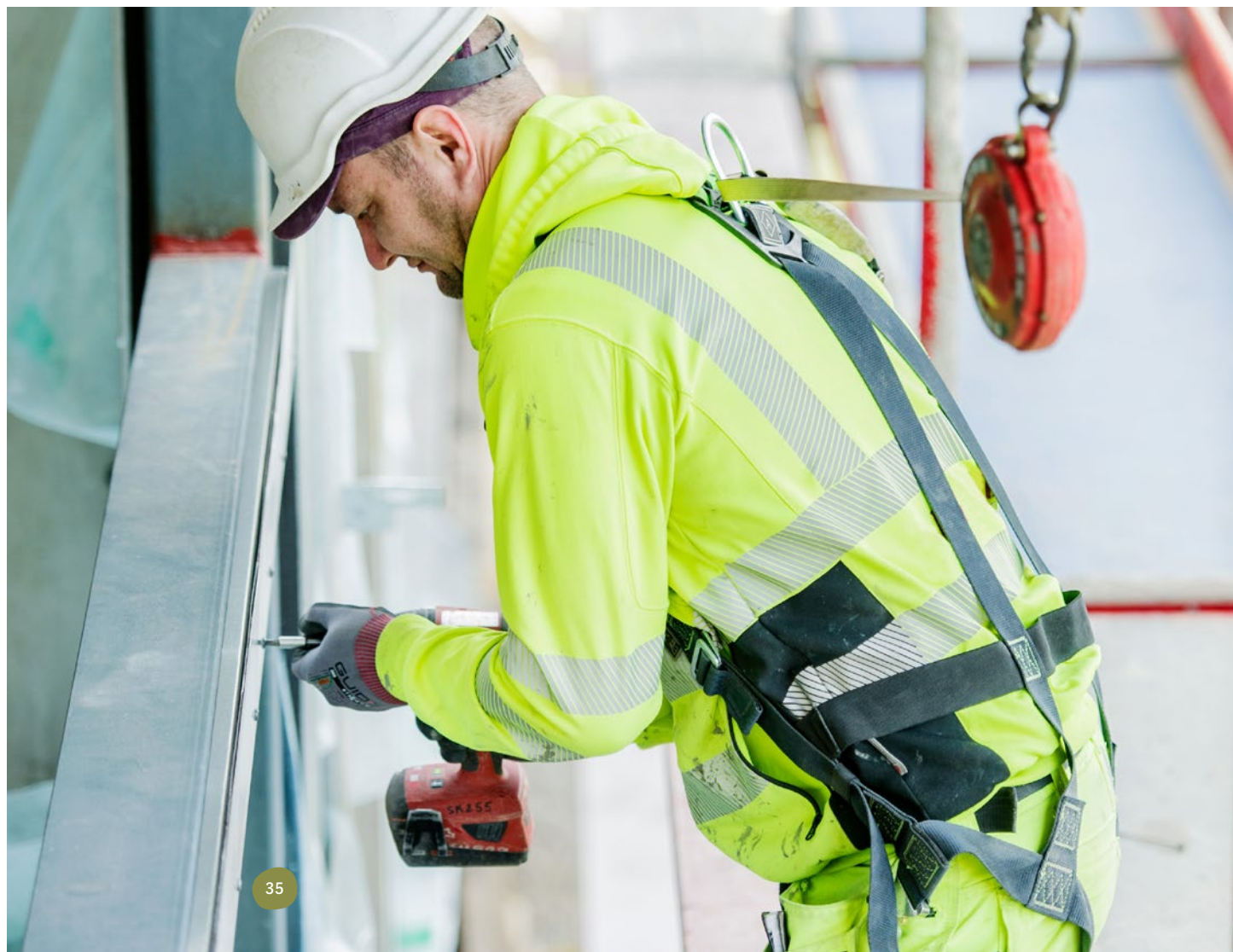
COLLABORATION WITH CUSTOMERS

The single most important relationship for us is with our customers. When we work together, we understand each other better and have the best opportunity to create the right conditions for education and research in Sweden. Successful cooperation is also crucial to achieving our ambitious goal of climate neutrality by 2035. Consequently, our relationships and the trust capital that we accumulate are absolutely critical to how well we succeed in our mission.

HÅLL NOLLAN

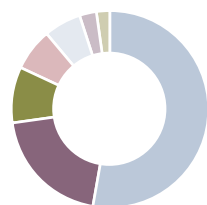
Akademiska Hus took the initiative to establish “Håll Nollan”, the industry-wide organisation for safer construction sites. The organisation was established in 2017 and has over 90 companies as members. In a relatively short time Håll Nollan has become established as an important entity and a forum in the industry for focusing on issues related to the work environment and safety. The objective is clear – no one should sustain injuries at construction sites in Sweden.

In 2022 we demonstrated our commitment by participating in activities such as the Håll Nollan steering group, as well as in work groups and other opportunities for sharing experiences. For the third consecutive year, Håll Nollan carried out its “Säkerhetspush” (safety push) campaign, an interdisciplinary event for everyone working in the construction and contracting industry, regardless of organisation. The focus for 2022 was on good relationships and how improved relationships can create a safer working environment for everyone. The Håll Nollan Säkerhetspush was carried out together with our contractors at several of our construction projects across the country.



BIG CONTRACTOR – BIG RESPONSIBILITY

Akademiska Hus is a public procurement organisation subject to the Public Procurement Act (LOU). In a typical year, we purchase contracting services, goods and other services for approximately SEK 4–5 billion. The majority of our approximately 1,600 active suppliers are Swedish companies. In 2022, we carried out approximately 160 advertised procurement procedures and renewed competitive tenders where we set qualification requirements that bidders must meet to move forward in the procurement process. For example, suppliers must certify that they have systematic quality, environment and work environment management systems in place.



Suppliers, share of total purchasing volume

- Construction materials and building services, 53%
- Energy and water, 20%
- Installation services, 9%
- Technical consulting services 7%
- Other services, 6%
- Facility maintenance, 3%
- Fees, 2%

We also place demands on our suppliers regarding safety, labour conditions and human rights, as well as business ethics and anti-corruption. The requirements are specified in our Supplier Code of Conduct, which is based on the ten principles of the UN Global Compact. The Code of Conduct is included as part of the contract in all published procurements and also applies to any subcontractors. Akademiska Hus conducts regular supplier audits to ensure that our suppliers comply with the requirements set out in the area.

BUSINESS ETHICS

We work actively to prevent corruption, breaches of working conditions and other unethical behaviour, both in our own operations and at suppliers to Akademiska Hus. All employees complete training programmes in business ethics, the company's code of conduct and

business ethics guidelines. The Supplier Code of Conduct is always a contractual element of our procurements. To report possible irregularities, there is an ethics council for Akademiska Hus employees and a whistle-blower system that can be used by both Akademiska Hus employees and external parties, such as breaches of business ethics rules. No cases were submitted in 2022.

CONTRACT FOLLOW-UP

We believe in cooperation and dialogue with our suppliers and follow up on set requirements during the contract period, both by randomly conducting supplier audits, and through regular reconciliation. During the year, we implemented a new purchasing system, which systematises contract monitoring to a greater extent, as our clients can report discrepancies directly in the system on different contracts. Reported discrepancies may ultimately result in the need for supplier audits of individual suppliers or contract areas.

We have also strengthened our procurement skills in terms of sustainability requirements, evaluation and monitoring to ensure that we achieve our overall sustainability goals. During the year, we also checked our supplier database to ensure that no suppliers are on the EU sanctions list following the EU's increased sanctions against Russia. We have reminded our suppliers about the sanctions and asked them to contact Akademiska Hus if they know or suspect that they are in any way subject to them.

MARKET RENT SETTING

Akademiska Hus has a leading position on the property market. This entails a large responsibility, both for deliverables to customers and for development of the local rental market. Our rent levels are market-based and we always endeavour to achieve transparency and open negotiations with our tenants.

We are active in an open market and set our rents the same way that other property companies do. Factors include the general market rent level of the local community, along with the location, type of building and

Market rent = on a par with comparable premises

The following parameters are among those taken into account for comparability:

- Town/city and location
- Supply and demand
- Type of premises
- Size and space efficiency
- Condition
- What is included in the rent (demarcation list)
- Lease length
- Tenant
- Special adaptation

lease term of the property. To compare rental prices charged by Akademiska Hus in relation to those charged by other property owners in a comparable portfolio, analyses are carried out regularly with assistance from an external valuation company.

Transparency in how rents are set is important in dialogues with the customers. We strive for openness in negotiations with our customers, and through our experience and long-term relationships we can often find solutions to use premises wisely, with high resource efficiency. Detailed information about how we set rent and rent levels per building can be found in our property specification at akademiskahus.se.

The centres of education usually pass on the rent that Akademiska Hus charges to the various departments, along with the other costs for premises and other administrative costs within each centre of education. The internal rent that departments pay per square metre can therefore be higher than the price per square metre that Akademiska Hus has agreed with the centre of education.

With a focus on the mission and expertise

The contributions of each employee are important and help us as a company to deliver on our mission. Our employees are characterised by team spirit, where everyone is willing, able and given the opportunity to grow.

Growth of the organisation to ensure effective delivery has been a hallmark of this financial year. New units have been created, job descriptions have been formulated and working methods have been changed and implemented to better meet customer needs. Leadership working closely with the operational level has been crucial in quickly creating both a structure and culture that create and contribute to value.

CLEAR MISSION THROUGH DIALOGUE

All employees will have a clear mission with activities that support it so that together we will achieve Akademiska Hus' goals and strategies. Each year we monitor how employees perceive both their mission and the conditions that allow them to fulfil it, along with the results of the Akademiska Hus Performance index (AHPI), one of the company's overall key performance indicators. In the internal survey, "My voice," 85 per cent of employees state that they feel they are well equipped to do a good job.

Since we live in a changing world, the missions must be continually updated and serve as a basis for ongoing dialogue about both the mission and what is needed to achieve it. A job mission is a description of the performance expected of the employee, what is to be achieved and when it should be ready, while clarifying what the employee needs to be able to carry out the mission.

TARGETED EXPERTISE INITIATIVES

A critical factor for success at Akademiska Hus is an active supply of skills. We offer a wide variety of learning and development opportunities. The majority of development

efforts are carried out by means other than training, and approximately 65 per cent of employees are involved in various forms of development initiatives, such as serving as mentors for new employees and trainees, wellness coaches, safety representatives, or internal lecturers. During the year, Akademiska Hus offered all employees an average of thirteen days of some form of development activity.

We continue to promote our initiative to certify facilities engineers, to help make the occupation more appealing and to give it greater legitimacy in the industry. Digitalisation is changing the face of many occupations and we see a need for new validated knowledge in technical fields.

DRIVE AND PERSONAL DEVELOPMENT

Our internal training portal offers both teacher-led and e-learning based programmes that are offered to all employees based on the needs that emerge, including from the project-specific appraisal assignment. The portal has training programs for our working methods (system/IT, work environment, processes), leadership, employeeship and personal development. We believe that curiosity is an important driving force and that we as an organisation have much to gain by encouraging all employees to discover and learn new things.

WORKPLACE CONCEPT

Our workplace concept is aimed at developing efficient workplaces where employees enjoy spending time and can be productive. The need for an efficient office environment is even stronger since the pandemic, and

it is important that offices are appealing to our employees. The return to the offices has been smooth and employees are offered flexible working conditions when this is possible. During the year, the Lund office completed major renovations and was adapted to the Akademiska Hus workplace concept. Minor adaptations to the concept have been carried out in several smaller offices.

EQUALLY UNIQUE

Akademiska Hus actively works to create a working climate where equal treatment, equal opportunity and diversity are obvious integral components of the operation, both internally and in collaboration externally. No employee should experience bullying, harassment, or discrimination.

The Equally Unique equal treatment plan was developed together with employees and trade unions to ensure that we continuously integrate equality issues into our culture and activities. During the year, all staff were provided with mandatory training on equality issues, with the aim of increasing knowledge and understanding of the issues.

ACTIVE WORK WITH HEALTH AND SAFETY

A concerted effort was made during the year to create the best possible conditions for employees to have a sustainable working life. All employees must have working conditions that enable them to do their job without endangering their health. Our motto is that a task is done safely, or not at all. Akademiska Hus actively works at both the central and local levels to ensure that we have a healthy physical, psychosocial and digital work environment.

EXCELLENT EMPLOYER

Akademiska Hus garnered the Excellent Employer award from Nyckeltalsinstitutet for the fourth consecutive year. We were also designated the healthiest company in the property industry in the same survey. The Nyckeltalsinstitutet's surveys refer to factual, measurable working conditions and the results are an important indicator of our work.

INTRODUCTION		OUR OPERATIONS		ADMINISTRATION REPORT		FINANCIAL STATEMENTS		SUSTAINABILITY NOTES		OTHER	
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Administration Report

The Board of Directors and the Chief Executive Officer of Akademiska Hus AB (publ), company registration number 556459-9156, hereby submit the 2022 annual report for the Group and the Parent Company.

Business

BUSINESS

Akademiska Hus AB (publ) shall own, develop and manage properties for colleges and universities, where the primary focus is on education and research, as well as activities compatible therewith. Operations will be run on a commercial basis and generate a yield that is in line with the market by setting rents that take into account the operating risk. Akademiska Hus will work to assure the long-term, sustainable development of university and college campuses. The Company's operations also include construction and management of student housing.

The Company's registered office is in Gothenburg, Västra Götaland County.

KEY EVENTS DURING THE YEAR

Property transactions

Akademiska Hus completed four property sales during the year. The properties Bergsmannen Större 8 and Ängsgården 34:2 have been disposed of through internal transactions and subsequently sold externally through corporate sales.

Valla, which is part of Intellectet 1 and Tomtebodan, part of Haga 4:35, were sold through direct sales. The sales price for all transactions totalled a value of SEK 722 million, with capital gains of SEK 8 million.

During the year, the company invested SEK 2,551 million in new construction and redevelopment.

During the year, Akademiska Hus acquired the property Göteborg Lorensberg 24:2, worth SEK 110 million, through a company transaction. The property, with a plot of 1,593 m², includes a parking garage with 163 spaces.

Other

Mariette Hilmersson, Håkan Stenström and Mariell Juhlin were elected to the Board of Directors in conjunction with the Annual General Meeting on 28 April. Svante Hagman and Robin Teigland also chose to step down from their positions as Board members at the Annual General Meeting.

Some changes in Executive Management were also made during the year, including Peter Anderson who became the new CFO. He replaced former CFO and Vice President Catarina Fritz.

SUSTAINABILITY REPORT

In accordance with Chapter 6, section 11 of the Swedish Annual Accounts Act, Akademiska Hus has chosen to prepare the statutory Sustainability Report as a separate report. The scope of the Sustainability Report, which also includes Akademiska Hus' sustainability report figures, is stated on page 104.

COMPLIANCE WITH LAWS AND REGULATIONS

No significant deviations, critical events, or issues were reported to the Board via the whistle-blowing system during the current or previous year.

Significant deviations refers in this context to an event for Akademiska Hus which may involve a legal penalty, fee or fines of greater monetary value and where whistle-blowing concerns person in key role or senior position.

The environmental risks in Akademiska Hus' property portfolio are considered to be minor and no fines were paid as a result of environmental fines.

PERMITS AND REPORTING REQUIREMENTS

A number of facilities within the Group require a permit or need to be reported to a supervisory authority in order to be used. These facilities have been reported and applications for permits (as required) were submitted to the supervisory authorities concerned and have been granted. The facilities in question are as follows: One facility for combustion technology research that requires a permit, and a number of facilities classified as subject to declaration with respect to energy production and sewer system.

EVENTS AFTER THE YEAR-END

Chairperson of the Board Anitra Steen announced that she intends to step down from this position in conjunction with Annual General Meeting in April. Otherwise no significant events occurred between the year-end and the date when the annual report is released.

FUTURE DEVELOPMENTS

Akademiska Hus has a project portfolio with approved and planned projects totalling approximately SEK 14,3 billion. The property portfolio is expected to increase by approximately SEK 7 billion in conjunction with new construction and redevelopment projects over the next three years. Net operating income will increase as new properties are completed and at the same time that we leverage our economies of scale and our digitalisation initiatives. Given our robust cash flow, the need for new financing is limited to approximately SEK 2 billion over the upcoming three-year period.

Financing

The economic trend has been surprisingly strong despite rapid and large interest rate hikes by central banks during the year, but a weaker economy is expected in 2023. Akademiska Hus has completed five bond issuances totalling approximately SEK 4,250 million during the year.

FINANCIAL MARKETS IN 2022

In 2022, the central banks raised interest rates at a rapid pace and in many cases additional rate hikes have been signalled. Moreover, interest rates may have to be kept at a high level for an extended period of time to curb the high inflation. Higher interest rates and high inflation are eroding the purchasing power of consumers and the willingness of businesses to invest. The economic slowdown is expected and, in combination with base effects, is expected to contribute to falling inflation rates in the US, the Eurozone and Sweden in 2023. However, uncertainty regarding the depth of the recession is great. For Sweden, with its large export sector, global developments are crucial. Moreover, many households are particularly exposed to high interest rate sensitivity, especially Sweden in an international perspective.

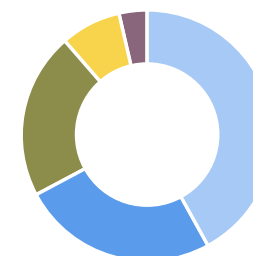
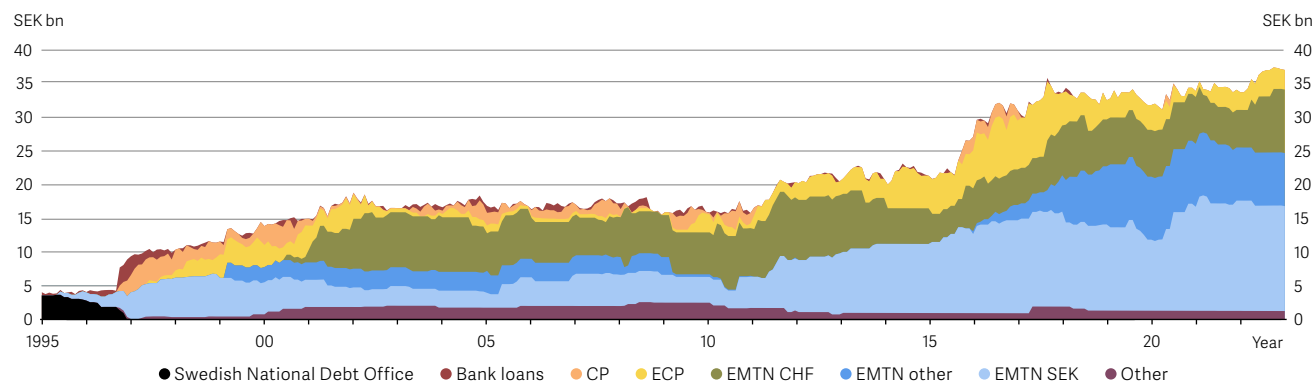
The major shift in monetary policy and the uncertainty in the geopolitical situation have contributed to volatile financial markets in 2022. Interest rates have risen sharply, which has also been a contributing factor to weak stock market performance and widening credit spreads. Challenges in the energy sector, especially in Europe, persist, and the highly volatile energy prices create uncertainty in inflation forecasts. How quickly and how much the inflation rate falls in 2023 is difficult to assess, but will be closely monitored by central banks and will have a major impact on developments going forward.

FINANCING IN 2022

Cash flow from operations has largely financed investments in the Akademiska Hus project portfolio of SEK 2,551 million. The dividend to the owner was SEK 2,484

million, and bonds maturing in 2022 amounted to SEK 1,250 million. During the year, Akademiska Hus has carried out a number of property sales that together equal a market value of SEK 714 million. During the year, properties also have been acquired at a value of 110 million. Demand for Akademiska Hus' bonds has been robust and five issuances for a total of approximately SEK 4,250 million were completed in Switzerland and Sweden. No issuances were carried out during the year under our green framework, and the outstanding volume of green bonds is therefore unchanged at SEK 3,000 million. The ECP programme continues to be Akademiska Hus' primary source of short-term funding, which is extremely cost-effective. Use of the ECP programme has decreased slightly during the year. The table on the next page presents the use of the financing programme at year-end.

Financing sources



Financing sources per 31 Dec. 2022, in %

- EMTN SEK, 42%
- EMTN other, 21%
- EMTN CHF, 25%
- ECP, 8%
- Other, 4%

Financing programmes and facilities	Rating Standard & Poor's	Framework 31 Dec. 2022	Utilised, nominal 31 Dec. 2022
Committed credit facilities in bank	—	SEK 6,000 m	—
Commercial paper	A1+/K1	SEK 4,000 m	—
ECP (Euro Commercial Paper)	A1+	EUR 1,200 m	EUR 339 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 4,000 m	EUR 3,294 m

The two Financing Sources diagrams on the previous page present the composition of financing sources based on investor residence, both over time and at year-end. The diagram below has the same breakdown but shows the maturity structure in the debt portfolio. The item "Other" mainly comprises the loan from the Nordic Investment Bank (NIB) on SEK 1 Billion from 2017.

Committed credit facilities in banks amount to SEK 6,000 million; all were unutilised at year-end. In addition, the facility with the European Investment Bank (EIB) of SEK 1,200 million for ten years remained unutilised at year-end. The credit facilities, bond issuances, quarterly rental payments and property sales contributed to excellent liquidity over the course of the year.

OUTLOOK FOR FINANCING ACTIVITIES IN 2023

Akademiska Hus expects to maintain its investment rate in its own project portfolio during the year, with an investment of approximately SEK 2,300 million, largely financed by the business's cash flow. Bonds maturing in 2023 amount to approximately SEK 3,500 million, parts of which were pre-financed in 2022.

Rising inflation led to a sharp rise in market interest rates during the year. For Sweden, with a large share of interest-sensitive households and businesses, higher interest rates may have a greater impact on economic activity than forecast, which may lead to earlier interest rate cuts in Sweden. However, a turnaround in monetary policy requires clear signs that the inflation rate is falling towards the two per cent target, and at present inflation forecasts are very uncertain.

FINANCIAL RISK MANAGEMENT

Exposure to financial risks is based on the capital structure with the distribution between loans and equity. Higher indebtedness entails greater exposure to financial risks. One of the owner objectives for Akademiska Hus reflects this by requiring the equity ratio to fall within a range of 35 to 45 per cent.

The main financial risks that the debt management policy addresses involve exposure to interest rate and refinancing risk. Normally, financial markets price in long-term fixed interest periods and maturities at higher risk premiums. The objective of debt management is therefore to balance the additional costs of long-term fixed interest periods and maturities, and thus limit uncertainty, against savings of more short-term fixed interest periods and maturities, where greater uncertainty is accepted. Interest rate risk at Akademiska Hus is largely being managed through interest derivatives, mainly in order to lengthen duration.

The liability portfolio is allocated as follows:

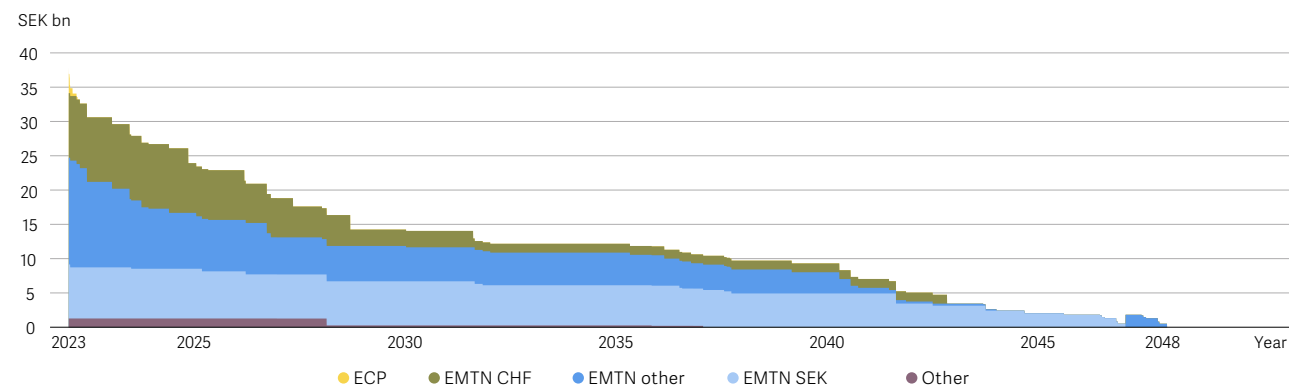
- Basic portfolio – ECP, commercial papers, loans, bonds and interest rate derivatives.
- Long-term portfolio – bonds denominated in SEK with both fixed interest and maturity terms longer than 15 years.

Currency risk is not permitted when financing is denominated in a foreign currency; this is managed through currency derivatives or currency interest rate derivatives where the foreign financing is swapped at a floating interest rate in SEK. These loans are thus included in the basic portfolio.

FINANCIAL STRATEGIES AND OBJECTIVES

Akademiska Hus pursues active debt management, where the strategy is to weigh up the financial risks, given the existing mandate, against the desired low and stable financing cost over time. Akademiska Hus has had a long-term rating of AA with stable outlook from Standard & Poor's since 1996. Financing takes place mainly through well-established public financing programmes, primarily through the EMTN and ECP programmes. Building on a strong financial position, creditworthy tenants and extremely good ratings, the debt management objective is to continuously achieve well-diversified access to cost-effective financing in relevant markets.

Long debt maturity structure



FINANCE POLICY

The Finance Policy is adopted each year by the Board of Directors and serves as an aid to debt management. It describes the long-term strategic orientation, the Group's approach to financial risks and the mandate to handle these risks, as well as the allocation of liability. The mandate is reviewed annually or more frequently, when necessary. External changes may cause the mandate to be adjusted to reflect the assessment of risks and opportunities in the financial markets. The approach ensures that the mandate is always relevant and carefully considered. The mandate for the debt portfolio is presented in the Risk section on page 48. The table on the right shows the mandate with outcome at year-end.

INTEREST RISK

The bonds in the long-term portfolio contribute to an extremely long fixed interest period and account for a significant portion of the interest rate risk exposure in the total portfolio. One of the mandates for interest rate risk therefore relates to the proportion of the total portfolio that the long-term portfolio may constitute.

Interest rate risk is primarily managed in the basic portfolio and the mandate is defined as a time interval for average duration, expressed in years. The choice of fixed interest period in the basic portfolio and the size of the long-term portfolio are of great importance for interest rate risk exposure in the liability portfolio. The average fixed interest period in the total portfolio was reduced during the year, but it is still relatively long, which helps to safeguard the stability of the total cost of financing over time.

The index-linked bonds entail diversification of the liability portfolio and can be justified because rental revenue from property operations is largely tied to inflation. The index-linked bonds have a separate mandate related to their share of the total portfolio.

REFINANCING RISK

The mandate for refinancing risk is defined as the share of loans maturing within 12 months. The mandate was 35 per cent during most of 2022, but was adjusted down to 30 per cent in December to further reduce the risk. To manage refinancing risk, the aim is to establish a well-diversified liability portfolio to ensure that it is possible at any time to finance through various creditor categories, geographic markets, currencies and maturities. Akademiska Hus' long-term bond issuances have contributed to a good distribution of maturities over an extended period of time. The diagram shows how the maturity in the liability portfolio and the share of maturities within 12 months have evolved over time.

Financial risks	Mandate	Outcome 31 Dec. 2022
Refinancing risk		
Portion of debt maturing within 12 months	Max 30% of total portfolio	17.4%
Interest risk		
Average fixed interest, basic portfolio	3–6 years	3.8 years
Proportion long-term portfolio	Max 20% of total portfolio	12.6%
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 period in total portfolio



Average maturity and portion of debt maturing



Property valuation

Akademiska Hus' property holdings have been internally valued at SEK 115,371 million as of 31 Dec. 2022. Our process for internal assessment of the property portfolio's market value follows good market practice in the property industry. Advice and external valuations from qualified valuation professionals support the reliability of internally assessed market value.

VALUATION METHODS

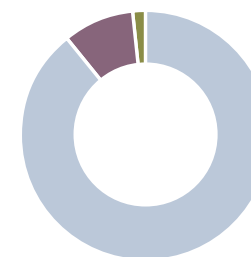
The market value of Akademiska Hus' property portfolio is assessed quarterly using the cash flow method and/or the sales comparison approach. Under the cash flow method, a property is valued based on the sum of forecasted net operating income during a set period, as well as the residual value of the property after the end of the calculation period. Forecasted net operating income and residual value are restated to reflect the value at the beginning of the calculation period, that is, the present point in time. The factor used to restate cash flows is called the cost of capital and is determined based on estimated yield requirement and expected inflation. The yield requirement is a key measure of risk in the property industry and reflects the return an investor could demand for a property on an open and transparent transaction market at a specific point in time. Valuation with the sales comparison approach uses key figures from known transactions where comparable properties have been sold.

Akademiska Hus' valuation process complies with good market practice in the property industry and the cash flows and yield requirements that are used are justified based on both property-specific and industry-specific conditions. Rental revenue is calculated based on current leases and an assessment of market rent level is made after the term of the lease has expired. Operating costs are estimated based on the normalised historical outcome of each property, while maintenance costs and property administration costs are assessed based on actual costs and key figures for the industry. Each year Akademiska Hus

allows the yield requirement, cost of capital and other valuation conditions to be verified by external independent valuation agencies.

As of 31 Dec. 2022, the market value of Akademiska Hus' property portfolio was SEK 115,371 million. Approximately SEK 103,084 million or 89 per cent of the value was assessed through a ten-year cash flow model where yield requirements and cost of capital are determined using 156 different risk classes based on location, remaining lease term and type of premise. For approximately SEK 10,718 million or nine per cent of the property holdings, primarily new construction and properties under construction, the calculation period and yield requirement have been permitted to vary on an individual basis to reflect specific conditions. Expansion reserves (building rights and raw land) comprise approximately SEK 1,569 million or 2 per cent of the portfolio and are valued according to the sales comparison approach based on external valuations from qualified valuation professionals.

To verify the internal valuation, approximately 25–30 per cent of the property holdings are also valued each year by external valuation professionals. Different types of properties are selected for this external valuation. During the year, properties with a combined value of approximately SEK 30,816 million, corresponding to approximately 27 per cent of Akademiska Hus' total market value as at 31 Dec. 2022, were valued by external professionals. The valuations were carried out by Svefa AB, which is authorised by the Swedish Society of Real Estate Economics. The external valuations confirm the reliability of our in-



Distribution valuation methods, in %

- Cash flow method, 89%
- Other valuation method, 9%
- Sales comparison approach (expansion reserve), 2%

ternal valuation model. All property valuation includes elements of assessment that have a certain degree of uncertainty. A normal uncertainty range in property valuation is +/- five to ten per cent, which for Akademiska Hus would be equivalent to +/- approximately SEK 5,769 million to SEK 11,537 million. Read Note 13 on page 79 for a more detailed description of Akademiska Hus' valuation process.

RESIDUAL VALUE RISK

Akademiska Hus is active in the market for premises for higher education and research. The majority of our premises consist of offices and classrooms, which have a low degree of customisation. However, certain premises require a higher degree of customisation, such as laboratories and other technologically advanced premises. These spaces are often designed for a specific tenant, and may require significant investments to modernise or possibly to repurpose the premises in case a tenant chooses to leave after the end of the contract period. The residual value risk for customised properties is quantified through charges in estimated cash flow and direct yield requirements.

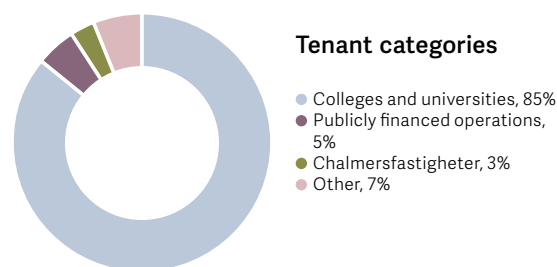
Long-term contracts with creditworthy tenants

The majority of Akademiska Hus' revenue, approximately 93 per cent, comes from colleges and universities, as well as publicly financed activities. Since they are essentially government agencies, this customer group has the highest credit rating.

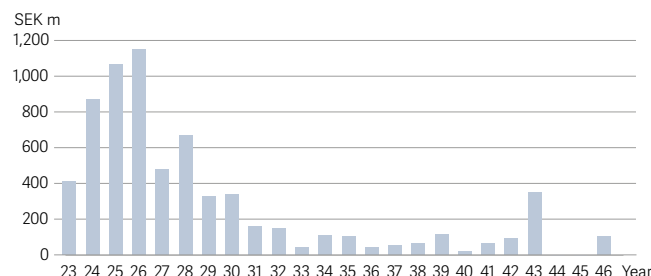
Long leases ensure that investments are repaid during the term of the lease. The average lease term for all contracts was 10.2 years (10.4) at year-end. At the end of the year, the average remaining lease term was 6.1 years (6.2). Currently, government approval is required for a public university or college to sign a lease with a term that is longer than ten years.

LOW VACANCY RATE

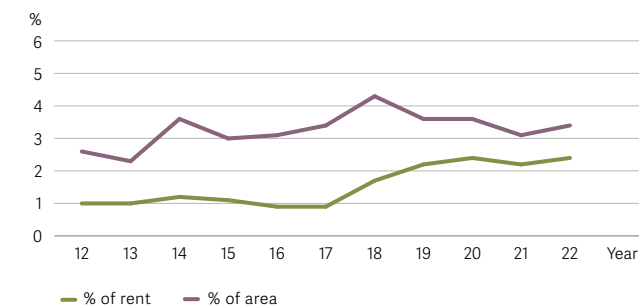
The rentable area of the property portfolio at year-end was approximately 3.4 million square metres with a vacancy rate of 3.4 per cent (3.1), which corresponds to 117,000 square metres (115,000). The financial vacancy rate accounts for 2.4 per cent (2.2) of our total rental revenue, which corresponds to SEK 170 million (150). Discussions with potential tenants are underway at several centres of education, mainly the Solna and Frescati campuses. The vacancy rate is low compared with the sector at large, since leases are usually signed before new projects can begin. We work proactively to facilitate new rentals and thereby minimise the financial vacancy rate, which may entail adaptations and investments in existing premises.



Maturity structure on leases



Vacancy rate



Average remaining lease term



10 largest customers, annual rent, 2022	SEK m	%
Royal Institute of Technology	751	10.9
Karolinska Institutet	735	10.7
Stockholm University	685	10.0
Lund University	668	9.7
Uppsala University	644	9.4
University of Gothenburg	382	5.6
Swedish University of Agricultural Sciences	358	5.2
Linköping University	328	4.8
Umeå University	297	4.3
Chalmersfastigheter AB	199	2.9
Total	5,047	73.5

Risks and risk management

By being aware of our risks, we can prevent and manage them, which will contribute to long-term value creation in which both opportunities and risks are taken into account. Risk management comprises an integral component in our operations management and we take a structured approach to identifying risks that can affect our ability to achieve our goals.

RISKS AND OPPORTUNITIES

A well-balanced approach to risk management increases the opportunities for reaching the goals of our business and the prospects for taking advantage of available business opportunities. Risks linked to climate change continue to be a priority area. Partly how the changing climate affects our properties and partly how we can reduce the negatives of our own business environmental and climate impact. Changes in working methods, driven by digital developments and the needs of our customers to improve the efficiency of their premises, increase the risk of vacancies, but at the same time technology developments provide opportunities to expand the service offering to our customers and make our property management more efficient. For this to be possible, we need to adopt new technology and adapt our operations, which means that we must have the right skills to do so. Furthermore, digital developments require us to constantly develop our information and cyber security work.

Just as for society at large, we need to address the feared risk of power shortages in the electricity grid and the consequences this could have for us and our customers. Another area of focus is the general trend of rising prices for building materials and the risk of material shortages, along with the impact this can have on our construction projects. These are some of the risks that are described in greater detail on the next page. A number of industry-specific risks that we need to constantly relate to as property owners and borrowers in the financial market are also presented.

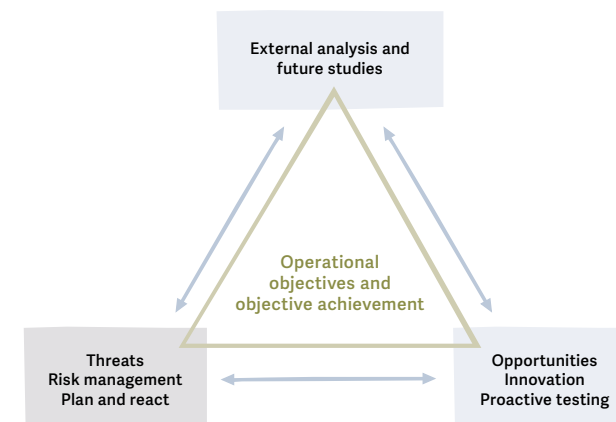
STRUCTURED RISK MANAGEMENT ON MULTIPLE LEVELS

Risk management occurs on several levels in the company and involves employees from all units. Using the company's goals and strategy as a point of departure, Executive Management identifies risks on a company-wide level. The risks are assessed based on the probability that they will occur and the consequences they would have; both of these parameters are then weighted together to achieve a risk level. The risks that are considered to be the most significant are taken into account in the business plan, which is adopted by the Board.

Executive Management is responsible for formulating measures and ensuring that risks are managed. On a unit level, analyses are carried out to identify risks that could significantly impact the ability of the unit to achieve its goals, after which they are assessed in a similar manner as company-wide risks.

The risk analysis results are taken into account in the operational plan of each unit, where planned measures for managing the material risks must be specified. The head of each unit is responsible for ensuring that proposed measures are carried out. Risk management at Akademiska Hus is coordinated and monitored by a risk management group that includes employees from different parts of operational support. The following section describes our material risks, broken down into strategic, operational, compliance and financial risks.

Risk management – part of a whole



Strategic risks

Strategic risks stem from factors in our environment that are wholly or partly outside our direct control and influence.

DESCRIPTION	ANALYSIS	MANAGEMENT
POLITICAL DECISIONS Risk that the premises for the operation could change as a result of political decisions.	Akademiska Hus' operations are affected by Government policies in general and education policy in particular. A change in policy could affect the conditions for and focus of the operation.	<ul style="list-style-type: none"> Active business intelligence. Close dialogue with the owner. Close dialogue with decision-makers and authorities.
PACE OF DEVELOPMENT Risk of reduced competitiveness if we fail to develop our operations and value proposition at a sufficient pace.	The accelerating pace of technological development and digitalisation has changed the premises for the property industry. These developments create new needs for our customers while enabling more efficient working methods and processes. Continuing to translate technological developments and innovation at a sufficiently rapid pace into both customer offerings and internal processes is essential for securing a continued competitive advantage.	<ul style="list-style-type: none"> Development of data-driven working methods and optimisation of our core processes as part of the company's digital transformation. Continued focus on innovation projects, test beds and research collaboration with our customers.
SPECIALIST EXPERTISE Risk of inability to deliver on established strategies and goals due to a lack of the correct expertise for projects.	In a rapidly changing world, accelerating digitalisation and technology development, as well as growing customer demands entail a need for new knowledge. We must therefore continually ensure that our employees have the right skills and expertise for their jobs. In our customer offering, we want to contribute cutting-edge and specialist skills and it is therefore essential to identify and develop the unique competencies required.	<ul style="list-style-type: none"> Identification of critical key and leading-edge competencies. Ensure the right skills through appraisal assignments. Development and recruitment strategy to ensure critical key and leading-edge competencies. Targeted training initiatives within the framework of the Akademiska Hus internal education platform.
VACANCIES Risk of increased vacancies because customers have new methods of working and changing needs with respect to premises.	The use of premises by higher education institutions is changing over time at an accelerating pace. If we cannot convert our premises to meet future needs with respect to other types of premises, more efficient use of premises, or more flexible solutions for premises and business models, there is a risk of increased vacancies and thus an impact on property values and financial performance.	<ul style="list-style-type: none"> Ongoing dialogue with customers regarding future needs for premises, as well as improved efficiency and optimisation of premises. Flexible premises that can be adapted based on changing needs. Ongoing analysis of the property portfolio for proactive future-proofing of property values. Regular monitoring of demand, business models and the need for premises.
CLIMATE CHANGE Risk of negative impact, both physically and financially, on our properties and campuses due to changes in the climate.	Climate change may result in property damage. This may require adaptation of the properties and lead to an increased need for investments in both existing properties and new construction, as well as surrounding land. Risks and costs associated with restructuring may arise as an effect of the transition to a society with demands for lower carbon dioxide emissions.	<ul style="list-style-type: none"> Continuous updating of technical requirements for construction to ensure reasonable redundancy in the face of a changing climate. Identification of risks related to climate change and extreme weather, as well as development of action plans for high-risk buildings. Investments are subject to climate risk analysis according to the EU taxonomy. Climate change is included as a parameter when developing campus plans.
MARKET VALUE OF THE PROPERTIES Risk that our financial position is affected as a result of change in the market value of the properties.	The market value of properties is based on both external and internal factors such as market trends, yield requirements, cost of capital, vacant space and rent trends. For Akademiska Hus, changes in the market value of the properties are rarely realised, for which reason the company's liquidity usually is not affected. However, this can have an impact on reported profit, which can therefore show large variations and also affect our financial position.	<ul style="list-style-type: none"> Business intelligence. Regular analysis of the risk profile of the property portfolio. Concentration of the property holdings to strategic cities provides good development potential. A large share of the property portfolio is located in cohesive campuses. Primarily long-term contracts.
OPERATION AND MAINTENANCE Risk of increased operating and maintenance costs, as well as unforeseen repair and maintenance costs.	Operating and maintenance costs are affected by factors such as electricity and water consumption, as well as price trends for goods and services. Increased costs not compensated by e.g. increased rental revenue or re-invoicing; and unforeseen maintenance and repair expenses can negatively impact financial performance and the market value of properties.	<ul style="list-style-type: none"> Improve systematic supervision to become more proactive regarding inspection, care and maintenance. Long-term planned maintenance plans including status inventory. Structured energy optimisation, which also takes place in collaboration with the customer.

Operating risks

Operating risks are risks that arise in our day-to-day operations and that we can largely influence through our internal processes, working methods and corporate culture.

DESCRIPTION	ANALYSIS	MANAGEMENT
CLIMATE AND ENVIRONMENTAL IMPACT Risk of a negative impact on the climate and the environment as a result of our business.	Our operations affect the climate and the environment both locally and globally. Both construction and property management are associated with heavy consumption of resources such as materials and energy. New construction often occurs on undeveloped land and sometimes also affects green spaces.	<ul style="list-style-type: none"> Roadmap towards climate neutrality with action plans in steps. Climate budget identifying maximum allowable emissions and calculating climate reduction targets and the carbon footprint of major construction projects. In the early stages, we will evaluate customer needs and look for effective solutions and alternatives to new construction. All new construction and major renovation projects meet environmental certification standards. Adapting our technical platform for climate-resilient construction.
POWER SHORTAGE Risk of significant impact on customers' operations if prolonged power outages occur.	Just as for society at large, we need to address the generally feared risk of power shortages in the electricity grid. Prolonged power outages could have a significant impact on our customers' operations and also lead to short-term, sub-optimal solutions for both the climate and operations.	<ul style="list-style-type: none"> Concrete action plans for each campus for short and long term measures in the event of a power shortage. Proposed measures to support customers in managing their remit to implement "Energy-saving measures in public administration". Evaluation of opportunities to redirect loads to other options in a shortage situation.
ABILITY TO DELIVER Risk that our core delivery is not, or is not perceived to be, of sufficiently high quality due to inadequate customer focus in our working methods and our value proposition.	In order to improve deliverables to the customer, we increase our customer focus so that it permeates the entire organisation. We also need to increase our collaboration and dialogue with customers. The risk also includes our ability to coordinate our deliverables so that the customer experiences seamless delivery from Akademiska Hus.	<ul style="list-style-type: none"> Continued focus on strong coordination of our collective deliverables to customer. Implementation of common customer service function. Focus on increased strategic collaboration with customers.
SHARPLY RISING CONSTRUCTION PRICES AND MATERIAL SHORTAGES Risk that construction projects cannot be carried out due to higher construction prices and uncertainty in the supply of materials.	All construction projects have a degree of uncertainty related to cost and time. However, recent material shortages and sharp increases in construction prices have made this uncertainty more difficult to manage. If there is uncertainty as to whether profitability or a critical point in time will be reached, there is a risk that projects will need to be stopped or will not be able to start.	<ul style="list-style-type: none"> Increased focus on costing. Optimised design process. Increased focus on experience feedback. More planning prior to procurement to reduce uncertainties.
INFORMATION AND CYBER SECURITY Risk that information is lost, winds up in the wrong hands, or is not available due to shortcomings in our information and cyber security.	The importance of clear and developed structures and procedures for ensuring a good standard of information and cyber security increases in pace with digitalisation. Inadequate internal procedures or insufficient protection entail a risk of sensitive information being lost, falling into the wrong hands, or not being available when it is needed, which could have serious consequences and damage trust.	<ul style="list-style-type: none"> Common vision for information security. Information security policy established by the Board of Directors. Uniform model for information classification. Ongoing activities to develop and strengthen technical protection, processes and working methods. Training to increase and maintain skills and security awareness.
SECURITY WORK Risk that we fail to live up to customer expectations regarding coordination and handling of security issues.	Swedish centres of education are known for openness but they have focused on security issues for the past few years. We must address these issues with the appropriate expertise and work proactively and systematically, together with our customers.	<ul style="list-style-type: none"> Common model for systematic crisis management in the company at both the central and local levels. Strengthened cooperation on campus with customers and adoption of a common vision and continuous work on security issues. Incorporate security issues as a natural part of work with campus plans.
UNETHICAL BEHAVIOUR – EXTERNAL PARTY Risk of financial consequences and damaged trust as a result of unethical behaviour among external parties with a link to Akademiska Hus.	Improper or unethical behaviour such as substandard working conditions, corruption or negative environmental impact involving a supplier, subcontractor or other external party linked to Akademiska Hus could have a negative impact on our entire business. This risk also includes the possibility that an external party could commit a crime against Akademiska Hus.	<ul style="list-style-type: none"> Systematic supplier reviews. Ongoing monitoring of suppliers regarding matters such as taxes, fees and creditworthiness. Ongoing work with requirements for and follow-up of our suppliers throughout the procurement process. Code of Conduct for suppliers.

Compliance risks

Compliance risks address how we, as a company and as individual employees, comply with laws as well as external and internal regulations.

DESCRIPTION	ANALYSIS	MANAGEMENT
UNETHICAL BEHAVIOUR – INTERNAL PARTY Risk of financial consequences and damaged trust as a result of employees who do not comply with applicable laws, as well as internal and external regulations.	Unethical behaviour can have major negative consequences for Akademiska Hus, both financially and in the form of damaged trust in relation to our owner, customers and other participants. Theft, accepting bribes, or using a supplier's dependence on Akademiska Hus for private advantage are examples of unethical behaviours that are not permitted.	<ul style="list-style-type: none"> • Ethics Council. • Code of Conduct. • Guidelines for business ethics. • Online training linked to the internal training platform. • Clear information on current regulations as part of the new employee introduction process. • Continual work on values and corporate culture. • Whistle-blower system.

Financial risks

Financial risks are primarily the specific risks that can be derived from our financing activities. The Board of Directors determines our approach to financial risks and mandate for their management through the Finance Policy.

DESCRIPTION	ANALYSIS	MANAGEMENT
INTEREST RISK Risk that profit will vary because of changes in market rates.	In our capacity as a borrower, fluctuations in market interest rates can have a substantial impact on financial performance. The additional cost associated with long-term fixed interest period needs to be balanced against the increased uncertainty associated with a short-term fixed interest period.	<ul style="list-style-type: none"> • Interest risk is managed through the mandate for the fixed interest period and comprises three parts: <ul style="list-style-type: none"> – The long-term portfolio may not exceed 20 per cent of the total portfolio. – Index-linked bonds may not exceed 5 per cent of the total portfolio. – The average fixed interest period of the basic portfolio shall be in the range of 3–6 years.
REFINANCING RISK Risk that it will be more difficult or more expensive to obtain financing.	In our capacity as a borrower, it is crucial to ensure access to the financing market. In a situation where financial markets are not in balance and functionality is inadequate, financing can be more difficult and considerably more costly. When deciding on financing, the additional cost of long-term maturity needs to be balanced against the increased uncertainty associated with short-term fixed maturity.	<ul style="list-style-type: none"> • Refinancing risk is managed through a mandate for maturity, expressed as the proportion of loans maturing within each twelve-month period may not exceed 30 per cent of the total portfolio. • Aim for cost-effective and well-balanced diversification of the debt portfolio.
COUNTERPARTY RISK The risk of financial consequences associated with failure of a counterparty to meet its undertakings.	Akademiska Hus' exposure to counterparty risk arises from investment of excess liquidity and from derivative transactions when surplus/deficit values arise.	<ul style="list-style-type: none"> • Exposure to counterparty risk is managed by imposing a limit based on ownership circumstances, ratings and the term of the commitment. • In derivative transactions, supplementary agreements to International Swaps and Derivatives Association (ISDA) agreements, known as Credit Support Annex (CSA) agreements, are required, thereby substantially reducing exposure.
FOREIGN CURRENCY RISK Risk that financial performance will vary as a result of exchange rate changes.	Akademiska Hus' financing is denominated in part in foreign currency, for which reason exposure to foreign currency risk arises.	<ul style="list-style-type: none"> • When financing in a foreign currency, foreign currency risk must be eliminated. Exchange rate hedging is carried out using forward rate or currency interest rate swap agreements.

Sensitivity analysis, see page 65, Note 3 on page 75 and Note 13 on page 80.

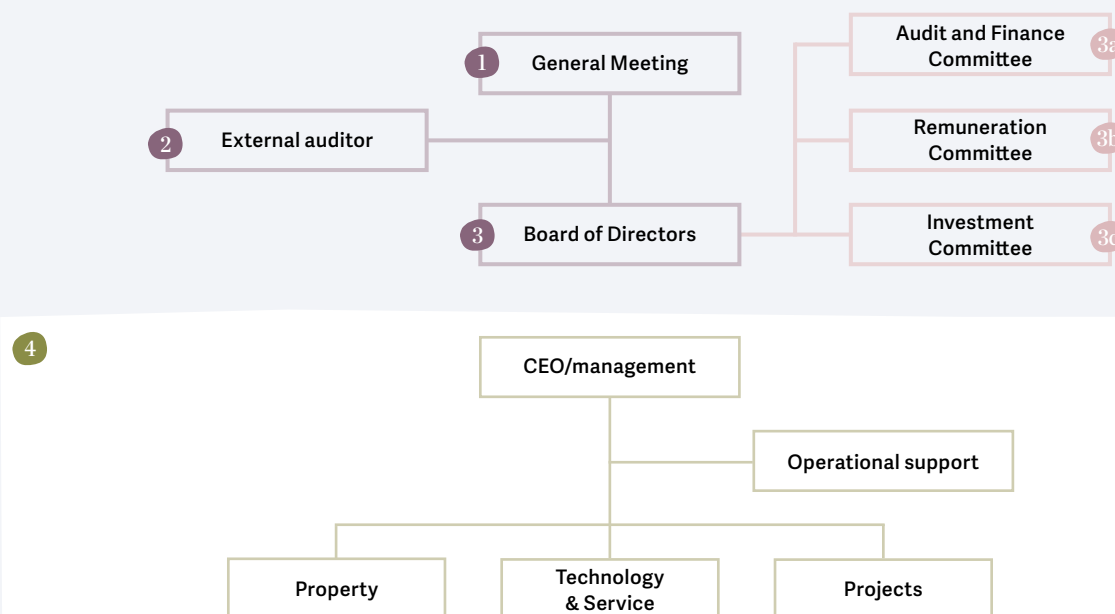
Corporate Governance Report

This corporate governance report describes the structure and principles for governance of operations at Akademiska Hus to achieve the vision of strengthening Sweden as a nation of knowledge. With a well-supported strategy and clear allocation of responsibility between different Company bodies, the operation is efficiently governed to guide us towards our goals.

FOUNDATIONS OF CORPORATE GOVERNANCE

Akademiska Hus AB (publ) is a property company that is wholly owned by the Swedish state and has been managed by the Ministry of Enterprise and Innovation, but has been managed since the turn of the year 2022/2023 by the Ministry of Finance. The company bases its corporate governance on the application of Swedish law, the State's ownership policy and principles for companies with state ownership, the Swedish Code of Corporate Governance (the Code), Akademiska Hus mission and the Articles of Association. Because the company is wholly owned by the Swedish state, certain provisions of the Code do not apply, as it is primarily written for businesses with diversified ownership. Deviations from the Code are described on page 55.

ORGANISATIONAL STRUCTURE



Akademiska Hus Assignment

Akademiska Hus is to own, develop and manage properties for colleges and universities, where the primary focus is on education and research. Operations will be run on a commercial basis and generate a yield that is in line with the market by setting rents that take into account the operating risk.

Akademiska Hus will work to assure the long-term, sustainable 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.

1 GENERAL MEETING

The General Meeting is the highest decision-making body at Akademiska Hus. The shareholder exercises influence at the General Meeting. In addition, the General Meeting appoints the Board of Directors and auditor. According to the State's ownership policy, the Annual General Meeting (AGM) must be held before 30 April each year. Notice of General Meetings shall be published no earlier than six weeks and no later than four weeks prior to the Meeting in Post- och Inrikes Tidningar, as well as on the company's website. Members of the Swedish Parliament (the Riksdag) and the public have the right to participate and must register their participation as described in the notice.

Annual General Meeting 2022

The Annual General Meeting was held on 28 April 2022. The public had been given the opportunity to participate in the meeting. The meeting was opened by Chairperson of the Board Anitra Steen, who was also appointed to chair the proceedings. The owner is represented by Matilde Abejon, Ministry of Enterprise and Innovation.

Decisions at the 2022 Annual General Meeting

The Annual General Meeting adopted the income statement and Statement of Financial Position for the 2021 financial year and discharged the Board of Directors and the CEO from liability for the year. The AGM approved the Board's proposal for profit distribution, which entails a dividend of SEK 2,484 million to the owner. Other matters addressed included the resolution that the State's ownership policy, which also includes the Government's principles for corporate governance, remuneration and other terms of employment for senior executives, as well as external reporting in companies with state ownership, shall apply to Akademiska Hus. The meeting also adopted principles for remuneration for senior executives and remuneration report, resolutions on fees to the Board of Directors and committees, as well as election of the Chair of the Board and Board members, as well as the auditor. The minutes and other documents related to the AGM are posted on the Akademiska Hus website akademiskahus.se.

Annual General Meeting 2023

The next Annual General Meeting will be held on 26 April 2023 in Stockholm.

2 AUDITORS

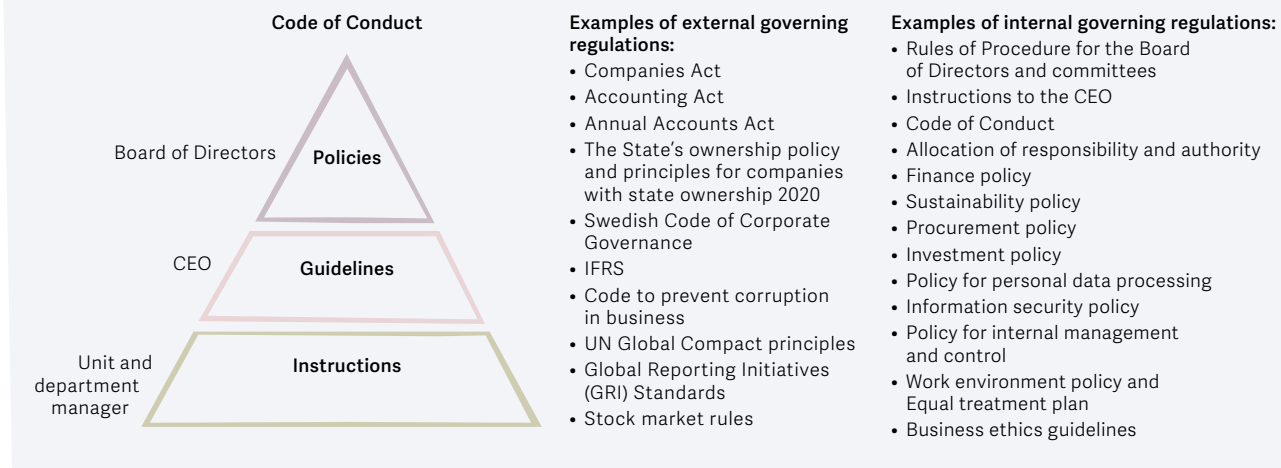
The 2022 AGM resolved to elect Öhrlings PricewaterhouseCoopers AB (PwC) to serve as auditors, with Helena Ehrenborg as lead auditor, for a one-year period until the 2023 AGM. The auditors perform a limited review of the interim report as at 30 September and audit the annual and consolidated accounts. They also conduct a management audit, a limited review of the sustainability report, a review of the EMTN prospectus and an assessment of compliance with our framework for green bonds. In addition, the auditors express their opinions of this corporate governance report and whether Akademiska Hus complies with the adopted principles for remuneration to senior executives, and submit their statements to the meeting. Every year the auditors review their audit plan and risk assessment with the Audit and Finance Committee. The auditors participate in at least two committee meetings per year. Each year the auditors attend at least one meeting with the Board of Directors that is not attended by the Executive Management.

Akademiska Hus has no internal audit function. Instead, the management allocated dedicated resources tasked with developing and strengthening the area of internal management and control where the Audit and Finance Committee receives regular feedback on the work. Consequently, the Board's assessment is that no internal audit function is needed. The decision is addressed annually to be considered once again.

3 BOARD OF DIRECTORS

The Board of Directors is responsible for the organisation and for management of the affairs of the company. The Board of Directors convenes the Annual General Meeting. The work is based on the Rules of Procedure adopted annually by the Board of Directors, which determines the allocation of work among the directors, the number of regular Board meetings, matters to be addressed at regular Board meetings and the responsibilities of the Chairperson of the Board. The division of responsibilities between the Board and the CEO is regulated by special instructions to the CEO. In addition, the Rules of Procedure are adopted annually for each of the Board's committees. The Board of Directors is responsible for decision-making and monitoring the company's impact on the environment, people and the economy. No special committee has been appointed for these issues. The Board has also adopted the

GOVERNANCE STRUCTURE



“Instructions for financial reporting” to regulate financial reporting procedures to the Board.

Nomination process

Directors of state-owned enterprises are appointed through a structured nomination process with common uniform principles as outlined in the State ownership policy and principles for companies with state ownership. These principles replace the rules in the Code for preparation of decisions for nomination of Directors and auditors. The Board nomination process is co-ordinated by the department for companies with state ownership at the Ministry of Finance. A consistent and structured approach ensures a high standard of quality throughout the nomination process. The view of participators and the independence of Board members are taken into account in the nomination process. The need for skills is analysed based on the company’s operations, situation and future challenges, the composition of the Board and assessments of the Board. Particular emphasis is placed on expertise relating to the company’s sustainability impact. The owner’s expectation for diversity on the Boards of Directors under the ownership policy is also observed. Upon completion of the process nominations are announced in accordance with the Code.

Composition of the Board of Directors

According to the Articles of Association, the Board of Directors for Akademiska Hus shall consist of a minimum of three and a maximum of ten Directors elected by the Annual General Meeting, with no deputies. Until the 2022 AGM, the Board consisted of eight Directors elected by the AGM. The Annual General Meeting on 28 April 2022 resolved that the Board should have eight members elected by the AGM. In addition, the Board includes two employee representatives designated by their respective trade unions. Five members were re-elected and three new members were elected to the Board at the Annual General Meeting. The Annual General Meeting concluded that the Board of Directors has the skills, experience and background for governance of the company, as well as an appropriate composition, characterised by the diversity and breadth, in light of Akademiska Hus’ activities, stage of development and relationships in general. None of the members of the

Board of Directors of Akademiska Hus is employed as a senior executive in the company. The Board’s employee representatives are not independent in relation to the company and management. The Board member who is employed by the Government Offices is not independent in relation to the company’s shareholder. All of the other Board members are independent in relation to the company, management and the owner.

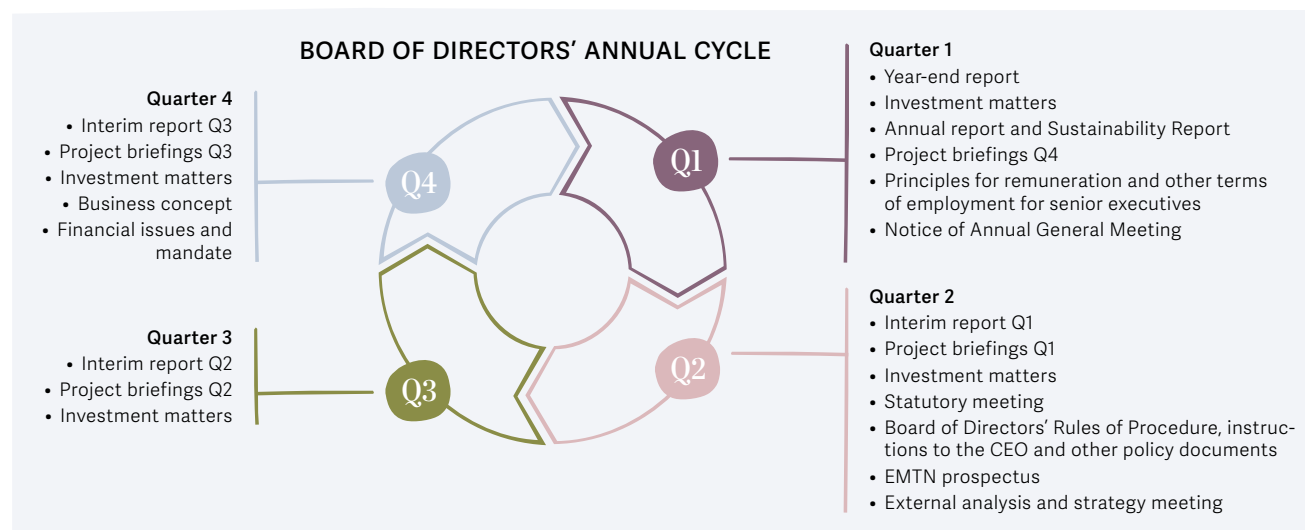
Work of the Board of Directors in 2022

In its Rules of Procedure the Board set a schedule for information and decisions during its work year that essentially follows the Board’s annual cycle (see below). At all Board meetings during the year the CEO presents a report on significant events involving the company and the respective committee chairs present reports from the committee meetings that were held between Board meetings. During the year, the Board focused in particular on issues concerning customer dialogues, digitalisation and risk. Internal issues such as energy and the company’s climate goals have been addressed with a mix of skill-building elements and decisions. In addition, a number of investment matters were addressed. In 2022, ten regular Board meetings were held, including one statutory meeting. To inform and update

members about its activities, some Board meetings are usually held at the centres of education that are Akademiska Hus customers and combined wherever possible with meetings with the leadership of these institutions. In 2022, one such meeting was held. The attendance at the meetings by the members of the Board of Directors is presented in the table below.

Board of Directors	Presence/Total number of meetings
Anitra Steen, chair	10/10
Anders Larsson *	3/10
Christer Nerlich	10/10
Erik Sandstedt	10/10
Peter Gudmundson	10/10
Robin Teigland *	3/10
Svante Hagman *	3/10
Örjan Wikforss	9/10
Håkan Stenström **	6/10
Mariell Juhlin **	7/10
Mariette Hilmersson **	6/10
Sofi Sonesson	10/10
Josef Mård ***	6/10

*Left the Board of Directors during 2022 **Elected at the 2022 Annual General Meeting
***Employee representative, beginning April 2022



BOARD COMMITTEES

The Board has established three committees to specifically monitor and prepare Board issues within their respective focus areas. Committee members are elected at the statutory Board meeting held immediately after the AGM. Representatives of the business such as the CEO, CFO, Human Resources Director, Facilities Manager and Project Manager may participate at committee meetings in the capacity of presenters.

- 3a** The primary duties of the Audit and Finance Committee are as follows:
- Support and follow up financing activities.
 - Prepare matters to be decided by the Board, including the Finance Policy.
 - Monitor the company's financial reporting and ensuring that it maintains a high standard of quality.
 - Regarding the financial statements, monitor the efficiency of the company's internal control systems and risk management.
 - Meet regularly with the company's auditors to learn about the scope, focus and results of the audit.
 - Remain informed about the audit of the annual accounts and the consolidated accounts.
 - Establish guidelines for non-audit services that may be procured from the company's auditors.
 - Prepare proposals for the election of auditors at the Annual General Meeting.

In 2022, the focus was on property valuation, internal control, information security and risk management. Moreover, discussions were conducted relating to performance measures and sustainability reporting. The attendance at the meetings by the members of the Board of Directors is presented in the table below.

Audit and Finance Committee	Presence/Total number of meetings
Christer Nerlich, chair	8/8
Peter Gudmundson	8/8
Erik Sandstedt	8/8

- 3b** The primary duties of the Remuneration Committee are as follows:
- Prepare decisions regarding terms and conditions for salaries and employment for the CEO and senior executives.
 - Formulate proposals for guidelines for remuneration and other terms of employment for the CEO and other senior executives.
 - Monitor and evaluate the application of the principles for remuneration to senior executives prior to adoption by the AGM.
 - Serve as advisory body to the CEO regarding succession planning and appointment of senior executives.
 - Propose appropriate employment contract templates for senior executives to the Board of Directors.

In 2022, the Remuneration Committee handled follow-up of the CEO's work, remuneration for senior executives, remuneration planning and follow-up of HR activities. No remuneration consultant was engaged when formulating proposals for guidelines for remuneration and other terms of employment for the CEO and other senior executives. The attendance at the meetings by the members of the Board of Directors is presented in the table below.

Remuneration Committee	Presence/Total number of meetings
Anitra Steen, chair	3/3
Erik Sandstedt	3/3

- 3c** The primary duties of the Investment Committee are as follows:
- Prepare and analyse proposals for major investments prior to decisions by the Board of Directors.
 - Monitor and analyse the company's reporting of major projects in progress.
 - Assist Executive Management with development of documentation for decision-making for major investments.

In 2022, the focus continued to be placed on sustainability, with clear consideration given to the choice between not building, remodelling and as a last resort, new construction. The attendance at the meetings by the members of the Board of Directors is presented in the table below.

Investment Committee	Presence/Total number of meetings
Svante Hagman, chair *	2/6
Håkan Stenström, chair **	4/6
Robin Teigland *	2/6
Örjan Wikforss	6/6
Mariell Juhlin **	4/6
Mariette Hilmersson **	3/6

*Left the Board of Directors during 2022 **Elected at the 2022 Annual General Meeting

Evaluation of the work of the Board and the CEO

The Board of Directors conducts an annual evaluation of the work of the Board and the CEO. The evaluation takes place either internally or externally with the aim of developing the working forms and efficiency of the Board of Directors. The results of the evaluation are presented to both the Chairperson and the Board of Directors as a whole. The owner, through the Government Offices, is also informed about the results of the evaluation. For 2022, the evaluation was conducted without the help of external support. Board members were asked to respond to a questionnaire. The work of the Government Offices related to the Board nomination process also includes an ongoing evaluation of the boards of all state-owned companies, which includes their work, the composition of the Board and their skills.

4 THE COMPANY'S ORGANISATION

CEO and Executive Management

The CEO is responsible for ongoing management in compliance with applicable laws and regulations and in accordance with the instructions for the CEO approved by the Board. Executive Management consists of ten members including the CEO. Executive Management is a forum regarding joint strategic Company matters and often serves as the steering committee for strategically

important projects. In addition to the CEO, the Executive Management team comprises the CFO, Project Manager, Facilities Managers, Technology & Service Director, Sustainability, Corporate Communications Officer, Director of Innovation and Business Development, Human Resources Director, and General Counsel, all of whom report directly to the CEO. Executive Management has an even distribution between the number of men and women.

Operational units

The Company's main processes are conducted within three operational units. The Property unit is responsible for developing sustainable and attractive campuses, ensuring a seamless delivery to customers and being a strategic partner to customers. The Technology & Service unit is responsible for delivering sustainable technical management, driving operational optimisation and energy efficiency improvements, and leveraging the potential of digitalisation in management and operations. The Project unit is responsible for efficient project deliverables with a focus on customer benefit, ensuring high standards for sourcing and project leadership skills, while creating conditions for efficient and sustainable management.

Operational support

A number of support functions with a variety of areas of expertise provide support to management and the business in its day-to-day work. Organisationally, HR, common service, sustainability, innovation and business development, IT, communication and legal affairs, including purchasing, falls organizationally under CEO. Business including risk management, finance, analysis and valuation, controlling, internal management and control, as well as information security are subordinate to the CFO, who in turn is subordinate to the CEO.

SUSTAINABLE MANAGEMENT

The owner has defined the purpose and mission of the company through a government bill. Based on this mission, the Board is responsible for setting the vision, strategy and objectives for the company's activities. A detailed structure provides support for how Akademiska Hus

should be managed, with sustainability as a key component. The strategy and operational planning process is carried out annually, beginning with strategy days held for the Board and management. The sustainability perspective has been fully integrated into the adopted strategy in a sustainable objective. This approach includes the global goals for sustainable development, which is in line with owner expectations. In addition to the strategy, individual climate targets have been defined. The business plan and associated performance measures are formulated based on the adopted strategy. The company-wide business plan is based on operational plans and budgets for operational units, as well as operational support functions. The plans specify activities to be implemented to achieve both strategic goals including climate targets, as well as key figures for measurement and follow-up purposes. In addition, risks that may result in goals not being met are identified and included, along with activities to address them. The adopted business plan is followed up on a regular basis through quarterly reporting to the Board of Directors. In addition, quarterly feedback sessions are held at the unit level with the coordinators of the respective operational units and operational support functions. The potential of each employee to both contribute and influence the work of achieving the common goals is clarified through the project-specific appraisal assignment, which is an advanced form of the performance review. The Board of Directors is also ultimately responsible

for ensuring that the company is run in compliance with laws and regulations, as well as the guidelines provided by the owner. As part of this work, the Board adopts relevant policies and governing documents (see image on page 50). The policies are under review, after which they will be made available on the company's website. The strategy and operational planning process, along with the adopted governing documents, serve as the foundation for the overarching governance of the company.

CODE OF CONDUCT, BUSINESS ETHICS AND EQUAL TREATMENT

Akademiska Hus has a Code of Conduct which states that the company will follow the principles of the UN Global Compact, Agenda 2030, the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. For the company's employees, there are also business ethics guidelines to help employees to act correctly and ethically, based in part on the rules in the Code against corruption. This provides guidance on how employees should behave and provides guidance in potentially difficult situations. An Ethics Council provides support to employees to which questions or suspected deviations from ethical guidelines or other irregularities can be reported. A code of conduct is enclosed for suppliers as part of all tenders, which each tenderer must read, accept and ensure that subcontractors, if any, also comply with the code.



Akademiska Hus has also set up an independent system for whistle-blowing, to which both Akademiska Hus employees and external participators can anonymously report suspected irregularities. Significant deviations, critical events and issues related to Akademiska Hus' sustainability work and Code of Conduct are reported by the CEO to the Board when they occur. No such significant deviations, critical events, or issues were reported to the Board during the year. The Board of Directors of Akademiska Hus has also approved both a work environment policy and an equal treatment plan, which includes equal opportunity and equal treatment. The plan was formulated in collaboration with trade union representatives and the outcome is continually monitored by both Executive Management and the Board of Directors.

REMUNERATION

Guidelines for remuneration to senior executives were unanimously adopted by the Annual General Meeting. The guidelines are in line with the "Guidelines for terms and conditions of employment for senior executives in state-owned companies" approved by the Government, as well as the Code. The remuneration report will be presented to the 2023 Annual General Meeting and also published on the company's website. A fee is paid to the members of the Board of Directors according to a decision reached at the Annual General Meeting. The members of the Board of Directors who are employed within Akademiska Hus and the Government Offices do not receive any fee for this work. See the table on page 78 for information about remuneration.

Payment to the CEO is decided by the Board of Directors following a recommendation from the Remuneration Committee. Remuneration to other senior executives is decided by the CEO following consultation with the Remuneration Committee. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premiums according to a collective bargaining agreement. No variable or bonus-based remuneration is paid, nor is there any sign-on bonus. Remuneration to the Board of Directors and senior executives is not linked to or conditional on the achievement of the company's goals

or personally set goals in areas such as sustainability. Salary surveys are conducted to make a comparison with other property companies. For a detailed description of remuneration, pensions, periods of notice, severance pay and fees to auditors, see Notes 11 and 12.

INTERNAL CONTROL OF FINANCIAL REPORTING

The Board of Directors has overall responsibility for internal control of financial reporting, as regulated by the Swedish Companies Act and the Code.

The following section has been prepared in accordance with the Annual Accounts Act and the Code and is thus limited to internal control of financial reporting, which aims to provide reasonable assurance regarding the reliability of external financial reporting in the form of interim reports and annual reports. Internal control at Akademiska Hus is based on the COSO Framework for Internal Control, which is an established framework.

Control environment

The basis for internal control comprises the control environment in the organisation and decision procedures, as well as roles and responsibilities. Each year the Board of Directors adopts a number of policy documents such as the Rules of Procedure for the Board of Directors and its committees, instructions to the CEO, allocation of responsibility and authority, as well as the instructions for financial reporting. The Board also adopts all governing documents at the policy level according to an established plan that includes an internal management and control policy. The control environment also encompasses the culture and the values based on which the Board of Directors and corporate management communicate and act, which is communicated in part via the Code of Conduct that is adopted annually by the Board of Directors. The responsibility of the Board of Directors and the internal allocation of work within its committees are clarified in the Rules of Procedure. The Board of Directors has established an Audit and Finance Committee which has tasks that include preparing the Board's work with quality assurance of the company's financial reporting. The CFO is responsible for ensuring that internal accounting

policies and guidelines for financial reporting are in place and formulated in compliance with current legal requirements, listing requirements and accounting standards.

Risk assessments

Akademiska Hus has an established process to identify, assess and manage risks where each risk has a risk owner. Risk management comprises an integral component of operations management, where risk analyses are conducted on both a Company-wide and unit level. The material risks that are identified are documented together with activities in business and operational plans to allow for follow up. For a more extensive description, see the risk section in the annual report on pages 45–48. Risk assessments to identify the processes where the greatest risk of errors that could have a material impact on financial reporting can be found, are carried out regularly. Risks relating to financial reporting are regularly discussed with the company's external auditors, who also present their annual risk assessment to the Audit and Finance Committee, as well as the Board of Directors.

Control activities

The company's internal processes and procedures provide support for ongoing risk management. Control activities aimed at preventing, discovering and managing the risk of significant errors take place at both the comprehensive and the detail levels and include approval of transactions, authorisation of supplier invoices and payments, account reconciliations and analytical follow-up of results.

IT systems that are used for financial reporting include built-in automatic controls to ensure reliable financial reporting. There are also processes and control measures in the general IT environment regarding matters such as system permissions, system updates and backup procedures. As the digital development advances, functional IT processes and information security are becoming increasingly important.

Akademiska Hus works continually to improve processes linked to financial reporting, which includes both business and IT processes. As part of developing and

strengthening internal control, work is continually underway to assess risks, as well as to document and formalise controls within processes which, based on risk analysis, are considered to be significant for financial reporting. This work is carried out with the involvement of the people who work within the processes to create a sense of participation and to promote willingness to carry out checks.

Information and communication

Governing documents such as policies and guidelines are available for all employees on the company's intranet. Internal information channels in general include information from regular meetings of Executive Management, leadership forums held four times a year, local information meetings for all employees and meetings in various forums for concerned specialist functions.

The Audit and Finance Committee and the Board receive financial information from Executive Management at each balance sheet date. In addition, the Audit and Finance Committee receives regular feedback regarding the initiatives conducted with the aim of strengthening and developing internal management and control within Akademiska Hus as a whole. The Audit and Finance Committee also receives regular feedback from the external auditors and is thereby kept up to date on current observations related to internal management and control.

External reporting complies with the State's ownership policy guidelines. Financial information, including the annual report, quarterly reports and the year-end report, can be found on the Akademiska Hus website akademiskahus.se.

Follow-up and evaluation

Internal control of financial reporting is monitored and evaluated continuously by the Board of Directors, CEO, Executive Management and the accounting and finance departments to ensure that procedures are appropriate and efficient. Improvement and development opportunities are identified in this process.

On each balance sheet date, the CEO and CFO review the financials with the individual responsible for each

Deviations from the code Nomination Committee

(Code rule 1.3, 2.1–2.7, 4.6, 8.1, 10.2, point 1–2, 4.5)

The Code has mainly been prepared for companies with a spread of ownership. At such companies, the election committee is in the first instance a body for shareholders to prepare decisions regarding appointments. For state-owned companies, the rules regarding an election committee are replaced by principles governing a structured nomination process according to the Government's ownership policy.

Reporting of the independence of Board members

(Code rule 4.5)

The purpose of this code rule is to protect minority shareholders in limited liability companies, which is not applicable to wholly state-owned companies.

operational unit to monitor and discuss the financial performance and important business-related matters. The financial outcome for operational support is also monitored.

Each quarter the Board receives financial information and an analysis, as well as a report from the most recent meeting of the different committees. The Audit and Finance Committee has a specific responsibility to follow up audit matters and more extensive matters of principle with regard to financial reporting where issues concerning property valuation and the liability portfolio are particularly important. The company's external auditors assess the internal controls as part of the annual audit, after which recommendations are provided. Akademiska Hus includes these recommendations in the ongoing work of developing and strengthening internal control. During the year, follow-up through self-assessments was also carried out in connection with selected processes that we re deemed to be significant for financial reporting, which encompassed both business and IT processes. Separate assessments of the special focus areas are also carried out as needed.

Board of Directors



ANITRA STEEN

Chairperson since 2016. Remuneration Committee Chairperson.

Year of birth: 1949

Other positions: Chairperson of AFA Försäkring and Teracom Group AB. Board member of Oral Care AB and Baven AB.

Previous positions:

Under-secretary at the Ministry of Finance, State Secretary at the Ministry of Education and Ministry of Finance, Director General of the National Agency for Higher Education Services and the National Tax Board, as well as CEO of Systembolaget AB. Chairperson of Stockholm University and Board member of SAS, Södersjukhuset hospital, Lantmännen, PostNord, Attendo AB, and others.

Education: BA.

Expertise: Corporate governance and state governance, academic sector.



CHRISTER NERLICH

Member since 2017. Chairperson of the Audit and Finance Committee

Year of birth: 1961

Position:

Chief Financial Officer, Vasakronan.

Previous positions:

Chief Financial Officer AP Fastigheter and Corporate finance NewSec.

Education: MBA.

Expertise: Property sector, finance and business.



ERIK SANDSTEDT

Member in 2021.

Year of birth: 1976

Position:

Deputy Director and company manager, Ministry of Finance.

Other positions:

Board member of Apoteket AB and PostNord AB.

Previous positions:

Equity research analyst at Handelsbanken Capital Markets and Kaupthing Bank.

Education: MBA.

Expertise: State governance, finance and business.



PETER GUDMUNDSON

Member since 2017.

Year of birth: 1955

Position: Professor, Royal Institute of Technology.

Other positions: Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous positions:

Vice-Chancellor KTH, Vice Dean KTH, Head of Department KTH, CEO SICOMP, consultant Tre Konsulter AB, and researcher Brown Boveri Research Centre in Switzerland.

Education: PhD. Eng. and M.Sc. Eng.

Expertise: Academic sector, finance and business.



ÖRJAN WIKFORSS

Member since 2017.

Year of birth: 1950

Other positions:

Vice Chairperson of the Board of Directors of the Royal Swedish Opera, and member of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous positions:

Professor in project communication, KTH, adjunct professor at Chalmers and SLU, head of IT and R&D at Sweco, CEO of FFNS Arkitekter and Wikforss Arkitektkontor, chairperson of Svenska Arkitekters Riksförbund, and others.

Education: Architect, PhD. in engineering

Expertise: Construction process (architecture), academic sector.

Board of Directors



HÅKAN STENSTRÖM

Board member elected in 2022. Investment Committee Chairperson.

Year of birth: 1961

Position:

Senior advisor construction and property in his own company.

Previous positions:

Vice President of Skanska Central Europe and Skanska Sweden, Purchasing Director for Skanska Sweden, and several other positions within Skanska.

Education: 4-year technical upper secondary school.

Expertise: Construction process (decisions and implementation).



MARIELL JUHLÍN

Board member elected in 2022.

Year of birth: 1973

Position:

CEO, Policy Impact AB.

Other positions:

Chairperson of Fores tillitsgrupp (Trust Working group) and Vice Chairperson of Vi Konsumenter.

Previous positions:

Chief Financial Officer of Ramböll Management, Chief Financial Officer of Hyresgästföreningen, Board member of Råd&Rön and Sveriges Konsumenter, guest lecturer at Sussex University.

Education: MSc international finance, master of social science.

Expertise: Digitalisation, process management.



MARIETTE HILMERSSON

Board member elected in 2022.

Year of birth: 1971

Position:

CEO Castellum Region Väst.

Other positions:

Chairperson of Fastighetsägarna GFR, Board member for Tyrén and Malmstensstiftelsen.

Previous positions: CEO of Framtiden Group.

Education: LL.M.

Expertise: Property sector, sustainability.



JOSEF MÅRD

Employee representative (Ledarna) since 2022.

Year of birth: 1988

Position: acting Property Manager.

Previous positions:

Senior Associate KPMG, Accountant Riksbyggen, Real estate agent Mäklarhuset.

Education: Certified Property Manager, Real Estate Broker Training.

Expertise: Property sector, business.



SOFI SONESSON

Employee representative (SEKO union) since 2022.

Year of birth: 1975

Position: Operating engineer.

Previous positions:

Responsible for environmental management system Beijer.

Education: Energy specialist.

Expertise: Property sector, sustainability.

AUDITORS

Öhrlings PricewaterhouseCoopers AB (PwC).
Lead auditor: Helena Ehrenborg, since 2018.
Authorised public accountant.

Year of birth: 1965

Education: MBA.

Other audit assignments, selection:

Specialfastigheter Sverige AB, Jernhusen AB, Strukton Railinfra AB and Bonnier Fastigheter AB.

Executive Management



CAROLINE AREHULT

CEO, employed 2021.

Year of birth: 1973

Previous positions:

CEO Hemfosa and Skanska Fastigheter Stockholm. Property manager and head of marketing and rentals, Skanska.

Education: M.Sc. Eng.



ANNA ALSBORGER

Facilities Manager, employed 2022.

Year of birth: 1977

Other positions:

Board member Internationella Engelska Skolan.

Previous positions:

Executive positions at Hemfosa and Hemsö; active at Kungsleden, Catella and Ernst & Young.

Education: M.Sc. Eng.



PETER ANDERSON

CFO, employed 2022.

Year of birth: 1970

Previous positions:

Director of Accounting and Financing Jernhusen, CFO Hemfosa, positions as CFO and Director of Accounting and Financing at Kungsleden, ICA Fastigheter and Steen & Ström.

Education: MBA.



ERIK FLORMAN

Sustainability Manager, employed 2022.

Year of birth: 1979

Other positions:

Founder Cleanblocks.

Previous positions:

Sustainability Manager at Kungsleden, group head of Sustainable Business Development at Skanska and Acting LEED Manager at Sweden Green Building Council.

Education: Landscape architect.



ANDREAS KUPENBERG

Technology & Service Director, employed 2022.

Year of birth: 1973

Previous positions:

Contract Director Coor Service Management, managerial positions at Coor Service Management and Addici, CEO Coor APS.

Education: Business degree, Certified in property management.

Executive Management



ALI RANJI

Project Manager, employed 2022.

Year of birth: 1978

Previous positions:

Executive positions at Fabege and Vasakronan.

Education: MSc.



ULF DÄVERSJÖ

Director of Innovation and Business Development, employed 2014.

Year of birth: 1979

Other positions:

Board member of Accessy Intressenter AB.

Previous positions:

Purchasing Director Akademiska Hus, Management Consultant Capgemini Consulting, and Global Purchaser Arla Foods.

Education: M.Sc., MBA.



MARIE HALLANDER LARSSON

Human Resources Director, employed 2017.

Year of birth: 1961

Previous positions:

Human Resources Director for Försäkringskassan, Swedbank AB, Posten AB, Scandic Hotels AB and Wedins AB.

Education: BA. Marketing.



CAROLIN ÅBERG SJÖQVIST

General Counsel, employed 2004.

Year of birth: 1968

Previous positions:

Lawyer, Advokatfirman Glimstedt and Associate Judge of Appeal, Court of Appeal for Western Sweden.

Education: LL.M.



CECILIA WIDE

Corporate Communications Officer, employed 2012.

Year of birth: 1969

Previous positions:

Head of Corporate Communications at SP Sveriges Tekniska Forskningsinstitut AB.

Education: BA.

Proposed allocation of unappropriated earnings

According to the owner's financial targets for Akademiska Hus, which were adopted at the Annual General Meeting on 29 April 2019, the dividend should amount to between 40 and 70 per cent of the net profit after tax after reversal of unrealised changes in value and related deferred tax. When deciding on a dividend, consideration should be given to the company's business and capital structure target. The other economic objectives are that the return on operating capital should be at least 6.0 per cent over a business cycle and the Group's equity ratio should be between 35 and 45 per cent. Return on operating capital in 2022 was 6.3 per cent. At the end of 2022, the equity ratio was 50.2 per cent for the Group and 20.1 per cent for the Parent Company. After the proposed dividend, the equity ratio will be 49.1 per cent for the Group and 16.1 per cent for the Parent Company.

Available for allocation at the Annual General Meeting:	
Retained earnings	SEK 980,768,697
Profit for the year	SEK 4,790,749,208
Total	SEK 5,771,517,905

The Board of Directors and the Chief Executive Officer propose that the profit be allocated in such a way that SEK 2,905,000,000 is paid to the shareholder and SEK 2,866,517,905 is carried forward. For details of the financial results and the financial position in general, reference can be made to the following financial statements. The Annual General Meeting will be held on 26 April 2023 in Stockholm.

STATEMENT BY THE BOARD OF DIRECTORS PURSUANT TO SECTION 18, SUB-SECTION 4 OF THE COMPANIES ACT

The Board of Directors is of the opinion that the company's liquidity can be maintained securely. On observance of the relationship between the company's assets, liabilities and equity, and with due consideration given to profit forecasts and investment requirements as of this date, we believe that the proposed dividend is justifiable in the light of the demands that the nature, extent and risk of operations make on the level of equity. The proposed dividend is thus acceptable in the light of the company's consolidation requirements, liquidity and position in general.

The dividend does not affect the company's capacity to discharge its short-term and long-term obligations or to

implement necessary investments. It is also the opinion of the Board of Directors that the company's financial position, in the light of the proposed dividend, is secure for the creditors. Nor can the Board of Directors identify any other circumstances that indicate that the dividend ought not to be paid in accordance with the proposal presented by the Board of Director. The proposed value transfer can thus be justified in the light of what is stated in Section 17, sub-section 3, paragraphs 2–3 of the Companies Act.

PROFIT USED FOR CALCULATION OF DIVIDEND 31 Dec. 2022 (SEK m)	Outcome consolidated results	Changes in value in the Group	Profit used for calculation of dividend
Income from property management	6,954		6,954
Property management expenses	-1,811		-1,811
NET OPERATING INCOME	5,143		5,143
Central administration costs	-68		-68
Development costs	-50		-50
Interest income	230		230
Interest expense	-682		-682
Site leasehold fees	-82		-82
PROFIT BEFORE CHANGES IN VALUE AND TAXES	4,490		4,490
Changes in value, investment properties	1,108	-1,101	8
Changes in value, financial instruments	1,310	-586	724
PROFIT BEFORE APPROPRIATIONS AND TAXES	6,909	-1,686	5,222
Tax/current tax	-1,419	347	-1,072
PROFIT AFTER TAX	5,490	-1,339	4,150
Dividend, 70% of the profit available for the payment of a dividend			2,905

Income Statements

Amounts in SEK 1,000	Note	Group		Parent Company	
		2022	2021	2022	2021
PROPERTY MANAGEMENT INCOME					
Rental revenue	4	6,844,767	6,568,467	6,844,767	6,568,467
Other property management income	5	108,946	110,276	233,623	110,276
Total property management income		6,953,714	6,678,743	7,078,390	6,678,743
PROPERTY MANAGEMENT EXPENSES					
Operating costs		-1,088,688	-983,097	-1,082,121	-976,905
Maintenance costs		-104,946	-418,348	-436,405	-418,348
Property administration		-457,128	-430,054	-496,791	-409,548
Site leasehold fees	6	—	—	-82,314	-82,822
Other property management expenses	6	-159,942	-140,015	-158,267	-269,105
Total costs from property management	7, 8	-1,810,703	-1,971,514	-2,255,898	-2,156,728
NET OPERATING INCOME		5,143,010	4,707,229	4,822,492	4,522,015
Central administration costs	7	-67,560	-67,306	-67,538	-67,285
Development costs	7	-50,434	-53,217	-50,434	-53,217
Result, shares in subsidiaries	9	—	—	1,337,651	—
Interest income	10	229,917	35,751	229,917	35,751
Interest expense	10	-682,321	-404,074	-749,260	-470,949
Site leasehold fees	10	-82,314	-82,822	—	—
Depreciation, amortisation and impairment, as well as reversed impairment	8	—	—	-1,617,935	-1,579,097
PROFIT BEFORE CHANGES IN VALUE AND TAXES	11, 12, 31	4,490,299	4,135,562	3,904,893	2,387,218
Changes in value, investment properties	13	1,108,197	12,481,448	—	—
Changes in value, financial instruments	10	1,310,263	380,168	1,310,263	380,168
PROFIT BEFORE APPROPRIATIONS AND TAXES		6,908,759	16,997,178	5,215,156	2,767,386
Appropriations	15	—	—	537,095	507,298
PROFIT BEFORE TAX		6,908,759	16,997,178	5,752,251	3,274,685
Tax	16	-1,418,968	-3,207,188	-961,502	-679,900
PROFIT FOR THE YEAR	17	5,489,791	13,789,990	4,790,749	2,594,785
Of which attributable to the Parent Company's shareholder		5,489,791	13,789,990	—	—

Statement of profit or loss and other comprehensive income

Amounts in SEK 1,000	Note	Group		Parent Company	
		2022	2021	2022	2021
PROFIT FOR THE YEAR		5,489,791	13,789,990	4,790,749	2,594,785
ITEMS THAT HAVE BEEN RECLASSIFIED OR CAN BE RECLASSIFIED TO PROFIT FOR THE YEAR					
Profit/loss from cash flow hedges		87,528	157,211	87,528	157,211
Tax attributable to cash flow hedges	16	-25,693	-7,549	-25,693	-7,549
ITEMS THAT CANNOT BE RECLASSIFIED TO PROFIT FOR THE YEAR					
Revaluation of defined benefit pensions	31	229,874	15,805	—	—
Tax attributable to defined benefit pensions	16	-47,354	-3,256	—	—
Total, other comprehensive income		244,355	162,211	61,835	149,662
COMPREHENSIVE INCOME FOR THE YEAR		5,734,146	13,952,201	4,852,584	2,744,447
Of which attributable to the Parent Company's shareholder		5,734,146	13,952,201	—	—

Comments on the Group's performance

FULL-YEAR 2022

Profit for the period before changes in value and tax was SEK 4,490 million (4,136). The improved performance is attributable to an increase in net operating income of SEK 436 million compared with the previous year due to the completion of additional new buildings, as well as an accounting-related change in the assessment of preventive maintenance.

The change in the value of properties amounted to SEK 1,108 million (12,481), of which SEK 8 million relates to realised changes in value. The average yield requirement was 4.71 per cent (4.47). The change for the year can be attributed to SEK -4,922 million of changed yield requirements and cost of capital. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million. An increase in the standard maintenance price resulted in an impact of SEK -305 million. Other change in value amounted to SEK 1,006 million.

RENTAL REVENUE

Rental revenue increased by SEK 277 million compared with the same period the previous year and totalled SEK 6,845 million (6,568). The completion of new buildings contributes approximately SEK 160 million to increased revenue, mainly attributable to Albano, the Ångström Laboratory and KI Residence. The index contributed with an increase of SEK 101 million. Increased revenue related to the completion of new buildings is offset by a decline in rental revenue of SEK 56 million attributable to properties sold primarily in Uppsala, Malmö and Kristianstad. Utility costs passed on to tenants increased by SEK 28 million. Parking revenue increased by SEK 25 million, thereby recovering to pre-pandemic levels. In a comparable portfolio, contractual rental revenue increased by 4.2 per cent compared with the previous year.

LEASING LEVEL

The financial vacancy rate accounts for 2.4 per cent (2.2) of

our total rental revenue, which corresponds to SEK 170 million on an annual basis (150). Discussions with potential tenants related to vacant premises are underway at several centres of education, mainly the Solna and Frescati campuses in Stockholm. Vacant space in terms of area at the end of the year amounted to 117,000 square metres, corresponding to 3.4 per cent (3.1) of our total rentable area of approximately 3.4 million square metres. Rentable floor space was affected during the year by the completion of new buildings and sold properties, resulting in a net increase of approximately 10,000 square metres.

OPERATING AND MAINTENANCE COSTS

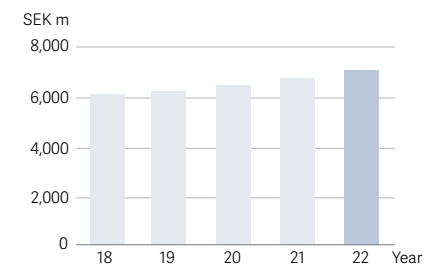
Operating and maintenance costs decreased by SEK 207 million and amounted to SEK 1,194 million (1,401). Maintenance costs declined by SEK 313 million compared with the same period the previous year and totalled SEK 105 million (418). This decline is primarily an effect of a new accounting-related assessment regarding preventive maintenance, which from 2022 is capitalised on the properties, instead of being expensed. According to the new assessment, maintenance costs for the period decreased by SEK 331 million compared with the previous assessment. The comparative year was not adjusted.

Operating costs involve inspection and maintenance, as well as provision of utilities, and increased by SEK 106 million. The increase consists of utility costs and is mainly an effect of the rising price trend in the electricity market. Operating costs of SEK 1,089 million (983) include provision of utilities of SEK 716 million (638), equivalent to SEK 211/m² (188) over the past 12 months. Other management costs increase by SEK 20 million attributable to wasted planning for projects that never materialised.

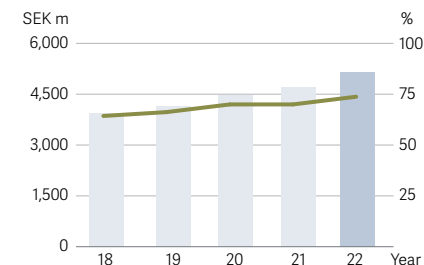
ADMINISTRATION COSTS

Total administration costs increased by SEK 28 million and amounted to SEK 525 million (497). The increase can

Stable rental revenue



Rising net operating income and stable net operating income ratio



mainly be attributed to increased expenses for travel, internal conferences and IT costs. In addition, an increased pension liability reserve, an effect of assumptions for the calculation bases regarding old-age pension for ITP, which changed 1 January 2022, also had an impact.

Development costs decreased by SEK 3 million and amounted to SEK 50 million (53).

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 452 million (368) for the full year, corresponding to an interest rate of 1.69 per cent

(1.28), which includes capitalised interest expense of SEK 67 million (67) for projects in progress. The increase in net interest income can mainly be attributed to a higher STI-BOR rate, which increases the cost of floating interest rate loans. See table describing the composition of net interest income and expense on page 63.

CHANGES IN VALUE, PROPERTIES

The market value of the Group's property holdings was set using an internal property valuation that is compared annually against external value statements where a selection of the holdings was externally valued. As at 31 December 2022, net changes in property values had an impact on profit of SEK 1,108 million (12,481), of which SEK 8 million relates to realised changes in value. The change for the year can be attributed to SEK -4,922 million of changed yield requirements and cost of capital. During the first quarter of the year the trend for the property market was positive, for which reason Akademiska Hus lowered the average yield requirement and the cost of capital by 14 points. From the second quarter, however, circumstances changed due to uncertainty in the property market. Consequently, Akademiska Hus raised the average yield requirement and cost of capital in subsequent quarters. In the second quarter, the average yield requirement and cost of capital were raised by 1 and 11 points respectively, in the third quarter by 17 and 27 points respectively, and finally in the fourth quarter by 20 and 11 points, respectively, so that at year-end they were 4.71 and 6.91, respectively (4.47 and 6.56, respectively). During the third quarter the standard maintenance charge was also increased by SEK 5/m², which had a negative impact on value of SEK 305 million. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million. Other change in value of SEK 1,006 million (3,972) is attributable to projects in progress, renegotiated leases and other factors affecting value. This increase is primarily attributable to the Stockholm and Gothenburg regions. For the fourth quarter the change in value is SEK -2,249 million, corresponding to -1.9 per cent of the property value at the beginning of the quarter.

CHANGES IN VALUE, FINANCIAL INSTRUMENTS

Changes in value in the derivative portfolio are positive and amounted to SEK 1,310 million (380), which can largely be attributed to rising market interest rates during the year. Of the positive changes in value, SEK 725 million have been realised. The derivative portfolio largely consists of interest rate derivatives that are primarily entered into with the aim of extending the fixed interest period in the liability portfolio, where approximately half of financing currently relies on floating interest rates. A large part of Akademiska Hus' interest risk exposure derives from interest rate derivatives, which means that even minor changes in the interest rate situation affects earnings through changes in market value. 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.

COMPARATIVE CALCULATION, TOTAL FINANCING COST

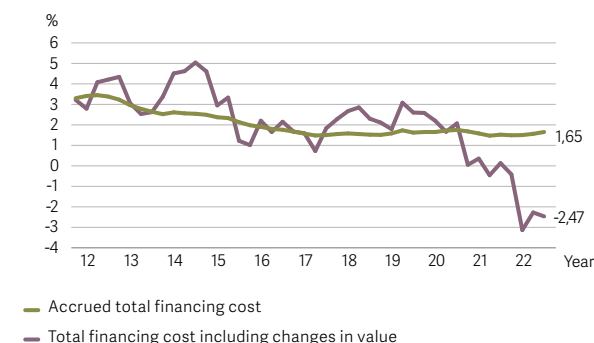
To clarify the underlying financing cost, a comparative calculation is carried out in which the realised result of the closed interest rate derivatives is accrued over the remaining underlying maturity of each instrument. This accrual corresponds to a subsidy to the interest expense of 0.04 per cent for the full year. The accrual and the net interest income reflect the underlying financing cost and amount to 1.65 per cent as at year-end, see the diagram at the top 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 continues to be very high at 990 per cent (896), see diagram on the right.

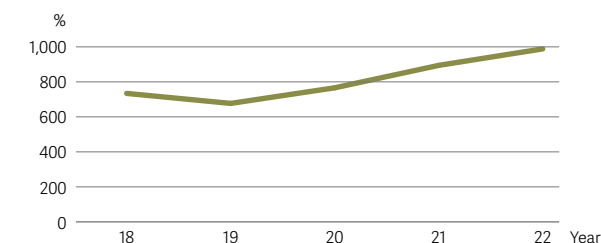
Total financing cost including changes in value

	2022	2021
Interest cost for loans, including charges, %	1.70	1.22
Interest swaps, net interest, %	-0.01	0.06
Net interest income and expense, %	1.69	1.28
Changes in value, financial derivatives, %	-4.16	-1.15
Total financing cost, %	-2.47	0.13

Comparisons, different calculations of financing cost



Interest coverage ratio continues at high level



Total financing cost broken down, SEK million

	2022	2021
Net interest income/expense, net loans and financial assets	-513	-367
Net interest derivatives	4	-18
Other interest costs	-10	-50
Capitalised interest expense, projects	67	67
Total net interest income/expense	-452	-368
Change in value, independent financial derivatives		
– unrealised	309	370
– realised	725	-65
Changes in value, fair value hedges	276	75
Total changes in value	1,310	380
Site leasehold fees	-82	-83
Reported net interest income and expense	776	-71

STATEMENTS OF
FINANCIAL POSITION

Statements of Financial Position

Amounts in SEK 1,000	Note	Group		Parent Company	
		31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
ASSETS					
NON-CURRENT ASSETS					
Capitalised expenditure	18	4,623	6,291	4,623	6,291
Investment properties	13, 14	115,371,201	112,323,370	49,127,038	48,559,198
Site leasehold rights	38	2,662,950	2,662,950	—	—
Equipment, fixtures and fittings	19	33,821	33,894	33,821	33,894
Shares in Group companies	20	—	—	650	600
Derivatives	21, 22, 23	2,566,118	3,474,444	2,566,118	3,474,444
Other non-current receivables	23, 24	409,607	427,505	409,607	427,505
TOTAL NON-CURRENT ASSETS		121,048,320	118,928,454	52,141,857	52,501,932
CURRENT ASSETS					
<i>Current receivables</i>					
Rent receivables and accounts receivable	21, 25	310,658	503,284	310,658	503,284
Receivables from subsidiary		—	—	1,560	—
Other current receivables	26	1,335,671	1,372,103	1,336,161	1,372,316
Prepaid expenses and accrued income	27	144,647	158,382	144,647	158,382
Derivatives	21, 22	216,822	152,200	216,822	152,200
Total current receivables	23	2,007,798	2,185,970	2,009,847	2,186,182
<i>Cash and cash equivalents</i>					
Current investments		4,690,597	1,905,140	4,690,597	1,905,140
Cash and bank balances		2,366,028	2,161,979	2,366,003	2,161,908
Total cash and cash equivalents	21, 28	7,056,625	4,067,119	7,056,600	4,067,048
TOTAL CURRENT ASSETS		9,064,423	6,253,089	9,066,447	6,253,231
TOTAL ASSETS		130,112,743	125,181,543	61,208,304	58,755,162

Amounts in SEK 1,000	Note	Group		Parent Company	
		31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
EQUITY AND LIABILITIES					
EQUITY (attributable to the Parent Company's shareholder)					
Share capital		2,135,000	2,135,000	2,135,000	2,135,000
Other contributed equity		2,134,950	2,134,950	—	—
Statutory reserve		—	—	2,134,950	2,134,950
Hedge reserve	29	211,497	149,662	—	—
Actuarial profit and loss		92,990	-89,530	—	—
Fair value reserve	29	—	—	211,497	149,662
Retained earnings, including profit for the year		60,778,224	57,772,433	—	—
Retained earnings (in the Parent Company)		—	—	769,271	658,486
Profit for the year (in the Parent Company)		—	—	4,790,749	2,594,785
TOTAL EQUITY		65,352,661	62,102,515	10,041,468	7,672,884
LIABILITIES					
<i>Non-current liabilities</i>					
Loans	21, 22	31,092,954	31,240,480	31,092,954	31,240,480
Derivatives	21, 22	1,749,127	1,315,320	1,749,127	1,315,320
Deferred tax liability	16	16,893,433	16,180,481	2,670,637	2,447,504
Other non-current liabilities	30	360,243	255,887	360,243	255,887
Non-current liabilities, site leasehold rights	38	2,662,950	2,662,950	—	—
Provisions for pensions and similar obligations	31	469,315	692,819	380,879	328,404
Total non-current liabilities		53,228,022	52,347,937	36,253,841	35,587,594
<i>Current liabilities</i>					
Accounts payable	21	248,189	317,823	248,189	317,823
Liabilities to subsidiaries		—	—	491,490	1,338,308
Income tax liabilities	16	630,364	511,298	631,143	511,298
Other current liabilities	30	1,598,434	2,616,264	1,598,963	2,616,264
Accrued expenses and prepaid income	32	2,494,893	2,302,454	2,494,891	2,302,454
Loans	21, 22	6,388,513	4,979,241	6,388,513	4,979,241
Derivatives	21, 22	171,667	4,011	171,667	4,011
Total current liabilities		11,532,060	10,731,092	12,024,856	12,069,400
TOTAL LIABILITIES	33	64,760,082	63,079,028	48,278,697	47,656,994
TOTAL EQUITY AND LIABILITIES		130,112,743	125,181,543	61,208,304	58,755,162

Comments on the Group's Statement of Financial Position

PROPERTIES

At the end of the year, the assessed market value of Akademiska Hus' property holdings totalled SEK 115,371 million, an increase of SEK 3,048 million, corresponding to 2.7 per cent compared with the previous year-end. Market value includes the completed portions of projects in progress. The unrealised change in value amounted to SEK 1,101 million (12,453), which corresponds to an increase of 1.0 per cent (12.5) compared with the previous year. Remaining changes relate to investments in properties for the year of SEK 2,551 million (2,524), acquisitions of SEK 110 million (0) and sales of SEK -714 million (-2,264). During the third quarter, Göteborg Lorensberg 24:2 was acquired. During the second quarter, the property Bergsmannen Större 8 was sold to the Stockholm School of Economics, while the property Änggården 34:2 was sold to Skandia Fastigheter and land, part of Intellektet 1, was sold to Linköping Municipality.

During the first quarter of the year the trend for the property market was positive, for which reason Akademiska Hus lowered the average yield requirement and the cost of capital by 14 points. From the second quarter, however, circumstances changed due to uncertainty in the property market. Consequently, in subsequent quarters Akademiska Hus raised the average yield requirement and cost of capital by 38 and 49 points, respectively, and at year-end they were 4.71 and 6.91, respectively (4.47 and 6.56, respectively). At the year-end, the accumulated change in market value was SEK -4,922 million, attributable to the changed yield requirement and cost of capital. During the third quarter the standard maintenance charge was also increased by SEK 5/m², which had a negative impact on value of SEK 305 million. Because of the high inflation, indexation of rental prices has a substantial positive impact on change in value for the year of SEK 5,322 million.

The market value was calculated by means of an internal property valuation covering all the company's properties. The value is affected by property-specific conditions such as net operating income, rent levels, vacancy levels, lease term

and property type, as well as by market-related yield requirement and cost of capital. Akademiska Hus engages external rating agencies to verify the yield requirement and fixed costs on a quarterly basis to ensure that market rates are applied in the internal valuation.

Each year 25–30 per cent of the property portfolio is also valued by external valuation professionals. External valuations are used as a benchmark for the internal valuation, thereby confirming its reliability that we are within the interval stated below. The discrepancy between Akademiska Hus' internal valuation and the external valuations in 2022 was less than +/- two per cent. The change in value is attributable to both differing assessments of the yield requirement and cash flow differences, primarily assessed market rent.

All property valuation includes assessments that are associated with a certain degree of uncertainty. A normal uncertainty range in conjunction with a property valuation is +/- five to ten per cent, which would be equivalent to approximately +/- SEK 5,769 million to SEK 11,537 million in the Akademiska Hus portfolio.

Properties

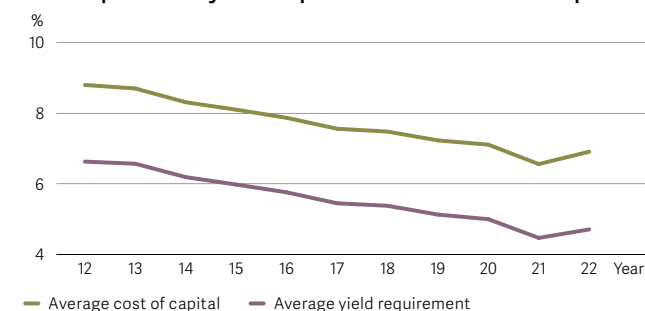
(incl. new construction in progress and capitalised interest expense)

Change in property holdings, SEK m	31 Dec. 2022	31 Dec. 2021
Opening assessed market value	112,323	99,611
+ Investments in new construction, extensions and redevelopment	2,551	2,524
+ Acquisitions	110	—
- Sales	-714	-2,264
+/- Change in market value	1,101	12,453
<i>Of which change in value due to a change in the cost of capital and the yield requirement</i>	-4,922	8,481
<i>Of which change in value due to a change in the standard maintenance charge</i>	-305	—
<i>Of which change in value due to a change in the KPI</i>	5,322	—
<i>Of which other change in value</i>	1,006	3,972
Closing assessed market value	115,371	112,323

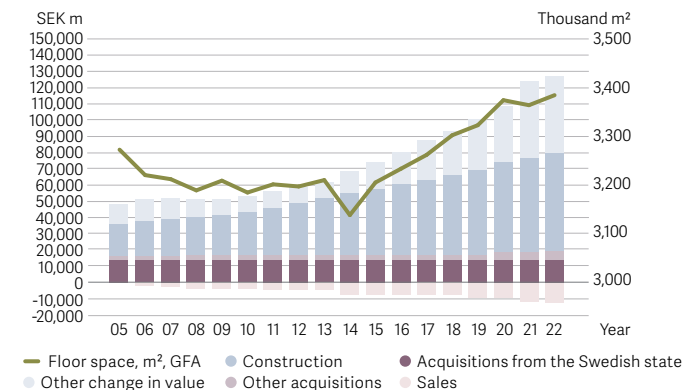
Sensitivity analysis

	Outcome 2022	Change in cost of capital and yield requirements in 2022	
		Increase by one percentage point	Decrease by one percentage point
Change in value, properties, SEK m	1,108	-17,787	24,591
Return on equity, %	8.6	-15.2	34.0
Return on operating capital, %	6.3	-13.2	29.0
Equity ratio, %	50.2	45.6	54.9
Loan-to-value ratio, %	26.5	31.3	21.8

Development of yield requirement and cost of capital



Property portfolio's accumulated value growth and number of square metres floor space, m²



STATEMENTS OF
FINANCIAL POSITION

FINANCING

Akademiska Hus' financing needs have been limited during the year. Bond maturities for 2022 amounted to only SEK 1,250 million and net property transactions of SEK 604 million have been carried out. Nevertheless, five bond issuances totalling approximately SEK 4,250 million were carried out during the year. Three of the issuances, corresponding to approximately SEK 3,850 million, were on the Swiss bond market with maturities of 5, 6 and 10 years, respectively. At the end of the year, two issuances were also carried out in the Swedish market. The maturities were very long at 19 and 22 years, respectively, and the volume totalled SEK 400 million. See table below for a summary of this year's bond issuances.

Bond issuances in 2022

Maturity, years	Volume, SEK million
5	1,540
6	1,210
10	1,100
19	300
22	100
Total	4,250

Committed credit facilities in banks have been unchanged and amount to SEK 6,000 million; all were unutilised at year-end. The credit facility in the European Investment Bank (EIB), which amounts to SEK 1,200 million with maturity of 10 years, was still unutilised at year-end. Short-term funding under the ECP programme decreased slightly during the year. The domestic commercial paper programme has not been used. The bond issuances, credit facilities, property sales and stable rental payments have contributed to excellent access to liquidity.

The net liability portfolio totalled SEK 30,578 million at year-end, corresponding to a decrease of SEK 2,861 million during the year. This decline can mainly be attributed to higher cash and cash equivalents, though a decrease in CSA securities for surplus values in financial derivatives also had an impact. The equity ratio is 50.2 per cent (49.6).

Net loan liability

SEK m	31 Dec. 2022	31 Dec. 2021
Gross loan debt	-37,481	-36,220
Collateral for derivatives, net	-643	-2,091
Cash and cash equivalents	7,057	4,067
Other current receivables	489	805
Total net loan liability	-30,578	-33,439
Average interest-bearing capital (full-year basis)	-31,551	-32,924

FIXED INTEREST PERIOD AND MATURITY

Akademiska Hus has a long average maturity, which was 8.8 years at year-end. Long-term bonds denominated in SEK at fixed interest, which comprise the long-term portfolio, amounted to approximately SEK 4,650 million at year-end. The long-term portfolio also helps to maintain a relatively long-term fixed interest period in the total liability portfolio of 6.1 years. Bonds denominated in foreign currency are swapped for SEK with floating interest rates and therefore do not entail a corresponding extension of interest rate duration. Interest rate risk in the debt portfolio is instead primarily managed using interest rate derivatives. In pace with the sharply rising interest rates during the year, the risks in the fixed income market are deemed to be more balanced, thereby justifying a significant reduction in the fixed interest period during the year. As previously, debt management will focus on allocating the portfolio's interest rate risk to the most effective periods on the yield curve.

The liability 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 period and maturity

SEK m	Fixed interest, years, 31 Dec. 2022	Fixed interest, years, 31 Dec. 2021	Maturity, years 31 Dec. 2022	Maturity, years 31 Dec. 2021
Basic portfolio	3.8	5.6	7.0	7.5
Long-term portfolio	19.2	19.2	19.2	19.2
Total portfolio	6.1	7.9	8.8	9.5

Changes in equity, Group

Amounts in SEK 1,000	Note	Attributable to the Parent Company's shareholder					Total equity
		Share capital ³	Other contributed capital	Hedge reserve	Actuarial profit and loss	Profit for the year brought forward	
OPENING BALANCE 1 JAN. 2021		2,135,000	2,134,950	0	-102,079	46,124,423	50,292,293
COMPREHENSIVE INCOME							
Profit for the year		—	—	—	—	13,789,990	13,789,990
OTHER COMPREHENSIVE INCOME							
Profit/loss from cash flow hedges		—	—	149,662	—	—	149,662
Revaluation of defined benefit pensions		—	—	—	12,549	—	12,549
Total, comprehensive income		0	0	149,662	12,549	13,789,990	13,952,201
TRANSACTIONS WITH SHAREHOLDER							
Dividend ¹		—	—	—	—	-2,142,000	-2,142,000
Total transactions with shareholder		0	0	0	0	-2,142,000	-2,142,000
CLOSING BALANCE 31 DEC. 2021		2,135,000	2,134,950	149,662	-89,530	57,772,433	62,102,515
COMPREHENSIVE INCOME							
Profit for the year		—	—	—	—	5,489,791	5,489,791
OTHER COMPREHENSIVE INCOME							
Profit/loss from cash flow hedges		—	—	61,835	—	—	61,835
Revaluation of defined benefit pensions		—	—	—	182,520	—	182,520
Total, comprehensive income		0	0	61,835	182,520	5,489,791	5,734,146
TRANSACTIONS WITH SHAREHOLDER							
Dividend ²		—	—	—	—	-2,484,000	-2,484,000
Total transactions with shareholder		0	0	0	0	-2,484,000	-2,484,000
CLOSING BALANCE 31 DEC. 2022		2,135,000	2,134,950	211,497	93,990	60,778,224	65,352,661

1) Dividend of KSEK 2,142,000 was authorised by the Annual General Meeting on 28 April 2021.

2) Dividend of KSEK 2,484,000 was authorised by the Annual General Meeting on 28 April 2022.

3) 2,135,000 shares with a quota value of SEK 1,000.

Changes in equity, Parent Company

Amounts in SEK 1,000	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital ³	Statutory reserve	Fair value reserve	Profit for the year brought forward	
OPENING BALANCE 1 JAN. 2021		2,135,000	2,134,950	0	2,800,487	7,070,437
COMPREHENSIVE INCOME						
Profit for the year		—	—	—	2,594,785	2,594,785
OTHER COMPREHENSIVE INCOME						
Profit/loss from cash flow hedges		—	—	149,662	—	149,662
Total, comprehensive income		0	0	149,662	2,594,785	2,744,447
TRANSACTIONS WITH SHAREHOLDER						
Dividend ¹		—	—	—	-2,142,000	-2,142,000
Total transactions with shareholder		0	0	0	-2,142,000	-2,142,000
CLOSING BALANCE 31 DEC. 2021		2,135,000	2,134,950	149,662	3,253,272	7,672,884
COMPREHENSIVE INCOME						
Profit for the year		—	—	—	4,790,749	4,790,749
OTHER COMPREHENSIVE INCOME						
Profit/loss from cash flow hedges		—	—	61,835	—	61,835
Total, comprehensive income		0	0	61,835	4,790,749	4,852,584
TRANSACTIONS WITH SHAREHOLDER						
Dividend ²		—	—	—	-2,484,000	-2,484,000
Total transactions with shareholder		0	0	0	-2,484,000	-2,484,000
CLOSING BALANCE 31 DEC. 2022		2,135,000	2,134,950	211,497	5,560,021	10,041,468

1) Dividend of KSEK 2,142,000 was authorised by the Annual General Meeting on 28 April 2021.

2) Dividend of KSEK 2,484,000 was authorised by the Annual General Meeting on 28 April 2022.

3) 2,135,000 shares with a quota value of SEK 1,000.

Statements of Cash Flows

Amounts in SEK 1,000	Note	Group		Parent Company	
		2022	2021	2022	2021
CURRENT OPERATIONS					
Profit after financial items		6,908,759	16,997,178	5,215,156	2,767,386
Adjustment for items not included in cash flow	34	-2,490,823	-12,910,921	442,858	1,302,520
Tax paid		-562,725	-415,804	-562,725	-415,450
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		3,855,211	3,670,452	5,095,289	3,654,456
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Increase (+)/Decrease (-) in current receivables		556,092	-450,421	554,217	561,825
Increase (+)/Decrease (-) in current liabilities		239,563	-56,107	-662,537	-553,337
CASH FLOW FROM OPERATING ACTIVITIES		4,650,866	3,163,924	4,986,969	3,662,944
INVESTING ACTIVITIES					
	34				
Investments in properties		-2,483,631	-2,406,889	-2,152,172	-2,406,889
Acquisition of properties		-16,257	—	-16,257	—
Sale of properties		688,892	2,165,958	203,996	841,568
Investments in other non-current assets		-11,269	-17,971	-11,269	-17,971
Acquisition of shares in Group companies		—	—	-50	—
Increase (+)/decrease (-) in non-current receivables		17,898	120,029	17,848	945,651
Increase (+)/decrease (-) in non-current liabilities		184,519	—	2,000	—
CASH FLOW FROM INVESTING ACTIVITIES		-1,619,848	-138,873	-1,955,904	-637,641
FINANCING ACTIVITIES					
	34				
Raising of interest-bearing loans, excluding refinancing		16,596,772	9,865,867	16,596,772	9,865,867
Repayment of loan		-13,430,910	-10,442,128	-13,430,910	-10,442,128
Realised derivatives and CSA		-723,374	83,673	-723,374	83,673
Dividend paid		-2,484,000	-2,142,000	-2,484,000	-2,142,000
CASH FLOW FROM FINANCING ACTIVITIES		-41,512	-2,634,588	-41,512	-2,634,588
CASH FLOW FOR THE YEAR		2,989,506	390,462	2,989,552	390,714
Cash and cash equivalents at the beginning of the year		4,067,119	3,676,657	4,067,048	3,676,334
Closing cash and cash equivalents	28	7,056,625	4,067,119	7,056,600	4,067,048

Comments on the consolidated statement of cash flows

Cash flow from operating activities before changes in working capital totalled SEK 3,855 million (3,670). The impact of investments in properties on cash flow was SEK -2,500 million (-2,407). Cash flow relating to investing activities amounted to SEK -1,620 million (-139). The year-over-year decrease is mainly attributable to major property sales in 2021.

Cash flow relating to financing activities amounted to SEK -41 million (-2,635). The change is largely due to net borrowing during the year, compared with net amortisation during the previous year.

Total cash flow for the year was SEK 2,990 million (390). Total cash flow from current operations before change in working capital during the period 2018 to 2022 was SEK 16,921 million. Investments during the same period totalled SEK 14,412 million.

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Notes

1 General information

Akademiska Hus AB (publ), registration number 556459-9156, is a limited liability company registered in Sweden. The Company's registered office is in Gothenburg. Akademiska Hus is wholly owned by the Swedish state.

The company is the Parent Company in the Akademiska Hus Group, the principal task of which is to own and manage university and college properties.

The Parent Company's functional currency is SEK. All amounts are in KSEK unless stated otherwise.

All amounts denominated in a currency other than SEK have been translated to the rate on the closing date, unless otherwise indicated.

2 General accounting policies

The consolidated accounts have been prepared in accordance with the EU-endorsed International Financial Reporting Standards (IFRS) as at 31 December 2022. The Group also applies Swedish Financial Reporting Board recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements, which specifies the supplements to IFRS disclosures required pursuant to the rules in the Annual Accounts Act.

The Parent Company reports in accordance with the Annual Accounts Act and the recommendation of the Swedish Financial Reporting Board, RFR 2, Accounting for Legal Entities.

In the annual report, items have been valued at cost except with regard to revaluation of properties, financial assets that can be sold and financial assets and liabilities (including derivative instruments) valued at fair value in the Statement of Financial Position. The following is a description of the more material accounting policies that have been applied.

NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS 2022

The accounting policies used are consistent with those applied in the previous financial year, except for amended or new IFRS and IFRIC interpretations that have entered into force and led to changes in RFR 2. No new or changed regulations and interpretations have been identified during 2022 that have had a material impact on Akademiska Hus.

OTHER AMENDMENTS

Beginning on 1 January 2022, the company is using a new approach to assess preventive maintenance. According to the new assessment, preventive maintenance must be reported in groups as additional capitalisation (cost) on the investment property in accordance with IAS 40. For the year, this has entailed lower maintenance costs of approximately SEK 331 million. The comparative year was not adjusted. Other new and amended regulations, standards and interpretations are currently not considered to have any significant impact on Akademiska Hus.

CONSOLIDATED ACCOUNTS

The consolidated accounts cover the Parent Company and companies over which the Parent Company has a controlling influence. A controlling influence means a right to formulate strategies for financial activities with the aim of securing financial advantages. The existence and effect of potential voting rights that can currently be exercised or converted are taken into account when assessing whether the Group can exercise a controlling influence over another company. All subsidiaries are wholly owned. The subsidiaries are included in the consolidated accounts with effect from the point at which the controlling influence is achieved and they are not included at the point at which the controlling influence ceases.

The consolidated year-end accounts have been prepared according to the acquisition method, which means that the Parent Company's carrying amount of shares in subsidiaries is eliminated against equity, including the capital share of untaxed reserves in the subsidiaries.

SEGMENT REPORTING

Beginning with the first quarter of 2020, Akademiska Hus no longer reports a division into different operating segments under IFRS 8, since the Group is considered to have only one operating segment. This assessment is based on how the Group as a whole is monitored by the highest operational decision-maker. All operations, including assets, are geographically located in Sweden.

REVENUE RECOGNITION

In its capacity as property owner, the Group has signed operational lease agreements with customers and consequently the Group's reported income mainly comprises rental revenue. Where applicable, reported rental revenue has been reduced by the sum of the discounts granted to tenants. In those cases where lease agreements result in reduced rent during a certain period, which is equivalent to a higher

rent during another (later) period, this higher or lower rent is allocated to a specific period over the term of the lease. Rental revenue, lease revenue and parking revenue are reported in advance and the allocation of rents to specific periods therefore takes place so that only part of the rents that are attributable to the period are reported as revenue. Revenue recognition normally takes place linearly over the term of the lease agreement apart from exceptional cases when another method better reflects how financial advantages accrue to the Group.

Other property management income is reported, where applicable, in the same way as rental revenue. This post largely comprises revenues as a direct result of the leases and mainly consists of revenues from AWL, services for tenants and other management tasks. Interest income is reported as income divided across the term on application of the annual equivalent rate method.

Dividend income is reported when the right to receive payment has been confirmed.

REMUNERATION TO EMPLOYEES

Remuneration to employees in the form of salary, paid holiday, payment while off sick etc., as well as pensions, are reported as they are earned. As regards pensions and other remuneration following termination of employment, these are classified as defined contribution pension plans or defined benefit pension plans.

Defined contribution plans

In the case of defined contribution plans, the company pays fixed contributions to a separate, independent legal entity and has no obligation to make further contributions. The Group's profit is charged with costs as the benefits are earned, which normally concurs with the point at which premiums are paid.

Defined benefit plans

For defined benefit pension plans, the cost of the pension plan is based on actuarial calculations according to what is termed the Projected Unit Credit Method. A calculation is made each year by an independent actuary. Revaluations, including actuarial gains and losses, effects of changes in the asset ceiling and the yield on plan assets (excluding the interest component, which is reported in the Statement of Comprehensive Income) are reported directly in the Statement of Financial Position as income or a cost equivalent to the change in the Statement of Total Comprehensive Income during the period in which they arise. Revaluations, which are reported under Other comprehensive income,

affect the retained earnings and will not be reversed to profit or loss. Service costs from previous periods are reported in the Statement of Comprehensive Income for the period in which the plan was changed. Net interest is calculated on application of the discount rate at the beginning of the period on the net defined benefit liability or asset.

The discount rate is the interest rate at the year-end on high-quality mortgage bonds with a maturity corresponding to the Group's pension obligations. When there is not a functioning market for such mortgage bonds, the market for government bonds with similar maturity is used instead. The defined benefit costs are divided into the following categories:

- service costs (including service costs for the current period, service costs for previous periods and profits and losses in respect of reductions and/or adjustments)
- net interest cost or net interest expense
- actuarial profit and loss

The first two categories are reported in the Statement of Comprehensive Income as a personnel cost (service cost) or net interest income and expense (net interest expense). Profits and losses in respect of reductions and adjustments are reported as service costs from previous periods. Revaluations are reported under Other comprehensive income.

The defined benefit pension obligations reported in the Statement of Financial Position are equivalent to the current surplus or deficit related to the Group's defined benefit obligations. A surplus is only reported to the extent that it is equivalent to the present value of future repayments from each pension plan or future reductions in premium payments into the plan.

TAX

The tax income/expense for the period comprises current and deferred tax. Taxes are reported in the Statement of Comprehensive Income with the exception of the underlying transaction, which is reported under Other comprehensive income or directly against equity, whereupon the associated tax effect is reported under Other comprehensive income or against equity.

Current tax is the tax computed on the taxable profit for a period. The taxable profit for the year differs from the reported profit for the year in the fact that an adjustment has been made for non-taxable and non-deductible items. The Group's current tax liability is computed according to the tax rates stipulated or notified as of the year-end.

Deferred tax is reported in accordance with the Statement of Financial Position method. According to this method, deferred tax liabilities are reported in the Statement of Financial Position for all taxable temporary differences between the carrying amounts and taxable values of assets and liabilities. Deferred tax assets are reported in the Statement of Financial Position with regard to deficit deductions and all deductible temporary differences to the extent it is likely that the amounts can be offset against future taxable surpluses. The reported value of deferred tax assets is examined at each balance sheet date and reduced to the extent it is no longer probable that a sufficient taxable surplus will be available for utilisation.

Deferred taxes are revalued using the tax rate that is expected to apply for the period in which the asset is recovered or the liability settled, currently at 20.6 per cent.

Tax receivables and tax liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to either receive or pay a net amount or receive payment of a receivable and pay the liability at the same time.

TRANSLATION OF ITEMS IN FOREIGN CURRENCY

Financial assets and liabilities in foreign currency are translated at the year-end rate, whereupon realised and unrealised translation differences are capitalised. Translation differences in operating receivables and liabilities are reported under Other property management income or Other property management expenses while translation differences attributable to financial assets and liabilities are reported under Net interest income.

INVESTMENT PROPERTIES

Investment properties, i.e. properties that are held to generate rental revenue or gains from an increase in value, are measured continuously at fair value (assessed market value). Fair value is based on the assessed market value at year-end, which means the value at which a property could be transferred between knowledgeable parties who are independent of each other and who have an interest in the transaction being implemented. Changes in fair value are recognised in profit or loss under the heading Changes in value of the properties.

The term "investment properties" includes buildings and land, land systems, building and land equipment as well as properties under construction (new construction in progress).

Investment property sales and property purchases are reported in conjunction with the risks and benefits linked to title being transferred to the purchaser or seller, which normally takes place on the completion date, as long as this does not conflict with the terms and conditions in the contract of sale. For property sales through companies, the sale is reported at the date of taking possession.

A profit or loss that arises on the sale or disposal of investment properties comprises the difference between the sales price and the most recent valuation (reported value based on the most recent revaluation at fair value). The result in conjunction with sale or disposal is reported in the Consolidated Statement of Comprehensive Income under the heading Changes in the value, Investment properties. In the Parent Company the result is reported as other property management income/expense.

In those cases where Akademiska Hus uses part of a building for its own administration, the property is only classified as an investment property for investment if an insignificant part is used for administrative purposes.

If an investment property is reclassified as a property held for resale or an inventory item, the property is reported at the assumed acquisition value, equivalent to the assessed fair value of the property at the time of reclassification.

FAIR VALUE, INVESTMENT PROPERTIES

Akademiska Hus has an internal property valuation process that is highly developed and has been quality assured. Information regarding valuation principles as well as levels of input data, assumptions and prerequisites are produced by the company's valuation specialists and ultimately adopted by the Chief Executive Officer.

Akademiska Hus valuation models comply with good market practice in the property industry and the cash flows and yield requirements that are used are justified based on both property-specific conditions and industry-specific conditions. The properties have been valued individually without any account being taken of portfolio effects. For a more detailed description of Akademiska Hus' valuation methods, see Note 13.

EQUIPMENT, FIXTURES AND FITTINGS

Equipment, fixtures and fittings mainly comprise IT equipment and office equipment. These are reported at the acquisition value reduced by depreciation according to plan and possible impairment.

Depreciation according to plan is based on the original cost, less the estimated residual value, on a straight-line basis over the estimated useful life of the asset.

Depreciation according to plan is normally carried out using the following percentages of the acquisition value:

<i>Computer equipment</i>	33%
<i>Equipment, fixtures and fittings</i>	20%
<i>Capitalised expenditure</i>	20%

Depreciation according to plan of equipment, fixtures and fittings is reported as an operating cost or under property administration.

The profit or loss that arises on scrapping or disposal of equipment, fixtures and fittings is reported as Other property management income or Other property management expense.

IMPAIRMENT

Impairment takes place in those cases where the reported value of the asset exceeds the recovery value. Reported values for the company's assets are checked at each reporting date to determine if there is any indication of an impairment requirement. If there is such an indication, the recoverable value of the asset is calculated. The recoverable value is the higher of the value in use and the net realisable value.

When computing the value in use, future cash flows are discounted at a rate of interest before tax that it is envisaged will take into account the market's assessment of risk-free interest and risk linked to the specific asset. For an asset which does not, independent of other assets, generate any cash flow, the recoverable value of the cash-generating unit to which the asset belongs is calculated. Reversal of previous impairments takes place when the recoverable value for a previously impaired asset exceeds the carrying amount and the need for impairment made previously is no longer considered necessary.

The reversal is reported in the Statement of Comprehensive Income. An examination of past impairments takes place on an individual basis.

LEASES

Leases in which Akademiska Hus is lessor are classified as operating leases where essentially all risks and benefits associated with ownership fall to the lessor. From a reporting perspective, all current lease agreements attributable to properties are to be regarded as operating leases. Recognition of these leases is presented under “Revenue recognition”.

In those cases where Akademiska Hus is the lessee, leasehold agreements have been identified as the most significant. These right-of-use assets and financial liabilities are reported separately in the Statement of Financial Position for all significant leases with a term longer than 12 months. Leasehold agreements are handled as perpetual lease agreements and recognised at fair value as these represent part of the Group's properties. Fair value is measured by discounting future fees using a discount rate, currently 3.17 per cent. The right-of-use asset is not depreciated. Annual site leasehold fees are recognised in the Parent Company as a property expense, but in the Group as a financial expense.

The Group has chosen to apply the exemption not to recognise short-term leases and leases of low value assets as right-of-use assets and lease liability in the Statement of Financial Position. Payments related to these leases will instead be recognised as an expense on a straight line basis over the lease term.

FINANCIAL INSTRUMENTS

The general principles for the valuation of financial instruments are that financial investment assets and all derivative instruments 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, which are measured at fair value through profit or loss. Reporting subsequently takes place depending on how they are classified, as stated below.

A financial asset or financial liability is recorded in the Statement of Financial Position when the company becomes a party to the contractual terms and conditions of the instrument or when applicable according to “regular way purchase” principles. Accounts receivable are recorded in the Statement of Financial Position when an invoice has been sent. A liability is recorded when the counter-party has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recorded when an invoice has been received.

A financial asset is removed from the Statement of Financial Position when the rights in the agreement are realised, fall due or the company loses control over them. The same applies to part of the financial asset. A financial liability is removed from the Statement of Financial Position when the obligation in the agreement is discharged or is extinguished in some other way. The same applies to a portion of a financial liability.

The Group categorises its financial instruments as:

Assets:

Derivatives measured at fair value through profit or loss

All derivatives, with the exception of electricity derivatives, are held for hedging purposes and recognised at fair value through profit or loss. Some of these derivatives are included in the hedging package, while others are “independent derivatives”.

Derivatives measured at fair value through comprehensive income

Assets under this category are continuously recognised at fair value through other comprehensive income. All of the company's electricity derivatives belong to this category.

Measured at fair value through profit or loss

Assets in this category are initially recognised at cost, i.e. fair value at the time of acquisition, and are subsequently measured continuously at fair value. The change in value is reported continuously through profit or loss. All Akademiska Hus investment assets fall into this category. The assets are classified as “hold to collect” and Akademiska Hus uses the fair value option for these investments. All change in value in these items are recognised through profit and loss under changes in value.

Measured at amortised cost

Assets in this category are non-derivative financial assets with established or establishable payment flows that are not listed on an active market. These assets are recognised and measured on a continuous basis at the amortised cost. Akademiska Hus' accounts receivable fall into this category.

Liabilities:

Derivatives measured at fair value through profit or loss

All derivatives, with the exception of electricity derivatives, are held for hedging purposes and recognised at fair value through profit or loss. Some of these derivatives are included in the hedging package, while others are “independent derivatives”.

Derivatives measured at fair value through other comprehensive income

Liabilities under this category are recognised continuously at fair value through other comprehensive income. All of the company's electricity derivatives belong to this category.

Measured at fair value through profit or loss

Liabilities in this category are initially recognised at cost, i.e. fair value at the time of acquisition, and are subsequently measured continuously at fair value. The change in value is reported on a continuous basis through profit or loss. Bonds that are included in the hedging package belong to this category.

Measured at amortised cost

Financial liabilities measured at amortised cost are initially recognised in the Statement of Financial Position at fair value, including the trans-

action cost. After initial recognition instruments in this category are measured at amortised cost. Bonds that are not included in the hedging package and current liabilities belong to this category.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported at a net amount in the Statement of Financial Position when there is a legal right to offset and when there is an intention to settle the items at a net amount or at the same time realise the asset and settle the debt. Information relating to offset financial assets and liabilities under IFRS 7 can be seen in Note 22.

Calculation of fair value, financial instruments

When establishing the fair value of current investments, derivative instruments and loan liabilities, the official market listing at the period-end is used and calculation takes place according to generally accepted methods. In those cases where such listings are not available, a valuation is made through discounting of future cash flows at the listed market interest rate for each term. Translation into Swedish kronor takes place at the listed rate at the period-end. Calculated and estimated fair values are indicative and will not necessarily be realised. The nominal value of accounts receivable and accounts payable, reduced by possible estimated credits, is assumed to be equivalent to their fair value. Information according to IFRS 13 about the level in the fair value hierarchy for different items can be found in Note 21.

Rent receivables, accounts receivable and other receivables

Rent receivables and accounts receivable are reported initially at fair value and are then reported at the invoiced amount following a deduction for any impairment (bad debts), which is equivalent to the amortised cost. The estimated term of rent receivables and accounts receivable is short and consequently the value is reported at the nominal amount without discounting. Doubtful receivables are assessed individually and any impairment is reported within operating costs.

Assets measured at amortised cost or at fair value through comprehensive income must be tested for impairment. Most of Akademiska Hus' assets are not subject to this requirement since they are recognised at fair value through profit or loss. Accounts receivable are recognised at amortised cost, but since Akademiska Hus' customers are largely government authorities, these receivables are not tested for impairment, since the amount is not considered to have a material impact on profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and current investments with maturity in less than three months. These are classified as cash and cash equivalents because they consist of extremely liquid commercial paper that can be immediately traded at a value equal to the carrying amount. The current investments are measured at fair value through profit or loss. Cash and cash equivalents are measured at amortised cost.

Current investments

Current investments comprise interest-bearing securities and are reported and valued at fair value. Changes in value (unrealised profits and losses) are reported on a continuous basis through net interest income and expense.

Loan financing

All loan financing is reported initially at fair value, net after transaction costs. Borrowing is subsequently reported at amortised cost and any difference between the amount received and the repayment amount is reported in net interest income and expense divided over the loan period on application of the annual equivalent rate method. Borrowing that constitutes a hedged item in conjunction with fair value hedging is recognised and measured after the acquisition point continuously at fair value with account taken of the hedged risk. Changes in value are reported in net interest income and expense. Loan financing in foreign currency is translated and the effects are reported through profit or loss.

The Group applies IAS 23 Borrowing Costs. IAS 23 means that the Group capitalises interest expense attributable to properties under construction that take a significant period of time to complete. Capitalised interest expense has a positive effect on net interest income and expense and a negative effect on the change in market value of properties to the equivalent amount. Financing costs for properties under construction that do not take a significant period of time to complete are charged in full to the financial result for each year.

Accounts payable and other liabilities

Accounts payable and other liabilities have a short expected term and are valued at the nominal value without discounting.

Financial derivatives

Derivatives are held primarily with the aim of securing long-term, cost-effective debt financing and handling the Group's financial risk exposure by hedging interest and currency exposure against fluctuations in interest rates and exchange rates. Derivatives are valued at fair value and changes in value are reported on an ongoing basis against net financial income and expense.

Interest rate derivatives (interest future contracts, interest swap agreements, FRA contracts and interest options) are held mainly to secure the desired fixed interest period in existing debt financing. Interest derivatives are measured continuously at fair value and the effects attributable to the changes in value are recognised in net interest income and expense. The net of the accrued interest income and interest expense is allocated to specific periods and expensed over the term of the derivative. In conjunction with financing in a foreign currency, all future payment flows are hedged so that no currency risk remains. Currency risk hedging takes place with the aid of currency derivatives (currency future contracts, currency swap agreements or combined with an interest swap agreement). Currency derivatives are translated at the period-end exchange rate and when hedge reporting is applied, the effects of the currency translation of the derivative naturally meet the effects of the currency translation of the debt in net interest income and expense. Independent derivatives, i.e. derivatives that are not included in any

hedge relationship, are valued at fair value and the change in value is recorded directly in net interest income and expense. With the aim of evening out price variations on the electricity market, and in doing so achieve an even trend for the Group's electricity costs, future electricity use is hedged with the aid of electricity derivatives. Electricity derivatives are measured continuously at fair value and the changes in value are recognised continuously in other comprehensive income. The effects of price hedging, the difference between the electricity future's hedged price and the average spot price during the term of the electricity future, are offset against profit and are transferred on maturity from equity and reported as an operating cost. Consequently, the result of the electricity future and the Group's physical electricity purchases constitute the actual electricity cost.

Hedge accounting

Akademiska Hus' hedge accounting is based on "fair value hedging" and "cash flow hedging". "Fair value hedging" means that both the hedged item/exposure and the hedging instrument are measured at fair value. Akademiska Hus uses currency interest rate swap agreements to hedge bonds issued in foreign currencies. This is done in connection with the Finance Policy. Changes in value are continuously recognised through profit and loss, which also means that accounting ineffectiveness also ends up in profit and loss. With effect from 1 January 2021, the company applies "cash flow hedging" of its electricity derivatives, which means that changes in the market value of the derivative are recognised continuously in other comprehensive income rather than in net financial income.

The requirements that must be met to qualify for hedge accounting under IFRS 9 are an economic relationship, credit risk and hedge ratio. "Economic relationship" means that there must be an economic relationship between the hedged item and the hedging instrument. Akademiska Hus ensures that there is an economic relationship because the critical terms match for the hedged item and the hedging instrument. This is done in connection with debt issuance. The second requirement is that the effect of credit risk must not dominate the change in market value. Regarding credit risk, Akademiska Hus can conclude that change in credit risk does not have any significant effect on the market value of the hedging package, the company has an extremely stable rating. The credit risk that does exist is managed through "CSA agreements". According to the third criterion, the company must determine the hedge ratio of its hedging package. Fair value hedges have a hedge ratio of 1:1 since the hedging instruments are a direct reflection of the underlying hedge item, and the cashflow hedge is in the same unit as the consumption. Electricity is hedged at approximately 80 per cent of forecasted consumption and is monitored regularly.

PROVISIONS

Provisions are reported in the Statement of Financial Position when the company has a formal or informal undertaking because of an event that has occurred and where it is probable that an outflow of resources is required to settle the undertaking and a reliable estimate of the amount can be made.

PARENT COMPANY, ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Accounting Standards Board recommendation RFR 2 Reporting for Legal Entities and applicable statements from the Swedish Financial Reporting Board.

RFR 2 means that in the annual accounts for the legal entity, the Parent Company shall apply all EU-endorsed IFRSs and statements as far as this is possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act and with consideration given to the link between accounting and taxation. The recommendation states the exceptions and addenda that are to be made to IFRS. The differences between the Group's and the Parent Company's accounting policies are stated below.

Amended accounting policies

No amendments to RFR 2 with a material impact on the Parent Company's financial statements were made during 2022.

Investment properties

Investment properties are reported in a legal entity at the acquisition value with a deduction for accumulated depreciation, impairments and reversed impairments.

During the year 0 (0) properties were revised upwards. Depreciation on the upwards revaluation occurs linearly with such an amount that the revaluation is completely written off when the properties are otherwise fully depreciated.

Depreciation according to plan is based on the original cost, less the estimated residual value, on a straight-line basis over the estimated useful life of the asset.

Depreciation according to plan is normally carried out using the following percentages of the acquisition value:

<i>Land systems</i>	5%
<i>Buildings</i>	1.7%
<i>Building equipment</i>	10%
<i>Land equipment</i>	20%

Tenant adaptations are amortised over the length of the lease.

Shares in subsidiaries

Shares in subsidiaries are reported at the acquisition value.

Remuneration to employees

The Parent Company's pension undertakings have been calculated and reported based on the Safeguarding of Pension Commitments Act. Application of the Safeguarding of Pension Commitments Act is a prerequisite for the right to make a tax deduction.

Deferred tax

The amounts that are allocated to untaxed reserves comprise taxable temporary differences. Because of the link between accounting and taxation, the deferred tax liability that is attributable to the untaxed reserves is not reported separately in a legal entity. These are thus reported at the gross amount in the Statement of Financial Position. Appropriations are reported at the gross amount in the Statement of Comprehensive Income.

3 Estimates and judgments

When preparing reports in compliance with IFRS, the Executive Management and the Board of Directors must make assessments and assumptions that affect the reported asset and liability items and income and cost items in the final accounts as well as information provided generally, including contingent liabilities. These assessments are based on historical experience and different assumptions the Executive Management and the Board of Directors have considered reasonable under the prevailing circumstances. The conclusions drawn form the basis for decisions regarding reported values of assets and liabilities in those cases where these cannot be established easily through information from other sources. The actual outcome could differ from these assessments if other assumptions are made or if other conditions emerge. Assessments could have a material impact on the Akademiska Hus profit and financial position, particularly within regard to valuation of properties (see also Note 13).

When calculating the Group's pension liability in accordance with IAS 19, a number of assumptions are made, including the discount rate in current value assessment, expected salary increases, inflation, staff turnover, remaining period of service for those covered by the pension plan as well as expected mortality assumptions. The levels of these parameters are adapted to company-specific conditions and partly to normal external conditions (see also Note 31).

Sensitivity analysis, impact on profit

The sensitivity analysis shows how the net operating income, return on operating capital and market value of the properties would be affected in the event of changes in different variables. The analysis shows the impact on an annual basis at full effect.

Changes in the cost of capital or yield requirement are factors that affect the market value most. However, unrealised changes in value do not affect cash flow. In the sensitivity analysis, the current lease portfolio has been taken into account with regard to rental revenue and vacant space.

SENSITIVITY ANALYSIS, IMPACT ON PROFIT

	Increase by one percentage point				Decrease by one percentage point			
	Impact on net operating income, SEK m	Impact on return on operating capital, percentage points	Impact on change in value and assessed market value, SEK m	Impact on assessed market value, percentage points	Impact on net operating income, SEK m	Impact on return on operating capital, percentage points	Impact on change in value and assessed market value, SEK m	Impact on assessed market value, percentage points
Rental revenue	68	0.2	175	0.2	-68	-0.2	-175	-0.2
Vacant space	-65	-1.1	-981	-0.8	65	1.1	981	0.8
Operating costs	-11	-0.1	-121	-0.1	11	0.1	121	0.1
of which provision of utilities	-7	-0.1	-61	-0.1	7	0.1	61	0.1
Cost of capital	—	-7.8	-7,432	-6.4	—	8.1	8,266	7.2
Yield requirement	—	-11.0	-10,355	-9.0	—	15.6	16,325	14.1

4 Rental revenue

All investment properties are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 6,844,767 (6,568,467) and the direct costs for the properties during the period totalled KSEK 1,810,703 (1,971,514). "Other" mainly consists of vacant contracts with no expiration date.

The two largest tenants are the Royal Institute of Technology and Karolinska Institutet, which account for 10.9 per cent and 10.7 per cent of rental revenue, respectively.

LEASE TERMS AS AT 31 DEC. 2022

Due date for facilities	Number of leases	Contracted annual rent, SEK m	Proportion, %
2023	225	412,511,284	6
2024	258	807,700,939	13
2025	175	1,025,844,647	16
2026	172	1,028,169,296	16
2027	44	446,038,771	7
2028	36	609,850,382	10
2029 and later	117	1,939,724,926	31
Other	269	82,746,075	1
Total	1,296	6,352,586,320	100

CONTRACTED RENTAL REVENUE AS AT 31 DEC. 2022 ACCORDING TO THE SIZE OF THE LEASE

Annual rent for facilities	Number of leases	Contracted annual rent, SEK m	Proportion, %
> 70,000	6	740,362,406	12
30,000–70,000	42	1,833,389,916	29
10,000–30,000	132	2,283,228,845	36
7,500–10,000	46	400,476,770	6
5,000–7,500	55	343,740,164	6
2,500–5,000	88	333,299,843	5
< 2,500	658	335,342,301	5
Other	269	82,746,075	1
Total	1,296	6,352,586,320	100

5 Other property management income

	Group		Parent Company	
	2022	2021	2022	2021
Profit on the sale of other non-current assets	—	—	124,824	—
Income from external property management assignments and similar assignments	48,976	43,363	48,976	43,363
Income from services performed on behalf of tenants	52,700	55,595	52,700	55,595
Other	7,270	11,318	7,123	11,318
TOTAL	108,946	110,276	233,623	110,276

6 Other property management expenses/Site leasehold fees

	Group		Parent Company	
	2022	2021	2022	2021
Property tax and other risk costs	-18,547	-19,430	-18,546	-19,430
Studies	-37,994	-19,150	-37,994	-19,150
Loss on the sale and disposal of other non-current assets	—	—	—	-127,160
Costs for external property management assignments and similar assignments	-27,705	-20,746	-27,706	-18,490
Costs for services performed on behalf of tenants	-46,590	-49,272	-46,590	-49,272
Other	-29,106	-31,417	-27,431	-35,603
TOTAL	-159,942	-140,015	-158,267	-269,105
Site leasehold fees	—	—	-82,314	-82,822

7 Categorised operating costs

	Group		Parent Company	
	2022	2021	2022	2021
Functions reported in the Income Statement				
Property management	-1,810,703	-1,971,514	-2,255,898	-2,156,728
Central administration costs	-67,560	-67,306	-67,538	-67,285
Development costs	-50,434	-53,217	-50,434	-53,217
TOTAL OPERATING COSTS ACCORDING TO FUNCTION	-1,928,697	-2,092,037	-2,373,870	-2,277,230
CATEGORISED FUNCTION COSTS				
Energy, fuel and water	-722,686	-642,796	-722,686	-642,796
Property administration	-70,864	-61,458	-70,864	-61,365
Maintenance costs, material and services purchased	-104,946	-469,367	-436,405	-469,367
Site leasehold fees	—	—	-82,314	-82,822
Property tax	-9,224	-8,797	-9,224	-8,797
Personnel costs	-531,600	-520,400	-577,705	-505,981
Depreciation	-13,009	-14,440	—	—
Other costs	-476,368	-374,779	-474,672	-506,102
TOTAL CATEGORISED OPERATING COSTS	-1,928,697	-2,092,037	-2,373,870	-2,277,230

8 Depreciation, amortisation and impairment, as well as reversed impairment

	Group		Parent Company	
	2022	2021	2022	2021
Intangible assets	-1,668	-1,099	-1,668	-1,099
Properties	—	—	-1,604,926	-1,564,657
Equipment, fixtures and fittings	-11,341	-13,341	-11,341	-13,341
TOTAL	-13,009	-14,440	-1,617,935	-1,579,097

Depreciation for the Group is recognised under property administration and operating costs.

9 Result, shares in subsidiaries

	Group		Parent Company	
	2022	2021	2022	2021
Dividend	—	—	1,446,794	—
Result, trading and limited partnerships*	—	—	-109,143	—
TOTAL	0	0	1,337,651	0

For 2022 this relates to the dividend from the subsidiary Akademiska Hus Holding AB of SEK 1,336,000,000, Akademiska Hus Utveckling och Support AB of SEK 1,650,902 and Akademiska Hus Lorensberg 24:2 AB of SEK 109,142,550.

* Underpriced transfer of the real estate Göteborg Lorensberg 24:2 is considered as a transfer of value under the Swedish Companies Act wherein the transfer of value is reported at fair value of SEK 109,142,550. The transfer of the real estate has resulted in a write-down of the shares in the subsidiary Akademiska Hus Lorensberg 24:2 AB.

10 Financial income and expense

	Group		Parent Company	
	2022	2021	2022	2021
Interest income	229,917	35,751	229,917	35,751
Interest expense	-682,321	-404,074	-749,260	-470,949
TOTAL NET INTEREST INCOME/EXPENSE	-452,404	-368,323	-519,343	-435,198
UNREALISED CHANGES IN VALUE				
Independent derivatives	309,211	370,140	309,211	370,140
Fair value hedges	276,538	75,201	276,538	75,201
TOTAL UNREALISED CHANGES IN VALUE	585,749	445,341	585,749	445,341
REALISED CHANGES IN VALUE				
Independent derivatives	724,514	-65,173	724,514	-65,173
TOTAL REALISED CHANGES IN VALUE	724,514	-65,173	724,514	-65,173
Site leasehold fees	-82,314	-82,822	—	—
NET INTEREST INCOME AND EXPENSE	775,545	-70,977	790,920	-55,030

11 Employees and personnel costs

The average number of employees was as follows:

	2022	2021
AKADEMISKA HUS AB		
Women	183	183
Men	344	345
GROUP, TOTAL	527	528

The proportion of women (based on the average number of employees) in the Parent Company and the Group is 35 per cent (35).

GENDER DISTRIBUTION, BOARD, GROUP MANAGEMENT AND OTHER PERSONS IN EXECUTIVE POSITIONS

The Board comprises 8 (7) members elected at the Annual General Meeting and 2 (2) members appointed by the employees. 4 (2) of the members are women, i.e. 40 per cent (22). Overall management of the Group rests with the Executive Management, which comprises 5 (5) men and 5 (5) women. The Executive Management team comprises the Chief Executive Officer, Chief Financial Officer, Project Manager, Technology & Service Director, Facilities Manager, Sustainability Manager, Director of Innovation and Business Development, Corporate Communications Officer, Human Resources Director and General Counsel. The Group's and Parent Company's outstanding pension obligations to the Chief Executive Officer, Regional Directors and other members of Executive Management total KSEK 4,738 (10,715). The subsidiaries do not have any employees and no salaries have been paid.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

	Group		Parent Company	
	2022	2021	2022	2021
SALARIES AND REMUNERATION¹				
Board members, CEO and Vice President	6,294	12,788	6,294	12,788
Other employees	331,785	333,509	331,785	333,509
TOTAL	338,079	346,297	338,079	346,297
SOCIAL SECURITY COSTS¹				
Board members, CEO and Vice President	4,056	6,218	4,056	6,218
(of which pension costs)	(2,078)	(2,200)	(2,078)	(2,200)
Other employees	179,399	166,256	225,504	151,836
(of which pension costs)	(74,179)	(63,384)	(120,284)	(48,964)
TOTAL	183,455	172,474	229,560	158,054
(of which pension costs)	(76,257)	(65,584)	(122,362)	(51,164)

1) Catarina Fritz, Magnus Huss and Peter Bohman left their positions as of 30 June and Jonas Bjurgren as of 31 August 2022 under an agreement reached in December 2021. The amounts include remuneration during the period of notice and severance pay, including benefits and pension provisions, for a total of KSEK 12,674 for 2021. Hayar Gohary left his position as of 23 May 2022. The amount includes remuneration during the period of notice and severance pay, including benefits and pension provisions, for a total of KSEK 4,182 for 2022.

NOTES

REMUNERATION TO THE BOARD	2022				2021				
	Directors' fees	Investment Committee	Remuneration Committee	Audit and Finance Committee	Directors' fees	Investment Committee	Remuneration Committee	Audit and Finance Committee	
Chairperson	Anitra Steen	352	—	11	—	339	—	10	—
Member	Erik Sandstedt ¹	—	—	—	—	—	—	—	—
Member	Anna Magnusson ³	—	—	—	—	—	—	—	—
Member	Britta Burreau ²	—	—	—	80	—	—	—	15
Member	Svante Hagman ⁵	84	17	—	—	163	32	—	—
Member	Christer Nerlich	170	—	—	44	163	—	—	42
Member	Robin Teigland ⁵	84	11	—	—	163	21	—	—
Member	Mariette Hilmersson ⁴	87	11	—	—	—	—	—	—
Member	Peter Gudmundson	170	—	—	33	163	—	—	32
Member	Örjan Wikforss	170	22	—	—	163	21	—	—
Member	Håkan Stenström ⁴	87	17	—	—	—	—	—	—
Member	Mariell Juhlin ⁴	87	11	—	—	—	—	—	—
Employee representative	Sofi Sonesson	—	—	—	—	—	—	—	—
Employee representative	Josef Mård	—	—	—	—	—	—	—	—
TOTAL		1,291	89	11	77	1,234	74	10	89

1) Elected at the General Meeting 28 April 2021 2) Left the Board 30 June 2021 3) Left the Board 28 April 2021

4) Elected at the General Meeting 28 April 2022 5) Left the Board at the General Meeting 28 April 2022

REMUNERATION TO SENIOR EXECUTIVES		2022		2021	
		Basic salary ¹	Pension cost	Basic salary ¹	Pension cost
CEO	Kerstin Lindberg Göransson ²	—	—	2,886	709
CEO	Caroline Arehult ³	4,550	1,673	1,460	18
CFO/Vice President	Catarina Fritz ⁴	—	—	2,359	620
CFO	Peter Anderson ⁵	1,506	441	—	—
Administrative Manager	Jonas Bjuggren ⁴	—	—	2,086	534
Facilities Manager	Anna Alsborger ⁷	1,897	432	—	—
Project Manager	Hayar Gohary ⁶	1,033	231	1,832	449
Project Manager	Ali Ranji ¹⁰	320	—	—	—
Market Area Director	Magnus Huss ⁴	—	—	2,064	525
Market Area Director	Peter Bohman ⁴	—	—	1,696	408
Director of Innovation and Sustainable Development	Ulf Däversjö	1,676	393	1,663	398
Human Resources Director	Marie Hallander Larsson	1,623	377	1,582	372
General Counsel	Carolin Åberg Sjöqvist	1,647	596	1,643	607
CIO	Cecilia Wide	1,271	409	1,263	337
Technology & Service Director	Andreas Kupenberg ⁸	993	269	—	—
Sustainability Manager	Erik Florman ⁹	641	100	—	—
TOTAL		17,157	4,921	20,534	4,977

REMUNERATION TO SENIOR EXECUTIVES

Principles for remuneration to the Board of Directors and senior executives

Akademiska Hus follows the owner's guidelines governing terms and conditions of employment for senior executives and remuneration to the Board of Directors. Remuneration to the CEO and senior executives consists of basic salary and pension, where pension cost refers to the cost that affected the profit for the year. Remuneration to the CEO is decided by the Board of Directors in consultation with the Remuneration Committee.

Remuneration to other senior executives is decided by the CEO following consultation with the Remuneration Committee. A fee is paid to the members of the Board of Directors according to a decision reached at the Annual General Meeting. Board members who are employed in the Akademiska Hus Group, or who work at the Government Offices, do not receive any fee. Remuneration for committee work was set at the 2022 Annual General Meeting.

PENSIONS

Akademiska Hus has taken out an individual occupational pension solution for Caroline Arehult, where the agreed retirement age is 65 years. Caroline Arehult has the right to pension provisions corresponding to 30 per cent of her cash salary. The company also has the right to request that the chosen insurance solution contains a survivor's pension and health insurance applicable from the 91st day of illness. In addition to the above, the company also provides the customary FTA and group life insurance, insurance for business travel and customary health insurance. Other senior executives have similar defined contribution agreements with a maximum allocation of 30 per cent of their salary. These follow either exempt premium that is cost-neutral versus defined benefit ITP2, alternatively "premium ladder" according to the company's directive around retirement benefits.

Periods of notice and severance pay

Caroline Arehult as well as all senior executives have agreements specifying a mutual period of notice of six months. In the event of notice being given by the company, severance pay is payable for a further twelve months. Severance pay is not pensionable nor does it entitle the employee to holiday pay. Income received through other employment or business activities during the period in which the company provides severance pay shall be deducted from their severance pay.

1) No payments were made in addition to the above reported basic salary. 2) Left Executive Management and the position of CEO on 31 August 2021. 3) Joined Executive Management and assumed the position of CEO on 1 September 2021. 4) Catarina, Magnus and Peter left their positions as of 30 June and Jonas as of 31 August 2022 under an agreement reached in December 2021. Remuneration during the period of notice and severance pay, including benefits and pension provision, amount to SEK 12,674 million, which is in addition to the amounts presented in the table. In the event of employment or other additional paid work, the remuneration shall be reduced for the remainder of the period corresponding to the new income. The entire cost, including employer contributions and pension, will be charged to 2021.

5) Joined Executive Management 2 May 2022. 6) Hayar left his position as of 23 May 2022. Remuneration during the period of notice and severance pay, including benefits and pension provision, amount to KSEK 4,182, which is in addition to the amounts presented in the table. In the event of employment or other additional paid work, the remuneration shall be reduced for the remainder of the period corresponding to the new income. The entire cost, including employer contributions and pension, will be charged to 2022. 7) Joined Executive Management 1 Feb. 2022. 8) Joined Executive Management 9 June 2022. 9) Joined Executive Management 10 May 2022. 10) Joined Executive Management 1 Nov. 2022.

12 Fees and disbursements to auditors out of pocket expenses

	Group		Parent Company	
	2022	2021	2022	2021
ÖHRLINGS PRICEWATERHOUSECOOPERS AB				
Audit assignment	1,450	1,350	1,450	1,350
Audit work in addition to the audit assignment	313	371	313	371
Tax consulting	59	159	59	159
Other services	51	144	51	144
TOTAL	1,873	2,024	1,873	2,024

“Audit assignment” refers to payment to the auditor for the statutory audit, such as work necessary to submit the audit report. “Audit work in addition to the audit assignment” in effect refers to what can be designated quality assurance services (for example, examination of a pro-

spectus for an EMTN programme) as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of other duties.

13 Investment properties (Group)

Change in property holdings, in SEK 1,000	Group	
	31 Dec. 2022	31 Dec. 2021
Opening assessed market value	112,323,370	99,611,279
+ Investments in new construction, extensions and redevelopment	2,483,631	2,456,769
Capitalized interest expenses	66,940	66,875
+ Acquisitions	110,200	—
- Sales	-713,591	-2,264,276
+/- Change in market value	1,100,651	12,452,724
Of which change in value due to a change in the cost of capital and yield requirement	-4,922,274	8,481,215
Of which change in value due to the change in the standard maintenance charge	-304,829	—
Of which change in value due to the change in the KPI	5,321,750	—
Of which change in value due to changed value index (valuation mode, average remaining lease term, premises type)	-889,804	35,960
Of which capitalized interest expenses	-66,940	-66,875
Of which other changes in value	1,962,748	4,002,424
CLOSING ASSESSED MARKET VALUE	115,371,201	112,323,370

Changes in value, property holdings, SEK 1,000	2022	2021
Positive	4,578,577	15,289,784
Negative	-3,477,926	-2,837,060
Result from sales and disposal	7,546	28,724
TOTAL CHANGES IN VALUE, INVESTMENT PROPERTIES	1,108,197	12,481,448

VALUATION MODELS/METHODS

The assessed market value of the Group's properties as at 31 December 2022 has been set using an internal property valuation. The valuation has been conducted using different valuation methods as follows:

Distribution valuation method	SEK 1,000	Share, %
Cash flow method	103,084,076	89.3%
Other valuation method	10,718,044	9.3%
Location price method (expansion reserves)	1,569,081	1.4%
TOTAL	115,371,201	100%

89.3 per cent of the market value has been set through an internal cash flow valuation, where the cash flow figures used comprise the net operating income for each property. Rental revenue was calculated based on current leases and an assessment of market rent level is made after the term of the lease has expired. Operating costs are estimated based on the normalised historical outcome of each property, while maintenance costs and property administrative costs are assessed based on actual costs and key indicators for the industry.

For an initial calculation period of ten years, a current value is computed for the cash flow generated each year using a nominal cost of capital. The residual value from year 11 is calculated based on the market's actual yield requirements. Residual value is in turn calculated at the current value using nominal cost of capital. The property's market value comprises the sum of the current cash flows during the calculation period and the current residual value.

The starting point when choosing the cost of capital is the nominal interest rate on the secondary market for government bonds with a term equivalent to the length of the calculation period. A risk premium is added to cover the market risk and the property-related risk. The yield requirements are assessed, as far as possible, using the property transactions that have been completed on the market and, as far as possible, using comparable properties. Each year, Akademiska Hus has the yield requirement, cost of capital and other valuation prerequisites verified by two external valuation institutes. Both the cost of capital for discounting the cash flow as well as the yield requirement have been differentiated for each property depending on the town, location, lease term and type of premises. The risks are thus analysed in several dimensions and are generally assessed to be higher for properties with shorter leases, installation-intensive premises and properties in less attractive locations.

9.3 per cent of the assessed market value was set based on other valuation methods. This primarily relates to properties with a special risk assessment where a more individually adapted cash flow method has been used to be able to adapt the length of the estimate and yield requirement based on needs. Indicative selling prices are included in this group.

Expansion reserves, 1.4 per cent, were measured according to the sales comparison approach based on external valuations. In some cases, the planning conditions for new construction are unclear and consequently the pure land values have been used to establish the market value. The expansion reserves include construction rights covering a gross area of approximately 1.56 million square metres (GFA).

The total fair value of investment properties includes new construction in progress amounting to SEK 4,358 million (3,626), which has also been valued using the internal cash flow valuation with a deduction for remaining investment.

The investment properties are on level 3 in the fair value hierarchy.

NOTES

Valuation conditions 2022

The average yield requirement and the cost of capital were reduced by 0.14 percentage points in the first quarter of the year. Since then, there has been uncertainty in the property market and conditions have changed, for which reason Akademiska Hus increased the average yield requirement and the cost of capital by 0.38 and 0.49 percentage points respectively in subsequent quarters. The total change in value attributable to changes in yield requirements and cost of capital in 2022 amounted to SEK -4,922 million (8,481).

Characteristic of Akademiska Hus are long leases with stable, credit-worthy customers. The majority of tenants have a public principal and thus a very good credit rating, which means a low rent risk during the term of the lease. Approximately 85 per cent of income derives from the dominant customer group, universities and colleges. All centres of education, apart from Chalmers University of Technology, have the Swedish state as principal and thus have a high credit rating. The average remaining lease term is 6.1 years (6.2). The valuation divided the leases into three categories based on average remaining lease term. For valuation properties with a longer remaining lease term, the relative risk is lower as the cash flow valuation is based predominantly on hedged revenue flows.

The city, town and location classifications have been based in part on the general division of the property market. Larger and important cities and towns have been assigned a higher degree of attractiveness from, for example, a demographic, employment and economic point of view. From the point of view of higher education and research, in addition to Sweden's three largest cities – Stockholm, Gothenburg and Malmö – the classic university towns of Lund and Uppsala, and to a certain extent Linköping and Umeå, are considered to be more attractive and more stable over the long term. The division into different cities, towns and locations reflects the demand on the market and the attractiveness of the properties.

Akademiska Hus operates in a specific segment of the property market, which means that our properties are more adapted to specialist uses and consequently they have a slightly more uncertain residual value than for more general properties, such as office buildings and residential buildings. This means that many of our properties are not available for new tenants or other purposes without substantial redevelopment. After an initial calculation period, assessment of the residual value needs to reflect the more property specific risks in more concrete terms. An assessment of the uncertainty regarding modernity, standard/condition, technical risk and redevelopment/adaptation requirements is made at the point at which residual value is calculated. These risks are quantified mainly in the form of charges to cash flow and in the direct yield requirement.

The cost of capital for the cash flow varies for different properties within the range 5.82–10.92 per cent depending on the lease term, town/city, location, and type of premises. The long-term yield requirement varies between 3.65 per cent and 8.65 per cent depending on the town/city, location and type of premises.

The table below presents the average yield requirement and cost of capital for each town/city.

	31 Dec. 2022		31 Dec. 2021	
	Yield requirement, %	Cost of capital, %	Yield requirement, %	Cost of capital, %
Stockholm*	4.4	6.6	4.2	6.3
Uppsala	4.8	6.9	4.5	6.6
Gothenburg	4.5	6.7	4.2	6.3
Lund	5.4	7.6	5.2	7.3
Umeå	5.6	7.8	5.5	7.6
Linköping	5.5	7.7	5.6	7.7
Other	6.4	8.7	6.5	8.6
Group	4.7	6.9	4.5	6.6

*Stockholm incl. Huddinge, Kista and Solna

Other assumptions

The following assumptions form the basis for the internal market value:

Valuation assumptions

Lease term	>10 years, >6 years < = 10 years, < = 6 years
Division into town, city, location	26 towns, cities, locations
Special adaptation/category of premises	Installation-intensive premises/ non-installation-intensive premises
Calculation period	10 years
Inflation assumption, year 1	5.0%
Inflation assumption, years 2–10	2.0%
Vacant space	Actual and/or 3%
Property administration	SEK 45/m ²
Maintenance costs, non-installation-intensive premises	SEK 105/m ²
Maintenance costs, installation-intensive premises	SEK 145/m ²

Assumptions about inflation have been made based on the views of different forecasters, such as the National Institute of Economic Research, the Swedish central bank (the Riksbank) and commercial banks. The long-term inflation assumption of 2 per cent corresponds with the Swedish central bank's (the Riksbank) long-term inflation target. The rent trend during the term of the lease is estimated at maximum of inflation (CPI), with consideration taken to the index share of the lease. Actual vacancy is applied as it occurs and after the contract period a standard vacancy rate of 3 per cent is applied. Standard formulas are applied for property administration costs and maintenance costs.

A change in maintenance costs that affects the profit and return on

equity has been calculated based on actual maintenance costs. The impact on market value has been calculated based on a standard maintenance cost and standard property administration cost in the valuation model.

Sensitivity analysis

The sensitivity analysis shows how the market value is affected in conjunction with changes in different variables. The impact on profit of a change in value, however, would not affect the cash flow as it is unrealised.

Change	Impact on assessed market value, SEK m*	Impact on assessed market value, percentage points
Rental revenue, +/- one per cent	175	0.2
Vacant space, +/- one percentage point	-981	-0.8
Operating costs, +/- one per cent	-121	-0.1
of which provision of utilities	-61	-0.1
Maintenance costs, +/- SEK 10/m ²	610	0.6
Property administration, +/- SEK 10/m ²	610	0.6
Cost of capital, + one percentage point	-7,432	-6.4
Cost of capital, - one percentage point	8,266	7.2
Yield requirement, + one percentage point	-10,355	-9.0
Yield requirement, - one percentage point	16,325	14.1

* Refers only to properties subjected to discounted cash flow analysis.

Other

There are no limits with regard to the right to sell the properties or use the rental revenue. All properties are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 6,844,767 (6,568,467) and the direct costs for the investment properties during the period totalled KSEK 1,810,703 (1,971,514). As of 1 January 2022 preventive maintenance is reported group-wide as additional acquisition of investment properties.

External valuation

To assure the internal valuation, selected properties are valued each year by external valuation companies. During the year, valuation buildings at an assessed market value of SEK 30,816 million (31,106) were valued externally, corresponding to approximately 27 per cent (28) of the Akademiska Hus total market value. The 2022 valuations were carried out by Svefa AB, an appraisal firm that is authorised by the Swedish Professionals for the Built Environment. The discrepancy between Akademiska Hus' internal valuation and the external valuations in 2022 was less than +/- two per cent. The change in value is attributable to both differing assessments of the yield requirement and cash flow differences, primarily assessed market rent. The external valuations confirm the reliability of the internal valuation model.

14 Investment properties (Parent Company)

Carrying amount for investment properties amounted to KSEK 49,127,038 (48,559,198). The amount includes land, land systems, buildings, building equipment, land equipment and projects in progress. Fiscal residual value amounted to KSEK 30,646,741 (31,332,244).

The carrying amount of investment properties changed as follows during the year:

	Parent Company	
	31 Dec. 2022	31 Dec. 2021
Opening acquisition value	66,823,011	63,484,384
Investments in new construction and redevelopment	2,140,063	4,585,990
Acquisitions	110,200	—
Sales and disposals	-161,194	-1,289,015
Reclassifications	—	41,652
CLOSING ACCUMULATED ACQUISITION VALUE	68,912,080	66,823,011
Opening revaluations	7,692,308	6,574,919
Reclassifications	—	1,117,389
CLOSING ACCUMULATED REVALUATIONS	7,692,308	7,692,308
Opening depreciation	-25,593,420	-23,203,454
Reclassifications	—	-1,148,460
Sales and disposals	83,697	317,459
Depreciation for the year	-1,616,601	-1,558,965
CLOSING ACCUMULATED DEPRECIATION ACCORDING TO PLAN	-27,126,324	-25,593,420
Opening impairments	-362,701	-349,264
Reclassifications	—	-10,580
Sales and disposals	—	3,623
Reversed impairments	11,675	8,950
Impairments for the year	—	-15,430
CLOSING ACCUMULATED IMPAIRMENTS	-351,026	-362,701
CARRYING AMOUNT	49,127,038	48,559,198

15 Appropriations and untaxed reserves

	Parent Company	
	31 Dec. 2022	31 Dec. 2021
APPROPRIATIONS		
Change in tax allocation reserve	537,145	507,298
Group subsidies paid	-50	—
TOTAL	537,095	507,298
UNTAXED RESERVES		
Tax allocation reserve, provision made 2016	—	537,145
Tax allocation reserve, provision made 2017	571,000	571,000
Tax allocation reserve, provision made 2018	480,000	480,000
Tax allocation reserve, provision made 2019	460,000	460,000
Additional depreciation	1,377,139	1,377,139
TOTAL	2,888,139	3,425,284

16 Tax

	Group		Parent Company	
	2022	2021	2022	2021
TAX ON PROFIT FOR THE YEAR				
<i>Current tax</i>				
Current tax on profit for the year	-764,062	-491,833	-764,062	-491,833
Total current tax	-764,062	-491,833	-764,062	-491,833
DEFERRED TAX ATTRIBUTABLE TO TEMPORARY DIFFERENCES				
Financial instruments	-120,664	-91,740	-120,664	-91,740
Investment properties	-588,042	-2,738,191	-76,776	-96,326
Tax allocation reserve	110,652	111,606	—	—
Pension provisions	-56,852	2,971	—	—
Total deferred tax	-654,906	-2,715,355	-197,440	-188,066
TOTAL TAX ON PROFIT FOR THE YEAR	-1,418,968	-3,207,188	-961,502	-679,900

The difference between the reported tax expense and tax expense based on the current tax rate comprises the following components:

	Group		Parent Company	
	2022	2021	2022	2021
Reported profit before tax	6,908,759	16,997,178	5,752,251	3,274,685
Tax at the current tax rate	-1,423,204	-3,501,419	-1,184,964	-674,585
Tax effect of expenses that are not tax deductible/taxable (permanent differences):				
Non-deductible expenses	-14,229	-1,494	-14,229	-1,494
Non-taxable revenues	1,044	—	1,044	—
Taxable standard interest calculated on the tax allocation reserve	-2,110	-5,767	-2,110	-5,767
Result, shares in Group companies	—	—	275,556	—
Tax reduction Albanova	—	322,000	—	—
Taxable gain with sale, accounting 2022	—	-328	—	-328
Tax reduction equipment purchased 2021	18,998	—	18,998	—
Adjustment of tax expense for previous years	—	—	-55,797	—
Other	533	-20,180	—	2,274
TOTAL REPORTED TAX EXPENSE	-1,418,968	-3,207,188	-961,502	-679,900

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
<i>Deferred tax assets attributable to temporary differences</i>				
Financial instruments	—	51,139	—	51,138
Non-deductible expenses	19,459	19,459	19,459	19,459
Pension provisions	18,218	75,069	—	—
Total, reported deferred tax receivables	37,677	145,667	19,459	70,597
<i>Deferred tax liabilities attributable to temporary differences</i>				
Tax allocation reserve	-311,266	-450,592	—	—
Properties	-16,524,626	-15,875,556	-2,594,878	-2,518,101
Financial instruments	-95,218	—	-95,218	—
Total, reported deferred tax liability	-16,931,110	-16,326,148	-2,690,096	-2,518,101
TOTAL, REPORTED DEFERRED TAX LIABILITY	-16,893,433	-16,180,481	-2,670,637	-2,447,504

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Items that cannot be reclassified to profit for the year				
- electricity derivatives	-25,693	-7,549	-25,693	-7,549
- actuarial gains and losses	-47,354	-3,256	—	—
TOTAL DEFERRED TAX REPORTED IN OTHER COMPREHENSIVE INCOME	-73,047	-10,805	-25,693	-7,549

17 Dividend

The dividend paid to the shareholder on 9 May 2022 totalled SEK 2,484,000,000 (2,142,000,000). The dividend per share was SEK 1,163.47 (1,003.28). As regards the dividend for the year, the Board proposes a dividend of SEK 1,360.66 per share, for a total of SEK 2,905,000,000, to be paid to the shareholder as instructed by the owner. A decision regarding a dividend will be reached by the shareholder at the Annual General Meeting. The dividend has not been recorded as a liability in the annual report.

Available for allocation at the Annual General Meeting:

Profit brought forward	980,768,697
Profit for the year	4,790,749,208
Total	5,771,517,905

The Board of Directors and the Chief Executive Officer propose that the profit be allocated in such a way that SEK 2,905,000,000 is paid to the shareholder and SEK 2,866,517,905 is carried forward.

PROFIT USED FOR CALCULATION OF DIVIDEND 2022 (SEK M)

	Outcome consolidated profit	Changes in value in the Group	Profit used for calculation of dividend
Income from property management	6,954		6,954
Property management expenses	-1,811		-1,811
NET OPERATING INCOME	5,143		5,143
Central administration costs	-68		-68
Development costs	-50		-50
Interest income	230		230
Interest expense	-682		-682
Site leasehold fees	-82		-82
PROFIT BEFORE CHANGES IN VALUE AND TAXES	4,490		4,490
Changes in value, properties	1,108	-1,101	8
Changes in value, financial instruments	1,310	-586	724
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	6,909	-1,686	5,222
Tax/current tax	-1,419	347	-1,072
PROFIT AFTER TAX	5,490	-1,339	4,150
Dividend, 70% of the profit available for the payment of a dividend			2,905

The dividend as decided at the Annual General Meeting held on 28 April 2022 was SEK 2,484 million.

18 Capitalised expenditure

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening acquisition value	8,338	4,064	8,338	4,064
Purchases	—	4,274	—	4,274
CLOSING ACCUMULATED ACQUISITION VALUE	8,338	8,338	8,338	8,338
Opening depreciation	-2,047	-948	-2,047	-948
Depreciation for the year	-1,668	-1,099	-1,668	-1,099
CLOSING ACCUMULATED DEPRECIATION	-3,715	-2,047	-3,715	-2,047
CARRYING AMOUNT	4,623	6,291	4,623	6,291

19 Equipment, fixtures and fittings

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening acquisition value	126,838	130,359	126,838	130,359
Purchases for the year	11,268	13,740	11,268	13,740
Sales and disposals	—	-45	—	-45
Reclassifications	—	-17,216	—	-17,216
CLOSING ACCUMULATED ACQUISITION VALUE	138,106	126,838	138,106	126,838
Opening depreciation	-92,943	-96,857	-92,943	-96,857
Sales and disposals	—	39	—	39
Depreciation for the year	-11,341	-13,341	-11,341	-13,341
Reclassifications	—	17,216	—	17,215
CLOSING ACCUMULATED DEPRECIATION	-104,284	-92,943	-104,284	-92,943
CARRYING AMOUNT	33,821	33,894	33,821	33,894

20 Shares in Group companies

	Parent Company	
	31 Dec. 2022	31 Dec. 2021
Opening acquisition value	600	826,222
Acquisition of subsidiaries	109,193	—
Write-down as a result of value transfer	109,143	—
Sale of subsidiaries	—	-825,622
CARRYING AMOUNT	650	600

Parent Company directly owned companies	Organisation number	Registered office	Total number of shares	Share of equity in % ¹⁾	Parent Company	
					31 Dec. 2022	31 Dec. 2021
Akademiska Hus Utveckling och Support AB	556610-2975	Gothenburg	500 (500)	100 (100)	500	500
Akademiska Hus Holding AB	556981-6803	Gothenburg	100 (100)	100 (100)	100	100
Akademiska Hus Holding 2 AB	559360-3441	Gothenburg	250 (250)	100 (100)	25	—
Akademiska Hus Göteborg Lorensberg 24:2 AB	559345-9208	Gothenburg	25,000 (25,000)	100 (100)	25	—
TOTAL					650	600

Parent Company indirectly owned companies	Organisation number	Registered office	Total number of shares	Share of equity in % ¹⁾	Parent Company	
					31 Dec. 2022	31 Dec. 2021
Akademiska Hus Kunskapen 3 AB	559282-9054	Gothenburg	500 (500)	100 (100)	50	50
Akademiska Hus Kunskapen 4 AB	559328-2220	Gothenburg	250 (250)	100 (100)	—	25
Kunskapsmiljön 7 AB	556966-0037	Gothenburg	500 (500)	100 (100)	—	50
Akademiska Hus Kunskapen Holding AB	559379-2830	Gothenburg	250 (250)	100 (100)	25	—
Akademiska Hus Kunskapen 5 AB	559379-2848	Gothenburg	250 (250)	100 (100)	25	—
Akademiska Hus Kunskapen 6 AB	559379-2855	Gothenburg	250 (250)	100 (100)	25	—
Akademiska Hus Kunskapen 7 AB	559379-3028	Gothenburg	250 (250)	100 (100)	25	—
TOTAL					150	125

1) Corresponds to the number of votes.

21 Loans and financial instruments

31 Dec. 2022

FINANCIAL INSTRUMENTS BY CATEGORY, SEK 1,000	Derivatives measured at fair value through profit or loss	Measured at fair value through profit or loss	Measured at amortised cost	Fair value through other comprehensive income (FVOCI)	Total carrying amount	Total fair value
NON-CURRENT ASSETS						
Currency derivatives						
Interest rate derivatives	1,339,194				1,339,194	1,339,194
Currency interest rate swaps	1,180,449				1,180,449	1,180,449
Electricity derivatives				46,475	46,475	46,475
TOTAL NON-CURRENT ASSETS	2,519,643	—	—	46,475	2,566,118	2,566,118
CURRENT ASSETS						
Currency derivatives	1,580				1,580	1,580
Interest rate derivatives						
Currency interest rate swaps	98,409				98,409	98,409
Electricity derivatives				116,833	116,833	116,833
Current investments		4,690,597			4,690,597	4,690,597
Rent receivables and accounts receivable			310,658		310,658	310,658
Cash and cash balances			2,366,028 ¹		2,366,028	2,366,028
TOTAL CURRENT ASSETS	99,989	4,690,597	2,676,686	116,833	7,584,105	7,584,105
NON-CURRENT LIABILITIES						
Currency derivatives						
Interest rate derivatives	-1,115,845				-1,115,845	-1,115,845
Currency interest rate swaps	-633,282				-633,282	-633,282
Electricity derivatives						
Swedish bonds			-13,819,897		-13,819,897	-13,618,211
Foreign bonds		-16,010,856			-16,010,856	-16,010,856
Other loans			-1,262,201		-1,262,201	-1,291,831
TOTAL NON-CURRENT LIABILITIES	-1,749,127	-16,010,856	-15,082,098	—	-32,842,081	-32,670,025
CURRENT LIABILITIES						
Currency derivatives	-165,231				-165,231	-165,231
Interest rate derivatives	-2,281				-2,281	-2,281
Currency interest rate swaps						
Electricity derivatives	-4,155				-4,155	-4,155
ECP			-2,754,016		-2,754,016	-2,753,878
Swedish bonds			-3,099,687		-3,099,687	-3,079,085
Foreign bonds		-520,007			-520,007	-520,007
Other loans			-14,802		-14,802	-14,802
Accounts payable			-248,189		-248,189	-248,189
TOTAL CURRENT LIABILITIES	-171,667	-520,007	-6,116,694	—	-6,808,368	-6,787,628

1) The amount shown in the table is the Group's cash and cash balances. The Parent Company has KSEK 2,366,003 in cash and cash balances. All derivatives are held for hedging purposes. The fair value of accounts receivable, cash and cash equivalents and accounts payable corresponds to the carrying amount.

NOTES

31 Dec. 2021

FINANCIAL INSTRUMENTS BY CATEGORY, SEK 1,000	Derivatives measured at fair value through profit or loss	Measured at fair value through profit or loss	Measured at amortised cost	Fair value through other comprehensive income (FVOCI)	Total carrying amount	Total fair value
NON-CURRENT ASSETS						
Currency derivatives						
Interest rate derivatives	1,251,551				1,251,551	1,251,551
Currency interest rate swaps	2,210,773				2,210,773	2,210,773
Electricity derivatives				12,120	12,120	12,120
TOTAL NON-CURRENT ASSETS	3,462,324	—	—	12,120	3,474,444	3,474,444
CURRENT ASSETS						
Currency derivatives	101,848				101,848	101,848
Interest rate derivatives	5,101				5,101	5,101
Currency interest rate swaps						
Electricity derivatives				45,251	45,251	45,251
Current investments		1,905,140			1,905,140	1,905,140
Rent receivables and accounts receivable			503,284		503,284	503,284
Cash and cash balances			2,161,979 ¹⁾		2,161,979	2,161,979
TOTAL CURRENT ASSETS	106,949	1,905,140	2,665,263	45,251	4,722,603	4,722,603
NON-CURRENT LIABILITIES						
Currency derivatives						
Interest rate derivatives	-1,312,712				-1,312,712	-1,312,712
Currency interest rate swaps	-2,608				-2,608	-2,608
Electricity derivatives						
Swedish bonds			-16,464,085		-16,464,085	-18,569,102
Foreign bonds		-14,502,663			-14,502,663	-14,502,663
Other loans			-273,733		-273,733	-273,733
TOTAL NON-CURRENT LIABILITIES	-1,315,320	-14,502,663	-16,737,818	—	-32,555,801	-34,660,818
CURRENT LIABILITIES						
Currency derivatives	-4,011				-4,011	-4,011
Interest rate derivatives						
Currency interest rate swaps						
Electricity derivatives						
ECP			-2,710,384		-2,710,384	-2,710,181
Swedish bonds			-1,252,764		-1,252,764	-1,255,607
Foreign bonds						
Other loans			-1,016,093		-1,016,093	-1,014,382
Accounts payable			-317,823		-317,823	-317,823
TOTAL CURRENT LIABILITIES	-4,011	—	-5,297,064	—	-5,301,075	-5,302,004

1) The amount shown in the table is the Group's cash and cash balances. The Parent Company has KSEK 2,161,908 in cash and cash balances. All derivatives are held for hedging purposes. The fair value of accounts receivable, cash and cash equivalents and accounts payable corresponds to the carrying amount.

LOANS

The Group's financing takes place mainly through the public financing programmes. Through their standardised terms and conditions, these permit rational, cost-effective financing. The Group has international ECP and EMTN programmes, as well as a domestic commercial paper programme. Bank financing is used to a limited extent. The average capital for bank financing during 2022 was SEK 0.84 million (6.5). Bonds are recognised at fair value and the Group's other loans are recognised at amortised cost. The Group's risk management is presented in Note 22 Financial risk management.

FINANCING COST

Net interest income and expense amounted to SEK 776 million (-71) and the average interest-bearing capital was SEK 31,551 million (32,924). The financing cost amounted to -2.47 per cent (0.13), calculated as interest expense in relation to average interest-bearing net loan liability, excluding cash and bank holdings. The changes in value in the financial derivative instruments correspond to a decrease in financing cost of -4.16 per cent (-1.15).

FINANCING COST, BREAKDOWN, %

	2022	2021	2020	2019	2018
Loan financing cost, including charges	1.70	1.22	1.31	1.07	0.88
Interest swaps, net interest, %	-0.01	0.06	0.17	0.14	0.09
Financing cost, %	1.69	1.28	1.48	1.21	0.97
Changes in value, financial derivatives, %	-4.16	-1.15	0.59	1.39	1.33
TOTAL FINANCING COST	-2.47	0.13	2.07	2.60	2.30

TOTAL FINANCING COST BROKEN DOWN, SEK m

	2022	2021
Net interest income/expense, net loans and financial assets	-513	-367
Net interest derivatives	4	-18
Other interest costs	-10	-50
Capitalised interest expense, projects	67	67
TOTAL NET INTEREST INCOME/EXPENSE	-452	-368
Change in value, independent financial derivatives		
– unrealised	309	370
– realised	725	-65
Changes in value, fair value hedges	276	75
TOTAL CHANGES IN VALUE	1,310	380
Site leasehold fees	-82	-83
REPORTED NET INTEREST INCOME AND EXPENSE	776	-71

EFFECT OF FINANCIAL DERIVATIVES ON PROFIT

Independent interest rate derivative instruments are reported at market value (fair value) and variations in market value are recognised in net interest income and expense. Interest derivatives are mainly entered into with the aim of extending the fixed interest period in the liability portfolio, which largely consists of financing at floating interest rates. Falling interest rates entail a negative impact on profit from these interest rate derivatives; the opposite is true when interest rates rise. The changes in value relate to the changed present value of future cash flows from interest rate derivatives, at prevailing interest rates. Consequently these do not have any immediate effect on cash flow, as long as they remain unrealised. Certain interest rate derivatives are closed and settled on an ongoing basis (monthly or quarterly) and replaced with new ones, which means that profits are continuously realised. Falling

interest rates, combined with interest rate derivatives for purposes of extension, mean that financing cost will be higher than if the extension had not been implemented. However, the lower interest rate can be used when refinancing and with sales of fixed interest at a later date. As time passes, no surplus or deficit values of interest rate derivatives will remain at maturity.

The currency and interest risks that arise in conjunction with long-term financing, usually bonds in foreign currency, are hedged with currency interest rate swaps. The changes in value for each instrument can be attributed to changes in both exchange rates and interest rates. Hedge accounting is applied for these forms of financing, where only the inefficiency that arises due to different valuation practices is recognised in the income statement.

	2022			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Current investments		4,690,597		4,690,597
Independent derivatives		1,340,774		1,340,774
Fair value hedges		1,278,858		1,278,858
TOTAL ASSETS	—	7,310,229	—	7,310,229
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Independent derivatives		-1,287,511		-1,287,511
Fair value hedges		-633,282		-633,282
Bonds (fair value)		-16,530,863		-16,530,863
TOTAL LIABILITIES	—	-18,451,656	—	-18,451,656

	2021			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Current investments		1,905,140		1,905,140
Independent derivatives		1,358,500		1,358,500
Fair value hedges		2,210,774		2,210,774
TOTAL ASSETS	—	5,474,414	—	5,474,414
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Independent derivatives		-1,316,723		-1,316,723
Fair value hedges		-2,608		-2,608
Bonds (fair value)		-14,502,663		-14,502,663
TOTAL LIABILITIES	—	-15,821,994	—	-15,821,994

Financial instruments valued at fair value

The table on page 87 presents the financial assets and liabilities that are valued at fair value. They are classified in a hierarchy, comprising three levels and based on the information used to set their fair value. Level 1 refers to when fair value is set based on listed prices on active markets for identical financial assets and liabilities. Level 2 refers to when fair value is set based on observable data other than listed prices on active markets. Level 3 refers to when the set fair value is essentially based on data that is not observable, i.e. the company's own assumptions. The fair value of financial assets and liabilities is set by using information that is

attributable to one or more of the above-mentioned levels. The classification is determined by the lowest level in the hierarchy for the information that has a material impact on the value. The Group mainly holds derivative instruments that are on level 2. The valuation of the instruments is done according to the zero coupon method, which means that all the future cash flows of the instrument are set at the current value. The zero coupon interest rates used to discount the cash flows are calculated according to market practice with DEPO/FRA/SWAP notations as a base. The source of this information is real-time data from Bloomberg.

Fair value measurement	Measurement method	31 Dec. 2022		31 Dec. 2021	
		Fair value	Impact on profit	Fair value	Impact on profit
Derivatives – independent and in hedge relationship	Discounted cash flows: The valuation model uses the present value of future cash flows	698,839	-494,113	2,249,942	15,152
Current investments: Discount paper	Discounted cash flows: The valuation model uses the present value of future cash flows	4,690,597	-300	1,905,140	67
Bonds in hedge relationship	Discounted cash flows: The valuation model uses the present value of future cash flows	-16,530,863	1,804,456	-14,502,663	-358,874

MATERIAL CONTRACTUAL TERMS AND CONDITIONS

The general terms and conditions for the EMTN programme include a clause which specifies that if the Swedish state ceases, directly or indirectly, to hold more than 50 per cent of the shares, equivalent to more than 50 per cent of the shareholding and more than 50 per cent of the votes, the loans and any interest shall fall due for repayment immediately. The contractual terms and conditions for the short-term financing programmes do not include any equivalent undertaking. Ever since the programmes were established, the Group's policy has been not to accept any terms and conditions that require, for example, that a certain rating, equity ratio or interest coverage ratio be maintained.

Asset management, SEK m	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Gross loan debt	-37,481	-36,220	-37,481	-36,220
Collateral for derivatives, net	-643	-2,091	-643	-2,091
Cash and cash balances	7,057	4,067	7,057	4,067
Current receivables	489	805	489	805
NET LOAN LIABILITY	-30,578	-33,439	-30,578	-33,439
Interest-bearing portion of pension liability	-469	-693	-381	-328
Site leasehold fees	-2,663	-2,662	—	—
TOTAL INTERESTBEARING NET LOAN LIABILITY	-33,711	-36,794	-30,959	-33,767

All loans, including bonds, are included in gross loan debt. The net liability portfolio includes some current receivables, cash and cash balances and security transfers for derivative instruments.

HEDGE ACCOUNTING

When financing in a foreign currency, all future payment flows are hedged so that the exchange risk is eliminated. Through cross currency interest rate swap agreements, all interest payments, both fixed and variable, are hedged as well as future repayments. All the measures taken have the express purpose of hedging and eliminating an exchange rate risk so that all financing is denominated in Swedish kronor. Effective hedging means that changes in the value of the hedged position and the actual hedging transaction on balance counteract each other.

ASSET MANAGEMENT

The Group strives to achieve good growth in profit, financial sustainability and financial capacity. The financial objectives are set to provide a combination of a high return on equity, high growth capacity and financial stability.

According to the owner's financial targets for Akademiska Hus, the dividend should amount to between 40 and 70 per cent of the net profit after tax after reversal of changes in value and related deferred tax. When deciding on a dividend, consideration should be given to the Group's capital structure and capital requirements. The equity ratio should be between 35 and 45 per cent and return on operating capital should be at least 6 per cent.

At the end of 2022, the equity ratio was 50.2 per cent (49.6) for the Group and 20.1 per cent (17.6) for the Parent Company. After the dividend of SEK 2,905 million proposed by the Board of Directors, the equity ratio will be 49.1 per cent for the Group and 16.1 per cent for the Parent Company.

The Group's capital structure comprises an interest-bearing net loan liability and equity attributable to the Parent Company's shareholder (share capital, other contributed capital, retained earnings, including profit for the year).

22 Financial risk management (Group)

Akademiska Hus carries on active debt management where the strategy is to weigh up the financial risks, given the existing mandate, against the desired low and stable financing cost over time. The central policy document adopted by the Board of Directors is the Finance Policy, which describes the long-term strategic orientation, the Group's approach to financial risks and the mandate to handle these risks, as well as the allocation of liability.

INTEREST RISK

The term "interest risk" refers to the risk that the Group's net interest income and expense may vary due to a change in market interest rates. A balance must be reached between saving and uncertainty on the one hand and higher costs (risk premium) and predictability on the other. The average fixed interest period is a measure of the sensitivity in net interest income and expense in conjunction with a change in market interest rates; The longer the fixed interest period, the longer it takes for an interest rate change to be reflected in current cash flow. Since it is not possible to achieve a desired fixed interest on individual financing occasions, interest rate derivatives are used to adjust the fixed interest period.

The Finance Policy describes the mandates that must be in place to manage interest rate risk. The mandates are stated for the two sub-portfolios in the debt portfolio and a share of index-linked bonds as follows:

NOTES

Long-term bond portfolio – bonds denominated in SEK with fixed interest and maturity terms in excess of 15 years. These bonds represent a significant interest risk exposure, which justifies a separate mandate. The portfolio is therefore permitted to amount to a maximum of 20 per cent (20) of the total portfolio. At the turn of the year, long-term bonds totalling SEK 4,644 million (5,424) were issued, equivalent to 12.56 per cent (15.73) of the total portfolio.

Index-linked bond share – bonds linked to the real interest rate, must not exceed 5 per cent (5) of the total portfolio. At year-end, index-linked bonds totalling SEK 500 million (500) were issued, equivalent to 1.67 per cent (1.61) of the total portfolio.

Basic portfolio – consists of the remaining portion of commercial paper, ECPs, bonds, loans and interest rate derivatives. The portfolio is managed within an average fixed interest period mandate. The current mandate is a fixed interest period of 3 to 6 years (3 to 6 years). The fixed interest period at year-end was 3.83 years (5.56), including interest rate derivative instruments.

CURRENCY INTEREST RATE DERIVATIVES REPORTED AS HEDGES	2022			
	AUD	CHF	EUR	USD
Carrying amount, SEK 1,000	43,559	428,910	537,959	37,725
Nominal amount in each currency, thousands	91,000	1,020,000	510,000	100,000
Maturity	2026–2032	2025–2044	2032–2048	2023–2027
Hedge ratio	1:1	1:1	1:1	1:1
Change in value for outstanding derivative instruments since 1 January, SEK 1,000	33,034	-83,183	1,656,269	-77,982
Change in value of the hedged item to determine effectiveness, SEK 1,000	-36,690	-92,183	-1,752,306	76,722
Weighted average for forward rate during the year	3.52	0.55	1.73	2.78

CURRENCY INTEREST RATE DERIVATIVES REPORTED AS HEDGES	2021			
	AUD	CHF	EUR	USD
Carrying amount, SEK 1,000	53,735	981,136	1,106,049	67,245
Nominal amount in each currency, thousands	91,000	650,000	510,000	100,000
Maturity	2026–2032	2025–2044	2032–2048	2023–2027
Hedge ratio	1:1	1:1	1:1	1:1
Change in value for outstanding derivative instruments since 1 January, SEK 1,000	19,933	-243,938	618,919	-59,775
Change in value of the hedged item to determine effectiveness, SEK 1,000	-17,363	138,783	-583,665	57,085
Weighted average for forward rate during the year	3.52	0.37	1.73	2.78

MATURITY STRUCTURE FOR LIABILITY MATURITY AND FIXED INTEREST PERIODS, SEK M

	Maturity, SEK m	Fixed interest, SEK m
2023	6,446	18,664
2024–2028	13,016	9,686
2029–2033	5,438	2,850
2034–2038	2,473	1,895
2039–2043	5,020	3,236
2044–2048	4,743	805
TOTAL	37,136	37,136

The table above shows the nominal amounts that are translated to the swapped rate. A positive figure means that the Group pays interest and a negative figure means that the Group receives interest.

Currency interest-rate swaps affect the financial position and earnings of the Group as follows:

In conjunction with debt issuance denominated in foreign currency, Akademiska Hus enters into cross currency interest rate swap agreements where the critical terms match for the hedged item and the hedging instrument. Accounting ineffectiveness arises since the basis spreads only affect the market value of derivatives and not the value of the issued bonds.

Interest rate swaps affect the financial position and earnings of the Group as shown in the table below:

Interest rate derivatives that are not reported as hedges, SEK 1,000	31 Dec. 2022	31 Dec. 2021
Carrying amount	221,068	-56,060
Nominal amount	6,140,000	-4,510,000
Maturity	2023–2030	2022–2030

The table above shows the nominal amount and maturity for the swaps that are current as at the closing day. Nominal amount for forward starting swaps is KSEK 4,000 (4,488).

INTEREST SENSITIVITY

Akademiska Hus' profit is sensitive to higher/lower interest expense due to changes in interest rates. Interest risk shows a change in value in SEK 1,000 at an interest rate movement of one percentage point. This interest sensitivity amounts to KSEK 14,326 (26,822) at year-end 2022.

FOREIGN CURRENCY RISK

A foreign currency risk is the risk that exchange rate changes will have an impact on the Consolidated Income Statement and Consolidated Statement of Financial Position. According to the Finance Policy, all foreign currency risk in conjunction with financing in foreign currency should be eliminated since the operation is denominated exclusively in Swedish kronor. All payment flows in foreign currency attributable to financing are therefore exchange-hedged with the aid of forward rate agreements and cross currency swap agreements.

CURRENCY BREAKDOWN, LOANS AND DERIVATIVES, SEK M

Original currency	Loans	Derivatives	Total
AUD	641	-641	—
CHF	11,482	-11,482	—
EUR	5,670	-5,670	—
SEK	18,236	19,685	37,921
USD	4,582	-4,582	—
TOTAL	40,611	-2,690	37,921

The table above shows the nominal amounts. The nominal amounts have been recalculated at the year-end rate.

NOTES

Currency derivatives affect the financial position and earnings of the Group as follows:

Currency derivatives that are not reported as hedges, SEK 1,000	31 Dec. 2022	31 Dec. 2021
Carrying amount	-163,651	97,837
Nominal amount	3,721,853	2,616,002
Maturity	2023	2022

LIQUIDITY AND REFINANCING RISK

Refers to the risk that the Group will be exposed to higher than expected expenses or that financing potential is limited when loans are due to be refinanced. The aim is to limit the costs of maturity by seeking to strike a balance between short-term, medium-term and long-term financing, and endeavouring to achieve diversification between different financing arrangements and markets. The Group's extremely high creditworthiness allows a diversified supply of credit through the public financing programmes.

According to the maturity mandate, a maximum of 30 per cent (35) may fall due for refinancing within a 12-month period. At year-end the percentage maturing within 12 months was 17.4 per cent (14.4). Unutilised credit facilities should be in place to guarantee good payment capacity. The Group's cash and bank balances at the end of 2022 totalled SEK 7,057 million (4,067). At year-end, there were also committed unutilised credit facilities in banks for a total of SEK 6,000 million (6,000). In addition, the credit facility at the European Investment Bank of SEK 1,200 million, which was obtained in December 2021, remains unutilised.

FINANCING PROGRAMMES AND RATING	Rating Standard & Poor's	Framework 31 Dec. 2022	Utilised, nominal 31 Dec. 2022
Committed credit facilities in bank	—	SEK 6,000 m	—
Commercial paper	A1+/K1	SEK 4,000 m	—
ECP (Euro Commercial Paper)	A1+	EUR 1,200 m	EUR 339 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 4,000 m	EUR 3,294 m

The following table shows the remaining contractual term for the Group's financial liabilities. The liquidity flows are not discounted and foreign flows have been translated at the rate on the closing date. For those instruments where the future variable rate of interest is unknown, the rate of interest has been calculated with the aid of the implicit forward interest rates for the yield curve on the closing date.

Use is made primarily of rental revenue to meet the obligations linked to the Group's financial liabilities presented in the table below. The rental revenue falls due for payment quarterly and is subject to long agreement terms. The credit risk associated with rental revenue is considered low.

Liquidity risk, SEK m	Loans	Derivatives	Current investments	Leasing fees	Accounts payable	Total
2023	-7,364	39	4,704	-82	-248	-2,951
2024	-4,860	-120		-82		-5,062
2025	-3,669	-44		-82		-3,795
2026	-1,787	101		-82		-1,768
2027–2031	-4,771	-44		-410		-5,225
2032–2036	-9,111	184		-410		-9,337
2037–2041	-3,747	208				-3,539
2042–2046	-6,674	1				-6,673
2047–2051	-4,366	0				-4,366
2052–2056	-1,334	0				-1,334
TOTAL	-47,683	325	4,704	-1,148	-248	-44,050

CREDIT RISK AND COUNTER-PARTY RISK

The risk of a loss if a counter-party does not meet its undertakings. In financing activities, the Group is exposed when surplus liquidity is placed in financial assets and in conjunction with claims for change in value of derivative instruments. With the aim of limiting this risk, the Finance Policy includes a limit system, in which the permitted exposure is based on the counterparty's rating, ownership and the duration of the commitment. In addition, investments should be characterised by good liquidity in the secondary market.

According to the Finance Policy, internationally standardised netting agreements, known as ISDA agreements, must always be signed with a counterparty before uncleared derivative transactions take place. As at 31 December 2022, the total counter-party exposure in derivative instruments (calculated as the net claim per counter-party) stood at SEK 1,138 million (2,263). With the aim of reducing exposure to a counterparty risk, the Group has entered into supplementary agreements, Credit Support Annexes (CSA), to the ISDA agreements. The agreements mean that the parties mutually undertake to make collateral available in the form of cash and cash equivalents for the undervalues in outstanding derivative contracts. At year-end, the Group had received collateral of SEK 735 million (2,091) net.

The table below shows financial assets and liabilities (derivatives) that are not offset in the Statement of Financial Position, but are covered by framework agreements for netting or similar agreements:

Amounts that are not offset, but are covered by framework agreements for netting or similar agreements

	31 Dec. 2022		
SEK 1,000	Carrying amount	Collateral	Net
Derivatives financial assets	2,782,939	-1,150,375	1,632,564
Derivatives financial liabilities	-1,920,794	507,419	-1,413,375
TOTAL	862,145	-642,956	219,189

The table shows that the transfer of collateral has reduced the Group's risk from SEK 862 million to SEK 219 million.

Amounts that are not offset, but are covered by framework agreements for netting or similar agreements

	31 Dec. 2021		
SEK 1,000	Carrying amount	Collateral	Net
Derivatives financial assets	3,626,644	-2,284,963	1,341,681
Derivatives financial liabilities	-1,319,331	194,119	-1,125,212
TOTAL	2,307,313	-2,090,844	216,469

The table below shows the Group's exposure to counter-party risks divided according to different rating categories:

Counter-party risks, excluding rent receivables, SEK m	Receivable	Liability	Collateral received/granted	Net exposure
INSTITUTIONS WITH A LONG RATING				
AA-/Aa3	99	0	77	22
A+/A1	2,362	-262	-178	2,278
A/A2	434	0	436	-2
A-/A3	1,489	-56	507	926
BBB+/Baa1	94	-115	-107	86
BBB/Baa2 only with CSA	—	—	—	—
INSTITUTIONS WITH ONLY A SHORT RATING				
K-1	—	—	—	—
Companies wholly owned by the Swedish state	2,955	—	—	2,955
Companies wholly owned by the Swedish state	725	—	—	725
TOTAL	8,158	-433	735	6,990

CREDIT RISK ATTRIBUTABLE TO RENT RECEIVABLES

A large proportion of the Group's receivables are rent receivables. The maximum credit risk exposure for rent receivables and accounts receivable is equal to their carrying amounts. However, the assessed credit risk in rent receivables is low in the light of the high credit rating of the tenants.

ELECTRICITY PRICE RISK

The guidelines for purchasing electricity describe the Group's electricity price risk and the mandate for managing such risk. The term "electricity price risk" refers to the risk that the future price of electricity will affect the Group's operating costs negatively and with low predictability. With the aim of reducing exposure to changes in the electricity price, different financial price-hedging instruments are used (electricity derivatives). The Group stipulates a long-term price hedging strat-

egy. Trade in physical electric power (spot) and financial price-hedging instruments takes place through Nord Pool. To limit the counter-party risk, all financial trading is cleared through third party against which Akademiska Hus pledges and receives security, depending on whether the derivative position has a positive or negative value.

Since 1 January 2021, the company applies hedge accounting for its electricity derivatives. Hedge accounting is a cash flow hedge, which means that changes in the market value of the derivative are continuously recognised in other comprehensive income, rather than in net financial income, until they expire when they are reversed from other comprehensive income to meet the cost of electricity in operating profit.

Electricity derivatives affect the financial position and comprehensive income of the Group as follows:

Electricity derivatives included in the hedging reserve	31 Dec. 2022	31 Dec. 2021
Carrying amount, SEK 1,000	163,307	57,370
Nominal amount (MWh)	926,467	985,641
Maturity	2023–2024	2022–2024

RISK CONTROL

Ongoing work is being done to improve the level of expertise, routines and internal control. There is strict allocation of responsibility between the Treasury and Risk Control. The risk control unit handles accounting and administration as well as compliance with mandates. The task of developing and refining analytical support and risk control is ongoing.

23 Maturity structure, receivables

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Receivables expected to be cleared within one year of the year-end	2,007,798	2,185,970	2,009,847	2,186,182
Receivables expected to be cleared within 1–5 years of the year-end	950,922	762,944	950,923	762,944
Receivables expected to be cleared later than five years after the year-end	2,024,803	3,139,005	2,024,802	3,139,005
TOTAL	4,983,523	6,087,919	4,985,572	6,088,131

24 Other non-current receivables

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Cleared within 5 years	123,908	147,285	123,908	147,285
Cleared after 5 years	285,699	280,220	285,699	280,220
TOTAL NON-INTERESTBEARING RECEIVABLES	409,607	427,505	409,607	427,505

25 Rent receivables and accounts receivable

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Rent receivables and accounts receivable	312,272	513,188	312,272	513,188
Provision, doubtful rent receivables and accounts receivable	-1,614	-9,904	-1,614	-9,904
TOTAL	310,658	503,284	310,658	503,284

Rent receivables and accounts receivable are reported at amortised cost. The fair value of rent receivables and accounts receivable concurs with the carrying amount as of the year-end and there is no impairment requirement. Of the overdue rent receivables and accounts receivable

as at 31 December 2022, KSEK 69,000 were 1–5 days overdue, KSEK 0 were 6–30 days overdue, KSEK 2,500 were 31–60 days overdue and KSEK 5,500 were more than 60 days overdue. Overdue receivables do not include impaired receivables.

The provision for doubtful rent receivables and accounts receivable changed as follows:

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening balance	-9,904	-13,149	-9,904	-13,149
Provisions for the year	-263	-54	-263	-54
Established credit losses	8,553	3,299	8,553	3,299
CLOSING BALANCE	-1,614	-9,904	-1,614	-9,904

26 Other current receivables

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Settlement, taxes and charges	489,148	804,762	488,856	804,762
Collateral received	507,418	194,119	507,418	194,119
Other current receivables	339,105	373,222	339,887	373,435
TOTAL	1,335,671	1,372,103	1,336,161	1,372,316

Other current receivables are reported at amortised cost.

27 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Accrued rent	49,750	46,934	49,750	46,934
Prepaid operating costs	41,216	43,203	41,216	43,203
Other	53,681	68,245	53,681	68,245
TOTAL	144,647	158,382	144,647	158,382

28 Cash and cash equivalents

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Current investments	4,690,597	1,905,140	4,690,597	1,905,140
Cash and bank balances	2,366,028	2,161,979	2,366,003	2,161,908
TOTAL	7,056,625	4,067,119	7,056,600	4,067,048

Cash and cash equivalents are recognised and measured at cost. Fair value is equivalent to the carrying amount. Current investments comprise temporary surplus liquidity that is invested in the short term. These investments are measured at fair value. Current investments can be found on level 2 in the fair value hierarchy. Blocked bank funds in respect of pledged assets for exchange-cleared derivative instruments are included to the amount of KSEK 41,397 (27,023) in the reported amount for cash and cash equivalents for the Group and the Parent Company. This is a buffer to cover expected daily collateral requirements.

29 Hedge reserve

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening balance	149,662	—	149,662	—
Change in value, cash flow hedges				
– Electricity derivatives	87,528	157,211	87,528	157,211
Tax effect	-25,693	-7,549	-25,693	-7,549
CLOSING BALANCE	211,497	149,662	211,497	149,662

30 Other liabilities

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Other interestbearing liabilities	1,150,375	2,284,963	1,150,375	2,284,963
Other non-interest-bearing liabilities	808,302	587,188	808,831	587,188
TOTAL	1,958,677	2,872,151	1,959,206	2,872,151

The fair value is equivalent to the carrying amount of other liabilities. The Parent Company has entered into a supplementary agreement, a Credit Support Annex (CSA) to the ISDA agreement, with the aim of handling exposure to counter-party risks in derivative instruments. The agreement means that the parties mutually undertake to furnish collateral in the form of cash and cash equivalents with a good rating for undervalues in outstanding derivative instruments. The agreement in turn gives the secured party right of disposal of collateral received. As of the year-end, the Group received collateral through the CSA agreements totalling KSEK 1,150,375 (2,284,962).

Of the Group's other liabilities, KSEK 1,608,693 falls due for payment within one year of the year-end, KSEK 338,103 within one to five years of the year-end, and KSEK 11,881 later than five years after the year-end.

Of the Parent Company's other liabilities, KSEK 1,609,222 falls due for payment within one year of the year-end, KSEK 338,103 within one to five years of the year-end, and KSEK 11,881 later than five years after the year-end.

31 Provisions for pensions and similar obligations

The Group's pension commitments include both defined contribution and defined benefit pension plans according to collective bargaining agreements.

DEFINED CONTRIBUTION PENSION PLANS

The Group's defined contribution pension plans, ITP1 and Alternative ITP (a pension for high-income earners) and flex pension cover all Group employees. The defined contribution pension plans mainly comprise a retirement pension, sickness pension and family pension. The premiums are paid continuously throughout the year to different insurance companies. The premiums are based on salary. The total cost for the financial year for defined contribution pension plans excluding payroll tax (Group and Parent Company) amounted to KSEK 30,595 (29,314).

DEFINED BENEFIT PENSION PLANS

All Group employees are covered by the Group's defined benefit pension plan, ITP 2. According to this plan, the employees are entitled to pension benefits based on their pensionable income as well as the number of years of service. The pension plan mainly comprises a retirement pension, sickness pension and family pension. The pension commitments are secured through provisions in the PRI system as well as the ITP plan family pension, sickness pension and occupational group life through insurance premiums. All pension commitments which the Akademiska Hus Group took over from the National Board of Public Buildings when the company was formed on 1 October 1993 are defined benefit plans, secured through provisions in the Statement of Financial Position, guaranteed by the Swedish National Debt Office and administered by the National Government Employees' Pension Board (SPV). All defined benefit pension commitments are credit-insured by PRI Pensionsgaranti. The most recent actuarial calculation of the present value of the defined benefit commitment was carried out by an authorised actuary on 31 December 2022. When calculating the present value of the defined benefit commitment and associated costs for employment during the current and previous periods, the Projected Unit Credit Method was used. The ITP 2 plan exposes the Group to a number of actuarial risks, such as an interest risk, risk regarding life expectancy and developments relating to the income base amount.

Interest risk – A reduction in the bond rate of interest will increase the pension liability. Possible future falls in the interest rate on first-class mortgage bonds in SEK could thus entail a risk that the Group's pension expense and undertakings could increase.

Life expectancy risk – The present value of the defined benefit obligation is calculated with consideration given to the Group's best assessment regarding mortality for members of the plan, both during and after employment. There is a risk that life expectancy will increase for

the members of the plan, which would in that case increase both the pension costs and the Group's commitment.

Salary risk – The present value of the defined benefit commitment is calculated in the light of future salaries for members of the plan. Major salary increases compared with what was included in the actuarial calculations entail a risk that the Group's liability could increase, as could the Group's pension expense.

Income base amount – The present value of the defined benefit obligations is calculated in the light of future increases in the income base amount. A larger increase than assumed in the actuarial calculations means a risk that the Group's liability could increase, as could the Group's pension expense.

The actuarial computation of the pension commitments and pension costs is based on the following assumptions:

Assumptions	31 Dec. 2022	31 Dec. 2021
Discount rate, %	4.00	1.90
Salary increase, %	3.00	3.20
Inflation, %	2.00	2.20
Income base amount, %	2.50	2.70
Personnel turnover, %	2.00	2.00
Remaining period of service, years	9.30	9.50
Mortality	DUS21	DUS14

Assumptions regarding life expectancy are based on public statistics and experience of mortality calculations in Sweden and have been adopted in consultation with actuarial experts. These assumptions result in the following average remaining life expectancy for a person who retires at the age of 65:

Estimated average remaining life expectancy, years	31 Dec. 2022	31 Dec. 2021
RETIREMENT AT THE YEAR-END		
Men	21.8	21.8
Women	23.9	24.3
RETIREMENT 20 YEARS AFTER THE YEAR-END		
Men	23.6	23.5
Women	26.0	25.3

The following amounts regarding the defined benefit pension cost are reported in the Income Statement:

Amount reported in the Income Statement	2022	2021
Benefits earned during the year	-12,394	-28,251
Interest on pension provision	-13,455	-7,829
PARTS OF THE DEFINED BENEFIT PENSION COST REPORTED IN THE PROFIT FOR THE YEAR	-25,849	-36,080

The defined benefit costs have been reported as a personnel cost and interest cost respectively. The following actuarial gains and losses have been reported under Total comprehensive income:

Total amount reported under Other comprehensive income	2022	2021
Actuarial gains and losses that arise as a result of changes in financial assumptions	274,636	19,330
Actuarial gains and losses that arise as a result of changes in experience	-44,762	-3,525
TOTAL AMOUNT REPORTED UNDER OTHER COMPREHENSIVE INCOME	229,874	15,805

The change for the period in the defined benefit obligation can be seen in the following table:

Change in the defined benefit obligation for the period	31 Dec. 2022	31 Dec. 2021
Opening balance	692,819	690,091
Service costs during the period	12,394	28,251
Net interest cost	13,455	7,829
Actuarial gains (-)/losses (+)	—	—
Changes in financial assumptions	-274,636	-19,330
Experience-based adjustments	44,762	3,525
Pension payments	-19,479	-17,547
CLOSING BALANCE	469,315	692,819

The estimated term of the Group's defined benefit pension commitment can be seen in the following table:

Estimated term for the pension commitment	31 Dec. 2022	31 Dec. 2021
Fall due for payment within one year of the year-end	22,007	17,497
Fall due for payment 1–5 years after the year-end	76,627	69,466
Fall due for payment later than five years after the year-end	370,681	605,856
TOTAL	469,315	692,819

Below is a sensitivity analysis of the defined benefit obligations reflecting changes in the applied assumptions for the discount rate, inflation and wage growth. The sensitivity analysis is based on the change in one assumption while all other assumptions are held constant. Such a scenario is unlikely in practice, and changes in certain assumptions can be correlated.

Sensitivity analysis, pension obligations	31 Dec. 2022	31 Dec. 2021
Recorded pension obligation under the reported assumptions	469,315	692,819
Discount rate increases by 0.5 percentage points	430,027	625,746
Discount rate decreases by 0.5 percentage points	513,480	769,478
Inflation increases by 0.5 percentage points	502,167	747,604
Wage growth increases by 0.5 percentage points	493,558	735,454

FUTURE PAYMENTS

The Group is expected to pay KSEK 23,258 (25,850) in charges for the defined benefit plan during the forthcoming financial year.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS IN THE PARENT COMPANY

The reported pension liability in the Parent Company comprises:

Pension liability	31 Dec. 2022	31 Dec. 2021
FPG/PRI pensions	335,769	279,231
Other pensions	45,110	49,173
TOTAL	380,879	328,404

Other pensions in the Parent Company mainly refer to the historical pension liability that was taken over from the National Board of Public Buildings when the Akademiska Hus Group was founded in 1993.

Pension commitments and provisions for pension commitments for the defined benefit plans in the Parent Company have changed as follows:

Change in the defined benefit obligation for the period	31 Dec. 2022	31 Dec. 2021
Opening balance	328,404	324,290
Pension costs, defined benefit plans	63,255	7,920
Interest expense	10,861	13,290
Payments	-19,384	-16,378
Prepaid pension funds	-2,257	-718
CLOSING BALANCE	380,879	328,404

The total pension cost in the Parent Company is broken down as follows:

	2022	2021
Pension costs, defined benefit plans	-63,255	-7,920
Interest part of the pension cost	-10,861	-13,290
PENSION COSTS, DEFINED BENEFIT PLANS	-74,116	-21,210
Pension costs, defined contribution plans	-30,595	-29,314
Employer's contribution and tax on the yield, other pension costs	-25,516	-11,965
TOTAL PENSION COSTS	-130,227	-62,489

32 Accrued expenses and prepaid income

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Prepaid rental revenue	1,951,472	1,836,682	1,951,472	1,836,682
Accrued salary and personnel costs	76,767	67,054	76,767	67,054
Accrued operating and maintenance costs	138,206	117,900	138,206	117,900
Accrued investments	91,531	13,031	91,531	13,031
Accrued interest	198,205	180,819	198,205	180,819
Other interim liabilities	38,712	86,968	38,710	86,968
TOTAL	2,494,893	2,302,454	2,494,891	2,302,454

33 Maturity structure, liabilities

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Liabilities due for payment within one year of the year-end	11,532,060	10,751,697	12,024,856	12,090,005
Liabilities due for payment within 1–5 years of the year-end	13,710,750	12,173,881	13,616,807	12,173,881
Liabilities due for payment later than five years after the year-end	39,517,272	40,153,450	22,637,034	23,393,108
TOTAL	64,760,082	63,079,028	48,278,697	47,656,994

34 Cash flow analysis

Adjustments for items not included in the cash flow

	Group		Parent Company	
	2022	2021	2022	2021
Depreciation, etc	13,009	14,440	1,617,935	1,579,097
Change in value, properties	-1,167,594	-12,519,599	—	—
Capital gain (-)/loss (+) on sale of non-current assets	—	—	-124,824	127,153
Changes in value, financial instruments	-1,121,627	-579,738	-1,121,627	-579,738
Change in pension provisions and similar commitments	-223,504	2,728	60,889	4,114
Other	8,893	171,248	10,485	171,894
TOTAL	-2,490,823	-12,910,921	442,858	1,302,520

Interest and dividends received

During 2022, the group has received interest of KSEK 144,770 and paid interest of KSEK -560,646 the same also applies to the parent company. The parent company has received a dividend of KSEK 1,336,000.

Investing activities

For investments and acquisitions for the period, a total of KSEK 2,605,100 (2,424,860) has been paid, of which KSEK 2,511,157 was paid in cash and cash equivalents. For disposals for the period, a total of KSEK 688,892 (2,165,958) has been received, of which KSEK 688,892 was received in cash and cash equivalents.

Financing activities

Opening balance for interest-bearing liabilities including derivatives in the Group total KSEK 37,539,052. The closing balance is KSEK 39,402,261. This increase consists of a positive cash flow of KSEK 2,442,488 from financing activities and changes that do not affect cash flow of KSEK -579,279 relating to amortisation of premiums/ discounts, exchange rates and fair value. The equivalent also applies for the Parent Company.

35 Pledged assets

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Blocked bank funds	41,397	27,023	41,397	27,023
Credit Support Annex	415,871	195,000	415,871	195,000
Pledged assets regarding deared derivatives	91,547	174,618	91,547	174,618
TOTAL	548,815	221,141	548,815	221,141

Unsettled results from transactions as well as standardised computed safety margins using exchange-cleared derivative instruments have been secured through blocked bank funds.

36 Contingent liabilities

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Contingent liability, FPG/PRI	6,886	5,710	6,886	5,710
TOTAL	6,886	5,710	6,886	5,710

37 Transactions with related parties

In conjunction with intra-Group purchases and sales, the same pricing principles are applied as would have been the case in transactions with an external party. Intra-Group property purchases and sales take place subject to a fiscal residual value. Purchases and sales of other non-

current assets take place at the carrying amount. There were no transactions with the CEO, Board of Directors or senior executives, apart from salary and other remuneration, see Note 11.

Transactions with Group companies are shown in the table below.

	Group		Parent Company	
	2022	2021	2022	2021
SALE				
Companies within the Akademiska Hus Group	—	—	54,452	841,568
TOTAL	0	0	54,452	841,568
RECEIVABLES				
Companies within the Akademiska Hus Group	—	—	—	—
TOTAL	0	0	0	0
LIABILITIES				
Companies within the Akademiska Hus Group	—	—	489,930	1,338,308
TOTAL	0	0	489,930	1,338,308

38 Site leasehold rights

	Group		Parent Company	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Opening value, site leasehold rights	2,662,950	2,736,336	—	—
Sales for the year	—	-73,386	—	—
Closing value, site leasehold rights	2,662,950	2 662,950	—	—

Site leasehold fees, including lease fees for 2022 amounted to KSEK 82 (83). Site leasehold fee is the fee Akademiska Hus pays to the State's Real Estate Agency, Uppsala Academy Administration and the Royal Djurgården's administration. The fee for these is currently being calculated so that the counterparty receives a real interest on the estimated market value of the land.

Site leasehold fees is distributed over time and is usually renegotiated with 10-year interval, which means that the next renegotiation is in 2026. At the end of 2022, Akademiska Hus had 13 (13) properties leased with site leasehold rights. Most of our existing leases expire 2036 with the possibility of extension in 20 years.

39 Events after the year-end

Anitra Steen has refrained from being nominated for re-election and will therefore resign in connection with the Annual General Meeting in April 2023. Otherwise no significant events occurred between the year-end and the date when the annual report is released.

Certification

The Board of Directors and the CEO hereby certify that the annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 and provides a fair picture of the company's position and results and that the Administration Report provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the company.

The Board of Directors and the CEO hereby certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and provide a fair picture of the Group's position and results and that the Administration Report for the Group provides a fair overview of the development of the Group's operations, position and results and describes material risks and uncertainties facing the companies that form part of the Group.

The Sustainability Report for 2022 has been approved for publication by the Board of Directors and the CEO.

Gothenburg on the day that appears from our electronic signature.

Anitra Steen
Chairperson

Erik Sandstedt
Board member

Christer Nerlich
Board member

Peter Gudmundson
Board member

Mariell Juhlin
Board member

Örjan Wikforss
Board member

Håkan Stenström
Board member

Mariette Hilmersson
Board member

Sofi Sonesson
Employee representative

Josef Mård
Employee representative

Caroline Arehult
CEO

Our Audit Report was submitted on the day that appears from our electronic signature.
Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of
Akademiska Hus AB (publ) corp.Id.No 556459-9156

REPORT ON THE ANNUAL ACCOUNTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

Opinions

We have audited the annual accounts and the consolidated financial statements of Akademiska Hus AB for 2022, with the exception of the Corporate Governance Report on pages 45–49. The annual accounts and consolidated accounts of the company are included on pages 38–97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinion does not include the Corporate Governance Report found on pages 49–59. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis of Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The auditors' responsibility according to these standards is described in detail in the section Auditor's Responsibility. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden, and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Emphasis and scope of the audit

The Group's operations comprise owning, developing and managing properties for universities and other higher education institutions, with a main focus on education and research. In Akademiska Hus' operations it is, above all, the large impact on the financial statements of the assessments and estimates made by the Board and management that impact our risk assessment. In our opinion, the largest risk of misstatements in the Annual Report stems from the valuation of investment properties. In addition to this, we have identified a number of other risks and key areas which have impacted the financial statements.

Our audit comprises the review of all significant properties and business processes for the financial reporting, including rent process, purchase process, financing process and valuation process.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole (see the table below). These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We chose total assets as the benchmark for our overall assessment of materiality for the accounts as a whole in matter of the fact that the value of the investment properties has a significant impact and importance on the group's financial position. The overall materiality figure was set at SEK 1,301 million, which corresponds to 1% of the group's total assets. The level of 1% of total assets is an accepted and acceptable quantitative materiality threshold. Special materiality was determined for the audit of profit and loss-related items at SEK 251 million based on 5% of the group's profit before tax excluding changes in value of investment properties and financial instruments.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Measurement of investment properties

We refer to the Administration Report and the description of the Akademiska Hus Group's summary of General accounting policies, Note 2, and Changes in the value of investment properties, Note 13.

As of the 31 December 2022, the value of the investment properties was SEK 115.4 billion. The investment properties comprise a significant part of the balance sheet, and the measurement of the investment properties are, by their nature, subjective and subject to management's assessments of, for example, the specific property's location, condition and future rent income.

Fair value of the Group's property portfolio is based on internal calculations, mainly by applying measurement of cash flows. For a minor part of the property portfolio, the location price method is used or, alternatively, measurement at cost. In order to ensure the quality of the internal measurements, external measurements have been collected as well for approximately 27% of the value of the property portfolio.

When determining the fair value of the properties, consideration is taken to current information, such as current rent agreements, assessment of rent levels and operating costs. In order to arrive at the final valuations, the Company uses assessments and make estimates about future returns, net operating costs and assessed market rent, which are impacted by current requirements of direct yield and comparable market transactions.

The significance of the assessment and estimates that are included in the determination of the fair value is significant, together with the fact that the amounts are significant, make the measurement of investment properties to a key audit matter.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit has, among other areas, focused on the Company's internal control and quality control concerning measurements made as of the 31 December 2022. The audit team, including our evaluation specialists, has collected and reviewed a sample of the evaluation reports in order to assess the cash flow evaluation applied by Akademiska Hus, the mathematical correctness and the reasonability of assessment made.

Our audit has, among other task, included the following audit procedures:

- Checked that the measurements are in accordance with Akademiska Hus' guidelines and instructions for property valuation.
- Reviewed, by samples, significant controls in the Group's internal valuation process.
- Sampled the mathematical calculations of the model.
- Assessed input through sampled follow-up against historical outcomes and compared with accessible market data.
- We have had meeting with management to discuss significant assessments and evaluations.
- Sampled input in the calculation models against information in relevant systems.
- Taken part of the external valuations and compared these to the internal calculations.

Our work has been focused on the largest investment properties, the most significant assessments and the properties where values have varied most compared to last year. In the cases where assessments of future operating costs net, occupancy grade and requirements of returns have deviated from our initial expectations, these deviations have been discussed with representatives of the Group and, when needed, complementing documentation has been collected.

Finally, we have certified that the models used, that the assessments and sensibility analyses made by Akademiska Hus, are described correctly in Note 13.

The values are based on assessments and are inherently subject to inherent uncertainty. Based on our review, our assessment is that the assumptions used by Akademiska Hus are within an acceptable range.

As a result of our review, we have not reported any material observations to the Audit Committee.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-37 and 103-133. The remuneration report by the company also constitutes other information and is available on the company's website. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information, and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU and the Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and the consolidated financial statements, the Board of Directors and the Managing Director are responsible for the assessment of

the Company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and application of the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors intends to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the Company's financial reporting process.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionens's website: www.revisorsinspektionen.se/revisornsansvar. This description is a part of the Auditors' Report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Akademiska Hus AB for the year 2022 and the proposed appropriations of the Company's profit or loss.

We recommend that the meeting of the General Meeting allocate the profit in accordance with the proposal in the Administration Report and grant the members of the Board and the Managing Director discharge from liability for the financial year.

Basis of Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditors' responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Company;
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal with the audit of the proposal of allocation of the Company's profit or loss, and therefore our opinion thereof is to, with reasonable assurance assess whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect acts and omissions which can give rise to liability to the Company, or that the proposed allocation of earnings or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the web page of The Swedish Inspectorate of Auditors (Revisorsinspektionen): www.revisorsinspektionen.se/revisornsansvar. This description is a part of the Auditors' Report.

The auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 49–59 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Akademiska Hus AB by the general meeting of the shareholders on the 28 April 2022 and has been the company's auditor since the 27 April 2018.

Our Audit Report was submitted on the day that appears from our electronic signature

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant

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About the sustainability report

The annual report is Akademiska Hus' sustainability report and follows the guidelines in the Global Reporting Initiative (GRI) framework. Beginning in 2022, the report has been prepared in accordance with the GRI Standards 2021 update and covers the period 1 January to 31 December 2022. Akademiska Hus aims to fully integrate sustainability into its regular operations, for which reason the description of this initiative is largely incorporated into the regular structure of the annual report. For increased transparency and clarity, information about boundaries, responsibilities, follow up and governance is provided for each sustainability aspect in the sustainability notes on pages 109–113.

Since 2013 Akademiska Hus has supported the UN Global Compact and thus takes a stand and accepts responsibility for the ten principles relating to human rights, labour rights, the environment and anti-corruption issues, which comprise the base of the Global Compact's mission. The report serves as our Communication on Progress and is an account of our support linked to both the ten principles of the Global Compact and the UN's 17 Global Sustainable Development Goals.

The Sustainability Report of Akademiska Hus follows the financial year, is published annually and covers the entire Group, see Note 20. The Sustainability Report includes pages 1–4, 8–37, 45–59 and 104–133 and also includes Akademiska Hus' statutory sustainability reporting. The Board of Directors and the Chief Executive Officer give their assurance that Akademiska Hus' 2022 sustainability report has been prepared in accordance with chapter 6 of the Annual Accounts Act and GRI Standards. The report, including the taxonomy on pages 114–117, has been examined by Akademiska Hus' external auditors. The auditor's Limited Assurance Report on the Sustainability Report and the statement

regarding the Statutory Sustainability Report are presented on page 133. The 2022 annual report was published on 17 March 2023.

Following an organisational change in 2022, the Sustainability Manager is now part of Executive Management. No significant changes occurred in our supply chain. However, Akademiska Hus' property portfolio has changed somewhat due to sales, acquisition and completion of new buildings/projects. The changes do not significantly affect the sustainability report, but may need to be considered when comparing key performance indicators for energy consumption and greenhouse gas emissions. Refrigerant emissions have been recalculated, including total Scope 1 emissions for 2020; no other recalculations or revisions of previous years' sustainability data have been made in this annual report.

Akademiska Hus has reported on the climate impact of construction projects in Scope 3 since 2019. For 2022, we will follow the Scope 3 guide published by Fastighetsägarna (the Swedish Property Federation) to report our emissions where possible. In 2022, two new construction projects were commissioned for which we have project-specific climate calculations. Completed renovations and tenant adaptations in 2022 have been calculated based on a standard formula. In the 2022 Sustainability Report, we began reporting on Biodiversity, Waste, Water, Employment and Education. No other significant changes in the scope or boundaries of GRI reporting have been made from previous years. Relevant boundaries are described under each sub-area.

CONTACT

Erik Florman, Sustainability Manager,
erik.florman@akademiskahus.se

Dialogue with participators – formats and key issues

As a state-owned company we have a special responsibility to set a good example and to act in a manner that builds trust. We want to be certain that we meet the expectations of our participators, today and in the future. We therefore engage in a variety of ways to create a trustworthy dialogue with our participators in order to develop our business in a manner that is both sustainable and value-creating.

Our participators are influenced by, or influence, our operations and we view customers, undergraduate and graduate students, employees, suppliers, the local and business communities, our owner and financial participators as our most prioritised participator groups.

We engage in ongoing dialogue through both in-person and digital meetings and, for example, at board meetings, management meetings and meetings with the management at the higher education institutions, as well as customers, employees, partners, suppliers and various community participants. Although we have returned to in-person meetings in the post-pandemic environment, digital meetings remain more common than before the pandemic and we expect that this will continue. In 2022, we focused on meeting the management at all of our higher education institutions to improve our collaboration and to understand each others' needs and challenges. Some of the sustainability-related topics that have frequently been discussed with the higher education institutions include our new corporate strategy with targets such as reducing new construction, the journey towards becoming climate neutral by 2035 and how this affects and creates opportunities for us and for them, as well as the energy shortage and solutions for the winter of 2023. The adjacent table presents a brief summary of the areas that the participators want us to prioritise and also describes the format of these dialogues.

PARTICIPATOR GROUPS	ACTIVITIES	AREAS OF INTEREST	
Customers (and their employees)	<ul style="list-style-type: none"> Meetings with decision-makers Campus plans Common knowledge seminars Common development projects Common communication activities Needs dialogues Customer satisfaction surveys 	<ul style="list-style-type: none"> Contribute to the customer's climate and sustainability targets through high resource efficiency within management and projects Provide attractive knowledge environments and campuses that meet the needs of the learning environments of the future. Develop and provide new sustainable services on campus 	<ul style="list-style-type: none"> Commitment to the potential of digitalisation to contribute to more efficient use of premises Contribute to increased construction of student housing Energy efficiency and new locally produced renewable energy
Undergraduate and graduate students	<ul style="list-style-type: none"> Interviews and meetings on campus, for example with student associations Sustainability days Innovation contests Common research projects 	<ul style="list-style-type: none"> Resource conservation on campus Develop and provide sustainable services on campus Appropriate and accessible environments, indoors and outdoors Make facilities and technology available for research 	<ul style="list-style-type: none"> A vibrant campus with high accessibility and level of service More undergraduate and graduate student housing Reduce climate emissions Energy efficiency and new locally produced renewable energy
Employees	<ul style="list-style-type: none"> Performance reviews/project-specific appraisal assignment Digital knowledge seminars 	<ul style="list-style-type: none"> Attractive employer offering market-based working conditions Good opportunities for skills development Each person should understand their role in the operation 	<ul style="list-style-type: none"> Safe and healthy working environment The company contributes to benefit society Help to achieve our climate targets and goals
Suppliers	<ul style="list-style-type: none"> Meetings related to procurement of framework contracts and orders Structured introduction of contractors and suppliers Define the roles of contract owners and contract managers for greater clarity in the relationship Audits 	<ul style="list-style-type: none"> Clear, relevant procurement terms and conditions Clear and ambitious requirements for the environment, health and safety, quality and social responsibility Relationships that benefit both parties Expectation of follow-up and feedback 	
Local and business communities	<ul style="list-style-type: none"> Development meetings in region/city Citizen and business community dialogues on development plans Involvement and participation in issues in various industry organisations Participation in many research and innovation projects 	<ul style="list-style-type: none"> Actively contribute to the development of the community/region Create opportunities for business activities on campus Contribute to increased construction of student housing 	<ul style="list-style-type: none"> Be an active participant in innovation-driven development Be socially sustainable – a good community participant
Owner	<ul style="list-style-type: none"> Annual strategy seminar Annual dialogue with the owner Meetings of the sustainability group for state-owned companies Board meetings 	<ul style="list-style-type: none"> Contribute to the Government's objective of reinforcing Sweden as a nation of knowledge Serve as a role model in sustainable business practices Increased customer benefit through collaboration with centres of education 	<ul style="list-style-type: none"> High resource efficiency Develop the company's digital maturity Contribute to increased construction of student housing
Lenders, banks and credit rating agencies	<ul style="list-style-type: none"> Meetings out in conjunction with financial reports Contact in conjunction with borrowing 	<ul style="list-style-type: none"> Stable, long-term and sustainable operations with profitability and yield in accordance with objectives Long-term capital structure Presence on market for green bonds 	<ul style="list-style-type: none"> Transparent financial communication Professional management of the company's risk exposure

Materiality analysis

In 2022, Akademiska Hus formulated a new corporate strategy for the period 2023–2025 in which we identified our relevant sustainability areas: Ecological, Social, Economic and Cultural Sustainability. We used our materiality analysis to identify our material sustainability issues, which are grouped under our four sustainability areas. An important part of this process has been for the company to have broad representation to form an aggregate picture of the situation in the world, the company's role in the market, our impact on the world, participant expectations and other factors. Our context is to offer premises and labs for higher education institutions, as well as undergraduate and graduate student housing. Linked to our context, we work with experts and our participants to identify and assess the impact – both positive and negative – of our sustainability issues. Human rights and our impact on the value chain have been taken into account when formulating our material sustainability issues. In our process for identifying our most important sustainability issues, we began with our four sustainability areas and presented our thoughts regarding possible material sustainability issues and discussed these with our participants in the autumn of 2022. After working with our sustainability specialists to identify the material sustainability issues that are priorities for Akademiska Hus, we presented and discussed them with Executive Management, after which they were adopted through decisions taken by the CEO and sustainability manager. Many of Akademiska Hus' sustainability issues have an impact beyond the legal framework of the company, and may affect customers, suppliers and the community in which we are active.

The new sustainability areas for 2022 cover similar sustainability issues as for 2021, but with new names and adjusted distinctions; the previous Value-Adding Knowledge Environments have been replaced by both Social and Economic Sustainability, Resource-Efficient Operations have been replaced by Ecological and Economic Sustainability, Caring for People and Responsible Relationships have been replaced by Social and Economic Sustainability, while Cultural Sustainability is completely new, since we consider the issue to be important because of the many historic buildings and natural environments that require extra attention from us. We also see Cultural Sustainability as an important piece of the puzzle to make our campuses more attractive and sustainable, for example through improved place identity and art. New material sustainability issues have been identified and one example is biodiversity, as we have large amounts of land and buy large amounts of materials. We have the potential to both reduce our negative impact through sustainable material sourcing and increase our positive impact by planting biodiversity-friendly plants. The matrix on

ECOLOGICAL SUSTAINABILITY

We are part of an ecosystem with limited resources and are doing what we can to mitigate climate change.

Material sustainability issues under Ecological Sustainability

- 1 Achieve climate neutrality by 2035 throughout the value chain.
GRI standard: Emissions.
- 2 Reduce the amount of delivered energy by 50 per cent between 2000 and 2025.
GRI standard: Energy.
- 3 Improve biodiversity on campus and throughout the value chain.
GRI standard: Biodiversity, Supplier assessment regarding environmental criteria.

SOCIAL SUSTAINABILITY

We develop sustainable, vibrant and inclusive campus environments and serve as a force for good in society.

Material sustainability issues under Social Sustainability

- 1 Develop sustainable campuses with healthy buildings.
GRI standard: Not GRI; company-specific Sustainability Certification.
- 2 Assume social responsibility with a focus on student well-being.
GRI standard: –
- 3 Be a sustainable company based on gender equality, with an inclusive culture, good ethics and a good working environment.
GRI standard: Health and safety, Diversity and Equal Opportunity, Employees, Collective Agreement, Education, Employment, Supplier Assessment regarding social criteria.

ECONOMIC SUSTAINABILITY

We use our resources efficiently, future-proof our properties and work to ensure that our business is long-term and sustainable.

Material sustainability issues under Economic Sustainability

- 1 Make sustainable and long-term investments.
GRI standard: Financial results, Indirect economic impacts, Anti-corruption.
- 2 Future-proof campuses and address climate risks.
GRI standard: Not GRI, but TCFD reporting.
- 3 Promote circularity and resource-efficient use of premises.
GRI standard: Waste, Water.

CULTURAL SUSTAINABILITY

We preserve our historic campus environments and make them more attractive and inspiring through design and art.

Material sustainability issues under Cultural Sustainability

- 1 Preserve historic buildings and campus environments.
GRI standard: –
- 2 Develop good place identity on our campuses.
GRI standard: –
- 3 Manage existing and provide space for new art in our knowledge environments.
GRI standard: –

pages 110–113 describes the positive and negative impact and relevance of each area in our operation, as well as sustainability governance for each of our sustainability areas with the material sustainability issues.

Our material sustainability issues are grouped under our sustainability areas. Our sustainability work goes beyond the GRI reporting

standard and we have presented GRI reporting for the Akademiska Hus sustainability issues that we report on.

UN global goals

Akademiska Hus' governance and sustainability initiatives are founded on the ten principles of the Global Compact and our value creation rests on the UN's Global Sustainable Development Goals. There is a clear link between our activities and the global goals and associated targets that

are considered to be most relevant for Akademiska Hus, thereby ensuring that we contribute to the global goals through our daily work. In 2022, we added Global goal 3 "Good Health and Well-being", as we contribute to this by developing healthy buildings, as well as Global goal 15,

"Life on Land" with respect to ecosystems and biodiversity, since we own a large amount of land and can influence the choice of plants to promote biodiversity and remove invasive species.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through



3. GOOD HEALTH AND WELL-BEING

Ensure a healthy lifestyle and promote well-being for everyone in all ages.

3.9 Reduce illness and death from harmful chemicals and pollutants

- Strict requirements to avoid hazardous substances in chemicals and materials in our projects from our Miljöbyggnad environmental certification system.



4. QUALITY EDUCATION

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4.8 Create inclusive and safe educational environments

Build and improve education environments that are adapted for children and people with disabilities, and that take into account gender equality aspects and thus offer a safe, peaceful, inclusive and appropriate learning environment for everyone.

- Development of campus environments, taking accessibility and equal value for all into account.
- Research collaboration linked to new learning environments and the importance of green environments for performance and well-being.
- Focus on flexible and safe design of student housing.



5. GENDER EQUALITY

Achieve equality and the empowerment of all women and girls.

5.5 Ensure full participation for women in leadership and decision-making

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

- Actively work with equal treatment through the "Equally Unique" plan to create a working climate where equal treatment, equal opportunity and diversity are obvious integral components, both internally and in collaboration externally.
- No employee should experience bullying, harassment, or discrimination.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through



7. AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

7.2 Increase global percentage of renewable energy

By 2030, increase substantially the share of renewable energy in the global energy mix.

- Goals and activities to achieve climate neutrality by 2035 within property operations and internal operations, including investments in renewable energy.

7.4 Promote access to research, technology and investments in clean energy

By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investments in energy infrastructure and clean energy technology.

- Innovation partnerships with customers and other parties related to renewable solutions for energy production and systems.



8. DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent working conditions for all.

8.2 Diversify, innovate and upgrade for economic productivity

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

- Active work with energy plans and technological upgrading.
- Innovation partnerships with customers and other parties related to technological upgrading and increased efficiency.

8.4 Improve resource efficiency in consumption and production

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the ten-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

- Goal for climate-neutral operations by 2035 throughout the value chain, including both property management and projects.
- "Co-Living" – an innovation project based on various types of shared living arrangements.
- We supported efficient design at higher education institutions.

8.8 Protect labour rights and promote safe and secure working environments for all

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

- Proactive involvement in and founder of the industry organisation "Håll Nollan", which promotes stronger requirements for safe workplaces.
- Work environment dialogues are conducted regularly in our property management areas.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through



11. SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.

11.1 Safe and affordable housing

By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

- Create undergraduate and graduate student housing.
- Focus on affordable student housing situation through reasonable monthly rent.

11.3 Inclusive and sustainable urbanisation.

By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

- Environmental certification for all new construction and major renovation projects.
- Method for campus plans with strong focus on participation through an array of participants.
- Climate change resilience is taken into account when investing.

11.4 Protect the world's cultural and natural heritage

Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

- Training will be provided to employees and care of our culturally valuable buildings and natural environments will be taken into account during procurement.

11.7 Create safe and inclusive green spaces for all

By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

- Method for campus plans, including green spaces and their role in the urban environment.



12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

12.2 Sustainable management and efficient use of natural resources

By 2030, achieve the sustainable management and efficient use of natural resources.

- Goal regarding energy reduction and systematic work with operational optimisation throughout our property holdings.
- Develop business models for efficiency improvements in premises through, for example, digitalisation of properties.

12.4 Sound management of chemicals and waste

By 2020, achieve the environmentally sound management of chemicals and all types of wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

- Control and requirements for chemicals included as part of the quality work linked to Miljöbyggnad certification of buildings.
- Chemicals used in operations are registered and monitored in the Byggsvarubedomning system.

12.5 Substantially reduce waste generation

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

- Akademiska Hus is a participant in the nationwide collaborative arena CC Build to build knowledge and create methods to increase the prospects for reuse.

12.7 Promote sustainable public procurement practices

Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

- Participation in industry-wide groups with goals to formulate requirements and standards for sustainable procurement, in areas such as demolition and construction equipment.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through



13. CLIMATE ACTION

Take immediate action to fight climate change and its consequences.

13.1 Strengthen resilience and adaptability to climate-related disasters

Strengthen resilience and ability to adapt to climate-related hazards and natural disasters in all countries.

- An active focus on the climate, with the target of climate neutrality throughout the value chain by 2035.
- Analysis within the existing holdings and when investing to increase the ability to adapt to climate-related risks.



15. LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.

15.5 Protect biodiversity and natural habitats

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

- Method for improving biodiversity on campus and through requirements in the supplier chain.

15.8 Prevent invasive alien species on land and in water ecosystems

By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.

- Native species are selected for new plantings and the gradual removal of invasive species.



17. PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

17.17 Encourage effective partnerships

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships and their financing strategies.

- Initiator and partner in an array of collaborative projects with a focus on sustainable development together with customers, researchers, industry colleagues and other parties.

Sustainability governance

Akademiska Hus' sustainability governance aims to have efficiency and clear governance of sustainability work to enable the achievement of the sustainability ambitions of our corporate strategy and our climate and energy goals. Our climate goal extends to 2035, when we will be climate neutral, and our other sustainability goals extend to 2025 in line with our corporate strategy. Our sustainability work is based on the UN Global Sustainable Development Goals and the climate targets are in line with the Paris Agreement.

We work systematically with sustainability as follows:

BOARD OF DIRECTORS

Akademiska Hus' Board of Directors annually adopts the Sustainability Policy and our Code of Conduct after preparation by the Sustainability Manager and Executive Management. The Board follows up annually on the climate and energy strategy and its goals and targets, and reviews and discusses the progress of other sustainability work. The Board of Directors and Executive Management are responsible for meeting our climate and energy targets as set out in the climate and energy strategy. The company's risk analysis is reported annually to the Board, which includes identified sustainability risks, including climate-related risks. The Board of Directors and the CEO approve the Sustainability Report annually. Any significant deviations from Akademiska Hus' sustainability work and Code of Conduct are reported to the Board as they arise. No deviations related to sustainability work and the Code of Conduct were reported to the Board during the year.

EXECUTIVE MANAGEMENT

The CEO of Akademiska Hus is ultimately responsible for the sustainability work, including the impact of its activities on financial, human and ecological sustainability, as well as human rights. Responsibility for sustainability work is delegated to the Sustainability Manager, who is a member of Executive Management and reports directly to the CEO. The Sustainability Manager updates Executive Management and the CEO on the progress of the sustainability work on a monthly basis at each Executive Management meeting. The Sustainability Manager further delegates certain responsibilities regarding fulfilment of the sustainability work to Akademiska Hus' sustainability team. The CEO and Sustainability Manager have overarching responsibility for achievement of the climate targets and goals. The Technology

& Service Director is responsible for achievement of the climate targets and goals related to emissions from property operations. The Facilities and Project Managers are responsible for climate goals and targets related to emissions from construction. Ensuring that the necessary sustainability activities are undertaken to meet sustainability goals is addressed in the business plan prepared annually by Executive Management and approved by the Board, as well as in the operational plans prepared by the Technology & Service Director, the Facilities Manager and the Project Manager, where proposed sustainability-related activities are reviewed by the Sustainability Manager and approved by the CEO.

GOVERNANCE OF SUSTAINABILITY WORK

All Akademiska Hus operations are encompassed by its sustainability work, which is governed by the management system, the climate and energy strategy with climate roadmap and climate budget, common policies and guidelines, as well as measurable targets developed by the Sustainability Manager with support from the sustainability team, where progress and outcomes are monitored by the Sustainability Manager. The material sustainability issues are identified by Akademiska Hus' sustainability team and approved by Executive Management and the Board; see page 106 for more information about our material sustainability issues and how we work with them. To ensure and maintain a systematic approach to sustainability work, the business is ISO 14001-certified for environmental management systems and ISO 45001-certified for occupational health and safety. For more information about governance of work with climate-related risk, see the section on TCFD on pages 127–129. All new employees undergo basic environmental training as part of their introduction to the company. All employees are given the opportunity for further targeted sustainability training in their role.

Membership in organisations that support our sustainability work

- Byggarubedömning
- Byggherrarna
- Business@Biodiversity Sweden
- CC Build, a reuse and recycling platform in which we are members of the steering committee
- CMB (Centre for Management in the Building Sector)
- Fastighetsägarnas Hållbarhetsråd (Swedish Property Federation Sustainability Committee)
- Håll Nollan – initiator
- Sweden Green Building Council
- UN Global Compact

External initiatives we support/follow:

- Swedish Work Environment Act
- National Board of Housing, Building and Planning's construction regulations
- EU taxonomy regulation
- UN Global Sustainable Development Goals
- UN Convention on the Rights of the Child
- UN Guiding Principles on Business and Human Rights
- Fossil Free Sweden roadmap towards climate neutrality
- Global Reporting Institute (GRI) standards
- Sustainability certifications Miljöbyggnad and Citylab
- ISO 14001 and ISO 45001
- Swedish Environmental Code
- OECD Guidelines for Multinational Enterprises
- Paris Agreement
- The State's ownership policy and principles for companies with state ownership
- Swedish Companies Act
- Swedish Code of Corporate Governance and the Articles of Association
- Task Force on Climate-related Financial Disclosures (TCFD)
- Annual Accounts Act

Internal guidelines

- Work environment policy
- Sustainability policy
- Equally Unique (equal treatment)
- Code of Conduct for employees
- Code of Conduct for suppliers
- Whistle-blowing

Governance of material sustainability issues	Ecological sustainability		
SUSTAINABILITY ISSUES	<ul style="list-style-type: none"> Achieve climate neutrality by 2035 throughout the value chain. Reduce the amount of delivered energy by 50 per cent between 2000 and 2025. 		<ul style="list-style-type: none"> Improve biodiversity on campus and throughout the value chain.
GRI STANDARDS OR OTHER	–GRI 302: Energy –GRI 304: Biodiversity		–GRI 305: Emissions –GRI 308: Supplier Environmental Assessment
WHY THE TOPIC IS IMPORTANT TO US	Our operations have an impact on the environment, but by increasing resource efficiency and working according to the precautionary principle, we can reduce our impact. The principle is applied when choosing materials, assessing suppliers and planning projects to prevent damage to the environment and injuries to people.	Among our material sustainability issues, we have a great opportunity to significantly reduce the negative impact of emissions, biodiversity and energy consumption, as well as to contribute to the positive development of biodiversity on our campuses, increase the amount of renewable energy through, for example, solar panels, and accelerate the climate transition by demanding low-carbon solutions.	Participators have been engaged in the development of our material sustainability issues through dialogue in the autumn of 2022, which has also created an understanding of the importance of the issue and is described on page 106.
RESPONSIBILITY AND IMPACT ON THE VALUE CHAIN	Our responsibility is to be resource efficient and reduce the negative impact on the environment in our operations, while making demands on suppliers and cooperating with our customers regarding processes, energy and materials. Impact occurs in conjunction with construction, purchasing, property management and development. Energy and Emissions have a negative impact on the environment because we use a large amount of energy in our buildings that could be used for other purposes and because of emissions from production, especially from district heating. Negative impacts from Emissions also largely occur from the production of materials.	Positive impacts on Energy and Emissions are generated when we increase the share of locally produced renewable energy from solar panels and purchase electricity and district heating with a lower carbon footprint than standard. Regarding Emissions, we also have a positive impact on the materials issue by promoting recycling and using materials with a lower carbon footprint than standard, thus promoting products from a supply chain with a low carbon footprint.	We negatively impact Biodiversity by purchasing materials from manufacturers that do not use sustainable raw materials and chemicals that harm the environment. We have a positive impact by promoting biodiversity in our planting, sustainable land management and the removal of invasive species.
REPORTING BOUNDARIES	We focus on the entire operation, from planning and implementation of construction projects to the ongoing management of properties and campuses. We include our tenants' energy consumption and emissions in our reporting. Boundaries, if any, are stated in each table.		
HOW WE WORK	We promote resource-efficient use of materials and energy consumption, as well as informed sustainable choices and efficient use of facilities.		
WE WANT TO ACHIEVE THE FOLLOWING	We want to reduce the impact on the environment in general by conserving natural resources, reducing the impact on biodiversity, reducing climate impact and achieving climate neutrality by 2035.		
<ul style="list-style-type: none"> POLICIES ¹ 	–Sustainability policy –Climate and energy strategy		– Guidelines for business travel – Roadmap towards climate neutrality
<ul style="list-style-type: none"> COMMITMENTS IN ADDITION TO SWEDISH LAWS AND GUIDELINES 	– Member of Fossil Free Sweden – Business@biodiversity Sweden		
<ul style="list-style-type: none"> OBJECTIVES ^{1,2} 	– Energy reduction (kWh/m ²), -4% – Biodiversity – no target at this time; to be set in 2023		– Climate neutrality 2035 throughout the value chain, -85% reduction of emissions compared with the baseline year 2019
<ul style="list-style-type: none"> FOLLOW-UP OF TARGETS 	– Energy reduction (kWh/m ²) – Outcome 2022: -2.7% – Climate neutrality 2035 outcome 2022: -43%		– There is no outcome for Biodiversity since there is no target
<ul style="list-style-type: none"> SPECIAL PROCESSES, PROJECTS, PROGRAMMES AND INITIATIVES ¹ 	– Climate calculations in projects – System and material selection studies		– Environmental management system
EVALUATION OF CONTROL	Evaluation take place by following up targets and through the following data or procedures:		– Annual climate footprint (page 120) – Environmental management systems are followed up at each Executive Management meeting and at the management review

Read more about the division of responsibilities and control mechanisms in the Corporate Governance Report on pages 49–55. 1) All Akademiska Hus' properties and units are included. 2) Read more about goals and outcomes on pages 11–12.

Governance of material sustainability issues

Social sustainability

SUSTAINABILITY ISSUES	<ul style="list-style-type: none"> • Sustainable campuses with buildings that promote health • Social responsibility with a focus on student well-being 	<ul style="list-style-type: none"> • Sustainable company based on gender equality, with an inclusive culture 	
GRI STANDARDS OR OTHER	<ul style="list-style-type: none"> –GRI 401: Employment –GRI 403: Occupational Health and Safety 	<ul style="list-style-type: none"> –GRI 404: Education –GRI 405: Diversity and Equal Opportunity 	<ul style="list-style-type: none"> –GRI 414: Supplier Social Assessment –AKA1: Sustainability certification
WHY THE TOPIC IS IMPORTANT TO US	<p>By creating value-adding, sustainable, healthy and inclusive knowledge environments, campuses and buildings, we can contribute positively to the social economy, the environment and the people who live in our environments.</p> <p>A safe, healthy and equal opportunity workplace with committed employees is a factor for success. It is therefore important that employees, as well as those who work for us on contract, have a good physical, organisational and social work environment that is inclusive.</p>	<p>Our operations, which include both construction projects and property operations, are associated with significant health and safety risks; we reduce the negative impact of these risks through systematic work environment management and frequent supplier evaluation.</p> <p>As a major client in an industry that has been subjected to corruption and human rights violations, we have a responsibility to build responsible relationships with high ethical standards and to build a market that is free of corruption and unfair competition, which can reduce the negative impact on society.</p>	<p>Participants have been engaged in the development of our material sustainability issues through dialogue in the autumn of 2022, which has also created an understanding of the importance of the issue and is described on page 106.</p>
RESPONSIBILITY AND IMPACT ON THE VALUE CHAIN	<p>Our responsibility is to meet the need for knowledge environments from customers, students and researchers. Impact occurs in conjunction with construction, purchasing, property management and development. We are formally responsible for our employees. We are committed to achieving the goal of zero work-related injuries for everyone in our premises or whom we hire. This impact affects the workday of our employees during construction, management, and purchasing. Proactive accident prevention initiatives in the work environment for our employees and in our supply chain can have a positive impact on Health and Safety.</p>	<p>The possibility of injury in our operations involves certain risks to health and safety that can have a negative impact. Healthy working conditions, respect for diversity when hiring, collective agreements and broad opportunities for training promote us as a sustainable company and mainly have a positive impact on society and the individual.</p> <p>Supplier evaluation of social criteria has a positive impact on our supply chain by requiring and monitoring human rights and related issues, though a negative impact is possible if purchases are made without monitoring all suppliers.</p>	<p>Our business is campus development and sustainability certifications provide more sustainable campuses and healthy buildings; we also work with Citylab for neighbourhood certification which provides a positive impact compared with an ordinary neighbourhood or campus. We have not certified all buildings and campuses, which in turn may have a negative impact compared with our target. Overall, we believe we have a positive impact on student well-being through our campuses and student housing, but more work remains to be done.</p>
REPORTING BOUNDARIES	<p>We develop knowledge environments and campuses primarily together with our customers, but other participator groups are also involved in the processes.</p>	<p>Reporting mainly occurs regarding our own employees with additional information for suppliers where such information is available.</p>	<p>We do not report on customers and users. Boundaries, if any, are stated in each table.</p>
HOW WE WORK	<p>We develop campus plans and development plans that are long-term and take into account current and future needs, through dialogue with customers and other participators.</p>	<p>For health and safety, see specific governance in the Sustainability Notes (403: 1–7) and information in the employee section on page 37.</p>	
WE WANT TO ACHIEVE THE FOLLOWING	<p>The goal is to create value-adding knowledge environments that help to make the centres of education more attractive and strengthen Sweden as a nation of knowledge.</p>	<p>We want to create a healthy accident-free workplace that is inspirational, where people want to grow and contribute.</p>	
<ul style="list-style-type: none"> • POLICIES¹ 	<ul style="list-style-type: none"> – Sustainability policy – Work environment policy 	<ul style="list-style-type: none"> – Process method for Campus development, with a focus on sustainability – Equality and diversity plan 	
<ul style="list-style-type: none"> • COMMITMENTS IN ADDITION TO SWEDISH LAWS AND GUIDELINES 	<ul style="list-style-type: none"> – Campus plans and other planning documents together with customers 	<ul style="list-style-type: none"> – Certification of new buildings and major renovation projects according to Miljöbyggnad certification system standards – Work to promote stronger industry requirements through the “Häll Nollan” initiative 	
<ul style="list-style-type: none"> • OBJECTIVES^{1,2} 	<ul style="list-style-type: none"> – Customer Satisfaction Index – 70 or more – Innovation in collaboration – 70% or more 	<ul style="list-style-type: none"> – Accident-free workplaces (ELTAR) – no more than 2 – Performance index (AHPI) – more than 79% 	<ul style="list-style-type: none"> – No. of environmentally certified buildings – rising trend – No. of undergraduate and graduate student housing units - 1,700 beds
<ul style="list-style-type: none"> • FOLLOW-UP OF TARGETS 	<ul style="list-style-type: none"> – Customer Satisfaction Index – Outcome for 2022 not available – Accident-free workplace (ELTAR) – Outcome 2022: 1.6 	<ul style="list-style-type: none"> – Performance index (AHPI) – Outcome 2022: 80 – Number of certified buildings – Outcome 2022: Increasing 	<ul style="list-style-type: none"> – Number of undergraduate and graduate student housing units – Outcome 2022: 1,640 beds – Innovation in collaboration – Outcome 2022: 68%
<ul style="list-style-type: none"> • SPECIAL PROCESSES, PROJECTS, PROGRAMMES AND INITIATIVES¹ 	<ul style="list-style-type: none"> – Process method for Campus development – Environmental and Occupational Safety and Health Management Systems 	<ul style="list-style-type: none"> – Reporting in the IA system for incidents and accidents – Reporting of “Sick and healthy” – Citylab 	<ul style="list-style-type: none"> – Project-specific appraisal assignment – Occupational Safety and Health Management System
EVALUATION OF CONTROL	<p>Evaluation take place by following up targets and through the following data or procedures:</p>	<ul style="list-style-type: none"> – Annual audits (external page 27, 36) – Analysis of performance index (AHPI) (page 12) 	<ul style="list-style-type: none"> – Occupational Safety and Health Management Systems are followed up at each Executive Management meeting and at the management review – Miljöbyggnad certifications (page 18)

Read more about the division of responsibilities and control mechanisms in the Corporate Governance Report on pages 49–55. 1) All Akademiska Hus' properties and units are included. 2) Read more about goals and outcomes on pages 11–12.

Governance of material sustainability issues	Economic Sustainability		
SUSTAINABILITY ISSUES	<ul style="list-style-type: none"> Sustainable and long-term investments Campuses future-proofed against climate risks 	<ul style="list-style-type: none"> Circular campuses and resource-efficient use of premises. 	
GRI STANDARDS OR OTHER	–GRI 201: Economic Performance –GRI 203: Indirect Economic Impacts	–GRI 205: Anti-corruption –GRI 303: Water	–GRI 306: Waste –TCFD climate risk reporting
WHY THE TOPIC IS IMPORTANT TO US	<p>We invest in our properties and our client relationships for the long term, to create an economically sustainable business and opportunities for our customers, which in turn generate a positive impact on society. We use green and long-term financing, which promotes sustainable investments globally while putting our business in a good financial position. A large portion of Akademiska Hus' profit is paid as a dividend to the state, resulting in a positive social benefit.</p>	<p>We need to future-proof our campuses and buildings to minimise damage and negative impacts from a changing future climate associated with weather events such as heavy rainfall and heat waves.</p> <p>A circular transition and efficient use of our resources can reduce the negative impact of emissions, while also reducing the risk of increased material prices and creating customer benefit through lower costs.</p>	<p>Participators have been engaged in the development of our material sustainability issues through dialogue in the autumn of 2022, which has also created an understanding of the importance of the issue and is described on page 106.</p>
RESPONSIBILITY AND IMPACT ON THE VALUE CHAIN	<p>Our responsibility is to set clear requirements. Suppliers and entrepreneurs have a major responsibility to comply with them. Impact occurs in conjunction with construction, purchasing, property management and development. The positive impact of a long-term and sustainable business benefits customers, the company and society through higher financial performance over time, enabled by low corruption and a good relationship with our customers and users. Negative impact arises in cases of non-compliance, which may cause financial damage.</p>	<p>Future-proofing buildings and campuses against climate risks primarily reduces the negative impact on financial performance for customers, the company and society.</p> <p>Positive impacts on biodiversity can occur as nature-based solutions are often used to address climate risks.</p>	<p>Resource-efficient use of premises, water and waste has a positive impact on the economy of customers, the company and society through lower consumption and costs. The negative impact on the environment is reduced by using less fresh water and fewer square metres, which leads to a reduced need for construction and related emissions. Water use has negative impacts as we disturb water-based ecosystems. Waste that is generated can have negative impacts due to higher emissions and leakage of hazardous substances.</p>
REPORTING BOUNDARIES	<p>The boundary was set to include our employees, as well as first-line contacts regarding our suppliers. Boundaries, if any, are stated in each table.</p>		
HOW WE WORK	<p>Our responsibility is to set clear requirements and to follow up on them. Our suppliers and their subcontractors have a responsibility to comply with them. As a public contractor, our requirements have a major impact on construction, purchasing, management and development.</p>		
WE WANT TO ACHIEVE THE FOLLOWING	<p>The goal is to have a long-term and sustainable financial business, to achieve a high standard of ethics in procurement, to monitor compliance with these standards, and to build responsible and accountable relationships. We want to work more resource-efficiently and change our working methods to promote a circular business.</p>		
<ul style="list-style-type: none"> POLICIES ¹ 	<ul style="list-style-type: none"> – Code of Conduct, internal and for suppliers – Procurement policy 	<ul style="list-style-type: none"> – Purchasing procedures – Sustainability policy 	
<ul style="list-style-type: none"> COMMITMENTS IN ADDITION TO SWEDISH LAWS AND GUIDELINES 	<ul style="list-style-type: none"> – We support the Global Compact in its work with its ten principles and the UN's Global Sustainable Development Goals 		
<ul style="list-style-type: none"> OBJECTIVES ^{1,2} 	<ul style="list-style-type: none"> – Customer Satisfaction Index – over 70% – Number of cases of corruption – 0 	<ul style="list-style-type: none"> – Number/percentage of supplier controls – No target at this time; to be set in 2023 – All campuses have carried out a climate risk analysis 	
<ul style="list-style-type: none"> FOLLOW-UP OF TARGETS 	<ul style="list-style-type: none"> – Customer Satisfaction Index – Outcome for 2022 not available – Number of cases of corruption – Outcome 2022: 0 	<ul style="list-style-type: none"> – Number/percentage of supplier controls – No target at this time; to be set in 2023 – All campuses carried out a climate risk analysis in 2022 	
<ul style="list-style-type: none"> SPECIAL PROCESSES, PROJECTS, PROGRAMMES AND INITIATIVES ¹ 	<ul style="list-style-type: none"> – Whistle-blower system, internal and external – Ethics Council, internal 	<ul style="list-style-type: none"> – Business ethics guidelines and training video – Introduction of suppliers 	<ul style="list-style-type: none"> – Climate risk analyses of campuses according to TCFD methodology
EVALUATION OF CONTROL	<p>Evaluation take place by following up targets and through the following data or procedures:</p>	<ul style="list-style-type: none"> – Ethics Council (page 36) – Supplier Assessments (page 36) 	

Read more about the division of responsibilities and control mechanisms in the Corporate Governance Report on pages 49–55. 1) All Akademiska Hus' properties and units are included. 2) Read more about goals and outcomes on pages 11–12.

Governance of material sustainability issues	Cultural Sustainability			
SUSTAINABILITY ISSUES	<ul style="list-style-type: none"> Historic buildings and campus environments Good place identity on our campuses 	<ul style="list-style-type: none"> Art on campus 		
GRI STANDARDS OR OTHER	There is no GRI standard and reporting methodology is being designed in 2023.			
WHY THE TOPIC IS IMPORTANT TO US	<p>Akademiska Hus manages many older listed buildings and natural environments of great historical value, which makes it important to manage them for future generations. By thoroughly understanding management and procurement, we avoid negative impacts on cultural sustainability and can create a positive impact by restoring historic buildings and natural environments.</p>	<p>We develop campus environments and as an important aspect of developing attractive campuses, it is important to work with place identity and the arts to enhance the experience and promote well-being for employees, students and visitors.</p>		<p>Participants have been engaged in the development of our material sustainability issues through dialogue in the autumn of 2022, which has also created an understanding of the importance of the issue and is described on page 106.</p>
RESPONSIBILITY AND IMPACT ON THE VALUE CHAIN	<p>As part of the procurement process with suppliers, we are responsible for ensuring that the right skills are available to care for historically valuable buildings and natural environments.</p> <p>We are responsible for ensuring that the entire campus environment enhances the well-being of customers, employees, researchers and visitors.</p>	<p>An attractive campus that preserves our cultural history has a positive impact on the well-being of its users and enables future generations to appreciate our cultural heritage. Negative impacts arise when contracting suppliers or our own operational staff do not have knowledge of how we should care for a building or cultural environment.</p>		<p>A good place identity on a campus and art on campus promote a sense of belonging, stimulate creativity, inspire and provide well-being to users, the lack of which can have a negative impact on users' well-being.</p>
REPORTING BOUNDARIES	There is no GRI standard and reporting methodology is being designed in 2023.			
HOW WE WORK	We are responsible for ensuring that our buildings and campus environments retain their historic features and are attractive places that promote health.			
WE WANT TO ACHIEVE THE FOLLOWING	The aim is to preserve the historical values of our buildings and natural environments and to make our campuses attractive and conducive to well-being.			
• POLICIES ¹	There is no policy and the situation will be evaluated in 2023.			
• COMMITMENTS IN ADDITION TO SWEDISH LAWS AND GUIDELINES	– We support the UN Global Sustainable Development Goals			
• OBJECTIVES ^{1,2}	There is no target and the situation will be evaluated in 2023.			
• FOLLOW-UP OF TARGETS	There is no target and the situation will be evaluated in 2023.			
• SPECIAL PROCESSES, PROJECTS, PROGRAMMES AND INITIATIVES ¹	To be evaluated in 2023.			
EVALUATION OF CONTROL	<p>Evaluation take place by following up targets and through the following data or procedures:</p>	To be evaluated in 2023.		

Read more about the division of responsibilities and control mechanisms in the Corporate Governance Report on pages 49–55. 1) All Akademiska Hus' properties and units are included. 2) Read more about goals and outcomes on pages 11–12.

EU Taxonomy

Akademiska Hus, a large company of general interest with more than 500 employees, is subject to the disclosure requirements under the EU taxonomy regulation. For financial year 2022, the key performance indicators are presented for the proportion of our activities that are deemed to be covered, but also for the proportion of these activities that meet the technical requirements and are therefore deemed to be taxonomy-aligned under environmental objectives 1 and 2. Akademiska Hus has primarily focused on environmental objective 1 for the existing property portfolio, since energy performance is defined as a clear requirement with limit values.

The taxonomy includes the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Objectives 3–6 have not yet been fully defined with technical criteria.

Our activities can be found in Chapter 7, “Construction and real estate activities”. The chapter is divided into different economic activities.

Akademiska Hus’ core business and primary turnover relates to rental revenue, which is included in the economic activity 7.7 “Acquisition and ownership of buildings”. In addition, Akademiska Hus reports in 7.1, where we present the year’s investments relating to new construction, and in activity 7.6, Installation, maintenance and repair of renewable energy technologies, where we present our major initiatives involving solar panels. The other elements in Chapter 7 are part of our turnover-generating activities and are therefore not reported separately. Our suppliers have not yet been screened, nor has screening been included in the 2022 figures.

Each activity has technical criteria that must be met in order to be considered sustainable; moreover, it must not have a negative impact (Do no significant harm, DNSH) on any of the other environmental objectives in order to be reported as compliant with the taxonomy.

For 7.6 and 7.7, we have determined that the DNSH requirement for climate change adaptation is met through the climate risk analysis conducted for all of our properties and buildings regarding risks related to temperature, water, solid mass and wind. In terms of methodology, an overlay analysis was carried out, in which the properties and buildings were overlaid with risk areas to see which objects fall within a risk area. The analysis resulted in a risk classification of each object for identified climate risks. Various data sources were used to carry out the risk analysis, the majority of which are public sources from authorities such as MSB, SMHI, SGU and Lantmäteriet. Akademiska Hus is participating in the initiative spearheaded by Fastighetsägarna to propose and interpret the requirements for meeting climate change adaptation targets, which have not yet been specified. Akademiska Hus is deemed to comply with minimum safeguards in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multi-national Enterprises.

A new requirement for financial year 2022 is the disclosure of the proportion of our activities that are deemed to be compliant with the taxonomy’s criteria. Producing this information is in part associated with challenges and to some extent also uncertainties and interpretations, as both requirement texts and calculation assumptions are under development and continuously added. Our property portfolio has been analysed with respect to the technical criteria for energy performance within environmental objective 1 Climate change mitigation. We have analysed our properties in relation to the “top 15 level,” which is based on a study of Sweden’s aggregate holdings that was commissioned by Fastighetsägarna. The following table shows our primary building categories and the values used as limit values. The predominant building category for Akademiska Hus is schools. Further analysis of the company’s activities will continue in 2023 to include additional requirements and additional defined environmental objectives within the framework of the EU Taxonomy. In addition, we are also working to harmonise the technical requirements, particularly in our process for new construction and major renovation projects.

Top 15% limit for buildings built prior to 31 December 2020

Building category according to energy declarations	kWh/m ² Atemp and year according to Swedish National Board of Housing, Building and Planning Regulation (BBR) 29, primary energy number
Schools	89
Housing	81
Offices	80

Analysis of outcome

The taxonomy covers 100 per cent of Akademiska Hus’ turnover and corresponds to the Group’s revenue from property management as shown in the income statement on page 61. The taxonomy-aligned activities under 7.7 that are considered to be sustainable turnover mainly relate to rental revenue and part of other property management income. In all, 40 per cent are taxonomy-aligned activities and have been determined to be sustainable turnover since the properties meet the requirements for environmental objective 1. In 2023, those properties that do not fulfil the requirements will be analysed and the vision is to increase the proportion of sustainable properties, which affects all key performance indicators in the taxonomy.

The taxonomy applies to 100 per cent of operating expenses and can be found in the line items “Maintenance costs” and “Development costs” in the income statement on page 61. In all, 40 per cent of these operating expenses are considered to be taxonomy-aligned.

The taxonomy applies to 91 per cent of capital expenditure and can be attributed to the line items “Properties” and “Equipment, fixtures and fittings” in the statement of financial position on page 64, along with notes 13 and 19, which are presented on page 79 and 83, respectively. In all, 22 per cent of capital expenditure is considered to derive from taxonomy-aligned activities. The key performance indicator for capital expenditure consists of three activities that we report on: 7.7, 7.6 and 7.1. The outcome for 7.6 relates to investments in solar panel arrays made during the year, which help mitigate climate change.

For 7.1, more effort is needed in the coming years to harmonise with the technical requirements, as our investments in new construction for 2022 amount to 42 per cent but are not in alignment. The reason is that the criteria need to be included at an early stage in order to be implemented throughout the value chain of our new construction projects.

We also see potential in the key performance indicators as the data quality and system set for the taxonomy improves in 2023 and subsequent years.

During the year Akademiska Hus issued bonds, but none have specifically financed our taxonomy-aligned activities.

Percentage of turnover from products or services associated with economic activities that are compliant with the taxonomy requirements

	Code/Codes	Absolute turnover	Share of turnover	Criteria for substantial contribution						Criteria for do no significant harm (DNSH)						Minimum safeguards	Taxonomy-aligned share of turnover, year N	Taxonomy-aligned share of turnover, year N1	Category (enabling activity)	Category (transition activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollutants	Biodiversity and ecosystem	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollutants	Biodiversity and ecosystem					
Economic activities		SEK m	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Per cent	Per cent	Enabling	Transition
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Acquisition and ownership of buildings	7.7	2,778	40	100						—	YES	—	—	—	—	YES	40%		—	—
Turnover for the environmentally sustainable (taxonomy-aligned) activities (A.1)		2,778	40	100													40%			
A.2 Activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned)																				
Acquisition and ownership of buildings	7.7	4,167	60																	
Turnover for activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned) (A.2)		4,167	60																	
Total (A.1 + A.2)		6,945	100														40%			
B. TURNOVER NOT COVERED BY THE TAXONOMY																				
Turnover in activities not covered by the taxonomy (B)		9	0																	
Total (A + B)		6,954	100																	

Definition of turnover

The key performance indicator in total for turnover has been defined as revenue from property management in the consolidated statement of comprehensive income. The percentage covered by the taxonomy mainly relates to rental revenue, with the addition of income for the

“A Working Lab” concept, as well as other sales such as services and utilities to our customers. Other operating revenue is not covered by the taxonomy and relates to items such as government grants and insurance reimbursement.

Percentage of capital expenditure from products or services associated with economic activities that are compliant with the taxonomy requirements

Economic activities	Code/Codes	Absolute capital expenditure SEK m	Share of capital expenditure %	Criteria for substantial contribution						Criteria for do no significant harm (DNSH)						Minimum safeguards	Taxonomy-aligned share of capital expenditure, year N Per cent	Taxonomy-aligned share of capital expenditure, year N1 Per cent	Category (enabling activity) Enabling	Category (transition activity) Transition
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollutants %	Biodiversity and ecosystem %	Climate change mitigation Yes/No	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollutants Yes/No	Biodiversity and ecosystem Yes/No					
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Installation, maintenance and repair of renewable energy technologies	7.6	38	1	100						—	YES	—	—	—	—	YES	1%	E		
Acquisition and ownership of buildings	7.7	548	21	100						—	YES	—	—	—	—	YES	21%	—		
Capital expenditure for the environmentally sustainable (taxonomy-aligned) activities (A.1)		586	22														22%			
A.2 Activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned)																				
New construction	7.1	1,135	42																	
Acquisition and ownership of buildings	7.7	712	27																	
Capital expenditure for activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned) (A.2)		1,847	69																	
Total (A.1 + A.2)		2,433	91														22%			

B. CAPITAL EXPENDITURE NOT COVERED BY THE TAXONOMY

Capital expenditure in activities not covered by the taxonomy (B)		240	9
Total (A + B)		2,672	100

Definition of capital expenditure

Key performance indicators for capital expenditure in total consist of all investments in our property portfolio during the year, including maintenance capitalised within the Group, business acquisitions and capitalised interest, see Note 13. Also included are investments in installations and equipment as presented in Note 19. The share covered by the taxonomy relates to investments in properties that are rented out externally and generate rental revenue. Individual standard formulas

have been used for calculations relating to those properties that are used both internally and externally where the calculation has been based on contract areas. This approach excludes capital expenditure for our own offices. The majority of our capital expenditure is attributable to specific properties, but for campus-wide capital expenditure covered by the taxonomy, a standard formula calculation has been used based on a sustainable portfolio of 40 per cent.

Percentage of operating expenses from products or services associated with economic activities that are compliant with the taxonomy requirements

Economic activities	Code/Codes	Absolute operating expenses SEK m	Share of operating expenses %	Criteria for substantial contribution						Criteria for do no significant harm (DNSH)						Minimum safeguards	Taxonomy-aligned share of operating expenses, year N Per cent	Taxonomy-aligned share of operating expenses, year N1 Per cent	Category (enabling activity) Enabling	Category (transition activity) Transition
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollutants %	Biodiversity and ecosystem %	Climate change mitigation Yes/No	Climate change adaptation Yes/No	Water and marine resources Yes/No	Circular economy Yes/No	Pollutants Yes/No	Biodiversity and ecosystem Yes/No					
A. ACTIVITIES COVERED BY THE TAXONOMY																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
Acquisition and ownership of buildings	7.7	61	40	100						—	YES	—	—	—	—	YES	40%	—	—	
Operating expenses for the environmentally sustainable (taxonomy-aligned) activities (A.1)			40																	
A.2 Activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned)																				
Acquisition and ownership of buildings	7.7	93	60																	
Operating expenses for activities covered by the taxonomy but that are not environmentally sustainable (not taxonomy-aligned) (A.2)			60																	
Total (A.1 + A.2)		154	100													40%				

B. OPERATING EXPENSES NOT COVERED BY THE TAXONOMY

Operating expenses in activities not covered by the taxonomy (B)		1	0
Total (A + B)		155	100

Definition of operating expenses

Total operating expenses consist of maintenance costs that have not been capitalised in the Group as development costs, see Note 7. The share covered by the taxonomy corresponds to operating expenses for properties that are rented out externally and generate rental revenue. Individual standard formulas have been used for calculations relating to those properties that are used both internally and

externally where the calculation has been based on contract areas. This approach excludes operating expenses for our own offices. The majority of our operating expenses are attributable to specific properties, but for campus-wide capital expenditure covered by the taxonomy, a standard formula calculation has been used based on a sustainable portfolio of 40 per cent.

Supplemental information

In this section we describe the methods, assumptions, and conversion factors used to develop Akademiska Hus' GRI indicators, which are in line with our material sustainability issues. In addition, supplementary tables and information are presented for the annual report, as well as a description of omitted information.

GRI 200 Economic data

Financial accountability for our operations along with sound and stable finances are fundamental if we are to succeed with the mandate from our owner. Accepting financial responsibility is also crucial for a long-term approach and meeting the expectations of our customers and other participants. Economic responsibility is important in all four sustainability areas, but it is absolutely crucial in Economic Sustainability.

GRI 201-1 Direct economic value generated and distributed

SEK, M	2022	2021	2020
DIRECT VALUE CREATED			
Net revenue	7,078	6,679	6,418
ECONOMIC VALUE DISTRIBUTED			
Payments to suppliers ¹	-1,408	-1,574	-1,558
Employee wages and benefits	-332	-327	-307
Fees and remuneration to the Board and CEO	-10	-19	-13
Social security costs	-179	-172	-155
Tax ²	-855	-584	-577
Interest paid to lenders, net	791	-55	-675
Dividend to shareholder	-2,484	-2,142	-1,905
ECONOMIC VALUE RETAINED	2,601	1,806	1,228

1) Operating costs, property administration, other property management expenses and central administration.

2) Current tax, property tax and site leasehold fees.

GRI 300 Environment and climate data

Through its large property holdings and an extensive project portfolio, Akademiska Hus has a major impact on the climate. Large quantities of materials and resources are used annually both in management of our properties and in new construction, renovations and retrofitting of premises. We place great focus on reducing both energy needs and climate impact from project operations as well as from property operations. Developing campuses so that we can meet the needs and objectives of our customers in a climate friendly and resource-efficient manner is a high priority, at the same time that we ensure that materials that are used do not contain hazardous substances that can be spread into the indoor environment or to surrounding ecosystems. Akademiska Hus takes a systematic approach to its environmental work according to the environmental management system ISO 14001:2015. Our environmental responsibility is mainly reflected in the focus area Ecological Sustainability.

Energy consumption

Below is a presentation of energy consumption by Akademiska Hus, based on the system limit delivered (purchased) energy, including both energy for operating the properties and energy that our tenants use in their activities. Consequently, energy provided to the buildings from solar panels, geothermal energy, etc., is not included in the company's reported energy consumption or in the assessment of its climate impact.

Akademiska Hus invests large sums annually to improve the efficiency of the existing holdings and to increase the capacity of renewable energy. The current production capacity of the company's solar panels corresponds to approximately three per cent of our total electricity use.

MWh ¹	2022
Self-generated electricity from solar panel arrays	9,455
Resale of self-generated electricity from solar panel arrays	—
Self-generated heat (in own boilers)	—
Resale of self-generated heat	—

GRI 302-1: Energy consumption within the organisation

The energy reported is based on measured values and includes energy consumption by tenants. The share that is charged to tenants is reported separately, note that this does not include all part of the tenants' energy use.

MWh ¹	2022	2021	2020
Use of non-renewable fuel ²	8,633	6,863	21,564
Use of renewable fuel	713,710	735,865	717,198
Total electricity	366,499	368,331	367,134
– incl. energy charges passed on to tenant	242,195	237,656	235,702
Total heating	271,142	292,385	289,733
– incl. energy charges passed on to tenant	59,309	70,933	60,633
Total cooling	81,650	78,904	78,765
– incl. energy charges passed on to tenant	52,179	69,494	70,527
Total biogas/steam ²	3,052	3,108	3,130
– incl. energy charges passed on to tenant	5	6	7
Total energy use	722,344	742,728	738,762
– incl. energy charges passed on to tenant	353,688	378,089	366,869

1) Fuel types are presented under indicators 305-1 and 305-2.

2) The comparative figures for 2020 and 2021 have been revised for biogas/steam because the historical data did not include a gas account.

During the year, the amount of purchased energy decreased as a result of energy measures implemented and systematic energy initiatives. In addition, our core customers have been mandated by the government to reduce their electricity use by ten per cent, which has also contributed.

Renewable or recycled energy accounted for 99 per cent of the company's energy consumption. Recovered energy refers to the proportion stated in the district heating suppliers' production mixes; for example, heat from waste incineration and waste heat from industry.

GRI 302-3 Energy intensity

kWh/m ²	2022	2021	2020
Total energy consumption in kWh	722,343,627	742,728,001	738,762,297
Total usable floor area (UFA) in square metres	4,057,366	4,029,995	4,034,709
Energy intensity	178.0	184.3	183.1

Energy intensity has decreased by 3.6 per cent, primarily for the reasons listed under 302-1. Energy consumption also includes energy consumption by tenants. Usable floor area (UFA) is used in the calculation and is a time-weighted value.

GRI 302-4 Reduction of energy consumption

	2022	2021	2020	2019
Total reduction (MWh)	20,377	-3,966	25,279	29,772
Investments in energy efficiency measures, SEK	182,272,081	158,270,564	174,431,100	168,269,193

The investment volume associated with energy investments remained high in 2022. Work on energy investments has been complicated by the turmoil in the energy markets and the risk of power shortages, which has led to a strong focus on these particular issues. Meanwhile, those investments that have been made are the result of a dedicated effort to accelerate the pace towards the company's energy and climate targets. The figure shown for investment is based on planned commitments in 2022. Energy investments refer to installation measures, including replacement of heat recovery batteries, fans, pumps, lighting, installation of heat pumps and climate scale measures such as window changes and additional insulation. The production capacity of electricity through solar panels during the year increased by 39 per cent compared with 2021 and is now 9,455 MWh.

Greenhouse gas emissions

Akademiska Hus has set high goals for climate neutrality, where we will be climate neutral by 2035 and reduce our emissions from the entire value chain by 85 per cent compared with our baseline year 2019. An analysis of the company's greenhouse gas emissions that was conducted throughout the value chain based on the GHG protocol provided valuable insights into what activities cause the greatest climate impact. In 2022, a roadmap towards climate neutrality has been developed to guide the company in making the right decisions to reach the climate goals, as well as a climate budget, in which we identified maximum emissions for construction, building energy and other emissions until 2035. Read more about our climate-related initiatives on page 18–22. The company's main greenhouse gas emissions occur in part through indirect emissions attributable to the purchase of energy (Scope 2), and in part through indirect emissions (Scope 3), where the majority of climate impact derives from construction projects. Beginning in 2022, where possible, we follow the guide published by Fastighetsägarna (the Swedish Property Federation), "Reporting Scope 3 emissions for property owners". Content and details related to each Scope are presented below.

GRI 305-1: Direct greenhouse gas emissions (Scope 1)

In 2022, Scope 1 emissions totalled 695 tonnes CO₂e, the majority of which is attributable to the use of refrigerants. We have revised the 2020 figure for refrigerant leakage emissions because of new data. The climate impact of refrigerants is based on data from facilities with a reporting obligation. Reporting is submitted to the supervisory authority annually in March; the values reported reflect the outcome from 2021. Emissions from facilities that are not subject to reporting have not been analysed and therefore are not included in the compilation. Fuel consumption within the organisation amounted to 3,052 MWh (3,101 MWh) and is based on purchased biogas. The emission factor for biogas is 0 g CO₂/kWh.

GRI 305-2: Indirect greenhouse gas emissions (Scope 2)

Indirect emissions of greenhouse gases in Scope 2 consist of the climate impact from all electricity, heating, cooling and biogas/steam that is delivered to the campus and includes the climate footprint from energy

used by our customers in their operations. For 2022, we have chosen to remove the emissions charged to tenants, which were reported for previous years. 2022 was the first year for which we reported our location-based Scope 2 emissions for total energy consumption, i.e. emissions calculated with an average emission factor from energy systems in Sweden. CO₂e emissions in Scope 2 have significantly decreased as a result of lower energy consumption (see GRI 302-1) and the purchase of district heating with a lower carbon footprint, resulting in a lower emission factor for district heating. CO₂e calculations for district heating and cooling are based on input data from the annual compilation by Energiföretagen (Swedenergy), which means that the values are market-based and that they include CO₂e. The origin of the climate impact from electricity is guaranteed to be fossil-free and climate impact is estimated at 1 g/kWh, even though the value for market-based electricity is 0 g/kWh according to the norm.

GRI 305-3: Other indirect greenhouse gas emissions (Scope 3)

In 2022, for the first time we used the recommendations from the guide published by Fastighetsägarna (the Swedish Property Federation), "Reporting Scope 3 emissions for property owners", for classification of Scope 3 emissions. The largest change involves emissions from project operations, where value-enhancing projects which we define as new construction and renovation projects over SEK 50 million are in Category 2, while non-value-enhancing renovations and tenant adaptations under SEK 50 million are in Category 1. Previously, these emissions were only in Category 1. For the calculation of the emissions in category 7 Employee commuting, an extensive internal travel survey has been carried out in 2022, which has given a more accurate picture of its emissions compared to previous years. In Scope 3, the climate impact from Category 2 New construction is the dominant item. Reducing the climate impact of project operations requires facts, for which reason the company implemented the decision to carry out climate calculations on all major new construction and renovation projects beginning in 2022. Climate calculations will be carried out during different stages of the project in order to serve as a tool for well-founded decision-making and enable comparisons of different alternatives and solutions during both design and production. The compilation for the year includes the two new construction projects that were commissioned during the reporting year, where both of these projects have project-specific climate calculations for which only minor adjustments were made using standard formulas to obtain a complete report. No climate calculations were available for Category 1 renovation and tenant adaptation projects, for which reason climate impact is based on a standard formula using built area for renovation projects and a standard formula using the cost of tenant adaptations. The large decrease in emissions within Scope 3 is essentially attributable to a reduced quantity of completed area in new construction projects. Akademiska Hus aims to transition towards more resource-efficient renovation and tenant adaptation projects and a perspective where new construction is not viewed as the preferred choice. This change is already underway in current operations, but will not affect climate calculations until a few years have passed.

Tonnes greenhouse gas emissions	2022	2021	2020
SCOPE 1			
Energy fuels purchased	—	—	—
Fuel for company vehicles	16	14	14
Refrigerant leakage ¹	679	1,047	955
TOTAL SCOPE 1	695	1,061	969
SCOPE 2 (market-based)			
District heating	17,698	19,730	15,479
District cooling	295	287	4,273
Electricity	367	368	366
Biogas/Steam	3	2	1
TOTAL SCOPE 2	18,362	20,387	20,119
TOTAL SCOPE 2 (location-based)	77,574	—	—
SCOPE 3 EMISSIONS			
Category 1: Purchased goods and services²	5,092	47,390	30,310
Materials in construction projects	—	46,640	29,372
Minor renovations, retrofitting and repairs (not value-enhancing)	4,394	—	—
Ongoing and planned care and maintenance (Groundskeeping)	698	750	938
2: Capital goods	12,738	—	—
New construction (climate declaration)	9,405	—	—
New construction (in addition to climate declaration)	—	—	—
ROT (value-enhancing repairs, maintenance, extensions, conversions)	3,333	—	—
3: Fuel- and energy-related activities	6,532	6,310	6,783
Upstream emissions from electricity, heating and cooling	6,532	6,310	6,783
4: Upstream transportation and distribution	1,062	3,506	355
Transports from construction projects	1,062	3,506	355
5: Waste generated in operations	1,043	1,698	1,539
Waste in own operations (construction project)	1,043	1,698	1,539
6: Business travel	151	106	83
Air ³	133	90	41
Train	4	—	—
Taxi and rental car	1	3	2
Passenger vehicles	12	10	37
Hotel stay	1	3	3

continued from page above

Tonnes greenhouse gas emissions	2022	2021	2020
cont. SCOPE 3			
7: Employee commuting ⁴	132	169	219
8. Upstream leased assets ⁵	—	—	—
11. Use of sold products ⁶	—	—	—
12. End-of-life treatment of sold products ⁶	—	—	—
13. Downstream leased assets	—	—	—
15. Investments ⁷	—	—	—
TOTAL SCOPE 3-EMISSIONS	26,750	59,180	39,289
TOTAL EMISSIONS (SCOPE 1, 2, 3)	45,807	80,628	60,377

Akademiska Hus follows the recommendations from the guide published by Fastighetsägarna (the Swedish Property Federation), "Reporting Scope 3 emissions for property owners".

- 1) Due to incorrect reported figure in previous annual report.
- 2) For the 2020–2021 reporting year, emissions from materials for retrofitting, new construction and renovation projects were reported entirely in category 1; beginning in 2022, they are split between categories 1 and 2 as shown in the table.
- 3) For the 2020–2021 reporting year, emissions from aviation and rail are reported on the same line; beginning in 2022 they are reported separately.
- 4) To calculate the emissions for commuting trips, an extensive internal travel survey has been carried out in 2022, which has given a more accurate picture of its emissions compared to previous years.
- 5) Akademiska Hus does not lease any assets that affect climate reporting.
- 6) Under categories 11 and 12, properties were sold in 2022, but Akademiska Hus was not the first owner, for which reason emissions for the lifetime of the property are not reported.
- 7) Akademiska Hus has no indirect investments or joint ventures.

GRI 305-4: Greenhouse gas emissions intensity

For 2022, Akademiska Hus expanded its reporting of emissions intensity according to the recommendations from the guide published by Fastighetsägarna (the Swedish Property Federation), "Reporting Scope 3 emissions for property owners". We expanded our reporting for intensity measures with gross floor area (GFA) on Scope 1 and 2, for Scope 1 to 3 divided by GFA, and intensity measures for emissions on new construction and major renovations.

For 2022, usable floor area (UFA) was 4,057,366 m² and Gross floor area (GFA) was 4,459,686 m². Emission intensity data include tenant emissions from the energy consumption of their activities.

	2022	2021	2020
Annual scope 1 and 2 emissions by area (kg CO ₂ e/m ² (UFA))	4.7	5.3	5.4
Annual scope 1 and 2 emissions by area (kg CO ₂ e/m ² GFA)	4.3	—	—
Annual scope 1 and 2 emissions and ongoing emissions in scope 3 by area (kg CO ₂ e/m ² GFA)	10.3	—	—
Annual emissions from new construction by area (kg CO ₂ e/m ² GFA)	401	—	—
Annual emissions from larger renovation and remodeling projects by area (kg CO ₂ e/m ² GFA)	140	—	—

Definitions: Our reported Scope 1 and 2 emissions also include tenant emissions from electricity, heating, cooling, fuel and steam. Intensity is calculated for Scope 1 and 2 emissions in UFA, to allow historical comparison, and in GFA as recommended by the guide for Scope 3 published by Fastighetsägarna (the Swedish Property Federation).

CARBON OFFSETTING 2022

From 2021 onwards, in line with the company's new climate and energy strategy, we have offset the climate impact of our entire operations, i.e. Scopes 1, 2 and 3. Carbon offsetting uses UN CDM credits and, for 2022, projects that promote the expansion of renewable energy through new wind power in Asia. We view the offsets as an interim measure for reducing the effects of the company's climate impact. At the same time, our strategy is clear: we will achieve a substantial reduction. The carbon offsetting strategy will therefore be reviewed and technologies that offer a substantial reduction, such as Bio-CSS, will become increasingly relevant in the future.

WATER

GRI 303-1: Interactions with water as a shared resource

Akademiska Hus only uses water from the municipal system and works through measures to reduce water consumption, such as installing low-flow water fixtures when retrofitting, as well as in new construction and renovation projects. We are reporting our water consumption for the first time in 2022, so we do not have historical values for comparison. We work with our tenants to reduce water consumption, especially where there are local needs. Akademiska Hus measures and monitors water consumption and will set targets for reduction of water consumption in 2023.

Akademiska Hus is involved in a project together with a number of other participants with the aim of using water as a resource more efficiently. The project is led by Chalmers and KTH.

GRI 303-2: Management of water discharge-related impacts

Akademiska Hus' buildings are connected to the municipal wastewater treatment plants where treatment of wastewater and stormwater is handled according to permits granted by the County Administrative Board, the municipality or the Land and Environmental Court. At one location, we have our own wastewater treatment plant where sampling takes place annually. The purification rate for BOD7 and phosphorus is more than 90 per cent. In 2023, we will draw up our guidelines to be applied for emission requirements.

Kraftcentralen (the power plant) at Chalmers, has received an injunction from Miljö- och hälsoskyddsnämnden (the Environment and Health Protection Committee) for precautionary measures concerning emissions to the effluent from the flue gas condenser, regarding suspended solids and pH. Sampling must be carried out every two months.

GRI 303-5: Water consumption

Water consumption data are collected through water meters located in our buildings. Most commonly, we have digital remote reading, though manual reading is carried out at some buildings every month. Tenants' water consumption is included in the reporting.

The water storage on site is for sprinkler systems.

m ³	2022
Total water consumption	1,402,807
– of which charges passed on to tenants	447,748
– of which water consumption in water-stressed areas ¹	—
Water intensity (m ³ /m ² GFA)	0.31

1) WRI's water stress ratio is expressed as a percentage and is calculated by dividing total water withdrawals by available surface and groundwater. The higher the number, the greater the competition for water. The table presents the water consumption of properties in areas with extremely high water stress = > 80%.

GRI 304: Biodiversity

Akademiska Hus has identified biodiversity as a prioritised sustainability issue under our sustainability area "Ecological Sustainability" (see page 106) and is a material environmental issue identified in our ISO 14001 certification. We have identified two main sources of our impact on biodiversity: materials in our supply chain and land use on land we own around our properties and in our campuses. Natural value assessments have been carried out for several of our properties to identify trees and natural areas in need of special protection and we are working on a plan to map natural values in and around all our campuses and properties. In several of our properties, we are working to combat invasive species and implement care that promotes biodiversity by surveying invasive species and formulating an invasive species removal action plan, as well as by properly caring for valuable land and creating more meadows and plants that promote biodiversity.

During the year, we worked to reduce the indirect impact on biodiversity in the supply chain in the major projects that have been completed through material requirements from the Miljöbyggnad certification system.

Akademiska Hus plans to work further on a full inventory of the impact of our portfolio and supply chain, as well as direct or indirect, positive and negative impacts on biodiversity. Akademiska Hus will conduct an inventory of all of its campuses to protect and strengthen biodiversity at each location.

WASTE

GRI 306-1 Waste generation and significant waste-related impacts and 306-2 Management of significant waste-related impacts

Waste is generated in Akademiska Hus' own operations as well as in our construction projects and management activities. Waste management is governed by legislation, mainly the Environmental Code and the Waste Ordinance. The waste hierarchy formulated by the EU states that preventing waste is a priority over managing waste that is generated. Consequently, Akademiska Hus has a responsibility to act in a way that primarily minimises waste generation in the first place – and then to properly manage the waste that does occur. In 2022, we started collecting data on waste generated from our buildings, i.e. property management activities. Our buildings are located in several places in Sweden, so we cooperate with many different waste contractors. This complicates our overall monitoring because of differences in the statistics we receive from each waste contractor. The data collected for the waste statistics do not include waste from our construction projects and the KPI monitoring refers only to waste from buildings in operation. The 2022 monitoring includes our seven largest waste contractors and these account for 51 per cent of our waste costs in operation for 2022. In 2023, monitoring will be further developed to make the collected data more reliable, with the aim of achieving a higher coverage rate. Cooperation with contractors and transporters is a key element in the success of this effort.

In our construction projects, we normally require the contractor to present and maintain a waste plan that regulates on-site waste management. Normally, the Quality, Environment and Occupational Safety manager for the project sets requirements and follows up on them. We increased our focus on circular material flows and recycling in 2022. The vision is that recycling should not be something we do in environmental projects, but a natural part of our approach in both management

and construction projects. Circularity is not easy, and the transition is often complex, but through cooperation with customers, suppliers and contractors, we as a company can contribute to the development of the entire sector. Through the CCBuild development project, which aims to increase recycling in the entire construction sector and in which Akademiska Hus is one of the participating parties, we also receive support, knowledge and collaboration.

306-3 Waste generated, 306-4 Waste diverted from disposal and 306-5 Waste directed to disposal

In 2022, Akademiska Hus began to take inventory of and monitor waste generated from operations. Further developments are expected in the coming years as this is the first year that this is being reported. For this reason, figures are only available for 2022 and not previous years. The information is gathered from seven of our major waste contractors, with the data covering a total of 51 per cent of our operational waste costs, based on cost mass. More contractors were asked for this data, but they were unable to provide the requested statistics. Akademiska Hus has engaged a total of 21 waste contractors (invoiced >KSEK 100 in 2022).

Number of tonnes	2022
Hazardous waste – total	10
Reuse	—
Recycling	10
Landfill	—
Incineration with energy recovery	—
Incineration without energy recovery	—
Other disposal	—
Non-hazardous waste – total	3,559
Reuse	—
Recycling	499
Landfill	1
Incineration with energy recovery	3,059
Incineration without energy recovery	—
Other disposal	—
TOTAL	3,569

GRI
400

Social data

Our operations are based on collaboration, within the organisation, with our customers and with other participants. Strengthening Sweden as a nation of knowledge through value-adding knowledge environments entails placing people at the centre and taking many different needs into consideration. It also means that we work to create a working climate and a culture where equal treatment, equal opportunity, diversity, safety and security are a given, internally as well as externally. Social responsibility is important in all four of our areas of focus, but it is absolutely crucial in Social Sustainability and Economic Sustainability. All personnel data have been compiled as of 31 December 2022.

EMPLOYEES

GRI 2-7: Employees

As of 31 December 2022, Akademiska Hus had 540 (536) employees, of whom 538 (532) are permanently employed and 2 (4) are temporary employees. In all, 21 (22) employees within the organisation had part-time contracts, including 7 (8) women and 14 (14) men. Akademiska Hus has no significant variations in the number of employees over the year or compared with the previous year. In addition to employees, a number of hired workers are engaged. The majority of them are contractors, architects and construction engineering consultants. The scope of this group varies over time and it is difficult to find reliable statistics for the number of people in this group, for which reason it is excluded from the report. Akademiska Hus has no hourly workers or other employees without guaranteed working hours. The data are taken from the Agda PS payroll system.

Type of employment, number of people at 31 December	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time employees	175	344	519	182	332	514	174	341	515
Part-time employees	7	14	21	8	14	22	—	—	—
Type of employment, number of people at 31 December									
Permanent employees	180	358	538	188	344	532	187	350	537
Fixed-term employees	2	0	2	2	2	4	—	—	—
Hourly employees, zero-hour employees, employees on call and others without guaranteed working hours	—	—	—	—	—	—	—	—	—
Number of employees per unit and gender, at 31 December									
Operational support	78	58	136						
Property unit	51	37	88						
Technology & Service unit	26	234	258						
Project unit	27	31	58						
TOTAL	182	358	540						
Per cent	34	66	100						

GRI 2-8: Workers who are not employees

In 2022, Akademiska Hus had 52 paid summer workers who helped with operation and maintenance of buildings and land. Consultants are procured according to the Public Procurement Act (LOU) via third parties or contracts.

GRI 2-30: Collective bargaining agreements Per cent of workforce covered by collective bargaining agreements

	2022	
	Number	Share, %
Number of employees with collective bargaining agreements	540	100
Number of employees without collective bargaining agreements	0	0
TOTAL EMPLOYEES AT 31 DEC.	540	100

1) Collective bargaining agreements apply to all employees, including those who belong to Executive Management.

GRI 2-21: Annual total compensation ratio

	2022
Total remuneration to CEO (highest paid), SEK million ¹	4.55
Median annual total remuneration for all employees (excl. maximum annual remuneration), SEK million ²	0.55
Ratio of highest paid to median (excl. highest annual remuneration), %	833
Median salary increase for all employees (excl. maximum annual remuneration), %	1.76

1) CEO salary, see Note 11 on page 77.

2) The data are taken from a report in the Agda PS payroll system, which calculates the median after sorting by order of magnitude regarding the company's personnel costs.

EMPLOYMENT

GRI 401-1: New employee hires and employee turnover

New employee hires and employee turnover New employees during the year	2022				
	Total number	number of women	Share of women, %	number of men	Share of men, %
Under 30 years	11	4	36	7	64
30–50 years	66	20	30	46	70
Over 50 years	23	5	22	18	78
Average number of new employees	100	29	29	71	71
Share of new employees in relation to total number of employees, %	18.5	—	5.4	—	13.1
People who left during the year					
Under 30 years	5	1	20	4	80
30–50 years	43	22	51	21	49
Over 50 years	42	12	29	30	71
Total number of people who left	90	35	39	55	61
Share of employees terminated during the year in relation to total number of employees, (%)	90	35	6	55	10
Share of employees who resigned during the year in relation to total number of employees, (%)	87	34	6	53	10
Total number of employees	540	182	34	358	66

1) Calculation of the share of new employees in relation to total number of employees = number of new employees during the year divided by the number of employees on 31 December.

2) Definition of people who left during the year: This refers to people who have either left at their own request, or who have been dismissed, retired or died while on the job.

3) Calculation of the share of employees terminated in relation to total number of employees = number of employees terminated during the year divided by the number of employees on 31 December.

4) Akademiska Hus does not report by region.

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Akademiska Hus follows the guidelines set for state-owned companies regarding employment conditions, salaries and benefits. The company belongs to the employers' organisation Almega. Since all employees are salaried employees, we follow the salaried employee agreement of the property industry, which means that everyone is covered by the same agreement. As a state-owned company, there no bonus or incentive systems. All employees are offered health insurance according to current tax rules, a wellness allowance of SEK 4,500 per year and a curiosity account of SEK 2,000 per year. Employees have access to occupational health services at all locations through an agreement with Previa.

GRI 401-3: Parental leave

	2022				
	Total number	number of women	Share of women, %	number of men	Share of men, %
Number of employees entitled to parental leave ¹	538	181	34	357	66
Number employees who took out parental leave during the year	89	39	44	50	56
Number of employees who returned to work during the year after parental leave	88	38	43	50	57
Number of employees who returned to work after parental leave and who are still employed 12 months after their return	82	37	45	45	55
Return to work rate after parental leave ²	—	—	97	—	100

- 1) Employees entitled to parental leave are those employees covered by the organization's policies, agreements, or laws that include the right to parental leave.
 2) Number of employees who returned to work after parental leave divided by the total number of employee who should have returned to work after parental leave.

EDUCATION

GRI 404-1 Average hours of training per year per employee

Training of employees is a prioritised issue for Akademiska Hus. All employees are offered training and development in various forms. The hours of training reported do not only include normal "school teaching", but also include different situations/opportunities where development can take place. As 2022 is the first year that we are reporting on training, there is no history from prior years. The transfer of expertise takes place through:

- Appraisal assignment (average of 6 hours per employee/year)
- Friday information 15 occasions á 1 hour
- Friday breakfasts with training/information 40 weeks x 1 hour
- Financial Quarter, 1.5 hours/year for financial information/training
- Akademiska Hus days 2 days/year/employee
- Grant for 36 people with an average of 20 hours/grant
- Mentor trainees 52 x 5 hours mentor training
- Digital seminars 5 occasions / year
- Wellness ambassadors 30 employees with 4 hours of training/year on average
- Leadership Forum 72 managers x 4 days
- Certification of facilities engineers and operating engineers for 55 people at 15 hours/employee

- Great Employees – Facilitation training in conjunction with the operational plan
- Digital and teacher-led training courses at the Academy
- Learning at work supervisor (LIA)

This is only a selection of activities that fall within the scope of the figures presented below. The figures refer only to internal development initiatives. Employees who participate in external development activities (training courses, networks, seminars, etc.) are not recorded and therefore not included in the statistics.

	2022					
	by gender		by personnel category			Total
Average hours of training per employee and year	Women	Men	Executive Management	Employees in managerial position ¹	Other employees	
Number education hours during the year by category	14,755	28,854	820	6,312	36,477	43,609
Number of employees in the category at 31 December	180	358	10	77	451	538
Average number of training hours	82	82	82	82	82	82

1) Excluding Executive Management

GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes

As an employee of Akademiska Hus, everyone has a responsibility to keep their skills alive and up to date. Akademiska Hus in turn will ensure that there are good opportunities to access relevant training and development. The basis for our development efforts is how we as an employer promote increased curiosity to learn more in order to ensure that our employees have relevant skills for tomorrow's business.

We do so by:

- Creating development opportunities for all who want them
- Offering various forms of training and development
- Inspiring and learning from each other internally

The desire to grow can take different directions. At Akademiska Hus, we want our employees to be able to grow, both professionally and as individuals. Within the framework of the Academy, our training platform offers a wide range of courses at several levels and for different occupations. Examples of training programmes, both teacher-led and e-learning, are:

Basic training courses: This group includes all the introductory courses, 15–20 depending on occupation, business ethics, GDPR, health and safety, equal treatment, information security and sustainability.

Advanced: Function-specific courses in business skills, cross-functional teams, project management, leading without being a manager and facilitation.

Personal development: Stress management, great employees with several customised programmes and courses.

In addition to training programmes at our internal training platform, Akademiska Hus employees are offered:

Internal assignments: Development in assignments such as digital ambassadors, wellness ambassadors, great employees, Equally Unique

group, process leaders, internal trainers and facilitators, safety representatives, mentors (new hires, students, interns).

Grants: All employees have the opportunity to apply for and justify a financial contribution through a personal development grant. Grants are awarded twice a year, corresponding to SEK 100,000 each time.

Book circles: Employees can participate in a book discussion by reading the book. The discussion is led by a colleague who is interested in the specific title.

Professional certification for facilities engineers and operations engineers via Faval: Facilities engineers and Operations engineers are offered the opportunity to validate their skills and become certified. Certification is personal.

Curiosity account: To encourage curiosity, all employees have an account that can pay for something that the employee is particularly curious about and that broadens their mission.

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

All Akademiska Hus employees shall have a clear mission, the resources to carry it out and receive feedback on the work done. The appraisal assignment is an active tool to ensure that we have consensus regarding our mutual expectations, in order to follow up on and conduct a dialogue regarding performance, which also serves as the basis for wage setting. The appraisal assignment is conducted in conjunction with operational planning to ensure the link between the operational plan and the individual. The methodological support is the "Agerus model". Both managers and employees can initiate the appraisal assignment as needed, at any time during the year. Managers and employees make their own decisions about how to follow up the mission, depending on the duties, experience and needs.

In January each year, a follow-up survey, My Voice, is carried out to determine whether employees feel that they have a clear mission and the right resources for carrying out their work. The outcome is called the Akademiska Hus Performance Index (AHPI) and is measured and

monitored at each unit level. For 2022, the AHPI is 76, with 85 per cent stating that performance conditions were met and 87 per cent stating that basic human needs were met.

Performance reviews/appraisal assignment	2022					
	by gender		by personnel category			Total
	Women	Men	Executive Management	Employees in managerial position ¹	Other employees	
Number of employees who had performance reviews hours during the year by category	165	320	10	72	410	492
Total number of employees at 31 Dec. by category	180	352	10	77	451	538
Share performance reviews (%)	92	91	100	94	91	91

1) Excluding Executive Management

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1: Diversity of governance bodies and employees

Akademiska Hus' management group consists of 5 (5) women and 5 (5) men. The Board of Directors is represented by 6 (7) men and 4 (2) women. In the company as a whole, Akademiska Hus has 34 per cent (33) women. We do not report other diversity indicators as this is not permitted by Swedish law. In our diversity work, we work actively to

create a working climate where equal treatment, gender equality and diversity are self-evident components of the operation, both internally and externally. No employee should experience bullying, harassment, or discrimination. We have an active action plan, Equally Unique, in which goals and activities to promote the above are stated. The plan is adopted by the Board of Directors.

Composition of the company	2022				2021				2020			
	Number of women	Per cent women	Number of men	Per cent men	Number of women	Per cent women	Number of men	Per cent men	Number of women	Per cent women	Number of men	Per cent men
Board of Directors¹	4	40	6	60	2	22	7	78	4	40	6	60
Under 30 years	–	–	–	–	–	–	–	–	–	–	–	–
30–50 years	2	20	2	20	–	–	–	–	1	100	–	–
Over 50 years	2	20	4	40	2	22	7	78	3	33	6	67
Executive Management	5	50	5	50	5	50	5	50	5	50	5	50
Under 30 years	–	–	–	–	–	–	–	–	–	–	–	–
30–50 years	2	20	4	40	1	20	4	80	–	–	4	100
Over 50 years	3	30	1	10	4	80	1	20	5	83	1	17
Employees in managerial position²	34	44	43	56	46	1	39	46	42	52	39	48
Under 30 years	0	0	0	0	16	94	1	6	12	92	1	8
30–50 years	21	27	24	31	19	45	23	55	19	45	23	55
Over 50 years	13	17	19	25	11	42	15	58	11	42	15	58
Other employees	141	31	310	69	150	33	308	67	150	33	308	67
Under 30 years	9	2	9	2	9	56	7	44	12	63	7	37
30–50 years	91	20	151	33	99	41	144	59	96	41	140	59
Over 50 years	41	9	150	33	42	22	152	78	42	21	161	79

1) Employee representatives are included in the statistics 2) Excluding executive management

OCCUPATIONAL HEALTH AND SAFETY GRI 403-1-7: Topic-specific management approach for health and safety

Occupational health and safety is a high priority at Akademiska Hus. Our objective is an accident-free workplace. We work through a good safety culture and systematic work environment management to prevent risks and avoid work-related accidents and ill health. During the year, Akademiska Hus certified its occupational health and safety management system to the ISO 45001 standard.

Laws, regulations and other requirements are incorporated into our occupational health and safety management system through, for example, policies, procedures and guidelines, which are available on our intranet and in other relevant systems. The management system requirements apply to all employees and hired workers. Occupational health and safety duties, for which the CEO has ultimate responsibility, are divided and documented in the organisation. The principle is that the manager who is responsible for personnel is responsible for systematic work environment management-related duties. However, occupational health and safety duties are also divided in the organisation associated with our responsibility as property developer and owner.

Our local safety representatives have an important function in our systematic work environment management and we work together to improve the work environment at Akademiska Hus. Risk identification and risk elimination are the foundation of our systematic work environment management. Risk assessments are carried out on different levels and in specific situations. Examples of systematic risk assessments include annual risk assessments for each department in the operation and identified risks in the work environment plan for tenders and orders for construction-related services. During the year, we worked with our system provider and completed a development project on our systematic risk assessments in our operations, which facilitated management, implementation and monitoring of our risks. Corrective measures must be implemented for unacceptable risks.

Reporting and handling of incidents and accidents is also included in our risk management procedures. Both environmental and occupational health and safety matters are reported and managed in our dedicated Incident and Accident (IA) system. The system provides support to investigate and rectify such events to prevent them from happening again. Moreover, the system serves as a good source of data for statistics and analyses. Safety representatives are informed of incidents and are a resource during investigations and when implementing corrective measures. Safety representatives have the ultimate right to stop any work that is considered to be dangerous or that could be associated with a risk of injury or ill health. In our construction projects, incidents and accidents must also be reported in our system so that we are aware of what has happened and can learn from the experience. As an employer, each contractor is formally responsible for investigating and implementing corrective measures in the event of work-related injuries for their own personnel. Our job as builder is to see whether we can learn any lessons from the event based on our responsibility for design and planning, as well as overarching conditions for the project.

Through participation and collaboration, employees are given the oppor-

tunity to contribute and influence both their own and the company's work environment. Above all, it is desirable that this takes place in daily life and between those concerned, with the immediate manager responsible. Furthermore, collaboration takes place with the opportunity to influence and have an impact through participation in forums and meetings, such as the work environment committee, the wellness group, the work clothing group and the safety representative group. Our work environment training is carried out with internal resources and is tailored specifically to the company, where managers and safety representatives attend together to improve conditions for collaboration regarding work environment issues. The annual "My Voice" survey, which includes monitoring of our organisational and social working environment, gives employees the opportunity to raise issues and influence their situation. Results are followed up and actions, if any, are implemented by each respective manager together with their working groups. The health and safety committee provides follow-up at the overarching level.

Akademiska Hus has a cohesive contract with occupational healthcare providers in the locations where Akademiska Hus is active and has its employees. The occupational healthcare service is an independent expert resource in our systematic work environment management initiatives. Through dialogue and continual follow-up meetings, we ensure that the organisation's needs for support are met. The "Sick and Healthy" service provides structure and support for management of reporting absence due to illness and reporting back to work after illness, as well as reporting absence to take care of sick children. The service gives each employee access to professional healthcare advice, which is available 24 hours a day, every day of the year. The system gives the responsible manager an indication of possible ill health with the opportunity to introduce measures at an early stage, particularly with regard to repeated short-term absences and work-related ill health. Our occupational health care contract includes a dedicated rehab coordinator to provide optimal rehabilitation support. The occupational healthcare service is primarily intended to support managers with delegated occupational health and safety duties. Each employee has the right to schedule an appointment with the occupational health service to receive support and guidance on issues concerning conditions at work. The aim of our focus on occupational health is to promote health and prevent illness in accordance with the intentions of the Swedish Work Environment Act. During the year, the focus on our use of the occupational health service has been 73 per cent health promotion and prevention.

All employees have health insurance that provides access to several preventive health services such as eHealth services and counselling, available free of charge. In order to enable employees to take good care of their health, all employees are offered a work environment and health analysis at regular intervals. Akademiska Hus wants to inspire and create opportunities for a healthy lifestyle. Each year our wellness group promotes a programme with various wellness activities that are carried out throughout the company. For example, the year began with a joint activity called "Together we are stronger" with the aim of promoting mobility and social contacts in the company. In addition to promoting personal health, the activity contributed to a good cause through a donation to the Mind organisation and their work on

mental health. Through our service and partner Epassi, each employee has access to an annual wellness allowance of SEK 4,500. Active commitment in our wellness group, increased accessibility and simple administration of the wellness allowance helped us to report, over time, a high ratio of active individuals who have taken advantage of their wellness allowance. In 2022, 81 per cent of employees used some portion of their wellness allowance.

Akademiska Hus' operations include many buildings with large land areas all over Sweden. In order to achieve resource-efficient management, operation and construction, we need to cooperate with several different suppliers. Collaboration on business terms is based on clear requirements and expectations, as well as dialogue and follow up. By being an engaged property developer and client with requirements for the work environment, we can contribute to and promote sustainable development for the entire construction and property industry. Our Code of Conduct for suppliers, clear specifications in procurement documents and instructions and introduction for new suppliers are some examples of how we address these issues. In 2022 our Code of Conduct for suppliers was revised. To better communicate our expectations and provide our contractors and suppliers with the information they need in our operations and management, during the year we developed our orientation materials with a video presenting this information. Akademiska Hus is an initiator, co-founder and actively involved in the "Håll Nollan" organisation, which aims to achieve the goal of zero accidents in the construction industry. The point of departure is to create clarity regarding the activities we as property developers can influence with the aim of creating conditions for a safe work environment in our construction projects. The "Håll Nollan" standards, working methods and guidelines in relevant areas play an important role here in our efforts to learn and evolve as property developers. During the year, the construction sector's survey-based tool, PQi, which measures project quality, launched the safety climate as a new component and indicator. Through our involvement with the Håll Nollan project, Akademiska Hus has contributed in the work with the safety climate indicator. For the third consecutive year, Håll Nollan carried out its "Säkerhetspush" (safety push) campaign, an interdisciplinary event for everyone working in the construction and contracting industry, regardless of organisation. The theme for 2022 was good relationships and how this can create a safer working environment for everyone. The Håll Nollan säkerhetspush was carried out together with our contractors at several of our construction projects across the country. Akademiska Hus also actively participates in the Property Developers' work environment group association with the aim of encouraging professional property developers to accept their responsibility for the work environment. During the year, a representative from Akademiska Hus was chosen to serve as the chairperson of the group. The focus of the group has been on analysing and responding to the Swedish Work Environment Authority's referral statement regarding the regulation on construction work environment coordination, planning and design, which will be of great importance to property developers when it enters into force. In 2021, we became a member of "Säkerhetsparken" (the safety park), a 15,000 m² physical facility outside Stockholm that provides an opportunity to practice safety and to consider behaviours and attitudes. In 2022, parts of our project organisation used the safety park.

We also invited Akademiska Hus safety representatives from across the country to a safety representative meeting at the safety park to learn and share experiences.

We provide ongoing skills development for our employees who are clients and/or project managers of construction projects in engineering and service, as well as in the project organisation. The most relevant are the course for construction work environment coordinator design (BAS-P) with internal requirements for repetition every three years, as well as a review of our incident and accident system (IA). All newly hired employees complete an introductory occupational health and safety course. Through our membership in Håll Nollan, with requirements in our standards for property developers and contractors, everyone at our construction sites must complete an introductory safety course with workplace-specific rules, risks and emergency procedures. In addition, everyone must complete the construction companies' web-based Safe Construction Training programme.

GRI 403-8: Workers covered by an occupational health and safety management system

Akademiska Hus' health and safety management system is based on the fact that we have a responsibility and an impact in our capacity as an employer, property developer and owner. All employees at Akademiska Hus are covered by the requirements, guidelines and procedures in our occupational health and safety management system. The management system also contains governing documents that apply to our consultants, suppliers and contractors.

	2022	2021	2020
Occupational health care service for own personnel, distribution of utilisation in %			
– Promote and prevent	73	89	73
– Rehabilitate	27	11	27
Total	100	100	100
Percentage of individuals using wellness allowance ¹	81	86	84

1) Percentage of full-year employees who used some part of their wellness allowance

GRI 403-9, 10: Work-related injuries and ill health

During the year a total of 13 work-related accidents, 28 incidents and 6 vehicular accidents were reported for Akademiska Hus personnel. Two work-related accidents resulted in absence in addition to the day of injury, for which reason the lost-time accident rate (LTAR) landed at 2.2. Based on reported accidents, the most common causes of injury are falls to the same level, injury from a self-handled object and acute physical overexertion. The risk of falling is largely linked to the winter season and the risk of slipping in outdoor environments with crush, pinch or other soft tissue injury as a consequence. The most common parts of the body that are injured are the knee, head and hand. Other risks and causes of injury are mainly related to maintenance and repair work in engineer-

ing and services. Six vehicular accidents occurred during the year; one resulted in absence. In terms of individual events, vehicular accidents, to and from work, are our most frequent risk to our employees.

Akademiska Hus personnel	2022		2021		2020	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatal accidents	0	0	0	0	0	0
Work-related injuries	13	14	19	23	17	19
Work-related injuries with absence (LTAR) ¹	2	2	0	0	1	1
Work-related accidents with absence over 6 months	0	0	0	0	0	0
Work-related sickness absence ²	6	6.6	5	5.9	6	6.7
Total sickness absence in % ³	4.4	N/A	4.1	N/A	3.6	N/A
– Women	5.2	N/A	5.3	N/A	5.4	N/A
– Men	4.0	N/A	3.5	N/A	2.7	N/A

Contractor in construction projects	2022		2021		2020	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatal accidents	0	0	0	0	0	0
Work-related injuries with absence (CLTAR) ⁴	4.0	1.6	7.0	2.8	7.0	2.5

1) LTAR relates to the lost-time accident rate for own personnel, excluding vehicular accidents. The lost-time accident rate is defined as the number of workplace accidents that lead to absence for more than one day (8 hours) per 1 million hours worked. Accidents for own employees are reported in the IA system. The number of hours worked for own employees in 2022 was 903,754; information obtained from our Agda payroll system.

2) Number of employees who reported self-perceived work-related absence in our "Sick and Healthy" service.

3) Total sickness absence in % of time worked.

4) CLTAR relates to the lost-time accident rate for contractors in our construction projects, excluding vehicular accidents. The lost-time accident rate is defined as the number of workplace accidents that lead to absence for more than one day (8 hours) per 1 million hours worked. Accidents involving contractors are reported in our IA system. This reporting is not considered to be complete at this time, since all projects do not yet report into our system. Measurement and reporting are under development. The number of hours worked for contractors is based on our investment in new construction and redevelopment, with the assumption that 60 per cent is the cost of labour at an hourly price of SEK 600 per hour. The number of hours worked was 2,483,722 for contractors in 2022.

For contractors in our construction projects, 40 work-related accidents were reported during the year, four of which led to absence. This corresponds to a lost-time accident rate of 1.6. The most common types of injuries are wounds and crushing, pinching or other soft tissue injuries. Fingers were the most common parts of the body to be injured.

The lost-time accident rate is defined as the number of workplace accidents that lead to absence, in addition to the day of the injury, on one or more workdays per one million hours worked. A continuous

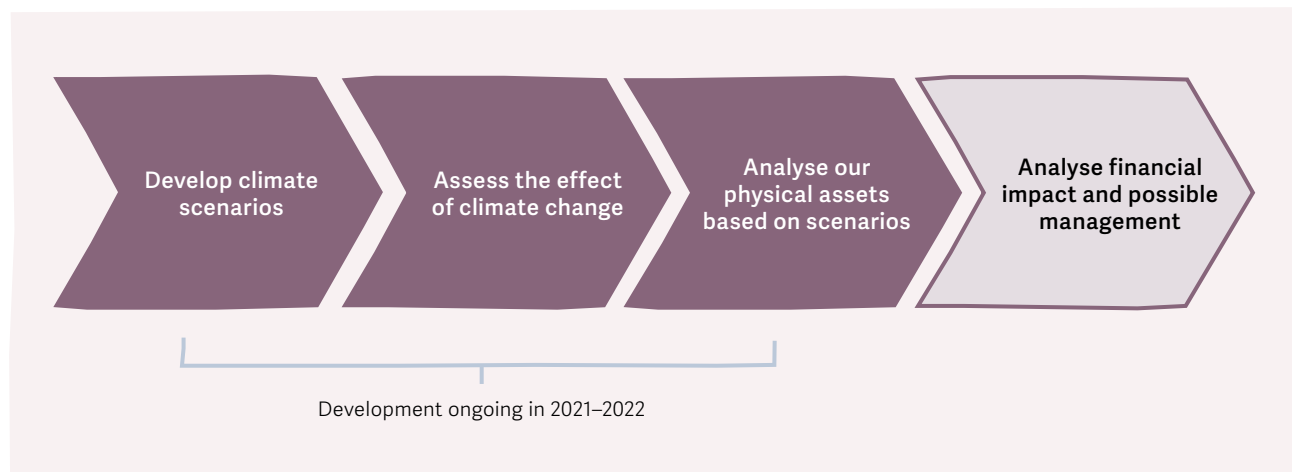
effort is underway to increase reporting of risk observations, incidents and accidents by our contractors to us as property developers. In addition to having reporting and requirements systems in place, long-term work and patience are required. In 2022, we increased our reporting of events in line with our aspirations and commitment to continuous improvement.

We report a slightly higher sickness absence rate than in the previous year, with the outcome for 2022 at 4.4 per cent. The increase mainly affected our short-term absences, while long-term absences decreased. Regarding our longer and more complex rehabilitation cases, targeted efforts made during the year likely had a positive impact on the outcome. Our sickness absence reporting system provides an opportunity for early identification of those employees who experience work-related ill health. Over the course of the year six employees have stated that their absence is due to conditions at work, which is one employee more than the previous year. This work-related ill health is mainly attributable to stress-related problems. We work continuously with health-promoting and preventive activities with the aim of preventing employees from suffering work-related injuries and ill-health. During the year, special efforts have been made to address the phenomenon of higher sickness absence rates among women than among men. Initiatives on the theme of domestic violence have been carried out together with the occupational health service and Change Collective. For 2022, we continue to see a difference between sickness absence among women compared with men, albeit slightly smaller than in previous years. Efforts to address sickness absence will continue in 2023 in general and with a focus on women in particular.

Akademiska Hus' overarching work environment goal of a healthy accident-free workplace is an important starting point for our systematic work environment management. We are constantly working with employees, safety representatives and managers to increase awareness of and knowledge about the work environment, as well as to strengthen a culture in which we show that we care for others and for one another. To reinforce this message and ensure vital knowledge, our theme this year on International Occupational Health and Safety Day was caring, ergonomics and first aid. During the year, we developed and launched a poster that adorns the inside of every toilet door from north to south with the message that everyone should feel comfortable and thrive, and that we do not accept abuse, harassment, or violence.

Risk assessments are an important cornerstone of our systematic work environment management. During the year, we developed our working methods and system support in order to provide appropriate conditions for high-quality risk assessments, where measures are taken when risks are unacceptable. We also have a dedicated occupational health engineer from our occupational health service to support us in investigations and complex risk assessments. During the year, we also developed our inter-audit model based on our occupational health and safety risks. Another important cornerstone in our systematic work environment management aimed at injury prevention is reporting and management of incidents and accidents. An ongoing project to promote a reporting culture and quality in investigations has been underway since we introduced a new incident and accident (IA) system in order to gain knowledge and prevent injuries and ill health.

Climate change management (TCFD)



Climate change is one of the greatest challenges of our time, requiring a global transition to a fossil-fuel economy. Both the effects of global warming and the transition itself can have both a physical and a financial impact. Identifying, assessing, managing and transparently reporting on the climate-related financial risks and opportunities for the business is part of the remit of state-owned companies. Akademiska Hus has ambitious goals with respect to the climate and sustainability initiatives that are well integrated into the business.

The field of climate-related risks and opportunities is complex, to a large extent difficult to assess, and based on analyses that use climate scenarios as a point of departure which, on an overall level, describe a possible future climate development.

The purpose of the Task Force on Climate Related Financial Disclosures (TCFD) is to enable organisations to better identify and elucidate their climate-related financial risks and opportunities. Akademiska Hus follow the recommendations in TCFD as far as possible.

In parallel with the TCFD, Akademiska Hus is affected by the EU Taxonomy Regulation. In order to be taxonomy-aligned, a robust climate and vulnerability analysis needs to be carried out. However, the criteria for taxonomy alignment are still undefined. Akademiska Hus

chose to conduct a climate risk analysis for all of our properties in 2022, assessing the risks related to temperature, water and solid mass (rock slides, landslides and erosion). The climate risks are based on scenario RCP 8.5. In 2023, the analyses will go into further depth by studying vulnerability at the building level.

AN ANALYSIS OF THE FUTURE – CLIMATE SCENARIOS

A climate scenario describes a possible climate development based on assumptions about changes in the atmosphere, depending on human activities. No one can say exactly what emissions scenario will occur in the future, for which reason the researchers describe how the climate can change, given different emissions scenarios*. Akademiska Hus is a property company with a long-term commitment; it is therefore reasonable to assess climate-related risks and opportunities from a long-term perspective. At the same time, we need to promote preparedness for those changes that are more imminent.

Our analysis is based on assumptions about developments until 2050 and builds on two different emissions scenarios. In scenario RCP 2.6, the physical risks until 2050 are deemed to be limited, but there will be costs associated with a proactive climate transition. At the same

time, customer and investor preferences will change, making climate-resilient properties more attractive for rental and investment. In scenario RCP 8.5, we believe that the physical risks will accelerate, while costs will arise for managing acute climate-related damage and events. The situation is expected to become more reactive and event-driven.

An analysis of the vulnerability of the existing portfolio to climate-related risks was carried out in 2022 based on the climate scenario RCP 8.5 and with a time horizon of 2100. The analysis indicates that more than 50 per cent of our buildings are at high risk of exposure to multiple climate hazards. Heavy rainfall and heat, in particular, can affect our buildings and their users. In 2023, the buildings at risk of being exposed to these risks will be further studied and evaluated to address the need for preventive measures. All future investment decisions will include an assessment of sustainability, including climate risks, based on the requirements of the EU Taxonomy Regulation.

OPPORTUNITIES

The framework of the climate scenarios described above offers not only risks, but also opportunities. To capture these opportunities, we believe that, regardless of the underlying climate scenario, it will be strategically beneficial to develop a property portfolio that offers high relevance to customers and investors by:

- Investing in digitalisation and innovation that leads to area- and cost-effective premises
- Build and develop climate-resilient properties that ensure reliable and purpose-built premises
- Guide property development towards renovation and a lower degree of new construction
- Manage the resources we already have and increase circular material flows
- Build energy-efficient buildings and energy systems that reduce fossil-fuel dependence

*Source: <https://www.smhi.se/klimat/framtidens-klimat/framtidens-klimat>

RCP 2.6 – Emissions in line with the Paris Agreement

This scenario entails a major societal change that will lead to the culmination of greenhouse gas emissions around 2020. Moreover, the amount of greenhouse gases emitted will be cut in half by 2050.

The scenario can be described as a society in which:

- New renewable energy technology has been installed on a large scale
- Development and investment in solutions that benefit low-energy needs have been carried out
- Strong measures have been implemented for transports, travel and infrastructure
- Countries around the world have succeeded in deciding on national borders and technology disciplines, while introducing common regulations, taxes and fees to enable rapid emission reductions

Nevertheless:

- Temperatures in Sweden will continue to rise nationwide from the current 1°C to an estimated 1.5–3°C.
- There will be more days of extreme weather and flooding, though the physical climate effects will be similar to current issues.

Risks in scenario RCP 2.6

- Risk that the value of the property portfolio will decrease if assets are not adapted to the climate
- Costs for materials, energy and climate impact will increase as a result of regulations, taxes and fees
- Energy prices will show higher volatility because of difficult-to-predict climate fluctuations
- Profitability may drop because investments in technology may fail to meet future requirements
- Business models may not be adapted quickly enough, which would undermine our relevance
- Unclear assumptions for dimensioning regarding technical installations etc.

Opportunities for Akademiska Hus.

In scenario RCP 2.6, we see a strong demand for sustainable properties and better profitability in renewable energy production. We take advantage of these opportunities and create competitive advantages if we can secure expertise that can handle complex operating systems, drive climate-efficient property development and develop fossil-independent energy solutions.

RCP 8.5 – Continued high carbon dioxide emissions

In this scenario, society fails to implement substantial emission reductions and instead, climate emissions will continue to increase until 2050.

The scenario can be described as a society in which:

- Requirements and demand from customers and investors are unchanged
- Dependence on fossil fuels and energy intensity in society remains high
- Consumption levels and behaviours are unsustainable and demand for climate-efficient products is low
- Political climate initiatives and collaborations, both national and international, fail

In this scenario:

- Temperatures in Sweden will continue to increase nationwide to an estimated 2–4°C
- The number of days with extreme weather and flooding will increase with more powerful physical climate effects as a result
- Climate fluctuations will increase

Risks in scenario RCP 8.5

The majority of the risks identified in RCP 2.6 will occur at RCP 8.5, but with increased impact and probability.

- Obsolete property portfolio with a low degree of adaptation of assets will be exposed to extreme weather
- Unpredictable costs for maintenance and repairs and risk of periodic closure of buildings due to extreme weather
- Limited access to electricity, energy and power in the electricity grid because demand will exceed supply.
- Because of rapid, extreme and unpredictable weather events, the business will be forced to act reactively.
- Inadequate demand for sustainable properties could create a competitive advantage for participants with a less ambitious sustainability agenda.

Opportunities for Akademiska Hus.

In scenario RCP 8.5, we only see weak demand for more sustainable solutions. The opportunities in this scenario are more limited, given the development journey that Akademiska Hus has already begun, but one opportunity that can be highlighted is the general attractiveness that Sweden as a country can offer in the form of rich access to clean water and a relatively cool climate.

GOVERNANCE

The Board of Directors of Akademiska Hus, which has overarching responsibility for governance of the company, adopts a business plan annually in which the sustainability perspective is fully integrated. The company's efforts to reduce the climate impact of its operations and to adapt to climate change are issues that are addressed by the Board when adopting a business plan, in strategic decisions, for individual investments and during the annual risk dialogue. Feedback to the owner regarding progress related to this initiative is ongoing through dialogue with the owner, as well as ongoing dialogue with the owner unit at the Government Offices.

The responsibility for day-to-day work with climate-related issues such as planning, control and follow-up is in line with the organisational structure, with its delegation of responsibilities and powers. Climate-related targets, both long-term and short-term, are integrated into the company's overall business plan and translated into business-related targets and activities at the unit level. Management and the Board of Directors follow up on the targets on a quarterly basis.

STRATEGY

Akademiska Hus is a property owner with a long-term undertaking, for which reason it is important that the company's strategies take into account those areas that are deemed to have a major impact even in the long run. The overarching corporate strategy summarises the external factors and trends that are deemed to have the greatest impact on the business over the next few years, as well as the strategic crossroads that must be considered to address these new circumstances. The climate issue is absolutely crucial to be able to continue to develop and secure the company's property portfolio for the future, for which reason challenging and developing climate targets have been set for the entire value chain. The data prepared prior to investment decisions includes an assessment of the impact of a changed climate. An analysis of the vulnerability of the existing portfolio to climate-related risks was carried out in 2022 based on the climate scenario RCP 8.5 and with a time horizon of 2100. The analysis indicates that more than 50 per cent of our buildings are at high risk of exposure to multiple climate hazards. Heavy rainfall and heat, in particular, can affect our buildings and their users. In 2023, the buildings at risk of being exposed to these risks will be further studied and evaluated to address the need for preventive measures.

Akademiska Hus has joined Fossil Free Sweden's roadmap initiative and supports the nationwide target that Sweden as a nation should achieve climate neutrality by 2045. As one of Sweden's largest property owners and with a clear remit from our owner to act in an exemplary manner with respect to sustainability, in 2021 Akademiska Hus chose to raise its standards and aim to be climate neutral throughout the value chain by 2035. To achieve this goal, emissions linked to project operations and the climate impact from property operations need to be addressed with clear action plans.

We also require all new construction to be certified according to the Miljöbyggnad certification system with an overall Gold rating and major renovations with a Silver rating.

Our four material environmental aspects focus on the climate issue: Climate Impact, Energy, Biodiversity and Indoor Environment.

To ensure that the work to reduce climate impact is in line with what is required to reach Paris Agreement levels, we have evaluated our climate targets according to the Green House Gas Protocol and the methodology developed by the Science Based Targets initiative (SBTi). The climate targets that Akademiska Hus has set meet these reduction levels by a wide margin.

RISK MANAGEMENT

The work of identifying, analysing, managing and following up risks is a priority within Akademiska Hus and climate-related risks are covered by this process. Risk management involves all units within the company and follows a structured order. The management group makes an overall assessment of the inventoried risks and then presents those with the greatest strategic impact to the Audit Committee and the Board.

According to TCFD recommendations, climate-related financial risks are divided into two main categories: transition risks and physical risks. Transition risks are the political, regulatory and technical risks associated with a transition to a society with lower carbon dioxide emissions, such as increased carbon dioxide taxes or increased prices for emission rights intended to help to reduce the use of fossil fuels. Physical risks, caused by, for example, floods and changes in temperature levels, can cause direct damage to assets or indirect damage to operations, which in turn affects the value of the assets.

Physical risks and transition risks are linked. An excessively slow transition to a fossil-independent economy may reduce the negative consequences of the transition in the short term, but at the same time intensify the physical risk since the probability of damage increases. In contrast, if the physical risks become greater, they may lead to faster changes in climate policy, progressing through a series of stages, which can lead to greater transition risks in the short term. For further information about Akademiska Hus' risk management and climate-related risks, see pages 45–48.

OBJECTIVES AND METRICS

During the year Akademiska Hus adopted a new climate target and a new climate and energy strategy to escalate and formalise its contribution in the transition to a climate-efficient society. The new target entails the gradual reduction of climate impact throughout the value chain in order to achieve climate neutrality by 2035 with clear intermediate targets defined for this effort until 2035.

The climate issue has long been identified as a key issue and an extensive effort to prepare the operation for transition risks has been carried out. For example, the amount of energy purchased has decreased by over 40 per cent since 2000 and we are well on our way to



reaching our energy reduction target of 50 per cent by 2025. The climate impact has been reduced by actively purchasing heating and cooling with a low climate impact and by investing in renewable energy solutions. An intensive effort is also underway to reduce the climate impact when we develop the property portfolio by placing great focus on the efficient use of the existing holdings and facilitating climate-optimised design when we remodel and in new construction.

A more detailed description of Akademiska Hus' climate work can be found on pages 15–20, as well as in the sustainability notes 305-1 to 305-3 on pages 119–120. Targets and outcomes linked to energy reduction, GRI 302-1 and 302-4, can be found in the sustainability notes on pages 118–119.

GRI index

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
ORGANISATION AND REPORTING PRINCIPLES					
GRI 2: General disclosures 2021	2-1	Organisational details	1, 39, 49		
	2-2	Entities included in the organisation's sustainability reporting	84, 104		
	2-3	Reporting period, frequency and contact point	104		
	2-4	Restatements of information	104, 119–120		
	2-5	External assurance	50, 104, 131		
ACTIVITIES AND WORKERS					
	2-6	Activities, value chain and other business relationships	1, 9, 27, 35–36, 104, 107–108		
	2-7	Employees	122		
	2-8	Workers who are not employees	122	Akademiska Hus does not report data regarding hired personnel who are employed by another organization but work under our management.	Akademiska Hus currently do not have a system that can handle this static.
GOVERNANCE					
	2-9	Governance structure and composition	49–52, 56–57, 124	Akademiska Hus does not report facts about under-represented social groups.	Data collection is not in accordance with Swedish law.
	2-10	Nomination and selection of the highest governance body	51		
	2-11	Chair of the highest governance body	51, 56		
	2-12	Role of the highest governance body in overseeing the management of impacts	50–51, 53–54, 109, 129	Akademiska Hus does not report on the role of the Board in the due diligence process.	Akademiska Hus plans to develop a due diligence process with associated responsibilities within the next few years.
	213	Delegation of responsibility for managing impacts	53–54, 111, 129		
	2-14	Role of the highest governance body in sustainability reporting	51, 104, 109, 133		

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
	2-15	Conflicts of interest	96	Akademiska Hus does not report conflicts of interest in all dimensions.	Akademiska Hus plans to introduce a process to prevent conflicts of interest in the Board in the next few years.
	2-16	Communication of critical concerns	53		
	2-17	Collective knowledge of the highest governance body	51		
	2-18	Evaluation of the performance of the highest governance body	52	Akademiska Hus Board evaluation does not include sustainability monitoring.	Akademiska Hus plans to introduce a process for evaluating the Board's management of sustainability in the coming years.
	2-19	Remuneration policies	54, 78		
	2-20	Process to determine remuneration	50–52, 54, 78		
	2-21	Annual total compensation ratio	122	Akademiska Hus does not report CEO salary increase 2001–2020 %	Akademiska Hus lacks historical data for CEO salary in 2001.
STRATEGY, POLICIES AND PRACTICES					
	2-22	Statement on sustainable development strategy	2–3		
	2-23	Policy commitments	35–36, 50–54, 104, 109–111		
	2-24	Embedding policy commitments	53	Akademiska Hus does not report all information related to policies.	A review of the policies and how they will be implemented is underway. The information is expected to be reported in the next annual report.
	2-25	Processes to remediate negative impacts	35–36, 48, 54, 109–112, 126	Akademiska Hus does not have a complaint-handling process.	Akademiska Hus plans to introduce a complaint-handling process within the next few years.
	2-26	Mechanisms for seeking advice and raising concerns	53		

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
	2-27	Compliance with laws and regulations	39		
	2-28	Membership associations	109		
PARTICIPATOR ENGAGEMENT					
	2-29	Approach to participator engagement	105		
	2-30	Collective bargaining agreements	122		
MATERIAL TOPICS					
GRI 3: Material topics 2021	3-1	Process to determine material topics	106		
	3-2	List of material topics	106		
ECONOMIC PERFORMANCE					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 201: Economic performance, 2016	201-1	Direct economic value generated and distributed	118		
INDIRECT ECONOMIC IMPACTS					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 203: Indirect economic impacts, 2016	203-1	Infrastructure investments and services supported	8, 25–28, 29–32		
ANTI-CORRUPTION					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	36, 47, 53		
	205-3	Confirmed incidents of corruption and actions taken	53		
ENERGY					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 302: Energy 2016	302-1	Energy Consumption within the organisation	118		
	302-3	Energy intensity	118		
	302-4	Reduction of energy consumption	118		
WATER AND EFFLUENTS					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	120		
	303-2	Management of water discharge-related impacts	120		
	303-5	Water consumption	120		

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
BIODIVERSITY					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	121		
EMISSIONS					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 305: Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	119		
	305-2	Indirect greenhouse gas emissions (Scope 2)	119		
	305-3	Other indirect greenhouse gas emissions (Scope 3)	119		
	305-4	Greenhouse gas emissions intensity	120		
WASTE					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	120		
	306-2	Management of significant waste-related impacts	120		
	306-3	Waste generated	120		
	306-4	Waste diverted from disposal	121		
	306-5	Waste directed to disposal	121		
SUPPLIER EVALUATION					
GRI 3: Material topics 2021	3-3	Management of material topics	52–55, 110		
GRI 308: Supplier assessment - Environment 2016	308-1	New suppliers that have been reviewed according to environmental criteria	35–36		
EMPLOYMENT					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	122		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	122		
	401-3	Parental leave	123	Akademiska Hus does not report the Retention Rate	Akademiska Hus lacks reliable historical data

GRI 3: MATERIAL TOPICS

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	125		
	403-2	Hazard identification, risk assessment and incident investigation	125		
	403-3	Occupational health services	125		
	403-4	Worker participation, consultation, and communication on occupational health and safety	125		
	403-5	Worker training on occupational health and safety	125		
	403-6	Promotion of worker health	125		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	125		
	403-8	Workers covered by an occupational health and safety management system	126		
	403-9	Work-related injuries	126		
	403-10	Work-related ill health	126		
TRAINING AND EDUCATION					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	123		
	404-2	Programmes for upgrading employee skills and transition assistance programmes	123		
	404-3	Percentage of employees receiving regular performance and career development reviews	123		
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	124		

GRI Standard	Disclo- sure	Description	Page reference	Deviation from requirements	Explanation
SUPPLIER ASSESSMENT – SOCIAL CRITERIA					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	53		

COMPANY-SPECIFIC DISCLOSURE

PRODUCT RESPONSIBILITY					
GRI 3: Material topics 2021	3-3	Management of material topics	109–113		
Sustainability certifications	AKA-1	Type and number of sustainability certificates, ratings and scores for new construction	18, 25, 109, 129		

Assurance Report

Auditor's Limited Assurance Report on Akademiska Hus's Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of Akademiska Hus AB (publ), corporate identity number 556459-9156.

Introduction

We have been engaged by the Board and Group Management of Akademiska Hus AB (publ) ("Akademiska Hus") to undertake a limited assurance of Akademiska Hus's Sustainability Report for the year 2022. The company has defined the scope of its sustainability report on page 104, which also constitutes the statutory sustainability report.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 104 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented

and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Akademiska Hus according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based

on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Our assurance has been submitted on the date shown of our electronic signature.

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant

Five-year summary

Five-year summary	2022	2021	2020	2019	2018
INCOME STATEMENTS, SEK M					
Property management income	6,954	6,679	6,418	6,217	6,117
Operating costs	-1,089	-983	-850	-891	-894
Maintenance costs ⁵	-105	-418	-445	-619	-676
Property administration ¹	-457	-430	-403	-391	-372
Net operating income ¹	5,143	4,707	4,485	4,160	3,938
Central administration costs	-68	-67	-60	-69	-78
Development costs ¹	-50	-53	-40	-40	—
Net interest income/expense	-452	-368	-381	-377	-268
Profit before changes in value and taxes	4,490	4,136	3,920	3,589	3,592
Change in value, properties	1,108	12,481	3,141	3,872	2,585
Change in value, financial instruments	1,310	380	-192	-503	-360
Profit before tax	6,909	16,997	6,869	6,957	5,818
Profit for the year	5,490	13,790	5,440	5,658	5,314
STATEMENT OF FINANCIAL POSITION, SEK M					
Assessed market value, investment properties	115,371	112,323	99,611	91,424	85,865
Other assets	14,742	12,858	13,365	13,562	7,612
Equity	65,353	62,103	50,292	46,760	42,832
Liabilities and provisions	64,760	63,079	62,684	58,226	50,645
CASH FLOW, SEK M					
Cash flow from operating activities	4,651	3,528	4,398	3,519	2,998
Cash flow from investing activities	-1,620	-139	-3,638	-1,685	-2,991
Cash flow before financing	3,031	3,389	760	1,834	7
Cash flow from financing activities	-41	-2,999	-1,420	-801	-3,183
Cash flow for the year	2,990	390	-660	1,033	-3,176
PROPERTY-RELATED KEY FIGURES					
Total yield, properties, % ¹	5.8	18.0	8.7	9.8	8.5
of which direct yield, % ²	4.8	4.7	5.0	5.0	5.1
of which change in value, % ³	1.0	13.3	3.7	4.8	3.5
Rental revenue, SEK/m ²	2,015	1,948	1,867	1,820	1,791
Operating costs, SEK/m ²	321	292	253	268	270
Maintenance costs, SEK/m ² ⁵	31	124	133	186	204
Net operating income in relation to property management income, % ⁵	74	70	70	67	64
Net operating income, SEK/m ² ⁵	1,514	1,396	1,337	1,251	1,190
Level of vacant space, area, %	3.4	3.4	3.6	3.8	5.2
Level of vacant space, rent, %	2.4	2.2	2.4	2.2	1.7
Assessed market value, properties, SEK/m ² ⁴	32,295	31,696	27,703	25,736	24,173
Energy consumption, kWh/m ² ⁶	178	184	183	192	201
CO ₂ , kg/m ² ⁷	4.8	5.3	5.4	7.1	7.0

Five-year summary	2022	2021	2020	2019	2018
FINANCIAL KEY FIGURES					
Return on equity after standard tax, %	8.6	24.0	11.1	12.2	11.2
Return on operating capital, %	6.3	18.7	9.0	10.3	9.2
Return on total assets, %	6.0	14.7	6.8	7.5	6.6
Net loan debt, SEK m	30,578	33,439	35,468	32,902	30,416
Equity ratio, %	50.2	49.6	44.5	44.5	45.8
Interest coverage ratio, %	990	896	768	679	736
Financing cost, %	-2.5	0.1	2.1	2.6	2.3
Loan-to-value ratio, %	26.5	29.8	35.6	36.0	35.4
Internal financing level, %	210	1,744	222	173	115
Ordinary dividend, SEK m ⁸	2,905	2,484	2,142	1,905	1,663
PERSONNEL					
Average number of employees	527	528	523	490	480

- 1) Beginning in 2020, development costs are recognised separately. Comparative figures for 2019 have been adjusted.
- 2) Excluding properties under construction and expansion reserves.
- 3) Change in value in relation to properties, excluding new construction in progress and expansion reserves.
- 4) Excluding the value of properties under construction and expansion reserves.
- 5) Beginning in 2022, preventive maintenance is capitalised in the Group. No adjustment has taken place for the comparative years.
- 6) Including energy consumption by tenants.
- 7) Includes scope 1 and 2, including emissions from energy consumption by tenants.
- 8) Dividend proposed by the Board of Directors for 2022.

Key figures

ALTERNATIVE PERFORMANCE MEASURES

In accordance with European Securities and Markets Authority guidelines (ESMA) on reporting of alternative performance measures, the definition and reconciliation of alternative performance measures for Akademiska Hus are presented here. The guidelines entail additional disclosures regarding financial measures that are not defined in IFRS. The performance measures presented below are reported in the interim report. They are used for internal governance and follow-up and are generally accepted in the property industry. Owner objectives have also been set for return on operating capital and the equity ratio. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies.

Return on equity

Profit before tax less the standard tax (according to the current tax rate) in relation to average equity (OB+CB)/2.

Return on operating capital

Profit before tax excluding the changes in the value of financial instruments and net interest income/expense in relation to average operating capital.

Return on total assets

Earnings before appropriations and taxes excluding financial expenses in relation to average equity and liabilities, excluding liability for leasehold rights (OB+CB)/2.

Loan-to-value ratio

Net loan liability in relation to the closing value of properties.

Yield

Net operating income with reversal of site leasehold fees in relation to average assessed market value excluding buildings under construction and expansion reserves.

This performance measure shows the return from operations in relation to the value of the properties.

Net operating income ratio

Net operating income in relation to property management income.

The net operating income ratio shows how much the company gets to keep from each Swedish krona earned from business operations. It is a type of efficiency measure that is comparable over time.

Total financing cost including changes in value

Net interest excluding capitalised interest expense and changes in value of financial derivatives, in relation to average interest-bearing capital (see table on page 87).

Interest coverage ratio

Net operating income with reversal of site leasehold fees and the addition of central administration costs in relation to net financial income/expense excluding site leasehold fees, including period allocation of realised profits from derivative instruments and including capitalised interest in projects. The interest coverage ratio is a financial measure that shows how many times the company is able to pay its interest with adjusted earnings before financial items.

Period-allocated financing cost

Net interest income and expense in the form of the financing cost for loans, net interest for financial derivatives and period allocation of realised profits on financial derivatives over the remaining term of the underlying instrument, in relation to average interest-bearing capital (see table below).

SEK m	2022	2021
Net interest income/expense, net loans and financial assets	-513	-367
Net interest derivatives	4	-18
Other interest costs	-10	-50
Capitalised interest expense, projects	67	67
Total net interest income/expense	-452	-368
Change in value, independent financial derivatives		
– unrealised	309	370
– realised	725	-65
Changes in value, fair value hedges	276	75
Total changes in value	1,310	380
Site leasehold fees	-82	-83
Reported net interest income and expense	776	-71

Internal financing ratio

Cash flow from current operations before changes in working capital in relation to net investments.

Definitions

Net investments

Closing balance minus the opening balance for non-current assets plus depreciation and impairment losses less revaluations.

Net loan liability

All loans are included in gross loan debt. Net loan liability includes some current receivables, cash and cash equivalents and security transfers for derivative instruments. Pension provisions and similar items are not included.

Operating capital

Equity plus interest-bearing net loan liability.

Equity ratio

Equity in relation to total assets excluding site leasehold rights at the end of the period.

Total yield

Direct yield from properties and their change in value, expressed in per cent.

OPERATING COSTS

Operating costs are costs incurred to keep a property, installation or similar facility functioning. Operating costs are divided into provision of utilities, inspection and maintenance.

Property administration

Expenses for management and rental of properties, project management and expenses for operational support excluding central administration.

Rental revenue

Rent, index-linked, and estimated rent for vacant rentable floor space and supplements, with a deduction for vacant space and rent reductions. Also included are additional operations, tenant adaptations and parking.

Comparable portfolio

Property holdings excluding properties that have been acquired or sold, or have been classified as projects during the period or the comparison period.

Floor space, m², UFA

Rentable usable floor space in square metres.

Floor space, m², GFA

Gross floor area of building. Comprises rentable floor space as well as common areas and the areas surrounding the building.

Floor space, m², GFA

Rentable floor space in square metres.

Maintenance costs

Costs for measures taken aimed at reinstating the original standard and function of worn or damaged parts of a building excluding preventive maintenance, which is capitalised in the Group.

Rental and vacancy levels

Leased or vacant floor space in relation to the total floor space. Financial leasing or vacant space levels are rental revenue for space leased and estimated rental revenue for vacant space in relation to the total rental revenue.

Development costs

Development costs relate to costs for innovation and operational development, as well as associated staff costs. These company-wide strategic costs are aimed at developing operations for the company and/or the customer. They are not directly linked to the current property portfolio and are usually one-off posts.

Information and Addresses

INFORMATION SCHEDULE

Annual General Meeting 2022	26 April 2023
Interim Report, January–March 2023	26 April 2023
Interim Report, January–June 2023	7 July 2023
Interim Report, January–September 2023	25 October 2023
Year-end report 2023	February 2024
Annual Report 2023	March 2024

FOR FURTHER INFORMATION

Caroline Arehult, CEO
caroline.arehult@akademiskahus.se

Peter Anderson, CFO
peter.anderson@akademiskahus.se

ADDRESSES

Akademiska Hus Gothenburg
Box 483, SE-401 27 Gothenburg, Sweden
Street address: Sven Hultins Plats 5
Telephone: +46 10-557 24 00
akademiskahus.se
info@akademiskahus.se
Company registration number 556459-9156

Akademiska Hus Linköping
Olaus Magnus väg 34, SE-583 30 Linköping

Akademiska Hus Lund
Ole Römers väg 2, SE-223 63 Lund

Akademiska Hus Stockholm
Box 5194, 102 44 Stockholm
Street address: Kräftriket 16A

Akademiska Hus Uppsala
Artillerigatan 7, 752 37 Uppsala

Akademiska Hus Umeå
Box 7985, SE-907 19 Umeå
Street address: Artedigränd 2

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