



Tomorrow's knowledge environments

ANNUAL AND
SUSTAINABILITY REPORT 2021

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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.

The cover photo for this annual report shows Chalmers University of Technology, Department of Architecture and Civil Engineering, in Gothenburg.

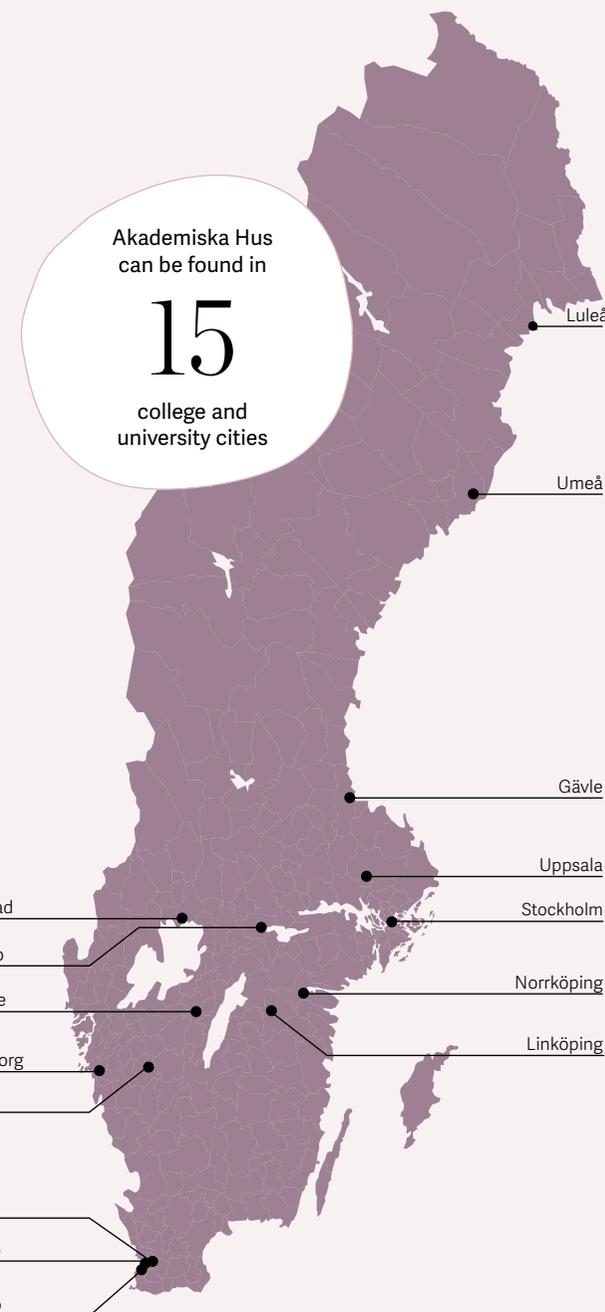
THIS IS AKADEMISKA HUS



Akademiska Hus is one of the largest property companies in Sweden and is owned by the Swedish state. Our area of focus is properties for higher education and research. Our mission is to provide the centres of education with the best possible conditions for their activities.

“We develop sustainable knowledge environments of the future in close collaboration with centres of education across the country. That is how we strengthen Sweden as a nation of knowledge.”

CAROLINE AREHULT Chief Executive Officer



112

billion

We have a property value of SEK 112 billion

AA

rating

We have had a “AA” long-term rating from Standard & Poor’s since 1996

320

thousand

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

3.4

million

The total area of our properties is 3.4 million square metres

29

GWh

In 2021, energy measures were implemented that resulted in an energy saving of 29,078 MWh

Statement by the CEO

In 2021, the campuses were once again filled with many undergraduate and graduate students, as well as employees. However, rapid digital developments place new demands on both teaching practices and facilities. An important task for us will therefore be to continue working with the centres of education to develop knowledge environments for the future that provide long-term support for education and research.

The pandemic continued to hold the world in its grip in 2021. During the year, however, we saw unexpected strength in the economic recovery as a result of eased restrictions, countries reopening and the continued presence of monetary policy stimulus measures. A lasting memory from visits to our campuses last autumn was the great joy I experienced at the centres of education, which were able to reopen for many of the almost 320,000 people who usually study, conduct research and work in our buildings. In particular, it brought great pleasure to see the generation of students, who had put much of what is associated with an active student life on hold, once again be able to benefit from lectures and social activities in person.

VALUE CREATION FOR OWNER AND CUSTOMERS

In 2021, the Swedish property market saw high transaction volumes and reduced yield requirements in several segments, including community properties. As an established community properties participator, we benefit from low vacancy risk and safe, predictable cash flows. In addition, our main market – premises for higher education and research – is usually resilient to a weaker economy since the number of students tends to be higher under such conditions. The strong trend for property values in our portfolio is also related to the shrewd investments that have been made over the years to refine and future-proof the portfolio, which is largely to the benefit of our tenants. Our liquidity remains robust and during the year we issued SEK 2.3 billion on the Swedish capital market.

In December, we also signed a credit facility with the European Investment Bank for a framework of SEK 1.2 billion. Taken together, this makes us a stable financial partner with the resources to continue investing to develop our portfolio regardless of the economic situation. At year-end, our total estimated property value amounted to approximately SEK 112 billion and our earnings totalled SEK 14 billion.

NEW CLIMATE AND ENERGY STRATEGY SHOWS THE WAY

2035 – the year that Akademiska Hus will be climate neutral in every aspect of the operation, as defined in the climate and energy strategy adopted at the end of 2021. The climate goals and strategy provide guidance for both our decisions and our actions to contribute as proactively as possible to the green transition. A fundamental factor for success in effectively working to reduce our climate footprint is to do so in collaboration with the centres of education.

Increasing the share of renewable energy that we produce by investing in solar energy production will help to reduce our climate footprint. We currently have a total of 80 solar panel arrays installed that annually generate over 6,8 million kWh of sustainable energy for the centres of education. Our single largest initiative to date is at Lund University, where nine additional solar arrays are being installed, with commissioning planned for the summer of 2022. Together with the existing solar arrays in Lund, they will produce over 2 million kWh annually.





PRUDENT WITH OUR EXISTING HOLDINGS

The growing insight that renovation, reuse and adaptation of premises should be considered as satisfactory alternatives to new construction, is a value we share with the centres of education. Our new climate and energy strategy enables us to develop methods to investigate whether a higher utilisation rate can be achieved in currently existing premises and how this might affect the need for new construction. Recycling and circular processes are central pieces of the puzzle in the transition to a more sustainable use of resources, and we are constantly exploring new ways of utilising the resources and materials of our buildings to scale up recycling. One example is a pilot project with the Centre for circular construction (Centrum för cirkulärt byggande, CCBuild) in connection with demolition and new construction at the Gothenburg School of Business, Economics and Law, where construction products such as stone floors, facade stone and interior doors have been recycled.

Developing campuses also entails using spaces between the buildings and taking the security perspective into account. By creating high-quality green areas and social spaces where people thrive and enjoy themselves, we promote learning and contribute to the good of society.

LEARNING AND LIVING FOR THE NEW NORMAL

Digital working methods must now be viewed as established, at the same time that the opportunity for physical meetings and social contacts continues to be a central part of an attractive learning environment. To better understand what behavioural changes will persist, we collaborate with the higher education institutions in an array of test beds and pilot projects to explore future learning environments and flexible meeting places. During the year, construction began on the Learning Lab, a test arena for learning environments of the future, at Örebro University, and a similar initiative will soon be launched with Umeå University. The goal is to test and gather experiences on how space, teaching practices, technology and social interaction can be designed in hybrid learning environments. Our national concept for flexible meeting places, A Working Lab, is now established in Solna and Gothenburg, as well as in Umeå, which during the year was developed with an additional 600 square metres to provide room for innovation and meetings between academia and the business community.

We completed two of our major construction projects during the year, the Ångström Laboratory in Uppsala, which is an investment of SEK 1.1 billion, and the second of three stages of the Albano campus in Stockholm, where we are investing a total of approximately SEK 3 billion.

“Recycling and circular processes are central pieces of the puzzle in the transition to a more sustainable use of resources”

Akademiska Hus is also involved in the important task of producing more undergraduate and graduate student housing. Just in time for the autumn term, the 322 newly built housing units at KI Residence Solna were ready for occupancy, and during the year a decision was also made to convert the Språkskrapan building in Gothenburg from office buildings into 61 campus-based apartments with occupancy in 2023. We also signed a collaboration agreement

with Lund University on research related to housing and social sustainability, with the aim of creating an environment that allows space for both a personal and social life.

STRATEGIC PARTNER FOR CENTRES OF EDUCATION

Our aim to be a strategically important partner to the centres of education requires both a wide range of skills and cutting edge expertise. I am convinced that our experience, which comes from the variation in the property portfolio, ranging from high-tech laboratories, offices and teaching environments to student housing, is unique in many ways. In addition, our nationwide presence enables us to transfer experiences from one higher education institution to another. With the broad expertise in learning environments that we have gained through our extensive experience, combined with our economies of scale and seasoned with resources on innovation, we want to give our customers the best circumstances in which to conduct their operations.

My first period as CEO of Akademiska Hus has been intensive. I see many challenges that we need to address together with the higher education institutions – challenges linked to issues such as sustainability and the effects of a pandemic. At the same time, there are infinite possibilities! One prerequisite for success in our important work of supporting colleges and universities is the great commitment and positive attitude that I experience both among colleagues and in my meetings with the higher education institutions. These two cornerstones are important for us to succeed together in strengthening Sweden as a nation of knowledge.

THE WAR IN UKRAINE

The beginning of 2022 has been marked by turmoil in the world around us as a result of Russia's invasion of Ukraine. It is currently difficult to predict how the situation will evolve and what the effects of the sanctions that the West imposed against Russia will be. We continue to monitor the worrisome developments and will act and cooperate however we can to provide support.

CAROLINE AREHULT
Chief Executive Officer

Akademiska Hus – 2021

New climate and energy strategy, student housing ready for occupancy, and investments for knowledge environments of the future: these are some of the many events that summarise 2021 for Akademiska Hus.

Natrium achieves gold rating in Miljöbyggnad certification system

It is now official: the Natrium construction project currently underway in Gothenburg, which will cost approximately a billion Swedish kronor, qualifies for the highest possible sustainability rating in the Miljöbyggnad certification system. Natrium will gather large parts of the Faculty of Science at the University of Gothenburg under one roof and promote continued development within the life sciences on Medicinareberget.



Winner presented for new university library in Gothenburg

The entry "Kunskapens fyr" (The Lighthouse of Knowledge) wins the project competition for a new university library in Gothenburg. The winning entry was submitted by the Danish architecture agency Cobe. The new building provides a setting conducive to the development of a modern library, while opening up the location between Korsvägen and Götaplatsen.

Caroline Arehult takes over as CEO

Caroline, who holds a degree in engineering, has extensive experience from the property industry. She most recently held the position of CEO at Hemfosa, a company focused on community properties that was purchased by SBB in early 2020. She also has good knowledge of Akademiska Hus since she has served on the Board of Directors in the past.

Major solar panel initiative in Stockholm

Six new solar panel arrays are ready to be commissioned at the KTH Campus on Östermalm. Earlier in the year, another six solar panel arrays were installed on Campus Solna. The aggregate investment in solar energy is part of the zero vision for our climate footprint.

New climate and energy strategy for Akademiska Hus

The Board of Directors takes decisions regarding a new climate and energy strategy. We are raising our ambitions and drawing our roadmap to achieve climate neutrality in 2035, creating clarity and focus to guide both our decisions and our actions, so that we can help to accelerate the transition to a sustainable society.

JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.



Investment in the School of Business, Economics and Law in Gothenburg

We are investing SEK 529 million in a new building at the School of Business, Economics and Law in central Gothenburg. Ground was broken in 2021 and the project will enable the faculty to expand and develop its education and research programmes in the fields of law and economics. One of the Västlänken underground station exits is being integrated into the new building, which increases the complexity of the project.

Horse riding stable building to be converted into a concert hall

Akademiska Hus has begun to renovate the historic horse riding stable at Royal College of Music in downtown Stockholm. The refurbishment will transform the vacant building into a modern arena for concerts and exhibitions, a place where the college can collaborate with other universities, as well as cultural institutions and the business community.

KI Residence ready for occupancy

KI Residence Solna is now open for occupancy following completion of 322 new undergraduate and graduate student housing units. Housing for 400 undergraduate and graduate students is now available right next door to Karolinska Institutet. The need for student housing in Sweden is extensive, including in Stockholm. Availability of housing is critical for the city and the centres of education to remain attractive in the future.



Construction start for Learning Lab in Örebro

Construction begins on a Learning Lab at Örebro University – a 300-square-metre test bed where students and teachers will jointly test and develop new teaching methods in a flexible, state-of-the-art environment. The initiative is a collaborative effort between the university and Akademiska Hus.

BACK TO THE CAMPUS

At the beginning of the 2021 autumn semester, students could finally return to campuses all over Sweden, albeit not at pre-pandemic levels. When case rates declined during the year, the Swedish Public Health Agency modified its national general guidelines and dropped the recommendation for distance education in higher education in May 2021. As the number of cases rose again during the autumn, restrictions were once again imposed that affected the universities' activities.

In a 2021 report, the Swedish Higher Education Authority noted great variation in the approach used and the speed with which the higher education institutions returned to campus-based education. Dialogue and collaboration with our customers regarding how experiences gained during the pandemic will affect long-term facility needs, will be important.

Increased climate focus and continued digitalisation

In rapidly changing times, it is of particularly important to gather intelligence about current trends in order to choose the right path forward. Trends noted in 2021 include a shift towards a more serious attitude regarding climate change and a major boost in digital fluency in the wake of the pandemic.

GROWING CLIMATE CONCERNS

The message in the 2021 UN climate report was crystal clear: the situation for the planet is dire and it is unequivocal that human-caused greenhouse gas emissions are driving climate change. The climate panel states that we risk exceeding the 1.5-degree target within 10–20 years and that climate change must be treated as a threat to life on earth. In the report, the researchers also state that regardless of how quickly the world acts, major climate changes, with higher temperatures and more extreme weather events as a result, can be expected. The message is alarming and businesses, authorities and organisations in Sweden and the rest of the world must now address and act based on this fact.

The issue of biodiversity has also been in the spotlight in 2021. The UN Convention on Biological Diversity began working on a new framework for protecting biodiversity. The report culminated in a new target, which Sweden backs: to protect 30 per cent of the world's land and oceans. According to a report by the UN's Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), human activities are causing ecosystems to be disrupted, species to become extinct and genetic variation to be reduced.

POLARISED TRUST IN RESEARCH AND SCIENCE

Sweden's population has a relatively high level of confidence in universities and colleges according to the SOM Institute. But according to a report from Vetenskap & Allmänhet (Public & Science), at the same time there is polarisation between different groups. The differences are mainly seen

between different levels of education and political party preferences. Despite strong consensus among researchers, studies from the SOM Institute and the Swedish Environmental Protection Agency show that willingness to modify behaviours to address climate change is declining in Sweden and that six per cent of Sweden's population denies that climate change is human-caused.

CLIMATE ANXIETY AMONG YOUNG PEOPLE

Eight of ten young people experience climate anxiety. These findings come from the largest study in the world among young people to date, which was published in 2021 in *The Lancet Planetary Health*. The study included over 10,000 people worldwide between the ages of 16 and 25. Four out of ten state that they are considering not becoming parents because of the climate change issue. Approximately three quarters are afraid of the future and of their own governments.

GLOBAL TECHNOLOGY DEVELOPMENT AND DIGITALISATION

From a global perspective, the development of technology is huge and one of the single largest global trends, which, by all accounts, will continue to have major consequences for linking nations and individuals. In large parts of the world, work and education have been carried out remotely during the pandemic, further strengthening the digital trend. It is still too early to say what behavioural changes will persist, but it is clear that technological advances have affected attitudes towards work and distance learning.



This trend affects the education and property sector in particular, which has historically largely been based on the power of the physical encounter. Along with this digital maturity, we see that data-driven analysis capabilities have rapidly developed in many areas to create greater efficiency, as well as progress in reducing climate impact.

“We are, after all, the greatest problem solvers to have ever existed on Earth.”

Sir DAVID ATTENBOROUGH
COP26, Glasgow 2021

Trends in higher education and research

In order to provide professional support to our customers, we must always relate to and understand industry-specific trends in higher education and research. The restrictions to reduce the spread of infection entailed major changes for colleges and universities in 2021. The future will show just what the long-term effects will be.

LONG-TERM EFFECTS OF THE PANDEMIC

In 2021, when the campuses were once again filled with undergraduate and graduate students, as well as personnel, the knowledge environments in Sweden were able to recapture their role as the dynamic places for higher education and research that they were designed to be. The pandemic and its accompanying changed behaviours have posed a challenge for the higher education institutions. Questions have arisen at the various higher education institutions about how they will go about their business in the future and how permanent some of these behavioural changes will be for the individual centre of education. If the pandemic marked the start of a major shift in teaching practices, with a larger proportion of digital learning even in the long term, then knowledge and learning environments also need to adapt to meet these new needs.

GROWING INTEREST IN LEARNING ENVIRONMENTS

Teaching as it was carried out during the pandemic has increased interest in teaching practices, as well as in digital, physical and hybrid learning environments. The “Room for learning” network, which gathers teachers and education developers from Sweden’s centres of education, has engaged in lively discussions of issues related to this topic. In 2021, a report initiated by Akademiska Hus, “Future learning environments – a research overview”, was published. The report states that regardless of whether the learning environment is physical or digital, it must be designed based on the learning activities that the room and technology needs to support. More flexible and innovative learning environ-

ments will be needed, with an increase in variety within the campus (read more on page 24).

LIFELONG LEARNING AND INTERNATIONALISATION

With the pace of change in today’s society and expectations of a longer working life, many of us will need an education, retraining and continuing education multiple times during our careers. In 2021, the university’s responsibility for lifelong learning was strengthened and clarified in the Swedish Higher Education Act. An increasingly heterogeneous student body will likely influence the design of campuses and learning environments to make higher education accessible to more people.

Regarding internationalisation, a major discussion has taken place in 2021 with respect to the new Aliens Act and how it affects opportunities for higher education institutions to recruit from other countries. Temporary employment, which is common within academia, is in conflict with the changed requirements for permanent employment that currently apply for obtaining a residence permit.

DEFINING THE CLIMATE ISSUE

Younger generations, to which students often belong, are making increasingly specific demands on authorities and companies regarding concrete actions to achieve a more sustainable society. In 2019, the higher education sector joined forces to formulate a common climate framework, which most universities have signed, in which they commit to reducing their own climate impact to be in line with society’s overarching goals. More efficient use of premises, climate-



Humanisten at
University of Gothenburg.

smart construction and energy efficiency improvements are typical issues that the universities are now clearly addressing in their strategies and which require collaboration involving the centres of education, property owners and other participants.

Education and research according to the Swedish 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 and 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, 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.

SURGE IN STUDENT NUMBERS

Interest in studying at a college or university was at a record high for the autumn semester of 2020, according to the most recent annual report of the Swedish Higher Education Authority (UKÄ). The increase in applicants was particularly large among young people, which was most likely an effect of the coronavirus pandemic. The number of applicants accepted with no prior university experience also increased correspondingly. The single largest age group was 19-year-olds, who accounted for 24 per cent of applicants for the autumn term of 2020.

The number of graduates also increased sharply for the 2019/20 academic year, according to UKÄ. Compared with the previous academic year, the number of graduates in-

creased by 9 per cent. In all, 65 per cent, were women and 35 per cent were men. The large increase in the number of graduates appears to have several different explanations. The coronavirus pandemic and the changing labour market situation seem to have amplified the tendency to graduate. Several representatives from the higher education institutions also state that the implementation of a new study documentation system has streamlined processing, which affects the statistics.

ONGOING EVALUATION OF PANDEMIC EFFECTS

On 1 December 2021, UKÄ presented its second interim report to the Government concerning the effects of the coronavirus pandemic on higher education and research. They note that in general, the higher education institutions have been able to cope with the adjustments associated with the restrictions, but that teachers, researchers and students have experienced negative consequences as a result. Researchers state that parts of their activities have been delayed. Many teachers have experienced an increased workload because of the changes in their teaching methods. One third of the students state that they think that the quality of teaching has suffered due to inadequate digitised teaching skills among educators.

One consistent trend due to the pandemic has been that more people have studied and more people have graduated. At the same time, fewer international students were admitted to the Swedish higher education institutions. According to the most recent UKÄ annual report, foreign student enrolment was down by as much as 50 per cent for the autumn term of 2020 compared with the same period in 2019.

Concerning Sweden's research infrastructure and the impact of the pandemic, UKÄ investigations revealed a number of consequences. For example, there is demand for national governance and a strategy for how to use research infrastructures during a pandemic, in order to optimise the potential of advanced analysis instruments and laboratory environments. The survey also indicates that the research infrastructure held up well despite the pandemic, compared with many other countries, thanks to stable and long-term funding.



“Our centres of education are to guarantee high quality in all education, which places high demands on sustainable and purpose-built facilities.”

ANNA EKSTRÖM Minister for Higher Education and Research (S)

LOWER ON-CAMPUS ACTIVITY

UKÄ studied how activity on campus changed during the pandemic. Mobile phone activity was monitored on eight campuses. The results showed a sharp reduction in activity when the higher education institutions transitioned to work from home and distance teaching. During the autumn term of 2021, activity had partially returned, but still far from the levels found before the outbreak of the pandemic.

RECOVERY IN THE PROPERTY MARKET

Akademiska Hus is the single largest property owner in Sweden in the higher education and research segment; with its aggregate holdings across the country, Akademiska Hus is a strong participator in the sector. The property market has recovered well following a brief period when it was dead calm at the onset of the pandemic in 2020. Improved economic conditions, great access to capital and a more open society with fewer restrictions have contributed to this development. Housing, community properties, logistics and industry are the segments that performed best during the year, with lower yield requirements as a result of increased demand from investors.

Demand for community properties is strong, but the transaction volume has been kept in check because of the low supply in the market. Typical community property owners often take a long-term approach and are relatively disinclined to sell. The shortage of high-quality properties that come up for sale on the market has led to several participators developing projects themselves, or turning to properties outside Sweden for investments.

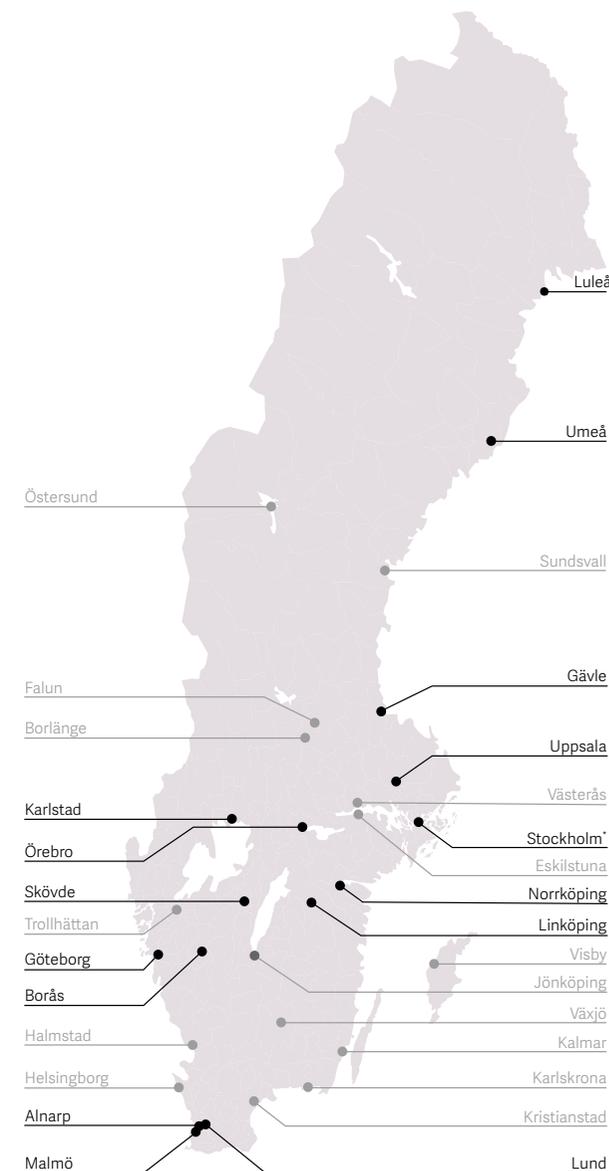
College and university cities

We are one of the largest property companies in Sweden with a total area of approximately 3.4 million square metres. Since the inception of Akademiska Hus in 1993, we have invested approximately SEK 59 billion in construction projects to strengthen growth at higher education institutions. 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.



	Outcome 2021	Budget 2022	Forecast 2023	Forecast 2024
PROPERTY HOLDINGS				
Average rentable area, 1,000 m ²	3,372	3,280	3,260	3,380
Property values, SEK m	112,323	114,700	117,600	119,900
Net investment in properties, SEK m	2,524	2,400	2,900	2,300
FINANCIAL KEY FIGURES				
Rental revenue, SEK m	6,568	6,800	6,800	7,000
Net operating income, SEK m	4,707	5,200	5,300	5,400
Profit before changes in value and taxes, SEK m:	4,136	4,600	4,600	4,700

*Includes preventive maintenance that is activated in the balance sheet from 2022.



● 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.

UPGRADED CORE DELIVERY



DEVELOPED CUSTOMER RELATIONSHIPS



INNOVATIVE BUSINESS DEVELOPMENT



BUSINESS CONCEPT

Working in collaboration with our customers, we develop, build and manage knowledge environments that make the centres of education more attractive and contribute to sustainable development in the community. We offer products and services based on the needs of the centres of education and where the campus experience is strengthened through relevant services.

STRATEGY

Our strategy through 2022 “**Collaboration in the development of future knowledge environments**” equips us to meet our challenges and ensures the company’s long-term relevance as a property company for Swedish centres of education. The building blocks of the strategy are: Upgraded core delivery, Developed customer relationships and Innovative business development.

Knowledge environments in collaboration

In order to future-proof our holdings and accept our overall responsibility for developing attractive and sustainable campuses, in recent times we have worked based on our strategy “Collaboration in the development of future knowledge environments”. One requirement for success is collaboration and we have a goal that our customers should consider us to be a strategic partner.

Our current strategy is still considered relevant and appropriate, despite the uncertain circumstances, which has led us to extend its validity over the 2022 financial year. To accelerate the work related to climate and energy issues, a new strategy within that area was adopted by the Board of Directors at the end of 2021 (read more on page 28) and an initiative to develop a future corporate strategy will begin in early 2022. We have taken additional steps forward regarding digital transformation and initiated an array of new collaborative efforts with various centres of education. The point of departure for this work is an increased focus on the climate issue, on how facilities and spaces are used and on how future learning environments should be designed. These issues have become even more critical in the wake of the coronavirus pandemic.



UPGRADED CORE DELIVERY

We upgrade our core delivery and simplify and improve daily life for customers by taking long-term responsibility for a sustainable business and delivering high-quality facilities with a good user experience. Through the collective nationwide expertise of our employees, we leverage economies of scale to ensure continual development and greater efficiency in daily life.

To future-proof our portfolio, we have analysed our holdings and developed action plans for maintenance and development needs at the building level, while also intensifying efforts to draft property development plans that will secure and increase long-term property values. We are

developing a methodology for identifying opportunities to improve efficiency in the facilities and we have had an array of projects to strengthen our outdoor environments. During the year, we placed great emphasis on reducing our climate impact, through efforts such as actively prioritising renovation over new construction, and by expanding our focus on recycling.



DEVELOPED CUSTOMER RELATIONSHIPS

We develop relationships with all of our customers. A good customer relationship is based on mutual respect and trust and is crucial for us to be able to work together to create sustainable campuses of the future. We must be sensitive and understand the needs and wishes of each customer regarding collaboration, always in balance with a viable commercial approach. By engaging in close dialogue with our customers and formulating joint visions, we will achieve conditions in which our deliverables can evolve. Our collaboration agreements with the higher education institutions are an example of a solid platform for strengthening collaboration. We conducted a number of digital seminars during the year where we discussed issues such as digitisation, improving the efficiency of premises and the campus of the future together with customers and external experts. We have continued to focus on how we treat our customers and how we can achieve good results in the projects we run jointly with customers.



INNOVATIVE BUSINESS DEVELOPMENT

We create clear added value for both customer and owner through collaboration with customers on development and innovation. We monitor the rapid changes in our industry to stay on the leading edge and leverage the potential of digitalisation.

We must develop our value proposition in order to continue to be relevant for our customers. Developments in the area of learning environments and the work with needs dialogues are good examples of how we can intensify collaboration with the aim of achieving mutual growth. Digitalisation of campuses and properties has continued at a high pace and we have 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.

“Innovation work drives our development. Together with customers and other partners, we have completed over 70 innovation projects since 2017. Several innovations have been scaled up and will benefit more higher education institutions”

ULF DÄVERSJÖ

Head of Innovation & Sustainable Development

Goals for follow-up of our strategy

The goals of the operation steer towards the company's overall objectives and contribute in five different perspectives: Finance, Customer, Property, Employees and Development. Akademiska Hus regularly measures and monitors the internal goals based on several indicators. The outcome is crucial to the annual revision of the business plan and strategy. In addition to these goals, in 2021 the Board of Directors of Akademiska Hus adopted a new climate and energy strategy, with associated goals and sub-goals, in order to reduce the total climate impact of its operations (read more on pages 28–31).

FINANCE

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

	Outcome				Target	
	2018	2019	2020	2021	2021	2022
Return on operating capital, %	9.2	10.3	9.0	18.7	≥ 6.0	≥ 6.0
Equity ratio, %	45.8	44.5	44.5	49.6	35–45	35–45
Dividend to the owner, share of earnings, %	60	60	70	70	40–70	40–70

CUSTOMER

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

	Outcome				Target	
	2018	2019	2020	2021	2021	2022
Customer Satisfaction Index	62	61	67	67	≤70	≤70

PROPERTY

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

	Outcome				Target	
	2018	2019	2020	2021	2021	2022
Energy reduction (kWh/sq m), %	1.7	1.9	3.1	3.1	≤4.1	≤4.0

EMPLOYEES

We have dedicated employees who achieve high standards.

	Outcome				Target	
	2018	2019	2020	2021	2021	2022
Performance index (AHPI)	65	73	79	80	≤77	≤79
Accident-free workplaces, ELTAR	2.4	2.4	2.5	2.8	≤2	≤2

DEVELOPMENT

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

	Outcome				Target	
	2018	2019	2020	2021	2021	2022
Number of undergraduate and graduate student housing units	510	710	1,163	1,640	1,700	1,700
Innovation in collaboration, %	47	62	63	74	≤70	≤70

*Refers to an average of rolling 36 months

Comments on target fulfilment

FINANCE

The 2019 Annual General Meeting resolved to change the financial targets. The target for return on operating capital shall be at least 6.0 per cent. The target should be achieved over a business cycle. The equity ratio target should be in the interval 35–45 per cent and the dividend target should be 40–70 per cent of dividend-based earnings.

The major changes in value in recent years, along with the increasing net operating income, are the main reasons that the return on operating capital exceeded the target. The return on operating capital in 2021 was 18.7 per cent. The return is substantially higher compared with previous years because of large changes in the value of properties in 2021. The trend in the property market, and especially the community property sector, has been strong during the year, in part because of the decrease in the uncertainty related to the pandemic. The equity ratio at year-end, which was 49.6 per cent before the dividend related to profit for the year, is also higher compared with the previous year because of the large changes in value in 2021.

CUSTOMER

The CSI survey for the year resulted in a score of 67, which is the same level as the previous year. Despite the pandemic, we have established a level where customers are satisfied with our deliverables and it is particularly gratifying that customers point to the attitude of our employees as a clear strength. During the year, we devoted extra attention to developing collaboration and working methods together with higher education institutions when we implement tenant adaptations. We have learned a lot here and see great potential in strengthening our skills through this work. We have intensified our collaboration with several higher education institutions regarding sustainability. We have twelve strategic collaboration

agreements with various higher education institutions, where we tackle the climate challenge together. The collaborations cover everything from energy savings to efficient use of premises through analysis of presence data. We have also initiated dialogue with higher education institutions about using data to develop the knowledge environments.

PROPERTY

Our long-term goal is a 50 per cent reduction in the amount of purchased energy by 2025, based on the level in 2000. The outcome at the end of the year is -41 per cent, which is the same level as at the end of 2020. The amount of purchased energy increased during the year by 0.8 per cent. To achieve our long-term goal, we are working according to an energy process, which ensures that we carry out energy-related measures corresponding to the volume (26,600 MWh/year) required to reach the goal. Over the past three years, we implemented measures that have resulted in an energy saving of 27,050 MWh per year on average, which represents an increased savings of 60 per cent compared with the previous three-year period.

Internally, the guiding goal of our energy work is to reduce our relative energy use by 4.1 per cent, measured in kWh/m² years, over a 36-month period. We are aiming for a 36-month period to minimise the impact of external factors. The outcome for the most recent 36-month period is -3.1 per cent, which means that we are not quite there yet. Explanations include the negative impact of effects when buying and selling properties, frigid temperatures in the fourth quarter and high consumption in new data centres. Moving forward, we see great potential for achieving our goal, since we have identified many energy measures. Based on this work, we will achieve further positive effects from our energy initiatives in 2023 and onwards, since in 2022 we will scale up successful working methods related to energy optimisation. Our target for energy outcome in 2022 over a 36-month period is -4.0 per cent.

EMPLOYEES

Our performance index (Akademiska Hus Performance index, AHPI) reflects the conditions for employees to perform according to their mission. In 2021, the AHPI was 80 (79), which well exceeded the target of 77. The score indicates that employees feel that they have a clear mission and are well-equipped to succeed with that mission. In all, 88 per cent state

that they have good prospects to deliver on their assignment. The response rate was just under 88 per cent, which shows strong employee engagement. In 2021, work was carried out to create clear missions for each employee and to better equip them to achieve good results. The target for 2022 is an AHPI of 79.

A quantitative target was introduced in 2018 for the goal of an accident-free workplace. We use ELTAR, which is the accident rate for our entrepreneurs, as our measure. We actively participate in the organisation Håll Nollan's work to achieve long-term improvement of quality and standards relating to surveys and to increase understanding of these matters within the industry (read more on page 35). The outcome for 2021 is 2.8, compared with the target of 2.0. The 2022 target is that ELTAR should not exceed 2.0.

DEVELOPMENT

With our student housing we want to create innovative homes for a sustainable quality of life. The undergraduate and graduate student housing initiative is in full swing and 1,640 residents had moved in by the end of 2021. The target for 2021 was 1,700 residents, where the difference in relation to 1,640 can be attributed to minor adjustments in apartment designs in previous new construction projects. The goal for 2022 is still 1,700 since the next date of occupancy will not be until the spring of 2023, regarding the renovated Språkskrapan building in Gothenburg.

In collaboration with higher education institutions, suppliers and other partners, we run the systematic work in innovation projects cross-functionally in the company in order to meet the challenges we see in energy and construction technology, learning environments and campus development. In 2021, 23 of a total of 31, or 74 per cent, of the innovation projects were implemented in collaboration with higher education institutions. The target for 2021 was at least 70 per cent. Our innovative initiatives include the start-up of three new test bed initiatives together with Lund University, Örebro University and Umeå University. For 2022 the target continued: we want at least seven of ten innovation projects to be carried out in collaboration with our customers.

Our value proposition

Our goals and strategies, as well as our initiatives and development projects, have a single overarching purpose – to create the best conceivable conditions for colleges and universities around the country.

This is how we contribute to a stronger nation of knowledge

In our role as one 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. We are the market leader in Sweden in our segment, premises for higher education and research, and our nation-wide presence enables us to improve efficiency and transfer examples from one part of the country to another. The collective financial strength that our property portfolio provides creates long-term security, which benefits Swedish research and education.

We base our sustainability initiatives on the ten principles of the Global Compact and focus these efforts by basing our value creation on the UN Global Sustainable Development Goals. The sustainability perspective is deeply integrated into the targets and activities of the business plan, supporting the global goals and associated targets that we considered to be the highest priorities. By doing so, we contribute to the global goals.

OUR FOUR ESSENTIAL AREAS

Akademiska Hus has identified, in dialogue with our participants, four areas that need to be prioritised if we are to succeed with long-term value creation. Our overall value proposition can therefore be described based on the following essential areas:



VALUE-ADDING KNOWLEDGE ENVIRONMENTS

With climate-efficient and innovative development efforts on our campuses and a viable commercial approach, we create long-term benefit for both our participants and the environment. We also focus heavily on the social perspectives related to well-being and accessibility.



page 16

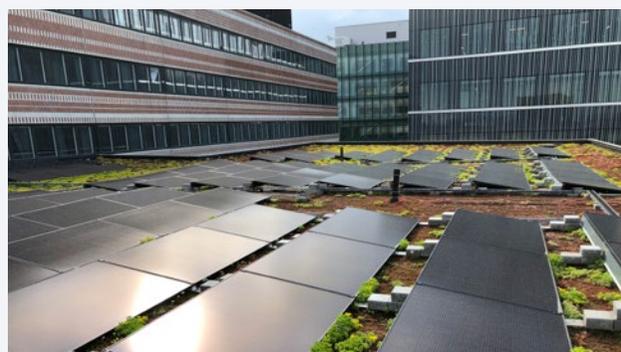


RESPONSIBLE RELATIONSHIPS

High transparency in our customer relationships creates understanding of our role and our mission. We set clear requirements for high ethical standards that both we and our suppliers must meet, so that together we can contribute to a sustainable society.



page 34



RESOURCE-EFFICIENT OPERATIONS

We use the assets at our disposal and the resources we consume more efficiently to reduce the burden on the environment. Collaboration on innovations is crucial and builds a high development capacity.



page 26



CARING FOR PEOPLE

By working proactively for a healthy and safe work environment for employees, as well as customers and suppliers, we improve the industry and strengthen our relationship with our participants.



page 36

Long-term approach – key words in our property development

Through close dialogue with customers, we develop our property portfolio based on current and future needs. In this way, we ensure long-term sustainable solutions, which strengthen Sweden as a nation of knowledge.

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 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 advanced new 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 approved investment, using a systematic process to work closely with customers.

NEW DIGITALISATION STRATEGY FOR PROJECTS

We have high aspirations and objectives regarding both sustainability and deliverables, which creates a great need for efficient digital working methods. Our world is rapidly changing and although access to digital tools is high, a new strategy is needed to determine how we can achieve maximum benefit from technical advances in construction projects and how this can help us to reduce our climate footprint and better meet customer needs. We therefore began to formulate a new digitalisation strategy within project operations in the autumn of 2021. 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.

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 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.

SUSTAINABILITY AND 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.

A needs analysis in the early stages promotes efficient use, as well as sustainable and long-term design that meets the current and future needs of the customer, while strengthening the campus identity. Alternative solutions will be tested 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 cycle of both the building's structure and its components is taken into account.

We set ambitious goals for our new construction and renovation projects to meet the standards of the Miljöbyggnad environmental certification system, where new buildings will qualify for the Gold level and renovations for Silver.



Needs analysis at early stage

Before taking decisions on new construction, alternative solutions must always be tested. According to our new climate and energy strategy, we follow a method where we first investigate whether a higher degree of utilisation can be achieved in the existing environment, before initiating any new construction projects. If it becomes evident that needs cannot be met by converting or optimising the existing environment, then renovation, extension, or new construction may be justified. Read more about this in the section on our climate and energy strategy, page 28.

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 (read more on page 29). 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 participators 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 (read more on page 35).

PROJECT REVIEWS

Project reviews are 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. The most recent reviews were carried out in 2020 and in 2021 we continued to further develop our project operations based on the insights we gained through our reviews. New reviews are planned for 2022.

OUR PROJECT PORTFOLIO

The project portfolio is divided into two parts – approved and planned projects – and totals SEK 14 billion, of which SEK 3.6 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: Albano in Stockholm, where the first phase was commissioned in 2020 and which will be completed in its entirety in 2022, as well as Natrium in Gothenburg and Forum Medicum in Lund, which will be commissioned in 2023. New construction projects with long lease terms, usually between 10 and 25 years, account for the majority of our project portfolio. The investment portfolio contains projects for new construction, extension, and renovation of existing properties. The emphasis in the project portfolio remains in Stockholm and Gothenburg, but projects are underway in all of our larger towns and cities. Four of the larger projects in the project portfolio are student housing projects, which account for a total of SEK 2.2 billion.

Project portfolio, SEK m

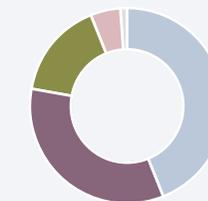
	31 Dec. 2021	31 Dec. 2020
Approved projects	7,500	9,400
Planned projects	6,500	4,500
Approved and planned projects	14,000	13,900
of which already invested in projects in progress	-3,600	-4,900
Remainder of approved and planned projects	10,400	9,000



Scope and specialisation based on customer needs

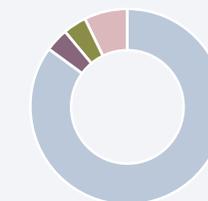
There is great variation among our properties. A campus can include high-tech laboratories, offices, teaching environments, student housing and co-working spaces. Our tenants are primarily higher education institutions all over Sweden. In addition to classrooms, a knowledge environment needs for example restaurants, cafés and other services. Since 2014, our remit also includes building, managing and owning student housing.

Developing a campus involves taking a holistic approach. 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.



Breakdown by premise category

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



Tenant categories

- Colleges and universities, 85%
- Publicly financed operations, 4%
- Chalmersfastigheter, 4%
- Other, 7%

Commissioned projects per 31 Dec. 2021, over SEK 100 million

Project name	Location	Type of premises	Investment limits, SEK m	Miljöbyggnad certification system	Additional floor space, m ²	Completion	Customer
Albano Buildings 2 and 4	Stockholm	Education	1,617	Silver	29,800	2021-Q4	Stockholm University
Ångström Phase 4	Uppsala	Laboratory	1,185	Silver	30,000	2021-Q4	Uppsala University
KI Residence	Solna	Residential	434	—	15,500	2021-Q3	Karolinska Institutet
TOTAL			3,236		75,300		

Approved projects per 31 Dec. 2021 over 100 SEK million

Project name	Location	Type of premises	Investment limits, SEK m	Percentage accrued, %	Miljöbyggnad certification system	Additional floor space, m ²	Expected completion	Customer
Natrium	Gothenburg	Laboratory	1,803	37	Gold	28,000	2023-Q2	University of Gothenburg
Albano	Stockholm	Education	1,248	77	Silver	100,000	2022-Q2	Stockholm University
Forum Medicum	Lund	Education	821	41	Gold	13,800	2023-Q2	Lund University
School of Business, Economics and Law	Gothenburg	Education	529	16	—	9,200	2025-Q2	University of Gothenburg
LTH Maskinteknik	Lund	Education	499	72	—	19,000	2023-Q2	Lund University
A, B, E and F building	Luleå	Education	320	5	—	—	2024-Q1	Luleå University of Technology
Universum Building K	Umeå	Education	272	1	Gold	6,500	2024-Q2	Umeå University
Fysiologen building	Solna	Education	164	6	Silver	—	2023-Q3	Karolinska Institutet
Retzius	Solna	Laboratory	133	45	—	—	2022-Q1	Akademiska Hus
C-Building	Luleå	Education	122	22	—	—	2022-Q1	Luleå University of Technology
KTH Chemistry	Stockholm	Laboratory	120	10	—	—	2024-Q1	Royal Institute of Technology
Astrid Fagraeus Lab	Solna	Laboratory	103	35	—	—	2023-Q3	Karolinska Institutet
Språkskrapan	Gothenburg	Residential	103	20	—	—	2023-Q1	University of Gothenburg
Projects under SEK 100 million			1,263					
TOTAL			7,500			176,500		

Planned projects per 31 Dec. 2021 over 100 SEK million

Project name	Location	Type of premises	Investment limits, SEK m	Additional floor space, m ²	Expected completion	Customer
Deltakvarteret	Luleå	Education	1,582	32,000	2027-Q4	Luleå University of Technology
New building for the Faculty of Arts	Gothenburg	Education	1,618	36,300	2027-Q2	University of Gothenburg
North Campus Park	Umeå	Residential	953	24,500	2026-Q4	Akademiska Hus
Cassiopeia	Lund	Residential	789	17,500	2026-Q1	Akademiska Hus
Aquila Rosendal	Uppsala	Residential	336	8,100	2024-Q4	Akademiska Hus
Universitetet 8	Örebro	Education	285	7,400	2024-Q4	Örebro University
Social Science Centre	Lund	Offices	223	3,120	2026-Q3	Lund University
Klerken 4 block	Malmö	Education	209	700	2026-Q2	Malmö University
Universum	Umeå	Education	175	500	2024-Q3	Umeå University
Projects under SEK 100 million			330			
TOTAL			6,500	36,300		

Albano Campus takes shape – completion in 2022

In 2021, the multibillion Albano initiative achieved yet another milestone, with three of four buildings completed on the new Stockholm campus. In conjunction with this achievement, the advanced geothermal energy plant was commissioned, which with its unique technology ensures that the university facilities are self-sufficient with respect to heating and cooling while substantially reducing the amount of energy supplied.

The Albano Campus is developing into a modern university environment in harmony with nature and with the objective of becoming a role model in sustainable urban development. In all, 70,000 square metres of new university facilities and 1,000 undergraduate and graduate student housing units, as well as parks, stores and restaurants, will be built here. With its strategic location just a stone's throw from downtown Stockholm, the Albano Campus will strengthen the links between the city's universities and form a new neighbourhood that is vibrant regardless of time of day.

We adjust to changing needs

The learning environments of the future are largely already in place. We strive to primarily use existing resources to meet customer needs. We work with our customers to identify needs and develop knowledge environments that provide long-term support for education and research.



HORSE RIDING STABLE BUILDING BECOMES A CONCERT HALL AT THE ROYAL COLLEGE OF MUSIC

We are investing in a project to renovate the historic horse riding stable building on the campus in downtown Stockholm. The refurbishment will transform the building, which is currently vacant, into a modern arena for concerts and exhibitions, a place where the Royal College of Music can collaborate with other higher education institutions, as well as cultural institutions and the business community. The Ridhus building is being converted into a multifunctional hall with flexible spaces that will be able to receive a maximum of 300 people simultaneously. The renovation project began in 2021 and is expected to continue until the spring of 2022.



KEMI BLOCK AT KTH TO BE MODERNISED

The KTH Chemistry building, which was built in 1921, will soon undergo an extensive remodelling project. The investment in the renovation project will provide a more creative and flexible environment for undergraduates, graduate students and businesses. The project also includes a new common laboratory to promote knowledge sharing between different departments. The Chemistry block is centrally located on the KTH Campus in Stockholm. This is where the School of Engineering Sciences in Chemistry, Biotechnology and Health (CBH), with nine different departments, carries out its activities. The renovation project began in November 2021, with completion expected in early 2024.



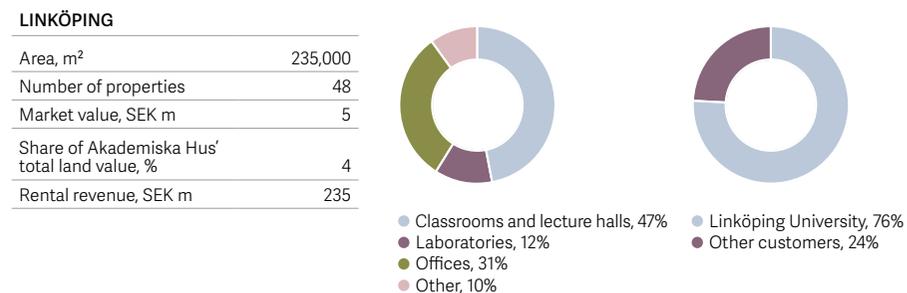
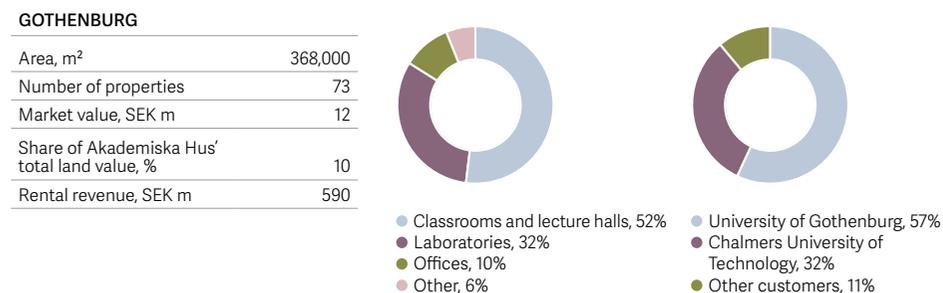
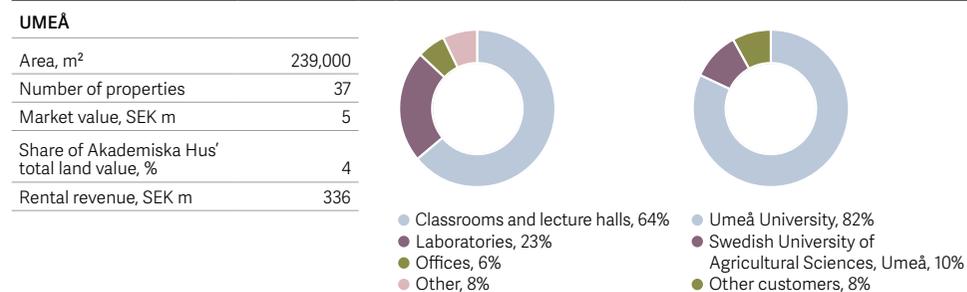
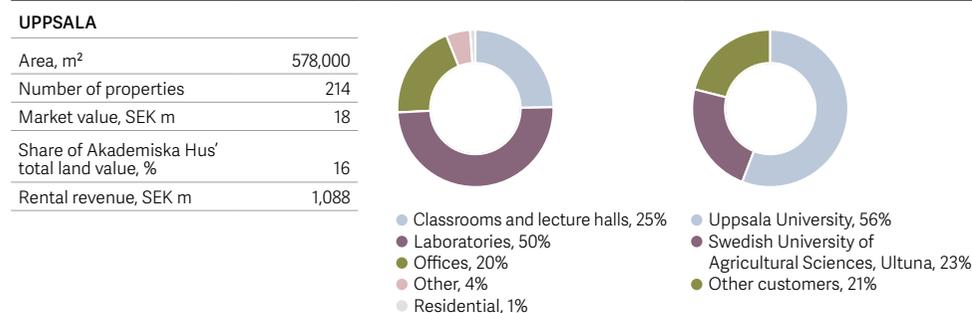
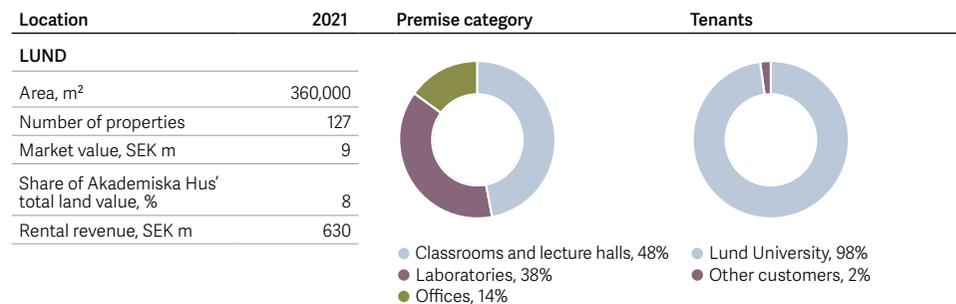
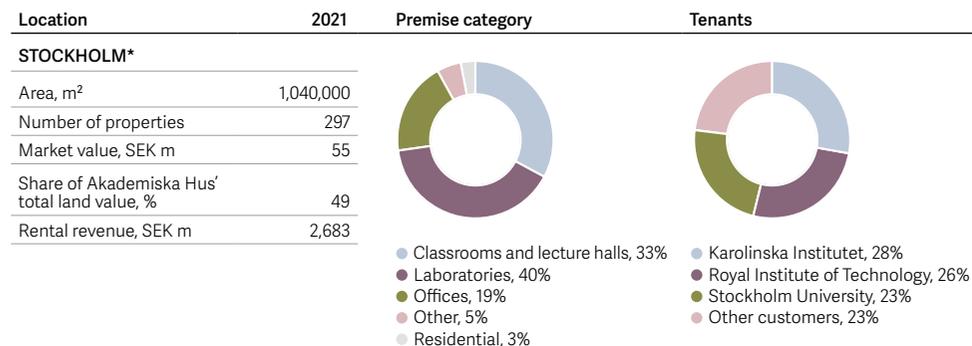
CIRCULARITY CHARACTERISES SCHOOL OF BUSINESS, ECONOMICS AND LAW

Circularity has been the key word in the project that will result in a new building at the School of Business, Economics and Law in Gothenburg. Materials with a high climate impact that have been dismantled from the old building at the corner of Vasagatan – Haga Kyrkogata will be recycled. With a focus on finite resources and irreplaceable materials, marble floors, limestone facades and granite stones have been preserved for reuse. In addition, trees, shrubs and perennials have been removed and placed in a recycling park while waiting to be replanted. The building is scheduled for completion in 2025 and will then enable the faculty to expand and develop its education and research programmes in the fields of law and economics.

OFFICES TO BE CONVERTED INTO STUDENT HOUSING

We are converting a former office building into 61 apartments in the Näckrosen area in central Gothenburg. The initiative will create much-needed campus-based housing for 125 undergraduate and graduate students and help to reduce the student housing shortage. Akademiska Hus is now converting the “Språkskrapan” building, which was built in the 1960s, into modern housing for undergraduate and graduate students at the University of Gothenburg. Some of the apartments are larger and will be in line with Akademiska Hus’ co-living student housing concept. In these apartments, five to six people can each have their own bedroom, while sharing the kitchen, living room and bathroom. Occupancy is planned for 2023.

Our six largest locations



* Stockholm includes Solna and Huddinge.

Customer focus throughout in our collective deliverables

We are experts at developing and managing knowledge environments. With our complex product, we must continually develop our service offering to meet customer needs every day.

Sustainable knowledge environments include many different components. With the high pace of change in society, the need for dialogue and cooperation with customers and other participators is crucial if we are to succeed at developing environments and services that ensure long-term sustainable campuses. Our collective service offering is broad and the common thread is to help to provide the best conditions possible for our customers' research and education activities. Expertise ranging from management, energy and technology to campus development and learning environments can all be found here. As the single largest property owner in Sweden focused on higher education and research, we have a large responsibility to provide the centres of education with the right conditions for their activities.

DIGITALISATION PROVIDES NEW OPPORTUNITIES

Through systematic dialogue with our participators, we learn what the needs of our customers look like today and how they change over time. We use the opportunities provided by digitalisation in several ways. In 2021, we carried out more scans of our properties. Within the administration, 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 greater opportunities to take a more active and advisory role in the development of premises, such as through proactive assessment of the need for premises and resource efficiency. Overall, a digital infrastructure provides better opportunities to take greater responsibility and contribute to the long-term

sustainability work of both our customers and ourselves (read more on page 32).

CAMPUS DEVELOPMENT METHOD

With a long-term perspective, we develop knowledge environments that are flexible and can be further developed to meet both current and future needs. Working with a centre of education to interpret and convert these visions so that the physical environment can best support its strategies is at the heart of campus development. We collaborate with the administration, employees and students of the centre of education to explore how the physical environment can be developed to create buildings and outdoor environments that are attractive and flexible. We follow a structured approach with a focus on the long-term and sustainability. Working with our customers to translate our knowledge into clearly defined development and campus plans is the key to success. Our method of developing campuses includes not only questions and visions about new buildings. It also involves how we maximise spaces between buildings and how we create a total vision that makes the campus a place where people enjoy life and thrive.

TOMORROW'S LEARNING ENVIRONMENTS

Learning environments are 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.



High-quality management close to customers

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. Through sensitive dialogue with both customer and suppliers, we simplify and improve the daily lives of our customers. Our aspiration is to be the customers' first choice. We manage approximately 3.4 million square metres in a highly varied portfolio, with the goal that the properties must 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.



Dialogue with customers – in person and digitally

We must be where the customers are, locally, digitally and in person, which is why we work to develop our services and platforms to meet the needs of our tenants and to clarify and improve these contact paths. This strategy includes development of our app, My Campus, with new features, as well as our website and our personal meetings. We develop all of our customer relationships through dialogue, digitalisation and the insights gained from this approach.

Our expectation is that the rapid digitalisation of higher education institutions during the pandemic will also have consequences for the design of learning environments. Some learning activities, such as lectures, have worked well in digital format, while interaction and practical elements have been more challenging. A likely development is that the need for physical environments that support one-way communication will decrease while flexible environments that support student active learning will increase. Research also provides support indicating that the learning environments of the future will be more varied, innovative and hybrid in order to better meet the different needs of students.

LEARNING LAB AND NEEDS DIALOGUE

Within the framework of our initiative dedicated to learning environments, we have developed a methodological aid: a “Needs Dialogue” 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 2021, we initiated a needs dialogue with Karlstad University to explore the potential to design the lecture hall and surrounding spaces to support student active learning. Needs dialogues have also been conducted with Örebro University and Umeå University in preparation for the development of test beds, Learning Labs, for student-centred education practices and synchronous, hybrid learning environments. The Learning Lab in Gothenburg has finally been able to begin operations after the pandemic and we now have a total of three Learning Labs with different orientations, but with the same basic idea of common, open knowledge development.

A WORKING LAB

A Working Lab (AWL) is Akademiska Hus’ nationwide concept for co-working, makerspace, learning environments of the future and other flexible meeting places. Our concept facilitates development of campus-based environments and provides an opportunity for students, researchers, 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 Solna, Gothenburg and Umeå. Rental revenue from AWL accounts for less than one per cent of Akademiska Hus’ total rental revenue. AWL in Umeå, which was developed with 600 new square metres in 2021, is a place for innovation in academia and business. AWL Innomedicum in Solna, with proximity to Karolinska Institutet, has quickly become an established arena for collaboration and co-working in the life sciences. In Gothenburg, there is a strong establishment among participants in the built environment sector. 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.

MORE 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 cafés, libraries, laboratory environments and sport facilities. A cornerstone of the concept is coliving, which is a form of 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 surfaces 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. For example, we carry out studies together with HSB Living Lab in Gothenburg and KTH Live-In Lab in Stockholm with a focus on how we can optimally design coliving arrangements from a sustainability perspective. We are also in the process of starting a living lab together with Lund University.

In 2021, the Board of Directors decided to invest SEK 103 million to convert the “Språkskrapan” building in Gothenburg into 61 campus-based apartments for 124 residents. This is the first building we are converting from offices into undergraduate and graduate student housing. We hope to continue to do so with more buildings in our portfolio.

IMPORTANCE OF THE OUTDOOR ENVIRONMENT

Mental health is fundamental to our well-being, our health and our ability to perform. Research shows that green environments of the right quality can make a place more relaxing and stimulating, with a positive impact on recovery and the ability to concentrate. Akademiska Hus collaborates with the centres of education to determine how to better utilise the potential of our outdoor environments. During the year, the permaculture park in Ultuna, outside Uppsala, received a lot of attention, the result of close collaboration with Swedish University of Agricultural Sciences (SLU) students. We also arranged a national seminar on the theme of outdoor environments.

By focusing on the green environment and its ecosystem, biological diversity can be preserved and strengthened at the same time that we create environments that promote health. When planning outdoor environments, we also consider security – an issue that is becoming increasingly important in today’s society. When properly developed, the green environments are an important resource on campus as a learning environment, a place for recovery and for sustainable performance. With qualitative green spaces we promote public health while contributing social benefit.

Increased focus on climate issue

The global climate is changing and there is little time in which to reverse the trend and curb climate emissions in society. Akademiska Hus' operations are climate- and resource-intensive. We must therefore act assiduously to reduce our climate impact through our own measures and in collaboration with others.

The UN Climate Panel, IPCC, further sharpened its tone in 2021, emphasising the urgency of the situation and clarifying the consequences of failure to comply with the 1.5-degree target from the 2015 Paris climate summit. The climate panel points out that with the current rate of emissions, within ten years we will exceed the Paris Agreement's target of a 1.5-degree temperature rise, which is ten years earlier than research previously thought. Moreover, the IPCC states that even if the target were to be achieved, major climate changes are de facto to be expected moving forward, with more heat waves, rising sea levels, more extreme weather events and changed ecosystems.

HIGHER DEMANDS FROM CENTRES OF EDUCATION

We see today that 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. As Sweden's largest property company in higher education and research, we see more efficient use of existing premises as an important piece of the puzzle to seriously address climate impact. At the same time, we see a growing interest among our customers to address matters such as the need for premises in the future and efficient design of premises. Moreover, we note a curiosity to explore whether increased renovation and adaptation of premises could be fully acceptable alternatives to new construction.

OUR FOOTPRINT MAKES A DIFFERENCE

The construction and property sector currently accounts for just over 20 per cent of total greenhouse gas emissions in Sweden. Emissions are generated throughout the value chain and include climate impact from all stages of construction. The research is clear: society is not changing quickly enough and emissions must be rapidly reduced for us to have a chance of reversing the climate-related changes that we see in our surroundings and create a living environment that is in balance. Emissions from Akademiska Hus' operations mainly come from two areas:

- Property development and project operations, including the climate footprint from new construction and renovation projects (read more on page 29).
- Property operations, including the energy used both in facility operations and from the customers' activities (read more on page 30).

TOGETHER IS THE WAY FORWARD

Today, many broad forms of transdisciplinary collaboration are being initiated to implement the complex changes and technological shifts that are necessary in the transition to a sustainable society. We see the rapid development of technologies and materials, but also of processes and expertise in climate-related matters. Our analysis of the challenges moving forward is that successful climate work is based on a broad array of measures, ranging from ensuring a high level of expertise in climate-related matters with respect to decisions, working methods and processes, to quickly shifting to more



sustainable design processes, innovative technical solutions and climate-improved materials.

Furthermore, legislation and rules is being strengthened at both the national and international level, and we see additional and more detailed reporting requirements regarding sustainability performance, climate impact and resilience to climate change. One example is the new EU taxonomy, aimed at allocating capital to green industries.

CLIMATE-RELATED RISK

As a property company, 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.

We conduct annual risk analyses of our property areas, which includes risks linked to climate impact and climate change. The issue is also addressed in more long-term development plans for the campuses, and is part of the investment process. In addition, we continually update the technology platform, our internal specifications for remodeling and new construction, to create resilience to the changes in the climate that are predicted. We believe that our overall property portfolio is highly resilient to future climate change, but understand at the same time that the issue must be continuously monitored to address changing circumstances. The next step will be to assess climate-related financial risk, based on different climate scenarios, by analysing how parameters such as property value, insurance premiums and other perspectives impact operations.



The ability to manage water flows on campus is an issue that has come to the fore due to climate change and the greater risk of more extreme weather. The reality of the situation became apparent with the floods we saw in Europe during the summer of 2021 and even with respect to our own property portfolio in Gävle.

We take our responsibility seriously – strategy for climate neutrality 2035

Our new climate and energy strategy creates clarity and guides our decisions and our actions, enabling us to achieve our new climate goal – climate neutrality throughout the value chain by 2035.

Our 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 environment on our campuses that stands the test of time. We prioritise our efforts based on a climate calculation that shows where we have components with the greatest climate impact and thus the greatest potential to make a difference. Through high goals and an ambitious roadmap, we will significantly reduce our climate footprint. However, we will not reach all the way down to zero; some parts of our climate footprint are simply beyond our control.

Our definition of climate neutrality is therefore when reported climate impact is reduced by at least 85 per cent from the level we reported for the base year, 2019.

TRANSPARENCY ABOUT THE PATH FORWARD

In order to achieve rapid change with concrete results in the near future, we complement our long-term target with intermediate targets for our operations. Measures and activities are identified and implemented as part of a roadmap anchored in the annual plans of the operations. The initial focus will be on launching activities and changes in decision-making structures in order to climate-optimize processes and working methods, while enabling a direct reduction of climate emissions. A transition to reduced new construction, increased circularity and climate-efficient materials will also be initiated immediately, though because of the more long-term nature of such measures, there will be a delay from decision to actual climate benefit.

We will gradually reduce the climate impact from the entire value chain to demonstrate climate neutrality in 2035

In order to promote rapid change and achieve results in the near future, we complement our long-term target with intermediate targets and specific activities.

BEGINNING IN 2023

TO 2025

TO 2030

-40%

-65%

The company's total climate footprint will show a declining trend, seen over a period of three years.*

Climate footprint has decreased by 40%

Climate footprint has decreased by 65%

EMISSIONS INTENSITY

In addition to the total climate footprint, total greenhouse gas emissions levels are also monitored on an annual basis, kg CO₂/m² GFS. This Key Performance Indicator (KPI) complements the targets at the total level and balances the scenario regarding the intermittent peaks that may arise, partly because of the uneven flow of commissioned projects, and partly linked to the gradual phase-in of fossil-free energy by energy suppliers.

*Reference value: Climate footprint for 2019 in ton CO₂e.
Reduction without climate compensation

Stricter climate requirements in project portfolio

Like society as a whole, we need to become better at conserving the resources we already use. In our case, for example, it is a matter of setting clear targets for efficient use at an early stage, as well as sustainable and long-term design from a holistic perspective.

To achieve 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 and question whether there are any other options. At the early stages, the design process can apply a climate-optimised vision that enables efficient use and ensures a sustainable and long-term solution that meets customer needs. Alternative solutions will be tested early in the process in order 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.

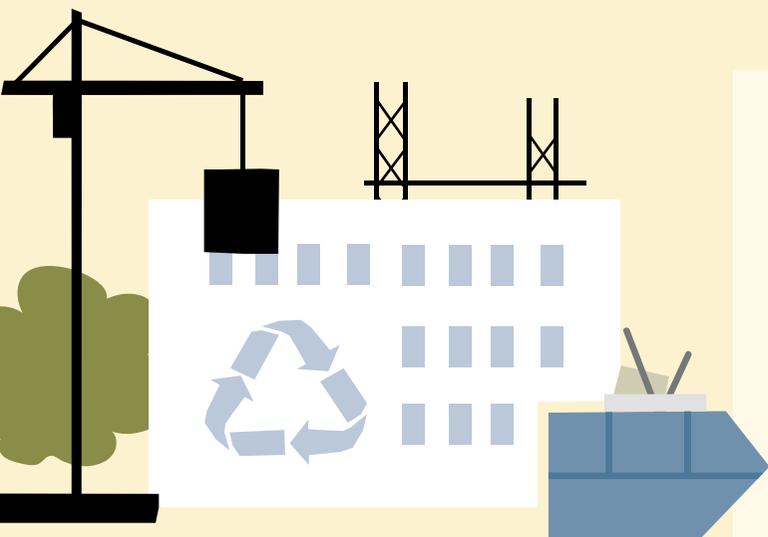
In addition, with new construction and renovations we strive to achieve:

- A minimised need for premises and an optimised physical design that ensures well designed, efficiently utilised and future-safe environments.
- Designs and systems with optimised materials, reduced quantities of construction and demolition waste, and demands for recycling.
- Actively demand materials with low climate impact and an extra focus on climate-intensive materials that occur in large volumes.
- Reduce the climate impact from groundwork and logistics associated with starting projects.

ENVIRONMENTAL CERTIFICATIONS

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 51 certified buildings, including 11 at the gold level and 40 at the silver level. The certified new construction and renovation projects must subsequently undergo a validation process, and to date 31 buildings have been verified with retained certificates. We require all new construction projects to obtain Miljöbyggnad certification at the Gold level and all major renovation projects must be certified at the Silver level.

In student housing projects, whether new construction or renovation is involved, the requirements for the Silver level of the Miljöbyggnad certification standard must be achieved. Certification is encouraged, but is not a formal requirement. 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.



CLIMATE REQUIREMENTS IN CONSTRUCTION PROJECTS*

Requirements to reduce climate impact have been established for all new construction projects, as well as for extensive renovations. These requirement levels apply for the entire project portfolio. Each project adopts a project-specific climate target, based on a reference value for the type of building in question. The requirement is set when the project enters the program documentation phase and is followed up in subsequent stages. Smaller projects help to reduce climate impact by actively working with recycling and by focusing on choosing materials and working methods that lead to low climate impact.

*Applies to new construction and extensive renovation projects, >SEK 50 million. In relation to the reference value that was calculated.

CLIMATE REDUCTION	START BY
AT LEAST 30–40%	1 JAN. 2022
AT LEAST 50–60%	1 JAN. 2025

Strong focus on energy issues in property management

We strive to achieve a property portfolio in which the climate impact from each building is minimised through long-term sustainable choices regarding construction and technology. The energy needs of the buildings account for the greatest contribution to climate impact within property operations. Buildings with good energy performance are therefore fundamental to a future-proof property portfolio.

Akademiska Hus has a clear target of reducing energy consumption in our operations. 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. Our decisions regarding climate and energy efficiency measures in property operations are based on parameters related to finances and to reduced energy consumption. 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 the overarching energy target, while also time moving towards our climate target, we are active in three main areas – Reduce, Collaborate and Promote.

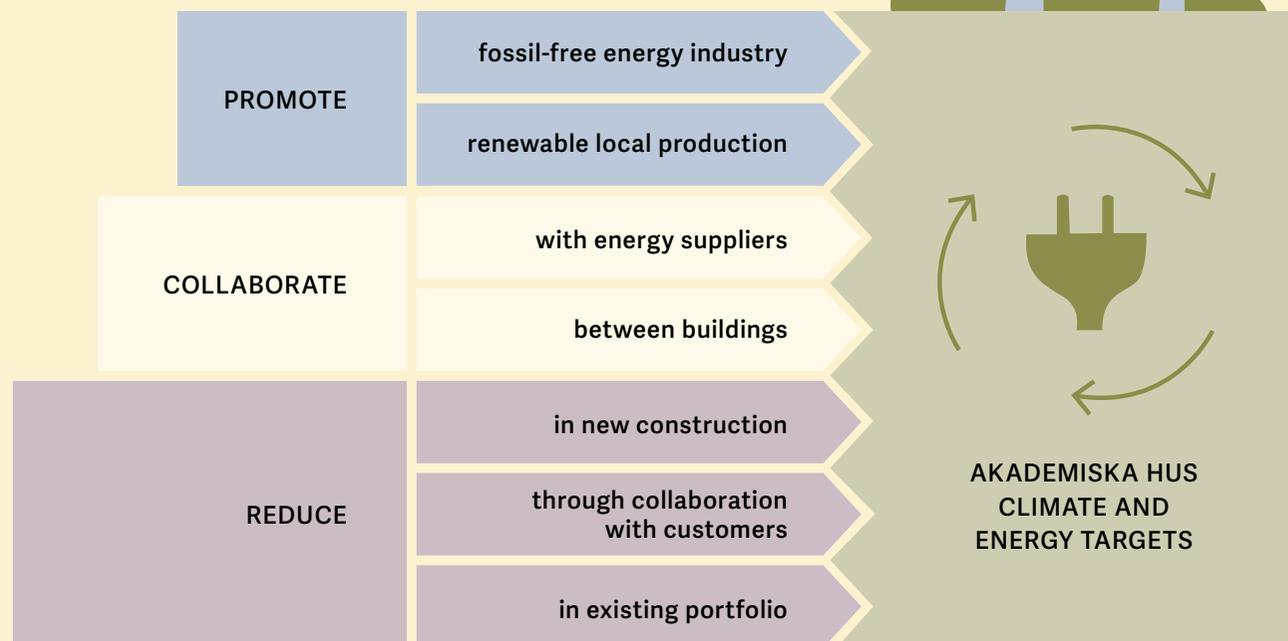
Reduce

The primary focus is on reducing energy needs in the property portfolio; here, we place great emphasis on our 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:

- Prioritising a building design that results in high durability and ensuring that the building shell is energy efficient, 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.



RESOURCE-EFFICIENT OPERATIONS

Collaborate

Through collaboration between the properties in our aggregate holdings, we take advantage of energy surpluses and deficits between the buildings so that our total energy needs can be reduced. If possible, we collaborate with the energy suppliers' systems to optimise energy delivery with respect to power and climate.

Promote

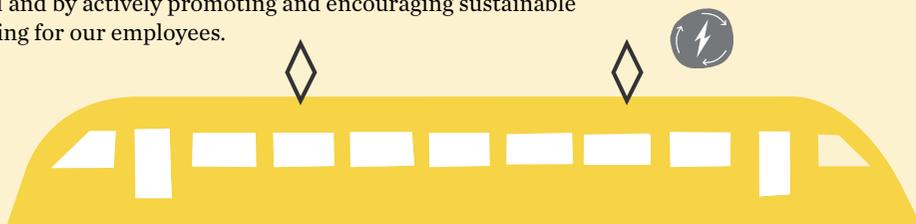
We promote the use of energy with a low climate impact by encouraging installation of local renewable energy facilities. We also act to provide an impetus to the energy industry by actively requesting delivery of heating and cooling with a low climate impact.

OTHER PROPERTY OPERATIONS

In addition to a strong focus on reducing both energy needs and climate impact from energy use in our property operations, we also address climate impact from other activities, for example by purchasing grounds management services with a low climate impact, gradually phasing in more climate-efficient air conditioners, and focusing on reduced leakage of refrigerants in current cooling systems.

IN-HOUSE OPERATIONS

In our own operations, we are intensively focusing on educational activities regarding sustainability and climate, in order to increase the awareness and commitment of all employees about the challenges we face. We believe that everyone can join in and contribute, regardless of role or function, and that through our talented, curious and motivated employees, we can make a big difference. We address the climate footprint of our operations mainly by moving towards reduced air travel and by actively promoting and encouraging sustainable commuting for our employees.

**The sun gives our campus more green energy**

In 2021, we had a total of 80 facilities in our property holdings that generate over 6.8 million kWh of renewable electricity annually for Swedish centres of education. For example, in 2021, a decision was taken to invest in a solar facility at Lund University, which will be our single largest to date. Together with previously installed solar panels on campus, annual production will reach just over 2 million kWh. The Lund Campus will then also be the campus with the largest solar power production in the country.

In Stockholm and on the KTH Campus, six new solar arrays have been installed, including on the Sing Sing, Maskinteknik and Education Buildings. In all, solar panels cover an area of approximately 1,400 square metres and ensure that the KTH campus is provided with renewable energy.

“Our climate and energy strategy further strengthen the many initiatives and projects that are already paving the way for a more sustainable industry and for how we work together to create sustainable knowledge environments all over Sweden.”

MIA EDOFSSON
Sustainability Manager

SENSORS CAN PROVIDE IN-DEPTH PICTURE OF HOW PREMISES ARE USED

Installing sensors on campus expands analytical capabilities.

The information in the form of sensor data provides increased support to management and operations, while also opening the possibility of using the premises more efficiently and sustainably, since the sensors provide a more comprehensive picture of how the environments are actually used. By analysing presence data and the universities' own classroom scheduling data, you can see if reserved premises are actually used. Tests show that we can use this information to implement scheduling measures that can increase the use of premises by 20–30 per cent.

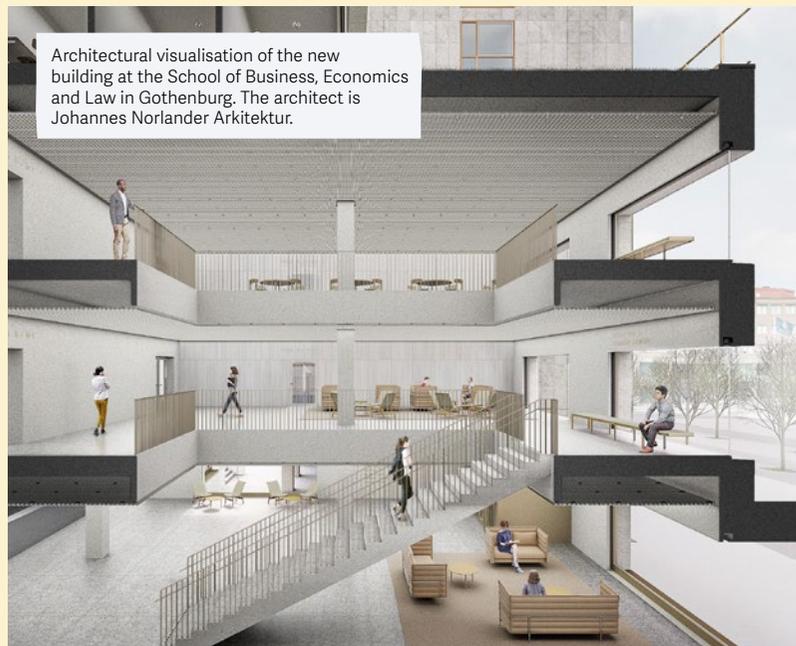
Sensors have already been installed on campus at Umeå University and Örebro University, and several higher education institutions have indicated a strong interest in digitalising their campuses.

TECHNOLOGY FOR FACILITY SHARING IS BEING TESTED

Sweden's smartest scheduling system is being tested on campus.

A unique new system for sharing facilities with more users has been developed and is being tested at Umeå University. A “scheduling exchange” now makes it possible to reserve the same room in several different systems, and thereby open up for several participants in order to achieve increased utilisation.

The new scheduling exchange is part of Akademiska Hus' digitalisation initiative. By facilitating increased utilisation, we contribute to more sustainable use of the properties. The technology was developed on site in A Working Lab Universum on the Umeå Campus and is in full operation for the Rotundan event venue. There are plans to implement the technology in more facilities in Akademiska Hus' property portfolio.



Architectural visualisation of the new building at the School of Business, Economics and Law in Gothenburg. The architect is Johannes Norlander Arkitektur.

MAJOR CLIMATE GAINS WITH CIRCULAR PROCESSES

Since 2019, we have actively worked with recycling by participating in two development projects: “Återbruk i Väst” and “CCBuild”.

During the dismantling and construction of the new School of Business, Economics and Law in Gothenburg, and the renovation project to convert the Språkskrapan office building into student housing, Akademiska Hus identified materials that can gain a second life cycle through recycling.

According to the analyses, the climate benefit from the two pilot projects will amount to more than 100 tonnes of CO₂e. In addition, the IVL Swedish Environmental Institute estimates the economic value of the recycled products at close to SEK 1 million. The recycled construction products from the School of Business, Economics and Law and the Språkskrapan building include bricks,

paving stones, facade stones, wood, interior doors, glass sections, washbasins, fittings, fixtures and ventilation ducts. In addition, an array of trees, shrubs and perennials have been removed and placed in a recycling park while waiting to be replanted.

Based on the experiences from the pilot projects, an internal project is now underway to scale up recycling within Akademiska Hus. The internal strategy work includes many parts of the company, from managers and construction project managers to purchasers, valuers, accountants and property developers.



SUSTAINABILITY AGREEMENTS SIGNED WITH MORE HIGHER EDUCATION INSTITUTIONS

We note growing interest from our customers regarding efficient design and property development, since these issues affect the climate footprint we generate together. Through the higher education institutions' climate framework and Akademiska Hus' climate targets, we share a common interest in these matters.

During the year, we took steps to convert our aspirations into reality by signing a new sustainability agreement with the University of Gothenburg and Umeå University. Through close collaboration, we can increase the potential to successfully achieve climate and sustainable development targets. These two good examples demonstrate how we can accomplish more by working together to find new and more sustainable ways to strengthen Sweden as a nation of knowledge.

WORK FOR MORE BIOLOGICAL DIVERSITY

In addition to the climate, one of our biggest global challenges involves promoting biodiversity. As one of Sweden's largest land and park managers, we want to and will be, involved and contribute to this effort. In one example, we worked with Uppsala University in the Blåsenhus campus, where we created bird-houses, hedgehog nests and "fauna depots" (piles of brush), and planted shrubs with edible berries. Part of the Blåsenhus campus is now a meadow with conditions that promote biological diversity, but with cut trails to ensure good accessibility.

Our outdoor environments also play an important role in creating a more complete campus and the areas between buildings can be used for recovery, as well as for work and studies. The outdoor environments could also potentially create meeting places 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.

We have prepared a guide for developing outdoor environments with suggestions for solutions, inspiration and examples of how we can work together with the higher education institutions to develop and create attractive outdoor environments that simplify everyday life on campus.



Knowledge environments of the future through responsible relationships

We have an important assignment from our owner – to help strengthen Sweden as a nation of knowledge. Through open and transparent cooperation, we build trust and create responsible relationships, which creates value for our participants.

Collaboration is the path forward to develop and manage sustainable and competitive knowledge environments for undergraduate and graduate students around the country. Consequently, our relationships and the trust capital that we accumulate are absolutely critical to how well we succeed in our mission. We proactively accept our responsibility through our ambitious goal of achieving climate neutrality by 2035, through the requirements we set for procurement, and through our efforts to set conditions for a safer construction industry.

TAKING RESPONSIBILITY THROUGH REQUIREMENTS

Akademiska Hus is a public procurement organisation that purchases contracting services, goods and other services for approximately SEK 4–5 billion in a typical year. Our approximately 1,600 active suppliers are largely Swedish companies and we are subject to the provisions of the Public Procurement Act. In 2021, we completed approximately 100 procurement procedures, where we set specifications that the tenderer must meet in order to qualify and advance in the procurement process. For example, suppliers must certify that they have systematic quality, environment and work environment management systems in place. We also place demands on our suppliers regarding safety, labour conditions and human rights, as well as business ethics and anti-corruption policies. The requirements are specified in our Code of Conduct for suppliers, 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.



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 2021, we developed our methodology for contract follow-up and how we handle suppliers who do not meet the terms of our contracts.

In 2021, we followed up on 19 suppliers through supplier audits, two of which focused specifically on human rights. Two of the 19 suppliers have not submitted the requested documentation. They have received requests to rectify the situation, since they do not live up to the terms of the contract. Our target for 2022 is to follow up an additional 15 suppliers.

BUSINESS ETHICS

We have a whistleblower function that our employees or external parties can use to report deviations. No cases of violation of our Code of Conduct for suppliers were reported in 2021. Akademiska Hus operates in an industry that has historically seen corruption, bribery, violation of labour laws, etc. It is therefore important that our employees always behave professionally and practice good business ethics.

To reduce these risks, we formulated a training programme in business ethics that is mandatory for all employees.



Suppliers, share of total purchasing volume

- Construction materials and building services, 64%
- Technical consulting services 8%
- Energy and water, 8%
- Installation services, 8%
- Other services, 6%
- Facility maintenance, 4%
- Fees, 2%

HÅLL NOLLAN

Akademiska Hus took the initiative to establish an industry-wide organisation for safer construction sites. In 2017 the Håll Nollan organisation was formed, which now has over 85 members. In a relatively short time Håll Nollan has become

established as an important participator 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 2021 we demonstrated our commitment by participating in activities such as the Håll Nollan steering group, as well as in work groups and seminars. For the second consecutive year an activity was held called Håll Nollan safety push, a demonstration to raise awareness and shape opinion regarding the importance of ensuring that no one should be injured at our construction sites. In Gothenburg, the project Natrium held the demonstration together with Skanska, in Solna, the project Retzius Laboratory held the demonstration with Serneke and in Luleå, the demonstration was held at the project C building together with NCC.

TRANSPARENT RENTAL MODEL

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 therefore 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, which means that our calculations reflect the risk and costs associated with activities such as construction and management. Other factors include the general market rent level of the local

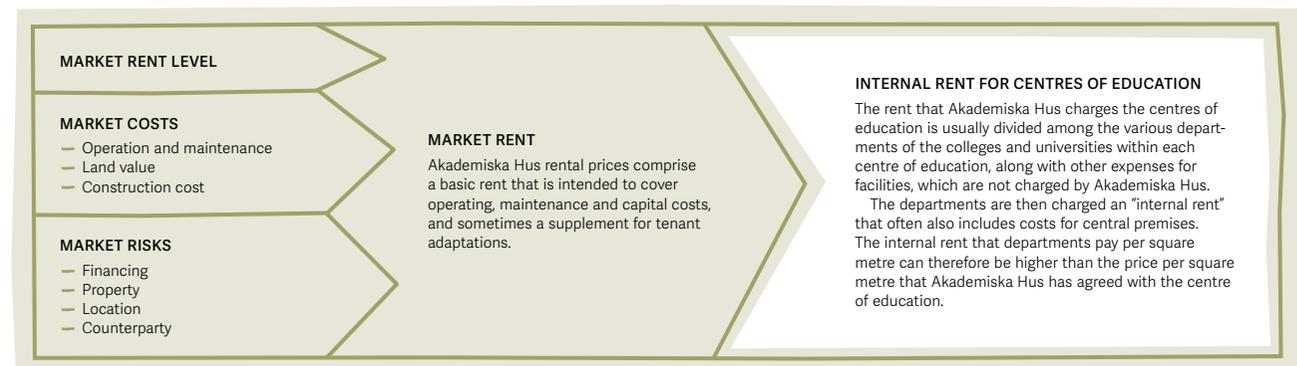
community, along with the location, type of building and lease term of the property. To compare rental prices charged by Akademiska Hus in relation to those charged by other property owners in a comparable portfolio, analyses are carried out regularly with assistance from an external valuation company.

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.

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.



Focus on skills, health and information security

Every employee is important for us to live up to existing requirements, expectations and visions and we must continuously ensure that we provide the right conditions for success. Once again, 2021 was affected by the pandemic and extra efforts have been made to encourage employee development to meet new ways of working.

We believe that everyone wants to do a good job and that there is a driving force to be involved and to make a difference. It is therefore important for employees to be able to take personal responsibility and influence their work situation. Every employee needs to see a clear connection between the company's strategies and everyday work. The project-specific appraisal assignment is therefore an active tool in which we ensure that we have consensus regarding our mutual expectations, in order to follow up on and conduct a dialogue regarding performance. This also forms the basis for wage setting. The internal survey, "Min röst", was conducted and 88 per cent of employees state that they feel they are well equipped to do a good job.

LEADERSHIP

Good leadership is something that spreads in a company. Good managers and leaders create favourable conditions in which both the business and the employees can grow. We know that a healthy climate at work and good results on the job go hand in hand, and it is the task of the manager to create a good work climate. Business-oriented leadership was put to the test during the year, with work both remotely and in our offices. Managers have therefore completed training in remote leadership, digital meeting technology and leadership communication skills in order to be able to optimally cope with new ways of working.

EXPERTISE

During the year, a number of major educational initiatives were carried out with the theme Curiosity. The focus of this theme builds on the core belief that curiosity and willingness to discover things will strengthen a growth-oriented corporate culture, with opportunities for all employees to actively develop both personally and in their work. When we allow our curiosity to flourish, growth occurs, communication becomes more open and group performance improves. We learn from our customers and suppliers, we learn from our personal experiences and we learn from one another.

That is why we offer a wide variety of development opportunities. The majority of our development initiatives are carried out through methods other than courses and training. Approximately 60 per cent of our employees participate in various forms of development initiatives, such as mentorship, wellness coach, safety representative, and facilitator. Our internal education portal is available to all employees, based on need, and offers courses, recorded seminars, lectures, articles and personal development tools. During the year, Akademiska Hus offered all employees approximately ten days of some form of development activity.

A continued initiative to certify Facilities Engineers has been implemented in collaboration with FAVAL, the validation board of the Property industry, and certification of Senior Facilities Engineers has begun. The skills needed in these professional roles are changing as a consequence of digitalisation. The initiative primarily aims to increase skill levels and to provide greater legitimacy for an entire occupational group and make it more attractive.



FOCUS ON INFORMATION SECURITY

Digitalisation means opportunities for us, but it is also an area where good security is becoming increasingly important and is even essential for success. Consequently, information security is a high-priority area for Akademiska Hus. We continued to work with information security during the year by analysing and strengthening our IT security measures to be even better equipped to withstand cyber security threats. We also recognise the importance of the skills and knowledge of each employee, since the choices they make in daily life make a difference. During the year, all employees completed a compulsory information security training programme.

WORKING ENVIRONMENT & HEALTH

Working conditions must provide all employees with a situation in which they can do a good job without endangering their health, either physically or mentally. Tasks are performed safely, or not at all. During the year, central and local health and safety committees, safety representatives and committed managers engaged in proactive efforts to address the work environment with the goal of having long-term sustainable employees. The focus has been on ensuring compliance with regulations and preventive work.

Akademiska Hus wants to inspire employees to lead a healthy and wholesome lifestyle and actively works to offer various opportunities with the assistance of Wellness Coaches, through our wellness allowance and through access to our occupational health care. How our employees feel affects not only the individual, but also their closest colleagues, customers and family. If employees do not feel well, the risks in the workplace also increase. Employee health has been followed up via surveys, but also physical examinations, to ensure personal health and a healthy work environment.

We actively work to improve our own workplaces and have established our workplace concept in several of our offices, with the goal that it will be adopted by all of our offices. The offices are activity-based and offer pleasant and efficient environments with space for collaboration with others.

All employees are responsible for actively contributing to a culture where equal treatment is an integral component of daily life at work, and act to prevent harassment and discrimination. These standards are a given in our business, both internally and externally. Our equal treatment plan, "Lika Unika" (Equally Unique), offers a number of activities that support an inclusive corporate culture.



Excellent employer

Akademiska Hus garnered the Excellent Employer award for the third consecutive year. We came in second place in a field of approximately 360 companies, as Sweden's Most Attractive Employer in the Nyckeltalsinstitutet survey. We were also designated the healthiest company in the property industry in the same survey. The Nyckeltalsinstitutet's measurements refer to factual, measurable working conditions and are an important indicator of our work. We were awarded the 2021 Competensum Prize for our skills development initiatives and for the Curiosity Strategy.

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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 2021 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 focus includes the construction and management of student housing.

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

KEY EVENTS DURING THE YEAR

Property transactions

During the year, Akademiska Hus sold the properties Kronåsen 1:15, Niagara 2 and Kristianstad Näsby 34:24 for a combined value of SEK 2,293 million. Total rentable space amounted to 81,783 square metres. The properties were sold through internal transactions and subsequently sold externally through corporate sales.

During the year, the company invested SEK 2,524 million in new construction and redevelopment.

Other

Kerstin Lindberg Göransson stepped down from her position as CEO as of 31 August and the Board of Directors appointed Caroline Arehult to serve as the new CEO of Akademiska Hus. Caroline Arehult took up the position on 1 September.

Beginning on 1 April 2022, Akademiska Hus will change its organisational structure. As a result, three people from Executive Management are leaving the company.

Catarina Fritz, CFO and Vice President, is also stepping down from her position.

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.

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 105.

EVENTS AFTER THE YEAR-END

A contract to sell a property was signed in February 2022. The deal is expected to close on 1 April. Total rentable space amounts to 3,300 square metres. In March 2022, a contract was signed to sell a property with an expected closing date of 2 May. Total rentable space

amounts to 9,700 square metres. During March 2022, a contract was also signed to sell 110,000 square metres of land. The assessed market value for these transactions is just over SEK 700 million.

In January, Anna Alsborger was appointed to serve as the new facilities manager and Peter Anderson the new CFO. They will take up their new positions in February and at the latest on July 1st, respectively.

FUTURE DEVELOPMENTS

Akademiska Hus has a project portfolio with approved and planned projects of SEK 14 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, our need for new financing is limited to approximately SEK 4 billion over the upcoming three-year period.

Financing

The global economy recovered during the year and central banks are moving towards tightening monetary policy. Akademiska Hus issued four bonds for a total of SEK 2,300 million and signed contracts for project financing from the European Investment Bank.

FINANCIAL MARKETS IN 2021

The year was marked by a global economic recovery following the sharp decline in 2020. The vaccine roll-out led to improved growth prospects accompanied by rising bond yields in the spring, primarily driven by the US. The industrial sector has been the driving force behind the recovery, but rapidly increasing demand has caused bottlenecks that are hampering production capacity in many companies around the world. Moving forward, the service sector is expected to be able to increase its contribution to growth, although the rapid spread of infection and re-imposed restrictions around the turn of the year have had an inhibiting effect on the consumption of services.

The inflation trend came as a surprise during the year. In the US, inflation rose sharply last spring, and since the

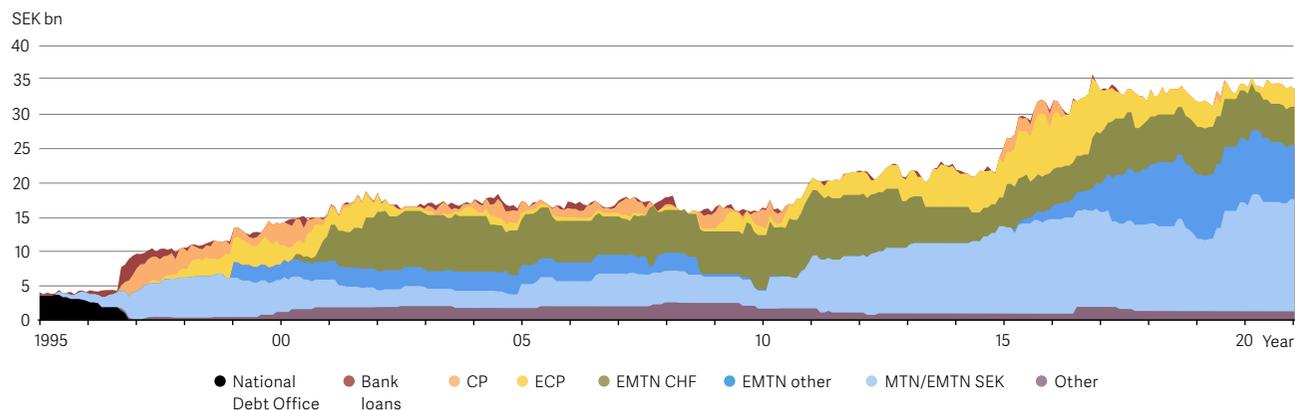
summer rising energy prices have given strong inflationary impulses, not only in the US, but in Europe and Sweden as well. In the US, a broader rise in inflation can be seen, where core inflation has also clearly risen. This trend has led to a turnaround in the US central bank (Federal Reserve, the Fed), which no longer considers the rise in inflation to be temporary, at the same time that the recovery in the labour market has continued. During the autumn, the Fed indicated that tightening monetary policy could be expected, and at the turn of the year three interest rate hikes were forecast for 2022, at the same time that the reduction in bond purchases was expected to be completed as early as the spring. The Fed is also considering reducing its bond holdings already in 2022. In Europe and Sweden, the rise in inflation is mainly driven by energy prices,

which are not expected to create any high underlying inflationary pressures. Consequently, the European Central Bank (ECB) and the Swedish central bank (the Riksbank) have not implemented changes in monetary policy corresponding to those in the US, even though tightening is taking place in these economies as well. In Europe, the Pandemic Emergency Purchase Programme (PEPP) will be phased out by the end of March, but will be offset by the regular Asset Purchase Programme (APP), which will be ramped up over a six-month period. No end date has been set for the APP and according to the ECB, interest rates will not be raised until that occurs. The Swedish central bank (the Riksbank) ended its bond purchase programme at the turn of the year, but still does not expect to raise interest rates until 2024. However, based on market pricing, expectations regarding the central banks speak in favour of both more and earlier interest rate increases from the US central bank (the Fed) as well as the European (ECB) and Swedish central banks (the Riksbank).

FINANCING IN 2021

Cash flow from operations has largely financed investments in the Akademiska Hus project portfolio of SEK 2,524 million. The dividend to the owner was SEK 2,142 million, and bonds maturing in 2021 amounted to approximately SEK 4,250 million. During the year, property sales took place corresponding to a market value totalling SEK 2,264 million. Demand for Akademiska Hus' bonds has been robust and four issuances for a total of SEK 2,300 million were completed in the Swedish bond market. 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. In December, long-term project financing was obtained from the European Investment Bank (EIB), which contributes to a further diversification of the debt portfolio.

Financing sources



The loan, which provides partial financing for the Albano project, totals SEK 1,200 million with maturity in 10 years and was unutilised at year-end.

The two diagrams on pages 40 and 41 present the composition of financing sources based on investor residence and the maturity structure of the debt portfolio. Committed credit facilities in banks amount to SEK 6,000 million; all were unutilised at year-end. The credit facilities combined with bond issuances, quarterly rental payments and property sales contributed to good liquidity over the course of the year.

At the beginning of 2017 Akademiska Hus supplemented its rating with Standard & Poor's (AA, A-1+, K-1) with a short-term rating (P-1) from Moody's, which was confirmed in December 2020. The rating was also assigned to the ECP programme in order to support short-term financing. After four years of good cooperation, in March 2021 Akademiska Hus chose to terminate the rating at Moody's, since it is no longer considered to be justified to have two short-term ratings. The Standard & Poor's rating remains.

The ECP programme continues to be Akademiska Hus' primary source of short-term funding, which is extremely cost-effective. Use of the ECP programme increased during the year, albeit from a low level. The table below presents the use of the financing programme at year-end. There are no longer any outstanding bonds under the domestic MTN programme, which has also not been updated since 2009, for which reason it was deleted from the table.

Financing programmes and rating	Rating Standard & Poor's	Framework 31 Dec. 2021	Utilised nominal 31 Dec. 2021
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 258 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 4,000 m	EUR 3,010 m

OUTLOOK FOR FINANCING ACTIVITIES IN 2022

Akademiska Hus expects to maintain its investment rate in its own project portfolio during the year, with an investment of approximately SEK 2,400 million, largely financed by the business's cash flow. Bonds maturing in 2022 amount to approximately SEK 1,250 million.

The rise in inflation has led to higher market interest rates during the year, both in terms of bond yields as a consequence of higher long-term inflation expectations, and short-term interest rates as a result of expected interest rate increases from central banks. More lasting inflationary impulses than expected and further tightening of monetary policy pose risks of continued rising interest rates in Sweden. Growth is still in a recovery phase, though it is showing good economic activity. Interest rate risk at Akademiska Hus is largely being managed through interest derivatives, mainly in order to lengthen duration.

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.

The liability portfolio is allocated as follows:

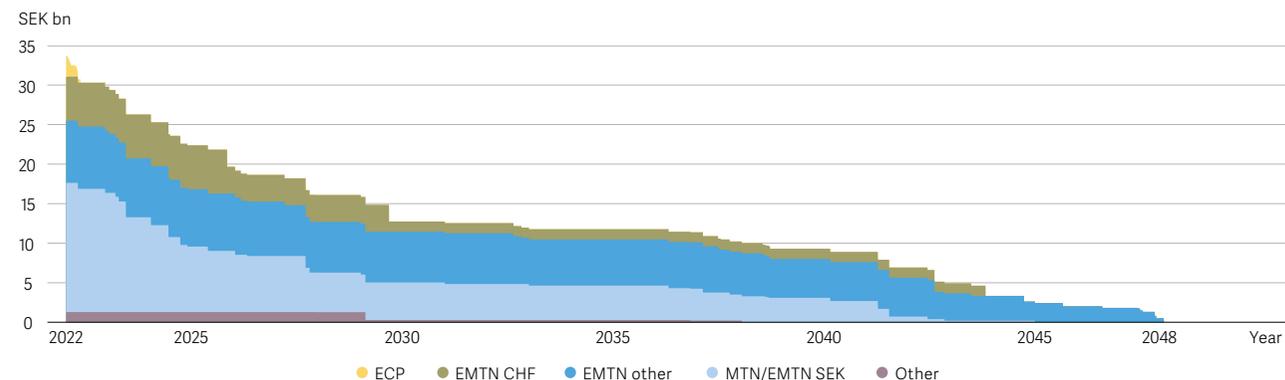
- Basic portfolio – ECP, commercial papers, loans, bonds and interest rate derivatives.
- Long-term portfolio – bonds denominated in SEK with both fixed interest and maturity terms longer than 15 years.

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 placed in the basic portfolio.

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.

Long debt maturity structure



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 basic portfolio includes index-linked bonds, but with a separate mandate for the proportion of index-linked bonds in the total portfolio.

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. In recent years the average fixed interest period in the total portfolio has been relatively long (see graph on the right-hand side), which helps to preserve the stability of overall financing costs over time.

REFINANCING RISK

The mandate for refinancing risk is defined as the share of loans maturing within 12 months. The mandate was 35 per cent at year-end. 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. The long-term bond issuances in prior years have contributed to a good distribution of maturities over an extended period of time. The diagram on the right-hand side shows how the trend for the proportion of maturities within twelve months has developed over time.

FINANCIAL STRATEGIES AND TARGETS

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 target is to continuously achieve well-diversified access to cost-effective financing in relevant markets.

Financial risks	Mandate	Outcome 31 Dec. 2021
Refinancing risk		
portion of debt maturing within 12 months	Max 35% of total portfolio	14.4%
Interest risk		
average fixed interest, basic portfolio	3–6 years	5.6 years
proportion long-term portfolio	Max 20% of total portfolio	15.7%
proportion index-linked bonds	Max 5% of total portfolio	1.6%
Counterparty risk		
	Limit system and CSA agreements with derivative transactions	Satisfied
Foreign currency risk		
	No currency exposure with foreign financing is allowed	Satisfied

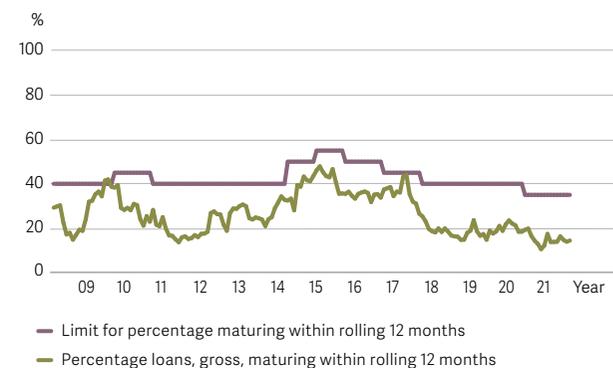
FINANCE POLICY

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 described in the Risk section on page 48. The table above shows the mandate as well as outcome at year-end.

Fixed interest period in total portfolio



Percentage maturing



Property valuation

Akademiska Hus' property holdings have been internally valued at SEK 112,323 million as of 31 Dec. 2021. 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.

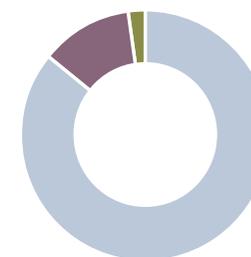
Akademiska Hus' valuation process complies with good market practice in the property industry and the cash flows and yield targets that are used are justified based on both property-specific and industry-specific conditions. Rental revenue is calculated based on current leases and an assessment of market 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. 2021, the market value of Akademiska Hus' property portfolio was SEK 112,323 million. Approximately SEK 96,375 million or 86 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 14,125 million or 13 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 1,824 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. During the year, properties with a combined value of approximately SEK 31,467 million, corresponding to approximately 28 per cent of Akademiska Hus' total market value as at 31 Dec. 2021, 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 internal valuation model. All property valuation includes elements of

assessment that have a certain degree of uncertainty. A normal uncertainty range in property valuation is +/- 5 to 10 per cent, which for Akademiska Hus would be equivalent to approximately +/- SEK 5,616 million to SEK 11,232 million. Read Note 13 on page 80 for a more detailed description of Akademiska Hus' valuation process.



Distribution valuation methods

- Cash flow method, 86%
- Other valuation method, 12%
- Sales comparison approach (expansion reserve), 2%

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.

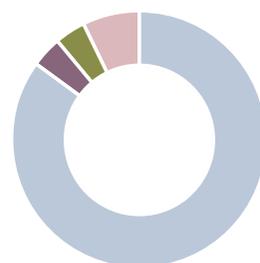
Long-term contracts with creditworthy tenants

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 10.4 years (10.5) at year-end. At year-end, the average remaining lease term for all properties was 6.2 years (6.5). Currently, government approval is required for a public university or college to sign a lease of ten years or longer.

HIGH LEASING LEVEL

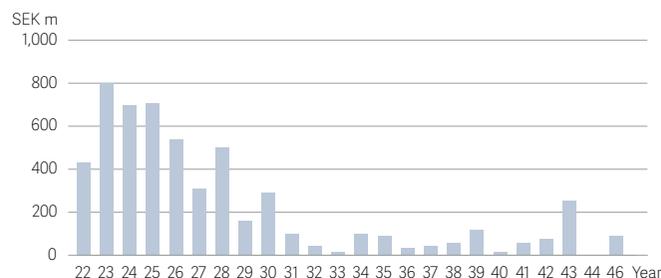
The rentable area of the property portfolio at year-end was 3.4 million square metres with a vacancy rate of 3.4 per cent (3.6), which corresponds with 115,000 square metres (120,000). The financial vacancy rate accounts for 2.2 per cent (2.4) of our total rental revenue, which corresponds with SEK 150 million (156). Discussions with potential tenants are underway at several centres of education, mainly the Solna and Frescati campuses. The occupancy rate is high 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.



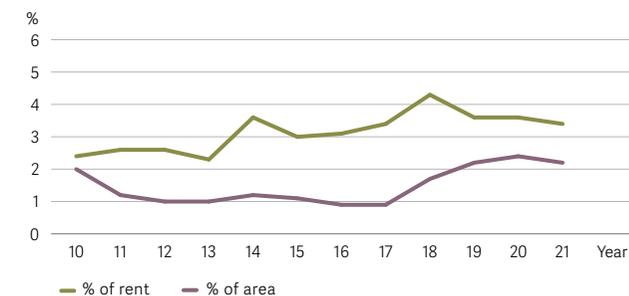
Tenant categories

- Colleges and universities, 85%
- Publicly financed operations, 4%
- Chalmersfastigheter, 4%
- Other, 7%

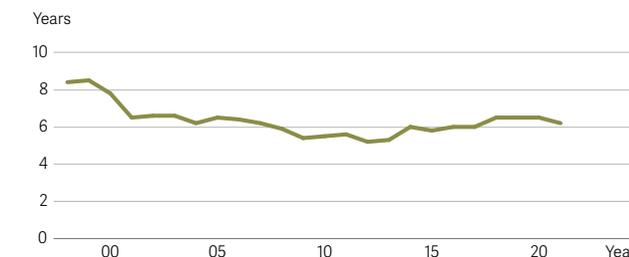
Maturity structure on leases



Level of vacant space



Average remaining lease term



10 largest customers, annual rent, 2021

	SEK m	%
Karolinska Institutet	730	11.6
Royal Institute of Technology	659	10.4
Lund University	617	9.8
Stockholm University	612	9.7
Uppsala University	604	9.6
University of Gothenburg	352	5.6
Swedish University of Agricultural Sciences	329	5.2
Linköping University	319	5.1
Umeå University	277	4.4
Chalmersfastigheter AB	187	3.0
Total	4,686	74.3

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.

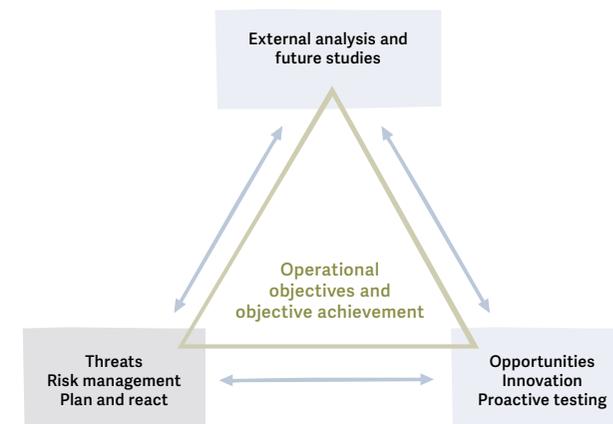
RISKS AND OPPORTUNITIES

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 the impact of climate change on our properties, as well as the impact of our operations on the climate and the environment continue to be priority areas for Akademiska Hus. We also see that the great boost in digital fluency places demands on constant development for effective information security. Digital developments have already involved new working methods, which have entailed a risk of a change in the need for premises, but the trend also provides opportunities since our customers have new needs and are demanding new services. Technological developments provide support in the effort to expand our service offering, while also improving the efficiency of our property management. For this to be possible, we need to adopt new technology and adapt our operations, which in turn means that we must have the right skills to do so. These are some of the risks that are described in greater detail in the risk section on the next page. The section also presents a number of industry-specific risks that we need to constantly relate to as property owners and borrowers in the financial market.

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 various staff functions who report to the Vice President. 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 overarching terms and conditions 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.
BUSINESS DEVELOPMENT Risk that other participators will take over parts of the customer relationship if we do not develop our service offering.	If we do not develop our service offering, there is a risk that other participators will take over parts of the customer relationship with the centre of education by providing total solutions that include services and smart business models for flexible utilisation of premises.	<ul style="list-style-type: none"> Develop new products and business models with associated services. Mapping of future needs of services. Evaluate form of delivery such as partnership or in-house produced service.
PACE OF DEVELOPMENT Risk that we will not be able to develop our processes and technical ability at a sufficient pace.	Digitalisation is changing the premises of our industry and enabling more efficient processes. If we do not succeed in translating innovation and technological development into our processes at a sufficiently fast pace, we risk eroding our technical competitive advantage.	<ul style="list-style-type: none"> Development of data-driven working methods and optimization of current processes – part of the company's digital transformation. Continued focus on innovation and test beds to promote development at the forefront.
GROWING SKILLS GAP 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 give rise to the need for new knowledge. We must therefore continually ensure that our employees have the right skills and expertise for their jobs. All employees must enhance their skills to keep pace with these changes and growing demands, especially in light of an ever-accelerating half-life of existing knowledge.	<ul style="list-style-type: none"> Conduct project-specific appraisal assignments to ensure that we have the correct expertise and to identify development needs. Akademiska Hus' internal education platform for training and development opportunities. Targeted initiatives for different critical occupations such as certification of facilities engineers. Dedicated initiatives to encourage all employees to keep up with digital developments. Proactive approach to a development-oriented culture.
CHANGING NEEDS FOR PREMISES Risk of increased vacancies and thus an impact on property values because customers have new methods of working and changing needs with respect to premises.	The needs of higher education institutions regarding how they use premises for offices, teaching and research change over time. Normally, such changes occur over relatively long periods of time, but the changes in working and teaching methods that evolved during the pandemic may give rise to a faster pace of change. 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"> Regular dialogue with customers regarding future needs for premises and services. Design flexible premises that can be adapted based on changing needs. When investing in property, we work in dialogue with customers regarding streamlining premises at an early stage to create flexible premises solutions. 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. Properties may need to be adapted, which could lead to an increased need for investments in the property portfolio and 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. Mapping of risks regarding climate change and extreme weather in the property portfolio to increase resilience and preparedness. All investment matters are reviewed to assess the sensitivity of the investment to climate change. 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 targets, 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 between the years 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 that Akademiska Hus cannot compensate for through increased rent, index adjustment or further invoicing, as well as the risk of 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. 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. Maintenance plans aimed at optimising maintenance costs over time. 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
<p>CLIMATE AND ENVIRONMENTAL IMPACT Risk of a negative impact on the climate and the environment as a result of our business.</p>	<p>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 takes over undeveloped land, which can affect green areas.</p>	<ul style="list-style-type: none"> The goal of climate neutrality by 2035 was established in 2021, with action plans broken down into steps. In the early stages, we will evaluate customer needs and look for effective solutions and alternatives to new production. Beginning in 2021, larger projects have climate reduction targets and the climate footprint is calculated. All new construction and major renovation projects meet environmental certification standards. Work is underway to establish a recycling and reuse strategy. Sustainability is a central issue in campus development.
<p>PROJECT MANAGEMENT Risk of expectation gap and lack of goal fulfilment resulting from challenging and complex projects.</p>	<p>Our investment projects are often complex, take a long time, include many parties and have many stakeholders. The complexity of project operations places high demands on ongoing development and adaptation of our project management to ensure that we deliver in line with expectations related to finances, time and quality.</p>	<ul style="list-style-type: none"> Uniform and common construction process. Focused work in the early stages for a common vision adopted with the customer. Continuous skills development in leadership. Optimisation of design processes with a focus on user experience. Focus on process for short projects. “Standard building” as vision for construction costs and cost management. Continuous development of conditions for learning between projects.
<p>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 when developing our working methods and our offering.</p>	<p>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.</p>	<ul style="list-style-type: none"> Strengthened coordination of our collective deliverables to customer. Strengthened collaboration with the customer through strategic collaboration agreements. Continued focus on strengthened everyday communication to customer.
<p>NEEDS-DRIVEN APPROACH Risk that construction projects will not meet changed future customer needs at the time of completion.</p>	<p>Construction projects have relatively long cycles and needs may change over the course of the project. In a world undergoing rapid change, it becomes even more important for new construction and renovation projects to have a clear vision for alternative use and that the building’s current area of use is locked in as late as possible.</p>	<ul style="list-style-type: none"> The design of robust, flexible and multifunctional premises that can be adapted to a changed need for premises must be ensured at the various stages of the project. Work with the customer to conduct a needs analysis, which is updated during the project. Clarify opportunities and consequences with the customer at different stages of the project. Actively work with property development plans to primarily develop existing buildings.
<p>INFORMATION SECURITY Risk that information is lost, winds up in the wrong hands, or is not available due to shortcomings in our information security.</p>	<p>The importance of clear and developed structures and procedures for ensuring a good standard of information security increases in pace with digitalisation, a complex development that is accelerating. Inadequate internal procedures or insufficient protection against, for example, external intrusions entail a risk of sensitive information being lost or falling into the wrong hands, which could have serious consequences and damage trust.</p>	<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. GAP analyses and formulation of action plans to develop and strengthen procedures and working methods. Provide training to increase and maintain skills and awareness throughout the organisation.
<p>SECURITY WORK Risk that we fail to live up to customer expectations regarding coordination and handling of security issues because as a company, we do not have a proactive and systematic approach to handling these issues.</p>	<p>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.</p>	<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 campus planning.
<p>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.</p>	<p>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.</p>	<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, for example as a result of changed conditions in the financial market.	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 35 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 ISDA (International Swaps and Derivatives Association) agreements, known as CSA (Credit Support Annex) 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 76 and Note 13 on page 80.

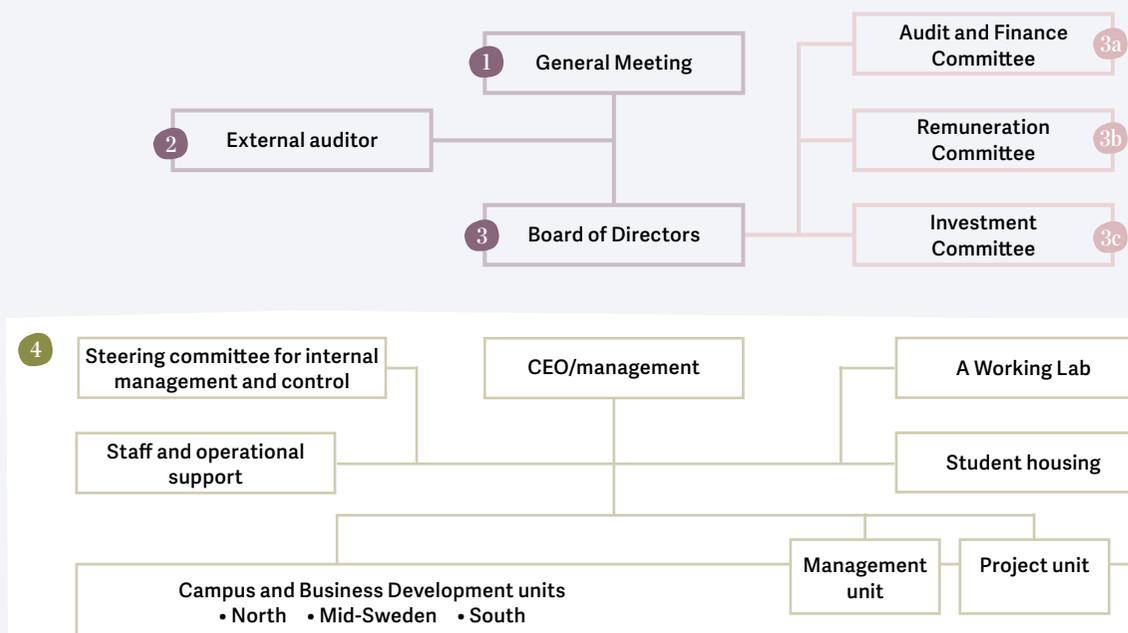
Corporate Governance Report

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. Its administration is handled by the Ministry of Enterprise and Innovation on behalf of the Ministry of Education and Research, which is the principal. 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 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 2021

The Annual General Meeting was held on 28 April 2021. Because of the ongoing pandemic, the meeting was conducted digitally, pursuant to the Swedish Act (2020:198) on Temporary Exemptions. 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 was represented by Christine Leandersson, Ministry of Enterprise and Innovation.

Decisions at the 2021 Annual General Meeting

The Annual General Meeting adopted the income statement and statement of financial position for the 2020 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 2,142 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, and the auditor. The minutes

and other documents related to the AGM are posted on the Akademiska Hus website akademiskahus.se.

Annual General Meeting 2022

The next Annual General Meeting will be held on 28 April 2022 in Stockholm.

2 AUDITORS

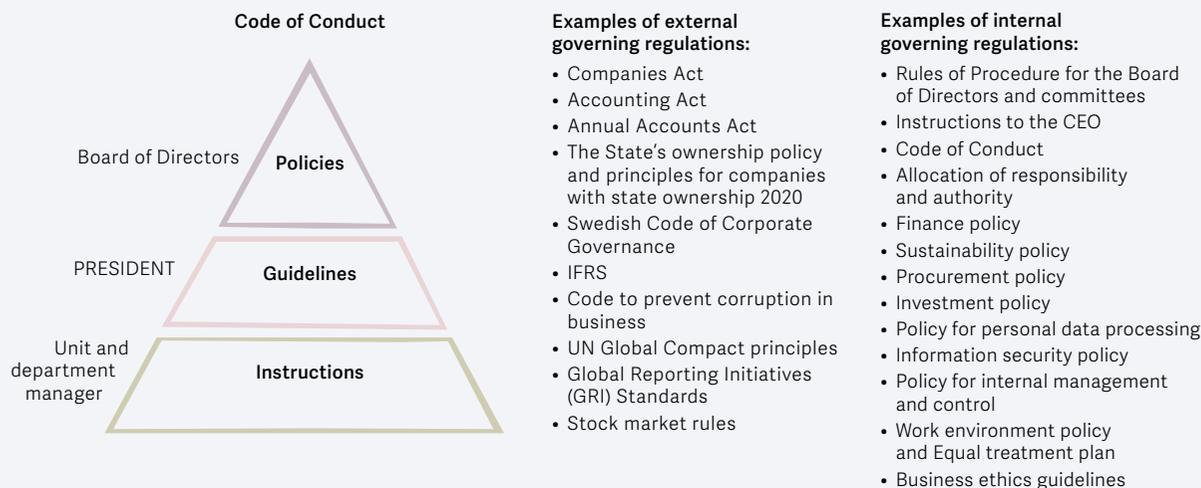
The 2021 AGM resolved to elect PricewaterhouseCoopers AB (PwC) to serve as auditors, with Helena Ehrenborg as lead auditor, for a one-year period until the 2022 AGM. The auditors perform a limited review of the interim report as at 30 September and audit the annual and consolidated accounts. They also 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 Chief Executive Officer.

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. The Board of Directors believes that the best way to improve internal management and control is a long-term focused initiative in this area. Consequently, the Board's continued 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.

GOVERNANCE STRUCTURE



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 Chairman 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 has also adopted the "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 Enterprise and Innovation. A consistent and structured approach ensures a high standard of quality throughout 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 completed board evaluations. 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 2021 AGM, the Board consisted of eight Directors elected by the AGM. The Annual General Meeting on 28 April 2021 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. At the Annual General Meeting, seven members were re-elected and one new member was elected through a new election.

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. The Board achieved the Government objective of equal gender distribution with respect to its composition in connection with the Annual General Meeting. One Board member stepped down after the Annual General Meeting, for which reason a vacancy arose.

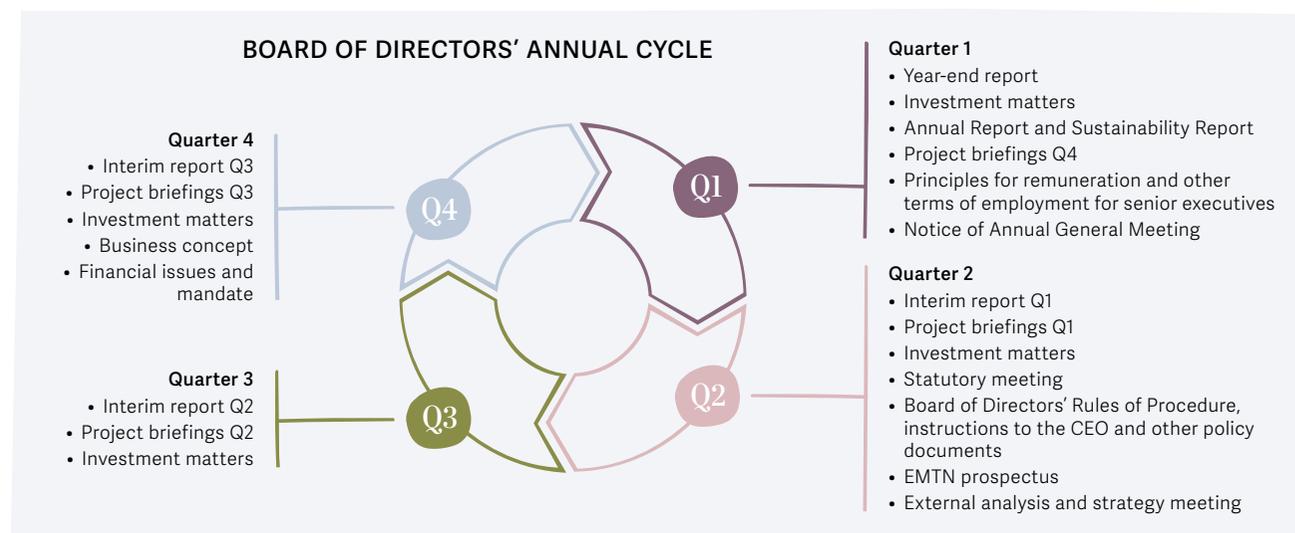
Work of the Board of Directors in 2021

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 innovation, digitalisation, risk and internal control, information security, energy issues and climate targets. In addition, a number of investment matters were addressed. In 2021, twelve regular Board meetings were held, including the statutory

meeting and one meeting that was held per capsulam. 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 2021 this was not possible, given the ongoing pandemic. 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	12 / 12
Anders Larsson	12 / 12
Anna Magnusson*	4 / 4
Britta Burreau*	7 / 7
Christer Nerlich	11 / 12
Erik Sandstedt**	7 / 8
John Johnsson**	8 / 8
Peter Gudmundson	12 / 12
Robin Teigland	12 / 12
Svante Hagman	12 / 12
Thomas Jennlinger*	4 / 4
Örjan Wikforss	12 / 12

* Left the Board of Directors in 2021 ** Elected at the 2021 Annual General Meeting



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, Market Area Director 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 2021 the focus was on risk management and internal control, information security and the taxonomy, where the committee monitored the work. Moreover, the committee discussed relevant accounting regulations. 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
Britta Burreau*	4 / 4
Erik Sandstedt**	4 / 4
Peter Gudmundson	8 / 8

* Left the Board of Directors in 2021 ** Elected at the 2021 Annual General Meeting

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 2021, the Remuneration Committee followed the work of developing a new reporting model for senior executives and followed up on HR activities. 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
Anna Magnusson*	1 / 1
Erik Sandstedt**	2 / 2

* Left the Board of Directors in 2021 ** Elected at the 2021 Annual General Meeting

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 2021, 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	6 / 6
Robin Teigland	5 / 6
Örjan Wikforss	6 / 6

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 2021, the evaluation was conducted with the help of external support. The Board members responded to a questionnaire and participated in interviews.

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, or the Vice President acting on behalf of 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 for information and decisions 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, two Market Area Directors, Administrative Manager, Corporate Communications Officer, Head of Innovation and Sustainable Development, the Human Resources Director and the 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 four operational units. The Management unit is responsible for management deliverables with a focus on customer benefit, ensures sustainable and efficient operation, and pursues energy efficiency improvements and digitalisation of the property management organisation. 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. The Campus and Business Development unit is divided into three geographic areas: North, Mid-Sweden and South. The unit's primary areas of responsibility include strategic customer relationships, development of knowledge and learning environments of the future, strategic campus and property development, and overarching responsibility for investments. Student housing is responsible for developing campus-based undergraduate and graduate student housing. A Working Lab is Akademiska Hus' service offering and concept for co-working, makerspace, Learning Lab and other flexible meeting places. The organisation provides conditions that enable us to achieve our strategic goals and, with a focus on the management business, makes it possible to adapt the company faster and more efficiently to external changes.

Staff and operational support

A number of staff and 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, innovation and sustainable development, communication and legal affairs, including purchasing, falls under the CEO. Business including risk management, finance, IT, analysis and valuation, controlling, internal management and control, information security and risk management are subordinate to the CFO, who in turn is subordinate to the CEO.

Steering committee for internal management and control

The steering committee for internal management and control serves as support for the CEO to develop governance, risk management and internal control. The committee consists of the CEO, the CFO, General Counsel and business

developers for internal management and control. Developments take place in close collaboration with the Audit and Finance Committee.

SUSTAINABLE MANAGEMENT

The Board of Directors is responsible, based on instructions provided by the owner, for adopting a strategy and objectives for the company. 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 scorecard 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 common staff and support functions. The plans and scorecard 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 common staff and 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 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 sit-



uations. 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. In 2021 the Company received no reports about corruption that led to a police complaint through the Ethics Council, whistle-blower system or directly from employees. 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 adopted by the Annual General Meeting. The guidelines are in line with the principles for remuneration and other 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 2022 Annual General Meeting and also published. 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 79 for information about remuneration.

Remuneration to the CEO and other senior executives comprises a basic salary and a pension. 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 agreement. No variable or bonus-based

remuneration is paid. 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 Chief Financial Officer 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 underway to as-

sess 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 www.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 operational unit to monitor and discuss the financial performance and important business-related matters.

The overall financial results of the staff and support functions are also monitored.

Each quarter the Board receives financial information and an analysis, as well as a report from the most recent meetings 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 were 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; such assessments were conducted in 2021.

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.

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: B.A.



CHRISTER NERLICH

Member since 2017. Chairman 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.



ERIK SANDSTEDT

Board member elected in 2021.

Year of birth: 1976

Position: Deputy Director and company manager, Ministry of Enterprise and Innovation.

Other positions: Board member of Apoteket AB and PostNord AB.

Previous positions: Equity research analyst at Handelsbanken Capital Markets and Kaupthing Bank.

Education: MBA.



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.



ROBIN TEIGLAND

Member since 2020.

Year of birth: 1964

Position: Professor of Digitalisation, Chalmers University of Technology

Other positions: Board member of the Swedish Civil Aviation Administration, Member of the Royal Swedish Academy of Engineering Sciences (IVA); Director of Ocean Data Factory Sweden

Previous positions: Professor of Business Administration and Board member, Stockholm School of Economics

Education: BA, MA, MBA, PhD in Business Administration

Board of Directors



SVANTE HAGMAN

Member since 2020. Investment Committee Chairperson.

Year of birth: 1961

Position: Senior advisor construction and real estate.

Other positions: Chairman of BIM Alliance, Byggnadsfirman Erik Wallin AB, Ekens Golv AB, NVBS Rail, AIX Arkitekter and Teqt Goch Group AB; member of the Royal Swedish Academy of Engineering Sciences (IVA).

Previous positions: Chairman of the Swedish Construction Federation and member of the Confederation of Swedish Enterprise, CEO NCC Sverige, Business Area Manager NCC Housing and NCC Infrastructure, as well as other positions within NCC.

Education: MBA.



ÖRJAN WIKFORSS

Member since 2017.

Year of birth: 1950

Position: CEO of Arkitekturanalys AB.

Other positions: Vice Chairman 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, Royal Institute of Technology, adjunct professor at Chalmers and SLU, head of IT and R&D at Sweco, CEO of FFNS Arkitekter and Wikforss Arkitektkontor, chairman of the National Association of Swedish Architects, Board member of Tengbom arkitekter, Svensk Industridesign, SVID, Sveriges Arkitekter, Sweco Connect, Svensk Byggtjänst, Arkitektur Förlag, and others.

Education: Architect, PhD



ANDERS LARSSON

Employee representative (SEKO union) since 2009.

Year of birth: 1963

Position: Operating engineer, Akademiska Hus.

Education: Production engineering studies.



JOHN JOHNSSON

Employee representative (Ledarna union) since 2021.

Year of birth: 1982

Position: Energy engineer, Akademiska Hus.

Other positions: Member of HSB 51.

Previous positions: Construction project supervisor at Ramböll, construction project supervisor at Uppsala Region and operating manager at Uppsala Region.

Education: M.Sc. Eng.

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, Nordr 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.



CATARINA FRITZ

Chief Financial Officer and Vice President. Employed 2016.

Year of birth: 1963

Other positions: Board member of Green Cargo and Friends of Moderna Museet.

Previous positions: CFO at Keolis Sweden, Frösunda LSS, Addici, Aditro Group and the Stockholm Stock Exchange, as well as CFO at Investor.

Education: MBA.



JONAS BJUGGREN

Administrative Manager. Employed 2017.

Year of birth: 1974

Other positions: Board member of Kungsleden AB.

Previous positions: Regional Manager Vasakronan, Market Area Manager and Business Unit Manager at AP Fastigheter and Project Manager at Skanska and Sweco.

Education: M.Sc. Eng.



PETER BOHMAN

Market Area Director. Employed 2013.

Year of birth: 1972

Other positions: Board member of Luleå Science Park AB, SLU Holding and Realus AB.

Previous positions: Terminal Manager and on-call Airport Director at Stockholm-Arlanda Airport. Various management positions at Swedavia.

Education: MBA.



ULF DÄVERSJÖ

Head of Innovation and Sustainable 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.

Executive Management



HAYAR GOHARY

Project Manager. Employed 2007.

Year of birth: 1975

Previous positions: Project manager for Vallentuna Municipality. Project manager for Akademiska Hus. Business manager for the new Albano Campus.

Education: M.Sc. Eng.



MAGNUS HUSS

Market Area Director.
Employed 1993.

Year of birth: 1967

Other positions: Board member of Byggherrarna.

Previous positions: Project Manager, Head of Property Management and Property Manager Akademiska Hus Stockholm. Engineer and facilities technician at the National Board of Public Buildings.

Education: Engineering degree, technical college.



MARIE HALLANDER LARSSON

Human Resources Director.
Employed 2017.

Year of birth: 1961

Other positions: Brunmåla Häst-klinik AB and HR Comittment AB.

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

Education: BA.



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: LLM



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 35 to 45 per cent. Return on operating capital in 2021 was 18.7 per cent. At the end of 2021, the equity ratio was 49.6 per cent for the Group and 17.6 per cent for the Parent Company. After the proposed dividend, the equity ratio will be 48.6 per cent for the Group and 14.0 per cent for the Parent Company.

Available for allocation at the Annual General Meeting:

Retained earnings	SEK 808,148,693
Profit for the year	SEK 2,594,785,141
Total	SEK 3,402,933,834

The Board of Directors and the President propose that the profit be allocated in such a way that SEK 2,484,000,000 is paid to the shareholder and SEK 918,933,834 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 28 April 2022 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 Directors. 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. 2021 (SEK M)	Outcome consolidated results	Changes in value in the Group	Profit used for calculation of dividend
Income from property management	6,679		6,679
Property management expenses	-1,972		-1,972
NET OPERATING INCOME	4,707		4,707
Central administration costs	-67		-67
Development costs	-53		-53
Interest income	36		36
Interest expense	-404		-404
Site leasehold fees	-83		-83
PROFIT BEFORE CHANGES IN VALUE AND TAXES	4,136		4,136
Changes in value, properties	12,481	-12,453	28
Changes in value, financial instruments	380	-445	-65
PROFIT BEFORE APPROPRIATIONS AND TAXES	16,997	-12,898	4,099
Tax/current tax	-3,207	2,657	-550
PROFIT AFTER TAX	13,790	-10,241	3,549
Dividend, 70% of the profit available for the payment of a dividend			2,484

Income Statements

Amounts in SEK 1,000	Note	Group		Parent Company	
		2021	2020	2021	2020
PROPERTY MANAGEMENT INCOME					
Rental revenue	4	6,568,467	6,263,901	6,568,467	6,255,222
Other property management income	5	110,276	154,562	110,276	158,977
Total property management income		6,678,743	6,418,462	6,678,743	6,414,198
PROPERTY MANAGEMENT EXPENSES					
Operating costs		-983,097	-849,980	-976,905	-844,155
Maintenance costs		-418,348	-444,768	-418,348	-444,768
Property administration		-430,054	-402,600	-409,548	-383,638
Site leasehold fees	6	—	—	-82,822	-84,328
Other property management expenses	6	-140,015	-235,818	-269,105	-246,847
Total costs from property management	7, 8	-1,971,514	-1,933,166	-2,156,728	-2,003,737
NET OPERATING INCOME		4,707,229	4,485,296	4,522,015	4,410,462
Central administration costs	7	-67,306	-59,739	-67,285	-59,729
Development costs	7	-53,217	-39,854	-53,217	-39,854
Profit/loss from shares in subsidiaries	9	—	—	—	24,004
Interest income	10	35,751	47,944	35,751	47,944
Interest expense	10	-404,074	-428,867	-470,949	-530,653
Site leasehold fees	10	-82,822	-84,328	—	—
Depreciation, amortisation and impairment, as well as reversed impairment	8	—	—	-1,579,097	-1,594,285
PROFIT BEFORE CHANGES IN VALUE AND TAXES	11, 12, 31	4,135,562	3,920,452	2,387,218	2,257,889
Changes in value, properties	13	12,481,448	3,140,561	—	—
Changes in value, financial instruments	10	380,168	-191,854	380,168	-191,854
PROFIT BEFORE APPROPRIATIONS AND TAXES		16,997,178	6,869,159	2,767,386	2,066,035
Appropriations	15	—	—	507,298	447,887
PROFIT BEFORE TAX		16,997,178	6,869,159	3,274,685	2,513,922
Tax	16	-3,207,188	-1,428,927	-679,900	-530,464
PROFIT FOR THE YEAR	17	13,789,990	5,440,232	2,594,785	1,983,457
Of which attributable to the shareholder in the Parent Company		13,789,990	5,440,232	—	—

Statement of profit or loss and other comprehensive income

Amounts in SEK 1,000	Note	Group		Parent Company	
		2021	2020	2021	2020
PROFIT FOR THE YEAR		13,789,990	5,440,232	2,594,785	1,983,457
ITEMS THAT HAVE BEEN RECLASSIFIED OR CAN BE RECLASSIFIED TO PROFIT FOR THE YEAR					
Profit/loss from cash flow hedges		157,211	—	157,211	—
Tax attributable to cash flow hedges	16	-7,549	—	-7,549	—
Cash flow hedges, net after tax, dissolved against profit or loss		—	—	—	—
ITEMS THAT CANNOT BE RECLASSIFIED TO PROFIT FOR THE YEAR					
Revaluation of defined benefit pensions	31	15,805	-3,423	—	—
Tax attributable to defined benefit pensions	16	-3,256	706	—	—
Total, other comprehensive income		162,211	-2,717	149,662	0
COMPREHENSIVE INCOME FOR THE YEAR		13,952,201	5,437,515	2,744,447	1,983,457
Of which attributable to the shareholder in the Parent Company		13,952,201	5,437,515	—	—

Comments on the Group's performance

FULL-YEAR 2021

Profit for the year before changes in value and tax was SEK 4,136 million (3,920). The improved performance is primarily attributable to an increase in net operating income of SEK 222 million compared with the previous year, which is an effect of the completion of additional new buildings, reduced other property management costs, but with a deduction for increased expenses for utilities.

The change in the value of properties was SEK 12,481 million (3,141), an increase of SEK 9,340 million compared with 2020. The change can largely be attributed to the reduced yield requirement of SEK 6,653 million because of a positive market trend and an increased demand for community properties. Other change in value corresponds to SEK 2,687 million. The average yield requirement was 4.47 per cent (5.00).

The impact of the pandemic on earnings during the period has been limited. Revenue was affected to a limited extent by rent reductions and lower parking revenue due to free parking in Uppsala and Stockholm.

RENTAL REVENUE

Rental revenue increased by SEK 305 million compared with the previous year and totalled SEK 6,568 million (6,264). The completion of new buildings contributes approximately SEK 115 million to increased revenue, mainly attributable Albano Buildings 2 and 4, Ångström and KI Residence. The acquisition of Albanova, which was completed at the end of 2020, gave an increase in rental revenue of additional SEK 81 million. The increase is offset by a decline in rental revenue of SEK 100 million attributable to properties sold in Uppsala, Malmö and Kristianstad. Revenue was also positively impacted by SEK 59 million attributable to higher charges for utilities, mainly related to the increased price of electricity, as well as SEK 45 million related to parking revenue that had previously been recognised under other property management income. The remaining increase of SEK 100 million relates to tenant

adaptations, index and rent negotiations, as well as a lower level of vacancies and rent reductions. In a comparable portfolio, contractual rental revenue increased by 3.0 per cent compared with the previous year.

LEASING LEVEL

The financial vacancy rate accounts for 2.2 per cent (2.4) of our total rental revenue, which corresponds to SEK 150 million on an annual basis (156).

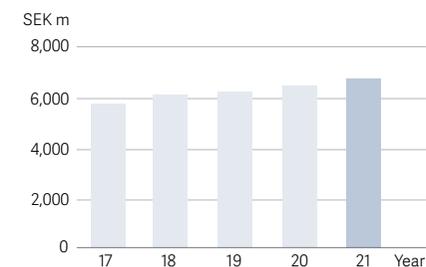
Discussions with potential tenants are underway at several centres of education, mainly the Solna and Frescati campuses. Vacant space in terms of area at the end of the period amounted to 115,000 square metres, corresponding to 3.4 per cent (3.6) of our total rentable area of approximately 3.4 million square metres. Rentable area decreased during the period by a net 5,000 square metres, primarily as a result of sales earlier in the year.

OPERATING AND MAINTENANCE COSTS

Expenses for operation and maintenance increased by SEK 106 million and totalled SEK 1,401 million (1,295). Operating costs involve inspection and maintenance, as well as provision of utilities. Operating costs of SEK 983 million (850) include provision of utilities of SEK 638 million (531), equivalent to SEK 188/m² (160) over the past 12 months. The increase in utility costs is related to rising electricity prices, but is also attributable to increased heat consumption, which is due to the increase in activity on our campuses compared with 2020.

Maintenance costs fell by SEK 27 million compared with the previous year and totalled SEK 418 million (445). The lower costs are mainly due to a decline in remedial maintenance compared with 2020, attributable to several major events in 2020. Other property management expenses decreased by SEK 96 million, mainly because of a provision for non-recurring costs made in 2020 attributable to Luleå University of Technology.

Stable rental revenue



Rising net operating income and stable net operating income ratio



ADMINISTRATION COSTS

Total administration costs increased by SEK 35 million and amounted to SEK 497 million (462). The increase consists of new hires, contractual salary increases and provisions for severance pay to senior executives.

Development costs are recognised separately in the income statement and totalled SEK 53 million (40). The increase is mainly attributable to investments in digitalisation of our campuses.

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 368 million (381) for the full year. This corresponds to an interest rate of 1.28 per cent (1.48), which includes capitalised interest expense for projects in progress of SEK 67 million (102). The lower net interest income is attributable to the low interest rates. See the table describing the composition of net interest income and expense in Note 21 on page 88.

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. Change in value for the year totalled SEK 12,481 million (3,141), corresponding to 12.5 per cent (3.7). The change in value can be explained by changed yield requirements corresponding to SEK 8,481 million (1,828), realized changes in value from sales of 29 (3) as well as other change in value SEK 3,972 million (1,310), which is attributable to projects in progress, renegotiated leases and other factors affecting value. The average yield requirement on 31 December 2021 was 4.47 per cent (5.00). Yield requirements were lowered during all quarters of the year in line with the positive market trend in 2021, with increased demand for community properties and a reduction in uncertainty attributable to the Covid-19 pandemic.

To estimate the impact of Covid-19 on change in value, a thorough analysis of rental losses was carried out. The results show a marginal loss of revenue and thus no impact on the long-term property value. The limited effect can generally be attributed to the fact that Akademiska Hus' property portfolio primarily consists of community properties or other publicly funded operations. This segment comprises approximately 93 per cent of the company's aggregate holdings. The identified rental losses are mainly attributable to a smaller proportion of other customers within the remainder of the portfolio.

CHANGES IN VALUE, FINANCIAL INSTRUMENTS

Changes in value in the derivative portfolio amounted to SEK 380 million (-192). This is mainly attributable to ris-

ing market interest rates and a steeper yield curve, which, combined with relatively long interest rates during the year, entailed positive changes in value. The derivative portfolio largely consists of interest rate derivatives (mainly interest rate swaps and interest rate futures) 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. Just over one third 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. Thus, in a fixed income market with large fluctuations in interest rates, the changes in value will be significant.

COMPARATIVE CALCULATION, TOTAL FINANCING COST

In recent years, Akademiska Hus has had a relatively long fixed interest period in the total liability portfolio, which includes interest rate derivatives. Changes in market interest rates generate changes in the value of the interest rate derivatives. A portion of interest rate derivatives is realised on an ongoing basis (monthly or quarterly), even if the maturity of the underlying instrument is long term.

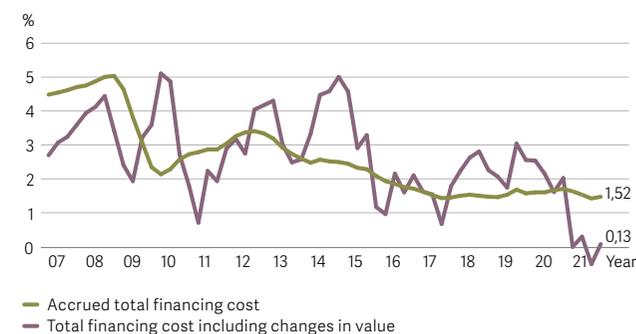
To clarify the underlying financing cost, a comparative calculation is carried out in which the cash flows of realised interest rate derivatives are also attributed (allocated) to the underlying maturity of each instrument. This allocation for the past twelve-month period corresponds with an interest expense of 0.23 per cent. The diagram on the right shows this comparative calculation of the underlying financing cost, in which interest rates are expressed as rolling 12-month interest rate (annualised). The accrued financing cost amounted to 1.52 per cent as at year-end. The calculation shows that the long fixed interest period has resulted in stable financing costs.

When calculating the interest coverage ratio, the capitalised interest expense and accrued earnings from the closed interest rate derivatives are included. The interest coverage ratio continues to be high at 896 per cent (768), see the adjacent diagram.

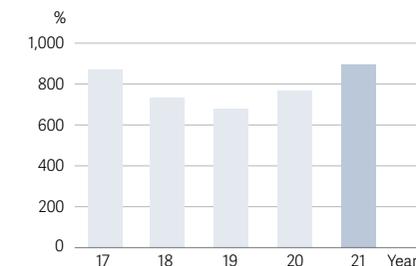
Total financing cost including changes in value

	2021	2020
Interest cost for loans, including charges, %	1.22	1.31
Interest rate swaps, net interest, %	0.06	0.17
Net interest income and expense, %	1.28	1.48
Changes in value, financial derivatives, %	-1.15	0.59
Total financing cost, %	0.13	2.07

Comparisons, different calculations of financing cost



Interest coverage ratio continues at high level



STATEMENTS OF
FINANCIAL POSITION

Statements of financial position

Amounts in SEK 1,000	Note	Group		Parent Company	
		31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
ASSETS					
NON-CURRENT ASSETS					
Capitalised expenditure	18	6,291	3,116	6,291	3,116
Properties	13, 14	112,323,370	99,611,279	48,559,198	46,506,585
Site leasehold rights		2,662,950	2,736,336	—	—
Equipment, fixtures and fittings	19	33,894	33,502	33,894	33,502
Shares in Group companies	20	—	—	600	826,222
Derivatives	21, 22, 23	3,474,444	4,276,886	3,474,444	4,276,886
Other non-current receivables	23, 24	427,505	547,534	427,505	547,534
TOTAL NON-CURRENT ASSETS		118,928,454	107,208,654	52,501,932	52,193,846
CURRENT ASSETS					
<i>Current receivables</i>					
Rent receivables and accounts receivable	25	503,284	240,005	503,284	239,999
Receivables from subsidiary		—	—	—	1,021,692
Other current receivables	26	1,372,103	1,172,839	1,372,316	1,163,626
Prepaid expenses and accrued income	27	158,382	143,980	158,382	143,967
Derivatives	21, 22	152,200	534,051	152,200	534,051
Total current receivables	21, 23	2,185,970	2,090,875	2,186,182	3,103,335
<i>Cash and cash equivalents</i>					
Current investments		1,905,140	1,900,107	1,905,140	1,900,107
Cash and cash equivalents		2,161,979	1,776,551	2,161,908	1,776,227
Total cash and cash equivalents	21, 28	4,067,119	3,676,657	4,067,048	3,676,334
TOTAL CURRENT ASSETS		6,253,089	5,767,532	6,253,231	6,779,669
TOTAL ASSETS		125,181,543	112,976,186	58,755,162	58,973,514

Amounts in SEK 1,000	Note	Group		Parent Company	
		31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
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	149,662	—	—	—
Actuarial profit and loss		-89,530	-102,079	—	—
Fair value reserve		—	—	149,662	—
Retained earnings, including profit for the year		57,772,433	46,124,423	—	—
Retained earnings (in the Parent Company)		—	—	658,486	817,029
Profit for the year (in the Parent Company)		—	—	2,594,785	1,983,457
TOTAL EQUITY		62,102,515	50,292,293	7,672,884	7,070,437
Untaxed reserves	15	—	—	3,425,284	3,932,582
LIABILITIES					
<i>Non-current liabilities</i>					
Loans	21, 22	31,240,480	31,603,392	31,240,480	31,603,392
Derivatives	21, 22	1,315,320	2,209,829	1,315,320	2,209,829
Deferred tax liability	16	16,180,481	13,841,587	2,447,504	2,251,889
Other non-current liabilities	30	255,887	233,619	255,887	233,619
Non-current liabilities, site leasehold rights		2,662,950	2,736,336	—	—
Provisions for pensions and similar obligations	31	692,819	690,091	328,404	324,290
Total non-current liabilities		52,347,937	51,314,853	35,587,594	36,623,019
<i>Current liabilities</i>					
Accounts payable		317,823	346,399	317,823	346,399
Liabilities to Group companies		—	—	1,338,308	12,582
Income tax liabilities	16	511,298	120,465	511,298	120,465
Other current liabilities	30	2,616,264	2,924,804	2,616,264	2,916,768
Accrued expenses and prepaid income	32	2,302,454	2,342,592	2,302,454	2,316,483
Loans	21, 22	4,979,241	5,487,497	4,979,241	5,487,497
Derivatives	21, 22	4,011	147,281	4,011	147,281
Total current liabilities		10,731,092	11,369,040	12,069,400	11,347,476
TOTAL LIABILITIES	33	63,079,028	62,683,893	47,656,994	47,970,495
TOTAL EQUITY AND LIABILITIES		125,181,543	112,976,186	58,755,162	58,973,514

Comments on the Group's statement of financial position

PROPERTIES

At the end of the year, the market value of Akademiska Hus' property holdings totalled SEK 112,323 million, an increase of SEK 12,712 million and 12.8 per cent compared with year-end. The market value includes the completed portions of projects in progress. The unrealised change in value amounted to SEK 12,453 million (3,138). Yield requirements and cost of capital were lowered during all quarters of the year in line with the strong market trend for community properties. Other unrealised change in value as of 31 December 2021 was SEK 3,972 million, representing an increase of SEK 2,662 million in relation to the same period the previous year. This increase is primarily attributable to improved cash flow in the Stockholm and Gothenburg regions. In summary, this results in an increase in total change in market value of SEK 9,315 million compared with the same period the previous year. Remaining changes relate to investments in properties for the year of SEK 2,524 million (2,872), acquisitions SEK 0 million (2,179) and sales of SEK -2,264 million (-2). The average yield requirement was 4.47 per cent (5.00).

In 2021, the ongoing pandemic had a limited effect on community properties in general, a segment that accounts for the majority of the Akademiska Hus property portfolio. Impact on property value has thus been marginal. The assessment is that it is not necessary to take an impairment charge related to the effects of the Covid-19 pandemic at this time.

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.

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 +/- 5,616 million to SEK 11,232 million in the Akademiska Hus portfolio.

Properties

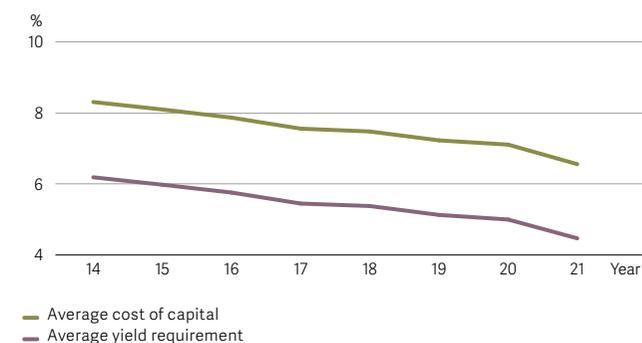
(incl. new construction in progress and capitalised interest expense)

Change in property holdings, SEK m	31 Dec. 2021	31 Dec. 2020
Opening assessed market value	99,611	91,424
+ Investment in new construction, extensions and redevelopment	2,524	2,872
+ Acquisitions	—	2,179
- Sales	-2,264	-2
+/- Change in market value	12,453	3,138
<i>Of which change in value due to a change in the cost of capital and yield requirement</i>	8,481	1,828
<i>Of which other change in value</i>	3,972	1,310
Closing market value	112,323	99,611

Sensitivity analysis

	Change in cost of capital and yield requirements in 2021		
	Outcome 2021	Increase by one percentage point	Decrease by one percentage point
Change in value, properties, SEK m	12,481	-18,011	25,631
Return on equity, per cent	24	-1.6	51.0
Return on operating capital, per cent	18.7	-1.2	42.3
Equity ratio, per cent	49.6	44.6	54.7
Loan-to-value ratio, per cent	29.8	35.5	24.2

Development of yield requirement and cost of capital



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



FINANCING

Bond purchases by the Swedish central bank (the Riksbank) contributed to the continued narrow credit spreads during 2021. However, very good liquidity has meant a limited need for funding and activity in the bond market has therefore been lower during the year. Committed credit facilities in bank remain at SEK 6,000 million. All credit facilities were unutilised at year-end. The credit facilities, property sales and stable rental payments have contributed to the good access to liquidity. Nevertheless, during the year four issuances of a total of SEK 2,300 million were completed on the Swedish bond market with maturities ranging from 3 to 12 years. In December, project funding was also finalised for Albano with the European Investment Bank (EIB). The funding totals SEK 1,200 million with maturity in 10 years and was unutilised at year-end. Short-term financing under the ECP programme increased somewhat during the year, albeit from a low level. The domestic commercial paper programme has not been used.

The net liability portfolio totalled SEK 33,439 million at year-end, corresponding to a decrease of SEK 2,029 million during the year. This change can mainly be attributed to net amortisation as well as an increase in cash and cash equivalents. The equity ratio is 49.6 per cent (44.5).

FIXED INTEREST PERIOD AND MATURITY

Akademiska Hus has a long average maturity, which was 9.5 years at year-end. Long-term bonds denominated in SEK at fixed interest, which comprise the long-term portfolio, amounted to approximately SEK 5,400 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 7.9 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. 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 uncer-

tainty, against savings of more short-term fixed interest periods and maturities, where greater uncertainty is accepted. The risk in the fixed income market has been deemed to be asymmetrical with a greater risk of sharply rising interest rates than sharply falling interest rates. This caused an extension of interest rate duration earlier in the year, which was retained during the rest of 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.

Net loan liability

SEK m	31 Dec. 2021	31 Dec. 2020
Gross loan debt	-36,220	-37,091
Collateral for derivatives, net	-2,091	-2,439
Cash and cash equivalents	4,067	3,677
Current receivables	805	385
Total net loan liability	-33,439	-35,468

Fixed interest period and maturity

SEK m	Fixed interest, years, Dec. 2021	Fixed interest, years, Dec. 2020	Maturity, years, Dec. 2021	Maturity, years, Dec. 2020
Basic portfolio	5.6	4.4	7.5	7.8
Long-term portfolio	19.2	19.9	19.2	19.9
Total portfolio	7.9	7.1	9.5	9.9

Changes in equity, Group

Amounts in SEK 1,000	Note	Attributable to the Parent Company's shareholder					Total equity
		Share capital	Other contrib- uted capital	Hedge reserve	Actuarial profit and loss	Profit for the year brought forward	
OPENING BALANCE 1 JAN. 2020		2,135,000	2,134,950	0	-99,362	42,589,190	46,759,778
COMPREHENSIVE INCOME							
Profit for the year		—	—	—	—	5,440,232	5,440,232
OTHER COMPREHENSIVE INCOME							
Revaluation of defined benefit pensions		—	—	—	-2,717	—	-2,717
Total, comprehensive income		0	0	0	-2,717	5,440,232	5,437,515
TRANSACTIONS WITH SHAREHOLDER							
Dividend ¹		—	—	—	—	-1,905,000	-1,905,000
Total transactions with shareholder		0	0	0	0	-1,905,000	-1,905,000
CLOSING BALANCE 31 DEC. 2020		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	13,952,221
TRANSACTIONS WITH SHAREHOLDER							
Dividend ²		—	—	—	—	-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

1) Dividend of SEK 1,905,000 was authorised by the Annual General Meeting on 28 April 2020.

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

Changes in equity, Parent Company

Amounts in SEK 1,000	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Statutory reserve	Fair value reserve	Profit for the year brought forward	
OPENING BALANCE 1 JAN. 2020		2,135,000	2,134,950	0	2,722,029	6,991,979
COMPREHENSIVE INCOME						
Profit for the year		—	—	—	1,983,457	1,983,457
OTHER COMPREHENSIVE INCOME						
Total, comprehensive income		0	0	0	1,983,457	1,983,457
TRANSACTIONS WITH SHAREHOLDER						
Dividend ¹		—	—	—	-1,905,000	-1,905,000
Total transactions with shareholder		0	0	0	-1,905,000	-1,905,000
CLOSING BALANCE 31 DEC. 2020		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 ²		—	—	—	-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

1) Dividend of SEK 1,905,000 was authorised by the Annual General Meeting on 28 April 2020.

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

STATEMENTS OF CASH FLOWS

Statements of Cash Flows

Amounts in SEK 1,000	Note	Group		Parent Company	
		2021	2020	2021	2020
CURRENT OPERATIONS					
Profit after financial items		16,997,178	6,869,159	2,767,386	2,066,034
Adjustment for items not included in cash flow	34	-12,910,921	-2,966,239	1,302,520	1,819,599
Tax paid		-415,804	-315,584	-415,450	-314,879
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		3,670,452	3,587,336	3,654,456	3,570,753
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Increase (+)/Decrease (-) in current receivables		-450,421	5,733	561,825	886,478
Increase (+)/Decrease (-) in current liabilities		308,122	805,288	-189,109	780,974
CASH FLOW FROM OPERATING ACTIVITIES		3,528,153	4,398,358	4,027,173	5,238,205
INVESTING ACTIVITIES					
Investment in properties		-2,406,889	-2,770,178	-2,406,889	-2,770,178
Sale of properties		2,165,958	4,420	841,568	4,420
Investment in other non-current assets		-17,971	-24,956	-17,971	-24,956
Acquisition of shares in Group companies		—	-801,568	—	-801,568
Increase (+)/decrease (-) in non-current receivables		120,029	-46,199	945,651	-67,484
CASH FLOW FROM INVESTING ACTIVITIES		-138,873	-3,638,481	-637,641	-3,659,767
FINANCING ACTIVITIES					
Raising of interest-bearing loans, excluding refinancing		9,865,867	15,326,960	9,865,867	15,326,960
Repayment of loan		-10,442,128	-13,148,230	-10,442,128	-13,148,230
Amortisation of loan related to acquisition		—	-1,074,556	—	-1,074,556
Interest paid		-364,228	-430,133	-364,228	-430,133
Realised derivatives and CSA		83,673	-189,219	83,673	-189,219
Dividend paid		-2,142,000	-1,905,000	-2,142,000	-1,905,000
CASH FLOW FROM FINANCING ACTIVITIES		-2,998,817	-1,420,178	-2,998,817	-1,420,178
CASH FLOW FOR THE YEAR		390,463	-660,301	390,714	158,261
Cash and cash equivalents at the beginning of the year		3,676,657	4,336,958	3,676,334	3,518,073
Closing cash and cash equivalents	28	4,067,119	3,676,657	4,067,048	3,676,334

Comments on the consolidated statement of cash flows

Cash flow from operating activities before changes in working capital totalled SEK 3,670 million (3,587). The impact of investments in properties on cash flow was SEK -2,407 million (-2,770).

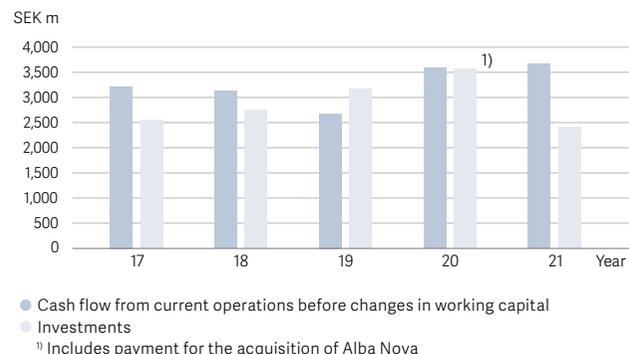
Cash flow relating to investing activities amounted to SEK -139 million (-3,638). The change mainly relates to the property sales of Niagara 2 and Näsby 34:24 in Kristianstad and Kronåsen 1:15, which generated SEK 2,166 million.

Cash flow relating to financing activities amounted to SEK -2,999 million (-1,420). The improved cash flow is largely due to an increase in net amortisation during the year, compared with net borrowing during the previous year. Total cash flow for the year amounted to SEK 390 million (-660).

CASH FLOW AND INVESTMENTS

Total cash flow from current operations before change in working capital during the period 2017 to 2021 was SEK 16,288 million. Investments during the same period totalled SEK 14,468 million. The diagram shows that cash flow from operating activities is reinvested largely in new construction as well as in redevelopment and extensions of existing holdings.

Stable cash flow from operating activities



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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 SEK 1,000 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 2021. 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.

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 2021

IFRS 7 and IFRS 9 Financial instruments

The changes in these standards associated with the "IBOR" reform have resulted in the introduction of new risk-free benchmark rates. The IBOR interest rate reform change, which applies from 2022 and which affects the company, entails the transition from Eonia to Estr, which is used to calculate interest rates in Credit Support Annex (CSA) agreements. Consequently, Akademiska Hus has rewritten all of its CSA agreements and now uses Estr instead of Eonia. The transition has entailed costs in the form of compensation interest of SEK 16 million net in 2021. Akademiska Hus holds the opinion that the change will have little impact on the com-

pany's accounts as the company does not have any floating interest rates denominated in a foreign currency.

The change in the reference interest rate also affects the market value of both foreign bonds and the associated derivative, but since both of these are changing their discount rate, the outcome will be essentially the same. For further information, see Note 22, Financial risk.

OTHER AMENDMENTS

With effect from 1 January 2021, the company applies "cash flow hedging" with respect to electricity rate derivatives, which means that changes in the market value of the derivative are continuously recognised in other comprehensive income rather than in net financial income. This change in value for 2021 totalled SEK 150 million.

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 parking, 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.

In 2019, the Parliament (the Riksdag) lowered the corporate tax rate to 21.4 per cent. In 2021, the corporate tax rate was lowered further to 20.6 per cent. 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.

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.

PROPERTIES

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

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 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 of 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 a property for investment if an insignificant part is used for administrative purposes.

If a 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, 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 period-end 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 Income Statement. 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 3.08 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 accrued acquisition value. 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 transaction 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 the fair value and are then reported at the invoiced amount following a deduction for any impairment (bad debts), which is equivalent to the accrued acquisition value. 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 with a term in excess of three months 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. In the Statement of Cash Flows, current investments with a term in excess of three months are not classified as cash and cash equivalents.

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 net interest income and expense 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 fair 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 and any credit risk is managed through "CSA agreements". According to the third criterion, the Company must determine the hedge ratio of its hedging package. Akademiska Hus' hedge ratio is 1:1 since the hedging instruments are a direct reflection of the underlying hedge item.

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 2021.

Properties

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 target are factors that affect the market value most. However, the change in value in profit would not affect the cash flow as it is unrealised. 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	66	0.5	464	0.4	-66	-0.5	-464	-0.4
Vacant space	-63	-1.0	-960	-0.9	63	1.0	960	0.9
Operating costs	-10	-0.1	-113	-0.1	10	0.1	113	0.1
of which provision of utilities	-6	-0.1	-56	0.0	6	0.1	56	0.0
Cost of capital	—	-7.5	-7,132	-6.3	—	7.8	7,932	7.1
Yield target	—	-11.7	-10,879	-9.7	—	16.8	17,698	15.8

4 Rental revenue

All properties are leased under operational lease agreements and generate rental revenue. The rental revenue during the period amounted to KSEK 6,568,467 (6,263,901) and the direct costs for the properties during the period totalled KSEK 1,971,514 (1,933,166).

The two largest tenants are Karolinska Institutet and the Royal Institute of Technology, which account for 11.6 per cent and 10.4 per cent of rental revenue, respectively.

LEASE TERMS AS AT 31 DEC. 2021

Due date for facilities	Number of leases	Contracted annual rent, SEK m	Proportion, %
2022	232	466,319,228	8
2023	279	862,927,630	14
2024	232	752,191,351	13
2025	121	765,287,915	13
2026	84	581,715,334	10
2027	30	335,303,861	6
2028 and later	127	2,097,114,078	35
Other	287	96,791,406	1
Total	1,392	5,957,650,803	100

CONTRACTED RENTAL REVENUE AS AT 31 DEC. 2021 ACCORDING TO THE SIZE OF THE LEASE

Annual rent for facilities	Number of leases	Contracted annual rent, SEK m	Proportion, %
> 70,000	5	611,206,809	10
30,000–70,000	36	1,549,998,368	26
10,000–30,000	134	2,250,270,239	38
7,500–10,000	41	360,247,581	6
5,000–7,500	63	391,330,566	7
2,500–5,000	97	356,622,085	6
< 2,500	729	341,183,750	6
Other	287	96,791,406	1
Total	1,392	5,957,650,803	100

5 Other property management income

	Group		Parent Company	
	2021	2020	2021	2020
Parking revenue ¹	—	60,768	—	60,768
Profit on the sale of other non-current assets	—	—	—	4,420
Income from external property management assignments and similar assignments	43,363	36,564	43,363	36,564
Income from services performed on behalf of tenants	55,595	49,747	55,595	49,742
Other	11,318	7,483	11,318	7,483
TOTAL	110,276	154,562	110,276	158,977

1) Parking revenue is recognised under Rental revenue in 2021

6 Other property management expenses/Site leasehold fees

	Group		Parent Company	
	2021	2020	2021	2020
Property tax and other risk costs	-19,430	-16,526	-19,430	-16,526
Studies	-19,150	-23,391	-19,150	-23,391
Loss on the sale and disposal of other noncurrent assets	—	—	-127,160	-686
Costs for external property management assignments and similar assignments	-20,746	-26,267	-18,490	-26,267
Costs for services performed on behalf of tenants	-49,272	-42,987	-49,272	-42,987
Other	-31,417	-126,647	-35,603	-136,990
TOTAL	-140,015	-235,818	-269,105	-246,847
Site leasehold fees	—	—	-82,822	-84,328

7 Categorised operating costs

	Group		Parent Company	
	2021	2020	2021	2020
Functions reported in the Income Statement				
Property management	-1,971,514	-1,933,166	-2,156,728	-2,003,737
Central administration costs	-67,306	-59,739	-67,285	-59,729
Development costs	-53,217	-39,854	-53,217	-39,854
TOTAL OPERATING COSTS ACCORDING TO FUNCTION	-2,092,037	-2,032,759	-2,277,230	-2,103,320
CATEGORISED FUNCTION COSTS				
Energy, fuel and water	-642,796	-544,405	-642,796	-544,405
Property administration	-61,458	-94,489	-61,365	-94,489
Maintenance costs, material and services purchased	-469,367	-495,632	-469,367	-495,632
Site leasehold fees	—	—	-82,822	-84,328
Property tax	-8,797	-9,440	-8,797	-9,440
Personnel costs	-520,400	-509,416	-505,981	-497,869
Depreciation	-14,440	-13,067	—	—
Other costs	-374,779	-366,310	-506,102	-377,157
TOTAL CATEGORISED OPERATING COSTS	-2,092,037	-2,032,759	-2,277,230	-2,103,320

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

	Group		Parent Company	
	2021	2020	2021	2020
Intangible assets	-1,099	-813	-1,099	-813
Properties	—	—	-1,564,657	-1,581,218
Equipment, fixtures and fittings	-13,341	-12,254	-13,341	-12,254
TOTAL	-14,440	-13,067	-1,579,097	-1,594,285

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

9 Result, shares in subsidiaries

	Group		Parent Company	
	2021	2020	2021	2020
Dividend	—	—	—	—
Result, trading and limited partnerships	—	—	—	24,004
TOTAL	0	0	0	24,004

For 2020 KSEK 24,004 relates to the profit from the subsidiary Fysikhuset Stockholm KB.

10 Financial income and expense

	Group		Parent Company	
	2021	2020	2021	2020
Interest income	35,751	47,944	35,751	47,944
Interest expense	-404,074	-428,867	-470,949	-530,653
TOTAL NET INTEREST INCOME/EXPENSE	-368,323	-380,923	-435,198	-482,709
UNREALISED CHANGES IN VALUE				
Independent derivatives	370,140	-121,808	370,140	-121,808
Fair value hedges	75,201	-17,598	75,201	-17,598
TOTAL UNREALISED CHANGES IN VALUE	445,341	-139,406	445,341	-139,406
REALISED CHANGES IN VALUE				
Independent derivatives	-65,173	-52,448	-65,173	-52,448
TOTAL REALISED CHANGES IN VALUE	-65,173	-52,448	-65,173	-52,448
Site leasehold fees	-82,822	-84,328	—	—
NET INTEREST INCOME AND EXPENSE	-70,977	-657,105	-55,030	-674,563

11 Employees and personnel costs

The average number of employees was as follows:

	2021	2020
AKADEMISKA HUS AB		
Women	183	180
Men	345	343
GROUP, TOTAL	528	523

The proportion of women (based on the average number of employees) in the Parent Company and the Group is 35 per cent (34).

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

The Board comprises 7 (8) members elected at the Annual General Meeting and 2 (2) members appointed by the employees. 2 (4) of the members are women, i.e. 22 per cent (40). 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 and Vice President, Project Manager, two Market Area Directors, Administrative Manager, Corporate Communications Officer, Director of Innovation and Sustainable Development, the Human Resources Director and the 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 10,715 (10,023). The subsidiaries do not have any employees and no salaries have been paid.

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

	Group		Parent Company	
	2021	2020	2021	2020
SALARIES AND REMUNERATION¹				
Board members, CEO and Vice President	12,788	8,089	12,788	8,089
Other employees	333,509	306,640	333,509	306,640
TOTAL	346,297	314,729	346,297	314,729
SOCIAL SECURITY COSTS¹				
Board members, CEO and Vice President	6,218	4,707	6,218	4,707
(of which pension costs)	(2,200)	(2,166)	(2,200)	(2,166)
Other employees	166,256	155,537	166,256	155,537
(of which pension costs)	(63,384)	(57,935)	(48,964)	(57,935)
TOTAL	172,474	160,244	158,054	160,244
(of which pension costs)	(65,584)	(60,101)	(51,164)	(60,101)

1) Catarina Fritz, Magnus Huss and Peter Bohman will leave their positions as of 30 June and Jonas Bjurgren as of 31 August 2022 according to an agreement reached in December 2021. The amounts include remuneration during the period of notice and severance pay, including benefits and pension provisions, amounted to KSEK 12,674.

REMUNERATION TO THE BOARD

		2021				2020			
		Directors' fees	Investment Committee	Remuneration Committee	Audit and Finance Committee	Directors' fees	Investment Committee	Remuneration Committee	Audit and Finance Committee
Chair	Anitra Steen	339	—	10	—	330	15	10	—
Member	Britta Burreau ⁴	80	—	—	15	160	—	—	30
Member	Erik Sandstedt ³	—	—	—	—	—	—	—	—
Member	Anna Magnusson ⁵	—	—	—	—	—	—	—	—
Member	Christer Nerlich	163	—	—	42	160	—	—	40
Member	Peter Gudmundson	163	—	—	32	160	—	—	30
Member	Svante Hagman ¹	163	32	—	—	80	15	—	—
Member	Robin Teigland ¹	163	21	—	—	80	10	—	—
Member	Ingemar Ziegler ²	—	—	—	—	80	10	5	—
Member	Örjan Wikforss	163	21	—	—	160	20	—	—
Employee representative	Anders Larsson	—	—	—	—	—	—	—	—
Employee representative	Thomas Jennlinger	—	—	—	—	—	—	—	—
TOTAL		1,234	74	10	89	1,210	70	15	100

1) Elected at the General Meeting 28 April 2020 2) Left the Board at the General Meeting 28 April 2020 3) Elected at the General Meeting 28 April 2021

4) Left the Board 30 June 2021 5) Left the Board at the General Meeting 28 April 2021

REMUNERATION TO SENIOR EXECUTIVES

		2021		2020	
		Basic salary ¹	Pension cost	Basic salary ¹	Pension cost
CEO	Kerstin Lindberg Göransson ²	2,886	709	4,199	1,141
CEO	Caroline Arehult ³	1,460	18	—	—
CFO/Vice President	Catarina Fritz ⁵	2,359	620	2,289	602
Administrative Manager	Jonas Bjuggren ⁵	2,086	534	2,024	514
Market Area Director	Peter Bohman ⁵	1,696	408	1,610	382
Director of Innovation and Sustainable Development	Ulf Däversjö	1,663	398	1,556	362
Project Manager	Hayar Gohary	1,832	449	1,639	391
Market Area Director	Magnus Huss ⁵	2,064	525	1,713	402
Human Resources Director	Marie Hallander Larsson	1,582	372	1,543	360
General Counsel	Carolin Åberg Sjöqvist	1,643	607	1,495	569
CIO	Cecilia Wide	1,263	337	1,276	286
Market Area Director	Åsa Henninge ⁴	—	—	1,041	244
TOTAL		20,534	4,977	20,385	5,253

1) No payments were made in addition to the above reported basic salary.

2) Left Executive Management and the position of Chief Executive Officer on 31 August 2021

3) Joined Executive Management and assumed the position of Chief Executive Officer on 1 September 2021

4) Joined Executive Management in August 2019 and left Executive Management in August 2020

5) Catarina Fritz, Magnus Huss and Peter Bohman will leave their positions as of 30 June and Jonas Bjuggren as of 21 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 KSEK 12,674, which is in addition to the amounts presented in the table. In the event of other employment, other additional paid assignments, or in the case of income from business activities, remuneration shall be reduced by an amount corresponding to the new income during the period when pay during the period of notice and severance pay are provided. The entire cost, including employer contributions and pension, will be charged to 2021.

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. Payment to the Chief Executive Officer and senior executives comprises a basic salary and a pension. Pension costs refer to the cost charged to 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. Remuneration comprises a basic salary and a defined contribution pension based on the ITP premiums according to a collective agreement. 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 for this work. Remuneration for committee work was set at the 2021 Annual General Meeting.

PENSIONS

Akademiska Hus has taken out an individual occupational pension solution for CEO Kerstin Lindberg Göransson, where the agreed retirement age is 65 years. Akademiska Hus allocates 30 per cent of Kerstin Lindberg Göransson's fixed monthly salary, which is paid into an occupational pension insurance plan according to a special agreement drawn up with a pension company. The pension package includes a sickness and early retirement pension, retirement pension and optional survivor's pension and/or repayment cover. Kerstin Lindberg Göransson reached the age of 65 in 2021 and retired on 31 December 2021. The new CEO, Caroline Arehult, began on 1 September 2021. Akademiska Hus has taken out an individual occupational pension solution, 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, what is termed a high-income earner solution with an opt-out premium that is costneutral.

Periods of notice and severance pay

An agreement has been reached with the Caroline Arehult regarding 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 that Caroline Arehult receives through other employment or business activities during the period in which the company provides severance pay shall be deducted from salary and severance pay, respectively. Other senior executives have an agreed mutual period of notice of six months. In the event of notice being given by the Company, severance pay is payable for a further 12 months. Salary payable or remuneration for work performed during the time severance pay is received shall be set off on a krona-by-krona basis.

12 Fees and disbursements to auditors out of pocket expenses

	Group		Parent Company	
	2021	2020	2021	2020
ÖHRLINGS PRICEWATERHOUSECOOPERS AB				
Audit assignment	1,350	1,395	1,350	1,395
Audit work in addition to the audit assignment	371	260	371	260
Tax consulting	159	718	159	718
Other services	144	59	144	59
TOTAL	2,024	2,432	2,024	2,432

“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 prospec-

tus 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 Properties (Group)

The assessed fair value of properties has changed during the year as follows:

Change in property holdings, in SEK 1,000	Group	
	31 Dec. 2021	31 Dec. 2020
Opening assessed market value	99,611,279	91,423,889
+ Investment in new construction, extensions and redevelopment	2,456,769	2,770,178
+ Acquisitions	—	2,179,102
+ Capitalised interest expense	66,875	101,969
- Sales	-2,264,276	-1,803
+/- Change in value, unrealised	12,452,724	3,137,944
Of which change in value due to adjusted value index	—	—
Of which change in value due to a change in the cost of capital and yield requirement	8,481,215	1,828,107
Of which change in value due to adjusted value index (valuation status, average remaining term, property type)	35,960	-240,367
Of which capitalised interest expense	-66,875	-101,969
Of which other change in value	4,002,424	1,652,173
CLOSING ASSESSED MARKET VALUE	112,323,370	99,611,279

	2021	2020
Changes in value, property holdings		
Positive	15,289,784	4,923,410
Negative	-2,837,060	-1,785,466
Result from sales and disposal	28,724	2,617
TOTAL CHANGES IN VALUE, PROPERTIES	12,481,448	3,140,561

VALUATION MODELS/METHODS

The assessed market value of the Group's properties as at 31 December 2021 has been set using an internal property valuation. The valuation has been conducted using different valuation methods as follows: SEK 96,375 million (86 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 eleven is calculated based on the market's actual yield targets. 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 target, 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 target 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.

Expansion reserves, SEK 1,824 million (2 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 1.6 million square metres (GFS).

SEK 14,125 million (13 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. This group also includes objects valued by external valuers or at indicative selling price.

The total fair value of properties includes new construction in progress amounting to SEK 3,626 million (4,903), which has also been valued using the internal cash flow valuation with a deduction for remaining investment.

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

Valuation conditions 2021

Yield requirements and cost of capital declined by between 0.10 and 0.65 percentage points during the year, due to general price-driving factors in the property market for community properties. Overall, the positive change in value attributable to changes in yield requirements and cost of capital in 2021 amounted to SEK 8,481 million (1,828). Well-located, efficient properties with a strong customer base and good rental potential are in greatest demand and are naturally less sensitive to external changes and are therefore assigned a lower yield requirement.

NOTES

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, colleges and universities. 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 6.2 years (6.5). 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 target.

The cost of capital for the cash flow varies for different properties within the range 5.47–10.52 per cent depending on the lease term, town/city, location, and type of premises. The long-term yield target varies between 3.40 per cent and 8.35 per cent depending on the town/city, location and type of premises.

The average yield target and cost of capital for each segment are shown in the table below.

	31 Dec. 2021		31 Dec. 2020	
	Yield target, %	Cost of capital, %	Yield target, %	Cost of capital, %
South	4.9	6.9	5.3	7.4
Mid-Sweden	4.1	6.2	4.7	6.8
North	5.0	7.1	5.5	7.6
Group	4.5	6.6	5.0	7.1

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	2.0%
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 100/m ²
Maintenance costs, installation-intensive premises	SEK 140/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 other 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.

Change	Impact on assessed market value, SEK m	Impact on assessed market value, percentage points
Rental revenue, +/- one per cent	464	0.4
Vacant space, +/- one percentage point	-960	-0.9
Operating costs, +/- one per cent	-113	-0.1
of which provision of utilities	-56	0.0
Maintenance costs, +/- SEK 10/m ²	+/-628	0.7
Property administration, +/- SEK 10/m ²	+/-628	0.7
Cost of capital, + one percentage point	-7,132	-6.3
Cost of capital, - one percentage point	7,932	7.1
Yield requirement, + one percentage point	-10,879	-9.7
Yield requirement, - one percentage point	17,698	15.8

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.

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 6,568,467 (6,263,901) and the direct costs for the properties during the period totalled KSEK 1,971,514 (1,933,166).

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 31,106 million were valued externally, corresponding to approximately 28 per cent of the Akademiska Hus total market value. The 2021 valuations were carried out by Svefa AB, an appraisal firm that is authorised by the Swedish Professionals for the Built Environment. The external valuations confirm the reliability of the internal valuation model.

14 Properties (Parent Company)

Carrying amount for properties amounted to KSEK 48,559,198 (46,506,585). The amount includes land, land systems, buildings, building equipment, land equipment and projects in progress. Fiscal residual value amounted to KSEK 31,332,244 (28,471,000).

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

	Parent Company	
	31 Dec. 2021	31 Dec. 2020
Opening acquisition value	63,484,384	60,715,160
Reclassifications	41,652	
Investment in new construction and redevelopment	4,585,990	2,770,178
Sales and disposals	-1,289,015	-954
CLOSING ACCUMULATED ACQUISITION VALUE	66,823,011	63,484,384
Opening impairments	6,574,919	6,742,510
Reclassifications	1,117,388	
Depreciation for the year on revaluations	0	-167,591
CLOSING ACCUMULATED REVALUATIONS	7,692,308	6,574,919
Opening depreciation	-23,203,454	-21,794,450
Reclassifications	-1,148,460	-271
Sales and disposals	317,459	308
Depreciation for the year	-1,558,965	-1,409,041
CLOSING ACCUMULATED DEPRECIATION ACCORDING TO PLAN	-25,593,420	-23,203,454
Opening impairments	-349,264	-345,095
Reclassifications	-10,580	271
Sales and disposals	3,623	15
Reversed impairments	8,950	1,915
Impairments for the year	-15,430	-6,370
CLOSING ACCUMULATED IMPAIRMENTS	-362,701	-349,264
CARRYING AMOUNT	48,559,198	46,506,585

15 Appropriations and untaxed reserves

	Parent Company	
	31 Dec. 2021	31 Dec. 2020
APPROPRIATIONS		
Change in tax allocation reserve	507,298	447,887
Difference between recorded depreciation and depreciation according to plan	—	—
TOTAL	507,298	447,887
UNTAXED RESERVES		
Tax allocation reserve, provision made 2015	—	507,298
Tax allocation reserve, provision made 2016	537,145	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	3,425,284	3,932,582

16 Tax

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
TAX ON PROFIT FOR THE YEAR				
Current tax				
Current tax on profit for the year	-491,833	-484,282	-491,833	-484,282
Total current tax	-491,833	-484,282	-491,833	-484,282
<i>Deferred tax attributable to temporary differences</i>				
Financial instruments	-91,740	28,557	-91,740	28,557
Properties	-2,738,191	-1,087,305	-96,327	-94,199
Tax allocation reserve	111,606	92,265	—	—
Pension provisions	2,971	2,379	—	—
Temporary non-deductible expenses	—	19,459	—	19,459
Total deferred tax	-2,715,355	-944,645	-188,066	-46,182
TOTAL TAX ON PROFIT FOR THE YEAR	-3,207,188	-1,428,927	-679,900	-530,464

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

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Reported profit before tax	16,997,178	6,869,159	3,274,685	2,513,922
Tax at the current tax rate	-3,501,419	-1,470,000	-674,585	-537,979
Tax effect of expenses that are not tax deductible/taxable (permanent differences):				
Non-deductible expenses	-1,494	-1,200	-1,494	-1,200
Non-taxable revenues	—	—	—	—
Taxable standard interest calculated on the tax allocation reserve	-5,767	-6,089	-5,767	-6,089
Result, shares in limited partnerships	—	—	—	-709
Tax reduction Albanova	322,000	—	—	—
Taxable gain with sale, accounting 2022	-328	—	-328	—
Effect of change in tax rate	—	33,968	—	1,794
Adjustment of tax expense for previous years	—	14,394	—	14,394
Other	-20,180	—	2,274	-676
TOTAL REPORTED TAX EXPENSE	-3,207,188	-1,428,927	-679,900	-530,464

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
<i>Deferred tax assets attributable to temporary differences</i>				
Financial instruments	51,139	150,428	51,138	150,428
Non-deductible expenses	19,459	19,459	19,459	19,459
Pension provisions	75,069	69,085	—	—
Total, reported deferred tax receivables	145,667	238,971	70,597	169,887
<i>Deferred tax liabilities attributable to temporary differences</i>				
Tax allocation reserve	-450,592	-562,197	—	—
Properties	-15,875,556	-13,518,360	-2,518,101	-2,421,776
Total, reported deferred tax liability	-16,326,148	-14,080,558	-2,518,101	-2,421,776
TOTAL, REPORTED DEFERRED TAX LIABILITY	-16,180,481	-13,841,587	-2,447,504	-2,251,889

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Items that cannot be reclassified to profit for the year				
- electricity derivatives	-7,549	—	-7,549	—
- actuarial gains and losses	-3,256	706	—	—
TOTAL DEFERRED TAX REPORTED IN OTHER COMPREHENSIVE INCOME	-10,805	706	-7,549	0

17 Dividend

The dividend paid to the shareholder on 10 May 2021 totalled SEK 2,142,000,000 (1,905,000,000). The dividend per share was SEK 1003.28 (892.27). As regards the dividend for the year, the Board proposes a dividend of SEK 1,163.47 per share, for a total of SEK 2,484,000,000, 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	808,148,693
Profit for the year	2,594,785,141
Total	3,402,933,834

The Board of Directors and the Chief Executive Officer propose that the profit be allocated in such a way that SEK 2,484,000,000 is paid to the shareholder and SEK 918,933,834 is carried forward.

PROFIT USED AS A BASIS FOR CALCULATION OF DIVIDEND, SEK M

	Outcome consolidated results	Changes in value in the Group	Profit used for calculation of dividend
Income from property management	6,679		6,679
Property management expenses	-1,972		-1,972
NET OPERATING INCOME	4,707		4,707
Central administration costs	-67		-67
Development costs	-53		-53
Interest income	36		36
Interest expense	-404		-404
Site leasehold fees	-83		-83
PROFIT BEFORE CHANGES IN VALUE AND TAXES	4,136		4,136
Changes in value, properties	12,481	-12,453	28
Changes in value, financial instruments	380	-445	-65
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	16,997	-12,898	4,099
Tax/current tax	-3,207	2,657	-550
PROFIT AFTER TAX	13,790	-10,241	3,549
Dividend, 70% of the profit available for the payment of a dividend			2,484

The dividend as decided at the Annual General Meeting held on 28 April 2021 was SEK 2,142 million.

18 Capitalised expenditure

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Opening acquisition value	4,064	4,064	4,064	4,064
Purchases	4,274	—	4,274	—
CLOSING ACCUMULATED ACQUISITION VALUE	8,338	4,064	8,338	4,064
Opening depreciation	-948	-135	-948	-135
Depreciation for the year	-1,099	-813	-1,099	-813
CLOSING ACCUMULATED DEPRECIATION	-2,047	-948	-2,047	-948
CARRYING AMOUNT	6,291	3,116	6,291	3,116

19 Equipment, fixtures and fittings

	Group		Parent Company	
	2021	2020	2021	2020
Opening acquisition value	130,359	105,257	130,359	105,257
Purchases for the year	13,740	25,102	13,740	25,102
Sales and disposals	-45	—	-45	—
Reclassifications	-17,216	—	-17,216	—
CLOSING ACCUMULATED ACQUISITION VALUE	126,838	130,359	126,838	130,359
Opening depreciation	-96,857	-83,790	-96,857	-83,790
Sales and disposals	39	—	39	—
Depreciation for the year	-13,341	-13,067	-13,341	-13,067
Reclassifications	17,216	—	17,215	—
CLOSING ACCUMULATED DEPRECIATION	-92,943	-96,857	92,943	-96,857
CARRYING AMOUNT	33,894	33,502	33,894	33,502

20 Shares in Group companies

	Parent Company	
	2021	2020
Opening acquisition value	826,222	650
Acquisition of subsidiaries	—	825,572
Sales of subsidiaries	-825,622	—
CARRYING AMOUNT	600	826,222

Parent Company directly owned companies	Company reg. no.	Registered office	Total number of shares	Share of equity in % ¹	2021	2020
Akademiska Hus Utveckling och Support AB	556610-2975	Gothenburg	500 (500)	100 (100)	500	500
Kunskapsmiljön 7 AB	556966-0037	Gothenburg	500 (500)	100 (100)	—	50
Akademiska Hus Holding AB	556981-6803	Gothenburg	100 (100)	100 (100)	100	100
Fysikhuset Stockholm KB	969629-4843	Solna	—	100 (100)	—	825,572
TOTAL					600	826,222

Parent Company indirectly owned companies	Company reg. no.	Registered office	Total number of shares	Share of equity in % ¹	2021	2020
Kunskapsmiljön 7 AB	556966-0037	Gothenburg	500 (500)	100 (100)	50	—
Akademiska Hus Kunskapen 1 AB	559210-5687	Gothenburg	500 (500)	100 (100)	—	50
Akademiska Hus Kunskapen 2 AB	559281-7281	Gothenburg	500 (500)	100 (100)	—	50
Akademiska Hus Kunskapen 3 AB	559282-9054	Gothenburg	500 (500)	100 (100)	50	—
Akademiska Hus Kunskapen 4 AB	559328-2220	Gothenburg	250 (250)	100 (100)	25	—
TOTAL					125	100

1) Corresponds to the number of votes.

21 Loans and financial instruments

FINANCIAL INSTRUMENTS BY CATEGORY, SEK 1,000	2021					Total carrying amount	Total fair value
	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)			
NON-CURRENT ASSETS							
Currency derivatives	1,251,551						
Interest rate derivatives					1,251,551		1,251,551
Currency interest rate swaps	2,210,773				2,210,773		2,210,774
Electricity derivatives				12,120	12,120		12,120
TOTAL NON-CURRENT ASSETS	3,456,324	—	—	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 equivalents				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 equivalents. The Parent Company has SEK 2,161,908 in cash and cash equivalents. 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

2020

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 com- prehensive income (FVOCI)	Total carrying amount	Total fair value
NON-CURRENT ASSETS						
Currency derivatives						
Interest rate derivatives	1,738,699				1,738,699	1,738,699
Currency interest rate swaps	2,536,742				2,536,742	2,536,742
Electricity derivatives	1,445				1,445	1,445
TOTAL NON-CURRENT ASSETS	4,276,886	—	—	—	4,276,886	4,276,886
CURRENT ASSETS						
Currency derivatives						
Interest rate derivatives	2,084				2,084	2,084
Currency interest rate swaps	521,738				521,738	521,738
Electricity derivatives	10,229				10,229	10,229
Current investments		1,900,107			1,900,107	1,900,107
Rent receivables and accounts receivable			240,005		240,005	240,005
Cash and cash equivalents			1,776,551 ¹		1,776,551	1,776,551
TOTAL CURRENT ASSETS	534,051	1,900,107	2,016,556	—	4,450,714	4,450,714
NON-CURRENT LIABILITIES						
Currency derivatives						
Interest rate derivatives	-2,204,802				-2,204,802	-2,204,802
Currency interest rate swaps	-4,149				-4,149	-4,149
Electricity derivatives	-878				-878	-878
Swedish bonds			-15,412,760		-15,412,760	-18,454,651
Foreign bonds		-14,900,885			-14,900,885	-14,900,885
Other loans			-1,289,747		-1,289,747	-1,024,832
TOTAL NON-CURRENT LIABILITIES	-2,209,829	-14,900,885	-16,702,507	—	-33,813,221	-36,590,197
CURRENT LIABILITIES						
Currency derivatives	-44,610				-44,610	-44,610
Interest rate derivatives	-18,914				-18,914	-18,914
Currency interest rate swaps	-74,977				-74,977	-74,977
Electricity derivatives	-8,780				-8,780	-8,780
ECP			-817,664		-817,664	-817,746
Swedish bonds			-1,399,738		-1,399,738	-1,413,498
Foreign bonds		-3,252,677			-3,252,677	-3,252,677
Other loans			-17,418		-17,418	-17,418
Accounts payable			-346,399		-346,399	-346,399
TOTAL CURRENT LIABILITIES	-147,281	-3,252,677	-2,581,219	—	-5,981,177	-5,995,019

1) The amount shown in the table is the Group's cash and cash equivalents. The Parent Company has KSEK 1,776,227 in cash and cash equivalents. 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. During the year, the last outstanding bonds under the MTN programme, which have not been updated since 2009, reached maturity. The MTN program has thus ended. Bank financing is used to a limited extent. The average capital for bank financing during 2021 was SEK 6.5 million (0). Loans in the Group are reported 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 -71 million (-657) and the average net liability portfolio was SEK 32,924 million (32,021). The financing cost amounted to 0.13 per cent (2.07), 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 interest expense of -1.15 per cent (increase 0.59).

FINANCING COST, BREAKDOWN, %

	2021	2020	2019	2018	2017
Loan financing cost, including charges	1.22	1.31	1.07	0.88	0.74
Interest swaps, net interest, %	0.06	0.17	0.14	0.09	0.20
Financing cost, %	1.28	1.48	1.21	0.97	0.94
Changes in value, financial derivatives, %	-1.15	0.59	1.39	1.33	0.85
TOTAL FINANCING COST	0.13	2.07	2.60	2.30	1.79

TOTAL FINANCING COST BROKEN DOWN IN SEK MILLION

	1 Jan. 2021– 31 Dec. 2021	1 Jan. 2020– 31 Dec. 2020
Net interest income/expense, net loans and financial assets	-367	-386
Net interest derivatives	-18	-53
Other interest costs	-50	-44
Capitalised interest expense, projects	67	102
Total net interest income/expense	-368	-381
Change in value, independent derivatives		
– unrealised	370	-122
– realised	-65	-52
Changes in value, fair value hedges	75	-18
Total changes in value	380	-192
Site leasehold fees	-83	-84
Reported net interest income and expense	-71	-657

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.

	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

	2020			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Current investments		1,900,107		1,900,107
Independent derivatives		1,752,457		1,752,457
Fair value hedges		3,058,480		3,058,480
TOTAL ASSETS	—	6,711,044	—	6,711,044
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Independent derivatives		-2,277,984		-2,277,984
Fair value hedges		-79,126		-79,126
Bonds (fair value)		-18,153,562		-18,153,562
TOTAL LIABILITIES	—	-20,510,672	—	-20,510,672

Financial instruments valued at fair value

The following table shows 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 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

Fair value measurement	Measurement method	31 Dec. 2021		31 Dec. 2020	
		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	2,249,942	15,152	2,453,827	-189,115
Current investments: Discount paper	Discounted cash flows: The valuation model uses the present value of future cash flows	1,905,140	67	1,900,107	133
Bonds in hedge relationship	Discounted cash flows: The valuation model uses the present value of future cash flows	-14,502,663	-358,874	-18,153,562	-1,597

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 1,000	Group		Parent Company	
	2021	2020	2021	2020
Gross loan debt	-36,219,721	-37,090,889	-36,219,721	-37,090,889
Collateral for derivatives, net	-2,090,844	-2,438,516	-2,090,844	-2,438,516
Cash and cash equivalents	4,067,119	3,676,657	4,067,048	3,676,334
Current receivables	804,762	384,692	804,762	384,692
NET LOAN LIABILITY	-33,438,684	-35,468,056	-33,438,755	-35,468,379
Interest-bearing portion of pension liability	-692,819	-690,091	-328,404	-324,290
Site leasehold fees	-2,662,950	-2,736,336	—	—
TOTAL INTERESTBEARING NET LOAN LIABILITY	-36,794,453	-38,894,483	-33,767,159	-35,792,669

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

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.

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 fair 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 2021, the equity ratio was 49.6 per cent (44.5) for the Group and 17.6 per cent (17.2) for the Parent Company. After the dividend of SEK 2,484 million proposed by the Board of Directors, the equity ratio will be 48.6 per cent for the Group and 14.0 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: 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 year-end, long-term bonds totalling SEK 5,424 million (5,758) were issued, equivalent to 15.73 per cent (16.5) 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 1.6 per cent (1.5) 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 5.56 years (4.4), including interest rate derivative instruments.

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

CURRENCY INTEREST RATE DERIVATIVES REPORTED AS HEDGES

	2020				
	AUD	CHF	EUR	HKD	USD
Carrying amount, SEK 1,000	39,978	1,236,832	1,759,547	-64,267	7,266
Nominal amount in each currency, thousands	91,000	850,000	510,000	1,314,000	100,000
Maturity	2026–2032	2021–2044	2032–2048	2021	2023–2027
Hedge ratio	1:1	1:1	1:1	1:1	1:1
Change in value for outstanding derivative instruments since 1 January, SEK 1,000	1,652	289,001	-528,950	169,538	83,486
Change in value of the hedged item to determine effectiveness, SEK 1,000	-2,710	-253,391	501,874	-165,525	-78,651
Weighted average for forward rate during the year	3.52	0.82	1.73	1.86	2.78

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

	Maturity, SEK m	Fixed interest, SEK m
2022	4,861	14,658
2023–2027	13,717	11,737
2028–2032	3,152	1,650
2033–2037	1,759	1,695
2038–2042	5,139	3,136
2043–2047	3,831	905
2048–2052	1,322	0
TOTAL	33,781	33,781

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	2021 Fair value	2020 Fair value
Carrying amount	-56,060	-482,933
Nominal amount	-4,510,000	11,780,000
Maturity	2022–2030	2021–2030

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 SEK 4,488,000 (4,600,000).

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 KSEK at an interest rate movement of one percentage point. This interest sensitivity amounts to KSEK 26,822 (27,990) at year-end 2021.

Reference rates

The IBOR reform means that new reference interest rates have been introduced, which Akademiska Hus believes will have little effect on the company's accounts. The IBOR interest rate reform change that affects the company is the transition from Eonia to Estr, which is used to calculate interest rates in Credit Support Annex (CSA) agreements. Consequently, Akademiska Hus has rewritten all of its CSA agreements and now uses Estr instead of Eonia.

The change in the reference interest rate also affects the market value of both bonds and the associated derivative, but since both of these are changing their discount rate, the outcome will be essentially the same. The table for currency distribution, loans and derivative instruments below shows outstanding nominal volumes for our bonds denominated in foreign currency for which we apply hedge accounting.

The Stibor interest rate is subject to revision with the aim of meeting the criteria set out in the "benchmark regulation", but no revised Stibor has yet been approved. At the same time, the Swedish central bank (the Riksbank) published the new Swestr reference rate as an alternative reference rate for Stibor. Akademiska Hus holds the opinion that Stibor quotes will continue, albeit within the framework of new management. We are monitoring developments related to both Stibor and Swestr over the coming year.

NOTES

FOREIGN CURRENCY RISK

A foreign currency risk is the risk that exchange rate changes will have an impact on the Income Statements and Consolidated Statements 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	598	-598	—
CHF	6,428	-6,428	—
EUR	5,219	-5,219	—
SEK	19,035	14,748	33,784
USD	3,615	-3,615	—
TOTAL	34,895	-1,111	33,784

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

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. 2021	31 Dec. 2020
Carrying amount	97,837	-44,610
Nominal amount	2,616,002	863,308
Maturity	2022	2021

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 35 per cent (35) may fall due for refinancing within a 12-month period. At year-end, the percentage maturing within 12 months was 14.4 per cent (16.4). Unutilised credit facilities should be in place to guarantee good payment capacity. The Group's cash and bank balances at the end of 2021 totalled SEK 4,067 million (3,677). At year-end, there were also committed unutilised credit facilities in banks for a total of SEK 6,000 million (6,000).

FINANCING PROGRAMMES AND RATING	Rating Standard & Poor's	Framework 31 Dec. 2021	Utilised, nominal 31 Dec. 2021
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 258 m
EMTN (Euro Medium Term Note)	AA/A1+	EUR 4,000 m	EUR 3,010 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	Accounts payable	Total
2022	-5,232	3	1,905	-318	-3,642
2023	-3,924	27			-3,897
2024	-4,328	60			-4,268
2025	-3,151	95			-3,056
2026–2030	-1,426	111			-1,314
2031–2035	-6,883	62			-6,821
2036–2040	-2,739	-358			-3,097
2041–2045	-5,539	-120			-5,659
2046–2050	-5,516	0			-5,516
2051–2055	-1,868	0			-1,868
TOTAL	-40,606	-120	1,905	-318	-39,139

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. The Finance Policy includes a limit system where permitted exposure depends on the credit rating of the counter party, ownership and the term 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 2021, the total counterparty exposure in derivative instruments

(calculated as the net claim per counterparty) stood at SEK 2,263 million (2,489). 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 2,091 million (2,439) 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:

SEK 1,000	Amounts that are not offset, but are covered by framework agreements for netting or similar agreements		
	31 Dec. 2021		
	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	2,148,094	-2,090,844	57,250

The table shows that the transfer of collateral has reduced the Group's risk from SEK 2,148 million to SEK 57 million.

SEK 1,000	Amounts that are not offset, but are covered by framework agreements for netting or similar agreements		
	31 Dec. 2020		
	Carrying amount	Collateral	Net
Derivatives financial assets	4,810,937	-2,606,111	2,204,826
Derivatives financial liabilities	-2,357,110	167,595	-2,189,515
TOTAL	2,453,827	-2,438,516	15,311

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	Collateral received/granted		Net exposure
	Receivable	Liability	
INSTITUTIONS WITH A LONG RATING			
AA-/Aa3	32	-19	8
A+/A1	3,495		1,320
A/A2	606		611
A-/A3	283		60
BBB+/Baa1	202		201
BBB/Baa2 only with CSA	1		0
INSTITUTIONS WITH ONLY A SHORT RATING			
K-1			
Companies wholly owned by the Swedish state	1,370		0
Companies wholly owned by the Swedish state	310		0
TOTAL	6,300	-19	2,199
			4,083

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 strategy. 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 are realised and they are returned from other comprehensive income to meet the electricity cost in the 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. 2021	31 Dec. 2020 ¹
Carrying amount, SEK 1,000	57,370	2,016
Nominal amount (MWh)	985,641	428,623
Maturity	2022–2024	2021–2023

¹ Hedge accounting was not used in 2020, but is included to facilitate comparability.

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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Receivables expected to be cleared within one year of the year-end	2,185,970	2,090,875	2,186,182	3,103,335
Receivables expected to be cleared within 1–5 years of the year-end	762,944	626,701	762,944	626,701
Receivables expected to be cleared later than five years after the year-end	3,139,006	4,197,719	3,139,006	4,197,719
TOTAL	6,087,920	6,915,295	6,088,132	7,927,755

24 Other non-current receivables

Other non-interest-bearing receivables will be cleared as follows:

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Cleared within 5 years	147,285	154,329	147,285	154,329
Cleared after 5 years	280,220	393,205	280,220	393,295
TOTAL NON-INTERESTBEARING RECEIVABLES	427,505	547,534	427,505	547,534

25 Rent receivables and accounts receivable

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Rent receivables and accounts receivable	513,188	253,154	513,188	253,148
Provision, doubtful rent receivables and accounts receivable	-9,903	-13,149	-9,903	-13,149
TOTAL	503,284	240,005	503,284	239,999

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 2021, 294,000 were 1–5 days overdue, 14,100 were 6–30 days overdue, 0 were 31–60 days overdue and 33,000 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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Opening balance	-13,149	-14,350	-13,149	-14,350
Provisions for the year	-53	-1,518	-53	-1,518
Established credit losses	3,299	2,719	3,299	2,719
CLOSING BALANCE	-9,903	-13,149	-9,903	-13,149

26 Other current receivables

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Settlement, taxes and charges	804,762	384,692	804,762	384,692
Collateral received	194,119	167,595	194,119	167,595
Other current receivables	373,222	620,552	373,435	611,339
TOTAL	1,372,103	1,172,839	1,372,316	1,163,626

Other current receivables are reported at amortised cost.

27 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Accrued rent	46,934	432	46,934	432
Prepaid rent costs	—	700	—	700
Prepaid operating costs	43,203	28,296	43,203	28,296
Other	68,245	114,552	68,245	114,539
TOTAL	158,382	143,980	158,382	143,967

28 Cash and cash equivalents

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Current investments	1,905,140	1,900,107	1,905,140	1,900,107
Cash and bank balances	2,161,979	1,776,551	2,161,908	1,776,227
TOTAL	4,067,119	3,676,657	4,067,048	3,676,334

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 27,023 (6,784) in the reported amount for cash and bank balances 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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Opening balance	—	—	—	—
Change in value, cash flow hedges				
– Electricity derivatives	157,211	—	157,211	—
Tax effect	-7,549	—	-7,549	—
CLOSING BALANCE	149,662	—	149,662	—

30 Other liabilities

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Other interestbearing liabilities	2,284,963	2,606,111	2,284,963	2,606,111
Other non-interest-bearing liabilities	587,188	552,312	587,188	544,276
TOTAL	2,872,151	3,158,423	2,872,151	3,150,387

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 2,284,962 (2,606,111).

Of the Group's other liabilities, KSEK 2,636,870 falls due for payment within one year of the year-end, KSEK 225,400 within one to five years of the year-end, and KSEK 9,881 later than five years after the year-end. The distribution is the same for the Parent Company.

31 Provisions for pensions

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 29,314 (28,702).

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 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 2021. 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. 2021	31 Dec. 2020
Discount rate, %	1.90	1.10
Salary increase, %	3.20	2.50
Inflation, %	2.20	1.50
Income base amount, %	2.70	2.00
Personnel turnover, %	2.00	2.00
Remaining period of service, years	9.50	9.80
Mortality	DUS14	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. 2021	31 Dec. 2020
Retirement at the year-end		
Men	21.8	21.8
Women	24.3	24.3
Retirement 20 years after the year-end		
Men	23.5	23.5
Women	25.3	25.3

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

Amount reported in the Income Statement	2021	2020
Benefits earned during the year	28,251	29,461
Interest on pension provision	7,829	10,254
PARTS OF THE DEFINED BENEFIT PENSION COST REPORTED IN THE PROFIT FOR THE YEAR	36,080	39,715

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	2021	2020
Actuarial gains and losses that arise as a result of changes in financial assumptions	-19,330	16,533
Actuarial gains and losses that arise as a result of changes in experience	3,525	-13,110
TOTAL AMOUNT REPORTED UNDER OTHER COMPREHENSIVE INCOME	-15,805	3,423

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. 2021	31 Dec. 2020
Opening balance	690,091	661,924
Service costs during the period	28,251	29,461
Net interest cost	7,829	10,254
Actuarial gains (-)/losses (+)	—	—
Changes in financial assumptions	-19,330	16,534
Experience-based adjustments	3,525	-13,110
Pension payments	-17,547	-14,972
CLOSING BALANCE	692,819	690,091

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. 2021	31 Dec. 2020
Fall due for payment within one year of the year-end	17,497	16,087
Fall due for payment 1–5 years after the year-end	69,466	65,898
Fall due for payment later than five years after the year-end	605,856	608,106
TOTAL	692,819	690,091

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. 2021	31 Dec. 2020
Recorded pension obligation under the reported assumptions	692,819	690,090
Discount rate increases by 0.5 percentage points	625,746	621,471
Discount rate decreases by 0.5 percentage points	769,478	768,777
Inflation increases by 0.5 percentage points	747,604	745,580
Wage growth increases by 0.5 percentage points	735,454	734,087

FUTURE PAYMENTS

The Group is expected to pay KSEK 25,850 (36,080) 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:

	31 Dec. 2021	31 Dec. 2020
FPG/PRI pensions	279,231	269,678
Other pensions	49,173	54,612
TOTAL	328,404	324,290

Other pensions in the Parent Company mainly refer to the historical pension liability that was taken over from the National Board of Public Building 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:

Pension commitments	31 Dec. 2021	31 Dec. 2020
Opening balance	324,290	311,094
Pension costs, defined benefit plans	7,920	16,112
Interest expense	13,290	12,920
Payments	-16,378	-15,368
Prepaid pension funds	-718	-468
CLOSING BALANCE	328,404	324,290

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

	2021	2020
Pension costs, defined benefit plans	7,920	16,112
Interest part of the pension cost	13,290	12,920
PENSION COSTS, DEFINED BENEFIT PLANS	21,210	29,032
Pension costs, defined contribution plans	29,314	28,702
Employer's contribution and tax on the yield, other pension costs	11,965	13,689
TOTAL PENSION COSTS	62,489	71,423

32 Accrued expenses and prepaid income

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Prepaid rental revenue	1,836,682	1,867,816	1,836,682	1,841,707
Accrued salary and personnel costs	67,054	50,877	67,054	50,877
Accrued operating and maintenance costs	117,900	71,142	117,900	71,142
Accrued investments	13,031	12,442	13,031	12,442
Accrued interest	180,819	228,084	180,819	228,084
Other interim liabilities	86,968	112,231	86,968	112,231
TOTAL	2,302,454	2,342,592	2,302,454	2,316,483

33 Maturity structure, liabilities

	Group		Parent Company	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Liabilities due for payment within one year of the year-end	10,751,697	11,369,040	12,090,005	11,347,476
Liabilities due for payment within 1–5 years of the year-end	12,173,881	6,942,136	12,173,881	6,942,136
Liabilities due for payment later than five years after the year-end	40,153,451	44,372,717	23,393,108	29,680,883
TOTAL	63,079,028	62,683,893	47,656,994	47,970,495

34 Adjustments for items not included in cash flow

	Group		Parent Company	
	2021	2020	2021	2020
Depreciation, etc	14,440	13,067	1,579,098	1,594,218
Change in value, properties	-12,519,599	-3,239,913	—	—
Capital gain (-)/loss (+) on sale of tangible, non-current assets	—	—	127,153	-2,617
Changes in value, financial instruments	-579,738	93,010	-579,738	93,010
Dividends from subsidiaries	—	—	—	—
Change in pension provisions and similar commitments	2,728	28,167	4,114	13,196
Other	171,248	139,430	171,893	121,792
TOTAL	-12,910,921	-2,966,239	1,302,520	1,819,599

Purchase sum in conjunction with investments, acquisitions and disposals

For investments and acquisitions for the period, a total of KSEK 2,424,860 (2,795,134) has been paid, of which KSEK 2,424,860 was paid in cash and cash equivalents. For disposals for the period, a total of KSEK 2,165,958 (4,420) has been received, of which KSEK 2,165,958 was received in cash and cash equivalents.

Comments financing activities

Opening balance for interest-bearing liabilities including derivatives in the Group total KSEK 39,448,000. The closing balance is KSEK 37,539,052. This decrease consists of a negative cash flow of KSEK 856,817 from financing activities and changes that do not affect cash flow of KSEK -1,052,130 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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Blocked bank funds	27,023	6,784	27,023	6,784
Credit Support Annex	194,118	167,595	194,118	167,595
TOTAL	221,141	174,379	221,141	174,379

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. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Complementary responsibility	—	—	—	34,745
Contingent liability, FPG/PR	5,710	5,504	5,710	5,504
TOTAL	5,710	5,504	5,710	40,249

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-cur-

rent 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	
	2021	2020	2021	2020
Income	—	—	—	—
Companies within the Akademiska Hus Group	—	—	841,568	—
TOTAL	0	0	841,568	0
RECEIVABLES				
Companies within the Akademiska Hus Group	—	—	—	1,021,692
TOTAL	0	0	0	1,021,692
Liabilities				
Companies within the Akademiska Hus Group	—	—	1,338,308	12,582
TOTAL	0	0	1,338,308	12,582

38 Events after the year-end

A contract to sell a property was signed in February 2022. The deal is expected to close on 1 April. Total rentable space amounts to 3,300 square metres. In March 2022, a contract was signed to sell a property with an expected closing date of 2 May. Total rentable space amounts to 9,700 square metres. During March 2022, a contract was also signed

to sell 110,000 square metres of land. The assessed market value for these transactions is just over SEK 700 million.

In January, Anna Alsborger was appointed to serve as the new facilities manager and Peter Anderson the new CFO. They will take up their new positions in February and July, respectively.

Certification

The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 2021 has been approved for publication by the Board of Directors and the CEO.

Gothenburg, 16 March 2022

Anitra Steen
Chairperson

Erik Sandstedt
Board member

Christer Nerlich
Board member

Peter Gudmundson
Board member

Robin Teigland
Board member

Svante Hagman
Board member

Örjan Wikforss
Board member

Anders Larsson
Employee representative

John Johnsson
Employee representative

Caroline Arehult
Chief Executive Officer

Our Audit Report was submitted on 16 March 2022.
Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorised Public Accountant

Audit report

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and the consolidated accounts of Akademiska Hus AB (publ) for the 2021 financial year with the exception of the Corporate Governance Report on pages 49–59. The Company’s annual accounts and consolidated accounts are included on pages 38–98 of 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 at 31 December 2021 and of its financial performance and its 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 at 31 December 2021 and of their financial performance and cash flow in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 49–59. The Administration Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the Annual General Meeting of shareholders adopt the Income Statement and Statement of Financial Position 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 Audit Committee of the Group and the Parent Company in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and 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. 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 audit opinion.

Our audit approach

Audit focus and scope

The Group's remit is to own, develop and manage properties for colleges and universities, where the primary focus is on education and research. In an operation such as Akademiska Hus, it is the major impact of estimates and judgments made by the Board and management on financial reporting that mainly affects our risk assessment. We have assessed that valuation of properties is the single greatest risk of errors in the annual accounts. We have also identified a number of other risks as well as material areas that have an impact on financial reporting.

Our audit includes a review of all material properties and business processes for the financial reporting, including the rental 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. We paid particular attention to those areas in which the Chief Executive Officer and the Board of Directors made subjective assessments, such as important reporting-related estimates that were made based on assumptions and forecasts regarding future events, which are inherently uncertain. As with all audits, we have also taken into account the risk that the Board and the Chief Executive Officer will override the internal control, and, among other things, considered whether there is evidence of systematic deviations that have given rise to the risk of material misstatements due to irregularities.

We tailored our audit so as to be able to complete a satisfactory examination aimed at enabling us to express an opinion on the financial statements as a whole, taking account of the structure of the group, the accounting process and controls, and the industry in which the group operates.

Materiality

The scope and focus of the audit were affected by our assessment 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 mistakes. 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 consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole (see table below). Based on these thresholds, as well as qualitative considerations, we determined the focus and scope of the audit and the nature, timing and scope of our audit procedures, and assessed the effect of any misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality

- Overall materiality level: SEK 1,250 million (1,100)
- Special materiality: SEK 229 million (200)

How we determined this level

- Overall materiality level: 1% of the Group's total assets.
- Special materiality: 5% of the Group's profit before taxes excluding changes in the value of properties and financial instruments. Based on review of items in the income statement and statement of financial position related to property management.

Rationale for selection of materiality benchmark

We chose total assets as a benchmark for our overall assessment of materiality for the accounts as a whole given that the value of the properties has a significant impact and significance for the Group's financial position and constitutes a particularly significant area for the audit. We also defined a specific materiality for the audit of results from property management, including the working capital-related balance sheet items.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in the audit of the annual accounts and consolidated accounts for the relevant 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

Valuation of properties

Please refer to the Administration Report and the description of the Akademiska Hus Group's summary of important accounting and valuation principles in Note 2 as well as Change in the value of properties Note 13.

The value of properties as at 31 Dec. 2021 is SEK 112.3 billion. The properties comprise an essential portion of the statement of financial position and the valuation of properties is inherently subjective and the object of the management's assessments of e.g. the location, condition and future rental revenue of the specific property.

Fair value of the Group's property holdings is based on internal calculations, primarily by applying the cash flow valuation. For a smaller portion of the property holdings, either the sales comparison approach or valuation at cost is used. To ensure the quality of the internal valuations, external valuations have been obtained for approximately 30 per cent of the value of the property holdings.

In determining the fair value of the properties, current information regarding the specific property is considered, such as the rental agreements in place, assessment of rental income and operating costs. In order to achieve a final valuation, the company applies assumptions and undertakes judgments on future yields, net operating expenses and estimated market rents, and these assumptions and judgments are impacted by the yield requirements in place and by comparable market transactions.

The significance of the estimations and judgments applied in establishing the fair value of the investment properties, together with the fact that the amounts are significant, implies that the valuation of the investment properties comprises a Key Audit Matter in the audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Among other things, our audit focused on the company's internal control and quality assurance as regards the executed valuations as at 31 Dec. 2021. The audit team, including our valuation specialists, have obtained and examined a selection of the valuation reports to assess the cash flow valuation that Akademiska Hus applies, the mathematical accuracy and the reasonableness of the assumptions made.

Our audit included, among other things, the following audit procedures

- Followed up that the valuations comply with Akademiska Hus' property valuation guidelines and instructions.
- Reviewed on a sample basis significant controls in the Group's internal valuation process.
- Tested the mathematical calculations in the model on a random sample basis.
- Assessed input data through random follow-up against historical outcomes and compared with available market data.
- We have had meetings with the management at which important assumptions and judgments have been discussed.
- Tested, on a sample basis, input data in the calculation models in relation to information in relevant systems.
- Obtained the external valuations and compared them with the internal evaluations.

Our work focused on the largest properties, the most essential assumptions and the properties for which variations in value were greatest compared with previous years. In cases where the assumptions on future net operating income, leasing level and yield requirements were outside our initial expectation, these deviations were discussed with representatives of the Group and additional audit evidence was obtained as needed.

Finally, we checked that the models used, the assumptions made and the sensitivity analyses undertaken by Akademiska Hus, are correctly described in Note 13.

The valuations are based on assessments and are by their nature subject to an 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 audit, we have not reported any significant 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 104–127. The remuneration report prepared by the company also constitutes other information and can be found on the company’s website. The Board of Directors and the Chief Executive Officer 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 conclusion 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 Chief Executive Officer

The Board of Directors and Chief Executive Officer 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 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 consolidated accounts, the Board of Directors and Chief Executive Officer are responsible for the assessment of the compa-

ny’s and the Group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and Chief Executive Officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Board’s 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.

Auditor’s 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 mistakes, 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 mistakes 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 accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditor’s website: www.revisorsinspektionen.se/revisornsansvar.

This description is part of the audit report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have examined the administration of the Board of Directors and Chief Executive Officer of Akademiska Hus AB for 2021, as well as the proposed appropriations of the Company’s profit or loss.

We recommend to the General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Basis for 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 audit opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

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 Chief Executive Officer 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.

Auditor's 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 Chief Executive Officer 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 objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance 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 generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditor's website: www.revisorsinspektionen.se/revisornsansvar.

This description is part of the audit report.

Auditor's review of the corporate governance report

The Board of Directors is responsible for the Corporate Governance Report on pages 49–59 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act. Our review has been conducted in accordance with Statement RevU 16 The Auditor's Examination of the Corporate Governance Report issued by FAR, the professional institute for authorised public accountants in Sweden. This means that our examination of the Corporate Governance Report has a different orientation and is significantly more limited in scope compared with the orientation and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review gives us a sufficient basis for our opinion. A corporate governance report has been prepared. Disclosures pursuant to Ch. 6 § 6 second para. points 2–6 of the Annual Accounts Act and Ch. 7 § 31 second para. of the said Act are consistent with the other parts of the annual accounts and consolidated financial statements, and comply with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Akademiska Hus AB by the General Meeting on 28 April 2021 and has been the company's auditor since 27 April 2018.

Stockholm, 16 March 2022
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. As of 2018, the report has been prepared in accordance with GRI Standards at the Core level. Akademiska Hus aims to fully integrate sustainability work 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 page 109.

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 sustainability goals.

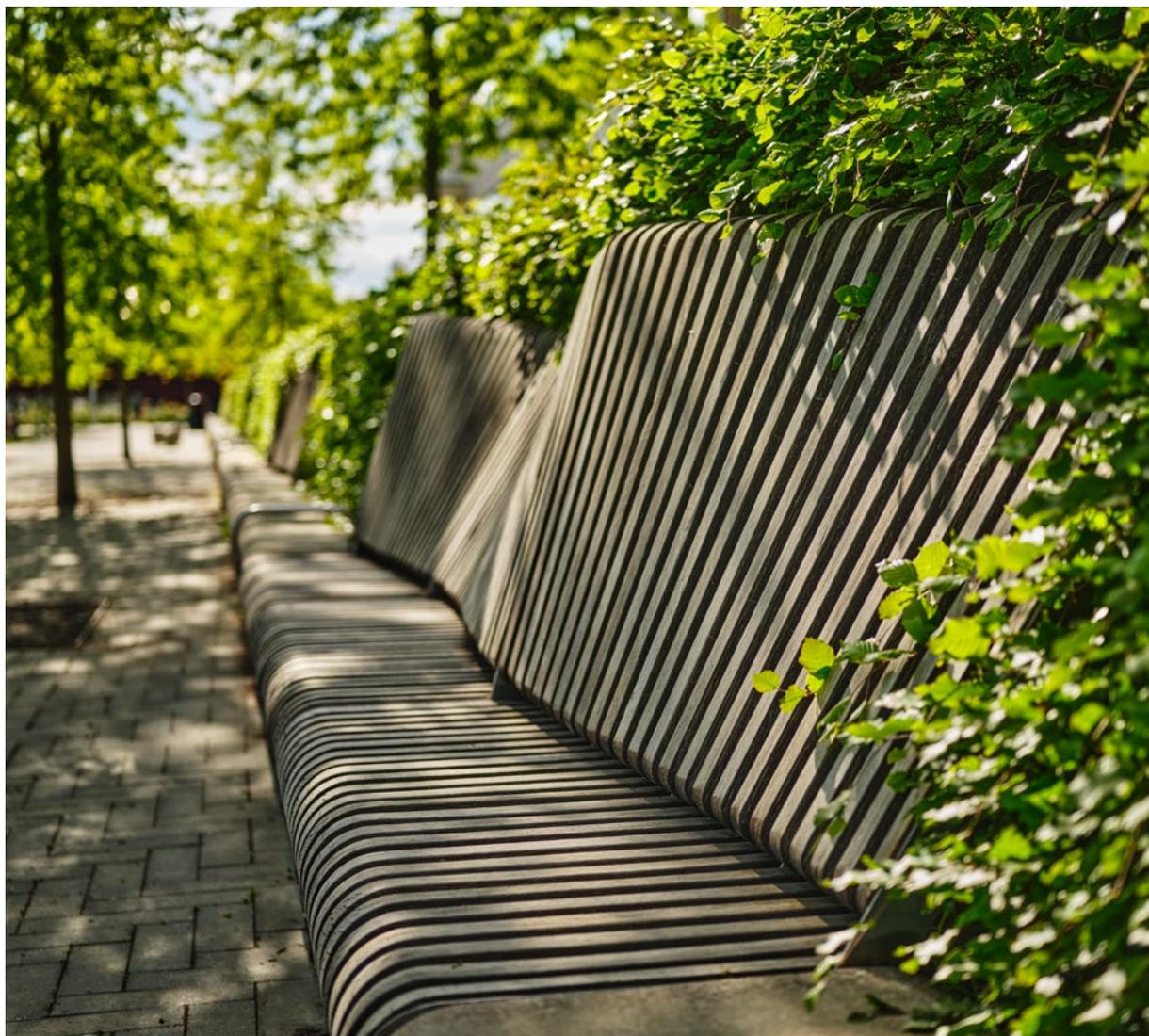
The Sustainability Report of Akademiska Hus follows the financial year, is published annually and covers the entire Group, see note 1. The Sustainability Report includes pages 1–4, 10–37, 45–48, 105–109 and 111–122 and also includes Akademiska Hus' statutory sustainability reporting. The Board and the CEO assure that Akademiska Hus' sustainability report 2021 has been established in accordance with chapter 6 of the Annual Accounts Act and GRI Standard. Akademiska Hus' external auditors examined the report with the exception of the taxonomy. The auditor's Limited Assurance Report on the Sustainability Report and the statement regarding the Statutory Sustainability Report are presented on page 123. The previous Annual Report was published on 26 March 2021.

No significant changes occurred in the organisation or in our supply chain in 2021. 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 figures for energy consumption and greenhouse gas emissions. Akademiska Hus has reported on the climate impact of construction projects in Scope 3 since 2019. The climate analyses have evolved over time, as the industry has learned more about climate calculations. Five new construction projects were commissioned in 2021. Four of these projects have project-specific climate calculations, where only minor adjustments were made using standard formula to obtain a complete report. One project did not have a project-specific climate calculation, for which reason its climate impact is based on standard formulas. During the year, standard formulas for climate impact of renovation projects were updated, to keep up with recently acquired knowledge.

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

Caroline Arehult, CEO, caroline.arehult@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, students and researchers, employees, suppliers, local and business communities, our owner and financial participators as our most prioritised participator groups.

The formats in which we conduct these dialogues have been challenged during the corona virus pandemic. While physical meetings have been reduced to a minimum, digital meeting formats have come into their own, providing a high level of accessibility, broad involvement and new relationship spaces.

In 2021 we focused on investigating how the pandemic affects customers and students and how we can effectively contribute to provide the best deliverables possible. Our dialogue with our employees also went into greater depth in order to be able to offer a good nurturing work environment during the pandemic.

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 sustainability goals 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 Collaboration regarding cyber safety and security
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. 	<ul style="list-style-type: none"> Make facilities and technology available for research A vibrant campus with high accessibility and level of service More student housing
Employees	<ul style="list-style-type: none"> Performance reviews/project-specific appraisal assignment Questionnaire on the impact of the pandemic on the workplace Digital knowledge seminars 	<ul style="list-style-type: none"> Attractive employer offering market-based working conditions Good opportunities for skills development 	<ul style="list-style-type: none"> Each person should understand their role in the operation Safe and healthy working environment The company contributes to benefit society
Suppliers	<ul style="list-style-type: none"> Meetings related to procurement of framework contracts and orders Structured introduction of contractors and suppliers The roles of contract owners and contract managers have been designed 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 	<ul style="list-style-type: none"> 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 Participate 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 follow-up with the owner unit 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

Our essential areas

To identify the issues that are most important for value creation at Akademiska Hus, a materiality analysis is conducted in which the Company creates in strokes an aggregate picture of the situation in the outside world, the role of the Company in the market, our impact on the outside world, expectations from participants and other factors.

The analysis is updated annually to keep it up to date and relevant. In 2020 a comprehensive external analysis was conducted in conjunction with the review of the company's strategy. The analysis provided important insights into changes in society that impact our industry and operations. The climate issue and the corona virus pandemic were already the predominant issues in 2020 and increased in relevance in 2021.

Using the annual participator dialogues and external analysis as a point of departure, we determined that our four essential areas are both relevant and a high priority in our endeavour to achieve long-term and successful value creation.

The matrix on page 109 describes the strategic impact and relevance of each area in our operation, as well as sustainability governance for each of the four essential areas.

Value-adding knowledge environments

With climate-efficient and innovative development work on our campuses and a viable commercial approach, we create long-term benefit for both our participants and the environment. We also focus heavily on the social perspectives related to well-being and accessibility.

Resource-efficient operations

We use the assets at our disposal and the resources we consume more efficiently to reduce the burden on the environment. Collaboration on innovations is crucial and builds a high development capacity.

Responsible relationships

High transparency in our customer relationships creates understanding of our role and our mission. We set clear requirements for high ethical standards that both we and our suppliers must meet, so that together we can contribute to a sustainable society.

Caring for people

By working proactively for a healthy and safe work environment for both employees and customers, as well as suppliers, we improve the industry and strengthen our relationship with our participants.

UN global goals

Akademiska Hus' governance and sustainability initiatives are well founded in the ten principles of the Global Compact and our value creation rests on the UN's global sustainable development goals. Our business plan contains goals and activities that are clearly linked

to the global goals and associated targets considered to be most relevant for Akademiska Hus, thereby ensuring that we contribute to the global goals through our daily work.

PRIORITISED TARGETS Prioritised intermediate targets

Akademiska Hus contributes through



4. QUALITY EDUCATION FOR EVERYONE

To ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4.A 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 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.

- Active work with equal treatment through the "Lika Unika" plan.



7. SUSTAINABLE ENERGY FOR EVERYONE

Ensure access to affordable, reliable, sustainable and modern energy for all.

7.2 Increase the share of renewable energy in the world

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.A Enhance access to clean energy research and technology

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.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through

**8. DECENT WORKING CONDITIONS AND ECONOMIC GROWTH**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent working conditions for all.

8.2 Promote economic productivity through diversification, technological upgrading and innovation

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.

- Climate-neutral operation to 2035 in the entire value chain, which includes both management and projects.
- "Co-Living" – an innovation project based on various types of shared living arrangements.

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.

**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.

- Goal regarding number of student housing units created.
- Focus on affordable student housing situation through reasonable monthly rent and plan for sustainable daily life.

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 of all new construction (Gold) and major renovation projects (at least Silver).
- Method for campus plans with strong focus on participation through an array of participants.
- Climate change resilience is taken into account when investing.

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.

PRIORITISED TARGETS

Prioritised intermediate targets

Akademiska Hus contributes through

**12. SUSTAINABLE 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 wastes

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise 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 Byggarbetet system.

12.5 Substantially reduce waste generation

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

- Akademiska Hus is an active partner in the national collaboration CCBUILD aiming 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.

**13. FIGHT CLIMATE CHANGE**

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.

**17. ADOPTION AND GLOBAL PARTNERSHIP**

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

- 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	Value-adding knowledge environments	Resource-efficient operations	Caring for people	Responsible relationships
	GRI STANDARDS	– GRI 201: Economic Performance – GRI 203: Indirect economic impacts	– GRI 302 (CRE-1): Energy – GRI 305 (CRE-3): Emissions – GRI 307: Environmental compliance – CRE 8: Product responsibility	– GRI 403: Occupational Health and safety – GRI 405: Diversity and equal opportunity	– GRI 205: Anti-corruption – GRI 308 and 414: Supplier Environmental Assessment regarding the environment and social criteria
GRI 103-1	WHY THE TOPIC IS IMPORTANT TO US	By creating value-adding, sustainable and inclusive knowledge environments, we can contribute positively to the social economy, the environment and the people who live in our environments.	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 and planning projects to prevent damage to the environment and injuries to people.	A safe and healthy 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. For a good customer experience, it is important to provide a setting in our properties in which people can thrive. Our operations, with both construction projects and property operations, are associated with significant risk relating to occupational health and safety.	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.
	RESPONSIBILITY AND IMPACT ON THE VALUE CHAIN	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.	Our responsibility is to be resource efficient in our operations, while making demands on suppliers regarding processes, energy and materials. 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.	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.
	BOUNDARIES IN REPORTING	We develop knowledge environments and campuses primarily together with our customers, but other participant groups are also involved in the processes.	We focus on the entire operation, from planning and implementation of construction projects to the ongoing management of properties and campuses.	Reporting mainly occurs regarding our own employees with additional information for suppliers where such information is available. We do not report on customers and users.	The boundary was set to include our employees, as well as first-line contacts regarding our suppliers.
GRI 103-2	HOW WE WORK	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 participants.	We promote resource-efficient use of materials and energy, but also efficient use of premises.	See specific governance in the Sustainability notes (403: 1–7) and information in the employee section on pages 36–37.	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.
	WE WANT TO ACHIEVE THE FOLLOWING	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.	By working resource-efficiently, we want to reduce the impact on the environment in general by conserving natural resources, reducing the impact on biodiversity and reducing climate impact.	We want to create a healthy accident-free workplace that is inspirational, where people want to grow and contribute.	The goal is to achieve a high standard of ethics in procurement, to monitor compliance with these standards, and to build responsible and accountable relationships.
	• POLICIES ¹	– Process method for Campus development, with a focus on sustainability	– Sustainability policy – Climate and energy strategy – Guidelines for business travel	– Equality and diversity plan – Sustainability policy – Work environment policy	– Code of Conduct, internal and for suppliers – Procurement policy – Purchasing procedures
	• COMMITMENTS IN ADDITION TO SWEDISH LAWS AND GUIDELINES	– Campus plans and other planning documents together with customers	– Member of Fossil Free Sweden – Certification of new buildings and major renovation projects according to Miljöbyggnad certification system standards	– Work to promote stronger industry requirements through the “Håll Nollan” initiative	– We support the Global Compact in its work with its ten principles and the UN’s global sustainability goals
	• GOALS ^{1,2}	– Customer Satisfaction Index – Number of student housing – Innovation in collaboration	– Energy reduction – Number of environmentally certified buildings – Climate neutrality	– Accident-free workplaces (ELTAR) – Performance index (AHPI)	– Customer Satisfaction Index – Number of cases of corruption – Number/percentage of supplier controls
	• SPECIAL PROCESSES, PROJECTS, PROGRAMMES AND INITIATIVES ¹	– Process method for Campus development – Citylab: – Environmental and Occupational Safety and Health Management Systems	– Climate calculations in projects – System and material selection studies – Miljöbyggnad certifications – Environmental and Occupational Safety and Health Management Systems	– Reporting in the IA system for incidents and accidents – Reporting of “Sick and healthy” – Project-specific appraisal assignment	– Whistle-blower system, internal and external – Ethics Council, internal – Business ethics guidelines and training video – Introduction of suppliers
EVALUATION OF CONTROL	– ANALYSIS OF CUSTOMER SATISFACTION INDEX (pages 12–13)	– Annual climate footprint (page 113) – Environmental and Occupational Safety and Health Management Systems followed up through management review	– Annual audits (internal, external, page 17) – Analysis of performance index (AHPI)	– Ethics Council – Supplier Assessments (page 35)	

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 12–13.

EU Taxonomy

Akademiska Hus' activities are subject to the disclosure requirements under the EU taxonomy regulation. For financial year 2021, the key figures are presented for the portion of our operations deemed to be covered by the economic activities defined by the taxonomy. The key figures reported are: share of turnover, capital expenditure and operating expenses. The majority of our operations can be found in Chapter 7, Construction and real estate. Akademiska Hus' core business and primary turnover relates to rental income, which is included in the economic activity 7.7 Acquisition and ownership of buildings. Our suppliers have not yet been screened, nor has screening been included in the 2021 figures.

For all activities within Chapter 7, technical requirements have been developed for two of the environmental objectives, climate change mitigation and climate change adaptation. Other parts of Chapter 7 are included in our support activities. They are not reported as separate activities and are not included in our key figure for turnover, since they do not generate turnover.

For financial year 2022, the proportion of our operations that are deemed to be in line with the taxonomy criteria must also be reported. Producing this information will be associated with challenges and to some extent also uncertainties, since content concerning both requirements and calculation assumptions will be continuously added during the coming years. After initial analysis of our existing building stock, we have made the assessment that we will meet the technical criterion for energy performance, within the top 15% of national or regional stock, relatively well. This conclusion is based on a study of Sweden's aggregate holdings that was commissioned by Fastighetsägarna (the Swedish Property Federation). However, these levels may be adjusted after the National Board of Housing, Building and Planning completes the analysis it is conducting on behalf of the government in the spring of 2022. Further analysis of the company's operations will be carried out in 2022 to also include additional requirements and environmental objectives within the framework of the EU Taxonomy.

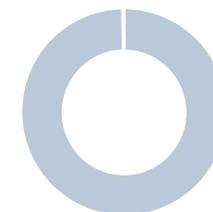
The table presents Akademiska Hus' figures for financial year 2021 and the following assumptions have been made:

	Total for the Group, SEK million	Percentage covered by the taxonomy (%)	Percentage not covered by the taxonomy (%)
Turnover	6,678	99.8	0.2
Operating expenses (OPEX)	475	97.3	2.7
Capital expenditure (CAPEX)	4,604	99.3	0.7

The key performance indicator (KPI) for turnover in total 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 income, 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 mainly relates to the government grants and insurance reimbursement.

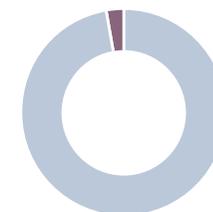
The key performance indicator for operating expenses in total deviates from costs for property management. Total operating expenses consist of maintenance costs, development costs and a small part of inspection and maintenance relating to snow removal from roofs. The share covered by the taxonomy mainly corresponds to maintenance costs, development costs and snow removal from roofs, with a deduction for operating expenses relating to own premises. A standard formula has been used for calculations relating to those properties that are used internally and externally. The calculation has been based on contract areas.

The key performance indicator for capital expenditure in total consists of all investments during the year. See notes 14, 18 and 19. The share covered by the taxonomy relates to investments in properties that are rented out externally. A standard formula has been used for common properties, in the same way as for operating expenses.



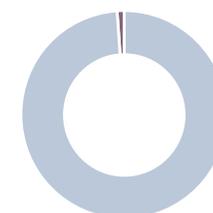
Turnover

- Percentage covered by the taxonomy (99.8%)
- Percentage not covered by the taxonomy (0.2%)



Operating expenses

- Percentage covered by the taxonomy (97.3%)
- Percentage not covered by the taxonomy (2.7%)



Capital expenditure

- Percentage covered by the taxonomy (99.3%)
- Percentage not covered by the taxonomy (0.7%)

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 essential areas. 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 participators. Financial accountability is important in all four of our areas of focus, but it is absolutely crucial in "Value-adding knowledge environments" and "Responsible relationships".

GRI 201-1 Direct economic value generated and distributed

SEK 1,000	2021	2020	2019
DIRECT VALUE GENERATED			
Income	6,679	6,418	6,217
ECONOMIC VALUE DISTRIBUTED			
Payments to suppliers ¹	-1,574	-1,558	-1,717
Employee wages and benefits	-327	-307	-295
Fees and remuneration to the Board and CEO	-19	-13	-13
Social security costs	-172	-155	-141
Tax ²	-584	-577	-431
Interest paid to lenders, net	-55	-675	-966
Dividend to shareholder	-2,142	-1,905	-1,663
ECONOMIC VALUE RETAINED	1,806	1,228	991

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 property 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 "Resource-efficient operations".

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 use 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 2 per cent of our total electricity use.

MWh, annual increase in %	2021		2020		2019		2018	
	MWh	%	MWh	%	MWh	%	MWh	%
Own electricity generation from renewables								
- Solar power	6,807	38	4,916	27	3,873	88	2,057	68

GRI 302-1: Energy Consumption within the organisation

The energy reported is based on measured values and includes energy use by tenants. The share that is charged to tenants is reported separately.

MWh ¹	2021	2020	2019
Total energy consumption (non-renewable energy)	6,856	21,558	34,977
Total energy consumption (renewable energy)	735,865	717,198	729,057
Total electricity	368,331	367,134	382,280
- including energy charges passed on to tenant	237,656	235,702	253,313
Total heating	292,385	289,733	298,058
- including energy charges passed on to tenant	70,933	60,633	71,350
Total cooling	78,904	78,765	77,854
- including energy charges passed on to tenant	69,494	70,527	70,622
Total biogas/steam	3,101	3,123	5,842
- including energy charges passed on to tenant	0	0	5,354

1) Fuel types are presented under indicators 305-1 and 305-2.

During the year, the building portfolio increased slightly, as did the total amount of energy purchased. Average energy consumption increased by 0.8 per cent. Minor changes in the property portfolio account for part of the increase, but the majority can be linked to the challenging situation that with respect to optimising property operations. During the corona virus pandemic, fewer people occupied the premises, which meant that more heat was needed to reach the desired default indoor settings. We also made an effort to maintain ventilation levels to ensure a healthy indoor environment. Consequently, our options to reduce energy needs in the properties were limited. The return to campus in the summer of 2021 meant that the campus reopened for use, but occupancy has been more intermittent than usual in a normal year.

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 CRE-1 Energy intensity

kWh/sq m	2021	2020	2019
Energy intensity = Energy consumption per square metre	184.3	183.1	192.4

Energy intensity has increased by 0.8 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

	2021	2020	2019	2018
Total reduction (MWh)	-3,966	25,279	29,772	-14,191
Invested, SEK	158,270,564	174,431,100	168,269,193	126,996,023

The investment volume associated with energy investments remained high in 2021. The corona virus pandemic has also complicated our work with energy investments, since implementing decisions to initiate energy measures in the property portfolio has been challenging in times of high staff absenteeism and a strong focus on more urgent 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. Reported figure for investment is based on planned commitments 2021. 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 38 per cent compared with 2020 and is now 6,807 MWh.

Greenhouse gas emissions

Akademiska Hus has set high goals for climate neutrality. 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 2021, the Board of Directors of the company adopted a new climate target, which is described in detail on pages 28–31. 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. Content and details related to each Scope are presented in greater detail below.

GRI 305-1: Direct greenhouse gas emissions (Scope 1)

In 2021, Scope 1 emissions totalled 1,061 tonnes CO₂e, the majority of which is attributable to the use of refrigerants. 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 2020. 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 3,101 MWh (3,123 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. The share charged to tenants is reported separately for increased transparency.

CO₂ emissions in this Scope have increased marginally during the year because of the slight increase in energy needed in the buildings (see GRI 302-1). CO₂ 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: Indirect greenhouse gas emissions (Scope 3)

In Scope 3, climate impact from Category 1, purchased goods and services, is the predominant item. This category includes purchases of materials and services, which thereby encompasses much of the climate impact from project operations. Reducing the climate impact of project operations requires facts, for which reason the company decided to carry out climate calculations on all major new construction and renovation projects. 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. During the year, a guide and a description of methodology for climate calculations were formulated to clarify conditions for project-specific objectives and for implementation of climate calculations. As the practice of project-specific climate calculations becomes more common, for us and for the industry as a whole, we will learn more about the climate impact of different designs and solutions. Analysis of available calculations shows that previously adopted standard formulas for new construction and major renovation projects have been overestimated, by as much as 30 per cent.

This year's compilation includes the five new construction projects that were commissioned during the reporting year. Four of these projects have project-specific climate calculations, where only minor adjustments were made using standard formulas to obtain a complete report. One project did not have a project-specific climate calculation, for which reason its climate impact is based on standard formulas. In 2020, all new construction projects were based on adopted standard formulas.

Project-specific climate calculations were not calculated for renovations or for tenant adaptations, but the climate impact has been estimated through standard formulas and through cost analyses. The adopted standard formula for renovations has been reduced compared with 2020, based on the external analysis in this area.

The relatively large increase in emissions within Scope 3 is essentially attributable to the amount of completed area in new construction projects; this area greatly exceeds the corresponding figure from 2020. Akademiska Hus aims to actively 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.

GRI 305-4 /CRE-3: Greenhouse gas emissions intensity

Greenhouse gas emissions levels from Akademiska Hus properties was 5.3 kg of CO₂ per square metre (5.4 kg CO₂/m²). Emissions intensity is based on energy use as presented in 305-2, including energy used by tenants in their activities, and with the addition from the climate impact in Scope 1 (refrigerants). The area used in the calculation is usable floor area (UFA). The climate impact of Scope 1 and 2 in the table below corresponds to market-based climate impact. Total site-based climate impact was 79,997 tonnes CO₂ in 2021.

Tonnes greenhouse gas emissions	2021	2020	2019	2018	
SCOPE 1					
Fuels	0	0	0	1	
Company cars	14	14	22	86	
Refrigerant	1,047	1,648	1,648	—	
TOTAL SCOPE 1	1,061	1,662	1,670	86	
SCOPE 2					
District heating	19,730	15,479	25,214	28,211	
District cooling	287	4,273	2,614	532	
Electricity	368	366	380	384	
Biogas/Steam	2	1	38	2	
including energy charges passed on to tenant					
District heating	4,794	3,240	6,036	4,095	
District cooling	253	3,826	2,371	53	
Electricity	237	235	252	131	
Biogas/Steam	2	1	38	2	
TOTAL SCOPE 2	20,387	20,119	28,246	29,129	
SCOPE 3-EMISSIONS	Category				
Materials in construction projects	1	46,640	29,372	37,712	—
Groundskeeping	1	750	938	938	—
Production and distribution energy fuels (in Scope 1 and 2)	3	6,310	6,783	7,581	—
Transports in construction projects	4	3,506	355	1,111	—
Waste from construction projects	5	1,698	1,539	2,129	—
Air and rail	6	90	41	258	263
Taxi and rental car	6	3	2	17	16
Hotel	6	3	3	5	—
Private cars used on business	6	10	37	64	54
Commuting travel	7	169	219	410	—
TOTAL SCOPE 3-EMISSIONS		59,180	39,289	50,225	333
TOTAL EMISSIONS (SCOPE 1, 2, 3)		80,628	61,070	80,141	29,548
TOTAL EMISSIONS WITH CLIMATE COMPENSATION¹		80,628	23,021	—	—
Emissions intensity (kg/m ² (UFA)) ²		5.3	5.4	7.1	7.0
Emissions intensity (kg/m ² (UFA)), including climate compensation		0.0	0.0	7.1	7.0

1) For 2021, the entire climate footprint was compensated for climate change and for 2020 compensation was compensated the load from Scope 1, Scope 2, and parts of Scope 3 (Groundskeeping from category 1, category 6 and category 7)

2) Includes climate impact from energy that tenants use in their activities

CLIMATE COMPENSATION

In 2020, Akademiska Hus climate-compensated to offset its climate footprint from internal operations and property operations. During 2021, in line with the company's new climate and energy strategy, this aim was expanded to include the climate impact of the entire operation, i. e. Scope 1, 2 and 3. Climate compensation is based on UN CDM-credits from wind power and waste to electricity generation in India. We view climate compensation 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 climate compensation strategy will therefore be reviewed and technologies that offer a substantial reduction, such as Bio-CSS, will become increasingly relevant in the future.

ENVIRONMENTAL COMPLIANCE

GRI 307-1: Environmental compliance

Akademiska Hus uses an external web-based service for compilation and monitoring of current laws and regulations regarding the environment and the work environment. New or amended laws and regulations are continually updated in the system. Changes that are relevant for the operation are addressed and communicated in the appropriate forums within the company.

Coordinated external and internal audits within the environment and work environment are carried out annually to ensure that we comply with current requirements in the field. Any deviations and/or suggestions for improvement are included in the action plan to be addressed and remedied. Reporting and follow-up are provided through management reviews, health and safety committees, and similar venues. How employees score the organisational and social work environment (and thus our compliance with AFS 2015:4) is also followed up in conjunction with the annual Akademiska Hus performance index survey, "Min röst" (My voice). In the Project unit, environmental and work environment items are entered in the project tool "Aka Projekt", to be followed through the different phases of the project.

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 "Value-adding knowledge environments" and "Responsible relationships". All personnel data have been compiled as of 31 December 2021.

WORKFORCE

GRI 102-8: Workforce

As of 31 December 2021, Akademiska Hus had 532 (537) employees, of whom 510 (516) are permanently employed and the remainder are tempo-

rary employees. In all, 22 (21) employees within the organisation had part-time contracts, including 10 (12) women and 12 (9) men. Akademiska Hus has no significant variations in the number of employees over the year.

Number of employees per unit and gender

Unit	Women	Men	Total
Staff	85	53	138
Campus and Business Development	10	14	24
Property Management	61	239	300
Projects	26	32	58
AWL	2	4	6
Student housing	4	2	6
TOTAL	188	344	532
Per cent	35.3	64.7	100.0

In addition to employees, a large number of hired workers are engaged. The majority of them can be 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.

GRI 102-41: Proportion of the workforce covered by collective bargaining agreements

Collective agreements apply to all employees except those who belong to Executive Management

Diversity within the organisation

The table below shows the age distribution among all employees, management and the Board of Directors:

Composition of the company	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
Board of Directors¹								
Under 30 years	—	—	—	—	—	—	—	—
30–50 years	—	—	—	—	1	100	—	—
Over 50 years	2	22	7	78	3	33	6	67
Executive Management								
Under 30 years	—	—	—	—	—	—	—	—
30–50 years	1	20	4	80	—	—	4	100
Over 50 years	4	80	1	20	5	83	1	17
Employees in managerial position²								
Under 30 years	16	94	1	6	12	92	1	8
30–50 years	19	45	23	55	19	45	23	55
Over 50 years	11	42	15	58	11	42	15	58
Other employees								
Under 30 years	12	63	7	37	12	63	7	37
30–50 years	96	41	140	59	96	41	140	59
Over 50 years	42	21	161	79	42	21	161	79

1) Employee representatives are included in the statistics 2) Excluding executive management

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1: Diversity in the Board of Directors, management and other employees based on age and gender

Akademiska Hus' management group consists of 6 (5) women and 5 (5) men. The Board of Directors is represented by 5 (6) men and 3 (4) women.

The table below shows the distribution between men and women, broken down by activity and excluding management. In the company as a whole, Akademiska Hus has 33 per cent (33) women. The Management Unit is least equal in the company, with only 16 per cent (15) women. The most even gender distribution can be found in the Campus, Business Development unit and the Project unit.

Gender distribution employees, excluding Executive Management

Unit	Gender	%/unit	% total	Number
Staff	Women	60.3	15.1	79
	Men	39.7	10.0	52
Campus and Business Development	Women	45.5	1.9	10
	Men	54.5	2.3	12
Property Management	Women	20.7	11.9	62
	Men	79.3	45.6	238
Projects	Women	45.6	5.0	26
	Men	54.4	5.9	31
AWL	Women	33.3	0.4	2
	Men	66.7	0.8	4
Student housing	Women	66.7	0.8	4
	Men	33.3	0.4	2
AKADEMISKA HUS TOTAL	Women	35.1	35.1	183
	Men	64.9	64.9	339

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 structured approach and a good culture to prevent risks and avoid work-related accidents and ill health. During the year, Akademiska Hus began work on certifying the work environment to ISO 45001, since the option for certification under the regulation on systematic work environment management (AFS 2001:1) ended during the year. The process of becoming certified to ISO 45001 is expected to be completed by the end of 2022.

During the year, our Board adopted a new work environment policy which has an updated target and is more specific, easier to follow up and covers several aspects of our work environment. Our environmental and occupational safety and health management systems with policies, procedures and guidelines is available on our intranet. 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, such as the annual risk assessment in the operation, prior to calls/orders of construction-related services, or with changes in the operation. During the year, we initiated a system support project for our risk assessments in an effort to simplify and improve management, implementation and follow-up. Handling of accidents and incidents 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 have the 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 can learn from the experience. As an employer, our contractor is formally responsible for investigating and implementing corrective measures in the event of work-related injuries. Our job is to see whether we can learn any lessons from the event in our capacity as builder with responsibility for the early stages such as design and planning, as well as overarching conditions for the project.

Through participation and collaboration, employees are given the opportunity to contribute and influence both their own and the company's work environment. Most importantly, it is desirable that this takes place in daily life and between those affected. Collaboration and participation at forums

and meetings, such as the work environment committee, the wellness group, the work clothing group and the safety representative group, provide additional opportunities for influence and to have an impact. At Akademiska Hus, we have six local health and safety committees from north to south, with meetings in quarters two and four, and a central health and safety committee with meetings in quarters one and three, for a total of 14 meetings per year. Meetings are attended by representatives from both employers and employees. At our in-house work environment training, tailored specifically to the company, managers and safety representatives work together to improve collaboration regarding work environment issues.

Akademiska Hus has a cohesive contract with occupational healthcare providers in the locations where Akademiska Hus 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 employees access to professional healthcare advice and is available 24 hours a day, every day of the year. In order to capture early signs of ill health with the possibility of introducing measures at an early stage, the "Sick and Healthy" service provides an indication of repeated short-term absence 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, but each employee also has the right to schedule an appointment with the service to receive support and guidance on issues concerning conditions at work. Our focus with 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 has been 89 per cent health promotion/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 wellness theme with various wellness activities that are carried out throughout the Company. In 2021, the wellness theme "Together we are stronger" was initiated with a challenge to promote mobility and social contacts in the company. The activity also contributed to the activities arranged through the organisation "Mind", which works to promote mental health. In addition, an inspirational series of short health talks was held, which could be combined with going out for a walk. Through our collaboration with ActiWay, 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 contributed to continuous improvement of the ratio of active individuals who have taken advantage of their wellness allowance; in 2021, 86 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 clear 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 2021, we produced new introductory material to better communicate our expectations and provide our contractors with the information they need in our operations and management.

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 good 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, we participated in the initiative to develop questions to measure the level of the safety culture in construction projects through the Håll Nollan project. The questions are part of a larger quality assessment and will be tested and evaluated in 2022. An important event is the Håll Nollan Safety Push, which was held for the second consecutive year. The Safety Push is a challenge and a reminder of one of the most crucial issues for people like us, who work in the construction and property industry – no one should be injured on our construction sites. Akademiska Hus participated for the second time and we focused extra on three of our construction projects: in Gothenburg, Natrium held the event together with Skanska, in Solna, the Retzius Laboratory together with Serneke and in Luleå, the project C building together with NCC. In 2021, we also chose to join "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. We also actively participate in the Property Developers' work environment group association with the aim of encouraging property developers to accept their responsibility for the work environment.

We provide continuous training and development programmes for our employees who are clients and/or project managers of construction projects in both management and 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: Number of workers covered by an occupational health and safety management system

All employees at Akademiska Hus are covered by the requirements, guidelines and procedures in our occupational health and safety management system. The system complies with relevant laws and regulations. The management system also contains governing documents that apply to our consultants, suppliers and contractors. In accordance with our work environment policy, Akademiska Hus aims to contribute to good health and safety for employees, contractors, suppliers, customers and end users.

	2021	2020	2019
Occupational health care service for own personnel, distribution of utilisation in %			
– Promote and prevent	89	73	80
– Rehabilitate	11	27	20
Percentage of individuals using wellness allowance ¹	86	84	81

1) Percentage of full-year employees who used some part of their wellness allowance

GRI 403-9, 10: Work-related injuries and health

During the year a total of 19 work-related accidents, 38 incidents and 5 vehicular accidents were reported for Akademiska Hus personnel. No work-related accidents resulted in absence in addition to the day of injury, for which reason the lost-time accident rate (LTAR) is zero. Based on reported incidents and accidents, the most common cause of injury/risk involves being hit by flying or falling objects, followed by contact with sharp objects. Other risks and causes of injury included falls on the same level and risk of contact with hazardous substances. These risks and causes of injury generally occur when working with maintenance and repair work in our property operations. Five vehicular accidents occurred during the year; two resulted in absence. From this perspective, vehicular accidents to and from work have had the most serious consequences for our employees.

Akademiska Hus personnel	2021		2020		2019	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatal accidents	0	0	0	0	0	0
Work-related injuries	19	23	17	19	16	20
Work-related injuries with absence (LTAR) ¹	0	0	1	1.1	2	2.5
Work-related accidents with absence over 6 months	0	0	0	0	0	0
Work-related sickness absence ²	5	5.9	6	6.7	10	12.5
Total sickness absence in % ³	4.1	N/A	3.6	N/A	4.5	N/A
– Women	5.3	N/A	5.4	N/A	5.8	N/A
– Men	3.5	N/A	2.7	N/A	3.8	N/A

Contractor in construction projects	2021		2020		2019	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatal accidents	0	0	0	0	0	0
Work-related injuries with absence (ELTAR) ⁴	7	2.8	7	2.5	9	2.4

- 1) LTAR relates to the accident rate for own personnel, excluding vehicular accidents. The 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 2021 was 841,628; 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. Sickness absence was previously reported in % of scheduled time.
- 4) ELTAR relates to the accident rate for contractors in our construction projects, excluding vehicular accidents. The 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 2,456,769 for contractors in 2021.

For contractors in our construction projects, 28 work-related accidents were reported during the year, seven of which involved work-related injuries that led to absence. This corresponds to an accident rate of 2.8, which from an industry perspective is considered to be low. The most common cause of injury/risk involves getting stuck or crushed between objects and falls at the same level. Fingers were the most common parts of the body to be injured.

The accident rate is defined as the number of workplace accidents that lead to absence on one or more contractual workdays per one million hours worked. A continuous effort is underway to increase reporting of incidents and accidents by our contractors to us as property developers. In addition to having a system in place and setting requirements, we understand that patience is required and we continuously work to ensure that incidents are reported in our projects. To shed further light on incident reporting in our projects, we set a KPI in this year's operational plan to double the number of reported incidents in 2022.

Absenteeism due to illness remains at a stable low level at 4.1 per cent. Our sickness absence reporting system provides an opportunity for early identification of employees who experience work-related ill health. Over the course of the year five employees have stated that their absence is due to conditions at work, which is fewer than the previous year. This work-related ill health is attributable to stress and musculoskeletal ergonomic problems. We work continuously with health-promoting and preventive activities with the aim of preventing employees from suffering work-related injuries and ill-health. This has been a challenge with a high proportion of employees working from home during the year and several measures have been implemented to meet these challenges and risks. Here we know from surveys that many people have been challenged by ergonomics when working remotely. During the year, we

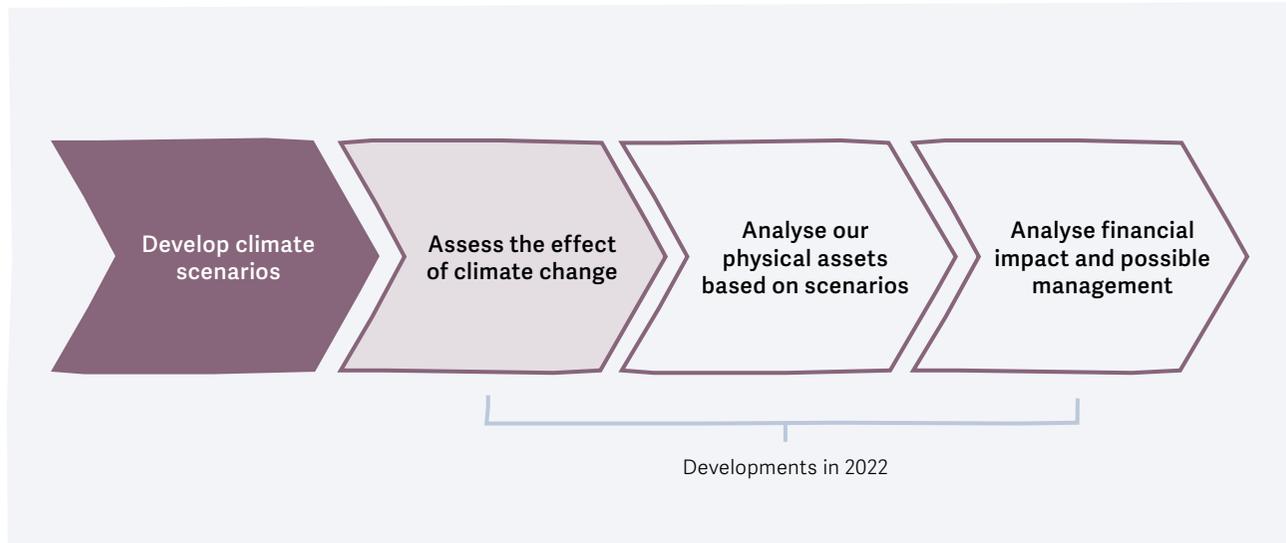
took measures and steps to highlight the importance of early intervention in the event of ill health and to facilitate this among employees and managers. A new process/working method for adaptation at work and rehabilitation has been developed, with a clear emphasis on early intervention in the event of signs of ill health. In our procurement of occupational healthcare services, the function of rehabilitation coordinator was further strengthened in order to be able to support the activities in these matters. During the year, all employees were offered a work environment and health analysis at our occupational healthcare service. The results from the analysis give both the individual and the company a clear picture of the areas that are strong and the areas that need further measures to ensure good health and a safe work environment.

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. We raised the issue of mental illness and our collaboration with the organisation Mind in various contexts during the year. In connection with the World Day for Safety and Health at Work, we chose to highlight our new work environment policy and focus on its writing to show "Caring for one another". A card game with questions that serve as conversation starters was developed in collaboration with Mind. The purpose was to strengthen relationships and learn more about each other by encouraging dialogue in the workplace in a simple and fun way.

Risk assessments are an important cornerstone of our preventive systematic work environment management and as mentioned previously, we continued to develop our working methods and system support to increase awareness and quality. New this year is a dedicated Health and Safety Engineer through our occupational health service, to support us in investigations and risk assessments, which is an important resource and asset in our business. 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.

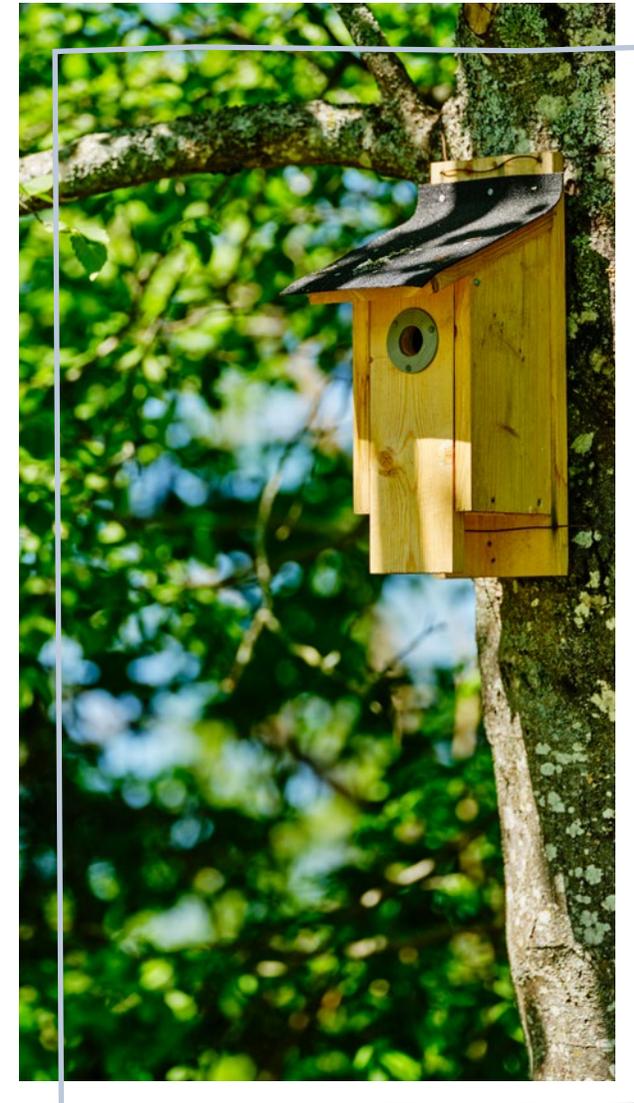
The coronavirus pandemic has characterised large parts of the year and impacted everyone's work environment, regardless of whether working in our offices or remotely. During the year, we addressed support and activities to prevent ill health and to meet these challenges. During the year, we clearly communicated with our employees and urged them to take care of their health. In addition to our wellness coaches motivating our employees to take advantage of the wellness allowance, we have held a social activity challenge and provided an inspirational health talk series with good involvement. In addition, our benefits and services in these challenging times have been highlighted in various contexts to strengthen and support employees in coping with issues that could otherwise contribute to ill health. Examples include access to ergonomics when working remotely, the option to borrow equipment to use at home, counselling, support for domestic violence, a help desk for bullying, support for drugs and alcohol issues and access to a health portal with e-health programmes.

Management of climate change



Climate change is one of the greatest challenges of our time, requiring a global transition to a fossil-fuel independent 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.

In 2017, the Task Force on Climate Related Financial Disclosures (TCFD) was launched. The purpose of the framework is to enable organisations to better identify and highlight their climate-related financial risks and opportunities. Akademiska Hus aims to follow the recommendations in TCFD as far as possible to describe how we believe a changed climate will impact our operations.



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.

* Source: <https://www.smhi.se/klimat/framtidens-klimat/framtidens-klimat>

RCP 2.6 – the scenario that is most 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 increase 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, the scenario that is most in line with the Paris Agreement, we see a strong demand for sustainable properties and better profitability for renewable energy production. We can 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-fuel independent energy solutions.

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
- shift 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

RCP 8.5 – the scenario where emissions correspond to current levels

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, the scenario where emissions correspond to current levels, 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 existing portfolio's exposure to climate-related risks and an assessment of its financial impact are planned for the coming financial year.

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.

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 goals according to the Green House Gas Protocol and the methodology developed by the Science Based Target initiative, and the climate goals that Akademiska Hus has set meet these reduction levels by a good 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-effective 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 26–32, as well as in the sustainability notes 305-1 to 305-3 on page 112. Targets and outcomes linked to energy reduction (GRI 302-1 and 302-4) can be found in the sustainability notes on pages 111–112.

GRI index and Global Compact

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclo- sure	Description	Page or reference	Comment/ Disclosed information	Global Compact principle
ORGANISATION PROFILE					
GRI 102: General standard disclosures, 2016	102-1	Organisation name	Cover, 49		
	102-2	Important brands, products, and services	1, 23–25, 49		
	102-3	Location of headquarters	127		
	102-4	Location of operations	1, 9		
	102-5	Ownership and legal form	49		
	102-6	Markets served	18, 22, 44		
	102-7	Scale of the organisation	1, 9, 61, 64, 111		
	102-8	Workforce	78, 113		6
	102-9	Supply chain	35		
	102-10	Significant changes to the organisation and its supply chain	105		
	102-11	Application of precautionary principle	109		7
	102-12	External initiatives on sustainability that the organisation supports and/or by which it is covered	109		
	102-13	Membership of organisations		Posted on our website akademiskahus.se/hallbarhet/samarbeten-for-hallbarhet	
STRATEGY AND ANALYSIS					
102-14	Statements from decision-maker		2–3, 105		1
ETHICS AND INTEGRITY					
102-16	Values, principles and ethical guidelines		15, 34–35, 107–109		2, 6, 10
GOVERNANCE					
102-18	Governance structure		49–59		
DIALOGUE WITH PARTICIPATORS					
102-40	Participator groups		23, 106		
102-41	Proportion of the workforce covered by collective bargaining agreements		79, 113		3
102-42	Identification and selection of participator groups		106		
102-43	Approach to participator engagement		106		
102-44	Participator concerns and how they are handled		106–107		
REPORTING PROFILE					
102-45	Entities included in the reporting		85, 105		
102-46	Process for defining report content and topic boundaries		15, 107		
102-47	Identified material topics		15, 107		
102-48	Restatements of information		105		
102-49	Material changes		105		Expanded reporting of climate impact in 305-3. Work-related travel is reported in 305-1 and 305-3. 2019 adjusted accordingly.
102-50	Reporting period		105		
102-51	Date of most recent report		105		
102-52	Reporting cycle		105		
102-53	Contact point for questions regarding the report		105		
102-54	Claims of reporting in accordance with the GRI Standards		105		
102-55	GRI index		120–122		
102-56	External assurance		123		The Sustainability Report has been reviewed by auditors on behalf of the Board of Directors and the CEO of Akademiska Hus.

GRI 200: ECONOMIC STANDARDS

GRI Standard	Disclo- sure	Description	Page or reference	Comment/ Disclosed information	Global Compact principle
ECONOMIC PERFORMANCE					
GRI 103: Management approach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 201: Economic perfor- mance, 2016	201-1	Direct economic value generated and distributed	111		
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 203: Indirect economic impacts, 2016	203-1	Investments in infrastructure and services for public benefit	16–18, 23–27		
ANTI-CORRUPTION					
					10
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 205: Anti-corruption, 2016	205-1	Percentage of operations assessed for risks related to corruption	47, 52–53		
	205-3	Number of cases of corruption	54		

GRI 300: ENVIRONMENTAL STANDARDS

ENERGY					
					8, 9
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109	Reporting is based on delivered energy for all indicators under energy.	
GRI 302: Energy, 2016	302-1	Energy Consumption within the organisation	13, 30, 111		
	CRE-1	Energy intensity	111		
	302-4	Reduction of energy consumption	111	The report indicates change in energy consumption on a total level for each year and not by initiative since information at this level is not available.	

GRI 300: ENVIRONMENTAL STANDARDS

GRI Standard	Disclo- sure	Description	Page or reference	Comment/ Disclosed information	Global Compact principle
EMISSIONS					
					8, 9
GRI 103: Management approach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 305: Emissions, 2016	305-1	Direct greenhouse gas emissions	112		
	305-2	Indirect greenhouse gas emissions	112		
	305-3	Indirect greenhouse gas emissions	112		
	CRE-3	Greenhouse gas emissions intensity	112		
COMPLIANCE					
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 307: Environmental com- pliance, 2016	307-1	Compliance with environmen- tal laws and regulations	113		
SUPPLIER ASSESSMENT					
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	52–55, 109		
GRI 308: Screening of new suppliers using environmental criteria, 2016	308-1	Percentage of new suppliers screened using environmen- tal criteria	35		

GRI 400: SOCIAL STANDARDS

GRI Standard	Disclo- sure	Description	Page or reference	Comment/ Disclosed information	Global Compact principle
OCCUPATIONAL HEALTH AND SAFETY					1, 2
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	51–54, 108		
Topic-specific management approach for health and safety					
GRI 403: Health and safety, 2018	403-1	Occupational health and safety management system	113		
	403-2	Hazard identification, risk assessment and incident investigation	44, 113		
	403-3	Occupational health services	36–37, 113		
	403-4	Consultation and communi- cation on occupational health and safety	36–37, 113		
	403-5	Worker training on occupa- tional health and safety	36–37, 113		
	403-6	Promotion of worker health	36–37, 113		
	403-7	Prevention and mitigation of occupational health and safety impacts	36–37, 113		
Results occupational health and safety					
	403-8	Number of workers covered by an occupational health and safety management system	113		
	403-9	Work-related injuries	113	Reporting concerning contractors is under development and there- fore is incomplete.	
	403-10	Work-related ill health	112	Statistics only relate to own employees. We do not have access to statistics on hired person- nel and contractors.	
DIVERSITY AND EQUAL OPPORTUNITY					6
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	51–54, 108		

GRI 400: SOCIAL STANDARDS

GRI Standard	Disclo- sure	Description	Page or reference	Comment/ Disclosed information	Global Compact principle
GRI 405: Diversity and equal opportunity, 2016	405-1	Diversity of governance bod- ies and employees	50, 111		
ASSESSMENT OF SUPPLIERS					
GRI 103: Management ap- proach 2016	103-1, 103-2, 103-3	Description of the material topic, its boundary, manage- ment and evaluation	51–54, 108		
GRI 414: Screening new sup- pliers using social criteria, 2016	414-1	Percentage of new suppliers screened using social criteria	34–35		

INDUSTRY-SPECIFIC DISCLOSURES

CRE: PRODUCT RESPONSIBILITY					7, 8, 9, 10
	CRE-8	Type and number of sustaina- bility certificates, ratings and scores for new construction	30		

OTHER

Child labour, Forced labour		The Code of Conduct includes these principles, but the areas are not identified as main risk areas within our operations.			7, 8, 9, 10
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Assurance Report

Independent Auditor's Limited Assurance Report on Akademiska Hus AB's Sustainability Report and Opinion on the Statutory Sustainability Report

To Akademiska Hus AB, Corp. Id. 556459-9156

Introduction

We have been engaged by the Board of Directors of Akademiska Hus AB ("Akademiska Hus") to undertake a limited assurance engagement of Akademiska Hus AB's (publ.) Sustainability Report for the year 2021. The company has defined the scope of the Sustainability Report and the Statutory Sustainability Report on page 105 in this report. Within the scope of our engagement, and this report, the information regarding EU Taxonomy on page 110 is not included.

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 Sustainability Report including the Statutory Sustainability Report, in accordance with the applicable criteria, and the Annual Accounts Act respectively. The criteria are defined on page 105 in the Sustainability Report, and are parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Akademiska Hus AB 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 an opinion on the Statutory Sustainability Report.

We conducted our limited assurance engagement in accordance with ISAE3000 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 review 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 a review 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 ISQC 1 (International Standard on Quality Control) 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 review 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 stated conclusion based on a limited assurance and review in accordance with RevR 12, therefore, does not have the security that a stated conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Managing Director 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, in all material respects, prepared in accordance with the criteria defined by the Board of Directors and Managing Director.

A Statutory Sustainability Report has been prepared.

Stockholm, 16 March 2022

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorized Public
Accountant

Sara Höög
Authorized Public
Accountant

Five-year summary

Five-year summary	2021	2020	2019	2018	2017
INCOME STATEMENTS, SEK M					
Property management income	6,679	6,418	6,217	6,117	5,806
Operating costs	-983	-850	-891	-894	-785
Maintenance costs	-418	-445	-619	-676	-615
Property administration ¹	-430	-403	-391	-372	-309
Net operating income ¹	4,707	4,485	4,160	3,938	3,829
Central administration costs	-67	-60	-69	-78	-67
Development costs ¹	-53	-40	-40	—	—
Net interest income/expense	-368	-381	-377	-268	-188
Profit before changes in value and taxes	4,136	3,920	3,589	3,592	3,574
Change in value, properties	12,481	3,141	3,872	2,585	4,979
Change in value, financial instruments	380	-192	-503	-360	-242
Profit before tax	16,997	6,869	6,957	5,818	8,311
Profit for the year	13,790	5,440	5,658	5,314	6,453
STATEMENT OF FINANCIAL POSITION, SEK M					
Assessed market value, properties	112,323	99,611	91,424	85,865	80,444
Other assets	12,858	13,365	13,562	7,612	10,113
Equity	62,103	50,292	46,760	42,832	39,186
Liabilities and provisions	63,079	62,684	58,226	50,645	51,371
CASH FLOW, SEK M					
Cash flow from operating activities	3,528	4,398	3,519	2,998	2,121
Cash flow from investing activities	-139	-3,638	-1,685	-2,991	-2,341
Cash flow before financing	3,389	760	1,834	7	-220
Cash flow from financing activities	-2,999	-1,420	-801	-3,183	1,330
Cash flow for the year	390	-660	1,033	-3,176	1,110
PROPERTY-RELATED KEY FIGURES					
Total yield, properties, % ¹	18.0	8.7	9.8	8.5	12.5
of which direct yield, % ¹	4.7	5.0	5.0	5.1	5.5
of which change in value, % ³	13.3	3.7	4.8	3.5	7.4
Rental revenue, SEK/m ²	1,948	1,867	1,820	1,791	1,715
Operating costs, SEK/m ²	292	253	268	270	241
Net operating income, SEK/m ²	124	133	186	204	189
Net operating income in relation to property management income, % ¹	70	70	67	64	66
Net operating income, SEK/m ² ¹	1,396	1,337	1,251	1,190	1,176
Level of vacant space, area, %	3.4	3.6	3.8	5.2	4.2
Level of vacant space, rent, %	2.2	2.4	2.2	1.7	1.0
Assessed market value, properties, SEK/m ² ²	31,696	27,703	25,736	24,173	22,476
Energy use, kWh/m ²	184	183	192	201	201
CO ₂ , kg/m ² ⁴	5.3	5.4	7.1	7.0	7.0

Five-year summary	2021	2020	2019	2018	2017
FINANCIAL KEY FIGURES					
Return on equity after standard tax, %	24.0	11.1	12.2	11.2	17.6
Return on operating capital, %	18.7	9.0	10.3	9.2	13.7
Return on total assets, %	14.7	6.8	7.5	6.6	10.1
Net loan debt, SEK m	33,439	35,468	32,902	30,416	27,976
Equity ratio, %	49.6	44.5	44.5	45.8	43.3
Interest coverage ratio, %	896	768	679	736	871
Financing cost, %	0.1	2.1	2.6	2.3	1.8
Loan-to-value ratio, %	29.8	35.6	36.0	35.4	34.3
Internal financing level, %	1,744	221.7	172.7	115	137
Ordinary dividend, SEK m	—	2,142	1,905	1,663	1,630
PERSONNEL					
Average number of employees	528	523	490	480	449

- 1) Beginning in 2020, development costs are recognised separately, which also affects property administration, net operating income and key figures. Comparative figures for 2019 have been adjusted. For definition, see page 124.
- 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) From 2019, climate impact from refrigerants is also included in scope 1.

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 with reversal of site leasehold fees in relation to property management income.

The net operating income ratio shows how much the Company gets to keep from each 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 88).

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	2021	2020
Net interest income/expense, net loans and financial assets	-367	-386
Net interest derivatives	-18	-53
Other interest costs	-50	-44
Capitalised interest expense, projects	67	102
Total net interest income/expense	-368	-381
Change in value, independent derivatives		
– unrealised	370	-122
– realised	-65	-52
Changes in value, fair value hedges	75	-18
Total changes in value	380	-192
Site leasehold fees	-83	-84
Reported net interest income and expense	-71	-657

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.

SEK m	31 Dec. 2021	31 Dec. 2020
Gross loan debt	-36,220	-37,091
Collateral for derivatives, net	-2,091	-2,439
Cash and cash equivalents	4,067	3,677
Other current receivables	805	385
Total net loan liability	-33,439	-35,468
Average interest-bearing capital (full-year basis)	-32,924	-32,021

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

Cost of management, day-to-day accounting administration, leasing, contact with tenants, handling of registers, contracts and drawings, technical planning and follow-up and human resource 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, GFS

Gross floor space 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. Costs for tenant adaptations are also recognised here.

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 2021	28 April 2022
Interim Report, January–March 2022	28 April 2022
Interim Report, January–June 2022	8 July 2022
Interim Report January–September 2022	26 October 2022
Year-end report 2022	February 2023
Annual Report 2022	March 2023

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