

Press release, 30/08/2018

Atrium Ljungberg signs a letter of intent with the city of Stockholm for a major deal in the Slakthus area

Atrium Ljungberg has signed a letter of intent with the City of Stockholm to acquire the existing properties as well as to sign a land location agreement in the Slakthus area just to the south of Stockholm city. The area will be undergoing a programme of extensive development over the coming decade. The vision is for the city district to become a dynamic part of the inner city and a meeting hub combining offices, residential units, dining, culture and diverse experiences. An engine for the whole of southern Stockholm.

The existing properties will be acquired in two phases, where access to some 70,000 square metres of GFA will be possible in the second quarter of 2019, and around 30,000 square metres of GFA once a new detail plan has come into force, but no later than 31 December 2021. In addition, the letter of intent states that the company will sign a land allocation agreement for around 100,000 square metres of GFA. The acquisitions and land allocations that have been developed amount to a total of some 200,000 square metres of GFA, with offices accounting for around 40 per cent, and residential units for about 25 per cent. The remaining percentage consists of culture, retail/restaurant, hotel, education etc, and the total investment amounts to some SEK 8 billion covering the period 2019 – 2030.

In order for the vision for the Slakthus area to come to fruition, the agreement with the City of Stockholm includes a commitment to relocate any tenants that require new premises. In addition to Atrium Ljungberg's existing properties, Larsboda i Farsta can also be used as an alternative for relocation.

The purchase price for the acquisitions will be based on property valuations by external independent parties, while the price of the land allocations will be implemented at defined market levels. The letter of intent is conditional on the decisions taken by the Board of Directors of St. Erik Markutveckling AB and the Development and Property Committee in Stockholm City, no later than 1 November 2018. The acquisition will be conditional and based on a decision by the city council of Stockholm City which is expected to be made during the first quarter of 2019.

"We are delighted to be able to take the next step in the development of Söderstaden. The letter of intent entails initiating a partnership with Atrium Ljungberg in order to realise the visions of a new, complete city district in Söderort (southern suburbs) featuring attractive housing and workplaces. The Slakthus area has all the conditions in place to become a meeting place for the people of Stockholm boasting modern workplaces, cultural events and dining experiences," says Karin Wanngård, Mayor of Stockholm.

The Slakthus area is one of Stockholm's largest urban development projects in modern times. Construction start is scheduled for Q1 2021, and the work will last until 2030.

"Our vision is that the Slakthus area will be the obvious meeting place for not only the people of Söderort, but also Stockholm, in terms of offices, residential units, dining, culture and diverse experiences. A new, dynamic and attractive city district that will be Stockholm's answer to New York's Meat Packing District or London's Kings Cross. The deal is Atrium Ljungberg's largest in history and a crucial initiative in our strategy for creating sustainable and innovative urban environments," says Annica Ånäs, CEO of Atrium Ljungberg.

The aim of the new Slakthus area is for it to be an engine for Söderort. Offices will consequently be designed in the city district to cater for both large, established companies as well as start-ups. Space will be provided for new business entrepreneurs and creators through, for example, YouTube studios, VR-Centre, a digital creator space, along with theatre, music and film production.

The new Slakthus area will also offer a rich cultural life with live music, theatre and street food markets. Atrium Ljungberg has been building Nobelberget in Sickla together with cultural contractors since 2015. In connection with the declaration of intent, it is clear that, in addition to continuing the development of Sickla, the business will also be making a major investment in new premises in the Slakthus area.

In addition to workplaces, restaurants and cultural delights, housing will be added to the area with a mix of both tenant-owned dwellings and rentals in a range of apartment sizes.

The company is planning for a capital market day in November to explain the business and vision for the Slakthus area in more detail.

Nacka, 30/08/2018

Atrium Ljungberg AB (publ)

For further information, please contact:

Annica Ånäs, CEO of Atrium Ljungberg, +46 (0)70-341 53 37

annica.anas@al.se

This information is such that Atrium Ljungberg AB is obliged to make it public pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on 30 August 2018 at 9.30 CET.

Atrium Ljungberg is one of Sweden's biggest listed property companies. We own, develop and manage properties in growth markets in Stockholm, Gothenburg, Malmö and Uppsala. Our focus is on developing attractive urban environments for offices and retail, supplemented with residential, culture, service and education. The total letting area is approximately one million square metres, distributed among around fifty properties and valued at SEK 43 billion. Our retail hubs draw 60 million visitors on an annual basis and our areas include more than 30,000 workers and students as well as 1,000 residents. Our project portfolio will enable us to invest the equivalent of just over SEK 15 billion in the future. Atrium Ljungberg is listed on the NASDAQ Stockholm Large Cap list. Find out more at www.al.se