

“WE ARE CONTINUING ALONG OUR CHOSEN PATH AND HAVE PREPARED OUR ORGANISATION FOR THE FUTURE”

RENTAL INCOME, LIKE-FOR-LIKE
 PORTFOLIOS, %

+5.9

PROFIT BEFORE CHANGES IN
 VALUE, SEK MILLION

1,234

INVESTMENT IN HELD
 PROPERTIES, SEK MILLION

1,810

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- › Rental agreement signed with Nordic Choice Hotels for a further 3,000 m² for the Tapetfabriken project in Sickla, which means that it is now fully let.
- › Decision to start the Sickla Galleria phase IV project in Nacka for 200 parking spaces and 3,000 m² of new retail space.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

- › **Net sales** increased to SEK 2,811 million (SEK 2,629 m) of which rental income increased to SEK 2,577 million (SEK 2,412 m).
- › **The operating surplus**¹⁾ from property management increased to SEK 1,733 million (SEK 1,648 m), excluding the effects of the implementation of IFRS 16, which represents an increase of 5.2 per cent. This increase is mostly a result of completed projects.
- › **Profit before changes in value** increased to SEK 1,234 million (SEK 1,214 m).
- › **Unrealised changes in the value** of investment properties amounted to SEK 2,283 million (SEK 2,516 m). The decrease are mainly explained by the market's lower yield requirements on certain submarkets and higher operating nets. Unrealised changes in the value of derivatives totalled SEK -90 million (SEK -70 m) as a result of lower market interest rates.
- › **Profit for the period** totalled SEK 2,807 million (SEK 3,453 m). This reduction is explained primarily by tax and changes in property values.
- › **Net letting** amounted to SEK -82 million (SEK 144 m), of which SEK -46 million (SEK 92 m) referred to project properties. Several of the notices of termination relate to properties being prepared for projects. SEK -85 million refers to Tranbodarne 11 (Katarinhuset in Slussen) where vacancy is underway to enable development.
- › **Property acquisitions** amounted to SEK 1,174 million (SEK 1,727 m) and property sales amounted to SEK 1,031 million (SEK 2,662 m).
- › **The forecast for 2020** for profit before changes in value is SEK 1,200 million. Profit after tax is expected to amount to SEK 948 million, corresponding to SEK 7.29/share.
- › **The Board** proposes a dividend of SEK 5.00/share (SEK 4.85/share).

	Full year 2019 Jan-Dec	Full year 2018 Jan-Dec	Quarter 2019 Oct-Dec	Quarter 2018 Oct-Dec
Key ratios ¹⁾				
Property value, SEK m	48,509	44,201	48,509	44,201
Operating surplus margin, %	67	68	65	64
Average interest rate for interest-bearing liabilities, %	1.6	1.6	1.6	1.6
Market value, SEK/share	226.00	152.00	226.00	152.00
EPRA NAV, SEK/share	215.12	194.82	215.12	194.82
Financial goals ¹⁾				
Investments in held properties, >SEK 2,000 million per year	1,810	1,758	593	583
Return on shareholders' equity, >10% over time	12.9	17.7	18.8	25.8
Gearing ratio, <45%	41.7	41.9	41.7	41.9
Interest coverage ratio, >2.0	4.4	5.0	4.3	4.6

¹⁾ Operating surplus and other earnings figures that are affected by the implementation of IFRS 16 are recognised in the comments for comparisons between the periods exclusive of the effects of the implementation of IFRS 16. This means that earnings figures, such as operating surplus, in the comments differ from the figures in the income statement. The effect of the implementation of IFRS 16 has resulted in the leasehold fees for 2019 being recognised in net financial items instead of being included in property management costs. All of the key ratios for 2019 have been calculated exclusive of the effects of the implementation of IFRS 16. See page 20 for the full key ratios table and pages 26-27 for definitions.

CEO'S STATEMENT

A DECADE OF CHANGE

Atrium Ljungberg has made some major strategic changes over the last few years. Among other things, we have sold all our properties in locations outside Sweden's four big cities, and properties where we perceive no opportunities for long-term development in line with our vision. We have sold retail in favour of more office properties, massively increased our project portfolio and refined our urban development strategy. We have also started a business with residential for sale. Over the past year, we have also placed great emphasis on preparing our organisation with more business developers and project managers so that we can increase our investment rate to SEK 2 billion per year in our own development projects.

Our world is changing at a rapid pace, which is particularly clear when we consider human lifestyles and consumption patterns. With this in mind, we filled a completely new business development position in 2019. This staff member is responsible for innovation and new digital services, with the company's physical locations as platforms. I am proud of the fact that we venture to focus on new areas as a company, and I am absolutely certain that we need to do this in order to be relevant in the future.

SICKLA IS BEING DEVELOPED

Sickla is one of our most prioritized areas, with a large part of our future project portfolio. Intensive development work is currently in progress here in order to turn Sickla into an extension of the Stockholm city centre. A number of lettings have taken place in our projects over the last quarter. In November, our tenant Nordic Choice Hotels chose to extend their investment and add around 80 hotel rooms to the forthcoming hotel being constructed at Marcusplatsen in the heart of Sickla. Hotell Tapetfabriken will have 220 rooms, a large lobby, conference facilities, restaurants, etc. The hotel is expected to open in spring 2021 and will constitute a very important piece of the puzzle in the development of Sickla.

Nobelberget in Sickla is being turned into a completely new city district, where we are planning to build around 500 apartments, offices, culture facilities, a new park area and a pre-school. Among other things, we have converted the old Formalinfabriken here into modern offices. Formalin-fabriken was completed at the end of the year and is almost fully let.

During the last quarter, we have also made several lettings in Sickla Front II. In October, it became clear that, amongst others, Bikester and Addnature were choosing Sickla Front II for their new office establishments, and directly before Christmas it was announced that Intrum was also relocating its head office and Sweden office to new premises in the building. Intrum will be switching to a modern, activity-based working method when they relocates. I am really pleased that they are continuing to choose Sickla and that we have been entrusted with the task of helping to develop their new offices for the future.

During the autumn, a number of important lettings have taken place at Curanten, which will become a hub for healthcare in Sickla. Alva Barnklinik and the Sickla health centre, a number of restaurants and a new pharmacy will be establishing here. Curanten will be completed in autumn 2020.

We also began working on refurbishment and extension of Sickla Galleria in the autumn. We are adding around 200 parking spaces here to meet the increased need for parking which will come about when we add a large number of office workplaces in Sickla; but we are also providing around 3,000 m² of new retail space. We will be upgrading Sickla Galleria with new, modern surface finishes as part of this project.

Finally, I would like to mention our tenant-owned dwelling project at Nobelberget in Sickla. The first phase, which includes 68 apartments, went on sale in autumn 2018, and binding contracts have been signed for 65 per cent of the apartments at the time of writing. The first phase will be ready to move into this autumn, and I am very much looking forward to welcoming our first Nobelberget homebuyers!

STRONG PROJECT PORTFOLIO

In 2019, we have continued to take big strides towards our vision: our city – where everyone thrives. This is most apparent when looking at our project portfolio, which is permitting investments amounting to SEK 28 billion. SEK 23 billion-worth of these are situated near to existing or future underground stations in the Stockholm area. Rail-based public transport is becoming more and more important as urbanisation increases. It is apparent that office properties with direct underground links have rent



The conditions for Atrium Ljungberg will remain good going forward. We have a presence on strong subsidiary markets in Sweden's four big cities, and we have a fantastic project portfolio that will permit growth over time.

levels approximately 30 per cent higher than equivalent office products just one kilometre further away. Our investments in municipalities with strong growth are also creating long-term security.

The deal with the City of Stockholm in respect of Slakthusområdet was a very important addition to our project portfolio. Here, we have been entrusted with the task of developing the location with offices, apartments, education and culture. We took possession of the first just over 50,000 m² in 2019, and we have the opportunity to take possession of a further 30,000 m² or so within two years. We also have the option of ordering land allocations of approximately 100,000 m² GFA.

FUTURE PROSPECTS AND RETAIL DEVELOPMENT

The conditions for Atrium Ljungberg will remain good going forward. We have a presence on strong subsidiary markets in Sweden's four big cities, and we have a fantastic project portfolio that will permit growth over time.

The structural change in retail presents a challenge where we have seen major changes in consumption patterns over the last few years. We are monitoring developments closely and working actively to develop our offering in line with customers' expectations. We report an increase in turnover of a total of 3.3 per cent at our locations for the year. This indicates the strength of our locations. They are sited in some of Sweden's strongest growth areas, with huge flows of people every day. Our strategy is based on creation of sustainable, attractive locations with a mix of retail, offices, residential, service and culture. Locations where people want to be, where they want to socialise – now and in the future.

PROFIT AND FORECAST

Our profit for 2019 is on a par with our expectations, and we are reporting a profit before changes in value of SEK 1,234 million. Our profit has been stable over the last few years, which is entirely in line with our strategic tactics. We have sold a number of properties in favour of project properties that will provide a greater level of financial exchange in the longer term. As a result of our net sales, we have also reinforced our balance sheet, and our gearing ratio amounted to 42 per cent at the turn of the year. We will also be seeing a stable profit in 2020, as we are forecasting a profit before changes in value of SEK 1,200 million. After that, we see that the net operating income contribution from completed projects will increase.

2019 has been an intensive year. A great deal of emphasis has been placed on preparing the organisation for the future, and I am proud of the many excellent staff we have recruited. It is truly beneficial to come to work every day and see each and every one of our driven, committed staff; staff who are not just doing a fantastic job, but also helping to reinforce our strong corporate culture.

I would like to pass on my warmest thanks to all our customers, staff and partners for all their commitment in 2019!

Annica Ånäs, CEO

ATRIUM LJUNGBERG AS AN INVESTMENT

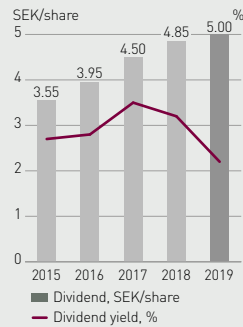
As a shareholder of Atrium Ljungberg, you receive a stable dividend yield at a low risk. At the same time, you have the potential for a healthy long-term total yield on your investment with regard to the company's interesting project portfolio on attractive growth markets. Investing in Atrium Ljungberg also means investing in sustainable urban development.

FOUR REASONS TO OWN SHARES IN ATRIUM LJUNGBERG:

STABLE DIVIDEND YIELD

The dividend yield over the past five years has been 2.9 per cent per year on average. The dividends paid per share by the company since its listing on the stock exchange in 1994 have never dropped.

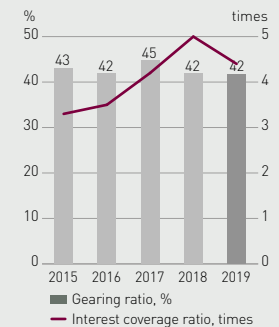
Dividend and share dividend yield



LOW FINANCIAL RISK

We are in a strong financial position, with solid key ratios such as a low gearing ratio and a high interest coverage ratio, and an investment grade rating from Moody's of Baa2 with a stable outlook.

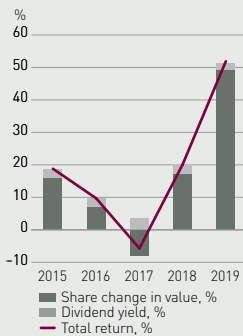
Gearing ratio and interest coverage ratio



POTENTIAL FOR GOOD VALUE GROWTH

With a planned investment rate of SEK 2 billion per year and a goal of 20 per cent return on new build and extension projects, Atrium Ljungberg, and therefore the share, has excellent potential for good value growth over time. The total yield over the past five years has been 19 per cent per year on average.

Share's total yield



SUSTAINABLE URBAN DEVELOPMENT

Sustainability work is integrated in the business model where we continuously develop our areas in a sustainable direction. We are a long-term player that takes responsibility for the impact of our business on people and the environment.



70

NUMBER OF PROPERTIES

49

PROPERTY VALUE, SEK BILLION

2.6

CONTRACTED ANNUAL RENT, SEK BILLION

1,176

TOTAL LETTING AREA, 1,000 M²

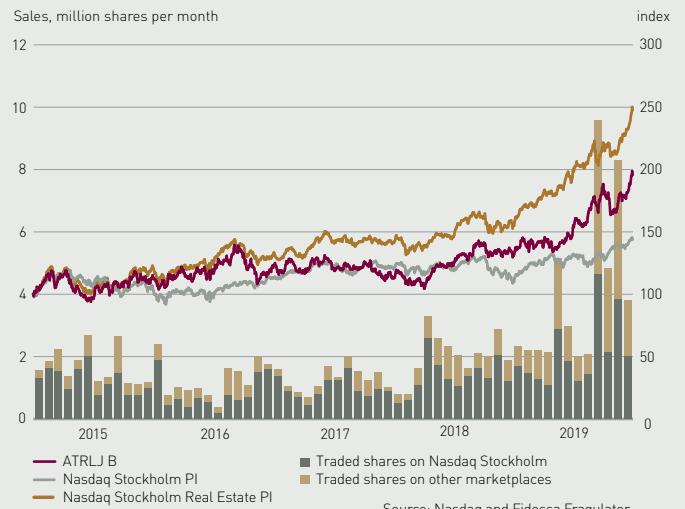
94

LETTING RATE EXCLUDING PROJECT PROPERTIES, %

320

AVERAGE NUMBER OF EMPLOYEES

The Atrium Ljungberg share



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Full year 2019 Jan-Dec	Full year 2018 Jan-Dec	Quarter 2019 Oct-Dec	Quarter 2018 Oct-Dec
Rental income	2,577	2,412	644	613
Sales, project and construction work	233	217	93	48
Net sales	2,811	2,629	737	661
Property management costs				
Service charge-related costs	-197	-186	-51	-48
Other operating costs	-202	-173	-50	-55
Management costs	-173	-157	-52	-48
Repairs	-54	-58	-15	-17
Property tax	-174	-150	-45	-41
Leasehold fees	-	-27	-	-5
Non-deductible VAT	-11	-12	-3	-3
	-810	-764	-216	-218
Project and construction work costs	-276	-246	-107	-60
Gross profit	1,724	1,619	415	383
– of which gross profit/loss property management (operating surplus)	1,767	1,648	428	395
– of which gross profit/loss from project and construction work	-43	-29	-14	-12
Central administration, property management	-80	-73	-23	-21
Central administration, project and construction work	-16	-30	-3	-10
	-96	-103	-26	-31
Financial income	2	1	-1	0
Financial expenses	-362	-303	-89	-76
Leasehold fees	-34	-	-10	-
	-395	-302	-99	-76
Profit/loss before changes in value	1,234	1,214	289	276
Changes in value				
Properties, unrealised	2,283	2 516	686	1,125
Properties, realised	73	121	13	112
Derivatives, unrealised	-90	-70	464	-97
Derivatives, realised	-50	1	-50	0
	2,216	2,568	1,113	1 140
Profit before tax	3,450	3,781	1,402	1,417
Current tax	-63	-35	6	-4
Deferred tax	-580	-294	-364	-111
	-643	-329	-358	-115
Profit/loss for the period	2,807	3,453	1,044	1,301
Other comprehensive income				
Items which will be reclassified to profit/loss				
Cash flow hedging	16	16	3	4
Tax attributable to cash flow hedging	-3	-3	-1	-1
Total other comprehensive income	13	13	3	3
Total comprehensive income for the period	2,819	3,466	1,046	1,305
The profit/loss for the period and the total comprehensive income for the period are entirely attributable to the parent company's shareholders				
Earnings per share, SEK	21.59	26.15	8.07	9.93

RESULTS JANUARY–DECEMBER 2019

CHANGES IN THE PROPERTY PORTFOLIO

The profit for the year was impacted by earlier property transactions. The contribution from acquired properties mainly relates to Tranbodarne 11 (Katarinahuset, in Slussen) which was taken into possession on 1 November 2018, and the acquisition of 14 properties in Slakthusområdet, which were taken into possession on 11 June 2019. The sale of properties primarily relates to Blästern 6 in Haga-staden and Roddaren 7 in Kungsholmen, which were vacated on 1 November 2018, and Arbetsstolen 3 in Västberga, which was vacated on 20 December 2018. On 30 September 2019 Kolding 1 and Kolding 2 in Ärvinge, Kista, were vacated, which has impacted the operating surplus in the fourth quarter.

NET SALES

The Group's net sales for the year increased to SEK 2,811 million (SEK 2,629 m), of which rental income comprised SEK 2,577 million (SEK 2,412 m). Rental income increased by 5.9 per cent in the like-for-like portfolio compared with last year, of which office properties increased by 7.0 per cent and retail properties by 5.0 per cent. The increase in rental income for like-for-like portfolios is mostly explained by new rentals, renegotiations and SEK 22 million higher surcharges for property tax. The development of rental income for retail properties is mostly due to the completion of the extension at Gränby shopping centre, SEK 16 million, and letting out vacant premises from last year.

During the year, non-recurring payments of SEK 4 million (SEK 5 m) were received for premature vacating of premises.

RENTAL INCOME TREND

	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12	Change, %
Like-for-like portfolio	2,223	2,099	5.9
Non-recurring remuneration	4	5	
Project properties	184	117	
Properties acquired	127	14	
Properties sold	39	177	
Rental income	2,577	2,412	6.9

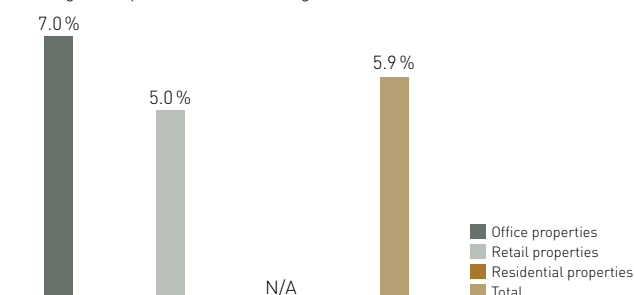
At the end of the year the market value for the like-for-like portfolio was SEK 38,565 million, corresponding to 79 per cent of the property portfolio's total value.

PROPERTY COSTS

Property costs totalled SEK –810 million (SEK –764 m) and SEK –844 million (SEK –764 m) excluding the effects of IFRS 16. For like-for-like portfolios, excluding the effects of IFRS 16, property costs increased

Like-for-like net rental income growth

– Strong development in the office segment



by 11.1 per cent compared with last year. The increase in property costs is explained to an extent by increased tax costs, a few customer losses, administration costs and electricity costs. Although property tax increased by SEK 27 million in like-for-like portfolios, non-recurring costs in the first quarter reduced this increase for the property portfolio as a whole. The increase in bad debt is due mainly to the bankruptcy of Best of Brands, BR Leksaker and Room. Best of Brands has been handed over and is now under new management. The increase in management costs has been impacted by the investment in the concept Leveriet, as well as increased costs for central property administration.

PROPERTY COSTS TREND

	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12	Change, %
Like-for-like portfolio	–730	–657	11.1
Project properties	–59	–46	
Properties acquired	–41	–9	
Properties sold	–14	–52	
Property management costs	–844	–764	10.5

GROSS PROFIT/LOSS PROPERTY MANAGEMENT

The gross profit for property management totalled SEK 1,767 million (SEK 1,648 m) and SEK 1,733 million (SEK 1,648 m) excluding the effects of IFRS 16. The main reason for the increase is the completion of project properties with the occupancy of tenants as well as the new leases and renegotiations relating to office properties.

For the like-for-like portfolio, excluding the effects of IFRS 16, the gross profit for property management increased by 3.6 per cent compared with last year. This increase is mostly due to new rentals and renegotiations, but has also been negatively impacted by higher property costs resulting primarily from increases in bad debt, management costs and the costs of electricity.

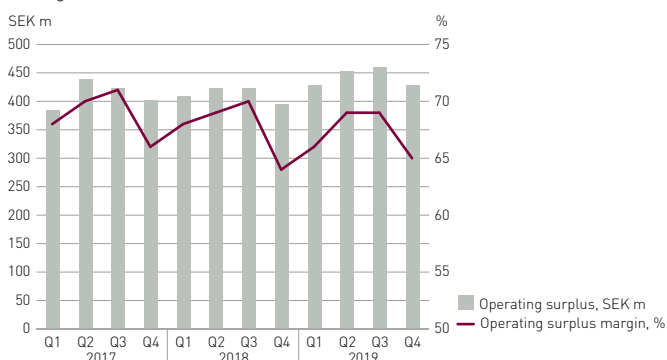
The surplus ratio decreased to 67 per cent (68%), due to divested properties with relatively higher surplus ratios and an increase in property costs.

GROSS PROFIT/LOSS PROJECT AND CONSTRUCTION WORK

The gross profit for project and construction activities totalled SEK –43 million (SEK –29 m). The decrease in gross profit is mostly due to a lower gross profit in TL Bygg. Internal Group sales for the year in TL Bygg amounted to SEK 320 million (SEK 386 m), which corresponds to 58 per cent (65%) of total sales. TL Bygg's gross profit, including intra-group transactions amounted to SEK 27 million (SEK 32 m). TL Bygg's gross profit was impacted by delays in project starts as well as start-up costs in early project stages.

Operating surplus and operating surplus margin

– Customer losses and investments for the future have impacted the surplus margin



SEASONAL EFFECTS

The operating surplus is impacted by seasonal variations in operating costs. Generally costs are higher during the first and last quarter of the year, primarily caused by higher costs of heating and property maintenance.

CENTRAL ADMINISTRATION

Central administration is comprised of costs for the company management as well as central support functions. The cost for central administration for property management amounted to SEK 80 million (SEK 73 m) and increased as a result of investments in the company's future growth. The cost of central administration, project and construction work amounted to SEK 16 million (SEK 30 m). This reduction is due primarily to start-up costs in the previous year for the deal for tenant-owned dwellings.

FINANCIAL INCOME AND EXPENSES

Financial expenses for the period amounted to SEK –362 million (SEK –302 m) excluding leasehold fees. This increase is due mainly to higher interest-bearing liabilities and an increase in the variable interest rate throughout the year. The average interest rate at the end of the period amounted to 1.6 per cent (1.6%). For more information, refer to the section on financing on pages 14–15.

CHANGES IN VALUE

Unrealised changes in the value of investment properties totalled SEK 2,283 million (2,516) and are mainly explained by the market's lower yield requirements on certain submarkets and higher operating nets. For more information, refer to the section on property values on pages 8–10.

Unrealised changes in the value of derivatives totalled SEK –90 million (SEK –70 m) as a result of lower market interest rates. Realised changes in the value of derivatives amounted to SEK –50 million (SEK 1 million), which is linked with the restructuring of interest derivatives at the end of the year.

Realised changes in the value of investment property amounted to SEK 73 million (SEK 121 m), attributable primarily to the sale of the residential properties Kolding 1 and Kolding 2 in Kista.

Our urban development strategy – Our emphasis is on developing sustainable, vibrant urban environments with mixed content where people want to live, work, shop and socialise. This adds value for customers and residents, shareholders and municipalities.

**TAX**

The current tax for the period totalled SEK –63 million (–35). The current tax has been affected by tax deductible depreciation and investments. Deferred tax amounted to SEK –580 million (SEK –294 m), which was mainly impacted by unrealised changes in the value of properties, the sale of properties and derivatives. The comparison year has also been affected by a reduction in the tax rate from 22.0 to 20.6 per cent.

The company tax rate for the 2019 tax year has been reduced to 21.4 per cent (22.0% in 2018). The reduction in the company tax rate is taking place in two stages from 2019. The next reduction will be in 2021, and the company tax rate will then be 20.6 per cent. The deferred tax liability has been calculated on the lower tax rate since tax liabilities are not expected to be realised in any significant extent in 2019 and 2020.

The Group's accumulated tax deficit amounted to SEK 2 million (SEK 10 m) and comprises the base of the Group's deferred tax receivable.

The residual tax value of the property stock amounts to SEK 17,923 million (SEK 16,180 m).

TAX CALCULATION 2019

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	3,450	
Tax deductible		
depreciation	–577	577
investments	–250	250
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–2,283	2,283
changes in the value of properties, realised	–73	73
changes in the value of derivatives, unrealised	90	–90
changes in the value of derivatives, realised	50	–50
consolidated capitalisation of borrowing	–13	13
consolidated internal profit	23	–23
Other fiscal adjustments	–114	392
Taxable profit/loss before loss carry-forwards	303	3,424
Change in loss carry-forwards	–9	2
Taxable profit/loss	295	3,426
Of which 21.4 per cent current/20.6 per cent deferred tax	–63	–706
Reversal of deferred tax for properties sold		126
Reported tax expense	–63	–580

PROFIT

The profit before changes in value increased to SEK 1,234 million (SEK 1,214 m).

The profit for the period amounted to SEK 2,807 million (SEK 3,453 m), corresponding to SEK 21.59/share (SEK 26.15).

PROFIT AND INVESTMENT FORECAST

The increase in the operating net from the project portfolio will be limited in 2020, as a large number of our ongoing projects are planned for completion at the end of 2020 and start of 2021. The sale of the residential portfolio in Kista and the vacating of Katarinhuset at Slussen will also contribute to this limitation. As anticipated, the Riksbank also increased the repo rate, which was noted in our forecast.

The forecast for profit before changes in value amounts to SEK 1,200 million in comparison to the outcome of SEK 1,234 million for 2019. The forecast for profit after tax is SEK 948 million, corresponding to SEK 7.29/share. Changes in value and any other future property acquisitions and sales have not been taken into account in the forecast. The investment volume in held properties for 2020 is assessed to amount to approximately SEK 2.4 billion.

CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	31/12/2019	31/12/2018	30/09/2019	30/09/2018
ASSETS				
Investment properties	47,513	43,310	46,199	42,584
Right-of-use asset, leasehold rights	1,305	–	1,305	–
Goodwill	225	225	225	240
Other fixed assets	73	45	54	47
Derivatives	82	–	–	–
Total fixed assets	49,198	43,579	47,784	42,871
Development properties	997	891	951	883
Current assets	411	323	385	303
Liquid assets	457	335	498	368
Total current assets	1,865	1,549	1,834	1,554
Total assets	51,062	45,128	49,618	44,426
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	22,784	20,696	21,737	19,554
Deferred tax liability	5,106	4,598	4,742	4,719
Long-term interest-bearing liabilities	20,211	18,506	19,687	15,745
Long-term financial leasing liability	1,305	–	1,305	–
Derivatives	348	349	921	253
Other long-term liabilities	222	202	207	82
Total long-term liabilities	27,193	23,655	26,861	20,799
Short-term interest-bearing liabilities	–	–	–	3,291
Other current liabilities	1,086	777	1,020	783
Total current liabilities	1,086	777	1,020	4,073
Total shareholders' equity and liabilities	51,062	45,128	49,618	44,426

CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				
	Share capital	Other capital contributed	Hedging reserves	Profits brought forward	Total shareholders' equity
Opening balance as of 1 January 2018	333	3,960	–39	13,970	18,223
Profit/loss for the period				3,453	3,453
Other comprehensive income			13		13
Option premiums received				1	1
Acquisition of own shares				–396	–396
Dividend, SEK 4.50/share				–599	–599
Closing balance as of 31 December 2018	333	3,960	–26	16 429	20,696
Profit/loss for the period				2,807	2,807
Other comprehensive income			13		13
Acquisition of own shares				–99	–99
Dividend, SEK 4.85/share				–631	–631
Closing balance, as of 31 December 2019	333	3,960	–13	18,506	22,784

There are a total of 133,220,736 (133,220,736) shares, of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. During the year Atrium Ljungberg acquired 621,000 (2,761,000) class B shares. As of the end of the year the company owns 3,382,000 class B shares. The number of outstanding shares amounted to 129,838,736 (130,459,736) at the end of the year. The average number of outstanding shares for the period from 01/01/2019 to 31/12/2019 amounts to 130,005,440 (132,018,709).

MARKET AND PROPERTY PORTFOLIO

THE PROPERTY MARKET

The office rental market has developed very favourably throughout the year, with a strong positive rental trend and record-low vacancies driven by strong growth among companies and a limited supply.

The transaction volume in the Swedish property market for the year amounted to SEK 219 billion according to Savills; an increase of 35 per cent compared with the previous year and the highest listing measured. The sizes of the deals have also broken records, with more than 40 deals with an underlying value in excess of SEK 1 billion. Foreign investors have been active, while Swedish investors have continued to be net sellers.

The yield requirements are at low levels thanks to strong interest in investing in properties. Yield requirements over the last quarter have continued to fall in most segments. In retail, the difference in yield requirements has increased between functioning retail in good locations and poorer retail without natural flows of people.

The prices of tenant-owned dwellings in Atrium Ljungberg's subsidiary markets are stable or show a minor increase. The supply of tenant-owned dwellings on the succession market remains high, but the supply of new production has declined. The new production of rental properties has increased, but unchanged waiting times for mediated new apartments show a stable demand.

PROPERTY PORTFOLIO

Our property portfolio is concentrated to central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm accounting for 72 per cent of the contracted annual rent. The property portfolio contains a total of 70 properties with a total letting area of 1,176,000 m² including garage space.

In the third quarter, some office properties were reclassified as retail properties, with a fair value of approximately SEK 500 million as a consequence of an internal reorganisation. This affects the comparative figures.

During the year, possession has been completed for 14 leaseholds in the Slakthusområdet in Stockholm. Possession has also been taken of the property Barkarby 2:64, the land for the Bas Barkarby project in Järfälla. Over the year, title deed costs were also paid for the acquisition of the property Molekylen 1, which is the land for the Life City project in Hagastaden.

During the year the leaseholds Kolding 1 and Kolding 2 in Ärvinge, Kista, were vacated.

Property acquisitions

Property	Area	Category	Letting area, m ²	Possession	Acquisition value, SEK m
14 properties	Slakthusområdet	Industry/offices/retail	51,000	June 2019	1,127
Barkarby 2:64	Barkarby	Land for offices	-	May 2019	16

Rental value and letting rate

Premises type	01/01/2020			01/01/2019		
	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Letting rate, %	Rental value, SEK million	Rental value, SEK/m ² ¹⁾	Letting rate, %
Offices	1,278	2,842	93	1,158	2,678	95
Retail	951	3,443	95	945	3,789	95
Other	236	2,043	92	226	1,933	94
Residentials	39	1,667	100	86	1,432	100
Garage/parking	60	N/A	94	54	N/A	93
Business area Property	2,565	2,964	94	2,470	2,812	95
Project properties	210		85	167		85
Total	2,775		93	2,637		95

¹⁾ m² excluding garage.

Property sales

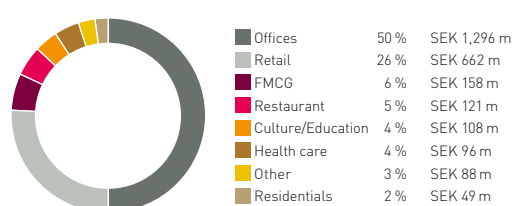
Property	Area	Category	Letting area, m ²	Date vacated	Underlying value, SEK m
Kolding 1 & 2	Ärvinge, Kista	Residential	42,612	Sep 2019	1,100

CONTRACTED ANNUAL RENT AND LETTING RATE

As of 01/01/2020 the contracted annual rent amounted to SEK 2,578 million (SEK 2,483 m). The economic letting rate including project properties was 93 per cent (95%), and excluding project properties, 94 per cent (95%). The EPRA vacancy rate was therefore 6 per cent (5%). The lower letting rate is explained, among other things, by two projects (Sickla Front II and Gränby Entré, building 3) being completed, but not yet being fully let, and a couple of properties in Slussen and Sickla being prepared for reconstruction projects.

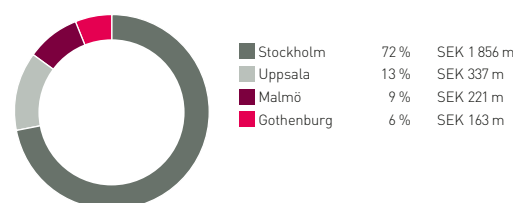
Contracted annual rent per premises type

– Half comprises offices



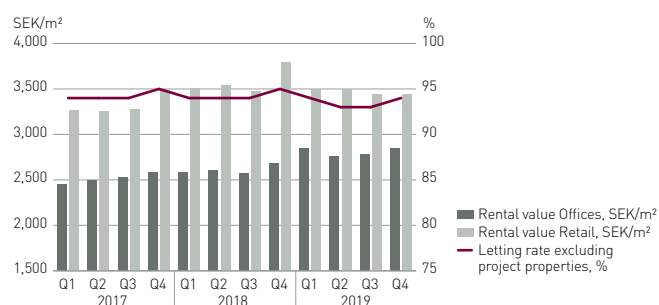
Contracted annual rent per region

– Only in strong growth regions



Rental value per m² and letting rate

– The rental value per m² for offices has increased by 17 per cent in three years



CONTRACT PORTFOLIO

The lease contract portfolio for commercial premises, i.e. all lease contracts excluding residential and parking, is well-diversified and comprises 1,933 (1,814) lease contracts with an average contracted annual rent, including surcharges, of SEK 1.3 million (SEK 1.4 m).

The average remaining term for contracted rent excluding residential and parking was 3.4 years as of 01/01/2020 (4.0).

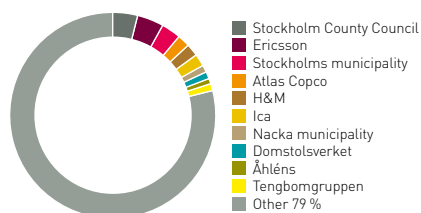
89 per cent (87%) of the contracted annual rent is regulated with an index clause linked to inflation.

Lease contracts for retail space may contain contractual terms that mandate a minimum rent with a surcharge depending on the turnover of the shops. One per cent (1%) of the contracted annual rent comprises the estimated turnover surcharges in addition to the minimum rent.

During 2020, 16 per cent (11%) of the contracted annual rents will be subject to renegotiation.

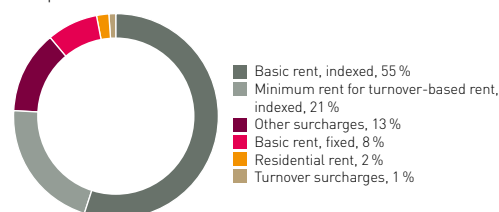
Ten largest customers, contracted annual rent

A well-diversified contract portfolio where the ten largest tenants comprise 21 per cent of the contracted annual rent. 9 per cent is rented by the state, municipalities or county councils.



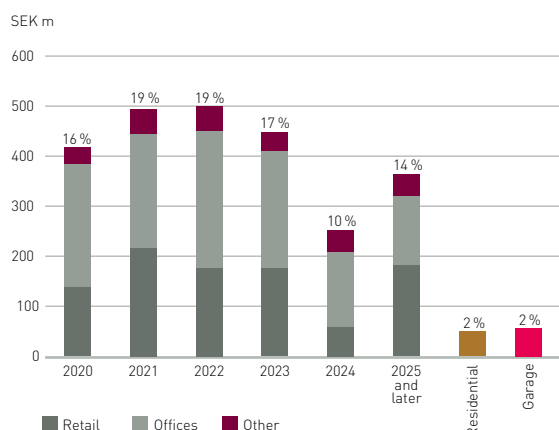
Distribution by contracted annual rent

89 per cent of contracted annual rent linked to inflation



Contracted annual rent per maturity year and premises type

The average remaining term for contracted annual rents is 3.4 years



NET LETTING

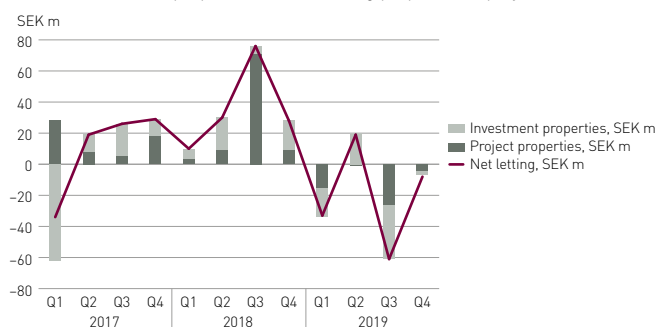
Net letting, i.e. newly signed contracted annual rents with deductions for annual rents lost due to terminated contracts, during the fourth quarter amounted to SEK -8 million (SEK 28 m), of which SEK -4 million (SEK 9 m) refers to project properties. Net letting has been impacted by SEK -22 million due to a couple of notices of termination for office premises in Hagastaden.

Net letting for the year amounted to SEK -82 million (SEK 144 m), of which SEK -46 million (SEK 92 m) referred to project properties. Of net letting for the year, SEK -85 million relates to Tranbodarne 11 (Katarinhuset in Slussen), which is being vacated prior to reconstruction.

The time lag between net letting and its effect on profit is assessed to be 3-24 months.

Net letting

SEK -82 million of net letting during the year, was impacted, mainly by notices of termination for properties that are being prepared for projects



Property portfolio (excluding right-of-use asset, leasehold rights)

Property type	31/12/2019				31/12/2018			
	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ² ¹⁾	Operating surplus margin, %	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ² ¹⁾	Operating surplus margin, %
Office properties	650	24,264	47,495	72	654	22,517	43,893	71
Retail properties	390	16,260	50,559	62	321	14,297	51,672	65
Residential properties	40	1,031	31,407	55	81	1,768	25,502	63
Business area Property	1,080	41,555	48,024	67	1,055	38,582	44,914	69
Project properties	88	5,534	E/T ²⁾	68	68	3,851	E/T ²⁾	61
Land and development rights		423		-		877		-
Total Investment properties	1,168	47,512		67	1,123	43,310		68
Development properties	8	997		51	6	891		63
Property portfolio, total³⁾	1,176	48,509		67	1,129	44,201		68
Properties sold				67				71
Total property portfolio, including properties sold³⁾				67				68

¹⁾ Standardised with area excluding garage.

²⁾ Letting area for new builds is not reported until the project is completed and the figures therefore do not accurately represent the actual situation.

³⁾ Excluding right-of-use asset, leasehold rights.

PROPERTY VALUATION

Atrium Ljungberg had 44 per cent of the market value of its property portfolio externally valued during the year, of which 19 per cent was conducted during the fourth quarter. The valuations were carried out by Forum Fastighetsekonomi, Savills and Newsec in accordance with international valuation standards. The remaining properties were subject to an internal valuation. Market rents, operating costs, vacancies and yield requirements were quality assured by external valuation experts.

The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earning capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to assessed long-term market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued based on an assessed market value per m² GFA for determined development rights in accordance with an approved detailed development plan or where the detailed development plan is assessed to enter into force within the near future.

Project properties are valued on the basis of completed projects, less remaining investments. A risk premium is added to the yield requirement on the basis of the current phase of the project.

DEVELOPMENT PROPERTIES

Development properties are properties that are developed or intended to be developed into tenant-owned dwellings and then be sold. The development properties are reported as the lowest of the investments made and the estimated net realisable value.

CHANGE IN VALUE

The unrealised changes in value during the period amounted to SEK 2,283 million (2,516) and are mainly explained by the market's lower yield requirements on certain submarkets and higher operating costs.

Unrealised changes in value, properties

	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12
SEK m		
Change in yield requirements	1,271	487
Change in operating net, etc.	936	2,029
Development rights	76	–
Total	2,283	2,516

Changes in the property portfolio

	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12
SEK m		
Investment properties		
Fair value at the start of the period	43,310	39,991
Acquisitions (after deduction of deferred tax)	1,174	1,727
Sales	–1,031	–2,662
Investments in held properties	1,704	1,738
Unrealised changes in value	2,283	2,516
Other	73	–
Fair value at the end of the period	47,513	43,310
Development properties		
At beginning of period	891	870
Investments in tenant-owned dwelling projects	106	21
Development properties, at period end	997	891
Property portfolio, total¹⁾	48,509	44,201

¹⁾ Excluding right-of-use asset, leasehold rights.

Dividend yield requirement per premises type

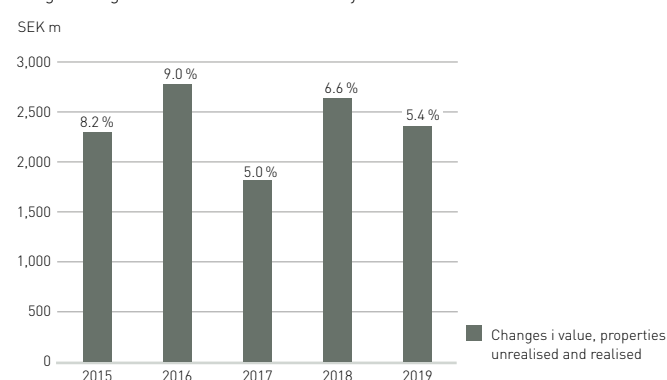
%	Interval	31/12/2019 Average	31/12/2018 Average
Offices	3.5–6.3	4.3	4.5
Retail	3.7–6.3	4.9	4.9
Apartments	2.3–3.8	3.7	3.2
Other	3.5–6.3	4.8	5.0
Total	2.3–6.3	4.5	4.6

Dividend yield requirement per region

%	Interval	31/12/2019 Average	31/12/2018 Average
Stockholm	2.3–6.2	4.5	4.5
Uppsala	3.8–5.8	5.0	5.2
Malmö	3.8–6.3	5.4	5.4
Gothenburg	4.4–5.0	4.5	4.5
Total	2.3–6.3	4.5	4.6

Changes in value, properties

– High changes in value over the last few years



KATARINAHUSET – The property will undergo extensive renovation and modernisation. We are planning for attractive offices, a hotel and restaurants here. We also want to give the general public access to the roof terrace, with its unique view.



INVESTMENTS AND PROJECTS

CONFIRMED AND COMPLETED PROJECTS

During the year, investments in held properties amounted to SEK 1,810 million (SEK 1,758 m), of which SEK 1,085 million (SEK 1,216 m) was in project properties and SEK 106 million (SEK 21 m) in development properties. Investments in project properties relate primarily to projects in Sickla, Mobilia, Barkarby and Hagastaden. Other investments relate mostly to tenant adaptations in properties in Sickla, Sundbyberg, Södermalm, Liljeholmen and Gothenburg.

The Formalinfabriken project in Sickla, covering approximately 2,000 m² over four storeys, was completed during the year. The old industrial building used to be used as a laboratory, but it has now been reconstructed as modern offices.

The remaining investment volume for confirmed projects amounted to SEK 3,060 million as of 31 December.

SICKLA – NACKA

Curanten – At Sickla Station, we are building a healthcare destination, with stores, cafés and restaurants on the ground floor. The project comprises a total of 11,500 m², which includes 8,100 m² for healthcare. Adaptation of the premises for tenants is currently underway. Occupancy is planned for the end of 2020. Lease contracts have been signed with Sickla Hälsocenter, Alva Barnklinik and GHP Specialisttandläkarna in Nacka and Diagnostiskt Hudcenter. Contracts have been signed with Kronans Apotek, Reload Superfoods and Bastard Burgers for the ground floor.

Tapetfabriken – The old wallpaper factory directly next to Marcusplatsen in Sickla is now being developed into a hotel. Nordic Choice Hotels signed a contract for a hotel with 156 rooms in early 2018, and a new contract to extend the number of rooms to a total of 220 was signed at the turn of the year. With this, the project is fully let. The opening has been postponed until spring 2021 on account of the extension of the hotel.

Nobelbergsgaraget – The framework has been put into place for the garage and supplementary areas for restaurants, offices and service, and completion is expected to take place at the end of 2020. This parking garage will include around a hundred parking spaces. This property is a 3D property under Brf Sicklastråket.

Panncentralen – The former boiler room at Nobelberget is being reconstructed and extended to create a modern pre-school with six departments and an outdoor play area. In the first quarter of 2019, an agreement was signed with Jensen Education, which plans to open at the end of 2020.

Brf Sicklastråket – The tenant-owned apartment project containing 68 tenant-owned apartments is the first residential block to be built on Nobelberget.

Sales started for this project in the autumn of 2018 and as of the end of December 2019 binding contracts had been signed for 59 per cent of the apartments. These apartments are being built on top of Nobelbergsgaraget, and the district is expected to be completed at the end of 2020.

Sickla Galleria, phase IV – On top of the existing shopping centre, we are creating approximately 200 parking spaces in order to meet the increased need for parking linked with the Curanten and Stationshuset projects. Approximately 2,000 m² of existing retail space has been vacated, and new areas covering almost 3,000 m² will be created for retail and service. Demolition work is in progress, and plans are afoot to lay the foundations in spring 2020. Completion of the parking garage and the new retail spaces is planned for the third quarter of 2021.

HAGASTADEN – STOCKHOLM

Life City – The building, which is next to Karolinska University Hospital, covers 27,500 m² and represents an investment of SEK 1.9 billion including the land acquisition. Here, we are building a new meeting place for commercial development and services connected to healthcare and research. A rental agreement with Academic Work relating to 17,000 m² was signed in 2018.

Tunnelling work beneath the building has been completed, and the frame being erected is expected to be finished by summer 2020. This project is on schedule with the first tenants expected to move in during the fourth quarter of 2021. The entire building is planned for completion in the spring of 2022.

BAS BARKARBY – JÄRFÄLLA

Bas Barkarby – Construction of the first phase of Bas Barkarby started in the second quarter of 2019 and comprises approximately 25,000 m². Here we will be bringing together education with the business community to create an entirely new meeting place. Järfälla Municipality will lease almost 11,000 m² for upper secondary education, a multi-purpose hall, a library and other cultural activities. Casting of the foundation is in progress at present, and erection of the framework will begin in February 2020. Occupancy is expected to take place in the spring of 2022.

Bas Barkarby will be directly connected to western Stockholm's new hub for the underground railway, long-distance trains, commuter trains and buses.

GRÄNBYSTADEN – UPPSALA

Gränby Entré, building 3 – We have built three buildings containing rental apartments, commercial premises and offices next to Gränbystaden Galleria. Building 3 contains 66 rental apartments, offices and premises for restaurants, gyms and other service activities. The apartments are now occupied and the work on the last commercial premises is ongoing.

Parkhusen, phase 1 – We are building a residential block called Parkhusen next to Gränbystaden Galleria and Gränbyparken. The project comprises a total of approximately 250 apartments and we will create an urban frontage and a clearly defined entrance to the park. Phase 1 comprises 44 rental apartments with commercial premises on the ground floor. Planning permission was obtained in January 2020 and has not yet become legally binding. Construction is

SICKLA GALLERIA – A reconstruction and extension project is in progress at Sickla Galleria, where we are adding around 200 parking spaces. We are also creating approximately 3,000 m² of new space for retail and service.



planned to commence in the first quarter of 2020, and it is estimated that the building will be completed in the second quarter of 2021. The apartments will be mediated through Uppsala Bostadsförmedling.

FORUMKVARTERET – UPPSALA

Forumkvarteret – We are in the final phase of major reconstruction work in Forumkvarteret in central Uppsala. Work on the final office environments on the top floors will be completed in early 2020, and otherwise the building is complete.

MOBILIA – MALMÖ

Mobilia Torghuset – Work is continuing on the extension of approximately 12,900 m² and is approaching its final stage. Funnys Äventyr has taken possession of its premises and is currently working on building up its environments. Adaptation of the premises for Nordisk Film, which are expected to open at the same time as Funnys Äventyr in the fourth quarter of 2020, is in progress. As regards retail, contracts have been signed with New Yorker and Specsavers. Contracts have been signed for most of the 74 residential properties, and tenants will be moving in in May 2020.

POTENTIAL DEVELOPMENT PROJECTS

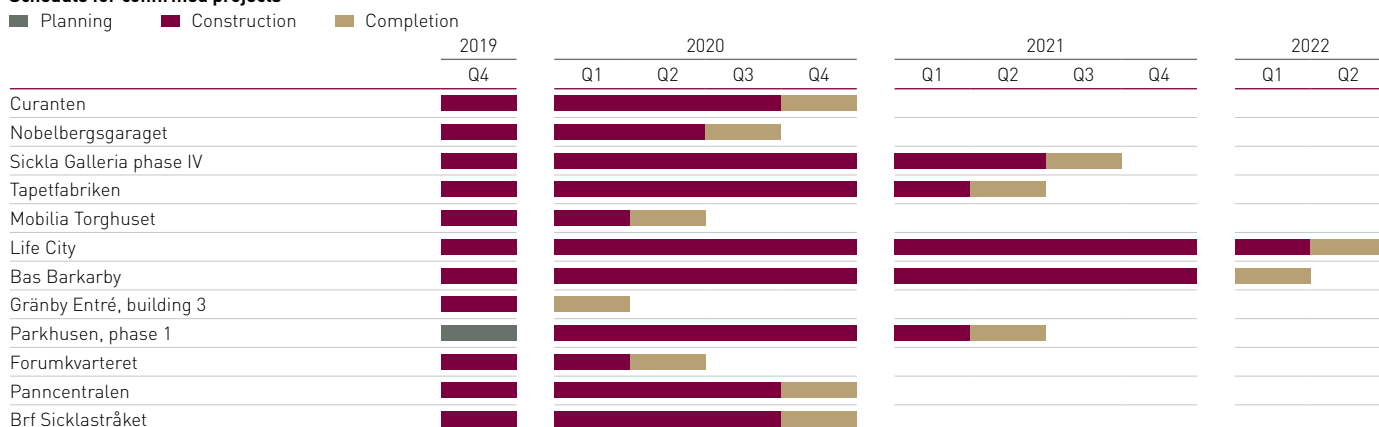
Our current project portfolio with new constructions and development projects enables future investments of approximately SEK 25 billion, which includes potential land acquisitions through land allocations.

In terms of area, more than half of the project portfolio comprises offices, one-third residential, while the remainder is retail/service, education and culture. The project portfolio is divided among the majority of our areas with Sickla, Slakthusområdet, Gränbystaden and Södermalm accounting for approximately 85 per cent. The rate at which we can complete the projects depends on the market situation and the detailed development plan process. A project is not usually started until we have secured a minimum yield level in the form of signed lease contracts.

POTENTIAL PROJECT STARTS 2020–2021

In Sickla, sales are in progress of the first tenant-owned apartments of a total of 500 at Nobelberget. The launch of phase two relating to almost 60 tenant-owned apartments with ground floor premises is planned for 2020. The development of the remaining apartments will be carried out gradually. At Nobelberget, we are creating an attractive and dense urban environment with residential as well as office premises and cultural activities.

Schedule for confirmed projects



Confirmed projects

Project, property, municipality	Letting area, m ²				Parking, investment, GFA	Total investment, SEK m ¹¹	Of which remaining, SEK m	Fair value, SEK m	Rental value, SEK m ²¹	Letting rate, %
	Retail	Offices	Apartments	Other						
New builds and extensions										
Curanten, Sicklaön 83:22, Nacka	1,600			9,900		530	250		40	32
Nobelbergsgaraget, Sicklaön 83:45, Nacka	600	100			3,400	60	30		4	-
Sickla Galleria phase IV, Sicklaön 83:22, Nacka	5,000				6,300	130	120		16	-
Tapetfabriken, Sicklaön 83:22, Nacka				10,500	4,600	440	220		N/A ²¹	100 ⁴¹
Mobilia Torghuset, Bohus 8, Malmö	3,400		3,800	5,800		540	220		31	70 ⁵¹
Life City, Molekylén 1, Stockholm		27,500			4,400	1,840	1,130		109	E/T ³¹
Bas Barkarby, Barkarby 2:64, Järfälla		5,000		19,300		830	680		54	E/T ³¹
Gränby Entré, building 3, Gränby 21:5, Uppsala	1,200	1,300	3,400			240	30		15	86 ⁴¹
Parkhusen, phase 1, Gränby 25:1, Uppsala	100		2,700			120	100		6	-
Reconstruction										
Forumkvarteret, Dragarbrunn 27:2, Uppsala	6,200	7,500	1,400		1,300	350	30		50	92
Formalinfabriken, Sicklaön 83:33		2,100				60	0		4	91
Panncentralen, Sicklaön 83:33, Nacka				1,000		90	70		N/A ³¹	100
Tenant-owned dwellings										
Brf Sicklastråket, Sicklaön 83:43, Nacka			4,500			300	180		N/A	59 ⁸¹
Total	18,100	43,500	15,800	46,500	20,000	5,530	3,060	3,204⁷¹		

¹¹ Including any land acquisition in connection with the project implementation, but excluding any initial values such as the market value of a demolished building.

²¹ Excluding premiums and any net sales result.

³¹ Rental value/letting rate is not reported as a subtotal with regard to individual business transactions.

⁴¹ The letting rate including parking amounts to 94 per cent. Parking is let closer to completion.

⁵¹ The letting rate for commercial premises amounts to 69 per cent. The letting rate for residential is 75 per cent.

⁶¹ The letting rate for commercial premises amounts to 73 per cent. The letting rate for residential is 100 per cent.

⁷¹ Divided into SEK 2,167 million for new building and extensions, SEK 917 million for reconstructions and SEK 120 for tenant-owned dwelling projects.

⁸¹ The percentage of apartments sold with binding contracts, in numbers.

We have a development right for approximately 7,500 m² GFA at Sickla Station, where the future underground station will be linked with the cross-town light rail link (Tvärbanan), the Saltsjöbanan Line and bus services. Work is underway on a new detailed development plan with an extended development right, which will include a 23-storey building and approximately 23,000 m² GFA. The detailed development plan for the taller building was out for consultation in December 2019. This building will house both an underground station and offices and other commercial premises. Atrium Ljungberg and Region Stockholm are working jointly on projects that involve construction of elements for the new station entrance, to include a ticket hall and service. The ground work will commence in the first quarter of 2020.

Detailed development planning work is in progress for a new 16-storey residential building with approximately 80 apartments. This will be at the eastern section of Sickla Galleria shopping centre by the second planned underground entrance at Sickla Station. The preparatory work on the station entrance is planned for the autumn of 2021.

Katarinhuset in Slussen is now being vacated for renovation, and it is estimated that it will be possible to start this work in the third quarter of 2020. Following the reconstruction, this building will accommodate a hotel, restaurants and modern offices with a unique view. Discussions are currently taking place with a number of hotel and restaurant operators; including Gondolen, which it is believed will return to its premises when the renovation of Katarinhuset is complete. We are also planning to develop the building's roof terrace so that the general public can access it via Mosebacke and Katarinahissen. It is thought that the renovation work will be completed by mid-year 2023.

In Gränbystaden, the development of Uppsala's second city centre continues. Construction of the first residential block in Parkhusen is planned to start in the first quarter of 2020, but there is also the potential for approximately 200 additional apartments within the framework of the existing detailed development plan.

In northern Gränbystaden there is the possibility of developing

5,000 m² GFA for retail and offices on the remaining land within the existing detailed development plan.

In May 2019, we obtained a new land allocation with a development right for potentially 45,000 m² GFA south of Gränbystaden Galleria. The plan is to develop the area into a new office cluster. Detailed development planning is underway and expected to be complete in 2020.

At Mobilia in Malmö we have a development right of 6,800 m² GFA for offices on Trelleborgsvägen. Construction could potentially start in the first quarter of 2021 once Torghuset is complete.

SLAKTHUSOMRÅDET

As reported previously, Atrium Ljungberg took possession of 14 properties totalling over 50,000 m² of letting area in June 2019. We also have an option to acquire an investment property of 32,000 m² of letting area. The option of land allocations of approximately 100,000 m² GFA is also on the table. The acquisitions and developed land allocations amount to a total of approximately 200,000 m² GFA for offices and residentials, supplemented with culture, retail, a restaurant, hotel, education, etc. The total investment up to 2030, including acquisitions, amounts to around SEK 8 billion.

Slakthusområdet is one of Stockholm's largest urban development projects. We have worked together with the City of Stockholm during the autumn to complete a preliminary study for the northern part of Slakthusområdet. Our objective was to be able to create good occupation values and provide opportunities for activities to continue 24 hours a day. An increase in areas is proposed in order to make this possible, thereby creating a better mix of activities in the area. The planning work for the north part of the site is expected to begin in 2020.

Concert and club arena Fällan opened in autumn 2019. Fällan is a collaborative project between Atrium Ljungberg and Kulturarenor, which previously ran the culture project at Nobelberget.

We are working alongside other property owners in the area to create a strong destination; a meeting place for food, culture and experiences in Stockholm. This will become an engine for the entire Söderort.

Potential projects		Project area, m ² , GFA			Potential investment, SEK m ²
	Municipality	Premises type ¹⁾	Detailed development plan exists	Change to detailed development plan required	
Barkarby	Järfälla	Offices	20,000		
Lindholmen	Gothenburg	Offices		35,000	
Hagastaden	Stockholm	Offices		21,000	
Hagastaden	Stockholm	Retail	1,000		
Mobilia	Malmö	Offices	5,000		
Sickla	Nacka	Education		9,000	
Sickla	Nacka	Residential	41,000	94,000	
Sickla	Nacka	Offices		22,000	
Slakthusområdet	Stockholm	Training		7,000	
Slakthusområdet	Stockholm	Residential		44,000	
Slakthusområdet	Stockholm	Offices		77,000	
Slakthusområdet	Stockholm	Retail		28,000	
Slakthusområdet	Stockholm	Culture/restaurant		11,000	
Sundbyberg	Sundbyberg	Offices		14,000	
Södermalm	Stockholm	Offices	108,000		
Södermalm	Stockholm	Culture/restaurant	7,000		
Uppsala	Uppsala	Residential	20,000	21,000	
Uppsala	Uppsala	Offices		46,000	
Uppsala	Uppsala	Retail	5,000	23,000	
Total³⁾⁴⁾			207,000	452,000	25,000

¹⁾ Anticipated premises use may change and may include other elements.

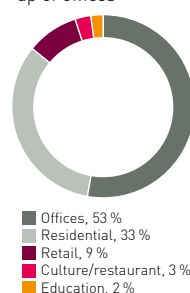
²⁾ The investment volume relates to investments in existing properties and future development rights, including any land acquisitions.

³⁾ Of which approximately 100,000 m² refers to reconstruction.

⁴⁾ Of which approximately 200,000 m² GFA refers to land allocations.

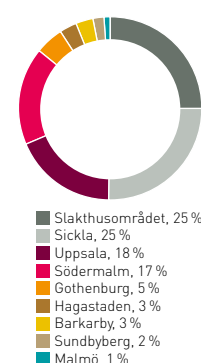
Potential projects by premises type

- More than half of the area is made up of offices



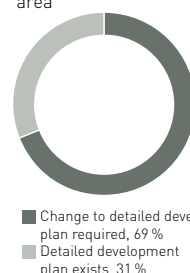
Potential projects by area

- Focused on Stockholm



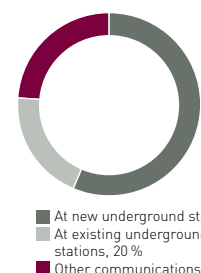
Potential projects by detailed development plan

- There is a detailed development plan for over 30 per cent of the area



Potential projects at new underground stations

- 75 per cent of the area at new or existing underground stations



FINANCING

THE FINANCIAL MARKET

The global growth in the world economy has slowed in 2019. The economy has been affected by factors such as uncertainty in global trade policy, poorer prospects for the economy and the effect of the anticipated exit of the United Kingdom from the EU. The central banks are pursuing an expansive monetary policy with low key interest rates in order to subdue any decline. Long interest rates are still very low, even though they have risen from the record lows at the end of the summer.

The Swedish economy has entered a slowdown phase after several years of growth. In December, the Riksbank increased the repo rate from -0.25 per cent to 0 per cent. GDP has undergone weak development in 2019, and GDP increased by 0.3 per cent in the third quarter. In December the National Institute of Economic Research assessed growth in GDP to be 1.1 per cent for 2019 and 1.0 per cent for 2020.

During the last quarter, the variable rate, 3M Stibor, rose from -0.09 per cent at the end of the quarter to 0.15 per cent at the turn of the year, mainly due to the Riksbank's interest rate increase. The 10-year swap interest rate increased during the quarter, from 0.26 per cent at the turn of the quarter to 0.67 per cent at the turn of the year.

INTEREST-BEARING LIABILITIES

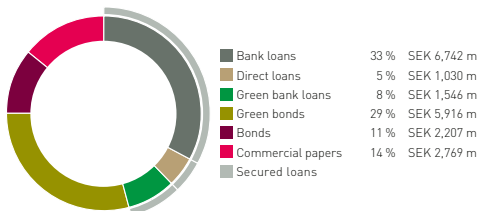
Atrium Ljungberg meets its financing requirements through the capital market, Nordic banks and direct financing. Interest-bearing liabilities at the end of the period amounted to SEK 20,211 million (SEK 18,506 m). During the fourth quarter interest-bearing liabilities increased by SEK 526 million, which was mostly due to investments in ongoing projects. The increase in debt has mainly been due to an increase in financing by banks. Outstanding bonds under the MTN programme amounted to SEK 8,123 million (SEK 7,614 m).

The average interest rate at the end of the period amounted to 1.6 per cent (1.6%). Including unutilised loan guarantees the average interest rate was 1.7 per cent (1.6%). The average fixed interest term was 5.4 years (4.1 years) and the average capital commitment term was 4.3 years (4.6 years). The interest coverage ratio for the period amounted to 4.4 (5.0). According to the company's financial goals, for the long term perspective the gearing ratio is to be less than 45 per cent. At the turn of the year it amounted to 41.7 per cent (41.9%).

Unutilised loan guarantees in addition to loan guarantees which cover outstanding commercial paper amounted to SEK 2,276 million (SEK 2,860 m). The unutilised overdraft facility amounted to SEK 300 million (SEK 300 m).

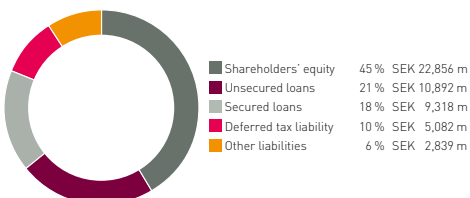
Interest-bearing liabilities

- SEK 20.1 billion in liabilities with 37 per cent green financing



Capital structure

- Secured loans correspond to 18 per cent in relation to total assets



EPRA INDEX - In autumn 2019, the Atrium Ljungberg share was included in the EPRA Index, one of the most renowned and utilised indexes for property investments listed on the stock exchange and includes almost 500 property companies around the world.

COLLATERAL

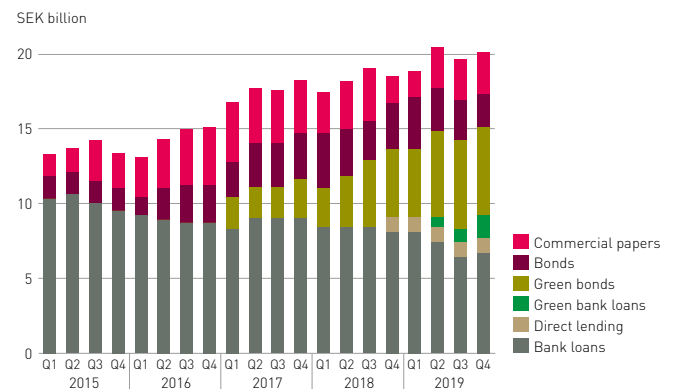
Atrium Ljungberg's borrowing is partly secured by real estate mortgages. Of the interest-bearing liabilities, SEK 9,319 million (SEK 9,106 m) is secured by mortgage deeds which corresponds to 18 per cent (20%) in relation to the total assets.

GREEN FINANCING

Atrium Ljungberg is creating attractive and sustainable cities. As part of our sustainability strategy, we are focusing on improving resource efficiency, which will reduce our environmental impact. This also makes it possible to apply green financing for operations. Green financing accounts for 37 per cent of the total loan volume. At the end of the period, there were SEK 5,916 million (SEK 4,500 m) in green bonds outstanding, as well as SEK 1,546 million (SEK - m) of green bank loans.

Development of financing sources

- The increase in debt volume has mostly been achieved through the capital market



Fixed interest

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, % ¹⁾
2020	5,064	25	1.0
2021	800	4	0.7
2022	400	2	1.6
2023	736	4	1.5
2024	1,529	8	1.6
2025 and thereafter	11,682	58	2.0
Total	20,211	100	1.6

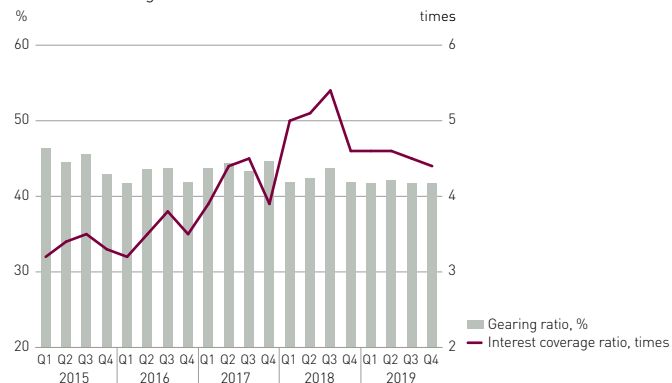
¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is reported excluding the cost of unutilised loan guarantees.

Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2020	-	-
2021	4,417	22
2022	5,717	28
2023	1,809	9
2024	2,379	12
2025 and thereafter	5,890	29
Total	20,211	100

Gearing ratio and interest coverage ratio

- A stable gearing ratio with a reduced interest level resulting in an increased interest coverage ratio



DERIVATIVES

At the end of the period, the derivative portfolio comprised SEK 12,296 million (SEK 9,296 m) in interest rate swaps and currency swaps, with maturity between 2022 and 2030. In addition, there is SEK 500 million in forward-starting interest swaps beginning in 2021. Currency swaps are being used to hedge against foreign exchange risk for bond loans in Norwegian krone. A restructuring was carried out in December, with interest derivatives being redeemed at a nominal value of SEK 1,800 million in order to improve future cash flows. At the same time, new derivatives were taken out with a lower interest rate and longer average fixed terms.

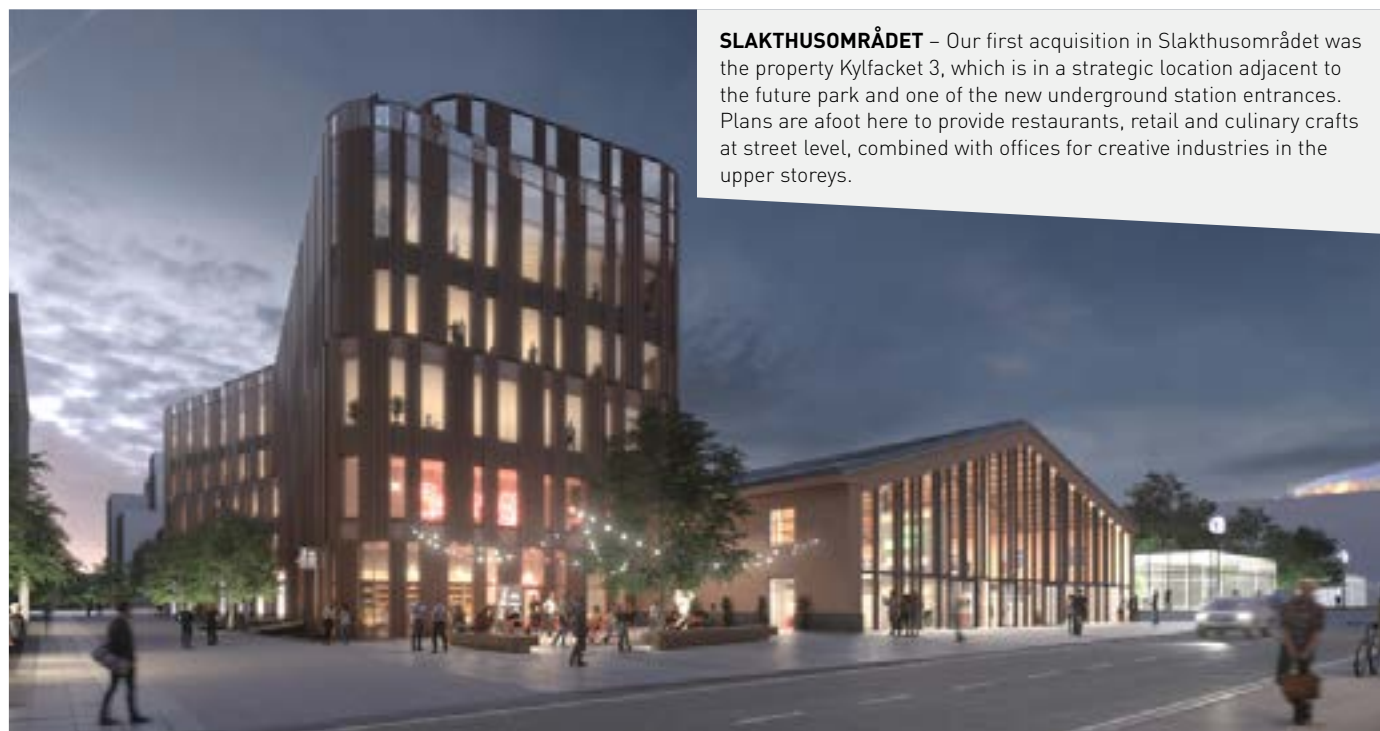
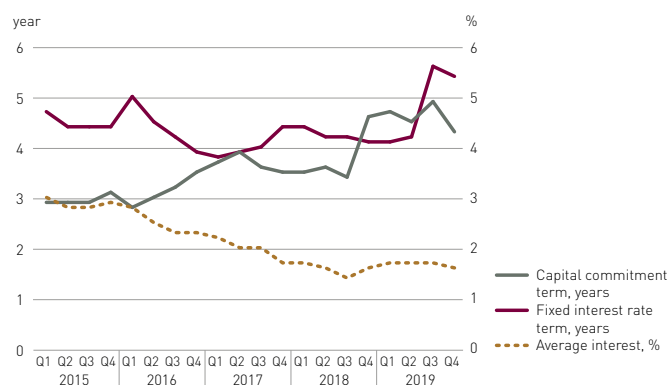
The derivatives portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the income statement. The unrealised change in the value of derivatives during the year totalled SEK -90 million (SEK -70 m) as market interest rates decreased on the terms covered by the derivatives during the year. The realised change in value of derivatives amounted to SEK -50 million (SEK 1 m) during the year. The deficit book value of the derivatives portfolio totalled SEK -266 million (SEK -349 m) at the end of the period.

PUBLIC RATING

The company has an investment grade rating from the credit rating agency Moody's and was awarded Baa2 grade with a stable outlook.

Average interest and capital commitment and fixed interest rate

- The fixed interest rate term has increased during the year to over 5 years



SLAKTHUSOMRÅDET - Our first acquisition in Slakthusområdet was the property Kylfacket 3, which is in a strategic location adjacent to the future park and one of the new underground station entrances. Plans are afoot here to provide restaurants, retail and culinary crafts at street level, combined with offices for creative industries in the upper storeys.

CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12	Quarter 2019 1/10–31/12	Quarter 2018 1/10–31/12
OPERATING ACTIVITIES				
Profit/loss before changes in value	1,234	1,214	289	276
Reversal of depreciation and write-downs	13	11	5	3
Other items not included in the cash flow	-62	17	-95	17
Tax paid	-27	-14	-3	21
Cash flow from operating activities before change in working capital	1,158	1,228	196	317
Net change in working capital	192	32	27	-48
Cash flow from operating activities	1,350	1,260	223	269
INVESTMENT ACTIVITIES				
Acquisition of investment properties	-1,174	-2,159	-8	-1,560
Reconstruction and new construction of investment properties	-1,810	-1,758	-593	-583
Sale of investment properties	1,031	3,582	15	2,535
Investment in financial fixed assets	-5	-	1	-
Purchase/sale of equipment	-17	-13	-3	-
Cash flow from investment activities	-1,975	-348	-588	393
FINANCING ACTIVITIES				
Change in other long-term liabilities	20	10	16	0
Loans raised	5,709	5,867	1,422	1,777
Amortisation of debts	-4,016	-5,612	-878	-2,309
Exercise of derivatives	-235	-191	-235	-
Dividends paid	-631	-599	-	-
Buy-back of own shares	-99	-396	-	-163
Cash flow from financing activities	748	-920	324	-695
Cash flow for the period	122	-9	-41	-33
Liquid assets at the beginning of the period	335	344	498	368
Liquid assets at the end of the period	457	335	457	335

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 1,350 million (SEK 1,260 m), corresponding to SEK 10.38/share (SEK 9.54/share). The higher cash flow during the period compared to the same period last year is mainly explained by the change in operating capital.

Investment activities have contributed to a negative cash flow by SEK -2,048 million (SEK -348 m), primarily relating to the acquisition of properties and investments in held properties.

The cash flow in financing activities amounted to SEK 748 million (SEK -920 m) as a result of new loans and lower repayments.

Available liquidity amounted to SEK 3,033 million (SEK 3,495 m) and comprised bank deposits of SEK 457 million (SEK 335 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 2,276 million (SEK 2,860 m) in addition to credit facilities covering outstanding commercial paper.

SUSTAINABILITY

SUSTAINABLE ENTERPRISE

One of Atrium Ljungberg's overall operational goals is Corporate Social Responsibility. In this context we have defined four sustainability goals which are monitored quarterly:

- By 2021, 100 per cent of our investment properties will be environmentally certified (with the exception of project properties and properties acquired over the past two years).
- Energy consumption per square metre will decrease by 30 per cent between 2014 and 2021.
- The proportion of green lease contracts will be 50 per cent of the contracted annual rent by the end of 2021.
- We will be one of Sweden's best workplaces, which forms part of our aim to have sustainable employees and to be an attractive employer.

ENVIRONMENTAL CERTIFICATION

We have chosen to certify our commercial premises in accordance with BREEAM and our residential in accordance with Miljöbyggnad. On 31/12/2019, 50 per cent (34%) of letting area was certified.

ENERGY CONSUMPTION

Electricity is responsible for the greatest share of our energy consumption. Usually, we provide our tenants with electricity and charge them on the basis of actual consumption, which creates incentives for resource efficiency. A majority of our properties use district heating as their heat source. The cooling that is installed in our properties is provided by purchased district cooling and by self-generated cooling. Compared with the 2014 reference year, energy intensity has fallen by 18 per cent per m².

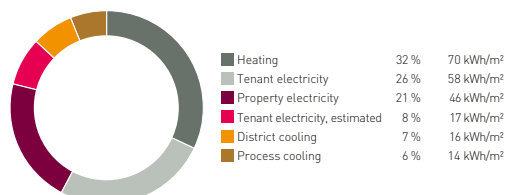
ENERGY INTENSITY

kWh/m ²	Full year		Change	Change compared to 2014 ¹⁾
	2019 01/01–31/12	2018 01/01–31/12		
Heating	70	72	-3%	-24%
Property electricity	46	49	-6%	-16%
District cooling	16	19	-16%	-31%
Sub-total property energy	132	141	-6%	-26%
Tenant electricity	58	60	-3%	-6%
Tenant electricity, estimated	17	18	-6%	-39%
Process cooling	14	14	0%	-
Total energy intensity	221	234	-6%	-18%

¹⁾ Reference year

Energy intensity

- 34 per cent of the total energy intensity comprises the tenants' energy used for their activities



SUSTAINABLE EMPLOYEES

We have taken part in the Great Place to Work® evaluation of "Sweden's best workplaces" since 2011. Our goal is to achieve an average index of 85 per cent. In 2019 we exceeded our goals and achieved an index of 87 per cent (88%).

GREEN LEASE CONTRACTS

Sustainable and cost-efficient solutions are created in close collaboration between tenants and property owners. Green lease contracts are an example of a joint undertaking to reduce environmental impact together; they comprise energy, waste and transportation, for example. The goal is for green contracts to account for at least 50 per cent of contracted annual rent by the end of 2021.

	01/01/2020	01/01/2019
Green lease contracts, share of contracted annual rent	36%	27%

ECONOMIC VALUE DISTRIBUTED

Atrium Ljungberg creates value by management, development and acquisition of properties. The generated economic value mainly comprises rental income, investments and unrealised changes in the value of properties. There is a description below of how the created economic values are distributed between suppliers, employees, enders, society and the owners.

SEK m	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12
Directly generated economic value		
Revenue	5,026	5,197
Economic value distributed		
Payments to suppliers	2,496	2,370
Salaries and compensation to employees	133	120
Fees and compensation to the Board and CEO	27	24
Payments to financiers, net	372	314
Tax to society	454	314
Dividends to shareholders	631	599
Total distributed economic value	4,113	3,741
Economic value – remaining in the company	913	1,456

TAX

Atrium Ljungberg's directly distributed economic value to society comprises taxes and leasehold fees. Taxes mainly comprise current tax, property tax, non-deductible VAT, stamp duty and social security payments. The rules on these taxes are monitored carefully as this is an essential part of the commercial offer with requirements for high predictability and minimisation of administrative expenses. Read more about Atrium Ljungberg's tax policy on our website www.al.se or on page 25 in our Annual Report for 2018.

SEK m	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12
Current tax	63	35
Property tax	174	150
Non-deductible VAT	79	61
Stamp duty	55	-
Social security payments	41	37
Special payroll tax	8	3
Taxes	420	286
Leasehold fees	34	27
Society	454	314

GREEN FINANCING

Atrium Ljungberg is able to implement green financing as a direct result of our sustainability work, with a clearly defined link to our sustainable projects. This accounts for 37 per cent of the total loan volume. At the end of the year, there were SEK 5,916 million (SEK 4,500 m) in green bonds outstanding, as well as SEK 1,546 million (SEK - m) of green bank loans.

SEGMENT REPORTING

Atrium Ljungberg's segmentation is based on two business areas: Properties and Project and construction activities.

Segment report 2019

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	2,595				-17	2,577
Sales, project and construction work		17	553	570	-337	233
Net sales	2,595	17	553	570	-354	2,811
Property management costs	-821				11	-810
Project and construction work costs	-	-47	-526	-574	298	-276
Gross profit	1,773	-30	27	-3	-46	1,724
Central administration	-80	-6	-12	-17	2	-96
Financial income and expenses					-395	-395
Profit/loss before changes in value	1,693	-36	15	-21	-439	1,234
Changes in value ^{2) 3)}	2,355				-139	2,216
Tax					-643	-643
Profit/loss for the period	4,048	-36	15	-21	-1,221	2,807
Investments and acquisitions	2,878	106	0	106	22	3,006
Assets, period end	48,818	997	106	1,103	1,141	51,062

Segment report 2018

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	2,424				-12	2,412
Sales, project and construction work		9	593	602	-385	217
Net sales	2,424	9	593	602	-397	2,629
Property management costs	-770				7	-764
Project and construction work costs		-52	-561	-613	367	-246
Gross profit	1,653	-43	32	-11	-23	1,619
Central administration	-73	-11	-24	-35	5	-103
Financial income and expenses					-302	-302
Profit/loss before changes in value	1,580	-54	8	-47	-320	1,214
Changes in value ^{2) 3)}	2,637				-69	2,568
Tax					-329	-329
Profit/loss for the period	4,217	-54	8	-47	-718	3,453
Investments and acquisitions	3,464	21	-	21	-	3,485
Assets, period end	43,310	891	188	1,079	740	45,128

¹⁾ The profit within project development mainly refers to costs of investigations at early project stages and ongoing development projects.

²⁾ Properties, unrealised SEK 2,283 million (SEK 2,516 m). Properties, realised SEK 73 million (SEK 121 m).

³⁾ Unrealised change in value, derivatives SEK -90 million (SEK -70 m). Realised change in value, derivatives SEK -50 million (SEK 1 m).

SEGMENT REPORTING, cont.

Revenue type per segment, 2019

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	2,595				-17	2,577
Sales, project and construction work						
of which Turnkey contracts, fixed price			91	91	-3	87
of which Turnkey contracts, open account			248	248	-240	8
of which Performance contracts, fixed price			21	21		21
of which Performance contracts, open account			193	193	-77	116
of which Other		17		17	-17	-
Total Project and construction sales		17	553	570	-337	233
Total Net sales	2,595	17	553	570	-354	2,811

Revenue type per segment, 2018

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	2,424				-12	2,412
Sales, project and construction work						
of which Turnkey contracts, fixed price			227	227	-114	113
of which Turnkey contracts, open account			72	72	-44	28
of which Performance contracts, fixed price			282	282	-223	59
of which Performance contracts, open account			12	12	-7	5
of which Other		12		12		12
Total Project and construction sales		12	593	605	-388	217
Total Net sales	2,424	12	593	605	-400	2,629

KEY RATIOS¹⁾

	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12	Quarter 2019 01/10–31/12	Quarter 2018 01/10–31/12
PROPERTY-RELATED KEY RATIOS				
Letting rate excluding project properties, %	94	95	94	95
Letting rate including project property, %	93	95	93	94
Operating surplus margin, %	67	68	65	64
Letting area, '000 m ²	1,176	1,129	1,176	1,129
Investments in Atrium Ljungberg's held properties, SEK m	1,810	1,758	666	583
Number of properties at period end	70	51	70	51
FINANCIAL KEY RATIOS				
Equity/assets ratio, %	45.8	45.9	45.8	45.9
Gearing ratio, %	41.7	41.9	41.7	41.9
Adjusted gearing ratio, %	41.7	41.9	41.7	41.9
Interest coverage ratio	4.4	5.0	4.3	4.6
Average interest rate for interest-bearing liabilities, %	1.6	1.6	1.6	1.6
Return on shareholders' equity, %	12.9	17.7	18.8	25.8
Return on shareholders' equity, excluding changes in value, %	4.6	5.1	4.1	4.3
Return on total assets, %	8.0	9.3	12.4	13.3
Return on total assets excluding changes in value, %	2.7	2.7	2.4	2.5
DATA PER SHARE				
Earnings per share, SEK	21.59	26.15	8.07	9.93
Profit/loss before changes in value less nominal tax, SEK	7.47	7.26	1.75	1.65
Cash flow, SEK	10.38	9.54	1.71	2.05
Shareholders' equity, SEK	175.48	158.64	175.48	158.64
Share price, SEK	226.00	152.00	226.00	152.00
Weighted average number of shares, thousands	130,005	132,019	129,839	131,107
Number of outstanding shares at end of period, thousand	129,839	130,460	129,839	130,460
EMPLOYEES				
Average number of employees	320	302	332	305

EPRA KEY RATIOS¹⁾

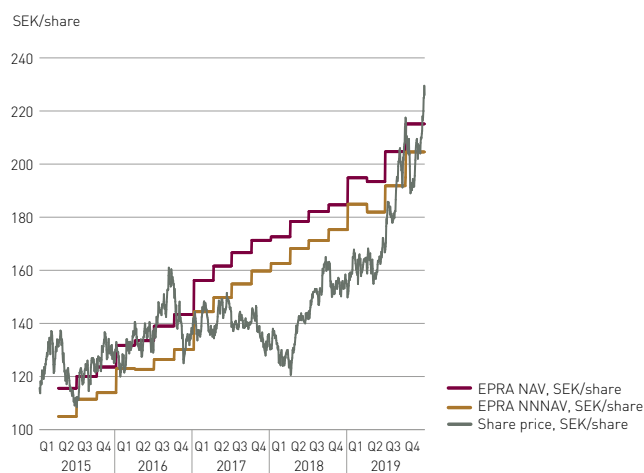
	Full year 2019 01/01–31/12	Full year 2018 01/01–31/12
EPRA Earnings, SEK m	1,172	1,172
EPRA EPS, SEK/share	9.03	8.99
EPRA NAV, SEK m	27,931	25,416
EPRA NAV, SEK/share	215.12	194.82
EPRA NNNNAV ²⁾ , SEK m	26,561	24,126
EPRA NNNNAV ²⁾ , SEK/share	204.57	184.93
EPRA Vacancy rate	6%	5%

¹⁾ See the definitions on pages 26–27, and see the reconciliation for key ratios at www.al.se.

²⁾ For calculation of current net worth (EPRA NNNNAV), an estimated deferred tax of 4.0 per cent has been used.

EPRA NAV, EPRA NNNNAV and share price

– The share was traded at a premium of 5 per cent against EPRA NAV at the end of the year.



QUARTERLY SUMMARY

INCOME STATEMENTS

	2019	2019	2019	2019	2018	2018	2018	2018
Amounts in SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Rental income	644	653	647	633	613	601	597	601
Sales, project and construction work	93	62	46	32	48	55	59	54
Net sales	737	715	693	665	661	656	656	656
Property management costs	-216	-194	-195	-206	-218	-178	-175	-192
Project and construction work costs	-107	-77	-55	-37	-60	-66	-65	-55
Gross profit	415	445	443	422	383	412	416	408
– of which gross profit/loss property management (operating surplus)	428	460	452	427	395	423	422	409
– of which gross profit/loss from project and construction work	-14	-15	-9	-5	-12	-11	-6	-1
Central administration, property management	-23	-17	-21	-19	-21	-17	-17	-17
Central administration, project and construction work	-3	-3	-3	-7	-10	-6	-11	-4
	-26	-20	-25	-25	-31	-23	-28	-21
Financial income and expenses	-99	-107	-97	-91	-76	-72	-76	-78
Profit/loss before changes in value	289	318	321	306	276	317	312	309
Properties, unrealised	686	283	1,166	148	1,125	174	717	499
Properties, realised	13	49	-7	17	112	-1	6	5
Derivatives, unrealised	464	-179	-215	-160	-97	99	-70	-2
Derivatives, realised	-50	-	-	-	-	1	-	-
	1,113	152	945	5	1 140	272	653	502
Profit before tax	1,402	469	1,265	311	1,417	589	965	811
Tax	-358	65	-258	-91	-115	-171	151	-193
Profit/loss for the period	1,044	534	1,007	220	1,301	418	1,116	618

KEY RATIOS ¹⁾²⁾

	2019	2019	2019	2019	2018	2018	2018	2018
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Property-related key ratios								
Letting rate excluding project properties, %	94	93	93	94	95	95	95	95
Letting rate including project property, %	93	92	93	93	94	94	94	94
Operating surplus margin, %	65	69	69	66	64	70	71	68
Letting area, '000 m ²	1,176	1,177	1,216	1,166	1,129	1,167	1,139	1,145
Investments in investment properties, SEK m	666	402	417	398	583	401	411	364
Number of properties at period end	70	69	68	51	51	53	53	53
Financial key ratios								
Equity/assets ratio, %	45.8	45.0	43.7	44.1	45.9	44.0	43.9	44.0
Gearing ratio, %	41.7	41.8	43.2	41.8	41.9	43.8	42.4	41.9
Adjusted gearing ratio, %	41.7	41.8	43.2	41.8	41.9	43.8	42.8	42.3
Interest coverage ratio	4.3	4.2	4.6	4.6	4.6	5.4	5.1	5.0
Average interest rate for interest-bearing liabilities, %	1.6	1.7	1.7	1.7	1.6	1.4	1.6	1.7
Return on shareholders' equity, %	18.8	10.0	19.4	4.3	25.8	8.6	23.5	13.3
Return on shareholders' equity, excluding changes in value, %	4.1	4.6	4.9	4.5	4.3	5.1	5.0	5.3
Return on total assets, %	12.4	4.7	11.8	3.5	13.3	6.0	9.6	8.3
Return on total assets excluding changes in value, %	2.4	2.7	2.8	2.7	2.5	2.8	2.8	2.8
Data per share								
Earnings per share, SEK	8.07	4.13	7.74	1.69	9.93	3.18	8.44	4.64
Profit/loss before changes in value less nominal tax, SEK	1.75	1.93	1.94	1.85	1.65	1.88	1.85	1.81
EPRA EPS, SEK	2.28	2.38	2.30	2.08	2.06	2.61	2.13	2.10
Cash flow, SEK	2.28	2.59	3.45	2.59	2.05	3.36	1.75	2.37
Shareholders' equity, SEK	175.48	167.41	163.27	155.48	158.64	148.67	145.46	141.45
EPRA NAV, SEK	215.12	209.27	204.65	193.37	194.82	184.62	182.13	178.44
EPRA NNAV, SEK ³⁾	204.57	195.00	191.80	182.29	184.93	175.28	171.17	168.22
Share price, SEK	226.00	217.50	167.80	158.80	152.00	161.20	144.60	123.00
Weighted average number of shares, thousands	129,839	129,839	129,991	132,019	131,107	131,536	132,240	133,221
Number of outstanding shares at end of period, thousand	129,839	129,839	129,839	130,163	130 460	131,529	131,576	133,221

¹⁾ See definitions pages 26–27.

²⁾ See reconciliation for key ratios on Atrium Ljungberg's website.

³⁾ For calculation of EPRA NNAV, an estimated deferred tax of 4.0 per cent has been used.

PARENT COMPANY

The Parent Company's operations comprise Group-wide functions and the organisation for the management of the properties owned by the Parent Company and the subsidiaries.

Net sales totalled SEK 472 million (SEK 476 m). The operating profit/loss totalled SEK -186 million (SEK -42 m). Profit/loss after financial items totalled SEK 842 million (SEK 449 m).

Amounts in SEK m	Full year 2019 01/01-31/12	Full year 2018 01/01-31/12
Rental income	144	176
Management income	328	300
Net sales	472	476
Property costs	-53	-61
Management and administration expenses	-400	-364
Capital gain/loss from sale of properties	-184	-72
Depreciation	-20	-21
Operating profit	-186	-42
Result of participations in Group companies	1,419	500
Interest income and similar profit items	268	565
Interest expenses and similar profit items	-660	-574
	1028	491
Profit after financial items	842	449
Appropriations	29	185
Profit before tax	870	634
Current tax	-6	-35
Deferred tax	91	12
	85	-23
Profit/loss for the period	955	611

Interest-bearing liabilities amounted to SEK 16,337 million (SEK 14,483 m). These funds finance the parent company's property portfolio and are lent on to other Group companies.

Amounts in SEK m	31/12/2019	31/12/2018
ASSETS		
Tangible fixed assets	922	1,498
Financial fixed assets	1,062	956
Current assets	22,162	19,734
Total assets	24,147	22,188
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,606	7,381
Untaxed reserves	8	61
Provisions	79	99
Long-term liabilities	16,337	14,483
Current liabilities	118	164
Total shareholders' equity and liabilities	24,147	22,188

OTHER INFORMATION

ORGANISATION

The organisation within the company has been reinforced throughout 2019 so as to cope with future growth. A number of key personnel have been recruited in the Projects and Business Development Business Areas. The organisation within the Property Business Area has been adapted and will also include leasing as of November 2019 so as to create even closer cooperation with regard to letting issues. Monica Fallenius, Atrium Ljungberg's Business Area Manager for Transactions and Leasing, left the company when this change was made. A number of supporting functions have also been developed in line with the growth of the company, particularly with regard to IT and marketing.

BUY-BACK OF SHARES

On 28 March 2018, the Board of Atrium Ljungberg decided to initiate a buy-back of its own shares. The buy-back programme started on 20 April 2018. The aim of the programme is to secure the supply of shares in accordance with the Group's stock option programme, and to give the Board more flexibility in its work on the company's capital structure, which will therefore help to increase shareholder value.

As of 31 December the company owned 3,382,000 class B shares. The buy-back has been in the range of SEK 132.20-165.96 per share.

NUMBER OF OUTSTANDING SHARES

At the end of the period the parent company had issued a total of 94,500 call options, which entitle Atrium Ljungberg's staff to acquire the equivalent number of class B shares. The underlying share price reached a rate on the closing day and during parts of this period that would justify a redemption of these options. However, no dilution from the utilisation of these options has been taken into account when calculating earnings per share, as the effect is immaterial.

RETAIL SECTOR'S SALES TREND

During the year, total sales at our four regional retail hubs – Sickla, Farsta Centrum, Gränbystaden and Mobilia – increased by an overall 3.3 per cent compared to the same period of the previous year. Gränbystaden is the retail hub with the highest percentage sales increase of the four.

ACCOUNTING PRINCIPLES

Atrium Ljungberg's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Swedish Financial Reporting Board's recommendation, RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied conform to those described in the 2018 Annual Report, except for the implementation of IFRS 16 Leases.

Also refer to note IK 4 in the 2018 Annual Report, which shows the reconciliation between leasing information in accordance with IAS 17 and IFRS 16 as of 1 January 2019.

Parent company's accounting principles

The parent company applies the same accounting principles as the Group with the exceptions and additions regulated in RFR2, Accounting for Legal Entities.

IFRS 16 is not applied at the parent company. RFR 2 (IFRS 16 pp. 2–12) is applied instead, which means that as the parent company is a lessee, the leasing fees are reported as a cost linearly over the leasing period.

As at 31 December 2019, the parent company has ceased hedge accounting of derivatives and is therefore reporting derivatives according to the acquisition value or the fair value, whichever is the lower. There are negative fair values as at 31 December 2019, which means that a liability of SEK 348 million is reported in the balance sheet. The change in value amounting to SEK 348 million has been reported in Financial costs in the income statement.

Valuation method for investment properties

Investment properties are valued at fair value in the Balance Sheet. The valuation took place in accordance with level 3 in the IFRS valuation hierarchy.

Valuation method for derivatives

Derivatives are valued at fair value in the Balance Sheet. Pursuant to the IFRS valuation hierarchy, the fair value of derivatives has been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices, and which are observable for the asset or the liability, either directly or indirectly. The derivative agreements (ISDA agreements) include an option to net obligations in respect of the same counterparty.

Fair value interest-bearing liabilities

According to the Balance Sheet, the Group's reported interest-bearing liabilities total SEK 20,211 million (SEK 18,506 m) and their fair value totals SEK 20,456 million (SEK 18,745 m). The fair value calculation is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus the relevant borrowing margin. The valuation is hereby conducted with IFRS valuation hierarchy level 2. Atrium Ljungberg is of the opinion, with regard to other financial assets and liabilities reported at accrued acquisition value, that the differences between book values and fair values are insignificant.

CHANGES TO ACCOUNTING PRINCIPLES AS A RESULT OF NEW IFRS IFRS 16 Leases

The new standard requires that lessees report assets and liabilities attributable to all leasing agreements, with the exception

of agreements which are shorter than twelve months and/or refer to small amounts. For lessees, the standard does not entail any immediate changes to reporting compared to current standards.

Following the implementation of IFRS 16 on 1 January 2019 Atrium Ljungberg has recognised a right-of-use asset and a leasing liability in the balance sheet attributable to leaseholds. Leaseholds are considered to be perpetual leases in terms of IFRS 16 and are recognised at their fair value. This means that instead of being depreciated, the value of this right-of-use asset remains the same until the next renegotiation of the leasehold fee. The right-of-use asset is recognised in the balance sheet in the "Leaseholds" item. A long-term leasing liability is recognised that corresponds to the value of the right-of-use asset. The leasing liability is not amortised, with the value remaining unchanged until the renegotiation of the relevant leasehold fee.

The income statement has been affected by leasehold fees being reclassified from "Property management costs" to net financial expenses. The leasehold fees that are paid are recognised in their entirety as an interest expense as these leases are considered to be perpetual leases.

The cash flow statements will not be affected by the implementation of IFRS 16, as the cash flow statements are based on "Profit before changes in value".

Atrium Ljungberg has chosen to apply the simplified method and will not apply the standard retrospectively. In accordance with the simplified transition method, the comparison figures for 2018 have not been recalculated.

Atrium Ljungberg has elected to reverse the effect of the implementation of IFRS 16 when calculating the alternative performance measures that are presented in this report. This means that some of the definitions of the alternative performance measures have been changed. For more information, see pages 26–27.

EPRA

Atrium Ljungberg reports EPRA EPS, EPRA Vacancy rate, EPRA NAV as well as EPRA NNNAV in accordance with the European Public Real Estate Association's definitions.

When calculating the EPRA NNNAV (the triple net asset value), an estimated deferred tax of 4.0 per cent has been used for properties. The calculation of the tax rate is based on a discount rate of three per cent (real) and the fact that the property portfolio is realised over 50 years, where ten per cent of the properties are sold through transfer of property with a nominal tax rate of 20.6 per cent, and that 90 per cent are sold indirectly through transfer of shares with a tax deduction for the buyer of six per cent.

ALTERNATIVE PERFORMANCE MEASURES

Atrium Ljungberg applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). According to these guidelines, an APM is a financial measure of historical or future profit performance, financial position, financial results or cash flows which are not defined or stated in applicable rules for financial reporting; IFRS and the Swedish Annual Accounts Act.

Reconciliation of APMs is available on Atrium Ljungberg's website, www.al.se.

ROUNDING OFF

Due to the effects of rounding off, figures presented in this interim report may not exactly match the totals in certain cases, and percentages may differ from the exact percentages.

MARKET DEVELOPMENT, RISKS AND UNCERTAINTY FACTORS

Atrium Ljungberg's property portfolio, with office, retail and full-service environments, is primarily located in strong subsidiary markets in the expanding regions Stockholm, Gothenburg, Malmö and Uppsala. The primary prioritised risk management areas, in light of both their complexity and size of the amounts involved, are letting, property valuation, project activities and financing. The company has good procedures for managing these risks and also has a strong financial position with strong key ratios, such as a low gearing ratio and high interest coverage ratio.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2018 Annual Report and the section entitled "Risks and risk management" on pages 72–76.

CHANGES OF RULES IN THE AREA OF TAX

On 14 June 2018 the Swedish Parliament decided on amendments to the Swedish Income Tax Act with regard to the tax rules for companies. This change in the law came into force on 1 January 2019 and limits the right to deduct interest for negative net interest income to 30 per cent of taxable EBITDA. In its current financial position Atrium Ljungberg will not be affected by this change, but a low level of capital lock-in could occur in individual subsidiaries. The company tax rate for the 2019 tax year has been reduced to 21.4 per cent (22.0% in 2018). The reduction in the company tax rate is taking place in two stages from 2019. The next reduction will be in 2021, when the company tax rate will be 20.6 per cent. A general deduction, referred to as a primary deduction, has been introduced, with a deduction for impairment of 2 per cent per year for the first six years. This applies to newly-constructed buildings that are classified as apartment blocks according to the cadastral survey.

According to the Treasury Department, the parcelling study continues to be subject to administration.

OUTLOOK FOR 2020

Atrium Ljungberg's outlook remains positive. Despite signs of a slow-down in the economy, we believe that our strong position combined with our project development will contribute to continued long-term value growth in the company. The increase in the operating net from the project portfolio will be limited in 2020, as a large number of our ongoing projects are planned for completion at the end of 2020 and start of 2021. The sale of the residential portfolio in Kista and the vacating of Katarinahuset at Slussen will also contribute to this

limitation. As anticipated, the Riksbank also increased the repo rate, which was noted in our forecast.

The forecast for profit before changes in value amounts to SEK 1,200 million in comparison to the outcome of SEK 1,234 million for 2019. The forecast for profit after tax is SEK 948 million, corresponding to SEK 7.29/share. Changes in value and any other future property acquisitions and sales have not been taken into account in the forecast. The investment volume in held properties for 2020 is assessed to amount to approximately SEK 2.4 billion.

DIVIDEND

Dividend payments shall correspond to at least 50 per cent of the profit before changes in value, after estimated tax, unless investments or the company's financial position otherwise justify a deviation from this policy. A dividend of SEK 5.00 per share (SEK 4.85/share) is proposed for the financial year, which corresponds to a dividend of SEK 66.9 per cent of the distributable profit (SEK 67.6/share) and a dividend yield of 2.2 per cent (3.2%).

EVENTS AFTER THE CLOSING DAY

No significant events have occurred since the closing day.

ANNUAL GENERAL MEETING 2020

The Annual General Meeting will take place on Wednesday 25 March 2020 at 17.00 (CET), at Filmstaden in Sickla, Marcusplatsen 19 in Nacka. Notices convening the meeting will be advertised in Dagens Nyheter and in Post- och Inrikes Tidningar. The Annual Report will be available digitally on the Atrium Ljungberg website no later than three weeks before the AGM and will also be distributed by post to shareholders who have requested a printed version. Please see the company's website (www.al.se) for full details of the Nomination Committee's proposals and of the items on the agenda for the AGM.

The Interim Report has not been subject to review by the company's auditors.

Nacka, 7 February 2020

BOARD OF DIRECTORS

ATRIUM LJUNGBERG IN BRIEF

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. Deciding to build attractive spaces for the future is every bit as obvious to us as deciding to create long-term value – for us, our customers and for society.

Atrium Ljungberg has been listed on the NASDAQ Stockholm Exchange since 1994.

BUSINESS CONCEPT

Our long-term approach to ownership, development and management enables us to offer our customers attractive urban environments for offices, retail and residential units in strong subsidiary markets. Our in-house expertise and holistic perspective enable us to generate added value for our customers and partners and to create value growth within the company.

BUSINESS MODEL

Atrium Ljungberg's business model creates profitability and value growth, mostly through long-term property ownership, management and improvement, as well as through our project development of properties. Our construction business also contributes to profitability, as do our property acquisitions and sales.



PROJECT DEVELOPMENT Our project development comprises both new build and reconstruction and extension properties, and is conducted in attractive locations in large urban regions, generally in connection with existing property holdings. Our projects are run by our own personnel – from the concept phase to moving in. Project yields will provide better profitability than acquiring properties with an existing cash flow. Consequently, projects contribute both to net operating growth and value growth.

MANAGEMENT We also have our own management organisation that works closely with tenants to satisfy their needs in the best way possible, while staying open to new business opportunities.

ACQUISITIONS AND SALES We develop and manage with the aim of long-term ownership. We acquire new properties and land if we can achieve strategic benefits and generate a good operating net surplus, or generate a good yield through project development.

STRATEGIES

- We will focus on developing **attractive urban environments** for offices and retail, supplemented with residential, culture, service and education.
- Develop and improve **properties** and **development rights**.
- Operate in **strong subsidiary markets** in large urban regions.
- Be a **significant player** with large and unified units in each subsidiary market.
- Focus on our customers in everything we do. **Collaboration** with customers, suppliers, municipalities and other stakeholders should be close, long-term, stable and committed.
- Conduct and manage the entire business process **in-house** using our in-house expertise.
- **Sustainability work** is integrated in the business strategy and constitutes an important component of our offering. We improve our own and our customers' resource efficiency.
- To have **committed employees** who are passionate about what we do and who have well-established core values.

GOALS

Atrium Ljungberg's operations focus on value growth with a stable capital structure. Our goals are divided into three areas:

PROFITABILITY AND GROWTH

Return on shareholders' equity will be 10 per cent over time, we will invest SEK 2 billion each year in in-house projects, and the return on new build and extension projects will be 20 per cent. The dividend is to correspond to a minimum of 50 per cent of the profit before changes in value, after nominal tax.

LONG-TERM STABILITY

A gearing ratio of a maximum of 45 per cent and a minimum interest coverage ratio of 2.0.

CORPORATE SOCIAL RESPONSIBILITY

100 per cent of our properties will be environmentally certified by 2021. Energy consumption per square metre is to decrease by 30 per cent between 2014 and 2021. By 2021, the proportion of green leasing contracts is to be 50 per cent of the contracted annual rent. We aim to be one of Sweden's best workplaces.

DEFINITIONS

FINANCIAL DEFINITIONS

The effect of the implementation of IFRS 16

Atrium Ljungberg has applied IFRS 16 Leasing since 1 January 2019.

The implementation of IFRS 16 Leasing has resulted in Atrium Ljungberg recognising a financial asset and liability for leaseholds in the balance sheet. In the income statement leasehold fees have been reclassified from 'Property management costs' to net financial expenses. Atrium Ljungberg has elected to use the simplified transition method and is not applying the standard retrospectively.

In order to increase comparability, Atrium Ljungberg has elected to reverse the effect of the implementation of IFRS 16 when calculating the alternative performance measures in this report.

This means that the definitions of the following alternative performance measures have been changed:

- Return on total assets, %
- Return on total assets excluding changes in value, %
- Gearing ratio, %
- Adjusted gearing ratio, %
- Interest coverage ratio, multiple
- Equity/assets ratio, %
- Operating surplus margin, %

Share dividend yield, %

The proposed or distributed share dividend as a percentage of the share price at the end of the fiscal year.

The share's dividend yield is used to illustrate which current yield shareholders are expected to receive.

Share's total yield, %

The year's change in the share price plus the distributed dividend during the year as a percentage of the share price at the end of the fiscal year.

The share's total yield is used to illustrate the shareholders' total yield on their ownership in Atrium Ljungberg.

EPRA NNNAV per share, SEK

Reported shareholders' equity with reversal of goodwill and adjusted with estimated actual deferred tax, divided by the number of outstanding shares at the end of the period.

EPRA NNNAV per share is used to provide stakeholders information on Atrium Ljungberg's current net worth per share calculated in a uniform manner for publicly listed property companies.

Number of outstanding shares

Number of registered shares at the end of the period less bought-back shares, which do not provide entitlement to dividend or voting rights.

Return on shareholders' equity, %

Interest-bearing liabilities divided by reported shareholders' equity.

Return on shareholders' equity is used to illustrate Atrium Ljungberg's capacity to generate profit on the owners' capital in the Group.

Return on shareholders' equity, excluding changes in value, %

Profit/loss for the period before changes in value, divided by average adjusted shareholders' equity.

Return on shareholders' equity excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the owners' capital in the Group.

Return on total assets, %

Profit/loss before tax plus interest expenses as a percentage of the average balance sheet total, excluding leaseholds.

Return on total assets is used to illustrate Atrium Ljungberg's capacity to generate profit on the Group's assets uninfluenced by the Group's financing.

Return on total assets excluding changes in value %

Profit/loss before changes in value plus interest expenses, excluding leasehold fees, as a percentage of the average balance sheet total, excluding leaseholds.

Return on total assets excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the Group's assets uninfluenced by the Group's financing.

Gearing ratio, %

Interest-bearing liabilities, excluding the liability for financial leasing for leaseholds, as a percentage of the sum of the properties' fair value at the end of the period.

The gearing ratio is used to illustrate Atrium Ljungberg's financial risk.

Gross profit/loss property management

Rental income minus expenses for property management activities with a reversal of leasehold fees which, pursuant to IFRS 16, are recognised as an interest expense in the income statement.

Gross profit/loss project and construction work

Project and construction sales minus project and construction costs.

Equity per share, SEK

Reported equity divided by the number of outstanding shares at the end of the period.

Equity per share is used to illustrate the owners' share of the company's total assets per share.

EPRA

The European Public Real Estate Association is a trade organisation for publicly listed property companies and investors in Europe which sets standards for the financial reporting.

Property costs

The total of the 'Property management costs' with a reversal of the leasehold fees which, pursuant to IFRS 16 are recognised as an interest expense in the income statement, which excludes central administration.

Management result less nominal tax (EPRA EPS) per share, SEK

Profit/loss before changes in value, less calculated current tax excluding loss carry-forwards, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.

Management result less nominal tax (EPRA EPS) is used to provide stakeholders information on Atrium Ljungberg's management result per share calculated in a uniform manner for publicly listed property companies.

Average capital commitment, years

Average remaining term until final maturity of all credits in the liabilities portfolio.

The average capital commitment is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate for interest-bearing liabilities, %

Weighted average contracted interest for all credits in the liabilities portfolio excluding unutilised credit facilities.

The average interest is used to illustrate Atrium Ljungberg's financial risk.

Average fixed interest, years

Average remaining term until interest settlement date of all credits in the liabilities portfolio.

The average fixed interest is used to illustrate Atrium Ljungberg's financial risk.

Adjusted gearing ratio, %

Interest-bearing liabilities, excluding the liability for financial leasing for leaseholds, as a percentage of the sum of the properties' fair values at the end of the period, less properties acquired but not possessed and plus properties sold but not vacated.

The adjusted gearing ratio is used to illustrate Atrium Ljungberg's financial risk.

Cash flow per share, SEK

Cash flow from operating activities divided by the average number of outstanding shares.

Cash flow per share, SEK is used to illustrate Atrium Ljungberg's cash flow, and particularly its dividend capacity.

EPRA NAV per share, SEK

Reported shareholders' equity with reversal of goodwill, derivatives and deferred tax, divided by the number of outstanding shares at the end of the period.

Long-term net worth (EPRA NAV) per share is used to provide stakeholders information on Atrium Ljungberg's long term net worth per share calculated in a uniform manner for publicly listed property companies.

Average number of outstanding shares

Weighted average number of outstanding shares calculated in accordance with IAS 33.

Earnings per share, SEK

Net profit/loss for the period divided by the average number of outstanding shares.

Profit/loss before changes in value per share, SEK

Profit/loss before changes in value, less current tax, divided by the average number of outstanding shares.

Profit/loss before changes in value per share is used to illustrate the ongoing management operations.

Interest coverage ratio, multiple

Profit/loss before changes in value, plus interest expenses divided by interest expenses, excluding leasehold fees, which, according to IFRS 16, have been reclassified as an interest expense.

The interest coverage ratio is used to illustrate how sensitive the company's results are to interest rate changes.

Equity/assets ratio, %

Reported shareholders' equity as a percentage of the balance sheet total, excluding leaseholds, at the end of the period.

The equity/assets ratio is used to illustrate Atrium Ljungberg's interest rate sensitivity and financial stability.

Dividend pay-out ratio, %

Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.

Dividend pay-out ratio is used to illustrate how large share of the results is shifted out to the Group's owners and reinvested in the operations respectively.

PROPERTY-RELATED DEFINITIONS**GFA, m²**

GFA (Gross Floor Area) refers to the building's total area, including outer walls.

Operating surplus

Relates to gross profit/loss with reversal of leasehold fees to costs for property management. The leaseholds are reported as interest expenses in the income statement in accordance with IFRS 16.

EPRA Vacancy rate, %

The rental value of unlet premises divided by the rental value of the entire property portfolio. Project properties are excluded.

The EPRA Vacancy rate is reported in accordance with the EPRA's definition of vacancy rate, which enables comparison between different companies.

Development properties

Development properties are properties that are built or unbuilt that the Group owns in order to develop and sell them as tenant-owned dwellings. These properties are recognised as current assets, even though some of the properties are managed and generate rental income while they are waiting to be developed.

They are recognised at the lowest of their accumulated acquisition value and their net realisable value.

Property type

The premises type which comprises the predominant share of the rental value of a register property or profit area determines the property type.

The market value and development of rental income in like-for-like portfolios recognised per property type.

Rental value

Contracted annual rents including rent surcharges (e.g. for property tax, heating and electricity) and estimated market rents for vacant space in existing condition.

Rental value is used to illustrate the Group's income potential.

Like-for-like portfolio

Comparable portfolio refers to the properties which were not classified as project properties and were owned throughout the period and entire comparison period.

Comparable portfolio is used to illustrate the trend of rental income excluding non-recurrent effects for premature vacating of premises and property costs uninfluenced by project properties as well as acquired and sold properties.

Premises type

The operations managed in the individual premises determine the premises type: offices, retail, residential, other or garage. Other includes education, culture, service enterprises and storage.

The letting rate and yield requirement are reported per premises type.

Net letting

Total contracted annual rent for new lets with deductions for annual rents due to terminated contracts for the period.

Net letting is used to illustrate the letting situation.

Project property

An individual property or a clearly delimited part of a property that has been or is about to be vacated in order to permit the renovation and upgrading of the property. The term, project property, also refers to buildings under construction and to undeveloped land and development rights.

Reclassification from project property to completed property occurs on 1 January of the year after completion.

Project return, %

Market value after completed project minus total investment as a percentage of total investment.

Project return is used to illustrate value creation in the project operations.

Leaseholds

The right of use for building plots in compliance with IFRS 16, leasehold rights are recognised as a right-of-use asset in the balance sheet.

Leasehold fees

The fee paid for the utilisation of leasehold rights. Regarded according to IFRS 16 as an interest expense in the income statement.

Letting area, m²

Total area available for letting. Garage is included in letting area but excluded when calculating the rental value per m² and fair value per m².

Letting rate, %

Contracted annual rents as a percentage of the rental value in conjunction with full letting. Reported figures are based on the immediately subsequent quarter.

The letting rate is used to illustrate the Group's efficiency in the use of its investment properties.

Operating surplus margin, %

The gross profit for property management with a reversal of leasehold fees which, pursuant to IFRS 16, are recognised as an interest expense in the income statement as a percentage of recognised rental income.

Operating surplus margin is used to illustrate how large share of the Group's rental income remains after property costs.

SUSTAINABILITY-RELATED DEFINITIONS**Breem**

Is an environmental certification system developed in Europe for built environments. BREEM takes a big picture approach to environmental performance. There are two types of Breem certification; Breem that relates to new production and BREEM In-Use, which relates to existing properties.

The areas addressed by BREEM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

Directly generated and distributed economic value

Generated value: Atrium Ljungberg's net sales and changes in value.

Distributed value: Atrium Ljungberg's payments to suppliers, salaries and remuneration to employees, fees and remuneration to the Board of Directors, the CEO and senior executives, net payments to financiers, taxes and fees to society, and the dividend to the shareholders.

Payments to suppliers: Operative costs for purchases of materials, products, premises and services from suppliers.

Salaries and compensation to employees: The period's total salary and pension costs, including benefits. Employees do not include consultants or other temporary staff.

Fees and compensation to the Board, CEO and senior executives: Composed of compensation to Board members, as well as fixed salary, other compensation and pension costs for the CEO and other senior executives. For more information, see note IK6.

Net payments to financiers: The period's recognised interest expenses with a supplement for the consolidated capitalised interest and describes Atrium Ljungberg's total remuneration to lenders.

Tax and fees to society: The total payment to the state during the period in the form of leasehold fees, as well as total taxes and charges to the Swedish state. Deferred tax is not included.

Dividends to shareholders: The period's paid dividends.

Economic value – remaining in the company: Generated value minus distributed value.

Energy intensity, kWh per m²

Total energy consumption from heating, cooling, tenant electricity and property electricity divided by the average estimated total letting area that is heated, excluding garages.

Green lease contracts, %

Contracted annual rent for commercial premises excluding the garage and storage for lease contracts with green rent supplement in per cent of contracted annual rent for commercial premises excluding the garage and storage. Green rent supplement is a supplement to the agreement from the Swedish Property Federation in which the tenant and landlord jointly undertake to reduce the environmental impact and covers, for example, energy, waste and transport. Reported figures are based on the immediately subsequent quarter.

Environmental building

Environmental building is a certification system for buildings which are based on Swedish construction practice and covers energy, the indoor environment and material.

Accident rate (LTIR)

The number of work-related accidents per million worked hours, which leads to absence of at least one contracted work day.

Lost working hours as a result of a work-related accident or illness (lost day rate)

The number of lost work days due to work-related accident or illness, per total number of contracted work days during the year.

INFORMATION FROM ATRIUM LJUNGBERG

THE INFORMATION we release to the market concerning Atrium Ljungberg's operations must be transparent, clear and correct in order to build market confidence in our company and our brand.

AS A LISTED COMPANY Atrium Ljungberg is subject to the rules of the listing agreement with the Nasdaq Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is also available on the company's website: www.al.se.

REGULAR MEETINGS WITH analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information on our company, current events and operational changes.

THE ANNUAL REPORT and interim reports are published on our website. The annual report is also distributed in printed format by post to shareholders who have actively requested it. Interim reports and preliminary financial statements are translated into English and all language versions are published simultaneously on our website. The annual reports are translated into English shortly after the publication of the Swedish language version.

INTERESTED PARTIES can subscribe to both financial reports and press releases via our website: www.al.se. The site also provides updated information on our operations, our properties and projects, financial key ratios, the share, and much more besides. The information on the website is also available in English.

PUBLICATION OF FINANCIAL INFORMATION

2019 Annual Report	02/03/2020
Annual General Meeting	25/03/2020
Interim report Jan–Mar 2020	16/04/2020
Interim report Jan–Jun 2020	07/07/2020
Interim report Jan–Sep 2020	15/10/2020



Visualisation of the southern part of Gränbystaden, Uppsala.