

“MORE ACTIVITY ON THE MARKET, FINANCIAL STABILITY AND STRONG RESIDENTIAL SALES”

RENTAL INCOME, LIKE-FOR-LIKE PORTFOLIOS, EXCLUDING REBATES RELATED TO COVID-19 %

0.6

PROFIT BEFORE CHANGES IN VALUE, SEK MILLION

842

INVESTMENTS IN ATRIUM LJUNGBERG'S HELD PROPERTIES, SEK MILLION

1,809

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- › The project portfolio increased by SEK 5 billion following a major new detailed development plan that has been initiated for Central Sickla.
- › Sales for the second tenant-owned residential block started, which includes 56 apartments in Nobelberget in Sickla. Booking contracts have already been signed for 30 per cent of the apartments.
- › The opening of the new Torg-huset in Mobilia in Malmö with rental apartments, a cinema and a new cultural building for children.

- › **Net sales** increased to SEK 2,166 million (SEK 2,073 m), of which rental income amounted to SEK 1,789 million (SEK 1,933 m).
- › **The operating surplus** from property management amounted to SEK 1,205 million (SEK 1,339 m), a reduction of 10.0 per cent. This reduction is explained by the sale of Farsta Centrum, Kolding 1 and Kolding 2, as well as temporary rebates related to Covid-19, higher costs for anticipated and confirmed customer losses, and property tax. For like-for-like portfolio, the operating surplus from property management, excluding rebates related to Covid-19, increased by 1.5 per cent.
- › **Profit before changes in value** amounted to SEK 842 million (SEK 945 m).
- › **Unrealised changes in the value** of investment properties amounted to SEK 467 million (SEK 283 m) for the third quarter and SEK –742 million (SEK 1,597 m) for the period. The change in value for the quarter is due to the upward adjustment of the value of office properties, mostly caused by lower yield requirements, but also by higher operating net in both the short and long term. The period is primarily explained by higher yield requirements for retail properties and lower expected cash flows. Unrealised changes in the value of derivatives amounted to SEK –285 million (SEK –554 m) for this period as a result of lower market interest rates.
- › **Profit for the period** amounted to SEK 177 million (SEK 1,762 m). This reduction is mostly explained by negative changes in property values.
- › **Net letting** for the period amounted to SEK –2 million (SEK –75 m), of which SEK 17 million (SEK –42 m) referred to project properties.
- › **Property acquisitions** amounted to SEK 266 million (SEK 1,166 m) and property sales amounted to SEK 3,979 million (SEK 1,031 m).
- › **Temporary rebates related to Covid-19** amounted to SEK 39 million net, which includes SEK 1 million for the third quarter.

	Period 2020 Jan–Sep	Period 2019 Jan–Sep	Quarter 2020 Jul–Sep	Quarter 2019 Jul–Sep	Full year 2019 Jan–Dec
Key ratios ¹⁾					
Property value, SEK m	45,864	47,150	45,864	47,150	48,509
Operating surplus margin, %	67	69	70	70	69
Average interest rate for interest-bearing liabilities, %	1.7	1.7	1.7	1.7	1.6
Share price, SEK/share	146.60	217.50	146.60	217.50	226.00
EPRA NAV, SEK/share	210.23	209.27	210.23	209.27	215.12
Financial goals ¹⁾					
Investments in held properties, >SEK 2,000 million per year	1,809	1,217	653	402	1,810
Return on equity, rolling 12-month period, >10% over time	5.6	14.8	5.6	14.8	12.9
Gearing ratio, <45%	40.5	41.8	40.5	41.8	41.7
Interest coverage ratio, >2.0	4.2	4.5	4.4	4.2	4.4

¹⁾ See page 22 for the full key ratios table and pages 28–29 for definitions.

CEO'S STATEMENT

SIX MONTHS INTO THE PANDEMIC

The third quarter has felt much brighter following such a difficult spring. Although the pandemic is still with us and there is some uncertainty about how it will develop, we are seeing more activity on the market both in terms of letting and transactions, and the financial market is stable. Our development projects are progressing according to plan and it is so great to see how strong the housing market is and that sales in our tenant-owned dwelling projects in Nobelberget are going extremely well.

Many people are currently predicting the long-term effects of this pandemic. "Will there be any shops left? Will there be any need for offices in the future?" I think it is a good idea to see the bigger picture and look at what is happening in a broader context based on long-term social trends. The strong trend toward urbanisation will probably not be affected by the pandemic. More people have been living in cities than in the countryside since the 2010s. And things are moving quickly. In 2030 it is estimated that 60 per cent of the world's population will live in cities. The figures speak for themselves; the bigger the cities, the greater the productivity.

Until the outbreak of the pandemic, we had not seen any slow-down in consumption, rather the opposite. Although it is true that there had been no increase in the growth of retail trade in stores, the demand for food, entertainment and experiences had increased significantly. The pandemic has temporarily halted this, but I am cautiously positive about the future and this is because of basic human behaviour. People want to meet! This is how new businesses are created, ideas are born and innovation is encouraged. I therefore firmly believe that offices will continue to play a central role in our societies. They are needed to encourage business acumen, promote creativity and build strong corporate cultures.

PROFIT IN THE THIRD QUARTER

We have reported a profit before changes in value of SEK 277 million. This is SEK 41 million lower than the same period last year, which is due to us selling Farsta Centrum in June 2020. There have been comparatively few discussions about the temporary rebates related to Covid-19 in the third quarter, with the cost of these rebates amounting to SEK 1 million in this quarter.

NEW DETAILED DEVELOPMENT PLAN FOR CENTRAL SICKLA

I am incredibly happy about the work on the detailed development plan for Central Sickla that was presented in September. We have been working with Nacka Municipality to produce a proposal that will really transform Sickla into a vibrant city district. Central Sickla stretches from Marcusplatsen in the west to Kyrkviken in the east and contains large car parks and low retail buildings. These areas will be transformed into a district where pedestrianised precincts are side by side with residential and officebuildings with restaurants and stores on the ground floors. The plan comprises approximately 150,000 m² with 7,000 office workplaces and 500 new apartments. The detailed development plan process is expected to take approximately three years, with the municipality analysing both the content and the design. This has increased our project portfolio by SEK 5 billion.

PROJECT PORTFOLIO

Initiating the detailed development plan for Central Sickla has increased our portfolio for potential projects to SEK 34 billion. SEK 13 billion relates to future investments in Sickla, SEK 8 billion for Slussen and Hagastaden, SEK 6 billion for Slakthusområdet and SEK 3 billion for Gränbystaden in Uppsala. Our goal is to invest SEK 2 billion per year in our own development projects and we will carry them out at the pace that we feel is right given the state of the market. Our letting work is crucial, which is why more senior employees



“The tenant-owned dwellings in Nobelberget in Sickla have been in great demand and the apartments in the first block are virtually sold out.

have joined our letting team to make the most of the incredible opportunities there.

LETTINGS

Although the market has been tougher, we are continuing to let properties, particularly in Sickla. The healthcare building Curanten has seen good progress during the autumn and we have now let 80 per cent. The health centre Sickla Hälsocenter has just opened its doors and more businesses in the building will open in a few weeks.

Mobilia in Malmö has been transformed into a modern city district in recent years. At the time of writing the new Torghuset is opening, which not only has rental apartments, but a brand new cultural offering. With the fairytale world of Funnys Äventyr and the new 4DX auditoriums at Nordisk Film Bio's cinema, we are able to offer an incredibly exciting cultural investment that is completely unique for the Öresund region and one that I am extremely proud of. But this is not the only thing that is happening in Mobilia. The 'c/o Mobilia' concept is a new investment in healthcare and an excellent example of how retail space can be transformed to increase the level of service and develop and broaden the range available at our locations.

SALES START FOR NOBELBERGET'S SECOND PHASE

The apartments in the first tenant-owner association in Nobelberget are virtually sold out and in October buyers will start to move in. Following the completion of the first block, construction has now started on the second block, which will have 56 apartments. Block two has attracted a lot of interest and we have already signed booking contracts for 30 per cent of the apartments. Occupancy is planned for the summer of 2022.

WE ARE IN A STRONG POSITION AND WELL-EQUIPPED FOR THE FUTURE

When I look at social trends, such as urbanisation and sustainability, I am convinced that the strategy we have at Atrium Ljungberg will continue to be successful. Having a broad offering is a strength if you want to be financially sustainable in the long term in an ever-changing society. I believe that it is going to be more important than ever to have properties in the right location and of the right quality in the future. Flexibility is also going to be key from now on. The ability to adapt to the future and respond to demand. This is where we are strong.

In September we started stakeholder dialogues as part of our work to renew our sustainability strategy. I am looking forward to our new, ambitious sustainability goals. They are going to be crucial pieces of the puzzle as we develop cities where everybody wants to live!

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.

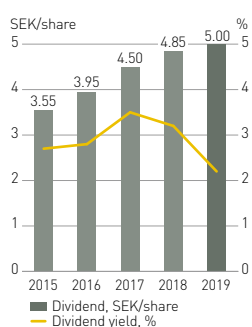
FOUR REASONS TO OWN SHARES IN ATRIUM LJUNGBERG:

1. STABLE DIVIDEND YIELD

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

Dividend and share dividend yield

- The company has never reduced its dividend

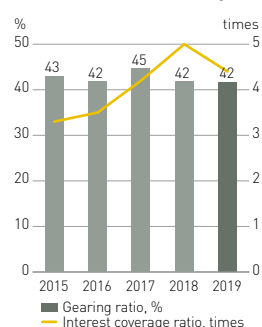


2. LOW FINANCIAL RISK

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

- Stable gearing ratio with increased interest coverage ratio

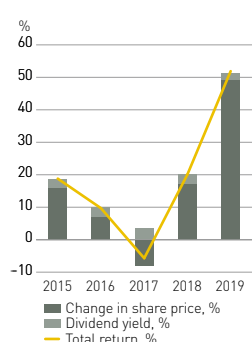


3. POTENTIAL FOR GOOD VALUE GROWTH

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 return over the past five years has been 19 per cent per year on average.

Share's total yield

- Total return 54 per cent in 2019



4. 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.



66

NUMBER OF PROPERTIES

46

PROPERTY VALUE, SEK BILLION

2.2

CONTRACTED ANNUAL RENT, SEK BILLION

1,078

TOTAL LETTING AREA, 1,000 M²

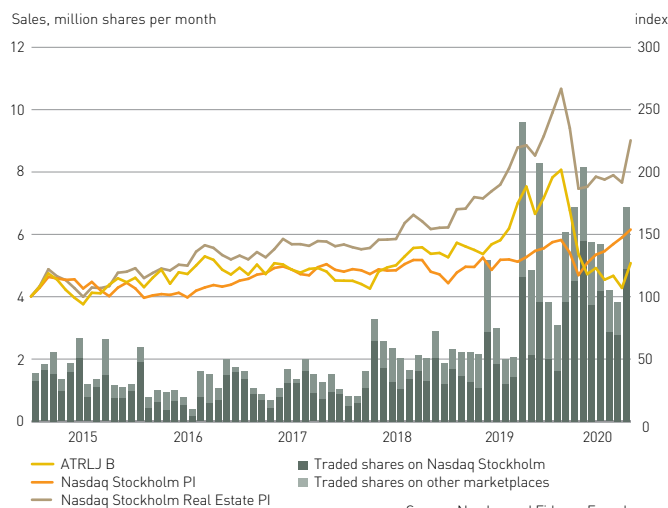
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LETTING RATE EXCLUDING PROJECT PROPERTIES, %

344

AVERAGE NUMBER OF EMPLOYEES

The Atrium Ljungberg share



CONSOLIDATED INCOME STATEMENT

Amounts in SEK m	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Quarter 2020 Jul-Sep	Quarter 2019 Jul-Sep	Full year 2019 Jan-Dec	12 months 2019/2020 Oct-Sep
Rental income	1,789	1,933	561	653	2,577	2,434
Net sales, project and construction work	377	140	139	62	233	470
Net sales	2,166	2,073	700	715	2,811	2,903
Property management costs						
Service charge-related costs	-125	-145	-33	-44	-197	-177
Other operating costs	-162	-152	-42	-52	-202	-212
Management costs	-119	-121	-30	-37	-173	-171
Repairs	-32	-39	-9	-13	-54	-47
Property tax	-140	-128	-52	-46	-174	-185
Non-deductible VAT	-6	-9	-2	-2	-11	-9
	-585	-594	-167	-194	-810	-800
Project and construction work costs	-389	-169	-150	-77	-276	-496
Gross profit	1,192	1,310	383	445	1,724	1,606
– of which gross profit/loss property management (operating surplus)	1,205	1,339	394	460	1,767	1,633
– of which gross profit/loss from project and construction work	-13	-29	-11	-15	-43	-27
Central administration, property management	-53	-57	-15	-17	-80	-77
Central administration, project and construction work	-11	-13	-3	-3	-16	-14
	-65	-69	-18	-20	-96	-91
Financial income	3	-1	-1	2	2	5
Financial expenses	-263	-272	-81	-99	-362	-354
Leasehold fees	-24	-25	-7	-10	-34	-34
	-285	-296	-88	-107	-395	-384
Profit before changes in value	842	945	277	318	1,234	1,131
Changes in value						
Properties, unrealised	-742	1,597	467	283	2,283	-57
Properties, realised	-84	59	-16	49	73	-70
Derivatives, unrealised	-285	-554	-45	-179	-90	180
Derivatives, realised	-	-	-	-	-50	-50
	-1,110	1,102	406	152	2,216	4
Profit before tax	-268	2,046	683	469	3,450	1,136
Current tax	-32	-69	-26	-9	-63	-25
Deferred tax	477	-216	89	73	-580	112
	445	-284	63	65	-643	86
Profit for the period	177	1,762	745	534	2,807	1,222
Other comprehensive income						
Items which will be reclassified to profit/loss						
Cash flow hedging	10	12	3	4	16	14
Tax attributable to cash flow hedging	-2	-3	-1	-1	-3	-3
Total other comprehensive income	8	9	2	3	13	12
Total comprehensive income for the period	185	1,771	748	537	2,819	1,234
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	1.37	13.55	5.75	4.13	21.59	7.78

PROFIT JANUARY–SEPTEMBER 2020

CHANGES IN THE PROPERTY PORTFOLIO

Profit for the period and the comparison period was impacted by the following previous property transactions: contributions from the acquisition of Eken 14 in Sundbyberg, which was taken into possession on 3 June 2020, and 14 properties in Slakthusområdet, which were taken into possession on 11 June 2019. In 2020 the properties in Slakthusområdet were classified as project properties. On 1 June 2020 Farsta Centrum was vacated, while Kolding 1 and Kolding 2 in Ärvinge, Kista, were vacated on 30 September 2019.

NET SALES

The Group's net sales for the period increased to SEK 2,166 million (SEK 2,073 m), of which rental income comprised SEK 1,789 million (SEK 1,933 m). The temporary rent rebates that were given as a result of the Covid-19 pandemic (Corona rebates) amounted to SEK 39 million net, of which 1 million relates to the third quarter. The Corona rebates amounted to a total of SEK 72 million, with SEK 66 million being entitled to government support of 50 per cent. This means that the government's share of the rebate for tenants amounted to SEK 33 million.

Rental income in like-for-like portfolio amounted to SEK 1,496 million (SEK 1,517 m), a reduction of SEK 21 million or 1.4 per cent. This reduction in rental income is mostly due to the temporary Corona rebates, which amounted to SEK 31 million net in like-for-like portfolio. The development in rental income excluding Corona rebates amounted to 0.6 per cent, with office properties increasing by 1.9 per cent and retail properties decreasing by 1.7 per cent. The increase in rental growth for office properties is primarily explained by new lettings and renegotiations. This reduction in rental growth for retail properties has mostly been caused by vacancies, higher discounts and negative renegotiations.

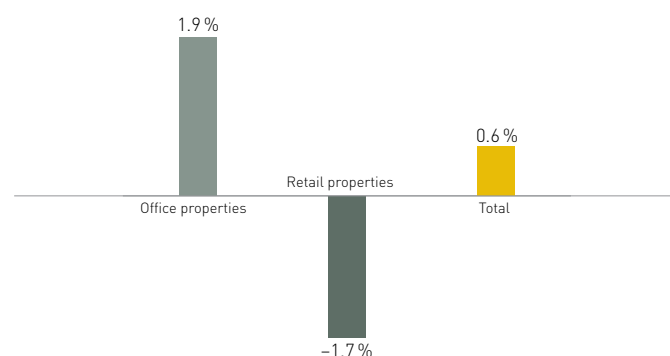
During the period, non-recurring payments of SEK 2 million (SEK 3 m) were received for premature vacating of premises.

RENTAL INCOME TREND

	Period 2020 Jan–Sep	Period 2019 Jan–Sep	Change, %
Like-for-like portfolio, excl. rebates related to Covid-19	1,526	1,517	0.6
Non-recurring payments, incl. rebates related to Covid-19	-36	3	
Project properties	168	154	
Properties acquired	4	0	
Properties sold	127	259	
Rental income	1,789	1,933	-7.4

Like-for-like net rental income growth

– The development of rental income is recognised excluding Corona rebates.



PROPERTY COSTS

Property costs amounted to SEK 585 million (SEK 594 m) for the period. For like-for-like portfolios, property costs decreased by 1.3 per cent compared with the corresponding period of the previous year. Service charge-related costs, such as electricity and heating, decreased due to a mild winter as well as fewer visitors to the properties as a result of the Covid-19 pandemic, which in turn reduced consumption. Costs for property tax increased, mostly as a result of future new builds. Costs for anticipated and confirmed customer losses increased, primarily within consumer durables, and amounted to SEK 28 million (SEK 14 m) for the period.

PROPERTY COSTS TREND

	Period 2020 Jan–Sep	Period 2019 Jan–Sep	Change, %
Like-for-like portfolio	-463	-469	-1.3
Project properties	-67	-42	
Properties acquired	-1	0	
Properties sold	-54	-84	
Property management costs	-585	-594	-1.6

GROSS PROFIT/LOSS PROPERTY MANAGEMENT

The gross profit for property management (operating surplus) decreased to SEK 1,205 million (SEK 1,339 m). This reduction is primarily explained by the sale of Farsta Centrum, Kolding 1 and Kolding 2, temporary Corona rebates, higher costs for anticipated and confirmed customer losses, and property tax. For like-for-like portfolio, the gross profit for property management, excluding Corona rebates, increased by 1.5 per cent compared with the same period of the previous year.

The operating surplus margin amounted to 67 per cent (69%).

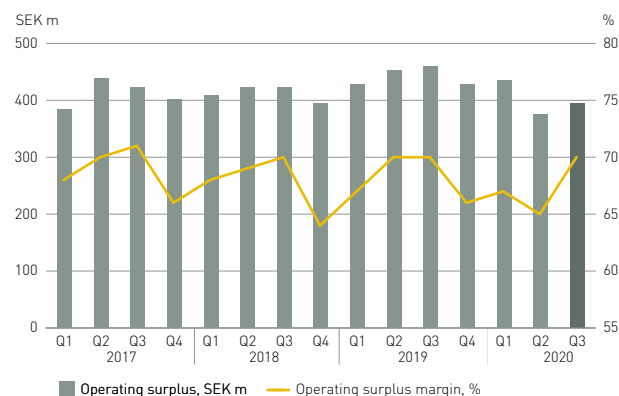
GROSS PROFIT/LOSS PROJECT AND CONSTRUCTION WORK

The gross profit for project and construction work amounted to SEK -13 million (SEK -29 m). The improvement in gross profit is mostly due to an increase in gross profit for TL Bygg. Sales in TL Bygg amounted to SEK 626 million (SEK 382 m) for the period, of which 40 per cent (63%) refers to intra-Group sales.

TL Bygg's gross profit, including intra-Group transactions, amounted to SEK 34 million (SEK 19 m). The increase in gross profit for TL Bygg profit is mostly explained by higher sales and a higher cost allocation compared with the same period of the previous year.

Operating surplus and operating surplus margin

– Operating surplus margin for the quarter at a level with the same quarter of the previous year



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. Costs of central administration for property management amounted to SEK 53 million (SEK 57 m). Costs of central administration for project and construction work amounted to SEK 11 million (SEK 13 m).

NET FINANCIAL ITEMS

Financial income and expenses including leasehold fees amounted to SEK –285 million (SEK –296 m) for the period. This reduction is mostly due to lower average indebtedness. The average interest rate at the end of the period amounted to 1.7 per cent (1.7%). For more information, refer to the section on financing on pages 16–17.

MARKET VALUE FOR LIKE-FOR-LIKE PORTFOLIO

At the end of the period the market value for like-for-like portfolio was SEK 36,292 million, which corresponds to 81 per cent of property portfolio's total value.

CHANGES IN VALUE

Unrealised changes in the value of investment properties amounted to SEK –742 million (SEK 1,597 m). This change in value is mostly explained by higher yield requirements for retail properties and lower anticipated cash flows. The unrealised change in value for the quarter amounted to SEK 467 million (SEK 283 m), which is mostly due to lower yield requirements for office properties and better operating net. For more information, refer to the section on property values on pages 8–10.

Unrealised changes in the value of derivatives amounted to SEK –285 million (SEK –554 m) as a result of lower market interest rates.

Realised changes in the value of investment properties amounted to SEK –84 million (SEK 59 m), of which SEK –60 million (SEK – m) was attributable to goodwill related to Farsta Centrum. During the period an unrealised change in value of SEK 61 million (SEK – m) attributable to sold properties was recognised.

TAX

The current tax for the period amounted to SEK –32 million (–69). The current tax has been affected by tax deductible depreciation

and investments. Deferred tax amounted to SEK 477 million (SEK –216 m) and was primarily impacted by unrealised changes in the value of properties and derivatives, but also by a reversal of deferred tax attributable to sold properties amounting to SEK 425 million.

The company tax rate for the 2020 tax year is 21.4 per cent. The next reduction will take place in 2021, and the company tax rate will then be 20.6 per cent. The deferred tax liability has been calculated at the lower tax rate since tax liabilities are not expected to be realised in any significant extent in 2020.

The Group's accumulated tax deficit amounted to SEK 14 million (SEK 9 m) and comprises the base of the Group's deferred tax receivable.

The residual tax value of the property stock amounts to SEK 17,894 million (SEK 17,927 m).

TAX CALCULATION JAN–SEP 2020

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	–268	
Tax deductible		
depreciation	–448	448
investments	–221	221
Non-taxable/non-deductible		
changes in the value of properties, unrealised	742	–742
changes in the value of properties, realised	84	–84
changes in the value of derivatives, unrealised	285	–285
consolidated capitalisation of borrowing	–18	18
consolidated internal profit	21	–21
Other fiscal adjustments	17	–50
Taxable profit/loss before loss carry-forwards	193	–494
Change in loss carry-forwards	–110	110
Taxable profit/loss	84	–385
Of which 21.4 per cent current/20.6 per cent deferred tax	–18	79
Correction of tax from previous years	–14	–27
Reversal of deferred tax for properties sold		425
Reported tax expense	–32	477

PROFIT

Profit before changes in value totalled SEK 842 million (SEK 945 m). This reduction is mostly due to the sale of properties and temporary rebates related to Covid-19. Gross profit increased for project and construction work.

Profit for the period amounted to SEK 177 million (SEK 1,762 m), corresponding to SEK 1.37/share (SEK 13.55).

CONSOLIDATED BALANCE SHEET, SUMMARY

Amounts in SEK m	30 Sep 2020	30 Sep 2019	30 Jun 2020	30 Jun 2019	31 Dec 2019
ASSETS					
Investment properties	44,668	46,199	43,616	46,547	47,513
Right-of-use asset, leaseholds	981	1,305	981	1,375	1,305
Goodwill	165	225	165	225	225
Other non-current assets	118	54	122	51	73
Derivatives	1	–	9	–	82
Total non-current assets	45,933	47,784	44,893	48,198	49,198
Development properties	1,196	951	1,152	943	997
Current assets	629	385	606	393	411
Cash and cash equivalents	651	498	764	390	457
Total current assets	2,475	1,834	2,522	1,726	1,865
Total assets	48,408	49,618	47,415	49,924	51,062
EQUITY AND LIABILITIES					
Equity	22,299	21,737	21,552	21,198	22,784
Deferred tax liability	4,443	4,742	4,535	4,868	5,106
Non-current interest-bearing liabilities	17,048	19,687	18,230	20,043	20,211
Non-current finance lease liability	981	1,305	981	1,375	1,305
Derivatives	695	921	627	736	348
Other non-current liabilities	228	207	224	207	222
Total non-current liabilities	23,395	26,861	24,597	27,225	27,193
Current interest-bearing liabilities	1,533	–	234	463	–
Other current liabilities	1,181	1,020	1,032	1,038	1,086
Total current liabilities	2,715	1,020	1,266	1,501	1,086
Total equity and liabilities	48,408	49,618	47,415	49,924	51,062

CUSTOMER PAYMENTS AND GOVERNMENT SUPPORT

Rent receivables that relate to rental income invoiced for the third quarter and due for payment amounted to SEK 20 million as of 30 September 2020. For rental income relating to the second quarter, the corresponding amount is SEK 8 million. In terms of invoicing for the fourth quarter, only amounts that have been paid are included in the balance sheet as of 30 September 2020. Receivables from invoicing for the fourth quarter are only recognised as of 1 October 2020 and are not included in the balance sheet on the closing date.

SEK 11 million of the SEK 33 million that was booked as a receivable against the government in the second quarter has so far been granted by the Swedish National Board of Housing, Building and Planning. There has only been one case that has been rejected and this was for an insignificant amount.

CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK m	Attributable to the parent company shareholders				Total equity
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	
Opening balance as of 1 January 2019	333	3,960	-26	16,429	20,696
Profit for the period				1,762	1,762
Other comprehensive income			9		9
Acquisition of own shares				-99	-99
Dividend, SEK 4.85/share				-631	-631
Closing balance as of 30 Sep 2019	333	3,960	-17	17,461	21,737
Profit for the period				1,044	1,044
Other comprehensive income			4		4
Closing balance as of 31 December 2019	333	3,960	-13	18,506	22,784
Profit for the period				177	177
Other comprehensive income			8		8
Acquisition of own shares				-19	-19
Dividend, SEK 5.00/share				-649	-649
Closing balance as of 30 Sep 2020	333	3,960	-5	18,014	22,299

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. Atrium Ljungberg acquired 118,000 class B shares during the period (621,000), all during the first quarter. At the end of the period the company owned 3,500,000 class B shares (3,382,000). As of 30 September 2020, the number of outstanding shares amounted to 129,720,736 (129,838,726). The average number of outstanding shares for the period from 1 January 2020 to 30 September 2020 amounted to 129,753,772 (130,061,619).

MARKET AND PROPERTY PORTFOLIO

THE PROPERTY MARKET

According to Savills, the transaction volume for the period January to September amounted to SEK 133 billion, which was a decrease by 22 per cent compared with 2019. In terms of the third quarter by itself, the transaction volume amounted to SEK 29 billion, which was 57 per cent lower compared with the same period in 2019. The yield requirements for office properties are assessed to have fallen slightly during the quarter on the markets where Atrium Ljungberg operates. The letting processes take slightly longer than before the Covid-19 pandemic, particularly for larger premises. Yield requirements for retail properties are assessed to have remained stable during the quarter. The recovery in visitor figures for the consumer durables segment that was seen in May–June continued in the third quarter. However, there is a great deal of variation between the segments; the demand for shoes and clothes remain low, while groceries, construction trade, leisure and electronics have continued to see a positive development.

There has been a broad increase in prices for privately-owned housing in all major city areas, with an annual increase of 2–5 per cent. The trend of large apartments reporting a more positive development in prices has strengthened during the Covid-19 pandemic.

The supply on the succession market has increased, while it remains low and stable for new builds.

PROPERTY PORTFOLIO

Our property portfolio is concentrated to central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm accounting for 68 per cent (72%) of the contracted annual rent. At the end of the quarter our property portfolio contained a total of 66 properties (69) with a total area of 1,078,000 m² including garages (1,177,000).

During the year the acquisition and possession of one office property took place in Sundbyberg, Eken 14. A total of five properties were also vacated during the period in Farsta Centrum, four with leaseholds.

14 leaseholds were taken into possession in Slakthusområdet in Stockholm in June 2019. In September 2019 the residential leaseholds Kolding 1 and Kolding 2 in Ärvinge, Kista, were vacated.

In the third quarter of 2019, some office properties were reclassified as retail properties as a result of an internal redistribution. The fair value is approximately SEK 500 million, which affects the comparison figures. In the second quarter of 2020 one property

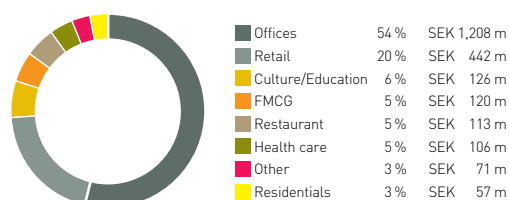
was reclassified from a retail property to an office property in accordance with the definitions, as the rental value for offices now exceeds retail in this property. This reclassification was caused by retail premises being converted into office premises.

CONTRACTED ANNUAL RENT AND LETTING RATE

As of 1 October 2020 the contracted annual rent was SEK 2,243 million (SEK 2,523 m). The reduction was mostly due to the sale of Farsta Centrum. The economic letting rate including project properties was 92 per cent (92%), and excluding project properties, 92 per cent (93%). The EPRA vacancy rate was therefore 8 per cent (7%). Approximately 2 per cent of the of the total contracted annual rent is from tenants that have either gone bankrupt or are being restructured. The average remaining term for contracted rent excluding residential and parking was 3.4 years (3.5 years) as of 1 October 2020.

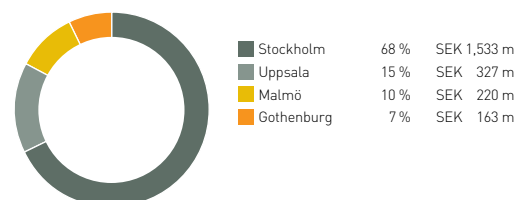
Contracted annual rent per premises type

- A mixed portfolio creates flexibility

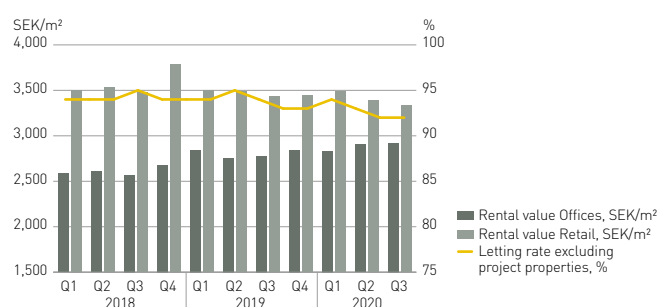


Contracted annual rent per region

- Only in strong growth regions



Rental value per m² and letting rate



Rental value and letting rate

Premises type	1 Oct 2020			1 Oct 2019		
	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Letting rate, %	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Letting rate, %
Offices	1,212	2,923	92	1,250	2,780	93
Retail	748	3,335	91	955	3,438	93
Other	246	2,157	93	232	2,002	90
Residential	57	1,762	100	39	1,660	100
Garage/parking	53	-	94	57	-	93
Business area Property	2,316	2,950	92	2,534	2,922	93
Project properties	128	1,386	90	205	-	83
Total	2,444		92	2,739		92

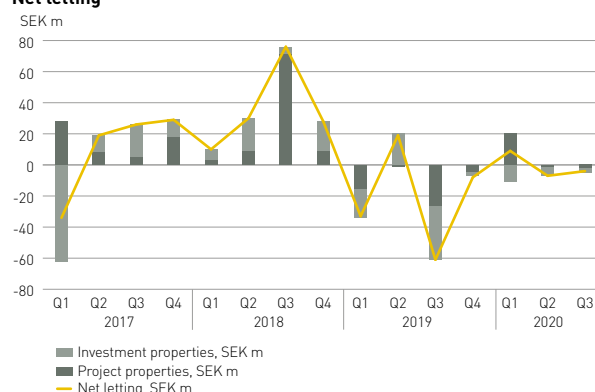
¹⁾ m² excluding garage.

NET LETTING

Net letting (i.e. newly signed contracted annual rents with deductions for annual rents lost due to terminated contracts) during the third quarter amounted to SEK -4 million (SEK -61 m), of which SEK -2 million (SEK -26 m) referred to project properties. Newly signed contracts are distributed among most of our areas and include both retail and service premises, while terminations relate primarily to offices and retail in the Stockholm area. Net letting for the period amounted to SEK -2 million (SEK -75 m), of which SEK 17 million (SEK -42 m) referred to project properties.

The time lag between net letting and its effect on profit is assessed to be 3-12 months.

Net letting



PROPERTY VALUATION

Atrium Ljungberg conducted an internal valuation of its property portfolio during the third quarter.

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 change in value in the quarter amounted to SEK 467 million (SEK 283 m) and SEK -742 million (SEK 1,597 m) for the period; SEK 61 million (SEK - m) during the period related to divested properties. The change in value for the third quarter is due to the upward adjustment of the value of office properties, which was mostly caused by lower yield requirements, but also by higher operating net in both the short and long term. Most of the change in value for the period is due to the downward adjustment of the value of retail properties in the first quarter. The change in value of retail properties has been caused by higher yield requirements and lower operating net in the short term resulting from rental discounts, and by lower market rents and higher vacancy assumptions in the long term.

DEVELOPMENT RIGHTS

In total there is 416,000 m² GFA of development rights excluding land allocations, of which 84,000 m² GFA has a legally binding detailed development plan. 332,000 m² GFA requires a change in the detailed development plan to be able to be realised. 28,000 m² GFA of the legally binding development rights relates to commercial development rights, 20,000 m² GFA to tenant-owned dwellings and 36,000 m² GFA to development properties. The book value amounts to approximately SEK 4,900/m² GFA for commercial development rights and approximately SEK 1,400/m² GFA for tenant-owned dwellings. The book value for development properties amounts to approximately SEK 3,800/m² GFA, calculated based on 170,000 m² GFA, which also includes land that does not have a detailed development plan.

Change in the property portfolio

	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Full year 2019 Jan-Dec
SEK m			
Investment properties			
Fair value at the beginning of the period	47,513	43,310	43,310
Acquisitions (after deduction of latent tax)	266	1,166	1,174
Sales	-3,979	-1,031	-1,031
Investments in held properties	1,610	1,157	1,704
Unrealised changes in value	-742	1,597	2,283
Other	-	-	73
Fair value at the end of the period	44,668	46,199	47,513
Development properties			
At the beginning of the period	997	891	891
Investments in tenant-owned dwelling projects	199	60	106
Development properties, at the end of the period	1,196	951	997
Property portfolio, total¹⁾	45,864	47,150	48,509

¹⁾ Excluding Right-of-use asset, leaseholds

Unrealised changes in value, properties

SEK m	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4
Change in yield requirements	286	254	-791	549	283	439	-	132
Change in operating net, etc.	181	25	-695	107	-	681	148	994
Development rights	-	-	-	30	-	46	-	-
Total	467	279	-1,486	686	283	1,166	148	1,126

Property acquisitions

Property	Area	Category	Letting area, m ²	Possession	Underlying price property, SEK m
Eken 14	Sundbyberg	Offices	8,205	June 2020	295

Property sales

Property ¹⁾	Area	Category	Letting area, m ²	Date vacated	Underlying price property, SEK m
Storö 2, Storö 15, Storö 21, Storö 23 and Storö 24	Farsta Centrum	Retail/offices	115,207	June 2020	3,979

¹⁾ Read more in the property list at www.al.se.

Property portfolio (excluding Right-of-use assets, leaseholds)

Property type	30 Sep 2020			30 Sep 2019		
	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ² ¹⁾	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ² ¹⁾
Office properties	604	25,588	53,736	650	23,385	45,800
Retail properties	327	10,808	41,035	392	16,301	50,338
Residentials	45	1,272	32,863	39	1,046	32,022
Business area Property	976	37,667	48,400	1,082	40,732	46,976
Project properties	97	6,489	E/T ²⁾	89	5,101	E/T ²⁾
Land and development rights	-	512	-	-	366	-
Total Investment properties	1,073	44,668		1,171	46,199	
Development properties	6	1,196		6	951	
Property portfolio, total³⁾	1,078	45,864		1,177	47,150	

¹⁾ Calculations based on area, excluding garages.

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, leaseholds

INVESTMENTS AND PROJECTS

CONFIRMED AND COMPLETED PROJECTS

During the first three quarters, investments in held properties amounted to SEK 1,809 million (SEK 1,217 m), of which SEK 1,177 million (SEK 693 m) was in project properties and SEK 199 million (SEK 60 m) in development properties. Investments in project properties relate primarily to projects in Sickla, Mobilia, Barkarby-staden and Hagastaden. The other investments relate mostly to adaptations for tenants in properties in Kista, Sickla and Malmö.

The Entréhus 3 project in Gränbystaden in Uppsala, comprising 66 apartments, offices and commercial premises, was completed in the second quarter. Forumkvarteret in central Uppsala has also been completed. This reconstruction project has included residential, office and retail sections in order to create an urban inner city district.

The remaining investment volume for decided projects amounted to SEK 2,830 million as of 30 September.

STOCKHOLM

SICKLA, NACKA

Curanten – A healthcare destination will soon be completed at Sickla Station, with stores, cafés and restaurants on the ground floor. The project comprises a total of 11,500 m², which includes 9,900 m² for healthcare. The first tenants will move in during the autumn of 2020. 80 per cent of Curanten is let and tenants include KRY, which is opening one of its first physical establishments in the Stockholm area, Sickla Hälsocenter, Alva Barnklinik, Distrikts-tandläkarna, Friskis & Sveltis and Vattenhuset. Kronans Apotek, Reload Superfoods, Bastard Burgers and HTH Kök will open on the ground floor.

Tapetfabriken – The old wallpaper factory at Marcusplatsen in Sickla is being developed into a hotel. We have signed an agreement with Nordic Choice Hotels for the entire building, which will house 240 hotel rooms, conference premises, event spaces, a restaurant and a lobby measuring 2,000 m². The hotel is planned to open in the second quarter of 2021.

Nobelbergsgaraget – The garage with a hundred parking spaces and areas for a restaurant and service are expected to be completed

at the end of 2020. Two out of a total of five premises on the ground floor facing Sickla Industriväg have been let. 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. A lease contract has been signed with Jensen Education, which will take possession of the premises in December 2020 and plans to open in January 2021.

Brf Sicklastråket – The tenant-owned apartment project containing 68 tenant-owned apartments is the first residential block to be built in Nobelberget. By the end of the third quarter, lease agreements had been signed for 93 per cent of the number of apartments. These apartments are being built on top of Nobelbergsgaraget and will be ready for occupancy in October 2020.

Brf Konstharts – In the early summer a decision was taken to start building the second phase of Nobelberget. This project comprises 56 tenant-owned apartments, three commercial premises on the ground floors and a parking garage. Sales started for this project in September 2020 and 17 booking contracts had been signed as of 10 October, corresponding to 30 per cent of the apartments. Production is planned to start in October 2020 with occupancy expected in the second quarter of 2022.

Sickla Galleria phase IV – Approximately 200 parking spaces are being created on top of the existing shopping centre, including 60 for electric cars. The new parking spaces will help meet the increase in need for parking due to the Curanten and Stationshuset projects. Approximately 2,000 m² of existing retail premises has been vacated, and new premises covering almost 3,000 m² will be created for retail and service. The foundation work is complete, the framework is currently being erected and the beams are being cast. Completion is expected to take place in the third quarter of 2021.

SLUSSEN

Katarinahuset – The reconstruction project in Katarinahuset is underway and the building will be home to modern offices with a



CENTRAL SICKLA – In September Atrium Ljungberg and Nacka Municipality initiated a new detailed development plan comprising approximately 150,000 m² for Central Sickla. The shared vision is to continue to develop Sickla into an urban, vibrant city district.

unique view once it is completed. As well as offices, there are plans for a hotel and several restaurants. The building's roof terrace will also be developed to allow the general public access via Mosebacke and Katarinahissen. A lease contract was previously signed with Eriks Gondolen for a total of 1,100 m² divided between two different restaurants. Occupancy of the building is scheduled to begin in the spring of 2023, while the renovation of the property is expected to be fully completed in the summer of 2023. This investment amounts to almost SEK 1 billion.

HAGASTADEN

Life City – Life City is being built next to New Karolinska Solna University Hospital. The building comprises 27,500 m², an investment of SEK 1.7 billion including land acquisitions. We are creating a new meeting place here for life science activities. The biggest tenant is Academic Work, which signed an agreement for 17,000 m².

The production is progressing according to plan and the facade has been in place since August. Occupancy is planned to begin in the fourth quarter of 2021 and the entire building is expected to be completed in the spring of 2022.

BARKARBYSTADEN, JÄRFÄLLA

Bas Barkarby – Construction of the first phase of Bas Barkarby comprises approximately 25,000 m². Here we will be bringing together education with the business community and culture, and we will create a brand new kind of meeting place. Järfälla Municipality will be the biggest tenant with almost 11,000 m² for upper secondary education, a multi-purpose hall, a library and other cultural activities. Bas Barkarby will also comprise offices, a restaurant and a gym. In May a rental contract was signed with Allians Redovisning. The framework is currently being erected and work is underway on the facade. The building is expected to be complete in the summer of 2022.

Decided projects	Letting area, m ²				Parking, GFA	Total investment, SEK m ¹⁾	Of which remaining, SEK m	Fair value, SEK m	Rental value, SEK 2 m)	Letting rate, %
	Retail	Offices	Residential units	Other						
New builds and extensions										
Curanten, Sicklaön 83:22, Nacka	1,600			9,900		550	140		39	80
Tapetfabriken, Sicklaön 83:22, Nacka				10,500	4,600	440	110		E/T ³⁾	100 ⁴⁾
Nobelbergsgaraget, Sicklaön 83:45, Nacka	600				3,400	60	10		4	E/T ³⁾
Sickla Galleria phase IV, Sicklaön 83:22, Nacka	5,000				6,300	140	60		15	–
Life City, Molekylen 1, Stockholm			27,500		4,400	1,700	700		109	E/T ³⁾
Bas Barkarby, Barkarby 2:64, Järfälla			7,000	17,200		840	530		54	E/T ³⁾
Mobilia Torghuset, Bohus 8, Malmö	3 500		3,800	5,800		550	60		31	94 ⁵⁾
Parkhusen, block 1, Gränby 25:1, Uppsala	100		2,700			120	70		6	–
Total new builds and extensions	10,800	34,500	6,500	43,400	18,700	4,400	1,680			64
Reconstruction										
Panncentralen, Sicklaön 83:33, Nacka				1,000		90	20		E/T ³⁾	100
Katarinahuset, Tranbodarne 11, Stockholm	2,600	18,700		3,800		980	880		126	E/T ³⁾
Tenant-owned dwellings										
Brf Sicklastråket, Sicklaön 83:43, Nacka			4,500			310	50		E/T	93 ⁷⁾
Brf Konstharts, Sicklaön 83:41, Nacka	300		3,600		800	280	200		E/T	– ⁸⁾
Total	13,700	53,200	14,600	48,200	19,500	6,060	2,830	4,781⁶⁾		

¹⁾ Including any land acquisition in connection with the project implementation, but excluding any initial values such as the market value of a demolished building.

²⁾ Excluding premiums and any net sales result.

³⁾ Rental value/letting rate is not reported as a subtotal with regard to individual business transactions.

⁴⁾ The letting rate including parking amounts to 94 per cent. Parking is let closer to completion.

⁵⁾ The letting rate for commercial premises amounts to 92 per cent. The letting rate for residential is 100 per cent.

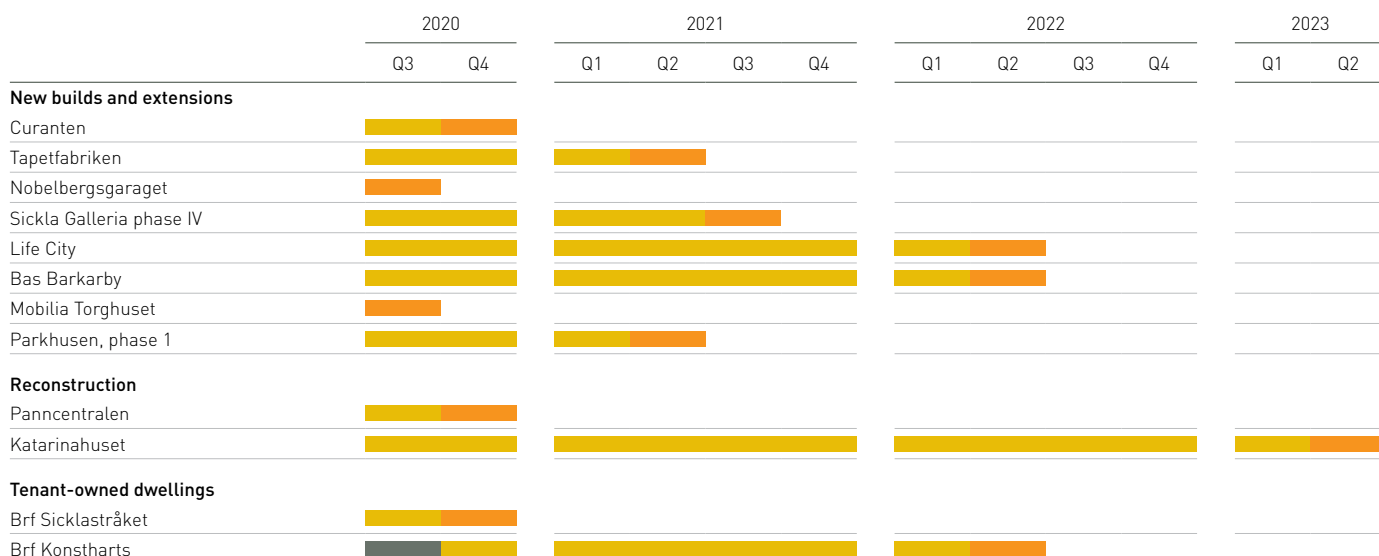
⁶⁾ Divided into SEK 2,899 million for new builds and extensions, SEK 1,653 million for reconstructions and SEK 228 for tenant-owned dwelling projects.

⁷⁾ The percentage of apartments sold with binding contracts, percentage of number.

⁸⁾ 30 per cent booked through booking contracts.

Schedule for decided projects

■ Planning ■ Construction ■ Completion



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

MALMÖ

MOBILIA

Torghuset – The building is complete and the apartments were taken into possession in the spring. Occupancy of the retail premises is underway. Several shops have already opened, while the remaining businesses will open throughout the autumn. Nordisk Film opened its cinema in September and operations are now in full swing. Funnys Äventyr has completed its premises and will welcome its first visitors from 10 October.

UPPSALA

GRÄNBYSTADEN

Parkhusen, phase 1 – We are building a residential block called Parkhusen with approximately 300 apartments close to both Gränby-staden Galleria and Gränbyparken. Parkhusen 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. The project is scheduled for completion in the second quarter of 2021. The apartments will be mediated through Uppsala Bostads-förmedling.

POTENTIAL DEVELOPMENT PROJECTS

Our current project portfolio with new builds and property development projects enables future investments of approximately SEK 34 billion in addition to the remaining investments in ongoing projects of SEK 2,830 million. In terms of area, 49 per cent of the future investments comprises offices and 38 per cent residentials, while the remaining 13 per cent is retail/service, education and culture. The project portfolio is divided among the majority of our areas with Sickla, Slakthusområdet, Hagastaden, Gränbystaden and Slussen accounting for approximately 90 per cent of the investment volume. The rate at which we can complete the projects depends on the market situation and the detailed development plan process. No projects are normally started until we have secured a minimum level of return in the form of signed lease contracts.

POTENTIAL PROJECT STARTS 2020–2022

STOCKHOLM

In Sickla, sales are in progress of the first tenant-owned apartments of a total of 500 at Nobelberget. Phase two was launched in September and includes 56 tenant-owned apartments and premises on the ground floor. The development of the remaining apartments will be carried out gradually based on market demand. At Nobelberget, we are creating an attractive and dense urban environment with residentials as well as office premises and cultural activities.

We have a development right for approximately 7,500 m² GFA at Sickla Station, where the future underground 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 that includes a 23-storey building and approximately 23,000 m² GFA. The consultation and examination phases have been completed and the detailed development plan is expected to be approved by the city council in December. Atrium Ljungberg and Region Stockholm are working jointly on a project that involves the construction of parts of the new station entrance. The building will also contain offices and other commercial premises. The ground work started in March, including piling and shafts for the new ticket hall.

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 by the second planned underground entrance at Sickla Station. Consultation on the detailed development plan was carried out in the spring and it will be sent for examination in the end of 2020. The preparatory work on the station entrance is planned for the autumn of 2021, while the entire building is expected to be completed in the first quarter of 2024.

In Hagastaden we received a land allocation in 2020 comprising two residential districts and one office district. The first phase of this project will be a shared garage for these districts and construction is expected to start in third quarter of 2022.

GOTHENBURG

In Lindholmen analyses are underway to see whether additional development rights for approximately 10,000 m² could be created for offices in the existing property.



ÖSTRA HAGASTADEN – In Östra Hagastaden we have a land allocation where we are planning a new office building comprising more than 24,000 m². This building will have an undulating facade that provides 40 per cent more window area and views of Brunnsviken lake and Haga Park.

MALMÖ

In **Mobilia** we have a development right of 5,400 m² GFA for offices on Trelleborgsvägen. Construction could potentially start in the first quarter of 2021 once Torghuset is complete. The programme and system documentation is being produced and is expected to be completed in 2020. Offices will be the natural next step in the development of Mobilia on its journey to becoming a dynamic city district with mixed content and a central hub in southern Malmö.

UPPSALA

Gränbystaden, Uppsala's second city centre continues to be developed. Construction of the first residential block in Parkhusen is planned to start in the spring of 2020, but there is also the potential for approximately 250 additional apartments within the framework of the existing detailed development plan.

MAJOR DEVELOPMENT AREAS, PROJECT STARTS AFTER 2022

SICKLA

For more than 20 years Atrium Ljungberg has been transforming Sickla from an industrial area to a vibrant city district. Over the past two years we have been working with Nacka Municipality to produce a vision for the development of 'Central Sickla'. This has resulted in a shared vision of this future city district and a proposal for a new city plan. Central Sickla, which stretches from Marcusplatsen in the west to Kyrkviken in the east, currently contains large car parking areas and low retail buildings. These areas will be transformed into urban districts with pedestrianised precincts and buildings with office workplaces and apartments. Restaurants and stores on the ground floors will bring life to the thoroughfares and create a safe urban environment. In total the plan comprises approximately 150,000 m², corresponding to around 7,000 office workplaces and about 500 new apartments. The detailed develop-

ment plan process is underway and is expected to take approximately three years.

The Stockholm region is seeing high growth, which is why we are also planning more apartments in Sickla. The detailed development plan for residential in Kyrkviken and the northern part of Nobelberget is underway. In accordance with Nacka Municipality's residential vision and comprehensive plan, we want to create around 700 attractive apartments and service premises in a pleasant neighbourhood setting in Kyrkviken. Kyrkviken is located next to the waterfront, public transport and Sickla's range of retail and service. The project comprises more than 20,000 m².

In Nobelberget new residential blocks are continuing to be developed. This project contains a total of 500 tenant-owned apartments and between 2023 and 2024 we are planning to build a further 13,000 m² approximately. The total investment for the development projects in Sickla amounts to approximately SEK 13 billion.

SLAKTHUSOMRÅDET

In June 2019, we took possession of 14 properties totalling more than 50,000 m² of letting area. We also have an option to acquire an investment property of 32,000 m² of letting area. We have the option of ordering additional land allocations measuring approximately 100,000 m² GFA as well. 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.

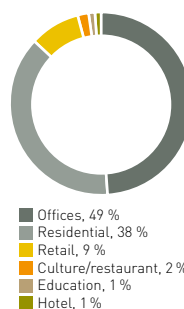
Slakthusområdet is one of Stockholm's largest urban development projects. We received a new land allocation in Norra Entrorget this spring for a hotel/offices and just before the summer we signed a letter of intent with SISAB, Skolfastigheter in Stockholm AB, to build an upper-secondary school in the area. At the start of the year a lot of emphasis was placed on preparing for the

Potential projects			Project area, m ² , GFA		Potential investments, 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		23,000	
Hagastaden	Stockholm	Residential units	37,000		
Hagastaden	Stockholm	Offices	36,000	25,000	
Hagastaden	Stockholm	Retail	1,000		
Mobilia	Malmö	Offices	5,000		
		Residential units	36,000	145,000	
Sickla	Nacka	Offices		120,000	
Sickla	Nacka	Offices		7,000	
Slakthusområdet	Stockholm	Education		44,000	
Slakthusområdet	Stockholm	Residential units		81,000	
Slakthusområdet	Stockholm	Offices		28,000	
Slakthusområdet	Stockholm	Retail		11,000	
Slakthusområdet	Stockholm	Culture/restaurant			
Sundbyberg	Sundbyberg	Offices		26,000	
Södermalm	Stockholm	Retail		16,000	
Södermalm	Stockholm	Hotels		5,000	
Södermalm	Stockholm	Offices	48,000		
Södermalm	Stockholm	Culture/restaurant	7,000		
		Residential units	20,000	35,000	
Uppsala	Uppsala	Offices		22,000	
Uppsala	Uppsala	Offices		23,000	
Uppsala	Uppsala	Retail	5,000		
Total			215,000³⁾	611,000⁴⁾	34,000

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 around 35,000 m² relates to reconstruction and around 108,000 m² relates to land allocations.
⁴⁾ Of which around 60,000 m² relates to reconstruction and around 253,000 m² relates to land allocations.

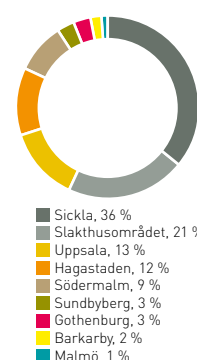
Potential projects by premises type

- Offices and residentials account for more than 85 per cent of the area



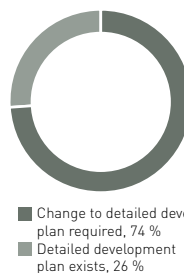
Potential projects by area

- More than 80 per cent of the area is focused on Stockholm



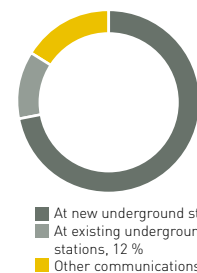
Potential projects by detailed development plan

- There is a detailed development plan for approximately 25 per cent of the area



Potential projects at underground stations

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





SLUSSEN– Atrium Ljungberg is one of the largest property owners in Slussen. We are working with the City of Stockholm to create a destination for both tourists and people living in Stockholm, as well as a dynamic meeting place that will be the commercial heart of Söder.

start of major detailed development plans this autumn in the northern and central parts of Slakthusområdet. This is based on the preliminary study that was previously carried out, which aimed to create a high attraction value and provide opportunities for activities to continue 24 hours a day. The intention is to create a strong destination with offices and residential properties and supplement this with food, culture and experiences. A brand new meeting place and an engine for the entire Söderort.

SLUSSEN

Atrium Ljungberg is one of the largest property owners in Slussen. In an agreement with the City of Stockholm we received several land allocations in Slussen, Hagastaden and Slakthusområdet as compensation for the Hammästaren land allocation that we returned. In Slussen we are now able to develop the future retail hub under Södermalmstorg, which comprises 8,000 m² NRA (non-residential area). We are planning retail and service here combined with areas that link the various methods of public transport together; the Saltsjöbanan line, the underground and the bus terminal in Katarinaberget. The retail hub is adjacent to the future Mälarterrassen, a public building comprising more than 7,000 m² GFA with a view of the old town in Stockholm, Gamla Stan, and the water. We are planning cafes, restaurants and cultural offerings here. Occupancy is planned for 2025.

The Ormen district is a development right of approximately 4,500 m², with a hotel planned to be built above the underground entrance. The hotel is expected to be completed at the same time as the retail hub.

In Slussen we already had a land allocation in front of Katarinahuset in the Ryssbodarne district, located above Stadsgårdsleden and Saltsjöbanan. The Ryssbodarne district is a triangular development right comprising approximately 7,000 m² GFA across five floors, where we are planning offices with public spaces on the ground floor. Production will start in 2025 at the earliest, with potential occupancy in 2027.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinahuset. This means that we now own approximately 50,000 m² in our existing portfolio and a total of 26,500 m² in land allocations. The development project in Slussen represents a total investment of approximately SEK 2 billion. We are continuing to work with the city, creating a dynamic meeting place together for the future. Slussen will become a destination for both tourists and people living in Stockholm; a vibrant hub in the commercial heart of Söder.

HAGASTADEN

Atrium Ljungberg has been operating in Hagastaden for almost 25 years and is one of the largest property owners in the area with

characteristic industrial buildings along Norra Stationsgatan. This is where a district with older buildings meets the new Hagastaden, where our Life City project, for example, will be completed in 2022.

We are playing an active role in the development of Hagastaden, which will grow to become a new dynamic city district by 2030 and one of the world's leading life science clusters. In the eastern part of Hagastaden we have a land allocation right next to Brunnsviken lake. We are planning to build an office property here that will comprise approximately 24,000 m² across eight floors. It will feature an undulating facade that will provide attractive office spaces with incredible views of Brunnsviken lake and Haga Park. Construction is planned to start in the first quarter of 2024.

In March 2020 we received another land allocation in the area following an agreement with the City of Stockholm, where we returned a land allocation in Slussen so that a future Nobel Center could be built. The land allocation in Hagastaden comprises two residential districts and one office district – the districts of Cambridge, Stanford and Pisa.

The development projects in Hagastaden represent a total investment of approximately SEK 6 billion over a period of almost ten years.

UPPSALA

Uppsala is the fourth largest city in Sweden with a steady population growth, growing business and world-leading research and innovation. Uppsala is one of our most important submarkets and we are focusing our operations on the City of Uppsala and Gränbystaden, which we are developing into Uppsala's second city centre.

Over the past six years, we have carried out a number of major investment projects in Gränbystaden in order to create a cityscape with a mix of retail, offices, residentials, service and cultural activities. Our vision is to create a new, attractive and vibrant city district in Uppsala. By mixing activities we are creating a safe place that has life and movement 24 hours a day.

In 2019, we obtained a new land allocation with a development right for potentially 45,000 m² GFA south of Gränbystaden Galleria. We want to develop a brand new office cluster here, combined with residentials. Detailed development planning is underway and expected to be complete in 2020.

We are also looking into the possibility of starting a detailed development plan to further develop and condense the area that is currently the car park next to the shopping centre; this comprises a total of 45,000 m². In northern Gränbystaden there is also the possibility of developing 5,000 m² GFA for offices and retail on the remaining land within the existing detailed development plan.

In total the development projects in Gränbystaden represent an investment volume of approximately SEK 3 billion.

FINANCING

THE FINANCIAL MARKET

The Covid-19 dominated the spring, causing a sharp fall in Sweden's GDP. According to the National Institute of Economic Research there are now clear signs of a substantial rebound in the third quarter and it expects a steady recovery. Household consumer behaviour has gradually adapted, which is why some of the losses from the second quarter have been recovered. The outlook for 2020 is not as gloomy as it was before the summer and the current forecast from the National Institute of Economic Research is for GDP to fall by 3.4 per cent for 2020 as a whole. Uncertainty remains high in the surrounding world as a result of Covid-19, but the economies started to recover in the last quarter. However, the effects will still be felt in the years to come.

The capital market recovered in the third quarter and demand has been strong at the start of the autumn. Prices on the bond market have recovered and are almost at the same level as at the start of the year.

During the last quarter, the variable rate, 3M Stibor, decreased from 0.06 per cent to -0.07 per cent at end of the quarter. At the end of the quarter the 10-year swap rate remained unchanged from the end of the first six months at 0.29 per cent.

INTEREST-BEARING LIABILITIES

Atrium Ljungberg meets its financing requirements through the capital market, Nordic banks, the Nordic Investment Bank, the European Investment Bank and direct financing. Interest-bearing liabilities at the end of the quarter amounted to SEK 18,581 million (SEK 19,687 m). During the third quarter, interest-bearing liabilities increased by SEK 117 million. This increase was due to higher volumes of commercial papers.

The average interest rate at the end of the quarter amounted to 1.7 per cent (1.7%). Including unutilised loan guarantees the average interest rate was 1.8 per cent (1.8%). The average fixed interest term was 5.2 years (5.6 years) and the average capital commitment term was 4.6 years (4.9 years). The interest coverage ratio for the period amounted to 4.1 (4.5). According to the company's long-term financial goals, the gearing ratio is to be less than 45 per cent. At the end of the quarter it amounted to 40.5 per cent (41.8%).

Unutilised loan guarantees in addition to loan guarantees which cover outstanding commercial paper amounted to SEK 3,348 million (SEK 2,723 m). The unutilised overdraft facility amounted to SEK 300 million (SEK 300 m).

COLLATERAL

Atrium Ljungberg's borrowing is partly secured by real estate mortgages. Of the interest-bearing liabilities, SEK 8,014 million (SEK 8,312 m) is secured by mortgage deeds which corresponds to 17 per cent (17%) in relation to the total assets.

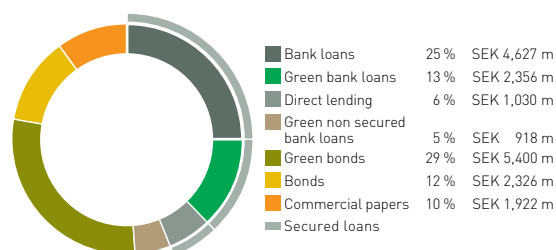
GREEN FINANCING

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 47 per cent (35%) of the total loan volume. At the end of the quarter, there were SEK 5,400 million (SEK 5,916 m) in green bonds outstanding, as well as SEK 3,274 million (SEK 913 m) of green bank loans.

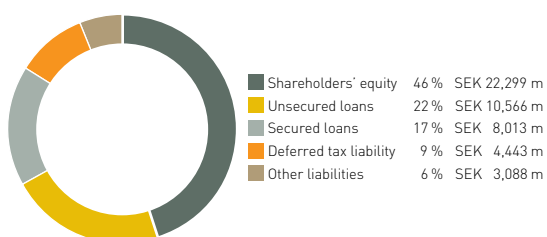
Interest-bearing liabilities

- SEK 18.6 billion in liabilities with 47 per cent green financing



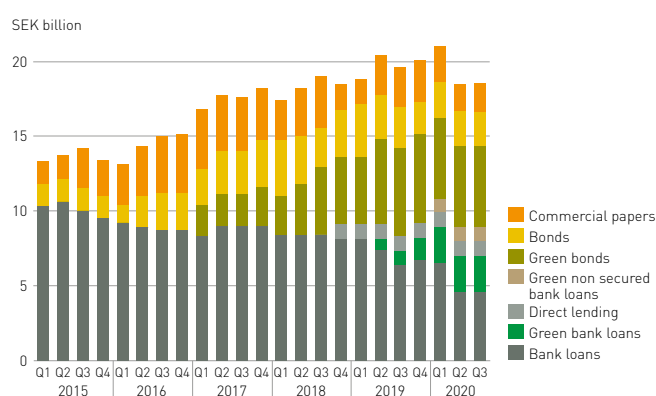
Capital structure

- Secured loans correspond to 17 per cent in relation to total assets



Development of financing sources

- A reduction in debt volume over the last quarters linked to the sale of Farsta Centrum



Fixed interest

Commitment period	Amount, SEK m	Percentage, %	Average interest, % ¹⁾
2020	2,484	13	1.0
2021	1,802	10	0.6
2022	400	2	1.6
2023	736	4	1.6
2024	1,476	8	1.6
2025 and thereafter	11,683	63	2.0
Total	18,581	100	1.7

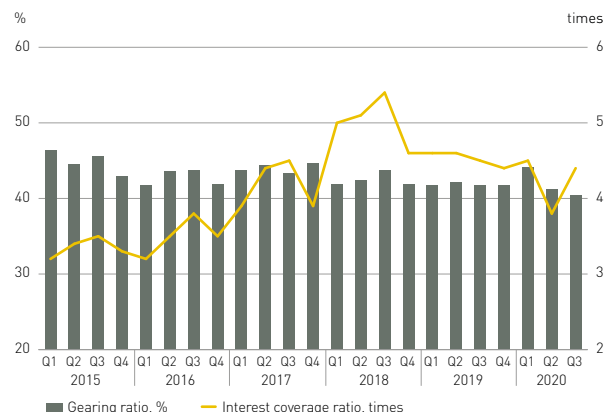
¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Capital commitment

Commitment period	Amount, SEK m	Percentage, %
2020	-	
2021	1,533	8
2022	5,202	28
2023	1,809	10
2024	2,326	13
2025 and thereafter	7,712	42
Total	18,581	100

Gearing ratio and interest coverage ratio

- A lower gearing ratio and a higher interest coverage ratio linked to lower debt



DERIVATIVES

At the end of the quarter, the derivative portfolio comprised SEK 12,296 million (SEK 10,796 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 used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

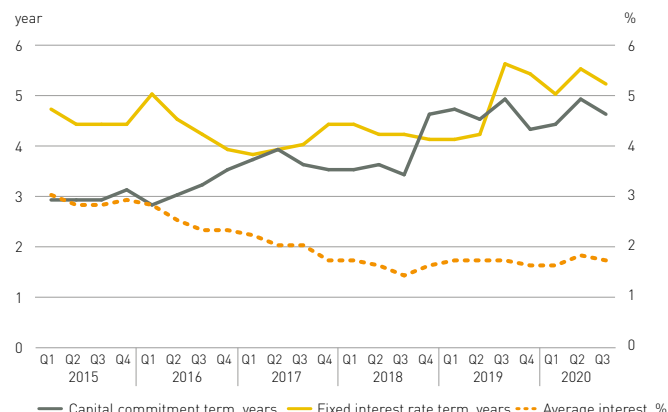
The derivatives portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the income statement. The unrealised change in the value of derivatives during the period amounted to SEK -285 million (SEK -554 m) as market interest rates decreased on the terms covered by the derivatives during the quarter. The deficit book value of the derivatives portfolio amounted to SEK -694 million (SEK -921 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

- A higher capital commitment and fixed interest as current debt has been amortised



PARKHUSEN - The first of a total of four residential buildings is being constructed in Gränbystaden in Uppsala, right next to both the shopping centre and Gränbyparken. The building will contain 44 rental apartments that will be ready for occupancy in the second quarter of 2021.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK m	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Quarter 2020 Jul-Sep	Quarter 2019 Jul-Sep	Full year 2019 Jan-Dec	12 months 2019/2020 Oct-Sep
OPERATING ACTIVITIES						
Profit before changes in value	842	945	277	318	1,234	1,131
Reversal of depreciation, amortisation and impairment	10	9	3	3	13	14
Other items not included in the cash flow	1	32	24	32	-62	-94
Tax paid	-45	-23	-43	-10	-27	-48
Cash flow from operating activities before changes in working capital	808	962	260	343	1,158	1,004
Net change in working capital	-139	164	101	-8	192	-111
Cash flow from operating activities	669	1,126	361	336	1,350	893
INVESTMENT ACTIVITIES						
Acquisition of investment properties	-263	-1,166	22	-6	-1,174	-271
Investments in held properties and tenant-owned dwelling projects	-1,809	-1,217	-653	-402	-1,810	-2,402
Sale of investment properties	3,797	1,016	-	1,016	1,031	3,812
Investment in financial non-current assets	-53	-6	3	2	-5	-64
Purchase/sale of equipment	-4	-15	-3	-9	-17	-6
Cash flow from investment activities	1,668	-1,387	-631	601	-1,975	1,080
FINANCING ACTIVITIES						
Change in other non-current liabilities	6	4	4	-1	20	22
Loans raised	3,642	4,287	152	743	5,709	5,064
Amortisation of debts	-5,123	-3,138	-0	-1,572	-4,016	-6,001
Exercise of derivatives	-	-	-	-	-235	-235
Dividends paid	-649	-631	-	-	-631	-649
Buy-back of own shares	-19	-99	-	-	-99	-19
Cash flow from financing activities	-2,144	423	156	-829	748	-1,819
Cash flow for the period	194	163	-114	108	122	154
Cash and cash equivalents at the beginning of the period	457	335	764	390	335	498
Cash and cash equivalent at the end of the period	651	498	651	498	457	651

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow for the for the period amounted to SEK 194 million (SEK 163 m).

The cash flow from operating activities amounted to SEK 669 million (SEK 1,126 m), corresponding to SEK 5.16/share (SEK 8.66/share). Cash flow from operating activities was mostly affected by higher interim receivables relating government grants and to timing in invoicing of project and construction work. Accounts receivable are at a level with the opening balance of the financial year.

Investment activities contributed with a positive cash flow of SEK 1,668 million (SEK -1,387 m), relating primarily to the sale of

Farsta Centrum. Investments in Atrium Ljungberg's held properties amounted to SEK -1,809 million (SEK -1,217 m).

The cash flow from financing activities amounted to SEK -2,144 million (SEK 423 m) as a result of the repayment of loans.

Available liquidity amounted to SEK 4,299 million (SEK 3,521 m) and comprised bank deposits of SEK 651 million (SEK 498 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 3,348 million (SEK 2,723 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 m² 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 at 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.

STAKEHOLDER DIALOGUE

As the current sustainability goals will come to an end in 2021, strategic preparations have got underway to produce a new sustainability strategy and new sustainability goals. This work includes in-depth dialogue with stakeholders, which was started this quarter. Our most important stakeholders are customers, owners, investors, employees, municipalities and suppliers. Dialogue with our stakeholders is an important part of our relationship with them. It ensures that we create a relevant offering and gain insights into the expectations that the stakeholders have for sustainable enterprise. We carry out this dialogue through interviews, questionnaires and workshops. Once the stakeholder dialogues have been completed, we will perform a materiality analysis to identify our most important sustainability aspects. This will form the basis of our new sustainability goals.

ENVIRONMENTAL CERTIFICATION

We have chosen to certify our commercial premises in accordance with BREEAM and our residential in accordance with Miljöbyggnad. As of 30 September 2020, 58 per cent (42%) 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 21 per cent (17%) per m².

ENERGY INTENSITY

kWh/m ²	12 months	12 months	Change	Change compared with 2014 ¹⁾
	2019/2020	2018/2019		
Heating	63	71	-11%	-32%
Property electricity	47	46	2%	-30%
District cooling	14	16	-13%	-27%
Sub-total property energy	124	133	-7%	-30%
Tenant electricity	56	58	-3%	-9%
Tenant electricity, estimated	17	18	-6%	-39%
Process cooling	15	14	7%	-
Total energy intensity	212	223	-5%	-21%

¹⁾ Reference year.

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 goal 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.

	1 Oct 2020	1 Oct 2019
Green lease contracts, share of contracted annual rent	42%	34%

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 and stamp duty. 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 35 in our 2019 Annual Report.

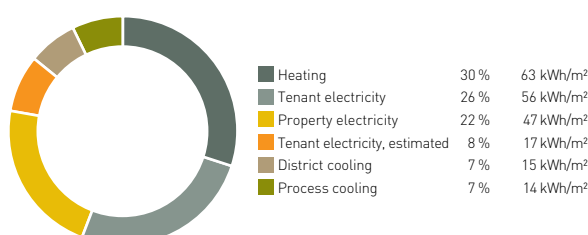
SEK m	Period	Period	Full year	12 months
	2020	2019	2019	2019/2020
	Jan-Sep	Jan-Sep	Jan-Dec	Oct-Sep
Current tax	32	69	63	25
Property tax	140	128	174	185
Non-deductible VAT	86	51	79	114
Stamp duty	-	48	55	7
Taxes	257	296	370	332
Leasehold fees	24	25	34	34
Society	282	320	404	366

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 47 per cent (35%) of the total loan volume. At the end of the period, there was SEK 5,400 million (SEK 5,916 m) of green bonds outstanding, as well as SEK 3,274 million (SEK 913 m) of green bank loans.

Energy intensity

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



SEGMENT REPORTING

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

2020

Jan-Sep

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction work	Non-allocated items and eliminations	The Group
Rental income	1,806				-17	1,789
Net sales, project and construction work		17	626	643	-266	377
Net sales	1,806	17	626	643	-283	2,166
Property management costs	-599				14	-585
Project and construction work costs		-28	-591	-619	230	-389
Gross profit	1,207	-11	35	24	-39	1,192
Central administration	-53	-3	-8	-11	-	-65
Financial income and expenses					-285	-285
Profit before changes in value	1,154	-14	27	13	-324	842
Changes in value ^{2) 3)}	-826				-285	-1,110
Tax					445	445
Profit for the period	328	-14	27	13	-163	177
Investments and acquisitions	1,874	199	1	200	68	2,141
Assets, at the end of the period	45,649	1,196	204	1,400	1,359	48,408

2019

Jan-Sep

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction work	Non-allocated items and eliminations	The Group
Rental income	1,946				-13	1,933
Net sales, project and construction work		13	382	395	-254	140
Net sales	1,946	13	382	395	-267	2,073
Property management costs	-603				8	-594
Project and construction work costs		-28	-362	-390	221	-169
Gross profit	1,343	-15	19	5	-37	1,310
Central administration	-57	-4	-10	-14	1	-69
Financial income and expenses					-296	-296
Profit before changes in value	1,286	-18	9	-9	-333	945
Changes in value ^{2) 3)}	1,656				-554	1,102
Tax					-284	-284
Profit for the period	2,943	-18	9	-9	-1,171	1,762
Investments and acquisitions	2,323	60	0	60	20	2,403
Assets, at the end of the period	47,505	951	159	1,110	1,003	49,618

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

²⁾ Properties, unrealised SEK -742 million (SEK 1,597 m). Properties, realised SEK -84 million (SEK 59 m).

³⁾ Unrealised change in value, derivatives SEK -285 million (SEK -554 m).

SEGMENT REPORTING, cont.

Revenue type per segment

2020

Jan-Sep

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction work	Non-allocated items and eliminations	The Group
Rental income	1,806				-17	1,789
Net sales, project and construction work						
of which Turnkey contracts, fixed price			152	152	-0	152
of which Turnkey contracts, open account			219	219	-209	11
of which Performance contracts, fixed price			1	1		1
of which Performance contracts, open account			253	253	-40	213
of which Other		17		17	-17	-
Total Net sales, project and construction work		17	626	642	-266	377
Total Net sales	1,806	17	626	642	-283	2,166

2019

Jan-Sep

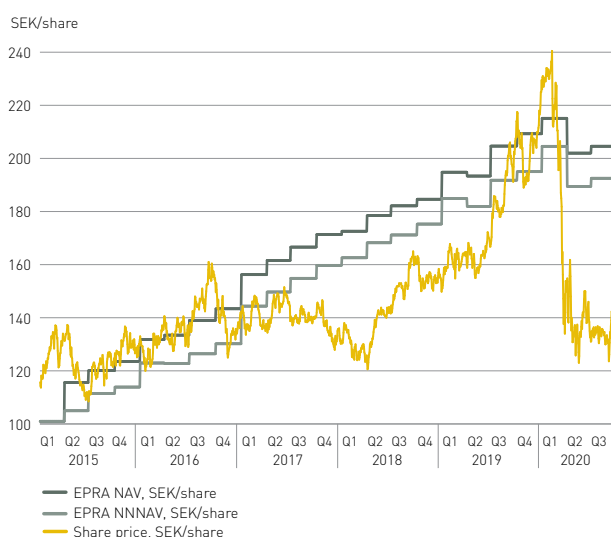
Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction work	Non-allocated items and eliminations	The Group
Rental income	1,946				-13	1,933
Net sales, project and construction work						
of which Turnkey contracts, fixed price			63	63	-4	59
of which Turnkey contracts, open account			180	180	-172	7
of which Performance contracts, fixed price			21	21	-	21
of which Performance contracts, open account			118	118	-64	54
of which Other		13		13	-13	-
Total Net sales, project and construction work		13	382	395	-254	140
Total Net sales	1,946	13	382	395	-267	2,073

KEY PERFORMANCE INDICATORS ^{1) 2)}

	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Quarter 2020 Jul-Sep	Quarter 2019 Jul-Sep	Full year 2019 Jan-Dec	12 months 2019/2020 Oct-Sep
PROPERTY-RELATED KEY PERFORMANCE INDICATORS						
Letting rate excluding project properties, %	92	93	92	93	94	92
Letting rate including project properties, %	92	92	92	92	93	92
Operating surplus margin, %	67	69	70	70	69	67
Letting area, '000 m ²	1,078	1,177	1,078	1,177	1,176	1,078
Investments in Atrium Ljungberg's held properties, SEK m	1,809	1,217	653	402	1,810	2,402
Number of properties at the end of the period	66	69	66	69	70	66
FINANCIAL KEY PERFORMANCE INDICATORS						
Equity/assets ratio, %	46.1	43.8	46.1	43.8	44.6	46.1
Gearing ratio, %	40.5	41.8	40.5	41.8	41.7	40.5
Interest coverage ratio, multiple	4.2	4.5	4.4	4.2	4.4	4.2
Average interest rate for interest-bearing liabilities, %	1.7	1.7	1.7	1.7	1.6	1.7
Return on equity, rolling 12-month period, %	5.6	14.8	5.6	14.8	12.9	5.6
Return on equity, excluding changes in value, %	3.8	4.7	4.0	4.6	4.6	4.0
Return on total assets, %	0.1	6.5	6.4	4.6	8.0	3.1
Return on total assets excluding changes in value, %	2.4	2.7	2.4	2.7	2.7	2.4
DATA PER SHARE						
Earnings per share, SEK	1.37	13.55	5.75	4.13	21.59	7.78
Profit before changes in value less nominal tax, SEK	5.10	5.72	1.68	1.93	7.47	6.85
Cash flow from operating activities, SEK	5.16	8.66	2.79	2.59	10.38	6.89
Equity, SEK	171.90	167.41	171.90	167.41	175.48	171.90
Share price, SEK	146.60	217.50	146.60	217.50	226.00	146.60
Weighted average number of shares, thousands	129,754	130,062	129,721	129,839	130,005	129,775
Number of outstanding shares at the end of the period, thousand	129,721	129,839	129,721	129,839	129,839	129,721
EMPLOYEES						
Average number of employees	344	323	337	319	320	338

	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Full year 2019 Jan-Dec
EPRA KEY PERFORMANCE MEASURES ¹⁾			
EPRA Earnings, SEK m	801	877	1,172
EPRA EPS, SEK/share	6.17	6.75	9.03
EPRA NRV, SEK m	27,271	27,172	27,931
EPRA NRV, SEK/share	210.23	209.27	215.12
EPRA NTA ³⁾ , SEK m	26,354	26,238	26,827
EPRA NTA ³⁾ , SEK/share	203.16	202.08	206.62
EPRA NDV	21,869	21,190	22,314
EPRA NDV, SEK/share	168.58	163.20	171.86
EPRA NAV, SEK m	27,271	27,172	27,931
EPRA NAV, SEK/share	210.23	209.27	215.12
EPRA NNNAV ³⁾ , SEK m	25,661	25,318	26,560
EPRA NNNAV ³⁾ , SEK/share	197.82	194.99	204.57
EPRA Vacancy rate	8%	7%	6%

EPRA NAV, EPRA NNNAV and share price



¹⁾ See the definitions on pages 28–29, and see the reconciliation for key ratios at www.al.se.

²⁾ The operating surplus margin, equity/assets ratio, return on total assets, and the return on total assets excluding changes in value have been adjusted. In 2019 these key ratios were calculated excluding the effect of the implementation of IFRS 16 Leases, but comparison figures are now available that include the effect of this implementation.

³⁾ For the calculation of EPRA NTA and EPRA NNNAV, an estimated deferred tax of 4.0 per cent has been used.

QUARTERLY SUMMARY

INCOME STATEMENTS	2020	2020	2020	2019	2019	2019	2019	2018
Amounts in SEK m	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Rental income	561	579	648	644	653	647	633	613
Net sales, project and construction work	139	153	84	93	62	46	32	48
Net sales	700	732	733	737	715	693	665	661
Property management costs	-167	-203	-213	-216	-194	-195	-206	-218
Project and construction work costs	-150	-152	-87	-107	-77	-55	-37	-60
Gross profit	383	377	432	415	445	443	422	383
- of which gross profit/loss property management (operating surplus)	394	376	435	428	460	452	427	395
- of which gross profit/loss from project and construction work	-11	1	-3	-14	-15	-9	-5	-12
Central administration, property management	-15	-21	-18	-23	-17	-21	-19	-21
Central administration, project and construction work	-3	-3	-4	-3	-3	-3	-7	-10
	-18	-24	-23	-26	-20	-25	-25	-31
Financial income and expenses	-88	-97	-99	-99	-107	-97	-91	-76
Profit before changes in value	277	256	311	289	318	321	306	276
Properties, unrealised	467	279	-1,486	686	283	1,166	148	1,125
Properties, realised	-16	-65	-3	13	49	-7	17	112
Derivatives, unrealised	-45	-3	-236	464	-179	-215	-160	-97
Derivatives, realised	-	-	-	-50	-	-	-	-
	406	210	-1,725	1,113	152	945	5	1,140
Profit before tax	683	466	-1,414	1,402	469	1,265	311	1,417
Tax	63	98	280	-358	65	-258	-91	-115
Profit for the period	745	564	-1,134	1,044	534	1,007	220	1,301
KEY PERFORMANCE INDICATORS ^{1) 2)}	2020	2020	2020	2019	2019	2019	2019	2018
Property-related key performance indicators	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Letting rate excluding project properties, %	92	92	93	94	93	93	94	95
Letting rate including project properties, %	92	92	92	93	92	93	93	94
Operating surplus margin, %	70	65	67	66	70	70	67	64
Letting area, '000 m ²	1,078	1,069	1,171	1,176	1,177	1,216	1,166	1,129
Investments in Atrium Ljungberg's held properties, SEK m	653	586	570	666	402	417	398	583
Number of properties at the end of the period	66	66	70	70	69	68	51	51
Financial key performance indicators								
Equity/assets ratio, %	46.1	45.5	41.3	44.6	43.8	42.5	43.1	45.9
Gearing ratio, %	40.5	41.2	44.1	41.7	41.8	43.2	41.8	41.9
Interest coverage ratio, multiple	4.4	3.8	4.4	4.3	4.2	4.6	4.6	4.6
Average interest rate for interest-bearing liabilities, %	1.7	1.8	1.6	1.6	1.7	1.7	1.7	1.6
Return on equity, rolling 12-month period, %	5.6	4.7	7.1	12.9	14.8	14.6	15.6	17.7
Return on equity, excluding changes in value, %	4.0	3.8	4.2	4.1	4.6	4.9	4.5	4.3
Return on total assets, %	6.4	4.6	-10.3	11.8	4.6	11.2	3.5	13.3
Return on total assets excluding changes in value, %	2.4	2.3	2.5	2.4	2.7	2.7	2.7	2.5
Data per share								
Earnings per share, SEK	5.75	4.35	-8.74	8.07	4.13	7.74	1.69	9.93
Profit before changes in value less nominal tax, SEK	1.68	1.55	1.88	1.75	1.93	1.94	1.85	1.65
EPRA EPS, SEK	2.24	1.72	2.24	2.28	2.38	2.30	2.08	2.06
Cash flow, SEK	2.79	0.01	2.46	2.28	2.59	3.45	2.59	2.05
Equity, SEK	171.90	166.15	161.76	175.48	167.41	163.27	155.48	158.64
EPRA NRV, SEK	210.23	204.60	202.00	215.12	209.27	204.65	193.37	194.82
EPRA NTA ³⁾ , SEK	203.16	197.31	200.77	206.62	202.08	197.47	186.29	187.61
EPRA NDV, SEK	168.58	162.74	157.95	171.86	163.20	160.77	152.26	155.08
EPRA NAV, SEK	210.23	204.60	202.00	215.12	209.27	204.65	193.37	194.82
EPRA NNNAV ³⁾ , SEK	197.82	192.54	189.45	204.57	195.00	191.80	182.29	184.93
Share price, SEK	146.60	131.20	154.80	226.00	217.50	167.80	158.80	152.00
Weighted average number of shares, thousands	129,721	129,721	129,820	129,839	129,839	129,991	132,019	131,107
Number of outstanding shares at the end of the period, thousand	129,721	129,721	129,721	129,839	129,839	129,839	130,163	130,460

1) The operating surplus margin, equity/assets ratio, return on total assets, and the return on total assets excluding changes in value have been adjusted. In 2019 these key performance indicators were calculated excluding the effect of the implementation of IFRS 16 Leases, but comparison figures are now available that include the effect of this implementation. The key performance indicators for 2018 do not include any effects from the implementation of IFRS 16, as the standard entered into force on 1 January 2019.

2) See the definitions on pages 28–29, and see the reconciliation for key ratios at www.al.se.

3) For the calculation of EPRA NTA and EPRA NNNAV, 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 amounted to SEK 228 million (SEK 251 m). The operating profit/loss amounted to SEK -40 million (SEK -270 m). Profit after financial items amounted to SEK -98 million (SEK -101 m).

INCOME STATEMENT, SUMMARY

Amounts in SEK m	Period 2020 Jan-Sep	Period 2019 Jan-Sep	Full year 2019 Jan-Dec
Rental income	58	145	144
Management income	171	106	328
Net sales	228	251	472
Property costs	-25	-31	-53
Management and administration expenses	-226	-307	-400
Capital gain/loss from sale of properties	-7	-167	-184
Depreciation	-11	-16	-20
Operating profit	-40	-270	-186
Earnings from shares in Group companies	-	-	1,419
Interest income and similar profit items	272	464	597
Interest expenses and similar profit items	-330	-295	-989
	-58	169	1,028
Profit after financial items	-98	-101	842
Appropriations	0	-	29
Profit before tax	-97	-101	870
Current tax	-4	-1	-6
Deferred tax	50	123	91
	46	122	85
Profit for the period	-51	21	955

Interest-bearing liabilities amounted to SEK 15,643 million (SEK 15,664 m). These funds finance the parent company's property portfolio and are lent on to other Group companies.

BALANCE SHEET, SUMMARY

Amounts in SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Property, plant and equipment	990	1,102	922
Financial non-current assets	1,089	888	1,062
Current assets	21,375	20,656	22,165
Total assets	23,454	22,646	24,150
EQUITY AND LIABILITIES			
Equity	6,885	6,680	7,606
Untaxed reserves	7	61	8
Provisions	81	66	79
Non-current liabilities	14,806	15,668	16,337
Current liabilities	1,674	171	120
Total equity and liabilities	23,454	22,646	24,150

OTHER INFORMATION

BUY-BACK OF SHARES

The AGM has authorised the Board of Directors of Atrium Ljungberg to take the decision to acquire the company's own shares on one or more occasions during the period until the next AGM in March 2021. The purpose of such buy-backs is 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 30 September the company owned 3,500,000 class B shares. The buy-back has been in the range of SEK 132.20-169.36 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 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

From January to September, total sales at our three largest regional retail hubs – Sickla, Gränbystaden and Mobilia – decreased by an overall 1.4 per cent in like-for-like portfolio. Sales fell by a total of 4 per cent.

ACCOUNTING POLICIES

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 policies applied conform to those described in the 2019 Annual Report.

In addition to the accounting policies specified in the 2019 Annual Report, IAS 20 Accounting for Government Grants and Disclosure

of Government Assistance has also been applied. The company is expecting to receive support primarily in the form of compensation for reduced rents. This assistance is paid by the government in the form of government grants, which is why this assistance is assessed as meeting the criteria in IAS 20. A government grant is recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and the grant will be received.

The grant for rent rebates is recognised in the Rental income row in the income statement in the same period as the reduced rental income, which is a departure from IAS 20, and amounts to SEK 33 million.

Rent rebates

Rent rebates linked to the Covid-19 pandemic are not distributed over the length of the rental contract as they are not deemed to modify the rental contract. These rent rebates are recognised in the rental period that the rebate relates to. In the first six months the rent rebates related to the Covid-19 pandemic that were given amounted to SEK 71 million. The reduced rents that are expected to be compensated by the government amount to SEK 33 million. This affected profit in the second quarter by SEK 38 million net. In the third quarter additional rebates related to the Covid-19 pandemic were given totalling SEK 1 million. Rebates given in the third quarter are not expected to be compensated by the government.

Parent company's accounting policies

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

Instead of applying IFRS 16, the parent applies RFR 2 (IFRS 16 pp. 2–12); as the parent company is the lessee, it means that lease payments are expensed on a straight-line basis over the term of the lease.

The parent company recognises derivatives at the lower of cost and fair value. There are negative fair values as of 30 September 2020, which means that a liability of SEK 695 million (SEK – m) has been recognised in the balance sheet. A negative change in value of SEK 194 million (SEK – m) has been recognised in the income statement under Interest expenses and similar profit items. Until 3 December 2019 hedge accounting applied to derivatives in the parent company.

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

The Group's reported interest-bearing liabilities total SEK 18,581 million (SEK 19,687 m) and their fair value totals SEK 18,846 million (SEK 20,008 m). The fair value calculation is based on discounted estimated future cash flows. The discounting is carried out 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 recognised at amortised cost, that the differences between book values and fair values are insignificant.

EPRA

Atrium Ljungberg reports EPRA EPS, EPRA Vacancy Rate, EPRA NDV, EPRA NRV and EPRA NTA in accordance with the European Public Real Estate Association's definitions. The guidelines from EPRA have been updated and EPRA NDV (Net Disposal Value), EPRA NRV (Net Reinstatement Value) and EPRA NTA (Net Tangible Assets) have replaced EPRA NAV and EPRA NNNAV. To simplify comparison during the transition to these new key performance measures, Atrium Ljungberg is also including EPRA NAV and EPRA NNNAV in this report.

When calculating EPRA NTA and EPRA NNNAV, 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 3 per cent (real) and the fact that the property portfolio is realised over 50 years, where 10 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 6 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.

In 2019 Atrium Ljungberg chose to reverse the effect of IFRS 16 when calculating the alternative performance measures. As comparison figures are now available, the reversal will no longer be carried out, except for the following key performance measures: gearing ratio and interest coverage ratio. This is because there are financial goals linked to these key performance measures.

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.

CHANGES OF RULES IN THE AREA OF TAX

The company tax rate for the 2019 tax year decreased 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.

The new rules for the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC 6) do not cover Atrium Ljungberg. Previous proposals also included national arrangements within the Group. However, this was removed from the act that entered into force on 1 July 2020.

The ongoing Covid-19 pandemic is affecting tax legislation through temporary laws and changes to tax payments.

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

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 performance indicators, such as a low gearing ratio and high interest coverage ratio.

The ongoing Covid-19 pandemic has created more uncertainty than normal. This uncertainty is mostly due to the difficulty in assessing the duration and extent of the pandemic, and therefore its effects on the company's earnings and valuation. In the short term

Atrium Ljungberg will be affected by some tenants not being able to pay their rental costs. In the long term rental levels and vacancy rates will be affected, and the extent of this is currently difficult to assess. For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2019 Annual Report and the section entitled "Risks and risk management" on pages 87–92.

EVENTS AFTER THE CLOSING DATE

No significant events have occurred since the closing date.

Nacka, 15 October 2020

Annica Ånäs, CEO

AUDITOR'S REVIEW REPORT

For translation purpose only

Atrium Ljungberg, reg. no. 556175-7047

Introduction

We have reviewed the condensed interim financial information (interim report) of Atrium Ljungberg as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on

Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 15 October 2020

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg
Authorized Public Accountant

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.

VISION

Our city – where everyone thrives

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 return 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 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 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

By 2021, 100 per cent of our properties are to be environmentally certified (with the exception of project properties and properties acquired over the past two years). Energy consumption per m² shall decrease by 30 per cent between the years 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 Leases since 1 January 2019. In 2019 Atrium Ljungberg chose to reverse the effect of IFRS 16 when calculating the alternative performance indicators in order to increase comparability. As comparison figures are now available, the reversal will no longer be carried out, except for the following key performance indicators: gearing ratio and interest coverage ratio. This is because there are financial goals linked to these key performance indicators.

Share dividend yield, %

The proposed or distributed share dividend as a percentage of the share price at the end of the financial 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 financial 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 equity with a 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 with information on Atrium Ljungberg's current net worth per share calculated in a uniform manner for publicly listed property companies.

EPRA NTA per share, SEK

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

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

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 equity, %

Interest-bearing liabilities divided by reported equity.

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

Return on equity, excluding changes in value, %

Profit for the period before changes in value, divided by average adjusted equity.

Return on 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 before tax plus interest expenses as a percentage of the average balance sheet total.

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 before changes in value plus interest expenses as a percentage of the average balance sheet total.

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.

EPRA NDV per share, SEK

Reported equity with a reversal of goodwill adjusted for the difference against the fair value of interest-bearing liabilities.

EPRA NDV per share is used to provide stakeholders with information on Atrium Ljungberg's value per share for a disposal scenario calculated in a uniform manner for publicly listed property companies.

Gearing ratio, %

Interest-bearing liabilities, excluding the liability for finance 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 less property management costs.

Gross profit/loss project and construction work

Net sales, project and construction work 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

Total property management costs, which exclude central administration.

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

Profit 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 earnings 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 maturity date, years

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

The average maturity date 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 equity with a 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.

EPRA NRV per share, SEK

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

EPRA NRV 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. This replaces EPRA NAV.

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 before changes in value per share, SEK

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

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

Interest coverage ratio, multiple

Profit 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.

CONT. DEFINITIONS

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

Equity/assets ratio, %

Recognised equity at the end of the period as a percentage of the balance sheet total.

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 what proportion of the earnings is shifted out to the Group's owners and reinvested in the operations respectively.

PROPERTY-RELATED DEFINITIONS

RA, m₂

Residential area refers to the letting area of a building for residential use.

GFA, m²

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

Operating surplus

Refers to rental income less property management costs.

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 recognised 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 lower of their accumulated cost 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.

NRA, m²

Non-residential area refers to the letting area of a building for non-residential purposes.

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, leaseholds are recognised as a right-of-use asset in the balance sheet.

Leasehold fees

The fee paid for the utilisation of leaseholds. 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, %

Gross profit/loss from property management as a percentage of the recognised rental income.

Operating surplus margin is used to illustrate what proportion of the Group's rental income remains after property costs.

SUSTAINABILITY-RELATED DEFINITIONS

BREEAM

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

The areas addressed by BREEAM 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.

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 with 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 performance indicators, the share, and much more besides. The information on the website is also available in English.

PUBLICATION OF FINANCIAL INFORMATION

Year-end report 2020	9 February 2021
2020 Annual Report	2 March 2021
Annual report 2020 in English	23 March 2021
Annual General Meeting	25 March 2021
Interim report Jan-Mar 2021	16 April 2021
Interim report Jan-Jun 2021	7 July 2021
Interim report Jan-Sep 2021	15 October 2021

Atrium Ljungberg, October 2020. Photos: Atrium Ljungberg, Christoffer Edling, Jeanette Hägglund, Martin Kelam, the City of Stockholm. Architect images: Arkitektbyrå 3X N, Arkitekterna CF Möller, Gehl Arkitektbyrå, John & Linus Arkitektbyrå, Reflex and Whyte Lilja. Production: Springtime-Intellecta, Stockholm 2020.



Torghuset opens in Malmö in the middle of October and is home to Funnys Äventyr, a new cultural building for children.

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