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Rental income in comparable portfolios, excluding rebates related to Covid-19

0.5%
Jan–Sep

1.2%
Q3

Profit before changes in value, SEK m

945
Jan–Sep

262
Q3

Investments in Atrium Ljungberg's held properties, SEK m

1,571
Jan–Sep

528
Q3

Significant events during the third quarter

- In August all the apartments in the second block in Nobelberget had been sold. These residentials are scheduled to be ready for occupancy in the third quarter of 2022.

- Several strategic lettings in Sickla were carried out during the quarter with tenants that include IKEA Sverige, Liquid Swords and Alba Golf.

- Ulrika Danielsson was recruited as the new CFO. She starts her job on 15 November. She joins the company from Castellum where she was the Director of Economics and Finance.

Strategic establishments enhance our locations

- **Net sales** amounted to SEK 2,389 m (SEK 2,166 m), of which rental income amounted to SEK 1,692 m (SEK 1,789 m).
- **The operating surplus** from property management amounted to SEK 1,153 m (SEK 1,205 m), a reduction of 4.3 per cent. This reduction is mostly due to the sale of Farsta Centrum in June 2020 and Kolding 3 and 4 in Kista in July 2021. For comparable portfolios, the operating surplus from property management, excluding rebates related to Covid-19, increased by 1.2 per cent.
- **The gross profit** for project and construction work amounted to SEK 114 m (SEK –13 m) and was positively affected by a profit of SEK 91 m (SEK – m) from our tenant-owned dwelling project, which was recognised in the second quarter.
- **Temporary rebates related to Covid-19** amounted to SEK 11 m net (SEK 39 m).
- **Profit before changes in value** amounted to SEK 945 m (SEK 842 m).
- **Unrealised changes in value** for investment properties amounted to SEK 1,592 m (SEK –742 m) for the period. This increase in value is mostly due to better operating net in the short and long term, and project returns. Unrealised changes in the value of derivatives amounted to SEK 325 m (SEK –285 m) as a result of rise in long-term market interest rates.
- **Profit for the period** amounted to SEK 2,318 m (SEK 177 m). The change compared to the same period in the previous year is mostly due to the change in the value of properties.
- **Earnings per share** amounted to SEK 18.28 (SEK 1.37).
- **Net letting** for the period amounted to SEK 12 m (SEK –2 m), of which SEK 1 m (SEK 17 m) referred to project properties.
- **Property acquisitions** amounted to SEK 25 m (SEK 266 m) and property sales to SEK 805 m (SEK 3,979 m).

Key performance indicators¹⁾

	Period 2021 Jan–Sep	Period 2020 Jan–Sep	Quarter 2021 Jul–Sep	Quarter 2020 Jul–Sep	Full year 2020 Jan–Dec
Property value at the end of the period, SEK m	49,434	45,864	49,434	45,864	47,334
Operating surplus margin, %	68	67	70	70	67
Average interest on interest-bearing liabilities at the end of the period, %	1.7	1.7	1.7	1.7	1.6
Share price at the end of the period, SEK per share	183.80	146.60	183.80	146.60	172.80
NRV at the end of the period, SEK per share	232.13	210.23	232.13	210.23	217.95

Financial goals¹⁾

Investments in held properties, >SEK 2,000 million per year	1,571	1,809	528	653	2,513
Return on equity, rolling 12-month period, >10% over time	13.0	5.6	13.0	5.6	3.8
Gearing ratio at the end of the period, <45 %	41.1	40.5	41.1	40.5	39.9
Interest coverage ratio, rolling 12-month period, >2.0	5.5	4.2	5.5	4.2	4.6

¹⁾ See page 24 for the complete table of key performance indicators and pages 29–30 for definitions.

Relationship-based offices for workplaces of the future

Annica Ånäs, CEO

On 29 September our society opened up and we were able to go back to normal; or at least 'the new normal'. Over the past one and a half years, I have written extensively about the pandemic and the effects it has had on society and business. No-one could have predicted what has happened or how it would change us. It is wonderful to see how quickly we adapted and adjusted to the new circumstances. And it is just as wonderful to see how we are now returning to our workplaces; slowly, but surely. As people, we need to meet so that we can exchange experience, inspiration and innovation, and do business together. Although life is not going to be the same as it was before, I am sure that everything will turn out just fine.

Different kinds of offices in the future

In 2021 we conducted a major study on the future of work. Although many studies have been carried out over the past year, they have often focused on the employee. What makes our report different from others is that we have taken a broader approach. As well as more than 1,000 interviews with white-collar workers, we have taken an in-depth look at issues relating to offices of the future and the future of work by conducting interviews with company leaders, researchers, experts and 200 CEOs in Sweden's main cities.

As people now return to the office, there is a greater understanding of the different needs of companies and employees. It is very clear that there will not be one solution that fits all. Hybrid working is here to stay and it will require not only innovative office solutions, but also a new approach to organisation. Office design trends have varied over the years; from cell offices, open landscapes and activity-based workplaces, to the new, relationship-based office.

Environments outside the office are becoming increasingly important in attracting future talents, with a move to focus more on people's well-being. We have recently launched our study and I am looking forward to fruitful discussions on this topic with our customers and partners. I am confident that we have exactly the right strategy for the future. Sustainable, attractive locations that have great service facilities, good public transport and the option to fully adapt the premises to the customer's needs are and will remain our core strength.



The vision for Sickla – a location with facilities to promote an active lifestyle next to workplaces, residential service and retail – is becoming a reality, step by step.

Ulrika Danielsson appointed as our new CFO

At the start of September we announced that Ulrika Danielsson will be our new CFO. She joins the company from Castellum, where she was the Director of both Economy and Finance. I am so happy that Ulrika has accepted the job. She has long and extensive experience of the industry, and she will bring so much expertise and commercial drive with her. Ulrika will start on 15 November.

The vision for Sickla is becoming a reality, step by step

In this quarter we carried out several strategically important lettings in Sickla, which are fully in line with our long-term investment to create a vibrant urban environment. Sickla is a location where experiences and facilities to promote an active lifestyle are next to workplaces, residential, culture, service and retail. We have seen a lot of interest in establishing in Sickla, including during the pandemic, which I think shows how relevant our urban development strategy is in general, but in particular how attractive this location is.

Centurion Padel is going to open in Magasinet in Sickla at the beginning of November with an area of just over 1,800 m². It will feature a full-range store, a cafe, three doubles courts and a unique and a purpose-built paddle tennis court for people to try out the game. A Skills Academy football centre also opened earlier this year; Alba Golf will be opening a completely new kind of golfing experience in December; and Friskis & Svettis recently opened its doors to a brand new gym in incredible premises in the new Curanten building.

Many restaurants also opened here during the spring and autumn, including Brillo Pizza, Bastard Burgers and Bistro Fanny Udde, and we have also signed a contract with Niklas & Friends, which will open a new restaurant in the office property Sickla Front, next to Hammarby Sjöstad. We previously announced that we had signed a lease contract for 3,100 m² with XXL, the largest sports chain in the Nordic region, which is going to open in Sickla. XXL will move into a brand new part of Sickla shopping centre and its full-range store is scheduled to open in the autumn of 2021. The fact that XXL is establishing a store here makes Sickla one of the biggest destinations for sport and leisure in the Stockholm area. We have also signed new contracts with Lagerhaus, Rituals, Normal and Polarn och Pyret for this new section of the shopping centre, which means that 94 per cent of the shopping centre project is now let.

Finally, I am extremely happy to announce that IKEA Sverige will open a large planning studio in Sickla at the beginning of next year. An area comprising more than 700 m² will provide personal service and advice that will focus on kitchens, bedrooms and storage. Sickla already has an extensive range of home interior and kitchen companies. IKEA is going to be a very welcome addition to the other companies in the area, including HTH Kök, Ballingslöv, Marbodol and Electrolux. Along with IKEA they are creating

a clear destination for people in central and eastern Stockholm who are interested in home interiors and kitchens.

Continued success in our residential business

I would like to mention once again the incredible success that our residential business continues to have. Demand for residentials in Nobelberget in Sickla has been high and the second residential block with 56 apartments has now sold out. This is why we have decided to bring forward the date when we will start selling the next block. Sales of 93 tenant-owned dwellings will start on 23 October and they should be ready for occupancy during the first quarter of 2024. The area is already bursting with life and movement, so it is going to be great to have another block there.

Sales are also underway for our first tenant-owned dwelling project in Uppsala, Parkhusen in Gränbystaden. At the time of writing, booking contracts have been signed for 34 per cent of the first phase of 58 apartments. The project will comprise a total of 98 tenant-owned dwellings.

Profit for the period

Rental income in comparable portfolios increased by 2.1 per cent. The office segment reported the highest growth. In total, our rental income decreased

by 5 per cent, which was due to vacating Farsta Centrum in June 2020 and vacating our properties in Ärvinge in Kista at the end of the first six months of 2022. For the first nine months we increased our profit before changes in value by more than 12 per cent, SEK 103 million; it was the profit from our first tenant-owned dwelling project that had the greatest impact. The change in value of the properties amounted to more than SEK 1.5 billion, most of which relates to better operating net and higher project returns. Profit for the period amounted to SEK 2.3 billion.

I am looking forward to an autumn filled with face-to-face meetings, inspiration, innovation and business deals. It is so great that we can now meet all our customers and colleagues at the office. I believe in the power of projects where we can work together. As people we are outstanding when we work together, and face-to-face meetings play a crucial role in this. You cannot beat the speed at which we solve problems in the corridors or at the coffee machine.

Annica Ånäs, CEO

ATRIUM LJUNGBERG AS AN INVESTMENT

Four reasons to own shares in Atrium Ljungberg

STABLE DIVIDEND YIELD

The dividend yield over the past five years has been 2.9 per cent per year on average. The 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

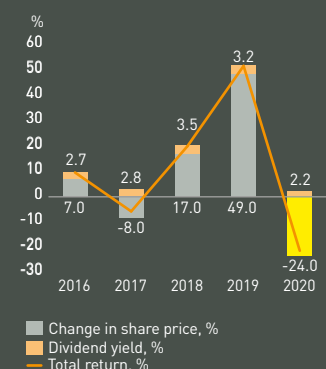


POTENTIAL FOR GOOD VALUE GROWTH

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.

Share's total yield

– A total yield averaging 11 per cent over the past five years



LOW FINANCIAL RISK

We are in a strong financial position, with solid key performance indicators, including 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 a higher interest coverage ratio

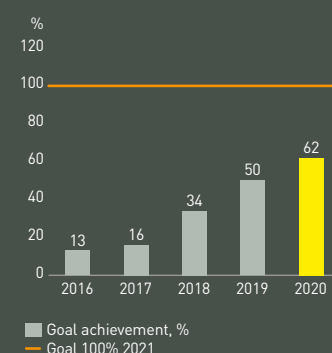


SUSTAINABLE URBAN DEVELOPMENT

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.

Proportion of environmentally certified properties

– The goal is to have 100 per cent certified buildings by the end of 2021



Sustainable urban development

We currently own, develop and manage properties totalling 1,052,000 m² letting area with a property value of SEK 49 billion.

Our focus is on developing attractive urban environments in Stockholm, Gothenburg, Malmö and Uppsala. Working with the municipalities, our customers and the people living in the cities, we build vibrant urban environments where offices, residential and retail mix with culture, services, healthcare and education.

We believe strongly in innovation and the development of attractive locations for the future. Attractive city districts are not only about buildings; what happens inside and between the buildings is just as important.

Our subsidiary TL Bygg, a building contractor, broadens Atrium Ljungberg's offering and strengthens our business, allowing us to carry out projects with high levels of efficiency and flexibility.

VALUES

Our values form an integral part of everything we do and guide us in how we deal with our customers and other stakeholders. Caring for people and the environment is a key part of our business activities and is reflected in our values, processes, action plans and daily routines.

COLLABORATION

Collaborating across boundaries allows us to create entirely new opportunities – both for ourselves and for our customers.

LONG-TERMISM

The future permeates everything we do – from our ownership and sustainable solutions to how we work internally within the company and in our relationships with customers and partners.

RELIABILITY

We keep our promises. The motto of 'our handshake is our bond' is just as relevant today as it has always been.

INNOVATIVE THINKING

We identify opportunities and always find the best solutions in our own way. We want to learn, try out new ideas and find new ways of collaborating so that we can create an attractive customer offering.

BUSINESS MODEL

PROJECT DEVELOPMENT

Our project development comprises both new builds and reconstructions/extensions and takes place in attractive locations in metropolitan regions, often with our existing property holdings. Our projects are run by our own staff – from the original concept to the time people move in. The return on projects is to be more profitable than acquiring properties with an existing cash flow. Projects therefore contribute to both net operating growth and value growth.

PROPERTY MANAGEMENT

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

ACQUISITION 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. We sell properties where we realise that there are no opportunities for long-term development in line with our business model and vision. Most of the properties we have sold over the last few years have been retail.

OUR 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.

CREATING VALUE FOR STAKEHOLDERS

CUSTOMERS

We are a long-term landlord that works closely with our customers, which creates continuity and security. By having local management staff, we can identify customer needs early on, and therefore create the right conditions for them to develop and conduct profitable, sustainable business. Meeting places with a mix of activities generate added value for our customers, where the different players benefit from one another.



OWNERS AND INVESTORS

Our business model, innovative sustainable urban development and a large project portfolio concentrated among attractive areas in four growing metropolitan regions provide a firm foundation for a stable rate of investment. By investing in held properties and managing them effectively, we create good value growth for Atrium Ljungberg's owners.



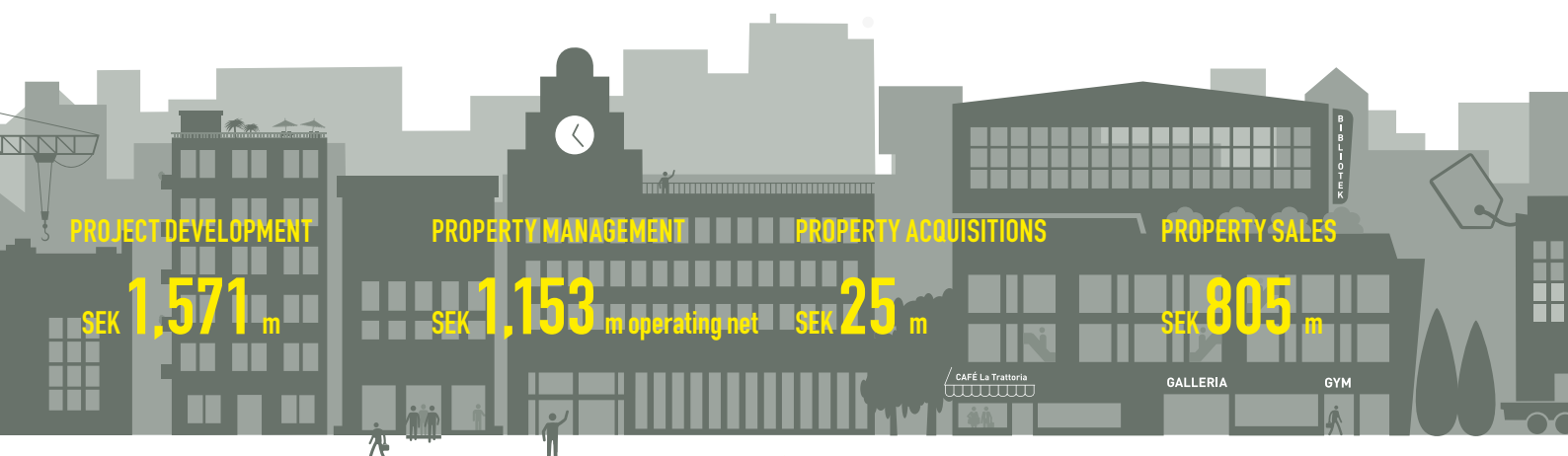
SOCIETY

We create sustainable urban environments where people want to live, work and spend time. We take advantage of the financial, social and environmental values that already exist and add new ones that increase the attractiveness of the location. We put the conditions in place for vibrant urban environments with a mix of offices, residential, retail, service, education and culture, and we take on a lot of responsibility for a location in terms of security, services and parks.



EMPLOYEES

We have in place strongly-rooted core values and a good workplace culture, clear goals and the potential for development, which allows our employees to be happy, to thrive and to deliver at their very best. Our workplace stimulates collaboration, creativity and efficiency, which are essential components for a company to succeed.



CONSOLIDATED INCOME STATEMENT

	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Quarter 2021 Jul-Sep	Quarter 2020 Jul-Sep	Full year 2020 Jan-Dec	12 months 2020/2021 Oct-Sep
Amounts in SEK m						
Rental income	1,692	1,789	555	561	2,344	2,247
Net sales, project and construction work	697	377	88	139	495	815
Net sales	2,389	2,166	643	700	2,839	3,062
Property management costs						
Service charge-related costs	-118	-125	-37	-33	-165	-158
Other operating costs	-136	-162	-37	-42	-208	-181
Management costs	-109	-119	-32	-30	-166	-156
Repairs	-28	-32	-10	-9	-45	-42
Property tax	-139	-140	-48	-52	-185	-185
Non-deductible VAT	-9	-6	-2	-2	-9	-12
	-540	-585	-167	-167	-779	-734
Project and construction work costs	-582	-389	-99	-150	-508	-701
Gross profit	1,267	1,192	378	383	1,552	1,627
- of which gross profit/loss property management (operating surplus)	1,153	1,205	388	394	1,565	1,513
- of which gross profit/loss from project and construction work	114	-13	-11	-11	-13	114
Central administration, property management	-57	-53	-20	-15	-75	-78
Central administration, project and construction work	-13	-11	-4	-3	-17	-18
	-70	-65	-25	-18	-91	-97
Financial income	1	3	0	-1	3	1
Financial expenses	-229	-263	-84	-81	-309	-275
Leasehold fees	-23	-24	-7	-7	-31	-30
	-252	-285	-91	-88	-337	-304
Profit before changes in value	945	842	262	277	1,124	1,227
Changes in value						
Properties, unrealised	1,592	-742	461	467	-119	2,215
Properties, realised	-16	-84	0	-16	-81	-13
Derivatives, unrealised	325	-285	72	-45	-252	358
	1,901	-1,110	533	406	-452	2,560
Profit before tax	2,846	-268	795	683	672	3,787
Current tax	-31	-32	-12	-26	-41	-40
Deferred tax	-498	477	-156	89	236	-739
	-529	445	-168	63	195	-779
Profit for the period	2,318	177	627	745	867	3,008
Other comprehensive income						
Items which will be reclassified to profit/loss						
Cash flow hedging	5	10	0	3	13	8
Tax attributable to cash flow hedging	-1	-2	-0	-1	-3	-2
Total other comprehensive income	4	8	0	2	10	6
Total comprehensive income for the period	2,322	185	627	748	877	3,014
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	18.28	1.37	4.96	5.75	6.69	23.62

PROFIT JANUARY–SEPTEMBER 2021

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 Lindholmen 44:2 in Gothenburg which was taken into possession on 15 January 2021; Kvarngärdet 33: in Uppsala, which was taken into possession on 22 December 2020; and Eken 14 in Sundbyberg, which was taken into possession on 3 June 2020. Farsta Centrum was vacated on 1 June 2020. Kolding 3 and 4 in Kista were vacated on 1 July 2021.

Net sales

The Group's net sales for the period amounted to SEK 2,389 million (SEK 2,166 m), of which rental income comprised SEK 1,692 million (SEK 1,789 m). The temporary rent rebates that were given as a result of the Covid-19 pandemic (rebates related to Covid-19) amounted to SEK 11 million net (SEK 39 m) for the period. The application to the government rental assistance scheme regarding the temporary rebates related to Covid-19 amounted to SEK 8 million (SEK 33 m) in this period. Rental income in comparable portfolios amounted to SEK 1,520 million (SEK 1,490), an increase of SEK 30 million or 2.1 per cent. This increase in rental income is mostly due to the lower temporary rebates related to Covid-19, which decreased by 28 million net in comparable portfolios. The development in rental income excluding rebates related to Covid-19 amounted to 0.5 per cent, with office properties increasing by 1.6 per cent and retail properties decreasing by 1.2 per cent. The increase in rental growth for office properties is primarily due to new lettings and renegotiations, but it has also been negatively affected by some large premises being vacated. This reduction in rental growth for retail properties has mostly been caused by vacancies, lower sales rent and renegotiations.

During the period, non-recurring payments of SEK 5 million (SEK 2 m) were received for premature vacating of premises.

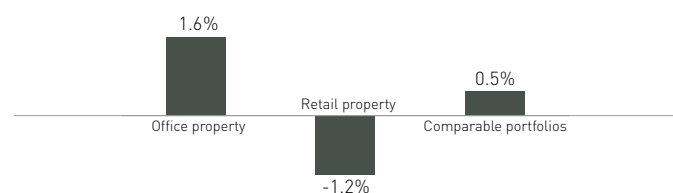
Sales for project and construction work amounted to SEK 697 million (SEK 377 m). The main reason for this increase is the sale of block 1 of the tenant-owned dwelling project in Nobelberget.

Rental income trend

	Period 2021 Jan–Sep	Period 2020 Jan–Sep	Change, %
Comparable portfolios, excl. rebates related to Covid-19	1,527	1,520	0.5%
Non-recurring payments and rebates related to Covid-19	–6	–36	
Project properties	116	101	
Properties acquired	17	4	
Properties sold	37	201	
Rental income	1,692	1,789	–5.4%

Rental income growth in comparable portfolios

– The development of rental income is recognised excluding rebates related to Covid-19



Property costs

Property costs amounted to SEK 540 million (SEK 585 m) for the period. This reduction is mostly due to the sale of Farsta Centrum and Kolding 3 and 4 in Kista. For comparable portfolios, property costs have decreased by SEK 5 million compared with the same period last year. This reduction in costs is mostly due to the fact that anticipated and confirmed customer losses decreased by SEK 20 million compared with the same period last year. The higher costs for heating and snow clearance are explained by a colder winter, and the fact that restrictions due to the Covid-19 pandemic in shopping centres and stores resulted in higher costs for security and cleaning compared with the same period last year. Higher electricity costs are due to higher electricity network charges.

Property costs trend

	Period 2021 Jan–Sep	Period 2020 Jan–Sep	Change, %
Comparable portfolios	–457	–462	–1.1%
Project properties	–62	–49	
Properties acquired	–7	–1	
Properties sold	–14	–72	
Property management costs	–540	–585	–7.7%

Gross profit property management

The gross profit for property management (operating surplus) amounted to SEK 1,153 million (SEK 1,205 m). This reduction is mostly due to the sale of Farsta Centrum and Kolding 3 and 4 in Kista. For comparable portfolios, the gross profit for property management, excluding rebates related to Covid-19, increased by 1.2 per cent compared with the same period of the previous year.

The operating surplus margin amounted to 68 per cent (67%).

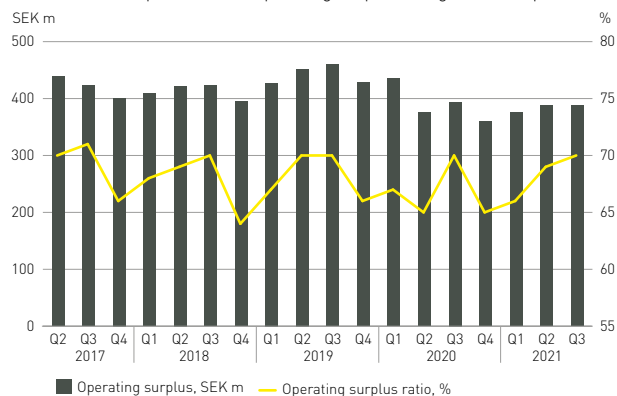
Gross profit/loss project and construction work

The gross profit for project and construction work amounted to SEK 114 million (SEK –13 m). The improvement in gross profit was mostly due to the sale of block 1 of the tenant-owned dwelling project in Nobelberget with a gross profit of SEK 91 million and a project return of 30 per cent; the fact that a car park was not included in the project has had a positive impact on the figures.

Sales in TL Bygg amounted to SEK 559 million (SEK 626 m) for the period, of which 44 per cent (40%) refers to intra-Group sales. TL Bygg's gross profit, including intra-Group transactions, amounted to SEK 51 million (SEK 35 m). The increase in gross profit for TL Bygg is mostly due to the ruling in a dispute that found in TL Bygg's favour.

Operating surplus and operating surplus margin

– Positive development in the operating surplus margin for the quarter





CURANTEN IN SICKLA

Curanten is a healthcare destination in the heart of Sickla, with tenants that include a health centre, dentist, children's clinic and baby swimming all under one roof. The project has an environmental focus; for example, brickwork from the original industrial buildings have been saved and reused.

PROFIT JANUARY– SEPTEMBER 2021, cont.

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

Net financial items

Financial income and expenses including leasehold fees amounted to SEK –252 million (SEK –285 m) for the period. This reduction is mostly due to greater capitalisation of interest linked to the acquisition of land for projects. 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 17–18.

Changes in value

Unrealised changes in the value of investment properties amounted to SEK 1,592 million (SEK –742 m) for the period and SEK 461 million (SEK 467 m) for the quarter. A significant proportion of the unrealised change in value for the quarter is from project properties that are approaching completion, for which lower residual risk and the amount of investment have had the biggest impact. Lower yield requirements for properties with strong secure cash flows have also contributed to this. For the period, the unrealised change in value is mostly due to an improved operating net and project returns. The significant negative change in market value compared with the same period in the previous year was due to greater uncertainty for retail properties as a result of the outbreak of the Covid-19 pandemic. For more information, refer to the section on property values on pages 9–11.

Unrealised changes in the value of derivatives amounted to SEK 325 million (SEK –285 m) as a result of a rise in long-term market interest rates.

Realised changes in the value of investment properties amounted to SEK –16 million (SEK –84 m) and were mostly attributable to the sale of Kolding 3 and 4, which were vacated on 1 July 2021.

Tax

The current tax for the period amounted to SEK –31 million (–32). The current tax has been affected by tax deductible depreciation and investments. Deferred tax amounted to SEK –498 million (SEK 477 m), which was mainly impacted by unrealised changes in the value of properties and derivatives.

The company tax rate for the 2021 tax year is 20.6 per cent. The deferred tax liability has been calculated at the same tax rate.

The Group's accumulated fiscal deficit amounted to SEK 5 million (SEK 14 m).

The residual tax value of the property stock amounts to SEK 18,596 million (17,894 m).

Tax calculation January–September 2021

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	2,846	
Tax deductible		
depreciation	–434	434
investments	–153	153
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–1,592	1,592
changes in the value of properties, realised	16	–16
changes in the value of derivatives, unrealised	–325	364
consolidated capitalisation of borrowing	–64	64
consolidated internal profit	18	–18
Other fiscal adjustments	–96	76
Taxable profit/loss before loss carry-forwards	216	2,650
Change in loss carry-forwards	–71	–
Taxable profit	145	2,650
Of which 20.6% current/deferred tax	–30	–546
Correction of tax from previous years	–1	13
Reversal of deferred tax for properties sold		35
Reported tax expense	–31	–498

Profit

Profit before changes in value totalled SEK 945 million (SEK 842 m). Earnings from the tenant-owned dwelling project, block 1 in Nobelberget had a positive effect, with a profit of SEK 91 million.

Profit for the period amounted to SEK 2,318 million (SEK 177 m), corresponding to SEK 18.28/share (SEK 1.37).

CONSOLIDATED BALANCE SHEET, SUMMARY

Amounts in SEK m	30 Sep 2021	30 Sep 2020	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS					
Investment properties	48,258	44,668	47,338	43,616	46,026
Right-of-use asset, leaseholds	1,025	981	1,044	981	1,179
Goodwill	165	165	165	165	165
Other non-current assets	121	118	149	122	217
Derivatives	105	1	82	9	7
Total non-current assets	49,673	45,933	48,777	44,893	47,594
Development properties	1,176	1,196	1,106	1,152	1,308
Current assets	532	629	1,205	606	434
Cash and cash equivalents	801	651	689	764	279
Total current assets	2,510	2,475	3,000	2,522	2,021
Total assets	52,183	48,408	51,777	47,415	49,615
EQUITY AND LIABILITIES					
Equity	24,124	22,299	23,516	21,552	22,668
Deferred tax liability	5,190	4,443	5,033	4,535	4,686
Non-current interest-bearing liabilities	20,293	17,048	20,696	18,230	18,905
Non-current finance lease liability	1,025	981	1,044	981	1,179
Derivatives	324	695	387	627	662
Other non-current liabilities	256	228	245	224	229
Total non-current liabilities	27,087	23,395	27,405	24,597	25,662
Current interest-bearing liabilities	–	1,533	–	234	–
Other current liabilities	972	1,181	857	1,032	1,285
Total current liabilities	972	2,715	857	1,266	1,285
Total equity and liabilities	52,183	48,408	51,777	47,415	49,615

Customer payments

Rent receivables that relate to rental income invoiced for the third quarter of 2021 and due for payment amounted to SEK 12 million as of 30 September 2021. For rental income relating to the second quarter of 2021, the corresponding amount is SEK 15 million. Any part of the receivables that is considered to be uncertain and will therefore not have a future impact on earnings is carried as an expense.

In terms of invoicing for the fourth quarter of 2021, only amounts that have been paid are included in the balance sheet as of 30 September 2021. Receivables from invoicing for the fourth quarter of 2021 are only recognised as of 1 October 2021 and are not included in the balance sheet on the closing date.

A total of SEK 28 million of government support out of the SEK 33 million that had been applied for in 2020 has been granted and paid. The remaining SEK 5 million that was not granted has been charged to the tenants in question. In 2021 applications have been made for an additional SEK 8 million; SEK 4 million has been granted, while the rest is currently being processed by the Swedish National Board of Housing, Building and Planning.

CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK m	Attributable to the parent company shareholders				
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	Total equity
Opening balance as of 1 January 2020	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
Profit for the period				690	690
Other comprehensive income			2		2
Acquisition of own shares				-324	-324
Closing balance as of 31 December 2020	333	3,960	-4	18,380	22,668
Opening balance as of 1 January 2021	333	3,960	-4	18,380	22,668
Profit for the period				2,318	2,318
Other comprehensive income			4		4
Change in own shares				-226	-226
Dividend, SEK 5.05/share				-640	-640
Closing balance as of 30 Sep 2021	333	3,960	-	19,831	24,124

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 1,346,000 (118 000) class B shares during the period, including 100,000 (-) during the third quarter. In the third quarter, 24,622 shares were also sold as a result of share options being used. At the end of the quarter the company owned 6,803,378 class B shares (3,500,000). As of 30 September 2021, the number of outstanding shares amounted to 126,417,358 (129,720,736). The average number of outstanding shares for the period from 1 January 2021 to 30 September 2021 amounts to 126,779,875 (129,753,772).

MARKET AND PROPERTY PORTFOLIO

The property market

In the period up to 30 September, the total transaction volume in Sweden amounted to SEK 213 billion, according to Savills. Over the past 12 months transactions totalling more than SEK 290 billion has been carried out; this shows that interest in property investments remains strong. Residential has so far been the dominant segment, with approximately 38 per cent of the transaction volume, followed by warehouse and industry with 9 per cent, and offices with 6 per cent. Structural deals account for approximately 45 per cent of the total transaction volume.

In Atrium Ljungberg's markets, the required yield for office properties are assessed to have remained stable during the quarter. The letting processes continue to take slightly longer than before the Covid-19 pandemic, but lease contracts are still being signed at attractive rent levels in all of Atrium Ljungberg's subsidiary markets. The required yield for retail properties are assessed to have remained stable during the period. Visitor figures for the retail segment have been hit by Covid-19. However, there is a lot of variation between the different segments, with lower demand for shoes and clothes, while groceries, DIY and electronics remain strong.

During the period there has been a broad increase in prices for privately-owned housing in all major city areas. People are spending more time at home and are working from home, resulting in changes to

residential preferences. This has led to an increase in demand for larger homes and homes that are close to nature.

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 (68%) of the contracted annual rent. At the end of the quarter our property portfolio contained a total of 67 properties (66) with a total area of 1,052,000 m² including garages (1,078,000).

During the period an acquisition was agreed for part of the property Lundbyvassen 4:6 in Lindholmen in Gothenburg, with possession expected at the beginning of 2024. Another property in Lindholmen in Gothenburg, Lindholmen 44:2, was also acquired and taken into possession. During the year the leaseholds Kolding 3 and Kolding 4 in Kista in Stockholm, were also vacated.

In 2020 an office property in Sundbyberg in Stockholm, Eken 14, was acquired and taken into possession, as well as an office property in Uppsala, Kvarngärdet 33:2. In Uppsala, the property Kungsängen 22:2 was also acquired, with possession expected at the beginning of 2023. In 2020 a total of five properties were vacated in Farsta Centrum, four with leaseholds.

Properties acquired and taken into possession

Property	Area	Category	Letting area, m ²	Possession	Underlying price property, SEK m
Lindholmen 44:2	Gothenburg	Offices	-	January 2021	25

Property sales

Property	Area	Category	Letting area, m ²	Date vacated	Underlying price property, SEK m
Kolding 3, Kolding 4	Kista	Offices	59,506	July 2021	805

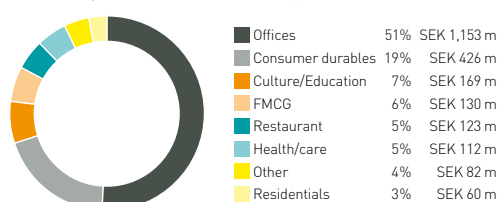
In the second quarter of 2020 one property was reclassified from a retail property to an office property in accordance with the definitions, as the rental value for offices now exceeds retail in this property, caused by a retail premises being converted into an office premises.

Contracted annual rent and letting rate

As of 1 October 2021 the contracted annual rent amounted to SEK 2,254 million (SEK 2,243 m). The increase was mostly due to changes in the property portfolio. The economic letting rate including project properties was 91 per cent (92%), and excluding project properties, 91 per cent (92%). The vacancy rate was therefore 9 per cent (9%). Less than one 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 residentials and parking was 3.7 years (3.4 years) as of 1 October 2021.

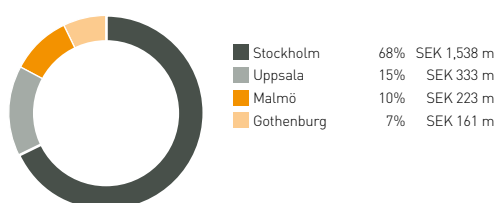
Contracted annual rent per premises type

– A mixed portfolio creates flexibility

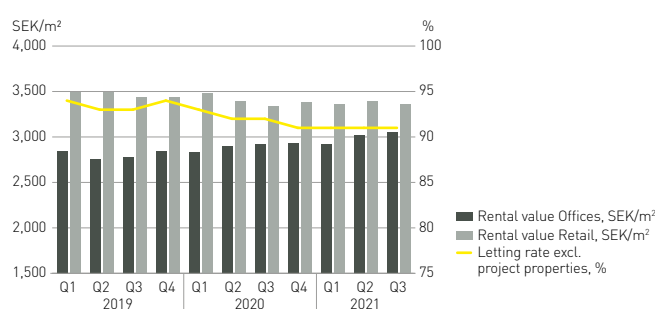


Contracted annual rent per region

– Only in strong growth regions



Rental value per m² and letting rate



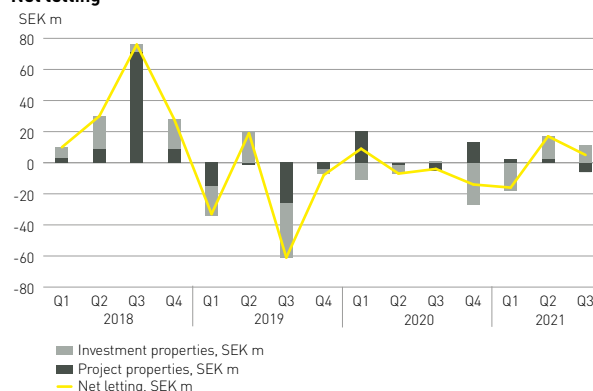
Net letting

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 5 million (SEK –4 m), of which SEK –6 million (SEK –2 m) referred to project properties. Newly signed contracts relate primarily to the Stockholm area, and include both offices and retail, while terminations relate primarily to offices in Stockholm, with a high number of terminations by landlords (SEK 18 m) for future projects. Net letting for the period amounted to SEK 12 million (SEK –2 m), of which SEK 1 million (SEK 17 m) referred to project properties. In the second quarter a tenant in one of our projects decided to use its option to leave more than 4,000 m², which has had a major impact on our net letting. The tenant will need to pay a penalty for returning these premises, which we will receive in the fourth quarter of this year.

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

Net letting



Property valuation

Atrium Ljungberg has internally valued the entire property portfolio as of 1 October 2021. 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 established development rights in accordance with an approved detailed development plan, or where the detailed development plan is expected to become legally binding in 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.

Market value for comparable portfolios

At the end of the period the market value for comparable portfolios was SEK 38,491 million, corresponding to 80 per cent of the property portfolio's total value.

Rental value and letting rate

Premises type	1 Oct 2021			1 Oct 2020		
	Rental value, SEK m	Rental value, SEK/m² ¹⁾	Letting rate, %	Rental value, SEK m	Rental value, SEK/m² ¹⁾	Letting rate, %
Offices	1,210	3,048	92	1,212	2,923	92
Retail	732	3,356	90	748	3,335	91
Other	222	2,126	90	246	2,157	93
Residentials	48	1,756	98	57	1,762	100
Garage/parking	38	–	95	53	–	94
Business area Property	2,249	3,013	91	2,316	2,950	92
Project properties	218		92	128	1,386	90
Total	2,466		91	2,444		92

¹⁾ m² excluding garage

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.

The book value amounted to SEK 1,176 million as of 30 September 2021 and the market value was SEK 1,565 million as of the same date; this refers primarily to Nobelberget, Kyrkviken, other Sickla and Gränby.

Change in value

The unrealised change in value during the quarter amounted to SEK 461 million (SEK 467 m). A significant proportion of the unrealised change in value is from project properties that are approaching completion, for which lower residual risk and the amount of investment have had the biggest impact. Lower yield requirements for properties with strong secure cash flows have also contributed to this.

Development rights

In total there is 459,000 m² GFA of development rights excluding land allocations and reconstructions, of which 76,000 m² GFA has a legally binding detailed development plan. 383,000 m² GFA requires a change in the detailed development plan to be able to be realised. 32,000 m² GFA of the legally binding development rights relates to commercial development rights and 44,000 m² GFA to development properties. The book value for development rights for commercial premises amounts to approximately SEK 6,000/m² GFA for. Legally binding development rights related to rental apartments have now become development properties. The book value for development rights for development properties amounts to approximately SEK 3,300/m² GFA, calculated based on 171,000 m² GFA, which also includes land that does not have a detailed development plan. The volume of development rights for land allocations amounts to approximately 347,000 m², which are mostly in Slakthusområdet, Hagastaden and Slussen in Stockholm, as well as Gränbystaden in Uppsala.

Change in the property portfolio

SEK m	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Full year 2020 Jan-Dec
Investment properties			
Fair value at the beginning of the period	46,026	47,513	47,513
Acquisitions (after deduction of latent tax)	25	266	410
Sales	-805	-3,979	-3,979
Investments in held properties	1,430	1,610	2,208
Unrealised changes in value	1,592	-742	-119
Reclassification	-11	-	-7
Fair value at the end of the period	48,258	44,668	46,026
Development properties			
At the beginning of the period	1,308	997	997
Reclassification	11	-	7
Sales for tenant-owned dwelling projects	-284	-	-
Investments in tenant-owned dwelling projects	141	199	305
Development properties, at the end of the period	1,176	1,196	1,308
Property portfolio, total ¹⁾	49,434	45,864	47,334

Unrealised changes in value, properties

SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Change in yield requirements	307	304	231	702	286	254	-791	549
Change in operating net, etc.	147	667	-64	-79	181	25	-695	107
Development rights	6	-6	-	-	-	-	-	30
Total	461	964	167	623	467	279	-1,486	686

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

Property type	30 Sep 2021			30 Sep 2020		
	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	580	27,459	58,868	604	25,588	53,736
Retail properties	302	10,127	42,160	327	10,808	41,035
Residentials	45	1,318	34,073	45	1,272	32,863
Business area Property	928	38,904	52,197	976	37,667	48,400
Project properties	119	8,788	E/T ²⁾	97	6,489	E/T ²⁾
Land and development rights	-	565		-	512	
Total Investment properties	1,047	48,258		1,073	44,668	
Development properties	6	1,176		6	1,196	
Property portfolio, total ³⁾	1,052	49,434		1,078	45,864	

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.



NOBELBERGET, KONSTHARTS TENANT-OWNED DWELLING PROJECT

Sales started for the second block in Nobelberget in the autumn of 2020. All 56 apartments have been sold and are expected to be ready for occupancy in the second half of 2022. It comprises two buildings surrounding an open, green space that resembles a pocket park. The apartments' interiors have been inspired by Nobelberget's industrial heritage.

Decided and completed projects

Investments in held properties amounted to SEK 1,571 m (SEK 1,809 m), of which SEK 873 m (SEK 1,177 m) was in project properties and SEK 141 m (SEK 199 m) in development properties. Investments in project properties relate primarily to projects in Hagastaden, Sickla, Barkarbystaden and Slussen. All of our decided projects are progressing according to plan and none of them have been affected to any significant extent by the ongoing pandemic.

In the first quarter of 2021 our first tenant-owned dwelling project in Nobelberget, Brf Sicklastråket, was completed, comprising 68 apartments, while in May the first block in Parkhusen, Uppsala, was completed with 44 rental apartments.

The remaining investment volume for decided projects amounted to SEK 1,790 million as of 30 September.

Stockholm

SICKLA, NACKA

Tapetfabriken – The old wallpaper factory at Marcusplatsen in Sickla has been developed into a hotel, with Nordic Choice Hotels as the tenant. The hotel was opened at the beginning of June and features 240 hotel rooms, conference premises, a restaurant and a lobby measuring 2,000 m².

Brf Konstharts – Nobelberget's second block comprises 56 tenant-owned apartments, three commercial premises on the ground floors and a parking garage. Sales and production for this project started in the autumn of 2020 and as of the middle of August 2021, binding contracts had been signed for all of the apartments. The project is expected to be ready for occupancy in the third 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 3,100 m² have been created for retail and service. Work is currently underway on installations and tenant adaptations. The sports and leisure company XXL signed a lease contract for a store measuring 3,100 m² on the second floor. Contracts have been signed with companies such as Rituals, Normal and Lekia for premises on the ground floor. It is expected to be completed in the fourth quarter, with stores scheduled to open in November 2021.

SLUSSEN

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

SLAKTHUSOMRÅDET

Slakthusområdet – The development of the area is progressing according to plan. We have made a decision to invest SEK 160 million in the project. Slakthushallarna will be at the heart of this destination for food, culture and experiences that we are creating in this area; this will play a key role in attracting companies here. Construction is expected to start in the autumn and be completed in the summer of 2022.

HAGASTADEN

Life City – Life City is being built next to New Karolinska Solna University Hospital. The building comprises 27,500 m² and the investment amounts to SEK 1.7 billion including land acquisitions. We are creating a new meeting place here for companies and organisations that support the emerging life science cluster in this city district. In addition to the contract with Academic Work, we have also signed a contract for 2,000 m² with the biotechnology company 10x Genomics. The company, headquartered in California, has been operating a research centre in Sweden since 2018 and the company's products are used by researchers around the world. In the spring a contract for 800 m² was also signed with the restaurant K-märkt. This restaurant/cafe will supplement the conference and meeting activities in the building and represents an important piece of the puzzle in creating a new meeting place in Hagastaden.

Production is on schedule with the first tenants planning to move in during the fourth quarter of 2021. The entire building is planned for completion in the spring of 2022.

BARKARBYSTADEN, JÄRFÄLLA

Bas Barkarby – Construction of the first phase of Bas Barkarby comprises 24,200 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 two upper secondary schools, offices, a restaurant and healthcare facilities. Internal construction work is underway and the building is expected to be completed in the summer of 2022.

Rental contracts have been signed not only with Järfälla Municipality, but also with Svea Education and Värmdö Tekniska Utbildningar, and for the head office of a company in the interior design sector. Following assessments carried out by the Swedish Schools Inspectorate, the applications from Svea Education and Värmdö Tekniska Utbildningar were rejected. These decisions will be appealed. The letting rate is 80 per cent and interest remains high in establishing activities in this building.

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

Uppsala

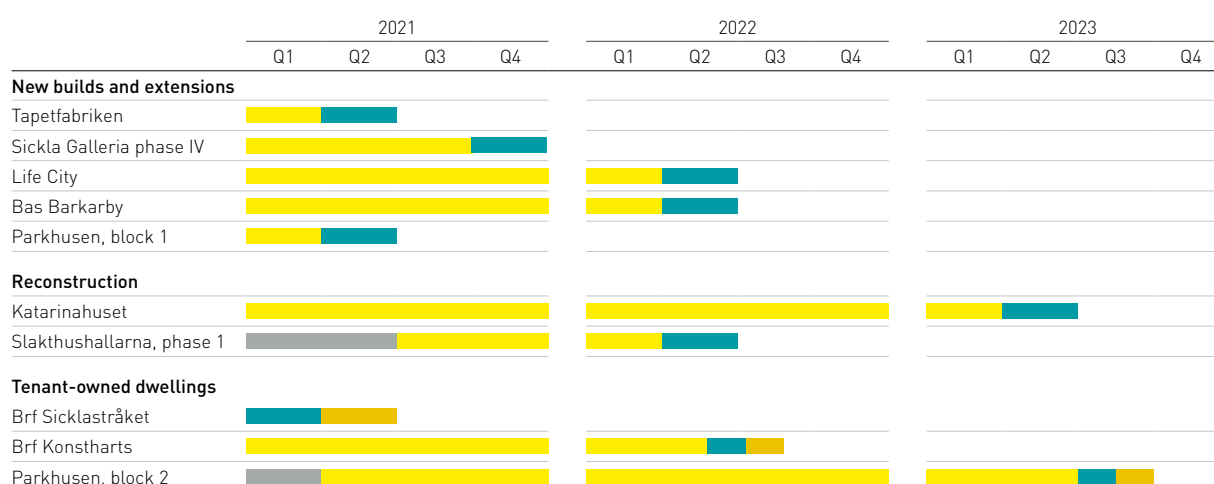
GRÄNBYSTADEN

Parkhusen, block 1 – We are building a residential district called Parkhusen with approximately 300 apartments close to both Gränbystaden Galleria and Gränbyparken. Parkhusen will create an urban frontage and a clearly defined entrance to the park. Block 1 comprises 44 rental apartments with commercial premises on the ground floor. The project was completed in May 2021 and all apartments have been let, including the commercial premises.

Parkhusen, block 2 – We are planning our first tenant-owned dwellings here in Gränbystaden, totalling 98 apartments. Sales for this project started in June 2021 and as of 30 September, 34 per cent of the first phase was booked, which comprises 58 apartments. The project is expected to be complete in the third quarter of 2023.

Schedule for decided projects

■ Planning ■ Construction ■ Completion ■ Revenue recognition – Tenant-owned dwelling projects



Decided projects

	Letting area, m ²					Total invest- ment, SEK m ¹⁾	Of which remaining, SEK m	Fair value, SEK m	Rental value, SEK m ²⁾	Letting rate, %
Project, property, municipality	Retail	Offices	Residen- tial units	Other	Parking, GFA					
New builds and extensions										
Tapetfabriken, Sicklaön 83:22, Nacka				10,500	4,600	430	30		E/T ³⁾	100
Sickla Galleria phase IV, Sicklaön 83:22, Nacka	5,000				6,300	150	20		16	94
Life City, Molekylen 1, Stockholm		27,500			4,400	1,680	340		110	59
Bas Barkarby, Barkarby 2:64, Järfälla		4,000		20,200		870	260		58	80
Parkhusen, block 1, Gränby 25:1, Uppsala	100		2,700			120	10		6	100
Total new builds and extensions	5,100	31,500	2,700	30,700	15,300	3,250	660			
Reconstruction										
Katarinahuset, Tranbodarne 11, Stockholm	2,900	18,400		3,800		980	700		125	E/T ³⁾
Slakthushallarna, phase 1, Kylhuset 26, Stockholm	2,300					160	110		10	57
Tenant-owned dwellings										
Brf Konstharts, Sicklaön 83:41, Nacka	300		3,600		800	280	80		E/T	100 ⁵⁾
Parkhusen block 2, part of Gränby 21:4, Uppsala			5,800		1,200	270	240		E/T	— ⁶⁾
Total decided projects	10,600	49,900	12,100	34,500	17,300	4,940	1,790	5,876 ⁴⁾		

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.

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

⁴⁾ Divided into SEK 3,800 million for new builds and extensions, SEK 1,883 million for reconstructions and SEK 193 million for tenant-owned dwelling projects.

⁵⁾ The percentage of apartments sold with binding contracts, in numbers.

⁶⁾ 34 per cent booked through booking contracts. 58 apartments (2 phases) of a total of 98 apartments have been released and have been secured through booking contracts.



GRÄNBYSTADEN IN UPPSALA

Gränbystaden continues its transformation into a vibrant urban environment with residential, offices, retail and service. Sales have started for the tenant-owned dwelling project Parkhusen and 34 per cent of the first phase has been booked. The development projects in Uppsala represent a total investment volume of approximately 4 billion, with the investment in Gränbystaden accounting for the vast majority of this.

Potential development projects

Our current project portfolio with new builds and property development projects enables future investments of approximately SEK 37 billion in addition to the remaining investments in ongoing projects of almost SEK 2 billion. In terms of area, 53 per cent of the future investments comprises offices and 36 per cent residential, while the remaining 11 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 almost 90 per cent of the investment volume. Most of our projects from the entire project portfolio are located in existing or future underground stations in the Stockholm area. 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 2022–2023

Stockholm

In Sickla we are continuing to develop Nobelberget with a total of 500 tenant-owned apartments. In the autumn of 2021 we plan to start the sales of 93 apartments, which benefit from a high and open location, with views in many different directions. The development of the remaining apartments will be carried out gradually based on market demand. In Nobelberget, we are creating an attractive and dense urban environment with residential, office premises, restaurants 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 detailed development plan was adopted in December 2020 by Nacka Municipality. The case has been at the Land and Environment Court of Appeal, but has now been referred back to the Land and Environment Court. Atrium Ljungberg and the Stockholm Regional Council are working jointly on a project that involves the construction of sections of the new station entrance. The building will also contain offices and other commercial premises. The ground work, shafting and blasting are currently underway.

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. The construction is scheduled for completion in the first quarter of 2024.

In Hagastaden we received a land allocation in March 2020 comprising two residential blocks and one office block. The first phase of this project will be a shared garage for these blocks and construction is expected to start in the summer of 2022.

In Sundbyberg we own the properties Eken 6 and Eken 14; Marabou's old chocolate factory and head office. In the first quarter of 2021 we received a positive planning decision for developing the Eken 14 property. We want to create a vibrant area here, inspired by its historic environment. This includes making Marabou Park more accessible by providing a new entrance. Modern workplaces are being created in a central location, which will also be developed with a wide range of cultural and service activities. The development plans comprise a total of more than 26,000 m² GFA.

Göteborg

In 2022 the detailed development plan process is scheduled to start for a reconstruction and extension project for the Tornen property in Lindholmen in Gothenburg. Approximately 30,000 m² GFA of modern office space will be created.

Malmö

In Mobilia we have a development right of 5,400 m² GFA for offices on the street Trelleborgsvägen. A building permit was received in the previous quarter and the project is now ready to start. 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 hub in southern Malmö.

Uppsala

In Gränbystaden, Uppsala's second city centre continues to be developed. As well as the residential blocks in Parkhusen, there is also the potential for approximately 150 more apartments within the framework of the existing detailed development plan.



White Arkitekter/
City of Stockholm

SLUSSEN

Slussen will become a dynamic meeting place and a destination for both tourists and people living in Stockholm. Atrium Ljungberg is one of the largest property owners and has several land allocations in the area, including the future retail hub Mälarterrassen and an office building.

Major development areas, project starts from 2024

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 around 500 new apartments. The detailed development plan process is underway and is expected to take approximately three years.

The Stockholm region is seeing a high rate of growth, which is why we are also planning more residential apartments in Sickla. The detailed development plan process for residential in Kyrkviken, northern Nobelberget and Central Sickla 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. In Nobelberget the development of new residential blocks continues, with the project totalling 500 tenant-owned apartments.

The future investment for the development projects in Sickla amounts to approximately SEK 12 billion.

Slakthusområdet

Atrium Ljungberg's vision, which we share with the City of Stockholm, is for Slakthusområdet to be an attractive location with offices and residential, supplemented with a wide variety of food, culture and experiences. A brand new meeting place and an engine for the entire Söderort. 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 to place call-off orders for 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 residential, supplemented with culture, retail, a restaurant, hotel, education, etc. The future investment, including acquisitions, amounts to around SEK 10 billion.

Slakthusområdet is one of Stockholm's largest urban development projects and in May the first detailed development plan became legally binding.

In March 2021 we signed a cooperation agreement with Stockholm University of the Arts (SKH) about a move to Slakthusområdet. The university area is planned to comprise approximately 30,000 m² GFA of educational premises and workplaces. Stockholm University of the Arts provides education and research in areas such as film, media, opera, circus and acting, and organises a number of large public events every year. In April we placed a call-off order for a land allocation at Evenemangstorget for SKH, as well as an office development right totalling approximately 36,000 m² GFA in accordance with our agreement with the City of Stockholm. The planning work for these development rights started in May. An architectural competition has been held for this and during the autumn the submitted entries will be evaluated.

The cultural offer in Slakthusområdet has expanded during the year with concert and festival facilities and children's and youth culture facilities. This includes the creative talent initiative Juice Studios. This project is a unique collaboration between business, the public sector and the non-profit sector, and has several financial backers and partners. The investment decision for Slakthushallarna heralds the launch of the new food destination that we want to develop in Slakthusområdet.

Slussen

Atrium Ljungberg is one of the largest property owners in Slussen. We are now able to develop the future retail hub here under Ryssgården and Södermalmstorg, which comprises approximately 16,000 m² GFA. 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 approximately 6,000 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 2026.

The Ormen district is a development right of approximately 4,500 m² GFA, with a hotel planned to be built above the underground entrance. The hotel is expected to be completed in 2025, right next to 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 7,500 m² GFA across five floors, where we are planning offices with public spaces on the ground floors. Production will start in 2026 at the earliest, with potential occupancy in 2028.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinahuset. This means that we now own approximately 55,000 m² NRA in our existing portfolio and a total of approximately 35,000 m² GFA in land allocations. The development project in Slussen represents a future investment of more than SEK 2 billion. We are continuing to work with the city, creating a

dynamic meeting place together for the future. Slussen will become a vibrant hub and a destination for both tourists and people living in Stockholm.

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 Brunnsvikens 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 Brunnsvikens lake and Haga Park. Construction is planned to start in the first quarter of 2024.

In March 2020 we received an additional land allocation in Hagastaden. The land allocation comprises two residential blocks and one office block – Cambridge, Stanford and Pisa. Construction is scheduled to start at the end of the 2023, beginning with the residential block Stanford.

The development projects in Hagastaden represent a future investment of approximately SEK 7 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. It is one of our most important

submarkets and we are focusing our operations on the City of Uppsala and Gränbystaden.

The detailed development plan for Ångkvarnen (Uppsala Kungsängen 22:2) in the City of Uppsala was adopted by Uppsala City Council in June and is expected to become legally binding at the beginning of 2022. The buildings are in a development area where we are working with Ikano Bostad and Besqab to link the southern parts of the inner city with the centre. Possession of these properties is scheduled for the beginning of 2023, while construction is expected to start later in the same year.

Over the past six years, we have carried out a number of major development projects in Gränbystaden in order to build a vibrant cityscape with a mix of activities which together create an attractive and safe place that has life and movement 24 hours a day.

In 2021, we obtained a new land allocation with a development right for potentially 35,000 m² GFA for residential and offices, including parking, south of Gränbystaden Galleria. Detailed development planning for the residential block is expected to be complete in the fourth quarter of 2021. The office district is being reworked following the opinions received as part of the consultation process. The detailed development plan is expected to be complete in 2022 with construction planned to start in 2024/2025.

We are also looking into the possibility of starting a detailed development plan to further develop 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.

The development projects in Uppsala represent a future investment volume of approximately SEK 4 billion.

Potential projects

	Municipality	Premises type ¹⁾	Project area, m ² , GFA		Potential investment, SEK m ²⁾
			Detailed development plan exists	Change to detailed development plan required	
Barkarby	Järfälla	Offices	6,000		
Lindholmen	Gothenburg	Offices		23,000	
Hagastaden	Stockholm	Residential units	39,000		
Hagastaden	Stockholm	Offices	36,000	26,000	
Hagastaden	Stockholm	Retail	1,000		
Mobilia	Malmö	Offices	5,000		
Sickla	Nacka	Residential units	32,000	140,000	
Sickla	Nacka	Offices	6,000	120,000	
Slakthusområdet	Stockholm	Education		37,000	
Slakthusområdet	Stockholm	Residential units		35,000	
Slakthusområdet	Stockholm	Offices	7,000	85,000	
Slakthusområdet	Stockholm	Hotels		4,000	
Slakthusområdet	Stockholm	Other		19,000	
Sundbyberg	Sundbyberg	Offices		26,000	
Södermalm	Stockholm	Retail	16,000		
Södermalm	Stockholm	Hotels	5,000		
Södermalm	Stockholm	Offices	46,000		
Södermalm	Stockholm	Culture/restaurant	6,000		
Uppsala	Uppsala	Residential units	12,000	46,000	
Uppsala	Uppsala	Offices		54,000	
Uppsala	Uppsala	Retail	5,000		
Total			222,000³⁾	615,000⁴⁾	37,000

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

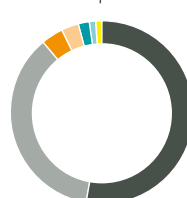
²⁾ The investment volume relates to investments in existing properties and future development rights, including any land acquisitions.

³⁾ Of which around 40,000 m² relates to reconstruction and around 110,000 m² GFA relates to land allocations.

⁴⁾ Of which around 40,000 m² relates to reconstruction and around 240,000 m² GFA relates to land allocations.

Potential projects by premises type

– Residential and offices account for almost 90 per cent of the area



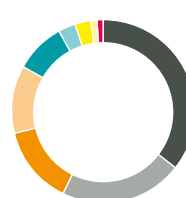
Potential projects by detailed development plan

– There is a detailed development plan for more than one quarter of the area



Potential projects by area

– More than 80 per cent of the area relates to Stockholm



Potential projects at underground stations

– More than 80 per cent of the area at new or existing underground stations



Financing

The financial market

The start of the third quarter saw a low level of Covid-19 transmission, a reduced burden on healthcare and a high vaccination coverage. The Swedish government therefore decided to lift most of the remaining restrictions from 29 September.

Swedish growth was strong in the second quarter and is expected to have gathered more pace in the third quarter. A strong end to the year is now expected, as there are no longer any restrictions to keep demand in the economy down. However, growth is being held back by, for example, rising freight prices and a shortage of semiconductors and other intermediate goods, which is expected to affect production capacity.

In the USA the Federal Reserve has indicated that the next rise in interest rates may come earlier than expected and that it will reduce the rate of its bond-buying programme as early as this year. Norges Bank increased its key interest rate to 0.25 per cent in September, while the latest decision by the Riksbank was to keep the repo rate unchanged at 0.00 per cent. Although Swedish inflation has increased to more than 2 per cent, the assessment by the Riksbank is that this rate of inflation is temporary due to factors such as high electricity prices.

During the quarter 3M Stibor movements were small and just below the zero mark. Although Swedish long-term interest rates fell significantly during the start of the third quarter, they have since recovered. The 10-year swap rate was 0.52 per cent at its lowest, but increased to 0.90 per cent at the end of the quarter.

The conditions on the Swedish capital market have remained favourable particularly after the summer. Atrium Ljungberg has carried out a total of four bond issues in the third quarter.

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 20,293 million (SEK 18,581 m). During the third quarter, interest-bearing liabilities decreased by SEK 403 million. This reduction is a net effect of repaid bank loans and commercial papers, and an increase in the volume of green bonds.

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 4.9 years (5.2 years) and the average capital commitment term was 5.1 years (4.6 years). The interest coverage ratio for the rolling 12-month period amounted to 5.5 (4.2) at the end of the period. 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 period, it amounted to 41.1 per cent (40.5%).

Unutilised loan guarantees in addition to loan guarantees which cover outstanding commercial paper amounted to SEK 3,665 million (SEK 3,348 m). The unutilised overdraft facility amounted to SEK 300 million (SEK 300 m).

Securities

Atrium Ljungberg's borrowing is partly secured by real estate mortgages. Of the interest-bearing liabilities, SEK 6,841 million (SEK 8,014 m) is secured by mortgage deeds which corresponds to 13 per cent (17%) in relation to the total assets.

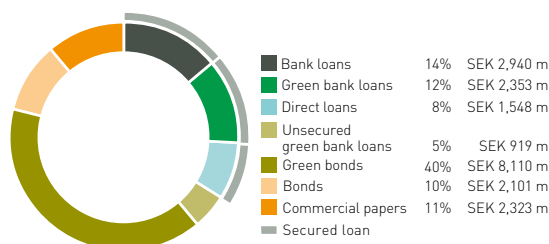
Green financing

Atrium Ljungberg creates attractive and sustainable cities, and we are focusing on improving resource efficiency as part of our sustainability strategy, which will reduce our environmental impact. This also enables us to access green financing.

Green financing accounts for 56 per cent (47%) of the total loan volume. At the end of the quarter, there were SEK 8,110 million (SEK 5,400 m) in green bonds outstanding, as well as SEK 3,272 million (SEK 3,274 m) of green bank loans.

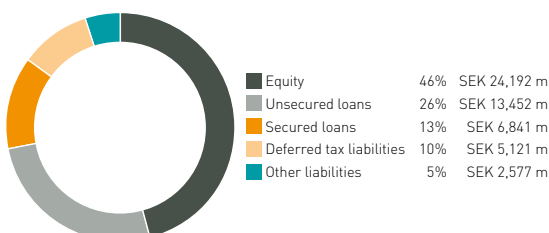
Interest-bearing liabilities

– SEK 20.3 billion in liabilities with 56 per cent green financing



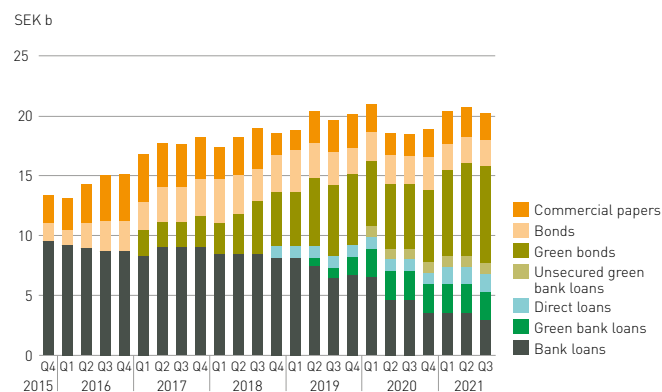
Capital structure

– Secured loans correspond to 13 per cent in relation to total assets



Development of financing sources

– Repaid bank loans and commercial papers, an increase in the volume of green bonds



Fixed interest

Commitment period	Amount, SEK m	Percentage, %	Average interest, % ¹⁾
2021	3,003	15	1.3
2022	1,250	6	0.5
2023	–	–	–
2024	1,500	7	1.6
2025	1,450	7	1.6
2026 and thereafter	13,089	65	1.9
Total	20,293	100	1.7

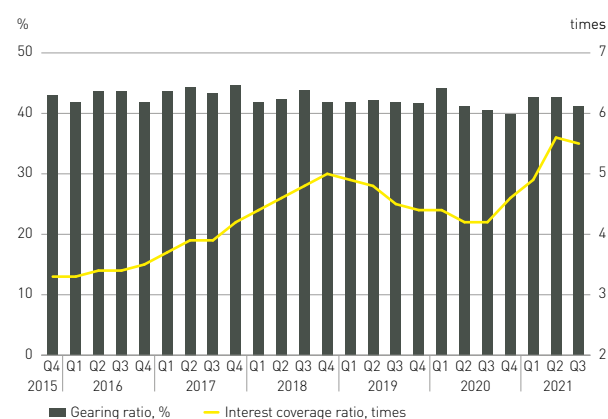
¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Capital commitment

Commitment period	Amount, SEK m	Percentage, %
2021	–	–
2022	–	–
2023	1,024	5
2024	5,505	27
2025	2,189	11
2026 and thereafter	11,575	57
Total	20,293	100

Gearing ratio and interest coverage ratio, rolling 12-month period

– Slightly lower gearing ratio and high interest coverage ratio



Derivatives

At the end of the quarter, the derivative portfolio comprised SEK 12,500 million (SEK 12,296 m) in interest rate swaps and SEK 2,302 million (SEK 1,427 m) in currency swaps, with maturities between 2024 and 2031. In addition, there is SEK 500 million in forward-starting interest swaps effective from the fourth quarter of 2021. Currency swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

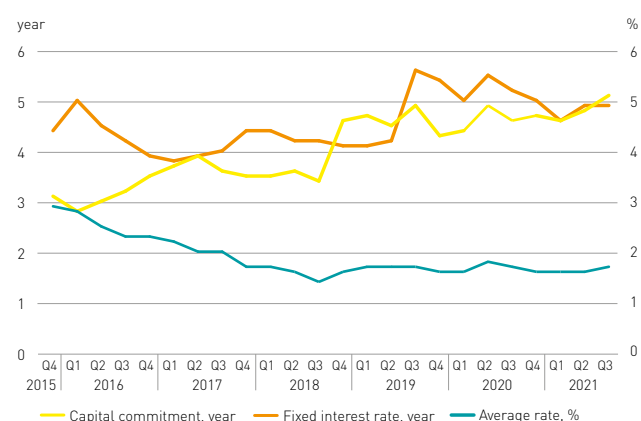
The derivatives portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the income statement. The unrealised change in the value of derivatives during the first three quarters of the year amounted to SEK 325 million (SEK –285 m) as market interest rates increased on the terms covered by the derivatives during the year. The deficit book value of the derivatives portfolio amounted to SEK –219 million (SEK –694 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

– Weak rise in capital commitment term and unchanged fixed interest rate term



CONSOLIDATED CASH FLOW STATEMENT

	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Quarter 2021 Jul-Sep	Quarter 2020 Jul-Sep	Full year 2020 Jan-Dec	12 months 2020/2021 Oct-Sep
Amounts in SEK m						
OPERATING ACTIVITIES						
Profit before changes in value	945	842	262	277	1,124	1,227
Reversal of depreciation, amortisation and impairment	10	10	2	3	13	13
Other items not included in the cash flow	-76	1	3	24	-9	-86
Tax paid	-124	-45	-41	-43	6	-73
Cash flow from operating activities before changes in working capital	755	808	227	260	1,134	1,081
Net change in working capital	87	-139	73	101	113	338
Cash flow from operating activities	842	669	300	361	1,246	1,419
INVESTMENT ACTIVITIES						
Acquisition of investment properties	-25	-263	-	22	-407	-168
Investments in held properties and tenant-owned dwelling projects	-1,560	-1,809	-528	-653	-2,513	-2,263
Sale of properties	746	3,797	746	-	3,797	746
Investment in financial non-current assets	110	-53	26	3	-145	18
Purchase/sale of equipment	-7	-4	-2	-3	-8	-11
Cash flow from investment activities	-736	1,668	242	-631	724	-1,679
FINANCING ACTIVITIES						
Change in other non-current liabilities	13	6	9	4	5	12
Loans raised	11,806	3,642	3,602	152	5,886	14,050
Repayment of debts	-10,537	-5,123	-4,020	-0	-7,047	-12,461
Dividends paid	-640	-649	-	-	-649	-640
Buy-back of own shares	-226	-19	-19	-	-343	-550
Cash flow from financing activities	416	-2,144	-428	156	-2,149	412
Cash flow for the period	522	194	113	-114	-177	151
Cash and cash equivalents at the beginning of the period	279	457	689	764	457	651
Cash and cash equivalent at the end of the period	801	651	801	651	279	801

Comments on the cash flow statement

The cash flow for the for the period amounted to SEK 522 million (SEK 194 m).

The cash flow from operating activities amounted to SEK 842 million (SEK 669 m), corresponding to SEK 6.64/share (SEK 5.16/share).

Net investment activities have contributed to a negative cash flow of SEK -736 million (SEK 1,668 m), primarily attributable to investments in held properties, which amounted to SEK -1,560 million (SEK -1,809 m).

The cash flow from financing activities amounted to SEK 416 million (SEK -2,144 m), which is mostly attributable to loans raised, the repayment of loans, dividends and the acquisition of own shares.

Available liquidity amounted to SEK 4,766 million (SEK 4,299 m) and comprised bank deposits of SEK 801 million (SEK 651 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 3,665 million (SEK 3,348 m) in addition to credit facilities covering outstanding commercial paper.



OUR SUSTAINABILITY WORK

Sustainability work is integrated in the business model where we continuously develop our areas in a sustainable direction. The current sustainability goals will come to an end in 2021, so strategic work is underway to produce a new strategy and goals.

Sustainable enterprise

Sustainability goals

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 the years 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, as part of our ambition to have sustainable employees and to be an attractive employer.

The current sustainability goals will come to an end in 2021, so strategic work is underway to produce a new sustainability strategy and new sustainability goals.

This work has included in-depth dialogue with our most important stakeholders and a materiality analysis. The work being carried out on these new goals is based on previous work and results. Representatives from the entire organisation have been involved in goal formulations, targets and measurement figures. The new goals will be presented at the start of 2022.

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 2021, 77 per cent (58%) of letting area was certified.

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 2020 we exceeded our goal and achieved an index of 89 per cent (87%).

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, which means that we have exceeded this goal as of 30 September 2021.

	1 Oct 2021	1 Oct 2020
Green lease contracts, share of contracted annual rent	55%	42%

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. Most 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 25 per cent (18%) per m², which is a result of energy efficiency measures.

Energy intensity

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

kWh/m ²	2021/2020 Oct-Sep	2020/2019 Oct-Sep	Change	Change compared to 2014 ¹⁾
Heating	57	63	-10%	-38%
Property electricity	45	47	-4%	-33%
District cooling	10	14	-29%	-47%
Sub-total property energy	112	124	-10%	-37%
Tenant electricity	56	56	0%	-10%
Tenant electricity, estimated	16	17	-6%	-43%
Process cooling	14	15	-7%	
Total energy intensity	198	212	-7%	-26%

¹⁾ Reference year.

The EU Taxonomy

The EU Taxonomy aims to define which economic activities are sustainable, as a way of working towards achieving the climate objectives that have been set within the EU. If an activity is to be classed as sustainable, it must meet at least one of the six environmental objectives, do no significant harm to any of the other objectives and meet minimum social safeguards.

We have identified three activities within our core business as eligible with the taxonomy. Those are Acquisition and ownership of buildings, Renovation of existing buildings (projects, non-new construction) and Construction of new buildings. We are currently working with evaluation, confirming and classification of our properties to meet the future reporting directives. Evaluation is made by confirming that the properties is contributing to at least one of the six objectives and that the properties do no significant harm on the other objectives. Atrium Ljungberg is verifying the minimum social safeguards with our supplier policy (code of conduct), among other things. The EU Taxonomy shall be applied from 1 January 2022.

With an active sustainability work in both management and projects we see great potential to meet the requirements of the taxonomy. To get there, we will continue to work actively to lower energy consumption in our properties, reduce our climate footprint, manage any climate risks, and safeguard social requirements.

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 25 in our 2020 Annual Report.

SEK m	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Full year 2020 Jan-Dec	12 months 2020/2021 Apr-Mar
Current tax	31	32	41	40
Property tax	139	140	185	185
Non-deductible VAT	91	86	134	139
Taxes	261	257	361	365
Leasehold fees	23	24	31	30
Society	284	282	392	394

Green financing

Atrium Ljungberg is able to implement green financing as a result of our sustainability work, with a clearly defined link to our sustainable projects. This accounts for 56 per cent (47%) of the total loan volume. At the end of the period, there was SEK 8,110 million (SEK 5,400 m) of green bonds outstanding, as well as SEK 3,272 million (SEK 3,274 m) of green bank loans.

The current framework for green financing is linked to our sustainability work and its sustainability goals. As the current sustainability goals will finish at the end of this year, our new sustainability strategy will result in the framework being updated.

Segment reporting

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

2021
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	1,710				-17	1,692
Net sales, project and construction work		379	559	938	-242	697
Net sales	1,710	379	559	938	-259	2,389
Property management costs	-545				5	-540
Project and construction work costs		-298	-509	-806	224	-582
Gross profit	1,165	81	51	132	-30	1,267
Central administration	-57	-4	-9	-13	-	-70
Financial income and expenses					-252	-252
Profit before changes in value	1,108	77	42	119	-281	945
Changes in value ^{2) 3)}	1,576				325	1,901
Tax					-529	-529
Profit for the period	2,684	77	42	119	-485	2,318
Investments and acquisitions	1,455	141	2	143	5	1,603
Assets, at the end of the period	48,258	1,176	225	1,401	2,524	52,183

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

¹⁾ The profit within project development mainly refers to profit from our tenant-owned dwelling projects, costs of investigations at early project stages and ongoing development projects.

²⁾ Properties, unrealised SEK 1,592 million (SEK -742 m). Properties, realised SEK -16 million (SEK -84 m).

³⁾ Unrealised change in value, derivatives SEK 325 million (SEK -285 m).

Revenue type per segment

2021

Jan-Sep

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction work	Non-allocated items and eliminations	The Group
Rental income	1,710				-17	1,692
Net sales, project and construction work						
of which Turnkey contracts, fixed price			206	206	-0	206
of which Turnkey contracts, open account			183	183	-178	5
of which Performance contracts, fixed price			0	0	0	0
of which Performance contracts, open account			147	147	-63	84
of which Other incl. tenant-owned dwelling projects		379	23	402	0	402
Total Net sales, project and construction work		379	559	938	-242	697
Total Net sales	1,710	379	559	938	-259	2,389

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

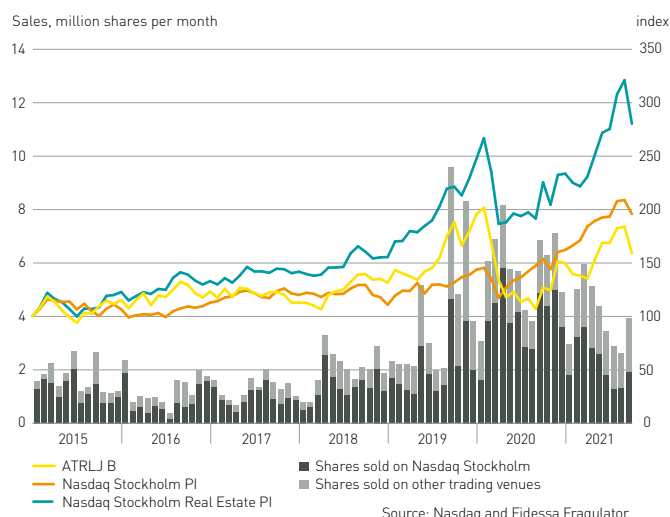
KEY PERFORMANCE INDICATORS¹⁾

	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Quarter 2021 Jul-Sep	Quarter 2020 Jul-Sep	Full year 2020 Jan-Dec	12 months 2020/2021 Oct-Sep
PROPERTY-RELATED KEY PERFORMANCE INDICATORS						
Letting rate excluding project properties, %	91	92	91	92	91	91
Letting rate including project properties, %	91	92	91	92	91	91
Operating surplus margin, %	68	67	70	70	67	67
Vacancy rate	9%	8%	9%	8%	9%	9%
Letting area, '000 m ²	1,052	1,078	1,052	1,078	1,087	1,052
Investments in Atrium Ljungberg's held properties, SEK m	1,571	1,809	528	653	2,513	2,275
Number of properties at the end of the period	67	66	67	66	67	67
FINANCIAL KEY PERFORMANCE INDICATORS						
Equity/assets ratio, %	46.2	46.1	46.2	46.1	45.7	46.2
Gearing ratio, %	41.1	40.5	41.1	40.5	39.9	41.1
Interest coverage ratio, rolling 12-month period	5.5	4.2	5.5	4.2	4.6	5.5
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, %	13.0	5.6	13.0	5.6	3.8	13.0
Return on equity, excluding changes in value, rolling 12-month period, %	4.3	4.0	4.3	4.0	3.8	4.3
Return on total assets, rolling 12-month period, %	8.1	3.1	8.1	3.1	2.0	8.1
Return on total assets, excluding changes in value, rolling 12-month period, %	2.4	2.4	2.4	2.4	2.3	2.4
Earnings, SEK m	901	801	196	289	1,070	1,170
NRV, SEK m	29,346	27,271	29,346	27,271	27,841	29,346
NTA ²⁾ , SEK m	28,220	26,354	28,220	26,354	26,897	28,220
NDV	23,702	21,869	23,702	21,869	21,825	23,702
DATA PER SHARE						
Earnings per share, SEK	18.28	1.37	4.96	5.75	6.69	23.62
Profit before changes in value less nominal tax, SEK	5.94	5.10	1.65	1.68	6.92	7.69
Cash flow from operating activities, SEK	6.64	5.16	2.37	2.79	9.62	11.14
Equity, SEK	190.83	171.90	190.83	171.90	177.46	190.83
EPS, SEK	7.12	6.17	1.55	2.24	8.38	9.26
NRV, SEK	232.13	210.23	232.13	210.23	217.95	232.13
NTA ²⁾ , SEK	223.23	203.16	223.23	203.16	210.56	223.23
NDV, SEK	187.49	168.58	187.49	168.58	170.86	187.49
Share price, SEK	183.80	146.60	183.80	146.60	172.80	183.80
Weighted average number of shares, thousands	126,780	129,754	126,477	129,721	129,554	127,329
Number of outstanding shares at the end of the period, thousand	126,417	129,721	126,417	129,721	127,739	126,417
EMPLOYEES						
Average number of employees	321	344	315	337	333	325

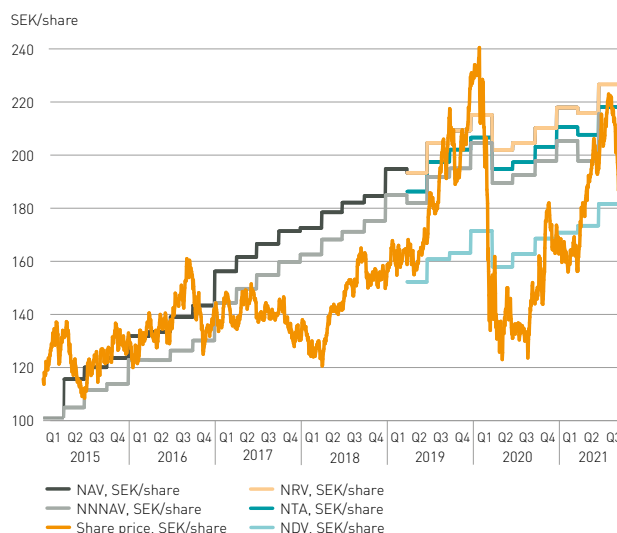
¹⁾ See definitions on pages 29–30. For reconciliation of key performance indicators, visit www.al.se.

²⁾ For the calculation of NTA, an estimated deferred tax of 4.0 per cent has been used.

The Atrium Ljungberg share



NRV, NTA, NDV, NNAV and share price



QUARTERLY SUMMARY^{1) 2)}

INCOME STATEMENTS

Amounts in SEK m	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Rental income	555	565	572	555	561	579	648	644
Net sales, project and construction work	88	482	127	118	139	153	84	93
Net sales	643	1,046	699	673	700	732	733	737
Property management costs	-167	-177	-195	-195	-167	-203	-213	-216
Project and construction work costs	-99	-385	-98	-118	-150	-152	-87	-107
Gross profit	378	484	405	360	383	377	432	415
– of which gross profit/loss property management (operating surplus)	388	388	377	360	394	376	435	428
– of which gross profit/loss from project and construction work	-11	96	29	-0	-11	1	-3	-14
Central administration, property management	-20	-20	-17	-21	-15	-21	-18	-23
Central administration, project and construction work	-4	-4	-4	-6	-3	-3	-4	-3
	-25	-24	-21	-26	-18	-24	-23	-26
Financial income and expenses	-91	-87	-73	-52	-88	-97	-99	-99
Profit before changes in value	262	372	311	282	277	256	311	289
Properties, unrealised	461	964	167	623	467	279	-1,486	686
Properties, realised	0	-15	-1	3	-16	-65	-3	13
Derivatives, unrealised	72	43	210	33	-45	-3	-236	464
Derivatives, realised	-	-	-	-	-	-	-	-50
	533	992	376	659	406	210	-1,725	1,113
Profit before tax	795	1,364	687	940	683	466	-1,414	1,402
Tax	-168	-226	-135	-250	63	98	280	-358
Profit for the period	627	1,138	552	690	745	564	-1,134	1,044

KEY PERFORMANCE INDICATORS^{1) 2)}

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Property-related key performance indicators								
Letting rate excluding project properties, %	91	91	91	91	92	92	93	94
Letting rate including project properties, %	91	91	91	91	92	92	92	93
Operating surplus margin, %	70	69	66	65	70	65	67	66
Letting area, '000 m ²	1,052	1,046	1,089	1,087	1,078	1,069	1,171	1,176
Investments in Atrium Ljungberg's held properties, SEK m	528	558	485	704	653	586	570	666
Number of properties at the end of the period	67	67	70	67	66	66	70	70
Financial key performance indicators								
Equity/assets ratio, %	46.2	45.4	43.7	45.7	46.1	45.5	41.3	44.6
Gearing ratio, %	41.1	42.7	42.6	39.9	40.5	41.2	44.1	41.7
Interest coverage ratio, rolling 12-month period	5.5	5.6	4.9	4.6	4.2	4.2	4.4	4.4
Average interest rate for interest-bearing liabilities, %	1.7	1.6	1.6	1.6	1.7	1.8	1.6	1.6
Return on equity, rolling 12-month period, %	13.0	13.9	11.8	3.8	5.6	4.7	7.1	12.9
Return on equity, excluding changes in value, rolling 12-month period, %	4.3	4.5	4.2	3.8	4.0	4.3	4.7	4.6
Return on total assets, rolling 12-month period, %	8.1	8.0	6.0	2.0	3.1	2.7	4.4	8.0
Return on total assets, excluding changes in value, rolling 12-month period, %	2.4	2.5	2.2	2.3	2.4	2.6	2.6	2.7
Data per share								
Earnings per share, SEK	4.96	9.00	4.34	5.35	5.75	4.35	-8.74	8.07
Profit before changes in value less nominal tax, SEK	1.65	2.33	1.95	1.73	1.68	1.55	1.88	1.75
EPS, SEK	1.55	2.23	2.30	2.12	2.24	1.72	2.24	2.28
Cash flow, SEK	2.37	2.40	1.87	4.47	2.79	0.01	2.46	2.28
Equity, SEK	190.83	185.90	176.90	177.46	171.90	166.15	161.76	175.48
NRV, SEK	232.13	226.62	215.80	217.95	210.23	204.60	202.00	215.12
NTA ³⁾ , SEK	223.23	218.07	207.55	210.56	203.16	197.31	200.77	206.62
NDV, SEK	187.49	181.66	173.42	170.86	168.58	162.73	157.95	171.46
Share price, SEK	183.80	194.90	156.40	172.80	146.60	131.20	154.80	226.00
Weighted average number of shares, thousands	126,477	126,553	127,319	128,957	129,721	129,721	129,820	129,839
Number of outstanding shares at the end of the period, thousand	126,417	126,493	126,692	127,739	129,721	129,721	129,721	129,839

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.

²⁾ See definitions on pages 29–30. For the reconciliation of key performance indicators, visit www.al.se.

³⁾ For the calculation of NTA, 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 214 million (SEK 228 m). The operating profit/loss amounted to SEK -376 million (SEK -40 m). Profit after financial items amounted to SEK 0 million (SEK -98 m). Capital gain/loss from sale of properties relates to the internal sale of Kolding 3 and 4 in Kista that was

done before the properties were sold externally. The increase in Interest income and similar profit items compared with the same period last year relates primarily to positive unrealised changes in value attributable to derivatives amounting to SEK 338 million (SEK -347).

Interest-bearing liabilities amounted to SEK 15,381 million (SEK 15,643 m). These funds finance the parent company's property portfolio and are lent on.

Amounts in SEK m	Period 2021 Jan-Sep	Period 2020 Jan-Sep	Full year 2020 Jan-Dec
Rental income	38	58	77
Management income	176	171	318
Net sales	214	228	395
Property costs	-18	-25	-32
Management and administration expenses	-224	-226	-389
Capital gain/loss from sale of properties	-338	-7	-7
Depreciation	-11	-11	-16
Operating profit	-376	-40	-50
Earnings from shares in Group companies	-5	-	3,560
Interest income and similar profit items	814	619	622
Interest expenses and similar profit items	-432	-677	-606
	376	-58	3,576
Profit after financial items	0	-98	3,527
Appropriations	13	0	72
Profit before tax	13	-97	3,599
Current tax	-	-4	-4
Deferred tax	14	50	34
	14	46	30
Profit for the period	27	-51	3,629

Amounts in SEK m	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Property, plant and equipment	329	990	1,003
Financial non-current assets	1,440	1,089	1,261
Current assets	23,450	21,375	24,837
Total assets	25,218	23,454	27,101
EQUITY AND LIABILITIES			
Equity	9,404	6,885	10,243
Untaxed reserves	8	7	21
Provisions	17	81	83
Non-current liabilities	15,705	14,806	16,630
Current liabilities	84	1,674	125
Total equity and liabilities	25,218	23,454	27,101

OTHER INFORMATION

BUY-BACK OF SHARES

At the Annual General Meeting in March 2021, the Board of Directors of Atrium Ljungberg was authorised to take the decision to acquire the company's own shares on one or more occasions during the period until the next Annual General Meeting. 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 2021 the company owned 6,803,378 class B shares. The buy-back has been in the range of SEK 132.20–212.50 per share.

STOCK OPTION PROGRAMME

By the end of the period the parent company had issued a total of 49,500 (94,500) call options, which entitle Atrium Ljungberg's staff to acquire the equivalent number of class B shares. The redemption period for these call options is 16 August 2021 to 31 December 2021, and 45,000 call options were used in the third quarter.

At times during this period the underlying share price reached a rate 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.

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 2020 Annual Report.

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.

The rent rebates related to the Covid-19 pandemic that were given for this period amounted to gross SEK 19 million (SEK 72 m), which includes SEK 7 million (SEK 1 m) in the third quarter. The reduced rents in the period that are expected to be compensated by the government amounted to SEK 8 million (SEK 33 m), which had a net impact in the period of SEK 11 million (SEK 39 m). In the third quarter reduced rents that are expected to be compensated by the government amounted to SEK 4 million (SEK - m). This affected profit in the third quarter by SEK 3 million net (SEK -1 m).

Recognising earnings from residential developments

Earnings from the sale of properties that are intended for sale to tenant-owned associations after completion are only recognised when the property has been completed and mainly moved in. Earnings are recognised gross in Net sales, project and construction work and Project and construction work costs.

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 2021, which means that a liability of SEK 324 million (SEK 695 m) has been recognised in the balance sheet. A positive change in value of SEK 338 million (SEK -347 m) has been recognised in the income statement in net financial expenses.

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 20,293 million (SEK 18,581 m) and their fair value totals SEK 20,550 million (SEK 18,846 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.

NET REINSTATEMENT VALUE, ETC.

Atrium Ljungberg recognises Management earnings less nominal tax, Vacancy Rate, NDV, NRV and NTA in accordance with the definitions produced by the European Public Real Estate Associations. When calculating NTA, 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.

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 2021 tax year fell to 20.6 per cent.

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.

Lantmäteriet, the Swedish mapping, cadastral and land registration authority, is currently conducting a review of transactions that are subject to stamp duty.

RETAIL SECTOR'S SALES TREND

The accumulated sales for Atrium Ljungberg's four largest retail hubs (Gränby Norra, Gränby Galleria, Mobilia and Sickla Köp kvarter) for the period Jan–Aug 2021 show an increase of +1.6 per cent compared with the same period of 2020.

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 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 has been 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. At the moment there is a component shortage, which could affect the timings of our construction projects and result in cost pressures. The permit issue for Cementia is a crucial factor for the entire sector.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2020 Annual Report and the section entitled "Risks and risk management" on pages 74–80.

FORECASTS

Atrium Ljungberg is well-equipped for the future. As the company has a diversified property portfolio, a project portfolio focusing on very strong locations and a solid financial base, it is in a good position to tackle the challenges that could be presented by various scenarios.

EVENTS AFTER THE CLOSING DATE

No significant events have occurred since the closing date.

Nacka, 15 October 2021

Annica Ånäs, CEO

AUDITOR'S REVIEW REPORT

Atrium Ljungberg AB, corporate reg.no. 556175-7047

Introduction

We have reviewed the condensed interim financial information (interim report) of Atrium Ljungberg AB as of 30 September 2021 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 2021

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Auditor in charge

Åsa Robertson
Authorized Public Accountant

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 from 2020 are now available, reversal from 2020 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.

NTA per share, SEK

The carrying amount of 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.

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 is recognised in accordance with EPRA's definition.

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, rolling 12-month period, %

Profit for the period for the last 12 months as a percentage of average 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, rolling 12-month period, %

Profit for the period excluding changes in value for the last 12 months as a percentage of 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, rolling 12-month period, %

Profit before tax for the last 12 months plus interest expenses for the last 12 months 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, rolling 12-month period, %

Profit before changes in value for the last 12 months plus interest expenses for the last 12 months 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.

NDV per share, SEK

The carrying amount of equity with a reversal of goodwill adjusted for the difference against the fair value of interest-bearing liabilities

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. This is recognised in accordance with EPRA's definition.

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.

Property costs

Total property management costs, which exclude central administration.

Management earnings less nominal tax (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 (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. This is recognised in accordance with EPRA's definition.

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.

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.

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 is recognised in accordance with EPRA's definition.

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

Profit before changes in value for the last 12 months plus financial expenses for the last 12 months, divided by financial expenses for the last 12 months (excluding leasehold fees which, according to IFRS 16, have been reclassified as an interest expense).

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

Equity/assets ratio, %

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.

Vacancy rate, %

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

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 comparable 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.

Comparable 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.

Energy intensity, kWh per m²

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

Green lease contracts, %

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

INFORMATION FROM ATRIUM LJUNGBERG

The Annual Report and interim reports are published on our website. 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

2021 Preliminary Financial Statements	10 February 2022
2021 Annual Report	2 March 2022
Interim report Jan–Mar 2022	13 April 2022
Interim report Jan–Jun 2022	8 July 2022
Interim report Jan–Sep 2022	14 October 2022

PRESS RELEASES DURING THE QUARTER

Urban farming for food connoisseurs in Slakthusområdet	24 August 2021
IKEA opens in expanding Sickla	26 August 2021
Change in company management – Martin Lindqvist leaves	26 August 2021
Second block in Nobelberget sold out	1 September 2021
Games developer Liquid Swords signs a contract in Sickla	3 September 2021
A new paddle tennis concept in Sickla	8 September 2021
Double nomination for the Swedish Design Prize	8 September 2021
Parkteatern theatre back in Slakthusområdet	9 September 2021
Ulrika Danielsson the new CFO of Atrium Ljungberg	10 September 2021



Sickla Galleria phase IV opens in November 2021.

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ATRIUM LJUNGBERG

Atrium Ljungberg, October 2021. Photos: Atrium Ljungberg, Mattias Bardå, Jeanette Hägglund.
Architect images: White Arkitektbyrå. Production: Narva, Stockholm 2021.

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