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

1.0%
Jan–Dec

2.6%
Q4

Strong net letting and impressive value creation in our projects

► **Net sales** amounted to SEK 3,084 million (SEK 2,839 m), of which rental income amounted to SEK 2,292 million (SEK 2,344 m).

► **The operating surplus** from property management amounted to SEK 1,560 million (SEK 1,565 m).

► **The gross profit** from project and construction work amounted to SEK 107 million (SEK –13 m).

► **Temporary rebates related to Covid-19** amounted to SEK 10 million net (SEK 43 m).

► **Profit before changes in value** amounted to SEK 1,249 million (SEK 1,124 m), corresponding to SEK 9.86/share (SEK 8.68), an increase of 14 per cent.

► **Unrealised changes in value** for investment properties amounted to SEK 3,040 million (SEK –119 m),

which included project returns of SEK 974 million (SEK 258 m).

► **Profit for the period** amounted to SEK 3,757 million (SEK 867 m), corresponding to SEK 29.65/share (SEK 6.69).

► **Net letting** for the year amounted to SEK 40 million (SEK –16 m), of which SEK 20 million (SEK 27 m) referred to project properties.

► **Investments in held properties** amounted to SEK 2,279 million (SEK 2,513 m), while acquisitions and sales amounted to SEK 25 million (SEK 410 m) and SEK 805 million (SEK 3,979 m) respectively.

► **The Board proposes a dividend** of SEK 5.20/share (SEK 5.05).

Profit before changes in value, SEK m

1,249
Jan–Dec

304
Q4

Investments in held properties, SEK m

2,279
Jan–Dec

708
Q4

Significant events during the fourth quarter

► New sustainability goals that run until 2030 were adopted in December. The goals cover climate, suppliers, employees and social sustainability.

► A contract was signed to acquire the Palmfelt Center leasehold in Slakthusområdet.

► In December the detailed development plan for the 23-storey building, Sickla Stationshus, became legally binding.

► The first tenants moved into Bas Barkarby in Järfälla and Life City in Hagastaden.

Key performance indicators ¹⁾	Full year 2021 Jan–Dec	Full year 2020 Jan–Dec	Quarter 2021 Oct–Dec	Quarter 2020 Oct–Dec
Property value at the end of the period, SEK m	51,589	47,334	51,589	47,334
Operating surplus margin, %	68	67	68	65
Average interest on interest-bearing liabilities at the end of the period, %	1.7	1.6	1.7	1.6
Share price at the end of the period, SEK per share	199.70	172.80	199.70	172.80
NRV at the end of the period, SEK per share	245.73	217.95	245.73	217.95
Financial goals ¹⁾				
Investments in held properties, >SEK 2,000 million per year	2,279	2,513	708	704
Return on equity, rolling 12-month period, >10% over time	15.6	3.8	15.6	3.8
Gearing ratio at the end of the period, <45 %	39.9	39.9	39.9	39.9
Interest coverage ratio, rolling 12-month period, >2.0	5.3	4.6	5.3	4.6

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

An eventful fourth quarter

Annica Ånäs, CEO

The final quarter of the year was intense, despite the current pandemic. The transaction volume on the market was the highest it had ever been for one single quarter, with sales of more than SEK 150 billion, representing over 230 deals. We contributed to this volume by signing a purchase agreement for the Palmfelt Center leasehold in Slakthusområdet, which covers 30,500 m² letting area. We are planning to take possession of this leasehold at the start of the second quarter of 2022. The property market is currently strong and this is reflected in our own profit, with a change in value for the year of SEK 3 billion or 6.4 per cent.

When it comes to the letting market, we had a very intense and positive end to the year. Highlights included 3,800 m² for Polestar in Lindholmen; 1,200 m² for Gullers Group in Katarinhuset in Slussen; and 1,046 m² for Immedica Pharma in Life City in Hagastaden. Our net letting for the quarter ended at SEK 28 million. Market rents have been resilient during the pandemic and in the fourth quarter, we renegotiated office contracts, leading to an increase in rents of 23 per cent, and retail contracts, with an increase in rents of 10 per cent. The high viewing rate has continued into the new year, which paves the way for even more great deals at the beginning of 2022.

Prices for tenant-owned dwellings continued to increase in the quarter, particularly in the Stockholm area. The high demand is also evident in our tenant-owned dwelling projects, which are making good progress.

Although the Riksbank (Sweden's Central Bank) is still forecasting a zero interest rate over the next two years, the banks do not agree. As a result of inflation and geopolitical uncertainty in the world, the interest rate market has priced in more rapid rises; at the beginning of the new year the 3-month Stibor rate was approaching 0 per cent, but it has been priced to rise to 0.35 per cent within 12 months.

New sustainability goals 2022–2030

One of our most important strategic actions recently has been to adopt our new ambitious sustainability goals, which run until 2030. These new goals can be divided into four focus areas: climate, suppliers, sustainable employees and socially sustainable locations.

Atrium Ljungberg is to be climate-neutral by 2030, and the first step is to halve the climate impact from our construction projects.

Atrium Ljungberg is to be climate-neutral by 2030, and the first step is to halve the climate impact from our construction projects. It is a challenging goal, but this is something we have to do. We need to be incredibly focused and engaged if we are going to succeed, creating new partnerships and promoting innovation. It is a humbling experience to face such a challenge, but I am more than ready to take it on. What is great to see is the high level of engagement for this issue among our colleagues.

Social sustainability has a special place in our hearts. Otherwise it would feel strange to have a vision that says 'Our city – where everyone thrives'. Although many people talk about social sustainability, it is clear that this is a concept that means different things to different people. For us, it is about creating locations where people can and want to live and work for many years to come; safe spaces that take care of people and the environment. It is important for us to be able to measure our results, which is why we have designed our own index called 'Our City'. It is a tool for measuring social sustainability at our locations, so that we can be sure that our work is helping to achieve our sustainability goals. We hope that more companies in our industry will be able to use our new index in the future.

Progress in our project development

Residential play a major role in our future project portfolio. Last year we reported a high level of activity in this area, which even resulted in us bringing forward the sales of our third block in Nobelberget in Sickla, which has 93 apartments. Block 1 was completed in 2020 and the second block, which will be ready for occupancy this summer, is fully sold. We are planning to create approximately 500 apartments in this area, alongside a pre-school, offices, a park, and several restaurants and cafes. It is great to see how this area is slowly coming together and the amount of interest there is in Nobelberget.

It is also full steam ahead for our first tenant-owned dwelling project in Uppsala, Parkhusen block 2. Sales for this project started in the summer and by the end of the year, more than half of the first phase, which has 59 apartments, was booked.

Over the past year we completed Hotel Tapetfabriken in Sickla, while the first tenants moved into Bas Barkarby in Järfälla and Life City in Hagastaden. It is such an incredible feeling to visit Life City and see the wonderful end product. Last year we invested SEK 2.3 billion in our own development projects, delivering project returns of SEK 974 million.

Creating value in our projects

We currently have a project portfolio with a remaining investment in decided projects of SEK 2.7 billion and potential projects of SEK 35 billion. Given the current rent levels, estimated investments and yield, we will double the property value and operating net by 2030. This is what I call creating value! Our main focus moving forward is letting, which is crucial if we are going

to realise our incredible project portfolio. But I do feel confident that we can achieve this. We operate in attractive areas and our project portfolio is being implemented in locations in the Stockholm area that are served by the underground or where underground stations will open in the future. These are areas of natural growth in the city.

Results 2021

We have delivered a profit before changes in value of SEK 1,249 million and a profit after tax of SEK 3,757 million. As usual the Board has proposed a higher dividend to the shareholders.

The year 2022 has got off to a great start and it is wonderful that our new CFO Ulrika Danielsson has joined us. Most of the restrictions and guidance were lifted yesterday, which means that we are finally allowed to start meeting in person once again. We as people are unbeatable when we work together and magical things happen when we meet face to face.

I would like to pass on my warmest thanks to all our customers, partners and employees for an eventful 2021!

Annica Ånäs, CEO

ATRIUM LJUNGBERG AS AN INVESTMENT

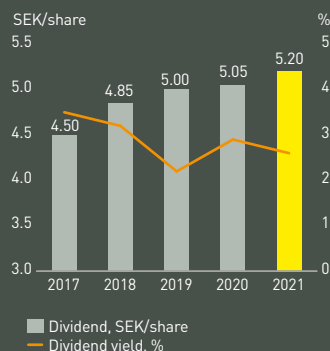
Four reasons to own shares in Atrium Ljungberg

STABLE DIVIDEND

Atrium Ljungberg has delivered a **stable dividend** with an effective dividend growth rate of 7% per year over the past 10 years. The dividend in SEK per share has never been lowered since the company was listed on the stock exchange in 1994.

Dividend and share dividend yield

– The company has never reduced its dividend

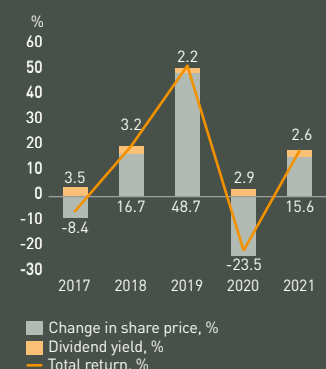


POTENTIAL FOR GOOD VALUE GROWTH

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

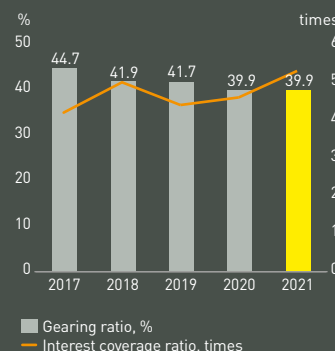


LOW FINANCIAL RISK

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

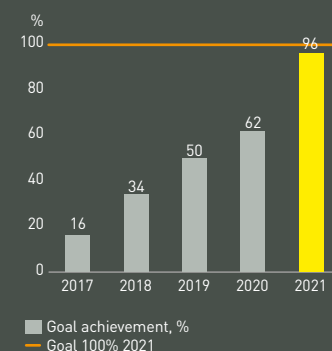


SUSTAINABLE URBAN DEVELOPMENT

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 focusing on diverse cities

We currently own, develop and manage properties totalling 1,082,000 m² letting area with a property value of SEK 52 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 receive a good return through our 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

	Full year 2021 Jan-Dec	Full year 2020 Jan-Dec	Quarter 2021 Oct-Dec	Quarter 2020 Oct-Dec
Amounts in SEK m				
Rental income	2,292	2,344	600	555
Net sales, project and construction work	792	495	95	118
Net sales	3,084	2,839	695	673
Property management costs				
Service charge-related costs	-163	-165	-44	-40
Other operating costs	-177	-208	-41	-46
Management costs	-158	-166	-49	-47
Repairs	-41	-45	-13	-13
Property tax	-182	-185	-42	-46
Non-deductible VAT	-11	-9	-3	-3
	-732	-779	-193	-195
Project and construction work costs	-685	-508	-103	-118
Gross profit	1,666	1,552	399	360
– of which gross profit/loss property management (operating surplus)	1,560	1,565	407	360
– of which gross profit/loss from project and construction work	107	-13	-8	-0
Central administration, property management	-82	-75	-25	-21
Central administration, project and construction work	-15	-17	-2	-6
	-97	-91	-27	-26
Financial income	1	3	0	0
Financial expenses	-292	-309	-63	-45
Leasehold fees	-28	-31	-6	-7
	-320	-337	-68	-52
Profit before changes in value	1,249	1,124	304	282
Changes in value				
Properties, unrealised	3,040	-119	1,448	623
Properties, realised	-22	-81	-6	3
Derivatives, unrealised	388	-252	63	33
	3,406	-452	1,505	659
Profit before tax	4,656	672	1,809	940
Current tax	-0	-41	30	-10
Deferred tax	-899	236	-401	-241
	-899	195	-370	-250
Profit for the period	3,757	867	1,439	690
Other comprehensive income				
Items which will be reclassified to profit/loss				
Cash flow hedging	5	13	-	2
Tax attributable to cash flow hedging	-1	-3	-	-1
Total other comprehensive income	4	10	-	2
Total comprehensive income for the period	3,761	877	1,439	692
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	29.65	6.69	11.38	5.35

RESULTS JANUARY– DECEMBER 2021

Changes in the property portfolio

Profit for the full year and the comparison year 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 33:2 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 amounted to SEK 3,084 million (SEK 2,839 m), of which rental income accounted for SEK 2,292 million (SEK 2,344 m). The temporary rent rebates that were given as a result of the Covid-19 pandemic (rebates related to Covid-19) amounted to SEK 10 million net (SEK 43 m) for the period, while applications for the rental assistance scheme for temporary rebates related to Covid-19 amounted to SEK 8 million (SEK 33 m). Rental income in comparable portfolios increased by 1.0 per cent, excluding rebates related to Covid-19 and 2.5 per cent including these rebates. All segments reported positive growth, with offices reporting the strongest growth rate. Although retail properties did not perform well during the year, they recovered in the final quarter, mostly due to higher sales rent and lower vacancies.

During the year, non-recurring payments of SEK 32 million (SEK 6 m) were received for premature vacating of premises.

Sales for project and construction work amounted to SEK 792 million (SEK 495 m). The main reason for this increase is the sale of block 1 of the tenant-owned dwelling project in Nobelberget, which was reported in the second quarter.

Rental income trend

SEK m	Full year 2021	Full year 2020	Change, %
Comparable portfolios, excl. rebates related to Covid-19	2,043	2,022	1.0%
Non-recurring payments/rebates related to Covid-19	21	-37	
Project properties	169	134	
Properties acquired	23	9	
Properties sold	37	216	
Rental income	2,292	2,344	-2.2%

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 732 million (SEK 779 m). This reduction is mostly due to the sale of Farsta Centrum and Kolding 3 and 4 in Kista. For comparable portfolios, property costs decreased by SEK 4 million, which is the equivalent of 0.7 per cent; this is mostly due to lower anticipated and confirmed customer losses of SEK 27 million. The Group reported higher costs for heating, electricity and snow clearance, resulting from a colder winter and rising energy prices. Covid-19 restrictions in shopping centres and stores also led to higher security and cleaning costs.

Property costs trend

SEK m	Full year 2021	Full year 2020	Change, %
Comparable portfolios	-623	-627	-0.7%
Project properties	-88	-72	
Properties acquired	-9	-3	
Properties sold	-12	-78	
Property management costs	-732	-779	-6.0%

Gross profit property management

The gross profit for property management (operating surplus) amounted to SEK 1,560 million (SEK 1,565 m). This reduction is mostly due to the sale of Farsta Centrum and Kolding 3 and 4 in Kista. For comparable portfolios, gross profit increased by 1.8 per cent excluding rebates relating to Covid-19 and 4.0 per cent including rebates relating to Covid-19 compared with previous years.

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

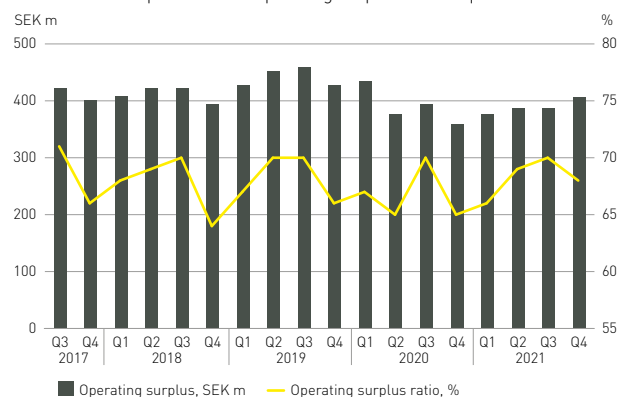
Gross profit/loss project and construction work

The gross profit for project and construction work amounted to SEK 107 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 profit of SEK 91 million and a project return of 30 per cent.

Sales in TL Bygg amounted to SEK 781 million (SEK 858 m) for the period, of which 47 per cent (42%) refers to intra-Group sales. TL Bygg's gross profit, including intra-Group transactions, amounted to SEK 57 million (SEK 48 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 for the quarter





PARKHUSEN IN GRÄNBYSTADEN

We are building the Parkhusen residential district next to the shopping centre, Gränbystaden Galleria, and the park Gränbyparken. Block 1 contains 44 rental apartments, which are all let. In June 2021 sales started for block 2, which will comprise 98 tenant-owned dwellings. In December 54 per cent of the first phase was booked.

PROFIT JANUARY–DECEMBER 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 covers the costs for the executive management team and central support functions. Costs for central administration for property management, and project and construction work amounted to SEK 82 million (SEK 75 m) and SEK 15 million (SEK 17 m) respectively. The increase is mainly explained by a change in the management team during the year.

Net financial items

Financial income and expenses amounted to SEK –291 million (SEK –306 m), of which capitalised interest amounted to SEK 85 million (SEK 65 m). The average interest rate at the end of the period amounted to 1.7 per cent (1.6%). For more information, refer to the section on financing on pages 17–18. In addition, costs for leasehold fees amounted to SEK –28 million (SEK –31 m).

Changes in value

Unrealised changes in value amounted to SEK 3,040 million (SEK –119 m), corresponding to 6.4 per cent (–0.3%). Project returns for completed and ongoing projects accounted for SEK 974 million (SEK 258 m) of the change in value during the year. A strong property market also led to a lower average yield requirement of approximately 15 bps, resulting in SEK 1,191 million (SEK 482 m) in higher property values. The remaining increase in value is attributable to an improved cash flow of SEK 707 million (SEK –858 m) and a higher value for development rights of SEK 168 million (SEK 0 m). For more information, refer to the section on property values on pages 9–11.

The realised change in value amounted to SEK –22 (SEK –81 m) for the year and was mostly attributable to the sale of the Kolding 3 and 4 properties, which were vacated on 1 July 2021.

Unrealised changes in the value of derivatives amounted to SEK 388 million (SEK –252 m), primarily as a result of a rise in long-term market interest rates.

Tax

The current tax for the period amounted to SEK 0 million (SEK –34 m), while deferred tax was SEK –899 million (SEK 236 m). Due to taxable depreciation and direct deductions for some property reconstruction work, tax expense amounted to SEK 0 million.

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 37 million (SEK 0 m).

The residual tax value of the property stock amounts to SEK 18,465 million (18,335 m).

Tax calculation January–December 2021

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	4,656	
Tax deductible		
depreciation	–761	761
investments	–306	306
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–3,040	3,040
changes in the value of properties, realised	22	–272
changes in the value of derivatives, unrealised	–471	476
disposals tenant-owned dwellings	–91	84
consolidated capitalisation of borrowing	–87	87
consolidated internal profit	24	–24
interest	107	–
Other fiscal adjustments	–8	31
Taxable profit/loss before loss carry-forwards	44	4,490
Change in loss carry-forwards	–72	–37
Taxable profit	–28	4,453
Of which 20.6% current/deferred tax	6	–917
Higher loss deduction	–6	6
Correction of tax from previous years	–1	13
Reported tax expense	0	–899

CONSOLIDATED BALANCE SHEET, SUMMARY

Amounts in SEK m	31 Dec 2021	31 Dec 2020	30 Sep 2021	30 Sep 2020
ASSETS				
Investment properties	50,335	46,026	48,258	44,668
Right-of-use asset, leaseholds	1,025	1,179	1,025	981
Goodwill	165	165	165	165
Other non-current assets	148	217	121	118
Derivatives	138	7	105	1
Total non-current assets	51,810	47,594	49,673	45,933
Development properties	1,254	1,308	1,176	1,196
Current assets	501	434	532	629
Cash and cash equivalents	719	279	801	651
Total current assets	2,475	2,021	2,510	2,475
Total assets	54,285	49,615	52,183	48,408
EQUITY AND LIABILITIES				
Equity	25,541	22,668	24,124	22,299
Deferred tax liability	5,621	4,686	5,190	4,443
Non-current interest-bearing liabilities	20,561	18,905	20,293	17,048
Non-current finance lease liability	1,025	1,179	1,025	981
Derivatives	238	662	324	695
Other non-current liabilities	267	229	256	228
Total non-current liabilities	27,712	25,662	27,087	23,395
Current interest-bearing liabilities	–	–	–	1,533
Other current liabilities	1,032	1,285	972	1,181
Total current liabilities	1,032	1,285	972	2,715
Total equity and liabilities	54,285	49,615	52,183	48,408

Customer payments

Rent receivables that relate to rental income invoiced for the fourth quarter of 2021 and due for payment amounted to SEK 38 million, which is the equivalent of 4.8 per cent, as of 31 December 2021. For rental income relating to the third quarter of 2021, the corresponding amount is SEK 2 million, which is the equivalent of 0.2 per cent. 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 first quarter of 2022, only amounts that have been paid are included in the balance sheet as of 31 December 2021. Receivables from invoicing for the first quarter of 2022 are only recognised as of 1 January 2022 and are not included in the balance sheet on the closing date.

A total of SEK 28 million from the government rental assistance scheme has been granted and paid from SEK 33 million that had been applied for in 2020. The remaining SEK 5 million that was not granted was charged to the tenant in question. In 2021 applications were made for an additional SEK 8 million; SEK 0.5 million was not granted and was therefore charged to the tenant in question.

CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK m	Attributable to the parent company shareholders				Total equity
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	
Opening balance as of 1 January 2020	333	3,960	-14	18,506	22,784
Profit for the period				867	867
Other comprehensive income			10		10
Acquisition of own shares				-343	-343
Dividend, SEK 5.00/share				-649	-649
Closing balance as of 31 Dec 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				3,757	3,757
Other comprehensive income			4		4
Change in own shares				-248	-248
Dividend, SEK 5.05/share				-640	-640
Closing balance as of 31 Dec 2021	333	3,960	-	21,248	25,541

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 1,425,378 (2,100,000) class B shares during the year, including 104,000 (1,982,000) during the fourth quarter. A buy-back of 12,497 shares was carried out on 29 December; this buy-back was not delivered until 4 January 2022, so it is not included in the figure for the company's own shares as of 31 December 2021. At the end of the year the company owned 6,907,378 class B shares (5,482,000). As of 31 December 2021, the number of outstanding shares amounted to 126,313,358 (127,738,736). The average number of outstanding shares for the full year amounts to 126,687,995 (129,553,599).

MARKET AND PROPERTY PORTFOLIO

The property market

Properties remain an attractive asset on the market. By the end of the third quarter, the transaction volume for 2021 had already passed the record mark of SEK 221 billion, which had been reported in 2019. This makes 2021 the strongest transaction year in Sweden ever. The total volume of properties sold was approximately SEK 406 billion.

Foreign investors accounted for 24 per cent of the total transaction volume, which corresponds to approximately SEK 97 billion. It is worth noting that foreign investors were net buyers for the fifth year in a row.

In 2021 Sweden reported a record number of M&A transactions, which accounted for approximately 44 per cent of the total transaction volume. M&A transactions are attractive as they promote synergies in both management and development, as well as financing. Their use in financing is particularly an option for companies that have reached a certain size, allowing them to broaden their financing base by accessing the international capital market.

Residential properties were the single biggest segment during the year, with a market share of 33 per cent. Office properties came next at 21 per cent, followed by logistics and industry at 15 per cent. Stockholm accounted for the highest proportion at 48 per cent, followed by Malmö at 11 per cent and Gothenburg at 7 per cent.

Property portfolio

Our property portfolio is concentrated to central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm

accounting for 76 per cent (75%) of the market value, excluding development rights and development properties. At the end of the quarter our property portfolio contained a total of 67 properties (67) with a total area of 1,082,000 m² including garages (1,087,000).

During the year acquisitions were agreed for M1 and Centralstationen, which are both part of the Lundbyvassen 4:6 property in Lindholmen in Gothenburg, with possession expected at the beginning of 2024. Lindholmen 44:2, another property in Lindholmen, was also acquired and taken into possession. During the year the leaseholds Kolding 3 and Kolding 4 in Kista in Stockholm, were also vacated. Furthermore, an agreement was signed during the fourth quarter to acquire the land lease Palmfelt Center in Slakthusområdet. The acquisition is subject to final decision in municipal councils, which is why closing is expected in the second quarter of 2022.

Investments in held properties amounted to SEK 2,279 million (SEK 2,513 m), of which SEK 1,178 million (SEK 1,638 m) was in project properties and SEK 220 million (SEK 305 m) in development properties. Investments in decided projects amounted to SEK 1,379 million during the year, of which SEK 927 million was for new builds and extensions, SEK 260 million for reconstructions and SEK 191 for tenant-owned dwellings.

Contracted annual rent and letting rate

As of 1 January 2022, the contracted annual rent amounted to SEK 2,379 million (SEK 2,266 m); this increase was mostly due to new occupancies in project properties and a higher inflation-adjusted index surcharge. The economic letting rate excluding project properties was 91 per cent (91%), so

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

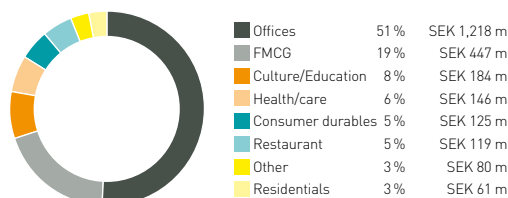
Property sales

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
Västnora 4:26	Haninge	Land	-	November 2021	0

the vacancy rate was 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 residential and parking was 3.9 years (3.5 years) as of 1 January 2022.

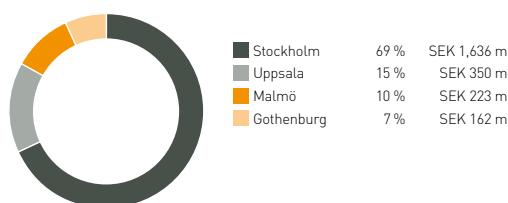
Contracted annual rent per premises type

– A mixed portfolio creates flexibility

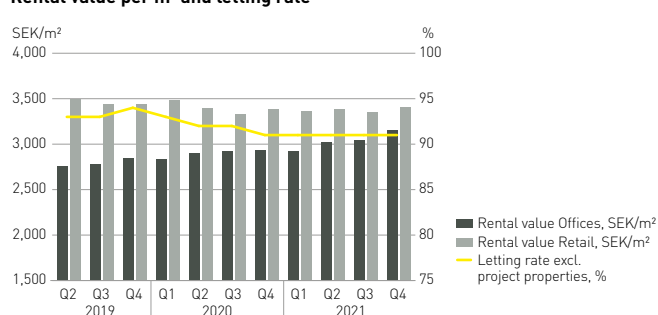


Contracted annual rent per region

– Only in strong growth regions



Rental value per m² and letting rate



Maturity structure for lease contracts

	The Group			
	Number of contracts	'000 m²	Contracted annual rent, SEK m	Percentage, %
2022	524	107	315	13%
2023	314	162	510	21%
2024	318	153	506	21%
2025	190	98	333	14%
2026	80	67	198	8%
2027 and thereafter	79	130	416	17%
Residential	617	34	61	3%
Garage/parking	211	100	40	2%
Total	2,333	851	2,379	100%

Rental value and letting rate

Premises type	1 Jan 2022			1 Jan 2021		
	Rental value, SEK m	Rental value, SEK/m² ¹⁾	Letting rate, %	Rental value, SEK m	Rental value, SEK/m² ¹⁾	Letting rate, %
Offices	1,251	3,158	90	1,227	2,936	91
Retail	777	3,412	91	744	3,385	91
Other	311	2,370	95	229	2,105	92
Residential	61	1,815	99	49	1,731	100
Garage/parking	40	E/T	96	54	E/T	94
Business area Property	2,440	3,093	91	2,303	2,972	91
Project properties	180		86	178	1,595	93
Total	2,620		91	2,481		91

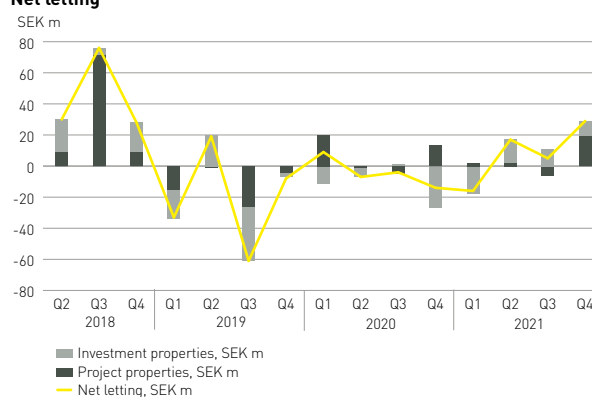
¹⁾ m² excluding garage.

Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 28 million (SEK -14 m) for the fourth quarter, of which SEK 19 million (SEK 13 m) was for project properties. It was mostly offices in the Stockholm area and Gothenburg that accounted for both the newly signed and terminated contracts. During the year new lettings amounted to SEK 248 million (SEK 157 m), while terminations from customers amounted to SEK 177 million (SEK 127 m). We also terminated contracts in preparation for future projects, corresponding to an annual rent of SEK 31 million (SEK 47 m). This means that annual net letting amounted to SEK 40 million (SEK -16 m), of which SEK 20 million (SEK 27 m) related to project properties.

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

Net letting



Property valuation

Atrium Ljungberg commissioned an external valuation of a total of 62 per cent of the market value of its property portfolio during the year. The valuations were carried out by Forum Fastighetsekonomi, Cushman & Wakefield, CBRE and Savills. The remainder of the property portfolio has been internally valued and the assumptions have been quality assured by Forum Fastighetsekonomi.

These values are based on a cash flow model that includes an individual assessment of each property, looking at both their future earning capacity and the market's yield requirements. When assessing the future earnings capacity of a property, an assumption has been made that inflation will be 2.0%; consideration has also been made to the assessed long-term market rents based on contract expirations, letting rates and the company's actual costs. The market's yield requirements are established by analysing property transactions for properties that are of a similar standard and in a similar location. Project properties have been valued using the same principle, but with deductions for the remaining investment. A risk premium is added to the yield requirement on the basis of the current phase of the project.

Development rights have been valued based on an assessed market value SEK 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. The average value of development rights in the valuation is approximately SEK 5,900/m² GFA (SEK 2,900 m).

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 1,254 million as of 31 December 2021 and the market value was assessed to be SEK 1,705 million as of the same date; this refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden.

Development rights

In total there is 420,000 m² GFA of development rights excluding land allocations and reconstructions, of which 61,000 m² GFA has a legally binding detailed development plan. 359,000 m² GFA requires a change in the detailed

development plan to be able to be realised. 20,000 m² GFA of the legally binding development rights relates to commercial development rights and 41,000 m² GFA to development properties. The book value amounts to approximately SEK 2,800/m² GFA for commercial premises. Legally binding development rights have now become development properties. The book value for development rights for development properties amounts to approximately SEK 3,600/m² GFA, calculated based on 168,000 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 333,000 m², which are mostly in Slakthusområdet, Hagastaden and Slussen in Stockholm, as well as Gränbystaden in Uppsala.

Change in the property portfolio

SEK m	Full year 2021 Jan-Dec	Full year 2020 Jan-Dec
Investment properties		
Fair value at the beginning of the period	46,026	47,513
Acquisitions (after deduction of latent tax)	25	410
Sales	-805	-3,979
Investments in held properties	2,059	2,208
Unrealised changes in value	3,040	-119
Reclassification	-11	-7
Fair value at the end of the period	50,335	46,026
Development properties		
At the beginning of the period	1,308	997
Reclassification	11	7
Sales for tenant-owned dwelling projects	-284	-
Investments in tenant-owned dwelling projects	220	305
Development properties, at the end of the period	1,254	1,308
Property portfolio, total	51,589	47,334

Yield requirements per premises type

%	Interval	31 Dec 2021 Average	31 Dec 2020 Average
Offices	3.2-6.4	3.9	4.1
Retail	3.5-6.4	5.1	5.2
Residentials	2.8-3.8	3.3	3.5
Other	3.2-6.4	4.6	4.9
Total	2.8-6.4	4.2	4.4

Yield requirements per region

%	Interval	31 Dec 2021 Average	31 Dec 2020 Average
Stockholm	3.2-5.3	4.3	4.5
Uppsala	2.8-5.5	5.0	5.2
Malmö	3.4-6.4	5.4	5.6
Gothenburg	4.2-4.2	4.2	4.4
Total	2.8-6.4	4.2	4.4

Unrealised changes in value, properties

SEK m	2021	2020	2019	2018	2017
Yield requirements	1,191	482	1,272	433	927
Cash flow, etc.	707	-859	849	1,801	754
Project returns	974	258	86	282	131
Development rights	168	0	76	0	5
Unrealised change in value, total	3,040	-119	2,283	2,516	1,817
Unrealised change in value, %	6.4%	-0.3%	5.0%	6.2%	4.8%

Property portfolio

Property type	31 Dec 2021			31 Dec 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	607	29,456	60,310	639	27,344	53,616
Retail properties	320	11,486	45,067	302	9,993	41,646
Residentials	48	1,532	36,902	45	1,282	33,129
Business area Property	975	42,474	54,167	986	38,619	48,969
Project properties	102	7,080	E/T	96	6,944	E/T ²⁾
Land and development rights	-	781		-	463	
Total Investment properties	1,077	50,335		1,082	46,026	
Development properties	6	1,254		6	1,308	
Property portfolio, total	1,082	51,589		1,087	47,334	

¹⁾ Calculations based on area, excluding garages.



BAS BARKARBY I JÄRFÄLLA

At the end of the year we opened the doors to our Bas Barkarby project, with the first tenants starting to move in. The building comprises 24,200 m² and is home to business, a school, library, gym and restaurant. Järfälla Municipality is the biggest tenant with 11,000 m² that has been assigned theoretically for upper-secondary schools.

Decided and completed projects

Investments in held properties amounted to SEK 2,279 million (SEK 2,513 m), of which SEK 1,178 million (SEK 1,638 m) was in project properties and SEK 220 million (SEK 305 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.

The remaining investment volume for decided projects amounted to SEK 2,660 million at the end of the year.

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.

Brf Kulturtrappan – In October sales started for the third block in Nobelberget that has a total of 93 tenant-owned apartments. The first phase of this block comprises 35 apartments, 60 per cent of which were booked as of 31 December. The project is expected to be ready for occupancy in the second quarter of 2024.

Sickla Galleria, phase IV – We have created approximately 200 parking spaces on top of the existing shopping centre, including 60 for electric cars. The new parking spaces will 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. In November 2021 a number of stores opened in the shopping centre, including the sports and leisure company XXL, which has a unit measuring 3,100 m². Other stores that opened new units were Lagerhaus, Lekia and Normal.

Sickla Stationshus – The detailed development plan for Sickla Stationshus became legally binding at the beginning of December, so completion of this eye-catching building can now go ahead. Stationshuset is located where the new underground station will be, with direct links to the cross-town light rail link (Tvärbanan), the Saltsjöbanan Line and bus services. This one location will therefore be served by four different methods of public transport, which will make Sickla into one of the biggest commuter hubs in Stockholm. It is going to be a 23-storey building with offices, a high-end restaurant, conference facilities and several green terraces, as well as stores on the

ground floor. Stationshuset will become a new landmark in Stockholm, with spectacular views across the entire city. The foundation work and the building shell for floors 1–4 are already underway, along with work on the connections to the underground. The building is expected to be ready for occupancy in the fourth quarter of 2024.

SLUSSEN

Katarinahuset – The reconstruction project in Katarinahuset is in full swing and when completed, the building will be home to modern offices with a unique view. In addition to these offices, there are plans for a hotel and several restaurants, as well as stores on the ground floor. The general public will also have access to the building's roof terrace via Mosebacke and Katarinahissen. A lease contract has already been signed with Eriks Gondolen for a unit measuring a total of 1,100 m² divided across two different restaurants. Another contract was signed before Christmas with Gullers Grupp for an office measuring 1,200 m². The building permit has been received for a new design proposal for the roof extension, which has been adapted following the decision by the Land and Environment Court not to allow the previous building permit to go ahead. The first office tenants are planning to move in during the spring of 2023, while the renovation of the property is expected to be fully completed in the summer of 2023. This investment amounts to almost SEK 1 billion.

SLAKTHUSOMRÅDET

Slakthushallarna – 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 for the project started in the autumn and is scheduled for completion in the fourth quarter of 2022.

HAGASTADEN

Life City – Life City is next to New Karolinska Solna University Hospital and opened to the general public in December. 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 life science cluster in this city district. The first tenants, Academic Work and 10x Genomics, will move in during the first quarter of 2022. At the end of 2021 three lease contracts were signed for an area totalling 1,670 m² with the pharmaceutical company Immedica Pharma; GHP which will open a specialist clinic in urology; and Trainics. The entire building is planned for completion in the spring of 2022.

BARKARBYSTADEN, JÄRFÄLLA

Bas Barkarby – On 1 January 2022 we opened the doors to Bas Barkarby, covering an area of 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 is the biggest tenant with almost 11,000 m² for an upper secondary school, a multi-purpose hall, a library and other cultural activities. In 2022 we will complete the premises for an additional upper-secondary school, a gym, offices and healthcare facilities.

In addition to Järfälla Municipality, lease contracts have been signed with tenants that include Eatery, Svea Education, Friskis & Sveltis, Kungsängen (head office) and Allians Redovisning. Following an assessment carried out by the Swedish Schools Inspectorate, Svea Education's application was rejected. An appeal has been lodged against this decision. The letting rate is 83 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.

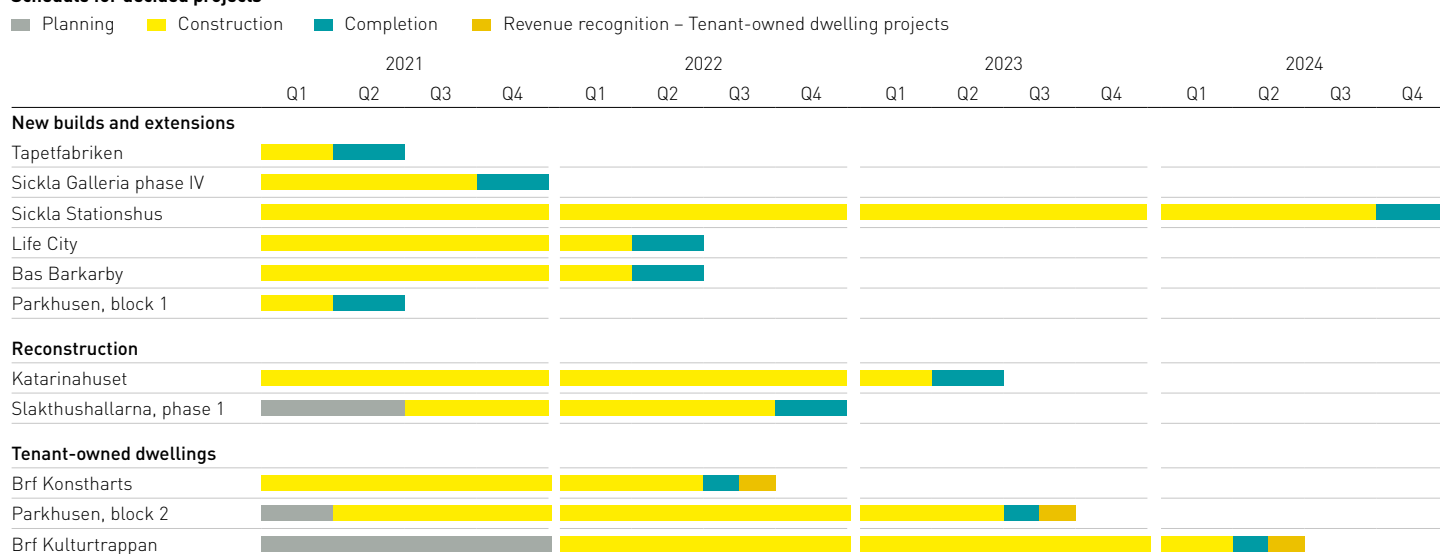
Uppsala

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 developing our first tenant-owned dwellings in Gränbystaden, totalling 98 apartments. Sales for this project started in June 2021 and as of 31 December, 54 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



Decided projects

Project, property, municipality	Letting area, m ²				Parking, GFA	Total investment, SEK m ¹⁾	Of which remaining, SEK m	Fair value, SEK m	Rental value, SEK m ²⁾	Letting rate, %
	Retail	Offices	Residential units	Other						
New builds and extensions										
Tapetfabriken, Sicklaön 83:22, Nacka				10,500	4,600	430	0		E/T ³⁾	100
Sickla Galleria phase IV, Sicklaön 83:22, Nacka	5,000				6,300	150	10	16		93
Sickla Stationshus, Sicklaön 83:42, Nacka	1,000	15,900				990	780	64		0
Life City, Molekylen 1, Stockholm		27,500			4,400	1,660	210	111		65
Bas Barkarby, Barkarby 2:64, Järfälla		4,000		20,200		870	200	59		83
Parkhusen, block 1, Gränby 25:1, Uppsala	100		2,700			120	10	6		100
Total new builds and extensions	6,100	47,400	2,700	30,700	15,300	4,220	1,210			
Reconstruction										
Katarinahuset, Tranbodarne 11, Stockholm	2,900	18,400		3,800		1,050	700	129		12
Slakthushallarna, phase 1, Kyllhuset 26, Stockholm	2,300					160	100	10		57
Tenant-owned dwellings										
Brf Konstharts, Sicklaön 83:41, Nacka	300		3,600		800	280	70		E/T	100
Parkhusen block 2, Gränby 26:3, Uppsala			5,800		1,200	270	210		E/T	— ⁴⁾
Brf Kulturtrappan, Nacka			6,600			490	370		E/T	— ⁷⁾
Total decided projects	11,600	65,800	18,700	34,500	17,300	6,470	2,660	6,700⁴⁾		

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 4,423 million for new builds and extensions, SEK 1,973 million for reconstructions and SEK 303 million for tenant-owned dwelling projects.

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

⁶⁾ 54 per cent booked through booking contracts. 58 apartments (2 phases) of a total of 98 apartment have been released for booking contracts. A total of 32 apartments of the possible 58 apartments have been secured through booking contracts.

⁷⁾ 60 per cent booked through booking contracts. 35 apartments (phase 1) of a total of 93 apartment have been released for booking contracts. A total of 21 apartments of the possible 35 apartments have been secured through booking contracts.



CENTRAL SICKLA

Central Sickla comprises 150,000 m² GFA and stretches all the way from Marcusplatsen in the west to Kyrkviken in the east. This area is going to be transformed into a vibrant city district with a walkway, offices and residential, as well as stores and restaurants at ground-floor level. A detailed development process is currently underway for a new 16-storey residential block at one of the planned entrances to the underground station.

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. 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.

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, with construction expected to start in the autumn of 2022.

In Slakthusområdet the following projects are planned to start in Slakthusområdet in 2022: Hus 49, Hus 48, Hus 1 and Slakthushallarna. Hus 1, Hus 48 and 49 will primarily comprise offices, with a restaurant and cafe facing the park. The night club Fällan is planning to move into Slakthushallarna.

We have continued to establish new tenants in the area that reflect the vision for this location: Stockholm's new meeting place for food, culture and experiences and an engine for Söderort. An increasing number of creative industries, including restaurants and event and concert venues, are now looking to set up in Slakthusområdet, so a major investment is being carried out in Hus 26, one of the former slaughterhouses in the heart of this area. Hus 26 is going to contain a carefully selected mix of restaurants, bars and other niche concepts. The first tenant is the renowned chefs, Adam Dahlberg and Albin Wessman, who are going to set up their first establishment here. They are behind the restaurants Adam/Albin and Misshumassu. Hosoi is moving in next to them with a restaurant and bar, which will have a friendly listening area and concert venue, and will see people making a pilgrimage here from all around the world. The roastery Stockholm Roast is right next to Hosoi and is expanding its operations with a new concept. These premises comprise a restaurant with an open kitchen, a bakery and a food bar. Hus 26 is scheduled for completion in the autumn of 2022 and will be able to provide services for both office tenants and local

residents, as well as visitors from further afield, providing them with a completely unique food experience.

Söderhallarna on Medborgarplatsen is going to be rebuilt and modernised to make Södermalm the place to visit for high-quality ingredients and food crafts, with a distinct focus on sustainability. By carrying out sympathetic reconstruction and extension work, we want to create strong links to the surrounding environment. The plan is to have clear routes through the property as well as attractive entrances facing Medborgarplatsen to create a safer and more vibrant square. Söderhallarna will also house offices for creative industries, which will benefit from being located in the heart of Sweden's largest gaming development cluster.

Detailed development planning is underway and the reconstruction project is scheduled to start in the second half of 2023.

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 district in Parkhusen, there is also the potential for approximately 150 more apartments within the framework of the existing detailed development plan.

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.



SLAKTHUSOMRÅDET

In Slakthusområdet we are continuing to establish new tenants, all of whom will help achieve our vision – Stockholm's new meeting place for food, culture and experiences. A major investment is now underway for Hus 26, which will be home to a mix of restaurant concepts that have been carefully selected.

Major development areas, project starts from 2024

Possession of these properties is scheduled for the beginning of 2023, while construction is expected to start later in the same year.

Sickla

For more than 20 years Atrium Ljungberg has been transforming Sickla from an industrial area to a vibrant city district. 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 GFA, corresponding to around 7,000 office workplaces and around 500 new apartments. The detailed development plan process was under consultation in December and January, and it is planned to be sent out for examination at the end of 2022. The planning process is expected to be completed by the end of 2023.

The Stockholm region is seeing a high rate of growth, which is why we are also planning more residential apartments in Sickla. 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 2024. 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 residentials, 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 the first properties. We are going to develop at total of

approximately 200,000 m² GFA for offices and residentials, alongside culture, retail/restaurants, 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 2021 we signed a cooperation agreement with Stockholm University of the Arts (SKH) for 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 and acting, and organises a number of large public events every year. In the autumn planning started for the central section of Slakthusområdet, where we will be developing offices and residentials.

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 7,000 m² GFA with a view of the old town in Stockholm, Gamla Stan, and the water. Cafes, restaurants and cultural facilities are being planned in Mälarterrassen. Occupancy is planned for 2026.

The development rights for a hotel in the Ormen district measuring approximately 4,500 m² GFA above the underground entrance were returned to the City of Stockholm in the late autumn.

In Slussen we also have 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 30,000 m² GFA in land allocations. Our development projects in Slussen represent a total future investment of approximately SEK 1.8 billion, including land allocations. 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, for example, our Life City project will be opening to the public in the spring of 2022.

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

In March 2020 we received 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 during 2024, 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.

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. The detailed development planning for the residential district is expected to be complete at the beginning of 2022. 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 2023 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	
Lindholmen	Gothenburg	Offices		23,000	
Hagastaden	Stockholm	Residential units	39,000		
Hagastaden	Stockholm	Offices	11,000	47,000	
Mobilia	Malmö	Offices	5,000		
Sickla	Nacka	Residential units	29,000	140,000	
Sickla	Nacka	Offices		97,000	
Slakthusområdet	Stockholm	Education		37,000	
Slakthusområdet	Stockholm	Residential units		36,000	
Slakthusområdet	Stockholm	Offices	19,000	74,000	
Slakthusområdet	Stockholm	Hotels		4,000	
Slakthusområdet	Stockholm	Other		19,000	
Sundbyberg	Sundbyberg	Offices		26,000	
Södermalm	Stockholm	Retail	16,000		
Södermalm	Stockholm	Offices	39,000		
Södermalm	Stockholm	Culture/restaurant	6,000		
Uppsala	Uppsala	Residential units	26,000	25,000	
Uppsala	Uppsala	Offices		61,000	
Uppsala	Uppsala	Retail	5,000		
Total			195,000³⁾	589,000⁴⁾	35,000

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

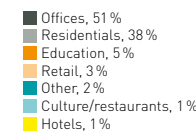
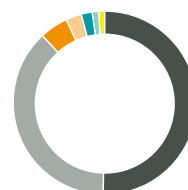
²⁾ The investment volume relates to investments in existing properties and future development rights, including any land acquisitions.

³⁾ Of which around 30,000 m² relates to reconstruction and around 100,000 m² GFA relates to land allocations.

⁴⁾ Of which around 40,000 m² relates to reconstruction and around 230,000 m² GFA relates to land allocations.

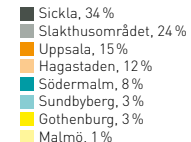
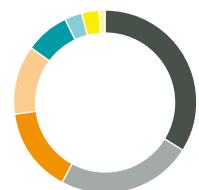
Potential projects by premises type

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



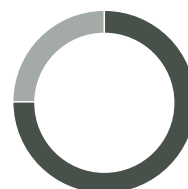
Potential projects by area

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



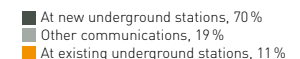
Potential projects by detailed development plan

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



Potential projects at underground stations

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



Financing

The financial market

The fourth quarter started with restrictions being lifted and a reduction in the spread of Covid-19. Focus shifted instead to rising inflation around the world, including in the USA, which has seen the highest figures for several decades. Sweden reported inflation of 4.1 per cent in December. As Covid-19 infection figures started to rise towards the end of the year and restrictions were reintroduced, focus turned back to the virus. However, the restrictions didn't last for long as they were lifted again on February 9th.

Sweden reported strong growth in the fourth quarter despite global logistics problems, shortages of various intermediate goods and high energy prices. The GDP indicator showed that GDP increased by 1.4 per cent compared to the previous quarter. The most recent economic barometer from the National Institute of Economic Research indicates that the mood remains positive, but numbers are falling for almost every sub-index.

In the USA the Federal Reserve continued to scale back its securities purchases and several forecasts now suggest that there will be two to four rate hikes in the US reference rate in 2022. As expected, the Riksbank kept the repo rate at 0.00 per cent in its latest decision and the indications are that it will not rise until the second half of 2024.

During the quarter 3M Stibor remained just below zero. The 10-year swap rate fluctuated more and stood at 0.97 per cent at the end of the year.

The conditions on the Swedish capital market remained good, but with slightly higher credit margins towards the latter part of the year which continued into 2022.

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 amounted to SEK 20,561 million (SEK 18,905 m) at the end of the year. During the fourth quarter, interest-bearing

liabilities increased by SEK 268 million. This increase is due not only to the exchange rate effect for loans in Norwegian krone, but also repaid commercial papers and a higher volume of bank loans and green bonds.

The average interest rate was 1.7 per cent (1.6 %) at the end of the year. Including unutilised loan guarantees the average interest rate was 1.8 per cent (1.7%). The average fixed interest term was 4.7 years (5.0 years) and the average capital commitment term was 4.8 years (4.7 years). The interest coverage ratio for the rolling 12-month period amounted to 5.3 (4.6) at the end of the year. According to the company's financial goals, the gearing ratio must remain under 45.0 per cent in the long term; at the end of the year it amounted to 39.9 per cent (39.9%).

Unutilised lines of credit amounted to SEK 7,297 million (SEK 4,769 m), which cover outstanding commercial papers, totalling SEK 1,699 million, as well as other forms of borrowing with short remaining maturities. Unutilised overdraft facilities also amounted to SEK 300 million (SEK 300 m).

The prospectus of the MTN programme was updated in February 2022. Most essential changes were increased limit from SEK 12,000 million to SEK 15,000 million and the possibility to issue sustainability-linked bonds.

Securities

Of the interest-bearing liabilities, SEK 7,027 million (SEK 6,882 m) is secured by mortgage deeds which corresponds to 13 per cent (14%) in relation to the total assets.

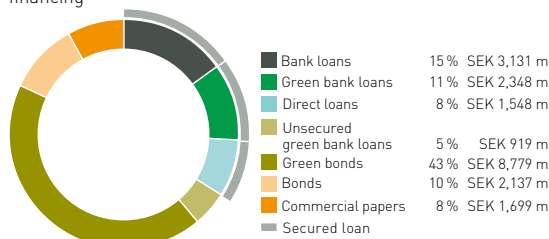
Green and sustainable financing

Atrium Ljungberg adopted new sustainability goals in late 2021. As a result, a new green bond framework as well as a sustainability-linked financing framework were launched.

Green financing accounts for 59 per cent (49%) of the total loan volume. At the end of 2021 a total of 8,779 million (SEK 6,005 m) in green bonds were outstanding together with 3,266 million (SEK 3,269 m) in green bank loans.

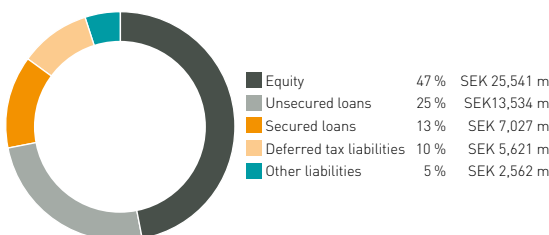
Interest-bearing liabilities

– SEK 20,561 million in interest-bearing liabilities, including 59 per cent green financing



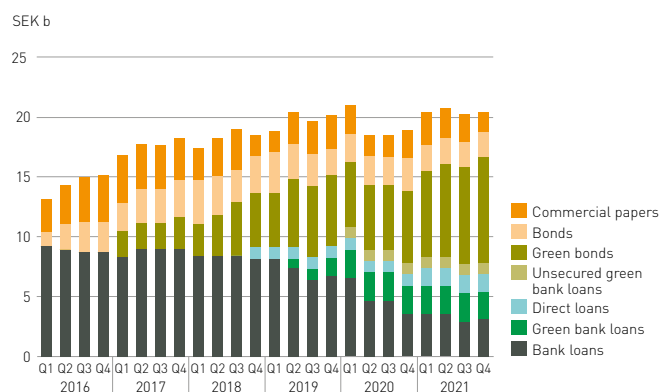
Capital structure

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



Development of financing sources

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



Fixed interest, SEK million

Commitment period	Volume	Percentage, %	Average interest, % ¹⁾
2022	4,509	22	1.2
2023	–	–	0.0
2024	1,513	7	1.6
2025	1,450	7	1.6
2026	1,704	8	1.7
2027 and thereafter	11,385	55	2.0
Total	20,561	100	1.7

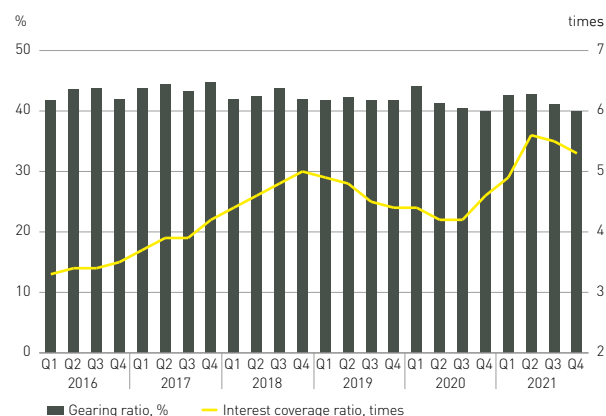
¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Capital commitment, SEK million

Commitment period	Bank loans	Capital market	Total liabilities	Percentage, %	Total credit agreements
2022	0	3,410	3,410	17	3,410
2023	834	1,350	2,184	11	2,584
2024	1,656	1,813	3,468	17	7,415
2025	884	1,300	2,184	11	2,184
2026	200	2,562	2,762	13	4,712
2027 and thereafter	4,372	2,182	6,554	32	7,554
Total	7,946	12,616	20,561	100	27,858

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

– Lower gearing ratio and high interest coverage ratio



Derivative instruments

At the end of the year the derivative portfolio comprised SEK 13,500 million (SEK 12,296 m) in interest rate swaps with a maturity of 2024–2032. SEK 500 million refers to forward start swaps with effective date in the first quarter of 2022. In addition to the interest rate swaps, there were currency swaps of SEK 2,358 million (SEK 2,196 m). Currency swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

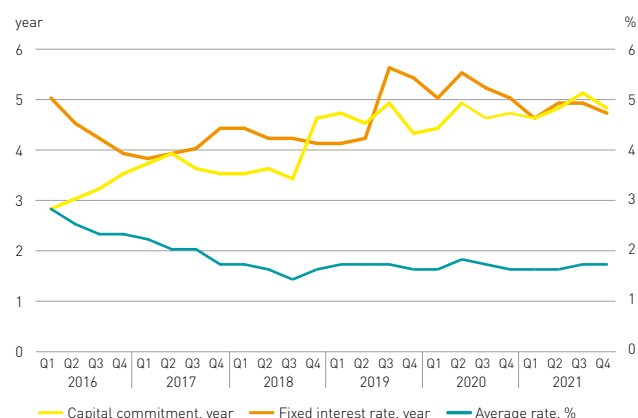
The derivatives portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the income statement. The unrealised change in the value of derivatives for the year amounted to SEK 388 million (SEK –252 m) as a result of rising long-term market interest rates. The deficit book value of the derivatives portfolio amounted to SEK –100 million (SEK –656 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. The latest credit opinion was published in April 2021.

Average interest and capital commitment and fixed interest rate

– Stable average rate and long commitment periods



CONSOLIDATED CASH FLOW STATEMENT

	Full year 2021 Jan-Dec	Full year 2020 Jan-Dec	Quarter 2021 Oct-Dec	Quarter 2020 Oct-Dec
Amounts in SEK m				
OPERATING ACTIVITIES				
Profit before changes in value	1,249	1,124	304	282
Reversal of depreciation, amortisation and impairment	13	13	3	3
Other items not included in the cash flow	-87	-9	-10	-11
Tax paid	-148	6	-25	-19
Cash flow from operating activities before changes in working capital	1,027	1,134	273	254
Net change in working capital	222	113	135	322
Cash flow from operating activities	1,249	1,246	408	577
INVESTMENT ACTIVITIES				
Acquisition of investment properties	-25	-407	-	-143
Investments in held properties and tenant-owned dwelling projects	-2,242	-2,513	-683	-704
Sale of properties	744	3,797	-1	-
Investment in financial non-current assets	119	-145	9	-92
Purchase/sale of equipment	-19	-8	-12	-5
Cash flow from investment activities	-1,423	724	-687	-944
FINANCING ACTIVITIES				
Change in other non-current liabilities	17	5	4	-1
Loans raised	11,461	5,886	1,150	2,244
Repayment of debts	-9,976	-7,047	-934	-1,924
Dividends paid	-640	-649	-	-
Buy-back of own shares	-248	-343	-22	-324
Cash flow from financing activities	614	-2,149	198	-5
Cash flow for the period	440	-177	-82	-372
Cash and cash equivalents at the beginning of the period	279	457	801	651
Cash and cash equivalent at the end of the period	719	279	719	279

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow for the for the period amounted to SEK 440 million (SEK -177 m).

The cash flow from operating activities amounted to SEK 1,249 million (SEK 1,246 m), corresponding to SEK 9.86/share (SEK 9.62/share).

Net investment activities contributed to a negative cash flow of SEK -1,423 million (SEK 724 m), primarily attributable to investments in held properties, which affected the cash flow by SEK -2,242 million (SEK -2,513 m).

The cash flow from financing activities amounted to SEK 614 million (SEK -2,149 m), which is mostly attributable to loans raised and amortisation.

Available liquidity amounted to SEK 8,316 million (SEK 5,348 m) and comprised bank deposits of SEK 719 million (SEK 279 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 7,297 million (SEK 4,769 m).



NEW SUSTAINABILITY GOALS

Atrium Ljungberg is to be climate-neutral by 2030 and the first step is to halve the climate impact from its construction projects. The company has focused heavily on reusing materials in Skeppskajen in Uppsala.

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.

These sustainability goals ended on 31 December 2021 and the new sustainability goals were adopted on 15 December 2021. The goal period runs from 2022 to 2030 and these goals will help guide our work in a sustainable direction. More information about these new goals will be presented at our Capital Markets Day on 10 February 2022.

Environmental certification

We have chosen to certify our commercial premises in accordance with BREEAM and our residential in accordance with Miljöbyggnad. As of 31 December 2021, 96 per cent (62%) of letting area was certified. We have almost reached our goal of certifying our portfolio, where we are now working on the last properties.

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 2021 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 was for green lease contracts to account for at least 50 per cent of the contracted annual rent by the end of 2021, which we exceeded.

	1 Jan 2022	1 Jan 2021
Green lease contracts, share of contracted annual rent	59%	44%

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 37 per cent (31%) per m², which is a result of energy efficiency measures. If we include the tenants' consumption, the total energy intensity has decreased by 26 (23) percent per square meter.

Energy intensity

44 per cent of the total energy intensity comprises the energy used in the tenants' activities.

kWh/m ²	2021 Full year	2020 Full year	Change	Change compared to 2014 ¹⁾
Heating	58	62	-6%	-37%
Property electricity	44	48	-8%	-34%
District cooling	10	12	-17%	-47%
Sub-total property energy	112	122	-8%	-37%
Tenant electricity	56	55	2%	-10%
Tenant electricity, estimated	16	16	0%	-43%
Process cooling	14	14	0%	
Total energy intensity	198	207	-4%	-26%

¹⁾ Reference year.

Taxonomy

The EU decided to set up a taxonomy to promote work to achieve its climate objectives. The purpose of the taxonomy is to define which economic activities are sustainable.

The obligatory report for 2021 includes data on what proportion of our turnover, investments and acquisitions, and operating expenses are covered by the EU Taxonomy; this is referred to as 'eligibility'. See the table: 'Proportion covered by the EU Taxonomy (eligibility)'.

We have also provided additional information about the proportion that is 'taxonomy aligned'; this is referred to as 'alignment'. For our 2021 report, we have decided to only report this data for our investment properties. See the table: 'Proportion attributable to activities that are taxonomy-aligned'.

Accounting policies – eligibility

All of Atrium Ljungberg's sales, i.e. Rental income and Sales for project and construction work in the consolidated income statement, are covered by the taxonomy, as they can be related to one of the economic activities that the EU Taxonomy has established for the construction and real estate industry. These activities are 7.7 'Acquisition and ownership of buildings' 7.2 'Renovation of existing properties (project properties)' and 7.1 'Construction of new buildings'.

In Total investments and acquisitions, the acquisition of properties and investments in new and existing properties are included. The 'Change in the property portfolio' table on page 11 therefore includes the following rows: Acquisitions, Investments in held properties and Investments in tenant-owned dwelling projects.

Total operating expenses include costs that are directly attributable to the daily maintenance of the properties and costs that are essential for maintaining the function and purpose of the properties. For Atrium Ljungberg, this means that we can include the item 'Repairs' in the consolidated income statement.

Both investments and acquisitions and operating expenses have been assessed to be covered 100% by the taxonomy, as they can be related to our sales, which are also covered 100% by the taxonomy.

Proportion covered by the EU Taxonomy (eligibility)

	Total (SEK m)	Proportion covered by the taxonomy (%)	Proportion not covered by the taxonomy (%)
Rental income	2,292	100	0
Net sales, project and construction work	792	100	0
Total sales (Turnover)	3,084	100	0
Investments and acquisitions (CapEx)	2,304	100	0
Operating expenses (OpEx)	-41	100	0

Accounting policies – alignment

If turnover, investments and acquisitions, and operating expenses are to be considered to be taxonomy-aligned, they must meet at least one of the six environmental objectives, they must do no significant harm to any of the other objectives and Atrium Ljungberg must meet the minimum social safeguards.

We have decided to include only our investment properties in the voluntary report, which can be found in the table: 'Proportion attributable to activities that are taxonomy-aligned'. The properties that have been assessed as meeting the taxonomy's requirements achieve the environmental objective 'climate change mitigation' as they have an energy declaration that meets the requirement for EPC A or are in the top 15 per cent in terms of primary energy consumption in Sweden (based on the definitions for existing buildings published by Fastighetsägarna Sverige). We have provisionally assumed

that the DNSH (do no significant harm) criteria have been met and we have also assumed that we have met the minimum social safeguards through Atrium Ljungberg's work on business ethics and supplier monitoring.

By carrying out active sustainability work in both our management and project activities, we can see a lot of potential for improving the proportion of our turnover, investments and acquisitions, and operating expenses that is taxonomy-aligned. To achieve this we are going to continue to work on lowering energy consumption in our properties, reducing our climate impact, managing climate risks and safeguarding social requirements.

Proportion that are taxonomy-aligned

	Energy declaration that is taxonomy- aligned	Proportion of the investment portfolio that is taxonomy- aligned, %	Total investment portfolio
Rental income (SEK m)	544	24	2,292
Investments and acquisitions (SEK m)	948	45	2,084
Operating expenses (SEK m)	-7	16	-41
Property value (SEK m)	15,296	30	50,335
Letting area (m²)	230	22	1,050

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	Full year 2021 Jan-Dec	Full year 2020 Jan-Dec
Current tax	0	41
Property tax	182	185
Non-deductible VAT	129	134
Stamp duty	16	-
Taxes	326	361
Leasehold fees	28	31
Society	355	392

Green and sustainable 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 59 per cent (49%) of the total loan volume. At the end of the period, there was SEK 8,779 million (SEK 6,005 m) of green bonds outstanding, as well as SEK 3,266 million (SEK 3,269 m) of green bank loans.

In February 2022 a new green bond framework as well as a sustainability-linked financing framework were launched under the MTN-programme.

Segment reporting

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

2021
Jan-Dec

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction work	Eliminations	Non-allocated items	The Group
Rental income	2,315				-23	-	2,292
Net sales, project and construction work		394	766	1,160	-368	-	792
Net sales	2,315	394	766	1,160	-391	-	3,084
Property management costs	-743				11	-	-732
Project and construction work costs		-325	-708	-1,034	348	-	-685
Gross profit	1,572	69	57	126	-32	-	1,666
Central administration	-82	-3	-12	-15	-	-	-97
Financial income and expenses	-28			-	-	-291	-320
Profit before changes in value	1,461	66	45	112	-32	-291	1,249
Changes in value ^{2) 3)}	3,018			-	-	388	3,406
Tax	-			-	-	-899	-899
Profit for the period	4,480	66	45	112	-32	-802	3,757
Investments and acquisitions	2,084	220	3	223	-	16	2,322
Assets, at the end of the period	51,524	1,254	253	1,507	-	1,254	54,285

2020
Jan-Dec

Amounts in SEK m	Properties	Project development ¹⁾	TL Bygg	Project and construction work	Eliminations	Non-allocated items	The Group
Rental income	2,367				-23	-	2,344
Net sales, project and construction work		23	858	881	-386	-	495
Net sales	2,367	23	858	881	-409	-	2,839
Property management costs	-793				14	-	-779
Project and construction work costs		-36	-810	-846	338	-	-508
Gross profit	1,573	-13	48	36	-57	-	1,552
Central administration	-75	-5	-12	-17	-	-	-91
Financial income and expenses	-31			-	-	-306	-337
Profit before changes in value	1,467	-18	36	19	-57	-306	1,124
Changes in value ^{2) 3)}	-200				-	-252	-452
Tax					-	195	195
Profit for the period	1,267	-18	36	19	-57	-363	867
Investments and acquisitions	2,618	305	1	306	-	3	2,922
Assets, at the end of the period	47,370	1,308	252	1,560	-	685	49,615

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

²⁾ Properties, unrealised SEK 3,040 million (SEK -119 m). Properties, realised SEK -22 million (SEK -81 m).

³⁾ Unrealised change in value, derivatives SEK 388 million (SEK -252 m).

Revenue type per segment

2021

Jan-Dec

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction work	Eliminations	The Group
Rental income	2,315				-23	2,292
Net sales, project and construction work						
of which Turnkey contracts, fixed price			285	285	0	286
of which Turnkey contracts, open account			266	266	262	528
of which Performance contracts, fixed price			0	0	-	0
of which Performance contracts, open account			205	205	106	311
of which Other incl. tenant-owned dwellings		394	8	402	-736	-333
Total Net sales, project and construction work		394	766	1,160	-368	792
Total Net sales	2,315	394	766	1,160	-391	3,084

2020

Jan-Dec

Amounts in SEK m	Properties	Project development	TL Bygg	Project and construction work	Eliminations	The Group
Rental income	2,367				-23	2,344
Net sales, project and construction work						
of which Turnkey contracts, fixed price			216	216	-0	216
of which Turnkey contracts, open account			327	327	-313	14
of which Performance contracts, fixed price			313	313	-50	262
of which Performance contracts, open account			1	1	0	1
of which Other		23		23	-23	-
Total Net sales, project and construction work		23	858	881	-386	495
Total Net sales	2,367	23	858	881	-409	2,839

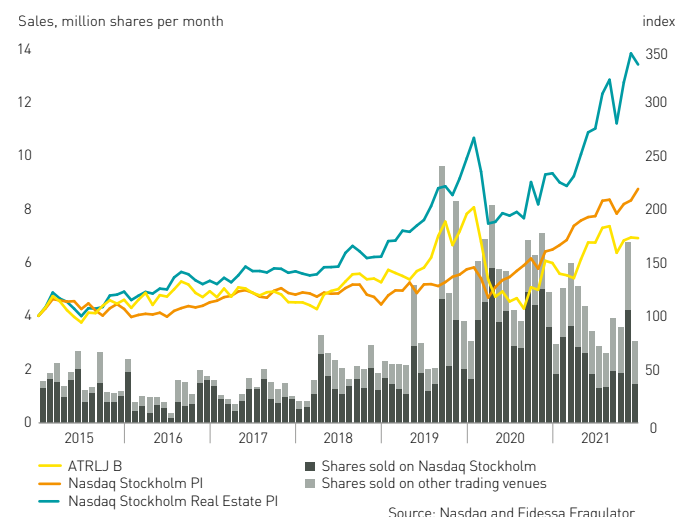
KEY PERFORMANCE INDICATORS¹⁾

	Full year 2021 Jan–Dec	Full year 2020 Jan–Dec	Quarter 2021 Oct–Dec	Quarter 2020 Oct–Dec
PROPERTY-RELATED KEY PERFORMANCE INDICATORS				
Letting rate excluding project properties, %	91	91	91	91
Letting rate including project properties, %	91	91	91	91
Operating surplus margin, %	68	67	68	65
Vacancy rate, %	9	9	9	9
Letting area, '000 m ²	1,082	1,087	1,082	1,087
Investments in Atrium Ljungberg's held properties, SEK m	2,279	2,513	708	704
Number of properties at the end of the period	66	67	66	67
FINANCIAL KEY PERFORMANCE INDICATORS				
Equity/assets ratio, %	47.1	45.7	47.1	45.7
Gearing ratio, %	39.9	39.9	39.9	39.9
Interest coverage ratio, rolling 12-month period	5.3	4.6	5.3	4.6
Average interest rate for interest-bearing liabilities, %	1.7	1.6	1.7	1.6
Return on equity, rolling 12-month period, %	15.6	3.8	15.6	3.8
Return on equity, excluding changes in value, rolling 12-month period, %	4.3	3.8	4.3	3.8
Return on total assets, rolling 12-month period, %	9.6	2.0	9.6	2.0
Return on total assets, excluding changes in value, rolling 12-month period, %	2.4	2.3	2.4	2.3
Earnings, SEK m	1,240	1,070	340	269
NRV, SEK m	31,040	27,841	31,040	27,841
NTA ²⁾ , SEK m	29,847	26,897	29,847	26,897
NDV	25,103	21,825	25,103	21,825
DATA PER SHARE				
Earnings per share, SEK	29.65	6.69	11.38	5.35
Profit before changes in value less nominal tax, SEK	7.85	6.92	1.91	1.73
Cash flow from operating activities, SEK	9.86	9.62	3.22	4.47
Equity, SEK	202.20	177.46	202.20	177.46
EPS, SEK	9.82	8.38	2.69	2.12
NRV, SEK	245.73	217.95	245.73	217.95
NTA ²⁾ , SEK	236.29	210.56	236.29	210.56
NDV, SEK	198.73	170.86	198.73	170.86
Share price, SEK	199.70	172.80	199.70	172.80
Weighted average number of shares, thousands	126,688	129,554	126,415	128,957
Number of outstanding shares at the end of the period, thousand	126,313	127,739	126,313	127,739
EMPLOYEES				
Average number of employees	321	333	318	337

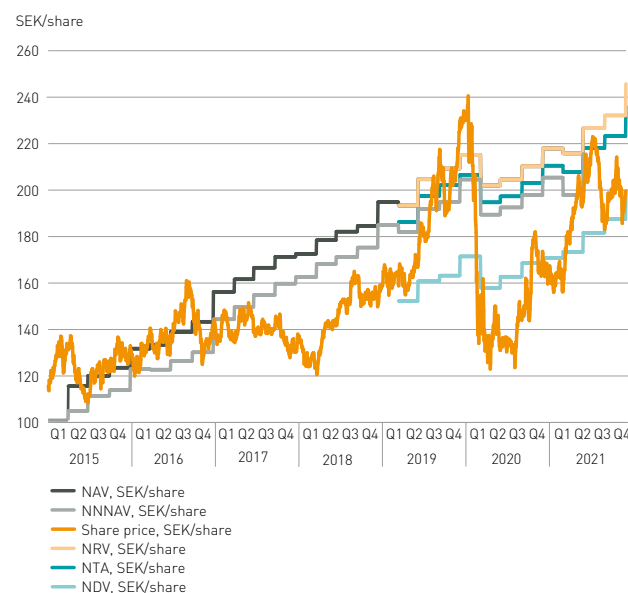
¹⁾ See the definitions on pages 29–30, and see the reconciliation for key ratios at www.al.se.

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

The Atrium Ljungberg share



Net asset value and share price



QUARTERLY SUMMARY ^{1) 2)}

INCOME STATEMENTS

Amounts in SEK m	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Rental income	600	555	565	572	555	561	579	648
Net sales, project and construction work	95	88	482	127	118	139	153	84
Net sales	695	643	1,046	699	673	700	732	733
Property management costs	-193	-167	-177	-195	-195	-167	-203	-213
Project and construction work costs	-103	-99	-385	-98	-118	-150	-152	-87
Gross profit	399	378	484	405	360	383	377	432
– of which gross profit/loss property management (operating surplus)	407	388	388	377	360	394	376	435
— of which gross profit/loss from project and construction work	-8	-11	96	29	-0	-11	1	-3
Central administration, property management	-25	-20	-20	-17	-21	-15	-21	-18
Central administration, project and construction work	-2	-4	-4	-4	-6	-3	-3	-4
	-27	-25	-24	-21	-26	-18	-24	-23
Financial income and expenses	-68	-91	-87	-73	-52	-88	-97	-99
Profit before changes in value	304	262	372	311	282	277	256	311
Properties, unrealised	1,448	461	964	167	623	467	279	-1,486
Properties, realised	-6	0	-15	-1	3	-16	-65	-3
Derivatives, unrealised	63	72	43	210	33	-45	-3	-236
Derivatives, realised	-	-	-	-	-	-	-	-
	1,505	533	992	376	659	406	210	-1,725
Profit before tax	1,809	795	1,364	687	940	683	466	-1,414
Tax	-370	-168	-226	-135	-250	63	98	280
Profit for the period	1,439	627	1,138	552	690	745	564	-1,134

KEY PERFORMANCE INDICATORS ¹⁾

	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Property-related key performance indicators								
Letting rate excluding project properties, %	91	91	91	91	91	92	92	93
Letting rate including project properties, %	91	91	91	91	91	92	92	92
Operating surplus margin, %	68	70	69	66	65	70	65	67
Letting area, '000 m ²	1,082	1,063	1,046	1,089	1,087	1,078	1,069	1,171
Investments in Atrium Ljungberg's held properties, SEK m	708	528	558	485	704	653	586	570
Number of properties at the end of the period	67	67	67	70	67	66	66	70
Financial key performance indicators								
Equity/assets ratio, %	47.1	46.2	45.4	43.7	45.7	46.1	45.5	41.3
Gearing ratio, %	39.9	41.1	42.7	42.6	39.9	40.5	41.2	44.1
Adjusted gearing ratio, %	39.9	41.1	42.0	42.6	39.9	40.5	41.2	44.1
Interest coverage ratio, rolling 12-month period	5.3	5.5	5.6	4.9	4.6	4.2	4.2	4.4
Average interest rate for interest-bearing liabilities, %	1.7	1.7	1.6	1.6	1.6	1.7	1.8	1.6
Return on equity, rolling 12-month period, %	15.6	13.0	13.9	11.8	3.8	5.6	4.7	7.1
Return on equity, excluding changes in value, rolling 12-month period, %	4.3	4.3	4.5	4.2	3.8	4.0	4.3	4.7
Return on total assets, rolling 12-month period, %	9.6	8.1	8.0	6.0	2.0	3.1	2.7	4.4
Return on total assets, excluding changes in value, rolling 12-month period, %	2.4	2.4	2.5	2.2	2.3	2.4	2.6	2.6
Data per share								
Earnings per share, SEK	11.38	4.96	9.00	4.34	5.35	5.75	4.35	-8.74
Profit before changes in value less nominal tax, SEK	1.91	1.65	2.33	1.95	1.73	1.68	1.55	1.88
EPS, SEK	2.69	1.55	2.23	2.30	2.12	2.24	1.72	2.24
Cash flow, SEK	3.22	2.37	2.40	1.87	4.47	2.79	0.01	2.46
Equity, SEK	202.20	190.83	185.90	176.90	177.46	171.90	166.15	161.76
NRV, SEK	245.73	232.13	226.62	215.80	217.95	210.23	204.60	202.00
NTA ²⁾ , SEK	236.02	223.23	218.07	207.55	210.56	203.16	197.31	200.77
NDV, SEK	198.73	187.49	181.66	173.42	170.86	168.58	162.73	157.95
Share price, SEK	199.70	183.80	194.90	156.40	172.80	146.60	131.20	154.80
Weighted average number of shares, thousands	126,415	126,477	126,553	127,319	128,957	129,721	129,721	129,820
Number of outstanding shares at the end of the period, thousand	126,313	126,417	126,493	126,692	127,739	129,721	129,721	129,721

¹⁾ See definitions on pages 29–30. For the 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.

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 298 million (SEK 395 m). The operating profit/loss amounted to SEK -414 million (SEK -50 m). Profit after financial items amounted to SEK 720 million (SEK 3,527 m). Capital gains/losses from the sale of properties relate to the internal sale of Kolding 3 and 4 in Kista, which

was carried out 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 a positive unrealised change in value attributable to derivatives that amounted to SEK 424 million (SEK -314 m).

Interest-bearing liabilities amounted to SEK 15,457 million (SEK 15,967 m). These funds finance the parent company's property portfolio and are lent on to other Group companies.

Amounts in SEK m	Full year 2021 Jan-Dec	Full year 2020 Jan-Dec
Rental income	39	77
Management income	260	318
Net sales	298	395
Property costs	-17	-32
Management and administration expenses	-324	-389
Capital gain/loss from sale of properties	-353	-7
Depreciation	-18	-16
Operating profit	-414	-50
Earnings from shares in Group companies	652	3,560
Interest income and similar profit items	1,058	622
Interest expenses and similar profit items	-575	-606
	1,135	3,576
Profit after financial items	720	3,527
Appropriations	92	72
Profit before tax	812	3,599
Current tax	-	-4
Deferred tax	1	34
	1	30
Profit for the period	813	3,629

Amounts in SEK m	31 Dec 2021	31 Dec 2020
ASSETS		
Property, plant and equipment	8	808
Financial non-current assets	1,409	1,261
Current assets	24,585	25,033
Total assets	26,002	27,101
EQUITY AND LIABILITIES		
Equity	10,167	10,243
Untaxed reserves	6	21
Provisions	20	83
Non-current liabilities	15,695	16,630
Current liabilities	114	125
Total equity and liabilities	26,002	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 31 December 2021 the company owned 6,907,378 class B shares. The buy-back has been in the range of SEK 132.20–212.50 per share, which is the equivalent of an average of SEK 171.52 per share.

STOCK OPTION PROGRAMME

By the end of the period the parent company had issued 0 (94,500) call options, which entitle Atrium Ljungberg's staff to acquire the equivalent number of class B shares. The redemption period for these previously issued 94,500 call options was 16 August 2021 to 31 December 2021 and all call options were used.

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 SEK 18 million gross (SEK 71 m), which includes SEK 0 million (SEK 4 m) in the fourth quarter. The reduced rents for the full year that are expected to be compensated by the government amounted to SEK 8 million (SEK 28 m). This affected profit for the period by SEK 10 million net (SEK 43 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 mostly occupied. 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 31 December 2021, which means

that a liability of SEK 238 million (SEK 662 m) has been recognised in the balance sheet. A positive change in value of SEK 424 million (SEK –314 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 20,561 million (SEK 18,905 m) and their fair value totals SEK 20,835 million (SEK 19,583 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 Köpkvarter) 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, but as vaccination being carried out, restrictions being lifted and societies opening up the uncertainty is mitigated. In Sweden the, the strict restrictions will be lifted on 9 February this year, and the return to the workplaces is thus possible even if caution continues to prevail. Atrium Ljungberg has coped

well through the pandemic, but has had to provide some liquidity relief to some tenants not being able to pay their rental costs. However, these reliefs have been reduced and the last quarter there were almost no reliefs at all. In terms of component shortages and rising prices, these can affect future construction projects.

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.

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

Nacka, 10 February 2022

BOARD OF DIRECTORS

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 Annual Report	21 March 2022
Annual general meeting	23 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

Söderhallarna invests in live shopping	4 October 2021
Gränbystaden celebrates 50 years	13 October 2021
Future report: A 'third office' close to home	13 October 2021
Adam & Albin opens a restaurant in Slakthusområdet	19 October 2021
Contract for a major acquisition in Slakthusområdet	4 November 2021
XXL opens in Sickla Galleria	16 November 2021
Stockholms Stadsmission's head office moves to Sickla	2 December 2021
KungSängen signs a contract in BAS Barkarby	8 December 2021
Atrium Ljungberg adopts new sustainability goals	15 December 2021

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