

Creating
sustainable
cities
of the
future.



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

Atrium Ljungberg's Annual Report for 2021 is issued by the Board of Directors and the CEO. The statutory annual accounts are presented on pages 80–90 and 104–150. The Sustainability Report is presented on pages 16–31 and 156–169 and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act.

We own, develop and manage properties. We currently have a total of 1,082,000 m² letting area with a property value of SEK 52 billion and a total project portfolio of ongoing and potential projects of approximately SEK 38 billion, including SEK 30 billion, which will be invested up to 2030.

Our focus is on developing attractive urban environments in Stockholm, Gothenburg, Malmö and Uppsala. Working with 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.

Atrium Ljungberg's new sustainability goals cover the climate, suppliers, sustainable employees and socially sustainable locations. We will be climate-neutral by 2030, and the first step is to halve the climate impact from our construction projects.

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

Sustainable
urban development
focusing on
diverse cities.

2021 in brief.

- **Net sales increased** 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).
- **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%.
- **Temporary rebates related to Covid-19** amounted to SEK 10 million net (SEK 43 m).
- **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).
- **Earnings per share** amounted to SEK 29.65/share (SEK 6.69/share).
- **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 amounted to SEK 25 million (SEK 410 m) and property sales amounted to SEK 805 million (SEK 3,979 m).
- **The Board proposes** a dividend of SEK 5.20/share (SEK 5.05/share).

Key performance indicators ¹⁾

Property value at the end of the year, SEK m	51,589	47,334
Operating surplus margin, %	68	67
Average interest on interest-bearing liabilities at the end of the year, %	1.7	1.6
Share price at the end of the year, SEK per share	199.70	172.80
Long-term net asset value at end of year, SEK per share	245.73	217.95

Financial goals ¹⁾

Investments in held properties, >SEK 2,000 million per year	2,279	2,513
Return on equity, rolling 12-month period, >10% over time	15.6	3.8
Loan-to-value ratio at the end of the year, <45%	39.9	39.9
Interest coverage ratio, >2.0	5.3	4.6

¹⁾ See page 174 for the complete table of key performance indicators and pages 179–180 for their definitions.



Loan-to-value ratio

– Low financial risk

39.9%

Profit before changes in value

– Increase of 14%/share in 2021

SEK 1,249 m

Operating surplus

– Increase of 1.8% in comparable portfolios excluding temporary rebates related to Covid-19 in 2021

SEK 1,560 m

Events in 2021.

Construction projects that started during the year

In December the detailed development plan for Sickla Stationshus became legally binding. This building comprises 23,000 m² GFA and will contain offices and commercial premises, as well as one of the two new entrances to the underground station in Sickla. We have also started the reconstruction of Slakthushallarna in Slakthusområdet with a total investment volume of SEK 160 million in phase 1.

Completed projects

Sickla Galleria phase IV was completed in November. In total the extension comprises just under 5,000 m², with new tenants such as XXL, which opened a 3,100 m² store, as well as approximately 200 new parking spaces. At the beginning of June, the new Hotel Tapetfabriken opened with 240 rooms on Marcusplatsen in Sickla, while at the end of the year the first tenants moved into Life City in Hagastaden and Bas Barkarby in Järfälla. The total investment volume for completed projects was approximately SEK 700 million in 2021.

Tenant-owned dwellings

In the second quarter revenue was recognised for our first tenant-owned dwelling project in Nobelberget, Brf Sicklastråket. The profit for this project amounted to SEK 91 million. In April construction started on the second block in Parkhusen in Gränbystaden, Uppsala, where we are building 98 tenant-owned apartments; in May the first block in Parkhusen was completed with 44 rental apartments.

Changes to the executive management team

Ulrika Danielsson became the new CFO in November.

New sustainability goals 2022–2030

In December 2021 the Board of Atrium Ljungberg adopted a new sustainability strategy and new sustainability goals, which run between 2022 and 2030. One of these goals is for the company to become climate-neutral by 2030.

Acquisitions and sales

In the first quarter an agreement was signed to acquire M1 and Centralstationen, which form part of the Lundbyvassen 4:6 property in Lindholmen in Gothenburg; possession is expected in 2024 once the detailed development plan has become legally binding. These buildings comprise a total of 22,000 m² letting area.

In June, an agreement was signed to sell the leaseholds Kolding 3 and 4, also known as Kista Front, in Kista. This sale comprised 44,000 m² letting area with a purchase price of SEK 805 million.

Atrium Ljungberg signed an agreement to acquire the Palmfelt Center leasehold in Slakthusområdet in November. This acquisition is conditional on a final decision by the municipal council, which is why possession is expected to take place in the second quarter of 2022. This leasehold comprises just under 30,000 m² letting area.

Major lettings

There were several major lettings during the year, including 3,800 m² for Polestar in Lindholmen and 1,200 m² for Gullers Group in Katarinahuset in Slussen. In Life City in Hagastaden, 2,100 m² has been let to 10X Genomics and 1,046 m² to Immedica Pharma. There were also several major lettings in Sickla, including Ikea's new planning studio, comprising 700 m², and XXL with a new store measuring 3,100 m².

Property acquisitions

SEK 25 m

Property sales

SEK 805 m

Sickla Stationshus will be a 23-storey building with offices and a new entrance for the underground station.



An eventful year.

2021 was an eventful year, despite the continuing pandemic. The transaction market was more active than ever before, with properties worth SEK 400 billion changing hands on the Swedish market. Atrium Ljungberg sold its office portfolio in Ärvinge for more than SEK 800 million and signed an agreement to acquire Palmfelt Center in Slakthusområdet. We also increased our portfolio in Gothenburg, signing an agreement to acquire M1 and Centralstationen in Lindholmen.

Despite the pandemic having a major impact in the first part of 2021, our letting business had a strong end to the year. This is an area we have been focusing on heavily throughout the entire company. This work generated new lettings with a rental value of almost SEK 250 million. However, some tenants terminated their contracts and we also had to terminate the contracts of some of our tenants to enable future projects. This meant that net lettings ended at SEK 40 million, which is a result that I am more than happy with.

When it comes to the letting market, we had a very intense and positive end to the year. The viewing rate was also high, which paves the way for many nice deals in 2022. Highlights in 2021 included 3,800 m² for Polestar in Lindholmen; 1,200 m² for Gullers Group in Katarinahuset in Slussen; and 1,046 m² for Immedica Pharma in Life City in Hagastaden. Market rents have been resilient during the pandemic and in the fourth quarter, our negotiated office contracts showed an increase in rents of 23%, while there was an increase in rents for retail contracts of 10%. 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%.

Prices for tenant-owned dwellings continued to increase, particularly in the Stockholm area. Demand was also strong for our tenant-owned dwelling projects, where we are making great 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 the geopolitical uncertainty in the world, the interest rate market has priced in more rapid rises; at the beginning of the new year the 3M Stibor rate was approaching 0% and it has been priced to rise to 0.35% 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: the 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. 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 progress, 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.

The workplace of the future

A number of surveys have been carried out during the pandemic into what work will be like in the future. Most of them approached this from the employee's perspective, which is why we decided to produce our own insight study. In our study we not only interviewed 1,000 employees from various industries around Sweden, but also 200 company leaders and experts.

The design of the office has gone through various phases, from cell offices, then open landscapes and finally to activity-based workplaces. It is now the era of the relationship-based office. Although our future customers will naturally be looking for premises that support their specific operations, everything surrounding the office will become even more important. Who is your neighbour? Which other brands do you want

to be associated with? Which amenities and services are in the area? The area needs to have the right 'feel', which is incredibly important when trying to attract young talents. At Atrium Ljungberg, we develop entire city districts with a mix of offices, residentials, retail, culture, services, healthcare and education. Our study confirms that the strategy we have for us as a company and for our range of products and services is definitely the right strategy. If you have not read our insight study yet, you can download it now!

Progress in our projects

Residentials 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. During the year we invested SEK 2.3 billion in our own development projects, delivering project returns of SEK 974 million.

Sickla

The detailed development plan for Sickla Stationshus became legally binding in December, paving the way for a 23-storey office building. It will also feature a restaurant, conference facilities and several green terraces, as well as stores and services on the ground floor. 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. Sickla Stationshus will become a new landmark in Stockholm, with spectacular views across the entire city.

The shopping centre, Sickla Galleria, had been rebuilt and extended over several years. This work was completed in November 2021, with several new store concepts opening. In the autumn we also made a major announcement: that Ikea would be opening a planning studio in Sickla.

Slakthusområdet

It is full speed ahead in Slakthusområdet. Our vision is to create a really strong destination for food, culture and experiences and to produce an area that reflects the spirit of innovation in Sweden. During the year we systematically signed contracts with new tenants, each of which supports the vision we have for this location. An increasing number of creative industries, including restaurants and event and concert venues, are looking to set up in Slakthusområdet, so we have started a major investment in Hus 26, one of the former slaughterhouses. Hus 26 is going to contain a select group of restaurants and bars, alongside other niche concepts. The first tenant to receive major coverage was a pair of chefs who are at the top of their game, Adam/Albin. It is so great to keep up with all the new establishments and I am really looking forward to its opening in the autumn of 2022.

Hagastaden and Slussen

Hagastaden is another one of our locations that is a hive of activity. We have been at this location for more than 25 years, playing an active role in the development of this city district. As well as our Life City project, we have several land allocations, including in Östra Hagastaden, right next to Brunnsviken lake, where we are planning an office building. It will measure approximately 24,000 m² and boast incredible views across the water. We also have plans for additional offices and residential in the district, called Cambridge, Stanford and Pisa. The development projects in Hagastaden represent a future investment of approximately SEK 7 billion over ten years.

The reconstruction work in Katarinahuset in Slussen is continuing according to plan and a building permit has been granted for a new design proposal for the roof extension. We have had many viewings in the building, with tenants eager to have the best views of Stockholm in the new commercial heart of the city.

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. Looking at current rental levels, assessed investment costs and yield requirements, we are set to double our 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.

Profit

We have delivered a profit before changes in value of SEK 1,249 million and a profit after tax of SEK 3,757 million, while

the Board has proposed a higher dividend of SEK 5.20/share 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. Now that most of the pandemic restrictions have been lifted, 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 and I am looking forward to an eventful 2021!

Annica Ånäs,
CEO

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

Annica Ånäs, CEO



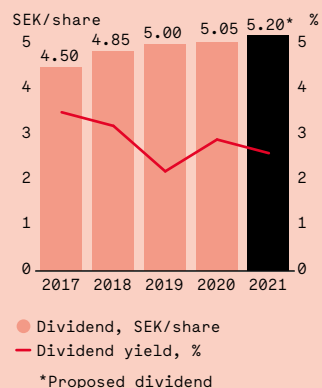
Four reasons to own shares in Atrium Ljungberg.

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 development of profit is key to our success. This is the basis of our yield, along with value growth from investments.

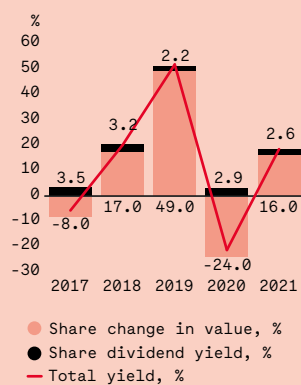


Potential for good value growth

With a planned investment rate of SEK 30 billion up to 2030, Atrium Ljungberg, and therefore the share, has excellent potential to report healthy value growth over time.

Share's total yield

A total yield averaging 12.7% over the past five years.

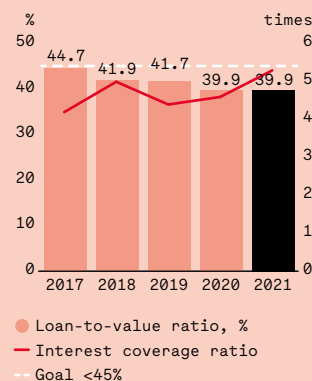


Low financial risk

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

Loan-to-value ratio and interest coverage ratio

Stable loan-to-value ratio with a higher interest coverage ratio.

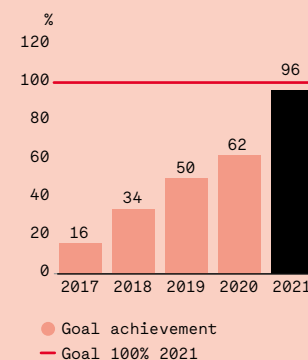


Sustainable urban development

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 was to have 100% certified buildings by the end of 2021.



Atrium Ljungberg as an investment.

Rooted in the old traditions of the master builder, we have developed our strategies, refined our property portfolio and added residential as part of our offer. Our property portfolio currently comprises large, cohesive areas with a diverse content of offices, residentials, retail, culture and education. The property value of our portfolio has more than doubled over the past 10 years. We are located in Sweden's strongest growth markets, playing an active role in the development of the sustainable cities of the future.

With a clear urban development strategy...

Around 85% of Sweden's population now lives in towns and cities, and the rate at which people are relocating to large urban areas has been increasing for many years. Although this trend weakened slightly during the pandemic, we believe that urbanisation will continue in the long term. This presents both challenges and opportunities for all of us who are working to create attractive and sustainable locations. Atrium Ljungberg develops city districts that create value for municipalities, tenants, our shareholders and everyone who lives and works in our areas. We have a clear strategy for this. Our working method is based on collaboration and dialogue, and we always do our best to take advantage of the soul, history and best features of these locations.

Many reasons have to be in place if a location is to be attractive and encourage people to visit around the clock. At Atrium Ljungberg, we use the concept of 'the power of ten' in our urban development work. This means that there must always be at least ten reasons to visit a location.

We focus on developing and managing vibrant urban environments with a range of services for offices, residentials, retail, service and culture on strong subsidiary markets. We want to create locations that enable a sustainable lifestyle, while also

offering an attractive urban environment where people want to live, work and spend time – both now and in the future. Our vision is "Our city – where everyone thrives", which enables us to create value for the company and therefore for our shareholders and society.

... we are creating attractive and sustainable locations in strong subsidiary markets

Atrium Ljungberg is one of Sweden's larger listed property companies. We are located in strong subsidiary markets in Stockholm, Gothenburg, Malmö and Uppsala. We are a long-term owner and take a great deal of responsibility for our areas. The fact that we own large, cohesive locations offers us a unique opportunity to create a good cohesive area that has a mix of activities that support each other and make the entire area more attractive. Closeness in a dense and mixed urban environment (sometimes called the '15-minute city') also promotes sustainability as a result of short transport distances, well-developed public transport and good opportunities for a sharing economy. However, sustainable urban environments are not only important from an environmental, economic and social perspective; they also make areas more attractive and create value for customers and municipalities alike.

Ten good reasons to be at a location

1. Street life 24 hours a day
2. Sports and activities
3. Cultural and learning environment
4. Art and cultural history
5. Nature and smart ecosystems
6. Games and social areas
7. Food and cafes
8. Calm oases
9. Digital infrastructure and Wi-Fi
10. Retail and service



With an incredible project portfolio ...

Our project portfolio has grown by more than five times since the merger between Atrium Fastigheter and Ljungberggruppen in 2006, and we are now able to invest as much as SEK 38 billion in held properties and the land allocations we have obtained. Our goal is to invest approximately SEK 30 billion of this investment volume up to 2030, which will provide a project return of approximately SEK 10 billion, based on current yield requirements, rental levels and production costs. This will enable us to double both our property value and operating net by 2030.

Our long-term focus on sustainable urban development is one of the reasons as to why we have been trusted to help develop large parts of Slakthusområdet in southern Stockholm. This is the biggest development project of modern times in Stockholm, and it will continue until 2030.

Half of our project portfolio comprises offices, one-third residential and the remainder restaurants, retail and cultural activities. 87% of the project portfolio is in areas that are directly connected to existing or new underground stations. This is the case not only in Slakthusområdet, but also in Sickla, Slussen and Hagastaden. With its new underground connection, Sickla will be just seven minutes away from Stockholm Central Station. The close proximity of rail services has a major positive impact on rental levels, which in turn will help to increase the value of our properties.

... we create long-term growth within the company

Profit before changes in value in the company over the past 10 years has increased by 69% (62%). The company has grown from just over 200 to more than 300 employees. We have refined and relocated our property portfolio by investing SEK 15 billion in our existing properties, acquiring properties for SEK 11 billion and selling properties for SEK 12 billion. Changes in value in this period have amounted to SEK 16 billion, increasing the property value by 136% (137%).

We are ready to create the city of the future

Society is transforming rapidly. With our physical locations as a platform, we are focusing heavily on using digital technology to refine and create new offerings that make our areas even more attractive. Life between the buildings has always been important to us and we are continually adding services, often digital, to our physical locations. 'Servicification' is a key concept where we are seeing greater collaboration in the industry, with new initiatives and solutions.

To remain relevant in a world where behaviours and consumption patterns are changing at a rapid pace, we need to understand what drives people and what their preferences are. The pandemic has, of course, had a major impact on all parts of our society, in particular people's attitude to and the use of office workplaces. Now that we are going back to the office, we have a much deeper understanding of the shifting needs of operations and employees. It is clear that there will not be one solution that is suitable for everyone. The main work will be carried out in the office, with various combinations of hubs and coworking solutions, but home working will remain an important piece of the puzzle. We are seeing an increase in demand for new solutions, shorter forward planning and greater flexibility. Change is incredibly demanding for us as property owners, but it also creates new business opportunities and we want to be involved, moving this development forwards. We firmly believe that offices will continue to play an important role. They are essential for encouraging innovation and building a corporate culture. They also represent an important part of the brand and are a powerful recruitment tool.

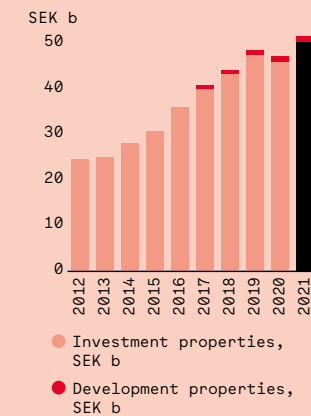
Opportunity to invest SEK

- SEK 38 billion in decided and potential projects

SEK 38 b

Property value over time

- Property value more than doubled over the last ten years.



Urban development that creates value.

Atrium Ljungberg develops attractive and sustainable urban environments where people want to live, work and spend time – today and tomorrow. This vision enables us to create value for the company and therefore our shareholders and society.

Business concept

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

Vision

“Our city – where everyone thrives.” Our city is a place where everything you need and desire is right next door. A number of businesses come together, creating exciting urban environments where people would like to be. This is where you can work, live, shop, do business, study, socialise and be entertained – everything that is part of life. Our locations have a soul and everyone should be able to feel at home. The places where people want to live – these are the places where the city thrives.

Project development

SEK 2,279 m

Property management

SEK 1,560 m

operating net

Property acquisitions

SEK 25 m

Property sales

SEK 805 m

→ Focus

The 15-minute city

If there is one thing that people all over the world discovered during the pandemic, it was their local area. This was accelerated by the lockdowns and restrictions that were imposed, and from Paris to Portland, the media reported that the ‘15-minute city’ was the new utopia for urban development. This is a visionary concept of a car-free city, where residents have access to what the city has to offer within a 15-minute radius.

“City districts that have a mix of functions, including workplaces, residentials and service, provide a more stable market base. The pandemic has definitely promoted the mixed-use city – it is more resilient to the kinds of shocks that cities are exposed to,” says Alexander Ståhle, a researcher in urban design at the KTH Royal Institute of Technology.

The American research institution Brookings also describes how a new urban model is developing – the innovation district – where established companies are clustered with startups, incubators and accelerators, residentials, offices and retail. In Sweden’s four biggest cities, one in three administrative workers says that the most important factor in the location of an office is a place that has the kind of profile and range of services that match their own values and interests, according to the survey into the future of work and workplaces ‘Framtidens kontor och arbetsliv’ (2021) carried out by Atrium Ljungberg and Novus.

Read our report into the future at al.se/hybriduniversum (in Swedish only).



Values.

Our values permeate everything we do and guide us in our encounters with customers and other players. 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 customers to satisfy their needs in the best way possible, while staying open to new business opportunities.

Acquisition and sales

We develop and manage with the aim of long-term ownership. We acquire new properties and land if we can achieve strategic benefits and generate a good operating net surplus, or generate a good return through project development. We sell properties where we realise that there are no opportunities for long-term development in line with our business model and vision. Most of the properties we have sold over the last few years have been retail.

Creating value for stakeholders.

Customer

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.

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, residentials, retail, service, education and culture, and we take on a lot of responsibility for a location in terms of security, services and parks.

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.

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.

Strategy that focuses on value growth.

Our strategy provides us with a solid foundation that ensures that we do the right things in the right places, while being fully engaged and ensuring that the customer and sustainability are always in focus. This enables us to create innovative, vibrant and sustainable urban environments, producing good value growth over time.

Presence on strong subsidiary markets

We will establish a presence on strong subsidiary markets in metropolitan areas where there is potential for long-term population growth.

Why: Long-term population growth creates the right conditions for long-term profitability, both for us and for our customers.

How: We focus our development on areas that meet growth criteria. We use strategy plans for specific areas when looking at project and acquisition opportunities.

Develop attractive urban environments

We will focus on developing attractive urban environments for offices and residences, supplemented with retail, culture, service and education.

Why: This mix increases the flow of people at the location and creates synergies for everyone involved, generating more opportunities for successful business.

How: Our strategy plans for specific areas contain analyses and proposals for the design of the content at each location, based on the individual conditions there.

A major player

We will be a major player offering large and cohesive units in each subsidiary market.

Why: As a major player, we can lead and influence development and create urban environments that are sustainable in the long term.

How: We focus our development and our acquisitions on locations where we are already established or where we want to be a major player.

Focus on our customers

We will focus on our customers in everything we do. We work with customers, municipalities and other stakeholders and this collaboration will be close, stable and committed over a long period of time.

Why: Relationships and collaboration based on trust enable us to find innovative solutions and create long-term sustainable and attractive environments together.

How: We have local staff on site in each area and build long-term relationships close to our customers and stakeholders.

Properties and development rights

We will acquire, develop and refine properties and development rights.

Why: We create value growth within the company through active management project development.

How: By performing a detailed evaluation of the opportunities presented by projects and transactions, capital can be allocated to the opportunities that are assessed as adding the greatest value to Atrium Ljungberg in the long term.

Integrated sustainability work

We will carry out sustainability work that is integrated into the business strategy and it forms an important component of our offering. We will improve both our own responsibility and our stakeholders' responsibility in this area.

Why: Sustainability is incredibly important strategically for companies that want to remain relevant in the long term.

How: Sustainability is an integral part of our objectives and is an issue that appears on the agenda every day for every employee in every part of the company, from daily management to projects and financing.

Business process using our own expertise

We will conduct and manage the entire business process in-house using our own expertise.

Why: By conducting the entire business process ourselves, including project development, we can look after our customers and ensure high quality in the long-term management of the projects.

How: We have staff with competences and abilities that reflect our core values and we ensure that our employees are able to develop over time.

Engaged employees

We will have engaged employees who are passionate about what we do. Core values – long-termism, collaboration, reliability and innovative thinking – are to be firmly rooted in the company.

Why: Competent, motivated and engaged employees are essential for good results.

How: Our corporate culture encourages participation and care for each individual. Sustainable employees are at the heart of development and profitability.

The plan for Central Sickla comprises approximately 7,000 office workplaces and 500 new residentials, totalling 150,000 m².



2021 goals for profitability, growth and stability.

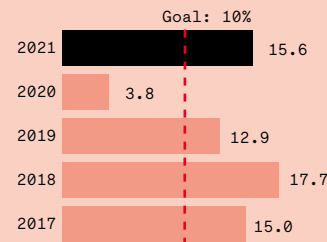
Profitability and growth

The development of profit is key to our success. This is the basis of our yield, along with value growth from investments.

Return on shareholders' equity

Goal: >10%
Outcome: 15.6%

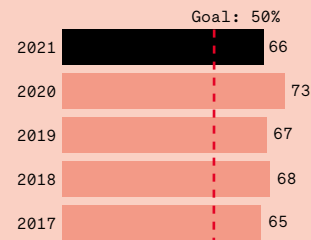
Return on equity must be at least 10% per year over time.



Dividend

Goal: >50%
Outcome: 66%

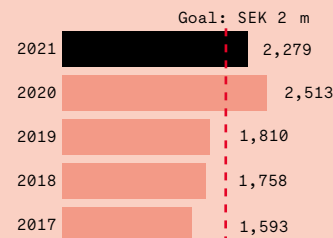
The dividend is to correspond to a minimum of 50% of the profit before changes in value, after nominal tax.



Investments in held properties

Goal: >SEK 2,000 m
Outcome: SEK 2,279 m

Investments in held properties will amount to at least SEK 2 billion per year. A new goal from 2022 is to invest SEK 30 billion up to 2030.



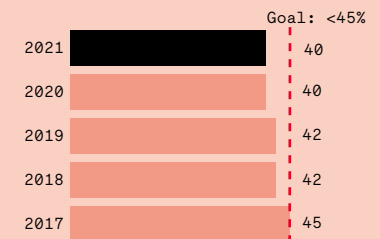
Long-term stability

The company's capital base is to be strong in order to help ensure long-term stability and generate the conditions needed to do good business in different market situations.

Loan-to-value ratio

Policy: <45%
Outcome: 39.9%

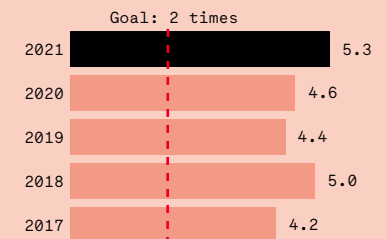
The loan-to-value ratio must not exceed 45%.



Interest coverage ratio

Policy: >2
Outcome: 5.3

The interest coverage ratio must not fall below 2.



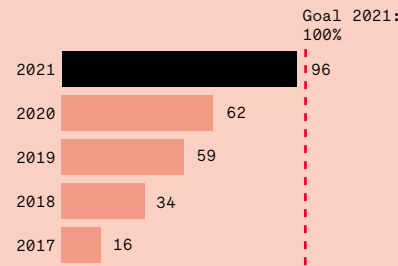
2021 goal for sustainable enterprise.

We are gradually increasing our focus on sustainable enterprise and our most important sustainability areas have been transformed into specific goals. Our sustainability goals cover new production and management, and our employees. The goals below were in place until 2021; we have adopted new sustainability goals for 2022 and beyond. See pages 18–23 for more information.

Proportion of environmentally-certified properties

Goal 2021: 100%
Outcome: 96%

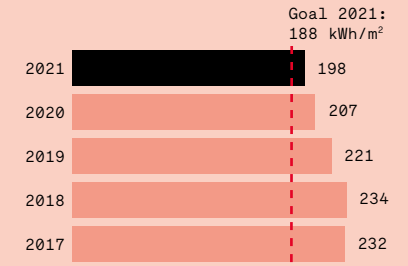
We will have 100% certified buildings by the end of 2021. We came very close to achieving this goal and we are now working on certifying the final properties.



Reduce energy consumption (kWh/m²)

Goal 2021: 188 kWh
Outcome: 198 kWh

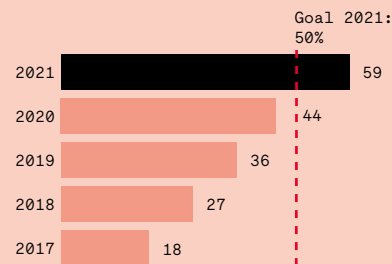
Energy consumption will fall by 30% between 2014 and the end of 2021. We achieved a reduction of 26% of the total energy consumption. In terms of property energy, we achieved a saving of 37%.



Green lease contracts

Goal 2021: ≥50%
Outcome: 59%

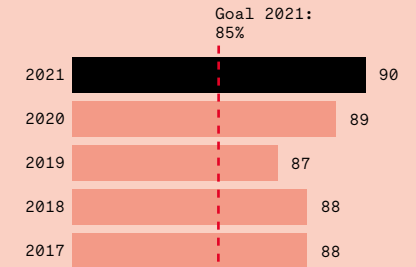
By the end of 2021, the proportion of green lease contracts is to be 50% of the contracted annual rent. By 2021 we had exceeded our goal, reaching 59%.



Employee index

Goal: ≥85%
Outcome: 90%

We will be one of Sweden's best workplaces, which will help us to have sustainable employees. In 2021 we exceeded our goal for the fifth year in a row.



We develop sustainable cities and properties where people want to live and work for many years to come. Cities that are capable of handling urbanisation, climate change and social transformation. We take long-term responsibility when we build, develop and manage. Atrium Ljungberg's focus is to always act with care for people and the environment.

Sustainable cities
of the future.



Our city – where everyone thrives

Our vision is “Our city – where everyone thrives”. Atrium Ljungberg works actively throughout the entire lifecycle of the properties, from the early planning stages, through their implementation and production phases, and finally as the manager of the properties. We have been operating in our areas for a long time, working closely with both suppliers and customers, and ensuring that a wide range of sustainability issues are taken into consideration in every stage. We impose strict requirements on our suppliers and work with our tenants to make the entire supply chain more sustainable. Together we have been able to achieve far more than we could have done individually.

Focus areas, goals and strategies

Our sustainability work is integrated into our business model and forms an important part of the work to achieve our vision. Working proactively on sustainability issues enables us to manage risks in a structured way, while also identifying new business opportunities. We have produced a new sustainability strategy, with goals that run until 2030. They are based on extensive stakeholder dialogue and a materiality analysis that we performed, which resulted in four focus areas for our future strategy: climate, socially sustainable locations, sustainable employees and business ethics. There are goals and strategies linked to these focus areas, as well as steering functions, policies and guidelines. These focus areas are also linked to the Sustainable Development Goals. See page 24 for more information.

Goals 2030

- Atrium Ljungberg will be climate-neutral by 2030 and halve the climate impact of construction projects by 2025
- Atrium Ljungberg’s locations will achieve a score of more than 90% in the Our City index by 2030
- Our main purchases will be evaluated by 2025 based on our Supplier Policy
- Sustainable employees >85% GPTW (Great Place to Work)

The process

Work on these new sustainability goals started in 2020 when we carried out an extensive stakeholder dialogue with the company’s most important stakeholders: tenants, owners, investors, municipalities, suppliers and employees. After this a materiality analysis was carried out that identified the most important areas for Atrium Ljungberg in our work on sustainable enterprise.

In 2021 in-depth work started on producing goals in the four areas that had been identified: climate, social sustainability, employees and business ethics. Employees were very engaged in the process, with approximately 30 employees taking part in workshops, when they looked at the issues and formulations in these areas in more detail. The work carried out during these workshops was summarised and further processed before the first draft was presented to the Board, the executive management team and the business areas. We had to make sure that the goals would work operationally in the organisation and we wanted to have the opportunity to fine-tune these goals. The final proposal was adopted by the Board in December 2021.

These new goals are now in place and work has started on implementing them in all our business areas. See pages 18–23 for more information about these goals.



Saga Jernberg
Head of Sustainability

Climate-neutral by 2030.

Atrium Ljungberg will be climate-neutral by 2030 and halve our emissions from construction projects by 2025. Climate-neutral means that we will work to achieve net-zero greenhouse gas emissions. All of our activities currently have a climate impact, which is why we are firstly working to reduce our emissions as far as possible, with the ambition to reach zero. The goal has two separate metrics: kgCO₂e/GFA for our projects (new builds and major reconstruction work) and kgCO₂e/m² for our property management. These metrics are intensity-based, which will enable us to track annual improvements, both in project development and property management.

We will also produce an annual Climate Report, which will be presented as part of the Annual Report and will summarise our emissions. These results will vary depending on the number of construction projects we are working on in any given year.

We have decided to focus on four primary areas in order to halve the emissions in our construction projects by 2025. These areas are:

- **Energy**
- **Materials**
- **Waste**
- **Transport**

These are areas where we have a significant impact, from the early stages, during the production phase, to the time when we manage our properties. Although we have already been working on the impact of these four areas on the climate and the environment, we are now going to pick up the pace even more. See pages 25–26 for more information about this work in 2021.

We have broken down these four areas for each business area, enabling us to set goals and work on them in our operations every year. The section below contains a brief description of each area and what we intend to do.

In the **Energy** area, the focus remains on making our existing buildings more efficient and developing our new projects with the lowest consumption levels possible. We will also increase the amount of energy we generate ourselves, primarily solar energy.



In Atrium Ljungberg's operations, construction projects account for a high proportion of the climate emissions, with materials playing a significant role. In the **Materials** focus area, we will work to find the best solutions for each project, primarily by using lifecycle analyses in the early stages. Both we and the industry as a whole have a journey ahead of us in this area, but we can make a real difference by working side by side with our suppliers. The statutory requirement for climate declarations will also help the industry make progress in this area. The materials issue is important from a property management perspective too, as tenant adaptations can be material-intensive. As well as the choices of materials we make in our projects, we will focus on reusing more materials in our properties and projects.

An area that is closely linked to materials is the **Waste** focus area. We are going to review our processes in order to prevent waste, particularly for our projects and tenant adaptations. We also want to increase our recycling rate; this is an area where we as property owners can have an impact by making smart choices and nudging our tenants.

The final focus area is **Transport**, where we, as a client, can set requirements for vehicles and fuel, for example. Just as with waste, we can work during the early stages of the project to create the right conditions in our areas or buildings that will ensure that people choose sustainable methods of transport. This applies to the management stage as well, as we can highlight and promote walking, cycling and public transport. We are working to create cities where everyone wants to live. Accessibility is therefore important and we have to ensure that the environments are used as effectively as possible. We currently calculate the levels of emissions that visitors to our retail hubs account for. See pages 162–163 for more information.



↳ Focus

Wellness culture moving into the office

What is really needed to create offices where people feel better and work to the best of their ability? Researchers both in Sweden and abroad are currently researching the ways in which the workplace can be an arena for promoting health and well-being. This is what employees in the four biggest cities in Sweden expect. Atrium Ljungberg and Novus carried out a survey into the future of work and workplaces called *'Framtidens kontor och arbetsliv'* (2021). It found that one of the most interesting features that people want to have in the office of the future is a space set aside for preventive health (such as a yoga studio, gym and recovery room).

"If companies want their employees to return to the office, they have to give them access to exceptional places. This will not only result in healthy people, but also healthy companies," says Ann Marie Aguilar, Senior Vice President in Europe for the American organisation Well Building Institute.

When new offices are being planned around the world, one feature that is becoming more common is proximity to nature or biophilic interior architecture.

"Working outdoors has positive effects on the individual. However, we have also noticed that people feel guilty if they are not doing their work in the 'established' way at the office; in other words, if they are not sitting at their desk. Our conclusion is that employers, managers and urban planners need to take the lead and establish new ways of working in the office, by using outdoor environments as work environments that promote health and well-being," says Susanna Toivanen, work life researcher and professor at Mälardalen University.

Read our report into the future at al.se/hybriduniversum (in Swedish only).

Socially sustainable locations 2030.

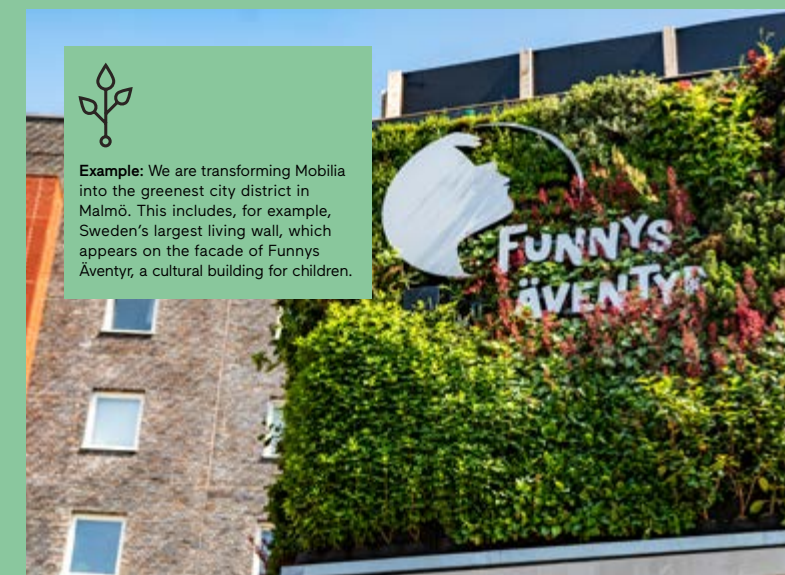
We are no ordinary property company. Although buildings are at the heart of our business, we are actually more interested in the people in them. We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. By developing mixed-use cities, we can create urban life where everyone is happy, feels safe and secure, and can be inspired – locations where people want to spend time, both now and in the future. For many years we have used eight urban development principles in our sustainability work. These principles have now been integrated into our goal for socially sustainable locations and the five different areas.


As these principles are still important to us, we have decided to put them together and start to monitor them more systematically over time. We believe that this will enable us to identify more quickly what has to be done to reach our goals in the city districts where we operate. We are aware that we do not cover every aspect of social sustainability, but we believe that if we highlight this issue and continue working on it both internally and externally, we can get closer to creating the city where everyone wants to live. We will use the lessons we learn from this to further develop our work on sustainable urban development.

We have produced an index for social sustainability. We are going to use this at all our locations where we can make a change. A simplified version will be produced for locations where we only have individual buildings, by adapting the indicators based on the buildings themselves. Cooperation with other parties will continue to be important in this work. The index is divided into the following five areas:

- **Security, well-being and accessibility**
- **Closeness, togetherness and flexibility**
- **Ecosystem services and climate adaptation**
- **Identity, history and diversity**
- **Dialogue and participation**

Each area has a number of measurable indicators, and at least one qualitative issue for people working, living or spending time in our areas. These indicators have been produced based on the principles we have successfully worked with in the past, combined with established measurement methods from, for example, UN Habitat and Citylab. This index has been supplemented with its own metrics in some individual cases. Everything is weighted together to produce a score for each area and an overall score for the locations where we operate. At the start of 2022, every location will produce a benchmark for this index to show their current situation.





Example: We are transforming Mobilia into the greenest city district in Malmö. This includes, for example, Sweden's largest living wall, which appears on the facade of Funnys Äventyr, a cultural building for children.

The areas.



Security, well-being and accessibility

By working with security, well-being and accessibility, we create locations where everyone feels welcome. Providing people with a strong sense of security results in places where people want to work, live and spend time 24 hours a day. If we are going to achieve this, we have to ensure that our locations are accessible to everyone.



Closeness, togetherness and flexibility

By working to provide a range of amenities and functions at our locations, we encourage more people to come to our areas. This in turn creates a good foundation for our operations and our tenants. It must be easy to get to these locations and they have to offer the services people need. This makes the locations more attractive and gives people options to meet up.



Ecosystem services and climate adaptation

We are working with a multi-functional green and blue structure in order to future-proof our areas. This enables us to provide more and stronger ecosystem services, and create locations that are resilient and enjoyable. Green spaces encourage people to visit and improve the living conditions for a number of species. Green spaces also increase well-being, while reducing the risk of negative consequences from climate change. A carefully planned green and blue structure provides a more comfortable climate, better handling of runoff water, lower noise levels, cleaner air and greater biodiversity.



Identity, history and diversity

We want to continue to enhance the identity of our locations to make them more attractive. They need to have a strong link to the history of the area to build on the heritage of the city. Questions that we need to ask ourselves if we want to create locations that have diversity and a clear identity are: What do we need to preserve/enhance? What do we need to add? And what can we change/improve?



Dialogue and participation

By focusing on dialogue and participation, we can increase our understanding of the needs of our various target groups. We can benefit from the creativity and the ideas of the visitors, residents and workers at our locations. This enables us to develop areas that are more inclusive, inviting, safer and stronger in their character and identity.



Example: The Skeppskajen project in Uppsala has ambitious sustainability goals. There has been a lot of focus on, for example, reusing materials as part of the reconstruction work.

Business ethics 2030.

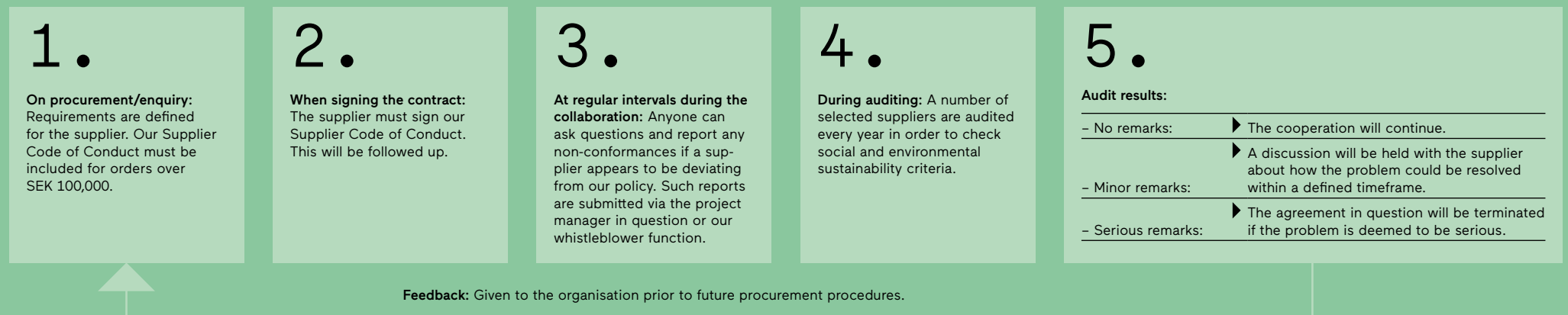
Business ethics is an important area for Atrium Ljungberg to focus on. Our work moving forwards will be divided into supply chains and anti-corruption. These are two important areas, where there are significant sustainability risks that need to be managed in our industry. It is essential for us to cooperate effectively with our suppliers if we as a company are going to meet our ambitious goals, particularly for the climate. Both the challenges and the solutions apply to the company as a whole.

One of the two general goals that the company has set for business ethics is for our main purchases to be evaluated by 2025 based on our Supplier Policy. We currently have a high number of Supplier Policies (Codes of Conduct) that have been signed and we now have to accelerate our work to evaluate compliance with them. Our main purchases are classified based on volumes (SEK) and the sustainability risks associated with the various purchase categories. By carrying out more audits, we can identify areas that present particular challenges, where additional focus is needed to address the sustainability issues in our operations and among our suppliers.

The second general goal aims to promote collaboration with our suppliers. This goal involves Atrium Ljungberg running two development programmes per year with our suppliers. This work will focus on issues linked to the sustainability challenges in our industry, and we will bring together the relevant suppliers to try to identify solutions. We hope this will strengthen our partnerships and increase the focus of the sustainability work among all of the parties involved. The format for this will be developed at the beginning of 2022.

There are additional targets in the business ethics area. We will continue to work on auditing our suppliers, focusing on environmental issues and working conditions. Clear metrics will be produced for each business area, in dialogue with purchasing and the sustainability function in the company. These audits are based on the sustainability risks that have been identified for each supplier category. In 2021 Atrium Ljungberg produced an internal digital course for business ethics that every employee has to complete. We will continue to adopt a 'zero vision' for confirmed cases of criminality, including through our whistleblower function.

Process for governance and control of suppliers



Sustainable employees 2030.

Learning and skills development play an important role in our success. We have been investing heavily in different kinds of development at our company for many years: leadership development, effective working techniques and measures to generate business opportunities for Atrium Ljungberg.

From 2022 we are going to invest even more in property management, focusing on its operations in order to highlight the employees who work closely with our customers on a daily basis. Knowledge is a perishable commodity, so it is important for our employees to have the right level of competence to do their job, both today and tomorrow. This is true not only for current employees, but also future employees.

We need to identify the kind of skills development we need to invest in, so we have decided to work with 'FAVAL'; this is the property industry's system to validate professional roles within our industry. FAVAL is a complete tool for mapping, quality-assuring and developing the right knowledge that is needed for the various professions in the industry. We are going to invest in two professional roles: Property Manager and Operations Technician. Everyone in these positions will be certified in their roles and will receive a certificate of competence.

For several years we have focused on sustainable employees in everything we do and this is going to remain a priority for us in the future. Our employees are at the heart of our success and sustainable employees are employees who are happy, thrive, perform and develop over time. We have a 'zero vision' for stress-related illnesses and workplace accidents, so we need to work in a preventive way from several different angles. This includes, for example, management support, clear responsibilities and assignments for each role, feedback, professional development and preventive care. We work continually on training all our employees. As well as the specific validation programme for operations staff, all employees in the company

are going to be offered a place on the 'Personal Efficiency' course. As the name suggests, this course aims to provide employees with the tools they need to plan and streamline their everyday lives and their working lives. Every manager in Atrium Ljungberg has also taken or will take our in-house leadership programme. We carefully follow up, evaluate and improve our training measures.



Sustainable employees are a focus area for us, and we work preventively by offering professional development and promoting well-being.

Sustainable Development Goals.

We are a signatory of the UN Global Compact and support the ten principles in the areas of human rights, labour, the environment and anti-corruption. We have also carried out analyses to determine which of the UN Sustainable Development Goals we can contribute to and which we can have a negative impact on.



Good health and well-being

By using the Swedish Building Materials Assessment and obtaining environmental certifications for our properties, we contribute to reducing hazardous chemicals and construction materials, and minimising the pollution of the air, water and ground. See page 25 for more information.

Target 3.9



Gender equality

We constantly work to increase gender equality and counter discrimination in the workplace. In 2020 we were ranked the sixth most gender-equal company out of the 335 Swedish companies listed on the stock exchange. This work continues, focusing primarily on the occupational groups within construction and property management. See pages 28–29 for more information.

Target 5.1



Clean water and sanitation

We can contribute to efficient water consumption and ensure the sustainable abstraction of freshwater in order to combat water shortages, mostly when developing city districts and buildings, but also when selecting materials. We help improve water quality by minimising emissions and pollutants in the water and through smart surface water management. Read more on pages 21 and 25.

Targets 6.3, 6.4



Affordable and clean energy

By only purchasing electricity from hydro-electric power and installing our own solar cells on our properties, we contribute to increasing the share of renewable energy in the global energy mix. We use various energy efficiency measures to reduce energy consumption in our buildings. See page 26 for more information.

Targets 7.2, 7.3



Decent work and economic growth

We work actively to promote a safe and secure work environment and good working conditions for our own employees and our subcontractors. Combating human rights violations is an important part of our work and the demands we place on our suppliers. Read more on pages 22 and 27.

Target 8.8



Sustainable cities and communities

We play an active role in the urbanisation of cities through the work that we do. Our business is based on sustainable and innovative urban development. By ensuring that we have a good mix of content in the buildings and by designing public spaces and green spaces, we create inclusive urban life, green oases, security and well-being. See pages 18–21 for more information.

Targets 11.3, 11.6, 11.7



Responsible consumption and production

Our ambition is for us and our suppliers and customers to have resource-efficient operations. We work to promote the careful handling of chemicals and to reduce phase-out substances, reduce waste and increase recycling and reuse in our areas. We achieve this by setting clear requirements and collaborating to provide new innovative solutions for both production and management. See pages 21–23 for more information.

Targets 12.2, 12.4, 12.5



Climate action

An important part of our work is to reduce energy consumption and the use of fossil fuels so that we can reduce carbon dioxide emissions and thereby combat climate change. We also want to make cities and properties more resistant and more able to adapt to climate-related dangers and natural catastrophes. See pages 18–19, 26 and 30 for more information.

Target 13.1



Life on land

It is important to help reduce the destruction of natural habitats and halt biodiversity loss. We can do this by creating green spaces that promote species diversity, working on ecosystem services and using trees, land, walls and roofs in a sustainable way in our urban environments. See page 19 for more information.

Target 15.5



Peace, justice and strong institutions

One of our priorities is to work proactively to minimise all forms of corruption and bribes, both among our employees and among suppliers and customers. This is our way of contributing to a peaceful and inclusive society. Read more on pages 22 and 27.

Target 16.5

Goal achievement 2014–2021.

The construction and property industry accounts for a significant proportion of Sweden's emissions in terms of energy, materials and waste. It is therefore important for us to do what we can to contribute to this work moving forwards. Our ambition is to reduce the environmental impact – both our own and our customers' – and to streamline resource utilisation. 2021 was the target year for our sustainability goals that we adopted in 2014.

Environmental certification – the road to sustainable buildings

Environmental certifications are a tool for ensuring that our properties are sustainable and reduce their environmental impact. They set out clear requirements, with the evidence examined by a third party. These certifications also help to make the environmental performance of properties comparable, and easier to communicate.

Atrium Ljungberg obtains environmental certifications for commercial new builds in accordance with the BREEAM environmental classification system; for existing buildings in accordance with BREEAM In-Use; and residential buildings in accordance with Miljöbyggnad (Sweden Green Building Council's Environmental Building certification). At the end of 2021, 96% (62%) of our letting area was certified. Work is currently underway to certify the remaining square metres so that we can reach our goal of 100%. The reason why we have made such good progress is mainly because we certified our properties in Sickla and Uppsala in 2021.

BREEAM assesses the environmental performance of a property in a number of different areas, for example, energy consumption, the indoor environment, work with materials and waste, and sustainable mobility. Our minimum level for the BREEAM certification for new builds is the rating 'Very Good'.

For the Miljöbyggnad certification system, our minimum level is the 'Silver' rating. Miljöbyggnad sets extensive requirements for energy, material use and the indoor environment. These environmental certifications enable our green financing. As of 31 December 2021, we had SEK 8.8 billion (SEK 6.0 b) in outstanding green bonds and SEK 3.3 billion (SEK –3.3 b) in green bank loans, which is the equivalent of 59% of our total financing. See pages 40–43 for more information.

Atrium Ljungberg uses the Swedish Building Materials Assessment (Byggvarubedomningen) when purchasing building materials. This is a digital log book with environmentally assessed building products. This system also helps us to adhere to the UN's Precautionary Principle, which means that if there is a threat of serious harm to the environment, the lack of scientific certainty should not be used as a reason to postpone cost-effective measures to prevent environmental destruction.

TL Bygg also works with the environmental certification systems BREEAM and Miljöbyggnad and has excellent competence in this area. The Swedish Building Materials Assessment is also used as the log book, but BASTA and Sunda Hus can be used if the customer so wishes.

Certified properties

96%

Energy efficiency

26%

Green lease contracts

59%

Collaboration with customers

Tenants are becoming increasingly interested in contributing to sustainable solutions and efficiency measures. Green lease contracts are an example of the collaboration between property owner and tenants, enabling us to work together to reduce the environmental impact of the properties in terms of energy, materials and waste. These contracts also cover the indoor environment, which is important for people's health. By the end of 2021, 59% (44%) of the contracted annual rent comprised green lease contracts, which exceeded our goal for 2021, which had been set at a minimum of 50%.

Waste is also an important resource issue, which we are working on with our tenants. Our vision is for neither our own nor our customers' operations to generate any waste. This work is underway and the target that was adopted in 2019 is to reduce the total amount of waste per square metre by 40% and unsorted waste by 80% per square metre of floor space by 2025.

TL Bygg is monitoring its disposal of waste and is working to increase the amount of material it reuses and recycles. Waste disposal training is included in the projects.

More efficient energy-consumption and lower climate impact.

One important part of the environmental and climate impact of our properties is their energy consumption. Our goal between 2014 and 2021 was to reduce the properties' energy consumption by 30% per square metre.

The total energy consumption for 2021, weighted to an average year, amounted to 198 GWh, which is a reduction of 6% from 2020. 43% of the energy consumption is attributable to the tenants' own consumption. We succeeded in reducing energy consumption per square metre by 26% compared with the base year, which is 87% of our extremely ambitious goal. These results include our acquisition of Slakthusområdet, where we have not yet made sufficient progress with our energy efficiency measures since we started working at the location in 2019. We will also need to work more closely with our tenants to reduce the energy used in their operations, as some properties consume too much energy for us to achieve our goal.

We were able to reduce the amount of property energy by 8% during the year thanks to several measures in our portfolio: new solar cells; replacing old ventilation systems with new ones, more energy efficient systems that have better heat recycling; replacing control and monitoring systems; and expanding heat recycling. Property energy has fallen by a total of 37% since 2014, which is a positive step forwards. Acquisitions and sales have also had an impact on our energy goal. See note S.4 for more information.

All of our electricity combined accounts for the highest proportion of our own and our customers' energy consumption. Normally we provide our tenants with electricity and charge them based on the amount they actually use. We buy hydro-electricity with guarantees of origin, which is used in all our properties. Electricity is climate-neutral, as we buy compensation using certificates in accordance with the UN Gold Standard. This purchased electricity has fallen by 2%.

Most of our properties use district heating as their heat source. Comfort cooling has been installed in the majority of the properties and comprises purchased district cooling and self-generated cooling. One of our properties also requires large amounts of process cooling. Carbon dioxide emissions from district heating and their environmental load depend on the fuel used by our district heating suppliers. We rely on the local supplier for district heating and district cooling, and environmental performance varies a great deal. Most of the energy used for district heating production in Sweden is either renewable or recycled. The proportion of fossil fuels used in our industry was 5% in 2020.¹⁾

We also have our own solar power installations to increase the proportion of renewable electricity and electricity that we generate ourselves. At the moment we have solar power installations in Uppsala, Sickla and Malmö. In 2021 we installed additional solar cells in Liljeholmen, Sickla and Gränbystaden. We have a total of 14,296 m² of solar cells, where we can generate approximately 2,305 megawatt hours a year.

Work on environmental certification supplements this goal and helps us to minimise energy consumption in the construction phase, but also to build more energy-efficient buildings in the property management phase. The green contracts also focus on reducing energy consumption along with our tenants.

TL Bygg is working to reduce energy consumption at its construction sites by using LED lighting and electric power tools and machinery, as well as installing heat pumps in its site huts.

¹⁾ Swedenergy – Energiföretagen:
<https://www.energiforetagen.se/statistik/fjarrvarmestatistik/miljovardering-av-fjarrvarme/>

Emissions

Our carbon dioxide emissions amounted to a total of 4.1 kg CO₂e/m² in 2021 (6.5), which is a reduction from the previous year. This reduction is mostly due to changing emission factors from district heating and lower energy consumption. Carbon dioxide emissions mostly come from heating our properties and from visitors coming to our retail hubs by car. We report our climate impact using the CDP tool and have received a rating of B. Read more about carbon dioxide emissions per building type in note S.5.

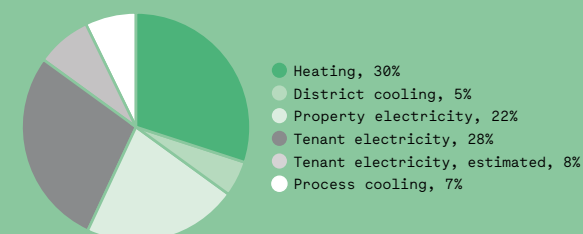
Emissions linked to the production stage are managed through the environmental certifications and lifecycle analyses. This is an area where we and the industry have development work ahead of us so that we can obtain more data and therefore make better calculations on, for example, the impact on materials and waste.

To reduce carbon dioxide emissions from transport, we provide electric charging points at the parking spaces at our retail hubs and in an increasing number of office and residential blocks. We are increasing the number of parking spaces for bikes and making sure that we are close to public transport. See pages 44–53 for public transport links for our new projects.

TL Bygg is a member of Färdplan 2045, an initiative from the building and construction industry to achieve net zero greenhouse gases by 2045. During the year we worked on developing methods to measure our greenhouse gas emissions. In the construction projects we are working to reduce emissions by planning purchases and transport. For example, all transport from warehouses when purchasing materials from main suppliers have been carbon neutral.

Energy intensity

– 43% of the total energy intensity comprises the tenants' energy used in their operations



Business ethics.

Atrium Ljungberg wants to be a long-term and reliable partner in all of its relationships. We work proactively, both in-house and with our suppliers, to counter the risks of bribery, corruption and human rights breaches that may occur in the industry.

Atrium Ljungberg regularly analyses its business in order to identify risks of corruption and human rights breaches. The main risks within the property and construction industry are bribes and gifts, special prices for friends for lettings, hiring illegal workers with poor working conditions, labour migration and tax evasion. We use sound business practices and therefore work actively on business ethics among our employees and impose requirements on suppliers and subcontractors.

Employee Code of Conduct

Our values – long-termism, collaboration, reliability and innovative thinking – form the basis of everything we do at the company. Employees must act in an honest way and with care, commitment and integrity to business partners and other employees.

Our business ethics policy is also our code of conduct and applies to all employees and temporary employees. We have guidelines in place for entertainment, gifts and benefits that provide more concrete guidance for the employees, and a training package with ethical dilemmas that has been used in courses with all employees since 2017. We provide introduction training for new employees and temporary employees as well, where business ethics plays an important role. Work is also underway to digitalise parts of our business ethics into a joint onboarding package.

TL Bygg has their own business ethics and purchasing policy. They have signed and supported the Swedish Construction Federation's Code of Conduct and apply the Swedish Anti-Corruption Institute's Code of Business Conduct. They are also certified in accordance with the management and product certification system BF9K.

Whistleblower function

Atrium Ljungberg has a whistleblower function that enables people to report suspicions of corruption and other crimes or policy deviations anonymously. Both staff and partners can use this function, which is provided by an external supplier. The reports that are received are dealt with by a steering group for the whistleblower function, which is monitored by the company's General Counsel and the Chairman of the Board. There were no reports via the whistleblower function in 2021 and no cases of corruption were identified.

Proactive work with suppliers

Our supplier policy is our Supplier Code of Conduct. It is based on the Swedish Property Federation's Code of Conduct, but it has been updated and is continually developed. It sets out the minimum requirements that we impose on the entire supply chain. It covers issues like business ethics, the environment, climate, work environment, working conditions and human rights. These are important areas to work on so that we can reduce risks for the suppliers and ensure their health and safety. The Supplier Code of Conduct is used for all new suppliers and is being implemented step by step for existing suppliers. A total of 209 of 265 new suppliers signed the Supplier Code of Conduct in 2021. In addition, we, or a third party, perform audits of selected suppliers every year. In 2021 work started on increasing the proportion of suppliers that are evaluated for compliance with our Supplier Code of Conduct, and we increased collaboration in the industry with a number of other property companies. See note S.12 for more information.

TL Bygg requires its suppliers to comply with the Swedish Construction Federation's Code of Conduct, and they must also be certified in accordance with the BF9K certification system for quality, the environment and the work environment. A self-assessment survey has been used by suppliers since January 2020. A Supplier Code of Conduct is also being produced that contains clearer requirements for sustainability. TL Bygg's ambition is for all new and existing framework agreement customers to be reviewed from 2021 based on the requirements that have been set.

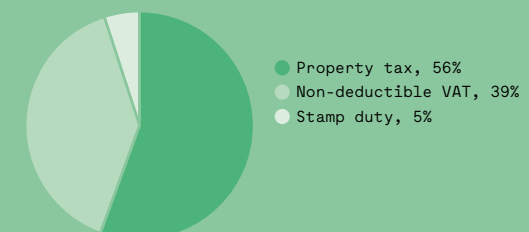
Our Tax Policy

Atrium Ljungberg pays tax in Sweden, which mostly comprises current tax, property tax, non-deductible VAT, stamp duty, social security payments and special payroll tax. Our tax policy states that we will be a reliable, long-term and responsible member of society that always complies with the applicable laws and regulations. Taxes must be checked, reported and paid correctly.

The company undertakes not to conduct aggressive tax planning. By this, we mean transactions that are not for commercial reasons, but only aim to reduce tax. The tax policy is available at al.se. Read more about the tax paid in note S.10.

Breakdown of taxes

– The company paid SEK 326 million in various taxes in 2021; property tax being the largest of these



Employees.

The competence and well-being of our employees is important to ensure that we have a company that is sustainable and successful in the long term. We want to be a stimulating organisation where the emphasis is on learning, engagement, health and safety.

Atrium Ljungberg is continuing to develop, which means that there is an increasing need for staff and new skills. The Group had 331 (340) employees at the end of 2021, which includes 119 (129) employed by TL Bygg. In 2021 we mostly employed people in business development and management. The world is changing rapidly, so it is important for us to be a learning organisation, where employees are continually developing and embracing new technology. We also believe that the best ideas arise from collaboration between people with different backgrounds and experience. See note S.9 for more facts about our workforce.

Equal value and gender equality

Our fundamental approach is that everyone has equal value and the right to equal treatment. Employees are to be afforded the same opportunities for their employment conditions, skills development and promotion within the framework of their own competence and willingness. Working conditions are governed by collective agreements. Pay is based on statistics from the industry and the individual performance of the employees. Pay is reviewed annually and there were no unjustified differences between the sexes, according to the survey for the year. Nor have we seen any reported cases of discrimination during the year.

The construction and property industry is still dominated by men. In the Atrium Ljungberg Group, 69% (70%) of staff are men, which is a slight change from last year. However, we have achieved a gender-equal distribution in the administrative support functions. There are still areas where we need to develop. For example, skilled workers and operating technicians in the Group are predominantly men, which reflects the industry as a whole.

In 2021 TL Bygg invested heavily in well-being, security and inclusion. This investment is linked to the psychosocial work environment through an initiative and symbol/sticker called 'Sila Snacket' (mind your language). TL Bygg has employed a gender expert called Charlie Klang for its internal work. He produced a survey, carried out several interviews with employees, held workshops with everybody in the organisation and had fruitful discussions on community, workplace language and moral courage. In December a proposed action plan was presented to continue this long-term work. Sila Snacket has also had a major impact externally, with TL Bygg giving a number of lectures in 2021, with more booked in for 2022. Several collaborations are underway with both schools and companies that want to use this symbol to highlight the dialogue about workplace language and inclusion. Visit silasnacket.se for more information.

One of Sweden's best workplaces

Every year we carry out the Great Place To Work® (GPTW) survey to measure our ambition to be one of Sweden's best workplaces. Our goal is to achieve an average confidence index of at least 85% every year. Atrium Ljungberg has been using this survey since 2011 and all employees are involved. The results have exceeded our goal for the past seven years. In the 2021 survey we achieved 90% (89%) – our highest result ever. We saw the best progress in the 'fairness' area; this was mostly because we had offered new opportunities to people who deserved them the most. However, we received a slightly lower score than the previous year (from 95% to 92% positive) for employees taking care of one another. This could be because we hardly met each other during the pandemic.

TL Bygg have been using the GPTW survey for administrative employees since 2011, and for both administrative employees and skilled workers since 2016. Our long-term goal is to achieve a total trust index of 86%. The result for 2021 was 79% (79%), which is a good result when looking at the industry index. We are working actively to further improve conditions by creating plans for different actions and measures together. Some of this work began in December and will continue throughout 2022.

Staff development and engagement

The key to our success is satisfied, responsible and committed employees. If employees are to feel engaged, it is important for everyone to understand what is expected of them and how their input contributes to our business. This is why we use a Performance Management process that helps managers and employees focus on the right things and on the personal development of the employees. All of Atrium Ljungberg's employees and TL Bygg's administrative employees are involved in this process.

This process includes career development reviews, action plans and follow-ups. Individual goals are set for each employee along with action plans for development, performance, innovation and sustainability. This is carried out during the annual performance reviews and the follow-up twice a year. Atrium Ljungberg's employees also have at least eight regular feedback sessions with their managers each year. Every year the employees evaluate their managers and this feedback is used to develop leadership. TL Bygg also holds annual career development reviews with all of its skilled employees.

During the year courses were held on various themes, including personal efficiency and the work environment. Leaders in Atrium Ljungberg participate in management days every year, and several management courses were held digitally during the year. Over the year there was generally a lot of focus on training and development for digital aids, which included learning new skills. This was aided by the fact that meetings were held digitally. One way of keeping engagement up during the year was to introduce more regular progress meetings with the relevant managers and groups, as well as digital breakfast meetings with information from the executive management and other parts of the organisation.

We also focus on future staff and contributing to their development. We provide placements for pupils from higher vocational educational programmes. We also employ summer workers within the property management organisation. Atrium Ljungberg has not had to make staff redundant or ask them to take early retirement, so it has no transitional support programme.

Zero vision for ill-health and accidents

Atrium Ljungberg has a zero vision for stress-related ill-health and workplace accidents. Serious health and safety risks are common in the property and construction industry. For offices, the risks are primarily related to mental health. Injuries to hands are the most common accidents when managing properties and carrying out construction work. Although Atrium Ljungberg has primary responsibility for this work, the employees also play an important role, which is set out in the company's safety organisation. There is also a safety committee in the company that works with the employees. HR leads this work that includes representatives of the employees and aims to reduce the risk of accidents and ill-health and increase well-being at the workplace.

We continued our health checks for all staff at Atrium Ljungberg in 2021 in order to detect ill-health. The Group's employees receive health promotion support (via the digital platform Wellnet), through contributions to various kind of exercise and activities. We also organise different health activities, including exercise at the workplace. This was carried out either digitally or outdoors over the year. We also have internal traffic rules for how we work with meetings, emails, telephones and Teams. During the career development reviews, a personal

sustainability goal is set for each individual. Atrium Ljungberg's employees are also offered voluntary health insurance that provides access to specialist care, online doctors and conversational support.

Regular work environment courses are run for project managers, technical administrators and salaried employees in production at TL Bygg in order to prevent workplace accidents. A safety committee meets four times a year. There are order and safety rules at each construction site, safety officers are appointed and safety inspections are carried out. It is important to continue to focus on preventive safety work.

TL Bygg's management system is certified in accordance with BF9K, which is a management and product certification system that sets requirements for quality, the environment and the work environment, as well as an ISO certification that is directly adapted to the construction industry. TL Bygg has been certified since 2002 and works actively to reduce its environmental impact. It also has rules and procedures in place to ensure that every employee has a good work environment. Every year a third-party audit is carried out: in 2021 this was performed by Det Norske Veritas.



The key to success is satisfied, responsible and engaged employees.

Greater focus on climate work.

We have started working in line with TCFD (Task Force on Climate-Related Financial Disclosures) to enable us to have a clear focus on the climate issue and manage not only the risks but also the opportunities it presents. It is a framework for guiding organisations in their work to identify and report climate-related financial risks and opportunities. See pages 18–23 and 25–26 for more information about goals and measurement figures. Here is a brief description of how we work on different parts of the framework.

Governance

The Board is tasked with setting goals and strategies. Every year they establish a work plan, which includes the adoption of Atrium Ljungberg's overall sustainability policy. The results for goals and climate-related issues are presented to the Board and discussed at planned meetings throughout the year.

The CEO has ultimate responsibility for ensuring the policies are observed and delegates responsibility to managers and project managers in the organisation. The sustainability work is a natural and integral part of all operations and the managers have a specific responsibility for its implementation. The executive management works with goals and activities for the sustainability work continually at its meetings. Every two weeks the Head of Sustainability reports current issues to the executive management. There is also a steering group for sustainability issues.

Strategy

Our business model is based on sustainable urban development. We have long-term visions and plans for the development of our properties. We are currently working with activities to create climate-smart and sustainable cities. At the moment we are developing our sustainability strategy and

as part of this we are reviewing our construction process so that we can build in a more climate-proof way. We can then put this into action in our projects moving forwards. We are also working continually on making our property portfolio climate-smart. This is an issue that we think will be important for our customers in the future.

One opportunity presented by this climate work is that our customers will be able to work more on their Scope 2 emissions. Our work to develop more sustainable and climate-efficient premises and areas has a direct impact on our clients' Scope 2 emissions and would therefore give us a competitive edge in the future.

Risk management

Evaluating risks and opportunities and managing risks form part of Atrium Ljungberg's business development analysis, which is evaluated by the Board of Directors on an annual basis. Environmental aspects, including the climate, are included in this analysis along with the company's other risks and opportunities. The Board of Directors has overall responsibility for risk management, while the operational work has been delegated to the CEO and the various business areas.

The purpose of the risk and opportunity management process is to address, for example, issues such as climate risks, including physical risks (floods and extreme weather events) and transitional risks (laws, rules and technical changes). It is also important to make the most of opportunities by identifying them during this process. Before each investment decision is made, we perform a risk assessment, based on reports, knowledge and economic impact, and the results form the basis for prioritising measures.

In 2021 we decided to start an in-depth project on climate risk inventories in our existing properties. This will enable us to set up action plans and identify measures that are needed for specific properties.

Goals and measurement figures

A new strategy period for sustainability issues started in 2022 that will run until 2030. During this period we are going to enhance our work on the climate; we have decided to be climate-neutral by 2030 and to halve the emissions from our construction work by 2025. See pages 18–19 for more information.

In the 2014–2021 strategy we worked actively on the sustainability issue. For many years we have been aware that energy consumption in properties is a major contributory factor to greenhouse gas emissions. This is why we have been setting goals to reduce energy consumption and greenhouse gases by 30%. See page 26 for more information.

Atrium Ljungberg also had a goal for all of its buildings to be environmentally certified by 2021. The figure is currently 96%. Having more sustainable products puts us in a stronger position on the market and will increase our revenues. We measure the company's climate impact based on Scope 1, 2 and 3 emissions, but also on our direct and indirect impact to varying extents. Our total carbon dioxide emissions based on what we measure at the moment reflect the energy consumption in our properties. See pages 26 and 162–163 for more information.



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 sales, 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 59 therefore includes the following rows: Acquisitions, Investments in held properties and Investments in tenant-owned dwelling projects.

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

Proportion attributable to activities that are taxonomy-aligned (alignment)

	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 costs (SEK m)	-7	16	-41
Property value (SEK m)	15,296	30	50,335
Letting area (m²)	230	22	1,050

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/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.

Accounting policies – alignment

If sales, 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% 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. See pages 22 and 27 for more information about the work we do.

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 sales, 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.

The playing field for activities is constantly changing, and new business models are developing quickly. A changing ecosystem requires swift and flexible companies, but, perhaps most importantly of all, companies with a holistic approach that help to create value in the long term.

We live in a
changing world.

03



Sustainability

Sustainability is of the utmost strategic importance for companies that want to remain relevant in the long term. The concept of sustainability covers more aspects than just the environment. Key components now include issues such as corporate social responsibility, business ethics and corporate governance. Customers demand sustainable solutions, and suppliers want to work with stable customers with a long-term strategy. The company's sustainability profile will be valued even more highly when the employees of tomorrow are choosing their future employers. In recent years green financing has become more important and is now an integral part of the sustainability work and financing strategies of many companies.

Hybrid workplaces, the big experiment

As workplaces open their doors once again after almost two years of employees working remotely, many companies and organisations are faced with the challenge of how to organise work moving forwards. The expectations of company leaders often differ from the expectations of the employees; managers want to see a return to the office, while employees want to keep the individual freedom that remote working has given them. There is not going to be one single solution that works for everyone, which makes the concept of 'hybrid workplaces' even more important. Research has shown that people want to have a 'third office', which is close to home, but not at home. The third office, or 'satellite hub', makes it easier to address the work-life balance. Its main advantage is that it helps reduce commuting time and establishes a healthy balance in life. Before the pandemic, the flexible office model only accounted for a marginal proportion of the commercial property market. By 2030 this is expected to rise to as much as 30% of this market.

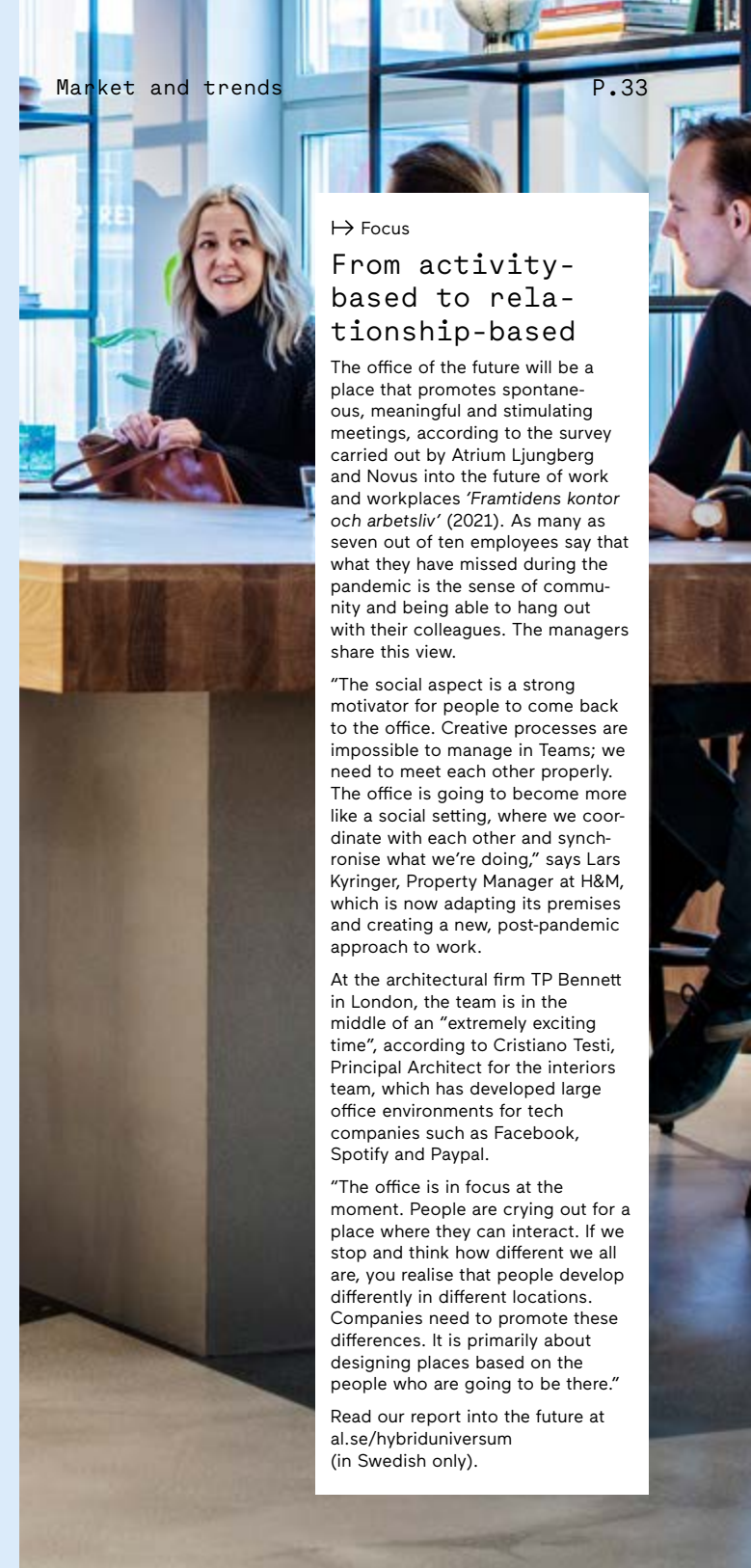
Although there are many positive effects of having this kind of flexibility, there are also definite risks involved in companies spreading outside their premises and their employees. Onboarding and knowledge transfer have proven to be more difficult to carry out remotely. As high as 64% of administrative staff think that the main disadvantage of remote working is that it is difficult to keep up with what is happening in and around the business. There is also a risk that this could undermine and fragment the corporate culture. We are now returning to the workplace with a greater understanding of the different needs of the operations and the employees, and this places higher demands on the leadership. Successful leaders will be the ones who focus on the ability of individual employees to manage themselves and who can create a strong corporate culture remotely and on site.

Diversity

Although gender equality is not a new phenomenon, it has started to appear much higher up on the agenda in recent years. Despite this, Sweden, which is one of the most gender-equal countries in the world, still does not have many women in top management.

However, gender equality is not only about achieving an equal gender distribution. Recent years have seen a much greater focus on diversity from a wider perspective. Several reports show that business is slowly starting to understand how important it is for companies to reflect the world around them. They realise that a broader representation of people is required as it captures perspectives that a workforce that is far too homogeneous might miss completely. Heterogeneous groups are often in a better position to share more experiences and find new angles. This results in more innovation internally, while externally it leads to new business, a better understanding of customers and the ability to attract more motivated candidates who want to work in an inclusive work environment. Diversity, as the word suggests, offers many diverse benefits, including commercial ones.

Increasing diversity in a sector not only requires strategic decisions, but also a change to the often deep-rooted attitude that 'there is no-one else we could hire'. The same arguments and perceptions were seen in the gender equality debate, and just as with gender equality, companies and organisations need awareness and the right tools to make this change.



↳ Focus

From activity-based to relationship-based

The office of the future will be a place that promotes spontaneous, meaningful and stimulating meetings, according to the survey carried out by Atrium Ljungberg and Novus into the future of work and workplaces 'Framtidens kontor och arbetsliv' (2021). As many as seven out of ten employees say that what they have missed during the pandemic is the sense of community and being able to hang out with their colleagues. The managers share this view.

"The social aspect is a strong motivator for people to come back to the office. Creative processes are impossible to manage in Teams; we need to meet each other properly. The office is going to become more like a social setting, where we coordinate with each other and synchronise what we're doing," says Lars Kyringer, Property Manager at H&M, which is now adapting its premises and creating a new, post-pandemic approach to work.

At the architectural firm TP Bennett in London, the team is in the middle of an "extremely exciting time", according to Cristiano Testi, Principal Architect for the interiors team, which has developed large office environments for tech companies such as Facebook, Spotify and Paypal.

"The office is in focus at the moment. People are crying out for a place where they can interact. If we stop and think how different we all are, you realise that people develop differently in different locations. Companies need to promote these differences. It is primarily about designing places based on the people who are going to be there."

Read our report into the future at al.se/hybriduniversum (in Swedish only).

Offices on strong markets.

Atrium Ljungberg's office properties are located in Stockholm, Gothenburg, Malmö and Uppsala, where we have seen positive rental trends and low vacancies. Although the traditional working method has been challenged during the pandemic, it is predicted that offices will continue to play an important role for companies in the future.

Robust office market

In 2021 companies, tenants and employees had discussions about how to design the workplace of the future and how the pandemic has changed the way we work. So far the market suggests that the rental levels have withstood the effects of the pandemic relatively well. Most people also agree that the office will continue to be an important place for meetings, creativity and cooperation.

Stockholm

Between 2015 and 2019, Stockholm saw a substantial increase in office rents and its growth rate was one of the strongest in Europe. Since the start of the pandemic in March 2020, office rents have remained stable in all of Stockholm's office markets. In 2021 the office rental level in Stockholm CBD stood at SEK 8,500/m².

The vacancy rate in Central Stockholm increased in 2020 and 2021 from historically low levels, stabilising at around 5.5%. This is slightly below the long-term average value of 6.0%. In recent years the low office vacancies have caused a lock-in effect on the rental market, with many tenants having few options for relocating. This has resulted in rapidly rising rents in the city centre and in the 'Malmarna' (surrounding areas).

Gothenburg

In Central Gothenburg vacancies fell during the year from the high levels reported in 2020. At the end of 2021 the vacancy rate was 4.9%, which is lower than the long-term average value of 5.5%. In the rest of the inner city, vacancy levels decreased during the year. Rental levels in the city have remained stable at around SEK 3,800/m² since the start of 2020. The next few years are going to see large project volumes, as a number of new build projects will be completed between 2022 and 2024.

Malmö

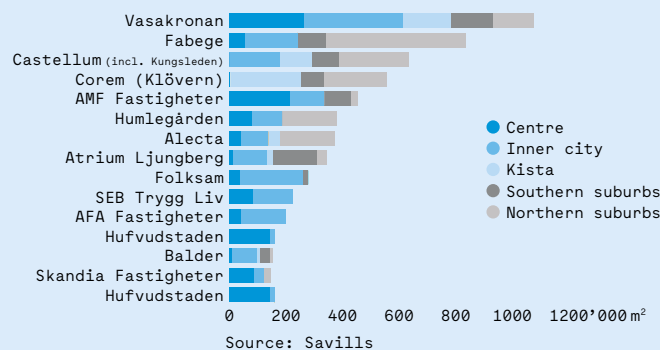
Vacancy levels in central Malmö fluctuated at around 10% in 2021. The relatively high vacancy rate can partly be explained by several years of high new build volumes, some of which were speculative. Vacancies fell during the year in the CBD, Västra Hamnen and Hyllie. The rental levels in Malmö CBD have remained stable at around 3,000/m² since 2019.

Uppsala

In the centre of Uppsala vacancy levels increased in 2021 from approximately 5.5% to around 5.7% at the end of the year. Following several years of substantial growth, the rental market remained stable during the year.

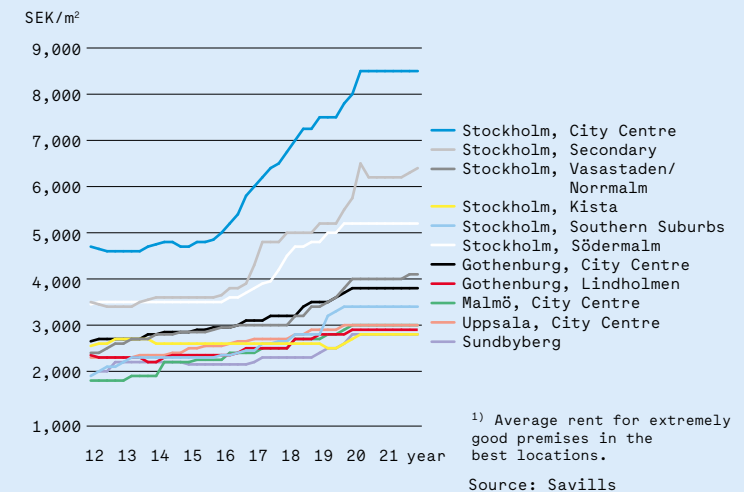
Letting area for office space in Stockholm

- Atrium Ljungberg is the eighth biggest office property owner in Stockholm



Rental trends in Stockholm, Gothenburg, Malmö and Uppsala ¹⁾

- Strong increase in market rent for most of Atrium Ljungberg's subsidiary markets in recent years.



Atrium Ljungberg's market shares in subsidiary markets, Offices

Subsidiary markets	Office space, '000 m ²	Share Atrium Ljungberg, %
Stockholm		
CBD (Central Business District)	1,850	1
Inner city	3,580	3
Inner suburbs, north	2,200	1
Inner suburbs, south	870	18
Kista	900	3
Gothenburg		
Lindholmen	324	21
Malmö		
Inner city, including CBD	885	2

Gradual return to normal for the retail sector

The retail sector reported positive growth in 2021. The start of the year was dominated by restrictions and social distancing recommendations. As the vaccination rate increased, the spread of the virus decreased, which led to virtually every restriction being lifted in February 2022. Although all areas of the retail sector reported a positive sales trend over the past year, there were major variations between them.

Retail year 2021

In 2021 the retail sector grew by 6.4%, making it the 25th year of consecutive growth. Consumer durables had a strong year, with a growth rate of 9.2%, while the FMCG sector reported a more modest figure of 2.6%. As in 2020, there are major differences between developments in the different areas; however, what they all had in common in 2021 is that they reported a positive trend.

The Covid-19 Act entered into force at the beginning of the year, which meant that indoor premises, for example, in retail hubs, had to have infection prevention measures in place. On 1 June these restrictions started to be gradually removed and after the 29 September virtually every restriction had been lifted. This meant that people could go to their workplaces and social settings much more than before. The opportunity to go to social events revealed a pent-up demand in some areas. This was particularly the case for clothing and shoes, which had found it tough in the first year of the pandemic. Although restrictions were reintroduced at the end of December, several areas reported strong growth figures. Optical retail reported the best figure, with growth of 17.2%. The DIY sector made strong progress once again, although at a slightly lower rate than in 2020.

Online shopping continues to grow

It was full speed ahead for online shopping at the beginning of 2021. According to Statistics Sweden, online shopping grew by 13.2% during the year. A slightly stronger indication came from PostNord's e-barometer, showing an increase of 53% in the first quarter, followed by 16% and 11% for the second and third quarters respectively. It looks likely that online shopping will continue at a similar level this year as it did in 2021. Online shopping became ingrained for many consumer groups, even though people still want to go to physical shops. The situation in the coming months will largely depend on whether any new restrictions are introduced.

The immediate future for the retail sector

According to a forecast from HUI Research, growth for the retail sector will amount to 3% in 2022 and 2% in 2023. Growth is therefore expected to be lower than in recent years, with the FMCG sector expected to report higher growth than the consumer durables market (3.0% and 2.5% respectively).

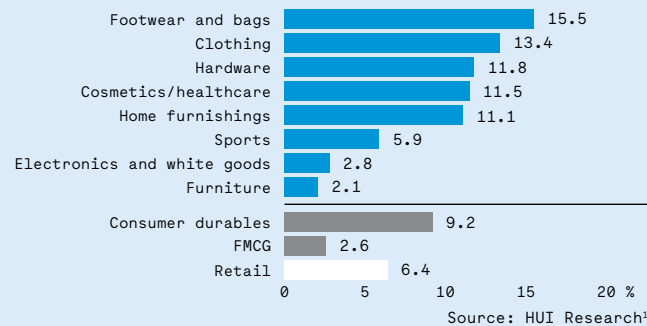
Recovery of the city centres

In 2020, the first year of the pandemic, city centres lost approximately 19% of sales, due to an increasing number of people choosing to shop online and in local stores. Visits to restaurants and hotels also fell dramatically. The social distancing recommendations led to many people working from home, with social events cancelled. Although city centres were hit the worst, they have been in the best position to make a recovery. Between February and July last year, footfall increased most quickly in the major cities, according to Cityindex, a report produced by Fastighetsägarna and HUI Research.



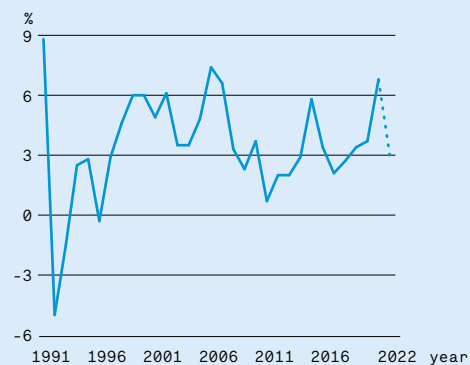
Retail sector development per subsidiary sector in 2021, current prices

– Positive development in all areas of the consumer durables market in 2021. Optical retail reported the strongest growth.



Retail sector development and forecast for 1991–2022, current prices

– Positive growth in the retail sector every year since 1997.



Source: HUI Research¹⁾

¹⁾ The figures from HUI Research could potentially be updated.

Atrium Ljungberg's market shares in subsidiary markets, Retail

Municipality	Sales municipality, SEK m ¹⁾	Share Atrium Ljungberg, %
Stockholm	71,756	0
Nacka	8,022	34
Uppsala	16,498	16
Malmö	25,984	5

¹⁾ Refers to sales per municipality, 2020.

Active transaction market.

2021 proved to be the strongest transaction year ever as early as the third quarter, in a year that was dominated by major structural deals. It looks as though the situation will remain favourable in 2022, with good access to both equity and borrowed capital, historically low financing costs and a hunt for synergies.

Transaction market in 2021

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 ever. The total turnover volume of properties was approximately SEK 406 billion. Compared with the previous record year of 2019, the transaction volume for the year increased by 84%.

Foreign investors accounted for 24% 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.

A year dominated by major structural deals

In 2021 Sweden reported a record number of structural deals, accounting for approximately 44% of the total transaction

volume. Structural deals 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.

High demand for secure cash flows

The uncertainty over the economy generated greater interest in property investments with secure cash flows in 2020 and 2021. Residential properties were the single biggest segment during the year, with a transaction volume of SEK 140 billion and a market share of 35%. Office properties came second at 20%, followed by logistics and industrial properties at 15%. Stockholm accounted for the highest proportion at 48%, followed by Malmö at 11% and Gothenburg at 7%.

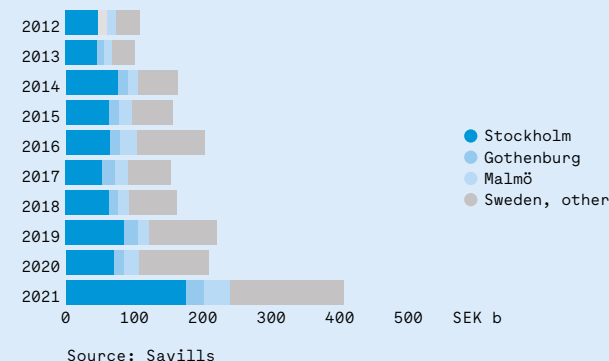
Situation in 2022

The outlook for the property market in Sweden look positive for 2022. Savills has assessed that the climate will remain favourable for property investments during the year, as access to both equity and borrowed capital is good, combined with the fact that financing costs are relatively low from a historical perspective. This is despite the fact that the year started with a slightly volatile interest rate and credit market. The large inflow of foreign capital suggests that competition will remain strong with high transaction volumes in 2022.

Structural deals will continue to account for a high proportion of the transaction volume in the coming 2–4 years, and the assessment from Savills is that there will continue to be company mergers in all segments, not only in Sweden, but also in the rest of the Nordic region.

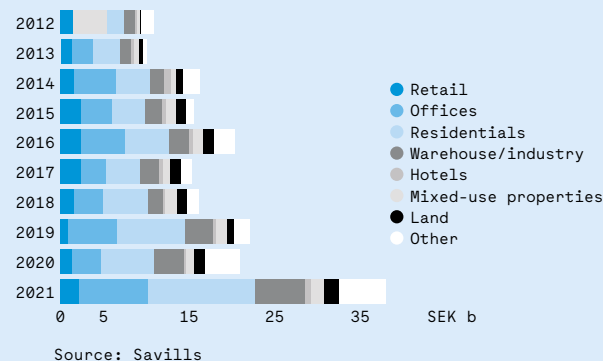
Transaction volume per geographic area

– Property sales amounted to SEK 406 billion in 2021.



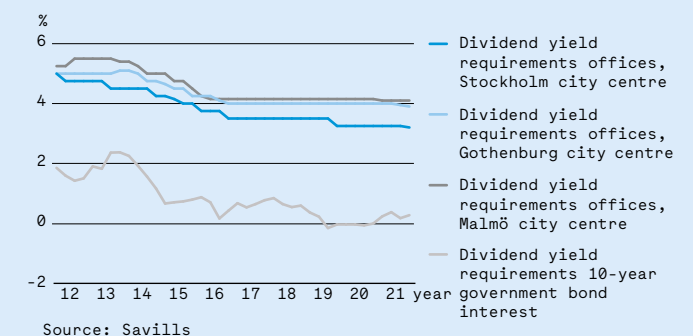
Transaction volume per property type

– Strong demand for residential, offices and warehouses/industrial properties in 2021.



Dividend yield requirements and 10-year government bond interest

– The difference between yield requirements for properties and government bond interest rates remains high.



Residential in growth regions.

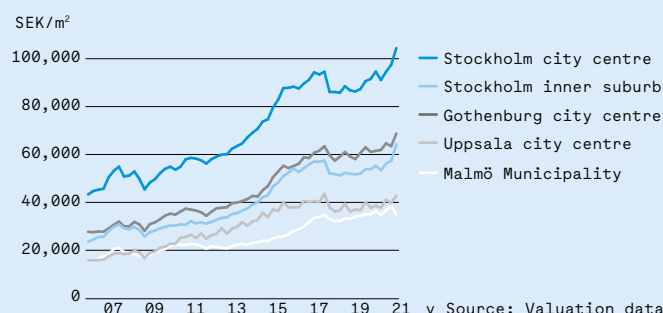
Atrium Ljungberg's residential and residential development rights are located at our development locations in the growth regions of Stockholm, Uppsala and Malmö. In 2021 the prices of tenant-owned dwellings continued to increase on all our markets. The year started with a strong increase in prices, while the supply of both successions and new builds was lower than normal. Despite a lower supply, there were more sales compared with the same period in the previous year. These price increases continued during the year and a high turnover rate in our regions resulted in record levels.

For the year as a whole the prices of tenant-owned dwellings in Sweden increased by 7% and houses by 13%. During the year 132,000 tenant-owned dwellings were sold, 11,000 more than in the previous year.

Society has started to open up again following the lifting of restrictions and an increasing number of people getting vaccinated. Although many are returning to the office, people are still carrying out some work from home. The home continues to play a central role in people's lives, and there has definitely been a greater interest in the qualities that a home can offer, including nature, services and outdoor spaces for socialising.

Prices of tenant-owned dwellings in selected areas, current prices

– Strong increase in prices for tenant-owned dwellings in 2021, particularly in Stockholm.

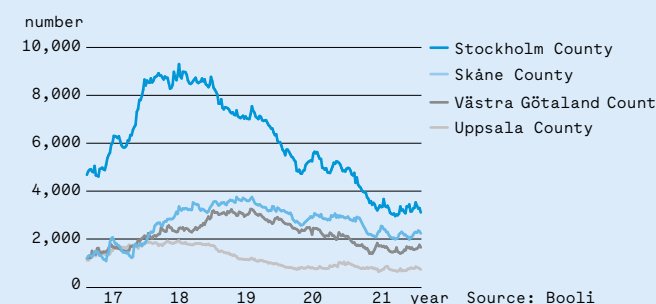


During the first half of the year the turnover rate for smaller apartments remained low, in favour of larger tenant-owned dwellings and houses. In the second half of the year, there was an increase once again in demand for smaller apartments. The increase in the prices of larger residential is higher than for smaller ones.

The number of residential that started to be built increased significantly over the past year, while rental apartments accounted for almost half of the total residential production. Demand for rental dwellings on Atrium Ljungberg's markets remains stable. The waiting times for mediated new apartments also show that demand remains stable.

New-build residential for sale

– The supply of new-build residential halved in Stockholm in 2021



Stockholm

The prices of tenant-owned dwellings in Stockholm continued to increase in 2021. The market outside Stockholm's inner city is particularly strong. The turnover rate on the succession market was at a record high, while the supply of new-build residential halved. In 2021 the average price for new builds increased by approximately 4%. During the year the Stockholm region saw an increase in the number of buildings that started to be constructed and an increase in the number of sales that got underway. During the year sales started for approximately 7,400 new-build residential, which is approximately 12% more than last year. Most of the residential that started to be sold were residential apartments with 2 rooms + a kitchen or 3 rooms + a kitchen. The population continues to increase, with the county growing by around 35,000 people every year. The housing list at Bostadsförmedlingen Stockholm increased by approximately 4% even though the waiting time is falling. The total number of applicants on the housing list is around 736,500 and the average waiting time remains at 7 years for new-build rental dwellings.

Malmö

The prices of tenant-owned dwellings in Malmö continued to rise for much of 2021. Just like last year, Malmö saw the most positive trend in prices of all the metropolitan regions in Sweden. The number of apartment blocks that are starting to be constructed has remained stable in recent years. The population of the Malmö region is growing by approximately 17,000, which is the equivalent of around 1%. In Malmö the average waiting time for a new-build rental dwelling is stable, which indicates that there is continued demand for rental dwellings.

Uppsala

The prices of tenant-owned dwellings in Uppsala increased, except for a decrease in the third quarter of the year. There used to be a high supply of residential on the housing market in Uppsala, but the market has now normalised. The Uppsala region remains one of the quickest growing regions in Sweden with a population growth of approximately 4,000 for the first three quarters of the year, an increase of 1%. The growth in the Uppsala region is mostly due to a high net inflow of people from other counties in Sweden. The average waiting time for a new-build rental dwelling has fallen from 3.5 years to 2.5 years over the past year, as a result of an increase in supply. Since 2016/2017 new builds in Uppsala have mostly been for rental dwellings. The county of Uppsala has the highest number of residential that have started to be constructed, based on the number of inhabitants.



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In Malmö the average waiting time for a new-build rental dwelling is stable, which indicates that there is continued demand for rental dwellings.

In the first half of 2021 the number of constructions that started in Skåne, in relation to its population, exceeded the number of constructions that started in both the countries of Stockholm and Västra Götaland.



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The county of Uppsala saw the highest number of residential that started to be constructed out of anywhere in the country, in relation to the number of its population.

Atrium Ljungberg is a long-term owner in a strong financial position. Developing, building and owning properties in the long term is a capital-intensive business that requires good access to financing. The choice of capital structure and financing sources is incredibly important for the risk exposure of the business and the expected yield.

Strong financial
position.



Finance market in 2021

At the start of the year the economy continued to be dominated by the restrictions that had been introduced in 2020 to limit the spread of Covid-19. Once the vaccination programme was fully underway, a plan was presented to start opening Sweden up again. Once the first restrictions had been lifted in the middle of the year, the pace of recovery increased considerably, driven by higher consumption and investments. At the end of the third quarter, the final national restrictions were eased. However, the spread of Covid-19 gathered momentum again at the end of the year, which led to restrictions being reintroduced. These restrictions were lifted once again at the beginning of February 2022.

A rapid increase in global demand combined with supply constraints resulted in inflation starting to pick up speed in 2021. Although this was initially considered to be temporary, many analysts gradually started to change their minds. In Sweden we saw an inflation rate of 4.1% in December. After a rapid increase in inflation and a reduction in unemployment in the USA, the Federal Reserve decided to reduce the pace of its assets purchasing programme at the end of the year with a view to halting this completely in 2022; the country is now facing interest rate hikes.

The Swedish bond market remained stable for most of the year and property companies like Atrium Ljungberg with an investment grade rating were able to issue bonds with the same credit spreads or lower spreads than seen before the pandemic. At the end of the year the credit spreads started to rise. The Riksbank (Sweden's Central Bank) supported the market by buying primarily government, municipal and covered bonds, as one of several tools to mitigate the economic impact of the pandemic.

The floating interest rate, 3M Stibor, moved marginally below zero during the year, standing at -0.05% both at the beginning and end of the year. Long-term market interest rates saw much more movement. The 10-year swap rate was volatile, gradually increasing from 0.39% at the beginning of the year to 0.97% at the end of the year.

Finance market in 2022

In 2022 the global economy is expected to continue its recovery in the wake of Covid-19, even though the vaccination rate and spread of infection varies in different parts of the world. The assessment is that the bottlenecks that have appeared in production chains and the shortages of various intermediate goods that have been reported since the economy started up again will continue for most of 2022. Consequently, the higher inflation rate is expected to continue, which will gradually lead to a normalisation of monetary policy. The market rates continued to rise at the start of 2022, as did the credit spreads on the bond market. The spread of Covid-19 continues to create uncertainty in the forecasts, while the worrying geopolitical situation in Europe has resulted in more volatile markets.

In Sweden the recovery rate is expected to remain high with a GDP growth of more than 3.5%. The Riksbank's assessment is for inflation to be much higher than 2% in 2022 before falling back again. Despite this no increases are expected in the repo rate until the second half of 2024. However, the interest rate market has priced in an increase in 3M Stibor during the year. The Riksbank is not expected to continue its assets purchasing programme of bonds in 2022 and will instead keep its holdings unchanged. Long-term interest rates continued to rise at the beginning of the year.

Financing and financial policy

Developing, building and owning properties in the long term is a capital-intensive business that creates exposure to a number of financial risks. This is because Atrium Ljungberg is greatly affected by developments on the financial markets.

The main risk is linked to the company's ongoing financing i.e. the financing risk that occurs when existing loans fall due or are renegotiated, and when acquiring new loans for investments and acquisitions. Another risk involves fluctuations in profits and cash flow as a result of changes in interest rates.

The company's financing operations aim to create the financial stability that best supports the company's goal achievement and is regulated by its financial policy, which is reviewed at least once a year and adopted by the Board of Directors.

Green financing

- More than half of the liabilities portfolio is green

59%

Financial policy 2021

	Goal/ Mandate	Outcome 31 Dec 2021
The Group's interest coverage ratio	>2	5.3
Loan-to-value ratio, commercial properties	max. 70%	61.4%
Loan-to-value ratio, residential property	max. 75%	52.1%
Loan-to value ratio, the Group	max. 45%	39.9%
Percentage of interest resets within 12 months	0-55%	22%
Percentage of debt maturity within 12 months	10-30%	0%
Currency risk, financing	Not permitted	None
Unutilised overdraft facility	SEK 300-500 million	SEK 300 million
Number of financing providers, banks	3-7	7
Loan volume with a single provider	max. 50%	7.5%
Unutilised credit facilities and cash/loan maturity term 4.5 months	min. 100%	achieved

Capital structure and capital market financing

Atrium Ljungberg aims for a distribution between equity and interest-bearing liabilities that provides an acceptable level of risk. Equity amounted to SEK 25,541 million (SEK 22,668 m), while liabilities amounted to SEK 28,744 million (SEK 26,947 m), of which SEK 20,561 million (SEK 18,905 m) refers to interest-bearing liabilities. According to the company's financial policy, the loan-to-value ratio should be less than 45.0% in the long term. At the end of the year, it amounted to 39.9% (39.9%). The current loan-to-value ratio is the lowest it has been for the past ten years. The highest in the same period was reported in the first quarter of 2012, when it stood at 48.9%.

Capital market financing represents the main financing source, accounting for 61% (59%) of the total loan volume. Capital market financing consists of bonds in Swedish krona and Norwegian krone issued under the company's MTN (Medium Term Note) programme. This is supplemented by short-term financing through the company's commercial paper programme. Bank loans and direct loans amounted to SEK 7,946 million (SEK 7,799 m) and accounted for 39% (41%) of the loan volume.

Atrium Ljungberg has been working with financing from the capital market since 2013 when both its commercial paper programme and its MTN programme were set up. At the end of the year, the framework amount for the commercial paper programme was SEK 5 billion, and SEK 12 billion for the MTN programme. In February 2022 the framework for the MTN programme was increased to SEK 15 billion. In recent years, capital market financing has increased as a proportion of the total loan volume and is an important source of financing. In 2021 seven new bonds were issued with a total volume of SEK 3,900 million.

Bonds totalling SEK 10,916 million (SEK 8,700 m) are outstanding under the MTN programme. Outstanding commercial papers at the end of the year totalled SEK 1,699 million (SEK 2,404 m). Unutilised credit facilities amounted to SEK 7,297 million (SEK 4,769 m) at the end of the year, which covers both outstanding commercial papers and other forms of financing with short remaining maturities. For this reason no current interest-bearing liabilities are recognised in the balance sheet. In addition to the available credit facilities, the company had an unutilised overdraft facility totalling SEK 300 million (SEK 300 m).

Loan-to-maturity and interest rate duration

The company's property ownership is a long-term commitment, requiring long-term financing. Long-term loan-to-maturity also reduces the refinancing risk. The average loan-to-maturity at the turn of the year was 4.8 years (4.7 years).

Financial costs represent a major cost item in the income statement. They are affected primarily by changes in market rates and preconditions on the credit market that influence lenders' margins. Interest rates are mostly fixed with a variety of tenors in order to reduce the fluctuations in these financial costs. We use interest rate derivatives to achieve the desired interest rate duration, as they offer a flexible and cost-effective way of extending interest rate tenors without having to change the terms of the underlying loans.

The average interest rate was 1.7% (1.6%) at the end of the year. Including unutilised credit facilities the average interest rate was 1.8% (1.7%). The average interest rate duration was 4.7 years (5.0 years) at year-end.

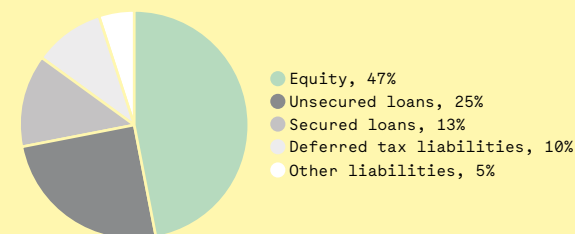
Financial instruments

Foreign exchange derivatives are used in addition to the interest derivatives. They are used to eliminate the currency exposure that arises when bonds are issued in Norwegian krone. All derivative instruments are valued at their market rate every quarter. The market value is entered into the balance sheet and any changes in the market value are recognised in the income statement. Upon maturity one derivative contract's market value was entirely redeemed, so the change in value over time did not impact equity. There is a total nominal amount of SEK 13,500 million (SEK 12,296 m) in interest rate swaps with maturities between 2024–2032 and SEK 2,358 million (SEK 2,196 m) in foreign exchange swaps.

The unrealised change in the value of financial instruments totalled SEK 388 million (SEK –252 m) mostly as a result of rising long-term market interest rates during the year. The realised change in the value of derivatives amounted to SEK 0 million (SEK –50 m) during the year. The deficit net book value of the derivatives portfolio totalled SEK –100 million (SEK –656 m) at the turn of the year.

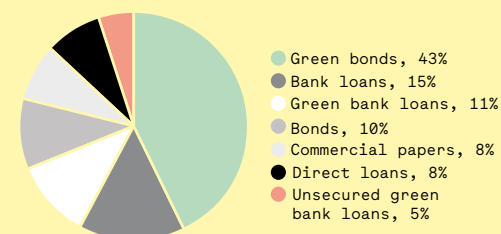
Capital structure

– Secured loans correspond to 13% in relation to total assets.



Interest-bearing liabilities

– SEK 20,561 million in liabilities with 59% green financing.



Securities

Borrowing is to some extent secured by real estate mortgages. Of the interest-bearing liabilities, SEK 7,027 million (SEK 6,882 m) is secured by mortgage deeds and SEK 13,534 million is unsecured (SEK 12,022 m). The proportion of secured financing is 13% (14%) in relation to the total assets.

In addition to providing security over property mortgage certificates, the parent company in certain cases grants security over shares in the property holding Group companies. The parent company also provides guarantee undertakings for the subsidiaries' undertakings in connection with guarantee commitments or borrowing. Guarantee undertakings of the parent company for the Group companies' external financing amounted to SEK 5,128 million (SEK 2,948 m) at the end of the year.

Green financing

Atrium Ljungberg creates attractive and sustainable cities. As part of our sustainability strategy, we are focusing on improving resource efficiency, which will reduce our environmental

impact. This also enables us to access green financing. Green financing accounts for 59% (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 2,348 million (SEK 3,269 m) of green bank loans.

In addition to green bonds and green bank loans, Atrium Ljungberg has unsecured green financing through a credit agreement with the Nordic Investment Bank (NIB) for SEK 919 million and a credit agreement with the European Investment Bank (EIB) for SEK 1,000 million. The credit with EIB was still unutilised at the end of the year.

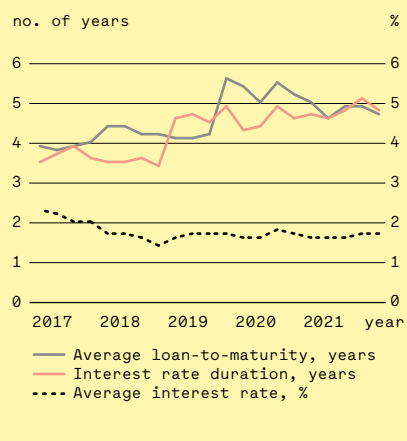
Green and sustainability-linked framework

Since 2017 Atrium Ljungberg has issued green bonds under its green bond framework. In 2021 bonds totalling SEK 3,699 million were issued and there is a total of SEK 8,779 million in outstanding green bonds.

As new sustainability goals were adopted at the end of the year, a new green bond framework as well as a sustainability-linked financing framework was launched in February 2022. Under this green bond framework net proceeds will continue to be allocated to specific green assets. Net proceeds from the sustainability-linked financing framework is linked to the goal achievement of some of the Group's sustainability goals – both its climate and social goals. In addition to the goal to be climate-neutral by 2030, the framework is also linked to the Our City index – socially sustainable locations by 2030.

Average interest rate, loan-to-maturity and interest rate duration

– Stable interest rate and long durations.



Covenants

Covenants, i.e. the terms and conditions a lender requires for providing a credit and which entail that a credit is due for payment if the terms and conditions are not fulfilled, are similar in the various credit agreements. The covenants that can appear in the loan agreements are a minimum interest coverage margin of 1.30–1.75, a maximum loan-to-value ratio of 65–75% and a minimum equity ratio of 25–30%. Other obligations include the fact that the borrowing Group company must be wholly-owned, a mortgaged company cannot take out any additional loans, and financial information must be submitted to the lender on a quarterly basis. If there are major changes to the ownership, the bank can renegotiate or ultimately ask for the loan to be paid back completely. All covenants were complied with during the year.

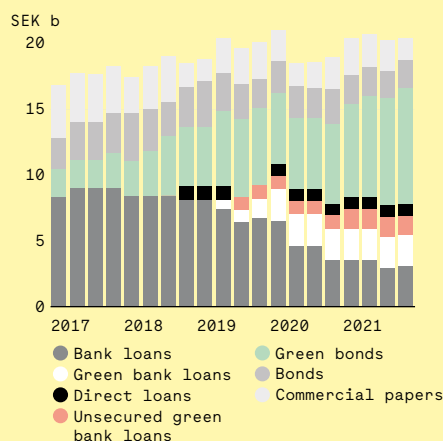
Some credit agreements also regulate the credit margin depending on whether certain terms and conditions are met. This could be, for example, if the equity ratio for the Group or the loan-to-value ratio for the mortgaged asset does not achieve a certain level. There are also requirements for unsecured loans that state that specific financial key performance indicators must be met to ensure that no pledges are required for the loan.

Public rating

Atrium Ljungberg has been assigned an investment grade issuer rating from the credit rating agency Moody's since 2017; the company has a Baa2 rating. In April 2021 the rating was confirmed with a stable outlook.

Development of financing sources

– Higher proportion of green bonds in 2021.



Credit maturity structure, SEK million

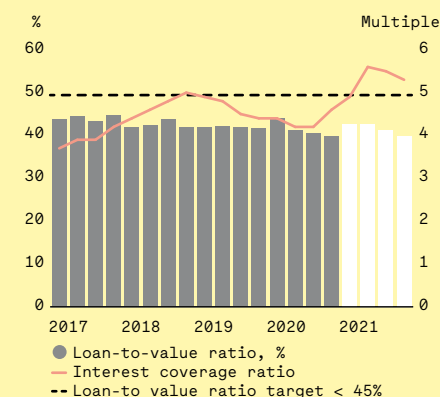
Tenor	Bank loans	Capital market	Total liabilities	Percentage, %	Total credit agreements
2022	0	3,410	3,410	17	3,410
2023	834	1,350	2,184	11	2,584
2024	1,656	1,813	3,468	17	7,415
2025	884	1,300	2,184	11	2,184
2026	200	2,562	2,762	13	4,712
2027 and thereafter	4,372	2,182	6,554	32	7,554
Total	7,946	12,616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

Interest rate maturity structure, SEK million

Tenor	Debt	Percentage, %	Average interest, %
2022	4,509	22	1.2
2023	–	–	–
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

Loan-to-value ratio and interest coverage ratio

– Loan-to-value ratio was comfortably below the target, along with a high interest coverage ratio.



Property development is an important aspect of Atrium Ljungberg's future value growth. Our project portfolio enables us to invest the equivalent of approximately SEK 38 billion in decided and potential projects in the future, of which around SEK 30 billion will be invested up to 2030.

Project investments.

05.



Our plan is to invest approximately SEK 30 billion in held properties and land allocations up to 2030, with an assessed project return of approximately SEK 10 billion, based on current rental levels, yield requirements and production costs. This generates good value growth within the company and healthy growth in the company's cash flows.

Our decided projects have a total investment volume of approximately SEK 6 billion, of which just under SEK 2.7 billion still remains to be invested.

A total of 784,000 m² GFA can be developed in potential projects, half of which comprises offices, one third residentials, while the remainder is education and culture, retail/service and hotels. The project portfolio is divided among all our areas, with Slakthusområdet, Sickla, Södermalm and Gränbystaden accounting for the majority of the projects. 87% of the project portfolio is located close to existing or future underground stations in the Stockholm area.

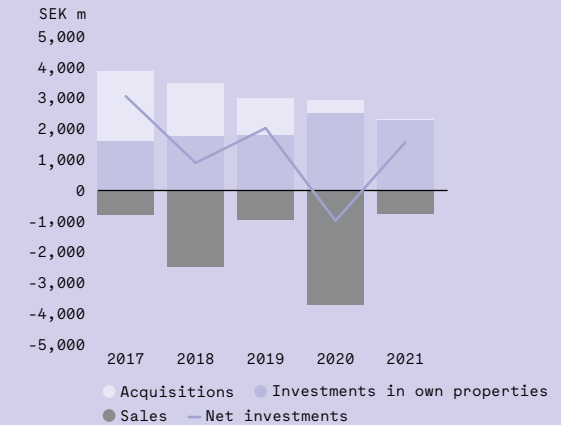
Using our own expertise, we work at the early stages to plan and create future development opportunities. Our ability to complete the projects depends on the market situation and the progress made in the detailed development plan process. We work with these issues on a daily basis in close collaboration with our customers, partners and municipalities. No projects are normally started until we have secured a minimum level of return in the form of signed lease contracts.

We acquire properties to create value growth or to obtain strategic benefits. This can include acquiring land in order to gain access to development rights for future development projects and investment properties with development potential.

We sell properties if we realise that there are no opportunities for long-term development in line with our business model, vision and yield requirements. Most of the properties we have sold in recent years have been retail.

Investments, acquisitions and sales

- An increase in investments in held properties following a new goal of SEK 2 billion per year since 2019.



Potential projects, m²

784,000

In Östra Hagastaden we have a land allocation next to Brunnsviken lake. We are planning to build an 8-storey office property here that will comprise approximately 24,000 m². It will feature an undulating facade and provide incredible views across the water and the park.



Decided and completed projects.

Our decided projects have a remaining investment of approximately SEK 2.7 billion. In 2021 we invested SEK 2.3 billion in held properties and the goal is to invest approximately SEK 30 billion in held properties and land allocations up to 2030.

During the year investments in held properties amounted to approximately SEK 2.3 billion (SEK 2.5 b), of which SEK 1.2 billion (SEK 1.6 b) was in project properties and SEK 220 million (SEK 305 m) in development properties, i.e. our tenant-owned dwelling projects. Investments in project properties related primarily to projects in Hagastaden, Sickla, Slussen and Barkarbystaden. The other investments related primarily to adaptations to premises in properties in Sickla, Malmö and Liljeholmen.

In the first half of 2021 profit was recognised for our first tenant-owned dwelling project in Nobelberget, Brf Sicklastråket, comprising 68 apartments. We also completed our rental dwelling project Parkhusen block 1 in Uppsala, comprising 44 apartments. In Sickla our first hotel project, Hotel Tapetfabriken, was completed with 240 rooms, which has been fully let to Nordic Choice Hotels.

In the second half of 2021 Sickla Galleria phase IV was completed, which comprises retail premises that have been fully let to tenants, such as XXL Sport, as well as approximately 200 new parking spaces. **Our decided projects** are in Sickla, Hagastaden, Slussen, Uppsala, Slakthusområdet and Barkarbystaden.

The Life City office project is currently underway in Hagastaden, with major lettings to tenants that include Academic Work and the life science company 10X Genomics.

In Slakthusområdet we have started the first phase of the Slakthushallarna project, which is being transformed into a food destination; the ambition is to create a unique location in Stockholm, and maybe also in Sweden, for its restaurant and cultural scene. Slakthushallarna is an Art Nouveau building from 1912 and future visitors can expect to find hand-picked companies that are among the very best in their particular segment. In the autumn of 2021 several future restaurant establishments were announced for this building, including Adam & Albin, Hosoi and Stockholm Roast.

In Nobelberget in Sickla, production is underway for Brf Konstharts, comprising 56 tenant-owned apartments; while production is also underway for Bas Barkarby in Barkarbystaden. All four projects are scheduled to be completed in 2022.

The detailed development plan for Sickla Stationshus became legally binding at the beginning of December, so completion

Life City

Life City is being completed next to Karolinska Solna University Hospital; it is a property measuring 27,500 m² directly above the E4 highway and one of the most visual locations in Sweden. Life City will be a meeting place for everyone operating in the emerging life science cluster in Hagastaden.

27,500

Letting area, m²

1,660

Investments, SEK m

111

Rental value, SEK m



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 restaurant, conference facilities and several green terraces, as well as stores on the ground floor. Stationshuset is expected to be ready for occupancy in the fourth quarter of 2024.

Production is currently underway for the commercial reconstruction project Katarinahuset in Slussen, and the first tenant-owned dwelling project in Gränbystaden, Parkhusen block 2. Both of these projects are scheduled for completion in 2023.

The remaining investment volume for decided projects amounted to approximately SEK 2.7 billion (SEK 2.6 b) at the end of the year.

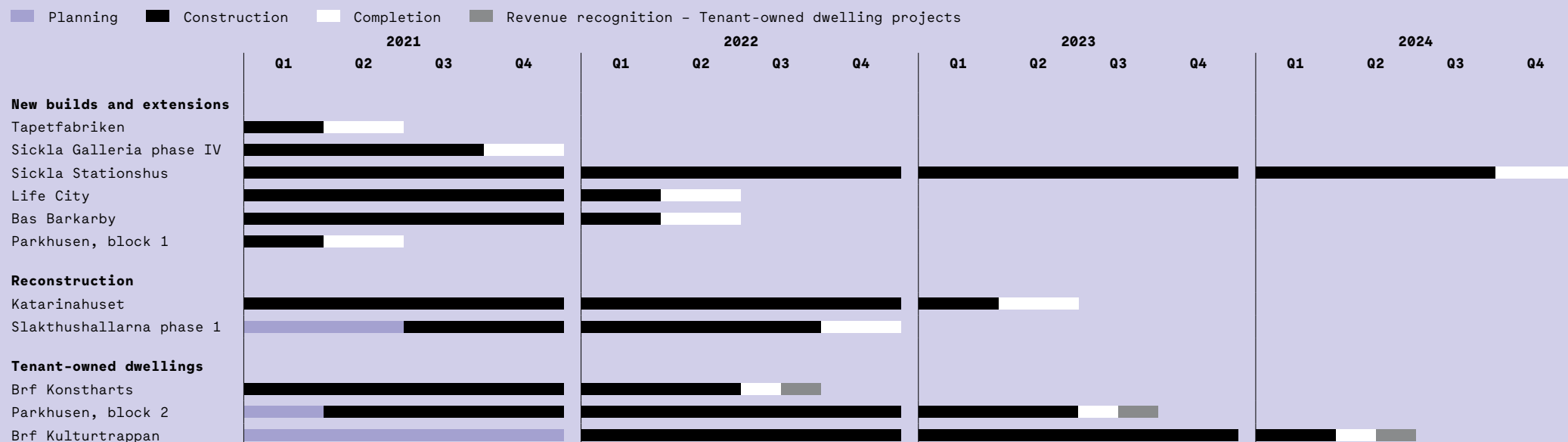
Our long-term goal is to invest SEK 30 billion up to 2030.

Fair value

SEK 6,700 m

in decided projects

Decided projects, schedules



Letting area

130,600 m²

in decided projects

Letting area, m²

Decided projects

Project, property, municipality	Retail	Offices	Residen- tials	Other	Parking, GFA	Total investment, SEK m ¹⁾	Of which remaining, SEK m	Fair value, SEK m	Rental value, SEK m ²⁾	Letting rate, %
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, Kylhuset 26, Stockholm	2,300					160	100		10	57
Total for reconstruction	5,200	18,400		3,800		1,210	800			
Tenant-owned dwellings										
Brf Konstharts, Sicklaön 83:41, Nacka	300		3,600		800	280	70		E/T	100
Parkhusen block 2, part of Gränby 21:4, Uppsala			5,800		1,200	270	210		E/T	— ⁶⁾
Brf Kulturtrappan, Nacka			6,600			490	370		E/T	— ⁷⁾
Total for tenant-owned dwellings	300		16,000		2,000	1,040	650			
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.

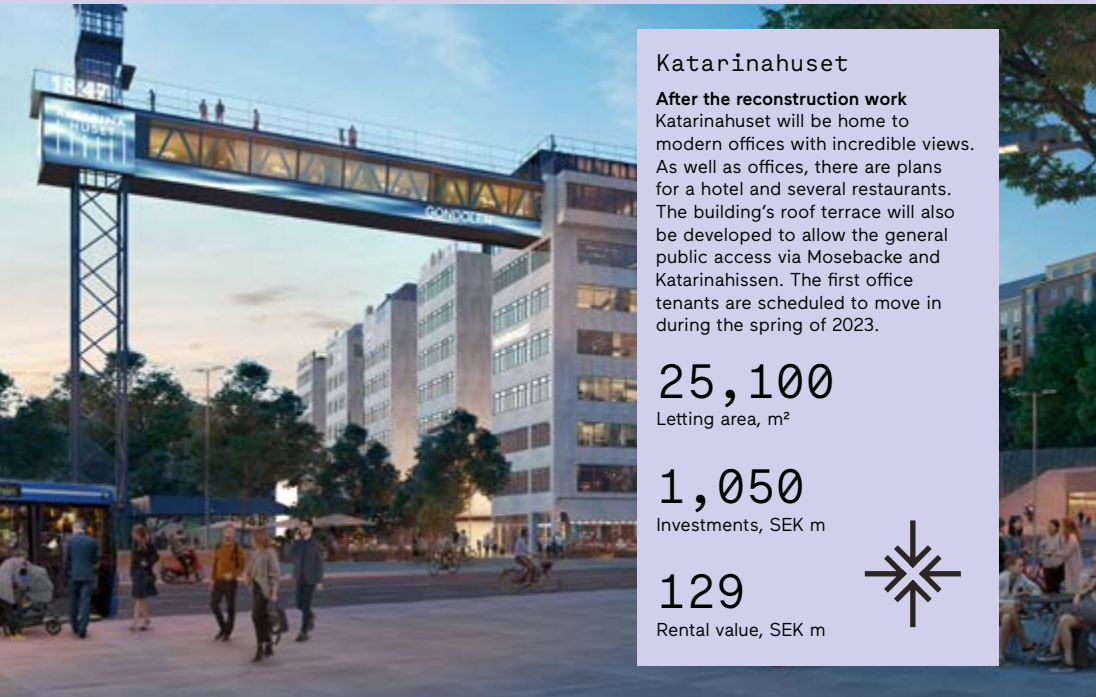
³⁾ Rental value/letting rate is not reported as a subtotal with regard to individual business transactions.

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% 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% 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.



Katarinahuset

After the reconstruction work Katarinahuset will be home to modern offices with incredible views. As well as offices, there are plans for a hotel and several restaurants. The building's roof terrace will also be developed to allow the general public access via Mosebacke and Katarinahissen. The first office tenants are scheduled to move in during the spring of 2023.

25,100

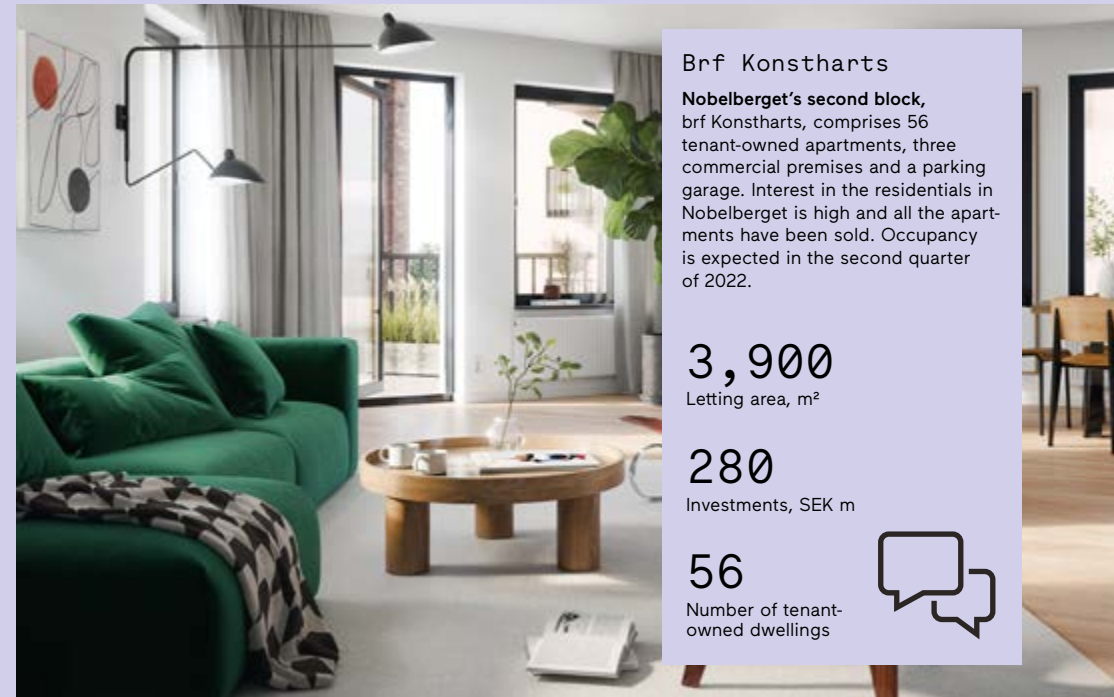
Letting area, m²

1,050

Investments, SEK m

129

Rental value, SEK m



Brf Konstharts

Nobelberget's second block, brf Konstharts, comprises 56 tenant-owned apartments, three commercial premises and a parking garage. Interest in the residential in Nobelberget is high and all the apartments have been sold. Occupancy is expected in the second quarter of 2022.

3,900

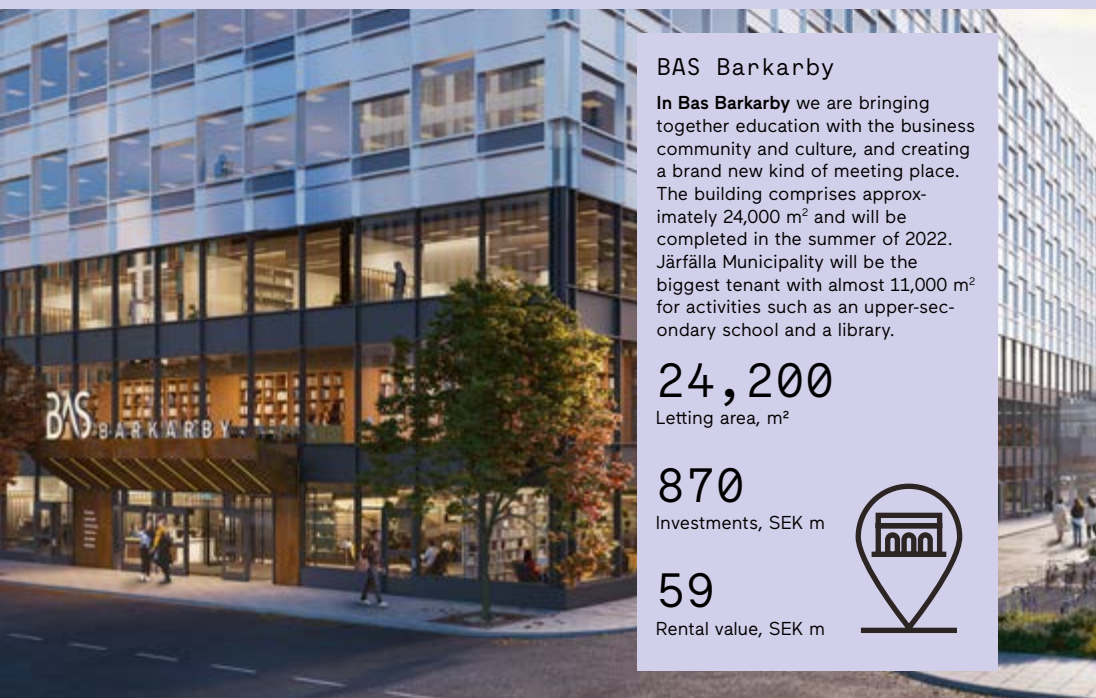
Letting area, m²

280

Investments, SEK m

56

Number of tenant-owned dwellings



BAS Barkarby

In Bas Barkarby we are bringing together education with the business community and culture, and creating a brand new kind of meeting place. The building comprises approximately 24,000 m² and will be completed in the summer of 2022. Järfälla Municipality will be the biggest tenant with almost 11,000 m² for activities such as an upper-secondary school and a library.

24,200

Letting area, m²

870

Investments, SEK m

59

Rental value, SEK m



Sickla Galleria

Sickla Galleria phase IV was opened in November 2021. New retail premises measuring just under 5,000 m² have been added on top of the existing shopping centre, as well as approximately 200 new parking spaces. This new section is fully let and tenants include the sports and leisure company XXL, Rituals and Lekia.

5,000

Letting area, m²

150

Investments, SEK m

420

Charging points for electric cars



Potential projects.

In addition to the decided projects, our project portfolio enables us to make future investments of approximately SEK 35 billion within the land we own and the land allocations we have received.

In terms of area, these future investments comprise 51% offices, 38% residentials and 3% retail, while the remaining 8% is primarily education, culture and service. The project portfolio is divided among most of our areas with Sickla, Slakthusområdet, Uppsala, Hagastaden and Slussen accounting for approximately 90% of the investment volume.

Most of our projects from the entire project portfolio are located close to 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 being constructed. In the autumn of 2021 we started sales for the third block, comprising 93 apartments that benefit from a high and open location. The development of the remaining apartments will be carried out gradually based on market demand. In Nobelberget, we are creating an attractive urban environment with residentials, offices, restaurants and cultural activities.

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

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.

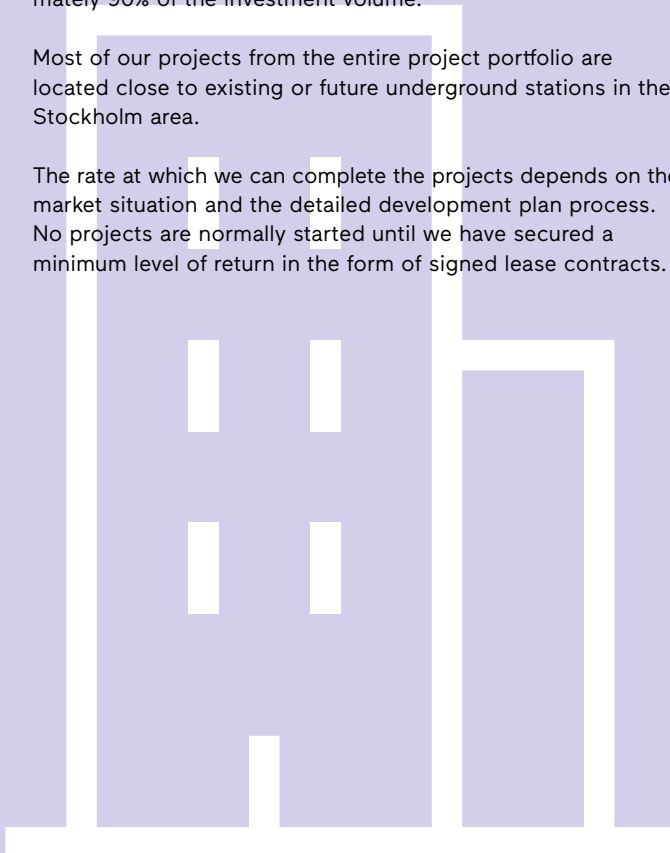
Malmö

In Mobilia we have a development right of 5,000 m² GFA for offices on the street Trelleborgsvägen. The building permit was received at the end of 2021 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

We are continuing to transform Gränbystaden into a dense and mixed urban environment. In addition to the residential blocks in Parkhusen, there is also the potential for approximately 150 more apartments within the framework of the existing detailed development plan, Parkhusen blocks 3 and 4. Production is expected to start on block 3 in 2023 and block 4 in 2024.

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 Besqab och Ikano Bostad to link the southern parts of the inner city with the centre. Possession of these properties is scheduled for the beginning of 2023, while construction is expected to start later in the same year.



Major development areas, project starts from 2024.

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 and we will develop a total of approximately 200,000 m² GFA for offices and residentials supplemented with culture, retail, a restaurant, a 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 in the area 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 37,000 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 able to develop the future retail hub here under Ryssgården and Södermalmstorg, which comprises approximately 16,000 m² GFA. We are planning retail and service here combined with areas that link the various methods of public transport together; the Saltsjöbanan line, the underground and the bus terminal in Katarinaberget. The retail hub is adjacent to the future Mälarterrassen, a public building comprising approximately 6,000 m² GFA with a view of the old town in Stockholm, Gamla Stan, and the water. Cafes, restaurants and cultural facilities are being planned in Mälarterrassen. Occupancy is expected to take place in 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. This is a triangular development right comprising approximately 7,500 m² GFA across five floors, where we are planning offices with public 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 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 Östra Hagastaden we have a land allocation right next to Brunnsviken lake. We are planning to build an 8-storey office property here that will comprise approximately 24,000 m² GFA. 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 in 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.

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 apartments. The detailed development plan 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 high growth, which is why we are also planning more residential 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. Construction is expected to start for this project 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. It is located next to the waterfront, public transport and Sickla's range of retail and services. In Nobelberget the development of new residential blocks continues, with the project totaling approximately 500 tenant-owned apartments. The future investment for the development projects in Sickla amounts to approximately SEK 12 billion.



Central Sickla comprises 150,000 m² GFA and stretches all the way from Marcusplatsen to Kyrkviken.

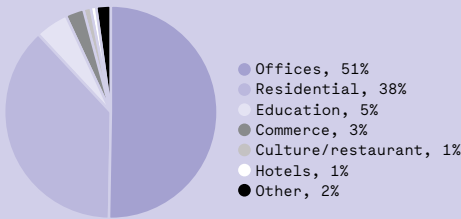
Uppsala

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, immediately south of the shopping centre Gränbystaden Galleria. The office area is being reworked following the opinions received after the consultation process. The detailed development plan is expected to be complete in 2022 with construction planned to start in 2024/2025. We are also looking into the possibility of starting a detailed development process for developing the current car parking area 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. The development projects in Uppsala represent a future investment volume of approximately SEK 4 billion.

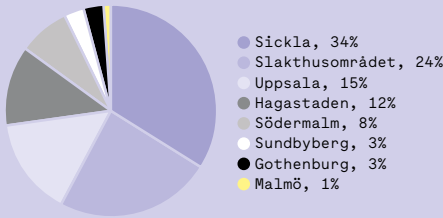
Potential projects by premises type

– Offices and residential account for 89% of the area.



Potential projects by area

– 81% of the area is focused on Stockholm.



Potential projects by detailed development plan

– There is a completed detailed development plan for 25% of the area.



Potential projects close to underground stations

– 81% of the area at new or existing underground stations.



Potential projects

			Project area, m², GFA		Potential investment, SEK m ²⁾
	Municipality	Premises type ¹⁾	Detailed development plan exists	Change to detailed development plan required	
Lindholmen	Gothenburg	Offices		23,000	
Hagastaden	Stockholm	Residential	39,000		
Hagastaden	Stockholm	Offices	11,000	47,000	
Mobilia	Malmö	Offices	5,000		
Sickla	Nacka	Residential	29,000	140,000	
Sickla	Nacka	Offices		97,000	
Slakthusområdet	Stockholm	Education		37,000	
Slakthusområdet	Stockholm	Residential		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/restau-rant	6,000		
Uppsala	Uppsala	Residential	26,000	25,000	
Uppsala	Uppsala	Offices		61,000	
Uppsala	Uppsala	Retail	5,000		
Total			195,000 ³⁾	589,000 ⁴⁾	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.



TL Bygg – a partnership that strengthens our business.

Our partnership with our subsidiary TL Bygg, a building contractor, broadens and strengthens Atrium Ljungberg's offering and business.

Net sales

– Of which 53% external clients

SEK 781 m

Order book

– At the end of 2021

SEK 371 m

Number of employees

– 54 administrative employees,
65 skilled workers

119

We work on projects together with a high level of efficiency and flexibility; we either work with TL Bygg or give the company complete responsibility for the construction process. This partnership helps both parties develop, and generates a better product and more cost-effective production for Atrium Ljungberg.

TL Bygg AB was formed in 1983. It has its roots in the construction and property company that was founded by the builder Tage Ljungberg in the middle of the 1940s, and which makes up part of our companies' DNA. The strong values that were formed back then still live on to this day. As well as its long history in the construction industry, TL Bygg boasts extensive competence and is fully aware of the importance of social sustainability for a company's success.

The company's business areas focus mostly on residential units and offices in turnkey contracts and pure construction contract assignments. Customers are primarily in Stockholm and Uppsala, and the main clients are Atrium Ljungberg, other property companies, the state and various municipalities.

Collaboration that strengthens our business

The close working relationship between TL Bygg and Atrium Ljungberg enables us to implement projects that help us realise our vision and strengthens our business in a cost-effective way that is sustainable in the long-term. TL Bygg has competence in every part of the construction process and by being involved from the early stages, it can identify both financially and environmentally sustainable solutions for everyone involved.



The Sila Snacket initiative aims to create an inclusive climate with greater gender equality and diversity in the construction industry.

They can take on both an advisory and producing role in our projects, while their extensive expertise means that no projects are impossible to run and implement.

A company that focuses on sustainability

TL Bygg is a company that is extremely ambitious in all areas of sustainability. It has a strong internal organisation to promote these issues and has promised to be climate-neutral by 2045 by becoming members of Färdplan 2045. The company is certified in accordance with BF9K and has employees who are trained in Miljöbyggnad and BREEAM. Their internal competence helps Atrium Ljungberg to achieve our sustainability goals more quickly and more cost-effectively through shorter lead times, a close working relationship and by sharing experiences.

More accurate calculations and cost-effective purchases

Our partnership with TL Bygg enables us to involve a building contractor early on in the construction process to help analyse the project and produce a cost estimate. They can use their knowledge at an early stage to provide a more accurate risk assessment and to propose cost-saving measures for both production and the choice of materials.

In the production phase, they work through both their site management and purchasing department to continually reduce the costs of materials and production for the project. As a client this gives us additional cost savings and a more profitable product.

Communication high on its agenda

The construction industry loses billions of Swedish krona every year due to poor and ineffective communication. This is why TL Bygg has decided to put this item high on its agenda. The company runs various campaigns to raise awareness of the problems associated with dialogue in the construction process, where unnecessary misunderstandings can cause, for example, expensive delays, weaker relationships and, in the worst-case scenario, workplace accidents and incidents. In 2021 a podcast was launched on this issue that involves people from all parts of the construction process sharing their experiences of communication in the industry and giving their ideas on how it can be improved. The aim is to create a healthier industry, better cooperation and, at the end of the day, better business for everyone involved.

‘Sila Snacket’ – an initiative and a symbol for a better working climate

As part of TL Bygg’s work to improve communication in the industry, it discovered problems of non-inclusive and offensive language in both the company and the industry as a whole. Non-inclusive language has an incredibly negative impact on the individual and the industry, as it excludes people that have coveted and vital competence, discourages them from working in the industry, and contributes to an unsafe work environment. TL Bygg has introduced its ‘Sila Snacket’ (mind your language) initiative to encourage change towards a more inclusive and welcoming climate that will increase gender equality, enhance diversity and improve the mental health of the employees.

Sila Snacket is both a message and a symbol to prevent the current culture of silence in the industry and instead give people the courage to speak out when workplace language crosses the line. The symbol appears on a sticker that has several different functions to help people:

As a way of sending out a signal. By wearing the sticker, you are supporting healthy and decent language at your workplace. If you put the sticker on your chest, helmet or anywhere else, everyone around you will know what you stand for – decent language.

As a reminder. The symbol reminds both you and everyone around you to think about language and the impact it can

have on others and each other. By creating a visual reminder, we continually remind people of this and the work that the company is doing on this issue.

As a tool. Sila Snacket and the sticker make it easier for people to speak out. It is a simple and light-hearted phrase, but has a serious message behind it. Sometimes all you have to do is to point at the sticker to make people understand.

As support. When you see other people at the workplace wearing the sticker, it makes it easier for you to speak out if someone crosses the line, as you know that others will support you and believe in the same ideals.

An initiative that makes a difference

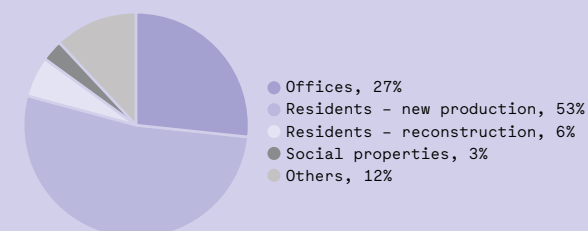
In 2021 the company carried out a major internal project on workplace language, macho culture and community as part of its own implementation of Sila Snacket. This work was presented in a report called ‘Sila Snacket – en undersökning om ett byggföretags kultur i förändring’ (Sila Snacket (mind your language) – a study into the changing culture at a construction company). The company wanted to ensure that this project was as effective as possible and that the analyses were of a high quality, so it employed Charlie Klang, a gender expert and former carpenter, to lead this work. Since the launch of Sila Snacket in the autumn of 2021, around 80 companies have been in touch to join this initiative and many partnerships are starting to emerge. Several companies and the person who came up with the symbol have said that the sticker has created greater awareness of how people express themselves and a climate where it is easier for people to speak out.

Profit

TL Bygg’s operating profit increased by SEK 9 million, mostly due to the ruling in a dispute that found in TL Bygg’s favour. The interest coverage ratio remained relatively unchanged compared with the previous year, while sales, excluding the ruling in the dispute, fell compared with 2020. Despite a tougher competitive situation, TL Bygg has a good order book and a number of confirmed assignments for the start of 2022.

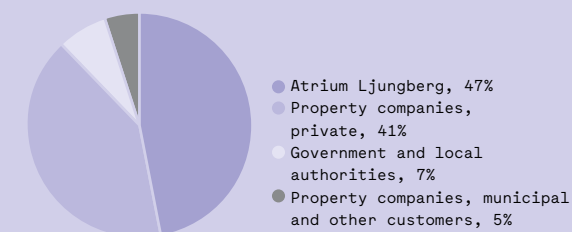
Sales per assignment type

– New builds of residentials are the biggest project type, accounting for 53% of sales.



Sales per client category

– Sales to external customers increased to 53%.



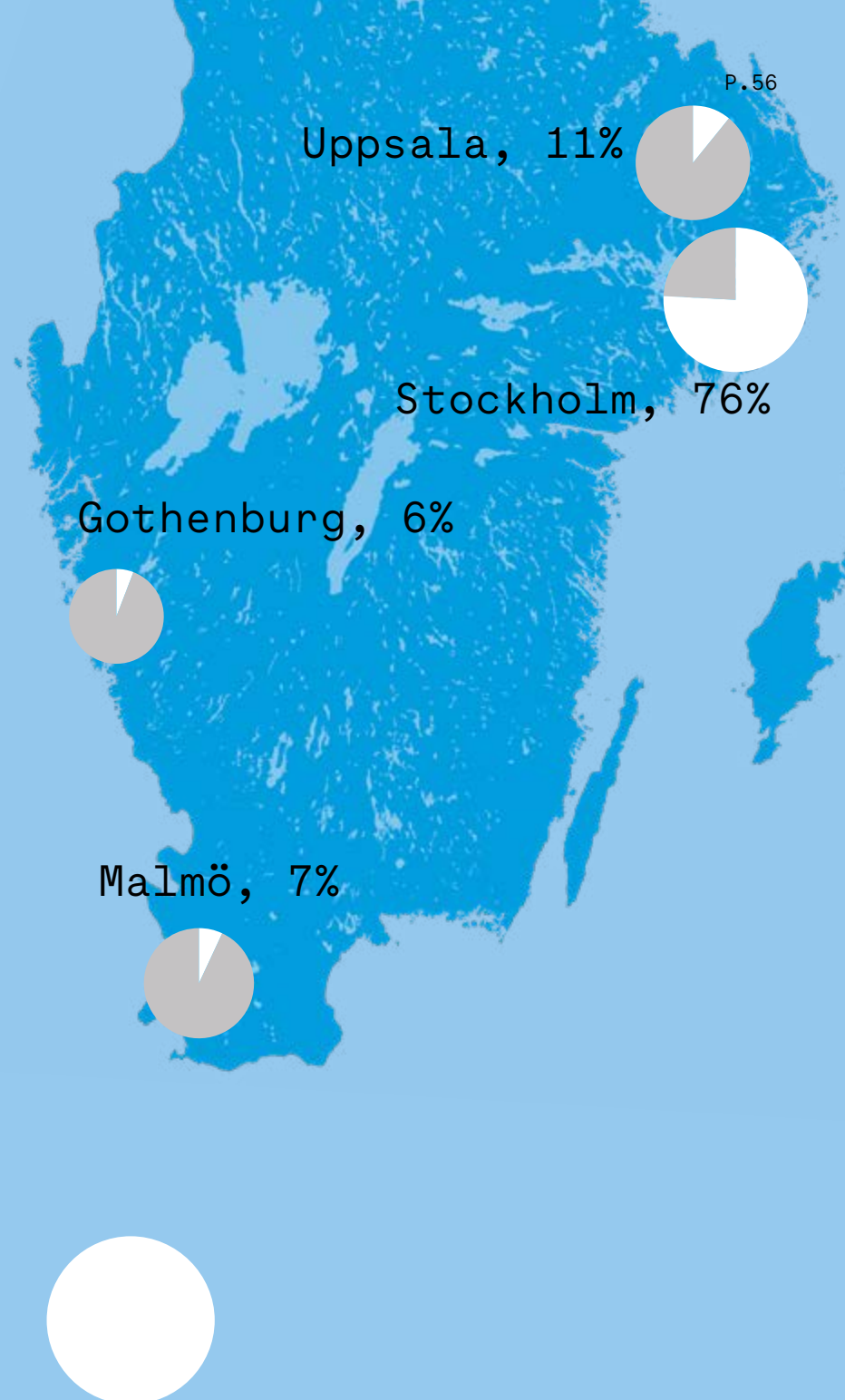
Summary of income statements

SEK m	2021	2020	2019	2018	2017
Net sales, external clients	413	495	233	207	120
Net sales, Group companies	368	364	320	386	518
Net sales, total	781	858	553	593	638
Operating profit	29	21	3	8	16
Net financial items	2	2	1	1	0
Profit after net financial items	31	22	4	9	16
Number of employees	119	129	127	113	114

Atrium Ljungberg is one of Sweden's biggest listed property companies. We are active in strong subsidiary markets in the leading growth regions in Sweden; Stockholm, Gothenburg, Malmö and Uppsala. We want to create vibrant and safe urban environments here, with a mix of offices, residentials, retail, service and culture.

Our property areas.

06



The property portfolio in figures

Atrium Ljungberg's property portfolio is made up of high-quality office and retail properties concentrated in central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, and is valued at a total of SEK 52 billion.

Property portfolio

Our property portfolio primarily comprises office and retail properties in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala. The property portfolio includes a total of 67 properties with a total letting area of 1,082,000 m².

During the year the acquisition and possession of one small retail property took place in Gothenburg, Lindholmen 44:2. The properties Kolding 3 and Kolding 4 in Kista were vacated, both with leaseholds, as well as a small land holding in Haninge, Västnora 4:26. An agreement was also signed to acquire M1 and Centralstationen in Lindholmen in Gothenburg, both of which are part of the Lundbyvassen 4:6 property. Possession of this property is expected at the beginning of 2024 and the acquisition is conditional on the detailed development plan for the property becoming legally binding. During the fourth quarter an agreement was also signed to acquire the Palmfelt Center leasehold in Slakthusområdet. This acquisition is conditional on a final decision by the municipal council, which is why possession is expected to take place in the second quarter of 2022.

Property value

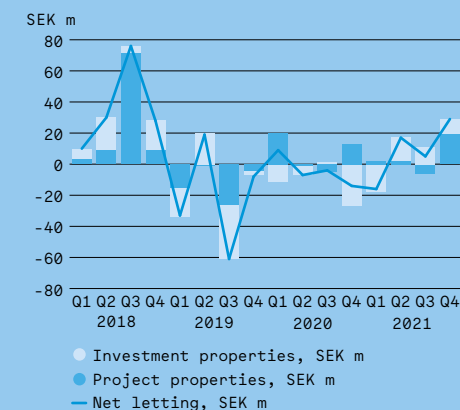
The market value of the property portfolio at the end of the year totalled SEK 51,589 million (SEK 47,334 m), with development properties accounting for SEK 1,254 (SEK 1,308). The average dividend yield requirement in the valuation was 4.2% (4.4%). Development rights and land account for SEK 781 million (SEK 463 m); see pages 44–55 for more information about our projects.

Unrealised changes in value amounted to SEK 3,040 million (SEK –119 m), corresponding to 6.4% (–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 –859 m) and a higher value for development rights of SEK 168 million (SEK 0 m). Read more about the valuation in note A.1 on page 130.

Development rights

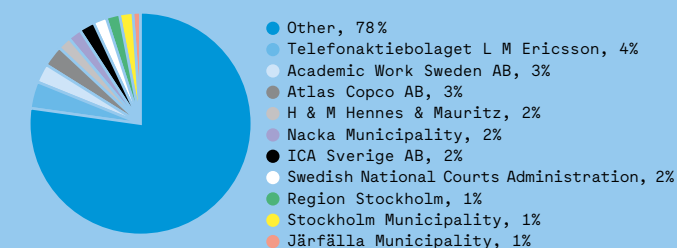
In total there is 420,000 m² GFA of development rights excluding land allocations and reconstructions, of which 61,000 m² GFA has a legally binding detailed development plan. 359,000

Net letting



Ten largest customers, contracted annual rent

– The ten largest tenants accounted for 22% of the contracted annual rent in 2021; some of the biggest included municipalities, county councils and government organisations.



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.

Contracted annual rent

The contracted annual rent at the end of the year totalled SEK 2,379 million (SEK 2,266 m). The rental value, i.e. contracted annual rent and estimated market rents for vacant space, amounted to SEK 2,620 million (SEK 2,481 m). The economic letting rate at the end of the year amounted to 91% (91%). Less than 1% of the total contracted annual rent is from tenants that have either gone bankrupt or are undergoing company reconstruction.

Contract portfolio

The commercial lease contract portfolio, i.e. all lease contracts excluding residential and garages/parking, is well-diversified and comprises 1,505 lease contracts (1,531) with an average contracted annual rent, including surcharges, of SEK 1.6 billion (SEK 1.4 b). The average remaining term at the end of the year was 3.9 years (3.5 years). In 2022, 13% (14%) of the contracted annual rent will be able to be renegotiated. The ten largest customers accounted for 22% (22%) of the contracted annual rent, while the state, municipalities or county councils accounted for 11% (9%). 87% (88%) of contracted annual rent is regulated by an index clause that is linked to the consumer price index, or has surcharges linked to actual costs. Lease contracts for retail premises contain contractual terms that mandate a minimum rent with a surcharge depending on the turnover of the shops. 1% (1%) of the contracted annual rent comprises the estimated turnover surcharges in addition to the minimum rent.

Net letting

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 customers lettings in preparation for their move to a future project, 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.

Property costs

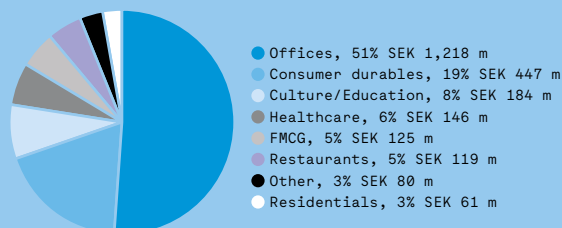
Property costs including leasehold fees totalled SEK -760 million (SEK -810 m) during the year. The cost for comparable portfolios is SEK -641 million, equivalent to SEK -788/m² (SEK -788/m²). The cost of operating retail properties in general and retail centres in particular is generally higher than for other types of commercial properties. These operating costs are, to some extent, covered by passing them on to the tenants in the form of rental surcharges.

Operating surplus margin

The operating surplus margin amounted to 68% (67%) during the year.

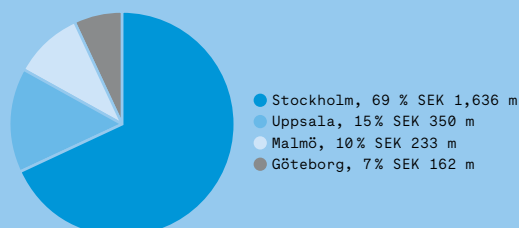
Contracted annual rent per premises type

- A mixed portfolio creates flexibility.



Contracted annual rent per region

- Only in strong growth regions.



→ Focus

Hybrid options - who will make the right choice?

As an increasing number of offices are opening up again, many have followed the examples set by major tech companies. Netflix told its staff to go back to the office; Apple introduced a strict hybrid model where its employees are allowed to work from home for a maximum of two fixed days a week; while Spotify launched a model that is adapted to the individual, where employees can decide for themselves. Three tech companies that adopted three different strategies when they opened up their offices again.

"Now that many office workers have been given the benefit of working remotely, some people have appreciated it, while others have not. Taking away a benefit, or an opportunity, like Apple has done, can cause frictions that might result in higher staff turnover in the future," says **Maral Babapour Chafi**, who is researching the interaction between people and technology in working life for the Institute of Stress Medicine in Gothenburg.

"People often misinterpret 'fairness' as being the same solution for everyone. But people are in different situations. A fair solution from a user-centred design perspective is to give employees the same options, but not to force them to accept a solution that does not match their situation, preferences and needs," says Maral.

Read our report into the future at al.se/hybriduniversum (in Swedish only).

Properties acquired and taken into possession¹⁾

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

Sold properties

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

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

Change in the property portfolio

	2021	2020
Investment properties		
Fair value at the beginning of the period	46,026	47,513
Acquisitions (after deduction of deferred 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	1308
Property portfolio, total	51,589	47,334

Unrealised changes in value

	2021	2020
Direct yield requirements	1,191	482
Cash flow, etc.	707	–859
Project returns	974	258
Development rights	168	0
Total	3,040	–119
Unrealised change in value, %	6.4%	–0.3%

Property portfolio

	Letting area, '000 m ²		Fair value, SEK m		Fair value, SEK/m ² ¹⁾		Operating surplus margin, %	
Property type	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	2021	2020
Office properties	607	639	29,456	27,344	60,310	53,616	74	74
Retail properties	320	302	11,486	9,993	45,067	41,646	61	59
Residentials	48	45	1,532	1,282	36,902	33,129	64	66
Business area Property	975	986	42,474	38,619	54,167	48,969	69	69
Project properties	102	96	7,080	6,944	E/T ²⁾	E/T ²⁾	55	47
Land and development rights	–	–	781	463			–	–
Total Investment properties	1,077	1,082	50,335	46,026			68	67
Development properties	6	6	1,254 ³⁾	1,308 ³⁾			6	40
Property portfolio, total	1,082	1,087	51,589	47,334			68	67
Properties sold	–	–	–	–			66	56
Total Group	1,082	1,087	51,589	47,334			68	67

¹⁾ m² excluding garage.

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

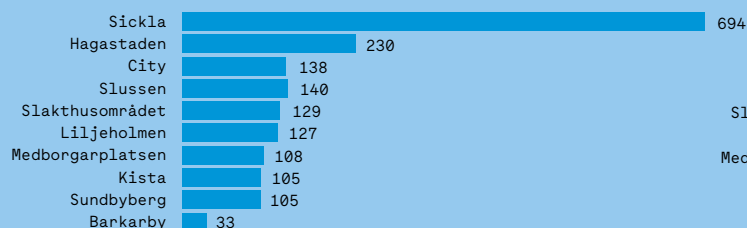
³⁾ SEK 1,254 million (SEK 1,308 m) relates to the book value. Fair value is assessed to be SEK 1,705 million (SEK 1,781 m).

Stockholm

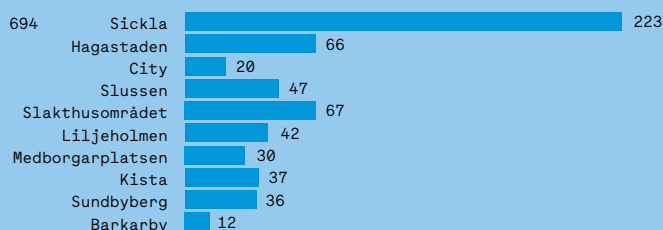
Stockholm is a city of contrasts: both urban and close to nature at the same time. Diversity and innovation play a central role in this city, and innovations are created here that spread around the world. Stockholm is one of the fastest growing regions in Europe. Around 30 major urban development projects are underway or planned here, and Atrium Ljungberg is involved in a number of them, including Sickla, Slakthusområdet, Slussen and Hagastaden. Stockholm accounts for 76% of Atrium Ljungberg's contracted annual rent, and, as well as our major development areas, we have a presence on other strong subsidiary markets, including Medborgarplatsen, the City, Sundbyberg and Liljeholmen.



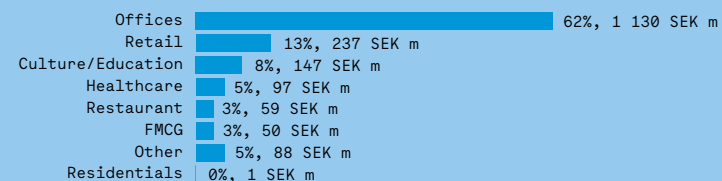
Rental value,
SEK m



Total letting area,
m² thousands



Types of premises in Stockholm,
rental value





The Nya Slussen project runs until 2025 and is going to give people more space. It will transform Slussen from a traffic interchange into an attractive meeting place.

Slussen – where the whole city meets.

Slussen has been a central location since Stockholm was founded. As the city has grown it has developed to meet the new needs that have emerged. Stockholm’s major reconstruction project, Nya Slussen, is in full swing and will continue to affect the area until 2025.



Atrium Ljungberg is one of the biggest property owners in Slussen, with locations such as Glashuset, Katarinahuset and Sjömansinstitutet.

Slussen will be an attractive meeting place with new squares, thoroughfares and the first park in the area. Public transport, pedestrians and cyclists will be given more space, while the areas for road traffic will be reduced and adjusted to accommodate current traffic flows. New buildings and commercial areas are being created both above and below the ground.

Our three properties in Slussen create a clear front on the Stadsgårdskajen quayside. Glashuset is one of Stockholm’s best-known buildings and is surrounded by Katarinahuset and Sjömansinstitutet. All three properties are now used as office premises, with views across the most central parts of Stockholm. Tenants include, for example, Convendum, HiQ, TT, Wingårdhs and Tengbomgruppen.

Katarinahuset is being modernised

We are currently carrying out an extensive reconstruction project in Katarinahuset. We are developing modern offices that have been well thought out with historic details. Katarinahuset will be home to a hotel and several restaurants, including a brand new version of the classic Gondolen at the end of 2023/beginning of 2024. We are also planning a small extension and we are going to make the roof terraces accessible to the public, with access from both Katarinahissen and Mosebacke. The entire reconstruction work is expected to be completed by the summer of 2023.

Land allocations

We have several land allocations in Slussen. This includes the new retail hub measuring 16,000 m² GFA, which links the underground with the new bus terminal and Saltsjöbanan Line. Around 50 premises are being created here for stores, restaurants and services for the hundreds of thousands of people who come to Slussen every day. The retail hub borders on the future Mälarterrassen, a meeting place for food and culture, which we received a land allocation for in 2018. The retail hub and Mälarterrassen are expected to open in 2025.

We have a development right measuring 7,500 m² GFA in front of Katarinahuset. We are planning modern offices here with views across Stockholm, and public activities on the ground floor. The closest neighbour will be the Nobel Center, which is planned to be built in front of Glashuset. All of this combined will make us one of the biggest property owners in Slussen and will enable us to play an active role in contributing to the development and attractiveness of this location for many years to come.

	Offices	Retail	Residentials
Number of properties	2	–	–
Letting area (m²)	26,379	–	–
Rental value (SEK m)	140	–	–
Exclusive project properties			

Sickla – the idea-driven city.

In 1997 we acquired the former industrial site from Atlas Copco. In recent decades Sickla has been transformed into a vibrant city district with work-places, residentials, education, culture, healthcare, restaurants and retail. Several construction projects are underway and this development will continue over a period of many years. In 2030 the underground will be extended to Nacka and it will take only six minutes to go from the station in Sickla to T-Centralen in the heart of Stockholm city centre.

Successful residential development in Nobelberget

In Nobelberget, we are developing an attractive and dense city district offering residentials, offices, commercial areas and green spaces. The second residential block, Brf Konstharts, comprises 56 tenant-owned dwellings, which are currently in production. The project will be ready for occupancy in the third quarter of 2022. Binding contracts have been signed for all of the apartments. In the autumn of 2021 sales started for the next block, Brf Kulturtrappan, with a total of 93 apartments; by the end of the year 60% of them had been booked. We are planning a total of more than 500 apartments in Nobelberget. At the same time planning is underway for approximately 700 apartments in Kyrkviken, 500 apartments in Central Sickla and approximately 120 apartments in Norra Nobelberget.

Hotel Tapetfabriken welcomes its first guests

In June Clarion Collection Hotel Tapetfabriken, the new hotel in Sickla, opened its doors. The building was constructed in 1906 and originally housed the prize-winning wallpaper manufacturer Kåberg's wallpaper factory. Since then it has been used as a service building by Atlas Copco and has been a creative office. This reconstruction project reused the original bricks from the facade, incorporating its history into the hotel's operations.

The hotel has a total of 236 hotel rooms, 4 meeting rooms, a restaurant, a bar and a gym and is located on the square Marcusplatsen.

An increasing number of restaurants

During the year several new restaurants opened in Sickla and several more are on their way. The historic wooden house Fanny Udde, which the master baker Anders Richard Westerdahl had built for his wife Fanny in 1877, is now home to a garden cafe and bistro. This spring Westerdahls by Niklas and Friends will open its doors on the ground floor of Sickla Front, just at the start of the walkway Sicklastråket, which links Sickla with Hammarby Sjöstad. During the year the local bakery Robin Delselius Bageri opened here, as well as Brillo Pizza. These restaurants are a great addition to rest of Sickla's eateries, including the coffee roastery and restaurant Black Honey Coffee Roasters, Urban Deli, Erssons Deli and Bastard Burger.

Promoting an active lifestyle

We are working proactively to transform Sickla into a city district, where it is easy for people to lead an active lifestyle. It is right next to the skiing venue Hammarbybacken, the nature reserve Nackareservatet and lake Sicklasjön, which many people who live and work in Sickla appreciate. Several businesses that promote an active lifestyle have opened in the area as well. At the beginning of the year Alba Golf opened



Dieselverkstaden on the square Marcusplatsen in Sickla features an art gallery, Klätterverket (a climbing centre) and a library.

its doors to a brand new golfing experience. Good food and drink are served in cosy former industrial premises, which also provide a wide range of 18-hole golf courses from all around the world. In November Centurion Padel opened a full-range store, a cafe, three doubles courts and a unique and a purpose-built paddle tennis court for people to try out the game; while in April, Skills Academy Football Center opened an indoor centre for football.

Strong brands in Sickla

During the year a rental contract was signed with Ikea, which opened a 700 m² planning studio just before Christmas. This studio enables customers to plan and order interior design solutions for their kitchens, bedrooms and storage. Ikea is a welcome addition to Sickla’s range of interior design solutions and kitchens. Other kitchen suppliers in the area include Ballingslöv, Marbodal, Electrolux and HTH Kök.

During the year the shopping centre Sickla Galleria was extended, adding more than 5,000 m² of retail space and creating 200 parking spaces. In November the sports and leisure company XXL opened a 3,100 m² store, while other tenants include Rituals, Normal and Lekia.

	Offices	Retail	Residentials
Number of properties	7	2	–
Letting area (m²)	168,435	111,946	–
Rental value (SEK m)	365	324	–
Number of stores/ restaurants/service amenities	20	143	–
Stores’ net sales	416	2,977	–
Number of visitors/ year (million)	1	10	–
Exclusive project properties			

06. Our property areas

Several new offices

Sickla is continuing to grow as a strong office location in the Stockholm area. Sickla Stationshus is currently being constructed; a 23-storey building measuring approximately 21,000 m² GFA. This new building will feature a ticket hall for the underground, as well as offices and a restaurant. The detailed development plan was adopted in December. During the year we also signed lease contracts with the games developer Liquid Swords and the coworking company Places, as well as the Swedish National Courts Administration, which are expanding their current premises in Sickla Front.

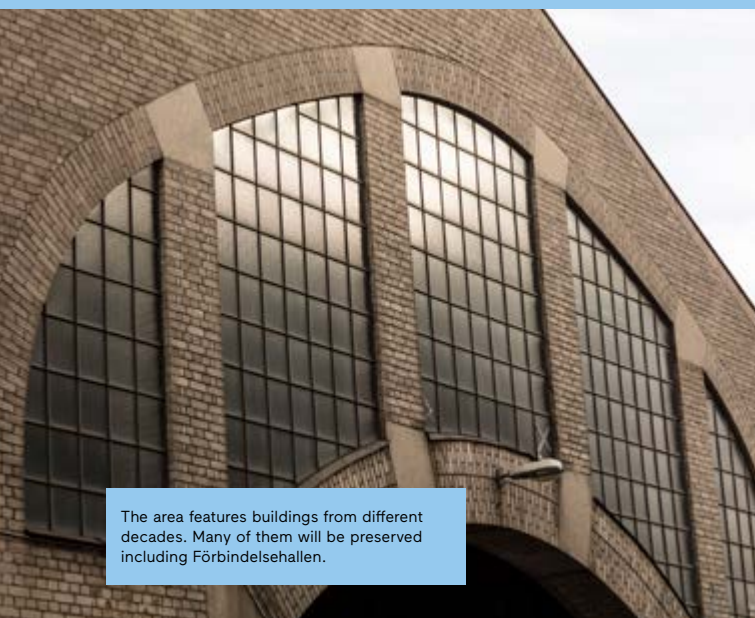
Major development plans for Central Sickla

At the moment an extensive detailed development plan process is underway for Central Sickla; the area between Marcusplatsen in the west and Kyrkviken in the east. Central Sickla currently comprises large car parks and low retail buildings. These areas will be transformed into an urban district where pedestrianised zones are side by side with tall office buildings, and restaurants and stores on the ground floors. 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 is expected to be completed in approximately two years.





Slakthusområdet is one of the largest urban development projects ever seen in Stockholm.



The area features buildings from different decades. Many of them will be preserved including Förbindelsehallen.

Slakthusområdet – Stockholm's new meeting place for food, culture and experiences.

Over its 100-year history Slakthusområdet has shown a strong spirit of entrepreneurship. This something we have embraced and are going to develop now that we are making our mark for the next 100 years. New types of workplaces and homes will emerge, coming together to form a unique and creative city district in Stockholm, which will proudly take its food heritage into the future.

On 31 January 1912 King Gustav V opened Stockholm's first public slaughterhouse ('slakthus') just south of Södermalm in Stockholm. This resulted in slaughter restrictions being introduced in the city, which meant that all slaughter operations had to be carried out at the slaughterhouse to control the problems of hygiene and the lack of supervision. This marked the start of 100 years of slaughtering livestock and food production in Slakthusområdet. Although it was on the very outskirts of the city 100 years ago, it is now part of the modern centre of Stockholm. The city is growing rapidly and there is a great need to develop new locations where residents can live, work and spend time. The City of Stockholm signed an agreement with Atrium Ljungberg to work together on developing large parts of the area.

Slakthusområdet has buildings from different decades, which jointly contribute to the cultural values and history of the area. Many of them will be preserved and remain when this new area emerges. Some of the buildings have started to be demolished, partly to prepare for the new underground station, which will have several entrances.

Unique urban development opportunities

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

legally binding. In June 2019 we took possession of the first properties and we will develop a total of approximately 200,000 m² GFA for offices and residences, combined with culture, retail, a restaurant, a hotel, education, etc. The future investment, including acquisitions, amounts to around SEK 10 billion.

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 37,000 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. The building will be located in the south-eastern part of Slakthusområdet. The intention is for the building to be completed in 2028, ready for the start of term in January 2029. In the spring an architectural competition was

	Offices	Retail	Residentials
Number of properties	2	1	–
Letting area (m ²)	26,362	870	–
Rental value (SEK m)	76	2	–
Exclusive project properties			

launched to design the new university. In the autumn planning started for the central section of Slakthusområdet, where we will be developing offices and residentials.

In the spring of 2020 we received a new land allocation in Norra Entrétorget for a hotel or office measuring approximately 4,000 m² GFA. Before the summer we signed a letter of intent with Sisab, Skolfastigheter in Stockholm AB, to build an upper-secondary school in the area. This new upper-secondary school is planned to comprise approximately 6,000 m² letting area and welcome around 800 pupils. The intention from all sides is for the school to open for the start of the school year in the autumn of 2025.

Major investment in a new food destination

In 2021 we announced our new investment, Hus 26, which will be transformed into a new meeting place, featuring hand-picked restaurant and bar concepts in premises that have an industrial feel. Hus 26 is part of Slakthushallarna, a collection of industrial buildings in an Art Nouveau style from 1912, which are linked by the huge Förbindelsehallen. Our ambition is to create a location in the restaurant and cultural scene that is completely unique, not only in Stockholm, but perhaps Sweden as a whole.

The celebrated chefs, Adam Dahlberg and Albin Wessman, who are behind the restaurants Adam/Albin and Misshumasshu in Stockholm, are going to open their largest restaurant ever in the autumn of 2022. The niche listening bar Hosoi, which used to be in Brunkebergstorg in Stockholm, is going to re-open in 2022 under their own management in Hus 26 with a restaurant, bar and listening room. Stockholm Roast, which set up in Slakthusområdet in 2020, is expanding its business, opening a restaurant, wine bar and bakery in Hus 26. More companies are going to be announced in 2022.

A vibrant city district 24/7

In 2019 Atrium Ljungberg started a partnership with the theatre Park-teatern, which presents popular performance evenings in the former Förbindelsehallen. Although these evenings were meant to be a regular event, they had to stop because of the pandemic. However, they returned in the autumn of 2021 with four performances. The large cultural arena, Fällan, was also transformed into one Stockholm's largest vaccination centres during the year. The arena was able to open again for concerts and clubs in the autumn.

Our vision is for Slakthusområdet to become Stockholm's new meeting place for dining, culture and experiences. We are planning to create a high number of workplaces here that focus on tech, design and innovation, as well as more than 500 apartments. The area will also be filled with culture, art and night life.

City – attractive offices on Stockholm's busiest pedestrianised street

Skotten 6 and Adam & Eva 17 are properties located on the well-known street Drottninggatan in the heart of Stockholm. In total, both properties comprise approximately 21,000 m², with more than 50% of the space being used for offices.

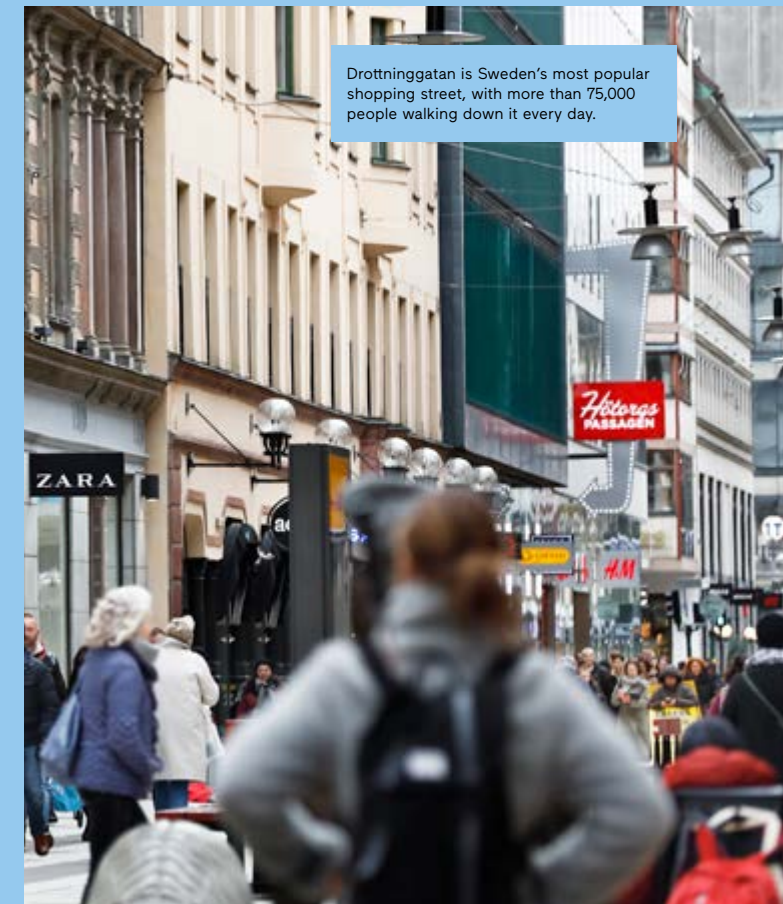
Skotten 6 has six floors for offices, with stores and services on the ground floors, including Weekday, Lager 157 and the recently opened Hemtex. The building is called 'Bohagshuset' and was part of the historic PUB department store on Hötorget square.

Adam & Eva 17 is an older property from 1890, which used to be the John Wall hardware store for more than 100 years. The property was rebuilt following a fire in 1990. It is now home to companies such as Zara, O'Learys on the ground floor; while higher up in the building there are offices for tenants in creative industries such as events, PR and web development. Both properties are environmentally certified in accordance with BREEAM In-Use Very Good.

For a safer and more pleasant city centre

We also play an active role in the organisation City i Samverkan, which aims to create an attractive, safe and secure city centre.

	Offices	Retail	Residentials
Number of properties	1	1	-
Letting area (m ²)	12,971	7,985	-
Rental value (SEK m)	79	60	-
Exclusive project properties			



Drottninggatan is Sweden's most popular shopping street, with more than 75,000 people walking down it every day.

Liljeholmen – with strong ties to Södermalm.

Back in the 1700s this area close to the city was home to various industries. As Stockholm’s inner city started to expand southwards, Liljeholmen started to develop on a large scale. It is now a diverse city district that is an important hub for public transport in Stockholm.

Its good location will be further enhanced when a new underground line is built between Älvsjö and Fridhemsplan via Liljeholmen. The City of Stockholm has plans to further develop and densify the area, where the centre of Liljeholmen will be enhanced and brought to life. This will be achieved by adding attractive residentials and services to the area, and covering the underground tracks. Liljeholmen will be connected to Södermalm by buildings along the street Södertäljevägen. There are plans to make this into a major city street. The comprehensive plan for the City of Stockholm states that the city wants to use the good opportunities in Liljeholmen to create more workplaces in Söderort. Atrium Ljungberg wants to play an active role in the ongoing development of this area.

Atrium Ljungberg owns the Stora Katrineberg 16 office property with three buildings, totalling approximately 42,000 m² letting area. This property is by Liljeholmshamnen and close to the shopping centre Liljeholmstorget, the underground and Marievik’s office area. The property is almost fully let with many famous tenants, including H&M, Bankgirot, Valmet, George Ficher and Egencia.

In recent years there has been a lot of focus on upgrading the property with new sustainable solutions. Work has included replacing the ventilation systems and lighting, installing solar panels and putting beehives on the roof. Along with Boulebar, we have also transformed an old printworks into a popular meeting place for boules, food and drink across two floors. We are looking at the option of developing the property even further to include modern offices and restaurants and cafes on the ground floor.

In Liljeholmen, we also own a cultural treasure in the heart of the urban environment. A genuine 1770s house, which was originally a summerhouse where King Karl XIV Johan used to go to freshen up on his travels. The property is currently being used by an accounting firm.



Liljeholmen is being developed with residentials and service. We own the Stora Katrineberg 16 property in Liljeholmshamnen.

	Offices	Retail	Residentials
Number of properties	1	–	–
Letting area (m²)	42,425	–	–
Rental value (SEK m)	127	–	–
Exclusive project properties			

Hagastaden – a world-class science city.

The new city district Hagastaden is the same size as three 'Gamla Stans' (the Old Town district in Stockholm), 95 hectares, and connects Stockholm with Solna. One of the world's leading life science clusters is being created here.

Atrium Ljungberg is one of the largest property owners in Hagastaden and has had a presence there for almost 25 years. We own and manage approximately 42,000 m² of characteristic industrial properties here, including the former Apotekarnes Mineralvattenfabrik, Glashuset and PV-palatset. All of the properties have been converted and extended to accommodate offices, while preserving the industrial character and providing efficient spaces.

When it is complete, Hagastaden will have almost 50,000 workplaces. This area will mix enterprise and research with residentials, meeting places, restaurants and service. Together they will create a vibrant city district with an exciting contrast between historic environments and future architecture. The entire Norra Stationsgatan is being developed into a vibrant thoroughfare focusing on food and cultural experiences and a quality service offering. The good accessibility that already exists in the area will be further enhanced when a new underground station opens in this city district. The underground is being extended with a new line (Yellow Line) from Odenplan to Arenastaden. According to information from the Stockholm Regional Council, the underground line is scheduled for completion in 2028.

This city district is one of Sweden's most interesting areas and has enormous potential. A number of major development projects are underway, including our own Life City, whose first tenants moved in at the end of 2021. This building comprises 27,500 m² letting area and will be a new centre for commercial development and services linked to healthcare, research and life sciences, and a meeting place for businesses, academia and society.

We also have a land allocation in Östra Hagastaden, a district that will become the northern port of the city. This new area will erase the wall previously created by the railway lines and motorway between Hagastaden, Solna and Brunnsviken. We are working with several other companies and organisations to create a safe and sustainable city district that will be bursting with life for a large part of the day and week.

Finally, we also have three more land allocations, where we are planning to build urban districts with offices, hotels and residentials, as well as ground floors that are bursting with life. By managing our existing properties, new major projects and land allocations, we will be involved in the development of the area and its future vision.



In Hagastaden enterprise and research combine with residentials, restaurants and service. A world-class science city

	Offices	Retail	Residentials
Number of properties	2	–	–
Letting area (m ²)	42,099	–	–
Rental value (SEK m)	139	–	–
Exclusive project properties			

Kista – a cluster for world-leading technology development.

Kista is being transformed into a vibrant mixed-use city. We have been working with the City of Stockholm, Region Stockholm, KTH Royal Institute of Technology and Stockholm University along with several leading companies in Kista to produce a shared vision and a joint action plan. Development is taking place here that will strengthen Kista’s role as a creative hub and growth engine in the north of Stockholm, laying the foundation for 8,000 new job opportunities and 8,000 new residents. In 2023 Kista will become more accessible as an extension of the cross-town light rail link (Tvärbanan) is being built from Bromma.

In Kista we own Kista + and the Nod district that are both close to the underground and the Kista shopping centre. Kista + is a modern and environmentally-certified office property and comprises more than 12,000 m² with IBM as the largest tenant. The Nod district comprises approximately 25,000 m² (excluding the garage). It brings together small and medium-sized ICT companies, universities and schools, start-ups and organisations, including Fujitsu Sweden, KTH Royal Institute of Technology and Stockholm University. In Nod we have created natural meeting places and flexible office solutions, where people and companies come together and develop together.

Sale of Kista Front

During the year we sold the Kolding 3 and 4 leaseholds, also known as Kista Front. The purchase price was based on an underlying property value of SEK 805 million and comprises 44,000 m².

	Offices	Retail	Residentials
Number of properties	2	-	-
Letting area (m²)	37,632	-	-
Rental value (SEK m)	105	-	-
Exclusive project properties			

Kista Nod is a dynamic meeting place for enterprise, research and education.



Sundbyberg – one of the country’s most densely populated municipalities.

In Sundbyberg we own the property Eken 6, known as Chokladfabriken (the Chocolate Factory) and Eken 14, Marabou’s former head office, right next to Marabou Park. The properties are only a few hundred metres from the square Sundbybergs Torg. Together they comprise a total of 36,000 m², most of which is used for offices.

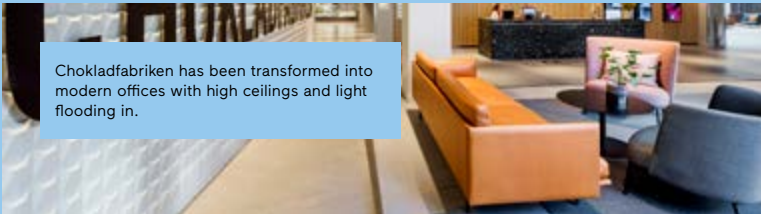
Chokladfabriken, with its industrial roots, has been transformed into modern offices with high ceilings and light flooding in. The ground floor has been rebuilt to house a new conference department, while the property has been certified in accordance with BREEAM In-Use with the rating ‘Very Good’.

In 2021 we received a positive planning decision for developing the Eken 14 property. We want to create a vibrant area here that is inspired by its history. This includes making Marabou Park more accessible by giving it a new entrance. Modern workplaces are being created and supplemented with a wide range of cultural and service activities. The plans comprise a total of more than 26,000 m² GFA.

The project is part of the development of Sundbyberg’s new city centre. The tracks currently dividing the area will be covered over, bringing the two halves of the city together. There will be space for 1,500 apartments, offices and service.

	Offices	Retail	Residentials
Number of properties	2	-	-
Letting area (m²)	36,480	-	-
Rental value (SEK m)	105	-	-
Exclusive project properties			

Chokladfabriken has been transformed into modern offices with high ceilings and light flooding in.





In Söderhallarna there are many companies that work with sustainable food production.



The development of Söderhallarna will, for example, generate more street life and increase security around Medborgarplatsen.

Medborgarplatsen – the heart of Södermalm

The old working district of Södermalm has now been modernised, but the essential heart and soul remain in the culture at Söder, with Medborgarplatsen at the heart of the island. The city district is a popular place to live, but also attractive for offices, especially for creative industries and the public sector.

In Medborgarplatsen we own Söderhallarna, a building that was opened in 1992. Since then it has become home to offices, services and retail, mostly focusing on food. Its central location in Medborgarplatsen makes Söderhallarna a popular retail hub and a much appreciated local meeting place for people living in Södermalm and other Stockholm residents. Söderhallarna also contains a high number of workplaces, focusing on creative tech companies and games development.

Söderhallarna also has many companies working actively with sustainable food production, including the restaurant and catering company Sopköket, which creates meals using 'rescued' ingredients. Sopköket was awarded the Ånglamarkspriset prize in 2021, which recognises environmental and ecological initiatives. New establishments during the year included Art Bakery, the Kenyan restaurant Swahili Street Food, the Italian street food concept Piadina, and Curry Buddies.

In the autumn Söderhallarna started an investment in 'live shopping' with the Saluhall Live concept. This investment was made in partnership with the Swedish live video streaming company Bambuser in order to reach a broader audience and introduce the range that is on offer to tenants to even more people. In 2021 Söderhallarna continued to offer a free home delivery service by bike; this service has been much appreciated since it was launched in the spring of 2020.

We are planning to upgrade and develop the entire property to create a meeting place for food, focusing primarily on sustainability, cultural activities and creativity. The property will also house modern offices that will attract creative industries, which can benefit from offices in the heart of Sweden's largest gaming development cluster. By carrying out sympathetic reconstruction and extension work, we want to create strong links to the surrounding environment that will increase street life and provide greater security around Medborgarplatsen. Work on the detailed development plan is ongoing and construction is expected to start in 2023.

Next to Söderhallarna is the office property Fatburssjön 8, which comprises a total of 8,900 m². During the year new lease contracts were signed with Fast Travel Games, Bergensträhle & Partners and Mr Koll; this means that the property is now fully let. The property is certified in accordance with BREEAM In-Use Excellent.

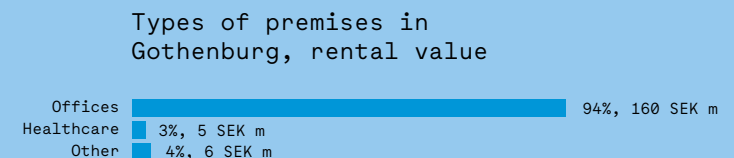
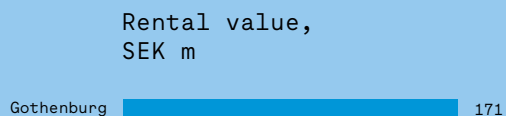
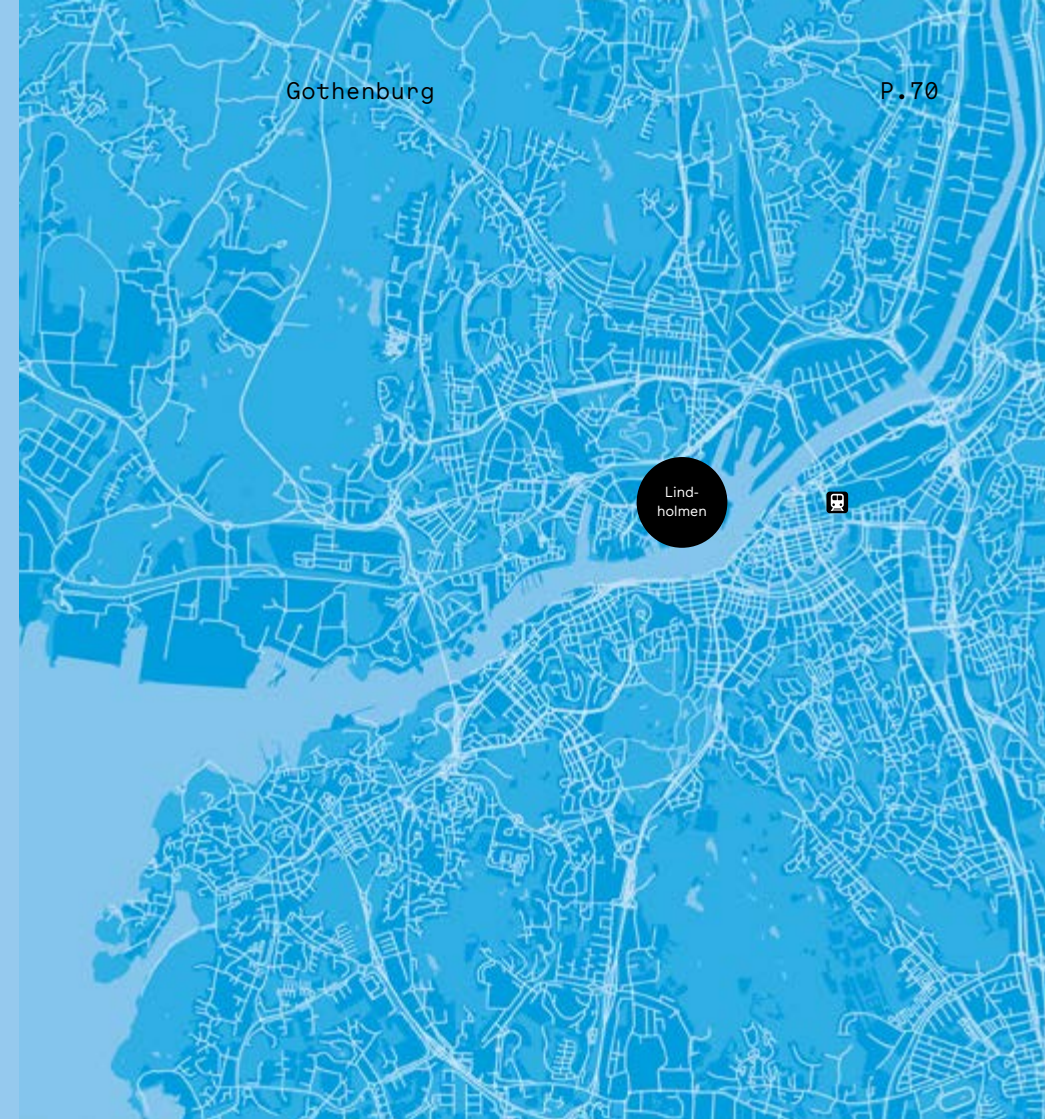
	Offices	Retail	Residentials
Number of properties	2	–	–
Letting area (m ²)	30,772	–	–
Rental value (SEK m)	108	–	–
Exclusive project properties			

Gothenburg

Lindholmen has been transformed from an old shipbuilding area to the most knowledge-intensive and expansive area in Gothenburg. It has become an important hub for this growing city. The area attracts both national and international companies, students and researchers. Companies such as Volvo, Geely, Ericsson, Nevs and Cevt are based here, along with research and education at Chalmers University of Technology and Lindholmen Science Park.

Approximately 25,000 people currently work in Lindholmen. We are collaborating with the City of Gothenburg and other property owners to create an inclusive, dynamic and sustainable city around the river Göta Älv, and there are plans to enable Lindholmen to grow to offer almost 30,000 jobs. Plans are also underway to build residentials in the area to promote a 24/7 city.

Although Gothenburg is an old city, it is a relatively new city for Atrium Ljungberg. Just like at our other locations, we want to be involved in developing long-term sustainable urban environments with the municipality, tenants and other partners. We are working together to create a competence cluster for media, vehicle development, innovation and IT. This is a place where art meets science and theory meets practice.





Atrium Ljungberg is an active urban developer in Lindholmen in Gothenburg.

Lindholmen – an expansive area in a strategic location.

Lindholmen is an expansive area of Älvstaden, with central Gothenburg on both sides of the river. The Vision Älvstaden project aims to link the two sides of the city across the river by creating new, sustainable urban environments and meeting places, where pedestrians, cyclists and motorists can easily cross the river from the city centre.

Atrium Ljungberg has had a presence in Lindholmen in Gothenburg since 2015 and owns the properties Tornen, M2 and Citadellet, as well as Lindholmen 30:1, where Ericsson is a tenant. The properties comprise a total of 73,000 m² letting area. The buildings contain modern and flexible office premises, filled with character and history, and details from the former shipbuilding era have been preserved. Tenants include Volvo, IBM, Sykes and AKQA.

In March 2021 we signed an agreement for two more acquisitions in Lindholmen: M1 and Centralstationen, which form part of the Lundbyvassen 4:6 property. These buildings comprise a total of 22,000 m² and we will take possession of them at the start of 2024 once the detailed development plan is legally binding. We have also recently acquired all the business premises in HSB's residential block Blanka along the street Götaverksgatan.

Our application for a planning decision was approved for the reconstruction and extension project for the Tornen property. The detailed development plan process is expected to start in 2022. The plan is to demolish part of the existing structure and replace it with a taller building around 20 storeys high to accommodate offices, as well as services and other commercial operations on the ground floors. We will continue to develop the properties in Lindholmen, and add cultural and educational premises. By developing our properties and making acquisitions, Atrium Ljungberg is enhancing its position as an active urban developer in Lindholmen.

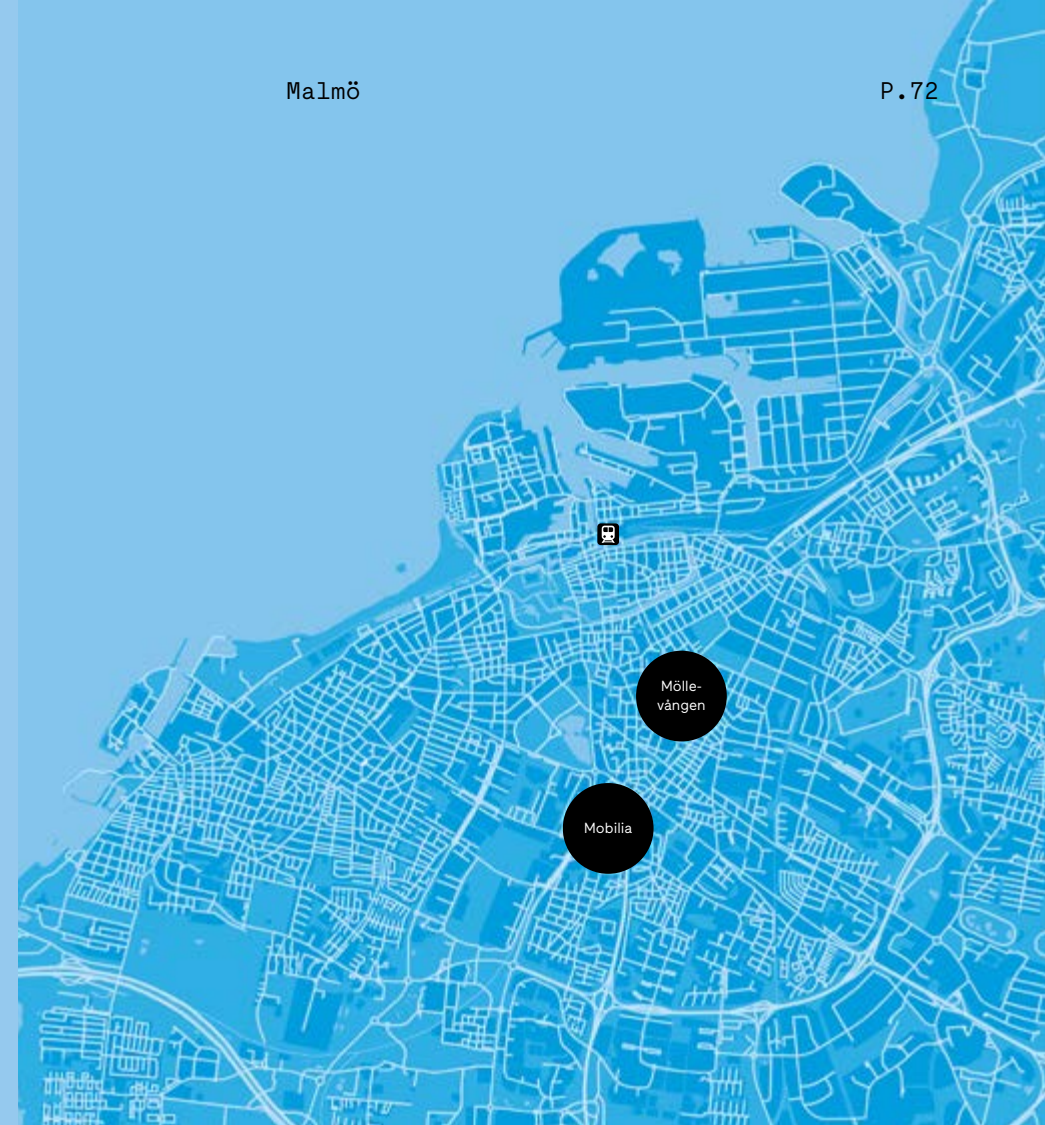
	Offices	Retail	Residentials
Number of properties	3	-	-
Letting area (m ²)	73,130	-	-
Rental value (SEK m)	171	-	-
Exclusive project properties			

Malmö

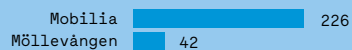
Malmö is in a strategic location in the Öresund region. This is a strong growth area and a city with a lot of history and soul. The region is one of the largest labour markets in the Nordic region, with no fewer than 3.8 million inhabitants.

A major development project has been underway in Mobilia for a number of years, which includes residentials, as well as culture, healthcare and retail. We are also involved in the development of Möllevången, one of Malmö's most exciting cultural meeting places and a natural hub in the city.

Malmö is Sweden's third largest city with 334,000 inhabitants. By 2025 the City of Malmö is expected to have 375,000 inhabitants, with 1.5 million people living in the county. We believe in Malmö and aim to continue to grow here, and help to develop the city.



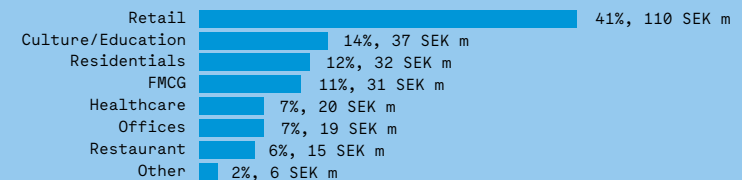
Rental value,
SEK m



Total letting area,
m² thousands



Types of premises in Malmö,
rental value



Mobilia – award-winning urban qualities in a former textile district.

Malmö is a city where history, the future, trends and tradition go effortlessly hand in hand. This is the exact feeling we want to convey in Mobilia, where our city district encapsulates the best of what Sweden’s third city has to offer.

In recent years Mobilia has been transformed from a shopping centre into an attractive urban environment, where retail and offices combine with residential and culture. This district is now home to 350 apartments, a pre-school and the children’s cultural building Funnys Äventyr. The healthcare investment c/o Mobilia already has several operations underway and is planning an office building.

Mobilia has its origins in the old textile factory and is a real architectural gem. In 1899 Manufakturaktiebolaget moved into its new textile factory here and was one of the largest employers in Malmö at that time. Although production stopped in the 1960s, we can still see traces of its industrial heritage. We have come a long way in our work to transform the former textile factory from a shopping centre into a vibrant city district. The unique character of the buildings has been preserved and combined with modern architecture and sustainable materials. For example, several brick façades have been reconstructed with recycled bricks, while the cast iron windows in the engine house have been preserved. This is where old meets new, giving Mobilia a real soul and a unique character of its own.

Torghuset

Torghuset is an extension project for residential, retail, a restaurant and cultural activities, comprising approximately 13,000 m² letting area. The new Torghuset makes the links between Mobilia’s different sections clearer, and we are going to further develop the square at the heart of the district to create an even more vibrant and attractive urban environment. This building contains not only 74 rental apartments, but also Nordisk Film with its ultra-modern cinema, several stores and restaurants, and Funnys Äventyr, a 3,000 m² cultural building for children, focusing on playing, reading and learning. Staffan Götestam is behind the initiative; he is a playwright and director, and one of the founders of Junibacken in Stockholm. As well as increasing the cultural offering to children in the Öresund region, this investment aims to combat the problem of a drop in literacy among children and young people.

c/o Mobilia

c/o Mobilia occupies the entire second floor in Centrumhuset and focuses on healthcare services. Tenants include Folk tandvården Skåne, Barnläkargruppen Sparta, BVC Bambino, Barnmorskegruppen Öresund and Mobilia Vårdcentral. This range of services will be complemented with a naprapath, massage, yoga and therapy.



Torghuset is the latest addition to Mobilia and comprises not only residential, but also stores, a cinema and a cultural building for children.

	Offices	Retail	Residentials
Number of properties	-	1	2
Letting area (m²)	-	64,818	21,567
Rental value (SEK m)	-	188	39
Number of stores/ restaurants/service amenities	-	123	8
Stores' net sales	-	1,377	90
Number of visitors/ year (million)	-	12	0
Exclusive project properties			

Möllevången – a dynamic meeting place in the heart of a former factory site.

Möllevången is in a unique and attractive location that boasts diversity in its people, food and companies. This city district is in the centre of Malmö around the square Möllevångstorget, an exciting former factory site that has undergone a transformation over the last decade. 'Möllan' is currently known for its many bars and nightclubs, as well as its broad cultural scene.

In Möllevången we own the office properties Dimman 11 and Malmen 12. Dimman 11 contains cultural and educational activities, as well as a restaurant and cinema. It also has offices, with one major tenant being the City of Malmö, which keeps Malmö's city archives here. Malmen 12 is a small office and healthcare property that is close to Dimman 11. The

largest tenants are the City of Malmö and Region Skåne. We can see the future potential in Möllevången and want to be involved in the development of this exciting inner city area.

	Offices	Retail	Residentials
Number of properties	2	–	–
Letting area (m²)	23,510	–	–
Rental value (SEK m)	42	–	–
Exclusive project properties			



Malmö

P.74

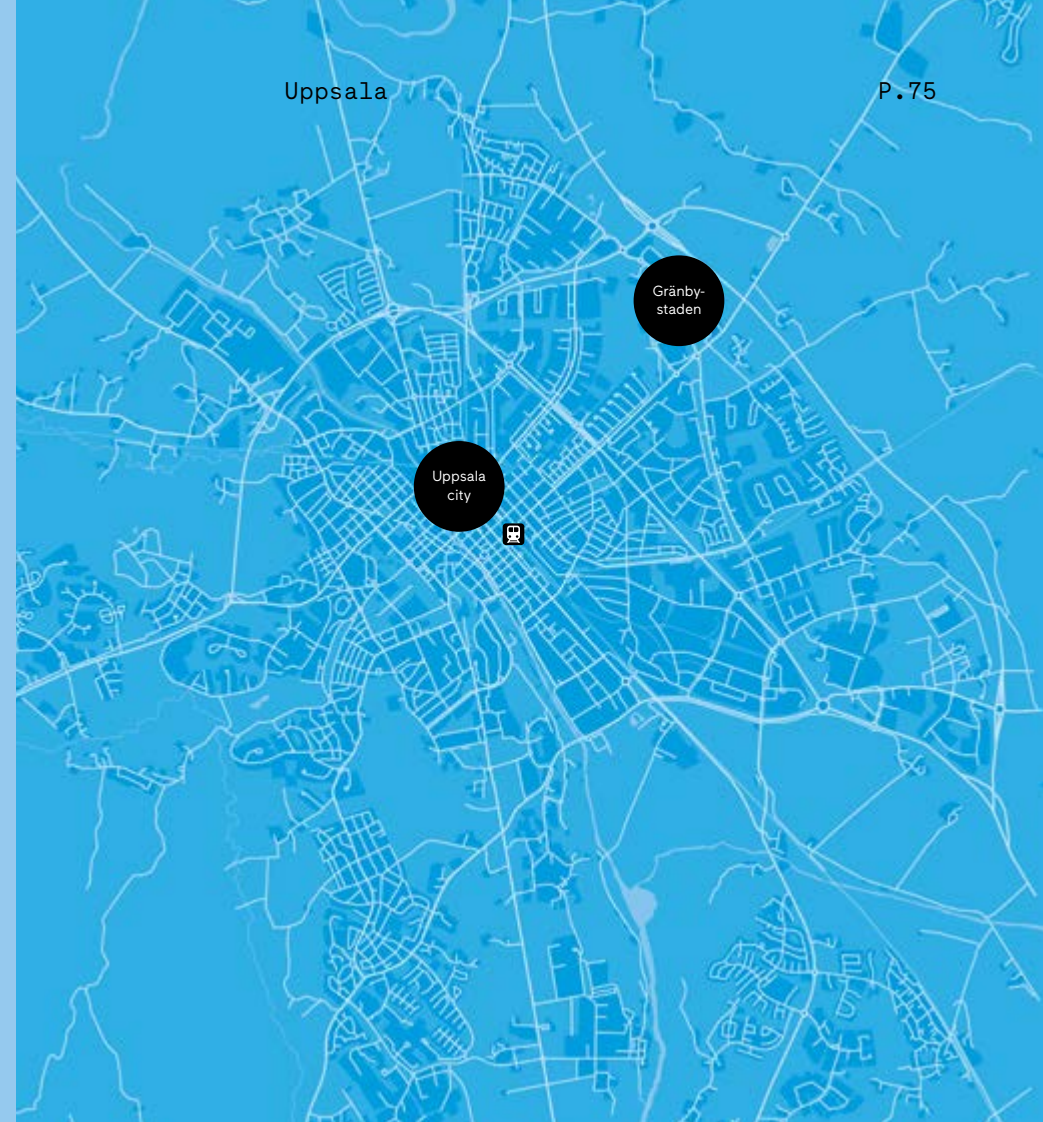
Möllan is a former factory site that has undergone a transformation. The area is currently known for its food and cultural scene.



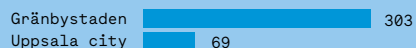
Atrium Ljungberg owns two properties in Möllevången and would like to be part of developing this area in the future.

Uppsala

Uppsala is Sweden's fourth biggest city and the population in the municipality is growing by more than 5,000 people per year. Measured per inhabitant, housing construction is among the highest in the country, and public buildings and infrastructure investments in the billions testify to the city's attractiveness. Uppsala is one of our most important subsidiary markets and currently accounts for 11% of the company's contracted annual rent. We are focusing our operations on the City of Uppsala, where we have increased our property portfolio, and Gränbystaden, which we are transforming into a future-smart city.



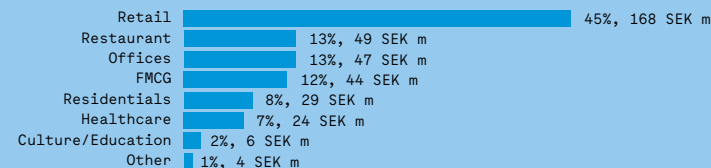
Rental value,
SEK m



Total letting area,
m² thousands



Types of premises in Uppsala,
rental value



Gränbystaden – the future-smart city is emerging.

Gränbystaden and the neighbouring areas represent one of the most expansive districts of Uppsala and they are expected to be completely integrated with the inner city within a few years. Many different projects have been underway for a number of years, primarily residentials, but also the development of office properties, sports facilities and healthcare.

Gränbystaden is our biggest urban development project in Uppsala. We are creating a long-term sustainable city district – the future-smart city. We have developed office workspaces, residentials and cultural facilities at this location over the past few years, as well as more retail and experiences. Uppsala is one of the oldest cities in the country and has been a centre of learning and culture for centuries. A new Uppsala is now emerging with a strong focus on business. The population growth here is one of the highest in Sweden. It is estimated that Uppsala will have 140,000 new inhabitants and 70,000 new jobs by 2050. The four-track system between Uppsala and Stockholm will be completed in around 2035, and the city's close proximity to Stockholm and Arlanda will make it an attractive place for new companies to set up offices. Atrium Ljungberg wants to be involved in leading this development.

A sustainable city district is emerging and developing

In recent years, we have carried out a number of major development projects in Gränbystaden in order to create a cityscape with a mix of retail, offices, residentials, service and culture. By having a mix of activities we create a safe place that has life and movement 24 hours a day. Three apartment buildings with around 200 rental apartments and office spaces have been constructed directly adjacent to the southern part of the shopping centre. In addition to these blocks, production is underway for the next residential project, Parkhusen, which will feature both rental apartments and tenant-owned dwellings.

The first building of four is now occupied and the sale of the apartments in the second building is currently underway; these apartments are expected to be ready for occupancy in the third quarter of 2023.

For Atrium Ljungberg life between the buildings is just as important as the properties themselves. We own and manage our areas ourselves and are committed to creating places where people want to live and spend time. As well as offices and residentials, we have added a cinema, themed playgrounds, meetings places and green walkways. We are also working actively on a number of different sustainability initiatives in our neighbouring area, including our involvement in the Tillsammans med Almtuna IS integration project, KFUM Baskets Gameplan, Trygghetsrådet and Läxhjälpen. This sustainability work also includes our own project operations and means that all commercial new builds in Gränbystaden will be BREEAM-certified, while residentials will be certified in accordance with Miljöbyggnad.

We have a land allocation with a development right for a potential 35,000 m² GFA just south of Gränbystaden Galleria. We want to develop a brand new office cluster here. Detailed development planning is underway and is expected to be complete in 2022. Being able to acquire this land means that we can continue full steam ahead in developing Gränbystaden towards our vision of creating a future-smart city.



	Offices	Retail	Residentials
Number of properties	–	3	2
Letting area (m ²)	–	85,543	19,949
Rental value (SEK m)	–	252	51
Number of stores/ restaurants/service amenities	–	145	15
Stores' net sales	–	2,637	273
Number of visitors/ year (million)	–	5	0
Exclusive project properties			



Ångkvarnen (Steam Mill) by the river Fyrisån is being developed into unique offices with vibrant ground floors. It links the city with Kungsängen.

City of Uppsala – we are developing the centre of Uppsala with our new acquisitions.



Forumkvarteret currently comprises modern offices and residentials, with stores and restaurants on the ground floor.

We are heavily involved in the development of Uppsala, both the city itself and Gränbystaden. In the City of Uppsala we own Forumkvarteret, which has been a key part of Uppsala’s city centre since 1953. With our new acquisitions, Mejeriet and Ångkvarnen, we are further enhancing our range of offices.

Forumkvarteret is complete district that is located in the heart of the city centre, with a large flow to and from Uppsala’s travel centre. In recent years the area has seen extensive rebuilding work and has developed into an urban inner city district that now boasts attractive offices, stores on the ground floors, a strong range of restaurants, and residentials. Office tenants include Academic Work, Knightec and Tengbom Arkitekter.

New acquisitions in the city – Mejeriet and Ångkvarnen

At the end of 2020 Atrium Ljungberg signed two agreements to acquire properties in the centre of Uppsala: Uppsala Kvarngärdet 33:2, also known as Mejeriet (the Dairy), and parts of Uppsala Kungsängen 22:2 project property. Uppsala Kungsängen 22:2 is at Skeppskajen by the river Fyrisån. The property was built between 1902 and 1940 and is more commonly known as Ångkvarnen (the Steam Mill) among people living in Uppsala. It was home to Lantmännen for 150 years. The acquisition was for three historical buildings within the property: the Silo, the Mill and the Yeast Factory, all of which are of high cultural value. Once the project is complete, the three buildings will comprise approximately 9,300 m² of offices, with public spaces on the ground floors. Possession is expected in the first half of 2023, while the buildings will

be ready for occupancy in 2026. We want to create a vibrant city district in this area, where unique offices combine with residentials and activities such as restaurants, retail, pre-schools and culture. The buildings are in an incredible location by the river Fyrisån and it will form a link between the city and Kungsängen.

Mejeriet was built in 1912 in the centre of Uppsala, around a 5-minute walk from Uppsala Central Station and Forumtorget. The name of the building means ‘the Dairy’ in Swedish and this is what it was until 1997. In 2000 it was extended and converted into offices. The property comprises approximately 2,500 m² letting area and it is fully let. With the acquisition of Ångkvarnen and Mejeriet, Atrium Ljungberg is advancing its positions in the centre of Uppsala and increasing its offering of attractive offices.

	Offices	Retail	Residentials
Number of properties	1	1	-
Letting area (m ²)	2,504	15,943	-
Rental value (SEK m)	9	60	-
Exclusive project properties			

Good internal governance and control increases Atrium Ljungberg's flexibility – our ability to adapt to both internal and external changes in order to achieve our goals and therefore produce a good return for our owners.

Governance and control.

07





Directors' report.

The Board of Directors and the CEO of Atrium Ljungberg AB (publ.), company ID no. 556175-7047, hereby submit the annual accounts and the consolidated accounts for the 2021 financial year. The figures shown in parentheses refer to the preceding financial year. The legal annual accounts including the directors' report have been reviewed, with the exception of the corporate governance report and the statement from the Chairman of the Board. A limited assurance review has been performed on the Sustainability Report.

Investments in potential projects

SEK 36 b

Loan-to-value ratio

39.9%

The operations

Atrium Ljungberg is one of Sweden's larger listed property companies. The company owns, develops and manages attractive urban environments for offices, retail and residential on strong subsidiary markets. The business is conducted with a long-term ownership perspective. Atrium Ljungberg generates growth in value by developing and upgrading new and existing properties and development rights and by conducting active and customer-oriented property management. The company leads and manages the entire business process with its employees, which provides knowledge and understanding of the entirety and generates added value for the customer.

Financial goals

According to the financial goals, the annual return on equity must exceed 10% over time. At least SEK 2 billion will be invested in the Group's in-house development projects per annum and will provide a return of 20% for new builds and extension projects. Return on equity for 2021 amounted to 15.6% (3.8%). Investments during the year in Atrium Ljungberg's held properties amounted to SEK 2,279 million (SEK 2,513 m). Operations will be conducted at low financial risk, which means that the loan-to-value ratio must remain under 45% and

the interest coverage ratio has to be a minimum of 2.0. At the end of the year, the loan-to-value ratio was 39.9% (39.9%) and the interest coverage ratio was 5.3 (4.6).

Dividend

The dividend will correspond to a minimum of 50% of the profit before changes in value after nominal tax, unless investments or the company's financial position in general motivates a deviation from this norm. A dividend of SEK 5.20 per share (SEK 5.05/share) is proposed for 2021, which corresponds to SEK 66% of the distributable profit (SEK 73.0%) and a dividend yield of 2.6% (2.9%).

Market

The financial market

At the start of the year the economy continued to be dominated by the restrictions that had been introduced in 2020 to limit the spread of Covid-19. The restrictions were eased in the middle of the year, only to be reintroduced at the end of the year. They were lifted again in February 2022.

A rapid increase in global demand combined with supply constraints resulted in inflation starting to pick up speed. Although

this was initially considered to be temporary, many analysts gradually changed their minds. In Sweden we saw an inflation rate of 4.1% in December. After a rapid increase in inflation and a reduction in unemployment in the USA, the Federal Reserve decided to reduce the pace of its assets purchasing at the end of the year with a view to halting this completely in 2022; the country is now facing interest rate hikes. The Swedish bond market remained stable during the year, but prices started to rise at the end of the year and this has continued into the start of 2022. The variable interest rate, 3M Stibor, moved marginally below zero, while long-term market interest rates saw much more movement.

The property market

The property market remained strong, with the Swedish transaction market reporting record figures in 2021, which resulted in lower yield requirements. Major structural deals hit record levels, comprising 44% of the volume. Residential accounted for the highest proportion at 33%, followed by offices at 21%, and warehouses/logistics at 15%. Stockholm had the highest proportion of this volume, accounting for 48%.

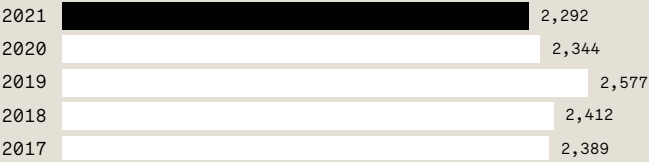
Investments, SEK m

– The investment goal was exceeded in 2021.



Rental income, SEK m

– Lower revenue after the sale of Farsta Centrum in 2020, and Kolding 3 and 4 in 2021.



Rental market

The rental market for both offices and retail remained resilient with stable rental levels. Although the market was cautious in the first part of the year, activity increased significantly towards the end of 2021 in both segments, with many inquiries and viewings. This provided Atrium Ljungberg with strong net letting for the year, particularly in the final quarter of the year.

Residential market

In 2021 the prices of tenant-owned dwellings increased in all of Atrium Ljungberg’s markets. Key factors such as population growth, urbanisation, economic growth and low interest rates are creating a high level of demand for residentials. For the year as a whole the prices of tenant-owned dwellings increased by 7% and houses by 13%. During the year 132,000 tenant-owned dwellings were sold, 11,000 more than in the previous year.

All rental dwellings in Atrium Ljungberg’s portfolio are let. The waiting times for mediated new apartments are showing continued demand.

Management

Net letting

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 a customer in preparation for their move to a future project, 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.

Rental income 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 amounted to 91% (91%). Less than 1% of the total contracted annual rent is from tenants that have either gone bankrupt or are undergoing company reconstruction. The average remaining contract duration, excluding residentials and parking, was 3.9 years (3.5 years) as of 1 January 2022.

Profit and financial position

Comments on the net profit for the year and financial position are contained on pages 107–116.

Investments in held properties

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.

Three major projects were completed during the year with a combined investment volume of SEK 700 million – Tapetfabriken in Sickla (a new-build hotel), the extension of Sickla Galleria, and Parkhusen (rental dwellings) in Uppsala.

At the end of the year the current project portfolio had a remaining investment volume of SEK 2,770 million.

Potential development projects

Atrium Ljungberg’s current project portfolio with new builds and property development projects enables future investments of approximately SEK 35 billion. It is assessed that 51% of this space comprises offices, 38% residentials (tenant-owned and rental dwellings), 3% retail and 8% other. Most of the company’s projects from the entire project portfolio are located by existing or future underground stations in the Stockholm area. The company’s goal is to invest SEK 30 billion in its project portfolio up to 2030, but this naturally depends on lettings and detailed development plan processes. No projects are normally started until the company has secured a minimum level of return in the form of signed lease contracts.

Property transactions

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 Lindholm, was also acquired and taken into possession. During the year the leaseholds Kolding 3 and Kolding 4 in Kista in Stockholm, were also vacated. During the fourth quarter an agreement was also signed to acquire the Palmfelt Center leasehold in Slakthusområdet. This acquisition is conditional on a final decision by the municipal council, which is why possession is expected to take place in the second quarter of 2022.

Property values

Atrium Ljungberg commissioned an external valuation of a total of 62% 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).

The unrealised change in value for the period amounted to SEK 3,040 million (SEK -119 m), corresponding to 6.4% (-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). The value

of Atrium Ljungberg's investment properties on 31 December 2021 was SEK 50,335 million (SEK 46,026 m), excluding right-of-use attributable to leaseholds, and the average dividend yield requirement was 4.2% (4.4%).

Organisation in line with our vision

Atrium Ljungberg's organisation is designed to support the company's business model to create sustainable city districts, with a focus on value growth, being close to Atrium Ljungberg's customers and short decision-making processes. Operations are divided into two branches: Project and Construction Activities and Property Management. Project and Construction Activities include Business Development, Projects and our subsidiary TL Bygg. Atrium Ljungberg's properties and areas are managed locally by its own, on-site staff.

Remuneration for senior executives

Guidelines for senior executives were adopted at the Annual General Meeting in 2020, which apply until the 2024 Annual General Meeting. For Atrium Ljungberg, this means that salaries and other employment conditions for the executive management will be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines will apply for the executive management, which consists of the CEO and five other senior executives. For more information see note IE.6.

Own shares

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. Atrium Ljungberg acquired 1,425,378 class B shares during the period (2,100,000). At the end of the period 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).

Risks and uncertainties

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 loan-to-value ratio and high interest coverage ratio. See the section 'Risks and risk management' on pages 84-90 for more information on risks and uncertainties.

Outlook for 2022

In 2022 the global economy is expected to continue its recovery in the wake of Covid-19, even though the vaccination rate and spread of infection varies in different parts of the world. The assessment is that the bottlenecks that have appeared in production chains and the shortages of various intermediate goods that have been reported since the economy started up again will continue for most of 2022. Consequently, the higher inflation rate is expected to continue, which will gradually lead to a normalisation of monetary policy.

In Sweden the recovery rate is expected to remain high with GDP growth of more than 3.5%. The Riksbank's own assessment is for inflation to be much higher than 2% in 2022 before falling back again. The interest rate market has priced in an increase in 3M Stibor during the year, although the repo rate is not expected to rise until later. Long-term interest rates continued to rise at the beginning of the year, while inflation and certain geopolitical concerns are continuing to cause rising credit margins on the market.

Sustainability Report

Atrium Ljungberg has produced a separate sustainability report in accordance with the Swedish Annual Accounts Act. This report encompasses Atrium Ljungberg AB (publ) and all of its subsidiaries. The Sustainability Report is presented on pages 16-31 and 156-169 and is not part of the financial report.

Events after the closing date

The Board of Atrium Ljungberg AB intends to propose a dividend of SEK 5.20 per share to the Annual General Meeting. The income statement and balance sheet for the parent company and the Group will be adopted at Atrium Ljungberg AB's Annual General Meeting, which will be held on 23 March 2022.

On 11 February Atrium Ljungberg held its Capital Markets Day, where it announced its goal to invest SEK 30 billion in its own development projects up to 2030 with a project return of SEK 10 billion. This goal is based on current production costs, rental levels and yield requirements, as well as an assessed schedule for detailed development plans and building permits.



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

Sold properties

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

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

Risks and risk management.

Atrium Ljungberg's property portfolio is primarily focused on urban development with diverse content, including offices, residentials and retail, combined with cultural activities, services, healthcare and education. We operate in the Swedish market in Stockholm, Gothenburg, Malmö och Uppsala, which means that we are exposed to the performance of the Swedish economy as a whole and in particular the locations in which we operate. The Board of Directors has overall responsibility for risk management, while the operational work has been delegated to the CEO.

Taking into account our operations, prioritised areas for risk management are letting, project and construction activities, property valuation and financing. Our operations and the opportunity to attain our goals are affected by both external factors and business risks. We cannot influence external factors, but we can work in a preventative manner and be prepared for different scenarios. Operational risks are mainly handled by being aware of the risks and working continuously on minimising any negative impact.

The Board of Directors has overall responsibility for risk management while the operational work has been delegated to the CEO and the various business areas. Risk management in the administration and project and construction activities is largely decentralised while financing, insurance and property valuation are managed centrally.

The Covid-19 pandemic has had an impact on Atrium Ljungberg. Any future pandemics, depending on their type, can have an impact in the following risk areas: property values, rental income, letting rate, investments, project portfolio, health and safety, credit risk, interest rates, refinancing and e-commerce.

These risks are described based on their probability, and the extent of the consequences that these risks are assessed to have on Atrium Ljungberg's financial position and future earning capacity.

See also the Corporate Governance Report on pages 92–95 and internal control on pages 96–97.

Area	Risk	Probability	Consequence
Management and property portfolio	Property values	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
	Assumptions for property valuation	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Unpredictable events in our properties	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Rental income	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Letting rate	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Property costs	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
Investments and acquisitions	Investments	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Acquisitions	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Project portfolio	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
Employees and suppliers	Expertise	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Suppliers	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Corruption	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Health and safety	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
Financial risks	Credit risk	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Currency risk	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
	Interest risk	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Financing risk	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
Environment	Contamination in our properties	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Climate change	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Requirements for more efficient energy consumption	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
Market	E-commerce	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Digitalisation	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Pandemic	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Changes to tax legislation	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
Cyber risks	IT attacks	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>
	Outages	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Information leaks	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>
	Dependency on external parties	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
		<div><div></div><div></div><div></div></div>	

Management and property portfolio

Risk	Risk description	Management/Opportunities
Property values	The property portfolio is reported at fair value, i.e. market value. The market value is normally determined by the anticipated operating net and the expected yield requirements on the market. A higher anticipated future operating net and a lower yield requirement have a positive impact on market value, while a lower future operating net and higher yield requirements have the opposite effect.	By working in the long-term with our management and developing our areas into attractive spaces, we create the conditions for better and more stable operating net from our properties. However, the market's yield requirement is an external factor that we cannot influence.
Assumptions for property valuation	<p>Changes in the fair value of investment properties are recognised in the income statement as unrealised changes in value and therefore affect the company's financial position and loan-to-value ratio. It is therefore extremely important to have a property portfolio that is future-proof as well as fair market valuations of the properties.</p> <p>The property valuation is based on a number of financial input data and assumptions. In the valuation process there is a risk that the assumptions that have been made do not reflect the current market conditions or actual conditions, which means that the valuation does not provide an accurate representation.</p>	<p>The property valuation is done on a quarterly basis. At least 30% of the property portfolio's market value must be valued at their market rate by external consultants every year. Our internal valuations are subjected to quality assurance by independent valuers. In 2020 the auditing standard ISA 540 was revised, increasing the requirements to provide documentation for, for example, assumptions in the valuation process. This creates greater transparency and reduces the risk that the assumptions made in the valuation process do not reflect the market. See the sensitivity analyses below for information on how changes in assumptions affect property values and how changes in property values affect key performance indicators below.</p>
Unpredictable events in our properties	Our properties can be affected by unpredictable events in the form of fire, water damages and other damages.	We continuously work with preventative measures such as, for example, updated fire alarms, sprinkler systems, entrance control systems and trained security officers. All properties are insured for their full value through If.
Rental income	<p>Our rental income is affected by the economic performance in the subsidiary markets in which we operate and by how successfully we develop the areas where our properties are located.</p> <p>Economic growth will probably lead to increased demand for premises, with lower vacancies as a result; a trend which, in turn, usually leads to higher market rents. A negative economic trend is assumed to result in the opposite effect.</p>	<p>We build urban environments with a focus on office and retail operations, which are supplemented with housing, service, culture and education. This mix makes us less sensitive to the economic development and increases the risk spread in the tenant structure.</p> <p>As commercial lease contracts are normally signed for a term of three to five years, changed market rents gradually have an impact on rental income.</p> <p>Only 1% of the rental income comprises surcharges to turnover-based rent above a minimum rent, which means that Atrium Ljungberg is only very slightly affected in the short term by declining sales at retail hubs. However, in the long-term it impacts the demand of the premises.</p>

Risk	Risk description	Management/Opportunities
Letting rate	A change in the company's letting rate has an effect on income.	By operating in strong subsidiary markets with close relations with both existing and potential customers, we can satisfy the customers' need for premises in a timely manner and thereby prevent and reduce the risk of high vacancy levels.
Property costs	<p>Changed property costs impact the property's operating net and thereby also the market value of the property. A large share of the cost is linked to energy consumption in the form of heating, cooling and electricity.</p> <p>Property costs are impacted by seasonal variations. Generally, costs are higher during the first and last quarter of the year, primarily caused by higher costs of heating and property maintenance.</p> <p>See pages 88 and 164 for more information on the impact of climate change on property costs in the longer term.</p>	<p>Some of the property costs are passed on to the tenant through regulations in the lease contracts and cost increases or savings consequently only have a limited impact on our results. Any vacancies that arise affect the result, not only in the form of lost rental income, but also in the form of costs that cannot be passed on to the tenants.</p> <p>We work purposefully, for the benefit of both our tenants and the company, to increase the efficiency of our consumption. One of Atrium Ljungberg's focus areas is to reduce its energy consumption, which is linked to its goal to be climate-neutral by 2030.</p> <p>Unforeseen damage and repairs can have a negative effect on the company's results and are prevented by means of a long-term maintenance programme in order to maintain a good standard throughout the property portfolio.</p> <p>We have 17 properties with leaseholds. The leasehold agreements are usually renegotiated at 10-year intervals. See more on leasehold fees in note IE.4.</p>

Sensitivity analysis, property valuation

Value parameter	Assumption	Impact on value, SEK m
Rental level	+/-10 %	+/-6,096
Operating cost	+/-10 %	+/-1,053
Yield requirement	+/-0.25% units	-2,588/+2,912
Long-term vacancy level	+/-2%	+/-1,370

Sensitivity analysis, change in value

	Change in market value of properties	Impact	Impact, %
Profit for the year	+/-10%	+/-5,033	+/-134
Equity	+/-10%	+/-5,033	+/-20
Loan-to-value ratio	+/-10%	-4.4% unit/+3.6% unit	-9/+11
Equity ratio	+/-10%	+5.5% unit/-4.4% unit	+9/-12

Investments and acquisitions

Risk	Risk description	Management/Opportunities
Investments	Atrium Ljungberg develops and constructs its held properties in its project activities. Risks in these activities are that the projects will be more expensive than expected due to miscalculation, changed conditions or higher purchasing prices,] or that we build a product that is not in demand on the rental market, which could result in high vacancy rates and/or rental levels that are too low.	The projects are mostly run through divided contracts, which enables flexible production and cost-efficiency in production. In-house expertise is used in our residential development through our subsidiary TL Bygg. We always have direct contact with the customers, short decision-making processes, as well as a rapid and simple handover to the management team. The company applies its prudence concept to all investments This means that no investments are normally made without having secured a reasonable yield through signed lease contracts.
Acquisitions	Atrium Ljungberg's expansion also takes place through acquisition of properties. Risks during the acquisition are that the letting rate and rental trend will be lower than expected or that the technical standard is lower than the conducted assessments. Another risk is that there are unexpected environmental consequences. During the acquisition of properties through companies there is also a tax risk.	The risks during an acquisition are prevented by a due diligence process always being carried out, in which we inspect the property and examine agreements, accounts and fiscal aspects with both internal and external specialists. All acquisitions are made with the intention of owning, managing and developing the properties in the long-term.
Project portfolio	Property development through investments in in-house properties and production of development rights is very important in terms of the company's value growth. A limited project portfolio can reduce future growth.	The company has a large project portfolio, and to maintain long-term growth, we are constantly searching for new business opportunities and projects through continuous dialogue with municipalities and other market players. Our portfolio focuses on growth situations in Sweden's four major cities and is primarily located at public transport hubs. Our portfolio is diversified towards various property segments, which gives us the flexibility to cope with economic fluctuations in different segments. See pages 44–53 for more information about our project portfolio.

Sensitivity analysis, cash flows¹⁾

	Change, %	Effect on profit, SEK m
Rental income	+/-5	+/-8
Property management costs	+/-5	+/-37
Letting rate	+/-1% unit	+/-25
Average borrowing rate	+/-1% unit	+/-45

¹⁾ The effect on the profit relates to the effect in the year immediately following, with reference to the commitment periods in lease contracts and loan agreements. Effect on profit is before tax.



Employees and suppliers

Risk	Risk description	Management/Opportunities
Expertise	The ability to attract and retain skilled personnel is an important prerequisite for our success.	By being one of Sweden's best workplaces according to Great Place to Work®, we can both attract and retain competent personnel. See pages 23 and 28–29 for more information.
Suppliers	Supplier risk refers to the risk that our suppliers cannot fulfil their deliveries, that they use unethical business practices or do not fulfil the environmental requirements, working conditions and human rights that have been imposed.	Atrium Ljungberg's purchasing function supports the entire organisation by coordinating purchasing. This results in higher quality and lower costs. Furthermore, the purchasing function ensures that the Group's suppliers comply with Atrium Ljungberg's requirements within sustainability and business ethics.
Corruption	Improprieties that affect Atrium Ljungberg may damage our brand and staff.	The company runs regular courses on business ethics and corruption for all of its staff. These issues have also been integrated into the company's on-boarding process. Atrium Ljungberg has established a whistleblowing service through an external party. In this manner we can guarantee a system with highest secrecy and total anonymity which makes it safe for our employees, customers and collaboration partners to submit a complaint. Complaints can be submitted through our website and are then handled by the external party. There is a policy for business ethics with guidelines which provide more concrete guidance.
Health and safety	Health and safety risk are common in our business and industry. Injuries to hands are the most common accidents when managing properties and carrying out construction work. For offices, the risks are primarily related to stress, which affects mental health.	We have a 'zero vision' for stress-related illnesses and workplace accidents. We hold regular work environment training courses for our project managers and technical managers as well as for managers at our subsidiary TL Bygg. We provide health insurance for employees, and the company's Performance Management process includes a clear dialogue between managers and employees.



Financial risks

Risk	Risk description	Management/Opportunities
Credit risk	The term, credit risk, refers to the risk that our tenants will be unable to fulfil their payment obligations.	Each property area continuously evaluates the capacity of new and existing tenants to pay the agreed rent. Most of the retail tenants report their sales on a monthly basis, which provides information about the development of these companies. In many cases, default in payment of rent is secured through deposits and bank guarantees. A large number of tenants in different sectors ensures a good risk spread.
Currency risk	Currency risk relates to the risk that changes in exchange rates can have a negative impact on the company's cash flows, earnings and/or balance sheet. This risk occurs, for example, if loans are taken out or purchases are made in a foreign currency.	We are partly financed by means of bonds in Norwegian krone, where the loan volume and coupon payments were secured with currency swaps, thus eliminating currency exposure. The only exception is purchases made in a foreign currency with a low currency risk. Hedging payments is considered when making large purchases in a foreign currency in order to reduce the currency risk.
Interest risk	Interest risk relates to the risk that changes in market interest rates can have unwanted effects on the company's net interest income. This can happen when the company has a high level of exposure to a variable interest rate and this rate rises; or when it has a fixed capital commitment that is too long at a time when the long-term market rates are falling.	To mitigate the risk of major fluctuations in interest expenses caused by changes in market interest rates, interest-bearing liabilities are divided into both fixed and variable capital commitments. The fixed capital commitment is divided evenly over time with a fixed interest loan and interest derivative. See pages 40–43 for more information.
Financing risk	Financing risk ultimately relates to the risk of not being able to secure access to borrowed capital. This can happen if new borrowing and/or refinancing of loans that are due become much more expensive or cannot be carried out.	To mitigate this financing risk, we work with a wide range of financing sources, including many different banking counterparties, the capital market through the MTN and certificate programmes, and direct loans. We also strive for an even profile for the final maturities of loans and continually cover current liabilities with lines of credit. Our Baa2 rating and low loan-to-value ratio make us an attractive borrower. See pages 40–43 for more information.

Confirmed bad debt losses

SEK m	
2017	8
2018	17
2019	4
2020	18
2021	3

Environment

Risk	Risk description	Management/Opportunities
Contamination or environmental damage at our properties	According to the Swedish Environmental Code, the property owner may be liable to defray measures resulting from a contamination incident or a serious case of environmental damage. Contamination of land or water, groundwater, or a building or facility may harm people's health or the environment, or cause them inconvenience.	We conduct surveys and screening work ahead of property acquisitions and new projects in order to identify any potential environmental risks. The process also contributes to identifying opportunities for energy efficiency and reducing the incidence of materials with a negative impact on human beings and the environment. When projects are implemented, there are procedures in place to minimise the risk of leakage and emissions. Preventative work is also carried out as part of the environmental certification in order to reduce negative impact on the environment.
Climate change	Extreme weather conditions such as higher water levels, torrential rain, storms and large temperature fluctuations as a result of global climate change risk damaging our property portfolio. Extensive political, legal, technical and market-related changes may be necessary if we are to achieve a climate neutral society. This may increase costs for building, developing and managing properties. Read more on pages 30 and 164.	We conduct surveys and screening work ahead of property acquisitions and new projects in order to identify any potential environmental risks. The process also contributes to identifying opportunities for energy efficiency and reducing the incidence of materials with a negative impact on human beings and the environment. When projects are implemented, there are procedures in place to minimise the risk of leakage and emissions. Preventative work is also carried out as part of the environmental certification in order to reduce any negative impact on the environment from construction and material use.
Requirements for more efficient energy consumption	There is a risk that more stringent regulatory requirements concerning energy consumption and climate impact will increase costs for building and developing properties.	Atrium Ljungberg works continuously on energy efficiency through implementation of new technology in both the existing property portfolio and for new builds, which results in lower current expenses. For new builds, lifecycle analyses are an important part of our work to reduce the climate impact of the buildings. See pages 18–19, 26 and 160–161 for more information about our work.

Market

Risk	Risk description	Management/Opportunities
E-commerce	E-commerce has become an important sales channel, and sales volume is increasing every year. Several retail companies are establishing online stores. This impacts the demand for retail premises.	We are closely monitoring the e-commerce trend and also have regular dialogue with our retail customers. Atrium Ljungberg builds places with attractiveness and flexible premises which can be adapted to new conditions. In recent times combining online trade and retail sale has also been successful as the consumer can attain further experiences in the physical store and have the opportunity of collection and return of purchased goods.
Digitalisation	Digitalisation is having a major impact on society. It is changing people's behaviour, with customer expectations rapidly increasing. Some sectors have gone through significant market changes, with new players, usually platform companies, establishing themselves and capturing large market shares.	Atrium Ljungberg is investing in innovation and digital development. We are looking at ways to transform our current business and identify new business opportunities. We have a strong customer focus and we are developing processes to carry out innovation projects quickly and test new business concepts. Is all about creating value for the end-consumer and thereby creating new revenues for the company. A specialist team was set up within the Business Development Business Area in 2019 to carry out work on new digital business.
Pandemic	A pandemic can have a major impact on society and business and can affect our operations as a result of the restrictions and recommendations introduced by the government and the authorities. Atrium Ljungberg operates on the Swedish market and is mostly, but not exclusively, affected by what happens to the Swedish economy, restrictions and any virus transmission. A prolonged pandemic could impact Atrium Ljungberg's financial position and future earning capacity.	Pandemic outbreaks can have a substantial direct and indirect impact on several of Atrium Ljungberg's deals. The following areas have been identified as being affected by a pandemic: property values, rental income, letting rate, investments, project portfolio, health and safety, credit risk, interest rates and refinancing. The relevant functions and roles manage the impact of a pandemic for each risk area. See the individual risk area for information about risk management.
Changes to tax legislation	The following taxes are the ones that mostly apply to Atrium Ljungberg's operations: income tax, property tax and VAT. In terms of tax, any changes that are made to tax legislation and tax rates can affect our operations, including, for example, the ban on packaging properties, changes to interest deductions, new rules for depreciation deductions, the introduction of stamp duty for property registration, and the opportunities to utilise loss carry-forwards. This can impact Atrium Ljungberg's future tax expenses, which therefore affects profit.	Atrium Ljungberg's Tax Policy is based on our core values and has been produced to guide our employees on how Atrium Ljungberg approaches tax issues, how to act in accordance with the relevant tax legislation and how to adopt a sustainable commercial approach. In addition Atrium Ljungberg has to manage tax in accordance with the relevant laws and rules, and tax must be checked, reported and paid correctly. Atrium Ljungberg closely monitors the legal development of the tax area so that it can take action in good time and implement any changes that may be necessary.



Cyber risks

Risk	Risk description	Management/Opportunities
IT attacks	External attacks that render IT services inaccessible, such as, for example, DDoS attacks on networks or virus attacks on key systems with a view to harming the company's brand or extorting money out of the company.	<p>This risk is managed using installed firewalls, antivirus services, spam filters and web filters, and cloud-based security services to render attacks more difficult. Vulnerability tests and regular improvements are also carried out in order to increase security.</p> <p>We have implemented protection against DDoS attacks and hacking at a network level, in firewalls and by using a risk-based spread of services between cloud services and services operated locally.</p> <p>During the year we implemented an external security service and additional monitoring tools, which has increased our capacity and preparedness in the event of serious security incidents.</p> <p>We are working to improve security awareness through training within the organisation.</p> <p>We also perform annual continuity tests, including restarting and data recovery.</p>
Outages	One or more critical IT services are rendered inaccessible due to problems with software or hardware or their handling.	<p>We have strengthened our IT organisation and introduced stricter controls of change management and testing, as well as the control of system suppliers.</p> <p>We perform annual risk analyses and evaluate risks and prioritisation of actions. We have redundancy for critical IT services, and we perform regular tests on our infrastructure.</p> <p>During the year we renewed our basic IT infrastructure and increased our resilience to longer power disruptions at our data centres.</p>

Risk	Risk description	Management/Opportunities
Information leaks	An external party is able to access sensitive information with a view to harming the brand, customers, partners or employees.	<p>We have technical multilayer protection of sensitive information assets. Access controls have been implemented that control both account authority and IT equipment, in combination with multifactor authentication. All accesses are assigned on the basis of needs and risks.</p> <p>A risk assessment is performed for all systems that contain sensitive information. Activities required to manage risks are entered into administration plans that are then implemented.</p> <p>We are also working to improve security awareness within the organisation by providing training and information on information security and our policies on IT, information security and processing of personal data.</p>
Dependency on external parties	More and more IT services are supplied by external parties, frequently via cloud services. This makes the company more dependent on external parties' security work, skills and technical protection.	<p>With a new IT organisation in place, we are working to reinforce our monitoring of suppliers and contracts. A risk analysis is performed before any major change is made to our IT environment. We have also used technical protection to improve identification and control when external parties access the in-house operating environment, and enhanced security when internal users consume external cloud services.</p>

We are delivering on our vision.

What 2021 has taught us, more than anything else, is that we live in a world that is difficult to predict and that no-one knows what is waiting around the corner. Atrium Ljungberg has had a strategy in place for a long time that takes this into consideration, which means that we are now in a strong position with an incredible project portfolio.

Over the past year we have all had to live in the 'new normal', where challenges have been constantly appearing that no-one could really have predicted. I am convinced that the best way to manage this kind of situation is to focus, maintain your course and keep on doing what you are good at. As far as Atrium Ljungberg is concerned, I am particularly confident in the choices that we made in the past. They allow us to take a long-term approach, so we do not feel pressurised into making decisions that could prove hasty in the long run.

Atrium Ljungberg's strategy is to have a low financial risk and focus on our operational risk instead. We have based this strategy on the fact that we live in a volatile world and it is not only possible, but also likely that the unexpected will happen. The position we now find ourselves in allows us to focus on doing what we want and what we are good at. We do not get slowed down by having to make short-term decisions that force us to rethink what we are doing. So instead we can focus on and realise our overall vision 'Our city – where everyone thrives'.

The fact that we have maintained this strategy over a long period of time has given us an incredible project portfolio to be proud of and an organisation that has the ability to realise its potential in the coming years. One of our major projects moving forwards is our contribution to the development of Stockholm, with a wonderful and sustainable new city district in Slakthusområdet. This is something I am personally extremely proud of and I am sure this will add great value to our shareholders.

One crucial issue for the future of both the company and society as a whole is our success in the transition to sustainable development. Just like many other companies, this is a top priority for Atrium Ljungberg and we have launched new ambitious sustainability goals, which will have a major impact on the company's future development. This definitely presents challenges for us as we manage a portfolio that has older buildings that were built using completely different technology than today. However, we will make sure that we renovate, rebuild and extend in a way that is both sustainable and creates value.

As well as the important climate issue, I want to shine a spotlight on the social sustainability goal that we set up, which is also linked to our financing. Social sustainability is essential if Atrium Ljungberg is to realise our vision and we now have a concrete way of measuring it. This will help clarify the work we do in this area for the growing number of stakeholders who have realised how relevant it is.

I would like to thank all of the shareholders who appreciate our stable strategy; a strategy that gives us such wonderful opportunities. Nothing would, of course, have been possible without our incredible employees who share the same focus on long-termism and cooperation. Looking cautiously at the year ahead, I would like to thank you all for the past year!

Johan Ljungberg, Chairman of the Board



Corporate Governance Report.

Atrium Ljungberg AB is a Swedish public limited company with its registered office in Nacka. The Articles of Association prescribe the company's operations as follows: the company will conduct construction operations, own and manage real property or leaseholds and securities, conduct trade in properties, and engage in any and all other activities compatible therewith. The foundation of corporate governance comprises the Articles of Association, the Swedish Companies Act, other applicable laws and ordinances, the regulatory framework of the stock exchange, the Global Reporting Initiative (GRI), internal guidelines and policies and the Swedish Code of Corporate Governance, ('the Code'). The overriding purpose of the Code is to strengthen the confidence of Swedish quoted companies by promoting a positive development of the corporate governance. These norms are not compulsory but are based on the principle that any deviations should be specified and explained. During the year the company has not had any deviations from the Code to report and has otherwise complied with good practice in the stock market. Atrium Ljungberg strives for openness for the company's decision-making pathways, responsibilities, and different control systems.

Governance structure

The structure of corporate governance within Atrium Ljungberg is presented in the image on page 93 and the subsequent sections.

Internal steering instruments

Important internal steering instruments are the Board of Directors' rules of procedure and the CEO's instructions, as well as the company's goals and strategies, business plan, policies, job descriptions, delegation instructions, authorisation instructions and core values.

External steering documents

The most important external steering instruments are the Nordic Exchange issuer rules, the Swedish Code of Corporate Governance, the Swedish Companies Act, IFRS, the Swedish Annual Accounts Act, GRI and other relevant legislation.

Owners and shares

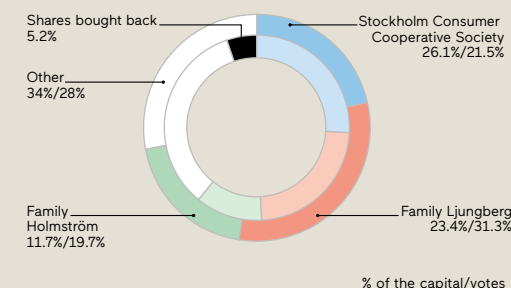
The company's share capital amounted to SEK 333,051,840 as of 31 December 2021, divided among 4,000,000 class A shares (ten votes per share) and 129,220,736 class B shares (one vote per share). The company had 6,907,378 of its own class B shares as of 31 December 2021. With the exception of holding own shares, there is no restriction on voting rights. The company's market capitalisation at year-end totalled SEK 25.2 billion. Atrium Ljungberg's target is for the dividend to correspond to at least 50% of the profit before changes in value after nominal tax unless investments or the company's financial position otherwise mandate a deviation from this norm. See pages 102–103 for more information on the ownership structure.

Annual General Meeting

The shareholders' influence within the company is exercised through the Annual General Meeting (AGM) of the company's shareholders, which is the company's most senior decision-making body and should be held within six months of the end of the financial year. The AGM appoints the Board of Directors and the company's auditors, and adopts principles governing remuneration to the Board of Directors, the auditors, and the company's senior executives. The Meeting also takes decisions with regard to the Articles of Association, dividends, and any changes to the share capital. The AGM should also adopt the balance sheet and income statements and decide on the discharge from liability for the Board of Directors and the CEO. The date of the AGM is announced in conjunction with the Interim Report of 30 September at the latest. Notices convening the Annual General Meeting will be issued 4–6 weeks before the meeting and will be issued by means of press releases, announcements in the Swedish Official Gazette, and on the company's website, www.al.se. The issue of the convening notice will be announced in the Dagens Nyheter newspaper. Shareholders are entitled to have an issue discussed at the meeting if the Board is provided with notice thereof no later than seven weeks before the meeting is held. The 2021 Annual General Meeting was held using postal voting on 25 March, with 71.9% of the votes exercised. The Annual General Meeting passed resolutions on, inter alia, the following issues:

Owners that represent at least 1/10 of the number of votes

- The three biggest owners represent 72% of the votes and 63% of the capital



- adoption of income statements and balance sheets for the parent company and the Group
- granting of discharge from liability for the Board of Directors and the CEO;
- determination of the appropriation of profits entailing a dividend of SEK 5.05 per share;
- the determination of Directors' fees totalling SEK 1,540,000, broken down as SEK 440,000 payable to the Chairman of the Board and SEK 220,000 payable to each of the Board Members;
- It was also decided that remuneration will be payable for work in the Audit Committee, with SEK 100,000 payable to the Chairman of the committee and SEK 50,000 payable to each of the other committee members;
- establishment of a Nomination Committee representing the five biggest shareholders in terms of voting power as of the last banking day in February 2021;
- guidelines for the remuneration of senior executives within the Group;
- authorisation to the Board of Directors, on one or several occasions, to acquire as many class B shares that the company's holding at the respective time does not exceed 10% of all shares in the company, in a regulated market where the shares are listed;



- authorisation to the Board of Directors to, on one or several occasions, decide on an issue in kind of maximum SEK 13.3 million shares of class B.

Minutes of the Annual General Meeting and other meeting documents are available on the company's website.

Nomination Committee

The Board of Directors is elected by the Annual General Meeting. The Nomination Committee is the General Meeting's body for preparing the meeting's resolutions. The Nomination Committee proposes a basis for the Meeting's handling of the following issues:

- election of the Chairman of the Meeting, the Chairman of the Board and other members of the Board of Directors of the company;
- determination of Directors' fees for the Chairman of the Board, other Board members, and any remuneration for committee work and, the election and remuneration of auditors;
- decisions on principles relating to the structure of the Nomination Committee ahead of impending Annual General Meetings;

At the Annual General Meeting held on 25 March 2021, it was decided that the Nomination Committee for the 2022 Annual General Meeting will comprise representatives of the company's five biggest shareholders by votes, as of the last banking day in February. The Nomination Committee's members were appointed, consisting of Lars Ericson appointed by the Stockholm Consumer Cooperative society, Per Erik Hasselberg (also the Nomination Committee's Chairman) appointed by the Holmström family, Hans Hedström appointed by Carnegie Fonder, Johan Ljungberg appointed by the Ljungberg family, and Ilkka Tomperi appointed by the mutual occupational pension insurance company, Varma. Ilkka Tomperi left the company during the year and was replaced by Risto Murto. In some cases the Nomination Committee can increase the number of members to maximum seven.

The skills, experience and backgrounds of Board members were taken into account when compiling proposals for the Board of Directors ahead of the 2021 Annual General Meeting. The Nomination Committee has also applied to the Atrium Ljungberg Equal Opportunity and Discrimination Policy. The objective of this policy is to achieve equal opportunities and diversity in all areas and all functions within the company and on the Board of Directors. The 2021 Annual General Meeting adopted the proposal of the Nomination Committee, thereby re-electing two women and four men as Board members.

Board of Directors

Atrium Ljungberg's Board of Directors comprised six members up to Annual General Meeting (information on the members can be found on page 98). The Code states that a majority of the Board will be independent in relation to the company and the senior executives. At least two of the independent members must also be independent in relation to the company's major shareholders. The composition of the Board complies with the independence requirements.

The Board has overall responsibility for the company's organisation and administration and for ensuring that the management of the company's affairs is handled in a manner which ensures that the interests of owners for long-term favourable capital yield are fulfilled. The responsibility also covers efficient and appropriate systems for governance, internal control and risk management.

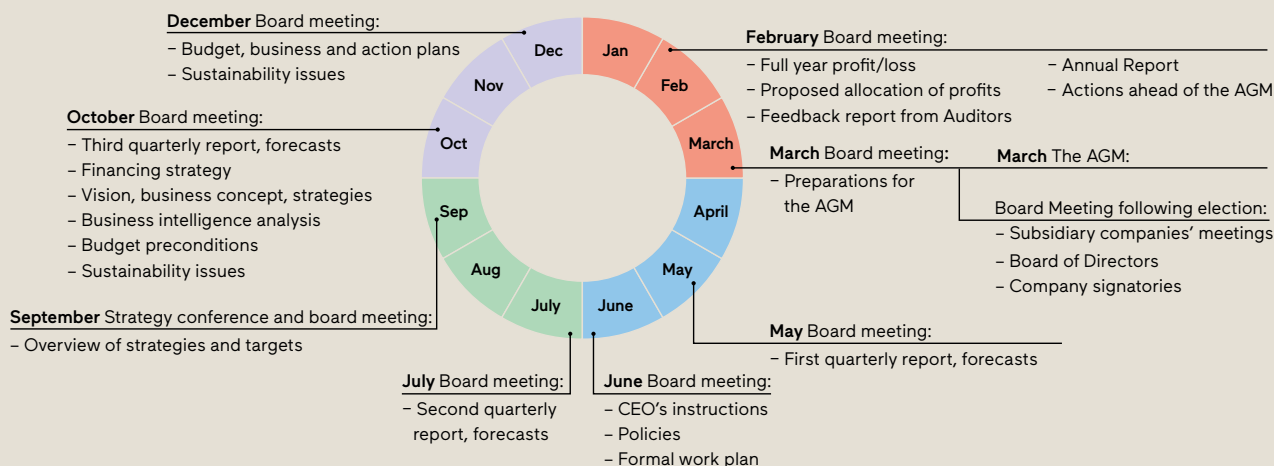
Every year the Board proposes the rules of procedure (including the CEO's instructions, instructions for financial reporting, business plan and budget), as well as the policies listed on page 97. The rules of procedure regulate the Board's work structure. The Chairman of the Board organises and leads the work of the Board, ensures that the Board has the expertise and know-how required to perform its duties, that the Board receives the information and decision data required for its work, that the Board's resolutions are implemented, and that the work of the Board is evaluated every year. The Board's assignments include setting operational goals and strategies,

appointing, evaluating and if necessary dismissing the CEO, ensuring that effective systems are put in place for monitoring and control of the company's operations and that there is compliance with legislative and other requirements, and deciding on transfer of properties and companies as well as investments of SEK 50 million or more. The work of the Board and CEO is evaluated annually. The rules of procedure prescribe that the Board will meet at least five times per year, in addition to the statutory Board meeting. The Board held nine ordinary Board Meetings during the year, including the statutory Board meeting.

In 2021 the Board paid considerable attention to the effects of the current Covid-19 pandemic. The Board has decided on all property acquisitions and property sales, as well as all investments in projects or existing properties in excess of SEK 50 million. There has also been a strong focus on current and future investment projects and financial issues. A new sustainability strategy and new sustainability goals have been produced. Feedback reports from the Group management with regard to the company's economic and financial position, risk analysis, sustainability reporting, current market issues, and ongoing projects have been presented at the Board meetings. Results in comparison with the budget have been reported quarterly during the year, together with revised forecasts for the financial year. The annual planning of the Board is presented in the image on page 94.

The Board members have appropriate collected experience, expertise and breadth with respect to Atrium Ljungberg's operations, development phases and conditions in general. The company has an Audit Committee. The Chair of the committee is Gunilla Berg, who has the accounting expertise required by the Swedish Companies Act and is independent of the company and its biggest owners. Johan Ljungberg, the Chairman of the company, is a member of the Audit Committee. The Audit Committee supports the Board in its work to ensure the quality of the company's financial reporting and monitors the company's risk management, internal control and financial structure. The committee is in continual dialogue with the company's auditors to learn about the scope of the audit, as well as any observations and views on the company's risks. The committee also monitors and examines the independence of the external auditor and assists the Nomination Committee in the election of the auditor and the fee for the audit work. During the year the committee met six times and all members were present. The company's auditors attended all of these meetings. Every meeting of the Audit Committee has been reported to the Board, including the minutes.

The Board's annual planning in addition to standing items, such as investment decisions, progress report, ongoing projects and management, liquidity and financing



The Remuneration Committee comprises all Board members. Its main tasks are to prepare the Board's decisions on issues concerning remuneration policies, remuneration and other employment terms and conditions for the executive management. The Remuneration Committee must also monitor and evaluate any programmes for variable remuneration for the executive management. No such programmes currently exist. It must also monitor and evaluate the application of the guidelines for remuneration for the executive management that the Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels for the company.

The Board's work structure and efficiency are evaluated annually and presented to the Nomination Committee. The work of the CEO is evaluated continually and at least once a year without executive management being present. As part of their annual audit, the company's auditors have reported on their work and observations, and a dialogue was held with the Board without the executive management being present.

CEO and executive management

The executive management comprises the CEO, CFO, HR and three business area managers. In addition to the regular matters within each function, the executive management has prioritised issues relating to the Covid-19 pandemic, current investment projects, property transactions, financing issues, business development, organisational issues and sustainability issues.

Annica Änäs (born in 1971) took over as CEO of the company in February 2016. She was employed in the company in 2011 as the company's CFO and was also an employee 2008-2010. Annica Änäs also has experience as CFO at Hemsö Fastigheter and served as CEO within the communication sector. She also has experience of several directorships, including being a member of JM AB and Swedavia AB. Annica Änäs has an academic background as Legal Counsel and Graduate Business Administrator. She holds 42,000 (41,000) class B shares in Atrium Ljungberg. She has no shareholdings in companies with which Atrium Ljungberg has significant commercial links.

The other members of the senior management are presented on page 100 and the organisation structure on page 95.

Board of Directors, 2021

		Elected	Remune- ration, SEK	Inde- pendent*	Inde- pendent**	Note	Board Meetings	Audit Commit- tee Meetings
Johan Ljungberg	Chairman	2001	490,000	Yes	No	¹⁾	9 of 9	6 of 6
Conny Fogelström	Member	2019	220,000	Yes	No		8 of 9	
Gunilla Berg	Member	2020	320,000	Yes	Yes	²⁾	9 of 9	6 of 6
Erik Langby	Member	2014	220,000	Yes	Yes		9 of 9	
Sara Laurell	Member	2018	220,000	Yes	Yes		9 of 9	
Simon de Château	Member	2014	220,000	Yes	Yes		9 of 9	

* Independent in relation to the company and the Executive Management.

** Independent in relation to the company's major shareholders.

¹⁾ Chairman of the Annual General Meeting 2015–2021. Member 2009–2015. Deputy Member 2001–2009. Directly and/or indirectly a major shareholder in the company. Member of the Audit Committee.

²⁾ Elected at the 2020 Annual General Meeting. Chair of the Audit Committee.

Executive management



Remuneration for executive management

	Basic salary/fee		Other remuneration		Other benefits		Pension costs		Total	
SEK thousand	2021	2020	2021	2020	2021	2020	2021	2020	2021	2019
Annica Ånäs, CEO	6,465	6,450	–	–	273	225	2,263	2,322	9,001	8,997
Other senior executives	11,047	11,231	30	62	516	425	2,825	2,699	14,418	14,417

Remuneration for senior executives

Amendments to the Swedish Companies Act Chapter 7 §§ 61–62, and Chapter 8 §§ 51–53b (1 July 2019) have resulted in extended guidelines for remuneration for the CEO, Deputy CEO and Board members. These will come into effect from the 2020 Annual General Meeting and have been taken into consideration in the proposal for the guidelines. Salaries and other terms and conditions of employment for the executive management will be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines will apply for the executive management, which consists of the CEO and six other senior executives. The CEO's remuneration will be proposed by the Chairman and determined by the Board of Directors. Remuneration payable to other members of the senior management team will be proposed by the CEO and approved by the Board. Remuneration payable to the senior executive management team, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration will be payable. A loan subsidy programme was adopted at the 2018 Annual General Meeting. The loan programme refers to interest compensation for loans raised in order to acquire shares in Atrium Ljungberg. A maximum loan for which interest subsidies can be provided amounts to SEK 4.5 million for the CEO and

SEK 1.5 million for other senior executives. The CEO's retirement age is 62, while that of the other members of the executive management is 65; however, from 2023 they will be legally allowed to work until they are 69 years old. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

The CEO will be entitled to a 12-month notice period and severance pay corresponding to 12 months' salary, if notice of termination is given by the company. No other severance pay is payable. Other members of the senior management have notice periods of up to 6 months. The terms and conditions applied by the company for other Group employees, either in accordance with collective agreements or in accordance with unilateral undertakings by the company to the employees, will otherwise apply, where applicable, to the executive management. Departure from the above-mentioned guidelines by the Board of Directors is permitted if there are specific grounds for doing so in a particular instance.

A separate report on remuneration for senior executives is published on the company's website as well as in the annual report.

Auditing

Öhrlings Pricewaterhouse-Coopers AB was elected at the 2019 Annual General Meeting to act as auditors with the authorised public accountant Helena Ehrenborg as the auditor in charge. During the year a new auditor in charge was appointed, Ann-Christine Hägglund. The auditors' assignment runs until the Annual General Meeting in 2023. The auditing team has ongoing contact for information purposes with the company during the year, over and above the review activities conducted. The company's auditors audit financial statements as of 31 December, perform a general review of the interim accounts as of 30 September and review the company's processes, including the management audit. They also examined whether the Annual General Meeting's guidelines on remuneration for senior executives have been followed.

Internal control.

The Board of Directors is, subject to the provisions of the Swedish Companies Act and the Swedish Code of Corporate Governance, responsible for the company's internal control. This report has been prepared in accordance with Chapter 6 § 6 of the Swedish Annual Accounts Act and is consequently limited to internal control in respect of the financial reporting. The company has, in order to describe the internal control, followed the framework established by COSO (the Committee of Sponsoring Organisations), which comprises five components, namely control environment, risk management and assessment, control activities, information and corporate communication, and follow-up work.

Control environment

The Board of Directors has overall responsibility for ensuring good internal control and effective risk management. The Board adopts rules or procedure every year, setting out the Board's responsibilities and regulating the Board's internal division of labour. The Board has decided that the entire Board will be in the Remuneration Committee, and in 2020 an Audit Committee was set up. The Chair of the Audit Committee is Gunilla Berg. The Board exercises its control primarily through the annual adoption of policy documents, CEO's instructions, delegation instructions, instructions for the financial reporting, authorisation instructions, operational goals and strategies, and business plans and budgets.

The Executive Management is responsible for structuring, documenting, maintaining and testing the systems and processes needed to minimise risks as part of the operating activities and financial reporting. In addition to the policy documents, there are guidelines, delegation instructions, authorisation instructions, and job descriptions for each employee, containing details of the employees' responsibilities and authorities, and standardised reporting procedures.

The company also has very well-supported core values that permeate every aspect of our operations, such as reliability, long-termism, collaboration and innovative thinking.

Atrium Ljungberg is also a member of the Global Compact and has consequently signed up to the ten principles in

the fields of human rights, labour law, the environment and anti-corruption. The company also reports in accordance with GRI (Global Reporting Initiative). A GRI index is presented on pages 181–182 of the Annual Report, while the company's formal Sustainability Report is presented on pages 16–31 and 156–169. For a more detailed presentation, see the company's website at www.al.se.

Risk management and assessment

Risk assessment means that Atrium Ljungberg has identified the work processes and income statement and balance sheet items where there is a risk that inaccuracy, incompleteness, or improprieties could arise if the requisite control activities are not built into the routines. The risk assessment accordingly analyses whether errors could occur and, if so, how and where they could occur in the process. The risk assessment work has identified the items where the risk of significant errors is greatest, namely items where the sums involved in the transactions are substantial or where the process is highly complex and requires strong internal control. The three most important risk areas are: project operations, property valuation and financing activities.

In 2021 the company invested SEK 2,279 million in held properties, of which the investments in Sickla, Mobilia, Barkarby and Hagastaden accounted for the largest share. No investments are normally made until a reasonable yield can be secured. Detailed costing calculations based on extensive expertise in the field are carried out in order to minimise the risks inherent

in construction projects. Procurement is conducted cost-effectively using in-house project managers by means of a divided contract process whereby several players are allowed to submit quotes for individual components of the construction project. Project reviews are conducted every quarter and attended by the chair of the project's steering group, the company's CFO, business developers, project managers, property analysts and project controllers. Project reports are submitted on a rolling basis to the executive management and the Board, noting any deviations from the plan.

Monitoring trends in the property market in order to ensure the ability to assess the properties' market values is one of the important components of the valuation process. During 2021 the company consequently conducted quarterly reconciliations with external valuation experts. The company conducts internal valuations during each quarter and also conducts external valuations at the turn of the full-year and half-year. For 2021, 62% of the property portfolio has been externally valued. External valuation experts also quality assure assumed market rents, operating costs, vacancies and yield requirements in conjunction with the internal valuation process.

Property operations are a capital-intensive sector, which often entails a range of financial risks. The primary risk is liquidity risk in the form of refinancing risks and credit risks associated with renegotiations of loans, bond maturity and new financing requirements, based on investments in held properties and acquisitions. Another risk involves fluctuations in profits

and cash flow as a result of changes in interest rates. These risks are regulated in the company's financial policy and are monitored continuously by the company's management and Board of Directors. The Board also monitors compliance with mandates specified in the financial policy.

The following processes have also been analysed during the year in addition to the above-mentioned risk areas:

- The project process
- The letting process
- The purchasing process
- The payroll process
- The year-end accounts process
- The property valuation process
- The financing process
- Routines in conjunction with property transactions

See the section entitled "Risks and risk management" on pages 84–90 with regard to other risks identified.

Control activities

A number of control activities have been introduced in order to prevent inaccuracies occurring and with the aim of ensuring that the control goals are fulfilled. The work on risk assessment and structuring of control activities has been conducted by individuals involved in the respective processes on an ongoing basis, in cooperation with the company's controllers, Senior Controller, and CFO in order to ensure participation and an understanding of the risks and the importance of conducting internal controls. Internally, the company also works continuously to evaluate and enhance the efficiency of its control activities. The controls are carried out both at an overall level, through analyses of results and key performance indicators, and at a detailed level by defining a number of control points in the ongoing processes and routine descriptions. The company's results are compared with budgets and forecasts every quarter and ongoing projects are monitored in relation to Board resolutions. Detailed commentaries are submitted to the executive management and Board of Directors in accordance with standardised reporting routines as part of the follow-up work.

The company has an external whistleblower function and continually takes action to reduce the risk of corruption, for example, by auditing the company's suppliers or by offering in-house training.

Information and communication

The Annual Accounts, Preliminary Financial Statement, Interim Reports and other ongoing information are prepared in accordance with Swedish legislative requirements and praxis. The information provision will be characterised by transparency and will be reliable. A corporate communication policy regulating the way in which information is to be provided has been established in order to ensure that external communication with the stock market is correct. Our aim is to generate an understanding of and confidence in the operations on the part of owners, investors, analysts and other players.

The executive management is responsible for informing relevant employees of their responsibilities with regard to the maintenance of good internal control. Employees are kept up to date with regulations and policies via the company's intranet and information meetings. The creation of job descriptions for every position within the company also ensures clarity with regard to division of responsibility.

Follow-up work

All process descriptions, policies and steering documents are updated as necessary, but at least once a year. An evaluation of the internal controls is also conducted every year. Both the senior management and the Board of Directors are notified of the results. Atrium Ljungberg has no internal audit department. The system for internal controls is followed up by the Group's CFO, the Finance Manager, Accounting Managers, the Controllers (who have specialist competence), and through self-evaluation, and feedback is provided to the Audit Committee. These controls are deemed to be necessary and sufficient to generate appropriate knowledge, feedback of experience and high quality in the ongoing accountancy work, and hence in the financial reporting. The company's auditors also conduct ongoing reviews of the company's controls and report their findings on the company's internal control to the company's senior management and Board. For 2021 the auditors have focused on the following areas when reviewing the internal control; the project, property valuation, financing, rental, purchasing, annual accounts and payroll processes. The auditors' feedback report for 2021 indicates that Atrium Ljungberg has good internal control in relation to the size and operations of the company. The Board believes that the establishment of a separate internal audit function is consequently not justified.

Policies set by the Board of Directors

Business Ethics Policy	Describes the behaviour that is expected of the employees
Supplier policy	Supplier Code of Conduct
Affiliated policy	Identifies related parties and transactions with related parties in accordance with the regulations
Equal opportunity and discrimination policy	Steering document about issues surrounding equal opportunities and all kinds of discrimination
Sustainability policy	Overall ambitions for the company's environmental and social responsibilities
Work environment policy	Work environment management policy
Communication policy	Policy for our external and internal communication
Financial policy	Policy and regulations on how financial activities should be carried out
IT policy	Forms the basis for the company's approach to IT issues
Information security policy	The aim is to minimise risks that can jeopardise secrecy and confidentiality
Policy for processing personal data	Concerns personal data processing and protection
Whistleblowing policy	Enables employees and players to report any improprieties
Insider trading policy	Concerns securities trading
Crisis policy	Aims to avoid or limit crises
Tax policy	Guides our employees in what to do in tax issues
Policy for valuation of investment properties	Describes the methodology for valuation of investment properties.





From the left: Conny Fogelström, Simon de Château, Gunilla Berg, Johan Ljungberg, Sara Laurell and Erik Langby.

Board of Directors.

Johan Ljungberg

Function: Chairman of the Board and Member of the Audit Committee. **Elected to the Board:** Deputy Member of the Board 2001–2009, and Member of the Board for part of 2006. Member of the Board since 2009 and Chairman of the Board since 2015.

Profession: CEO and Chairman of the Board of Tagehus Holding AB.

Education: Graduate Engineer.

Relevant professional experience: Many years' experience from the property and capital market.

Other significant directorships¹⁾: Member of the Boards of Tagehus Holding AB and John Mattson Fastighetsföretagen AB. Member of the Board of K2A Knaust & Andersson Fastigheter AB.

Born: 1972.

Own and related parties' shareholding: 1,396,410 class A shares and 19,832,594 class B shares (1,396,410 class A shares and 20,494,588 class B shares).

Gunilla Berg

Function: Member of the Board and Chair of the Audit Committee

Elected to the Board: 2020.

Profession: Member of the Board.

Education: Graduate Business Administrator, the Stockholm School of Economics

Relevant professional experience: CFO of the Post Group and Deputy CEO and CFO of the SAS and KF Groups.

Other significant directorships: Member of the Board of Afry AB and Praktikertjänst AB.

Born: 1960.

Own and related parties' shareholding: 1,500 (1,500) class B shares.

Simon de Château

Function: Member of the Board.

Elected to the Board: 2014.

Profession: Chief Investment Officer in Alma Property Partners.

Education: Graduate Business Administrator, the Stockholm School of Economics.

Relevant professional experience: CEO of Sveafastigheter, Head of Corporate Finance and analyst at Leimdörfer.

Other significant directorships: Chairman of the Board of Alma Property Partners AB. Member of NCC AB (publ) and Akka Egendom AB.

Born: 1970.

Own and related parties' shareholding: 65,000 (65,000) class B shares.

Conny Fogelström

Function: Member of the Board.

Elected to the Board: 2019.

Profession: Self-employed.

Education: Political Science at Stockholm University and Real Estate Management at the University of Gävle.

Relevant professional experience: Ombudsman for the Swedish Union of Tenants, 1987–2004. Municipal commissioner for Täby, 2006–2015. Urban development Consultant 2015–2020.

Other significant directorships: Member of the Boards of the Stockholm Consumer Cooperative Society and Täby Fastighets AB; 2nd Deputy Chairman of Färdtjänstnämnden Region Stockholm and Chairman of the Nomination Committee at the Swedish Cooperative Union.

Born: 1960.

Own and related parties' shareholding: 2,000 (2,000) class B shares.

Erik Langby

Function: Member of the Board.

Elected to the Board: 2014.

Profession: Owner of business focused on societal issues. Former chairman of the municipal executive board of Nacka 1983–2012.

Education: Social Sciences education, Stockholm University

Relevant professional experience: Several years of experience as a municipal commissioner and chairman of county council boards, as well as a number of directorships, including Första AP-fonden, Dagens samhälle, HSB omsorg, AB Solom and Hegeli Public Affairs AB.

Other significant directorships: Member of the Board of Kommuninvest i Sverige AB. Member of the Board of Bostadsrätterna i Sverige ek.fören. Member of the Board of AB SigtunaHem. Member of the Board of SKL International AB. Chairman of the municipal council of Sigtuna Municipality.

Born: 1951.

Own and related parties' shareholding: 1,000 (1,000) class B shares.

Sara Laurell

Function: Member of the Board.

Elected to the Board: 2018.

Profession: CEO of Loopia Group.

Education: Graduate Business Administrator. Stockholm School of Economics and MBA Harvard Business School.

Relevant professional experience: Many years of experience of transformation in the retail trade and digitisation of consumer/SME-driven business.

Other significant directorships: No other significant directorships.

Born: 1971.

Own and related parties' shareholding: 5,000 (3,000) class B shares.

¹⁾ Does not include intra-group directorships.



From the left: Mattias Celinder, Angela Berg, Annica Änäs, Ulrika Danielsson, Linus Kjellberg and Helena Martini.

Executive Management.

Annica Ånäs

Function: CEO

Employed since: Previously CFO. Employed by Atrium Ljungberg since 2011; also employed between 2008 and 2010.

Education: LL.B. and graduate business administrator

Relevant professional experience: CFO of Hemsö and CEO in the communication industry. Several directorships, for example property company Technopolis.

Other significant directorships¹⁾: Member of the Boards of JM AB and Swedavia AB.

Born: 1971.

Own and related parties' shareholding: 42,000 (41,000) class B shares.

Mattias Celinder

Function: Business Area Director, Properties.

Employed since: 2006.

Education: Graduate Business Administrator.

Relevant professional experience: Management positions in the hotel, restaurant and travel industries.

Other significant directorships: –

Born: 1972.

Own and related parties' shareholding: 11,558 (10,558) class B shares.

Linus Kjellberg

Function: Business Area Director, Business Development.

Employed since: 2003.

Education: Master of Arts, History and Urban Centre Planning, KTH.

Relevant professional experience: Business analyst, business developer and project manager in the property industry.

Other significant directorships: Member of the Board of Barkarby Science AB.

Born: 1972.

Own and related parties' shareholding: 6,080 (6,080) class B shares.

Angela Berg

Function: Business Area Director, Projects.

Employed since: 2011.

Education: Civil Engineering Graduate in Road and Water, KTH Royal Institute of Technology.

Relevant professional experience: Project management positions in the construction and property industry.

Other significant directorships: –

Born: 1975.

Own and related parties' shareholding: 11,215 (7,100) class B shares.

Ulrika Danielsson

Function: CFO and Business Area Director, Business Support.

Employed since: 2021.

Education: Graduate Business Administrator

Relevant professional experience: CFO of Castellum and several directorships.

Other significant directorships¹⁾: Member of the Board of Infranord AB and Chair of the Audit Committee; Member of the Board of John Mattson Fastighetsföretagen AB; and Chair of the Audit and Finance Committee; Member of the Board of Slättö Förvaltning.

Born: 1972.

Own and related parties' shareholding: 8,000 class B shares.

Helena Martini

Function: HR Director.

Employed since: 2010.

Education: Tourism Programme at Dalarna University College.

Relevant professional experience: HR Manager at Microsoft.

Other significant directorships: –

Born: 1965.

Own and related parties' shareholding: 13,225 (12,225) class B shares.

¹⁾ Does not include intra-group directorships.

The share and the shareholders.

Since the start of the Covid-19 pandemic Atrium Ljungberg's share has gradually recovered and is now being traded close to its peak from 2019. We have never reduced our dividend since the company was listed on the Stockholm Stock Exchange in 1994.

Market capitalisation

Market capitalisation, i.e. the value of all outstanding shares, amounted to SEK 25.2 billion (SEK 22.1 b) at the end of the year. This makes Atrium Ljungberg one of the largest listed property companies in Sweden.

Retail and sales

Atrium Ljungberg's class B share is listed on the Nasdaq Stockholm exchange and is traded on the list for large companies, Large Cap. According to Fidessa, a total of 49.8 million shares (68.8 m) were sold during the year, of which 56 % (69%) were traded on Nasdaq Stockholm, while the rest were sold on other marketplaces such as Cboe BXE and Cboe APA. The turnover rate, i.e. the number of shares sold during the year divided by the number of outstanding shares as at year-end, was 39% (54%). The Atrium Ljungberg share has been included in the FTSE EPRA Nareit Global Real Estate Index since 23 September 2019. This index is one of the most renowned and utilised indexes for property companies listed on stock exchanges and includes almost 500 property companies around the world.

Dividend policy

The company's dividend policy means that the dividend corresponds to a minimum of 50% of the profit before changes in value after nominal tax, unless investments or the company's financial position in general justifies a deviation from this. Changes in value, either positive or negative, will therefore not be included in the profit for calculating dividends. A dividend of SEK 5.20 per share (SEK 5.05/share) is proposed for the 2021 financial year, corresponding to a dividend share of 66%.

Total yield

The share price of the class B share (ATRLJ B) stood at SEK 199.70 (SEK 172.80) at the end of the year. During the year the share reached its highest price of SEK 223.00 and its lowest price of SEK 156.00.

The total yield for the share, corresponding to the total of distributed dividend and share price growth, was 18.5% (-21.3%) during the year, including a dividend of SEK 5.05/share. The corresponding yield for OMXS Benchmark GI, which contains a selection of the largest and most traded shares on Nasdaq, was 36.7% (12.8%); for OMXS Real Estate GI, which consists of the listed property companies on Nasdaq Stockholm, this figure was 46.1% (-3.9%).

Dividend yield

The dividend yield is the company's dividend in relation to the current share price and represents the yield that shareholders receive in cash every year following the resolution by the Annual General Meeting. This key performance indicator therefore expresses a relationship between two different 'spheres' – Atrium Ljungberg's performance in the form of its dividend and the pricing of the company on the stock market.

The proposed dividend of SEK 5.20 (SEK 5.05) corresponds to a dividend yield of 2.6% (2.9%) calculated on the basis of the share price at the year-end.

Ownership structure

At the end of the year there were 7,492 shareholders (8,384) in Atrium Ljungberg, which is a reduction of 11% compared with the previous year. The largest owners are the Stockholm Consumer Cooperative Society, together with the Ljungberg family and the Holmström family, who together own a total of 72% of the votes. Foreign ownership amounted to 15% (17%). One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. The Articles of Association include a pre-emption clause with regard to class A shares whereby shareholders wishing to sell their shares

must first offer them to other holders of class A shares. There is also an agreement between the company's class A shareholders whereby if the pre-emption right is not exercised, the class A shares should be converted to class B shares before a transfer may occur.

Net worth

The net worth is the total capital that the company manages for its owners. Based on this capital, Atrium Ljungberg aims to create a stable yield and growth with low risk-taking. As Atrium Ljungberg's properties are recognised at fair value, the net worth can be calculated on the basis of the balance sheet equity. However, items where there will be no payment in the near future should also be taken into consideration; for Atrium Ljungberg this includes, for example, derivatives, goodwill and deferred tax liabilities. The net worth amounted to SEK 245.73/share (SEK 217.95/share) at the end of the year. The share price at year-end was therefore 81% (79%) of the net worth.

It is worth noting that Atrium Ljungberg has a substantial project portfolio in which the development of its own development rights generates growth in value. The net worth does not take into consideration future value potential in the project portfolio. See pages 44–55 for more information about our project portfolio.

Calculation of net worth

	SEK m	SEK/share
Equity according to the balance sheet	25,541	202.20
Replacement:		
Derivatives according to the balance sheet	100	0.79
Goodwill according to the balance sheet	-165	-1.31
Deferred tax according to the balance sheet	5,563	44.04
Long-term net asset value	31,039	245.73

Buy-back of shares

The AGM has authorised the Board of Directors of Atrium Ljungberg to take the decision to acquire the company's own shares on one or more occasions during the period until the next AGM in March 2022. The purpose of this programme 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.

Major shareholders as of 31 Dec 2021

	Class A shares, '000	Class B shares '000	Share of votes, %	Share of capital, %
The Stockholm Consumer Cooperative Society	-	34,836	21.5	26.1
Ljungberg family	2,190	28,973	31.3	23.4
Holmström family	1,810	13,798	19.7	11.7
Carnegie fonder	-	9,011	5.6	6.8
Varma pension insurance	-	8,117	5.0	6.1
Vanguard	-	1,660	1.0	1.2
BlackRock	-	1,577	1.0	1.2
Margareta af Ugglas	-	1,444	0.9	1.1
Norges Bank	-	1,022	0.6	0.8
AFA Försäkring	-	915	0.6	0.7
Other	-	20,961	12.9	20.9
Total outstanding shares	4,000	122,314	100	94.8
Shares bought back ¹⁾	-	6,907	-	5.2
Total number of shares issued	4,000	129,221	100	100

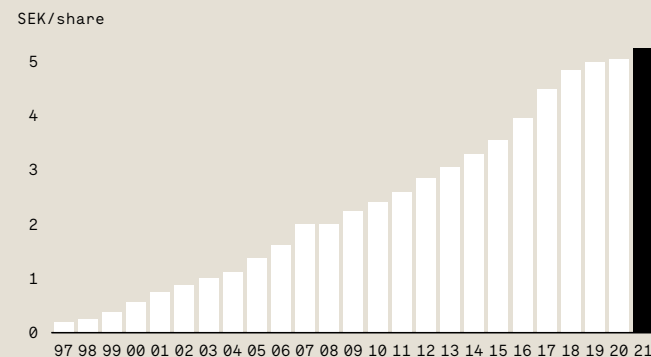
¹⁾ Bought-back shares have no voting rights and do not receive dividends.

Shareholding structure on 31 Dec 2021

Size class	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1-1,000	823,699	0.6	0.5	6,927	92.5
1,001-10,000	4,227,678	3.2	2.5	508	6.8
10,001-100,000	13,049,068	9.8	7.7	42	0.6
100,001-2,000,000	6,955,460	5.2	4.1	5	0.1
2,000,001-10,000,000	51,434,240	38.6	51.7	8	0.1
10,000,001-	50,482,167	37.9	29.8	2	0.0
Anonymous ownership	6,248,424	4.7	3.7		
Total	133,220,736	100.0	100.0	7,492	100.0

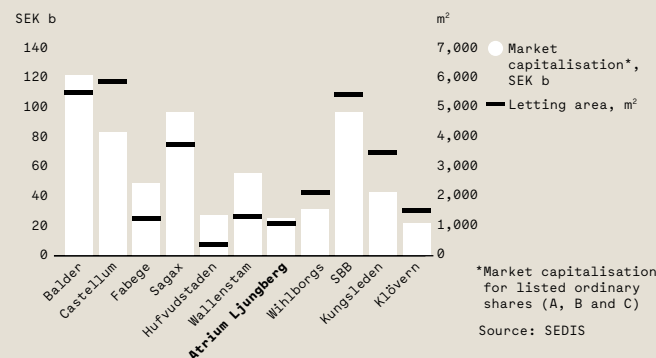
Historical dividend

- The dividend in SEK per share has never been reduced since the company was listed on the stock exchange.

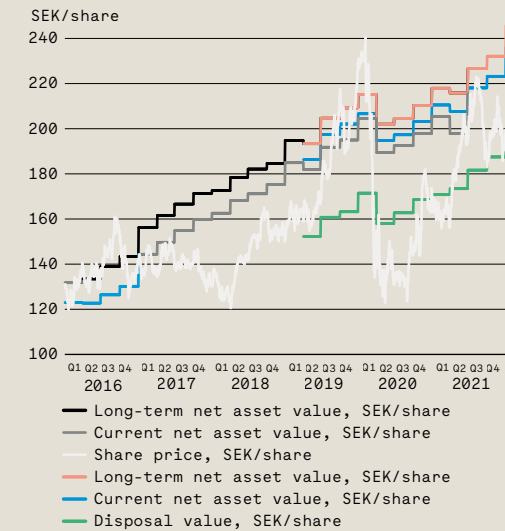


Market capitalisation and letting area as of 31 December 2021; the biggest property companies

- Atrium Ljungberg is one of the biggest listed property companies.

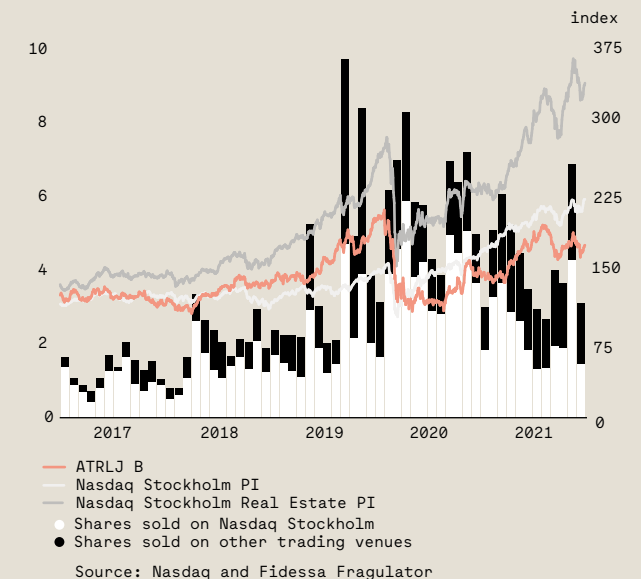


Long-term net asset value, current net asset value and share price



The Atrium Ljungberg share

Sales, million shares per month



Atrium Ljungberg boasts incredible project opportunities, a healthy balance sheet and a strong financial position. The company's plan is to invest approximately SEK 30 billion up to 2030 in the development of both tenant-owned dwellings and investment properties.

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Ulrika Danielsson
CFO

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Consolidated income statement

Amounts in SEK m	Note	2021	2020
Rental income	IE.1	2,292	2,344
Net sales, project and construction work		792	495
Net sales	IE.3	3,084	2,839
Property management costs			
Service charge-related costs		-163	-165
Other operating costs		-177	-208
Management costs		-158	-166
Repairs		-41	-45
Property tax		-182	-185
Non-deductible VAT		-11	-9
	IE.4-7	-732	-779
Project and construction work costs		-685	-508
Gross profit	IE.3	1,666	1,552
- of which gross profit/loss property management (operating surplus)		1,560	1,565
- of which gross profit/loss from project and construction work	IE.8	107	-13
Central administration, property management		-82	-75
Central administration, project and construction work		-15	-17
	IE.2 IE.6	-97	-91
Financial income	F.3	1	3
Financial expenses	F.3	-292	-309
Leasehold fees	IE.4	-28	-31
		-320	-337
Profit before changes in value		1,249	1,124
Changes in value			
Properties, unrealised	A.1 IE.9	3,040	-119
Properties, realised	A.1	-22	-81
Derivatives, unrealised	F.2	388	-252
		3,406	-452
Profit before tax		4,656	672
Current tax	T.1	-0	-41
Deferred tax	T.1-3	-899	236
		-899	195
Profit for the year, entirely attributable to the parent company's shareholders		3,757	867
Earnings per share, SEK		29.65	6.69
Weighted average number of shares, thousands		126,688	129,554

Consolidated statement of other comprehensive income

Amounts in SEK m	Note	2021	2020
Profit for the year		3,757	867
Other comprehensive income			
Items which will be reclassified to profit/loss			
Cash flow hedging	F.2	5	13
Tax attributable to cash flow hedging	T.3	-1	-3
Total other comprehensive income		4	10
Total comprehensive income for the year, entirely attributable to the parent company's shareholders		3,761	877

Comments on the consolidated income statement

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%, excluding rebates related to Covid-19, and 2.5% 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. The letting rate was 91% (91%), including project properties. Contracted annual rents at the end of the year amounted to SEK 2,379 million (SEK 2,266 m). During the year, non-recurring payments of SEK 32 million (SEK 6 m) were received for premature vacating of premises. At the end of the year the market value for comparable portfolios was SEK 39,889 million (SEK 36,858 m), corresponding to 77% of the total value of the property portfolio.

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

Rental income trend	2021	2020	Change, %
Comparable portfolios, excl. rebates related to Covid-19	2,043	2,022	1.0%
Non-recurring payments, incl. rebates related to Covid-19	21	-37	
Project properties	169	134	
Properties acquired	23	9	
Properties sold	37	216	
Rental income	2,293	2,344	-2.2%

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%; 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	2021	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% excluding rebates relating to Covid-19, and 4.0% including rebates relating to Covid-19 compared with previous years.

The operating surplus margin amounted to 68% (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 ('kvarter 1') of the tenant-owned dwelling project in Nobelberget with a profit of SEK 91 million and a project return of 30%. Sales in TL Bygg amounted to SEK 781 million (SEK 858 m) for the period, of which 47% (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.

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.

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% (1.6%). In addition, costs for leasehold fees amounted to SEK -28 million (SEK -31 m).

Comments on the consolidated income statement, cont.

CHANGES IN VALUE

Unrealised changes in value attributable to properties amounted to SEK -3,040 million (SEK -119 m) for the year and are explained in the table below.

Unrealised changes in value	2021	2020
Direct yield requirements	1,191	482
Cash flow, etc.	707	-859
Project returns	974	258
Development rights	168	0
Total	3,040	-119
Unrealised change in value, %	6.4%	-0.3%

Realised changes in the value of investment properties amounted to SEK -22 (SEK -81 m) and were mostly attributable to the sale of the Kolding 3 and 4 properties, which were vacated on 1 July 2021.

At the end of the year, the derivative portfolio comprised SEK 15,858 million (SEK 14,992 m) in interest rate and currency swaps, with maturity between 2024 and 2032. Currency swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone. 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). Current tax amounted to SEK -0 million due to the option of taxable depreciation and direct deductions for some property reconstruction work. Deferred tax is mostly affected by unrealised changes in the value of properties and derivatives.

The Group's accumulated tax deficit amounted to SEK 37 million (SEK 0 m) and comprises the base of the Group's deferred tax receivable.

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

Profit

Profit before changes in value totalled SEK 1,249 million (SEK 1,124 m). Profit for the period amounted to SEK 3,757 million (SEK 867 m), corresponding to SEK 29.65/share (SEK 6.69).

Other comprehensive income

Other comprehensive income reports the reversal of the hedging reserve in equity which relates to the derivatives (interest swaps) which until 31 December 2011 applied hedge accounting. As of this date Atrium Ljungberg does not apply hedge accounting to these instruments in the consolidated accounts.

Consolidated balance sheet

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Investment properties	A.1	50,335	46,026
Right-of-use asset, leaseholds	IE.4	1,025	1,179
Property, plant and equipment	A.2	32	29
Goodwill	A.3	165	165
Shares in associated companies and joint ventures	GS.2	2	6
Deferred tax receivable	T.2	58	5
Derivatives	F.2	138	7
Other non-current receivables		56	178
Total non-current assets		51,810	47,594
Current assets			
Development properties	A.4	1,254	1,308
Accounts receivable	A.5	134	179
Other receivables	A.6	180	90
Prepaid costs and accrued income	A.7	186	165
Cash and cash equivalents	F.1-2	719	279
Total current assets		2,475	2,021
Total assets		54,285	49,615

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital		333	333
Other capital contributions		3,960	3,960
Provisions		-	-4
Retained earnings including profit for the year		21,248	18,380
Total equity attributable to the parent company's shareholders		25,541	22,668
Non-current liabilities			
Deferred tax liability	T.3	5,621	4,686
Non-current interest-bearing liabilities	F.1-2	20,561	18,905
Non-current finance lease liability		1,025	1,179
Derivatives	F.2	238	662
Other non-current liabilities	OL.1	267	229
Total non-current liabilities		27,712	25,662
Current liabilities			
Accounts payable		286	192
Tax liabilities		4	152
Other liabilities	OL.2	59	358
Accrued costs and prepaid income	OL.3	683	582
Total current liabilities		1,032	1,285
Total equity and liabilities		54,285	49,615

Comments on the consolidated balance sheet

Non-current assets

The carrying amount for investment properties amounted to SEK 50,335 million (SEK 46,026 m) at the end of the year. Development rights and land accounted for SEK 781 million (SEK 463 m) of this total. Investments in Atrium Ljungberg's held properties amounted to SEK 2,059 million (2,208). During the year the acquisition and possession of the Lindholmen 44:2 property took place, while the leaseholds Kolding 3 and 4 were vacated. Unrealised changes in the value of investment properties for the year amounted to SEK 3,040 million (SEK -119 m).

CHANGE IN INVESTMENT PROPERTIES

SEK m	2021	2020
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

The consolidated goodwill arose in conjunction with a business combination and comprises the difference between nominal tax and the tax which the company actually included during the acquisition. The reported goodwill amounted to SEK 165 million (SEK 165 m).

A deferred tax receivable for loss carry-forwards totalling SEK 0 million was recognised at the beginning of the year. The deferred tax receivables calculated on the basis of the fiscal deficit as of 31 December 2021 amounted to SEK 8 million.

Current assets

Cash and cash equivalents at the end of the financial year amounted to SEK 719 million (SEK 279 m). The remaining current assets amounted to SEK 1,755 (SEK 1,742 m), of which SEK 1,254 million (SEK 1,308 m) is attributable to development properties.

Development properties

The development properties are recognised at the lower of the costs expended and the estimated net realisable value. Investments in tenant-owned dwellings projects amounted to SEK 220 million (SEK 305 m).

DEVELOPMENT PROPERTIES

SEK m	2021	2020
At the beginning of the period	1,308	997
Sales for tenant-owned dwelling projects	-284	-
Reclassification	11	7
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

Equity

Equity on the closing date amounted to SEK 25,541 million (SEK 22,668 m), corresponding to SEK 202.20/share (SEK 177.46/share). The change in equity is mainly attributable to the profit for the year of SEK 3,757 million. The hedging reserve decreased by SEK 4 million (SEK 10 m) and has now been fully redeemed. The change in the hedging reserve refers to the successive reversal of the opening hedging reserve due to the fact that the Group no longer applies hedge accounting to interest swaps. During the year there was a change in own shares of SEK 248 million (SEK 343 m), which includes both the buy-back and the issue of shares in conjunction with the stock option programme.

The dividend paid, which was approved at the Annual General Meeting held in March 2021, amounted to SEK 640 million (SEK 649). The equity ratio was 47.1% (45.7%) at the end of the year. Long-term net asset values amounted to SEK 236.29/share (SEK 210.56/share).

Deferred tax liabilities

Deferred tax liabilities are recognised at 20.6% of temporary differences between fiscal values and book values, primarily with regard to investment properties and financial instruments. The recognised liabilities as of 31 December 2021 amounted to SEK 5,621 million (SEK 4,686 m). This year-on-year change is primarily attributable to unrealised changes in the value of properties and financial instruments.

Interest-bearing liabilities

At the turn of the year, the interest-bearing liabilities in accordance with the balance sheet totalled SEK 20,561 million (SEK 18,905 m), a net decrease of SEK 1,656 million. The raising of new loans refers to financing of investments and acquisitions.

The average maturity date was 4.8 years (4.7 years). The average fixed interest term was 4.7 years (5.0 years). The loan-to-value ratio was 39.9% (39.9%).

The market value of derivatives at the end of the year amounted to SEK -100 million net (SEK -656 m).

Atrium Ljungberg's financing is described in more detail on pages 40-43.

Consolidated changes 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 year				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 December 2020	333	3,960	-4	18,380	22,668
Profit for the year				3,757	3,757
Other comprehensive income			4		4
Acquisition of own shares				-248	-248
Dividend, SEK 5.05/share				-640	-640
Closing balance as of 31 December 2021	333	3,960	-	21,248	25,541

There are a total of 133,220,736 shares (133,220,736), of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. During the period Atrium Ljungberg acquired 1,425,378 (2,100,000) class B shares and at the end of the year owned 6,907,378 class B shares (5,482,000). The number of outstanding shares amounted to 126,313,358 (127,738,736) at the end of the year. The weighted average number of outstanding shares for 1 January 2021 to 31 December 2021 amounted to 126,687,995 (129,553,599). The quota value of the share was SEK 2.50.

Consolidated cash flow statement

Amounts in SEK m	Note	2021	2020
Profit before tax		4,656	672
Reversal of depreciation, amortisation and impairment	IE.7	13	13
Realised changes in value, investment properties		22	81
Unrealised changes in value, investment properties	A.1	-3,040	119
Unrealised changes in value, financial instruments		-388	252
Other items not included in the cash flow		-87	-9
Tax paid		-148	6
Cash flow from operating activities before changes in working capital		1,027	1,134
Net change in working capital		222	113
Change in working capital		222	113
Cash flow from operating activities		1,249	1,246
INVESTMENT ACTIVITIES			
Acquisition of properties	A.1	-25	-407
Investments in held properties and tenant-owned dwelling projects	A.1	-2,242	-2,513
Sale of properties		744	3,797
Investment in financial non-current assets		119	-145
Purchases of machinery and equipment		-19	-8
Cash flow from investment activities		-1,423	725
FINANCING ACTIVITIES			
Change in other non-current liabilities		17	5
Loans raised	F.1	11,461	5,886
Repayment of debts	F.1	-9,976	-7,047
Dividends paid		-640	-649
Buy-back of own shares		-248	-343
Cash flow from financing activities	F.4	614	-2,149
Cash flow for the year		440	-177
Cash and cash equivalents at the start of the year		279	457
Cash and cash equivalents at the end of the year		719	279
Information on interest paid			
Interest received amounted to		1	3
Interest paid amounted to		-373	-370
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		719	279

Comments on the consolidated cash flow statement

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).

Investment activities affected cash flow by SEK -1,423 million (SEK 725 m); the positive contribution in the previous year was attributable to the sale of Farsta Centrum. The cash flow in financing activities amounted to SEK 614 million (SEK -2,149 m) and is positive as a result of a higher volume of bank loans and green bonds.

Available liquidity amounted to SEK 8,316 million (SEK 5,348 m) at the end of the year 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) in addition to credit facilities covering outstanding commercial paper.

Parent company income statement

Amounts in SEK m	Note	2021	2020
Rental income	IE.1	39	77
Management income		260	318
Net sales		298	395
Property costs	IE.4	-17	-32
Management and administration expenses	IE.5-6	-324	-389
Capital gain/loss from sale of properties	IE.7	-353	-7
Depreciation		-18	-16
Operating profit	G.5 IE.4	-414	-50
Earnings from shares in Group companies	PC.2	652	3,560
Interest income and similar profit items	F.3	1058	622
Interest expenses and similar profit items	F.3	-575	-606
		1,135	3,576
Profit after financial items		720	3,527
Appropriations	PC.4	92	72
Profit before tax		812	3,599
Current tax	T.1	-	-4
Deferred tax	T.1-3	1	34
		1	30
Profit for the year		813	3,629

Parent company statement of comprehensive income

Amounts in SEK m	2021	2020
Profit for the year as per income statement	813	3,629
Other comprehensive income	-	-
Total comprehensive income for the year	813	3,629
Dividend per share, SEK (2021, proposed)	5.20	5.05

Comments on the parent company's accounts

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). Rental income decreased mostly as a result of the properties Kolding 3 and Kolding 4 in Kista being vacated on 1 July 2021. Management income decreased as a result of lower sales of management services to companies within the Group. Management and administration expenses fell, mostly due to fewer activities being carried out as a result of the Covid-19 pandemic. Operating profit amounted to SEK -414 million (SEK -50 m) and was negatively affected by the internal sale of Kolding 3 and 4, which was carried out in conjunction with the properties being sold externally. Earnings from shares in Group companies were mainly affected by dividends from subsidiaries that amounted to SEK 695 million (SEK 3,560 m). The increase in Interest income and similar profit items compared with the previous 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 company's property portfolio and are lent on to other Group companies.

The parent company's cash flow from operating activities amounted to SEK 166 (SEK 155 m). The cash flow from investment activities amounted to SEK 66 million (SEK -244 m), and cash flow from financing activities amounted to SEK 156 million (SEK -102 m). The cash flow for the year amounted to SEK 388 million (SEK -191 m) Cash and cash equivalent as the end of the financial year stood at SEK 592 million (SEK 205 m).

Parent company balance sheet

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Property, plant and equipment			
Investment properties	A.1 PC.3	–	796
Machinery and equipment	A.2	8	12
Total property, plant and equipment		8	808
Financial non-current assets			
Shares in Group companies	GS.1 PC.2	1,314	978
Deferred tax receivable	T.2	39	105
Other non-current receivables		56	178
Total financial non-current assets		1,409	1,261
Total non-current assets		1,418	2,069
Current assets			
Accounts receivable	A.5	1	3
Receivables from Group companies	G.6	23,578	24,564
Ongoing work		332	195
Tax receivables		40	37
Other receivables	A.6	21	13
Prepaid costs and accrued income	A.7	20	16
Cash and cash equivalents	F.1-2	592	205
Total current assets		24,585	25,033
Total assets		26,002	27,101

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (133,220,736 shares, quota value: SEK 2.5)		333	333
Statutory reserve		265	265
		598	598
<i>Non-restricted equity</i>			
Share premium reserve		3,948	3,948
Profit brought forward		4,808	2,067
Profit for the year		813	3,629
		9,569	9,644
Total equity		10,167	10,243
Untaxed reserves	PC.4	6	21
Provisions			
Pension provision		20	16
Deferred tax liability	T.3	–	67
Total provisions		20	83
Non-current liabilities			
Non-current interest-bearing liabilities	F.1-2	15,457	15,967
Derivatives	F.2	238	662
Other non-current liabilities	OL.1	1	1
Total non-current liabilities		15,695	16,630
Current liabilities			
Accounts payable		33	18
Other liabilities	OL.2	5	36
Accrued costs and prepaid income	OL.3	76	71
Total current liabilities		114	125
Total equity and liabilities		26,002	27,101

Parent company changes in equity

Amounts in SEK m	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Total equity
Opening balance as of 1 January 2020	333	265	3,948	3,060	7,606
Profit for the year				3,629	3,629
Buy-back of own shares				-343	-343
Dividend, SEK 5.00/share				-649	-649
Closing balance as of 31 December 2020	333	265	3,948	5,696	10,243
Profit for the year				813	813
Buy-back of own shares				-248	-248
Dividend, SEK 5.05/share				-640	-640
Closing balance as of 31 December 2021	333	265	3,948	5,620	10,167

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. At the end of the year the parent company had 6,907,378 (5,542,000) of its own class B shares. At the end of the year, the number of outstanding shares amounted to 126,313,358 (127,738,736). The average weighted number of outstanding shares for 2021 SEK amounted to 126,687,995 (129,553,599). The quota value of the share was SEK 2.50.

Parent company cash flow statement

Amount, SEK m	Note	2021	2020
Profit before tax		812	3,599
Reversal of depreciation, amortisation and impairment	IE.7	65	16
Capital gain/loss		353	0
Unreceived dividends from subsidiaries	PC.2	-700	-3,560
Other items not included in the cash flow	PC.4	-340	96
Tax paid		-3	-31
Cash flow from operating activities before changes in working capital		188	120
Net change in working capital		-22	35
Change in working capital		-22	35
Cash flow from operating activities		166	155
INVESTMENT ACTIVITIES			
Acquisition of Group companies		-342	-
Purchase/sale of machinery and equipment		-4	-3
Reconstruction and new construction of properties	PC.3	-1	-55
Investment in work in progress		-146	-40
Investment in financial non-current assets		121	-146
Sale of properties		438	-
Cash flow from investment activities		66	-244
FINANCING ACTIVITIES	F.4		
Change in other non-current liabilities		0	0
Change in receivables from Group companies		1,722	763
Loans raised	F.1	11,484	5,336
Repayment of debts	F.1	-12,162	-5,209
Dividends paid		-640	-649
Buy-back of own shares		-248	-343
Cash flow from financing activities		156	-102
Cash flow for the year		388	-191
Cash and cash equivalents at the start of the year		205	395
Cash and cash equivalents at the end of the year		593	205
Information on interest paid			
Interest received amounted to		633	622
Interest paid amounted to		-413	-442
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		593	205

Supplementary information – notes

G General information and accounting policies

G.1 General information

Atrium Ljungberg AB (publ.), company ID no.: 556175-7047, is registered in Sweden with its registered office in Nacka and street address Smedjegatan 2C, SE-131 04 Nacka. Atrium Ljungberg's class B share has been listed on the Nasdaq Stockholm Exchange since 1994. 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, residentials and retail mix with culture, services, healthcare and education. The annual accounts and the consolidated accounts in respect of the 2021 financial year were approved for publication by the Board of Directors on 1 March 2022. It is proposed that the annual accounts and the consolidated accounts be adopted at the Annual General Meeting held on 23 March 2022.

G.2 Consolidated accounts and their preparation

SCOPE OF CONSOLIDATED ACCOUNTS

The consolidated accounts comprise the parent company, Atrium Ljungberg AB, and the companies over which the parent company has a controlling influence (subsidiaries). The parent company has controlling influence when it is exposed to or has entitlement to variable yield from its engagement in a company and can affect the yield using influence over the company. This is normally fulfilled when the parent company directly or indirectly holds shares that represent more than 50% of the votes. Controlling influence can also be exercised in ways other than through share ownership.

The results of subsidiaries acquired or sold during the year are included in the Consolidated Statement of Comprehensive Income up to and including the date when the transaction occurred, i.e. when the controlling influence arises and ceases.

PREPARATION OF THE CONSOLIDATED ACCOUNTS

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS)

approved by the EU and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as of 31 December 2021. The consolidated accounts have also been prepared in accordance with Swedish law and with the application of RFR 1, Complementary accounting regulations for corporate groups, issued by the Swedish Accounting Standards Board.

If the accounting policies of the subsidiaries deviate from those of the Group, the subsidiaries' accounting is adjusted to comply with the same policies as the Group.

Internal transactions between Group companies and intra-Group transactions are eliminated in conjunction with the preparation of the consolidated accounts. Assets and liabilities are recognised at cost, with the exception of investment properties and derivative instruments, which are valued and recognised at fair value. The consolidated accounting policies described have been applied consistently to all periods presented in the Group's financial statements, unless otherwise indicated below. The functional currency of the parent company is the Swedish krona, which is also the reporting currency for the parent company and the Group. All amounts are shown in SEK million unless otherwise indicated.

ACQUISITIONS

During an acquisition an assessment is carried out to ascertain whether it is a business combination or an asset acquisition. If substantially all of the fair value of the gross assets acquired is attributable to a single identifiable asset or group of similar identifiable assets, the acquisition is an asset acquisition. If it is not an asset acquisition, it is business combination, if there are operations/activities that can generate a return.

For the acquisition of a subsidiary, the assets of which only comprise a property and lack management organisation and administration, the acquisition is classified as an asset acquisition in most cases. The acquisition value of assets or net assets is divided among the individual identifiable assets and liabilities based on their relative fair values at the time of acquisition.

The acquisition of an independent business therefore only comprises a business combination and is recognised using the acquisition method. The cost of a business combination comprises the fair value on the transaction date of assets paid, of liabilities arising or assumed, and of the equity instruments issued by the acquiring party in return for the controlling influence over the acquired unit. Acquired and identifiable assets, liabilities and contingent liabilities are measured at fair value on the acquisition date. If the cost of the shares acquired exceeds the sum of the fair value of acquired and identifiable assets, liabilities and contingent liabilities, the difference is recognised as goodwill. If the cost is lower than the fair value calculated in the manner described above, the difference is recognised directly in the income statement.

ASSOCIATED COMPANIES

Associated companies are companies in which the Group has a controlling influence, normally through a shareholding of a minimum of 20% and a maximum of 50% and recognised using the equity method. Under the equity method, shares in associated companies are recognised at cost on the acquisition date and subsequently adjusted by the Group's share of the change in the associated company's net assets. The Group's book value of the shares in the associated companies corresponds to the Group's share in the associated companies' equity and any residual value of consolidated surplus and deficit values.

SIGNIFICANT ASSESSMENTS AND ASSUMPTIONS IN CONNECTION WITH THE APPLICATION OF THE GROUP'S ACCOUNTING POLICIES

To prepare the accounts in accordance with IFRS and generally accepted accounting principles, assessments and assumptions are required which affect recognised assets, liabilities, income and costs, as well as other information in the accounts. These assessments and assumptions are based on historical experience and other factors deemed reasonable under the prevailing circumstances. Actual outcomes may differ from these assessments if other assumptions are made or other conditions exist.

The assumptions deemed most significant when preparing the financial statements are described below.

When valuing investment properties, assessments and assumptions can have a material impact on the consolidated profit and financial position. This valuation requires executive management to make assessments and assumptions on future cash flow, and a determination of the discount factor (yield requirements) for each property. For more information see note A.1.

The acquisition of a company can be classified either as a business combination or an asset acquisition. A company acquisition whose primary purpose is to acquire a company's property and where the company's potential management organisation and administration are of secondary importance to the acquisition is classified as an asset acquisition. Other company acquisitions are classified as business combinations. For asset acquisitions, no deferred tax is recognised that is attributable to the acquisition of the property; instead, any tax discount reduces the cost of the property. This means that changes in value will be affected by the tax discount in the subsequent valuation.

Deferred tax is to be recognised using the nominal tax rate without discount, calculated according to the tax rate of 20.6% set by the Riksdag from 2021. Actual tax is considerably lower, in part due to the possibility of selling properties in a tax-efficient manner, and in part due to the time factor. An assessment of the potential for offsetting the deficit against future profits is made during the valuation of loss carry-forwards.

Project and construction revenue is recognised as the project progresses, i.e. in accordance with the 'percentage-of-completion' method. The percentage-of-completion method is when an assessment is made of the expected revenue from the assignment and the percentage of completion.

Allocations to the guarantee reserve for construction work are made in the amount of 0.5% of the contract sum during the guarantee period. The allocation is based on historical experience and an assessment of the risks inherent in ongoing projects.

CASH FLOW STATEMENT

Cash flow statements are prepared using the indirect method, in accordance with IAS 7, and the profit is consequently adjusted for transactions that have not entailed payments received or made and for income and expenses that can be attributed to investment and/or financial activities.

G.3 New standards and interpretations

European Single Electronic Format (ESEF)

In 2019 new rules were introduced in the EU for the electronic reporting of financial statements. These rules mean that annual accounts and consolidated accounts that contain financial statements must be prepared in XHTML format and that financial statements that are prepared in accordance with IFRS must be marked up in accordance with a taxonomy produced by

ESMA. The statements in XHTML format must be presented on the company's website and submitted to Finansinspektionen (Swedish Financial Supervisory Authority) when the annual report is published. These new rules have been applied for the annual accounts for the 2021 financial year.

Temporary tax reduction for machinery and equipment

For taxpayers that use the calendar year as their financial year, this tax reduction applies to machinery and equipment that were acquired in 2021 and that are still there at the end of 2022. This tax reduction amounts to 3.9%. It can be used for the 2022 fiscal year at the earliest and any remaining reduction can be carried over and utilised for the 2023 fiscal year. For Atrium Ljungberg this means a deferred tax receivable and tax income for 2021 have been recognised in the financial statements.

G.4 New standards and interpretations that have not yet entered into force

In 2021 IASB approved several 'agenda decisions' from IFRS IC. Atrium Ljungberg's assessment is that they will not have any material impact on the Group's financial statements.

G.5 Events after the closing date

The Board of Atrium Ljungberg AB intends to propose a dividend of SEK 5.20 per share to the Annual General Meeting. The income statement and balance sheet for the parent company and the Group will be adopted at Atrium Ljungberg AB's Annual General Meeting, which will be held on 23 March 2022.

On 11 February Atrium Ljungberg held its Capital Markets Day, where it announced its goal to invest SEK 30 billion in its own development projects up to 2030 with a project return of SEK 10 billion. This goal is based on current production costs, rental levels and yield requirements, as well as an assessed schedule for detailed development plans and building permits.

G.5 Information on related parties

The following legal entities and physical persons have been identified as related parties of Atrium Ljungberg AB:

- All companies within the Atrium Ljungberg Group, see note GS.1
- Board members, executive management, and their close family members for all companies in the Atrium Ljungberg Group.

- Companies controlled by board members, executive management or their family members, or companies where these people have a controlling influence.
- Our principal owners; the Stockholm Consumer Cooperative society, the Ljungberg family with companies, and the Holmström family with companies

TRANSACTIONS AND DEALINGS BETWEEN THE PARENT COMPANY AND OTHER GROUP COMPANIES

	Parent company	
	2021	2020
Sale to subsidiaries	226	317
Purchasing from subsidiaries	-28	-16
Interest income from subsidiaries	633	620
Dividends from subsidiaries	695	3,560
Interest expenses to subsidiaries	-109	-133
Receivables from related parties (Group companies)	23,578	24,564
Liabilities to related parties (Group companies)	-	-

OTHER

No other transactions between related parties and Atrium Ljungberg have taken place during the year. Remuneration to the Board of Directors and executive management is shown in note IE.6.

IE Income and expenses

REVENUE

Revenue comprises rents and remuneration for external project and construction activities.

Rental income

All lease contracts are classified as operating leases. Rental income is notified in advance and is distributed on a straight-line basis over the term of the contract other than when the terms of the lease contract are such that a different form of distribution would better reflect the way in which the economic benefits attributable to the letting of the investment property change over time. Rental payments in advance are recognised as prepaid income. The gross rent includes items in respect of costs passed on for, inter alia, property tax, electricity and heating.

Substantial rent rebates have been distributed over the term of the contracts. However, rent rebates related to Covid-19 are recognised in the period that the rent rebates relate to, as it has been assessed that these rebates do not constitute a modification of the agreement.

Sales-based rent has been estimated in the closing accounts on the basis of reported sales data. Sales-based rent is determined in subsequent years once tenants' auditors have determined the tenants' sales. Any difference between the established and estimated annual rent is recognised as an amended assessment in the period in which the annual rent is established.

Project and construction revenue

Project and construction revenue is recognised as the project progresses, i.e. in accordance with the 'percentage-of-completion' method. The degree of recognition – the degree of completion – is primarily determined on the basis of project costs expended in relation to the estimated total engagement expenses in conjunction with completion. If the result of a project cannot be reliably calculated, a revenue is recognised that corresponds to expenses disbursed as of the closing date. Anticipated losses are immediately recognised as an expense. The difference between recognised project revenue and as yet uninvoiced amounts is recognised as a contract asset and included in Prepaid costs and accrued income in the consolidated balance sheet. Similarly, the difference between an

invoiced amount and as yet earned project revenue is recognised as a contract liability and included in Accrued costs and prepaid income in the balance sheet.

Revenue from property sales

Earnings from the sale of investment properties is recognised in the Properties, realised row in the consolidated income statement. Revenue attributable to property sales is recognised when control transfers to the purchaser. This normally coincides with the date of possession, as this is normally when the terms and conditions in the contract have to be met in order for the purchase to be completed. Read more about investment properties in note A.1.

Revenue from tenant-owned associations

Atrium Ljungberg builds properties that are intended for sale to tenant-owned associations after completion. Earnings from these sales are only recognised when the property has been completed and mostly occupied, i.e. the moment when Atrium Ljungberg has transferred the property to the end customer. Read more about development properties in note A.4.

Government grants

Government grants mostly comprise compensation for reduced rents. These grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to the grants and the grants will be received. Government grants relating to compensation for reduced rents are recognised in the Rental income row in the income statement and in the same period when the rental income was reduced.

Other income

Interest income is recognised over the interest term, applying the effective interest method. Effective interest is the interest that ensures that the current value of all future payments received and made during the fixed interest term is the same as the carrying value of the receivable.

PROPERTY MANAGEMENT COSTS

The concept of property costs includes both direct and indirect expenses of managing a property. Direct expenses relate, inter alia, to service charge-related costs, maintenance costs and

property tax. Service charge-related costs cover electricity, heating, cooling, water and sewage. Indirect expenses relate to costs of letting, rent administration and accounting.

LEASING

A lease is an agreement whereby a lessor grants a lessee the right to make use of an asset in return for payment, on agreed terms and conditions for a contractually agreed period of time.

Atrium Ljungberg as a lessee

A lessee recognises assets and liabilities attributable to all leases, except for leases with a term of less than 12 months and/or if the underlying asset is of low value. For Atrium Ljungberg this means that a right-of-use asset and a non-current lease liability attributable to leasehold agreements are recognised in the balance sheet.

Other leases, including benefits received in conjunction with the signing of a lease and higher lease fees, are recognised on a straight-line basis in the income statement over the term of the lease.

Read more about leasehold agreements and leases in note IE.4.

Atrium Ljungberg as a lessor

Atrium Ljungberg is the lessor in conjunction with the granting of premises to tenants. Read more about rental income from operating leases in the Rental income section above.

IE.1 Income and lease contracts

As of 1 January 2022 the contracted annual rent, including turnover-based rent, amounted to SEK 2,379 million (2,266 m) in the Group, of which SEK 1 million (SEK 73 m) in the parent company.

Maturity structure for lease contracts	The Group				Parent company			
	Number of contracts	Contracted rent, '000 m ² SEK m	Per-cent, %	Number of contracts	Contracted rent, '000 m ² SEK m	Per-cent, %		
2022	524	107	315	13	1	-	1	100
2023	314	162	510	21	-	-	0	-
2024	318	153	506	21	-	-	0	-
2025	190	98	333	14	-	-	0	-
2026	80	67	198	8	-	-	0	-
2027 and thereafter	79	130	416	17	-	-	0	-
Residentials	617	34	61	3	-	-	0	-
Garage/parking	211	100	40	2	-	-	0	-
Total	2,333	851	2,379	100	1	-	1	100

Letting rate and rental value 1 January 2022	The Group		
	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Letting rate, %
Offices	1,251	3,158	90
Retail	777	3,412	91
Other	311	2,370	95
Residentials	61	1,815	99
Garage/parking	40	-	96
Business area Property	2,440	3,093	91
Project properties	180		86
Total	2,620		91

¹⁾ Excluding garage.

Letting rate and rental value 1 Jan 2021	The Group		
	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Letting rate, %
Offices	1,227	2,936	91
Retail	744	3,385	91
Other	229	2,105	92
Residentials	49	1,731	100
Garage/parking	54	-	94
Business area Property	2,303	2,972	91
Project properties	178		93
Total	2,481		91

¹⁾ Excluding garage.

Lease contracts for retail space may contain contractual terms that mandate a minimum rent with a surcharge depending on the turnover of the shop. SEK 34 million (SEK 32 m) of the company's contracted annual rent comprises the estimated turnover surcharges in addition to the minimum rent, corresponding to 1% of the contracted annual rent.

The rents are billed and paid in advance, which means that all of the Group's rent receivables are due for payment after the provision/impairment has been made. See note A.5 Accounts receivable for more information about impairment attributable to rent receivables.

Commercial lease contracts, for which the rents are paid quarterly in advance, are signed for a specific period of time, which means that any changes in market rents do not have a direct impact on rental income. The agreed rental levels formally apply until the contract in question is due for renegotiation. Commercial contracts include an 'index clause', which involves an increment in the rent, corresponding to a specific percentage of inflation from the previous year. The contract maturity structure for Atrium Ljungberg's portfolio is set out in the following table, where the contracted rent refers to the annual value. The relatively low proportion that reached maturity in 2022 is mostly due to the fact that the notice periods meant that the majority had already been renegotiated. The most common term for a new contract is 3-5 years with a notice period of nine months. The average remaining contracted duration, excluding residentials and parking, was 3.9 years (3.5 years) as of 1 January 2022.

Government grants and rebates attributable to Covid-19 that have been recognised in the Rental income row	The Group	
	2021	2020
Rental income excluding rebates attributable to Covid-19	2,302	2,387
Rebates attributable to Covid-19	-18	-71
Government grants attributable to rebates related to Covid-19	8	28
Total Rental income	2,292	2,344

Contract size, SEK m	The Group			
	Number of contracts	Percentage, %	Contracted rent, SEK m	Percentage, %
Commercial				
<0.25	606	26%	37	2%
0.25-0.5	126	5%	48	2%
0.5-1.0	249	11%	182	8%
1.0-3.0	344	15%	590	25%
>3.0	173	7%	1,422	60%
Total	1,498	64%	2,279	96%
Residentials	617	27%	61	3%
Parking spaces	211	9%	40	2%
Total	2,326	100%	2,379	100%

IE.2 Central administration

ACCOUNTING POLICIES

Central administration for property management mainly comprises the costs attributable to the Board of Directors, CEO, and other senior executives, and audit costs, as well as corporate costs for the provision of information for shareholders, maintaining the stock market listing, costs relating to the preparation of the annual accounts, and costs for the depreciation of machinery and equipment. For depreciation of machinery and equipment associated with the central administration, see note IE.7. For information about costs attributable to the Board of Directors, the CEO and other senior executives, see note IE.5.

REMUNERATION TO AUDITORS

Central administration also includes remuneration to auditors, see the table below.

Fees and expenses paid to auditors	The Group		Parent company	
	2021	2020	2021	2020
PWC				
Audit engagement	2	3	1	2
Other additional audit-related work	0	0	0	0
Other services	0	-	-	-
Tax consultancy	-	-	-	-
Total	3	3	1	2

Audit assignment refers to the auditor's fee for the statutory audit, i.e. such work that is necessary to issue the audit report. Other additional audit-related work refers in principle to what is termed quality assurance services, as well as advice and other assistance resulting from observations during the examination or execution of such other tasks. All services have been provided by PricewaterhouseCoopers AB.

CENTRAL ADMINISTRATION FOR PROJECT AND CONSTRUCTION ACTIVITIES

Central administration for project and construction activities includes indirect costs for support functions that have been allocated to developing development properties and costs attributable to the CEO and support functions within TL Bygg's operations.

IE.3 Segment reporting

ACCOUNTING POLICIES

The identification of reportable segments is based on the internal reporting to the most senior executive decision maker, which is deemed to be the parent company's CEO. The Group is managed on the basis of the earnings measurement of gross profit divided by the identified and reportable operating

segments shown below. Profit and loss items that are not divided by segment are financial items and taxes. Sales between segments have been eliminated in the Group's sales. Accounting policies applied for the segment reporting concur with the consolidated accounting policies and presentation formats for the income statement.

100% of the Group's income was generated in the country where the parent company has its registered office, namely Sweden. No single customer accounts for more than 10% of the Group's total revenue.

All non-current assets are in the country where the parent company has its registered office, i.e. in Sweden.

	Properties		Project and construction activities		Of which project development ¹⁾		Of which TL Bygg		Eliminations		Non-allocated items		The Group	
Amounts in SEK m	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rental income	2,315	2,367							-23	-23	-	-	2,292	2,344
Net sales, project and construction work			1,160	881	394	23	766	858	-368	-386	-	-	792	495
Net sales	2,315	2,367	1,160	881	394	23	766	858	-391	-409	-	-	3,084	2,839
Property management costs	-743	-793							11	14	-	-	-732	-779
Project and construction work costs			-1,034	-846	-325	-36	-708	-810	348	338	-	-	-685	-508
Gross profit	1,572	1,573	126	36	69	-13	57	48	-32	-57	-	-	1,666	1,552
Central administration	-82	-75	-15	-17	-3	-5	-12	-12	-	-	-	-	-97	-91
Financial income and expenses	-28	-31							-	-	-291	-306	-320	-337
Profit before changes in value	1,461	1,467	112	19	66	-18	45	36	-32	-57	-291	-306	1,249	1,124
Changes in value ^{2) 3)}	3,018	-200									388	-252	3,406	-452
Tax	-								-	-	-899	195	-899	195
Profit for the period	4,480	1,267	112	19	66	-18	45	36	-32	-57	-802	-363	3,757	867
Investments and acquisitions	2,084	2,618	223	306	220	305	3	1	-	-	16	3	2,322	2,927

¹⁾ The profit within project development mainly refers to earnings from residential 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	Properties		Project and construction activities		Of which project development		Of which TL Bygg ¹⁾		Eliminations		The Group	
Amounts in SEK m	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rental income	2,315	2,367							-23	-23	2,292	2,344
Net sales, project and construction work												
of which Turnkey contracts, fixed price			285	216			285	216	-0	-0	285	216
of which Turnkey contracts, open account			266	327			266	327	-262	-313	5	14
of which Performance contracts, fixed price			0	313			0	313	0	-50	0	262
of which Performance contracts, open account			205	1			205	1	-106	-0	99	1
of which Other incl. tenant-owned dwellings			402	23	394	23	8			-23	402	-
Total Net sales, project and construction work			1,160	881	394	23	766	858	-368	-386	792	495
Total Net sales	2,315	2,367	1,160	881	394	23	766	858	-391	-409	3,084	2,839

¹⁾ As of 31 December 2021 TL Bygg's order book amounted to SEK 371 million (SEK 330 m).

IE.4 Leasehold agreements and other leases – Atrium Ljungberg as a lessee

GROUP ACCOUNTING POLICIES

The Group's leases comprise almost entirely leasehold agreements. Other leases comprise vehicles, office machinery, etc. For other leases the Group applies the practical option; recognising payments attributable to short-term leases (12 months or less) and leases where the underlying asset has a low value as an expense on a straight-line basis over the lease term in the income statement, with no right-of-use asset or lease liability therefore being recognised in the balance sheet. Atrium Ljungberg does not apply IFRS 16 for leases for intangible assets.

A right-of-use asset and a lease liability attributable to leaseholds are recognised in the balance sheet. Leaseholds are considered to be perpetual leases and are recognised at their fair value. This means that the right-of-use asset will not be depreciated and the value will remain until the time when the respective leasehold fee is renegotiated. A non-current liability is recognised that corresponds to the value of the right-of-use asset. The lease liability is not amortised, with the value remaining unchanged until the renegotiation of the relevant leasehold fee. Leases are recognised as a right-of-use asset or liability on the day that the leased asset is available for use by the Group, which is normally on the date of possession.

In the income statement the cost of leasehold fees is recognised in their entirety as a financial expense as they are considered to be interest in accordance with IFRS 16.

PARENT COMPANY ACCOUNTING POLICIES

Instead of applying IFRS 16, the parent company applies RFR 2 (IFRS 16 Leases, paragraphs 2–12). When 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 costs of leases attributable to leaseholds and the cost for other leases are recognised in operating profit. The right-of-use asset and the lease liability are therefore not recognised in the balance sheet. For disclosures about the parent company as a lessor, see the section on revenue recognition on page 119.

LEASES GROUP

Leaseholds

Right-of-use assets, leaseholds, are by definition part of the value of the investment properties. As well as the leasehold agreements, there are smaller leases for vehicles, office machinery, etc. The Group has defined these leases as ones where the underlying asset has a low value and the practical option in IFRS 16 has been applied. This means that the lease payment is recognised as an expense on a straight-line basis over the term of the lease in the income statement and no right-of-use asset or lease liability is therefore recognised in the balance sheet. There are no leases less than 12 months in the Group. For information about Investment properties, see note A.1. The following table shows the change in the right-of-use asset attributable to leaseholds.

Right-of-use asset, leaseholds	2021	2020
Beginning of the period	1,179	1,305
Acquisitions	–	–
Sales	–135	–324
Change in leasehold fees	–19	198
Fair value leaseholds at the end of the period	1,025	1,179

Interest expenses for lease liabilities amounted to SEK 28 million (SEK 31 m) in 2021.

As of 31 December 2021 contractual undiscounted cash flows attributable to lease liabilities comprise an annual leasehold fee of SEK 29 million (SEK 26 m) that is paid annual in perpetuity. The annual leasehold fee that has to be paid will be affected in the future by changes to the leasehold fee.

The total cash outflows attributable to leases for leaseholds amounted to SEK 22 million (SEK 28 m) in 2021.

The Group is not linked to any leases that have not yet started and that would involve future cash flows.

Other leases

Other leases comprise leases where the underlying asset is of a low value. The cost for leasing assets of a low value amounted to SEK 9 million (SEK 7 m) in 2021.

The total cash flow attributable to other leases amounted to SEK 9 million (SEK 6 m).

LEASES PARENT COMPANY

The parent company has leases in the form of leaseholds and leases primarily for vehicles and office machinery.

Leaseholds

The cost for leasehold fees for the year amounted to SEK 2 million (SEK 4 m). As of 31 December 2021 the parent company does not have any leaseholds.

Maturity structure lease payments as of 31 Dec 2021	Parent company Rent, SEK m	Percent- age, %
2022	–	–
2023	–	–
2024	–	–
2025	–	–
2026 and thereafter	–	–
Total	–	–

Maturity structure lease payments as of 31 Dec 2020	Parent company Rent, SEK m	Percent- age, %
2021	4	3
2022	4	3
2023	4	3
2024	4	3
2025 and thereafter	118	87
Total	135	100

Other leases

Agreed leases refer primarily to vehicles and office machinery, and have a maturity date of less than 5 years. The year's leasing costs in this category amounted to SEK 22 million (SEK 21 m), while remaining costs during the term amounted to SEK 52 million (SEK 53 m).

IE.5 Personnel costs

ACCOUNTING POLICIES

Remuneration to employees in the form of salaries, paid leave, paid absence due to sickness, etc., and pensions, are recognised as they are earned. Pensions and other remuneration after employment ceases are classified as defined contribution or defined benefit pension plans. The company pays defined fees to a separate, independent legal entity for defined contribution pension plans and has no obligation to pay any additional fees. Costs are charged to the Group's profit/loss as the benefits are earned. The Group has only one defined benefit pension plan, the Alecta plan. According to a statement issued by the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that comprises several employers. A pension plan in accordance with ITP (supplementary pensions for salaried employees) that is secured through an insurance policy with Alecta will, for those financial years for which the company has not had access to information that enables this plan to be recognised as a defined benefit plan, be recognised as a defined contribution plan.

PENSIONS

The year's pension insurance fees in accordance with ITP for the policy with Alecta amounted to SEK 12 million (SEK 11 m). Alecta's surplus may be allocated to the policyholders and/or those insured. At the end of 2021, Alecta's surplus in the form of the collective consolidation level amounted to 172% (preliminary calculation from Alecta) (148%).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance undertakings calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond to IAS 19.

The CEO may retire from the age of 62. The premium is a defined contribution one, and the company consequently has no additional undertaking once the annual premium has been paid. The pensionable age for senior executives other than the CEO is 65. All pensions are, with the exception of the defined benefit ITP plan in accordance with collective agreements, defined contribution plan.

SHARE-RELATED REMUNERATION

At the 2018 Annual General Meeting the shareholders decided to adopt a long-term incentive programme. This programme comprises a stock option programme where all people who were employed by Atrium Ljungberg at that time were invited to participate. This programme aims to increase the share of ownership among employees, which will therefore increase their long-term engagement in the company and its development. Atrium Ljungberg receives services from the employees as remuneration for the Group's equity instruments (stock options). These options have been issued at a rate below market value at the time of subscription, where the price depends partly on whether the employee remains in their employment over a specific period of time or not.

The maturity of these options was approximately 3.5 years and the redemption period was set between 16 August 2021 and 31 December 2021. Options were subscribed by 95 employees and a total of 94,500 call options were issued, which entitled Atrium Ljungberg AB's employees to acquire the same number of class B shares. The strike price was SEK 150.40. During the redemption period all options were used and as of 31 December 2021 Atrium Ljungberg had no outstanding warrants.

SEK thousand	The Group		Parent company	
	2021	2020	2021	2020
CEO, Board of Directors and senior executives				
Salaries	19,202	20,054	19,202	20,054
Payroll overhead	6,244	6,301	6,244	6,301
Pension costs (defined-contribution plans)	5,088	5,021	5,088	5,021
Other				
Salaries	188,109	194,931	126,528	126,119
Payroll overhead	61,605	60,754	40,556	38,166
Pension costs (defined-contribution plans)	27,076	25,112	20,665	18,209
Total	307,325	312,174	218,283	213,870

IE.6 REMUNERATION SENIOR EXECUTIVES

BOARD OF DIRECTORS

Remuneration to the Board of Directors is based on fees determined by the Annual General Meeting. Directors' fees are paid as salary.

SENIOR EXECUTIVES' TERMS AND REMUNERATION

New guidelines that will apply until the 2024 Annual General Meeting were adopted at the Annual General Meeting in 2020 in accordance with the amendments to the Swedish Companies Act. Salaries and other terms and conditions of employment for the executive management will be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines will apply for the executive management, which consists of the CEO and five other senior executives. The CEO's remuneration will be proposed by the Chairman and determined by the Board of

Directors. Other remuneration payable to members of the senior management team will be proposed by the CEO and approved by the Chairman. Remuneration payable to the executive management, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration will be payable. A loan subsidy programme was adopted at the 2018 Annual General Meeting. The loan programme refers to interest compensation for loans raised in order to acquire shares in Atrium Ljungberg. A maximum loan for which interest subsidies can be provided amounts to SEK 4.5 million for the CEO and SEK 1.5 million for other senior executives. The CEO's retirement age is 62, while that of the other members of the executive management is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

The CEO is entitled to a 12-month notice period and severance pay corresponding to 12 months' salary, if notice of termination is given by the company. No other severance pay is payable. Other members of the senior management have notice periods of up to 6 months. The other terms and conditions applied by the company for other Group employees, either in accordance with collective agreements or in accordance with unilateral undertakings by the company to the employees, will otherwise apply, where applicable, to the executive management. Departure from the above-mentioned guidelines by the Board of Directors is permitted if there are specific grounds for doing so in a particular instance.

The executive management is presented on page 100.

Remuneration to CEO, Board of Directors and senior executives	Basic salary/ Directors' fees		Other remuneration		Other benefits		Pension costs		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SEK thousand										
Chairman of the Board										
Johan Ljungberg	490	490	-	-	-	-	-	-	490	490
Other board members										
Conny Fogelström	220	220	-	-	-	-	-	-	220	220
Erik Langby	220	220	-	-	-	-	-	-	220	220
Gunilla Berg	320	290	-	-	-	-	-	-	320	290
Sara Laurell	220	220	-	-	-	-	-	-	220	220
Simon de Château	220	220	-	-	-	-	-	-	220	220
Total	1,690	1,660	-	-	-	-	-	-	1,690	1,660
CEO Annica Ånäs	6,465	6,450	-	-	273	225	2,263	2,322	9,001	8,997
Other senior executives	11,047	11,231	30	62	516	425	2,825	2,699	14,418	14,417
Total	17,512	17,682	30	62	789	649	5,088	5,021	23,419	23,414

IE.7 DEPRECIATION AND IMPAIRMENT

	The Group		Parent company	
	2021	2020	2021	2020
Depreciation in management and production				
Investment properties	-	-	7	11
Machinery and equipment	7	8	0	0
	7	8	7	12
Depreciation in central administration				
Machinery and equipment	6	4	6	4
Total	13	13	13	16

IE.8 PROJECT AND CONSTRUCTION WORK

	The Group		Parent company	
	2021	2020	2021	2020
Gross profit/loss, TL Bygg AB	37	20	-	-
Gross profit, tenant-owned dwelling projects	91	-	-	-
Development project costs that cannot be capitalised	-21	-33	-21	-32
Total	107	-13	-21	-32

ONGOING CONSTRUCTION AGREEMENTS

On the closing date assignment expenses including reported profit in respect of work in progress in accordance with construction agreements amounted to SEK 368 million (SEK 449 m). Sums received from the client for work in progress amounted to SEK 25 million (SEK 16 m).

IE.9 UNREALISED CHANGE IN VALUE

Unrealised changes in value, properties	2021	2020
Direct yield requirements	1,191	482
Cash flow, etc.	707	-859
Project returns	974	258
Development rights	168	0
Total	3,040	-119
Unrealised change in value, %	6.4%	-0.3%

For more information, see note A.1.

S Tax

T.1 Current tax

ACCOUNTING POLICIES

The income tax for limited companies in Sweden is 20.6% from 2021. In the income statement tax is divided between current and deferred tax.

Current tax is calculated on the basis of the taxable profit/loss for the period and is recognised as an expense or income in the income statement. The taxable profit/loss differs from the recognised profit/loss in the income statement, as it has been adjusted for non-taxable income and non-deductible expenses. Current tax also includes any adjustments to current tax that is attributable to previous periods. The Group's current tax liability is calculated using the tax rates confirmed or announced as of the closing date.

The sum of the Group companies' taxable profit is often lower than the Group's accounting profit, mainly depending on tax depreciation, difference in the handling of investments in repair, maintenance and reconstruction, unrealised changes in value, the opportunity to sell properties through companies tax-free, difference in handling of borrowing costs in construction projects and utilisation of previous years' deficit.

DEPRECIATION

As Atrium Ljungberg has chosen to recognise investment properties at fair value, no depreciation for them is recognised in the consolidated accounts. However, the tax rules allow depreciation of 2–5% for buildings, 5% for land improvements, and 20–30% for building and land equipment. Land is not subject to depreciation.

DEDUCTIBLE RECONSTRUCTION WORK

Expenses in connection with renovation and maintenance work that has entailed an economic benefit and which can be calculated reliably, are capitalised in the accounting. However, the tax rules allow expenses for the repair and maintenance of buildings to be deducted immediately. This 'extended repair concept' allows for a direct deduction for certain types of reconstruction work, even if they add value and are capitalised in the accounts. Examples of such amendment work within Atrium Ljungberg are the tenant-specific adaptations which take place continuously along with renegotiation of lease contracts or during change of tenants.

Tax calculation	Current tax		Deferred tax	
	2021	2020	2021	2020
Group, SEK m				
Reported profit/loss before tax	4,656	672	–	–
Tax deductible				
depreciation	–761	–612	761	612
investments	–306	–203	306	203
Non-taxable/non-deductible				
changes in the value of properties, unrealised	–3,040	119	3,040	–119
changes in the value of properties, realised	22	81	–272	–81
changes in the value of financial instruments, unrealised	–471	252	476	–252
disposals tenant-owned dwellings	–91	–	84	–
consolidated capitalisation of borrowing	–87	–65	87	65
consolidated internal profit	24	23	–24	–23
interest	107	34	–	–
Other fiscal adjustments	–8	–49	31	511
Taxable profit/loss before loss carry-forwards	44	251	4,490	918
Change in loss carry-forwards	–72	–124	–37	0
Taxable profit	–28	127	4,453	918
Of which 20.6% (21.4% in 2020) current tax/20.6% deferred tax	6	–27	–917	–189
Higher loss deduction	–6	–	6	425
Correction of tax from previous years	–1	–14	13	–
Reported tax expense	0	–41	–899	236

Tax calculation	Current tax		Deferred tax	
	2021	2020	2021	2020
Parent company, SEK m				
Reported profit/loss before tax	812	3,599	–	–
Change in difference between book and fiscal values of properties	344	–18	342	18
Earnings from shares in Group companies	–652	–3,556	–	–
Other fiscal adjustments	–506	–23	–341	–181
Taxable profit	–3	2	1	–163
Of which 20.6% (21.4% in 2020) current tax/20.6% deferred tax	1	–0	–0	34
Tax on negative capital earnings is recognised as deferred tax	–0		0	
Adjustment of tax in relation to previous years	–	–4	–1	–
Reported tax expense	0	–4	–1	34

UNREALISED CHANGES IN VALUE

In the consolidated accounts Atrium Ljungberg values investment properties and derivative instruments (interest swap agreements and currency swap agreements) at fair value. Changes in the market value are recognised in the consolidated income statement.

Swedish accounting laws do not allow properties to be recognised at fair value in the individual Group companies, which means that the changes in value do not affect taxation.

Agreements attributable to derivative instruments that Atrium Ljungberg has entered into are recognised at the lower of cost and fair value in the parent company, which means that positive values are not recognised in legal entities. Accordingly, unrealised changes in value for derivative instruments are recognised in the income statement for the parent company. In the declaration for the parent company these unrealised changes in value have been processed as non-deductible/non-taxable for interest swap agreements and as part of the net interest for currency swap agreements.

SALE OF PROPERTIES

Properties may be sold directly or indirectly through companies, which has different tax implications. Profit from the sale of properties that fiscally come under 'property, plant and equipment' is taxable, while a loss is 'cordoned off' and can only be netted against taxable profits from the sale of properties that come under 'property, plant and equipment'. Profit from the sale of shares that fiscally come under 'property, plant and equipment' is not taxable, while a loss is not deductible. During the year sales in Atrium Ljungberg were carried out indirectly through the sale of shares, which is why the capital gains are not taxable.

BORROWING COSTS

In the consolidated accounts Atrium Ljungberg capitalises loan charges during major reconstruction and extensions to the extent they arose during the construction period. However, the accounting rules allow them to be recognised as a cost in the individual Group companies, whereby the cost is also directly tax deductible.

DEFICIT FROM PREVIOUS YEARS

The current tax is calculated on the basis of the taxable profit for the taxation year. This profit may, sometimes with certain limitations, be reduced by unutilised tax deficits which have emerged during previous tax years.

The deficit which exists within Atrium Ljungberg has primarily emerged through examination of previous years' income tax assessments or by there being unutilised tax deficit from previous years in property companies which have been acquired by Atrium Ljungberg.

	The Group		Parent company	
Reconciliation of tax expenses	2021	2020	2021	2020
Profit before tax	4,656	672	812	3,599
Nominal tax rate, 20.6% (21.4% in 2020)	-959	-144	-167	-770
Fiscal effect of				
other non-deductible expenses/non-taxable income	30	-76	134	803
other fiscal adjustments	29	414	34	-4
Reported tax expense/income	-899	194	1	30
of which current tax	-0	-41	-	-4
of which deferred tax	-899	236	1	34

T.2 DEFERRED TAX RECEIVABLES

ACCOUNTING POLICIES

The carrying amount of deferred tax receivables attributable to a deficit is reviewed in conjunction with the preparation of every set of financial statements and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available for offsetting, either wholly or in part, against the deferred tax receivables.

Deferred tax is calculated using the tax rates expected to apply for the period during which the asset is recovered or the debt settled, based on the tax rates (and tax legislation) confirmed or announced as of the closing date. Deferred tax receivables and tax liabilities are offset when they are attributable to income tax levied by the same authority and when the Group intends to settle the tax demand using a net amount. The tax deficit can be rolled forward and does not have a due date. The Group's accumulated tax deficit amounted to SEK 37 million (SEK - m) at the end of 2021. Deferred tax receivables have been calculated for a deficit of SEK 37 million (SEK - m).

	The Group		Parent company	
Deferred tax receivable	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening balance	5	0	105	68
Investment properties	45	5	-	-
Endowment insurance	-	-	4	-
Deferred tax attributable to derivatives	-	-	-71	37
Additional loss carry-forwards	22	26	1	-
Loss carry-forwards utilised	-15	-26	-	-

T.3 DEFERRED TAX LIABILITIES

ACCOUNTING POLICIES

Deferred tax is recognised based on the difference between the recognised value of assets and liabilities in the financial statements and the fiscal value used when calculating taxable earnings. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are recognised, in principle, for all taxable temporary differences, and deferred tax receivables are recognised, in principle, for all deductible temporary differences to the extent that it is likely that the amounts can be used to offset future taxable surpluses.

Deferred tax liabilities and tax receivables are not recognised if the temporary difference is attributable to goodwill or if they arise as a result of a transaction that constitutes the first reporting of an asset or liability (which is not a business combination) and which, at the time of the transaction, affects neither the reported nor the taxable profit/loss. No deferred tax has been calculated on asset acquisitions in accordance with applicable accounting recommendations.

Changes recognised directly through the income statement are mostly amounts that are attributable to deductions for latent tax on the purchase price when selling a property.

	The Group					Parent company
	Investment properties	Development properties	Untaxed reserves	Interest derivatives and other	Directly via the income statement	Investment properties
Deferred tax liability						
Opening balance, as of 1 Jan 2020	4,901	85	174	-54	5,106	63
Change recognised via the income statement	-447	53	23	-50	-420	4
Changes recognised directly in the income statement	-	-	-	-	189	-
Closing balance, as of 31 Dec 2020	4,454	138	197	-104	4,686	67
Opening balance, as of 1 Jan 2021	4,454	138	197	-104	4,686	67
Change recognised via the income statement	772	13	39	112	935	-67
Changes recognised directly in the income statement	-	-	-	-	17	-
Closing balance, as of 31 Dec 2021	5,226	151	236	7	5,620	-

A Assets

A.1 Investment properties

ACCOUNTING POLICIES

Investment properties, i.e. properties held in order to generate rental income and/or increased value gains, are recognised on an ongoing basis at fair value in the balance sheet. The measurement takes place in accordance with Level 3 in the IFRS measurement hierarchy and reflects estimated market values, which correspond to the value at which ownership of a property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. The fair value reflects the market conditions on the closing date.

All of the properties that Atrium Ljungberg either owns or exploits through leaseholds are assessed as being investment properties, except for development properties. The term investment properties includes buildings and land, land improvement, building and land-related equipment as well as work in progress. Any properties that are being built or developed for future use as investment properties are also recognised as investment properties.

Investments in investment properties are initially recognised at cost. The acquisition value includes transaction costs, legal costs and stamp duty directly related to acquisitions and any additional real estate mortgage costs and loan costs. Borrowing costs are capitalised in conjunction with major renovation or new construction projects to the extent that they have arisen during the construction period. Interest expenses are calculated on the basis of the Group's average financing interest rate.

Expenses in connection with reconstruction work that has entailed an economic benefit for the Group and which can be calculated reliably, are capitalised. Other expenses in connection with repairs and ongoing maintenance are recognised as repair costs and are included in the operating surplus.

Changes in fair value for investment properties are recognised in the income statement as unrealised changes in value.

Gains or losses arising in conjunction with the sale of investment properties comprise the difference between the sale price and the carrying amount, which is based on the valuation in the most recent interim report at fair value, and recognised as a realised change in value in the income statement. Property sales are recognised in conjunction with the transfer of control from the vendor to the purchaser, which normally coincides with the contract date or the date of possession, depending on the terms and conditions in the agreement.

Investment properties

Property type	Letting area, '000 m ²		Fair value, SEK m		Fair value, SEK/m ² ¹⁾		Rental income, SEK m		Property costs, SEK m		Operating surplus, SEK m		Operating surplus margin, %	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	2021	2020	2021	2020	2021	2020	2021	2020
Office properties	607	639	29,456	27,344	60,310	53,616	1,336	1,329	-352	-346	984	984	74	74
Retail properties	320	302	11,486	9,993	45,067	41,646	719	684	-283	-283	436	401	61	59
Residentials	48	45	1,532	1,282	36,902	33,129	80	78	-29	-26	51	52	64	66
Business area Property	975	986	42,474	38,619	54,167	48,969	2,135	2,092	-664	-655	1,471	1,437	69	69
Project properties	102	96	7,080	6,944	E/T ²⁾	E/T ²⁾	117	127	-53	-68	64	59	55	47
Land and development rights	-	-	781	463			-	-	-	-	-	-	-	-
Total Investment properties	1,077	1,082	50,335	46,026			2,252	2,219	-717	-723	1,535	1,496	68	67
Properties sold	-	-	-	-			37	121	-12	-54	24	68	66	56
Total Group	1,077	1,082	50,335	46,026			2,288	2,340	-729	-776	1,559	1,563	68	67

¹⁾ m² excluding garage.

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

CHANGES DURING THE YEAR

The carrying fair value of investment properties amounted to SEK 50,335 million (SEK 46,026 m) as of 31 December 2021. Investments in Atrium Ljungberg's held properties during the year totalled SEK 2,059 million (SEK 2,208 m). The unrealised change in value amounted to SEK 3,040 million (SEK -119 m) during the year. This change in value is primarily explained by the market's lower yield requirements and the project returns that the company generated in ongoing projects. The average dividend yield requirement in the valuation was 4.2% (4.4%).

During the year one property was taken into possession and three properties were sold. For more information, see Our property portfolio in figures on page 59.

Change in investment properties	The Group	
SEK m	31 Dec 2021	31 Dec 2020
Fair value at the beginning of the period	46,026	47,513
Acquisitions (after deduction of deferred tax)	25	410
Sales	-805	-3,979
Investments in held properties	2,059	2,208
Unrealised changes in value	3,040	-119
Reclassifications	-11	-7
Fair value at the end of the period	50,335	46,026

Unrealised changes in value, properties	2021	2020
Direct yield requirements	1,191	482
Cash flow, etc.	707	-859
Project returns	974	258
Development rights	168	0
Total	3,040	-119
Unrealised change in value, %	6.4%	-0.3%

INVESTMENTS IN INVESTMENT PROPERTIES OVER THE YEAR

In 2021 Atrium Ljungberg invested a total of SEK 2,084 million (SEK 2,618 m) in investment properties, of which SEK 25 million (SEK 410 m) was for acquisitions and SEK 2,059 million (SEK 2,208 m) was for investments in held properties, which included SEK 1,178 million (SEK 1,638 m) in project properties.

MATERIAL OBLIGATIONS

Atrium Ljungberg is obliged to complete projects that it has started with a remaining investment volume of SEK 2,660 million (SEK 2,630 m) in addition to what is recognised in the balance sheet. Subsequently investment in investment properties includes SEK 220 million (SEK 305 m).

RIGHT-OF-USE ASSETS, LEASEHOLDS

The value of Right-of-use assets, leaseholds, amounted to SEK 1,025 million (SEK 1,179 m). More information is available in note IE.4.

VALUATION

Valuation policy

The company has an established valuation policy, which sets out the guidelines for the company's valuation process.

Valuation process

Investment properties are valued every quarter. As part of ensuring the quality of the valuation, independent external valuation consultants are used; this year Forum Fastighetsekonomi, Cushman & Wakefield, CBRE and Savills. Properties corresponding to 62% (42%) of the market value have been valued externally during the year. The remaining properties were subject to an internal valuation with market rents, operating costs, vacancies and yield requirements quality-assured by Forum Fastighetsekonomi.

The fee for the valuation is not dependent on the properties' market value. The variable part is instead based on the properties' area, number of lease contracts and usage.

Data property valuation

The property valuation is based on observable and unobservable input data. Observable data which has greatest impact on the value is primarily current rent, actual operation and maintenance costs, planned investments and current vacancy rates.

Yield requirement and expectations of rental level and vacancies include the input data which can be seen as unobservable. Yield requirement is derived from actual transactions. The number of comparison items which are sold can sometimes be few, which makes it more difficult to derive changes in yield requirements during certain periods. In an inactive market within a certain location or for a certain type of property, the comparison information is taken instead from transactions completed in a similar location or for a similar type of property. In the absence of any

transactions as a whole, the opinion is based on the prevailing macroeconomic factors.

Valuation method

The valuations were carried out in accordance with the International Valuation Standards (IVS).

Each property has been valued individually without taking any portfolio effect into consideration. The valuations are based on a cash flow calculation with individually estimated yield requirements for each property and activity. The estimated yield requirement is used to determine the value through a present value calculation during the so-called calculation period and through a present value calculation of the residual value at the end of the calculation period. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation.

The long-term earning capacity of each property is assessed during the valuation. Income during the calculation period comprises agreed rental levels until such time as these lease contracts come to an end or are due for renegotiation. Rental income for the subsequent period is calculated at the market rent currently applicable. Operating and maintenance costs have been assessed based on the company's actual costs and are adjusted in line with the property's age and condition.

Analyses and an assessment of the underlying factors that impact the value form the basis of the valuation, for example:

- existing rent levels and market rents for respective premises
- existing tenants and contract structure
- current and future vacancies
- operating and maintenance costs in the short and long-term, based on the property's and company's actual costs
- the technical and commercial condition of the properties
- planned reconstructions, extensions and new builds and other investment requirements
- yield requirements for completed and uncompleted transactions for comparable properties and markets.

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

Development rights are valued based on an assessed market value per m² of GFA using the location price method. This valuation only includes established development rights in accordance with detailed development plans that have gained final approval or where the detailed development plan is assessed to enter into force within the near future.

Yield requirement per premises type in the valuation			
Premises type, %	Interval	31 Dec 2021 Average	31 Dec 2020 Average
Offices	3.2-6.4	3.9	4.1
Stores	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 requirement per region in the valuation			
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

Sensitivity analysis, property valuation

Property valuation involves estimating the property's market value and is based on calculations that use established principles, along with a number of assumptions and assessments. An interval of approximately $\pm 5\%$ is often given for this value to show the uncertainty of the assumptions and calculations that have been made. This interval can be larger in a market that is less liquid. Atrium Ljungberg's property portfolio, excluding development properties, is valued at SEK 50,335 million (SEK 46,026 m). An uncertainty interval of $\pm 5\%$ is applied to Atrium Ljungberg's property portfolio, which results in an uncertainty of a total of SEK $\pm 2,517$ million (SEK 2,301 m) in terms of fair value.

The table below shows how changes in different parameters impact the market value of investment properties.

Value parameter	Change in assumption	Impact on value, SEK m	Value impact, %
Rental level	$\pm 10\%$	$\pm 6,096$	$\pm 13\%$
Operating cost	$\pm 10\%$	$\pm 1,053$	$\pm 2\%$
Yield requirement	$\pm 0.25\%$ unit	$-2,588 / +2,912$	$-6\% / +6\%$
Long-term vacancy level	$\pm 2\%$	$\pm 1,370$	$\pm 3\%$

Sensitivity analysis, change in value

The following sensitivity analysis shows how a change in the market value of investment properties impacts earnings and relevant key performance indicators.

	Change in market value of investment properties	Impact	Impact, %
Profit	$\pm 10\%$	SEK $\pm 5,033$ million	$\pm 134\%$
Equity	$\pm 10\%$	SEK $\pm 5,033$ million	$\pm 20\%$
Loan-to-value ratio	$\pm 10\%$	-4.4% unit/ $+3.6\%$ unit	$-9\% / +11\%$
Equity ratio	$\pm 10\%$	$+5.5\%$ unit/ -4.4% unit	$+9\% / -12\%$

A.2 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment is recognised at cost less accumulated depreciation and impairment. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the asset's carrying amount or recognised as a separate asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the cost of the asset can be reliably calculated.

The useful life of computer equipment and of other machinery and equipment has been calculated at 3 years and 5 years, respectively. Depreciation is effected on a straight-line basis over the useful life and is recognised in the income statement as expenses under property management or in the row for central administration. The residual value of the assets and their useful life is reviewed on every closing date and adjusted when necessary.

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	81	79	28	25
Purchases	19	8	4	3
Sales/disposals	-10	-6	-5	0
Closing accumulated cost	89	81	27	28
Opening depreciation	-52	-43	-16	-11
Sales/disposals	8	4	4	0
Depreciation for the year	-13	-13	-6	-5
Closing accumulated depreciation	-57	-52	-18	-16
Closing residual value according to plan	32	29	8	12

Property, plant and equipment mainly comprises machinery, equipment and computer equipment.

A.3 Goodwill

ACCOUNTING POLICIES

Goodwill arising in conjunction with the preparation of the consolidated accounts comprises the difference between cost and the Group’s share of the fair value of an acquired subsidiary’s identifiable net assets on the acquisition date. Goodwill is recognised at cost on the acquisition date and is subsequently valued at cost after any deductions for impairment.

On 17 October 2006, LjungbergGruppen AB acquired all of the shares in Atrium Fastigheter AB through payment in the form of newly issued shares. The closing rate on 16 October 2006 was used to calculate the cost and equity. Goodwill arose in conjunction with the acquisition that was attributable to the difference between nominal tax and the estimated tax for costing purposes applied in conjunction with the acquisition. Goodwill is thereby completely linked to deferred tax amount and therefore changes when a property with goodwill is sold.

IMPAIRMENT TESTING

Goodwill impairment testing is carried out annually, or more frequently if there is any indication that the carrying amount may not be recoverable.

When conducting impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies arising in conjunction with the acquisition. The cash-generating units comprise the properties which were a part of the acquisition of Atrium Properties which the Group still owns at the end of the accounting period. If the recovery value of a cash-generating unit is determined to be lower than the carrying amount, the carrying amount of goodwill attributable to the cash-generating unit is reduced. Any recognised impairment of goodwill may not be reversed in a subsequent period.

In connection with the annual impairment testing of goodwill, an estimate of the recoverable amount is made. As the cash-generating units comprise the properties that were part of the acquisition of Atrium Fastigheter, the recovery value corresponds to the property’s fair value.

See note A.1 for more information about the valuation of investment properties.

The Group	2021	2020
Opening cost	264	324
Sale of property	-	-60
Closing accumulated cost	264	264
Opening impairment	-99	-99
Impairment as a result of change to rate of taxation	-	-
Closing accumulated impairment	-99	-99
Closing balance	165	165



A.4 Development properties

ACCOUNTING POLICIES

Development properties are recognised at the lower of their accumulated cost and their net realisable value. Earnings from the future sale of properties are recognised when the properties have been completed and are mostly occupied.

Accumulated cost comprises a property's acquisition cost plus the costs expended. If a property has been reclassified from an investment property to a development property, the acquisition cost comprises the fair value of the property that was established most recently.

The Group	2021	2020
Opening balance	1,308	997
Sales for tenant-owned dwelling projects	-284	-
Reclassification	11	7
Investments in tenant-owned dwelling projects	220	305
Closing balance	1,254	1,308

INVESTMENTS IN DEVELOPMENT PROPERTIES OVER THE YEAR

In 2021 Atrium Ljungberg invested SEK 220 million (SEK 305 m) in development properties, i.e. our tenant-owned dwelling projects.

The book value as of 31 December 2021 refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden. See pages 46–53 for more information about our tenant-owned dwelling projects in the 'Decided projects' and 'Potential projects' sections.

A.5 Accounts receivable

ACCOUNTING POLICIES

Accounts receivable are recognised at their transaction price upon initial recognition. Afterwards these receivables are recognised at amortised cost less any impairment.

Receivables are recognised in the balance sheet when Atrium Ljungberg has completed an obligation and where its entitlement to consideration is unconditional, but has not yet been received. If the anticipated term is short, the value is recognised without discounting.

Impairment is based on expected credit losses and recognised in the income statement under property management costs.

Atrium Ljungberg applies the simplified approach in accordance with IFRS 9, measuring the provision for credit losses at an amount corresponding to the expected credit losses over the entire remaining term, regardless of whether the credit has deteriorated or not. To calculate the expected credit losses, accounts receivable have been grouped based on the characteristics of the credit risk and the number of days' delay. The expected credit loss levels are based on the customers' payment history over a period of 36 months.

Accounts receivable are written off when there is no longer a reasonable expectation of payment.

Credit losses are recognised as credit losses – net within operating profit. Recovery of amounts that have previously been written off are recognised on the same row in the income statement.

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Accounts receivable	163	220	1	3
Provision for credit losses	-29	-41	-0	-1
Total	134	179	1	2

The provision for credit losses is based on the following:

31 December 2021	Not due	Due between 1 and 60 days	Due after more than 60 days	Due after more than 120 days	Total
Expected loss level, %	0.1%	-12.3%	60.0%	59.6%	
Carrying amount accounts receivable, gross	116	-1	3	44	163
Provision for credit losses	-0	-0	-2	-26	-29

31 December 2020

Expected loss level, %	0.1%	12.6%	53.3%	36.1%	
Carrying amount accounts receivable, gross	111	9	20	80	220
Provision for credit losses	0	-1	-11	-29	-41

The change in the provision for credit losses during the financial year is specified below:

Provision for credit losses	2021
Opening balance	-41
Increase in provision for credit losses, change recognised in income statement	-1
Accounts receivable written off during the year	3
Reversal of unutilised amount and Other	10
Closing balance	-29

A.6 Other receivables

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
VAT receivable	68	55	6	-
Other receivables	113	35	15	13
Closing balance	180	90	21	13

A.7 Prepaid costs and accrued income

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Receivables from clients for work in progress as per construction agreement (contract asset)	20	10	-	-
Other prepaid costs	33	23	14	10
Distributed rent discounts	98	104	-	3
Accrued rent	36	28	6	2
Other accrued income	0	-	-	-
Closing balance	186	165	20	16



OL Operating liabilities

OL.1 Other non-current liabilities

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Personnel-related liabilities	20	16	-	-
Deposits received from tenants	98	81	1	1
Additional purchase price	131	120	-	-
Guarantee reserve	4	4	-	-
Other	14	8	-	0
Closing balance	267	229	1	1

ADDITIONAL PURCHASE PRICE

Earnouts are measured continually at their fair value (Level 3 in IFRS 13) and the liability is adjusted for any changes to the fair value in the income statement. The calculation of earnouts is based on parameters in each acquisition agreement. In 2021 SEK 11 million in earnouts attributable to acquisitions were entered as liabilities. None (SEK – million) of the opening liability as of 1 January 2021 was settled during the year.

OL.2 Other liabilities

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Personnel-related liabilities	7	6	5	5
Paid contributions, tenant-owned dwellings	-	320	-	-
Other liabilities	53	32	-	31
Closing balance	59	358	5	36

OL.3 Accrued costs and prepaid income

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Holiday pay liability and payroll overhead	44	45	34	32
Liabilities to clients for work in progress as per construction agreement (contract liability)	21	28	-	-
Accrued interest expenses	36	27	34	24
Prepaid rent	474	399	0	8
Premises vacation payment	20	37	-	-
Other accrued costs and prepaid income	88	46	8	8
Closing balance	683	582	76	71

OL.4 Pledged assets and contingent liabilities

	The Group		Parent company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Pledged assets				
Property mortgages	10,349	9,002	-	667
Shares in Group companies	4,045	4,204	42	2
Contingent liabilities				
Guarantee undertakings for subsidiaries	-	-	5,128	2,948
Guarantee obligation	500	35	500	35
Total	14,893	13,240	5,670	3,652

CONTINGENT LIABILITIES

Liability for damages for contamination or environmental damage

According to the Swedish Environmental Code, the property owner may be liable to measures resulting from a contamination incident or a serious case of environmental damage. We conduct surveys and screening work ahead of property acquisitions and new projects in order to identify any potential environmental risks.

On the closing date Atrium Ljungberg is not aware of any such contamination or environmental damage which may materially impact the Group's financial position.

Litigations

From time to time Atrium Ljungberg is a party in legal processes and administrative proceedings related to letting, management and the development of properties.

As of 31 December 2021 Atrium Ljungberg is not a party in any current legal processes that could have a material impact on the Group's financial position.

F Financing and capital structure

F.1 CAPITAL STRUCTURE

The Group endeavours to ensure a good profit performance, financial sustainability and a strong financial position. The economic and financial goals are set in order to provide a combination of a high return on equity, high growth capacity, and financial stability.

The Group's financial goals are as follows:

- The loan-to-value ratio will be a maximum of 45%.
- The minimum interest coverage ratio will be a minimum of 2.0.
- The dividend will correspond to a minimum of 50% of the profit before changes in value after nominal tax, unless investments or the company's financial position in general motivates a deviation from this norm.

The term and conditions that the Group has with external lenders for providing a credit and which entail that a credit is due for payment if the terms and conditions are not fulfilled are similar in the various credit agreements. The agreements primarily prescribe a minimum interest coverage ratio of 1.30–1.75, a maximum loan-to-value ratio of 65–75%, and a minimum equity ratio of 25–30%. At the end of the year the Group had fulfilled all the terms and conditions that were in place. The Group's financial goals actually exceeded these terms and conditions. The Group's capital structure comprises interest-bearing net borrowing and equity attributable to the parent company's shareholders. This comprises share capital, other capital contributions and retained earnings, including profit for the year. The financing operations are described in greater detail in note F.2, Financial instruments and risk management.

Atrium Ljungberg's borrowing is partly secured by means of property mortgages in the Group's properties, share pledges in Group companies and, in some cases, guarantee undertakings issued by the parent company with regard to the Group companies' borrowing.

Interest-bearing liabilities are recognised at amortised cost which is the carrying amount in the Capital structure table. The calculation of the fair value of liabilities to credit institutions is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus current borrowing margins. The valuation is hereby conducted with IFRS valuation hierarchy level 2. The valuation of derivatives is described in note F.2. Commercial papers are those that are issued unsecured as part of the company's commercial paper programme with a framework of SEK 5 billion. The company has an MTN programme with a framework of SEK 12 billion. There is a total of SEK 10,916 million (SEK 8,700 m) of outstanding bonds; during the year SEK 3,900 million (SEK 2,288 m) was issued.

Capital structure

The Group	31 Dec 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Liabilities to credit institutions	7,946	8,098	7,801	8,080
Bonds	10,916	11,036	8,700	9,096
Commercial papers ¹⁾	1,699	1,700	2,404	2,406
Total loans	20,561	20,835	18,905	19,583
Cash and cash equivalents	719		279	
Net debt	19,842		18,626	
Equity	25,541		22,668	
Total	45,383		41,294	

¹⁾ Commercial papers that are covered by unutilised long-term credit facilities are classified as non-current liabilities.

Parent company	31 Dec 2021		31 Dec 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Liabilities to credit institutions	2,845	2,852	4,863	4,980
Bonds	10,916	11,036	8,700	9,096
Commercial papers ¹⁾	1,699	1,700	2,404	2,406
Total loans	15,460	15,588	15,967	16,483

¹⁾ Commercial papers that are covered by unutilised long-term credit facilities are classified as non-current liabilities.

Bonds issued in 2021

Bond	Issued	Due	Tenor, year	Fixed/ floating rate	Nominal amount, SEK m	Issue spread over 3M Stibor	Note
130	2021 February	2026 February	5.0	Floating	350	0.98%	Green
131	2021 March	2023 March	2.0	Floating	200	0.58%	–
132	2021 April	2026 April	5.0	Floating	700	1.00%	Green
133	2021 April	2027 April	6.0	Fixed 1.62%	300	–	Green
134	2021 July	2025 July	4.0	Floating	800	0.95%	Green
135 tranche 1	2021 August	2026 October	5.1	Floating	350	1.08%	Green
135 tranche 2	2021 November	2026 October	4.9	Floating	650	1.05%	Green
136 tranche 1	2021 September	2027 September	6.0	Floating	300	1.12%	Green
136 tranche 2	2021 September	2027 September	6.0	Floating	250	1.06%	Green

F.2 Financial instruments and risk management

ACCOUNTING POLICIES

A financial instrument is each form of agreement which gives rise to a financial asset or financial liability. Financial assets in the balance sheet refer to loans receivable, derivatives, rents receivable, accounts receivable, other receivables and cash and cash equivalents. Financial liabilities refer to loans payable, derivatives, other current liabilities and accounts payable. Financial instruments are recognised in the balance sheet when the company becomes a party to the instrument's contractual terms and conditions. An asset is eliminated from the balance sheet when the rights contained in the agreement are realised, fall due, or when the company loses control over it. A liability is eliminated from the balance sheet when the undertaking in the agreement is fulfilled or otherwise ceases to obtain. Trading date accounting is applied for derivative instruments and settlement date accounting for on demand purchases or sales of financial assets. The company conducts impairment testing

on every closing day to determine whether there are objective indications that events indicate a requirement to write down a financial asset or group of financial assets.

Financial instruments in the Group are classified in accordance with the following.

- Financial assets are valued at fair value via the income statement
- Financial assets measured at amortised cost
- Financial liabilities valued at fair value via the income statement
- Financial liabilities measured at amortised cost

See page 147 for the parent company's accounting policies.

POLICIES GOVERNING FINANCING AND FINANCIAL RISK MANAGEMENT

Financing and financial risks are managed in accordance with guidelines laid down by Atrium Ljungberg's Board of Directors. The Group's treasury function, which is responsible for financing, liquidity and financial risks, is concentrated within the parent company. The various categories of financial instrument held by the Group are shown in the table below.

Categorisation of financial instruments ¹⁾

The Group	Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Derivatives	-	-	138	7	-	-
Accounts receivable	134	179	-	-	-	-
Other receivables	89	180	-	-	-	-
Cash and cash equivalents	719	279	-	-	-	-
Total	943	639	138	7	-	-
Interest-bearing liabilities	-	-	-	-	20,561	18,905
Derivatives	-	-	238	662	-	-
Other liabilities	-	-	131	120	130	121
Accounts payable	-	-	-	-	286	192
Total	-	-	369	782	20,977	19,218

¹⁾ The fair value is consistent with the book value of all financial instruments except for interest-bearing liabilities.

Derivatives (interest rate swap agreements and foreign exchange swap agreements) are measured at fair value in the balance sheet and the fair value of derivatives has, in accordance with the IFRS valuation hierarchy, been measured pursuant to level 2. This level means that the measurement is based on input data other than the listed prices used in level 1, 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. Unrealised changes in value for the year amounted to SEK 388 million (SEK -252 m), of which SEK -5 million (SEK -13 m) relates to the reversal of the hedging reserve. The carrying net value of derivatives of SEK -100 million (SEK -656 m) comprises a positive value of SEK 138 million (SEK 7 m) and a negative value of

SEK -238 million (SEK -662 m); the carrying value of derivatives relates to SEK -59 million (SEK -151 m) in foreign exchange derivatives. Other financial instruments are not affected by the fair value hierarchy in that they are recognised at amortised cost in the balance sheet.

Categorisation of financial instruments

	Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost	
Parent company	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Accounts receivable	1	3	-	-	-	-
Receivables from Group companies	23,578	24,553	-	-	-	-
Other receivables	47	177	-	-	-	-
Cash and cash equivalents	592	205	-	-	-	-
Total	24,218	24,937	-	-	-	-
Interest-bearing liabilities	-	-	-	-	15,457	15,967
Derivatives	-	-	238	662	-	-
Other liabilities	-	-	-	-	1	19
Accounts payable	-	-	-	-	33	18
Total	-	-	238	662	15,490	16,003

FINANCING RISK AND LIQUIDITY

Financing risk refers to the company's risk that there will be insufficient cash and cash equivalents or credit for the company to be able to fulfil its payment undertakings. In order to manage this risk, a maximum of 30% of the loan portfolio may fall due within one year and a maximum of 50% of the loan financing may be obtained from a single creditor. Active liquidity planning is also carried out to optimise liquidity at any given time. The Group's liquidity as of 31 December 2021, including unutilised overdraft facilities totalling SEK 300 million, amounted to SEK 1,019 million (SEK 579 m). At the end of the year there were also unutilised revolving credit facilities of SEK 7,297 million (SEK 4,769 m). The table below shows the credit maturity structure of the financing portfolio. No part of the interest-bearing liabilities are considered to be current, as the proportion of unutilised credit facilities with tenor of more than 12 months covers the proportion of loans that fall due within 12 months. The average loan-to-maturity was 4.8 years (4.7 years) as of 31 December 2021.

Credit maturity structure

	The Group			Parent company		
Commitment period	Loans	Percentage, %	Total credit agreements	Loans	Percentage, %	Total credit agreements
2022	3,410	17	3,410	3,410	22	3,410
2023	2,184	11	2,584	1,985	13	2,385
2024	3,468	17	7,415	1,813	12	3,213
2025	2,184	11	2,184	1,300	8	1,300
2026	2,762	13	4,712	2,562	17	4,512
2027 and thereafter	6,554	32	7,554	4,391	28	4,391
Total	20,561	100	27,858	15,460	100	19,210

MARKET AND INTEREST RISK

The term, market risk, refers to the risk of an impact on the profit/loss as a consequence of changes in the market. The market risk is primarily attributable to the trend in interest rates for short and long-term financing and for market rates. In order to limit the interest rate risk, the interest termination dates are spread among 11 years. A maximum of 30% of the loans may fall due for renegotiation of the terms within 1 year and a maximum of 55% of the financing may have interest rate reset within 1 year.

The interest maturity structure table below itemises the due dates for the Group's interest-bearing liabilities. The average interest rate duration as of 31 December 2021 was 4.7 years (5.0 years). Interest-bearing liabilities amounted to SEK 20,561 million (SEK 18,905 m) at the end of the period with an average interest rate of 1.7% (1.6%) excluding and 1.8% (1.7%) including unutilised credit facilities.

The derivatives portfolio comprised SEK 15,858 million (SEK 14,992 m) in interest rate swaps and foreign exchange swaps at the end of the period. The interest rate swap agreements are used as a means of changing the interest rate duration without changing the loan-to-maturity in the financing portfolio. The fair value of interest rate derivatives on the closing date amounted to SEK -41 million (SEK -505 m). Foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone. The fair value of currency derivatives amounted to SEK -59 million (SEK -151 m) on the closing date.

As of 1 January 2012 the Group ceased to apply hedge accounting to the interest rate swaps that hedge the interest cashflows on external loans. Unrealised changes in the value of derivatives are consequently recognised directly in the income statement. The hedging reserve, which amounted to SEK -164 million as of 31 December 2011, is being reversed on a straight-line basis to other comprehensive income over the terms of the respective derivatives. The remaining amount to be redeemed as of 31 December 2021 totals SEK - million (SEK -4 m) after adjustments for deferred tax calculated at a nominal rate of taxation of 20.6%.

Interest on liabilities falls due for payment quarterly up until 2029. These payments have an ongoing effect on the income statement during the terms of the loans in question as accrued interest is recognised.

Atrium Ljungberg has also endeavoured to spread the renegotiation dates for existing lease contracts as part of its efforts to reduce the market risk of temporary cyclical fluctuations. For details of the percentage of income that will be renegotiated during the year ahead, see note IE.1. The weighted average remaining term for the lease contracts is 3.9 years (3.5 years).

Interest rate maturity structure

	The Group		
	Amount, SEK m	Percent- age, %	Average interest rate, % ¹⁾
2022	4,509	22	1.2
2023	0	0	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 spread for floating interest rates is distributed over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised credit facilities.

Sensitivity analysis, cash flows ¹⁾

	Change, %	Effect on profit, SEK m
Rental income	+/-5%	+/-8
Property management costs	+/-5%	+/-37
Letting rate	+/-1% unit	+/-25
Average financing interest rate	+/-1% unit	+/-45

¹⁾ The effect on profit relates to the effect in the immediately subsequent year with reference to commitment periods in lease contracts and loan agreements. Effect on profit is before tax.

MATURITY STRUCTURE FOR FINANCIAL INSTRUMENTS

The table below shows future undiscounted cash flows for the payment undertakings associated with the company's financial liabilities. For disclosures on contractual undiscounted cash flows attributable to lease liabilities, see note IE.4.

The Group	31 Dec 2021					31 Dec 2020				
	2022	2023	2024	2025	2026 and beyond	2021	2022	2023	2024	2025 and beyond
Liabilities										
Interest-bearing liabilities incl. interest	-223	-608	-5,880	-2,315	-12,546	-169	-5,543	-2,326	-2,424	-9,050
Derivatives	-87	-87	-87	-81	-171	-116	-116	-112	-110	-103
Other liabilities	-746	-	-	-	-	-132	-	-	-	-
Accounts payable	-286	-	-	-	-	-192	-	-	-	-
Total	-1,342	-695	-5,967	-2,396	-12,717	-610	-5,658	-2,437	-2,534	-9,153

Parent company	31 Dec 2021					31 Dec 2020				
	2022	2023	2024	2025	2026 and beyond	2021	2022	2023	2024	2025 and beyond
Liabilities										
Interest-bearing liabilities incl. interest	-147	-1,176	-3,313	-1,381	-10,078	-134	-4,148	-2,305	-2,403	-7,461
Derivatives	-87	-87	-87	-81	-171	-116	-116	-112	-110	-103
Other liabilities	-81	-	-	-	-	-107	-	-	-	-
Accounts payable	-33	-	-	-	-	-18	-	-	-	-
Total	-348	-1,263	-3,400	-1,462	-10,249	-375	-4,263	-2,417	-2,513	-7,564

CREDIT RISK

The term, credit risk, refers to the risk of a counterparty being unable to fulfil delivery or payment undertakings. Atrium Ljungberg's credit risks lie in the possibility that the tenants may be unable to fulfil their payment undertakings in accordance with applicable lease contracts. This risk is assessed when contracts are signed and the agreements are supplemented, where appropriate, with pledged assets by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months' rent. Deposits and bank guarantees received amounted to SEK 98 million (SEK 81 m) and SEK 80 million (SEK 68 m), respectively, at the end of the year.

CURRENCY RISK

A currency risk arises when payment is made in a currency other than that in which the vendor's costs or the purchaser's income arises. Any such currency effect is recognised in the income statement. Atrium Ljungberg only makes purchases in foreign currencies on an occasional basis and the currency risk is consequently small. No loans were taken out in a foreign currency during the year. For loans that had already been taken out in a foreign currency, the nominal amounts and coupon payments were hedged with foreign exchange swaps, which eliminates currency exposure. There is a total of SEK 2,358 million (SEK 2,196) in foreign exchange derivatives.

F.3 Financial income and expenses

	The Group		Parent company	
Financial income	2021	2020	2021	2020
Interest income	0	0	-	0
Other interest income	0	2	0	2
Other financial income	0	1	424	0
Group interest income	-	-	633	620
Total	1	3	1,058	622

Of which interest income and expenses of financial assets/liabilities which are measured at amortised cost:

Interest income	1	3	633	622
Interest expenses	-292	-309	-575	-442
Total	-291	-306	58	180

	The Group		Parent company	
Financial expenses	2021	2020	2021	2020
Interest expenses	-280	-295	-300	-302
Other interest expenses	-1	-3	-2	-1
Other financial expenses	-11	-11	-165	-170
Group interest expenses	-	-	-109	-133
Total	-292	-309	-575	-606

During the year, SEK 87 million (SEK 65 m) of interest expenses which relate to investments in the Group's held properties was capitalised. The average interest rate that has been used for the calculations is 2.2% (2.0%). In the parent company interest expenses for investments in held properties were carried as an expense.

F.4 Cash flow from financial liabilities

	Deriva- tives	Non-current interest- bearing liabilities	Other lia- bilities	Total
Cash flow from financial liabilities				
Group, 1 January 2021	662	18,905	433	20,000
Loans raised	-	11,461	399	11,860
Repayment of debts	-	-9,976	-313	-10,290
Deposits received and repaid	-	-	17	17
Cash items	-	1,485	103	1,587
Change in value of derivatives	-424	-	-	-424
Currency	-	163	-	163
Allocation of costs and Other	-	9	11	20
Non-cash items	-424	172	11	-241
Group, 31 December 2021	238	20,561	547	21,346

	Deriva- tives	Non-current interest- bearing liabilities	Other lia- bilities	Total
Cash flow from financial liabilities				
Group, 1 January 2020	266	20,211	430	20,907
Loans raised	-	5,886	308	6,194
Repayment of debts	-	-7,047	-310	-7,357
Deposits received and repaid	-	-	5	5
Cash items	-	-1,161	3	-1,158
Change in value of derivatives	396	-	-	396
Currency	-	-150	-	-150
Allocation of costs	-	5	-	5
Non-cash items	396	-145	-	251
Group, 31 December 2020	662	18,905	433	20,000

	Deriva- tives	Non-current interest- bearing liabilities	Other lia- bilities	Total
Cash flow from financial liabilities				
Parent company, 1 January 2021	662	15,967	36	16,666
Loans raised	-	11,484	33	11,517
Repayment of debts	-	-12,162	-36	-12,198
Deposits received and repaid	-	-	-	0
Cash items	-	-678	-3	-681
Change in value of derivatives	-424	-	-	-424
Currency	-	163	-	163
Allocation of costs	-	6	-	6
Non-cash items	-424	169	-	-255
Parent company, 31 December 2021	238	15,457	33	15,728

	Deriva- tives	Non-current interest- bearing liabilities	Other lia- bilities	Total
Cash flow from financial liabilities				
Parent company, 1 January 2020	348	15,988	27	16,363
Loans raised	-	5,336	36	5,372
Repayment of debts	-	-5,209	-27	-5,236
Deposits received and repaid	-	-	0	0
Cash items	-	127	9	136
Change in value of derivatives	314	-	-	314
Currency	-	-150	-	-150
Allocation of costs	-	2	-	2
Non-cash items	314	-148	-	166
Parent company, 31 December 2020	662	15,967	36	16,666



GS Group structure

GS.1 Shares in Group companies

ACCOUNTING POLICIES

The parent company's shares in Group companies are measured at cost less accumulated impairment, increased or decreased based on changes to the share of equity. A subsidiary's carrying amount is tested at least annually for any impairment, or more frequently if there is any indication that the carrying amount may not be recoverable. During the impairment testing the estimated

recoverable value is compared to the book value. The recovery value comprises the higher of the fair value less sales costs and the value-in-use. Value-in-use comprises the present value of future cash flows. Potential impairment is recognised for cases when the decline in value can be deemed as permanent. Impairment and reversals of previous impairment are recognised in the income statement.

	Parent company	
	31 Dec 2021	31 Dec 2020
Opening cost	986	971
Acquisitions	-	0
Capital contribution	379	15
Change in share of equity	-	-
Sales	-	-
Closing accumulated cost	1,365	986
Opening impairment	-7	-7
Depreciation for the year	-43	-
Closing accumulated impairment	-50	-7
Closing balance	1,314	978

Parent company, Directly-owned companies	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Equity, SEK thousand	Profit	Book value, SEK m	
			31 Dec 2021	31 Dec 2021	31 Dec 2020 ¹⁾	2021 ¹⁾	31 Dec 2021	31 Dec 2020
Atrium Ljungberg Holding 1 AB	556781-3059	Nacka	1,000	100	309	184	780	500
Atrium Ljungberg Holding 2 AB	556720-3111	Nacka	100,000	100	263	243	0	0
Atrium Ljungberg Holding 3 AB	556781-3117	Nacka	1,000	100	2	-15	42	30
Atrium Ljungberg Holding 4 AB	559056-7730	Nacka	500	100	1	-37	9	5
Atrium Ljungberg Holding 5 AB	559160-5729	Nacka	500	100	72	-105	0	0
Atrium Ljungberg Holding 6 AB	559196-3490	Nacka	500	100	115	6	0	0
Atrium Ljungberg Holding 7 AB	559198-3415	Nacka	500	100	170	148	42	2
Atrium Ljungberg Holding 8 AB	559281-7109	Nacka	500	100	0	-0	0	0
Atrium Ljungberg Holding 9 AB	559281-7091	Nacka	500	100	0	-0	0	0
Atrium Ljungberg Holding 10 AB	559281-7141	Nacka	500	100	322	322	0	0
LjungbergGruppen Holding AB	556669-3221	Nacka	1,000	100	15	-2	190	190
Atrium Ljungberg Slakthuset Holding AB	559183-0244	Nacka	500	100	0	-4	0	0
Atrium Ljungberg Bostad Holding AB	559117-6440	Nacka	500	100	6	2	3	3
Atrium Ljungberg Impluvium Holding AB	559196-3532	Nacka	500	100	0	-0	0	0
Fastighetsaktiebolaget Blästern	556282-8052	Nacka	10,000	100	0	0	0	0
Fastighetsaktiebolaget Celtica	556350-9727	Nacka	2,781,000	100	199	5	167	167
TL Bygg AB	556225-4440	Nacka	10,000	100	98	18	80	80
Closing balance							1,314	978

¹⁾ Information is only provided for the companies that form part of the Group as of 31 December 2021.

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Equity, SEK thousand	Profit
			31 Dec 2021	31 Dec 2021	31 Dec 2021	2021
Atrium Ljungberg Bas Barkarby AB	559056-7540	Nacka	500	100	25	6
Atrium Ljungberg Bohus 9 AB	559299-9774	Nacka	500	100	11	11
Atrium Ljungberg Borgarfjord 3 AB	556755-8076	Nacka	1,000	100	37	2
Atrium Ljungberg Bostad AB	559122-1378	Nacka	500	100	16	-1
Atrium Ljungberg Bostadsrättsförvaltning AB	559198-3365	Nacka	500	100	0	0
Atrium Ljungberg Cambridge 1 AB	559339-5949	Nacka	500	100	0	-0
Atrium Ljungberg Cambridge 2 AB	559339-6004	Nacka	500	100	0	-0
Atrium Ljungberg Citadellet AB	556994-4878	Nacka	500	100	48	5
Atrium Ljungberg Conditor 1 AB	559155-0404	Nacka	500	100	0	0
Atrium Ljungberg Conditor 2 AB	559155-0487	Nacka	500	100	0	0
Atrium Ljungberg Conditor 3 AB	559155-0479	Nacka	500	100	0	0
Atrium Ljungberg Dimman AB	556659-3231	Nacka	1,000	100	296	21
Atrium Ljungberg Eken 14 AB	556602-0649	Nacka	1,000	100	3	0
Atrium Ljungberg Eken AB	556948-7555	Nacka	500	100	53	-4
Atrium Ljungberg Fanny Udde AB	559198-3407	Nacka	500	100	0	0
Atrium Ljungberg Fatburssjön AB	556021-7506	Nacka	1,500	100	0	-1
Atrium Ljungberg Formalin AB	559312-9934	Nacka	500	100	0	-0
Atrium Ljungberg Gillevägen AB	559196-3508	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Entré AB	556781-3091	Nacka	1,000	100	41	16
Atrium Ljungberg Gränby Köpstad AB	556731-8265	Nacka	1,000	100	23	0
Atrium Ljungberg Gränby Park 1 AB	559196-3540	Nacka	500	100	2	-0
Atrium Ljungberg Gränby Park 2 AB	559194-8905	Nacka	500	100	95	-0
Atrium Ljungberg Gränby Park Holding AB	559172-9024	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Port AB	559198-3340	Nacka	500	100	0	0
Atrium Ljungberg Hallvägen AB	559155-0453	Nacka	500	100	3	-1
Atrium Ljungberg Holding 11 AB	559332-9765	Nacka	500	100	0	-0
Atrium Ljungberg Holding 12 AB	559332-9757	Nacka	500	100	0	-0
Atrium Ljungberg Holding 13 AB	559332-9740	Nacka	500	100	0	-0
Atrium Ljungberg Hälsingegatan AB	556877-5687	Nacka	500	100	24	22
Atrium Ljungberg Impluvium 14 AB	556065-3023	Nacka	1,000	100	96	2
Atrium Ljungberg Impluvium 15 AB	559281-7059	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 16 AB	559281-7125	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 17 AB	559281-7117	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 18 AB	559299-9717	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 19 AB	559299-9709	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 20 AB	559299-9766	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 21 AB	559199-9758	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 23 AB	559302-2352	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 25 AB	559306-2564	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 28 AB	559344-5355	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 29 AB	559344-5413	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 30 AB	559344-5405	Nacka	500	100	0	-0
Atrium Ljungberg Impluvium 31 AB	559344-5397	Nacka	500	100	0	-0
Atrium Ljungberg Kista NOD AB	556745-5182	Nacka	1,000	100	72	13
Atrium Ljungberg Kv 2 AB	559198-3456	Nacka	500	100	0	0
Atrium Ljungberg Kv 3 AB	559315-8529	Nacka	500	100	0	-0

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Equity, SEK thousand	Profit
			31 Dec 2021	31 Dec 2021	31 Dec 2021	2021
Atrium Ljungberg Kv 4 AB	559315-8511	Nacka	500	100	0	-0
Atrium Ljungberg Kv 5 AB	559315-8545	Nacka	500	100	0	-0
Atrium Ljungberg Kv 6 AB	559312-9843	Nacka	500	100	0	-0
Atrium Ljungberg Kv 7 AB	559312-9900	Nacka	500	100	0	-0
Atrium Ljungberg Kv 8 AB	559312-9892	Nacka	500	100	0	-0
Atrium Ljungberg Kvarngärdet 33:2 AB	556710-7189	Nacka	100,000	100	83	19
Atrium Ljungberg Kyrkviken 1 AB	559117-6408	Nacka	500	100	4	0
Atrium Ljungberg Kyrkviken AB	556781-3083	Nacka	1,000	100	1	-1
Atrium Ljungberg Kyrkviken Holding AB	559117-6424	Nacka	500	100	2	0
Atrium Ljungberg Life City AB	559065-7713	Nacka	500	100	49	10
Atrium Ljungberg Lindholmshamnen AB	559183-6357	Nacka	500	100	1	-1
Atrium Ljungberg Lindholmspiren KB	969646-1509	Nacka	E/T	100	157	31
Atrium Ljungberg Lägenhetsgaranti AB	559340-8411	Nacka	500	100	0	-0
Atrium Ljungberg M2 AB	556994-4910	Nacka	500	100	68	19
Atrium Ljungberg Malmen AB	556165-6553	Nacka	1,000	100	13	1
Atrium Ljungberg Mark Holding AB	559117-6416	Nacka	500	100	2	-0
Atrium Ljungberg Mälarterassen AB	559198-3332	Nacka	500	100	0	0
Atrium Ljungberg Nobelberget Holding 1 AB	559196-3516	Nacka	500	100	224	156
Atrium Ljungberg Nobelberget Holding 2 AB	559315-8503	Nacka	500	100	0	-0
Atrium Ljungberg Panncentralen AB	559312-9884	Nacka	500	100	0	-0
Atrium Ljungberg Parkering AB	559198-3449	Nacka	500	100	0	0
Atrium Ljungberg Planlavägen AB	556815-7852	Nacka	50,000	100	14	1
Atrium Ljungberg Projektutveckling AB	559198-3423	Nacka	500	100	0	-0
Atrium Ljungberg Resan AB	556948-4529	Nacka	1,000	100	3	0
Atrium Ljungberg S:t Eriksgatan AB	556914-0782	Nacka	50,000	100	16	2
Atrium Ljungberg Sickla 1 Holding AB	559315-8495	Nacka	500	100	1	-19
Atrium Ljungberg Sickla Front 1 AB	559198-3399	Nacka	500	100	9	-0
Atrium Ljungberg Sickla Front 2 AB	559312-9876	Nacka	500	100	0	-0
Atrium Ljungberg Sickla Industrifastigheter Holding AB	559187-7658	Nacka	500	100	132	85
Atrium Ljungberg Sickla Station AB	556781-3075	Nacka	1,000	100	1	-4
Atrium Ljungberg Skotten AB	556948-4537	Nacka	1,000	100	86	10
Atrium Ljungberg Slakthuset 1 AB	559184-9616	Nacka	50,000	100	2	-0
Atrium Ljungberg Slakthuset 13 AB	559184-9657	Nacka	50,000	100	4	-2
Atrium Ljungberg Slakthuset 15 AB	556605-2386	Nacka	1,000	100	28	4
Atrium Ljungberg Slakthuset 16 AB	559184-9665	Nacka	50,000	100	1	-0
Atrium Ljungberg Slakthuset 22 AB	559184-9673	Nacka	50,000	100	2	0
Atrium Ljungberg Slakthuset 23 AB	559311-4985	Nacka	500	100	0	-0
Atrium Ljungberg Slakthuset 32 AB	559184-9798	Nacka	50,000	100	0	-0
Atrium Ljungberg Slakthuset 39 AB	559184-9780	Nacka	50,000	100	0	-0
Atrium Ljungberg Slakthuset 40 AB	559184-9814	Nacka	50,000	100	0	-0
Atrium Ljungberg Slakthuset 41 AB	559184-9806	Nacka	50,000	100	2	1
Atrium Ljungberg Slakthuset 48 AB	559184-9830	Nacka	50,000	100	1	-0
Atrium Ljungberg Slakthuset 49 AB	559184-9822	Nacka	50,000	100	2	-0
Atrium Ljungberg Slakthuset 5 AB	559340-8254	Nacka	500	100	0	-0
Atrium Ljungberg Slakthuset 6 AB	559184-9624	Nacka	50,000	100	2	-0
Atrium Ljungberg Slakthuset 63 AB	559187-7625	Nacka	500	100	0	0

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Equity, SEK thousand	Profit
			31 Dec 2021	31 Dec 2021	31 Dec 2021	2021
Atrium Ljungberg Slakthuset 7 AB	559184-9632	Nacka	50,000	100	1	-0
Atrium Ljungberg Slakthuset 8 AB	559184-9640	Nacka	50,000	100	0	-0
Atrium Ljungberg Slakthuset Holding 1 AB	559183-0301	Nacka	500	100	0	-0
Atrium Ljungberg Slakthuset Holding 2 AB	559183-0319	Nacka	500	100	1	-1
Atrium Ljungberg Slakthuset Holding 3 AB	559183-0285	Nacka	500	100	1	-6
Atrium Ljungberg Stiftare AB	559155-0396	Nacka	500	100	0	-0
Atrium Ljungberg Stora Katrineberg AB	556600-3843	Nacka	1,000	100	187	27
Atrium Ljungberg T-Bodarne Holding AB	559187-7633	Nacka	500	100	0	0
Atrium Ljungberg The Point AB	559165-9916	Nacka	500	100	24	-1
Atrium Ljungberg Tomtmark AB	556948-4545	Nacka	1,000	100	11	0
Atrium Ljungberg Tranbodarne 13 AB	556754-7947	Nacka	1,000	100	53	5
Atrium Ljungberg Uddvägen AB	556781-3067	Nacka	1,000	100	-29	-41
Bostadsrättsföreningen Blomsterkungen	769640-0857	Nacka	E/T	100	0	0
Bostadsrättsföreningen Konstharts	769639-0975	Nacka	E/T	100	0	0
Fastighets AB Brogatan	556060-5536	Nacka	1,000	100	46	-4
Fastighetsaktiebolaget Stadsgården	556029-0602	Nacka	31,993,074	100	1,058	32
Fastighetsaktiebolaget Österbotten	556019-4408	Nacka	1,250	100	1	-0
Fatburstrappan Väst AB	556622-5966	Nacka	1,000	100	43	6
Gränby Centrum AB	556409-6708	Nacka	100	100	53	28
Impluvium Tretton AB	556781-3109	Nacka	1,000	100	28	-34
Kommanditbolaget T-Bodarne	969646-1392	Nacka	E/T	100	201	66
Kommanditbolaget Wårbyriggen 1	969651-2251	Nacka	E/T	100	74	2
LjungbergGruppen Fastighets AB TX31	556688-4283	Nacka	1,000	100	62	3
LjungbergGruppen Svindersvik AB	556674-6045	Nacka	1,000	100	3	0
Mobilia Nord AB	556745-4888	Nacka	1,000	100	31	-0
Mobilia Shopping Centre AB	556412-5242	Nacka	100	100	-102	-263
Sickla Industrifastigheter Kommanditbolag	916616-1720	Nacka	E/T	100	532	135
Tranbodarne 11 KB	959542-9472	Nacka	E/T	100	493	-17
Walls Fastighets AB	556004-9909	Nacka	6,000	100	37	7

¹⁾ Information is only provided for the companies that form part of the Group as of 31 December 2021.

GS.2 Shares in associated companies

ACCOUNTING POLICIES

Associated companies are companies in which the Group has a controlling influence, normally through a shareholding of a minimum of 20% and a maximum of 50% and is recognised using the equity method. Under the equity method, shares in associated companies are recognised at cost on the acquisition date and subsequently adjusted by the Group's share of the change in the associated company's net assets. The Group's book value of the shares in the associated companies corresponds to the Group's share in the associated companies' equity and any residual value of consolidated surplus and deficit values.

	Number	Share of equity, %	Book value, SEK k	
	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2020
AB FB-sjön general partner 556605-5181 Registered office in Stockholm	500	50	50	50
Barkarby Science AB 559160-1413 Registered office in Järfälla	200	14	200	200
Prospect and Icons AB 559137-9077 Registered office in Stockholm	900	50	1,652	5,654
Closing balance			1,902	5,904

PC Parent company's accounting policies and supplementary disclosures

PC.1 Parent company's accounting policies

GENERAL

The parent company applies the same accounting policies as the Group with the exceptions and additions regulated in the RFR 2, Reporting for legal entities recommendation issued by the Swedish Financial Reporting Board. This means that in its annual accounts for the legal entity the parent company applies all of the IFRS standards and statements approved by the EU wherever this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with reference to the link between accounting and taxation. The parent company does not apply IFRS 9, except for areas that are not exempt in accordance with RFR 2. IFRS 16 Leases is not applied by the parent company, which means that all leases are recognised as operating leases for the parent company.

DERIVATIVES

As of 31 December 2019, the parent company ceased hedge accounting of derivatives and is therefore recognising derivatives at the lower of cost or fair value. There were 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. Changes in value of SEK 424 million (SEK -314 m) have been recognised in profit under net financial expenses.

PROVISIONS AND FINANCIAL GUARANTEE AGREEMENTS

Provisions are recognised under a separate heading in the parent company's balance sheet. The parent company applies the relaxation rule in RFR 2 with regard to the recognition of financial guarantee agreements to the benefit of subsidiaries and associated companies, which means that IFRS 9 is not applied to such guarantee agreements. Instead, the parent company recognises a provision in respect of financial guarantee agreements when the company has an undertaking for which an outflow of resources will probably be required in order to settle this undertaking.

PC.2 Parent company's earnings from shares in Group companies

ACCOUNTING POLICIES

Received dividend is recognised when the shareholders' right to receive payment has been confirmed. If it is deemed to be certain that a later decision on dividends will be decided at the upcoming Annual General Meeting in the paying subsidiary, the parent company enters the income earlier, referred to as anticipatory dividend.

	Parent company	
Earnings from shares in Group companies	2021	2020
Dividends from subsidiaries	695	3,560
Impairment of subsidiaries	-43	-
Total	652	3,560

PC.3 Parent company's investment properties

ACCOUNTING POLICIES

Properties are measured at cost less accumulated depreciation and impairment and come under the heading of Investment properties in the parent company's balance sheet. The term investment properties includes buildings and land, land improvement, building and land-related equipment as well as work in progress.

Expenses which entail future financial benefits and where the expense can be calculated in a reliable manner have been added to cost. Ongoing maintenance which is not covered by the aforementioned description has been carried as an expense.

Depreciation according to plan is charged to the operating profit/loss of the parent company. Depreciation according to plan is effected in the amount of 1% of the cost of buildings, land improvements and building equipment. The buildings are fiscally depreciated at between 2% and 4% of cost, while land improvements are depreciated at 5%. Building equipment is

fiscally depreciated at 20–30% of cost. The difference between depreciation according to plan and fiscal depreciation is recognised under appropriations. Deferred tax on the difference between booked and fiscal depreciation of buildings and land improvements is recognised as deferred tax in the income statement and as a deferred tax liability in the balance sheet.

	31 Dec 2021	31 Dec 2020
Investment properties		
Opening cost	957	905
Sales	-962	-3
Investments	1	55
Closing accumulated cost	-	957
Opening depreciation	-162	-153
Sales	168	3
Depreciation for the year	-17	-111
Closing accumulated depreciation	-	-162
Opening impairment	-	-
Reversal impairment	-	-
Closing accumulated impairment	-	-
Closing residual value according to plan	-	797
Fair value, investment properties	-	1,008

The valuation method is described in note A.1.

PC.4 Untaxed reserves/appropriations

ACCOUNTING POLICIES

The amount allocated to untaxed reserves in the parent company comprises taxable temporary differences. The deferred tax liability attributable to the untaxed reserves in the parent company is not recognised separately due to the link between accounting and taxation. Untaxed reserves are, however, broken down within the Group, with 79.4% recognised as equity and 20.6% as deferred tax liabilities.

	31 Dec 2021	31 Dec 2020
Untaxed reserves		
Accumulated excess depreciation	6	21
Closing balance	6	21
Appropriations		
Excess depreciation equipment	14	-13
Group contributions received/made	77	85
Total	92	72

MB.5 Proposed treatment of unappropriated earnings

The Board proposes the following treatment of unappropriated earnings to the Annual General Meeting. Read more about the Board’s statement on proposed treatment of unappropriated earnings on page 149.

The following sum in the parent company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 8,756,167,005
Net profit for the year	SEK 812,532,983
Total	SEK 9,568,699,988

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

That a dividend of SEK 5.20/share be paid to the shareholders ¹⁾	SEK 656,829,462
Carried forward	SEK 8,911,870,527
Total	SEK 9,568,699,988

¹⁾ The total amount of the proposed dividend is calculated based on the number of outstanding shares as of 31 December 2021.



Proposed treatment of unappropriated earnings

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Statement from the Board of Directors in accordance with Chapter 18 § 4 and Chapter 19 § 22 of the Swedish Companies Act (2005:551)

The Board of Directors, pursuant to Chapter 18 § 4 and Chapter 19 § 22 of the Swedish Companies Act (2005:551), hereby present the following statement on the Board's proposed dividend and authorisation for the Board to resolve to buy back the company's own shares.

The Board's declaration that the proposals are compatible with the provisions of Chapter 17 § 3, paragraphs 2 and 3 of the Swedish Companies Act is as follows:

The nature and scope of the operations and associated risks

The nature and scope of the operations are specified in the Articles of Association and the published annual accounts. The operations conducted by the company do not entail risks over and above either those that arise or which may be expected to arise within the sector or those generally associated with commercial operations and the conduct thereof.

The financial position of the company and the Group

The financial position of the company and the Group on 31 December 2021 is shown in the 2021 annual accounts. The policies applied to the valuation of assets, provisions and liabilities are shown in the notes on pages 117–148 of the Annual Report.

It is apparent from the treatment of unappropriated earnings proposal that the Board proposes payment of a dividend of SEK 5.20 per share, corresponding to a total sum of approximately SEK 657 million. The proposed dividend comprises 6.5% of the parent company's equity and 2.6% of the Group's equity. Funds available for payment as dividends within the parent company totalled SEK 9,569 million at the end of the 2021 financial year. The record date for the distribution of profits proposed by the Board of Directors is Friday 25 March 2022.

It is apparent, inter alia, from the annual accounts that the Group's equity ratio is 47.1%. The proposed dividend and the proposed authorisation to buy back own shares do not jeopardise fulfilment of the investments that have been deemed necessary. The company's financial position does not give occasion to assume anything other than that the company will be able to continue its operations and that the company can be expected to fulfil its undertakings in both the short and the long-term.

The defensibility of the dividend proposal

The Board of Directors is of the opinion, with reference to the above and to other information obtained by the Board, that the financial position of the company and the Group are such that the dividend proposal and the proposed authorisation for the buy-back of shares is justifiable with reference to Chapter

17 § 3 paragraphs 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the nature and scope of the operations and the risks it entails impose on the size of the company's and the Group's equity and the consolidation requirements, liquidity and position in general of the company and the Group.

Nacka, 1 March 2022

Atrium Ljungberg AB (publ)
Board of Directors

Annual accounts signatories

The Board of Directors and the CEO hereby attest that the consolidated accounts and the annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally

accepted auditing principles, and that they provide a true and fair view of the Group's and the company's respective positions and results and that the Directors' Report for the Group and the Directors' Report for the company are faithful representations

of the development of the performance by the Group's and the company's operations, and of their respective positions and results, and that they describe significant risks and uncertainty factors faced by the companies that make up the Group.

Nacka, 1 March 2022

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Château
Member of the Board

Conny Fogelström
Member of the Board

Erik Langby
Member of the Board

Sara Laurell
Member of the Board

Annica Ånäs
CEO

Our Audit Report was submitted on 1 March 2022.

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorised Public Accountant
Auditor in charge

Åsa Robertson
Authorised Public Accountant

Auditor's report

To the annual general meeting of the shareholders of Atrium Ljungberg AB, corporate identity number 556175-7047

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts Atrium Ljungberg AB for the year 2021 except for the corporate governance statement on pages 92-103. The annual accounts and consolidated accounts of the company are included on pages 80-90 and 104-150 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 92-103. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

Atrium Ljungberg is a property group that owns, develops and manages properties in prime locations in Stockholm, Gothenburg, Malmö and Uppsala. The company develops vibrant environments where office, residential and retail spaces incorporate areas for cultural experiences, services and education. The operations of the company comprise two segments, projects and construction development and investment properties.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered areas where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Atrium Ljungberg's case, such an area refers to the valuation of investment properties, which has also been considered to constitute the greatest risk of material error. We have examined the value of the properties as well as the associated process to determine the carrying amount and the internal control over financial reporting, routines and processes based

on assessed risks. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates. We have adopted an approach where we assessed the value of all material properties in the group. A total of 93% of the total assets of the group are represented by investment properties that are valued to fair value and is therefore the main focus area of the audit.

Materiality

The scope of our audit was influenced by our application of a materiality level. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatements. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our

audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Valuation of investment properties

We refer to the Management Administration Report and the summary of Atrium Ljungberg Group's important accounting and valuation principles as well as the changes in fair values in note T.1.

The value of the investment properties amounts to SEK 50.3 billion at 2021-12-31. Investment properties include rental properties worth SEK 42.5 billion, project development properties worth SEK 7 billion and land and building rights worth SEK 0.8 billion. The investment properties constitute a significant part of the balance sheet and the valuation of the investment properties is inherently subjective and subject to management's assessments of, for example, the specific property's location, condition and future rental income. Investment properties with major uncertainties regarding market value assessments are ongoing project properties.

Atrium Ljungberg's valuation process is governed by an established valuation policy. The property portfolio is valued internally every quarter. The valuation is made in accordance with the international valuation standard IVS. Each property is valued individually without regard to any portfolio effect. The valuation is based on a cash flow calculation with individually assessed return requirements for each property and business. As part of ensuring that the valuation is fair, independent external valuation specialists are contracted being Forum Fastighetsekonomi, CBRE, Savills and Cushman & Wakefield for 2021.

Investment properties totalling 62 percent of the total market value have been externally valued. The remaining portion has been internally assessed and Atrium Ljungberg's valuation team has a dialogue with the other departments within Atrium Ljungberg to ensure that the valuations contain accurate and relevant data regarding, for example, rental levels, areas, vacancy rates and an overall analysis of the development by type of property. In addition, the external valuation institutions have quality assured assumptions about market rents, operating costs, vacancies and yields for the entire portfolio.

The significance of the estimates and judgments that are included in determining the fair value, the sensitivity of the values to changes in assumptions and judgments together with the fact that the amounts are significant, makes the valuation of management properties a key audit matter.

How our audit addressed the Key audit matter

Among other things, our audit has focused on the company's internal control and quality assurance relating to the process of the valuations of these investment properties. The audit team, including our valuation specialists, has reviewed and assessed Atrium Ljungberg's valuation policy, guidelines and valuation methods. For a selection of the investment properties, we have validated that the valuations comply with Atrium Ljungberg's valuation policy including guidelines.

Atrium Ljungberg applies the same calculation model as the external valuers, which makes the company's quality assurance of the valuations more reliable. We have evaluated the external appraiser's competence and experience to assess if there were any circumstances that could have affected their objectivity and limitations in their work.

Furthermore, on a sample basis, we have tested the management's input to the valuation models from the company's systems. This is to ensure that the information for the property valuations used in the external valuers is accurate and correct.

We have held meetings with those responsible for valuation where important assumptions and assessments were discussed. Our work has focused on the largest investment properties in the portfolio, project properties and the properties where there were the largest variations in value compared to previous quarters. We have assessed the yield requirements used by external valuers by comparing these with estimated ranges for expected yield requirements and benchmarks with available market data for the affected markets.

The values are based on assessments and are inherently subject to inherent uncertainty. Based on our review, our assessment is that the assumptions used by Atrium Ljungberg are within a reasonable range. As a result of our review, we have not reported any material observations to the Audit Committee.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–79, 91 and 156–184. Other information also consists of the Remuneration Report, which we obtained before the date of the auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Atrium Ljungberg AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to

the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts [and consolidated accounts], we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Atrium Ljungberg AB (publ) for the financial year 2021 .

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Atrium Ljungberg AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors (and the Managing Director) are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR

18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts. [Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 92–103 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Atrium Ljungberg AB by the annual general meeting of the shareholders on the 25 March 2021 and has been the company's auditor since the 27 March 2019.

Stockholm 1 March 2022

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Partner in charge

Åsa Robertson
Authorized Public Accountant

S Sustainability

S.1 General information

ABOUT OUR REPORT

This report covers the financial year from 1 January to 31 December 2021. The Annual Report comprises Atrium Ljungberg's Sustainability Report in line with the GRI Standards' Core level, and our Communication on Progress Report for the UN's Global Compact. This is Atrium Ljungberg's fourth Sustainability Report in accordance with the GRI Standards. The section on Sustainability is our Sustainability Report in accordance with the Swedish Annual Accounts Act. The Sustainability Report covers the entire Group, see notes GS.1 and GS.2, where we directly or indirectly own 100% of the companies and their assets. Exceptions from this basic rule and the reasons for these exceptions are reported in the relevant sections. Atrium Ljungberg publishes the Sustainability Report annually. The previous annual report was published on 2 March 2021. The figures for water consumption for 2020 in note S6 have been recalculated, as a quality review identified errors that have now been adjusted. The figures for 2020 were able to be updated, but not the figures for 2019. A limited assurance review has been performed by Atrium Ljungberg's external auditors. There are some sustainability results that are also published every quarter in the financial interim reports.

CHANGES TO THE REPORT AND SCOPE

There have been no significant changes to the organisation or our supply chain. During the year Atrium Ljungberg's property portfolio changed due to the sales, acquisitions and completion of new properties/projects. These changes do not affect the sustainability reporting appreciably, but should be considered for comparisons of energy consumption and emissions over time. No significant changes in scope or limitations of the GRI reporting have been made. The scope of each area is described in each section.

GOVERNANCE

Atrium Ljungberg's Board of Directors establishes the overall sustainability policy for the company and related policies, which cover the following areas: business ethics, anti-corruption and whistleblowing, suppliers, equal opportunity and non-discrimination and taxes. The Supplier Policy includes human rights. Our policies are revised and updated annually. They are available in their entirety on our website. Our Sustainability Policy highlights the fact that we need to maintain a continual dialogue with the stakeholders who form part of our core business, or who are affected by it, to ensure that we have identified our most important sustainability issues. We use the results of the materiality analysis as the basis for developing our focus areas, goals and relevant policies. The Sustainability Policy emphasises the fact that these goals need to be measurable. The goals are monitored every quarter or annually, while the company's strategy and goals are evaluated and updated once a year or once every two years by the Board and management team as part of planning for the following year and the budgetary work within the company. Our sustainability goals are also based on the company's values. See page 15 for further information on the goals and outcomes.

SUSTAINABILITY RISKS

The executive management and Board evaluate our sustainability risks at least every two years. Our main sustainability risks involve the supplier chain, climate change, the environment and energy, bribes/corruption, and health and safety. The construction and property industry is an at-risk industry in terms of bribes and corruption. Our risks in the supplier chain include the environment, human rights and social issues. The entire construction industry contains risks associated with health and accidents, for example during demolition work and putting up scaffolding. See pages 84–90 for more information about risks and risk management. See pages 10–13 for more information about Atrium Ljungberg's business model, strategies and role in the value chain.

S.2 Stakeholder dialogue and materiality analysis

STAKEHOLDER ENGAGEMENT

Atrium Ljungberg's most important stakeholders are customers, owners and investors, employees, suppliers and municipalities. They are all important for our value creation. It is essential for us to maintain a dialogue with stakeholders in order to provide a relevant offering. We also gain insight into their expectations of us in terms of our sustainable enterprise. Stakeholder dialogues form the basis of the choice of our most important sustainability issues (see below). In 2020, we conducted an extensive stakeholder dialogue process in the form of individual interviews (either in person or digitally), where at least three representatives per stakeholder group were interviewed. Dialogue with the employees took place via an interactive web survey at the company's annual conference. Dialogue with tenants and suppliers was carried out using web surveys as well as continual dialogue in property management. Based on the survey from 2020, we identify changes in expectations of our stakeholders through our standard dialogue channels during the year. To summarise, the areas that are believed to be the most important are energy, emissions, suppliers, anti-corruption, employment, health, training, non-discrimination and equal opportunities. Over the past four years we have noticed an increase in the amount of interest shown in climate issues among all stakeholders. This includes investors, who are interested in green bonds and our energy and climate work, partly because of the introduction of the EU's taxonomy. Social issues have also become more important for investors.

The table below describes the issues that each stakeholder group has indicated as important, as well as the channels we use for dialogue.

Stakeholder dialogue and prioritised issues

Primary stakeholders	Prioritised issues	Channels for dialogue
Customers	Resource efficiency and recycling Certification of buildings and communication Work environment Environment and climate adaptation	Continuous dialogue in management Annual customer survey Collaboration in projects on new production, reconstruction and green lease contracts
Owners and investors	Governance and reporting Anti-corruption Responsible purchasing Resource efficiency Environment and climate adaptation Certification of buildings Contribution for urban and social development	Feedback in connection with the sustainability assessment Investor meetings Annual strategy conference with the Board
Employees	Resource efficiency and recycling Environment and climate adaptation Contribution for urban and social development Professional development	Employee survey Performance management process Meetings and workshops
Municipalities (society)	Environment and climate adaptation Contribution for urban and social development	Meetings and workshops Processing cases
Suppliers	Resource efficiency and recycling Work environment Responsible purchasing	Continuous dialogue in projects Dialogue for procurements and enquiries

MATERIALITY ANALYSIS AND KEY ISSUES

We have identified several key areas based on the Group's strategies, our impact on the outside world and our stakeholders' expectations, which we have developed into four focus areas for the company's sustainability work. The materiality analysis clearly showed that the Board, the management team and other

stakeholders were all mostly in agreement about what the key areas were for Atrium Ljungberg. Changes in the market, the risk profile and new prioritised issues which arose during our dialogues with stakeholders in 2020 show that our focus areas continue to be important for the Group. At the end of 2020 a materiality analysis was performed for our sustainability work

moving forwards. Although this work is consistent with the work that we have performed in the past, it was refined in 2021 to reflect the new goals that have been adopted. Our sustainability work will be further developed in 2022.

Reporting and governance of key focus areas

Atrium Ljungberg's focus areas

Sustainability management of the focus areas		Atrium Ljungberg's focus areas			
		Sustainable urban development	The environment and resource efficiency	Business ethics	Employees
Link to GRI standards	Reported GRI standards and disclosures	<ul style="list-style-type: none"> Customer health and safety (AL1): Type and number of sustainability/environmental certifications, labelling or processes applied for implementation of projects or construction of properties/facilities 	<ul style="list-style-type: none"> Energy (GRI 302-1, 302-3): Energy consumption within the organisation and energy performance in buildings Emissions (GRI 201-2, 305-1, 305-2, 305-3, 305-4): Financial implications and other risks and opportunities due to climate change. Direct and indirect greenhouse gas emissions (Scope 1, 2 and ³⁾ and emissions intensity in buildings 	<ul style="list-style-type: none"> Evaluation of suppliers in terms of working conditions and human rights (GRI 414-1): Percentage of new supplies that are evaluated with respect to social criteria Evaluation of suppliers in terms of the environment (GRI 308-1): Percentage of suppliers that are evaluated using environmental criteria. Anti-corruption (GRI 205-1, 205-3): Percentage of operations that are assessed for risks related to corruption as well as the number of incidents of corruption 	<ul style="list-style-type: none"> Employment conditions and working conditions (GRI 401-1): Employee turnover Health and safety (GRI 403-2): Injuries, illnesses, absence as well as work-related fatalities. Training (GRI 404-2, 404-3): Competence provision, including programmes for continuing training and lifelong learning to support continued employability and to help employees at the end of their employment. Percentage of employees receiving regular performance and career development reviews Diversity and equal opportunities (GRI 405-1): Composition of the Board and management team, and breakdown of other employees by sex, age group, minority group and other diversity indicators Non-discrimination (GRI 406-1): Number of cases of discrimination
	Why this area is important to us	As an urban and property developer we have a major impact on the environment and the people who live and spend time there	The construction and property sector accounts for roughly one third of Sweden's energy consumption and has a major impact on the climate	Our industry faces bribes, corruptions and human rights violations, which we want to combat	If we are to achieve good results we need to have competent, engaged and healthy employees and provide them with a positive work environment
	Responsibilities and impact on the value chain	We cause or contribute to this impact in our role as project developer and client. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. See pages 22, 25 and 27 for more information.	We cause and contribute to this impact at all stages in the value chain. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. See pages 18-19 and 25-26 for more information.	We cause and contribute to this impact at all stages in the value chain. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. See pages 22 and 27 for more information.	We take responsibility for our own employees and the people who work under our roof. See pages 23 and 28-29 for more information.
	Scope of the report	See note S.7	See note S.4 and S.5	See note S.11 and S.12	See note S.9

table cont. on next page

cont. Reporting and governance of key focus areas

Atrium Ljungberg's focus areas

	Sustainability management of the focus areas	Atrium Ljungberg's focus areas			
		Sustainable urban development	The environment and resource efficiency	Business ethics	Employees
GRI 103-2	How we work	See the chapters on Sustainable Enterprise on pages 16–17, Climate Neutrality on pages 18–19, and Socially Sustainable Locations on pages 19–20	See the chapters on Climate Neutrality on pages 18–19 and Goal Achievement 2014–2021 on pages 25–26	See the chapter on Business Ethics and Human Rights on page 27	See the chapter on Care for our Employees on pages 28–29
	What we want to achieve	We develop sustainable city districts and properties to increase the attractiveness of the areas and create value for tenants, municipalities, others who use the sites and us ourselves. The properties must be designed with care for people and the environment; they must be resource-efficient and make it easier for people to lead a sustainable lifestyle	We improve our own and our customers' resource efficiency and reduce our impact on the environment and climate by streamlining our energy consumption and reducing our carbon dioxide emissions into the atmosphere	We uphold sound business practices in our own operations and in relation to suppliers and other partners. We impose the same requirements on our suppliers as we do on ourselves in terms of the environment, work environment, working conditions and human rights	We want to have competent, engaged and healthy employees, which is why we want to have a positive and safe work environment and a culture that is characterised by participation
	Goal	The goal for 100% of our properties to be environmentally certified by 2021. The result of this goal is reported publicly in our interim reports	The goal for energy consumption per square metre to be reduced by 30% between the years 2014 and 2021. The result of this goal is reported publicly in our interim reports. Emissions are reported in the Annual Report and to CDP.	We monitor the number of incidents reported to the whistleblowing function, the number of incidents of corruption and the number of suppliers that have signed our Supplier Code of Conduct. These key figures are monitored annually.	The goal to achieve an average confidence index of 85% in the Great Place To Work® evaluation every year. The result of this goal is reported publicly in our annual report. Atrium Ljungberg also has a zero-tolerance approach to stress-related illnesses and workplace accidents. Key figures are monitored annually.
	Policies	Overall sustainability policy	Overall sustainability policy and Supplier Code Conduct	Overall sustainability policy, business ethics policy, Supplier Code of Conduct, tax policy, whistleblowing policy	Overall sustainability policy, equal opportunity and discrimination policy, business ethics policy, whistleblowing policy and work environment policy
	Obligations in addition to Swedish laws and guidelines	UN Global Compact, UN Sustainable Development Goals, and the certification of buildings in accordance with BREEAM, BREEAM In-Use and Miljöbyggnad	UN Global Compact, UN Sustainable Development Goals	UN Global Compact, UN Sustainable Development Goals, Universal Declaration of Human Rights, Swedish Anti-Corruption Institutes' Code of Business Conduct, and the Swedish Construction Federation's Code of Conduct for Legal and Appropriate Behaviour	UN Global Compact, UN Sustainable Development Goals, ILO Core Conventions, Universal Declaration of Human Rights,
	Specific processes, projects, programmes and initiatives	Governed by the strategy for sustainable urban development and adopted processes with internal steering documents for certifications	Governed by established processes and steering documents, quality assurance of data through monthly follow-up. And certification from TL Bygg in accordance with the management and product certification system BF9K	Governed by the Supplier Code of Conduct, which is enclosed with agreements. The purchasing process contains procedures for checks and reviews of entertainment, gifts and benefits. It is possible to make an anonymous report using the whistleblowing function	Governed by adopted processes with internal steering documents. Risks are identified through continual safety inspections. Quality assurance is performed through the safety committee. Workplace accidents are reported to the Swedish Work Environment Authority. It is possible to make an anonymous report using the whistleblowing function. All employees must report near accidents and risk observations in the IA system. When making a report, people are asked not to enter any personal details, and both the manager and HR can remove personal details to ensure that the report is anonymous. TL Bygg is certified in accordance with the management and product certification system BF9K
GRI 103-3	Evaluating governance	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. No changes were made to the governance of this focus area over the year.	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This has resulted in no changes to the governance of this focus area over the year	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This has resulted in the Supplier Code of Conduct now containing clearer requirements for our suppliers	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This has resulted in no changes to the governance of this focus area over the year

We also report the outcome of the direct economic value that is generated and distributed to the various stakeholders in accordance with the GRI Standards' indicator 201-1. We base this on the <IR> framework that considers all stakeholders to

be important; this is why it is natural for us to report economic value divided by stakeholder group, even though we do not consider this to be a focus area. See further in note S.10.

S.3 External initiatives and memberships

Atrium Ljungberg has decided to support a number of international conventions and initiatives, and the company is also a member of several associations and organisations presented here.

INVOLVEMENT IN INTERNATIONAL CONVENTIONS AND INITIATIVES:

- UN Global Compact
- The UN's Sustainable Development Goals
- Universal Declaration of Human Rights
- ILO Core Conventions
- Swedish Anti-Corruption Institutes' Code of Business Conduct¹⁾
- Swedish Construction Federation's Code of Conduct for Legal and Appropriate Behaviour¹⁾

MEMBERSHIP IN ASSOCIATIONS AND TRADE ASSOCIATIONS:

- Swedish Property Federation (Fastighetsägarna)
- Sweden Green Building Council
- Stockholm Chamber of Commerce
- Almega
- Confederation of Swedish Enterprise
- SNS (Centre for Business and Policy Studies)
- Kultur & Näringsliv
- Swedish Building Materials Assessment
- Fossilfritt Sverige
- Swedish Construction Federation¹⁾
- The Swedish Association of HRM
- Centrum för AMP

¹⁾ Applies to subsidiary TL Bygg.

S.4 Energy consumption (GRI 302)

CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports energy consumption based on total energy, and various targets based on property electricity, tenant electricity, district heating and district cooling. The amount of energy refers to the amount that has been purchased from suppliers. The values for solar cells are based on installed power. Heating and cooling, including tenant consumption in the property. Tenant electricity is estimated for tenants with their own electricity subscription. The distribution between measured and standard value electricity is shown in the table below. The standard value was calculated by using the average value for the retail, food sector and office categories, where we have onward delivery of electricity. The key performance indicator was then multiplied by the letting area in the properties where we do not have onward delivery of electricity. The Swedish Energy Agency's key ratio is used for residential property since we do not have onward delivery of electricity and therefore lack the underlying data for residential property. We use weighting to an average year for district heating for each location. In previous years, fuel in the form of oil and pellets was weighted to an average year. District cooling was not weighted to an average year in 2021. The energy intensity measure includes heat, cooling and electricity, including tenants' energy consumption, and is measured per square metre. In previous years, fuel in the form of oil and pellets was included. We use the total letting area, excluding the garage, indexed by a factor of 1.15, to include the shared areas and technical areas. We use the Swedish National Board of Housing's Building Regulations and Atemp to define the area for which a building's energy consumption is to be calculated.

Atrium Ljungberg's goal is to reduce energy consumption per square metre by 30% from 2014 to 2021. We also include the energy consumption of our tenants in our target. Purchased and

sold properties are calculated in relation to period of ownership. In terms of comparable properties (like-for-like figures), we use the definition that states that properties must have been owned for at least two full reporting years before they are included in the reporting in order to ensure as comparable statistics between the years as possible. Like-for-like key figures are a complement to the actual consumption, as they show change in performance that is not related to changes in the property portfolio. The energy statistics do not include the subsidiary TL Bygg or project properties. This is because we report in accordance with the principle that only includes the property portfolio.

DEVELOPMENT IN 2021

Energy consumption weighted to an average year has decreased by 6% (6%) since 2020 when making comparisons of comparable portfolios (LfL). The actual energy consumption and energy intensity also decreased. This is due to energy efficiency work, changes in the property portfolio, for example, acquisitions and sales, but also new builds, reconstructions and extensions. In 2021 we carried out energy-saving projects in our property areas. These include energy recovery from cooling in Uppsala and heating in Liljeholmen, as well as additional installations of LED lighting in different parts of our portfolio. Since 2019 we have not had any fuel-fired facilities in our property portfolio. See page 26 for more information about our energy work.

Energy				Absolute measures use (ABS)			Like-for-like (LFL) per property type											
				Atrium	Ljungberg	Total	Offices			Retail			Residentials			Atrium	Ljungberg	Total
Code	Unit	Indicator	Description	2021	2020	2019	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
Elec-Abs		Electricity	Property electricity, measured	44,488	51,370	52,964	28,711	34,723	-17%	13,924	12,505	11%	1,386	1,335	4%	44,021	48,564	-9%
Total number of properties included in the indicator				72	50	53	49	33		15	9		4	3		69	45	
Elec-Abs		Electricity	Tenant electricity, measured	56,623	58,998	66,512	33,903	35,765	-5%	21,580	20,911	3%	0	7	-100%	55,483	56,683	-2%
Total number of properties included in the indicator				56	39	28	40	30		13	7		1	1		54	38	
Elec-Abs		Electricity	Total tenant electricity, standard value	16,321	17,545	20,218	10,917	9,860	11%	3,813	4,863	-22%	1,536	1,536	0%	16,266	16,259	0%
Total number of properties included in the indicator				17	20	22	11	10		2	3		3	3		16	16	
DH&C-Abs		Energy	Total landlord-obtained heating and cooling	80,799	82,515	106,279	58,090	58,616	-1%	17,122	15,278	12%	3,891	3,378	15%	79,103	77,271	2%
Total number of properties included in the indicator				72	53	55	51	35		14	10		3	3		68	48	
	MWh	Energy	Total energy use	198,230	210,427	245,972	131,620	138,964	-5%	56,439	53,557	5%	6,814	6,256	9%	194,873	198,777	-2%
	MWh	Energy	Total energy use (Degree day corrected)	199,509	223,598	253,448	132,404	146,126	-9%	56,775	57,875	-2%	6,927	6,921	0%	196,079	210,922	-7%
Energy intensity	kWh/m²	Energy intensity	Energy building intensity	198	207	221	199	187	6%	202	148	36%	152	152	0%	198	206	-4%

S.5 Carbon dioxide emissions (GRI 305)

CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports carbon dioxide emissions in accordance with Greenhouse Gas Protocol, which internationally, is the most common method for voluntarily calculating a company's greenhouse gas emissions. Since 2007, which is also our base year, we have been reporting the calculations of our emissions for Scope 1, 2 and 3 to CDP. Only carbon dioxide emissions are included. Carbon dioxide emissions in the base year 2007 amounted to 323 tonnes in Scope 1, 5,946 tonnes in Scope 2 and 32,048 tonnes in Scope 3. We use the principle of control based on ownership, once we have defined what is included in our carbon dioxide emissions. This means that the emissions from our tenants' energy consumption in our properties are reported in Scope 2 and 3. Emissions from

heating consumption in Scope 1 and 2 are based on actual consumption. The emission figures for calculating emissions from electricity and district cooling have been obtained from the relevant supplier. The emission figures for district heating have been obtained from the Swedish District Heating Association, where the values from previous years have been used. We use 'Nordisk elmix' to calculate emissions for electricity using the location-based method and from tenants that have their own electricity subscription. Our own electricity consumption and our onward delivery of electricity to our customers are origin-labelled and generated using hydroelectricity, which produces zero carbon dioxide emissions. In Scope 3 we calculate emissions that are generated from our visitors' journeys to and from our retail hubs, which is a significant emission category downstream in the value chain. These calculations

are based on a rough estimate of habits, travel patterns and the number of miles driven. The emission factor for our customers' car journeys to and from our retail hubs corresponds to the emissions of an average private car for 2018 according to the Swedish Transport Administration. We also include emissions from business trips by plane, train and private vehicle in Scope 3. However, carbon dioxide emissions from trains are insignificant in this context. The intensity measurement kgCO₂e/m² is based on emissions from Scope 2 and the tenants' energy from Scope 3. The other categories in Scope 3 are not reported, as we either do not have reliable data at present or the emissions are insignificant. In the future, we are working on reporting some of the emissions from building materials purchased and from the building production stage.

Carbon dioxide emissions, origin and sources

Scope	Activity	Data source	Emission factor
Scope 1	Business trips using service and company cars	Data from Autoplan.	Emission factor for each vehicle
Scope 2	Electricity consumption in properties	Data from suppliers is used in market-based calculations. We use hydroelectricity with guarantees of origin, which does not produce carbon dioxide emissions. 'Nordisk elmix' is used for location-based calculations and tenants with their own electricity subscription.	Market based: 0 g CO ₂ e/kWh Location based: 60 g CO ₂ e/kWh
Scope 2	District cooling consumption in properties	Data from suppliers	Emission factor for each supplier
Scope 2	District heating consumption in properties	Data from Svensk Fjärrvärme, one year time lag	Emission factor for each supplier
Scope 3	Business trips by air and train ¹⁾	Data from our travel agency Egencia, in accordance with STS standard.	kg CO ₂ e STS standard for each trip
Scope 3	Private vehicle used for work	Internal data from the finance system for mileage payments for business trips using a private car Emission factor from the Swedish Transport Administration.	149 g CO ₂ e/km
Scope 3	Visitors to retail hubs	Estimated distance driven based on travel habits and customer surveys, and the emission factor from the Swedish Transport Administration.	149 g CO ₂ e/km

¹⁾ Train travel is included from 2019.

DEVELOPMENT IN 2021

Atrium Ljungberg’s carbon dioxide emissions come from heating its properties and the use of fuel for transports. In 2021 carbon dioxide emissions per square metre from Scope 2 and

parts of Scope 3 amounted to a total of 4.1 kg CO₂e/m² (6.5), which was a reduction on the previous year. The intensity measurement is based on energy consumption per square metre. This is mostly due to lower emissions from the district heating

suppliers; but also a reduction in energy consumption resulting from our efficiency work. See pages 25–26 for more information about our work during the year.

Greenhouse gas emissions

Greenhouse gas emissions				Absolute measures use (ABS)			Like-for-like (LFL) per property type											
				Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator		2021	2020	2019	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
GHG-Dir-Abs	Tonne CO ₂ e	Direct	Scope 1	408	238	246*	-	-	0%	-	-	0%	-	-	0%	-	-	
GHG-Dir-LfL																		
GHG-Indir-Abs		Indirect	Scope 2	3,244	4,636	8,889	1,881	2,235	-16%	1,038	1,585	35%	265	502	-47%	3,184	4,322	-26%
GHG-INDIR-LfL		Other indirect	Scope 3	7,804	6,625	8,012	589	789	-25%	229	438	-48%	41	61	-33%	859	1,287	-33%
GHG-Int		kg CO ₂ e/m ²	GHG Intensity		4.1	6.5	8.6	3.8	5.1	-27%	4.6	7.5	-39%	6.8	14.6	-53%	4.12	6.5

*The figure for 2019 has been corrected due to an error that was identified.
Scope 2 in the table has been calculated using market-based principles. Atrium Ljungberg’s Scope 2 emissions, which were calculated using location-based principles, totalled 14486 tonnes (15,898 tonnes) CO₂e. The total number of properties is 67.

FINANCIAL IMPACT OF CLIMATE RISKS AND OPPORTUNITIES

Every year we provide CDP with a rough estimate of what the financial impact of our climate risks would have on Atrium Ljungberg should they transpire. We have valued the total financial impact to be SEK 494 million in higher costs distributed as follows:

Transition risks:

- SEK 16 million in higher operating costs, primarily energy costs, due to the introduction of the carbon dioxide tax or fees.
- SEK 100 million in higher project costs and higher investment needs due to stricter building regulations and stricter requirements for lower emissions from properties.
- SEK 229 million in lower demand that could be caused by tenants not willing to renegotiate their contracts if we do not meet their raised expectations.
- SEK 131 million from a higher vacancy rate, leading to a decrease in income, that is caused by an uncertain market that may not be willing to pay for climate adaptation.

Physical risks:

- SEK 16 million per year in higher costs due to a higher average temperature, which leads to greater variations in the energy price.
- SEK 1 million in higher repair and maintenance costs in properties caused by higher rainfall, snowfall and storms.

To reduce these climate risks, we are working with certifications of our buildings, green lease contracts, and reducing energy consumption. We have made an omission in this report relating to the costs of actions to manage any risks. We are working on producing this, but do not have a complete report yet. Work on climate risk inventories is underway and we hope to have an estimate of the costs of managing these risks in 2022/2023. This kind of climate change may also present opportunities that could have a positive financial impact on Atrium Ljungberg. We have estimated this to be SEK 167 million. These opportunities include producing our own solar power, reducing operating

costs by streamlining resources and lowering emissions, and by ensuring that our properties maintain a high standard, meet even stricter requirements and can contribute to climate-smart and sustainable cities. This will make them more competitive and may generate higher income. These calculations are based on financial data for 2021 and assumptions of a percentage development resulting from the impact of climate change. The calculation methods used for assessing risks differed between 2020 and 2021, which means that these figures are not comparable. Read more about our climate risks and opportunities in our public CDP report and on page 30.

S.6 Water

CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports water data for the properties' water consumption. 'Water' refers to water purchased from suppliers. All of Atrium Ljungberg's properties are included in the statistics, but we do not report water consumption for all of the Group's construction sites or ongoing projects. The total number of properties with water delivery was 62 (52).

DEVELOPMENT IN 2021

Actual water consumption increased slightly during the year, totalling 465,843 (411,260*) cubic metres, compared with the previous year. Water intensity also increased compared with the previous year. This is due to errors that were identified when performing a quality review of the figures from 2020, which included sold properties. This led to lower consumption

in 2020. The increase in 2021 is therefore due to a number of factors, which include: a number of acquisitions were made; quality assurance was supplemented for the missing meters; there was a slightly higher level of activity in properties compared with 2020. See the table below for like-for-like figures.

Water

Water			Absolute measures use (ABS)			Like-for-like (LFL) per property type											
			Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator	2021	2020*	2019	2021	2020*	Change	2021	2020*	Change	2021	2020*	Change	2021	2020*	Change
Water-Abs			465,843	411,260	462,624	248,769	244,183	2%	115,240	76,779	50%	47,283	46,857	1%	411,292	393,697	4%
Water-LfL	m³	Water															
Water intensity	m³/m²	Water intensity	0.46	0.39	0.39	0.38	0.41	-7%	0.41	0.39	5%	1.04	1.03	1%	0.41	0.39	5%
of applicable properties		Total number of properties included in the indicator	62	50	37	43	37		13	5		3	2		59	45	

S.7 Certified buildings

CALCULATION METHODS AND SCOPE

Environmentally certified buildings are buildings that have been awarded a sustainability certificate from an independent certification body. The certifications that we include in our statistics are BREEAM, BREEAM In-Use and Miljöbyggnad.

Our goal is for 100% of Atrium Ljungberg's properties to be certified by 2021, and when monitoring this goal, the outcome

is calculated as the share of letting area that has been certified divided by the total letting area, excluding project properties and buildings acquired over the past two years. However, the key performance indicator for certifications that is reported below includes buildings acquired over the past two years. The base year for both goal monitoring and the key performance indicator is 2016. In the base year of 2016, 13% of the total letting is in comparable portfolios and 13% of the total portfolio of properties were environmentally certified.

DEVELOPMENT IN 2021

During the year the proportion of certified buildings increased from 62% to 96%. This increase was due to several existing buildings being certified in accordance with BREEAM-In-Use. See page 25 for more information about this work.

Environmentally certified buildings		Atrium Ljungberg total			Per certification								
		Total number of environmen- tally certified objects			Environmental building			BREEAM-In-Use			BREEAM		
Code	Indicator	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Cert-tot	Number of certified assets	53	37	30	6	3	3	33	7	14	17	13	13
	Certified area (m²)	832,778	614,314	539,431	24,620	17,100	17,100	643,798	482,302	407,419	164,360	114,912	114,912
	Certified area, share of total portfolio (%)	96	62	46	3%	2	1	77%	41	35	20%	10	10

S.8 Green lease contracts

Green lease contracts are contracts that have the Swedish Property Federation's standard green appendix. This appendix is attached to the lease contract. Monitoring of the goal includes ongoing lease contracts as of the end of December that have a green appendix. All types of premises are included, with the exception of residential properties and garages which do not have green appendices at present. The lease value for the contracts that have a green appendix is divided by the total rental value in the same area of use. Atrium Ljungberg's goal was for the proportion of green lease contracts to reach 50% of contracted annual rent by the end of 2021. At the end of 2021, 59% (44%) of our contracted annual rent came under a green lease contract. This improvement is due to a continued increase in the level of interest surrounding this kind of contract as well as a targeted focus from all property management to include this appendix in all new and renegotiated contracts.

S.9 Employees

NUMBER OF EMPLOYEES

Calculation methods and scope

Atrium Ljungberg does not divide employees by region, but reports the Group's employees as a whole. We only report our own employees. We only use fixed-term employment to a very limited extent, which is why they are not included in our reporting of employees. In 2021 we only had two temporary employees. Similarly we do not include hired consultants or suppliers who work full time or part time under our roof. The reason for this is that it is the suppliers, as employers, who are responsible for them, so we do not have access to their health and safety data. The reports in the following tables in note S.9 refers to the number of people at the end of the year, except for the first table that shows the average number of employees. We report data for employee turnover and employees divided by age and sex.

DEVELOPMENT IN 2021

At the end of 2021 the Group had 331 (340) employees, of whom 100% cent (100%) had collective agreements. We almost only hire employees on a permanent and full-time basis. The average number of employees amounted to 321 (333). The workforce remains relatively evenly distributed during the year, except during the summer when summer workers are employed, particularly in administration. Read more about this development during the year on pages 28–29.

Average number of employees, distributed by gender

	The Group			Parent company		
	2021	2020	2019	2021	2020	2019
Men	221	234	231	120	125	120
Women	100	98	90	90	86	79
	321	333	320	210	211	198

Employee turnover

	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Year's change in number of employees									
Number of employees at the start of the year	237	103	340	239	95	334	221	83	304
New hirings	24	13	37	24	19	43	38	21	59
Resignations	34	12	46	26	11	37	20	9	29
Number of employees at the end of the year	227	104	331	237	103	340	239	95	334
New employees									
under 30	5	3	8	8	3	11	3	3	6
30-49	13	9	22	13	15	28	27	17	44
50 and above	6	1	7	3	1	4	8	1	9
Total	24	13	37	24	19	43	38	21	59
Resignations									
under 30	3	0	3	3	0	3	5	0	5
30-49	21	8	29	18	11	29	8	8	16
50 and above	10	4	14	5	0	5	7	1	8
Total	34	12	46	26	11	37	20	9	29

Employees divided by form of employment and employment type

	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Form of employment									
Skilled employees	97	7	104	98	5	103	99	3	102
Administrative employees	131	96	227	139	98	237	140	92	232
Number of employees at the end of the year	228	103	331	237	103	340	239	95	334
Type of employment									
Full-time	227	102	329	236	102	338	239	93	332
Part-time	1	1	2	1	1	2	-	2	2
Total	228	103	331	237	103	340	239	95	334

Employees divided by age and sex

	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Age distribution all employees									
under 30	16	8	24	25	7	32	25	6	31
30-49	128	74	202	136	77	213	144	73	217
50 and above	83	22	105	76	19	95	70	16	86
Total	227	104	331	237	103	340	239	95	334
Age distribution executive management									
under 30	-	-	-	-	-	-	-	-	-
30-49	2	2	4	3	2	5	3	2	5
50 and above	-	2	2	-	1	1	-	1	1
Total	2	4	6	3	3	6	3	3	6
Age distribution other managers and employees									
under 30	16	8	24	25	7	32	25	6	31
30-49	126	72	198	133	75	208	141	71	212
50 and above	83	20	103	76	18	94	70	15	85
Total	225	100	325	234	100	334	236	92	328
Age distribution Board of Directors									
under 30	-	-	-	-	-	-	-	-	-
30-49	1	1	2	2	1	3	2	1	3
50 and above	3	1	4	2	1	3	2	-	2
Total	4	2	6	4	2	6	4	1	5
Gender distribution									
Board of Directors	4	2	6	4	2	6	4	1	5
Executive management	2	4	6	3	3	6	3	3	6
Mid-level management	28	13	41	31	13	44	30	12	42
Other	197	87	284	203	87	290	206	80	286
Total	231	106	337	241	105	346	243	96	339

SICK LEAVE AND ACCIDENTS

Calculation methods and scope

Only our own employees are included in the statistics for sick leave and accidents. We base our calculations on total working hours of 405,361 (411,751) for Atrium Ljungberg and 240,786 (260,988) for TL Bygg, which in total amounts to 646,147 (672,739) hours in 2021. Day refers to contracted work days, not calendar days. The accident rate is reported per one million working hours.

DEVELOPMENT IN 2021

The Group's sick leave was 3.2% in 2021 (3.4%). The number of work-related accidents decreased slightly. There were no serious accidents. There were no (0) fatalities. Our systematic work environment management complies with and is based on the following laws; Work Environment Act, Working Hours Act, Work Environment Ordinance, Provisions from the Swedish Work Environment Authority, National Insurance Act, Discrimination Act, Collective Agreements, etc.

Read more about our employees on pages 28–29.

Sick leave by sex, % of total contracted working hours

	2021	2020	2019
Men	4%	4%	3%
Women	2%	2%	3%
Total absence	3%	3%	3%

Sick leave by age and sex

	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
under 30	3.6	4.0	3.8	4.2	6.3	4.6	2.2	4.5	1.9
30–49	3.0	1.6	2.5	3.5	2.1	3.0	3.4	3.2	3.3
50 and above	4.6	2.9	4.2	4.2	2.4	3.9	3.2	5.0	3.5
Total	3.6	2.1	3.2	3.8	2.4	3.4	3.2	3.4	3.2

Accidents and related absence

Number	2021			2020			2019		
	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures
Accidents with sick leave	4	–	160	4	–	425	5	–	32
Sickness or other ill health	–	–	–	–	–	–	3	1	40
Accidents without sick leave	9	–	–	11	–	–	12	–	–
Near accidents	9	–	–	21	–	–	10	–	–
Commuting accident ¹⁾	1	–	–	4	2	1	5	2	56
Total	23	0	160	40	2	426	35	3	128

¹⁾ A commuting accident is an accident that takes place outside of working hours, on the way to and from work.

Work-related accidents and accident rate (LTIR)*

	2021		2020		2019	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Atrium Ljungberg	1	2.5	–	–	2	5.2
TL Bygg	3	12.5	4	15.3	3	12.3
Total	4	4.6	4	5.9	5	7.9
Men	3	6.7	4	8.4	5	10.9
Women	–	–	–	–	–	–
Total	3	4.6	4	5.9	5	7.9

*The accident rate is reported per one million working hours.

Lost working hours as a result of a work-related accident or illness (Lost Day Rate)

	2021		2020		2019	
	No. of days	Rate	No. of days	Rate	No. of days	Rate
Atrium Ljungberg	146	0.0	–	–	18	0.0
TL Bygg	14	0.0	425	0.0	54	0.0
Total	160	0.0	425	0.0	72	0.0
Men	160	0.0	425	0.0	72	0.0
Women	–	–	–	–	–	–
Total	160	0.0	425	0.0	72	0.0

S.10 Direct economic value and tax

FINANCIAL VALUE CREATION

Atrium Ljungberg creates value through its management, development and acquisition of properties in Sweden. The generated economic value mainly comprises rental income.

The generated economic value is distributed between suppliers, employees, lenders, society and the owners. Economic value distributed corresponds to economic value generated. The largest share of our distributed economic value refers to payments to suppliers for the products and services we purchase. See pages 179–180 for the definitions.

	2021	2020	2019
Directly generated economic value			
Revenue	3,084	2,839	2,811
Economic value distributed			
Operating costs	695	556	501
Salaries and compensation to employees	277	281	261
Fees and compensation to the Board and CEO	31	31	33
Payments to financiers, net	378	371	372
Tax to society	355	392	404
Social investments	2	3	3
Dividends to shareholders	640	649	631
Total distributed economic value	2,378	2,283	2,206
Economic value – remaining in the company	706	555	605

¹⁾ Economic value distributed corresponds to economic value generated.

TAXES

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. Within the framework of this, in its tax policy Atrium Ljungberg undertakes not to conduct aggressive tax planning. Aggressive tax planning refers to arrangements which only aim to minimise the tax without links to own business activities. The tax policy is available in its entirety on our website.

Tax	2021	2020	2019
Current tax	0	41	63
Property tax	182	185	174
Non-deductible VAT	129	134	79
Stamp duty	16	–	55
Total taxes	326	361	370
Leasehold fees	28	31	34
Total to society	355	392	404

* The comparison figures deviate from the annual accounts of previous years due to redistribution of figures between the rows.

S.11 Anti-corruption (GRI 205)

CALCULATION METHODS AND SCOPE

Corruption refers to the misuse of a position of power or trust for a person's own benefit or for the benefit of others. We report cases of corruption which concern regular employees and temporary employees. 100% of our operations have been reviewed for corruption, and the main risks identified during this examination relate to suppliers, letting and transactions.

DEVELOPMENT IN 2021

Zero (0) incidents of corruption were confirmed in 2021.

Incidents of corruption	2021	2020	2019
Number of confirmed incidents of corruption	–	–	–
Number of employees who have had to resign as a result of corruption	–	–	–
Number of collaboration agreements that have been terminated as a result of corruption	–	–	–
Legal procedures for corruption that have been brought against the organisation and our employees	–	–	–

S.12 Suppliers (GRI 308)

CALCULATION METHODS AND SCOPE

Supplier refers to those that invoiced at least SEK 100,000 in 2021. New supplier refers to those with which Atrium Ljungberg signed a new agreement during the year. In addition to the framework agreements, we have included new agreements signed within the 'business development' business area, the project organisation and property management. However, we have not yet included agreements from subsidiaries. From 2021 we introduced digital self-assessments as a method to check that existing suppliers comply with our Supplier Policy. This is part of an industry-wide collaboration to raise our ambitions in sustainability issues in the property industry's supply chain. In 2021 we revised our supplier policy, making it more comprehensive and useful when setting requirements and monitoring them. We have decided to focus on reviewing existing suppliers instead of new ones. In terms of new suppliers, it is not important what they have done historically. What is important is that they are willing to work with us to make a change. Our existing suppliers also need to continually develop to comply with our requirements. This is why we are reviewing existing suppliers.

DEVELOPMENT IN 2021

In 2021 Atrium Ljungberg had 981 (980) suppliers, 109 (106) of whom had framework agreements. When agreements are signed, the supplier must sign the Supplier Policy, which is added as an appendix to the agreement. Atrium Ljungberg monitors new suppliers by ensuring our Supplier Policy has been signed. In 2021, agreements were signed with 265 (206) new suppliers; 6 (31) of them have a framework agreement. Of these, 209 (176) signed Atrium Ljungberg's Supplier Policy. In 2021 Atrium Ljungberg changed to a digitalised audit system, with 15 suppliers being audited. The on-site audits that were going to take place in 2021 were postponed due to the difficulties associated with the restrictions and recommendations resulting from Covid-19. The assessment is that they will be able to take place in 2022. See pages 22 and 27 for more information about purchasing and suppliers.

Supplier checks	2021	2020	2019
Percentage of new suppliers that have signed Atrium Ljungberg's supplier policy ¹⁾	79%	84%	80%
Number of existing suppliers that have been reviewed ²⁾	15	18	19
Number of audits at the supplier's place of business ³⁾	0	0	5

¹⁾ This key performance indicator covers framework agreements and agreements signed within project management, business development, business support and property management during the year. Subsidiaries are not included.

²⁾ This key performance indicator shows the number of suppliers that have been audited using a digital supplier assessment of sustainability risks based on Atrium Ljungberg's Supplier Policy. This represents 2% of the total number of suppliers that are covered by the Supplier Policy. The calculation method used for the number of suppliers that were audited differs between 2020 and 2021, so these figures are not comparable.

³⁾ The on-site audits planned for 2021 have been postponed until 2022 due to the current pandemic.

S.13 Board of Directors' signatures

The Board and CEO ensure that the Sustainability Report has been produced in accordance with the Swedish Annual Accounts Act.

Nacka, 1 March 2022

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Château
Member of the Board

Conny Fogelström
Member of the Board

Erik Langby
Member of the Board

Sara Laurell
Member of the Board

Annica Ånäs
CEO

S.14 Auditor's Limited Assurance Report on Atrium Ljungberg's Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of Atrium Ljungberg AB, corporate identity number 556175-7047

Introduction

We have been engaged by the Board and Group Management of Atrium Ljungberg (publ) (Atrium Ljungber) to undertake an examination of Atrium Ljungberg's Sustainability Report for 2021. The company has defined the scope of its sustainability report on page 82, which also comprises the statutory sustainability report. Within the scope for this assignment and our assurance report, the table "Proportion that are taxonomy-aligned" and associated accounting principles – alignment, on page 31, have not been included in our assurance engagement.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 156 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or*

Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Atrium Ljungberg according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above.

We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm 1 March 2022

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorised Public Accountant

Sara Höög
Authorised Public Accountant



Multi-year overview

Amounts in SEK m	2021	2020	2019	2018	2017
INCOME STATEMENTS					
Rental income	2,292	2,344	2,577	2,412	2,389
Net sales, project and construction work	792	495	233	217	174
Net sales	3,084	2,839	2,811	2,629	2,563
Property management costs	-732	-779	-810	-764	-742
Project and construction work costs	-685	-508	-276	-246	-206
Gross profit	1,666	1,552	1,724	1,619	1,615
- of which gross profit/loss from property management	1,560	1,565	1,767	1,648	1,647
- of which gross profit/loss from project and construction work	107	-13	-43	-29	-31
Central administration, property management	-82	-75	-80	-73	-48
Central administration, project and construction work	-15	-17	-16	-30	-16
	-97	-91	-96	-103	-64
Financial income	1	3	2	1	1
Financial expenses	-292	-309	-362	-303	-372
Leasehold fees	-28	-31	-34	-	-
	-320	-337	-395	-302	-370
Profit before changes in value	1,249	1,124	1,234	1,214	1,180
Properties, unrealised changes in value	3,040	-119	2,283	2,516	1,817
Properties, realised changes in value	-22	-81	73	121	-4
Financial instruments, unrealised changes in value	388	-252	-90	-70	121
Financial instruments, realised changes in value	-	-	-50	1	-5
	3,406	-452	2,216	2,568	1,930
Profit before tax	4,656	672	3,450	3,781	3,110
Current tax	-0	-41	-63	-35	-9
Deferred tax	-899	236	-580	-294	-542
Profit for the year	3,757	867	2,807	3,453	2,559

Amounts in SEK m	2021	2020	2019	2018	2017
BALANCE SHEETS					
Investment properties	50,335	46,026	47,513	43,310	39,991
Right-of-use asset, leaseholds	1,025	1,179	1,305	-	-
Goodwill	165	165	225	225	240
Other non-current assets	148	39	73	45	45
Long-term derivatives	138	7	82	-	-
Development properties	1,254	1,308	997	891	870
Current assets	501	434	411	323	1,272
Cash and cash equivalents	719	279	457	335	344
Total assets	54,285	49,615	51,062	45,128	42,763
Equity	25,541	22,668	22,784	20,696	18,223
Deferred tax liability	5,621	4,686	5,106	4,598	4,531
Non-current interest-bearing liabilities	20,561	18,905	20,211	18,506	16,415
Non-current finance lease liability	1,025	1,179	1,305	-	-
Long-term derivatives	238	662	348	349	484
Other non-current liabilities	267	229	222	202	73
Current interest-bearing liabilities	-	-	-	-	1,832
Short-term derivatives	-	-	-	-	-
Other current liabilities	1,032	1,285	1,086	777	1,205
Total equity and liabilities	54,285	49,615	51,062	45,128	42,763
CASH FLOW STATEMENTS					
Cash flow from operating activities	1,249	1,246	1,350	1,260	1,166
Cash flow from investment activities	-1,423	725	-1,975	-348	-3,443
Cash flow from financing activities	614	-2,149	748	-920	2,346
Cash flow for the year	440	-178	122	-9	68

Amounts in SEK m	2021	2020	2019	2018	2017
KEY PERFORMANCE INDICATORS					
<i>Property-related key performance indicators</i>					
Letting rate excluding project properties, %	91	91	94	95	95
Letting rate including project properties, %	91	91	93	95	95
Operating surplus margin, %	68	67	69	68	69
Vacancy rate, %	9	9	7	5	5
Letting area, '000 m²	1,082	1,087	1,176	1,129	1,146
Investments in properties, SEK m	2,279	2,513	1,810	1,758	1,593
Number of properties at the end of the period	67	67	70	51	53
<i>Financial key performance indicators</i>					
Equity ratio, %	47.1	45.7	44.6	45.9	42.6
Loan-to-value ratio, %	39.9	39.9	41.7	41.9	44.7
Interest coverage ratio	5.3	4.6	4.4	5.0	4.2
Average interest on interest-bearing liabilities (at the end of the period), %	1.7	1.6	1.6	1.6	1.7
Return on equity, %	15.6	3.8	12.9	17.7	15.0
Return on equity, excluding changes in value, %	4.3	3.8	4.6	5.1	5.5
Return on total assets, %	9.6	2.0	8.0	9.3	8.7
Return on total assets excluding changes in value, %	2.4	2.3	2.7	2.7	3.1
<i>Data per share</i>					
Earnings per share, SEK	29.65	6.69	21.59	26.15	19.21
Profit before changes in values less nominal tax, SEK	9.82	8.38	9.03	8.99	8.15
Dividend (2021 proposed), SEK	5.20	5.05	5.00	4.85	4.50
Dividend pay-out ratio, %	66.2	73.0	66.9	67.6	65.1
Share dividend yield, %	2.6	2.9	2.2	3.2	3.5
Cash flow, SEK	9.86	9.62	10.38	9.54	8.75
Equity, SEK	202.20	177.46	175.48	158.64	136.79
Long-term net asset value, SEK	245.73	217.95	215.12	194.82	172.59
Long-term net asset value, SEK	236.02	210.56	206.62	187.61	166.20
Disposal value, SEK	198.73	170.86	171.46	155.08	134.43
Share price on 31 December, SEK	199.70	172.80	226.00	152.00	130.30
Weighted average number of shares, thousands	126,688	129,554	130,005	132,019	133,221
Number of outstanding shares at the end of the period, thousands	126,313	127,739	129,839	130,460	133,221
<i>Employees</i>					
Average number of employees	321	333	320	302	295

Property list

Stockholm

Stockholm

						Letting area, m ² ³⁾						Tax as- sessment value, SEK m	Rental value, SEK m	Let- ting rate, %
											Res- iden- tials			
Municipality/ Property name	Address/Description	Lease- hold	Year of con- struction/re- construction	Land area, m ²	Possession	Retail	Offices		Garage	Other ⁴⁾	Total			
STOCKHOLM														
1 Adam & Eva 17 ¹⁾	Drottninggatan 68		1929/2006	1,777	Before 2007	2,830	4,986	-	-	169	7,985	606	59,531	98
2 Blästern 11 ^{1) 2)}	Hälsingegatan 43-45		1930/2006	11,584	Before 2007	1,363	39,010	-	9,632	5,276	55,281	1,270	136,870	70
3 Borgarfjord 3 ¹⁾	Kista +, Kistagången 6		1984/2010	5,204	20 Apr 2016	561	11,130	-	-	586	12,277	220	32,167	76
4 Borgarnäs 1 ¹⁾	Nod, Borgarfjordsgatan 12	L	2014	7,945	6 Feb 2012	948	13,566	-	6,700	10,841	32,055	0	72,767	92
5 Borgmästaren 1 ¹⁾	Glashuset Slussen, Katarinavägen 15	L	1974/2006	4,487	Before 2007	95	22,599	-	2,886	425	26,005	938	127,782	96
6 Fatburen 1	Söderhallarna		1991	4,643	Before 2007	4,882	12,856	-	4,923	5,140	27,801	731	71,517	97
7 Fatburssjön 8 ¹⁾	Magnus Ladulåsgatan 63		1930/2006	1,396	Before 2007	-	6,553	-	-	1,341	7,894	265	36,088	91
8 Härden 14 ¹⁾	S:t Eriksgatan 113		1932/1957	1,134	19 Dec 2012	807	6,254	-	1,800	260	9,121	191	29,502	99
9 Kylfacket 3 ²⁾	Hallmästarvägen 2		1936	3,384	1 Jun 2018	-	110	-	-	3,368	3,478	19	2,476	90
10 Kylhuset 4 ²⁾	Hallvägen 1-5, Stora Skorstensgatan 1	L		2,190	11 Jun 2019	-	380	-	-	1,352	1,732	9	2,485	82
11 Kylhuset 15	Livdjursgatan 2-6, Palmfeltsvägen 19-21, Slakthusplan 2-4, 8	L		12,865	11 Jun 2019	482	12,969	-	-	352	13,803	173	34,860	95
12 Kylhuset 16 ²⁾	Boskapsvägen 15-17, Fällan 13, 6-10, Livdjursgatan 5-7	L		1,939	11 Jun 2019	-	1,138	-	-	953	2,091	26	3,057	70
13 Kylhuset 22 ²⁾	Fällan 1, Hallvägen 14-16, Kylhusgatan 2	L		1,676	11 Jun 2019	-	1,691	-	-	35	1,726	21	3,752	100
14 Kylhuset 23 ²⁾	Palmfeltsvägen 13-15, Slakthusplan 1-3	L		1,865	11 Jun 2019	618	1,642	-	-	638	2,898	39	5,066	97
15 Kylhuset 24 ²⁾	Slakthusplan 9	L		140	11 Jun 2019	20	265	-	-	-	285	3	639	100
16 Kylhuset 25 ²⁾	Hallvägen 4-6, 10	L		1,719	11 Jun 2019	-	865	-	-	1,177	2,042	13	3,198	27
17 Kylhuset 26 ²⁾	Hallgränd 1-9, etc.	L		16,999	11 Jun 2019	1,163	1,147	-	-	15,677	17,987	89	22,872	60
18 Kylhuset 27 ²⁾	Fällan 3-7, 11, Kylhusgatan 8-12	L		4,275	11 Jun 2019	-	120	-	-	3,568	3,688	19	2,890	25
19 Molekylen ^{1) 2)}	Life City			5,592	7 Sep 2018	893	26,607	-	4,400	-	31,900	605	63,215	100
20 Proppen 6	Textilgatan 31		1937/2008	2,607	Before 2007	490	11,314	-	-	755	12,559	303	39,591	98
21 Sandhagen 2 ²⁾	Rökerigatan 5-9	L		3,150	11 Jun 2019	-	-	-	-	-	-	6	-	-
22 Sandhagen 12	Rökerigatan 15, Styckmästargatan 10	L		1,328	11 Jun 2019	870	-	-	-	-	870	11	2,179	100
23 Sandhagen 13 ²⁾	Rökerigatan 11-13, Styckmästargatan 11-13	L		1,258	11 Jun 2019	-	-	-	-	1,013	1,013	5	540	81
24 Sandhagen 14 ²⁾	Rökerigatan 10, Slakthusgatan 1, Styckmästargatan 8	L		916	11 Jun 2019	-	-	-	-	1,219	1,219	6	1,980	100
25 Skotten 6 ¹⁾	Drottninggatan 63		1959/2008	1,485	Before 2007	4,025	6,457	-	-	2,489	12,971	962	78,924	86
26 Stora Katrineberg 16 ¹⁾	Katrinebergsvägen 4-12, Liljeholmsvägen 14-18	L	1750/1945/ 1988	24,383	2 Feb 2015	3,381	35,874	-	12,400	3,170	54,825	962	127,275	97
27 Styckmästaren 3 ²⁾	Charkmästargatan 6, Rökerigatan 22, Slakthusgatan 13	L		1,900	11 Jun 2019	-	379	-	-	1,325	1,704	11	2,202	95
28 Tranbodarne 11 ²⁾	Katarinahuset, Stadsgården 6-12		1912/1965	3,587	1 Nov 2018	2,489	16,895	-	-	2,182	21,566	769	1	100
29 Tranbodarne 13 ¹⁾	Sjömansinstitutet		1929/1998	502	30 Mar 2017	116	2,709	435	-	-	3,260	115	12,132	69
Total Stockholm				131,930		26,033	237,516	435	42,741	63,311	370,036	8,386	975,557	89

¹⁾ All or parts of the property are environmentally certified in accordance with BREEAM (B) or Miljöbyggnad (M).

²⁾ All or parts of the property are classified as a project property as of 31 December 2021.

³⁾ Letting area also includes areas in Molekylen 1 (Life City) and Barkarby 2:64 (Bas Barkarby) that have not been completed.

⁴⁾ Other includes education/training, culture, healthcare and warehouses/storage.

Property list – Stockholm, cont.

Municipality/ Property name	Address/Description	Lease- hold	Year of construc- tion/re- construc- tion	Land area, m²	Possession	Letting area, m² 3)						Tax as- sessment value, SEK m	Rental value, SEK m	Letting rate, %
						Retail	Offices	Residen- tials	Garage	Other 4)	Total			
NACKA														
30	Sicklaön 83:22 1) 2)		1898/2012	168,913	Before 2007	70,707	51,037	–	47,470	53,732	222,946	3,019	562,701	91
31	Sicklaön 83:32 1)		2014	12,268	Before 2007	–	9,915	–	–	302	10,217	236	31,934	94
32	Sicklaön 83:33 1)			29,743	27 Feb 2014	–	–	–	–	976	976	46	2,929	100
33	Sicklaön 83:39 1)			1,268	27 Feb 2014	290	1,680	–	–	206	2,176	45	5,838	95
34	Sicklaön 83:41 2)			1,479	27 Feb 2014	–	–	–	–	–	–	31	–	–
35	Sicklaön 83:42 2)			1,771	Before 2007	–	–	–	–	–	–	15	–	–
36	Sicklaön 83:44			1,258		305	–	–	–	–	305	5	733	–
37	Sicklaön 83:45			–		358	173	–	3,213	50	3,794	28	1,787	–
38	Sicklaön 83:46 2)			5,141		–	–	–	–	–	–	7	438	–
39	Sicklaön 87:1		1962	11,006	Before 2007	87	–	–	–	2,476	2,563	0	3,447	100
40	Sicklaön 115:1 2)		1929	2,249	Before 2007	–	370	–	–	–	370	3	300	100
41	Sicklaön 115:4 2)			9,375	15 Jun 2011	–	–	921	–	–	921	38	892	80
42	Sicklaön 117:1 2)		1967	2,823	26 Nov 2010	2,126	100	–	–	435	2,661	15	2,694	56
43	Sicklaön 117:2 2)		1909	1,368	26 Nov 2010	–	–	–	–	–	–	0	–	–
44	Sicklaön 117:17 2)		1978	10,175	Before 2007	–	–	–	–	1,629	1,629	0	1,111	–
45	Sicklaön 265:5 2)			2,029	Before 2007	–	–	–	–	–	–	0	–	–
46	Sicklaön 346:1 1)		2018	10,524	Before 2007	1,243	24,123	–	11,900	138	37,404	262	79,667	92
Total Nacka				271,390		75,116	87,398	921	62,583	59,944	285,962	3,750	694,471	91
JÄRFÄLLA														
47	Barkarby 2:64 2)			6,325	1 Apr 2019	1,458	4,000	–	–	18,742	24,200	293	32,959	–
Total Järfälla				6,325		1,458	4,000	–	–	18,742	24,200	293	32,959	–
SUNDBYBERG														
48	Eken 6 1)			12,382	15 Sep 2019	117	25,514	–	19,000	2,639	47,270	544	88,655	94
49	Eken 14			4,093	3 Jun 2020	–	6,975	–	–	1,235	8,210	95	15,980	83
Total Sundbyberg				16,475		117	32,489	–	19,000	3,874	55,480	639	104,635	93
NYNÄSHAMN														
50	Ribban 16			1,308	Before 2007	–	–	–	–	–	–	–	–	–
Total Nynäshamn				1,308		–	–	–	–	–	–	–	–	–

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²⁾ All or parts of the property are classified as a project property as of 31 December 2021.

³⁾ Letting area also includes areas in Molekylen 1 (Life City) and Barkarby 2:64 (Bas Barkarby) that have not been completed.

⁴⁾ Other includes education/training, culture, healthcare and warehouses/storage.

Göteborg

						Letting area, m ² ³⁾						Tax as- sessment value, SEK m			Rental value, SEK m		Letting rate, %	
						Retail	Offices	Residen- tials	Garage	Other ⁴⁾	Total							
Municipality/Property name		Address/Description	Lease- hold	Year of con- struction/ reconstruc- tion	Land area, m ²	Possession												
GOTHENBURG																		
51	Lundbyvassen 4:7 ¹⁾	Regnbågsgatan 4–6, etc.		1989	6,414	30 Sep 2016	–	15,709	–	–	202	15,911	281	33,614	76			
52	Lundbyvassen 4:13 ¹⁾	Götavergsgatan 2–8, etc.		1957/2007	12,205	30 Sep 2016	750	15,946	–	10,050	3,488	30,234	367	48,478	98			
53	Lindholmen 30:1 ¹⁾	Lindholmspiren 11		2002	13,647	29 Mar 2017	–	37,035	–	–	–	37,035	799	88,560	100			
54	Lindholmen 44:2 ²⁾	Götavergsgatan 25		2020		15 Jan 2021	–	–	–	–	–	–	8	–	–			
Total Gothenburg					32,266		750	68,690	–	10,050	3,690	83,180	1,455	170,652	99			

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²⁾ All or parts of the property are classified as a project property as of 31 December 2021.
³⁾ Letting area also includes areas in Molekylen 1 (Life City) and Barkarby 2:64 (Bas Barkarby) that have not been completed.
⁴⁾ Other includes education/training, culture, healthcare and warehouses/storage.

Malmö

						Letting area, m ² ³⁾						Tax as- sessment value, SEK m			Rental value, SEK m	Letting rate, %
						Retail	Offices	Residen- tials	Garage	Other ⁴⁾	Total					
Municipality/Property name	Address/Description	Lease- hold	Year of con- struction/ reconstruc- tion	Land area, m ²	Possession											
MALMÖ																
55	Bohus 7 ¹⁾		1966/2010	12,023	1 Feb 2008	5,998	183	11,248	6,680	35	24,144	305	31,887	89		
56	Bohus 8 ¹⁾		1968/2013	76,745	Before 2007	46,546	2,339	3,818	37,800	12,115	102,618	1,311	187,649	83		
57	Bohus 9		2014	979	Before 2007	–	–	4,103	–	–	4,103	87	6,922	100		
58	Dimman 11 ¹⁾		1940/2014	4,278	29 Apr 2014	–	10,329	–	–	5,670	15,999	0	31,642	100		
59	Malmen 12 ¹⁾		1971	2,464	2 May 2016	–	3,490	–	1,900	4,021	9,411	0	10,428	100		
Total Malmö				96,489		52,544	16,341	19,169	46,380	21,841	156,275	1,703	268,529	89		

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²⁾ All or parts of the property are classified as a project property as of 31 December 2021.
³⁾ Letting area also includes areas in Molekylen 1 (Life City) and Barkarby 2:64 (Bas Barkarby) that have not been completed.
⁴⁾ Other includes education/training, culture, healthcare and warehouses/storage.

Uppsala

						Letting area, m ² ³⁾						Tax as- sessment value, SEK m	Rental value, SEK m	Letting rate, %
Municipality/Property name	Address/Description	Lease- hold	Year of construc- tion/re- construc- tion	Land area, m ²	Possession	Retail	Offices	Residen- tials	Garage	Other ⁴⁾	Total			
UPPSALA														
60	Brillinge 9:1 ¹⁾		2013-2017	25,965	5 Apr 2011	6,396	-	-	-	50	6,446	53	17,834	99
61	Brillinge 8:1 ¹⁾		2013-2017	71,556	5 Apr 2011	22,106	135	-	-	4,492	26,733	282	42,095	99
62	Dragarbrunn 27:2 ¹⁾		19 Feb 2005	6,714	Before 2007	5,476	8,065	1,420	1,191	982	17,134	381	60,360	88
63	Gränby 21:4 ¹⁾		1971/2018	108,177	Before 2007	44,733	1,089	-	11,500	6,542	63,864	1,345	191,829	94
64	Gränby 21:5 ¹⁾		2017/2018	1,813	5 Apr 2017	2,064	3,098	9,839	-	2,117	17,118	393	45,074	93
65	Gränby 25:1 ¹⁾		2021			-	137	2,694	-	-	2,831	30	5,966	100
66	Kvarngärdet 33:2		1912/2000	1,240	22 Dec 2020	-	2,504	-	-	-	2,504	40	8,613	100
Total Uppsala				215,465		80,775	15,028	13,953	12,691	14,183	136,629	2,523	371,771	92
Total Sweden				771,648		236,792	461,462	34,477	193,445	185,585	1,111,761	18,749	2,618,574	91

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²⁾ All or parts of the property are classified as a project property as of 31 December 2021.
³⁾ Letting area also includes areas in Molekylen 1 (Life City) and Barkarby 2:64 (Bas Barkarby) that have not been completed.
⁴⁾ Other includes education/training, culture, healthcare and warehouses/storage.

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: loan-to-value 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.

Long-term net asset value 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. Long-term net asset value 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.

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, %

Profit for the period 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, %

Profit for the period before changes in value, divided by average adjusted equity. Return on equity excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the owners' capital in the Group.

Return on total assets, %

Profit before tax plus interest expenses as a percentage of the average balance sheet total. Return on total assets is used to illustrate Atrium Ljungberg's capacity to generate profit on the Group's assets uninfluenced by the Group's financing.

Return on total assets excluding changes in value %

Profit before changes in value plus interest expenses as a percentage of the average balance sheet total. Return on total assets excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the Group's assets uninfluenced by the Group's financing.

Disposal value 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 Disposal value 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.

Loan-to-value 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 loan-to-value 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 per share (Earnings 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 (Earnings Per Share) is used to provide stakeholders information on Atrium Ljungberg's management result per share calculated in a uniform manner for publicly listed property companies.

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

Average maturity date, years

Average remaining term until final maturity of all credits in the liabilities portfolio. The average maturity date is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate for interest-bearing liabilities, %

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

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

Average fixed interest, years

Average remaining term until interest settlement date of all credits in the liabilities portfolio. The average fixed interest is used to illustrate Atrium Ljungberg's financial risk.

Adjusted loan-to-value 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 loan-to-value 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.

Long-term net asset value per share, SEK

Reported equity with a reversal of goodwill, derivatives and deferred tax, divided by the number of outstanding shares at the end of the period. Long-term net asset value per share is used to provide stakeholders information on Atrium Ljungberg's long term net worth per share calculated in a uniform manner for publicly listed property companies.

Average number of outstanding shares

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

Earnings per share, SEK

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

Profit 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, plus interest expenses divided by interest expenses, excluding leasehold fees, which, according to IFRS 16, have been reclassified as an interest expense. The interest coverage ratio is used to illustrate how sensitive the company's results are to interest rate changes.

Equity ratio, %

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

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 in connection with the completion.

Project return, %

Market value after completed project minus total investment as a percentage of total investment. Project return is used to illustrate value creation in the project operations.

Leaseholds

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

Leasehold fees

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

Letting area, m²

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

Letting rate, %

Contracted annual rents as a percentage of the rental value in conjunction with full letting. Reported figures are based on the immediately subsequent quarter. The letting rate is used to illustrate the Group's efficiency in the use of its investment properties.

Operating surplus margin, %

Gross profit/loss from property management as a percentage of the recognised rental income. Operating surplus margin is used to illustrate what proportion of the Group's rental income remains after property costs.

Sustainability-related definitions

BREEAM

Is an environmental certification system developed in Europe for built environments. BREEAM takes a big picture approach to environmental performance. There are two types of BREEAM certification; BREEAM that relates to new production and BREEAM In-Use, which relates to existing properties. The areas addressed by BREEAM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

Directly generated and distributed economic value

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

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

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

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

Fees and compensation to the Board, CEO and senior executives: Composed of compensation to Board members, as well as fixed salary, other compensation and pension costs for the CEO and other senior executives.

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

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

Dividends to shareholders: The period's paid dividends.

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

Energy intensity, kWh per m²

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

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

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

Green lease contracts, %

Contracted annual rent for commercial premises excluding the garage and storage for lease contracts with green rent supplement as a percentage 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.

Green and blue structure

Cohesive walkways and/or environments with greenery and water. These add values, such as ecosystem services, habitats, recreation and cultural environments.

Environmental building

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

Accident rate (LTIR)

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

Scope 1,2 and 3

A method for defining different areas when calculating greenhouse gas emissions. This method is from the international standard Greenhouse Gas Protocol.

Scope 1: The operations' direct emissions from sources under the control of the company.

Scope 2: The operations' indirect emissions from energy that is purchased, such as electricity, steam, heating and cooling that are generated by the producer.

Scope 3: Indirect emissions from the operations that are not covered by Scope 1 or 2. For example, purchased goods and services.

GRI Index

Atrium Ljungberg's Sustainability Report has been drawn up in accordance with the Core level of the GRI Standards.

Abbreviations:

GRI: Global Reporting Initiatives

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GRI 205: Anti-corruption 2016	205-1	Percentage of operations which are evaluated based on corruption risk	22, 84, 87, 168
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GRI 103: Governance 2016	103-1, 103-2, 103-3	Description of significant topics, limitations, governance and evaluation	8-9, 17, 156-159
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Audit of suppliers			
GRI 103: Governance 2016	103-1, 103-2, 103-3	Description of significant topics, limitations, governance and evaluation	8-9, 17, 156-159
GRI 414: Evaluation of suppliers in terms of social criteria 2016	414-1	New supplies that are reviewed with respect to social criteria	27, 169

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	AL-1	Type and number of sustainability/environmental certifications, labelling or processes applied for implementation of projects or construction of properties/facilities	21, 145

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TCFD Index

Governance	Strategy	Risk management	Goals and measurement figures
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
A. Description of the Board's oversight of climate-related risks and opportunities.	A. Description of the climate-related risks and opportunities the organisation has identified.	A. Description of the organisation's processes for identifying climate-related risks.	A. Description of the organisation's indicators to evaluate climate-related risks and opportunities.
<i>See pages 30, 84, 96–97, 164</i>	<i>See pages 18–19, 30, 164</i>	<i>See pages 23, 30, 137, 143</i>	<i>See pages 158–159, 164</i>
B. Description of management's role in assessing and managing climate-related risks and opportunities.	B. Description of the impact of risks and opportunities on the organisation's businesses, strategy and financial planning.	B. Description of the organisation's processes for managing climate-related risks.	B. Disclosure of Scope 1, Scope 2 and, Scope 3 emissions in accordance with the Greenhouse Gas Protocol.
<i>See pages 30, 84, 96–97, 164</i>	<i>See pages 30, 84, 88, 156, 158–159, 164</i>	<i>See pages 30, 84, 88</i>	<i>See pages 25–26, 162–163</i>
	C. Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios.	C. Description of how the aforementioned processes are integrated into the organisation's overall risk management.	C. Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
	<i>See pages 30, 84, 88, 156, 158–159, 164</i>	<i>See pages 30, 84, 88</i>	<i>See pages 17, 18–19, 26, 162–163, 164</i>

Information

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

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

Regular meetings with analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information about our company, current events and operational changes.

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

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

Publication of financial information

Interim Report, January–March 2022	13 April 2022
Interim Report, January–June 2022	8 July 2022
Interim Report, January–September 2022	14 October 2022
Year-End Report 2022	February 2023
2022 Annual Report	March 2023

Annual General Meeting

Postal voting will be used for the Annual General Meeting, but it will also be possible to attend physically or via a proxy on Wednesday 23 March. Voting rights can be exercised by sending a postal vote or by voting at the Annual General Meeting itself. Please visit our website: www.al.se for more information.



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