

Strong net letting in uncertain times.



- ➔ Rental income amounted to SEK 1,218 million (SEK 1,137 m), with an increase in comparable portfolios of 2.3% (0.1%).

➔ The operating surplus amounted to SEK 818 million (SEK 764 m), of which comparable portfolios increased by 1.3% (0.1%).

➔ Net sales for project and construction work amounted to SEK 105 million (SEK 609 m), while gross profit totalled SEK –19 million (SEK 125 m).

➔ Profit before changes in value amounted to SEK 550 million (SEK 683 m), corresponding to SEK 4.35/share (SEK 5.38/share).

➔ Unrealised changes in the value of properties amounted to SEK 4,051 million (SEK 1,131 m), which included project returns of SEK 1,243 million (SEK 389 m).
- ➔ Profit for the period amounted to SEK 4,873 million (SEK 1,691 m), corresponding to SEK 38.58/share (SEK 13.32/share).

➔ Net letting for the period amounted to SEK 96 million (SEK 7 m), of which the company itself terminated SEK –28 million (SEK –24 m) to pave the way for future projects.

➔ Investment for the period amounted to SEK 4,710 million (SEK 1,068 m), of which SEK 3,728 million (SEK 25 m) was for acquisitions.

➔ The net asset value amounted to SEK 277.14/share, which is an increase of 14.9%, adjusted for the dividend, compared with the start of the year.

Overview ¹⁾	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021/2022 Jul–Jun	2021 Jan–Dec
Rental income	619	565	1,218	1,137	2,373	2,292
Net sales, project and construction work	49	482	105	609	288	792
Net sales, SEK m	667	1,046	1,323	1,745	2,662	3,084
Gross profit, SEK m	414	484	798	889	1,576	1,666
Profit before changes in value, SEK m	268	372	550	683	1,116	1,249
Ditto SEK/share	2.12	2.94	4.35	5.38	8.86	9.86
Unrealised changes in the value of properties, SEK m	2,742	964	4,051	1,131	5,960	3,040
Profit after tax, SEK m	3,003	1,138	4,873	1,691	6,939	3,757
Ditto SEK/share	23.78	9.00	38.58	13.32	55.06	29.65
Property value, SEK m	60,301	48,444	60,301	48,444	60,301	51,589
Investments, SEK m	4,247	608	4,710	1,068	5,946	2,304
Net lettings, excl. own terminations, SEK m	70	40	124	32	163	71
Net lettings, incl. own terminations, SEK m	52	17	96	7	129	40
Loan-to-value ratio, %	41.6	42.7	41.6	42.7	41.6	39.9
Interest coverage ratio	4.4	5.8	4.4	5.7	4.4	5.3
Average closing interest rate, %	1.9	1.6	1.9	1.6	1.9	1.7
Long-term net asset value, SEK/share	277.14	226.62	277.14	226.62	277.14	245.73
Share price, SEK/share	134.00	194.90	134.00	194.90	134.00	199.70
Proportion of the value of the investment portfolio that is taxonomy-aligned, %.	29	n/a	29	n/a	29	30
Total energy intensity, kwh/m² (weighted to an average year)	n/a	n/a	n/a	n/a	187	198

¹⁾ See page 20 for the complete table of key performance indicators and pages 26–27 for their definitions.

Net letting

96

SEK m

Unrealised changes
in value

4,051

SEK m

Ongoing projects

6.6

SEK b

Comparable portfolios

+1.3%

Operating net

A strong net letting this quarter, despite the uncertainty in the world.

There are two different situations currently facing the property business. On the one hand, many major property deals are being carried out, with letting at a very high level. On the other, we are seeing the highest inflation figures for a long time with rising energy and material prices, along with higher financing costs.

It is extremely likely that we will face some challenging years ahead. There is uncertainty in the world, with a war raging in Europe, inflation increasing, several interest rate hikes on the cards and house prices falling. It is at times like this when I am so happy to be leading a company that adopts a long-term, healthy strategy. As a company we are in a strong position on markets that will be attractive over time. The most important issue for us is the way that the labour market, and in particular employment, develops in Stockholm in the coming years. It is true that we cannot influence the world around us, but I am going to work with my talented colleagues to make smart decisions that will enable us to manage the current world situation as effectively as possible.

Andreas Malmsäter appointed the new Business Area Director for Leasing

In the middle of June we announced that Andreas Malmsäter had been appointed the new Business Area Director for Leasing. Andreas has extensive experience of our industry and joins us from Fabega, where he has been the Leasing Director since 2015. Andreas' new assignment will include overall responsibility for the strategic leasing work at Atrium Ljungberg and he will be in charge of the company's Leasing Department. He will take up his position at the end of August 2022. I am so happy to

welcome Andreas, who will be an important addition to the company. Atrium Ljungberg's Agenda 2030 includes investing SEK 30 billion in our own development projects by the year 2030 and leasing is a key factor in enabling us to realise the potential of our incredible project portfolio.

Major acquisition in Hagastaden

In May we signed an agreement to acquire the Blåstern 15 property in Hagastaden, Stockholm. The building comprises 21,300 m² and was acquired at an underlying property value of SEK 2,345 million. This acquisition was made in the face of tough competition, which proves that the right object on the right market continues to be extremely attractive. Blåstern 15 was built in the 1930s and is now mostly home to offices, art galleries and stores. This acquisition strengthens our position as one of the largest property owners and urban developers in the area, which is expected to grow by 50,000 workplaces and 6,000 new apartments by 2030. Hagastaden is one of our main priority locations and we have been an active property owner here for a long time. It feels incredible to have the opportunity to expand even more there. When the underground is up and running in 2028, I also think that the area will be in a great position to see healthy rental growth.



Annica Anäs, CEO Atrium Ljungberg

“Our letting work continues at a high pace. Our net letting amounted to SEK 52 million the second quarter and we secured many deals.”

Sickla is also attracting new tenants. For example, we signed an agreement with Region Stockholm during the quarter. This agreement comprises more than 1,200 m² on the square Hesselmans Torg and is for offices and a clinic for child and adolescent psychiatry. Earlier in the year Stockholms Stadsmission also moved its head office to the same building. Liquid Swords is moving within Sickla as well and will be expanding its operations in these new premises. I am so happy that Region Stockholm has chosen Sickla; the fact that these operations focus on the well-being of children and young people makes it even more special. Sickla is growing rapidly with both residential and new workplaces. As this city district develops, it is important to ensure not only access to healthcare in the area, but also preventive health, including exercise and active recreation.

During the quarter we signed an agreement with SISAB as a tenant in the new upper-secondary school that we are going to develop in Slakthusområdet. The plan is for the school to comprise approximately 6,000 m² letting area with a calculated investment of SEK 320 million. The lease contract has a term of 15 years and was approved by the City Council on 13 June 2022. The detailed development plan will be presented for adoption in August 2022. The upper secondary school will be built in the north-western part of Slakthusområdet.

Lettings during the quarter

Our letting work continues at a high pace. Our net letting amounted to SEK 52 million; in the second quarter we secured many deals, including in Slussen, where interest in establishing offices is extremely strong. Our new tenants include Omnicom Media Group, which is moving from our property on Medborgarplatsen to a brand new floor measuring 2,250 m² in Katarinhuset. GeoGuessr, ATP Atelier and BDP Next are other tenants that are moving into either Glashuset or Sjömansinstitutet this summer. Nya Slussen is going to be such an interesting place, as cars and buses are moving under the ground, while a new quayside, square and park are emerging above the ground. This modern urban environment will attract visitors with a varied selection of restaurants, from simple street food to fine dining, a new retail hub, a vibrant square and modern office spaces. This will really become Stockholm’s new commercial heart!

Finally we have signed an agreement with the e-sports centre Play’r for almost 1,200 m² in Mobilia in Malmö. This will be an impressive facility that will house 200 gaming computers, an arena for large competitions and exclusive VIP rooms. 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; the opening of Play’r is an important step in the development of this location.

Profit for the first six months of 2022

We are reporting a profit after tax of SEK 4.9 billion, corresponding to SEK 38.58 per share. The first six months saw high net letting of almost SEK 100 million; we continued to see progress in our project portfolio with project returns of SEK 1.2 billion; and we reported unrealised changes in value of around a further SEK 2.8 billion of which 1.4 SEK billion due to lower yield requirements and

the rest due to better cash flows. Net operating income in comparable portfolios increased by 1.3% despite rising energy prices and slightly higher vacancies. Financing costs increased by 37 SEK million, which has been caused by higher borrowing, higher interest rates and higher credit margins. Following earnings and dividends paid, shareholders’ equity amounted to SEK 277 per share – adjusted for the dividend, this equity increased by 15% in the first six months.

Sustainability project in Sickla

I have previously talked about us adopting a new sustainability strategy and new sustainability goals for the company. It is essential to work with others if we are going to create sustainable urban development, which is why we started collaborating with RISE in Sickla this spring. We are going to work together to create an innovation hub where researchers, companies and other organisations can test and apply innovative solutions at full scale.

Nacka Municipality and Stockholm Green Innovation District are also involved in this collaboration work. People, organisations and companies who are at the forefront of climate transition in Sickla are being invited to join this initiative. By working side by side with leading

researchers and innovation companies, we want to shift the boundaries for energy and resource issues. We also want to conduct world-leading development and test solutions at a scale of 1:1 in a physical location.

We now finally approaching a (hopefully!) long and wonderful summer. This is going to be my first summer as a Nacka resident, so I am really looking forward to visiting some of the incredible restaurants and cafes that have recently opened in Sickla. The newest addition is Kennys Gelato, which serves ice cream of the highest quality, joining other great food outlets, including Fanny Udde Bistro and Robin Delselius Bageri. Chef Jungstedt, one of the best praline makers in Sweden, is also opening here in the autumn. It is wonderful to see so many food creators coming together in Sickla. Sicklastråket links Hammarby Sjöstad with Marcusplatsen and is going to be filled with fantastic restaurants and cafes. It will really encourage life and movement throughout this city district.

I hope you all have a wonderful summer!

Annica Ånäs,
CEO



This is Atrium Ljungberg.

Rooted in the old traditions of the master builder, we have developed our strategy and refined our property portfolio in recent years. We work with urban development to achieve our vision: ‘Our city – where everyone thrives’. This is why our property portfolio and project development portfolio are located in large coherent areas that have a mix of offices, residentials, retail, culture and education in Sweden’s four strongest growth markets – Stockholm, Uppsala, Gothenburg and Malmö.

Business model

Goal

Atrium Ljungberg will deliver a minimum 10% return on equity over time.

Financial risk limitations

The loan-to-value ratio can be a maximum of 45%, while the interest coverage ratio will be a minimum of 2.0.

Dividend policy

A minimum of 50% of profit before changes in value will be distributed every year, following deductions for full nominal tax.

Investment

The company can invest approximately 5% of its size annually without this having a major impact on the loan-to-value ratio.

Agenda 2030

The company has stated an objective to invest approximately SEK 30 billion up to 2030 in order to deliver on our goal relating to return. This will enable a project return of approximately SEK 10 billion based on current rental levels, projects costs and lettings. By managing the current property portfolio effectively, this paves the way for us to double our property value and operating net by 2030 compared with 2021.

Our future investment of approximately SEK 30 billion will be divided as follows: SEK 22 billion in properties that are being developed for ownership (mostly offices); and approximately SEK 8 billion in tenant-owned dwellings. This development will be carried out with properties that the company already owns or through the land allocations that it has obtained, with 87% of the project development at existing or future underground stations in Stockholm.

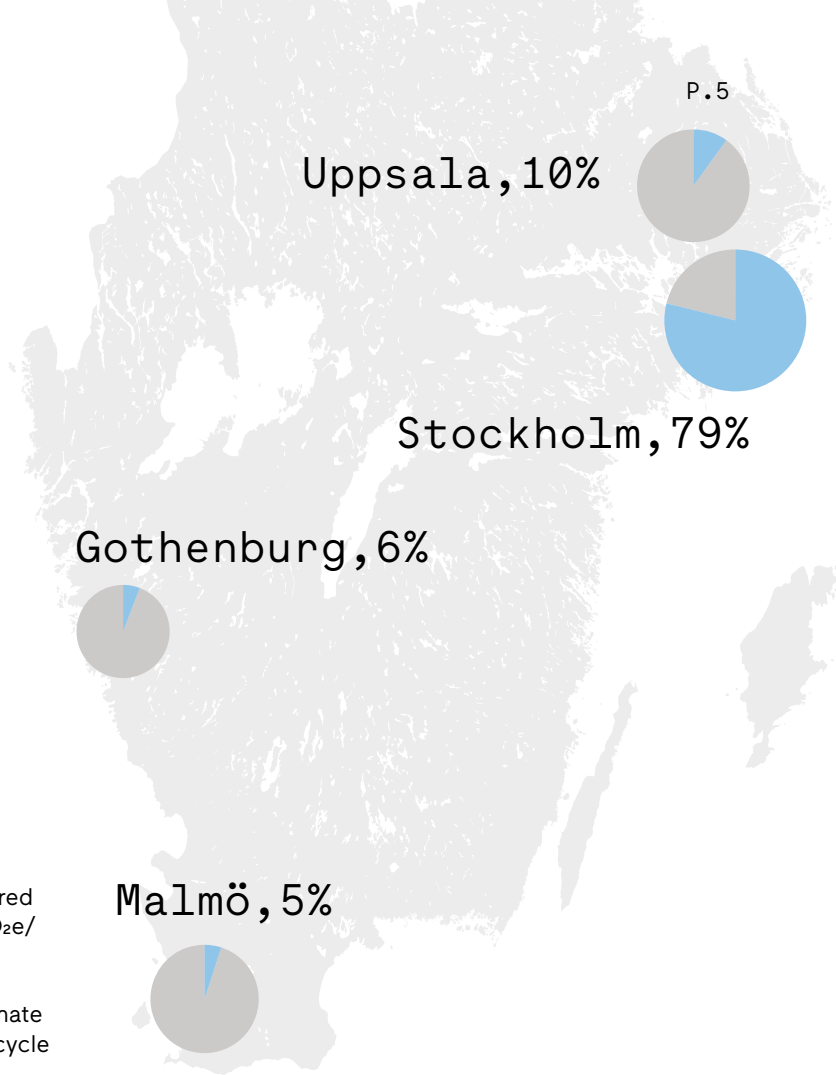
One important component of Agenda 2030 is our new sustainability goals, which were adopted at the end of 2021 and will take us up to 2030. Sustainability is a key business driver and a crucial component of our strategy, which is about sustainable innovative urban development.

Ten good reasons to be at a location

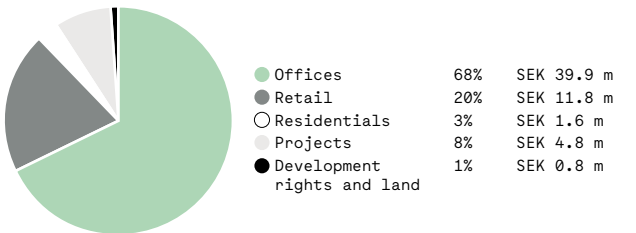
1. Street life 24 hours a day
2. Sports and activities
3. Cultural and learning environment
4. Art and cultural history
5. Nature and smart ecosystems
6. Games and social areas
7. Food and cafes
8. Calm oases
9. Digital infrastructure and Wi-Fi
10. Retail and service

Our six sustainability goals that last until 2030 are:

1. We will be climate neutral by 2030, which is measured in kgCO₂e/GFA for construction projects and kgCO₂e/m² for property management.
2. In 2025, Atrium Ljungberg will have reduced its climate impact in construction projects in line with the lifecycle analyses showing a halving of KgCO₂e/GFA.
3. Our locations will achieve at least 90% in our new social sustainability index, Our City, by 2030.
4. In 2025, 100% of all our main purchases will be evaluated based on Atrium Ljungberg’s Code of Conduct for suppliers.
5. Atrium Ljungberg will run at least two development programmes for suppliers every year to jointly develop the sustainability work.
6. Atrium Ljungberg will continue to appear on the list of Sweden’s best employers and achieve an index of at least 85% GPTW (Great Place to Work).



Property value per property type before changes in value, SEK m



Sustainable enterprise.

Atrium Ljungberg’s sustainability work

Atrium Ljungberg has adopted new sustainability goals, which will guide our work in a sustainable direction. They relate to the period 2022–2030. A number of key performance indicators are also related to sustainability that supplement these goals. In 2022 the focus of the sustainability work is on steering the company towards these new goals and safeguarding all the processes and working methods so that we can work actively on them. Work on metrics is currently underway for some of the goals. For the kgCO₂e/m² goal, standard calculations have been used regarding transports of our visitors to shopping centers and generated waste. Furthermore, we have excluded calculation of materials and tenants’ transports, based on the lack of documentation. For the

kgCO₂e / GFA target, ongoing projects had a starting value of 622kgCO₂e / GFA and have therefore decreased by 22%. For the goal of socially sustainable places, the work has started and measurements are ongoing. Some of the new goals also lack historical outcomes. For key figures for energy, these are exclusive of acquisitions during the quarter.

The EU Taxonomy

The obligatory report currently 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)’.

As well as the obligatory data, we have provided additional information about the proportion that is ‘taxonomy aligned’. In this report we have decided only to report this for our investment properties. See the table ‘Proportion attributable to activities that are taxonomy-aligned (alignment)’.

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.

The accounting policies for alignment and eligibility remain unchanged from the previous year and are described in the 2021 Annual Report. See the definitions on pages 26–27 for more information about what is included in Total sales, Total investments/acquisitions and Total operating expenses.

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.

Goal	Goal, %	2022/2021 Jul–Jun	2021/2020 Jul–Jun	Change compared with previous period, %	2020/2019 Jul–Jun	2019/2018 Jul–Jun	2018/2017 Jul–Jun
kg CO ₂ e/GFA ¹⁾ (initial value for agenda 2030, 491)	–50	488	–	–	–	–	–
kg CO ₂ e/m ² ^{1) 2)}	–100	6	–	–	–	–	–
Socially sustainable locations % ¹⁾ (Estimated starting value 20%)	90	24	–	–	–	–	–
Proportion of suppliers evaluated, % ³⁾	100	2	2	0	2	2	–
GPTW, % ⁴⁾	>85	90	89	1	87	88	88
Key performance indicators							
Property energy, kWh/m ² ⁵⁾		103	115	–10	129	141	133
Tenant energy, kWh/m ² ⁵⁾		84	86	–2	90	90	94
Total energy intensity, kwh/m ² ⁵⁾		187	201	–7	219	234	227
Total energy intensity, kwh/m ² ⁶⁾		186	194	–4	194	218	214
Proportion of green lease contracts, % (annual rent)		63	51	24	41	31	21
Certified area, %		98	69	42	58	41	23
Solar cells, m ² total ⁷⁾		14,296	14,296	0	7,775	7,775	667
Water consumption, m ³ /m ² ⁷⁾		0.48	0.46	4	0.39	0.39	0.46

¹⁾ New goal; no historical data.
²⁾ Materials are excluded.
³⁾ New goal; historical data annual basis.
⁴⁾ Annual basis.
⁵⁾ Weighted to an average year.
⁶⁾ Not weighted to an average year.
⁷⁾ New key performance indicator; historical data annual basis.

Proportion covered by the taxonomy (eligibility)

	Total, SEK m	Proportion covered by the taxonomy,%	Proportion not covered by the taxonomy,%
Rental income	1,218	100	0
Net sales, project and construction work	105	100	0
Total sales	1,323	100	0
Investments and acquisitions	4,585	100	0
Operating expenses	–18	100	0

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

	Energy decla- ration that is taxonomy-aligned	Proportion of the invest- ment portfolio that is taxonomy-aligned %	Total investment portfolio
Rental income, SEK m	329	27	1,218
Investments and acquisitions, SEK m ¹⁾	241	5	4,585
Operating expenses, SEK m	–3	17	–18
Property value, SEK m	17,134	29	58,922
Letting area, m ²	309	32	954

¹⁾ In the second quarter two properties in Stockholm were acquired for SEK 3,728 million, neither of which were taxonomy aligned.

Property portfolio.

Property market

The transaction volume for the second quarter of the year amounted to SEK 117 billion, which was approximately 10% lower than the transaction volume for the same period in the previous year (SEK 130 billion). The number of deals for the first two quarters of the year also decreased compared with the previous year, from 489 to 324. In the first six months of the year foreign investors accounted for 11% of the total transaction volume. The proportion of foreign investors is lower than the annual average of 26% over the past five years.

Deals in the second quarter were dominated by the logistics and industrial segment, which accounted for 28% of

the volume, followed by residential properties at 22% and office properties at 19%. The highest proportion of the transaction volume was located in Stockholm, accounting for 51% of the total transaction volume; followed by Gothenburg at 6% and Malmö at 5%.

Property portfolio

Our property portfolio is concentrated in central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm accounting for 79% (76%) of the market value. At the end of the quarter our property portfolio contained a total of 67 properties (67) with a total letting area of 951,000 m² (875,000 m²).

Property portfolio 30 Jun 2022	Letting area, ‘000 m ² ¹⁾	Property value, SEK m	Property value, SEK/m ²	Rental value, SEK m ²⁾	Rental value, SEK/m ²	Economic letting rate, %
Office properties	589	39,877	67,742	1,907	3,243	92.0
Retail properties	260	11,841	45,553	850	3,276	92.0
Residentials	41	1,574	37,914	91	2,191	96.2
Business area Property	890	53,292	59,871	2,848	3,204	92.1
-of which Stockholm	586	40,894	70,100	2,024	3,473	92.0
-of which Uppsala	124	6,004	48,525	387	3,140	94.2
-of which Gothenburg	73	3,244	44,359	168	2,302	94.7
-of which Malmö	110	3,150	28,664	269	2,447	88.7
Project properties	61	4,787	-	68	-	-
Land and development rights	-	843	-	-	-	-
Total Investment properties	951	58,922	-	2,916	-	-
Development properties		1,380				
Property portfolio, total	951	60,301				

¹⁾ Letting area, excluding garage.
²⁾ Annual discount of SEK 73 million has been excluded.

Property sales

Property	Area	Category	Letting area, m ²	Date vacated	Underlying price property, SEK m
Nynäshamn Ribban 16	Nynäshamn	Land	0	10 Feb 2022	0.2
Sicklaön 87:1	Sickla	Offices	2,563	2 May 2022	60

Properties acquired and taken into possession

Property	Area	Category	Letting area, m ²	Possession	Acquisition value, SEK m
Blästern 15	Stockholm; Hagastaden	Offices	21,281	1 Jun 2022	2,225
Kylhuset 28	Stockholm; Slakthusområdet	Offices	30,608	28 Apr 2022	1,503

Change in the property portfolio

SEK m	2022 Jan-Jun	2021 Jan-Jun
Investment properties		
Fair value, opening value	50,335	46,026
Acquisitions (after deduction of latent tax)	3,728	25
Sales	-49	-805
Investments in held properties	857	970
Unrealised changes in value	4,051	1,131
Reclassification	-	-10
Fair value, closing value	58,922	47,338
Development properties		
Book value, opening value	1,254	1,308
Reclassification	-	10
Sales for tenant-owned dwelling projects	-	-284
Investments in tenant-owned dwelling projects	125	73
Book value, closing value	1,380	1,106
Property portfolio, closing value	60,301	48,444

Investments

During the period SEK 982 million (SEK 1,043 m) was invested in existing properties; this includes SEK 857 million (SEK 970 m) for properties that are being developed for ownership and SEK 125 million (SEK 73 m) for tenant-owned dwellings.

In the first six months of the year two office properties measuring approximately 52,000 m² were acquired in Stockholm for a total of SEK 3,728 million: Blästern 15 in Hagastaden and Palmfelt Center, Kylhuset 28 in Slakthusområdet. There was also a sale of a small property measuring approximately 2,500 m² in Sickla for an underlying property value of SEK 60 million.

Property valuation

Atrium Ljungberg commissioned an external valuation of 39% of its property portfolio, which was conducted by Forum Fastighetsekonomi, Newsec and Cushman & Wakefield. The remainder was internally valued and the assumptions were quality assured by Forum Fastighetsekonomi.

This market valuation is 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. Assumed rental levels in conjunction with contract expirations correspond to assessed long-term market rent levels, while operating costs are based on the

company's actual costs. Project properties are valued in the same way, 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 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 5,700/m² GFA (SEK 5,900 m).

At the end of the period the average yield requirement was 4.0% (4.2%); this is a change of 21 bp, with 5 bp attributable to portfolio changes (acquisitions and completed projects) and the rest to the lower yield requirement.

Dividend yield per region

%	Interval	30 Jun 2022 Average	31 Dec 2021 Average
Stockholm	3.1-5.4	3.8	4.0
Uppsala	3.3-5.3	4.9	5.1
Malmö	3.4-5.4	5.0	5.1
Gothenburg	4.2-4.2	4.2	4.2
Total	3.1-5.4	4.0	4.2

Dividend yield per property category

%	Interval	30 Jun 2022 Average	31 Dec 2021 Average
Offices	3.1-5.4	3.8	3.9
Retail	3.4-5.4	4.9	5.0
Residentials	3.3-4.2	4.0	4.1
Total	3.1-5.4	4.0	4.2

Development properties enable tenant-owned dwellings

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

The book value amounted to SEK 1,380 million (SEK 1,254 m) as of 30 June 2022 and the market value was assessed to be SEK 1,970 million (SEK 1,705 m) as of the same date; this refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden.

Customer.

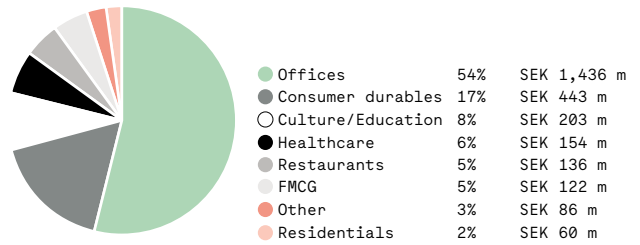
Contracted annual rent and letting rate

As of 1 July 2022 the contracted terminable annual rent amounted to SEK 2,641 million. The economic letting rate excluding project properties was 92% (91%) at the same point in time, while the average remaining term for contracted rent, excluding residentials and parking amounted to 4.3 years (3.9 years).

Atrium Ljungberg has a broad spread of risks in its contract portfolio in terms of sector, customer and maturity.

Contracted annual rent per premises type

– A mixed portfolio creates flexibility

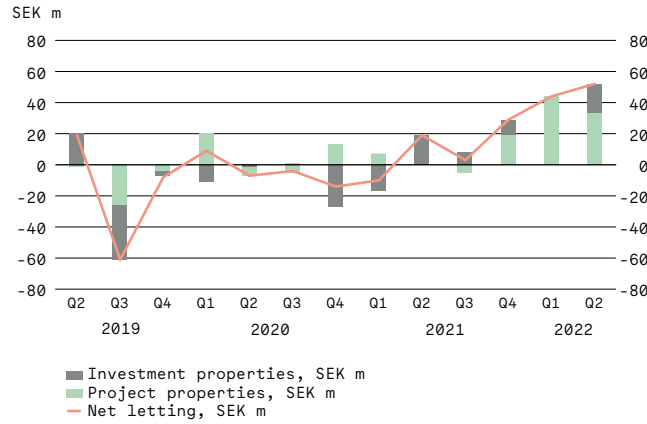


Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts,

amounted to SEK 96 million (SEK 7 m) for first six months of the year, of which SEK 77 million (SEK 10 m) was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New letting amounted to SEK 175 million (SEK 124 m), while terminations from customers amounted to SEK 51 million (SEK 92 m). We also terminated the contracts, corresponding to an annual rent of SEK 28 million (SEK 24 m). The time lag between net letting and its effect on profit is assessed to be 3–12 months for investment properties and 12–24 months for projects.

Net letting



Terminable annual contract value 1 Jul 2022	Number of contracts	Letting area, '000 m ²	Annual contract value, SEK m	Proportion of value, %
Commercial, maturity				
2022	79	11	17	1
2023	540	128	402	15
2024	356	189	593	22
2025	287	133	455	17
2026	156	111	351	13
2027+	188	205	728	28
Total	1,606	777	2,545	97
Residentials	618	33	60	2
Garage/parking	156	90	35	1
Total	2,380	900	2,641	100



Project portfolio.

Atrium Ljungberg's business model involves us owning, managing and developing properties and city districts responsibly and sustainably. This enables us to take responsibility for the entire value chain. The company's goal is to invest approximately SEK 30 billion up to 2030 with a project return of approximately SEK 10 billion. Combined with the effective management of the current property portfolio, this paves the way for a doubling of our property value and operating net by 2030 compared with 2021.

Our project portfolio comprises both our own development rights and land allocations that we have already obtained. As of 30 June 2022 our project portfolio comprised approximately 900,000 m² GFA, which includes 230,000 m² GFA residential development rights, while the rest is for properties that we manage, specialising in offices. Approximately 800,000 m² of the total volume is planned to be developed up to 2030, which includes around 179,000 m² for tenant-owned dwellings. Most of the development portfolio is located in Stockholm, focusing on Hagastaden, Slakthusområdet, Slussen and Sickla. Approximately 87% of the portfolio is located at existing or future underground stations in Stockholm.

Ongoing projects

On 30 June 2022 Atrium Ljungberg had ongoing construction work totalling SEK 6.6 billion, which includes SEK 2.8 billion that still has to be invested. SEK 5.5 billion of the ongoing projects is for investments in properties that are being developed for ownership with an assessed project return of approximately 50%, corresponding to SEK 3 billion; SEK 2 billion of this has already been recognised. The company also has ongoing projects for constructing tenant-owned dwellings totalling SEK 1.1 billion, with an assessed market value of SEK 1.3 billion that will be realised as they are completed.

Decisions were made on three new projects during the first six months of the year with an investment volume of approximately SEK 760 million; the upper-secondary school and phase 2 of Slakthushallarna in Slakthusområdet; and

the reconstruction and refinement of the office property Blästern 11/'PV Palatset' in Hagastaden. The upper-secondary school comprises approximately 6,000 m² with a lease contact of 15 years. The lease contract was approved by the City Council on 13 June 2022 and the detailed plan will be presented for adoption in August 2022.

The work on the underground line at the future Sickla Stationshus is more complex than had been envisaged, which has resulted in the completion date being postponed by 12 months to Q4 2025.

Bas Barkarby has an economic letting rate of 88%. Svea Education's lease contract for approximately 3,400 m² is conditional on the approval of the Swedish Schools Inspectorate, whose decision is expected after the summer.

Atrium Ljungberg had applied for a building permit for a new extension to Katarinahuset, which would replace the previous extension. At the end of the quarter we were informed that the building permit had not been approved, since the County Administrative Board said no. Atrium Ljungberg is going to lodge an appeal, while evaluating the consequences of restoring the old spaces.

Planned projects

Hagastaden

Atrium Ljungberg has been in Hagastaden for more than 30 years and is one of the largest property owners in the area. 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 March 2020 we obtained a land allocation in Hagastaden that comprises two residential blocks and one office block: Cambridge, Stanford and Pisa. The first phase of this project will be a shared garage for these blocks, with construction expected to start in the autumn of 2022. After this the first block will be the Stanford residential



block, with construction scheduled to start in 2024. In Brunnsviken in Östra Hagastaden we have an additional land allocation, where we are planning to build an 8-storey office building measuring 21,000 m² with incredible views across the water and Haga Park. Construction is planned to start in the first quarter of 2026. The development projects in Hagastaden represent a future investment of approximately SEK 7 billion up to 2030; SEK 3 billion is for tenant-owned dwellings, while the rest is for offices.

Sickla

For more than 20 years we have been transforming Sickla from an industrial area into a vibrant city district. We have been working with Nacka Municipality to produce a vision for the development of 'Central Sickla', which stretches from Marcusplatsen in the west to Kyrkviken in the east. The area currently comprises large areas for car parking and low retail buildings. However, the plan is to transform this into an urban city district with walkways and buildings that house offices and residential. In total the plan comprises approximately 150,000 m² GFA and around 500 new apartments. The detailed development plan process has been under consultation, 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.

We are planning for more residential in Sickla. The detailed development plan process for residentials in Kyrkviken, northern Nobelberget and Central Sickla is underway, but we already have an approved detailed development plan for the development of several tenant-owned dwellings. The development of Nobelberget is currently underway with a total of 500 tenant-owned apartments. In the spring of 2022 all phases of the tenant-owned property Brf Kulturtrappan were released for sale; this represents a total of 93 apartments. The development of the remaining apartments will be carried out gradually based on market demand. The detailed

development plan process is underway for a new 16-storey apartment block with approximately 80 apartments in the eastern part of Sickla Galleria shopping centre. Construction is expected to start in 2024. The future investment for the development projects in Sickla amounts to approximately SEK 12 billion, which includes approximately SEK 9 billion that is planned to be invested up to 2030; SEK 4 billion is for tenant-owned dwellings, while the rest is for offices.

Slakthusområdet

Atrium Ljungberg's vision 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. We currently have 200,000 m² GFA in land allocations that we already own or have obtained; this corresponds to a future investment of approximately SEK 10 billion. Most of this will be carried out by 2030; SEK 1 billion is for tenant-owned dwellings and approximately SEK 8 billion is for commercial operations.

Slakthusområdet is one of Stockholm's largest urban development projects. In June 2022 the detailed development plan for Stationskvarteret became legally binding; in total Atrium Ljungberg has approximately 40,000 m² GFA in detailed development plans that are legally binding and the ambition is to double this in 2023/2024. We have a cooperation agreement with Stockholm University of the Arts (SKH) for a move to Slakthusområdet. The university area is planned to comprise approximately 30,000 m² GFA of educational premises and workplaces.

The following projects are planned to start in the area in 2022: Hus 49, Hus 48, Hus 1 and Slakthushallarna. Hus 48 and 49 will primarily contain offices, while the nightclub Fällan will move into Slakthushallarna. We have started a major investment in Hus 26, which is part of the old

slaughterhouse buildings in the heart of the area. Hus 26 is going to contain a carefully selected mix of restaurants, bars and other niche concepts.

Gothenburg

In 2022 the detailed development plan process is scheduled to start for a reconstruction and extension project for the Tornen property in Lindholmen in Gothenburg. Approximately 23,000 m² GFA of modern office space will be created.

Malmö

In Mobilia we have a development right of 5,400 m² GFA for offices on the street Trelleborgsvägen. The building permit has been received and the project is 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.

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. The retail hub is adjacent to the future Mälarterrassen, a public building comprising approximately 7,000 m² GFA with a view of the old town in Stockholm, Gamla Stan, and the water. Cafes, restaurants and cultural facilities are being planned in Mälarterrassen. Occupancy is planned for 2026.

In Slussen we also have a land allocation in front of Katarinhuset in the Ryssbodarne district, located above Stadsgårdsleden and Saltsjöbanan. This is a development right comprising approximately 7,000 m² GFA across five floors, where we are planning offices with public spaces on the ground floors. Production will start in 2026 at the earliest, with potential occupancy in 2028.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinhuset. 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 are scheduled for completion by 2030; they represent a total future investment of approximately SEK 2 billion, including land allocations.

Söderhallarna

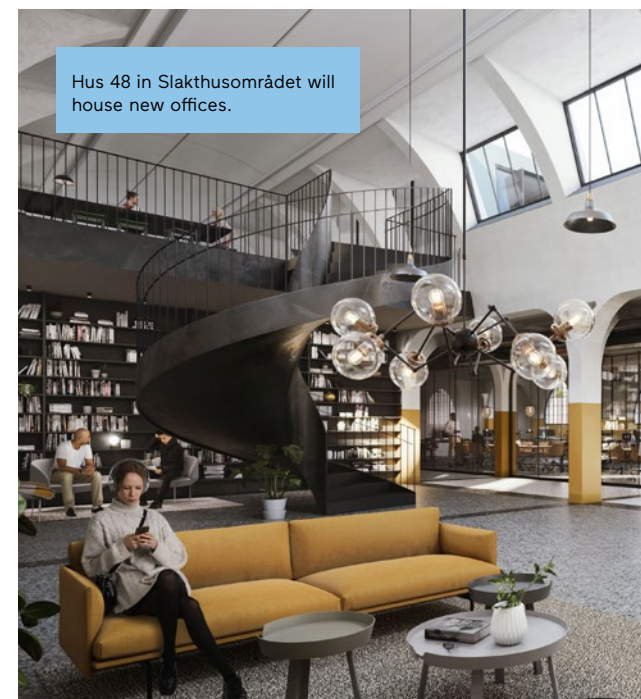
Söderhallarna on Medborgarplatsen is going to be rebuilt and modernised to make Södermalm the place to visit for high-quality ingredients and food crafts, with a clear focus on sustainability. Söderhallarna will also house offices for creative industries, which will benefit from being located in the heart of Sweden's largest gaming development cluster. Detailed development planning is underway and the reconstruction project is scheduled to start in the middle of 2024. The estimated investment volume is approximately SEK 1.5 billion.

Uppsala

Uppsala is the fourth largest city in Sweden with a steady population growth, growing business and world-leading research. It is one of our most important submarkets and we are focusing our operations on the City of Uppsala and Gränbystaden.

The detailed development plan for Ångkvarnen (Uppsala Kungsängen 22:2) in the City of Uppsala was adopted by Uppsala City Council in June 2021 and became legally binding at the end of June 2022. The buildings are in a development area where we are working with Ikano Bostad and Besqab to link the southern parts of the inner city with the centre. Possession of these properties is scheduled for the beginning of 2023, while construction is expected to start later in the same year.

Over the past six years, we have carried out a number of major development projects in Gränbystaden in order to build a vibrant cityscape with a mix of activities which together create an attractive and safe place that has life and movement 24 hours a day. As well as the residential district in Parkhusen, there is also the potential for approximately 150 more apartments within the framework of the existing detailed development plan. We are also looking into the possibility of starting a detailed development plan to further develop the area that is currently the car park next to the shopping centre; this comprises a total of approximately 45,000 m². There is also the possibility of developing approximately 5,000 m² GFA for offices and retail on the remaining land within the existing detailed development plan in the northern section. The development projects in Uppsala represent a future investment volume of approximately SEK 4 billion, most of which will be completed by 2030.



Hus 48 in Slakthusområdet will house new offices.



Blåstern 11 in Hagastaden is being reconstructed and developed.



Ångkvarnen in Uppsala is being developed with offices and dynamic ground floors.

Ongoing projects

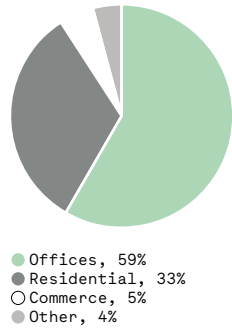
Developed for ownership	Municipality	Investment type	Completed	Residen- tials, m²	Premises, m²	Total invest- ment including land, SEK m	of which re- mains, SEK m	Market value upon comple- tion, SEK m	Rental value, SEK m ¹⁾	Economic letting rate, %
Life City	Stockholm	New builds	Q2 2022	0	27,700	1,670	130		123	95
Bas Barkarby	Järfälla	New builds	Q2 2022	0	24,200	840	110		59	88
Slakthushallarna phase 1	Stockholm	Reconstruction	Q4 2022	0	2,300	170	70		10	58
Katarinahuset	Stockholm	Reconstruction	Q2 2023	0	25,200	1,100	610		133	38
Slakthushallarna phase 2	Stockholm	Reconstruction	Q4 2023	0	2,000	120	80		5	100
PV Palatset	Stockholm	Reconstruction	Q3 2025	0	10,600	320	260		43	0
Sickla Stationshus	Nacka	New builds	Q4 2025	0	16,900	990	740		64	0
Upper-secondary school Slakthusområdet	Stockholm	New builds	Q2 2026	0	6,200	320	300		17	100
Properties to own				0	115,100	5,530	2,300	8,700	454	54
Tenant-owned dwellings			Profit recognition						Booking rate, % ²⁾	Sales rate, % ³⁾
Brf Konstharts	Nacka	New builds	Q3 2022	3,600	300	280	10		n/a	100
Parkhusen block 2	Uppsala	New builds	Q3 2023	5,800	0	270	150		1	60
Brf Kulturtrappan	Nacka	New builds	Q2 2024	6,600	0	530	370		56	0
Tenant-owned dwellings				16,000	300	1,080	530	1,300		
Ongoing projects				16,000	115,400	6,610	2,830	10,000		

¹⁾ Excluding premiums.
²⁾ Uppsala: 80 apartments (2 phases) of a total of 98 apartments have been released for binding contracts, of which 48 apartments have been sold through binding contracts and one has been secured through a booking contract.
Nacka: 93 apartments (3 phases) of a total of 93 apartments have been released for booking contracts, of which 52 apartments have been secured through booking contracts.
³⁾ The percentage of apartments sold with binding contracts, in numbers.

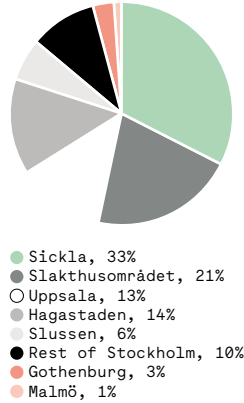
Planned and ongoing projects up to 2030

Developed for ownership	No. of apartments	GFA, m²	of which legally binding detailed devel- opment plans	Assessed invest- ment, SEK m	of which re- mains, SEK m	Market value, SEK m	Operating net, SEK m
Stockholm							
- Hagastaden	0	90,000	45,000	5,800	3,500	8,300	290
- Sickla	162	120,000	33,000	5,800	5,000	7,600	310
- Slakthusområdet	372	170,000	40,000	9,700	8,300	12,700	485
- Slussen	0	55,000	55,000	4,600	2,500	6,100	210
- Stockholm, other	0	75,000	30,000	4,100	1,900	5,200	195
Uppsala	444	86,000	25,000	3,100	3,100	3,400	145
Gothenburg/Malmö	0	28,800	5,400	1,100	760	1,400	65
Total	978	624,800	233,400	34,200	25,060	44,700	1,700
Less current operating net, SEK m							-130
Newly created operating net, SEK m							1,570
Tenant-owned dwellings							
Stockholm							
- Hagastaden	440	39,000	39,000	3,300	3,300	3,600	
- Sickla	1,080	105,000	39,000	5,400	4,200	6,900	
- Slakthusområdet	190	15,000	0	1,000	1,000	1,100	
Uppsala	293	20,000	24,000	850	700	970	
Total	2,003	179,000	102,000	10,550	9,200	12,570	
Project portfolio up to 2030	2,981	803,800	335,400	44,750	34,260	57,270	

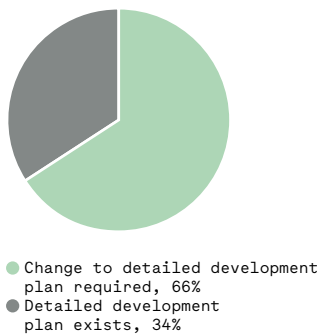
Project portfolio by property type
– Residential and offices account for more than 90% of the area



Project portfolio by area
– More than 80% of the area relates to Stockholm



Project portfolio by detailed development plan
– There is a detailed development plan for more than 30% of the area



The information about ongoing projects and planned projects in this interim report is based on assessments of the size, goals and scope of these projects, and the dates when they are assessed to start and be completed. The information is also based on assessments of future project costs and rental value. The assessments and assumptions should not be seen as a forecast. There are uncertainties surrounding these assessments and assumptions, in relation to the projects’ implementation, design and size, schedules, project costs and future rental value. The information about ongoing construction work and planned projects are reassessed on a regular basis, and assessments and assumptions are adjusted as ongoing construction work is completed or added, and the conditions change.

Financing.

The financial market

Inflation is rising significantly in many places around the world as a result of major disruptions to global transport and value chains combined with Russia’s war against Ukraine. The world’s central banks are focusing on strong action to combat this rise in inflation by increasing interest rates and reducing quantitative measures.

The Federal Reserve increased its interest rate by 0.75 percentage points to 1.75% in June and it is expected to continue to increase this rate before it levels out at 3.50% in 2023. The ECB has also announced that it will start to increase its interest rate in the third quarter. The Riksbank (Sweden’s Central Bank) increased its reference rate to 0.25% in April and by an additional 0.50 percentage points to 0.75% in June. The Riksbank’s own forecast is for its reference rate to approach 2.00% by the beginning of 2023.

Inflation and the higher interest rate environment have caused several analysts, including at the Swedish National Institute of Economic Research, to lower their forecasts for Sweden’s growth for 2022 and 2023.

3M Stibor increased significantly in the first six months of the year from –0.05% to 0.80% and the interest rate market has priced in a continued sharp rise to 2.70% in 12 months. The 10-year swap rate, which was 0.97% at the end of the year, reached a peak of 3.15% in June and stood at 2.80% at the end of the period.

The conditions for issuers on the Swedish capital market have gradually deteriorated during the year and activity has slowed down. The all-in interest rate for issuing 3-month commercial papers increased from 0.25% to approximately 1.20% and many investors are currently hesitant. The credit spread for a 5-year bond on the secondary market for bonds has been priced at approximately 3.50%, which is a rise of around 2.30 percentage points since the start of the year.

Interest-bearing liabilities

Atrium Ljungberg meets its financing requirements through the Swedish and Norwegian capital markets, Nordic banks, the Nordic Investment Bank, the European Investment Bank and direct financing. Interest-bearing liabilities amounted to SEK 25,085 million (SEK 20,561 m) at the end of the first six months of the year. The average interest rate amounted to 1.9% (1.7%) excluding unutilised credit facilities and 2.0% (1.8%) including unutilised credit facilities. The average loan interest rate duration and loan-to-maturity stood at 4.1 years (4.7 years) and 4.6 years (4.8 years) respectively.

During the first six months, interest-bearing liabilities increased by SEK 4,524 million (SEK 1,791 m). Bonds worth SEK 3,743 million were issued and SEK 811 million fell due for payment. An unsecured bank loan of SEK 1,000 million and a secured bank loan of SEK 505 million were paid out. The volume of commercial papers decreased by SEK 945 million. A total of SEK 1,057 million of the existing revolving credit facilities were utilised. The remainder of the change in volume is attributable to changes in exchange rates and accrual effects.

The interest coverage ratio amounted to 4.4 (5.6) for the rolling 12-month period. According to the company’s Finance Policy, the loan-to-value ratio must remain under 45.0% in the long term; at the end of the quarter it amounted to 41.6% (39.9%).

Unutilised credit facilities amounted to SEK 6,540 million (SEK 7,297 m), which covers outstanding commercial papers, totalling SEK 755 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity amounts to SEK 7,400 million (SEK 8,316 m), including cash and cash equivalents of SEK 560 million (SEK 719 m) and overdraft facilities of SEK 300 million (SEK 300 m).

Securities

In terms of interest-bearing liabilities, SEK 8,592 million (SEK 7,027 m) is secured by mortgage deeds, accounting for 13% (13%) of total assets; while the rest is unsecured financing.

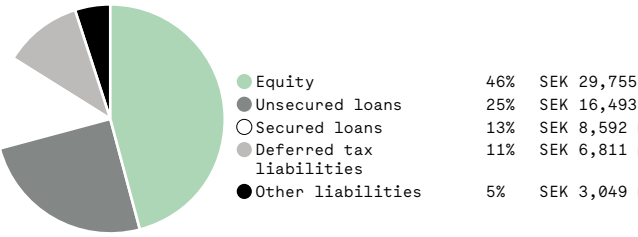
Green and sustainability-linked financing

Atrium Ljungberg works with both green and sustainability-linked financing. Green financing is allocated to specific properties with strict climate requirements. There is a total of SEK 9,967 million (SEK 8,779 m) in green bonds and SEK 5,009 million (SEK 3,266 m) in green secured and unsecured bank loans; this accounts for 60% (59%) of the total loan volume.

Sustainability-linked financing is linked to achieving the ambitious sustainability goals that have been set for the Group. There is a total of SEK 1,000 million in sustainability-linked bonds and SEK 1,498 million in sustainability-linked secured bank loans; this accounts for 10% (0%) of total financing. Green and sustainability-linked financing combined comprises 70% (59%) of the total loan volume.

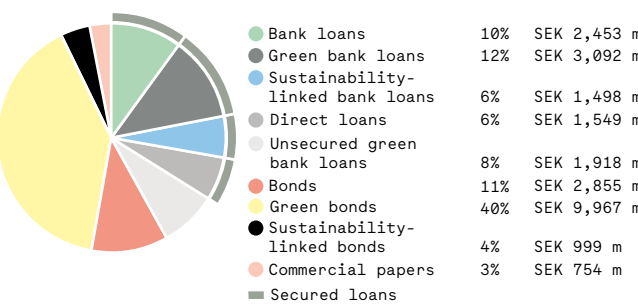
Capital structure

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



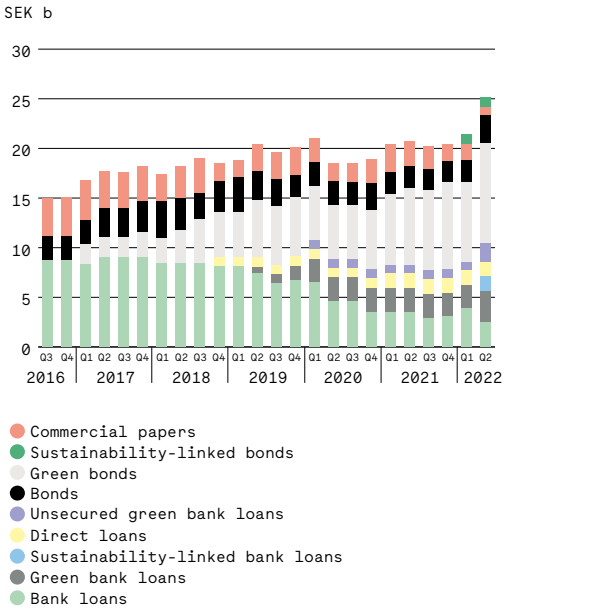
Interest-bearing liabilities

– SEK 25,085 million in interest-bearing liabilities, including 70% green and sustainability-linked financing



Development of financing sources

– Sustainability-linked bonds and bank loans have been added as a financing source in 2022



Derivative instruments

At the end of the first quarter the derivative portfolio comprised SEK 14,400 million (SEK 13,500 m) in interest rate swaps with a maturity of 2025–2032 and foreign exchange swaps of SEK 3,076 million (SEK 2,358 m). Foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

The derivatives portfolio is valued at market rate at the end of each quarter and the change in value is recognised in the income statement. The unrealised change in the value of derivatives for the first six months of the year amounted to SEK 1,525 million (SEK 253 m) as a result of rapidly rising market rates. The surplus book value of the derivatives portfolio amounted to SEK 1,399 million (SEK –100 m) at the end of the quarter.

Public rating

The company has a Baa2 rating (i.e. investment grade) from Moody’s, with a stable outlook. This rating was most recently confirmed in May 2022.

Interest rate duration, SEK million

Duration	Volume	Percent- age, %	Average interest, % ¹⁾
2022	6,835	27	1.6
2023	0	–	0.0
2024	1,013	4	1.8
2025	2,249	9	2.2
2026	2,704	11	1.6
2027 and thereafter	12,284	49	2.1
Total	25,085	100	1.9

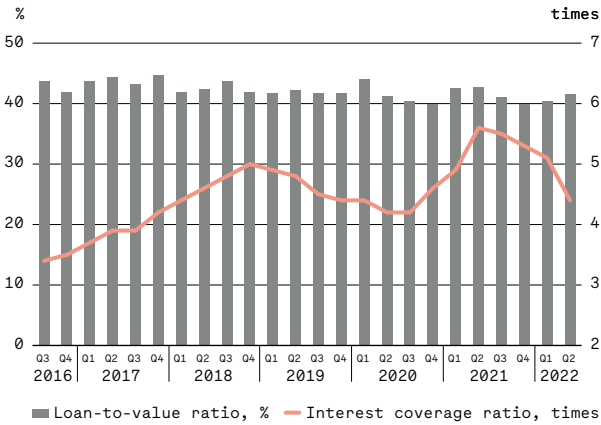
¹⁾ The average credit margin for floating interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Loan-to-value maturity, SEK million

Duration	Bank loans	Capital market	Total liabil- ities	Per- cent- age, %	Total credit agreements
2022	0	1,654	1,654	7	1,654
2023	834	1,350	2,184	9	2,584
2024	1,907	1,813	3,720	15	5,010
2025	1,690	2,799	4,489	18	7,389
2026	200	3,279	3,479	14	5,429
2027 and thereafter	5,879	3,680	9,559	38	9,559
Total	10,510	14,575	25,085	100	31,625

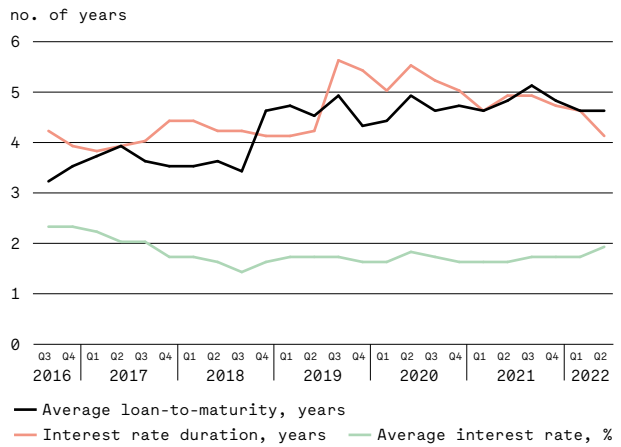
Loan-to-value ratio and interest coverage ratio, rolling 12-month period

– Lower interest coverage rating in the second quarter



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

– Interest rate duration is lower following an increase in liabilities in the second quarter; loan-to-maturity remains the same



Consolidated statement of comprehensive income.

	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
Amounts in SEK m						
Rental income	619	565	1,218	1,137	2,373	2,292
Net sales, project and construction work	49	482	105	609	288	792
Net sales	667	1,046	1,323	1,745	2,662	3,084
Property management costs						
Service charge-related costs	-38	-31	-93	-81	-174	-163
Other operating costs	-42	-49	-91	-98	-169	-177
Management costs	-45	-39	-86	-77	-167	-158
Repairs	-11	-10	-18	-18	-41	-41
Property tax	-54	-46	-107	-91	-197	-182
Non-deductible VAT	-2	-3	-6	-6	-12	-111
	-191	-177	-400	-373	-760	-732
Project and construction work costs	-62	-385	-124	-484	-326	-685
Gross profit	414	484	798	889	1,576	1,666
- property management (operating surplus)	427	388	818	764	1,613	1,560
- project and construction work	-13	96	-19	125	-38	107
Central admin. property management	-22	-20	-42	-37	-87	-82
Central admin. project and construction work	-5	-4	-8	-8	-14	-15
	-27	-24	-49	-45	-101	-97
Net financial items	-110	-78	-182	-145	-328	-291
Leasehold fees	-9	-10	-18	-16	-30	-28
Profit before changes in value	268	372	550	683	1,116	1,249
Changes in value						
Properties, unrealised	2,742	964	4,051	1,131	5,960	3,040
Properties, realised	11	-15	21	-16	15	-22
Derivatives, unrealised	686	43	1,525	253	1,659	388
Profit before tax	3,708	1,364	6,146	2,051	8,751	4,656
Current tax	-13	-9	-23	-19	-4	-0
Deferred tax	-692	-217	-1,250	-342	-1,807	-899
Profit for the period	3,003	1,138	4,873	1,691	6,939	3,757
Other comprehensive income						
Reclassified to profit/loss:						
Cash flow hedging	-	2	-	5	0	5
Tax attributable to cash flow hedging	-	-0	-	-1	-0	-1
Total other comprehensive income	-	1	-	4	0	4
Total comprehensive income for the period	3,003	1,140	4,873	1,695	6,939	3,761
Earnings per share, SEK	23.78	9.00	38.58	13.32	55.06	29.65

The profit/loss for the period and the total comprehensive income for the period are entirely attributable to the parent company's shareholders.

Segment reporting.

2022 Jan-Jun

	Proper- ties	Project develop- ment ¹⁾	TL Bygg	Project and construction work	Elimina- tions	Non- allocated items	The Group
Amounts in SEK m							
Rental income	1,239				-21	-	1,218
Net sales, project and construction work		-	351	351	-247	-	105
Net sales	1,239	-	351	351	-267	-	1,323
Property management costs	-417				16	-	-400
Project and construction work costs		-15	-343	-358	234	-	-124
Gross profit	822	-15	8	-7	-17	-	798
Central administration	-42	-2	-6	-8	1	-	-49
Financial income and expenses	-18	-	-	-	-	-182	-200
Profit before changes in value	762	-17	1	-15	-16	-182	550
Changes in value ^{2) 3)}	4,072	-	-	-	-	1,525	5,597
Tax	-	-	-	-	-	-1,273	-1,273
Profit for the period	4,835	-17	1	-15	-16	70	4,873
Investments and acquisitions	4,585	125	-	125	-	-	4,710
Assets, at the end of the period	60,364	1,380	279	1,658	-	2,678	64,700

2021 Jan-Jun

	Proper- ties	Project develop- ment ¹⁾	TL Bygg	Project and construction work	Elimina- tions	Non- allocated items	The Group
Amounts in SEK m							
Rental income	1,148				-12	-	1,137
Net sales, project and construction work		379	397	776	-167	-	609
Net sales	1,148	379	397	776	-179	-	1,745
Property management costs	-376				3	-	-373
Project and construction work costs		-291	-348	-639	155	-	-484
Gross profit	773	88	49	137	-21	-	889
Central administration	-37	-2	-6	-8	-	-	-45
Financial income and expenses	-16	-	-	-	-	-145	-160
Profit before changes in value	720	86	43	129	-21	-145	684
Changes in value ^{2) 3)}	1,116	-	-	-	-	253	1,368
Tax	-	-	-	-	-	-361	-361
Profit for the period	1,836	86	43	129	-21	-252	1,691
Investments and acquisitions	995	73	-	73	-	-	1,068
Assets, at the end of the period	48,546	1,106	247	1,353	-	1,878	51,777

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

²⁾ Properties, unrealised SEK 4,051 million (SEK 1,131 m). Properties, realised SEK 21 million (SEK -16 m).

³⁾ Unrealised change in value, derivatives SEK 1,525 million (SEK 253 m).

Comments on the consolidated earnings January–June 2022.

Changes in the property portfolio

The earnings for the period and the comparison period were impacted by the following previous property transactions: the acquisition of Blåstern 15 in Hagastaden, which was taken into possession on 1 June 2022; the acquisition of Kylhuset 28, Palmfelt Center, in Slakthusområdet, which was taken into possession on 28 April 2022; and the acquisition of Lindholmen 44:2 in Gothenburg, which was taken into possession on 15 January 2021. Sicklaön 87:1, Svindersvik, in Nacka was vacated on 2 May 2022; while Kolding 3 and Kolding 4 in Kista were vacated on 1 July 2021.

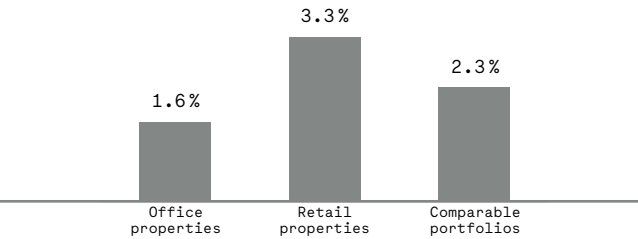
Rental income

Rental income amounted to SEK 1,218 million (SEK 1,137 m) and includes both rebates of SEK 41 million (SEK 36 m) as well as a non-recurring payment of SEK 11 million (SEK 3 m) for the early termination of lease contracts.

Rental income in comparable portfolios increased by 2.3%. This increase is due to higher rents as a result of renegotiations, new letting, the re-invoicing of property tax and electricity, and index adjustment; however, this was counteracted by some major vacancies in office properties primarily in the Stockholm area. All segments have reported positive growth.

	2022 Jan–Jun	2021 Jan–Jun	Change, %
Comparable portfolios	1,073	1,048	2.3%
Non-recurring payments	11	3	
Project properties	113	48	
Properties acquired	20	0	
Properties sold	1	38	
Rental income	1,218	1,137	7.2%

Rental income growth in comparable portfolios



Property costs

Property costs amounted to SEK 400 million (SEK 373 m). In terms of comparable portfolios, property costs changed by 4.6%, which was mostly caused by higher costs for electricity and property tax. Most of this was re-invoiced to customers, which is why the impact on earnings was limited.

	2022 Jan–Jun	2021 Jan–Jun	Change, %
Comparable portfolios	-347	-332	4.6%
Project properties	-47	-29	
Properties acquired	-7	0	
Properties sold	0	-12	
Property costs	-400	-373	7.5%

Earnings for project and construction work

The Group’s net sales comprise not only our rental income, but also income from project and construction work. Project and construction work includes income from tenant-owned dwellings and income attributable to TL Bygg AB. Income from tenant-owned dwellings is recognised when the property has been completed and is mostly occupied. TL Bygg’s income is recognised over time through the percentage-of-completion method; 21% of income is from agreements with invoicing on open account, while the rest is fixed-price assignments.

Gross profit/loss profit for project and construction work amounted to SEK –19 million (SEK 125 m). This change is mostly due to the sale of the tenant-owned property Brf Sicklastråket in Nobelberget with a gross profit of SEK

91 million last year and the positive ruling for the subsidiary TL Bygg in a dispute from last year. Sales in TL Bygg amounted to SEK 351 million (SEK 397 m), of which 70% (44%) refers to intra-Group sales. TL Bygg’s gross profit, including intra-Group transactions, amounted to SEK 8 million (SEK 49 m).

Central administration

Central administration covers the costs for the executive management team and central support functions. Central administration costs for property management amounted to SEK 42 million (SEK 37 m) and SEK 8 million (SEK 8 m) for project and construction work.

Net financial items

Net interest stood at SEK –182 million (SEK –145 m), of which capitalised interest amounted to SEK 39 million (SEK 43 m). Net interest increased by SEK 21 million as a result of a higher loan volume and by SEK 11 million as a result of higher interest rates and higher credit margins. The average interest including underwriting amounted to 2.0% (1.8%) at the end of the period. In addition, costs for leasehold fees amounted to SEK 18 million (SEK 16 m).

Changes in value

Unrealised changes in the value of properties amounted to SEK 4,051 million (SEK 1,131 m), corresponding to 7.4% (2.4%). The change in value comprises SEK 1,243 million (SEK 389 m) for project returns, SEK 1,390 million (SEK 328 m) for lower average yield requirements, SEK 1,241 million (SEK 414 m) for improved future cash flow and SEK 177 million (SEK 0) for acquisitions. While the lower yield requirements for the first quarter mostly related to retail, the second quarter saw lower yield requirements for central offices in Stockholm. More than a third of the improved cash flow was caused by a higher assessed index in October 2022 (from 2% to 5%).

Realised changes in the value of investment properties amounted to SEK 21 million (SEK –16 m), which was due to the sale of Kolding 3 and 4 which were vacated on 1 July 2021 and the sale of Sicklaön 87:1, Svindersvik, in the second quarter of the year.

Unrealised changes in the value of derivatives amounted to SEK 1,525 million (SEK 253 m), primarily as a result of a rise in long-term market interest rates.

Changes in the value of properties, SEK m	2022 Jan–Jun	2021 Jan–Jun
Yield requirement	1,390	328
Cash flow, etc.	1,241	414
Project returns	1,243	389
Acquisitions	177	0
Unrealised changes in value	4,051	1,131
Unrealised change in value, %	7.4%	2.4%
Realised change in value	21	0
Total changes in value	4,072	1,131
Unrealised change in value, %	7.4%	2.4%

Tax

Tax amounted to SEK –1,273 million (SEK –361 m), with SEK –23 million (SEK –19 m) in current tax, while the rest refers to deferred tax. Tax has been calculated using a nominal tax rate of 20.6%.

Tax calculation January–June 2022

SEK m	Current tax	Deferred tax
Reported profit/loss before changes in value	550	
Non-deductible interest	131	
Tax deductible		
-Depreciation/amortisation	-390	390
-Reconstruction work	-48	48
-Capitalised interest	-39	39
Other fiscal adjustments	119	-70
Taxable profit/loss before changes in value	323	407
Current tax	-67	
Sale of properties	-	-27
Properties acquired	-	-
Changes in value, properties	-	4,051
Change in value of derivatives	-166	1593
Taxable profit/loss before loss carry-forwards	157	6,024
Loss carry-forwards		
-Opening balance	-37	37
-Closing balance	-8	8
Taxable profit	111	6,069
Reported tax expense	-23	-1,250

Consolidated balance sheet, summary.

Amounts in SEK m	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Investment properties	58,922	47,338	50,335
Right-of-use asset, leaseholds	1,277	1,044	1,025
Goodwill	165	165	165
Other non-current assets	130	149	148
Derivatives	1,580	82	138
Total non-current assets	62,073	48,777	51,810
Development properties	1,380	1,106	1,254
Current assets	687	1,205	501
Cash and cash equivalents	560	689	719
Total current assets	2,627	3,000	2,475
Total assets	64,700	51,777	54,285
EQUITY AND LIABILITIES			
Equity	29,755	23,516	25,541
Deferred tax liability	6,811	5,033	5,621
Non-current interest-bearing liabilities	25,085	20,696	20,561
Non-current finance lease liability	1,277	1,044	1,025
Derivatives	182	387	238
Other non-current liabilities	282	245	267
Total non-current liabilities	33,637	27,405	27,712
Other current liabilities	1,308	857	1,032
Total current liabilities	1,308	857	1,032
Total equity and liabilities	64,700	51,777	54,285

Consolidated change in equity.

Amounts in SEK m	Attributable to the parent company shareholders			
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward
Opening balance, as of 1 January 2021	333	3,960	-4	18,380
Profit for the period				1,691
Other comprehensive income			4	4
Acquisition of own shares				-207
Dividend, SEK 5.05/share				-640
Closing balance, as of 30 June 2021	333	3,960	-1	19,223
Profit for the period				2,066
Other comprehensive income			1	1
Acquisition of own shares				-41
Closing balance, as of 31 December 2021	333	3,960	-	21,248
Profit for the period				4,873
Change in own shares				-2
Dividend, SEK 5.20/share				-657
Closing balance, as of 30 June 2022	333	3,960	-	25,462

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 period the company owned 6,919,875 class B shares (6,728,000). As of 30 June 2022, the number of outstanding shares therefore stood at 126,300,861 (126,492,736), while the average number of shares amounted to 126,301,139 (126,933,819) for the first six months of the year.

Comments on the consolidated financial position 30 June 2022.

Properties

At the end of the period the property portfolio amounted to SEK 60,301 million (SEK 51,589 m), broken down into SEK 1,380 million (SEK 1,254 m) for development properties and SEK 58,922 million (SEK 50,335 m) for investment properties. Investment properties have been valued at approximately SEK 59,699/m² with an average yield of 4.04%. For more information, see the sections on Property Portfolio and Project Development.

Goodwill

Goodwill amounted to SEK 165 million (SEK 165 m) at the end of the period. Goodwill relates to deferred tax following Atrium’s merger with Ljungberg in 2006. Goodwill is primarily impaired in the event of a major downturn in the property market or when the properties in the aforementioned transaction are sold.

Leases

Atrium Ljungberg has 18 leaseholds, which are considered to be leases for accounting purposes. The value of rent in kind is measured and recognised as an asset; as a right-of-use asset with a corresponding liability. As of the closing date, the value of our leases amounted to SEK 1,277 million (SEK 1,025 m).

Equity and net value

The Group’s equity attributable to the parent company’s shareholders amounted to SEK 29,755 million (SEK 25,541 m) at the end of the period, corresponding to SEK 235.59/share (SEK 202.20/share). This increase is due to comprehensive income of SEK 4,873 million for the period and the dividend resolved by the Annual General Meeting.

The long-term net asset value amounted to SEK 35,003 million (SEK 31,040 m) at the end of the period, corresponding to SEK 277.14/share (SEK 245.73/share); this

represents a change of 12.8% including the dividend that has been distributed.

Net asset value 30 June 2022	SEK m	SEK/share
Equity according to the balance sheet	29,755	235.59
Reversal of balance sheet items:		
-Derivatives	-1,399	-11.07
-Goodwill	-165	-1.30
-Deferred tax	6,811	53.93
Long-term net asset value	35,003	277.14
Deductions:		
-Assessed actual tax	-1,332	-10.55
Current net asset value	33,671	266.59
Equity according to the balance sheet	29,755	235.59
Reversal of balance sheet items:		
-Goodwill	-165	-1.30
-Interest-bearing liabilities	25,085	198.61
Deductions:		
-Fair value interest-bearing liabilities	-25,882	-204.92
Disposal value	28,794	227.98

The net asset value is the total capital that the company manages for its owners. Based on this capital, we want to create a yield and growth with low risk-taking. The net asset value can be calculated in different ways and it is mostly the time factor and the turnover rate in the property portfolio that have an impact.

Net deferred tax liabilities 30 June 2022

SEK m	Deferred	Tax liabilities	
		Nominal	Actual
Loss carry-forwards	-8	-2	-1
Derivatives, etc.	1,574	324	169
Properties	38,457	7,922	866
Total	40,023	8,245	1,034
Properties, asset acquisitions	-6,960	-1,434	
According to the balance sheet	33,063	6,811	

Deferred tax is in principle both interest-free and amortisation-free, which means that it can mostly be considered to be equity. The reason why effective tax is lower is due to the option to sell properties in a tax-efficient way, and the fact that the time factor enables the tax to be discounted. The assessed actual deferred tax liabilities have been calculated at approximately 3% net based on a discount rate of 3%. It has also been assumed that loss carry-forwards are realised over the period of one year with a nominal tax of approximately 20.6%; and that properties are realised over a period of 50 years where 100% of the portfolio is sold indirectly via companies and the purchaser’s tax deduction is 5.15%.

Interest-bearing liabilities and derivatives

At the end of the period interest-bearing liabilities amounted to SEK 25,085 million (SEK 20,561 m) with a closing average interest rate of 1.9% (1.7%). The loan-to-value ratio amounted to 41.6% (39.9%) at the same point in time. The company uses interest rate swaps to extend the interest rate duration and foreign exchange derivatives to hedge Norwegian bonds. The value of the derivative portfolio amounted to SEK 1,399 million (SEK -100 m) at the end of the period. For more information, read the section on Financing.



Cash flow statement Group.

Amounts in SEK m	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021/2022 Jul-Jun	2021 Jan-Dec
OPERATING ACTIVITIES						
Profit before changes in value	268	372	550	683	1,116	1,249
Reversal of depreciation, amortisation and impairment	5	4	8	8	13	13
Other items not included in the cash flow	-0	-91	2	-79	-5	-87
Tax paid	46	-76	-14	-83	-80	-148
Cash flow from operating activities before changes in working capital	318	209	545	528	1,045	1,027
Net change in working capital	131	95	29	14	237	222
Cash flow from operating activities	449	304	575	542	1,282	1,249
INVESTMENT ACTIVITIES						
Acquisition of investment properties	-3,678	-	-3,678	-25	-3,678	-25
Investments in held properties and tenant-owned dwelling projects	-519	-547	-982	-1,031	-2,193	-2,242
Sale of properties	57	-	67	-	812	744
Investment in financial non-current assets	-87	53	-38	84	-3	119
Purchase/sale of equipment	-3	-1	-9	-5	-23	-19
Cash flow from investment activities	-4,230	-495	-4,640	-977	-5,086	-1,423
FINANCING ACTIVITIES						
Change in other non-current liabilities	11	1	16	4	29	17
Loans raised	5,949	4,310	8,655	8,205	11,911	11,461
Repayment of debts	-2,265	-3,987	-4,106	-6,517	-7,565	-9,976
Dividends paid	-	-640	-657	-640	-657	-640
Buy-back of own shares	-	-36	-2	-207	-44	-248
Cash flow from financing activities	3,696	-351	3,906	844	3,676	614
Cash flow for the period	-85	-542	-159	410	-129	440
Cash and cash equivalents at the beginning of the period	645	1,231	719	279	689	279
Cash and cash equivalent at the end of the period	560	689	560	689	560	719



Kylfacket 3, Slakthusområdet.

The parent company.

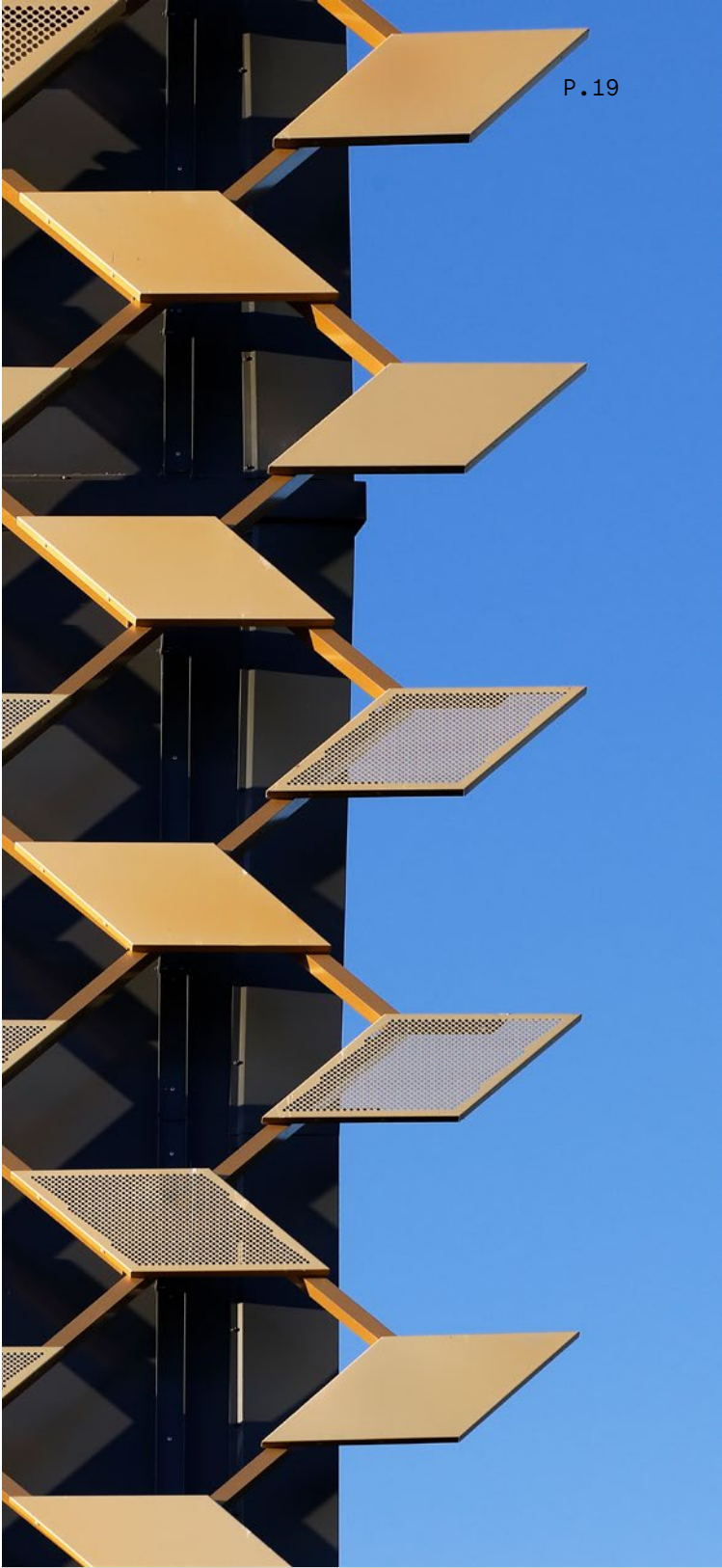
The parent company’s operations comprise Group-wide functions and the organisation for the management of the properties owned by the parent company and the subsidiaries.

Net sales amounted to SEK 158 million (SEK 162 m). The operating profit/loss amounted to SEK –36 million (SEK –355 m). Profit after financial items amounted to SEK 154 million (SEK –80 m). Net financial expenses include an unrealised change in value attributable to derivatives that amounted to SEK 56 million (SEK 275 m).

Interest-bearing liabilities amounted to SEK 18,922 million (SEK 15,457 m). These funds finance the parent company’s property portfolio and are lent on to other Group companies.

Amounts in SEK m	2022 Jan-Jun	2021 Jan-Jun
Rental income	1	37
Management income	156	124
Net sales	158	162
Property costs	-1	-15
Management and administration expenses	-189	-154
Capital gain/loss from sale of properties	-	-338
Depreciation	-3	-9
Operating profit	-36	-355
Earnings from shares in Group companies	-	-5
Interest income and similar profit items	402	499
Interest expenses and similar profit items	-212	-219
	189	274
Profit after financial items	154	-80
Appropriations	2	-2
Profit before tax	156	-83
Current tax	-	-
Deferred tax	-35	26
	-35	26
Profit for the period	121	-57

Amounts in SEK m	30 Jun 2022	30 Jun 2021
ASSETS		
Property, plant and equipment	6	22
Financial non-current assets	1,430	1,148
Current assets	27,431	25,102
Total assets	28,868	26,272
EQUITY AND LIABILITIES		
Equity	9,629	9,338
Untaxed reserves	4	23
Provisions	18	17
Non-current liabilities	19,104	16,824
Current liabilities	112	71
Total equity and liabilities	28,868	26,272



Key performance indicators. ¹⁾

	2022 Apr–Jun	2021 Apr–Jun	2022 Jan–Jun	2021 Jan–Jun	2021/2022 Jul–Jun	2021 Jan–Dec
PROPERTY-RELATED KEY PERFORMANCE INDICATORS						
Letting rate excluding project properties, %	92	91	92	91	92	91
Operating surplus margin, %	69	69	67	67	68	68
Vacancy rate, %	9	9	9	9	9	9
Letting area including garages, '000 m²	1,146	1,046	1,146	1,046	1,146	1,082
Investments, SEK m	4,247	608	4,710	1,068	5,946	2,304
Number of properties at the end of the period	67	67	67	67	66	67
FINANCIAL KEY PERFORMANCE INDICATORS						
Equity ratio, %	46.0	45.4	46.0	45.4	46.0	47.1
Loan-to-value ratio, %	41.6	42.7	41.6	42.7	41.6	39.9
Interest coverage ratio R12	4.4	5.8	4.4	5.7	4.4	5.3
Average interest rate for interest-bearing liabilities, %	1.9	1.6	1.9	1.6	1.9	1.7
Return on equity R12, %	26.1	13.9	26.1	13.9	26.1	15.6
Return on equity, excluding changes in value R12, %	3.7	4.5	3.7	4.5	3.7	4.3
Return on total assets R12, %	15.6	8.0	15.6	8.0	15.6	9.6
Return on total assets excluding changes in value R12, %	2.0	2.5	2.0	2.5	2.0	2.4
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	264	282	529	650	1,119	1,240
Long-term net asset value, SEK m	35,003	28,666	35,003	28,666	35,003	31,040
Current net asset value ²⁾ , SEK m	33,671	27,584	33,671	27,584	33,671	29,812
Disposal value, SEK m	28,794	22,979	28,794	22,979	28,794	25,103
DATA PER SHARE						
Earnings per share, SEK	23.78	9.00	38.58	13.32	55.06	29.65
Profit before changes in value less nominal tax, SEK	1.69	2.33	3.45	4.29	7.02	7.85
Cash flow from operating activities, SEK	3.56	2.40	4.55	4.27	10.17	9.86
Equity, SEK	235.59	185.90	235.59	185.90	235.59	202.20
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.09	2.23	4.19	5.14	8.86	9.82
Long-term net asset value, SEK	277.14	226.62	277.14	226.62	277.14	245.73
Current net asset value ²⁾ , SEK	266.59	218.07	266.59	218.07	266.59	236.02
Disposal value, SEK	227.98	181.66	227.98	181.66	227.98	198.73
Share price, SEK	134.00	194.90	134.00	194.90	134.00	199.70
Weighted average number of shares, thousands	126,301	126,553	126,301	126,934	126,023	126,688
Number of outstanding shares at the end of the period, thousand	126,301	126,493	126,301	126,493	126,301	126,313
EMPLOYEES						
Average number of employees	319	319	320	324	318	321

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

²⁾ For the calculation of the current net asset value, an estimated deferred tax of 3% has been used.



Quarterly summary.

INCOME STATEMENTS								
	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Amounts in SEK m								
Rental income	619	600	600	555	565	572	555	561
Net sales, project and construction work	49	56	95	88	482	127	118	139
Net sales	667	655	695	643	1,046	699	673	700
Property management costs	-191	-209	-193	-167	-177	-195	-195	-167
Project and construction work costs	-62	-62	-103	-99	-385	-98	-118	-150
Gross profit	414	384	399	378	484	405	360	383
- property management (operating surplus)	427	391	407	388	388	377	360	394
- project and construction work	-13	-6	-8	-111	96	29	-0	-111
Central admin., property management	-22	-20	-25	-20	-20	-17	-21	-15
Central admin., project and construction work	-5	-3	-2	-4	-4	-4	-6	-3
	-27	-22	-27	-25	-24	-21	-26	-18
Financial income and expenses	-119	-80	-68	-91	-87	-73	-52	-88
Profit before changes in value	268	281	304	262	372	311	282	277
Properties, unrealised	2,742	1,309	1,448	461	964	167	623	467
Properties, realised	11	10	-6	0	-15	-1	3	-16
Derivatives, unrealised	686	838	63	72	43	210	33	-45
Derivatives, realised	-	-	-	-	-	-	-	-
Profit before tax	3,708	2,439	1,809	795	1,364	687	940	683
Tax	-704	-569	-370	-168	-226	-135	-250	63
Profit for the period	3,003	1,870	1,439	627	1,138	552	690	745

KEY PERFORMANCE INDICATORS ¹⁾								
	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Property-related key performance indicators								
Letting rate excluding project properties, %	92	91	91	91	91	91	91	92
Operating surplus margin, %	69	65	68	70	69	66	65	70
Letting area including garages, '000 m²	1,146	1,064	1,082	1,063	1,046	1,089	1,087	1,078
Investments, SEK m	4,247	463	708	528	608	510	848	676
Number of properties at the end of the period	67	66	67	67	67	70	67	66
Financial key performance indicators								
Equity ratio, %	46.0	47.1	47.1	46.2	45.4	43.7	45.7	46.1
Loan-to-value ratio, %	41.6	40.4	39.9	41.1	42.7	42.6	39.9	40.5
Adjusted loan-to-value ratio, %	41.6	40.4	39.9	41.1	42.0	42.6	39.9	40.5
Interest coverage ratio R12	4.4	5.1	5.3	5.5	5.6	4.9	4.6	4.2
Average interest rate for interest-bearing liabilities, %	1.9	1.7	1.7	1.7	1.6	1.6	1.6	1.7
Return on equity R12, %	26.1	20.6	15.6	13.0	13.9	11.8	3.8	5.6
Return on equity, excluding changes in value R12, %	3.7	4.2	4.3	4.3	4.5	4.2	3.8	4.0
Return on total assets R12, %	15.6	12.5	9.6	8.1	8.0	6.0	2.0	3.1
Return on total assets excluding changes in value R12, %	2.0	2.3	2.4	2.4	2.5	2.2	2.3	2.4
Data per share								
Earnings per share, SEK	23.78	14.81	11.38	4.96	9.00	4.34	5.35	5.75
Profit before changes in value less nominal tax, SEK	1.69	1.77	1.91	1.65	2.33	1.95	1.73	1.68
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.09	2.09	2.69	1.55	2.23	2.30	2.12	2.24
Cash flow, SEK	3.56	0.99	3.22	2.37	2.40	1.87	4.47	2.79
Equity, SEK	235.59	211.81	202.20	190.83	185.90	176.90	177.46	171.90
Long-term net asset value, SEK	277.14	252.17	245.73	232.13	226.62	215.80	217.95	210.23
Current net asset value ²⁾ , SEK	266.59	243.98	236.02	223.23	218.07	207.55	210.56	203.16
Disposal value, SEK	227.98	209.85	198.73	187.49	181.66	173.42	170.86	168.58
Share price, SEK	134.00	192.50	199.70	183.80	194.90	156.40	172.80	146.60
Weighted average number of shares, thousands	126,301	126,301	126,415	126,477	126,553	127,319	128,957	129,721
Number of outstanding shares at the end of the period, thousand	126,301	126,301	126,313	126,417	126,493	126,692	127,739	129,721

¹⁾ See definitions on pages 26–27. For the reconciliation of key performance indicators, visit www.al.se.
²⁾ For the calculation of the current net asset value, an estimated deferred tax of 3% has been used.

Other information.

Accounting policies

Atrium Ljungberg's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company applies Swedish Financial Reporting Board's recommendation, RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting policies applied conform to those described in the 2021 Annual Report.

Recognising earnings from residential developments

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

Parent company's accounting policies

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

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

The parent company recognises derivatives at the lower of cost and fair value. There are negative fair values as of 30 June 2022, which means that a liability of SEK 182 million (SEK 238 m) has been recognised in the balance sheet. A positive change in value of SEK 56 million (SEK 275 m) has been recognised in the income statement in net financial expenses.

Valuation method for investment properties

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

Valuation method for derivatives

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

Fair value interest-bearing liabilities

The Group's reported interest-bearing liabilities total SEK 25,085 million (SEK 20,561 m) and their fair value totals SEK 25,882 million (SEK 20,835 m). The fair value calculation is based on discounted estimated future cash flows. The discounting is carried out on the basis of current market rates plus the relevant borrowing margin. The valuation is hereby conducted with IFRS valuation hierarchy level 2. Atrium Ljungberg is of the opinion, with regard to other financial assets and liabilities recognised at amortised cost, that the differences between book values and fair values are insignificant.

Seasonal effects

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

Alternative Performance Measures

Atrium Ljungberg applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). According to these guidelines, an APM is a financial measure of historical or future



The Blanka district in Lindholmen in Gothenburg.

profit performance, financial position, financial results or cash flows which are not defined or stated in applicable rules for financial reporting; IFRS and the Swedish Annual Accounts Act.

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

Rounding off

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

Comparison figures

The comparison figures in brackets refer to the corresponding period of the previous year, except in the sections that describe the financial position, where the comparison figures refer to the end of the previous year.

Market development, risks and Uncertainties

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

On 24 February a new catastrophic conflict broke out in Europe, when Russia invaded Ukraine. The response from the West has been to impose tough sanctions, including the restriction of Russian assets in these countries and the Central Bank of Russia. The events in this conflict between Russia and Ukraine continue to develop on a daily basis. Furthermore, the USA has a strong economy and there have been Covid lockdowns in China. All of this combined has resulted in extremely high inflation figures. Central banks around the world are taking strong action to slow down the rate of inflation by increasing interest rates and announcing more increases down the line. Access to borrowed capital has varied as the capital market is relatively closed and this has resulted in rising credit margins.

The total financing costs offered by the market are therefore much higher than at the start of the year.

Approximately 40% of gas imports, 27% of oil imports and 46% of coal imports to the EU come from Russia. A disruption to the energy supply from Russia creates a significant risk of a decline in growth in Europe, while ensuring a high risk premium on energy prices, despite the increase in supply from the USA. This means that the shortages in supply and production may continue to increase in Sweden. This will, for example, have an impact on access to production materials for construction work, which may in turn affect the schedules and costs of future projects.

Atrium Ljungberg has a strong financial position with a low loan-to-value ratio, a relatively long loan interest rate duration and loan-to-maturity, diverse financing sources

Report signatures

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

The Board of Directors and the CEO hereby attest that the interim report for the first six months of the year provides an true and fair overview of the operations, position and results of the company and the Group and that it describes significant risks and uncertainties faced by the company and the companies that make up the Group.

Nacka, 8 July 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

This information is information that Atrium Ljungberg AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7.30 a.m. CET on 8 July 2022.

and unutilised liquidity of SEK 6.5 billion. Combined with our high-quality property portfolio, we are well-equipped for what the future holds.

For further information on risks and uncertainties in general, please see Atrium Ljungberg’s 2021 Annual Report and the section entitled ‘Risks and risk management’ on pages 84–90.

Forecasts

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

Events after the closing date

No significant events have occurred since the closing date.



The share.

Atrium Ljungberg’s share is listed on Nasdaq Stockholm Large Cap, with approximately 7,600 known shareholders at the end of the period. The 10 largest individual owners are presented in the table below.

Buy-back of shares

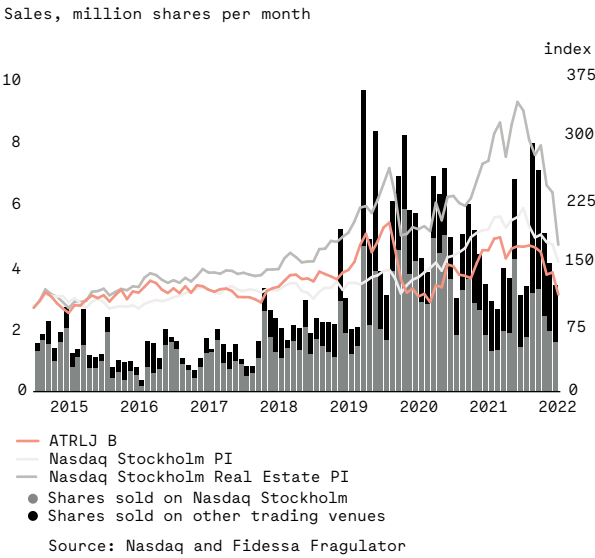
At the Annual General Meeting in March 2022, the Board of Directors of Atrium Ljungberg was authorised to take the decision to acquire the company’s own shares on one or more occasions during the period until the next Annual General Meeting. The purpose of such buy-backs is to give the Board more flexibility in its work on the company’s capital structure, which will therefore help to increase shareholder value. As of 30 June 2022 the company owned 6,919,875 class B shares. No buy-backs were carried out in the second quarter.

Dividend yield and total yield

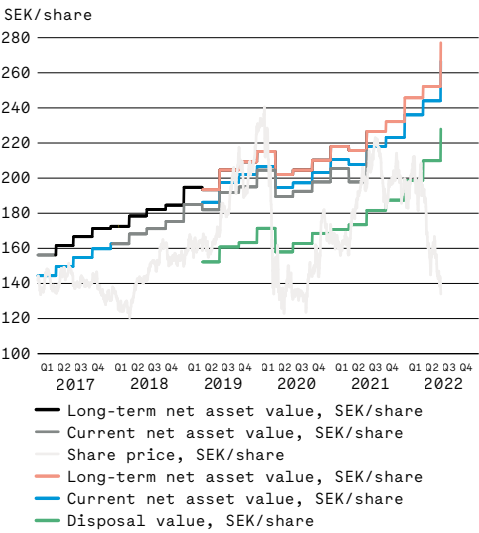
The most recent dividend of SEK 5.20/share that was resolved by the AGM represents a dividend yield of 3.9% (2.6%), calculated using the closing price.

The share’s total yield, including the dividend, has been -28.6% (52.4%) over the past 12-month period.

The Atrium Ljungberg share



Long-term net asset value, current net asset value and market capitalisation



Major shareholders as of 31 May 2022

	Class A shares, '000)	Class B shares '000)	Share of votes, %	Share of capital, %
Ljungberg family	2,190	29,043	31.4	23.4
The Stockholm Consumer Cooperative Society	-	33,927	20.9	25.5
Holmström family	1,810	14,549	20.1	12.3
Carnegie fonder	-	8,396	5.2	6.3
Varma pension insurance	-	8,117	5.0	6.1
Norges Bank	-	1,074	0.7	0.8
Vanguard	-	1,779	1.1	1.3
BlackRock	-	1,556	1.0	1.2
Margareta af Ugglas	-	1,444	0.9	1.1
AFA Försäkring	-	1,123	0.7	0.8
Other	-	21,293	13.1	16.0
Total outstanding shares	4,000	122,301	100.0	94.8
Shares bought back ¹⁾	-	6,920	-	5.2
Total number of shares issued	4,000	129,221	100.0	100.0

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

	2022 Jan-Jun	2021 Jan-Jun
Share price, SEK		
-Lowest	132.80	153.00
-Highest	215.00	207.80
-Closing price	134.00	194.90
Market capitalisation, SEK b	16.9	24.7
Share price/Long-term net asset value	48%	86%
P/E	2.4	8.0
Share dividend yield	3.9%	2.6%



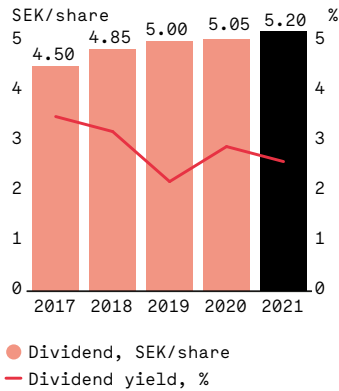
Four reasons to own shares in Atrium Ljungberg.

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.

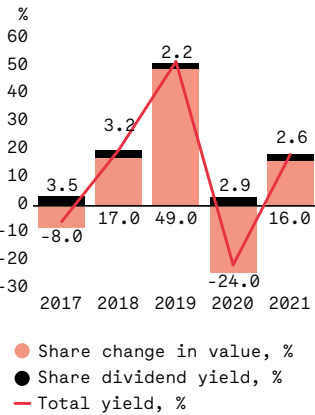


Potential for good value growth.

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.

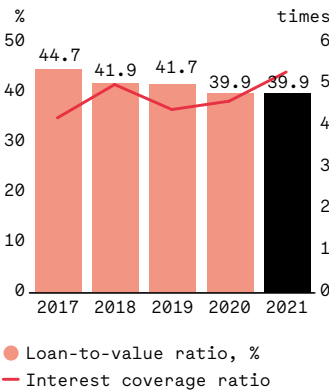


Low financial risk.

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 gearing ratio with a higher interest coverage ratio.



Sustainable urban development.

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

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 Code of Conduct
- Sustainable employees >85% GPTW (Great Place to Work)

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.

Current 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.

Current 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, rolling 12-month period, %
Profit for the period for the last 12 months as a percentage of average equity. Return on equity is used to illustrate Atrium Ljungberg's capacity to generate profit on the owners' capital in the Group.

Return on equity, excluding changes in value, rolling 12-month period, %
Profit for the period excluding changes in value for the last 12 months as a percentage of average adjusted equity.

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

Return on total assets, rolling 12-month period, %
Profit before tax for the last 12 months plus interest expenses for the last 12 months as a percentage of the average balance sheet total.

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

Return on total assets, excluding changes in value, rolling 12-month period, %
Profit before changes in value for the last 12 months plus interest expenses for the last 12 months as a percentage of the average balance sheet total.

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

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.

Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, 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.

Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards is used to provide stakeholders with information on Atrium Ljungberg's management result per share calculated in a uniform manner for publicly listed property companies.

Average loan-to-maturity, years
Average remaining term until final maturity of all credits in the liabilities portfolio.

The average loan-to-maturity 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 interest rate duration, years
Average remaining term until interest settlement date of all credits in the liabilities portfolio.

The average interest rate duration 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 for the last 12 months plus financial expenses for the last 12 months, divided by financial expenses for the last 12 months (excluding leasehold fees) which, according to IFRS 16, have been reclassified as an interest expense.

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

Equity 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 at the time of completion.

Project return, %
Market value after completed project minus total investment as a percentage of total investment.
Project return is used to illustrate value creation in the project operations.

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

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

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

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

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

Operating surplus margin, %
Gross profit/loss from property management as a percentage of the recognised rental income.

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

Sustainability-related definitions

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

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

Energy intensity, kWh per m²
Total energy consumption from heating, cooling, tenant electricity and property electricity divided by the average estimated total letting area that is heated, excluding garages.

Green lease contracts, %
Contracted annual rent for commercial premises excluding the garage and storage for lease contracts with green rent supplement 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.

Total sales
This relates to Net sales as set out in the consolidated income statement.

Total investments/acquisitions
The acquisition of properties and investments in new and existing properties. The ‘Change in the property portfolio’ table therefore includes the following rows: Acquisitions, Investments in held properties and Investments in tenant-owned dwelling projects.

Total operating expenses
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.



Information from Atrium Ljungberg.

The Annual Report and interim reports are published on our website. Interim reports and preliminary financial statements are translated into English and all language versions are published simultaneously on our website. The annual reports are translated into English shortly after the publication of the Swedish language version.

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

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Publication of financial information.

Interim Report, January–September 2022	14 October 2022
Year-End Report 2022	2 February 2023
2022 Annual Report	1 March 2023
Interim Report, January–March 2023	14 April 2023
Interim Report, January–June 2023	6 July 2023
Interim Report, January–September 2023	12 October 2023

Press releases during the quarter.

Lease contract signed with SISAB for an upper-secondary school in Slakthusområdet	7 April 2022
Fast-growing Nova moves to the new Slussen	11 April 2022
Atrium Ljungberg and RISE initiate a collaboration for sustainable and ideas-driven urban development	17 May 2022
Pfizer moves its Swedish head office to Life City in Hagastaden	19 May 2022
Atrium Ljungberg acquires the Blästern 15 property in Hagastaden	24 May 2022
Omnicom Media Group moves into a complete floor in Slussen	30 May 2022
E-sports centre Play’r opens in Mobilia	16 June 2022
Andreas Malmsäter has been appointed the new Business Area Director and will become a member of the executive management team	17 June 2022
New office leases in growing Sickla	21 June 2022

- <https://www.linkedin.com/company/atrium-ljungberg>
- <https://www.facebook.com/atriumljungberg>
- <https://twitter.com/atriumljungberg>
- <https://www.instagram.com/atriumljungberg/>

Atrium Ljungberg, July 2022.
Photos: Mattias Bardå, Jeanette Häggglund, Måns Berg Photography, Atrium Ljungberg. Architect images: RÅformat, Industriromantik, Pixery Media, TMRW, Gatun arkitekter, Reflex arkitekter, 3dcoqs, Monolot. Production: Narva.

This 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.



Sickla Stationshus will become a new landmark in Stockholm.