

# Challenging times provide new conditions.



# Summary

## January–September 2022.

- ➔ Rental income amounted to SEK 1,879 million (SEK 1,692 m), with an increase in comparable portfolios of 3.9% (0.5%).

➔ The operating surplus amounted to SEK 1,262 million (SEK 1,153 m), of which comparable portfolios increased by 1.0% (1.2%).

➔ Net sales for project and construction work amounted to SEK 484 million (SEK 697 m), while gross profit totalled SEK 30 million (SEK 114 m).

➔ Profit before changes in value amounted to SEK 897 million (SEK 945 m), corresponding to SEK 7.10/share (SEK 7.45/share).

➔ Unrealised changes in the value of properties amounted to SEK 4,138 million (SEK 1,592 m), which included project returns of SEK 1,412 million (SEK 767 m)
- ➔ Profit for the period amounted to SEK 5,305 million (SEK 2,318 m), corresponding to SEK 42.02/share (SEK 18.28).

➔ Net letting for the period amounted to SEK 124 million (SEK 12 m), of which the company itself terminated SEK –30 million (SEK –26 m) to pave the way for future projects.

➔ Investment for the period amounted to SEK 5,370 million (SEK 1,596 m), of which SEK 3,729 million (SEK 25 m) was for acquisitions.

➔ The net asset value amounted to SEK 280.08/share, which is an increase of 16%, adjusted for the dividend, compared with the start of the year.

Net letting

124

SEK m

Unrealised changes in value

4,138

SEK m

Ongoing projects

8.3

SEK b

Comparable portfolios

+1.0%

Operating net

Overview <sup>1)</sup>	2022 Jul–Sep	2021 Jul–Sep	2022 Jan–Sep	2021 Jan–Sep	2021/2022 Oct–Sep	2021 Jan–Dec
Rental income	661	555	1,879	1,692	2,479	2,292
Net sales, project and construction work	379	88	484	697	579	792
Net sales, SEK m	1,040	643	2,362	2,389	3,058	3,084
Gross profit, SEK m	494	378	1,293	1,267	1,692	1,666
Profit before changes in value, SEK m	347	262	897	945	1,201	1,249
Ditto SEK/share	2.75	2.07	7.10	7.45	9.54	9.86
Unrealised changes in the value of properties, SEK m	87	461	4,138	1,592	5,586	3,040
Profit after tax, SEK m	432	627	5,305	2,318	6,744	3,757
Ditto SEK/share	3.42	4.96	42.02	18.28	53.55	29.65
Property value, SEK m	60,775	49,434	60,775	49,434	60,775	51,589
Investments, SEK m	660	502	5,370	1,596	6,078	2,304
Net lettings, excl. own terminations, SEK m	30	7	154	39	186	71
Net lettings, incl. own terminations, SEK m	28	5	124	12	152	40
Loan-to-value ratio, %	41.3	41.1	41.3	41.1	41.3	39.9
Interest coverage ratio	4.3	5.5	4.3	5.5	4.3	5.3
Average closing interest rate, %	2.1	1.7	2.1	1.7	2.1	1.7
Long-term net asset value, SEK/share	280.08	232.13	280.08	232.13	280.08	245.73
Share price, SEK/share	137.50	183.80	137.50	183.80	137.50	199.70
Proportion of the value of the investment portfolio that is taxonomy-aligned, %	29	e.t.	29	e.t.	29	30
Total energy intensity, kwh/m² (weighted to an average year)	e.t.	e.t.	e.t.	e.t.	185	198

<sup>1)</sup> See page 20 for the complete table of key performance indicators and pages 27–28 for their definitions.

# Adjustments needed to reflect new market conditions.

In February we launched our Agenda 2030, where our goal is to invest SEK 30 billion by 2030, while doubling our operating net and property value. We also adopted new sustainability goals at the end of 2021 that we have to achieve during the same period. Since then Russia has invaded Ukraine, we are in the middle of an energy crisis, inflation has reached double figures and interest rates are rising rapidly.

These are challenging times. It is at times like these when we have to be quick to react and make adjustments to reflect these new conditions. Our goal remains in place, to invest in profitable projects, build attractive cities and thereby create value for shareholders. However, the time may have to be extended slightly. Everything depends on what happens on the market, in particular how employment and house prices develop in Stockholm. We are a company that is in a healthy position moving forwards, but we need to safeguard our financial key performance indicators.

## Net letting during the quarter

Our letting is maintaining a high pace, although we have noticed that the market has become slightly more cautious than it was before the summer. In the third quarter our net letting amounted to SEK 28 million, so our net letting so far this year is a total of SEK 124 million.

During the quarter we signed a lease contact for more than 1,400 m<sup>2</sup> with Froda and a lease contact for almost 4,000 m<sup>2</sup> with Citybox for a hotel in Katarinahuset in Slussen. Apple has decided to expand its area by 600 m<sup>2</sup> in Skotten in the City of Stockholm, while in Mobilia in

Malmö we have signed lease contracts with both Statens Servicecenter and Simulator Golf for 600 m<sup>2</sup> and 1,300 m<sup>2</sup> respectively. A new owner of Best of Brands is also going to open a store measuring more than 3,000 m<sup>2</sup> in Sickla later this autumn.

A brand new cultural scene will soon be up and running in Slakthusområdet. Fållan is going to move into permanent new premises in Slakthushallarna with a capacity of approximately 2,400. Its business is going to remain more or less the same as it is today, hosting concerts, clubs and events. The lease contract comprises a total of approximately 2,000 m<sup>2</sup> for a period of ten years and forms part of our long-term investment in live venues and culture in Slakthusområdet.

We have also leased 1,700 m<sup>2</sup> to the co-working company The Works in the same area. We are seeing high demand for office workplaces in Slakthusområdet. This is why it is great that we are already able to offer space in existing buildings to companies like The Works, while simultaneously developing even more office solutions for the future.



Annica Anäs, CEO Atrium Ljungberg

“We have been an active property owner in Hagastaden for more than 30 years, so it feels incredible that we are now able to continue to expand there.”

It is also wonderful that Atlas Copco has chosen to extend its contract to the year 2034, which comprises more than 20,000 m<sup>2</sup>. The fact that such a large global company still wants to stay in Sickla shows just how attractive this area is.

Unfortunately the Swedish Schools Inspectorate did not approve Svea Education’s application for a school in Bas Barkarby in Järfälla, even though it had tried for a second time and presented the Inspectorate with a new concept. We have now chosen to use this vacant space for other kinds of operations instead.

### The transaction market

In the first nine months the transaction volume in Sweden amounted to SEK 140 billion, a reduction of approximately 30% compared with the previous year when more major structural deals were implemented. Since the summer the transaction volume has been much lower than in previous years. More properties have been on the market, as deals have not been closed. When the market is like this, it makes it more difficult than normal to know what level the yield requirement should be. What we do know is that yield requirements have changed to varying degrees, depending on the segment and location of the properties. Personally, I do not think that offices in really great locations will be affected very much. I think the greatest change is going to be seen in rental dwellings.

When valuing our properties in the third quarter, we have adjusted the value upwards, linked to the index, which has increased our operating net. We have also increased the yield requirement by 11 points, which has generally resulted in no change to the value this quarter.

### Tenant-owned dwelling market

During the quarter we completed and sold our second tenant-owned dwelling project Brf Konstharts in Nobelberget, with a project return of SEK 56 million, or 20%. We also have two projects underway: one in Sickla in Nacka and one in Gränbystaden in Uppsala. As with the rest of the housing market, we have noticed that households are more cautious than before. However, the forecast is for the low supply of new builds to remain and we are confident that our locations and our range of products are still considered to be attractive.

### The financial market

At the start of the year the Riksbank’s key interest rate stood at 0%; following some rapid hikes, it now stands at 1.75%. The forecast from the Riksbank itself is for its key interest rate to be 2.5% at the beginning of 2023. However, the market does not agree and believes that the rate will be even higher. In addition, there have been very few bond issues from property companies with a similar credit rating to us since the middle of the second quarter. For a long time our focus has been on securing broad and flexible financing with many different providers, which is something we are benefiting from in the current climate. As well as this we have available liquidity approaching SEK 8 billion, which is more than enough to cover any future declines, while also enabling us to meet our investment needs.

### Development agreements in Hagastaden and Slakthusområdet

We have been an active property owner in Hagastaden for more than 30 years, so it feels incredible that we are now able to continue to expand there. In August we signed five development agreements with the City of Stockholm. These agreements are for the development of two tenant-owned dwellings that have a total of approximately 440 apartments (37,000 m<sup>2</sup> GFA), as well as an office block measuring approximately 26,000 m<sup>2</sup> GFA,

above a shared garage with approximately 285 parking spaces. The total investment amounts to more than SEK 5 billion, which includes a land acquisition of approximately SEK 2 billion that will be paid when each of the residential and office projects start. The final purchase price will be determined when we take occupancy of each section. This deal is conditional on a decision from Stockholm City Council. The construction of the garage and foundation work started in the autumn of 2022 and the goal is for all blocks to be completed by around 2030. Hagastaden already looks completely different from what it did just a few years ago; it is an area that stands out because of its international metropolitan vibe. It is going to be exciting to follow how everything develops from now on and it will really feel like a natural part of the inner city when the underground arrives in 2028.

In June 2022 the detailed development plan for Stationskvarteret in Slakthusområdet became legally binding and a development agreement was signed in the summer.

### Profit

With just three months left of this year, we have reported a profit after tax of SEK 5.3 billion, which is the equivalent of SEK 42.02/share. What is great to see is that property management, finished projects and completed transactions are all contributing to this healthy profit.

Shareholders’ equity amounted to SEK 280/share at the end of the third quarter, which is an increase of 16%. The development of our project portfolio is proceeding according to plan. As well as the development agreements I mentioned earlier, we have also taken the decision to start four new projects this year, representing an investment volume of approximately SEK 2.4 billion. Net interest is the largest individual cost item not only in our income statement, but in the income statements of most capital-intensive industries. At a time of rapidly increasing financing costs, we have a loan interest rate duration of 4.4 years and a loan-to-maturity of 4.2 years. During the quarter we worked on reducing the proportion on a variable rate down from 27% to 20% to give us more resilience to changes to market conditions.

I have just returned from a conference we held with all our colleagues. I am so impressed by the team spirit and the commitment we have in our organisation. Despite the tough times that we and the rest of the world are experiencing, I am still convinced that we are going to come through this well, thanks to our talented and competent employees. You cannot really beat the determination that you find in a close-knit team that has a clear focus.

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 adopted a goal to invest approximately SEK 30 billion up to 2030 in order to deliver on our goal for project returns. This will enable a project return of approximately SEK 10 billion based on assessments of future rental levels, project 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. The time may have to be extended due to current global issues.

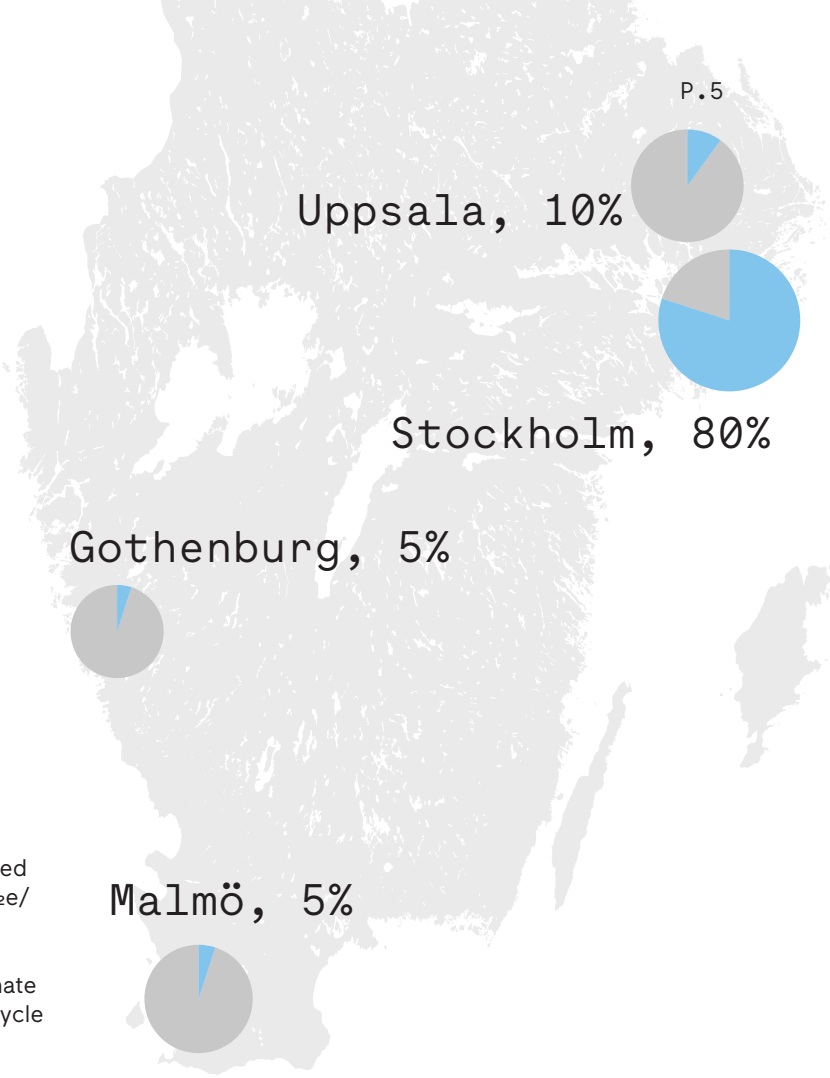
Our future investment of approximately SEK 30 billion will be divided as follows: SEK 22 billion in properties that are being developed for ownership (mostly offices); and approximately SEK 8 billion in tenant-owned dwellings. This development will be carried out with properties that the company already 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.

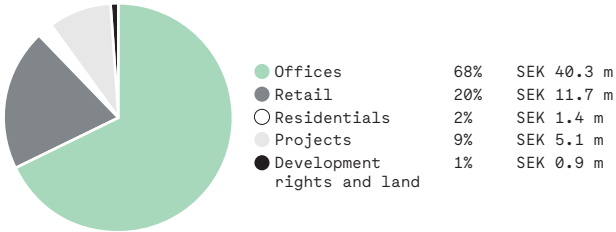
- Ten good reasons to be at a location
- 1. Street life 24 hours a day
  - 2. Sports and activities
  - 3. Cultural and learning environment
  - 4. Art and cultural history
  - 5. Nature and smart ecosystems
  - 6. Games and social areas
  - 7. Food and cafes
  - 8. Calm oases
  - 9. Digital infrastructure 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 kgCO<sub>2</sub>e/GFA for construction projects and kgCO<sub>2</sub>e/m<sup>2</sup> 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 KgCO<sub>2</sub>e/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 Supplier Code of Conduct.
- 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 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 kgCO<sub>2</sub>e/m<sup>2</sup> goal, standardised calculations have been used for visitor transport to retail hubs and generated waste. We have also excluded materials and tenant transport, as we do not have data for this. For the kgCO<sub>2</sub>e/GFA goal for ongoing projects, a start value of 622 kgCO<sub>2</sub>e/GFA was used, which means that there has been a reduction of 24%. For the socially sustainable locations goal, work has started and measurements are

underway. Some of the new goals also do not have any historical comparison figures.

### The EU Taxonomy

The obligatory report for taxonomy currently includes data on what proportion of our sales (Turnover), capex, and opex 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 assessed as aligned with 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 27–28 for more information about what is included in Total sales (Turnover), Total Capex and Total Opex.

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, capex, and opex that is taxonomy-aligned. To achieve this we will 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 Oct–Sep	2021/2020 Oct–Sep	Change, %	2020/2019 Oct–Sep	2019/2018 Oct–Sep	2018/2017 Oct–Sep
kg CO <sub>2</sub> e/GFA <sup>1)</sup> (start value = 622)	–50	471	–	–	–	–	–
kg CO <sub>2</sub> e/m <sup>2</sup> <sup>1)</sup> <sup>2)</sup>	–100	6	–	–	–	–	–
Our City index, % <sup>1)</sup>	90	30	–	–	–	–	–
Proportion of suppliers evaluated, % <sup>3)</sup>	100	2	2	0	2	2	–
GPTW, % <sup>4)</sup>	>85	90	89	1	87	88	88
Key performance indicators							
Property energy, kWh/m <sup>2</sup> <sup>5)</sup>	–	101	112	–10	124	133	140
Tenant energy, kWh/m <sup>2</sup> <sup>5)</sup>	–	84	86	–2	88	90	96
Total energy intensity, kwh/m <sup>2</sup> <sup>5)</sup>	–	185	195	–5	209	216	214
Total energy intensity, kwh/m <sup>2</sup> <sup>6)</sup>	–	183	192	–5	203	214	216
Proportion of green lease contracts, % (annual rent)	–	64	55	16	42	34	24
Certified area, %	100	86	77	12	58	42	24
Solar cells, m <sup>2</sup> total <sup>7)</sup>	–	14,296	14,296	0	7,775	7,775	667
Water consumption, m <sup>3</sup> /m <sup>2</sup> <sup>7)</sup>	–	0.46	0.46	0	0.39	0.39	0.46

<sup>1)</sup> New goal; no historical data. <sup>2)</sup> Materials are excluded. <sup>3)</sup> New goal; historical data annual basis. <sup>4)</sup> Annual basis. <sup>5)</sup> Weighted to an average year. <sup>6)</sup> Not weighted to an average year. <sup>7)</sup> 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	1,879	100	0
Net sales, project and construction work	484	100	0
<b>Total sales (Turnover)</b>	<b>2,363</b>	<b>100</b>	<b>0</b>
Capex	5,370	100	0
Opex	–28	100	0

Proportion attributable to activities that are taxonomy-aligned (alignment)			
	Energy declaration that is taxonomy-aligned	Proportion of the investment portfolio that is taxonomy-aligned %	Total investment portfolio
Rental income, SEK m	535	28	1,879
Capex, SEK m <sup>1)</sup>	348	7	5,157
Opex, SEK m	–6	21	–28
Property value, SEK m	17,169	29	59,581
Letting area, m <sup>2</sup>	309	32	952

<sup>1)</sup> In the second quarter two properties in Stockholm were acquired for SEK 3,729 million, neither of which were taxonomy aligned.

# Property portfolio.

### Property market

The transaction volume in Sweden in the period amounted to approximately SEK 140 billion, which was approximately 30% lower than the corresponding period in the previous year, with foreign investors accounting for 12%. The highest proportion of the transaction volume was located in Stockholm, accounting for 47% of the total transaction volume; followed by Mälardalen at 14% and North Sweden at 10%.

The third quarter of the year was dominated by deals for residential properties, accounting for 40% of the volume, followed by industrial and logistics properties (25%) and land (14%).

Property portfolio, 30 September 2022	Letting area, ‘000 m <sup>2</sup> <sup>1)</sup>	Property value, SEK m	Property value, SEK/m <sup>2</sup>	Rental value, SEK m <sup>2)</sup>	Rental value, SEK/m <sup>2</sup>	Economic let- ting rate, %
Office properties	589	40,334	68,491	1,915	3,260	91.8
Retail properties	260	11,729	45,120	844	3,259	93.2
Residentials	42	1,426	34,355	90	2,181	96.5
<b>Business area Property</b>	<b>891</b>	<b>53,489</b>	<b>60,076</b>	<b>2,849</b>	<b>3,210</b>	<b>92.4</b>
–of which Stockholm	584	41,400	70,939	2,031	3,490	92.1
–of which Uppsala	124	5,781	46,721	383	3,119	94.3
–of which Gothenburg	73	3,200	43,757	168	2,303	92.6
–of which Malmö	110	3,109	28,287	266	2,427	91.7
Project properties	61	5,190	–	69	–	–
Land and development rights	–	902	–	–	–	–
<b>Total Investment properties</b>	<b>952</b>	<b>59,581</b>	<b>–</b>	<b>2,918</b>	<b>–</b>	<b>–</b>
Development properties	5	1,194				
<b>Property portfolio, total</b>	<b>957</b>	<b>60,775</b>				

<sup>1)</sup> Letting area, excluding garage.  
<sup>2)</sup> Annual discount of SEK 70 million has been excluded.

### Property sales

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

### Properties acquired and taken into possession

Property	Area	Category	Letting area, m <sup>2</sup>	Possession	Acquisition value, SEK m
Blästern 15	Stockholm; Hagastaden	Offices	21,537	1 Jun 2022	2,226
Kylhuset 28	Stockholm; Slakthusområdet	Offices	30,588	28 Apr 2022	1,503

### Property portfolio

Our property portfolio is concentrated in central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm accounting for 80% (76%) of the market value. At the end of the quarter our property portfolio contained a total of 65 properties (67) with a total letting area of 957,000 m<sup>2</sup> (875,000 m<sup>2</sup>).

### Investments

During the period SEK 1,641 million (SEK 1,571 m) was invested in existing properties; this includes SEK 1,428 million (SEK 1,430 m) for properties that are being developed for ownership and SEK 213 million (SEK 141 m) for tenant-owned dwellings.

### Change in the property portfolio

SEK m	2022 Jan-Sep	2021 Jan-Sep
<b>Investment properties</b>		
<b>Fair value, opening value</b>	<b>50,335</b>	<b>46,026</b>
Acquisitions (after deduction of latent tax)	3,729	25
Sales	–49	–805
Investments in held properties	1,428	1,430
Unrealised changes in value	4,138	1,592
Reclassification	–	–11
<b>Fair value, closing value</b>	<b>59,581</b>	<b>48,258</b>
<b>Development properties</b>		
<b>Book value, opening value</b>	<b>1,254</b>	<b>1,308</b>
Reclassification	–	11
Sales for tenant-owned dwelling projects	–273	–284
Investments in tenant-owned dwelling projects	213	141
<b>Book value, closing value</b>	<b>1,194</b>	<b>1,176</b>
<b>Property portfolio, closing value</b>	<b>60,775</b>	<b>49,434</b>

In this period two office properties measuring approximately 52,000 m<sup>2</sup> were acquired in Stockholm for a total of SEK 3,729 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 m<sup>2</sup> in Sickla for an underlying property value of SEK 60 million and profit settlement of a condominium project in Sickla.

### Property valuation

As of Q2 2022 Atrium Ljungberg had 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. As of Q3 2022 a review was made of these valuations and updates have been made following changes to the index, higher lettings, renegotiations and terminations, and the market’s yield requirements, after consultation with the external valuation experts. 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 m<sup>2</sup> 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/m<sup>2</sup> GFA (SEK 5,900 m). At the end of the period the yield requirement stood at 4.1% (4.2%) – a reduction of 10 bp compared with the start of the year. However, the third quarter showed an increase of 11 bp, which neutralising the value increases in the quarter attributable to improved operating net.

### Dividend yield per region

%	Interval	30 Sep 2022 Average	31 Dec 2021 Average
Stockholm	3.1–5.6	3.9	4.0
Uppsala	3.8–5.5	5.2	5.1
Malmö	3.9–5.7	5.3	5.1
Gothenburg	4.3–4.3	4.3	4.2
<b>Total</b>	<b>3.1–5.7</b>	<b>4.1</b>	<b>4.2</b>

### Dividend yield per property category

%	Interval	30 Sep 2022 Average	31 Dec 2021 Average
Offices	3.1–5.6	3.9	3.9
Retail	3.4–5.7	5.1	5.0
Residentials	3.8–4.7	4.4	4.1
<b>Total</b>	<b>3.1–5.7</b>	<b>4.1</b>	<b>4.2</b>

### 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 1,194 million (SEK 1,254 m) as of 30 September 2022 and the market value was assessed to be approximately SEK 1,710 million (SEK 1,705 m) as of the same date; this refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden.

# Customer.

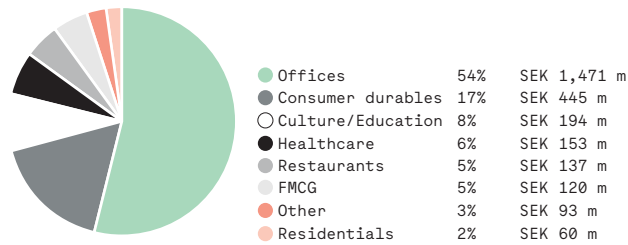
## Contracted annual rent and letting rate

As of 1 October 2022 the contracted terminable annual rent amounted to SEK 2,673 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 4.4 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

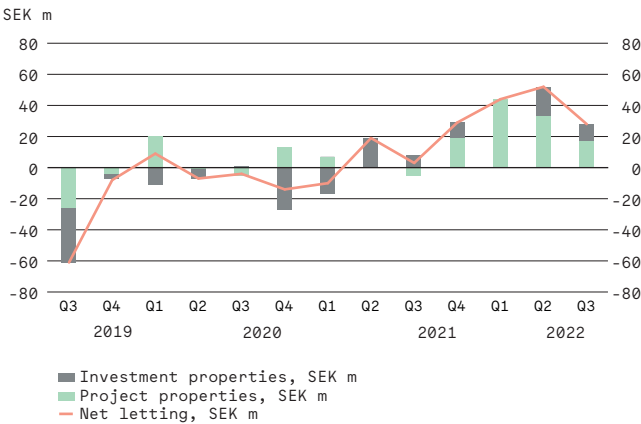


## Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 124 million (SEK 12 m) during the

period, of which SEK 93 million (SEK 1 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 248 million (SEK 176 m), while terminations from customers amounted to SEK 95 million (SEK 137 m). We also terminated the contract of a customer, corresponding to an annual rent of SEK 30 million (SEK 26 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 Oct 2022	Number of contracts	Letting area, '000 m <sup>2</sup>	Annual contract value, SEK m	Proportion of value, %
<strong>Commercial, maturity</strong>				
2022	30	10	5	0
2023	514	92	294	11
2024	368	169	534	20
2025	308	137	468	18
2026	190	117	391	15
2027+	210	250	882	33
<strong>Total</strong>	<strong>1,620</strong>	<strong>774</strong>	<strong>2,573</strong>	<strong>96</strong>
Residentials	611	33	60	2
Garage/parking	243	90	40	1
<strong>Total</strong>	<strong>2,474</strong>	<strong>897</strong>	<strong>2,673</strong>	<strong>100</strong>



Hus 48: Lilla Marknadshallen is one of the original buildings that remain in the area, giving it its unique soul.

# 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. Based on the current situation in the world, the time when the goal is to be achieved may be extended slightly.

Our project portfolio comprises both our own development rights and land allocations that we have already obtained. As of 30 September 2022 our project portfolio comprised approximately 830,000 m<sup>2</sup> GFA, which includes 215,000 m<sup>2</sup> GFA residential development rights, while the rest is for properties that we manage, specialising in offices. 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 September 2022 Atrium Ljungberg had ongoing construction work totalling SEK 8.3 billion, which includes SEK 4.0 billion that still has to be invested. SEK 7.2 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 4 billion; SEK 2.5 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 have been made on four new projects during the year with an investment volume of approximately SEK 2.4 billion: Stationshuset, 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 m<sup>2</sup> with a lease contract of 15 years. Although the lease contract was approved by the City Council on 13 June 2022, the detailed development plan has not yet been approved.

Svea Education's lease contract for approximately 3,400 m<sup>2</sup> in Bas Barkaby was conditional on the approval of the Swedish Schools Inspectorate. The application was rejected in Q3, resulting in the economic letting rate changing from 88% to 80%.

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 second quarter we received news that the building permit had not been approved, as it had been rejected by the County Administrative Board. Atrium Ljungberg has lodged an appeal against this decision with the Land and Environment Court.

## 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 July 2022 we signed a development agreement in Hagastaden that includes two residential blocks and one office block: Cambridge, Stanford and Pisa, with an investment volume of approximately SEK 5 billion. The first phase of this project is a shared garage for these blocks and construction started in the autumn of 2022. The Stanford residential block will then be the first block to be built. 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 m<sup>2</sup> with



incredible views across the water and Haga Park. 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. These projects are expected to be completed by 2030.

### 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 m<sup>2</sup> 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 other areas in Sickla. In Nobelberget we are currently constructing the third phase of the project, Brf Kulturtrappan, which comprises 93 apartments. The sale of these apartments has been underway since the spring, with occupancy scheduled for 2024. The detailed development plan for

Nobelberget comprises a total of approximately 500 apartments. As well as the residential in Nobelberget, planning work is underway for Kyrkviken, Norra Nobelberget and Centrala Sickla.

At the start of October the Swedish Transport Administration decided to produce a national interest report for the Eastern Link (Östlig förbindelse), a car tunnel that will connect the areas around Sickla to Värtahamnen. This report aims to safeguard land for a future expansion of the Eastern Link, setting out conditions for municipalities when planning development work. In Sickla, projects in Kyrkviken and Central Sickla are affected, covering 45,000 m<sup>2</sup> GFA, which mostly includes residential. An implementation decision has not yet been made on the Eastern Link and it does not currently form part of a national plan. However, we have adjusted our project plans following the decision to produce this report. As we continue our planning work, we will have to make further adjustments based on the conditions set out in the report.

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 5 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 range of food, culture and experiences. A brand new meeting place and an engine for the entire Söderort. We currently have 200,000 m<sup>2</sup> 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 9 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 and a development agreement was signed in the summer. In total Atrium Ljungberg has approximately 40,000 m<sup>2</sup> 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 m<sup>2</sup> GFA of educational premises and workplaces.

In 2023 we are also planning to start projects for other historical industrial buildings, including: Hus 49:Stora Marknadshallen; Hus 48:Lilla Marknadshallen; and Hus 1:Börshuset. These will mostly be used for offices.

### Gothenburg

In the fourth quarter of 2022 the detailed development plan process will start for the reconstruction and extension of the Tornen property in Lindholmen in Gothenburg. Approximately 23,000 m<sup>2</sup> GFA of modern office space will be created.

### Malmö

In Mobilia we have a development right of 5,400 m<sup>2</sup> GFA for offices on the street Trelleborgsvägen. The building permit has been received and the project will start once the letting rate has reached a suitable level. 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 m<sup>2</sup> GFA. The retail hub is adjacent to the future Mälarterrassen, a public building comprising approximately 7,000 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup> NRA in our existing portfolio and a total of approximately 30,000 m<sup>2</sup> GFA in land allocations. Our development projects in Slussen are scheduled for completion by 2030; they represent a total future investment of approximately SEK 3 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 at the beginning of 2024. The estimated investment volume is approximately SEK 1.2 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 the properties is scheduled for the beginning of 2023.

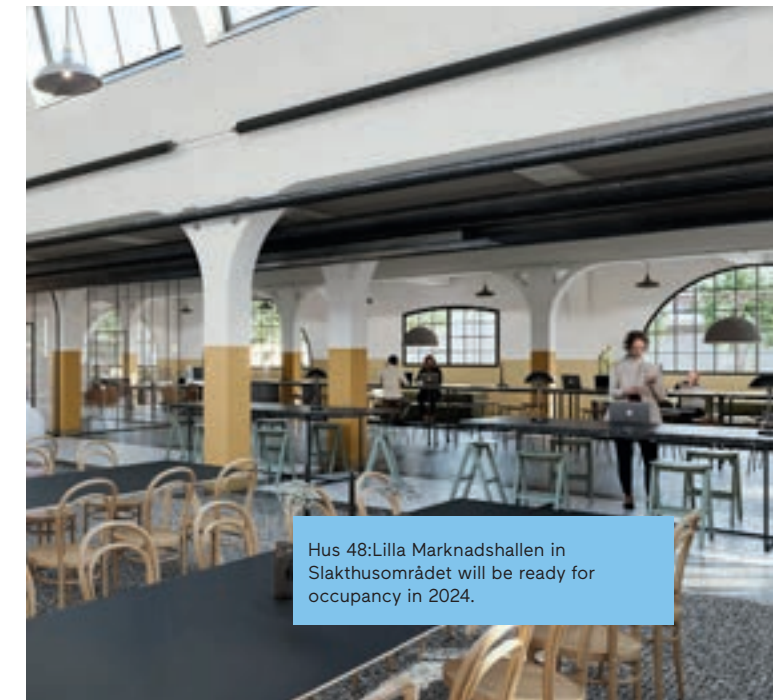
Over the past six years, we have carried out a number of major development projects in Gränbystaden in order to build a vibrant cityscape with a mix of activities which together create an attractive and safe place that has life and movement 24 hours a day. As well the residential block Parkhusen, there 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 m<sup>2</sup>. There is also the possibility of developing approximately 5,000 m<sup>2</sup> 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.



Göta Verken is being developed to house offices, restaurants and stores.



Mälarterrassen in Slussen is scheduled for completion in 2026.



Hus 48:Lilla Marknadshallen in Slakthusområdet will be ready for occupancy in 2024.

Ongoing projects

Developed for ownership	Municipality	Investment type	Completed	Residen- tials, m²	Premises, m²	Total investment including land, SEK m	of which re- mains, SEK m	Market value upon completion, SEK m	Rental value, SEK 1 m)	Economic letting rate, %
Completed projects during the year										
- Life City	Stockholm	New builds	Q2 2022	-	27,700	1,670	90		123	95
- Bas Barkarby	Järfälla	New builds	Q2 2022	-	24,200	840	100		59	80
Ongoing projects										
- Slakthushallarna phase 1	Stockholm	Reconstruction	Q1 2023	-	2,300	180	50		10	70
- Katarinahuset	Stockholm	Reconstruction	Q2 2023	-	24,900	1,140	540		144	52
- Slakthushallarna phase 2	Stockholm	Reconstruction	Q4 2023	-	2,000	120	80		5	100
- PV Palatset	Stockholm	Reconstruction	Q3 2025	-	10,600	320	250		43	-
- Sickla Stationshus	Nacka	New builds	Q4 2025	-	16,900	1,020	660		65	-
- Upper-secondary school Slakthusområdet	Stockholm	New builds	Q2 2026	-	6,200	320	300		17	100
- Stationskvarteret Slakthusområdet	Stockholm	New builds	Q2 2027	-	16,400	1,600	1,440		86	-
Properties to own				-	131,200	7,210	3,510	10,200	553	49
Tenant-owned dwellings			Profit recognition	Booking rate, % <sup>2)</sup> Sales rate, % <sup>3)</sup>						
Brf Konstharts (completed)	Nacka	New builds	Q3 2022	3,600	300	270	-		e.t.	100
Parkhusen block 2	Uppsala	New builds	Q3 2023	5,800	-	270	120		-	65
Brf Kulturtrappan	Nacka	New builds	Q2 2024	6,600	-	520	330		13	31
Tenant-owned dwellings				16,000	300	1,060	450	1,300		
Ongoing projects				16,000	131,500	8,270	3,960	11,500		

<sup>1)</sup> Excluding premiums.

<sup>2)</sup> <sup>3)</sup> Nacka: 93 apartments (3 phases) of a total of 93 apartments have been released for binding contracts, of which 12 have been sold through booking contracts and 29 have been secured through binding contracts.

Uppsala: 80 apartments (2 phases) of a total of 98 apartments have been released for binding contracts, of which 52 apartments have been secured through binding contracts.

Planned and ongoing projects up to 2030

Developed for ownership	No. of apartments	GFA, m²	of which legally binding detailed development plans	Assessed investment, SEK m	of which remains, SEK m	Market value, SEK m	Operating net, SEK m
Stockholm							
- Hagastaden	-	90,000	45,000	6,000	3,800	10,200	355
- Sickla	78	110,000	40,000	5,700	4,900	8,200	350
- Slakthusområdet	198	165,000	40,000	10,200	8,700	14,000	545
- Slussen	-	55,000	55,000	4,700	2,600	7,100	245
- Stockholm, other	-	75,000	30,000	4,300	2,000	5,100	205
Uppsala	376	80,000	20,600	3,200	3,200	3,800	175
Gothenburg/Malmö	-	28,800	5,400	1,100	800	1,450	65
Total	652	603,800	236,000	35,200	26,000	49,850	1,940
Less current operating net, SEK m							-130
Newly created operating net, SEK m							1,810
Tenant-owned dwellings							
Stockholm							
- Hagastaden	440	39,000	39,000	3,500	3,500	4,050	
- Sickla	989	91,000	32,000	5,400	4,400	7,150	
- Slakthusområdet	195	15,000	-	1,400	1,400	1,650	
Uppsala	370	29,000	20,000	1,100	900	1,300	
Total	1,994	174,000	91,000	11,400	10,200	14,150	
Project portfolio up to 2030	2,646	777,800	327,000	46,600	36,200	64,000	

Project portfolio by property type

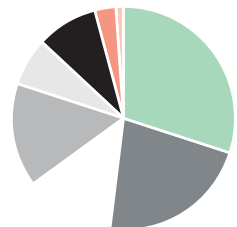
– Residentials and offices account for more than 90% of the area



● Offices, 57%  
 ● Residential, 33%  
 ○ Commerce, 6%  
 ● Other, 4%

Project portfolio by area

– More than 80% of the area attributable to Stockholm

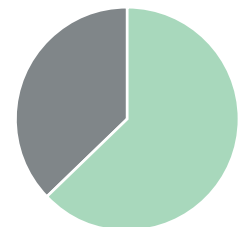


● Sickla, 30%  
 ● Slakthusområdet, 22%  
 ○ Uppsala, 13%  
 ● Hagastaden, 15%  
 ● Slussen, 7%  
 ● Rest of Stockholm, 9%  
 ● Gothenburg, 3%  
 ● Malmö, 1%

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.

Project portfolio by detailed development plan

– There is a detailed development plan for more than 40% of the area



● Change to detailed developn plan required, 63%  
 ● Detailed development plan exists, 37%

# Financing.

### The financial market

2022 has been dominated by major disruptions to global value chains and Russia’s war against Ukraine, causing inflation to rise substantially in many parts of the world. 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 has gradually increased its key interest rate to 3.25% and has indicated that it will continue to raise this rate to a peak of 4.60% in 2023. ECB has also flagged that it will continue to increase its key interest rate from the current level of 1.25%. The Riksbank has raised its key interest rate on three occasions during the year from 0.00% to 1.75%. Its current forecast is for this rate to reach 2.50% by the beginning of next year and then remain at this level for the rest of the year.

High inflation and significant hikes in interest rates from central banks during the year have led to many analysts predicting a recession in 2023.

3M Stibor has increased significantly during the year from –0.05% to 1.73% and the interest rate market has priced in a continued sharp rise to approximately SEK 3.60% within 12 months. The interest rate market is therefore pricing in much higher interest rate hikes than indicated by the Riksbank. The 10-year swap rate rose from 0.97% at the start of the year to 3.16% at the end of the period.

The conditions for issuers on the Swedish capital market have substantially deteriorated since the middle of the second quarter. Since then very few bond issues have been released by property companies with a similar credit rating to Atrium Ljungberg. Using the pricing of bonds on the secondary market, the company’s credit margin for a 5-year bond would currently be approximately 3.70%. On the commercial paper market the credit margin above

Stibor, for a term of 3 months, has increased from approximately 0.25 to approximately 0.60 percentage points during the year, with many investors being cautious.

### 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 at the end of the period amounted to SEK 25,098 million (SEK 20,561 m). The average closing interest rate of the liabilities portfolio amounted to 2.1% (1.7%) excluding unutilised credit facilities and 2.2% (1.8%) including unutilised credit facilities. The average loan interest rate duration and loan-to-maturity stood at 4.2 years (4.9 years) and 4.4 years (5.1 years) respectively.

During the first three quarters interest-bearing liabilities increased by SEK 4,537 million (SEK 1,388 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 secured bank loans of SEK 705 million were paid. Commercial papers decreased by SEK 450 million. A total of SEK 307 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, measured across a rolling 12-month period, amounted to 4.3 (5.5), while the loan-to-value ratio amounted to 41.3% (39.9%) at the end of the period.

Unutilised credit facilities amounted to SEK 7,290 million (SEK 7,297 m), which covers outstanding commercial papers, totalling SEK 1,250 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity amounts to SEK 7,909 million (SEK 8,316 m), including cash and cash equivalents of SEK 319 million (SEK 719 m) and overdraft facilities of SEK 300 million (SEK 300 m).

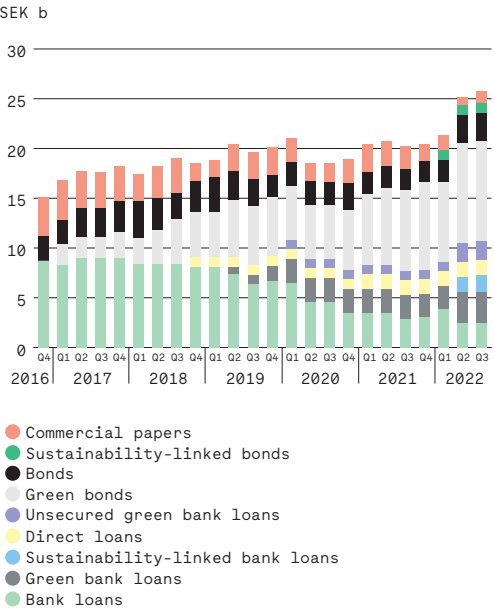
### Green and sustainability-linked financing

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 9,987 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 1,697 million in sustainability-linked secured bank loans; this accounts for 11% (0%) of total financing.

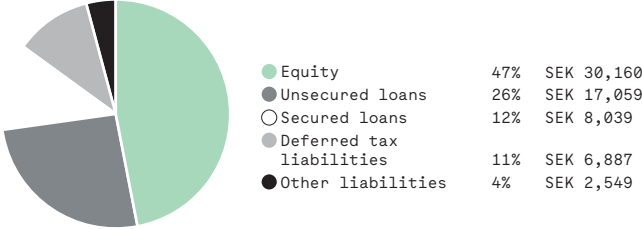
### Development of financing sources

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



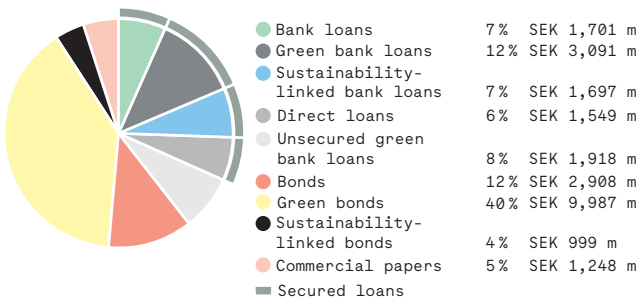
### Capital structure

– Secured loans correspond to 12% in relation to total assets



### Interest-bearing liabilities

– SEK 25,098 million in interest-bearing liabilities, including 71% green and sustainability-linked financing



Securities

In terms of interest-bearing liabilities, SEK 8,039 million (SEK 7,027 m) is secured by mortgage deeds, accounting for 12% (13%) of total assets; while the rest is unsecured financing.

Derivative instruments

At the end of the third quarter the derivative portfolio comprised SEK 16,564 million (SEK 13,500 m) in interest rate swaps with maturities 2022–2032 and foreign exchange swaps of SEK 3,148 million (SEK 2,358 m). Interest rate swaps are used to hedge the interest rates of underlying loans with floating rate, while foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

The unrealised change in the value of derivatives for the period amounted to SEK 1,616 million (SEK 325 m) as a result of rapidly rising market rates. The surplus book value of the derivatives portfolio amounted to SEK 1,562 million (SEK –100 m) at the end of the period.

Interest rate duration, SEK million			
Duration	Volume	Percent- age, %	Average in- terest, % <sup>1)</sup>
2022	4,969	20	1.9
2023	0	–	0.0
2024	1,025	4	1.8
2025	2,249	9	2.2
2026	2,704	11	1.6
>2026	14,150	56	2.3
<b>Total</b>	<b>25,098</b>	<b>100</b>	<b>2.1</b>

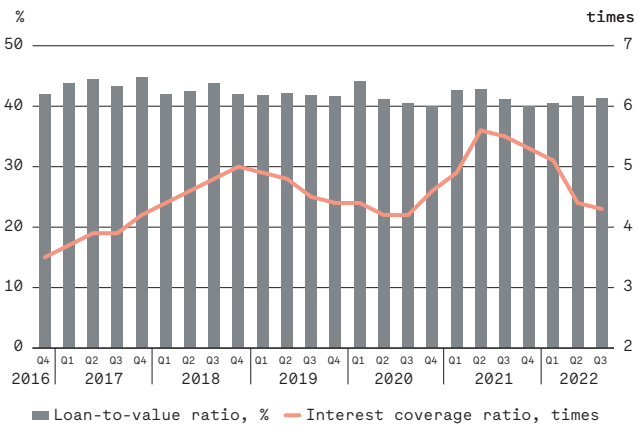
<sup>1)</sup> The average credit margin for floating interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Loan-to-value maturity, SEK million					
Duration	Bank loans	Capital market	Total liabili- ties	Per- cent- age, %	Total credit agreements
2022	0	2,148	2,148	9	2,148
2023	834	1,350	2,184	9	2,584
2024	496	1,825	2,321	9	3,721
2025	2,352	2,799	5,151	21	8,691
2026	200	3,308	3,508	14	5,458
>2026	6,074	3,712	9,786	39	9,786
<b>Total</b>	<b>9,956</b>	<b>15,141</b>	<b>25,098</b>	<b>100</b>	<b>32,388</b>

Public rating

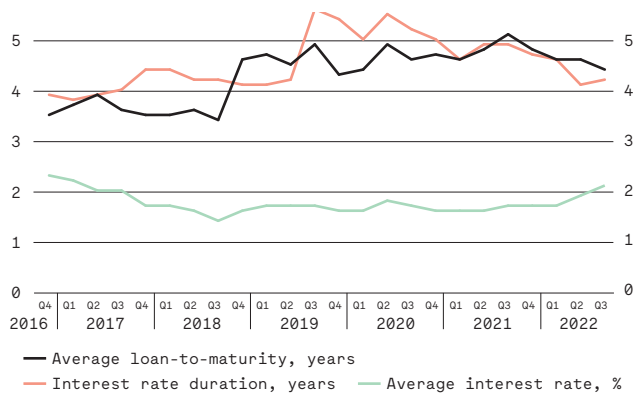
The company has a Baa2 (Stable) credit rating from Moody's (i.e. investment grade). The most recent rating was confirmed in May 2022.

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



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

– The interest rate duration was slightly higher in the third quarter



The 23-storey Sickla Stationshus will be ready for occupancy in 2025.

Consolidated statement of comprehensive income.

Amounts in SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
Rental income	661	555	1,879	1,692	2,479	2,292
Net sales, project and construction work	379	88	484	697	579	792
<b>Net sales</b>	<b>1,040</b>	<b>643</b>	<b>2,362</b>	<b>2,389</b>	<b>3,058</b>	<b>3,084</b>
Property management costs						
Service charge-related costs	-55	-37	-148	-118	-192	-163
Other operating costs	-54	-37	-145	-136	-186	-177
Management costs	-39	-32	-124	-109	-173	-158
Repairs	-9	-10	-28	-28	-40	-41
Property tax	-55	-48	-162	-139	-204	-182
Non-deductible VAT	-4	-2	-10	-9	-13	-111
	<b>-216</b>	<b>-167</b>	<b>-616</b>	<b>-540</b>	<b>-809</b>	<b>-732</b>
Project and construction work costs	-330	-99	-454	-582	-557	-685
<b>Gross profit</b>	<b>494</b>	<b>378</b>	<b>1,293</b>	<b>1,267</b>	<b>1,692</b>	<b>1,666</b>
- property management (operating surplus)	445	388	1,262	1,153	1,670	1,560
- project and construction work	49	-111	30	114	22	107
<b>Central administration</b>	<b>-21</b>	<b>-25</b>	<b>-70</b>	<b>-70</b>	<b>-97</b>	<b>-97</b>
- property management	-17	-20	-59	-57	-84	-82
- project and construction work	-4	-4	-111	-13	-14	-15
Net interest	-115	-84	-297	-229	-360	-291
Leasehold fees	-11	-7	-29	-23	-34	-28
<b>Profit before changes in value</b>	<b>347</b>	<b>262</b>	<b>897</b>	<b>945</b>	<b>1,201</b>	<b>1,249</b>
<b>Changes in value</b>						
Properties, unrealised	87	461	4,138	1,592	5,586	3,040
Properties, realised	-3	0	18	-16	12	-22
Derivatives, unrealised	91	72	1,616	325	1,679	388
<b>Profit before tax</b>	<b>522</b>	<b>795</b>	<b>6,669</b>	<b>2,846</b>	<b>8,478</b>	<b>4,656</b>
Current tax	-15	-12	-38	-31	-7	-0
Deferred tax	-76	-156	-1,326	-498	-1,726	-899
<b>Profit for the period</b>	<b>432</b>	<b>627</b>	<b>5,305</b>	<b>2,318</b>	<b>6,744</b>	<b>3,757</b>
<b>Other comprehensive income</b>						
Reclassified to profit/loss:						
Cash flow hedging	-	0	-	5	0	5
Tax attributable to cash flow hedging	-	-0	-	-1	0	-1
<b>Total other comprehensive income</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>4</b>	<b>-0</b>	<b>4</b>
<b>Total comprehensive income for the period</b>	<b>432</b>	<b>627</b>	<b>5,305</b>	<b>2,322</b>	<b>6,744</b>	<b>3,761</b>
The profit/loss for the period and the total comprehensive income for the period are entirely attributable to the parent company's shareholders						
Earnings per share, SEK	3.42	4.96	42.02	18.28	53.55	29.65

Segment reporting.

2022 Jan-Sep							
Amounts in SEK m	Properties	Project develop-ment <sup>1)</sup>	TL Bygg	Project and construc-tion work	Elimina-tions	Non-allocated items	The Group
Rental income	1,909	-	-	-	-31	-	1,879
Net sales, project and construction work	-	329	524	853	-369	-	484
<b>Net sales</b>	<b>1,909</b>	<b>-</b>	<b>524</b>	<b>853</b>	<b>-400</b>	<b>-</b>	<b>2,362</b>
Property management costs	-640	-	-	-	24	-	-616
Project and construction work costs	-	-292	-510	-802	348	-	-454
<b>Gross profit</b>	<b>1,269</b>	<b>38</b>	<b>13</b>	<b>51</b>	<b>-28</b>	<b>-</b>	<b>1,293</b>
Central administration	-60	-3	-9	-12	2	-	-70
Financial income and expenses	-29	-	-	-	-	-297	-326
<b>Profit before changes in value</b>	<b>1,180</b>	<b>34</b>	<b>4</b>	<b>39</b>	<b>-26</b>	<b>-297</b>	<b>897</b>
Changes in value <sup>2) 3)</sup>	4,156	-	-	-	-	1,616	5,772
Tax	-	-	-	-	-	-1,363	-1,363
<b>Profit for the period</b>	<b>5,336</b>	<b>34</b>	<b>4</b>	<b>39</b>	<b>-26</b>	<b>-44</b>	<b>5,305</b>
Investments and acquisitions	5,157	213	-	213	-	-	5,370
Assets, at the end of the period	61,023	1,194	237	1,431	-	2,239	64,692
2021 Jan-Sep							
Amounts in SEK m	Properties	Project develop-ment <sup>1)</sup>	TL Bygg	Project and construc-tion work	Elimina-tions	Non-allocated items	The Group
Rental income	1,710	-	-	-	-17	-	1,692
Net sales, project and construction work	-	379	559	938	-242	-	697
<b>Net sales</b>	<b>1,710</b>	<b>379</b>	<b>559</b>	<b>938</b>	<b>-259</b>	<b>-</b>	<b>2,389</b>
Property management costs	-545	-	-	-	5	-	-540
Project and construction work costs	-	-298	-509	-806	224	-	-582
<b>Gross profit</b>	<b>1,166</b>	<b>81</b>	<b>51</b>	<b>132</b>	<b>-30</b>	<b>-</b>	<b>1,267</b>
Central administration	-57	-4	-9	-13	-	-	-70
Financial income and expenses	-23	-	-	-	-	-228	-252
<b>Profit before changes in value</b>	<b>1,086</b>	<b>77</b>	<b>42</b>	<b>119</b>	<b>-30</b>	<b>-228</b>	<b>945</b>
Changes in value <sup>2) 3)</sup>	1,576	-	-	-	-	325	1,901
Tax	-	-	-	-	-	-529	-529
<b>Profit for the period</b>	<b>2,662</b>	<b>77</b>	<b>42</b>	<b>119</b>	<b>-30</b>	<b>-432</b>	<b>2,318</b>
Investments and acquisitions	1,455	141	-	141	-	-	1,596
Assets, at the end of the period	49,447	1,176	225	1,401	-	1,335	52,183

<sup>1)</sup> 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.  
<sup>2)</sup> Properties, unrealised SEK 4,138 million (SEK 1,592 m). Properties, realised SEK 18 million (SEK -16 m).  
<sup>3)</sup> Unrealised change in value, derivatives SEK 1,616 million (SEK 325 m).

# Comments on the consolidated earnings January–September 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 Blästern 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.

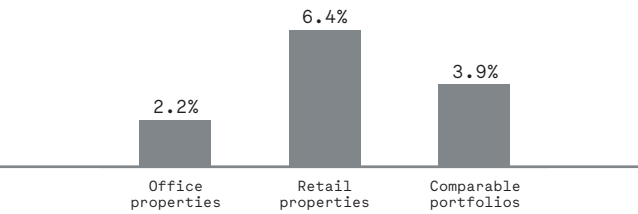
## Rental income

Rental income amounted to SEK 1,879 million (SEK 1,692 m) and includes both rebates of SEK 62 million (SEK 55 m) as well as a non-recurring payment of SEK 13 million (SEK 5 m) for the early termination of lease contracts.

Rental income in comparable portfolios increased by 3.9%. This increase is due to higher rents as a result of the re-invoicing of property tax and electricity, index adjustment, renegotiations and net letting. However, this was counteracted by some major vacancies in office properties primarily in the Stockholm area. All segments have reported positive growth.

Rental income, SEK m	2022 Jan-Sep	2021 Jan-Sep	Change, %
Comparable portfolios	1,632	1,571	3.9%
Non-recurring payments	13	5	
Project properties	170	75	
Properties acquired	63	0	
Properties sold	1	40	
Total	1,879	1,692	11.0%

Rental income growth in comparable portfolios



## Property costs

Property costs amounted to SEK 616 million (SEK 540 m). In terms of comparable portfolios, property costs changed by 10.3%, 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.

Property costs, SEK m	2022 Jan-Sep	2021 Jan-Sep	Change, %
Comparable portfolios	-529	-480	10.3%
Project properties	-69	-46	
Properties acquired	-18	0	
Properties sold	0	-15	
Total	-616	-540	14.1%

## 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 30 million (SEK 114 m). In the third quarter of 2022 sales were completed for the tenant-owned

dwelling Brf Konstharts in Nobelberget with a gross profit of SEK 56 million. This change in gross profit compared with the previous year is mostly due to the sale of the tenant-owned dwelling 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 524 million (SEK 559 m), of which 70% (44%) refers to intra-Group sales. TL Bygg’s gross profit, including intra-Group transactions, amounted to SEK 13 million (SEK 51 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 59 million (SEK 57 m) and SEK 11 million (SEK 13 m) for project and construction work.

## Net financial items

Net interest stood at SEK –297 million (SEK –229 m), of which capitalised interest amounted to SEK 55 million (SEK 64 m). Net interest increased by approximately SEK 37 million as a result of a higher loan volume; by approximately SEK 20 million as a result of higher interest rates; and approximately SEK 10 million as a result of lower capitalised interest. Average interest based on the average debt volume amounted to 2.0% (1.7%) during the period. In addition, costs for leasehold fees amounted to SEK 29 million (SEK 23 m).

## Changes in value

Unrealised changes in the value of properties amounted to SEK 4,138 million (SEK 1,592 m), corresponding to 7.5% (3.4%). The change in value comprises SEK 1,412 million (SEK 767 m) for project returns; SEK 130 million (SEK 478 m) for lower average yield requirements; SEK 2,420 million (SEK 347 m) for improved future cash flow; and SEK 176 million (SEK 0) for acquisitions. Approximately 75% of the improved cash flow was caused by a higher assessed index in October 2022 (from 2% to 5% in Q2 to 7% in Q3) and time. The yield requirement for retail and central offices in Stockholm fell during the first six months. During the third quarter the yield requirement increased which neutralise the cash flow driven increases in value in the same period. Realised changes in the value of investment properties amounted to SEK 18 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 1,616 million (SEK 325 m), primarily as a result of a rise in long-term market interest rates.

Changes in the value of properties, SEK m	2022 Jan-Sep	2021 Jan-Sep
Yield requirement	130	478
Cash flow, etc.	2,420	347
Project returns	1,412	767
Acquisitions	176	0
Unrealised changes in value	4,138	1,592
Unrealised change in value, %	7.5%	3.4%
Realised change in value	18	-16
Total changes in value	4,156	1,576
Unrealised change in value, %	7.5%	3.4%

## Tax

Tax amounted to SEK –1,364 million (SEK –529 m), with SEK –38 million (SEK –31 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 Jan-Sep 2022, SEK million	Current tax	Deferred tax
Reported profit/loss before changes in value	897	
Non-deductible interest	162	
Tax deductible		
–Depreciation/amortisation	-614	614
–Reconstruction work	-44	44
–Capitalised interest	-55	55
Other fiscal adjustments	40	-96
Taxable profit/loss before changes in value	387	616
Current tax	-80	
Sale of properties	-	-27
Properties acquired	-	-
Changes in value, properties	-	4,138
Change in value of derivatives	-166	1,672
Taxable profit/loss before loss carry-forwards	220	6,398
Loss carry-forwards		
–Opening balance	-37	37
–Closing balance	-1	1
Taxable profit	183	6,436
Reported tax expense	-38	-1,326

Consolidated balance sheet, summary.

Amounts in SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
Investment properties	59,581	48,258	50,335
Right-of-use asset, leaseholds	1,277	1,025	1,025
Goodwill	165	165	165
Other non-current assets	23	121	148
Derivatives	1,672	105	138
<b>Total non-current assets</b>	<b>62,717</b>	<b>49,673</b>	<b>51,810</b>
Development properties	1,194	1,176	1,254
Current assets	462	532	501
Cash and cash equivalents	319	801	719
<b>Total current assets</b>	<b>1,975</b>	<b>2,510</b>	<b>2,475</b>
<b>Total assets</b>	<b>64,692</b>	<b>52,183</b>	<b>54,285</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	30,160	24,124	25,541
Deferred tax liability	6,887	5,190	5,621
Non-current interest-bearing liabilities	25,098	20,293	20,561
Non-current finance lease liability	1,277	1,025	1,025
Derivatives	110	324	238
Other non-current liabilities	292	256	267
<b>Total non-current liabilities</b>	<b>33,663</b>	<b>27,087</b>	<b>27,712</b>
Other current liabilities	870	972	1,032
<b>Total current liabilities</b>	<b>870</b>	<b>972</b>	<b>1,032</b>
<b>Total equity and liabilities</b>	<b>64,692</b>	<b>52,183</b>	<b>54,285</b>

Consolidated change in equity.

Amounts in SEK m	Attributable to the parent company shareholders				
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	Total equity
<b>Opening balance as of 1 January 2021</b>	<b>333</b>	<b>3,960</b>	<b>-4</b>	<b>18,380</b>	<b>22,668</b>
Profit for the period	-	-	-	2,318	2,318
Other comprehensive income	-	-	4	-	4
Acquisition of own shares	-	-	-	-226	-226
Dividend, SEK 5.05/share	-	-	-	-640	-640
<b>Closing balance, as of 30 September 2021</b>	<b>333</b>	<b>3,960</b>	<b>-</b>	<b>19,831</b>	<b>24,124</b>
Profit for the period	-	-	-	1,439	1,439
Acquisition of own shares	-	-	-	-22	-22
<b>Closing balance as of 31 December 2021</b>	<b>333</b>	<b>3,960</b>	<b>-</b>	<b>21,248</b>	<b>25,541</b>
Profit for the period	-	-	-	5,305	5,305
Change in own shares	-	-	-	-30	-30
Dividend, SEK 5.20/share	-	-	-	-657	-657
<b>Closing balance, as of 30 September 2022</b>	<b>333</b>	<b>3,960</b>	<b>-</b>	<b>25,866</b>	<b>30,160</b>

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 7,114,875 class B shares (6,907,378). As of 30 September 2022, the number of outstanding shares therefore stood at 126,105,861 (126,313,358), while the average number of shares amounted to 126,258,474 (126,779,875) for the period.

## Comments on the consolidated financial position 30 September 2022.

### Properties

At the end of the period the property portfolio amounted to SEK 60,775 million (SEK 51,589 m), broken down into SEK 1,194 million (SEK 1,254 m) for development properties and SEK 59,581 million (SEK 50,335 m) for investment properties. Investment properties have been valued at approximately SEK 60,076/m<sup>2</sup> with an average yield of 4.1%. 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 30,160 million (SEK 25,541 m) at the end of the period, corresponding to SEK 239.16/share (SEK 202.20/share). This increase is due to comprehensive income of SEK 5,305 million for the period and the dividend resolved by the Annual General Meeting.

The long-term net asset value amounted to SEK 35,319 million (SEK 31,040 m) at the end of the period, corresponding to SEK 280.08/share (SEK 245.73/share). An increase of 16%, adjusted for the dividend, compared with the start of the year.

Net asset value 30 Sep 2022	SEK m	SEK/share
Equity according to the balance sheet	30,160	239.16
Reversal of balance sheet items:		
-Derivatives	-1,562	-12.39
-Goodwill	-165	-1.31
-Deferred tax	6,887	54.61
<b>Long-term net asset value</b>	<b>35,319</b>	<b>280.08</b>
Deductions:		
-Assessed actual deferred tax	-1,357	-10.76
<b>Current net asset value</b>	<b>33,962</b>	<b>269.31</b>
Equity according to the balance sheet	30,160	239.16
Reversal of balance sheet items:		
-Goodwill	-165	-1.31
-Interest-bearing liabilities	25,098	199.02
Deductions:		
-Fair value interest-bearing liabilities	-25,212	-199.93
<b>Disposal value</b>	<b>29,881</b>	<b>236.95</b>

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 Sep 2022

SEK m	Tax liabilities		
	Deferred	Nominal	Actual
Loss carry-forwards	-1	-0	-0
Derivatives, etc.	1,653	341	331
Properties	38,738	7,980	1,027
<b>Total</b>	<b>40,390</b>	<b>8,320</b>	<b>1,357</b>
Properties, asset acquisitions	-6,961	-1,434	-
<b>According to the balance sheet</b>	<b>33,430</b>	<b>6,887</b>	<b>-</b>

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 25,098 million (SEK 20,561 m) with a closing average interest rate of 2.1% (1.7%). The loan-to-value ratio amounted to 41.3% (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 1,562 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 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
<b>OPERATING ACTIVITIES</b>						
Profit before changes in value	347	262	897	945	1,201	1,249
Reversal of depreciation, amortisation and impairment	2	2	11	10	14	13
Other items not included in the cash flow	-59	3	-57	-76	-67	-87
Tax paid	-3	-41	-17	-124	-42	-148
<b>Cash flow from operating activities before changes in working capital</b>	<b>288</b>	<b>227</b>	<b>834</b>	<b>755</b>	<b>1,107</b>	<b>1,027</b>
Net change in working capital	101	73	130	87	265	222
<b>Cash flow from operating activities</b>	<b>390</b>	<b>300</b>	<b>964</b>	<b>842</b>	<b>1,372</b>	<b>1,249</b>
<b>INVESTMENT ACTIVITIES</b>						
Acquisition of investment properties	-1	-	-3,679	-25	-3,679	-25
Investments in held properties and tenant-owned dwelling projects	-659	-528	-1,641	-1,560	-2,324	-2,242
Sale of properties	-0	746	67	746	66	744
Investment in financial non-current assets	108	26	70	110	78	119
Purchase/sale of equipment	-0	-2	-9	-7	-21	-19
<b>Cash flow from investment activities</b>	<b>-553</b>	<b>242</b>	<b>-5,193</b>	<b>-736</b>	<b>-5,880</b>	<b>-1,423</b>
<b>FINANCING ACTIVITIES</b>						
Change in other non-current liabilities	9	9	25	13	29	17
Loans raised	820	3,602	9,475	11,806	9,130	11,461
Repayment of debts	-878	-4,020	-4,984	-10,537	-4,423	-9,976
Dividends paid	-	-	-657	-640	-657	-640
Buy-back of own shares	-28	-19	-30	-226	-52	-248
<b>Cash flow from financing activities</b>	<b>-77</b>	<b>-428</b>	<b>3,829</b>	<b>416</b>	<b>4,026</b>	<b>614</b>
<b>Cash flow for the period</b>	<b>-240</b>	<b>113</b>	<b>-400</b>	<b>522</b>	<b>-483</b>	<b>440</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>560</b>	<b>689</b>	<b>719</b>	<b>279</b>	<b>801</b>	<b>279</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>319</b>	<b>801</b>	<b>319</b>	<b>801</b>	<b>319</b>	<b>719</b>



Järnvägsgatan in Sickla.

## 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 239 million (SEK 214 m). The operating profit/loss amounted to SEK –52 million (SEK –376 m). Capital loss from sale of properties in the corresponding period last year relates to the internal sale of Kolding 3 and 4 in Kista that was done before the properties were sold externally. Profit after financial items amounted to SEK 195 million (SEK 0 m). Net financial expenses include an unrealised change in value attributable to derivatives that amounted to SEK 128 million (SEK 338 m).

Interest-bearing liabilities amounted to SEK 19,495 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 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Jan-Dec
Rental income	1	1	2	38	39
Management income	80	52	236	176	260
<b>Net sales</b>	<b>81</b>	<b>52</b>	<b>239</b>	<b>214</b>	<b>298</b>
Property costs	-1	-3	-2	-18	-17
Management and administration expenses	-96	-70	-285	-224	-324
Capital gain/loss from sale of properties	-	-0	-	-338	-353
Depreciation	-1	-2	-4	-11	-18
<b>Operating profit/loss</b>	<b>-16</b>	<b>-21</b>	<b>-52</b>	<b>-376</b>	<b>-414</b>
Earnings from shares in Group companies	-	-	-	-5	652
Interest income and similar profit items	226	315	628	814	1058
Interest expenses and similar profit items	-168	-213	-381	-432	-575
	<b>58</b>	<b>102</b>	<b>247</b>	<b>376</b>	<b>1,135</b>
<b>Profit after financial items</b>	<b>41</b>	<b>80</b>	<b>195</b>	<b>0</b>	<b>720</b>
Appropriations	1	15	3	13	92
	<b>42</b>	<b>96</b>	<b>198</b>	<b>13</b>	<b>812</b>
<b>Profit before tax</b>	<b>42</b>	<b>96</b>	<b>198</b>	<b>13</b>	<b>812</b>
Current tax	-	-	-	-	-
Deferred tax	-0	-12	-35	14	1
	<b>-0</b>	<b>-12</b>	<b>-35</b>	<b>14</b>	<b>1</b>
<b>Profit for the period</b>	<b>42</b>	<b>84</b>	<b>163</b>	<b>27</b>	<b>813</b>

Amounts in SEK m	2022-09-30	2021-09-30	2021-12-31
<b>ASSETS</b>			
Property, plant and equipment	6	10	8
Financial fixed assets	1,440	1,440	1,409
Current assets	27,939	23,769	24,585
<b>Total assets</b>	<b>29,385</b>	<b>25,218</b>	<b>26,002</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,643	9,404	10,167
Untaxed reserves	3	8	6
Provisions	19	17	20
Non-current liabilities	19,605	15,705	15,695
Current liabilities	115	84	114
<b>Total equity and liabilities</b>	<b>29,385</b>	<b>25,218</b>	<b>26,002</b>



## Key performance indicators.<sup>1)</sup>

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021/2022 Oct-Sep	2021 Jan-Dec
<b>PROPERTY-RELATED KEY PERFORMANCE INDICATORS</b>						
Letting rate excluding project properties, %	92	91	92	91	92	91
Operating surplus margin, %	67	70	67	68	67	68
Vacancy rate, %	8	9	8	9	8	9
Letting area including garages, '000 m <sup>2</sup>	957	1,052	957	1,052	957	1,082
Investments, SEK m	660	502	5,370	1,596	6,078	2,304
Number of properties at the end of the period	65	67	65	67	65	67
<b>FINANCIAL KEY PERFORMANCE INDICATORS</b>						
Equity ratio, %	46.6	46.2	46.6	46.2	46.6	47.1
Loan-to-value ratio, %	41.3	41.1	41.3	41.1	41.3	39.9
Interest coverage ratio R12	4.3	5.5	4.3	5.5	4.3	5.3
Average interest rate for interest-bearing liabilities, %	2.1	1.7	2.1	1.7	2.1	1.7
Return on equity R12, %	24.8	13.0	24.8	13.0	24.8	15.6
Return on equity, excluding changes in value R12, %	3.9	4.3	3.9	4.3	3.9	4.3
Return on total assets R12, %	15.2	8.1	15.2	8.1	15.2	9.6
Return on total assets excluding changes in value R12, %	2.2	2.4	2.2	2.4	2.2	2.4
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	329	196	858	901	1,198	1,240
Long-term net asset value, SEK m	35,319	29,346	35,319	29,346	35,319	31,040
Current net asset value <sup>2)</sup> , SEK m	33,962	28,220	33,962	28,220	33,962	29,812
Disposal value, SEK m	29,881	23,702	29,881	23,702	29,881	25,103
<b>DATA PER SHARE</b>						
Earnings per share, SEK	3.42	4.96	42.02	18.28	53.55	29.65
Profit before changes in value less nominal tax, SEK	2.19	1.65	5.65	5.94	7.56	7.85
Cash flow from operating activities, SEK	3.09	2.37	7.64	6.64	10.89	9.86
Equity, SEK	239.16	190.83	239.16	190.83	239.16	202.20
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.61	1.55	6.80	7.12	9.50	9.82
Long-term net asset value, SEK	280.08	232.13	280.08	232.13	280.08	245.73
Current net asset value <sup>2)</sup> , SEK	269.31	223.23	269.31	223.23	269.31	236.02
Disposal value, SEK	236.95	187.49	236.95	187.49	236.95	198.73
Share price, SEK	137.50	183.80	137.50	183.80	137.50	199.70
Weighted average number of shares, thousands	126,264	126,477	126,258	126,780	125,943	126,688
Number of outstanding shares at the end of the period, thousand	126,106	126,417	126,106	126,417	126,106	126,313
<b>EMPLOYEES</b>						
Average number of employees	309	315	316	321	317	321

<sup>1)</sup> See the definitions on pages 27–28 and see the reconciliation for key performance indicators at [www.al.se](http://www.al.se).

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



## Quarterly summary.

### INCOME STATEMENTS

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Amounts in SEK m								
Rental income	661	619	600	600	555	565	572	555
Net sales, project and construction work	379	49	56	95	88	482	127	118
<b>Net sales</b>	<b>1,040</b>	<b>667</b>	<b>655</b>	<b>695</b>	<b>643</b>	<b>1,046</b>	<b>699</b>	<b>673</b>
Property management costs	-216	-191	-209	-193	-167	-177	-195	-195
Project and construction work costs	-330	-62	-62	-103	-99	-385	-98	-118
<b>Gross profit</b>	<b>494</b>	<b>414</b>	<b>384</b>	<b>399</b>	<b>378</b>	<b>484</b>	<b>405</b>	<b>360</b>
- property management (operating surplus)	445	427	391	407	388	388	377	360
- project and construction work	49	-13	-6	-8	-111	96	29	-0
<b>Central administration</b>	<b>-21</b>	<b>-27</b>	<b>-22</b>	<b>-27</b>	<b>-25</b>	<b>-24</b>	<b>-21</b>	<b>-26</b>
- property management	-17	-22	-20	-25	-20	-20	-17	-21
- project and construction work	-4	-5	-3	-2	-4	-4	-4	-6
Financial income and expenses	-126	-119	-80	-68	-91	-87	-73	-52
<b>Profit before changes in value</b>	<b>347</b>	<b>268</b>	<b>281</b>	<b>304</b>	<b>262</b>	<b>372</b>	<b>311</b>	<b>282</b>
Properties, unrealised	87	2,742	1,309	1,448	461	964	167	623
Properties, realised	-3	11	10	-6	0	-15	-1	3
Derivatives, unrealised	91	686	838	63	72	43	210	33
Derivatives, realised	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>522</b>	<b>3,708</b>	<b>2,439</b>	<b>1,809</b>	<b>795</b>	<b>1,364</b>	<b>687</b>	<b>940</b>
Tax	-90	-704	-569	-370	-168	-226	-135	-250
<b>Profit for the period</b>	<b>432</b>	<b>3,003</b>	<b>1,870</b>	<b>1,439</b>	<b>627</b>	<b>1,138</b>	<b>552</b>	<b>690</b>



Brf Kulturtrappan in Nobelberget will be ready for occupancy during 2024.

## Quarterly summary, cont.

### KEY PERFORMANCE INDICATORS <sup>1)</sup>

	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
<b>Property-related key performance indicators</b>								
Letting rate excluding project properties, %	92	92	91	91	91	91	91	91
Operating surplus margin, %	67	69	65	68	70	69	66	65
Letting area including garages, '000 m <sup>2</sup>	957	1,146	1,064	1,082	1,052	1,046	1,089	1,087
Investments in Atrium Ljungberg's held properties, SEK m	660	4,247	463	708	502	584	510	848
Number of properties at the end of the period	65	67	66	67	67	67	70	67
<b>Financial key performance indicators</b>								
Equity ratio, %	46.6	46.0	47.1	47.1	46.2	45.4	43.7	45.7
Loan-to-value ratio, %	41.3	41.6	40.4	39.9	41.1	42.7	42.6	39.9
Interest coverage ratio R12	4.3	4.4	5.1	5.3	5.5	5.6	4.9	4.6
Average interest rate for interest-bearing liabilities, %	2.1	1.9	1.7	1.7	1.7	1.6	1.6	1.6
Return on equity R12, %	24.8	26.1	20.6	15.6	13.0	13.9	11.8	3.8
Return on equity, excluding changes in value R12, %	3.9	3.7	4.2	4.3	4.3	4.5	4.2	3.8
Return on total assets R12, %	15.2	15.6	12.5	9.6	8.1	8.0	6.0	2.0
Return on total assets excluding changes in value R12, %	2.2	2.0	2.3	2.4	2.4	2.5	2.2	2.3
<b>Data per share</b>								
Earnings per share, SEK	3.42	23.78	14.81	11.38	4.96	9.00	4.34	5.35
Profit before changes in value less nominal tax, SEK	2.19	1.69	1.77	1.91	1.65	2.33	1.95	1.73
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.61	2.09	2.09	2.69	1.55	2.23	2.30	2.12
Cash flow, SEK	3.09	3.56	0.99	3.22	2.37	2.40	1.87	4.47
Equity, SEK	239.16	235.59	211.81	202.20	190.83	185.90	176.90	177.46
Long-term net asset value, SEK	280.08	277.14	252.17	245.73	232.13	226.62	215.80	217.95
Current net asset value <sup>2)</sup> , SEK	269.31	266.59	243.98	236.02	223.23	218.07	207.55	210.56
Disposal value, SEK	236.95	227.98	209.85	198.73	187.49	181.66	173.42	170.86
Share price, SEK	137.50	134.00	192.50	199.70	183.80	194.90	156.40	172.80
Weighted average number of shares, thousands	126,264	126,301	126,301	126,415	126,477	126,553	127,319	128,957
Number of outstanding shares at the end of the period, thousand	126,106	126,301	126,301	126,313	126,417	126,493	126,692	127,739

<sup>1)</sup> See definitions on pages 27–28. For the reconciliation of key performance indicators, visit [www.al.se](http://www.al.se).

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



Katarinhuset is a finalist in Breeam Building of the Year.

# 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 interim report includes pages 1–29 and pages 1–13 thus constitutes an integrated part of this financial report. 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 September 2022, which means that a liability of SEK 110 million (SEK 238 m) has been recognised in the balance sheet. A positive change in value of SEK 128 million (SEK 338 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 25,098 million (SEK 20,561 m) and their fair value totals SEK 25,212 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 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](http://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.

The war between Russia and Ukraine continues to have a negative impact on the global economy. Lower growth, higher inflation, disruptions in supply chains and price increases on the raw material markets are just some of the factors that are weakening confidence in a recovery in the near future. We are still experiencing visible effects from the pandemic, despite the reduction in restrictions. China's economy has been hit hard and the decline has been worse than expected due to new Covid-19 outbreaks and lockdowns.

With all of these challenges, the global economy is expected to experience a very sharp decline after an initial recovery from a global recession. 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. In addition, we have the challenges of cement crisis in Sweden.

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 and unutilised liquidity of SEK 7.9 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.

# Report signatures.

Nacka, the day generated from our electronic signature

**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 14 October 2022.*

# Auditor’s review report.

Atrium Ljungberg AB, corporate identity number 556175-7047

## Introduction

We have performed a review of the condensed interim financial information for Atrium Ljungberg AB as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We have conducted our review in accordance with the International Standard on *Review Engagements, ISRE 2410, Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*, issued by the Swedish Federation of Authorised Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and a substantially less scope than an audit conducted in accordance with ISA (International Standards on Auditing) and other generally accepted auditing practices. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Therefore, the conclusion expressed based on a review does not have the assurance of a conclusion expressed based on an audit.

## Conclusion

Based on our review, no circumstances have emerged which give us reason to believe that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, the day generated from our electronic signature

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund  
Authorised Public Accountant  
Auditor in charge

# 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

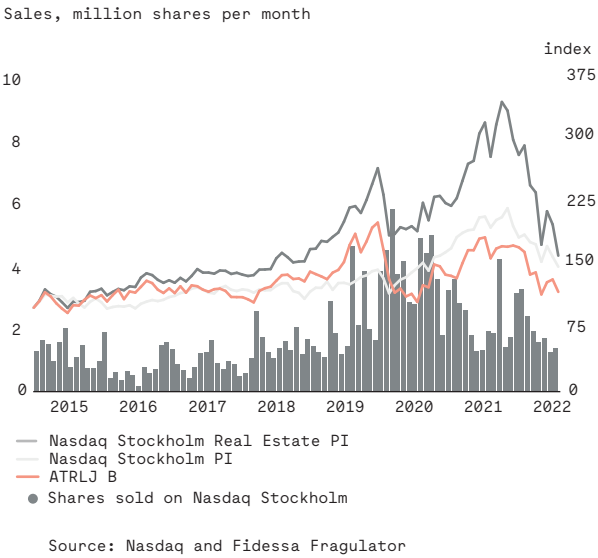
At the Annual General Meeting in March 2022, the Board of Directors of Atrium Ljungberg was authorised to take the decision to acquire the company’s own shares on one or more occasions during the period until the next Annual General Meeting. The purpose of such buy-backs is to give the Board more flexibility in its work on the company’s capital structure, which will therefore help to increase shareholder value. As of 30 September 2022 the company owned 7,114,875 class B shares. Buy-back was at an average rate of SEK 142.71 per share during the third quarter.

### Dividend yield and total yield

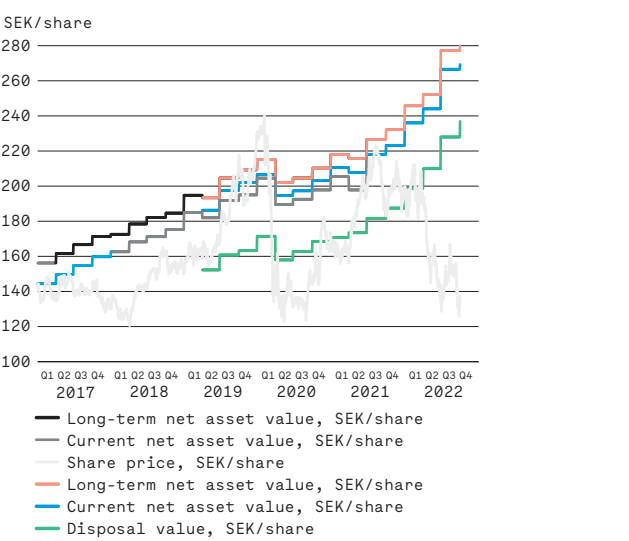
The most recent dividend of SEK 5.20/share that was resolved by the AGM represents a dividend yield of 3.8% (2.7%), calculated using the closing price.

The share’s total yield, including the dividend, has been –22.4% (28.8%) 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 30 September 2022

	Class A shares, '000	Class B shares '000	Share of votes, %	Share of capital, %
Ljungberg family	2,190	29,246	31.6	23.6
The Stockholm Consumer Cooperative Society	0	33,927	20.9	25.5
Holmström family	1,810	14,549	20.1	12.3
Carnegie fonder	0	8,604	5.3	6.5
Varma pension insurance	0	8,117	5.0	6.1
Vanguard	0	1,788	1.1	1.3
BlackRock	0	1,543	1.0	1.2
Margareta af Ugglas	0	1,445	0.9	1.1
AFA Försäkring	0	1,263	0.8	0.9
Norges Bank	0	1,027	0.6	0.8
Other	0	20,597	12.7	20.8
<b>Total outstanding shares</b>	<b>4,000</b>	<b>122,106</b>	<b>100.0</b>	<b>100.0</b>
Shares bought back <sup>1)</sup>	–	7,115		
<b>Total number of shares issued</b>	<b>4,000</b>	<b>129,221</b>		

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

Share data	2022 Jan-Sep	2021 Jan-Sep
Share price, SEK		
–Lowest	123.20	181.40
–Highest	215.00	223.20
–Closing price	137.50	183.80
Market capitalisation, SEK b	17.3	23.2
Share price/Long-term net asset value	49%	79%
P/E	2.6	7.8
Share dividend yield	3.8%	2.7%



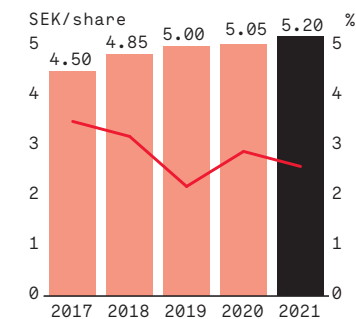
# Four reasons to own shares in Atrium Ljungberg.

## 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.



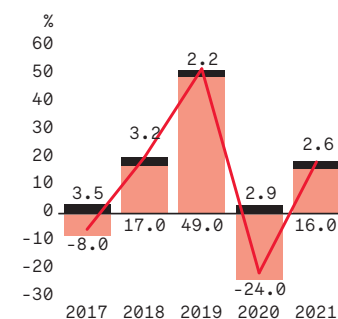
● Dividend, SEK/share  
— Dividend yield, %

## 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.



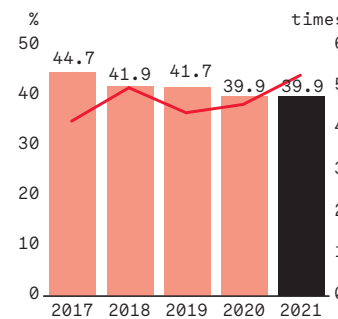
● Share change in value, %  
● Share dividend yield, %  
— Total yield, %

## 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.



● Loan-to-value ratio, %  
— 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 utilised 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 (Turnover)**  
This relates to Net sales as set out in the consolidated income statement.

**Total Capex**  
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 Opex**  
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](http://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.

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.

Götaverken is filling up with new tenants	6 July 2022
Atrium Ljungberg signs development agreements in Hagastaden	9 August 2022
Expansive co-working company moves to Slakthusområdet	7 September 2022
Mega exhibition in Slakthusområdet as Jacob Felländer moves in	20 September 2022
Fällan moves into Slakthushallarna in Slakthusområdet	21 September 2022
A smarter way of having a car in Sickla with Volvo On Demand	30 September 2022



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Atrium Ljungberg, Oct 2022.  
Photos: Sanam Ebadjenad, Martin Kelam, Mathias Bardå, Joakim Ström, Gustav Aldinb, RÅformat, DBOX Foster + Partners, Måns Berg, TMRW, Hanna Widell, Pixery Media, Robert Berggren  
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.

