

Strong quarter with good cost control.



Overview January–September 2023.

- ➔ Rental income amounted to SEK 2,111 million (SEK 1,879 m) – an increase of 12.4% (11.0%), of which an increase in comparable portfolios of 10.9% (3.9%).

➔ The operating surplus amounted to SEK 1,516 million (SEK 1,262 m) – an increase of 20.1% (9.6%), of which an increase in comparable portfolios of 14.9% (1.0%).

➔ Net sales for project and construction work amounted to SEK 270 million (SEK 154 m), while gross profit totalled SEK –1 million (SEK –26 m).

➔ Profit from property management amounted to SEK 1,024 million (SEK 840 m), corresponding to SEK 8.12 per share (SEK 6.66 per share).

➔ Unrealised changes in the value of properties amounted to SEK –1,443 million (SEK 4,138 m), which included project returns of SEK 20 million (SEK 1,412 m).
- ➔ Profit for the period amounted to SEK –404 million (SEK 5,305 m), corresponding to SEK –3.20 per share (SEK 42.02).

➔ Net letting for the period amounted to SEK 70 million (SEK 124 m), of which the company terminated SEK –8 million (SEK –30 m) to pave the way for future projects.

➔ Investment for the period amounted to SEK 1,418 million (SEK 5,370 m), of which SEK 4 million (SEK 3,729 m) was for acquisitions. Property sales amounted to SEK 1,825 million (SEK 49 m). During the second quarter, Parkhusen Block 2 in Gränbystaden, Uppsala, was completed, and as per 30 September SEK 31 million was recognised in profit, corresponding to 62% of the apartments being taken into possession.

➔ The net asset value amounted to SEK 263 per share, which is a reduction of 1.8%, adjusted for the dividend paid.

Overview ¹⁾	2023 Jul–Sept	2022 Jul–Sept	2023 Jan–Sept	2022 Jan–Sept	2022/2023 Oct– Sept	2022 Jan–Dec
Rental income, SEK m	700	661	2,111	1,879	2,783	2,550
Net sales, project and construction work, SEK m	95	50	270	154	372	256
Net sales, SEK m	795	710	2,382	2,033	3,155	2,806
Gross profit, SEK m	528	438	1,516	1,236	1,960	1,681
Profit from property management, SEK m	366	291	1,024	840	1,311	1,127
Ditto SEK/share	2.90	2.30	8.12	6.66	10.39	8.93
Profit after tax, SEK m	36	432	–404	5,305	–1,421	4,288
Ditto SEK/share	0.29	3.42	–3.20	42.02	–11.27	33.97
Property value, SEK m	57,989	60,775	57,989	60,775	57,989	60,006
Investments including acquisitions, SEK m	412	660	1,418	5,370	2,120	6,072
Net lettings, excl. own terminations, SEK m	42	30	78	154	108	184
Net lettings, incl. own terminations, SEK m	39	28	70	124	61	115
Loan-to-value ratio, % ²⁾	41.8	40.8	41.8	40.8	41.8	41.7
Interest coverage ratio	3.8	4.0	3.6	4.0	3.5	3.8
Average closing interest rate, %	2.3	2.1	2.3	2.1	2.3	2.2
Long-term net asset value, SEK/share	263.06	280.08	263.06	280.08	263.06	270.60
Share price, SEK/share	178.10	137.50	178.10	137.50	178.10	170.90
Environmentally-certified area (m²), %	82	86	82	86	82	76
Total energy intensity, kWh/m² (average year)	162	185	162	185	158	178

¹⁾ For the complete table of key performance indicators, see page 20 and for definitions, see pages 27-28.
²⁾ A new definition from Q2 2023, using net rather than gross interest-bearing liabilities. The key performance indicators have been recalculated accordingly.

Unrealised change in value

-1,443 SEK m

Operating surplus for comparable portfolios

+15% Change

Net letting

70 SEK m

Ongoing projects

7.3 SEK b

High activity on a broad front.

The financial market continues to be somewhat nervous, with concern over the negative financial impact from the record-fast interest rate increases mixed with a belief that a deeper recession can be avoided. Inflation is showing signs of easing, even in Sweden, but a drawn-out decline in the core inflation is preventing the Riksbank and other central banks from being able to rapidly lower interest rates. Instead of “low for long”, the tag phrase is now “higher for longer”.

We are working continuously to transition based on current market conditions by improving our management efficiency, prioritising among projects, regulating the capital structure, adapting the interest rate duration and holding contingent liability. We are therefore very pleased to see that this hard work is generating results.

Our profit from property management is continuing to develop well with growth in the third quarter of 26%, which like in earlier quarters is due to good rent growth, good cost control and relatively stable net interest income. Adjusted for the electricity subsidy of SEK 13 million, growth was 22%. High market rates continue to put upward pressure on yields and thereby downward pressure on property prices – in our portfolio we are posting a write-down of approximately 1% in the third quarter, and thus to date this year we have written down 2.5%. Our loan-to-value ratio is basically unchanged from the start of the year, while our interest coverage ratio and debt ratio are continuously improving. We stand thus stable in these turbulent and nervous times, but this does not mean we can stand still. We must constantly be in motion to continue to deliver value and enable the realisation of our value-creating projects.

Rental market

During the third quarter, we rented out the equivalent of SEK 80 million in annual rent. At the same time, we received terminations corresponding to an annual rent of SEK 38 million and terminated contracts with tenants to enable coming projects of SEK 3 million. Sub-letting on the office market has increased at the same time as the number of new requests is decreasing slightly in relation to the situation before the summer. We are focusing on what we can influence, namely the long-term collaboration with our tenants, development in our areas and properties, and a full commitment to outreach activities, which has had an impact.

Over the past quarter, we signed several really good lease contracts; for example, we signed a contract with a well-known actor for a rooftop bar in one of Stockholm's absolute best locations. In addition, we signed new lease contracts with Tradera in Life City and Aarke in Mineralvattenfabriken. Even NIO, one of the world's largest EV brands that is just now entering Sweden, has chosen to locate its first Swedish head office with us at Industricentralen. In total the contracts in Hagastaden cover approximately 2,000 m². More really good news is the lease for Stockholms Auktionsverk, which is moving to Expohuset next to Marcusplatsen in Sickla. In total the lease covers approximately 1,700 m².



Annica Anäs, CEO Atrium Ljungberg

“By investing in A house, we are broadening our customer offer.”

We are experiencing requests for greater flexibility and service from our customers, which is one reason why we chose to invest earlier this year in the co-working company A house. I can now announce that we have signed two lease contracts with A house – one in Katarinahuset at Slussen and one in Slakthusområdet. There is a lot of demand for space in Katarinahuset, but we chose A house in the end as a solution to broaden our offer and meet customers’ demand and need for flexible solutions in central locations.

Retail sector

We have been working actively for several years on the composition at our retail sites with the aim of making them not only more attractive but also resilient, ensuring that they work in both good and bad times. We are benefiting from this long-term strategy now. We continue to see an increase in the number of visitors to our locations at the same time as net sales continue to rise. During the third quarter we also signed fantastic lease contracts, which we view as proof of the attractiveness of our locations. The new contracts include KFC and Designtorget in Gränbystaden in Uppsala and a more than 800 m² large Hemtex store in Sickla with a new concept. Our retail locations have strong delivery even though the scope of household consumption is decreasing. Several of the larger retail chains are decreasing their number of establishments right now, which many times results in them choosing to switch out weaker locations for those with large flows, attractive supply and a mix of businesses.

Tenant-owned dwelling market

After the summer, the supply of apartments was the highest that had ever been noted on Hemnet. At the same time, the number of newly published apartments decreased by approximately 20% compared to the corresponding period last year. Due to continued global uncertainty, rising interest rates and high electricity prices, many people are thinking twice before they act. A slow decision-making process and cautiousness from banks to lend money continue to influence the housing market, and the number of sales continues to be at record-low levels.

In our own housing project, we are noting good interest, and we completed several sales during and after the summer. In August, six apartments were sold in Parkhusen, Block 2, in Uppsala, which brings the number to twelve since the start of the year. In Brf Kulturtrappan at Nobelberget in Sickla we have sold three apartments, which brings the number since the start of the year to eight. We are noting that our competitors are making some price adjustments on newly produced apartments, which we will need to consider.

Project portfolio

During the quarter, we entered into an agreement with the City of Stockholm for the acquisition of one of three land allocations at Slussen. The acquisition refers to Mälarterrassen, which will comprise approximately 7,000 m² GFA, including cafés, restaurants and cultural facilities. The acquisition, which is conditional on approval by the city council, entails that we are now taking additional steps towards our vision for developing Slussen. The total investment, including acquisitions, is expected to amount to approximately SEK 430 million.

The production of our projects is progressing on schedule. In the past year, construction costs have increased by around 15%. This is challenging, but we have very talented project managers who are working hard with innovative solutions to stay within their investment framework without sacrificing customer values. When we make an investment decision, we always add 10–20% for unforeseen costs. In the projects where the costs increased more than our provision for unforeseen costs, in most cases we have successfully balanced a higher investment against a higher rent level, which resulted in unchanged



project profit. Naturally, higher yields impact the project profit, but we are continuing to deliver good profit levels, and the portfolio is staying above our minimum requirement of 20%.

Sustainability focus

The real estate industry plays a crucial role in the green transition, as the construction and real estate sector account for as much as 40% of global CO₂ emissions. Atrium Ljungberg has set high sustainability goals, which include us halving the climate impact of our planning by 2025 and being climate-neutral by 2030. As part of this, we launched before the summer the project “Stockholm Wood City”, which garnered considerable national and international attention. The project covers 250,000 m², which corresponds to 25 blocks and 30 buildings, and it will be built out of wood. Building with wood not only has an impact on the climate footprint, but studies also show that wood buildings have better air quality, reduce stress and increase productivity among those spending time in the them. Building in wood also means quieter construction sites and a reduction in the amount of heavy goods transport over the course of the construction period.

In Sickla, we have set very high sustainability ambitions, and since we own large surface areas, we are also able to be innovative and test new solutions. In addition to building with wood, there are also a number of other environmental gains, for example through own, stored and shared energy. One of Stockholm’s largest solar cell facilities is being combined with the possibility of storing electricity in batteries and through geothermal energy from in mines and mountains. Our goal is to be self-sufficient in energy in the area.

We intend to start construction of “Stockholm Wood City” in 2025, but already now, this fall, we are starting with the establishment of Campus Sickla, an extension of Nacka Municipality’s high school that is being built at Marcusplatsen in Sickla with a wooden frame.

At the end of October, the Katarina Elevator and the Gondolen restaurant will open again. The restaurant will be new, but its ambition is still to be one of Stockholm’s most classic bars. I have already booked the family for a visit. I am hoping we will enjoy classic elegance, Swedish gastronomy and a fabulous view.

Annica Anäs, 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

With the aim of delivering on our return target, the company announced at the beginning of 2022 its goal to invest approximately SEK 30 billion through 2030 with a potential project return of approximately SEK 10 billion given the assessment of future rental levels, project costs and rentals. The time frame may have to be extended slightly due to the current situation in the world.

The total potential investment volume amounts to approximately SEK 40 billion and stretches to the middle of the 2030s; it includes approximately SEK 28 billion for properties that are being developed to be owned (most of which are offices) and approximately SEK 12 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 approximately 85% of the project development at existing or future underground stations in Stockholm.

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

Ten good reasons to be at a location

1. Street life 24 hours a day

2. Sports and activities

3. Cultural and learning environment

4. Art and cultural history

5. Nature and smart ecosystems

6. Games and social areas

7. Food and cafes

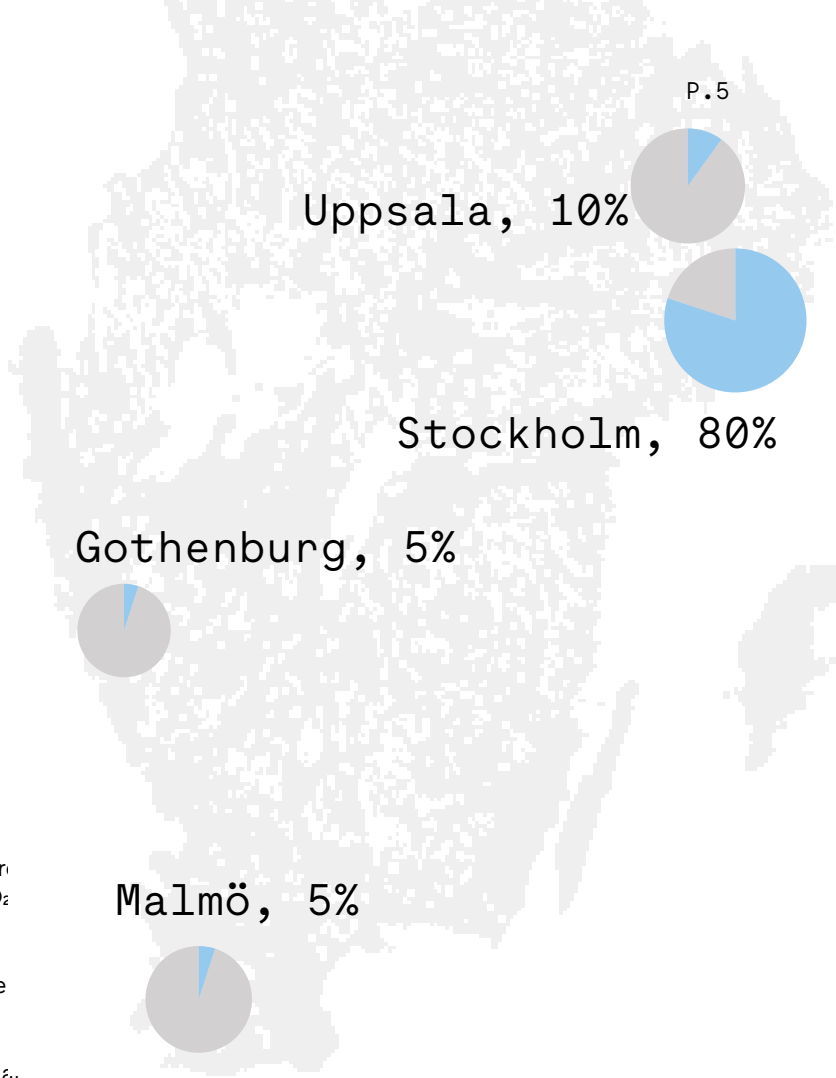
8. Calm oases

9. Digital infrastructure and Wi-Fi

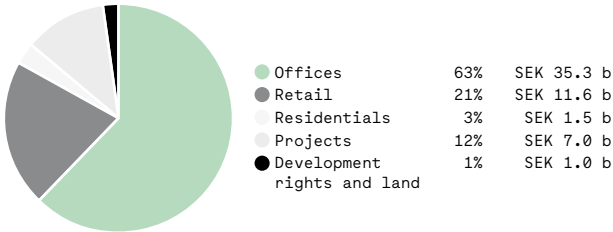
10. Retail and service

Our six sustainability goals that last until 2030 are:

1. We will be climate neutral by 2030, which is measured in kgCO₂e/GFA for construction projects and kgCO₂ m² for property management.
2. In 2025, we will halve our climate footprint from the planning stage.
3. Our locations will achieve 90% in our index for social sustainability by 2030.
4. In 2025, 100% of all our substantial 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. We will achieve a 5.5 rating on a scale of 7.0 in the monitoring system Human Financial Wellness (HFW).



Property value per category



Sustainable enterprise.

Atrium Ljungberg’s sustainability work

Atrium Ljungberg has overall sustainability goals for the period 2022–2030, with partial goals for 2025 as a component of our sustainability-linked financing. The goals cover the areas of climate, social sustainability, supplier development and sustainable employees. We also have a number of key performance indicators with the aim of steering in the right direction.

Climate

We are working actively to reduce the climate impact in the planning phase by conducting lifecycle analyses at an early stage to identify and implement actions. In our projects, the average is now 399 kgCO₂e/GFA, which is an improvement since the previous quarter. During the quarter, we updated our preliminary measurement method to now include all planned and ongoing projects. The updated measurement method is more relevant since emissions can primarily be reduced in early stages of a project through design and planning measures. Our calculations include all lifecycle stages: construction, use and end-of-life (A–C).

In the quarter we are continuing to reduce the climate footprint in our property management primarily through lower energy consumption in our properties. Compared to the same period last year, we are noting energy savings of 3% (degree-day corrected) in like for like portfolio.

Social sustainability

We measure social sustainability at our locations by using an index that we developed ourselves. This index and KPIs appears in full on our website. The index is based on our urban development principles and our vision: “Our city – where everyone thrives”. During the quarter, we reached 43% in our index, and it is our goal to reach 50% by 2025 and 90% by 2030.

Supplier development

Our work to develop our suppliers is based on several components. One component is that we use self-assessment surveys with follow-up discussions to evaluate our main suppliers. We have now assessed a total of 174 suppliers, which corresponds to 16%. Another component is external audit, and during the quarter we audited two suppliers. We also run a supplier development programme, as part of which earlier this year we conducted one programme and are planning the next one in October.

Sustainable employees

We are continuing to work with improvement measures following our employee survey, Human Financial Wellness (HFW), where we scored 5.6 on a scale of 7. All managers have analysed the results of their team and prepared an action plan.

CSRD and double materiality analysis

During the quarter, we conducted a double materiality analysis based on the principles of ESRS/CSRD. We are working in a structured manner to prepare for the new statutory requirements in order to be able to implement necessary changes to the operations well in advance.

The EU Taxonomy

Atrium Ljungberg’s EU Taxonomy reporting is voluntary as the company is not under any legal requirement to submit such reporting until the 2025 financial year. We report on one of the taxonomy’s six environmental objectives: objective 1 ‘Climate change mitigation’. We saw no major movement in our taxonomy-aligned activities in the third quarter.

Sustainability goals for 2030	30/09/2023	2022	2021	2020	2019	Goal/Comments
CO ₂ e footprint planning, kgCO ₂ e/GFA	399	388	–	–	–	Goal: 50% red. 2025, CO ₂ e neut. 2030
Percentage change from starting value	-13	-15	–	–	–	Starting value (Baseline): 458
CO ₂ e footprint for prop. management, kgCO ₂ e/m ² ¹⁾ ²⁾	6.3	7	–	–	–	Goal: 22% red. 2025, CO ₂ e neut. 2030
Percentage change	-10	–	–	–	–	Starting value (baseline) 7
Our City index, %	43	34	–	–	–	Goal: 50% 2025, 90% by 2030
Suppliers evaluated, % ³⁾	16	10	–	–	–	Goal: 100% 2025
Supplier development programme	1	2	–	–	–	Acc. Goal: 2 every year
Sustainable employees index, % ⁴⁾	5.6	5.7	90	89	87	Goal 5.5 HFW. 2021-2019 GPTW
Key performance indicators						
Property energy, kWh/m ² ¹⁾	82	96	112	122	132	By 2030 -20%, degree-day corrected
Tenant energy, kWh/m ² ¹⁾	80	82	86	85	89	
Total energy consumption, kWh/m ² ¹⁾	162	178	198	207	221	Degree-day corrected, like for like
Actual energy consumption, kWh/m ² ¹⁾	160	177	–	–	–	Actual, like for like
Energy savings % kWh/m ² compared with last year ¹⁾	-3	-14	-6	-6	-5	Degree-day corrected, like for like
Actual savings, % kWh/m ² compared with last year ¹⁾	-4	-8	–	–	–	Actual, like for like
Solar cells, m ²	18,823	14,296	14,296	8,202	667	
Proportion of green contracts, % ¹⁾	74	67	59	44	36	Of the annual rent
Water consumption, m ³ /m ² ¹⁾	0.42	0.44	0.46	0.39	0.39	
Certified area (m ²), %	82	76	96	62	50	
Certified buildings	52	49	55	37	30	
- of which BREEAM	18	17	17	13	13	
- of which BREEAM In-Use	27	25	32	21	14	
- of which Miljöbyggnad	7	7	6	3	3	
CDP rating	B	B	B	B	B	Best possible rating = A
Taxonomy						
Taxonomy-aligned sales, %	21	23	–	–	–	
- property management portfolio, %	26	24	–	–	–	
Taxonomy-aligned capital expenditure, %	15	8	–	–	–	
- property management portfolio, %	15	6	–	–	–	
Taxonomy-aligned operating expenses, %	18	16	–	–	–	
- property management portfolio, %	18	16	–	–	–	

¹⁾ Rolling 12 months.
²⁾ Standardised calculations for transport to retail hubs and generated waste. Materials and tenant transport are excluded.
³⁾ Different calculation method for the years 2020–2019, which means that the figures are not comparable.
⁴⁾ HFW, Human Financial Wellness.

Property portfolio.

Property market

An already cautious transaction market notes yet another weak quarter with a transaction volume of around SEK 14 billion. This is 60% lower than the same period in the previous year and 70% lower than the average value for the corresponding period over the past five years. During the third quarter, 49 transactions were conducted, which is the lowest number of transactions in a single quarter over the past eight years.

Foreign investors represented SEK 5.6 billion, corresponding to 41% of the total transaction volume. This is the highest percentage in a single quarter since 2019 and exceeds the past seven years’ average annual value of 24%.

During the third quarter, the office sector was dominant with 35% of the total volume, followed by residential at 22%, logistics/industry at 18%, social properties at 16% and retail at 3%. The Stockholm area continued to

account for the highest percentage of the transaction volume at 54%, while Gothenburg and Malmö accounted for 8% and 1%, respectively. Other major cities contributed 24%, while the rest of the country accounted or 13%.

Property portfolio

Our property portfolio is concentrated in central locations in the growth regions of Stockholm, Uppsala, Gothenburg and Malmö, with Stockholm accounting for 80% (80%) of the market value. At the end of the quarter our property portfolio contained a total of 75 properties (65) with a total letting area of 945,000 m² (957,000 m²).

Investments and sales

During the period SEK 1,414 million (SEK 1,641 m) was invested in existing properties; this includes SEK 1,079 million (SEK 1,482 m) for properties that are being developed for ownership and SEK 335 million (SEK 213 m) for tenant-owned dwellings.

Property portfolio, 30/09/2023	Letting area, ‘000 m² ¹⁾	Property value, SEK m	Property value, SEK/m²	Rental value, SEK m ²⁾	Rental value, SEK/m²	Economic letting rate, %
Office properties	558	35,270	63,296	1,973	3,541	92.8
Retail properties	257	11,594	45,107	905	3,521	92.3
Residentials	45	1,544	34,141	104	2,291	97.0
Business area Property	860	48,408	56,323	2,982	3,469	92.8
-of which Stockholm	552	36,905	66,899	2,106	3,817	93.0
-of which Uppsala	124	5,631	45,423	409	3,293	93.4
-of which Gothenburg	74	2,895	39,107	187	2,531	92.6
-of which Malmö	110	2,977	27,108	280	2,551	90.7
Project properties	79	7,038	-	217	-	-
Land and development rights	-	967	-	-	-	-
Total Investment properties	939	56,413	-	3,199	-	-
Development properties	6					
Property portfolio, total	945	56,413		3,199		

¹⁾ Letting area, excluding garage.
²⁾ Annual discount of SEK 67 million has been excluded.

Property sales

Property	Area	Category	Letting area, m²	Date vacated	Underlying price property, SEK m
Skotten 6	Stockholm	GS	12,984	31/01/2023	1,900

Change in the property portfolio

SEK m	2023 Jan-Sept	2022 Jan-Sept
Investment properties		
Fair value, opening value	58,596	50,335
Acquisitions	4	3,729
Sales	-1,825	-49
Investments in held properties	1,079	1,428
Unrealised changes in value	-1,443	4,138
Reclassification	2	-
Fair value, closing value	56,413	59,581
Development properties		
Book value, opening value	1,409	1,254
Reclassification	-2	-
Sales for tenant-owned dwelling projects	-166	-273
Investments in tenant-owned dwelling projects	335	213
Book value, closing value	1,577	1,194
Property portfolio, closing value	57,989	60,775

During the period one office property in Central Stockholm, Skotten 6, measuring 13,000 m², was sold at an underlying property value of SEK 1,900 million. It was vacated on 31 January 2023.

Property valuation

As of Q2 2023 Atrium Ljungberg had commissioned an external valuation of 17% of its property portfolio, which was conducted by Forum Fastighetsekonomi, Savills and Cushman & Wakefield. The remainder was internally valued and the assumptions were quality assured by Forum Fastighetsekonomi. As of Q3 2023 a review was made of these valuations and updates have been made following changes to larger 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. The inflation assumption of 6% for 2024 followed by 2% has not changed since Q2 2023. Project properties are valued in the same way, but with deductions for the remaining investment. A

risk premium is added to the yield requirement on the basis of the current phase of the project.

Development rights have been valued based on an assessed market value SEK per m² GFA for established development rights with an approved detailed development plan, or where the detailed development plan is expected to become legally binding in the near future. The average value of development rights in the valuation is approximately SEK 5,700/m² GFA (SEK 5,700 m).

At the end of the period, the valuation yield amounted to 4.6% (4.1%), an increase of 6 bp since the previous quarter and 25 bp since the start of the year. Together with a stronger cash flow and time, this results in a net reduction in value of 2.5% in 2023.

Dividend yield per region

%	Interval	30 Sept 2023 Average	31 Dec 2022 Average
Stockholm	3.6-6.0	4.4	4.1
Uppsala	3.9-5.9	5.6	5.3
Malmö	3.8-6.2	5.6	5.4
Gothenburg	4.8-5.8	4.8	4.5
Total	3.6-6.2	4.6	4.4

Dividend yield per property category

%	Interval	30 Sept 2023 Average	31 Dec 2022 Average
Offices	3.6-6.0	4.4	4.1
Retail	3.8-6.2	5.4	5.2
Residentials	3.8-4.9	4.5	4.4
Total	3.6-6.2	4.6	4.4

Development properties

Development properties are properties that are developed or intended to be developed into tenant-owned dwellings and then be sold. The development properties are reported as the lowest of the investments made and the estimated net realisable value. The book value at the end of the period amounted to SEK 1,577 million (SEK 1,409 m). The market value was assessed to be SEK 2,009 million (SEK 1,716 m) as of the same date; this refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden.

Customer.

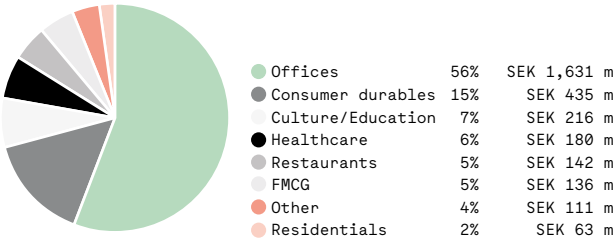
Contracted annual rent and letting rate

As of 01/10/2023 the contracted terminable annual rent amounted to SEK 2,913 million. The economic letting rate excluding project properties was 93% (93%) at the same point in time, while the average remaining term for contracted rent, excluding residentials and parking amounted to 4.5 years (4.5 years).

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

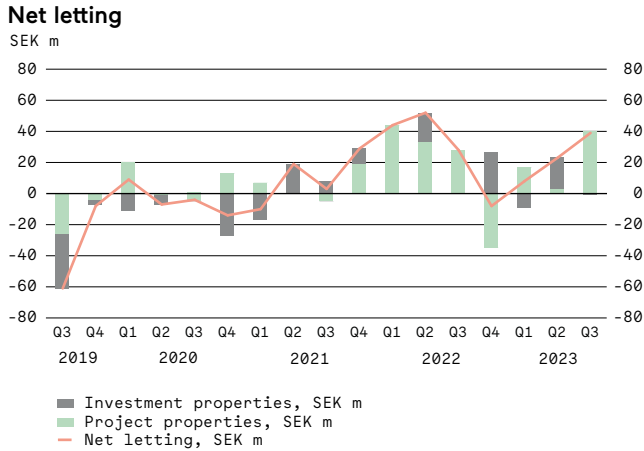
Contracted annual rent per premises type

– 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 70 million (SEK 124 m) during the period, of which SEK 60 million (SEK 93 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 178 million (SEK 248 m), while terminations from customers amounted to SEK 100 million (SEK 95 m). We also terminated contracts, corresponding to an annual rent of SEK 8 million (SEK 30 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. The third quarter’s volume of newly signed contracts includes the lease to the co-working company A house (of which Atrium is an owner) for Katarinahuset and Slussen corresponding to an annual rent of SEK 40 million.



Terminable annual contract value 1 Oct 2023	Number of contracts	Letting area, '000 m²	Annual contract value, SEK m	Proportion of value, %
Commercial, maturity				
2023	21	7	7	0%
2024	419	93	329	11%
2025	328	124	466	16%
2026	303	133	518	18%
2027	208	105	397	14%
2028+	207	292	1,058	36%
Total	1,486	754	2,775	95%
Residentials	592	33	63	2%
Garage/parking	203	154	75	3%
Total	2,281	941	2,913	100%



PV Palatset in Hagastaden is being converted into new modern offices with a lush courtyard.

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 has a project portfolio with an investment volume of approximately SEK 40 billion in land already owned or land allocations obtained. At the beginning of 2022, the company launched a goal to invest SEK 30 billion through 2030 in our projects with a project return of 30%. Due to altered market conditions, the plan is to realise the projects at the pace allowed by the market.

As of 30 September 2023, our project portfolio comprised 800,000 m² GFA, which includes 235,000 m² GFA residential development rights, and the rest is for properties that we manage, primarily in offices. Most of the development portfolio is located in Stockholm, focusing on Hagastaden, Slakthusområdet, Slussen and Sickla. 85% of the portfolio is located at existing or future underground stations in Stockholm.

Ongoing projects

On 30 September 2023, Atrium Ljungberg had ongoing construction work totalling SEK 7.3 billion, which includes SEK 4.4 billion that still has to be invested. SEK 6.5 billion of the ongoing projects is for investments in properties that are being developed for ownership with an assessed project return of approximately 28%, corresponding to SEK 2 billion; SEK 0.7 billion of this has already been recognised. The company also has ongoing projects for constructing tenant-owned dwellings totalling SEK 0.8 billion, with an assessed market value of SEK 1.0 billion that is realised as the dwellings are completed.

During the quarter, Atrium Ljungberg entered into an agreement with the City of Stockholm for the acquisition of one of three land allocations at Slussen. The acquisition refers to Mälarterrassen, which comprises approximately 7,000 m² GFA and will house cafés, restaurants and cultural facilities, with its view of Gamla Stan and the water. The acquisition is conditional on the approval of

the city council, which is expected to be granted at the end of this year. Estimated possession is in the autumn of 2024, and estimated completion is mid-2026. The total investment, including acquisitions, is expected to amount to SEK 430 million.

Planned projects

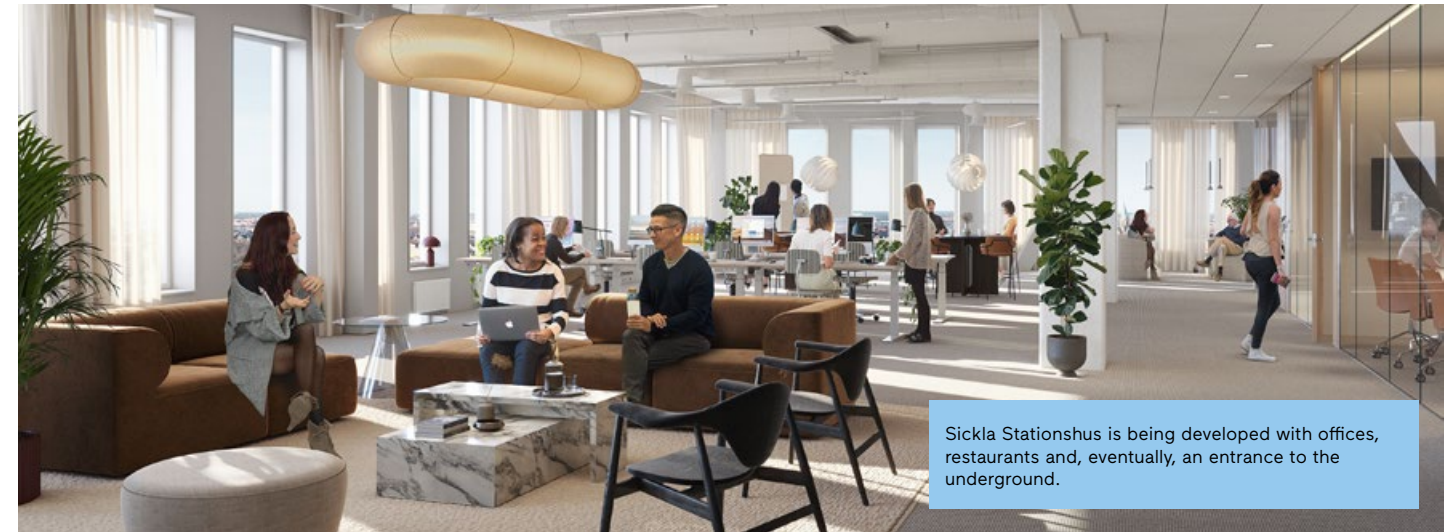
Hagastaden

Atrium Ljungberg is one of the largest property owners in Hagastaden and has been actively involved in the development of the area for more than 30 years. The aim is for Hagastaden to become one of the world's leading life science clusters by 2030, and we have several planned projects in the area.

In July 2022 a development agreement was signed for two residential blocks and one office block: Cambridge, Stanford and Pisa, with an investment volume of SEK 5 billion. The first phase of this project, a shared garage for these blocks, which was started in the autumn of 2022. At Brunnsviden in Östra Hagastaden, we have an additional land allocation where we are planning to build an 8-storey office building measuring 21,000 m². The planned development projects in Hagastaden represent a future investment of SEK 7 billion, including SEK 3 billion for tenant-owned dwellings and the rest for offices. These projects are expected to be completed by 2030 or shortly afterwards.

Sickla

For 25 years we have been transforming Sickla from an industrial area into a vibrant city district. In June 2023 we launched our plans for "Stockholm Wood City", which will be the world's largest urban wooden construction project. The groundbreaking ceremony is planned for 2025 and the first buildings are scheduled for completion in 2027. Wooden construction has many environmental, health and financial benefits. This includes a lower climate footprint across their lifecycle, the use of local raw materials, an energy-efficient manufacturing process and quiet construction sites.



This development project comprises a total of 250,000 m², resulting in 25 blocks, with offices for 7,000 jobs and 2,000 apartments. A mix of housing and workplaces is planned for the area, with restaurants and shops creating vibrant thoroughfares. This attractive and dynamic city district will become a role model for sustainable architecture and urban development, and is an important step towards the company's ambitious sustainability goals.

Several detailed development plans will be required for "Stockholm Wood City" at different stages. The largest detailed development plan currently underway is for the central areas of Sickla. This detailed development plan was under consultation in 2022, and the review is planned for the end of 2023/start of 2024. The detailed development plan area has been broken down into several stages. Stage 1 relates to construction up to 2030, and it is planned to be adopted in 2024 and construction started in 2025. Parts of this area are being postponed as a result of the Eastern Link reserve. We are also planning for more residential in other parts of Sickla, in part through the detailed development plan at Nobelberget for 500 apartments that gained final approval. Planning work is also underway for Kyrkviken and Norra Nobelberget.

An investment decision was made for a new underground entrance in Sickla. We had already agreed to build an

underground entrance for the extension of the blue line to Nacka as part of the current Sickla Stationshus project, but this has now been increased to include an additional entrance, with both entrances expected to be up and running in 2030.

The future investment for the development projects in Sickla amounts to SEK 14 billion, which includes SEK 9 billion that is planned to be invested up to approximately 2030; SEK 4 billion is for tenant-owned dwellings, while the rest is for offices.

Slakthusområdet

Slakthusområdet is one of Stockholm's largest urban development projects. Atrium Ljungberg is developing the area into an attractive location with offices and residential, supplemented with a wide range of food, culture and experiences. The area is being transformed into a brand-new meeting place and will be an engine for the whole of southern Stockholm. We currently have 200,000 GFA in owned or already received land allocations. This corresponds to a future investment of SEK 11 billion, of which SEK 1 billion is for the construction of tenant-owned dwellings and the rest is for commercial investments.

In total, Atrium Ljungberg has 40,000 m² GFA in detailed development plans that are legally binding, and the ambition is to double this in 2024. The Slakthushallarna Hus 26 project is now complete, resulting in a brand-new food destination with a major investment called Solen from the celebrity chefs Adam & Albin leading the way. This project reflects the vision for Slakthusområdet and has gained widespread coverage in the media. At the end of June, a lease contract was signed with the co-working company A house, and their first establishment in Slakthusområdet will open at the beginning of 2024. We also have a cooperation agreement with Stockholm University of the Arts for a move to Slakthusområdet. The university area is planned to comprise 36,000 m² GFA of educational premises and workplaces.

Slussen

Atrium Ljungberg is one of the largest property owners in Slussen. Under Ryssgården and Södermalmstorg we have the opportunity to develop a retail hub measuring 16,000 m² GFA. This retail hub links the Saltsjöbanan Line with the bus terminal in Katarinaberget and the underground. It will also be adjacent to the future Mälarterrassen (see the section Ongoing projects for more information on this specific project).

In Slussen we also have a land allocation in front of Katarinahuset in the Ryssbodarna district, which will be above Stadsgårdsleden and the Saltsjöbanan Line. A development right comprising approximately 7,000 m² GFA across five floors, where we are planning offices with public spaces on the ground floor. Production will start in 2027 at the earliest, with potential occupancy in 2029.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinahuset, which means that we now own 55,000 m² NRA in our existing portfolio, as well as land allocations totalling 30,000 m² GFA. Our development projects in Slussen are scheduled for completion by 2030; they represent a total future investment of SEK 2 billion, including land allocations.

Uppsala

Uppsala is one of our most important submarkets and we are focusing our operations on the City of Uppsala and Gränbystaden.

The detailed development plan for Ångkvarnen (Uppsala Kungsängen 22:2) in the City of Uppsala was adopted by Uppsala City Council in June 2021 and became legally binding at the end of June 2022. The buildings are in a development area where we are working with Ikano Bostad and Besqab to link the southern parts of the inner city with the centre. Possession of these properties is expected to occur at the earliest in the summer of 2024.

We have carried out a number of major development projects in Gränbystaden. In June 2023 we received a positive planning decision, which allows us to develop an additional area measuring 60,000 m² GFA, half of which is expected to be used for residential. The development projects in Uppsala represent a future investment volume of approximately SEK 4 billion.

Gothenburg

In the fourth quarter of 2022 the detailed development plan process started for the reconstruction and extension of the Tornen property in Lindholmen in Gothenburg. 23,000 m² GFA of modern office space is expected to be created. There has been an amendment to the plan, which will allow for FMCG in our M2 property and a detailed development plan for the M1 property. This detailed development plan is being produced in collaboration with Älvstranden Utveckling.

Malmö

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



Ongoing projects

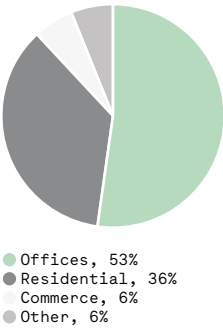
Developed for ownership	Municipality	Type of investment	Completed	Residen- tials, m²	Premises, m²	Total invest- ment including land, SEK m	of which remains, SEK m	Market value upon comple- tion, SEK m	Rental value, SEK m ¹⁾	Economic letting rate, %
Completed projects during the year										
- Slakthushallarna phase 1	Stockholm	Reconstruction	Q1 2023	-	2,300	210	10		10	70
Ongoing projects										
- Katarinahuset	Stockholm	Reconstruction	Q1 2024	-	24,900	1,360	340		152	87
- Slakthushallarna phase 2	Stockholm	Reconstruction	Q1 2024	-	2,000	130	50		5	100
- Campus Sickla	Nacka	Extension	Q2 2025	-	2,100	100	70		7	100
- PV Palatset	Stockholm	Reconstruction	Q2 2025	-	10,100	400	290		48	-
- Sickla Stationshus	Nacka	New builds	Q4 2025	-	16,900	1,040	610		67	-
- Söderhallarna	Stockholm	Reconstruction	Q1 2026	-	23,900	1,260	1,170		126	-
- Upper-secondary school Slakthusområdet	Stockholm	New builds	Q2 2026	-	6,200	370	340		18	100
- Hus 6 Stationen Slakthusområdet	Stockholm	New builds	Q2 2027	-	16,900	1,600	1,410		87	-
Properties to own				-	105,300	6,470	4,290	9,900	520	33
Profit recognition									Booking rate, % ²⁾	Sales rate,% ³⁾
Tenant-owned dwellings										
- Parkhusen block 2	Uppsala	New builds	Q2 2023	5,800	-	270	0		-	67
- Brf Kulturtrappan	Nacka	New builds	Q2 2024	6,600	-	520	140		-	47
Tenant-owned dwellings				12,400	-	790	140	1,000		
Ongoing projects				12,400	105,300	7,260	4,430	10,900		

¹⁾ Excluding premiums.
²⁾ and ³⁾ The proportion of apartments sold (in numbers).

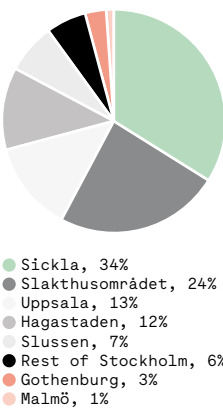
Planned and ongoing projects starting by 2030

Developed for ownership	Number 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	-	57,000	13,000	4,200	4,100	7,000	230
- Sickla	-	99,000	35,000	5,300	4,600	7,500	330
- Slakthusområdet	90	153,000	39,000	10,000	8,500	12,000	515
- Slussen	-	56,000	56,000	4,900	2,200	6,400	240
- Stockholm, other	-	45,000	0	2,000	1,800	2,700	120
Uppsala	345	71,000	13,000	3,400	3,400	3,400	170
Gothenburg/Malmö	-	29,000	5,400	1,100	1,000	1,500	70
Total	435	510,000	161,400	30,900	25,600	40,500	1,675
Less current operating net, SEK m							-65
Newly created operating net, SEK m							1,610
Tenant-owned dwellings							
Stockholm							
- Hagastaden	452	40,000	39,000	3,500	3,300	4,000	
- Sickla	877	80,000	27,000	5,000	4,100	6,300	
- Slakthusområdet	200	18,000	-	1,500	1,500	1,650	
Uppsala	393	35,000	35,000	1,450	1,200	1,500	
Total	1,922	173,000	101,000	11,450	10,100	13,450	
Project portfolios starting by 2030	2,357	683,000	262,400	42,350	35,700	53,950	

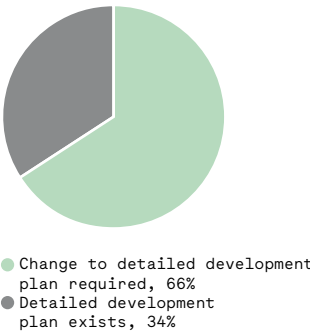
Project portfolio by property type
- Residentials and offices account for approximately 90% of the area



Project portfolio by area
- More than 80% of the area attributable to Stockholm



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



The information about ongoing projects and planned projects in this interim report is based on assessments of the size, goals and scope of these projects, and the dates when they are assessed to start and be completed. The information is also based on assessments of future project costs and rental value up to the year 2030. The assessments and assumptions should not be seen as a forecast. There are uncertainties surrounding these assessments and assumptions, in relation to the projects’ implementation, design and size, schedules, project costs and future rental value. The information about ongoing construction work and planned projects are reassessed on a regular basis, and assessments and assumptions are adjusted as ongoing construction work is completed or added, and the conditions change.

Financing.

The financial market

The financial markets remained jittery even during the third quarter of the year. Concern over the negative impact of the record-fast interest rate increases is mixed with careful optimism that a deeper recession can be avoided. Economic activity has surprisingly proven itself to be robust. Inflation appears to be following a negative trend, even in Sweden. Despite this, a drawn-out decrease in core inflation is preventing the Riksbank and other central banks from quickly lowering interest rates. Instead of “low for long”, the tag phrase is now “higher for longer”.

Swedish short-term market rates continued to rise as the Riksbank increased the key interest rate by 25 bp to 4% in September. However, the market makes the assessment that it is less probable that there will be another increase, but there is also no expectation of any rapid decreases from the Riksbank. The key policy rate is thus expected to remain at around the current level for several quarters going forward. Stibor rose by approximately 30 bp in the quarter. Swap rates continued to rise, and the 10-year swap rate went from approximately 3% at the end of the previous quarter to 3.45% at the end of the third quarter. Pricing on the interest rate market still indicates falling long rates going forward, but still at high levels. The 10-year swap rate is expected to be around 3.35% in one year’s time.

The Swedish capital market, much like the global market, has been volatile but gradually improved after the summer. Investors are no longer shying away from the real estate sector, which represents approximately 50% of the Swedish corporate bond market. Many bond investors also appear to have excessively high liquidity, which will need to be invested eventually. During the quarter, several property companies issued bonds, including Atrium Ljungberg. We issued a short 3-year green FRN of SEK 300 million with a credit margin of 2.25%. The margin was the same as in the issue in April, but then with a shorter tenor of 2.5 years. The commercial paper market also followed a positive trend. While investors during the first

half of the year at best wanted to roll-over maturities, Atrium Ljungberg was able to issue commercial papers to new investors during the third quarter. However, despite this, the commercial paper volume has not increased, which is due to a limited need for financing. The credit margin above Stibor, for a term of 3 months, remained unchanged at 70 bp.

Interest-bearing liabilities

Atrium Ljungberg meets its financing needs 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 24,762 million (SEK 25,389 m). The average closing interest rate of the liabilities portfolio amounted to 2.3% (2.2%) excluding unutilised credit facilities and 2.4% (2.3%) including unutilised credit facilities. The average closing interest rate duration and loan-to-maturity stood at 3.5 years (4.0 years) and 3.8 years (4.3 years), respectively. The interest coverage ratio, measured over a rolling 12-month period, amounted to 3.5 (4.3), while the loan-to-value ratio amounted to 41.8% (41.7%) at the end of the period.

During the first three quarters, bonds of SEK 1,350 million matured, and two green bonds of SEK 300 million each were issued. Further, a new SEK 1,000 million sustainability-linked bank credit facility was raised. The volume of commercial papers increased during the period by a nominal SEK 50 million. Unutilised credit facilities amounted to SEK 7,340 million (SEK 6,055 m), which covers outstanding commercial papers, totalling SEK 1,100 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity amounted to SEK 8,154 million (SEK 6,735 m), including cash and cash equivalents of SEK 514 million (SEK 380 m) and unutilised overdraft facilities of SEK 300 million (SEK 300 m).

Green and sustainability-linked financing

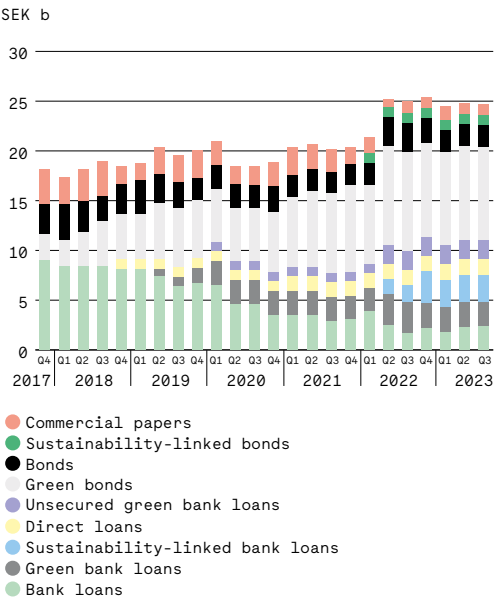
Atrium Ljungberg works with both green and sustainability-linked financing. Green financing is allocated to

specific properties with strict climate requirements. There is a total of SEK 9,412 million (SEK 9,498 m) in green bonds and SEK 4,367 million (SEK 4,372 m) in green secured and unsecured bank loans; this accounts for 56% (55%) 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 999 million in sustainability-linked bonds and SEK 2,695 million in sustainability-linked secured bank loans; this accounts for 15% (16%) of total financing.

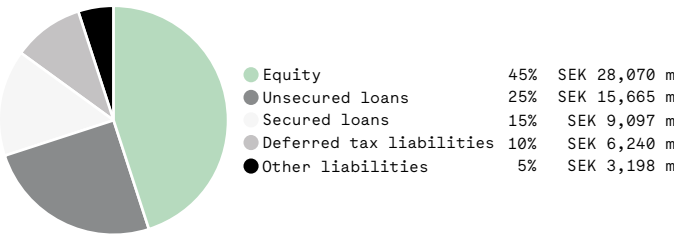
Development of financing sources

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



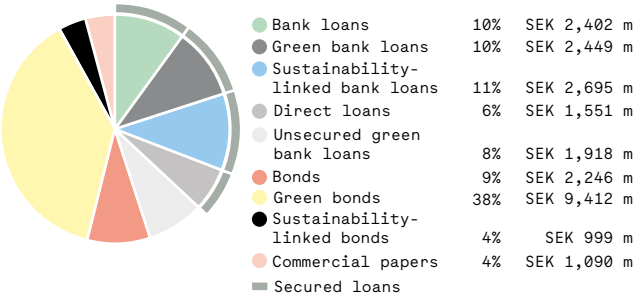
Capital structure

– Secured loans correspond to 15% in relation to total assets



Interest-bearing liabilities

– SEK 24,762 million in interest-bearing liabilities, including 71% green and sustainability-linked financing



Securities

In terms of interest-bearing liabilities, SEK 9,097 million (SEK 9,385 m) is secured by mortgage deeds, accounting for 15% (15%) of total assets. The remainder consists of unsecured financing.

Derivative instruments

At the end of the third quarter, the derivative portfolio comprised SEK 18,064 million (SEK 17,664 m) in interest rate swaps with a maturity of 2023–2033 and cross currency swaps of SEK 3,062 million (SEK 3,189 m). Interest rate swaps are used to hedge the interest rate of loans at floating rates, and cross currency swaps are used to eliminate the currency and interest rate exposure that arises from bonds issued in Norwegian krone.

The unrealised change in the value of derivatives for the first three quarters amounted to SEK –57 million (SEK 1,616 m), primarily as a result of by changes over time and to market rates. The surplus book value of the derivatives portfolio amounted to SEK 1,330 million (SEK 1,513 m) at the end of the third quarter.

Interest rate duration, SEK million			
Duration	Volume	Percent- age, %	Average in- terest, % ¹⁾
2023	2,907	12%	2.6%
2024	2,950	12%	0.7%
2025	1,749	7%	2.4%
2026	2,704	11%	1.9%
2027	4,050	16%	2.7%
>2027	10,402	42%	2.6%
Total	24,762	100%	2.3%

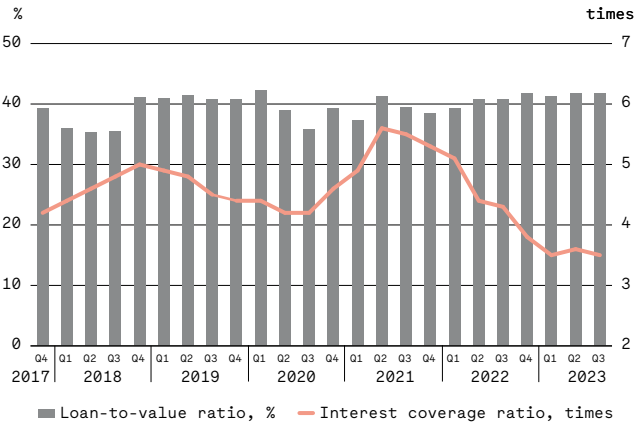
¹⁾ The average credit margin for variable loans is distributed over the maturity duration of the interest derivatives. Average interest is recognised excluding the cost of unutilised credit facilities.

Maturity profile of financing, SEK m					
Duration	Bank loans	Capital market	Total liabili- ties	Per- cent- age, %	Total credit agreements
2023	0	1,150	1,150	5%	1,150
2024	0	2,250	2,250	9%	2,250
2025	3,750	3,099	6,849	28%	10,799
2026	200	3,572	3,772	15%	7,162
2027	1,912	3,166	5,077	21%	5,077
>2027	5,154	510	5,664	23%	5,664
Total	11,015	13,747	24,762	100%	32,102

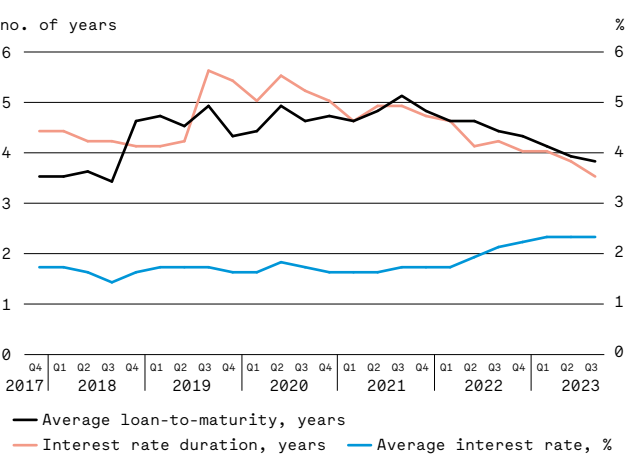
Credit rating

In the light of rising market interest rates and financing costs, and an assessment that property prices are falling on the market, Moody’s took the decision in March to change Ljungberg’s rating to Baa2 with a negative outlook. The reason for this negative outlook is the challenges facing both coverage and the loan-to-value ratio in the current financial climate.

Loan-to-value ratio and interest coverage ratio, rolling 12-month period
– Rising market rates impact the interest coverage ratio.



Average closing interest rate, and loan-to-value maturity and interest rate duration
– Rising market rates gradually impact the loan rate



Consolidated statement of comprehensive income.

Amounts in SEK m	2023 Jul-Sept	2022 Jul-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct- Sept	2022 Jan-Dec
Rental income	700	661	2,111	1,879	2,783	2,550
Project and construction work sales	95	50	270	154	372	256
Net sales	795	710	2,382	2,033	3,155	2,806
Property management costs						
Service charge-related costs	-20	-55	-133	-148	-184	-199
Other operating costs	-47	-54	-137	-145	-192	-199
Management costs	-38	-39	-125	-124	-178	-177
Repairs	-9	-9	-27	-28	-40	-41
Property tax	-54	-55	-163	-162	-215	-214
Non-deductible VAT	-3	-4	-10	-10	-13	-14
	-171	-216	-595	-616	-822	-843
Project and construction work costs	-96	-57	-271	-181	-373	-282
Gross profit	528	438	1,516	1,236	1,960	1,681
- property management (operating surplus)	529	445	1,516	1,262	1,961	1,707
- project and construction work	-1	-7	-1	-26	-1	-26
Central administration	-19	-21	-59	-70	-80	-91
- property management	-17	-17	-53	-59	-71	-76
- project and construction work	-2	-4	-6	-11	-9	-15
Profit from associated companies	-1	-	-1	-	-1	-
Net interest income	-132	-115	-400	-297	-526	-423
Leasehold fees	-11	-11	-32	-29	-42	-39
Profit from property management	366	291	1,024	840	1,311	1,127
Changes in value						
Properties, unrealised	-454	87	-1,443	4,138	-2,910	2,671
Properties, realised	6	-3	-9	18	-9	18
Goodwill impairment	-	-	-24	-	-24	-
Income from sales of development properties	26	329	200	329	200	329
Costs from sales of development properties	-22	-273	-166	-273	-171	-278
Derivatives, unrealised	107	91	-57	1,616	-147	1,526
Profit before tax	29	522	-475	6,669	-1,751	5,393
Current tax	-29	-15	-57	-38	-22	-3
Deferred tax	36	-76	128	-1,326	352	-1,102
Profit for the period	36	432	-404	5,305	-1,421	4,288
Total comprehensive income for the period	36	432	-404	5,305	-1,421	4,288
The profit for the period and the comprehensive income for the period are entirely attributable to the parent company's shareholders						
Average number of shares	126,106	126,264	126,106	126,258	126,118	126,215
Earnings per share before and after dilution, SEK	0.29	3.42	-3.20	42.02	-11.27	33.97

Segment reporting.

2023 Jan-Sept							
Amounts in SEK m	Properties	Project develop-ment ¹⁾	TL Bygg	Project and construc-tion work	Elimina-tions	Non-al-located items	The Group
Rental income	2,162	-	-	-	-51	-	2,111
Project and construction work sales	-	-	621	621	-350	-	270
Net sales	2,162	-	621	621	-401	-	2,382
Property management costs	-642	-	-	-	47	-	-595
Project and construction work costs	-	-9	-601	-610	339	-	-271
Gross profit	1,520	-9	20	11	-16	-	1,516
Central administration	-54	-6	-	-6	1	-	-59
Profit from associated companies	-	-	-	-	-	-1	-1
Net interest income	-	-	2	2	-2	-400	-400
Leasehold fees	-32	-	-	-	-	-	-32
Profit from property management	1,434	-14	22	7	-17	-401	1,024
Changes in value ^{2) 3)}	-1,476	34	-	34	-	-57	-1,498
Tax	-	-	-	-	-	71	71
Profit for the period	-41	20	22	41	-17	-386	-404
Investments and acquisitions	1,083	335	-	335	-	-	1,418
Assets, at the end of the period	57,849	1,577	248	1,825	-	2,596	62,270
2022 Jan-Sept							
Amounts in SEK m	Properties	Project develop-ment ¹⁾	TL Bygg	Project and construc-tion work	Elimina-tions	Non-al-located items	The Group
Rental income	1,909	-	-	-	-31	-	1,878
Project and construction work sales	-	-	524	524	-369	-	154
Net sales	1,909	-	524	524	-400	-	2,032
Property management costs	-640	-	-	-	24	-	-616
Project and construction work costs	-	-19	-510	-529	348	-	-181
Gross profit	1,269	-19	13	-5	-28	-	1,236
Central administration	-60	-3	-9	-12	2	-	-70
Net interest income	-	-	-	-	-	-297	-297
Leasehold fees	-29	-	-	-	-	-	-29
Profit from property management	1,180	-22	4	-17	-26	-297	841
Changes in value ^{2) 3)}	4,156	56	-	56	-	1,616	5,828
Tax	-	-	-	-	-	-1,363	-1,363
Profit for the period	5,336	34	4	39	-26	-44	5,305
Investments and acquisitions	5,157	213	-	213	-	-	5,370
Assets, at the end of the period	61,023	1,194	237	1,431	-	2,238	64,692

¹⁾ The profit within project development mainly refers to costs of investigations at early project stages and ongoing development projects.
²⁾ Properties, unrealised SEK -1,443 million (SEK 4,138 m). Properties, realised SEK -9 million (SEK 18 m). Impairment of goodwill SEK -24 million (-).
³⁾ Unrealised change in value, derivatives SEK -57 million (SEK 1,616 m).

Comments on the consolidated earnings January–September 2023.

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; and Kylhuset 28, Palmfelt Center in Slakthusområdet, which was taken into possession on 28 April 2022. On 31 January 2023 Skotten 6 on Drottninggatan in Stockholm was vacated, while Sicklaön 87:1, Svindersvik in Nacka was vacated on 2 May 2022.

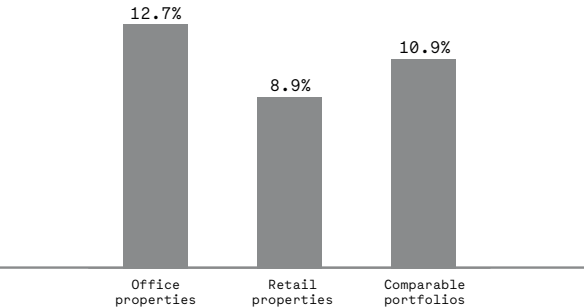
Rental income

Rental income amounted to SEK 2,111 million (SEK 1,879 m) and includes both rebates of SEK –56 million (SEK –62 m) as well as a non-recurring payment of in part SEK 2 million (SEK 13 m) for the early termination of lease contracts and in part crediting of SEK 7 million for received electricity subsidy.

Rental income in comparable portfolios, excluding non-recurring payment, increased by 10.9%. This increase was mostly due to indexation, completed renegotiations and lower vacancies. All segments have reported positive growth.

Rental income, SEK m	2023 Jan–Sept	2022 Jan–Sept	Change, %
Comparable portfolios	1,752	1,580	10.9%
Non-recurring payments	–5	13	
Project properties	212	176	
Properties acquired	146	63	
Properties sold	6	47	
Total	2,111	1,879	12.4%

Rental income growth in comparable portfolios



Property costs

Property costs amounted to SEK 595 million (SEK 616 m). In Q3, Atrium Ljungberg received an electricity subsidy of SEK 20 million, which reduces the quarter’s service charge-related costs. For a comparable portfolio excluding the electrical subsidy, the increase was 2.0%.

Property costs, SEK m	2023 Jan–Sept	2022 Jan–Sept	Change, %
Comparable portfolios	–497	–487	2.0%
Non-recurring payments	20	–	
Project properties	–79	–94	
Properties acquired	–37	–18	
Properties sold	–2	–17	
Total	–595	–616	–3.4%

Earnings for project and construction work

Income from project and construction work is attributable to TL Bygg AB. TL Bygg’s income is recognised over time through the purchase-of-completion method; 78% 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 -1 million (SEK –26 m). Sales in TL Bygg amounted to SEK 621 million (SEK 524 m), of which 59% (70%) refers to intra-Group sales. TL Bygg’s gross profit, including intra-Group transactions, amounted to SEK 20 million (SEK 13 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 53 million (SEK 59 m) and SEK 6 million (SEK 11 m) for project and construction work. The lower costs are mostly due to restructuring and organisational changes.

Net financial items

Our reported net interest amounted to SEK –400 million (SEK –297 m) and was impacted by capitalised interest

of SEK 66 million (SEK 55 m). Net interest increased by SEK 103 million primarily as a result of higher interest rates. Average interest rates during the period based on the average debt volume for the period amounted to 2.5% (2.0%). In addition, costs for leasehold fees amounted to SEK 32 million (SEK 29 m).

Changes in value

The period saw market rates continuing to rise and a tightening of the credit market. Our assessment is that higher financing costs will result in yield requirements continuing to rise on the market. We have reflected this in our portfolio by increasing valuation yields by 25 bp compared with the start of the year and 60 bp compared with 12 months ago. Higher yield requirements have partly been offset by better cash flow, which is mostly due to positive net letting and a higher index assumption for 2023 (from 4% at the beginning of the year to 6% in Q3) as inflation has not turned the corner yet. This meant that the unrealised changes in volume for the period amounted to SEK –1,443 million (SEK 4,138 m), or –2.5% (7.5%).

Realised changes in the value of investment properties amounted to SEK -9 million (SEK 18 m) and were attributable to the sale of Skotten 6, which was vacated on 31 January 2023.

The impairment of goodwill amounted to SEK –24 million (SEK 0 m), attributable to the sale of the Skotten 6.

Earnings from the sale of tenant-owned dwellings are recognised as the tenant-owners take possession of the apartments. During the second quarter, Parkhusen Block 2 in Gränbystaden, Uppsala, was completed, and during the period SEK 31 million was recognised, corresponding to 62% of the apartments being taken into possession.

Unrealised changes in the value of derivatives amounted to SEK –57 million (SEK 1,616 m), primarily driven by time and a change in market rates.

Changes in the value of properties, SEK m	2023 Jan–Sept	2022 Jan–Sept
Yield requirement	–2,396	130
Cash flow, etc.	933	2,420
Project returns	20	1,412
Acquisitions	0	176
Unrealised change in value	–1,443	4,138
Ditto in %	–2.5%	7.5%
Realised change in value	–9	18
Total changes in value	–1,452	4,156
Ditto in %	–2.5%	7.5%

Tax

Tax amounted to SEK 71 million (SEK –1,364 m) with SEK –57 million (SEK –38 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–Sept 2023, SEK m	Data current tax	Data deferred tax
Profit from property management	1,024	
Non-deductible interest	80	
Tax deductible		
-Depreciation/amortisation	–713	713
-Reconstruction work	–114	114
-Capitalised interest	–66	66
Other fiscal adjustments	–12	–15
Taxable Profit from property management	198	878
Current tax	–41	
Sale of properties	86	–29
Changes in value, properties	–	–1,443
Change in value of derivatives	–34	–35
-Of which non-deductible	34	
Taxable profit/loss before loss carry-forwards	285	–630
Loss carry-forwards		
-Opening balance	–7	7
-Closing balance	–1	1
Taxable profit	276	–622
Reported tax expense	–57	128

Consolidated balance sheet, summary.

Amounts in SEK m	30/09/2023	30/09/2022	31/12/2022
ASSETS			
Investment properties	56,413	59,581	58,596
Right-of-use asset, leaseholds	1,296	1,277	1,277
Goodwill	140	165	165
Other non-current assets	350	23	106
Derivatives	1,542	1,672	1,572
Total non-current assets	59,740	62,717	61,717
Development properties	1,577	1,194	1,409
Current assets	439	462	391
Cash and cash equivalents	514	319	380
Total current assets	2,530	1,975	2,181
Total assets	62,270	64,692	63,898
EQUITY AND LIABILITIES			
Equity	28,070	30,160	29,141
Deferred tax liability	6,240	6,887	6,661
Non-current interest-bearing liabilities	24,762	25,098	25,389
Non-current finance lease liability	1,296	1,277	1,277
Derivatives	211	110	59
Other non-current liabilities	318	292	295
Total non-current liabilities	32,827	33,663	33,682
Other current liabilities	1,373	870	1,074
Total current liabilities	1,373	870	1,074
Total equity and liabilities	62,270	64,692	63,898

Consolidated change in equity.

Amounts in SEK m	Attributable to the parent company shareholders			
	Share capital	Other capital contributions	Profit brought forward	Total equity
Opening balance as of 1 January 2022	333	3,960	21,248	25,541
Profit for the period	-	-	5,305	5,305
Acquisition of own shares	-	-	-30	-30
Dividend, SEK 5.20/share	-	-	-657	-657
Closing balance, as of 30 September 2022	333	3,960	25,866	30,160
Profit for the period	-	-	-1,017	-1,017
Acquisition of own shares	-	-	-	-
Closing balance as of 31 December 2022	333	3,960	24,849	29,141
Profit for the period	-	-	-404	-404
Dividend, SEK 5.30/share	-	-	-668	-668
Closing balance, as of 30 September 2023	333	3,960	23,777	28,070

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 (7,114,875). As of 30 September 2023, the number of outstanding shares therefore stood at 126,105,861 (126,105,861), while the average number of shares amounted to 126,105,861 (126,258,474) during the period.

Comments on the consolidated financial position 30 September 2023.

Properties

At the end of the period the property portfolio amounted to SEK 57,989 million (SEK 60,006 m), broken down into SEK 56,413 million (SEK 58,596 m) for investment properties and SEK 1,577 million (SEK 1,409 m) for development properties. Investment properties have been valued at approximately SEK 56,323/m² (58,931/m²) with an average valuation yield of 4.6% (4.4%). For more information, see the sections on Property Portfolio and Project Development.

Goodwill

Goodwill amounted to SEK 140 million (SEK 165 m) at the end of the period. This change is attributable to the sale of the Skotten 6 property. Goodwill relates to deferred tax and originates from Atrium Fastigheter's merger with Ljungberggruppen 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 1,296 million (SEK 1,277 m).

Associated companies

Atrium Ljungberg acquired 50% of the shares in A house in March 2023. The book value as of 30/09/2023 amounted to SEK 21 million and is recognised in Other non-current assets in the consolidated balance sheet.

Equity and net value

The Group's equity attributable to the parent company's shareholders amounted to SEK 28,070 million (SEK 29,141 m) at the end of the period, corresponding to SEK 223/share (SEK 231/share).

The long-term net asset value amounted to SEK 33,174 million (SEK 34,125 m) at the end of the quarter, corresponding to SEK 263 per share (SEK 271/ share). A reduction of 1.8%, adjusted for the dividend paid, compared with the start of the year.

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.

Deferred tax

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 6% 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 20.6%; and that properties are realised over a period of 50 years where 100% of the portfolio is sold indirectly via companies, with the purchasers and sellers splitting the tax.

Net deferred tax liabilities 30/09/2023

SEK m	Deferred	Tax liabilities	
		Nominal	Assessed
Loss carry-forwards	-1	-0	-0
P funds	91	19	18
Derivatives, etc.	1,519	313	304
Properties	36,547	7,529	1,937
Total	38,156	7,860	2,259
Properties, available acquisitions	-7,864	-1,620	-
According to the balance sheet	30,292	6,240	-

Interest-bearing liabilities and derivatives

At the end of the period interest-bearing liabilities amounted to SEK 24,762 million (SEK 25,389 m) with an average closing interest rate of 2.3% (2.2%). The loan-to-value ratio amounted to 41.8% (41.7%) 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 1,330 million (SEK 1,513 m) at the end of the period. For more information, read the section on Financing.



Consolidated Cash Flow Statement.

Amounts in SEK m	2023 Jul-Sept	2022 Jul-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct- Sept	2022 Jan-Dec
OPERATING ACTIVITIES						
Profit from property management	366	291	1,024	840	1,311	1,127
Reversal of depreciation, amortisation and impairment	2	2	7	11	10	14
Other items not included in the cash flow	3	-3	5	-1	8	2
Tax paid	12	-3	-10	-17	3	-4
Cash flow from operating activities before changes in working capital	383	288	1,026	834	1,330	1,139
Net change in working capital	83	-55	-292	-64	-77	150
Cash flow from operating activities	466	233	734	770	1,253	1,289
INVESTMENT ACTIVITIES						
Acquisition of investment properties	-4	-1	-4	-3,679	1	-3,674
Investments in held properties/tenant-owned dwelling projects	-408	-659	-1,414	-1,641	-2,122	-2,349
Sale of investment properties	-3	-0	1,514	67	1,514	67
Sale of development properties	47	264	146	264	146	264
Investment in financial non-current assets	-	-	-22	-	-22	-
Purchase/sale of equipment	-0	0	-3	-9	-7	-13
Cash flow from investment activities	-368	-396	218	-4,999	-488	-5,705
FINANCING ACTIVITIES						
Change in other non-current liabilities	9	9	18	25	21	28
Loans raised	1,298	820	4,385	9,475	7,135	12,226
Repayment of debts	-1,325	-878	-4,885	-4,984	-7,392	-7,491
Dividends paid	-	-	-334	-657	-334	-657
Buy-back of own shares	-	-28	-	-30	-0	-30
Cash flow from financing activities	-18	-77	-817	3,829	-570	4,076
Cash flow for the period	80	-240	135	-399	195	-339
Cash and cash equivalents at the beginning of the period	434	560	380	719	319	719
Cash and cash equivalent at the end of the period	514	319	514	319	514	380



Restaurant Solen in Slakthusområdet.

The parent company.

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

Net sales amounted to SEK 219 million (SEK 239 m). The operating profit/loss amounted to SEK –41 million (SEK –52 m).

Profit after financial items amounted to SEK 237 million (SEK 195 m). Net financial expenses include an unrealised change in value attributable to derivatives that amounted to SEK –152 million (SEK 128 m).

Interest-bearing liabilities amounted to SEK 17,453 million (SEK 17,796 m). These funds finance the parent company’s property portfolio and are lent on to other Group companies.

Amounts in SEK m	2023 Jul–Sept	2022 Jul–Sept	2023 Jan–Sept	2022 Jan–Sept	2022/2023 Oct– Sept	2022 Jan–Dec
Rental income	0	1	2	2	4	4
Management income	70	80	217	236	337	356
Net sales	71	81	219	239	341	360
Property costs	0	-1	-0	-2	-1	-3
Management/administration expenses	-82	-96	-258	-285	-388	-414
Capital gain/loss from sale of properties	-	-	-	-	0	0
Depreciation	-1	-1	-2	-4	-3	-5
Operating profit	-12	-16	-41	-52	-50	-62
Earnings from shares in Group companies	-	-	-	-	728	728
Interest income, etc.	148	226	755	628	1,006	879
Interest expenses, etc.	-40	-168	-476	-381	-633	-537
Profit after financial items	96	41	237	195	1,051	1,008
Appropriations	0	1	1	3	49	51
Profit before tax	96	42	239	198	1,100	1,059
Current tax	-	-	-0	-	-0	-
Deferred tax	0	-0	0	-35	0	-35
Profit for the period	97	42	239	163	1,100	1,024

Amounts in SEK m	30/09/2023	30/09/2022	31/12/2022
ASSETS			
Property, plant and equipment	6	6	5
Financial fixed assets	1,864	1,440	1,556
Current assets	26,364	27,939	26,979
Total assets	28,233	29,385	28,540
EQUITY AND LIABILITIES			
Equity	10,075	9,643	10,504
Untaxed reserves	2	3	3
Provisions	22	19	20
Non-current liabilities	17,664	19,605	17,855
Current liabilities	470	115	158
Total equity and liabilities	28,233	29,385	28,540

Key performance indicators. ¹⁾

PROPERTY-RELATED KEY PERFORMANCE INDICATORS	2023 Jul-Sept	2022 Jul-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct- Sept	2022 Jan-Dec
Rental value, SEK/m ²	3,469	3,210	3,469	3,210	3,469	3,445
Economic letting rate, %	93	92	93	92	93	93
Operating surplus margin, %	76	67	72	67	70	67
Property value, SEK/m ²	56,323	60,076	56,323	60,076	56,323	58,931
Valuation yield, %	4.6	4.1	4.6	4.1	4.6	4.4
Letting area at the end of the period, '000 m ²	945	957	945	957	945	956
Number of properties at the end of the period	75	65	75	65	75	76
FINANCIAL KEY PERFORMANCE INDICATORS						
Loan-to-value ratio ³⁾ , %	41.8	40.8	41.8	40.8	41.8	41.7
Interest coverage ratio	3.8	4.0	3.6	4.0	3.5	3.8
Net debt/EBITDA	12.1	13.4	12.5	15.6	13.0	15.6
Return on equity (annual rate), %	0.5	5.8	-1.9	25.4	-4.9	15.7
Return on total assets (annual rate), %	0.3	3.4	-0.0	12.0	-1.7	7.3
Average closing interest rate, %	2.3	2.1	2.3	2.1	2.3	2.2
Interest rate duration, year	3.5	4.6	3.5	4.2	3.5	4.0
Loan-to-maturity, year	3.8	4.6	3.8	4.4	3.8	4.3
DATA PER SHARE						
Profit from property management, SEK	2.90	2.30	8.12	6.66	10.39	8.93
Profit from property management after tax, SEK	2.81	2.29	7.79	6.12	10.27	8.59
Profit after tax, SEK	0.29	3.42	-3.20	42.02	-11.27	33.97
Long-term net asset value, SEK	263.06	280.08	263.06	280.08	263.06	270.60
Current net asset value ²⁾ , SEK	245.15	269.31	245.15	269.31	245.15	251.81
Disposal value, SEK	219.24	236.95	219.24	236.95	219.24	223.46
Dividend, SEK	-	-	-	-	-	5.30
Share price, SEK	178.10	137.50	178.10	137.50	178.10	170.90
Average number of outstanding shares, '000	126,106	126,264	126,106	126,258	126,118	126,215
Number of outstanding shares at the end of the period, thousand	126,106	126,106	126,106	126,106	126,106	126,106
EMPLOYEES						
Average number of employees	282	315	291	316	297	321

¹⁾ See the definitions on pages 27-28 and see the reconciliation for key performance indicators at www.al.se.

²⁾ For the calculation of the current net asset value, an estimated deferred tax of 6% has been used.

³⁾A new definition from Q2 2023, using net rather than gross interest-bearing liabilities. The key performance indicators have been recalculated accordingly.



Parkhusen Block 2 in Gränbystaden, Uppsala

Derivation of key performance indicators.

Atrium Ljungberg uses alternative KPIs that are not defined under IFRS, but are assessed as providing valuable, supplementary information when evaluating the financial development of the company.

Reconciliation with the financial statements is provided for the alternative KPIs that are not directly identifiable from the financial statements and have been assessed as being of material importance.

See also definitions on pages 27–28.

	2023 Jul–Sept	2022 Jul–Sept	2023 Jan–Sept	2022 Jan–Sept	2022/2023 Oct– Sept	2022 Jan–Dec
NET WORTH						
Number of outstanding shares, ‘000	126,106	126,106	126,106	126,106	126,106	126,106
Equity	28,070	30,160	28,070	30,160	28,070	29,141
+ Dividend declared, but not paid	334	–	334	–	334	–
- Derivatives	-1,330	-1,562	-1,330	-1,562	-1,330	-1,513
- Goodwill	-140	-165	-140	-165	-140	-165
- Deferred tax	6,240	6,887	6,240	6,887	6,240	6,661
Long-term net asset value	33,174	35,319	33,174	35,319	33,174	34,125
SEK/share	263.06	280.08	263.06	280.08	263.06	270.60
-Assessed actual deferred tax (see page 17)	-2,259	-1,357	-2,259	-1,357	-2,259	-2,370
Current net asset value	30,915	33,962	30,915	33,962	30,915	31,755
SEK/share	245.15	269.31	245.15	269.31	245.15	251.81
+ Derivatives	1,330	1,562	1,330	1,562	1,330	1,513
- Deferred tax, net	-3,981	-5,529	-3,981	-5,529	-3,981	-4,292
- Interest-bearing liabilities	24,762	25,098	24,762	25,098	24,762	25,389
- Fair value interest-bearing liabilities	-25,379	-25,212	-25,379	-25,212	-25,379	-26,186
Disposal value	27,647	29,881	27,647	29,881	27,647	28,180
SEK/share	219.24	236.95	219.24	236.95	219.24	223.46
PROFIT FROM PROPERTY MANAGEMENT AFTER TAX						
Profit from property management according to the income statement	366	291	1,024	840	1,311	1,127
- Current tax on profit from property management (see page 15)	-12	-1	-41	-68	-16	-43
Profit from property management after tax	354	289	983	772	1,295	1,084
Weighted average number of outstanding shares, ‘000	126,106	126,264	126,106	126,258	126,118	126,215
SEK/share	2.81	2.29	7.79	6.12	10.27	8.59

Amounts in SEK m	2023 Jul–Sept	2022 Jul–Sept	2023 Jan–Sept	2022 Jan–Sept	2022/2023 Oct–Sept	2022 Jan–Dec
OPERATING SURPLUS MARGIN						
Operating surplus	529	445	1,516	1,262	1,961	1,707
Rental income	700	661	2,111	1,879	2,783	2,550
Operating surplus margin, %	76	67	72	67	70	67
LOAN-TO-VALUE RATIO						
Investment properties	56,413	59,581	56,413	59,581	56,413	58,596
+ Development properties	1,577	1,194	1,577	1,194	1,577	1,409
Total properties	57,989	60,775	57,989	60,775	57,989	60,006
Interest-bearing liabilities	24,762	25,098	24,762	25,098	24,762	25,389
- Cash and cash equivalents	-514	-319	-514	-319	-514	-380
Net debt	24,248	24,778	24,248	24,778	24,248	25,010
Loan-to-value ratio, %	41.8	40.8	41.8	40.8	41.8	41.7
INTEREST COVERAGE RATIO						
Profit from property management according to the income statement	366	291	1,024	840	1,311	1,127
+ Net interest income	132	115	400	297	526	423
+ Income from sales of development properties	26	329	200	329	200	329
- Costs from sales of development properties	-22	-273	-166	-273	-171	-278
Total	502	462	1,458	1,194	1,866	1,601
Net interest income	132	115	400	297	526	423
Interest coverage ratio	3.8	4.0	3.6	4.0	3.5	3.8
NET DEBT/EBITDA (Debt ratio)						
Interest-bearing liabilities	24,762	25,098	24,762	25,098	24,762	25,389
- Cash and cash equivalents	-514	-319	-514	-319	-514	-380
Net debt	24,248	24,778	24,248	24,778	24,248	25,010
Gross profit	528	438	1,516	1,236	1,960	1,681
- Central administration	-19	-21	-59	-70	-80	-91
- Leasehold fees	-11	-11	-32	-29	-42	-39
+ Income from sales of development properties	26	329	200	329	200	329
- Costs from sales of development properties	-22	-273	-166	-273	-171	-278
EBITDA	503	462	1,459	1,194	1,866	1,601
Net debt/EBITDA (annual rate)	12.1	13.4	12.5	15.6	13.0	15.6
YIELD MEASURES						
Profit for the period	36	432	-404	5,305	-1,421	4,288
Equity, average	28,052	29,957	28,606	27,850	29,115	27,341
Yield equity, % (annual rate)	0.5	5.8	-1.9	25.4	-4.9	15.7
Profit for the period before tax	29	522	-475	6,669	-1,751	5,393
+ Net interest income	132	115	400	297	526	423
+ Change in value of derivatives	-107	-91	57	-1,616	147	-1,526
Profit	54	546	-18	5,349	-1,077	4,290
Total assets, average	62,259	64,696	63,084	59,489	63,481	59,091
Return on total assets, % (annual rate)	0.3	3.4	-0.0	12.0	-1.7	7.3

Quarterly summary.

INCOME STATEMENTS								
	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Amounts in SEK m								
Rental income	700	699	712	672	661	619	600	600
Project and construction work sales	95	92	84	101	50	49	56	95
Net sales	795	790	796	773	710	667	655	695
Property management costs	-171	-200	-224	-227	-216	-191	-209	-193
Project and construction work costs	-96	-90	-85	-102	-57	-62	-62	-103
Gross profit	528	500	487	444	438	414	384	399
- property management (operating surplus)	529	498	489	444	445	427	391	407
- project and construction work	-1	2	-1	-1	-7	-13	-6	-8
Central administration	-19	-23	-17	-21	-21	-27	-22	-27
- property management	-17	-21	-15	-18	-17	-22	-20	-25
- project and construction work	-2	-2	-2	-3	-4	-5	-3	-2
Profit from associated companies	-1	-0	-	-	-	-	-	-
Financial income and expenses	-143	-145	-144	-137	-126	-119	-80	-68
Profit from property management	366	332	326	286	291	268	281	304
Changes in value								
Properties, unrealised	-454	-588	-401	-1,467	87	2,742	1,309	1,448
Properties, realised	6	-8	-6	-0	-3	11	10	-6
Goodwill impairment	-	-	-24	-	-	-	-	-
Income from sales of development properties	26	174	-	-	329	-	-	-
Costs from sales of development properties	-22	-147	3	-5	-273	-	-	-
Derivatives, unrealised	107	88	-252	-90	91	686	838	63
Profit before tax	29	-149	-355	-1,276	522	3,708	2,439	1,809
Tax	7	1	63	259	-90	-704	-569	-370
Profit for the period	36	-148	-292	-1,017	432	3,003	1,870	1,439

KEY PERFORMANCE INDICATORS ¹⁾								
	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Property-related key performance indicators								
Rental value, SEK/m ²	3,469	3,450	3,441	3,445	3,210	3,204	3,084	3,093
Economic letting rate, %	93	93	93	93	92	92	91	91
Operating surplus margin, %	76	71	69	66	67	69	65	68
Property value, SEK/m ²	56,323	56,661	57,315	58,931	60,076	59,871	54,926	54,167
Valuation yield, %	4.6	4.6	4.5	4.4	4.1	4.0	4.2	4.2
Letting area at the end of the period, '000 m ²	945	945	943	956	957	957	881	893
Number of properties at the end of the period	75	75	75	76	65	67	66	67
Financial key performance indicators								
Loan-to-value ratio, % ³⁾	41.8	41.8	41.3	41.7	40.8	40.7	39.2	38.5
Interest coverage ratio R12	3.5	3.6	3.5	3.8	4.3	4.4	5.1	5.3
Net debt/EBITDA R12	13.0	13.3	14.1	15.6	15.9	17.0	13.8	11.5
Return on equity R12, %	-4.9	-3.5	7.7	15.7	24.8	26.1	20.6	15.6
Return on total assets R12, %	-1.7	-0.9	4.4	7.3	12.2	12.7	10.5	8.8
Average closing interest rate, %	2.3	2.3	2.3	2.2	2.1	1.9	1.7	1.7
Interest rate duration, year	3.5	3.8	4.0	4.0	4.2	4.1	4.6	4.7
Loan-to-maturity, year	3.8	3.9	4.1	4.3	4.4	4.6	4.6	4.8
Data per share								
Profit from property management, SEK	2.90	2.63	2.58	2.27	2.30	2.12	2.23	2.41
Profit from property management after tax, SEK	2.81	2.49	2.49	2.47	2.29	2.00	1.82	2.39
Earnings per share, SEK	0.29	-1.17	-2.32	-8.07	3.42	23.78	14.81	11.38
Long-term net asset value, SEK	263.06	264.42	266.70	270.60	280.08	277.14	252.17	245.73
Current net asset value ²⁾ , SEK	245.15	246.64	249.09	251.81	269.31	266.59	243.98	236.02
Disposal value, SEK	219.24	218.96	219.08	223.46	236.95	227.98	209.85	198.73
Share price, SEK	178.10	186.60	169.00	170.90	137.50	134.00	192.50	199.70
Average number of shares, '000	126,106	126,106	126,106	126,106	126,264	126,301	126,301	126,415
Number of outstanding shares at the end of the period, '000	126,106	126,106	126,106	126,106	126,106	126,301	126,301	126,313

¹⁾ See definitions on pages 27-28. For the reconciliation of key performance indicators, visit www.al.se.
²⁾ For the calculation of the current net asset value, an estimated deferred tax of 6% has been used.
³⁾ A new definition from Q2 2023, using net rather than gross interest-bearing liabilities. The key performance indicators have been recalculated accordingly.

Other information.

Profit from property management

From the first interim report of 2023, income and costs relating to the sale of tenant-owned dwellings will be recognised in Changes in value in the consolidated income statement, while a new term 'Profit from property management' has been introduced. The term 'Profit before changes in value' will therefore no longer be used. Previously, any profit from the tenant-owned dwelling business was recognised in Project and construction work sales and Project and construction work costs. For the full year 2022 this means that SEK 329 million has been moved from Project and construction sales to Income from sales of development properties and SEK –278 million was moved from Project and construction work costs to Costs from sales of development properties. The purpose of this change is to make it easier to monitor earnings as they come in.

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 comprises pages 1–29, with pages 1–13 forming an integral 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 2022 Annual Report.

Recognition of electricity subsidy

Atrium Ljungberg has recognised in the third quarter a received electricity subsidy of SEK 20 million. The received electricity subsidy is recognised as a cost reduction at the point in time when we were able to determine with reasonable assurance that the conditions associated with the subsidy were met.

Recognising earnings from residential developments

Earnings from the sale of properties that are intended for sale, such as tenant-owned associations after completion, are recognised when the property has been completed and as the tenant-owners take possession of the apartments. Earnings are recognised gross in changes in value in the income statement in the rows Income from sales of development properties and Costs from sales of development properties.

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 30/09/2023, which means that a liability of SEK 211 million (SEK 110 m) has been recognised in the balance sheet. A negative change in value of SEK –152 million (SEK 128 m) was 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 24,762 million (SEK 25,389 m) and their fair value totals SEK 25,379 million (SEK 26,186 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 current 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 the APMs for 2022 and earlier is available on Atrium Ljungberg's website, www.al.se. From Q1 2023 reconciliation will be in the Derivation of key performance indicators section on page 21.

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.

K3 figures

Atrium Ljungberg prepares its consolidated accounts in compliance with IFRS. If the company had prepared its consolidated accounts in compliance with K3, the following significant adjustments would have been made:

Income statement:

There would have been depreciation/amortisation of SEK –214 million; an unrealised change in the value of properties of SEK 1,443 million; while the realised change in the value of properties would have been adjusted by SEK 1,107 million. Goodwill impairment amounted to SEK 24 million. The change in the value of derivatives would have been adjusted by SEK 31 million and deferred tax by SEK –487 million. All of this combined would result in a change in profit of SEK 1,903 million.

Balance sheet:

Properties would not have been recognised at their fair value, in compliance with K3, which would have resulted in an adjustment of SEK –20,645 million for investment properties and SEK –377 million for development properties. Right-of-use assets and leasing liabilities for leaseholds would not apply and would therefore both have been adjusted by the same amount, SEK –1,296 million/SEK 1,296 million. Goodwill would have been completely amortised, resulting in a reduction of SEK –140 million.

Derivatives are valued using the lowest value principle and would therefore have been adjusted for surplus values, corresponding to SEK –1,542 million. As a consequence of the adjustments to the income statement and balance sheet, deferred tax would have been impacted by SEK –4,648 million and equity by SEK –18,056 million.

Market development, risks and uncertainties

Atrium Ljungberg’s property portfolio, with office, retail and full-service environments, is located in strong subsidiary markets in the growth regions of Stockholm, Uppsala, Gothenburg and Malmö. 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, persistent inflation, some disruptions that have remained 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. Access to borrowed capital has varied, resulting in rising credit margins. The total financing cost offered by the market, together with higher market rates, is significantly higher than what it has been in recent years. Higher financing costs impact

the demand for properties, which should result in higher yield requirements and therefore lower property values.

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 a liquidity buffer of approximately SEK 8 billion.

For further information on risks and uncertainties in general, please see Atrium Ljungberg’s 2022 Annual Report and the section entitled ‘Risks and risk management’ on pages 62–68.

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 well-equipped 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.

This interim report has been reviewed by the company’s auditors.

Report signatures

The Board of Directors and the CEO hereby attest that the interim report provides an accurate overview of the operations, position and results of the company and the Group and that it describes significant risks and uncertainties faced by the company and the companies that make up the corporate Group.

Nacka, 12 October 2023

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

Johan Thorell
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 persons set out above, at 7.30 a.m. CET on 12 October 2023.

Auditor's review report

Atrium Ljungberg AB, corporate identity
number 556175-7047

Introduction

We have performed a review of the interim report for Atrium Ljungberg AB for the period 1 January to 30 September 2023. 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, 12 October 2023

Deloitte AB

Hans Warén
Authorised Public Accountant

The share.

Atrium Ljungberg’s share is listed on Nasdaq Stockholm Large Cap, with approximately 8,000 shareholders at the end of 2022. The 10 largest individual owners as of 30/09/2023 are presented in the table below.

Buy-back of shares

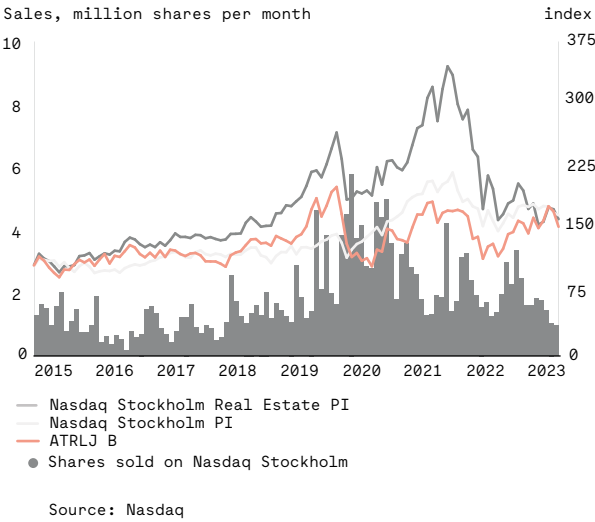
At the Annual General Meeting in March 2023, the Board of Directors of Atrium Ljungberg was authorised to take the decision to acquire the company’s own shares on one or more occasions during the period until the next Annual General Meeting. The purpose of such buy-backs is to give the Board more flexibility in its work on the company’s capital structure, which will therefore help to increase shareholder value. As of 30 September 2023, the company owned 7,114,875 class B shares. No buy-backs were carried out Jan–Sept 2023 (SEK 30 m).

Dividend yield and total yield

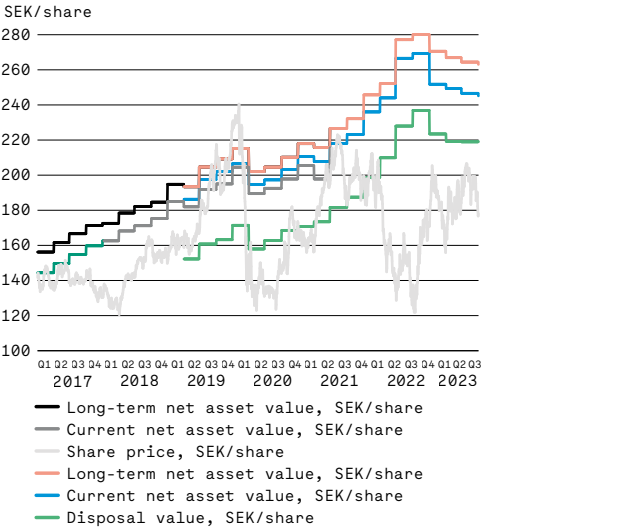
The most recent executed dividend of SEK 5.30 per share, corresponding to a dividend yield of 3.0% (3.8%), calculated using the closing price.

The share’s total yield, including the dividend, has been 33.4% (–22.4%) over the past 12-month period.

The Atrium Ljungberg share



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



Major shareholders as of 30/09/2023

	Class A shares, '000	Class B shares '000	Share of votes, %	Share of capital, %
Ljungberg family	2,190	29,351	31.6	23.7
The Stockholm Consumer Cooperative Society	0	32,361	20.0	24.3
Holmström family	1,810	14,549	20.1	12.3
Varma pension insurance	0	8,117	5.0	6.1
Carnegie fonder	0	6,835	4.2	5.1
Swedbank Robur Fonder	0	3,537	2.2	2.7
Vanguard	0	1,917	1.2	1.4
BlackRock	0	1,864	1.1	1.4
Länsförsäkringar Fonder	0	1,647	1.0	1.2
AFA Försäkring	0	1,549	1.0	1.2
Other	0	20,379	12.6	20.6
Total outstanding shares	4,000	122,106	100.0	100.0
Shares bought back ¹⁾	–	7,115		
Total number of shares issued	4,000	129,221		

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

Share data	2023 Jan–Sept	2022 Jan–Sept
Share price, SEK		
-Lowest	150.10	123.20
-Highest	209.20	215.00
-Closing price	178.10	137.50
Market capitalisation, SEK b	22.5	17.3
Share price/Long-term net asset value	68%	49%
P/E	neg.	2.6
Share dividend yield	3.0%	3.8%



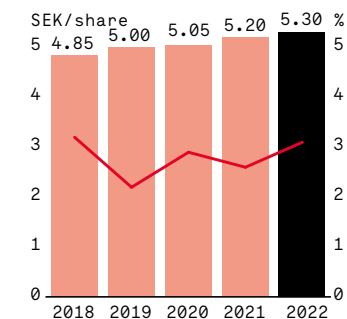
Four reasons to own shares in Atrium Ljungberg.

Stable dividend.

Atrium Ljungberg has delivered a stable dividend with an effective dividend growth rate of 6% 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.



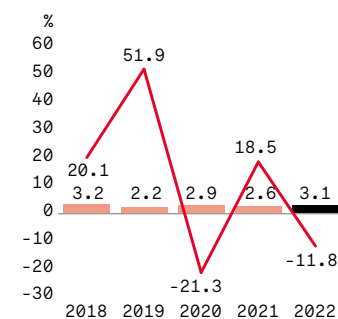
● Dividend, SEK/share
— Dividend yield, %

Potential for good value growth.

With a project volume of approximately SEK 40 billion in land already owned by the company and land allocations that it has obtained, Atrium Ljungberg – and therefore the share – has excellent potential to report healthy value growth over time.

Share's total yield

A total yield averaging 11.5% over the past five years.



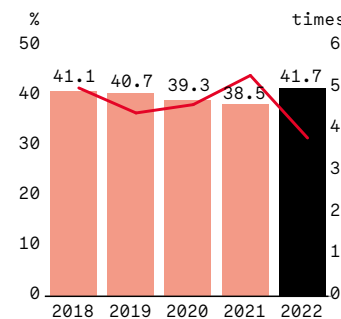
● Share dividend yield, %
— Total yield, %

Low financial risk.

We are in a strong financial position, with a stable loan-to-value ratio and interest coverage ratio. We have an investment grade rating of Baa2 from Moody's with a negative outlook.

Loan-to-value ratio and interest coverage ratio

Stable loan-to-value ratio and interest coverage ratio.



● Loan-to-value ratio, %¹
— Interest coverage ratio

¹) A new definition from Q2 2023, using net rather than gross interest-bearing liabilities. The key performance indicators have been recalculated accordingly.

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 substantial purchases will be evaluated by 2025 based on our Supplier Code of Conduct.
- Sustainable employees, a score of 5.5 in the Human Financial Wellness monitoring system.

Definitions.

Financial definitions

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 asset value 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.

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 less cash and cash equivalents, 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

Project and construction work sales 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.

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 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.

Average closing interest rate, %

Weighted average contracted interest for all credits in the liabilities portfolio excluding unutilised credit facilities.

The average closing interest rate 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 asset value 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.

Net debt/EBITDA (debt ratio)

Interest-bearing liabilities less cash and cash equivalents divided by gross profit adjusted for central administration, leasehold fees and profit from the sale of development properties.

Net debt/EBITDA is used to highlight earnings in relation to indebtedness.

Earnings per share, SEK

Net profit/loss for the period divided by the average number of outstanding shares.

Interest coverage ratio

Profit from property management plus net interest income and profit from the sale of development properties divided by net interest income (excluding leasehold fees, which have been reclassified to interest expense in accordance with IFRS 16).

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

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.



Bas Barkarby has a strategic location in the middle of the expanding area Barkarbystaden. A new healthcare cluster is emerging here.

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.

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 portfolios
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.

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

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

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

Sustainability-related definitions

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

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

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

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

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

Total capital expenditure
The acquisition of properties and investments in new and existing properties. The ‘Change in the property portfolio’ table therefore includes the following rows: ‘Acquisitions’ and ‘Investments in held properties’. This also includes investments in other property, plant and equipment.

Total operating expenses
Costs for property maintenance, ongoing repairs and maintenance.



In Hagastaden, old industrial brick meets ultra-urban architecture. The district has an international feel and a unique identity.

Information from Atrium Ljungberg.

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

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

IR contact
Ulrika Danielsson, CFO
Tel.: +46(0)70-647 12 61
Email: ulrika.danielsson@al.se

Publication of financial information.

Year-End Report 2023	31/01/2024
2023 Annual Report	23/02/2024
Interim Report, January-March 2024	12/04/2024
Interim Report, January-June 2024	05/07/2024
Interim Report, January-September 2024	11/10/2024





Press releases during the quarter.

Tradera moves its head office to Life City	31/08/2023
Stockholms Auktionsverk commits to Sickla	15/09/2023



Box 4200, SE-131 04 Nacka, Sweden,
street address: Smedjegatan 2C
Tel.: +46(0)8-615 89 00, info@al.se
Registered office: Nacka, Corporate ID no.: 556175-7047

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

Atrium Ljungberg, October 2023.
Photos: Alric Ljunghager, Foster+ Partner,
Måns Berg, Sanam Ebadnejad, Tengbom
Arkitekter, TMRW.
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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.

