

Strong first quarter in turbulent times.





- ➔ Rental income amounted to SEK 600 million (SEK 572 m), with an increase in comparable portfolios of 2.6% (–1.8%).

➔ The operating surplus amounted to SEK 391 million (SEK 377 m), of which comparable portfolios increased by 1.5% (–3.7%).

➔ Net sales for project and construction work amounted to SEK 56 million (SEK 127 m), while gross profit totalled SEK –6 million (SEK 29 m).

➔ Profit before changes in value amounted to SEK 281 million (SEK 311 m), corresponding to SEK 2.23/share (SEK 2.44/share).

➔ Unrealised changes in the value of properties amounted to SEK 1,309 million (SEK 167 m),
- which included project returns of SEK 602 million (SEK 0 m)

➔ Profit for the period amounted to SEK 1,870 million (SEK 552 m), corresponding to SEK 14.81/share (SEK 4.34/share).

➔ Net letting for the period amounted to SEK 44 million (SEK –10 m), of which the company itself terminated SEK –10 million (SEK –2 m) to pave the way for future projects.

➔ Investments in held properties amounted to SEK 463 million (SEK 485 m).

➔ The net asset value amounted to SEK 252.17/share, which is an increase of 4.7%, adjusted for dividends paid, compared with the start of the year.

Overview ¹⁾	2022 Jan–Mar	2021 Jan–Mar	2021/2022 Apr–Mar	2021 Jan–Dec
Rental income	600	572	2,320	2,292
Net sales, project and construction work	56	127	721	792
Net sales, SEK m	655	699	3,040	3,084
Gross profit, SEK m	384	405	1,645	1,666
Profit before changes in value, SEK m	281	311	1,220	1,249
Ditto SEK/share	2.23	2.44	9.65	9.86
Unrealised changes in the value of properties, SEK m	1,309	167	4,182	3,040
Profit after tax, SEK m	1,870	552	5,074	3,757
Ditto SEK/share	14.81	4.34	40.13	29.65
Property value, SEK m	53,361	48,011	53,361	51,589
Investments in Atrium Ljungberg’s held properties, SEK m	463	485	2,257	2,279
Net lettings, excl. own terminations, SEK m	54	–9	134	71
Net lettings, incl. own terminations, SEK m	44	–10	94	40
Loan-to-value ratio, %	40.4	42.6	40.4	39.9
Interest coverage ratio	5.1	4.9	5.1	5.3
Average closing interest rate, %	1.7	1.6	1.7	1.7
Long-term net asset value, SEK/share	252.17	215.80	252.17	245.73
Share price, SEK/share	192.50	172.80	192.50	199.70
Proportion of the value of the investment portfolio that is taxonomy-aligned, %	31	e.t.	30	30
Total energy intensity, kwh/m² (weighted to an average year)	e.t.	e.t.	188	198

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

Net letting
44
SEK m

Unrealised changes
in value
1,309
SEK m

Ongoing projects
6.5
SEK b

Comparable portfolios
+1.5%
Operating net

High activity on a broad front.

The war in Ukraine started nearly two months ago and I, like many others, have been following the developments in horror and disbelief. Just as we had finally emerged from two years of a pandemic, Europe is suffering from the unimaginable and it will naturally have far-reaching consequences on many different levels.

We are already seeing an impact in our property management work, for example, through higher energy prices. At the same time price increases for construction materials combined with delivery problems may have negative consequences for our construction projects in the longer term. We are also seeing greater pressure on interest expenses. In the current climate, we can take a great deal of comfort from our stable finances and our high-quality property portfolio. The underlying economy in Sweden is stable, with employment rising in office-intensive sectors.

Current market situation

After almost two years, you might have thought that by now we should have all the answers to what the return to the office would be like, now that the pandemic is starting to fade. But the truth is that many questions still remain, even though some trends are clearly emerging. One example is the hybrid working method, which has gained a real foothold. This will naturally have an impact on the design of offices, but it does not seem to herald the death of the office, which is what some people had feared. In actual fact activity on the rental market is stronger than it has been for a long time and we signed many great lease contracts in the first quarter.

Retail has also recovered extremely well. Our locations were heavily impacted by the restrictions, but we saw people come back as soon as these restrictions were

lifted. We reported an increase in footfall, with sales at our retail hubs exceeding the figures from 2019.

Deals

I am very happy to see the high rate of lettings from the end of last year continuing into this year. Our net lettings amounted to as much as SEK 44 million in the first quarter. We have signed some incredible lease contracts, including with the Fintech unicorn Pleo for 1,200 m² in Glashuset on the shopping street Drottninggatan; Linas Matkasse, which is renting 1,100 m² in Chokladfabriken in Sundbyberg; and Nova Group, which is going to rent an entire floor measuring 2,200 m² in Katarinahuset in Slussen. Interest in Life City in Hagastaden also remains strong, with Polarium recently signing a contract for 4,200 m². Life City was officially opened in March and the building now has an economic letting rate of 88%. Finally I would like to mention Friskis & Svettis, which signed a contract for 1,000 m² in Bas Barkarby, which recently opened in Järfälla; and last, but not least, Sabis, which will open a Hemköp store measuring 1,700 m² as a new concept in the Sickla Galleria shopping centre this autumn.

Project portfolio

At the start of the second quarter we also announced a lease contract with SISAB (Skolfastigheter i Stockholm AB) for a new upper-secondary school in



Annica Anäs, CEO Atrium Ljungberg

“The high letting rate is continuing. Our net lettings amounted to as much as SEK 44 million in the first quarter.”



Slakthusområdet. This contract covers more than 6,000 m², with a contract value of approximately SEK 250 million. This investment amounts to SEK 320 million and the upper-secondary school is planning to open in 2026, with space for approximately 800 pupils.

Residential deals

Residential deals are also proceeding at a good pace. In March we released the second of three phases for Brf Kulturtrappan, our third block in Nobelberget in Sickla, which comprises a total of 93 apartments, 62 of which have been released for sale. As of 31 March, 39 booking agreements had been signed, which is a booking rate of 63% for the apartments that have started to be sold. An additional 10 apartments have been reserved. We have also released another phase of Parkhusen block 2 in Gränbystaden. So far 80 of the 98 apartments have been released for sale. As of 31 March, booking contracts had been signed for 35 apartments, which is 44% of the apartments that had started to be sold. Before the end of the year we are planning to start the sale of an additional block in both Nobelberget and Gränbystaden.

Opening of Life City

On 9 March we opened Life City in Hagastaden. I cut the ribbon along with Johan Castwall, Director of Stockholm City Development Department, and Jens Dolk, owner of the K-märkt restaurant, and declared the building open; this is a project I have had the privilege of observing throughout its entire journey, from start to finish! It was such a wonderful experience. Life City has been built above a motorway tunnel and although the construction was challenging to say the least, the final result is incredible. I am so happy to see the amount of interest from companies that want to establish offices in the building, which is already home to tenants such as Academic Work, 10x Genomics, Astra Zeneca, Immedica Pharma and, as I mentioned earlier, Polarium. They are all strong brands that are really helping to establish Life City as a new meeting place in the life science cluster in Hagastaden.

AL in Times Square

A few weeks ago Atrium Ljungberg became the first property company in the Nordic region to issue a sustainability-linked bond. I am proud to present our sustainability-linked financing framework, which covers every section



of the ESG concept. What we are offering investors is the opportunity to support our work to be climate-neutral and to continue to develop socially sustainable locations by 2030. Nasdaq also recognised us by lighting up the Atrium Ljungberg logo in Times Square in New York.

Investment decision in Hagastaden

Atrium Ljungberg's Board of Directors has made an investment decision for the reconstruction and development of the office property Blåstern 11, also called 'PV-palatset', in Hagastaden. This investment amounts to SEK 262 million. The existing tenants have already started moving from the property and the reconstruction work is scheduled for completion at the end of 2025.

Profit for the first quarter of 2022

We report a profit after tax of SEK 1.9 b, corresponding to SEK 14.81 per share. A strong first quarter that was marked by continued progress in our project portfolio with project profits of approximately SEK 600 m and unrealised changes in value of properties of a further SEK 700 m – the latter primarily attributable to a lower yield requirement on retail property. Net operating income in comparable portfolios increased by 1.5% despite increased energy costs and somewhat higher vacancies, while financing costs remained stable. Following earnings and dividends paid, shareholders' equity amounted to

SEK 252 per share – adjusted for the dividend, this equity has grown by approximately 5% in the first quarter.

One of Sweden's best workplaces

Finally I am so pleased that we have been named one of Sweden's best workplaces for the ninth year in a row. Great Place To Work® has evaluated and ranked Sweden's best workplace cultures for more than 20 years. An employee survey is used that measures credibility, fairness, respect, pride and camaraderie at the workplace, along with leadership.

It has been almost two years since the pandemic started and this has obviously presented real challenges. This is why I am so proud of this wonderful result and would like to take this opportunity to praise all the leaders and employees who have been able to preserve our great workplace culture, even though we have not been able to meet for long periods of time. An incredible 96% of Atrium Ljungberg's employees said that they thought that the company is an extremely good workplace; this is our best result ever.

Annica Ånäs,
CEO

This is Atrium Ljungberg.

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

Business model

Goal

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

Financial risk limitations

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

Dividend policy

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

Investment

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

Agenda 2030

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

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

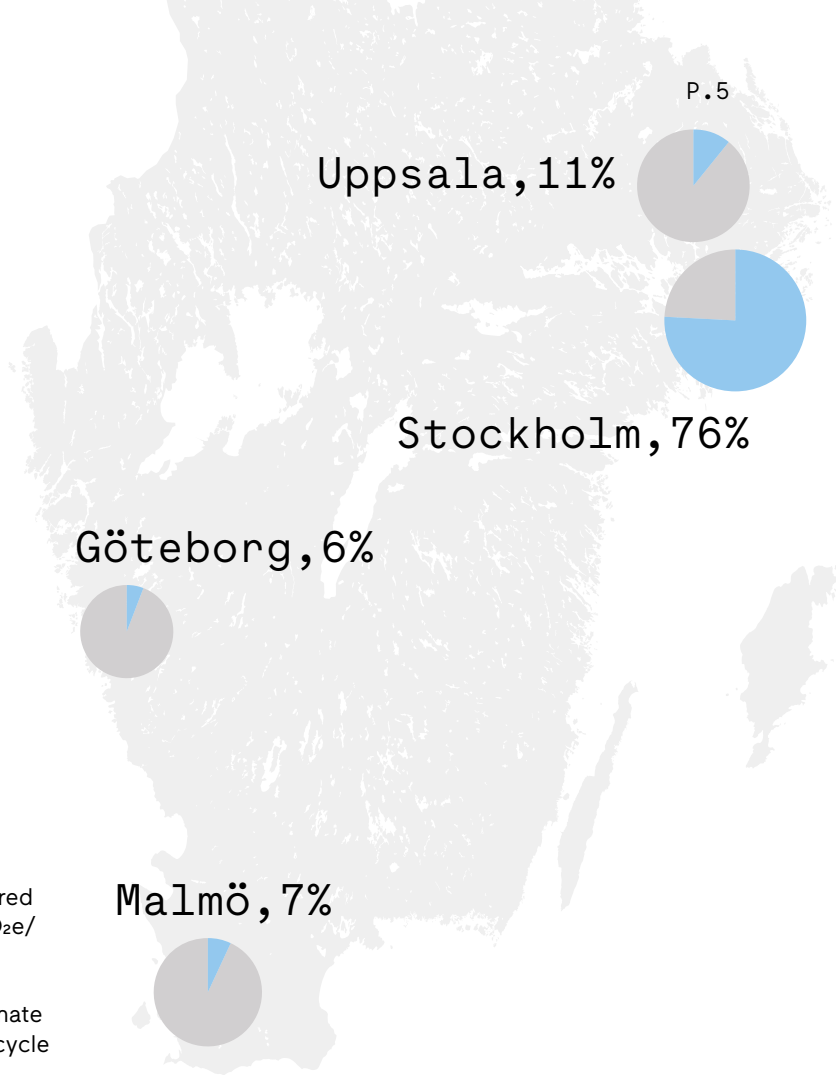
One important component of Agenda 2030 is our new sustainability goals, which were adopted at the end of 2021 and will take us up to 2030. Sustainability is a key business driver and a crucial component of our strategy, which is about sustainable innovative urban development.

Ten good reasons to be at a location

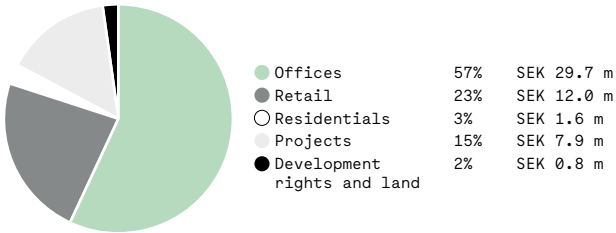
1. Street life 24 hours a day
2. Sports and activities
3. Cultural and learning environment
4. Art and cultural history
5. Nature and smart ecosystems
6. Games and social areas
7. Food and cafes
8. Calm oases
9. Digital infrastructure and Wi-Fi
10. Retail and service

Our six sustainability goals that last until 2030 are:

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



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



Sustainable enterprise.

Atrium Ljungberg’s sustainability work

Atrium Ljungberg has adopted new sustainability goals, which will guide our work in a sustainable direction. They relate to the period 2022–2030. A number of key performance indicators are also linked to sustainability that supplement these goals. The new goals started to be implemented during the quarter. In 2022 our focus is going to be on managing these new goals and safeguarding all the processes that are linked to them. Work on metrics is currently underway for some of the goals: materials are excluded from the kgCO₂/m² goal, and transports include visitors to shopping centers. We have used standard flat rates for transport and waste calculation. Measurements are currently taking place for the goal for socially sustainable locations. Some of the new goals also do not have any historical comparison figures.

The key figures for energy have been affected by the fact that SMHI has adopted a new normal period for heating degree days.

The EU Taxonomy

The obligatory report for first quarter of 2022 includes data on what proportion of our sales, investments and acquisitions, and operating expenses are covered by the EU Taxonomy; this is referred to as ‘eligibility’. See the table: ‘Proportion covered by the EU Taxonomy (eligibility)’.

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

attributable to activities that are taxonomy-aligned (alignment)’.

The properties that have been assessed as meeting the taxonomy’s requirements achieve the environmental objective ‘climate change mitigation’ as they have an energy declaration that meets the requirement for EPC A or are in the top 15% in terms of primary energy consumption in Sweden (based on the definitions for existing buildings published by Fastighetsägarna Sverige). We have provisionally assumed that the DNSH (do no significant harm) criteria have been met and we have also assumed that we have met the minimum social safeguards through Atrium Ljungberg’s work on business ethics and supplier monitoring.

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

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

Goal	Goal, %	2022/2021 Apr–Mar	Change compared with previous period, %				
			2021/2020 Apr–Mar	2020/2019 Apr–Mar	2019/2018 Apr–Mar	2018/2017 Apr–Mar	
kg CO ₂ e/GFA ¹⁾	–50	333	–	–	–	–	–
kg CO ₂ e/m ² ^{1) 2)}	–100	8,1	–	–	–	–	–
Socially sustainable locations % ¹⁾	90	e.t.	–	–	–	–	–
Proportion of suppliers evaluated, % ³⁾	100	2	2	0	2	2	–
GPTW, % ⁴⁾	>85	90	89	1	87	88	88
Key performance indicators							
Property energy, kWh/m ² ⁵⁾		104	115	–9	129	141	133
Tenant energy, kWh/m ² ⁵⁾		84	86	–2	90	90	94
Total energy intensity, kwh/m ² ⁵⁾		188	201	–6	219	234	227
Total energy intensity, kwh/m ² ⁶⁾		187	194	–4	210	213	217
Proportion of green lease contracts, % (annual rent)		60	51	18	39	28	20
Certified area, %		96	64	50	52	35	18
Solar cells, m ² total ⁷⁾		14,296	14,296	0	7,775	7,775	667
Water consumption, m ³ /m ² ⁷⁾		0,46	0.46	0	0.39	0.39	0.46

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

Proportion covered by the taxonomy (eligibility)

	Total, SEK m	Proportion covered by the taxonomy,%	Proportion not covered by the taxonomy,%
Rental income	600	100	0
Net sales, project and construction work	56	100	0
Total sales	656	100	0
Investments and acquisitions	463	100	0
Operating expenses	–8	100	0

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

	Energy declaration that is taxonomy-aligned	Proportion of the investment portfolio that is taxonomy-aligned %	Total investment portfolio
Rental income, SEK m	175	29	600
Investments and acquisitions, SEK m	114	28	406
Operating expenses, SEK m	–2	25	–8
Property value, SEK m	15,961	31	52,050
Letting area, m ²	256	29	875

Property portfolio.

Property market

The transaction volume in Sweden for the first quarter of the year amounted to SEK 50 billion, which was approximately 10% higher than the average for the previous five years. Over the past 12 months deals totalling more than SEK 405 billion have been carried out; this shows that the property market is still strong and interest in property investments remains very high. In the first quarter foreign investors accounted for 4%, approximately SEK 2 billion, of the total transaction volume. The proportion of foreign investors is lower than the annual average of 27% over the past five years.

The first quarter of the year was dominated by deals in the residential segment, which accounted for 25% of the volume, followed by logistics and industrial properties at 17% and retail properties at 14%. There were 177

transactions, which is lower than the previous year, but 15% higher than the average for the past five years.

The highest proportion of the transaction volume was located to Stockholm, accounting for 44% of the total transaction volume; followed by Gothenburg at 6% and Malmö at 3%. Mälardalen accounted for 24% of the total transaction volume, which is higher than the average for the past five years.

Property portfolio

Our property portfolio is concentrated in central locations in the growth regions of Stockholm, Gothenburg, Malmö and Uppsala, with Stockholm accounting for 76% (76%) of the market value. At the end of the quarter our property portfolio contained a total of 66 properties (67) with a total area of 875,000 m² excluding garages (875,000).

	Letting area, '000 m ² ¹⁾	Property value, SEK m	Property value, SEK/m²	Rental value, SEK m	Rental value, SEK/m²	Economic letting rate, %
Property portfolio 31 Mar 2022						
Office properties	487	29,769	61,070	1,521	3,121	90.6
Retail properties	260	12,002	46,198	821	3,162	91.4
Residentials	42	1,552	37,395	90	2,169	93.2
Business area Property	789	43,323	54,926	2,433	3,084	91.0
– of which Stockholm	482	30,799	63,897	1,628	3,378	90.8
– of which Uppsala	124	5,862	47,380	373	3,013	92.8
– of which Gothenburg	73	3,168	43,316	166	2,275	94.6
– of which Malmö	110	3,494	31,799	265	2,413	87.5
Project properties	86	7,904	-	177	-	91.3
Land and development rights	-	823	-	-	-	-
Total Investment properties	875	52,050	54,926	2,610	3,084	91.0
Development properties		1,311				
Property portfolio, total	875	53,361				

¹⁾ Letting area, excluding garage.

Property sales

Property	Area	Category	Letting area, m²	Date vacated	Underlying price property, SEK m
Nynäshamn Ribban 16	Nynäshamn	Land	0	Feb-22	0.2

Change in the property portfolio

SEK m	2022 Jan-Mar	2021 Jan-Mar
Investment properties		
Fair value, opening value	50,335	46,026
Acquisitions (after deduction of latent tax)	-	25
Sales	-	-
Investments in held properties	406	459
Unrealised changes in value	1,309	167
Reclassification	-	-
Fair value, closing value	52,050	46,677
Development properties		
Book value, opening value	1,254	1,308
Reclassification	-	-
Sales for tenant-owned dwelling projects	-	-
Investments in tenant-owned dwelling projects	57	26
Book value, closing value	1,311	1,334

Investments

During the period investments totalling SEK 463 million (SEK 485 m) were made in existing properties; this includes SEK 406 million (SEK 459 m) for properties that are being developed for ownership and SEK 57 million (SEK 26 m) for tenant-owned dwellings.

In the final quarter of 2021 an agreement was signed to acquire the Palmfelt Center leasehold in Slakthusområdet. This acquisition is conditional on a final decision by the municipal council, which is why possession is expected to take place in the second quarter of 2022.

Property valuation

Atrium Ljungberg has conducted an internal valuation of its entire property portfolio. This market valuation is based on a cash flow model that includes an individual assessment of each property, looking at both their future earning capacity and the market’s yield requirements. Assumed rental levels in conjunction with contract expirations correspond to assessed long-term market rent levels, while operating costs are based on the company’s actual costs. Project properties are valued in the same way, but with deductions for the remaining investment.

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

Development rights have been valued based on an assessed market value SEK per m² GFA for established development rights with an approved detailed development plan, or where the detailed development plan is expected to become legally binding in the near future. The average value of development rights in the valuation is approximately SEK 5,900/m² GFA (SEK 5,900 m).

At the end of the period the average yield requirement was 4.2% (4.2%). This is a decrease of 6 bp, which is mostly attributable to retail properties.

Dividend yield per region

	Interval	31 Mar 2022 Average	31 Dec 2021 Average
%			
Stockholm	3.3–5.3	4.0	4.0
Uppsala	3.3–5.3	4.9	5.1
Malmö	3.0–5.3	4.9	5.1
Gothenburg	4.2–4.2	4.2	4.2
Total	3.0–5.3	4.2	4.2

Dividend yield per property category

	Interval	31 Mar 2022 Average	31 Dec 2021 Average
%			
Offices	3.3–5.3	3.9	3.9
Retail	3.5–5.3	4.9	5.0
Residentials	3.0–4.5	4.0	4.1
Total	3.0–5.3	4.2	4.2

Development properties enable tenant-owned dwellings

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

The book value amounted to SEK 1,311 million (SEK 1,254 m) as of 31 March 2022 and the market value was assessed to be SEK 1,970 million (SEK 1,705 m) at the same point in time; this refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden.

Customer.

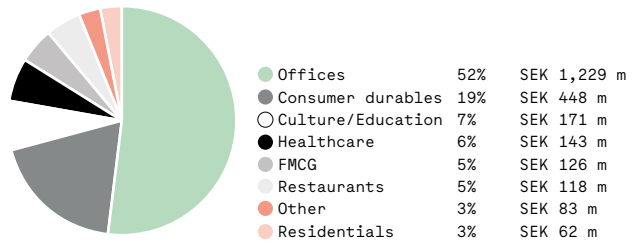
Contracted annual rent and letting rate

As of 1 April 2022 the contracted annual rent amounted to SEK 2,379 million (SEK 2,243 m). The economic letting rate excluding project properties was 91% (91%) at the same point in time, while the average remaining term for contracted rent, excluding residentials and parking amounted to 3.9 years (3.9 years).

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

Contracted annual rent per premises type

– A mixed portfolio creates flexibility

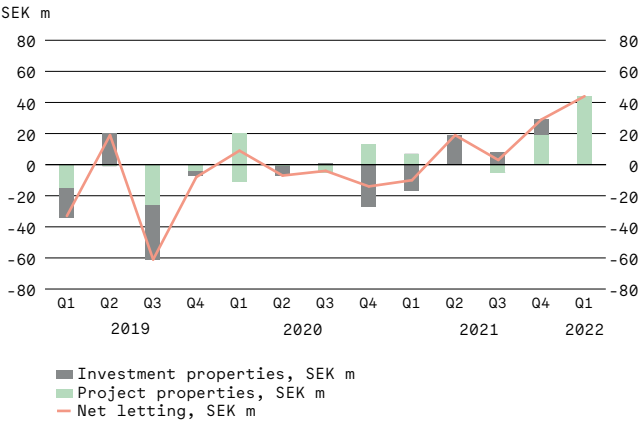


Net letting

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

amounted to SEK 44 million (SEK -10 m) for the first quarter, of which SEK 46 million (SEK 7 m) was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New lettings amounted to SEK 92 million (SEK 44 m), while terminations from customers amounted to SEK 38 million (SEK 52 m). We also terminated the contract of a customer, corresponding to an annual rent of SEK 10 million (SEK 2 m). The time lag between net letting and its effect on profit is assessed to be 3–12 months for investment properties and 12–24 months for projects.

Net letting



Maturity structure for lease contracts 1 April 2022	Number of contracts	Letting area, '000 m²	Annual contract value, SEK m	Proportion of value, %
Commercial, maturity				
2022	189	52	139	6
2023	576	183	569	24
2024	316	151	496	21
2025	254	121	415	17
2026	89	76	228	10
2027+	99	133	424	18
Total	1,523	716	2,272	96
Residentials	620	34	62	3
Garage/parking	187	100	45	2
Total	2,330	850	2,379	100



The old wallpaper factory at Marcusplatsen in Sickla has been transformed into a hotel with 240 rooms. The hotel was opened in June 2021.

Project portfolio.

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

Our project portfolio comprises both our own development rights and land allocations that we have already obtained. As of 31 March 2022 our project portfolio comprised approximately 920,000 m² GFA, which includes 250,000 m² GFA residential development rights, while the rest is for properties that we manage, specialising in offices. Approximately 800,000 m² of the total volume is planned to be developed up to 2030, which includes around 179,000 m² for tenant-owned dwellings. Most of the development portfolio is located in Stockholm, focusing on Hagastaden, Slakthusområdet, Slussen and Sickla. Approximately 87% of the portfolio is located at existing or future underground stations in Stockholm.

Ongoing projects

On 31 March 2022 Atrium Ljungberg had ongoing construction work totalling SEK 6.5 billion, which includes SEK 3 billion that still has to be invested. SEK 5.4 billion of the ongoing projects is for investments in properties that are being developed for ownership with an assessed project return of approximately 50%, corresponding to SEK 3.1 billion; SEK 1.7 billion of this has already been recognised. The company also has ongoing projects for constructing tenant-owned dwellings totalling SEK 1.0 billion, with an assessed market value of SEK 1.2 billion that will be realised as they are completed.

Decisions were made on two new projects during the period with an investment volume of SEK 640 million: the upper-secondary school in Slakthusområdet; and the construction and refinement of the office property Blästern

11 'PV Palatset' in Hagastaden. The upper-secondary school comprises approximately 6,000 m² with a lease contract of 15 years. The lease contract is to be approved by the City Council on 13 June 2022 and the detailed plan is up for adoption in August 2022.

Planned projects

Hagastaden

Atrium Ljungberg has been in Hagastaden for more than 30 years and is one of the largest property owners in the area. We are playing an active role in the development of Hagastaden, which will grow to become a new dynamic city district by 2030 and one of the world's leading life science clusters.

In March 2020 we obtained a land allocation in Hagastaden that comprises two residential blocks and one office block: Cambridge, Stanford and Pisa. The first phase of this project will be a shared garage for these blocks, with construction expected to start in the autumn of 2022. After this the first block will be the Stanford residential block, with construction scheduled to start in 2024. In Brunnsviken in Östra Hagastaden we have an additional land allocation, where we are planning to build an 8-storey office building measuring 21,000 m² with incredible views across the water and Haga Park. Construction is planned to start in the first quarter of 2025. The development projects in Hagastaden represent a future investment of approximately SEK 7 billion up to 2030; SEK 3 billion is for tenant-owned dwellings, while the rest is for offices.

Sickla

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



comprises approximately 150,000 m² GFA and around 500 new apartments. The detailed development plan process has been under consultation, and it is planned to be sent out for examination at the end of 2022. The planning process is expected to be completed by the end of 2023.

We are planning for more residential in Sickla. The detailed development plan process for residential in Kyrkviken, northern Nobelberget and Central Sickla is underway, but we already have an approved detailed development plan for the development of several tenant-owned dwellings. The development of Nobelberget is currently underway with a total of 500 tenant-owned apartments. In the spring of 2022 we plan to start the sales for several phases of block 8. The development of the remaining apartments will be carried out gradually based on market demand. The detailed development plan process is underway for a new 16-storey apartment block with approximately 80 apartments in the eastern part of Sickla Galleria shopping centre. Construction is expected to start in 2024. The future investment for the development projects in Sickla amounts to approximately SEK 12 billion, which includes SEK 9 billion that is planned to be invested up to 2030; SEK 5 billion is for tenant-owned dwellings, while the rest is for mainly offices.

Slakthusområdet

Atrium Ljungberg's vision is for Slakthusområdet to be an attractive location with offices and residential, supplemented with a wide variety of food, culture and experiences. A brand new meeting place and an engine for the entire Söderort. We currently have 200,000 m² GFA in

land allocations that we already own or have obtained; this corresponds to a future investment of approximately SEK 10 billion. Most of this will be carried out by 2030; SEK 1 billion is for tenant-owned dwellings and SEK 8 is for commercial operations.

Slakthusområdet is one of Stockholm's largest urban development projects and in May 2021 the first detailed development plan in the area became legally binding. We have a cooperation agreement with Stockholm University of the Arts (SKH) for a move to Slakthusområdet. The university area is planned to comprise approximately 30,000 m² GFA of educational premises and workplaces. In the autumn planning started for the central section of Slakthusområdet, where we will be developing offices and residential.

The following projects are planned to start in the area in 2022: Hus 49, Hus 48, Hus 1 and Slakthushallarna. Hus 48 and 49 will primarily contain offices, while the nightclub Fällan will move into Slakthushallarna. We have started a huge investment in Hus 26, which is part of the old slaughterhouse buildings in the heart of the area. Hus 26 is going to contain a carefully selected mix of restaurants, bars and other niche concepts.

Gothenburg

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

Malmö

In Mobilia we have a development right of 5,400 m² GFA for offices on the street Trelleborgsvägen. A building permit was received in the previous quarter and the project is now ready to start. Offices will be the natural next step in the development of Mobilia on its journey to becoming a dynamic city district with mixed content and a hub in southern Malmö.

Slussen

Atrium Ljungberg is one of the largest property owners in Slussen. We are able to develop the future retail hub here under Ryssgården and Södermalmstorg, which comprises approximately 16,000 m² GFA. The retail hub is adjacent to the future Mälarterrassen, a public building comprising approximately 7,000 m² GFA with a view of the old town in Stockholm, Gamla Stan, and the water. Cafes, restaurants and cultural facilities are being planned in Mälarterrassen. Occupancy is planned for 2026.

In Slussen we also have a land allocation in front of Katarinhuset in the Ryssbodarne district, located above Stadsgårdsleden and Saltsjöbanan. This is a development right comprising approximately 7,500 m² GFA across five floors, where we are planning offices with public spaces on the ground floors. Production will start in 2026 at the earliest, with potential occupancy in 2028.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinhuset. This means that we now own approximately 55,000 m² NRA in our existing portfolio and a total of approximately 35,000 m² GFA in land allocations. Our development projects in Slussen are scheduled for completion by 2030; they represent a total future investment of approximately SEK 2 billion, including land allocations.

Söderhallarna

Söderhallarna on Medborgarplatsen is going to be rebuilt and modernised to make Södermalm the place to visit for high-quality ingredients and food crafts, with a clear focus on sustainability. Söderhallarna will also house offices for creative industries, which will benefit from being located in the heart of Sweden's largest gaming development cluster. A detailed development plan process is

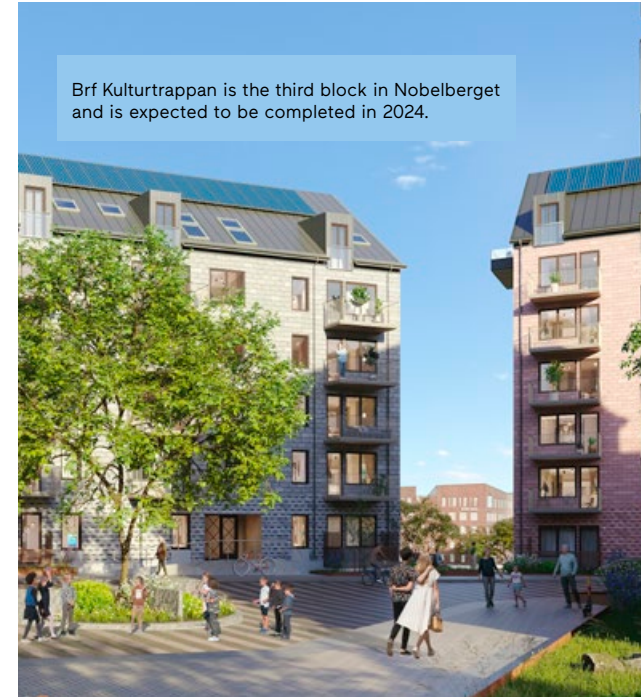
underway and the reconstruction project is scheduled to start towards the end of 2023. The estimated investment volume is approximately SEK 1.5 billion.

Uppsala

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

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

Over the past six years, we have carried out a number of major development projects in Gränbystaden in order to build a vibrant cityscape with a mix of activities which together create an attractive and safe place that has life and movement 24 hours a day. As well as the residential district in Parkhusen, there is also the potential for approximately 150 more apartments within the framework of the existing detailed development plan. We are also looking into the possibility of starting a detailed development plan to further develop the area that is currently the car park next to the shopping centre; this comprises a total of approximately 45,000 m². There is also the possibility of developing approximately 5,000 m² GFA for offices and retail on the remaining land within the existing detailed development plan in the northern section. The development projects in Uppsala represent a future investment volume of approximately SEK 3 billion, most of which will be completed by 2030.



Brf Kulturtrappan is the third block in Nobelberget and is expected to be completed in 2024.



Parkhusen block 2 in Gränbystaden comprises 98 apartments and sales started in June 2021.



Mälarterrassen in Slussen will contain restaurants, cafes and cultural facilities.

Ongoing projects

				Residen- tials, m ²	Premises, m ²	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, %	
Developed for ownership	Municipality	Investment type	Completed								
Life City	Stockholm	New builds	Q 2 2022	0	27,800	1,660	160		117	88	
Bas Barkarby	Järfälla	New builds	Q 2 2022	0	24,200	870	170		59	86	
Slakthushallarna phase 1	Stockholm	Reconstruction	Q 1 2023	0	2,300	170	90		10	57	
Katarinahuset	Stockholm	Reconstruction	Q 2 2023	0	25,100	1,080	660		132	27	
Sickla Stationshus	Nacka	New builds	Q 4 2024	0	16,900	990	750		64	0	
PV Palatset	Stockholm	Reconstruction	Q 3 2025	0	10,600	320	270		43	0	
Upper-secondary school Slakthusområdet	Stockholm	New builds	Q 2 2026	0	6,200	320	300		17	100	
Properties to own				0	113,100	5,410	2,400	8,500	442	48	
Tenant-owned dwellings			Profit recog- nition							Booking rate, % ²⁾	Sales rate, % ³⁾
Brf Konstharts	Nacka	New builds	Q 3 2022	3,600	300	280	40		e.t.	100	
Parkhusen block 2	Uppsala	New builds	Q 3 2023	5,800	0	270	190		44	0	
Brf Kulturtrappan	Nacka	New builds	Q 2 2024	6,600	0	500	370		63	0	
Tenant-owned dwellings				16,000	300	1,050	600	1,250			
Ongoing projects				16,000	113,400	6,460	3,000	9,750			

¹⁾ Excluding premiums.

²⁾ Uppsala: 80 apartments (2 phases) of a total of 98 apartments have been released for booking contracts, of which 35 apartments have been secured through booking contracts.

Nacka: 62 apartments (2 phases) of a total of 93 apartments have been released for booking contracts, of which 39 apartments have been secured through booking contracts.

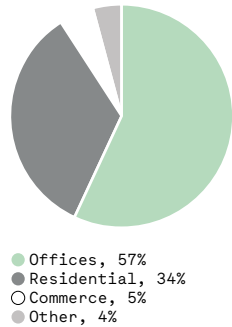
³⁾ The percentage of apartments sold with binding contracts, in numbers.

Planned and ongoing projects up to 2030

Developed for ownership	No. of apartments	GFA, m²	of which legally binding detailed development plans	Assessed investment, SEK m	of which remains, SEK m	Market value, SEK m	Operating net, SEK m
Stockholm							
– Hagastaden	0	90,000	6,000	5,600	3,500	7,700	280
– Sickla	154	118,000	24,000	5,100	4,200	7,000	290
– Slakthusområdet	372	171,000	28,000	9,200	8,000	11,300	420
– Slussen	0	55,000	55,000	4,400	2,500	6,200	210
– Stockholm, other	0	75,000	30,000	4,300	2,100	5,000	205
Uppsala	430	84,000	18,000	2,700	2,700	3,500	140
Gothenburg/Malmö	0	28,400	5,400	1,050	720	1,400	65
Total	956	621,400	166,400	32,350	23,720	42,100	1,610
Less current operating net, SEK m							–130
Newly created operating net, SEK m							1,480
Tenant-owned dwellings							
Stockholm							
– Hagastaden	450	39,000	39,000	3,000	3,000	3,400	
– Sickla	1,129	105,000	43,000	5,500	4,500	6,900	
– Slakthusområdet	195	15,000	0	1,000	900	1,200	
Uppsala	242	20,000	20,000	700	600	800	
Total	2,016	179,000	102,000	10,200	9,000	12,300	
Project portfolio up to 2030	2,972	800,400	268,400	42,550	32,720	54,400	

Project portfolio by property type

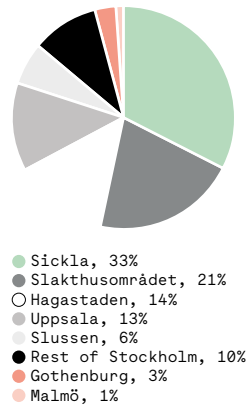
– Residentials and offices account for more than 90% of the area



Project portfolio

by area

– More than 80% of the area relates to Stockholm

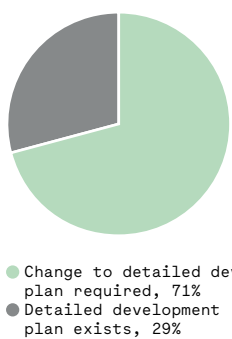


The information about ongoing projects and planned projects in this interim report is based on assessments of the size, goals and scope of these projects, and the dates when they are assessed to start and be completed. The information is also based on assessments of future project costs and rental value.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

Project portfolio by detailed

development plan

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



Financing.

The financial market

Russia’s build-up of troops along the border with Ukraine led to an invasion at the end of February, which has caused a humanitarian catastrophe; it has also had a substantial impact on the economy in Europe. Sharp rises in the price of energy, raw materials and food are creating a further upward pressure on inflation, which had already been high.

The National Institute of Economic Research assesses that growth in Swedish GDP will partly be maintained by an increase in public consumption. Household purchasing power is falling as a result of inflation, however, the lifting of the pandemic restrictions is a counterweight, as household savings are expected to fall.

The Federal Reserve is now expected to increase its rate at the next seven meetings by at least 0.25% units per meeting. The ECB is expected to react more slowly, but will probably abandon negative interest rates during the year. The Riksbank has announced that it expects to bring forward increases in the repo rate, contrary to the monetary policy decision that had been made in February.

3M Stibor started to rise during the quarter from –0.05% to 0.07% and the interest rate market has priced in a continued rise to 1.70% in 12 months. During the quarter the 10-year swap rate increased by 0.94% units to 1.91%.

The conditions on the Swedish capital market have deteriorated for issuers compared with 2021. The credit margins started to increase at the end of 2021 and continued to rise in the first quarter, mostly as a result of the outbreak of the war in Ukraine.

Interest-bearing liabilities

Atrium Ljungberg meets its financing requirements through the capital market, Nordic banks, the Nordic Investment Bank, the European Investment Bank and direct financing. Interest-bearing liabilities at the end of

the first quarter amounted to SEK 21,548 million (SEK 20,561 m). The average interest rate amounted to 1.7% (1.7%) excluding unutilised credit facilities and 1.8% (1.8%) including unutilised credit facilities. The average loan interest rate duration and loan-to-maturity stood at 4.6 years (4.7 years) and 4.6 years (4.8 years) respectively.

During the first quarter, interest-bearing liabilities increased by SEK 987 million (SEK 1,533 m). A sustainability-linked bond of SEK 1,000 million was issued, with SEK 811 million in green bonds falling due for payment. The volume of commercial papers decreased by SEK 30 million. A total of SEK 757 million of the existing credit facilities were utilised. The remainder of the change in volume is attributable to changes in exchange rates and accrual effects.

The interest coverage ratio amounted to 5.1 (4.9) for the rolling 12-month period. According to the company’s Finance Policy, the loan-to-value ratio must remain under 45.0% in the long term; at the end of the quarter it amounted to 40.4% (39.9%).

Unutilised credit facilities amounted to SEK 6,540 million (SEK 7,297 m), which covers outstanding commercial papers, totalling SEK 1,619 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity including cash of SEK 645 m (SEK 719 m) and unutilised overdraft facility of SEK 300 million (SEK 300 m) amounted to SEK 7 485 million (SEK 8 316 m).

Securities

In terms of interest-bearing liabilities, SEK 7,784 million (SEK 7,027 m) is secured by mortgage deeds, accounting for 14% (13%) of total assets; while the rest is unsecured financing.

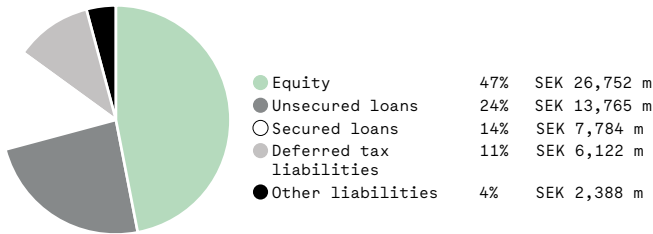
Green and sustainability-linked financing

Atrium Ljungberg works with green and sustainability-linked financing. Green financing is allocated to specific properties with strict climate requirements. There is a

total of SEK 8,011 million (SEK 8,779 m) in green bonds and SEK 3,265 million (SEK 3,266 m) in green secured and unsecured bank loans; combined they account for 52% (59%) of the total loan volume. Sustainability-linked financing is linked to achieving the ambitious sustainability goals that have been set for the Group. There is a total of SEK 1,000 million in outstanding sustainability-linked financing, accounting for 5% (0%) of total financing. Green and sustainability-linked financing combined comprises 57% (59%) of the total loan volume.

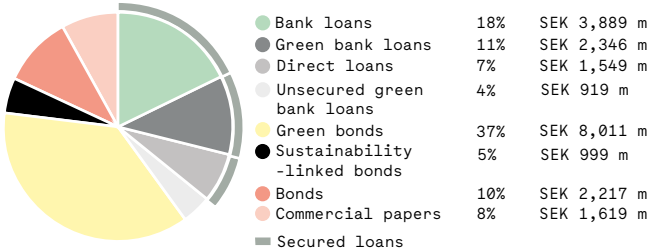
Capital structure

– Secured loans correspond to 14% in relation to total assets



Interest-bearing liabilities

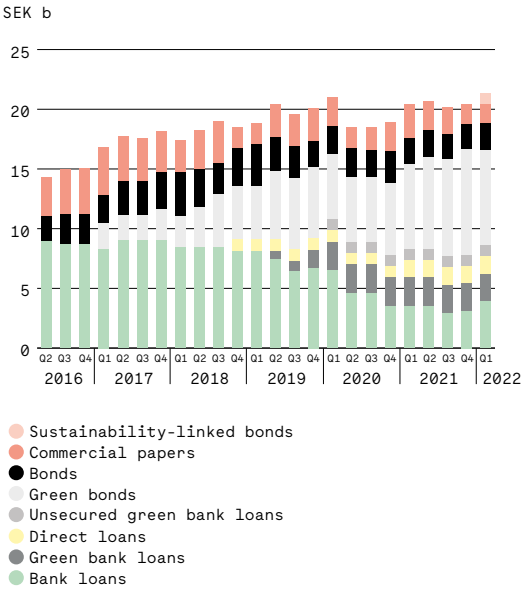
– SEK 21,548 million in interest-bearing liabilities, including 57% green and sustainability-linked financing



The first tenants moved into Bas Barkarbý at the start of the year.

Development of financing sources

– Sustainability-linked bonds were added as a financing source from the first quarter of 2022



The company’s sustainability-linked financing framework was launched in the first quarter, while the green bond framework was updated. Both of these frameworks and a second party opinion are available on the website.

Derivative instruments

At the end of the first quarter the derivative portfolio comprised SEK 13,500 million (SEK 13,500 m) in interest rate swaps with a maturity of 2024–2032 and foreign exchange swaps of SEK 2,480 million (SEK 2,358 m). Foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone.

The derivatives portfolio is valued at market rate at the end of each quarter and the change in value is recognised in the income statement. The unrealised change in the value of derivatives for the first quarter amounted to SEK 838 million (SEK 210 m) as a result of rapidly rising market rates. The surplus book value of the derivatives portfolio amounted to SEK 860 million (SEK –100 m) at the end of the quarter.

Public rating

The company has a Baa2 rating (i.e. investment grade) from Moody’s, with a stable outlook. This rating was most recently confirmed in April 2021.

Interest rate duration, SEK million

Duration	Volume	Percentage, %	Average interest, % ¹⁾
2022	4,970	23	1.1
2023	0	-	0.0
2024	1,539	7	1.6
2025	1,450	7	1.6
2026	1,704	8	1.7
2027 and thereafter	11,885	55	2.0
Total	21,548	100	1.7

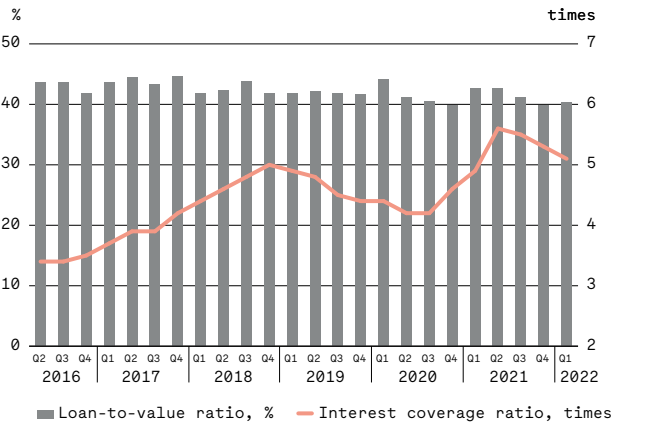
¹⁾ The average credit margin for floating interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is recognised excluding the cost of unutilised loan guarantees.

Loan-to-value maturity, SEK million

Duration	Bank loans	Capital market	Total liabilities	Percentage, %	Total credit agreements
2022	0	2,519	2,519	12	2,519
2023	835	1,350	2,184	10	2,584
2024	2,413	1,839	4,252	20	7,442
2025	887	1,300	2,187	10	2,187
2026	199	2,588	2,788	13	4,738
2027 and thereafter	4,369	3,249	7,619	35	8,619
Total	8,702	12,846	21,548	100	28,088

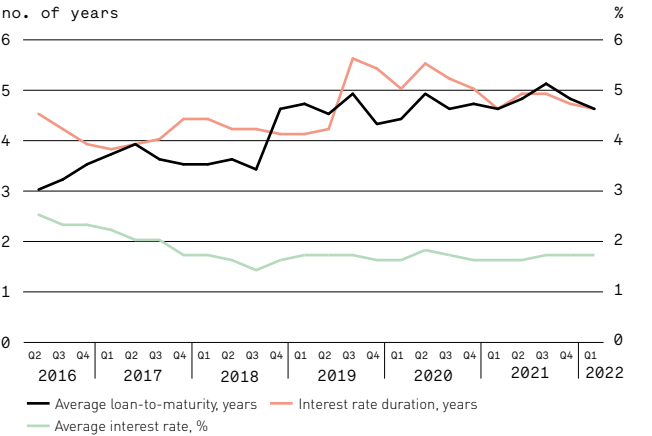
Loan-to-value ratio and interest coverage ratio, rolling 12-month period

– Stable loan-to-value ratio and high interest coverage ratio



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

– Stable average interest rate and long durations



Consolidated statement of comprehensive income.

Amounts in SEK m	2022 Jan-Mar	2021 Jan-Mar	2021/2022 Apr-Mar	2021 Jan-Dec
Rental income	600	572	2,320	2,292
Net sales, project and construction work	56	127	721	792
Net sales	655	699	3,040	3,084
Property management costs				
Service charge-related costs	-55	-51	-167	-163
Other operating costs	-48	-50	-176	-177
Management costs	-41	-37	-161	-158
Repairs	-8	-8	-41	-41
Property tax	-53	-46	-189	-182
Non-deductible VAT	-4	-4	-12	-111
	-209	-195	-746	-732
Project and construction work costs	-62	-98	-649	-685
Gross profit	384	405	1,645	1,666
- of which property management (operating surplus)	391	377	1,574	1,560
- of which project and construction work	-6	29	71	107
Central administration, property management	-20	-17	-85	-82
Central administration, project and construction work	-3	-4	-14	-15
	-22	-21	-99	-97
Financial income	0	0	1	1
Financial expenses	-72	-67	-296	-292
Leasehold fees	-9	-6	-31	-28
Profit before changes in value	281	311	1,220	1,249
Changes in value				
Properties, unrealised	1,309	167	4,182	3,040
Properties, realised	10	-1.10	-111	-22
Derivatives, unrealised	838	210	1,016	388
	2,157	376	5,187	3,406
Profit before tax	2,439	687	6,407	4,656
Current tax	-10	-10	-1	-0
Deferred tax	-559	-125	-1,332	-899
Profit for the period	1,870	552	5,074	3,757
Other comprehensive income				
Items which will be reclassified to profit/loss				
Cash flow hedging	-	3	2	5
Tax attributable to cash flow hedging	-	-1	-0	-1
Total other comprehensive income	-	2	2	4
Total comprehensive income for the period	1,870	555	5,076	3,761
The profit/loss for the period and the total comprehensive income for the period are entirely attributable to the parent company's shareholders				
Earnings per share, SEK	14.81	4.34	40.13	29.65

Segment reporting.

2022 Jan-Mar

Amounts in SEK m	Proper- ties	Project develop- ment ¹⁾	TL Bygg	Project and construc- tion work	Elimina- tions	Non- allocated items	The Group
Rental income	609				-10		600
Net sales, project and construction work			162	162	-106		56
Net sales	609		162	162	-116		655
Property management costs	-216				7		-209
Project and construction work costs		-10	-152	-162	100		-62
Gross profit	393	-10	10	0	-9		384
Central administration	-19	-1	-3	-3	0		-22
Financial income and expenses	-9					-71	-80
Profit before changes in value	365	-111	7	-3	-8	-71	282
Changes in value ^{2) 3)}	1,319					838	2,157
Tax						-569	-569
Profit for the period	1,684	-111	7	-3	-8	198	1,870
Investments and acquisitions	406	57	1	58		5	469
Assets, at the end of the period	53,349	1,311	243	1,554		1,907	56,810

2021 Jan-Mar

Amounts in SEK m	Proper- ties	Project develop- ment ¹⁾	TL Bygg	Project and construction work	Elimina- tions	Non- allocated items	The Group
Rental income	578				-6		572
Net sales, project and construction work		10	195	205	-78		127
Net sales	578	10	195	205	-84		699
Property management costs	-199				4		-195
Project and construction work costs		-11	-155	-166	68		-98
Gross profit	379	-1	40	39	-12		405
Central administration	-17	-1	-3	-4			-21
Financial income and expenses	-6					-67	-73
Profit before changes in value	355	-2	37	35	-12	-67	311
Changes in value ^{2) 3)}	166					210	376
Tax						-135	-135
Profit for the period	521	-2	37	35	-12	8	552
Investments and acquisitions	484	26	0	26		3	514
Assets, at the end of the period	47,856	1,334	225	1,559		1,912	51,327

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

²⁾ Properties, unrealised SEK 1,309 million (SEK 167 m). Properties, realised SEK 10 million (SEK -1 m).

³⁾ Unrealised change in value, derivatives SEK 838 million (SEK 210 m).

Comments on the consolidated earnings January–March 2022.

Changes in the property portfolio

Profit for the period and the comparison period was impacted by the following previous property transactions: contributions from the acquisition of Lindholmen 44:2 in Gothenburg which was taken into possession on 15 January 2021. Kolding 3 and Kolding 4 in Kista were vacated on 1 July 2021.

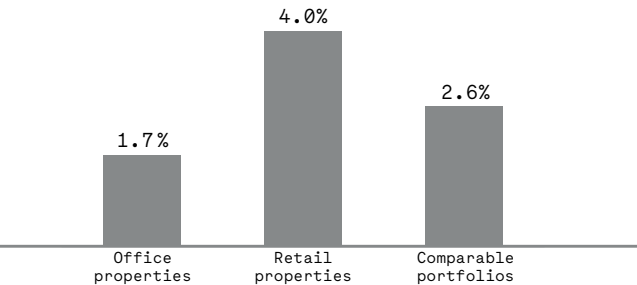
Rental income

Rental income amounted to SEK 600 million (SEK 572 m) and includes both rebates of SEK 19 million (SEK 16 m) as well as a non-recurring payment of SEK 10 million (SEK 3 m) for the early termination of lease contracts.

Rental income in comparable portfolios increased by 2.6%. This increase is due to higher rents as a result of renegotiations, a higher index and the re-invoicing of property tax and electricity. However, this has been counteracted by higher vacancies. All segments have reported positive growth.

	2022 Jan–Mar	2021 Jan–Mar	Change, %
Comparable portfolios	544	530	2.6%
Non-recurring payments	10	3	
Project properties	46	21	
Properties acquired	-	-	
Properties sold	0	18	
Rental income	600	572	4.8%

Rental income growth in comparable portfolios



Property costs

Property costs amounted to SEK 209 million (SEK 195 m). In terms of comparable portfolios, property costs changed by 4.9%, which was mostly caused by higher costs for electricity and property tax. Most of this was re-invoiced to customers, which is why the impact on earnings was limited.

	2022 Jan–Mar	2021 Jan–Mar	Change, %
Comparable portfolios	-184	-175	4.9%
Project properties	-25	-14	
Properties acquired	-	-	
Properties sold	0	-6	
Property management costs	-209	-195	7.0%

Earnings for project and construction work

The Group’s net sales comprise not only our rental income, but also income from project and construction work. Project and construction work includes income from tenant-owned dwellings and income attributable to TL Bygg AB. Income from tenant-owned dwellings is recognised when the property has been completed and is mostly occupied. TL Bygg’s income is recognised over time through the percentage-of-completion method; 72% 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 –6 million (SEK 29 m). This change is mostly due to lower earnings from the wholly-owned construction company TL Bygg, which related to a ruling in a dispute that found in TL Bygg’s favour in the comparable period. Sales in TL Bygg amounted to SEK 162 million (SEK 195 m), of which 66% (37%) refers to intra-Group sales. TL Bygg’s gross profit, including intra-Group transactions, amounted to SEK 10 million (SEK 40 m).

Central administration

Central administration is comprised of costs for the executive management as well as central support functions. Costs of central administration for property management amounted to SEK 20 million (SEK 17 m). Costs for central administration for project and construction work amounted to SEK 3 million (SEK 4 m).

Net financial items

Net interest amounted to SEK –72 million (SEK –67 m), of which capitalised interest amounted to SEK 23 million (SEK 22 m). The average interest rate at the end of the period amounted to 1.7% (1.7%). For more information, refer to the section on financing on pages 12–13. In addition, costs for leasehold fees amounted to SEK 9 million (SEK 6 m).

Changes in value

Unrealised changes in the value of properties amounted to SEK 1,309 million (SEK 167 m), corresponding to 2.6% (0.4%). The change in value comprises SEK 602 million (SEK 0 m) for project returns, SEK 661 million (SEK 231 m) for lower average yield requirements, and SEK 45 million (SEK –64 m) for improved future cash flow.

Realised changes in the value of investment properties amounted to SEK 10 million (SEK –1 m) and were attributable to the sale of Kolding 3 and 4, which were vacated on 1 July 2021.

Changes in the value of properties, SEK m	2022 Jan–Mar	2021 Jan–Mar
Yield requirement	661	231
Cash flow, etc.	45	-64
Project returns	602	0
Development rights	0	0
Unrealised changes in value	1,308	167
Unrealised change in value, %	2.6%	0.4%
Realised change in value	10	0
Total changes in value	1,318	167
Unrealised change in value, %	2.6%	0.4%

Unrealised changes in the value of derivatives amounted to SEK 838 million (SEK 210 m), primarily as a result of a rise in long-term market interest rates.

Tax

Tax amounted to SEK –569 million (SEK –135 m), with SEK –10 million (SEK –10 m) in current tax, while the rest refers to deferred tax. Tax has been calculated using a nominal tax rate of 20.6%.

Tax calculation January–March 2022

SEK m	Current tax	Deferred tax
Reported profit/loss before changes in value	281	
Non-deductible interest/ex-change rate change	91	
Tax deductible		
- Depreciation/amortisation	-194	194
- Reconstruction work	-12	12
- Capitalised interest	-23	23
Other fiscal adjustments	105	230
Taxable profit/loss before changes in value	248	459
Current tax	-51	
Sale of properties	-	-0
Changes in value, properties	-	1,309
Change in value of derivatives	-166	912
Taxable profit/loss before loss carry-forwards	82	2,680
Loss carry-forwards		
- Opening balance	-37	37
- Closing balance	5	-5
Taxable profit	49	2,712
Reported tax expense	-10	-559

Consolidated balance sheet, summary.

Amounts in SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Investment properties	52,050	46,677	50,335
Right-of-use asset, leaseholds	1,134	1,179	1,025
Goodwill	165	165	165
Other non-current assets	42	205	148
Derivatives	897	91	138
Total non-current assets	54,288	48,316	51,810
Development properties	1,311	1,334	1,254
Current assets	566	446	501
Cash and cash equivalents	645	1,231	719
Total current assets	2,522	3,010	2,475
Total assets	56,810	51,327	54,285
EQUITY AND LIABILITIES			
Equity	26,752	22,412	25,541
Deferred tax liability	6,122	4,830	5,621
Non-current interest-bearing liabilities	21,548	19,138	20,561
Non-current finance lease liability	1,134	1,179	1,025
Derivatives	37	376	238
Other non-current liabilities	272	232	267
Total non-current liabilities	29,113	25,756	27,712
Current interest-bearing liabilities	-	1,300	-
Other current liabilities	944	1,859	1,032
Total current liabilities	944	3,159	1,032
Total equity and liabilities	56,810	51,327	54,285

Consolidated change in equity.

Amounts in SEK m	Attributable to the parent company shareholders				
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	Total equity
Opening balance as of 1 January 2021	333	3,960	-4	18,380	22,668
Profit for the period				552	552
Other comprehensive income			2		2
Acquisition of own shares				-171	-171
Dividend, SEK 5.05/share				-640	-640
Closing balance as of 31 March 2021	333	3,960	-2	18,121	22,412
Profit for the period				3,205	3,205
Other comprehensive income			2		2
Acquisition of own shares				-77	-77
Closing balance as of 31 December 2021	333	3,960	-	21,248	25,541
Profit for the period				1,870	1,870
Other comprehensive income					-
Change in own shares				-2	-2
Dividend, SEK 5.20/share				-657	-657
Closing balance as of 31 March 2022	333	3,960	-	22,459	26,752

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 quarter the company owned 6,919,875 class B shares (6,907,378). As of 31 March 2022, the number of outstanding shares therefore stood at 126,300,861 (126,313,358), while the average number of shares amounted to 126,301,278 (127,319,047) for the period.

Comments on the consolidated financial position 31 March 2022.

Properties

At the end of the period the property portfolio amounted to SEK 53,361 million (SEK 50,335 m), broken down into SEK 1,311 million for development properties and SEK 52,050 million for investment properties. Investment properties have been valued at approximately SEK 54,926/m² with an average yield of 4.2%. For more information, see the sections on Property Portfolio and Project Development.

Goodwill

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

Leases

Atrium Ljungberg has 17 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 1,134 million (SEK 1,025 m).

Equity and net value

The Group's equity attributable to the parent company's shareholders amounted to SEK 26,752 million (SEK 25,541 m) at the end of the period, corresponding to SEK 211.81/share (SEK 202.20/share). This increase is due to comprehensive income of SEK 1,870 million for the period and the dividend resolved by the Annual General Meeting.

The long-term net asset value amounted to SEK 31,849 million (SEK 31,040 m) at the end of the period, corresponding to SEK 252.17/share (SEK 245.73/share); this represents a change of 2.6% including the dividend that has been distributed.

Net asset value 31 March 2022	SEK m	SEK/share
Equity according to the balance sheet	26,752	211.81
Reversal of balance sheet items:		
- Derivatives	-860	-6.81
- Goodwill	-165	-1.30
- Deferred tax	6,122	48.47
Long-term net asset value	31,849	252.17
Deductions:		
- Assessed actual tax	-1,034	-8.18
Current net asset value	30,815	243.98
Equity according to the balance sheet	26,752	211.81
Reversal of balance sheet items:		
- Goodwill	-165	-1.30
- Interest-bearing liabilities	21,548	170.61
Deductions:		
- Fair value interest-bearing liabilities	-21,631	-171.27
Disposal value	26,505	209.85

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

Net deferred tax liabilities 31 March 2022

	Deferred	Nominal	Actual
Loss carry-forwards	-5	-1	-1
Derivatives, etc.	845	174	169
Properties	32,666	6,729	866
Total	33,506	6,902	1,034
Properties, asset acquisitions	-3,788	-780	
According to the balance sheet	29,718	6,122	

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

Interest-bearing liabilities and derivatives

At the end of the period interest-bearing liabilities amounted to SEK 21,548 million (SEK 20,561 m) with a closing average interest rate of 1.7% (1.7%). The loan-to-value ratio amounted to 40.4% (39.9%) at the same point in time. The company uses interest rate swaps to extend the interest rate duration and foreign exchange derivatives to hedge Norwegian bonds. The value of the derivative portfolio amounted to SEK 860 million (SEK -100 m) at the end of the period. For more information, read the section on Financing.



Cash flow statement Group.

Amounts in SEK m	2022 Jan-Mar	2021 Jan-Mar	2021/2022 Apr-Mar	2021 Jan-Dec
OPERATING ACTIVITIES				
Profit before changes in value	281	311	1,220	1,249
Reversal of depreciation, amortisation and impairment	4	4	13	13
Other items not included in the cash flow	2	11	-95	-87
Tax paid	79	-7	-62	-148
Cash flow from operating activities before changes in working capital	366	319	1,075	1,027
Net change in working capital	-241	-81	62	222
Cash flow from operating activities	125	238	1,136	1,249
INVESTMENT ACTIVITIES				
Acquisition of investment properties	-	-25	-	-25
Investments in held properties and tenant-owned dwelling projects	-463	-485	-2,220	-2,242
Sale of properties	10	-	754	744
Investment in financial non-current assets	49	31	137	119
Purchase/sale of equipment	-6	-4	-20	-19
Cash flow from investment activities	-410	-482	-1,351	-1,423
FINANCING ACTIVITIES				
Change in other non-current liabilities	5	3	19	17
Loans raised	2,706	3,895	10,272	11,461
Repayment of debts	-1,841	-2,530	-9,287	-9,976
Dividends paid	-657	-	-1,297	-640
Buy-back of own shares	-2	-171	-80	-248
Cash flow from financing activities	210	1,196	-372	614
Cash flow for the period	-74	952	-586	440
Cash and cash equivalents at the beginning of the period	719	279	1,231	279
Cash and cash equivalent at the end of the period	645	1,231	645	719



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 71 million (SEK 74 m). The operating profit/loss amounted to SEK –16 million (SEK –7 m). Profit after financial items amounted to SEK 125 million (SEK 168 m). Net financial expenses include an unrealised change in value attributable to derivatives that amounted to SEK 201 million (SEK 286 m).

Interest-bearing liabilities amounted to SEK 15,686 million (SEK 16,985 m). These funds finance the parent company’s property portfolio and are lent on to other Group companies.

Amounts in SEK m	2022 Jan-Mar	2021 Jan-Mar
Rental income	1	19
Management income	70	55
Net sales	71	74
Property costs	-1	-8
Management and administration expenses	-85	-69
Capital gain/loss from sale of properties	-	-
Depreciation	-1	-4
Operating profit	-16	-7
Earnings from shares in Group companies	-	-
Interest income and similar profit items	351	351
Interest expenses and similar profit items	-210	-175
	141	176
Profit after financial items	125	168
Appropriations	1	-0
Profit before tax	126	168
Current tax	-	-
Deferred tax	-34	-40
	-34	-40
Profit for the period	91	128

Amounts in SEK m	31 Mar 2022	31 Mar 2021
ASSETS		
Property, plant and equipment	7	808
Financial non-current assets	1,326	1,190
Current assets	24,103	25,755
Total assets	25,436	27,753
EQUITY AND LIABILITIES		
Equity	9,599	10,199
Untaxed reserves	5	21
Provisions	19	84
Non-current liabilities	15,724	16,062
Current liabilities	89	1,388
Total equity and liabilities	25,436	27,753

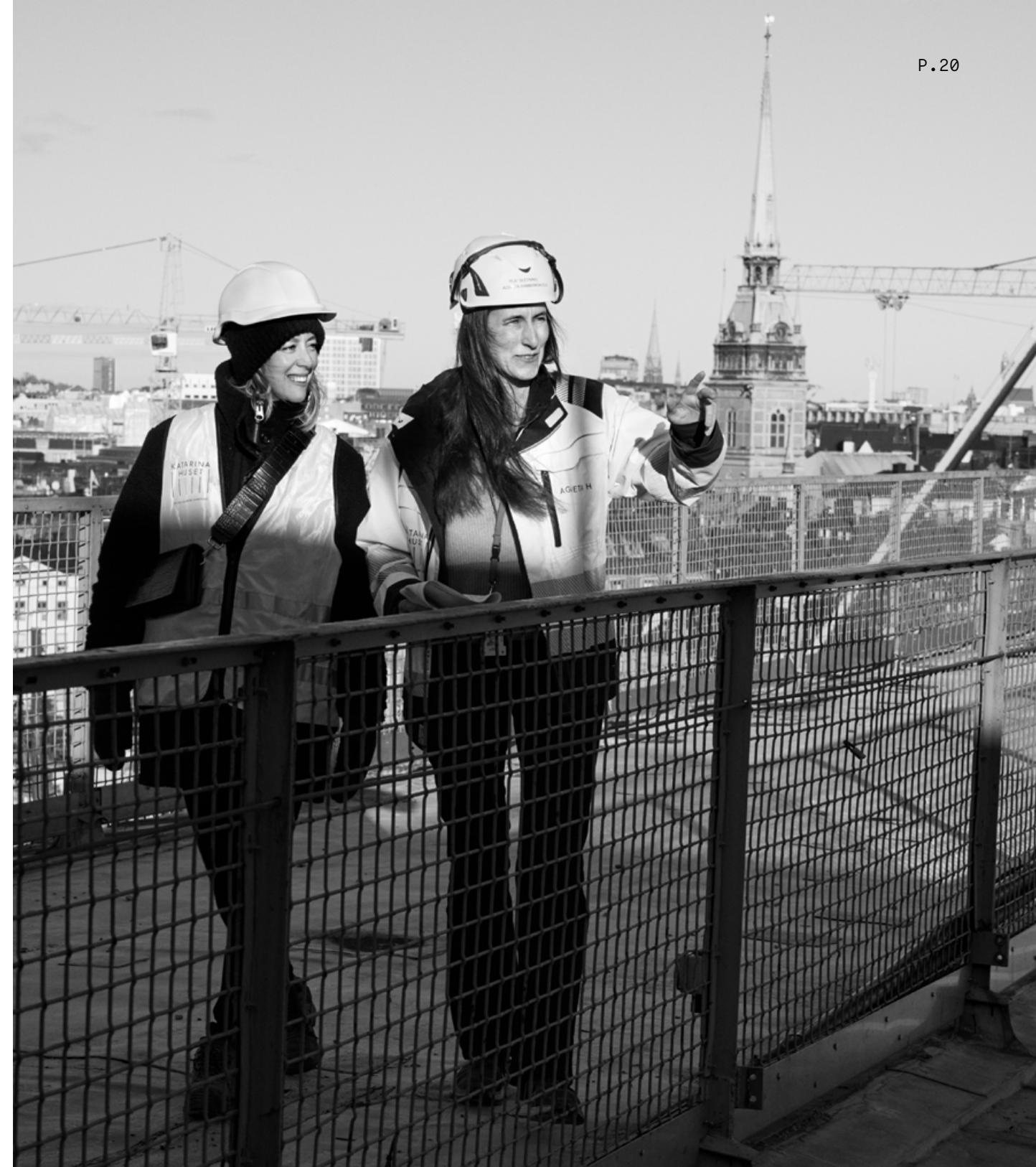


Key performance indicators.¹⁾

	2022 Jan-Mar	2021 Jan-Mar	2021/2022 Apr-Mar	2021 Jan-Dec
PROPERTY-RELATED KEY PERFORMANCE INDICATORS				
Letting rate excluding project properties, %	91	91	91	91
Letting rate including project properties, %	91	91	91	91
Operating surplus margin, %	65	66	68	68
Vacancy rate, %	9	9	9	9
Letting area including garages, '000 m ²	1,064	1,089	1,064	1,082
Investments in Atrium Ljungberg's held properties, SEK m	463	485	-22	0
Number of properties at the end of the period	66	70	67	67
FINANCIAL KEY PERFORMANCE INDICATORS				
Equity ratio, %	47.1	43.7	47.1	47.1
Loan-to-value ratio, %	40.4	42.6	40.4	39.9
Interest coverage ratio R12	5.1	4.9	5.1	5.3
Average interest rate for interest-bearing liabilities, %	1.7	1.6	1.7	1.7
Return on equity R12, %	20.6	11.8	20.6	15.6
Return on equity, excluding changes in value R12, %	4.2	4.2	4.2	4.3
Return on total assets R12, %	12.5	6.0	12.5	9.6
Return on total assets excluding changes in value R12, %	2.3	2.2	2.3	2.4
Profit before changes in values less nominal tax, SEK m	265	292	1,213	1,240
Long-term net asset value, SEK m	31,849	27,340	31,849	31,040
Current net asset value ²⁾ , SEK m	30,815	26,294	30,815	29,812
Disposal value, SEK m	26,505	21,971	26,505	25,103
DATA PER SHARE				
Earnings per share, SEK	14.81	4.34	40.13	29.65
Profit before changes in value less nominal tax, SEK	1.77	1.95	7.67	7.85
Cash flow from operating activities, SEK	0.99	1.87	8.99	9.86
Equity, SEK	211.81	176.90	211.81	202.20
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.09	2.30	9.60	9.82
Long-term net asset value, SEK	252.17	215.80	252.17	245.73
Current net asset value ²⁾ , SEK	243.98	207.55	243.98	236.02
Disposal value, SEK	209.85	173.42	209.85	198.73
Share price, SEK	192.50	156.40	192.50	199.70
Weighted average number of shares, thousands	126,301	127,319	126,437	126,688
Number of outstanding shares at the end of the period, thousand	126,301	126,692	126,301	126,313
EMPLOYEES				
Average number of employees	320	329	318	321

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

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



Quarterly summary.

INCOME STATEMENTS								
	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Amounts in SEK m								
Rental income	600	600	555	565	572	555	561	579
Net sales, project and construction work	56	95	88	482	127	118	139	153
Net sales	655	695	643	1,046	699	673	700	732
Property management costs	-209	-193	-167	-177	-195	-195	-167	-203
Project and construction work costs	-62	-103	-99	-385	-98	-118	-150	-152
Gross profit	384	399	378	484	405	360	383	377
- of which property management (operating surplus)	391	407	388	388	377	360	394	376
- of which project and construction work	-6	-8	-111	96	29	-0	-111	1
Central administration, property management	-20	-25	-20	-20	-17	-21	-15	-21
Central administration, project and construction work	-3	-2	-4	-4	-4	-6	-3	-3
	-22	-27	-25	-24	-21	-26	-18	-24
Financial income and expenses	-80	-68	-91	-87	-73	-52	-88	-97
Profit before changes in value	281	304	262	372	311	282	277	256
Properties, unrealised	1,309	1,448	461	964	167	623	467	279
Properties, realised	10	-6	0	-15	-1	3	-16	-65
Derivatives, unrealised	838	63	72	43	210	33	-45	-3
Derivatives, realised	-	-	-	-	-	-	-	-
	2,157	1,505	533	992	376	659	406	210
Profit before tax	2,439	1,809	795	1,364	687	940	683	466
Tax	-569	-370	-168	-226	-135	-250	63	98
Profit for the period	1,870	1,439	627	1,138	552	690	745	564

KEY PERFORMANCE INDICATORS ¹⁾								
	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Property-related key performance indicators								
Letting rate excluding project properties, %	91	91	91	91	91	91	92	92
Letting rate including project properties, %	91	91	91	91	91	91	92	92
Operating surplus margin, %	65	68	70	69	66	65	70	65
Letting area including garages, '000 m²	1,064	1,082	1,063	1,046	1,089	1,087	1,078	1,069
Investments in Atrium Ljungberg's held properties, SEK m	463	708	528	558	485	704	653	586
Number of properties at the end of the period	66	67	67	67	70	67	66	66
Financial key performance indicators								
Equity ratio, %	47.1	47.1	46.2	45.4	43.7	45.7	46.1	45.5
Loan-to-value ratio, %	40.4	39.9	41.1	42.7	42.6	39.9	40.5	41.2
Adjusted loan-to-value ratio, %	40.4	39.9	41.1	42.0	42.6	39.9	40.5	41.2
Interest coverage ratio R12	5.1	5.3	5.5	5.6	4.9	4.6	4.2	4.2
Average interest rate for interest-bearing liabilities, %	1.7	1.7	1.7	1.6	1.6	1.6	1.7	1.8
Return on equity R12, %	20.6	15.6	13.0	13.9	11.8	3.8	5.6	4.7
Return on equity, excluding changes in value R12, %	4.2	4.3	4.3	4.5	4.2	3.8	4.0	4.3
Return on total assets R12, %	12.5	9.6	8.1	8.0	6.0	2.0	3.1	2.7
Return on total assets excluding changes in value R12, %	2.3	2.4	2.4	2.5	2.2	2.3	2.4	2.6
Data per share								
Earnings per share, SEK	14.81	11.38	4.96	9.00	4.34	5.35	5.75	4.35
Profit before changes in value less nominal tax, SEK	1.77	1.91	1.65	2.33	1.95	1.73	1.68	1.55
Profit before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK	2.09	2.69	1.55	2.23	2.30	2.12	2.24	1.72
Cash flow, SEK	0.99	3.22	2.37	2.40	1.87	4.47	2.79	0.01
Equity, SEK	211.81	202.20	190.83	185.90	176.90	177.46	171.90	166.15
Long-term net asset value, SEK	252.17	245.73	232.13	226.62	215.80	217.95	210.23	204.60
Current net asset value ²⁾ , SEK	243.98	236.02	223.23	218.07	207.55	210.56	203.16	197.31
Disposal value, SEK	209.85	198.73	187.49	181.66	173.42	170.86	168.58	162.73
Share price, SEK	192.50	199.70	183.80	194.90	156.40	172.80	146.60	131.20
Weighted average number of shares, thousands	126,301	126,415	126,477	126,553	127,319	128,957	129,721	129,721
Number of outstanding shares at the end of the period, thousands	126,301	126,313	126,417	126,493	126,692	127,739	129,721	129,721

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

Other information.

Accounting policies

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

Recognising earnings from residential developments

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

Parent company's accounting policies

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

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

The parent company recognises derivatives at the lower of cost and fair value. There are negative fair values as of 31 March 2022, which means that a liability of SEK 37 million (SEK 238 m) has been recognised in the balance sheet. A positive change in value of SEK 201 million (SEK 286 m) has been recognised in the income statement in net financial expenses.

Valuation method for investment properties

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

Valuation method for derivatives

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

Fair value interest-bearing liabilities

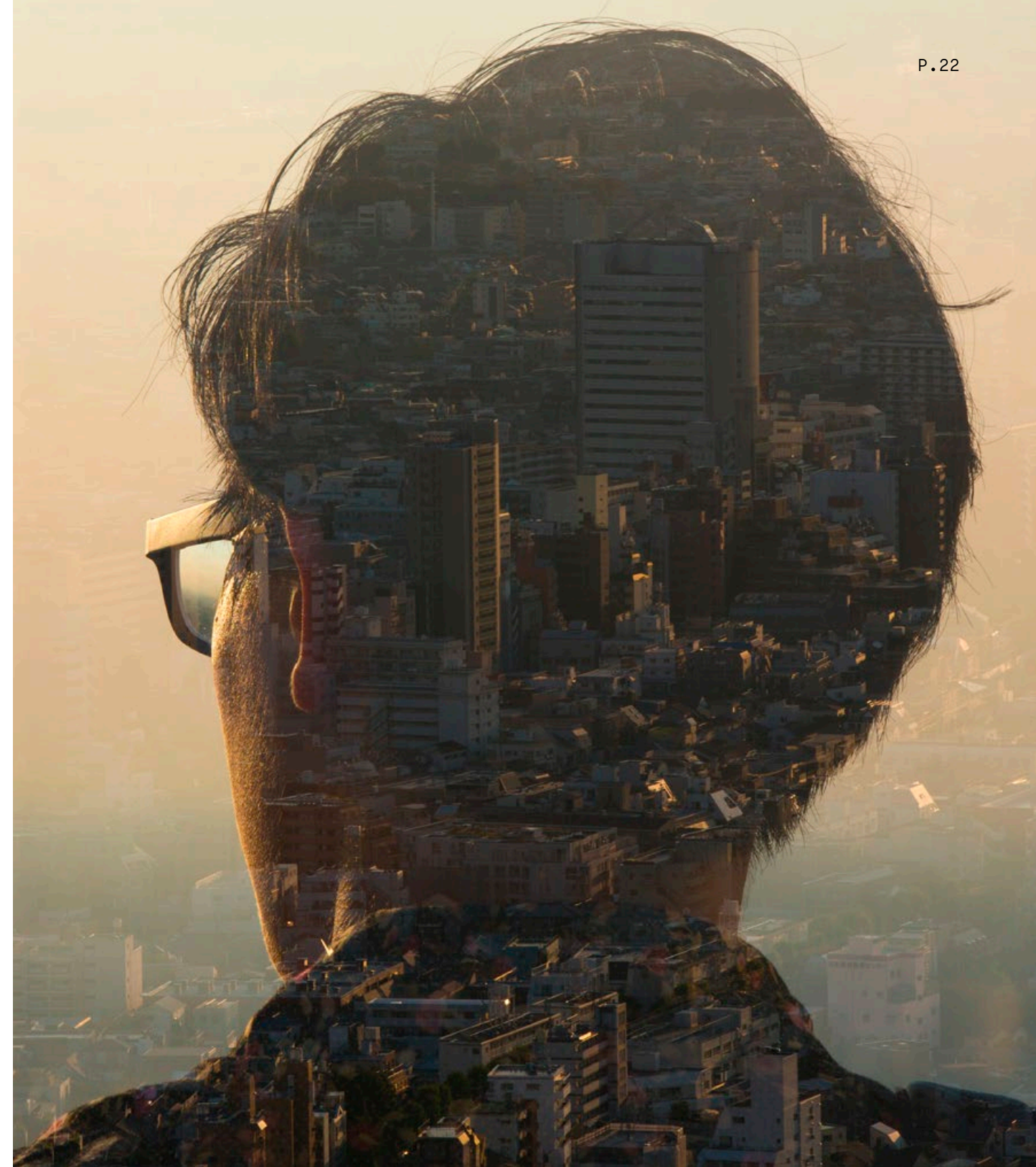
The Group's reported interest-bearing liabilities total SEK 21,548 million (SEK 20,561 m) and their fair value totals SEK 21,631 million (SEK 18,905 m). The fair value calculation is based on discounted estimated future cash flows. The discounting is carried out on the basis of current market rates plus the relevant borrowing margin. The valuation is hereby conducted with IFRS valuation hierarchy level 2. Atrium Ljungberg is of the opinion, with regard to other financial assets and liabilities recognised at amortised cost, that the differences between book values and fair values are insignificant.

Seasonal effects

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

Alternative Performance Measures

Atrium Ljungberg applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). According to these



guidelines, an APM is a financial measure of historical or future profit performance, financial position, financial results or cash flows which are not defined or stated in applicable rules for financial reporting; IFRS and the Swedish Annual Accounts Act.

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

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 sections that describes the financial position, where the comparison figures refer to the end of the previous year.

Market development, risks and uncertainties

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

On 24 February a new catastrophic conflict broke out in Europe, when Russia invaded Ukraine. The response from the West has been to impose tough sanctions and threaten several further sanctions in the future, including the restriction of Russian assets in these countries and the Central Bank of Russia. The events in this conflict between Russia and Ukraine continue to develop on a daily basis. Economists believe that the most obvious effect will be on inflation, driven by hikes in energy prices, which will in turn create an upward pressure on interest rates. Access

to borrowed capital has varied as the capital market is relatively closed and this has resulted in rising credit margins. The total financing costs offered by the market are therefore much higher than at the start of the year.

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

However, Atrium Ljungberg is in a strong financial position with a low loan-to-value ratio and a relatively long interest rate duration and loan-to-maturity. Combined with our high-quality property portfolio, we are well-equipped for what the future holds.

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

Forecasts

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

Events after the closing date

No significant events have occurred since the closing date.

Annual General Meeting and Nomination Committee

The annual accounts for 2021 were adopted by the Annual General Meeting (AGM) on 23 March 2022. A dividend payment of SEK 5.20 per share (SEK 5.05/share) was approved.

The members of the Board of Directors and the CEO were discharged from liability for the 2021 financial year.

The AGM also resolved that the Board of Directors will comprise six ordinary members. Gunilla Berg, Simon de Château, Conny Fogelström, Erik Langby, Johan Ljungberg and Sara Laurell were re-elected for the period until the next AGM. Johan Ljungberg was re-elected as the Chairman of the Board.

It was also resolved that up to the 2023 Annual General Meeting, a new Nomination Committee will comprise Per-Erik Hasselberg, appointed by the Holmström family, Lars Ericson, appointed by the Stockholm Consumer Cooperative Society, Hans Hedström, appointed by Carnegie Fonder, Johan Ljungberg, appointed by the Ljungberg family and Risto Murto, appointed by the mutual occupational pension insurance company Varma.

The AGM also approved the Board of Directors' Remuneration Report for the 2021 financial year.

The AGM granted the Board of Directors the authorisation to resolve to issue class B shares on one or more occasions before the next AGM, with or without deviation from the shareholders' pre-emption rights corresponding to a maximum of 10% of the company's share capital. An issue may be granted against cash payment, by set-off or by contribution in kind. In the event of deviation from the shareholders' pre-emption rights, the shares will be issued at market terms and conditions.

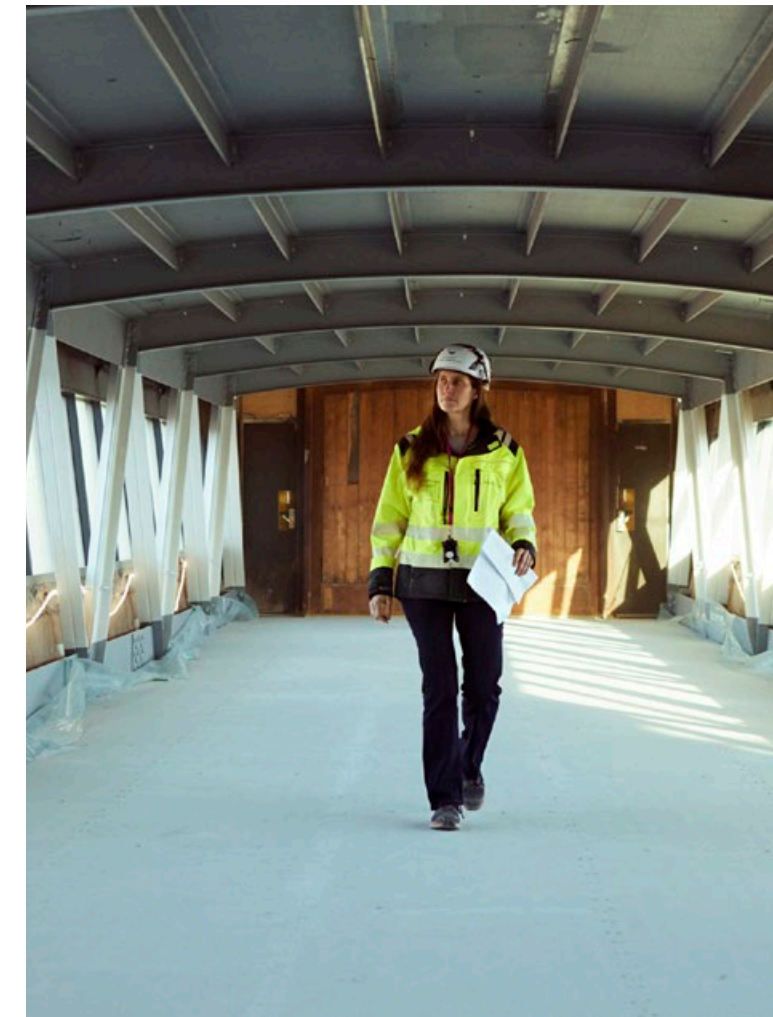
The AGM granted the Board of Directors the authorisation to resolve to acquire as many class B shares before the next AGM to ensure that the company's holdings do not exceed 10% of all the shares in the company at any given time. It also resolved to authorise the Board of Directors to be able to make a decision to transfer its own class B shares during the period until the next AGM.

Full minutes are available on Atrium Ljungberg's website at www.al.se.

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

Nacka, 13 April 2022

Annica Ånäs, CEO



The share.

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

Buy-back of shares

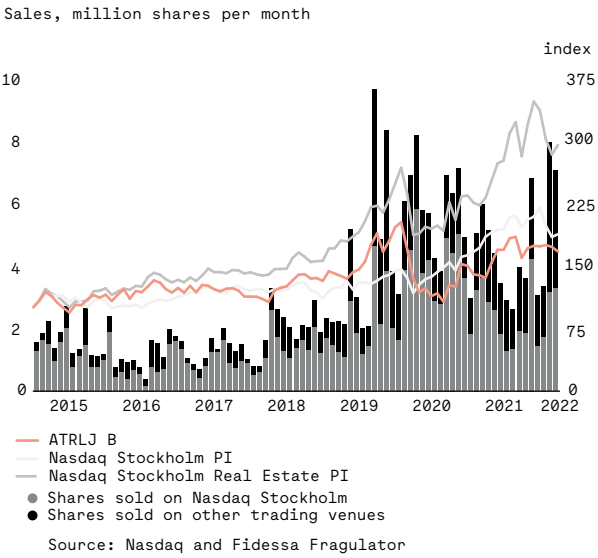
At the Annual General Meeting in March 2022, the Board of Directors of Atrium Ljungberg was authorised to take the decision to acquire the company’s own shares on one or more occasions during the period until the next Annual General Meeting. The purpose of such buy-backs is to give the Board more flexibility in its work on the company’s capital structure, which will therefore help to increase shareholder value. As of 31 March 2022 the company owned 6,919,875 class B shares. The buy-back has been at a rate of SEK 197.90 per share during the quarter.

Dividend yield and total yield

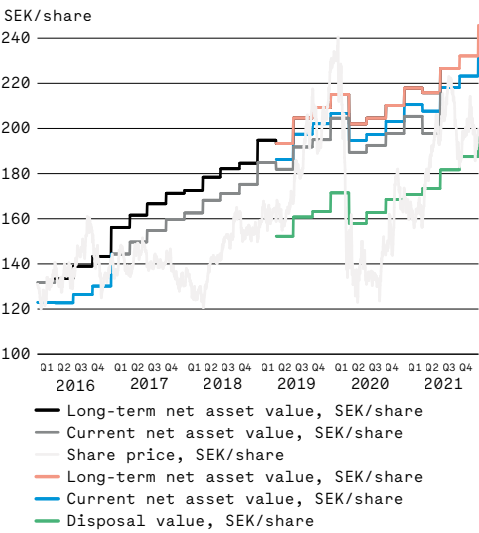
The most recent dividend of SEK 5.20 /share that was resolved by the AGM represents a dividend yield of 2.6% (2.9%), calculated using the closing price.

The share’s total yield, including the dividend, has been 14.4% (14.9%) over the past 12-month period.

The Atrium Ljungberg share



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



Major shareholders as of 31 Mar 2022

	Class A shares, '000	Class B shares '000	Share of votes, %	Share of capital, %
The Stockholm Consumer Cooperative Society	-	33,927	20.9	25.5
Ljungberg family	2,190	29,043	31.4	23.4
Holmström family	1,810	13,798	19.7	11.7
Carnegie fonder	-	8,492	5.2	6.4
Varma pension insurance	-	8,117	5.0	6.1
Vanguard	-	1,656	1.0	1.2
BlackRock	-	1,589	1.0	1.2
Margareta af Ugglas	-	1,444	0.9	1.1
AFA Försäkring	-	1,129	0.7	0.8
Norges Bank	-	1,074	0.7	0.8
Other	-	22,032	13.6	21.7
Total outstanding shares	4,000	122,301	100	94.8
Shares bought back ¹⁾	-	6,920	-	5.2
Total number of shares issued	4,000	129,221	100	100

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

	2022 Jan-Mar	2021 Jan-Mar
Share price, SEK		
- Lowest	177.30	153.80
- Highest	212.40	169.20
- Closing price	192.50	156.40
Market capitalisation, SEK b	24.3	19.8
Share price/Long-term net asset value	76%	72%
P/E	4.8	7.9
Share dividend yield	2.7%	3.2%



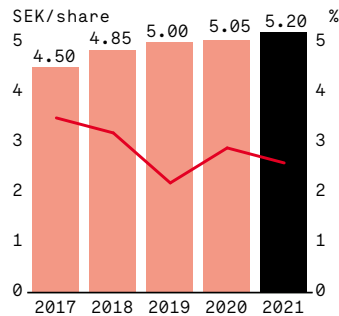
Four reasons to own shares in Atrium Ljungberg.

Stable dividend.

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

Dividend and share dividend yield

The development of the result is the key to our success. Together with the value growth from investments, it lays the foundation for yield.



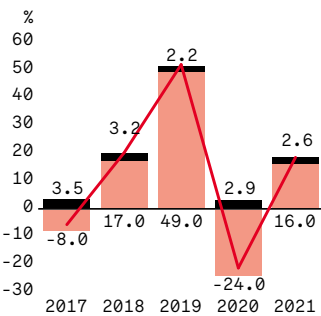
● Dividend, SEK/share
— Dividend yield, %

Potential for good value growth.

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

Share's total yield

A total yield averaging 11 per cent over the past five years.



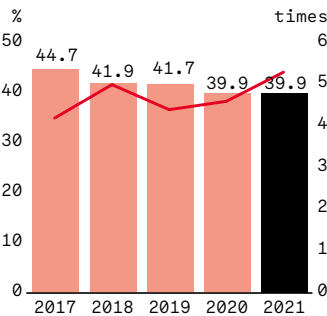
● Share change in value, %
● Share dividend yield, %
— Total yield, %

Low financial risk.

We are in a strong financial position, with solid key performance indicators, including a low gearing ratio and a high interest coverage ratio, and an investment grade rating from Moody's of Baa2 with a stable outlook.

Loan-to-value ratio and interest coverage ratio

Stable gearing ratio with a higher interest coverage ratio.



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

Sustainable urban development.

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

Goals 2030

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

Definitions.

Financial definitions

The effect of the implementation of IFRS 16
Atrium Ljungberg has applied IFRS 16 Leases since 1 January 2019. In 2019 Atrium Ljungberg chose to reverse the effect of IFRS 16 when calculating the alternative performance indicators in order to increase comparability. As comparison figures from 2020 are now available, reversal from 2020 will no longer be carried out, except for the following key performance indicators: loan-to-value ratio and interest coverage ratio. This is because there are financial goals linked to these key performance indicators.

Share dividend yield, %
The proposed or distributed share dividend as a percentage of the share price at the end of the financial year.

The share's dividend yield is used to illustrate which current yield shareholders are expected to receive.

Share's total yield, %
The year's change in the share price plus the distributed dividend during the year as a percentage of the share price at the end of the financial year.

The share's total yield is used to illustrate the shareholders' total yield on their ownership in Atrium Ljungberg.

Current net asset value per share, SEK
The carrying amount of equity with a reversal of derivatives and goodwill adjusted with estimated actual deferred tax, divided by the number of outstanding shares at the end of the period.
Current net asset value per share is used to provide stakeholders with information on Atrium Ljungberg's current net worth per share calculated in a uniform manner for publicly listed property companies.

Number of outstanding shares
Number of registered shares at the end of the period less bought-back shares, which do not provide entitlement to dividend or voting rights.

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

Return on equity, excluding changes in value, rolling 12-month period, %
Profit for the period excluding changes in value for the last 12 months as a percentage of average adjusted equity.
Return on equity excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the owners' capital in the Group.

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

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

Return on total assets, excluding changes in value, rolling 12-month period, %
Profit before changes in value for the last 12 months plus interest expenses for the last 12 months as a percentage of the average balance sheet total.
Return on total assets excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the Group's assets uninfluenced by the Group's financing.

Disposal value per share, SEK
The carrying amount of equity with a reversal of goodwill adjusted for the difference against the fair value of interest-bearing liabilities
Disposal value per share is used to provide stakeholders with information on Atrium Ljungberg's value per share for a disposal scenario calculated in a uniform manner for publicly listed property companies.

Loan-to-value ratio, %
Interest-bearing liabilities, excluding the liability for finance leasing for leaseholds, as a percentage of the sum of the properties' fair value at the end of the period.

The loan-to-value ratio is used to illustrate Atrium Ljungberg's financial risk.

Gross profit/loss property management
Rental income less property management costs.

Gross profit/loss project and construction work
Net sales, project and construction work minus project and construction costs.

Equity per share, SEK
Reported equity divided by the number of outstanding shares at the end of the period.
Equity per share is used to illustrate the owners' share of the company's total assets per share.

Property costs
Total property management costs, which exclude central administration.

Profit/loss before changes in value less nom. tax on taxable profit/loss before loss carry-forwards, SEK
Profit before changes in value, less calculated current tax excluding loss carry-forwards, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.
Used to provide stakeholders information on Atrium Ljungberg's management result per share calculated in a uniform manner for publicly listed property companies.

Average loan-to-maturity, years
Average remaining term until final maturity of all credits in the liabilities portfolio.
The average loan-to-maturity is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate for interest-bearing liabilities, %
Weighted average contracted interest for all credits in the liabilities portfolio excluding unutilised credit facilities. The average interest is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate duration, years
Average remaining term until interest settlement date of all credits in the liabilities portfolio.
The average interest rate duration is used to illustrate Atrium Ljungberg's financial risk.

Adjusted loan-to-value ratio, %
Interest-bearing liabilities, excluding the liability for financial leasing for leaseholds, as a percentage of the sum of the properties' fair values at the end of the period, less properties acquired but not possessed and plus properties sold but not vacated.
The adjusted loan-to-value ratio is used to illustrate Atrium Ljungberg's financial risk.

Cash flow per share, SEK
Cash flow from operating activities divided by the average number of outstanding shares.
Cash flow per share, SEK is used to illustrate Atrium Ljungberg's cash flow, and particularly its dividend capacity.

Long-term net asset value per share, SEK
Reported equity with a reversal of goodwill, derivatives and deferred tax, divided by the number of outstanding shares at the end of the period.
Long-term net asset value per share is used to provide stakeholders information on Atrium Ljungberg's long term net worth per share calculated in a uniform manner for publicly listed property companies.

Average number of outstanding shares
Weighted average number of outstanding shares calculated in accordance with IAS 33.

Earnings per share, SEK
Net profit/loss for the period divided by the average number of outstanding shares.

Profit before changes in value per share, SEK
Profit before changes in value, less current tax, divided by the average number of outstanding shares.
Profit before changes in value per share is used to illustrate the ongoing management operations.

Interest coverage ratio
Profit before changes in value for the last 12 months plus financial expenses for the last 12 months, divided by financial expenses for the last 12 months (excluding leasehold fees) which, according to IFRS 16, have been reclassified as an interest expense.
The interest coverage ratio is used to illustrate how sensitive the company's results are to interest rate changes.

Equity ratio, %
Recognised equity at the end of the period as a percentage of the balance sheet total.
The equity ratio is used to illustrate Atrium Ljungberg's interest rate sensitivity and financial stability.

Dividend pay-out ratio, %
Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.
Dividend pay-out ratio is used to illustrate what proportion of the earnings is shifted out to the Group's owners and reinvested in the operations respectively.

Property-related definitions

RA, m₂
Residential area refers to the letting area of a building for residential use.

GFA, m²
GFA (Gross Floor Area) refers to the building's total area, including outer walls.

Operating surplus
Refers to rental income less property management costs.

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

Development properties
Development properties are properties that are built or unbuilt that the Group owns in order to develop and sell them as tenant-owned dwellings. These properties are recognised as current assets, even though some of the properties are managed and generate rental income while they are waiting to be developed.

They are recognised at the lower of their accumulated cost and their net realisable value.

Property type
The premises type which comprises the predominant share of the rental value of a register property or profit area determines the property type.

The market value and development of rental income in comparable portfolios recognised per property type.

Rental value
Contracted annual rents including rent surcharges (e.g. for property tax, heating and electricity) and estimated market rents for vacant space in existing condition.
Rental value is used to illustrate the Group's income potential.

Comparable portfolio
Comparable portfolio refers to the properties which were not classified as project properties and were owned throughout the period and entire comparison period.

Comparable portfolio is used to illustrate the trend of rental income excluding non-recurrent effects for premature vacating of premises and property costs uninfluenced by project properties as well as acquired and sold properties.

NRA, m²
Non-residential area refers to the letting area of a building for non-residential purposes.

Premises type
The operations managed in the individual premises determine the premises type: offices, retail, residential, other or garage. Other includes education, culture, service enterprises and storage.

The letting rate and yield requirement are reported per premises type.

Net letting
Total contracted annual rent for new lets with deductions for annual rents due to terminated contracts for the period.

Net letting is used to illustrate the letting situation.

Project property
An individual property or a clearly delimited part of a property that has been or is about to be vacated in order to permit the renovation and upgrading of the property. The term, project property, also refers to buildings under construction and to undeveloped land and development rights.

Reclassification from project property to completed property occurs at the time of completion.

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

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

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

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

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

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

Operating surplus margin, %
Gross profit/loss from property management as a percentage of the recognised rental income.
Operating surplus margin is used to illustrate what proportion of the Group's rental income remains after property costs.

Sustainability-related definitions

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

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

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

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

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

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

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



Information from Atrium Ljungberg.

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

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

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Publication of financial information.

Interim report Jan-Jun 2022	8 July 2022
Interim report Jan-Sep 2022	14 October 2022
Year-End Report 2022	2 February 2023
2022 Annual Report	1 March 2023

Press releases during the quarter.

Polestar moves into new offices in Lindholmen	19 January 2022
Sabis chooses Sickla for its new food store	1 February 2022
Sustainability-linked financing framework is launched	7 February 2022
Sickla – an emerging destination for exercise and health	22 February 2022
Friskis & Svettis opens in Bas Barkarby	28 February 2022
Fintech unicorn moves onto the shopping street Drottninggatan	3 March 2022
3XN Arkitekter is commissioned to design the upper-secondary school in Slakthusområdet	8 March 2022
Linus Matkasse moves into Chokladfabriken	30 March 2022
Major lettings in Life City in Hagastaden	31 March 2022

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- <https://www.facebook.com/atriumljungberg>
- <https://twitter.com/atriumljungberg>
- <https://www.instagram.com/atriumljungberg/>

Atrium Ljungberg, February 2022.
Photos: Atrium Ljungberg, Mattias Bardå, Jeanette Hägglund. Architect images: White Arkitektbyrå.
Production: Narva, Stockholm 2022.

