

Our city – where everyone thrives.





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01





About Atrium Ljungberg.

Sustainable
urban development
focusing on
diverse cities.

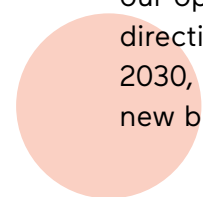


Although properties are clearly at the heart of our business, we are actually more interested in the life that takes place between the buildings and the people who spend time at our locations.

Our focus is on owning, managing and developing attractive urban environments in Sweden's strongest growth areas: Stockholm, Uppsala, Gothenburg and Malmö. Working with municipalities, tenants and the people living in these cities, we build vibrant and safe urban environments where offices, residentials and retail combine with services, healthcare and education.

We currently have a total of 956,000 m² letting area with a property value of SEK 60 billion and a project portfolio of ongoing and potential projects that represent an investment of approximately SEK 40 billion.

One year ago Atrium Ljungberg adopted new, ambitious sustainability goals covering the climate, suppliers, sustainable employees and socially sustainable locations. Our sustainability work is an integral part of our operations and we have a crystal-clear vision of the direction we are heading. We will be climate-neutral by 2030, which includes halving the climate impact of our new build and reconstruction projects.



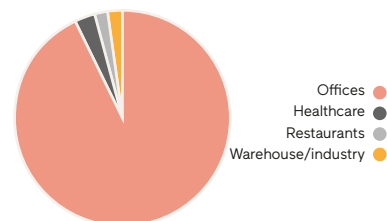
Our property areas.

Gothenburg

Atrium Ljungberg is represented in Lindholmen in Gothenburg. This area has been transformed from an old shipbuilding area to the most knowledge-intensive and expansive

location in Gothenburg, as well as a hub for the city. We are involved in developing Lindholmen along with the municipality, tenants and other partners.

Types of premises



Total letting area,
thousand m² **74**

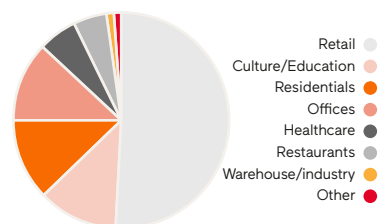
Property value,
SEK billion **3**

Malmö

Malmö is a strong growth area boasting a strategic location in the Öresund region; one of the largest labour markets in the Nordic region with no fewer than 3.8 million inhabitants. In Malmö we own Mobilia,

which is being developed into an attractive urban environment with a mix of retail, offices, residentials and healthcare. We are also involved in the development of Möllevången, one of Malmö's most exciting cultural meeting places.

Types of premises



Total letting area,
thousand m² **110**

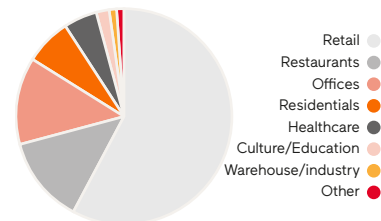
Property value,
SEK billion **3**

Uppsala

Uppsala is Sweden's fourth largest city with strong population growth. Uppsala is one of our most important subsidiary markets and we are focusing our operations on the City of Uppsala and Gränbystaden, which

is expected to be fully integrated with the inner city within a few years. In recent years we have enhanced our range of offices, including the acquisition of the Mejeriet property in Central Uppsala.

Types of premises



Total letting area,
thousand m² **124**

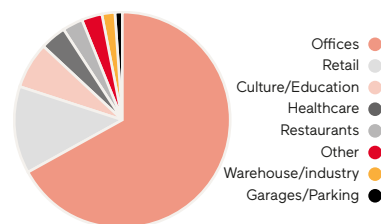
Property value,
SEK billion **6**

Stockholm

Stockholm is one of the fastest growing regions in Europe with 30 major development projects underway. Stockholm accounts for 73% of Atrium Ljungberg's total rental

value. We are represented in Sickla, Slakthusområdet, Hagastaden, Slussen, City of Stockholm, Medborgarplatsen, Sundbyberg, Liljeholmen, Barkaby and Kista.

Types of premises



Total letting area,
thousand m² **648**

Property value,
SEK billion **48**

Gothenburg 5%

Stockholm 80%

Malmö 5%



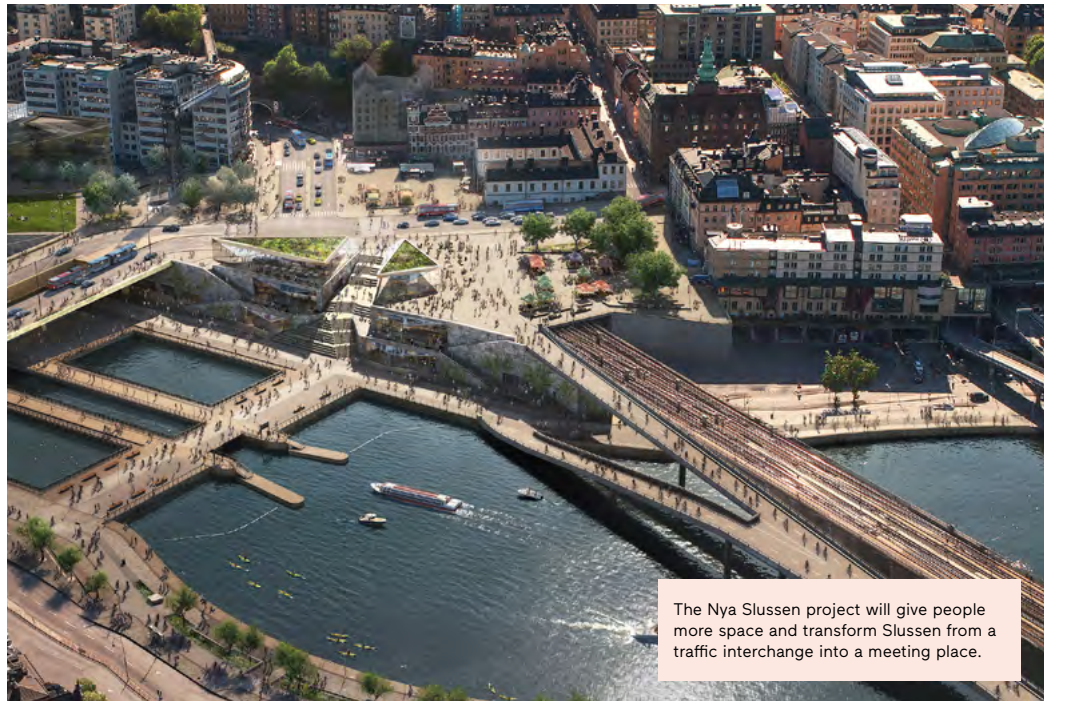
Lindholmen, the former shipbuilding area in Gothenburg, has now become an international knowledge cluster and a modern office area.



Mobilia in Malmö has been transformed from a shopping centre into an attractive city district, where retail and offices combine with residential and culture.



Gränbystaden and its neighbouring areas represent one of the most expansive parts of Uppsala and will soon be fully integrated with the inner city.



The Nya Slussen project will give people more space and transform Slussen from a traffic interchange into a meeting place.

2022 in brief.

- ➔ **Rental income increased** to SEK 2,550 million (SEK 2,292 m), with an increase in comparable portfolios of 4.4% (2.5%).
- ➔ **The operating surplus** amounted to SEK 1,707 million (SEK 1,560 m), of which comparable portfolios increased by 1.7% (4.0%).
- ➔ **Net sales for project and construction work** amounted to SEK 585 million (SEK 792 m), while gross profit totalled SEK 25 million (SEK 107 m).
- ➔ **Profit before changes in value** amounted to SEK 1,178 million (SEK 1,249 m), corresponding to SEK 9.34 per share (SEK 9.86/share).
- ➔ **Unrealised changes in the value of properties** amounted to SEK 2,671 million (SEK 3,040 m), which included project returns of SEK 1,416 million (SEK 974 m).
- ➔ **Profit for the year** amounted to SEK 4,288 million (SEK 3,757 m), corresponding to SEK 33.97 per share (SEK 29.65/share).
- ➔ **Net letting** for the year amounted to SEK 115 million (SEK 40 m), of which the company itself terminated SEK –69 million (SEK –31 m) to pave the way for future projects.
- ➔ **Investments for the year** amounted to SEK 6,072 million (SEK 2,304 m), which included acquisitions of SEK 3,724 million (SEK 25 m).
- ➔ **The net asset value** amounted to SEK 270.60 per share, which is an increase of 12%, adjusted for the dividend paid.
- ➔ **The Board proposes** a dividend of SEK 5.30 per share (SEK 5.20/share) to be paid in two instalments of SEK 2.65 per share.

Net letting
SEK 115 million

Ongoing projects
SEK 9.7 billion

Overview ¹⁾	2022	2021
Rental income, SEK m	2,550	2,292
Net sales, project and construction work, SEK m	585	792
Net sales, SEK m	3,135	3,084
Gross profit, SEK m	1,732	1,666
Profit before changes in value, SEK m	1,178	1,249
Ditto SEK/share	9.34	9.86
Unrealised changes in the value of properties, SEK m	2,671	3,040
Profit after tax, SEK m	4,288	3,757
Ditto SEK/share	33.97	29.65
Property value, SEK m	60,006	51,589
Investments including acquisitions, SEK m	6,072	2,304
Net lettings, excl. own terminations, SEK m	184	71
Net lettings, incl. own terminations, SEK m	115	40
Loan-to-value ratio, %	42.3	39.9
Interest coverage ratio	3.8	5.3
Average closing interest rate, %	2.2	1.7
Long-term net asset value, SEK/share	270.60	245.73
Share price, SEK/share	170.90	199.70
Proportion of the value of the investment portfolio that is taxonomy-aligned, %.	26	30
Total energy intensity, kWh/m² (weighted to an average year)	178	198

¹⁾ For the complete table of key performance indicators, see page 152 and for definitions, see pages 153–154.

Significant events in 2022.

Our project portfolio

In 2022 decisions were made on five new projects with an investment volume of approximately SEK 3.7 billion: Hus 6 Stationen; the upper-secondary school; phase 2 of Slakthushallarna in Slakthusområdet; the reconstruction and refinement of the office property Blästern 11/PV Palatset in Hagastaden; and Söderhallarna on the square Medborgarplatsen.

Tenant-owned dwellings

In the third quarter of 2022 we completed and sold our second tenant-owned dwelling project, Brf Konstharts in Nobelberget, with a project return of SEK 52 million, or 16%.

Acquisitions and development agreements

In June 2022 the detailed development plan for Hus 6 Stationen in Slakthusområdet became legally binding and a development agreement was signed in the summer.

In August we signed five development agreements with the City of Stockholm. These agreements are for two tenant-owned dwelling buildings that have a total of approximately 440 apartments (37,000 m² GFA), as well as an office block measuring approximately 26,000 m² GFA in Hagastaden. The total investment is assessed to be approximately SEK 5 billion. The first phase of this project is a shared garage for these blocks and construction started in the autumn of 2022. These development projects are scheduled to be completed soon after the year 2030.

Two property acquisitions were completed in the spring. In April we took possession of the Kylhuset 28 property, also known as Palmfelt Center, in Slakthusområdet. The building comprises more than 30,000 m² and was acquired for approximately SEK 1,500 million. In May we acquired the Blästern 15 property in Hagastaden. The building comprises 21,300 m² and was acquired at an underlying property value of SEK 2,345 million.

Major lettings

Many major lettings were completed during the year, primarily in the Stockholm area. In Katarinahuset in Slussen we signed an agreement for 4,000 m² with Citybox Hotels, 1,400 m² with Froda, and 2,500 m² with Omnicom Media Group (OMG).

Fastigo and Nova Consulting also signed agreements for 1,000 m² and 2,500 m² respectively in the property. In Life City in Hagastaden an agreement was signed for 4,200 m² with Polarium.

In Sickla we signed agreements during the year for 1,200 m² with Region Stockholm (Child and Adolescent Psychiatry) and for 1,700 m² with Sabis/Hemköp, which opened a brand new food store in the shopping centre. Atlas Copco also decided to extend its agreement for more than 20,000 m² to the year 2034.

In April we signed an agreement with SISAB, Skolfastigheter i Stockholm AB, to develop an



In August a development agreement was signed in Hagastaden. This agreement comprises two tenant-owned dwelling buildings and one office building.

upper-secondary school in Slakthusområdet. The school is scheduled to open for the start of the school year in 2026 and will welcome approximately 800 pupils in a space covering more than 6,000 m². The lease contract has a term of 15 years.

At the end of the year the Swedish Chemicals Agency signed an agreement to rent approximately 4,000 m² in Chokladfabriken in Sundbyberg.

Sustainability

In the spring of 2022 Atrium Ljungberg became the first property company in the Nordic region to issue a sustainability-linked bond, enabling us to present our sustainability-linked financing framework, which covers every section of the ESG concept.

Changes to the executive management team

In August Andreas Malmsäter joined the company in the new role of Business Area Director for Leasing.



In the spring of 2022 the Blästern 15 property was acquired in Hagastaden.



Several major lettings were carried out in Katarinahuset in Slussen, which will be ready for occupancy in 2023.

Stability in turbulent times.

2022 was a tumultuous year. Following almost two years of a pandemic, the year was plagued by war, inflation and uncertainty. It was only natural that we, as a company, would be affected, particularly by the higher energy and interest costs. We worked hard to adapt our operations quickly, making the necessary adjustments and preparing ourselves for some tough years ahead.

We therefore focused heavily on cost-cutting measures and reduced our workforce by 10%, which included both consultants and our own staff. We have an incredible business concept, a unique project portfolio, and engaged and talented employees; all of which creates the perfect environment for us to achieve our long-term goals.

Profit

Our profit for 2022 reflects the tumultuous year I described above. We have reported a profit of approximately SEK 4.3 billion, which represents growth of 15% compared with the previous year.

However, the last quarter by itself saw negative figures as a result of our properties decreasing in value. There are two main elements that go up and down over time and impact our income statement: property values and market interest rates. The much higher financing costs, combined with a fear of taking risks, resulted in low liquidity on the property market, particularly in the latter part of the year, leading to rising yield requirements. These higher yield requirements were partly compensated by stronger cash flows, which were mostly caused by the high indexation. This resulted in our property prices rising by 4.8% for the year as a whole, including project returns, even though there was a decrease in value of 2.4% in the final quarter. Higher market interest rates naturally impact our own

financing costs. However, we have a risk strategy in place for interest rates, with an interest rate duration of 4 years and 17% at a variable rate, which means that it will take a while before we see the full impact on our net interest income.

We have a strong balance sheet – this is important, particularly at a time of falling prices and recession. At the end of the year, the loan-to-value ratio stood at 42%, which will improve even more this year as we completed a property sale at the start of 2023. A healthy liquidity buffer of approximately SEK 7 billion means that we are fully prepared for the future, and the Board has therefore resolved to propose a dividend of SEK 5.30 per share to the AGM, to be paid in two instalments of SEK 2.65 per share. This represents yet another year of dividend growth for our owners.

Office market

The office market continued to show stability, despite it being a stormy year in macroeconomic terms. The demand for offices was constantly high, particularly in central locations, triggered by an increasing number of people returning to office work during the year. However, the current recession means that we are witnessing a certain amount of caution among potential customers. This has led to an increase in the demand for flexible solutions, including coworking and shorter lease contracts.

Residential market

In Sweden as a whole, the prices of tenant-owned dwellings fell by as much as 14% from their peak and the number of residentials sold plummeted in 2022. New-build residentials reported a much greater fall than pre-owned residentials and they are now at their lowest level since the start of 2014. We are also feeling the effects of this market trend in our two tenant-owned dwelling projects that are currently underway. At the moment we have no plans to reduce the prices of the apartments we have for sale, which number around 100. The attractiveness of the locations is still generating interest and it is our assessment that sales will increase the closer we get to the moving-in date.

Retail

The retail sector reported positive growth in 2022. Our retail hubs showed good progress, with the Christmas trade exceeding the figures from the previous year. In fact 2022 as a whole was a record year for several of our hubs. One clear trend that we have witnessed since the pandemic is an increase in average purchase values. We have also noted that the companies that are doing the very best are those that really focus on the personal interaction with their customers and the overall experience, both in terms of the environment and the way that customers are treated.

“We delivered very strong net letting in 2022”

Annica Änäs, CEO



Project portfolio

Our goal to invest in profitable projects in order to create shareholder value remains firmly in place. However, there may be a slight time lag due to the new market conditions, with the employment figures in Stockholm and the prices of tenant-owned dwellings being our most important metrics. We are continuing to work actively on our long-term project portfolio, while focusing heavily in the short term on filling vacancies and working with existing customers. We always have to be sensitive, flexible and innovative so that we can meet our customers' needs.

In 2022 decisions were made on five new projects during the year with an investment volume of approximately SEK 3.7 billion: Hus 6 Stationen; the upper-secondary school; phase 2 of Slakthushallarna in Slakthusområdet; the reconstruction and refinement of the office property Blästern 11/'PV Palatset' in Hagastaden; and the reconstruction and modernisation of Söderhallarna on the square Medborgarplatsen.

In August we also signed five development agreements with the City of Stockholm in Hagastaden. These agreements are for the development of two tenant-owned dwelling buildings that have a total of approximately 440 apartments (37,000 m² GFA), as well as an office block measuring approximately 26,000 m² GFA, above a shared garage with approximately 285 parking spaces. The total investment is calculated to be just over SEK 5 billion, which includes an estimated SEK 2 billion for the land acquisition. The goal is for all of the blocks to be completed by around 2030. Hagastaden already looks completely different from what it did just a few years ago; it is an area that stands out because of its international metropolitan vibe. It is going to be exciting to follow all the developments moving forwards, with the underground scheduled to be up and running by 2028.

Changes to the executive management team

In August Andreas Malmstätter joined the company as the new Business Area Director for Leasing. Andreas has extensive experience of our industry and joins us from Fabège, where he has been

the Leasing Director since 2015. His role includes overall responsibility for the strategic leasing work at Atrium Ljungberg and he will be in charge of the company's Leasing Department. I am so happy that we recruited Andreas; he is such an important addition to the company.

Deals during the year

We reported extremely strong net letting in 2022, which I see as evidence of the attractiveness of our locations. Our net letting ended on SEK 115 million for 2022; if we take into account the terminations we made to pave the way for future projects, net letting amounted to SEK 184 million.

During the year we signed a number of new lease contracts. The biggest contracts included those with Region Stockholm, which expanded its area in Sickla by more 1,200 m², and Sabis/Hemköp, which built a new store measuring 1,700 m² in the shopping centre in Sickla. It is also great to see Atlas Copco extending its lease contract for more than 20,000 m² in Sickla to 2034.

In Katarinahuset in Slussen a Norwegian chain called Citybox Hotels signed an agreement for 4,000 m² for its first hotel in Sweden. We also signed agreements for 1,400 m² with Froda and 2,500 m² with Omnicom Media Group, as well as an agreement with Nova Consulting, which decided to open its new offices measuring 2,500 m² in Katarinahuset.

Our Life City project in Hagastaden is almost full up. In 2022 we signed agreements with various companies, including a lease contract for 4,200 m² with Polarium. Last, but not least, I'm extremely happy about our agreement with the Swedish Chemicals Agency, which will rent almost 4,000 m² in Chokladfabriken in Sundbyberg.

Sustainability

In the autumn of 2021 the Board of Atrium Ljungberg adopted a new sustainability strategy and new sustainability goals for the company. These goals cover the period from 2022 to 2030 and are designed to guide the company towards sustainable development and contribute to achieving

the company's vision: "Our city – where everyone thrives". Our sustainability work is integrated into our business model and is divided into four focus areas: climate, socially sustainable locations, sustainable employees and business ethics. It has now been just over one year since we adopted these new goals and I am proud of the hard work that has been done and the initiatives that have been taken in every area.

In February 2022 we launched a sustainability-linked bond framework. It feels great to be able to present a framework for sustainability-linked financing that 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.

One important part of our sustainability work is the work we do with our suppliers. Atrium Ljungberg is involved in 'The property industry's initiative for sustainable supply chains' (FIHL), which aims to develop the coordinated monitoring of suppliers and enhance the industry's joint focus on sustainability. As property companies we share a clear vision. We all have a long-term goal of ensuring that there is no fraud, criminality or violations of working conditions and the environment in our industry.

The construction sector is the industry that is most severely affected by illegal workers in Sweden. It has been increasingly worrying to see the development of the illegal market in the construction industry, so we want to help prevent unfair competition, organised crime and the exploitation of illegal workers in our industry. This is why we believe we made the right decision to join 'Rättvist Byggnade', an association to promote fair construction practices. In September 2022 we were one of the first private constructors to become members.

Finally I would like to say a few words about our focus on sustainable employees. From 2011 Atrium Ljungberg took part in the employee survey Great Place to Work and over the past nine years we appeared on the list of the best workplaces in Sweden. However, in 2022 we made the decision to step away from GPTW to instead focus on the

Human Financial Wellness tool. This will enable us to monitor what every employee thinks about their situation at work and what they think about the company, its leadership and their well-being, both now and over time. Based on these results we are going to produce an action plan every year, where we integrate health, the work environment, profitability and sustainability moving forwards.

2023

What does 2023 have in store for us? Atrium Ljungberg has talented and engaged employees, who always focus on the customer. However, there is always the possibility that we could have more terminations than new contracts during a recession. Having said that, the long notice periods mean that it is highly unlikely that this will impact our delivery in 2023. The risk of bankruptcies is always present, but we have mitigated this risk by having such a diverse customer base. We are aware that the index for 2023, which is almost 11%, will result in higher rental income – approximately SEK 165 million. As well as having good cost control, we have set up a plan to offset the continued volatility on the electricity market and high cost pressures in general. Although market interest rates will continue to rise, the interest rate durations we have selected means that this will only have a minor impact on us in the coming year.

At the start of the New Year, we sold our Skotten 6 property on Drottninggatan in Stockholm. This deal has an underlying property value of SEK 1.9 billion. It not only represents a natural step in our urban development strategy, but also makes us more financially resilient moving forwards. I am so happy that we are able to amortise our debts in the short term, while still creating the environment we need to implement our incredible projects.

I would like to take this opportunity to thank all of our customers, partners and employees for yet another eventful year and I am cautiously looking forward to seeing what the year 2023 has to offer!

Annica Ånäs, CEO

Four reasons to own shares in Atrium Ljungberg.

Stable dividend.

Atrium Ljungberg has delivered a stable dividend with an effective dividend growth rate of 6% per year over the past 10 years. The dividend in SEK per share has never been lowered since the company was listed on the stock exchange in 1994.

Potential for good value growth.

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

Low financial risk.

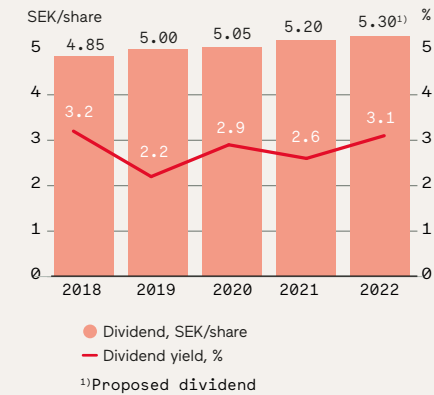
We are in a strong financial position, with solid key performance indicators, including the loan-to-value ratio and interest coverage ratio, as well as an investment grade rating from Moody’s of Baa2 with a stable outlook.

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.

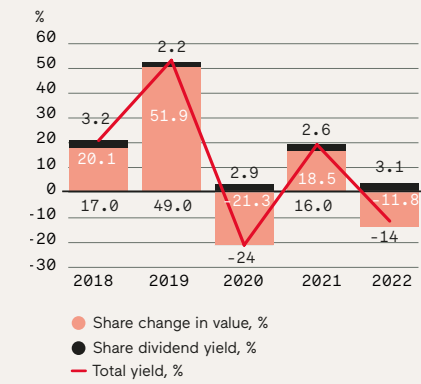
Dividend and share dividend yield

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



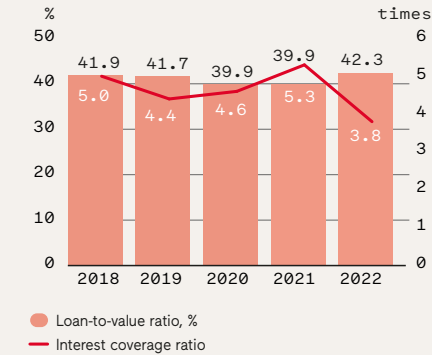
Share’s total yield

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



Loan-to-value ratio and interest coverage ratio

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



Sustainability goals 2030

- Atrium Ljungberg will be climate-neutral by 2030 and halve the climate impact of construction projects by 2025
- Atrium Ljungberg’s locations will achieve a score of more than 90% in the Our City index by 2030
- Our substantial purchases will be evaluated by 2025 based on our Supplier Code of Conduct.
- A minimum of two development programmes for suppliers every year.
- Sustainable employees, a score of 5.5 (out of 7) in the Human Financial Wellness monitoring system.



Atrium Ljungberg as an investment.

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

Ten good reasons to be at a location

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

With a clear urban development strategy...

Around 85% of Sweden's population now lives in towns and cities, and the rate at which people are relocating to large urban areas has been increasing for many years. Although this trend weakened slightly during the pandemic, we believe that urbanisation will continue in the long term. This presents both challenges and opportunities for all of us who are working to create attractive and sustainable locations. Atrium Ljungberg develops city districts that create value for municipalities, tenants, our shareholders and everyone who lives and works in our areas. We have a clear strategy for this. Our working method is based on collaboration and dialogue, and we always do our best to take advantage of the soul, history and best features of these locations. Many factors have to be in place for a location to be attractive and encourage people to visit at any time of the day or night. At Atrium Ljungberg, we use the concept of 'the power of ten' in our urban development work. This means that there must always be at least ten reasons to visit a location. We focus on developing and managing vibrant urban environments with a range of services for offices, residentials, retail,

service, education and culture in strong subsidiary markets. We want to create locations that enable a sustainable lifestyle, while also offering an attractive urban environment where people want to live, work and spend time – both now and in the future. Our vision is "Our city – where everyone thrives", which enables us to create value for the company and therefore for our shareholders and society.

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

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

Stationshuset in Sickla





With an incredible project portfolio ...

Our project portfolio has grown more than five-fold since the merger of Atrium Fastigheter and Ljungberggruppen in 2006. The company has adopted a goal to invest approximately SEK 30 billion up to 2030 in order to deliver on our goal for project returns. This will enable a project return

of approximately SEK 10 billion based on assessments of future rental levels, project costs and lettings. Managing our current project portfolio effectively will pave the way for us to double both our property value and operating net by the year 2030 compared with 2021. The time may have to be extended due to current global issues.

Opportunity to invest – SEK 40 billion in decided and potential projects

SEK 40 billion



Our long-term focus on sustainable urban development is one of the reasons as to why we have been trusted to help develop large parts of Slakthusområdet in southern Stockholm. This is the biggest development project of modern times in Stockholm, and it will continue until 2033.

Half of our project portfolio comprises offices, one-third residentials and the remainder services, restaurants, retail, education and cultural activities. 85% of the project portfolio is in areas that are right next to existing or new underground stations. This is the case not only in Slakthusområdet, but also in Sickla, Slussen and Hagastaden. For example, it will only take seven minutes to travel from Sickla to Stockholm Central Station using the new underground link. The close proximity of rail services has a major positive impact on rental levels, which in turn will help to increase the value of our properties.

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

Profit before changes in value in the company over the past 10 years has increased by 42%. The company has grown from just over 200 to more than 300 employees. We have refined and relocated our property portfolio by investing SEK 16 billion in our existing properties, acquiring properties for SEK 13 billion and selling properties for SEK 12 billion. Changes in value amounted to SEK 18 billion in this same period, increasing the property value by 144%.

We are ready to create the city of the future

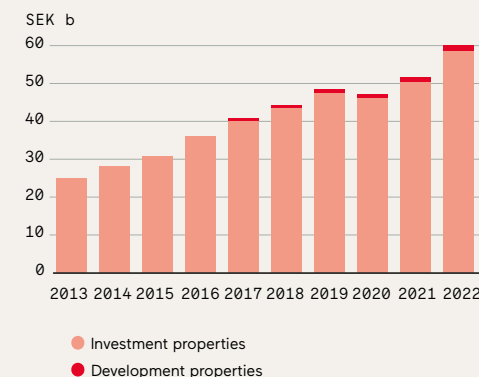
Society is transforming rapidly. With our physical locations as a platform, we are focusing heavily on using digital technology to refine and create new offerings that make our areas even more attractive. Life between the buildings has always been important to us and we are continually adding services,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

To remain relevant in a world where behaviours and consumption patterns are changing at a rapid pace, we need to understand what drives people

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

Property value over time

Property value more than doubled over the last ten years.





Urban development that
creates value

Urban development that creates value.

Atrium Ljungberg develops attractive and sustainable urban environments where people want to live, work and be – today and tomorrow. Our vision is “Our city – where everyone thrives”, which enables us to create value for the company and therefore for our shareholders and society.

Business concept

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

Vision

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

Property management

SEK 1,707 million

operating net

Property acquisitions

SEK 3,724 million

Property sales

SEK 327 million

Project development

SEK 9,710 million



Urban development that creates value

Values.

Our values permeate everything we do and guide us in our encounters with customers and other players. Caring for people and the environment is a key part of our business activities and is reflected in our values, processes, action plans and daily routines.

Collaboration

Collaborating across boundaries allows us to create entirely new opportunities – both for ourselves and for our customers.

Long-termism

The future permeates everything we do – from our ownership and sustainable solutions to how we work internally within the company and in our relationships with customers and partners.

Reliability

We keep our promises. The motto of ‘our handshake is our bond’ is just as relevant today as it has always been.

Innovative thinking

We identify opportunities and always find the best solutions in our own way. We want to learn, try out new ideas and find new ways of collaborating so that we can create an attractive customer offering.

Business model.

Property management

We have our own management organisation that works closely with the customers to satisfy their needs in the best way possible, while staying open to new business opportunities.

Project development

Our project development comprises both new builds and reconstructions/extensions for properties in attractive locations in metropolitan regions, often linked to our existing portfolio. Our projects are run by our own staff – from the original concept to the time people move in. The return on projects is to be more profitable than acquiring properties with an existing cash flow. Projects therefore contribute to both net operating growth and value growth.

Acquisition and sales

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

Creating value for stakeholders.

Customer

We are a long-term landlord that works closely with our customers, which creates continuity and security. Using local property management enables us to identify customer needs early on, and therefore create the right conditions for them to conduct profitable, sustainable business. Places where people can meet and a wide variety of activities generate added value for our customers and enable all the different kinds of tenants to benefit from each other.

Society

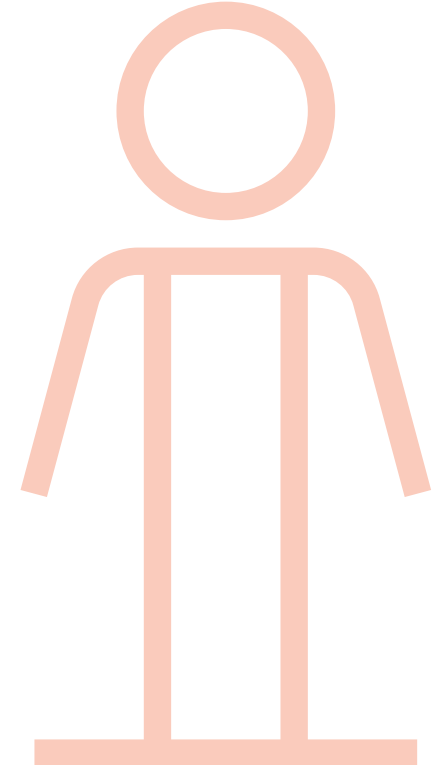
We create sustainable urban environments where people want to live, work and spend time. We take advantage of the financial, social and environmental values that already exist and add new ones that increase the attractiveness of the location. We put the conditions in place for vibrant urban environments with a mix of offices, residential, retail, service, education and culture, and we take on a lot of responsibility for a location in terms of security, services and parks.

Owners and investors

Our business model, innovative sustainable urban development and a large project portfolio concentrated among attractive areas in four growing metropolitan regions provide a firm foundation for a stable rate of investment. By investing in held properties and managing them effectively, we create good value growth for Atrium Ljungberg's owners.

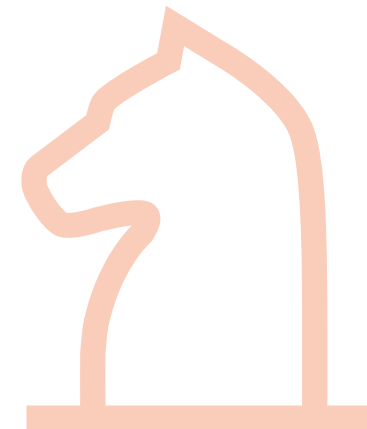
Employees

We have in place strongly-rooted core values and a good workplace culture, clear goals and the potential for development, which allows our employees to be happy, to thrive and to deliver at their very best. Our workplace stimulates collaboration, creativity and efficiency, which are essential components for a company to succeed.



Strategy that focuses on value growth.

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



Presence in strong subsidiary markets	Develop attractive urban environments	A major player	Focus on our customers	Properties and development rights	Integrated sustainability work	Business process using our own expertise	Engaged employees	Low financial risk
We will establish a presence on strong subsidiary markets in metropolitan areas where there is potential for long-term population growth.	We will focus on developing attractive urban environments for offices and residential, supplemented with retail, culture, service and education.	We will be a major player offering large and cohesive units in each subsidiary market.	We will focus on our customers in everything we do. We work with customers, municipalities and other stakeholders and this collaboration will be close, stable and committed over a long period of time.	We will acquire, develop and refine properties and development rights.	We will carry out sustainability work that is integrated into the business strategy and it forms an important component of our offering. We will improve both our own responsibility and our stakeholders' responsibility in this area.	We will conduct and manage the entire business process in-house using our own expertise.	We will have engaged employees who are passionate about what we do. Core values – long-termism, collaboration, reliability and innovative thinking – are to be firmly rooted in the company.	We are a long-term player that can operate in both good and bad times.
Why	Why	Why	Why	Why	Why	Why	Why	Why
Long-term population growth creates the right conditions for long-term profitability, both for us and for our customers.	This combination increases the flow of people at the location and creates synergies for everyone involved, generating more opportunities for successful business.	As a major player, we can lead and influence development and create urban environments that are sustainable in the long term.	Relationships and collaboration based on trust enable us to find innovative solutions and create long-term sustainable and attractive environments together.	We create value growth within the company through active management project development.	Sustainability is incredibly important strategically for companies that want to remain relevant in the long term.	By conducting the entire business process ourselves, including project development, we can look after our customers and ensure high quality in the long-term management of the projects.	Competent, motivated and engaged employees are essential for good results.	A low financial risk enables a higher operational risk through our extensive project portfolio.
How	How	How	How	How	How	How	How	How
We focus our development on areas that meet growth criteria. We use strategy plans for specific areas when looking at project and acquisition opportunities.	Our strategy plans for specific areas contain proposals for the design of the content at each location, based on their individual circumstances.	We focus our development and our acquisitions on locations where we are already established or where we want to be a major player.	We have local staff on the ground in each area and build long-term relationships with our customers and stakeholders.	By performing a detailed evaluation of the opportunities presented by projects and transactions, capital can be allocated to the opportunities that are assessed as adding the greatest value to Atrium Ljungberg in the long term.	Sustainability is an integral part of our objectives and is an issue that appears on the agenda every day for every employee in every part of the company, from daily management to projects and financing.	We have staff with competences and abilities that reflect our core values and we ensure that our employees are able to develop over time.	Our corporate culture encourages participation and care for each individual. Sustainable employees are at the heart of development and profitability.	A loan-to-value ratio that must not exceed 45% and an interest coverage ratio of a minimum of 2.0. A good loan interest rate duration and loan-to-maturity with a flexible financing portfolio.

Office trends – campus for ideas and innovation.

The pandemic provided the momentum for designing the offices of the future, creating a new set of conditions and new opportunities. In the autumn of 2022 Atrium Ljungberg published a report called 'Nybyggarna', which included interviews with researchers, architects and tenants. What they all have in common is that they are at the cutting edge of designing the workplaces of the future. Property owners and tenants need to work together to face the challenge of creating long-term sustainable workplaces and urban environments, where the well-being of people and the environment is given the highest priority.

Five trends for designing the offices of the future

Offices are now being planned with more thought than ever before given to the people who inhabit these spaces. There are higher expectations on employers to look after both the physical and mental well-being of their employees, which is reflected in the expectations for office design. A variety of rooms are being designed, taking all the senses into consideration, where top priority is given to well-being and unexpected meetings are valued. Five different office trends are emerging.

Life hub

If the offices of the past can be compared with the efficiency of factories, the offices of the future can be described as ecosystems for people's complexities, where the freedom to think, move and generate ideas is encouraged. The offices of the future are people's 'life hub', far away from standardised space efficiency, 9 to 5 working hours, and the 'Sunday scaries'. The ambition to connect workplaces to life outside the office is resulting in public interfaces being created from the offices out into

the community. It is in these spaces that identity and culture are created. This is the way that culture and community are fostered at a workplace.

Sensory rooms

As offices are becoming increasingly and seamlessly ultra-intelligent, a parallel development has been emerging.

Sensory rooms are now being designed for offices, often with the help of seemingly invisible tools that have a scientifically proven effect on well-being. It is not only the furniture, fixtures and fittings that set the tone for the offices; taking all the senses into account is now becoming more important. In their hunt for productive, healthy and happy employees, companies are allowing greenery to move in; while offices are reaching out into nature, onto terraces and into parks.

Community offices

Plans for offices now include opportunities for physical movement and a social ambience. Smart

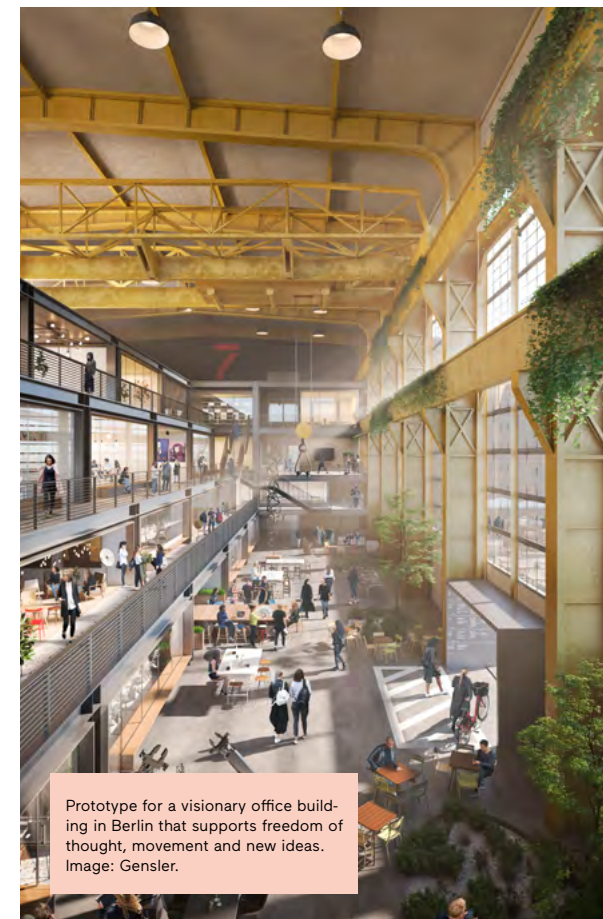
architectonic touches are making office spaces reminiscent of streets, squares and courtyards, filled with workspaces, community offices and activity areas. In the community office ('Kvarterskontoret'), the flow is carefully calculated – the public furthest away and the closer you come in, the more familiar it feels.

Diversity environment

The Great Resignation has followed in the wake of the pandemic, causing a shift in power; from having been an employer's market, it is now the employees that are taking control of the labour market. The offices and companies of the future need to take into account people's differences. When individuals are valued, it creates loyalty to the employer. Environments are now being created with a focus on diversity, where personality types are translated into architecture so that employees can find a space to be the best they can be. As well as creating environments that promote employees' health through physical activity, the architect also takes on the role of an environmental psychologist to encourage the employees' mental well-being.

Varied and flexible office blocks

Office blocks of the future have the option of housing more than one kind of business. Varied and flexible office blocks welcome different companies, associations and cultural events. Having variety and flexibility in office blocks is essential for sustainable urban development, and this will be the main measure of the environmental sustainability of offices. Solid materials and smart architecture are planned at an early stage. The size of rooms can be adapted, walls can be moved, and fixtures and fittings adjusted. A circular approach that focuses on reuse will be an important tool as we work to reduce our carbon footprint.



Prototype for a visionary office building in Berlin that supports freedom of thought, movement and new ideas. Image: Gensler.

Would you like to read more? You can download the report 'Nybyggarna – människorna och idéerna bakom morgondagens kontor' about the offices of the future here (only available in Swedish):



Goals for profitability, growth and stability.

Profitability and growth

The development of our profit before changes in value, i.e. our cash flow from our property management, is the key to our success.

This is the basis of our yield, along with value growth from investments.

Long-term stability

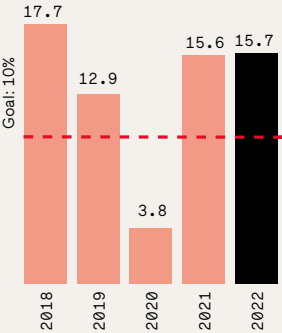
The company's capital base is to be strong in order to help ensure long-term stability and

generate the conditions needed to do good business in different market situations.

Return on equity

Goal: >10%
Outcome: 15.7%

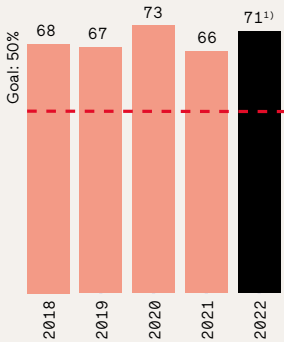
Return on equity must be at least 10% per year over time.



Dividend

Goal: >50%
Outcome: 71%

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

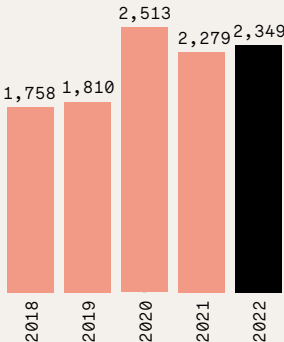


¹)Proposed dividend

Investments in held properties

Annual investment volume: SEK 3 billion
Outcome: SEK 2,349 million

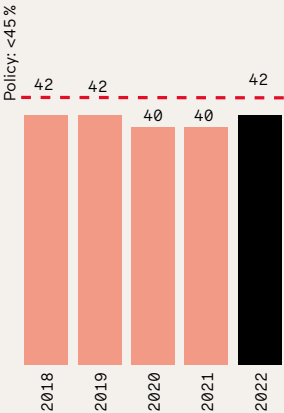
The company can invest approximately 5% of its own size without it having a major impact on the loan-to-value ratio, which is the equivalent of approximately SEK 3 billion per year.



Loan-to-value ratio

Policy: <45%
Outcome: 42.3%

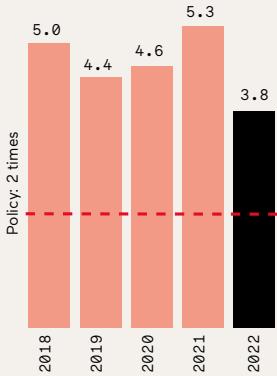
The loan-to-value ratio must not exceed 45%.



Interest coverage ratio

Policy: >2
Outcome: 3.8

The interest coverage ratio must not fall below 2.



2022 goal for sustainable enterprise.

We are gradually strengthening our focus on sustainable enterprise. Our most important sustainability areas have been transformed into goals and cover all our operations. The goals set out below are for 2022 to 2030. For more information about the goals, see pages 22–32.



Climate-neutral by 2030

Atrium Ljungberg will be climate-neutral by 2030, which is measured in kgCO₂e/GFA for construction projects and kgCO₂e/m² for property management.



Socially sustainable locations

Atrium Ljungberg’s locations will achieve at least 90% in our new social sustainability index, Our City, by 2030.



Business ethics

In 2025, 100% of all significant purchases will be evaluated based on Atrium Ljungberg’s supplier policy. Atrium Ljungberg will be running at least two development programmes for suppliers every year so that we can work together to develop sustainability work for both the company and the industry.



Sustainable employees

Atrium Ljungberg has produced a new goal for sustainable employees. We have set a goal of 5.5 for the organisation as a whole in the Human Financial Wellness monitoring system, which operates on a scale of 1–7. This goal was adopted by the Board in January 2023.

Outcome 2022

- -16% kgCO₂e/GFA for construction projects, compared with the starting value
- 7 kgCO₂e/m² for property management¹⁾

1) No comparison figures are available, which is why we are unable to show any changes.

Outcome 2022

- 34%

Outcome 2022

- Substantial purchases: 10% evaluated
- Development programmes: 2 completed

Outcome 2022

- 5.7



Sustainable Development Goals

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

**3** GOOD HEALTH
AND WELL-BEING**Good health and well-being**

By using the Swedish Building Materials Assessment and obtaining environmental certifications for our properties, we contribute to reducing hazardous chemicals and construction materials, and minimising the pollution of the air, water and ground. For more information, see page 25. Target 3.9

**5** GENDER
EQUALITY**Gender equality**

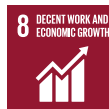
We constantly work to increase gender equality and counter discrimination in the workplace. This work continues, focusing primarily on the occupational groups within construction and property management. For more information, see pages 30–31. Target 5.1

**6** CLEAN WATER
AND SANITATION**Clean water and sanitation**

We can contribute to efficient water consumption and ensure the sustainable abstraction of freshwater in order to combat water shortages, mostly when developing city districts and buildings, but also when selecting materials. We help improve water quality by minimising emissions and pollutants in the water and through smart surface water management. For more information, see pages 25 and 27. Targets 6.3, 6.4

**7** AFFORDABLE AND
CLEAN ENERGY**Affordable and clean energy**

By only purchasing electricity from hydroelectric power and installing our own solar cells on our properties, we contribute to increasing the share of renewable energy in the global energy mix. We use various energy efficiency measures to reduce energy consumption in our buildings. For more information, see pages 24–25. Targets 7.2, 7.3

**8** DECENT WORK AND
ECONOMIC GROWTH**Decent work and economic growth**

We work actively to promote a safe and secure work environment and good working conditions for our own employees and our subcontractors. Combating human rights violations is an important part of our work and the demands we place on our suppliers. For more information, see pages 28–29. Target 8.8

**11** SUSTAINABLE CITIES
AND COMMUNITIES**Sustainable cities and communities**

We play an active role in the urbanisation of cities through the work that we do. Our business is based on sustainable and innovative urban development. By ensuring that we have a good mix of content in the buildings and by designing public spaces and green spaces, we create inclusive urban life, green oases, security and well-being. For more information, see pages 18–21. Targets 11.3, 11.6, 11.7

**12** RESPONSIBLE
CONSUMPTION
AND PRODUCTION**Responsible consumption and production**

Our ambition is for us and our suppliers and customers to have resource-efficient operations. We work to promote the careful handling of chemicals and to reduce phase-out substances, reduce waste and increase recycling and reuse in our areas. We achieve this by setting clear requirements and collaborating to provide new innovative solutions for both production and management. For more information, see pages 21–23. Targets 12.2, 12.4, 12.5

**13** CLIMATE
ACTION**Climate action**

An important part of our work is to reduce energy consumption and the use of fossil fuels so that we can reduce carbon dioxide emissions and thereby combat climate change. We also want to make cities and properties more resistant and more able to adapt to climate-related dangers and natural catastrophes. For more information, see pages 24–25, 27–29/30. Target 13.1

**15** LIFE
ON LAND**Life on land**

It is important to help reduce the destruction of natural habitats and halt biodiversity loss. We can do this by creating green spaces that promote species diversity, working on ecosystem services and using trees, land, walls and roofs in a sustainable way in our urban environments. For more information, see pages 26–27. Target 15.5

**16** PEACE, JUSTICE
AND STRONG
INSTITUTIONS**Peace, justice and strong institutions**

One of our priorities is to work proactively to minimise all forms of corruption and bribes, both among our employees and among suppliers and customers. This is our way of contributing to a peaceful and inclusive society. For more information, see pages 28–29. Target 16.5





Sustainable enterprise.

Sustainable cities
of the future.

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

02.

Sustainable cities of the future.

Our city – where everyone thrives

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

Focus areas, goals and strategies

Our sustainability work is integrated into our business model and forms an important part of the work to achieve our vision, “Our city – where everyone thrives”. Working proactively on sustainability issues enables us to manage risks in a structured way, while also identifying new business opportunities. Following extensive discussions with stakeholders and a materiality analysis, we produced a new sustainability strategy and associated goals for the period up to 2030. This strategy was adopted by the Board in December 2021. Our new Sustainability Policy brings together goals, strategies, guidelines and steering functions in one place.

Work in 2022

Once the new goals had been adopted, we started work on implementing them in all our business areas. The focus has been on ensuring that the processes and working methods are in place for us to realise our new objectives. We set up a new reporting system for sustainability during the year to enable us to monitor our work and make progress moving forwards. For more information about our work on these different goals during the year, see pages 24–31.

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
- In 2025, 100% of all our substantial purchases will be evaluated based on our Supplier Code of Conduct
- A minimum of two development programmes to be run for suppliers every year
- Sustainable employees with a score of 5.5 (out of 7) in the Human Financial Wellness monitoring system



Climate-neutral 2030.

Atrium Ljungberg will be climate-neutral by 2030 and halve our emissions from construction projects by 2025. Climate-neutral means that we will aim to reach net-zero greenhouse gas emissions. All of our activities currently have a climate impact, which is why we are firstly working to reduce our emissions as far as possible, with the ambition to reach zero.

The goal has two separate metrics: kgCO₂e/GFA for our projects (new builds and major reconstruction work) and kgCO₂e/m² for our property management. These metrics are intensity-based (emissions by area), which enables us to track annual improvements, both in our project development and property management.

The construction and property industry accounts for a significant proportion of Sweden's emissions, which is why it is important for us to do what we can to contribute to this work moving forwards, both in our own operations and in our value chain. The four focus areas we are working on to achieve

Our themed areas:

- Energy
- Materials
- Waste
- Transport

climate neutrality are based on the areas where we currently have our large emissions.

They reflect the areas where we have a significant impact, from the early stages, during production and when we manage our properties. Although we have been working in a structured way for several years on the impact these areas have on the climate and environment, we are now going to pick up the pace even more. The four areas have been broken down for each business area, enabling us to set goals and work operationally on them on an annual basis. The section below contains a brief description of each area and what we intend to do. For information about our total climate reporting, see pages 136–139.

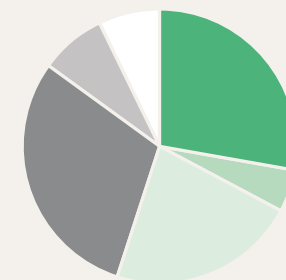
Energy

The focus moving forwards is to continue to make our existing buildings more efficient and develop new projects that have the lowest consumption possible. We also want to increase the amount of energy we generate ourselves, primarily solar energy.

The total energy consumption for 2022, weighted to an average year, amounted to 192 GWh, which is a reduction of 1% from 2021. 46% of energy

Energy intensity

– 46% of the total energy intensity comprises the tenants' energy used in their operations.



- Heating, 28%
- District cooling, 5%
- Property electricity, 22%
- Tenant electricity, 30%
- Tenant electricity, estimated, 8%
- Process cooling, 7%



consumption is attributable to the tenants' own consumption. We were able to reduce energy consumption per square metre by 10% compared with 2021, using roughly the same amount of energy as in the previous year, but over more square metres. We reduced the amount of property energy per square metre by 14% during the year. Activities during the year included starting up our new geothermal plant, lighting projects and reconstruction of district heating facilities. In the autumn of 2022 the organisation focused in particular on operational optimisation. See note S.4 for more information.

Electricity accounts for most of the energy consumption by our customers and our company. Normally we provide our tenants with electricity and charge them based on the amount they actually use. We buy hydroelectricity with guarantees of origin, which is used in all our properties. Electricity is climate-neutral, as we buy compensation using certificates in accordance with the UN Gold Standard. Property electricity purchased per square metre fell by 13% compared with the previous year.

We have our own solar power installations to increase the proportion of renewable electricity and electricity that we generate ourselves. They are currently located in Uppsala, Sickla, Liljeholmen and Malmö. In 2022 no additional solar cells were installed, as it was difficult for suppliers to get hold of materials. We have a total of 14,296 m² of solar cells, enabling us to generate approximately 2,764 MWh a year.

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

Materials

In Atrium Ljungberg's operations, construction projects account for a high proportion of the climate emissions, with materials playing a significant role. The approach we take to reduce the impact of each project is to use lifecycle analyses at an early stage. The materials issue is important from a property management perspective too, as tenant adaptations can be material-intensive.

In 2022 the result for our climate impact goal for new builds was 388 kgCO₂e/GFA in our projects. We reduced our climate impact by 16% by, for example, buying products with a lower climate impact and using existing materials.

As well as the choices of materials we make in our projects, we will focus on reusing more materials in our properties and projects. In 2022 we carried out a pilot project in Gränbystaden, where a community centre was reconstructed with a focus on reuse. This project reported a climate saving of 78% by utilising reused products instead of purchasing new products.

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

Most of TL Bygg's projects are certified in accordance with the environmental certifications Miljöbyggnad or BREEAM. Materials and products with environmental product declarations are used in its buildings. The most common log books are from Byggvarubedomningen and Sunda Hus.

Waste

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

Waste management is an issue where we and our tenants work together. Our vision for waste is for neither our own nor our customers' operations to generate any waste. During the year we reported combustible waste that accounted for 471 tonnes CO₂e.

TL Bygg is monitoring its disposal of waste and is working to increase the amount of material it reuses and recycles. Waste disposal training is included in the projects. During the year we ran a pilot project, where some of the fixtures and fittings were reused from other projects.

Transport

The final focus area is Transport, where we, as a client, can set requirements for, for example, vehicles and fuel. Carrying out this work at the early stages of a project enables us to create the right conditions in our areas or buildings for people to choose sustainable transport methods. This applies to the property management stage as well, as we can highlight and promote walking, cycling and public transport.

We currently calculate the levels of emissions that visitors to our retail hubs account for. For more information, see pages 138 and 148.

To reduce carbon dioxide emissions from transport, we provide electric charging points at car parks and at our properties. We currently have 1,195 charging points. In 2022 we also started working with the Volvo On Demand car share service in Sickla so that we could offer transport alternatives to our residents and customers.

TL Bygg works to reduce emissions in its construction projects by planning purchases and transport. For example, all transport is carbon neutral when purchasing materials from warehouses from its main suppliers.





Socially sustainable locations 2030.

We are no ordinary property company. Although buildings are at the heart of our business, we are actually more interested in the people in them. We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. By developing mixed-use cities, we can create urban life where people are happy, feel safe and secure, and are inspired – locations where people want to spend time, both now and in the future.

Our index for socially sustainable locations has five focus areas, with each area containing a number of measurable indicators and at least one qualitative indicator for people working, living or spending time in our areas. These indicators are based on the principles we have successfully worked with in the past, combined with established measurement methods from, for example, UN Habitat, Citylab, etc. This index has been supplemented with its own metrics in some individual cases. Everything is weighted together to produce a score for each area and an overall score for seven locations where we operate. We are aware that we do not cover every aspect of social sustainability, but we believe that if we highlight this issue and continue working on it both internally and externally, we can get closer to creating the city where everyone wants to live.

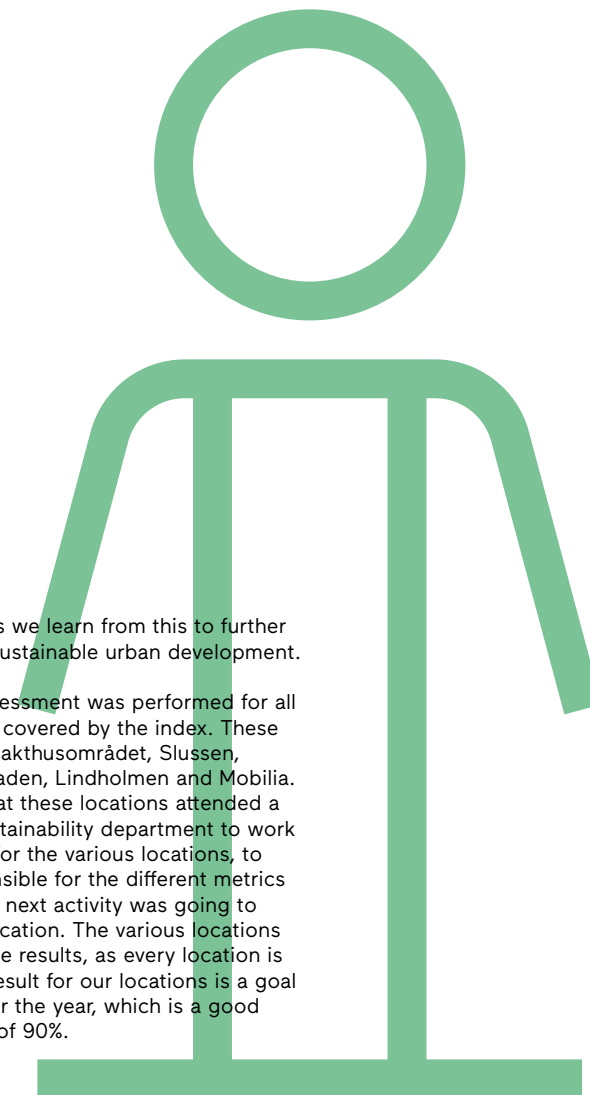
The five focus areas in the index

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

For more information about these focus areas, visit al.se.

We will use the lessons we learn from this to further develop our work on sustainable urban development.

In 2022 a situation assessment was performed for all of our seven locations covered by the index. These locations are Sickla, Slakthusområdet, Slussen, Hagastaden, Gränbystaden, Lindholmen and Mobilia. Employees who work at these locations attended a workshop with the sustainability department to work out the starting value for the various locations, to appoint people responsible for the different metrics and to clarify what the next activity was going to be for the individual location. The various locations did not report the same results, as every location is different. The overall result for our locations is a goal achievement of 34% for the year, which is a good way towards our goal of 90%.





The five focus areas in the index.



Security, well-being and accessibility

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

Example: there is a lighting project in Slakthusområdet to increase security in the area and to make it easier for people to find their way around. This project will be completed in the spring of 2023 to coincide with the opening of a number of new restaurants.



Closeness, togetherness and flexibility

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

Example: restaurants and service facilities opened during the summer as part of the urban development in Götaverken, in Gothenburg. This will create a varied district, giving people many options to meet up.



Ecosystem services and climate adaptation

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

Example: in 2022 a climate change risk assessment was carried out for all our properties.



Identity, history and diversity

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

Example: in our work on the detailed development plan for Industrikvartenen in Sickla, a method was developed during the year that uses storytelling to enhance urban planning, to give people an understanding of the location's cultural and historical values, and to show the way that important stories can be highlighted and explained, while creating new values.



Dialogue and participation

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

Example: the square in Mobilia is a place where people can get together. During the year a number of outdoor activities were held, where some of our tenants in collaboration with us, created events to reach out to both new and existing visitors.



Business ethics 2030.

Business ethics is an important area for Atrium Ljungberg to focus on. Our work moving forwards will be divided into two main areas: supply chains and anti-corruption. These are two important areas, where there are significant sustainability risks that need to be managed in our industry. Atrium Ljungberg wants to be a long-term and reliable partner in all of its relationships. We work proactively, both in-house and with our suppliers, to counter the risks of bribery, corruption and human rights breaches that may occur in the industry.

Our Supplier Code of Conduct sets the minimum requirements that we impose on the entire supply chain and includes not only business ethics, but also the environment, climate, work environment, working conditions and human rights.

One of the company's two overall goals for business ethics is that by 2025, all suppliers from whom we make substantial purchases will be evaluated based on the Supplier Code of Conduct. Substantial purchases are defined based on their volume (SEK), whether the supplier is a framework supplier and whether sustainability risks can be linked to the purchase. By carrying out more evaluations, we can identify areas that present particular challenges, where additional focus is needed to address the sustainability issues in both our own operations and the operations of our suppliers.

In 2022 we worked on evaluating our suppliers in accordance with our new goal. The result was that out of the 79 suppliers that were evaluated, 82% achieved an approved evaluation and no further action was needed. No serious deviations were identified, with minor deviations found in the remaining 18%. Monitoring suppliers also comprises

part of a new industry collaboration, 'The property industry's initiative for sustainable supply chains' (FIHL), which includes the property companies Fabège, Humlegården, Hufvudstaden, Corem and AMF. This work was initiated to ensure more effective monitoring of sustainability aspects among suppliers to the property sector, by developing coordinated monitoring of suppliers and adopting a shared approach. The aim of this collaboration is to enhance the industry's joint focus on sustainability. For more information about our work with suppliers, see note S.13.

The second overall goal for business ethics aims to promote collaboration and development with our suppliers. This goal involves Atrium Ljungberg running two development programmes per year with our suppliers. This work focuses on issues linked to the sustainability challenges in our industry, and we invite relevant suppliers to come and try to identify solutions together. We hope that this will strengthen our partnerships and increase the focus of all parties on their work on sustainability.

In 2022 two supplier development programmes have been carried out. The first was held in June



FIHL is an industry collaboration between Atrium Ljungberg, Fabège, Humlegården, Hufvudstaden, Corem and AMF.



with the Architects supplier group and some of Atrium Ljungberg's business developers. The focus for this programme was: "How can we build in a climate-neutral way by 2030?". The conclusions included, for example, a need to work more with linear flows in the industry, to calculate and visualise carbon footprints, and to increase the awareness of this area among all stakeholders.

The second programme was held in October with a focus on: "Increase reuse in properties". Suppliers who attended this programme included interior architects, contractors and material suppliers, as well as employees from Atrium Ljungberg with representatives from both the project and property management organisation. Insights from this event included having the courage to question what we do today, developing a market and a system for reuse/circularity, and reviewing existing routines and processes for projects.

Employee Code of Conduct

Our values – long-termism, collaboration, reliability and innovative thinking – form the basis of everything we do at the company. Employees must act in an honest way and with care, and show commitment and integrity to business partners and other employees. Our business ethics policy is also our code of conduct and applies to all employees and temporary employees. We have guidelines in place for entertainment, gifts and benefits that provide more concrete guidance for the employees, and a training package with ethical dilemmas that has been used in courses with all employees since 2017. We provide induction training for new employees and temporary employees as well, where business ethics plays an important role. Work is also underway to digitalise some parts of our business ethics into a shared induction programme.

TL Bygg has its own sustainability policy, which includes business ethics. They have signed and support the Swedish Construction Federation's Code of Conduct and apply the Swedish Anti-Corruption Institute's Code of Business Conduct.

They are also certified in accordance with the management and product certification system BKMA.

TL Bygg requires its suppliers to comply with the Swedish Construction Federation's Code of Conduct, and requests a self-assessment survey from all framework agreement suppliers. This survey covers the climate, business ethics, labour law, and management systems for the environment, quality and the work environment. TL Bygg's ambition is for all new and existing framework agreement customers to be checked. 24% of the suppliers who signed a framework agreement in 2022 were checked.

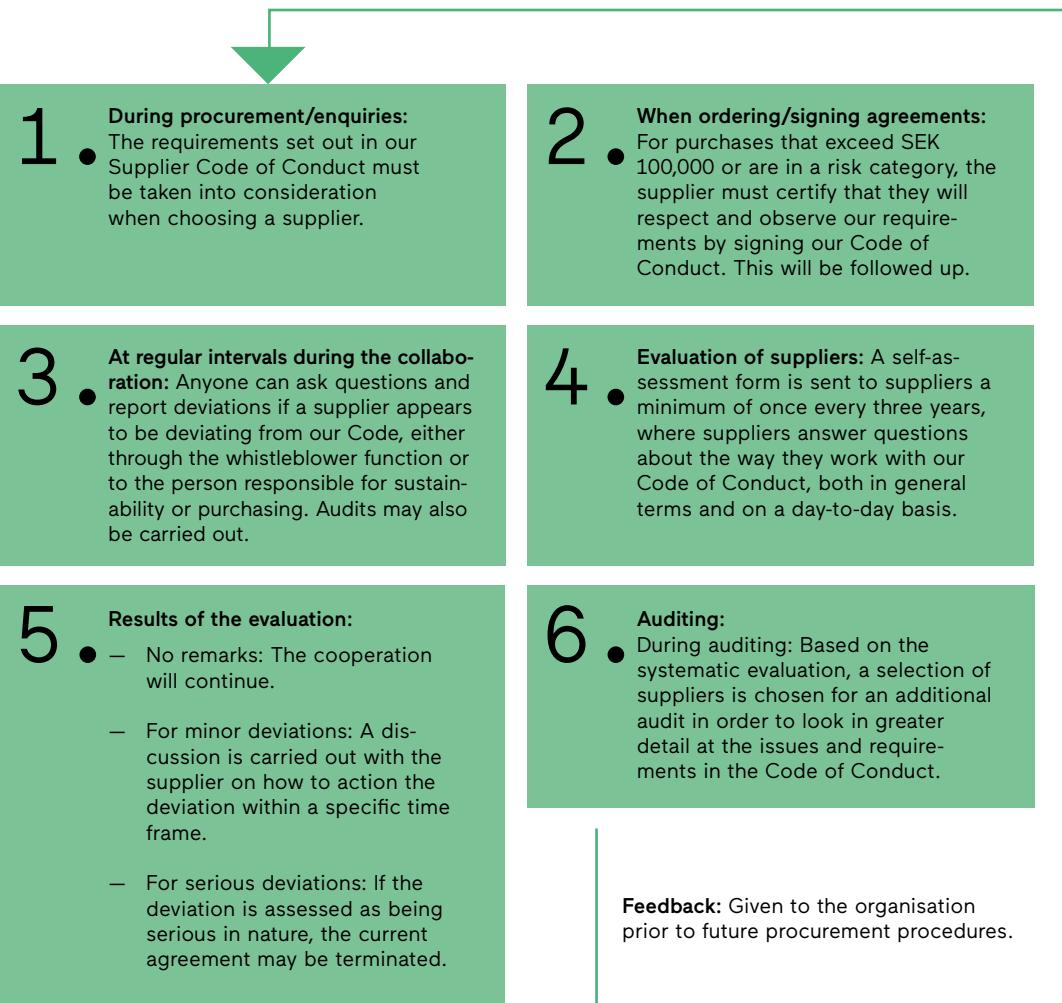
Our Tax Policy

Atrium Ljungberg pays tax in Sweden, which mostly comprises current tax, property tax, non-deductible VAT, stamp duty, social security payments and special payroll tax. Our Tax Policy states that we will be a reliable, long-term and responsible member of society that always complies with the applicable laws and regulations. Taxes must be checked, reported and paid correctly. The company undertakes not to conduct aggressive tax planning. By this, we mean transactions that are not for commercial reasons, but only aim to reduce tax. The tax policy is available at al.se. Read more about tax paid in note S.11.

Whistleblower function

We will continue to work towards a 'zero vision' for confirmed cases of criminality, including through our whistleblower function. This enables people to report suspicions of corruption and other crimes or policy deviations anonymously. Both staff and partners can use this function, which is provided by an external supplier. The reports that are received are dealt with by a steering group for the whistleblower function, which is monitored by the company's General Counsel and the Chairman of the Audit Committee. There were no reports via the whistleblower function in 2022 and no cases of corruption were identified. There were no other sustainability-related offences or fines during the year.

Process for governance and control of suppliers





Sustainable employees 2030.

Learning and skills development play an important role in our success. We have been investing heavily in different kinds of development at our company for many years: leadership development, effective working techniques and measures to generate business opportunities for Atrium Ljungberg. We want to be a stimulating organisation where the emphasis is on learning, engagement, health and safety.

Skills development

In 2022 we made a significant investment in property management, focusing on its operations in order to highlight the employees who work closely with our customers on a daily basis. Knowledge is a perishable commodity, so it is important for our employees to have the right level of competence to do their job, both today and tomorrow. This is true not only for current employees, but also future employees. We need to identify the kind of skills development we need to invest in, so we have decided to work with 'FAVAL'; this is the property industry's system to validate professional roles within our industry. This resulted in five people being certified as property technicians and one as a property manager.

Sustainable employees

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

professional development and preventive care. We work continually on training all our employees. As well as the specific validation programme for operations staff, all employees in the company are going to be offered a place on the 'Personal Efficiency' course. As the name suggests, this course aims to provide employees with the tools they need to plan and streamline their everyday lives and their working lives. Every manager in Atrium Ljungberg has also taken or will take our in-house leadership programme. We also arrange management days twice a year, where we look at a specific leadership topic in more depth. We carefully follow up, evaluate and improve our training measures.

It is important for us to develop our competence at Atrium Ljungberg. The world is changing rapidly, so it is important for us to be a learning organisation, where employees are continually developing and embracing new technology. We also believe that the best ideas arise from collaboration between people with different backgrounds and experience. The Group had 316 (331) employees at the end of 2022, which includes 106 (119) employed by TL Bygg. In 2022 agreements were made with a number of employees to terminate their employment due to lack of work. Atrium Ljungberg has not had to make staff redundant or ask them to

take early retirement, so it has no transitional support programme. See note S.9 for more facts about our workforce.

Equal value and gender equality

Our fundamental approach is that everyone has equal value and the right to equal treatment. Employees are to be afforded the same opportunities for their employment conditions, skills development and promotion within the framework of their own competence and willingness. Working conditions are governed by collective agreements. Pay is based on statistics from the industry and the individual performance of the employees. Pay is analysed every year and there were no differences between the sexes, according to the year's survey. We received one reported case of discrimination during the year, which was dealt with internally.

The construction and property industry is still dominated by men. In the Atrium Ljungberg Group, 67% (69%) of staff are men, which is 2% lower than the previous year. Although we achieved a gender-equal distribution in the administrative support functions, there are still areas where we need to develop.

For example, skilled workers, operating technicians and property managers in the Group are





predominantly men, which reflects the industry as a whole.

TL Bygg worked actively to produce action plans to combat discrimination and in 2022 it successfully produced the initiative 'Sila Snacket' (Mind Your Language), which has had a major impact in the construction industry. In 2022 it was named as Construction Company of the Year and also won the Gender Equality Prize of the Year at the Concrete Gala, mostly due to its work on 'Sila Snacket'.

One of Sweden's best workplaces

Every year between 2011 and 2021 we were involved in the Great Place To Work® (GPTW) survey to measure our ambition to be one of Sweden's best workplaces. Our goal was to achieve an average confidence index of at least 85% every year. The results exceeded our goal over the last eight of these years.

Since 2022 we have decided to use a different employee survey, which focuses more on the sustainable employee – Human Financial Wellness. We started this work during the year and in January 2023 we set an index goal for the entire organisation at 5.5, where the maximum is 7. The survey that was carried out in the autumn of 2022 gave a starting value of 5.7, which showed that our employees are very engaged and that they are happy with their work, colleagues and managers. The survey also shows that many employees have the potential to improve their health. Sleep and stress were identified as specific areas for improvement. Sedentary lifestyles, insufficient physical exercise and ergonomics are the areas that require special attention.

TL Bygg have been using the GPTW survey for administrative employees since 2011, and for both administrative employees and skilled workers since 2016. The annual goal was 84% and the long-term goal is to achieve a total index of 86%. The result for 2022 was 80% (87% for administrative

employees and 72% for skilled employees). Although TL Bygg did not achieve its company goal, its result was very good when compared with the industry as a whole. We are working actively to improve conditions by creating action plans and emergency plans together in 2023.

Staff development and engagement

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

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

During the year courses were held on various themes, including personal efficiency and the work environment. Leaders in Atrium Ljungberg attend management days every year, and in 2022 the main focus was on how to develop a learning organisation and how to lead in change. We also focus on future staff and contributing to their development. We provide placements for pupils from higher vocational educational programmes. We also employ summer workers within the property management organisation.

Zero vision for illness and accidents

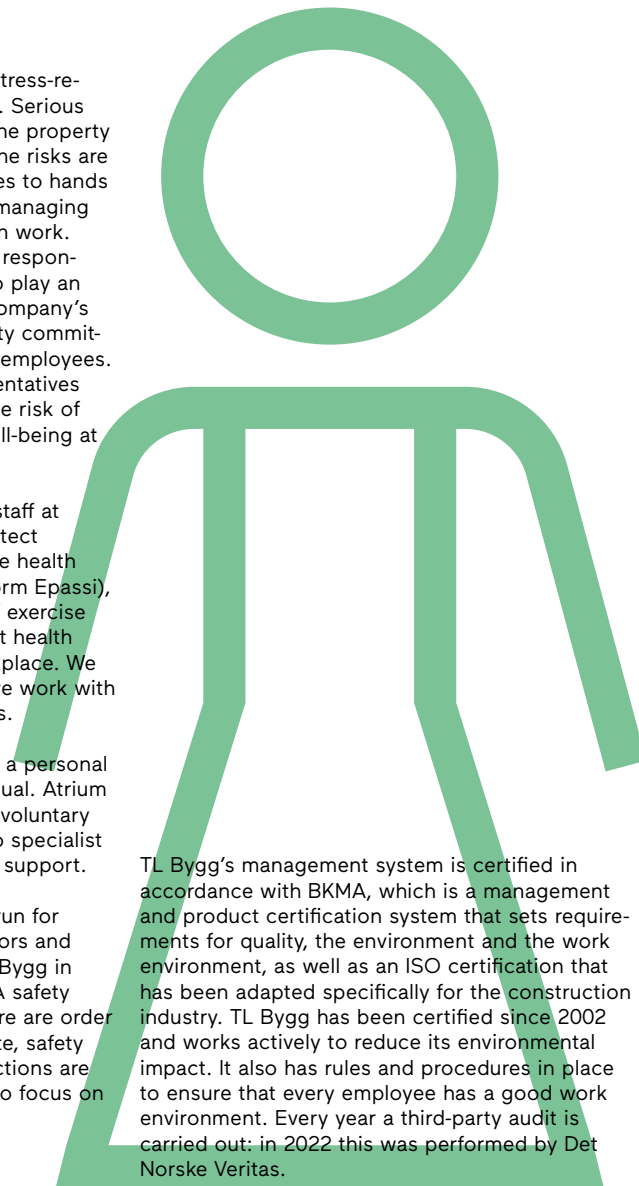
Atrium Ljungberg has a zero vision for stress-related ill-health and workplace accidents. Serious health and safety risks are common in the property and construction industry. For offices, the risks are primarily related to mental health. Injuries to hands are the most common accidents when managing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

We continued our health checks for all staff at Atrium Ljungberg in 2022 in order to detect ill-health. The Group's employees receive health promotion support (via the digital platform Epassi), through contributions to various kind of exercise and activities. We also organise different health activities, including exercise at the workplace. We also have internal traffic rules for how we work with meetings, emails, telephones and Teams.

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

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

TL Bygg's management system is certified in accordance with BKMA, which is a management and product certification system that sets requirements for quality, the environment and the work environment, as well as an ISO certification that has been adapted specifically for the construction industry. TL Bygg has been certified since 2002 and works actively to reduce its environmental impact. It also has rules and procedures in place to ensure that every employee has a good work environment. Every year a third-party audit is carried out: in 2022 this was performed by Det Norske Veritas.





Taxonomy.

The EU decided to set up a taxonomy to promote work to achieve its climate objectives. The purpose of the taxonomy is to define which economic activities are sustainable.

Atrium Ljungberg's EU Taxonomy reporting is voluntary as the company is not under any legal requirement to do so. For 2022 we chose to report on one of the taxonomy's six environmental objectives: objective 1 'Climate change mitigation'. We report in accordance with the following economic activities: 7.1 Construction of new buildings, 7.2 Renovation of existing buildings, and 7.7 Acquisition and ownership of buildings. The complete report appears in note S.10.

We have noted that 100% of our operations are taxonomy-eligible. 23% of our turnover were taxonomy-aligned, while 16% of our operating expenses and 8% of investments and acquisitions for the year were taxonomy-aligned. During the year two properties were acquired that were not taxonomy-aligned, which had an impact on our result for investments and acquisitions. If these acquisitions were to be excluded, the result for our investments would be 23% for the year.

The proportion of the value of the investment properties as of 31 December 2022 that was attributable to properties that met the taxonomy's requirements stood at 26%, while the corresponding figure for our letting area was 26%.

By carrying out active sustainability work in both our property management and project activities, we can see a lot of potential for improving the percentage that is taxonomy-aligned. We realise that there is potential for us to refine our own investment properties. If we were able to ensure

that those with the greatest potential meet the taxonomy's requirements, we could achieve a figure of approximately 50% of sales that are taxonomy-aligned. We will need to continue working on reducing energy consumption in our properties to unlock this potential, which is mostly found in properties that are close to the top 15% requirements.

We have also noted the potential of future projects, where we need to ensure that they work in line

with the taxonomy's requirements so that we can reduce their climate impact, manage any climate risks and meet the social safeguards. We also monitor developments taking place in the taxonomy to see if we could make a significant contribution to any of the other four objectives, which have not yet been resolved by the EU.

When an investment in 7.7 has been assessed as not being taxonomy-aligned, the next step for us is to evaluate individual investments, as there will

be investments attributable to other economic activities where we are working to help mitigate climate change. Major reconstructions have been reported in 7.2.

There are also other investments where we need to work with our suppliers to ensure that they are taxonomy-aligned. We were not able to complete this work by 31 December 2022, which is why these investments are included in 7.7 as an investment that is not taxonomy-aligned.

EU Taxonomy, voluntary disclosures

Economic activity	Total turnover, SEK m	Eligible, %	Aligned, %	Not aligned, %
7.1 Construction of new buildings	514	100	24	76
7.2 Renovation of existing buildings	71	100	–	100
7.7 Acquisition and ownership of buildings	2,550	100	24	76
Total	3,135	100	23	77

Economic activity	Total Investments and acquisitions, SEK m ¹⁾	Eligible, %	Aligned, %	Not aligned, %
7.1 Construction of new buildings	113	100	100	–
7.2 Renovation of existing buildings	863	100	6	94
7.7 Acquisition and ownership of buildings	4,664	100	6	94
Investments in other property, plant and equipment	15	–	–	–
Total	5,654	100	8	92

¹⁾ During the year we acquired two properties in Stockholm for SEK 3,724 million, neither of which were taxonomy aligned.

Economic activity	Total operating expenses, SEK m	Eligible, %	Aligned, %	Not aligned, %
7.7 Acquisition and ownership of buildings	155	100	16	84
Total	155	100	16	84

03.





Rental and property market

We live in a
changing world.

03.

In 2022 so much of what happened in the world had an impact on all of us, both in the short and long term. Although Atrium Ljungberg is not immune to this, our company is built on strong foundations, with a balanced property portfolio and diversified customer base, combined with low financial risk.

Customer.

Our mission is to offer our customers attractive urban environments through our long-term approach to ownership, development and management, and to provide a range of offices, retail and residential in strong subsidiary markets.

Customer structure

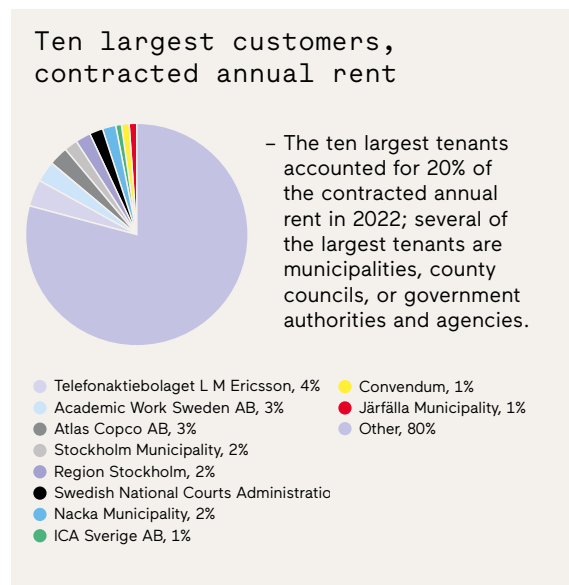
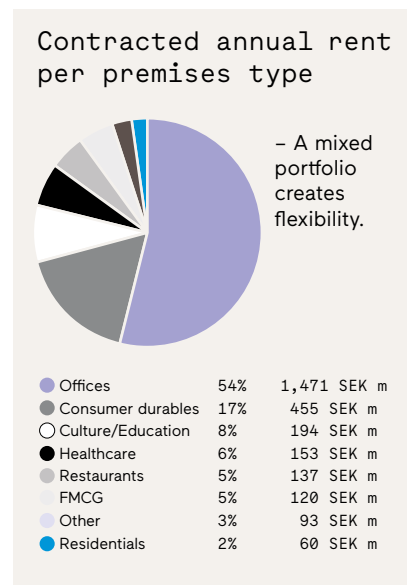
As of 1 January 2023 the contracted terminable annual rent amounted to SEK 2,804 million. The economic letting rate excluding projects amounted to 93% (91%) on the same date.

Atrium Ljungberg’s customer structure enables us to spread risk effectively, based on sectors, individual customers, size and maturities. The Group has approximately 1,600 commercial contracts and 600 residential contracts, with a maturity structure as shown in the table. The largest individual customer accounts for 4% of the Group’s total income, while the ten largest customers account for 20%. Consequently, Atrium Ljungberg has very low exposure to an individual tenant’s credit risk. The remaining average contract duration was 4.5 years (3.9 years).

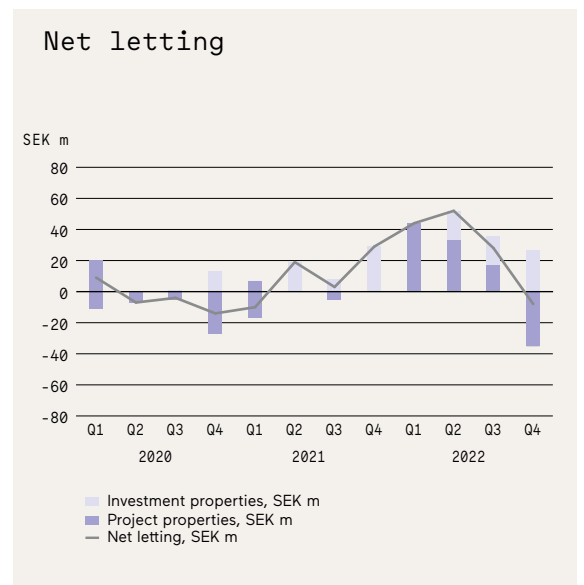
Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 115 million (SEK 40 m) during the period, of which SEK 58 million (SEK 20 m) was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New letting amounted to SEK 296 million (SEK 248 m), while terminations from customers amounted to SEK 112 million (SEK 177 m). We also terminated the contract of a customer, corresponding to an annual rent of

SEK 69 million (SEK 31 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.



Terminable annual contract value 1 Jan 2023	Number of contracts	Letting area, '000 m²	Annual contract value, SEK m	Proportion of value, %
Commercial, maturity				
2023	327	51	149	5
2024	388	168	572	20
2025	311	131	473	17
2026	253	141	519	19
2027	108	75	278	10
2028+	128	195	715	26
Total	1,515	762	2,707	97
Residential	612	33	61	2
Garage/parking	221	86	37	1
Total	2,348	882	2,804	100



Offices.

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

The office market continues to show stability

Despite it being a turbulent year in macroeconomic terms, the office market continued to show stability. The demand for offices was constantly high, particularly in central locations, triggered by an increasing number of people returning to office work during the year. However, the current recession has resulted in companies and organisations showing a certain amount of caution when deciding on their future office needs. In this changing world, the need for flexible solutions is increasing, with a greater focus on coworking concepts and short lease contracts to meet the needs and wishes of tenants.

Stockholm

Following a period of stagnation of rental levels in 2019–2021, office rents started to rise again. In 2022 the office rental level amounted to SEK 9,000/m² in Stockholm CBD, while the vacancy rate stood at 3%, which is a slight reduction on 2021. In Central Stockholm as a whole the vacancy rate was 4%, which is similar to the previous two years, while it fell slightly to 6% in Stockholm’s suburbs. In the next few years the vacancy levels are expected to rise in all parts of Stockholm.

Gothenburg

In Gothenburg the rental levels for offices have increased steadily since 2020 and in 2022 the

rental level amounted to SEK 4,000/m² for Central Gothenburg. The vacancy rate has increased relatively quickly in Central Gothenburg since 2020 and now stands at around 7%. This figure is expected to rise further in the coming years, primarily as a result of a high number of new builds being constructed. The scenario looks similar for Gothenburg’s suburbs with a vacancy level of 7%.

Malmö

In recent years the rental levels in Malmö have gone up slowly, amounting to SEK 3,200/m² in Central Malmö in 2022. During the year the vacancy rate in Central Malmö fell from 5.5% in the previous year to 5%.

Uppsala

In 2022 the rental levels in Central Uppsala increased, amounting to SEK 3,200/m². Just as with the other cities, the vacancy rate fell slightly during the year, amounting to approximately 5.25% at the end of the year, compared with 5.75% in the previous year.

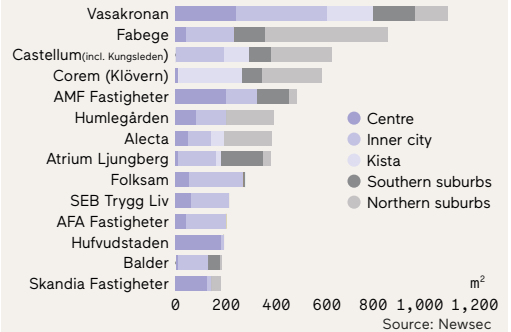
On the whole we have seen a healthy increase in market rents in recent years in most of Atrium Ljungberg’s subsidiary markets, particularly in locations that have good transport links in Stockholm.

Atrium Ljungberg’s market shares in subsidiary markets, Offices

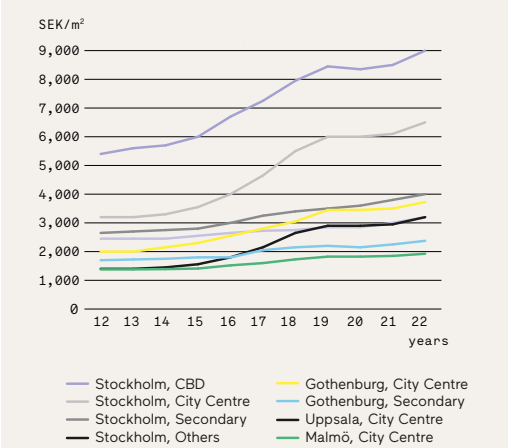
Subsidiary markets	Office space, '000 m²	Share Atrium Ljungberg, %
Stockholm		
CBD	1,850	1%
Inner city	3,580	3%
Kista	2,200	2%
Southern suburbs	870	21%
Northern suburbs	900	6%
Uppsala		
Central Uppsala	510	2%
Gothenburg		
Lindholmen	341	21%
Malmö		
City centre, incl. CBD	915	3%

Source: Newsec and the company

Letting area for offices in Stockholm, '000 m²



Rental trends in Stockholm, Gothenburg, Malmö and Uppsala¹⁾



¹⁾ Average rent for extremely good premises in the best locations. Source: Newsec

Retail.

The retail sector reported positive growth in 2022, despite it being a difficult year in many respects. At the beginning of the year Covid-19 was still classified as a public health hazard. In February Russia invaded Ukraine, which had major repercussions, including a shortage of specific goods, soaring electricity prices and a widespread increase in inflation rates. The factors listed above impacted the sub-sectors to varying degrees, leading to a lot of variation in sales growth between them.

Retail year 2022

In 2022 the growth rate for retail sales amounted to approximately 4%, making it the 26th year in a row of positive growth. Sales growth for the FMCG sector stood at around 9% in current prices, while the sales growth for consumer durables amounted to approximately 1%. As in the previous year, there were significant differences in the sales trends between the various sub-sectors, with the main difference being that some reported negative growth in 2022.

The areas that performed well during the year were shoes and bags, clothing, opticians, and cosmetics and healthcare. The success of these sectors was a result of consumers taking the opportunity to update their wardrobe and themselves. Clothing reported the highest growth, at around 10%. Sports retail found it tougher, reporting negative growth, approximately -7%, which is due to a warm autumn, but also a good winter in the previous year.

Online sales fell in 2022

According to Statistics Sweden online sales fell by approximately 4% in 2022. A slightly higher figure was quoted from PostNord's E-barometer,

showing a fall of -8% in the first quarter, followed by falls of -8% and -5% in the second and third quarters respectively. This fall in online sales broke a long-standing growth trajectory in this sector. However, the growth rate for online sales is still higher than what had been predicted before the pandemic.

Retail year 2023

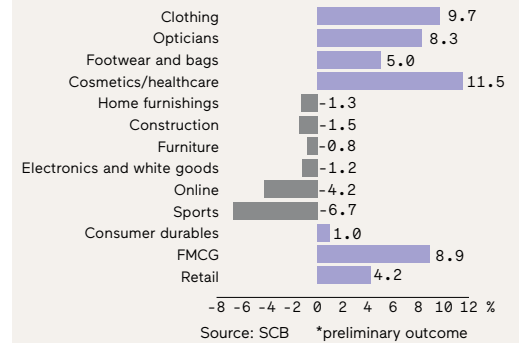
The Swedish economy is facing a tough year ahead, as household purchasing power will be much lower. High inflation, along with rising interest rates and energy prices are some of the underlying causes. HUI has forecast growth of 1% in current prices for the retail sector as a whole, which is the equivalent of SEK 8 billion. The growth in FMCG is predicted to be higher than for consumer durables. This is not only because of price rises, but also the fact that hikes in interest rates tend to have a greater impact on specific areas of the consumer durables sector. Physical sales accounted for all of the growth in the retail sector in 2022 and at a time when consumer purchasing power is lower, the low-price segment is expected to grow even more.

Atrium Ljungberg's market shares in subsidiary markets, Retail

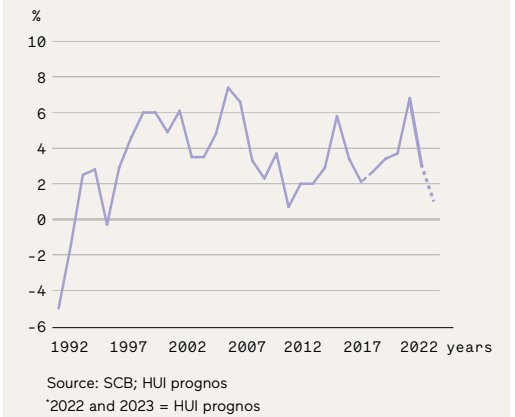
Municipality	Sales municipality SEK m ¹⁾	Share Atrium Ljungberg, %
Stockholm	75,703	0%
Nacka	8,279	42%
Uppsala	16,931	20%
Malmö	26,995	7%

¹⁾ Refers to sales per municipality, 2021.

Retail sector development per subsidiary sector in 2022, current prices*



Retail sector development and forecast for 1992-2023*, current prices



Residentials.

The year started off with a strong residential market and a high sales rate. However, Russia’s invasion of Ukraine, higher interest rates and rising inflation impacted the solvency of households, with the demand for residentials falling in 2022.

Prices started to fall in March, with the prices of tenant-owned dwellings in Sweden as a whole falling 14% from their peak during the year. The prices of tenant-owned dwellings in Sweden are at the same level as they were in January 2020, while the number of sales was much lower than in 2020 and 2021 (the pandemic years). 110,000 tenant-owned dwellings were sold in 2022, which was more than 20,000 fewer than in the previous year.

For new-build residentials, the year started at a good pace with many sales launches, but this changed in the autumn. As well as high inflation and higher interest rates, new builds were impacted by rises in the costs of materials, including concrete, steel and wood. Along with a weaker residential market, it meant that the number of sales launches halved compared with the previous year.

Atrium Ljungberg’s residentials and residential development rights are located in our large urban development areas in Stockholm, Uppsala and Malmö. These locations are in the growth areas, so even though the market is weaker, we know that the demand for both tenant-owned dwellings and rental dwellings will continue in the long term.

Stockholm

The prices of tenant-owned dwellings in Stockholm reported the highest increase in the country at the start of the year, but they were also the first to experience a fall, as early as in March/April 2022.

Prices fell by approximately 13% from their peak in the spring and approximately 9% for the year as a whole. The sales rate on the succession market was 17% lower than in the previous year. During the year sales launches for tenant-owned dwellings fell by approximately 18%.

The housing list in Stockholm increased by approximately 5% even though the waiting time is falling. The total number of applicants on the housing list is approximately 774,500. The average waiting time remains at seven years for new-build rental dwellings.

Malmö

The prices of tenant-owned dwellings in Malmö followed the same trend as in other metropolitan areas, ending with a fall in prices of 7% for the year as a whole. The number of new apartment blocks

that started to be built decreased by 48% in the first three quarters, compared with 2021. In Malmö the average waiting time for a new-build rental dwelling is 3.3 years, which shows that demand has remained stable.

Uppsala

The prices of tenant-owned dwellings in Uppsala fell by 12% in 2022. There was a significant increase in supply following the summer, but levels returned to normal by the end of the year.

The average waiting time for a new-build rental dwelling has fallen from 4.7 years to 4 years over the past year, as a result of an increase in supply.

In Uppsala County the number of new apartment blocks that started to be built fell by 15% in the first three quarters compared with 2021.

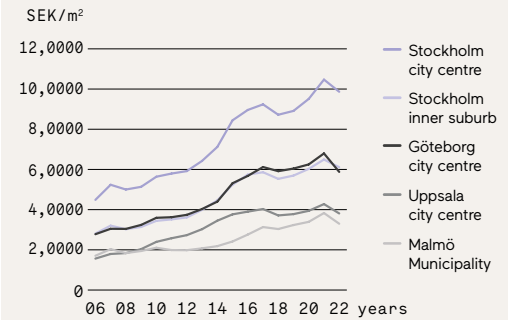
Price statistics tenant-owned dwellings 2022

Tenant-owned dwellings	1 months (%)	3 months (%)	12 months (%)	Average price (SEK/ m²)
Sweden	-1	-2	-9	38,909
Central Stockholm	-1	-2	-10	98,753
Gtr Stockholm	-1	0	-8	59,025
Central Gothenburg	-2	-7	-13	57,967
Gtr Gothenburg	-2	-6	-11	42,774
Central Malmö	-1	-4	-7	36,767
Gtr Malmö	-1	-5	-7	32,640

Source: Svensk Mäklarstatistik.

Price trends for tenant-owned dwellings

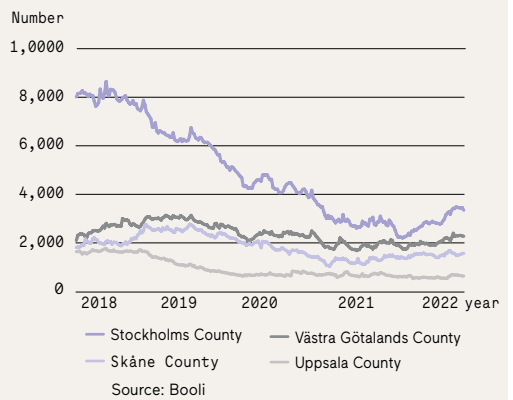
– In Sweden as a whole prices fell by 14% from their peak during the year.



Source: Svensk Mäklarstatistik

Supply of new-build residentials for sale

– The supply of new-build residentials increased, while the number of sales launches halved.



Source: Booli

Stockholm

We are planning 500 apartments in Nobelberget. Residents are currently moving into the first two blocks, while the third block, Brf Kulturtrappan, comprising 93 apartments, is expected to be ready for occupancy in the second quarter of 2024.

Planning work is also underway for residentials in Kyrkviken and Norra Nobelberget.



Malmö

Mobilia has been transformed from a shopping centre into an attractive urban environment, where retail combines with residential and culture. Torghuset is home to 74 rental apartments, a cinema and Funnys Äventyr, a cultural building for children.



Uppsala

Parkhusen block 2 is by Gränbyparken park and right next to the Gränbystaden shopping centre. These tenant-owned dwellings will be completed in the autumn of 2023.



The transaction market.

In 2022 the transaction market was strongly impacted by rising financing costs. Although the year started relatively strongly, significant hikes in interest rates from central banks around the world and a much tougher capital market led to the transaction market cooling down after the summer. If buyers and sellers are not on the same page in a market, this is a strong indication that price adjustments are on the horizon.

Transaction market in 2022

The transaction market slowed down noticeably following the record-high figures reported in the previous year. Despite the strong start to the first six months of 2022, the second half of the year saw the market cooling down considerably. The transaction volume for the year amounted to approximately SEK 220 billion (which included 608 transactions). Although the transaction volume has almost halved since 2021, it is fully in line with and comparable to the levels that were reported in the years prior to this. The number of transactions is relatively high, which is proof of an active market, particularly among small and medium-sized enterprises. However, the number of transactions and volumes fell after the summer; between August and December the transaction volume only amounted to approximately SEK 70 billion. Foreign investors accounted for 24% of the total transaction volume, or SEK 54 billion. This is a marked increase from 2021, when they accounted for 16%.

Highest transaction volume in Greater Stockholm

The Stockholm area continued to account for the highest share of the transaction volume, at approximately 41%. This was followed by the other major cities (except for Gothenburg and Malmö), which accounted for 28%.

The figure for Gothenburg was 9%, which is roughly the same as in 2021, while Malmö halved its share to approximately 5%. The rest of the country accounted for 17%, which is an increase on 2021.

Residentials with the highest share

Residentials accounted for the highest share, at 24%, followed by warehouse and industry at 22% and 21% respectively. Offices accounted for 13% and retail 9%. The remainder (11%) comprised a mix of different asset types, including land and hotels.

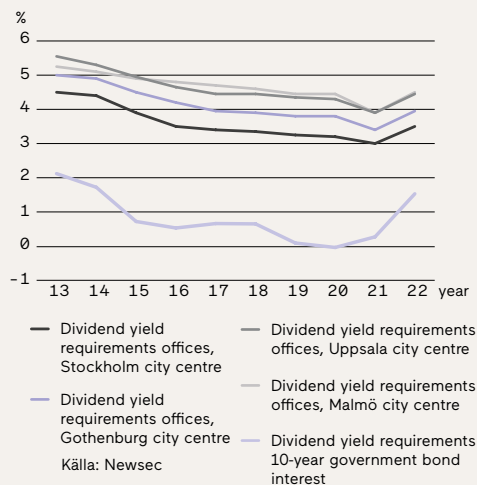
The residential segment fell considerably from the previous year, from 35% in 2021 to 24% in 2022. Higher costs cannot be fully compensated by higher index-adjusted income, which explains why residentials are more clearly impacted by this high inflation environment. In addition Svea Court of Appeal stated in a judgment that the ‘presumption rent’ for new builds may be increased by a maximum of half the annual percentage increase in the town/city. Construction costs also increased, while the investment support for new builds was removed.

Yield increases 2022

For the first time in many years higher yields were seen consistently on the Swedish property market. The world’s central banks took strong action, rapidly increasing interest rates and reducing quantitative measures in order to bring down the high level of inflation. Combined with some tightening of credit, this led to higher financing costs, which in turn resulted in lower transaction volumes and higher yields.

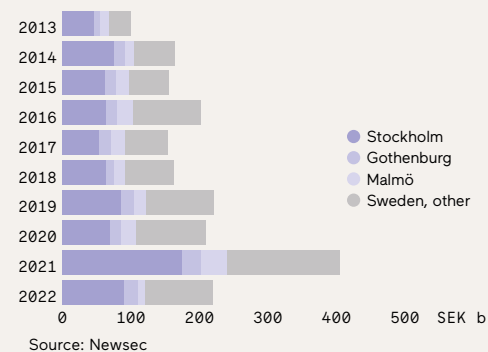
Dividend yield requirements and 10-year government bond interest

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



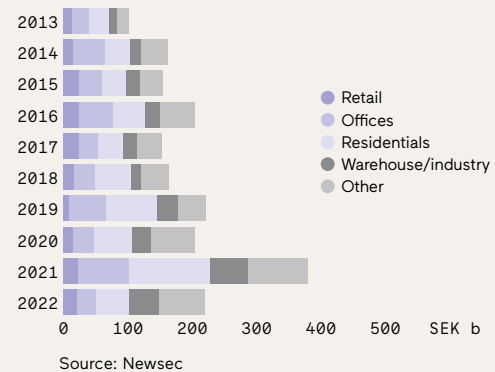
Transaction volume per geographic area

– Property sales amounted to SEK 220 billion in 2022.



Transaction volume per property type

– Although the residential segment fell in 2022, it still accounted for the highest proportion





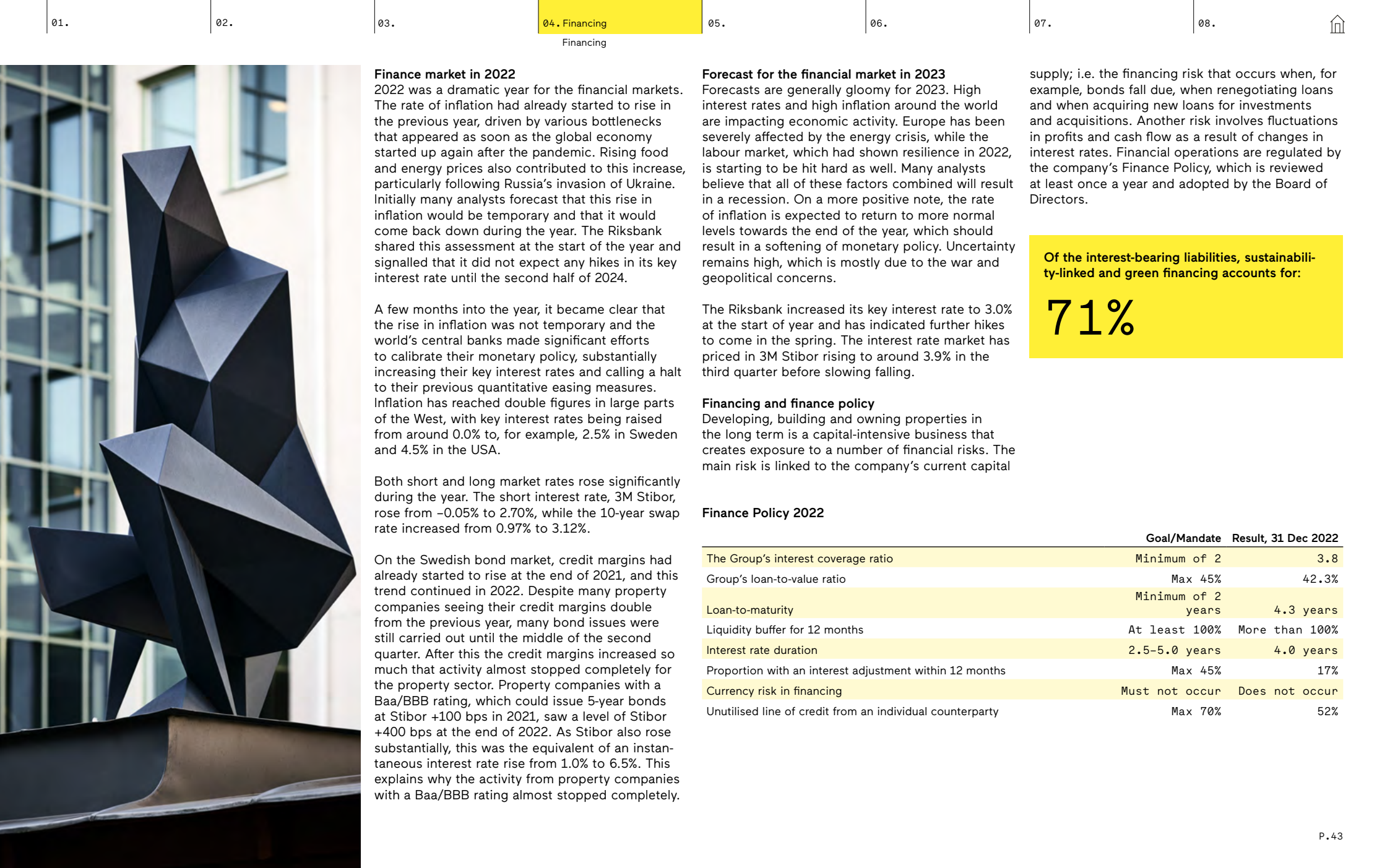
04.

Financing.

Strong financial
position.

04.

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



Finance market in 2022

2022 was a dramatic year for the financial markets. The rate of inflation had already started to rise in the previous year, driven by various bottlenecks that appeared as soon as the global economy started up again after the pandemic. Rising food and energy prices also contributed to this increase, particularly following Russia's invasion of Ukraine. Initially many analysts forecast that this rise in inflation would be temporary and that it would come back down during the year. The Riksbank shared this assessment at the start of the year and signalled that it did not expect any hikes in its key interest rate until the second half of 2024.

A few months into the year, it became clear that the rise in inflation was not temporary and the world's central banks made significant efforts to calibrate their monetary policy, substantially increasing their key interest rates and calling a halt to their previous quantitative easing measures. Inflation has reached double figures in large parts of the West, with key interest rates being raised from around 0.0% to, for example, 2.5% in Sweden and 4.5% in the USA.

Both short and long market rates rose significantly during the year. The short interest rate, 3M Stibor, rose from -0.05% to 2.70%, while the 10-year swap rate increased from 0.97% to 3.12%.

On the Swedish bond market, credit margins had already started to rise at the end of 2021, and this trend continued in 2022. Despite many property companies seeing their credit margins double from the previous year, many bond issues were still carried out until the middle of the second quarter. After this the credit margins increased so much that activity almost stopped completely for the property sector. Property companies with a Baa/BBB rating, which could issue 5-year bonds at Stibor +100 bps in 2021, saw a level of Stibor +400 bps at the end of 2022. As Stibor also rose substantially, this was the equivalent of an instantaneous interest rate rise from 1.0% to 6.5%. This explains why the activity from property companies with a Baa/BBB rating almost stopped completely.

Forecast for the financial market in 2023

Forecasts are generally gloomy for 2023. High interest rates and high inflation around the world are impacting economic activity. Europe has been severely affected by the energy crisis, while the labour market, which had shown resilience in 2022, is starting to be hit hard as well. Many analysts believe that all of these factors combined will result in a recession. On a more positive note, the rate of inflation is expected to return to more normal levels towards the end of the year, which should result in a softening of monetary policy. Uncertainty remains high, which is mostly due to the war and geopolitical concerns.

The Riksbank increased its key interest rate to 3.0% at the start of year and has indicated further hikes to come in the spring. The interest rate market has priced in 3M Stibor rising to around 3.9% in the third quarter before slowing falling.

Financing and finance policy

Developing, building and owning properties in the long term is a capital-intensive business that creates exposure to a number of financial risks. The main risk is linked to the company's current capital

supply; i.e. the financing risk that occurs when, for example, bonds fall due, when renegotiating loans and when acquiring new loans for investments and acquisitions. Another risk involves fluctuations in profits and cash flow as a result of changes in interest rates. Financial operations are regulated by the company's Finance Policy, which is reviewed at least once a year and adopted by the Board of Directors.

Of the interest-bearing liabilities, sustainability-linked and green financing accounts for:

71%

Finance Policy 2022

	Goal/Mandate	Result, 31 Dec 2022
The Group's interest coverage ratio	Minimum of 2	3.8
Group's loan-to-value ratio	Max 45%	42.3%
Loan-to-maturity	Minimum of 2 years	4.3 years
Liquidity buffer for 12 months	At least 100%	More than 100%
Interest rate duration	2.5-5.0 years	4.0 years
Proportion with an interest adjustment within 12 months	Max 45%	17%
Currency risk in financing	Must not occur	Does not occur
Unutilised line of credit from an individual counterparty	Max 70%	52%

Overall capital structure

Atrium Ljungberg aims for a distribution between equity and borrowed capital that provides the company with an acceptable level of risk, based on the financial goals that have been set. Equity amounted to SEK 29,141 million (SEK 25,541 m), while liabilities amounted to SEK 34,756 million (SEK 28,686 m), of which SEK 25,389 million (SEK 20,561 m) refers to interest-bearing liabilities. According to the company's goals, the loan-to-value ratio must remain under 45.0% in the long term; at the end of the year it stood at 42.3% (39.9%). The loan-to-value has consistently been under 45% in recent years.

Bank financing and credit facilities

Atrium Ljungberg's financing has a solid foundation, based on strong, long-term relationships with several Nordic banks. The banking system offers the company secured bank loans that finance existing properties and credit facilities that are used for liquidity management investments and, when necessary, to cover maturing loans. Secured bank financing accounted for SEK 7,835 million (SEK 5,479 m) and represented 31% (27%) of the total loan volume at the end of the year. During the year several loans and credit facilities were acquired and refinanced at good levels.

Capital market financing

Capital market financing consists of bonds in Swedish krona and Norwegian krone which have been issued under the company's MTN programme. It is supplemented by short-term financing through the company's commercial paper programme. Both programmes were established in 2013 and since then Atrium Ljungberg has been a frequent and well-known issuer. At the end of the year, the framework amount for the commercial paper programme was SEK 5,000 million, and SEK 15,000 million for the MTN programme. The MTN programme's framework volume has since been raised to SEK 17,000 million; this took place in the middle of February 2023.

In 2022 five bonds were issued with a total volume of SEK 3,743 million. All issues were carried out in the first six months of the year, i.e. before the

pricing on the bond market significantly worsened. Bonds totalling SEK 1,711 million matured and were repaid during the year. Atrium Ljungberg has both a green and sustainability-linked bond framework.

At the end of the year the volume of outstanding bonds totalled SEK 13,035 million (SEK 10,916 m), while the volume of commercial papers was SEK 1,051 million (SEK 1,699 m). Capital market financing therefore accounted for 55% (54%) of the total loan volume. In the next two years bond maturity is relatively low: SEK 1,350 million in 2023 and SEK 1,815 million in 2024.

Other financing

As well as traditional banking and capital market financing, Atrium Ljungberg has unsecured financing through credit agreements with the Nordic Investment Bank (NIB) and the European Investment Bank (EIB) for a total of SEK 1,918 million (SEK 919 m), as well as secured direct loans with institutional counterparties for SEK 1,550 million (SEK 1,548 m).

Available liquidity

At the end of the year unutilised lines of credit amounted to SEK 6,055 million (SEK 7,297 m), which comfortably covers outstanding commercial papers, totalling SEK 1,051 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity amounted to SEK 6,735 million (SEK 8,316 m), including cash and cash equivalents of SEK 380 million (SEK 719 m) and unutilised overdraft facilities of SEK 300 million (SEK 300 m). Work was also carried out to secure a new loan facility of SEK 1,000 million, which was approved by the bank at the end of the year.

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

The average interest rate stood at 2.2% (1.7%) at the end of the year. Including unutilised loan guarantees the average interest rate was 2.3% (1.8%).

Our property ownership is a long-term commitment, requiring long-term financing. Long loan-to-maturity durations also reduce the refinancing risk.

The remaining loan-to-maturity duration at the end of the year was 4.3 years (4.8 years).

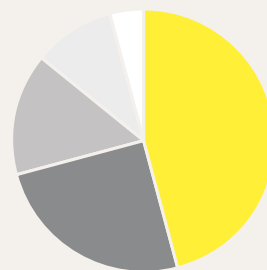
Financial costs represent a major cost item in the income statement. This is affected by changes to the underlying market rate and changes to the lenders' spread. Interest rates are mostly fixed for a variety of terms in order to reduce the fluctuations in the financial costs to an acceptable level. Tools, such as interest derivatives, which offer a flexible and cost-effective way of changing the interest rate duration of the portfolio without having to change the terms of the underlying loans, are used to reduce the interest risk and achieve the desired interest rate duration. The average interest rate duration was 4.0 years (4.7 years) at year-end.

Sustainability-linked and green financing

At the end of 2021 new sustainability goals were adopted as part of Agenda 2030. The company will be climate-neutral by 2030 and will also work intensively to create socially sustainable locations as well as with business ethics featuring at several stages. Shortly after these goals were announced, a sustainability-linked financing framework was able to be launched. In February 2022 Atrium Ljungberg became the first property company in the Nordic region to issue a sustainability-linked bond. The structure is based on the company linking the results of its sustainability goals to its financing.

Capital structure

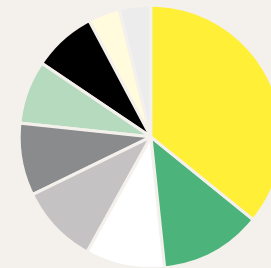
– Secured loans correspond to 15% in relation to total assets



- Equity, 46%
- Unsecured loans, 25%
- Secured loans, 15%
- Deferred tax liabilities, 10%
- Other liabilities, 4%

Interest-bearing liabilities

– SEK 25,389 million, of which 71% was sustainability-linked and green financing.



- Green bonds, 37%
- Sustainability-linked bank loans, 13%
- Green bank loans, 10%
- Bonds, 10%
- Bank loans, 9%
- Unsecured green bank loans, 8%
- Direct loans, 6%
- Sustainability-linked bank bonds, 4%
- Commercial papers, 4%

If our very ambitious sustainability goals are not met, the interest rate of the bond will increase. This sustainability-linked framework was also used for bank loans and credit facilities during the year.

At the same time as the new sustainability-linked framework was launched, a new green framework was launched for bond financing. Atrium Ljungberg has been issuing green bonds since 2017, when the previous framework was launched. The level of ambition has been raised for this new framework. Cicero performed an independent review of the framework, giving it the score ‘Medium Green’, while in April the first issue was carried out under the new green framework. Atrium Ljungberg also has several secured and unsecured green bank loans, requirements set by each lender.

In total sustainability-linked financing accounts for 16% (0%) and green financing accounts for 55% (59%) of total financing. In addition, 75% (0%) of the unutilised credit facilities are sustainability-linked, so any loans taken from these kinds of facilities will be sustainability-linked.

Covenants

The loan agreements contain pre-determined key performance indicators, known as ‘covenants’, that Atrium Ljungberg undertakes to achieve during the term. If the company does not comply with these covenants, additional security may be required or the counterparty may be entitled to terminate the loan agreement and require payment. The most common covenants are an interest coverage ratio of a minimum of 1.50–1.75, a maximum loan-to-value ratio of 65–75%, and a minimum equity ratio of 25–30%. Other obligations include the fact that the borrowing subsidiary must be wholly-owned, subsidiaries with mortgaged assets cannot take out any additional loans, and specific financial information must be submitted to the lender. The company complied with all of the covenants from all counterparties during the year.

Credit rating

Atrium Ljungberg has had a Baa2 credit rating (Stable) with Moody’s since 2017. The most recent rating was confirmed in May 2022.

Loan-to-value maturity, SEK million

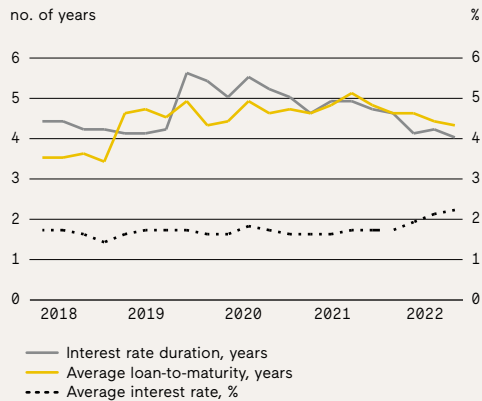
Duration	Bank/Direct loans	Capital market	Total liabilities	Percentage, %	Total credit agreements
2023	0	2,401	2,401	9	2,401
2024	647	1,832	2,479	10	3,329
2025	4,382	2,799	7,181	28	10,436
2026	199	3,325	3,524	14	5,474
2027	919	3,199	4,118	16	4,118
2028 or later	5,156	531	5,687	22	5,687
Total	11,303	14,086	25,389	100	31,444

Interest rate duration, SEK million

Duration	Volume	Percentage, %	Average interest rate, %
2023	4,354	17	1.0
2024	2,032	8	2.2
2025	2,249	9	2.3
2026	2,704	11	1.9
2027	4,050	16	2.7
2028 or later	10,001	39	2.5
Total	25,389	100	2.2

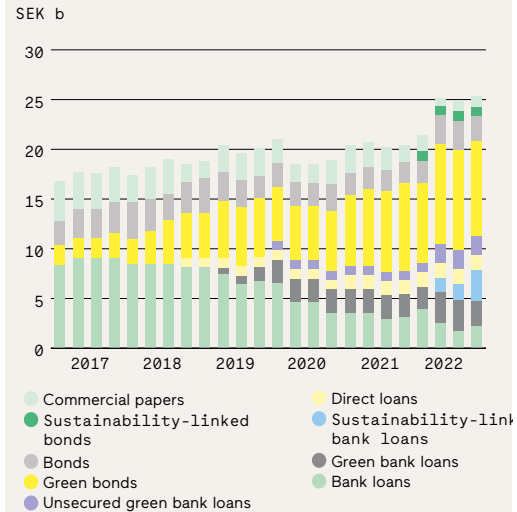
Average interest rate, loan-to-value maturity and interest rate duration

– Rising market rates caused the average rate to rise during the year.



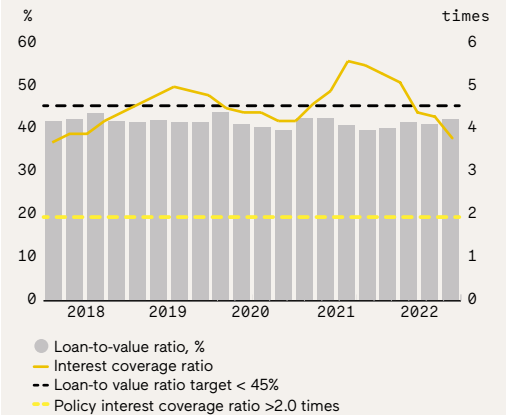
Development of financing sources

– In 2022 sustainability-linked bonds and bank loans were added as a financing source.



Loan-to-value ratio and interest coverage ratio

– Stable loan-to-value ratio and interest coverage ratio better than the goal.





05.



Projects.

Project
investments.

05.

Property development is an important aspect of Atrium Ljungberg's future value growth. We aim to invest SEK 30 billion by the year 2030 with a project return of SEK 10 billion so that we can deliver on our yield goal. Based on the current situation in the world, the time when the goal is to be achieved may have to be extended slightly.

Ongoing and completed projects.

Our ongoing projects have a remaining investment of approximately SEK 5 billion. In 2022 we invested SEK 2.3 billion in held properties. Our goal is to invest approximately SEK 30 billion by 2030 with a project return of approximately SEK 10 billion. Based on the current situation in the world, the time when the goal is to be achieved may have to be extended slightly.

During the year investments in held properties amounted to approximately SEK 2.3 billion (SEK 2.3 b), of which SEK 1.9 billion (SEK 2.1 b) was in investment properties and SEK 0.4 billion (SEK 0.2 b) in development properties, i.e. our tenant-owned dwelling projects. Investments in our investment properties were primarily the projects in Hagastaden, Sickla, Slussen and Barkarbystaden, as well as adaptations to premises in properties in Sickla, Malmö and Liljeholmen.

In the second quarter of 2022 our Life City project was completed in Hagastaden; an office block measuring almost 28,000 m² with a spectacular location directly above the E4 highway, where more than 70 million people pass every year. Life City is a meeting place for everyone working in

the emerging life science cluster in Hagastaden. Its tenants include Academic Work, Astra Zeneca, Polarium and 10x Genomics. Bas Barkarby in Järfälla was also completed in the same quarter. This building comprises more than 24,000 m² and Järfälla Municipality is its biggest tenant, with almost 11,000 m² for upper secondary education, a multi-purpose hall, a library and other cultural activities.

In the third quarter of 2022, we completed Brf Konstharts, our second tenant-owned dwelling project in Nobelberget, with 56 apartments and a project return of SEK 52 million, or 16%.

Our ongoing projects are in Sickla, Hagastaden, Slussen, Slakthusområdet, Medborgarplatsen and Uppsala. In Nobelberget in Sickla, production is underway for Brf Kulturtrappan, comprising 93 tenant-owned apartments; while production is also underway in Uppsala for Brf Parkhusen block 2 with a total of 98 apartments. These projects are scheduled for completion in 2023/2024.

In Slakthusområdet the reconstruction of the Slakthushallarna project (Hus 26) is underway, which is being transformed into a food destination. The ambition is to create a unique location in Stockholm, and maybe also in Sweden, for a restaurant and cultural scene. Slakthushallarna is an industrial building from 1912 in an Art Nouveau style and will contain hand-picked companies that are among the very best in their respective segments.

For example, the celebrity chefs, Adam & Albin, are opening their largest establishment ever.

In Slakthusområdet a decision was also taken to build an upper-secondary school measuring approximately 6,000 m². We have signed a lease contract with a term of 15 years, which was approved by the City Council in June 2022. In December the detailed development plan became legally binding. A decision was also made on Hus 6 Stationen, at the northern entrance to Slakthusområdet. Hus 6 is planned to comprise almost 20,000 m² with an entrance to the future underground station, offices, services and food. It is scheduled to be completed in the second quarter of 2027.

In Hagastaden a decision was made during the year for the reconstruction and refinement of the office property Blästern 11, also called 'PV Palatset'. This work is expected to be complete in 2025.

At the end of 2022 a decision was made to invest the equivalent of SEK 1.3 billion in the reconstruction and modernisation of Söderhallarna on the square Medborgarplatsen. Söderhallarna will house offices for creative industries; the goal is also to make Södermalm the place to visit for high-quality ingredients and food crafts, with a clear focus on sustainability.

The construction work for Sickla Stationshus is underway. The work on the underground line, which had to precede the construction of the

Our ongoing projects are in Sickla, Slussen, Slakthusområdet, Hagastaden, Medborgarplatsen and Uppsala

building, has proved to be more complex than had been envisaged. This has resulted in the completion date being delayed by 12 months to the fourth quarter of 2025. Sickla Stationshus is located where the new underground station will be, with direct links to the cross-town light rail link (Tvärbanan), the Saltsjöbanan Line and bus services. This one location will therefore be served by four different methods of public transport, which

will make Sickla into one of the biggest commuter hubs in Stockholm. It is going to be a 23-storey building with offices, a restaurant, conference facilities and several green terraces, as well as stores on the ground floor.

Production of the commercial reconstruction project Katarinahuset in Slussen entered its final phase, with the first tenants already moving in

during the autumn of 2022. Other tenants that have signed lease contracts include Citybox Hotels, Nova Consulting and OMG. Atrium Ljungberg had applied for a building permit for a new extension to Katarinahuset, which would replace the previous extension. At the end of the second quarter we received news that the building permit had not been approved, as it had been rejected by the County Administrative Board. We lodged

an appeal against this decision with the Land and Environment Court, which found in Atrium Ljungberg's favour at the beginning of 2023.

The remaining investment volume for decided projects amounted to approximately SEK 5 billion at the end of the year. Although our long-term goal is to invest SEK 30 billion by 2030, the current situation in the world may cause a slight delay to our plans.

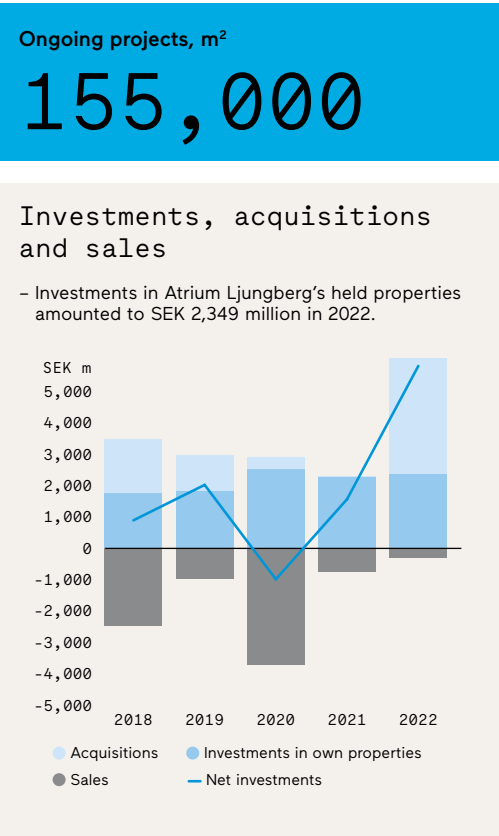
Ongoing projects

Developed for ownership	Municipality	Investment type	Completed	Residen- tials, m ²	Premises, m ²	Total investment including land, SEK m	of which remains, SEK m	Market value upon completion, SEK m	Rental value, SEK 1 m)	Economic letting rate, %
Completed projects during the year										
- Life City	Stockholm	New builds	Q2 2022	-	27,700	1,670	60		123	95
- Bas Barkarby	Järfälla	New builds	Q2 2022	-	24,200	840	70		59	82
Ongoing projects										
- Slakthushallarna phase 1	Stockholm	Reconstruction	Q1 2023	-	2,300	190	20		10	70
- Katarinahuset	Stockholm	Reconstruction	Q4 2023	-	24,900	1,200	480		148	51
- Slakthushallarna phase 2	Stockholm	Reconstruction	Q4 2023	-	2,000	120	70		5	100
- PV Palatset	Stockholm	Reconstruction	Q2 2025	-	10,100	400	320		48	-
- Sickla Stationshus	Nacka	New builds	Q4 2025	-	16,900	1,020	640		65	-
- Söderhallarna	Stockholm	Reconstruction	Q1 2026	-	23,900	1,260	1,220		126	-
- Upper-secondary school Slakthusområdet	Stockholm	New builds	Q2 2026	-	6,200	320	300		17	100
- Hus 6 Stationen Slakthusområdet	Stockholm	New builds	Q2 2027	-	16,400	1,600	1,420		86	-
Properties to own				-	154,600	8,620	4,600	12,900	687	39
Tenant-owned dwellings									Booking rate, % ²⁾	Sales rate, % ³⁾
Brf Konstharts (completed)	Nacka	New builds	Q3 2022	3,600	300	280	-		e . t .	100
Parkhusen block 2	Uppsala	New builds	Q3 2023	5,800	-	280	90		-	68
Brf Kulturtrappan	Nacka	New builds	Q2 2024	6,600	-	530	270		-	39
Tenant-owned dwellings				16,000	300	1,090	360	1,300		
Ongoing projects				16,000	154,900	9,710	4,960	14,200		

¹⁾ Excluding premiums.

²⁾ and ³⁾ Nacka: 93 apartments (3 phases) of a total of 93 apartments have been released for sale, of which 36 apartments have been sold through binding contracts.

Uppsala: 80 apartments (2 phases) of a total of 98 apartments have been released for sale, of which 54 apartments have been secured through binding contracts and lease agreements.





Sickla Stationshus

Sickla Stationshus is located where the new underground station will be, with direct links to the cross-town light rail link (Tvärbanan), the Saltsjöbanan Line and bus services. It is going to be a 23-storey building with offices, a high-end restaurant, conference facilities and several green terraces. The street level will have stores and direct access to one of the two underground entrances in Sickla. Sickla Stationshus will become a new landmark in Stockholm, with views across the entire city. The building is expected to be ready for occupancy in 2025.

16,400

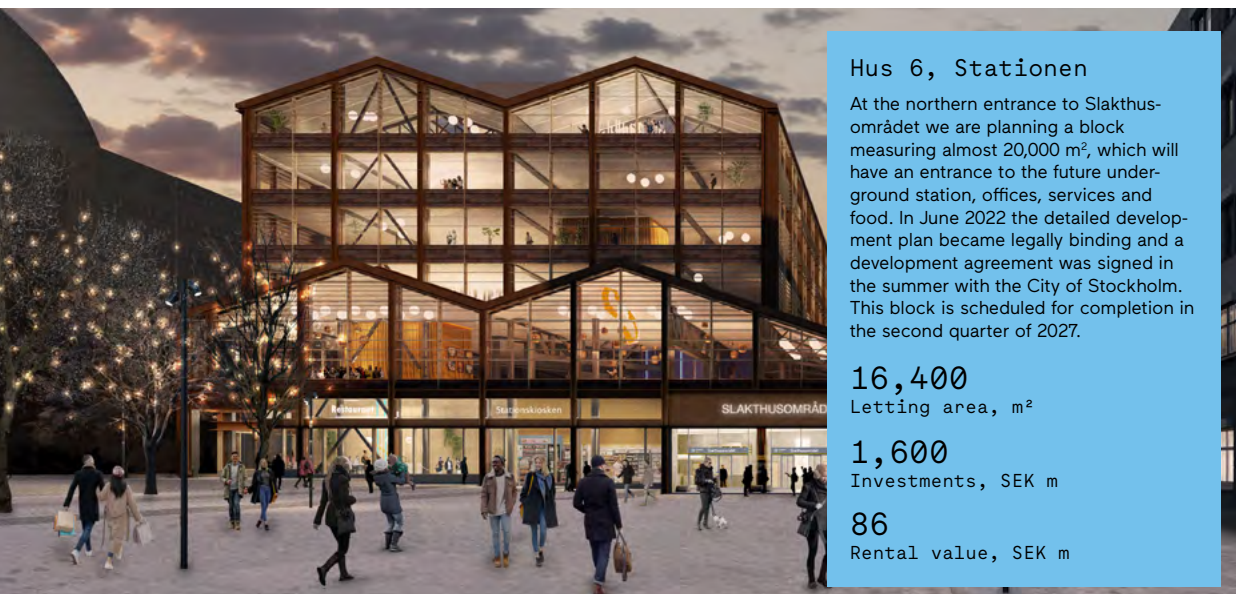
Letting area, m²

1,020

Investments, SEK m

65

Rental value, SEK m



Hus 6, Stationen

At the northern entrance to Slakthusområdet we are planning a block measuring almost 20,000 m², which will have an entrance to the future underground station, offices, services and food. In June 2022 the detailed development plan became legally binding and a development agreement was signed in the summer with the City of Stockholm. This block is scheduled for completion in the second quarter of 2027.

16,400

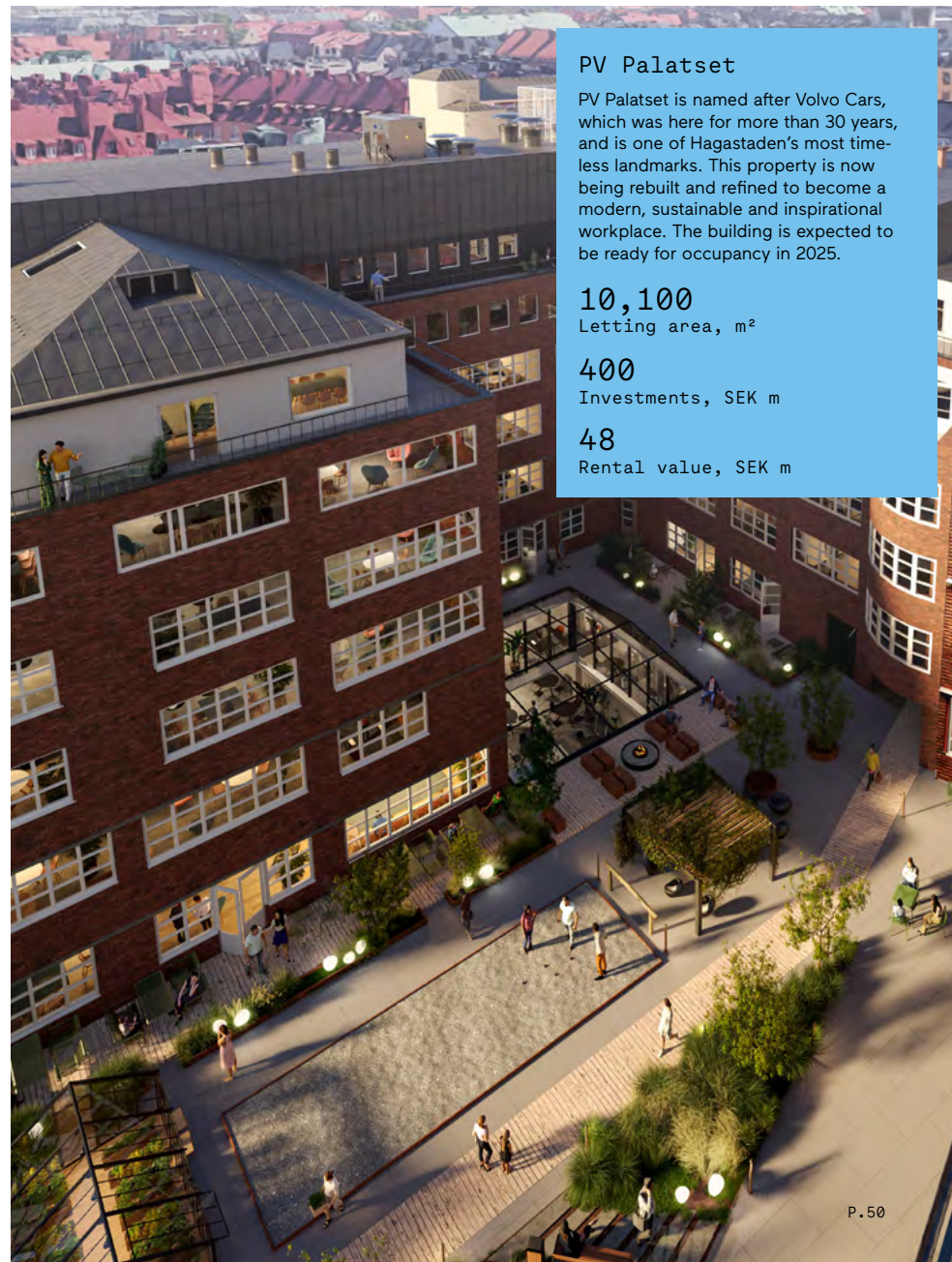
Letting area, m²

1,600

Investments, SEK m

86

Rental value, SEK m



PV Palatset

PV Palatset is named after Volvo Cars, which was here for more than 30 years, and is one of Hagastaden's most timeless landmarks. This property is now being rebuilt and refined to become a modern, sustainable and inspirational workplace. The building is expected to be ready for occupancy in 2025.

10,100

Letting area, m²

400

Investments, SEK m

48

Rental value, SEK m

Upper-secondary school in Slakthusområdet

In the north-western section of Slakthusområdet we are building a new upper-secondary school, which will be the first municipal upper-secondary school to be built in Stockholm for more than 40 years. The plan is for the school to comprise approximately SEK 6,000 m² letting area with space for 800 pupils. The lease contract has been signed with SISAB for a term of 15 years. The school is expected to be completed by the start of the school year in 2026.

6,200

Letting area, m²

320

Investments, SEK m

17

Rental value, SEK m



Söderhallarna

We are planning to upgrade and develop Söderhallarna to create a meeting place for food, focusing primarily on sustainability, cultural activities and creativity. The property will also house modern offices that will attract creative industries, which can benefit from offices in the heart of Sweden's largest gaming development cluster. Work on the detailed development plan is ongoing and construction is expected to start in 2023.

23,900

Letting area, m²

1,260

Investments, SEK m

126

Rental value, SEK m

Planned projects.

Our total project portfolio (i.e. ongoing and planned projects) represents future investments of approximately SEK 40 billion, in terms of the land we own and the land allocations we have obtained.

Atrium Ljungberg's business model involves us owning, managing and developing properties and city districts responsibly. This enables us to take responsibility for the entire value chain. Our project portfolio as of 31 December 2022 comprises approximately 850,000 m² GFA, of which 210,000 m² GFA is for residential development rights and the rest is for properties that we manage, specialising in offices. Most of the development portfolio is located in Stockholm, focusing on Hagastaden, Slakthusområdet, Slussen and Sickla. Approximately 85% of the portfolio is located at existing or future underground stations in Stockholm. The rate at which we complete the projects depends on the market situation and the detailed development plan process. No projects are normally started until we have secured a minimum level of return in the form of signed lease contracts.

STOCKHOLM Slakthusområdet

Atrium Ljungberg's vision is for Slakthusområdet to be an attractive location with offices and residentials, supplemented with a wide range of food, culture, education 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; SEK 1 billion is for tenant-owned dwellings and approximately SEK 9 billion is for commercial operations. Most of this will be carried out by just after 2030. Slakthusområdet is one of Stockholm's largest urban development projects. In June 2022 the detailed development plan for Stationskvarteret became legally binding and a development agreement was signed in the summer. In total Atrium Ljungberg has approximately 40,000 m² GFA in detailed development plans that are legally binding and the ambition is to double this in 2023/2024. We have a cooperation agreement with Stockholm University of the Arts (SKH) for a move to Slakthusområdet. The university area is planned to comprise 30,000 m² GFA of educational premises and workplaces.

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.

180,000
m² GFA, including 500 apartments, planned in Sickla

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

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinahuset. This means that we now own approximately 55,000 m² NRA in our existing portfolio and a total of approximately 30,000 m² GFA in land allocations. Our development projects in Slussen are scheduled for completion by 2030; they represent a total future investment of approximately SEK 3 billion, including land allocations.

Hagastaden

Atrium Ljungberg has been in Hagastaden for more than 30 years and is one of the largest property owners in the area. We are playing an active role in

the development of Hagastaden, which will grow to become a new dynamic city district by 2030 and one of the world's leading life science clusters.

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

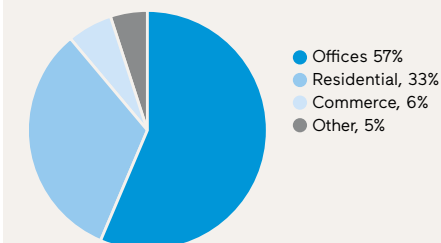
The development projects in Hagastaden represent a future investment of approximately SEK 8 billion, including SEK 4 billion for tenant-owned dwellings and the rest for offices. These projects are expected to be completed by 2030 or shortly afterwards.

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 Industriktvarteren (the Industrial District), which used to be called 'Central Sickla', stretching from Marcusplatsen in the west to Kyrkviken in the

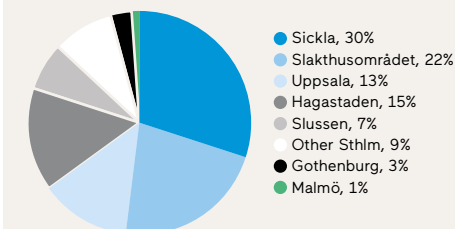
Planned projects by premises type

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



Planned projects by area

– 83% of the area is focused on Stockholm.

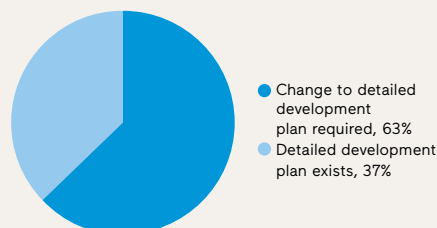


east. The area currently comprises large areas for car parking and low retail buildings. However, the plan is to transform this into an urban city district with walkways and buildings that house offices and residential, with commercial enterprises and service facilities on the ground floors. In total the plan comprises approximately 150,000 m² GFA and around 500 new apartments. The detailed development plans were under consultation in 2022, and they are due to be sent out for examination in 2023.

The detailed development plan for Industrikarverten will be divided into three stages during the examination phase. Stage 1 relates to construction up to around 2030. Work is currently underway on this and it is planned to be adopted in 2024.

Planned projects by detailed development plan

– 37% of the area with an approved detailed development plan.



The remaining sections will be postponed as a result of the Eastern Link reserve. The detailed development plan for stages 2 and 3 will be planned and completed well in advance to ensure continued construction after the expansion of stage 1. These planned projects report assessed volumes of 125,000 m² GFA for stages 1 and 2.

We are planning more residential in other parts of Sickla. The detailed development plan for Nobelberget comprises a total of approximately 500 apartments. Planning work is also underway for Kyrkviken and Norra Nobelberget.

The future investment for the development projects in Sickla amounts to approximately SEK 10 billion, which includes approximately SEK 8 billion that is planned to be invested up to approximately 2030; SEK 4 billion is for tenant-owned dwellings, while the rest is for offices.

GOTHENBURG

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

MALMÖ

In Mobilia we have a development right of 5,400 m² GFA for offices on the street Trelleborgsvägen. The building permit has been received and the project will start once the letting rate has reached a suitable level. Offices will be the natural next step in the

development of Mobilia on its journey to becoming a dynamic city district with mixed content and a hub in southern Malmö.

UPPSALA

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

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

Over the past six years we have carried out a number of major development projects in Gränbystaden, where we are able to develop around an additional 30,000 m² GFA as part of the existing detailed development plan; 17,000 m² GFA of this is for tenant-owned dwellings. We are also looking into the possibility of starting a detailed development plan process to further develop the area, which could provide an additional area totalling approximately 55,000 m² GFA for offices and residential. The development projects in Uppsala represent a future investment volume of approximately SEK 4 billion, most of which will be completed by 2030.



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	-	92,000	47,000	6,200	4,000	10,600	390
- Sickla	-	90,000	40,000	4,800	3,800	6,700	305
- Slakthusområdet	198	165,000	45,000	10,300	8,800	13,200	580
- Slussen	-	55,000	55,000	4,800	2,500	6,800	270
- Stockholm, other	-	75,000	30,000	4,000	1,800	4,900	215
Uppsala	452	84,000	14,000	3,700	3,600	4,000	165
Gothenburg/Malmö	-	28,800	5,400	1,100	800	1,400	69
Total	650	589,800	236,400	34,900	25,300	47,600	1,994
Less current operating net, SEK m							-150
Newly created operating net, SEK m							1,844
Tenant-owned dwellings							
Stockholm							
- Hagastaden	440	39,000	39,000	3,900	3,900	4,500	
- Sickla	989	91,000	32,000	5,400	4,400	7,400	
- Slakthusområdet	195	15,000	-	1,300	1,300	1,500	
Uppsala	302	24,000	20,000	950	700	1,050	
Total	1,926	169,000	91,000	11,550	10,300	14,450	
Project portfolios starting by 2030							
	2,576	758,800	327,400	46,450	35,600	62,050	

The information about ongoing projects and planned projects in this annual 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.



TL Bygg – focusing on social sustainability

TL Bygg AB is a subsidiary of Atrium Ljungberg and was formed in 1983, but has its roots in the construction and property company founded by the builder Tage Ljungberg in the middle of the 1940s. As well as its long history in the construction industry, TL Bygg boasts extensive competence and is fully aware of the importance of social sustainability for its success.

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

Its operations are divided into two main branches: New Builds and Reconstruction. New Builds constructs residential, offices and social properties. Reconstruction looks after major office and tenant adaptations for both public and private actors and also rebuilds residential and social properties.

Competence across the entire building process

With its own skilled workers, TL Bygg has competence across the board and can carry out projects with efficiency, control and flexibility, giving the company cost-effective production. The ambition is to be involved early in the process in order to find financially and environmentally sustainable solutions.

A company that focuses on sustainability

TL Bygg is extremely ambitious in all forms of sustainability and by joining Färdplan 2045, it has undertaken to be climate-neutral by 2045. TL Bygg is certified in accordance with BKMA and has employees who are trained in Miljöbyggnad and BREEAM.

A lot of focus is placed on social sustainability, with gender equality high up on the agenda. 'Sila Snacket' (mind your language) was started in 2020. This is an initiative that focuses on workplace language and shows how using respectful language can help create inclusive workplaces. This initiative has spread far and wide both within and outside the construction industry, with Sila Snacket being awarded the Gender Equality Prize of the Year at the Betong Gala in 2022. TL Bygg was also awarded Construction Company of the Year 2022.

107 workers including
49 administrative
employees and
58 skilled workers

836 million SEK in
sales of which to
AL SEK 581 million





Governance and control.

06.

Directors' report.

The Board of Directors and the CEO of Atrium Ljungberg AB (publ.), company ID no. 556175-7047, hereby submit the annual report and the consolidated financial statements for the 2022 financial year. The figures shown in parentheses refer to the preceding financial year. The legal annual report including the directors' report have been reviewed, with the exception of the corporate governance report and the statement from the Chairman of the Board. A limited assurance review has been performed on the Sustainability Report.

Investments in planned projects

SEK 40 billion

Loan-to-value ratio

42.3%

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

FINANCIAL GOALS
According to the financial goals, the annual return on equity must exceed 10% over time. Return on equity for 2022 amounted to 15.7% (15.6%). The company can invest 5% annually without this having a major impact on the loan-to-value ratio, which is currently the equivalent of approximately SEK 3 billion per year. Investments during the year in Atrium Ljungberg's held properties amounted to SEK 2,349 million (SEK 2,279 m). Operations will be conducted at low financial risk, which means that the loan-to-value ratio has to be a maximum of 45% and the interest coverage ratio has to be a minimum of 2.0. At the end of the year, the loan-to-value ratio was 42.3% (39.9%) and the interest coverage ratio was 3.8 (5.3).

DIVIDEND
The dividend will correspond to a minimum of 50% of profit before changes in value after nominal tax, unless investments or the company's financial position in general justifies a departure from this policy. A dividend of SEK 5.30 per share (SEK 5.20/share) is proposed for 2022, to be paid in two instalments

of SEK 2.65 per share. This corresponds to 71% (66%) of the distributable profit and a dividend yield of 3.1% (2.6%).

MARKET
The financial market
The beginning of the year was dominated by major disruptions to global value chains, which increased the pressure on inflation, causing it to rise around the world. This pressure grew even stronger following Russia's invasion of Ukraine, with an inflation rate of more than 10% being reported in many countries. The world's central banks took strong action, rapidly increasing interest rates and reducing quantitative measures.

The ECB gradually increased its interest rate to 2.50% during the year and when it made its latest decision, it flagged that there would be additional hikes of 0.50 percentage points for some time to come. The Federal Reserve also significantly increased its interest rate; the most recent rise was 0.50 percentage points to 4.50%. The average forecast indicates that hikes will continue before reaching a peak of 5.10% in 2023. In Sweden the Riksbank increased its key interest rate to 2.50% in 2022 and to 3.0% at the start of 2023, with further hikes indicated for the spring of 2023.

The Swedish market interest rates increased significantly during the year. 3M Stibor moved from -0.05% to 2.70%, while the 10-year swap rate went from 0.97% to 3.12%.

The conditions for issuers on the Swedish capital market have been poor since the middle of the second quarter. Property companies with the same credit rating as Atrium Ljungberg were conspicuous by their absence, with a few exceptions. Using the pricing of bonds on the secondary market,

the company's credit margin for a 5-year bond would have been approximately 4.00% at the end of the year. On the commercial bond market the credit margin above Stibor, for a term of 3 months, increased from approximately 0.25% to approximately 0.70% during the year, while the total outstanding volume of commercial papers for the property sector fell substantially.

The property market
Despite a strong start to the year, the transaction market experienced a much cooler second half, mostly driven by higher financing costs. During the year the transaction volume in Sweden amounted to approximately SEK 220 billion. Although this figure has almost halved since 2021 (a year that included some major structural deals), it is fully in line with and comparable to the levels that were reported before then. However, the number of transactions and the transaction volume fell significantly after the summer; between August and December the transaction volume only amounted to approximately SEK 70 billion.

Office market
Despite it being a turbulent year in macroeconomic terms, the office market continued to show stability. The demand for offices was constantly high, particularly in central locations, triggered by an increasing number of people returning to office work during the year. However, the current recession has resulted in companies and organisations showing a certain amount of caution when deciding on their future office needs. In this changing world, the need for flexible solutions is increasing, with a greater focus on coworking concepts and short lease contracts to meet the needs and wishes of tenants.

Retail sector

In 2022 the growth rate for the retail sector amounted to approximately 4%, making this the 26th year in a row of positive growth. Sales growth for the FMCG sector stood at around 9% in current prices, while the sales growth for consumer durables amounted to approximately 1%. As in the previous year, there were significant differences in the sales trends between the various sub-sectors, with the main difference being that some reported negative growth in 2022.

Atrium Ljungberg's retail hubs reported good progress, with the Christmas trade exceeding the figures from the previous year. In fact 2022 as a whole was a record year for several of our hubs. One clear trend that we have witnessed since the pandemic is an increase in average purchase values. We have also noted that the companies that are doing the very best are those that really focus on the personal interaction with their customers and the overall experience, both in terms of the environment and the way that customers are treated.

Residential market

In Sweden as a whole, the prices of tenant-owned dwellings fell by as much as 14% from their peak and the number of residentials sold plummeted in 2022. New-build residentials reported a much

greater fall than old-build residentials and they are now at their lowest level since the start of 2014.

We are also feeling the effects of this market trend in the two tenant-owned dwelling projects that we are currently working on. At the moment we have no plans to reduce the prices of the apartments we have for sale, which number around 100. The attractiveness of the location is still generating interest and it is our assessment that sales will increase the closer we get to the moving-in date.

MANAGEMENT Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 115 million (SEK 40 m) during the period, of which SEK 58 million (SEK 20 m) was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New letting amounted to SEK 296 million (SEK 248 m), while terminations from customers amounted to SEK 112 million (SEK 177 m). We also terminated the contract of a customer, corresponding to an annual rent of SEK 69 million (SEK 31 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.

Contracted annual rent and letting rate

As of 1 January 2023 the contracted terminable annual rent amounted to SEK 2,804 million. The economic letting rate excluding project properties was 93% (91%) at the same point in time, while the average remaining term for contracted rent, excluding residentials and parking amounted to 4.5 years (3.9 years).

Profit and financial position

Comments on the profit for the year and financial position can be found on pages 85–90.

INVESTMENTS IN HELD PROPERTIES

Investments in Atrium Ljungberg's held properties amounted to SEK 2,349 million (SEK 2,279 m), of which SEK 1,916 million (SEK 2,059 m) was in investment properties and SEK 433 million (SEK 220 m) in development properties.

On 31 December 2022 Atrium Ljungberg had ongoing construction work totalling SEK 9.7 billion, which includes SEK 5.0 billion that still has to be invested. SEK 8.6 billion of the ongoing projects is for investments in properties that are being developed for ownership with an assessed project return of approximately 50%, corresponding to SEK 4.4 billion; SEK 2.5 billion of this has already been recognised. The company also has ongoing projects

for constructing tenant-owned dwellings totalling SEK 1.1 billion, with an assessed market value of SEK 1.3 billion that will be realised as they are completed.

POTENTIAL DEVELOPMENT PROJECTS

Atrium Ljungberg's business model involves us owning, managing and developing properties and city districts responsibly. This enables us to take responsibility for the entire value chain. Our total project portfolio (i.e. ongoing and planned projects) represent future investments of approximately SEK 40 billion, in terms of the land we own and the land allocations we have obtained. This project portfolio comprises approximately 850,000 m² GFA, of which 210,000 m² GFA is for residential development rights and the rest is for properties that we manage, specialising in offices. Most of the development portfolio is located in Stockholm, focusing on Hagastaden, Slakthusområdet, Slussen and Sickla. Approximately 85% of the portfolio is located at existing or future underground stations in Stockholm. The rate at which we complete the projects depends on the market situation and the detailed development plan process. No projects are normally started until we have secured a minimum level of return in the form of signed lease contracts.

Investments, SEK m

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



Rental income, SEK m

– Higher income mostly due to completed project properties and acquired properties.



Properties acquired and taken into possession

Property	Area	Category	Letting area, m ²	Possession	Underlying price property, SEK m
Blåstern 15	Stockholm; Hagastaden	Offices	21,537	1 Jun 2022	2,224
Kylhuset 28	Stockholm; Slakthusområdet	Offices	30,588	28 Apr 2022	1,500

Property sales

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

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



PROPERTY TRANSACTIONS

During the year two office properties measuring approximately 52,000 m² were acquired in Stockholm for SEK 3,724 million: Blåstern 15 in Hagastaden and Palmfelt Center, Kylhuset 28 in Slakthusområdet. There was a sale of a property measuring approximately 2,500 m² in Sickla for an underlying property value of SEK 60 million. The profit from a tenant-owned dwelling project in Sickla was also recognised, with a project return of SEK 52 million.

PROPERTY VALUES

During the year market valuations of 74% of the property portfolio were carried out externally, including 35% in the fourth quarter. These valuations were performed by Forum Fastighetsekonomi, Cushman & Wakefield, CBRE and Newsec. The remainder of the property portfolio has been internally valued and the assumptions have been quality assured by Forum Fastighetsekonomi. This market valuation is based on a cash flow model that includes an individual assessment of each property, looking at both their future earning capacity and the market's yield requirements. Assumed rental levels in conjunction with contract expirations correspond to assessed long-term market rent levels, while operating costs are based on the company's actual costs. An inflation assumption of 4% has been used for 2023, after which the figure is 2%. 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 were 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 was expected to become legally binding in the near future. The average value of development rights in the valuation is approximately SEK 5,700/m² GFA (SEK 5,900 m).

At the end of the year the average yield requirement stood at 4.4% (4.2%), which was an increase

of 20 bp from the start of the year and 30 bp from the previous quarter. The fourth quarter showed a continued increase in yields and a stronger cash flow (the latter is mostly attributable to the high indexation). However, there was a decrease in value of 2.4% net in the final quarter of the year.

ORGANISATION IN LINE WITH OUR VISION

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

REMUNERATION FOR SENIOR EXECUTIVES

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

OWN SHARES

There are a total of 133,220,736 (133,220,736) shares, of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote.

At the end of the period the company owned 7,114,875 class B shares (6,907,378). Buy-backs totalling SEK 30 million (SEK 248 m) were carried

out in 2022. As of 31 December 2022, the number of outstanding shares therefore stood at 126,105,861 (126,313,358), while the average number of shares amounted to 126,215,257 (126,687,995) during the year.

RISKS AND UNCERTAINTIES

The priority areas for risk management, in terms of both their complexity and the size of the amounts involved, are property valuation, financing, project activities and letting. 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. For more information on risks and uncertainties, see the section on Risks and Risk Management on pages 62–68.

OUTLOOK FOR 2023

Forecasts are generally gloomy for 2023. High interest rates and high inflation around the world are impacting economic activity. Europe has been severely affected by the energy crisis, while the labour market, which had shown resilience in 2022, is starting to be hit hard as well. Many analysts believe that all of these factors combined will result in a recession. On a more positive note, the rate of inflation is expected to return to more normal levels towards the end of the year, which should result in a softening of monetary policy. Uncertainty remains high, which is mostly due to the war and geopolitical concerns.

The Riksbank increased its key interest rate to 3.0% at the start of 2023 and has indicated that further adjustments will be made this spring. The interest rate market has priced in 3M Stibor rising to around 3.9% in the third quarter before slowing falling.

SUSTAINABILITY REPORT

Atrium Ljungberg has produced a separate sustainability report in accordance with the Swedish Annual Accounts Act. This report encompasses Atrium Ljungberg AB (publ) and all of its subsidiaries. The Sustainability Report is presented on

pages 19–32, 62–68 and 132–149 and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 17 January 2023 Atrium Ljungberg concluded an agreement for the sale of its Skotten 6 property, also known as Glashuset, on Drottninggatan in Stockholm. The purchase price is based on an underlying property value of SEK 1,900 million. The total rental value is approximately SEK 95 million and the property has an economic vacancy rate of around 12%.



OPERATIONAL RISKS

Risk	Management	Exposure
<p>1. Property values</p> <p>Investment properties are recognised at their fair value, i.e. their market value, with changes in value in the income statement. The market value is normally determined by the anticipated operating net and the yield requirements in the market.</p> <p>Property values can be affected by the geographic allocation to subsidiary markets, cities or locations where there are no opportunities for underlying rental growth, or by allocation to products that are not in demand by the market.</p>	<p>The Board of Directors and executive management regularly review the conditions in the subsidiary markets in terms of economic growth, rental market, collaborative climate, infrastructure investments, etc. The conclusions and the approach that is going to be taken are established every year by the Board in a strategy document.</p> <p>Trendspotting helps to gain an understanding of the customers’ current and future needs and, combined with innovation work, provides an insight into portfolio mix and product development.</p> <p>Regularly invest in and develop existing properties, or alternatively sell any properties that do not align with the strategy.</p>	<p>A concentrated property portfolio in attractive subsidiary areas with development potential in Sweden’s four biggest cities, including 80% in Stockholm. Offices represent the biggest asset type, at 65%, followed by retail at 20% and residentials at 3%, while projects and development rights account for the rest.</p> <p>Continual project development of both existing buildings and new builds results in us refining the portfolio and adapting to meet the needs of the customers.</p>
<p>2. Project development</p> <p>Property development through investing in held properties, obtaining land allocations and securing development rights is important for the company’s value growth. A limited project portfolio can reduce future growth.</p> <p>Reconstruction, extension and new-build projects involve risks at every stage, which increase the more complex the projects are. The main risks are economic, technical and time-related. An economic risk can be due to higher costs, but also from a product being built that is not in demand in the rental market; this results in high vacancies and/or low rental levels. Similarly a tenant-owned dwelling product can be built that is not in demand on the market, resulting in lower prices for tenant-owned dwellings and even unsold apartments.</p>	<p>It is the Board of Directors that ultimately decides on all major investments and an annual review/evaluation is performed of the investment strategy that is chosen.</p> <p>Parallel acquisition processes with municipalities and market players.</p> <p>A flexible and dynamic project portfolio spread across time, geography and product type, as well as new builds, extensions and reconstructions. A type of contract is also used that mitigates risk.</p> <p>A risk-based model to determine the proportion that may be started without tenants.</p> <p>Continual monitoring of ongoing projects with reporting to the Board to ensure progress is made and to decide on any measures that need to be taken.</p> <p>Competence throughout the value chain from the raw land to the finished building.</p>	<p>The company has an extensive project portfolio that enables future investments of approximately SEK 40 billion in properties already owned or land allocations obtained. In order to deliver long-term growth, we are constantly searching for new business opportunities and projects through continual dialogue with municipalities and other market players.</p> <p>The current project portfolio focuses on growth locations in Sweden’s four major cities and 85% are at existing or future underground stations in Stockholm.</p> <p>The portfolio is diversified and includes various property segments, giving us the flexibility to cope with economic fluctuations in different segments.</p> <p>The projects are mostly run through divided contracts, which enable flexible and cost-effective production. In-house expertise is used in our residential development through our subsidiary TL Bygg.</p>





OPERATIONAL RISKS

Risk	Management	Exposure
3. Property transactions Atrium Ljungberg is refining its portfolio through project development, as well as the acquisition and sale of properties. The risks encountered during acquisitions include the letting rate and rental growth being lower than expected or the technical standard being lower than the assessments that had been carried out. Another risk is that there are unexpected environmental consequences. During the acquisition of properties through companies there is also a tax risk. When properties are sold, there is a risk that the price will be too low.	 It is the Board of Directors that decides on major investments, including acquisitions and sales. The Board also conducts an annual review/evaluation of the investment strategy that has been chosen. Due diligence process of properties and companies. External valuations are performed every year on sections of the portfolio, with an external valuation carried out on every property over a three-year period.	 Atrium Ljungberg has been refining its portfolio, so it is now more concentrated in specific subsidiary markets in Sweden's four biggest cities. While carrying out this work, the company has built up an extensive project portfolio, enabling future investments of approximately SEK 40 billion. Property transactions are therefore a way of supplementing project development in order to provide the portfolio with better density and quality. An external valuation is carried out every quarter by an independent party to provide a feel for what the market is willing and able to pay.
4. Rental income Rental income is impacted by both rental levels and the percentage of properties that are let. Both of these factors are strongly linked to developments in the economy in the subsidiary markets where the company operates, our offer/products in relation to customer demand and needs, how successful Atrium Ljungberg is at developing the areas where our properties are located, and the supply in each subsidiary market. If the company is not able to meet the needs of the market, we risk losing customers, which would lead to higher vacancies/lower income and therefore a fall in the value of our properties.	 The property portfolio has to be allocated to subsidiary markets with good underlying growth and products that are in demand in the rental market. Understanding the customer's needs, customer satisfaction, which is measured regularly through Customer Satisfaction Index measurements, and net letting (the number of new lease contracts signed and the number of customers that terminate their contracts). A lease contract portfolio that is spread among sectors, customers and lease terms. Lease contracts with an index clause and deflation protection. Experienced and competent property management and letting staff who prevent terminations through active property management	 Atrium Ljungberg concentrates its portfolio on attractive subsidiary markets in Sweden's four biggest cities, which report stable economic development. Our aim is to build urban environments that focus on offices and are complemented with retail, residentials, services, culture and education. This mix makes us less sensitive to economic developments and increases the spread of risk in the tenant structure. Commercial lease contracts are normally signed for a term of three to five years, which is why changes in market rents gradually have an impact on rental income. Atrium Ljungberg has employees that work closely with their tenants, which ensures a high level of customer satisfaction and identifies the local needs of current and potential tenants at an early stage. Net letting was strong in 2022 with SEK 115 million in new annual contract value.

Risk	Management	Exposure
5. Property costs Service charge-related costs account for the highest proportion of operating costs (e.g. heating and water). Many of these services can only be purchased from one supplier, which reduces our ability to take action. There are also costs for property tax, property maintenance, repairs and administration. These property costs are impacted by seasonal variations and the costs are generally higher during the first and final quarters of the year.	 Continual operational optimisation and energy efficiency, as well as good maintenance planning. Prevention of customer losses through checks and customer dialogue. A high proportion of costs, particularly property tax, heating and electricity, is re-invoiced to customers. A responsibility list is also drawn up between us and our customers, clarifying who is responsible for paying which costs.	 The company re-invoices a high proportion of electricity costs, heating costs and property tax to the tenants. The company works continually to optimise its properties and make them more energy-efficient. Every property has an individual maintenance plan, reducing the risk of any unforeseen costs. The company has regular contract negotiations in order to reduce its costs. We have 18 properties with leaseholds. The leasehold agreements are usually renegotiated at 10-year intervals.
6. Information security and cybersecurity The real estate industry is becoming increasingly digitalised, making it more vulnerable to hacking, virus attacks and fraud. Effective information security and data security are therefore critical for operations. These areas are developing rapidly and becoming increasingly complex. If critical information is lost or gets into the wrong hands as a result of data breaches, hacking or ineffective IT security, the economic consequences can be high and it can damage trust in the company. As a listed company, we also have to meet the requirements for managing market-sensitive information and ensuring that all actors receive the same information at the same time.	 A high level of IT security and a policy for managing the company's approach to and measures for information security and data security. Continuity plans in place and continual tests for testing vulnerabilities. Continual training of staff in these issues	 Atrium Ljungberg has installed firewalls, antivirus services, spam filters and web filters, and cloud-based security services to render attacks more difficult. Vulnerability tests and regular improvements are also carried out in order to increase security. We have technical multilayer protection of sensitive information assets. Work is also being carried out to use training to improve security awareness in the organisation. This is why continuity tests are performed. We have routines and processes in place to manage information (Communication Policy and Insider Trading Policy) as well as system support for insider information.
Confirmed bad debt losses		
SEK m		
2018		17
2019		4
2020		18
2021		3
2022		7



OPERATIONAL RISKS

Risk	Management	Exposure
7. Violations of the Supplier Code of Conduct		
Supplier risk refers to the risk that our suppliers cannot fulfil their deliveries, that they use unethical business practices or do not fulfil the environmental requirements, working conditions and human rights that have been imposed. The company has a high number of suppliers, spread across several links in the supply chain. Many of the issues mentioned above can have an impact on Atrium Ljungberg's reputation and cause economic losses.	<p>Supplier Code of Conduct.</p> <p>Central purchasing function.</p> <p>Routines and processes to monitor supplier compliance as well as collaboration throughout the industry to monitor suppliers.</p> <p>Whistleblower Policy and external whistleblower function</p>	Atrium Ljungberg's purchasing function supports the entire organisation by coordinating purchases, resulting in higher quality and lower costs. However, the geographic spread results in many local suppliers. The purchasing function also works to ensure that the Group's suppliers comply with our Code of Conduct. This is followed up through a digitalised assessment of suppliers. In 2023 an industry collaboration was launched to highlight and coordinate these issues. In terms of projects, the company has become a member of 'Rättvist byggande', which aims to combat unfair competition and criminality at construction sites.
8. Employees		
The ability to attract and retain skilled personnel is an important prerequisite for our success. There is a risk that the business will underperform if the company cannot maintain nor recruit the right employees and the right number of employees. The company has to constantly add new competence through continuing training and recruitment to develop its operations and to remain relevant in the market.	<p>A shared set of values and a healthy workplace culture, combined with an open and transparent climate at work.</p> <p>Competence and leadership development.</p> <p>A succession plan for key people and executive positions, as well as short-term back-up solutions for these roles/people.</p> <p>Commercial and competitive remuneration.</p> <p>Measure the employees' satisfaction and well-being, and follow up to ensure that measures are taken where necessary.</p>	We have a corporate culture that promotes curiosity and innovation. Atrium Ljungberg works actively to have sustainable employees and we monitor this annually. Since 2022 we have analysed this kind of sustainability using Human Financial Wellness, a survey that is sent to all employees in order to understand how we can attract and maintain competent staff. We have annual development plans for our employees and succession plans for our key staff. We are a small organisation, giving us a certain dependency on key staff. This risk is mitigated through internal back-up or consultancy solutions.



Sensitivity analysis, change in value

Value parameter	Change in the market value of properties	Effect in 2022	Effect in 2022, %
Profit for the year	+/-10%	SEK +/-5,860 million	+/-137%
Equity	+/-10%	SEK +/-5,860 million	+/-20%
Loan-to-value ratio	+/-10%	-4.7% unit/+3.8% unit	-9%/+11%

Sensitivity analysis, cash flows¹⁾

Value parameter	Change, %	Effect on profit, SEK m
Rental income	+/-5%	+/-4
Property management costs	+/-5%	+/-42
Letting rate	+/-1% unit	+/-27
Atrium Ljungberg's average borrowing rate	+/-1% unit	+/-43

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



MARKET RISKS

Risk	Management	Exposure
9. Economic situation <p>An economic downturn combined with high unemployment, lower growth, a drop in the profitability of companies and therefore difficulties obtaining financing can result in lower demand for office and store premises, falling market rents, higher vacancies and more expensive financing costs. Demand for new-build residentials can also fall, which may affect both pricing and the production rate.</p>	<p>Market monitoring and scenario analyses that identify the impact on the company.</p> <p>A property portfolio concentrated in the growth areas of Sweden's four biggest cities with a varied portfolio.</p> <p>Tenants in many different sectors with a spread in the structure of lease terms.</p> <p>Monitor the demand and pricing of tenant-owned dwellings.</p> <p>Liquidity buffer using loan guarantees, a diverse loan portfolio and a risk strategy for interest rates.</p>	<p>Atrium Ljungberg's portfolio with properties in the growth areas, and a diverse contract portfolio across several different sectors and contract durations mitigate the risk of a recession having a substantial impact on our operations.</p> <p>We only had two tenant-owned dwelling projects underway at the end of 2022 and some of the apartments had already been sold.</p> <p>The company's liquidity buffer, diversified loan portfolio, the risk strategy adopted for interest rates, and a strong balance sheet guarantee that the company can continue to operate, even during a recession.</p>
10. Inflation and interest rates <p>Inflation expectations impact interest rates and therefore our net financing. Interest costs are our single biggest cost item. Significant changes to interest rates have an impact on our profit and cash flow. Inflation has an effect on our rental income (most contracts have an index clause with an annual adjustment) and our property costs. Changes in interest rates and inflation also affect the yield requirements of properties in the long term, and therefore the value of these properties. The change in value is offset to a certain extent by a change in operating net as set out above.</p>	<p>The Finance Policy, which manages the risk of interest rates through variable interest rates and interest maturing within a year, as well as the total interest rate duration are the instruments that the company may use.</p> <p>The index clause in the lease contracts, where rent is adjusted based on the rate of inflation.</p>	<p>Most lease contracts are adjusted for inflation through a link to the Consumer Price Index (CPI). The company works systematically with variable interest rates and interest derivatives so that it can manage interest risks as set out in the Finance Policy. Although current inflationary pressures, significant interest rate hikes and higher credit margins have an impact on the company's earnings and the market value of the properties, our loan-to-value ratio and interest rate duration mean that the company is well-equipped to cope with both higher interest rates and lower property prices.</p>
11. Legislation <p>Changes in regulations or ordinances, both national and international, can impact Atrium Ljungberg' operations. These include, for example, new regulations for banks and the capital market, sustainability, planning processes, etc.</p>	<p>The company monitors the development of laws, rules, practice, etc. in the most important subsidiary areas for Atrium Ljungberg.</p> <p>If there are any major changes, impact assessments are carried out and preparations are made well in advance of these changes coming into effect.</p>	<p>Laws, rules and practice are constantly being developed; the area that is facing the greatest change and has a direct impact on us is sustainability reporting based on the resolutions from the EU.</p>

Risk	Management	Exposure
12. Taxes <p>The following taxes are the ones that mostly apply to Atrium Ljungberg's operations: income tax, property tax and VAT. In terms of tax, any changes to tax legislation and tax rates can impact our operations, and therefore our future tax costs and profit. There is also a risk of Atrium Ljungberg not observing current regulations, which could result in the wrong tax being paid, tax penalties and, in some instances, an adverse audit opinion.</p>	<p>The Tax Policy, which is adopted annually by the Board to guide decisions and actions.</p> <p>Monitor the development of laws, practice and court decisions.</p> <p>Good internal control and clear processes.</p> <p>'Open claims' for any doubtful items in the income tax return.</p> <p>Continual training of staff.</p>	<p>Our Tax Policy is based on the company's core values and has been produced to guide our employees on how they should act in tax issues and to ensure they use a sustainable commercial approach. In addition Atrium Ljungberg has to manage tax in accordance with the relevant laws and rules, and tax must be checked, reported and paid correctly. Atrium Ljungberg closely monitors the legal development of the tax area so that it can take action in good time and implement any changes that may be necessary.</p>
13. Planning risk <p>An approved building permit and approved detailed development plans are required to develop properties. There is always a risk that the detailed development plans could be delayed, that complaints could be lodged against them or that they cannot be developed as envisaged.</p>	<p>The company monitors this work and carries out continual planning work in our areas.</p> <p>We have a project portfolio in various subsidiary markets in order to spread the risks between different municipalities.</p> <p>The project portfolio is at different phases (early stages, implementation stage, etc.)</p>	<p>The company carefully monitors developments so that it can quickly identify any signs of changes to programmes and plans. Before making our own investments and carrying out development projects, we have a discussion with the stakeholders involved so that we can address and manage any criticism that could otherwise cause delays to the projects. The project portfolio is currently divided among various subsidiary areas and approximately 40% of planned projects have an approved detailed development plan.</p>
14. Range of premises <p>Supply and demand impact the rental market. If supply exceeds the demand in the market, it affects vacancies/letting rates and rental levels. This in turn affects the valuation of properties, our profit and our financial position.</p>	<p>An annual strategy review is carried out to secure a property portfolio that is allocated to subsidiary markets that have the right conditions in place for good rental growth.</p> <p>Regular analyses of supply and competition in the market. When making investment decisions for new builds, extensions and reconstructions, a market analysis is carried out to ensure that we are offering the right product to the market.</p>	<p>Atrium Ljungberg's portfolio is concentrated to subsidiary markets in Sweden's four biggest cities, which have the right conditions in place for rental growth and where there is strong demand in the market. At a time when cities are growing, and areas and infrastructure are being developed, we believe that the attractiveness of a location is becoming even more important, particularly for the offices of the future.</p>



MARKET RISKS

Risk	Management	Exposure
15. Raw materials and construction prices		
The price of and access to materials for investments in new builds, extensions and reconstructions are important. Soaring prices and/or shortages of materials can result in more expensive production costs and therefore the risk of lower project returns.	Continually monitoring the development of both prices and supply, and having closer links with central suppliers. Continually making adjustments to projects in order to offset costs and delays to ensure that the minimum agreed project return is achieved, insofar as this is possible.	An extensive project portfolio of approximately SEK 40 billion makes this an important area. Unforeseen items are taken into consideration in all calculations, which can cover some of the price rises. Prices that are driven by inflation result in higher rental income (CPI adjustment), which compensates to some extent. The most common contract form is divided contracts, which enables a certain amount of flexibility and the opportunity to adapt while the project is being implemented.
16. Electricity supply and prices		
The higher level of electrification in society increases the demand for capacity and could cause power losses in the electricity infrastructure in the future.	An energy strategy that provides guidance to the operations about the measures that need to be taken and investments moving forwards, so that we continually optimise energy consumption in the properties. This work includes always evaluating alternative energy sources, such as solar power, etc. Collaboration with the energy companies.	Atrium Ljungberg maintains a good and proactive dialogue with the energy companies in the municipalities where we operate. We also have an energy strategy in place that contains action plans for each area and property. Solar cells are always being evaluated as part of our sustainability work.
17. Residential market		
The residential market and its pricing are market-based (supply and demand), with prices moving in real time. Investing in an apartment requires capital (normally loans/mortgages), which is why movements in market rates have an impact on demand. High interest rates or soaring interest rates result in lower demand, leading to stagnating or falling prices.	It is the Board that makes decisions on major investments, including tenant-owned dwellings. Market monitoring focusing on price trends and interest rates.	Tenant-owned dwellings play an important role in our urban development work and are considered to complement offices, retail, ownership rights, culture, etc. At the end of the year Atrium Ljungberg owned 250,000 m ² GFA building rights for residential. At the same time there were two constructions underway, totalling SEK 810 million.

Sensitivity analysis, property valuation

Value parameter	Change in assumption	Impact on value, SEK m	Value impact, %
Rental level	+/-10%	+/-6,695	+/-12%
Operating cost	+/-10%	+/-1,096	+/-2%
Yield requirement	+/-0.25% units	-2,956/+3,316	-5%/+6%
Long-term vacancy level	+/-2%	+/-1,484	+/-3%

FINANCIAL RISK

Risk	Management	Exposure
18. Financing risk		
Property ownership and development are capital-intensive and require an effective credit market. One major risk is if financing is not available or is only available on very unfavourable terms at a specific point in time. This includes the refinancing of current liabilities and taking out new financing to continue expanding. Changes to the capital structure can lead to Atrium Ljungberg breaching its financial key performance indicators that have been agreed in the loan terms and conditions, which could result in more expensive credit or credit falling due.	The Finance Policy is adopted annually by the Board and establishes the risk mandate, including the approach to liquidity reserves, counterparty risks, and interest and capital structure/maturities. Several financing sources to spread the risk, including banks, direct loans and the capital market. Revolving credit facilities are also used to achieve maximum flexibility. Good advance planning in order to plan capital needs and influence/control key performance indicators. Quarterly reporting to the Board and committees.	Atrium Ljungberg has low financial risk, which is shown through a loan-to-value ratio of a maximum of 45% and an interest coverage ratio of a minimum of 2.0 (compared with the actual figures of 42.3% and 3.8 respectively in the fourth quarter of 2022). At the end of the year the company had a large liquidity buffer to cover future maturities and to secure the company's need for capital. At the end of the year loan-to-maturity was 4.3 years.
19. Interest risk and valuation of interest derivatives		
Interest risk is the risk of a change in market rates having an impact on the income statement and cash flow. Changes to the interest coverage ratio could result in us breaching the financial key performance indicators that have been agreed in the loan terms and conditions, which could result in more expensive credit or credit falling due. Interest rates comprise two parameters: the market rate and the margin we pay the lenders. Derivatives are valued at the market rate with the changes in value in the income statement, which has an impact on profit and financial position.	The Finance Policy is adopted annually by the Board and establishes the risk mandate, including the approach to derivative instruments, interest maturity structures and exposure to variable interest rates. Long-term credit with set margins. Established valuation methodology and external valuation of derivatives from banks. Quarterly reporting to the Board and committees	Atrium Ljungberg has a policy where the interest coverage ratio must be a minimum of 2.0; the actual figure was 3.8. Interest rate duration was 4.0 years and loan-to-maturity was 4.3 years. The proportion of loans with interest that falls due within one year amounted to 17% at the end of 2022. All in all the interest risk and loan-to-maturity that have been selected means that a rapid change in interest rates and credit margins will not have an immediate, material impact.
20. Property valuation		
Changes to the fair value of investment properties are recognised in the income statement as unrealised changes in value and therefore affect the company's financial position and loan-to-value ratio. The property valuation is based on a number of financial input data and assumptions. In the valuation process there is a risk that the assumptions that have been made do not reflect the current market conditions or actual conditions, which means that the valuation does not provide an accurate representation.	The Valuation Policy, which is adopted annually by the Board. It states that at least 30% of the properties must be valued externally, with an external valuation carried out on every property over a three-year period. A quality-assured internal process using the 'four-eyes principle'. Internal valuations are quality-assured by an external, independent valuation company.	Atrium Ljungberg commissioned an external valuation of a total of 74% of the market value of its property portfolio during the year. These valuations were performed by Forum Fastighetsekonomi, Cushman & Wakefield, CBRE and Newsec. The remainder of the property portfolio was internally valued and the assumptions were quality assured by Forum Fastighetsekonomi.

SUSTAINABILITY RISK

Risk	Management	Exposure
21. Environmental risk According to the Swedish Environmental Code, the property owner may be liable to defray measures resulting from a contamination incident or a serious case of environmental damage. Contamination of land or water, groundwater, or a building or facility may harm people's health or the environment, or cause them inconvenience.	All properties have an environmental certificate. Priority is given to environmental aspects in every part of the business. Monitor developments in laws and ordinances.	Atrium Ljungberg continually investigates and identifies any environmental risks in its property portfolio. Action plans are produced for any risks that are identified. We conduct surveys and screening work ahead of property acquisitions and new projects in order to identify any potential environmental risks. The process also contributes to identifying opportunities for energy efficiency and reducing the incidence of materials with a negative impact on human beings and the environment. When projects are implemented, there are procedures in place to minimise the risk of leakage and emissions. Preventative work is also carried out as part of the environmental certification in order to reduce any negative impact on the environment from construction and material use.
22. Climate change Extreme weather conditions such as higher water levels, torrential rain, storms and large temperature fluctuations as a result of global climate change risk damaging our property portfolio. Extensive political, legal, technical and market-related changes may be necessary if we are to achieve a climate-neutral society. This may increase costs for building, developing and managing properties.	Project investments are analysed from a climate perspective. Scenario analyses of the current portfolio.	Atrium Ljungberg works continuously on improved maintenance in order to increase the resistance of our properties during extreme weather conditions. The risks are considered to the highest degree possible for new builds and major reconstruction projects. As part of our work on urban development, we look at the possibilities of adding green and blue structures to manage extreme weather linked to climate change. The company is also working to reduce emissions and therefore reduce its impact on the climate.
23. Climate impact Stricter requirements on energy consumption and climate impact from government agencies, legislators, customers and other stakeholders risk increasing the costs of managing, building and developing properties.	Prioritise environmental aspects in every part of the business and investment requirements in order to achieve climate neutrality by 2030. All properties have an environmental certificate. Monitor developments in laws and ordinances. Process for the environmental inventory of our properties.	Atrium Ljungberg works continuously on energy efficiency by implementing new technology in both its existing property portfolio and for new builds, which results in lower current costs and a low carbon footprint. The objective is climate-neutral property management by 2030. For new builds, lifecycle analyses are an important part of our work to reduce the climate impact of the buildings; the objective is to be climate-neutral in this area as well by 2030.

Risk	Management	Exposure
24. Health and safety There are health and safety risks associated with our operations and industry, both in standard property management and in our projects. For offices, the risks are primarily related to stress, which affects mental health.	Supplier Code of Conduct. Continual work in line with our Work Environment Policy. Provide attractive offices and environments, where people can enjoy their work and be stimulated. Create the right conditions for employee performance by focusing on people in the design and architecture.	Atrium Ljungberg has a zero vision for stress-related ill-health and workplace accidents for its own employees and for staff hired externally. The company holds regular work environment training courses for project managers and technical managers as well as for managers at our subsidiary TL Bygg. The company provides health insurance for employees, and the company's Performance Management process includes a clear dialogue between managers and employees. Workplace accidents, irrespective of whether they happen to the company's own staff or to staff hired externally, are reported and followed up continually.
25. Social risk areas An area becomes less attractive if people think it is unsafe because of, for example, criminality, vandalism, the design of the surroundings or a bad reputation. This then carries a risk of higher vacancies and lower property values.	Part of the sustainability agenda. Measures to create a feeling of security in an area and a pleasant outdoor environment. Areas that are vibrant 24 hours a day.	Atrium Ljungberg adopted a new Sustainability Policy at the end of 2021, where one important goal is socially sustainable locations by 2030. The goal is for our locations to achieve an index of more than 90% in the Our City index by 2030. The result for 2022 was 34%, which was the first year.

Statement from the Chairman.

Our organisation is confidently forging ahead.

Global events in 2022 had serious consequences both for humanity and the economy. However, the long-term strategy adopted by Atrium Ljungberg meant that our extraordinarily talented organisation was able to forge ahead towards achieving our goals.

Unforeseen challenges continued to impact the world in 2022. Russia's despicable war in Ukraine sent shock waves around Europe and the entire world. Soaring interest rates rapidly changed the playing field for our industry. Although we had all realised that we would return to a more normal interest rate environment at some point in time, following years of minus and zero interest rates, few or maybe none of us thought it would happen so incredibly quickly.

It has long been Atrium Ljungberg's strategy to focus on operational risks and to maintain a low financial risk. We realise that a lot of what happens

in the world around us is normally difficult to predict. Although we are living in gloomy times, our strategy means that we are actually able to create new opportunities for the company. Having said that, I do not think we should be looking at making major, rapid strides; this needs to be a gradual process.

The demand for fantastic premises in great locations remains high and our operational activities continued to make strong progress during the year. We can also cope when times are tough by focusing on what we are good at. Developing entire city districts based on our vision, "Our city – where everyone thrives", will be just as good a concept tomorrow as it is today and it was yesterday. We have an extremely competent and talented organisation that continues to work on our exceptional project portfolio.

The transition to sustainable development is something that is natural for us to focus on. As part of this work Atrium Ljungberg issued its first bonds during the year that are linked not only to the climate and sustainability, but also social sustainability. I am proud of our serious approach to this, defining a clear index that makes our work fully quantifiable. At a time when the climate issue is becoming



more of a hygiene factor, I personally think that it is worth applauding the efforts to give the same prominence to issues surrounding social sustainability, particularly as our industry is in a strong position to influence and improve social sustainability.

During a year like the one we have just experienced, the work of the Board also focuses on the same issues surrounding our strategy and our long-term goals; but this naturally took a lot more nerve in 2022 than when things are ticking over normally. The Board held more extraordinary meetings than normal and continually followed up on specific issues, for example, issues relating to potential financial scenarios or justifications from the rating institute. As Chairman I would like to take

this opportunity to thank the entire Board for their exceptional efforts during the year.

I would also like to thank all of the shareholders for their trust in us. Hopefully our stable strategy helped you get a better night's sleep during what was a troubling year. Of course, the people who are most important to us are our employees, who deliver on our strategy every day of the year. I often hear on the market how incredibly talented we are at urban development, and I wholeheartedly agree. Thanks to all of you who work so calmly and methodically with our long-term success in your sights.

Johan Ljungberg, Chairman of the Board

Corporate Governance Report.

Atrium Ljungberg AB is a Swedish public limited company with its registered office in Nacka. The Articles of Association prescribe the company’s operations as follows: the company will conduct construction operations, own and manage real property or leaseholds and securities, conduct trade in properties, and engage in any and all other activities compatible therewith. The foundation of corporate governance comprises the Articles of Association, the Swedish Companies Act, other applicable laws and ordinances, the regulatory framework of the stock exchange, the Global Reporting Initiative (GRI), internal guidelines and policies and the Swedish Code of Corporate Governance, (‘the Code’). The overriding purpose of the Code is to strengthen the confidence of Swedish quoted companies by promoting a positive development of the corporate governance.

These norms are not compulsory but are based on the principle that any deviations should be specified and explained. During the year the company has not had any deviations from the Code to report and has otherwise complied with good practice in the stock market. Atrium Ljungberg strives for openness for the company’s decision-making pathways, responsibilities, and different control systems.

GOVERNANCE STRUCTURE

The structure of corporate governance within Atrium Ljungberg is presented in the image on page 71 and the following sections.

INTERNAL STEERING INSTRUMENTS

Important internal steering instruments are the Board of Directors’ rules of procedure and the CEO’s instructions, as well as the company’s goals and strategies, business plan, policies, job

descriptions, delegation instructions, authorisation instructions and core values.

EXTERNAL STEERING DOCUMENTS

The most important external steering documents are the Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance, the Swedish Companies Act, IFRS, the Swedish Annual Accounts Act, GRI and other relevant legislation.

OWNERS AND SHARES

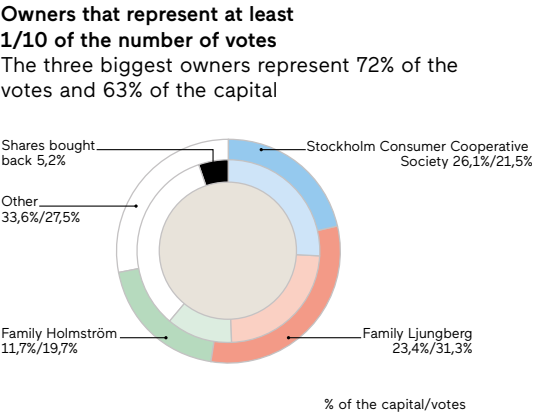
The company’s share capital amounted to SEK 333,051,840 as of 31 December 2022, divided among 4,000,000 class A shares (ten votes per share) and 129,220,736 class B shares (one vote per share). The company had 7,114,875 of its own class B shares as of 31 December 2022. With the exception of holding own shares, there is no restriction on voting rights. The company’s market capitalisation at year-end totalled SEK 21.6 billion. Atrium Ljungberg’s goal is for the dividend to correspond to at least 50% of the profit before changes in value after nominal tax, unless investments or the company’s financial position otherwise justifies a departure from this policy. For more information about the ownership structure, see page 80.

ANNUAL GENERAL MEETING

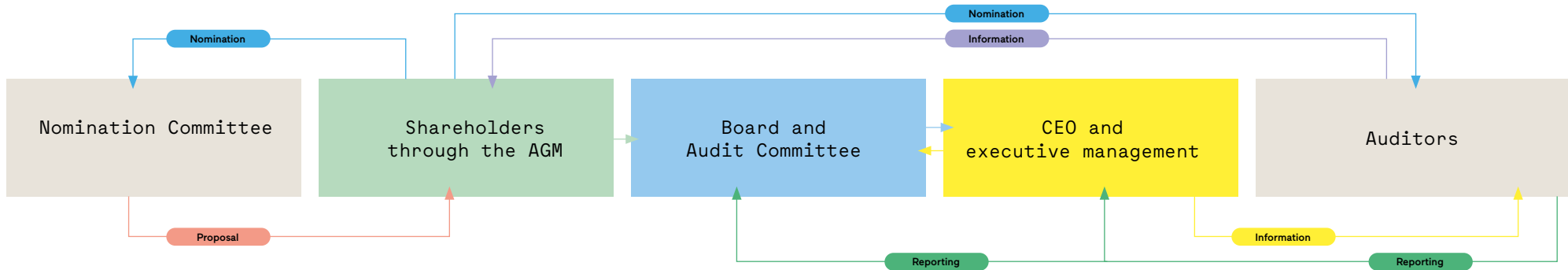
The shareholders’ influence within the company is exercised through the Annual General Meeting (AGM) of the company’s shareholders, which is the company’s most senior decision-making body and should be held within six months of the end of the financial year. The AGM appoints the Board of Directors and the company’s auditors, and adopts principles governing remuneration to the Board of Directors, the auditors, and the company’s senior executives. The Meeting also takes decisions with regard to the Articles of Association, dividends, and any changes to the share capital. The AGM

should also adopt the balance sheet and income statements and decide on the discharge from liability for the Board of Directors and the CEO. The date of the AGM is announced in conjunction with the Interim Report of 30 September at the latest. Notices convening the AGM be issued 4–6 weeks before the meeting and will be issued by means of press releases, announcements in the Swedish Official Gazette, and on the company’s website, www.al.se. The issue of the convening notice will be announced in the Dagens Nyheter newspaper. Shareholders are entitled to have an issue discussed at the meeting if the Board is provided with notice thereof no later than seven weeks before the meeting is held. The 2022 AGM was held on 23 March 2022, with both physical attendance and postal voting; 76.3% of the votes were exercised. The AGM passed resolutions on, inter alia, the following issues:

- adoption of income statements and balance sheets for the parent company and the Group
- granting of discharge from liability for the Board of Directors and the CEO;
- determination of the appropriation of profits entailing a dividend of SEK 5.20 per share;
- the determination of Directors’ fees totalling SEK 1,610,000, broken down as SEK 460,000 payable to the Chairman of the Board and SEK 230,000 payable to each of the Board Members;
- It was also decided that remuneration will be payable for work in the Audit Committee, with SEK 110,000 payable to the Chairman of the committee and SEK 50,000 payable to each of the other committee members;



- establishment of a Nomination Committee representing the five biggest shareholders in terms of voting power as of the last banking day in February 2022;
- guidelines for the remuneration of senior executives within the Group;
- authorisation to the Board of Directors to acquire as many class B shares, on one or more occasions, to ensure that the company’s holding at any time does not exceed 10% of all shares in the company, in a regulated market where the shares are listed;
- authorisation to the Board of Directors to resolve to transfer its own class B shares, on



one or more occasions during the period until the next AGM. The maximum number of class B shares that may be transferred is the total number of the company’s own class B shares that it has at any given time.

- authorisation to the Board of Directors to resolve to issue class B shares, on one or more occasions, 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.

Minutes of the AGM and other meeting documents are available on the company’s website.

NOMINATION COMMITTEE

The Board of Directors is elected by the Annual General Meeting. The Nomination Committee is the General Meeting’s body for preparing the meeting’s

resolutions. The Nomination Committee proposes a basis for the Meeting’s handling of the following issues:

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

At the Annual General Meeting held on 23 March 2022, it was decided that the Nomination Committee for the 2023 Annual General Meeting will comprise representatives of the company’s five biggest shareholders by votes, as of the last banking day in February. The Nomination

Committee’s members were appointed, consisting of Lars Ericson appointed by the Stockholm Consumer Cooperative society, Per Erik Hasselberg (also Chairman of the Nomination Committee) appointed by the Holmström family, 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. In some cases the Nomination Committee can increase the number of members to maximum seven.

The skills, experience and backgrounds of Board members were taken into account when compiling proposals for the Board of Directors ahead of the 2022 Annual General Meeting. The Nomination Committee has also applied the diversity policy that is set out in rule 4.1 of the Code when drafting its proposal for the Board of Directors. The objective of this policy is to achieve diversity in the Board of Directors in terms of age, gender, education, professional background and other factors. The 2022 Annual General Meeting adopted the

proposal of the Nomination Committee, thereby re-electing two women and four men as Board members.

BOARD OF DIRECTORS

Atrium Ljungberg’s Board of Directors comprised six members up to the Annual General Meeting (information on the members can be found on page 76). The Code states that a majority of the Board will be independent in relation to the company and the senior executives. At least two of the independent members must also be independent in relation to the company’s major shareholders. The composition of the Board complies with the independence requirements.

The Board has overall responsibility for the company’s organisation and administration and for ensuring that the management of the company’s affairs is handled in a manner which ensures that the interests of owners for long-term favourable capital yield are fulfilled. The responsibility also covers



efficient and appropriate systems for governance, internal control and risk management.

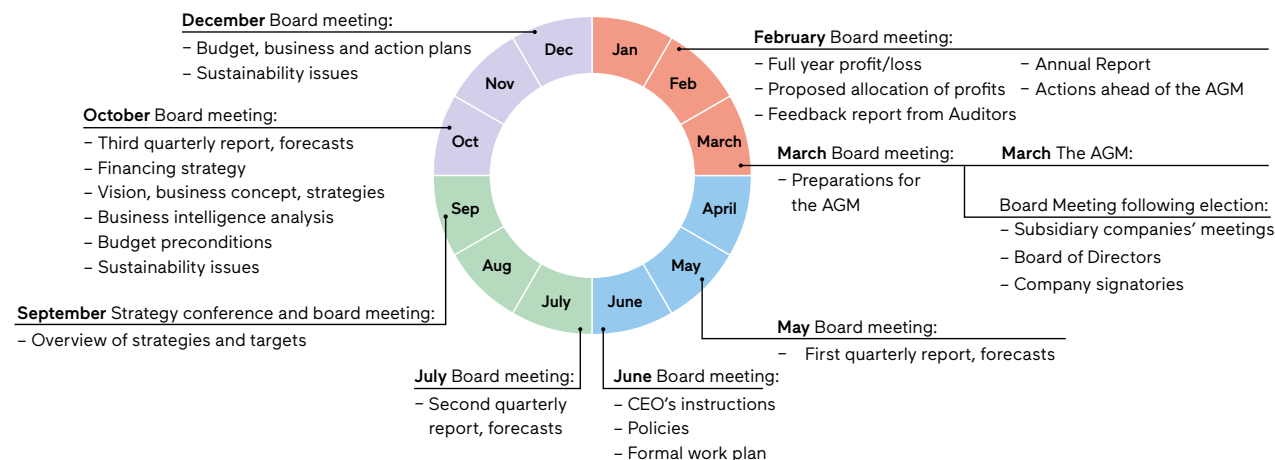
Every year the Board proposes the rules of procedure (including the CEO's instructions, instructions for financial reporting, business plan and budget), as well as the policies listed on page 75. The rules of procedure regulate the Board's work structure. The Chairman of the Board organises and leads the work of the Board, ensures that the Board has the expertise and know-how required to perform its duties, that the Board receives the information and decision data required for its work, that the Board's resolutions are implemented, and that the work of the Board is evaluated every year. The Board's assignments include setting operational goals and strategies, appointing, evaluating and if necessary dismissing the CEO, ensuring that effective systems are put in place for monitoring and control of the company's operations and that there is compliance with legislative and other requirements, and deciding on transfer of properties and companies as well as investments of SEK 50 million or more. The work of the Board and CEO is evaluated annually. The rules of procedure prescribe that the Board will meet approximately five times per year, in addition to the statutory Board meeting. The Board has held 13 ordinary Board Meetings of which one Board Meeting following election was held during the year.

In 2022 the Board of Directors paid considerable attention to the situation in the world, including the impact of the war in Ukraine, the electricity crisis and the new interest rate environment. The Board has decided on all property acquisitions and property sales, as well as all investments in projects or existing properties in excess of SEK 50 million. There has also been a strong focus on current and future investment projects and financial issues. New overall business goals were produced and some of the company's policies were updated. Feedback reports from the Group management with regard to the company's economic and financial position, risk analysis, sustainability reporting, current market issues, and ongoing projects have

been presented at the Board meetings. During the year there was quarterly reporting on the results compared with the budget and revised forecasts for the year as a whole. The annual planning of the Board is presented in the image below.

The Board members have appropriate collected experience, expertise and breadth with respect to Atrium Ljungberg's operations, development phases and conditions in general. The company has an Audit Committee. The Chair of the committee is Gunilla Berg, who has the accounting expertise required by the Swedish Companies Act and is independent of the company and its biggest owners. Johan Ljungberg, the Chairman of the company, is a member of the Audit Committee. The Audit Committee supports the Board in its work to ensure the quality of the company's financial reporting and monitors the company's risk management, internal control and financial

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



structure. The committee is in continual dialogue with the company's auditors to learn about the scope of the audit, as well as any observations and views on the company's risks. The committee also monitors and examines the independence of the external auditor and assists the Nomination Committee in the election of the auditor and the fee for the audit work. During the year the committee met six times and all members were present. The company's auditors attended all of these meetings. Every meeting of the Audit Committee has been reported to the Board, including the minutes.

The Remuneration Committee comprises all Board members. Its main tasks are to prepare the Board's decisions on issues concerning remuneration policies, remuneration and other employment terms and conditions for the executive management. The Remuneration Committee must also monitor and evaluate any programmes for variable remuneration

for the executive management. No such programmes currently exist. It must also monitor and evaluate the application of the guidelines for remuneration for the executive management that the Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels for the company. The remuneration report for the 2021 financial year was presented and approved at the Annual General Meeting.

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

CEO AND EXECUTIVE MANAGEMENT

The executive management comprises the CEO, CFO and HR Director, along with four business area directors. In addition to the regular matters within each function, the executive management has prioritised issues relating to higher energy and construction costs, the consequences of the war in Ukraine, the Covid-19 pandemic, current investment projects, property transactions, financing issues, business development, organisational issues and sustainability issues. The executive management regularly meets the company’s stakeholders and reports to the Board.

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

The other members of the executive management are presented on page 78 and the organisation structure on page 73.

REMUNERATION FOR SENIOR EXECUTIVES

Salaries and other terms and conditions of employment for the executive management will be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines shall apply for the senior management team which consists of the CEO and six other senior executives. The CEO’s remuneration will be proposed by the Chairman and determined by the Board of Directors. Remuneration payable to other members of the senior management team will be proposed by the CEO and approved by the Board. Remuneration

payable to the senior executive management team, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration will be payable. A loan subsidy programme was adopted at the 2018 Annual General Meeting. The loan programme refers to interest compensation for loans raised in order to acquire shares in Atrium Ljungberg. A maximum loan for which interest subsidies can be provided amounts to SEK 4.5 million for the CEO and SEK 1.5 million for other senior executives. Interest subsidies are conditional on continuing employment and may be accessible for a maximum of five years. The CEO’s retirement age is 62, while that of the other members of the executive management is 66; however, from 2023 they will be legally allowed to work until they are 69 years old. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

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

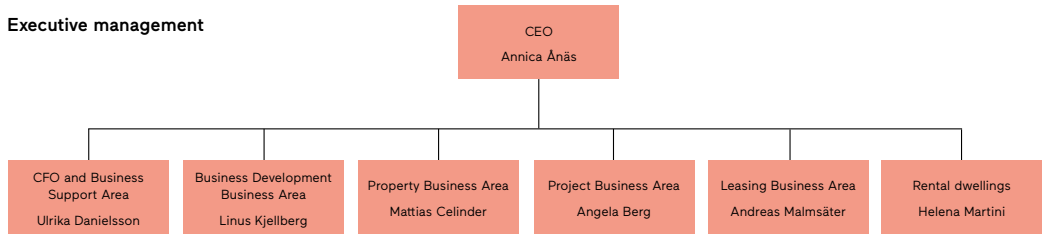
A separate report on remuneration for senior executives is published on the company’s website as well as in the annual report.

AUDITING

Öhrlings Pricewaterhouse-Coopers AB was appointed as the auditors for the company at the 2019 Annual General Meeting. In 2021 Ann-Christine Hägglund was appointed the authorised public accountant. Ann-Christine’s other assignments includes work with, inter alia, NCC, JM and

Business Sweden. The auditors’ assignment runs until the Annual General Meeting in 2023. The auditing team has ongoing contact for information purposes with the company during the year, over and above the review activities conducted. The company’s auditors audit financial statements as

of 31 December, perform a general review of the interim accounts as of 30 September and review the company’s processes, including the management audit. They also examined whether the Annual General Meeting’s guidelines on remuneration for senior executives have been followed.



Board of Directors, 2022

		Elected	Remuneration, SEK	Independent*	Independent**	Note	Board Meetings	Audit Committee Meetings
Johan Ljungberg	Chairman	2001	510,000	Yes	No	¹⁾	13 of 13	6 of 6
Gunilla Berg	Member	2020	340,000	Yes	Yes	²⁾	13 of 13	6 of 6
Simon de Château	Member	2014	230,000	Yes	Yes		12 of 13	
Conny Fogelström	Member	2019	230,000	Yes	No		12 of 13	
Erik Langby	Member	2014	230,000	Yes	Yes		13 of 13	
Sara Laurell	Member	2018	230,000	Yes	Yes		12 of 13	

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

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

¹⁾ Chairman of the Annual General Meeting 2015–2022. Member 2009–2015. Deputy Member 2001–2009. Directly and/or indirectly a major shareholder in the company. Member of the Audit Committee.

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

Remuneration for executive management

SEK thousand	Basic salary/fee		Other remuneration		Other benefits		Pension costs		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Annica Ånäs, CEO	6,742	6,465			271	273	2,340	2,263	9,353	9,001
Other senior executives	12,729	11,047	40	30	532	516	3,538	2,825	16,840	14,418



Internal control

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

CONTROL ENVIRONMENT

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

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

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

Atrium Ljungberg is also a member of the Global Compact and has consequently signed up to the ten principles in the fields of human rights, labour law, the environment and anti-corruption. The company also reports in accordance with GRI (Global Reporting Initiative). A GRI Index is presented on pages 155–159 of the Annual Report, and the company's formal Sustainability Report is

presented on pages 19–32, 62–68 and 132–149. For a more detailed presentation, see the company's website at www.al.se.

RISK MANAGEMENT AND ASSESSMENT

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

In 2022 the company invested SEK 2,349 million in existing properties; this included SEK 1,916 million for properties that are being developed for ownership and SEK 433 million for tenant-owned dwellings. No investments are normally made until a reasonable yield can be secured. Detailed costing calculations based on extensive expertise in the field are carried out in order to minimise the risks inherent in construction projects. Procurement is conducted cost-effectively using in-house project managers by means of a divided contract process whereby several players are allowed to submit quotes for individual components of the construction project. Project reviews are conducted every quarter and attended by the chair of the project's steering group, the company's CFO, business developers, project managers, property analysts and project controllers. Project reports are

submitted on a rolling basis to the executive management and the Board, noting any deviations.

Monitoring trends in the property market in order to ensure the ability to assess the properties' market values is one of the important components of the valuation process. During 2022 the company consequently conducted quarterly reconciliations with external valuation experts. The company conducts internal valuations during each quarter and also conducts external valuations at the turn of the full-year and half-year. For 2022, 74% of the property portfolio was externally valued. External valuation experts also quality assure assumed market rents, operating costs, vacancies and yield requirements in conjunction with the internal valuation process.

Property operations are a capital-intensive sector, which often entails a range of financial risks. The primary risk is liquidity risk in the form of refinancing risks and credit risks associated with renegotiations of loans, bond maturity and new financing requirements, based on investments in held properties and acquisitions. Another risk involves fluctuations in profits and cash flow as a result of changes in interest rates. These risks are regulated in the company's Finance Policy and are monitored continuously by the company's management and Board of Directors. The Board also monitors compliance with mandates specified in the Finance Policy.

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

- The project process
- The letting process
- The purchasing process
- The payroll process
- The year-end accounts process

- The property valuation process
- The financing process
- Routines in conjunction with property transactions

For more information about the other risks that have been identified, see the section on Risks and Risk Management on pages 62–68.

CONTROL ACTIVITIES

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

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

INFORMATION AND COMMUNICATION

The Annual Accounts, Year-End Report, Interim Reports and other ongoing information are prepared in accordance with Swedish legislative requirements and praxis. The information provision will be characterised by transparency and will be reliable. A corporate communication policy

regulating the way in which information is to be provided has been established in order to ensure that external communication with the stock market is correct. Our aim is to generate an understanding of and confidence in the operations on the part of owners, investors, analysts and other players.

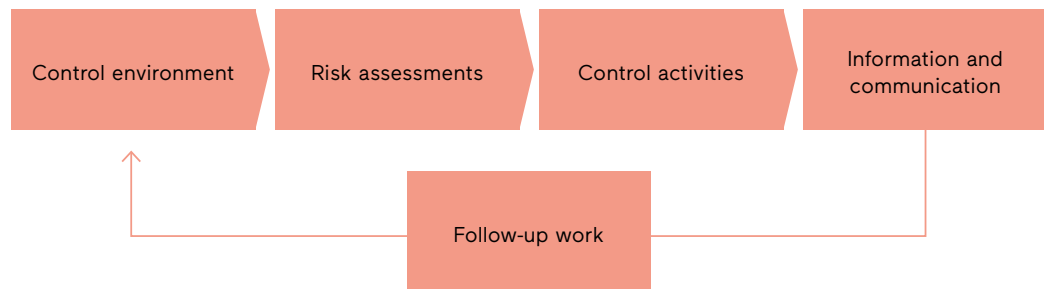
The executive management is responsible for informing relevant employees of their responsibilities with regard to the maintenance of good internal control. Employees are kept up to date with regulations and policies via the company’s intranet and information meetings. The creation of job descriptions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

FOLLOW-UP WORK

All process descriptions, policies and steering documents are updated as necessary, but at least once a year. An evaluation of the internal controls is also conducted every year. Both the senior management and the Board of Directors are notified of the results. Atrium Ljungberg has no internal audit department. The system for internal controls is followed up by the Group’s CFO, the Finance Manager, Accounting Managers, the Controllers (who have specialist competence), and through self-evaluation, and feedback is provided to the Audit Committee. These controls are deemed to be necessary and sufficient to generate appropriate knowledge, feedback of experience and high quality in the ongoing accountancy work, and hence in the financial reporting. The company’s auditors also conduct ongoing reviews of the company’s controls and report their findings on the company’s internal control to the company’s senior management and Board. For 2022 the auditors have focused on the following areas when reviewing the internal control; the project, property valuation, financing, rental, purchasing, annual accounts and payroll processes. The auditors’ feedback report for 2022 indicates that Atrium Ljungberg has good internal control in relation to the size and operations of the company. The Board believes that the establishment of a separate internal audit function is consequently not justified.

Policies set by the Board of Directors

Employee Code of Conduct	Describes the behaviour that is expected of the employees
Supplier Code of Conduct	Supplier Code of Conduct
Affiliated policy	Identifies related parties and transactions with related parties in accordance with the regulations
Equal opportunity and discrimination policy	Steering document about issues surrounding equal opportunities and all kinds of discrimination
Sustainability policy	Overall ambitions for the company’s environmental and social responsibilities
Work environment policy	Work environment management policy
Communication policy	Policy for our external and internal communication
Finance policy	Policy and regulations on how financial activities should be carried out
IT and Cybersecurity Policy	Forms the basis for the company’s approach to IT issues
Policy for processing personal data	Concerns personal data processing and protection
Whistleblower Policy	Enables employees and players to report any improprieties
Insider trading policy	Concerns securities trading
Tax policy	Guides our employees in what to do in tax issues





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

Board of Directors.

JOHAN LJUNGBERG

Function: Chairman of the Board and Member of the Audit Committee.

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

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

Education: Graduate Engineer.

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

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

Born: 1972.

Own and related parties’ shareholding: 1,396,410 class A shares and 20,027,584 class B shares (1,396,410 class A shares and 19,832,594 class B shares).

GUNILLA BERG

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

Elected to the Board: 2020.

Profession: Member of the Board.

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

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

Other significant directorships: Member of the Board and Member of the Audit and Project Committee of Afry AB. Member of the Board, Chair of the Audit Committee, Member of the Remuneration Committee of Praktikertjänst AB.

Born: 1960.

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

SIMON DE CHÂTEAU

Function: Member of the Board.

Elected to the Board: 2014.

Profession: Chief Investment Officer in Alma Property Partners.

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

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

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

Born: 1970.

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

CONNY FOGELSTRÖM

Function: Member of the Board.

Elected to the Board: 2019.

Profession: Senior Advisor.

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

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

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

Born: 1960.

Own and related parties’ shareholding: 4,000 (2,000) class B shares.

ERIK LANGBY

Function: Member of the Board.

Elected to the Board: 2014.

Profession: Owner of business focused on societal issues.

Education: Social Sciences education, Stockholm University

Relevant professional experience: Chairman of the municipal executive board of Nacka 1983–2012. Several years of experience as a municipal commissioner and chairman of county council boards, as well as a number of directorships, including Första AP-fonden, Dagens samhälle, HSB omsorg, AB Solom and Hegeli Public Affairs AB.

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

Born: 1951.

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

SARA LAURELL

Function: Member of the Board.

Elected to the Board: 2018.

Profession: CEO of Loopia Group.

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

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

Other significant directorships: No other significant directorships.

Born: 1971.

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

¹⁾ Does not include intra-Group directorships.



From the left: Ulrika Danielsson, Andreas Malmström, Lina Kjellberg, Helena Martini, Mattias Celinder, Annica Anäs, Angela Berg



Executive Management

ANNICA ÄNÄS

Function: CEO
Employed since: 2011. CEO since 2016. Previously CFO. (Also employed 2008–2010.)
Education: LL.B. and graduate business administrator
Relevant professional experience: CFO of Hemsö and CEO in the communication industry. Several directorships, including at JM AB and the property company Technopolis.
Other significant directorships¹⁾: Member of the Board of Swedavia AB.
Born: 1971.
Own and related parties’ shareholding: 42,000 (42,000) class B shares.

ANGELA BERG

Function: Business Area Director, Projects.
Employed since: 2011.
Education: Civil Engineering Graduate in Road and Water, KTH Royal Institute of Technology.
Relevant professional experience: Project management positions in the construction and property industry.
Other significant directorships: –
Born: 1975.
Own and related parties’ shareholding: 11,215 (11,215) class B shares.

MATTIAS CELINDER

Function: Business Area Director, Properties.
Employed since: 2006.
Education: Graduate Business Administrator.
Relevant professional experience: Management positions in the hotel, restaurant and travel industries.
Other significant directorships: –
Born: 1972.
Own and related parties’ shareholding: 11,558 (11,558) class B shares.

ULRIKA DANIELSSON

Function: CFO and Business Area Director, Business Support.
Employed since: 2021.
Education: Graduate Business Administrator.
Relevant professional experience: CFO of Castellum and several directorships. Most recently Member of the Board of Förvaltning.
Other significant directorships¹⁾: Member of the Board of Infranord AB and Chair of the Audit Committee; Member of the Board of John Mattson Fastighetsföretagen AB; and Chair of the Audit and Finance Committee.
Born: 1972.
Own and related parties’ shareholding: 8,000 (8,000) class B shares.

LINUS KJELLBERG

Function: Business Area Director, Business Development.
Employed since: 2003.
Education: Master of Arts, History and Urban Centre Planning, KTH.
Relevant professional experience: Business analyst, business developer and project manager in the property industry.
Other significant directorships: Member of the Board of Barkarby Science AB.
Born: 1972.
Own and related parties’ shareholding: 6,080 (6,080) class B shares.

ANDREAS MALMSÄTER

Function: Business Area Director for Leasing.
Employed since: 2022.
Education: Master of Business Administration specialising in real estate and financing.
Relevant professional experience: Head of Leasing at Fabege, Head of Marketing and executive positions in the consultancy industry.
Other significant directorships: –
Born: 1977.
Own and related parties’ shareholding: –

HELENA MARTINI

Function: HR Director.
Employed since: 2010.
Education: Tourism Programme at Dalarna University College.
Relevant professional experience: HR Manager at Microsoft.
Other significant directorships: –
Born: 1965.
Own and related parties’ shareholding: 13,225 (13,225) class B shares.

¹⁾ Does not include intra-group directorships.

The share and the shareholders.

Our business model adopts a long-term approach that supports us in both good and bad times. We have delivered a stable dividend over time that has never fallen in terms of SEK per share since our flotation in 1994.

We will provide open and fair accounting and financial communication to the market in order to facilitate a valuation of the company and therefore the share.

MARKET CAPITALISATION
Market capitalisation, i.e. the value of all outstanding shares, amounted to SEK 21.6 billion (SEK 25.2 b) at the end of the year. This makes Atrium Ljungberg one of the largest listed property companies in Sweden.

RETAIL AND SALES
Atrium Ljungberg's class B share is listed on the Nasdaq Stockholm exchange and is traded on the list for large companies, Large Cap. Share turnover on Nasdaq Stockholm amounted to 25.6 million shares (27.9 m). The turnover rate, i.e. the number of shares sold during the year divided by the number of outstanding shares at year-end, was 20% (20%). The Atrium Ljungberg share has been included in the FTSE EPRA Nareit Global Real Estate Index since 23 September 2019. This index is one of the most renowned and utilised indexes for property companies listed on stock exchanges and includes almost 500 property companies around the world.

DIVIDEND POLICY
The company's dividend policy means that the dividend corresponds to a minimum of 50% of the profit before changes in value after nominal tax, unless investments or the company's financial position in general justifies a deviation from this. Changes in value, either positive or negative, will therefore not be included in the profit for calculating dividends. A dividend of SEK 5.30 per share (SEK 5.20/share) is proposed for the 2022 financial year, to be paid in two instalments of SEK 2.65 per share; this corresponds to a dividend yield of 71% (66%).

TOTAL YIELD
The share price of the class B share (ATRLJ B) stood at SEK 170.90 (SEK 199.70) at the end of the year. During the year the share reached its highest price of SEK 215.00 and its lowest price of SEK 117.90.

The total yield for the share, corresponding to the total of distributed dividend and share price growth, was -11.8% (18.5%) during the year, including a dividend of SEK 5.20/share. The corresponding yield for OMXS Benchmark GI, which contains a selection of the largest and most traded shares on Nasdaq, was -20.8% (35.3%); for OMXS Real Estate GI, which consists of the listed property companies on Nasdaq Stockholm, this figure was -43.6% (46.6%).

DIVIDEND YIELD
The dividend yield is the company's dividend in relation to the current share price and represents the yield that shareholders receive in cash every year following the resolution by the Annual General Meeting. This key performance indicator therefore expresses a relationship between two different 'spheres' - Atrium Ljungberg's performance

in the form of its dividend and the pricing of the company on the stock market.

The proposed dividend of SEK 5.30 (SEK 5.20), which is proposed to be paid in two instalments, corresponds to a dividend yield of 3.1% (2.6%) calculated using the share price at year-end.

OWNERSHIP STRUCTURE
At the end of the year there were 8,057 shareholders (7,492) in Atrium Ljungberg, which is an increase of 8% compared with the previous year. The largest owners are the Ljungberg family, the Stockholm Consumer Cooperative Society together with the Holmström family, who together own a total of 72% of the votes. Foreign ownership amounted to 14% (15%). One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. The Articles of Association include a pre-emption clause with regard to class A shares whereby shareholders wishing to sell their shares must first offer them to other holders of class A shares. There is also an agreement between the company's class A shareholders whereby if the pre-emption right is not exercised, the class A shares should be converted to class B shares before a transfer may occur.

NET ASSET VALUE
The net asset value is the total capital that the company manages for its owners. Based on this capital, Atrium Ljungberg aims to create a stable yield and growth with low risk-taking. As Atrium Ljungberg's properties are recognised at fair value, the net asset value can be calculated on the basis of the balance sheet equity. However, items where there will be no payment in the near future should also be taken into consideration; for Atrium Ljungberg this includes, for example, derivatives, goodwill and deferred tax liabilities.

The net asset value amounted to SEK 270.60/share (SEK 245.73/share) at the year-end. The share price at year-end was therefore 63% (81%) of the net asset value.

Atrium Ljungberg has a substantial project portfolio in which the development of its own development rights generates growth in value. The net asset value does not take into consideration future value potential in the project portfolio. See Chapter 5 for more information about our project portfolio.

Calculation of net asset value	SEK m	SEK/share
Equity shown in the balance sheet	29,141	231.09
Reversal shown in the balance sheet:		
Derivatives	-1,513	-12.00
Goodwill	-165	-1.31
Deferred tax	6,661	52.82
Long-term net asset value	34,125	270.60

BUY-BACK OF SHARES
The Annual General Meeting has authorised Atrium Ljungberg's Board of Directors to resolve to acquire the company's own shares, on one or more occasions, up until the next Annual General Meeting in March 2023. The purpose of this programme is to give the Board more flexibility in its work on the company's capital structure, which will therefore help to increase shareholder value. As of 31 December 2022 the company owned 7,114,875 class B shares. The buy-back during the year was in the range of SEK 138.26-197.90 per share, which is the equivalent of an average of SEK 146.03 per share. During the year buy-backs worth SEK 30 million (SEK 248 m) were made.



07





Financial statements.



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



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Consolidated income statement.

Amounts in SEK m	Note	2022	2021
Rental income	IE.1	2,550	2,292
Net sales, project and construction work		585	792
Net sales	IE.3	3,135	3,084
Property management costs			
Service charge-related costs		-199	-163
Other operating costs		-199	-177
Management costs		-177	-158
Repairs		-41	-41
Property tax		-214	-182
Non-deductible VAT		-14	-11
	IE.4-7	-843	-732
Project and construction work costs		-560	-685
Gross profit	IE.3	1,732	1,666
- property management (operating surplus)		1,707	1,560
- project and construction work	IE.8	25	107
Central administration	IE.2 IE.6	-91	-97
- property management		-76	-82
- project and construction work		-15	-15
Financial income	F.3	2	1
Financial expenses	F.3	-425	-292
Leasehold fees	IE.4	-39	-28
Profit before changes in value		1,178	1,249
Changes in value			
Properties, unrealised	A.1 IE.9	2,671	3,040
Properties, realised	A.1	18	-22
Derivatives, unrealised	F.2	1,526	388
Profit before tax		5,393	4,656
Current tax	T.1	-3	-0
Deferred tax	T.1-2	-1,102	-899
Profit for the year, entirely attributable to the parent company's shareholders		4,288	3,757
Earnings per share before and after dilution, SEK		33.97	29.65
Weighted average number of shares, thousands		126,215	126,688

Consolidated statement of comprehensive income.

Amounts in SEK m	Note	2022	2021
Profit for the year		4,288	3,757
Other comprehensive income			
Items which will be reclassified to profit/loss			
Cash flow hedging	F.2	-	5
Tax attributable to cash flow hedging		-	-1
Total other comprehensive income		-	4
Total comprehensive income for the year, entirely attributable to the parent company's shareholders		4,288	3,761

Comments on the consolidated income statement.

Rental income

Rental income amounted to SEK 2,550 million (SEK 2,292 m) and includes both rebates of SEK –81 million (SEK –71 m) as well as non-recurring payments of SEK 13 million (SEK 32 m) for the early termination of lease contracts. Rental income in comparable portfolios increased by 4.4% (2.5%). All segments reported positive growth, with retail reporting the strongest growth rate.

The letting rate was 93% (91%), excluding project properties. Contracted annual rents at the end of the year amounted to SEK 2,804 million (SEK 2,379 m). At the end of the year the market value for comparable portfolios was SEK 41,682 million (SEK 39,889 m), corresponding to 69% of the total value of the property portfolio.

Rental income trend	2022	2021	Change,%
Comparable portfolios	2,133	2,044	4.4%
Non-recurring payments	13	32	
Project properties	295	175	
Properties acquired	108	0	
Properties sold	1	42	
Rental income	2,550	2,292	11.3%

Property costs

Property costs amounted to SEK 843 million (SEK 732 m). In terms of comparable portfolios, property costs increased by SEK 64 million, or 10.6% (0.7%), which was mostly caused by higher costs for electricity and property tax. Most of this was re-invoiced to customers, which is why the impact on earnings was limited.

Property costs trend	2022	2021	Change, %
Comparable portfolios	-673	-609	10.6%
Project properties	-138	-107	
Properties acquired	-32	0	
Properties sold	-1	-16	
Property management costs	-843	-732	15.1%

Gross profit property management

The gross profit for property management (the operating surplus) amounted to SEK 1,707 million (SEK 1,560 m), corresponding to 9.4% (–0.4%). This increase is mostly due to completed project properties, including Life City, Bas Barkarby, Hotel Tapetfabriken and the extension to the shopping centre in Sickla, as well as the acquisitions of Blåstern 15 in Hagastaden and Palmfelt Center, Kylhuset 28, in Slakthusområdet. The gross profit for comparable portfolios increased by 1.7% (1.8%) compared with the previous year.

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

Gross profit/loss project and construction work

The gross profit/loss for project and construction work amounted to SEK 25 million (SEK 107 m), which included SEK 52 million (SEK 91 m) for the sale of tenant-owned dwellings. The subsidiary TL Bygg AB also won a dispute in 2021, which resulted in non-recurring revenue of SEK 30 million in 2021. Sales in TL Bygg amounted to SEK 836 million (SEK 781 m), of which 69% (47%) refers to intra-Group sales. TL Bygg’s gross profit, including intra-Group transactions, amounted to SEK 34 million (SEK 57 m).

Central administration

Central administration covers the costs for the executive management team and central support functions. Central administration costs for property management amounted to SEK 76 million (SEK 82 m) and SEK 15 million (SEK 15 m) for project and construction work.

There was a positive, non-recurring effect of SEK 9 million net in the final quarter from the repayment of pensions of approximately SEK 20 million, and the provision for restructuring costs of approximately SEK 11 million.

Net financial items

Our reported net interest amounted to SEK –423 million (SEK –291m) and was impacted by capitalised interest of SEK 76 million (SEK 85 m).

Net interest increased by approximately SEK 58 million as a result of a higher loan volume; by approximately SEK 66 million as a result of higher interest rates; and approximately SEK 9 million as a result of lower capitalised interest. Average interest, based on the average debt volume, amounted to 2.1% (1.7%) during the year. In addition, costs for leasehold fees amounted to SEK 39 million (SEK 28 m).

Changes in value

The year was dominated by rising interest rates and credit margins. This impacted the market’s yield requirements, which increased in the second half of the year, particularly in the final quarter. Higher yield requirements were partly offset by a higher cash flow, which was mostly linked to the relatively high indexation. The unrealised changes in value for Atrium Ljungberg during the year amounted to SEK 2,671 million (SEK 3,040 m), or 4.8% (6.4%), which included project returns of SEK 1,416 million (SEK 974 m). Excluding portfolio changes (projects and transactions), there was a change in value of +5% for offices and –10% for residentials, while retail remained virtually the same for the whole year. The average yield requirement in the final quarter increased by 30 bp, while changes in value stood at SEK –1,467 million (SEK 1,448 m), or –2.4%.

Unrealised changes in value	2022	2021
Direct yield requirements	-2,438	1,191
Cash flow, etc.	3,512	707
Project returns	1,416	974
Development rights	181	168
Total	2,671	3,040
Ditto in %	4.8%	6.4%

Realised changes in the value of investment properties amounted to SEK 18 million (SEK –22 m) and were mostly attributable to the sale of Sicklaön 87:1, Svindersvik, in the second quarter of the year. The previous year refers to the sale of the Kolding 3 and 4 properties which were vacated on 1 July 2021.

At the end of the year the derivative portfolio comprised SEK 17,664 million (SEK 13,500 m) in interest rate swaps with a maturity of 2023–2032 and foreign exchange swaps of SEK 3,189 million (SEK 2,358 m). Interest rate swaps are used to hedge the interest rates of underlying loans at a variable rate, while foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued Norwegian krone. Unrealised changes in the value of derivatives amounted to SEK 1,526 million (SEK 388 m), driven by soaring market interest rates.

Tax

Current tax for the period amounted to SEK –3 million (SEK –0 m), while deferred tax was SEK –1,102 million (SEK –899 m). Current tax for the year was impacted by tax income, attributable to the tax reduction for machinery and equipment acquired in 2021, totalling SEK 26 million, and the use of the tax deficit. The increase in deferred tax is mostly due to unrealised changes in value from properties and derivatives.

The Group’s accumulated tax deficit amounted to SEK 7 million (SEK 37 m) and comprises the base of the Group’s deferred tax receivable.

The residual tax value of the property stock amounts to SEK 21,130 million (19,484 m).

Profit

Profit before changes in value totalled SEK 1,178 million (SEK 1,249 m). Profit for the period amounted to SEK 4,288 million (SEK 3,757 m), corresponding to SEK 33.97/share (SEK 29.65).

Consolidated balance sheet.

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Investment properties	A.1	58,596	50,335
Right-of-use asset, leaseholds	IE.4	1,277	1,025
Property, plant and equipment	A.2	33	32
Goodwill	A.3	165	165
Shares in associated companies	GS.2	0	2
Derivatives	F.2	1,572	138
Other non-current receivables		73	56
Total non-current assets		61,717	51,753
Current assets			
Development properties	A.4	1,409	1,254
Accounts receivable	A.5	125	134
Other receivables	A.6	71	180
Prepaid costs and accrued income	A.7	195	186
Cash and cash equivalents	F.1-2	380	719
Total current assets		2,181	2,475
Total assets		63,898	54,227

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		333	333
Other capital contributions		3,960	3,960
Retained earnings including profit for the year		24,849	21,248
Total equity attributable to the parent company's shareholders		29,141	25,541
Non-current liabilities			
Deferred tax liability	T.2	6,661	5,563
Non-current interest-bearing liabilities	F.1-2	25,389	20,561
Non-current finance lease liability		1,277	1,025
Derivatives	F.2	59	238
Other non-current liabilities	OL.1	295	267
Total non-current liabilities		33,682	27,654
Current liabilities			
Accounts payable		214	286
Tax liabilities		25	4
Other liabilities	OL.2	102	59
Accrued costs and prepaid income	OL.3	734	683
Total current liabilities		1,074	1,032
Total equity and liabilities		63,898	54,227

Comments on the consolidated balance sheet.

Non-current assets

The carrying amount for investment properties amounted to SEK 58,596 million (SEK 50,335) at the end of the year. Development rights and land accounted for SEK 881 million (SEK 781 m) of this total. Investments in Atrium Ljungberg's held properties amounted to SEK 1,916 million (2,059).

During the year the acquisition and possession of the Kylhuset 28 property, Palmfelt Center, and the Blästern 15 property in Hagastaden took place, while Sicklaön 87:1, Svindersvik in Nacka, was vacated. Unrealised changes in value for the year attributable to investment properties amounted to SEK 2,671 million (SEK 3,040 m).

Change in investment properties

SEK m	2022	2021
Fair value at the beginning of the period	50,335	46,026
Acquisitions (after deduction of latent tax)	3,724	25
Sales	-49	-805
Investments in held properties	1,916	2,059
Unrealised changes in value	2,671	3,040
Reclassification	-	-11
Fair value at the end of the period	58,596	50,335

The consolidated goodwill arose in conjunction with a business combination and comprises the difference between nominal tax and the tax which the company actually included during the acquisition. The carrying amount of goodwill stood at SEK 165 million (SEK 165 m).

A deferred tax receivable for loss carry-forwards totalling SEK 7 million was recognised at the beginning of the year. The deferred tax receivables calculated on the basis of the fiscal deficit as of 31 December 2022 amounted to SEK 1 million.

Current assets

Cash and cash equivalents amounted to SEK 380 million (SEK 719 m) at the end of the financial year. The remaining current assets amounted to SEK 1,800 (SEK 1,755 m), of which SEK 1,409 million (SEK 1,254 m) is attributable to development properties.

Development properties

The development properties are recognised at the lower of the costs expended and the estimated net realisable value. Investments in tenant-owned dwellings projects amounted to SEK 433 million (SEK 220 m).

Development properties

SEK m	2022	2021
At the beginning of the period	1,254	1,308
Sales for tenant-owned dwelling projects	-278	-284
Reclassification	-	11
Investments in tenant-owned dwelling projects	433	220
Development properties, at the end of the period	1,409	1,254
Property portfolio, total	60,006	51,589

Equity

Equity on the closing date amounted to SEK 29,141 million (SEK 25,541 m), corresponding to SEK 231 per share (SEK 202/share). This change in equity is mainly attributable to the profit for the year of SEK 4,288 million (SEK 3,757 m).

During the year, there was a change in own shares of SEK 30 million (SEK 248 m) as a result of buy-backs.

The dividend paid, which was approved at the Annual General Meeting held in March 2022, amounted to SEK 657 million (SEK 640).

The equity ratio was 45.6% (47.1%) at the end of the year. The long-term net asset value amounted to SEK 271 per share (SEK 246/share), an increase of 12%, adjusted for the dividend paid.

Deferred tax liabilities

Deferred tax liabilities are recognised at 20.6% of temporary differences between fiscal values and book values, primarily with regard to investment properties and financial instruments.

The recognised liabilities as of 31 December 2022 amounted to SEK 6,661 million (SEK 5,563 m). This year-on-year change is primarily attributable to unrealised changes in the value of properties and financial instruments.

Interest-bearing liabilities

At the end of the year, the interest-bearing liabilities in accordance with the balance sheet amounted to SEK 25,389 million (SEK 20,561 m), a net increase of SEK 4,828 million. The raising of new loans refers to financing of investments and acquisitions.

The average term for loan-to-maturity was 4.3 years (4.8 years). The average term for fixed interest was 4.0 years (4.7 years). The loan-to-value ratio was 42.3% (39.9%).

The market value of derivatives at the end of the year amounted to SEK 1,513 million net (SEK -100 m).

Atrium Ljungberg's financing is described in more detail on pages 42-45.

Consolidated changes in equity.

Amounts in SEK m	Attributable to the parent company shareholders				Total equity
	Share capital	Other capital contributions	Hedging reserves	Profit brought forward	
Opening balance as of 1 January 2021	333	3,960	-4	18,380	22,668
Profit for the year	-	-	-	3,757	3,757
Other comprehensive income	-	-	4	-	4
Acquisition of own shares	-	-	-	-248	-248
Dividend, SEK 5.05/share	-	-	-	-640	-640
Closing balance as of 31 December 2021	333	3,960	-	21,248	25,541
Profit for the year	-	-	-	4,288	4,288
Acquisition of own shares	-	-	-	-30	-30
Dividend, SEK 5.20/share	-	-	-	-657	-657
Closing balance as of 31 December 2022	333	3,960	-	24,849	29,141

There are a total of 133,220,736 shares (133,220,736), of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. At the end of the year Atrium Ljungberg owned 7,114,875 class B shares (6,907,378). The number of outstanding shares amounted to 126,105,861 (126,313,358) at the end of the year. The weighted average number of outstanding shares for 1 January 2022 to 31 December 2022 amounted to 126,215,257 (126,687,995). The quota value of the share was SEK 2.5.

Consolidated cash flow statement.

Amounts in SEK m	Note	2022	2021
Profit before tax		5,393	4,656
Reversal of:			
Depreciation, amortisation and impairment	IE.7	14	13
Realised changes in value, investment properties		-18	22
Unrealised changes in value, investment properties	A.1	-2,671	-3,040
Unrealised changes in value, financial instruments		-1,526	-388
Other items not included in the cash flow		-50	-87
Tax paid		-4	-148
Cash flow from operating activities before changes in working capital		1,139	1,027
Net change in working capital		429	222
Change in working capital		429	222
Cash flow from operating activities		1,568	1,249
INVESTMENT ACTIVITIES			
Acquisition of properties	A.1	-3,674	-25
Investments in held properties and tenant-owned dwelling projects	A.1	-2,349	-2,242
Sale of properties		67	744
Investment in financial non-current assets		-14	119
Purchases of machinery and equipment		-13	-19
Cash flow from investment activities		-5,983	-1,423
FINANCING ACTIVITIES			
Change in other non-current liabilities		28	17
Loans raised	F.1	12,226	11,461
Repayment of debts	F.1	-7,491	-9,976
Dividends paid		-657	-640
Buy-back of own shares		-30	-248
Cash flow from financing activities	F.4	4,076	614
Cash flow for the year		-339	440
Cash and cash equivalents at the start of the year		719	279
Cash and cash equivalents at the end of the year		380	719
Information on interest paid			
Interest received amounted to		2	1
Interest paid amounted to		-498	-373
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		380	719

Comments on the consolidated cash flow statement.

The cash flow from operating activities amounted to SEK 1,568 million (SEK 1,249 m), corresponding to SEK 12.42/share (SEK 9.86/share).

Investment activities impacted the cash flow by SEK -5,983 million (SEK -1,423 m) as a result of the acquisitions of Palmfelt Center and Blåstern 15, as well as investments in Atrium Ljungberg's held properties and tenant-owned dwelling projects.

The cash flow in financing activities amounted to SEK 4,076 million (SEK 614 m) and is positive as a result of higher borrowing.

Available liquidity amounted to SEK 6,735 million (SEK 8,316 m) at the end of the year and comprised bank deposits of SEK 380 million (SEK 719 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 6,055 million (SEK 7,297 m).

Parent company income statement.

Amounts in SEK m	Note	2022	2021
Rental income	IE.1	4	39
Management income		356	260
Net sales		360	298
Property costs	IE.4	-3	-17
Management and administration expenses	IE.5-6	-414	-324
Capital gain/loss from sale of properties	IE.7	-	-353
Depreciation		-5	-18
Operating profit	G.5 IE.4	-62	-414
Earnings from shares in Group companies	PC.2	728	652
Interest income and similar profit items	F.3	879	1,058
Interest expenses and similar profit items	F.3	-537	-575
		1,070	1,135
Profit after financial items		1,008	720
Appropriations	PC.4	51	92
Profit before tax		1,059	812
Current tax	T.1	-	-
Deferred tax	T.1-3	-35	1
		-35	1
Profit for the year		1,024	813

Parent company statement of comprehensive income.

Amounts in SEK m	2022	2021
Profit for the year as per income statement	1,024	813
Other comprehensive income	-	-
Total comprehensive income for the year	1,024	813
Dividend per share, SEK (2022, proposed)	5.30	5.20

Comments on the parent company's accounts.

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

Net sales amounted to SEK 360 million (SEK 298 m). Rental income decreased mostly as a result of the properties Kolding 3 and Kolding 4 in Kista being vacated on 1 July 2021.

Management income increased as a result of an increase in the sale of management services to companies within the Group. Management and administration expenses increased, primarily due to costs attributable to project and construction work.

Operating profit amounted to SEK -62 million (SEK -414 m) and the change compared with the previous year was mostly due to the internal sale of Kolding 3 and 4, which was carried out in 2021 in conjunction with these properties being sold externally.

Earnings from shares in Group companies were mainly affected by dividends from subsidiaries that amounted to SEK 750 million (SEK 695 m). Interest income and similar profit items include a positive unrealised change in value attributable to derivatives that amounted to SEK 179 million (SEK 424 m).

Interest-bearing liabilities amounted to SEK 17,796 million (SEK 15,457 m). These funds finance the company's property portfolio and are lent on to other Group companies.

The parent company's cash flow from operating activities amounted to SEK 286 (SEK 166 m). The cash flow from investment activities amounted to SEK -335 million (SEK 66 m), and cash flow from financing activities amounted to SEK -289 million (SEK 156 m). The cash flow for the year amounted to SEK -338 million (SEK 388 m). Cash and cash equivalent at the end of the financial year stood at SEK 255 million (SEK 592 m).

Parent company balance sheet.

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment			
Machinery and equipment	A.2	5	8
Total property, plant and equipment		5	8
Financial non-current assets			
Shares in Group companies	GS.1 PC.2	1,481	1,314
Deferred tax receivable	T.2	4	39
Other non-current receivables		71	56
Total financial non-current assets		1,556	1,409
Total non-current assets		1,561	1,418
Current assets			
Accounts receivable	A.5	0	1
Receivables from Group companies	G.6	26,229	23,578
Ongoing work		462	332
Tax receivables		–	40
Other receivables	A.6	15	21
Prepaid costs and accrued income	A.7	18	20
Cash and cash equivalents	F.1–2	255	592
Total current assets		26,979	24,585
Total assets		28,540	26,002

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (133,220,736 shares, quota value: SEK 2.5)		333	333
Statutory reserve		265	265
		598	598
<i>Non-restricted equity</i>			
Share premium reserve		3,948	3,948
Profit brought forward		4,933	4,808
Profit for the year		1,024	813
		9,906	9,569
Total equity		10,504	10,167
Untaxed reserves	PC.4	3	6
Provisions			
Pension provision		20	20
Total provisions		20	20
Non-current liabilities			
Non-current interest-bearing liabilities	F.1–2	17,796	15,457
Derivatives	F.2	59	238
Other non-current liabilities	OL.1	1	1
Total non-current liabilities		17,855	15,695
Current liabilities			
Accounts payable		19	33
Tax liabilities		0	–
Other liabilities	OL.2	5	5
Accrued costs and prepaid income	OL.3	134	76
Total current liabilities		158	114
Total equity and liabilities		28,540	26,002

Parent company changes in equity.

Amounts in SEK m	Share capital	Statutory reserve	Share premi-um reserve	Profit brought forward	Total equity
Opening balance as of 1 January 2021	333	265	3,948	5,696	10,243
Profit for the year				813	813
Buy-back of own shares				-248	-248
Dividend, SEK 5.00/share				-640	-640
Closing balance as of 31 December 2021	333	265	3,948	5,620	10,167
Profit for the year				1,024	1,024
Buy-back of own shares				-30	-30
Dividend, SEK 5.05/share				-657	-657
Closing balance as of 31 December 2022	333	265	3,948	5,957	10,504

There are a total of 133,220,736 (133,220,736) shares, of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote.

At the end of the year the parent company had 7,114,875 (6,907,378) of its own class B shares. At the end of the year, the number of outstanding shares amounted to 126,105,861 (126,313,358). The average weighted number of outstanding shares for 2022 amounted to 126,215,257 (126,687,995). The quota value of the share was SEK 2.5.

Parent company cash flow statement.

Amount, SEK m	Note	2022	2021
Profit before tax		1,059	812
Depreciation, amortisation and impairment	IE.7 PC.2	27	65
Capital gain/loss		-	353
Unreceived dividends from subsidiaries	PC.2	-750	-700
Other items not included in the cash flow		-142	-340
Tax paid		5	-3
Cash flow from operating activities before changes in working capital		199	188
Net change in working capital		87	-22
Change in working capital		87	-22
Cash flow from operating activities		286	166
INVESTMENT ACTIVITIES			
Investment Group companies		-189	-342
Purchase/sale of machinery and equipment		-2	-4
Reconstruction and new construction of properties	PC.3	-	-1
Investment in work in progress		-130	-146
Investment in financial non-current assets		-14	121
Sale of properties		-	438
Cash flow from investment activities		-335	66
FINANCING ACTIVITIES	F.4		
Change in other non-current liabilities		0	0
Change in receivables from Group companies		-1,854	1,722
Loans raised	F.1	7,567	11,484
Repayment of debts	F.1	-5,316	-12,162
Dividends paid		-657	-640
Buy-back of own shares		-30	-248
Cash flow from financing activities		-289	156
Cash flow for the year		-338	388
Cash and cash equivalents at the start of the year		593	205
Cash and cash equivalents at the end of the year		255	592
Information on interest paid			
Interest received amounted to		700	633
Interest paid amounted to		-450	-413
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		255	592



Supplementary information – notes

G General information and accounting policies.

G.1 GENERAL INFORMATION

Atrium Ljungberg AB (publ.), company ID no.: 556175-7047, is registered in Sweden with its registered office in Nacka and street address Smedjegatan 2C, SE-131 04 Nacka. Atrium Ljungberg's class B share has been listed on the Nasdaq Stockholm Exchange since 1994. Our focus is on developing attractive urban environments in Stockholm, Gothenburg, Malmö and Uppsala. Working with the municipalities, our customers and the people living in the cities, we build vibrant urban environments where offices, residential and retail mix with culture, services, healthcare and education. The annual accounts and the consolidated statements in respect of the 2022 financial year were approved for publication by the Board of Directors on 28 February 2023. It is proposed that the annual accounts and the consolidated statements will be adopted at the Annual General Meeting held on 22 March 2023.

G.2 CONSOLIDATED STATEMENTS AND THEIR PREPARATION

Scope of consolidated statements

The consolidated statements comprise the parent company, Atrium Ljungberg AB, and the companies over which the parent company has a controlling influence (subsidiaries), see note GS.1 and GS.2. The parent company has controlling influence when it is exposed to or has entitlement to variable yield from its engagement in a company and can affect the yield using influence over the company. This is normally fulfilled when the parent company directly or indirectly holds shares that represent more than 50% of the votes. Controlling influence can also be exercised in ways other than through share ownership.

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

Preparation of the consolidated statements

The consolidated statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as of 31 December 2022. The consolidated statements have also been prepared in accordance with Swedish law and with the application of RFR 1, Complementary accounting regulations for corporate groups, issued by the Swedish Accounting Standards Board.

The consolidated financial statements are based on the accounts prepared for all Group companies as of 31 December. If the accounting policies of the Group companies deviate from those of the Group, the Group companies' accounting is adjusted to comply with the same policies as the Group. The consolidated financial statements have been prepared using the acquisition method, which means that the equity in the subsidiaries at the time of acquisition, calculated as the difference between the fair value of the assets and liabilities, is fully eliminated. The Group's equity only includes the equity in the subsidiaries that has been earned after the acquisition.

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

Acquisitions

For the acquisition of a subsidiary, the assets of which only comprise a property and lack management organisation and administration, the acquisition is classified as an asset acquisition in most cases. The acquisition value of assets or net assets is divided among the individual identifiable assets and liabilities based on their relative fair values at the time of acquisition. For asset acquisitions, no deferred tax is recognised that is attributable to the acquisition of the property; instead, any tax discount reduces the cost of the property. This means that changes in value will be affected by the tax discount in the subsequent valuation.

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

Associated companies

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

consolidated surplus and deficit values. See note GS.2 for more information about associated companies as of the closing date.

Significant assessments and assumptions in connection with the application of the Group's accounting policies

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

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

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

The acquisition of a company can be classified either as a business combination or an asset acquisition. A company acquisition whose primary purpose is to acquire a company's property and where the company's potential management organisation and administration are of secondary importance to the acquisition is classified as an asset acquisition. Other company acquisitions are classified as business combinations. This assessment impacts the financial statements, inter alia, because asset acquisitions result in the changes

in value being affected by the tax discount in the subsequent valuation.

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

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

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

Cash flow statement

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

G.3 NEW STANDARDS AND INTERPRETATIONS

In the 2022 financial year there were no new standards nor interpretations that had a material impact on the consolidated financial statements.

G.4 NEW STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET ENTERED INTO FORCE

In 2022 the EU approved the new Corporate Sustainability Reporting Directive (CSRD). It is Atrium Ljungberg’s assessment that this new directive will have a major impact on the company, so it is currently performing a GAP analysis to assess the extent of this impact. Atrium Ljungberg will be covered by this directive from 1 January 2025.

In 2022 IASB also approved several ‘agenda decisions’ from IFRS IC. Atrium Ljungberg’s assessment is that they will not have any material impact on the Group’s financial statements.

G.5 EVENTS AFTER THE CLOSING DATE

On 17 January 2023 Atrium Ljungberg concluded an agreement for the sale of its Skotten 6 property, also known as Glashuset, on Drottninggatan in Stockholm. The purchase price is based on an underlying property value of SEK 1,900 million. The total rental value is approximately SEK 95 million and the property has an economic vacancy rate of around 12%. This deal results in a profit after tax of approximately SEK –36 million based on the valuation at the end of the year: this includes around SEK 7 million for the realised change in value after expenses; around SEK –19 million net for deferred tax; and around SEK –24 million for the impairment of goodwill. The property will be vacated on 31 January 2023 and the profit will be recognised in the accounts for the first quarter of 2023.

The Board of Atrium Ljungberg AB intends to propose a dividend of SEK 5.30 per share to the Annual General Meeting, to be paid in two instalments of SEK 2.65 per share. The income statement and balance sheet for the parent company and the Group will be adopted at Atrium Ljungberg AB’s Annual General Meeting, which will be held on 22 March 2023.

G.6 INFORMATION ON RELATED PARTIES

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

- All companies within the Atrium Ljungberg Group, see note GS.1
- Board members, executive management, and their close family members for all companies in the Atrium Ljungberg Group.
- Companies controlled by board members, executive management or their family members, or companies where these people have a controlling influence.
- Our principal owners; the Stockholm Consumer Cooperative society, the Ljungberg family with companies, and the Holmström family with companies.

Transactions and dealings between the parent company and other Group companies

	Parent company	
	2022	2021
Sale to subsidiaries	296	226
Purchasing from subsidiaries	–26	–28
Interest income from subsidiaries	699	633
Dividends from subsidiaries	750	695
Interest expenses to subsidiaries	–91	–109
Receivables from related parties (Group companies)	26,229	23,578
Liabilities to related parties (Group companies)	–	–

Other

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

IE Income and expenses

REVENUE

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

Rental income

All lease contracts are classified as operating leases. Rental income is notified in advance and is distributed on a straight-line basis over the term of the contract other than when the terms of the lease contract are such that a different form of distribution would better reflect the way in which the economic benefits attributable to the letting of the investment property change over time. Rental payments in advance are recognised as prepaid income. The gross rent includes items in respect of costs passed on for, inter alia, property tax, electricity and heating.

Substantial rent rebates have been distributed over the term of the contracts. Pure discounts, such as reductions for gradual occupancy, are charged to the period in which they occur.

Sales-based rent has been estimated in the closing accounts on the basis of reported sales data. Sales-based rent is determined in subsequent years once tenants’ auditors have determined the tenants’ sales. Any difference between the established and estimated annual rent is recognised as an amended assessment in the period in which the annual rent is established.

Project and construction revenue

Project and construction revenue is recognised as the project progresses, i.e. in accordance with the ‘percentage-of-completion’ method. The degree of recognition – the degree of completion – is primarily determined on the basis of project costs expended in relation to the estimated total engagement expenses in conjunction with completion. If the result of a project cannot be reliably calculated, a revenue is recognised that corresponds to expenses disbursed as of the closing date. Anticipated losses are immediately recognised as an expense. The difference between recognised project revenue and as yet uninvoiced

amounts is recognised as a contract asset and included in Prepaid costs and accrued income in the consolidated balance sheet. Similarly, the difference between an invoiced amount and as yet unrecognised project revenue is recognised as a contract liability and included in Accrued costs and prepaid income in the balance sheet.

Revenue from property sales

Earnings from the sale of investment properties is recognised in the Properties, realised row in the consolidated income statement. Revenue attributable to property sales is recognised when control transfers to the purchaser. This normally coincides with the contract date, unless there are terms and conditions in the agreement that have to be met for the purchase to be completed. Read more about investment properties in note A.1.

Revenue from tenant-owned associations

Atrium Ljungberg builds properties that are intended for sale to tenant-owned associations after completion. Earnings from these sales are only recognised when the property has been completed and mostly occupied, i.e. the moment when Atrium Ljungberg has transferred the property to the end customer. Read more about development properties in note A.4.

Government grants

Government grants mostly comprise compensation for reduced rents. These grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to the grants and the grants will be received. Government grants relating to compensation for reduced rents are recognised in the Rental income row in the income statement and in the same period when the rental income was reduced.

Financial income

Interest income is recognised over the interest term, applying the effective interest method. Effective interest is the interest that ensures that the current value of all future payments received and made during the interest rate duration is the same as the carrying value of the receivable.

COSTS

Property management costs

The concept of property costs includes both direct and indirect expenses of managing a property. Direct expenses relate, inter alia, to service charge-related costs, maintenance costs and property tax. Service charge-related costs cover electricity, heating, cooling, water and sewage. Indirect expenses relate to costs of letting, rent administration and accounting.

Financial expenses

Financial expenses are recognised in the period to which they are attributable and mainly comprise interest costs and leasehold fees.

LEASING

A lease is an agreement whereby a lessor grants a lessee the right to make use of an asset in return for payment, on agreed terms and conditions for a contractually agreed period of time.

Atrium Ljungberg as a lessee

A lessee recognises assets and liabilities attributable to all leases, except for leases with a term of less than 12 months and/or if the underlying asset is of low value. For Atrium Ljungberg this means that a right-of-use asset and a non-current lease liability attributable to leasehold agreements are recognised in the balance sheet.

Other leases, including benefits received in conjunction with the signing of a lease and higher lease fees, are recognised on a straight-line basis in the income statement over the term of the lease.

Read more about leasehold agreements and leases in note IE.4.

Atrium Ljungberg as a lessor

Atrium Ljungberg is the lessor in conjunction with the granting of premises to tenants. Read more about rental income from operating leases in the Rental income section above.

IE.1 INCOME AND LEASE CONTRACTS

As of 1 January 2023 the contracted annual rent, including turnover-based rent, amounted to SEK 2,804 million (2,379 m) in the Group, of which SEK – million (SEK 1 m) in the parent company.

Maturity structure for lease contracts	The Group				Parent company			
	Number of contracts	'000 m²	Contracted rent, SEK m	Percent-age, %	Number of contracts	'000 m²	Contracted rent, SEK m	Percent-age, %
2023	327	51	149	5	–	–	–	–
2024	388	168	572	20	–	–	–	–
2025	311	131	473	17	–	–	–	–
2026	253	141	519	19	–	–	–	–
2027	108	75	278	10	–	–	–	–
2028 or later	128	195	715	26	–	–	–	–
Residentials	612	33	61	2	–	–	–	–
Garage/parking	221	86	37	1	–	–	–	–
Total	2,348	882	2,804¹⁾	100	–	–	–	–

¹⁾ Non-discounted amounts.

Letting rate and rental value 1 January 2023	The Group		
	Rental value, SEK m	Rental value, SEK/m ^{2 1)}	Letting rate, %
Offices	1,991	3,525	92.6
Retail	892	3,482	93.2
Residentials	101	2,235	96.7
Business area Property	2,984	3,445	92.9
Project properties	218	–	–
Land and development rights	–	–	–
Total	3,202		

¹⁾ Excluding garage.

Letting rate and rental value 1 January 2022	The Group		
	Rental value, SEK m	Rental value, SEK/m ^{2 1)}	Letting rate, %
Offices	1,404	3,118	90.8
Retail	946	3,185	91.6
Residentials	90	2,164	92.8
Business area Property	2,440	3,093	91.2
Project properties	180	–	–
Land and development rights	–	–	–
Total	2,620		

¹⁾ Excluding garage.

Costs that are directly attributable to investment properties and generated rental income during the year amounted to SEK 373 million (SEK 306 m), while direct costs that did not generate rental income amounted to SEK 470 million (SEK 426 m) during the year.

Lease contracts for retail space may contain contractual terms that mandate a minimum rent with a surcharge depending on the turnover of the shop. SEK 29 million (SEK 34 m) of the company's contracted annual rent comprises the estimated turnover surcharges in addition to the minimum rent, corresponding to 1% (1%) of the contracted annual rent.

The rents are billed and paid in advance, which

means that all of the Group's rent receivables are due for payment after the provision/impairment has been made. See note A.5 for more information about impairment attributable to rent receivables.

Commercial lease contracts, for which the rents are paid quarterly in advance, are signed for a specific period of time, which means that any changes in market rents do not have a direct impact on rental income. The agreed rental levels formally apply until the contract in question is due for renegotiation. Commercial contracts include an 'index clause', which involves an increment in the rent, corresponding to a specific percentage of inflation from the previous year.

The contract maturity structure for Atrium Ljungberg's portfolio is set out in the following

table, where the contracted rent refers to the annual value. The most common term for a new contract is 3–5 years with a notice period of nine months. The average remaining contracted duration, excluding residentials and parking, was 4.5 years (3.9 years) as of 1 January 2023.

Contract size, SEK m	The Group			
	Number of contracts	Percentage, %	Contracted rent, SEK m	Percentage, %
Commercial				
<0.25	588	25%	36	1%
0.25–0.5	115	5%	43	2%
0.5–1.0	222	9%	160	6%
1.0–3.0	366	16%	629	22%
>3.0	224	10%	1,839	66%
Total	1,515	65%	2,707	97%
Residentials	612	26%	61	2%
Parking spaces	221	9%	37	1%
Total	2,348	100%	2,804	100%

IE.2 CENTRAL ADMINISTRATION

Accounting policies

Central administration for property management mainly comprises the costs attributable to the Board of Directors, CEO, and other senior executives, and audit costs, as well as corporate costs for the provision of information for shareholders, maintaining the stock market listing, costs relating to the preparation of the annual accounts, and costs for the depreciation of machinery and equipment. For the depreciation of machinery and equipment associated with central administration, see note IE.7. For information about costs attributable to the Board of Directors, the CEO and other senior executives, see note IE.5.

Remuneration to auditors

Central administration also includes remuneration to auditors, see the table below.

Fees and expenses paid to auditors, SEK thousand	The Group		Parent company	
	2022	2021	2022	2021
PWC				
Audit engagement	1,894	1,730	1,177	1,125
Other additional audit-related work	650	344	290	224
Tax consultancy	–	–	–	–
Total	2,544	2,074	1,466	1,348

Audit assignment refers to the auditor’s fee for the statutory audit, i.e. such work that is necessary to issue the audit report. Other additional audit-related work refers in principle to what is termed quality assurance services, as well as advice and other assistance resulting from observations during the examination or execution of such other tasks. All services have been provided by PricewaterhouseCoopers AB.

Central administration for project and construction activities

Central administration for project and construction activities includes indirect costs for support functions that have been allocated to developing development properties and costs attributable to the CEO and support functions within TL Bygg’s operations.

IE.3 SEGMENT REPORTING

Accounting policies

The identification of reportable segments is based on the internal reporting to the most senior executive decision maker, which is deemed to be the parent company’s CEO. The Group is managed on the basis of the earnings measurement of gross profit divided by the identified and reportable operating segments shown below. Profit and loss items that are not divided by segment are financial items and taxes. Sales between segments have been eliminated in the Group’s sales. Accounting policies applied for the segment reporting concur with the consolidated accounting policies and presentation formats for the income statement.

100% of the Group’s income was generated in the country where the Parent Company has its registered office, namely Sweden. No single customer accounts for more than 10% of the Group’s total revenue.

All non-current assets are in the country where the parent company has its registered office, i.e. in Sweden.

Segment reporting	Properties		Project development ¹⁾		TL Bygg		Project and construction work		Eliminations		Non-allocated items		The Group	
Amounts in SEK m	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	2,597	2,315	–	–	–	–	–	–	–47	–23	–	–	2,550	2,292
Net sales, project and construction work	–	–	329	394	835	766	1,165	1,160	–580	–368	–	–	585	792
Net sales	2,597	2,315	329	394	835	766	1,165	1,160	–627	–391	–	–	3,135	3,084
Property management costs	–879	–743	–	–	–	–	–	–	36	11	–	–	–843	–732
Project and construction work costs	–	–	–305	–325	–802	–708	–1,106	–1,034	546	348	–	–	–560	–685
Gross profit	1,718	1,572	25	69	34	57	59	126	–45	–32	–	–	1,732	1,666
Central administration	–80	–82	–4	–3	–10	–12	–15	–15	4	–	–	–	–91	–97
Financial income and expenses	–39	–28	–	–	–	–	–	–	–	–	–423	–291	–462	–320
Profit before changes in value	1,598	1,461	20	66	24	45	42	112	–41	–32	–423	–291	1,176	1,249
Changes in value ^{2) 3)}	2,689	3,018	–	–	–	–	–	–	–	–	1,526	388	4,214	3,406
Tax	–	–	–	–	–	–	–	–	–	–	–1,105	–899	–1,105	–899
Profit for the period	4,287	4,480	20	66	24	45	42	112	–41	–32	–2	–802	4,286	3,757
Investments and acquisitions	5,639	2,084	433	220	–	–	433	220	–	–	–	–	6,072	2,304

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

²⁾ Properties, unrealised SEK 2,671 million (SEK 3,040 m). Properties, realised SEK 18 million (SEK –22 m).

³⁾ Unrealised change in value, derivatives SEK 1,526 million (SEK 388 m).

Revenue type per segment	Properties		Project development		TL Bygg ¹⁾		Project and construction work		Eliminations		The Group	
Amounts in SEK m	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	2,597	2,315	–	–	–	–	–	–	–47	–23	2,550	2,292
Net sales, project and construction work												
of which Turnkey contracts, fixed price	–	–	–	–	194	285	194	285	–	–0	194	285
of which Turnkey contracts, open account	–	–	–	–	400	266	400	266	–377	–262	23	5
of which Performance contracts, fixed price	–	–	–	–	–	0	–	0	–	–	–	0
of which Performance contracts, open account	–	–	–	–	240	205	240	205	–204	–106	36	99
of which Other incl. tenant-owned dwellings	–	–	329	394	1	8	331	402	–0	–	330	402
Total Net sales, project and construction work	–	–	329	394	835	766	1,165	1,160	–580	–368	585	792
Total Net sales	2,597	2,315	329	394	835	766	1,165	1,160	–627	–415	3,135	3,084

¹⁾ As of 31 December 2022 TL Bygg's order book amounted to SEK 590 million (SEK 371 m).

IE.4 LEASEHOLD AGREEMENTS AND OTHER LEASES – ATRIUM LJUNGBERG AS A LESSEE
Group accounting policies

The Group’s leases comprise almost entirely leasehold agreements. Other leases comprise vehicles, office machinery, etc. For other leases the Group applies the practical option; recognising payments attributable to short-term leases (12 months or less) and leases where the underlying asset has a low value as an expense on a straight-line basis over the lease term in the income statement, with no right-of-use asset or lease liability therefore being recognised in the balance sheet. Atrium Ljungberg does not apply IFRS 16 for leases for intangible assets.

A right-of-use asset and a lease liability attributable to leaseholds are recognised in the balance sheet. Leaseholds are considered to be perpetual leases and are recognised at their fair value. This means that the right-of-use asset will not be depreciated and the value will remain until the time when the respective leasehold fee is renegotiated. A non-current liability is recognised that corresponds to the value of the right-of-use asset. The lease liability is not amortised, with the value remaining unchanged until the renegotiation of the relevant leasehold fee. Leases are recognised as a right-of-use asset or liability on the day that the leased asset is available for use by the Group, which is normally on the date of possession. Derecognition from the balance sheet occurs on the vacation date.

In the income statement the cost of leasehold fees is recognised in their entirety as a financial expense as they are considered to be interest in accordance with IFRS 16.

Parent company accounting policies

Instead of applying IFRS 16, the parent company applies RFR 2 (IFRS 16 Leases, pages 2–12). When the parent company is the lessee, it means that lease payments are expensed on a straight-line basis over the term of the lease. The costs of leases attributable to leaseholds and the cost for other leases are recognised in operating profit. The right-of-use asset and the lease liability are

therefore not recognised in the balance sheet. For disclosures about the parent company as a lessor, see the section on revenue recognition on page 96.

Leases Group

Leaseholds

Right-of-use assets, leaseholds, are by definition part of the value of the investment properties. For information about investment properties, see note A.1. The following table shows the change in the right-of-use asset attributable to leaseholds.

Right-of-use asset, leaseholds	2022	2021
Beginning of the period	1,025	1,179
Acquisitions	143	–
Sales	–	–135
Change in leasehold fees	109	–19
Fair value leaseholds at the end of the period	1,277	1,025

Interest expenses for lease liabilities (i.e. leasehold fees) amounted to SEK 39 million (SEK 28 m) in 2022. Leasehold fees are the fees that an owner of a building on municipally-owned land pays to the municipality on an annual basis. These fees are currently calculated in such a way that the municipality receives a real interest rate on the estimated market value of the land. Leasehold fees are distributed over time and are normally renegotiated at intervals of 10 to 20 years.

As of 31 December 2022 contractual undiscounted cash flows attributable to lease liabilities comprise an annual leasehold fee of SEK 39 million (SEK 29 m) that is paid annual in perpetuity. The annual leasehold fee that has to be paid will be affected in the future by changes to the leasehold fee.

The total cash outflows attributable to leases for leaseholds amounted to SEK 47 million (SEK 22 m) in 2022.

The Group is not linked to any leases that have not yet started and that would involve future cash flows.

Other leases

Other leases comprise leases where the underlying asset is of a low value. The cost for leasing assets of a low value amounted to SEK 11 million (SEK 9 m) in 2022.

The total cash flow attributable to other leases amounted to SEK 11 million (SEK 9 m).

Leases parent company

The parent company has leases primarily for vehicles and office machinery.

Leaseholds

The cost for leasehold fees for the year amounted to SEK – million (SEK 2 m). As of 31 December 2022 the parent company did not have any leaseholds.

Other leases

Agreed leases refer primarily to vehicles and office machinery, and have a maturity date of less than 5 years. The year’s leasing costs in this category amounted to SEK 24 million (SEK 22 m), while remaining costs during the term amounted to SEK 54 million (SEK 52 m).

IE.5 PERSONNEL COSTS

Accounting policies

Remuneration to employees in the form of salaries, paid leave, paid absence due to sickness, etc., and pensions, are recognised as they are earned. Pensions after employment ceases are classified as defined contribution or defined benefit pension plans. The company pays defined fees to a separate, independent legal entity for defined contribution pension plans and has no obligation to pay any additional fees. Costs are charged to the Group’s profit/loss as the benefits are earned. The Group has only one defined benefit pension plan, the Alecta plan. According to a statement issued by the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that comprises several employers. A pension plan in accordance with ITP (supplementary pensions for salaried employees) that is secured through an insurance policy with Alecta will, for those financial years for which the company has not had access to information that enables this plan to be recognised as a defined benefit plan, be recognised as a defined contribution plan.

Pensions

The year’s pension insurance fees in accordance with ITP for the policy with Alecta amounted to SEK 12 million (SEK 12 m). Alecta’s surplus may be allocated to the policyholders and/or those insured. At the end of 2022, Alecta’s surplus in the form of the collective consolidation level amounted to 172% (preliminary calculation from Alecta) (172%).

The collective consolidation level comprises the market value of Alecta’s assets as a percentage of the insurance undertakings calculated in accordance with Alecta’s actuarial calculation assumptions, which do not correspond to IAS 19.

The CEO may retire from the age of 62. The premium is a defined contribution one, and the company consequently has no additional undertaking once the annual premium has been paid. The pensionable age for senior executives other than the CEO is 66. All pensions are, with the exception of the defined benefit ITP plan in accordance with collective agreements, defined benefit pension plans.

Share-related remuneration

Atrium Ljungberg did not have any share-related remuneration at the end of the financial year.

SEK thousand	The Group		Parent company	
	2022	2021	2022	2021
CEO, Board of Directors and senior executives				
Salaries	21,242	19,202	21,242	19,202
Payroll overhead	6,887	6,244	6,887	6,244
Pension costs (defined-contribution plans)	5,879	5,088	5,879	5,088
Total	34,008	30,534	34,008	30,534
Other				
Salaries	189,139	188,109	129,212	126,528
Payroll overhead	60,343	61,605	41,514	40,556
Pension costs (defined-contribution plans)	29,377	27,076	22,995	20,665
Total	278,859	276,791	193,721	187,749
Total	312,867	307,325	227,729	218,283

IE.6 REMUNERATION SENIOR EXECUTIVES

Board of Directors

Remuneration to the Board of Directors is based on fees determined by the Annual General Meeting. Directors’ fees are paid as salary.

Senior executives’ terms and remuneration

The Remuneration Committee comprises all Board members. The Remuneration Committee is tasked with preparing the Board’s decisions on issues concerning remuneration policies, remuneration and other employment terms and conditions for the senior executives. The committee also monitors and evaluates ongoing programmes and programmes that come to an end during the year for variable remuneration for the executive management. In addition, the committee monitors and evaluates the application of the guidelines for remuneration for the senior executives that the

Annual General Meeting is legally obliged to establish, as well as the current remuneration structures and levels for the company.

Salaries and other terms and conditions of employment for the executive management will be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines shall apply for the senior management team which consists of the CEO and six other senior executives. The CEO’s remuneration will be proposed by the Chairman and determined by the Board of Directors. Other remuneration payable to members of the senior management team will be proposed by the CEO and approved by the Chairman. Remuneration payable to the executive management, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration will be payable.

A loan subsidy programme was adopted at the 2018 Annual General Meeting. The loan programme refers to interest compensation for loans raised in order to acquire shares in Atrium Ljungberg. A maximum loan for which interest subsidies can be provided amounts to SEK 4.5 million for the CEO and SEK 1.5 million for other senior executives. Interest subsidies are conditional on continuing employment and may be accessible for a maximum of five years.

The CEO’s retirement age is 62, while that of the other members of the executive management is 66; however, they are legally allowed to work until they are 69 years old. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

The CEO is entitled to a 12-month notice period and severance pay corresponding to 12 months’ salary, if notice of termination is given by the company. In the event of notice being given by the CEO, a 6-month notice period shall apply. No other severance pay is payable. The other senior executives comprise six people (5), including three women (3) and three men (2). Other senior executives have a notice period of up to 6 months from the company, and a notice period of 3–4 months if they themselves resign.

The Board of Directors is allowed to depart from the guidelines set out above if there are specific grounds for doing so in a particular instance.

The members of the executive management are presented on pages 78–79.

Remuneration to CEO, Board of Directors and senior executives	Basic salary/Directors’ fees		Other remuneration		Other benefits		Pension costs		Total	
SEK thousand	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Chairman of the Board										
Johan Ljungberg	510	490	–	–	–	–	–	–	510	490
Other board members										
Conny Fogelström	230	220	–	–	–	–	–	–	230	220
Erik Langby	230	220	–	–	–	–	–	–	230	220
Gunilla Berg	340	320	–	–	–	–	–	–	340	320
Sara Laurell	230	220	–	–	–	–	–	–	230	220
Simon de Château	230	220	–	–	–	–	–	–	230	220
Total	1,770	1,690	–	–	–	–	–	–	1,770	1,690
CEO Annica Ånäs	6,742	6,465	–	–	271	273	2,340	2,263	9,353	9,001
Other senior executives	12,729	11,047	40	30	532	516	3,538	2,825	16,840	14,418
Total	19,471	17,512	40	30	803	789	5,879	5,088	26,193	23,419

Other senior executives comprised six people in 2022 and five people in 2021.

IE.7 DEPRECIATION/AMORTISATION

	The Group		Parent company	
	2022	2021	2022	2021
Depreciation in management and production				
Investment properties	–	–	–	7
Machinery and equipment	9	7	0	0
	9	7	0	7
Depreciation in central administration				
Machinery and equipment	5	6	5	6
Total	14	13	5	13

IE.8 PROJECT AND CONSTRUCTION WORK

	The Group		Parent company	
	2022	2021	2022	2021
Gross profit/loss, TL Bygg AB	0	37	–	–
Gross profit, tenant-owned dwelling projects	52	91	–	–
Development project costs that cannot be capitalised	–28	–21	–28	–21
Total	25	107	–28	–21

Ongoing construction agreements

On the closing date assignment expenses including reported profit in respect of work in progress in accordance with construction agreements amounted to SEK 252 million (SEK 368 m). Sums received from the client for work in progress amounted to SEK 11 million (SEK 25 m).

IE.9 UNREALISED CHANGE IN VALUE

Unrealised changes in value, properties	2022	2021
Direct yield requirements	–2,438	1,191
Cash flow, etc.	3,512	707
Project returns	1,416	974
Development rights	181	168
Total	2,671	3,040
Ditto in %	4.8%	6.4%

For more information, see note A.1.

T

Tax

T.1 CURRENT TAX

Accounting policies

The income tax for limited companies in Sweden was 20.6% in 2022. In the income statement tax is divided between current and deferred tax.

Current tax is calculated on the basis of the taxable profit/loss for the period and is recognised as an expense or income in the income statement. The taxable profit/loss differs from the recognised profit/loss in the income statement, as it has been adjusted for non-taxable income and non-deductible expenses. Current tax also includes any adjustments to current tax that is attributable to previous

periods. The Group's current tax liability is calculated using the tax rates confirmed or announced as of the closing date.

The sum of the Group companies' taxable profit is often lower than the Group's book profit, mainly as a result of tax depreciation, tax-deductible investments, maintenance and reconstructions, unrealised changes in value, the opportunity to sell properties through companies tax-free, differences in the handling of borrowing costs in construction projects and the utilisation of previous years' deficit.

Depreciation

As Atrium Ljungberg has chosen to recognise investment properties at fair value, no depreciation for them is recognised in the consolidated statements. However, the tax rules allow depreciation of 2–5% for buildings, 5% for land improvements, and 20–30% for fixed equipment and land inventories. Land is not subject to depreciation.

Deductible reconstruction work

Expenses in connection with renovation and maintenance work that has entailed an economic benefit and which can be calculated reliably, are

capitalised in the accounting. However, the tax rules allow investments linked to reconstructions to be capitalised in the accounts, while being fully tax-deductible. This 'extended repair concept' therefore allows for a tax deduction for certain types of reconstruction work, even if they add value and are capitalised in the accounts. Examples of such amendment work within Atrium Ljungberg are the tenant-specific adaptations which take place continuously along with renegotiation of lease contracts or during change of tenants.

Tax calculation	Current tax		Deferred tax	
	2022	2021	2022	2021
Group, SEK m				
Reported profit/loss before changes in value	1,178	1,249		
Non-deductible interest	193	107		
Tax deductible				
-Depreciation/amortisation	-875	-761	875	761
-Reconstruction work	-188	-306	188	306
-Capitalised interest	-76	-87	76	87
Other fiscal adjustments	27	-82	-107	-155
Taxable profit/loss before changes in value	260	120	1,031	999
Current tax	-36	-36		
Sale of properties	-	-	-128	-188
Changes in value, properties	-	-	2,671	3040
Change in value of derivatives	-75	-83	1,605	476
Taxable profit/loss before loss carry-forwards	184	37	5,179	4,327
Loss carry-forwards				
-Opening balance	-37	0	37	0
-Closing balance	-7	-37	7	37
Taxable profit	140	0	5,223	4,364
Tax expense before tax reduction	-29	-0	-1,076	-899
Tax reduction for machinery and equipment	26	-	-26	-
Reported tax expense	-3	-0	-1,102	-899

Tax calculation	Current tax		Deferred tax	
	2022	2021	2022	2021
Parent company, SEK m				
Reported profit/loss before tax	1,059	812		
Change in difference between book and fiscal values of properties	-	344	-	342
Earnings from shares in Group companies	-728	-652	-	-
Other fiscal adjustments	-331	-506	170	-341
Taxable profit	0	-3	170	1
Of which 20.6% tax	-0	1	-35	-0
Tax on negative capital earnings is recognised as deferred tax	-	-0	0	0
Adjustment of tax in relation to previous years	-	-	-	-1
Reported tax expense	-0	-0	-35	-1

UNREALISED CHANGES IN VALUE

In the consolidated statements Atrium Ljungberg values investment properties and derivative instruments (interest swap agreements and currency swap agreements) at fair value. Changes in the market value are recognised in the consolidated income statement as an unrealised change in value.

Swedish accounting laws do not allow properties to be recognised at fair value in the individual Group companies, which means that the changes in value do not affect taxation.

Unrealised changes in value attributable to interest derivatives are not tax-deductible. Unrealised changes in value attributable to currency derivatives are included in taxable net interest and they are deductible as part of interest deductions.

SALE OF PROPERTIES

Properties may be sold directly or indirectly through companies, which has different tax implications. Profit from the sale of properties that fiscally come under ‘property, plant and equipment’ is taxable, while a loss is ‘cordoned off’ and can only be netted against taxable profits from the sale of properties that come under ‘property, plant and equipment’. Profit from the sale of shares that fiscally come under ‘property, plant and equipment’ is not taxable, while a loss is not deductible. During the year sales in Atrium Ljungberg were carried out indirectly through the sale of shares, which is why the capital gains are not taxable.

BORROWING COSTS

In the consolidated statements Atrium Ljungberg capitalises loan charges during major reconstruction and extensions to the extent they arose during the construction period. For individual Group companies, they are recognised as a cost that is directly tax-deductible.

DEFICIT FROM PREVIOUS YEARS

The current tax is calculated on the basis of the taxable profit for the taxation year. This profit may, sometimes with certain limitations, be reduced by unutilised tax deficits which have emerged during previous tax years.

	The Group		Parent company	
Reconciliation of tax expenses	2022	2021	2022	2021
Profit before tax	5,393	4,656	1,059	812
Nominal tax rate, 20.6%	-1,111	-959	-218	-167
Fiscal effect of				
Non-deductible expenses/non-taxable income	-6	30	150	134
Other fiscal adjustments	12	29	33	34
Reported tax expense/income	-1,105	-899	-35	1
of which current tax	-3	-0	-1	-1
of which deferred tax	-1,102	-899	-35	1

T.2 DEFERRED TAX

Accounting policies

Deferred tax is recognised based on the difference between the recognised value of assets and liabilities in the financial statements and the fiscal value used when calculating taxable earnings. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are reported for, in principle, all taxable temporary differences, and deferred tax receivables are reported for, in principle, all deductible temporary differences to the extent that it is likely that the amounts can be used to offset future taxable surpluses. The carrying amount of deferred tax receivables attributable to a deficit is reviewed in conjunction with the preparation of every set of financial statements and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available for offsetting, either wholly or in part, against the deferred tax receivables.

Deferred tax liabilities and tax receivables are not recognised if they arise as a result of a transaction that constitutes the first reporting of an asset or liability that is attributable to an asset acquisition.

Deferred tax is calculated using the tax rates expected to apply for the period during which the asset is recovered or the debt settled, based on the tax rates and tax legislation confirmed or announced as of the closing date. Deferred tax receivables and tax liabilities are offset when they are attributable to income tax levied by the same authority and when the Group intends to settle the tax demand using a net amount. The tax deficit can be rolled forward and does not have a due date.

The Group’s accumulated tax deficit amounted to SEK 7 million (SEK 35 m) at the end of 2022, with 20.6% of the tax receivables recognised as an asset. Atrium Ljungberg has SEK 8,033 million in deferred tax liabilities that is attributable to properties that are recognised as an asset acquisition and have therefore not been recognised as deferred tax liabilities in the balance sheet pursuant to the relevant accounting rules. The residual tax value of properties amounted to SEK 21,130 million (SEK 19,484 m) on 31 December 2022.

The ‘Change recognised directly via the income statement’ row in the table comprises amounts that are attributable to deductions for deferred tax on the purchase price when selling a property.

Deferred tax

Group, SEK m	Investment properties	Development properties	P funds	Interest derivatives and other	Deficit	Total	Directly via the income statement.
Opening balance, as of 1 Jan 2021	4,652	138	–	–109	0	4,681	
Change recognised via the income statement	779	13	–	98	–8	882	
Changes recognised directly in the income statement	–	–	–	–	–	–	17
Closing balance, as of 31 Dec 2021	5,431	151	–	–11	–8	5,563	
Opening balance, as of 1 Jan 2022	5,431	151	–	–11	–8	5,563	
Acquisitions	–	–	–	–	–1	–1	
Change recognised via the income statement	803	–46	3	331	8	1,099	
Changes recognised directly in the income statement	–	–	–	–	–	–	2
Closing balance, as of 31 Dec 2022	6,234	106	3	320	–1	6,661	

Deferred tax

Parent company, SEK m	Property	Derivatives	Deficit	Endowment insurance	Total
Opening balance, as of 1 Jan 2021	–71	105	0	4	38
Change recognised via the income statement	71	–71	1	1	1
Closing balance, as of 31 Dec 2021	–	34	1	4	39
Opening balance, as of 1 Jan 2022	–	34	1	4	39
Change recognised via the income statement	–	–34	–1	–0	–35
Closing balance, as of 31 Dec 2022	–	–	–	4	4

A

Assets

A.1 Investment properties

ACCOUNTING POLICIES

Investment properties, i.e. properties held in order to generate rental income and/or increased value gains, are recognised on an ongoing basis at fair value in the balance sheet. The measurement takes place in accordance with Level 3 in the IFRS measurement hierarchy and reflects estimated market values, which correspond to the value at which ownership of a property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. The fair value reflects the market conditions on the closing date.

All of the properties that Atrium Ljungberg either owns or exploits through leaseholds are assessed as being investment properties, except for development properties. The term investment properties includes buildings and land, land improvement, building and land-related equipment as well as work in progress. Any properties that are being built or developed for future use as investment properties are also recognised as investment properties.

Investments in investment properties are initially recognised at cost. The acquisition value includes transaction costs, legal costs and stamp duty directly related to acquisitions and any additional real estate mortgage costs and loan costs.

Borrowing costs are capitalised in conjunction with major renovation or new construction projects to the extent that they have arisen during the construction period. Interest expenses are calculated on the basis of the Group's average interest rate on all loans.

Expenses in connection with reconstruction work that has entailed an economic benefit for the Group and which can be calculated reliably, are capitalised. Expenses for repairs and ongoing maintenance are recognised as repair costs and are included in the operating surplus.

Changes in fair value for investment properties are recognised in the income statement as unrealised changes in value.

Gains or losses arising in conjunction with the sale of investment properties comprise the difference between the sale price and the carrying amount, which is based on the valuation in the most recent interim report at fair value, and recognised as a realised change in value in the income statement. Property sales and acquisitions are recognised in conjunction with the transfer of control from the vendor to the purchaser, which normally coincides with the contract date, unless there are terms and conditions in the agreement that need to be met in order for the purchase to be completed.

Investment properties

Property type	Letting area, '000 m²		Fair value, SEK m		Fair value, SEK/m² ¹⁾		Result for rental income, SEK m		Result for property costs, SEK m		Result for operating surplus, SEK m		Result for operating surplus margin, %	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	2022	2021	2022	2021	2022	2021	2022	2021
Office properties	565	607	37,853	29,456	67,040	60,310	1,556	1,336	-440	-352	1,116	984	72	74
Retail properties	256	320	11,632	11,486	45,404	45,067	783	719	-291	-283	492	436	63	61
Residentials	45	48	1,554	1,532	34,337	36,902	94	80	-34	-29	60	51	64	64
Business area Property	866	975	51,039	42,474	54,167	54,167	2,433	2,135	-764	-664	1,669	1,471	69	69
Project properties	84	102	6,676	7,080	E/T ²⁾	E/T ²⁾	113	117	-76	-53	37	64	33	55
Land and development rights	-	-	881	781			-	-	-	-	-	-	-	-
Total Investment properties	950	1,077	58,596	50,335			2,546	2,252	-840	-717	1,706	1,535	67	68
Properties sold	-	-	-	-			1	37	-1	-12	0	24	5	66
Total Group	950	1,077	58,596	50,335			2,547	2,288	-841	-729	1,706	1,559	67	68

¹⁾ m² excluding garage.

CHANGES DURING THE YEAR

The carrying fair value of investment properties amounted to SEK 58,596 million (SEK 50,335 m) as of 31 December 2022. Investments in Atrium Ljungberg’s held properties during the year totalled SEK 1,916 million (SEK 2,059 m). The unrealised change in value amounted to SEK 2,671 million (SEK 3,040 m) during the year. The change in value compared with the previous year is due to an increase in yield requirements, which was counteracted by a higher cash flow and a higher project return. The average dividend yield requirement in the valuation was 4.4% (4.2%).

During the year two properties were taken into possession and one property was sold.

Change in investment properties	The Group	
SEK m	31 Dec 2022	31 Dec 2021
Fair value at the beginning of the period	50,335	46,026
Acquisitions	3,724	25
Sales	-49	-805
Investments in held properties	1,916	2,059
Unrealised changes in value	2,671	3,040
Reclassifications	-	-11
Fair value at the end of the period	58,596	50,335
Unrealised changes in value, properties	2022	2021
Direct yield requirements	-2,438	1,191
Cash flow, etc.	3,512	707
Project returns	1,416	974
Development rights	181	168
Total	2,671	3,040
Ditto in %	4.8%	6.4%

INVESTMENTS IN INVESTMENT PROPERTIES OVER THE YEAR

In 2022 Atrium Ljungberg invested a total of SEK 5,640 million (SEK 2,084 m) in investment properties, of which SEK 3,724 million (SEK 25 m) was for acquisitions and SEK 1,916 million (SEK 2,059 m) was for investments in held properties, which included SEK 839 million (SEK 1,178 m) in project properties.

MATERIAL OBLIGATIONS

Atrium Ljungberg is obliged to complete projects that it has started with a remaining investment volume of SEK 4,960 million (SEK 2,660 m) in addition to what is recognised in the balance sheet. This includes investments in tenant-owned dwelling projects of SEK 360 million (SEK 650 m).

RIGHT-OF-USE ASSETS, LEASEHOLDS

The value of Right-of-use assets, leaseholds, amounted to SEK 1,277 million (SEK 1,025 m). More information is available in note IE.4.

VALUATION

Valuation policy

The company has an established valuation policy, which sets out the guidelines for the company’s valuation process.

Valuation process

Investment properties are valued every quarter. As part of ensuring the quality of the valuation, independent external valuation consultants are used; this year Forum Fastighetsekonomi, Cushman & Wakefield, CBRE and Newsec. Properties corresponding to 74% (62%) of the market value were valued externally during the year. The remaining properties were subject to an internal valuation with market rents, operating costs, vacancies and yield requirements quality-assured by Forum Fastighetsekonomi. The fee for the valuation is not dependent on the properties’ market value. The variable part is instead based on the properties’ area, number of lease contracts and usage.

Data property valuation

The property valuation is based on observable and unobservable input data. Observable data which has greatest impact on the value is primarily current rent, actual operation and maintenance costs, planned investments and current vacancy rates.

Yield requirement and expectations of rental level and vacancies include the input data which can be seen as unobservable. Yield requirement is derived from actual transactions. There may sometimes only be a few comparison items that have been sold, making it more difficult to identify where changes in yield requirements originate from in certain periods. In an inactive market within a certain location or for a certain type of property, the comparison information is taken instead from transactions completed in a similar location or for a similar type of property. In the absence of any transactions as a whole, the opinion is based on the prevailing macroeconomic factors.

Valuation method

The valuations were carried out in accordance with the International Valuation Standards (IVS).

Each property has been valued individually without taking any portfolio effect into consideration. The valuations are based on a cash flow calculation with individually estimated yield requirements for each property and activity. The estimated yield requirement is used to determine the value through a present value calculation during the so-called calculation period and through a present value calculation of the residual value at the end of the calculation period. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation.

The long-term earning capacity of each property is assessed during the valuation. Income during the calculation period comprises agreed rental levels until such time as these lease contracts come to an end or are due for renegotiation. Rental income for the subsequent period is calculated at the market rent currently applicable. Operating and maintenance costs have been assessed based on the company’s actual costs and are adjusted in line with the property’s age and condition.

Analyses and an assessment of the underlying factors that impact the value form the basis of the valuation, for example:

- existing rent levels and market rents for respective premises
- existing tenants and contract structure
- current and future vacancies
- operating and maintenance costs in the short and long-term, based on the property’s and company’s actual costs
- the technical and commercial condition of the properties
- planned reconstructions, extensions and new builds and other investment requirements
- yield requirements for completed and uncompleted transactions in comparable properties markets

Project properties are valued on the basis of completed projects, less remaining investments. A risk premium is added to the yield requirement on the basis of the current phase of the project.

Development rights are valued based on an assessed market value per m² of GFA using the location price method. This valuation only includes established development rights in accordance with detailed development plans that have gained final approval or where the detailed development plan is assessed to enter into force within the near future.

Yield requirements per property category in the valuation		31 Dec 2022	31 Dec 2021
Premises type, %	Interval	Average	Average
Offices	3.3–5.8	4.1	3.9
Retail	3.7–6.0	5.2	5.0
Residentials	3.6–4.7	4.4	4.1
TOTAL	3.6–6.0	4.4	4.2

Yield requirements per region in the valuation		31 Dec 2022	31 Dec 2021
Region, %	Interval	Average	Average
Stockholm	3.3–5.8	4.1	4.0
Uppsala	3.8–5.7	5.3	5.1
Malmö	3.6–6.0	5.4	5.1
Gothenburg	4.5–4.6	4.5	4.2
Total	3.6–6.0	4.4	4.2

Sensitivity analysis, property valuation

Property valuation involves estimating the property’s market value and is based on calculations that use established principles, along with a number of assumptions and assessments. An interval of approximately ±5% is often given for this value to show the uncertainty of the assumptions and calculations that have been made. This interval can be larger in a market that is less liquid. Atrium Ljungberg’s property portfolio, excluding development properties, is valued at SEK 58,596 million (SEK 50,335 m). An uncertainty interval of ±5% is applied to Atrium Ljungberg’s property portfolio, which results in an uncertainty of a total of SEK ± 2,930 million (SEK 2,517 m) in terms of fair value.

The table below shows how changes in different parameters impact the market value of investment properties.

Value parameter	Change in assumption	Impact on value, SEK m	Value impact, %
Rental level	+/-10%	+/- 6,695	+/- 12 %
Operating cost	+/-10%	+/- 1,096	+/- 2%
Yield requirement	+/-0.25% units	-2,956/+ 3,316	-5%/+ 6%
Long-term vacancy level	+/- 2%	+/- 1,484	+/- 3%

Sensitivity analysis, change in value

The following sensitivity analysis shows how a change in the market value of investment properties impacts earnings and relevant key performance indicators.

	Change in market value of investment properties		Impact	Impact, %
Profit	+/-10%	SEK +/-5,860 million		+/-137%
Equity	+/-10%	SEK +/-5,860 million		+/-20%
Loan-to-value ratio	+/-10%	-4.7% unit/+3.8% unit		-9%/+11%

A.2 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment is recognised at cost less accumulated depreciation and impairment. Cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the asset’s carrying amount or recognised as a separate asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the cost of the asset can be reliably calculated.

The useful life of computer equipment and of other machinery and equipment has been calculated at 3 years and 5 years, respectively. Depreciation is effected on a straight-line basis over the useful life and is recognised in the income statement as expenses under property management or in the row for central administration. The residual value of the assets and their useful life is reviewed on every closing date and adjusted when necessary.

	The Group		Parent company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Opening cost	89	81	27	28
Purchases	15	19	2	4
Sales/disposals	-3	-10	-0	-5
Closing accumulated cost	101	89	28	27
Opening depreciation	-57	-52	-18	-16
Sales/disposals	3	8	0	4
Depreciation for the year	-14	-13	-5	-6
Closing accumulated depreciation	-68	-57	-22	-18
Closing residual value according to plan	33	32	5	8

Property, plant and equipment mainly comprises machinery, equipment and computer equipment.

A.3 Goodwill ACCOUNTING POLICIES

Goodwill arising in conjunction with the preparation of the consolidated statements comprises the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable net assets on the acquisition date. Goodwill is recognised at cost on the acquisition date and is subsequently valued at cost after any deductions for impairment.

On 17 October 2006, LjungbergGruppen AB acquired all of the shares in Atrium Fastigheter AB through payment in the form of newly issued shares. The closing rate on 16 October 2006 was used to calculate the cost and equity. Goodwill arose in conjunction with the acquisition that was attributable to the difference between nominal tax and the estimated tax for costing purposes applied in conjunction with the acquisition. Goodwill is thereby completely linked to deferred tax amount and therefore changes when a property with goodwill is sold.

Distribution, cash-generating unit	The Group	
	31 Dec 2022	31 Dec 2021
SEK m		
Tranbodarne 12, Stockholm	33	33
Adam och Eva 17, Stockholm	18	18
Skotten 6, Stockholm	23	23
Fatburen 1, Stockholm	12	12
Fatburssjön 8, Stockholm	9	9
Dragarbrunn 27:2, Uppsala	15	15
Gränby 21:4, Uppsala	34	34
Bohus 8, Malmö	22	22
Total	165	165

IMPAIRMENT TESTING

Goodwill impairment testing is carried out annually, or more frequently if there is any indication that the carrying amount may not be recoverable.

When conducting impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies arising in conjunction with the acquisition. The cash-generating units comprise the properties which were a part of the acquisition of Atrium Fastigheter which the Group still owns at the end of the accounting period. If the recovery value of a cash-generating unit is determined to be lower than the carrying amount, the carrying amount of goodwill attributable to the cash-generating unit is reduced. Any recognised impairment of goodwill may not be reversed in a subsequent period.

In connection with the annual impairment testing of goodwill, an estimate of the recoverable amount is made. As the cash-generating units comprise the properties that were part of the acquisition of Atrium Fastigheter, the recovery value corresponds to the property's fair value.

See note A.1 for more information about the valuation of investment properties.

The Group	2022	2021
Opening cost	264	264
Closing accumulated cost	264	264
Opening impairment	-99	-99
Closing accumulated impairment	-99	-99
Closing balance	165	165

A.4 Development properties ACCOUNTING POLICIES

Development properties are recognised at the lower of their accumulated cost and their net realisable value. Earnings from the future sale of properties are recognised when the properties have been completed and are mostly occupied.

Accumulated cost comprises a property's acquisition cost plus the costs expended. If a property has been reclassified from an investment property to a development property, the acquisition cost comprises the fair value of the property that was established most recently.

The Group	2022	2021
Opening balance	1,254	1,308
Sales for tenant-owned dwelling projects	-278	-284
Reclassification	-	11
Investments in tenant-owned dwelling projects	433	220
Closing balance	1,409	1,254

INVESTMENTS IN DEVELOPMENT PROPERTIES OVER THE YEAR

In 2022 Atrium Ljungberg invested SEK 433 million (SEK 220 m) in development properties, i.e. our tenant-owned dwelling projects.

The book value as of 31 December 2022 refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden. For more information about the company's tenant-owned dwelling projects, see Chapter 5 on Project Investments.

A.5 Accounts receivable ACCOUNTING POLICIES

Accounts receivable are recognised at their transaction price upon initial recognition. Afterwards these receivables are recognised at amortised cost less any impairment.

Receivables are recognised in the balance sheet when Atrium Ljungberg has completed an obligation and where its entitlement to consideration is unconditional, but has not yet been received. If the anticipated term is short, the value is recognised without discounting.

Impairment is based on expected credit losses and recognised in the income statement under property management costs.

Atrium Ljungberg applies the simplified approach in accordance with IFRS 9, measuring the provision for credit losses at an amount corresponding to the expected credit losses over the entire remaining term, regardless of whether the credit has deteriorated or not. To calculate the expected credit losses, accounts receivable have been grouped based on the characteristics of the credit risk and the number of days' delay. The expected credit loss levels are based on the customers' payment history over a period of 36 months.

Accounts receivable are written off when there is no longer a reasonable expectation of payment.

Credit losses are recognised as credit losses – net within operating profit. Recovery of amounts that have previously been written off are recognised on the same row in the income statement.

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Accounts receivable	153	163		0	1	
Provision for credit losses	-28	-29		-0	-0	
Total	125	134		0	1	

The provision for credit losses is based on the following:

31 December 2022	Not due	Due between 1 and 60 days	Due after more than 60 days	Due after more than 120 days	Total
Expected loss level, %	0.0%	18.9%	21.9%	51.9%	
Carrying amount accounts receivable, gross	90	5	11	47	153
Provision for credit losses	-0	-1	-2	-24	-28

31 December 2021	Not due	Due between 1 and 60 days	Due after more than 60 days	Due after more than 120 days	Total
Expected loss level, %	0.1%	-12.3%	60.0%	59.6%	
Carrying amount accounts receivable, gross	116	-1	3	44	163
Provision for credit losses	-0	-0	-2	-26	-29

The change in the provision for credit losses during the financial year is specified below:

Provision for credit losses	2022	2021
Opening balance	-29	-41
Increase in provision for credit losses, change recognised in income statement	-12	-1
Accounts receivable written off during the year	7	3
Reversal of unutilised amount and Other	6	10
Closing balance	-28	-29

A.6 Other receivables

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
VAT receivable	-	68		4	6	
Other receivables	71	113		11	15	
Closing balance	71	180		15	21	

A.7 Prepaid costs and accrued income

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Receivables from clients for work in progress as per construction agreement (contract asset)	13	20		-	-	
Other prepaid costs	26	33		8	14	
Distributed rent discounts	108	98		-	-	
Accrued rent	47	36		10	6	
Other accrued income	-	0		-	-	
Closing balance	195	186		18	20	

OL Operating liabilities

OL.1 Other non-current liabilities

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Personnel-related liabilities	20	20		–	–	
Deposits received from tenants	126	98		1	1	
Additional purchase price	131	131		–	–	
Guarantee reserve	3	4		–	–	
Other	14	14		–	–	
Closing balance	295	267		1	1	

ADDITIONAL PURCHASE PRICE

Earnouts are measured continually at their fair value (Level 3 in IFRS 13) and the liability is adjusted for any changes to the fair value in the income statement. The calculation of earnouts is based on parameters in each acquisition agreement. In 2022 SEK – million (SEK 11 m) in earnouts attributable to acquisitions were entered as liabilities. None (SEK – million) of the opening liability as of 1 January 2022 was settled during the year.

OL.2 Other liabilities

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Personnel-related liabilities	7	7		5	5	
VAT liabilities	36	–		–	–	
Other liabilities	59	53		0	–	
Closing balance	102	59		5	5	

OL.3 Accrued costs and prepaid income

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Holiday pay liability and payroll overhead	47	44		37	34	
Liabilities to clients for work in progress as per construction agreement (contract liability)	12	21		–	–	
Accrued interest expenses	91	36		79	34	
Prepaid rent	489	474		–	0	
Premises vacation payment	12	20		–	–	
Other accrued costs and prepaid income	83	88		18	8	
Closing balance	734	683		134	76	

OL.4 Pledged assets and contingent liabilities

	The Group			Parent company		
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Pledged assets						
Property mortgages	14,615	10,349		–	–	
Net assets subsidiaries	1,904	4,045		–	42	
Contingent liabilities						
Guarantee undertakings for subsidiaries	–	–		7,620	5,128	
Guarantee obligation	700	500		700	500	
Total	17,220	14,893		8,320	5,670	

CONTINGENT LIABILITIES

Liability for damages for contamination or environmental damage

According to the Swedish Environmental Code, the property owner may be liable to measures resulting from a contamination incident or a serious case of environmental damage. We always conduct surveys and screening work ahead of property acquisitions and new projects in order to identify any potential environmental risks.

On the closing date Atrium Ljungberg is not aware of any such contamination or environmental damage which may materially impact the Group's financial position.

Disputes

From time to time Atrium Ljungberg is a party in legal processes and administrative proceedings related to letting, management and the development of properties.

As of 31 December 2022 Atrium Ljungberg is not a party in any current legal processes that could have a material impact on the Group's financial position.

F Financing and capital structure

F.1 Capital structure

The Group endeavours to ensure a good profit performance, financial sustainability and a strong financial position. The economic and financial goals are set in order to provide a combination of a high return on equity, high growth capacity, and financial stability.

The Group’s financial risk limitations as set out in the Finance Policy:

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

It is also our ambition for the dividend to correspond to at least 50% of profit before changes in value after nominal tax unless investments or the company’s financial position otherwise justify a deviation from this.

The covenants that the Group has with external lenders for providing a credit and which entail that a credit is due for payment if the covenants are not fulfilled are similar in the various credit agreements. The agreements primarily prescribe a minimum interest coverage ratio of 1.50–1.75, a maximum loan-to-value ratio of 65–75%, and a minimum equity ratio of 25–30%. At the end of the year the Group had fulfilled all the covenants that were in place. The Group’s financial goals actually exceeded these covenants. The Group’s capital structure comprises interest-bearing net borrowing

and equity attributable to the parent company’s shareholders. This comprises share capital, other capital contributions and retained earnings, including profit for the year. The financing operations are described in greater detail in note F.2, Financial instruments and risk management.

Atrium Ljungberg’s borrowing is partly secured by means of real estate mortgages in the Group’s properties, share pledges in subsidiaries and, in some cases, guarantee undertakings issued by the parent company with regard to the subsidiaries’ borrowing.

Interest-bearing liabilities are recognised at amortised cost which is the carrying amount in the Capital structure table. The calculation of the fair value of liabilities to credit institutions is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus current borrowing margins. The valuation is hereby conducted with IFRS valuation hierarchy level 2. The valuation of derivatives is described in note F.2. Commercial papers are those that are issued unsecured as part of the company’s commercial paper programme with a framework of SEK 5,000 million. The company has an MTN programme with a framework of SEK 15,000 million. There is a total of SEK 13,035 million (SEK 10,916 m) in outstanding bonds; during the year SEK 3,743 million (SEK 3,900 m) was issued.

Capital structure

	31 Dec 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
The Group				
Non-current liabilities				
Liabilities to credit institutions	11,303	11,878	7,946	8,098
Bonds	13,035	13,259	10,916	11,036
Commercial papers ¹⁾	1,051	1,049	1,699	1,700
Total loans	25,389	26,186	20,561	20,835
Cash and cash equivalents	380		719	
Net debt	25,010		19,842	
Equity	29,141		25,541	
Total	54,151		45,383	

¹⁾ Commercial papers that are covered by unutilised long-term credit agreements are classified as non-current liabilities.

	31 Dec 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Parent company				
Non-current liabilities				
Liabilities to credit institutions	3,709	4,060	2,839	2,852
Bonds	13,035	13,259	10,919	11,036
Commercial papers ¹⁾	1,051	1,049	1,699	1,700
Total loans	17,796	18,368	15,457	15,588

¹⁾ Commercial papers that are covered by unutilised long-term credit agreements are classified as non-current liabilities.

Bonds issued 2022

Bond	Start	Due	Term, year	Fixed/Floating rate	Volume, SEK m	Issue spread over 3M Stibor	Note
137 SLB	22 February 2022	22 February 2027	5.0	Floating	1,000	1.40%	Sustainability-linked
138	28 April 2022	28 April 2025	3.0	Floating	700	1.40%	Green
139	28 April 2022	28 April 2025	3.0	Fixed 3.263%	800	–	Green
140	28 April 2022	29 April 2027	5.0	Floating	500	1.80%	Green
205	6 May 2022	6 August 2026	4.3	Floating	743	1.60%	MNOK 700

F.2 Financial instruments and risk management

ACCOUNTING POLICIES

A financial instrument is each form of agreement which gives rise to a financial asset or financial liability. Financial assets in the balance sheet refer to loans receivable, derivatives, rents receivable, accounts receivable, other receivables and cash and cash equivalents. Financial liabilities refer to loans payable, derivatives, other current liabilities and accounts payable. Financial instruments are recognised in the balance sheet when the company becomes a party to the instrument’s contractual terms and conditions. An asset is eliminated from the balance sheet when the rights contained in the agreement are realised, fall due, or when the company loses control over it. A liability is eliminated from the balance sheet when the undertaking in the agreement is fulfilled or otherwise ceases to obtain. Trading date accounting is applied for derivative instruments and settlement date

accounting for on demand purchases or sales of financial assets. The company conducts impairment testing on every closing day to determine whether there are objective indications that events indicate a requirement to write down a financial asset or group of financial assets.

Financial instruments in the Group are classified in accordance with the following.

- Financial assets are valued at fair value via the income statement
- Financial assets measured at amortised cost
- Financial liabilities valued at fair value via the income statement
- Financial liabilities measured at amortised cost

Derivatives (interest swap agreements and currency swap agreements) are measured at fair value in the balance sheet and the fair value of derivatives has, in accordance with the IFRS valuation hierarchy, been measured pursuant to level 2. This level means that the measurement is based on input data other than the listed prices used in level 1, which are observable for the asset or the liability, either directly or indirectly.

The derivative agreements (ISDA agreements) include an option to net obligations in respect of the same counterparty. Unrealised changes in value for the year amounted to SEK 1,526 million (SEK 388 m), of which SEK 0 million (SEK –5 m) relates to the reversal of the hedging reserve. The carrying net value for derivatives of SEK 1,513 million (SEK –100 m) comprises a positive value of SEK 1,572 million (SEK 138 m) and a negative value of SEK –59 million (SEK –238 m). Currency derivatives account for SEK –51 million (SEK –59 m) of the carrying value of derivatives. Other financial

instruments are not affected by the fair value hierarchy in that they are recognised at amortised cost in the balance sheet.

POLICIES GOVERNING FINANCING AND FINANCIAL RISK MANAGEMENT

Financing and financial risks are managed in accordance with guidelines laid down by Atrium Ljungberg’s Board of Directors. The Group’s treasury function, which is responsible for financing, liquidity and financial risks, is concentrated within the parent company. The various categories of financial instrument held by the Group are shown in the table below.

Categorisation of financial instruments ¹⁾

	Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
The Group						
Derivatives	–	–	1,572	138	–	–
Accounts receivable	125	134	–	–	–	–
Other receivables	85	89	–	–	–	–
Cash and cash equivalents	380	719	–	–	–	–
Total	590	943	1,572	138	–	–
Interest-bearing liabilities	–	–	–	–	25,389	20,561
Derivatives	–	–	59	238	–	–
Other liabilities	–	–	131	131	194	130
Accounts payable	–	–	–	–	214	286
Total	–	–	190	369	25,797	20,977

¹⁾ The fair value conforms to the book value of all financial instruments except for interest-bearing liabilities.

For the parent company’s accounting policies, see page 124.

Categorisation of financial instruments

	Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Parent company						
Accounts receivable	0	1	-	-	-	-
Receivables from Group companies	26,229	23,578	-	-	-	-
Other receivables	57	47	-	-	-	-
Cash and cash equivalents	255	592	-	-	-	-
Total	26,541	24,218	-	-	-	-
Interest-bearing liabilities	-	-	-	-	17,796	15,457
Derivatives	-	-	59	238	-	-
Other liabilities	-	-	-	-	1	1
Accounts payable	-	-	-	-	19	33
Total	-	-	59	238	17,815	15,490

FINANCING RISK AND LIQUIDITY

Financing risk refers to the company’s risk that there will be insufficient cash and cash equivalents or credit for the company to be able to fulfil its payment undertakings. To manage this risk, the company must have a liquidity buffer in the form of cash and cash equivalents, and unutilised lines of credit in order to cover, inter alia, loans falling due and decided investments within a period of 12 months. Active liquidity planning is also carried out to optimise liquidity at any given time. The Group’s liquidity as of 31 December 2022 amounted to SEK 680 million (SEK 1,019 m), including unutilised

current overdraft facilities totalling SEK 300 million. At the end of the year there were also unutilised lines of credit in revolving credit facilities of SEK 6,055 million (SEK 7,297 m). The table below shows the loan-to-maturity structure of the loan portfolio. No part of the interest-bearing liabilities are considered to be current, as the proportion of unutilised lines of credit with a term of more than 12 months covers the proportion of loans that fall due within 12 months. The average loan-to-maturity period was 4.3 years (4.8 years) as of 31 December 2022.

Loan-to-maturity

Duration	The Group			Parent company		
	Loans	Percentage, %	Total credit agreements	Amount	Percentage, %	Total credit agreements
2023	2,401	9	2,401	2,401	13	2,401
2024	2,479	10	3,329	1,832	10	1,832
2025	7,181	28	10,436	2,799	16	3,999
2026	3,524	14	5,474	3,325	19	5,275
2027	4,118	16	4,118	4,117	23	4,117
2028 or later	5,687	22	5,687	3,322	19	3,322
Total	25,389	100	31,444	17,796	100	20,946

MARKET AND INTEREST RISK

The term, market risk, refers to the risk of an impact on the profit/loss as a consequence of changes in the market. The market risk is primarily attributable to the trend in interest levels for short and long-term borrowing and for market rate levels. To limit the interest rate risk, the interest payments are distributed over a period of up to 10 years and a maximum 45% of the loan volume is allowed to have a short interest rate duration, which is defined as when the interest rate adjustment is made within 12 months. The table below shows interest rate durations, setting out the due dates for the Group’s interest-bearing liabilities. The average interest rate duration as of 31 December 2022 was 4.0 years (4.7 years). Interest-bearing liabilities amounted to SEK 25,389 million (SEK 20,561 m) at the end of the period with an average interest rate of 2.2% (1.7%) excluding and 2.3% (1.8%) including unutilised lines of credit.

The derivatives portfolio comprised of SEK 20,853 million (SEK 15,858 m) in interest rate swaps at the end of the period. The interest swap agreements are used as a means of changing the fixed interest structure without changing the loan-to-maturity duration in the loan portfolio. The fair value of interest derivatives on the closing date amounted to SEK 1,564 million (SEK -41 m). Foreign exchange swaps are used to eliminate the currency exposure that arises when bonds are issued in Norwegian krone. The fair value of currency derivatives amounted to SEK -51 million (SEK -59 m) on the closing date.

Interest on liabilities falls due for payment quarterly up until 2037. These payments have an ongoing effect on the income statement during the terms of the loans in question as accrued interest is recognised.

Atrium Ljungberg has also endeavoured to spread the renegotiation dates for existing lease contracts as part of its efforts to reduce the market risk of temporary cyclical fluctuations. For details of the percentage of income that will be renegotiated during the year ahead, see note IK.1. The weighted average remaining term for the lease contracts is 4.5 years (3.9 years).

Interest rate duration

	The Group		
	Amount, SEK m	Percentage, %	Average interest, % ¹⁾
2023	4,354	17	1.0
2024	2,032	8	2.2
2025	2,249	9	2.3
2026	2,704	11	1.9
2027	4,050	16	2.7
2028 or later	10,001	39	2.5
Total	25,389	100	2.2

¹⁾ The average credit margin for loans with a variable interest rate is distributed over the maturity dates of the interest derivatives. The average interest is recognised excluding the cost of unutilised loan guarantees.

Maturity structure, derivative instruments

Maturity year	Nominal amount, SEK m	Market value, SEK m	Average interest, %
2023	500	64	2.7
2024	1,532	9	1.5
2025	950	56	0.8
2026	3,980	235	1.6
2027	4,601	267	2.0
2028 or later	9,292	883	1.4
Total	20,853	1,513	1.6

CREDIT RISK

The term, credit risk, refers to the risk of a counterparty being unable to fulfil delivery or payment undertakings. Atrium Ljungberg’s credit risks lie in the possibility that the tenants may be unable to fulfil their payment undertakings in accordance with applicable lease contracts. This risk is assessed when contracts are signed and the agreements are supplemented, where appropriate, with pledged assets by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months’ rent. Deposits and bank guarantees received amounted to SEK 126 million (SEK 98 m) and SEK 63 million (SEK 80 m), respectively, at the end of the year.

CURRENCY RISK

A currency risk arises when payment are made in other currencies than SEK (Swedish krona). Any such currency effect is recognised in the income statement. Atrium Ljungberg only makes purchases in foreign currencies on an occasional basis and the currency risk is consequently small. During the year one bond was issued in Norwegian krone. For

this loan and loans that had already been taken in a foreign currency, the volumes and coupon payments were hedged with currency swaps, which eliminates currency exposure. There is a total of SEK 3,189 million (SEK 2,358 m) in currency derivatives.

Sensitivity analysis, cash flows¹⁾

	Change, %	Effect on profit, SEK m
Rental income	+/-5%	+/-4
Property management costs	+/-5%	+/-42
Letting rate	+/-1% unit	+/-27
Average borrowing rate	+/-1% unit	+/-43

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

MATURITY STRUCTURE FOR FINANCIAL INSTRUMENTS

The table below shows future undiscounted cash flows for the payment undertakings associated with the company’s financial liabilities. For disclosures on contractual undiscounted cash flows attributable to lease liabilities, see note IK.4.

The Group	31 Dec 2022					31 Dec 2021				
	2023	2024	2025	2026	2027 or later	2022	2023	2024	2025	2026 or later
Liabilities										
Interest-bearing liabilities incl. interest	-802	-1,594	-9,886	-5,873	-10,639	-223	-608	-5,880	-2,315	-12,546
Derivatives	-	-	-	-	-	-87	-87	-87	-81	-171
Other liabilities	-325	-	-	-	-	-261	-	-	-	-
Accounts payable	-214	-	-	-	-	-286	-	-	-	-
Total	-1,341	-1,594	-9,886	-5,873	-10,639	-857	-695	-5,967	-2,396	-12,717
Parent company	31 Dec 2022					31 Dec 2021				
	2023	2024	2025	2026	2027 or later	2022	2023	2024	2025	2026 or later
Liabilities										
Interest-bearing liabilities incl. interest	-530	-1,562	-4,408	-5,596	-8,159	-147	-1,176	-3,313	-1,381	-10,078
Derivatives	-	-	-	-	-	-87	-87	-87	-81	-171
Other liabilities	-1	-	-	-	-	-1	-	-	-	-
Accounts payable	-19	-	-	-	-	-33	-	-	-	-
Total	-550	-1,562	-4,408	-5,596	-8,159	-268	-1,263	-3,400	-1,462	-10,249

F.3 Financial income and expenses

	The Group		Parent company	
Financial income	2022	2021	2022	2021
Interest income	1	0	1	–
Other interest income	0	0	0	0
Other financial income	0	0	179	424
Group interest income	–	–	699	633
Total	2	1	879	1,058

Of which interest income and expenses of financial assets/liabilities which are measured at amortised cost:

Interest income	2	1	700	633
Interest expenses	–425	–292	–537	–575
Total	–423	–291	163	58

	The Group		Parent company	
Financial expenses	2022	2021	2022	2021
Interest expenses	–414	–280	–353	–300
Other interest expenses	–6	–1	–4	–2
Other financial expenses	–5	–11	–90	–165
Group interest expenses	–	–	–91	–109
Total	–425	–292	–537	–575

During the year, SEK 76 million (SEK 87 m) of interest expenses which relate to investments in the Group’s held properties was capitalised. The average interest rate that has been used for the calculations is 2.0% (2.2%). Interest expenses for investments in held properties were carried as an expense in the parent company.

F.4 Cash flow from financial liabilities

Cash flow from financial liabilities	Derivatives	Non-current interest-bearing liabilities	Other liabilities	Total
Group, 1 January 2022	238	20,561	547	21,346
Loans raised	–	12,226	380	12,606
Repayment of debts	–	–7,491	–416	–7,907
Deposits received and repaid	–	–	28	28
Cash items	–	4,735	–8	4,727
Change in value of derivatives	–179	–	–	–179
Currency	–	88	–	88
Allocation of costs and Other	–	6	–	6
Non-cash items	–179	93	–	–86
Group, 31 December 2022	59	25,389	539	25,987

Cash flow from financial liabilities	Derivatives	Non-current interest-bearing liabilities	Other liabilities	Total
Group, 1 January 2021	662	18,905	433	20,000
Loans raised	–	11,461	399	11,860
Repayment of debts	–	–9,976	–313	–10,289
Deposits received and repaid	–	–	17	17
Cash items	–	1,485	103	1,588
Change in value of derivatives	–424	–	–	–424
Currency	–	163	–	163
Allocation of costs	–	9	11	20
Non-cash items	–424	172	11	–241
Group, 31 December 2021	238	20,561	547	21,346

Cash flow from financial liabilities	Derivatives	Non-current interest-bearing liabilities	Other liabilities	Total
Parent company, 1 January 2022	238	15,457	33	15,728
Loans raised	–	7,567	19	7,587
Repayment of debts	–	–5,316	–33	–5,349
Deposits received and repaid	–	–	–	0
Cash items	–	2,251	–14	2,238
Change in value of derivatives	–179	–	–	–179
Currency	–	88	–	88
Allocation of costs	–	–0	–	–0
Non-cash items	–179	87	–	–92
Parent company, 31 December 2022	59	17,796	19	17,873

Cash flow from financial liabilities	Derivatives	Non-current interest-bearing liabilities	Other liabilities	Total
Parent company, 1 January 2021	662	15,967	36	16,666
Loans raised	–	11,484	33	11,517
Repayment of debts	–	–12,162	–36	–12,198
Deposits received and repaid	–	–	0	0
Cash items	–	–678	–3	–681
Change in value of derivatives	–424	–	–	–424
Currency	–	163	–	163
Allocation of costs	–	6	–	6
Non-cash items	–424	169	–	–255
Parent company, 31 December 2021	238	15,457	33	15,728

GS

Group structure

GS.1 Shares in Group companies

ACCOUNTING POLICIES

The parent company’s shares in Group companies are measured at cost less accumulated impairment, increased or decreased based on changes to the share of equity. A subsidiary’s carrying amount is tested at least annually for any impairment, or more frequently if there is any indication that the carrying amount may not be recoverable. During the impairment testing the estimated recoverable

value is compared to the book value. The recovery value comprises the higher of the fair value less sales costs and the value-in-use. Value-in-use comprises the present value of future cash flows. Potential impairment is recognised for cases when the decline in value can be deemed as permanent. Impairment and reversals of previous impairment are recognised in the income statement.

	Parent company	
	31 Dec 2022	31 Dec 2021
Opening cost	1,365	986
Acquisitions	–	–
Capital contribution	189	379
Change in share of equity	–	–
Sales	–	–
Closing accumulated cost	1,554	1,365
Opening impairment	–50	–7
Depreciation for the year	–22	–43
Closing accumulated impairment	–72	–50
Closing balance	1,481	1,314

Parent company, Directly-owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Shareholders’ equity, SEK m	Profit, SEK m	Book value, SEK m	
			31 Dec 2022	31 Dec 2022	31 Dec 2022	2022	31 Dec 2022	31 Dec 2021
Atrium Ljungberg Holding 1 AB	556781-3059	Nacka	1,000	100	300	205	846	780
Atrium Ljungberg Holding 2 AB	556720-3111	Nacka	100,000	100	155	142	0	0
Atrium Ljungberg Holding 3 AB	556781-3117	Nacka	1,000	100	1	–56	74	42
Atrium Ljungberg Holding 4 AB	559056-7730	Nacka	500	100	3	–14	25	9
Atrium Ljungberg Holding 5 AB	559160-5729	Nacka	500	100	234	162	0	0
Atrium Ljungberg Holding 6 AB	559196-3490	Nacka	500	100	112	–3	0	0
Atrium Ljungberg Holding 7 AB	559198-3415	Nacka	500	100	0	–53	95	42
Atrium Ljungberg Holding 8 AB	559281-7109	Nacka	500	100	0	–0	0	0
Atrium Ljungberg Holding 9 AB	559281-7091	Nacka	500	100	0	–0	0	0
Atrium Ljungberg Holding 10 AB	559281-7141	Nacka	500	100	324	1	0	0
LjungbergGruppen Holding AB	556669-3221	Nacka	1,000	100	61	46	190	190
Atrium Ljungberg Slakthuset Holding AB	559183-0244	Nacka	500	100	0	–0	0	0
Atrium Ljungberg Bostad Holding AB	559117-6440	Nacka	500	100	4	–2	3	3
Atrium Ljungberg Impluvium Holding AB	559196-3532	Nacka	500	100	0	–0	0	0
Fastighetsaktiebolaget Blästern	556282-8052	Nacka	10,000	100	0	0	0	0
Fastighetsaktiebolaget Celtica	556350-9727	Nacka	2,781,000	100	204	5	167	167
TL Bygg AB	556225-4440	Nacka	10,000	100	99	2	80	80
Closing balance							1,481	1,314

¹⁾ Information is only provided for the companies that form part of the Group as of 31 December 2022.

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31 Dec 2022	31 Dec 2021	31 Dec 2022	2022
Atrium Ljungberg Bas Barkarby AB	559056-7540	Nacka	500	100	56	31
Atrium Ljungberg Bellmangaraget AB	559299-9717	Nacka	500	100	0	-0
Atrium Ljungberg Blästern 15 AB	559376-8145	Nacka	1,000	100	23	22
Atrium Ljungberg Bohus 9 AB	559299-9774	Nacka	500	100	13	1
Atrium Ljungberg Borgarfjord 3 AB	556755-8076	Nacka	1,000	100	51	13
Atrium Ljungberg Bostad AB	559122-1378	Nacka	500	100	17	1
Atrium Ljungberg Bostadsrättsförvaltning AB	559198-3365	Nacka	500	100	0	0
Atrium Ljungberg Cambridge 1 AB	559339-5949	Nacka	500	100	0	0
Atrium Ljungberg Cambridge 2 AB	559339-6004	Nacka	500	100	0	0
Atrium Ljungberg Citadellet AB	556994-4878	Nacka	500	100	50	3
Atrium Ljungberg Conditor 1 AB	559155-0404	Nacka	500	100	0	0
Atrium Ljungberg Conditor 2 AB	559155-0487	Nacka	500	100	0	0
Atrium Ljungberg Conditor 3 AB	559155-0479	Nacka	500	100	0	0
Atrium Ljungberg Dimman AB	556659-3231	Nacka	1,000	100	49	3
Atrium Ljungberg Eken 14 AB	556602-0649	Nacka	1,000	100	4	1
Atrium Ljungberg Eken AB	556948-7555	Nacka	500	100	45	-8
Atrium Ljungberg Fanny Udde AB	559198-3407	Nacka	500	100	1	1
Atrium Ljungberg Fatburssjön AB	556021-7506	Nacka	1,500	100	0	-1
Atrium Ljungberg Formalin AB	559312-9934	Nacka	500	100	0	0
Atrium Ljungberg Gillevägen AB	559196-3508	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Entré AB	556781-3091	Nacka	1,000	100	54	13
Atrium Ljungberg Gränby Köpstad AB	556731-8265	Nacka	1,000	100	27	4
Atrium Ljungberg Gränby Park 1 AB	559196-3540	Nacka	500	100	4	2
Atrium Ljungberg Gränby Park 2 AB	559194-8905	Nacka	500	100	0	-54
Atrium Ljungberg Gränby Park Holding AB	559172-9024	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Port AB	559198-3340	Nacka	500	100	0	0
Atrium Ljungberg Hallvägen AB	559155-0453	Nacka	500	100	4	1
Atrium Ljungberg Holding 11 AB	559332-9765	Nacka	500	100	0	-0
Atrium Ljungberg Holding 12 AB	559332-9757	Nacka	500	100	0	-0
Atrium Ljungberg Holding 13 AB	559332-9740	Nacka	500	100	0	-0
Atrium Ljungberg Hälsingegatan AB	556877-5687	Nacka	500	100	33	10
Atrium Ljungberg Impluvium 14 AB	556065-3023	Nacka	1,000	100	99	2
Atrium Ljungberg Impluvium 15 AB	559281-7059	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 16 AB	559281-7125	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 17 AB	559281-7117	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 23 AB	559302-2352	Nacka	500	100	0	0

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31 Dec 2022	31 Dec 2021	31 Dec 2022	2022
Atrium Ljungberg Impluvium 25 AB	559306-2564	Nacka	500	100	1	0
Atrium Ljungberg Impluvium 28 AB	559344-5355	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 29 AB	559344-5413	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 30 AB	559344-5405	Nacka	500	100	0	0
Atrium Ljungberg Impluvium 31 AB	559344-5397	Nacka	500	100	0	0
Atrium Ljungberg Kista NOD AB	556745-5182	Nacka	1,000	100	78	6
Atrium Ljungberg Kv 3 AB	559315-8529	Nacka	500	100	0	0
Atrium Ljungberg Kv 4 AB	559315-8511	Nacka	500	100	0	0
Atrium Ljungberg Kv 5 AB	559315-8545	Nacka	500	100	0	0
Atrium Ljungberg Kv 6 AB	559312-9843	Nacka	500	100	0	0
Atrium Ljungberg Kv 7 AB	559312-9900	Nacka	500	100	0	0
Atrium Ljungberg Kv 8 AB	559312-9892	Nacka	500	100	140	0
Atrium Ljungberg Kvarngärdet 33:2 AB	556710-7189	Nacka	100,000	100	77	2
Atrium Ljungberg Kyrkviken 1 AB	559117-6408	Nacka	500	100	4	0
Atrium Ljungberg Kyrkviken AB	556781-3083	Nacka	1,000	100	1	-1
Atrium Ljungberg Kyrkviken Holding AB	559117-6424	Nacka	500	100	2	0
Atrium Ljungberg Life City AB	559065-7713	Nacka	500	100	74	25
Atrium Ljungberg Lindholmshamnen AB	559183-6357	Nacka	500	100	1	0
Atrium Ljungberg Lindholmspiren KB	969646-1509	Nacka	E/T	100	192	35
Atrium Ljungberg M2 AB	556994-4910	Nacka	500	100	71	4
Atrium Ljungberg Malmen AB	556165-6553	Nacka	1,000	100	14	1
Atrium Ljungberg Mark Holding AB	559117-6416	Nacka	500	100	2	0
Atrium Ljungberg Mälarterassen AB	559198-3332	Nacka	500	100	0	0
Atrium Ljungberg Nobelberget Holding 1 AB	559196-3516	Nacka	500	100	220	-5
Atrium Ljungberg Nobelberget Holding 2 AB	559315-8503	Nacka	500	100	0	-0
Atrium Ljungberg Panncentralen AB	559312-9884	Nacka	500	100	0	0
Atrium Ljungberg Parkering AB	559198-3449	Nacka	500	100	0	-0
Atrium Ljungberg Pisa 19 AB	559299-9709	Nacka	500	100	0	-0
Atrium Ljungberg Planiavägen AB	556815-7852	Nacka	50,000	100	17	3
Atrium Ljungberg Platsmark AB	559402-2377	Nacka	500	100	0	-0
Atrium Ljungberg Projektutveckling AB	559198-3423	Nacka	500	100	1	0
Atrium Ljungberg Resan AB	556948-4529	Nacka	1,000	100	3	0
Atrium Ljungberg S:t Eriksgatan AB	556914-0782	Nacka	50,000	100	19	2
Atrium Ljungberg Sickla 1 Holding AB	559315-8495	Nacka	500	100	20	19

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31 Dec 2022	31 Dec 2021	31 Dec 2022	2022
Atrium Ljungberg Sickla Front 1 AB	559198-3399	Nacka	500	100	12	2
Atrium Ljungberg Sickla Front 2 AB	559312-9876	Nacka	500	100	0	0
Atrium Ljungberg Sickla Industrifastigheter Holding AB	559187-7658	Nacka	500	100	239	106
Atrium Ljungberg Sickla Station AB	556781-3075	Nacka	1,000	100	2	-6
Atrium Ljungberg Skotten AB	556948-4537	Nacka	1,000	100	13	7
Atrium Ljungberg Slakthuset 1 AB	559184-9616	Nacka	50,000	100	2	-0
Atrium Ljungberg Slakthuset 13 AB	559184-9657	Nacka	50,000	100	14	4
Atrium Ljungberg Slakthuset 15 AB	556605-2386	Nacka	1,000	100	30	2
Atrium Ljungberg Slakthuset 16 AB	559184-9665	Nacka	50,000	100	1	1
Atrium Ljungberg Slakthuset 2 AB	556833-4535	Nacka	500	100	22	22
Atrium Ljungberg Slakthuset 22 AB	559184-9673	Nacka	50,000	100	2	0
Atrium Ljungberg Slakthuset 23 AB	559311-4985	Nacka	500	100	0	0
Atrium Ljungberg Slakthuset 32 AB	559184-9798	Nacka	50,000	100	1	1
Atrium Ljungberg Slakthuset 39 AB	559184-9780	Nacka	50,000	100	0	0
Atrium Ljungberg Slakthuset 40 AB	559184-9814	Nacka	50,000	100	2	0
Atrium Ljungberg Slakthuset 41 AB	559184-9806	Nacka	50,000	100	2	0
Atrium Ljungberg Slakthuset 48 AB	559184-9830	Nacka	50,000	100	2	-0
Atrium Ljungberg Slakthuset 49 AB	559184-9822	Nacka	50,000	100	4	0
Atrium Ljungberg Slakthuset 5 AB	559340-8254	Nacka	500	100	0	0
Atrium Ljungberg Slakthuset 6 AB	559184-9624	Nacka	50,000	100	2	0
Atrium Ljungberg Slakthuset 63 AB	559187-7625	Nacka	500	100	0	0
Atrium Ljungberg Slakthuset 7 AB	559184-9632	Nacka	50,000	100	1	-0
Atrium Ljungberg Slakthuset 8 AB	559184-9640	Nacka	50,000	100	1	0
Atrium Ljungberg Slakthuset Holding 1 AB	559183-0301	Nacka	500	100	0	-2
Atrium Ljungberg Slakthuset Holding 2 AB	559183-0319	Nacka	500	100	1	-0
Atrium Ljungberg Slakthuset Holding 3 AB	559183-0285	Nacka	500	100	1	-8
Atrium Ljungberg Stadsutveckling AB	559340-8411	Nacka	500	100	0	-0
Atrium Ljungberg Stanford 1 AB	559299-9766	Nacka	500	100	0	-0
Atrium Ljungberg Stanford 2 AB	559299-9758	Nacka	500	100	0	0
Atrium Ljungberg Stiftare AB	559155-0396	Nacka	500	100	0	-0
Atrium Ljungberg Stora Katrineberg AB	556600-3843	Nacka	1,000	100	29	12
Atrium Ljungberg The Point AB	559165-9916	Nacka	500	100	26	1
Atrium Ljungberg Tomtmark AB	556948-4545	Nacka	1,000	100	1	0
Atrium Ljungberg Tranbodarne 13 AB	556754-7947	Nacka	1,000	100	53	-0

Parent company, Indirectly owned companies ¹⁾	Corporate ID no.	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31 Dec 2022	31 Dec 2021	31 Dec 2022	2022
Atrium Ljungberg Uddvägen AB	556781-3067	Nacka	1,000	100	-79	-30
Atrium Ljungberg VA AB	559402-2419	Nacka	500	100	0	-0
Atrium Ljungberg Wave Hagastaden AB	559187-7633	Nacka	500	100	0	0
Bostadsrättsföreningen Blomsterkungen	769640-0857	Nacka	E / T	100	0	0
Bostadsrättsföreningen Kulturtrappan	769640-7894	Nacka	E / T	100	0	-0
Fastighets AB Brogatan	556060-5536	Nacka	1,000	100	-1	-7
Fastighetsaktiebolaget Stadsgården	556029-0602	Nacka	31,993,074	100	883	-56
Fastighetsaktiebolaget Österbotten	556019-4408	Nacka	1,250	100	1	-0
Fatburstrappan Väst AB	556622-5966	Nacka	1,000	100	56	13
Gränby Centrum AB	556409-6708	Nacka	100	100	84	31
Impluvium Tretton AB	556781-3109	Nacka	1,000	100	1	-41
Kommanditbolaget T-Bodarne	969646-1392	Nacka	E / T	100	263	62
Kommanditbolaget Wårbyriggen 1	969651-2251	Nacka	E / T	100	76	2
LjungbergGruppen Fastighets AB TX31	556688-4283	Nacka	1,000	100	62	0
Mobilia Nord AB	556745-4888	Nacka	1,000	100	32	2
Mobilia Shopping Centre AB	556412-5242	Nacka	100	100	-169	-158
Prospect & Icons AB	559137-9077	Nacka	1,000	100	0	-5
Sickla Industrifastigheter Kommanditbolag	916616-1720	Nacka	E / T	100	692	160
Tranbodarne 11 KB	959542-9472	Nacka	E / T	100	476	-18
Walls Fastighets AB	556004-9909	Nacka	6,000	100	7	0

¹⁾ Information is only provided for the companies that form part of the Group as of 31 December 2022.

GS.2 Shares in associated companies

ACCOUNTING POLICIES

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

	Number of	Share of equity, %	Book value, SEK m	
	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Dec 2021
AB FB-sjön general partner, 556605-5181, registered office in Stockholm	-	-	-	0
Barkarby Science AB, 559160-1413, registered office in Järfälla	200	14	0	0
Prospect and Icons AB, 559137-9077, registered office in Stockholm	-	-	-	2
Closing balance			0	2

PC Parent company’s accounting policies and supplementary disclosures

PC.1 Parent company’s accounting policies
GENERAL

The parent company applies the same accounting policies as the Group with the exceptions and additions regulated in the RFR 2, Reporting for legal entities recommendation issued by the Swedish Financial Reporting Board. This means that in its annual accounts for the legal entity the parent company applies all of the IFRS standards and statements approved by the EU wherever this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with reference to the link between accounting and taxation. The parent company does not apply IFRS 9, except for areas that are not exempt in accordance with RFR 2. IFRS 16 Leases is not applied by the parent company, which means that all leases are recognised as operating leases for the parent company.

DERIVATIVES

As of 31 December 2019, the parent company ceased hedge accounting of derivatives and is therefore recognising derivatives at the lower of cost or fair value. There were negative fair values as of 31 December 2022, which means that a liability of SEK 59 million (SEK 238 m) has been recognised in the balance sheet. Changes in value of SEK 179 million (SEK 424 m) have been recognised in profit under net financial expenses.

PROVISIONS AND FINANCIAL GUARANTEE
AGREEMENTS

Provisions are recognised under a separate heading in the parent company’s balance sheet. The parent company applies the relaxation rule in RFR 2 with regard to the recognition of financial guarantee agreements to the benefit of subsidiaries and associated companies, which means that IFRS 9 is not applied to such guarantee agreements. Instead, the parent company recognises a provision in respect of financial guarantee agreements when the company has an undertaking for which an outflow of resources will probably be required in order to settle this undertaking.

PC.2 Parent company’s earnings from
shares in Group companies
ACCOUNTING POLICIES

Received dividend is recognised when the shareholders’ right to receive payment has been confirmed. If it is deemed to be certain that a later decision on dividends will be decided at the upcoming Annual General Meeting in the paying subsidiary, the parent company recognises the income earlier, referred to as anticipatory dividend.

Earnings from shares in Group companies	Parent company	
	2022	2021
Dividends from subsidiaries	750	695
Impairment of subsidiaries	-22	-43
Total	728	652

PC.3 Parent company’s investment
properties
ACCOUNTING POLICIES

Properties are measured at cost less accumulated depreciation and impairment and come under the heading of Investment properties in the parent company’s balance sheet. The term investment properties includes buildings and land, land improvement, building and land-related equipment as well as work in progress.

Expenses which entail future financial benefits and where the expense can be calculated in a reliable manner have been added to cost. Ongoing maintenance which is not covered by the aforementioned description has been carried as an expense.

	31 Dec 2022	31 Dec 2021
Investment properties		
Opening cost	-	957
Sales	-	-958
Investments	-	1
Closing accumulated cost	-	-
Opening depreciation	-	-162
Sales	-	168
Depreciation for the year	-	-7
Closing accumulated depreciation	-	-
Closing residual value according to plan	-	-
Fair value, investment properties	-	-

Depreciation according to plan is charged to the operating profit/loss of the parent company. Depreciation according to plan is effected in the amount of 1% of the cost of buildings, land improvements and building equipment. The buildings are fiscally depreciated at between 2% and 4% of cost, while land improvements are depreciated at 5%. Building equipment is fiscally depreciated at 20–30% of cost. The difference between depreciation according to plan and fiscal depreciation is recognised under appropriations. Deferred tax on the difference between booked and fiscal depreciation of buildings and land improvements is recognised as deferred tax in the income statement and as a deferred tax liability in the balance sheet.

PC.4 Untaxed reserves/appropriations ACCOUNTING POLICIES

The amount allocated to untaxed reserves in the parent company comprises taxable temporary differences. The deferred tax liability attributable to the untaxed reserves in the parent company is not recognised separately due to the link between accounting and taxation. However, untaxed reserves are broken down within the Group, with 79.4% recognised as equity and 20.6% as deferred tax liabilities.

	31 Dec 2022	31 Dec 2021
Untaxed reserves		
Accumulated excess depreciation	3	6
Closing balance	3	6
Appropriations		
Excess depreciation equipment	3	14
Group contributions received/made	48	77
Total	51	92

PC.5 Proposed distribution of profit

The Board proposes the following distribution of profit to the Annual General Meeting. For more information about Board’s statement on the proposed distribution of profit, see page 126.

The following sum in the parent company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 8,881,589,006
Net profit for the year	SEK 1,024,412,208
Total	SEK 9,906,001,214

The Board of Directors proposes that the profit be distributed as follows:

That a dividend of SEK 5.30/share be paid to the shareholders	SEK 668,361,063
Carried forward	SEK 9,237,640,151
Total	SEK 9,906,001,214

¹⁾ The total amount of the proposed dividend is based on the number of outstanding shares as of 31 December 2022.

Proposed distribution of profit.

The following sum in the parent company is available for disposal by the Annual General Meeting:	
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Net profit for the year	SEK 1,024,412,208
Total	SEK 9,906,001,214
The Board of Directors proposes that the profit be distributed as follows:	
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Carried forward	SEK 9,237,640,151
Total	SEK 9,906,001,214
³⁾ The total amount of the proposed dividend is based on the number of outstanding shares as of 31 December 2022.	

Statement from the Board of Directors in accordance with Chapter 18 § 4 and Chapter 19 § 22 of the Swedish Companies Act (2005:551)

The Board of Directors, pursuant to Chapter 18 § 4 and Chapter 19 § 22 of the Swedish Companies Act (2005:551), hereby present the following statement on the Board’s proposed dividend and authorisation for the Board to resolve to buy back the company’s own shares.

The Board’s declaration that the proposals are compatible with the provisions of Chapter 17 § 3, points 2 and 3 of the Swedish Companies Act is as follows:

The nature and scope of the operations and associated risks

The nature and scope of the operations are specified in the Articles of Association and the published annual accounts. The operations conducted by the company do not entail risks over and above either those that arise or which may be expected to arise within the sector or those generally associated with commercial operations and the conduct thereof.

The financial position of the company and the Group

The financial position of the company and the Group on 31 December 2022 is shown in the 2022 annual accounts. The policies applied to the valuation of assets, provisions and liabilities are shown in the notes on pages 94–125 of the Annual Report.

The proposal from the Board of Directors on the distribution of profits includes the payment of a dividend of SEK 5.30 per share, divided into two instalments, corresponding to a total sum of approximately SEK 668 million. The proposed dividend comprises 6.4% of the parent company’s equity and 2.3% of the Group’s equity. Funds available for payment as dividends within the parent company totalled SEK 9,906 million at the end of the 2022 financial year. The record dates for the distribution of profits proposed by the Board of Directors are Friday 24 March 2023 and Friday 29 September 2023.

The annual accounts show, inter alia, that the Group’s equity ratio is 45.6%. The proposed dividend and the proposed authorisation to buy back own shares do not jeopardise fulfilment of the

investments that have been deemed necessary. The company’s financial position does not give occasion to assume anything other than that the company will be able to continue its operations and that the company can be expected to fulfil its undertakings in both the short and the long-term.

The defensibility of the dividend proposal

The Board of Directors is of the opinion, with reference to the above and to other information obtained by the Board, that the financial position of the company and the Group are such that the dividend proposal and the proposed authorisation for the buy-back of shares is justifiable with reference to Chapter 17 § 3 points 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the nature and scope of the operations and the risks it entails impose on the size of the company’s and the Group’s equity and the consolidation requirements, liquidity and position in general of the company and the Group.

Nacka, 15 February 2023

Atrium Ljungberg AB (publ)
BOARD OF DIRECTORS



Annual accounts signatures.

The Board of Directors and the CEO hereby attest that the consolidated statements and the annual accounts have been prepared in accordance with International Financial Reporting Standards

(IFRS), as adopted by the EU, and with generally accepted auditing principles, and that they provide a true and fair view of the Group’s and the company’s respective positions and results and that the

Directors’ Report for the Group and the Directors’ Report for the company are faithful representations of the development of the performance by the Group’s and the company’s operations, and of

their respective positions and results, and that they describe significant risks and uncertainty factors faced by the companies that make up the Group.

Nacka, 28 February 2023

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Château
Member of the Board

Conny Fogelström
Member of the Board

Erik Langby
Member of the Board

Sara Laurell
Member of the Board

Annica Ånäs
CEO

Our Audit Report was submitted on 28 February 2023.

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorised Public Accountant
Auditor in charge

AUDITOR’S REPORT

Unofficial translation

To the general meeting of the shareholders of Atrium Ljungberg AB, corporate identity number 556175-7047

Opinions

We have audited the annual accounts and consolidated accounts Atrium Ljungberg AB for the year 2022 except for the corporate governance statement on pages 70-79. The annual accounts and consolidated accounts of the company are included on pages 59-68 and 84-127 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report on pages 70-79. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

Atrium Ljungberg is a property group that owns, develops, and manages properties in prime locations in Stockholm, Uppsala, Gothenburg, and Malmö. The company develops vibrant urban environments where office, residential and retail mixes with culture, services, and education. The company works with innovation and the development of attractive location and city districts. The operations of the company comprise two segments, projects-and construction, and investment properties.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered areas where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Atrium Ljungberg's

case, such an area refers to the valuation of investment properties, which has also been assessed as being the area with the largest risk of material misstatements. We have examined the value of the properties as well as the associated process to determine the carrying amount and the internal control over financial reporting, routines and processes based on assessed risks. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates. We have adopted an approach where we assessed the value of all material properties in the group. A total of 92% of the total assets of the group are represented by investment properties that are valued to fair market value and is therefore the main focus area of the audit.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine

the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of

our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER

<p>Valuation of investment properties</p> <p>We refer to the Management Administration Report and the summary of Atrium Ljungberg Group's significant accounting and valuation principles as well as the changes in fair values in note A.1</p> <p>The value of the investment properties amounts to SEK 58,6 billion as of 31 December 2022. Investment properties include rental properties worth SEK 51,0 billion, project properties worth SEK 6.7 billion and land and land and development rights worth SEK 0.9 billion. The investment properties constitute a significant part of the balance sheet and the valuation of the investment properties is inherently subjective and subject to management's assessments of, for example, the specific property's location, condition and future rental income. Investment properties with major uncertainties regarding market value assessments are ongoing project properties.</p> <p>Atrium Ljungberg's valuation process is governed by an established valuation policy. The property portfolio is valued internally every quarter. The valuation is made in accordance with the international valuation standard IVS. Each property is valued individually without regard to any portfolio effect. The valuation is based on a cash flow calculation</p>	<p>with individually assessed yield requirements for each property and business. As part of ensuring that the valuation is fair, independent external valuation consultants are used, for 2022 they were Forum Fastighetsekonomi, CBRE, Cushman & Wakefield and Newsec</p> <p>Investment properties totalling 74 percent of the total market value have been externally valued during the year. The remaining properties have been internally assessed and Atrium Ljungberg's valuation team has a dialogue with the other departments within Atrium Ljungberg to ensure that the valuations contain accurate and relevant data regarding, for example, rental levels, areas, vacancies rates and an overall analysis of the development by type of property. In addition, the external valuation institutions have quality assured assumptions about market rents, operating costs, vacancies and yields for the entire portfolio.</p> <p>The importance of the estimates and judgments involved in determining the fair value, the sensitivity of the values to changes in assumptions and judgments together with the fact that the amounts are significant, make the valuation of management properties a key audit matter.</p>	<p>Our audit has, among other things, focused on the company's internal control and quality assurance relating to the process of the valuations of the investment properties. The audit team, including our valuation specialists, has reviewed, and assessed Atrium Ljungberg's valuation policy, guidelines, and valuation methods. For a selection of the investment properties, we have validated that the valuations comply with Atrium Ljungberg's valuation policy including guidelines.</p> <p>Atrium Ljungberg applies the same calculation model as the external valuation experts, which makes the company's quality assurance of the valuations more reliable. We have evaluated the external valuation expert's competence and experience to assess if there were any circumstances that could have affected their objectivity and limitations in their work.</p> <p>Furthermore, on a sample basis, we have tested the management's input to the valuation models from the company's systems. This is to ensure that the information for the property valuations that are used in the external valuation experts are correct and accurate.</p>	<p>We have held meetings with those responsible for valuation where important assumptions and assessments were discussed. Our work has focused on the largest investment properties in the portfolio, project properties and the properties where there were the highest variations in value compared to previous quarters. We have assessed the yield requirements used by external valuation experts by comparing these with estimated ranges for expected yield requirements and benchmarks with available market data for the markets concerned.</p> <p>The values are based on assessments and are inherently subject to inherent uncertainty. Based on our review, our assessment is that the assumptions used by Atrium Ljungberg are within a reasonable range. As a result of our review, we have not reported any significant observations to the Audit Committee.</p>
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Other information than the annual accounts and consolidated statements

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–18, 33–58, 69, 80–83, 151–154 and 161. Other information also consists of the Remuneration Report, which we obtained before the date of the auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and

consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Atrium Ljungberg for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of



the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Auditor's examination of the ESEF report

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Atrium Ljungberg AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Atrium Ljungberg AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and the consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statements of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance report on pages 70-79 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance report. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Atrium Ljungberg AB by the general meeting of the shareholders on the 23 March 2022 and has been the company's auditor since the 27 March 2019.

Stockholm 28 February 2023

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Häggglund
Authorised Public Accountant
Auditor in charge

S

Sustainability

S.1 General information ABOUT OUR REPORT

This Annual Report covers the financial year from 1 January to 31 December 2022. The Annual Report is published on 1 March 2023. The Annual Report comprises Atrium Ljungberg’s Sustainability Report in line with GRI Standards as well as our Communication on Progress Report for the UN’s Global Compact. This is Atrium Ljungberg’s fifth Sustainability Report in accordance with GRI Standards. The note section Sustainability comprises our voluntary sustainability report according to GRI together with the GRI index on pages 155–159. The note section sustainability also constitutes our statutory sustainability report, together with the pages 19–32 and the risk section on pages 62–68 which established in accordance with the Swedish Annual Accounts Act. The Sustainability Report covers the entire Group, see notes GS.1 and GS.2, where we directly or indirectly own 100% of the companies and their assets. Exceptions from this basic rule and the reasons for these exceptions are reported in the relevant sections. The sustainability goals are only presented for Atrium Ljungberg. Atrium Ljungberg publishes the Sustainability Report annually. The previous annual report was published on 2 March 2022. A limited assurance review has been performed by Atrium Ljungberg’s external auditors. There are some sustainability results that are also published every quarter in the financial interim reports.

CHANGES TO THE REPORT AND SCOPE

There have been no significant changes to the organisation or our supply chain. During the year Atrium Ljungberg’s property portfolio changed due to the sales, acquisitions and completion of new properties/projects. These changes do not affect the sustainability reporting appreciably, but should be considered for comparisons of energy consumption and emissions over time. If there have been any effects, they will be described in the individual notes themselves. Acquisitions and disposals have been taken into consideration in the like-for-like reporting. No significant changes in scope

or limitations of the GRI reporting have been made. New sustainability goals are presented in this year’s report. During the year we also worked on developing our Scope 3 reporting, see note S.5. We identified an error in note S.5 in the 2021 report, relating to the figure for GHG intensity. This had not been calculated correctly as data from Scope 1 and parts of Scope 3 were missing in the intensity measurement. The scope of each area is described in each section. Any retroactive changes that have been made will be described in the individual notes themselves. Some changes have been made for the calculations in S.13 Suppliers. See note S.13 for more information.

GOVERNANCE

Atrium Ljungberg’s Board of Directors establishes the overall sustainability policy for the company and related policies, which cover the following areas: business ethics, anti-corruption and whistleblowing, suppliers, equal opportunity and non-discrimination and taxes. The Supplier Code of Conduct includes human rights. Our policies are revised and updated annually. They are available in their entirety on our website. Our Sustainability Policy highlights the fact that we need to maintain a continual dialogue with the stakeholders who form part of our core business, or who are affected by it, to ensure that we have identified our most important sustainability issues. We use the results of our materiality analysis as the basis for developing our focus areas, goals and relevant policies. The Sustainability Policy emphasises the fact that these goals need to be measurable. The CEO has ultimate responsibility for ensuring the policies are observed and delegates responsibility to managers and project managers in the organisation. The sustainability work is a natural and integral part of all operations and the managers have a specific responsibility for its implementation. The executive management continually works with the goals and activities for the company’s sustainability work at its meetings, with the Head of Sustainability in attendance. The goals are monitored every quarter

or annually, while the company’s strategy and goals are evaluated and updated once a year or once every two years by the Board and management team as part of planning for the following year and the budgetary work within the company. The Board and executive management check and approve the entire Sustainability Report. Our sustainability goals are also based on the company’s values. For more information about the goals and outcomes, see pages 19, 24–31.

SUSTAINABILITY RISKS

The executive management and Board evaluate our sustainability risks at least every two years. The Board of Directors has overall responsibility for risk management, while the operational work has been delegated to the CEO and the various business areas. Our main sustainability risks involve the supplier chain, climate change, the environment and energy, bribes/corruption, and health and safety. The construction and property industry is an at-risk industry in terms of bribes and corruption. Our risks in the supplier chain include the environment, human rights and social issues. The entire construction industry contains risks associated with health and accidents, for example during demolition work and putting up scaffolding. For more information about risks and risk management, see pages 62–68. For more information about Atrium Ljungberg’s business model, strategies and role in the value chain, see pages 12–16.

S.2 Stakeholder discussions and materiality analysis

STAKEHOLDER ENGAGEMENT

Atrium Ljungberg’s most important stakeholders are customers, owners and investors, employees, suppliers and municipalities. They are all important for our value creation. It is essential for us to maintain a dialogue with stakeholders in order to provide a relevant offering. We also gain insight into their expectations of us in terms of our sustainable enterprise. Stakeholder discussions form the basis of the choice of our most important sustainability issues (see below). In 2020, we conducted in-depth discussions with stakeholders through individual interviews (either in person or digitally), where at least three representatives per stakeholder group were interviewed. Web surveys were also used to supplement these continual discussions with stakeholders. Based on the 2020 survey, we continually identify any changes in the expectations of stakeholders through our standard discussion channels, as shown in the table. To summarise, the areas that are the most important are the following; energy, emissions, suppliers, anti-corruption, employment, health, training, non-discrimination and equal opportunities. In recent years we have noticed that all stakeholders are becoming more interested in climate issues. This includes, for example, investors who are interested in sustainability-related financing and the way we work on various sustainability issues. This relates particularly to climate issues, partly because of the introduction of the EU Taxonomy. Social issues have also become more important for investors.

During the various discussions, the stakeholders are given the opportunity to highlight any sustainability issues that they consider to be a priority. Activities and lessons can also be highlighted during these discussions to help increase awareness of the continual work being carried out. Atrium Ljungberg had support from sustainability consultants during stakeholder discussions and the materiality analysis, who provided their expertise in the field.

The table below describes the issues that each stakeholder group has indicated as important, as well as the channels we use for dialogue.

Stakeholder dialogue and prioritised issues		
Primary stakeholders	Prioritised issues	Channels for dialogue
Customers	Resource efficiency and recycling	Continuous dialogue in management Annual customer survey Collaboration in projects on new production, reconstruction and green lease contracts
	Certification of buildings and communication	
	Work environment	
	Environment and climate adaptation	
Owners and investors	Governance and reporting	Feedback in connection with the sustainability assessment Investor meetings Annual strategy conference with the Board
	Anti-corruption	
	Responsible purchasing, human rights	
	Resource efficiency	
	Environment and climate adaptation	
	Certification of buildings	
Employees	Contribution for urban and social development	Employee survey Performance management process Meetings and workshops
	Resource efficiency and recycling	
	Environment and climate adaptation	
	Contribution for urban and social development	
Municipalities (society)	Professional development	Meetings and workshops Processing cases
	Environment and climate adaptation	
Suppliers	Contribution for urban and social development	Continuous dialogue in projects Dialogue for procurements and enquiries Supplier development programme
	Lower climate impact	
	Resource efficiency and recycling	
	Work environment	
	Responsible purchasing	
	Human rights	

MATERIALITY ANALYSIS AND KEY ISSUES

We have identified a number of key areas based on the Group’s strategies, our impact on the outside world, and our stakeholders’ expectations, which we have developed into four focus areas for the company’s sustainability work. The materiality analysis clearly showed that the Board, the management team and other stakeholders were all mostly in agreement about what the key areas were for Atrium Ljungberg. Changes in the market, the risk profile and new priority issues that were identified in the stakeholder discussions in 2022 show how

important these new focus areas are for the Group, and no changes have needed to be made to the focus areas themselves. The four focus areas that were adopted in 2021 and form the basis for our new sustainability goals are: climate, socially sustainable locations, sustainable employees and business ethics. The materiality analysis was carried out in several stages. The first stage was to identify the risk areas that are associated with the operations, the industry and sustainability issues. Input from the stakeholders was used at this stage as well. Priorities were then identified based on their

impact on sustainability and on Atrium Ljungberg’s business. These priorities resulted in our focus areas and our new sustainability goals.

In the work we carried out on the materiality analysis, we were able to identify not only the potential positive impact we can have on the sustainability aspects, but also the potential negative impact. The materiality analysis also formed the basis for the sustainability strategy that we have developed. The key areas, sustainability strategy and related goals for 2030 were adopted by the Board

in December 2021. The strategy and goals are reviewed on an annual basis.

We also report the outcome of the direct economic value that was generated and distributed to the various stakeholders during the year in accordance with the GRI Standards’ indicator 201–1. We base this on the <IR> framework that considers all stakeholders to be important; this is why it is natural for us to report economic value divided by stakeholder group, even though we do not consider this to be a focus area. For more information, see note S.11.

Atrium Ljungberg's focus areas						
Sustainability management of the focus areas		Climate-neutral by 2030	Socially sustainable locations	Business ethics	Employees	
Link to GRI standards	Reported GRI standards and disclosures	<ul style="list-style-type: none">• Emissions (GRI 305–1, 305–2, 305–3, 305–4): Financial implications and other risks and opportunities due to climate change. Direct and indirect greenhouse gas emissions (Scope 1, 2 and ³⁾ and emissions intensity in buildings– Energy (GRI 302–1, 302–3): Energy consumption within the organisation and energy performance in buildings	– Socially sustainable locations (S.15): metrics showing how Atrium Ljungberg will work to promote social sustainability at our locations.	<ul style="list-style-type: none">• Evaluation of suppliers in terms of working conditions and human rights (GRI 414–1): Percentage of new supplies that are evaluated with respect to social criteria• Evaluation of suppliers in terms of the environment (GRI 308–1): Percentage of suppliers that are evaluated using environmental criteria.• Anti-corruption (GRI 205–1, 205–3): Percentage of operations that are assessed for risks related to corruption as well as the number of incidents of corruption	<ul style="list-style-type: none">• Employment conditions and working conditions (GRI 401–1): Employee turnover• Health and safety (GRI 403–2): Injuries, illnesses, absence as well as work-related fatalities.• Training (GRI 404–2, 404–3): Competence provision, including programmes for continuing training and lifelong learning to support continued employability and to help employees at the end of their employment. Percentage of employees receiving regular performance and career development reviews• Diversity and equal opportunities (GRI 405-1): Composition of the Board and management team, and breakdown of other employees by sex, age group, minority group and other diversity indicators• Non-discrimination (GRI 406–1): Number of cases of discrimination	
	Why this area is important to us	The construction and property sector accounts for roughly one fifth of Sweden's emissions and greenhouse gases, as well as one third of Sweden's energy consumption. This means that it has a major negative impact on the climate. Progress needs to be made if we are going to achieve the goals we have set. This is an important issue for us if we want to remain relevant to customers, investors, suppliers and other partners.	We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. By developing mixed-use cities, we can create urban life where everyone is happy, feels safe and secure, and can be inspired – locations where people want to spend time, both now and in the future. In our role as a property owner, we have a major role to play in influencing this kind of development.	Our industry is exposed to the risk of bribery, corruption and human rights violations, which we want to prevent.	If we are to achieve good results, we need to have competent, engaged and healthy employees and provide them with a positive work environment. We want to be a stimulating organisation where the emphasis is on learning, engagement, health and safety.	
	GRI 3	Responsibilities and impact on the value chain	We cause or contribute to this impact at all stages in the value chain. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. We have a negative climate impact due to our resource utilisation. However, we are also in a position to make a positive impact through our work. For more information, see pages 15, 23–25 and 28.	We cause or contribute to this impact in our role as project developer and client. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. By working actively at our locations, we can work together with other companies, organisations and residents to make a positive contribution. For more information, see pages 15, 23, and 26–27.	We cause or contribute to this impact at all stages in the value chain. When we act as a supplier, we contribute to this impact through our business relationships and collaboration with our customers. By setting requirements both internally and externally, and working proactively, we can help mitigate risks and encourage positive development. For more information, see pages 15, 23 and 28–29.	We take responsibility for our own employees and the people who work under our roof. For more information, see pages 15, 23 and 29–31.
		Limitations in our reporting	See notes S.4 and S.5	See note S.15	See notes S.12 and S.13	See note S.9

Reporting and governance of key focus areas, cont.

Atrium Ljungberg's focus areas					
Sustainability management of the focus areas		Climate-neutral by 2030		Socially sustainable locations	
		Business ethics		Employees	
GRI 3	How we work	See the chapters on Sustainable Enterprise on page 23 and Climate-Neutral 2030 on pages 24–25		See the chapters on Sustainable Enterprise on page 23 and Socially Sustainable Locations 2030 on pages 26–27	
	What we want to achieve	The properties must be designed with care for people and the environment. They must be resource-efficient and make it easier for people to lead a sustainable life-style. We want to improve our own and our customers' resource efficiency and reduce our impact on the environment and the climate by streamlining our energy consumption, using renewable energy and reducing our greenhouse gas emissions.		We develop sustainable city districts and properties to increase the attractiveness of the areas and create value for tenants, municipalities, others who use the locations and us ourselves. The properties must be designed with care for people and the environment and help provide locations that feel safe and accessible.	
	Goal	The goal is to become climate-neutral by 2030, which is measured using two metrics: kgCO ₂ e/m ² for property management kgCO ₂ e/GFA for construction projects Emissions are reported in the Annual Report and to CDP.		Our goal is for all of our 'interconnected' locations (i.e. locations which have more than one solitary building) to have a score of 90% in the Our City index by 2030.	
	Policies	Overall Sustainability Policy and Supplier Code of Conduct.		Overall Sustainability Policy.	
	Obligations in addition to Swedish laws and guidelines	UN Global Compact and UN Sustainable Development Goals, Fossil Free Sweden, and the certification of buildings in accordance with BREEAM, BREEAM In-Use and Miljöbyggnad.		UN Global Compact, UN Sustainable Development Goals, and the certification of buildings in accordance with BREEAM and BREEAM In-Use.	
	Specific processes, projects, programmes and initiatives	Governed by established processes and steering documents, quality assurance of data through monthly or quarterly follow-up. We are involved in various industry initiatives and research projects to contribute to developments and to learn from other parties. The certification of TL Bygg in accordance with the management and product certification system BKMA.		Governed by the strategy for sustainable urban development and adopted processes with internal steering documents. By working together at a location, we can learn from our different roles and the knowledge that each of us has about the location.	
GRI 3	Evaluating governance	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. No changes were made to the governance of this focus area during the year.		The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This has resulted in no changes to the governance of this focus areas over the year.	

S.3 External initiatives and memberships

Atrium Ljungberg has decided to support a number of international conventions and initiatives, and the company is also a member of several associations and organisations presented here.

INVOLVEMENT IN INTERNATIONAL CONVENTIONS AND INITIATIVES:

- UN Global Compact
- The UN’s Sustainable Development Goals
- Universal Declaration of Human Rights
- ILO Core Conventions
- Swedish Anti-Corruption Institutes’ Code of Business Conduct¹⁾
- Swedish Construction Federation’s Code of Conduct for Legal and Appropriate Behaviour¹⁾

MEMBERSHIP IN ASSOCIATIONS AND TRADE ASSOCIATIONS:

- Swedish Property Federation (Fastighetsägarna)
- Sweden Green Building Council
- Stockholm Chamber of Commerce
- Almega
- Confederation of Swedish Enterprise
- SNS (Centre for Business and Policy Studies)
- Kultur & Näringsliv
- Swedish Building Materials Assessment (Byggvarubedömningen)
- Fossil Free Sweden
- Swedish Construction Federation¹⁾
- The Swedish Association of HRM
- Centrum för AMP
- Cradlenet

¹⁾ Applies to subsidiary TL Bygg.

S.4 Energy consumption (GRI 302)

CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports energy consumption based on total energy, as well as the different subsets based on property electricity, tenant electricity, district heating and district cooling. The amount of energy refers to the amount that has been purchased from suppliers. The values for solar cells are based on installed power. Heating and cooling, including tenant consumption in the property. Tenant electricity is estimated for tenants with their own electricity subscription. The distribution between measured and standard value electricity is shown in the table below. The standard value was calculated by using the average value for the retail, food sector and office categories, where we have onward delivery of electricity. The key performance indicator was then multiplied by the letting area in the properties where we do not have onward delivery of electricity. The Swedish Energy Agency’s key performance indicator is used for residential property since we do not have onward delivery of electricity and therefore lack the underlying data for residential property. We use weighting to an average year for district heating for each location. In previous years, fuel in the form of oil and pellets was weighted to an average year. District cooling was not weighted to an average year in 2022. The energy intensity measure includes heat, cooling and electricity, including tenants’ energy consumption,

and is measured per m². In previous years, fuel in the form of oil and pellets was included. We use the total letting area, excluding the garage, indexed by a factor of 1.15, to include the shared areas and technical areas. We use the Swedish National Board of Housing’s Building Regulations and Atemp to define the area for which a building’s energy consumption is to be calculated.

One of Atrium Ljungberg’s focus areas is to reduce energy consumption in terms of property energy per square metre by 20% from 2021 to 2030. Purchased and sold properties are calculated in relation to period of ownership. In terms of comparable properties (like-for-like figures), we use the definition that states that properties must have been owned for at least two full reporting years before they are included in the reporting in order to ensure as comparable statistics between the years as possible. Like-for-like key figures are a complement to the actual consumption, as they show change in performance that is not related to changes in the property portfolio. The energy statistics do not include our subsidiary TL Bygg or project properties. This is because the policy we use for reporting only includes our property portfolio. This data is reported in note S.5. The figures from previous years are not comparable as some minor changes have been made to the data.

In 2022 SMHI also updated its data on degree days, which affects the weighting to an average year.

DEVELOPMENT IN 2022

Energy consumption weighted to an average year decreased by 1% (6%) from 2021 when comparing like-for-like (comparable) portfolios (LFL). The actual energy consumption and energy intensity also decreased, which is a result of our active work on energy efficiency over several years. The reason for the increase in tenant electricity could be the return to workplaces after the pandemic. In 2022 we carried out energy-saving projects in our property areas. For example, we focused heavily on operational optimisation, various lighting projects, including switching to LED lights, and the construction of a new geothermal facility. Since 2019 we have not had any fuel-fired facilities in our property portfolio. For more information about our energy work, see pages 24–25.

Energy				Absolute measures use (ABS)						Like-for-like (LFL) per property type								
Code	Unit	Indicator	Description	Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
				2022	2021	2020	2022	2021	Change	2022	2021	Change	2022	2021	Change	2022	2021	Change
Elec-Abs																		
Elec-LfL	MWh	Electricity	Property electricity, measured	41,768	44,488	51,370	27,122	25,744	5%	13,098	15,040	-13%	1,408	1,389	1%	41,628	42,173	-1%
Total number of properties included in the indicator				79	72	50	58	58		15	15		4	4		77	77	
Elec-Abs																		
Elec-LfL	MWh	Electricity	Tenant electricity, measured	58,195	56,623	58,998	37,137	35,784	4%	21,058	19,924	6%	0	0	0%	58,195	55,708	4%
Total number of properties included in the indicator				61	56	39	47	46		13	12		1	1		61	59	
Elec-Abs																		
Elec-LfL	MWh	Electricity	Total tenant electricity, stand-ard value	16,232	16,321	17,545	10,752	10,917	-2%	3,813	3,813	0%	1,536	1,536	0%	16,101	16,266	-1%
Total number of properties included in the indicator				17	17	20	11	11		2	2		3	3		16	16	
DH&C-Abs																		
DH&C-LfL	MWh	Energy	Total landlord-obtained heat-ing and cooling	74,051	80,799	82,515	54,735	60,501	-10%	14,832	16,903	-12%	3,619	3,891	-7%	73,186	81,295	-10%
Total number of properties included in the indicator				75	72	53	56	56		14	14		3	3		73	73	
	MWh	Energy	Total energy use	190,246	198,230	210,427	129,746	132,946	-2%	52,801	55,679	-5%	6,563	6,816	-4%	189,110	195,442	-3%
	MWh	Energy	Total energy use (Degree day corrected)	192,041	199,509	223,598	130,775	131,489	-1%	53,343	55,236	-3%	6,784	6,804	-0%	190,902	193,529	-1%
Energy intensity	kWh/m²	Energy intensity	Energy building intensity	178	198	207	177	193	-8%	190	198	-4%	149	149	-0%	179.58	192.25	-7%

S.5 CARBON DIOXIDE EMISSIONS (GRI 305)
CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports carbon dioxide emissions in accordance with Greenhouse Gas Protocol, which internationally, is the most common method for voluntarily calculating a company’s greenhouse gas emissions. Since 2007, which is also our base year, we have been reporting the calculations of our emissions for Scope 1, 2 and 3 to CDP. Only carbon dioxide emissions are included. Carbon dioxide emissions in the base year 2007 amounted to 323 tonnes in Scope 1, 5,946 tonnes in Scope 2 and 32,048 tonnes in Scope 3. We use the principle of control based on ownership, once we have defined what is included in our carbon dioxide emissions. This means that the emissions from our tenants’ energy consumption in our properties are

reported in Scope 2 and 3. Emissions from heating consumption in Scope 1 and 2 are based on actual consumption. The emission figures for calculating emissions from electricity and district cooling have been obtained from the relevant supplier. The emission figures for district heating have been obtained from the Swedish District Heating Association, where the values from previous years have been used. We use ‘Nordisk elmix’ to calculate emissions for electricity using the location-based method and from tenants that have their own electricity subscription. Our own electricity consumption and our onward delivery of electricity to our customers are origin-labelled and generated using hydroelectricity, which produces zero carbon dioxide emissions. The remaining emissions are reported in Scope 3. In terms of waste in our property management,

we report emissions from our combustible waste fractions. Some properties have their own waste management agreements with their tenants, while a few properties do not have any data on this. In terms of our projects, we report energy consumption during the construction process. In terms of transport for our property management, we calculate the emissions that are generated from our visitors’ journeys to and from our retail hubs, which is a significant emission category downstream in the value chain. These calculations are based on a rough estimate of habits, travel patterns and the number of miles driven. The emission factor for our customers’ car journeys to and from our retail hubs corresponds to the emissions of an average private car for 2018 according to the Swedish Transport Administration. We also include emissions from

business trips by plane, train and private vehicle in Scope 3. However, carbon dioxide emissions from trains are insignificant in this context. Emissions from TL Bygg are included in Scope 1 and 2, as well as travel in Scope 3. Other items in Scope 3 do not include TL Bygg, as this would make the intensity measurement misleading. This is because TL Bygg’s emissions relate not only to Atrium Ljungberg, but also other companies and organisations; while the intensity measurement relates only to the square metres in Atrium Ljungberg’s property portfolio. The other categories in Scope 3 are not reported, as we either do not have reliable data at present or the emissions are insignificant. In the future, we are working on reporting some of the emissions from building materials purchased for tenant adaptations and refining the reporting from the building production stage.

Carbon dioxide emissions, origin and sources

Scope	Activity	Data source	Emission factor
Scope 1	Business trips using service and company cars	Data from Autoplan. Emission factor for each vehicle.	Emission factor for each vehicle
Scope 2	Electricity consumption in properties	Data from suppliers is used in market-based calculations. We use hydroelectricity with guarantees of origin, which does not produce carbon dioxide emissions. ‘Nordisk elmix’ is used for location-based calculations.	Market based: 0 g CO ₂ e/kWh
Scope 2	District cooling consumption in properties	Data from suppliers	Location based: 90 g CO ₂ e/kWh
Scope 2	District heating consumption in properties	Data from Svensk Fjärrvärme, one year time lag	Emission factor for each supplier
Scope 2	District heating consumption in properties	Emission factor for each supplier.	Emission factor for each supplier
Scope 3	Business trips by air and train	Data from our travel agency Egencia, in accordance with STS standard.	Emission factor for each supplier
Scope 3	Business trips by air and train	kg CO ₂ e STS standard for each trip	kg CO ₂ e STS standard for each trip
Scope 3	Private vehicle used for work	Internal data from the finance system for mileage payments for business trips using a private car	149 g CO ₂ e/km
Scope 3	Private vehicle used for work	Emission factor from the Swedish Transport Administration.	149 g CO ₂ e/km
Scope 3	Visitors to retail hubs	Estimated distance driven based on travel habits and customer surveys, and the emission factor from the Swedish Transport Administration.	149 g CO ₂ e/km
Scope 3	Visitors to retail hubs	149 g CO ₂ e/km	149 g CO ₂ e/km
Scope 3	Estimated tenant electricity	An estimate is used for tenants with their own electricity subscription, while Nordisk elmix is used for emission factors.	90 g CO ₂ e/kWh
Scope 3	Energy consumption projects	Data from Swedish district heating.	Emission factor for each supplier
Scope 3	Waste tenants, combustible	IVL Climate impact from various waste fractions.	0.2 kgCO ₂ e/kg

DEVELOPMENT IN 2022

Atrium Ljungberg’s carbon dioxide emissions are primarily generated from heating the properties and from transport to our locations. In 2022 carbon dioxide emissions per square metre from Scopes 1, 2 and 3 amounted to 11.4 kg CO₂e/m² (4.5), which was an increase on the previous year. This is because we have expanded our reporting of waste from our tenants and energy consumption in our projects. The number of visitors also increased during the year.

In the table below, the total emissions are only in the Absolute measures use (ABS) column, while Like-for-like only includes energy-related emissions. This is because emissions, except for energy, cannot be traced back to the various building categories. Atrium Ljungberg Total therefore only relates to energy-related emissions.

This means that the intensity figure for the year 2021 does not include Scope 1 or transport, but

only energy-related emissions, which were identified retrospectively.

Most of our properties use district heating as their heat source. Carbon dioxide emissions from district heating and their environmental load depend on the fuel used by our district heating suppliers. Most of the energy used for district heating production in Sweden is either renewable or recycled. We

report our climate impact using the CDP tool and was awarded a B score.

For more information about our work during the year, see pages 24–25.

Greenhouse gas emissions

Greenhouse gas emissions				Absolute measures use (ABS)			Like-for-like (LFL) per property type (only relates to emissions for energy consumption)											
				Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator		2022	2021	2020	2022	2021	Change	2022	2021	Change	2022	2021	Change	2022	2021	Change
GHG-Dir-Abs	Tonne CO ₂ e	Direct	Scope 1	180	408	238	–	–	0%	–	–	0%	–	–	0%	–	–	
GHG-Dir-LfL			Scope 2	2,949	3,244	4,636	1,702	1,904	–11%	913	1,019	10%	281	265	6%	2,896	3,189	–9%
GHG-Indir-Abs		Other indirect	Scope 3	9,890	7,804	6,625	968	655	48%	343	229	50%	138	92	50%	1,449	976	48%
GHG-INDIR-LfL			GHG Intensity	11.4	4.1*	6.5	3.7	3.6	2%	4.5	4.3	5%	9.4	7.7	22%	4.17	4	4%
GHG-Int		kg CO ₂ e/m ²																

Scope 2 in the table has been calculated using market-based principles. Atrium Ljungberg’s Scope 2 emissions, which were calculated using location-based principles, totalled 14,595 tonnes (14,486 tonnes) CO₂e. The total number of properties is 76.
*In our work in 2022 we discovered an error in the intensity measurement in our 2021 report. Scope 1 and parts of Scope 3 were not included in this intensity measurement. The figure for 2021 is also not comparable with 2022, as we have expanded Scope 3 reporting for 2022.

FINANCIAL IMPACT OF CLIMATE RISKS AND OPPORTUNITIES

Every year we provide CDP with a rough estimate of what the financial impact of our climate risks would have on Atrium Ljungberg should they transpire. We have valued the total financial impact to be SEK 429 million in higher costs distributed as follows:

Transition risks:

- SEK 20 million in higher operating costs, primarily energy costs, due to the introduction of the carbon dioxide tax or fees.
- SEK 100 million in higher project costs and higher investment needs due to stricter building regulations and stricter requirements for lower emissions from properties.
- SEK 128 million in lower demand that could be caused by tenants not willing to renegotiate

- their contracts if we do not meet their raised expectations.
- SEK 160 million from a higher vacancy rate, leading to a decrease in income, that is caused by an uncertain market that may not be willing to pay for climate adaptation.

Physical risks:

- SEK 20 million per year in higher costs due to a higher average temperature, which leads to greater variations in the energy price.
- SEK 1 million in higher repair and maintenance costs in properties caused by higher rainfall, snowfall and storms.

The purpose of the risk and opportunity management process is to address, for example, issues such as climate risks, including physical risks

(floods and extreme weather events) and transitional risks (laws, rules and technical changes). To reduce these climate risks, we are working with certifications of our buildings, green lease contracts, and reducing energy consumption. We have made an omission in this report relating to the costs of actions to manage any risks. We are working on producing this, but do not have a complete report yet. Although inventories of climate risks were produced in 2022, we had not completed the calculation of the costs. We are also working continually on making our property portfolio climate-smart in areas where we identify any inadequacies. This is an issue that we think will be important for our customers in the future. This kind of climate change may also present opportunities that could have a positive financial impact on Atrium Ljungberg. We have estimated this to

be SEK 192 million. These opportunities include producing our own solar power, reducing operating costs by streamlining resources and lowering emissions, and by ensuring that our properties maintain a high standard, meet even stricter requirements and can contribute to climate-smart and sustainable cities. This will make them more competitive and may generate higher income. These calculations are based on financial data for 2022 and assumptions of a percentage development resulting from the impact of climate change. The calculation methods used for assessing risks differed between 2021 and 2022, which means that these figures are not comparable. For more information about our climate risks and opportunities, see our public CDP report and pages 24–25.



S.6 Water

CALCULATION METHODS AND SCOPE

Atrium Ljungberg reports water data for the properties' water consumption. 'Water' refers to water purchased from suppliers. All of Atrium Ljungberg's properties are included in the statistics, but we do

not report water consumption for all of the Group's construction sites or ongoing projects. The total number of properties with water delivery was 76 (62). Data for 2021 may differ slightly in this report as minor alterations may have been made to the meter since the reporting date.

DEVELOPMENT IN 2022

Actual water consumption increased slightly during the year, totalling 481,492 (465,340) cubic metres. This slight change could be due to acquisitions and disposals during the year. See the table below for like-for-like figures.

Water

Water			Absolute measures use (ABS)			Like-for-like (LFL) per property type											
			Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator	2022	2021	2020*	2022	2021	Change	2022	2021	Change	2022	2021	Change	2022	2021	Change
Water-Abs																	
Water-LfL	m³	Water	481,492	465,340	411,260	299,399	296,355	-1%	127,295	120,028	6%	49,026	47,283	4%	475,719	463,666	3%
Water intensity	m³/m²	Water intensity	0.44	0.46	0.39	0.40	0.44	-9%	0.45	0.43	5%	1.08	1.04	4%	0.45	0.46	-2%
		of applicable properties															
		Total number of properties included in the indicator	76	62	50	56	46		15	12		3	3		74	61	

S.7 Certified buildings

CALCULATION METHODS AND SCOPE

Environmentally certified buildings are buildings that have been awarded a sustainability certificate from an independent certification body. Atrium Ljungberg obtains environmental certifications for commercial new builds in accordance with the BREEAM environmental classification system; for existing buildings in accordance with BREEAM

In-Use; and residential buildings in accordance with Miljöbyggnad (Sweden Green Building Council's Environmental Building certification).

One of our key performance indicators is for 100% of Atrium Ljungberg's properties to be certified. When monitoring this KPI, the figure is calculated as the proportion of the letting area that is certified divided by the total letting area, excluding project

properties and buildings acquired over the past two years. However, the key performance indicator for certifications that is reported below includes buildings acquired over the past two years. The base year for both goal monitoring and the key performance indicator is 2016. In the base year of 2016, 13% of total letting was in Like-for-like (comparable) portfolios, while environmentally certified properties accounted for 13% of the total portfolio.

DEVELOPMENT IN 2022

During the year the proportion of certified buildings fell from 96% to 76%. This reduction was due to the fact that a number of existing buildings had been recertified, but had not yet received their new certificates.

		Atrium Ljungberg Total			Per certification								
Code	Indicator	Total number of environmentally certified objects			Environmental building			BREEAM-In-Use			BREEAM		
		2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Cert-tot	Number of certified assets	47	53	37	5	6	3	25	33	7	17	17	13
	Certified area (m ²)	683,141	832,778	614,314	28,385	24,620	17,100	490,396	643,798	482,302	164,360	164,360	114,912
	Certified area, share of total portfolio (%)	76	96	62	4	3	2	72	94%	41	24	20	10

S.8 Green lease contracts

Green lease contracts are contracts that have the Swedish Property Federation’s standard green appendix. This appendix is attached to the lease contract. The monitoring of this KPI includes current lease contracts as of 31 December that have a green appendix. All types of premises are included, with the exception of residential properties and garages which do not have green appendices at present. The lease value for the contracts that have a green appendix is divided by the total rental value in the same area of use. Atrium Ljungberg’s ambition is for all green contracts to have a green appendix. At the end of 2022, 67% (59%) of our contracted annual rent came under a green lease contract. This improvement is due to a continued increase in the level of interest surrounding this kind of contract among customers as well as a targeted focus from everyone in property management to include this appendix in all new and renegotiated contracts.

S.9 Employees

NUMBER OF EMPLOYEES
Calculation methods and scope
Atrium Ljungberg does not divide employees by region, but reports the Group’s employees as a whole. We only report our own employees. We only use fixed-term employment to a very limited extent, which is why they are not included in our reporting of employees. In 2022 we only had one temporary employee (2). Similarly we do not include hired consultants or suppliers who work full time or part time under our roof. The reason for this is that it is the suppliers, as employers, who are responsible for them, so we do not have access to their health and safety data. The reports in the following tables in note S.9 refers to the number of people at the end of the year, except for the first table that shows the average number of employees. We report data for employee turnover and employees divided by age and sex.

DEVELOPMENT IN 2022

At the end of 2022 the Group had 316 (331) employees, of whom 100% (100%) had collective agreements. We almost only hire employees on a permanent and full-time basis. The average number of employees amounted to 316 (321). The workforce remains relatively evenly distributed during the year, except during the summer when summer workers are employed, particularly in administration. For more information, see pages 30–31.

Average number of employees, distributed by gender

	The Group			Parent company		
	2022	2021	2020	2022	2021	2020
Men	213	221	234	117	120	125
Women	103	100	98	93	90	86
	316	321	333	210	210	211

Employee turnover

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Year’s change in number of employees									
Number of employees at the start of the year	227	104	331	237	103	340	239	95	334
New hirings	14	16	30	24	13	37	24	19	43
Resignations	31	14	45	34	12	46	26	11	37
Number of employees at the end of the year	210	106	316	227	104	331	237	103	340
New employees									
under 30	1	1	2	5	3	8	8	3	11
30–49	10	13	23	13	9	22	13	15	28
50 and above	3	2	5	6	1	7	3	1	4
Total	14	16	30	24	13	37	24	19	43
Resignations									
under 30	2	0	2	3	0	3	3	0	3
30–49	20	10	30	21	8	29	18	11	29
50 and above	9	4	13	10	4	14	5	0	5
Total	31	14	45	34	12	46	26	11	37


Employees divided by form of employment and employment type

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Form of employment									
Skilled employees	89	5	94	97	7	104	98	5	103
Administrative employees	121	101	222	130	97	227	139	98	237
Number of employees at the end of the year	210	106	316	227	104	331	237	103	340
Type of employment									
Full-time	208	106	314	226	103	329	236	102	338
Part-time	2	–	2	1	1	2	1	1	2
Total	210	106	316	227	104	331	237	103	340

Employees divided by age and sex

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Age distribution all employees									
under 30	12	9	21	16	8	24	25	7	32
30–49	111	69	180	128	74	202	136	77	213
50 and above	87	28	115	83	22	105	76	19	95
Total	210	106	316	227	104	331	237	103	340
Age distribution executive management									
under 30	–	–	–	–	–	–	–	–	–
30–49	1	1	2	2	2	4	3	2	5
50 and above	2	3	5	–	2	2	–	1	1
Total	3	4	7	2	4	6	3	3	6
Age distribution other managers and employees									
under 30	12	9	21	16	8	24	25	7	32
30–49	110	68	178	126	72	198	133	75	208
50 and above	85	25	110	83	20	103	76	18	94
Total	207	102	309	225	100	325	234	100	334
Age distribution Board of Directors									
under 30	–	–	–	–	–	–	–	–	–
30–49	–	–	–	1	1	2	2	1	3
50 and above	4	2	6	3	1	4	2	1	3
Total	4	2	6	4	2	6	4	2	6
Gender distribution									
Board of Directors	4	2	6	4	2	6	4	2	6
Executive management	3	4	7	2	4	6	3	3	6
Mid-level management	27	12	39	28	13	41	31	13	44
Other	180	90	270	197	87	284	203	87	290
Total	214	108	322	231	106	337	241	105	346

**SICK LEAVE AND ACCIDENTS****Calculation methods and scope**

Only our own employees are included in the statistics for sick leave and accidents. In our calculations, we combine the working hours for Atrium Ljungberg, 413,716 hours (405,361) with the working hours for TL Bygg, 230,392 hours (240,786). In 2022 this came to a total of 644,107 hours (646,147). Day refers to contracted work days, not calendar days. The accident rate is reported per one million working hours.

DEVELOPMENT IN 2022

The Group's sick leave was 3.5% in 2022 (3.2%). The number of work-related accidents increased slightly. There were no serious accidents. There were no (0) fatalities. Our systematic work environment management complies with and is based on the following laws; Work Environment Act, Working Hours Act, Work Environment Ordinance, Provisions from the Swedish Work Environment Authority, National Insurance Act, Discrimination Act, Collective Agreements, etc.

For more information about our employees, see pages 30–31.

Sick leave by sex, % of total contracted working hours

	2022	2021	2020
Men	3.9%	3.6%	3.8%
Women	2.6%	2.1%	2.4%
Total absence	3.5%	3.2%	3.4%

Sick leave, % by age and sex

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
under 30	5.2	3.6	4.5	3.6	4.0	3.8	4.2	6.3	4.6
30–49	3.1	2.3	2.8	3.0	1.6	2.5	3.5	2.1	3.0
50 and above	4.8	2.9	4.4	4.6	2.9	4.2	4.2	2.4	3.9
Total	3.9	2.6	3.5	3.6	2.1	3.2	3.8	2.4	3.4

Accidents and related absence

	2022			2021			2020		
	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures
Number of									
Accidents with sick leave	2	–	9	4	–	160	4	–	425
Sickness or other ill health	2	1	39	–	–	–	–	–	–
Accidents without sick leave	7	–	–	9	–	–	11	–	–
Near accidents	3	–	–	9	–	–	21	–	–
Commuting accident ¹⁾	7	1	2	1	–	–	4	2	1
Total	21	2	50	23	–	160	40	2	426

¹⁾ A commuting accident is an accident that takes place outside of working hours, on the way to and from work.

Work-related accidents and accident rate (LTIR)*

	2022		2021		2020	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Atrium Ljungberg	3	7.3	1	2.5	1	2.5
TL Bygg	3	13.0	3	12.5	4	15.3
Total	6	9.3	4	4.6	4	5.9
Men	6	13.6	4	6.7	4	8.4
Women	–	–	–	–	–	–
Total	6	9.3	4	4.6	4	5.9

*The accident rate is reported per one million working hours.

Lost working hours as a result of a work-related accident or illness (Lost Day Rate)

	2022		2021		2020	
	No. of days	Rate	No. of days	Rate	No. of days	Rate
Atrium Ljungberg	8	0.0	146	0.0	–	–
TL Bygg	42	0.0	14	0.0	425	0.0
Total	50	0.0	160	0.0	425	0.0
Men	50	0.0	160	0.0	425	0.0
Women	–	–	–	–	–	–
Total	50	0.0	160	0.0	425	0.0

S.10 EU Taxonomy

ACCOUNTING POLICIES
Atrium Ljungberg’s EU Taxonomy reporting is voluntary as the company is not under any legal requirement to do so.

ELIGIBILITY
The taxonomy applies to all of Atrium Ljungberg’s turnover, i.e. Rental income and Net sales, project and construction work in the consolidated income statement, as they can be related to one of the economic activities that the EU Taxonomy has established for the construction and real estate industry. These activities are 7.1 ‘Construction of new buildings’, 7.2 ‘Renovation of existing properties’ and 7.7 ‘Acquisition and ownership of buildings’. Both investments/acquisitions and operating expenses

have been assessed to be 100% taxonomy-eligible as they can be related to one of the economic activities 7.1, 7.2 or 7.7, except for investments in other property, plant and equipment, which are not eligible. Total investments and acquisitions include acquisitions and investments in held properties, see the Change in investment properties table in note A.1, and Investments in other property, plant and equipment, note A.3. Total operating expenses include costs that are directly attributable to the daily maintenance of the properties and costs that are essential for maintaining the function and purpose of the properties. This therefore includes costs for property care, ongoing repairs and maintenance, which are recognised in property costs in the consolidated income statement.

ALLOCATION
- Turnover: Rental income is allocated to 7.7; Income from tenant-owned dwellings is allocated to 7.1; and TL Bygg’s sales are distributed between 7.1 and 7.2, depending on whether they refer to new builds or reconstructions.

- Operating expenses: We only have operating expenses that are attributable to our property management, which means that they are allocated to 7.7.

- Investments and acquisitions: Our investment properties in the balance sheet include ‘project properties’. This means that when investments refer to new builds, they are allocated to 7.1, but when they refer to reconstructions, they are allocated to

7.2. Investments in other investment properties are allocated to 7.7 as well as acquisitions.

ALIGNMENT
If a building is to be considered to be taxonomy-aligned, it has to meet the criteria to contribute substantially to one of the environmental objectives, do no significant harm to any of the other environmental objectives and meet the minimum social safeguards.

Criteria for a substantial contribution
For our 2022 reporting, we have only reported on one environmental objective: climate change mitigation.

		Criteria for a substantial contribution								Criteria for ‘doing no significant harm’ (DNSH)								Proportion of sales that are taxonomy-aligned 2022, %	Category (enabling)	Category (transitional)
		Total sales, SEK m	Proportion of sales, %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Social minimum safeguards, Y/N				
Turnover	Code																			
A. Activities that are taxonomy-eligible																				
A.1 Activities that are taxonomy-aligned																				
Construction of new buildings	7.1	124	4%	100%						–	Y	Y	Y	Y	Y	Y	4%	–	–	
Acquisition and ownership of buildings	7.7	609	19%	100%						–	Y	–	–	–	–	Y	19%	–	–	
Total taxonomy-aligned A.1		733	23%														23%			
A.2 Eligible, but not taxonomy-aligned																				
Construction of new buildings	7.1	390	12%																	
Renovation of existing buildings	7.2	71	2%																	
Acquisition and ownership of buildings	7.7	1,941	62%																	
Total eligible, but not taxonomy-aligned A.2		2,402	77%																	
Total A1+A2		3,135	100%															23%		
Activities that are not taxonomy-eligible																				
Turnover that is not taxonomy-eligible B		–	0%																	
Total A+B		3,135	100%																	

The properties assessed as being aligned with the taxonomy’s requirements pursuant to activity 7.1 must have a primary energy figure that is 10% better than the current figure from BBR (Boverket’s building regulations), and this must be confirmed by an energy calculation or an energy performance certificate if the building is complete.

The properties assessed as being aligned with the taxonomy’s requirements pursuant to 7.2 must either achieve an energy performance in accordance with the requirements of BBR (Boverket’s building regulations) or have an energy saving of at least 30% based on an energy calculation or an energy performance certificate if the building is complete.

The properties that have been assessed as being aligned with the taxonomy’s requirements pursuant

to 7.7 must have an energy performance certificate 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).

Criteria for ‘do no significant harm’ (DNSH)

In order to meet the requirements for doing no significant harm, we have made certain assumptions when assessing whether they are aligned. For 7.1 and 7.2 we have assumed that we met the requirements as a result of the following activities: - A third-party inventory has been produced for climate risks. This has been carried out pursuant to the requirements set out in the taxonomy using two different climate scenarios. If risks have been identified,

work is being carried out to produce an action plan, where we will describe the adaptation solutions that will be implemented within five years.

- The building is being built/rebuilt in accordance with the requirements in the environmental certification and therefore meets the requirements set out in the taxonomy for mixer taps, toilets and showers. Environmental programmes are in place to manage water-related issues at the location.

- For waste, we ensure that a minimum of 70% is prepared for recycling and that we follow an environmental programme in order to prevent waste. Designs take flexibility into consideration, as stipulated in the requirements for the environmental programme.

- Chemicals are handled in accordance with

the Swedish Building Materials Assessment (Byggsvarubedömningen) and work is being carried out to develop the monitoring work for this. Land investigations are carried out and the environmental programme covers issues linked to pollution during the construction period.

For 7.1, an environmental impact assessment must have been carried out and measures have to be taken if there is sensitive biodiversity in the area. For 7.7, a third-party inventory was produced to identify climate risks, pursuant to the requirements set out in the taxonomy using two different climate scenarios. If risks have been identified, work is being carried out to implement adaptation solutions that will be implemented within five years.

Operating expenses	Code	Criteria for a substantial contribution								Criteria for ‘doing no significant harm’ (DNSH)								Proportion of operating expenses that are taxonomy-aligned 2022, %	Category (enabling)	Category (transitional)
		Total operating expenses, SEK m	Proportion of operating expenses, %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Social minimum safeguards Y/N				
A. Activities that are taxonomy-eligible																				
A.1 Activities that are taxonomy-aligned																				
Acquisition and ownership of buildings	7.7	25	16%	100%					–	Y	–	–	–	–	–	Y	16%	–	–	
Total taxonomy-aligned A.1		25	16%														16%			
A.2 Eligible, but not taxonomy-aligned																				
Acquisition and ownership of buildings	7.7	129	84%																	
Total eligible, but taxonomy-aligned A.2		129	84%																	
Total A1+A2		155	100%														16%			
Activities that are not taxonomy-eligible																				
Operating expenses that are not taxonomy-eligible B		–	0%																	
Total A+B		155	100%																	

Evaluation of social minimum safeguards

We work to ensure the minimum social safeguards through Atrium Ljungberg’s work on business ethics and supplier monitoring. We run our operations in accordance with international conventions, such as the UN Global Compact’s Ten Principles and the ILO’s Fundamental Conventions, and we work to contribute to the UN’s Sustainable Development Goals for 2030. We perform an annual risk review to identify and manage risks. The Board also decides on a Sustainability Policy, an Employee Code of Conduct and a Supplier Code of Conduct, which

all include social safeguards. These documents are reviewed every year. We monitor anti-corruption and whistleblowing as well, which are reported on an annual basis. In 2023 an in-depth risk analysis is being planned of the company’s impact on human rights.

DEVELOPMENT 2022

In 2022 we worked on identifying data to report on whether our properties meet the requirements in the taxonomy. There are no comparison figures, as this is the first reporting year.

Specification investments and acquisitions

Economic activity	Attributable to investment properties	- of which from acquisitions
7.1 Construction of new buildings	113	
7.2 Renovation of existing buildings	863	
7.7 Acquisition and ownership of buildings	4,664	3,724
Total	5,639	3,724

SEK 446 million out of a total of SEK 5,639 million is attributable to economic activities that are taxonomy-aligned.

	Criteria for a substantial contribution									Criteria for ‘doing no significant harm’ (DNSH)								Proportion of investments and acquisitions that are taxonomy-aligned 2022, %	Category (enabling)	Category (transition)
	Code	Total investments and acquisitions, SEK m	Proportion of investments and acquisitions, %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources, %	Circular economy, %	Pollution, %	Biodiversity and ecosystems, %	Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Social minimum safeguards, Y/N				
Investments and acquisitions																				
A. Activities that are taxonomy-eligible																				
A.1 Activities that are taxonomy-aligned																				
Construction of new buildings	7.1	113	2%	100%						–	Y	Y	Y	Y	Y	Y	2%	–		
Renovation of existing buildings	7.2	53	1%	100%						–	Y	Y	Y	Y	–	Y	1%	–		
Acquisition and ownership of buildings	7.7	280	5%	100%						–	Y	–	–	–	–	Y	5%	–		
Total taxonomy-aligned A.1		446	8%														8%			
A.2 Eligible, but not taxonomy-aligned																				
Renovation of existing buildings	7.2	810	14%																	
Acquisition and ownership of buildings	7.7	4,384	78%																	
Total eligible, but not taxonomy-aligned A.2		5,194	92%																	
Total A1+A2		5,639	100%														8%			
Activities that are not taxonomy-eligible																				
Investments and acquisitions that are not taxonomy-eligible B; other property, plant and equipment		15	0%																	
Total A+B		5,654	100%																	
A limited assurance review has been performed on this page and it does not form part of the 2022 financial statements. P.146																				

S.11 Direct economic value and tax FINANCIAL VALUE CREATION

Atrium Ljungberg creates value through its management, development and acquisition of properties in Sweden. The generated economic value mainly comprises rental income.

The generated economic value is distributed between suppliers, employees, lenders, society and the owners. Economic value distributed corresponds to economic value generated. The largest share of our distributed economic value refers to payments to suppliers for the products and services we purchase. For definitions, see pages 153–154.

	2022	2021	2020
Directly generated economic value			
Revenue	3,135	3,084	2,839
Economic value distributed			
Operating costs	940	1,016	868
Salaries and compensation to employees	288	277	281
Fees and compensation to the Board and CEO	35	31	31
Payments to financiers, net	500	378	371
Tax to society	477	355	392
Social investments	3	2	3
Dividends to shareholders	657	640	649
Total distributed economic value	2,901	2,699	2,596
Economic value — remaining in the company	234	385	242

The comparison figures deviate from the annual accounts of previous years due to the redistribution of figures between the rows.

TAXES

Atrium Ljungberg’s directly distributed economic value to society comprises taxes and leasehold fees. Taxes mainly comprise current tax, property tax, non-deductible VAT and stamp duty. The rules on these taxes are monitored carefully as this is an essential part of the commercial offer with requirements for high predictability and minimisation of administrative expenses. Within the framework of this, in its tax policy Atrium Ljungberg undertakes not to conduct aggressive tax planning. Aggressive tax planning refers to arrangements which only aim to minimise the tax without links to own business activities. The tax policy is available in its entirety on our website.

Tax	2022	2021	2020
Current tax	3	0	41
Property tax	214	182	185
Non-deductible VAT	121	129	134
Stamp duty	100	16	–
Total taxes	437	326	361
Leasehold fees	39	28	31
Total to society	477	355	392

S.12 Anti-corruption (GRI 205) CALCULATION METHODS AND SCOPE

Corruption refers to the misuse of a position of power or trust for a person’s own benefit or for the benefit of others. We report cases of corruption which concern regular employees and temporary employees. 100% of our operations have been reviewed for corruption, and the main risks identified during this examination relate to suppliers, letting and transactions.

Development in 2022

Zero (0) incidents of corruption were confirmed in 2022.

Incidents of corruption	2022	2021	2020
Number of confirmed incidents of corruption	–	–	–
Number of employees who have had to resign as a result of corruption	–	–	–
Number of collaboration agreements that have been terminated as a result of corruption	–	–	–
Legal procedures for corruption that have been brought against the organisation and our employees	–	–	–

S.13 Suppliers (GRI 308)
CALCULATION METHODS AND SCOPE
When the new goals were adopted in 2022 the definition of ‘substantial purchases’ was tightened. Having previously covered suppliers with whom Atrium Ljungberg had signed a new agreement during the year, it now refers to suppliers that invoiced a minimum of SEK 100,000 during the year or those that are framework suppliers. The risk categorisation methodology is currently being developed and is planned to be implemented in 2023. A ‘new supplier’ is a supplier that Atrium Ljungberg made substantial purchases from during the year, but that did not invoice Atrium Ljungberg in the previous year. Any volumes invoiced to TL Bygg are not included.

The assessment of suppliers is carried out by asking them to answer a self-assessment survey, based on the subject areas in our Supplier Code of Conduct, which is then evaluated digitally using a defined protocol. We have decided to focus our supplier assessments on existing suppliers rather than new suppliers, which is why audits are also being performed on existing suppliers.

Supplier checks	2022	2021	2020
Percentage of new suppliers that have signed Atrium Ljungberg’s supplier policy ¹⁾	24%	–	–
Number of existing suppliers that have been evaluated ²⁾	79	15	18
Number of audits at the supplier’s place of business ³⁾	0	0	0

¹⁾ This key performance indicator is for new suppliers from whom substantial purchases were made during the year. Subsidiaries are not included. The calculation method for substantial purchases changed from 2021 to 2022, so these figures are not comparable. In previous years the number of new agreements were reported, whereas now it is the number of new suppliers.

²⁾ This key performance indicator shows the number of suppliers that were evaluated using a digital supplier assessment of sustainability risks based on Atrium Ljungberg’s Supplier Code of Conduct. This represents 10% of the suppliers from whom substantial purchases were made.

³⁾ The audits for 2022 were postponed as we have been developing a new process for checking suppliers. We want this process to be aligned with the audits, which is why the working method for audits is currently being reviewed.

DEVELOPMENT IN 2022
In 2022 Atrium Ljungberg had 830 (981) substantial suppliers, 109 (109) of whom had framework agreements. If substantial purchases are going to be made from a supplier, they must sign the Supplier Code of Conduct. In 2022, agreements were signed with 145 (265) new suppliers; 1 (6) of whom had a framework agreement. Of these, 35 (209) signed Atrium Ljungberg’s Supplier Code of Conduct. In 2022 no audits were carried out we were focusing on our new monitoring and checking system, and screening as many suppliers as possible. It is a priority to re-start these audits in 2023. For more information about purchasing and suppliers, see pages 28–29.

S.14 Climate goals
CALCULATION METHODS AND SCOPE
Atrium Ljungberg has adopted a new goal to be climate-neutral by 2030. Although the ambition is to become climate-neutral through net zero, it may be necessary to use carbon offsetting to achieve neutrality. This goal is measured through two intensity goals: one for new builds and one for property management.

The goal for new builds is 0 kgCO₂e/GFA by 2030 and for the starting value to have halved by 2025. Calculations from the lifecycle analyses for our projects are used to measure this. The emission values from the LCA analyses tend to be product-specific, otherwise the standardised values from the Swedish National Board of Housing, Building and Planning are used. We have a baseline based on research into emissions from different building types. We did this when adopting the goals as we did not have any of our own reference projects. The projects included in the report are projects that are communicated to the market. The goal value is calculated using an average of the projects we report on. The percentage reduction or increase is calculated by comparing the starting value for the project type for each project and the actual LCA value calculated for the project. The projects are then added together to produce an average.

The goal for property management is 0 kgCO₂e/m² by 2030. This is measured in four areas: energy, transport, materials and waste, as they have the biggest impact on the climate in our property management. The properties that are included are investment properties, excluding those classified as project properties. Emissions from heating consumption are based on actual consumption. The emission figures for district heating have been obtained from the Swedish District Heating Association, where the values from previous years

have been used. We use ‘Nordisk elmix’ to calculate emissions for electricity using the location-based method and from tenants that have their own electricity subscription. In terms of transport in our property management, we calculate the emissions that are generated from our visitors’ journeys to and from our retail hubs, which is a significant emission category downstream in the value chain. These calculations are based on a rough estimate of habits, travel patterns and the number of miles driven. The emission factor for our customers’ car journeys to and from our retail hubs corresponds to the emissions of an average private car for 2018 according to the Swedish Transport Administration. We currently do not have any emission information from the materials focus area, i.e. tenant adaptations, which is why it has not been included in this year’s report. Our intention is to be able to present this information in the 2023 report.

DEVELOPMENT IN 2022
Atrium Ljungberg’s result for new builds is 388 kgCO₂e/GFA. This is a reduction of 16% on the starting value. This is mostly due to projects that chose to use lower-carbon materials and projects where materials could be saved.

The result for property management is 6.8 kgCO₂e/GFA. This metric does not include emissions for materials and this has had an impact on the result.

As this is the first reporting year, we do not have comparison figures for either metric.

S.15 Socially sustainable locations

CALCULATION METHODS AND SCOPE

Socially sustainable locations are locations that achieve a score of 90% in the Our City index. The index is divided into five focus areas and comprise measurable indicators that aim to monitor how the measures we carry out affect the location. For more information about these five focus areas and indicators, see pages 26–27 or visit al.se. The seven locations being assessed are:

- Sickla
- Slakthusområdet
- Slussen
- Hagastaden
- Gränbystaden
- Gothenburg
- Malmö

These locations account for 75% of the number of our properties, and 72% of the area in square metres that we currently have in our property management. The completion of projects will have an impact on these figures. These locations are part of an area where we have several interconnected properties, which means that we are in a better position to have an impact on the location. What is classed as ‘our locations’ in our monitoring work may change in the future as a result of acquisitions and/or disposals. We will be monitoring our goal to achieve a score of 90%, with each location assessing each indicator in the index. Each indicator in the index receives a score of 0–3 points and the total number of points scored is then expressed as a percentage. The result for this goal is presented as an average for the company, where the points of all the locations are weighted together. 2022 is the first year that we are reporting our result for the goal of socially sustainable locations. The person responsible for assessing the location in the index is the Business Development Director and/or Property Manager for each location, depending on

which phase the location is in (development and detailed development planning process or property management).

DEVELOPMENT IN 2022

In 2022 all locations were assessed and were given a result. Each indicator was therefore assessed and points were awarded. If any information or data is missing for a particular indicator, the indicator will be assessed as 0. The result for Atrium Ljungberg in 2022 is a score of 34% in the Our City index. This gives us a solid foundation on which to build towards our long-term goal. The people responsible for each indicator and location have been appointed for the work moving forwards in 2023. For more information, see pages 26–27.

S.16 Board of Directors’ signatures

The Board and CEO ensure that the Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act and the voluntary Sustainability Report has been prepared in accordance with GRI Standards.

Nacka, 28 February 2023

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Château
Member of the Board

Conny Fogelström
Member of the Board

Erik Langby
Member of the Board

Sara Laurell
Member of the Board

Annica Ånäs
CEO

S.17 Auditor’s Limited Assurance Report on Atrium Ljungberg’s Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of Atrium Ljungberg AB, corporate identity number 556175-7047

Introduction

We have been engaged by the Board and Group Management of Atrium Ljungberg AB (“Atrium Ljungberg”) to undertake a limited assurance of Atrium Ljungberg’s Sustainability Report for the year 2022. The company has defined the scope of its sustainability report on page 132, which also constitutes the statutory sustainability report.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 132 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Atrium Ljungberg has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical

information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR’s recommendation RevR 12, the Auditor’s Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Atrium Ljungberg according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in

accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm 28 February 2023

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorised Public Accountant

0

Other.

O.1 Five-year overview

Amounts in SEK m	2022	2021	2020	2019	2018
INCOME STATEMENTS					
Rental income	2,550	2,292	2,344	2,577	2,412
Net sales, project and construction work	585	792	495	233	217
Net sales	3,135	3,084	2,839	2,811	2,629
Property management costs	-843	-732	-779	-810	-764
Project and construction work costs	-560	-685	-508	-276	-246
Gross profit	1,732	1,666	1,552	1,724	1,619
- property management	1,707	1,560	1,565	1,767	1,648
- project and construction work	25	107	-13	-43	-29
Central administration	-91	-97	-91	-96	-103
- property management	-76	-82	-75	-80	-73
- project and construction work	-15	-15	-17	-16	-30
Financial income	2	1	3	2	1
Financial expenses	-425	-292	-309	-362	-303
Leasehold fees	-39	-28	-31	-34	-
Profit before changes in value	1,178	1,249	1,124	1,234	1,214
Changes in value					
Properties, unrealised changes in value	2,671	3,040	-119	2,283	2,516
Properties, realised changes in value	18	-22	-81	73	121
Financial instruments, unrealised changes in value	1,526	388	-252	-90	-70
Financial instruments, realised changes in value	-	-	-	-50	1
Profit before tax	5,393	4,656	672	3,450	3,781
Current tax	-3	-0	-41	-63	-35
Deferred tax	-1,102	-899	236	-580	-294
Profit for the year, entirely attributable to the parent company's shareholders	4,288	3,757	867	2,807	3,453

Amounts in SEK m	2022	2021	2020	2019	2018
BALANCE SHEETS					
Investment properties	58,596	50,335	46,026	47,513	43,310
Right-of-use asset, leaseholds	1,277	1,025	1,179	1,305	-
Goodwill	165	165	165	225	225
Other non-current assets	106	90	218	73	45
Long-term derivatives	1,572	138	7	82	-
Development properties	1,409	1,254	1,308	997	891
Current assets	391	501	434	411	323
Cash and cash equivalents	380	719	279	457	335
Total assets	63,898	54,227	49,615	51,062	45,128
Equity	29,141	25,541	22,668	22,784	20,696
Deferred tax liabilities	6,661	5,563	4,686	5,106	4,598
Non-current interest-bearing liabilities	25,389	20,561	18,905	20,211	18,506
Non-current finance lease liability	1,277	1,025	1,179	1,305	-
Long-term derivatives	59	238	662	348	349
Other non-current liabilities	295	267	229	222	202
Other current liabilities	1,074	1,032	1,285	1,086	777
Total equity and liabilities	63,898	54,227	49,615	51,062	45,128
CASH FLOW STATEMENTS					
Cash flow from operating activities	1,568	1,249	1,246	1,350	1,260
Cash flow from investment activities	-5,983	-1,423	725	-1,975	-348
Cash flow from financing activities	4,076	614	-2,149	748	-920
Cash flow for the year	-339	440	-178	122	-9

Five-year overview, cont.

Amounts in SEK m	2022	2021	2020	2019	2018
KEY PERFORMANCE INDICATORS					
<i>Property-related key performance indicators</i>					
Letting rate excluding project properties, %	93	91	91	94	95
Operating surplus margin, %	67	68	67	69	68
Vacancy rate, %	7	9	9	7	5
Letting area excluding garages, '000 m²	956	1,077	1,082	1,168	1,123
Investments in properties including acquisitions, SEK m	6,072	2,304	2,923	2,984	3,485
Number of properties at the end of the period	75	67	67	70	51
<i>Financial key performance indicators</i>					
Equity ratio, %	45.6	47.1	45.7	44.6	45.9
Loan-to-value ratio, %	42.3	39.9	39.9	41.7	41.9
Interest coverage ratio	3.8	5.3	4.6	4.4	5.0
Average interest on interest-bearing liabilities (at the end of the period), %	2.3	1.7	1.6	1.6	1.6
Return on equity, %	15.7	15.6	3.8	12.9	17.7
Return on equity, excluding changes in value, %	3.6	4.3	3.8	4.6	5.1
Return on total assets, %	9.9	9.6	2.0	8.0	9.3
Return on total assets excluding changes in value, %	2.2	2.4	2.3	2.7	2.7
<i>Data per share</i>					
Earnings per share, SEK	33.97	29.65	6.69	21.59	26.15
Profit before changes in values less nominal tax, SEK	9.09	9.82	8.38	9.03	8.99
Dividend (2022 proposed), SEK	5.30	5.20	5.05	5.00	4.85
Dividend pay-out ratio, %	71.4	66.2	73.0	66.9	67.6
Share dividend yield, %	3.1	2.6	2.9	2.2	3.2
Cash flow, SEK	12.42	9.86	9.62	10.38	9.54
Equity, SEK	231.09	202.20	177.46	175.48	158.64
Long-term net asset value, SEK	270.60	245.73	217.95	215.12	194.82
Current net asset value, SEK	251.81	236.02	210.56	206.62	187.61
Disposal value, SEK	223.46	198.73	170.86	171.46	155.08
Share price on 31 December, SEK	170.90	199.70	172.80	226.00	152.00
Weighted average number of shares, thousands	126,215	126,688	129,554	130,005	132,019
Number of outstanding shares at the end of the period, thousand	126,106	126,313	127,739	129,839	130,460
<i>Employees</i>					
Average number of employees	316	321	333	320	302



O.2 Definitions

Financial definitions

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.

Average interest rate duration, years

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

Average 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 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 number of outstanding shares

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

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.

Current net asset value per share, SEK

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

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.

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.

Earnings per share, SEK

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

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.

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.

Gross profit/loss project and construction work

Net sales, project and construction work minus project and construction costs.

Gross profit/loss property management

Rental income less property management costs.

Interest coverage ratio

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

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.

Long-term net asset value per share, SEK

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

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.

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

Profit before changes in value, less calculated current tax excluding loss carry-forwards, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.

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

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.

Property costs

Total property management costs, which exclude central administration.

Return on equity, %

Net profit/loss for the period as a percentage of average equity. Return on equity is used to illustrate Atrium Ljungberg's capacity to generate profit on the owners' capital in the Group.

Return on equity, excluding changes in value, %

Profit for the period excluding changes in value 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, %

Profit before tax plus interest expenses as a percentage of the average balance sheet total. Return on total assets is used to illustrate Atrium Ljungberg's capacity to generate profit on the Group's assets uninfluenced by the Group's financing.

Return on total assets excluding changes in value %

Profit before changes in value plus interest expenses as a percentage of the average balance sheet total. Return on total assets excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the Group's assets uninfluenced by the Group's financing.

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.

Property-related definitions

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.

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.

GFA, m²

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

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. Garages are 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.

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.

NRA, m²

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

Operating surplus

Refers to rental income less property management costs.

01.	02.	03.	04.	05.	06.	07.	08. Other
Definitions							
<p>Operating surplus margin, %</p> <p>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.</p>		<p>Directly generated and distributed economic value</p> <p><i>Generated value:</i> Atrium Ljungberg's net sales and changes in value.</p>			<p>environmental impact and covers, for example, energy, waste and transport. Reported figures are based on the immediately subsequent quarter.</p>		
<p>Project property</p> <p>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. Project properties also refer to buildings under construction and to undeveloped land and development rights. Reclassification from project property to completed property occurs in connection with the completion.</p>		<p><i>Distributed value:</i> Atrium Ljungberg's payments to suppliers, salaries and remuneration to employees, fees and remuneration to the Board of Directors, the CEO and senior executives, net payments to financiers, taxes and fees to society, and the dividend to the shareholders.</p>			<p>Intensity measurements, emissions kgCO₂e</p> <p>Total emissions by area. Either GFA or m².</p>		
<p>Project return, %</p> <p>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.</p>		<p><i>Payments to suppliers:</i> Operative costs for purchases of materials, products, premises and services from suppliers.</p>			<p>Like-for-like</p> <p>The energy statistics for like-for-like (comparable) properties refer to properties that must have been owned for at least two full reporting years before they are included in the reporting to make sure that statistics between the years are as comparable as possible.</p>		
<p>Property type</p> <p>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.</p>		<p><i>Salaries and compensation to employees:</i> The period's total salary and pension costs, including benefits. Employees do not include consultants or other temporary staff.</p>			<p>Lost working hours as a result of a work-related accident or illness (lost day rate)</p> <p>The number of lost work days due to work-related accident or illness, per total number of contracted work days during the year.</p>		
<p>RA, m₂</p> <p>Residential area refers to the letting area of a building for residential use.</p>		<p><i>Fees and compensation to the Board, CEO and senior executives:</i> Composed of compensation to Board members, as well as fixed salary, other compensation and pension costs for the CEO and other senior executives.</p>			<p>Scope 1,2 and 3</p> <p>A method for defining different areas when calculating greenhouse gas emissions. This method is from the international standard Greenhouse Gas Protocol.</p> <p><i>Scope 1:</i> The operations' direct emissions from sources under the control of the company.</p>		
<p>Rental value</p> <p>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.</p>		<p><i>Net payments to financiers:</i> The period's recognised interest expenses with a supplement for the consolidated capitalised interest and describes Atrium Ljungberg's total remuneration to lenders.</p>			<p><i>Scope 2:</i> The operations' indirect emissions from energy that is purchased, such as electricity, steam, heating and cooling that are generated by the producer.</p>		
<p>Vacancy rate, %</p> <p>The rental value of unlet premises divided by the rental value of the entire property portfolio. Project properties are excluded.</p>		<p><i>Tax and fees to society:</i> The total payment to the state during the period in the form of leasehold fees, as well as total taxes and charges to the Swedish state. Deferred tax is not included.</p>			<p><i>Scope 3:</i> Indirect emissions from the operations that are not covered by Scope 1 or 2. For example, purchased goods and services.</p>		
		<p><i>Dividends to shareholders:</i> The period's paid dividends.</p>			<p>Total investments/acquisitions</p> <p>The acquisition of properties and investments in new and existing properties. The 'Change in the property portfolio' table therefore includes the following rows: 'Acquisitions' and 'Investments in held properties'.</p>		
		<p>Economic value – remaining in the company: Generated value minus distributed value.</p>			<p>Total operating expenses</p> <p>Costs for property maintenance, ongoing repairs and maintenance.</p>		
		<p>Environmental building</p> <p>Environmental building is a certification system for buildings which are based on Swedish construction practice and covers energy, the indoor environment and material.</p>			<p>Total turnover</p> <p>This relates to Net sales as set out in the consolidated income statement.</p>		
		<p>Green and blue structure</p> <p>Cohesive walkways and/or environments with greenery and water. These add values, such as ecosystem services, habitats, recreation and cultural environments.</p>					
		<p>Green lease contracts, %</p> <p>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</p>					

O.3 GRI Content Index

Atrium Ljungberg has reported in accordance with the GRI Standards for the period

Abbreviations
GRI: Global Reporting Initiatives

Statement of use. Atrium Ljungberg has reported in accordance with the GRI Standards for the period [reporting period start 2022-01-01 and end 2022-12-31
GRI 1 used GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	72	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	132			
	2-3 Reporting period, frequency and contact point	132, 159			
	2-4 Restatements of information	132			
	2-5 External assurance	132, 150			
	2-6 Activities, value chain and other business relationships	4-5, 12-16, 28-29, 132			
		30-31, 141-142	a. ii and v temporary employees	Information unavailable/incomplete	We only report our own employees; temporary employees are not included in this report.
	2-7 Employees	30-31, 141-142	The entire indicator has been omitted	Information unavailable/incomplete	We only report our own employees. The reason for this is that it is the suppliers, as employers, who are responsible for them, so we do not have access to their health and safety data.
	2-8 Workers who are not employees				
		70-71, 75-77	vi. Under-represented social groups	Legal prohibitions	Specific limitations apply to the processing of sensitive personal data pursuant to Section 13 of the Swedish Personal Data Act.
	2-9 Governance structure and composition				
	2-10 Nomination and selection of the highest governance body	70-72, 77			
2-11 Chair of the highest governance body	71				
	70-71, 132	b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review	Information unavailable/incomplete	The organization is currently working on clarifying and describing these processes for its sustainability work.	
	2-12 Role of the highest governance body in overseeing the management of impacts				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	70–71, 132			
	2-14 Role of the highest governance body in sustainability reporting	70–71, 132			
	2-15 Conflicts of interest	62–68, 70–71, 76–77			
	2-16 Communication of critical concerns	29, 62, 74–75, 132			
	2-17 Collective knowledge of the highest governance body	71–72, 132			
	2-18 Evaluation of the performance of the highest governance body	71–72, 74			
	2-19 Remuneration policies	73–74			
	2-20 Process to determine remuneration	72–74			
	2-21 Annual total compensation ratio	–	The entire indicator has been omitted	Information unavailable/incomplete	Historically, this is information we have not produced. However, it is something we are currently looking into and we expect to report this data for 2023.
	2-22 Statement on sustainable development strategy	9–10, 71, 132			
	2-23 Policy commitments	20, 23, 25, 28–31, 65, 73–74, 132–133, 135			
	2-24 Embedding policy commitments	29–31, 70–73, 75, 132			
	2-25 Processes to remediate negative impacts	20, 24–25, 28–29, 31, 65, 68, 133	d. Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms e. Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback	Information unavailable/incomplete	The organization is currently working on clarifying and describing these processes for its sustainability work.
	2-26 Mechanisms for seeking advice and raising concerns	30–31, 147			
	2-27 Compliance with laws and regulations	29–31, 147			
	2-28 Membership associations	136			
	2-29 Approach to stakeholder engagement	132–135			
	2-30 Collective bargaining agreements	31, 72, 141, 143			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REQUIREMENT(S) OMITTED	REASON EXPLANATION
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	23, 133–135		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	3-2 List of material topics	23, 134–135		
GRI 3: Material Topics 2021	3-3 Management of material topics	20, 62, 65, 68, 133–135		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	147		
	201-2 Financial implications and other risks and opportunities due to climate change	139, 160		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135		
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	147		
	205-3 Confirmed incidents of corruption and actions taken	147		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	24–25, 136–137		
	302-3 Energy intensity	24–25, 136–137		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135		
GRI 305: Emissions 2016	305-1 Direct (Scope ¹) GHG emissions	138–139		
	305-2 Energy indirect (Scope ²) GHG emissions	138–139		
	305-3 Other indirect (Scope ³) GHG emissions	138–139		
	305-4 GHG emissions intensity	138–139		

			OMISSION		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	148			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	141–142			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29–31 , 143			
	403-2 Hazard identification, risk assessment, and incident investigation	29–31, 62, 65, 68			
	403-3 Occupational health services	29–31, 62, 65, 68			
	403-4 Worker participation, consultation, and communication on occupational health and safety	29–31, 62, 65, 68			
	403-5 Worker training on occupational health and safety	29–31, 62, 65, 68			
	403-6 Promotion of worker health	29–31, 62, 65, 68			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29–31, 62, 65, 68			
	403-9 Work-related injuries	143			

Atrium Ljungberg only reports the company’s own employees
Information unavailable/incomplete

We do not include hired consultants or suppliers who work full time or part time under our roof. The reason for this is that it is the suppliers, as employers, who are responsible for them, so we do not have access to their health and safety data.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Diversity and equal					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	30, 141-142			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	29-30, 147			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 133–135			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	32–33, 148			
Company-specific disclosures					
GRI 3: Material topics 2021	3–3 Management of material topics	23, 133–135			
AL-1	Water consumption	140			
AL-2	Share of certified buildings	140			
AL-3	Shere green lease	141			
AL-4	EU Taxonomy	32, 144–146			

Contact person: Saga Jernberg, Head of Sustainability,
Atrium Ljungberg
Email: saga.jernberg@al.se
Telephone: +46 (0)8 615 89 00



O.4 TCFD Index

Governance	Strategy	Risk management	Goals and measurement figures
Recommended disclosures	Recommended disclosures	Recommended disclosures	Recommended disclosures
A. Description of the Board’s oversight of climate-related risks and opportunities. See pages 62, 68, 70–71,73, 132	A. Description of the climate-related risks and opportunities the organisation has identified. See pages 27, 62, 68, 73, 132, 139	A. Description of the organisation’s processes for identifying climate-related risks. See pages 27, 62, 68, 132, 139	A. Description of the organisation’s indicators to evaluate climate-related risks and opportunities. See pages 20, 68, 132, 139
B. Description of management’s role in assessing and managing climate-related risks and opportunities. See pages 68, 70–71, 73, 132	B. Description of the impact of risks and opportunities on the organisation’s businesses, strategy and financial planning. See pages 68, 70–71, 139	B. Description of the organisation’s processes for managing climate-related risks. See pages 68, 132, 139	B. Disclosure of Scope 1, Scope 2 and, Scope 3 emissions in accordance with the Greenhouse Gas Protocol. See pages 24–25, 136–139, 148
	C. Description of the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios. See pages 68, 132	C. Description of how the aforementioned processes are integrated into the organisation’s overall risk management. See pages 62, 68, 132	C. Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. See pages 24–25, 136–139, 148



O.5 Information

To the General Meeting of Atrium Ljungberg AB, corporate identity number 556175-7047

The information we release to the market concerning Atrium Ljungberg's operations must be transparent, clear and correct in order to build market confidence in our company and our brand.

As a listed company Atrium Ljungberg is subject to the rules of the listing agreement with the Nasdaq Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is available on the company's website: www.al.se.

Regular meetings with analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information about our company, current events and operational changes.

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

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

Publication of financial information

Interim Report, January–March 2023	14 April 2023
Interim Report, January–June 2023	6 July 2023
Interim Report, January–September 2023	12 October 2023
Year-End Report 2023	February 2024
2023 Annual Report	March 2024

Annual General Meeting

The Annual General Meeting will be held on Wednesday 22 March 2023. Attendance can be in person or by proxy, and postal voting is also available. Voting rights can be exercised by sending a postal vote or by voting at the Annual General Meeting itself. Please visit our website: www.al.se for more information.

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