

Our city – where everyone thrives.





01.	02.	03.	04.	05.	06.	07.	08.
01.		03.		05.		07.	
Introduction		Rental and property market		Projects and management		Financial statements	
About Atrium Ljungberg. 3		Customer. 31		Management and project development. 42		Consolidated statements. 76	
Property areas. 4		Offices. 32		Ongoing and completed projects. 43		Parent company statements. 82	
2023 in brief. 6		Retail. 33		Planned projects. 47		Notes. 85	
Events 2023. 7		Residentials. 34				Proposed distribution of profit. 112	
CEO's statement. 8		Transaction market. 36				Signatures. 113	
Why invest? 10						Auditor's report. 114	
Our vision and business concept. 11						Sustainability notes. 117	

02.	03.	04.	05.	06.	07.	08.
02.	03.	04.	05.	06.	07.	08.
Sustainable enterprise	Rental and property market	Financing	Projects and management	Governance and control	Financial statements	Other
Sustainability targets and governance. 19	Customer. 31	Financing. 38	Management and project development. 42	Directors' report. 52	Consolidated statements. 76	Five-year overview. 139
Sustainable urban environments. 21	Offices. 32		Ongoing and completed projects. 43	Risks and risk management. 55	Parent company statements. 82	Definitions. 141
Sustainable properties and premises. 23	Retail. 33		Planned projects. 47	Statement from the Chairman. 62	Notes. 85	GRI Index. 143
Sustainable supply chains. 25	Residentials. 34			Corporate Governance Report. 63	Proposed distribution of profit. 112	TCFD Index. 148
Sustainable employees. 27	Transaction market. 36			Internal control. 67	Signatures. 113	Information. 149
Long-term sustainable investment. 29				Board of Directors. 69	Auditor's report. 114	
				Executive Management. 71	Sustainability notes. 117	

Atrium Ljungberg's Annual Report for 2023 is issued by the Board of Directors and the CEO. The statutory annual accounts are presented on pages 52–61 and 76–113. The Sustainability Report is on pages 17–22, 24–29, 61 and 117–136 and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act. This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.



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. Together with municipalities, tenants and the residents of these cities, we build vibrant and safe urban environments where offices, residentials and retail combine with services, healthcare and education.



Our property areas.

Stockholm

Stockholm is one of the fastest growing regions in Europe with 30 major development projects under way. Stockholm accounts for 80% of Atrium Ljungberg's total property value. We are represented in Sickla, Slakthusområdet, Hagastaden, Slussen, City of Stockholm, Medborgarplatsen, Sundbyberg, Liljeholmen, Barkarby and Kista.

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.

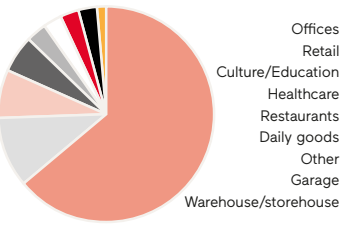
Gothenburg

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.

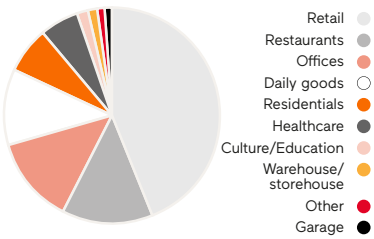
Malmö

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, residential and healthcare. We are also involved in the development of Möllevången, one of Malmö's most exciting cultural meeting places.

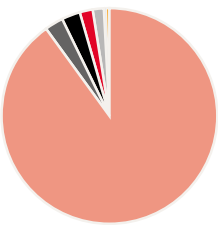
Types of premises



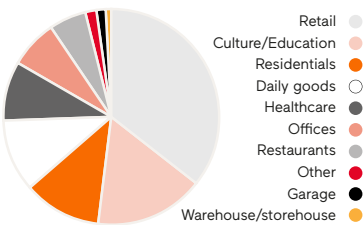
Types of premises



Types of premises



Types of premises



Total letting area, thousand m²

635

Total letting area, thousand m²

125

Total letting area, thousand m²

75

Total letting area, thousand m²

110

Property value, SEK billion

45

Property value, SEK billion

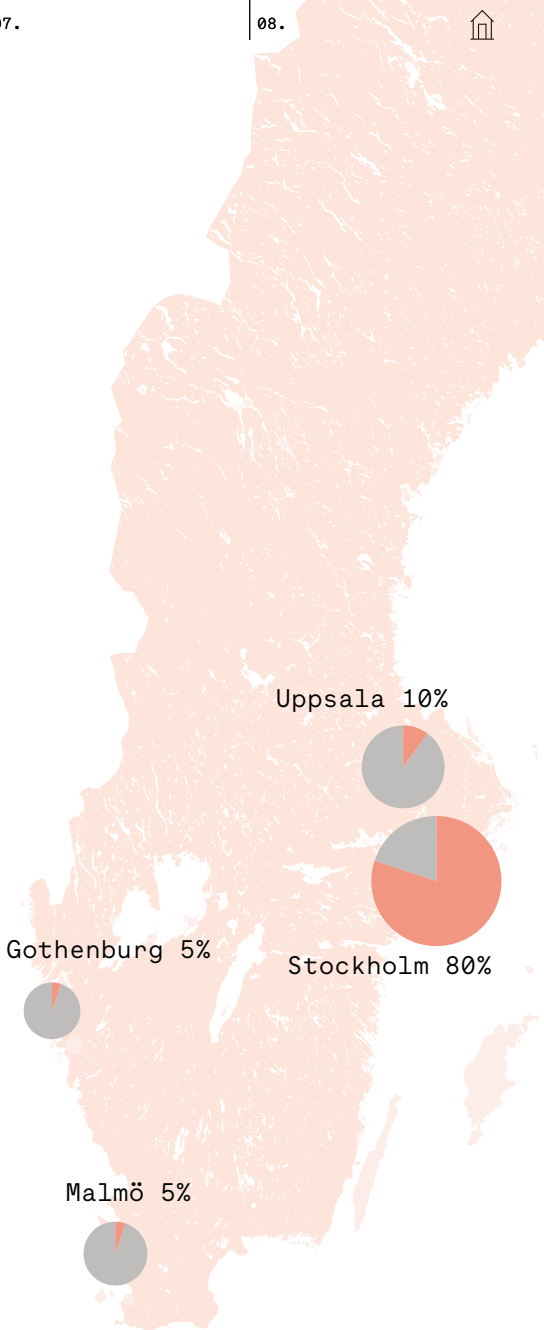
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Property value, SEK billion

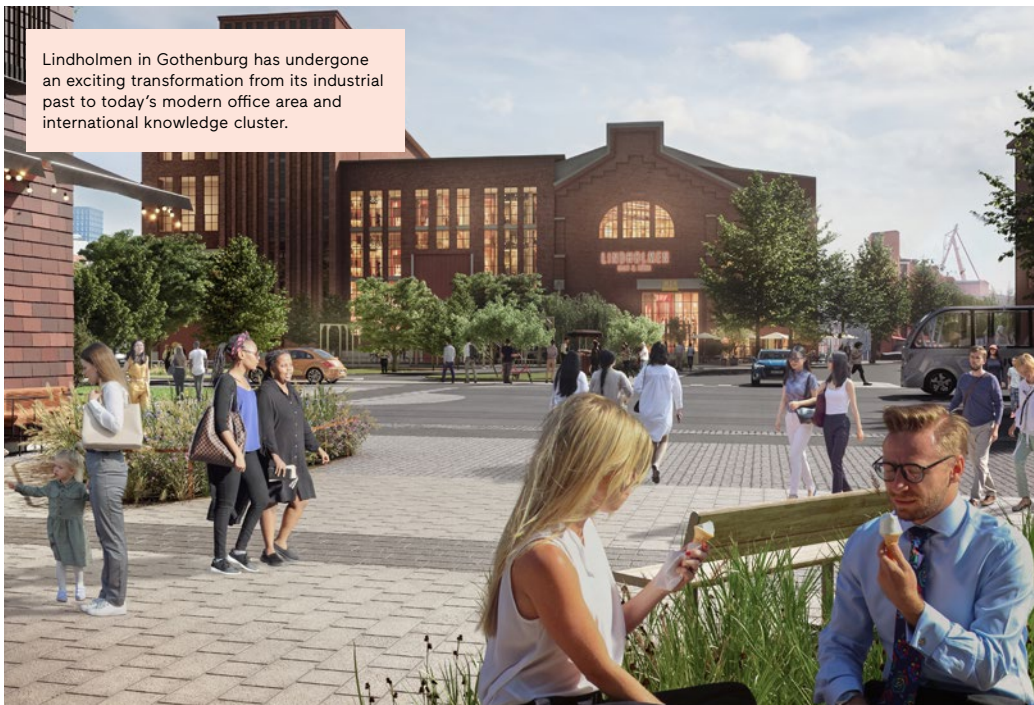
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Property value, SEK billion

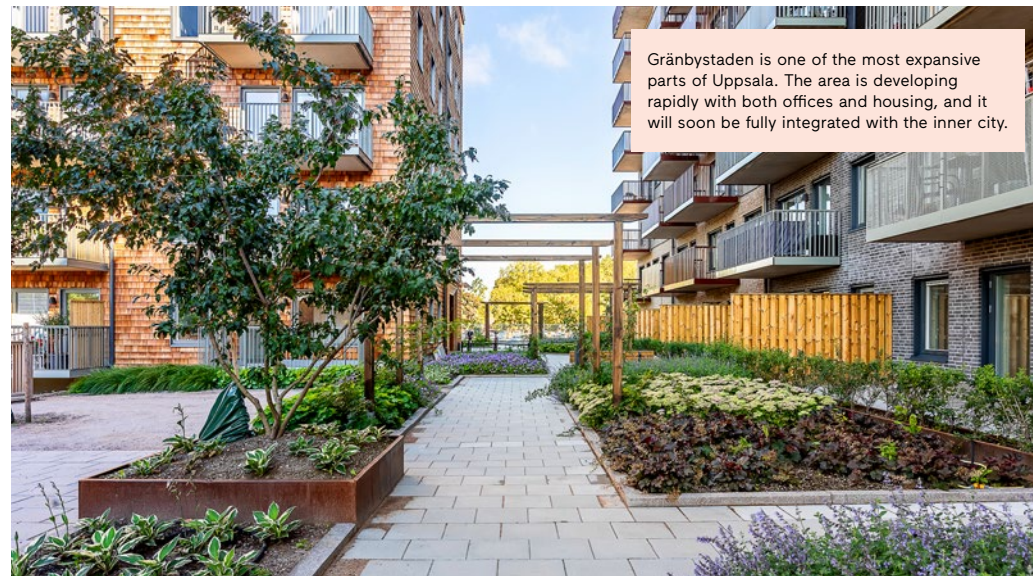
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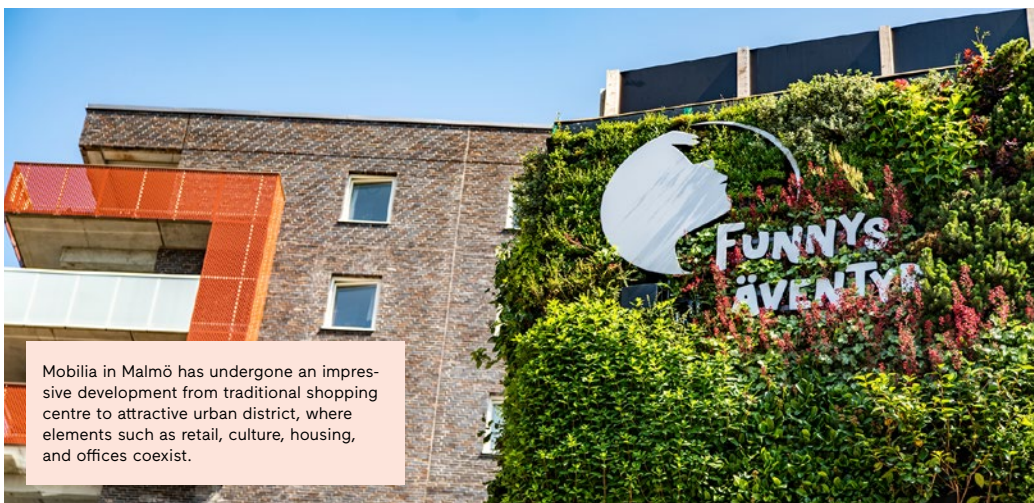
Lindholmen in Gothenburg has undergone an exciting transformation from its industrial past to today's modern office area and international knowledge cluster.



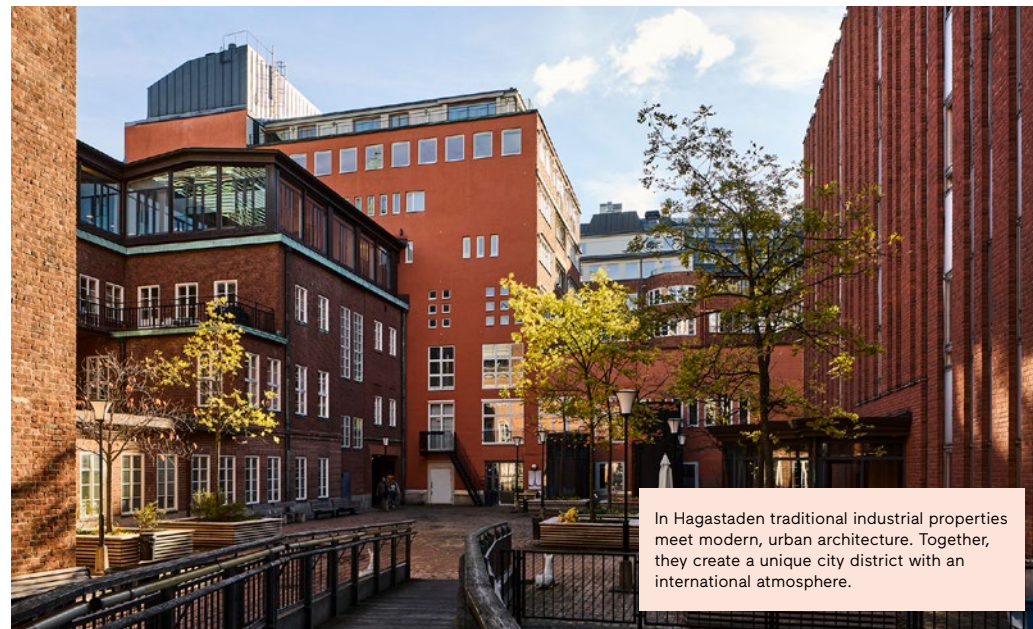
Gränbystaden is one of the most expansive parts of Uppsala. The area is developing rapidly with both offices and housing, and it will soon be fully integrated with the inner city.



Mobilia in Malmö has undergone an impressive development from traditional shopping centre to attractive urban district, where elements such as retail, culture, housing, and offices coexist.



In Hagastaden traditional industrial properties meet modern, urban architecture. Together, they create a unique city district with an international atmosphere.



2023 in brief.

- ➔ **Rental income increased** to SEK 2,821 million (SEK 2,550 m), with an increase in a comparable portfolio of 9.9% (4.4%).
- ➔ **The operating surplus** amounted to SEK 2,016 million (SEK 1,707 m), of which comparable portfolios increased by 14.4% (1.7%).
- ➔ **Net sales for project and construction work** amounted to SEK 412 million (SEK 256 m), while gross profit/loss totalled SEK 2 million (SEK –26 m).
- ➔ **Income from property management** amounted to SEK 1,365 million (SEK 1,127 m), corresponding to SEK 10.82 per share (SEK 8.93 per share).
- ➔ **Unrealised changes in the value of properties** amounted to SEK –1,658 million (SEK 2,671 m), which included project returns of SEK 24 million (SEK 1,416 m).
- ➔ **Profit for the year** amounted to SEK –954 million (SEK 4,288 m), corresponding to SEK –7.56 per share (SEK 33.97/share).
- ➔ **Net lettings** for the year amounted to SEK 53 million (SEK 115 m), of which the company terminated SEK –15 million (SEK –69 m) to pave the way for the for future projects.
- ➔ **Investments for the year** amounted to SEK 2,155 million (SEK 6,072 m) while property sales amounted to SEK 1,826 million (SEK 49 m). During the year, Parkhusen Block 2 in Gränbystaden, Uppsala, was completed, and as per 31 December SEK 35 million was recognised, corresponding to 65% of the apartments taken into possession.
- ➔ **In December the Board of Directors proposed** a new dividend policy entailing that around one-third of the income from property management will be distributed. The Board of Directors proposes a dividend of SEK 3.50 per share (SEK 5.30 per share), to be distributed on two occasions, corresponding to a dividend share of 32%.

Net lettings

SEK 53 m

Ongoing projects

SEK 8.2 b

Overview ¹⁾	2023	2022
Rental income	2,821	2,550
Project and construction work sales	412	256
Net sales, SEK m	3,233	2,806
Gross profit, SEK m	2,019	1,681
Income from property management, SEK m	1,365	1,127
Ditto SEK/share	10.82	8.93
Profit after tax, SEK m	–954	4,288
Ditto SEK/share	–7.56	33.97
Property value, SEK m	58,505	60,006
Investments, SEK m	2,155	6,072
Net lettings, excl. own terminations, SEK m	68	184
Net lettings, incl. own terminations, SEK m	53	115
Loan-to-value ratio, % ²⁾	42.5	41.7
Interest coverage ratio	3.7	3.8
Average closing interest rate, %	2.3	2.2
Long-term net asset value, SEK/share	262.11	270.60
Share price, SEK/share	231.20	170.90
Environmentally certified area (%)	72	76
Total energy intensity, kWh/m² (average year)	156	157

¹⁾ For the complete table of key performance indicators, see page 140 and for definitions, see pages 141–142.

²⁾ A new definition from Q2 2023, using net rather than gross interest-bearing liabilities. The key performance indicators have been recalculated accordingly.

Significant events in 2023.

Our project portfolio

Atrium Ljungberg has a large project portfolio that is concentrated to primarily four areas in Stockholm: Hagastaden, Sickla, Slakthusområdet and Slussen. In 2023, three new projects were decided corresponding to an investment volume of SEK 990 million. The projects are Sickla Campus, Mälarterrassen at Slussen and Brf Kulturarvet in Sickla.



Stockholm Wood City, covering 250,000 m², will be the world's largest wooden city.

Stockholm Wood City

In 2023, Atrium Ljungberg launched Stockholm Wood City – the world's largest urban wooden construction project. Production will start on Brf Kulturarvet in Nobelberget in 2024, and it will be the first residential block in wood and the start of Stockholm Wood City. The project in Sickla will cover 250,000 m² with wood foundations and has received considerable attention internationally.

Property sales

In January, we sold the property Skotten 6, also called Glashuset, on Drottninggatan in Stockholm to Axfast AB. The purchase price was based on an underlying property value of SEK 1,900 million and comprised approximately 13,500 m².

Major lettings during the year

During the year, many important lettings were finalized. Interest has been greatest in our properties in Hagastaden, where we among other things signed lease contracts with Zmart, Aarke, Nordr and MTR Nordic, all of which are moving their head offices to the property Mineralvattenfabriken.

Tradera also selected Hagastaden for its head office and moved in January 2024 to the property Life City. In December, BRIS (Children's Rights in Society) chose Hagastaden's industrial historical heart for its head office. In total, the leases in Hagastaden comprise approximately 12,400 m².

Several major lettings were finalized in Sickla. This includes in particular Stockholms Auktionsverk, which moves its operations to the old EXPO

building in the heart of Sickla. The contract comprises approximately 1,700 m². In February it was also finalized that Nacka Municipality is extending its lease contract for an existing upper-secondary school in Sickla at the same time as it is planning an extension to the school building. The new contract, including the extension, comprises in total approximately 10,000 m².

At the beginning of the year, we signed an agreement for approximately 4,000 m² with the Swedish Chemicals Agency in the old chocolate factory in Sundbyberg (Chokladfabriken). We also finalized several lettings in Slussen, including with Sony Music, which is moving its Swedish head office to the newly renovated and iconic Katarinahuset. The premises comprise approximately 1,900 m².

In May, Ericsson in Gothenburg chose to extend its lease contract, which in total comprises 37,000 m². As a result, Ericsson will continue to be an important part of Lindholmen for the next four years.

At the end of the year, we announced that we had signed a lease contract with Stockholm University of the Arts in Slakthusområdet, where the university will gather all of its operations. The new block where the university's premises will be located comprises approximately 36,000 m² GFA and is scheduled for completion in 2030.

Residentials

At the end of 2023 we decided on the start of construction for the next residential block in Nobelberget in Sickla. This will be the fourth block

of a total of eight, and it is the first that will be constructed entirely in wood. Interest in the residential in Nobelberget is high. The first two blocks have been completed, and the residents have moved in, and the third block will be completed by summer. In 2024, production will start on the fourth block, Brf Kulturarvet, which will consist of 80 tenant-owned apartments distributed between three buildings. The total area will be around 8,800 m² GFA, with an estimated investment of approximately SEK 465 million.

A house

In 2023, Atrium Ljungberg acquired 50% of the shares in A house, which offers community, coworking and creative development, and since it was founded in 2016 has become a hub for many innovative businesses. Together, Atrium Ljungberg and A house are looking to expand into a number of new locations in Stockholm, and the plan for the next few years is to open in Atrium Ljungberg's properties at, for example, new Slussen and Slakthusområdet.

Dividend policy

Atrium Ljungberg will conduct its business with low financial risk-taking in order to enable the implementation of profitable and value-creating urban development projects. In the light of increased investment pace in urban development projects, the Board of Directors believes that a lower dividend payout ratio will be appropriate and has therefore in 2023 decided on new dividend policy.



“We are facing good conditions to deliver a strong year in 2024.”

Annica Änäs, CEO

An eventful year.

Sweden is experiencing an economic downturn, and there continues to be uncertainty about the future. There is little activity on the transaction market, and the interest rate market continues to be volatile, even if many are making the assessment that the Riksbank will begin to lower the interest rate already in the spring. We started early and have been working actively for almost 1.5 years to transition to the prevailing market conditions, and we are pleased to see that this work is generating results.

The rental market is cautious, and transactions are taking a long time. However, the financial market, which has been nervous for most of 2023, in part due to the record-fast interest rate increases, pivoted at the end of the year when inflation started to fall and market rates thus fell quickly. We have most likely passed the peak in interest rates, even if the long-term rates went up slightly at the beginning of 2024.

The results in 2023 reflect a year with good delivery from all parts of the operations. We are delivering income from property management of SEK 1,365 million, which corresponds to growth of 21% compared to the previous year. At the same time, we have recorded impairment losses on property for SEK 1,658 million during the year, corresponding to 2.8%. Since we started the yield increases in 2022, we have increased the yield requirement by 70 points, which corresponds to an impairment of 12%. At the same time, cash flow in the properties increased, which means that the total impairment is 5% during the period. Higher market interest rates naturally impact our financing costs. However, the interest rate risk strategy we have chosen, with a interest rate duration of 3.8 years and 9% at a floating rate, 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. The loan-to-value ratio at the end of the year was 42.5%. With a good liquidity buffer of approximately SEK 8 billion, we are well-equipped for the future. At the same time, we have an attractive project portfolio of SEK 40 billion, which over time must be funded. Therefore, the Board of Directors decided in December to change the dividend policy to distribute

one-third of the income from property management. For the 2024 AGM, a dividend of SEK 3.50 per share is proposed for distribution on two occasions, at SEK 1.75 per share on each occasion.

In December Moody's confirmed Atrium Ljungberg's rating, Baa2, with negative outlook. The rating reflects the high quality in our property and project portfolio and our good financial position. It is very important that the market believes in us, understands our operations, and appreciates our long-term approach.

Rental market

We are still seeing requests for increased flexibility and service from our customers, and negotiations are taking a long time. The index is naturally a question for tenants, but the issue is primarily the uncertainty surrounding the need for space in coming years. Atrium Ljungberg has a well-diversified customer portfolio where only five customers have more than 10,000 m² with us. This makes us less vulnerable when companies with large premises tend to reduce their area.

Every two years Fastighetsvärlden, a magazine for the property industry, carries out a survey to chart the best future locations for offices in Stockholm. In 2023, Slakthusområdet was number one and Slussen was number three. Ninety-two experts were asked to look ten years into the future, and they determined that the locations with the greatest rental potential are linked to the planned underground metro expansion. We are pleased that large parts of our portfolio placed in the top ten on this list.

01. Introduction	02.	03.	04.	05.	06.	07.	08.
CEO's statement							
In terms of retail, we note that there is interest from new companies – at all our locations. We have worked actively for many years with the mix at our retail hubs so they will function in both strong and weak economies. We are now benefiting from this long-term strategy. We are seeing an increase in the sales in our retail hubs despite the decrease in households’ consumption capacity. A house The trend toward increased flexibility and service was one of the reasons why we in 2023 chose to invest in the coworking and event company A house. Atrium Ljungberg acquired 50% of the shares in A house for approximately SEK 20 million. A house has been a hub for many innovative operations, and we are now currently planning to expand to a number of locations in Atrium Ljungberg’s portfolio in Stockholm. This partnership broadens our offering to existing customers, and we are now also targeting new sectors. A house opened its first unit in Slakthusområdet at the beginning of February 2024. Deals during the year Inner city locations in Stockholm are the most attractive, with Hagastaden continuing to be the area with the strongest focus for our company. Notable in this respect is BRIS, which signed an agreement during the last quarter in this area. Tradera also signed agreements in Life City and Aarke in Mineralvattenfabriken. MTR Nordic, Nordr, Granit, KitchenTime, Zmarta Group and NIO also chose to place their head offices with us. In total, the lettings for the year in Hagastaden comprise approximately 12,400 m². Deals were also closed in Sickla. One of them is the lease with Stockholms Auktionsverk, which is moving to Expohuset next to Marcusplatsen. More good news was the lease with Blåsarsymfonikerna, the Swedish Wind Ensemble, which is moving from its current premises at Nybrokajen to Diesilverkstaden. During the year we also signed an agreement with Nacka Municipality to extend the lease contract for its existing upper secondary school and to extend the school premises. The new agreement comprises more than 10,000 m², of which 2,100 m² is a new build and will include YBC (Young Business Creatives). Slussen will be a fantastic place. There is still a long time left, but it is already possible now to see how the pieces are starting to fall into place. Interest in our properties	has been strong, primarily for Katarinahuset, which will be finished in 2024. The building is being filled with a mix of creative tenants, including Sony Music and A house. I am also pleased that Ericsson chose in 2023 to extend its lease contract at Lindholmen in Gothenburg. The contract comprises approximately 37,000 m². Overall, we delivered net lettings of SEK 53 million for the year, but this does not include the letting to Stockholm’s University of the Arts for 20,000 m² in 2030. The agreement is conditional, and we will report this in net lettings when the conditions are met. Tenant-owned dwelling market 2023 was marked by inflation, an economic downturn, and increasing mortgage rates, which affected private households and resulted in a historically sluggish housing market. There is a clear difference in buying behaviour compared to previous years; home buyers are now choosing to, or being forced to, sell first. The new production market has basically halted. The projects that during the year continued, despite everything, to have a sales rate are those with a good location and short amount of time to occupancy. In order to meet the buyers’ changed conditions, it has become increasingly important to offer both the possibility of buying and selling in the same market and flexible possession. In light of this, it feels really great that we have now decided to start production on the next phase of Nobelberget in Sickla: Brf Kulturarvet, with 80 apartments and an investment volume of SEK 465 million. The first two blocks in Nobelberget have been completed, and during the first half of 2024 the third phase will also be completed. In order to meet the need of the customers to buy and sell in the same market, we are choosing to start production on Brf Kulturarvet now but will start sales at a later date. We take a long-term approach to our urban development strategy, and this we are now showing by, despite the current market situation, taking the next step in the development of Nobelberget. Project portfolio In December 2023, the City Council approval the contract for Mälarterrassen in its final decision-making body. This means	we can now move on with the work to develop the new meeting place in Slussen. We take possession in October, but as early as the summer of 2025 the site will begin to be activated. I am pleased that we have been given the honour of developing Mälarterrassen. It will be a unique location with a panoramic view of Gamla Stan and diverse food and cultural experiences. The total investment amounts to approximately SEK 430 million, and in conjunction with the approval of the contract, the land allocation agreement for the adjacent office block and Handelsplatsen was also extended. More big news, as previous mentioned, is the agreement with the Stockholm University of the Arts. The new block where the university’s premises will be located, covers 36,000 m² GFA and is scheduled for completion in 2030 after three years of construction. The investment is estimated to amount to more than SEK 2 billion, and the rental contract, with a contractual period of 20 years, is approved by the government but is contingent on, for example, the detailed development plan becoming legally binding. Stockholm Wood City “In a ground-breaking move, Atrium Ljungberg has initiated Stockholm Wood City – the world’s largest urban wooden construction project. The new district will offer an urban environment with a mix of workplaces, apartments, restaurants and stores, all built using wooden frames. Stockholm Wood City heralds a new era in sustainable urban development, and will be an international showcase for sustainable construction.” These are the words used at the launch of Stockholm Wood City – the world’s largest urban wooden construction project. I am very proud of the initiative, it is not just an important step for us as a company but also an historic milestone for Swedish innovative ability. Stockholm Wood City comprises an impressive 250,000 m² with 7,000 offices and 2,000 residential units in Sickla. We hope the initiative will inspire other companies, not just in Sweden but also internationally. The media surrounding the project has been massive, drawing both national and international attention. Sustainability In 2023 Atrium Ljungberg's Board of Directors adopted new sustainability goals as a complement to the existing goals. The reason for this is to meet the increased	expectations of stakeholders and forthcoming legislative requirements. In practice, this means a higher ambition level in a number of areas, such as circularity, climate adaptation, business ethics and diversity. As a complement to the goal of being climate neutral by 2030, we have also adopted the goal of being net-zero by 2040. With this, we have undertaken to set goals in line with SBTi Net-Zero Standards to gain confirmation that our ambitious goals are robust and in line with the science. Transactions In January, we sold the property Skotten 6, also called Glashuset, on Drottninggatan in Stockholm that comprises approximately 13,500 m². The purchase price was based on an underlying property value of SEK 1,900 million. The property was vacated on 31 January. The sale was a natural step to streamline our property portfolio to locations where we have the possibility of realising our vision and urban development strategy and a step to strengthen our balance sheet. 2024 We are well-equipped, but humble, going into 2024. The developments on the rental market due to economic slow-down and a changing needs profile are affecting property companies, including Atrium Ljungberg. However, it is during these times that our strategy – building a sustainable and attractive city – shows its true strength. The index for 2024 means that our rental income will be SEK 135 million higher at the same time as we will maintain good cost control. In addition, our big project Katarinahuset at Slussen will be completed at the beginning of the year, which will result in good operating net growth. Even if we see that market rates continue to decrease, the levels are higher than those in our interest rate portfolio, which means that our average interest rate will gradually increase. Overall, we are facing conditions to deliver a good 2024, but this will require focus and hard work. I am very confident that we will achieve this. Atrium Ljungberg has fantastic employees who are very committed. I would like to extend a warm Thank You to you, our customers, and our partners for a great 2023. Annica Anäs, CEO				



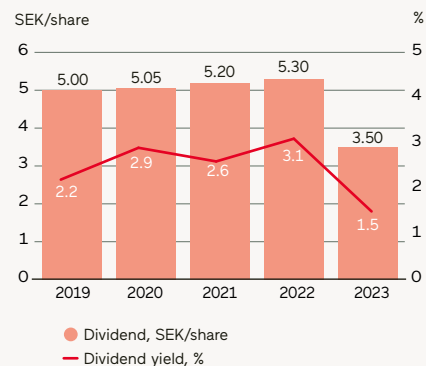
Four reasons to own shares in Atrium Ljungberg.

1. Stable dividend.

Atrium Ljungberg adopted in 2023 a new dividend policy under which approximately one-third of the income from property management will be distributed. In addition, the Board of Directors can propose that profits that are non-recurring in nature be distributed to the owners.

Dividend and the share's dividend yield

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

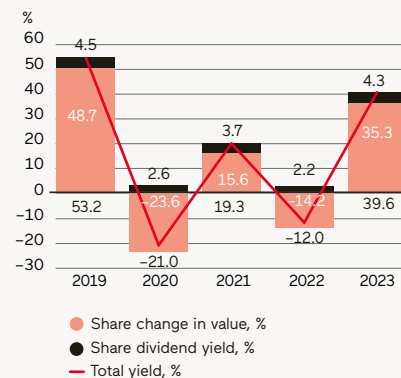


2. Potential for good value growth.

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.

Share's total yield

A total yield averaging 12% over the past five years.

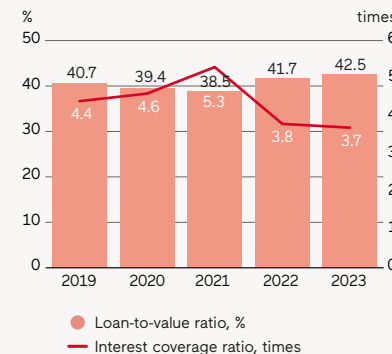


3. Low financial risk.

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

Loan-to-value ratio and interest coverage ratio

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



4. 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.

Select sustainability goals

- Atrium Ljungberg will be climate-neutral by 2030 and net-zero by 2040, and the goals have been approved according to Science Based Targets (SBTi)
- All locations and properties will be climate adapted by 2030, and their work will be run in accordance with TCFD
- A forerunner in sustainable urban development. Our locations will achieve a score of more than 90% in the Our City index by 2030
- 40% lower energy consumption and increased own production of fossil-free energy by 2030
- Atrium Ljungberg will have more than 50% taxonomy-aligned net sales by 2025
- 100% of new suppliers will sign Atrium Ljungberg's Supplier Code of Conduct by 2020
- 100% of employees are trained in business ethics



Our vision and business concept.

“Our city – where everyone thrives”. This is Atrium Ljungberg’s vision, a vision that is deeply anchored in the company and both inspires and obligates. We have roots in the old traditions of the master builder. Based on this, we have developed our strategies with the aim of long-term sustainable locations with an attractive content. This vision enables us to create value for the company and therefore our shareholders and society.

Our urban development strategy

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.

Our 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, residential 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.

Around 85% of Sweden’s population lives in cities today, and we believe that urbanisation will continue. This presents both challenges and opportunities for all of us who are working to create sustainable, attractive locations. 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 mix of offices, residential, retail, service, education and culture. 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.

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,



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 cafés
8. Calm oases
9. Digital infrastructure and Wi-Fi
10. Retail and service



well-developed public transport and good opportunities for a sharing economy. Atrium Ljungberg is working to develop our areas in a sustainable direction. This is important not only from social, financial and environmental perspectives — it also improves the attractiveness of our areas.

Socially sustainable locations

We have said for many years that we are a property company that is more interested in the life between the buildings. We have always focused on social sustainability when developing our locations, as we are convinced that well-being and security create a

better city. We have developed an index for social sustainability, from our perspective as both a property developer and property owner. This index is called 'Our City' and is based on principles for sustainable urban development that we have systematised to make our work methodical and measurable.

We have set up a goal where all of our locations that have more than a single building will have a score of 90% in the index by 2030. Our goal for socially sustainable locations is a way for us to follow up how our activities contribute to making our locations more sustainable, which will therefore help us achieve our vision, 'Our city – where everyone thrives'.

A strong project portfolio with a clear sustainability focus

Atrium Ljungberg's business model involves us owning, managing and developing properties and city districts responsibly and sustainably. We have a project portfolio with an investment volume of approximately SEK 40 billion in land already owned or land allocations obtained, where Slakthusområdet and Sickla stand out.

In 2023, Atrium Ljungberg took the initiative to the world's largest wooden urban construction project, Stockholm Wood City. The project comprises 250,000 m², 7,000 new workplaces, and 2,000 residential. The construction of Brf Kulturarvet at Nobelberget will start in 2024. It will be the first residential block to be built in wood and thus marks the start of Stockholm Wood City. In many ways, this project demonstrates Sweden's innovation at its best. Through innovative design, technology, and a strong culture of collaboration, a new standard is being set for sustainable building.

The property industry is playing a crucial role in the green transition, as buildings account for as much as 40% of global CO₂ emissions. There are many advantages associated with wood construction, both for the environment and peoples' well-being. Wood has a lower climate footprint than other materials and stores carbon during the entirety of its useful life. Research has shown that people are positively impacted in many ways by buildings constructed in wood. Building in wood also means

quieter construction sites and a reduction in the number of heavy goods transports.

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. The area is being turned into a city district where food and culture take a lot of space at the same time as the historical environment is carefully preserved and developed.

85% of the project portfolio is in areas that are right next to existing or new underground stations. 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 are ready to create the 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.

We are now living in a globalised world and this is reflected in sustainability issues; global issues require shared solutions. It is well-known that the property industry is facing major challenges to limit its climate impact and overexploitation of resources, so these are areas where we can make a difference. Our industry is also well-placed to have a positive impact, particularly socially, where we can help to increase security, improve health and safety, and work to combat corruption and promote human rights. Atrium Ljungberg's focus is to always act with care for people and the environment.

Our vision is "Our city – where everyone thrives". Together with tenants, municipalities and suppliers, we are working to steer the entire value chain in a sustainable direction. Together we have been able to achieve far more than we could have done individually.

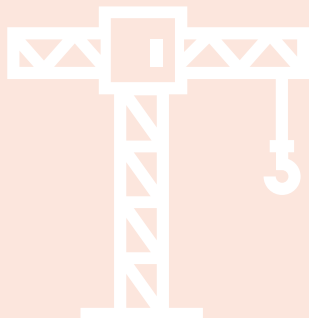


Mineralvattenfabriken in Hagastaden.

Business model.

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. Project management is performed by our own staff – from the original concept to the time people move in. Project yields should provide better profitability than acquiring properties with an existing cash flow, and thereby contribute to both operating net growth and value growth.



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.



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.

Sustainability.

Values.

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.

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.

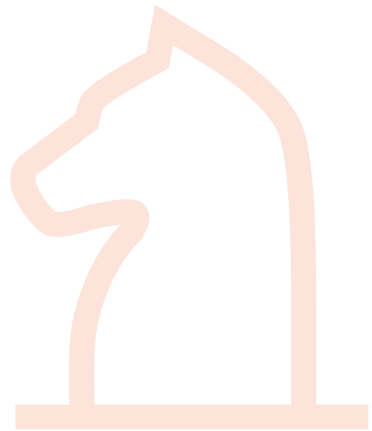
Reliability

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



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 on 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 mix 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 design 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 interest rate duration and loan-to-maturity with a flexible financing portfolio.

World's largest city block in wood.

In a pioneer initiative, Atrium Ljungberg launched in 2023 the world's largest wood-based urban development project. The project has garnered a lot of attention and become an international showcase for sustainable construction. The project displays Swedish innovative ability at its best and marks a new era for sustainable architecture and urban development.

Stockholm Wood City comprises 250,000 m² and is located in central Sickla. The area will offer around 7,000 new workplaces and 2,000 residential units combined with restaurants and services. The construction of Stockholm Wood City will take place in phases, with the first ground will be broken in 2024 with the start of the residential block Brf Kulturavet in Nobelberget. The first office buildings are expected to be completed in 2027.

Why choose timber construction?

There are many advantages to timber construction, and the technology is there to apply them on a larger scale. The advantages relate to the environment, health and finance. This includes a lower climate footprint across the life cycle, the use of local raw materials, an energy-efficient manufacturing process and quieter construction sites.

Research has shown that people are positively impacted by spending time in buildings constructed in wood. The results are clear and overwhelming.

Timber improves the air quality and has a positive influence on peoples' focus, creativity and mood – stress levels go down and productivity goes up. At the same time, the climate benefits are enormous.

Wood has a lower climate footprint than other materials and stores carbon during the entirety of its useful life.

New sustainability goals

It is not a coincidence that Atrium Ljungberg is driving this initiative. We have ambitious sustainability goals that entail, in part, that we must be climate neutral by 2030. As a complement to this, we also adopted a net-zero target by 2040, a robust and ambitious target that is in line with the science of the SBTi Net-Zero Standard. In order to reach these targets, it is not enough to make improvements at the margin. Positions are advanced by building with resource-efficient methods, recycling and circular material flows. In an interlinked city district where the focus is on producing, storing and sharing energy, our goal is to establish a new standard for sustainable urban construction.

The property industry is today an important part of the Swedish commercial market, but it has not held as clear of an innovation-leading position as Swedish industry and Swedish tech companies. Atrium Ljungberg wants to change this and show that the role of urban developers is just as crucial for developing society, the economy and the culture. Stockholm Wood City brings this ambition to life.

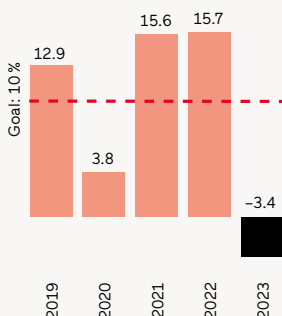
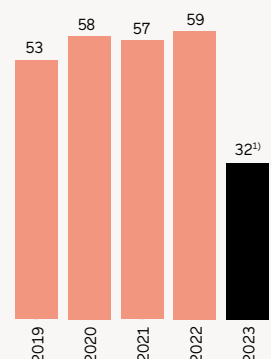
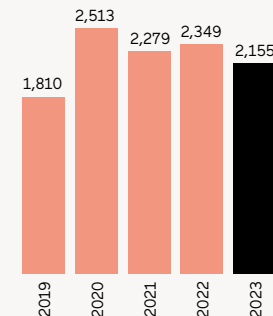
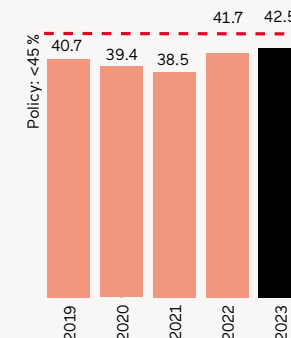
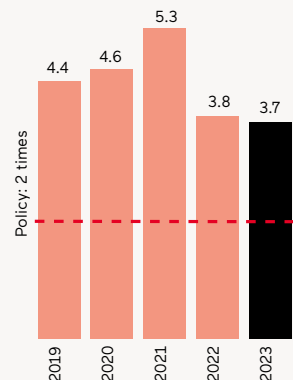


Financial model.

Our management flow, i.e., cash flow from property management, is key for our success. Together with value growth from the investments and selected financial risklevel, it forms the basis for our dividend and return for owners. Our earnings

and dividend policy enable an annual investment capacity of approximately 4–5% of our own size without noticeably shifting our loan-to-value ratio. This currently corresponds to approximately SEK 2.5–3.0 billion per year in net investment volume.

Atrium Ljungberg should have low financial risk, and selected risk measures are the loan-to-value ratio and the interest coverage ratio, where the net loan-to-value ratio may not exceed 45% and the interest coverage ratio may not fall below 2.0.

Return on shareholder's equity	Dividend	Investments in held properties	Loan-to-value ratio	Interest coverage ratio																																																												
Goal: >10% Outcome: -3.4%	Goal: Around 33% Outcome: 32%	Annual investment volume: SEK 2.5–3.0 billion Outcome: SEK 2,155 million	Policy: <45% Outcome: 42.5%	Policy: >2 Outcome: 3.7																																																												
Return on shareholder's equity must be at least 10% per year over time.	New policy for 2023: The dividend must correspond to approximately one-third of the income from property management.	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 2.5–3.0 billion per year.	The loan-to-value ratio must not exceed 45%.	The interest coverage ratio must not fall below 2.																																																												
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Creating value for our stakeholders.

Overall goals	Society. To develop socially, environmentally and financially sustainable locations in the city where everyone wants to live.	Customer. To create sustainable properties and premises where our customers want to be for a long time to come.	Suppliers. Taking ethical responsibility and collaborating with our suppliers for sustainable supply chains.	Employees. Creating trust, satisfaction and equal opportunity for the people working with us.	Investors. Constituting a long-term sustainable investment for our owners.
Outcome targets and KPIs 2023	We create sustainable urban environments where people want to live, work and spend time. Existing values are protected at the same time as new financial, social and environmental values that increase the attractiveness of the location are added. We create the conditions for vibrant urban environments with a mix of offices, residentials, retail, service, education and culture, and take on a lot of responsibility for a location in terms of security, services and parks.	We are a long-term property developer that closely collaborates with our customers. We want to exceed our customers' need for attractive offices, retail hubs and residentials and create conditions for sustainability. Efforts to reduce the impact on the environment are occurring systematically, both when we manage existing properties and when we adapt, renovate or build new properties. By creating attractive locations, we contribute added value for the tenants and residents at our locations.	To achieve our goals, we need to work with the best suppliers. Therefore, we work with a strong focus on development, and we want to be a good orderer to create strong collaborations. Our suppliers are an extension of us, and therefore we work proactively together. With our work, we want to take our ethical responsibility to prevent the risks that exist in our supply chains.	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.	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 with a long-term focus, we create good value growth for Atrium Ljungberg's owners.
	– 43% outcome in the Our City index. Goal: 50% in 2025 and 90% in 2030 – 100% of the property portfolio has undergone a climate risk analysis Goal: All our locations and properties will be climate adapted by 2030	– 28% reduction in climate footprint from planned and ongoing projects Goal: –50% by 2025 and –75% by 2030 – 15% reduction in climate footprint in management Goal: –22% by 2025 and –44% by 2030 – 1% lower energy intensity (weighted to an average year in a comparable portfolio) compared with the previous year. Goal: –40% by 2030 – 6% reduction in water consumption per m² (Lfl) compared with the previous year. Goal: –20% by 2030	– 20% of significant purchases are evaluated based on our Code of Conduct Goal: 100% by 2025 – 2 supplier development programmes conducted – 2 external audits of select suppliers	– 5.6 in the HFW (Human Financial Wellness) employee index Goal: above 5.5/7 by 2025 – 67% women in executive management and 34% women among employees Goal: Even gender distribution (40/60%) in executive management and among employees. – 100% coverage by collective agreement	– 21% Taxonomy-aligned net sales Goal: 50% by 2025 – 69% Sustainability-linked and green financing
Contribution to UN's Global Targets (SDG)					

Sustainable cities of the future.



Sustainability targets and governance.

Our city – where everyone thrives

We develop sustainable cities and properties where people want to live and work for many years to come. The ambition is to create locations that are safe and available with a unique identity, that contribute to urban ecosystems and resilience in a changed climate, and include the human perspective. We operate in select geographic areas where we work holistically with urban development from early planning stages to construction and, ultimately, as a long-term property manager. All work revolves around our vision: Our city – where everyone thrives.

Our focus areas and goals

We have overarching sustainability goals for 2025 and 2030. In addition, we are following select KPIs to ensure development in the right direction. The goals cover a number of environmental, social and corporate governance perspectives (ESG) and are based on the expectations from Atrium Ljungberg's stakeholders.

The goals are ambitious, and we view them as a way to challenge ourselves to drive innovation and become a role model in sustainable urban development.

Sustainability management

Our sustainability work is integrated into our business model and forms an important part of the work to achieve our vision. Working proactively on sustainability issues enables us to manage risks in a structured way, while also identifying new business opportunities. This work is based on policies, guidelines and processes that ensure goal fulfilment and compliance with the principles that serve as the basis for the work. The Board of Directors and executive management evaluate the governance and goals on a regular basis and in December 2023 adopted a number of new goals to complement the existing goals.



Principles for our work

Atrium Ljungberg is a long-term and responsible urban developer and has a focus on acting with care for people and the environment. Our sustainability work is based on the following principles:

- Precautionary principle.
- Applicable laws and ordinances as minimum requirement.
- OECD's Guidelines Multinational Enterprises.
- UN's Guiding Principles on Business and Human Rights.
- UN's Global Compact and the 10 principles – participant since 2009. By signing Global Compact, Atrium Ljungberg undertakes to realise and integrate the ten principles and annually account for how this work is implemented.
- UN Sustainable Development Goals and the Paris Agreement.
- Goals, policies and codes of conducts decided by the Board of Directors.
- Internal governance documents and strategies decided by executive management.

We voluntarily report in accordance with GRI, the EU's taxonomy, TCFD, CDP and GRESB to enable stakeholders to follow our sustainability work.

Sustainability goals 2025 and 2030.



Society.



Customer.



Suppliers.



Employees.



Investors.

Overall goals

To develop socially, environmentally and financially sustainable locations in the city where everyone wants to live.

To create sustainable properties and premises where our customers want to be for a long time to come.

To take ethical responsibility and develop our suppliers and supply chains and the people involved in them.

Creating trust, satisfaction and equal opportunity for the people working for us.

Constituting a long-term sustainable investment for our owners.

Goal

- Reach 50% in the Our City index by 2025¹⁾ and 90% by 2030
- All our locations and properties will be climate adapted by 2030
- 80% travel without using fossil fuels to and from our locations by 2030
- Positive impact on the environment from our land use by 2030 (biodiversity, pollutants & water)

- 50% reduction in climate footprint from planned projects by 2025 and 75% reduction by 2030¹⁾
- 22% lower climate footprint in property management by 2025¹⁾
- 40% lower energy consumption by 2030 (kWh/Atemp, purchased property energy)
- 20% circular material use in construction projects (tenant adaptations, reconstructions & new builds) by 2030
- 20% lower waste quantities by 2030²⁾ (project, management and tenant waste)
- 20% lower water consumption by 2030²⁾
- Increased own production of fossil-free energy
- High CSI (Customer Satisfaction Index)

- 100% of significant purchases will be evaluated in 2025¹⁾
- 100% of new suppliers will sign Atrium Ljungberg's Supplier Code of Conduct by 2030
- 60% of the purchase volume is revised based on our Code of Conduct by 2030

- More than 5.5/7 in the employee index HFW (Human Financial Wellness) by 2025
- Even gender distribution (60/40%) among management and employees and no gender-based salary gap
- Diversity that reflects society by 2030
- 100% of employees have up-to-date training in business ethics and AL's policies and code of conduct

- More than 50% taxonomy-aligned turnover by 2025
- Climate neutral by 2030 and net zero by 2040²⁾

KPIs & tools

- Investment in climate adaptation
- Enhanced location identity and placemaking

- Green lease contracts
- Environmentally certified area

- Suppliers we develop and remove as a result of our evaluation process.
- Measures we implement to enhance human rights in the value chain
- Notifications via the whistleblower function
- Average time for supplier payments

- Health attendance
- Parental leave days men/women
- Collective agreement coverage

- Share of sustainability-linked and green financing

Governed by

- Sustainability Directive Projects

- Sustainability Directive Management & Projects, LCA Directive, Energy, Waste & Water strategy

- Code of Conduct Suppliers, Purchasing Policy, Sustainability Policy, Whistleblower Policy

- Sustainability Policy, Employee Code of Conduct, Equal Opportunity and Discrimination Policy, Work Environment Policy, Whistleblower Policy

- Sustainability-linked and green bond frameworks, Sustainability Policy, Tax Policy

¹⁾ Part of our Sustainability-linked Bond, base year 2021.
²⁾ Base year 2023.



Sustainable urban environments.

We develop sustainable locations in the city where everyone wants to live. By developing mixed-use cities, we create urban life where people are happy, feel safe and secure, and are inspired – locations that thrive throughout the majority of the day's 24 hours. This creates value for municipalities, customers, and anyone living, visiting or spending time at our locations – and by extension society at large.

As a property developer and long-term property owner, our long-term success is dependent on our ability to create sustainable environments where people want to live, work and spend time – both now and in the future. For us, a thriving city is happy, green and sustainable. Atrium Ljungberg's goal is always to shape places that have a wonderful feel in general. Well-thought-out urban planning and beautiful architecture also create energy and well-being. In our report 'The City of Our Dreams', we describe how we are working to create locations that sustainable in the long term.

To measure and follow how we live by our vision (Our city – where everyone thrives), we have developed a separate index – the Our City index – that is based on our view of sustainable urban development. The index is a tool and process support that we work with in the same manner as, for example, BREEAM and Miljöbyggnad. It helps us work proactively and in a structured and measurable manner in our urban development. This means that we work actively with safety, availability, urban ecosystems, site development, and participation when we develop our locations, for example through active ground floors, public spaces, a balance between day and night population, and conditions for sustainable travel habits.

Climate adaptation and greenery

We conducted a climate screening analysis of the entire portfolio and are continuing to work with property-specific risk and vulnerability analyses for select properties. Building a city that is resilient over time and in a different climate is crucial. Here, we strive to use greenery since it also creates good effects such as recreation spaces, good microclimates, and enhanced biological diversity.

Placemaking and dialogue

As part of our work with the Our City index, we hold regular discussions with different target groups at our locations to find improvement potential and then create action plans. By involving residents, society and customers in the development of our locations, we can ensure that the development is receptive to society's unique needs and values.

Sustainable transports

Part of the Our City index work is related to enabling sustainable travel to and from our locations. Approximately 85% of our project portfolio is being developed next to public transportation nodes and in particular existing or future subway stations in Stockholm.

Location Development with tenants in Gothenburg

Our managers listened to the needs of the location based on our tenants' mobility patterns and transformed and unutilised public area to a social, available and attractive meeting place for people.

"We wanted to make the area extra attractive to appeal to even more people and at the same time make it a social meeting place for, for example, smaller events, holidays, etc., that we or our tenants arrange," says Sebastian, who is an operating technician.



Placemaking in Slakthusområdet, Stockholm

Slakthusområdet is one of our areas that is developing very quickly. As we preserve an industrial area, we want to create a destination for food, culture, offices and, eventually, housing.

"We are now focusing on creating a place where people want to spend time – a place that previously was known for its unusual daily rhythm and high crime rate. We are working actively to find the right tenants to help us create the location that contributes to our vision, for example through collaboration and events that promote safety, life and satisfaction," says Marcus, a business developer.



Participation among residents in Malmö

During the year, our property management organisation in Malmö holds so-called Area Days that aim to create a forum for social interaction and build relationships with our residents and tenants.

"All resident tenants are invited, and we fire up the grill, offer drinks and snacks, and entertain families with face painting, jumpy castles and other fun activities. Both the tenants and the staff appreciate this," says Aleksandra, a property manager.



Our City index.

The Our City index consists of five focus areas: safety, accessibility, urban ecosystems, placemaking and participation. Each focus area has a number of quantitative indicators, and at least one qualitative issue for people working, living or spending time on the site. The indicators were produced based on Atrium Ljungberg’s urban

development principles combined with established measurement methods from, for example, UN Habitat, Citylab and Centrum för AMP. As part of our sustainability-linked financing, we have a goal to reach 50% in the Our City index by 2025 and 90% by 2030 for the coherent locations we develop. For more information, see note S.15.

Work in 2023
Every year, each location updates its outcome against the index and the plan going forward. Here, people from management, business development and other key staff in each area all work together. In 2023, the overall outcome was 43% (34%), which is good progress toward the end goal.

The transition is based on concrete measures and choices made. During the year, the tool has been developed to further integrate work in the operations. This means that some names for aspects and indicators were updated to clarify their meaning. Internally, a knowledge library was created to share methods and good examples.



Safety.

We want to create locations that are vibrant all hours of the day. This leads to perceived safety and low crime and creates conditions for people to want to work, live and spend time in our areas. By, for example, designing and adapting the physical environment, these locations can be created.

Indicators:

- Active ground floors
- No crime
- Balance daytime & night-time population
- 24/7 city
- Sense of security



Accessibility.

We want to create places with a broad and diverse selection, where access to service, recreation and meeting places are present. These places should also be easy to navigate and available for travelling to and within in a sustainable manner, for example public transport, bikes or walking.

Indicators:

- Varied blocks
- Recreational areas
- Public spaces
- Sustainable travel behaviour
- Easy to find your way around



Urban ecosystems.

In these areas, we are developing a well-thought-out green and blue structure to create urban ecosystems and enhanced biodiversity and locations that are enjoyable with shade, coolness, cleaner air and lower perceived sound pollution. At the same time, resilience increases for climate changes through, for example, management of heavy rain and high temperatures.

Indicators:

- Greenery
- Ecosystem services
- Climate adaptation & resilience
- Microclimate



Placemaking.

Promoting a diversity of locations, expressions and buildings is for us one of the cornerstones on which a sustainable and attractive city should be created. We therefore want to enhance the areas’ identity and build further on the location's conditions and history. One key approach is to make the locations active through activities – preferably together with tenants and visitors.

Indicators:

- Location identity
- Placemaking
- Visitors
- Place for everyone



Participation.

Discussions and collaboration increase knowledge about existing needs, and we can benefit from the ideas from the tenants, visitors and users of our locations. This is how to create areas that are appreciated and socially responsible. The ambition is for individuals and stakeholder groups to be active in the process to create a sustainable city district.

Indicators:

- Dialogue
- Feedback
- Collaboration

Sustainable properties and premises.

We want to create sustainable properties and premises where our customers want to us for a long time to come. Our focus is on the work to create attractive products with high sustainability performance. As property developers, we make sustainable offices, housing and trading revenue possible.

Building with care and a long-term approach generates large environmental gains. If our tenants are satisfied and stay longer, this means fewer reconstructions and thus lower climate emissions from our tenant adaptations. As a company, Atrium Ljungberg is also dependent on tenants to achieve sustainability goals, and we are open to collaboration for innovative solutions.

We work systematically to reduce the impact on the environment, both when we manage our existing properties and when we adapt, renovate or build new properties. For us, it is about creating a competitive advantage since demand for sustainable premises and housing is rising rapidly.

As part of the sustainability-linked bond that was issued in 2022, we measure and reduce the climate footprint in our property management and from planned and ongoing projects. This year, the footprint per square metre (kgCO₂e/Atemp) in our property management decreased by 15%. Our largest climate emissions in property management arise from energy consumption, generated waste, and materials used in tenant adaptations.

For our projects, the climate footprint is measured per m² (kgCO₂e/GFA), and in 2023 we successfully reduced our footprint by 28% compared to the baseline value. The measurement method used was life cycle analysis (LCA), where the projects'

climate emissions are calculated over the entire life cycle: construction, use and end of life (LCA stages A–C). During a project, several LCA analyses are conducted, from an early stage to construction with the aim of making active choices that reduce emissions. Almost 80% of the impact from projects is related to materials and waste from the construction process.

We are seeing a significant decrease in emissions when we work with reuse and renovation. For new

- 28% lower climate footprint from our planned and ongoing projects
- 15% lower climate footprint from our property management

Compared to 2021. KPIs audited in the investor report and are not part of the annual report.





production, it is about choosing materials with low climate emissions. Going forward, there will be a strong focus on large-scale wood construction, which has benefits from a climate perspective, but also when it comes to ensuring that the material is produced in a sustainable manner.

Waste and circularity

In order to transition ourselves and the industry, we have adopted new targets of reaching 20% circular material use in tenant adaptations, reconstruction projects and new builds and to reduce waste volumes by 20% by 2030. These circular solutions play an important role in reducing the climate impact from both our projects and our property

management. It is also a goal itself to reduce the high share of virgin material and the amount of waste since the construction sector produces 35% of all waste within the EU.

To drive this work, we have started a circularity group at Atrium Ljungberg that approaches opportunities and challenges using a holistic perspective. A project will be implemented with respect to this in 2024 to identify, test and scale up ongoing initiatives to achieve a more large-scale method of working. We view it to be a strength that the Group has projects, property management and construction through TL Bygg.



Work to reduce waste primarily focuses on avoiding the generation of large volumes of waste but also increasing the rate of recycling at construction sites, tenants and retail hubs. To achieve this goal, active work and collaboration with waste contractors will be necessary. In 2023, work was completed to improve the collection of waste statistics by implementing a waste management system to streamline sorting collection and data gathering. We consider it to be easier for tenants to reduce their amounts of unsorted waste when they are given consistent feedback via statistics, and there is an ambition to be able to provide all tenants with such data through the Servicenter.

Energy

The property management organisation works systematically to reduce energy consumption. The new energy target entails 40% lower energy consumption in 2030 (kWh/Atemp, purchased property energy) compared to 2023. Between 2022 and 2023, energy consumption (weighted to an average year) per m² decreased by 1% compared to a comparable portfolio.

Atrium Ljungberg has set the bar high when it comes to energy efficiencies. There are metres in all buildings to continuously measure the energy consumption and find improvement opportunities. There are several projects progressing in parallel with the testing of the most recent digital technology in order to strongly optimise energy consumption.

Since 2019, we have increased the scope of solar cell installation significantly, from 667 to 18,823 m² in 2023. Today there are solar cell facilities in Gränbystaden, Sickla, Slakthusområdet, Liljeholmen, Kista, Hagastaden and Malmö. Production amounts to around 4,200 megawatt hours a year. The goal is to continue to increase in-house production of fossil-free energy.

Purchased electricity will come from origin-guaranteed hydroelectricity, certified with the Gold Standard.

Water

We are working to streamline our water use, and our goal is to reduce our water consumption per m² by 20% by 2030. Between 2022 and 2023, water consumption per m² decreased by 6% compared to a comparable portfolio.

The properties are connected to public water systems that are responsible for the water quality. None of our properties were identified as being located in areas associated with water stress.

Environmental certifications

New construction of commercial premises is certified in accordance with BREEAM, and the goal is to achieve an Excellent score as a minimum, and existing properties a minimum score of Very Good with BREEAM-in-Use. For new housing construction, the certification system used is Miljöbyggnad with the goal of a minimum score of Silver. We view sustainability certifications as a tool to achieve the goals and specific requirements we apply in the planning stage. Today, 72% (76%) of the area is certified.

Our property Borgarnäs 1 – Kista NOD won an award in 2023 for BREEAM-In-Use Building of the Year at Sweden Green Building Awards, which was one of the first buildings Atrium Ljungberg certified in accordance with BREEAM.

The Swedish Building Materials Assessment is applied to purchases of building materials in order to minimise the environmental impact, pollutants and the use of hazardous substances during construction work. This assessment consists of a digital logbook with environmentally assessed and quality assured building products. This system also helps us follow the UN's Precautionary Principle.

Green lease contracts

We sign green lease contracts for different types of premises, other than garages and housing. At the end of 2023, 75% (67%) of the contracted annual rent came under a green lease contract. We view the contracts as part of the offer a tool for greater cooperation with tenants on sustainability issues and development of the premises.

Sustainable supply chains.

Atrium Ljungberg wants to be a long-term and reliable partner in all of its relationships. Suppliers are an extension of us, and we therefore work proactively together. Through this work, we want to take our ethical responsibility to counter the risks of bribery, corruption and human rights breaches that may occur in the supplier chains.

A large part of our environmental and social footprints, including the climate, working conditions, labour rights and anti-corruption, occur in cooperation with suppliers. Establishing specifications and evaluating and auditing suppliers are therefore strategically important when it comes to reaching the climate goals and fulfilling our commitments regarding business ethics. The goal by 2025 is to evaluate 100% of main suppliers, which is part of the sustainability-linked bond. By 2030, 100% of new suppliers must have signed Atrium Ljungberg's Supplier Code of Conduct.

The best suppliers are needed to achieve our business targets. Therefore, work is progressing with a strong focus on development, and we want to be a good orderer to create strong collaborations. For more information about our work with suppliers, see note S.13.

Supplier Code of Conduct

The Supplier Code of Conduct has been approved by Atrium Ljungberg's Board of Directors and is based on the company's core values: collaboration, long-termism, reliability and innovative thinking, as well as the Swedish Property Federation's standardised code of conduct for suppliers, the ILO Declaration on Fundamental Principles and Rights

of Work, and UN Global Compact. By accepting our code of conduct, suppliers contractually undertake to comply with its requirements, to collaborate with our personnel or appointed third parties, and to allow onsite auditing.

The Supplier Code of Conduct has zero tolerance for corruption, abuse of power, money coercion, and improper benefits, and the supplier is expected to promote good business ethics, free competition and a high ethical standard. When it comes to our ambitious climate targets, it is very important that suppliers actively contribute to goal fulfilment. They should have knowledge and understanding, and continuously reduce their environmental impact, set up measurable goals, and apply the precautionary principle to their work.

Furthermore, suppliers involved in planning and construction must apply the Swedish Building Materials Assessment, have a systematic approach to reuse and recycling, and reduce emissions to air, land and water, promote energy and resource efficiency, use biobased transport fuels and at least Euro 6 engine technology, and provide environmental training for drivers. Detailed information is available in the policy, which is published in full on our external website.







Sustainable employees.

In order to successfully reach our goals, we need employees who over time feel good, are satisfied, perform and develop. Therefore, an important prioritisation is to create security, satisfaction, equal opportunity and diversity among the people working with us.

In a rapidly changing world, it is important to have the ability to take on new technology and advancements, not least when it comes to sustainability. We are therefore building a development-oriented organisation that has a strong focus on learning, commitment, health and safety. To achieve the goals related to sustainable employees, we work proactively with, among other things, managerial support, clear role descriptions, feedback, skills development and wellness. The Group had 275 (316) employees at the end of 2023, which includes 94 (106) employed by TL Bygg.

Employment security and whistleblower function

Everyone at the Atrium Ljungberg Group is covered by a collective agreement. Atrium Ljungberg has a whistleblower policy that is open for our employees; it is managed by a third party and offers anonymity if desired.

Employee Code of Conduct

All employees and temporary employees at Atrium Ljungberg Group are expected to behave in accordance with our Employee Code of Conduct, which expresses that the company's value – long-termism, collaboration, reliability and innovative thinking – are the basis of everything that we do. The Code of Conduct also contains guidelines for representation, gifts and benefits.

Skills development

Employees should have the right knowledge for performing their tasks, both today and tomorrow. Skills development is therefore of utmost importance, and in 2023 we continued to offer different types of development programmes and training courses.

Since 2022, the company has been implementing a broad initiative within property management that focuses on the operating organisation, which works closely with customers on a daily basis. FAVAL, the property industry's system to validate professional roles within the industry, is used in this initiative. There is also a focus on clear roles and skills development for in-house skilled employees at TL Bygg.

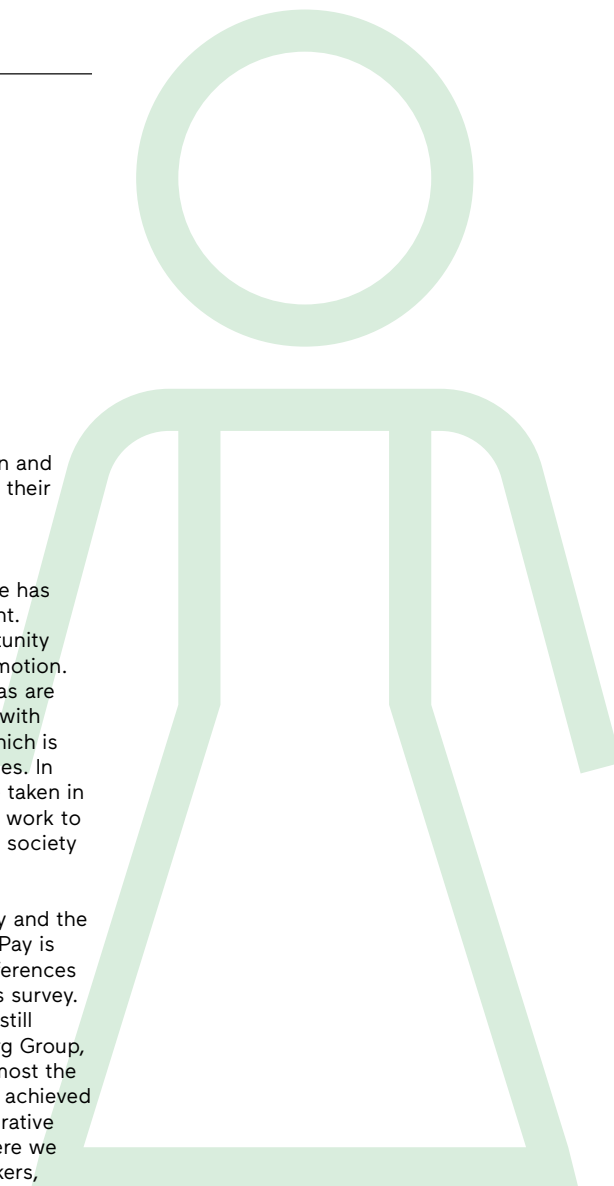
For managers, there are programmes and training courses that aim to strengthen leadership. All managers at Atrium Ljungberg have completed or will complete an internal leadership programme that focuses on development in the leadership role. Manager days are also arranged during which all managers gather to discuss major topics and receive individual coaching from external leadership experts. In addition, all Atrium Ljungberg employees complete a course on personal work efficiency. This course aims to provide all

employees with the tools they need to plan and streamline both their working life lives and their everyday lives.

Equal value and gender equality

Our fundamental approach is that everyone has equal value and the right to equal treatment. Employees are provided with equal opportunity with regard to skills development and promotion. Our point of departure is that the best ideas are born in the collaboration between people with different backgrounds and experiences, which is why diversity is important among employees. In the next few years, additional steps will be taken in the development and measurement of this work to achieve the goal of a diversity that reflects society by 2030.

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. The construction and property industry is still dominated by men. In the Atrium Ljungberg Group, 34% (33%) of staff are women, which is almost the same as in 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 has 50 administrative employees and 44 skilled employees. 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 with the objective of reducing discriminatory language. In 2023, Sila Snacket became a separate company and is continuing to work to improve the social framework in a number of industries.

Satisfied employees

Atrium Ljungberg uses an employee survey with a focus on the sustainable employee – Human Financial Wellness. In January 2023 we set an index goal for the entire organisation at 5.5, where the maximum is 7. In 2023, we scored 5.6 (5.7), with a response rate of 79% (88%).

The results of the survey show that our employees experience a good work environment, are committed, and have good organisational support to be able to perform their work. There is improvement potential in the area of health, which includes sleeping, stress and insufficient physical activity. This is a focus area for which we have implemented measures, including lunch workout sessions, individual health advisors, and a mental health lecture.

TL Bygg carried out in 2023 an employee survey using the YESBOX tool. It received a score of 25 in NPS (distributed between administrative employees 45 and skilled employees 0 NPS), which is a measure of the degree of loyalty and positive attitude employees have for the company, and a score of 80 in STARS (administrative employees 85 and skilled employees 74) that measures status, security, autonomy, relationships and playing rules.

Staff development and engagement

The key to success is satisfied, responsible and

engaged employees. If employees are to feel engaged, we believe everyone needs to understand what is expected of them and how their input contributes to our business. Therefore, a Performance Management process helps managers and employees focus on individual development. All of Atrium Ljungberg’s employees and TL Bygg’s administrative employees are involved in this process. 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. At TL Bygg, annual career development reviews are held for all skilled employees.

Zero vision for ill-health and accidents

Atrium Ljungberg has a zero vision for stress-related ill-health and workplace accidents. Serious health and safety risks can occur in the property and construction industry, where accidents often cause injury to the hands. Although Atrium Ljungberg has primary responsibility for occupational risks, employees also play an important role, which is also set out in the company’s safety organisation. At Atrium Ljungberg there is an Employee Group which, under the guidance of HR, aims to promote the reduction of the risks of accidents and illnesses and improve workplace satisfaction.

Every year all employees undergo health check-ups to detect ill-health and receive feedback on key health points. In addition, they receive wellness subsidies that can be used for different types of training and health-improvement activities in addition to the training and health-related activities offered at the workplace. During the career development reviews, under the process for Performance Management, everyone should set their own sustainability goals tailored to their own priorities and conditions.

Within the Group, regular work environment courses are held for project managers, technical

administrators and salaried employees in production at TL Bygg. TL Bygg also has a work environment committee that meets four times a year. Because the construction industry is prone to accident risk, there are order and safety rules at each construction site, where safety officers are appointed and safety inspections regularly carried out. Preventive safety work is in focus to avoid unnecessary risks. TL Bygg’s management system is certified in accordance with BKMA, a quality, environment and work environment certification that is similar to ISO but directly adapted to the construction industry. The BKMA certification goes through a third-party review every year, and in 2023 this review was performed by Den Norske Veritas.

Discrimination

Atrium Ljungberg’s Equal Opportunity and Discrimination Policy determines our approach on matters related to equal opportunity and all types of discrimination. This policy adopts the fundamental view that everyone is of equal value and entitled to equal treatment.

In the most recent employee survey that was conducted in May 2023, three persons considered themselves to have been discriminated against by their manager due to either gender, ethnicity, religion/other beliefs, disability or age. Two stated that they experienced some form of sexual harassment. This information had not previously been reported to HR or management and had also not been reported through whistleblowing, which we always encourage employees to do in cases of harassment of any form, whether relating to a personal experience or the experience of another person. We treat this information with the utmost seriousness and, in addition to once again informing about the whistleblowing function, also encouraged all managers to discuss this matter with their own groups.

The equal opportunities and discrimination work is a natural and integral part of all operations within Atrium Ljungberg, and managers have a special responsibility for its implementation. We work

actively to prevent and promote equal rights and opportunities for all individual at risk of discrimination. For example, active measures include continual investigation into the workplace to detect any risks of discrimination, analysis of the reasons underlying any risks or obstacles that have been detected, and implementation and evaluation of preventive and promotive measures.



Long-term sustainable investment.

Corporate social responsibility

We govern the company in both a responsible manner and a sustainable direction in accordance with the market, stakeholders and Atrium Ljungberg's vision. Our sustainability work has a direct impact on our ability to attract customers and qualified workers at the same time as it affects the value of our property portfolio in the short term and the long term. Responsible corporate

governance also entails that we are transparent with our sustainability work to our stakeholders and are following updated guidelines and statutory requirements.

The EU Taxonomy

We see that, through the EU Taxonomy, we are taking additional steps to link together sustainability and finance. This framework helps us prioritise

measures that promote energy efficiency, climate change adaptation, and the handling of social sustainability matters in the value chain. At the end of 2023, 21% (23%) of revenue, 23% (8%) of capital expenses, and 15% (16%) of operating expenses were aligned with the EU Taxonomy. To further increase this focus, we have adopted a new goal that more than 50% of our turnover must be taxonomy-aligned by 2025.

Sustainability-linked financing

Atrium Ljungberg has a sustainability-linked bond until 2025 that has undergone an independent evaluation by Cicero. The conditional financing gives us incentives to transition the entire company to being more sustainable. The ambitious goals include a sharp reduction in the climate footprint of projects and property management, supplier evaluations, and creation of socially sustainable locations. For more information, see page 20 about which goals are included in our sustainability-linked bond.

Climate neutral by 2030 and net zero by 2040

As a complement to our goal of being climate neutral by 2030, we have also adopted the goal of being net-zero by 2040, which applies to the entire Group. This is an ambitious and robust goal that aligns with the science in SBTi Net-Zero Standard. We have submitted our goals to SBTi and in 2024 will continue with the process to have the goals officially approved.

Our work follows an overarching roadmap where we steer the operations towards sharply reduced climate emissions. Our new net-zero goal entails that by 2040 we must have reduced our absolute carbon emissions by 90% or more and thereafter neutralise the remaining emissions with carbon removal, so-called negative emissions.

ESG reporting and risk development in 2023



We are choosing to report our sustainability work in most external and voluntary portals that target our investors. In 2023, we noticed greater interest and knowledge about these matters, which we welcome.

- We are reporting publicly in accordance with CDP (Carbon Disclosure Project) for our climate work, and we previously received a rating of B. New this year is that we are reporting for the category Water.
- We are reporting for the first year in accordance with GRESB, where our public scoring will be visible in 2024.
- Atrium Ljungberg scored 7.8 (8.1) in Morningstar Sustainability Company ESG Risk Rating, which assesses the ESG risk on a scale of 0–100, with 0 representing negligible risk. We are performing well in comparison with similar firms, primarily by having robust governance, sustainability work anchored throughout the entire organisation, and thorough reporting.
- Atrium Ljungberg scored 3.7 in the FTSE4Good index, which measures performance at firms that demonstrate a strong environmental, social and governance methodology (ESG).
- In addition to this, we report annually to the Nasdaq ESG portal, which is an independent portal where investors can make their own analysis of our sustainability data. This makes us a Nasdaq ESG Transparency Partner.



We live in a
changing world.



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.

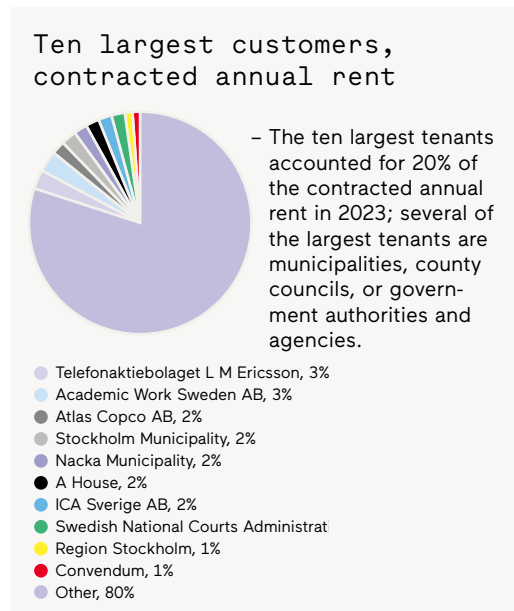
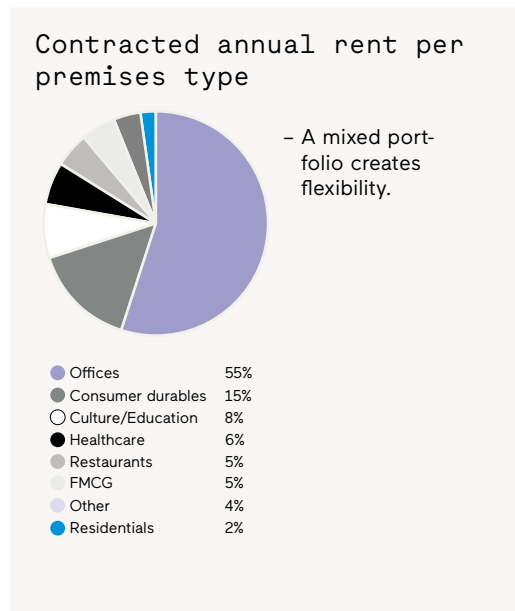
Customer structure
As of 01/01/2024 the contracted terminable annual rent amounted to SEK 3,034 million. The economic occupancy rate excluding projects amounted to 94% (93%) on the same date.

Atrium Ljungberg has a customer structure that enables us to spread risk effectively, based on sectors, individual customers, size and maturities. The Group has approximately 1,500 commercial contracts and 600 residential contracts. The largest individual customer accounts for 3% 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 notice, and credit risk is very low. The remaining average contract duration was 4.6 years (4.5 years).

Net letting
Net letting, i.e., new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 53 million (SEK 115 m) during the year, of which SEK 65 million (SEK 58 m)

was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New lettings amounted to SEK 257 million (SEK 296 m), while terminations from customers amounted to SEK 189 million (SEK 112 m). We also terminated the contract of a customer, corresponding to an annual rent of SEK 15 million (SEK 69 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.



Offices.

Atrium Ljungberg’s office properties are located in Stockholm, Uppsala, Gothenburg and Malmö, where we continue to see positive rental trends and low vacancies. The occupancy rate for offices is increasing in general after the pandemic, and demand for modern offices is high.

Development on the office market

The rental market for office premises has been stable for a long time, only to become more cautious in some areas during the second half of 2023. Vacancies are rising in less attractive areas, while interest is still relatively strong in good locations. This change, combined with increased uncertainty among potential tenants due in part to the weaker economy, has contributed to a slight slow-down on the rental market. However, there are signs of continued high demand for office premises, and data shows a significant increase in the number of workers returning to the office. The occupancy rate in many of the stronger office areas is now at 70–90% of the pre-pandemic level.

Stockholm

The rental trend in Stockholm has been stable in recent years. Despite somewhat of slowdown during the pandemic, the market rebounded up to 2022 and then slowed down again in 2023 – although the difference this time was significant. The rental level for offices in Stockholm CBD remains at the 2022 level of SEK 9,000/m², although strong locations have noted a continued increase. In other parts of Stockholm, market rents have decreased slightly. The vacancy rate in central parts of Stockholm was stable at around 4.0% in 2022 and increased to 7.0% in 2023. In the local suburbs, the vacancy rate has increased from 6.0% last year to 8.5% in 2023.

Gothenburg

The development in rents in central Gothenburg has been steady over the past decade, and in 2023 the rental level reached SEK 4,100/m² from a level of SEK 4,000/m² in 2022. The vacancy rate has increased relatively quickly in strong locations in Gothenburg since 2020 and is now at 10.0%, and it is expected to continue to increase in the coming year in part due to large new builds. Gothenburg’s suburbs are reporting a similar trend with a vacancy level of 10.0%.

Malmö

Rental levels in Malmö have increased gradually in recent years and stabilised in 2022 at SEK 3,200/m² in central Malmö – and this level was maintained in 2023. The vacancy rate in central Malmö amounts to 9.5%, an increase from 6.0% in 2022.

Uppsala

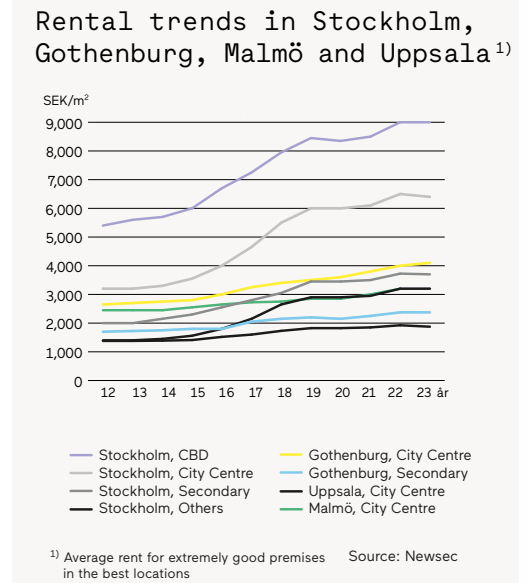
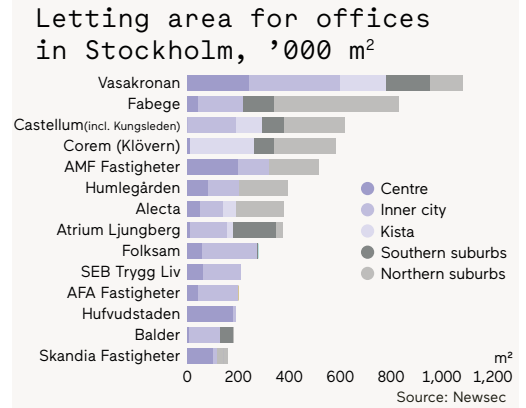
Uppsala has seen a gradual increase in rental levels in recent years, and central Uppsala reached SEK 3,200/m² in 2022, and this level was maintained in 2023. Like in other cities, the vacancy rate increased slightly in 2023 and landed at around 6.0% at the end of the year compared to last year’s 5.2%.

Atrium Ljungberg’s subsidiary markets are continuing to show a positive trend, and market rents have continued to increase.

Atrium Ljungberg’s market shares in subsidiary markets, offices

Subsidiary markets	Office space, '000 m ²	Share Atrium Ljungberg, %
Stockholm		
CBD	2,025	0.2%
Inner city	4,964	3%
Kista	960	4%
Southern suburbs	960	27%
Northern suburbs	2,145	3%
Uppsala		
Central Uppsala	510	3%
Gothenburg		
Lindholmen	341	21%
Malmö		
City centre, incl. CBD	915	3%

Source: Newsec and the company.





Retail.

The retail market has shown growth despite a decrease during the year in households' total consumption capacity. Sales development exceeded expectations, and the retail trade has thus been resilient. The FMCG market's sales increased during the year due to the price development for food. In the consumer durables market, the cosmetics sector posted the strongest development and the DIY sector was the weakest. For 2024, growth is forecast to reach 1.0% in current prices and is expected to be stronger in 2025.

Retail year 2023

In 2023, the sales growth in the retail market amounted to 4.7%. Sales growth for the FMCG sector was 10.3% in current prices, while the sales growth for consumer durables amounted to approximately 1.8%. The growth for the FMCG sector was entirely price driven at the same time as volumes dropped. Adjusted for the price increase, there was a negative trend in both FMCG and consumer durables, which means that sales decreased in terms of volume.

Just like in 2022, there has been wide variation in the development of individual sectors. The best sales development is noted in the clothing and cosmetics sectors. Sales in the clothing sector increased by 6.6% and recovered from the sharp negative development from the pandemic. The cosmetics sector had the strongest development during the year with growth of 13%, which could be an effect of consumers continuing to prioritise smaller purchases. However, the sales development in the furniture sector and the DIY sector has been sharply negative during the year. Due to decreased

willingness to invest and the pressure on households from economic developments, more expensive purchases are a lower priority

Weakly negative e-commerce sales in 2023

E-commerce has continued its negative trend since the pandemic, according to PostNord's E-barometer. The development at the beginning of the year was weak, and average growth after three quarters in 2023 was -3%.

Retail year 2024

Households have been – and will continue to be – under pressure from the difficult economic situation. High living costs have undercut the willingness to buy, and interest rate increases reduced the consumption capacity. Overall, household consumption has contracted, but the downturn in retail has been less than the actual decrease in the consumption capacity. The Riksbank's most recent interest rate announcement for 2023 represents some relief for households. HUI is forecasting weak growth of 1% in current prices, in part due to an increase in disposable income in 2024. Consumers

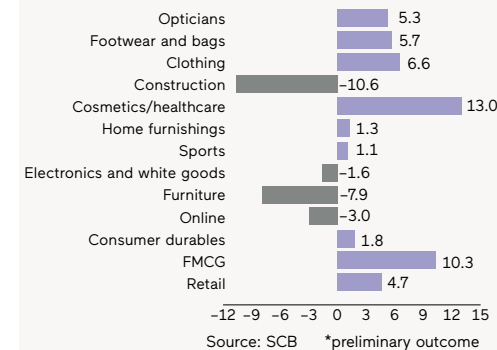
are expected to have more money available for consumption and savings at the end of 2024, but the high costs will persist. The consumption capacity is expected to increase gradually to 2025.

Atrium Ljungberg's market shares in subsidiary markets, Retail

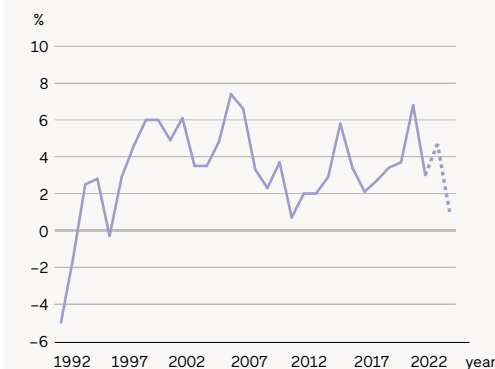
Municipality	Sales municipality, SEK m ¹	Share Atrium Ljungberg, %
Stockholm	77,424	0%
Nacka	8,792	40%
Uppsala	17,265	20%
Malmö	28,510	6%

¹) Refers to sales per municipality, 2022.

Retail sector development per subsidiary sector in 2023, current prices*



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



Residentials.

A year of waiting. After the difficult housing year in 2022, 2023 started with an increase in housing prices, and during the first half of the year the trend continued with slightly increasing prices but then turned slightly downward at the end of the year. The year was marked by inflation, an economic downturn, and rising mortgage rates, which put considerable pressure on private households and created a historically sluggish housing market.

Despite stabilisation of housing prices during the spring, buyers and sellers have had difficulty finding a meeting ground. Prices started to increase in January, with the prices of tenant-owned dwellings in Sweden as a whole increasing 1% during the year. The supply during the year was 19% larger than in the previous year, marking the highest level since Hemnet began to measure this metric. Despite a record-high supply of homes for sale, turnover on both the succession and new-build markets has been low, and supply has largely consisted of unsold apartments. During the year, 14% fewer tenant-owned dwellings were sold than in 2022.

Purchasing behaviour has changed, and two-thirds of buyers now need to sell first compared to the reverse situation historically. During the pandemic, the housing market was affected by increased demand for larger dwellings. Now, instead, space- and energy-efficient dwellings with low operating costs are in demand.

Housing construction was also impacted during the year by economic uncertainty and increased

financing costs, which resulted in the start of production for only around 27,000 new dwellings, a decrease of 55% compared to 2022.

New builds

The new-build market has halted, with a focus on selling projects for which sales have already started, and only a few new sales starts were noted. During the year, there were 38% fewer new-build apartments on Hemnet compared to last year. Several of the projects that started sales since the pandemic were completed during the year, with a large number of unsold or unoccupied dwellings that are now being sold on the succession market.

The new-build projects that continued during the year to have a sales rate are those with a good location, a short amount of time to occupancy, and a price closer to dwellings on the succession market.

In order to adapt to the altered economic conditions buyers are facing, it is increasingly important to offer both selling and buying in the same market and flexible possession.

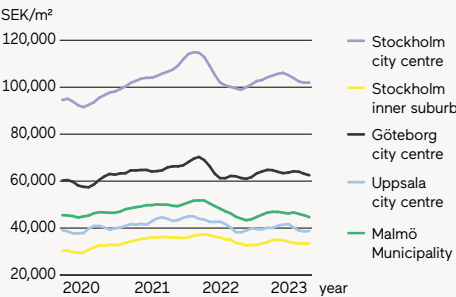
Price statistics tenant-owned dwellings 2023

Tenant-owned dwellings	1 months (%)	3 months (%)	12 months (%)	Average price (SEK/m²)
Sweden	-1%	-2%	1%	40,515
Central Stockholm	± 0%	-3%	3%	102,977
Gtr Stockholm	-1%	-1%	3%	61,449
Central Gothenburg	-2%	-6%	2%	59,076
Gtr Gothenburg	-1%	-2%	3%	44,408
Central Malmö	± 0%	-1%	1%	36,910
Gtr Malmö	± 0%	-2%	± 0%	33,107

Source: Svensk Mäklarstatistik.

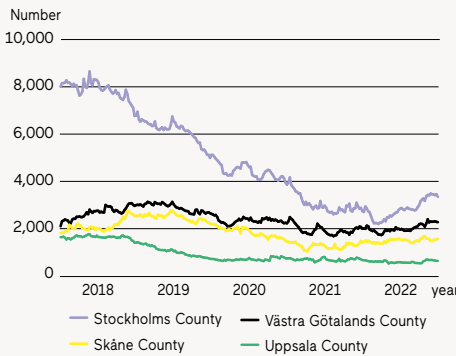
Price trends for tenant-owned dwellings

- During the year, prices of tenant-owned dwellings in the country increased by 1%.



Source: Svensk Mäklarstatistik

Supply of new-build apartments for sale



Source: Booli

New builds of tenant-owned dwellings have also been affected by mortgage rates for the association's loans, and thus were forced to raise the monthly fees by on average for the industry 25–30% compared to previous years. A number of players have chosen to compensate the tenant-owned associations with an interest rate guarantee.

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, where we see continued long-term demand for both tenant-owned dwellings and rental dwellings.

Stockholm

Prices for tenant-owned dwellings in Stockholm, together with Gothenburg, had the strongest positive development. Prices increased 3% for full-year 2023. 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 6% even though the waiting time is falling. The total number of applicants on the housing list is approximately 822,000. The average waiting time is approximately 6 years for new-build rental dwellings.

Malmö

Prices of tenant-owned dwellings in Malmö increased like in other metropolitan areas during the first half of the year, but then ended the year at around 0%. In Malmö the average waiting time for a new-build rental dwelling is 3.7 years, which shows that demand has remained stable.

Uppsala

Prices of tenant-owned dwellings in Uppsala, after the downturn during the autumn, ended the year with an increase of 1.7% for the full year. Record-low levels of sales starts for new builds, with 9 sales starts compared to 38 the previous year. The average waiting time for a new-build rental dwelling has decreased from 4 years to 3.5 years over the past year.

Stockholm

In Sickla, we are planning for a total of 500 dwellings in Nobelberget. The first two blocks are completed, and the third block, Brf Kulturtrappan comprising 93 apartments, will be completed at the beginning of 2024. At the end of 2023, a decision was also made to start the fourth block, Brf Kulturavet, comprising 80 apartments. It will be the first to be built in wood and thus marks the start of Stockholm Wood City.

At the same time, planning work is under way for an additional housing project in Kyrkviken and at Norra Nobelberget. The future blocks are all planned to be constructed with wooden frames.



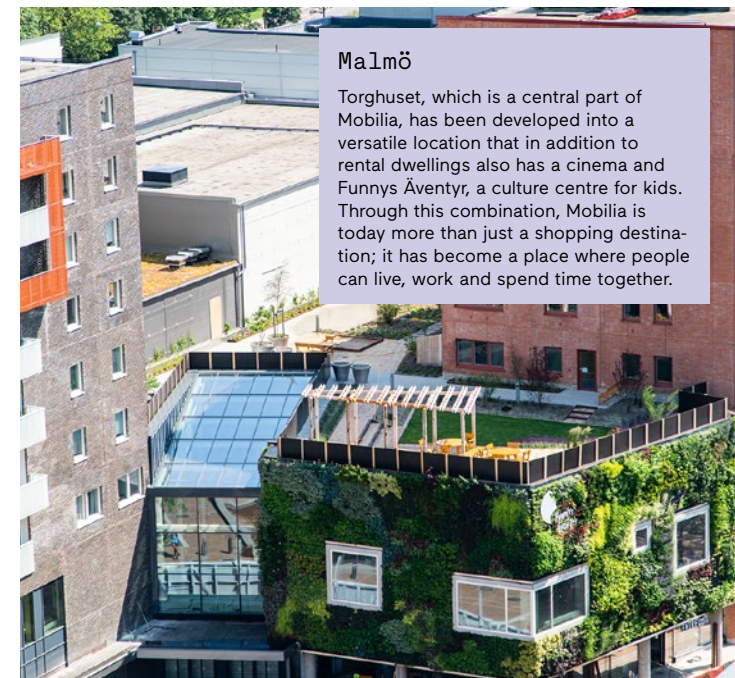
Uppsala

Parkhusen's strategic placement next to Gränbystaden Galleria and Gränbyparken makes it unique. The project functions as a natural bridge between the city and nature. The second block comprising 93 apartments was completed in the autumn of 2023.



Malmö

Torghuset, which is a central part of Mobilia, has been developed into a versatile location that in addition to rental dwellings also has a cinema and Funnys Äventyr, a culture centre for kids. Through this combination, Mobilia is today more than just a shopping destination; it has become a place where people can live, work and spend time together.



The transaction market.

The Swedish transaction market slowed significantly in 2023 with a transaction volume of SEK 104 billion distributed between 328 transactions. A clear decline compared to the strong transaction years 2021 and 2022 (both over SEK 200 billion) and the historical average of SEK 150 SEK billion since the financial crisis. Of the total transaction volume, international investors represented 29% compared to the average outcome during the period 2015–2022 of 21%.

Transaction market in 2023

Higher interest rates and more challenging financing options for new acquisitions contributed to the slow-down on the transaction market in 2023. When financing costs are unknown or trending upward, this introduces a degree of uncertainty into the value of underlying assets, which in turn means that there is a gap between the price expectations of buyers and sellers. This, in turn, has resulted in drawn-out business processes. However, there was a slight increase in a small number of transactions and high-yield property types.

The geographic distribution is similar to what it has been historically. Stockholm, like before, represents the largest share, 45% of the total transaction volume, which is higher than the average during the period 2015–2022 (40%). It is followed by Other major cities, which represents 30%, and Rest of the country at 14%, which is slightly lower than last year. Gothenburg represents 7% and Malmö 4%, which are in line with last year's figures.

Transaction market per segment

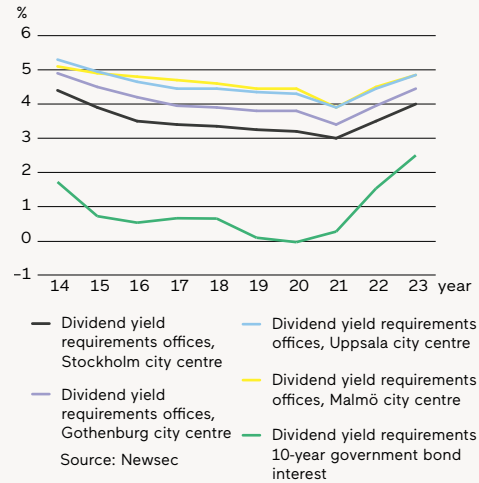
Warehouse/logistics/light industry has increased in recent years in both share and volume and represented 27% of the total transaction volume in 2023 – which means it was the largest segment. This was followed by residential at 22%, offices at 17%, social properties at 12% and retail at 8%. The remainder (14%) comprised a mix of different asset types, including hotels and land.

Yield increases 2023

After several years of downward-trending yields, the trend turned slowly upward in 2022. After gradual interest rate decreases, it became easier for investors to find cost-efficient financing. The economic wake of COVID-19 combined with tighter interest-rate policy led to a clear upswing in the yield trend in 2022 and 2023. This upward trend is noticeable in all segments on the Swedish real estate market. In 2024, yields are expected to stabilise.

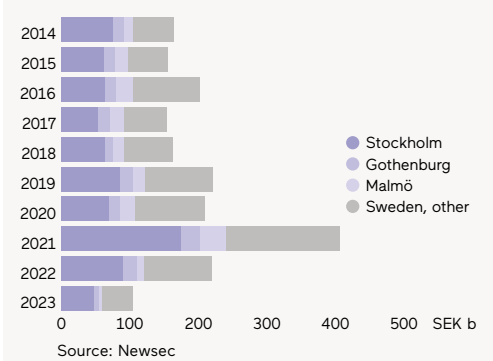
Dividend yield requirements and 10-year government bond interest

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



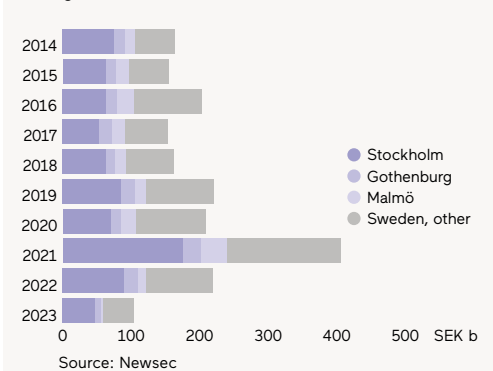
Transaction volume per geographic area

– Property sales amounted to SEK 104 billion in 2023.



Transaction volume per property type

– Storage/logistics/light industry represented the largest share of the total transaction volume in 2023



Financial
stability.



Financial market in 2023.



The financial market has been nervous for most of 2023 as concerns about the negative effects of record-fast interest rate increases around the world have mixed with careful optimism about a soft landing. However, economic activity proved to be robust at the same time as inflation was persistently high, which is why the market assumed long-term high interest rates through the end of October. Due to a slight drop in inflation, though, the market pivoted and now is expecting rapidly falling interest rates.

Swedish short-term market rates continued to increase during the year as the Riksbank gradually increased the policy rate to 4% in September. Since then, the Riksbank paused more increases, and the short-term market rates have been relatively stable at around 4%. While the Riksbank is forecasting that the policy rate will stay at around today’s levels for all of 2024, the interest rate market, driven by rapidly falling inflation expectations, instead is expecting rapid decreases and is setting the policy rate at around 2.7% at the end of 2024. Even swap rates increased sharply during the first 10 months of 2023, with the 10-year swap going from 2.9% at the beginning of the year to 3.5% in October and then quickly falling back to, at its lowest, 2.26% in mid-December. Since then, the long-term rates have turned upward again and the 10-year swap is being traded at the end of the year at around 2.35%.

The Swedish capital market gradually improved during the year. Atrium Ljungberg issued bonds on three occasions: first, a 2.5-year green FRN of SEK 300 million in April with a credit margin of 2.25%; then, a short 3-year green RN of SEK 300 million in September with the same margin; and finally, a 3.25-year green FRN of SEK 300 million in October with a margin of 2.18%. In other words, the margin, adjusted for different maturities, steadily decreased

during the year. Based on the pricing of bonds on the secondary market, the company’s credit margin for a new 3-year bond at the turn of the year would have been around 1.80%. The commercial paper market also followed a positive trend. While investors during the first half of the year at best wanted to roll-over maturities, Atrium Ljungberg was able to issue commercial papers to new investors and increase its volume significantly to almost SEK 1.9 billion during the second half of the year. The credit margin above Stibor, for a term of 3 months, remained constant at 70 bp for all of 2023.

Forecast for the financial market in 2024

The outlook for 2024 in general can be described as cautiously positive. Inflation is falling on a broad front, which opens for the possibility of decreasing interest rates and improved economic conditions for consumers and firms, and a soft landing is now the most probable scenario.

However, there are risks of a backlash; if the decrease in inflation were to slow down, this would reduce the possibility for the central banks to lower the interest rate. There are also questions about how much of the implemented monetary tightening

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

69%

has already impacted the economy and how much potentially remains. To the macroeconomic uncertainty should also be added political and geopolitical risks such as the wars in Ukraine and Gaza, the conflict between China and Taiwan, and that 2024 is an election year in the USA.

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

Finance Policy 2023

	Goal/Mandate	Result, 31 Dec 2023
The Group’s interest coverage ratio	Minimum of 2	3.7
Group’s loan-to-value ratio	Max 45%	42.5%
Loan-to-maturity	Minimum of 2.0 years	3.5 years
Liquidity buffer for 12 months	At least 100%	More than 100%
Interest rate duration	2.5–5.0 years	3.8
Proportion with an interest adjustment within 12 months	Max 45%	19%
Currency risk in financing	Must not occur	Does not occur
Percentage of unutilised credit facility from an individual counterparty	Max 70%	41%

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.

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 27,519 million (SEK 29,141 m), while liabilities amounted to SEK 34,258 million (SEK 34,756 m), of which SEK 24,966 million (SEK 25,389 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 turn of the year it amounted to 42.5% (41.7%). 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 7,349 million (SEK 7,835 m) and represented 29% (31%) of the total loan volume at the turn of the year. During the year, a new sustainability-linked bank loan of SEK 1,000 million was raised and a number of credit facilities were extended or 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 a Swedish commercial paper programme. Both programmes were established in 2013 and since then Atrium Ljungberg has been a frequent and well-known issuer. At the turn of the year, the framework amount for the commercial paper programme was SEK 5,000 million, and SEK 17,000 million for the MTN programme.

In 2023 three green bonds were issued with a total volume of SEK 900 million. The issues were completed during Q2–Q4 and with gradually improved conditions.

In total, bonds of SEK 1,350 million have fallen due and were repaid during the year. Atrium Ljungberg has both a green and sustainability-linked bond framework.

At the turn of the year the volume of outstanding bonds totalled SEK 12,363 million (SEK 13,035 m), while the volume of commercial papers was SEK 1,880 million (SEK 1,051 m). Capital market financing therefore accounted for 57% (55%) of the total loan volume. In the next two years the company has bonds falling due for SEK 1,796 million in 2024 and SEK 2,800 million in 2025.

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 1,919 million (SEK 1,918 m), as well as secured direct loans with institutional counterparties for SEK 1,450 million (SEK 1,550 m).

Available liquidity

At the turn of the year unutilised credit facilities amounted to SEK 7,640 million (SEK 6,055 m), which comfortably covers outstanding commercial papers, totalling SEK 1,880 million, as well as other forms of borrowing with short remaining maturities. Total available liquidity amounted to SEK 7,956 million (SEK 6,735 m), including cash and cash equivalents of SEK 119 million (SEK 380 m) and unutilised overdraft facilities of SEK 197 million (SEK 300 m).

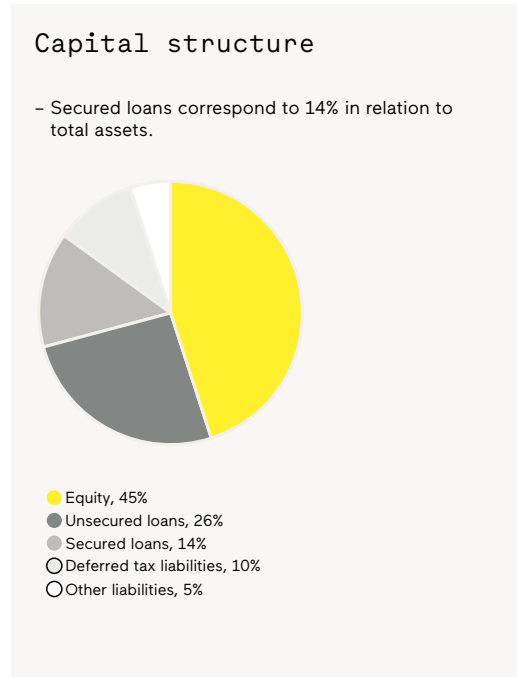
Loan interest, time-to-maturity and interest rate duration

The average interest rate amounted to 2.3% (2.2%) at the end of the year. Including unutilised loan guarantees the average interest rate was 2.4% (2.3%).

Our property ownership is a long-term commitment, requiring long-term financing, and long

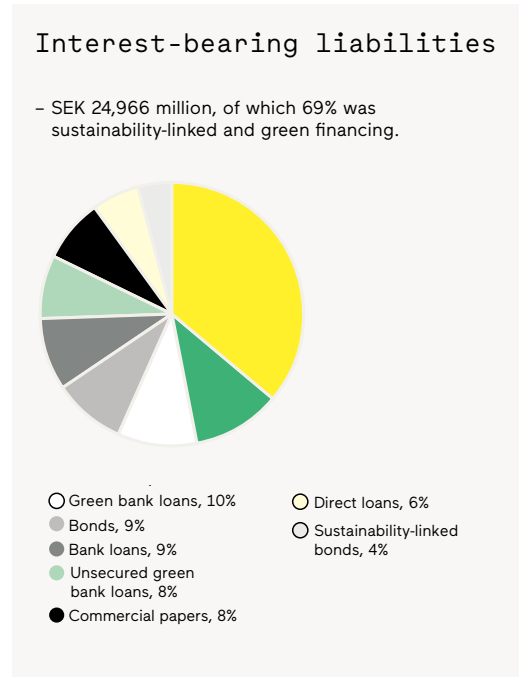
time-to-maturity reduces the refinancing risk. The remaining time-to-maturity at the turn of the year was 3.5 years (4.3 years).

Financial costs represent a major cost item in the income statement. In addition to changes in the debt volume, they are also impacted by changes to the underlying market rate and 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 rate 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 3.8 years (4.0 years) at year-end.



Sustainability-linked and green financing
Sustainability constitutes a core of the business and operations, and Atrium Ljungberg has a high ambition level and a clear strategy to build the sustainable cities of the future. Chapter 2 “Sustainable Enterprise” describes in detail how the company works with sustainability. This makes Atrium Ljungberg both attractive to investors, customers and society and contributes to and ensure long-term profitability.

Therefore, it is only natural that the company's financing is also linked to the sustainability work through green and sustainability-linked loans and bonds. The first green bonds were issued in 2017, and in 2022 the company, as the first property company in the Nordics, also issued sustainability-linked bonds. The results of the company’s sustainability goals can impact financing costs if the



company does not meet its ambitious sustainability goals, which would result in an increase in the interest rate. The sustainability-linked financing framework also serves as a basis for sustainability-linked bank loans and credit facilities. The company's framework for green bond financing was updated most recently in 2022 and received a score of 'Medium Green' by Cicero following an independent review. Atrium Ljungberg also has several secured and unsecured green bank loans, observing the requirements set by each lender. After being considered 'niche' only a few years ago, green financing has now come to dominate the Swedish capital market and is providing better terms and access to the market than conventional loans.

In total sustainability-linked financing accounts for 15% (16%) and green financing accounts for 54% (55%) of total financing. In addition, 87% (75%) of the unutilised credit facility of SEK 7,640 million is linked to sustainability.

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 in the future and require prepayment. 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 Group company must be wholly-owned, Group companies with mortgaged assets cannot take out any additional loans, and that specific financial information must be submitted to the lender. There are also different types of ownership clauses. The company complied with all of the covenants from all counterparties during the year.

Credit rating

Atrium Ljungberg has had a credit rating with Moody's since 2017. In March 2023, in light of increasing financing costs and falling property prices on the market, which together are

challenging both the interest coverage ratio and the loan-to-value ratio, Moody's decided to change Atrium Ljungberg's rating to Baa2 with a negative outlook. Moody's confirmed the same rating in

December 2023 given the high quality of the property and project portfolio, the diversified customer structure, and the good financial position.

Maturity profile of financing, SEK m

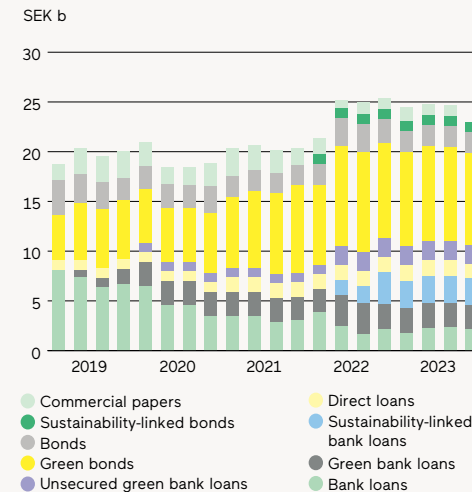
Duration	Bank loans	Capital market	Total liabilities	Percentage, %	Total credit agreements
2024	103	3,675	3,778	15%	3,778
2025	3,451	3,099	6,550	26%	10,800
2026	200	3,536	3,736	15%	7,126
2027	1,914	3,442	5,356	21%	5,356
2028	2,263	495	2,758	11%	2,758
>2028	2,788	0	2,788	11%	2,788
Total	10,718	14,248	24,966	100%	32,606

Interest rate duration, SEK m

Duration	Volume	Percentage, %	Average interest, % ¹⁾
2024	4,841	19%	0.4%
2025	1,750	7%	2.4%
2026	2,704	11%	1.9%
2027	3,850	15%	3.1%
2028	4,260	17%	2.5%
>2028	7,560	30%	3.1%
Total	24,966	100%	2.3%

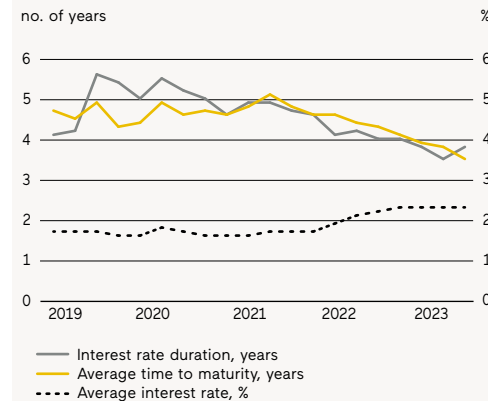
Development of financing sources

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



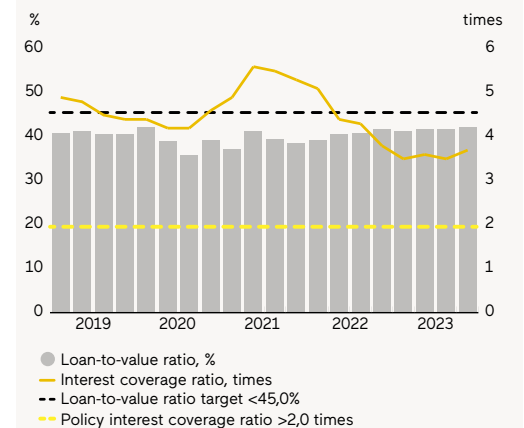
Average interest rate, time-to-maturity and interest rate duration

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



Loan-to-value ratio and interest coverage ratio

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





Project
investments.

Photos: Emil Fagander





Management and project development.

Sustainability is integrated into our business, from projects to management. Atrium Ljungberg's ambition is to reduce environmental impact – both our own and our customers' – and to streamline resource utilisation. Important areas for us to work on are decreased energy consumption, climate-improved material choices, circularity, waste reduction and transports. But sustainability extends beyond these areas. The life between the buildings – that the location is attractive and safe – is just as important. In these areas, together with our tenants, we have the greatest possibility of influencing and making a difference.

Management for long-term ownership

Atrium Ljungberg's operations consist of both project development and management. We develop and manage with the aim of long-term ownership of office and retail properties. In our residential initiatives, we develop projects to sell to tenant-owned associations. In focus is our vision: "Our city – where everyone thrives". In other words, we aim to create sustainable locations where people want to live and be for many years to come.

In order to work closely with our tenants and meet their needs in the best possible way, we have chosen to have our own management organisation. The collaboration is close, long term, stable and committed. Relationships based on trust enable us to find innovative solutions, which is important, not least from a sustainability perspective. Our tenants are becoming increasingly interested in contributing to sustainable solutions and efficiency measures. One example of our collaboration is the green lease contracts which entail that we will work together to reduce the environmental impact of the properties. At the end of the 2023, 75% of contracted annual rent was covered by green rental contracts.

Tenant communication

We use our own portal, Servicenter, to communicate with our tenants in an easily accessible and effective manner. In the portal, each tenant can find their own individual consumption of energy and water, and we are working continuously to offer additional data and relevant information. Via Servicenter, we maintain a dialogue surrounding service tickets and improvement measures. We also have the possibility of advocating for more

sustainable behaviour by sharing information about bicycle parking, charging stations, waste rules, energy savings, and much more.

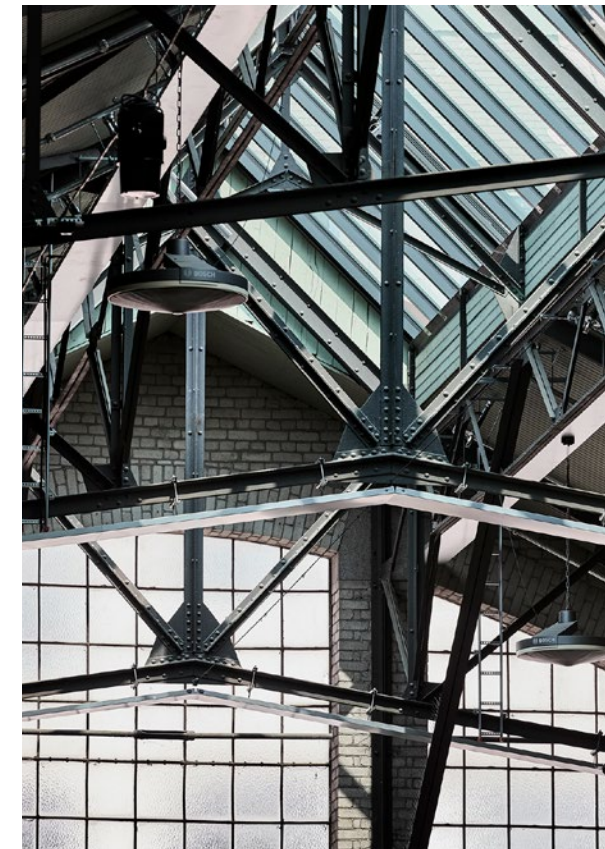
Satisfied customers often stay longer in their premises and do not move. By retaining the tenant, it is possible to reduce the number of tenant adaptations, which today is a major environmental burden. We use CSI measurements to gain additional insights from our customers and identify improvement measures to be able to retain our tenants for the long term. This contributes to less reconstructions and thus fewer climate emissions.

Sustainable project development

We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. By varying the content, we create an urban life where people are happy, feel safe and are inspired – which is directly linked our vision (Our city – where everyone thrives), now and in the future. Our project development comprises new builds and reconstructions/extensions and takes place in attractive locations in metropolitan regions. Our projects are often next to an already existing holding or located in areas where we see an opportunity for sustainable development in the form of long-term urban development plans, for example areas that are part of future public transportation lines.

Projects are run by our own staff – from the original concept to occupancy and the point where management takes over responsibility for the building. The return on projects is to be more profitable than acquiring properties with an existing cash flow. Projects therefore contribute to both

operating net growth and value growth. The overarching objective is to create sustainable properties and premises where our customers want to be for a long time to come.



Ongoing and completed projects.

We have ongoing projects with a remaining investment of SEK 4.9 billion. During the year, despite global turbulence, we continued to invest in profitable and value-creating projects. This year's investment volume amounted to a total of SEK 2.2 billion in properties we are developing for ownership and tenant-owned dwelling projects.

During the year investments in held properties amounted to approximately SEK 2.2 billion (SEK 2.3 b), of which SEK 1.8 billion (SEK 1.9 b) was in investment properties and SEK 0.4 billion (SEK 0.4 b) in development properties, i.e., our tenant-owned dwelling projects. Investments in investment properties related primarily to projects in Hagastaden, Sickla, Slakthusområdet and Slussen, as well as adaptations to premises and energy support measures in the management portfolio.

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

During the first quarter of 2023, the first phase of Slakthushallarna in Slakthusområdet was completed, resulting in a new popular food destination led by the restaurant Solen. This project reflects the vision for Slakthusområdet and has gained widespread coverage in the media.

During the second quarter, Brf Blomsterkungen, our tenant-owned dwelling project in Gränbystaden, Uppsala, was completed, and during the year SEK 35 million was recognised, corresponding to 65% of the apartments being occupied.

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

In Nobelberget in Sickla, production is under way on Brf Kulturtrappan, comprising 93 tenant-owned apartments, with planned completion in 2024. At the end of the year, a decision was made to start a new tenant-owned dwelling project in Sickla called Kulturarvet, corresponding to an investment of SEK 450 million and with estimated completion at the end of 2025.

In Slakthusområdet, the construction is under way on an upper-secondary school comprising

approximately 6,000 m². The company has signed a lease contract with a term of 15 years, which was approved by the City Council in June 2022. In addition, decisions were made on Hus 6: Stationen, at the north entrance to Slakthusområdet. Hus 6 is planned to comprise almost 17,000 m² with offices, services, food and an entrance to a future underground station. It is scheduled to be completed in the second quarter of 2027.

In Hagastaden, reconstruction and refinement are under way on the office property Blästern 11, also called PV Palatset, corresponding to an investment volume of SEK 400 million. This work is expected to be complete in 2025.

Furthermore, a major reconstruction and modernisation of Söderhallarna at Medborgarplatsen is under way. 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 investment amounts to SEK 1.3 billion and is scheduled for completion in 2026.

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

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. Furthermore, an extension of Campus Sickla is under way, where approximately 2,000 m² will be added to the existing school building.

Production of the commercial reconstruction project Katarinahuset in Slussen is in its final phase, and the first tenants already moved in during the autumn of 2022. During the third quarter of 2023, the company signed a contract with the City of Stockholm for the acquisition of one of three land allocations at Slussen. The acquisition refers to Mälarterrassen, which comprises 7,000 m² of GFA for cafés, restaurants and cultural facilities and has a view of Gamla Stan and the water. The

acquisition was conditional on the approval of the City Council, which was received at the end of 2023. Estimated possession is in the autumn of 2024, and estimated completion is mid-2026. The total investment including acquisitions is expected to amount to SEK 430 million.

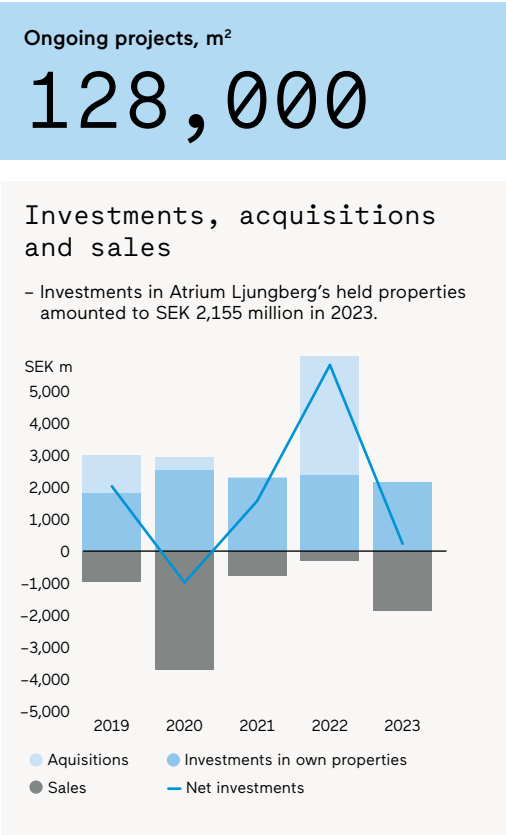
The remaining investment volume for decided projects amounted to approximately SEK 4.9 billion at the turn of the year. SEK 7.0 billion of ongoing projects is for investments in properties that are being developed for ownership with an assessed project

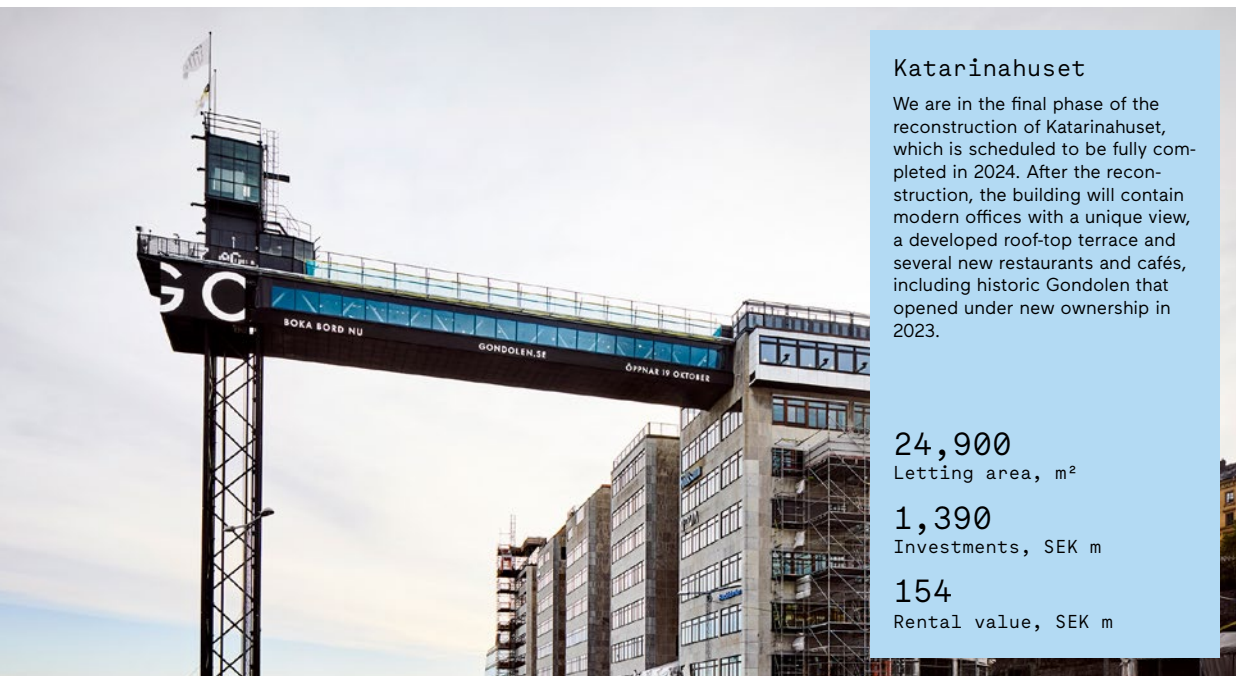
return of 22% corresponding to SEK 1.5 billion, of which half has already been recognised.

Ongoing projects

Developed for ownership	Municipality	Investment type	Completed	Residen- tials, m²	Premises, m²	Total investment including land, SEK m	of which remains, SEK m	Market value at completion, SEK m	Rental value, SEK m¹	Economic occupancy rate, %
Completed projects during the year										
– Slakthushallarna phase 1	Stockholm	Reconstruction	Q1 2023	–	2,300	210	10		10	70
Ongoing projects										
– Katarinahuset	Stockholm	Reconstruction	Q1 2024	–	24,900	1,390	250		154	91
– Slakthushallarna phase 2	Stockholm	Reconstruction	Q1 2024	–	2,000	140	30		5	100
– PV Palatset	Stockholm	Reconstruction	Q2 2025	–	10,100	400	270		48	–
– Campus Sickla	Nacka	Extension	Q4 2025	–	2,100	110	80		7	100
– Sickla Stationshus	Nacka	New build	Q4 2025	–	17,100	1,070	600		69	–
– Söderhallarna	Stockholm	Reconstruction	Q1 2026	–	23,900	1,260	1,130		126	–
– Upper-secondary school Slakthusområdet	Stockholm	New build	Q2 2026	–	6,200	370	330		18	100
– Mälarterrassen	Stockholm	New build	Q2 2026	–	4,200	430	390		33	–
– Hus 6 Stationen Slakthusområdet	Stockholm	New build	Q2 2027	–	16,900	1,600	1,360		87	–
Properties to own				–	109,700	6,980	4,450	10,100	557	32
Tenant-owned dwellings										
									Booking rate, % ²)	Sales rate, % ³)
– Brf Blomsterkungen	Uppsala	New build	Q2 2023	5,800	–	270	0		–	72
– Brf Kulturtrappan	Nacka	New build	Q2 2024	6,600	–	520	60		–	51
– Brf Kulturarvet	Nacka	New build	Q4 2025	5,800		450	340		–	0
Tenant-owned dwellings				18,200	0	1,240	400	1,500		
Ongoing projects				18,200	109,700	8,220	4,850	11,600		

¹) Excluding premiums.
²) and ³) The proportion of apartments sold (in numbers). As per 31 December 2023, no projects were in the reservation phase. The number of sold apartments in Blomsterkungen was 71 of 98 and in Kulturtrappan 47 of 93.





Katarinhuset

We are in the final phase of the reconstruction of Katarinhuset, which is scheduled to be fully completed in 2024. After the reconstruction, the building will contain modern offices with a unique view, a developed roof-top terrace and several new restaurants and cafés, including historic Gondolen that opened under new ownership in 2023.

24,900

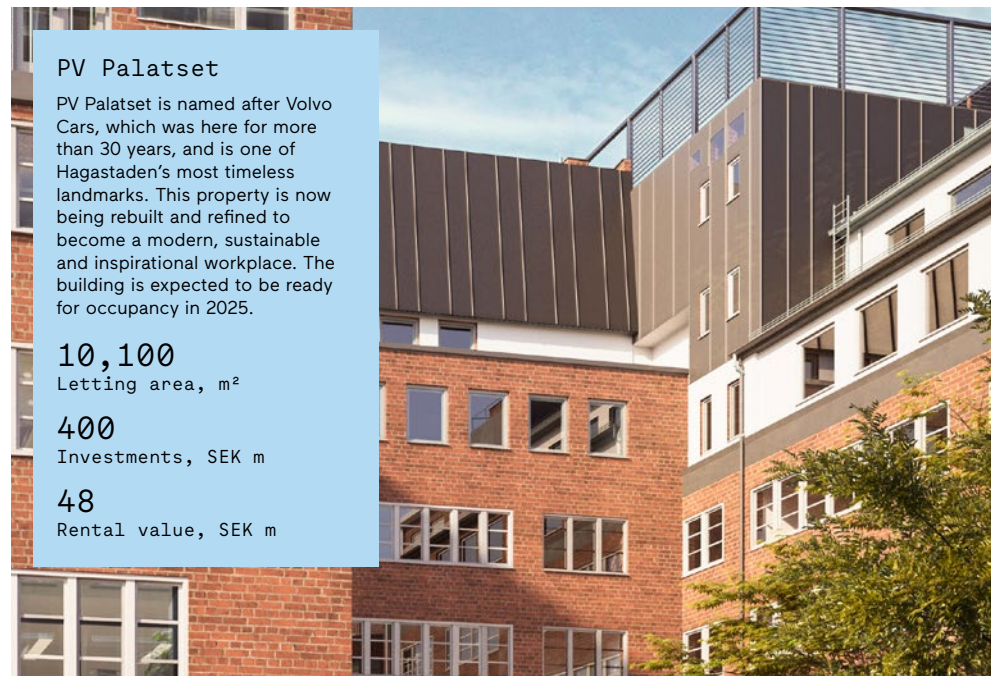
Letting area, m²

1,390

Investments, SEK m

154

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

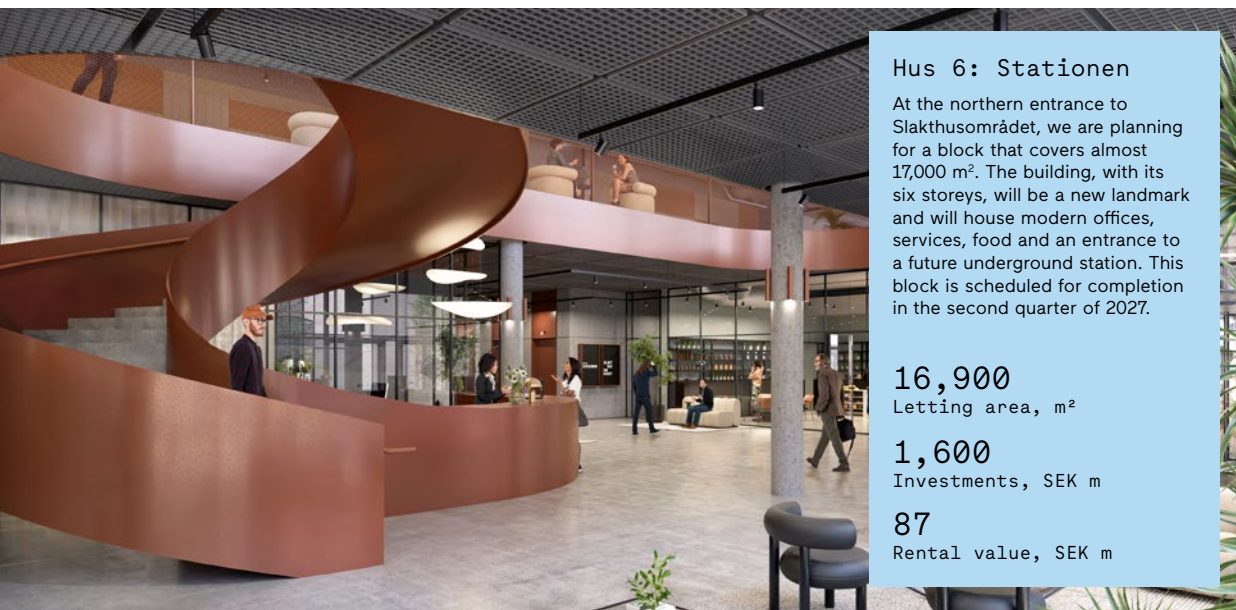
Letting area, m²

400

Investments, SEK m

48

Rental value, SEK m



Hus 6: Stationen

At the northern entrance to Slakthusområdet, we are planning for a block that covers almost 17,000 m². The building, with its six storeys, will be a new landmark and will house modern offices, services, food and an entrance to a future underground station. This block is scheduled for completion in the second quarter of 2027.

16,900

Letting area, m²

1,600

Investments, SEK m

87

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

370

Investments, SEK m

18

Rental value, SEK m



Ongoing and completed projects

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. New Söderhallarna is scheduled for completion in 2026.

23,900

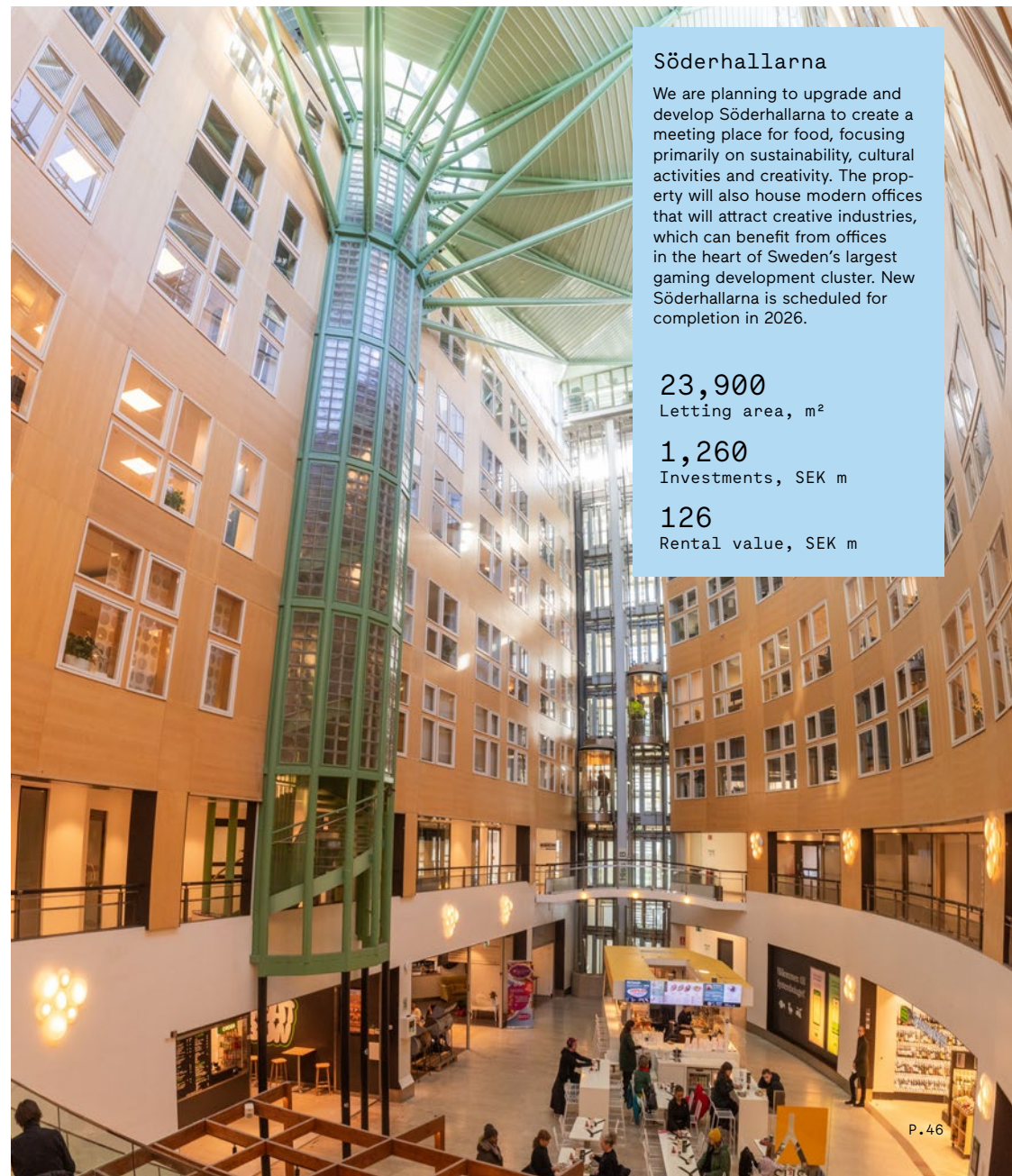
Letting area, m²

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.

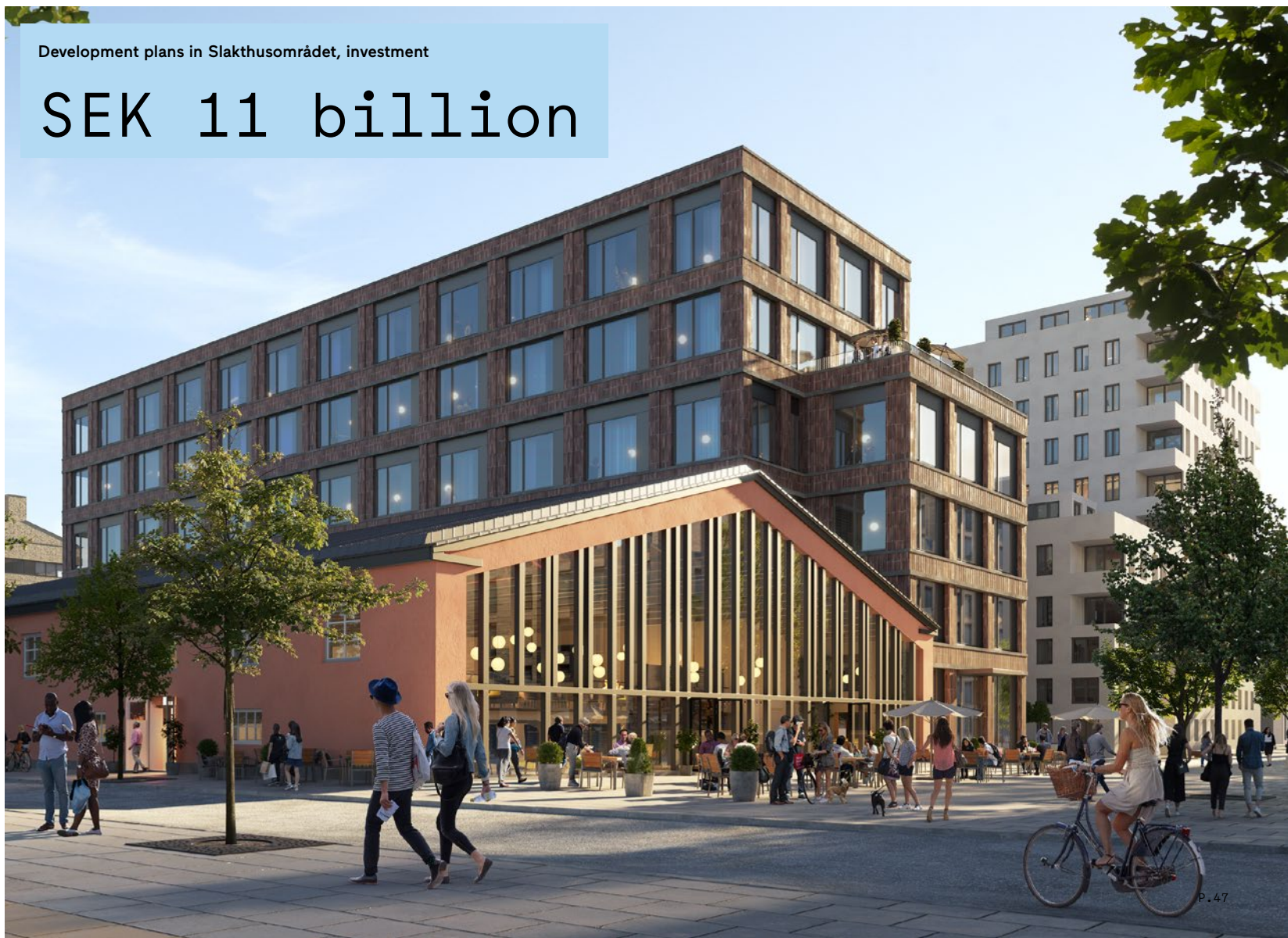
Atrium Ljungberg's business model involves us owning, managing and developing properties and city districts responsibly. This enables us to take responsibility for the entire value chain. Our project portfolio as per 31 December 2023 comprises approximately 800,000 m² GFA, of which 235,000 m² GFA is for residential development rights and the rest is for properties that we hold and manage with an emphasis on 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 pace at which we carry out the projects depends on the market situation and the detailed development plan process. Normally, no projects are without securing a minimum level of return through 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 all southern suburbs. We currently have 200,000 m² GFA in land allocations that we already own or have obtained; this corresponds to a future investment of SEK 11 billion, of which SEK 1 billion is for

Development plans in Slakthusområdet, investment

SEK 11 billion



tenant-owned dwellings and the remaining is for commercial operations. Slakthusområdet is one of Stockholm's largest urban development projects. In June 2022 the zoning plan for Stationskvarteret gained legal force and during the summer, a development agreement was signed. In total, Atrium Ljungberg has approximately 40,000 m² GFA in zoning plans that has gained legal force and the ambition is to double this by 2024. In December 2023 the company signed a lease contract with Stockholm University of the Arts, SKH, for a move to Slakthusområdet. SKH is a public university that is currently spread across five different addresses in Stockholm. SKH has approximately 500 students and 250 employees and doctoral students who will now be gathered under one roof. Högskolekvarteret, where SKH's premises will be located, covers 36,000 m² GFA and is expected to be completed in 2030.

Slussen

Atrium Ljungberg is one of the largest property owners at Slussen. Here we have the opportunity to develop the future retail hub under Ryssgården and Södermalmstorg, which comprises approximately 16,000 m² GFA. This retail hub links the Saltsjöbanan Line with the bus terminal in Katarinaberget and with the underground metro. It will also be adjacent to the upcoming Mälarterrassen – see the section Ongoing and completed projects for more information on this specific project.

At Slussen the company also has a land allocation in front of Katarinahuset in the Ryssbodarne block, located above Stadsgårdsleden and Saltsjöbanan. This is a development right comprising 7,000 m² GFA across five floors, where we are planning offices with public spaces on the ground floor. Production will start in 2027 at the earliest, with potential occupancy in 2029. In conjunction with the approval by the City Council of the agreement for Mälarterrassen, the land allocation agreement

180,000

m² GFA, including 500 apartments, planned in Sickla

for the adjacent office block (Ryssbodarne) and Handelsplatsen was also extended.

Atrium Ljungberg already owns Glashuset, Sjömansinstitutet and Katarinahuset. This means that we now own approximately 55,000 m² of lettable spaces in our existing portfolio and have land allocations for a total approximately 23,000 m² GFA and will commence new production of 7,000 m² GFA in 2024. The development projects at Slussen, which are planned to be carried out until 2030, correspond to a total future investment of approximately SEK 2 billion, including land acquisition.

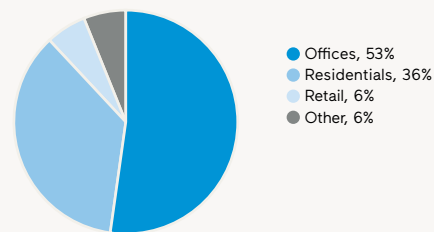
Hagastaden

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 eastern Hagastaden we have a land allocation, where we are planning to build an

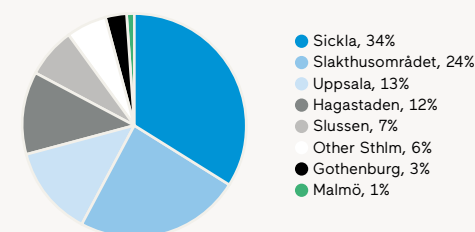
Planned projects by premises type

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



Planned projects by area

– 83% of the area is focused on Stockholm.



Brf Kulturarvet in Nobelberget marks the start of Stockholm Wood City.





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 7 billion, including SEK 3 billion for tenant-owned dwellings and the rest for offices. These projects are expected to be completed by 2030 or shortly afterwards.

Sickla

For more than 25 years we have been transforming Sickla from an industrial area into a vibrant city district. In June 2023 the plans were launched for Stockholm Wood City, which will be the world's largest urban wooden construction project. The ground-breaking ceremony is planned for 2024, and the first office buildings are scheduled for completion in 2027. Wooden construction has many environmental, health and financial benefits. This enables a lower climate footprint across the life cycle, the use of local raw materials, an

energy-efficient manufacturing process and quieter construction sites.

In December 2023 we decided on the start of construction for the next residential block at Nobelberget in Sickla. This will be the fourth block of a total of eight, and it is the first constructed in wood. Brf Kulturarvet, for which production is expected to start during the first quarter of 2024, thus becomes the start of Stockholm Wood City.

In total, the development project comprises a total of 250,000 m², which corresponds to 25 blocks, 7,000 workplaces and 2,000 apartments. A mix of housing and workplaces is planned for the area, with restaurants and shops bringing life to the streets. This attractive and dynamic city district will become a role model for sustainable architecture and urban development and an important step in the company's ambitious sustainability goals.

Stockholm Wood City comprises several zoning plans at different phases. The largest ongoing zoning plan is for the central areas of Sickla. The plan was out for consultation in 2023, and the review will continue until the end of January 2024. The zoning plan area is divided into several phases, where phase 1 relates to construction up to 2030, with planned adoption in 2024 and construction starting in 2025. Parts of this area are being postponed as a result of the Eastern Link reserve. The company is also planning for more residential in other parts of Sickla, in part through the zoning plan at Nobelberget for 500 apartments that has gained final approval. Planning work is also under way for Kyrkviken and Norra Nobelberget.

An investment decision was made for a new underground station entrance in Sickla. The company had already agreed to build an underground entrance for the extension of the blue line to Nacka as part of the current Sickla Stationshus project, but this has now been increased to include an

additional entrance, with both entrances expected to be up and running in 2030.

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

GOTHENBURG

In the fourth quarter of 2022 the zoning 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. The zoning plan is being developed in collaboration with Älvstranden Utveckling.

MALMÖ

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

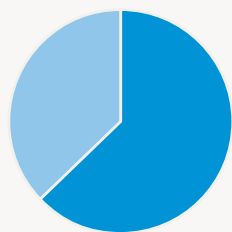
The zoning plan for Ångkvarnen (Uppsala Kungsängen 22:2) in the City of Uppsala was adopted by Uppsala City Council in June 2021 and became legally binding at the end of June 2022. The buildings are in a development area where we

are working with Ikano Bostad and Besqab to link the southern parts of the inner city with the centre. Possession of these properties is expected to take place in the summer of 2024 at the earliest.

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

Planned projects by detailed development plan

– 37% of the area has already an approved zoning plan.



- Change to detailed development plan required, 66%
- Detailed development plan exists, 34%



Ongoing projects

Developed for ownership	Municipality	Investment type	Completed	Residen- tials, m ²	Premises, m ²	Total invest- ment includ- ing land, SEK m	of which remains, SEK m
Completed projects during the year							
– Slakthushallarna phase 1	Stockholm	Reconstruction	Q1 2023	–	2,300	210	10
Ongoing projects							
– Katarinahuset	Stockholm	Reconstruction	Q1 2024	–	24,900	1,390	250
– Slakthushallarna phase 2	Stockholm	Reconstruction	Q1 2024	–	2,000	140	30
– PV Palatset	Stockholm	Reconstruction	Q2 2025	–	10,100	400	270
– Campus Sickla	Nacka	Extension	Q4 2025	–	2,100	110	80
– Sickla Stationshus	Nacka	New build	Q4 2025	–	17,100	1,070	600
– Söderhallarna	Stockholm	Reconstruction	Q1 2026	–	23,900	1,260	1,130
– Upper-secondary school Slakthusområdet	Stockholm	New build	Q2 2026	–	6,200	370	330
– Mälarterrassen	Stockholm	New build	Q2 2026	–	4,200	430	390
– Hus 6 Stationen Slakthusområdet	Stockholm	New build	Q2 2027	–	16,900	1,600	1,360
Properties to own				–	109,700	6,980	4,450

Tenant-owned dwellings				Revenue recognition			
– Brf Blomsterkungen	Uppsala	New build	Q2 2023	5,800	–	270	0
– Brf Kulturtrappan	Nacka	New build	Q2 2024	6,600	–	520	60
– Brf Kulturarvet	Nacka	New build	Q4 2025	5,800		450	340
Tenant-owned dwellings				18,200	0	1,240	400

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.



Governance and
control.

Directors' report.

The Board of Directors and the CEO of Atrium Ljungberg AB (publ.), company ID no. 556175-7047, hereby submit the annual accounts and the consolidated statements for the 2023 financial year. The figures shown in parentheses refer to the preceding financial year. The legal annual accounts 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

42.5%

THE OPERATIONS

Atrium Ljungberg is one of Sweden's biggest 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 shareholder's equity must exceed 10% over time. Return on equity for 2023 amounted to -3.4% (15.7%). 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 2.5 billion per year. Investments during the year in Atrium Ljungberg's held properties amounted to SEK 2,155 million (SEK 2,349 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 turn of the year, the loan-to-value ratio was 42.5% (41.7%) and the interest coverage ratio was 3.7 (3.8).

DIVIDEND

A new dividend policy was adopted at the end of 2023. The dividend should correspond to approximately one-third of income from property management unless investments or the company's financial position otherwise justify a departure from this. In addition, the Board of Directors can propose that

profits that are non-recurring in nature be distributed to the owners. The previous policy allowed for at least 50% of earnings before changes in value (income from property management and gains from the sale of tenant-owned dwellings). A dividend of SEK 3.50 per share (SEK 5.30/share) is proposed for 2023, to be paid in two instalments of SEK 1.75 per share. This corresponds to 32% (59%) of the distributable profit and a dividend yield of 1.5% (3.1%).

MARKET

The financial market

The financial market has been nervous during the majority of 2023 as concerns about the negative effects of record-fast interest rate increases around the world have mixed with careful optimism about a soft landing. However, economic activity proved to be robust at the same time as inflation was persistently high, which is why the market assumed long-term high interest rates through the end of October. Due to a slight drop in inflation, though, the market has pivoted since then and is now expecting interest rates to come down quickly.

Swedish short-term market rates continued to increase during the year as the Riksbank gradually increased the policy rate to 4% in September. Since then, the Riksbank paused more increases, and the short-term market rates have been relatively stable at around 4%. Even swap rates increased sharply during the first 10 months of 2023, with the 10-year swap going from 2.9% at the beginning of the year to 3.5% in October and then quickly falling back to, at its lowest, 2.26% in mid-December.

The Swedish capital market gradually improved during the year, and the margins, adjusted for different maturities, gradually decreased. Based on the pricing on the secondary market, the

company's credit margin for a new 3-year bond at the turn of the year would amount to around 1.80%. The commercial paper market also followed a positive trend. While investors during the first half of the year at best wanted to roll-over maturities, the company was able to issue commercial papers to new investors and increased the volume to approximately SEK 1.9 billion during the second half of the year. The credit margin above Stibor, for a term of 3 months, was at 70 bp for all of 2023.

The property market

The Swedish transaction market slowed significantly in 2023 with a transaction volume of SEK 104 billion distributed between 328 transactions. This represents a clear decline compared to the strong transaction years 2021 and 2022, both over SEK 200 billion, and the historical average of SEK 150 SEK billion since the financial crisis. Of the total transaction volume, international investors represented 29% compared to average outcome during the period 2015-2022 of 21%.

Office market

The rental market for office premises has been stable for a long and then became more cautious in some areas during the second half of 2023. Vacancies are rising in less attractive areas, while interest is still relatively strong in good locations. This change, combined with increased uncertainty among potential tenants due in part to the weaker economy, has contributed to a slight slow-down on the rental market. However, there are signs of continued high demand for office premises, and data shows a significant increase in the number of workers returning to the office. The occupancy rate in many of the stronger office areas is now at 70-90% of the pre-pandemic level.

Retail sector

In 2023, the sales growth in the retail sector amounted to 4.7%. Sales growth for the FMCG sector was 10.3% in current prices, while the sales growth for consumer durables amounted to approximately 1.8%. The growth for the FMCG sector was entirely price driven at the same time as volumes dropped. Adjusted for the price increase, there was a negative trend in both FMCG and consumer durables, which means that sales decreased in terms of volume. Atrium Ljungberg noted good development in its retail hubs, where turnover is increasing steadily and reaching pre-COVID levels. The number of visitors has been at good levels, even if November and December posted slightly lower numbers than in 2022. Approximately 40% of our retail hubs' turnover consist of food, alcohol and pharmaceutical products, areas/segments that increased steadily during the year.

Residential market

After the difficult housing year last year, 2023 started with an increase in housing prices, and during the first half of the year this stabilization continued with slightly increasing prices. However, prices then turned slightly downward at the end of the year. The year was marked by inflation, an economic downturn, and rising mortgage rates, which put considerable pressure on private households and created a historically sluggish housing market. In order to adapt to the new economic conditions

that buyers are facing, it is increasingly important to offer the possibility of selling and buying in the same market and flexible possession.

Atrium Ljungberg is also feeling the effects of this market trend in tenant-owned dwelling projects that we are currently working on. However, the attractiveness of the locations is still generating interest, and the assessment has been made3 that sales will increase as the moving-in date approaches. Despite an uncertain market, the decision was made in 2023 to start a new housing project in Sickla with completion in 2025.

MANAGEMENT

Net letting

Net letting, i.e. new contracted annual rent with deductions for annual rents lost due to terminated contracts, amounted to SEK 53 million (SEK 115 m) during the period, of which SEK 65 million (SEK 58 m) was for project properties. It was mostly offices in the Stockholm area that accounted for both the newly signed and terminated contracts. New lettings amounted to SEK 257 million (SEK 296 m), while terminations from customers amounted to SEK 189 million (SEK 112 m). Atrium Ljungberg also terminated the contract of a customer, corresponding to an annual rent of SEK 15 million (SEK 69 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 occupancy rate

As of 01/01/2024 the contracted terminable annual rent amounted to SEK 3,034 million. The economic occupancy rate excluding project properties was 94% (93%) at the same point in time, while the average remaining term for contracted rent, excluding residentials and parking amounted to 4.6 years (4.5 years).

Profit and financial position

Comments on the profit for the year and financial position can be found on pages 77–84.

INVESTMENTS IN HELD PROPERTIES

Investments in Atrium Ljungberg's held properties amounted to SEK 2,155 million (SEK 2,349 m), of which SEK 1,707 million (SEK 1,916 m) was in investment properties and SEK 444 million (SEK 433 m) in development properties.

On 31 December 2023 Atrium Ljungberg had ongoing construction work totalling SEK 8.2 billion, which includes SEK 4.9 billion that still has to be invested. SEK 7.0 billion of the ongoing projects is for investments in properties that are being developed for ownership with an assessed project return of approximately 22%, corresponding to SEK 1.5 billion; SEK 0.7 billion of this has already been recognised. The company also has ongoing projects for constructing tenant-owned dwellings totalling SEK 1.2 billion, with an assessed market value of SEK 1.5 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 the company to take responsibility for the entire value chain. The total project portfolio, i.e., ongoing and planned projects, corresponds to future investments of approximately SEK 40 billion. This project portfolio comprises approximately 800,000 m² GFA, of which 235,000 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 projects are completed depends on the market situation and the detailed development plan process. Normally, no projects are started without a minimum level of return in the form of signed lease contracts.

PROPERTY TRANSACTIONS

During the year one office property, Skotten 6, measuring 13,000 m², was sold in central Stockholm at an underlying property value of SEK 1,900 million. In addition, SEK 35 million in profit from a tenant-owned dwelling project in Uppsala was recognized during the year, which corresponds to 65% of the apartments being occupied.

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.



Property sales

Property	Area	Category	Letting area, m ²	Date vacated	Underlying price property, SEK m
Skotten 6	Stockholm	GS	12,984	31/01/2023	1,900

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



PROPERTY VALUES

During the year market valuations of 35% of the property portfolio were carried out externally, including 18% in the fourth quarter. The valuations was carried out by Forum Fastighetsekonomi, Savills, Cushman & Wakefield 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 2% has been used for 2024 and following years. 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 5,700 m).

At the end of the year the average yield requirement amounted to 4.7% (4.4%) – an increase of 35 bp compared with the turn of the year. Higher yield requirements were partly offset by higher cash flow which is mostly linked to positive net letting, the index for the year of 6.5%, and lower costs. However, there was a decrease in value for the year of 2.8%.

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 valuable 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 Group company TL Bygg. Atrium Ljungberg's properties and areas are managed locally by its own, on-site staff.

Erik Skalin was recruited to the role Business Area Director for Leasing, and he will start in the spring of 2024.

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 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 year the company owned 7,114,875 class B shares (6,907,378). As per 31 December 2023, the number of outstanding shares amounted to 126,105,861 (126,105,861) while the average number of shares amounted to 126,105,861 (126,215,257).

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 2024

The expectation for 2024 is that inflation, interest rates and economic development will stabilise. At the same time, there are high geopolitical risks around the world, with tension between many states/regions. The prediction for 2024 is that these risks will not escalate. There are also a number of political elections, particularly in the USA, which could impact economic development.

The Riksbank is expected to lower the policy rate relatively quickly, which increases the possibility for the Swedish economy to make a soft landing. However, despite decreases, the interest rate will still be higher than before the interest rate increases started and during the past decade. This means that both private individuals and firms must adjust to a higher cost level.

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 Group companies. The Sustainability Report is presented on pages 17–29, 61 and 118–136 and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Ulrika Danielsson, CFO, announced her resignation on 1 February 2024 and is employed throughout the month of May. The recruitment process for a replacement has started.

Proposed treatment of unappropriated earnings

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 112.

The following sum in the parent company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 9,237,640,151
Net profit for the year	SEK 390,470,307
Total	SEK 9,628,110,458

The Board of Directors proposes that the profit be distributed as follows:

That a dividend of SEK 3.50/share be paid to the shareholders	SEK 441,370,514
Carried forward	SEK 9,186,739,944
Total	SEK 9,628,110,458

¹⁾ The total amount of the proposed dividend is based on the number of outstanding shares as of 31/12/2023.



OPERATIONAL RISKS

Risk	Management	Exposure
1. Property values Investment properties are recognised at fair value, i.e., their market value, with changes in value in the income statement. The market value is normally determined by the anticipated net operating income and the yield requirements in the market. 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.	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. 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. Regularly invest in and develop existing properties, or alternatively sell any properties that do not align with the strategy.	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 18% and residential at 3%, while projects and building rights account for the rest. 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.
2. Project development 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. 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.	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. Parallel acquisition processes with municipalities and market players. 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. A risk-based model to determine the proportion that may be started without tenants. 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. Competence throughout the value chain from the land to the finished building.	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. 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. The portfolio is diversified and includes various property segments, giving us the flexibility to cope with economic fluctuations in different segments. 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 Group company TL Bygg.



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 occupancy 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.	The Board of Directors decides on business 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 at least twice a year 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, there is a risk it will lose customers, which would lead to higher vacancies/lower income and therefore a fall in the value of the 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 and customer satisfaction, which is measured regularly through Customer Satisfaction Index surveys, 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. The company's aim is to build urban environments that focus on offices and are complemented with retail, residentials, services, culture and education. This mix generates less sensitivity 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. The average remaining contract duration was 4.6 years at the turn of the year. 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 positive in 2023 with SEK 53 million in new annual contract value.

Risk	Management	Exposure
5. Property costs Operating costs account for the highest proportion of service charge-related 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 the company and its 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. The company has 18 properties with leaseholds. The leasehold agreements are usually renegotiated at 10-year intervals.
6. Information security and cybersecurity The property 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, there are requirements on managing market-sensitive information and ensuring that all players 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, 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. The company has technical multilayer protection of sensitive information assets. In addition, security awareness in the organisation is being improved through training. This is why continuity tests are performed. Procedures and processes to manage information (Communication Policy and Insider Trading Policy) and system support for insider information are in place.

Confirmed bad debt losses, SEK m	
2019	4
2020	18
2021	3
2022	7
2023	5



OPERATIONAL RISKS

Risk	Management	Exposure
7. Violations of the Supplier Code of Conduct		
Supplier risk refers to the risk that the company's suppliers cannot fulfil their deliveries, that they use unethical business practices, or do not fulfil 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.	Supplier Code of Conduct.	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 the company's Code of Conduct. This occurs 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 Byggnade, which aims to combat unfair competition and criminality at construction sites.
	Central purchasing function.	
	Routines and processes to monitor supplier compliance as well as collaboration throughout the industry to monitor suppliers.	
	Whistleblower Policy and external whistleblower function.	
8. Employees		
The ability to attract and retain skilled personnel is an important prerequisite for Atrium Ljungberg's 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.	A shared set of values and a healthy workplace culture, combined with an open and transparent climate at work.	Atrium Ljungberg has a corporate culture that promotes curiosity and innovation. The company works actively to have sustainable employees. 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 the company can attract and retain competent staff. Furthermore, there are annual development plans for employees and succession plans for key staff. Atrium Ljungberg is a small organisation and thus has some dependency on key staff. This risk is mitigated through internal back-up or consultancy solutions.
	Competence and leadership development.	
	A succession plan for key people and executive positions, as well as short-term back-up solutions for these roles/people.	
	Commercial and competitive remuneration.	
	Measure the employees' satisfaction and well-being, and follow up to ensure that measures are taken where necessary.	



Change in market value of investment properties of +/-10%

	Impact	Impact %
Profit	SEK +/-4,511 million	+/-473%
Equity	SEK +/-4,511 million	+/-16%
Loan-to-value ratio	-3.8%/+4.5% unit	e.t.

Sensitivity analysis, cash flows¹⁾

	Change, %	Effect on profit, SEK m
Rental level/index	+/-5%	+/-125
Property management costs	+/-5%	-/+30
Occupancy rate	+/-1 %-point	+/-27
Atrium Ljungberg's average borrowing rate	+/-1 %-point	-/+28

¹⁾ The effect on profit relates to the effect in the next year with reference to structure and commitment periods in lease contracts and loan agreements. Effect on profit is after tax.



MARKET RISKS

Risk	Management	Exposure
9. Economic situation 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.	Market monitoring and scenario analyses that identify the impact on the company. A property portfolio concentrated in the growth areas of Sweden's four biggest cities with a varied portfolio. Tenants in many different sectors with a spread in the structure of lease terms. Monitor the demand and pricing of tenant-owned dwellings. Liquidity buffer using loan guarantees, a diverse loan portfolio, and a risk strategy for interest rates.	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. Atrium Ljungberg only has two ongoing tenant-owned dwelling projects at year-end 2023, of which one will be completed in 2024 and has a certain percentage of sold units. The other has just been decided and will start in 2024. 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.
10. Inflation and interest rates Inflation expectations have an impact on interest rates and therefore net financial expenses. Interest expenses are the largest expense item. Significant changes to interest rates have an impact on profit and cash flow. Inflation has an impact on rental income (most contracts have an index clause with an annual adjustment) and property costs. A change 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 net operating income as set out above.	The Finance Policy, which manages the risk of interest rates through floating interest rates and interest maturing within a year, as well as the total interest rate duration are the instruments that the company may use. The index clause in the lease contracts, where rent is adjusted based on the rate of inflation.	Most lease contracts are adjusted for inflation through a link to the Consumer Price Index (CPI). The company works systematically with both a mix of variable and interest rate duration and interest rate derivatives to manage interest risks in accordance with 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 its properties, the company's loan-to-value ratio and interest rate duration mean that it is well-equipped to cope with both higher interest rates and lower property prices.
11. Legislation Changes in regulations or ordinances, both national and international, can impact Atrium Ljungberg's operations. These include, for example, new regulations for banks and the capital market, sustainability, and handling of planning processes.	The company monitors the development of laws, rules, and practices in the most important subsidiary areas for Atrium Ljungberg. If there are any major changes, impact assessments are carried out and preparations are made well in advance of these changes coming into effect.	Laws, rules and practice are continuously developed; the area that is facing the greatest change and has a direct impact on the company is sustainability reporting based on the resolutions from the EU. Exposure from EPBD (Energy Performance of Buildings Directive) is low.

Risk	Management	Exposure
12. Taxes The following taxes are the ones that mostly apply to Atrium Ljungberg's operations: income tax, property tax and VAT. In terms of tax, changes to tax legislation and tax rates can impact the company's operations and therefore 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.	The Tax Policy, which is adopted annually by the Board to guide decisions and actions. Monitor the development of laws, practice and court decisions. Good internal control and clear processes. 'Open claims' for any doubtful items in the income tax return. Continual training of staff.	The company's tax policy is based on the company's core values and has been produced to guide employees on how they should act in tax issues and 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.
13. Planning risk 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.	Atrium Ljungberg monitors this work and carries out continual planning in the areas where the company operates. The company has a project portfolio in various subsidiary markets in order to spread the risks between different municipalities. The project portfolio is at different phases (early stages, implementation stage, etc.)	The company carefully monitors developments so that it can quickly identify any signs of changes to programmes and plans. Before making own investments and carrying out development projects, there is a discussion with the stakeholders involved to 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.
14. Range of premises Supply and demand impact the rental market. If supply exceeds the demand in the market, it affects vacancies/ occupancy rates and rental levels. This in turn affects the valuation of properties, our profit and our financial position.	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. 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 the right product is offered to the market.	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, the company believes that the attractiveness of a location is becoming even more important – particularly for the offices of the future.



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 deeper collaboration 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.	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 the company operates. The company also has 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.	The Board of Directors decides on major investments, which also includes the construction of rental and tenant-owned dwellings. Market monitoring focusing on price trends and interest rates.	Tenant-owned dwellings play an important role in the company's 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 development rights for residential. At the same time there were two constructions under way, totalling SEK 980 million.

Value parameter	Impact on value, SEK m				
	Offices	Retail	Residentials	Total	
Rental level	+/-10%	+/-3,452	+/-1,050	+/-44	+/-4,546
Operating cost	+/-10%	-/+387	-/+204	-/+17	-/+608
Yield requirement	+/-0.25% unit	-1,961/+2,200	-453/+498	-82/+91	-2,496/+2,789
Long-term vacancy level	+/-2%	-/+1,003	-/+300	-/+101	-/+1,404

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 ratios 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 the Audit Committee.	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 42.5% and 3.7, respectively, in the fourth quarter of 2023). 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 the loan-to-maturity was 3.5 years.
19. Interest risk and valuation of interest rate 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 rate coverage can lead to the company breaching its financial key ratios 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 paid to 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 adopted annually by the Board establishes the risk mandate, including the approach to derivative instruments, interest maturity structures and exposure to floating interest rates. Long-term credit with set margins. Established valuation methodology and external valuation of derivatives from banks. Quarterly reporting to the Board and the Audit Committee	Atrium Ljungberg has a policy where the interest coverage ratio must be a minimum of 2.0; the actual figure was 3.7. The interest rate duration was 3.8 years, and the loan-to-maturity was 3.5 years. The proportion of loans with interest that falls due within one year amounted to 19% at the end of 2023. 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. The property valuation process

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 35% 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. New work processes and goals relating to the environmental impact from the use of land.	Atrium Ljungberg continually investigates and identifies environmental risks in the property portfolio. Action plans are produced if any are identified. Surveys and screening work is carried out ahead of property acquisitions and new projects in order to identify 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. Prevention 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 the company's 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 value of the properties during extreme weather conditions. The risks are considered to the highest degree possible for new builds and major reconstruction projects. As part of its work on urban development, the company evaluates 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 climate footprint.
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 and net zero by 2040. All properties have an environmental certificate. Monitor developments in laws and ordinances. Process for governance of reduced climate impact from projects.	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, life-cycle 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 the company's 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.	Continual work in line with our Work Environment Policy for ensuring good working conditions. Health plan and preventive work environment efforts. Provide attractive offices and environments, where people can enjoy their work and be stimulated. Supplier Code of Conduct.	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 Group company 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.	Socially sustainable locations are part of the sustainability agenda. Measures to create a feeling of security in all areas. Areas that are vibrant 24 hours a day. Development plans for each area.	An important sustainability goal is the Our City index. The goal is for the company's locations to score above 90% by 2030. Up to an including 2023, the company scored 43%.

Statement from the Chairman.

Stability in stormy waters.

It is not an understatement to say that 2023 was a tumultuous year for the real estate industry, influenced as it was by an enormous increase in interest rates and an uneven development on the stock market. During this period, Atrium Ljungberg's long-term financial strategy demonstrated its worth.

From a long-term perspective, today's interest rates are nothing special. When I started in this industry, interest rates were at six–seven per cent. The market was signalling increased inflation and potential interest rate increases even before Putin's invasion of Ukraine in February 2022. In reality, it is the rapid rate of the development that has been notable and created major problems for the real estate industry. For Atrium Ljungberg, its strategy of keeping financial risk low has demonstrated its true strength. At times we have been criticised for this strategy, but after the past year, many agree that it is smart to be a little cautious.

During the year, questions about strategy and long-term goals were included in the Board's agenda as

normal but with an enhanced focus on the company's financial position. We see a value in protecting our rating for that point in the future when the market for real estate bonds properly thaws. This shift can go faster than many today realise, and Atrium Ljungberg is and must be well-equipped for this.

Our organisation has already shown that we can develop entire city districts. Going forward, the focus will be on realising our outstanding project portfolio as quickly as possible despite the higher interest rates. We have very attractive projects that are creating value in Slakthusområdet, Sickla, Slussen and Hagastaden, and commitment is high among management and the company as a whole to use our vision (Our city – where everyone thrives) to be part of building the future of Stockholm in the best possible way.

In 2023 we also established new sustainability goals. One key point here is that we are not making empty promises. Our goals are aggressive but also well-balanced, well-thought-out, and achievable. By 2025 we will have cut our climate footprint in half, and by 2030 we will be climate neutral. At the same time, we have developed good, measurable goals even within social sustainability, which is important in our industry.



Our project Stockholm Wood City in Sickla, through its good sustainability focus and quality, has garnered a lot of attention internationally during the year. It is proof that sustainability in the Swedish listed real estate sector in general, and Atrium Ljungberg in particular, is far ahead of other markets in Europe. We are showing the enormous opportunities that exist without needing to compromise on sustainability or profitability.

In my role as chair of the Board of Directors, I would like to thank in particular Erik Langby, who

stepped down in 2023 from his role as a Board member after nine fantastic years. To replace him, we welcome property expert Johan Thorell. I would also like to thank all of the shareholders for their trust in us. I know that many of you appreciate our stable strategy and have a long-term relationship with us. Finally, I would also like to extend a warm Thank You to all of our employees for their daily efforts and commitment.

Johan Ljungberg, Chair of the Board

Corporate Governance Report.

Atrium Ljungberg AB (publ) 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, authority regulations, 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’), along with recommendations and statements from the Swedish Accounting Standards Board, statements from the Swedish Securities Council on what constitutes good practice on the Swedish stock market, and the Council for Swedish Financial Reporting Supervision. The overriding purpose of the Code is to strengthen the confidence of Swedish quoted companies by promoting a positive development of the corporate governance in these companies.

The Code’s norms are not compulsory but are based on the principle that any deviations are to 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 transparency regarding the company’s decision-making pathways, responsibilities, and different control systems. In addition, the work with corporate governance within the company aims to guide executive management and all employees to demonstrate good business acumen and ensure a sound risk culture.

GOVERNANCE STRUCTURE
The structure of corporate governance within Atrium Ljungberg is presented in the image on page 64 and the following sections.

INTERNAL GUIDELINES
Important internal guidelines are the Board of Directors’ rules of procedure and the instruction to the CEO, as well as the company’s goals and strategies, business plan, policies, job descriptions, delegation instructions, authorisation instructions and core values.

EXTERNAL REGULATIONS
The most important external regulations are the Main Market Rulebook for Issuers of Shares, the Code, the Swedish Companies Act, IFRS, the Swedish Annual Accounts Act, GRI and other relevant legislation.

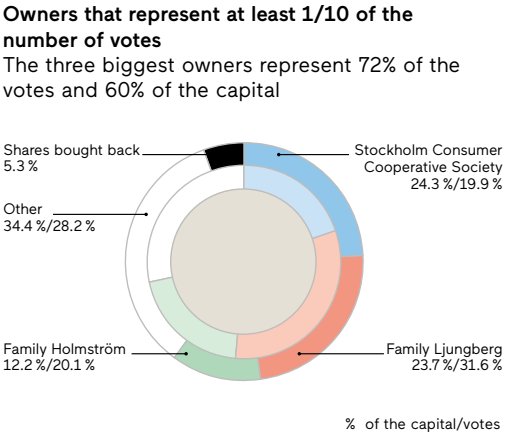
OWNERS AND SHARES
The company’s share is listed on Nasdaq Stockholm, and the share capital amounted to SEK 333,051,840 as per 31 December 2023, divided among 4,000,000 class A shares (ten votes per share) and 129,220,736 class B shares (one vote per share). The company held 7,114,875 of its own class B shares as per 31 December 2023. Subject to the holding own shares, there is no restriction on voting rights. The company’s market value at year-end totalled SEK 29.2 billion. Atrium Ljungberg’s goal is for the dividend to correspond to approximately one-third of the income from property management unless investments or the company’s financial position otherwise justify a deviation from this. In addition, the Board of Directors may propose that profits that are non-recurring in nature be distributed to the owners. Shareholdings representing at least one-tenth of

the number of votes for all shares are held by 31 December 2023 of the following shareholders:

Holdings as per 31 December 2023	Share of the number of votes, %
Ljungberg family	31.6
The Stockholm Consumer Cooperative Society	20.0
Holmström family	20.1

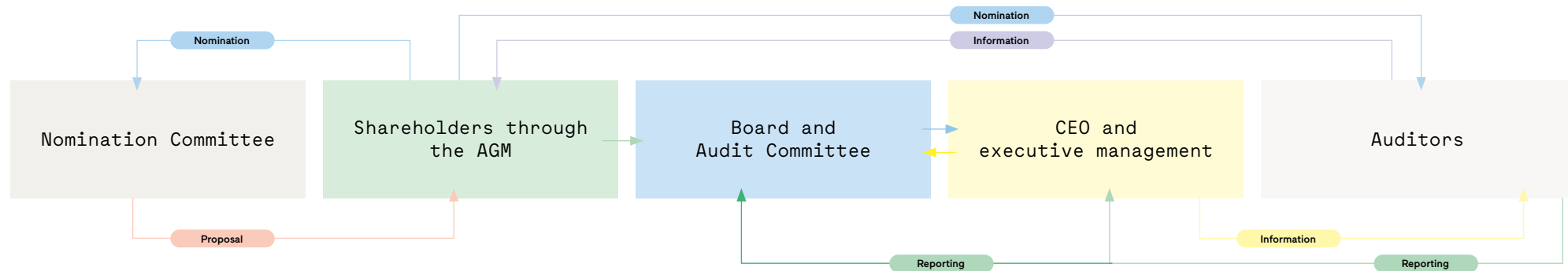
For more information about the ownership structure, see page 74.

GENERAL MEETING OF SHAREHOLDERS
The shareholders’ influence within the company is exercised through the General Meeting of the company’s shareholders, which is the company’s most senior decision-making body. The Annual General Meeting (AGM), which is the name of the ordinary General Meeting held annually, must be held within six months after the end of the financial year to resolve on the adoption of the income statement and balance sheet, on profit or loss appropriation, and decide on release from liability for the Board of Directors and the CEO. In addition, the general meeting appoints the Board of Directors and the auditors, and adopts remuneration to the Board of Directors, the auditors, and the company’s senior executives. The general meeting also decides the Articles of Association, and any changes to the share capital. The date of the AGM is announced in conjunction with the interim report as per 30 September. Notices convening the AGM must be issued 4–6 weeks before the AGM 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 resolved at the meeting if the Board is provided with notice thereof no later than seven weeks before the meeting is to be. The 2023 AGM was held on of 22 March, with both physical attendance and absentee ballot shares representing 87.5% of the votes were represented. 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 5.30 per share divided into two instalments of SEK 2.65 per share;
- determination of Directors’ fees totalling SEK 1,680,000, broken down as SEK 480,000 payable to the Chair of the Board and SEK 240,000 payable to each of the Board members;



- It was also resolved that remuneration will be payable for work in the Audit Committee, with SEK 115,000 payable to the Chair of the committee and SEK 50,000 payable to each of the other committee members;
- authorisation to the Board of Directors to acquire as many class B shares, on one or more occasions, however, insuring that the company's holding at any time does not exceed 10% of all shares in the company on Nasdaq Stockholm;
- 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 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 outstanding shares. 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, www.al.se.

NOMINATION COMMITTEE

The Nomination Committee is the General Meeting's body for preparing the Meeting's resolutions on matters related to elections and fees and, where applicable, procedural matters for forthcoming nomination. The Nomination Committee is to propose a basis for the Meeting's handling of the following matters:

- election of the Chair of the Meeting, the Chair of the Board, other members of the Board of Directors of the company, and auditors;
- directors' fees for the Chair of the Board and other Board members, and any remuneration for committee work and remuneration to auditors;

- where applicable, decisions on principles relating to the structure of the Nomination Committee ahead of impending Annual General Meetings.

In accordance with 'Principles for Establishment of a Nomination Committee at Atrium Ljungberg AB', resolved on by the Annual General Meeting held on 21 April 2015, the Nomination Committee shall comprise five members representing the shareholders that, as per the last banking in February in the year prior to the Annual General Meeting at which the Nomination Committee's assignment must be completed, are the biggest shareholders in terms of voting power. In accordance with the 'Principles for Establishment of a Nomination Committee at Atrium Ljungberg', the following members were appointed to the Nomination Committee: Lars Ericson, appointed by the Stockholm Consumer Cooperative Society; Per Erik Hasselberg (also Chair of the Nomination Committee), appointed by the Holmström family; Anna Strömberg appointed, by Carnegie Fonder; Johan Ljungberg, appointed by the Ljungberg family; and Sampsa Ratia, appointed by the mutual occupational pension insurance company, Varma. In some cases the Nomination

Committee may increase the number of members to maximum seven.

The skills, experience and backgrounds of Board members were taken into account by the Nomination Committee compiling proposals for the Board of Directors. The Nomination Committee also applies 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 2023 Annual General Meeting adopted the proposal of the Nomination Committee, thereby appointing two women and four men as Board members.

BOARD OF DIRECTORS

The Board has an 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 that ensures the interest of owners for long-term favourable return on capital is fulfilled. The responsibility also covers efficient and appropriate systems for governance, internal control and risk management.



Atrium Ljungberg's Board of Directors comprised six members up to the Annual General Meeting (information on the members may be found on page 70). The Code states that a majority of the Board shall be independent in relation to the company and executive management. 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.

Annually the Board establishes the rules of procedure (including the instruction to the CEO), instructions for financial reporting, business plan and budget, as well as the policies listed on page 68. The rules of procedure regulate the Board's internal work structure. The Chairman of the Board inter alia 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 ensure that applicable laws and regulations are complied with, and deciding on resolving on transfer of properties and business as well as investments amounting to SEK 50 million or more. The work of the Board and the CEO shall be evaluated annually. The rules of procedure prescribe that the Board will meet approximately five times per year, in addition to the constituent Board meeting. The Board has convened seven times during the year.

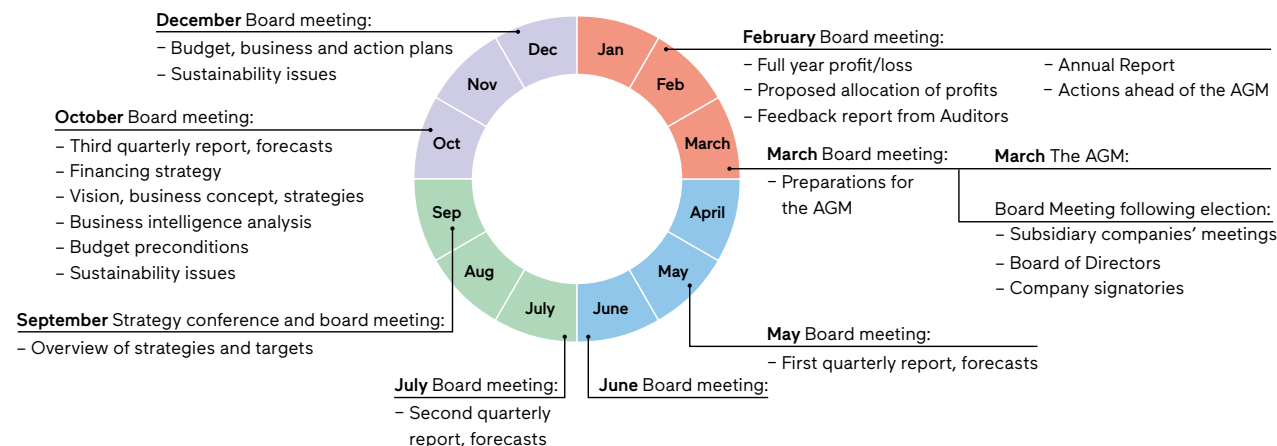
In 2023, the Board of Directors continued to pay considerable attention to global events, the development of the inflation and its effects in particular on building costs, increased energy prices, the continued high interest rates, the company's rating, and the development on the tenant-owned dwelling market. 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 as well as matters related to the company's capital structure. New overall business and sustainability goals were resolved and some of the company's policies were revised has reported to the Board on matters relating executive management 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 above.

The Board members have appropriate collected experience, expertise and breadth with respect to Atrium Ljungberg's operations, development phases and conditions in general.

The Board has established an internal Audit Committee. The Chair of the committee is Gunilla

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



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 chair of the Board, and Johan Thorell, a member of the Board of directors, are members 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 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 has convened six times. 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 task is to prepare the Board's decisions on issues concerning remuneration policies, remuneration and other employment terms and conditions for executive management. The Remuneration Committee shall also monitor and evaluate any programmes for variable remuneration for executive management. No such programmes currently exist. It shall also monitor and evaluate the application of the guidelines for remuneration for 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 2022 financial year was presented and approved at the Annual General Meeting.

The Board's work structure and efficiency are evaluated certain years by an external party and the result thereof is 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 executive management being present.

CEO AND EXECUTIVE MANAGEMENT

Executive management comprises the CEO, CFO and HR Director, along with four business area directors. In addition to the regular matters within each function, executive management has prioritised issues related to the increasing energy and building costs, current investment projects, property transactions, financing matters, the company's capital structure, business development, organisational matters and sustainability matters.

Annica Ånäs 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 employed during the years 2008–2010. She holds 42,000 (42,000) class B shares in Atrium Ljungberg. She has no shareholdings in companies with which Atrium Ljungberg has significant business relations with.

The other members of executive management are presented on page 72 and the organisation structure is presented on page 66.

REMUNERATION FOR SENIOR EXECUTIVES

Salaries and other terms and conditions of employment for executive management shall be market-based and competitive, but will not be market leaders in terms of salary paid in relation to other comparable companies. The CEO's remuneration will be proposed by the chair of the Board of Directors and resolved by the Board of Directors. Remuneration payable to other members of executive management will be proposed by the CEO and resolved by the Board. Remuneration payable to executive management, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration is payable. A loan subsidy programme for executive management was adopted at the 2018 Annual General Meeting and then extended and expanded at the 2023 Annual General Meeting. The loan programme refers to interest compensation for loans raised in order to

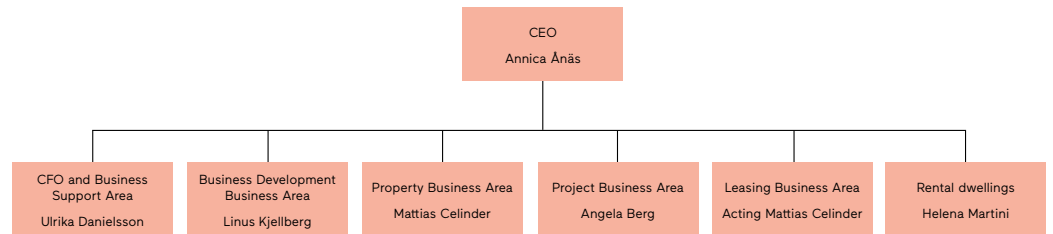
acquire shares in the company. A maximum loan for which interest subsidies can be provided amounts to SEK 6 million for the CEO and SEK 2.5 million for other senior executives. Interest subsidies are conditional on continuing employment and may be accessible for a maximum of five years. The CEO's retirement age is 62, while that of the other members of executive management is 66; however, from 2023 they will be legally allowed to work until they are 69. 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 executive 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 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.

AUDITING

At the 2023 AGM, Deloitte AB was appointed auditor, with Hans Warén as auditor in charge. Hans Warén's other assignments include, among others, Industrivärden, SKF and Trelleborg. The auditors' assignment runs to and including the Annual General Meeting in 2024. The auditor's team has ongoing contact for information purposes with the company during the year, in addition to the review activities conducted. The company's auditors audit financial statements and perform a review as per 31 December as well as of the interim report as per 30 September. They also perform a review of the sustainability report 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.

Executive management



Board of Directors, 2023

		Elected	Remuneration, SEK	Independent*	Independent**	Note	Board Meetings	Audit Committee Meetings
Johan Ljungberg	Chair	2001	530,000	Yes	No	¹⁾	12 of 12	6 of 6
Gunilla Berg	Member	2020	355,000	Yes	Yes	²⁾	12 of 12	6 of 6
Simon de Château	Member	2014	240,000	Yes	Yes		12 of 12	
Conny Fogelström	Member	2019	240,000	Yes	No		12 of 12	
Erik Langby	Member	2014	0	Yes	Yes	³⁾	3 of 12	
Sara Laurell	Member	2018	240,000	Yes	Yes		12 of 12	
Johan Thorell	Member	2023	290,000	Yes	Yes	⁴⁾	9 of 12	4 of 6

* Independent in relation to the company and executive management.

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

¹⁾ Chair of the Annual General Meeting 2015–2023. Member 2009–2015. Deputy Member 2001–2009. Directly and/or indirectly a major shareholder in the company. Member of the Audit Committee.

²⁾ Chair of the Audit Committee.

³⁾ Stepped down at the AGM in March 2023.

⁴⁾ Elected at the AGM in March 2023.

Remuneration for executive management	Basic salary/fee		Other remuneration		Other benefits		Pension costs		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SEK thousand										
Annica Ånäs, CEO	7,108	6,742			417	271	2,439	2,340	9,964	9,353
Other senior executives 5 (6) persons	13,869	12,729	52	40	324	532	2,829	3,538	17,074	16,840

Internal control.

As set forth in the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for the company’s internal control. This report has been prepared in accordance with Chapter 6, section 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.

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.

In addition, the sustainability work is integrated throughout the entire operations. The company also has well-supported core values, such as reliability, long-termism, collaboration and innovative thinking, that permeate every aspect of its operations.

Atrium Ljungberg is also a member of the UN’s 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) and TCFD (Task Force on Climate-related Financial Disclosures). The company’s formal sustainability report is found on pages 18–29, 55–61, and 118–136.

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 2023 the company invested SEK 2,155 million in existing properties; this included SEK 1,707 million for properties that are being developed for ownership and SEK 444 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 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 2023 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 2023, 35% 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 55–61.

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, finance manager, 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 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, Preliminary Financial Statement, Interim Reports and other ongoing information are prepared in accordance with Swedish legislative requirements and praxis. The information provision must be characterised by transparency and 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.

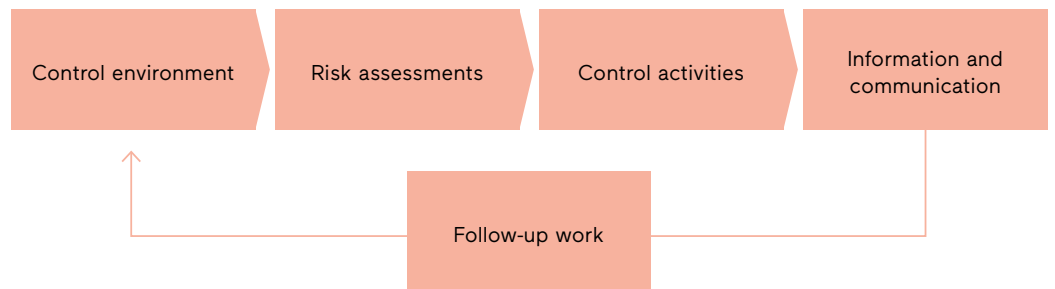
Executive management is responsible for informing relevant employees of their responsibilities with regard to the maintenance of good internal control. Employees are kept up to date with regulations and policies via the company’s intranet and information meetings. The creation of job descriptions for 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 executive 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 executive management and Board. For 2023 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 2023 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 thus 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	Requirements on and guidelines for the company’s suppliers
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: Sara Laurell, Conny Fogelström, Johan Ljungberg, Gunilla Berg, Johan Thorell, Simon de Château

Board of Directors.

JOHAN LJUNGBERG

Function: Chair 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, Royal Institute of Technology (KTH) in Stockholm, B.Sc. Civil Engineering Tufts University
Relevant professional experience: Many years’ experience from the property and capital market.
Other significant directorships¹⁾: Chairman of the Board of Tagehus AB. Deputy chair of John Mattson Fastighetsföretagen AB. Member of the Board of K2A Knaust & Andersson Fastigheter AB.
Born: 1972.
Own and related parties’ shareholding: 1,396,400 class A shares and 20,185,384 class B shares (1,396,400 class A shares and 20,027,584 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. Chair of the Board of Directors of Prisma Properties AB. Board 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 Board of the Stockholm Consumer Cooperative Society, member of the Board of Täby Fastighets AB, and chair of the Nomination Committee of the Swedish Cooperative Union.
Born: 1960.
Own and related parties’ shareholding: 5,000 (4,000) class B shares.

JOHAN THORELL

Function: Member of the Board.
Elected to the Board: 2023
Profession: CEO of Gryningskust Holding AB.
Education: Graduate Business Administrator, the Stockholm School of Economics.
Relevant professional experience: Many years’ experience from the property industry both through his own operations and from directorships in listed and unlisted property companies.
Other significant directorships: Chairman of the Board of Kallebäck Property Invest AB. Member of the Boards of Sagax AB, K2A Knaust & Andersson Fastigheter AB, Hemsö Fastighets AB, Nicoccino Holding AB and Storskogen Group AB.
Born: 1970
Own and related parties’ shareholding: No shareholdings.

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, Mattias Celinder, Helena Martini, Annica Ånäs, Linus Kjellberg, 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⁾: Board member of Swedavia AB and Board member of Kojamo.

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: Board member of Bjerking AB and Board member of Rättvist Byggande.

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: Board member of Centrum för AMP and Board member of KFUM Central AB.

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.

Other significant directorships¹⁾: Board member of Infranord AB as well as chair of Audit Committee and member of Remuneration Committee. Board member of Pandox AB as well as member of Audit 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.

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 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 29 billion (SEK 22 b) at the turn 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 21.3 million shares (25.6 m). The turnover rate, i.e., the number of shares sold during the year divided by the number of outstanding shares at the turn of the year, was 17% (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

At the end of 2023, the company changed its dividend policy with the aim of enhancing the possibility of implementing the project portfolio. Under the new formulation, the dividend will correspond to approximately one-third of the income from property management, unless investments or the company's financial position in general justifies a deviation from this. In addition, the Board of Directors can propose that profits that are non-recurring in nature be distributed to the owners. A dividend of SEK 3.50 per share (SEK 5.30/share) is proposed for the 2023 financial year, to be paid in two instalments of SEK 1.75 per share; this corresponds to a dividend yield of 32% (59%).

TOTAL YIELD

The share price of the class B share (ATRLJ B) amounted to SEK 231.20 (SEK 170.90) at the end of the year. During the year the share reached its highest price of SEK 233.40 (SEK 215) and its lowest price of SEK 150.10 (SEK 117.90).

The total yield for the share, corresponding to the total of distributed dividend and share price growth, was 40% (~12%) during the year. The corresponding yield for OMXS Benchmark GI, which contains a selection of the largest and most traded shares on Nasdaq, was 19% (~21%); for OMXS Real Estate GI, which consists of the listed property companies on Nasdaq Stockholm, this figure was 20% (~44%).

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 3.50 (SEK 5.30), which is proposed to be paid in two instalments, corresponds to a dividend yield of 1.5% (3.1%) calculated using the share price at year-end.

OWNERSHIP STRUCTURE

At the turn of the year there were 7,511 known shareholders (8,057 known shareholders) in Atrium Ljungberg. The largest owners are the Ljungberg family, the Stockholm Consumer Cooperative Society, and the Holmström family, who together own a total of 72% of the votes. Foreign ownership amounted to 17% (14%). 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 262/share (SEK 271/share) at the year-end. The share price at the turn of the year was therefore 88% (63%) 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	27,519	218.22
Replacement:		
Derivatives according to the balance sheet	-390	-3.09
Goodwill according to the balance sheet	-140	-1.11
Deferred tax according to the balance sheet	6,064	48.09
Long-term net asset value	33,053	262.11

BUY-BACK OF SHARES

The AGM has authorised the Board of Directors of Atrium Ljungberg to take the decision to acquire the company's own shares on one or more occasions during the period until the next AGM in March 2024. 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 per 31 December 2023, the company owned 7,114,875 class B shares with an average buy-back price of SEK 157/share.

Major shareholders as of 31/12/2023

	Class A shares, '000	Class B shares, '000	Share of votes, %	Share of capital, %
Ljungberg family	2,190	29,351	31.6	23.7
The Stockholm Consumer Cooperative Society	0	32,361	20.0	24.3
Holmström family	1,810	14,549	20.1	12.3
Varma pension insurance	0	8,117	5.0	6.1
Carnegie fonder	0	6,745	4.2	5.1
Swedbank Robur Fonder	0	4,239	2.6	3.2
Länsförsäkringar Fonder	0	2,130	1.3	1.6
Vanguard	0	1,906	1.2	1.4
BlackRock	0	1,845	1.1	1.4
AFA Försäkring	0	1,511	0.9	1.1
Other	0	19,352	11.9	19.9
Total outstanding shares	4,000	122,106	100.0	100.0
Shares bought back	0	7,115		
Total number of shares issued	4,000	129,221		

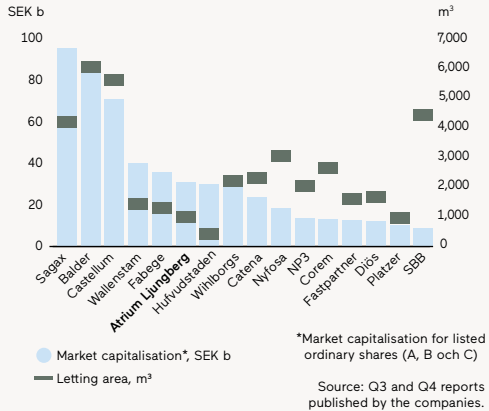
¹⁾ Bought-back shares have no voting rights and do not receive dividends.

Shareholder, structure as of 31/12/2023

Size class	Number of shares	Capital, %	Votes, %	Number of known owners	Share of known owners, %
1-1,000	505,977	0.3	0.3	6,644	88.5
1,001-10,000	270,213	0.2	0.2	335	4.5
10,001-100,000	721,208	0.5	0.4	313	4.2
100,001-2,000,000	486,227	0.4	0.3	66	0.9
2,000,001-10,000,000	648,219	0.5	0.4	45	0.6
10,000,001-	126,788,705	95.2	96.2	108	1.4
Anonymous ownership	3,800,187	2.9	2.3	0	0.0
Total	133,220,736	100.0	100.0	7,511	100

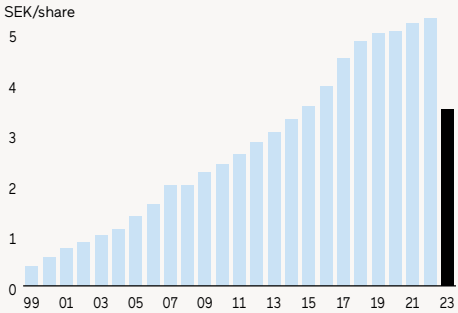
Market capitalisation and letting area as of 31/12/2023, the largest listed property companies

– Atrium Ljungberg is one of the major listed property companies.

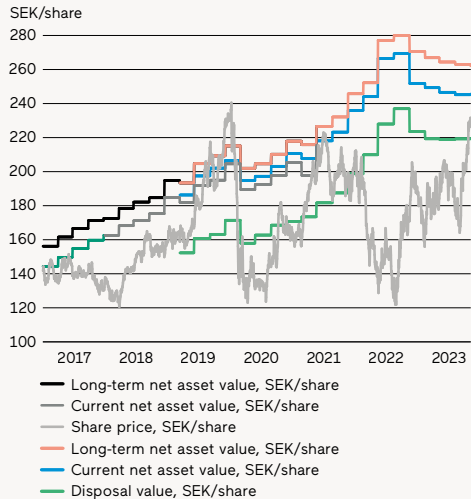


Historical dividend (new dividend policy 2023)

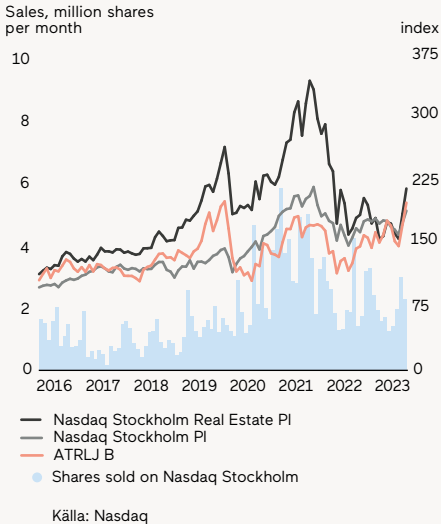
– Proposed dividend for 2023 is SEK 3.50/share.



Long-term net asset value, current net asset value and share price



The Atrium Ljungberg share



Financial statements.





Contents financial statements.

Consolidated statements.

Income statement and other comprehensive income	77
Comments on the income statement	78
Balance sheet	79
Comments on the balance sheet	80
Changes in equity	80
Cash flow statement	81
Comments on the cash flow statement	81

Parent company statements.

Income statement and comprehensive income	82
Comments on the statements	82
Balance sheet	83
Changes in equity	84
Cash flow statement	84

Proposed distribution of profit	112
Annual accounts signatures	113
Auditor's report	114

G

General information and accounting policies.

G.1 General information	85
G.2 Consolidated statements and their preparation	85
G.3 New standards and interpretations	86
G.4 New standards and interpretations that have not yet entered into force	86
G.5 Events after the closing date	86
G.6 Disclosures of related parties	86

IE

Income and expenses.

IE.1 Income and lease contracts	87
IE.2 Central administration	88
IE.3 Segment reporting	89
IE.4 Leasehold agreements and other leases – Atrium Ljungberg as a lessee	90
IE.5 Personnel expenses	91
IE.6 Remuneration senior executives	91
IE.7 Project and construction work	92
IE.8 Unrealised change in value	92

T

Tax.

T.1 Current tax	93
T.2 Deferred tax	94

A

Assets.

A.1 Investment properties	95
A.2 Property, plant and equipment	97
A.3 Goodwill	98
A.4 Development properties	98
A.5 Accounts receivables	98
A.6 Other receivables	99
A.7 Prepaid costs and accrued income	99

OL

Operating liabilities.

OL.1 Other non-current liabilities	100
OL.2 Other liabilities	100
OL.3 Accrued costs and prepaid income	100
OL.4 Pledged assets and contingent liabilities	100

F

Financing and capital structure.

F.1 Capital structure	101
F.2 Financial instruments and risk management	102
F.3 Financial income and expenses	104
F.4 Cash flow from financial liabilities	105

GS

Group structure.

GS.1 Participations in Group companies	106
GS.2 Participations in associated companies	110

PC

The parent company.

PC.1 Parent company's accounting policies	111
PC.2 Parent company's earnings from participations in Group companies	111
PC.3 Untaxed reserves/appropriations	111
PC.4 Proposed distribution of profits	111

S

Sustainability.

S.1 General information	117
S.2 Stakeholder dialogue and materiality analysis	118
S.3 External initiatives and memberships	121
S.4 Energy consumption	122
S.5 Carbon dioxide emissions	123
S.6 Water	126
S.7 Environmentally certified buildings	126
S.8 Waste	127
S.9 Green lease contracts	127
S.10 Employees	127
S.11 EU Taxonomy	130
S.12 Direct economic value and tax	134
S.13 Anti-corruption	134
S.14 Suppliers	135
S.15 Socially sustainable locations	135
S.13 Board of Directors' signatures	136
S.17 The auditor's limited assurance and opinion regarding the statutory Sustainability Report	137

O

Other.

O.1 Five-year overview	139
O.2 Definitions	141
O.3 GRI Index	143
O.4 TCFD Index	148
O.5 Information	149



Consolidated income statement.

Amounts in SEK m	Note	2023	2022
Rental income	IE.1	2,821	2,550
Project and construction work sales		412	256
Net sales	IE.3	3,233	2,806
Property management costs			
Service charge-related costs		-185	-199
Other operating costs		-183	-199
Management costs		-172	-177
Repairs		-38	-41
Property tax		-213	-214
Non-deductible VAT		-13	-14
	IE.4-6	-805	-843
Project and construction work costs		-410	-282
Gross profit/loss	IE.3	2,019	1,681
– property management (operating surplus)		2,016	1,707
– project and construction work	IE.7	2	-26
Central administration	IE.2 IE.6	-88	-91
– property management		-80	-76
– project and construction work		-8	-15
Profit from associated companies		-1	-
Financial income	F.3	12	2
Financial expenses	F.3	-534	-425
Leasehold fees	IE.4	-43	-39
Income from property management		1,365	1,127
Changes in value			
Properties, unrealised	A.1 IE.8	-1,658	2,671
Properties, realised	A.1	-9	18
Goodwill impairment		-24	-
Income from sales of development properties		207	329
Costs from sales of development properties		-172	-278
Derivatives, unrealised	F.2	-907	1,526
Profit before tax		-1,199	5,393
Current tax	T.1	-59	-3
Deferred tax	T.1-2	304	-1,102
Profit for the year, entirely attributable to the parent company's shareholders		-954	4,288
Earnings per share before and after dilution, SEK		-7.56	33.97
Weighted average number of shares, thousands		126,106	126,215

Consolidated statement of comprehensive income.

Amounts in SEK m	Note	2023	2022
Profit for the year		-954	4,288
Other comprehensive income			
Items which will be reclassified to profit/loss			
Cash flow hedging		-	-
Tax attributable to cash flow hedging		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year, entirely attributable to the parent company's shareholders		-954	4,288



Comments on the consolidated income statement.

Rental income

Rental income amounted to SEK 2,821 million (SEK 2,550 m) and included both rebates of SEK –76 million (SEK –81 m) as well as non-recurring payments of in part SEK –5 million (SEK 13 m) for the early termination of lease contracts and in part a credit of SEK 7 million for received electricity subsidy.

Rental income in a comparable portfolio, excluding non-recurring payments, increased by 9.9% (4.4%). This increase is mostly due to indexation, completed renegotiations and decreased rebates.

Rental income trend	2023	2022	Change, %
Comparable portfolios	2,332	2,122	9.9%
Non-recurring payments	–5	13	
Project properties	294	240	
Properties acquired	193	108	
Properties sold	6	68	
Total	2,821	2,550	10.6%

Property costs

Property costs amounted to SEK 805 million (SEK 843 m). In the third quarter Atrium Ljungberg received electricity subsidies of SEK 20 million, which reduces the service charge-related costs. For a comparable portfolio excluding the electricity subsidy, property costs basically remained the same compared with the previous year.

Property costs trend	2023	2022	Change, %
Comparable portfolios	–668	–667	0.1%
Non-recurring payments/electricity subsidy	20	0	
Project properties	–105	–121	
Properties acquired	–49	–32	
Properties sold	–2	–23	
Total	–805	–843	–4.6%

Earnings for project and construction work

Income from project and construction work is attributable to TL Bygg AB. 80% of income is from agreements with invoicing on open account, while the rest is fixed-price assignments.

The gross profit/loss for project and construction work amounted to SEK 2 million (SEK –26 m). Sales in TL Bygg amounted to SEK 921 million (SEK 836 m), of which 55% (69%) refers to intra-Group sales. TL Bygg's gross profit/loss, including intra-Group transactions, amounted to SEK 34 million (SEK 34 m).

Central administration

Central administration covers the costs for executive management and central support functions. Central administration costs for property management amounted to SEK 80 million (SEK 76 m) and SEK 8 million (SEK 15 m) for project and construction work. There was a positive, non-recurring net effect of SEK 9 million net in the fourth quarter of 2022 from the repayment of pensions of SEK 20 million and a provision for restructuring costs of SEK 11 million.

Net financial items

Our reported net interest amounted to SEK –522 million (SEK –423 m) and was impacted by capitalised interest of SEK 90 million (SEK 76 m). Net interest increased by SEK 99 million primarily as a result of higher interest rates. Average interest,

based on the average debt volume, amounted to 2.5% (2.1%) during the year. In addition, costs for leasehold fees amounted to SEK 43 million (SEK 39 m).

Changes in value

The year has been influenced by rising market rates and a tighter credit market even if the final quarter noted falling long-term interest rates and a more open bond market. Our assessment is that higher financing costs will result in rising yield requirements on the market. We have reflected this in our portfolio by increasing valuation yields by approximately 35 bp compared with at the turn of the year 2022/2023. Higher yield requirements were partly offset by a higher cash flow, which is mostly linked to positive net letting, the year's indexation of 6.5%, and lower costs. As a result, the year's unrealised changes in value amount to SEK –1,658 million (SEK 2,671 m), corresponding to –2.8% (4.8%) of which SEK 24 million (SEK 1,416 m) are project returns.

Offices shows a change in value of –4.0%, retail –1.6% and residential +0.5% for the full year.

Unrealised changes in value	2023	2022
Yield requirement	–3,320	–2,438
Cash flow, etc.	1,638	3,512
Project returns	24	1,416
Acquisitions	0	181
Total	–1,658	2,671
Ditto in %	–2.8%	4.8%

Realised changes in the value of investment properties amounted to SEK –9 million (SEK 18 m), and were attributable to the sale of Skotten 6, which was vacated on 31 January 2023. The previous year refers to the sale of the property Sicklaön 87:1, Svindersvik, which was vacated in the second quarter of 2022.

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

Earnings from the sale of tenant-owned dwellings are recognised as the tenant-owners take possession of the apartments. During the second quarter of 2023, Parkhusen Block 2 in Gränbystaden, Uppsala, was completed, and during the year SEK 35 million was recognised, corresponding to 65% of the apartments being taken into possession. In 2022, SEK 51 million was recognised relating to the sale of tenant-owned dwellings.

At the end of the year the derivatives portfolio comprised SEK 20,064 million (SEK 17,664 m) in interest rate swaps with a maturity of 2024–2033 and foreign exchange swaps of SEK 2,975 million (SEK 3,189 m). Interest rate swaps are used to hedge the interest rates of underlying loans at a floating 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 –907 million (SEK 1,526 m) primarily driven by time and a change in market rates.

Tax

Current tax for the period amounted to SEK –59 million (SEK –3 m), while deferred tax was SEK 304 million (SEK –1,102 m).

The Group's accumulated tax deficit amounted to SEK 1 million (SEK 7 m) and comprises the base of the Group's deferred tax receivable.

The residual tax value of the property stock amounts to SEK 22,027 million (21,130 m).

Profit

Income from property management amounted to SEK 1,365 million (SEK 1,127 m). Profit for the period amounted to SEK –954 million (SEK 4,288 m), corresponding to SEK –7.56/share (SEK 33.97).

Consolidated balance sheet.

Amounts in SEK m	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Investment properties	A.1	56,813	58,596
Right-of-use asset, leaseholds	IE.4	1,296	1,277
Property, plant and equipment	A.2	29	33
Goodwill	A.3	140	165
Participations in associated companies and joint ventures	GS.2	29	0
Derivatives	F.2	733	1,572
Other non-current receivables		449	73
Total non-current assets		59,488	61,717
Current assets			
Development properties	A.4	1,692	1,409
Accounts receivable	A.5	211	125
Other receivables	A.6	56	71
Prepaid costs and accrued income	A.7	212	195
Cash and cash equivalents	F.1–2	119	380
Total current assets		2,290	2,181
Total assets		61,779	63,898

Amounts in SEK m	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity			
Share capital		333	333
Other capital contributions		3,960	3,960
Retained earnings including profit for the year		23,226	24,849
Total equity attributable to the parent company's shareholders		27,519	29,141
Non-current liabilities			
Deferred tax liability	T.2	6,064	6,661
Non-current interest-bearing liabilities	F.1–2	24,966	25,389
Non-current finance lease liability		1,296	1,277
Derivatives	F.2	344	59
Other non-current liabilities	OL.1	329	295
Total non-current liabilities		32,998	33,682
Current liabilities			
Accounts payable		169	214
Tax liabilities		38	25
Other liabilities	OL.2	273	102
Accrued costs and prepaid income	OL.3	780	734
Total current liabilities		1,261	1,074
Total equity and liabilities		61,779	63,898

Comments on the consolidated balance sheet.

Properties
The reported value of the property portfolio totalled SEK 58,505 million (SEK 60,006 m) at the end of the period. The property portfolio was broken down into investment properties of SEK 56,813 million (SEK 58,596 m), of which development rights and land for SEK 800 million (SEK 881 m), and development properties of SEK 1,692 million (SEK 1,409 m).

Investments in held properties amounted to SEK 1,707 million (SEK 1,916 m), and investments in tenant-owned dwelling projects amounted to SEK 444 million (SEK 433 m).

During the year, an office property in central Stockholm, Skotten 6, measuring 13,000 m², was sold. Unrealised changes in value for the year attributable to investment properties amounted to SEK –1,658 million (SEK 2,671 m).

Change in investment properties		
SEK m	2023	2022
Fair value at the beginning of the period	58,596	50,335
Acquisitions (after deduction of latent tax)	4	3,724
Sales	–1,826	–49
Investments in held properties	1,707	1,916
Unrealised changes in value	–1,658	2,671
Reclassification	–10	–
Fair value at the end of the period	56,813	58,596

Development properties		
SEK m	2023	2022
At the beginning of the period	1,409	1,254
Reclassification	10	–278
Sales for tenant-owned dwelling projects	–171	–
Investments in tenant-owned dwelling projects	444	433
Development properties, at the end of the period	1,692	1,409
Property portfolio, total	58,505	60,006

Goodwill
Consolidated goodwill relates to deferred tax that arose in conjunction with Atrium Fastigheter’s merger with Ljungberggruppen in 2006. Goodwill is primarily impaired in the event of major downturn in the property market or when the properties in the aforementioned transaction are sold. The carrying amount of goodwill amounts to SEK 140 million (SEK 165 m). This change is attributable to the sale of the Skotten 6 property.

A deferred tax asset for tax losses carried forward totalling SEK 1 million was recognised at the beginning of the year. The deferred tax asset calculated on the basis of the fiscal deficit as of 31/12/2023 amounted to SEK 0 million.

Leases
Atrium Ljungberg has 18 leaseholds, which are considered to be leases for accounting purposes. The value of rent in kind is measured and recognised as an asset: as a right-of-use asset with a corresponding liability. As of the closing date, the value of our leases amounted to SEK 1,296 million (SEK 1,277 m).

Associated companies
Atrium Ljungberg acquired 50% of the shares in A house in March 2023. The carrying amount as per 31 December 2023 amounted to SEK 29 million and is recognised under Participations in associated companies and joint ventures in the consolidated balance sheet; see also note GS.2 Participations in associated companies.

Equity and net value
Consolidated equity attributable to the parent company’s shareholders amounted to SEK 27,519 million (SEK 29,141 m) on the closing date, corresponding to SEK 218 per share (SEK 231 per share).

The dividend paid, which was approved at the Annual General Meeting held in March 2023, amounted to SEK 668 million (SEK 657).

The net asset value is the total capital that the company manages for its owners. Based on this capital, we want to create a yield and growth with low risk-taking. The net asset value can be calculated in different ways, and it is mostly the risk perspective and the turnover rate in the property portfolio that have an impact. The long-term net asset value amounted to SEK 262 per share (SEK 271/share), a reduction of 2% adjusted for the dividend paid.

Deferred tax
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 tax liability as per 31/12/2023 amounted to SEK 6,064 million (SEK 6,661 m). This year-on-year change is primarily attributable to unrealised changes in the value of properties and financial instruments costs and the sale of Skotten 6.

Interest-bearing liabilities and derivatives
At the turn of the year, interest-bearing liabilities totalled SEK 24,966 million (SEK 25,389 m), a net decrease of SEK 423 million.

The average loan-to-maturity was 3.5 years (4.3 years). The average term for interest rate duration was 3.8 years (4.0 years). The loan-to-value ratio was 42.5% (42.3%).

The company uses interest rate swaps to extend the interest rate duration and foreign exchange derivatives to hedge Norwegian bonds. The market value attributable to derivatives at the turn of the year amounted to SEK 389 million net (SEK 1,513 m).

Atrium Ljungberg’s financing is described in more detail on pages 38–40.

Consolidated changes in equity.

Amounts in SEK m	Attributable to the parent company shareholders			
	Share capital	Other capital contributions	Retained earnings	Total equity
Opening balance as of 1 January 2022	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
Profit for the year	–	–	–954	–954
Dividend, SEK 5.30/share	–	–	–668	–668
Closing balance as at 31 December 2023	333	3,960	23,226	27,519

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

(7,114,875). The number of outstanding shares amounted to 126,105,861 (126,105,861) at the end of the year. The weighted average number of outstanding shares for 1 January 2023 to 31 December 2023 amounted to 126,105,861 (126,215,257). The quota value of the share was 2.5.

Consolidated cash flow statement.

Amounts in SEK m	Note	2023	2022
Profit before tax		-1,199	5,393
Reversal of:			
Depreciation, amortisation and impairment	IE.7	11	14
Realised changes in value, investment properties		0	-18
Unrealised changes in value, investment properties	A.1	1,658	-2,671
Unrealised changes in value, financial instruments		907	-1,526
Other items not included in the cash flow		9	-50
Tax paid		-24	-4
Cash flow from operating activities before changes in working capital		1,363	1,139
Net change in working capital		-277	150
Change in working capital		-277	150
Cash flow from operating activities		1,086	1,289
INVESTMENT ACTIVITIES			
Acquisition of properties	A.1	-4	-3,674
Investments in held properties/tenant-owned dwelling projects	A.1	-2,151	-2,349
Sale of investment properties		1,514	67
Sale of development properties		180	264
Investment in financial non-current assets		-29	-
Purchases of machinery and equipment		-3	-13
Cash flow from investment activities		-494	-5,705
FINANCING ACTIVITIES			
Change in other non-current liabilities		26	28
Loans raised	F.1	5,777	12,226
Repayment of debts	F.1	-5,987	-7,491
Dividends paid		-668	-657
Buy-back of own shares		0	-30
Cash flow from financing activities	F.4	-853	4,076
Cash flow for the year		-261	-339
Cash and cash equivalents at the start of the year		380	719
Cash and cash equivalents at the end of the year		119	380
Information on interest paid			
Interest received amounted to		12	2
Interest paid amounted to		-624	-498
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		119	380

Comments on the consolidated cash flow statement.

The cash flow from operating activities amounted to SEK 1,086 million (SEK 1,289 m), corresponding to SEK 8.61/share (SEK 10.22/share).

Investment activities impacted cash flow by SEK -494 million (SEK -5,705 m), primarily relating to the sale of Skotten 6, the sale of the tenant-owned dwelling project Parkhusen Block 2 in Uppsala, investments in held properties, and investments in tenant-owned dwelling projects.

The cash flow from financing activities totals SEK -853 million (SEK 4,076 m).

Available liquidity amounted to SEK 7,956 million (SEK 6,735 m) at the turn of the year and comprised bank deposits of SEK 119 million (SEK 380 m), unutilised overdraft facilities of SEK 197 million (SEK 300 m) and unutilised credit facilities of SEK 7,640 million (SEK 6,055 m).



Parent company income statement.

Amounts in SEK m	Note	2023	2022
Rental income	IE.1	2	4
Management income		512	356
Net sales		514	360
Property costs	IE.4	-0	-3
Management and administration expenses	IE.5-6	-570	-414
Capital gain/loss from sale of properties	IE.7	0	-
Depreciation		-2	-5
Operating profit	G.5 IE.4	-58	-62
Earnings from participations in Group companies	PC.2	0	728
Interest income and similar profit items	F.3	1,071	879
Interest expenses and similar profit items	F.3	-698	-537
		374	1,070
Profit after financial items		316	1,008
Appropriations	PC.3	54	51
Profit before tax		370	1,059
Current tax	T.1	-1	-
Deferred tax	T.1-2	21	-35
		20	-35
Profit for the year		390	1,024

Parent company statement of comprehensive income.

Amounts in SEK m	2023	2022
Profit for the year as per income statement	390	1,024
Other comprehensive income	-	-
Total comprehensive income for the year	390	1,024
Dividend per share, SEK (2023, proposed)	3.50	5.30

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 Group companies.

Net sales amounted to SEK 514 million (SEK 360 m). 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.

The operating profit/loss amounted to SEK -58 million (SEK -62 m).

Earnings from participations in Group companies were primarily impacted by the absence of dividend pay-outs from Group companies during the year. Interest income and similar profit items include an unrealised change in value attributable

to derivatives that amounted to SEK -285 million (SEK 179 m).

Interest-bearing liabilities amounted to SEK 18,056 million (SEK 17 796 m). These funds finance the company's property portfolio and are lent on to other the Group companies.

The parent company's cash flow from operating activities amounted to SEK 382 (SEK 286 m). The cash flow from investment activities amounted to SEK -503 million (SEK -335 m), and cash flow from financing activities amounted to SEK -130 million (SEK -289 m). The cash flow for the year amounted to SEK -251 million (SEK -338 m). Cash and cash equivalent as the end of the financial year amounted to SEK 3 million (SEK 255 m).

Parent company balance sheet.

Amounts in SEK m	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Property, plant and equipment			
Machinery and equipment	A.2	6	5
Total property, plant and equipment		6	5
Financial non-current assets			
Participations in Group companies	GS.1 PC.2	1,817	1,481
Deferred tax receivable	T.2	25	4
Other non-current receivables		333	71
Total financial non-current assets		2,175	1,556
Total non-current assets		2,181	1,561
Current assets			
Accounts receivable	A.5	0	0
Receivables from Group companies	G.6	26,227	26,229
Ongoing work		367	462
Tax receivables		6	–
Other receivables	A.6	22	15
Prepaid costs and accrued income	A.7	11	18
Cash and cash equivalents	F.1–2	3	255
Total current assets		26,637	26,979
Total assets		28,818	28,540

Amounts in SEK m	Note	31/12/2023	31/12/2022
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		5,289	4,933
Profit for the year		390	1,024
		9,628	9,906
Total equity		10,227	10,504
Untaxed reserves	PC.3	2	3
Provisions			
Pension provision		24	20
Total provisions		24	20
Non-current liabilities			
Non-current interest-bearing liabilities	F.1–2	18,056	17,796
Derivatives	F.2	344	59
Other non-current liabilities	OL.1	–	1
Total non-current liabilities		18,400	17,855
Current liabilities			
Accounts payable		18	19
Tax liabilities		0	0
Other liabilities	OL.2	21	5
Accrued costs and prepaid income	OL.3	128	134
Total current liabilities		166	158
Total equity and liabilities		28,818	28,540

Parent company changes in equity.

Amounts in SEK m	Share capital	Statutory reserve	Share premium reserves	Retained earnings	Total equity
Opening balance as of 1 January 2022	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 5.20/share				-657	-657
Closing balance as of 31 December 2022	333	265	3,948	5,957	10,504
Profit for the year				390	390
Dividend, SEK 5.30/share				-668	-668
Closing balance as at 31 December 2023	333	265	3,948	5,680	10,227

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 (7,114,875)

of its own class B shares. At the end of the year, the number of outstanding shares amounted to 126,105,861 (126,105,861). The average weighted number of out-standing shares for 2023 SEK amounted to 126,105,861 (126,215,257). The quota value of the share was 2.5.

Parent company cash flow statement.

Amount, SEK m	Note	2023	2022
Profit before tax		370	1,059
Depreciation, amortisation and impairment	IE.7	0	27
Unreceived dividends from Group companies	PC.2	-	-750
Other items not included in the cash flow	PC.4	9	-142
Tax paid		1	5
Cash flow from operating activities before changes in working capital		380	199
Net change in working capital		2	87
Change in working capital		2	87
Cash flow from operating activities		382	286
INVESTMENT ACTIVITIES			
Investment Group companies		-337	-189
Purchase/sale of machinery and equipment		-2	-2
Sales ongoing work		97	-
Investment in work in progress		0	-130
Investment in financial non-current assets		-262	-14
Cash flow from investment activities		-503	-335
FINANCING ACTIVITIES	F.4		
Change in other non-current liabilities		0	0
Change in receivables from Group companies		55	-1,854
Loans raised	F.1	3,483	7,567
Repayment of debts	F.1	-3,000	-5,316
Dividends paid		-668	-657
Buy-back of own shares		-	-30
Cash flow from financing activities		-130	-289
Cash flow for the year		-251	-338
Cash and cash equivalents at the start of the year		255	593
Cash and cash equivalents at the end of the year		3	255
Information on interest paid			
Interest received amounted to		587	700
Interest paid amounted to		-323	-450
Information on cash and cash equivalents at the end of the year			
Bank deposits, excluding blocked funds		3	255



Supplementary information – notes

G General information and accounting policies.

G.1 General information

Atrium Ljungberg AB (publ.), CIN 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 2023 financial year were approved for publication by the Board of Directors on 23 February 2024. It is proposed that the annual accounts and the consolidated statements be adopted at the Annual General Meeting held on 21 March 2024.

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 (Group company); see notes 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 2023. 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 accounts. 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 Group company, the assets of which only comprise one property and lack management organisation and administration, the acquisition is classified as an asset acquisition. The cost 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 are 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, participations 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, ESTIMATES 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. 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 tax losses carried forward.

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. See more information about the guarantee reserve in note OL.1.

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 financing activities.

G.3 New standards and interpretations

In the 2023 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). Atrium Ljungberg assesses that the new directive will have a large impact on its reporting and has performed a GAP analysis and a materiality analysis. Atrium Ljungberg will be covered by this directive from 1 January 2025.

In 2023 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

The Board of Atrium Ljungberg AB intends to propose a dividend of SEK 3.50 per share to the Annual General Meeting, to be paid in two instalments of SEK 1.75 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 21 March 2024. In February 2024, CFO Ulrika Danielsson announced that she was stepping down.

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.
- A house at Östermalm AB (owns 50%)
- Barkarby Science AB (owns 14%)
- 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	
	2023	2022
Sale to Group companies	459	296
Purchasing from Group companies	–23	–26
Interest income from Group companies	844	699
Dividends from Group companies	0	750
Interest expenses to Group companies	–133	–91
Receivables from related parties (Group companies)	26,227	26,229
Liabilities to related parties (Group companies)	–	–

Other

No other transactions significant in nature occurred between related parties and Atrium Ljungberg 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 related to occupancy events 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 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. Atrium Ljungberg’s obligation to the customer is viewed as a performance obligation, which entails transferring a home to the customer and is met in conjunction with the buyer taking possession of the home. Earnings from these sales are only recognised when the property has been completed in pace with the tenant-owner taking possession, 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
A government grant is recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and reasonable assurance that the grant 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. Electricity subsidies are recognised as a cost reduction in the item Service charge-related costs in the income statement.

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 at 01/01/2024 the contracted annual rent, including turnover-based rent, amounted to SEK 3,034 million (2,804 m) in the Group, of which SEK – million (SEK – m) in the parent company.

Costs that are directly attributable to investment properties and generated rental income during the year amounted to SEK 388 million (SEK 373 m), while direct costs that did not generate rental income amounted to SEK 417 million (SEK 470 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 33 million (SEK 29 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 4.6 years (4.5 years) as of 01/01/2024.

Occupancy rate and rental value	Group, 01/01/2024			Group, 01/01/2023		
	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Occupancy rate, %	Rental value, SEK m	Rental value, SEK/m ² ¹⁾	Occupancy rate, %
Offices	2,127	3,730	93.3	1,991	3,525	92.6
Retail	892	3,656	94.0	892	3,482	93.2
Residentials	106	2,336	96.9	101	2,235	96.7
Business Area Property	3,125	3,636	93.6	2,984	3,445	92.9
– of which Stockholm	2,224	4,032	94.1	2,121	3,792	92.7
– of which Uppsala	424	3,415	93.4	410	3,383	94.2
– of which Gothenburg	191	2,577	92.2	177	2,414	91.9
– of which Malmö	286	2,607	91.4	277	2,522	92.8
Project properties	236	–	–	218	–	–
Land and development rights	–	–	–	–	–	–
Total	3,361			3,202		

¹⁾ Excluding garage.

Maturity structure for lease contracts	The Group				Contract size, SEK m	The Group			
	Number of con-tracts	Letting area, '000 m ²	Annual con-tract value, SEK m	Percent-age, %		Number of con-tracts	Percent-age, %	Annual con-tract value, SEK m	Percent-age, %
2024	320	61	191	6	Commercial				
2025	339	123	487	16	<0.25	546	24%	34	1%
2026	316	139	563	19	0.25–0.5	103	5%	38	1%
2027	261	111	426	14	0.5–1.0	225	10%	165	6%
2028	105	98	368	12	1.0–3.0	359	16%	642	21%
2029+	137	219	851	28	>3.0	241	11%	2,008	66%
Residentials	596	33	63	2	Total	1,474	65%	2,887	95%
Garage/ parking	193	164	84	3	Residentials	596	26%	63	2%
Total	2,267	948	3,034	100	Parking spaces	193	9%	84	3%
					Total	2,263	100%	3,034	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 A.2. For information about costs attributable to the Board of Directors, the CEO and other senior executives, see notes IE.5 and IE.6.

REMUNERATION TO AUDITORS

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

Fees and expenses paid to auditors	The Group		Parent company	
	2023	2022	2023	2022
PWC				
Audit engagement	–	1,894	–	1,177
Other additional audit-related work	–	650	–	290
Tax consultancy	–	–	–	–
Deloitte				
Audit engagement	2,350	–	2,350	–
Other additional audit-related work	630	–	630	–
Tax consultancy	–	–	–	–
Total	2,980	2,544	2,980	1,467

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. The statutory sustainability audit is included in the item Audit assignment. At the Annual General Meeting held in March 2023, Deloitte AB was elected auditor for the company.

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.

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. Three profit and loss items are not divided by segment, namely profit from associated companies, 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	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	2,890	2,597	-	-	-	-	-	-	-69	-47	-	-	2,821	2,550
Project and construction work sales	-	-	-	-	921	835	921	835	-509	-580	-	-	412	256
Net sales	2,890	2,597	0	-	921	835	921	835	-578	-627	-	-	3,233	2,806
Property management costs	-861	-879	-	-	-	-	-	-	56	36	-	-	-805	-843
Project and construction work costs	-	0	-14	-27	-887	-802	-901	-829	492	546	-	-	-410	-282
Gross profit/loss	2,030	1,718	-14	-27	34	34	20	6	-30	-45	-	-	2,019	1,681
Central administration	-81	-80	-8	-4	0	-10	-8	-15	2	4	-	-	-88	-91
Profit from associated companies	-	-	-	-	-	-	-	-	-	-	-1	-	-1	0
Net interest income	-	-	-	-	3	-	3	-	-3	-	-522	-423	-522	-423
Leasehold fees	-43	-39	-	-	-	-	-	-	-	-	-	-	-43	-39
Income from property management	1,906	1,598	-22	-31	37	24	15	-9	-31	-41	-523	-423	1,365	1,127
Changes in value ²⁾	-1,691	2,689	35	51	-	-	35	51	-	-	-908	1,526	-2,564	4,265
Tax	-	-	-	-	-	-	-	-	-	-	245	-1,105	245	-1,105
Profit for the period	214	4,287	13	20	37	24	50	42	-31	-41	-1,186	-2	-954	4,288
Investments and acquisitions	1,711	5,639	444	433	-	-	444	433	-	-	-	-	2,155	6,072

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 -1,658 million (SEK 2,671 m). Properties, realised SEK -9 million (SEK 18 m). Impairment of goodwill SEK -24 million (-). Earnings sales development properties 35 (51). Unrealised change in value, derivatives SEK -907 million (SEK 1,526 m).

Revenue type per segment	Properties		Project development		TL Bygg ¹⁾		Project and construction work		Eliminations		The Group	
Amounts in SEK m	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	2,890	2,597	–	–	–	–	–	–	–69	–47	2,821	2,550
Project and construction work sales												
of which Turnkey contracts, fixed price	–	–	–	–	181	194	181	194	–	–	181	194
of which Turnkey contracts, open account	–	–	–	–	555	400	555	400	–381	–377	174	23
of which Performance contracts, fixed price	–	–	–	–	2	–	2.00	–	–	–	2	–
of which Performance contracts, open account	–	–	–	–	182	240	182	240	–128	–204	54	36
of which Other	–	–	–	–	1	1	1	1	–	–0	1	1
Total Net sales, project and construction work	–	–	–	–	921	835	921	835	–509	–580	412	256
Total Net sales	2,890	2,597	–	–	921	835	921	835	–578	–627	3,233	2,806

¹⁾ As of 31/12/2023 TL Bygg's order book amounted to SEK 483 million (SEK 590 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 instead RFR 2 (IFRS 16 Leases, p. 2–12). When the parent company is the lessee, this 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 88.

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	2023	2022
Beginning of the period	1,277	1,025
Acquisitions	–	143
Sales	–	–
Change in leasehold fees	19	109
End of the period	1,296	1,277

Interest expenses for lease liabilities (i.e. leasehold fees) amounted to SEK 43 million (SEK 39 m) in 2023. 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 per 31 December 2023 contractual undiscounted cash flows attributable to lease liabilities comprise an annual leasehold fee of SEK 43 million (SEK 39 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. Renegotiation will occur in 2026 for one agreement, in 2029 for 13 agreements, and in 2031–2035 for the remaining four agreements.

The total cash outflows attributable to leases for leaseholds amounted to SEK 43 million (SEK 47 m) in 2023.

The Group is bound to leases attributable to Slakthusområdet that have not yet been started and that entail assessed future cash flows of SEK 16 million per year from 2025 and additional SEK 10 million per year from 2030.

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 12 million (SEK 11 m) in 2023.

The total cash flow attributable to other leases amounted to SEK 12 million (SEK 11 m).

LEASES PARENT COMPANY

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

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 26 million (SEK 24 m), while remaining costs during the term amounted to SEK 53 million (SEK 54 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 10 million (SEK 12 m). Alecta's surplus may be allocated to the policyholders and/or those insured. At the end of 2023, Alecta's surplus in the form of the collective consolidation level amounted to 178% (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	
	2023	2022	2023	2022
<i>CEO, Board of Directors and senior executives</i>				
Salaries	23,664	21,242	23,664	21,242
Payroll overhead	7,435	6,887	7,435	6,887
Pension costs (defined-contribution plans)	5,269	5,879	5,269	5,879
Total	36,368	34,008	36,368	34,008
<i>Other</i>				
Salaries	182,262	189,139	127,148	129,212
Payroll overhead	57,149	60,343	39,834	41,514
Pension costs (defined-contribution plans)	25,397	29,377	18,775	22,995
Total	264,808	278,859	185,757	193,721
Total	301,176	312,867	222,125	227,729

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 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 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 will apply for executive management, 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 executive management will be proposed by the CEO and approved by the Chairman. Remuneration payable to executive management, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration will be payable.

A loan subsidy programme for executive management was adopted at the 2018 Annual General Meeting and then extended and expanded at the 2023 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 6 million for the CEO and SEK 2.5 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 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 five people (6), including three women (3) and two men (3). 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 executive management are presented on pages 71–72.

Remuneration to CEO, Board of Directors and senior executives	Basic salary/Directors' fees		Other remuneration		Other benefits		Pension costs		Total	
SEK thousand	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Chairman of the Board										
Johan Ljungberg	530	510	-	-	-	-	-	-	530	510
Other board members										
Conny Fogelström	240	230	-	-	-	-	-	-	240	230
Gunilla Berg	355	340	-	-	-	-	-	-	355	340
Erik Langby	-	230								
Johan Thorell	290	-		-		-		-	290	-
Sara Laurell	240	230	-	-	-	-	-	-	240	230
Simon de Château	240	230	-	-	-	-	-	-	240	230
Total	1,895	1,770	-	-	-	-	-	-	1,895	1,770
CEO Annica Ånäs	7,108	6,742	0	0	417	271	2,439	2,340	9,964	9,353
Other senior executives	13,869	12,729	52	40	324	532	2,829	3,538	17,074	16,840
Total	20,977	19,471	52	40	741	803	5,268	5,878	27,038	26,193

IE.7 Project and construction work

	The Group		Parent company	
	2023	2022	2023	2022
Gross profit/loss, TL Bygg AB	13	-7	-	-
Development project costs that cannot be capitalised	-11	-19	-10	-19
Total	2	-26	-10	-19

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 392 million (SEK 252 m). Sums received from the client for work in progress amounted to SEK 23 million (SEK 11 m).

IE.8 Unrealised change in value

Unrealised changes in value, properties	2023	2022
Direct yield requirements	-3,320	-2,438
Cash flow, etc.	1,638	3,512
Project returns	24	1,416
Development rights	0	181
Total	-1,658	2,671
Ditto in %	-2.8%	4.8%

The valuation yield increased by 35 bp compared with year-end 2022 mostly due to higher financing costs. Higher yield requirements were partly offset by a higher cash flow, which is mostly linked to the index for 2024, lower vacancies and improved costs. 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 2023. In the income statement tax is divided between current and deferred tax.

Current tax is calculated on the 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 recognised profit/loss in the income statement, as adjustment is made for non-taxable income and non-deductible expenses. Current tax also includes any adjustments to current tax that is attributable to previous

Tax calculation Jan–Dec 2023, SEK m	Basis current tax	Basis deferred tax
Income from property management	1,365	
Non-deductible interest	97	
Tax deductible		
– Depreciation/amortisation	–984	984
– Reconstruction work	–187	187
– Capitalised interest	–90	90
Other fiscal adjustments	5	22
Taxable income from property management	207	1,282
Current tax	–43	
Sale of properties	86	–210
Properties acquired		–
Changes in value, properties		–1,610
Change in value of derivatives	22	–929
– Of which non-deductible	–22	–13
Taxable profit/loss before loss carry-forwards	293	–1,481
Loss carry-forwards		
– Opening balance	–7	7
– Closing balance	1	–1
Taxable profit	287	–1,474
Reported tax expense	–59	304

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 recognises 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.

Tax calculation

Parent company, SEK m	
Reported profit/loss before tax	
Change in difference between book and fiscal values of properties	
Earnings from participations in Group companies	
Other fiscal adjustments	

Taxable profit

Of which 20.6% tax

Tax on negative capital earnings is recognised as deferred tax

Adjustment of tax in relation to previous years

Reported tax expense

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.

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

	Current tax		Deferred tax	
	2023	2022	2023	2022
Reported profit/loss before tax	370	1,059		
Change in difference between book and fiscal values of properties	–	–	–	–
Earnings from participations in Group companies	0	–728	–	–
Other fiscal adjustments	–370	–331	–102	170
Taxable profit	0	0	–102	170
Of which 20.6% tax	–0	–0	21	–35
Tax on negative capital earnings is recognised as deferred tax	0	–0	–	–
Adjustment of tax in relation to previous years	–0	–	–	–
Reported tax expense	–0	–0	21	–35

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 rate derivatives are not tax-deductible. Unrealised changes in value attributable to foreign exchange 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 fiscally expensed on an ongoing basis and subject to the interest deduction limitation rules.

DEFICIT FROM PREVIOUS YEARS

Current tax is calculated on the of the taxable profit/loss 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	2023	2022	2023	2022
Profit before tax	-1,199	5,393	370	1,059
Nominal tax rate, 20.6%	247	-1,111	-76	-218
Fiscal effect of				
Non-deductible expenses/non-taxable income	-43	-6	-0	150
Other fiscal adjustments	41	12	97	33
Reported tax expense/income	245	-1,105	21	-35
of which current tax	-59	-3	-0	-
of which deferred tax	304	-1,102	21	-35

T.2 Deferred tax

ACCOUNTING POLICIES

Deferred tax is recognised based on the difference between recognised value of assets and liabilities in the financial statements and fiscal value used when calculating taxable earnings. Deferred tax is recognised using the balance sheet method. Deferred tax liabilities are recognised, in principle, for all taxable temporary differences, and deferred tax receivables are recognised, in principle, for all deductible temporary differences. 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 assets 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 assets 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.

Deferred tax

The Group	Investment properties	Development properties	P funds	Interest rate derivatives and other	Deficit	Total	Directly via the income statement.
Opening balance, as of 1 Jan 2022	5,431	151	0	-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	-	-	0	-	0	0	2
Closing balance, as of 31 Dec 2022	6,234	106	3	320	-1	6,661	-
Opening balance, as of 1 Jan 2023	6,234	106	3	320	-1	6,661	-
Change recognised via the income statement	-132	5	16	-194	1	-304	-
Changes recognised directly in the income statement	-293	-	-	-	0	-293	-
Closing balance, as of 31 Dec 2023	5,809	110	19	126	-0	6,064	-

The Group's accumulated tax deficit amounted to SEK 1 million (SEK 7 m) at the end of 2023, with 20.6% of the tax receivables recognised as an asset. Atrium Ljungberg has SEK 1,620 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 22,027 million (SEK 21,130 m) on 31 December 2023.

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

Deferred tax

Parent company	Derivatives	Deficit	Endowment insurance	Total
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	0	0	4	4
Opening balance, as of 1 Jan 2023	0	0	4	4
Change recognised via the income statement	20		1	21
Closing balance, as of 31 Dec 2023	20	0	5	25

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. 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 cost 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 reconstruction or new-build 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 m ²		Fair value, SEK m		Fair value, SEK/m ² ¹⁾		Rental income, SEK m		Property costs, SEK m		Operating surplus, SEK m		Operating surplus margin, %	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	2023	2022	2023	2022	2023	2022	2023	2022
Office properties	589	565	36,579	37,853	62,152	67,040	1,772	1,500	-433	-423	1,339	1,077	76	72
Retail properties	228	256	10,285	11,632	45,027	45,404	833	839	-283	-308	550	531	66	63
Residentials	45	45	1,578	1,554	34,896	34,337	100	88	-36	-32	64	56	64	63
Business Area Property	862	866	48,442	51,039	56,186	54,167	2,705	2,427	-752	-763	1,953	1,664	72	69
– of which Stockholm	554	559	37,024	39,048	66,792	69,842	1,963	1,682	-507	-496	1,456	1,186	74	71
– of which Uppsala	124	124	5,626	5,803	45,371	46,784	317	353	-96	-114	221	239	70	67
– of which Gothenburg	74	73	2,821	3,119	38,121	42,631	171	151	-41	-41	130	110	76	73
– of which Malmö	110	110	2,971	3,069	27,045	27,953	254	241	-108	-112	146	129	58	53
Project properties	77	84	7,571	6,676	E/T ²⁾	E/T ²⁾	110	122	-50	-80	60	42	55	35
Land and development rights	–	–	800	881	–	–	–	–	–	–	–	–	–	–
Total Investment properties	939	950	56,813	58,596			2,815	2,549	-802	-843	2,013	1,706	72	67
Properties sold	–	–	–	–	–	–	6	1	-3	-1	3	0	61	5
Total Group	939	950	56,813	58,596			2,821	2,550	-805	-844	2,016	1,706	71	67

¹⁾ m² excluding garage.

CHANGES DURING THE YEAR

The carrying fair value of investment properties amounted to SEK 56,813 million (SEK 58,596 m) as of 31/12/2023. Investments in Atrium Ljungberg’s held properties during the year totalled SEK 1,707 million (SEK 1,916 m). The unrealised change in value amounted to SEK –1,658 million (SEK 2,671 m) during the year. The change in value compared with the previous year is due to an increase in yield requirements, which was counteracted to a certain extent by higher cash flow. The average dividend yield requirement in the valuation was 4.7% (4.4%).

During the year 0 (2) properties were taken into possession and 1(1) property sold.

INVESTMENTS IN INVESTMENT PROPERTIES OVER THE YEAR

In 2023 Atrium Ljungberg invested a total of SEK 1,711 million (SEK 5,640 m) in investment properties, of which SEK 4 million (SEK 3,724 m) was for acquisitions and SEK 1,707 million (SEK 1,916 m) was for investments in held properties, which included SEK 1,045 million (SEK 839 m) in project properties.

Change in investment properties SEK m	The Group	
	31/12/2023	31/12/2022
Fair value at the beginning of the period	58,596	50,335
Acquisitions	4	3,724
Sales	-1,826	-49
Investments in held properties	1,707	1,916
Unrealised changes in value	-1,658	2,671
Reclassifications	-10	-
Fair value at the end of the period	56,813	58,596
Unrealised changes in value, properties	2023	2022
Direct yield requirements	-3,320	-2,438
Cash flow, etc.	1,638	3,512
Project returns	24	1,416
Development rights	0	181
Total	-1,658	2,671
Ditto in %	-2.8%	4.8%

MATERIAL OBLIGATIONS

The company is obliged to complete projects that it has started with a remaining investment volume of SEK 4,850 million (SEK 4,960 m). This includes investments in tenant-owned dwelling projects of SEK 400 million (SEK 360 m).

RIGHT-OF-USE ASSETS, LEASEHOLDS

The value of Right-of-use assets, leaseholds, amounted to SEK 1,296 million (SEK 1,277 m). More information is available in note IE.4.

VALUATION

Valuation policy

The company has a guideline for the company’s valuation process that was decided by executive management.

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, Savills, Cushman & Wakefield, and Newsec. Properties corresponding to 35% (74%) 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. Input data which has greatest impact on the value is primarily current rent, actual operation and maintenance costs, planned investments and current vacancy rates. The input data which can be seen as unobservable include yield requirement and expectations of rental level and vacancies. Yield requirement is derived from actual transactions that are obtained through purchase of market data and regular contact with external appraisers. The number of comparison items which are sold can sometimes be few, which makes it more difficult to derive changes in the yield requirement during 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. Changes in yield requirement derived from actual transactions can have a delay compared with changes in the risk-free real interest rate. The reason for this is that property transactions take time, and the buyer also often has a longer holding perspective.

Valuation method

The valuations were carried out in accordance with the International Valuation Standards (IVS) and applied the cash flow method. There was no changed compared to previous years. 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. An inflation assumption of 2% was used for all years going forward.

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 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 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		31/12/2023	31/12/2022
Premises type, %	Interval	Average	Average
Offices	3.9–6.8	4.5	4.1
Retail	4.0–6.2	5.5	5.2
Residentials	3.9–4.9	4.6	4.4
TOTAL	3.9–6.8	4.7	4.4

Yield requirement per region in the valuation		31/12/2023	31/12/2022
Region, %	Interval	Average	Average
Stockholm	3.9–6.8	4.5	4.1
Uppsala	4.0–6.0	5.6	5.3
Malmö	3.9–6.2	5.6	5.4
Gothenburg	4.9–5.8	4.9	4.5
Total	3.9–6.8	4.7	4.4

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 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 56,813 million (SEK 58,596 m). An uncertainty interval of ± 5% is applied to Atrium Ljungberg’s property portfolio, which results in an uncertainty of a total of SEK ± 2,841 million (SEK 2,930 m) in terms of fair value.

The table below shows how changes in different parameters impact the market value of investment properties.

		Impact on value, SEK m			
Value parameter		Offices	Retail	Residentials	Total
Rental level	+/-10%	+/-3,452	+/-1,050	+/-44	+/-4,546
Operating cost	+/-10%	-/+387	-/+204	-/+17	-/+608
Yield requirement	+/-0.25% unit	-1,961/+2,200	-453/+498	-82/+91	-2,496/+2,789
Long-term vacancy level	+/-2%	-/+1,003	-/+300	-/+101	-/+1,404

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 of +/-10%		
	Impact	Impact %
Profit	SEK +/-4,511 million	+/-473%
Equity	SEK +/-4,511 million	+/-16%
Loan-to-value ratio	-3.8%/+4.5% unit	e.t.

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening cost	101	89	28	27
Purchases	3	15	3	2
Sales/disposals	-3	-3	0	-0
Closing accumulated cost	101	101	31	28
Opening depreciation	-68	-57	-22	-18
Sales/disposals	4	3	-1	0
Depreciation for the year	-11	-14	-2	-5
Closing accumulated depreciation	-75	-68	-25	-22
Closing residual value according to plan	26	33	6	5

Property, plant and equipment mainly comprises machinery, equipment and computer equipment. Of depreciation for the year in the Group of SEK -11 million (SEK -14 m), SEK -8 million (SEK -9 m) is recognised as a cost for management and production and the rest as costs for central

administration. Of depreciation for the year in the parent company of SEK -2 million (SEK -5 m), SEK 0 million (SEK -9 m) is recognised as a cost for management and production and the rest as costs for central administration.

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, Ljungberg-Gruppen 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	
SEK m	31/12/2023	31/12/2022
Tranbodarne 12, Stockholm	33	33
Adam och Eva 17, Stockholm	18	18
Skotten 6, Stockholm	–	23
Fatburen 1, Stockholm	12	12
Fatburssjön 8, Stockholm	9	9
Dragarbrunn 27:2, Uppsala	15	15
Gränby 21:4, Uppsala	32	34
Bohus 8, Malmö	22	22
Total	140	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 Properties 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	2023	2022
Opening balance	165	165
Sale of property	–24	–
Closing balance	140	165

A.4 Development properties

ACCOUNTING POLICIES

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

Apartments bought back due to contractual buy-back guarantees and unsold/unpossessed apartments are reported at the lower of consolidated cost and net realisable value.

Net realisable value is assessed on a quarterly basis. No impairment need was identified as per 31/12/2023.

Gains from the future sale is recognised when the property is completed and as tenant-owner buyers take possession of their apartments. In the event Atrium Ljungberg guarantees fees for unsold apartments, these costs are included during profit recognition.

The Group	2023	2022
Opening balance	1,409	1,254
Reclassification	10	–
Sales for tenant-owned dwelling projects	–172	–278
Investments in tenant-owned dwelling projects	444	433
Closing balance	1,692	1,409

INVESTMENTS IN DEVELOPMENT PROPERTIES OVER THE YEAR

In 2023 Atrium Ljungberg invested SEK 444 million (SEK 433 m) in development properties, i.e. our tenant-owned dwelling projects.

The book value as of 31/12/2023 refers primarily to Nobelberget, Kyrkviken, the rest of Sickla and Gränbystaden. At the same point in time, the market value is assessed to be SEK 2,125 million (SEK 1,716 m). For more information about our 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. The Group defines default as when it is assessed to be improbable that the customer will pay due to indications such as missed payments or financial difficulties. When payment has not been received 90 days after the due date, the assumption is always that a default has occurred and thus an individual assessment and provision are made.

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Accounts receivable	243	153	0	0
Provision for credit losses	-32	-28	0	-0
Total	211	125	0	-0

The provision for credit losses is based on the following:

31 December 2023	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%	19.6%	13.9%	47.6%	
Carrying amount accounts receivable, gross	165	2	14	62	243
Provision for credit losses	-0	-0	-2	-29	-32

31 December 2022					
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

The change in the provision for credit losses during the financial year is specified below:

Provision for credit losses	2023	2022
Opening balance	-28	-29
Increase in provision for credit losses, change recognised in income statement	-11	-12
Accounts receivable written off during the year	5	7
Reversal of unutilised amount and Other	2	6
Closing balance	-32	-28

A.6 Other receivables

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
VAT receivable	-	-	-	4
Other receivables	56	71	22	11
Closing balance	56	71	22	15

A.7 Prepaid costs and accrued income

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Receivables from clients for work in progress as per construction agreement (contract asset)	13	13	-	-
Other prepaid costs	33	26	11	8
Distributed rent discounts	114	108	-	-
Accrued rent	52	47	-	10
Other accrued income	-	-	-	-
Closing balance	212	195	11	18

OL Operating liabilities

OL.1 Other non-current liabilities

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Personnel-related liabilities	24	20	–	–
Deposits received from tenants	147	126	–	1
Additional purchase price	120	131	–	–
Guarantee reserve	8	3	–	–
Other	30	14	–	–
Closing balance	329	295	0	1

ADDITIONAL PURCHASE PRICE

The liability is attributable to asset acquisition, the size of the liability is evaluated regularly, and any changes in the size of the liability occur by adjusting the cost of acquired property. The calculation of the size of earnouts is based on parameters in each acquisition agreement. In 2023 no earnouts attributable to acquisitions were entered as liabilities much like in 2022. In 2023, SEK 11 million

(SEK 0 m) attributable to earnouts was written down since the conditions for payment of earnouts were not met.

GUARANTEE RESERVE

Closing balance for guarantee reserves refers to construction work and normally occurs in the amount of 0.5% of the contract sum during the guarantee period.

OL.2 Other liabilities

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Personnel-related liabilities	17	7	10	5
VAT liabilities	20	36	10	–
Other liabilities	237	59	–	0
Closing balance	273	102	21	5

OL.3 Accrued costs and prepaid income

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Holiday pay liability and payroll overhead	45	47	35	37
Liabilities to clients for work in progress as per construction agreement (contract liability)	–	12	–	–
Accrued interest expenses	111	91	85	79
Prepaid rent	516	489	–	–
Premises vacation payment	–	12	–	–
Other accrued costs and prepaid income	108	83	8	18
Closing balance	780	734	128	134

OL.4 Pledged assets and contingent liabilities

	The Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Pledged assets				
Property mortgages	15,615	14,615	–	–
Participations in Group companies	383	343	–	–
Contingent liabilities	–	–	–	–
Guarantee undertakings for Group companies	–	–	7,871	7,620
Deposit guarantees	–	–	–	–
Guarantee obligation	740	700	740	700
Total	16,738	15,659	8,611	8,320

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.

Deposit guarantees

Deposit guarantees constitute counter guarantees for guarantees that serve as security for amounts paid to tenant-owned associations formed by

Atrium Ljungberg. The guarantee applies for one year from the date on which the final cost for the tenant-owned association has been determined. The potential commitment amounts to SEK 447 million (SEK 0 m).

Acquisition of unsold tenant-owned dwellings

Atrium Ljungberg has contractual guarantees to buy back apartments that are unsold six months after passing final inspection.

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 31/12/2023 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 shareholder's 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 minimum interest coverage ratio will be a minimum of 2.0.

It is also our ambition for the dividend to correspond to at least one-third of the income from property management unless investments or the company's financial position otherwise justify a departure from this. In addition, the Board of Directors can propose that profits that are non-recurring in nature be distributed to the owners.

The term and conditions that the Group has with external lenders for providing a credit and which entail that a credit is due for payment if the terms and conditions 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 turn of the year the Group had fulfilled all the terms and conditions that were in place. The Group's financial goals actually exceeded these terms and conditions. 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 activities 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 Group companies, 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 17,000 million. There is a total of SEK 12,363 million (SEK 13,035 m) in outstanding bonds; during the year SEK 900 million (SEK 3,743 m) was issued.

Capital structure

The Group	31/12/2023		31/12/2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Liabilities to credit institutions	10,723	10,723	11,303	11,303
Bonds	12,363	12,063	13,035	12,027
Commercial papers ¹⁾	1,880	1,880	1,051	1,051
Total loans	24,966	24,666	25,389	24,381
Cash and cash equivalents	119		380	
Net debt	24,847		25,010	
Equity	27,519		29,141	
Total	52,366		54,151	

¹⁾ Commercial papers that are covered by unutilised long-term credit agreements are classified as non-current liabilities.

Parent company	31/12/2023		31/12/2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Liabilities to credit institutions	3,813	3,815	3,709	3,709
Bonds	12,363	12,063	13,035	12,027
Commercial papers ¹⁾	1,880	1,880	1,051	1,051
Total loans	18,056	17,758	17,796	16,787

¹⁾ Commercial papers that are covered by unutilised long-term credit agreements are classified as non-current liabilities.

Bonds issued 2023

Bond	Start	Due	Term, year	Fixed/floating rate	Volume, SEK m	Issue spread over 3M Stibor/SWAP	Note
141	27 April 2023	27 October 2025	2.5	Floating	300	2.25%	Green
142	13 September 2023	13 July 2026	2.8	Floating	300	2.25%	Green
143	25 October 2023	25 January 2027	3.25	Fixed 5.855%	300	2.18%	Green

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. 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. Other financial instruments are not affected by the fair value hierarchy in that they are recognised at amortised cost in the balance sheet.

Interest-bearing liabilities are recognised at amortised cost which is the carrying amount in the Capital structure table in Note F.1. 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. For other financial instruments measured at amortised cost, the carrying amount is judged to be in line with fair value.

For all financial receivables except cash and cash equivalents, the simplified approach is used for provisions for expected credit losses. This means that the provision is measured at an amount that corresponds to the remaining maturity of the receivables. The company conducts regular impairment testing to determine whether there are objective indications that there is a need to write down a financial asset or group of financial assets.

Default is defined as when it is assessed to be improbable that the counterpart will pay their commitments due to indications such as missed payments or financial difficulties. After 90 days has passed following the due date, the assumption is always that a default has occurred and thus an individual assessment and provision is made. For cash

and cash equivalents, the assessment is based on the banks' probability of default.

For the parent company's accounting policies, see page 111.

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. Policy compliance is reported to the CFO and the Board of Directors on a quarterly basis.

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 credit facilities in order to cover, inter alia, loans falling

Categorisation of financial instruments¹⁾

	Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost			Financial assets measured at amortised cost		Financial assets/liabilities measured at fair value via the income statement		Financial liabilities measured at amortised cost	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022		31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
The Group							Parent company						
Derivatives	-	-	733	1,572	-	-	Accounts receivable	0	0	-	-	-	-
Accounts receivable	211	125	-	-	-	-	Rec. from Group companies	26,227	26,229	-	-	-	-
Other receivables	56	71	-	-	-	-	Other receivables	33	57	-	-	-	-
Cash and cash equivalents	119	380	-	-	-	-	Cash and cash equivalents	3	255	-	-	-	-
Total	387	590	733	1,572	-	-	Total	26,263	26,541	-	-	-	-
Interest-bearing liabilities	-	-	-	-	24,966	25,389	Interest-bearing liabilities	-	-	-	-	18,056	17,796
Derivatives	-	-	344	59	-	-	Derivatives	-	-	344	59	-	-
Other liabilities	-	-	-	131	534	194	Other liabilities	-	-	-	-	0	1
Accounts payable	-	-	-	-	169	214	Accounts payable	-	-	-	-	18	19
Total	-	-	344	190	25,669	25,797	Total	-	-	344	59	18,074	17,815

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 per 31/12/2023, including unutilised current overdraft facilities totalling SEK 197 million amounted to SEK 316 million (SEK 680 m). At the turn of the year there were also unutilised credit in revolving credit facilities of SEK 7,640 million (SEK 6,055 m). The table

Loan-to-maturity

Duration	The Group			Parent company	
	Loans	Percentage, %	Total credit agreements	Loans	Percentage, %
2024	3,778	15%	3,778	3,778	21%
2025	6,550	26%	10,800	3,099	17%
2026	3,736	15%	7,126	3,536	20%
2027	5,356	21%	5,356	4,362	24%
2028	2,758	11%	2,758	495	3%
>2028	2,788	11%	2,788	2,788	15%
Total	24,966	100%	32,606	18,058	100%

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 rent levels. To limit the interest risk, interest payments due are distributed over a period of up to 10 years and a maximum of 45% of the loan volume may be exposed to a short interest rate duration, which is defined as when an interest adjustment has to be made within 12 months. The table Interest rate duration shows the due dates for the Group’s interest-bearing liabilities. The average interest rate duration as per 31/12/2023 was 3.8 years (4.0 years). Interest-bearing liabilities amounted to SEK 24,966 million (SEK 25,389 m) at the end of the period with an average interest rate of 2.3% (2.2%) excluding and 2.4% (2.3%) including unutilised credit facilities.

An increase in the interest rate level of one percentage point would mean an change in the

below shows the loan-to-maturity structure of the loan portfolio. No part of the interest-bearing liabilities is recognised as current in the consolidated balance sheet as the proportion of unutilised credit facilities with a term of more than 12 months covers the proportion of loans that fall due within 12 months. The average loan-to-maturity was 3.5 years (4.3 years) as of 31/12/2023.

income from property management of SEK –35 million (–43).

The derivatives portfolio comprised SEK 23,039 million (SEK 20,853 m) in interest rate swaps and foreign exchange swaps at the end of the period. The interest swap agreements are used as a means of changing the interest rate duration structure without changing the loan-to-maturity in the loan portfolio. The fair value of interest rate derivatives on the closing date amounted to SEK 390 million (SEK 1,513 m).

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 IE.1. The weighted average remaining term for the lease contracts is 4.6 years (4.5 years).

Interest rate duration, SEK m

Duration	Volume	Percentage, %	Average interest, % ¹⁾
2024	4,841	19%	0.4%
2025	1,750	7%	2.4%
2026	2,704	11%	1.9%
2027	3,850	15%	3.1%
2028	4,260	17%	2.5%
>2028	7,560	30%	3.1%
Total	24,966	100%	2.3%

¹⁾ The average credit margin for floating-rate loans is distributed over the maturity duration of the interest rate derivatives. Average interest is recognised excluding the cost of unutilised credit facilities. Of those maturing in 2024, around 50% are at a floating interest rate.

Maturity structure, derivative instruments

Maturity year	Nominal amount, SEK m	Market value, SEK m	Average interest, %
2024	3,397	61	–0.9%
2025	450	13	0.9%
2026	3,970	54	2.0%
2027	4,016	37	2.7%
2028	3,647	63	2.1%
2029 or later	7,560	163	1.8%
Total	23,039	390	1.3%

CREDIT RISK AND COUNTERPARTY 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 147

million (SEK 126 m) and SEK 81 million (SEK 63 m), respectively, at the end of the year.

Atrium Ljungberg has ISDA agreements with all counterparties with whom derivative contracts have been entered into to limit counterparty risk. These contracts include an option to offset outstanding positive and negative market values in the event of default. The carrying net value for derivatives of SEK 390 million (SEK 1,513 m) comprises a positive value of SEK 734 million (SEK 1,572 m) and a negative value of SEK –344 million (SEK –59 m). Atrium Ljungberg has not offset any amounts in the balance sheet, but the positive and negative values could be offset in their entirety in the event of a default.

Gross exposure to counterparty risks for cash and cash equivalents amounted to SEK 119 million (SEK 380 m).

CURRENCY RISK

A currency risk arises when payment is made in a currency other than that in which the vendor’s costs or the purchaser’s income arises. 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. In previous years, the company has issued bonds in NOK. For these loans that have been taken out in a foreign currency, the volumes and coupon payments were hedged with foreign exchange swaps, which eliminates currency exposure. There is a total of SEK 2,975 million (SEK 3,189) in foreign exchange derivatives. The fair value of foreign exchange derivatives amounts to SEK –245 million (SEK –51 m) on the closing date.

Sensitivity analysis, cash flows¹⁾

	Change, %	Effect on profit, SEK m
Rental level/index	+/- 5%	+/- 125
Property management costs	+/-5%	+/- 30
Occupancy rate	+/-1% point	+/-27
Interest expenses	+/-1% point	+/- 28

¹⁾ The effect on profit relates to the effect in the immediately structure and subsequent year with reference to structure and commitment periods in lease contracts and loan agreements. Effect on profit is after tax. P.103

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 IE.4.

The Group	31/12/2023					31/12/2022				
	2024	2025	2026	2027	2028 or later	2023	2024	2025	2026	2027 or later
Liabilities										
Interest-bearing liabilities incl. interest	-4,257	-7,149	-4,193	-5,553	-6,124	-802	-1,594	-9,886	-5,873	-10,639
Derivatives	462	126	-29	53	-18	402	378	308	231	369
Other liabilities	-534	-	-	-	-	-325	-	-	-	-
Accounts payable	-169	-	-	-	-	-214	-	-	-	-
Total	-4,498	-7,023	-4,222	-5,499	-6,141	-939	-1,215	-9,578	-5,642	-10,270

Parent company	31/12/2023					31/12/2022				
	2024	2025	2026	2027	2028 or later	2023	2024	2025	2026	2027 or later
Liabilities										
Interest-bearing liabilities incl. interest	-3,919	-3,459	-3,881	-4,473	-3,817	-530	-1,562	-4,408	-5,596	-8,159
Derivatives	462	126	-29	53	-18	402	378	308	231	369
Other liabilities	0	-	-	-	-	-1	-	-	-	-
Accounts payable	-18	-	-	-	-	-19	-	-	-	-
Total	-3,475	-3,333	-3,909	-4,420	-3,835	-148	-1,184	-4,100	-5,365	-7,789

F.3 Financial income and expenses

Financial income	The Group		Parent company		Financial expenses	The Group		Parent company	
	2023	2022	2023	2022		2023	2022	2023	2022
Interest income	11	1	11	1	Interest expenses	-523	-414	-273	-353
Other interest income	1	0	0	0	Other interest expenses	-8	-6	-4	-4
Other financial income	0	0	216	179	Other financial expenses	-3	-5	-287	-90
Group interest income	-	-	844	699	Group interest expenses	-	-	-133	-91
Total	12	2	1,071	879	Total	-534	-425	-698	-537

Interest income and expense from financial assets/liabilities measured at amortised cost amounted to SEK 12 million (SEK 2 m) and SEK -534 million (SEK 425 m), respectively, for the Group. Interest

income and expense from financial assets/liabilities measured at amortised cost amounted to SEK 855 million (SEK 700 m) and SEK -698 million (SEK 537 m), respectively, for the parent company.

During the year, SEK 90 million (SEK 76 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 2.3% (2.0%). 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 2023	59	25,389	539	25,987
Loans raised	–	5,777	188	5,965
Repayment of debts	–	–5,987	–45	–6,032
Deposits received and repaid	–	–	21	21
Cash items	–	–210	164	–46
Change in value of derivatives	285	–	–	285
Currency	–	–208	–	–208
Allocation of costs and Other	–	–5	–	–5
Non-cash items	285	–214	–	71
Group, 31 December 2023	344	24,966	703	26,013

Cash flow from financial liabilities	Derivatives	Non-current interest-bearing liabilities	Other liabilities	Total
Parent company, 1 January 2023	59	17,796	19	17,873
Loans raised	–	3,483	19	3,502
Repayment of debts	–	–3,000	–19	–3,019
Deposits received and repaid	–	–	–	0
Cash items	–	483	–1	482
Change in value of derivatives	285	–	–	285
Currency	–	–216	–	–216
Allocation of costs	–	–7	–	–7
Non-cash items	285	–223	–	62
Parent company, 31 December 2023	344	18,056	18	18,418

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
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

GS Group structure

GS.1 Participations in Group companies
ACCOUNTING POLICIES

The parent company’s participations in Group companies are measured at cost less accumulated impairment, increased or decreased based on changes to the share of equity. A Group company’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 recoverable amount 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	
	31/12/2023	31/12/2022
Opening cost	1,554	1,365
Acquisitions	–	–
Capital contribution	336	189
Change in share of equity	–	–
Sales	–	–
Closing accumulated cost	1,890	1,554
Opening impairment	–72	–50
Depreciation for the year	–0	–22
Closing accumulated impairment	–72	–72
Closing balance	1,817	1,481

Parent company, Directly-owned companies	CIN	Registered office	Number of shares	Share of equity, %	Equity, SEK thousand	Profit	Book value, SEK m	
			31/12/2023	31/12/2023	31/12/2023 ¹⁾	2023 ¹⁾	31/12/2023	31/12/2022
Atrium Ljungberg Holding 1 AB	556781-3059	Nacka	1,000	100	145	145	846	846
Atrium Ljungberg Holding 2 AB	556720-3111	Nacka	100,000	100	0	–16	8	0
Atrium Ljungberg Holding 3 AB	556781-3117	Nacka	1,000	100	2	–84	160	74
Atrium Ljungberg Holding 4 AB	559056-7730	Nacka	500	100	0	–15	37	25
Atrium Ljungberg Holding 5 AB	559160-5729	Nacka	500	100	3	–24	26	0
Atrium Ljungberg Holding 6 AB	559196-3490	Nacka	500	100	100	–12	0	0
Atrium Ljungberg Holding 7 AB	559198-3415	Nacka	500	100	0	–178	273	95
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	4	–22	25	0
LjungbergGruppen Holding AB	556669-3221	Nacka	1,000	100	39	–22	190	190
Atrium Ljungberg Slakthuset Holding AB	559183-0244	Nacka	500	100	1	–0	1	0
Atrium Ljungberg Bostad Holding AB	559117-6440	Nacka	500	100	2	–2	3	3
Atrium Ljungberg Impluvium Holding AB	559196-3532	Nacka	500	100	0	–1	1	0
Fastighetsaktiebolaget Blästern	556282-8052	Nacka	10,000	100	0	0	0	0
Fastighetsaktiebolaget Celtica	556350-9727	Nacka	2,781,000	100	210	5	167	167
TL Bygg AB	556225-4440	Nacka	10,000	100	97	–3	80	80
Closing balance							1,817	1,481

¹⁾ Information is only provided for the companies that form the Group as per 31/12/2023.

Parent company, Indirectly owned companies ¹⁾	CIN	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit
			31/12/2023	31/12/2023	31/12/2023	2023
Atrium Ljungberg Bas Barkarby AB	559056-7540	Nacka	500	100	65	9
Atrium Ljungberg Bellmangaraget AB	559299-9717	Nacka	500	100	0	-0
Atrium Ljungberg Blästern 15 AB	559376-8145	Nacka	1,000	100	41	18
Atrium Ljungberg Bohus 9 AB	559299-9774	Nacka	500	100	14	1
Atrium Ljungberg Borgarfjord 3 AB	556755-8076	Nacka	1,000	100	0	-53
Atrium Ljungberg Bostad AB	559122-1378	Nacka	500	100	18	0
Atrium Ljungberg Bostadsrättsförvaltning AB	559198-3365	Nacka	500	100	1	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	54	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	56	7
Atrium Ljungberg Eken 14 AB	556602-0649	Nacka	1,000	100	8	3
Atrium Ljungberg Eken AB	556948-7555	Nacka	500	100	132	86
Atrium Ljungberg Fanny Udde AB	559198-3407	Nacka	500	100	1	0
Atrium Ljungberg Fatburssjön AB	556021-7506	Nacka	1,500	100	1	-2
Atrium Ljungberg Formalin AB	559312-9934	Nacka	500	100	6	-10
Atrium Ljungberg Gillevägen AB	559196-3508	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Entré AB	556781-3091	Nacka	1,000	100	67	12
Atrium Ljungberg Gränby Köpstad AB	556731-8265	Nacka	1,000	100	41	14
Atrium Ljungberg Gränby Park 1 AB	559196-3540	Nacka	500	100	5	1
Atrium Ljungberg Gränby Park Holding AB	559172-9024	Nacka	500	100	0	-0
Atrium Ljungberg Gränby Port AB	559198-3340	Nacka	500	100	6	0
Atrium Ljungberg Hallvägen AB	559155-0453	Nacka	500	100	8	5
Atrium Ljungberg Holding 11 AB	559332-9765	Nacka	500	100	0	-0
Atrium Ljungberg Holding 12 AB	559332-9757	Nacka	500	100	0	-34
Atrium Ljungberg Holding 13 AB	559332-9740	Nacka	500	100	0	-0
Atrium Ljungberg Hälsingegatan AB	556877-5687	Nacka	500	100	2	-31
Atrium Ljungberg Impluvium 14 AB	556065-3023	Nacka	1,000	100	1	1
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 Bohus 10 AB	559302-2352	Nacka	500	100	3	3
Atrium Ljungberg Impluvium 25 AB	559306-2564	Nacka	500	100	1	0

Parent company, Indirectly owned companies ¹⁾	CIN	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31/12/2023	31/12/2023	31/12/2023	2023
Atrium Ljungberg Evenemangsplatsen AB	559344-5355	Nacka	500	100	18	8
Atrium Ljungberg Siroccogatan AB	559344-5413	Nacka	500	100	1	-20
Atrium Ljungberg Simba AB	559344-5405	Nacka	500	100	15	0
Atrium Ljungberg Traversen AB	559344-5397	Nacka	500	100	0	-14
Atrium Ljungberg Kista NOD AB	556745-5182	Nacka	1,000	100	89	12
Atrium Ljungberg Kv 3 AB	559315-8529	Nacka	500	100	5	1
Atrium Ljungberg Kv 4 AB	559315-8511	Nacka	500	100	5	1
Atrium Ljungberg Kv 5 AB	559315-8545	Nacka	500	100	4	0
Atrium Ljungberg Kv 6 AB	559312-9843	Nacka	500	100	3	0
Atrium Ljungberg Kv 7 AB	559312-9900	Nacka	500	100	27	1
Atrium Ljungberg Kv 8 AB	559312-9892	Nacka	500	100	19	-139
Atrium Ljungberg Kvarngärdet 33:2 AB	556710-7189	Nacka	100,000	100	78	1
Atrium Ljungberg Kyrkviken 1 AB	559117-6408	Nacka	500	100	4	0
Atrium Ljungberg Kyrkviken AB	556781-3083	Nacka	1,000	100	2	0
Atrium Ljungberg Kyrkviken Holding AB	559117-6424	Nacka	500	100	2	0
Atrium Ljungberg Life City AB	559065-7713	Nacka	500	100	99	25
Atrium Ljungberg Lindholmshamnen AB	559183-6357	Nacka	500	100	0	-7
Atrium Ljungberg Lindholmspiren KB	969646-1509	Nacka	E/T	100	244	52
Atrium Ljungberg M2 AB	556994-4910	Nacka	500	100	93	-22
Atrium Ljungberg Malmen AB	556165-6553	Nacka	1,000	100	15	1
Atrium Ljungberg Mark Holding AB	559117-6416	Nacka	500	100	0	-4
Atrium Ljungberg Mälarterassen AB	559198-3332	Nacka	500	100	0	0
Atrium Ljungberg Nobelberget Holding 1 AB	559196-3516	Nacka	500	100	225	5
Atrium Ljungberg Nobelberget Holding 2 AB	559315-8503	Nacka	500	100	205	201
Atrium Ljungberg Panncentralen AB	559312-9884	Nacka	500	100	4	-3
Atrium Ljungberg Parkering AB	559198-3449	Nacka	500	100	0	-0
Atrium Ljungberg Pisa AB	559299-9709	Nacka	500	100	0	-0
Atrium Ljungberg Planiovägen AB	556815-7852	Nacka	50,000	100	18	0
Atrium Ljungberg Platsmark AB	559402-2377	Nacka	500	100	1	1
Atrium Ljungberg Projektutveckling AB	559198-3423	Nacka	500	100	0	-3
Atrium Ljungberg Resan AB	556948-4529	Nacka	1,000	100	3	0
Atrium Ljungberg S:t Eriksgatan AB	556914-0782	Nacka	50,000	100	23	4
Atrium Ljungberg Sickla 1 Holding AB	559315-8495	Nacka	500	100	19	-1
Atrium Ljungberg Sickla Front 1 AB	559198-3399	Nacka	500	100	16	5
Atrium Ljungberg Sickla Front 2 AB	559312-9876	Nacka	500	100	31	21
Atrium Ljungberg Sickla Industrifastigheter Holding AB	559187-7658	Nacka	500	100	31	-34
Atrium Ljungberg Sickla Station AB	556781-3075	Nacka	1,000	100	1	-9

Parent company, Indirectly owned companies ¹⁾	CIN	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31/12/2023	31/12/2023	31/12/2023	2023
Atrium Ljungberg Slakthuset 1 AB	559184-9616	Nacka	50,000	100	3	-3
Atrium Ljungberg Slakthuset 13 AB	559184-9657	Nacka	50,000	100	116	39
Atrium Ljungberg Slakthuset 15 AB	556605-2386	Nacka	1,000	100	33	3
Atrium Ljungberg Slakthuset 16 AB	559184-9665	Nacka	50,000	100	0	-3
Atrium Ljungberg Slakthuset 2 AB	556833-4535	Nacka	500	100	39	16
Atrium Ljungberg Slakthuset 22 AB	559184-9673	Nacka	50,000	100	0	-4
Atrium Ljungberg Slakthuset 23 AB	559311-4985	Nacka	500	100	0	0
Atrium Ljungberg Slakthuset 32 AB	559184-9798	Nacka	50,000	100	1	0
Atrium Ljungberg Slakthuset 39 AB	559184-9780	Nacka	50,000	100	0	0
Atrium Ljungberg Slakthuset 40 AB	559184-9814	Nacka	50,000	100	3	1
Atrium Ljungberg Slakthuset 41 AB	559184-9806	Nacka	50,000	100	3	1
Atrium Ljungberg Slakthuset 48 AB	559184-9830	Nacka	50,000	100	2	-1
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	0	-1
Atrium Ljungberg Slakthuset 8 AB	559184-9640	Nacka	50,000	100	2	1
Atrium Ljungberg Slakthuset Holding 1 AB	559183-0301	Nacka	500	100	0	-12
Atrium Ljungberg Slakthuset Holding 2 AB	559183-0319	Nacka	500	100	0	-4
Atrium Ljungberg Slakthuset Holding 3 AB	559183-0285	Nacka	500	100	1	-7
Atrium Ljungberg Stadsutveckling AB	559340-8411	Nacka	500	100	1	-1
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	33	4
Atrium Ljungberg Servicenter AB	559165-9916	Nacka	500	100	27	1
Atrium Ljungberg Tranbodarne 13 AB	556754-7947	Nacka	1,000	100	55	2
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	-27
Fastighetsaktiebolaget Stadsgården	556029-0602	Nacka	31,993,074	100	917	-38
Fastighetsaktiebolaget Österbotten	556019-4408	Nacka	1,250	100	1	-0
Fatburstrappan Väst AB	556622-5966	Nacka	1,000	100	60	4
Gränby Centrum AB	556409-6708	Nacka	100	100	132	48



Parent company, Indirectly owned companies ¹⁾	CIN	Registered office	Number of shares	Share of equity, %	Shareholders' equity, SEK m	Profit, SEK m
			31/12/2023	31/12/2023	31/12/2023	2023
Impluvium Tretton AB	556781-3109	Nacka	1,000	100	2	-32
Kommanditbolaget T-Bodarne	969646-1392	Nacka	E/T	100	303	40
Kommanditbolaget Wårbyriggen 1	969651-2251	Nacka	E/T	100	78	2
LjungbergGruppen Fastighets AB TX31	556688-4283	Nacka	1,000	100	67	5
Mobilia Nord AB	556745-4888	Nacka	1,000	100	33	0
Mobilia Shopping Centre AB	556412-5242	Nacka	100	100	1	-93
Prospect & Icons AB	559137-9077	Nacka	1,000	100	6	5
Sickla Industrifastigheter Kommanditbolag	916616-1720	Nacka	E/T	100	918	226
Tranbodarne 11 KB	959542-9472	Nacka	E/T	100	479	3
Walls Fastighets AB	556004-9909	Nacka	6,000	100	15	8
Bostadsrättsföreningen Kulturarvet	769642-1044	Nacka	E/T	100	0	0

¹⁾ Information is only provided for the companies that form the Group as per 31/12/2023.

GS.2 Participations 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, participations in associated companies are recognised at cost on the acquisition date and are 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 thousand	
	31/12/2023	31/12/2023	31/12/2023	31/12/2022
Barkarby Science AB 559160-1413 Registered office in Järfälla	200	14	200	200
A house at Östermalm AB 559026-8149 Registered office in Stockholm	520	50	28,363	0
Closing balance			28,563	200

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

The parent company recognises derivatives at the lower of cost and fair value. There were negative/ positive fair values as per 31/12/2023, which means that a liability of SEK 344 million (SEK 59 m) has been recognised in the balance sheet. Changes in value of SEK –285 million (SEK 179 m) have been recognised in profit under net financial expenses.

RECEIVABLES

The parent company’s receivables are recognised at cost. Receivables from Group companies are analysed using the general model, and the expected credit reserves are calculated using the contracts with adjustments for forward-looking factors and considering the value of collateral.

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 participations 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.

	Parent company	
Earnings from participations in Group companies	2023	2022
Dividends from Group companies	–	750
Impairment of Group companies	0	–22
Total	0	728

PC.3 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.

Untaxed reserves	31/12/2023	31/12/2022
Accumulated excess depreciation	2	3
Closing balance	2	3
Appropriations		
Excess depreciation equipment	1	3
Group contributions received/ made	53	48
Total	54	51

PC.4 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 112.

The following sum in the parent company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 9,237,640,151
Net profit for the year	SEK 390,470,307

Total	SEK 9,628,110,458
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The Board of Directors proposes that the profit be distributed as follows:

That a dividend of SEK 3.50/share be paid to the shareholders	SEK 441,370,514
Carried forward	SEK 9,186,739,944

Total	SEK 9,628,110,458
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¹⁾ The total amount of the proposed dividend is based on the number of outstanding shares as at 31/12/2023.



Proposed distribution of profit.

The following sum in the parent company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 9,237,640,151
Net profit for the year	SEK 390,470,307
Total	SEK 9,628,110,458

The Board of Directors proposes that the profit be distributed as follows:

That a dividend of SEK 3.50/share be paid to the shareholders	SEK 441,370,514
Carried forward	SEK 9,186,739,944
Total	SEK 9,628,110,458

³⁾ The total amount of the proposed dividend is based on the number of outstanding shares as of 31/12/2023.

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 2023 is shown the 2023 Annual Report. The policies applied to the valuation of assets, provisions and liabilities are shown in the notes on pages 85–111 of the Annual Report.

The proposal from the Board of Directors on the distribution of profits includes the payment of a dividend of SEK 3.50 per share, divided into two instalments of SEK 1.75 per share, corresponding to a total sum of approximately SEK 441 million. There are 133,220,736 shares in the company, of which 7,114,875 currently comprise repurchased own shares, which do not provide entitlement to dividend. The sum of the above proposed dividend could be changed if the number of repurchased own shares changes before the record date for the dividend. The proposed dividend comprises approximately 32% of the income from property management during the year, 4.3% of the parent company’s equity, and 1.6% of the Group’s equity. Funds available for payment within the parent company totalled SEK 9,628 million at the end of the 2023 financial year. The record dates for the

distribution of profits proposed by the Board of Directors are Monday, 25 March 2024, and Friday, 27 September 2024.

It is apparent, inter alia, from the annual accounts that the Group’s loan-to-value ratio is 42.5%. 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, 13 February 2024

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. Date in accordance with the electronic signature.

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Chateau
Member of the Board

Conny Fogelström
Member of the Board

Sara Laurell
Member of the Board

Johan Thorell
Member of the Board

Annica Ånäs
CEO

Our audit report has been submitted. Date in accordance with the electronic signature.

Deloitte AB

Hans Warén
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Atrium Ljungberg AB
corporate identity number 556175-7047

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Atrium Ljungberg AB for the financial year 2023-01-01–2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 52–61 and 76–113 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 the parent company as of 31 December 2023 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 2023 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. 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.

Other matter

The audit of the financial statements for the financial year 2022-01-01–2022-12-31 has been performed by another auditor who submitted an audit opinion dated 28 february 2023 with unmodified opinions in the report on the annual report.

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.

Valuation of investment properties

Description of risk

Investment properties are reported in the consolidated accounts at fair value. The reported fair value amounts to SEK 56 813 million as of December 31, 2023. During the year, 35% of the investment properties was externally valued, of which 18% as of quarter 4. The remaining part of the investment properties has been internally valued and assumptions have been quality assured by external appraisals. The valuations are carried out by an individual assessment of the future earning capacity of each property and the market's return requirements. Changes in value can occur either as a result of macro- and micro-economic or property-specific reasons. The valuations are based on estimates and assumptions that can have a significant impact on the Group's profit and financial position. Regarding the valuation of pending projects, it is necessary to assess the Group's project management process, taking into account in particular the expenditure on the investments and any financial commitments related to these projects. For further information, please refer to the risk and risk management section on page 56, the Group's accounting policies and significant assessment and assumptions on page 85 and the Notes IK.8 and T.1.

Our audit procedures

Our audit included the following audit procedures but was not limited to these:

- We have evaluated the internal valuation process and audited the assumptions made and its application in the internal valuation model.

- We have audited input and calculations in both the internal and external valuation models at the property level for a sample of properties for the purpose of assessing completeness and valuation.
- We have evaluated the the external valuations and audited the assumptions made.
- For investments in properties, we have evaluated Atrium Ljungberg's procedures for project management and we have for a sample of pending project properties audited capitalization of expenses.
- We have audited the relevant notes in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–16, 30–51, 62, 73–75 and 138–149. Other information also includes the remuneration report which is found on the company’s website. 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 Directors 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 have 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 responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors’ website: www.revisorsinspektionen.se/revisornsansvar. This description forms 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 Directors and the Managing Director of Atrium Ljungberg AB for the financial year 2023-01-01–2023-12-31 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors 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’s 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 fulfill 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 responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/rn/show-document/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

The auditor's examination of the Esef report

Opinion

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 for the financial year 2023-01-01–2023-12-31.

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 opinion

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 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 the preparation of the Esef report 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 obtain 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable 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 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 audit 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 statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 63–72 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement 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 statement 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.

Deloitte AB, was appointed auditor of Atrium Ljungberg AB by the general meeting of the shareholders on 2023-03-22 and has been the company's auditor since 2023-03-22.

Stockholm, date according to electronic signature.

Deloitte AB

Hans Warén
Authorized Public Accountant



S Sustainability

S.1 General information

ABOUT OUR REPORT

This Annual Report covers the financial year from 1 January to 31 December 2023. The annual report was published on 23 February 2024. The Annual Report comprises Atrium Ljungberg's Sustainability Report in line with GRI as well as our reporting for UN Global Compact. Atrium Ljungberg publishes the Sustainability Report annually. The previous Annual Report was published on 1 March 2023.

Our statutory sustainability report, in accordance with the Swedish Annual Accounts Act, consists of this notes section (pages 117–135), the Sustainable Enterprise chapter (pages 18–29), and the risk section (pages 55–61). The same scope applies to our voluntary sustainability reporting pursuant to GRI together with the GRI index (pages 143–147) and TCFD with the TCFD index (page 148). The Sustainability Report covers the entire Group, where we directly or indirectly own 100% of the companies and their assets. Our complete Group structure is found in Notes GS.1 and GS.2. The sustainability goals are only presented for the property company Atrium Ljungberg. Any exceptions from this basic rule and the reasons for such exception are reported in the relevant sections.

The sustainability report has been reviewed by Atrium Ljungberg's external auditors. The sustainability disclosures published quarterly in the financial interim reports have been subject to a limited assurance review.

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 sale, acquisition and completion of new properties or projects. These changes do not affect the sustainability reporting appreciably, but should be considered for comparisons of energy consumption and emissions over time. We report energy consumption and climate emissions based on comparable portfolios, where acquisitions and disposals are taken into consideration.

In December 2023, we adopted new sustainability goals to supplement our existing goals. In practice, this means that we are increasing our ambition level and can present new goals in a number of areas, including circularity, biodiversity, climate adaptation, business ethics, equality and diversity.

As a complement to our goal of being climate neutral by 2030, we have also adopted the goal of being net-zero by 2040. During the year, we developed our climate reporting based on recommendations from industry standards. Our 2023 climate report will serve as the base year for the net-zero goal for 2040. See note S.5 for more information.

We have added disclosures regarding waste (GRI 306), salary gap (GRI 2-21, GRI 405-2, Diversity-Pay), and local communities (GRI 413) and expanded our reporting on climate emissions (GRI 305: Emissions 2016) and water (GRI 303: Water and effluents 2018). In general no significant changes in scope or limitations of the GRI reporting have been made. We supplemented our climate risk work with a scenario analysis based on RCP 4.5 and RCP 8.5 and now report fully in accordance with the recommendations from TCFD.

Any retroactive changes that have been made will be described in the individual notes themselves.

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. Executive management works with goals and activities and monitors the outcome on an ongoing basis. The work is prepared, developed and led by the sustainability director, who is part of business support and reports to the CFO. The sustainability goals are monitored every quarter or annually, while the company's strategy and goals are evaluated and updated once a year by the Board and executive management as part of planning for the following year and the budgetary work within the company. The Board and executive management review and approve the sustainability report. Our sustainability goals are also based on the company's values.

SUSTAINABILITY RISKS

Executive management and the Board evaluate sustainability risks and other risks every year. 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 55–61. For more information about Atrium Ljungberg's business model, strategies and role in the value chain, see pages 11–14.

S.2 Stakeholder discussions and materiality analysis

STAKEHOLDER ENGAGEMENT

As a company, we can achieve value-creating development and relevant offers if we listen to and maintain a dialogue with our stakeholders. Atrium Ljungberg and our Group company TL Bygg maintain ongoing discussions with our stakeholders to chart and adapt important sustainability topics that align with requirements and expectations in our surroundings. To ensure that the discussions are meaningful and that all stakeholder groups are included, our discussions vary depending on the needs of the stakeholders.

In 2023, we worked extensively to develop new sustainability goals that were adopted by the Board in December 2023. During this process, our stakeholders’ expectations and prioritised topics were crucial input. We also opted to break down the goals into these priorities since we note that different sustainability aspects have varying relevance based on the perspective: Society, Customers, Suppliers, Employees, and Investors. The aim is to facilitate governance and thereby enable delivery based on future expectations and legislative requirements.

During the year we noted increased interest in these matters in general and specifically among investors and customers, who want to know how we are performing within climate, water, impact on the value chain linked to human rights, and impact on society.

We are using the ‘Our City index’ as a tool in our discussions with the stakeholders Society and Customers. As part of this work, we are conducting and providing feedback on the dialogues we have. In 2023, we carried out development work in which we identified how we can work more efficiently and with more value creation using the tool. One area of development is how we can maintain to an even greater extent a dialogue with stakeholder groups that are not our tenants, i.e., the general

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	Stakeholder groups	Channels for dialogue	Prioritised issues
Society	Municipalities General public Users of our locations	– Processing cases – Workshops and dialogue in conjunction with early stages of urban development – Dialogue, feedback and collaboration as part of the work with the Our City index, for example with visitors at our locations (location surveys)	– Positive impact on urban and societal development (municipalities) – Climate adaptation, resilience and biodiversity (municipalities) – Possibility to travel sustainably to our locations – Safety – Availability (broad and mixed selection) – Attractive locations with clear identity and historical connection
Customer	Tenants Tenant-owned associations Property owners to whom we sell properties	– Servicenter – Workshops and meetings in conjunction with project development – Collaborative networks and initiatives – Seminars	– Customer service, dialogue, collaboration – Effective energy and water consumption – Environmental certifications – Waste management – Sustainable solutions
Suppliers	Main suppliers in: – Projects – Property management Future suppliers	– Self-assessment surveys – Supplier development programme – Audits – Continuous dialogue in projects – Procurements and enquiries	– Positive impact on our collaborations – Strengthen human rights in the value chain – Reduced climate impact – Responsible purchasing
Employees	Administrative employees Skilled employees	– Employee survey – Annual goal and development process – Training courses – Ongoing dialogue with managers and colleagues	– Satisfaction and equal opportunity – Development opportunities – Health and safety
Investors	Equity investors Credit investors	– Financial statements and presentations – Investor meetings	– Transparent ESG reporting (GRESB, CDP, TCFD, etc.) – Financial impact and risks linked to ESG – Sustainability goals and concrete roadmaps – Align climate goals with science (SBTi) – Increase alignment with EU Taxonomy

public and users of our locations. Therefore, during the coming year, we will develop dialogue methods with these groups. For more information about our work with dialogues, see pages 21–22.

With our customers, we maintain a dialogue via one-on-one meetings, initiatives, seminars and housing days. We also have a well-developed platform, Servicenter, where customers are able to communicate freely with us. They can answer get answers to questions, view news and important

messages, and much more. Read more information about Servicenter on pages 42–43.

We have dialogues with our suppliers before we sign contracts and during the term of the contract. We maintain dialogues regarding the results of the self-assessment surveys that main suppliers fill in. In 2023, we conducted two supplier development programmes, as part of which we gather select suppliers for dialogues and collaboration. For more information, see pages 25–26.

Our dialogues with employees occur daily, and we also have structured forums, such as the annual employee survey Human Financial Wellness and our goal and development process. For more information, see pages 27–28.

MATERIALITY ANALYSIS AND KEY ISSUES

Atrium Ljungberg conducts materiality analyses based on stakeholders’ expectations to identify, prioritise and establish the company’s material sustainability issues. Considerable efforts were made in 2023 to comply with updated international regulations. As of the 2025 financial year, we are

subject to the reporting requirements under CSRD (Corporate Sustainability Reporting Directive). For example, a double materiality analysis was conducted in accordance with the methodology in CSRD and ESRS to identify material impact and financial impact in the organisation in the areas of climate, societal impact and governance. The

intention is to complete and adopt the double materiality analysis in 2024. The insights from the analysis serve as a basis for the new sustainability goals and Atrium Ljungberg’s five focus areas for its sustainability work: Urban environments, properties and premises, supply chains, employees and investors.

Sustainability management of the focus areas		Atrium Ljungberg’s focus areas				
Sustainable urban environments		Sustainable properties and premises	Sustainable supply chains	Sustainable employees	Long-term sustainable investment	
Link to GRI standards	Reported GRI standards and disclosures	– Socially sustainable locations (GRI AL-1): metrics showing how Atrium Ljungberg will work to promote social sustainability at our locations. – Climate-related risks (GRI 201-2): Financial implications and other risks and opportunities due to climate change – Local communities (GRI 413): Activities with local social commitment, impact analysis and development program.	– Emissions (GRI 305): Direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3) and emissions intensity in buildings. Reduction in GHG emissions. – Energy (GRI 302): Energy consumption within the organisation and energy performance in buildings – Water (GRI 303): Water consumption – Waste (GRI 306): Total waste and hazardous waste and waste area of use. – Environmentally certified buildings (GRI AL-2): Number of environmental certifications – Green lease contracts (GRI AL-3): Percentage of green lease contracts	– Evaluation of suppliers with regard to working conditions and human rights (GRI 414): Percentage of new supplies that are evaluated with respect to social criteria – Evaluation of suppliers in terms of the environment (GRI 308): Percentage of suppliers that are evaluated using environmental criteria – Anti-corruption (GRI 205): Percentage of operations that are assessed for risks related to corruption as well as the number of incidents of corruption	– Labour practices and working conditions (GRI 401): New hirings and employee turnover – Health and safety (GRI 403): Injuries, illnesses, absence as well as work-related fatalities – Training (GRI 404): Competence provision, including programmes for continuing training and lifelong learning to support continued employability. Percentage of employees receiving regular performance and career development reviews – Diversity and equal opportunities (GRI 405): Diversity in management and among employees, relationship between women’s and men’s basic salary and remuneration – Non-discrimination (GRI 406): Number of cases of discrimination	– Governance and strategy (GRI 2: General disclosures). Governance of the operations, and strategy, policies and practice – Economic performance (GRI 201): Generated and distributed economic value and financial implications and other risks and opportunities due to climate change. – EU Taxonomy (GRI AL-4) Accounting of EU Taxonomy alignment. – Tax (GRI 207)
	Limitations in our reporting	See notes S.5 and S.15	See notes S.4, S.5, S.6, S.7, S.8 and S.9	See notes S.13 and S.14	See note S.10	See note S.5, S.11 and S.12
GRI 3	Why this area is important to us	We develop city districts that create value for municipalities, tenants and everyone who lives and works in our areas. The development of mixed-use cities can create an urban lifestyle where everyone is happy, feels safe and secure, and is inspired – locations where people want to spend time, both now and in the future. In our role as a property owner, we have considerable opportunity to influence this kind of development.	The construction and property sector accounts for roughly one-third of Sweden’s GHG emissions and one-third of Sweden’s energy consumption. The sector generates approximately 40% of Sweden’s waste and has high virgin material extraction with a low recovery rate. Reducing our environmental impact from our properties and premises is important for continuing to be relevant for customers and other partners. This also entails a risk of having a high use of resources based on future legislation.	In the construction and real estate industry, there is a risk of bribes, corruption and human rights crimes, 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.	Our owners contribute to sustainable shift of the entire operations. By investing in held properties and an effective management that focuses on long-termism, we create good value growth and can keep existing investors and attract new investors.

Table continued on next page

Reporting and governance of key focus areas, cont.

Atrium Ljungberg's focus areas						
Sustainability management of the focus areas		Sustainable urban environments	Sustainable properties and premises	Sustainable supply chains	Sustainable employees	Long-term sustainable investment
GRI 3	How we work	See Chapter 2 Sustainability targets and governance on page 19 and Sustainable urban environments on pages 21–22 and notes S.5 and S.15	See Chapter 2 Sustainability targets and governance on page 19 and Sustainable properties and premises on pages 23–24 and notes S.4, S.5, S.6, S.7, S.8 and S.9	See Chapter 2 Sustainability targets and governance on page 19 and Sustainable supply chains on pages 25–26 and notes S.13 and S.14	See Chapter 2 Sustainability targets and governance on page 19 and Sustainable employees on pages 27–28 and note S.10	See all of Chapter 2 Sustainable cities of the future, which starts on page 19, and specifically Long-term sustainable investment on page 29 and notes S.5, S.11 and S.12
	What we want to achieve	We want to develop socially, environmentally and financially sustainable locations in the city where everyone wants to live.	We want to create sustainable properties and premises where our customers want to us for a long time to come.	We want to take ethical responsibility and develop our suppliers and supply chains and the people involved in them.	We want to create trust, satisfaction and equal opportunity for the people working for us.	We want to be a long-term sustainable investment for our owners.
	Goal	– Reach 50% in the Our City index by 2025 and 90% by 2030 – All our properties are climate adapted by 2030 – 80% travel without using fossil fuels to and from our locations by 2030 – Positive impact on the environment from our land use by 2030 (biodiversity, pollutants and water)	– 50% reduction in CO₂e emissions from planned projects by 2025 and 75% reduction by 2030 – 22% lower CO₂e emissions in property management by 2025 (energy, waste, tenant adaptations & transports) – 40% lower energy consumption by 2030 (kWh/Atemp, purchased property energy) – 20% circular material use in construction projects (tenant adaptations, reconstructions & new builds) – 20% lower waste quantities by 2030 (project, property management and tenant waste) – 20% lower water consumption/m² by 2030 – High CSI (Customer Satisfaction Index)	– 100% of significant purchases will be evaluated in 2025 – 100% of new suppliers will sign our Supplier Code of Conduct by 2030 – 60% of the purchase volume is revised based on our Code of Conduct for 2030	– More than 5.5/7 in the employee index HFW (Human Financial Wellness) – Even gender distribution (60/40) among executive management, managers and employees by 2030 – No gender salary gap – Diversity that reflects society by 2030 – 100% of employees have up-to-date training in business ethics and AL's policies & Code of Conduct	– More than 50% taxonomy-aligned net sales in 2025 – Climate neutral by 2030 and net zero by 2040, according to Science Based Targets (SBTi)
	Policies	Sustainability Policy, Sustainability Directive Early stages	Sustainability Policy, Sustainability Directive Management & Projects, Energy, Waste & Water Strategy, LCA Directive	Sustainability Policy, Supplier Code of Conduct, purchasing guidelines	Sustainability Policy, Work Environment Policy, Equal Opportunity and Discrimination Policy, Employee Code of Conduct, Whistleblower Policy	Sustainability Policy, Finance Policy, Insider Policy, Affiliated Policy, Tax Policy, Whistleblower Policy
	Specific processes, projects, programmes and initiatives	Implementation of climate risk analyses, investment in climate adaptation, work with the Our City index	Green lease contracts, environmental certifications, circularity initiatives, waste strategy	Supplier development, evaluation and audit. Measures to strengthen human rights in the value chains. Member of Rättvist Byggande and FIHL	Health initiatives, training, collective agreement, diversity work, encourage both women and men to take parental leave	Climate roadmap and governance, sustainability-linked financing framework, energy strategy
	Obligations in addition to Swedish laws and guidelines	UN Global Compact, UN Sustainable Development Goals, certification of buildings and city districts (BREEAM, Miljöbyggnad)	UN Global Compact, UN Sustainable Development Goals, Fossil Free Sweden, certification of buildings (BREEAM, BREEAM-In-Use, Bespoke, Miljöbyggnad)	UN Global Compact, UN Sustainable Development Goals, Universal Declaration of Human Rights, Swedish Anti-Corruption Institutes' Code of Business Conduct, and the Swedish Construction Federation's Code of Conduct for Legal and Appropriate Behaviour.	UN Global Compact, UN Sustainable Development Goals, ILO Core Conventions and the Universal Declaration of Human Rights.	External reporting framework (CDP, GRESB)

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Reporting and governance of key focus areas, cont.

Atrium Ljungberg's focus areas						
Sustainability management of the focus areas		Sustainable urban environments	Sustainable properties and premises	Sustainable supply chains	Sustainable employees	Long-term sustainable investment
GRI 3	Evaluating governance	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This resulted in the addition of more goals during the year covering climate adaptation, sustainable travel, and the impact from land use.	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This resulted in the addition of more goals during the year covering circular material use, reduced waste and water consumption, and a higher ambition in energy efficiency. Sustainability governance in projects has been updated based on forthcoming regulations, and a new strategy for waste management was adopted.	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This resulted in the addition of more goals during the year covering that our suppliers must sign our Supplier Code of Conduct and, in addition to partial goals of evaluating significant purchases, steer the goals based on purchase volume, which is a more effective way to achieve what we are striving for.	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This resulted in the addition of more goals during the year covering equality, diversity and training in business ethics.	The Board of Directors/executive management evaluates whether the governance is effective enough during the annual review of the policies. This resulted in the addition of a goal during the year on taxonomy-aligned net sales and an increased ambition level linked to reducing our climate emissions with the adoption of a net-zero goal by 2040.
	Actual/potential and positive/negative impact from financial, environmental, social and human rights perspectives	– Actual negative impact on CO₂e emissions. – Actual negative impact from air and land pollutants. – Potential positive impact based on a climate adaptation perspective in the city. – Potential negative and positive impact on biodiversity during development.	– Actual negative impact on CO₂e emissions. – Actual negative impact on extraction of virgin materials, potential positive impact of increasing circular flows. – Actual negative impact on water extraction. – Actual positive impact on peoples' lives through sustainable urban environments.	– Impact on working conditions and human rights in the supply chain.	– Impact on people who work for us.	– Potential positive impact on CO₂e emissions if we achieve net zero by 2040.
	Responsibilities and impact on the value chain	We have a large impact on how our locations are developed in our role as an orderer and project developer.	Our impact occurs in our operations when we develop projects and manage properties and in the usage stage when customers use our properties and premises.	Our impact occurs in the supply chain based on an environmental perspective and the people who work in it.	We take responsibility for our own employees and the people who work with us.	We have full control over the impact of our operations and how we deliver our goals to our owners.

S.3 External initiatives and memberships

Atrium Ljungberg and our Group company TL Bygg support a number of international conventions and initiatives, and we are also members of several associations and organisations presented here.

INVOLVEMENT IN INTERNATIONAL CONVENTIONS AND INITIATIVES:

- Atrium Ljungberg
- UN Global Compact
 - The UN's Sustainable Development Goals
 - Universal Declaration of Human Rights
 - ILO Core Conventions

- TL Bygg
- UN Global Compact
 - The UN's Sustainable Development Goals
 - Universal Declaration of Human Rights
 - ILO Core Conventions
 - Swedish Anti-Corruption Institutes' Code of Business Conduct
 - Swedish Construction Federation's Code of Conduct for Legal and Appropriate Behaviour

MEMBERSHIP IN ASSOCIATIONS AND TRADE ASSOCIATIONS:

- Atrium Ljungberg
- Swedish Property Federation (Fastighetsägarna)
 - Sweden Green Building Council
 - Stockholm Chamber of Commerce
 - Almega
 - Alna
 - Confederation of Swedish Enterprise
 - Swedish Building Materials Assessment
 - The Swedish Association of HRM
 - Centrum för AMP
 - Cradlenet
 - Fossil Free Sweden

- TL Bygg
- Sweden Green Building Council
 - Swedish Building Materials Assessment
 - Fossil Free Sweden – Roadmap 2045
 - Swedish Construction Federation
 - Rentalföretagen (Swedish Rental Association)

S.4 Energy consumption
CALCULATION METHOD AND LIMITATIONS
Atrium Ljungberg reports energy consumption broken down into property electricity, tenant electricity, district heating and district cooling. We report actual usage and usage compared to comparable portfolios to show the performance without influence from changes in the property portfolio. We use the definitions from the Swedish National Board of Housing, Building and Planning's Building Regulations and Atemp to define the area for which a building's energy consumption is to be calculated. Property electricity also includes electricity from cooling machinery. 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 re-invoicing of electricity. The key performance indicator was then multiplied by the letting area in the properties where we do not have re-invoicing of electricity. The Swedish Energy Agency's key performance indicator is used for residential property since we do not have re-invoicing of electricity. Heating and cooling, including tenant consumption in the property, i.e., including process cooling. 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. The energy intensity measure includes heat, cooling and electricity, including tenants' energy consumption, and is measured per m². In previous years, a different area metric was used for intensity calculations, where we now consistently use Atemp since it is aligned with the EU's Taxonomy and the definitions from the Swedish National Board of Housing, Building and Planning. The energy statistics do not include our Group company TL Bygg or project properties. This is because the policy we use for reporting only includes our property portfolio.

DEVELOPMENT IN 2023
The energy intensity weighted to an average decreased by 1% (-1) compared to 2022 compared to a comparable portfolio. The actual consumption is also decreasing, largely due to streamlining of property electricity. This is the outcome of active efforts over a period of several years. For example, there has been a focus on solar panel expansion, new technological solutions, operational optimisation, and construction of a new geothermal facility. Since 2019 we have not had any fuel-fired facilities in our property portfolio. See page 24 for more information about our energy work.

Energy				Absolute measures use (ABS)			Like-for-like (LFL) per property type											
				Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator	Description	2023	2022	2022 (previously reported)	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change
Elec-Abs	MWh	Electricity	Property electricity, measured	38,999	41,685	41,768	14,651	15,334	-4%	11,617	12,503	-7%	1,429	1,540	-7%	27,705	29,378	-6%
Total number of properties included in the indicator				85	82	79	57	56		22	20		5	5		71	72	
Elec-Abs	MWh	Electricity	Tenant electricity, measured	58,631	57,555	58,195	31,614	30,600	3%	20,091	21,283	-6%	0	0		51,747	51,894	-0%
Total number of properties included in the indicator				57	57	61	31	34		15	14		0	0		47	48	
Elec-Abs	MWh	Electricity	Total tenant electricity, standard value	15,569	16,232	16,232	9,265	9,797	-5%	3,813	3,813	0%	1,536	1,668	-8%	14,614	15,278	-4%
Total number of properties included in the indicator				15	15	17	9	10		2	2		3	4		14	16	
DH&C-Abs	MWh	Energy	Total landlord-obtained heating and cooling	74,265	72,906	74,051	44,931	45,482	-1%	15,571	14,572	7%	4,200	3,948	6%	64,777	64,074	1%
District heating and district cooling				59,352	58,950		30,194	31,649	-5%	15,571	14,572	7%	4,200	3,948	6%	50,040	50,240	
Process cooling				14,913	13,956		14,737	13,834		0	0		0	0		14,737	13,834	
Total number of properties included in the indicator				70	73	75	47	50		17	17		5	5		58	62	
	MWh	Energy	Total energy consumption	187,464	188,378	190,246	100,461	101,214	-1%	51,092	52,172	-2%	7,165	6,563	9%	158,842	160,623	-1%
	MWh	Energy	Total energy use (Degree day corrected)	187,791	191,597	192,041	100,669	102,908	-2%	51,328	53,150	-3%	7,304	7,453	-2%	159,423	163,595	-3%
Energy intensity	kWh/m²	Energy intensity	Energy building intensity	156	154	178	170	166	2%	150	153	-2%	129	118	9%	161	160	1%
	kWh/m²	Energy intensity	Energy building intensity (weighted to an average year)	156	157	-	170	169	1%	151	156	-3%	132	134	-2%	161	163	-1%

S.5 Carbon emissions
CALCULATION METHOD AND LIMITATIONS
Atrium Ljungberg reports carbon emissions in accordance with Greenhouse Gas Protocol, which internationally is the most common method for calculating a company’s greenhouse gas emissions. Since 2007, the company reports emissions for Scopes 1, 2 and 3 publicly through CDP and received a rating of B. All emissions of Scopes 1, 2 and 3 are calculated for the entire Atrium Ljungberg Group, which includes our Group company TL Bygg. Emissions for energy are calculated in accordance with both a facility-based and a market-based method.

During the year, the reporting of Scope 3 increased in volume. Compared to previous years, reporting has been expanded into more categories according to the Swedish Property Federation’s recommendation for Scope 3 reporting. To improve

comparability, we recalculated 2022’s emissions figures to cover more categories than what was previously reported. For biogenic emissions, the same numbers have been used for 2022 and 2023. This is because of refrigerant filling takes place after this report is released.

Emissions are reported in two ways. For energy-related carbon emissions, reporting for the property operations is based on comparable portfolios and the intensity measure per m² Atemp. In addition, a full inventory of carbon emissions is presented, which includes the Group company TL Bygg.

Atrium Ljungberg uses 100% origin-labelled green electricity from certificates. For the location-based method, ‘Nordisk elmix’ is used with an emissions factor of 90 grams CO₂/kWh. For district heating, supplier-specific values are based on district heating’s environmental values, and for district cooling

a general emissions factor is 0. For tenants’ electricity consumption, measured values and standard values are used. This also includes electricity from charging stations. For construction-related emissions, specific Life Cycle Analyses (LCAs) are used. Other emissions factors used in the calculations are specified in each category.

DEVELOPMENT IN 2023
Atrium Ljungberg’s carbon emissions come primarily from energy consumption, construction projects and purchasing. Energy-related activities correspond to 37% of total emissions and include heating, cooling and electricity consumption from both property operation and tenants. Most of our properties use district heating as their heat source. The environmental burden from district heating depends on the fuel district heating suppliers use and is difficult for us to influence. Emissions from completed projects correspond to 21%, where

only one project was completed during the year. Purchases of goods and services correspond to 41% and include management services, the largest material categories for tenant adaptations (electricity and metal goods), consultancy services, IT services and hardware.

In 2023 total carbon emissions from Scopes 1, 2 and 3 amounted to a total of 11,747 tonnes of CO₂e (13,436 tonnes), which was a reduction of 13% compared with previous years. This is primarily due to fewer projects being completed in 2023. The number of completed building projects will vary from year to year, but in general it will be a large emissions item, which is why a goal was set for a 50% reduction in CO₂e emissions from planned and ongoing projects. Scope 2 emissions are decreasing because of improved emissions values at our district heating suppliers. We have maintained an active dialogue with them during the year. For more information about our work, see pages 23–24.

Energy-related carbon emissions

Scopes 1, 2 and 3, tonnes of CO₂e

	Like-for-Like (LfL) per property type (only relates to energy-related emissions)											
	Offices			Retail			Residentials			Total		
Fastighetsbolaget Atrium Ljungberg	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %
Scope 1: Direct emissions (GHG-Dir-LfL)	32			172			0			204		
Scope 2: Indirect emissions (market-based method) (GHG-Indir-LfL)	808	1,702		398	913		10	281		1,217	2,896	
Scope 2: Indirect emissions (location-based method) (GHG-Indir-LfL)	1,035			527			49			1,611		
Total: Scope 1 + Scope 2 (market-based method) (GHG-Int)	840			570			10			1,421		
Total: Scope 1 + Scope 2 (location-based method) (GHG-Int)	1,067			699			49			1,816		
Total: Scope 3 (Tenant electricity + Fuel- and energy-related activities)	1,154	968		592	343		204	138		1,949	1,449	
Intensity Scopes 1+2 for property operations (market-based method) (GHG-Int)	1.4			1.7			0.2			1.5		
Intensity Scopes 1+2 for property operations (location-based method) (GHG-Int)	1.8			2.1			0.7			1.9		
Intensity Scopes 1+2+3 for property operations (market-based method) (GHG-Int)	3.4	3.7	-7%	3.5	4.5	-22%	3.2	9.4	-66%	3.4	4.2	-18%

Comprehensive inventory of carbon emissions
Tonne CO₂e

Absolute measures use (GHG- ABS)							
	2023	2022	2022 (previously reported)	2021	Description and scope	Data source	Emission factor
Scope 1							
Direct emissions (GHG-Dir-Abs)	140	180	180	408	Direct emissions from company-owned cars.	Driven km from Autoplan (car portal)	Diesel: 170 g, Petrol: 164 g, Plug-in: 66 g, Electric: 0 gram CO ₂ /km
Biogenic emissions (GHG-Dir-Abs)	205	205	–	–	Refrigerant emissions from refilling for 4 out of 30 properties. 0 oil pans.	Refrigerant reports	Refrigerant: R410A 1924 tonnes of CO ₂ /tonne
Total: Scope 1	345	385	180	408			
Scope 2							
Total: Scope 2 Market-based method (GHG-Indir-Abs)	1,594	2,949	2,949	3,244	Covers property energy for 74 properties and own property energy (AL's office + TL Bygg).	Consumed kWh from Green- view (energy system)	0 grams CO ₂ /kWh for property electricity and district heat- ing's environmental values for each network
Total: Scope 2 Location-based method (GHG-Indir-Abs)	4,851	–	–	–	Covers property energy for 74 properties and own property energy (AL's office + TL Bygg).	Consumed kWh from Green- view (energy system)	Nordisk elmix: 90 grams CO ₂ /kWh for property electricity and district heating's environmental values for each network
Total: Scopes 1 +2 (market-based method)	1,939	3,334	3,129	3,652			
Total: Scopes 1 +2 (location-based method)	5,196						
Scope 3							
1. Purchased goods and services	4,815	–	–	–	Purchase of management services, material for tenant adaptations, consultancy services, IT services and hardware. Only AL.	Purchasing cost per category (purchasing system)	Emissions factors from Exiobase 3.9 (2019)
2. Capital goods	2,437	8,083	–	–	Stages A1-A5 in completed projects. In 2023, Grånby Parkhus Block 2 was completed	Completed LCA analysis	Emissions factors per input component, according to the Swedish National Board of Housing, Building and Planning's principles and AL LCA instructions
3. Fuel- and energy-related activities	853	–	–	–	Production and distribution from purchased energy that is not included in Scope 1 or Scope 2.	Consumed kWh from Green- view (energy system)	14 grams CO ₂ /kWh and district heating's environmental values for each network
5. Waste management	57	471	–	–	Refers only to combustible waste in management. Covers 21 properties.	Waste quantities from con- tractors' waste portals	0.2 kg CO ₂ /kg
6. Business trips	162	88	–	–	Trips booked via travel portal.	Travel portal	In accordance with current emissions factors for means of transport
7. Employees' commute	34	–	–	–	Group average from own survey of employees' commuting routines.	Own calculation of standard	In accordance with current emissions factors for means of transport
12. Final treatment of sold products	54	–	–	–	Stages C1–C4 in completed projects. In 2023, Grånby Parkhus Block 2 was completed.	Completed LCA analysis	Emissions factors per input component, according to the Swedish National Board of Housing, Building and Planning's principles and AL LCA instructions
13. Let assets	1,401	1,461	–	–	Tenants' electricity usage: 57 properties measured and 15 estimated.	Consumed and estimated kWh from Greenview	Standard value for estimated properties: Nordisk elmix: 90 g CO ₂ /kWh
Total: Scope 3	9,813	10,102	9,890	7,804			
Total: Scopes 1+2+3 (market-based method)	11,752	13,436	13,019	11,456			
Total: Scopes 1+2+3 (location-based method)	15,009	–	–	–			



FINANCIAL IMPACT OF CLIMATE RISKS AND OPPORTUNITIES

Atrium Ljungberg analyses transition risks and physical risks based on TCFD’s recommendations. Transition risks for us as a property owner and property developer entail that we, as part of the industry, are dependent on national and international policy measures and thus are vulnerable to changes to the global market. Physical risks relate to our exposure to acute or chronic climate changes. We have long-lived non-current assets that are dependent on access to water.

In 2022 and 2023, Atrium Ljungberg conducted climate risk analyses for 100% of the property portfolio with the aim of charting and prioritising in-depth assessment. The analysis is performed in accordance with the EU Taxonomy Regulation and Swedish Property Federation’s/Swedish Construction Federation’s recommendation on climate risk and vulnerability analysis. The analysis is based on two climate scenarios: RCP 4.5 and RCP 8.5 with the time horizon year 2100.

The analysis shows that 37% of the property value is exposed to high risk in RCP 4.5 and 48% in RCP 8.5, isolated for investment properties. The risk is higher when project properties are included. Since development will occur, the assumption is that these risks will be managed in the pre-planning process. Buildings that are judged to have high risk received a high risk outcome on at least one of the highlighted climate risks: torrential rain, landslide, heat stress or flooding from the sea of lakes/waterways. The analysis is thus conservative in its assessment. The table of included climate risks describes the thresholds that are applied for high risk. The dominant risks for the portfolio are flooding following torrential rains, sea flooding and heat stress.

In 2023, vulnerability analyses with onsite visits at risk-exposed properties have been started with the aim of verifying and prioritising measures for the identified risks. For coming years, adaptation plans will be developed and implemented with the aim of achieving our new goals that all properties are to be climate adapted by 2030. In conjunction with

this, investments in climate-adaptation measures will also be measured.

The following climate risks were assessed in the scenario analysis:

- Sea flooding:** properties at risk of flooding before 2100. Sea level + 2.5m in RCP 4.5 and +3m in RCP 8.5
Low: No risk of sea flooding before 2100
Medium: Within 50 m from areas that are at risk of flooding
High risk: Located in areas at risk of flooding
- Flooding from waterways:** Properties at risk of flooding from high flows. Climate-adapted 100-year flows in RCP 4.5 and calculated highest flow in RCP 8.5
Low: No risk of flooding before 2100
Medium: Within 50 m from areas that are at risk of flooding
High risk: Located in areas at risk of flooding
- Flooding following torrential rains:** Risk in the property of 100-year rain event by 2100
Low risk: Assessed low risk of ground flooding
Medium risk: Some risk of ground flooding
High risk: Assessed high risk of ground flooding
- Heat stress following future heat waves:** Only assessed for residential. Highest measured outdoor temperature during building in RCP 4.5 and additionally that a building is located in a region with a high risk of future heat waves in RCP 8.5
Low: <30 degrees C
Medium: 30–35 degrees C
High: >35 degrees C
- Landslide, collapse and erosion:** The property's positioning in areas of caution
Low: Outside of caution area for landslides
Medium: Inside of caution area for landslides
High: Inside of caution area for landslides and inside national risk area for landslides
- Wind:** Generally assessed, not currently a large risk in Sweden.

Potential impact on Atrium Ljungberg’s financial performance

- Increased need for investments in climate-adapted and sustainable properties that increase the value of climate-adapted properties.
- Increased costs for climate-adaptation for short-term financial performance.
- By being proactive about climate adaptation, operating and maintenance costs will decrease in the long run.
- Decreased value on properties that are located in risk areas.
- Decreased value on properties that are not climate adapted or meet energy requirements.
- Higher insurance expenses.
- Volatile or decreased rental income.
- Volatile or increased energy costs.
- Sharp increase in investments when handling climate changes.

Impact transition risk

- Increased operating expenses due to introduction of carbon tax or fees for land use, etc.
- Higher project costs and higher investment needs due stricter building regulations and stricter requirements on lower emissions from properties.
- Risk of unprofitable investments and that untested technology is used to rapidly start the transition.
- Higher vacancy rate and thus decreased revenue due to an uncertain market that is not willing to pay for the increased costs resulting from the climate adaptation
- Risk of stranded assets in obsolete properties that do not meet energy requirements.
- Increased shortage of electricity and energy that is driven by the increased electrification and need for more energy in society.

Impact physical risk

- Damages arising due to flooding and torrential rains.
- Damages arising to roofs and façades due to heat wave, storms or fires.
- Reduced demand for properties in risk areas.
- Higher requirements on indoor environment meets the needs during volatile temperature changes.
- Greater demand that our areas and city districts are climate adapted – not just the buildings.

Opportunities transition risk

- Increased own production of solar energy and increased use of renewable energy.
- Increased demand on innovation and new technology.
- International rules and policies that support investments in climate-adapted work.
- Decreased energy need due to more efficient use of resources.
- Altered customer and investor preferences for higher sustainability requirements.

Opportunities physical risk

- Introduce the climate perspective as an assessment in the due diligence process to avoid investments in properties that are located in or next to risk areas.
- Energy-efficiency measures become more profitable to implement.
- System support in buildings that handle powerful changes in outdoor temperatures.
- Through active follow-up and evaluation of both property management and projects, we are climate adapting our areas and buildings. This occurs in part through the annual work with the Our City index.

Risk	Property value exposed to physical risk (RCP 4.5)		Of which isolated to investment properties (RCP 4.5)		Of which isolated to investment properties (RCP 8.5)	
	Property value exposed to physical risk (RCP 4.5)		Property value exposed to physical risk (RCP 8.5)		Property value exposed to physical risk (RCP 8.5)	
Low	34%		31%		18%	
Medium	25%		18%		23%	
High	41%		37%		59%	

S.6 Water
CALCULATION METHOD AND LIMITATIONS
Atrium Ljungberg reports water consumption and intensity using actual consumption and in comparable portfolios. All of Atrium Ljungberg’s properties are included in the statistics. The total number of properties with water delivery was 73 (76). We do not report water consumption for the Group’s

construction sites or ongoing projects since we report in accordance with the principle that only includes the property portfolio. Water refers to purchased water from suppliers, which are exclusively municipal-owned waterworks. These waterworks are responsible for the quality in accordance with regulations, and the municipalities are responsible for the supply of drinking water. At

Atrium Ljungberg, we follow issued regulations and guidelines.

DEVELOPMENT IN 2023
Water consumption per m² decreased by 6% (–2) compared to a comparable portfolio in 2022. Actual water consumption increased during the year, totalling 514,351 (481,492) cubic metres. This

year we reported water statistics publicly through CDP. We have not identified any properties in areas with water stress.

During the year we adopted a new goal of reducing water consumption per m² by 20% by 2030 from current levels.

Water			Absolute measures use (ABS)			Like-for-like (LFL) per property type											
			Atrium Ljungberg Total			Offices			Retail			Residentials			Atrium Ljungberg Total		
Code	Unit	Indicator	2023	2022	2021	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change
Water-Abs	m³	Water	514,351	481,492	465,340	259,025	299,399	16%	136,635	127,295	7%	53,044	49,026	8%	448,704	475,719	−6%
Water-LfL		Water intensity	0.44	0.44	0.46	0.37	0.40	−7%	0.44	0.45	−3%	1.06	1.08	−2%	0.42	0.45	−6%
of applicable properties		Total number of properties included in the indicator	73	76	62	43	56		15	15		4	3		62	74	

S.7 Environmentally certified buildings
CALCULATION METHOD AND LIMITATIONS
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 for residential buildings in accordance with Miljöbyggnad (Sweden Green Building Council’s Environmental Building certification).

As a KPI, we measure the share of certified area of the total portfolio. This is calculated as the percentage of Atemp lettable area that has been certified divided by the total lettable area, excluding project properties. Atemp is used as an area goal.

DEVELOPMENT IN 2023
During the year the proportion of certified area decreased from 76% to 72%. The decrease is due to the expiration of a number of certifications that have not yet been recertified. We have consciously redirected our governance away from a goal of 100% certified area, and rather view certifications as a tool and the need of the customer as the

determining factor. Instead, we have ambitious goals related to effects we want to achieve, such as sharp reductions in carbon emissions, effective energy, water and material resource utilization, and the work with the Our City index for sustainable urban development.

Environmentally certified buildings		Atrium Ljungberg total			Per certification								
		Total number of environmentally certified objects			Environmental building			BREEAM-In-Use			BREEAM		
								2023	2022	2021	2023	2022	2021
Code	Indicator	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Cert-tot	Number of certified assets	39	47	53	7	5	6	26	25	33	6	17	17
	m², Atemp	672,206	683,141	832,778	28,385	28,385	24,620	489,168	490,396	643,798	154,653	164,360	164,360
	(%)	72	76	96	3	4	3	52	72	94	16	24	20



S.8 Waste

CALCULATION METHOD AND LIMITATIONS Waste is generated in our property management, through our own and our tenants' operations, and in our new-build and reconstruction projects. We offer waste recycling at the majority of the premises we manage, and it is our ambition to be able to offer it at all of our properties.

The scope of the following disclosures includes our tenants' waste. We report total waste and the waste's area of use with a specification of hazardous waste, and we use the Swedish Environmental Protection Agency's codes.

	2023	2022	Code as per the Swedish Environmental Protection Agency
Total waste, tonnes	485	1 149	
Of which waste	466	1 141	
Of which hazardous waste	19	8	
Included properties in the disclosure	21	18	
Waste's area of use, tonnes			
Waste	259	–	
Landfill	0	–	D1
Reuse	12	–	R11
Waste for energy	57	–	R1
Recycling	153	–	R2–R9
Other	36	–	R12–R13
Included properties in the disclosure	9		
Hazardous waste	4		
Landfill	0	–	D1
Reuse	0	–	R11
Waste for energy	0	–	R1
Recycling	4	–	R2–R9
Other	0	–	R12–R13
Included properties in the disclosure	9		

S.9 Green lease contracts

CALCULATION METHOD AND LIMITATIONS Green lease contracts are contracts that have the Swedish Property Federation's standard green appendix attached to the lease contract. The follow-up of the KPI includes the rental value for the contracts that have a green appendix as per 31 December divided by the total rental value. All types of premises, excluding residentials and garages, are covered by the green appendix.

DEVELOPMENT IN 2023

Our ambition is to reduce the volume of waste to be sent to landfill and incineration and increase recycling and reuse in accordance with the waste ladder. In 2023, the reported total volume of waste decreased, largely due to several properties changing to a new waste contractor and significantly increasing their recycling. Waste statistics processes were also developed during the year. The ambition is to compile and improve waste-statistics feedback to our tenants in all properties.

DEVELOPMENT IN 2023

At the end of 2023, 75% (67%) of our contracted annual rent came under a green lease contract. The continued improvement in the number of green lease contracts is due to high interest from customers and property management's targeted focus in both new and renegotiated contracts.

S.10 Employees

CALCULATION METHOD AND LIMITATIONS

NUMBER OF EMPLOYEES

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 2023 we had only two temporary employees (1). We also do not include hired consultants or suppliers who work full time or part time under our leadership. 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 reporting in the following tables in note S.10 refers to the number of people at the end of the year, except for the first table, which shows the average number of employees. We report data for employee turnover and employees divided by age and sex.

Employee turnover

	2023			2022			2021		
	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	210	106	316	227	104	331	237	103	340
New hirings	17	5	22	14	16	30	24	13	37
Resignations	42	21	63	31	14	45	34	12	46
Number of employees at the end of the year	185	90	275	210	106	316	227	104	331
New employees									
under 30	1	0	1	1	1	2	5	3	8
30–49	9	4	13	10	13	23	13	9	22
50 and above	7	1	8	3	2	5	6	1	7
Total	17	5	22	14	16	30	24	13	37
Resignations									
under 30	6	4	10	2	0	2	3	0	3
30–49	25	14	39	20	10	30	21	8	29
50 and above	11	3	14	9	4	13	10	4	14
Total	42	21	63	31	14	45	34	12	46

DEVELOPMENT IN 2023

New for 2023 is the reporting of gender-based salary gaps. This is one of our new goals: To achieve even gender distribution among management and employees and no gender-based salary gap. Even is described as the generally accepted ratio of 60/40%. The goal applies on an ongoing basis. The outcome shows that there is no salary gap, with women's salaries at 49–55% of the men's in corresponding roles. However, there is currently development potential since 34% of the employees are women.

Average number of employees, distributed by gender

	The Group			Parent company		
	2023	2022	2021	2023	2022	2021
Men	189	213	221	105	117	120
Women	96	103	100	88	93	90
	285	316	321	193	210	210

Employees divided by form of employment and employment type

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Form of employment									
Skilled employees	76	2	78	89	5	94	97	7	104
Administrative employees	109	88	197	121	101	222	131	96	227
Number of employees at the end of the year	185	90	275	210	106	316	228	103	331
Type of employment									
Full-time	183	90	273	208	106	314	227	102	329
Part-time	2	0	2	2	–	2	1	1	2
Total	185	90	275	210	106	316	228	103	331
Career development reviews									
%	2023								
	Women	Men	Total						
Completed career development reviews (Emp-Dev)	100	100	100						

Gender-based salary gaps, average

SEK	2023			
	Women's base salary	Men's base salary	Women's total remuneration	Men's total remuneration
Senior management excluding President (Diversity-Pay)	221,500	193,250	221,500	193,250
Managers (Diversity-Pay)	77,843	79,224	77,843	79,224
Employees (Diversity-Pay)	51,580	47,159	51,580	47,159

Gender-based salary gaps, median

SEK	2023			
	Women's base salary	Men's base salary	Women's total remuneration	Men's total remuneration
Senior management excluding President (Diversity-Pay)	189,500	193,250	189,500	193,250
Managers (Diversity-Pay)	75,000	78,300	75,000	78,300
Employees (Diversity-Pay)	47,966	39,472	47,966	39,472

Salary gaps highest paid relative to the median

	2023
Total remuneration to President (highest paid), SEK T	7,108
Median annual total remuneration for all employees (excl. highest annual remun.), SEK thousand	551
Relationship between highest paid and median (excl. highest annual remun.)	1,291%
Median salary increase all employees (excl. highest annual remunation), %	4.00%
Salary increase President 2022–2023, %	4.55%

Employees divided by age and sex

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Age distribution all employees									
under 30	6	4	10	12	9	21	16	8	24
30–49	93	58	151	111	69	180	128	74	202
50 and above	86	28	114	87	28	115	83	22	105
Total	185	90	275	210	106	316	227	104	331
Age distribution executive management									
under 30	–	–	–	–	–	–	–	–	–
30–49	0	1	1	1	1	2	2	2	4
50 and above	2	3	5	2	3	5	–	2	2
Total	2	4	6	3	4	7	2	4	6
Age distribution other managers and employees									
under 30	6	4	10	12	9	21	16	8	24
30–49	93	57	150	110	68	178	126	72	198
50 and above	84	25	109	85	25	110	83	20	103
Total	183	86	269	207	102	309	225	100	325
Age distribution Board of Directors									
under 30	–	–	–	–	–	–	–	–	–
30–49	–	–	–	–	–	–	1	1	2
50 and above	4	2	6	4	2	6	3	1	4
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	2	4	6	3	4	7	2	4	6
Mid-level management	25	12	37	27	12	39	28	13	41
Other	158	74	232	180	90	270	197	87	284
Total	189	92	281	214	108	322	231	106	337

SICK LEAVE AND ACCIDENTS

Only our own employees are included in the statistics for sick leave and accidents. We base our calculations on total working hours of 381,499 (413,716) for Atrium Ljungberg and 201,783 (230,392) for TL Bygg, which in total amounts to 583,282 (644,107) hours in 2023. Day refers to contracted work days, not calendar days. The accident rate is reported per one million working hours.

DEVELOPMENT IN 2023

The Group's sick leave was 3.6% in 2023 (3.5%). 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. We have 100% coverage by collective agreement. For more information about our employees, see pages 27–28.

Sick leave by sex, % of total contracted working hours

	2023	2022	2021
Men	5%	3.9%	3.7%
Women	5%	2.6%	2.2%
Total absence	5%	3.5%	3.2%

Sick leave, % by age and sex

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
under 30	6.2	1.8	4.3	5.2	3.6	4.5	3.6	4.0	3.8
30–49	2.9	3.2	3.0	3.1	2.3	2.8	3.0	1.6	2.5
50 and above	2.7	7.2	4.2	4.8	2.9	4.4	4.6	2.9	4.2
Total	3.0	4.3	3.6	3.9	2.6	3.5	3.6	2.1	3.2

Accidents and related absence

Number of	2023			2022			2021		
	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures	Men	Women	No. of absence days, absolute figures
Accidents with sick leave	6	–	169	2	–	9	4	–	160
Sickness or other ill health	–	–	–	2	1	39	–	–	–
Accidents without sick leave	4	–	–	7	–	–	9	–	–
Near accidents	4	–	–	3	–	–	9	–	–
Commuting accident ¹⁾	4	–	13	7	1	2	1	–	–
Total	18	–	182	21	2	50	23	–	160

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)*

	2023		2022		2021	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Atrium Ljungberg	1	2.6	3	7.3	1	2.5
TL Bygg	4	19.8	3	13.0	3	12.5
Total	5	1.7	6	9.3	4	4.6
Men	1	2.5	6	13.6	4	6.7
Women	0	0.0	–	–	–	–
Total	1	1.7	6	9.3	4	4.6

*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)

	2023		2022		2021	
	No. of days	Rate	No. of days	Rate	No. of days	Rate
Atrium Ljungberg	56	0.0	8	0.0	146	0.0
TL Bygg	126	0.0	42	0.0	14	0.0
Total	182	0.0	50	0.0	160	0.0
Men	56	0.0	50	0.0	160	0.0
Women	0	0.0	–	–	–	–
Total	56	0.0	50	0.0	160	0.0

S.11 The EU Taxonomy ACCOUNTING POLICIES

Atrium Ljungberg’s EU taxonomy reporting is voluntary as we are not under any legal requirement to report until 2025. The company reports only Environmental Objective 1: Climate Change Mitigation.

ELIGIBILITY

The taxonomy applies to all of Atrium Ljungberg’s sales, 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: Operating expenses are only attributable to our property management, which means 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 2023 reporting, we have only reported for Environmental Objective 1: Climate Change Mitigation. 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. Buildings over a certain size must conduct tests to guarantee both airtightness and thermal integrity. During the year, Atrium Ljungberg’s LCA instructions were revised to clarify the requirements.

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 (the Swedish National Board of Housing, Building and Planning’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 the Swedish Property Federation).

Criteria for ‘doing no significant harm’ (DNSH)

In order to meet the requirements to not do significant harm, we have made certain assumptions to assess alignment. For 7.1 and 7.2 we have assumed that we met the requirements as a result of the following activities:

- A property-specific climate risk and vulnerability analysis has been conducted. This has been done in accordance with the taxonomy’s requirements with two different climate scenarios and based on defined climate risks; see note S.5 for a full definition. 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 constructed and reconstructed in accordance with requirements set out in environmental certificates that are aligned with the EU Taxonomy and meet the requirements on water consumption components.
- Environmental programmes are in place to manage water-related issues at the construction site.
- For waste, a minimum of 70% must be prepared for recycling or reuse, and work follows an environmental programme in order to prevent the generation of 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 (Byggvarubedomningen) 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 conducted for 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.

Evaluation of minimum social 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.

DEVELOPMENT 2023

At the end of 2023, we had 21% (23%) taxonomy-aligned sales, 23% (8%) taxonomy-aligned capital expenditure, and 15% (16%) taxonomy-aligned operating expenses.

In 2023, we worked to identify and rectify investment properties that are close to substantial contribution criteria for Objective 1: Climate Change Mitigation. We also implemented taxonomy alignment in our project process, and we will see an increase in alignment as new projects start.

Analysis of alignment going forward shows a potential of 51%, which is in line with our goal to have more than 50% of our net sales be taxonomy aligned by 2025. In 2024, a review is planned of alignment based on Objective 2: Climate Change Adaptation and Objective 4: Circular Economy.

2023 – Turnover	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (h)												
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)			
																					SEK m	%
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1 Environmental sustainable activities (Taxonomy-aligned)																						
Construction of new buildings	CCM 7.1	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	4%					
Renovation of existing buildings	CCM 7.2	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%		T			
Acquisition and ownership of buildings	CCM 7.7	718	21%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	19%					
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1))		718	21%	21%	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	23%					
Of which enabling		0	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	0%	E				
Of which transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T			
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																						
				EL; N/EL																		
Construction of new buildings	CCM 7.1	400	61%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												12%	
Renovation of existing buildings	CCM 7.2	218	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												2%	
Acquisition and ownership of buildings	CCM 7.7	2,103	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL												62%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,721	79%	79%	-	-	-	-	-												77%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		3,439	100%	100%	-	-	-	-	-												100%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy-non-eligible activities		1	0%																			
Total		3,440	100%																			

Proportion of turnover/Total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	21%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2023 – CapEx	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (h)										
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
Construction of new buildings	CCM 7.1	108	6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	2%			
Renovation of existing buildings	CCM 7.2	69	4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	1%		T	
Acquisition and ownership of buildings	CCM 7.7	211	12%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	5%			
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1))		388	23%	23%	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	8%			
Of which enabling		0	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	0%	E		
Of which transitional		69	4%	4%						Y	Y	Y	Y	Y	Y	Y	1%		T	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL (f)																
Construction of new buildings	CCM 7.1	144	8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Renovation of existing buildings	CCM 7.2	740	43%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14%			
Acquisition and ownership of buildings	CCM 7.7	438	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								78%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,322	77%	77%	-	-	-	-	-								92%			
A. CapEx of Taxonomy eligible activities (A.1+A.2)		1,711	100%	100%	-	-	-	-	-								100%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		3	0%																	
Total		1,713	100%																	

Proportion of CapEx/Total CapEx		
Taxonomy-aligned per objective		Taxonomy-eligible per objective
CCM	23%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2023 – OpEx	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (h)										
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaption (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmental sustainable activities (Taxonomy-aligned)																				
Construction of new buildings	CCM 7.1	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%			
Renovation of existing buildings	CCM 7.2	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%		T	
Acquisition and ownership of buildings	CCM 7.7	17	15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	16%			
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1))		17	15%	15%	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	16%			
Of which enabling		0	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	0%	E		
Of which transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T	
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL (f)																
Construction of new buildings	CCM 7.1	8	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Renovation of existing buildings	CCM 7.2	6	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Acquisition and ownership of buildings	CCM 7.7	81	72%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								84%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		95	85%	85%	-	-	-	-	-								84%			
A. OpEx of Taxonomy eligible activities (A.1+A.2)		113	100%	100%	-	-	-	-	-								100%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		0	0%																	
Total		113	100%																	

Proportion of OpEx/Total OpEx		
Taxonomy-aligned per objective		Taxonomy-eligible per objective
CCM	15%	100%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Nuclear energy and fossil gas-related activities		
Nuclear energy-related activities		
1	The company performs, finances or is exposed to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The company performs, finances or is exposed to construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating or industrial processes, such as hydrogen production, and for safety upgrades of these, using best-available technologies.	NO
3	The company performs, finances or is exposed to safe operation of existing nuclear power plants for the generation of electricity or process heat, including for district heating or industrial processes, such as hydrogen production from nuclear energy, and for safety upgrades of these.	NO
Fossil-gas related activities		
4	The company performs, finances or is exposed to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The company performs, finances or is exposed to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The company performs, finances or is exposed to the construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

S.12 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 141–142.

	2023	2022	2021
Directly generated economic value			
Revenue	3,440	3,135	3,084
Economic value distributed			
Operating costs	947	940	1,016
Salaries and compensation to employees	265	288	277
Fees and compensation to the Board and CEO	36	35	31
Payments to financiers, net	612	500	378
Tax to society	437	477	355
Social investments	1	3	2
Dividends to shareholders	668	657	640
Total distributed economic value	2,966	2,901	2,699
Economic value — remaining in the company	474	234	385

¹⁾ Economic value distributed corresponds to economic value generated.

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.

S.13 Anti-corruption CALCULATION METHOD AND LIMITATIONS

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.

Incidents of corruption	2023	2022	2021
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	–	–	–

Tax	2023	2022	2021
Current tax	59	3	0
Property tax	213	214	182
Non-deductible VAT	93	121	129
Stamp duty	29	100	16
Total taxes	394	437	326
Leasehold fees	43	39	28
Total to society	437	477	355

During the year, Atrium Ljungberg and TL Bygg had 0 confirmed incidents of corruption, no employees had to resign as a result of corruption, and no collaboration agreements were terminated as a result of corruption.



S.14 Suppliers

CALCULATION METHOD AND LIMITATIONS

The disclosures in this note are divided between the property company Atrium Ljungberg and the Group company TL Bygg. Unless otherwise specified, the scope refers to Atrium Ljungberg as a property company. The definition of 'significant purchases' is suppliers who invoiced SEK 100,000 or more during the year, have a framework agreement or constitute a high-risk category. Municipalities/authorities, member/interest organisations and tenant-owned/joint property associations are excluded from the statistics. A 'new supplier' is a supplier that Atrium Ljungberg made substantial purchases from during the year but did not invoice Atrium Ljungberg in the previous year. Any volumes invoiced to TL Bygg are not included. Supplier evaluations are conducted through a self-assessment survey.

In 2023 Atrium Ljungberg had 1,027 (830) substantial suppliers, 109 (109) of whom had framework agreements. Of the main suppliers, 20%, equal to 204 (79), were evaluated. Of these, 84% (82%), equal to 172 (65), received no remark.

If substantial purchases are going to be made from a supplier, the supplier must sign the Supplier Code of Conduct. In 2023, agreements were signed with 418 (145) new suppliers; 1 (1) of whom had a framework agreement. In 2023, the emphasis of the evaluations was on existing suppliers, which is visible in that the percentage of sustainability-evaluated suppliers in relation to purchasing volume is 54%.

In 2023, we took an additional step by initiating work with onsite audits at the supplier. Two audits (0) were conducted. Read more about the supplier work on pages 25–26.

Supplier checks	2023	2022	2021
Percentage of new suppliers that have signed Atrium Ljungberg's supplier policy ¹⁾	1%	24%	–
Percentage of suppliers that have signed Atrium Ljungberg's supplier policy ¹⁾	29%	40%	–
Percentage of new suppliers that were evaluated ^{1) 2)}	3%	–	–
Percentage of suppliers that were evaluated in total ^{1) 2)}	20%	10%	–
Percentage of purchase volume from sustainability-evaluated suppliers ^{1) 2)}	54%	–	–
Number of audits at the supplier's place of business ¹⁾	2	–	–
Percentage of follow-up controls TL Bygg ³⁾	46%	24%	–

¹⁾ The KPI includes purchases from main suppliers during the year = Exceeds threshold of SEK 100,000, have framework agreement or belong to a high-risk category. Group companies are not included.

²⁾ The KPI indicates the number of suppliers that have been assessed via digital supplier assessment based on Atrium Ljungberg's Supplier Code of Conduct.

³⁾ Follow-up takes place via self-assessment surveys.

S.15 Socially sustainable locations

CALCULATION METHOD AND LIMITATIONS

The Our City index is used to follow up on the work with creating sustainable locations. The index comprises five aspects – Safety, Availability, Urban eco-systems, Location development and Participation – and 21 indicators. Read more about the Our City index on page 22.

To achieve sustainable locations, we know that a focus on people is most important. This requires strong engagement at the location to understand peoples' specific expectations and needs. Work related to the Our City index consists first of a current assessment to understand the location and the area's conditions and needs. In the next step, a development and action plan is prepared based on the identified needs. This is done annually. In the plan, we distinguish between a long-term and a short-term focus since a long-term plan needs 1–5 years to achieve certain effects, while some aspects can be influenced immediately with an effect within 3–12 months. Through the Our City index, we can work with social sustainability via effect measurement to see if our activities are having an effect and, thus, creating added value.

Our City index

Our City index, 0–100%

Location	2023	2022
Sickla, Stockholm	40%	25%
Slakthusområdet, Stockholm	32%	30%
Slussen, Stockholm	41%	54%
Hagastaden, Stockholm	46%	18%
Gränbystaden, Uppsala	64%	41%
Lindholmen, Gothenburg	22%	22%
Mobilia, Malmö	56%	44%
Total	43%	34%
Properties included in the disclosure	60/75	

The annual assessment is carried out by responsible parties at each location, often in cooperation with the business development director or property management director. This means that the work with social sustainability in urban development has been integrated into the entire organisation.

We will be monitoring our goal to achieve a score of 90%, with each location assessing each indicator in the index every year. Each indicator in the index is assigned a score of 0–3, and the sum of the scores are then reported as a percentage. If any information or data is missing for a particular indicator, the indicator will be assessed as 0. The result for this goal is presented as an average for the company, where the points of all the locations are weighted together. The following locations are included in the assessment: Sickla, Slakthusområdet, Slussen, Hagastaden, Gränbystaden, Gothenburg and Malmö. These locations correspond to 75% of the number of properties and 72% of the managed area. These locations are part of an area where we have several interconnected properties.

Development 2023

Work continued with the tool in 2023, with the overall result for the year amounting to 43% (34%), which is good progression towards our partial goal of 50% by 2025. The goal is to reach 90% in the Our City index by 2030.

The shift during the year is based on concrete measures and choices we make in the operations. Read more about three concrete examples that are described on page 21. During the year we also developed the tool to further integrate this work into the operations. This means that we have chosen to clarify some of the names of the aspects and indicators.



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. Date in accordance with the electronic signature.

Johan Ljungberg
Chairman of the Board

Gunilla Berg
Member of the Board

Simon de Château
Member of the Board

Conny Fogelström
Member of the Board

Sara Laurell
Member of the Board

Johan Thorell
Member of the Board

Annica Ånäs
CEO

S.17 Auditor’s Limited Assurance Report on Atrium Ljungberg AB’s Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor’s report in Swedish.

To Atrium Ljungberg AB, corporate identity number 556175-7047

Introduction

We have been engaged by the Board of Directors and the President of Atrium Ljungberg AB to undertake a limited assurance engagement of the Atrium Ljungberg AB’s Sustainability Report for the year 2023. The Company has defined the scope of the Sustainability Report on page 117 and the Statutory Sustainability Report on page 117.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive 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 respectively. The criteria are defined on page 143 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, 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 express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover 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. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR’s accounting standard RevR 12 The auditor’s opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 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.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Atrium Ljungberg AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria 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 Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm. Date in accordance with the electronic signature.

Deloitte AB

Hans Warén
Authorized Public Accountant



Other.



0 Other.

O.1 Five-year overview

Amounts in SEK m	2023	2022	2021	2020	2019	Amounts in SEK m	2023	2022	2021	2020	2019
INCOME STATEMENTS						BALANCE SHEETS					
Rental income	2,821	2,550	2,292	2,344	2,577	Investment properties	56,813	58,596	50,335	46,026	47,513
Project and construction work sales	412	256	413	495	233	Right-of-use asset, leaseholds	1,296	1,277	1,025	1,179	1,305
Net sales	3,233	2,806	2,705	2,839	2,811	Goodwill	140	165	165	165	225
Property management costs	-805	-843	-732	-779	-810	Other non-current assets	506	106	90	218	73
Project and construction work costs	-410	-282	-396	-508	-276	Long-term derivatives	733	1,572	138	7	82
Gross profit/loss	2,019	1,681	1,576	1,552	1,724	Development properties	1,692	1,409	1,254	1,308	997
– property management	2,016	1,707	1,560	1,565	1,767	Current assets	480	391	501	434	411
– project and construction work	2	-26	17	-13	-43	Cash and cash equivalents	119	380	719	279	457
Central administration	-88	-91	-97	-91	-96	Total assets	61,779	63,898	54,227	49,615	51,062
– property management	-80	-76	-82	-75	-80	Equity	27,519	29,141	25,541	22,668	22,784
– project and construction work	-8	-15	-15	-17	-16	Deferred tax liability	6,064	6,661	5,563	4,686	5,106
Profit from associated companies	-1	-	-	-	-	Non-current interest-bearing liabilities	24,966	25,389	20,561	18,905	20,211
Financial income	12	2	1	3	2	Non-current finance lease liability	1,296	1,277	1,025	1,179	1,305
Financial expenses	-534	-425	-292	-309	-362	Long-term derivatives	344	59	238	662	348
Leasehold fees	-43	-39	-28	-31	-34	Other non-current liabilities	329	295	267	229	222
Income from property management	1,365	1,127	1,159	1,124	1,234	Other current liabilities	1,261	1,074	1,032	1,285	1,086
Changes in value						Total equity and liabilities	61,779	63,898	54,227	49,615	51,062
Properties, unrealised changes in value	-1,658	2,671	3,040	-119	2,283	CASH FLOW STATEMENTS					
Properties, realised changes in value	-9	18	-22	-81	73	Cash flow from operating activities	1,086	1,289	1,249	1,246	1,350
Goodwill impairment	-24	-	-	-	-	Cash flow from investment activities	-494	-5,705	-1,423	725	-1,975
Income from sales of development properties	207	329	379	-	-	Cash flow from financing activities	-853	4,076	614	-2,149	748
Costs from sales of development properties	-172	-278	-289	-	-	Cash flow for the year	-261	-339	440	-178	122
Financial instruments, unrealised changes in value	-907	1,526	388	-252	-90						
Financial instruments, realised changes in value	-	-	-	-	-50						
Profit before tax	-1,199	5,393	4,656	672	3,450						
Current tax	-59	-3	-0	-41	-63						
Deferred tax	304	-1,102	-899	236	-580						
Profit for the year, entirely attributable to the parent company's shareholders	-954	4,288	3,757	867	2,807						

Five-year overview, cont.

	2023	2022	2021	2020	2019
KEY PERFORMANCE INDICATORS					
<i>Property-related key performance indicators</i>					
Rental value, SEK/m²	3,636	3,445	3,093	2,972	2,964
Economic occupancy rate, %	94	93	91	91	94
Operating surplus margin, %	71	66	68	67	69
Property value, SEK/m²	56,186	58,931	54,167	48,969	48,024
Valuation yield, %	4.7	4.4	4.2	4.4	4.5
Letting area at the end of the year (excl. garage, incl. dev. prop.), '000 m²	945	956	893	887	960
Investments in properties including acquisitions, SEK m	2,151	6,072	2,304	2,923	2,984
Number of properties at the end of the year	75	76	67	67	70
<i>Financial key ratios</i>					
Loan-to-value ratio, %	42.5	41.7	38.5	39.4	40.7
Interest coverage ratio	3.7	3.8	5.3	4.7	4.4
Net debt/EBITDA	12.9	15.6	12.9	13.0	12.4
Return on shareholder's equity, %	-3.4	15.7	15.6	3.8	12.9
Return on total assets, %	0.4	7.3	8.8	2.4	8.1
Average closing interest rate %	2.3	2.2	1.7	1.6	1.6
Interest rate duration, year	3.8	4.0	4.7	5.0	5.4
Loan-to-maturity, year	3.5	4.3	4.8	4.7	4.3
<i>Data per share</i>					
Income from property management, SEK	10.82	8.93	9.15	8.68	9.49
Income from property management after tax, SEK	10.49	8.59	9.08	8.19	8.71
Earnings per share, SEK	-7.56	33.97	29.65	6.69	21.59
Dividend (2023 proposed), SEK	3.50	5.30	5.20	5.05	5.00
Dividend pay-out ratio, %	32.0	59.0	57.0	58.0	53.0
Share's dividend yield, %	2.3	3.1	2.6	2.9	2.2
Equity, SEK	218.22	231.09	202.20	177.46	175.48
Long-term net asset value, SEK	262.11	270.60	245.73	217.95	215.12
Current net asset value, SEK	245.62	251.81	236.02	210.56	206.62
Disposal value, SEK	219.49	223.46	198.73	170.86	171.46
Share price on 31 December, SEK	231.20	170.90	199.70	172.80	226.00
Weighted average number of shares, thousands	126,106	126,215	126,688	129,554	130,005
Number of outstanding shares at the end of the years, '000	126,106	126,106	126,313	127,739	129,839
<i>Employees</i>					
Average number of employees	285	316	321	333	320



O.2 Definitions

FINANCIAL DEFINITIONS

Share's dividend yield, %

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

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

Share's total yield, %

The year's change in the share price plus the distributed dividend during the year as a percentage of the share price at the end of the financial year. The share's total yield is used to illustrate the shareholders' total yield on their ownership in Atrium Ljungberg.

Current net asset value per share, SEK

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

Number of outstanding shares

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

Return on shareholder's equity, %

Net profit/loss for the period as a percentage of average equity. Return on shareholder's equity is used to illustrate Atrium Ljungberg's capacity to generate profit 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.

Disposal value per share, SEK

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

Loan-to-value ratio, %

Interest-bearing liabilities, with deductions for cash and cash equivalents as a percentage of the sum of the properties' fair value at the end of the period. The loan-to-value ratio is used to illustrate Atrium Ljungberg's financial risk.

Gross profit/loss property management

Rental income less property management costs.

Gross profit/loss project and construction work

Project and construction work sales minus project and construction costs.

Equity per share, SEK

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

Property costs

Total property management costs, which exclude central administration.

Income from property management

Profit before tax with reversal of changes in value.

Income from property management per share, SEK

Income from property management divided by the average number of outstanding shares.

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

Profit before changes in value, less calculated current tax excluding loss carry-forwards, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.

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

Average loan-to-maturity, years

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

Average interest rate for interest-bearing liabilities, %

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

The average interest is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate duration, years

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

Cash flow per share, SEK

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

Long-term net asset value per share, SEK

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

Average number of outstanding shares

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

Net debt/EBITDA (debt ratio)

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

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

Earnings per share, SEK

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

Interest coverage ratio

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

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

Dividend pay-out ratio, %

Dividend per share as % of income from property management.

Dividend pay-out ratio is used to illustrate what proportion of the earnings is shifted out to the Group's owners and reinvested in the operations respectively.

PROPERTY-RELATED DEFINITIONS

RA, m₂

Residential area (RA) refers to the letting area of a building for residential use.

GFA, m²

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

Operating surplus

Refers to rental income less property management costs.

Development properties

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

Property type

The premises type which comprises the predominant share of the rental value of a register property or profit area determines the property type. The market value and development of rental income in comparable portfolios recognised per property type.

Rental income in a comparable portfolio

Refers to rental income for a comparable portfolio, which is rental income for the properties which were not classified as project properties and were owned throughout the period and entire comparison period. Used to illustrate the trend of rental income excluding non-recurrent effects for premature vacating uninfluenced by project properties as well as acquired and sold properties.

Rental value

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

Comparable portfolios

Comparable portfolio refers to the properties which were not classified as project properties and were owned throughout the period and entire comparison period. Comparable portfolio is used to illustrate the trend of rental income excluding non-recurrent effects for premature vacating of premises and property costs uninfluenced by project properties as well as acquired and sold properties.

NRA, m²

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

**Net letting**

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

Project property

An individual property or a clearly delimited part of a property that has been or is about to be vacated in order to permit the renovation and upgrading of the property. 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.

Project return, %

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

Leaseholds

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

Leasehold fees

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

Letting area, m²

Total area available for letting. Garages are included in letting area but excluded when calculating the rental value per m² and fair value per m².

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

Vacancy rate, %

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

Operating surplus margin, %

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

Sustainability-related definitions**BREEAM**

Is an environmental certification system developed in Europe for built environments. BREEAM takes a big picture approach to environmental performance. There are two types of BREEAM certification; BREEAM that relates to new production and BREEAM In-Use, which relates to existing properties. The areas addressed by BREEAM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

Directly generated and distributed economic value

Generated value: Atrium Ljungberg's net sales and changes in value.

Distributed value: 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.

Payments to suppliers: Operative costs for purchases of materials, products, premises and services from suppliers.

Salaries and compensation to employees: The period's total salary and pension costs, including benefits. Employees do not include consultants or other temporary staff.

Fees and compensation to the Board, CEO and senior executives: Composed of compensation to Board members, as well as fixed salary, other compensation and pension costs for the CEO and other senior executives.

Net payments to financiers: The period's recognised interest expenses with a supplement for the consolidated capitalised interest and describes Atrium Ljungberg's total remuneration to lenders.

Tax and fees to society: 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.

Dividends to shareholders: The period's paid dividends.

Economic value – remaining in the company: Generated value minus distributed value.

Energy intensity, kWh per m²

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

Lost working hours as a result of a work-related accident or illness (lost day rate)

The number of lost work days due to work-related accident or illness, per total number of contracted work days during the year.

Green lease contracts, %

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

Green and blue structure

Cohesive walkways and/or environments with greenery and water. These add values, such as ecosystem services, habitats, recreation and cultural environments.

Intensity measurements, emissions kgCO₂e

Total emissions by area. Either GFA or m².

Like-for-like

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.

Environmental building

Environmental building is a certification system for buildings which are based on Swedish construction practice and covers energy, the indoor environment and material.

Accident rate (LTIR)

The number of work-related accidents per million worked hours, which leads to absence of at least one contracted work day.

Scope 1,2 and 3

A method for defining different areas when calculating greenhouse gas emissions. This method is from the international standard Greenhouse Gas Protocol.

Scope 1: The operations' direct emissions from sources under the control of the company.

Scope 2: The operations' indirect emissions from energy that is purchased, such as electricity, steam, heating and cooling that are generated by the producer.

Scope 3: Indirect emissions from the operations that are not covered by Scope 1 or 2. For example, purchased goods and services.

Total sales

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

Total investments/acquisitions

The acquisition of properties and investments in new and existing properties. The 'Change in the property portfolio' table therefore includes the following rows: 'Acquisitions' and 'Investments in held properties'.

Total operating expenses

Costs for property maintenance, ongoing repairs and maintenance.

O.3 GRI Index

Atrium Ljungberg’s Sustainability Report has been drawn up in accordance with the GRI standards 2021.

Abbreviations
GRI: Global Reporting Initiatives.

Report into how GRI have been applied. Atrium Ljungberg has produced this report in accordance with the GRI guidelines for the period (reporting period from 1 January 2022 to 31 December 2022). The GRI 1 that has been used. GRI 1: Foundation 2021
Applicable GRI Sector Standards.

GRI GUIDELINE/ OTHER SOURCE	Disclosures	Section	Omissions		
			Requirements omitted	Reason	Explanation
General disclosures					
GRI 2: General disclosures 2021	2-1 Organizational details	4-14, 63-66	A grey cell indicates either that the reasons given for the omission are not authorised for these disclosures or that a reference number is not available for the GRI Sector Standard.		
	2-2 Entities included in the organization’s sustainability reporting	117			
	2-3 Reporting period, frequency and contact point	117			
	2-4 Restatements of information	117			
	2-5 External assurance	117, 137			
	2-6 Activities, value chain and other business relationships	3-4, 11-14, 25-26, 135			
	2-7 Employees	27-28, 127-129	a. ii and v temporary employees	Information not available/incomplete	We only report our own employees; temporary employees are not included in this report.
	2-8 Workers who are not employees	27-28, 127-129	The entire indicator has been omitted	Information not available/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.
	2-9 Governance structure and composition	63-72, 128	vi. Under-represented social groups	Statutory requirements	Specific limitations apply to the processing of sensitive personal data pursuant to Section 13 of the Swedish Personal Data Act.
	2-10 Nomination and selection of the highest governance body	63-72			
2-11 Chair of the highest governance body	70, 62				
2-12 Role of the highest governance body in overseeing the management of impacts	67-68, 63-66, 117, 121	b, Describe the role of the highest governance body in overseeing the organisation’s due diligence and other processes to identify and manage the organization’s impacts on sustainability c, Describe the role of the highest governance body in reviewing the effectiveness of the organisation’s processes as described in 2-12-b, and report the frequency of this review	Information not available/incomplete	The organization is currently working on clarifying and describing these processes for its sustainability work.	

GRI GUIDELINE/ OTHER SOURCE	Disclosures	Section	Omissions		
			Requirements omitted	Reason	Explanation
GRI 2: General disclosures 2021	2-13 Delegation of responsibility for managing impacts	63-66, 117			
	2-14 Role of the highest governance body in sustainability reporting	63-66, 117			
	2-15 Conflicts of interest	63-68, 55			
	2-16 Communication of critical concerns	55, 67-68, 117, 119-121			
	2-17 Collective knowledge of the highest governance body	63-68, 117			
	2-18 Evaluation of the performance of the highest governance body	63-68, 117, 121			
	2-19 Remuneration policies	63-66, 27			
	2-20 Process to determine remuneration	63-66			
	2-21 Annual total compensation ratio	66, 128			
	2-22 Statement on sustainable development strategy	8-9, 11-17, 19-20, 117			
	2-23 Policy commitments	68, 19-29, 119-121			
	2-24 Embedding policy commitments	19-29, 119-121			
	2-25 Processes to remediate negative impacts	19-29, 117-121	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 not available/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	27-28, 134			
	2-27 Compliance with laws and regulations	26, 147, 129, 59, 63-68			
	2-28 Membership associations	121			
	2-29 Approach to stakeholder engagement	117-118			
	2-30 Collective bargaining agreements	17, 27, 72, 141, 143			

			Omissions		
	Disclosures	Section	Requirements omitted	Reason	Explanation
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	19, 119-121	A grey cell indicates either that the reasons given for the omission are not authorised for these disclosures or that a reference number is not available for the GRI Sector Standard.		
	3-2 List of material topics	119-121			
GRI 3: Material topics 2021	3-3 Management of material topics	19-29, 119-121			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	134			
	201-2 Financial implications and other risks and opportunities due to climate change	125, 61			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	19, 25-26, 119-121, 134-135			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	25-26, 134			
	205-3 Confirmed incidents of corruption and actions taken	134			
Energy					
GRI 3: Material topics 2021	3-3 Management of material topics	19, 23-24, 119-121, 122			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	23-24, 122			
	302-3 Energy intensity	23-24, 122			
Waste					
GRI 3: Material topics 2021	3-3 Management of material topics	19, 23-24, 119-121, 122			
GRI 302: Waste 2020	306-3 Generated waste	23-24, 127			
	306-4 Reused waste	23-24, 127			
	306-5 Disposed waste	23-24, 127			
Emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	19, 23-24, 119-121, 123-124			
GRI 305: Emissions 2016	305-1 Direct (Scope ¹) GHG emissions	123-124			
	305-2 Energy indirect (Scope ²) GHG emissions	123-124			
	305-3 Other indirect (Scope ³) GHG emissions	123-124			
	305-4 GHG emissions intensity	123			

		Omissions			
Disclosures	Section	Requirements omitted	Reason	Explanation	
Supplier environmental assessment					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 25–26, 119–121, 135			
GRI 308: Environmental evaluation of suppliers 2016	308–1 New suppliers that were screened using environmental criteria	135			
Employment					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 27–28, 119–121, 127–129			
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	127–128			
Occupational health and safety					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 27–28, 119–121, 127–129			
GRI 403: Occupational health and safety 2018	403–1 Occupational health and safety management system	27–28, 129	Atrium Ljungberg only reports the company’s own employees	Information not available/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.
	403–2 Hazard identification, risk assessment, and incident investigation	27–28, 55, 58, 61, 67–68			
	403–3 Occupational health services	27–28, 55, 58, 61, 67–68			
	403–4 Worker participation, consultation, and communication on occupational health and safety	27–28, 55, 58, 61, 67–68			
	403–5 Worker training on occupational health and safety	27–28, 55, 58, 61, 67–68			
	403–6 Promotion of worker health	27–28, 55, 58, 61, 67–68			
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27–28, 55, 58, 61, 67–68			
	403–9 Work-related injuries	129			
Diversity and equal opportunity					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 27–28, 119–121, 127–129			
GRI 405: Diversity and equal opportunity 2016	405–1 Diversity of governance bodies and employees	27–28, 127–128			

Disclosures		Section	Omissions		
			Requirements omitted	Reason	Explanation
Non-discrimination					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 27–28, 119–121, 127–129			
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	27–28, 134			
Local communities					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 21–22, 119–121, 135			
GRI 413: Local communities 2016	413–1 Activities with local social commitment, impact analysis and development program	135			
Supplier social assessment					
GRI 3: Material topics 2021	3–3 Management of material topics	19, 25–26, 119–121, 135			
GRI 414: Supplier social assessment 2016	414–1 New suppliers that were screened using social criteria	135			
Company-specific disclosures					
GRI 3: Material topics 2021	3–3 Management of material topics	19–29, 119–121			
AL-1	Water consumption	126			
AL-2	Share of environmentally certified buildings	126			
AL-3	Share of green lease contracts	127			
AL-4	Taxonomy reporting	130–133			

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 55, 61, 63–68, 73, 117, 121	A. Description of the climate-related risks and opportunities the organisation has identified. See pages 19–20, 23–24, 29, 55, 61, 119–121, 125	A. Description of the organisation’s processes for identifying climate-related risks. See pages 55, 61, 125	A. Description of the organisation’s indicators to evaluate climate-related risks and opportunities. See pages 19–20, 21–24, 119–121, 123–125
B. Description of management’s role in assessing and managing climate-related risks and opportunities. See pages 19, 63–68, 117, 121	B. Description of the impact of risks and opportunities on the organisation’s businesses, strategy and financial planning. See pages 23–24, 29, 55, 61, 119–121, 125	B. Description of the organisation’s processes for managing climate-related risks. See pages 23–24, 55, 61, 125	B. Disclosure of Scope 1, Scope 2 and, Scope 3 emissions in accordance with the Greenhouse Gas Protocol. See pages 123–124
	C. Description of the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios. See pages 23–24, 119–121, 125	C. Description of how the aforementioned processes are integrated into the organisation’s overall risk management. See pages 55–61	C. Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. See pages 19–20, 123–125

O.5 Information

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 ratios, the share, and much more besides. The information on the website is also available in English.

Publication of financial information

Interim Report, January–March 2024	12/04/2024
Interim Report, January–June 2023	09/07/2024
Interim Report, January–September 2023	11/10/2024
Preliminary Financial Statement 2024	February 2025
2024 Annual Report	March 2025

Annual General Meeting

The Annual General Meeting will be held on Wednesday, 21 March 2024. 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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