

Atrium Ljungberg Interim Report / Q1 2023

Q1



Overview

Healthy profit from property management despite current challenges in the world.

1



PROPERTY PORTFOLIO

80% Stockholm

10% Uppsala, 5% Gothenburg,
5% Malmö

63% Offices

21% Retail, 3% Residentials,
13% Projects

2



RENTAL MARKET

**SEK 11 million/
SEK 8 million**

Net letting

3



EARNINGS

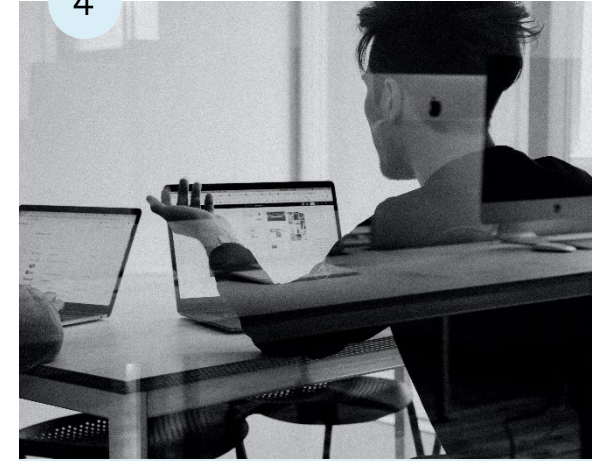
+16%

Profit from property
management

+15%

Net operating
income – like for like

4



PROJECTS

SEK 7 billion

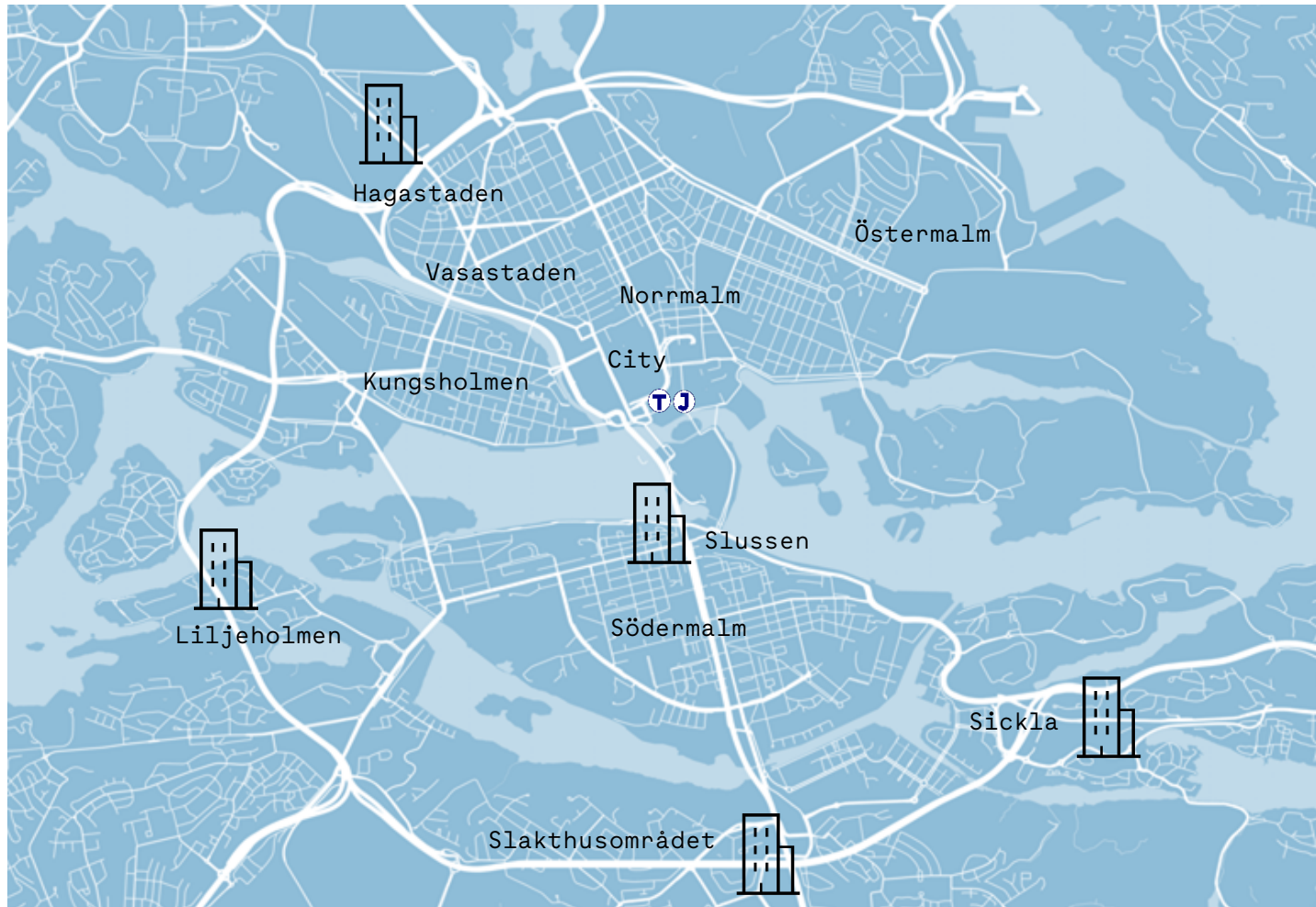
In ongoing projects

65% let

For those completed
in 2023 and 2024

Property portfolio – City of Our Dreams

Property and project portfolio concentrated primarily on four areas in Stockholm – Hagastaden, Slussen, Slakthusområdet and Sickla. All areas with an existing or future underground station.



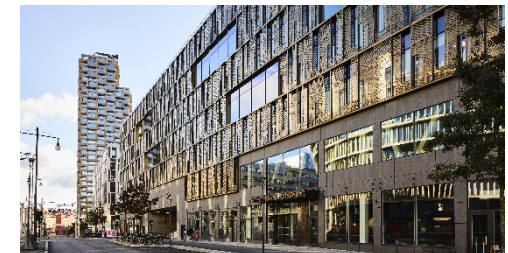
Glashuset, Slussen



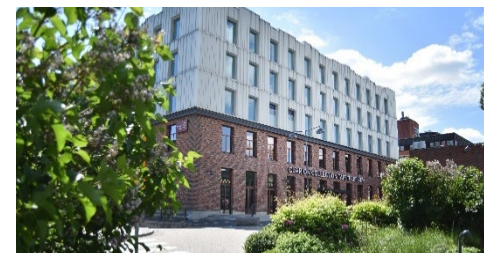
Katarinhuset, Slussen



Söderhallarna, Södermalm



Life City, Hagastaden



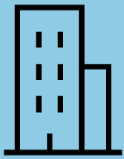
Tapetfabriken, Sickla



Börshuset, Slakthusområdet

Rental and residential market

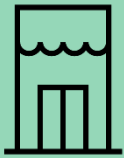
Strong future locations for offices – Slakthusområdet, Slussen and Hagastaden appear among the top locations.



OFFICES

Demand remains high for offices in great locations.

- Locations inside the congestion charge zones still generate the most interest – Hagastaden and Slussen.
- Customers focusing heavily on costs – risk of smaller spaces and more flexible solutions.
- A house – broadens offer to customers.



RETAIL

Higher sales than last year – combination of price adjustments and volumes.

- Higher sales, but differences between the segments – the mix at the retail hub determines its ‘resilience’.
- Number of visitors returns to pre-COVID-19 levels.
- Humble about the impact that tougher times can have on retail.



TENANT-OWNED DWELLINGS

The Swedish residential market saw a cautiously positive start to the year.

- For the first time since April 2022 the monthly figures for tenant-owned dwellings for Sweden as a whole was positive.
- Number of sales launches for new-build tenant-owned dwellings remains low.
- Higher activity has been seen since the start of the year – more interested parties and more people coming for viewings. Five binding agreements were signed in Q1.

Most significant lettings

The three most significant lettings in this quarter were in Slussen, Hagastaden and Sickla.



Nordr

Mineralvattenfabriken,
Hagastaden, 1,900 m².



Nacka kommun

Campus Sickla,
10,000 m², of which
2,100 m² new construction.

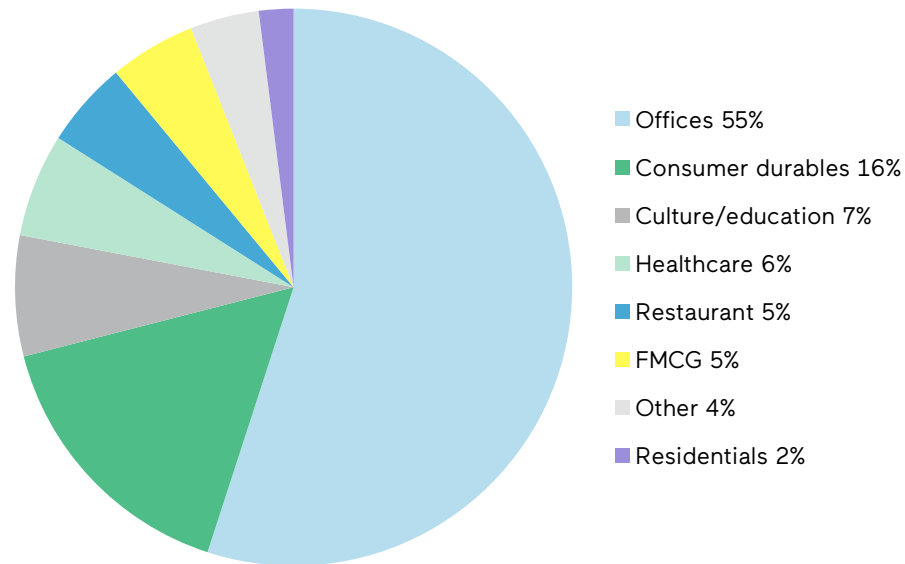


International media group

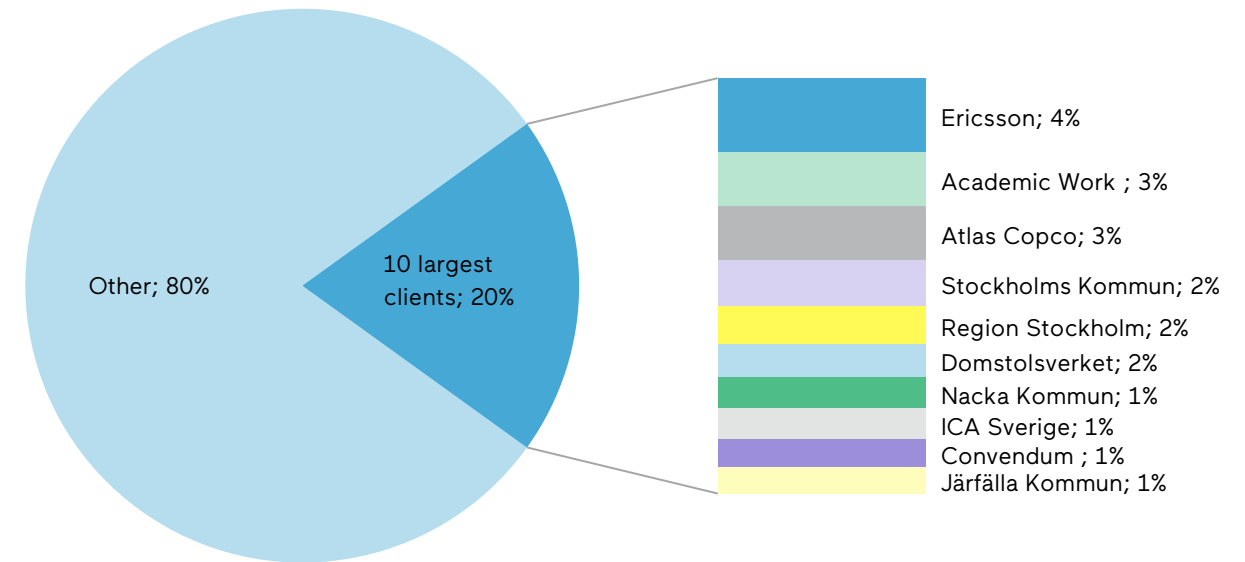
Katarinhuset, Slussen,
1,900 m².

Q1

Stable customer base and inflation-protected contract portfolio



- Indexation 2023, approx. SEK 165 m
- Average remaining lease term 4.6 years

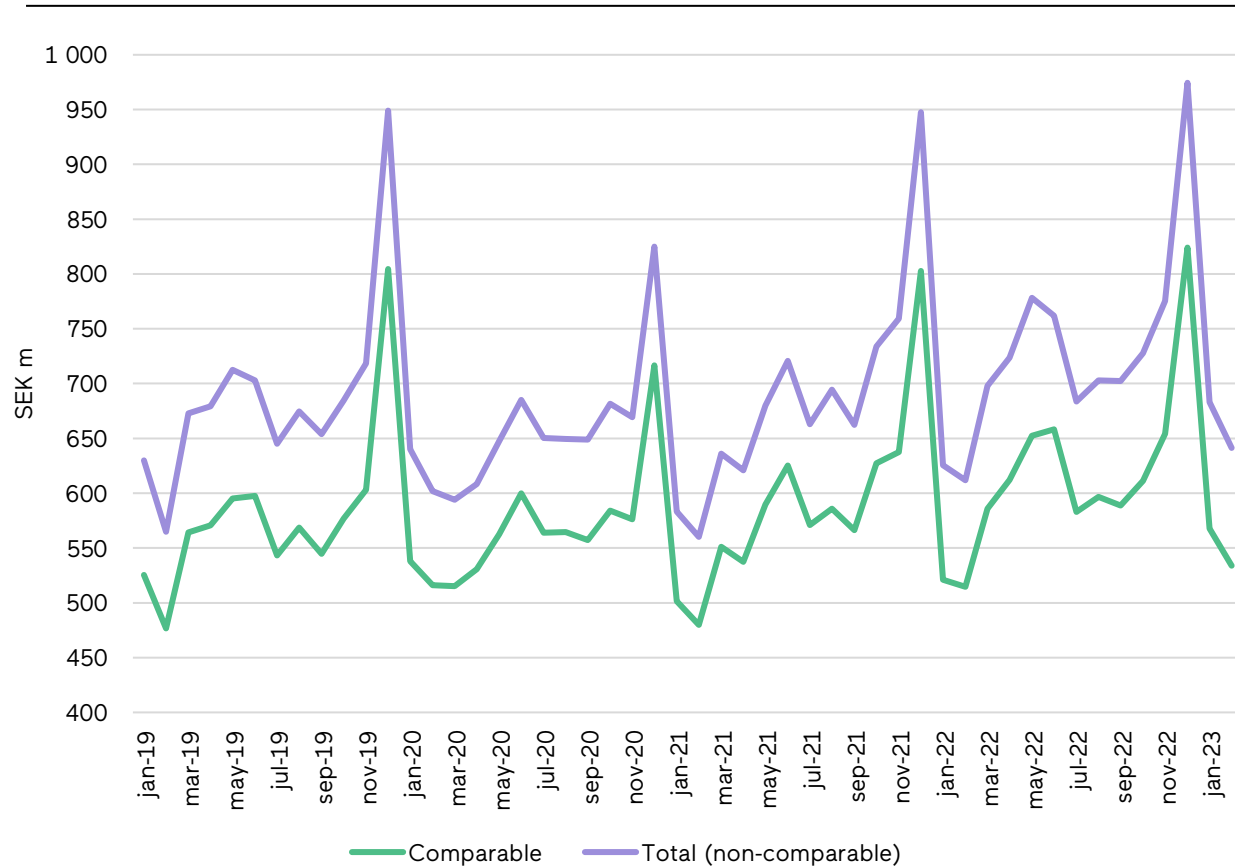


- Diversified customer structure
- The biggest individual customer accounts for 4%
- The ten biggest customers account for 20%

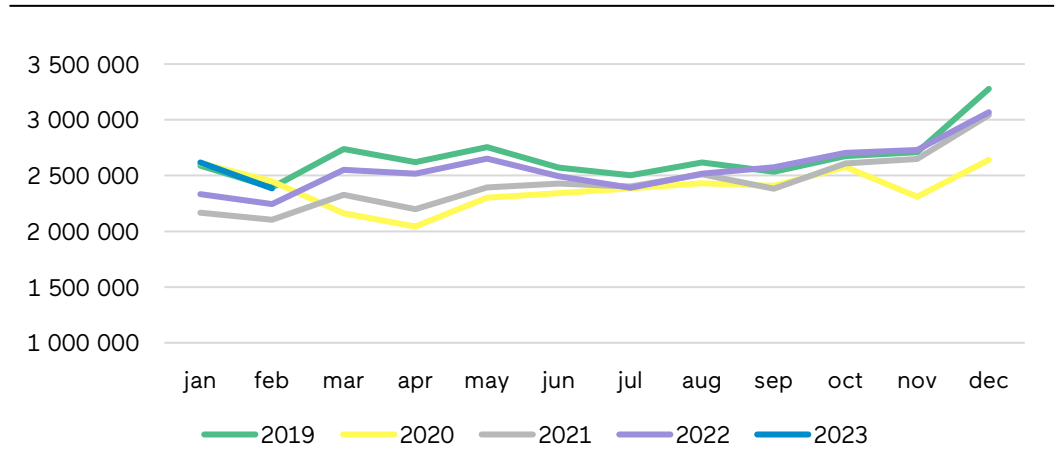
Retail

The mix at our retail hubs makes us resilient during a recession.

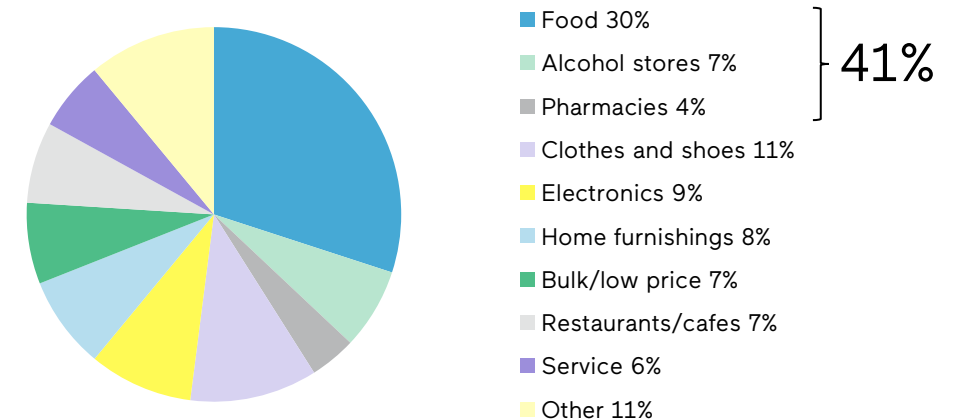
Sales per month 2019-2023



Visitors per month to our retail hubs



Our retail hubs - overview



Key performance indicators

Mixed fortunes in the first quarter – highest profit from property management ever and net letting remained positive; but a negative bottom line.



PROFIT FROM PROPERTY MANAGEMENT

+ 16% growth SEK 326 million, corresponding to SEK 2.58 per share



OPERATING NET

+15% growth in comparable portfolios excluding non-recurring payment



CHANGES IN VALUE

-0.7% continued net reduction in value, corresponding to SEK -401 million



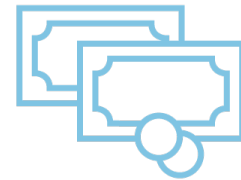
NET WORTH

SEK 267 per share, corresponding to -0.5%, adjusted for dividend



FINANCIAL RISK

42% Loan-to-value ratio
3.5 Interest coverage ratio
13 Net Debt to EBITDA



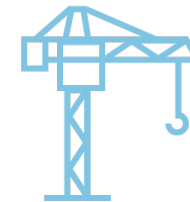
FINANCING

SEK 9 billion in unutilised credit facilities



NET LETTING

SEK 56 million newly signed
SEK 45 million terminated
SEK 3 million terminated by us for our projects



PROJECTS

SEK 7 billion in ongoing projects; approx. SEK 5 billion remains

Growth in rental income

Strong growth in like for like.

Comparable portfolios +11.7%

NOI growth +14.9%



OFFICES
+13.1%



RETAIL
+10.3%



RESIDENTIALS
+6.6%



Index: +6.5%

Lower vacancies and renegotiations: +3.1%

Cost allocation: +2.1%



GLASHUSET, SLUSSEN

Rental growth projects

The project portfolio continues to deliver rental growth in the first quarter – primarily Life City and Bas Barkarby.

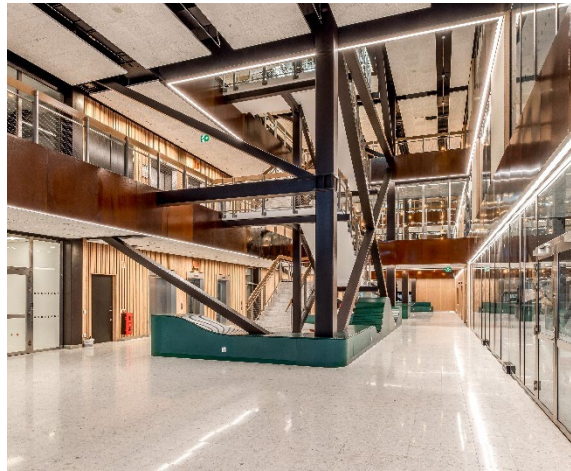
Vacation of Söderhallarna and Blästern 11, paving the way for future projects, resulted in lower rental income of approx. SEK 6 million.



LIFE CITY

An office property in Hagastaden measuring approx. 28,000 m², which was completed in the second quarter of 2022.

Let at 95%



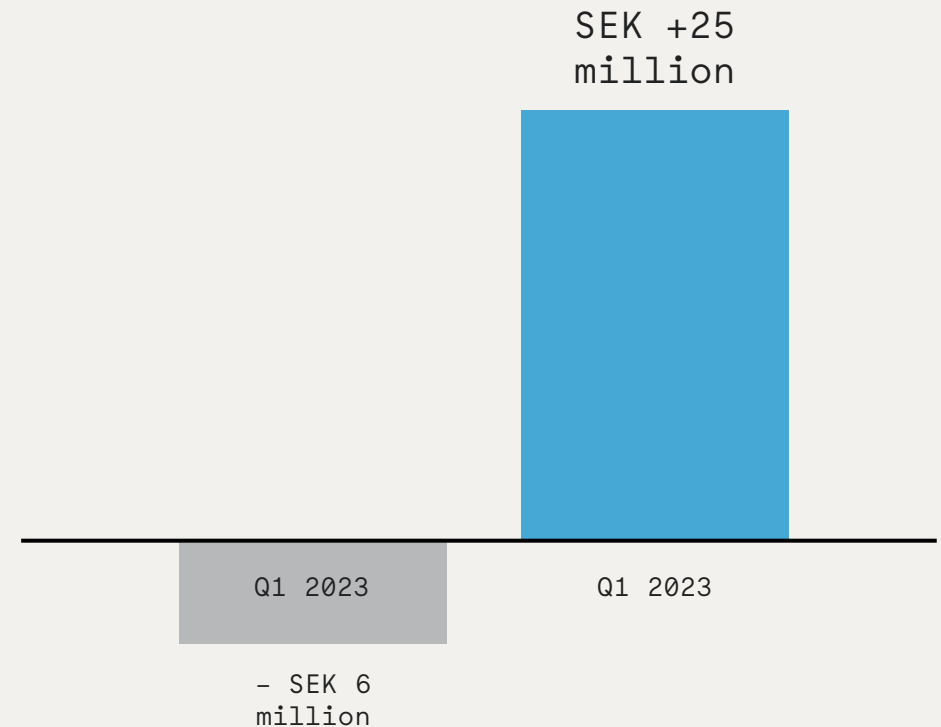
BAS BARKARBY

Office/school/healthcare property measuring approx. 24,000 m² in Järfälla, which was completed in the second quarter of 2022.

Let at 82%



Completed projects contributed to rental growth of SEK 25 million



■ Ongoing projects
■ Completed projects

Rental growth transactions

The portfolio is being refined through the sale of a solitary property in the city and the acquisition of two properties in our areas: Hagastaden and Slakthusområdet.



SKOTTEN 6
13,500 m². Sales Q1 2023



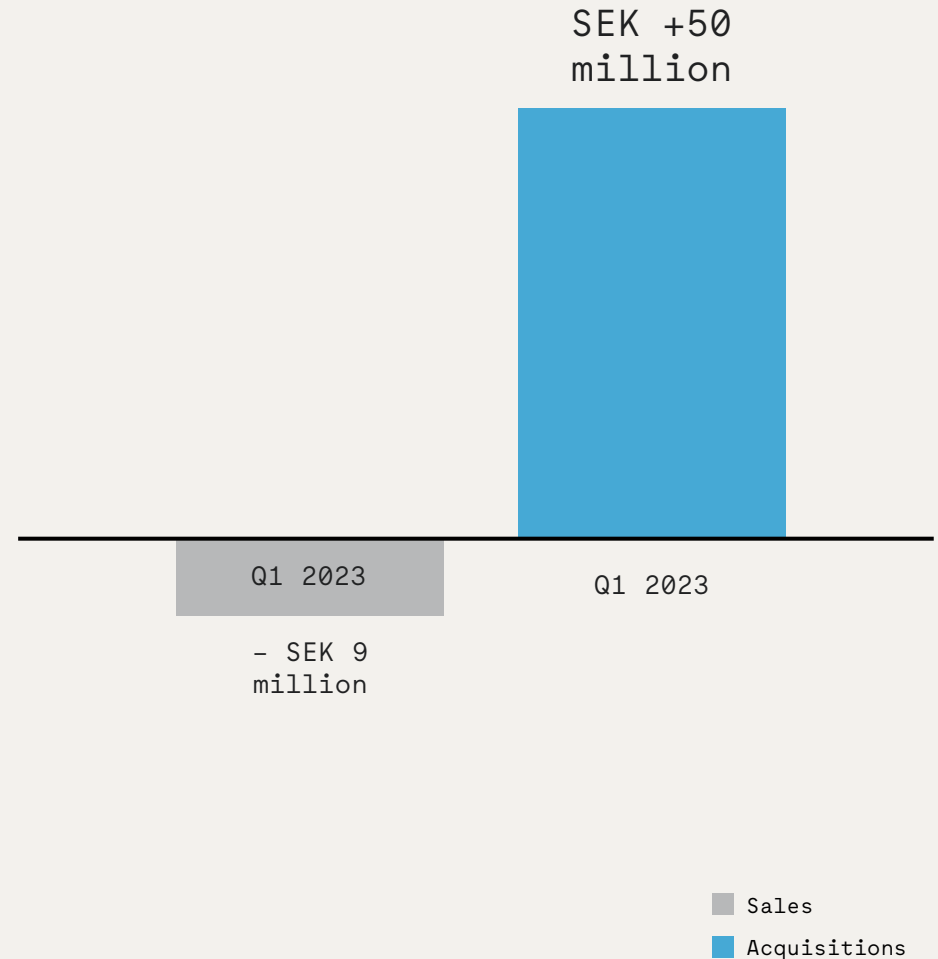
PALMFELT CENTER
30,500 m². Acquisitions Q2 2022



BLÄSTERN 15
21,300 m². Acquisitions Q2 2022



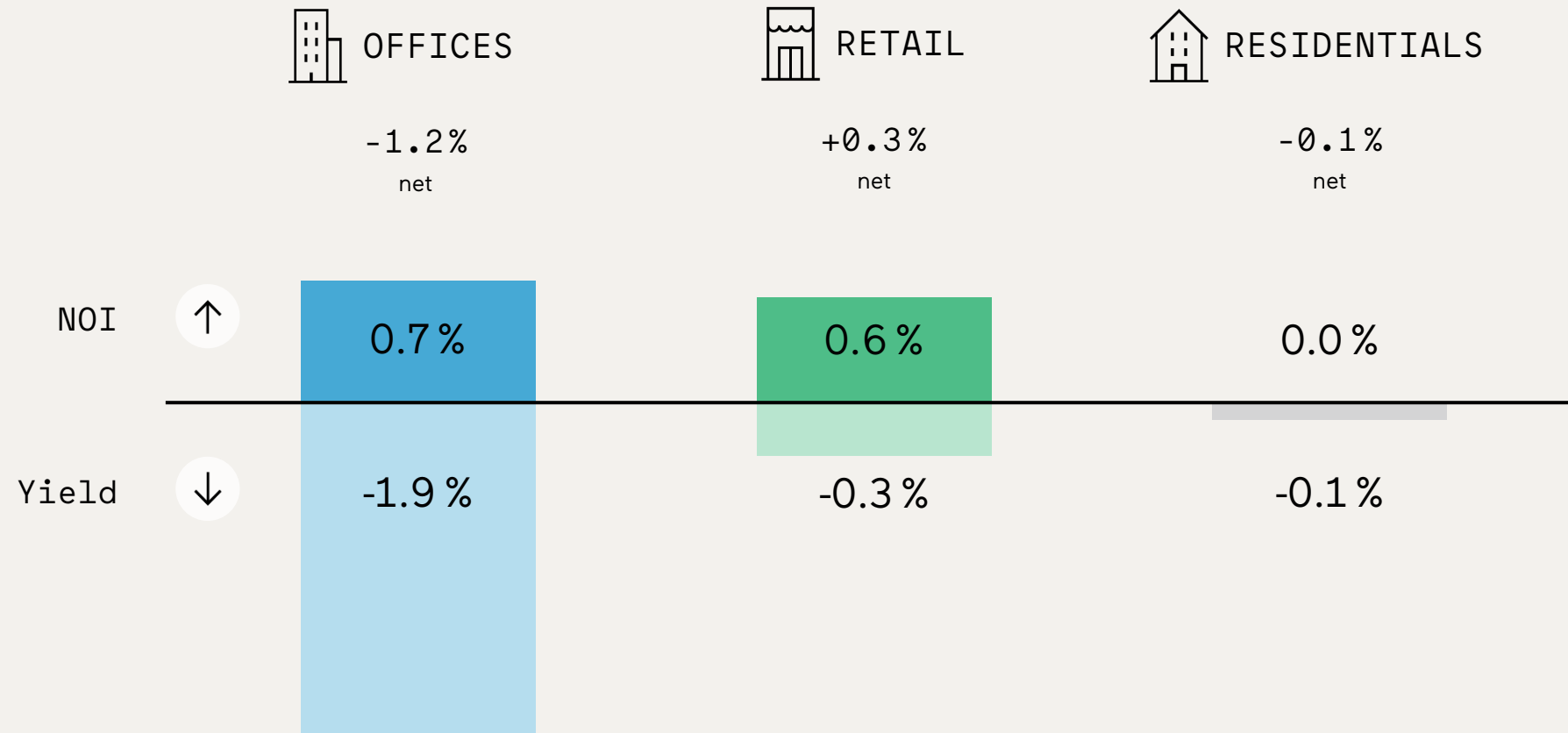
The refinement of the portfolio produces rental growth



■ Sales
■ Acquisitions

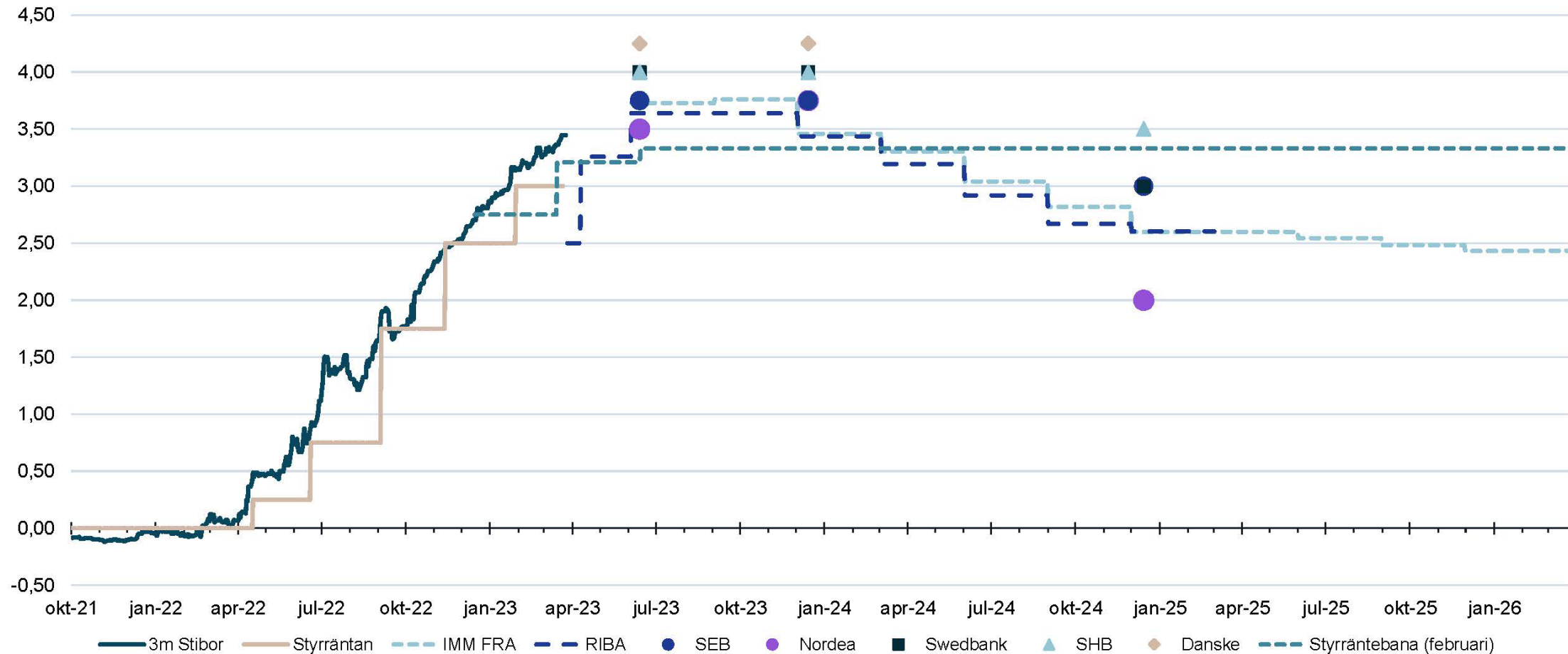
Changes in value

Continual rise in yield requirements was partly offset by higher net operating income (NOI), mostly linked to letting, durations and a higher index for 2024 (from 5% to 4%).



Interest rate and credit market

Market interest rates continue to rise, but stable margins vs year-end.



Financing

Strong earnings and disposals contributed to a lower net debt to EBITDA and a larger liquidity buffer, while other key performance indicators remained stable.

INTEREST COVERAGE RATING, R12 → 3.5

DEBT RATIO, R12 → 13 times

LOAN-TO-VALUE RATIO → 42.0%

LOAN-TO-MATURITY → 4.1 yrs

INTEREST RATE DURATION → 4.0 yrs

PROPORTION AT A VARIABLE RATE → 13%

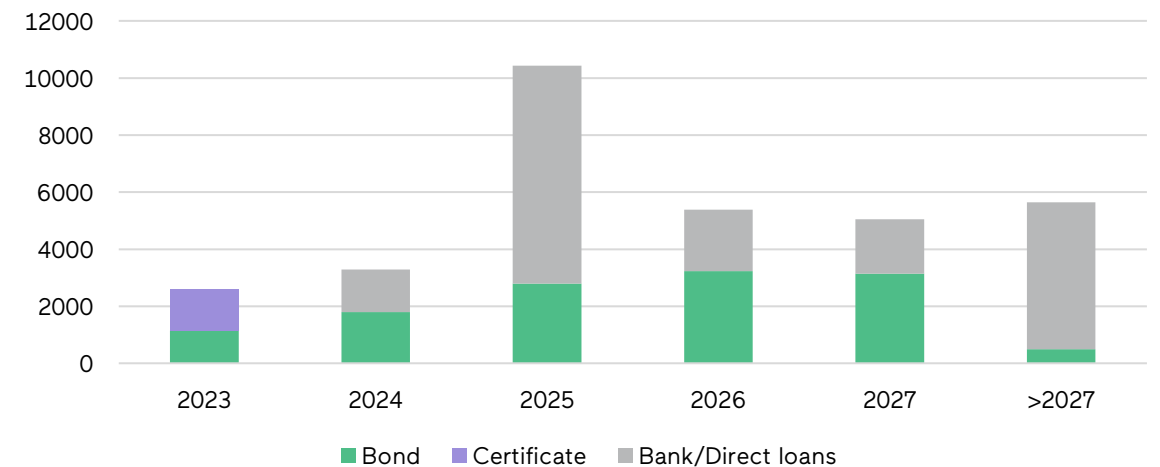
AVAILABLE LIQUIDITY → SEK 9 bn

RATING, Moody's with negative outlook → Baa2

Interest rate duration

Duration	Volume SEK m	Percentage, %	Average Interest rate, % ¹⁾
2023	3 067	13	1.1
2024	1 994	8	2.1
2025	2 250	9	2.3
2026	2 704	11	1.9
2027	4 050	17	2.7
>2027	10 401	42	2.6
Total	24 466	100	2.3

Credit maturity, SEK m



Ongoing projects

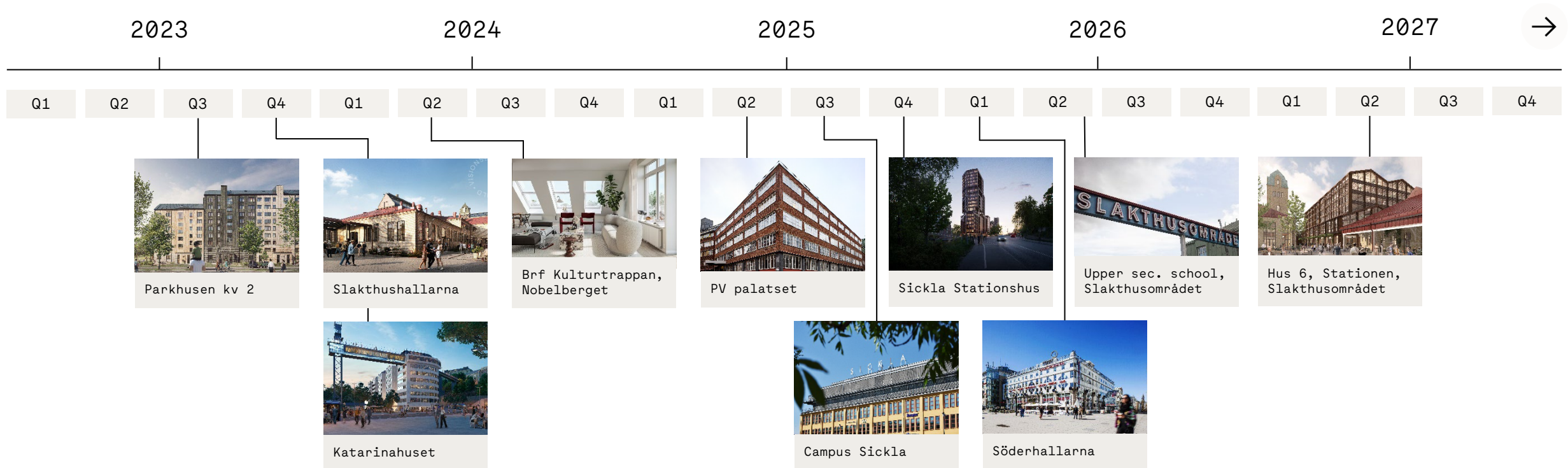
Ongoing project portfolio amounts to approx. SEK 7 billion; approx. SEK 5 billion remains to be invested. The projects are concentrated primarily on our four development areas in Stockholm – Hagastaden, Slakthusområdet, Slussen and Sickla.

The projects that will be completed in 2023 and 2024, 65% have been let.

Campus Sickla – a new project.

Katarinahuset – building permit approved.

Project return of SEK 2.4 billion, or approx. 35%, of which SEK 0,7 million has been recognised.



Our largest development projects

We are developing the City of Our Dreams – potential future investments of approx. SEK 40 billion in land already owned or land allocations obtained.



SICKLA

From industry to a vibrant city district.

Area: 220,000 m²
Investment: SEK 10 billion



SLAKTHUSOMRÅDET

Stockholm's new meeting place for food, culture and experiences.

Area: 200,000 m²
Investment: SEK 10 billion



HAGASTADEN

Ultra-urban city with an international metropolitan vibe.

Area: 130,000 m²
Investment: SEK 8 billion



SLUSSEN

Where the whole city meets. From road junction to meeting place.

Area: 55,000 m²
Investment: SEK 2 billion

Q&A



Atrium Ljungberg
Interim Report
/ Q1 2023 Appendix

Q1

Income Statement Q1, summary

SEK m	2023		2022		Comments
Rental income	712	7% vacancy	600	9% vacancy	Like for like +11.7%
Property costs	- 224		-209		Like for like +5.1%
Operating net	489		391		Like for like +14.9%
Central administration	-17		-22		
Project and construction	-1		-6		
Leasehold fees	-10		-9		
Net financial items	-134	2.3% interest rate	-72	1.7% interest rate	Interest coverage ratio 3.5 / Duration 4.0 years
Profit from property management	326	SEK 2.58/share	281	SEK 2.23/share	16% growth SEK/share
Change in value:					
Properties	-407	4.5% yield	1,319	4.2% yield	
Profit properties tenant-owned dwellings	3		-		
Goodwill	- 24		-		
Derivatives	-252		838		
Tax	63		-569		
Profit after tax	-292	SEK -2.32/share	2,870	SEK 14.81/share	

Balance sheet, summary

SEK m	2023 March		2022 Dec		Comments
Investment properties	56,726	57,315 SEK/sq.m.	58,596	58,931 SEK/sq.m.	
Development properties	1,527		1,409		
Derivatives	1,275		1,572		
Other assets	2,316		1,941		
Cash and cash equivalents	416		380		
Sum	62,260		63,898		
Shareholders' equity	28,182		29,141		
Deferred tax	6,295		6,661		
Interest-bearing loans	24,466	42,0% LTV	25,389	42,3%	4,1 years capital duration
Financial leases	1,277		1,277		
Derivatives	237		59		
Other non-interest bearing liabilities	1,803		1,371		
Sum	62,260		63,898		