



INVESTOR REPORT 2019

In February 2017, Atrium Ljungberg developed a green framework for the issue of green corporate bonds. Green bonds totalling SEK 5,916 million have been issued since then, of which bonds worth SEK 1,416 million were issued in 2019. Cash and equivalents for the year have been spent on 15 property projects that are helping to reduce greenhouse gas emissions and encouraging growth that will benefit our climate.

Atrium Ljungberg's investor report 2019 describes which property projects have benefited from liquid amounts from green bonds issued in 2019, as well as compliance with the green framework.

BACKGROUND

About Atrium Ljungberg

Atrium Ljungberg owns, develops and manages properties totalling 1,176,000 m² letting area with a property value of SEK 49 billion. We want to be a leading developer of attractive, sustainable city districts and properties in Stockholm, Gothenburg, Malmö and Uppsala.

Atrium Ljungberg remains active throughout the entire life cycle of a building; as the developer of the property, as a developer and contractor, and as a property manager. We own large areas, so we can maintain a general strategy for a city district that helps to enhance sustainability. We place demands on our suppliers and work with our tenants to achieve more than we could individually. By doing this we are trying to influence the entire value chain to move in a sustainable direction.

Properties have enormous environmental impact throughout their entire life cycle. The building and construction industry is responsible for a significant proportion of total emissions in Sweden. This is why it is important for Atrium Ljungberg to reduce both our own and our customers' environmental impact and streamline resource utilisation in terms of energy, waste, etc. This will allow us to reduce greenhouse gas emissions and counter climate change. Our work also involves contributing to the UN Sustainable Development Goals.

Atrium Ljungberg's sustainability work

Atrium Ljungberg develops sustainable city districts and properties to create value for tenants, municipalities, others who use the sites and us ourselves. The properties must be designed with care for people and the environment. They must be resource-efficient and make it easier for people to lead a sustainable lifestyle.

Environmental certifications

Environmental certification of buildings is an important tool when it comes to guaranteeing the sustainability of our city districts and properties. These certifications also help to make the environmental performance of properties more comparable, and easier to communicate to tenants. Certifications are also a main component in our framework for green bonds.

Atrium Ljungberg obtains environmental certifications for commercial new builds in accordance with the BREEAM environmental classification system; for existing buildings in accordance with BREEAM In-Use; and residential buildings in accordance with

Miljöbyggnad (Sweden Green Building Council's Environmental Building certification). We have lofty ambitions: all our properties should hold environmental certification by 2021. On 31 December 2019, 50 per cent (34%) of letting area was certified.

Reduced energy consumption

Energy consumption throughout the life cycle of a property is a big cause of greenhouse gases in our industry. Our goal, therefore, is to reduce the energy consumption of our properties per m² by 30 per cent between 2014 and 2021. We also include our tenants' total energy consumption in our goal. Up to and including 2019, we have reduced our energy consumption per m² by 18 per cent compared with the base year. However, our work on energy streamlining measures at our properties is continuing. All the electricity that we purchase is produced by means of renewable hydropower. We own and run four large photovoltaic installations. A majority of our properties use district heating as their heat source.

Greenhouse gas emissions

Carbon dioxide emissions mostly originate from heating our properties with district heat and from visitors coming to our retail hubs by car. A very small proportion is from electricity consumption at the properties and business trips. Our emissions amounted to a total of 9 kg CO₂e/m² in 2019 (8 kg), which is an increase compared with the previous year. This increase is due to a change in the fuel mix used by district heating suppliers, which has resulted in higher emissions.

Green lease contracts and waste disposal

Atrium Ljungberg's green lease contracts are an example of the collaboration between the property owner and tenant to reduce the environmental impact in the properties in respect of matters such as energy, waste and transport. On 31 December 2019, green lease contracts accounted for 36 per cent (27%) of the contracted annual rent. The goal is to achieve at least 50 per cent by the end of 2021.

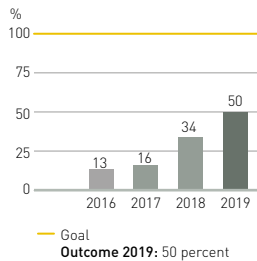
We are also pursuing a "Zero waste" policy at our properties. By 2025, the total amount of waste must be reduced by 40 per cent per m², an unsorted waste must be reduced by 80 per cent per m² of local area.

Atrium Ljungberg's sustainability work also includes the Sustainable employees and Business ethics areas. More information on a work can be found in our 2019 Annual Report and on our website at al.se.

Goals and outcomes for 2019 concerning the environment and resource utilisation

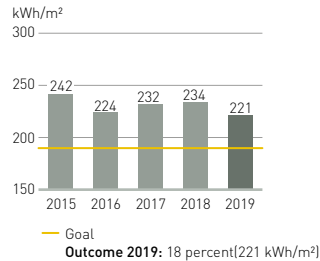
Percentage of certified properties

Goal: 100 per cent of our properties will be certified by 2021.



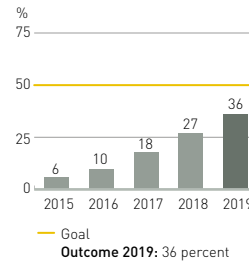
Energy consumption

Goal: Energy consumption per square metre is to decrease by 30 per cent between 2014 and 2021, to a level of 188 kWh/m².



Green lease contracts

Goal: By 2021, the proportion of green lease contracts is to be 50 per cent of the contracted annual rent.



For more information, see notes H.4, H.7 and H.8 to the 2019 annual report.

Atrium Ljungberg's contributions to the UN Sustainable Development Goals ¹⁾

Global goals and targets



Targets: 3.9, 6.3, 6.4, 11.3, 11.6, 11.7 and 15.5



Targets: 7.2, 7.3, 12.2, 12.4, 12.5 and 13.1

Our contribution

Sustainable urban development

- Creating sustainable, safe, inclusive, vibrant urban environments
- Environmental certification of our properties
- Creating efficient properties and city districts
- Choosing healthy construction materials
- Installing charging stations for electric cars
- Assisting with efficient water consumption and supply, and treatment of stormwater
- Counteracting depletion of biodiversity

Environment and resource utilisation

- Streamlining energy consumption
- Installing solar panels
- Reducing greenhouse gas emissions
- Adapting properties according to climate change
- Using sustainable construction materials
- Reducing spillage and wastage of natural resources
- Increasing the proportion of green lease contracts
- Helping to increase recycling and reuse
- Reducing waste volumes

¹⁾ Atrium Ljungberg is also working with the *Sustainable employees* area in order to help achieve UN global targets 5.1 and 8.8, and the *Business ethics* area in order to achieve target 16.5. More information about our sustainability work can be found on our website at www.al.se and in our 2019 Annual Report.

ATRIUM LJUNGBERG'S GREEN BONDS FRAMEWORK

Atrium Ljungberg's framework for green bonds aims to promote the transition to lower carbon dioxide emissions and growth that will benefit our climate. Green bonds aim to ensure for investors that the funds they invest give returns both financially and environmentally.

This framework indicates which criteria must be met for a project to qualify for funding from the company's green bonds. New build projects or existing buildings with stringent energy requirements are the primary recipients of funding. Investments in energy streamlining measures, renewable energy and clean transport are other categories that can receive funding.

For commercial properties to receive funding for new build and reconstruction projects, they have to hold certification according to BREEAM, with a minimum grade of "Very Good"; and apartments have to be certified according to Miljöbyggnad, with a minimum grade of Silver. For existing buildings to receive funding, they have

to be certified according to BREEAM In-Use, with a minimum level of "Very Good".

The ambition is to use most of the funds from the green bonds to fund new projects, which are defined as projects that were concluded at the earliest within one year before the time when the bond was issued.

The projects are selected by Atrium Ljungberg's Green Bond committee, which is made up of representatives from the Finance department and the Sustainability department.

Independent climate research centre CICERO performed a research-based evaluation of Atrium Ljungberg's green framework in 2017. Atrium Ljungberg's annual investor reports are also reviewed by our auditors.

To view Atrium Ljungberg's Green Framework, CICERO's Second Opinion, and previous investor reports, please see www.al.se/om-oss/investerare/finansiering/grona-obligationer/.

APPROVED PROJECTS AND ALLOCATED PROCEEDS

In total, Atrium Ljungberg has SEK 20,211 million in interest-bearing liabilities, with green financing accounting for 37 percent of the loan volume. At the end of the year there were SEK 5,916 million in green bonds outstanding as well as SEK 1,546 million of green

bank loans. Cash and equivalents for the year have been spent on 15 property projects that are helping to reduce greenhouse gas emissions and encouraging growth that will benefit our climate.

Approved property projects according to the Atrium Ljungberg framework for green bonds, 31 December 2019

Ongoing projects	Property	Certification	Area, residential m ²	Energy consumption ³⁾		Requirement BBR ⁴⁾ kWh/m ²	Estimated climate impact tonnes CO ₂	Annual CO ₂ reduction compared, tonnes CO ₂ ⁵⁾	
				Allocated volume, SEK m	MWh				kWh/m ²
1. Gränby Entré Building 3	Gränby 21:5	Miljöbyggnad – Silver	5,800	198	564	71	100	127	12
2. Sickla Tapetfabriken	Sicklaön 83:22, Nacka	BREEAM – Excellent ¹⁾	9,800	207	608	55	106	22	210
3. Sickla 1898, Curanten	Sicklaön 83:22, Nacka	BREEAM – Very good ¹⁾	11,700	278	466	32	70	15	222
4. Mobilia Torghuset	Bohus 8, Malmö	BREEAM – Very good ¹⁾	13,200	315	688	40	94	74	163
			40,500	998					
Completed projects/Existing properties									
5. NOD	Borgarnäs 1, Stockholm	BREEAM – Very good	25,300	681	2,941	88	124	82	756
6. Sickla Front I	Sicklaön 83:32, Nacka	BREEAM – Very good	11,000	326	720	61	100	44	225
7. Intrumhuset	Sicklaön 83:22, Nacka	BREEAM – Excellent	7,400	144	600	80	108	37	131
8. Mobilia buildings C,D,E	Bohus 8, Malmö	BREEAM – Very good	29,000	1,175	4,234	122	145	188	1,076
9. Gränby Entré Building 1	Gränby 21:5	Miljöbyggnad – Silver	5,800	220	555	75	86	113	–
10. Gränby Entré Building 2	Gränby 21:5	Miljöbyggnad – Silver	5,500	208	488	63	87	97	21
11. Sickla Front II	Sicklaön 346:1, Nacka	BREEAM – Excellent ¹⁾	25,300	767	1,367	45	80	83	386
12. Norra Gränbystaden	Brillinge 8:1, 9:1, Uppsala	BREEAM – Very good	32,500	585	2,395	64	92	324	434
13. Solar cells	Sicklaön 83:22, Nacka			7	-550				
14. Existing properties	Lundbyvassen 4:13	BREEAM In-Use – Very good	19,200	400	2,401	109	182	93	674
15. Existing properties	Lundbyvassen 4:7	BREEAM In-Use – Very good	15,900	405	1,318	72	113	52	323
			176,900	4,918					
Total			217,400	5,916					

Outstanding green bonds, 31 December 2019

	SEK m	
Obl 108	SE0009773203	1,100
Obl 109	SE0009773211	200
Obl 110	SE0009779457	300
Obl 111	SE0009779465	216
Obl 115	SE0010494757	500
Obl 118	SE0011088756	500
Obl 119	SE0010832774	250
Obl 120	SE0010832923	500
Obl 121	SE0011425875	350
Obl 122	SE0011425883	300
Obl 123	SE0011869767	500
Obl 125	SE0011643311	500
Obl 126	SE0011643303	300
Obl 127	SE0012676435	400

5,916

Total market value approved projects⁶⁾ 8,402

Mortgaged assets for other debt 0

Allocated proceeds for green bonds 5,916

Available volume 2,486

¹⁾ Goal certification.

²⁾ Allocated proceeds refer to a maximum of total invested amount for ongoing and completed projects, for BREEAM In-Use the amount is maximum market value for the property.

³⁾ Energy consumption refers to property energy excluding the tenant's own electricity. The area for calculating kWh/m² refers to calculated area "A-temp". Energy consumption refers to actual consumption for completed projects where full-year data is available. For solar cells, the consumption refers to estimated normal year production.

⁴⁾ Energy requirements according to Boverket's building regulations at the time of new construction, for In-Use certifications, information refers to energy consumption in 2015 or the year of acquisition for acquired properties after 2015.

⁵⁾ Refers to the difference between the annual CO₂ emissions that the projects would have had in 2019 based on the BBR requirement with an emission factor of 315g CO₂ / kWh for electricity and 158 g CO₂ / kWh for district heating compared to actual emissions 2019 or projected emissions according to project calculation. Emission factors are calculated on the basis of NPSI Position paper on green bonds impact reporting, February 2020.

⁶⁾ If the market value of a building is not available, invested amount is used as value, for example if the project is a part of a larger property.

1,9,10. Gränby Entré Hus 1,2 och 3



12. Norra Gränbystaden



14. Lundbyvassen 4:13



2. Sickla Tapetfabriken



15. Lundbyvassen 4:7



3. Sickla 1898, Curanten



5. NOD



4. Mobilia Torghuset



6. Sickla Front I



7. Intrumhuset



8. Mobilia hus C,D,E



11. Sickla Front II



13. Solceller, Sicklaön 83:22



EXAMPLES OF FUNDED PROJECTS

ENERGY-SAVING PROJECTS HALVING CO₂ EMISSIONS

Energy-saving project in Lindholmen, Gothenburg.

Lundbyvassen 4:7 and 4:13

AREA: 35,100 m²

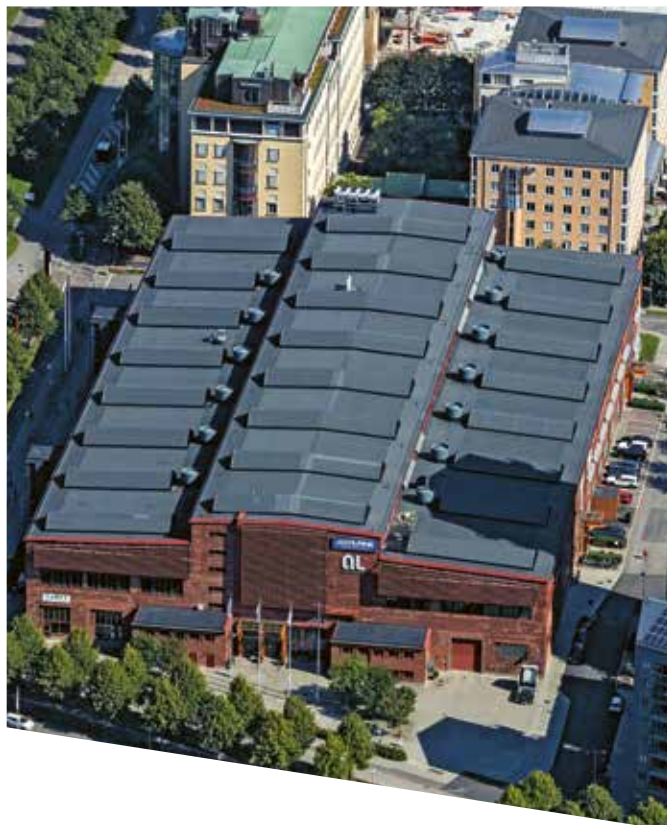
CERTIFICATION: BREEAM IN-USE, VERY GOOD

Three office blocks in the old shipyard area of Lindholmen in Gothenburg are the first in Sweden to use a new type of energy system.

An advanced cooling and heating pump, a third pipe run and an air treatment system are helping to halve carbon dioxide emissions and produce better indoor air. These properties are home to server halls that have to be kept cold all year round and laboratories that have to be kept at temperatures of at least 40 degrees. There are also offices where a stable indoor climate has to be maintained regardless of the temperature outdoors.

Atrium Ljungberg has worked in close cooperation with a number of suppliers to develop a way of utilising the surplus cooling and heat developed at the properties. An advanced cooling and heating pump and a third pipe run containing tepid water to supplement the cold and hot water loops are dealing with the energy more efficiently to provide a more stable indoor climate. Having a pipe run between three buildings makes the most of their differences, and the pipes also operate as accumulator tanks where the surplus energy that is not needed immediately is stored for later use.

There are a number of gains to be had with the new system. Carbon dioxide emissions are halved when the properties avoid using newly produced energy. The work environment has also been improved for the 5,000 people working in the buildings.



EXAMPLES OF FUNDED PROJECTS

TAPETFABRIKEN, SICKLA

AREA: 10,500 m²

CERTIFICATION: BREEAM – EXCELLENT

Construction of a new hotel is taking place in Sickla, on the site of the former Tapetfabriken. Kåberg's award-winning wallpaper production began on this spot more than a century ago. This hotel will be opening in spring 2021, and the vision is to create an exciting building where old meets new in a creative way. The tenant is Nordic Choice Hotels.

EXAMPLES OF SUSTAINABILITY MEASURES IMPLEMENTED

- > The bricks from the former office building have been preserved and are being reused in the new building.
- > The building has energy-efficient lighting and lifts, toilets, mixer taps and showers save water, and waste heat from the restaurant kitchen is reused.
- > The building has an energy-efficient supply of heating and cooling. Total energy consumption is estimated to stand at 55 kWh/m², compared with the 106 kWh/m² demanded by the authorities.
- > The restaurant kitchen will be using natural refrigerant (CO₂) for refrigeration, which will reduce climate impact.
- > Sedum will be used for the entire roof. This will enhance the ecological value of the site as it was made up entirely of hardstanding previously. The sedum roof will also deal with and delay stormwater.

- > A great deal of emphasis has been placed on the choice of materials in the project. Materials that contained no hazardous substances are selected, and lifecycle analyses of materials are also performed in order to reduce the carbon footprint. The results in the analysis show that these eco-friendly measures have helped to reduce the CO₂ load by around 28 per cent.
- > The project sorts all construction waste for recycling and reuse and diverts waste from landfill. The target is for no more than 5 per cent of waste to be sent to landfill.



AUDITOR'S LIMITED ASSURANCE REPORT

This is a translation of the original report in Swedish

To Atrium Ljungberg AB (publ), Corporate identification number 556175-7047

INTRODUCTION AND SCOPE

We have been engaged by the Board of Directors of Atrium Ljungberg AB (publ) ("Atrium Ljungberg") to perform limited assurance of Atrium Ljungberg's Green Bonds Investor Letter ("the Report") for 2019. The scope of our work is limited to assurance of page 4 in the Report.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

The Board of Directors and Group Management are responsible for preparing the Report in accordance with applicable criteria. The criteria are described in *Atrium Ljungberg Green Bond Framework* ("the Framework") dated 2017-02-17 (page 1, section 2) that is available on Atrium Ljungberg's website, that are applicable to the Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a limited assurance conclusion on the selected information specified above based on the procedures we have performed and the evidence we have obtained.

We have conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected information in the Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in

accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent towards Atrium Ljungberg in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Executive Management as described above. We consider these criteria suitable for the preparation of the 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 selected information disclosed in the Report has not been prepared, in all material respects, in accordance with the reporting criteria.

Nacka, 6 April 2020

Öhrlings PricewaterhouseCoopers AB

Helena Ehrenborg

Authorized Public Accountant

Fredrik Ljungdahl

Sustainability Expert member of FAR

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 also 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 on our company, current events and operational changes.

THE ANNUAL REPORT and interim reports are available on our website and the annual report is also distributed in printed format by post to shareholders who have actively requested them. 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. Information relating to Atrium Ljungberg's framework for green bonds, our annual investor reports, CICERO's Second Opinion and our auditors' reports are available at al.se. The investor reports relating to green bonds are released annually in March.

PUBLICATION OF FINANCIAL INFORMATION

Interim Report, January–March 2020	16/04/2020
Interim Report, January–June 2020	07/07/2020
Interim Report, January–September 2020	15/10/2020
2020 Preliminary Financial Statements	February 2021
2020 Annual Report	March 2021
2020 investor report for green bonds	March 2021