



# Interim report January – March **2023**

## **Stable growth**

Rental income increased  
22 percent to SEK 971  
million (795)

Operating surplus increased  
20 percent to SEK 667  
million (557)

Income from property manage-  
ment decreased 2 percent to SEK  
457 million (467)

Profit for the period amounted to  
SEK 255 million (816), correspon-  
ding to earnings per share \* of SEK  
0,83 (2,65)

In 12 months EPRA NRV per share  
has increased by 7 percent to SEK  
92,08 (88,52) adjusted for dividend  
of SEK 3,00 per share

\*) Earnings per share are the same before and  
after dilution



## **Wihlborgs**

# This is Wihlborgs

Wihlborgs is the leading property company in the Öresund region. Over 50,000 people have their workplace at one of our premises. People in Malmö, Lund, Helsingborg and Copenhagen all meet in city spaces designed by us, and our presence can also be felt in board rooms, associations and social forums as the Öresund region grows amid a wave of urban diversity and sustainability. We are a region-builder and a relations-builder.

The book value of the company's properties totals SEK 56 billion, representing an annual rental value of SEK 4.2 billion. Wihlborgs' shares are listed on the Large Cap List of Nasdaq Stockholm.



## Our business concept

Wihlborgs specialises in efficient sub-markets in the Öresund region, where we own, manage in-house and develop commercial properties, thereby enabling tenants to grow and develop.



## Our business model

Wihlborgs specialises in efficient sub-markets in the Öresund region, where we own, manage in-house and develop commercial properties, thereby enabling tenants to grow and develop.



## Our sustainability

Wihlborgs is to ensure the company's and region's long-term sustainable development. Our focus is on responsible business, commitment to the region and its community, being an attractive employer and sustainable properties.

Property value, SEK billion

55.7

Rental income, SEK million  
Jan-Mar

971

Income property  
management, SEK million  
Jan-Mar

457



Wihlborgs

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## January - March 2023

Group key figures. SEK m	2023 Jan-Mar	2022 Jan-Mar	2022/2023 Apr-Mar	2022 Jan-Dec
Rental income	971	795	3,511	3,335
Operating surplus	667	557	2,441	2,331
Income property management	457	467	1,851	1,861
Changes in value of properties	-28	221	147	396
Changes in value of derivatives	-99	340	215	654
Result of the period	255	816	1,727	2,288
Earnings per share. SEK	0.83	2.65	5.62	7.44
Surplus ratio. %	69	70	70	70
Equity/assets ratio. %	41.1	43.6	41.1	41.2
Occupancy rate. %*	94	92	94	93
EPRA NRV per share. SEK	92.08	88.52	92.08	90.64

\*) Excluding projects and land.

## Financial targets

Mål	Outcome Q1 2023
<p>🏠 A return on equity that exceeds the risk-free interest rate by not less than six percentage points, which for the beginning of 2023 corresponds to 8.51 percent</p>	4.3
<p>🏠 An equity/assets ratio of no less than 30 percent</p>	41.1
<p>🏠 An interest coverage ratio of no less than 2.0</p>	3.4
<p>🏠 The loan-to-value ratio is not to exceed 60 percent</p>	48.5





## CEO's comments

# Business builds around continued customer focus

Despite continued uncertainty in the operating environment in the form of geopolitics, economic downturn, inflation and rising financial expenses, I can confirm that the first quarter of 2023 also noted new records for Wihlborgs.

Our rental income rose 22 percent to SEK 971 million, well above the income record from the fourth quarter of 2022.

The indexation of leases is now being felt and new projects have started to generate income. We have also succeeded in reducing our vacancies, not just through lettings in new projects but also in the existing portfolio, where year-on-year, vacancies are down 1.7 percentage points.

Net lettings also remained positive in the quarter at SEK 6 million. High activity symbolised the quarter and many tenants are still evaluating how premises can best support their operations. Business opportunities arise in times of transition when we work closely with our customers and are ready to adapt from one day to the next. And I believe that our stable delivery stems from the fact that we are in constant change and that we accomplish this in pace with the world around us. We can't keep doing what we did yesterday; we always have to strive to improve every tiny detail. Moreover, it is fantastically stimulating to work in such an environment.

As vacancies fall, rent levels are rising. Rental income from the like-for-like portfolio increased 12.9 percent year-on-year. While indexation plays a role here, we are also noting a continued willingness to pay for the right quality. Overall, this indicates continued strong demand in all our markets.

The operating surplus for the quarter also set a record, SEK 667 million, up 20 percent year-on-year. Operating costs have risen significantly, particularly for energy, where we are continuing to work with energy efficiency improvements and price hedging. The largest cost increase was interest

expense, which increased sharply due to rising market interest rates. However, our strong operating surplus means we can absorb the increased costs, and income from property management for the quarter amounted to SEK 457 million.

**“Business opportunities arise in times of transition when we work closely with our customers and are ready to adapt from one day to the next.”**

In light of the strong core operations, we continue to invest in new projects. During the quarter we held four ground-breaking ceremonies: with Nederman at Rausgård 21 and Springhill at Plåtförädlingen 15 in Helsingborg; Inpac at Tomaten 1 in Lund; and at Bläckhornet 1 (Vista) in Malmö. It goes without saying that possessing the strength to continue investing on behalf of our tenants is key to our future growth, but it also helps our suppliers to retain expertise and jobs in our region. I look forward to pulling the spade out once again, as in March, we signed an agreement with Rollco to build a new, 3,600 square metre facility at Snårskogen 5 in Helsingborg. We also signed a larger agreement in Sunnanå in Malmö.

Our good position and long-term approach also enable a high level of ambition in the area of sustainability. For the years 2023–2025, we have both honed the existing targets and included additional targets to become more focused

and comprehensive in our sustainability initiatives. I am particularly proud of our high recommendation rate of 92 percent from our customers and of our continued reduction in energy use per square metre. Österport 7 in central Malmö, which we acquired last year, is one good example where the use of district heating decreased 35 percent in the first quarter compared with the corresponding period in 2022. In parallel, electricity use declined 17 percent.

The core business is flourishing, which means that the balance sheet remains robust. The equity/assets ratio and loan-to-value ratio were essentially unchanged during the quarter, at 41.1 and 48.5 percent respectively. It is also important to note that our net debt in relation to operating profit (EBITDA) fell to a multiple of 10.8. Despite the interest rate hikes, on a rolling 12-month basis, our interest coverage ratio is a multiple of 4.5 and we have unutilised credit facilities of SEK 3.1 billion. This strength allows us to focus on our tenants and how best to help them develop.

Changes in value of our properties were minimal in the quarter and amounted to SEK -28 million. Following the valuation of all of the properties by an external party at the year end, we noted that lettings and completed projects have positively affected values, which were also negatively impacted by some maintenance investments. Since we have already raised the yield requirements in the valuations several times in 2022, changes in these during the quarter were minimal.

While changing times create uncertainty, they can also spawn opportunities. These opportunities do not have to be ostentatious; they can be more mundane and part of the daily work performed by all Wihlborgs employees together with our tenants. The constant puzzle continues on several levels and, through meeting more than 2,000 Wihlborgs tenants, we can make a difference, both in terms of our own operations as well as in terms of tenants' possibilities for realising their ambitions. This is what our operations has been built to succeed with.



Ulrika Hallengren, vd

## Market comments

The first quarter of 2023 was dominated by continued concerns over interest rates and inflation as well as regarding general risk in the banking market. According to the Swedish National Institute of Economic Research (NIER), the Swedish economy is entering a downturn in 2023 with reductions in real wages for consumers expected to lead to significantly less consumption. The NIER projects that inflation excluding energy will be high throughout 2023 before declining to 2 percent in the second quarter of 2024. On the other hand, the good news is that the reasons behind the high inflation are beginning to reverse as international prices for shipping, energy and agricultural products are declining from previous peaks. Sweden's GDP is expected to decline in 2023, largely as a result of lower housing investment.

The NIER's Economic Tendency Survey for March 2023 provides a glimmer of light with elevated indicators in all sectors. However, the elevation is from low levels and it is only the manufacturing industry that is in a strong position as other sectors find themselves in a weak or very weak position. According to Arbetsförmedlingen (Sweden's public employment agency), the number of redundancies in Skåne rose in March to over 600, which is a rise not witnessed since the pandemic. The proportion of openly unemployed people in Skåne continues to fall and was 8.4 percent in March 2023, which is a 0.2 percentage point decline since the start of the year.

### The rental and property market

In SEPREF's (the Swedish Property Research Forum) consensus forecast for the first quarter of 2023, the prime rent in Malmö remains unchanged at SEK 3,000/m<sup>2</sup>. The yield requirement for prime locations rose 0.3 percent

points to 4.5 percent compared with last quarter and 0.37 percentage points over one year. Colliers' latest market report confirmed that the labour market is demonstrating resilience and that there is strong demand in the office segment for modern offices in attractive locations. Companies continue to have recruiting difficulties and an attractive office is used as a tool to attract talent. Office rents in Malmö and Gothenburg continued to rise during the quarter but remained unchanged in Stockholm. Colliers assesses the prime rent to be SEK 3,400/m<sup>2</sup> in Malmö.

Citymark's latest analysis reveals a rise in vacancies in central Malmö (CBD, Västra Hamnen, Other city centre) from 7.0 percent to 7.6 percent in the past six months. Properties with the ultimate building quality and location for the sub-market continue to have falling vacancies, while properties in lower classifications have rising vacancies.

According to Colliers, the new market outlooks have led to increased yield levels in Denmark for offices while market rents remain stable and the labour market continued to be strong. Office rents are about DKK 675–1,100/m<sup>2</sup> in Herlev/Ballerup, DKK 700–1,250/m<sup>2</sup> in Høje-Taastrup and DKK 950–1,500/m<sup>2</sup> in Amager. Historically low office vacancies continue to be reported in central Copenhagen and greater Copenhagen. Market conditions are stable for industry premises and rent levels are DKK 450–575/m<sup>2</sup> in Ballerup and DKK 475–625/m<sup>2</sup> in Glostrup/Herlev.

The first quarter of 2023 was the weakest quarter in the property transaction market for a decade according to Colliers. Swedish transaction volumes fell 75 percent year-on-year and amounted to SEK 17 billion for the first quarter of 2023. In Denmark, the volume fell to DKK 11 billion, corresponding to a 54 percent decrease.

# Income, expenses and profits

## January–March 2023

Comparative figures for income statement items relate to values for the corresponding period 2022 and balance sheet items as of 2022-12-31.

### Rental income

Rental income amounted to SEK 971 million (795) corresponding to an increase by 22 percent. Of the rental income, service income accounted for SEK 126 million (83), whose increase is mainly due to increased additional charges to tenants of SEK 29 million as a result of increased energy costs. As of March 1, the Danish canteen operations are run by an external party. A compilation of the change in rental income compared to the previous year appears in the table below.

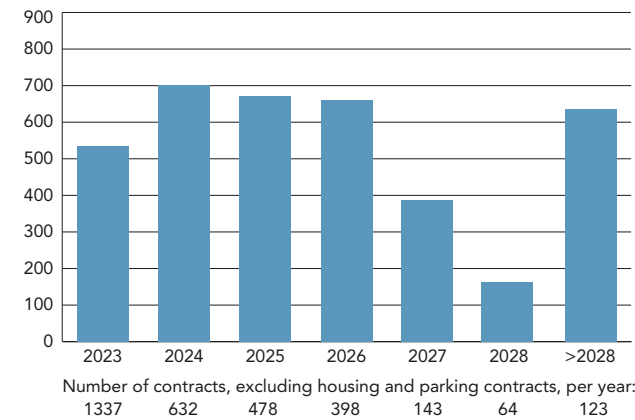
<b>Rental income Jan-Mar 2022</b>	<b>795</b>
Acquisitions	47
Currency effect	12
Index	76
Additional charges	29
Completed projects, new leases and renegotiations	12
<b>Rental income Jan-Mar 2023</b>	<b>971</b>

At the end of the period the occupancy rate for investment properties, excluding Projects & Land, is 94 percent (93).

During the period new leases were signed to a value of SEK 77 million (53). Lease terminations totalled SEK 72 million (26). This represents a net letting of SEK 6 million (28).

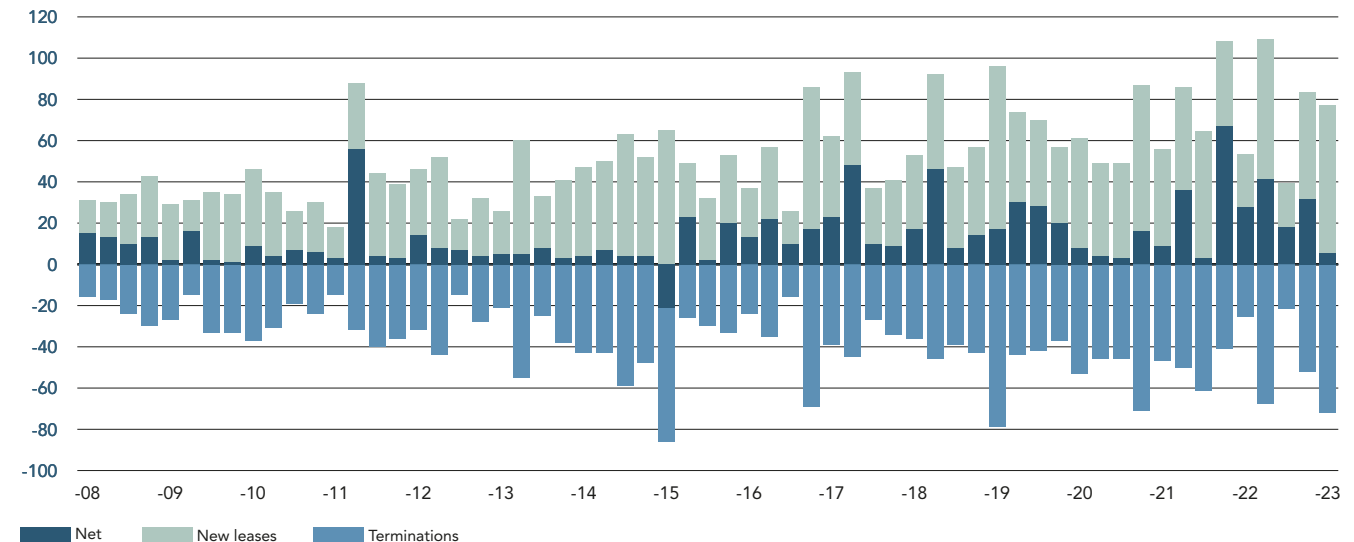
### Terms of Wihlborgs' contracts per 31 March 2023

Cancellable rental value, SEK m



### Net letting, quarterly

SEK m



### Ten largest tenants per 31 March 2023

**20 %**

Rental income from ten largest tenants

**24 %**

Rental income from governmental tenants

- Danish building and Property Agency
- Danske Bank
- Ericsson AB
- Swedish Social Insurance Agency
- City of Helsingborg
- Lunds University
- City of Malmö
- Malmö University
- Swedish regional council
- Trygg-Hansa



## Property expenses

Total property costs amounted to SEK 304 million (238), which the largest increase is due to rising operating costs of SEK 44 million. The increase in operating costs stems mainly from rising energy prices, SEK 17 million, but also from the acquisitions of properties, which accounts for SEK 11 SEK million. Energy costs are included in the supplements paid by the tenants. Of the increased property tax of SEK 11 million, SEK 5 million refers to decisions from the general property assessment in Sweden during 2022 which was obtained in July 2022. Overall, acquisitions and sales of properties during the past year have led to increased property costs by SEK 17 million. Rental losses during the year amounted to SEK 2 million (0). The historical summary at the bottom of page 21 illustrates how costs vary over the different quarters of the year

## Operating surplus

The operating surplus amounted to SEK 667 million (557) representing a surplus ratio of 69 percent (70). Of the change, SEK 29 million (7) was attributable to property acquisitions and divestments, in addition, currency effects have affected by SEK 7 million (4).

## Central administration

The costs for central administration were SEK 23 million (22).

## Financial income and expense

Net interest totalled SEK -188 million (-69), of which interest income accounted for SEK 4 million (4). The interest expense for the period, incl. realized effects from interest rate derivatives, was SEK 192 million (73). The leasehold amounted to SEK 1 million (1). During the period net payments on interest rate derivatives amounted to income of SEK 51 million (-15). At the end of the period, the average interest rate, including the cost of credit agreements, was 3,26 percent, compared with 2,59 percent at year-end.



The artistic adornments in Kvartetten (Pulpeten 5) in Hyllie are not only designed with the building's location and purpose in mind, but are also grounded in sustainability considerations beyond the everyday. The colour scheme of the bicycle room on the ground floor is inspired by the bicycle brand Bianchi and includes a tiled bicycle spa and a chandelier built from old bicycle parts.

## Income from property management

Profit participation in joint ventures amounted to SEK 2 million (2). Income from property management amounted to SEK 457 million (467).

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 330 million (1 028). During the period, value changes on properties amounted to SEK

-28 million (221). Changed market interest rates have entailed negative value changes on derivatives amounting to SEK -99 million (340), of which SEK -95 million (343) are attributable to interest rate derivatives and SEK -3 million (-3) to other financial items.

## Profit after taxes

The profit after taxes was SEK 255 million (816). Total tax amounted to SEK 75 million (212), of which current tax SEK 7 SEK million (12) and deferred tax SEK 68 million (200).

# Assets

## Property portfolio as of 31 March 2023

The summaries below are based on Wihlborgs' property portfolio as of 31 March 2023. Rental income relates to contracted rental income on an annual basis as of 1 April 2023.

The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for April 2023, operating and maintenance costs, property administration on a rolling twelve-month basis and property tax.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 March 2023 consisted of 307 properties (306) with a lettable area of 2,245,000 m<sup>2</sup> (2,229,000). 7 of the properties (7) are leasehold rights.

The properties' carrying amount was SEK 55,701 million (55,179), which corresponds to the estimated market value. The total rental value was SEK 4,191 million (4,170) and the contracted rental income on annual basis SEK 3,860 million (3,810). The like-for-like increase in rental value increased to 10.9 percent and contracted rental income increased by 12.9 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 94 percent (94) and for Logistics/Production 91 percent (92). The rental value for Office/Retail and Logistics/Production represented in total 82 percent and 15 percent of total rental value.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 2,968 million (2,949) which with a carrying amount of SEK 53,139 million (51,483) corresponds to a running yield of 5.6 percent (5.7). Broken down by property category, this is 5.4 percent (5.6) for Office/Retail and 6.7 percent (6.9) for Logistics/ Production.

## Rental growth

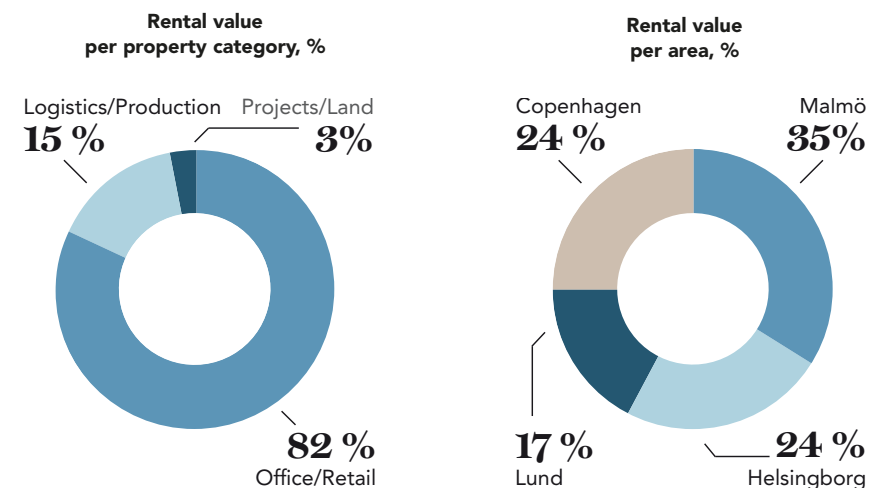
### Entire property stock

	2023-04-01, SEK m	2022-04-01, SEK m	Percent
Rental value	4,191	3,465	+ 21.0
Rental income	3,860	3,168	+ 21.8

### Like-for-like\*

	2023-04-01, SEK m	2022-04-01, SEK m	Percent
Rental value	3,768	3,398	+ 10.9
Rental income	3,532	3,129	+ 12.9

\*Excluding projekt & land



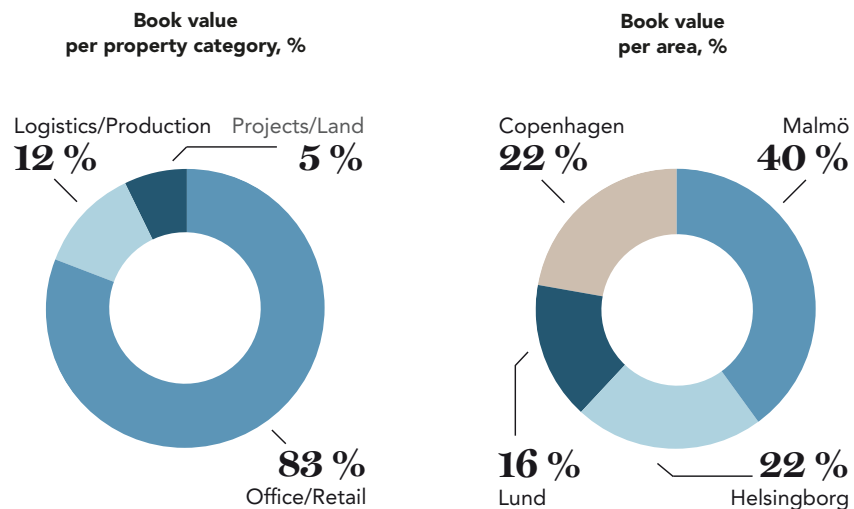


## Changes in values of properties

By year-end the valuation of all Wihlborgs' properties is carried out by external valuers. The valuation of the properties as of March 31, 2023 has taken place internally and has meant that the property value has decreased by SEK 28 million (+221). The assumptions regarding future indexation and yield requirements were changed gradually during 2022 but have been largely unchanged during the first quarter 2023. A positive net letting and completion of projects have affected valuations positively, while maintenance investments have had a negative impact.

Fair value has been determined using a combination of a yield-based method and a location-price method, in which transactions completed in the sub-markets concerned are analysed in order to calibrate the parameters for the yieldbased method. The value is considered to correspond to the yield value that is calculated from normally five-year cash flow analyses. The value of newbuild projects in progress is determined as the value as if the project were complete, less deduction of estimated remaining cost. Undeveloped land and other upgrade projects are valued according to the location-price method. The method for valuation is the same as previously. There is a comprehensive description of the method for valuation of properties on pages 82-83 and 106-107 in the Company's 2022 Annual Report.

As of 31 March 2023 the carrying amount for the properties is SEK 55,701 million (55,179).



### Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2023	55,179
Acquisitions	20
Investments	391
Properties sold	-
Change in value	-28
Currency translations	139
<b>Carrying amount 31 March 2023</b>	<b>55,701</b>



**Analysis per property category in each management area**

Area/ property category	Number of properties	Area, m <sup>2</sup> thousand	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m <sup>2</sup>	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl.property admin., SEK m	Surplus ratio, %	Operating surplus excl.property admin., SEK m	Yield excl property admin., %
<b>Malmö</b>											
Office/Retail	52	458	19,263	1,286	2,806	95	1,226	958	78	1,000	5.2
Logistics/Production	31	146	2,044	173	1,187	92	160	125	78	135	6.6
Project & Land	20	29	852	26	907	-	6	-7	-	-4	-
<b>Total Malmö</b>	<b>103</b>	<b>633</b>	<b>22,159</b>	<b>1,485</b>	<b>2,347</b>	<b>94</b>	<b>1,391</b>	<b>1,077</b>	<b>77</b>	<b>1,131</b>	<b>5.1</b>
<b>Helsingborg</b>											
Office/Retail	39	284	8,533	635	2,238	91	581	445	77	463	5.4
Logistics/Production	56	359	3,469	359	998	89	319	227	71	246	7.1
Project & Land	13	4	406	5	1,072	-	4	1	-	2	-
<b>Total Helsingborg</b>	<b>108</b>	<b>648</b>	<b>12,408</b>	<b>999</b>	<b>1,542</b>	<b>91</b>	<b>904</b>	<b>673</b>	<b>74</b>	<b>710</b>	<b>5.7</b>
<b>Lund</b>											
Office/Retail	26	233	8,345	657	2,821	94	614	442	72	483	5.8
Logistics/Production	4	23	271	23	996	98	22	17	74	18	6.7
Project & Land	4	7	362	14	2,101	-	1	-3	-	-2	-
<b>Total Lund</b>	<b>34</b>	<b>262</b>	<b>8,978</b>	<b>694</b>	<b>2,644</b>	<b>92</b>	<b>638</b>	<b>455</b>	<b>71</b>	<b>499</b>	<b>5.6</b>
<b>Copenhagen</b>											
Office/Retail	49	572	10,314	885	1,548	95	838	552	66	573	5.6
Logistics/Production	9	61	901	67	1,103	95	64	48	76	50	5.5
Project & Land	4	69	941	61	877	-	25	11	-	11	-
<b>Total Copenhagen</b>	<b>62</b>	<b>702</b>	<b>12,156</b>	<b>1,014</b>	<b>1,443</b>	<b>91</b>	<b>927</b>	<b>611</b>	<b>66</b>	<b>634</b>	<b>5.2</b>
<b>Total Wihlborgs</b>	<b>307</b>	<b>2,245</b>	<b>55,701</b>	<b>4,191</b>	<b>1,867</b>	<b>92</b>	<b>3,860</b>	<b>2,816</b>	<b>73</b>	<b>2,975</b>	<b>5.3</b>
<b>Total excluding projects and land</b>	<b>266</b>	<b>2,136</b>	<b>53,139</b>	<b>4,085</b>	<b>1,913</b>	<b>94</b>	<b>3,824</b>	<b>2,813</b>	<b>74</b>	<b>2,968</b>	<b>5.6</b>

**Analysis of lettable space per area and category of use**

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Logistics/Production, m <sup>2</sup>	Education/Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö <sup>1</sup>	363,917	44,467	167,741	39,642	17,075	632,841	28
Helsingborg <sup>2</sup>	225,798	78,619	289,283	41,981	11,988	647,669	29
Lund <sup>3</sup>	198,853	13,409	36,500	4,427	9,178	262,367	12
Copenhagen <sup>4</sup>	517,127	8,396	124,605	12,514	39,617	702,259	31
<b>Total</b>	<b>1,305,695</b>	<b>144,891</b>	<b>618,129</b>	<b>98,564</b>	<b>77,857</b>	<b>2,245,136</b>	<b>100</b>
<b>Share, %</b>	<b>58</b>	<b>7</b>	<b>28</b>	<b>4</b>	<b>3</b>		

1) Miscellaneous area in Malmö includes 10,275 m<sup>2</sup> hotel.

3) Miscellaneous area in Lund includes 8,215 m<sup>2</sup> hotel.

2) Miscellaneous area in Helsingborg includes 1,819 m<sup>2</sup> residential. 4) Miscellaneous area in Copenhagen includes 5,600 m<sup>2</sup> hotel.





At Snårskogen 5 in Väla Norra in Helsingborg, Wihlborgs will build a new facility for the industrial company Rollco, which has experienced long-term positive growth and therefore needs additional space. The new building will comprise 1,400 m<sup>2</sup> of office premises and 2,200 m<sup>2</sup> of production and warehouse facilities, and will be certified Miljöbyggnad Silver.



## Investments and current projects

Investments in the property portfolio totalled SEK 391 million (270). Approved investments in ongoing projects amount to SEK 3,416 million, of which 860 million had been invested at the end of period.

## Liquid assets

The Groups liquid assets totalled SEK 224 million (159) at the end of the year. At the end of the period unutilized credit facilities, including unutilized overdraft facilities of SEK 394 million (361), amounted to SEK 3,101 million (2,856).

### Investments in progress >SEK 50 million, 31 March 2023

Property	Category of use	Municipality	Completion date	Rentable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEK m*	Expended 2023-03-31, SEK m
Huggjärnet 13	Logistics/Production	Helsingborg	Q2 2023	8	80	108	78
Snårskogen 5	Logistics/Production	Helsingborg	Q2 2023	2	100	60	45
Kunskapen 1	Office/Retail	Lund	Q4 2023	6	50	244	156
Plåtförädlingen 15	Logistics/Production	Helsingborg	Q4 2023	9	75	141	33
Tomaten 1	Logistics/Production	Lund	Q2 2024	6	100	137	20
Rausgård 21	Logistics/Production	Helsingborg	Q3 2024	25	100	420	73
Snårskogen 5	Logistics/Production	Helsingborg	Q3 2024	4	100	78	1
Sunnanå 12:54	Logistics/Production	Malmö	Q1 2025	17	100	302	1
Bläckhornet 1	Office/Retail	Malmö	Q4 2025	17	0	884	27
Posthornet 1	Office/Retail	Lund	Q4 2025	10	0	448	9
<b>Total</b>				<b>111,400</b>		<b>2,901</b>	<b>445</b>

\*Including land



Rausgård 21, Helsingborg



Bläckhornet 1 (Vista), Malmö

## Property transactions

During the first quarter one property was acquired, the project property Tomaten 1 in Lund.

### Property transactions Januari–March 2023

Quarter	Property	Municipality	Management area	Category	Area, m <sup>2</sup>	Price, SEK m	Operating surplus 2023, SEK m <sup>1</sup>
<b>Acquisitions</b>							
Q1	Tomaten 1	Lund	Lund Centrum/Gastelyckan	Land	-	20	-
<b>Acquisitions total 2023</b>					-	<b>20</b>	-
<b>Sales</b>							
Q1	-	-	-	-	-	-	-
<b>Sales total 2023</b>					-	.	.

1) Operating surplus that are included in the results for the period.



Tomaten 1, Lund



# Sustainable business

## New sustainability targets

Wihlborgs has adopted new sustainability targets for the years 2023–2025. The new targets are based on a review of Wihlborgs' existing sustainability framework, and the input and priorities of important stakeholders.

Two of the targets – the proportion of environmentally certified office properties and CO<sub>2</sub> emissions (Scopes 1 and 2) kg/m<sup>2</sup> – have been tightened with the aim of further raising the level of ambition in the areas in which Wihlborgs has good potential to make a difference.

In addition, two new targets for 2025 have been formulated to further support the entire sustainability agenda. One of these targets is focused on reducing the average energy consumption of Wihlborgs' properties to 85 kWh/m<sup>2</sup>. The other target concerns a sustainability evaluation of Wihlborgs' suppliers, where all strategic suppliers (mainly construction contractors and other players who work in the premises) must be approved.

“ We see an increasing degree of sustainability reporting in the industry, but it is still difficult to make comparisons because we measure in slightly different ways. Here, a calibration will take place over time as the measurement data becomes better and also more relevant. We try to contribute to the development of the industry and at the same time focus on the efforts that make a real difference.

Ulrika Hallengren, CEO, on the new sustainability targets

## Sustainability targets 2023 – 2025



## Sustainability reporting at Wihlborgs

Wihlborgs compiles an annual sustainability report prepared according to the Annual Accounts Act, GRI Standards, EPRA Sustainability Best Practice Recommendations (sBPR) and TCFD guidelines for reporting climate-related risks. We follow up on prioritised sustainability topics and goals in each interim report. We also provide information about current activities and events during the quarter that have a bearing on our sustainability agenda. More information about our sustainability agenda is available on Wihlborgs' website. Read more at [www.wihlborgs.se/en/about-us/sustainability/](http://www.wihlborgs.se/en/about-us/sustainability/)





## Results for the quarter

The targets concerning energy consumption, climate impact, environmental certification and supplier evaluation are followed up each quarter.

### Energy and climate

Energy consumption per square metre has declined about 4 percent, mainly as a result of lower use of district heating and gas for heating. Part of this concerns continuing to make energy-efficiency enhancements, such as the installation of Wihlborgs' innovative reversible heat pump in more properties. At Bricks in Lund, this pump lowered energy consumption by almost 800 MWh in the first quarter.

The climate target was tightened from 1.5 kg CO<sub>2</sub>/m<sup>2</sup> to 1.0 kg CO<sub>2</sub>/m<sup>2</sup> on an annual basis. Unfortunately, emissions increased in the first quarter, primarily due to a higher proportion of fossil fuels in Danish district heating plants.

### Environmental certifications

Wihlborgs has had a strong start to 2023 in terms of certifications of office properties in Sweden. Ten existing properties have been approved in accordance with Miljöbyggnad In-Use, of which one with Gold, one with Bronze and the others with Silver. Five new production projects have been approved and two completed buildings have been verified in conjunction with follow-up. At the end of the quarter, the certification level was 59 percent of Swedish office space, compared with 49 percent at the end of the year. Work is continuing at a brisk pace with the goal of certifying 90 percent of the Swedish office properties by 2025.

### Supplier evaluations

An initial compilation shows that 72 percent of the strategic suppliers could be approved without a remark in Wihlborgs' updated process for sustainability evaluation. By clarifying Wihlborgs' expectations and through continued dialogue with suppliers, the ambition is to gradually increase this percentage.



## Our commitment for a sustainable supplier chain prioritised

In 2022, the global non-profit organisation Carbon Disclosure Project (CDP) ranked the Wihlborgs' supplier commitment at the absolute top and the company was named a "Supplier Engagement Leader." The ranking evaluates the company's supplier-chain commitment in climate issues based on CDP's climate change survey, which covers governance, targets, emissions from the value chain (Scope 3) and strategies for supplier engagement, and factors in the company's climate efforts.

“ **The digital platform that is used to assess and classify suppliers is an important tool for our systematic work with ESG risks in the value chain.** ”

Jörgen Mårtensson, Procurement Director at Wihlborgs.

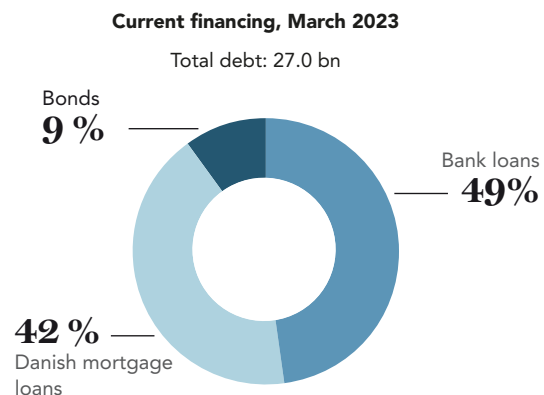
### Key figures - sustainable properties

	Measure	Target (as of Dec 2025)	2023	2022	2022
			Jan-Mar 3 months	Jan-Mar 3 months	Jan-Dec 12 months
Environmental certifications	% of floor area (office, Sweden)	> 90	59	38	49
Customers' willingness to recommend	% customers	> 75	-	-	92
Sponsorship with community orientation	% of sponsoring	> 50	-	-	53
Committed employees (Trust index)	% of employees	> 85	-	-	86
Energy use	kWh/m <sup>2</sup>	< 85	32.8	34.1	88.6
CO <sub>2</sub> emissions, scope 1-2	kg CO <sub>2</sub> e/m <sup>2</sup>	< 1.0	0.49	0.41	1.35
Evaluation of suppliers*	% approved	100	72	-	-

\*Strategic suppliers (approx. 40% of total number of suppliers), who perform projects/work on our properties.

# Liabilities and equity

As of 31 March 2023 equity totalled SEK 23,642 million (23,380). The equity/assets ratio stood at 41.1 percent (41.2).



## Interest-bearing liabilities

The group's borrowings as of 31 March amounted to SEK 27,024 million (26,806) with an average interest rate including costs for credit agreements of 3.26 percent (2.59).

With consideration to the company's net debt of SEK 27.0 billion, the loan-to-value ratio is 48.5 percent (48.6) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 31 March 2023 amounted to 2.3 years (2.0). The average loan maturity, including committed credit facilities, amounted to 6.2 years (6.1). 9% of outstanding borrowings come from the bond market. During 2023 bonds amounting to SEK 820 m are due for repayment.

### Structure of interest and loan maturities as of 31 March 2023

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEK m	Av. interest rate, %*	Credit ag., SEK m	Utilised, SEK m
2023	15,991	4.03	820	820
2024	1,788	1.43	5,834	5,067
2025	1,788	1.44	11,983	9,650
2026	1,252	1.62	603	603
2027	1,806	3.27	602	602
>2027	4,399	2.07	10,282	10,282
<b>Total</b>	<b>27,024</b>	<b>3.21</b>	<b>30,125</b>	<b>27,024</b>

\*) Excluding costs for credit agreements.

Wihlborgs use interest rate derivatives in order to reduce the risk level in the loan portfolio. A summary of the terms is shown in the table below.

### Interest rate derivatives portfolio 31 March 2023

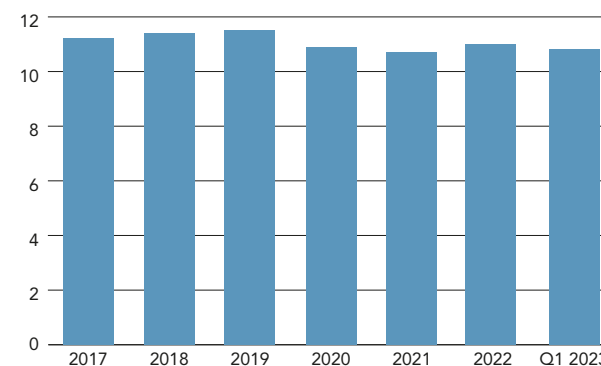
Interest rate swaps		
Maturity	Amount, SEK m	Interest, %
2023	2,130	0.41
2024	1,788	0.41
2025	1,788	0.42
2026	1,252	0.59
2027	1,806	2.22
>2027	2,660	0.96
<b>Total</b>	<b>11,424</b>	<b>0.85</b>

Changing market interest rates have meant decreased value in Wihlborgs' interest rate derivative portfolio, which at the end of the period amounted to 599 million (695).

Interest-rate derivatives are recognised at fair value in accordance with IFRS 9. All derivatives are classified in level 2 in accordance with IAS 13. For information on the valuation approach for interest rate derivatives, see page 100 of the 2022 Annual Report.

Average net debt relative to rolling 12-month operating income amounted to 10.8 times (11.0).

### Net debt/EBITDA



The media company BTJ is moving this autumn into Cube (Nya Vattentornet 4), one of Wihlborg's three properties on Mobilvägen at Ideon in Lund.

# Miscellaneous

## Employees

At the end of the period, the number of FTEs at Wihlborgs was 215 (256) of which 63 (105) were in property service. From 1 March, the canteen operations in Denmark are run by an external party. The transition has also included around forty employees.

Of the total number of FTEs 78 (77) were in Malmö, 36 (38) in Helsingborg, 32 (32) in Lund and 69 (109) in Copenhagen. The average age of employees is 44 år and women make up 39 (41) percent.

## Parent company

The parent company owns no properties, but deals with questions relating to the stock market and joint Group functions for administration, management and borrowing. The parent company's turnover is mostly related to the billing of services to Group companies.

The parent company has invested SEK 0 million (1,225), including shareholder contribution, in shares in subsidiaries and other shares.

The parent company's income statement and balance sheet are found on page 22.

## Participations in other companies

A description of all participations in joint ventures and holdings in joint operations held by Wihlborgs will be found on pages 108–109 in the Company's 2022 Annual Report.

## Largest shareholders

The largest shareholder in Wihlborgs is Backahill, representing the Paulsson family, with 11.1 percent of the shares outstanding.

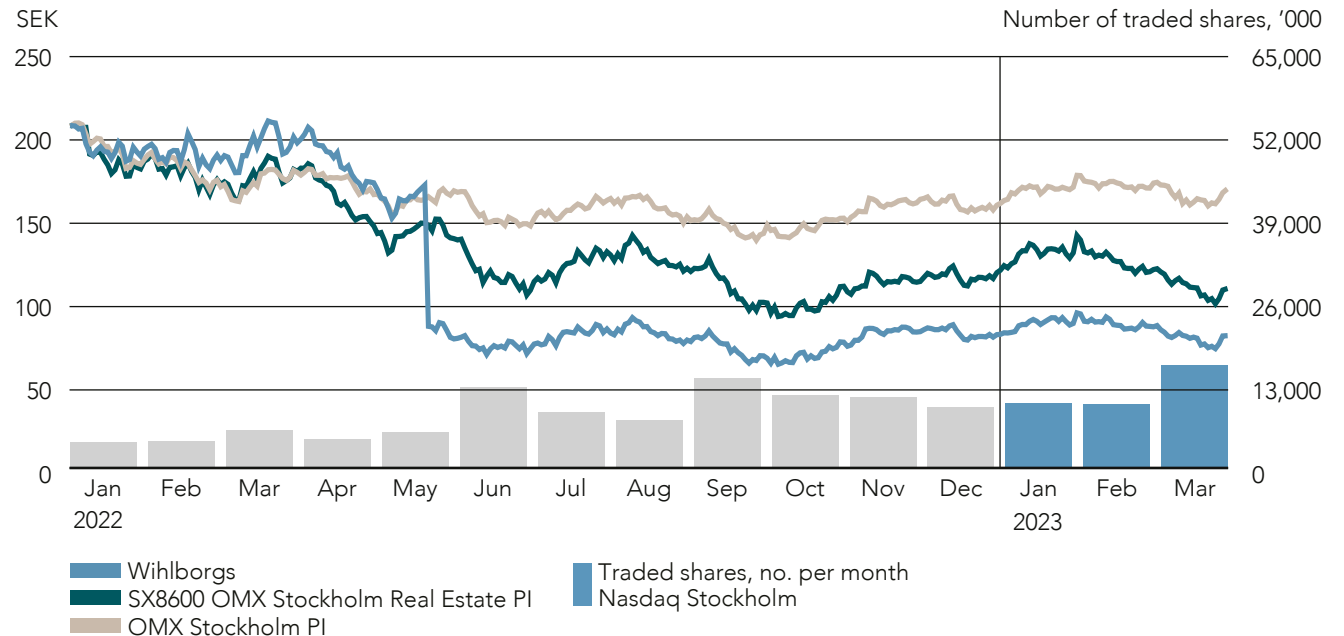
Shares held by owners registered abroad account for 36 percent. The number of shareholders is approximately 31,000.

### Largest shareholders in Wihlborgs 31 March 2023

	Number of shares, thousands	Proportion of equity and votes, %
Backahill	34,076	11.1
SEB Investment Management	17,319	5.6
Länsförsäkringar funds	16,897	5.5
Swedbank Robur funds	15,921	5.2
Handelsbanken funds	9,199	3.0
Bank of Norway	7,285	2.4
Nordea funds	4,821	1.6
Qviberg family	4,611	1.5
AMF funds	4,564	1.5
Life insurance company Skandia	3,710	1.2
Other shareholders reg. in Sweden	85,346	27.7
Other shareholders reg. abroad	103,678	33.7
<b>Total outstanding shares</b>	<b>307,427</b>	<b>100.0</b>

## Development in share price

2022-01-01 – 2023-03-31





## Significant risks and uncertainty factors

Wihlborgs' future development and ability to reach its operational goals are influenced by numerous risks and uncertainties. By systematically reviewing, analysing and managing these risks and uncertainties, it is possible to limit them and concurrently create the prerequisites for continued growth.

The risks assessed as having a significant influence on the Group's earnings trend and cash flow are the variations in rental income, property costs and interest-rates. The properties are measured at fair value with changes in value in the income statement resulting in positive and negative impacts on earnings during the year. Property valuation also impacts Wihlborgs' financial position and key metrics. The extent of changes in value is partly determined by Wihlborgs' own capacity, through alteration and upgrading of properties, as well as by leases and client structures, to increase the properties' market value, and partly by external factors that affect supply and demand in the property markets where the company is active. Property valuation should take in to account an interval of uncertainty, which in a functioning market, typically consists of +/-5–10% to reflect the inherent uncertainty of assumptions and estimates.

In addition to the above, risks also include financing risks. Wihlborgs is dependent on external loans to meet its undertakings and complete transactions. Risks are managed using Wihlborgs' financial policy, which stipulates objectives, guidelines and risk limits for Wihlborgs' financial activities.

In pages 84–89 and 101–102 in the Company's 2022 Annual Report there is a comprehensive description of the risks facing the Group, how these are handled and a grading with regard to the assessed impact on the business and the probability that the risk will occur.

## Accounting policies

Wihlborgs follows the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union. The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Information under IAS 34 p.16A is submitted in the notes and elsewhere in the interim report.

The Group applies the same accounting policies and valuation methods as in the most recent annual report. Wihlborgs assesses that none of the new or amended standards approved by the EU, or interpretations from the IFRS Interpretations Committee, that entered force after 1 January 2023, affect its results or financial position in any material sense.

The Group applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups and the Parent Company applies RFR 2. The financial reports are found on page 19-22.

Malmö 25 April 2023

**Wihlborgs Fastigheter AB (publ)**

*Ulrika Hallengren, CEO*

This interim report has not been reviewed by the company's auditors.

# Financial reports

## Consolidated income statement summary

SEK m	2023 Jan-Mar 3 months	2022 Jan-Mar 3 months	2022/2023 Apr-Mar 12 months	2022 Jan-Dec 12 months
<b>Rental income</b>	<b>971</b>	<b>795</b>	<b>3,511</b>	<b>3,335</b>
Operating costs	-174	-130	-565	-521
Repairs and maintenance	-30	-24	-121	-115
Property tax	-61	-50	-237	-226
Property administration	-39	-34	-147	-142
<b>Total property costs</b>	<b>-304</b>	<b>-238</b>	<b>-1,070</b>	<b>-1,004</b>
<b>Operating surplus</b>	<b>667</b>	<b>557</b>	<b>2,441</b>	<b>2,331</b>
Central administration	-23	-22	-89	-88
Interest income	4	4	14	14
Interest expenses	-192	-73	-518	-399
Leasehold rent	-1	-1	-5	-5
Share in results of joint ventures	2	2	8	8
<b>Income of property management</b>	<b>457</b>	<b>467</b>	<b>1,851</b>	<b>1,861</b>
Change in value of properties	-28	221	147	396
Change in value of derivatives	-99	340	215	654
<b>Pre-tax profit</b>	<b>330</b>	<b>1,028</b>	<b>2,213</b>	<b>2,911</b>
Current tax	-7	-12	-39	-44
Deferred tax	-68	-200	-447	-579
<b>Profit for the period<sup>1</sup></b>	<b>255</b>	<b>816</b>	<b>1,727</b>	<b>2,288</b>
<b>OTHER TOTAL PROFIT LOSS</b>				
<i>Items that will be reclassified to profit or loss for the year:</i>				
Translation differences on recalculation of foreign operations	56	40	399	383
Hedging of currency risk in foreign operations	-58	-43	-395	-380
Tax attributable to items that will be reclassified to profit or loss for the year	9	8	64	63
<b>Other comprehensive income for the period</b>	<b>7</b>	<b>5</b>	<b>68</b>	<b>66</b>
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>262</b>	<b>821</b>	<b>1,795</b>	<b>2,354</b>
Earnings per share <sup>2</sup>	0.83	2.65	5.62	7.44
No. of shares at end of the period, thousands <sup>3</sup>	307,427	307,427	307,427	307,427
Average no. of shares, thousands <sup>3</sup>	307,427	307,427	307,427	307,427

1) The entire profit/comprehensive income is attributable to the parent company's shareholders.

2) Key ratios per share have been calculated based on a weighted average number of shares during the period. There are no outstanding subscription options, convertibles or other potential ordinary shares and accordingly, no dilution effects to take into consideration.

3) Recalculation has been made for completed share split 2:1 in May 2022.

<b>Consolidated balance sheet</b> summary				
SEK m	2023-03-31	2022-03-31	2022-12-31	
<b>ASSETS</b>				
Investment properties	55,701	50,618	55,179	
Right-of-use assets	145	148	146	
Other fixed assets	394	383	391	
Derivatives	604	374	696	
Current receivables	406	329	238	
Liquid assets	224	316	159	
<b>Total assets</b>	<b>57,474</b>	<b>52,168</b>	<b>56,809</b>	
<b>EQUITY AND LIABILITIES</b>				
Equity	23,642	22,769	23,380	
Deferred tax liability	5,266	4,819	5,180	
Borrowings	27,024	23,162	26,806	
Lease liability	144	146	144	
Derivatives	5	0	1	
Other long-term liabilities	44	44	43	
Current liabilities	1,349	1,228	1,255	
<b>Total equity &amp; liabilities</b>	<b>57,474</b>	<b>52,168</b>	<b>56,809</b>	

<b>Consolidated statement of changes in equity</b>				
SEK m	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	
<b>Total equity at beginning of period</b>	<b>23,380</b>	<b>21,948</b>	<b>21,948</b>	
<b>Equity attributable to parent company's shareholders</b>				
Opening amount	23,380	21,948	21,948	
Dividend paid*	-	-	-922	
Profit for the period	255	816	2,288	
Other comprehensive income	7	5	66	
<b>Total equity at end of period</b>	<b>23,642</b>	<b>22,769</b>	<b>23,380</b>	

\*) All shares are ordinary shares

<b>Consolidated cash flow statement</b> summary				
SEK m	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	
<b>Operating activities</b>				
Operating surplus	667	557	2,331	
Central administration	-23	-22	-88	
Non-cash items	5	3	16	
Interest received	1	30	40	
Interest paid	-196	-80	-406	
Income tax paid	-22	-11	-62	
Change in operating receivables	-54	-73	-88	
Change in operating liabilities	18	79	199	
<b>Cash flow from operating activities</b>	<b>396</b>	<b>483</b>	<b>1,942</b>	
<b>Investment activities</b>				
Acquisitions of properties	-20	0	-2,438	
Investments in existing properties	-391	-270	-1,518	
Sales of properties	0	1	97	
Change in other non-current assets	-4	-1	-1	
<b>Cash flow from investment activities</b>	<b>-415</b>	<b>-270</b>	<b>-3,860</b>	
<b>Financing activities</b>				
Dividends paid	0	-	-922	
Change in borrowing	1,438	2,666	8,194	
Loan repayments	-1,355	-2,877	-5,504	
Change in other long-term liabilities	1	-1	-6	
<b>Cash flow from financing activities</b>	<b>84</b>	<b>-212</b>	<b>1,762</b>	
<b>Cash flow for the period</b>	<b>65</b>	<b>1</b>	<b>-156</b>	
<b>Opening cash flow</b>	<b>159</b>	<b>315</b>	<b>315</b>	
<b>Closing cash flow</b>	<b>224</b>	<b>316</b>	<b>159</b>	



**Historical summary of last eight quarters**

SEK m	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
<b>Rental income</b>	<b>971</b>	<b>888</b>	<b>848</b>	<b>804</b>	<b>795</b>	<b>770</b>	<b>813</b>	<b>739</b>
Operating costs	-174	-151	-125	-115	-130	-118	-99	-98
Repairs and maintenance	-30	-39	-29	-23	-24	-34	-24	-21
Property tax	-61	-57	-67	-52	-50	-45	-49	-49
Property administration	-39	-39	-33	-36	-34	-36	-29	-34
<b>Operating surplus</b>	<b>667</b>	<b>602</b>	<b>594</b>	<b>578</b>	<b>557</b>	<b>537</b>	<b>612</b>	<b>537</b>
Income from property management	457	436	475	483	467	443	513	443
Profit for the period	255	290	449	733	816	1,668	673	529
Surplus ratio, %	68.7	67.8	70.0	71.9	70.1	69.7	75.3	72.7
Investment yield, %	4.8	4.4	4.5	4.5	4.4	4.4	5.2	4.6
Equity/assets ratio, %	41.1	41.2	41.0	42.1	43.6	42.9	41.5	40.5
Return on equity, %	4.4	5.0	7.9	12.9	14.6	31.6	13.5	10.7
Earnings per share, SEK <sup>1</sup>	0.83	0.94	1.46	2.38	2.66	5.43	2.19	1.72
Income property management per share, SEK <sup>1</sup>	1.49	1.42	1.55	1.57	1.52	1.44	1.67	1.44
Cash flow fr operating activities per share, SEK <sup>1</sup>	1.29	1.69	1.99	1.07	1.57	1.82	1.46	1.20
EPRA NRV per share, SEK <sup>1</sup>	92.08	90.64	89.28	87.60	88.52	86.33	79.84	77.24
Share price as % of EPRA NRV	86.2	86.6	75.4	81.7	111.4	119.0	109.2	120.2
Carrying amount of properties	55,701	55,179	54,488	51,760	50,618	50,033	47,741	47,056
Equity	23,642	23,380	23,077	22,607	22,769	21,948	20,278	19,600
Total assets	57,474	56,809	56,342	53,744	52,168	51,152	48,832	48,411

Definitions of key ratios are available on page 24-25.

1) Recalculation has been made for completed share split 2:1 in May 2022.

**Consolidated segment reporting January–March**

Property management SEK m	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	346	287	226	195	161	142	237	171	971	795
Property costs	-87	-72	-69	-57	-55	-42	-93	-66	-304	-238
<b>Operating surplus</b>	<b>260</b>	<b>215</b>	<b>157</b>	<b>138</b>	<b>106</b>	<b>100</b>	<b>144</b>	<b>105</b>	<b>667</b>	<b>557</b>

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. For a more detailed description of segments, see the annual report for 2022 pages 45-67. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 667 million (557) and the pre-tax profit of SEK 330 million (1,028) consists of central administration SEK -23 million (-22), financial net SEK -189 million (-70), share in results SEK 2 million (2) and changes in value of properties and derivatives SEK -127 million (561).

<b>Parent company's income statement</b> summary			
SEK m	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Income	57	53	219
Expenses	-55	-52	-212
<b>Operating profits</b>	<b>2</b>	<b>1</b>	<b>7</b>
Financial income	152	421	2,506
Financial expenses	-304	-112	-726
<b>Pre-tax profit</b>	<b>-150</b>	<b>310</b>	<b>1,787</b>
Appropriations	-	-	297
Tax	16	-71	-135
<b>Profit for the period</b>	<b>-134</b>	<b>239</b>	<b>1,949</b>

<b>Parent company's balance sheet</b> summary			
SEK m	2023-03-31	2022-03-31	2022-12-31
Participations in Group companies	10,651	9,431	10,651
Receivables fr Group companies	17,490	15,662	17,306
Derivatives	604	374	696
Other assets	294	272	291
Cash and bank balances	99	198	41
<b>Total assets</b>	<b>29,138</b>	<b>25,937</b>	<b>28,985</b>
Equity	7,638	6,984	7,772
Liabilities to credit institutions	19,314	16,597	19,031
Derivatives	5	0	1
Liabilities to Group companies	1,993	2,209	1,962
Other liabilities	188	147	219
<b>Total equity and liabilities</b>	<b>29,138</b>	<b>25,937</b>	<b>28,985</b>

<b>Key figures for the group</b>				
SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr-Mar 2022/2023	Jan-Dec 2022
<b>Financial</b>				
Return on equity, %	4,3	14,6	7,4	10,1
Return on total capital, %	4,9	6,6	5,2	5,5
Equity/assets ratio, %	41,1	43,6	41,1	41,2
Interest coverage ratio, multiple	3,4	7,3	4,5	5,6
Leverage properties, %	48,5	45,8	48,5	48,6
Debt/equity ratio, multiple	1,1	1,0	1,1	1,2
<b>Share-related<sup>1</sup></b>				
Earnings per share, SEK	0,83	2,65	5,62	7,44
Earnings per share before tax, SEK	1,07	3,34	7,20	9,47
EPRA EPS, SEK	1,58	1,35	5,68	5,45
Cash flow from operations per share, SEK	1,29	1,57	6,03	6,32
EPRA NDV (net disposal value) per share, SEK	76,90	74,06	76,90	76,05
EPRA NRV (net reinstatement value) per share, SEK	92,08	88,52	92,08	90,64
Market value per share, SEK	79,35	98,65	79,35	78,50
Proposed dividend per share, SEK	-	-	-	3,10
Dividend yield, %	-	-	-	3,9
Total return from share, %	-	-	-	-20,6
P/E-ratio I, multiple	23,9	9,3	14,1	10,5
P/E-ratio II, multiple	12,6	18,3	14,0	14,4
Number of shares at the end of period, thousands	307,427	307,427	307,427	307,427
Average number of shares, thousands	307,427	307,427	307,427	307,427
<b>Property-related</b>				
Number of properties	307	298	307	306
Carrying amount of properties, SEK m	55,701	50,618	55,701	55,179
Estimated investment yield, % – all properties	5,1	4,5	5,1	5,0
Estimated direct return, % – excl project properties	5,3	4,8	5,3	5,4
Lettable area, m <sup>2</sup>	2,245,136	2,142,915	2,245,136	2,228,929
Rental income, SEK per m <sup>2</sup>	1,867	1,617	1,868	1,871
Operating surplus, SEK per m <sup>2</sup>	1,254	1,062	1,254	1,245
Financial occupancy rate, % – all properties	92	91	92	91
Financial occupancy rate, % – excl project properties	94	92	94	93
Estimated surplus ratio, %	74	72	74	73
<b>Employees</b>				
Number of FTEs at period end	215	255	215	256

1) Recalculation has been made for completed share split 2:1 in May 2022.



Andreas Schönström, municipal commissioner in Malmö, Jimmy Bengtsson, CEO of Veidekke and Ulrika Hallengren broke ground in March for Vista (Bläckhornet 1), Wihlborgs' fourth office building in Hyllie, using electrically run excavators. The mobility hub on the lower floors is now beginning to be constructed. In the first quarter, ground was broken for three additional tenants: Inpac (Tomaten 1, Lund), Springhill (Plåtförädlingen 15, Helsingborg), and Nederman (Rausgård 21, Helsingborg).



# Key figures

## Basis for key ratios

The basis for key financial ratios that Wihlborgs present in the Interim report January-March 2023 on page 22, are shown below. Recalculation has been made of historical key figures per share for completed share split 2:1 in May 2022.

The following financial targets have been established by the Board:

- A return on equity that exceeds the risk-free interest rate\* by not less than six percentage points, which for the beginning of 2022 corresponds to 8.51 percent
- The loan-to-value ratio is not to exceed 60 percent
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0

\*) Risk-free interest rate is defined as the rate on a 5-year Swedish government bond.

Unless otherwise stated, amounts are in SEK million.	2023-03-31	2022-03-31	2022-12-31
<b>Return on equity</b>			
Profit for the period	255	816	2,288
Annualized	1,020	3,264	2,288
Equity, opening balance	23,380	21,948	21,948
Equity, closing balance	23,642	22,769	23,380
Average equity	23,511	22,359	22,664
<b>Return on equity, %</b>	<b>4.3</b>	<b>14.6</b>	<b>10.1</b>
<b>Return on capital employed</b>			
Profit before tax	330	1,028	2,911
Interest expense (incl value changes interest derivatives)	291	-267	-255
Total	621	761	2,656
Annualized	2,484	3,044	2,656
Total assets, opening balance	56,809	51,152	51,152
Total assets, closing balance	57,474	52,168	56,809
Non-interest bearing debt, opening balance	-6,465	-5,670	-5,764
Non-interest bearing debt, closing balance	-6,647	-5,704	-6,465
Average capital employed	50,586	45,973	47,866
<b>Return on capital employed, %</b>	<b>4.9</b>	<b>6.6</b>	<b>5.5</b>
<b>Equity/assets ratio</b>			
Equity	23,642	22,769	23,380
Total assets	57,474	52,168	56,809
<b>Equity/assets ratio, %</b>	<b>41.1</b>	<b>43.6</b>	<b>41.2</b>
<b>Interest coverage ratio</b>			
Income from property management	457	467	1,861
Interest expense	193	74	404
Total	650	541	2,265
Interest expense	193	74	404
<b>Interest coverage ratio, multiple</b>	<b>3.4</b>	<b>7.3</b>	<b>5.6</b>
<b>Leverage properties</b>			
Borrowings	27,024	23,162	26,806
Net value investement properties	55,701	50,618	55,179
<b>Leverage properties, %</b>	<b>48.5</b>	<b>45.8</b>	<b>48.6</b>
<b>Debt/equity ratio</b>			
Interest-bearing liabilities	27,180	23,320	26,962
Equity	23,642	22,769	23,380
<b>Debt/equity ratio, multiple</b>	<b>1.1</b>	<b>1.0</b>	<b>1.2</b>



	2023-03-31	2022-03-31	2022-12-31
<b>Earnings per share</b>			
Profit for the period	255	816	2,288
Average number of shares, thousands	307,427	307,427	307,427
<b>Earnings per share, SEK</b>	<b>0.83</b>	<b>2.65</b>	<b>7.44</b>
<b>Earnings per share before tax</b>			
Profit before tax	330	1,028	2,911
Average number of shares, thousands	307,427	307,427	307,427
<b>Earnings per share before tax, SEK</b>	<b>1.07</b>	<b>3.34</b>	<b>9.47</b>
<b>EPRA EPS</b>			
Income from property management	457	467	1,861
Tax depreciation, direct tax deductions etc	-337	-221	-972
Taxable income from property management	120	246	889
Current tax on the above	28	-52	-186
Income from property management after deduction of current tax	485	415	1,675
Average number of shares, thousands	307,427	307,427	307,427
<b>EPRA EPS, SEK</b>	<b>1.58</b>	<b>1.35</b>	<b>5.45</b>
<b>Operating cash flow per share</b>			
Operating cash flow	396	483	1,942
Average number of shares, thousands	307,427	307,427	307,427
<b>Operating cash flow per share, SEK</b>	<b>1.29</b>	<b>1.57</b>	<b>6.32</b>
<b>EPRA NDV per share</b>			
Equity	23,642	22,769	23,380
Number of shares at year end, thousands	307,427	307,427	307,427
<b>EPRA NDV per share, SEK</b>	<b>76.90</b>	<b>74.06</b>	<b>76.05</b>
<b>EPRA NRV per share</b>			
Equity	23,642	22,769	23,380
Deferred tax liability	5,266	4,819	5,180
Derivatives	-599	-374	-695
Total	28,309	27,214	27,865
Average number of shares, thousands	307,427	307,427	307,427
<b>EPRA NRV per share, SEK</b>	<b>92.08</b>	<b>88.52</b>	<b>90.64</b>

	2023-03-31	2022-03-31	2022-12-31
<b>Dividend yield per share</b>			
Proposed dividend, SEK	-	-	3.10
Market price per share at year end, SEK	-	-	78.5
<b>Dividend yield per share, %</b>	<b>-</b>	<b>-</b>	<b>3.9</b>
<b>Total yield per share</b>			
Market price per share at year start, SEK	-	-	102.70
Market price per share at year end, SEK	-	-	78.50
Change in market price during the year, SEK	-	-	-24.20
Dividend paid during the year, SEK	-	-	3.00
<b>Total return per share, %</b>	<b>-</b>	<b>-</b>	<b>-20.6</b>
<b>P/E ratio I</b>			
Market price per share, SEK	79.35	98.65	78.50
Earnings per share, SEK	0.83	2.65	7.44
Annualized per share, SEK	3.32	10.62	7.44
<b>P/E ratio I, multiple</b>	<b>23.9</b>	<b>9.3</b>	<b>10.5</b>
<b>P/E ratio II</b>			
Market price per share, SEK	79.35	98.65	78.50
EPRA EPS, SEK	1.58	1.35	5.45
Annualized per share, SEK	6.30	5.40	5.45
<b>P/E ratio II, multiple</b>	<b>12.6</b>	<b>18.3</b>	<b>14.4</b>

# Definitions

Some of the financial metrics that Wihlborgs presents in the interim report are not defined in accordance with IFRS. Wihlborgs is of the opinion that these metrics provide valuable complementary information to investors and the company's management, since they enable evaluation of the company's performance.

As all companies do not apply the same approach to calculating these financial metrics, they are not always comparable to metrics used by other companies. Accordingly, these metrics should not be viewed as replacements for metrics defined under IFRS. On this page, definitions of metrics are presented that, with a few exceptions, are not defined in accordance with IFRS.

## Key financial ratios

**The key ratios are based on the statements of income, financial position, changes in equity and cash flow. Some of the historic data is compiled from the historical summary on page 21 in Wihlborgs' Interim Report.**

### Return on equity

Profit for the period as a percentage of average equity, excluding non-controlling interests. Average equity refers to the average of the opening and closing values for the respective period. In interim reports, the return is converted to its annualised value without taking account of seasonal variations. The ratio comprises a measure of the profitability in relation to shareholders' equity.

### Return on capital employed (ROCE)

Earnings before interest expense, derivatives and taxes (EBIT) as a percentage of average capital employed. Capital employed is defined as total assets less non-interest-bearing liabilities and provisions. Average capital employed refers to the average of the opening and closing balances for each period. In interim reports, the return is converted to its annualised value without taking account of seasonal variations. The metric shows the return on the capital provided by shareholders and lenders without regard to interest.

### Equity/assets ratio

Equity as a percentage of total assets at the end of the period. The ratio provides a measure of the financial strength of the company.

### Interest coverage ratio

Income from property management, plus interest expense, divided by interest expense. The ratio measures the degree to which earnings can decline without jeopardising interest payments or, alternatively, how much interest expense can increase before income from property management becomes negative.

### Loan-to-value ratio, properties

Borrowings as a percentage of the properties' carrying amounts. The ratio shows the degree of borrowing on the property portfolio.

### Surplus ratio

The operating surplus, shown as a percentage of rental income. The ratio illustrates the proportion of rental income that remains after deducting property management costs.

### Debt/equity ratio

Interest-bearing liabilities relative to equity. Interest-bearing liabilities include borrowings, lease liabilities and any other interest-bearing liabilities. The ratio illustrates the relationship between borrowings and equity and, thereby, the gearing and financial strength.

### Investment yield

The operating surplus shown as a percentage of the properties' average carrying amount. The average carrying amount refers to the average of the opening and closing values for the respective period. In interim reports, the yield is converted to its annualised value without taking account of seasonal variations. The ratio illustrates the yield on the property portfolio without taking account of its financing costs.

### Net Debt / EBITDA

Borrowings minus liquid assets in the financial statements, measured at five measurement occasions (quarterly) in the last twelve months, divided by operating surplus minus central administration, rolling twelve months. The key figure shows the company's earning capacity relative to borrowings, net.

## Share-related key ratios

### Earnings per share for the period

Earnings for the period divided by the average number of shares outstanding. Earnings per share are the same before and after dilution. Definition according to IFRS.

### Earnings per share before tax

Earnings per share before tax divided by the average number of shares outstanding.

### EPRA EPS

Income from property management less the estimated tax payable on taxable income from property management divided by the average number of shares outstanding. Taxable income from property management is defined as income from property management less fiscal depreciation/amortisation and direct deductions. The effect of loss carryforwards is not taken into consideration.

### Cash flows from operating activities per share

Cash flows from operating activities divided by the average number of shares outstanding.

### EPRA NDV - Net disposal value, per share

The closing balances for equity divided by the number of shares at the end of the period.

### EPRA NRV - Net reinstatement value, per share

The closing balances for equity following the reversal of interest-rate derivatives and deferred tax according to the balance sheet, divided by the number of shares at the end of the period.

### Dividend yield per share

Proposed dividend as a percentage of the year-end share price.

### Total yield per share

Share price performance plus actual dividend relative to the share price at the start of the year.

### P/E ratio I, multiple

Market price per share divided by earnings per share. In interim reports, the ratio is converted to its annualised value without taking account of seasonal variations.

### P/E ratio II, multiple

Market price per share divided by EPRA RPS per share. In interim reports, the ratio is converted to its annualised value without taking account of seasonal variations.

### Average fixed interest period

Time remaining until the interest on all interest bearing debts in average has been adjusted.

### Average loan maturity

Time remaining until an average of all interest bearing debts has been refinanced.

## Property-related key figures\*

**These key figures are based on the property table on page 10. The table shows the estimated rental value, rental income and property expenses on an annualised basis with an unchanged property portfolio, based on the contract stock on the first day after the end of the period.**

### Rental value

Rental income plus estimated market-level rents for unlet space.

### Estimated investment yield

Operating surplus as a percentage of the carrying amount for the properties at the end of the period.

### Rental income per m<sup>2</sup>

Rental income on an annualised basis divided by lettable area.

### Operating surplus per m<sup>2</sup>

Operating surplus divided by lettable area.

### Economic occupancy rate

Rental income as a percentage of rental value.

### Estimated surplus ratio

Operating surplus as a percentage of rental income.

### Net Lettings

New lettings during the period less terminations to vacate.

### Like-for-like

Excludes properties that both current and comparative period are classified as projects/land, acquired or sold.

\*) These key figures are operational and are not regarded as alternative key ratios according to ESMA's guidelines.

# Calendar

Interim report Jan-June 2023.....	10 July 2023
Interim report Jan-Sept 2023.....	21 October 2023
Year-end report 2023.....	13 February 2024

Wihlborgs' interim reports and the Annual Report are distributed electronically. The Annual Report is printed in Swedish and sent to any shareholders notifying the Company that they wish to receive it in printed form.

# Press releases Q1 2023

Wihlborgs Annual and Sustainability Report 2022.....	31 mars 2023
Notice of the Annual General Meeting in Wihlborgs Fastigheter AB (publ).....	21 mars 2023
The Nomination Committee's proposal regarding the Board of Directors (publ).....	2 mars 2023
Wihlborgs builds facility for Rollco in Helsingborg.....	2 mars 2023
2022 Year-end report: Growth in core operations.....	14 februari 2023
Wihlborgs signs lease with BTJ at Ideon in Lund.....	13 februari 2023
Wihlborgs' 2022 year-end report will be presented on 14 February 2023.....	7 februari 2023
Springhill to lease 6,400 m <sup>2</sup> at Wihlborgs' new logistics facility in Helsingborg.....	24 januari 2023
Genetor expands with Wihlborgs at Helsingborg Central Station.....	18 januari 2023

This interim report is information of such a kind that Wihlborgs Fastigheter AB (publ) is legally required to disclose pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication through the agency of the contact people at the next side on **25 April at 07.30 CEST**.

# Welcome to us.

Being able to adapt to developments in society to remain relevant has always been our strength. Wihlborgs is growing and developing every day, especially during these challenging times. This is all so we can be the customer-centric, long-term and region-building company that we are.

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