

Interim report
January – June

2023

All time high operating surplus

Rental income increased
21 percent to SEK 1,935 million (1,599)

Operating surplus increased
22 percent to SEK 1,389 Mkr (1,135)

Income from property management
amounted to SEK 948 million (950)

Profit for the period amounted to SEK
625 million (1,549), corresponding to
earnings per share* of SEK
2.03 kr (5.04)

In 12 months EPRA NRV per share has
increased by 7 percent to SEK 90.41
(87.60) adjusted for dividend of SEK
3.10 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 57 billion, representing an annual rental value of SEK 4.3 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

56.6

Rental income, SEK million
Jan-Jun

1,935

Income property
management, SEK million
Jan-June

948



Wihlborgs



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January - June 2023

Group key figures. SEK m	2023 Jan-Jun	2022 Jan-Jun	2022/2023 Jul-Jun	2022 Jan-Dec
Rental income	1,935	1,599	3,671	3,335
Operating surplus	1,389	1,135	2,585	2,331
Income property management	948	950	1,859	1,861
Changes in value of properties	-87	372	-63	396
Changes in value of derivatives	-64	632	-42	654
Result of the period	625	1,549	1,364	2,288
Earnings per share. SEK	2.03	5.04	4.44	7.44
Surplus ratio. %	72	71	70	70
Equity/assets ratio. %	39.6	42.1	39.6	41.2
Occupancy rate. %*	93	92	93	93
EPRA NRV per share. SEK	90.41	87.60	90.41	90.64

*) At the end of the period and excluding projects and land.

Financial targets

Mål	Outcome January-June 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>	5.4
<p>🏠 An equity/assets ratio of no less than 30 percent</p>	39.6
<p>🏠 An interest coverage ratio of no less than 2.0</p>	3.2
<p>🏠 The loan-to-value ratio is not to exceed 60 percent</p>	50.3

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

Well positioned for the next economic phase

CEO's comments



Wihlborgs' performance in the second quarter of 2023 is fairly easy to summarise: Our core business continues to perform well. Year-on-year, rental income increased 20 percent for the quarter, driven by indexation and acquisitions, but also by our projects and rising rent levels. When the lease contracted's rental income is measured in like-for-like portfolios, it is up 12.1 percent on one year ago. Further reinforcement is provided to this figure by the increase of 1.5 percentage points in the occupancy rate during this period. The outlook for revenue moving forward is also strengthened by the fact that for the 33rd consecutive quarter our net lettings are positive at SEK 14 million. This consistent performance, quarter after quarter, stems from intense and agile activity within our organisation. As in the first quarter of this year, lettings activity has been high, even if some processes can take a long time. As with previous performances, it is the sum of the many transactions that generates our strength and stability over time.

The operating surplus increased 25 percent in the second quarter resulting in a surplus ratio of 74.9 percent, up three percentage points on last year. Costs for electricity, heating and cooling were higher year-on-year, but price increases have not followed the erratic path we experienced in 2022. The operating surplus of SEK 722 million for the quarter is the highest ever in a single quarter.

Strong even with new interest rate conditions

Interest expenses continued to rise in the quarter, mainly due to rising market interest rates but also due to interest-rate derivatives with favourable rates maturing in the quarter and new interest-rate derivatives being entered that are significantly more expensive. However, our intrinsic strength is shown by the fact that our income from property management for the second quarter is up on last year, despite interest expenses more than trebling. This shows the importance of focusing

on our tenants, existing and new, and on our operational efficiency. Our rolling 12-month interest coverage ratio is a multiple of 3.7.

Changes in value in the quarter amounted to a decrease of SEK 59 million. External valuations were conducted for a number of the properties in the quarter in conjunction with financing, and as usual, the basic assumptions in the valuation model were checked with external valuers. Positive net lettings, rising rent levels and project development have been balanced by some risks of terminations. While only minor changes in yield requirements have occurred in the quarter, over 12 months these have risen between 0.4 and 1 percentage points depending on the type of property. The property transaction market volume was low during the spring and the completed transactions are difficult to assess as the sellers may have been acting for reasons outside the norm.

“Wihlborgs' business model works even in times such as these and, for many years, we have been able to demonstrate a healthy cash flow from our portfolio.”

Maintain momentum

The balance sheet was once again stable for the quarter. Net debt also decreased in relation to operating profit in this quarter and now amounts to a multiple of 10.6. Available liquid assets in the form of unutilised credit facilities plus liquid assets amounted to slightly more than SEK 2.6 billion. Our dependence on the bond market remains low, since only 8 percent of our borrowings are raised in it.

Our profitable core business and access to liquidity enables us to continue investing for the future. It is today's project investments that will create growth in the core business in future years. Naturally, higher financing expenses and an uncertain economy mean we are being even more careful about what we invest in and to what cost, but our conviction is that we best develop the company by maintaining a long-term business perspective without excessive accelerating or braking. To express myself in the terms of my favourite

motorsport, enduro: everyone can accelerate hard down the straights but you have to keep the power on through the turn to be well-positioned for the next straight. Our aim is to maintain momentum through the current period so that we are even stronger when we enter the next phase of the economic cycle.

A model that endures over time

Maintaining momentum is equally applicable to our sustainability efforts. Energy consumption per square metre has declined about three percent, which was in line with the reduction in the first quarter. In Malmö, the total district heating output decreased six percent in the first half of the year. This is due in part to continued energy-efficiency enhancements, such as the installation of Wihlborgs' innovative reversible heat pump in more properties. At the Sankt Jörgen 21 property in Malmö, this pump helped lower energy consumption almost 40 percent. In the Österport 7, Terminalen 5, Muren 5 and Nya Vattentornet 3 properties, we have realised savings of up to 35 percent by using different energy optimisation methods.

As a regional builder, Wihlborgs is involved and contributes to a sustainable development of the Öresund region. On page 14 we give a couple examples of our work with social engagement.

While the outlook for Sweden's economy is uncertain, the outlook is slightly better in Denmark. No one knows what interest rates will be in the future, but we need to acclimatise to significantly higher levels than we have experienced in recent years. Wihlborgs' business model works even in times such as these and, for many years, we have been able to demonstrate a healthy cash flow from our portfolio. That we were also able to do so for the last quarter reinforces my view that we should continue on this path. At the same time, we strive on a daily basis to improve, to create closer ties to our tenants, and to work smarter and more cost-effectively. By making small steps, we are constantly evolving and adapting to a changing world. This is how Wihlborgs builds for the future.



Ulrika Hallengren, CEO

Market comments

The Swedish economy is entering an economic downturn, which has mainly impacted households and companies linked to housing construction. Demand for labour remains strong according to the Swedish National Institute of Economic Research (NIER) and there are no signs of the labour market weakening. In light of the above, the downturn in the economy is expected to be relatively short-lived and have only a limited impact on the labour market. Sweden's GDP is expected to shrink 0.2 percent in 2023 before recovering in 2024 to post growth of 1.4 percent. Several of Sweden's most important trading partners are expected to post relatively weak performances both this year and next, which will impact Sweden's export industry. The Silf/Swedbank Purchasing Managers' Index (PMI) for industry in June, the level of 44.8 was slightly stronger than in May, but still well below the historical average. For the services sector, the PMI weakened in June to 46.1, which was due to the weak housing sector and the shrinking purchasing power of households.

The Riksbank's June meeting noted that while inflation was still falling, it remained too high and therefore raised the policy rate to 3.75 percent. Inflation has declined sharply in Denmark and year-on-year amounted to 2.9 percent in May. The rapid drop in inflation was largely due to falling energy prices while those for goods/services continued to rise. In its latest report, the independent Danish Economic Councils predicts GDP growth in Denmark of 1 percent, both in 2023 and in 2024, and inflation to reach 4.3 percent in 2023 before falling to 2.9 percent in 2024. The outlook has improved since last autumn, with only 50,000 people expected to become unemployed compared with 100,000 six months ago.

In the "Skånsk konjunktur" ("Business in Skåne") report, Sparbanken Skåne and Øresundsinstittet describe deve-

lopment as split. While manufacturing continues to perform well, housing construction is slowing considerably. Moreover, Skåne is entering a period of reduced infrastructure investment. Unemployment decreased from 8.5 percent in February to 8.2 percent in April this year. Unemployment among young people also continued to decline over the year and was 9.3 percent in April, which is its lowest since summer 2008. Job growth is becoming increasingly concentrated to Malmö and southwestern Skåne, where 9 out of 10 new jobs have been created.

The rental and property market

In SEPREF's (the Swedish Property Research Forum) consensus forecast for the second quarter of 2023, the prime rent in Malmö remains unchanged at SEK 3,000/m². The yield requirement for prime locations has stabilised at 4.5 percent, although most respondents expect rising yield requirements in the coming year.

According to Colliers, turnover in the Swedish real estate market amounted to SEK 33 billion for the first five months of 2023, down sharply compared with SEK 142 billion last year. A slight upturn in volume was discernible in May, when, year-on-year, it only fell from SEK 16 billion to SEK 10 billion. In Denmark, the volume for the first five months of 2023 declined from DKK 38 billion to DKK 13 billion.

The highest levels of activity in Skåne were noted in Lund, where Axis acquired two large office properties of 51,000 m² at Ideon from Castellum. Moreover, Hotell Planetstaden (12,800 m²) was sold to Reato Group for SEK 250 million, in a transaction that also includes the hotel operator. In Denmark, Corem sold a warehouse property in Greve to the Swiss Life fund for DKK 160 million.

Income, expenses and profits

January–June 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 1,935 million (1,599) corresponding to an increase by 21 percent. Of the rental income, service income accounted for SEK 227 million (169), whose increase is mainly due to increased additional charges to tenants of SEK 48 million as a result of increased energy costs. During the second quarter, additional billing has been reduced by SEK 15 million in consideration of the regulation of expected electricity support towards the tenants. Service revenue from the Danish canteen operations has decreased as this is run by an external party from 1 March. A compilation of the change in rental income compared to the previous year appears in the table below.

Rental income January-June 2022	1,599
Acquisitions	94
Currency effect	27
Index	137
Additional charges	48
Completed projects, new leases and renegotiations	32
Rental income January-June 2023	1,935

At the end of the period the occupancy rate for investment properties, excluding Projects & Land, is 93 percent (92). During the period new leases were signed to a value of SEK 154 million (163). Lease terminations totalled SEK 134 million (94). This represents a net letting of SEK 20 million (69).

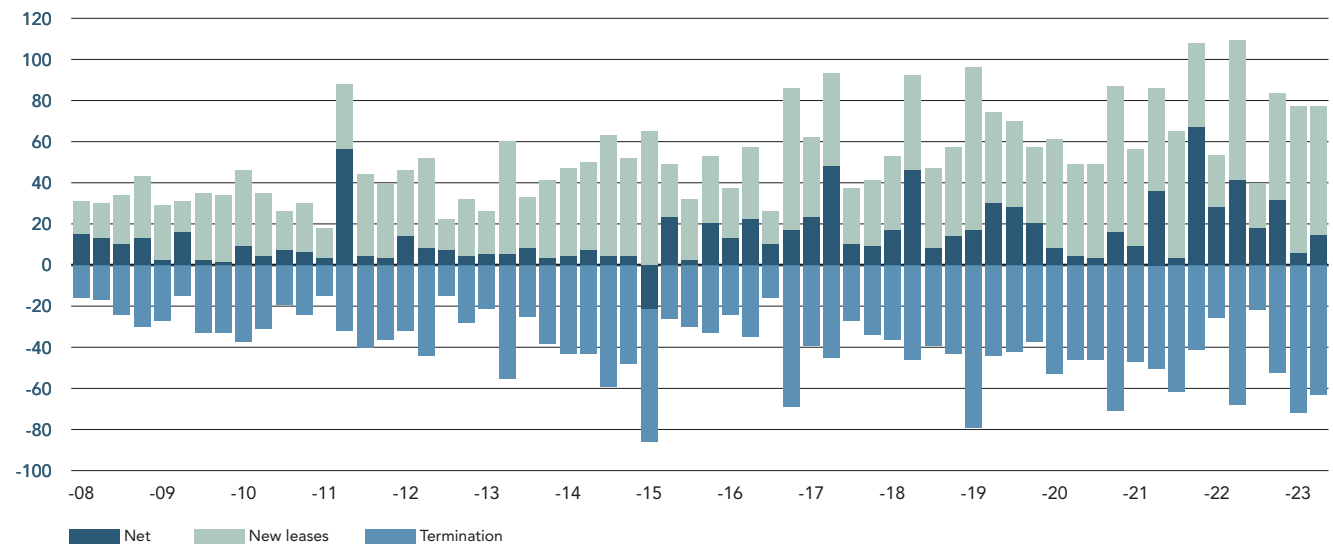
Terms of Wihlborgs' contracts per 30 June 2023

Cancellable rental value, SEK m



Net letting, quarterly

SEK m



Ten largest tenants per 30 June 2023

21 %

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 546 million (464). Of the increase of SEK 82 million, increased operating costs account for approximately half, which in turn is mainly due to acquired properties of SEK 21 million and higher electricity costs of SEK 11 million.

During the second quarter, expected electricity subsidies of SEK 20 million have reduced electricity costs. Of the increased property tax of SEK 20 million, SEK 8 million refers to revaluations in connection with the general revaluation of the previous year, which was obtained in July 2022, and SEK 7 million refers to acquisitions. Rental losses during the period amounted to SEK 2 million, last year these were positive with SEK 1 million.

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 1,389 million (1,135) representing a surplus ratio of 72 percent (71). Of the change, SEK 60 million (13) was attributable to property acquisitions and divestments, in addition, currency effects have affected by SEK 16 million (7).

Central administration

The costs for central administration were SEK 44 million (44).

Financial income and expense

Net interest totalled SEK -422 Mkr (-145), of which interest income accounted for SEK 9 million (6). The interest expense for the period, incl. realized effects from interest rate derivatives, was SEK 431 million (151). The leasehold amounted to SEK 2 million (2). During the period net payments on interest rate derivatives were positive at SEK 110 million (-25).

At the end of the period, the average interest rate, including the cost of credit agreements, was 3.81 percent, compared with 2.59 percent at year-end.



Well-being and health were high on the agenda when designing Wihlborgs' new head office in Malmö. Since May, the visiting address has moved to Dockplatsen 16 (Skrovet 3), overlooking the bustling Dockan neighbourhood. The office provides space for socializing, creativity and events as well as for focused work. The nicknames of people who worked at the old Kockums shipyard over the years have been used to name the 28 variously sized meeting and conference rooms. Wihlborgs has chosen to have individual workplaces in the new premises to be able to maintain a sense of belonging and to facilitate finding colleague in the open office landscape.

Income from property management

Profit participation in joint ventures amounted to SEK 27 million (6), of which SEK 20 million is attributable to a property sale in a joint venture. Income from property management amounted to SEK 948 million (950).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 797 million (1,954). During the period,

value changes on properties amounted to SEK -87 million (372). Changed market interest rate have entailed negative value changes on derivatives amounting to SEK -64 million (632), of which SEK -58 million (638) are attributable to interest rate derivatives and SEK -6 million (-6) to other financial items.

Profit after taxes

The profit after taxes was SEK 625 million (1,549). Total tax amounted to SEK 172 million (405), of which current tax SEK 15 SEK million (22) and deferred tax SEK 157 million (383).

Assets

Property portfolio as of 30 June 2023

The summaries below are based on Wihlborgs' property portfolio as of 30 June 2023. Rental income relates to contracted rental income on an annual basis as of 1 July 2023.

The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for July 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 30 June 2023 consisted of 306 properties (306) with a lettable area of 2,254,000 m² (2,229,000). 7 of the properties (7) are leasehold rights.

The properties' carrying amount was SEK 56,629 million (55,179), which corresponds to the estimated market value. The total rental value was SEK 4,250 million (4,170) and the contracted rental income on annual basis SEK 3,905 million (3,810). The like-for-like increase in rental value increased to 10.4 percent and contracted rental income increased by 12.1 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 94 percent (94) and for Logistics/Production 92 percent (92). The rental value for Office/Retail and Logistics/Production represented in total 83 respective 15 percent of total rental value.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 2,975 million (2,949) which with a carrying amount of SEK 53,630 million (51,483) corresponds to a running yield of 5.5 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

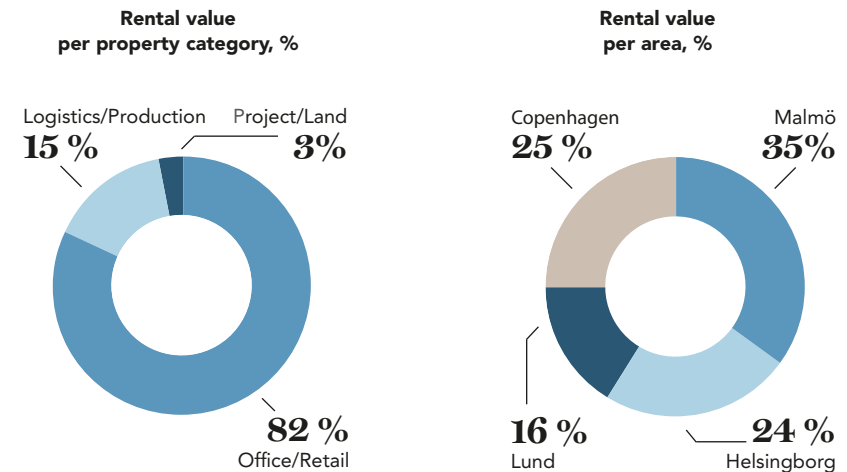
Entire property stock

	2023-07-01, SEK m	2022-07-01, SEK m	Percent
Rental value	4,250	3,537	+ 20.2
Rental income	3,905	3,239	+ 20.6

Like-for-like*

	2023-07-01, SEK m	2022-07-01, SEK m	Percent
Rental value	3,851	3,489	+10.4
Rental income	3,612	3,221	+12.1

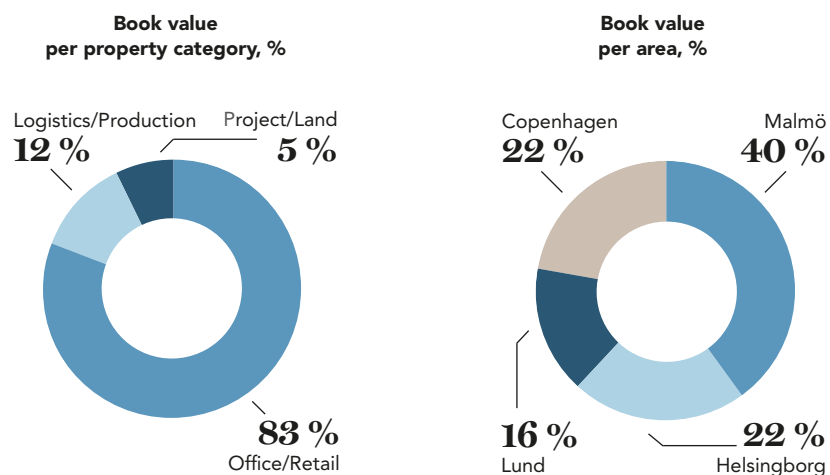
*Excluding projekt & land



Changes in values of properties

By year-end the valuation of all Wihlborgs' properties is carried out by external valuers. By the valuation as of 30 June 2023 around 20 properties have been valued externally and others internally. The valuation has meant that the property value has decreased by SEK 87 million (+372). The assumptions regarding future indexation and yield requirements were changed gradually during 2022 but have been largely unchanged during the first half year 2023. A positive net letting and completion of projects have affected valuations positively, while maintenance investments and certain termination risks 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 yield-based 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 30 June 2023 the carrying amount for the properties is SEK 56 629 million (55 179).



Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2023	55,179
Acquisitions	20
Investments	933
Properties sold	-
Change in value	-87
Currency translations	584
Carrying amount 30 June 2023	56,629



The Wihlborgs AGM took place at 26 April in Slagthuset in Malmö. A film from the AGM where representatives from Wihlborgs tell about some of our projects, is available in Swedish at www.wihlborgs.se/sv/investor-relations.



Scan the QR-code to watch the film

Analysis per property category in each management area

Area/ property category	Number of properties	Area, m ² thousand	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m ²	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., %
Malmö											
Office/Retail	52	461	19,266	1,294	2,809	95	1,233	958	78	1,000	5.2
Logistics/Production	31	146	2,092	174	1,194	97	168	132	79	142	6.8
Project & Land	20	29	970	26	899	-	4	-10	-	-7	-
Total Malmö	103	635	22,328	1,494	2,352	94	1,405	1,080	77	1,135	5.1
Helsingborg											
Office/Retail	39	284	8,556	637	2,242	91	582	439	75	457	5.3
Logistics/Production	56	359	3,489	358	995	89	317	224	71	243	7.0
Project & Land	12	9	530	13	1,430	-	11	8	-	9	-
Total Helsingborg	107	652	12,575	1,007	1,544	90	909	671	74	709	5.6
Lund											
Office/Retail	26	234	8,298	662	2,831	92	609	431	71	472	5.7
Logistics/Production	4	23	271	23	1,000	98	22	17	74	18	6.7
Project & Land	4	7	517	14	2,043	-	1	-4	-	-2	-
Total Lund	34	264	9,086	699	2,652	90	633	444	70	488	5.4
Copenhagen											
Office/Retail	49	572	10,712	917	1,603	94	862	566	66	590	5.5
Logistics/Production	9	61	946	70	1,147	96	67	52	78	54	5.7
Project & Land	4	69	982	63	904	-	29	9	-	9	-
Total Copenhagen	62	703	12,640	1,050	1,495	91	958	627	65	653	5.2
Total Wihlborgs	306	2,254	56,629	4,250	1,886	92	3,905	2,822	72	2,985	5.3
Total excluding projects and land	266	2,140	53,630	4,135	1,932	93	3,860	2,818	73	2,975	5.5

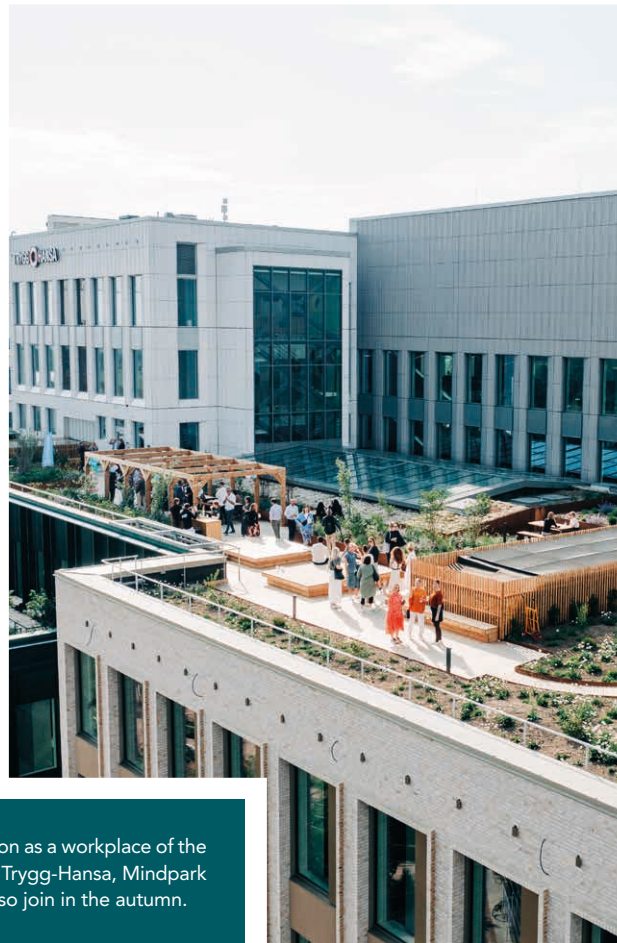
Analysis of lettable space per area and category of use

Area	Office, m ²	Retail, m ²	Logistics/Production, m ²	Education/Health care, m ²	Misc., m ²	Total, m ²	Share, %
Malmö ¹	357,814	41,627	168,725	49,469	17,736	635,370	28
Helsingborg ²	225,418	73,936	296,316	44,265	12,095	652,030	29
Lund ³	199,240	13,057	36,087	5,554	9,664	263,603	12
Copenhagen ⁴	516,682	8,396	125,382	12,514	39,598	702,572	31
Total	1,299,153	137,016	626,510	111,802	79,092	2,253,575	100
Share, %	58	6	28	5	3		

1) Miscellaneous area in Malmö includes 10,275 m² hotel.

3) Miscellaneous area in Lund includes 8,215 m² hotel.

2) Miscellaneous area in Helsingborg includes 1,819 m² residential. 4) Miscellaneous area in Copenhagen includes 5,600 m² hotel.



The Kwartetten office building in Hyllie is as much a pilot project for sustainable construction as a workplace of the future. In June, Wihlborgs opened the triple-certified building together with the tenants Trygg-Hansa, Mindpark and Restaurang Spill, which has already moved in. The IT security company Sciber will also join in the autumn.

Investments and current projects

Investments in the property portfolio totalled SEK 933 million (568). Approved investments in ongoing projects amount to SEK 3,354 million, of which SEK 988 million had been invested at the end of the period.

Liquid assets

The Groups liquid assets totalled SEK 185 million (159) at the end of the period. At the end of the period unutilized credit facilities, including unused overdraft facilities of SEK 447 million (361), amounted to SEK 2,447 million (2,856).

Investments in progress >SEK 50 million, 30 June 2023

Property	Category of use	Municipality	Completion date	Rentable area, m ²	Occupancy rate, %	Estimated investment, SEK m*	Expended 2023-06-30, SEK m
Kunskapen 1	Office/Retail	Lund	Q4 2023	6,000	50	244	183
Plåtförädlingen 15	Logistics/Production	Helsingborg	Q4 2023	8,700	75	141	101
Tomaten 1	Logistics/Production	Lund	Q2 2024	6,400	100	137	42
Rausgård 21	Logistics/Production	Helsingborg	Q3 2024	25,000	100	420	126
Snårskogen 5	Logistics/Production	Helsingborg	Q3 2024	3,600	100	78	1
Sunnanå 12:54	Logistics/Production	Malmö	Q2 2025	17,000	100	302	1
Bläckhornet 1	Office/Retail	Malmö	Q4 2025	16,600	0	884	72
Posthornet 1	Office/Retail	Lund	Q4 2025	9,900	0	448	11
Total				93,200		2,654	537

*Including land



Plåtförädlingen 15 (Illustration)



Posthornet 1 (Illustration)

Property transactions

Wihlborgs has not done any property transactions during the second quarter of 2023.

Property transactions January–June 2023

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

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



Tomaten 1 (Illustration)

Sustainable business

Wihlborgs' work with societal commitment

Wihlborgs has a strong commitment to the Öresund region – through the development of the business community, the daily lives of our tenants, the growth of the cities and the future of the entire region. A region that attracts investment, capital, infrastructure development and labour is a region that can also continue to develop positively. When the city and the region grow, so does the need for new premises.

Wihlborgs' strong local presence in its home market enables close collaboration with cities, companies, suppliers, universities, and the public and non-profit sectors. As a "region-builder," Wihlborgs contributes to the region's sustainable development, inspires others to make sustainable choices and enables customers to meet and create new business opportunities and innovation.

The shared theme of the endeavours Wihlborgs chooses to support is the development of people and companies – we provide the right prerequisites for young people to find the courage to stand on their own feet, and to move on to reach their full potential and contribute to growth, innovation and

development. This includes everything from homework help to major innovation platforms such as Ideon Science Park in Lund and Medeon Science Park in Malmö.

One important aspect of Wihlborgs' growth journey is to choose the right suppliers and contractors, so that all the work that is undertaken is in line with Wihlborgs' ambitions with respect to environmental, climate and social issues, as well as the work environment. To support the development of the local business community and help create jobs, purchasing from suppliers established in this region is prioritised.

“ **By providing young people and companies in the Öresund region with the opportunity to grow, we also create the preconditions for our own growth.**

Ulrika Hallengren, CEO of Wihlborgs

Social sustainability also includes making premises available to non-profit organisations, or, as in the case of an office building in Ballerup outside Copenhagen, to the municipality of Ballerup to provide housing to Ukrainian refugees. Many Wihlborgs employees take active roles in building the region by sharing knowledge, advice and commitment through forums such as working groups, boards, mentoring programs, etc.

Examples of societal commitments

Techship is an entrepreneurial programme aimed at motivating and inspiring young people to start their own business or engage in further studies. Wihlborgs launched the initiative in partnership with Helsingborgshem and the tech hub HETCH, which operates in Wihlborgs' Prisma property (Ursula 1) in Helsingborg. Of the 20 young persons who were admitted to the programme in 2022, nine have had the opportunity to pursue their business idea in an incubator, five have secured employment and two have acquired an internship.

Ideon Navigator Scaleup at Ideon in Lund, where Wihlborgs is the largest property owner, is an accelerator program for growth. Funding for the program is mainly provided by Wihlborgs and Region Skåne, and to a lesser extent by the companies themselves. The program, aimed at selected smaller companies with substantial growth potential, provides access to experienced external growth leaders in a controlled process over a period of about two years. Companies participating in the program have experienced good results with subsequent growth of between 25 and 100 percent.

Venture Cup is a competition for the entrepreneurs of tomorrow and connects business experts with future entrepreneurs and offers inspiration, education, guidance and networking. Since it was started back in 1998, more than 17,000 business ideas have competed, of which some 30 percent have become businesses. Wihlborgs is a partner of Venture Cup Region South.

Helsingborg C has been undergoing renovation by Wihlborgs over the past couple of years and its former shabby state has been transformed into a welcoming and safe environment where travellers and visitors like to stay. The renovation has boosted the entire neighbourhood as well as the attractiveness of Helsingborg. Helsingborg C was recertified in 2022 in accordance with Purple Flag, a method for creating an equal-opportunity, safe and attractive city with a variety of offerings and activities for everyone, including in the evenings.

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/



Results of the quarter

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

Energy and climate

Energy consumption per square metre has declined about 3 percent, which was in line with the reduction in the first quarter. In Malmö, the total district heating output decreased six percent in the first half of the year. This is due in part to continued energy-efficiency enhancements, such as the installation of Wihlborgs' innovative reversible heat pump in more properties. At the Sankt Jörgen 21 property in Malmö, this pump helped lower energy consumption almost 40 percent. In the Österport 7, Terminalen 5, Muren 5 and Nya Vattentornet 3 properties, we have realised savings of up to 35 percent by using different energy optimisation methods. In the first quarter, carbon emissions per square metre increased slightly, primarily due to a higher proportion of fossil fuels in Danish district heating plants.

Environmental certifications

Wihlborgs has remained very active in certifying office properties in Sweden, with the aim of certifying 90 percent by 2025. Four existing properties have been approved in accordance with Miljöbyggnad In-Use and one under Miljöbyggnad, all with Silver. At the quarter's end, 23 certifications of existing properties and about ten certifications of ongoing new production were in progress.

Supplier evaluations

The percentage of strategic suppliers that could be approved without a remark in Wihlborgs' updated process for sustainability evaluation increased from 72 percent in the first quarter to 79 percent in the second quarter. By clarifying Wihlborgs' expectations and through continued dialogue with suppliers, the ambition is to gradually increase this percentage.



Wihlborgs tops list of gender-equal companies

Each year, the non-profit AllBright foundation, which promotes gender equality and meritocracy in business, conducts a review to highlight gender equality in Sweden's listed companies. For several years, Wihlborgs has figured at the top of the green list (that is, its list of the most gender-equal listed companies) and figures again in 2023. Wihlborgs has an equal gender distribution among managers, in Group Management and on its Board.

“It is encouraging to again note an increase in the number of women in the management of listed companies after the lull last year. We are proud of our achievements to date, but much work remains to be done - not least in terms of recruiting more people with a foreign background to management and the Board.”

Tove Gleisner, HR Director at Wihlborgs

Key figures - sustainable properties

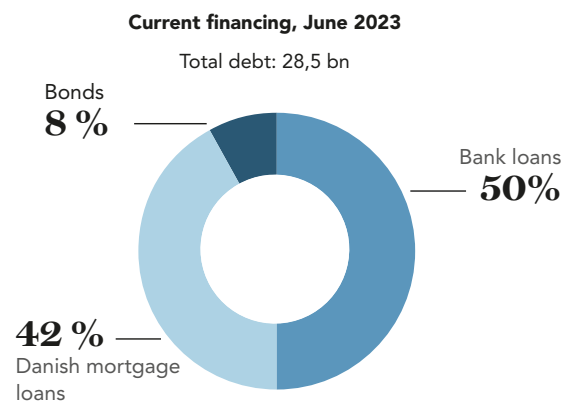
	Measure	Target (as of Dec 2025)	2023	2022	2023	2022	2022
			Apr-Jun 3 months	Apr-Jun 3 months	Jan-Jun 6 months	Jan-Jun 6 months	Jan-Dec 12 months
Environmental certifications*	% of floor area (office, Sweden)	> 90	65	44	65	44	49
Customers' willingness to recommend	% customers	> 75	-	-	-	-	92
Sponsorship with community orientation	% of sponsoring	> 50	-	-	-	-	53
Comitted employees (Trust index)	% of employees	> 85	-	-	-	-	86
Energy use	kWh/m ²	< 85	13,1	13,5	45,6	46,3	88,6
CO2 emissions, scope 1-2	kg CO ₂ e/m ²	< 1.0	0,22	0,19	0,70	0,60	1,35
Evaluation of suppliers**	% approved	100	79	-	-	-	-

*) Offices, Sweden

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

Liabilities and equity

As of 30 June 2023 equity totalled SEK 23,086 million (23,380) after SEK 953 million was paid as a dividend during the second quarter. The equity/assets ratio stood at 39.6 percent (41.2).



Interest-bearing liabilities

The group's borrowings as of 30 June amounted to SEK 28,499 million (26,806) with an average interest rate including costs for credit agreements of 3.81 percent (2.59).

With consideration to the company's net debt of SEK 28.5 billion, the loan-to-value ratio is 50.3 percent (48.6) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 30 June 2023 amounted to 2.5 years (2.0). The average loan maturity, including committed credit facilities, amounted to 6.0 years (6.1). 8 % 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 30 June 2023

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEK m	Av. interest rate, %*	Credit ag., SEK m	Utilised, SEK m
2023	15,940	4.94	820	820
2024	1,788	1.43	5,600	5,050
2025	1,788	1.44	12,161	10,764
2026	1,252	1.62	1,125	625
2027	1,823	3.27	624	624
>2027	5,909	2.66	10,616	10,616
Total	28,499	3.77	30,946	28,499

*) 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 30 June 2023

Interest rate swaps		
Maturity	Amount, SEK m	Interest, %
2023	565	0.54
2024	1,788	0.41
2025	1,788	0.42
2026	1,252	0.59
2027	1,823	2.23
>2027	4,135	2.04
Total	11,351	1.32

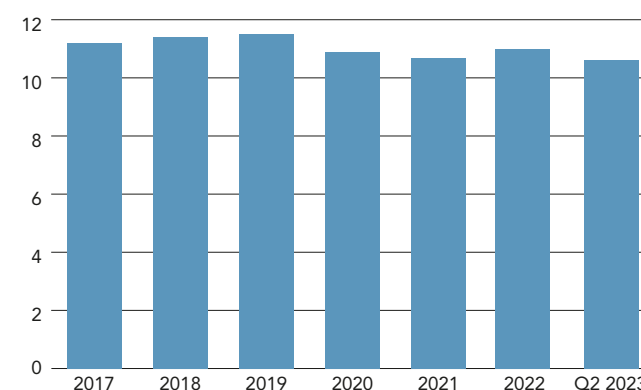
Changing market interest rates have meant decreased value in Wihlborgs' interest rate derivative portfolio, which at the end of the period amounted to 634 million (695).

Interest-rate derivatives are recognised at fair value in accordance with IFRS 9. All derivatives are classified in level 2 in accordance with IAS 39.

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 10.6 times (11.0).

Net debt/EBITDA



Wihlborgs has a strong position with nine existing properties at Väla södra, in eastern Helsingborg. In the second quarter, Wihlborgs signed an agreement with the machine rental company Renta to construct a new 1,300 m² building at Grustaget 1. Warehouse, workshop and laundry areas make up 80 percent of the building with the remaining 20 percent as office space.

Miscellaneous

Employees

At the end of the period, the number of FTEs at Wihlborgs was 219 (256) of which 65 (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, 33 (32) in Lund and 72 (109) in Copenhagen. The average age of employees is 44 years and women make up 38 (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), 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.

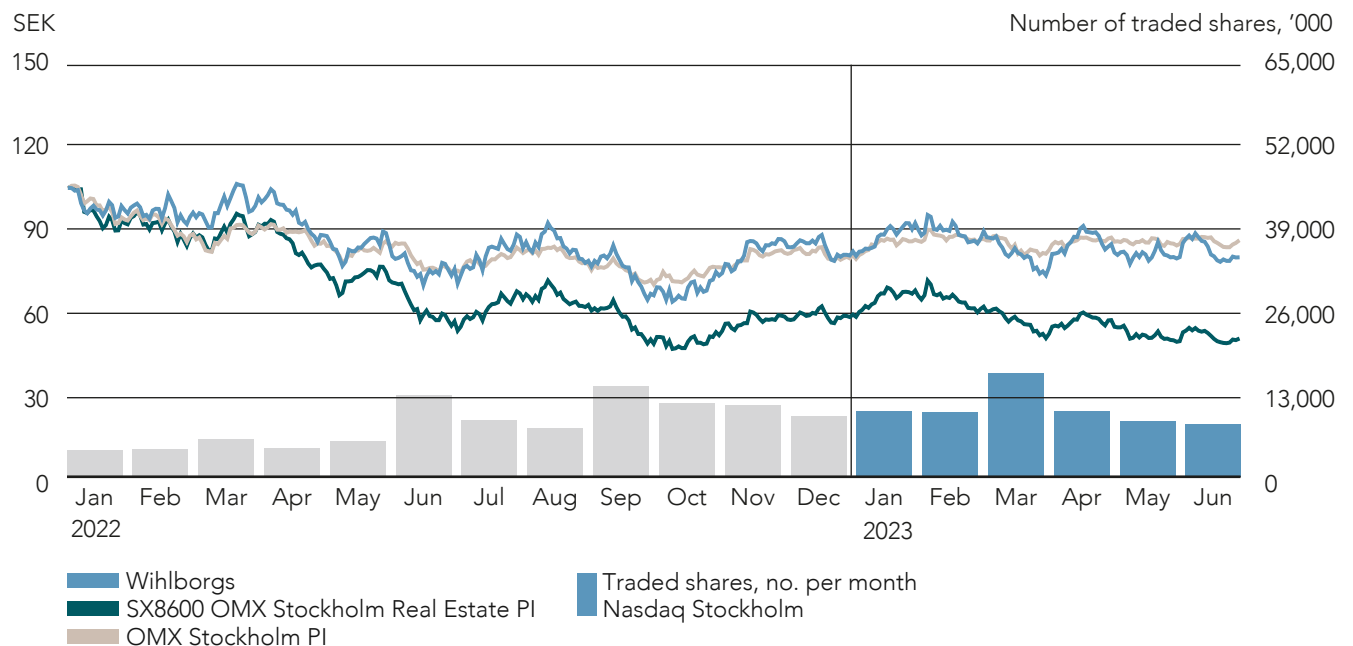
Shares held by owners registered abroad account for 36 percent. The number of shareholders is approximately 31,000.

Largest shareholders in Wihlborgs Wihlborgs 31 May 2023

	Number of shares, thousands	Proportion of equity and votes, %
Backahill	34,076	11.1
SEB Investment Management	17,501	5.7
Swedbank Robur funds	15,984	5.2
Länsförsäkringar funds	15,791	5.1
SHB funds	9,938	3.2
Bank of Norway	6,517	2.1
Nordea funds	5,176	1.7
AMF funds	4,564	1.5
Qviberg family	4,538	1.5
Life insurance company Skandia	3,686	1.2
Other shareholders reg. in Sweden	85,571	27.8
Other shareholders reg. abroad	104,084	33.9
Totalt antal utestående aktier	307,427	100.0

Development in share price

2023-01-01 – 2023-06-30



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

ihlborgs 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.

Events after the accounting period

Wihlborgs has acquired the Klædemålet 9, København Ø property, with the transfer scheduled for 4 July 2023. The lettable area amounts to 3,900 square meters and was acquired for DKK 71,5 million.

Malmö 10 July 2023

Wihlborgs Fastigheter AB (publ)

<i>Anders Jarl</i> Chairman	<i>Lennart Mauritzson</i> Deputy Chairman	<i>Tina Andersson</i> Board member
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<i>Amela Hodzic</i> Board member	<i>Jan Litborn</i> Board member	<i>Anna Werntoft</i> Board member
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<i>Johan Röstin</i> Board member	<i>Ulrika Hallengren</i> CEO
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The Board of Directors and the CEO offer assurance that the interim report provides a fair summary of the parent company's and the Group's business activities, status and profits, and describes the significant risks and uncertainty factors faced by the parent company and the companies that are part of the Group.

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

Financial reports

Consolidated income statement summary

SEK m	2023 Apr-Jun 3 months	2022 Apr-Jun 3 months	2023 Jan-Jun 6 months	2022 Jan-Jun 6 months	2022/2023 jul-Jun 12 months	2022 Jan-Dec 12 months
Rental income	964	804	1,935	1,599	3,671	3,335
Operating costs	-111	-115	-285	-245	-561	-521
Repairs and maintenance	-30	-23	-60	-47	-128	-115
Property tax	-61	-52	-122	-102	-246	-226
Property administration	-40	-36	-79	-70	-151	-142
Total property costs	-242	-226	-546	-464	-1,086	-1,004
Operating surplus	722	578	1,389	1,135	2,585	2,331
Central administration	-21	-22	-44	-44	-88	-88
Interest income	5	2	9	6	17	14
Interest expenses	-239	-78	-431	-151	-679	-399
Leasehold rent	-1	-1	-2	-2	-5	-5
Share in results of joint ventures	25	4	27	6	29	8
Income of property management	491	483	948	950	1,859	1,861
Change in value of properties	-59	151	-87	372	-63	396
Change in value of derivatives	35	292	-64	632	-42	654
Pre-tax profit	467	926	797	1,954	1,754	2,911
Current tax	-8	-10	-15	-22	-37	-44
Deferred tax	-89	-183	-157	-383	-353	-579
Profit for the period¹	370	733	625	1,549	1,364	2,288
OTHER TOTAL PROFIT LOSS						
<i>Items that will be reclassified to profit or loss for the year:</i>						
Translation differences on recalculation of foreign operations	183	139	239	179	443	383
Hedging of currency risk in foreign operations	-184	-136	-242	-179	-443	-380
Tax attributable to items that will be reclassified to profit or loss for the year	28	24	37	32	68	63
Other comprehensive income for the period	27	27	34	32	68	66
Total comprehensive income for the period¹	397	760	659	1,581	1,432	2,354
Earnings per share ²	1.20	2.38	2.03	5.04	4.44	7.44
No. of shares at end of the period, thousands ³	307,427	307,427	307,427	307,427	307,427	307,427
Average no. of shares, thousands ³	307,427	307,427	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.

Consolidated balance sheet summary

SEK m	2023-06-30	2022-06-30	2022-12-31
ASSETS			
Investment properties	56,629	51,760	55,179
Right-of-use assets	143	146	146
Other fixed assets	424	387	391
Derivatives	638	669	696
Current receivables	332	339	238
Liquid assets	185	443	159
Total assets	58,351	53,744	56,809
EQUITY AND LIABILITIES			
Equity	23,086	22,607	23,380
Deferred tax liability	5,341	4,992	5,180
Borrowings	28,499	24,853	26,806
Lease liability	143	145	144
Derivatives	4	-	1
Other long-term liabilities	42	45	43
Current liabilities	1,236	1,102	1,255
Total equity & liabilities	58,351	53,744	56,809

Consolidated statement of changes in equity

SEK m	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Total equity at beginning of period	23,380	21,948	21,948
Equity attributable to parent company's shareholders			
Opening amount	23,380	21,948	21,948
Dividend paid*	-953	-922	-922
Profit for the period	625	1,549	2,288
Other comprehensive income	34	32	66
Total equity at end of period	23,086	22,607	23,380

*) All shares are ordinary shares

Consolidated cash flow statement summary

SEK m	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Jan-Dec
Operating activities					
Operating surplus	722	578	1,389	1,135	2,331
Central administration	-21	-22	-44	-44	-88
Non-cash items	3	5	8	8	16
Interest received	8	2	9	32	40
Interest paid	-211	-78	-407	-158	-406
Income tax paid	-8	2	-30	-9	-62
Change in operating receivables	67	-42	13	-115	-88
Change in operating liabilities	-156	-116	-138	-37	199
Cash flow from operating activities	404	329	800	812	1,942
Investment activities					
Acquisitions of properties	0	-377	-20	-377	-2,438
Investments in existing properties	-542	-298	-933	-568	-1,518
Sales of properties	0	0	0	1	97
Change in other non-current assets	-4	1	-8	0	-1
Cash flow from investment activities	-546	-674	-961	-944	-3,860
Financing activities					
Dividends paid	-953	-922	-953	-922	-922
Change in borrowing	1,806	2,227	3,244	4,893	8,194
Loan repayments	-747	-832	-2,102	-3,709	-5,504
Change in other long-term liabilities	-3	0	-2	-2	-6
Cash flow from financing activities	103	473	187	260	1,762
Cash flow for the period	-39	128	26	128	-156
Opening cash flow	224	315	159	315	315
Closing cash flow	185	443	185	443	159

Historical summary of last eight quarters

SEK m	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Rental income	964	971	888	848	804	795	770	813
Operating costs	-111	-174	-151	-125	-115	-130	-118	-99
Repairs and maintenance	-30	-30	-39	-29	-23	-24	-34	-24
Property tax	-61	-61	-57	-67	-52	-50	-45	-49
Property administration	-40	-39	-39	-33	-36	-34	-36	-29
Operating surplus	722	667	602	594	578	557	537	612
Income from property management	491	457	436	475	483	467	443	513
Profit for the period	370	255	290	449	733	816	1,668	673
Surplus ratio, %	74.9	68.7	67.8	70.0	71.9	70.1	69.7	75.3
Investment yield, %	5.2	4.8	4.4	4.5	4.5	4.4	4.4	5.2
Equity/assets ratio, %	39.6	41.1	41.2	41.0	42.1	43.6	42.9	41.5
Return on equity, %	6.4	4.4	5.0	7.9	12.9	14.6	31.6	13.5
Earnings per share, SEK ¹	1.20	0.83	0.94	1.46	2.38	2.66	5.43	2.19
Income property management per share, SEK ¹	1.60	1.49	1.42	1.55	1.57	1.52	1.44	1.67
Cash flow fr operating activities per share, SEK ¹	1.31	1.29	1.69	1.99	1.07	1.57	1.82	1.46
EPRA NRV per share, SEK ¹	90.41	92.08	90.64	89.28	87.60	88.52	86.33	79.84
Share price as % of EPRA NRV	86.3	86.2	86.6	75.4	81.7	111.4	119.0	109.2
Carrying amount of properties	56,629	55,701	55,179	54,488	51,760	50,618	50,033	47,741
Equity	23,086	23,642	23,380	23,077	22,607	22,769	21,948	20,278
Total assets	58,351	57,474	56,809	56,342	53,744	52,168	51,152	48,832

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	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SEK m										
Rental income	696	582	448	396	317	280	474	341	1,935	1,599
Property costs	-157	-136	-117	-101	-94	-81	-179	-145	-546	-464
Operating surplus	538	446	332	295	224	199	295	196	1,389	1,135

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 1,389 million (1,135) and the pre-tax profit of SEK 797 million (1,954) consists of central administration SEK -44 million (-44), financial net SEK -424 million (-147), share in results SEK 27 million (6) and changes in value of properties and derivatives SEK -151 million (1,004).

Parent company's income statement summary			
SEK m	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Income	115	107	219
Expenses	-111	-107	-212
Operating profits	4	0	7
Financial income	803	1,666	2,506
Financial expenses	-644	-320	-726
Pre-tax profit	163	1,346	1,787
Appropriations	-	-	297
Tax	14	-131	-135
Profit for the period	177	1,215	1,949

Parent company's balance sheet summary			
SEK m	2023-06-30	2022-06-30	2022-12-31
Participations in Group companies	10,651	9,431	10,651
Receivables fr Group companies	18,087	16,619	17,306
Derivatives	638	669	696
Other assets	292	293	291
Cash and bank balances	61	303	41
Total assets	29,729	27,315	28,985
Equity	6,995	7,038	7,772
Liabilities to credit institutions	20,613	18,242	19,031
Derivatives	1	-	1
Liabilities to Group companies	1,893	1,831	1,962
Other liabilities	227	204	219
Total equity and liabilities	29,729	27,315	28,985

Key figures for the group				
SEK m	Jan-Jun 2023	Jan-Jun 2022	Jul-Jun 2022/2023	Jan-Dec 2022
Financial				
Return on equity, %	5.4	13.9	6.0	10.1
Return on total capital, %	5.1	6.3	5.0	5.5
Equity/assets ratio, %	39.6	42.1	39.6	41.2
Interest coverage ratio, multiple	3.2	7.2	3.7	5.6
Leverage properties, %	50.3	48.0	50.3	48.6
Debt/equity ratio, multiple	1.2	1.1	1.2	1.2
Share-related				
Earnings per share, SEK	2.03	5.04	4.44	7.44
Earnings per share before tax, SEK	2.59	6.36	5.71	9.47
EPRA EPS, SEK	2.88	2.77	5.56	5.45
Cash flow from operations per share, SEK	2.60	2.64	6.28	6.32
EPRA NDV (net disposal value) per share, SEK	75.09	73.54	75.09	76.05
EPRA NRV (net reinstatement value) per share, SEK	90.41	87.60	90.41	90.64
Market value per share, SEK	78.00	71.55	78.00	78.50
Proposed dividend per share, SEK	-	-	-	3.10
Dividend yield, %	-	-	-	3.9
Total return from share, %	-	-	-	-20.6
P/E-ratio I, multiple	19.2	7.1	17.6	10.5
P/E-ratio II, multiple	13.5	12.9	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
Property-related				
Number of properties	306	300	306	306
Carrying amount of properties, SEK m	56,629	51,760	56,629	55,179
Estimated investment yield, % – all properties	5.0	4.5	5.0	5.0
Estimated direct return, % – excl project properties	5.3	4.8	5.3	5.4
Lettable area, m ²	2,253,575	2,149,327	2,253,575	2,228,929
Rental income, SEK per m ²	1,886	1,646	1,886	1,871
Operating surplus, SEK per m ²	2,822	1,078	2,822	1,245
Financial occupancy rate, % – all properties	92	92	92	91
Financial occupancy rate, % – excl project properties	93	92	93	93
Estimated surplus ratio, %	72	71	72	73
Employees				
Number of FTEs at period end	219	257	219	256



More connections between Sweden and Denmark would release capacity on the Öresund Bridge, increase integration between the countries and strengthen the region's labour market. On 8 May, Wihlborgs organised a seminar, in partnership with the City of Malmö, to address the local, regional and national possibilities with an Öresund metro. The issue is highly topical as the City of Copenhagen supports a partial study for connection of the Danish side to the planned M5 metro line at the same time as the City of Malmö has started a municipal central plan for the metro.



Key figures

Basis for key ratios

The basis for key financial ratios that Wihlborgs present in the Interim report January-June 2023 on page 22, are shown below.

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.	2023-06-30	2022-06-30	2022-12-31
Return on equity			
Profit for the period	625	1,549	2,288
Annualized	1,250	3,098	2,288
Equity, opening balance	23,380	21,948	21,948
Equity, closing balance	23,086	22,607	23,380
Average equity	23,233	22,278	22,664
Return on equity, %	5.4	13.9	10.1
Return on capital employed			
Profit before tax	797	1,954	2,911
Interest expense (incl value changes interest derivatives)	495	-481	-255
Total	1,292	1,473	2,656
Annualized	2,584	2,946	2,656
Total assets, opening balance	56,809	51,152	51,152
Total assets, closing balance	58,351	53,744	56,809
Non-interest bearing debt, opening balance	-6,465	-5,764	-5,764
Non-interest bearing debt, closing balance	-6,608	-6,127	-6,465
Average capital employed	51,044	46,503	47,866
Return on capital employed, %	5.1	6.3	5.5
Equity/assets ratio			
Equity	23,086	22,607	23,380
Total assets	58,351	53,744	56,809
Equity/assets ratio, %	39.6	42.1	41.2
Interest coverage ratio			
Income from property management	948	950	1,861
Interest expense	433	153	404
Total	1,381	1,103	2,265
Interest expense	433	153	404
Interest coverage ratio, multiple	3.2	7.2	5.6
Leverage properties			
Borrowings	28,499	24,853	26,806
Net value investement properties	56,629	51,760	55,179
Leverage properties, %	50.3	48.0	48.6
Debt/equity ratio			
Interest-bearing liabilities	28,654	25,010	26,962
Equity	23,086	22,607	23,380
Debt/equity ratio, multiple	1.2	1.1	1.2

	2023-06-30	2022-06-30	2022-12-31
Earnings per share			
Profit for the period	625	1,549	2,288
Average number of shares, thousands	307,427	307,427	307,427
Earnings per share, SEK	2.03	5.04	7.44
Earnings per share before tax			
Profit before tax	797	1,954	2,911
Average number of shares, thousands	307,427	307,427	307,427
Earnings per share before tax, SEK	2.59	6.36	9.47
EPRA EPS			
Income from property management	948	950	1,861
Tax depreciation, direct tax deductions etc	-644	-477	-972
Taxable income from property management	304	473	889
Current tax on the above	-64	-99	-186
Income from property management after deduction of current tax	884	851	1,675
Average number of shares, thousands	307,427	307,427	307,427
EPRA EPS, SEK	2.88	2.77	5.45
Operating cash flow per share			
Operating cash flow	800	812	1,942
Average number of shares, thousands	307,427	307,427	307,427
Operating cash flow per share, SEK	2.60	2.64	6.32
EPRA NDV per share			
Equity	23,086	22,607	23,380
Number of shares at year end, thousands	307,427	307,427	307,427
EPRA NDV per share, SEK	75.09	73.54	76.05
EPRA NRV per share			
Equity	23,086	22,607	23,380
Deferred tax liability	5,341	4,992	5,180
Derivatives	-634	-669	-695
Total	27,793	26,930	27,865
Average number of shares, thousands	307,427	307,427	307,427
EPRA NRV per share, SEK	90.41	87.60	90.64

	2023-06-30	2022-06-30	2022-12-31
Dividend yield per share			
Proposed dividend, SEK	-	-	3,10
Market price per share at year end, SEK	-	-	78,50
Dividend yield per share, %	-	-	3,9
Total yield per share			
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
Total return per share, %	-	-	-20,6
P/E ratio I			
Market price per share, SEK	78,00	71,55	78,50
Earnings per share, SEK	2,03	5,04	7,44
Annualized per share, SEK	4,07	10,08	7,44
P/E ratio I, multiple	19,2	7,1	10,5
P/E ratio II			
Market price per share, SEK	78,00	71,55	78,50
EPRA EPS, SEK	2,88	2,77	5,45
Annualized per share, SEK	5,76	5,54	5,45
P/E ratio II, multiple	13,5	12,9	14,4

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 m²

Rental income on an annualised basis divided by lettable area.

Operating surplus per m²

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-Sept 2023.....	24 October 2023
Year-end report 2023.....	13 February 2024
Interim report Jan-March 2024.....	23 April 2024
Annual General Meeting.....	24 April 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 Q2 2023

Another MedTech company at Wihlborgs' Berga Flexhus in Helsingborg.....	14 June 2023
Wihlborgs invests in Malmö for Securitas	12 June 2023
Growing Klaravik moves to Wihlborgs property in Lund	5 June 2023
Wihlborgs builds new premises for Renta's co-location in Helsingborg.....	1 June 2023
Wihlborgs signs agreement with Region Skåne for 17,200 m ² in the Malmö area	11 maj 2023
Wihlborgs starts the transformation of the historic Malmö Börshus	10 maj 2023
Wihlborgs Fastigheter AB (publ) AGM 2023	26 April 2023
Interim report Jan-Mar 2023: Stable growth and continued customer focus.....	25 April 2023
Wihlborgs' interim report for January-March 2023 will be presented on 25 April.....	19 April 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 **10 July 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.

Contact

Ulrika Hallengren, CEO

+46 (0)40-690 57 95, ulrika.hallengren@wihlborgs.se

Arvid Liepe, CFO

+46 (0)40-690 57 31, arvid.liepe@wihlborgs.se



Malmö – Headquarters

Wihlborgs Fastigheter AB
Box 97, 201 20 Malmö
Visits: Dockplatsen 16
Phone: 040-690 57 00

Helsingborg

Wihlborgs Fastigheter AB
Terminalgatan 1
252 78 Helsingborg
Phone: 042-490 46 00

Lund

Wihlborgs Fastigheter AB
Ideon Science Park
Scheelevägen 17
223 70 Lund
Phone: 046-590 62 00

Copenhagen

Wihlborgs A/S
Mileparken 22A
DK-2740 Skovlunde, Danmark
Phone: +45 396 161 57