

Year-end report
Jan – Dec

2023

Record operating surplus

Rental income increased
16 percent to SEK 3,881 million (3,335)

Operating surplus increased
19 percent to SEK 2,763 million (2,331)

Income from property management
amounted to SEK 1,747 million (1,861)

Profit from the period amounted to SEK
-27 million (2,288), corresponding to
earnings per share* of SEK -0.09 (7.44)

The Board of Directors propose a
dividend of SEK 3.15 (3.10) per share

In 12 months EPRA NRV per share has
increased by 2 percent to SEK 89.17
(90.64) 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 56 billion, representing an annual rental value of SEK 4.4 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

We work continuously to improve our property portfolio by refining and developing existing properties, implementing new projects and acquiring and selling properties. With good results, we enable value growth and dividends to shareholders.



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

55.9

Rental income, SEK million
Jan-Dec

3,881

Income property
management, SEK million
Jan-Dec

1,747



Wihlborgs



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January - December 2023

Group key figures, SEK m	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income	969	888	3,881	3,335
Operating surplus	659	602	2,763	2,331
Income property management	366	436	1,747	1,861
Changes in value of properties	-297	-16	-1,212	396
Changes in value of derivatives	-506	-37	-559	654
Result for the period	-350	290	-27	2,288
Earnings per share, SEK*	-1.14	0.94	-0.09	7.44
Surplus ratio, %	68	68	71	70
Equity/assets ratio, %	39.0	41.2	39.0	41.2
Occupancy rate, %**	93	93	93	93
EPRA NRV per share, SEK	89.17	90.64	89.17	90.64

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

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

Financial targets

Target	Outcome January-December 2023
🏠 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	-0.1
🏠 An equity/assets ratio of no less than 30 percent	39.0
🏠 An interest coverage ratio of no less than 2.0 times	2.8
🏠 The loan-to-value ratio is not to exceed 60 percent	50.0

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

Good demand for a high-quality product

The conclusion of 2023 was incredibly active for Wihlborgs. Never before have we signed new leases with such a high value as we did in the fourth quarter of 2023, SEK 146 million. We also had substantial terminations but once again posted positive net lettings for the quarter, this time with SEK 18 million. As always, the full picture builds on a large number of smaller transactions, but naturally, I am pleased that Kvar-tetten in Hyllie (Pulpeten 5) is now fully let and that we have signed the first leases at Vista (Bläckhornet 1), where tenants including Mercedes-Benz will move in.

Activity continued through January when we signed our largest-ever lease. A total of 62,000 square metres will be let to Novo Nordisk at Girostrøget 1 in Høje-Taastrup on a ten-year lease. The letting also entails a seamless transition from the previous tenant without intermediate vacancy.

The rent trend remains healthy in our Swedish markets but weaker in Denmark. In like-for-like portfolios, rental value has risen 6.5 percent in our Swedish operations, confirming the continued functionality of the indexation model. The corresponding figure for the Danish portfolio was 1.1 percent, but this should be viewed in the context of the latest figure for the Danish net price index, which was +1.0 percent.

In the fourth quarter, Wihlborgs rental income increased 9 percent year-on-year. Year-on-year, service income decreased 11 percent, mainly due to large shifts in onward invoicing of electricity costs, while the remaining rental income increased 12 percent. The quarter's operating surplus also increased 9 percent, resulting in a slight upswing in the surplus ratio. Interest expense rose significantly, resulting in a net interest expense of SEK -273 million, resulting in income from property management of SEK 366 million for the quarter.

Property valuations during the quarter

As we did at the end of the third quarter, we had all properties externally valued at the end of the year. The valuation resulted in a negative change in value in the quarter of SEK 297 million, corresponding to 0.5 percent. During the year, values were written down by just over 2 percent. However, a variety of parameters affecting the valuation must be taken into account when analysing this figure. Calculations by our external appraiser show that our values would have declined 12.5 percent if we only applied the current yield requirement to net operating income from the end of 2022. However, we have significantly improved net operating income over the year through lettings, indexation, rent increases, cost efficiency measures, investments and project development. Our properties do not comprise a static asset and are, instead, a product that we are constantly working on and improving. This creates value over time.

"Our properties do not comprise a static asset and are, instead, a product that we are constantly working on and improving."

With improved earnings and slowly declining borrowings, we can continue to strengthen the net debt/EBITDA ratio, which now stands at a multiple of 10.3. Negative changes in the value of properties and derivatives adversely impact equity, resulting in a decline on the equity/assets ratio to 39.0 percent. The year-end loan-to-value ratio was 50.0 percent. Available funds in the form of unutilised credit facilities plus liquid assets amounted to slightly more than SEK 3.2 billion. Bonds maturing in 2024 amount to SEK 1.2 billion, but given the significant improvement in the bond market over the past two months, we issued just over SEK 800 million of new bonds in the beginning of this year.

In light of our healthy earnings, strong balance sheet and stable liquidity, the Board proposes a dividend of SEK 3.15 per share, which is an increase of SEK 0.05.

Continues to invest

Despite the uncertainty surrounding many external factors, we are convinced that Wihlborgs is right to continue investing in our markets. While we have raised our yield requirements and are diligent in procuring contracting services wisely, continuing to invest both in existing and in new properties today allows us to build the foundations for our future growth, support local businesses and be ready to offer our customers attractive products when the economy picks up again.

Our work with sustainability also continues unabated. During the year, we have reduced energy consumption from 88.6 to 83.3 kWh/m², reduced Scope 1 and 2 CO₂ emissions from 1.35 to 1.27 kg CO₂e/m² and increased the share of environmentally certified office properties in Sweden from 49 to 71 percent. Moreover, we have driven our new-build projects toward an increasingly lower Scope 3 CO₂ impact, which is the area where our industry has the greatest climate impact. I am also pleased and proud that our annual employee survey produced a record high score with a trust index of 90, up from 86 last year.

Our business is driven and developed by all our employees – through their skills and their commitment. Like the market in which we operate, we are constantly evolving. For all these reasons, I am looking forward to 2024, and all the opportunities and challenges that we will take on. Wihlborgs is celebrating 100 years this year, a milestone that fills me with both pride and humility. We apply a long-term horizon for our properties, our markets and our region. This is how we build a successful business, today and for many years to come.



Ulrika Hallengren, vd



Market comments

In the end of 2023, Swedish long-term interest rates fell drastically, in pace with falling expectations for the central banks' policy rates. According to the Swedish National Institute of Economic Research, the Swedish economy is in a recession that is expected to worsen in 2024. High inflation and higher interest rates primarily affect interest-sensitive households and housing construction. GDP growth for Sweden's most important trade partners is expected to remain weak in 2024, with an upturn in growth not expected until 2025.

In its economic outlook report, Handelsbanken predicts that the Swedish economy will experience a soft landing and that GDP growth will remain unchanged in 2024 (+0.1%) but that it will start picking up speed in 2025 and 2026 (2.4% and 2.5%, respectively). The labour market has cooled but is believed to pick up again in 2025 when interest rates go down and fiscal policy is expected to become expansive. One downside risk is rising freight costs. Handelsbanken predicts a continued rise in unemployment in 2024, which is clear in the statistics from Arbetsförmedlingen (Sweden's public employment agency), where the number of unemployed individuals in Skåne increased from 8.7% in October to 9.0% in December. The increase was higher in Malmö and Helsingborg, while lower in Lund.

According to Statistics Denmark, the annual rate of inflation was only 0.7% in December, and core inflation was 2.6%. SEB states in its most recent report that Denmark is more resilient than Sweden. Denmark is expected to have a rising GDP growth of 1.5% for 2024 and 3.0% for 2025.

The rental and property market

In SEPREF's (the Swedish Property Research Forum) consensus forecast for the fourth quarter of 2023, the prime rent in Malmö increased SEK 75/m² from the previous quarter to SEK 3,175/m². The yield requirement for prime locations has increased from 4.6% in the previous quarter to 4.75% in the fourth. The majority consensus is that yield requirements will continue to rise in the coming year, while rents will remain unchanged. Research from Citymark shows that the share of employees in office-intensive industries in Malmö increased 2.4% for the first three quarters of 2023. This growth is comparable with Gothenburg and approximately one percentage point stronger than in Stockholm.

According to premises brokering portal Ejendomstorvet, office rent in the Greater Copenhagen area posted an average of DKK 1,264/m², which is up 10% from beginning of the year, and a vacancy rate that fell from 5.8% at the beginning of the year to 4.9%. Colliers reports rent of DKK 1,250/m² in the same areas and a dividend yield of 5.25%, up from 5.13%, for the third quarter.

According to Colliers, turnover in the Swedish real estate market amounted to SEK 88 billion for 2023, down 57% year-on-year. One of only a few transactions in the market in Skåne was when PEAB sold the "Corner" office building in Hyllie for SEK 420 million (SEK 56,500/m²). In Denmark, volume for 2023 amounted to DKK 38 billion, a decrease from DKK 86 billion in 2022. In November, AP Ejendomme acquired two office properties from Corem for approximately DKK 2.5 billion and in December the pension company Pensam acquired 26,000 m² of office space at Islands Brygge from ALFA Development.

Income, expenses and profits

January–December 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 3,881 million (3,335) corresponding to an increase by 16 percent. Of the rental income, service income accounted for SEK 432 million (373), whose increase is mainly due to increased additional charges to tenants 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 received electricity support towards the tenants. In connection with the annual settlement of additional charges for the full year 2023, these have been reduced by a further SEK 15 million, which is due to lower electricity costs than estimated. 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-December 2022	3 335
Acquisitions	123
Currency effect	58
Index	229
Additional charges	62
Danish canteen operation	-33
Completed projects, new leases and renegotiations	107
Rental income January-December 2023	3 881

At the end of the period the occupancy rate for investment properties, excluding Projects & Land, is 93 percent (93). During the period new leases were signed to a value of SEK 371 million (282). Lease terminations totalled SEK 318 million (163). This represents a net letting of SEK 53 million (119).

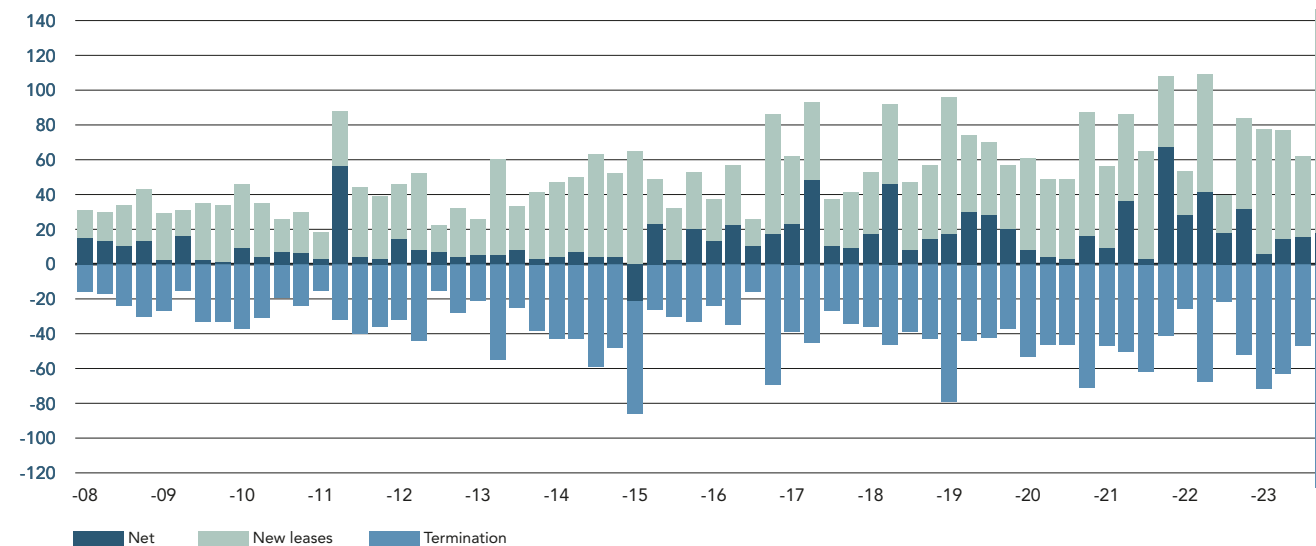
Terms of Wihlborgs' contracts per 31 December 2023

Cancellable rental value, SEK m



Net letting, quarterly

SEK m



Ten largest tenants per 31 December 2023

20 %

Rental income from ten largest tenants

23 %

Rental income from governmental tenants

- Danish building and Property Agency
- Danske Bank
- Swedish Social Insurance Agency
- City of Helsingborg
- Lund university
- City of Malmö
- Malmö university
- Swedish regional council
- Swedish tax agency
- Trygg-Hansa

Property expenses

Total property costs amounted to SEK 1,118 million (1,004). Of the increase of SEK 114 million, SEK 54 million stems from acquisitions of properties and new production. The costs for the Danish canteen business has decreased with SEK 35 million. Received electricity subsidy reduced electricity costs by SEK 20 million in the second quarter. Of the increased property tax of SEK 21 million, SEK 9 million refers to acquisitions. Rental losses during the year amounted to SEK 6 million (1). 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 2,763 million (2,331) representing a surplus ratio of 71 percent (70). Of the change, SEK 78 million (55) was attributable to property acquisitions and divestments, in addition, currency effects have affected by SEK 33 Mkr (22).

Central administration

The costs for central administration were SEK 92 Mkr (88).

Financial income and expense

Net interest totalled SEK -958 million (-385), of which interest income accounted for 19 million (14). The interest expense for the period, incl. realized effects from interest rate derivatives, was 977 million (399). The leasehold amounted to 5 million (5). Net payments relating to interest rate derivatives amounted to SEK +262 million (15). At the end of the period, the average interest rate, including the cost of credit agreements, was 3.98 percent, compared with 2.59 percent at the previous year-end.

Income from property management

Profit participation in joint ventures amounted to SEK 39 million (8), of which SEK 20 million is attributable to a property sale in an associated company. Income from property management amounted to SEK 1,747 million (1,861).



We will build a new 11,600 square metre school for Nordsjællands Grundskole & Gymnasium (NGG) in Hørsholm, north of Copenhagen (Christianshusvej 11), with room for 1,500 students and employees.

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK -24 million (2,911). During the period, value changes on properties amounted to SEK -1,212 million (+396). Changed market interest rates have entailed negative value changes on derivatives amounting to SEK -559 million (+654), of which SEK -547 million (+664) are attributable to interest rate derivatives and -12 million (-10) to other financial items.

Profit after taxes

The profit after taxes was SEK -27 million (2,288). Total tax amounted to SEK -3 million (-623), of which current tax SEK -32 million (-44) and deferred tax SEK 29 million (-579).

Assets

Property portfolio as of 31 December 2023

The summaries below are based on Wihlborgs' property portfolio as of 31 December 2023. Rental income relates to contracted rental income on an annual basis as of 1 January 2024.

The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for January 2024, 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 December 2023 consisted of 305 properties (306) with a lettable area of 2,279,000 m² (2,229,000). 6 of the properties (7) are leasehold rights.

The properties' carrying amount was SEK 55,872 million (55,179), which corresponds to the estimated market value. The total rental value was SEK 4,408 million (4,170) and the contracted rental income on annual basis SEK 4,043 million (3,810). The like-for-like increase in rental value, excluding additional charges and parking income, was 5.2 percent while contracted rental income increased by 5.3 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 93 percent (94) and for Logistics/Production properties 91 percent (92). The rental value for Office/Retail properties represented 83 percent and Logistics/Production properties 15 percent of the total rental value.

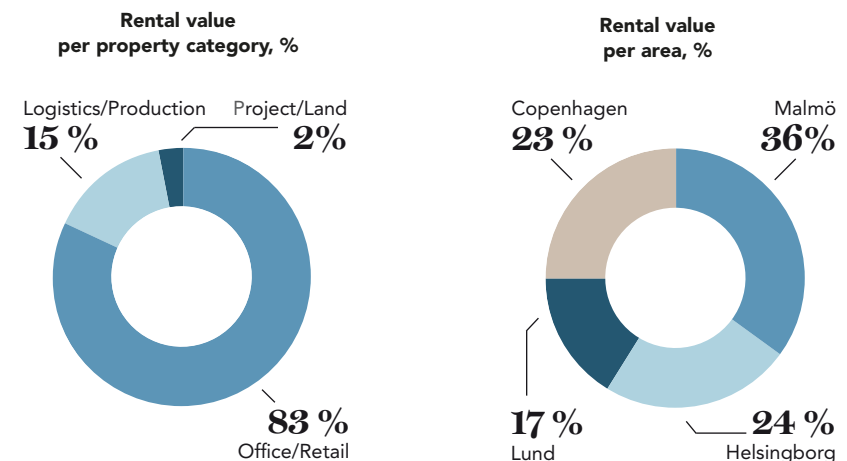
Operating surplus from investment properties, excluding property administration and Projects/Land is SEK 3,081 million (2,949) which with a carrying amount of SEK 53,078 million (51,483) corresponds to a running yield of 5.8 percent (5.7). Broken down by property category, this is 5.6 percent (5.6) for Office/Retail and 6.9 percent (6.9) for Logistics/Production.

Rental growth

Entire property stock			
	2024-01-01, SEK m	2023-01-01, SEK m	Percent
Rental value	4,408	4,170	+5.7
Rental income	4,043	3,810	+6.1

Like-for-like*			
	2024-01-01, SEK m	2023-01-01, SEK m	Percent
Rental value	3,348	3,181	+5.2
Rental income	3,093	2,938	+5.3

*Excluding projekt & land and excluding additional charges and parking income.



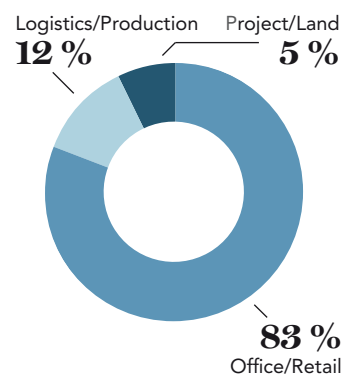
Changes in values of properties

In the valuation as of 31 December 2023, all properties have been valued externally. The valuation has meant that the property value has decreased by SEK 1,212 million (+396). Since the turn of the previous year, the assumptions about future indexation, market rent development, long-term vacancy, operating cost development and yield requirements have changed. Positive net leasing and completion of projects have had a positive impact on valuations, while maintenance investments and certain relocation risks have had a negative impact.

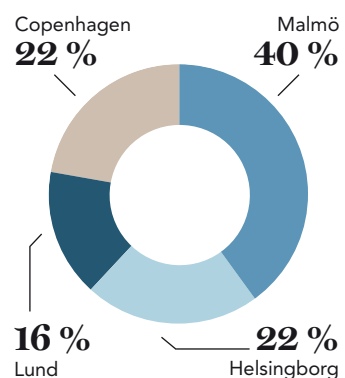
When valuing at fair value, a combination of yield-based method and local price method is applied, where analyzes of completed transactions in affected sub-markets are used to calibrate the parameters in the yield-based method. The value is deemed to correspond to the yield value calculated from, normally five-year, cash flow analyses. Ongoing new construction is valued as if the project had been completed reduced by the budgeted remaining project cost. Undeveloped land and other development objects are valued according to the local price method. The valuation methodology is unchanged compared to before. In the Annual Report for 2022 pages 82-83 and 106-107 there is a detailed description of the valuation of the investment properties.

As of 31 December 2023, the reported value of the properties amounts to SEK 55,872 million (55,179).

Book value
per property category, %



Book value
per area, %



Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2023	55,179
Acquisitions	134
Investments	1,862
Properties sold	-18
Change in value	-1,212
Currency translations	-73
Carrying amount 31 December 2023	55,872



In the 2023 employee survey that we performed in collaboration with Great Place to Work, our overall trust index rose from 86 to 90 – a record increase from an already high level. A full 98 percent of our employees think that all-in-all, Wihlborgs is a very good place to work.

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	50	462	18,967	1,360	2,944	95	1,296	1,002	77	1,045	5.5
Logistics/Production	31	146	2,152	183	1,254	95	174	136	78	146	6.8
Project & Land	21	25	1,027	24	955	-	5	-5	-	-1	-
Total Malmö	102	633	22,146	1,566	2,476	94	1,475	1,133	77	1,190	5.4
Helsingborg											
Office/Retail	38	287	8,334	673	2,347	92	622	478	77	496	6.0
Logistics/Production	56	372	3,678	390	1,050	88	343	246	72	266	7.2
Project & Land	12	8	479	12	1,518	-	8	5	-	6	-
Total Helsingborg	106	666	12,490	1,075	1,614	90	973	729	75	768	6.1
Lund											
Office/Retail	27	243	8,498	716	2,946	90	646	454	70	498	5.9
Logistics/Production	4	23	272	24	1,041	98	23	17	74	19	7.0
Project & Land	3	7	384	15	2,134	-	1	-4	-	-2	-
Total Lund	34	273	9,154	755	2,766	89	670	468	70	514	5.6
Copenhagen											
Office/Retail	50	577	10,297	887	1,537	94	831	533	64	560	5.4
Logistics/Production	9	61	881	68	1,109	97	65	50	77	52	5.9
Project & Land	4	69	904	57	822	-	28	7	-	7	-
Total Copenhagen	63	708	12,082	1,012	1,430	91	925	590	64	619	5.1
Total Wihlborgs	305	2,279	55,872	4,408	1,934	92	4,043	2,920	72	3,091	5.5
Total excluding projects and land	265	2,170	53,078	4,300	1,982	93	4,000	2,917	73	3,081	5.8

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	356,560	39,236	168,794	49,618	18,457	632,664	28
Helsingborg ²	222,405	73,735	313,481	44,265	12,095	665,981	29
Lund ³	208,230	13,404	36,062	5,554	9,664	272,915	12
Copenhagen ⁴	521,863	8,396	125,229	12,508	39,558	707,554	31
Total	1,309,058	134,771	643,566	111,945	79,774	2,279,114	100
Share, %	58	6	28	5	3		

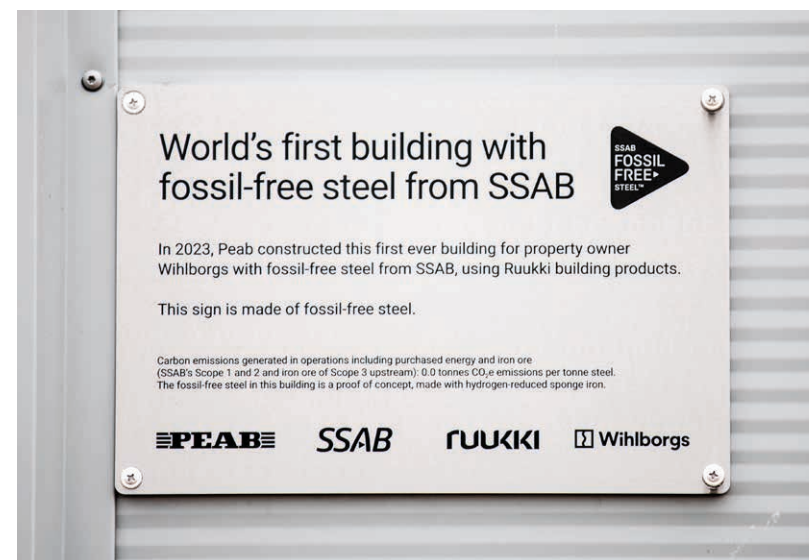
1) Miscellaneous area in Malmö includes 10,275 m² hotel.

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.



As a purchaser, we have a major responsibility to constantly raise our own requirements so that our high sustainability ambitions influence the entire chain. One great example of collaboration between companies to develop products and buildings that make a real difference is Tomaten 1 in Lund, the first building in the world to contain fossil-free steel. The project is a partnership between Wihlborgs, Peab, SSAB and Ruukki Construction. In November, Tomaten 1 hosted a visit from Minister for the Environment Romina Pourmokhtari (Liberals).



Investments and current projects

Investments in the property portfolio totalled SEK 1,862 million (1,518). Approved investments in ongoing projects amount to SEK 3,675 million, of which 1,011 million had been invested at the end of period.

Liquid assets

The Groups liquid assets totalled SEK 346 million (159) at the end of the year. At the end of the period unutilized credit facilities, including unutilized overdraft facilities of SEK 341 million (361), amounted to SEK 2,832 million (2,856).

Investments in progress >SEK 50 million, 31 December 2023

Property	Category of use	Municipality	Completion date	Rentable area, m ²	Occupancy rate, %	Estimated investment, SEK m	Expended 2023-12-31, SEK m
Tomaten 1	Logistics/Production	Lund	Q2 2024	6,400	100	137	102
Rausgård 21	Logistics/Production	Helsingborg	Q3 2024	25,000	100	420	279
Snårskogen 5	Logistics/Production	Helsingborg	Q3 2024	3,600	100	78	27
Sunnanå 12:54	Logistics/Production	Malmö	Q3 2025	17,000	100	302	10
Christianusvej 11	Office/Retail	Hörsholm	Q4 2025	11,600	100	390	42
Börshuset 1	Office/Retail	Malmö	Q4 2025	6,000	60	289*	16
Bläckhornet 1	Office/Retail	Malmö	Q4 2025	16,600	15	884	188
Posthornet 1	Office/Retail	Lund	Q1 2026	9,900	0	448	16
Total				96,100		2,948	680

*Excluding land



Börshuset 1 (illustration)

Property transactions

During the fourth quarter, Wihlborgs neither acquired nor sold any properties.

Property transactions January–December 2023

Quarter	Property	Municipality	Management areas	Category	Area, m ²	Price, SEK m	Operating surplus 2023, SEK m ¹
Aquisitions							
Q1	Tomaten 1	Lund	Lund Centre/Gastelyckan	Land	-		
Q3	Part of Grustaget 9 (IRegulated in Grustaget 1)	Helsingborg	Helsingborg Yttre	Land	-		
Q3	Klædemålet 9	Copenhagen	Copenhagen South	Office/Retail	3 900		
Total aquisitions 2023					3 900	134	3
Sales							
Q3	Revolversvarven 11	Malmö	Malmö Yttre	Office/Retail	1 650		
Total sales 2023					1 650	18	0

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



Bläckhornet 1 (illustration)



Posthornet 1 (illustration)

Sustainable business

SGBC awards

This year's Sweden Green Building Awards took place in November. Awards are given to projects and properties that inspire and lead the way in sustainability. Wihlborgs was nominated with the property Delta 3 (Syret 5) in the category Miljöbyggnad iDrift of the Year and with the project Space (Kunskapen 1) in the category NollCO2 of the Year. Wihlborgs won in both these nominations.

At Space, Wihlborgs has worked on a "right material in the right place" basis to optimise the design based on factors such as location, weather conditions and function, and has also made green choices for each material. In 2023, Space, the first building in Lund's Science Village, became the first lab-equipped building certified according to NollCO2, a certification entailing a net zero climate impact.

Delta 3 at Ideon in Lund is one of few properties in Sweden to achieve gold level for Miljöbyggnad iDrift. What sets Delta 3 apart is that 100 percent of the building's energy is green. Substantial work has also been invested in promoting reuse and circularity. The building has thirteen waste fractions and a dedicated space where tenants can repair and swap furniture and devices with each other.

The awards acknowledge Wihlborgs' extensive efforts to certify properties. All new production is Miljöbyggnad certified and in some cases also certified according to NollCO2 and/or WELL. The existing portfolio, with its focus on Swedish office properties, is certified according to Miljöbyggnad iDrift. It is a process that provides us with a good sustainability perspective of the properties. At year end, 71 percent of the area in the Swedish office property portfolio had been certified.

Wihlborgs is awarded the grade A- in the 2023 CDP benchmark (Carbon Disclosure Project) and thus ends up in the "Leadership" group where only 23 percent of the over 20,000 companies that reported in 2023 qualify. In the CDP, goals, strategies and outcomes are assessed in terms of the companies' climate work.

New climate calculation tool

Most of Wihlborgs' emissions arise in connection with construction projects. Therefore it is important to start early if one is to influence the final climate impact of projects. This is because the critical elements of a building's climate impact, such as location, design, frame selection and choice of materials, can be influenced at an early stage.

The majority of projects that Wihlborgs conducts each year are renovation, conversion or extension projects. In the fourth quarter, to ensure early-stage consideration of climate impact in our projects, we developed a template for calculating and reporting climate impact in these projects.

By calculating climate impact, we obtain good decision data for designing and building with minimal climate impact. The calculation results are taken into account in tender evaluation.

Supplier collaboration forum

Having close and good partnerships with suppliers is important for Wihlborgs. ESG-related data is used in supplier evaluations and local suppliers are prioritised.

Collaboration is a necessity for reducing climate impact across the value chain, for ensuring fair working conditions for everyone who works at and visits Wihlborgs' properties and for contributing positively to the region's development. For these reasons, Wihlborgs arranged a collaboration forum with suppliers in November. The day focused on sustainability, and health and safety. The event had high attendance and generated good discussions and exchanges of experience. Further collaboration forums are being planned for 2024.



At the Sweden Green Building Awards 2023, Wihlborgs won both Miljöbyggnad iDrift of the Year for Delta 3 (Syret 5) and NollCO2 of the Year for Space (Kunskapen 1), both in Lund. At Space, we have worked on a "right material in the right place" basis to optimise the design based on factors such as location, weather conditions and function. It is also the first lab-equipped building certified according to NollCO2. Delta 3 is one of few properties in Sweden to achieve gold level for Miljöbyggnad iDrift.

Results for the quarter

Wihlborgs' sustainability targets concerning energy consumption, direct CO₂ emissions, environmental certification and supplier evaluations are followed up and reported on each quarter. Other sustainability targets are reported on an annual basis.

Energy consumption

The energy intensity in 2023 was 83.3 kWh/m² Atemp (cf. 86.3 kWh/m² NFA 2022). Year-on-year, energy intensity in 2023 was down slightly for the portfolio in all regions in Sweden, whereas the corresponding date for the Danish portfolio was up slightly. The increase is primarily attributable to an adjustment of area, where we have changed from measuring in NFA to measuring in Atemp, which results in fewer square metres. Without adjustment of the area for the Danish portfolio, the total energy intensity for the Group would have been an Atemp about 3 kWh/m² lower.

The decrease in energy intensity for the Group is partly attributable to the addition of properties with above-average energy performance to Wihlborgs' portfolio during the year. This has positively impacted the total energy consumption per square metre. Wihlborgs' continued focus on energy efficiency measures also positively impacts energy consumption. For example, energy consumption has declined 40 percent at Österport, 23 percent at Muren 5, 29 percent at Sankt Jörgen 21 and 25 percent at Nya Vattentornet 3 (Bricks). The energy consumption reduction measures include improved control of heating, adjustment of heating systems, optimisation of operating times and the installation of new reversible heat pumps.

At year end, Wihlborgs' solar power systems comprised a total installed capacity of 5.7 MWp. During the year, these systems generated 4.2 MWh, corresponding to 8.8 percent of Wihlborgs' total property electricity consumption.

CO₂ emissions

In 2023, CO₂ emissions within Scope 1 and 2 amounted to 1.27 kg CO₂e/m² (1.35). The reduction in these emissions was primarily due to lower emissions of refrigerants. To reduce these emissions, conventional refrigerants are replaced with the natural refrigerant propane, which has a significantly lower

impact on the greenhouse effect. Most of Wihlborgs' Scope 1 and 2 emissions derive from the natural gas and district heating consumed in the Danish portfolio. The majority of the gas in Copenhagen is natural gas and the district heating uses a higher proportion of fossil fuels, which results in higher emissions. Scope 1 and 2 emissions from Swedish operations corresponded to 0.22 kg CO₂e/m².

Certifications

The share of sustainability certified properties in Wihlborgs' Swedish portfolio continues to increase and, at year end, 71 percent (49) of the office properties were certified. During the year, Wihlborgs certified 24 existing properties in accordance with Miljöbyggnad iDrift. At the end of the year, work was ongoing with a further 22 existing properties. In 2023, certification work began in Wihlborgs' existing portfolio in Denmark.

Supplier evaluations

Follow-ups and measurements have continued of the suppliers approved in accordance with Wihlborgs requirements for sustainability efforts. The follow-ups include the suppliers that the company has framework agreements with and, which are therefore engaged frequently and believed to belong to industries that could involve greater risks. The outcome for 2023 was 78 percent. Wihlborgs continues to maintain a dialogue with its suppliers with the aim of increasing the proportion that meet all of our sustainability requirements.

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/



Key figures - sustainable properties

	Measure	Target (per Dec 2025)	2023	2022	2023	2022
			Oct-Dec 3 months	Oct-Dec 3 months	Jan-Dec 12 months	Jan-Dec 12 months
Environmental certifications ¹	% of floor area (office)	> 90	71	49	71	49
Customers' willingness to recommend ¹	% customers	> 75	-	-	83	83 ²
Sponsorship with community orientation ¹	% of sponsoring	> 50	-	-	51	53
Committed employees (Trust index)	% of employees	> 85	-	-	90	86
Energy use ³	kWh/m ²	< 85	26.6	26.4	83.3	88.6
CO ₂ emissions (scope 1 & 2)	kg CO ₂ e/m ²	< 1,0	0.43	0.46	1.27	1.35
- of which Sweden	kg CO ₂ e/m ²		0.04	0.13	0.22	0.46
Evaluation of suppliers ⁴	% approved	100	78	-	78	-

1) Sweden

2) The figure for 2022 has been edited in relation to the 2022 annual report. 3) Normal year-corrected energy use per sqm Atemp for 2023 and LOA for 2022

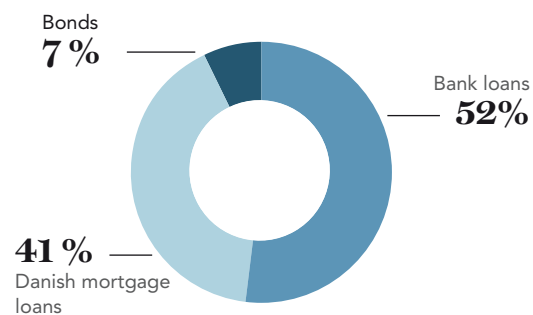
4) Strategic suppliers (approx. 40% of total number of suppliers), who perform projects/work on our properties.

Liabilities and equity

As of 31 December 2023 equity totalled SEK 22,391 million (23,380) after SEK 953 million was paid as a dividend during the second quarter. The equity/assets ratio stood at 39.0 percent (41.2).

Current financing, December 2023

Total debt: 27,9 SEK bn



Interest-bearing liabilities

The group's borrowings as of 31 December amounted to SEK 27,949 Mkr (26 806) with an average interest rate including costs for credit agreements of 3.98 percent (2.59).

With consideration to the company's net debt of SEK 27,9 billion, the loan-to-value ratio is 50.0 percent (48.6) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 31 December 2023 amounted to 2.8 years (2.0). The average loan maturity, including committed credit facilities, amounted to 6.0 years (6.1). 7 percent of outstanding borrowings come from the bond market. During 2024 bonds amounting to SEK 1,194 million are due for payment.

Structure of interest and loan maturities as of 31 December 2023

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEK m	Av. interest rate, %*	Credit ag., SEK m	Utilised, SEK m
2024	14,170	4,89	5,594	4,994
2025	1,788	1,56	4,338	4,138
2026	1,702	2,33	10,123	8,091
2027	2,245	3,63	592	592
2028	2,645	3,69	610	610
>2028	5,400	2,94	9,524	9,524
Total	27,949	3,93	30,781	27,949

*) 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 December 2023

Interest rate swaps

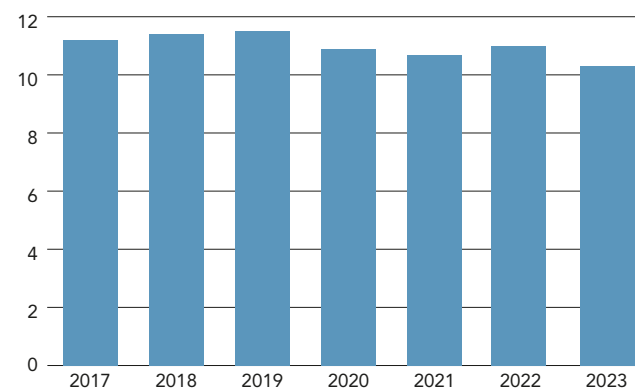
Maturity	Amount, SEK m	Interest, %
2023	1,788	0.41
2024	1,788	0.42
2025	1,702	1.75
2026	2,245	2.46
2027	2,645	2.52
>2027	3,839	2.34
Total	14,007	1.83

Changing market interest rates have meant an increased value in Wihlborgs' interest rate derivative portfolio, which at the end of the period amounted to SEK 148 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 IFRS 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 10.3 times (11.0).

Net debt/EBITDA



In January we signed the largest lease in Wihlborgs history: a ten-year lease for 62,000 square metres at Girostrøget 1 in Høje-Taastrup. Occupancy is scheduled for 1 May 2024 with a seamless transition from the current tenant.

Miscellaneous

Employees

At the end of the period, the number of FTEs at Wihlborgs was 218 (256) of which 61 (105) were in property service.

From March 1, the canteen operations in Denmark are run by an external party, the transition also included around forty employees.

Of the total number of FTEs 81 (77) were in Malmö, 35 (38) in Helsingborg, 31 (32) in Lund och 71 (109) in Copenhagen. The average age of employees is 44 years 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 26 million (1,225), including shareholder contribution, in shares in subsidiaries and shares in joint ventures. Also SEK 2 million (0) has been invested in office equipment. The parent company's income statement and balance sheet are found on page 22.

Participation 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. In November 2023, a restructuring has taken place so that Wihlborgs owns 49 percent of Ideon AB (formerly Ideon Open AB), which in turn owns 100 percent of Ideon Filia AB (formerly Ideon AB).

Largest shareholders

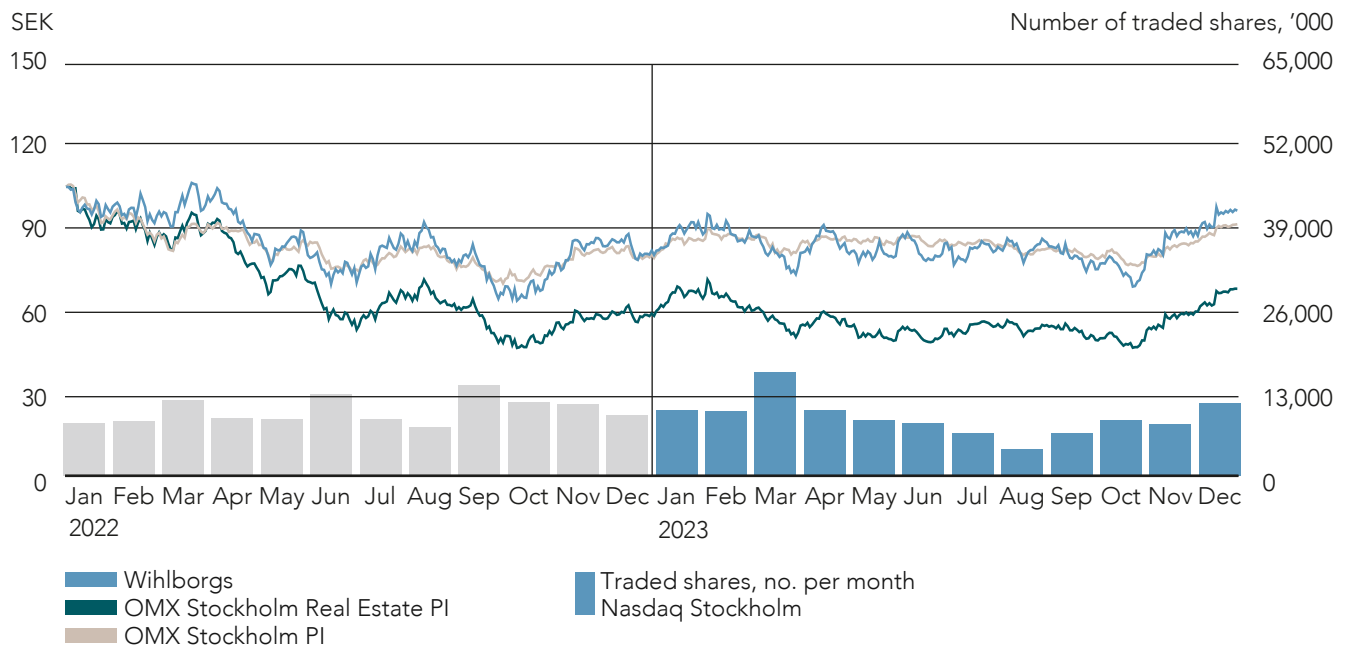
The largest shareholder in Wihlborgs is Backahill, representing the Paulsson family, with 11.1 percent of the shares outstanding. Shares held by owners registered abroad account for 34 percent. The number of shareholders is approximately 31,000.

Largest shareholders in Wihlborgs 31 December 2023

	Number of shares, thousands	Proportion of equity and votes, %
Backahill	34,076	11.1
Swedbank Robur funds	18,660	6.1
SEB Investment Management	15,772	5.1
Länsförsäkringar funds	13,787	4.5
SHB funds	9,893	3.2
Nordea funds	6,711	2.2
Bank of Norway	5,974	1.9
Fjärde AP-fonden	4,737	1.5
Qviberg family	4,376	1.4
Livförsäkringsbolaget Skandia	4,171	1.4
Other shareholders reg. in Sweden	89,643	29.2
Other shareholders reg. abroad	99,627	32.4
Total outstanding shares	307,427	100.0

Development in share price

2022-01-01 – 2023-12-31



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.

On 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.

No significant changes have taken place in the company's risk assessment compared to what is described in the annual report for 2022.

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.

Event after the end of the balance sheet date

In January, Wihlborgs signed a ten-year lease with Novo Nordisk of 62,000 square meters at Giroströget 1 in Hölje-Taastруп. After renovation of the property, the rental value rises to DKK 56 billion on an annual basis.

During the first quarter of 2024, Wihlborgs has issued bond loans of SEK 814 million, partly under the company's MTN program, partly via Svensk FastighetsFinansiering.

Proposal to the AGM

The Board of Directors will propose that the Annual General Meeting approves the following resolutions:

- a dividend of SEK 3.15 (3.10) per share, making a total payment of SEK 968 million. The proposal represents an increase of 2 percent over the figure for the preceding year.
- authorization to the Board, in the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than 10 percent of the shares outstanding.
- authorization to the Board, in the period until the next AGM, to approve a new share issue corresponding to a maximum of 10 percent of the shares outstanding.

The AGM will be held on 24 april 2024.

Malmö 13 February 2024

Wihlborgs Fastigheter AB (publ)

Ulrika Hallengren, CEO

This interim report has not been subject to review by the company's auditors.

Financial reports

Consolidated income statement summary

SEK m	2023 Oct-Dec 3 months	2022 Oct-Dec 3 months	2023 Jan-Dec 12 months	2022 Jan-Dec 12 months
Rental income	969	888	3,881	3,335
Operating costs	-161	-151	-572	-521
Repairs and maintenance	-41	-39	-134	-115
Property tax	-62	-57	-247	-226
Property administration	-46	-39	-165	-142
Total property costs	-310	-286	-1,118	-1,004
Operating surplus	659	602	2,763	2,331
Central administration	-25	-21	-92	-88
Interest income	7	4	19	14
Interest expenses	-280	-146	-977	-399
Leasehold rent	-2	-2	-5	-5
Share in results of joint ventures	7	-1	39	8
Income of property management	366	436	1,747	1,861
Change in value of properties	-297	-16	-1,212	396
Change in value of derivatives	-506	-37	-559	654
Pre-tax result	-437	383	-24	2,911
Current tax	-12	-12	-32	-44
Deferred tax	99	-81	29	-579
Result for the period¹	-350	290	-27	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	-178	94	-33	383
Hedging of currency risk in foreign operations	173	-95	29	-380
Tax attributable to items that will be reclassified to profit or loss for the year	-27	15	-5	63
Other comprehensive income for the period/year	-30	14	-9	66
Total comprehensive income for the year¹	-380	304	-36	2,354
Earnings per share ²	-1.14	0.94	-0.09	7.44
No. of shares at end of the period, thousands ³	307,427	307,427	307,427	307,427
Average no. of shares, thousands ³	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	2023-12-31	2022-12-31
ASSETS		
Investment properties	55,872	55,179
Right-of-use assets	136	146
Other fixed assets	438	391
Derivatives	369	696
Current receivables	211	238
Liquid assets	346	159
Total assets	57,372	56,809
EQUITY AND LIABILITIES		
Equity	22,391	23,380
Deferred tax liability	5,171	5,180
Borrowings	27,949	26,806
Lease liability	135	144
Derivatives	221	1
Other long-term liabilities	54	43
Current liabilities	1,451	1,255
Total equity & liabilities	57,372	56,809

Consolidated statement of changes in equity

SEK m	2023 Jan-Dec	2022 Jan-Dec
Total equity at beginning of period	23,380	21,948
Equity attributable to parent company's shareholders		
Opening amount	23,380	21,948
Dividend paid*	-953	-922
Profit for the period	-27	2,288
Other comprehensive income	-9	66
Total equity at end of period	22,391	23,380

*) All shares are ordinary shares

Consolidated cash flow statement summary

SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-dec	2022 Jan-dec
Operating activities				
Operating surplus	659	602	2,763	2,331
Central administration	-25	-21	-92	-88
Non-cash items	8	4	15	16
Interest received	7	4	19	40
Interest paid	-231	-152	-905	-406
Income tax paid	-10	-52	-40	-62
Change in operating receivables	-4	-34	27	-88
Change in operating liabilities	303	168	143	199
Cash flow from operating activities	707	519	1,930	1,942
Investment activities				
Acquisitions of properties	0	-69	-134	-2,438
Investments in existing properties	-564	-522	-1,862	-1,518
Sales of properties	0	96	18	97
Change in other non-current assets	-1	1	-18	-1
Cash flow from investment activities	-565	-494	-1,996	-3,860
Financing activities				
Dividends paid	0	0	-953	-922
Change in borrowing	1,223	682	5,207	8,194
Loan repayments	-1,193	-888	-4,010	-5,504
Change in other long-term liabilities	12	-3	9	-6
Cash flow from financing activities	42	-209	253	1,762
Cash flow for the period	184	-184	187	-156
Opening cash flow	162	343	159	315
Closing cash flow	346	159	346	159

Historical summary of last eight quarters

SEK m	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Rental income	969	977	964	971	888	848	804	795
Operating costs	-161	-126	-111	-174	-151	-125	-115	-130
Repairs and maintenance	-41	-33	-30	-30	-39	-29	-23	-24
Property tax	-62	-63	-61	-61	-57	-67	-52	-50
Property administration	-46	-40	-40	-39	-39	-33	-36	-34
Operating surplus	659	715	722	667	602	594	578	557
Income from property management	366	433	491	457	436	475	483	467
Profit for the period	-350	-302	370	255	290	449	733	816
Surplus ratio, %	68.0	73.2	74.9	68.7	67.8	70.0	71.9	70.1
Investment yield, %	4.7	5.2	5.2	4.8	4.4	4.5	4.5	4.4
Equity/assets ratio, %	39.0	39.4	39.6	41.1	41.2	41.0	42.1	43.6
Return on equity, %	-6.1	-5.3	6.4	4.4	5.0	7.9	12.9	14.6
Earnings per share, SEK ¹	-1.14	-0.98	1.20	0.83	0.94	1.46	2.38	2.66
Income property management per share, SEK ¹	1.19	1.41	1.60	1.49	1.42	1.55	1.57	1.52
Cash flow fr operating activities per share, SEK ¹	2.30	1.38	1.31	1.29	1.69	1.99	1.07	1.57
EPRA NRV per share, SEK ¹	89.17	89.07	90.41	92.08	90.64	89.28	87.60	88.52
Share price as % of EPRA NRV	105.7	85.8	86.3	86.2	86.6	75.4	81.7	111.4
Carrying amount of properties	55,872	56,036	56,629	55,701	55,179	54,488	51,760	50,618
Equity	22,391	22,771	23,086	23,642	23,380	23,077	22,607	22,769
Total assets	57,372	57,738	58,351	57,474	56,809	56,342	53,744	52,168

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–December

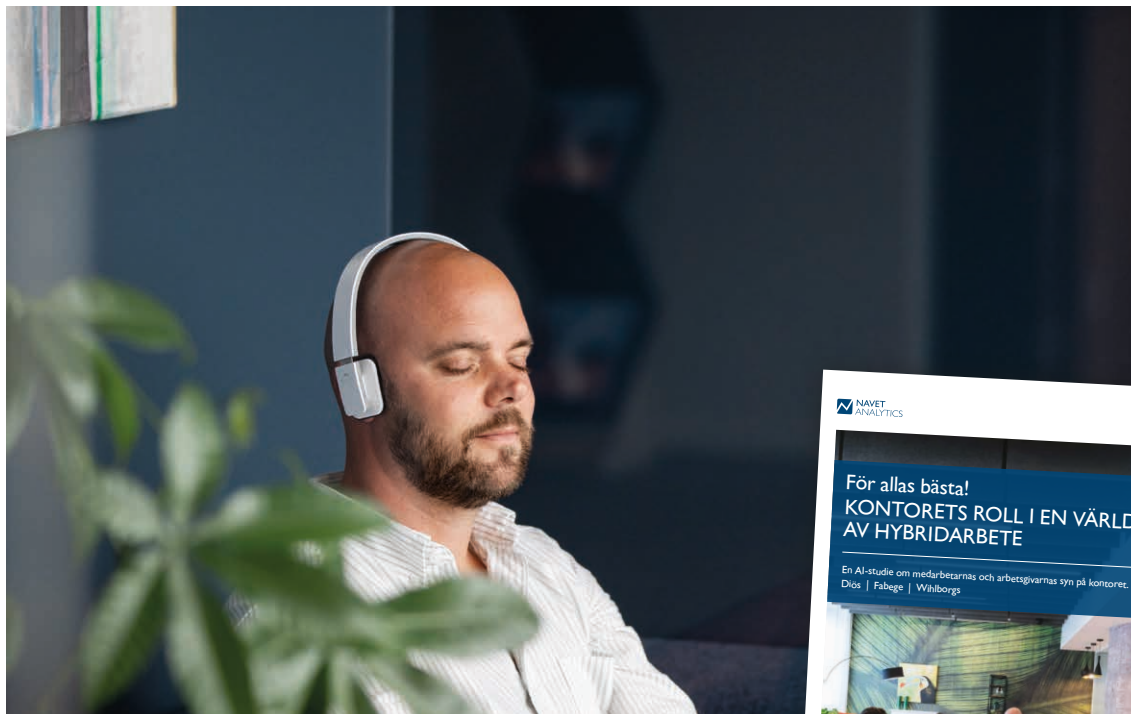
Property management SEK m	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	1,380	1,198	908	827	638	567	955	744	3,881	3,335
Property costs	-335	-292	-241	-221	-192	-171	-350	-320	-1,118	-1,004
Operating surplus	1,045	906	667	605	446	396	605	424	2,763	2,331

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 2022s 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 2,763 million (2,331) and the pre-tax profit of SEK -24 million (2,911) consists of central administration SEK -92 million (-88), financial net SEK -963 million (-390), share in results SEK 39 million (8) and changes in value of properties and derivatives SEK -1,771 million (1,050).

Parent company's income statement summary		
SEK m	Jan-Dec 2023	Jan-Dec 2022
Income	233	219
Expenses	-228	-212
Operating profits	5	7
Financial income	1,105	2,506
Financial expenses	-1,305	-726
Pre-tax profit	-195	1,787
Appropriations	-30	297
Tax	124	-135
Profit for the period	-101	1,949

Parent company's balance sheet summary		
SEK m	2023-12-31	2022-12-31
Participations in Group companies	10,652	10,651
Receivables fr Group companies	18,141	17,306
Derivatives	369	696
Other assets	300	291
Cash and bank balances	168	41
Total assets	29,630	28,985
Equity	6,717	7,772
Liabilities to credit institutions	20,816	19,031
Derivatives	221	1
Liabilities to Group companies	1,689	1,962
Other liabilities	187	219
Total equity and liabilities	29,630	28,985

Key figures for the group		
SEK m	Jan-Dec 2023	Jan-Dec 2022
Financial		
Return on equity, %	-0.1	10.1
Return on total capital, %	3.0	5.5
Equity/assets ratio, %	39.0	41.2
Interest coverage ratio, multiple	2.8	5.6
Leverage properties, %	50.0	48.6
Debt/equity ratio, multiple	1.3	1.2
Share-related		
Earnings per share, SEK	-0.09	7.44
Earnings per share before tax, SEK	-0.08	9.47
EPRA EPS, SEK	5.30	5.45
Cash flow from operations per share, SEK	6.28	6.32
EPRA NDV (net disposal value) per share, SEK	72.83	76.05
EPRA NRV (net reinstatement value) per share, SEK	89.17	90.64
Market value per share, SEK	94.25	78.50
Proposed dividend per share, SEK	3.15	3.10
Dividend yield, %	3.3	3.9
Total return from share, %	24.01	-20.6
P/E-ratio I, multiple	neg	10.5
P/E-ratio II, multiple	17.8	14.4
Number of shares at the end of period, thousands	307,427	307,427
Average number of shares, thousands	307,427	307,427
Property-related		
Number of properties	305	306
Carrying amount of properties, SEK m	55,872	55,179
Estimated investment yield, % – all properties	5.5	5.0
Estimated direct return, % – excl project properties	5.8	5.4
Lettable area, m ²	2,279,114	2,228,929
Rental income, SEK per m ²	1,934	1,871
Operating surplus, SEK per m ²	1,281	1,245
Financial occupancy rate, % – all properties	92	91
Financial occupancy rate, % – excl project properties	93	93
Estimated surplus ratio, %	72	73
Employees		
Number of FTEs at period end	218	256



Growing expectations for a sustainable and flexible work life also open opportunities for employers to create inclusive workplaces that make their business more competitive. This requires upgrading the traditional office so that more employee needs can be met. Not least with places where employees can go to concentrate on their work or recharge their energy. These are the results from our most recent AI study, "For everyone's best – the role of the office in a world of hybrid work" (Swe: För allas bästa - kontorets roll i en värld av hybridarbete), which was carried out this year on behalf of Wihlborgs, Fabège and Diös and presented in January 2024. The report can be downloaded via the QR code (in Swedish).



Key figures

Basis for key ratios

Below is a derivation of the financial key figures that Wihlborgs presents on page 22.

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 2023 corresponds to 8.51 percent.
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0
- The loan-to-value ratio is not to exceed 60 percent

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

Unless otherwise stated, amounts are in SEK million.	2023-12-31	2022-12-31
Return on equity		
Profit for the period	-27	2,288
Equity, opening balance	23,380	21,948
Equity, closing balance	22,391	23,380
Average equity	22,886	22,664
Return on equity, %	-0.1	10.1
Return on capital employed		
Profit before tax	-24	2,911
Interest expense (incl value changes interest derivatives)	1,536	-255
Total	1,512	2,656
Total assets, opening balance	56,809	51,152
Total assets, closing balance	57,372	56,809
Non-interest bearing debt, opening balance	-6,465	-5,764
Non-interest bearing debt, closing balance	-6,676	-6,465
Average capital employed	50,520	47,866
Return on capital employed, %	3.0	5.5
Equity/assets ratio		
Equity	22,391	23,380
Total assets	57,372	56,809
Equity/assets ratio, %	39.0	41.2
Interest coverage ratio		
Income from property management	1,747	1,861
Interest expense	982	404
Total	2,728	2,265
Interest expense	982	404
Interest coverage ratio, multiple	2.8	5.6
Leverage properties		
Borrowings	27,949	26,806
Net value investment properties	55,872	55,179
Leverage properties, %	50.0	48.6
Debt/equity ratio		
Interest-bearing liabilities	28,084	26,962
Equity	22,391	23,380
Debt/equity ratio, multiple	1.3	1.2

	2023-12-31	2022-12-31
Earnings per share		
Profit for the period	-27	2,288
Average number of shares, thousands	307,427	307,427
Earnings per share, SEK	-0.09	7.44
Earnings per share before tax		
Profit before tax	-24	2,911
Average number of shares, thousands	307,427	307,427
Earnings per share before tax, SEK	-0.08	9.47
EPRA EPS		
Income from property management	1,747	1,861
Tax depreciation, direct tax deductions etc	-1,186	-972
Taxable income from property management	561	889
Current tax on the above	-118	-186
Income from property management after deduction of current tax	1,629	1,675
Average number of shares, thousands	307,427	307,427
EPRA EPS, SEK	5.30	5.45
Operating cash flow per share		
Operating cash flow	1,930	1,942
Average number of shares, thousands	307,427	307,427
Operating cash flow per share, SEK	6.28	6.32
EPRA NDV per share		
Equity	22,391	23,380
Number of shares at year end, thousands	307,427	307,427
EPRA NDV per share, SEK	72.83	76.05
EPRA NRV per share		
Equity	22,391	23,380
Deferred tax liability	5,171	5,180
Derivatives	-149	-695
Total	27,413	27,865
Average number of shares, thousands	307,427	307,427
EPRA NRV per share, SEK	89.17	90.64

	2023-12-31	2022-12-31
Dividend yield per share		
Proposed dividend, SEK	3.15	3.10
Market price per share at year end, SEK	94.25	78.50
Dividend yield per share, %	3.3	3.9
Total yield per share		
Market price per share at year start, SEK	78.50	102.70
Market price per share at year end, SEK	94.25	78.50
Change in market price during the year, SEK	15.75	-24.20
Dividend paid during the year, SEK	3.10	3.00
Total return per share, %	24.0	-20.6
P/E ratio I		
Market price per share, SEK	94.25	78.50
Earnings per share, SEK	-0.09	7.44
P/E ratio I, multiple	neg.	10.5
P/E ratio II		
Market price per share, SEK	94.25	78.50
EPRA EPS, SEK	5.30	5.45
P/E ratio II, multiple	17.8	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.

Exchange rate changes on rental income

When calculating the period's revenue increase, comparable currencies are used. As each period is converted to current exchange rates, exchange rate differences arise on rental income in comparison between two periods.

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

Annual and Sustainability Report is released.....	27 March 2024
Interim report Jan-March 2024.....	23 April 2024
Annual General Meeting.....	24 April 2024
Interim report Jan-June 2024.....	8 July 2024
Interim report Jan-Sept 2024.....	24 oktober 2024

Wihlborgs' interim reports and the Annual Report are distributed electronically at www.wihlborgs.se. 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 Q4 2023

Wihlborgs' office building Kvarterten in Hyllie gains Telia as a tenant.....	19 December 2023
Laziza to open new restaurant in Wihlborgs' Vista office building in Hyllie.....	12 December 2023
Wihlborgs welcomes High Court to Börshuset in Malmö.....	6 December 2023
Wihlborgs to build a new 11,600 m ² school outside Copenhagen	1 December 2023
Mercedes-Benz väljer Wihlborgs kontorshus Vista i Hyllie	27 November 2023
Wihlborgs signs agreement with Nowaste Logistics for 6,900 m ² in Helsingborg	13 November 2023
Introducing the world's first building with fossil-free steel.....	8 November 2023
Swedish game developer King moves to Wihlborgs' property in central Malmö.....	26 October 2023
Interim report Jan-sep 2023: Record high rental income.....	24 October 2023
Wihlborgs wins new construction assignment from Malmö University.....	23 October 2023
Wihlborgs invests in energy innovation in Lund.....	19 October 2023
Wihlborgs' interim report for Jan-Sept 2023 will be presented on 24 October.....	18 October 2023
Wihlborgs continues to climb the global sustainability rankings.....	3 October 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 above on 13 February 2024 kl. **07.30 CET**.

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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