

Wihlborgs'  
Interim report

**2017**

January – September

## Wihlborgs continues to accelerate

### JANUARY - SEPTEMBER 2017

Rental income increased by 11 percent to SEK 1,665 million (1,505)

Operating surplus\* increased by 11 percent to SEK 1,256 million (1,134)

Income from property management\* increased by 13 percent to SEK 863 million (767)

Result for the period amounts to SEK 1,495 million (1,670), corresponding to earnings per share of SEK 19.45 (21.73)

Group key figures, SEK m	2017	2016	2017	2016
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Rental income	<b>578</b>	508	<b>1,665</b>	1,505
Operating surplus*	<b>448</b>	403	<b>1,256</b>	1,134
Income property management*	<b>314</b>	276	<b>863</b>	767
Changes in value of properties	<b>306</b>	112	<b>858</b>	1,442
Changes in value of derivatives	<b>134</b>	-24	<b>176</b>	-551
Result for the period	<b>603</b>	287	<b>1,495</b>	1,670
Earnings per share, SEK	<b>7.85</b>	3.73	<b>19.45</b>	21.73
Surplus ratio, %*	<b>78</b>	79	<b>75</b>	75
Equity/assets ratio, %	<b>33.3</b>	32.7	<b>33.3</b>	32.7
Occupancy rate, %**	<b>93</b>	91	<b>93</b>	91

\*) Excluding payments for early lease termination.

\*\*\*) Excluding Projects & Land.

See pages 17–18 for definitions of key figures.



Wihlborgs will construct the spectacular Prisma office building in Helsingborg's new business district, Oceanhamnen.

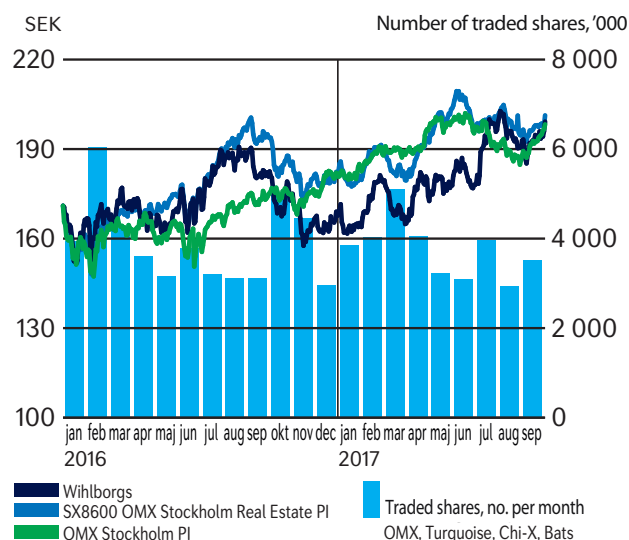
## Financial targets

- A return on equity that exceeds the riskfree interest rate by no less than six percentage points
- 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

See pages 17–18 for definitions and outcome.

## Development of share price

01-01-16 – 30-09-17



## Quarter 3

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## Forthcoming reports

Year-end report Jan – Dec **13 Feb 2018**  
 Interim report Jan – Mar **25 Apr 2018**  
 Interim report Jan – Jun **9 Jul 2018**

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

For further information, please contact:  
 Anders Jarl, CEO. Telephone +46 (0)40-690 57 10  
 Arvid Liepe, CFO. Telephone +46 (0)40-690 57 31

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its property portfolio is located in Malmö, Lund, Helsingborg and Copenhagen. In Malmö, Lund and Helsingborg Wihlborgs is the leading property company.

The book value for the Company's properties totals SEK 36.9 billion. The annual rental value of the properties is SEK 2.6 billion. Wihlborgs shares are quoted on the Large Cap List of NASDAQ Stockholm.



## CEO's comments

Once again, we have posted a record quarter in terms of income and earnings, which were driven by the acquisition in Denmark and by healthy growth in the existing operations. In the third quarter, rental income was up 14 percent at SEK 578 million. The operating surplus amounted to SEK 448 million excluding payments for early lease termination, up 11 percent year-on-year. This corresponds to a surplus ratio of 78 percent. Income from property management rose 14 percent to SEK 314 million.

In the third quarter, Wihlborgs took a further important step in the company's development through the acquisition of 16 properties in Denmark from Danica. These properties comprise around 175 000 m<sup>2</sup> and, moreover, we have further strengthened our presence in selected sub-markets, such as Herlev, Ballerup and Høje-Taastrup. Following the acquisition, Wihlborgs has captured a market position comparable to those of the largest office property owners in Denmark. This is in line with our long-term strategy to grow and hold strong market positions in selected markets.

At the close of September, the value of our property portfolio was SEK 36,928 million. During the quarter, we acquired properties for SEK 2,410 million and in addition to this property values increased by SEK 306 million. With borrowings of SEK 20,291 million, our loan-to-value ratio is 54.9 percent. By virtue of our healthy earnings capacity, we expect our balance sheet to continue strengthening.

The average financing cost sank to 2.56 percent over the quarter, with a fixed interest period of 4.2 years. Access to capital remains favourable, both from banks and in the bond market. At present, our financing is sourced as follows: 48 percent from bilateral bank loans, 23 percent from the bond market and 29 percent from the Danish mortgage-credit system. Moving forward, it remains our aim to maintain a healthy distribution between these sources of capital.

Net lettings also remained positive in the quarter at SEK 10 million. The larger new contracts included the lease by the City of Malmö of the remaining vacant space at the Karin 13–14 and Nora 11 properties in Malmö. Veidekke and the Transport Research

Institute (VTI) have signed leases for premises at our new-build project Posthornet 1 in Lund. The project comprises some 11,000m<sup>2</sup> and is now essentially fully let. We also signed agreements with Optimera for a new build in the Gastelyckan area in Lund. Overall, demand remains healthy in our markets.

Looking ahead, occupancy of Sirius 3 in Nyhamnen, Malmö, is scheduled to start in the fourth quarter. The project is fully let. The larger projects: Gimle 1, Kransen 9 and Sunnanå 12:53 in Malmö, and Polisen 4 in Helsingborg are proceeding as planned. The quarter also marked our start-up of the Bure 2 (Origo) project in Hyllie, where we are constructing a new office build-

ding of around 7,000 m<sup>2</sup>. In addition, work is progressing with Oceanhamnen and the continued upgrade of Knutpunkten in Helsingborg.

Altogether, it has been an eventful and successful quarter, and we have also strengthened our platform for future growth from a stable base. Given the above, we expect our income from property management for the full-year 2017 to exceed SEK 1,170 million.



Anders Jarl, CEO

## Market comments

According to the Swedish National Institute of Economic Research, the strong economy is reinforced as government has proposed an expansive budget for next year to drive growth and employment. Exports will be a strong driver and the outlook for industry is significantly increasing investment levels. Working-day adjusted GDP growth is estimated to reach 3.0 percent this year and 2.8 percent next year. However, the increasing shortage of labour appears to have a dampening effect on the increase. According to Arbetsförmedlingen (Sweden's public employment agency), the number of people in work is expected to increase by 149,000 in 2017 and 2018, in parallel with a rising skills shortage. Unemployment is forecast to fall to 6.6 percent in 2017, but due to an expanding workforce in 2018, unemployment is expected to rise to 6.7 percent. On the positive side, the economic conditions have contributed to increasing employment among immigrants.

Despite the labour shortage, pay increases have not noticeably accelerated and remained relatively modest compared with previous economic upswings. Therefore, these will not drive inflation. The recent increase in inflation is due to reasons including rapidly rising energy prices. According to the Swedish National Institute of Economic Research, inflation is temporarily above 2 percent but will decline again

next year. The inflation figure, CPIF, for September was 2.3 percent, which was below the expectations of analysts and the Riksbank (the Swedish Central Bank). The Swedish National Institute of Economic Research does not expect inflation to consistently track the inflation target until 2020 and, therefore, expects the Riksbank to hold back on raising the repo rate until autumn 2018.

According to Newsec, the property market in Sweden remains strong. The transaction volume exceeded SEK 100 billion for the first three quarters. For the corresponding year-earlier period, the volume was SEK 127 billion including Castellum's acquisition of Norrporten.

Denmark is also in a strong growth phase. GDP posted year-on-year growth of 2.6 percent in the first six months of 2017, according to Statistics Denmark. In its latest Economic Outlook, Nordea expects GDP growth for 2017 to amount to 2.2 percent, thereby exceeding 2 percent for the first time since 2006. Nordea's forecast for GDP growth in 2018 is 2.0 percent. The labour market is strong and Nordea's assessment is that unemployment will amount to 4.2 percent in 2017 to then decrease to 4.0 percent in 2018. Private consumption grew 2.3 percent in the first half of the year at the same time as public consumption grew 1.1 percent. Fixed gross investments rose 2.7 percent in the first six months with the greatest growth occurring in machinery and transportation. Imports and exports posted year-on-year increases of 5.5 percent and 5.7 percent respectively in the first six months of 2017.

# Income, expenses and profits, Jan-Sep 2017

Comparative figures for income statement items relate to values for the corresponding period 2016 and balance sheet items as of 31-12-2016.

## Rental income

Rental income was SEK 1,665 million (1,505). Other revenues from property management was SEK 21 million (5) relating to payments for early lease termination.

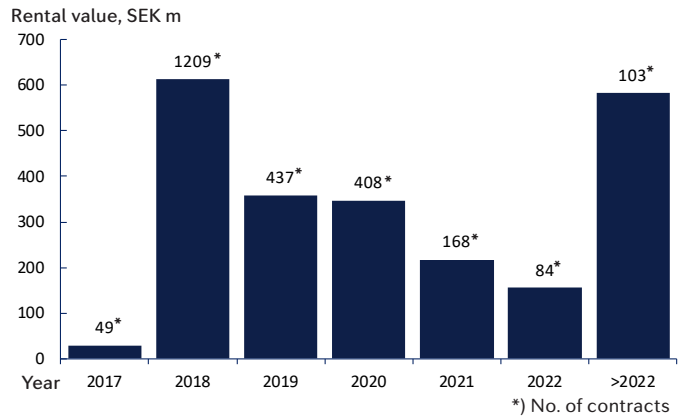
The increase in rental income is attributable to property acquisitions, completed projects, renegotiations, new lettings and indexation in contracts. In the third quarter, the acquired properties in Denmark contributed rental income of SEK 27 million.

The total growth in rental income was 11 percent compared with the corresponding period 2016, excluding payments for early lease termination.

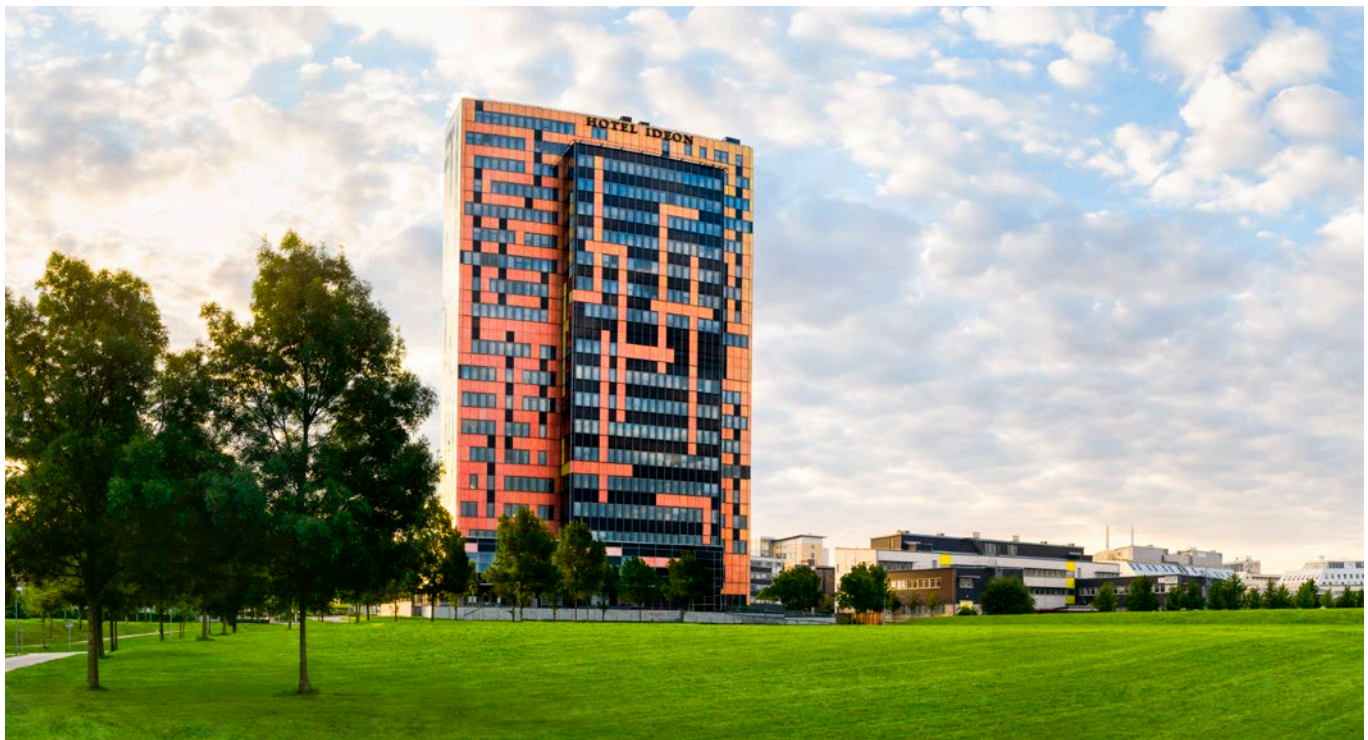
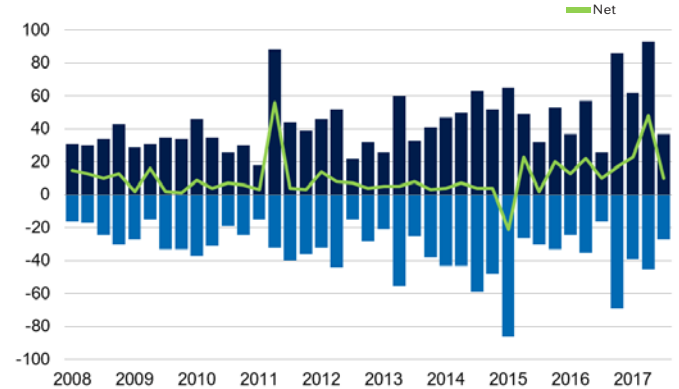
The occupancy rate for investment properties, excluding Projects & Land, is one percentage point higher compared with previous year-end, 93 percent.

During the period new leases were signed to a value of SEK 192 million (120) on an annualized basis. Lease terminations totalled SEK 111 million (75). This represents a net letting income of SEK 81 million (45).

Terms of Wihlborgs' rental contracts per 30 September 2017



Net letting, quarterly SEK m



The Ideon Gateway property in Lund is one of Wihlborgs' most environmentally friendly buildings. A large portion of the facade is covered with solar panels and the building has been awarded SGBC Gold and LEED Platinum environmental certifications.

## Property expenses

Total property expenses amounted to SEK 409 (371) million. The increase is mainly explained by a larger property portfolio compared to the same period last year.

The historical summary at the bottom of page 14 illustrates how costs vary over the different quarters of the year.

## Operating surplus

The operating surplus including other income amounted to SEK 1,277 million (1,139). Excluding payments for early lease termination, the operating surplus totalled SEK 1,256 million (1,134), representing a surplus ratio of 75 percent (75). Of this increase, SEK 24 million was attributable to properties in Denmark that were acquired in the third quarter.

## Central administration

The costs for central administration were SEK 40 million (36).

## Financial income and expense

Net interest totalled SEK -353 million (-331), of which interest income accounted for SEK 9 million (9).

The interest expense for the period was SEK 362 million (340). Thereby, interest expenses were slightly higher year-on-year, primarily due to higher borrowings. At the end of the period, the average interest rate, including the cost of credit agreements, was 2.56 percent, compared with 2.80 percent at year-end.

## Income from property management

Income from property management including other income amounted to SEK 884 million (772). Excluding payments for early lease termination, income from property management totalled SEK 863 million (767), of which SEK 19 million was attributable to the property acquisitions in Denmark in the third quarter.

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 1,918 million (1,663). During the period value changes on properties amounted to SEK 858 million (1,442) and value changes on derivatives amounted to SEK 176 million (-551).

## Profit after taxes

The profit after taxes was SEK 1,495 million (1,670).



At Wihlborgs' new multistorey car park, Ubåten (Hordaland 1), in Dockan, Malmö, it is possible to recharge your car with solar power.

# Assets

## Property portfolio as of 30 September 2017

The summaries below are based on Wihlborgs' property portfolio as of 30 September 2017. Rental income relates to contracted rental income on an annual basis as of 1 October 2017.

The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for October 2017, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

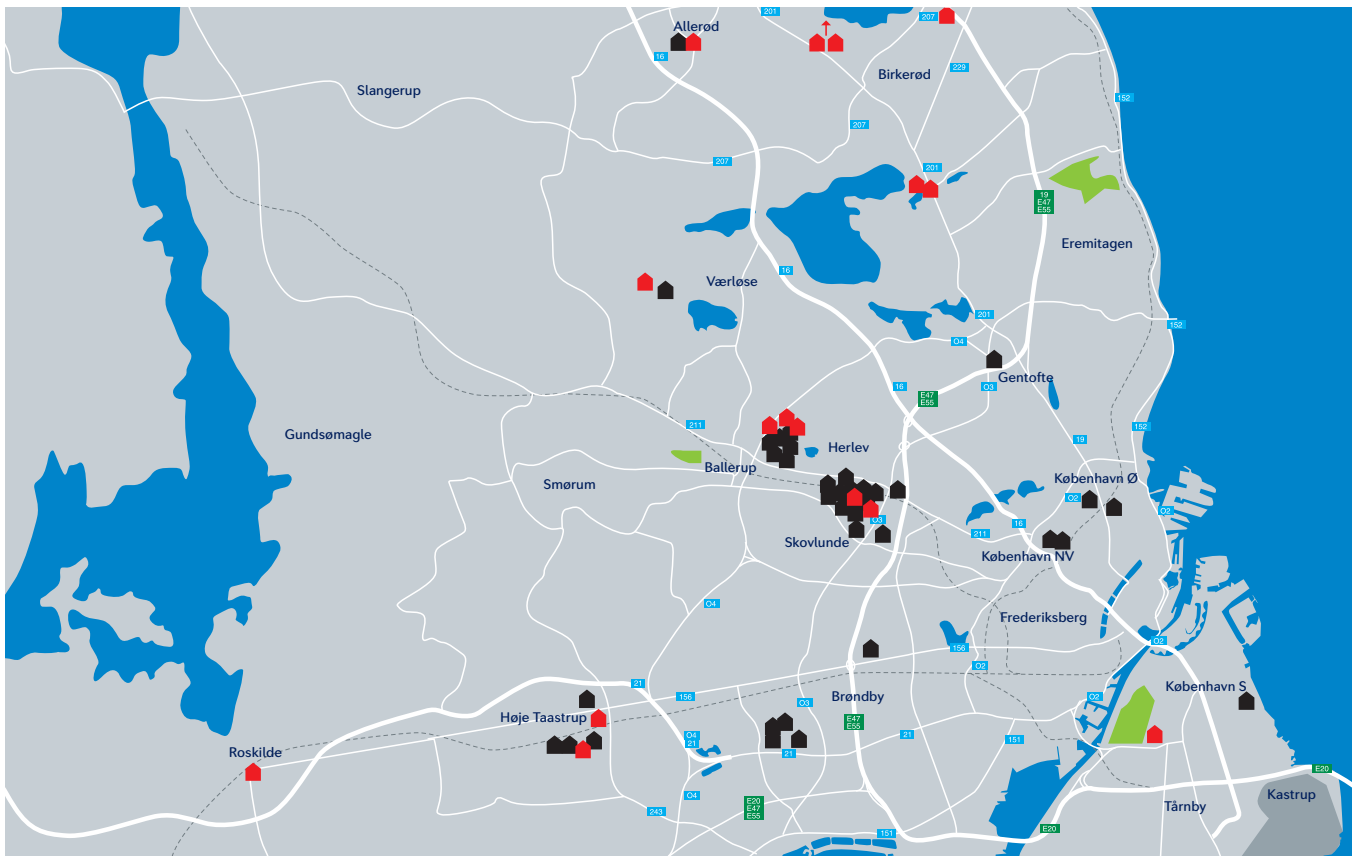
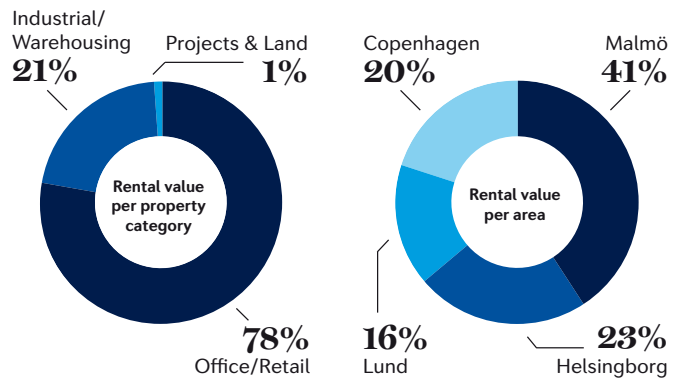
Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 30 September 2017 consisted of 305 properties (282) with a lettable area of 2,037,000 m<sup>2</sup> (1,849,000).

Ten of the properties (10) are leasehold rights. The properties' carrying amount was SEK 36,928 million (32,755), which corresponds to the estimated market value. The total rental value was SEK 2,571 million (2,349) and the contracted rental income on annual basis SEK 2,371 million (2,137). The like-for-like increase in contracted rental income was 3,2 percent compared to 12 month previously.

The economic occupancy rate for Office/Retail properties was

93 percent (93) and for Industrial/Warehousing properties 91 percent (88). The rental value for Office/Retail properties represented 78 percent, Industrial/Warehousing properties 21 percent of the total rental value and the remaining 1 percent is attributable to Projects/Land.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 1,903 million (1,697) which with a carrying amount of SEK 34,908 million (31,449) corresponds to a direct return of 5.5 percent (5.4). Broken down by property category, this is 5.1 percent (5.0) for Office/Retail and 7.5 percent (7.3) for Industrial/Warehousing.



During the quarter, Wihlborgs grew further in Denmark through the acquisition of 16 properties (marked in red) comprising a total of 175,000 m<sup>2</sup>.



## Changes in values of properties

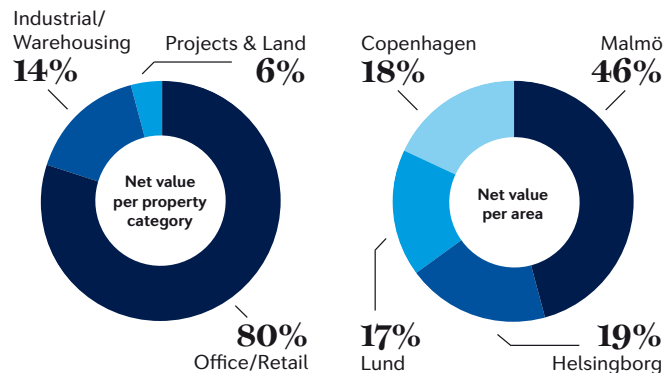
According to an internal valuation of the properties on 30 September 2017, their value had risen by SEK 858 million (1,442). The increase is to the very largest part attributable to properties in Sweden.

Fair value is determined by a 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 the remaining cost. Undeveloped land is valued according to the comparable sales method.

As of 30 September 2017, the carrying amount for the properties was SEK 36,928 million (32,755).

### CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2017	32,755
Acquisitions	2,588
Investments	759
Properties sold	-11
Change in value	858
Currency translations	-21
Carrying amount 30 September 2017	36,928



## Investments and current projects

Investments in the property portfolio totalled SEK 759 million (707).

Approved investments in ongoing projects amount to SEK 1,929 million, of which SEK 919 million had been invested at end of period.

## Liquid assets

The Groups liquid assets totalled SEK 350 million (454) including unutilised overdraft facilities.

At the end of the period unutilized credit facilities amounted to SEK 2,017 million (1,347).



Property Manager Henrik and Property Director Louise in front of the Posthornet building in Lund.

### INVESTMENTS IN PROGRESS >SEK 50 MILLION, 30 SEPTEMBER 2017

Property	Category of use	Municipality	Completion date	Lettable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEK m	Expended 300917, SEK m
Hordaland 1	Office/Retail	Malmö	Q4 2017	15,000	-	121	86
Sirius 3	Office/Retail	Malmö	Q4 2017	7,000	95	250	203
Posthornet 1	Office/Retail	Lund	Q1 2018	11,000	90	347	203
Sunnanå 12:53	Industrial/Wareh.	Malmö	Q3 2018	2,300	100	66	4
Kranen 9	Office/Retail	Malmö	Q4 2018	2,200	80	114	7
Gimle 1	Office/Retail	Malmö	Q1 2019	9,000	80	392	71
Polisen 4	Office/Retail	Helsingborg	Q2 2019	4,000	100	182	85
Bure 2	Office/Retail	Malmö	Q3 2019	6,800	0	238	27
<b>Total</b>				<b>57,300</b>		<b>1,710</b>	<b>686</b>

**ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE**

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Ind./Ware- housing, m <sup>2</sup>	Education/ Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö	349,889	47,183	268,441	34,254	16,601	716,368	35
Helsingborg	155,044	59,937	293,942	20,008	10,456	539,387	27
Lund	122,778	11,092	29,615	31,924	8,626	204,035	10
Copenhagen	388,155	7,243	76,298	12,898	92,730	577,324	28
<b>Total</b>	<b>1,015,866</b>	<b>125,455</b>	<b>668,296</b>	<b>99,084</b>	<b>128,413</b>	<b>2,037,114</b>	<b>100</b>
<b>Share, %</b>	<b>50</b>	<b>6</b>	<b>33</b>	<b>5</b>	<b>6</b>	<b>100</b>	

1) Includes 10,275 m<sup>2</sup> hotel.2) Includes 1,819 m<sup>2</sup> residential.3) Includes 8,215 m<sup>2</sup> hotel.4) Includes 38,848 m<sup>2</sup> data center, 5,600 m<sup>2</sup> hotel och 7,045 m<sup>2</sup> residential.**ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA**

Area/ property category	Number of properties	Area, m <sup>2</sup> thousand	Carrying amount, SEKm	Rental value, SEKm	Rental value SEK/m <sup>2</sup>	Economic occupancy rate, %	Rental income, SEKm	Operating surplus incl. property admin., SEKm	Surplus ratio, %	Operating surplus excl. property admin., SEKm	Direct return, excl. property admin., %
<b>MALMÖ</b>											
Office/Retail	47	422	13,341	825	1,954	94	772	586	76	609	4.6
Industrial/Warehousing	50	258	2,059	209	809	94	196	148	75	157	7.6
Projects & Land	29	36	1,414	21	595	-	4	-1	-	0	-
<b>Total Malmö</b>	<b>126</b>	<b>716</b>	<b>16,814</b>	<b>1,055</b>	<b>1,473</b>	<b>92</b>	<b>972</b>	<b>733</b>	<b>75</b>	<b>766</b>	<b>4.6</b>
<b>HELSINGBORG</b>											
Office/Retail	28	170	4,310	300	1,763	94	282	211	75	219	5.1
Industrial/Warehousing	61	369	2,748	299	810	89	265	189	71	203	7.4
Projects & Land	10	-	106	0	-	-	0	0	-	0	-
<b>Total Helsingborg</b>	<b>99</b>	<b>539</b>	<b>7,164</b>	<b>599</b>	<b>1,111</b>	<b>91</b>	<b>546</b>	<b>399</b>	<b>73</b>	<b>422</b>	<b>5.9</b>
<b>LUND</b>											
Office/Retail	21	184	5,864	398	2,160	92	367	274	75	302	5.2
Industrial/Warehousing	4	20	134	14	731	82	12	9	72	9	6.9
Projects & Land	2	-	441	-	-	-	-	-1	-	0	-
<b>Total Lund</b>	<b>27</b>	<b>204</b>	<b>6,439</b>	<b>412</b>	<b>2,021</b>	<b>92</b>	<b>379</b>	<b>281</b>	<b>74</b>	<b>311</b>	<b>4.8</b>
<b>COPENHAGEN</b>											
Office/Retail	45	524	6,136	476	908	94	445	355	80	377	6.1
Industrial/Warehousing	6	42	316	29	689	99	28	25	89	27	8.5
Projects & Land	2	12	59	0	-	-	0	0	-	0	-
<b>Total Copenhagen</b>	<b>53</b>	<b>577</b>	<b>6,511</b>	<b>505</b>	<b>874</b>	<b>94</b>	<b>474</b>	<b>380</b>	<b>80</b>	<b>404</b>	<b>6.2</b>
<b>Total Wihlborgs</b>	<b>305</b>	<b>2,037</b>	<b>36,928</b>	<b>2,571</b>	<b>1,262</b>	<b>92</b>	<b>2,371</b>	<b>1,794</b>	<b>76</b>	<b>1,903</b>	<b>5.2</b>
<b>Total excluding Projects &amp; Land</b>	<b>262</b>	<b>1,990</b>	<b>34,908</b>	<b>2,550</b>	<b>1,281</b>	<b>93</b>	<b>2,367</b>	<b>1,795</b>	<b>76</b>	<b>1,903</b>	<b>5.5</b>



In September, Wihlborgs acquired another office building with an area of 9,300 m<sup>2</sup> in Allerød, north of Copenhagen.

## Property transactions

In the third quarter, Wihlborgs acquired 16 properties in Denmark from Danica with a total area of around 175,000 m<sup>2</sup>.

### PROPERTY ACQUISITIONS AND SALES JANUARY–SEPTEMBER 2017

Quarter	Property	Municipality	Management area	Category	Area, m <sup>2</sup>	Price, SEKm	Operating surplus 2017, SEKm <sup>1</sup>
<b>Acquisitions</b>							
1	Ackumulatoren 17	Helsingborg	Berga	Ind/Warehousing	4,214	-	-
	Benkammen 16	Malmö	Fosie	Ind/Warehousing	6,260	-	-
	Bure 2	Malmö	Centrum	Projects & Land	-	-	-
	Gimle 1	Malmö	Centrum	Projects & Land	-	-	-
3	Sortemosevej 2	Allerød	Copenhagen	Office/Retail	9,257	-	-
	Borupvang 2/ Lautrupcentret	Ballerup	Copenhagen	Office/Retail	20,872	-	-
	Lautruphøj 8-10	Ballerup	Copenhagen	Office/Retail	15,542	-	-
	Lautrupvang 2	Ballerup	Copenhagen	Office/Retail	12,705	-	-
	Bymosevej 4	Gribskov	Copenhagen	Office/Retail	3,972	-	-
	Knapholm 7	Herlev	Copenhagen	Office/Retail	5,411	-	-
	Lyskær 9	Herlev	Copenhagen	Office/Retail	5,528	-	-
	Munkeengen 4-32	Hillerød	Copenhagen	Office/Retail	16,193	-	-
	Husby Alle 8	Høje-Taastrup	Copenhagen	Office/Retail	2,443	-	-
	Oldenburg Alle 1-5	Høje-Taastrup	Copenhagen	Office/Retail	14,686	-	-
	Slotsmarken 10-18	Hørsholm	Copenhagen	Office/Retail	26,986	-	-
	Lejrvej 15-19	Furesø	Copenhagen	Office/Retail	8,889	-	-
	Digevej 114	København	Copenhagen	Office/Retail	7,389	-	-
	Ny Østergade 7-11	Roskilde	Copenhagen	Office/Retail	15,750	-	-
	Kongevejen 400	Rudersdal	Copenhagen	Office/Retail	4,617	-	-
	Røjelskær 11-15	Rudersdal	Copenhagen	Office/Retail	4,350	-	-
<b>Total acquisitions 2017</b>					<b>185,064</b>	<b>2,588</b>	<b>25</b>
<b>Sales</b>							
1	Gångtappen 1, del av	Malmö	Västra Hamnen	Projects & Land	-	-	-
<b>Total sales 2017</b>					<b>0</b>	<b>11</b>	<b>0</b>

1) Operating surplus from properties acquired and sold that are included in the results for the period.

# Liabilities and equity

As of 30 September 2017, equity totalled SEK 12,513 million (11,463) and the equity/assets ratio 33.3 percent (34.3). Dividend to the shareholders amounting to SEK 442 million was paid out during the second quarter.

## Interest-bearing liabilities

The group's interest-bearing liabilities as of 30 September amounted to SEK 20,291 million (17,553) with an average interest rate including costs for credit agreements of 2.56 percent (2.80).

With consideration to the company's net debt of SEK 20.3 billion, as a percentage of property values, the loan-to-value ratio is 54.9 percent (53.6).

The loans' average fixed interest period including effects of derivatives on 30 September 2017, amounted to 4.2 years (4.8). The average loan maturity, including committed credit facilities, amounted to 6.4 years (5.9).

### STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 30 SEPTEMBER 2017

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2017	7,620	1.33	420	420
2018	1,198	0.66	4,372	4,091
2019	434	0.53	8,277	7,834
2020	0	0.00	3,426	2,133
2021	4,000	3.71	0	0
>2021	7,038	3.57	5,813	5,813
<b>Total</b>	<b>20,291</b>	<b>2.52</b>	<b>22,308</b>	<b>20,291</b>

\*) Excluding costs for credit agreements.

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

### INTEREST RATE DERIVATIVES PORTFOLIO 30 SEPTEMBER 2017

Amount, SEKm	Interest, %	Can be closed	End date
<b>Cancellable swaps*</b>			
500	2.63	quarterly	2026
500	2.72	quarterly	2026
500	2.34	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	quarterly	2021
<b>Interest-rate swaps</b>			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
1,000	3.40		2024
500	3.32		2024
<b>Threshold swap</b>			
1.000	3.07	Threshold 4.75	2021

\*) Cancellable at the initiative of the counterpart.

As a result of higher market rates, the deficit in Wihlborgs' interest rate derivative portfolio decreased to SEK -968 million, a positive change during the period totalling SEK 176 million. The change in value for the interest rate derivatives does not affect the cash flow. When the term of the derivative expires, the value is always zero.

Wihlborgs' interest derivatives are recognized at fair value in accordance with IAS 39. The cancellable swaps are classified at level 3 in accordance with IFRS 13. The change during year for these swaps amounts to SEK 49 million. The remaining swaps are classified at level 2 in accordance with IFRS 13.

## Miscellaneous Employees

At the period end Wihlborgs' number of full-time employees was 144 (132), 55 of whom are property caretakers.

There were 62 employees in Malmö, 26 in Helsingborg, 17 in Lund and 39 in Copenhagen. The average age was 44 and the proportion of women was 34 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 92 million (66), in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 16.

## Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 104-105 in the Company's 2016 annual report.

## Nomination Committee

It was decided at the Annual General Meeting of 26 April 2017 that Wihlborgs' Nomination Committee, whose tasks include submitting proposals for board members, shall consist of members appointed by the three largest shareholders, who wish to participate, as well as one representative for the minor shareholders.

Based on the ownership at 31 August 2017, Wihlborgs' Nomination Committee comprises:

- Bo Forsén (Backahill)
- Eva Gottfridsdotter-Nilsson (Länsförsäkringar Funds)
- Hans Ek (SEB Funds)
- Krister Eurén (minor shareholders)

Chairman of the Board Erik Paulsson has notified the Nomination Committee of his intent to step down from his Board assignments at the AGM on 25 April 2018.

## Largest shareholders 30 September 2017

The largest shareholder in Wihlborgs is Erik Paulsson with family and company, with 10.3 percent of the shares outstanding.

Shares held by owners registered abroad accounted for 41 percent of the total. The number of shareholders was 24,148.

### LARGEST SHAREHOLDERS IN WIHLBORGS 30 SEPTEMBER 2017

	Number of shares, thousands	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,884	10.3
SEB funds	4,108	5.3
Länsförsäkringar funds	3,245	4.2
Qviberg family	2,162	2.8
SHB funds	2,155	2.8
Bank of Norway	1,965	2.6
Nordea funds	1,054	1.4
Tibia Konsult AB	813	1.1
Odin Ejendom	749	1.0
DnB Carlson funds	715	0.9
Other shareholders reg. in Sweden	23,317	30.3
Other shareholders reg. abroad	28,690	37.3
<b>Total outstanding shares</b>	<b>76,857</b>	<b>100.0</b>

## Significant risks and uncertainty factors

Wihlborgs operations, financial status and profit are affected by a number of risk factors. Risks that have a decisive influence on the Group's profit trend are variations in rental income, interest rate

changes, costs, property valuations and taxes. There are also risks relating to liquidity and funding.

There is a comprehensive description of the risks facing the Group on pages 75–79 and 96–99 in the Company's 2016 annual report.

## Accounting policies

Wihlborgs complies with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS and approved by the European Union. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Information in accordance with IAS 34 Interim Financial Reporting are submitted both in notes and elsewhere in the interim report. For comments on new IFRS standards please see the latest annual report, page 93.

Accounting policies and calculation methods are identical to those applied in Wihlborgs' latest Annual Report.

Furthermore, the Group applies the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements. The Parent Company applies RFR 2.

The financial statements can be found on page 14–18.

## Outlook for 2017

For the full-year 2017, income from property management, in other words income before changes in value and tax, is expected to exceed SEK 1,170 million (1,035).

Malmö 23 October 2017

**Wihlborgs Fastigheter AB (publ)**

Anders Jarl, CEO

### REVIEW REPORT

#### Introduction

We have reviewed the interim report for Wihlborgs Fastigheter AB (publ) for the period January 1 - September 30, 2017. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted

auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, October 23, 2017

Deloitte AB, Richard Peters, Authorized Public Accountant

**CONSOLIDATED INCOME STATEMENT Summary**

SEKm	2017 Jul–Sep 3 months	2016 Jul–Sep 3 months	2017 Jan–Sep 9 months	2016 Jan–Sep 9 months	2016/2017 Oct–Sep 12 months	2016 Jan–Dec 12 months
Rental income	578	508	1,665	1,505	2,190	2,030
Other income	19	3	21	5	21	5
<b>Total income</b>	<b>597</b>	<b>511</b>	<b>1,686</b>	<b>1,510</b>	<b>2,211</b>	<b>2,035</b>
Operating costs	-59	-46	-206	-186	-278	-258
Repairs and maintenance	-17	-14	-54	-50	-80	-76
Property tax	-27	-25	-80	-74	-102	-96
Leasehold rent	-1	-1	-3	-3	-5	-5
Property administration	-26	-19	-66	-58	-90	-82
<b>Total property costs</b>	<b>-130</b>	<b>-105</b>	<b>-409</b>	<b>-371</b>	<b>-555</b>	<b>-517</b>
<b>Operating surplus</b>	<b>467</b>	<b>406</b>	<b>1,277</b>	<b>1,139</b>	<b>1,656</b>	<b>1,518</b>
Central administration	-14	-12	-40	-36	-53	-49
Interest income	3	3	9	9	12	12
Interest expense	-123	-118	-362	-340	-481	-459
Share in results of joint ventures	0	0	0	0	13	13
<b>Income from property management</b>	<b>333</b>	<b>279</b>	<b>884</b>	<b>772</b>	<b>1,147</b>	<b>1,035</b>
Change in value of properties	306	112	858	1,442	1,920	2,504
Change in value of derivatives	134	-24	176	-551	462	-265
<b>Pre-tax profit</b>	<b>773</b>	<b>367</b>	<b>1,918</b>	<b>1,663</b>	<b>3,529</b>	<b>3,274</b>
Current tax	-2	-3	-7	-12	-2	-7
Deferred tax	-168	-77	-416	19	-726	-291
<b>Profit for the period<sup>1</sup></b>	<b>603</b>	<b>287</b>	<b>1,495</b>	<b>1,670</b>	<b>2,801</b>	<b>2,976</b>
OTHER TOTAL PROFIT/LOSS <sup>2</sup>						
Translation differences and hedging for international activities, including tax	-6	5	-3	12	-1	14
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>597</b>	<b>292</b>	<b>1,492</b>	<b>1,682</b>	<b>2,800</b>	<b>2,990</b>
Earning per share <sup>3</sup>	7.85	3.73	19.45	21.73	36.44	38.72
No. of shares at end of the period, thousands	76,857	76,857	76,857	76,857	76,857	76,857
Average no. of shares, thousands	76,857	76,857	76,857	76,857	76,857	76,857

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

2) Refers to records that will be transferred to the result for the period.

3) 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 to take into consideration.

**HISTORICAL SUMMARY OF LAST EIGHT QUARTERS**

SEKm	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Rental income	578	547	540	525	508	500	497	475
Other income	19	1	1	0	3	1	1	11
Operating costs	-59	-59	-88	-72	-46	-58	-82	-71
Repairs and maintenance	-17	-19	-18	-26	-14	-20	-16	-20
Property tax	-27	-27	-26	-22	-25	-24	-25	-24
Leasehold rent	-1	-1	-1	-2	-1	-1	-1	-1
Property administration	-26	-20	-20	-24	-19	-20	-19	-22
<b>Operating surplus</b>	<b>467</b>	<b>422</b>	<b>388</b>	<b>379</b>	<b>406</b>	<b>378</b>	<b>355</b>	<b>348</b>
Income from property management	333	290	261	263	279	255	238	232
Profit for the period	603	603	289	1,306	287	1,181	202	935
Surplus ratio, %	77.5	77.0	71.7	72.2	79.3	75.4	71.2	70.9
Investment yield, %	5.1	5.0	4.7	4.8	5.3	5.1	4.9	4.9
Equity/assets ratio, %	33.3	34.4	34.8	34.3	32.7	32.1	30.6	30.6
Return on equity, %	19.7	20.4	10.0	48.3	11.5	49.9	9.0	44.5
Earnings per share, SEK	7.85	7.85	3.76	16.99	3.73	15.37	2.63	12.17
Income property management per share, SEK	4.33	3.77	3.40	3.42	3.63	3.32	3.10	3.02
Cash flow per share, SEK	5.58	3.68	3.12	3.99	3.79	3.40	2.67	3.08
EPRA net asset value per share, SEK	211.43	203.30	198.86	194.76	177.41	172.33	162.52	155.54
Share price as % of Equity II	94.2	87.6	85.4	87.0	102.9	99.9	106.1	109.9
Carrying amount of properties	36,928	34,019	33,217	32,755	30,522	30,161	29,196	28,623
Equity	12,513	11,916	11,752	11,463	10,155	9,863	9,081	8,876
Total assets	37,580	34,604	33,815	33,414	31,065	30,713	29,725	29,033

See pages 17-18 for Key figures & Definitions.

**CONSOLIDATED BALANCE SHEET** summary

SEKm	30-09-2017	30-09-2016	31-12-2016
<b>ASSETS</b>			
Investment properties	36,928	30,522	32,755
Other fixed assets	297	266	290
Current receivables	182	114	117
Liquid assets	173	163	252
<b>Total assets</b>	<b>37,580</b>	<b>31,065</b>	<b>33,414</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	12,513	10,155	11,463
Deferred tax liability	2,769	2,050	2,362
Borrowings	20,291	16,593	17,553
Derivatives	968	1,430	1,144
Other long-term liabilities	54	52	53
Current liabilities	985	785	839
<b>Total equity &amp; liabilities</b>	<b>37,580</b>	<b>31,065</b>	<b>33,414</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Total equity at beginning of period</b>	<b>11,463</b>	<b>8,876</b>	<b>8,876</b>
<i>Equity attributable to parent company's shareholders</i>			
Opening amount	11,463	8,876	8,876
Dividend paid	-442	-403	-403
Profit for the period	1,495	1,670	2,976
Other comprehensive income	-3	12	14
<b>Closing amount</b>	<b>12,513</b>	<b>10,155</b>	<b>11,463</b>
<i>Equity attributable to minority shares</i>			
	-	-	-
<b>Total equity at end of period</b>	<b>12,513</b>	<b>10,155</b>	<b>11,463</b>

**CONSOLIDATED CASH FLOW STATEMENT** summary

SEKm	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
<b>Operating activities</b>			
Operating surplus	1,277	1,139	1,518
Central administration	-40	-36	-49
Depreciation	1	1	2
Net financial items paid	-354	-330	-442
Income tax paid	0	-2	-5
Change in other working capital	68	-15	40
<b>Cashflow from operating activities</b>	<b>952</b>	<b>757</b>	<b>1,064</b>
<b>Investment activities</b>			
Investments in and acquisitions of properties	-2,588	-109	-1,074
Investments in existing properties	-759	-707	-989
Sales of properties	11	520	581
Change in other non-current assets	-8	-19	-31
<b>Cash flow from investment activities</b>	<b>-3,344</b>	<b>-315</b>	<b>-1,513</b>
<b>Financing activities</b>			
Dividend paid	-442	-403	-403
Increase in borrowing	2,755	175	1,154
Decrease in other long-term liabilities	-	-126	-125
<b>Cash flow from financing activities</b>	<b>2,313</b>	<b>-354</b>	<b>626</b>
<b>Cash flow for the year</b>	<b>-79</b>	<b>88</b>	<b>177</b>
<b>Opening cash flow</b>	<b>252</b>	<b>75</b>	<b>75</b>
<b>Closing cash flow</b>	<b>173</b>	<b>163</b>	<b>252</b>

**CONSOLIDATED SEGMENT REPORTING JAN–SEP**

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Rental income	728	681	410	392	286	280	241	152	1,665	1,505
Other income	16	1	5	3	0	1	0	0	21	5
Costs	-182	-167	-110	-106	-72	-68	-45	-30	-409	-371
Operating surplus	562	515	305	289	214	213	196	122	1,277	1,139

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement. The difference between the operating surplus of SEK 1,277 million (1,139) and the pre-tax profit of SEK 1,918 million

(1,663) consists of central administration SEK -40 million (-36), net interest SEK -353 million (-331) share in results of joint ventures 0 (0) and changes in value of properties and derivatives SEK 1,034 million (891). A more detailed segment reporting can be found in the latest annual report on page 99.

**PARENT COMPANY'S INCOME STATEMENT summary**

SEKm	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Income	105	97	131
Expenses	-111	-99	-138
<b>Operating profits</b>	<b>-6</b>	<b>-2</b>	<b>-7</b>
Financial income	1,525	1,391	1,527
Financial expenses	-380	-970	-800
<b>Pre-tax profit</b>	<b>1,139</b>	<b>419</b>	<b>720</b>
Appropriations	0	0	56
Tax	-11	156	89
<b>Profit for the period</b>	<b>1,128</b>	<b>575</b>	<b>865</b>

**PARENT COMPANY'S BALANCE SHEET summary**

SEKm	30-09-2017	30-09-2016	31-12-2016
Participations in Group companies	8,563	8,316	8,472
Receivables from Group companies	11,552	10,614	10,432
Other assets	581	656	587
Cash and bank balances	21	71	152
<b>Total assets</b>	<b>20,717</b>	<b>19,657</b>	<b>19,643</b>
Equity	3,973	2,998	3,287
Liabilities to credit institutions	12,983	12,900	13,091
Derivatives	968	1,430	1,144
Liabilities to Group companies	2,643	2,195	1,988
Other liabilities	150	134	133
<b>Total equity and liabilities</b>	<b>20,717</b>	<b>19,657</b>	<b>19,643</b>



**KEY FIGURES FOR THE GROUP**

SEK m	Jan–Sep 2017	Jan–Sep 2016	Jul/Sep 2016/17	Jan–Dec 2016
<b>FINANCIAL</b>				
Return on equity, %	16.6	23.4	24.8	29.3
Return on total capital, %	7.9	11.3	10.3	12.8
Equity/assets ratio, %	33.3	32.7	33.3	34.3
Interest coverage ratio, multiple	3.4	3.3	3.4	3.3
Leverage properties, %	54.9	54.4	54.9	53.6
Debt/equity ratio, multiple	1.6	1.6	1.6	1.5
<b>SHARE-RELATED</b>				
Earnings per share, SEK	19.45	21.73	36.44	38.72
Earnings per share before tax, SEK	24.96	21.64	45.92	42.60
Income from property management per share, SEK	11.50	10.04	14.92	13.47
Cashflow from operations per share, SEK	12.39	9.85	16.38	13.84
Equity per share I, SEK	162.81	132.13	162.81	149.15
Equity per share II, SEK	198.84	158.80	198.84	179.88
EPRA NAV (net asset value) per share, SEK	211.43	177.41	211.43	194.76
Market value per share, SEK	199.20	182.50	199.20	169.40
Dividend per share, SEK	-	-	-	5.75
Dividend yield, % <sup>1</sup>	-	-	-	3.4
Total return from share, % <sup>1</sup>	-	-	-	2.1
P/E-ratio I, multiple	7.7	6.3	5.5	4.4
P/E-ratio II, multiple	16.7	17.5	17.1	16.1
Number of shares at the end of period, thousands	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857
<b>PROPERTY-RELATED</b>				
Number of properties	305	268	305	282
Carrying amount of properties, SEKm	36,928	30,522	36,928	32,755
Estimated investment yield, % – all properties	4.9	4.9	4.9	4.9
Estimated direct return, % – excl project properties	5.1	5.2	5.1	5.1
Lettable area, m <sup>2</sup>	2,037,114	1,741,307	2,037,114	1,848,738
Rental income, SEK per m <sup>2</sup>	1,164	1,164	1,164	1,156
Operating surplus, SEK per m <sup>2</sup>	880	864	880	868
Financial occupancy rate, % – all properties	92	89	92	91
Financial occupancy rate, % – excl project properties	93	91	93	92
Estimated surplus ratio, %	76	74	76	75
<b>EMPLOYEES</b>				
Number of employees at period end	144	126	144	132

1) Calculated for calendar year only.

## Basis for key ratios

The basis for the key financial ratios in ongoing use by Wihlborgs and for which established financial targets apply 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 means 6.0 percent for Q3 2017, 5.8 percent for Q3 2016 and 5.8 percent for the full year 2016.
- 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.

**BASIS FOR KEY RATIOS**

SEKm	30-09-2017	30-09-2016	31-12-2016
<b>Return on equity</b>			
Profit for the period	1,495	1,670	2,976
Equity, opening balance	11,463	8,876	8,876
Equity, closing balance	12,513	10,155	11,463
Average equity	11,988	9,516	10,170
Conversion to full-year basis	12/9 month	12/9 month	12/12 month
<b>Return on equity, %</b>	<b>16.6</b>	<b>23.4</b>	<b>29.3</b>
<b>Leverage properties</b>			
Borrowings	20,291	16,593	17,553
Carrying amount investment properties	36,928	30,522	32,755
<b>Leverage properties, %</b>	<b>54.9</b>	<b>54.4</b>	<b>53.6</b>
<b>Equity/assets ratio</b>			
Equity	12,513	10,155	11,463
Total assets	37,580	31,065	33,414
<b>Equity/assets ratio, %</b>	<b>33.3</b>	<b>32.7</b>	<b>34.3</b>
<b>Interest coverage ratio</b>			
Income from property management	884	772	1,035
Interest expense	362	340	459
	<b>1,246</b>	<b>1,112</b>	<b>1,494</b>
Interest expense	362	340	459
<b>Interest coverage ratio, multiple</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>
<b>EPRA NAV</b>			
Equity	12,513	10,155	11,463
Deferred tax liability	2,769	2,050	2,362
Derivatives	968	1,430	1,144
	<b>16,250</b>	<b>13,635</b>	<b>14,969</b>
Number of shares, thousand	76,857	76,857	76,857
<b>EPRA NAV per share, SEK</b>	<b>211.43</b>	<b>177.41</b>	<b>194.76</b>

**KEY FIGURES & 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 the next page, definitions of metrics are presented that, with a few exceptions, are not defined in accordance with IFRS.

# Definitions

## 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 14.

### 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 total assets

Earnings before interest, value changes in derivatives and taxes (EBIT) as a percentage of average total assets. Average total assets 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 the total assets employed.

### 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.

### Debt/equity ratio

Interest-bearing liabilities relative to equity. Interest-bearing liabilities correspond to borrowings in the balance sheet. The ratio illustrates the relationship between borrowings and equity and, thereby, the gearing and financial strength.

### Surplus ratio

The operating surplus, excluding payments for early lease termination, shown as a percentage of rental income. In the income statement, the item "other income" is used for payments for early lease termination. The ratio illustrates the proportion of rental income that remains after deducting property management costs.

### Investment yield

The operating surplus, excluding payments for early lease termination, 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 the income statement, the item "other income" is used for payments for early lease termination. 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.

## Share-related key ratios

### Earnings per share for the period

Earnings for the period divided by the average number of shares outstanding. Definition according to IFRS.

### Earnings per share before tax

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

### Income from property management per share

Income from property management divided by the average number of shares outstanding.

### Cash flows from operating activities per share

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

### Equity per share I

The relationship between the closing balances for equity and the number of shares at the end of the period.

### Equity per share II

Calculated as Equity per share I, but not charged with deferred tax. Equity is increased by the addition of the carrying amount for deferred tax liabilities.

### EPRA NAV (long-term net asset value) per share

Equity per share following the reversal of interest-rate derivatives and deferred tax according to the balance sheet.

### 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. The multiple is converted to its annualised value without taking account of seasonal variations.

### P/E ratio II, multiple

Market price per share divided by income from property management, charged with nominal tax at 22 %, per share. The multiple is converted to its annualised value without taking account of seasonal variations.

## 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, rental income and lettings portfolio compared with the end of the last quarter.

### Rental value

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

### Estimated investment yield

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

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

Rental income on an annualised basis divided by lettable area.

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

Operating surplus divided by lettable area.

### Economic occupancy rate

Rental income as a percentage of rental value.

### Estimated surplus ratio

Operating surplus as a percentage of rental income.

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

## CONTACT PEOPLE

Anders Jarl, CEO. Phone: +46 (0)40-690 57 10, E-mail: anders.jarl@wihlborgs.se

Arvid Liepe, CFO. Phone: +46 (0)40-690 57 31, E-mail: arvid.liepe@wihlborgs.se

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### Malmö - Headquarters

Wihlborgs Fastigheter AB  
Box 97, SE-201 20 Malmö  
Visitors: Dockplatsen 16  
Tel: +46 (0)40-690 57 00

### Helsingborg

Wihlborgs Fastigheter AB  
Terminalgatan 1  
SE-252 78 Helsingborg  
Tel: +46 (0)42-490 46 00

### Lund

Wihlborgs Fastigheter AB  
Ideon Science Park  
Scheelevägen 17  
SE-223 70 Lund  
Tel: +46 (0)46-590 62 00

### Danmark

Wihlborgs A/S  
Hørkær 26. 1.sal  
DK-2730 Herlev. Danmark  
Tel: +45 396 161 57

[www.wihlborgs.se](http://www.wihlborgs.se)

[info@wihlborgs.se](mailto:info@wihlborgs.se)

Registered office: Malmö

Corporate registration no.:

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