

Wihlborgs'  
Interim report  
**2020**  
January–March

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JANUARY–MARCH 2020

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Rental income increased by 9 percent  
to SEK 781 million (718)

Operating surplus increased by  
11 percent to SEK 555 million (500)

Income from property management  
increased by 13 percent to  
SEK 460 million (406)

Result for the period amounts to  
SEK 344 million (311), corresponding to  
earnings per share of SEK 2.24 kr (2.02)

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# January–March 2020

Group key figures, SEK m	2020 Jan–Mar	2019 Jan–Mar
Rental income	781	718
Operating surplus	555	500
Income property management	460	406
Changes in value of properties	59	73
Changes in value of derivatives	-92	-81
Result for the period	344	311
Earnings per share, SEK	2.24	2.02
Surplus ratio, %	71	70
Equity/assets ratio, %	38,3	35,2
Occupancy rate, %*	92	93
EPRA NAV per share, SEK	143.77	125.75

\*) Excluding Projects & Land.

The Dungen (Gimle 1) office building in Hyllie received the Urban Design Prize in Malmö for 2019. Now the building, with its pleated glass facade, has also been nominated for the 2020 Glaspriset, which will be awarded in October.

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## Forthcoming reports

Interim report Jan–Jun	6 July 2020
Interim report Jan–Sep	23 Oct 2020

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

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 below on **28 April 2020 at 07:30 CEST**.

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 46,6 billion. The annual rental value of the properties is SEK 3,4 billion. Wihlborgs shares are quoted on the Large Cap List of Nasdaq Stockholm.

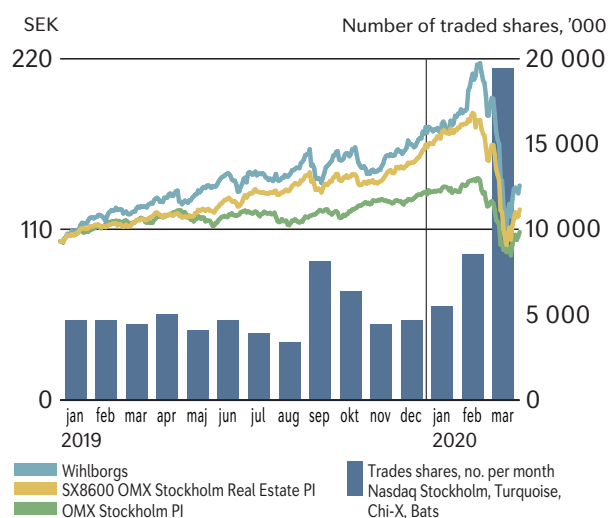
## Financial targets

- 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 page 19 for outcome

## Development of share price

2019-01-01–2020-03-31



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## CEO's comments

These are unusual times and a time where many different feelings are allowed to occupy our minds at once. Preparedness, compassion, responsibility, reflection, pride and drive are all aspects of this spectrum.

I am proud that we have once again been able to report very positive results. We continue to grow, and rental income increased 9 percent to SEK 781 million for the quarter. The operating surplus rose 11 percent to SEK 555 million, corresponding to a healthy surplus ratio of 71 percent. Income from property management rose 13 percent to SEK 460 million.

We can also report positive net lettings for the quarter of SEK 8 million and where new leases amounted to SEK 61 million. In Malmö, we have leased a 1,000 m<sup>2</sup> space at Sparven 15 to Fortnox and a 1,000 m<sup>2</sup> space at Flygledaren 9 to Vinnergi. In Lund, Bosch continues its growth at Ideon, expanding its premises with an additional 1,000 m<sup>2</sup>. In Copenhagen, we have signed a ten-year lease with Saint Gobain for 7,700 m<sup>2</sup> at Abildager 16 and a five-year lease with the Danish armed forces who are expanding at Lautruphøj 8–10 in Ballerup by 4,600 m<sup>2</sup> to 15,000 m<sup>2</sup>. We are also starting new projects, for example in Malmö, where we are constructing a new production facility for Bevego of 1,200 m<sup>2</sup>. We have a stable, growing customer base, particularly within different segments of the public sector. Seven of our ten largest tenants are from the

public sector. These include Region Skåne, the City of Malmö, the City of Helsingborg, the Swedish Tax Agency, the Danish Building and Property Agency, and Lund and Malmö universities.

We are also continuing to grow through acquisitions. In January, we acquired the Banemarksvej 50 premises in Brøndby, encompassing almost 20,000 m<sup>2</sup>.

Our growth is developing from a stable financial base. Our equity/assets ratio amounted to 38.3 percent and loan-to-value ratio to 52.1 percent. It is also worth noting that at the end of the quarter, we had unutilised credit facilities of more than SEK 2.8 billion, meaning that we are not dependant on capital market financing for the current year.

We continue to deliver on our projections and we continue to grow.

However, we are fully aware that this is not a typical quarter. During the quarter, the effects of the spread of Covid-19 struck essentially the whole world all at once. Swiftly implemented measures have changed conditions for people and companies alike, with natural consequences for everyone.

Wihlborgs currently has over 200 ongoing dialogues with tenants who have been affected by the current situation. Our exposure to the segments that have been immediately affected, such as hotels, restaurants and retail, is relatively small and corresponds to barely



six percent of our total rental income. But for every one of our tenants, the situation could be critical, and we proceed with every dialogue based on each individual customer's circumstances.

In these difficult times, it is more important than ever that we continue to contribute to our region developing in the best possible manner. We achieve this by acting as a long-term partner for our tenants and by placing an emphasis on assisting the suppliers in our communities. We are also purchasing several thousand lunches from restaurants in our premises and donating them to organisations that assist the vulnerable, such as Fryshuset or Stadsmissionen, as well as to individuals who are working in essential societal functions.

But the largest and most important contribution we can make is to continue to invest in the region. We expect to invest around one billion kronor in our development projects during the year, and these investments have a clear significance for the continued development of both Wihlborgs and the region. Our focus on using local labour provides a double benefit. Maintaining competitive operations, ensuring that people continue to be employed and maintaining the competence of our suppliers, in parallel with exiting the crisis even better equipped, has a number of advantages.

*"In these difficult times, it is more important than ever that we continue to contribute to our region developing in the best possible manner."*

It is too early to predict when we will see an end to the extreme measures that have been put in place to deal with the crisis in different countries. But we will gradually arrive at new norms. When this happens, we are convinced that the excellent preconditions of the Öresund region, together with the diverse structure of the business community, good infrastructure, a large number of universities and research facilities as well as a young and growing population means that we will be able to leverage and create new opportunities and further growth. And Wihlborgs will continue to participate in and contribute to this growth.



Ulrika Hallengren, CEO

## Market comments

The corona crisis has impacted all of society and most branches of industry, albeit to varying extents. For the property sector, which generally reports strong cash flows and balance sheets, the effects of the crisis will be more limited than for many other industries, even if the exposure to different types of tenants will have varying impacts. High exposures to the hotel, restaurant and retail sectors will have a greater impact on rental revenue and vacancy rates. It remains to be seen how long this extraordinary situation will continue, and what the financial consequences will be. However, the assessment is that society at large will be dealing with the consequences of this crisis for a long time to come. We have not noticed any significant difference between the effects of the crisis for Sweden and Denmark, even if the measures taken to prevent its spread have been significantly further reaching in Denmark, that has experienced a virtual total lockdown since 13 March. Restrictions will gradually begin to ease on 15 April.

The property transaction market in Sweden began 2020 extremely strongly. Despite a certain slowdown in the last weeks of the quarter, transaction volumes far exceeded the year-earlier period, according to Cushman & Wakefield. Properties for almost SEK 40.5 billion changed owners, which can be compared with the transaction volume for the first quarter of the record year 2019, which amounted to SEK 31.8 billion. Offices, housing and retail are the most popular segments.

It was primarily Swedish investors who have invested during the quarter, with over three quarters of the transaction volume representing acquisitions by domestic buyers. Among foreign investors, buyers from Norway, Germany and the US have been the most active.

A survey carried out in January among investors revealed that a large proportion of investors planned to net acquire in 2020, which presented the risk that there would be insufficient acquisition opportunities in the market. The market has now taken on a general note of caution, but the underlying desire to invest seems to be just below the surface. Residential properties, centrally positioned premises in large cities and cash flow premises with strong tenants remain attractive even in the current market, according to Cushman & Wakefield.

The transaction year also started strongly in Denmark. Preliminary figures from the CBRE show a year-on-year increase of 20–30 percent. However, it should be kept in mind that the transaction volume in Denmark for 2019 fell well below the volumes for 2017 and 2018. For the first quarter of 2020, offices were the most sought-after class of assets, and accounted for around a third of the transaction volume.

Comparative figures for income statement items relate to values for the corresponding period 2019 and balance sheet items as of 31-12-2019.

# Income, expenses and profits, Jan-Mar 2020

## Rental income

Rental income amounted to SEK 781 million (718) of which service income was SEK 82 million (74). Property acquisitions and divestments have contributed with net SEK 13 million (28) to rental income growth. Of income, SEK 7 million (0) pertains to supplementary billing as final settlement for costs in 2019. Remaining increase is attributable to completed projects, renegotiations, new lettings and indexation in contracts. Furthermore, a stronger Danish Krona has resulted in an increase in income by SEK 4 million (6).

The total growth in rental income was 9 percent compared with the corresponding period 2019.

At the end of the period the occupancy rate for investment properties, excluding Projects & Land, is 92 percent which is one percentage point lower compared with year-end 2019.

During the period new leases were signed to a value of SEK 61 million (96) on an annualized basis. Lease terminations totalled SEK 53 million (79). This represents a net letting of SEK 8 million (17).

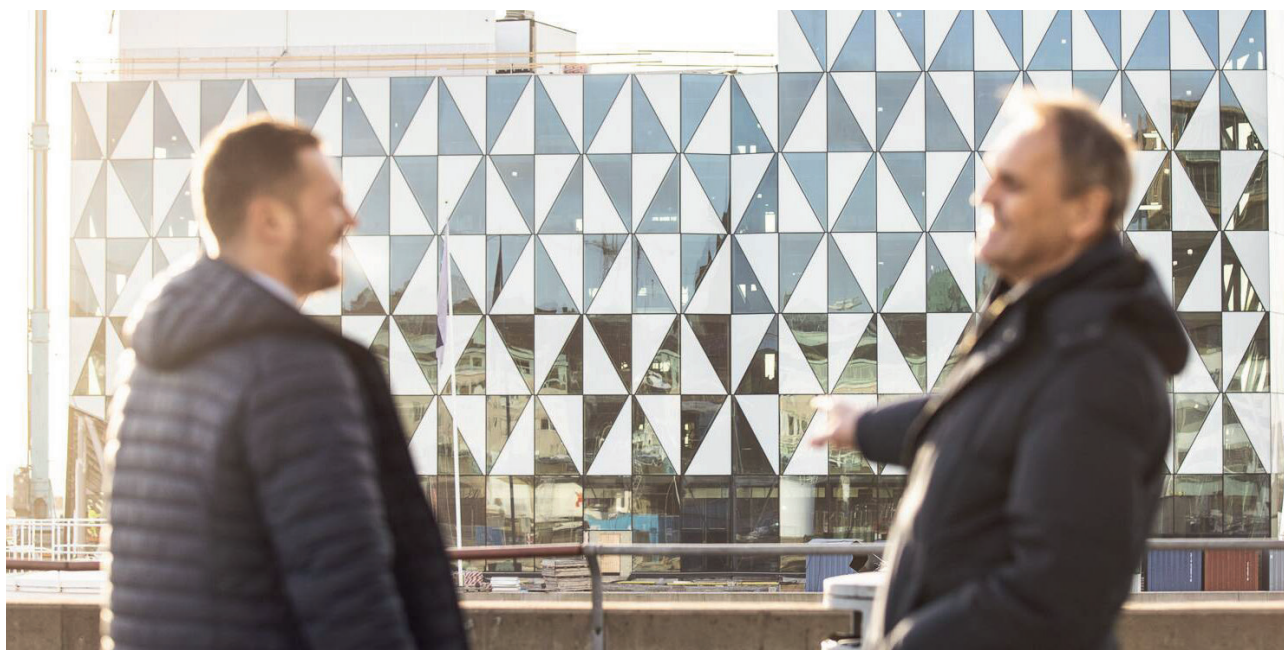
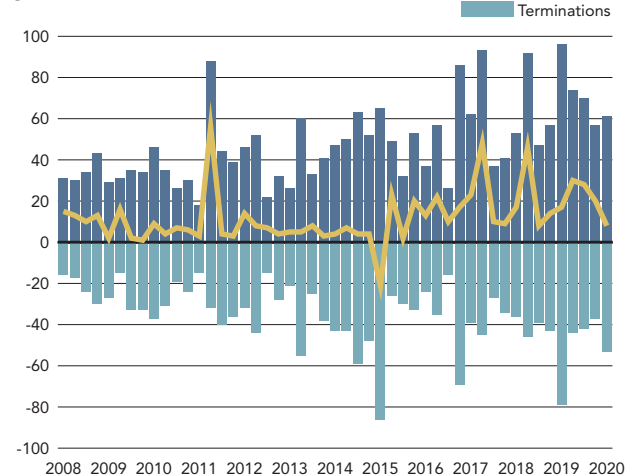
## Terms of Wihlborgs' rental contracts per 31 March 2020

Cancellable rental value, SEK m



## Net letting, quarterly

SEK m



The office building Prisma is being constructed in Oceanhamnen in Helsingborg, where the tech hub Hetch will rent 1,900 m<sup>2</sup> with space for entrepreneurs and start-up companies. Here you can see David Sträng Nillson, CEO of Hetch, and Jan-Erik Johansson, Property Director at Wihlborgs in Central Helsingborg.

## Property expenses

Total property expenses amounted to SEK 226 million (218). The increase is mainly due to property acquisitions and completed projects. Operating costs for the period are lower than expected due to milder weather than normal in the first quarter.

The historical summary at the bottom of page 17 illustrates how costs vary over the different quarters of the year.

## Operating surplus

The operating surplus amounted to SEK 555 million (500) representing a surplus ratio of 71 percent (70). Of the increase, SEK 7 million (16) was attributable to property acquisitions and divestments.

## Central administration

The costs for central administration were SEK 20 million (17).

## Financial income and expense

Net interest totalled SEK -76 million (-76), of which interest income accounted for SEK 3 million (4).

The interest expense for the period, incl. realized effects from interest rate derivatives, was SEK 79 million (80). Leasehold rent amounted to SEK 1 million (1). Interest expense relating to interest rate derivatives amounted to

SEK 9 million (16). At the end of the period, the average interest rate, including the cost of credit agreements, was 1.31 percent, compared with 1.28 percent at the previous year-end.

## Income from property management

Profit participation in joint ventures amounted to SEK 2 million (0). Income from property management amounted to SEK 460 million (406).

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 427 million (398). During the period, value changes on properties amounted to SEK 59 million (73). Value changes on derivatives amounted to SEK -92 million (-81) of which SEK -90 million (-81) are attributable to interest rate derivatives and SEK -2 million (0) to other financial items.

## Profit after taxes

The profit after taxes was SEK 344 million (311). Total tax amounted to SEK 83 million (87), of which current tax SEK 10 million (9) and deferred tax SEK 73 million (78).



Wihlborgs has plans to build the office building Kvartetten (Pulpeten 5) close to the station in Hyllie, with a possible construction start in autumn 2020. In 2019, Wihlborgs completed two projects in Hyllie: the Dungen (Gimle 1) property, with the Swedish Customs as the major tenant, and Origo (Bure 2) let to Ingka services.



# Assets

## Property portfolio as of 31 March 2020

The summaries below are based on Wihlborgs' property portfolio as of 31 March 2020. Rental income relates to contracted rental income on an annual basis as of 1 April 2020.

The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for April 2020, operating and maintenance costs, property administration on a rolling twelve-month basis and property tax.

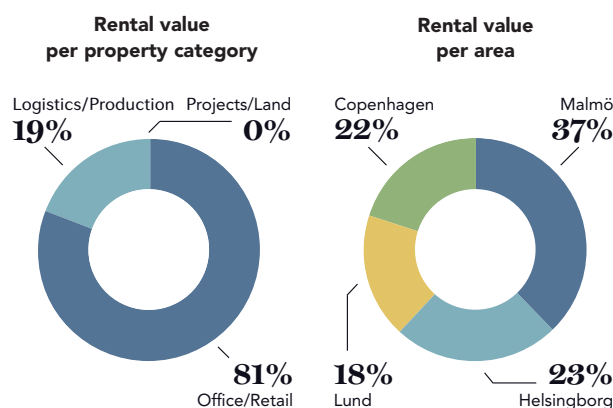
Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 March 2020 consisted of 314 properties (312) with a lettable area of 2,201,000 m<sup>2</sup> (2,181,000).

10 of the properties (10) are leasehold rights. The properties' carrying amount was SEK 46,559 million (45,519), which corresponds to the estimated market value. The total rental value was SEK 3,384 million (3,290) and the contracted rental income on annual basis SEK 3,130 million (3,059). The like-for-like increase in contracted rental income was

4.4 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 92 percent (93) and for Logistics/Production properties 93 percent (93). The rental value for Office/Retail properties represented 81 percent and Logistics/Production properties 19 percent of the total rental value.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 2,400 million (2,357) which with a carrying amount of SEK 45,009 million (44,115) corresponds to a yield of 5.3 percent (5.3). Broken down by property category, this is 5.0 percent (5.1) for Office/Retail and 7.0 percent (7.0) for Logistics/Production.



At Stora Bernstorp on the outskirts of Malmö, Wihlborgs is building a new service centre for the Mercedes-Benz dealer Veho Bil. A logistics centre is being built for Region Skåne at the same property, Sunnanå 12:54. Both projects are expected to be ready for occupancy during the first quarter of 2021.



## Changes in values of properties

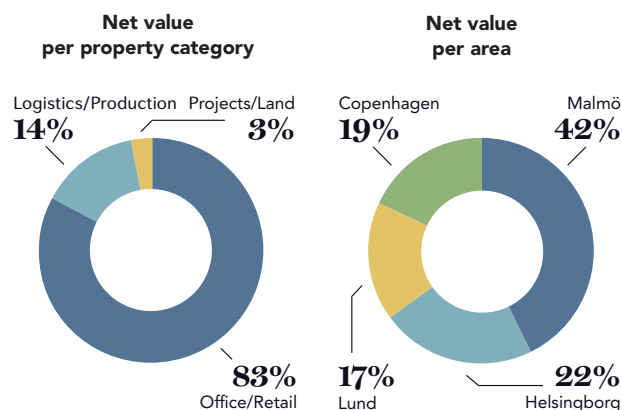
By year-end the valuation of all Wihlborgs' properties is carried out by external valuers. The valuation of the properties as of 31 March 2020 has been made internally and resulted in a value increase at SEK 59 million (73). The yield requirements in the valuations have been largely unchanged during the quarter.

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. The method for valuation is the same as in the previous year. There is a comprehensive description of the method for valuation of properties on pages 86-87 and 105-106 in the Company's 2019 Annual Report.

As of 31 March 2020 the carrying amount for the properties was SEK 46,559 million (45,519).

### Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2020	45,519
Acquisitions	140
Investments	337
Properties sold	-
Change in value	59
Currency translations	504
<b>Carrying amount 31 March 2020</b>	<b>46,559</b>



## Investments and current projects

Investments in the property portfolio totalled SEK 337 million (406).

Approved investments in ongoing projects amount to SEK 1,705 million, of which SEK 886 million had been invested at end of period.

## Liquid assets

The Groups liquid assets totalled SEK 643 million (567) including unutilized overdraft facilities.

At the end of the period unutilized credit facilities amounted to SEK 2,836 million (3,106).

### Investments in progress >SEK 50 million, 31 March 2020

Property	Category of use	Municipality	Completion date	Lettable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEK m	Expended 31-03-2020, SEK m
Forskaren 1	Office/Retail	Malmö	Q3 2020	4,000	70	97	88
Stenåldern 7	Logistics/Production	Malmö	Q4 2020	4,300	100	78	60
Ursula 1	Office/Retail	Helsingborg	Q4 2020	13,000	40	405	260
Terminalen 1	Office/Retail	Helsingborg	Q4 2020	8,800	30	257	140
Musköten 20	Office/Retail	Helsingborg	Q4 2020	4,400	100	97	45
Sunnanå 12:54	Logistics/Production	Malmö	Q1 2021	3,600	100	96	1
Sunnanå 12:54	Logistics/Production	Malmö	Q1 2021	2,300	100	58	1
<b>Summa</b>				<b>40,400</b>		<b>1,088</b>	<b>595</b>

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

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Logistics/ Production, m <sup>2</sup>	Education/ Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö	345,609	47,145	265,903	32,556	17,781 <sup>1</sup>	708,994	32
Helsingborg	203,204	61,180	286,390	40,112	13,046 <sup>2</sup>	603,932	28
Lund	203,632	17,628	33,063	4,429	9,224 <sup>3</sup>	267,976	12
Copenhagen	440,416	7,402	84,303	10,664	77,673 <sup>4</sup>	620,458	28
<b>Total</b>	<b>1,192,861</b>	<b>133,355</b>	<b>669,659</b>	<b>87,761</b>	<b>117,724</b>	<b>2,201,360</b>	<b>100</b>
<b>Share, %</b>	<b>54</b>	<b>6</b>	<b>31</b>	<b>4</b>	<b>5</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 and 5,600 m<sup>2</sup> hotel**Analysis per property category in each management area**

Area/ property category	Number of properties	Area, m <sup>2</sup> thousand	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m <sup>2</sup>	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property ad- min., SEK m	Surplus ratio, %	Operating surplus excl. property ad- min., SEK m	Yield excl. property admin., %
<b>Malmö</b>											
Office/Retail	52	448	16,524	1,020	2,274	94	961	732	76	763	4.6
Logistics/Production	47	245	2,497	226	922	94	212	159	75	171	6.9
Projects & Land	21	15	796	2	146	-	2	1	-	2	-
<b>Total Malmö</b>	<b>120</b>	<b>709</b>	<b>19,817</b>	<b>1,248</b>	<b>1,761</b>	<b>94</b>	<b>1,174</b>	<b>893</b>	<b>76</b>	<b>936</b>	<b>4.7</b>
<b>Helsingborg</b>											
Office/Retail	31	231	6,336	460	1,989	94	431	330	77	342	5.4
Logistics/Production	62	373	3,230	330	887	92	303	224	74	239	7.4
Projects & Land	12	-	611	-	-	-	-	-1	-	-1	-
<b>Total Helsingborg</b>	<b>105</b>	<b>604</b>	<b>10,177</b>	<b>791</b>	<b>1,309</b>	<b>93</b>	<b>734</b>	<b>552</b>	<b>75</b>	<b>581</b>	<b>5.7</b>
<b>Lund</b>											
Office/Retail	26	245	7,544	582	2,373	90	526	365	69	409	5.4
Logistics/Production	4	23	212	18	807	99	18	14	78	15	7.1
Projects & Land	3	-	120	-	-	-	-	-	-	-	-
<b>Total Lund</b>	<b>33</b>	<b>268</b>	<b>7,876</b>	<b>600</b>	<b>2,240</b>	<b>91</b>	<b>544</b>	<b>379</b>	<b>70</b>	<b>424</b>	<b>5.4</b>
<b>Copenhagen</b>											
Office/Retail	47	567	8,036	694	1,225	91	630	405	64	425	5.3
Logistics/Production	8	54	630	50	940	94	47	34	72	35	5.6
Projects & Land	1	-	22	-	-	-	-	-	-	-	-
<b>Total Copenhagen</b>	<b>56</b>	<b>620</b>	<b>8,688</b>	<b>745</b>	<b>1,200</b>	<b>91</b>	<b>678</b>	<b>439</b>	<b>65</b>	<b>459</b>	<b>5.3</b>
<b>Total Wihlborgs</b>	<b>314</b>	<b>2,201</b>	<b>46,559</b>	<b>3,384</b>	<b>1,537</b>	<b>92</b>	<b>3,130</b>	<b>2,263</b>	<b>72</b>	<b>2,401</b>	<b>5.2</b>
<b>Total excluding projects and land</b>	<b>277</b>	<b>2,186</b>	<b>45,009</b>	<b>3,382</b>	<b>1,547</b>	<b>92</b>	<b>3,128</b>	<b>2,264</b>	<b>72</b>	<b>2,400</b>	<b>5.3</b>



Wihlborgs has grown significantly in Copenhagen over the past few years. This pertains primarily to properties in areas where Wihlborgs is already represented and which have good transportation links with good access to public transport and the ring roads, just like the Digevej 114 property with Mercedes-Benz as tenant.

## Property transactions

On 1 January 2020, Wihlborgs acquired the Banemarksvej 50 office building in Brøndby, encompassing 19,636 m<sup>2</sup> of lettable area. The seller was the Icelandic company Flint ehf. The occupancy rate on the date of possession was 83 percent and the largest tenant is Milestone System A/S, which rents 12,200 m<sup>2</sup>.

### Property transactions January–March 2020

Quarter	Property	Municipality	Management area	Category	Area, m <sup>2</sup>	Price, SEK m	Operating surplus 2020, SEK m <sup>1</sup>
<b>Acquisitions</b>							
1	Banemarksvej 50	Brøndby	South Copenhagen	Office/Retail	19,636	140	3.4
<b>Total acquisitions 2020</b>					<b>19,636</b>	<b>140</b>	<b>3.4</b>
<b>Sales</b>							
-	-	-	-	-	-	-	-
<b>Total sales 2020</b>					<b>-</b>	<b>-</b>	<b>-</b>

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



# Liabilities and equity

As of 31 March 2020 equity totalled SEK 18,285 million (17,887) and the equity/assets ratio stood at 38.3 percent (38,4).

## Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 March amounted to SEK 24,264 million (23,628) with an average interest rate including costs for credit agreements of 1.31 percent (1.28).

With consideration to the company's net debt of SEK 24,3 billion, the loan-to-value ratio is 52.1 percent (51.9) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 31 March 2020 amounted to 3.6 years (3.5). The average loan maturity, including committed credit facilities, amounted to 6.0 years (5.7).

### Structure of interest and loan maturities as of 31 March 2020

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEK m	Av. interest rate, %	Credit ag., SEK m	Utilised, SEK m
2020	9,861	1.08	1,762	1,762
2021	2,203	1.03	9,988	8,632
2022	1,630	1.15	7,584	6,105
2023	2,430	1.38	150	150
2024	1,288	1.55	0	0
<2024	6,852	1.59	7,615	7,615
<b>Total</b>	<b>24,264</b>	<b>1.28*</b>	<b>27,099</b>	<b>24,264</b>

\* Excluding costs for credit agreements

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

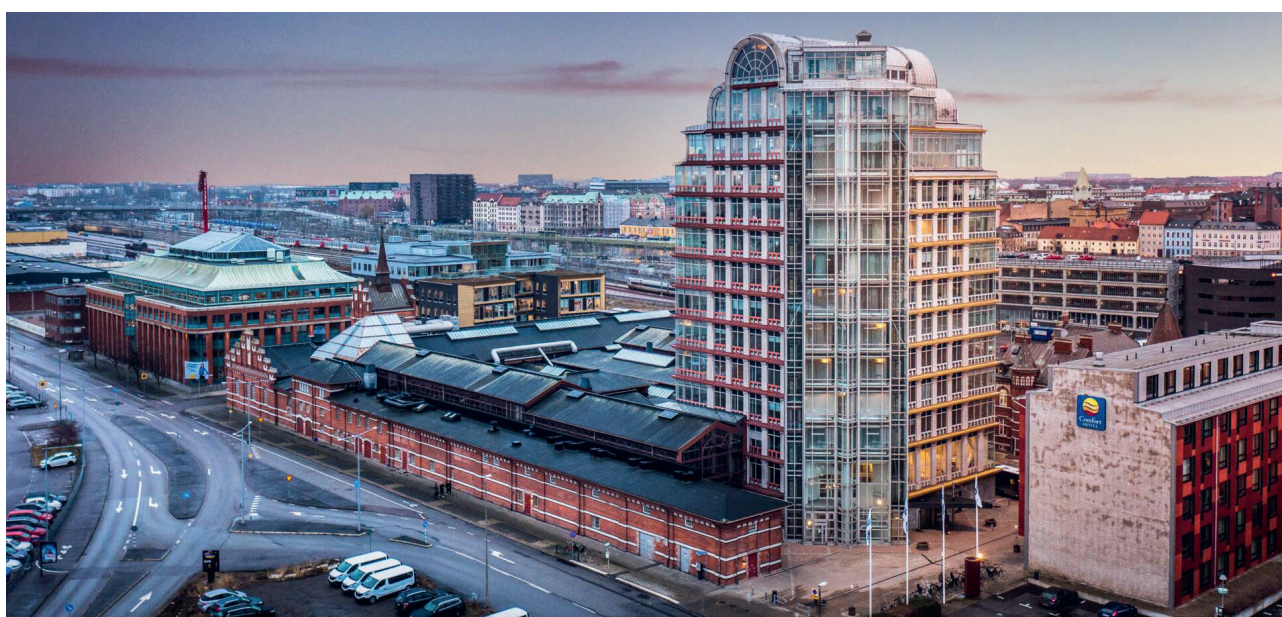
### Interest rate derivatives portfolio 31 March 2020

Interest rate swaps		
Maturity	Amount, SEK m	Interest, %
2020	1,630	-0.04
2021	2,130	0.05
2022	1,630	0.16
2023	2,430	0.39
2024	1,288	0.56
<2024	5,044	0.64
<b>Totalt</b>	<b>14,152</b>	<b>0.37</b>

The deficit value in Wihlborgs' interest rate derivative portfolio amounted to SEK 171 million (81) by the end of the period.

Interest-rate derivatives are recognised at fair value in accordance with IFRS 9.

For information on the valuation approach for interest rate derivatives, see page 99 of the 2019 Annual Report.



Wihlborgs has signed agreements with two new tenants at Slagthuset in Nyhamnen, Malmö. The coworking & conference enterprise Mindpark is moving in to 1,300 m<sup>2</sup> on the bottom three floors of the Slagthuset high-rise where they will, together with Goto 10 – a concept from the Internet Foundation in Sweden – manage coworking, reception, conference, café and event facilities. The software consultancy Softhouse has also signed a lease at Slagthuset and is moving into 1,100 m<sup>2</sup> in August.

# Miscellaneous

## Employees

At the end of the period, the number of FTEs at Wihlborgs was 229 (221), of which 104 (97) were in property service.

Of the total number of FTEs, 76 were in Malmö, 32 in Helsingborg, 28 in Lund and 93 in Copenhagen. The average age of employees is 43 years and women make up 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 11 million (736), in shares in subsidiaries and other shares, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 18.

## Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 106–107 in the Company's 2019 Annual Report.

## Largest shareholders

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 account for 41 percent. The number of shareholders is approximately 28,000.

### Largest shareholders in Wihlborgs 31 March 2020

	Number of shares, thousands	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	15,768	10.3
SEB Investment Management	11,278	7.3
Länsförsäkringar Funds	5,797	3.8
Bank of Norway	3,876	2.5
Qviberg family	3,517	2.3
Handelsbanken funds	3,009	2.0
Swedbank Robur funds	2,788	1.8
ODIN funds	1,852	1.2
Tibia Konsult	1,625	1.1
The Second Swedish National Pension Fund	1,438	0.9
Other shareholders reg. in Sweden	45,811	29.8
Other shareholders reg. abroad	56,954	37.0
<b>Total outstanding shares</b>	<b>153,713</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.

Sweden and the rest of the world were hit by the Covid-19 pandemic in the first quarter. The effects from the spread have entailed serious consequences for people and companies. Wihlborgs' exposure to the segments most affected, such as hotels, restaurants and retail, is relatively small. It remains difficult to gain an overview of the pandemic's consequences in terms of unemployment, consumption and society in general as well as for Wihlborgs' tenants. Many signs point toward an economic downturn. Our assessment is that short-term risks in terms of doubtful receivables and credit losses have increased. In the long term, lower economic activity and rising unemployment could affect demand for commercial premises, which could adversely affect rent levels and property values as well as lead to increased long-term vacancies."

There is a comprehensive description of the risks facing the Group on pages 79–84 and 100–101 in the Company's 2019 Annual Report.



Wihlborgs has signed agreements with Vinnergi for 1 000 m<sup>2</sup> of office space and with Creative Technology for 3 600 m<sup>2</sup> high bay storage at Flygledaren 9 in Bulltofta, Malmö.



## 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 2020, affect its results or financial position in any material sense. The Group applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups and the Parent Company applies RFR 2.

The financial reports are found on page 15.

## Events after the accounting period

The effects of the ongoing pandemic caused by Covid-19 have led to numerous discussions with tenants regarding contracts, rent invoices and discounts. At 24 April, agreed rent deferrals amounted to SEK 16 million and approved discounts to SEK 6 million. 96 percent of the rents due for payment at the end of March have been received so far.

*Malmö 28 April 2020*

**Wihlborgs Fastigheter AB (publ)**

Ulrika Hallengren, CEO

This Year-end report has not been reviewed by the company's auditors.



At the Musköten 13 property in Berga, in Helsingborg, Wihlborgs has created a new office hotel that was opened in the beginning of the year. Here it is possible to rent individual office rooms as well as spots in an open co-working environment.



**Consolidated income statement summary**

SEK m	2020 Jan-Mar 3 months	2019 Jan-Mar 3 months	2019/2020 Mar-Apr 12 months	2019 Jan-Dec 12 months
<b>Rental income</b>	<b>781</b>	<b>718</b>	<b>3,046</b>	<b>2,983</b>
Operating costs	-124	-124	-427	-427
Repairs and maintenance	-22	-21	-95	-94
Property tax	-49	-44	-204	-199
Property administration	-31	-29	-125	-123
<b>Total property costs</b>	<b>-226</b>	<b>-218</b>	<b>-851</b>	<b>-843</b>
<b>Operating surplus</b>	<b>555</b>	<b>500</b>	<b>2,195</b>	<b>2,140</b>
Central administration	-20	-17	-75	-72
Interest income	3	4	13	14
Interest expense	-79	-80	-335	-336
Leasehold rent	-1	-1	-5	-5
Share in results of joint ventures	2	0	36	34
<b>Income from property management</b>	<b>460</b>	<b>406</b>	<b>1,829</b>	<b>1,775</b>
Change in value of properties	59	73	1,465	1,479
Change in value of derivatives	-92	-81	2	13
<b>Pre-tax profit</b>	<b>427</b>	<b>398</b>	<b>3,296</b>	<b>3,267</b>
Current tax	-10	-9	-55	-54
Deferred tax	-73	-78	-285	-290
<b>Profit for the period<sup>1</sup></b>	<b>344</b>	<b>311</b>	<b>2,956</b>	<b>2,923</b>
OTHER TOTAL PROFIT/LOSS <sup>2</sup>				
<i>Items that will be reclassified to profit or loss for the year:</i>				
Translation differences on recalculation of foreign operations	199	46	194	41
Hedging of currency risk in foreign operations	-174	-39	-171	-36
Tax attributable to items that will be reclassified to profit or loss for the year	29	5	29	5
<b>Other comprehensive income for the period</b>	<b>54</b>	<b>12</b>	<b>52</b>	<b>10</b>
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>398</b>	<b>323</b>	<b>3,008</b>	<b>2,933</b>
Earnings per share <sup>2</sup>	2.24	2.02	19.23	19.02
No. of shares at end of the period, thousands	153,713	153,713	153,713	153,713
Average no. of shares, thousands	153,713	153,713	153,713	153,713

1) The entire profit/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

Mkr	31-03-2020	31-03-2019	31-12-2019
<b>ASSETS</b>			
Investment properties	46,559	43,839	45,519
Right-of-use assets	170	146	169
Other fixed assets	383	344	389
Current receivables	292	236	201
Liquid assets	391	474	280
<b>Total assets</b>	<b>47,795</b>	<b>45,039</b>	<b>46,558</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	18,285	15,853	17,887
Deferred tax liability	3,644	3,370	3,582
Borrowings	24,264	24,449	23,628
Lease liability	168	157	174
Derivatives	171	106	81
Other long-term liabilities	69	65	69
Current liabilities	1,194	1,039	1,137
<b>Total equity &amp; liabilities</b>	<b>47,795</b>	<b>45,039</b>	<b>46,558</b>

**Consolidated statement of changes in equity**

SEK m	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
<b>Total equity at beginning of period</b>	<b>17,887</b>	<b>15,530</b>	<b>15,530</b>
<b>Equity attributable to parent company's shareholders</b>			
Opening amount	17,887	15,530	15,530
Dividend paid	-	-	-576
Profit for the period	344	311	2,923
Other comprehensive income	54	12	10
<b>Closing amount</b>	<b>18,285</b>	<b>15,853</b>	<b>17,887</b>
<b>Equity attributable to minority shares with non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity at end of period</b>	<b>18,285</b>	<b>15,853</b>	<b>17,887</b>

**Consolidated cash flow statement summary**

SEK m	Jan–Mar 2020	Jan–Mar 2019	Jan–Dec 2019
<b>Operating activities</b>			
Operating surplus	555	500	2,140
Central administration	-20	-17	-72
Non-cash items	6	2	12
Interest received	0	4	7
Interest paid	-84	-85	-341
Income tax paid	-2	-2	-25
Change in other working capital	-47	-151	-37
<b>Cashflow from operating activities</b>	<b>408</b>	<b>251</b>	<b>1,684</b>
<b>Investment activities</b>			
Acquisitions of properties	-140	-1,410	-2,881
Investments in existing properties	-337	-406	-1,659
Sales of properties	0	310	2,764
Change in other non-current assets	0	16	-8
<b>Cash flow from investment activities</b>	<b>-477</b>	<b>-1,490</b>	<b>-1,784</b>
<b>Financing activities</b>			
Dividend paid	0	-	-576
Change in borrowing	183	1,532	774
Change in other long-term liabilities	-3	-2	-1
<b>Cash flow from financing activities</b>	<b>180</b>	<b>1,530</b>	<b>197</b>
<b>Cash flow for the period</b>	<b>111</b>	<b>291</b>	<b>97</b>
<b>Opening cash flow</b>	<b>280</b>	<b>183</b>	<b>183</b>
<b>Closing cash flow</b>	<b>391</b>	<b>474</b>	<b>280</b>

**Historical summary of last eight quarters**

SEK m	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
<b>Rental income</b>	<b>781</b>	<b>765</b>	<b>743</b>	<b>757</b>	<b>718</b>	<b>687</b>	<b>667</b>	<b>662</b>
Operating costs	-124	-120	-87	-96	-124	-105	-74	-81
Repairs and maintenance	-22	-35	-19	-19	-21	-29	-19	-20
Property tax	-49	-51	-54	-50	-44	-39	-39	-36
Leasehold rent	-	-	-	-	-	-1	-2	-1
Property administration	-31	-34	-31	-29	-29	-34	-28	-27
<b>Operating surplus</b>	<b>555</b>	<b>525</b>	<b>552</b>	<b>563</b>	<b>500</b>	<b>479</b>	<b>505</b>	<b>497</b>
Income from property management	460	456	446	467	406	355	372	354
Profit for the period	344	1,546	450	616	311	934	546	620
Surplus ratio, %	71.1	68.6	74.3	74.4	69.6	69.7	75.7	75.1
Investment yield, %	4.8	4.6	4.9	5.1	4.6	4.7	5.0	5.0
Equity/assets ratio, %	38.3	38.4	35.3	35.1	35.2	36.3	35.7	34.7
Return on equity, %	7.6	36.1	11.2	15.5	7.9	24.8	15.2	17.7
Earnings per share, SEK	2.24	10.06	2.93	4.01	2.02	6.08	3.55	4.03
Income property management per share, SEK	2.99	2.97	2.90	3.04	2.64	2.31	2.42	2.30
Cash flow fr operating activities per share, SEK	2.65	3.19	3.16	2.97	1.63	3.23	2.35	2.23
EPRA net asset value per share, SEK	143.77	140.20	130.23	126.29	125.75	122.64	120.58	117.11
Share price as % of EPRA NAV	96.2	123.0	122.9	106.6	100.8	83.5	88.7	88.5
Carrying amount of properties	46,559	45,519	45,306	44,455	43 839	42 146	40 260	39 856
Equity	18,285	17,887	16,362	15,905	15 853	15 530	14 600	14 058
Total assets	47,795	46,558	46,318	45,330	45 039	42 742	40 883	40 549

Definitions are available at [wihlborgs.se](http://wihlborgs.se)



**Consolidated segment reporting Jan-Mar**

Property management	Malmö		Helsingborg		Lund		Copenhagen		Totalt	
SEK m	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	304	270	182	154	135	133	160	161	781	718
Property costs	-77	-76	-49	-45	-43	-42	-57	-55	-226	-218
<b>Operating surplus</b>	<b>227</b>	<b>194</b>	<b>133</b>	<b>109</b>	<b>92</b>	<b>91</b>	<b>103</b>	<b>106</b>	<b>555</b>	<b>500</b>

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 555 million (500) and the pre-tax profit of SEK 427 million (398) consists of central administration SEK -20 million (-17), financial net SEK -77 million (-77), share in results SEK 2 million (0) and changes in value of properties and derivatives SEK -33 million (-8).

**Parent company's income statement summary**

SEK m	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Income	51	42	192
Expenses	-49	-45	-195
<b>Operating profits</b>	<b>2</b>	<b>-3</b>	<b>-3</b>
Financial income	97	74	1 827
Financial expenses	-313	-191	-385
<b>Pre-tax profit</b>	<b>-214</b>	<b>-120</b>	<b>1,439</b>
Appropriations	-	0	548
Tax	41	25	-78
<b>Profit for the period</b>	<b>-173</b>	<b>-95</b>	<b>1,909</b>

**Parent company's balance sheet summary**

SEK m	31-03-2020	31-03-2019	31-12-2019
Participations in Group companies	9,596	10,595	9,591
Receivables fr Group companies	13,425	12,604	13,399
Other assets	554	613	518
Cash and bank balances	233	11	116
<b>Total assets</b>	<b>23,808</b>	<b>23,823</b>	<b>23,624</b>
Equity	5,768	4,513	5,941
Liabilities to credit institutions	15,894	16,703	15,516
Derivatives	171	106	81
Liabilities to Group companies	1,864	2,392	1,997
Other liabilities	111	109	89
<b>Total equity and liabilities</b>	<b>23,808</b>	<b>23,823</b>	<b>23,624</b>

<b>Key figures for the group</b>				
SEK m	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>Financial</b>				
Return on equity, %	7.6	7.9	17.3	17.5
Return on total capital, %	5.7	5.7	8.7	9.0
Equity/assets ratio, %	38.3	35.2	38.3	38.4
Interest coverage ratio, multiple	6.8	6.0	6.4	6.2
Leverage properties, %	52.1	55.8	52.1	51.9
Debt/equity ratio, multiple	1.3	1.6	1.3	1.3
<b>Share-related</b>				
Earnings per share, SEK	2.24	2.02	19.23	19.02
Earnings per share before tax, SEK	2.78	2.59	21.44	21.25
EPRA EPS, SEK	2.73	2.38	10.88	10.53
Cashflow from operations per share, SEK	2.65	1.63	11.98	10.96
Equity per share I, SEK	118.96	103.13	118.96	116.37
Equity per share II, SEK	142.66	125.06	142.66	139.67
EPRA NAV (net asset value) per share, SEK	143.77	125.75	143.77	140.20
Market value per share, SEK	138.30	126.72	138.30	172.50
Proposed dividend per share, SEK	-	-	-	4.50
Dividend yield, % <sup>1</sup>	-	-	-	2.6
Total return from share, % <sup>1</sup>	-	-	-	72.1
P/E-ratio I, multiple	15.4	15.7	7.2	9.1
P/E-ratio II, multiple	12.7	13.3	12.7	16.4
Number of shares at the end of period, thousands <sup>1</sup>	153,713	153,713	153,713	153,713
Average number of shares, thousands <sup>1</sup>	153,713	153,713	153,713	153,713
<b>Property-related</b>				
Number of properties	314	312	314	312
Carrying amount of properties, SEK m	46,559	45,839	46,559	45,519
Estimated investment yield, % – all properties	4.9	4.9	4.9	4.9
Estimated direct return, % – excl project properties	5.0	5.1	5.0	5.0
Lettable area, m <sup>2</sup>	2,201,360	2,148,957	2,201,360	2,181,359
Rental income, SEK per m <sup>2</sup>	1,537	1,463	1,537	1,508
Operating surplus, SEK per m <sup>2</sup>	1,028	998	1,028	1,015
Financial occupancy rate, % – all properties	92	92	92	93
Financial occupancy rate, % – excl project properties	92	93	92	93
Estimated surplus ratio, %	72	74	72	72
<b>EMPLOYEES</b>				
Number of employees at period end	229	193	229	221

Definitions and basis for key ratios are available at [www.wihlborgs.se/en/investor-relations/reports/](http://www.wihlborgs.se/en/investor-relations/reports/)

# Room for more

The Öresund region continues to win people over and at Wihlborgs, we demonstrate daily how genuine commitment and engagement creates scope for more possibilities. For our tenants. In cities and neighbourhoods. And for all of our fantastic region. Welcome, and discover more with us.

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