



Wihlborgs' Interim report **2021** January–March

STABILITY AND DEVELOPMENT AS FOUNDATIONS

Rental income amounted to SEK 738 million (781)

Operating surplus amounted to SEK 509 million (555)

Income from property management amounted to
SEK 416 million (460)

Result for the period amounted to SEK 478 million (344),
corresponding to earnings per share of SEK 3.11 (2.24)

EPRA NAV increased by 2 percent to SEK 155.59 (152.44)

January-March 2021

Group key figures, SEK m	2021 Jan-Mar	2020 Jan-Mar
Rental income	738	781
Operating surplus	509	555
Income property management	416	460
Changes in value of properties	74	59
Changes in value of derivatives	97	-92
Result for the period	478	344
Earnings per share, SEK	3.11	2.24
Surplus ratio, %	69	71
Equity/assets ratio, %	41.5	38.3
Occupancy rate, %*	90	92
EPRA NRV per share, SEK	155.59	143.77

*) Excluding Projects & Land.

HETCH is a tech hub where start-ups, fast-growing technology companies and established companies can conduct research and development in shared premises. The company moved in to 2,000 m² in Prisma (Ursula 1) in Helsingborg at the end of 2020 and the remaining 1,700 m² will be occupied in January 2022.

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Calendar

Interim report Jan–Jun	12 July 2021
Interim report Jan–Sep	22 October 2021
Year-end report 2021	15 February 2022

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.

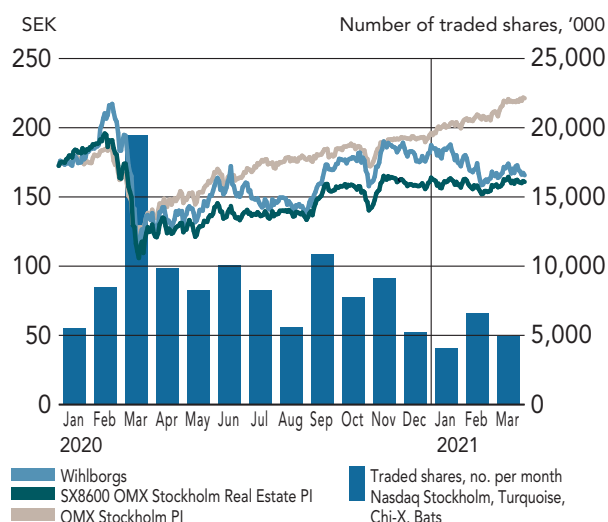
Financial targets

- 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

010119–310321



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 **27 April 2021 at 07:30 CET**.

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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 46.7 billion. The annual rental value of the properties is SEK 3.3 billion. Wihlborgs shares are quoted on the Large Cap List of Nasdaq Stockholm.



CEO's comments

The first quarter of 2021 was also impacted by the pandemic on a global level. However, in pace with vaccination efforts and with the aid of government support packages, expectations for a return to a more normal life and higher economic activity are rising. I do not wish to detract from the difficulties that have impacted some sectors, but I must nevertheless say that I am impressed by how many companies and organisations have been able to quickly adapt to the prevailing circumstances. Operations are being driven forward successfully thanks to significant creativity and effort, which forms the foundation for the many positive dialogues we are having with our customers today. We have also noted the positive rent trend in our portfolio - new leases are at higher rates than those terminated.

Significance and experience of the workplace

It is also through close dialogue that we, together with our tenants, tackle the issue of the needs of tomorrow. In light of this, we have conducted a survey where we leveraged AI to analyse people's expressed perceptions of compared with their behaviour in the current working conditions. The survey shows that people are torn. On the one hand, there is the perception that working remotely is working well on the whole, but on the other hand a change of behaviour displays concern for physical and mental ill health, isolation and an increased need for work-related confirmation. It is still too early to draw any conclusions about how working patterns will ultimately change, but we are convinced that all employers will need to adapt their offerings to their employees in order to attract and retain the best expertise. The experience and design of the office will form key elements in this offering.

Sustained work with property management and strategic investments for the future

Even though the decision-making process can currently take longer than usual, we are conducting many constructive talks with existing and potential tenants. It is gratifying that we can once again report positive net lettings this quarter, amounting SEK 9 million. It is our sustained work with property management that gives rise to more transactions, which combine to deliver these results. At a time when restaurants are struggling with various restrictions, it feels positive that we have now signed agreements with four restaurants that will open in the newly renovated Helsingborg Central Station after the summer. Their faith in the future bodes well in these times.

Developing the content of the property portfolio requires continuous efforts. In December 2020, we divested some 20 properties in Malmö with the intent of improving the overall structure and quality. At the same time, the divestments also mean that we will experience a drop in income for the current year. We also took the opportunity in 2020 to wind up some leases to be able to develop the properties in the future. This was the case for Vätet 1 and Raffinaderiet 3 in Lund as well as Sparven 15, Slagthuset 1 and Börshuset 1 in Malmö among others. In the short term, this will lead to increased vacancies but it also enables us to improve content and quality as well as raise rent levels. In the Medeon area of Malmö, we are beginning to see the results of the boost we started a couple of years ago. We have constructed a new building here but also invested in existing buildings, and we are now signing extended agreements at higher rental levels. The journey has only just begun.

”Developing the content of the property portfolio requires continuous efforts.”

Rental income for the quarter amounted to SEK 738 million and the operating surplus to SEK 509 million. The net effect of property transactions was SEK -24 million on income and SEK -16 million on the operating surplus. In addition, negative currency effects arose of SEK 8 million and SEK 5 million respectively. Overall, the results are in line with our expectations, but of course, we are not entirely unaffected by the economic downturn. Vacancies have increased somewhat over the past quarters, and it will take yet some time before they are expected to decrease once again.

During the quarter, tenants have continued to move in to Prisma (Ursula 1) in Helsingborg. We are extremely proud of the final product and are looking forward to tenants successively moving in during the year. Among our larger projects, I would also like to name Kranen 2 in Malmö, that following extensive renovation of a total of 17,000 m² in the autumn, will welcome operations from Malmö University and Region Skåne.

Development moving forward

When the economy picks up, we will be ready. In the past few years, we have built up a strong balance sheet and healthy liquidity. On back of this, we are now underway with the new construction of the office building in Kvartetten in Hyllie, Malmö. We are creating 16,000 m² of modern, efficient and sustainable offices in an area with ideal transportation links. For Kvartetten, our greatest focus is on developing a sustainable workplace, and it seems the building will achieve the highest environmental rating with WELL and “NollCO₂” certifications.

We are also growing in Copenhagen, where we have purchased an additional office building in Ballerup comprising just over 10,000 m². We now have a property portfolio totalling 636,000 m² in our Danish operations. Looking to the future, planning is ongoing for the Nyhamnen area in Malmö and Västerbro in Lund, and work at Science Village in Lund is also beginning to yield tangible results.

Naturally, there is an element of uncertainty in the current forecasts regarding when and at what pace the economic recovery will take place. However, when this does take place, we will be able to benefit from our strong market position, our exciting project portfolio and our access to stable, long-term financing. Following the pandemic, we are convinced that the attractiveness and growth of the Öresund region will be even stronger than before.



Ulrika Hallengren, CEO

Market comments

The global economy has been significantly impacted by the pandemic, but the recovery is underway. Major support packages, increased vaccination and reduced infection over time will continue this recovery in 2021 and 2022.

The Nordic countries have recovered relatively quickly. Even if GDP still remains lower than prior to the crisis, the downturn is no longer as substantial. In the fourth quarter, GDP shrank 2.1 percent in Sweden and 2.6 percent in Denmark. In Sweden, investments in the fourth quarter were essentially in line with the year-earlier period, while investments in Denmark increased 3.1 percent. Sweden recorded strong exports in the fourth quarter and an increase of 1.2 percent. On the other hand, Denmark recorded a major reduction of 9.1 percent.

In Sweden, GDP fell 3.1 percent in 2020. Indicators point toward positive growth during the first quarter, and the recovery is continuing. GDP is expected to return to its pre-pandemic level by the third quarter of 2021. Growth is estimated to be 3.6 percent in 2021. The extensive support measures enabling the survival of many companies means that these companies are expected to grow relatively rapidly once restrictions ease. Exports provide a considerable boost and private consumption is expected to increase substantially toward the end of the second quarter. GDP in Denmark declined 3.3 percent in 2020 and growth of 3.1 percent is expected in 2021.

Forecasts believe a downside risk to be more likely than an upside risk according to the Swedish National Institute of Economic Research's March 2021 Swedish Economy report.

Economic Sentiment in the Swedish economy is somewhat stronger than normal, which is mainly demonstrated by the Economic Sentiment Indicator in which results rose from 103.8 in February to 105.3 in March. However, this is uniquely the result of strong signals from the manufacturing industry. In other sectors such as construction, retail, service and households, sentiment is weaker than normal.

The transaction year began surprisingly strong in Sweden. According to Cushman & Wakefield, transaction volumes are expected to rise to SEK 39.6 billion for the first quarter of 2021, almost in line with the level of the year-earlier period. Housing and industry/logistics accounted for about 60 percent of the volume. These are also segments that have maintained strength during the pandemic.

International investors have traditionally shown considerable interest in Swedish office properties. These investors are now more cautious due to rising uncertainty regarding the demand and need for offices as result of the pandemic. With greater local knowledge, domestic investors are somewhat more optimistic given that the rental market remains relatively stable.

Comparative figures for income statement items relate to values for the corresponding period 2020 and balance sheet items as of 31-12-2020.

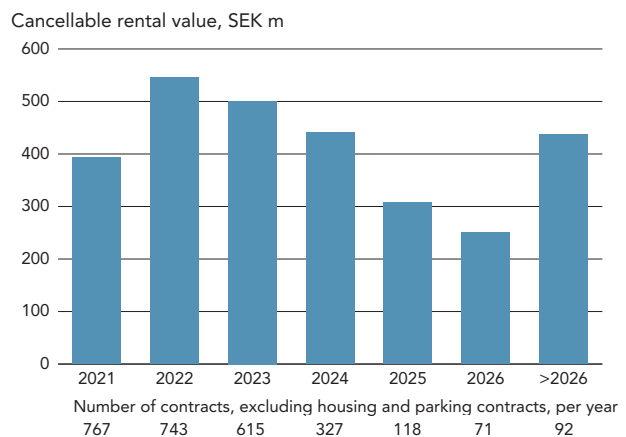
Income, expenses and profits, January–March 2021

Rental income

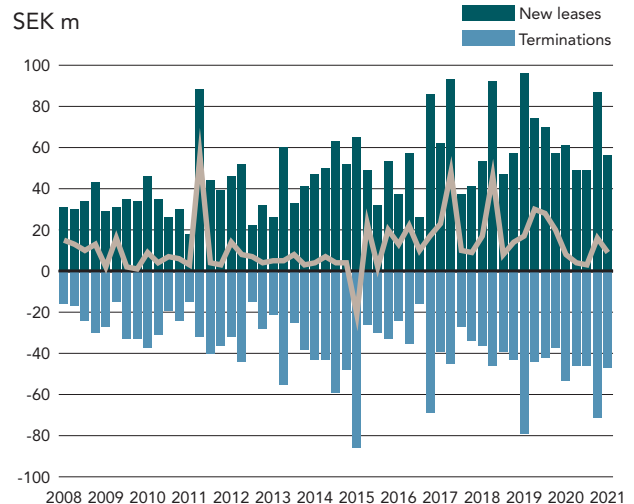
Rental income amounted to SEK 738 million (781), corresponding to a decline of 6 percent. Service income accounted for SEK 69 million (82) of rental income. Acquisitions and sales of properties had a negative impact of SEK 24 million (positive: 13). Vacancies were SEK 20 million higher during the period compared with the year-earlier period. SEK 3 million (7) of income comprised supplementary billing as final settlement for costs in 2020. Discounts granted to tenants due to the ongoing Covid-19 situation had a negative impact of SEK 4 million (0) on rental income. Currency effects amounted to SEK -8 million (4) for the period. The additional increase in income of 3 percent arose as a result of completed projects, renegotiations, new lettings and the indexation of contracts.

At the end of the period the occupancy rate for investment properties, excluding Projects & Land, is 90 percent which is one percentage points lower compared with year-end.

Terms of Wihlborgs' contracts per 31 March 2021



Net letting, quarterly



To enhance understanding of tomorrow's workplaces and work lives, Wihlborgs collaborated with Navet and Quilt AI to carry out the study "Kontorsmarknad i förändring" (A Changing Office Market). Data from articles, Google searches and posts on social media were then analysed using AI. This clearly showed that our need for solidarity and confirmation for the efficiency of our work is increasing, but there is also a desire for greater flexibility.

During the period new leases were signed to a value of SEK 56 million (61) on an annualized basis. Lease terminations totalled SEK 47 million (53). This represents a net letting of SEK 9 million (8).

Property expenses

Total property expenses amounted to SEK 229 million (226). Bad debt losses was SEK 1 million (1) during the period. The increase in property expenses is primarily due to increased costs for heating and snow removal. 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 509 million (555) representing a surplus ratio of 69 percent (71). Of the change, SEK -16 million (7) was attributable to property acquisitions and divestments, in addition, currency effects have affected by SEK -5 million (3).

Central administration

The costs for central administration were SEK 21 million (20).

Financial income and expense

Net interest totalled SEK -72 million (-76), of which interest income accounted for SEK 4 million (3).

The interest expense for the period, incl. realized effects from interest rate derivatives, was SEK 76 million (79). Leasehold rent amounted to SEK 1 million (1). Interest expense relating to interest rate derivatives amounted to

SEK 16 million (9). At the end of the period, the average interest rate, including the cost of credit agreements, was 1.37 percent, compared with 1.38 percent at year-end.

Income from property management

Profit participation in joint ventures amounted to SEK 1 million (2). Income from property management amounted to SEK 416 million (460).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 587 million (427). During the period, value changes on properties amounted to SEK 74 million (59). Value changes on derivatives amounted to SEK 97 million (-92) of which SEK 99 million (-90) are attributable to interest rate derivatives and -2 million (-2) to other financial items.

Profit after taxes

The profit after taxes was SEK 478 million (344). Total tax amounted to SEK 109 million (83), of which current tax SEK 11 million (10) and deferred tax SEK 98 million (73).



Wihlborgs signed a new lease for 2,000 m² in Hermes 10 in Helsingborg during the first quarter. The new tenant operates in the financial sector and takes occupancy in October. In the Hermes block, Campus Helsingborg is a strategically important tenant and the location next to Helsingborg Central Station makes the block attractive for commuters.

Assets

Property portfolio as of 31 March 2021

The summaries below are based on Wihlborgs' property portfolio as of 31 March 2021. Rental income relates to contracted rental income on an annual basis as of 1 April 2021.

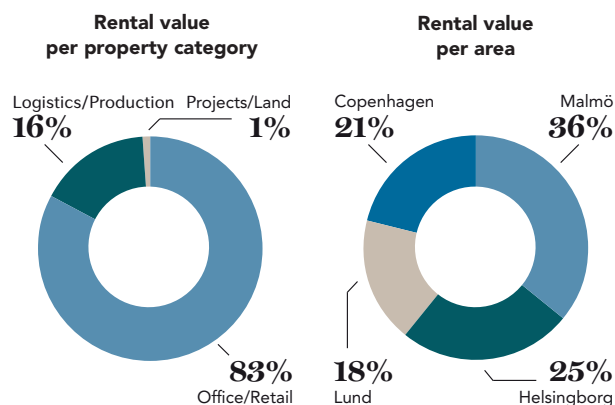
The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for April 2021, operating and maintenance costs, property administration on a rolling twelve-month basis and property tax.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 March 2021 consisted of 295 properties (294) with a lettable area of 2,112,000 m² (2,103,000). 7 of the properties (10) are leasehold rights.

The properties' carrying amount was SEK 46,687 million (46,072), which corresponds to the estimated market value. The total rental value was SEK 3,285 million (3,268) and the contracted rental income on annual basis SEK 2,962 million (2,946). The like-for-like increase in rental value was 0,4 percent while contracted rental income decreased by 1,9 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 90 percent (90) and for Logistics/Production properties 92 percent (92). The rental value for Office/Retail properties represented 83 percent and Logistics/Production properties 16 percent of the total rental value.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 2,274 million (2,253) which with a carrying amount of SEK 44,964 million (44,169) corresponds to a yield of 5.1 percent (5.1). Broken down by property category, this is 4.8 percent (4.9) for Office/Retail and 6.6 percent (6.8) for Logistics/Production.



The selection of restaurants in Helsingborg is growing and becoming more varied. During the quarter, we have filled the restaurant level Kitchen Floor at Helsingborg Central Station with four new restaurant concepts that will open in September. Kitchen Floor will become a natural meeting place and a destination of its own.

Changes in values of properties

By year-end the valuation of all Wihlborgs' properties is carried out by external valuers. The valuation as of 31 March 2021 has been made internally and resulted in a value increase at SEK 74 million (59).

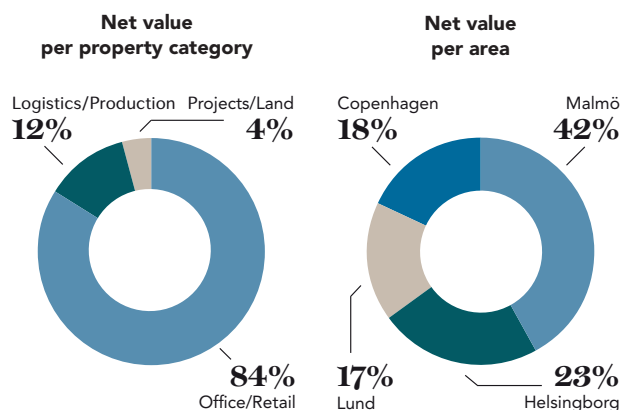
The yield requirements in the valuations have been largely unchanged. Property development projects had a certain positive impact on valuations during the quarter.

Fair value has been determined using a combination of a yield-based method and a location-price method, in which transactions completed in the sub-markets concerned are analysed in order to calibrate the parameters for the yield-based method. The value is considered to correspond to the yield value that is calculated from normally five-year cash flow analyses. The value of newbuild projects in progress is determined as the value as if the project were complete, less deduction of the remaining cost. Undeveloped land and other upgrade projects are valued according to the location-price method. The method for valuation is the same as previously. There is a comprehensive description of the method for valuation of properties on pages 82-83 and 106-107 in the Company's 2020 Annual Report.

As of 31 december 2020 the carrying amount for the properties is SEK 46,072 million (45,519).

Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2021	46,072
Acquisitions	165
Investments	208
Properties sold	-
Change in value	74
Currency translations	168
Carrying amount 31 March 2021	46,687



Investments and current projects

Investments in the property portfolio totalled SEK 208 million (337).

Approved investments in ongoing projects amount to SEK 1,664 million, of which 460 million had been invested at the end of period.

Liquid assets

The Groups liquid assets totalled SEK 695 million (607) including unutilized overdraft facilities. At the end of the period unutilized credit facilities amounted to SEK 3,670 million (3,656).

Of the rent that fell due for payment (excluding granted deferrals) on the last day of March, 98 percent has been paid as of the date of publishing this report, which is above average over the last eight quarters.

Investments in progress >SEK 50 million, 31 March 2021

Property	Category of use	Municipality	Completion date	Lettable area, m ²	Occupancy rate, %	Estimated investment, SEK m	Expended 31-03-2021, SEK m
Sunnanå 12:54	Logistics/Production	Malmö	Q2 2021	3,600	100	96	85
Kranen 2 a	Office/Retail	Malmö	Q4 2021	3,700	100	137	67
Kranen 2 b	Office/Retail	Malmö	Q4 2021	4,400	100	100	22
Raffinaderiet 3	Office/Retail	Lund	Q2 2022	5,800	10	114	6
Hindbygården 7	Office/Retail	Malmö	Q3 2022	1,800	100	59	4
Pulpeten 5	Office/Retail	Malmö	Q2 2023	16,000	0	696	22
Summa				35,300		1,202	206

Analysis of lettable space per area and category of use

Area	Office, m ²	Retail, m ²	Logistics/ Production, m ²	Education/ Health care, m ²	Misc., m ²	Total, m ²	Share, %
Malmö	341,721	43,796	161,574	32,556	15,731 ¹	595,378	28
Helsingborg	218,266	58,484	286,935	40,112	13,046 ²	616,843	29
Lund	199,717	14,656	35,736	4,429	9,224 ³	263,762	13
Köpenhamn	444,822	7,075	92,552	11,519	80,340 ⁴	636,308	30
Total	1,204,526	124,011	576,797	88,616	118,341	2,112,291	100
Share, %	57	6	27	4	6		

1) Includes 10,275 m² hotel.

2) Includes 1,819 m² residential.

3) Includes 8,215 m² hotel.

4) Includes 38,848 m² data center and 5,600 m² hotel

Analysis per property category in each management area

Area/ property category	Number of properties	Area, m ² thousand	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m ²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property ad- min., SEK m	Surplus ratio, % property ad- min.	Operating surplus excl. property ad- min., SEK m	Yield excl property admin., %
Malmö											
Office/Retail	50	444	16,911	1,030	2,320	92	948	719	76	753	4.5
Logistics/Production	29	134	1,668	130	975	97	127	99	78	106	6.4
Projects & Land	20	17	920	6	364	-	6	2	-	3	-
Total Malmö	99	595	19,499	1,167	1,960	93	1,081	820	76	862	4.4
Helsingborg											
Office/Retail	36	258	7,215	509	1,970	88	448	338	75	353	4.9
Logistics/Production	58	359	3,188	320	893	89	285	204	72	220	6.9
Projects & Land	11	-	296	-	-	-	-	-1	-	-	-
Total Helsingborg	105	617	10,699	829	1,344	88	733	541	74	574	5.4
Lund											
Office/Retail	25	241	7,463	567	2,351	87	491	338	69	378	5.1
Logistics/Production	4	23	214	19	849	94	18	14	76	15	7.1
Projects & Land	4	-	235	-	6,767	-	-	-2	-	-1	-
Total Lund	33	264	7,912	586	2,222	87	509	350	69	392	5.0
Copenhagen											
Office/Retail	47	562	7,613	636	1,131	92	586	388	66	407	5.3
Logistics/Production	9	61	692	56	922	95	53	40	76	41	6.0
Projects & Land	2	13	271	11	826	-	-	-	-	-	-
Total Copenhagen	58	636	8,576	703	1,104	91	639	428	67	448	5.2
Total Wihlborgs	295	2,112	46,687	3,285	1,555	90	2,962	2,139	72	2,276	4.9
Total excluding projects and land	258	2,081	44,964	3,267	1,570	90	2,956	2,139	72	2,274	5.1

Property transactions

During the quarter, Wihlborgs acquired the Industriparken 21 property in Ballerup, Copenhagen, for a purchase price of DKK 120 million. The property comprises 13,900 m² and the lettable area amounts to 10,200 m². The property was acquired through a sale-and-leaseback transaction whereby the owner of C. Reinhardt A/S sold the property and signed a seven year lease for 5,800 m².

Property transactions January–March 2021							
Quarter	Property	Municipality	Management area	Category	Area, m ²	Price, SEK m	Operating surplus 2021, SEK m ¹
Acquisitions							
1	Industriparken 21	Ballerup	Copenhagen	Office/Retail	10,200	165	0
Total acquisitions 2021					10,200	165	0.0
Sales							
1					-	-	-
Total sales 2021					0	0	0

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



During the first quarter, we further strengthened our presence in Denmark by acquiring the office and warehouse property Industriparken 21 in Ballerup. As part of the transaction, the seller C. Reinhardt A/S signed a seven-year lease for 5,800 m². Other tenants include Renault, Xerox, Maxi Zoo and Henkel.

Liabilities and equity

As of 31 March 2021 equity totalled SEK 19,887 million (19,396). The equity/assets ratio stood at 41.5 percent (41.3).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 March amounted to SEK 22,613 million (22,208) with an average interest rate including costs for credit agreements of 1.37 percent (1.38).

With consideration to the company's net debt of SEK 22.6 billion, the loan-to-value ratio is 48.4 percent (48.2) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 31 March 2021 amounted to 3.4 years (3.6). The average loan maturity, including committed credit facilities, amounted to 6.3 years (6.1).

Structure of interest and loan maturities as of 31 March 2021

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEK m	Av. interest rate, %	Credit ag., SEK m	Utilised, SEK m
2021	9,322	1.03	2,757	2,257
2022	1,850	1.21	4,173	3,673
2023	2,430	1.46	4,916	4,366
2024	1,788	1.48	6,550	4,430
2025	1,788	1.49	6	6
>2025	5,435	1.67	7,881	7,881
Totalt	22,613	1.32	26,283	22,613

*) 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 2021

Interest rate swaps		
Maturity	Amount, SEK m	Interest, %
2021	2,130	0.05
2022	1,630	0.16
2023	2,430	0.39
2024	1,788	0.41
2025	1,788	0.42
>2025	3,756	0.66
Totalt	13,522	0.39

The deficit value in Wihlborgs' interest rate derivative portfolio amounted to SEK 84 million (183).

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

For information on the valuation approach for interest rate derivatives, see page 100 of the 2020 Annual Report.



At the start of the year, it was decided that we will construct a new premises for Beckhoff Sweden in Fosie, Malmö. Occupancy of Hindbygården 7, with good transportation links and exciting architecture, will take place in summer 2022. The building has been certified to SGBC Gold.

Miscellaneous

Employees

At the end of the period, the number of FTEs at Wihlborgs was 237 (236), of which 105 (102) were in property service. Of the total number of FTEs, 74 (77) were in Malmö, 32 (32) in Helsingborg, 31 (31) in Lund and 100 (96) in Copenhagen. The average age of employees is 43 years and women make up 42 percent.

Parent company

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

The parent company has invested SEK 0 million (11), 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 108–109 in the Company's 2020 Annual Report.

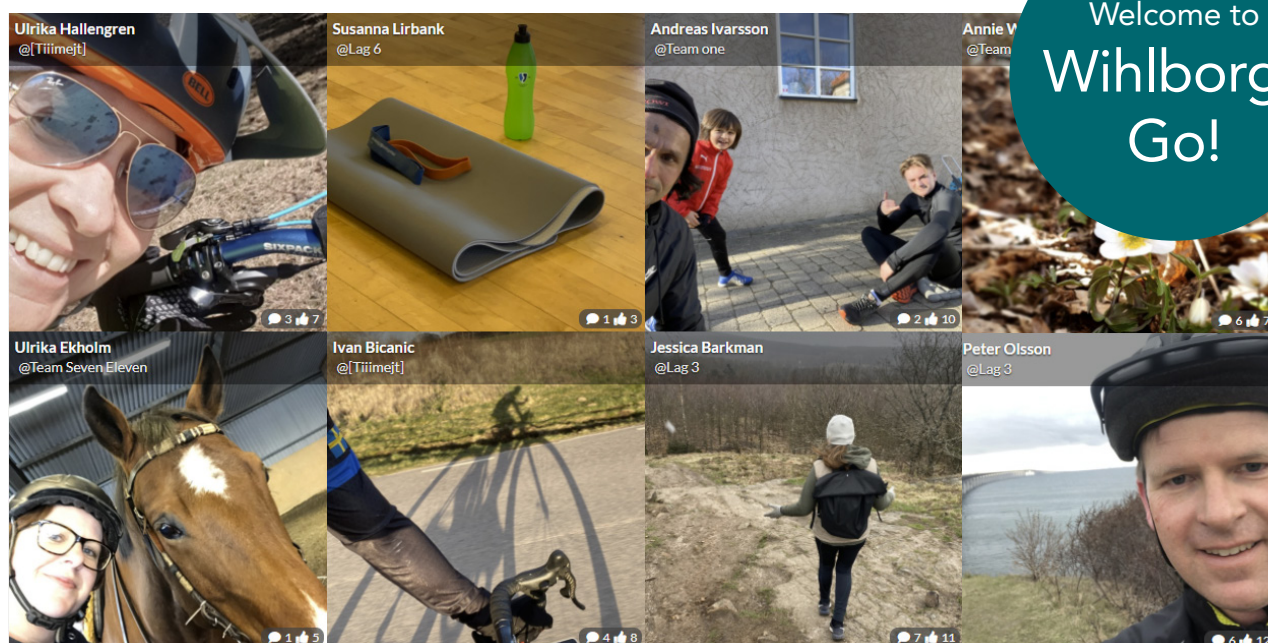
Largest shareholders

The largest shareholder in Wihlborgs is Erik Paulsson with family and company, with 10.5 percent of the shares outstanding.

Shares held by owners registered abroad account for 38 percent. The number of shareholders is approximately 28,000.

Largest shareholders in Wihlborgs 31 March 2021

	Number of shares, thousands	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	16,188	10.5
SEB Investment Management	11,018	7.2
Länsförsäkringar funds	6,178	4.0
Swedbank Robur funds	5,229	3.4
Handelsbanken funds	4,507	2.9
Qviberg family	3,160	2.1
Bank of Norway	3,139	2.0
Life insurance company Skandia	1,864	1.2
AMF funds	1,625	1.1
Tibia Konsult AB	1,523	1.0
Other shareholders reg. in Sweden	43,917	28.6
Other shareholders reg. abroad	55,365	36.0
Total outstanding shares	153,713	100.0



Now that it is not possible to meet and train together as usual using the community-building health initiative the Wihlborgs Classic, a digital campaign – Wihlborgs Go! – has been initiated instead. Everyone participates on their own terms, and they can share training pictures, spur each other on, like and leave comments. Our employees have left no less than 18,000 encouraging comments and likes to each other. A smart and appreciated solution that benefits health and the community.

Significant risks and uncertainty factors

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

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

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

There is a comprehensive description of the risks facing the Group on pages 84–89 and 101–102 in the Company's 2020 Annual Report.

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.

Discounts provided as a result of Covid-19 are expensed entirely, reduced with state aid received, in the period they relate to. Otherwise 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 2021, 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 15-19.

Malmö 27 April 2021

Wihlborgs Fastigheter AB (publ)

Ulrika Hallengren, CEO

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

Consolidated income statement summary

SEK m	2021 Jan-Mar 3 month	2020 Jan-Mar 3 month	2020/2021 Apr-Mar 12 month	2020 Jan-Dec 12 month
Rental income	738	781	3,031	3,074
Operating costs	-127	-124	-432	-429
Repairs and maintenance	-22	-22	-97	-97
Property tax	-49	-49	-204	-204
Property administration	-31	-31	-122	-122
Total property costs	-229	-226	-855	-852
Operating surplus	509	555	2,176	2,222
Central administration	-21	-20	-78	-77
Interest income	4	3	15	14
Interest expense	-76	-79	-324	-327
Leasehold rent	-1	-1	-5	-5
Share in results of joint ventures	1	2	2	3
Income from property management	416	460	1,786	1,830
Change in value of properties	74	59	841	826
Change in value of derivatives	97	-92	116	-73
Pre-tax profit	587	427	2,743	2,583
Current tax	-11	-10	-47	-46
Deferred tax	-98	-73	-340	-315
Profit for the period¹	478	344	2,356	2,222
OTHER TOTAL PROFIT/LOSS				
<i>Items that will be reclassified to profit or loss for the year:</i>				
Translation differences on recalculation of foreign operations	68	199	-252	-121
Hedging of currency risk in foreign operations	-67	-174	229	122
Tax attributable to items that will be reclassified to profit or loss for the year	12	29	-39	-22
Other comprehensive income for the period	13	54	-62	-21
Total comprehensive income for the period¹	491	398	2,294	2,201
Earnings per share ²	3.11	2.24	15.33	14.46
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

SEK m	31-03-2021	31-03-2020	31-12-2020
ASSETS			
Investment properties	46,687	46,559	46,072
Right-of-use assets	148	170	149
Other fixed assets	389	383	385
Derivatives	65	-	-
Current receivables	293	292	150
Liquid assets	382	391	205
Total assets	47,964	47,795	46,961
EQUITY AND LIABILITIES			
Equity	19,887	18,285	19,396
Deferred tax liability	3,946	3,644	3,853
Borrowings	22,613	24,264	22,208
Lease liability	146	168	147
Derivatives	149	171	183
Other long-term liabilities	57	69	64
Current liabilities	1,166	1,194	1,110
Total equity & liabilities	47,964	47,795	46,961

Consolidated statement of changes in equity

SEK m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Total equity at beginning of period	19,396	17,887	17,887
Equity attributable to parent company's shareholders			
Opening amount	19,396	17,887	17,887
Dividend paid	-	-	-692
Profit for the period	478	344	2,222
Other comprehensive income	13	54	-21
Closing amount	19,887	18,285	19,396
Equity attributable to minority shares with non-controlling interests	-	-	-
Total equity at end of period	19,887	18,285	19,396

Consolidated cash flow statement summary

SEK m	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating activities			
Operating surplus	509	555	2 222
Central administration	-21	-20	-77
Non-cash items	0	6	18
Interest received	1	0	4
Interest paid	-80	-84	-338
Income tax paid	-8	-2	-66
Change in other working capital	-88	-47	68
Cashflow from operating activities	313	408	1,831
Investment activities			
Acquisitions of properties	-165	-140	-327
Investments in existing properties	-208	-337	-1,231
Sales of properties	-	-	1,486
Change in other non-current assets	-1	0	-14
Cash flow from investment activities	-374	-477	-86
Financing activities			
Dividend paid	-	-	-692
Change in borrowing	1,580	1,326	10,520
Loan repayments	-1,334	-1,143	-11,640
Change in other long-term liabilities	-8	-3	-8
Cash flow from financing activities	238	180	-1,820
Cash flow for the period	177	111	-75
Opening cash flow	205	280	280
Closing cash flow	382	391	205

Historical summary of last eight quarters

SEK m	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Rental income	738	751	775	767	781	765	743	757
Operating costs	-127	-121	-88	-96	-124	-120	-87	-96
Repairs and maintenance	-22	-30	-24	-21	-22	-35	-19	-19
Property tax	-49	-49	-54	-52	-49	-51	-54	-50
Property administration	-31	-28	-35	-28	-31	-34	-31	-29
Operating surplus	509	523	574	570	555	525	552	563
Income from property management	416	419	477	474	460	456	446	467
Profit for the period	478	694	820	364	344	1,546	450	616
Surplus ratio, %	69.0	69.6	74.1	74.3	71.1	68.6	74.3	74.4
Investment yield, %	4.4	4.5	4.9	4.9	4.8	4.6	4.9	5.1
Equity/assets ratio, %	41.5	41.3	38.4	37.6	38.3	38.4	35.3	35.1
Return on equity, %	9.7	14.6	17.9	8.0	7.6	36.1	11.2	15.5
Earnings per share, SEK	3.11	4.51	5.33	2.37	2.24	10.06	2.93	4.01
Income property management per share, SEK	2.71	2.73	3.10	3.08	2.99	2.97	2.90	3.04
Cash flow fr operating activities per share, SEK	2.04	3.11	3.08	3.11	2.65	3.19	3.16	2.97
EPRA NRV per share, SEK	155.59	152.44	147.63	142.19	143.77	140.20	130.23	126.29
Share price as % of EPRA NRV	106.49	121.62	120.23	107.25	96.2	123.0	122.9	106.6
Carrying amount of properties	46,687	4,072	47,041	46,392	46,559	45,519	45,306	44,455
Equity	19,887	19,396	18,729	17,907	18,285	17,887	16,362	15,905
Total assets	47,964	46,961	48,762	47,616	47,795	46,558	46,318	45,330

Definitions of key ratios are available on page 23.

Consolidated segment reporting January–March

Property management	Malmö		Helsingborg		Lund		Copenhagen		Total	
SEK m	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rental income	268	304	182	182	132	135	156	160	738	781
Property costs	-75	-77	-59	-49	-43	-43	-52	-57	-229	-226
Operating surplus	194	227	124	133	89	92	104	103	509	555

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. For a more detailed description of segments, see the annual report for 2020 pages 45-67. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 509 million (555) and the pre-tax profit of SEK 587 million (427) consists of central administration SEK -21 million (-20), financial net SEK -73 million (-77), share in results SEK 1 million (2) and changes in value of properties and derivatives SEK 171 million (-33).

Parent company's income statement summary

SEK m	Jan–Mar 2021	Jan–Mar 2020	Jan-Dec 2020
Income	56	51	215
Expenses	-53	-49	-203
Operating profits	3	2	12
Financial income	78	97	1,191
Financial expenses	-31	-313	-300
Pre-tax profit	50	-214	903
Appropriations	-	-	550
Tax	-48	41	-126
Profit for the period	2	-173	1,327

Parent company's balance sheet summary

SEK m	31-03-2021	31-03-2020	31-12-2020
Participations in Group companies	9,506	9,596	9,506
Receivables fr Group companies	14,184	13,425	14,231
Derivatives	65	-	-
Other assets	329	554	399
Cash and bank balances	232	233	54
Total assets	24,316	23,808	24,190
Equity	6,578	5,768	6,576
Liabilities to credit institutions	14,810	15,894	14,683
Derivatives	149	171	183
Liabilities to Group companies	2,683	1,864	2,634
Other liabilities	96	111	114
Total equity and liabilities	24,316	23,808	24,190

Key figures for the group				
SEK m	Jan-Mar 2021	Jan-Mar 2020	Apr-Mar 2020/2021	Jan-Dec 2020
Financial				
Return on equity, %	9.7	7.6	12.3	11.9
Return on total capital, %	5.4	5.7	6.9	7.1
Equity/assets ratio, %	41.5	38.3	41.5	41.3
Interest coverage ratio, multiple	6.4	6.8	6.4	6.5
Leverage properties, %	48.4	52.1	48.4	48.2
Debt/equity ratio, multiple	1.1	1.3	1.1	1.2
Share-related				
Earnings per share, SEK	3.11	2.24	15.33	14.46
Earnings per share before tax, SEK	3.82	2.78	17.84	16.80
EPRA EPS, SEK	2.43	2.73	10.35	10.65
Cashflow from operations per share, SEK	2.04	2.65	11.29	11.91
EPRA NDV (net disposal value) per share, SEK	129.38	118.96	129.38	126.18
EPRA NRV (net reinstatement value) per share, SEK	155.59	143.77	155.59	152.44
Market value per share, SEK	165.70	138.30	165.70	185.40
Proposed dividend per share, SEK	-	-	-	5.25
Dividend yield, % ¹	-	-	-	2.8
Total return from share, %	-	-	-	10.1
P/E-ratio I, multiple	13.3	15.4	10.8	12.8
P/E-ratio II, multiple	17.0	12.7	16.0	17.4
Number of shares at the end of period, thousands	153,713	153,713	153,713	153,713
Average number of shares, thousands	153,713	153,713	153,713	153,713
Property-related				
Number of properties	295	314	295	294
Carrying amount of properties, SEK m	46,687	46,559	46,687	46,072
Estimated investment yield, % – all properties	4.6	4.9	4.6	4.6
Estimated direct return, % – excl project properties	4.8	5.0	4.8	4.8
Lettable area, m ²	2,112,291	2,201,360	2,112,291	2,102,707
Rental income, SEK per m ²	1,555	1,537	1,555	1,554
Operating surplus, SEK per m ²	1,012	1,028	1,012	1,011
Financial occupancy rate, % – all properties	90	92	90	90
Financial occupancy rate, % – excl project properties	90	92	90	91
Estimated surplus ratio, %	72	72	72	72
Employees				
Number of employees at period end	237	229	237	236

¹ The figure for 2021 relates to proposed dividend



In the first quarter, we began construction on the Kvartetten office project in Hyllie. Kvartetten is an entire block with four different facades connected to the identity of the Öresund region and offers 16,000 m² of office premises, a roof terrace, a restaurant and services. Kvartetten will be certified to SGBC Gold and WELL – for the consideration of people and the environment. The architect is Krook & Tjäder.

Key figures & definitions

Basis for key ratios

The basis for key financial ratios that Wihlborgs present in the Interim report January–March 2021, page 19, are shown below. The following financial targets have been established by the Board:

- A return on equity that exceeds the risk-free interest rate* by not less than six percentage points, which for the beginning of 2021 corresponds to 5.78 percent
- The loan-to-value ratio is not to exceed 60 percent.
- An equity/assets ratio of no less than 30 percent.
- An interest coverage ratio of no less than 2.0.

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

Unless otherwise stated, amounts are in SEK million.

	31-03-2021	31-03-2020	31-12-2020
Return on equity			
Profit for the period	478	344	2,222
Annualized	1,912	1,376	2,222
Equity, opening balance	19,396	17,887	17,887
Equity, closing balance	19,887	18,285	19,396
Average equity	19,642	18,086	18,642
Return on equity, %	9.7	7.6	11.9
Return on capital employed			
Profit before tax	587	427	2,583
Interest expense (incl value changes interest derivatives)	-21	171	400
Total	566	598	2,983
Annualized	2,264	2,392	2,983
Total assets, opening balance	46,961	46,558	46,558
Total assets, closing balance	47,964	47,795	46,961
Non-interest bearing debt, opening balance	-5,198	-4,856	-4,856
Non-interest bearing debt, closing balance	-5,302	-5,064	-5,198
Average capital employed	42,212	42,217	41,733
Return on capital employed, %	5.4	5.7	7.1
Equity/assets ratio			
Equity	19,887	18,285	19,396
Total assets	47,964	47,795	46,961
Equity/assets ratio, %	41.5	38.3	41.3
Interest coverage ratio			
Income from property management	416	460	1,830
Interest expense	77	80	332
Total	493	540	2,162
Interest expense	77	80	332
Interest coverage ratio, multiple	6.4	6.8	6.5
Leverage properties			
Borrowings	22,613	24,264	22,208
Net value investment properties	46,687	46,559	46,072
Leverage properties, %	48.4	52.1	48.2
Debt/equity ratio			
Interest-bearing liabilities	22,772	24,446	22,368
Equity	19,889	18,285	19,396
Debt/equity ratio, multiple	1.1	1.3	1.2

	31-03-2021	31-03-2020	31-13-2020
Earnings per share			
Profit for the period	478	344	2,222
Average number of shares, thousands	153,713	153,713	153,713
Earnings per share, SEK	3.11	2.24	14.46
Earnings per share before tax			
Profit before tax	587	427	2,583
Average number of shares, thousands	153,713	153,713	153,713
Earnings per share before tax, SEK	3.82	2.78	16.80
EPRA EPS			
Income from property management	416	460	1,830
Tax depreciation, direct tax deductions etc	-210	-272	-929
Taxable income from property management	206	188	901
Current tax on the above	-42	-40	-193
Income from property management after deduction of current tax	374	420	1,637
Average number of shares, thousands	153,713	153,713	153,713
EPRA EPS, SEK	2.43	2.73	10.65
Operating cash flow per share			
Operating cash flow	313	408	1,831
Average number of shares, thousands	153,713	153,713	153,713
Operating cash flow per share, SEK	2.04	2.65	11.91
EPRA NDV per share			
Equity	19,887	18,285	19,396
Number of shares at year end, thousands	153,713	153,713	153,713
EPRA NDV per share, SEK	129.38	118.96	126.18
EPRA NRV per share			
Equity	19,887	18,285	19,396
Deferred tax liability	3,946	3,644	3,853
Derivatives	84	171	183
Total	23,917	22,100	23,432
Average number of shares, thousands	153,713	153,713	153,713
EPRA NRV per share, SEK	155.59	143.77	152.44
Dividend yield per share			
Proposed dividend, SEK	-	-	5.25
Market price per share at year end	-	-	185.4
Dividend yield per share, %	-	-	2.8
Total yield per share			
Market price per share at year start	-	-	172.5
Market price per share at year end	-	-	185.4
Change in market price during the year, SEK	-	-	12.90
Dividend paid during the year, SEK	-	-	4.50
Total return per share, %	-	-	10.1
P/E ratio I			
Market price per share at year end	165,70	138.30	185.40
Earnings per share	3.11	2.24	14.46
Annualized per share	12.44	8.96	14.46
P/E ratio I, multiple	13.3	15.4	12.8
P/E ratio II			
Market price at year end	165,70	138.30	185.40
EPRA EPS	2.43	2.73	10.65
Annualized per share	9.72	10.92	10.65
P/E ratio II, multiple	17.0	12.7	17.4

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

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

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 17 in Wihlborgs' Interim Report.

Return on equity

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

Return on capital employed (ROCE)

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

Equity/assets ratio

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

Interest coverage ratio

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

Loan-to-value ratio, properties

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

Debt/equity ratio

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

Surplus ratio

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

Investment yield

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

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.

EPRA EPS

Income from property management less the estimated tax payable on taxable income from property management divided by the average

number of shares outstanding. Taxable income from property management is defined as income from property management less fiscal depreciation/amortisation and direct deductions. The effect of loss carryforwards is not taken into consideration.

Cash flows from operating activities per share

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

EPRA NDV - Net disposal value, per share

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

EPRA NRV - Net reinstatement value, per share

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

Dividend yield per share

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

Total yield per share

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

P/E ratio I, multiple

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

P/E ratio II, multiple

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

Average fixed interest period

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

Average loan maturity

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

Property-related key figures*

These key figures are based on the property table on page 10. The table shows the estimated rental value, rental income and property expenses on an annualised basis with an unchanged property portfolio, 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 m²

Rental income on an annualised basis divided by lettable area.

Operating surplus per m²

Operating surplus divided by lettable area.

Economic occupancy rate

Rental income as a percentage of rental value.

Estimated surplus ratio

Operating surplus as a percentage of rental income.

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

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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