



Wihlborgs
Annual Report &
Sustainability Report

2021

Highlights of the Year

Rental income rose 0.5 percent to SEK 3,060 million (3,074)

Operating surplus rose 1.2 percent to SEK 2,195 million (2,222)

Income from property management rose 0.8 percent to SEK 1,815 million (1,830)

Profit for the period totalled SEK 3,348 million (2,222), corresponding to earnings per share of SEK 21.78 (14.46).

The Board of Directors proposes a dividend of SEK 6.00 (5.25) per share.

Key metrics for the Group, SEK m.	Jan-Dec 2021	Jan-Dec 2020
Rental income	3,060	3,074
Operating surplus	2,195	2,222
Income from property management	1,815	1,830
Changes in property values	2,153	826
Changes in derivative values	202	-73
Profit for the year	3,348	2,222
Earnings per share, SEK	21.78	14.46
Surplus ratio, %	72	72
Equity/assets ratio, %	42.9	41.3
Occupancy rate, %*	92	91
EPRA NAV per share, SEK	172.65	152.44

*Excluding Projects & Land.

50

PROPERTY VALUE
SEK BILLION

3.5

RENTAL VALUE, SEK billion

1.8

INCOME FROM PROPERTY
MANAGEMENT, SEK billion

92

OCCUPANCY RATE, %

Cover image and interior image are from Industriparken 29 in Ballerup, Denmark.

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At the beginning of the year, we had reason to feel optimistic about the future, despite the widespread pandemic restrictions, when four restaurants signed an agreement to open Kitchen Floor in the newly renovated Helsingborg Central Station. In October, the new restaurant floor was inaugurated with some festive events.



Since 2016, we have been certified as an excellent workplace by Great Place To Work. In March, we were also awarded for the fourth consecutive year, as one of the 25 best workplaces (among mid-size companies) – both in Sweden and in Denmark.



On 1 October, Søren Kempf Holm assumed the position of Managing Director of Wihlborgs' Danish subsidiary, Wihlborgs A/S. Søren Kempf Holm has an extensive track record in the property sector, including as CEO of Topdanmark Ejendomme and TK Development.



Wihlborgs' last letting in 2021 also happened to be one of the year's largest office lettings in Sweden. In 2023, Trygg-Hansa, with its 1,000 employees, will be a tenant in the triple-certified Kvartetten (Pulpeten 5) in Hyllie.

Major events 2021

Q1

The office and warehouse property Industriparken 21 in Ballerup, Copenhagen, with 10,200 m² of lettable area, is acquired for a purchase consideration of DKK 120 million.

A unique AI study, 'A Changing office market,' which Wihlborgs conducted jointly with Navet and Quilt AI, is presented.

Five restaurants signs an agreement to start business at the new restaurant floor at Helsingborg Central Station, Kitchen Floor. The doors opened in October.

Q2

The oat-drink manufacturer Oatly signs an agreement to establish a new 3,100 m² research and innovation centre at Space (Knowledge 1), located in the middle of the Science Village in Lund.

Demand from public-sector operators continues to be strong. The Swedish Social Insurance Agency signed an agreement for 4,200 m² in Cube (Nya Vattentornet 4) in Lund, and Region Skåne's child and adolescent psychiatry clinic for 2,500 m² at Fabriken 1891 (Hermes 10) in Helsingborg.

Wihlborgs was awarded one of Sweden's best workplaces for the fourth consecutive year by Great Place to Work.

Q3

A logistics company leases 11,200 m² at Plåtförädlingen 11 in Helsingborg.

At Bricks (Nya Vattentornet 3) in Ideon Science Park in Lund, Wihlborgs' largest solar power system to date was inaugurated. Its production is expected to be about 247,000 kWh per year.

Søren Kempf Holm joins Wihlborgs as CEO of its Danish subsidiary Wihlborgs AS, succeeding Peter Ildal Nielsen, who has directed operations for 25 years.

Q4

Trygg-Hansa decides to co-locate five regional offices to a 12,000 m² space in Kvartetten (Pulpeten 5), Hyllie.

Wihlborgs wins the Miljöbyggnad iDrift of the Year award Syret 6 at the Sweden Green Building Awards and tops Allbright's list of the Stockholm Stock Exchange's most equal companies.

Two properties in Denmark, Vasekær 10–12 (7,700 m²) in Herlev and Bregnerødvej 140–144 (7,500 m²) in Birkerød, are acquired.



Wihlborgs in brief

Our operations

Wihlborgs is the leading property company in the Öresund region. Over 50,000 people have their workplace at one of our premises. People in Malmö, Lund, Helsingborg and Copenhagen all meet in city spaces designed by us, and our presence can also be felt in board rooms, club rooms and social forums as the Öresund region grows amid a wave of urban diversity and sustainability. This is our property company – Wihlborgs. The region-builder.

1,839

Tenants

50

Property value, SEK billion

2.1

Million square metres

250

Full-time employees

299

Properties

32

Market capitalisation, SEK billion



Our mission

Specialising in efficient sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties, thereby enabling tenants to grow and develop.



Our perspective on sustainability

Wihlborgs acts to promote the company's and region's long-term sustainable development. Our focus is on responsible business, commitment to the region and its community, being an attractive employer and sustainable properties.



Our corporate culture

The commitment and trust of our employees is of utmost importance to us. We work closely with our customers and our values are knowledge, honesty, action and community.



In challenging times, stability and strategy are tested

The year 2021 was a record year. We have never had such high net lettings, such a strong balance sheet or such an extensive project portfolio. Equity and long-term net asset value rose significantly. With these developments, the Board was able to propose a raised dividend for the 16th consecutive year.

A very respectable record year: 27th consecutive quarter of positive net lettings shows that our long-term strategy is working. The solid revenue stream, cash flow and value increases corresponding to 4.7 percent are providing us with a favourable starting point for continued growth through, for example, successful project development.

In 2020, we took the opportunity to optimize our portfolio by selling 21 properties and emptying several others to prepare them for redevelopment. This has impacted our earnings in 2021, i.e., in the short term, but is completely in line with our long-term objective of value growth.

The positive development should also be seen in the light of the fact that the pandemic-related challenges of 2020 essentially continued into 2021. It has been a trying time – for quite some long time now – for society at large and for many of our tenants. However, by adhering to our long-term strategy, being open to new solutions and maintaining a close dialogue with our tenants, we have created a functioning normality in the midst of the turbulence.

At the time of writing, we are following the dramatic world situation due to Russia's invasion of Ukraine. It is difficult to foresee the consequences of the war in terms of human suffering and political and economic conditions. Regardless of what the future holds, we know that we have never been as well equipped as we are now.

Increased lettings in all regions

In 2021, we signed agreements with several new major tenants, where, in particular, the 15-year agreement with Trygg-Hansa for 12,000 m² at Kvartetten (Pulpeten 5) in Hyllie is proof of the region's need for larger, flexible high-quality office spaces. In 2023 – the same year that Trygg-Hansa will move into Kvartetten, Oatly will establish a new research and innovation centre at Space (Kunskapen 1), in the Science Village in Lund. The world-leading oat drink manufacturer considers Science Village, with its special research environment and proximity to MAX IV and ESS, to be a natural location for an investment of this scope. Food tech is a rapidly growing and exciting area of research that it is worth keeping track of.

Kvartetten is one of our biggest investments to date. However, it is not the share of signed agreements or pre-determined key

data that give us the courage and security to make investments in the face of uncertainties. It is our faith in the region's future potential. It is our ability to put together the pieces of the puzzle of local and regional factors by leveraging our in-depth knowledge of the sub-markets where we operate. It is the instinct and sensitivity that we have developed through continuous dialogues with tenants, local communities and regional operators.

Being the best where we are and knowing our cities inside and out are key aspects of our long-term strategy. This means that we can turn major lease terminations, such as with Danske Bank at Ejby Industrivej 41, into promising urban regeneration projects. The transportation links, which will be further improved when the Greater Copenhagen Light Rail opens a new station nearby, as well as good planning permission opportunities, entail great development potential in the area. They allow for Wihlborgs to implement structural changes for an entire area, in order to meet the needs of specific industries for certain types of premises, in previously non-existent contexts. Our conversion of the properties at Ideon in Lund is a good example of this.

Although Prisma (Ursula 1) at Oceanhamnen in Helsingborg has taken longer to be fully let than would have been the case without the pandemic, the project is undeniably a major success. Our goal of creating an innovative environment similar to what we had together with the tech hub HETCH, has been exceeded many times over.

The number of public-sector tenants has been increasing steadily in 2021, through an agreement with Region Skåne, which has already moved its reproductive medicine centre to Kranen 2; the relocation of the Swedish Social Insurance Agency to Nya Vattentorget 4 (Cube) at Ideon in Lund, the relocation of the Institute for Human Rights to Nya Vattentorget 2 (Node), and BUP to Fabriken1891 (Hermes 10) in Helsingborg. These are tenants who not only contribute to our stability, but characterise neighbourhoods with their socially important activities.

Stronger-than-ever organisation

Naturally, this many lettings do not happen by chance. During the year, we restructured our forces to enable us to work more efficiently, quickly and proactively. We have made several strategic recruitments, and also invested heavily in raising internal competence. At Wihlborgs, when we talk about corporate culture, we focus less on the usual corporate concepts and more on the collective feeling and spirit we want to engender. By keeping decision-making paths short and utilising each other's expertise, perceptions and experiences garnered from contact with the business environment, we can gain momentum and



A very respectable record year: 27th consecutive quarter of positive net lettings shows that our long-term strategy is working. The solid revenue flow, cash flow and value increases are providing us with a favourable starting point for continued growth through, for example, successful project development.

Ulrika Hallengren, CEO

increase flexibility. All in all, this provides us with better conditions for assessing potential new segments, concepts, sub-markets and service offerings.

Conversation exchanges in a new open office landscape

In early 2021, talk about the 'to be or not to be' of offices quickly turned into how the workplace of the future should be designed. The issue was how to meet employees' expectations and how to make the office a part of organisations' innovation, development and corporate culture. The follow-up to the 2020 AI study that we conducted in 2021 indicated that employees' needs for flexibility, work-life balance and mental health will be self-evident elements when designing future work methods. This imposes higher requirements on leadership and organisation, as well as on designing a variety of workplaces in the right way.

Awareness of the office's significance to the work environment, corporate culture and brand elevates the office's status and imposes greater demands that we, as property owners, be competent and experienced advisors. It is a role that we are more than happy to assume.

Higher ambitions for the climate

Our work to both reduce our own and the industry's climate emissions continues unabated. An important raising of our ambitions pertains to how we began including indirect emissions in our climate goals as of 2021. As a next step for 2022, we will review the possibility of introducing transfer pricing on CO₂ emissions for projects in our existing portfolio, as well as setting a target limit for the CO₂ impact of new-build projects. This is aimed at putting the spotlight on our overall climate impact and motivating our entire organisation to work with climate change – on everything from supplier relations to cross-border collaborations. At Wihlborgs, all employees receive training on Wihlborgs' climate roadmap. This means that we have our own climate ambassadors with the competence and commitment to find smart solutions for our own properties, as well as for the industry as a whole.

Raising our internal competence allows us to be better at refining our proprietary property portfolio and working with recycling instead of engaging in demolition and entirely new constructions. Unfortunately, the gentle renovation of existing

properties does not receive the same attention as eye-catching new constructions; nor is financially beneficial, but is nevertheless important for reducing climate impact and preserving older construction. Our refurbishment of Kranen 2 at Dockan is a good example of how a piece of Malmö history has been given new life with modern and functional premises.

The Öresund region – our home territory

What is good for the Öresund region is good for Wihlborgs. That is the simple answer to why we are so involved in the cities where we operate. Our local presence makes us aware of the public-sector obstacles that need to be removed, so that we, as property owners, can fully contribute.

It is not without some frustration, when we state that the Öresund region's potential is untapped at the national level in Sweden. In neighbouring Denmark, a much more cognisant discussion is taking place about infrastructure investments aimed at meeting the impending changes to the European landscape when the Fehmarn Belt Tunnel becomes a reality in 2029. We only have a few years left to go, and we would like to see more of a national and cross-border agreement on the way forward.

The positive development achieved through investments such as the Öresund Bridge, Malmö University, City Tunnel, MAX IV and ESS and so forth, can have greater effects than those achieved so far. The debate on electricity supply and electricity trading areas has shown that we can work together to raise public opinion on important issues. I am convinced that there is sufficient awareness, will and ability to take cooperation on Öresund to the next level. In any case, at Wihlborgs, we will not be slowing down in the next few years – we have merely laid the foundation for our continued growth.

Malmö, March 2022
Ulrika Hallengren
Chief Executive Officer





Väktaren 3 in Malmö stands proudly
between Malmö Live and Malmö Central.

Goals and strategies

Business concept

Specialising in efficient sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties, thereby enabling tenants to grow and develop.

We adopt a long-term, sustainable approach – our properties should work well both today and in fifty years' time. In a changing world, the premises need to be able to change in line with customers' needs.

We develop new properties in-house on the basis that we will continue to own and manage the properties over a long period. For this reason, we invest in the creation of versatile premises with high-quality architecture, building materials and technical installations. This means we can ensure efficient property management and a strong focus on sustainability, while offering our customers good work environments and low operating costs. Our customers are also reassured to know that they can continue to grow together with us.

We are not only involved in developing properties, city districts and cities, however; we also play a part in developing the Öresund region. Because we are convinced that there is potential for continued development. Our size, our commitment, our know-how and our network all enable us to be a real force in that development – a region-builder.

Strategies

Wihlborgs will operate a business model for long-term, sustainable growth and will be one of the leading and most profitable property companies on the Nasdaq Stockholm Exchange. To achieve this goal, Wihlborgs will:



Strengthen our market position by concentrating on particularly attractive sub-markets that are ripe for development, where we can contribute to sustainable urban development.



Continue as a region-builder and actively strengthen the Öresund region as a financial growth area.



Continuously improve our property portfolio by adopting a long-term perspective on value growth.



Integrate Environmental, Social and Governance (ESG) criteria across the entire business, with a focus on initiatives that make a real difference.



Reinforce our brand so as to become the preferred choice of new customers and foster pride and preference among existing customers and employees.



Actively cultivate the rental market to acquire new customers and make ourselves open to new business models.



Continue to strengthen customer relationships via a high level of service and commitment to developing customers' businesses.



Focus on impressive cost-efficiency throughout operations.

Business model

Wihlborgs has a business model designed for long-term, sustainable growth. This business model consists of two elements: property management and project development. We work continuously to improve our property portfolio by refining and developing existing properties, completing new projects and acquiring and selling properties.

Our business leads to opportunities and progress for ourselves, our tenants and the entire Öresund region. Our strong financial results enable value growth and dividends to our shareholders.

Property management

Property management is the core of our operations. Our ambition is to be a market leader in each sub-market, which will strengthen our business model, our offering and our opportunities for development.

An important factor that creates value growth in this business model is Wihlborgs' property portfolio, which encompasses a range of modern properties that are attractive for new and existing tenants. By offering modern and flexible premises in attractive locations and the possibility for tenants to grow within Wihlborgs' portfolio, we enable growth at the companies that choose to be our customers.

All property management is handled by our own employees who focus on high cost-efficiency, satisfied customers and a high occupancy rate. This is a conscious and strategic investment intended to create strong customer relationships and ensure we are highly aware of our customers' current and future needs. The personnel in each sub-area have clearly defined areas of responsibility and extensive knowledge of the properties, thus ensuring the continuity, security and quality of our service to customers.

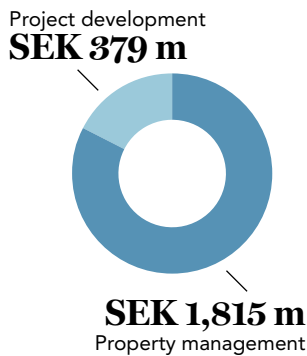
Project development

To have an attractive offering, we must actively develop and add value to existing properties in the form of redevelopment and extensions. We also create growth and new opportunities by acquiring and building new properties. However, this is not merely a question of developing individual properties; we also actively contribute to the development of city districts and whole cities, as pleasant urban environments are more attractive to customers and help increase the overall value.

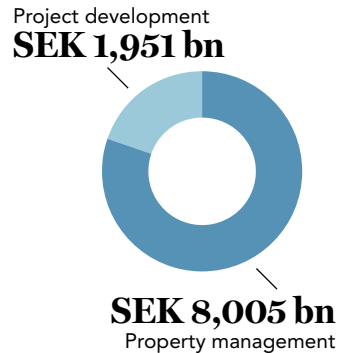
Our portfolio, which contains existing planning permissions, creates strong opportunities for us to develop new projects based on existing and potential customers' needs, but we also continuously explore opportunities to acquire further land for new projects. We focus on land with good links to transport nodes. In the case of office buildings, this means locations close to stations, while for the logistics and production segment proximity to the major E Roads is important, as are connections to the Öresund Bridge, ferries and railways.

Prior to each project start, an analysis is conducted of the market conditions, the project's scope and the timing of the construction start. Our proximity to the market means we have extensive knowledge of shifting demands among customers. This proximity, combined with our strong financial position, gives us major implementation potential and the conditions to create sustained growth and opportunities for our customers.

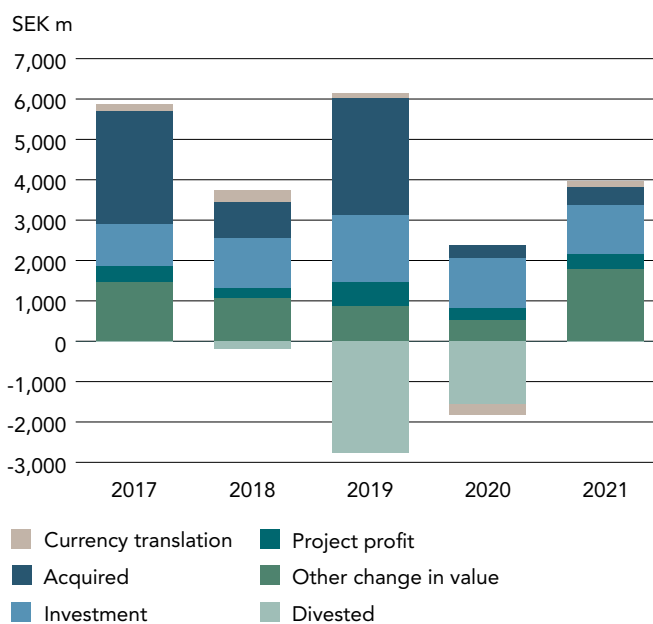
Business model Outcome 2021



Business model Outcome 2017-2021



Property value trend 2017-2021



Outcome 2021

For 2021, Wihlborgs recognised income from property management of SEK 1,815 million (1,830). This decrease in income from property management is line with the decrease in income. Property costs were somewhat higher than previous years, while interest expenses were somewhat lower.

During the year, project development generated value growth of SEK 379 million (311). Wihlborgs has a strong project portfolio and this will prove significant in terms of our development in the future.

Sustainable Business

Our strategy specifies that we will focus on long-term, sustainable growth and that we will integrate Environmental, Social and Governance (ESG) criteria into our business using a focus on initiatives that make a real difference.

Our basic view is that sustainability issues should be a constant aspect in all of our decisions. However, sustainable development is not created by one company or one organisation alone; collaboration with others is at the core of our approach. By collaborating with our customers and other companies, cities, universities, the public sector and NGOs, we can give the ongoing development of the Öresund region a real boost.

With respect to our own sustainability initiatives, we have prioritised four areas that comprise our sustainability framework: Responsible business, Attractive employer, Commitment to the region and its community and Sustainable properties. We have chosen these based on our own materiality analysis and the expectations placed on us by our stakeholders. Our main stakeholders are customers, shareholders, loan providers, employees, suppliers, municipalities and the region. Read more about this on the next page.

Organisation

Our organisation reflects the two parts of the business model and consists of property management, a project and development department and central functions such as finance, IT, communications/marketing and sustainable business.

Property management is divided into four regions: Malmö, Lund, Helsingborg and Copenhagen. Each region is managed by a regional director and has an office at which the staff are based. Wihlborgs' head office is located in Malmö. Closely linked to property management is project department, which runs redevelopment and new-build projects at our properties.

At the end of 2021, Wihlborgs had 250 full-time positions, of which 142 were based in Sweden and 108 in Denmark. There is a relatively large proportion of service staff in Denmark who work with restaurant service, conferences and outdoor environments.

Values

We work actively with the work environment, corporate culture, inclusion, camaraderie and leadership to foster ambassadorship and create trust, confidence and pride among our employees. Committed, knowledgeable and thriving employees are the best way to ensure a high level of customer satisfaction – and a strong financial performance in the long term. Our culture is focused on professionalism and our four values form the basis for all of our actions in every situation. These values are:

Knowledge

We will always have the most knowledge of the region – about the present and the future, our customers' needs and sustainable development. Our tenants should feel assured that we run our operations based on extensive expertise of what is best for them, for us, for the environment and for everyone who lives and works in the region.

Honesty

We are honest, direct and responsible; not just in our business transactions and in how we develop the region, but also with each other.

Action

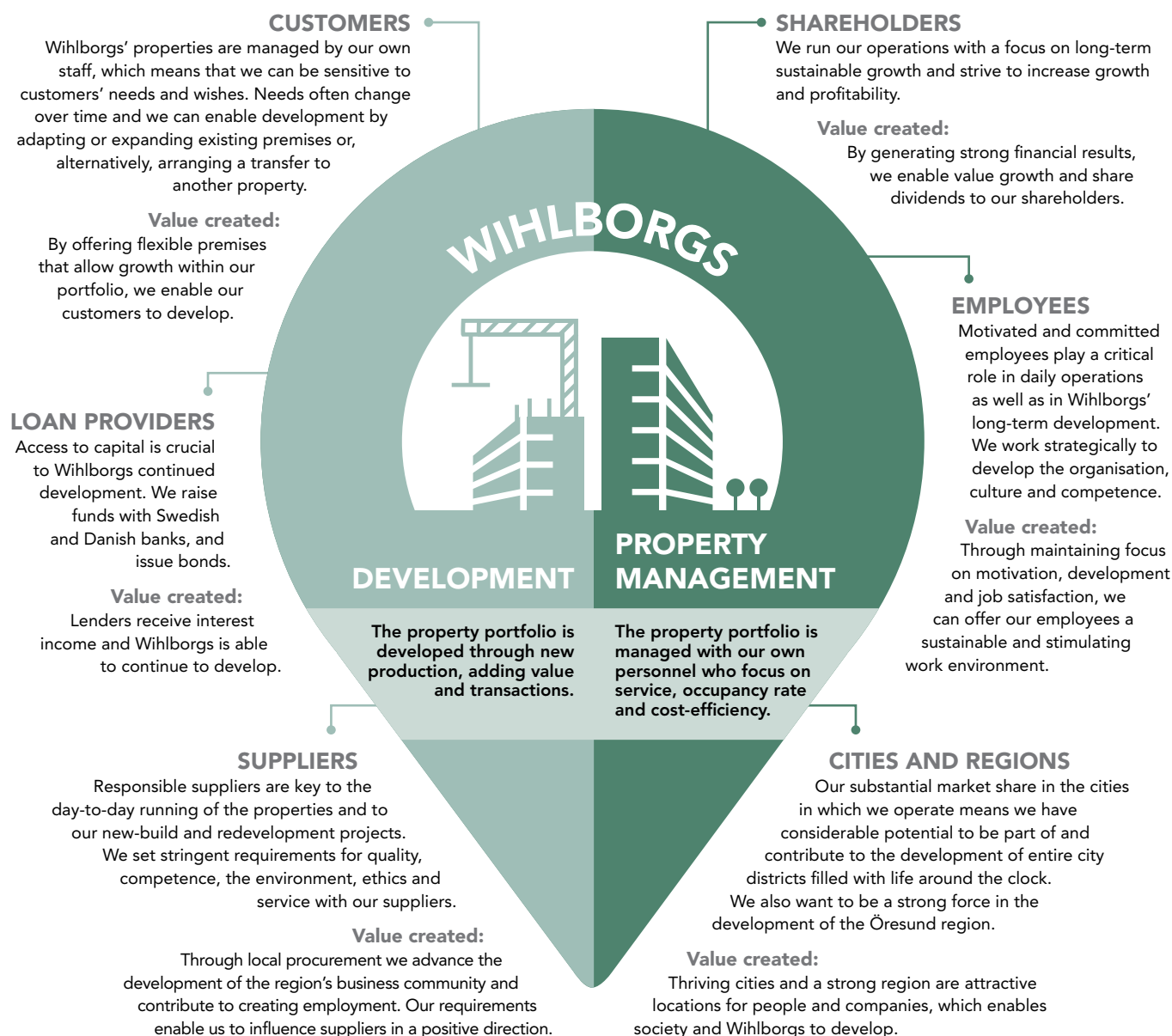
A flat organisation, short decision-making pathways and geographical proximity to our market enables us to act and make things happen. We take our decisions and conduct business with a proximity to, and focus on, our customers and the region's development.

Community

By creating and fostering a strong community within our own organisation, we can spread this feeling to our tenants, suppliers and others. A strong community leads to participation, pride and better results. We help each other, work together and have a strong sense of service towards our tenants and colleagues.

Business model and value drivers

Long-term approach. This is an ambitious concept, that shows our stable and enduring commitment irrespective of the direction the winds choose to blow. For Wihlborgs, our long-term approach is a keystone of our management and development of properties as well as of all our relationships and transactions. Our business model for long-term sustainable growth creates possibilities and progress for ourselves, our tenants and the entire Öresund region.



Overall goals

Financial targets

Wihlborgs' financial strength is a crucial factor in terms of our continued growth and the company being an attractive investment. A strong financial position enables us to acquire properties and invest in new projects when the market situation feels right.

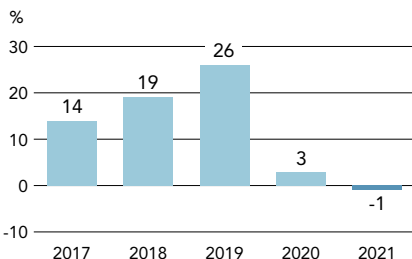
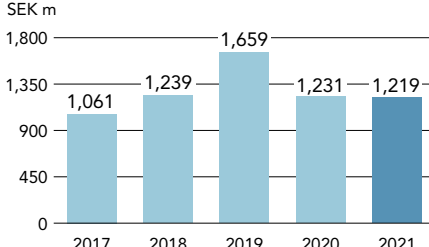
It also means we are well-equipped to tackle various challenges and changes relating to economic conditions and demand. We have four overall financial targets that are continuously monitored. We fulfilled all of our financial targets in 2021.

Target	Outcome	Notes												
Return on equity A return on equity that exceeds the risk-free interest rate by no less than six percentage points.	Return on equity <table><tr><th>Year</th><th>Return on equity (%)</th></tr><tr><td>2017</td><td>20.5</td></tr><tr><td>2018</td><td>16.5</td></tr><tr><td>2019</td><td>17.5</td></tr><tr><td>2020</td><td>11.9</td></tr><tr><td>2021</td><td>16.2</td></tr></table>	Year	Return on equity (%)	2017	20.5	2018	16.5	2019	17.5	2020	11.9	2021	16.2	For 2021, the return on equity was 16.2 percent. At the start of the year, the risk-free interest rate was negative 0.22 percent, which led to a target of 5.78 percent for 2021. Thereby exceeding the target of achieving six percentage points above the risk-free interest rate by a considerable margin. This strong outcome was influenced by positive changes in property values.
Year	Return on equity (%)													
2017	20.5													
2018	16.5													
2019	17.5													
2020	11.9													
2021	16.2													
Equity/assets ratio An equity/assets ratio of no less than 30 percent.	Equity/assets ratio <table><tr><th>Year</th><th>Equity/assets ratio (%)</th></tr><tr><td>2017</td><td>34.7</td></tr><tr><td>2018</td><td>36.3</td></tr><tr><td>2019</td><td>38.4</td></tr><tr><td>2020</td><td>41.3</td></tr><tr><td>2021</td><td>42.9</td></tr></table>	Year	Equity/assets ratio (%)	2017	34.7	2018	36.3	2019	38.4	2020	41.3	2021	42.9	At year end, the equity/assets ratio amounted to 42.9 percent. The high equity/assets ratio was affected by strong income from property management as well as positive changes in property values.
Year	Equity/assets ratio (%)													
2017	34.7													
2018	36.3													
2019	38.4													
2020	41.3													
2021	42.9													
Interest coverage ratio An interest coverage ratio of no less than 2.0.	Interest coverage ratio <table><tr><th>Year</th><th>Interest coverage ratio (multiple)</th></tr><tr><td>2017</td><td>3.4</td></tr><tr><td>2018</td><td>3.9</td></tr><tr><td>2019</td><td>6.2</td></tr><tr><td>2020</td><td>6.5</td></tr><tr><td>2021</td><td>6.7</td></tr></table>	Year	Interest coverage ratio (multiple)	2017	3.4	2018	3.9	2019	6.2	2020	6.5	2021	6.7	The interest coverage ratio was a multiple of 6.7 in 2021, which was somewhat stronger than in 2020. Income from property management decreased marginally while interest expenses fell due to slightly lower average interest rate levels during the year.
Year	Interest coverage ratio (multiple)													
2017	3.4													
2018	3.9													
2019	6.2													
2020	6.5													
2021	6.7													
Loan-to-value ratio A loan-to-value ratio of no more than 60 percent.	Loan-to-value ratio of properties <table><tr><th>Year</th><th>Loan-to-value ratio (%)</th></tr><tr><td>2017</td><td>53.5</td></tr><tr><td>2018</td><td>54.1</td></tr><tr><td>2019</td><td>51.9</td></tr><tr><td>2020</td><td>48.2</td></tr><tr><td>2021</td><td>46.5</td></tr></table>	Year	Loan-to-value ratio (%)	2017	53.5	2018	54.1	2019	51.9	2020	48.2	2021	46.5	At the end of 2021, the loan-to-value ratio totalled 46.5 percent. A combination of increased income from property management and positive changes in the value of properties led to the loan-to-value ratio being considerably lower than the target of a maximum of 60 percent.
Year	Loan-to-value ratio (%)													
2017	53.5													
2018	54.1													
2019	51.9													
2020	48.2													
2021	46.5													

Business targets

Our business model consists of two parts: property management and project development. Together with changes in the value of properties, the results of these two parts are what form

the basis of our financial stability. We have formulated three overall targets linked to our core business.

Target	Outcome	Notes												
<h3>Income from property management</h3> <p>Income from property management is an important gauge of how we are developing our operations, as it reflects the cash flow generated by our operational activities to a great extent. The goal is to have stable annual growth in income from property management to be able to finance our project investments and increase the dividend distributed to our shareholders.</p>	<h4>Growth in income from property management</h4>  <table><tr><th>Year</th><th>Growth (%)</th></tr><tr><td>2017</td><td>14</td></tr><tr><td>2018</td><td>19</td></tr><tr><td>2019</td><td>26</td></tr><tr><td>2020</td><td>3</td></tr><tr><td>2021</td><td>-1</td></tr></table>	Year	Growth (%)	2017	14	2018	19	2019	26	2020	3	2021	-1	Income from property management declined over the year by barely 1 percent. The decline was due to the sale of 21 properties in December 2020.
Year	Growth (%)													
2017	14													
2018	19													
2019	26													
2020	3													
2021	-1													
<h3>Surplus ratio</h3> <p>Property management is the core of our operations. The efficiency of our property management can be measured using the surplus ratio, that is, the operating surplus in relation to rental income. We will maintain a high surplus ratio by focusing on rental income, vacancy levels and cost-efficiency.</p>	<h4>Surplus ratio</h4>  <table><tr><th>Year</th><th>Surplus ratio (%)</th></tr><tr><td>2017</td><td>73</td></tr><tr><td>2018</td><td>72</td></tr><tr><td>2019</td><td>72</td></tr><tr><td>2020</td><td>72</td></tr><tr><td>2021</td><td>72</td></tr></table>	Year	Surplus ratio (%)	2017	73	2018	72	2019	72	2020	72	2021	72	The surplus ratio was 72 percent in 2021, unchanged on 2020. During the year, costs for snow clearance were up on last year and the negative performance of canteens in Denmark adversely impacted the surplus ratio.
Year	Surplus ratio (%)													
2017	73													
2018	72													
2019	72													
2020	72													
2021	72													
<h3>Project investments</h3> <p>Project investments create value for Wihlborgs through potential profits and by providing the conditions for higher rental income over time. Wihlborgs will monitor market conditions in order to continuously invest in new projects that will yield healthy returns.</p>	<h4>Project investments</h4>  <table><tr><th>Year</th><th>Project investments (SEK m)</th></tr><tr><td>2017</td><td>1,061</td></tr><tr><td>2018</td><td>1,239</td></tr><tr><td>2019</td><td>1,659</td></tr><tr><td>2020</td><td>1,231</td></tr><tr><td>2021</td><td>1,219</td></tr></table>	Year	Project investments (SEK m)	2017	1,061	2018	1,239	2019	1,659	2020	1,231	2021	1,219	Project investments totalled SEK 1,219 million in 2021. Several major projects were completed during the year, but the project volume is larger than ever due to decisions on further new investments that were taken at the end of the year.
Year	Project investments (SEK m)													
2017	1,061													
2018	1,239													
2019	1,659													
2020	1,231													
2021	1,219													

Sustainability targets

Our sustainability initiatives cover four different areas with clear targets established within the framework of each area. To ensure clarity and focus, we have also selected five overall targets that

cover the core elements of our sustainability initiatives. These are reported below. Read more about our sustainability focus areas and their targets and governance on pages 30–43 and 132–150.

Target

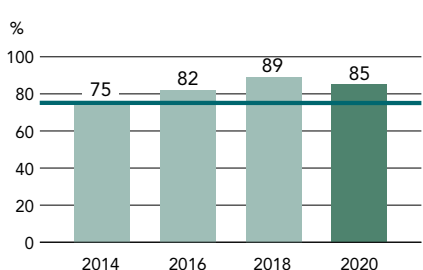
Outcome

Notes

Customers' willingness to recommend

Having satisfied customers creates the conditions for long-term business relationships and can provide us with great ambassadors. An important gauge of customer satisfaction is the willingness to recommend. The target is for at least 75 percent of customers to say they could consider "recommending or highly recommending" Wihlborgs to a colleague or business associate.

Customers' willingness to recommend



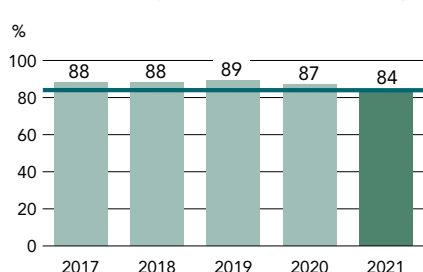
Willingness to recommend is measured in the customer survey conducted every other year. The survey carried out in 2020 indicated that 85 percent of customers would consider recommending or highly recommending Wihlborgs.

We switched survey institute for the 2020 survey, and are now conducting it together with Fastighetsbarometern. We are surveying more customers, and the questions are somewhat different, which can impact the results. The results for 2014 and 2016 refer exclusively to Wihlborgs in Sweden. The figures for 2018 and 2020 refer to the Group.

Committed employees

Our employees are one of our most vital resources. Our committed and competent employees mean we are able to maintain a high level of quality and focus on customers in our operations. Our target is to obtain a Trust Index of at least 85 percent according to Great Place to Work's measurement methodology. The Trust Index is a gauge of employees' perceptions of trust, pride and friendship at the workplace.

Committed employees (Trust Index®)

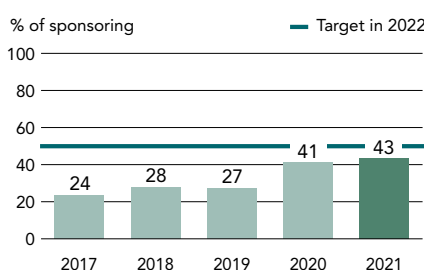


Employee commitment is measured each year by the employee survey that we conduct together with Great Place To Work. In the 2021 survey, Wihlborgs had an average Trust Index of 84 percent. The threshold for a workplace to qualify as a Great Place to Work is 70.

Commitment to the region and its community

Wihlborgs has extensive societal commitment, part of which comprises sponsorship. The goal is for the majority (50 percent or more in krona) of the initiatives we support to be community-centric with a focus on work, education, inclusiveness and regional development.

Sponsorship with community orientation

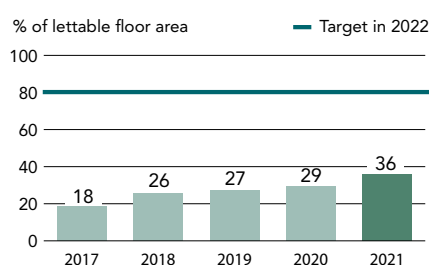


In 2021, we continued our review of sponsorship activities in line with the updated sponsorship policy and the goal of the majority of the sponsorship to be community-centric. This has resulted in further increase of the share of community-centric sponsorship to 43 percent.

Environmental certification

Environmental certification is a method of future-proofing properties and gradually reducing our environmental and climate footprint. The target is to see 80 percent of the floor space of Wihlborgs' office properties in Sweden environmentally certified by the end of 2022.

Environmentally certified buildings, offices, Sweden

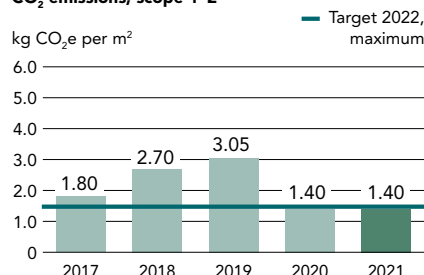


Environmental certification efforts accelerated further in 2021 and we certified 14 existing buildings at Silver level under Miljöbyggnad iDrift. According to the plan we have established, we will certify an even greater number of buildings in 2022 as part of our endeavour to reach our certification target.

Climate impact

The greatest environmental challenge we face is how we contribute to reducing the climate impact of our operations. The short-term target is for our CO₂ emissions in scopes 1–2* to be below 1.5 kg CO₂ equivalents per square metre. We also have a target that has been approved by the Science Based Targets Initiative (SBTi) of halving emissions by 2030. Read more on page 31.

CO₂ emissions, scope 1–2



Greenhouse gas emissions in scopes 1 and 2 remained stable at 1.4 kg per square metre in 2021, which means that the target for 2022 has already been met. Energy consumption increased slightly during the year, but CO₂ emissions were unchanged as a result of the continued increase in the share of renewable energy, primarily in Denmark.

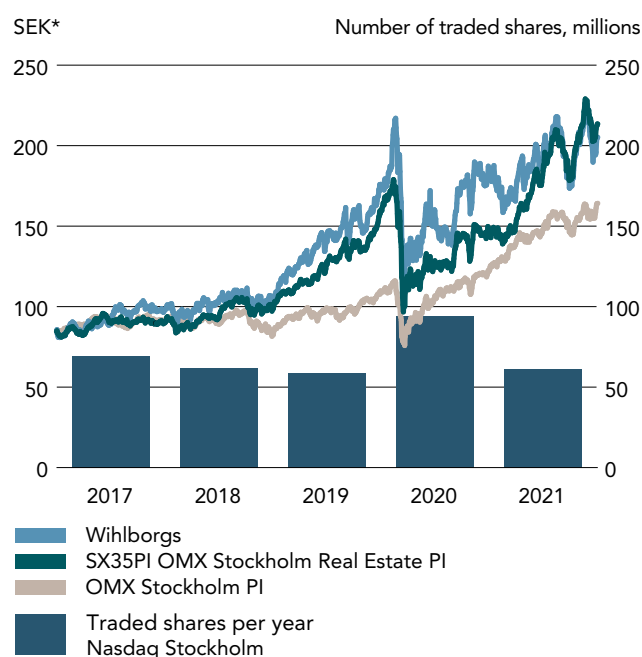
*Scope 1–2 refers to direct emissions from proprietary operations and indirect emissions from purchased energy.

The Wihlborgs share

The Wihlborgs share is listed in the Real Estate sector of the Large Cap segment of Nasdaq Stockholm. Wihlborgs was floated on the stock exchange in 2005 following a spin-off from Fabege. Since then, a two-for-one share split has been carried out on three occasions, the most recent of which was carried out in 2018. Each time, one old share has been replaced with two new shares. In addition, ahead of the 2022 AGM, the Board proposes the implementation of a new two-for-one share split.

Share price performance

Course development 2017–2021



*An adjustment has been made to reflect the two-for-one share split carried out in May 2018.

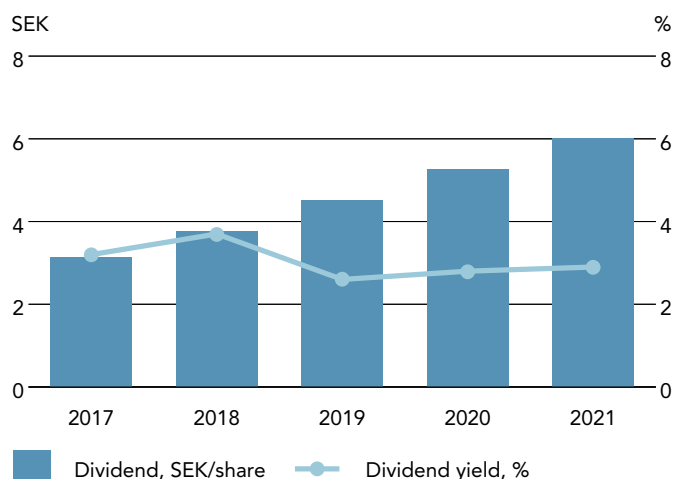
Dividend

Wihlborgs' dividend policy is based in part on distributing a proportion of the earnings generated by property management and in part on distributing realised gains from property upgrades. In both cases, a deduction is made for tax at a standard rate of 20.6 percent.

- The dividend should amount to 50 percent of earnings from day-to-day property management.
- Moreover, 50 percent of gains realised from property sales should also be distributed.

The Board proposes a dividend of SEK 6.00 (5.25) for 2021. This corresponds to a dividend yield of 2.9 percent based on the year-end share price. Provided that the AGM adopts the Board's proposed dividend of SEK 6.00 and that the record date is set for 28 April, the dividend will be distributed on 3 May 2021.

Dividend/share and dividend yield



Wihlborgs as an investment



A profitable company

Wihlborgs has had strong and stable profitability growth for many years. This is due to factors such as a continuous focus on increasing the operating surplus and income from property management as well as to high cost-efficiency. Cash flow has also seen stable increases over time.



Strong financial position

We have a strong operating profit relative to borrowings. Interest-rate sensitivity is low as a result of a combination of floating interest rates and interest-rate derivatives.



Value increases

For a long time, Wihlborgs has demonstrated a strong and stable rise in its property values. The value of the property portfolio is dominated by modern, flexible properties in A-grade locations and is constantly improved through acquisitions and sales. Wihlborgs also has an attractive portfolio of projects that are in progress or planned.



Long-term approach and focus on sustainability

Our strategy entails a focus on long-term, sustainable growth. We adopt a long-term perspective as we invest and develop our operations, which gives us the opportunity to make sustainable investments and take the economy, people and the environment into account in all of our decisions.



Concentrated property portfolio

Wihlborgs is the market leader in Malmö, Lund and Helsingborg. In Copenhagen we are also one of the largest commercial property owners. The properties are located in selected, stable sub-markets that provide growth and development potential. We have an attractive mix of tenants and a high occupancy rate over time.



An attractive region

We operate in a region with strong population growth and increasing employment. Investments in research, education and infrastructure benefit the development of enterprise in the region.



Commitment to the development of the region

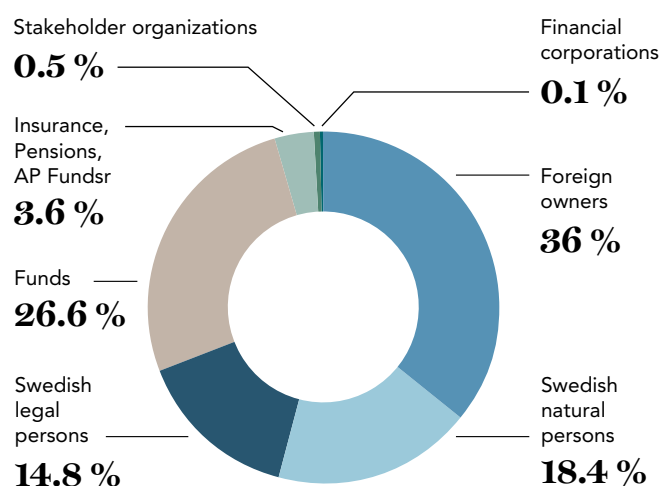
We know the market well thanks to our geographical focus and our head office located in the region. We manage properties using our own company employees, who with a high level of service and strong customer focus create long-term relationships with the tenants. Our involvement in everything from urban development to infrastructure, skills supply and inclusiveness helps us contribute to the ongoing development of the Öresund region.

Ownership structure

At the end of 2021, the ten largest shareholders in Wihlborgs owned 38 percent of the total number of shares. The number of shareholders was around 28,000, unchanged year-on-year.

The number of foreign shareholders was 36 percent, which is a decrease of 1 percentage point year-on-year. Of foreign ownership, the US accounted for 53 percent, the UK for 15 percent, Luxembourg for 11 percent, Belgium for 5 percent and Norway for 5 percent.

Ownership structure



Largest shareholders in Wihlborgs on 31 December 2021

Shareholders	Number of shares, thousand	Share of capital and votes, %
Erik Paulsson and family, privately and through companies	16,938	11.0
SEB Investment Management	11,038	7.2
Länsförsäkringar Funds	7,400	4.8
Swedbank Robur funds	5,637	3.7
Handelsbanken Funds	5,470	3.6
Central Bank of Norway	3,002	2.0
Qviberg family	2,460	1.6
AMF Funds	2,282	1.5
Skandia life insurance company	1,915	1.2
Lannebo Funds	1,874	1.2
Other shareholders registered in Sweden	43,351	28.2
Other shareholders registered abroad	52,346	34.0
Total number of shares outstanding	153,713	100.0

Share/Key metrics ¹	2021	2020	2019	2018	2017
Share price at year end, SEK	205.40	185.40	172.50	102.40	98.15
Change in share price during the year, %	10.8	7.5	68.6	4.3	15.9
Earnings per share, SEK	21.78	14.46	19.02	15.63	16.71
EPRA EPS, SEK	10.65	10.65	10.53	8.06	6.84
P/E ratio I, multiple	9.4	12.8	9.1	6.6	5.9
P/E ratio II, multiple	19.3	17.4	16.4	12.7	14.4
EPRA NRV (long-term net asset value) per share, SEK	172.65	152.44	140.20	122.64	114.00
Dividend per share, SEK (2021 = proposed dividend)	6.00	5.25	4.50	3.75	3.13
Dividend yield per share, %	2.9	2.8	2.6	3.7	3.2
Total yield per share, %	13.6	10.1	72.1	7.5	19.3
Number of shares at period end, thousand	153,713	153,713	153,713	153,713	153,713
Average number of shares, thousand	153,713	153,713	153,713	153,713	153,713

¹ An adjustment has been made to reflect the two-for-one share split carried out in May 2018. For definitions of key ratios, see pages 129–130.



Elefanten 40 in Malmö contains stores, cafés and offices. A real gem in the city centre.

Market and trends

Öresund region – on course to becoming a major region

The Öresund Bridge is the clearest symbol of the expansive Öresund region. As a connecting link, the bridge has helped overcome boundaries and provided the conditions for integration between South Sweden and East Denmark in many different ways during its 20 years of existence. The Öresund region currently has the Nordic region's largest life sciences cluster, and more than 70 head/specialist offices have moved to Malmö since the Öresund Bridge was opened in 2000.

The geographical location of the Öresund region lends itself to being a logistical hub for transport to and from the Scandinavian countries – a position that will be further strengthened when the Fehmarn Belt tunnel between Germany and Denmark is completed in 2029. The tunnel paves the way for a competitive major region with some 9 million inhabitants. Travel and transportation times will be sharply reduced and positive effects are expected in terms of integration, growth, job opportunities, tourism, research and culture.

High growth rate

Around 4.1 million people live in the Öresund region, making it the Nordic region's largest and most densely populated metropolitan region. The pace of growth is fast, with the population expected to increase to 4.3 million by 2028. Being such a metropolitan area, the Öresund region attracts young and highly educated people who benefit the many knowledge-intensive companies for whom skills are vital. There are 13 universities, branch campuses and Swedish higher education institutions in the region with over 130,000 students. With the inclusion of Danish higher education institutions and vocational colleges, this number rises to 19 institutions with 173,000 students.

Larger local labour markets boost flexibility which benefits companies and citizens. Companies have better opportunities to find the right expertise and the individual citizen has a greater offering in the labour market. In a Danish tripartite agreement

from 2021, DKK 4 million was allocated over a two-year period for investments aimed at recruiting unemployed Swedes to Danish industries with labour shortages.

One crucial factor in terms of attracting and producing skills is high-level research. The Öresund region has world-class research institutions in the areas of technology and life sciences, of which two prominent examples are MAX IV and the future European Spallation Source (ESS), with its facility in Lund and data centre in Copenhagen.

Infrastructure investments are increasing integration

Joint infrastructure is a basic prerequisite for a joint region. When commuting and goods transportation run smoothly, the conditions are created for functioning integration.

In Copenhagen, the extension of the Greater Copenhagen Light Rail that will connect the city to the surrounding municipalities will continue until 2025. Copenhagen also offers the Nordic region's largest airport, Copenhagen Airport, which will have capacity for 40 million passengers per year once its ongoing extension is finished.

On the Swedish side, the Southern Main Line is being extended to offer a four-track line between Malmö and Lund by 2024. The Lund–Hässleholm line is also being planned as one of the first interim stages of the construction of new main lines across Sweden. The potential for more fixed Öresund connections is being investigated in order to meet the increasing traffic volumes and to avoid bottlenecks, specifically an Öresund metro line between Malmö and Copenhagen and a fixed connection for cars and passenger trains between Helsingborg and Helsingør. An investment of SEK 1 billion on the international connections in Malmö is imminent. Similar investments are already being made on the Danish side.

Travel time with the Fehmarn Belt connection:



7–10 min through the tunnel

3 hrs Malmö – Hamburg



In November 2021, the first earth was turned on German soil for the Fehmarn Belt tunnel, which is expected to be completed by 2029. Image: Femern A/S

These investments will contribute to the continued development of the region by way of shorter travel times that create new opportunities for commuting, studying and working, as well as enabling more goods transportation by rail, thus promoting sustainable transport.

Collaboration to leverage the potential

Various operators with an interest in the Öresund region are actively collaborating. This principally involves local operators, but national-level operators are also having an influence on the development of the region, such as the Nordic Council, the Nordic Council of Ministers and the Freedom of Movement Council. The Greater Copenhagen Committee consists of 85 municipalities and four regions, and is a political collaborative body that promotes a sustainable and integrated Öresund region. In September 2021, Greater Copenhagen gathered the Danish and Swedish ministers for Nordic cooperation, as well as local politicians and representatives from trade and industry for a meeting. This resulted in a Danish-Swedish task force, which will look into border issues and growth opportunities in Greater Copenhagen.

There are also a number of network organizations that want to contribute to developing the Öresund region's full potential, such as Øresundsinstitut, String, Øresundmetro Executive, Medicon Valley Alliance and the Centre for Öresund Region Studies.

The Öresund region in figures:

170

direct destinations
from CPH airport

26%

of Sweden and Denmark's
combined GDP

4.1

million inhabitants in
the Öresund region

19

universities & higher
education institutions

18,000

daily commuters over the bridge

Öresundsindex

In 2022, the Øresundsinstitut will collaborate with Øresundsbrown to initiate work with a new index that will describe the Öresund region's development over time. The first publication of the analysis will be in April 2022 and will be accessible to anyone who wishes to follow the region's development.

Sources: Pangea Property, Newsec, Colliers and SEPREF

Developments in the rental and property transaction markets

The pandemic continued to create uncertainty in the global economy in 2021 and toward the end of the year, global delivery problems increased, inflation rose, geopolitical tensions emerged between Russia and the EU/US and we were subjected to rising energy prices. The rental and property market seemed to be untouched by this and 2021 turned out to be a record year.

Rental market

It has become ever clearer during the year that offices have a crucial role in the future labour market. Companies are now focusing on adapting their premises to new requirements and flexible leases are a constantly recurring theme in dialogues with tenants. SEPREF's (the Swedish Property Research Forum) latest consensus forecast noted rising rent levels for office space in Malmö's prime locations. In Denmark, the trend in office rents was somewhat positive during the year according to Newsec and the vacancy rate in Greater Copenhagen has fallen.

For the logistics segment, Colliers reports that lease trends for Malmö and Helsingborg remain unchanged, but that yield requirements are falling sharply. Going forward, rent levels are expected to remain unchanged despite strong demand. In Denmark, Newsec has noted rising rent levels for warehouses/logistics and expects the trend to continue.

Property transactions

The past transaction year was dominated by records for listings, acquisitions, buy-outs and mergers as well as by very high availability of capital. The market has been driven by companies with active acquisition strategies, where the logic behind transactions comprised higher volume and improved ratings and thereby more attractive financing.

Figures from Pangea showed that the transaction volume in Sweden in 2021 amounted to just over SEK 350 billion, almost doubling from 2020, which was itself the third strongest transaction year ever. In Denmark, the transaction volume rose to EUR 14.1 billion, up 61 percent year-on-year. On both the Swedish and Danish sides, most of the volume stemmed from the housing segment.

In Skåne's property market, major transactions in the public property segments have attracted the most attention, as they were implemented with record low yield requirements. Intea acquired the leasehold land Niagara 2 from Academic Hus and the police/prison property in Helsingborg for approximately SEK 2.5 billion from Castellum.

Within the logistics segment, Skanska sold a portfolio of project properties to Barings, where the project value could total SEK 2.1 billion for 128,000 m². Two of the projects that include the first part of the transaction are in Helsingborg and one pertains to the 44,000 m² warehouse that is let to Greenfood. Brinova's acquisition of four properties in central Helsingborg, which mainly comprised office premises, was also an indicator willingness to pay for offices in one of Wihlborgs' primary markets. In Malmö and Lund, there have been few sales of office properties and those that were completed were in B locations and shown falling yield requirements.



Tue David Bak, Managing Director of Greater Copenhagen

Wants to remove labour market obstacles in Öresund

On one side the strait, there is a shortage of labour in several sectors, while unemployment is high on the other side. Tue David Bak, Managing Director of Greater Copenhagen, highlights two showstoppers and a desirable game changer in the border regions' labour markets in Öresund.

The need to better match the labour shortage in Copenhagen with the high unemployment of Skåne has shed new light on the integration of Öresund. The issue is one of the focus areas of the collaborative body, Greater Copenhagen.

"We are holding dialogues with restaurateurs who must sometimes keep their restaurant closed due to a lack of staff.

According to Tue David Bak, infrastructure must be improved to make the labour market accessible to more people. A range of different technical obstacles, such as tax regulations, pensions and parental leave, must also be eliminated if more Swedish inhabitants are to seek Danish jobs."

"For those who live close to the station or who have found their dream job, it may not be such a big step to start working in Denmark, but for those who live in a surrounding municipality or who want to work for shorter hours at a restaurant, it gets more complicated. With such showstoppers we are constantly taking one step forward and one step backward."

Danish-Swedish job fair a success

Tue David Bak is of the opinion that employers and politicians are quite aware of the problem, and that many important initiatives are being taken in the region. In October 2021, a Danish-Swedish job fair was organised, which was described as a success, with jobseekers leaving the fair with signed contracts in their hands.

However, a psychological game changer would still be needed to achieve any long-term change, posits Tue David Bak.

"I would like to see the Swedish and Danish prime ministers meet on the bridge next year and manifest a restart of the Öresund collaboration."

A new catchment area for Skåne-based companies

When the Fehmarn Belt tunnel is completed in 2029, it will take three hours to get from Malmö to Hamburg by train. Jenny Andersson, Assistant Manager and Senior Analyst at Øresundsinstitutet, describes what shorter travel time could entail in terms of new business opportunities and exchanges between the countries.

"Germany is already one of Sweden's primary trading partners, but it will soon also be a new catchment area for Skåne-based companies." Faster transportation enables the export of brand-new categories of goods, such as fresh bread. In other words, the shorter travel times are about far more than just comfort.

"If we could go on business trips more frequently, it might create more opportunities for exchanges and business. It will be more accessible for companies to establish themselves in Germany, just as Wihlborgs has done in Denmark.

"Tourists in Germany will be able to make day trips to Malmö. Kastrup Airport will also have a greater catchment area, which in the long term could result in more destinations."

Construction under way

Jenny Andersson emphasises that development is dependent on the political decisions that are made regarding the Fehmarn Belt, and how the economy and travel patterns develop. The lesson we learned from the Öresund Bridge is that some factors



Jenny Andersson, Senior Analyst at Øresundsinstitutet

are difficult to predict.

However, it is a fact that the first earth was turned on German soil for the construction of the tunnel. In November 2021, Denmark's and Schleswig-Holstein's ministers for infrastructure held the shovels.

"You get used to waiting around for it to happen and then, all of a sudden, it happens, but I feel that many Skåne-based companies are starting to open their eyes to the doors that are about to open for them."

“We make it easier for others to realise their visions”

By supporting business enterprise in Skåne, Wihlborgs aims to create opportunities for more companies to flourish and expand in the Öresund region. Mia Rolf, Director of Marketing and Corporate Communications at Wihlborgs, gives her perspective on the long-term commitment to the region's growth.

“At Wihlborgs, we are passionate about linking companies and cities, and providing them with opportunities to grow. By recognising and supporting important platforms for start-ups, scale-ups and established industries in the region, we gain a better understanding of the conditions for entrepreneurs and enable important knowledge transfer to take place. We want to make it easier for others to realise their visions.”

Protecting entrepreneurs

She mentions Ideon Navigator Scaleup as an example. It is an accelerator programme at Ideon Science Park in Lund, Sweden, co-financed by Region Skåne and Wihlborgs. The programme is based on a tried and proven concept that helps companies to scale up using a well-defined structure and external expertise comprising 30 experienced growth managers. The companies participating in the programme have on average delivered 25 percent growth. Since her previous role as Managing Director of IDEON, Mia Rolf has been personally engaged as a growth manager.

“In Sweden, we excel at start-ups with up to ten employees, but do poorly with sustaining the growth of such companies. In order to increase growth in the business sector, more companies need the right conditions to flourish. After all, much of the research and technologies that have changed the world have originated in our region.”

Collaboration and shared focus

“Collaboration between academia, trade and industry and the public sector is critical to achieving long-term change,” Mia Rolf explains. She highlights the research park Medeon, which is 60-percent owned by the City of Malmö and 40-percent by Wihlborgs, as a good example. The city of Helsingborg's plans for a Science Park is another example (see page 62).

“The Öresund region has the potential to become Sweden's most important hub for trade and industry. But then, we must further consolidate our efforts and not split up our resources in too many different directions.”

“If the region prospers, we prosper”

Wihlborgs is also a partner of IUC Lab, an innovation centre launched by Region Skåne through IUC Syd, where new ideas and products can be tested and developed. Here, industry in Skåne is offered a physical arena with testbeds, where product ideas can be developed from an interdisciplinary perspective and production processes can be simulated with the latest technology and know-how.

“It's quite simple: If the region prospers, we prosper. If our tenants can grow, we will grow too. We invest in what we believe will benefit the many, not what generates immediate profit.

Medeon, Techship and HETCH are just a few examples of platforms that Wihlborgs actively utilises.” Read more about these commitments on page 36–37.



Mia Rolf has been the Director of Marketing and Corporate Communications at Wihlborgs since August 2021. Prior to this, she was the Managing Director of Ideon Science Park.



The office – an increasingly important part of the company's identity

Experts and advisors, but who also challenge and inspire. Anna Nambord, Director of Sustainable Business at Wihlborgs, envisions a renewed role for property owners when the new office landscapes take shape.

"We have always served in an advisory role when creating a good workplace for new or existing tenants. The difference now is that we need to be experts in more areas and be involved in ever more steps of the process.

The return to the office has entailed the need to reconcile new wishes and requirements.

"Many people are taking the opportunity to seriously rethink their work methods and corporate culture, which also means reassessing the function of office space. It could pertain to a greater emphasis on social areas or a variety of workplaces. Some are investing in the creation of a welcoming reception area with good service and excellent coffee. They want to assume responsibility for the work environment, while physical and psychosocial health have ended up higher on the agenda.

When it comes to more tangible values, technology comes first.

"We can conclude that many will utilise some type of hybrid arrangement, with some working remotely and some at the office, in which case, good audio systems, network connections and digital tools will be increasingly important."

Alternatives to demolishing

In addition to external expectations, Anna Nambord emphasises the importance that property owners assume responsibility for

offering sustainable solutions. As companies grow and need to change premises or their operations, redevelopment and tenant improvements are required – which have a major impact on the environment. By building flexible premises that can be continuously adapted as needed, companies can remain in the same property longer and thereby reduce their climate footprint. Furthermore, sustainability is a high priority for many of Wihlborgs' customers.

"We can drive development in the right direction by acting proactively and providing alternative proposals on how to proceed with a renovation. We can – and should – inform them about existing alternatives to gutting the premises, and mention sustainable and recycled materials."

The office is a part of the identity

"As an office's functions are evaluated and soft values take up more space, the office becomes a more important part of an organization's identity. It is an opportunity to boost the company's culture and brand," Anna Nambord explains.

"After a period of so many employers and employees sitting still and not rocking the boat, movement in the labour market will increase, which will make office designs and the work environment important factors." How do we create safe and healthy workplaces that are also conducive to innovation and development?

"It's a matter of proceeding from the business's mission and ambition, and to identify shared values." What would you like to achieve with your team and how would you do it best? The office can contribute both to the employee brand and to sustainability.

There is no reverse button when it comes to hybrid solutions, but the concept is yet to be firmly rooted in practice. It imposes higher requirements on leadership and organisation, as well as on designing offices in the right way.

Demands for a more proactive industry

Wihlborgs meets the new requirements by raising the internal expertise within property-related sustainability issues and the new office landscape.

"As an industry, we are accustomed to receiving orders and delivering them. But now, to a greater extent, we need to provide alternatives ask follow-up questions and dare to challenge, and to share good examples from other customers. It was for this reason that we arranged a round-table discussion for 20 HR managers in the region last autumn. There was an obvious need to ventilate the trade-offs that many organisations are now facing.

To obtain a clearer picture of the workplace of the future, Wihlborgs partnered with Navet in 2021 to conduct a follow-up of the 2020 AI study. The results indicated that expectations are increasing with regard to the office. The focus on the need of employees for flexibility, work-life balance and mental health is here to stay.

"There is no reverse button when it comes to hybrid solutions, but the concept is yet to be firmly rooted in practice. It imposes higher requirements on leadership and organisation, as well as on designing offices in the right way," Anna Nambord explains.

“It is important for us to be one step ahead in the industry.”

More energy-efficient production and a better work environment were the main requirements behind the global industrial company voestalpine Böhler weldCare’s relocation to a new, modern production facility in Fosie, Malmö.

“We wanted to manufacture our products with the least environmental impact possible and gain a safe and attractive workplace. We usually say that we have the world’s safest facility of its kind,” says André Fasth, Managing Director of voestalpine Böhler weldCare.

It might not be visible from the outside, but the voestalpine Böhler weldCare facility, built by Wihlborgs, has several customisations to handle the surface-treatment chemicals for the stainless steel that is manufactured here. Everything from the choice of materials in cable racks and floors to collision protection outside the

property is aimed at minimising risks. Despite all the special solutions, the property was built with flexibility and readiness for other future activities.

No emissions or leakage

All waste water from the facilities is within an internal closed-loop system and the outgoing air is cleaned of pollutants. The roof is covered with solar panels.

“We have the same stringent requirements on optimising energy efficiency as we have on choice of materials. It is important for us to be one step ahead in the industry and to do more than what is required by government agencies. On this issue, Wihlborgs has really been a driving force to bring us the best possible solutions. Thanks to the production being complete sealed and fully automated, the staff is not required to wear heavy protective suits, but only safety goggles.

“Another highlight for the staff is that production and administration are now consolidated, and in an open office landscape. The atmosphere is more social now, with faster feedback and more creativity.”

The Nordic region sales company, voestalpine Böhler Welding Nordic AB, has also found the Malmö region attractive and relocated its head office from Avesta.



André Fasth, Managing Director of voestalpine Böhler weldCare.

voestalpine Böhler weldCare AB

is part of the voestalpine Böhler Welding group, a leading manufacturer and global supplier of welding filler material for industrial welding and soldering.

“We want the office to be a vibrant meeting place.”

A meeting place that seamlessly unites the needs of employees with the company’s culture and identity. The IT company Avensia wants to take the opportunity to leverage insights from the pandemic to challenge the traditional view and function of the office. Åsa Afshari is the HR Director at Avensia:

“We wanted to take the opportunity to create a new and improved day-to-day work life, where distance and presence can interact in a natural and creative way.” A modern meeting place for our employees.

Avensia, which is an expert company in the field of digital trading, with its head office in Wihlborgs’ Posthornet property in central Lund, has grown rapidly in the past few years. Among other places, the company is now located in Helsingborg, Stockholm, Oslo and London. Like many other companies, Avensia had to switch to working from home and a more distributed work method, which also sowed the seeds for a new existence.

An office with a place for everyone

Avensia’s employees were quickly included in the work to assess the future role of the office. The company utilised a survey to gain a better understanding of the needs of employees and what is

important in work life and at the office. The employees’ input was confirmation that working from home should continue to be an option, while the office is an important meeting place for socialising, brainstorming ideas and driving projects forward.

Åsa Afshari is of the opinion that the office is crucial to strengthening the company’s brand as an employer:

“We want the office to be a vibrant meeting place that seamlessly unites the needs of employees with the company’s culture and identity. Avensia’s strategy to focus on employees – people business, people first – must be manifested in all spaces, in the furniture, colours and other elements that create the office’s identity.”



Åsa Afshari, HR Director at Avensia



The new Vattentornet 3 property in Lund is also known by the name, Bricks. Unbeatable location with tram line and E22 at the doorstep.

Sustainable Business

Long-term, sustainable growth

Wihlborgs is both a region-builder and a relationship-builder. We adopt a long-term perspective as we invest and develop our operations, which enables us to invest sustainably and take the financials, people and the environment into account in all of our decisions. This also means we have a stable foundation from which to manage shifts in the market.

Awareness about sustainability issues is constantly on the rise among our customers and in society in general. By meeting this awareness, we manage the trust of our stakeholders and gain employees who are proud of their workplace.

A major part of Wihlborgs overarching goals is to have a business model for sustainable long-term growth. Our sustainability efforts go far back in time. Since 2005, we have cut our climate emissions by half, while doubling our lettable area. In 2021, our Board of Directors clarified the dignity of sustainability work by raising the ambition for all three components of the

ESG criteria – environmental sustainability, social sustainability and corporate governance. These components are to be integrated in our business, in all our decisions, and we are to focus on investments that made a real difference.

Goals and governance

Five goals have been established within the area of sustainability as part of the Group's overall goals (see pages 17–19). We have additional sub-goals within each area. Read more about these on the following pages and in the in-depth sustainability information on pages 132–151. Our goals have been approved by the Science Based Targets initiative (SBTi), which drives the science-based development of climate goals. In 2021, we expanded these to apply to indirect emissions as well.

- our CO₂ equivalents from operations in scopes 1–2 are to be halved by 2030, compared with 2018, which means we are to reduce our CO₂ emissions by 2,750 tonnes of CO₂ equivalents.
- our indirect emissions in the value chain (scope 3) are to be halved by 2030, compared with 2020.

Wihlborgs assumes its responsibility by ensuring that its goals and governing documents for sustainability in a regional context are directly linked both to Swedish and to global climate goals. As a member of the UN Global Compact, we work to advance the 17 SDGs contained in the UN's 2030 Agenda for Sustainable Development.

Sustainability framework

The four areas that summarise our ambitions and investments, and which form our sustainability framework (see next page) have been selected based on our own materiality analysis and stakeholder dialogues, in which we assess the expectations our stakeholders have of our sustainability initiatives. Read more about this on pages 134–136.

Change through our own organisation

In 2021, we developed our work methods to enable us to live up to our ambitions to make a genuine difference. This pertained primarily to raising the expertise in-house, introducing a circular perspective and expediting the work with certification. Working with others and being close to our customers who make up a large part of the region's business community, continues to shape our way of working.

By developing internal competence throughout the organisation, environmental and climate work is prioritised in the agenda, and becomes a clearer and more natural feature in all of our work. We can make better decisions, involve our tenants, and improve as a specifier of requirements on suppliers. For example, our employees have undergone training and participated in workshops about our climate roadmap that was created during the year (see page 40).

The climate roadmap has also been an important launching point for implementing the circular perspective. To be a company that is sustainable in the long term requires a lifecycle perspective with a simultaneous focus on several processes. Our areas of special investment include supplier development, responsible sourcing, climate neutral operation, environmental certification of new constructions and existing properties, and social sustainability initiatives.

Efforts with our certification have gained momentum during the year, with 14 new certifications. In 2021, we intensified our focus on the existing portfolio, as this is at least equally critical to achieving our goal of halving climate emissions by 2030. We have also tested new climate-smart work methods and recycling opportunities in our projects, where many of the solutions are being created by our own employees. The projects are thus key opportunities to develop our internal expertise.

In particular, the pandemic has highlighted the importance of our health and a good work environment, both of which also impact what certifications are requested. Read more about our certification efforts on page 40–41.

Collaboration for long-term change

The construction and property sector currently accounts for just over a fifth of Sweden's total climate impact. This means we have a major responsibility to reduce our climate footprint and inspire others to make significant changes. With the aim of coming together to find new ways of working, we are involved in several different sector initiatives to reduce our climate impact, such as the local roadmap for Malmö, LFM30. In this

context, we help by providing leadership and good examples from our own operations. Read more about this on page 39.

Sustainable development requires a system perspective and cannot be achieved by one company or one organisation alone. Just as with other contexts, it is through collaboration with others – companies, cities, universities, the public sector and non-profit sector – that we can meet, challenge each other and create long-term change. We are moving at the same pace and in the same direction as our region by, for example, signing climate agreements with the cities where we operate.

Relationship-builders who work close to customers

Our most important relationships are with our customers, shareholders, loan providers, employees, suppliers, municipalities and the region. Thanks to our local presence and the fact that we have our own property management, we have a daily dialogue with our customers and are sensitive to new expectations and needs. For this reason, it is important for us to have proud and committed employees who are prepared to take responsibility and go the extra mile for a customer or colleague.

That customers and employees are prepared to recommend Wihlborgs to others is a source of strength for our business and recruitment. We regularly measure the willingness to recommend us through our customer and employee surveys, which is in line with our overall sustainability goals (see page 19).

Region-builder and societal commitment

What is good for the Öresund region's development and for the people and companies that work here, is also good for Wihlborgs. Our local presence enables us to collaborate closely with cities, companies, suppliers, universities, and the public and non-profit sector. For us, being a region-builder means contributing to the sustainable development of the region, working with knowledge transfer and inspiring others to do the same. We achieve this by developing sustainable workplaces, city districts and whole cities, but also by giving our customers the chance to meet and create new business opportunities and innovative solutions.

We support initiatives focusing on work, inclusiveness and education to give young people the opportunities and motivation to gain an education and, which in turn provides companies with access to a highly educated labour force. One example is Techship, which we initiated jointly with Helsingborgshem, the City of Helsingborg and the tech hub, HETCH, aimed at motivating and inspiring young people to start their own business or engage them in further studies.

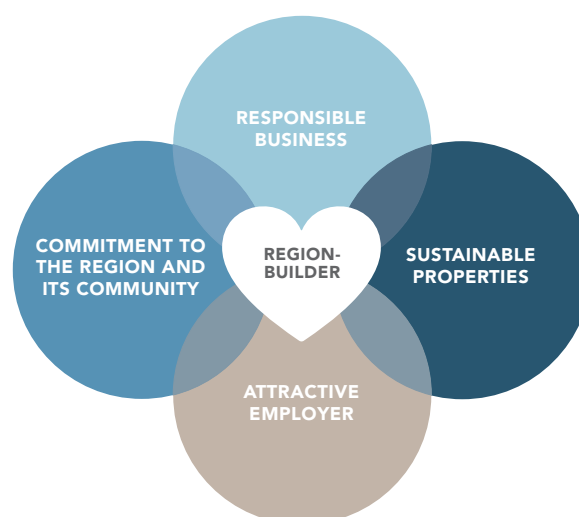
We engage locally in our cities, but also in infrastructure questions such as more fixed connections between Sweden and Denmark.

Sustainability report

Wihlborgs reports on sustainability in line with the Global Reporting Initiative's GRI Standards: Core option. The in-depth sustainability information on pages 132–151 contains further sustainability data, information on the stakeholder dialogue, materiality analysis, governance and follow-up and reporting in line with the GRI, EPRA and the TCFD.

Wihlborgs' sustainability framework

We focus our sustainability initiatives on areas in which we have the greatest impact and thus the best opportunity to contribute to positive development. We have therefore selected four focus areas that summarise our ambitions and efforts: Responsible business (pages 34–35), Commitment to the region and its community (pages 36–37), Sustainable properties (pages 38–41) and Attractive employer (pages 42–43).



Responsible business

Taking responsibility for our relationships with customers, suppliers and partners is vital in terms of fostering confidence and our ability to conduct successful business over the long term. We place great importance on ensuring strong financial stability, responsible relationships throughout the value chain and we also prioritise initiatives relating to ethics and anti-corruption. For more information, see pages 34–35.

Commitment to the region and its community

A prerequisite for our operations is that the region is attractive for the business community. We contribute to the development of the region through our core operations but also by committing to initiatives that strengthen the region, such as infrastructure, innovation and education. Opting for local suppliers also helps the region's development. For more information, see pages 36–37.

Sustainable properties

It is important for our properties to be energy-efficient, to have a low impact on the climate and to contribute to a functional and positive work environment. It is in and around our properties that we can do the most to reduce our climate impact, and we focus on reporting on and improving our properties' climate impact, environmental performance and energy consumption. For more information, see pages 38–41.

Attractive employer

Our employees' happiness, commitment and ability to develop has a direct impact on our customers' relationship with Wihlborgs, as well as on our ability to deliver strong results. As part of our aim to be an attractive employer, we prioritise aspects such as the work environment, skills development, diversity and equal opportunities. For more information, see pages 42–43.

The UN's Sustainable Development Goals

As a member of the UN Global Compact, we work to advance the 17 SDGs contained in the UN's 2030 Agenda for Sustainable Development. We know that we can make a particular contribution to six of the SDGs, as well as certain specific targets that overlap with our sustainability agenda. In addition to this,

we contribute indirectly to several of the other goals in our day-to-day operations and through our societal commitment. More information about this can be found in the in-depth sustainability information on pages 132–151.



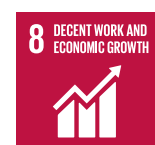
Sustainable energy

We work continuously on enhancing energy efficiency and have been using renewable energy almost exclusively at our properties in Sweden for several years.



Sustainable and circular lifestyle

We take a structured approach to the environmental programme, which aims to reduce material consumption and promote recycling.



Sustainable economic growth

We create safe and healthy workplaces in resource-efficient properties for our employees and our tenants and act to ensure decent working conditions are maintained throughout the value chain.



Climate change

We have a clear goal to reduce our climate impact throughout the value chain and we work to gradually make all of our properties climate-smart.



Sustainable urban development

We aim to develop properties with a low environmental impact close to public transport hubs and support new infrastructure investments in varying contexts that can contribute to sustainable transportation.



Partnerships for the goals

Our view is that Wihlborgs has a vital role to play in terms of being a relationship-builder and innovator by participating in various initiatives that promote sustainable societal development.



Responsible business

Trust is built up over time and is the result of all the decisions, strategic initiatives and actions taken by the organisation. Our customers' extensive trust in us forms the basis of our continued growth and strong results. When we deliver strong financial results, this gives us the means and tools to serve as the driving force we want to be in this region.

A sustainable economy

Strong profitability, a high equity/assets ratio and good access to capital are vital for our ability to leverage opportunities for new investments in the form of property acquisitions and new-build and redevelopment projects. Good service to our customers and high-quality premises provides the conditions for strong rental income. All of this, combined with strong cost efficiency, lays the foundations for strong financial results. High quality and good income also have a direct impact on the value of the properties and thus also on our access to financing using the properties as collateral.

Prioritisation of good sustainability practices

Questions by actors in the capital market about our sustainability work and integrated responses are increasingly frequent, in the analyses of Wihlborgs as an investment object. The new EU Taxonomy for sustainable investments is accelerating this development and causing an increased demand on sustainability reporting for our properties and projects. In our in-depth sustainability information, we present information about our exposure to the EU Taxonomy.

During the year, a significant number of analysts have assessed Wihlborgs from a sustainability perspective. Although each research firm has their own analysis model for ESG – Environment, Social, Governance – we have generally scored very well in these analyses and are frequently positioned in the top 10–20 percent of the best companies. Our rating in the annual global benchmark of property companies conducted by GRESB has climbed every year for the past five years and, in 2021, we were named the regional leader in our sector. At our website, we present some more information about how we have performed in various ESG assessments.

Financing

In addition to equity, Wihlborgs finances its operations through loans from Swedish and Danish banks, and by issuing bonds. Furthermore, Wihlborgs has access to financing through bonds issued by the co-owned company, Svensk FastighetsFinansiering. Some of this financing is ensured through green loans or bonds that are connected to properties with environmental certification or other environmental performance.

Customer relationships

Long-term and close relationships with our customers are vital for Wihlborgs. We want to offer customers the opportunity to develop their operations because needs change, and to share our know-how.

In-house property management using our own property caretakers

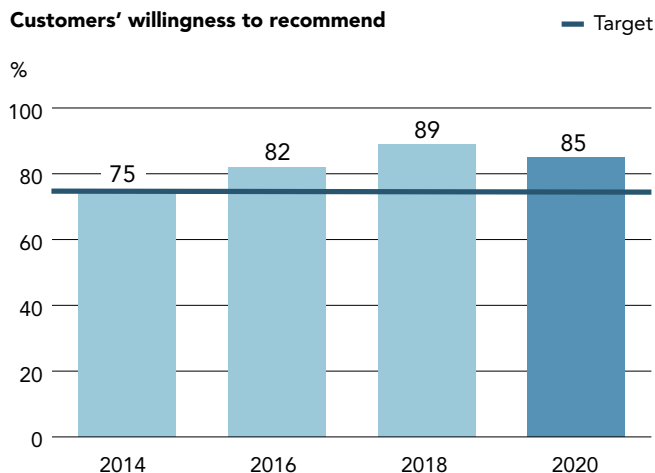
To ensure we can have close relationships with our customers and efficiently take on board their viewpoints and needs, we have opted to manage our properties in-house. We have our own property caretakers who are responsible for specific properties and who meet our customers every day. This keeps us up-to-date and alert to new needs that arise in the property business or with customers. We also offer digital contact channels so customers can easily report faults and service matters through our customer portal and receive feedback on them. Systematic management of these matters also helps us chart any recurring faults or problems at the properties so they can be remedied, with the aim of raising quality and avoiding recurring fault reports.

Customer surveys help us manage quality

Sweden Green Building Council collaborated with Novus in 2021 to conduct a survey to gauge how the general public perceives the property sector's climate responsibility. The survey indicated that nearly 40 percent of the population are unaware that Sweden's property owners meet their sustainability requirements. Many are also unaware of what requirements they can impose on them, in order to raise the sustainability of their premises. From Wihlborgs' side, we hold a continuous dialogue with our tenants about how the premises can be improved from an environmental, climate and health perspective. Read more about this on page 41. By building more flexible premises that, with less intervention, can be continuously adapted as needed, companies can remain in the same property longer and thereby reduce their climate footprint. In the future, we will also focus more on how we can design and choose sustainable building materials for future tenant improvements to optimise reuse and recycling.

We carry out a customer survey every second year, and in 2020 this was conducted for the first time in collaboration with Fastighetsbarometern. Over 800 of our approximately 1,800 tenants in Sweden and Denmark responded to the survey, which showed that willingness to recommend Wihlborgs remained firmly at a full 85 percent. The parameters that our customers highlight are the spirit of service and proximity. When comparing with the sector, Wihlborgs has an overall customer satisfaction index (CSI) of 77 for offices compared with the sector average of 75. For customers in all types of premises, the CSI was 75 in Sweden and 70 in Denmark.

Customers' willingness to recommend



Supplier relationships

One important aspect of Wihlborgs' growth journey is to choose the right suppliers and contractors to partner with, so that all the work that is undertaken is in line with our ambitions with respect to environmental, climate and social issues, as well as the work environment. We want everyone who works on behalf of our company to have favourable terms and conditions, and a good work environment. There is also a clearer expectation concerning circularity, recycling and environmental statistics on the part of suppliers. We work with many smaller local actors whom we have responsibility to help in the right direction, and to share expectations, know-how and good examples, in order to shift the industry.

Many of the suppliers have direct contact with our tenants. In doing so, their conduct, quality, values and business ethics have a direct impact on Wihlborgs' brand and its customers' experience.

Systematic purchasing efforts guarantee quality

All new framework-agreement suppliers sign our Code of Conduct and are assessed on their environmental impact and social conditions. During the year, we updated our Code of Conduct and further clarified our expectations on the supplier chain. We are now using a new digital platform both in Sweden and in Denmark to assess and classify suppliers. The questionnaire has been expanded, but it also simpler to follow up and assess.

In 2021, we conducted a major construction procurement, where we imposed higher requirements on sustainability. In conjunction with this, all of the selected suppliers were invited to a start-up meeting, where we presented our ambitions, goals and expectations. In our documentation, we have clarified that building materials must be assessed and that suppliers are responsible

for their subcontractors. This is an important measure, since a large part of our climate impact occurs in construction processes.

In Denmark, where our operations have grown in recent years, we have now reinforced the organisation with a local purchaser in order to quality-assure supplier choices and systematic follow-ups in the same manner as in Sweden.

We always prioritise suppliers with whom we have a framework agreement. When purchasing products or services where framework agreements are lacking, a credit check is usually completed to ensure a basic level has been achieved, meaning the supplier has sound finances and no other warning signs.

To support the development of the local business community and help create jobs here, our priority is to purchase from suppliers established in this region. At the end of 2021, local suppliers accounted for 93 percent of our framework agreements.

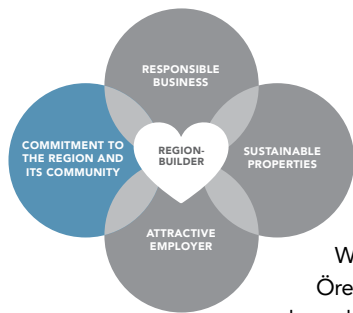
Ethics and anti-corruption

As the region's leading property company, we have a responsibility to work continuously with business ethics issues. Our Code of Conduct and business ethics guide provides a structure for these efforts, but we must also conduct day-to-day discussions about the dilemmas that may arise. We have a systematic procurement process for counteracting bribery and corruption, and for the sake of transparency, several people from our organisation participate in each procurement. We have ethical guidelines that apply for employees, Board members, suppliers and contractors. Employees are expected to discuss any ethical dilemmas with their manager or the Director of HR & CSR.

In 2021, we updated our ethical guidelines and whistle-blower process. All new employees receive training in business ethics.



One important aspect of Wihlborgs growth journey is to impose stringent requirements on our suppliers, so that all the work that is undertaken is in line with our ambitions. At Wihlborgs' largest solar power system, Bricks (Nya Vattentornet 3) in the Ideon Science Park in Lund, the solar panels installed by E-ON have a smaller climate footprint than standard panels, thanks to our being proactive with the requirements.



Commitment to the region and its community

We have a strong commitment to the Öresund region – a commitment that runs through the development of the business community, the daily lives of our tenants, the growth of the cities and the future of the entire region. It is crucial for us that the region continues to develop in a positive way. We contribute to development and job opportunities through our core business and by working proactively with new infrastructure for example, and collaborating with the business community, municipalities and the region.

One of the goals of our sponsorship policy is for at least 50 percent of our sponsorships to be directly connected to the areas: work, education and inclusion. These are areas that we have identified as being crucial to regional growth and positive societal development. We place clear requirements on the organisations we support to annually report the results they achieve.

Long-term partnerships

The shared theme of the endeavours we choose to support is to development of people and companies – we provide the right prerequisites for young people to find the courage to stand on their own feet, and to move on to reach their full potential and contribute to growth, innovation and development. This comprehensive approach is the basis for creating a strong region with a high level of participation by the people who live here.

A good start in life

A high school diploma, meaningful and health-promoting leisure activities and having role models and feeling secure in one's immediate environment are well-known success factors in getting young people, particularly in socially vulnerable areas, to start an independent life. Therefore, we support Drivkraft

Malmö, a non-profit organisation that offers tutoring and mentorship activities to young people. In a survey of students on their graduation, 70 percent indicated that mentorship has helped them to improve their grades.

To get more girls in Rosengård interested in football, we sponsor FC Rosengård's spontaneous football games for girls living near to the Rosengård's IP sports grounds. Many of the girls who participated in these training events have later moved on to more organised football training. The aim is to create safe, long-term environments where leadership plays an important role.

Through "Boost by FC Rosengård," which tailors programmes to help people to forge ahead with greater confidence, 294 young people in long-term unemployment have become self-sufficient in 2021.

"MFF i Samhället" is another initiative that we support and which makes a big difference. MFF's football academies entail close collaboration with schools and municipalities in Skåne and provides young people with the opportunity to develop in both football and their studies. All of the ninth-graders who attended any of the region's Football academies graduated with a high school diploma in 2021, compared with the average of 83.7 percent for compulsory school in Malmö.

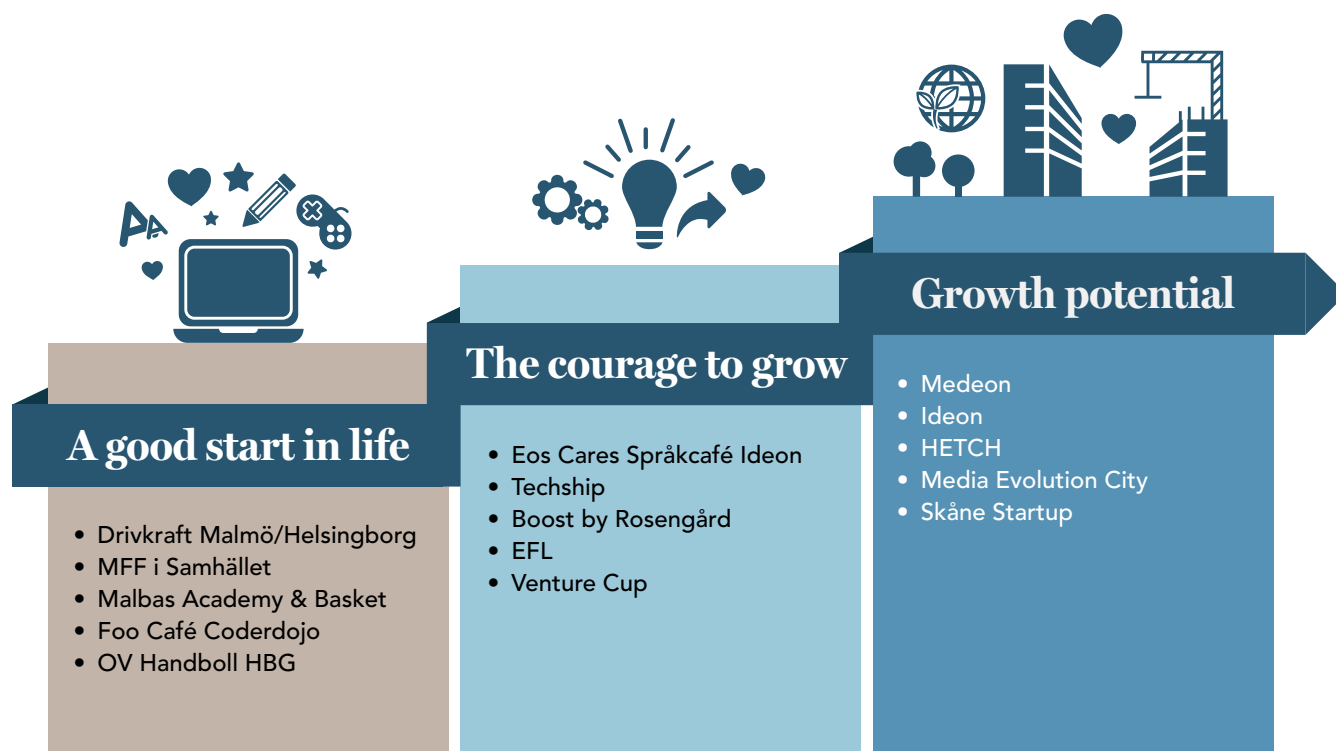
In Denmark, we are among and support the sports talents in Ballerup, where Wihlborgs is a major property owner. Read more about this on page 65–66.

The courage to grow

The Öresund region should be attractive enough for young people to stay in and take the extra step in their personal development. More of them should dare to become entrepreneurs, more good ideas should be developed. One good example of this is Techship, which was initiated jointly with Helsingborgshem



Wihlborgs Kontaktyta forum was held in 2021 in Lund.



and the tech hub, HETCH, aimed at motivating and inspiring young people to start their own business or engage in further studies. Another initiative is FooCoding, a partnership that we entered into with Foo Café, which teaches advanced programming to new arrivals over six months, with the aim of landing the students a job in the IT sector. We also support Venture lab, a student incubator for students at Lund University, and EOS Cares, which runs language cafés for new arrivals. In 2021, 550 unique participants visited EOS Cares' language cafés.

Growth potential

To boost this climate of innovation, we support various local and regional platforms, such as Ideon Science Park and Medeon Science Park, at which we own properties. We also provide support to Nyföretagarcentrum and Citysamverkan, and are partners with the Malmö Business Community Gala. Jointly with the Marknadsföreningen i Helsingborg (MiH) and HBG Talks, we have set up a new prize for the Helsingborg Business Community Gala: Helsingborg's Start-up of the Year. By leveraging know-how, solutions and inspiration, we can contribute to the sustainable growth of individuals, companies, cities and the region.

In-house forum and initiatives

Wihlborgs' Kontaktyta is our own platform for collaboration and knowledge exchange. On the platform, we discuss current topics and invite customers, business partners and decision-makers to come together and discuss relevant issues. This initiative is crucial to our role as continued region-builders and region-builders. After a one-year break due to the pandemic, we were able to hold a minor event in Lund in autumn 2021, with the theme, "Attractive Lund – What makes Lund an attractive city and place to stay and work in?"

In autumn, we also arranged a round-table discussion for 20 HR stakeholders in the region regarding future work methods in a hybrid workday. In rewarding conversations, we ventilated the trade-offs that many organisations are currently facing with respect to new working methods, office designs and customised leadership.

17 work hours to societal commitment

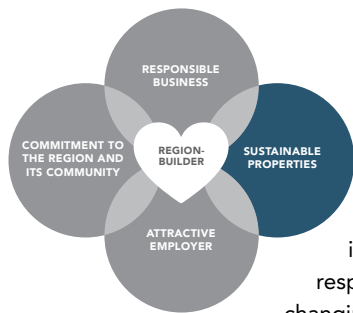
Our employees can also personally support our business partners with their time and know-how. We enable this by allocating 17 work hours per employee in one of our supported initiatives for improving society. That it is exactly 17 hours is connected to the UN's 17 global goals, where number 17 is about partnership. Namely, we are convinced that collaboration between different organisations is exactly the right way to drive positive development in the region.

Regional and urban development

The development of new infrastructure is of major significance to the business community and jobs in the region. In 2021, we continued our involvement in the Öresund Metro Executive Board – a Swedish-Danish forum working to build a metro between Malmö and Copenhagen of which Wihlborgs' CEO Ulrika Hallengren is a member. We are also involved in the plans for a fixed connection between Helsingborg and Helsingør. We are a partner in Helsingborg to H22 – a city expo that will develop the solutions of tomorrow for a better quality of life in a smarter and more sustainable city.

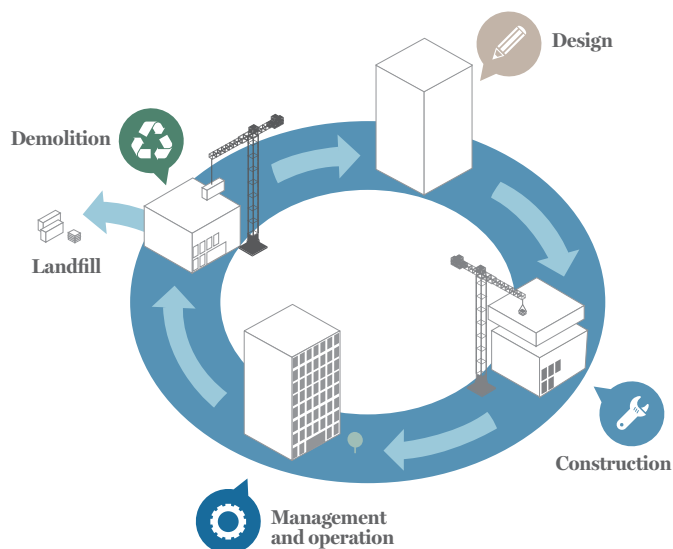
As a major commercial property owner in the region, we are involved in numerous urban-planning and urban regeneration projects. We also work to make the areas safer and more attractive by creating a mix of offices, homes and shops.

Our partnership with Øresundsinstitutet and the Chamber of Commerce and Industry of Southern Sweden provides us with facts and knowledge about the region and enables us to support their work with the development of and information about the region. Many of our employees are involved in networks and boards of directors in order to gain an understanding of the region's needs, conditions and trends. Citysamverkan, LFM30 and jury participation in Malmö Business Community Gala are a few examples.



Sustainable properties

The property sector has a considerable environmental impact. It is therefore a great responsibility to make a difference, by changing our own behaviour, influencing our value chain and by participating in the development of the sector. We have our own, ambitious goals but it is only when operators and sectors come together that properly significant changes begin to be realised.



To reduce our climate impact, we need to adopt a lifecycle perspective for the buildings. All efforts undertaken in each of the various phases are important.

Climate impact

Over time we have clearly reduced our direct impact, even as our operations have expanded, thanks to continuous energy efficiency enhancements, renewable fuels and purchases of renewable energy. However, much more remains to be done.

In 2021, Wihlborgs created a climate roadmap – a strategy and framework for how we, together as a company, should manage the climate challenge. The climate roadmap, which is based on a circular perspective with four identified phases (design, construction, operation and management, as well

as demolition) linked to a building's lifecycle, should provide support to our day-to-day operations and help with the transition we all need to participate in.

We have also initiated a long-term strategy for circular material flows, where we, as a first step, create the conditions for increasing the usage of recycled materials through three new framework agreements with recycling suppliers. After a number of minor pilot projects, we are now implementing a project pertaining to a major tenant improvement for Region Skåne, at the Hermes 10 property in Helsingborg (see page 63).

We have already been participating in Lund's Climate Alliance and in 2021, we signed a climate agreement with Malmö and Helsingborg. The climate agreement is a way for each city to join forces with the business community and other actors in the city to drive the pace of the climate transition.

Climate impact of our own operations (Scope 1)

Refrigeration units

Our main direct climate impact is mainly attributable to leakage of refrigerants from the air conditioning units installed in our properties. In the past two years, we have replaced a dozen refrigeration units filled with hydrofluorocarbons (HFCs) with propane-based units. Propane is a natural, eco-friendly refrigerant. Doing so has reduced our potential climate impact by about 1,200 tonnes of CO₂e that would otherwise have risked leaking in the next few years.

In addition to the replaceable refrigeration units, we have also installed new propane units at six properties that were previously without any air conditioning.

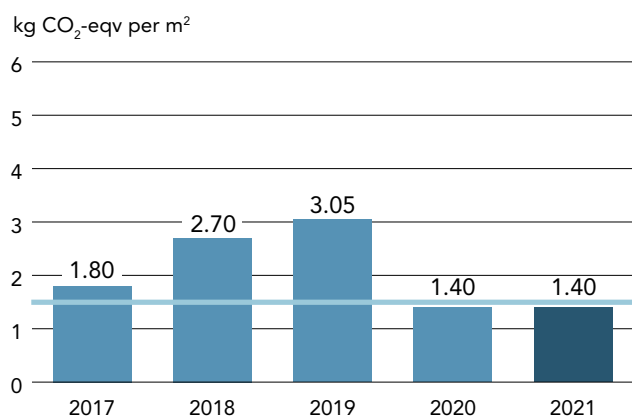
Renewable gas

In our Swedish property management operations, we strive to use renewable energy exclusively. Biogas is used in cases where the properties are gas heated. We purchase renewable district heating and all property electricity is produced by hydropower, which is combined with locally produced solar power in cases where the property has a solar power system.

All the electricity in our Danish operations is renewable (hydropower), as is a major part of our district heating and the gas we use for heating. During the year, we increased our procurement of biogas in Denmark, so that it now accounts for 75 percent of all gas.

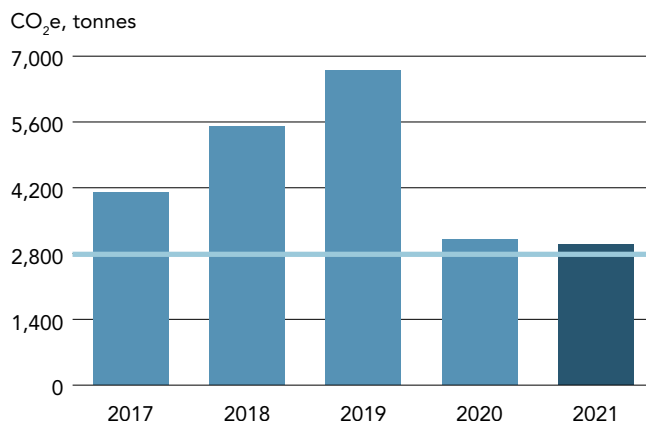
CO₂ emissions, scopes 1–2, kg/m²

— 2022 target, max



CO₂ emissions, scopes 1–2, total

— 2030 target, max





New refrigeration units reduce climate impact

As temperatures rise due to climate changes, the need for air conditioning will probably increase, as well as the leakage from climate-impacting refrigeration units. For property owners of Wihlborgs' size, this could entail considerable emissions over time.

By replacing older HFC refrigeration units with newer refrigeration units that use refrigerant alternatives such as propane, a property's climate footprint can be sharply reduced. Modern refrigeration units are also smaller and more energy efficient, which entails cost savings for our operations.

Wihlborgs' operations manager, Jan Larsson, is committed to this issue. In Ubåten 2 in Dockan, Malmö, he has been involved in the design of a special solution to minimise the risk of leakage. The new refrigeration unit is also provided with electricity from the building's own solar power system.

Climate impact from purchased energy (Scope 2)

To reduce the climate impact of energy we purchase for our properties, we work to systematically reduce energy demand, convert to renewable types of energy and install our own solar power systems at our properties. The fact that we have our own service technicians and operators with extensive expertise and strong system support means we are easily able to identify the properties with the greatest savings potential.

Our own solar power systems

One of Wihlborgs' environmental goals is to have solar power systems in place with an aggregate maximum power of 3 MW by the end of 2022 and for all purchased energy for properties to be renewable.

With the solar power systems that we have so far built in 2021, we have succeeded in compensating for the initial climate impact of an entire project: Kvartetten in Hyllie, which is to be completed in early 2023 and certified in accordance with Zero CO₂. These pertain to eight solar power systems, with a total peak power of 1 MW, which in produce approximately 1,000 MWh of renewable electricity annually.

At Wihlborgs' largest plant, Bricks (Nya Vattentornet 3) in

the Ideon Science Park in Lund, the solar panels have a smaller climate footprint than standard panels, thanks to a proactive setting of the requirements.

Climate impact from construction projects (Scope 3)

Since the property sector's greatest share of climate impact is caused by construction processes, we are always developing partnerships within the industry. Thanks to several committed individuals at Wihlborg, we are one of the key figures involved in LFM30, the local roadmap for a climate-neutral construction sector in Malmö by 2030, which in just over two years, has managed to foster greater awareness and skills among the 190 participants. On the part of Wihlborg, we have linked several projects with the methodology and conclusions of the LFM30 collaboration.

Constructing new buildings with a focus on reducing climate impact is the responsible thing to do, but even more important is to reuse, renovate and convert existing buildings. We also ensure that we focus on a long-term and flexible approach when designing buildings and premises so that they can be used for different purposes in the future without major redevelopment, thus allowing us to limit the climate impact of redevelopment and new construction over time.

CO₂ emissions reporting

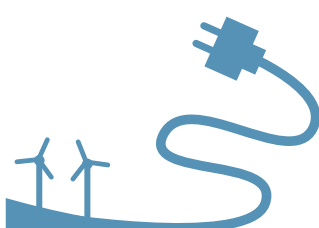
Wihlborgs reports CO₂ emissions in accordance with the Greenhouse Gas Protocol, which is an international standard for reporting the climate impact of companies and organisations. The emissions are reported separately for scopes 1, 2 and 3.

Scope 1



Own operations, for example refrigerants, service vehicles, company cars and gas consumption.

Scope 2



Energy purchased for operations, for example, electricity, district heating and district cooling.

Scope 3



Construction projects, such as new-builds and redevelopments and tenant improvements. Purchasing goods and services, for example transportation of waste, flights, work trips in vehicles using a private vehicle. Tenants' use of electricity at our premises via their own electricity agreements.

We are now sharpening our focus at Wihlborgs to ensure circular designs and climate-adapted property management. We are also working to increase knowledge among our tenants, to enable them to make sustainable choices linked to their workplaces.

Climate adaptation

The need to climate-proof our properties has increased in line with climate change. This is largely managed through the property caretakers' day-to-day work inspecting the buildings. To future-proof new buildings, we conduct climate risk analyses at an early planning stage to establish any location-specific climate risks and identify suitable measures for climate-proofing buildings.

Climate adaptation is also one of the points on our contract documentation sent to contractors. Some examples to reduce the effects of climate change include installing green roofs that slow down rainfall and cool buildings in summer, planting trees that offer shade and reducing the amount of impermeable surfaces in favour of materials that can absorb rainwater. The field is still relatively new and we see the need to work more actively on these issues in the future, as extreme weather events will increase as the climate changes.

In order to better and more proactively adapt our portfolio to the climate situation, we have identified the climate risks in each region during the year. Read more on pages 140–141.

An important aspect of the development of sustainable properties is to invest in biodiversity and ecosystem services around our properties. Every spring, we review our outdoor environments, inspect existing bird boxes and insect hotels and set up new ones. In addition to insect hotels, we have installed two dozen beehives and several different types of nesting boxes in the areas around our properties in Helsingborg, Lund and Malmö. We see great opportunities ahead to combine efforts in climate-adaptation with increased biodiversity.

Building certification

An environmental certification is a testament to a building's sustainability from an environmental and energy perspective. It also increases the focus on a healthy indoor environment. More and more customers are requesting environmentally certified premises, and in terms of investors we are seeing more follow-ups on the number of environmentally certified buildings. Environmental certifications also give us the opportunity to use the buildings as collateral for green bonds and green loans.

We have been certifying all of our new-build projects for a number of years in line with the Sweden Green Building Council system, normally to Gold level, which is a high level that only the most ambitious buildings can achieve and means that the building performs way above legal requirements. To achieve gold level requires the building to be highly energy efficient, have good acoustics, ventilation, environmentally friendly and healthy materials, and generally a very good indoor environment. In most new-build projects, we have chosen to raise our certification ambitions by also obtaining certifications in health and well-being (WELL) and climate neutrality (Zero CO₂). These certification systems are well suited to the Sweden Green Building Council, as they focus on different sustainability aspects and thus complement each other.

Our certification efforts have been proceeding expeditiously. In 2021, we also expanded our certification to include our large existing portfolio. Taking care of what we already have, and refining it, are the most responsible actions we can take as a property owner. The shift in focus also entails that more employees and suppliers are involved in the process, which is also undergoing change.

Wihlborgs is the property owner that has the most Miljöbyggnad In-Use certified buildings in Sweden to date in the



Green areas are not only beautiful frames for our properties – they should both inspire and create benefit.



SGBC In-Use

In autumn 2021, our Syret 6 property in Lund was awarded the Sweden Green Building Council's Miljöbyggnad In-Use of the Year prize. Syret 6 was one of the first two properties in the country to be certified under Miljöbyggnad In-Use and the start of our comprehensive efforts to certify all of our office properties in Sweden. Wihlborgs is currently the property owner with the most Miljöbyggnad In-Use certified office properties.

Miljöbyggnad In-Use is a certification for existing properties. Developing, refining and re-using existing buildings is an important investment in line with Wihlborgs' previously adopted climate roadmap, with the goal of halving climate emissions by 2030.

Elsa Hagdahl is the Property Certification Manager at Wihlborgs.

office segment. The certification applies to existing properties and focuses on the indoor environment, health, climate impact, resources and the condition of the building. Requirements comprise an important element and include tenants' impact on the building's environmental performance, which means the process leads to closer dialogue between Wihlborgs and its tenants.

Our new projects Kvartetten, Space and Vista are certified according to Zero CO₂, an add-on certification with the aim of achieving net-zero climate impact for a new building throughout its useful life. Our lessons learned from these projects include the importance of working from an early stage with a shared target scenario regarding climate impact and collaborating closely on these issues with contractors and planners throughout the design and construction process. On the one hand, building materials with seemingly equivalent functionality and quality may entail markedly different forms of climate impact. It is thus of utmost importance to evaluate all materials from a climate perspective.

We are seeing increased demand from customers that we work with health-conducive environments and elements, particularly in our office buildings. In particular, the pandemic has brought health and well-being into the spotlight. Our first health-certified building will be Kvartetten (Pulpeten 5) in Hyllie, which is certified in accordance with WELL – a health

certification that focuses on the ten areas that, according to research, have the greatest impact on our well-being, such as diet, mind, community, sound, light, air, water and movement. Space (Kunskapen 1) in Lund and Vista (Bläckhornet 1) in Malmö will also be certified in line with WELL. There is also an increasing interest in integrating health-promoting aspects when redeveloping properties. Consequently, we will work more with these issues in the future, including for our existing portfolio. Examples of simple investments include art, green environments, encouragement to use the stairs instead of the lift.

In Denmark, the certification of buildings is not as well established and our ambition is to drive such developments there as well. We are collaborating with Denmark Green Building Council in a pilot project for the DGNB certification system, with a focus on existing buildings in use.

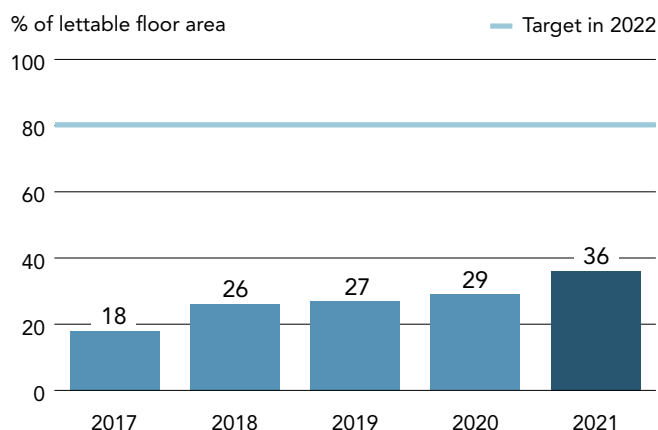
Collaboration with tenants

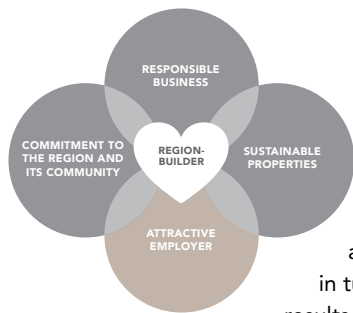
We are entirely dependent on the collaboration of our tenants to achieve our climate goals. This pertains to everything from maintaining and optimising the operation of properties, to reducing resource consumption over time. To succeed in cutting our impact by half, we have to have our tenants onboard.

One effort to facilitate collaboration with tenants on sustainability issues is that all new leases that are signed are Green Leases that serve as a platform for collaboration in the areas of energy, indoor environment, choice of materials and waste management. The environmental certifications have also helped to expand our dialogue, as tenants' choices and behaviours impact the certification.

We work with sustainable mobility solutions both in our own operations and together with our tenants. Methods we use include participating in the Malmö Works initiative, which is a partnership with other companies in the local business community to contribute to more sustainable travel. Another example is how we are helping tenants to choose climate-smart travel, by investing in locations close to public transportation, creating space for bicycles and installing charging stations.

Environmentally certified buildings, offices, Sweden



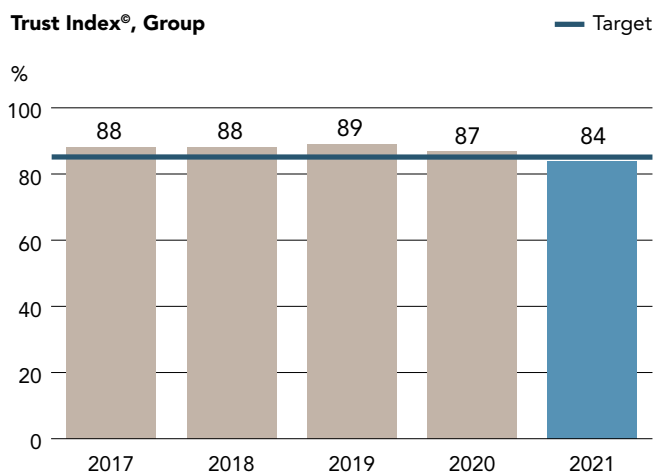


Attractive employer

Committed and knowledgeable employees lead to high quality and to satisfied customers, which in turn contributes to strong financial results. By deliberately working with our corporate culture, clarifying goals and expectations, we strengthen our organisational capacity and our partnerships. Wihlborgs has a long-term vision to be the best workplace in the sector.

Part of evaluating our organisation is our collaboration with Great Place to Work since 2016, which measures trust, pride and community spirit among employees in line with a model that builds upon research into aspects that foster employee commitment. The overall results of the employee survey are presented in the form of a Trust Index®. To be categorised as a Great Place to Work, the overall results must exceed 70 percent. Wihlborgs' target is to score more than 85 percent. In the 2021 survey, our overall trust index declined from 87 to 84 percent. On the other hand, 90 percent feel that Wihlborgs as a whole is an excellent workplace.

To be able to continue responding to our high level of ambition, we are actively working on a plan for 2022, on how we will develop our communication and work with change, as well as efforts to develop leadership and camaraderie.



Culture and competence

We are convinced that meaningfulness and inspiration come through employees taking and being given the opportunity to take responsibility. Being close to decisions and contributing to the development of cities is often mentioned as a reason why our employees thrive with us. Each year we carry out a range of activities to strengthen our employees' skills and enhance collaboration and community.

Culture

We are proud of our culture – something we often call the Wihlborgs philosophy – which is characterised by the values: action, knowledge, honesty and community. It has contributed to our success and high degree of willingness of customers

and employees to recommend us. Ninety-two percent of our employees responded that our customers would give us the highest scores. Ninety-one percent of our employees are proud to say that they work at Wihlborgs.

Our culture was actively developed through our day-to-day activities and various cohesive events and meetings, such as the live Monday meetings that were launched during the pandemic, which we have chosen to continue holding.

Skills

The Wihlborgs Academy is both a collective term for all of our skills development initiatives and a system through which employees can access digital training courses, register for future courses and see which courses they have participated in.

We have conducted a comprehensive review of property caretaker skills and created a special training programme aimed at upgrading their expertise and abilities based on the new requirements and expectations related to property technology.

The new ways of working that both we and our customers experienced during the pandemic have also given rise to our need to adapt. We have, for example, conducted training initiatives for all of our managers in Sweden and Denmark, in areas such as communicative leadership. Besides increasing knowledge, one of the ambitions of the leadership programme is to enable managers to build their own internal management network.

Health and work environment

We want Wihlborgs to be a sustainable workplace and inspire customers and suppliers when it comes to the work environment and the development of workplaces. We want our employees to have exciting challenges and a work-life balance. In 2021, health and the work environment have been particularly under focus, and all our procedures linked to the work environments of our properties were screened. The work was conducted jointly with representatives from various areas of our operations, primarily those who work within properties every day. In Denmark, investments were made to improve the work environment, such as by providing better equipment for those who work with the care of green spaces.

During the year, we conduct courses on the work environment and camaraderie for all employees. The aim is primarily for everyone to be aware of their individual responsibility and impact on their own work environment and that of others, and the importance of taking responsibility to ensure that those whom we work with also adhere to our guidelines.

An internal survey conducted last summer revealed that a large majority lacked the opportunity to meet their colleagues, to engage in development activities, and to collaborate between groups and departments. Based on the survey's responses, we reviewed the work environment to make adjustments according to their needs and wishes, for example, by creating more meeting rooms. We also conducted health-related activities and some minor cross-team activities.



As a Product Manager at Wihlborgs, I feel a part of Wihlborgs' growth journey. I love my job and my every-day life is filled with variety, and I have inspiring colleagues.

Britt Bang Nielsen, Product Manager in Denmark.



Transparency is one thing that makes me thrive at Wihlborgs. We share what we are working on with the team and the knowledge we acquire from our day-to-day work.

Samir Mujkic, property caretaker in Lund



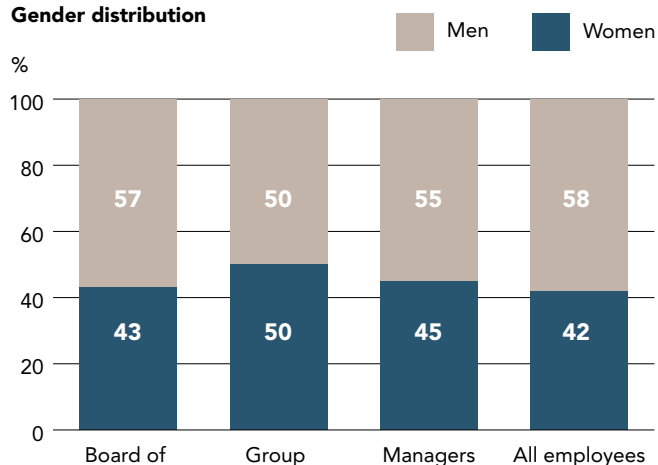
Equality and diversity

One of our values is community. We value the fact that people have different backgrounds and skills, and see the strength in listening to different perspectives. We are also convinced that diversity among our employees helps us understand our different types of customers.

The average age is 44, with a wide distribution of the range from 18 to 65 years-old, and women make up a total of 42 percent in the Group. We have an equal gender distribution among managers, in Group Management and on the Board of Directors. After being on the Allbright Foundation's green list of the most gender-equal listed companies for several years, Wihlborgs achieved first place this year.

We will continue to focus extra on those groups where gender distribution remains unequal, and we are also taking steps to employ people from different backgrounds. One example of this is our trainee programme for property caretakers and managers, which aims to guarantee long-term skills and increase diversity in terms of gender, age and background. Following a lull in the pandemic in 2021, we have been able to recruit

Gender distribution



managerial trainees again. In all of our recruitment processes, we apply inclusivity and skills-based recruitment. We also welcome trainees and degree projects as a way to gain new perspectives from the new generation of employees and customers.



#TeamWihlborgs



Gimle 1 in Malmö has an inspiring interior that has garnered attention and won prizes.

Our properties

Copenhagen

651,828 m²60
PropertiesSEK 9 billion
Property value

Helsingborg

627,011 m²106
PropertiesSEK 11.8 billion
Property value

Lund

261,898 m²33
PropertiesSEK 8.5 billion
Property value

Malmö

602,155 m²100
PropertiesSEK 20.8 billion
Property value

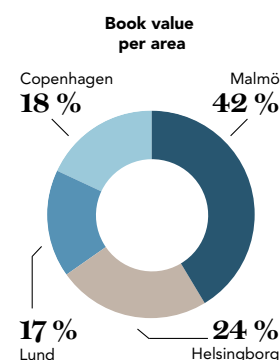
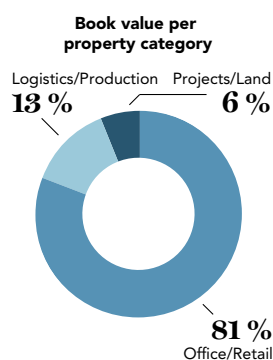
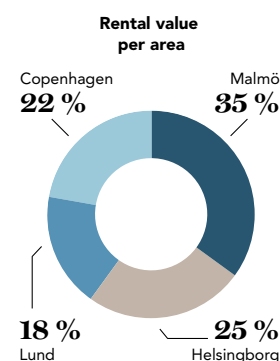
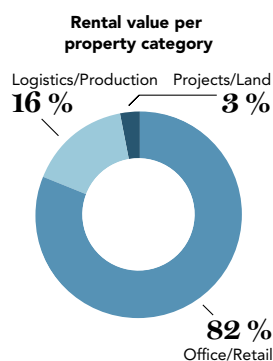
Property portfolio

Wihlborgs' property value has increased from SEK 7.2 billion in 2005 to SEK 50 billion at the end of 2021. Our business model is based on growth, and our growth and development are ensured by upgrading properties, new-build projects and acquiring new properties. By expanding our property portfolio, we enhance our ability to meet the needs and requirements of existing and new tenants.

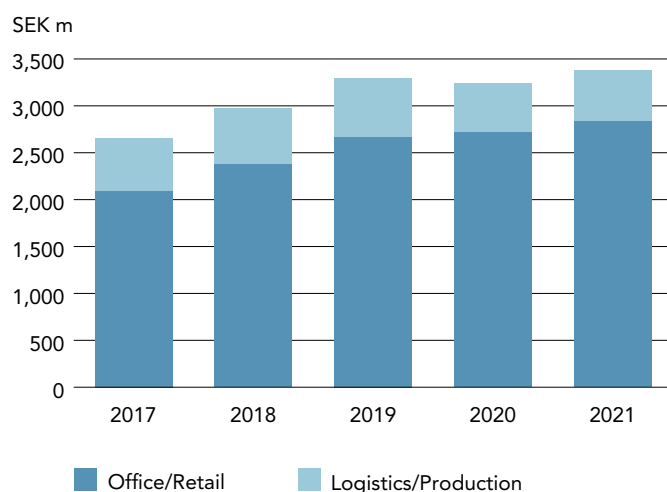
We also want to be an active and significant participant in the dynamic and sustainable development of the Öresund region. Read more about this in the Sustainable business section on pages 30–43.

Wihlborgs' property portfolio consists of commercial properties located in selected sub-markets in Malmö, Helsingborg, Lund and Copenhagen. By creating a concentrated portfolio and a clear cluster strategy, we are able to ensure cost-effective property management with a high level of service and proximity to customers, which means we can quickly detect any changing needs they have.

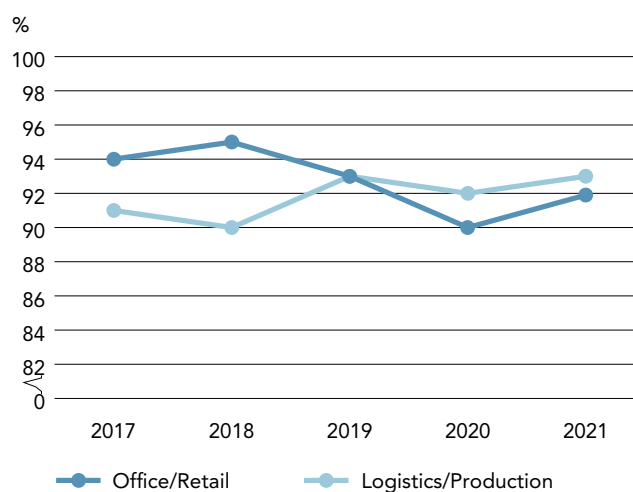
On 31 December 2021, the property portfolio consisted of 299 properties, including seven leasehold properties, with a total lettable area of 2,143,000 m². The carrying amount totalled SEK 50,033 million.



Development of rental value



Development of occupancy rate



Analysis per property category in each management area

Area/property category	No. of properties	Area, thousand m ²	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m ²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property mgmt, SEK m	Surplus ratio, %	Operating surplus excl. property mgmt, SEK m	Yield excl. property mgmt, %
MALMÖ											
Office/Retail	49	433	17,360	1,051	2,430	93	977	751	77	786	4.5
Logistics/Production	30	141	1,989	149	1,060	99	147	117	79	125	6.3
Projects & Land	21	29	1,464	24	848	–	9	-3	–	0	–
Total, Malmö	100	602	20,813	1,225	2,034	93	1,133	865	76	912	4.4
HELSINGBORG											
Office/Retail	37	271	8,218	558	2,061	89	496	379	76	396	4.8
Logistics/Production	57	356	3,453	323	909	90	291	206	71	223	6.4
Projects & Land	12	1	121	1	1,488	–	1	0	–	0	–
Total, Helsingborg	106	627	11,791	882	1,407	89	788	585	74	619	5.2
LUND											
Office/Retail	25	232	7,732	577	2,483	91	526	375	71	416	5.4
Logistics/Production	4	23	275	20	878	94	19	14	73	15	5.5
Projects & Land	4	7	459	13	1,901	–	2	-3	–	-1	–
Total, Lund	33	262	8,465	610	2,328	90	547	385	70	430	5.1
COPENHAGEN											
Office/Retail	48	529	7,440	647	1,225	94	606	374	62	398	5.3
Logistics/Production	9	61	728	57	935	95	54	41	77	42	5.8
Projects & Land	3	63	795	51	–	–	–	-5	–	-5	–
Total, Copenhagen	60	652	8,963	755	1,158	87	659	410	62	435	4.9
Total, Wihlborgs	299	2,143	50,033	3,472	1,620	90	3,128	2,245	72	2,395	4.8
Total, excluding Projects & Land	259	2,044	47,194	3,383	1,655	92	3,115	2,257	72	2,401	5.1

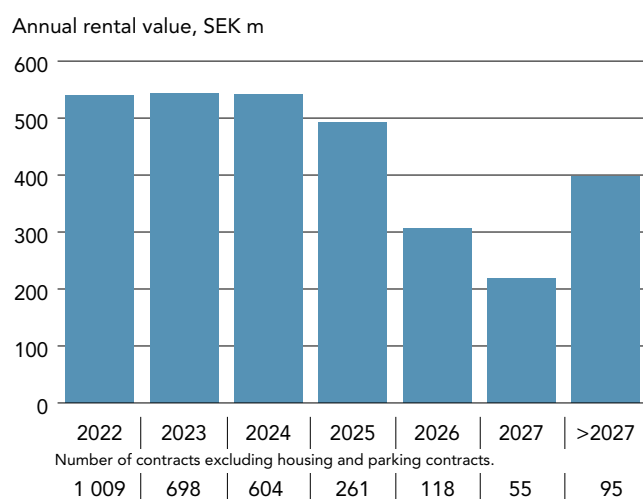
The table data is based on Wihlborgs' property portfolio as of 31 December 2021. Rental income pertains to annual contractual rental income as per 1 January 2022. Operating surplus is calculated from the annualised earning capacity of the properties, based on rental income for January 2022, operations and maintenance costs, rolling 12-month property management and property tax.

Rental value and occupancy rate

Wihlborgs' rental value amounted to SEK 3,472 million on 1 January 2022. The estimated rental value of vacant premises corresponded to SEK 344 million.

The economic occupancy rate for the entire property portfolio, including the project portfolio, was 90 percent. When divided up geographically, Malmö was at 93 percent, Helsingborg 89 percent, Lund 90 percent and Copenhagen 87 percent. Divided up by property category, the economic occupancy rate was 92 percent for offices/retail and 93 percent for logistics/production.

Terms of Wihlborgs leases on 31 december 2021



Contractual rental income

Net lettings amounted to SEK 115 million (31) in 2021. Wihlborgs' annualised contractual rental income on 1 January 2022 was SEK 3,128 million. This amount includes additional rental charges such as property tax, heating and electricity that are passed on to tenants. Rental income from like-for-like portfolios was up 4.8 percent since the previous year end.

At year end, Wihlborgs had 2,840 commercial lease agreements with contractual rental income totalling SEK 3,039 million and an average term of 3.6 years. Rental income pertaining to contracts for parking places, land, housing, etc., amounted to SEK 89 million.

Leases with a term of three years or more are normally subject to an annual rent adjustment based on changes in the consumer price index or a fixed percentage increase. At year end, annualised rental income from Wihlborgs' ten largest tenants totalled SEK 647 million, corresponding to 21 percent of contractual rental income.

Property costs

Wihlborgs' property costs are divided among operations, repairs and maintenance, property tax and property management. The cost distribution is presented in Note 5. Wihlborgs focuses extensively on efficient management and works together with its tenants to reduce operating costs. A major portion of these is charged to tenants in addition to their rental charges.

Continuous and scheduled maintenance and repairs are conducted to maintain the condition and standard of the properties. Tenants of commercial premises, especially in logistics and production premises, bear a relatively large measure of responsibility for operating and maintenance costs. Normally,

Wihlborgs is responsible for external maintenance while the tenants are responsible for internal maintenance of the buildings. In Denmark, tenants are essentially responsible for all operating and maintenance costs.

Property tax in 2021 amounted to 1 percent of the tax assessment value for commercial rental properties, 0.5 percent for industrial properties and 0.4 percent for development rights. Special-purpose properties such as schools and health care centres are not charged property tax. The tax assessment value for Wihlborgs' property portfolio in Sweden as of 31 December 2021 totalled SEK 15,568 million, while the Group's property tax for 2021 amounted to SEK 192 million. Of this, SEK 151 million was passed on to tenants through additional rental charges.

Property management costs mainly comprise expenses associated with renting, rent negotiation, rent debiting and marketing.

Investments

Expenditure on value-adding measures in existing properties is recognised as investments and is not expensed. Examples of investments include the cost of redevelopments, extensions and tenant improvements. These investments are important in terms of maintaining customer satisfaction and meeting tenants' needs.

In 2021, SEK 1,219 million (1,231) was invested in redevelopment, extensions and new builds. For a more detailed description of project activities, see pages 68–75.

Acquisitions and sales

In 2021, Wihlborgs acquired five properties, of which three are in Denmark. Industriparken 21 in Ballerup, Copenhagen, has a lettable area of 10,200 m² and was acquired for DKK 120 million through a sale-and-leaseback transaction whereby C. Reinhardt A/S sold the property and concurrently signed a seven-year lease for 5,800 m². Other tenants include Renault, Xerox, Maxi Zoo and Henkel. In November, two office properties were acquired in areas where we are already established and have an organisation in place. Vasekær 10–12 in Herlev was acquired for DKK 38 million. The lettable area was 7,660 m², distributed over three buildings. The second property, Bregnerødvej 140–144 in Birkerød, was acquired for DKK 73.5 million and has a lettable area of 7,463 m², distributed over four buildings. At the end of the year, Wihlborgs acquired the Musköten 19 property in the popular Berga industrial area in Helsingborg. The property includes a car showroom, workshop and warehouse, and was acquired at a property value of SEK 97 million. The lettable area amounts to around 8,764 m². The development rights for Naboland 3 were acquired from Dockan Exploatering in June 2021. A parcel of land at Vätet 1 was sold for SEK 3 million.

Effects of the Coronavirus pandemic

The pandemic has had a limited impact on earnings in 2021. Our projects were able to be completed within their adopted time frames and we have continued to make major investments. On the other hand, increases in rental income abated as a consequence of somewhat fewer leases signed during 2020. Credit losses have been low and there were few bankruptcies among tenants.

One clear effect after a long period with the pandemic is that the future of offices is no longer being called into question. Today, the focus is more on how the office can be designed as an attractive place for development and innovation. Read more about the workplace of the future on page 28.



Above Bregnerødvej 140–144: bottom left, Vasekær 10–12; bottom right, Industriparken 21.

Property acquisitions and sales, 2021

Quarter	Property	Municipality	Management area	Category	Lettable area, m ²	Price, SEK m	Operating surplus 2021, SEK ^{m 1}
Acquisitions							
Q1	Industriparken 21	Ballerup	Copenhagen	Office/Retail	10,200		
Q2	Naboland 3	Malmö	Dockan/Hyllie	Projects & Land	–		
Q4	Vasekær 10–12	Herlev	Copenhagen	Office/Retail	7,660		
Q4	Bregnerødvej 140–144	Rudersdal	Copenhagen	Office/Retail	7,463		
Q4	Musköten 19	Helsingborg	Outer Helsingborg	Office/Retail	8,764		
Total acquisitions, 2021					34,087	428.7	7.0
Sales							
Q3	Part of Vätet 1 (land)				–		
Total sales, 2021					0	3.0	0.0

¹ The operating surplus from acquired and sold properties that is included in profit for the year.



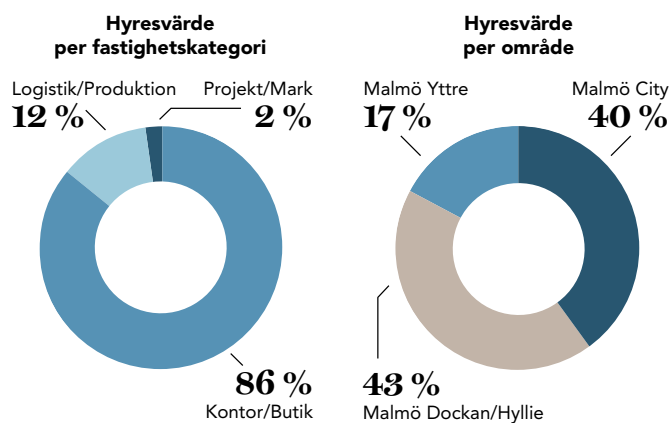
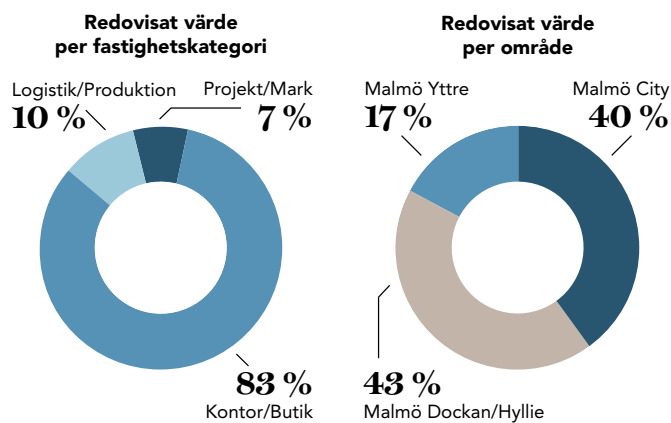
Wihlborgs in Malmö

Properties: 100

Property value: SEK 20,800 million

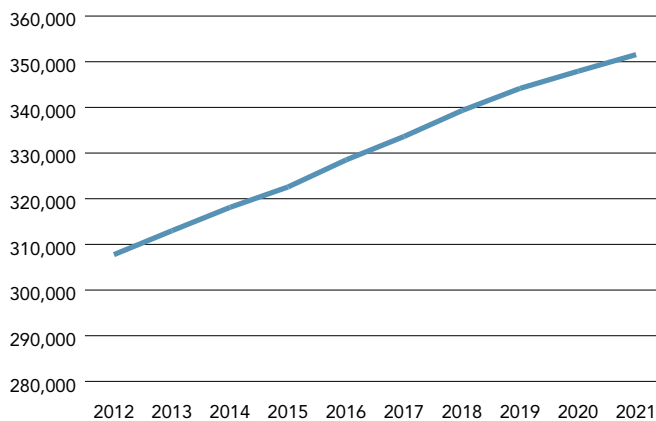
Rental value: SEK 1,200 million

Lettable area: 602,000 m²

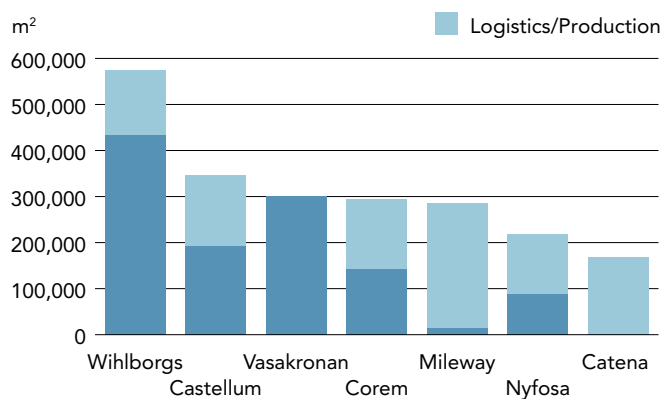


Population trend in Malmö

No. of inhabitants



Property owners, Malmö, 31 December 2021

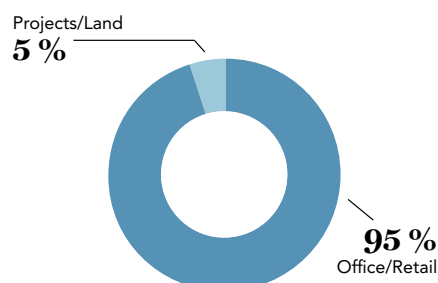


Malmö City

215,000 m²

Properties: 21
Rental value: SEK 491 million

Book value per property category

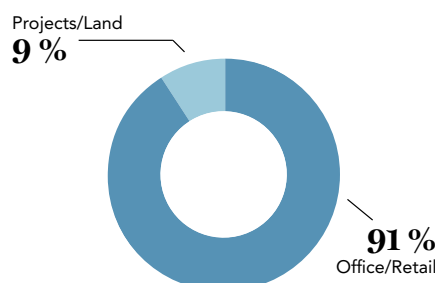


Dockan and Hyllie

195,000 m²

Properties: 27
Rental value: SEK 521 million

Book value per property category

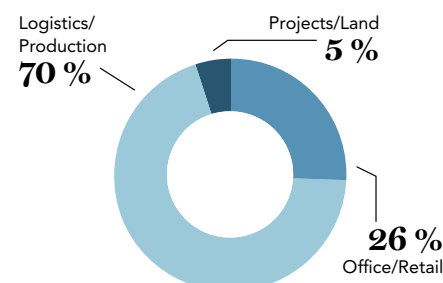


Outer Malmö

192,000 m²

Properties: 52
Rental value: SEK 213 million

Book value per property category



Malmö – Sweden's fastest growing city

And Malmö's prospects are best described with one word – expansive. The city is growing outward and inward, making space for new vibrant city districts with a mix of housing, offices and meeting places. The population has increased 34 percent in 20 years. The creative, environmentally conscious, ambitious and expansive infrastructure investments, and the strategic location in the Nordic region's largest labour market, are reasons why we see great potential in Malmö for Wihlborgs and the business community as a whole.

The eyes of domestic investors and global conglomerates that view Malmö and the Öresund region as an appropriate base for head offices, regional offices and development offices are on Malmö. Many successful companies in fast-growing sectors such as life sciences, gaming, IT and insurance have chosen Malmö, largely due to the availability of highly educated staff. Examples include: AAK, Boozt Fashion, Duni, Orkla Foods, Perstorp, Vestas Northern Europe, Mercedes-Benz, Thule Group, Trygg Hansa, IBM Client Innovation Center and the global meeting centre Hubhult established by the IKEA Group. The number of employment openings in Malmö has increased by a full 48 percent in 15 years.

Skåne's university hospital in Malmö is one of the city's largest employers. The Hospital area in Malmö is currently being modernised through a major investment in two new buildings with occupancy planned for 2024 and 2025.

Malmö is not just Sweden's fastest growing major city – it is also a young city with almost half of the population under the age of 35. Malmö University is under constant development and expansion and Malmö was elected the student city of the year for 2021/2022. Read more about Malmö University on page 55.

Upon completing their studies, young people have many opportunities to continue their journey in Malmö: everything from the start-up house Minc, Media Evolution City and young, and creative companies to well-established, major employers. We engage in this vital value chain in various ways. Read more about this on pages 27 and 36–37.

Market conditions

In 2021, Malmö's population exceeded 350,000 and this number is expected to increase by 50,000 by 2030. The city is also planning based on the scenario that, by 2050, Malmö will become a city of half a million people with its current growth rate. Record numbers of people are choosing to move to Malmö from other municipalities, primarily within Skåne. Over the next decade, the population is expected to grow most in the city centre (mainly Västra Hamnen/Dockan), Hyllie (mainly Hyllievång) and Limhamn-Bunkeflo (mainly Limhamn's port area).

In Malmö, the population includes some 170 different nationalities, which is not that far from representing all of the UN's 193 member states. Malmö is therefore one of the world's most diverse cities and an excellent place for companies seeking to test ideas and concepts.

The City of Malmö will continue its long-term efforts to stimulate the local business community. One example is the "A strong and sustainable business community" business programme, which has increased the number of newly established companies in Malmö for several consecutive years, in contrast to the rest of the country, where the numbers are falling. In recent years, Malmö has been able to mount a serious challenge to Stockholm as the country's growth engine, particularly in knowledge intensive areas such as pharmaceuticals. It is expected that Malmö's gaming industry will employ some 5,000 individuals within ten years. Massive, King and Tarsier are examples of gaming companies that are active in the city.

The Öresund Bridge is the clearest symbol for a united region, and the route to Copenhagen Airport and onward to the continent. When the next fixed connection, the Fehmarn Belt tunnel, is completed in 2029, it will be possible to get from Malmö to Hamburg in just three hours. The journey through the tunnel will take 7 to 10 minutes. Major investments are also being made in Malmö, including the Major City package that is partly being financed with government funds. With the above help, the City of Malmö is investing a total of about SEK 4 billion in expanding and electrifying public transport as well as new cycle paths, to thereby strengthen sustainable urban development.



Kvartetten – sustainability work in practice

The Kvartetten office building constructed in Hyllie is as much a pilot project as a workplace of the future. Here, we have realized high ambitions for a low climate footprint and people's well-being without compromising long-term flexibility and high construction quality.

"There is no manual on how to build with minimal climate impact and which method best contributes to the well-being and prosperity of the people who will work here. With a spirit of curiosity, perseverance and commitment, we have collaborated with suppliers to find the best solutions. It has been a stimulating learning process for everyone," says Rickard Berlin, Project Manager of Kvartetten at Wihlborgs.

"Using smart design, we reduce the amount of materials used in our construction. The materials we utilise must have a high recycling rate, be cost efficient and have a small climate footprint. This engages the entire project group in a form of detective work, where everyone contributes with knowledge from their own field.

The issue of sustainability has been high on the agenda at all meetings held in the course of the project. The same requirements that Wihlborgs has set internally have been imposed on suppliers.

"Our setting of requirements for procurement and other purchases is a key governance mechanism for achieving real change. By being clear and choosing the right suppliers, we gain a high level of commitment even if the requirements are new and untested," Rickard Berlin explains.



Triple certification and recycling

At Kvartetten, the interior wall systems and joists are made from materials that have a smaller climate footprint than that of conventional systems. The concrete

used in construction is known as green concrete, meaning, climate-friendlier concrete with less cement content. The textile carpets are made of recycled carpets. The pear-tree panels that will be used in stairwells are from Hotell Villa Copenhagen.

Another aspect of efforts to reduce any negative climate impact from the building involves focusing on recycling. Beehives, insect hotels, pergolas, outdoor furniture and seating areas are examples of recycled products. In addition, Wihlborgs is participating in a pilot project jointly with Beijer Byggmaterial and Peab, which involves the recycling of constructions offcuts.

A dialogue is also being conducted with Kvartetten's tenants about which types of recycled products can be used on their particular premises. For example, the kitchen of the restaurant SPILL will consist of equipment that has been recovered from other properties.

Kvartetten will be certified in accordance with Zero CO₂, WELL and Miljöbyggnad Gold. The Zero CO₂ certification aims to achieve a net climate impact of zero over the building's entire lifecycle. The WELL system focuses both on soft and on hard values with the aim of improving people's health and well-being.

People-centric

Parcel boxes in the foyer, a bike lounge with parking and repair facilities, workout facilities, proximity to commuting and transport links, and safe environments to and from the workplace. These are a few examples of the facilities required to achieve the "people-certified workplace."

"At Wihlborgs, we are seeing a general trend toward higher demands for office environments to be more home-like and adapted to the reality of employees. In Kvartetten, we want to go one step further than the criteria for self-certification. The aim is for everyone who works here to have the prerequisites for job performance in place and to still have energy when they get home.

Rickard Berlin, Project Manager for Kvartetten.

Market conditions (Cont.)

Due to the increased pressure on the Danish-Swedish connections, the Swedish Transport Administration wants to invest just over SEK 1 billion in expanding the capacity in Malmö, such as by improving the railway yard and Malmö C.

The Öresund Metro is an important future project for Malmö and Copenhagen, as well as for Sweden, Denmark and Europe. The metro will free up capacity on the Öresund Bridge, increase long-distance train connections to the continent and also strengthen the Nordic region's largest labour market region in a sustainable manner. With the metro, 2.3 million inhabitants will reach 1.5 million workplaces within 60 minutes. The travel time between central Malmö and central Copenhagen will be halved to approximately 20 minutes. Wihlborgs owns properties at all of the proposed metro stations.

In December 2021, Malmö reported 13.3 percent unemployment, which is a reduction of 2.7 percent from December 2020. Accordingly, moving people into employment is a highly prioritised issue for Malmö. Much can be done to better match labour force shortages in Copenhagen with supply in Malmö. It is also worth noting that the trend in the number of gainfully employed with a workplace in Malmö has increased very sharply over the past 20 years – by as much as 51 percent.

Another key issue is ensuring that all children, irrespective of their different linguistic and socioeconomic prerequisites, have access to the same quality of schooling. Read more about our commitment to the city's development on pages 27 and 36–37.



S:t Jörgen 21 in central Malmö has been equipped with solar panels.

Customers and business

In Malmö, Wihlborgs has a mix of properties and customers that reflects the city's varied workplaces with the service and public sectors as well as companies focused on production.

Our largest tenants include the City of Malmö, Malmö University, Region Skåne, the Swedish Social Insurance Agency, SVT and the Swedish Tax Agency. However, our tenants also include companies such as Ingka Services, AFRY, Tyréns, SDK Logistics, Nordea, TietoEvry, Telavox and ABB.

Wihlborgs had previously changed the property-management organisation so that it now consists of three property areas instead of four, and established a rental team that works efficiently and methodically to process the market. This opens up greater opportunities to meet existing and potential customers, and to package and communicate our product in a uniform manner.

Malmö City

An important part of our business model is that tenants are able to grow and develop in our existing portfolio. One example is Norrgavel, which established offices and carpentry for prototypes in Söderhavet 4, a reused property in Nyhamnen. Resurs Bank has also tripled its space by moving from Baltzar City to Neptun 6. ArjoHuntleigh has increased its space by 800 m² in Hamnen 22:188 (Magasinet).

New tenants include the law firm Wählin AB, which is leasing 700 m² of Sparven 15, the fire-safety company Presto, which is leasing 900 m² of Erik Menved 37 and the IP consultancy firm Zacco, which is leasing 380 m² of St.Jörgen 21.

Veg of Lund and Eolus Vind will be new tenants in Slagthuset 1, leasing 270 m² and 550 m², respectively. Veg of Lund was founded as recently as 2021 and develops food based on potatoes and rapeseed oil. The existing customer Pulsen Integration AB, an IT company that is part of the Pulsen Group, is expanding its lease to 480 m².

During the year, we certified five properties in accordance with Miljöbyggnad In-Use and installed solar power systems in locations such as Boplatzen 3, S:t Jörgen 21 and Östersjön 1.

Börshuset 1 at the Central Station, dating back to the 1800s, is managed as a project property that we will modernise and adapt to current requirements on technical standards.

Dockan and Hyllie

Both Dockan and Hyllie are fast-growing Malmö districts with low vacancies. Dockan and Västra Hamnen expanded to the extent they have essentially become one and the same district.

With the completion of Malmö University's 3,400 m² examination centre, the final phase of the redevelopment of Kranen 2 in Dockan is completed. During the year, Region Skåne's Reproductive Medicine Center (RMC) moved in, followed by the speech therapy clinic in 2022. In total, Region Skåne rents 3,700 m² at Kranen 2 and Malmö University 15,500 m². At Kranen 14, we are creating a new, modern 400 m² dental clinic for Praktikertjänst. Praktikertjänst is moving from Kranen 15, which is to be vacated to create space for a new building.

In connection with our existing customer Nautec outsourcing its inventory management to Denmark, the company will move its office from our premises in Fosie to Dockplatsen 12.

In addition the many new business establishments in Dockan, Lund University will locate its art academy in an area adjacent to several of our properties.

At Pulpeten 5 (Kvartetten) in Hyllie, whose construction began in early 2021, 14,000 of its 16,000 m² are now let. Trygg-Hansa, which is co-locating five regional offices here, accounts for 12,000 m². The restaurant Spill will open its second sustainability-centric restaurant here in 2023. We have also signed agreements with the co-working operator Mindpark concerning 800 m² of co-working spaces and meeting rooms.

In the Medeon area, we have renovated and modernised the property, and signed extended agreements with parties such as Biora and Galenica.

Outer Malmö

In Sunnanå 12:54 in Stora Bernstorp, at the border of Malmö and Arlöv, we have built a new 3,000 m² service centre for the Nordic region's largest Mercedes-Benz retailer, Veho Bil, and a 2,300 m² transport facility for Region Skåne.

Work is ongoing in Fosie to make Boplatsen 3 the area's new meeting place. The reception and conference area have been rebuilt and freshened up, mainly with recycled fittings. The new tenants here are Crawford Auktioner, Samhall and Nordlo. In the same area, we are building a brand new 1,800 m² office building for Beckhoff Automation AB, whose occupancy is planned for 2022. Söderlindh has moved into a 1,800 m² space at Bronsspannen 13.

Future development

Wihlborgs is participating in several major urban regeneration projects that are ongoing in Malmö. Nyhamnen in Malmö City is a central seaside district where an attractive green city district will take form in the coming years, mixing housing with workplaces, retail and services. The City of Malmö's development plans for the area include 6,000 new housing units and 13,000 new workplaces, along with schools, preschools and parks. Nyhamnen will be linked to other parts of the city centre with pedestrian and bicycle bridges. Wihlborgs already owns several of the existing properties which will be further developed. These include the well-known office and leisure venue Slagthuset 1, Östersjön 1 and Magasinet (Hamnen 22:188). In addition to the existing properties, we have several development rights in progress for offices in the sub-areas: Smörkajen, Jörgen Kocksgatan and Vintergatan. During the year, there has been a high demand for office spaces in the Slagthus area, which strengthens our belief in Nyhamnen as a suitable area for offices.

At Dockan, development is being driven together with Peab and JM, among others, within the framework of the joint venture Dockan Exploatering AB. There is also project development ongoing here on the older engine hall, Kranen 7, to find alternative uses.

In the same area, we plan to construct a new, environmentally-certified office building: Naboland. The building will comprise six storeys with a total area of 7,700 m².

At Sunnanå, there is space for another one or two facilities. Moreover, we have available land in Outer Malmö, which means that we can continue to meet the great demand for warehouse and logistics spaces, properties and "last mile" solutions.



In Nyhamnen, we have several strategically located properties. Slagthuset 1 is in the foreground. To the right is a glimpse of Sirius 3 and behind Slagthuset 1 is Hamnen 22:188 (Magasinet).



Kerstin Tham

Vice-Chancellor, Malmö University
Kranen 2, Malmö
10,700 m² academic premises

“We are educating the change agents of the future”

“Malmö University is an unconventional higher education institution that changes rapidly in pace with societal trends. Thanks to previous experience with transfrontier work – interfaculty, interdisciplinary and cross-border – the university has an important role to play in terms of future challenges,” Vice-Chancellor Kerstin Tham explains.

“Our mission is to offer socially relevant education and to impart knowledge that can create a more equal and sustainable society. The students proceed from various societal challenges and find solutions for them together. We are educating the change agents of the future.”

Malmö University, which gained status as a university in 2018, was established in the same era as the Öresund Bridge and naturally achieved an international profile. Then there were many young people in and around Malmö who did not feel at home at the historic Lund University. About two-thirds of the students at Malmö University have a non-academic background.

Long-term global commitment

The pedagogy may have changed over the years, but the strong characteristics remain: the multidisciplinary activities, the cross-border courses, the multicultural environment, the numerous international students, the global commitment and collaboration with other operators in the private, public and non-profit sectors.

“Wihlborgs is an important partner for us, whom we encounter in many community-related contexts – in everything from sustainable urban development where the social aspects are crucial, to the Öresund collaboration.

Malmö University has the country’s third largest teacher education programme and collaborates closely with the city’s schools. Nurses, qualified social workers, engineers, dentists and police officers are other socially important professions receive their education here. Migration research is another major area.

Malmö University strives to consistently offer relevant and progressive courses. One example is the ongoing great demand for police research, which Malmö University meets by linking police training with research in criminology. In the same manner, AI research can be leveraged as an integral part of police training to increase digital development within police work.

“There is so much more to develop when it comes to digitisation and pedagogical research. We and Malmö are a living lab of sorts, with a test bed for these issues.

When it comes to future needs, Kerstin Tham believes that Malmö University is well equipped.

“Global issues will continue to dominate – tackling them will require interdisciplinary and cross-border collaboration. We are already far ahead in that regard. We are also at the forefront in migration research and social innovation, and have incredible international networks.

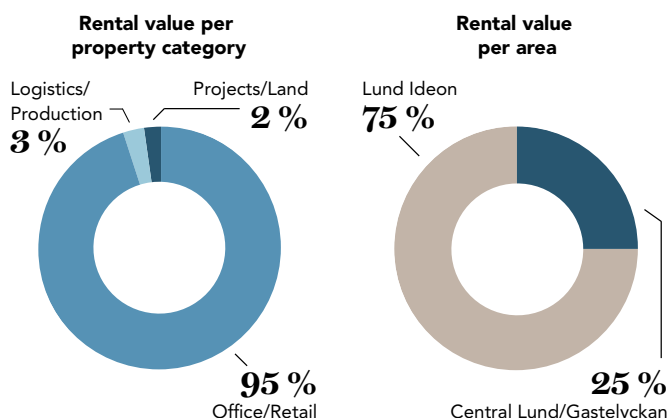
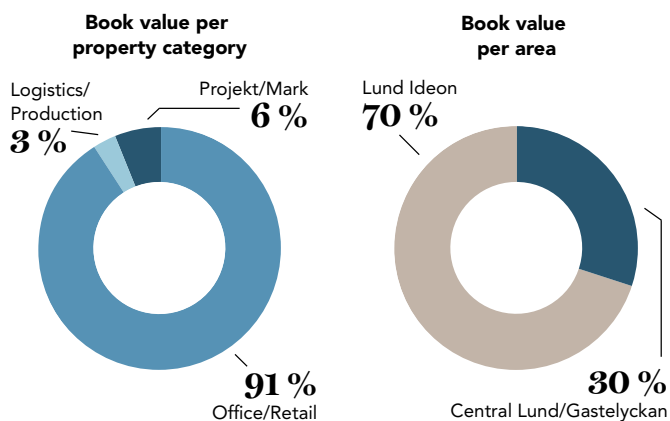
Kranen 2 – a public property

In 2018, Malmö University moved its police training to the Wihlborgs property, Kranen 2 in Dockan. The property contains 10,700 m² of educational and research premises, practice environments, garages and more besides. Kranen 2 is also the location of Region Skåne’s Reproductive Medicine Centre (RMC). In the next step, the speech therapy clinic will move in.

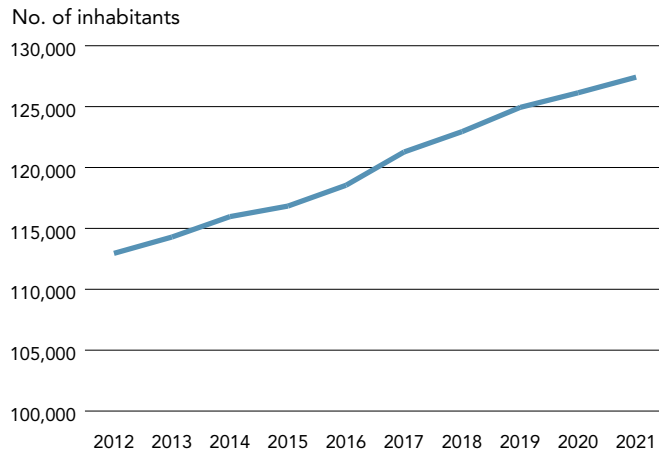


Wihlborgs in Lund

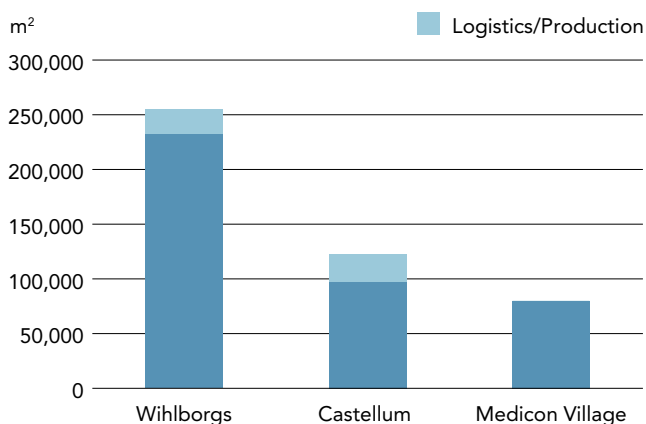
Properties: 33
 Property value: SEK 8,500 million
 Rental value: SEK 600 million
 Lettable area: 262,000 m²



Population trend in Lund



Property owners, Lund, 31 December 2021

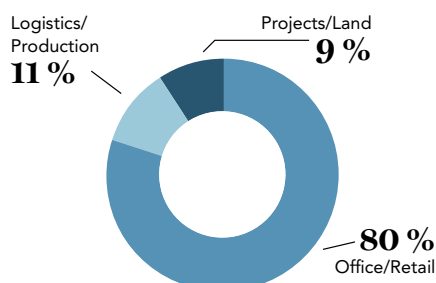


Central Lund

80,000 m²

Properties: 14
Rental value: SEK 154 million

Book value per property category



Lund

Lund is one of Sweden's oldest cities and is constantly at the forefront, particularly within innovation and research. Lund is a city of contrasts where old and new unite in dynamic advancement.

The city has been an academic headquarters since the university was founded in 1666 and today has 40,000 students and a high proportion of highly educated labour. The long tradition of research and entrepreneurship has resulted in many companies – world-leading international giants and start-up small companies – establishing themselves in the city. There are many examples of companies living in symbiosis with the university, particularly in the research village, Ideon Science Park. Lund improved its position in the Confederation of Swedish Enterprise's municipal ranking, Local Business Climate, up 46 places from the previous year, now ranking at 78th.

Among the most important companies in Lund are Axis Communications, Ericsson, Tetra Pak and Alfa Laval. In 2025, the Saab Group will concentrate its operations at a new office in the Brunnshög area, with 800 workplaces. The university and the university hospital are also important employers in the city.

Despite its ancestry, Lund's urban development is far from stagnant. The central plan adopted in 2018 describes how the city will grow through densification from the inside out. The old industrial area adjacent to Lund Central Station is a telling example, where tired, antiquated industrial buildings are being replaced with modern office and residential properties.

A further example is the densification taking place along the tramway from Lund Central Station, known as the route of knowledge, via the hospital area, Ideon and Brunnshög all the way to the final destination Science Village in north-eastern Lund. Diverse urban environments are being created here with new university buildings, student housing and offices.

Market conditions

Lund has some 125,000 inhabitants, including students. Here, 53 percent of residents have at least three years of post-secondary education, compared with the national average of 28 percent.

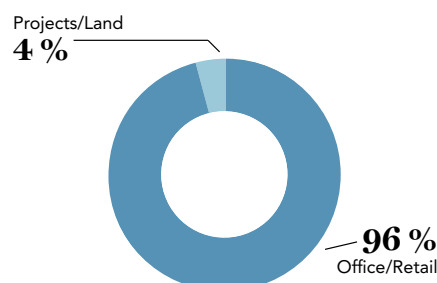
Among Lund's residents, 6.4 percent were unemployed in December 2021. This is below Skåne's 9.3 percent as a whole, and the country's average of 7.2 percent.

Ideon

182,000 m²

Properties: 19
Rental value: SEK 456 million

Book value per property category



One of the clearest examples of how Lund's already favourable market conditions are improving is the new tramway. By linking the city centre with the expansive future areas in the northeast, development receives a boost. Its strategic location near the Öresund Bridge and Copenhagen Airport means international travellers can also easily access Lund.

Previously, Lund had limited possibilities to meet the demand for modern office space in the city centre. On the other hand, more construction is now ongoing at central locations, while keeping historical conservation interests in mind.

Wihlborgs has a long-term commitment at Ideon, Brunnshög and Science Village. In 2010, the MAX IV project started, for which Wihlborgs' part-owned subsidiary Fastighets AB ML4 carried out the project and owns the facility. Wihlborgs currently owns over 30 properties along the Route of Knowledge and thus contributes to connecting Brunnshög and Science Village with central Lund. The most current example is the construction of Space (Kunskapen 1), into which the oat-drink manufacturer Oatly is moving, and which was also the start of the implementation phase of Science Village.

We contribute to local communities through a range of activities and commitments, including Eos Cares, which is part of the IK Eos sports club and works for increased inclusivity and meetings between different community groups. We also support Lund Comedy Festival – an annual comedy festival that attracts visitors from near and far. Read more about our commitments on pages 30–43 (Sustainable Business) and page 27.

Business and customers

Our office properties in Lund are mainly located in the city centre and Ideon Science Park, but we also have some production and logistics properties at Gastelyckan. The tenant mix is a fairly good reflection of the city as a whole, with a mix of public sector and everything from small development companies to large corporations, with many of them connected to Lund University and the innovation activities at Ideon Science Park. The interest is particularly great from companies that have partnerships with existing companies in the park.

When we acquired the properties on Mobilvägen (Nya Vattentorget 2–4), it was with the intention of creating a comple-

mentary product offering with efficient and modern offices. We wanted to refine the entire area and make room for the companies that are growing after the heyday of Sony, Ericsson and Astra Zeneca, as well as make the properties more integral to Ideon science park. We have worked in the same methodological and strategic manner with Vätet (Beta 1–6) on Scheelevägen.

This transformation is now a reality. At both Mobilvägen and Scheelevägen there are large spaces, efficient floor plans and many companies with similar profiles. The redevelopment has also created opportunities for public enterprises to make an entrance. The Institute for Human Rights and the Swedish Social Insurance Agency are good examples. We see how previously dominant industries such as electronics, IT and life science are gradually being replaced or supplemented with the automotive industry, electrification, food tech and energy.

Some of our largest tenants are Lund University, Ericsson, Sony, Schneider Electric, Volvo Cars, Bosch, Axis and Region Skåne. However, our customers here also include Sparbanken Skåne, Cellavision, Bioinvent, Camurus, Probi, Enzymatica, Avensia, Flatfrog, Trivector and Sigma Connectivity.

In 2021, the tram's impact became particularly clear as travel to and from workplaces returned to previous levels. From Wihlborgs' side, we are noticing that the incentive to be established in northern Lund becomes greater as accessibility within the city increases, with a special interest in our properties and premises that are close to the tram stops. In Beta 5 (Vätet 1), we have rebuilt the ground floor and moved the entrance to the tram stop. The office hotel at this location is nearly fully let.

Ideon

Ideon comprises many development companies that are continuously growing and need our help to change their premises.

In January 2022, the new authority, the Institute for Human



At Kunskaapen 1 (Space) in Science Village, the oat-drink manufacturer Oatly will launch a new research and innovation centre.

Rights will move to the 1,300 m² premises in Nya Vattentornet 2 (Node). Regin, a Swedish company that develops smart, automated solutions to reduce energy consumption at properties, is moving its research and development operations from Landskrona to this location. As previously, Nya Vattentornet 2 is the location of Sigma Connectivity, Schneider Electric and Storytel. Ericsson, Sony and Cellavision also have operations in neighbouring buildings. Many companies in the park are expanding, including Cellavision, which increased its space by about 900 m² during the year.

In Nya Vattentornet 4 (Cube), the Swedish Social Insurance Agency rents 4,200 m² of space. The restaurant and conference operator Eatery opened a restaurant here in September 2021. Read more about Eatery on page 59.

At Nya Vattentornet 3 (Bricks), we have inaugurated our largest solar power system to date. It is also the largest solar power system with a lower climate footprint to be installed by E.ON in Sweden.

While Kunskaapen 1 (Space) is being built, Oatly's newly established research team has moved into Delta 5 (Syret 7).

Central Lund/Gastelyckan

Today, Raffinaderiet consists of four buildings totalling 4,900 m². Here, we are renovating and creating modern offices for smaller companies, a segment that was previously missing in central Lund. The key words are conservation, sustainability and flexibility, where consideration for history connects the entire project. Five tenants are ready for Refinery 3, with the first occupancy planned for late 2022. The office hotel Genetor Coworking rents nearly 900 m² of space.

The first stage of Posthornet 1 has been completed and is fully let. Stage 2 commences in 2022.

Future development

Kunskaapen 1 (Space), where Oatly will launch a new research and innovation centre, will be ready in 2023, right next to the tram stop and the new square. Wihlborgs has additional development rights for Vetskaapen 1 (Spektra), in Science Village, and continues to work to make the area an attractive location for innovation and new businesses.

Within a few years, Lund University's Lund Nano Lab plans to move into new twice-as-large premises in Science Village. The hope is that NanoLund will be a meeting place where research, incubators, start-ups and industrial product development can converge at the same location.

One of Lund's new tramway stations is at Ideontorget. This is where we plan to build the 15,000 m² Zenit office building, which will become Ideon's new focal point and landmark comprising offices and a service offering aimed at tram passengers and our local tenants. We are also designing a conversion of Beta 1–3, where most of the existing tenants have now moved to other premises at Ideon.

When the second stage of Posthornet 1 is completed in 2024, we will have properties along the entire railway, from the station area to King Oscar's bridge.

Västerbro is located to the west of the railway and comprises a development area where Wihlborgs has several properties. Today, the area largely comprises different industrial businesses, but will develop by 2040 into a modern, sustainable and mixed district. The development is still at an early stage where we are currently participating in drawing up detailed development plans.

“Science Village in Lund is a natural location for us”

Oatly will launch a new research and innovation centre in the emerging Science Village in northeast Lund. Here, the world-leading oat-drink manufacturer will dive deep into the potential of oats for the transition to a more plant-based food system.

The Science Village area is located between MAX IV and ESS and is linked via the so-called Route of Knowledge to other knowledge-intensive operations. Oatly's establishment is an important milestone for Science Village, which, following an extended planning period, is now in the implementation phase.



Sofia Ehde

Global Innovation Director, Oatly
Space (Kunskapen 1), Lund
3,100 m² offices/lab

“As we are investing heavily in further research on oats, Science Village in Lund is a natural location for us. The research environment has world-leading expertise in plant improvement and unique instruments to study material at nano-scale thanks to the international projects ESS and MAX IV. We hope to attract even more expertise to the area,” says Sofia Ehde, Global Innovation Director at Oatly, who has been involved in the development of the company since the late 90s.

Space – a focal point

Oatly's Science & Innovation Centre will be located in Wihlborgs' new building, Space (Knowledge 1), which will be completed in 2023. With its location in the middle of the Science Village, Space will become a natural focal point for companies, individuals and research disciplines that work to develop the sustainable solutions of the future. The building is being constructed from timber and in Scandinavian style, and will be certified to Sweden Green Building Council Gold, WELL and Zero CO₂.

Meanwhile, the newly established research team that will conduct multifaceted in-depth studies of oats will move into Wihlborgs' premises at Ideon in Lund.

“A more plant-based diet is crucial for creating a food system within the planet's limitations and we must go all in to make it easier for people to eat more plant-based foods. Oats still have considerable untapped potential and could become an important part of the solution.”

Living-room atmosphere at Eatery Lund

The fast-growing restaurant and conference chain Eatery has set its sights on becoming northern Europe's most popular provider of food and meeting venues. In September 2021, the doors to the first establishment outside the capital were opened at Ideon Science Park, at Wihlborgs' property, Cube. The location's potential weighed heavily on the establishment decision, as did a well-functioning collaboration between tenant and landlord.

Martin Forsmark is the Business Development Manager and co-owner of Eatery and has been working with the company since 2016. He has been involved in starting up most of the company's units.

“We have collaborated very closely with Wihlborgs. We had full sway when it came to how we wanted the premises to look and we built our own signature pieces. Wihlborgs then provided us with project management expertise and ensured that skilled craftsmen were always onsite. We have worked very tightly with them and turned this into a reality in a very short time.”

Reuse of fittings

The design of the room hints at Eatery's motto: your neighbourhood hero. The visitor is greeted by a welcoming environment, modern decor and a combination of open and somewhat secluded areas.



Martin Forsmark

Business Development Manager and co-owner, Eatery
Cube (Nya Vattentornet 4), Lund
1,500 m² restaurant

“Our way of thinking and our development closely matches the property manager,” Martin explains. You should be able to move freely within this environment throughout the day, from morning to evening, and during lunch hours. We want to be involved in creating an atmosphere and a living-room vibe in the building.

When renovating the premises prior to the opening of Eatery in Cube, sustainability and the possibility of reusing existing fittings was an important factor. It was also cost-efficient to do so.

“Among other things, we have been able to reuse old refrigeration cabinets. We picked the best parts from them and had skilled refrigeration technicians rebuild them. We implemented our designs in the kitchen, but below the surface, we used all of the old technology that was there.”



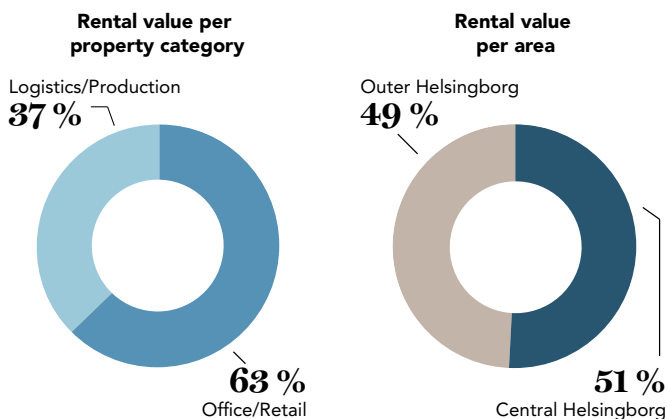
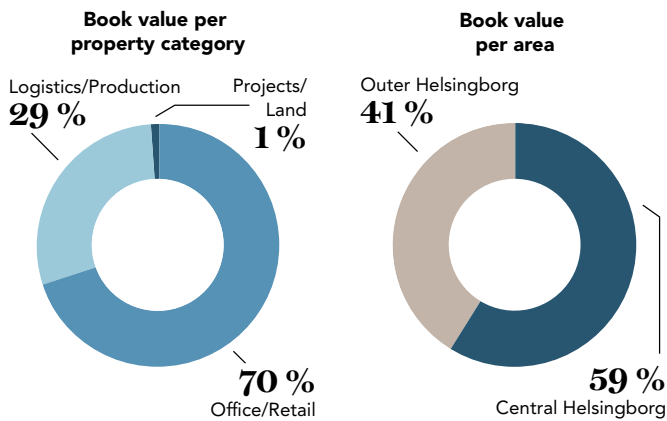
Wihlborgs in Helsingborg

Properties: 106

Property value: SEK 11,800 million

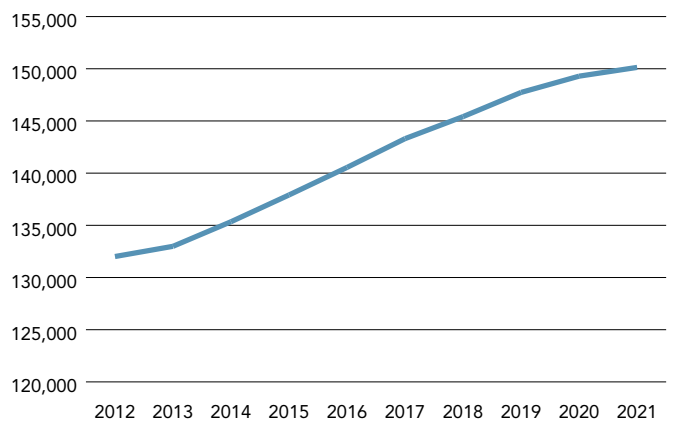
Rental value: SEK 900 million

Lettable area: 627,000 m²

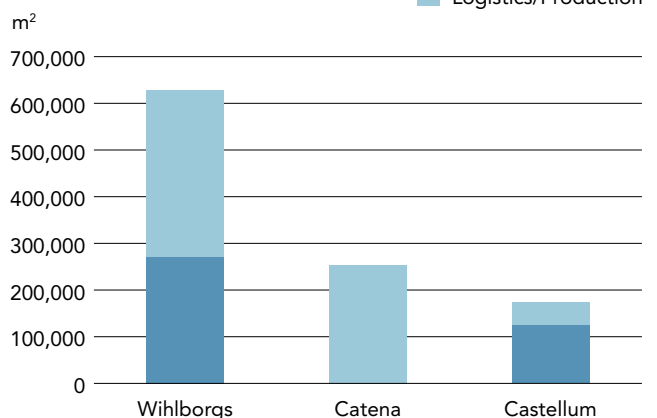


Population trend in Helsingborg

No. of inhabitants



Property owners in Helsingborg, 31 December 2021



Central Helsingborg

180,000 m²

Properties: 20
Rental value: SEK 446 million

Book value per
property category



Port city with good connections

From Helsingborg's harbour edge, the silhouette of Helsingør is visible a mere 3,750 metres away. For more than a thousand years, Öresund's narrowest passage has been a significant factor behind Helsingborg flourishing as a trading centre. The ferries across the strait depart every 20 minutes and the crossing takes only 20 minutes.

Helsingborg is the location of Sweden's second largest container port, which is crucial to Swedish business – nationally and regionally. The E4 and E6 E Roads intersect near the city, further strengthening the city's attraction for the many logistics operators and e-commerce companies enticed by its strategic location. Helsingborg is an important link in the transport chain that connects Norway and the rest of Sweden with the rest of Europe.

The region has an airport, Ängelholm Helsingborg Airport, which has been co-owned by Helsingborg and six other north-western municipalities in Skåne since 2020. To improve communications with the north, double tracks are currently being constructed for the railway between Helsingborg and Ängelholm, which will be completed in 2024.

Campus Helsingborg was established 20 years ago as part of Lund University. Some 4,000 students are educated here each year, which has breathed new life into Fabriken1891 (Hermes 10), that is the historic Tretorn block, south of Helsingborg Central Station. In partnership with Wihlborgs, the City of Helsingborg is now planning a new campus for vocational education.

Over the past five years, Helsingborg has received a series of awards, such as Sweden's most eco-friendly municipality, Sveriges kvalitetskommun (high-quality municipality), New construction municipality of the year, Growth Municipality of the Year and IT Municipality of the Year.

Market conditions

With 145,000 inhabitants, Helsingborg is Sweden's eighth largest municipality. The city is attractive and growing steadily, with an additional 40,000 inhabitants expected by 2035.

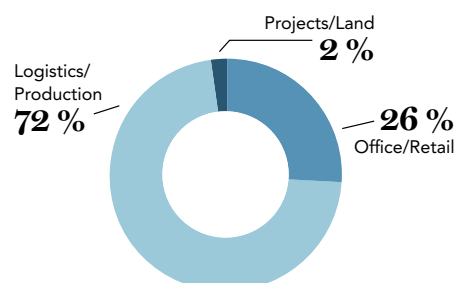
Growth is expected to mainly consist of younger and well-educated people, through migration in combination with the operations at Campus Helsingborg, and it is therefore likely that

Outer Helsingborg

447,000 m²

Properties: 86
Rental value: SEK 436 million

Book value per
property category



the level of education in the city will rise in the long term, and thereby the city's long-term competence supply. It is still a major challenge to capture the rapid transformation of the business community and changing competence requirements by means of in-demand courses of different levels from education providers.

Helsingborg's important role in the labour market region is particularly noticeable in strong commuting. Every day, 59,000 people travel via Helsingborg Central Station and 20,000 by ferry between Helsingborg and Helsingør.

Helsingborg endeavours to be one of Europe's most innovative cities. One initiative to strengthen the innovation and business climate is the city fair, H22. Wihlborgs is a partner of H22 and, together with some other participants, has developed a concept whereby young people receive the opportunity to develop their or someone else's idea into a business concept, with support and guidance provided by the tech hub Hetch (at Prisma) and other project participants. Hetch, of which Wihlborgs is one of the founders, is also supported by the City of Helsingborg. Read more about our commitments in the cities on pages 38–39.

Trade accounts for almost half of the business community's total turnover and the logistics and retail sectors in Helsingborg employs about 25 percent of the available workforce. Helsingborg benefits from the distribution of jobs across a larger number of medium and small companies, thereby spreading risk across several sectors and segments.

Unemployment in Helsingborg has increased somewhat, as in many of Skåne's other municipalities. In December 2021, 10.8 percent of the population was unemployed.

Customers and business

Wihlborgs has a mix in terms of properties and customers encompassing the service and the logistics and production sectors. Office properties dominate in the city centre, whereas Outer Helsingborg including Berga and the southern areas has a logistics and production focus, while also including some office properties. During the year, there was a clear post-pandemic recovery with great demand for all types of properties.

Our largest tenants include the City of Helsingborg, Lund University's Campus Helsingborg, IKEA, WSP, Capgemini, Nowaste logistics, Boozt and Yves Rocher. But there are also

companies like Tyréns, Sweco, Victoria Soap, MilDef, the co-working companies Genetor Mindpark, and several high schools.

Our tenants are showing great interest in sustainability issues. Of the twelve charging plants with a total of 155 charging points for electric vehicles that we built in Helsingborg, many have been booked directly. In Hermes, where we have strived to retain the older buildings while adding modern and purposeful premises, we have implemented an extensive recycling project in collaboration with Demontera. Read more about this project on page 63.

Central Helsingborg

Helsingborg Central Station (Terminalen 1) is now fully completed. Visitors and travellers are greeted by an attractive and welcoming station that offers more activities than just travelling. During the year, the Kitchen Floor opened – a restaurant floor comprising five different restaurants.

Wihlborgs' newly built office building and Helsingborg's new landmark, Prisma (Ursula 1), are now almost fully let. Occupancy will continue throughout 2022. In 2021, we signed agreements with Visma, Inyett and Medea. The commercial floor space on the ground floor is leased to the City of Helsingborg, which will use the space for increased citizen dialogues through, for example, exhibitions about H22.

Region Skåne's Barn- och ungdomspsykiatri (BUP) (Eng: Child and adolescent psychiatry) unit will move into premises with a total of 2,500 m² at Hermes 10 in late 2022. In 2021, a financial-sector operator moved into premises totalling 2,000 m². Hermes 10 is already the location of Campus Helsingborg, Ikea, the City of Helsingborg, CapGemini and WSP. This is also the location of Mindpark, a popular co-working operation. In 2021, Campus Helsingborg expanded its premises in Hermes by 550 m².

During the year, we signed an agreement with a logistics customer for 11,200 m² at Plåtförädlingen 11 in Hamn-City.

Outer Helsingborg

Outer Helsingborg consists of 86 properties distributed throughout Helsingborg with possibilities for warehouses, production, offices and shops. The largest sub-area is Berga, where Wihlborgs built its first property in the mid-1960s. Today, it is joined by an additional 35 Wihlborgs properties.

The hamburger chain Helsingburger opened its eighth restaurant in western Skåne at Hillebarden 1 on Berga. Its burgers are sold partly through a window in the facade and partly through service at tables. In a special section of the premises, hamburger bread will also be baked for all of Helsingburger's restaurants in Skåne.

Our existing tenant Elopak has moved to new 300 m² office premises at Floretten 4, which means that the property is now fully let. With its eight storeys next to the approach road, Floretten 4 has become a landmark on Berga.

At Kroksabeln 12 in the same area, the awning and curtain company Moogio has moved into a 750 m² retail space and warehouse.

Future development

Wihlborgs is active in the H+ urban regeneration project, Helsingborg's largest urban regeneration project in modern times. The old harbour and industrial areas, the university area, Oceanhamnen, Husarområdet and Gåsebäck will be transformed into modern, vibrant city districts with space for work, housing, retail and recreation. Prisma in Oceanhamnen is part of this development.

A fixed connection between Helsingborg and Helsingør is a possibility for Helsingborg's future development. Wihlborgs is involved in this issue, such as by jointly developing a proposal with the City of Helsingborg on how the city can facilitate a future connection, while creating an attractive city district.

During the year, the City of Helsingborg initiated a feasibility study for the establishment of a science park in partnership with the city, the business community and Lund University/Campus Helsingborg. An important aspect of the operations would be to contribute to the development of new and established companies. The recommendation of the feasibility study is to establish this Science park in Oceanhamnen based on two nodes – the Wihlborgs properties, Hermes and Prisma.

Planning has begun for the relocation of Helsingborg's container port to southern Helsingborg, with a construction start planned for 2026 or later. Wihlborgs has several properties in this area.



In December 2021, the cycle and pedestrian bridge that connects Oceanhamnen and our property Prisma with Helsingborg Central Station was inaugurated.

Meeting places and digitalisation in focus for Visma

For Visma Financial Solutions, increased digitalisation is at the top of the agenda – both internally and vis-à-vis customers. At the Prisma office building in Oceanhamnen, the growing software company will have more space, more meeting places for its employees and access to more expertise.



Magnus Månsson

Managing Director, Visma Financial Solutions
Prisma (Ursula 1), Helsingborg
840 m² of office space

“Nobody wants to collect debt, but everyone wants to be paid.”

This is how Magnus Månsson, CEO of Visma Financial Solutions, sums up the business concept. The company, which is part of the Visma Group, specialises in invoice services and requirements management.

In 2022, the company will launch several major investments in system support with the aim of further reducing customer administration. However, the investment in digital development does not only apply to the customer offering. Training efforts are concurrently underway to increase digital expertise among

its own staff – everything from customised courses to arranging online competitions for coffee breaks.

“Technology is such an important part of our delivery that all of us need to embrace, not just our tech department. We want to increase efficiency both for ourselves and for the customer.”

“Prisma is a real step up.”

Visma solutions has recently expanded, which is one of the reasons why the company is moving into new premises in Wihlborgs’ office building, Prisma, in Oceanhamnen. Another reason is to utilise a well-thought-out floor plan to gain more natural meeting places for employees, and thereby more exchanges. Access to HETCH and the creative environments in Prisma have also played a role. HETCH is a tech community that helps start-ups and established companies to grow.

“I think it is important for employees to be able to physically see their role in the value chain, and that we are operating within the right context. Thanks to HETCH, we have gained access to important expertise, seminars and other added value that can stimulate our own development.”

For Visma Financial Solutions, which is planning for continued expansion and therefore increased recruitment, it is important to have an attractive workplace.

“However good your current premises in Helsingborg – Prisma is a real step up.”

Increased climate benefits with recycling

With the help of the company Demontera, doors, kitchen fittings and other products from Wihlborgs’ property Hermes have been given new life elsewhere.

“The fittings at these premises were in good condition. So it was unreasonable to just tear them down and throw them away. All of the doors, glass partitions and ceiling tiles are reusable,” says Christian Westerberg, Project Manager at Wihlborgs.

Demontera Sverige AB is one of the remodelling companies that Wihlborgs has frame agreements with. After the first, smaller pilot project in Hästhagen in Helsingborg, Demontera has been involved in a larger remodelling of two floors of 2,500 m² in the Hermes block in Helsingborg. Region Skåne’s Barn- och ungdomspsykiatri (BUP) (Eng: Child and adolescent psychiatry) unit will move here in late 2022. Demontera was launched as recently as 2020, as a subsidiary of the service company Timeflex Nordic AB.

“We help companies reuse resources within a closed loop instead of manufacturing products from new raw materials,” says Klas Österberg, Project Manager at Demontera.

Inventory is initially taken of all the products at the premises. In a second step, what is to be recycled is dismantled and packaged, after which the products are put up for sale. Finally,

a report is made on the work performed, financial profits if any, and any key environmental performance measures that were met.

“It is good if the customer is ready to handle the extra steps and issues that are added in the process. We suggest starting with a smaller-scale project to work the procedures into place,” Klas Österberg explains.

“Some projects yield a financial profit, while others do not. But that’s not what’s important,” Christian Westerberg explains.

“It is clearly the climate benefit that is in focus. Everything else is just a bonus.”

Jointly with Demontera, Wihlborgs is now developing a warehousing solution for recycled products from its properties in Lund, Malmö and Helsingborg.



Klas Österberg, Project Manager at Demontera, and Christian Westerberg, Project Manager at Wihlborgs, inspect the ceiling tiles.



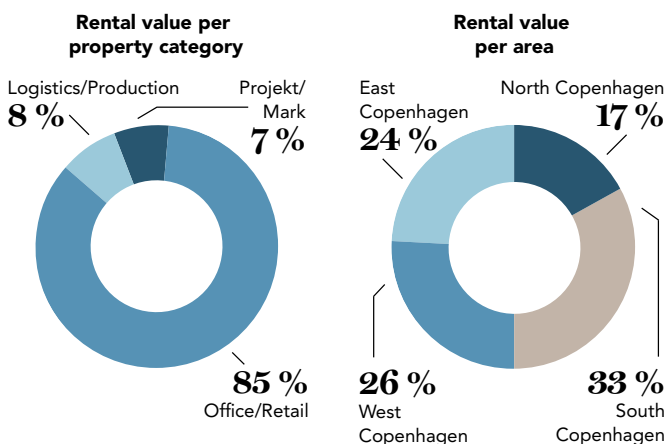
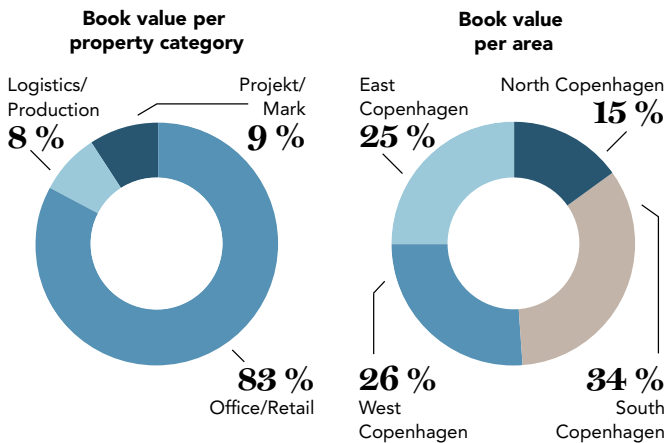
Wihlborgs in Copenhagen

Properties: 60

Property value: SEK 9,000 million

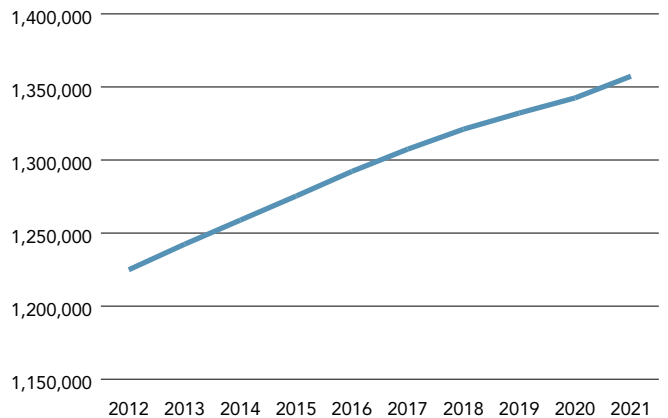
Rental value: SEK 800 million

Lettable area: 652,000 m²

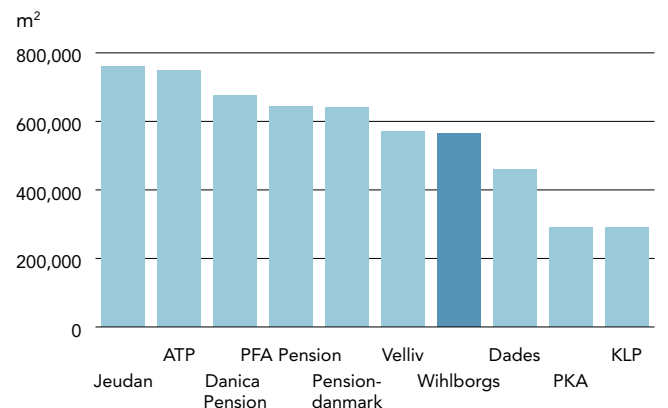


Population trend in the capital region*

No. of inhabitants



Property owners, offices, Copenhagen (capital region*), 31 December 2020

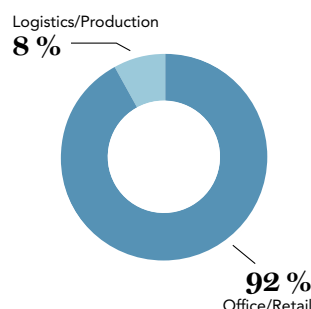


* The capital region includes Copenhagen, Frederiksberg, Dragør, Tårnby, Albertslund, Ballerup, Brøndby, Gentofte, Gladsaxe, Glostrup, Herlev, Hvidovre, Høje-Taastrup, Ishøj, Lyngby-Taarbæk, Rødovre and Vallensbæk.

North Copenhagen 97,000 m²

Properties: 11
Rental value: SEK 127 million

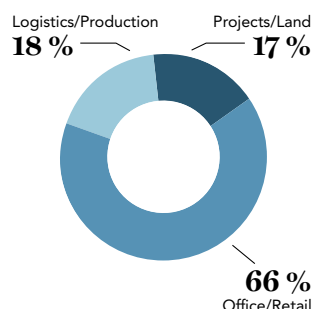
Book value per
property category



South Copenhagen 237,000 m²

Properties: 15
Rental value: SEK 251 million

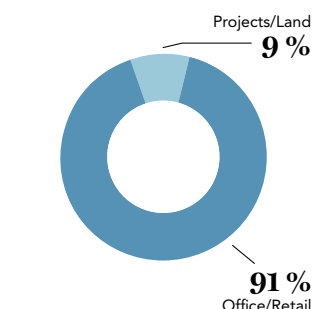
Book value per
property category



West Copenhagen 126,000 m²

Properties: 11
Rental value: SEK 199 million

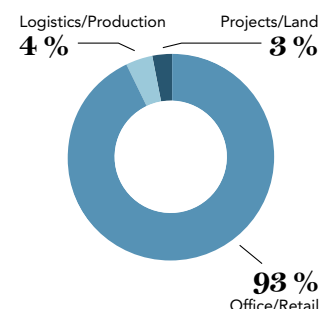
Book value per
property category



East Copenhagen 192,000 m²

Properties: 23
Rental value: SEK 178 million

Book value per
property category



The sustainable city of commerce

Copenhagen is at the hub of the dynamic Öresund region. A historic city with traditions dating back to the 1100s, but completely in synch with modern times as a sustainable and attractive place to live and do business. Copenhagen is a city with a high quality of life and a lot of Danish hygge (comfort), making life a little easier. In recent years, the World Bank has ranked Denmark as the country in Europe where it is easiest to do business, in its annual report, Doing Business.

Copenhagen is easy to get around. The city comes with a modern public transport comprising an efficient local network, including a Metro, buses and commuter trains. In the coming years, the city will expand public transport to the surrounding municipalities with the Greater Copenhagen Light Rail, which will open in 2025. But with all due respect to public transport, what Copenhageners love above all other means of transport are their bicycles, and Copenhagen is one of the world's most bike-friendly cities.

Sustainability is high on Copenhagen's agenda, which aims to become the world's first carbon-neutral capital by 2025, while maintaining growth. As part of reaching this goal, a number of projects are ongoing in energy production and consumption, green mobility and the city's administration.

Market conditions

Almost a quarter of Denmark's entire population of 6 million live in and around Copenhagen – and numbers are steadily rising. Similar to many other metropolitan areas, those moving to Copenhagen are young and well-educated, and those in search of further education do not lack for possibilities.

The University of Copenhagen was founded in 1487 and with its 38,000 students is regarded as one of the foremost in the Nordic region. The Technical University of Denmark is located in Lyngby, to the north of Copenhagen, and with its 13,000 students is Denmark's highest internationally ranked educational institution. The trend that many young people prefer to stay in the metropolitan region even after the end of their education is expected to contribute to a continued good supply of skills.

The skills supply makes Copenhagen attractive for knowledge-intensive industries, which means that many major companies in life sciences, IT and telecoms choose to locate their headquarters in the capital.

Copenhagen has good infrastructure in and around the city. The local airport is the largest in the Nordic region and, after the present expansion, will be dimensioned to receive 40 million passengers each year. Many of Copenhagen's companies are located in Copenhagen's outer areas, where Wihlborgs holds a major portion of the property stock. This is where the ongoing expansion of the Greater Copenhagen Light Rail will effectively increase accessibility for employees and customers.

Copenhagen shares the challenges facing many other metropolitan regions in the form of societal differences between the different districts. In socially vulnerable areas, unemployment is higher than in other city districts, which illustrates the need for investment. Total unemployment in the capital region was 4.1 percent in September 2020, slightly above the average for Denmark as a whole.

Commitment to development

Since 2020, we have been members of the Green Building Council Denmark (GBC), a member organisation that promotes sustainability in the construction and property sectors. Membership in the GBC means we can ensure that we challenge and develop our operations sustainably and contribute to increased sustainability focus in the property sector. Work is also underway and will continue in 2022 to obtain a green property portfolio certification under GNB.

Digitalisation and new technology play a central role in tomorrow's property sector and can help us become more sustainable and develop improved services for our tenants. By joining PropTech Denmark, we can contribute to the property sector's digital and green transformation.

We collaborate with several local job centres on internships, and we also have a number of employees who are employed in flex jobs. We are also engaged in relevant vocational training

through our partnership with the vocational school Next, and in 2021, we employed two apprentices.

Our societal commitment includes Mindsteps, which is a non-profit organisation that supports children and young people with special needs, and has a particular focus on children with brain injuries.

We engage in local associations through sponsorship and through partnerships with municipalities, job centres and local schools to create opportunities for work and education. Wihlborgs is a member of Team Ballerup, an association that aims to support the development of sports talent in Ballerup, where Wihlborgs is a major property owner. We are also part of Team Herlev, which applies a similar approach but also has a business network that profiles the business community in the local community of Herlev. During the spring, we received the Team Herlev's Business Award, which is bestowed each year by Herlev Municipality to local companies that help to make a difference.

Customers and business

Wihlborgs' Copenhagen property portfolio largely comprises office properties. The majority of which are located close to transport links in areas such as Herlev, Ballerup, Høje-Taastrup, Glostrup and Brøndby on the outskirts of Copenhagen. These are among the most expansive municipalities in Denmark and a large increase in workplaces is occurring here due to the areas' ease of access.

Some of our largest customers include the state-owned Danish Building and Property Agency, Hørsholm Municipality, ATP, HP, Pfizer, Mercedes and ABB. Tenants also include Express Bank, Source Logistics and GSV Materieludlejning A/S.

Our All-in-one service concept with lunch canteens,

conference facilities and receptions, all staffed by Wihlborgs' own personnel is part of Wihlborgs' unique offering in Denmark. The concept has five main themes: accessibility, experience, comfort, green solutions and district development. We work continuously with developing the concept and these efforts will continue through 2022. For the last two years, work has been greatly affected by the coronavirus pandemic, where our restaurants have had to adjust their operations several times to meet new restrictions, but in 2021, restaurants have finally been allowed to reopen little by little.

Tenant relations is one of Wihlborgs' strongest qualities and competitive advantages. We are constantly working to motivate and train our employees, so that they can meet the tenants every day with both a smile and a solution to their needs.

Wihlborgs purchased three properties in Denmark during the year. In March, we acquired Industriparken 21 in Ballerup, a modern 10,200 m² property with the highest energy certification and has a good location in terms of exposure and communication. The property also has a shared canteen and meeting premises.

During the autumn, we acquired the property Bregnerødvej 140–144 in Birkerød. The property will be Wihlborgs fourth in the same municipality and comprises 7,463 m² spread across four buildings.

We have also acquired the property Vasekær 10–12 in Herlev, Denmark, which comprises 7,660 m² spread across three buildings. When the seller, Terma A/S, vacates the property, Wihlborgs will begin redeveloping the property, turning it into a modern and flexible office building.

We have implemented several major leases during the year, including to Norconsult A/S, which moved into 2,300 m² at Hørkær 18 on 1 September, and Fysiq, which also moved into 1,130 m² at Digevej 114. Other new tenants are Profil Optik A/S (730 m²), Eltronic A/S (960 m²) and Handelsbanken (300 m²).

Future development

Wihlborgs is presently working with city and district development at a number of locations in Denmark. The development is focusing on renovating and revitalising older office buildings as well as adding new functions to create more life and security.

The city wants the new, growing neighbourhoods in Copenhagen to create vibrant environments where housing is mixed with offices, services and green environments. Boliglaboratorium is an initiative started by Realdania and the Danish Arts Foundation to investigate how to build to meet climate challenges and changing housing patterns. While other operators in the sector are focused on housing construction, Wihlborgs' focus is on the needs of the business community.

Within the framework of Boliglaboratorium, we have prepared the project Symbiosehusene, which is a proposal on how to create new housing adjacent to existing commercial properties while maintaining a focus on sustainability and community. New green investments, such as roof gardens and composting plants, support this symbiosis, which contains physical functions, circular systems for utilising resources and social functions.

Among 150 proposals submitted to Boliglaboratoriet, Symbiosehusene was one of seven projects to be selected for realisation. The next step in the process has now been taken and the first in-depth sketch proposals are ready. The idea behind Symbiosehusene is that the concept should be transferable to other property areas in the future.



Wihlborgs A/S runs its own restaurants, known as canteens.



Søren Kempf Holm has been Managing Director of Wihlborgs A/S since October 1 and has extensive experience in the property sector, including as the CEO of Topdanmark Ejendomme and TK Development. He succeeded Peter Ildal Nielsen, who chose to resign after 25 years of faithful service to the company.

“Where others dare not, we dare”

Wihlborgs A/S’s new Managing Director gives a boost to Copenhagen’s outlying areas, where the competition is less intense and Wihlborgs is given space to develop its unique profile in the Danish office market. “The success factor that makes this possible is internal competence,” Søren Kempf Holm explains.

“There is no other property company that has such a distinct focus on the office segment and which also keeps out of central Copenhagen.”

Søren Kempf Holm has a clear answer to how that combination can be a winning concept.

“Rent levels in central Copenhagen have not moved for a long time and yields are low. This gives rise to speculative purchases that we at Wihlborgs should not engage in. We will stick to the company’s long-term strategy and our strengths: our unique product and internal competence through which we refine and raise the value of our properties. “Where others dare not, we dare”

Another aspect that makes Wihlborgs A/S unique in the market is that the company runs its own restaurants, known as canteens.

“It is an advantage to be able to offer a restaurant and full service for the tenants, as such offerings are usually limited in the areas where we operate.” Most Danes tend to stay at work during their lunch break.

Open to new areas and collaborations

At the same time, Wihlborgs A/S is constantly looking at new areas to develop and opportunities to grow.

“We are strong to the south and west of Copenhagen, but would like to grow northward as well. It is still significant that these are areas with good connections and infrastructure. We are working concurrently to achieve a higher occupancy rate for

objects impacted by the pandemic. And we must be adept at meeting tenants’ increased expectations of flexibility and the possibility of transitions.”

Today, 13 percent of Wihlborgs A/S’s customers are public-sector operators – a segment that Søren Kempf Holm would like to see the expansion of. He is also interested in urban development and being involved in the creation of vibrant districts together with other operators.

“There is a lot of talk about mixed villages that comprise offices, housing, leisure facilities and schools in the vicinity of each other. I believe we would have a lot to offer in bringing about such a development.”

Wants to see a broadening of the term, sustainability

Another issue in the focus of Søren Kempf Holm is to make the company’s and the industry’s operations more sustainable. He refers to the common perception of what sustainability in the property sector is.

“The climate footprint from renovating an existing building is significantly lower than if you were to build a new one. There is no certification in Denmark corresponding to Miljöbyggnad In-Use in Sweden, which is a shame. There is a need to nuance or broaden the concept, so that our business concept – to work with what you have – is also included.”



HELSINGBORG C

Terminalen 1 in Helsingborg has become a popular meeting place following comprehensive redevelopment.

Projects and development

Projects that contribute to continued growth

Project development is an important aspect of Wihlborgs' business model and one of several ways for us to keep growing and creating new value. We work continuously to identify opportunities for new, profitable projects that contribute to our continuing growth. We do this from both a shorter-term perspective, often in direct collaboration with customers who need new premises, but also from a longer-term perspective to meet the future needs of the market. These efforts involve finding new land and acquiring new development rights, as well as producing detailed development plans that create long-term value.

In order to make even more progress, over the past few years we have expanded our project and development team to include new employees who primarily work on the early stages of development projects, detailed development plans, development rights and land allocations. In Sweden, our preference is to develop commercial properties, but we also have several development projects involving large volumes of housing development rights and other segments.

In Denmark, we have become involved over the past few years in developing blocks, which involves a combination of housing and commercial premises. Read more about our Danish operations on pages 64–67.

Despite the pandemic, all of our projects during the period were able to be implemented according to plan. The risk analyses and screenings we have conducted have not only developed our organisation, but ensured that it is flexible and adaptable.

Completed and ongoing projects

In 2021, SEK 1,219 million was invested in redevelopment, extensions and new builds. Approved investments in ongoing projects amounted to SEK 2,804 million on 31 December 2021, of which SEK 505 million had been invested at the turn of the year. During the year, nine projects requiring investments of over SEK 20 million were completed. The largest are Prisma (Ursula 1) and Helsingborg Central Station (Terminal 1). For more information, see pages 72.

There were 12 ongoing projects requiring investments of more than SEK 20 million at the end of 2021. In total, around 270 development projects of varying scope and character are

under way, managed by our project organisation consisting of around 15 individuals in Sweden, including project managers and specialists and property developers. A list of ongoing projects can be found on pages 73–74.

Commitment and long-term approach

Our overall market – concentrated in four cities and selected sub-areas in each city – provides us the opportunity and incentive to actively develop those cities and city districts. Our societal commitment is largely focused on nurturing and retaining talent in the region.

We produce new builds with a view to owning and managing them long term. In light of this, it is self-evident for us that we should strongly focus on sustainability and prioritise a high quality of architecture, building materials and technical installations. A consistently high level of quality creates the conditions for efficient property management and a healthy work environment for the people who will work in the buildings and areas we develop. We place great emphasis on designing the buildings in a way that ensures they are flexible and can be converted for future tenants without needing to demolish and rebuild.

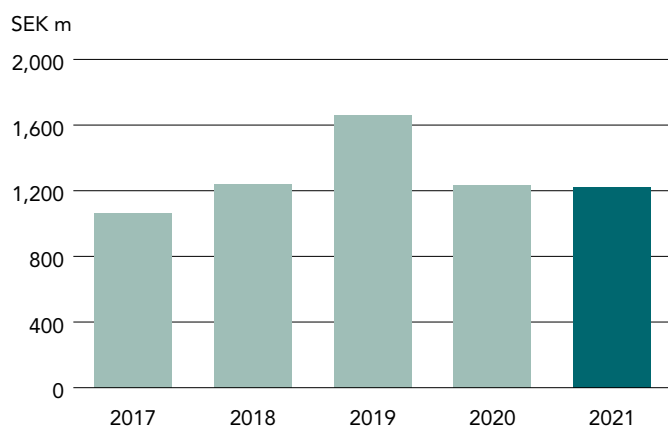
Our long-term perspective entails our endeavour to contribute to the development of districts, cities and the region. We are investing in what we deem will yield positive effects over time. One example is how we have upgraded Helsingborg Central Station – an initiative that will liven the entire local area and increase the well-being in the city.

Our high ambitions and our high confidence in the region's potential are also reflected in how we continue with new investments despite the ongoing pandemic. Kvartetten in Hyllie, Berga Flexhus in Helsingborg and the Raffinaderiet in Lund are examples of projects where we create conducive conditions for growth and employment in the region.

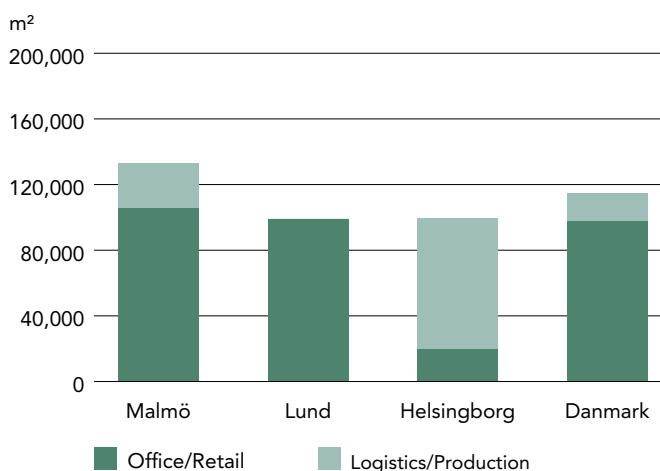
Proximity and implementation potential

Our concentrated market, and the fact that our head office is located in the region, creates good conditions for a close dialogue with municipalities on issues such as land allocation, central plans and detailed development plans. This means we are able to maintain a close relationship and gain a keen sense of what matters to the municipalities, as well as contribute our expertise and commitment

Investment volume



Development rights





The restaurant square, Kitchen Floor at Helsingborg Central Station, has quickly become a popular lunch location.

to the development of attractive urban environments. We are also engaged in cross-border collaborations with other operators to develop attractive proposals for the cities.

Our geographical proximity to the market also enables us to sense trends and changes in customers' wishes and demands at an early stage. Through our long-term and goal-oriented work, we have created a familiarity with what our customer groups see as most attractive. We have refined and developed our property portfolio over a long period to enable us to now have properties and development rights in the most ideal strategic locations. Our proximity to the market, combined with our strong financial position and competent organisation provides us with clear implementation potential. Proximity to suppliers allows for us to take an active role in developing the industry and the supplier chain in a more sustainable direction. Read more about our supplier relationships on page 35.

Land for future development

A crucial factor governing our ability to rapidly develop new projects and meet the needs of existing and future customers is our existing planning permission portfolio, which we can develop at different phases. Wihlborgs has an extensive, varied and mixed portfolio of development rights that are largely ready for development, but we are continuously investigating opportunities to acquire additional land from municipalities and private operators.

At the end of 2021, we had a total of 450,000 m² of development rights distributed across Malmö, Lund, Helsingborg and Copenhagen. (See diagram on the left). Future development opportunities in each city are described on pages 50–67.

Sustainability focus within projects

Sustainability is a central and obvious part of our project development. Our new-build projects are certified in line with Miljöbyggnad Gold and the new Miljöbyggnad 3.0 standard entails more stringent demands in terms of calculating and reducing our climate impact. To meet our customers' increased interest in health and the work environment, we are also working with the WELL certification

system. Kvartetten in Hyllie will be our first Zero CO₂-certified building. Read more about our work with Kvartetten on page 52.

Over the past few years, we have both raised our ambitions and developed the skills and processes needed to drive our project activities in the direction of climate-neutral construction. We contribute to this development both through our involvement in various forums to reduce the climate impact of the building process and by imposing stringent requirements on contractors. By raising internal competence, we can also educate and enthuse tenants to reduce their climate impact. For example, it could pertain to providing alternatives to demolishing and purchasing entirely new fittings.

During a project, we focus on the choice of materials to reduce our climate impact, reuse of materials, waste management and a wide range of other areas, all of which are described in our project-tailored environmental programme and our climate roadmap. However, the vast majority of activities concern adaptations and the expansion of existing portfolios. We have also intensified our focus on our existing portfolio and on reusing entire buildings. This is an approach to work that develops both Wihlborgs and customers.

Read more about how we help to reduce climate impact from the construction process and our certifications on pages 38–41.

Safety and work environment are central aspects of our sustainability efforts, and we place stringent requirements on the contractors with whom we collaborate. Together with the contractors, we communicate our desire to always see safety prioritised in any Wihlborgs project.

Jointly owned projects

Dockan Exploatering

Dockan Exploatering is a development company jointly owned by JM, Peab and Wihlborgs. The company bought the land in the Dockan area of Västra Hamnen in Malmö from Kockums at the turn of the millennium. Since then, the company has joined forces with the other owners to develop the district by way of offices, housing and services. Large parts of the area are now completed, but there are some parts that still need development, particularly in the northern parts. Dockan Exploatering currently owns 20,000 m² of development rights for housing and offices with detailed development plans and owns other land that is undergoing planning.

MAX IV

Wihlborgs and Peab jointly own Fastighets AB ML4, the company that built and owns the synchrotron-light facility MAX IV in Lund, which was opened in 2016. Lund University is the tenant and has a 25-year lease. The facility consists of around 20 buildings with a GFA of approximately 50,000 m². At year end, another research facility was completed at the property, the Comparative Medicine Unit (CMU) of about 4,000 m², which is being leased by Lund University under a 20-year lease starting 1 January 2022. Discussions are being held continuously with Lund University regarding further new builds and extensions.

Hälsostaden Ängelholm AB

Hälsostaden Ängelholm AB is a joint venture between Region Skåne, Peab and Wihlborgs. The company owns, develops and manages the properties at the Ängelholm Hospital site. A new care building for Psychiatry and Habilitation operations is being built along Landshövdingevägen and stage 1 is planned for completion in 2022. At the same time, the remaining operational premises at the southern part of the hospital will be decommissioned. The investment is estimated at SEK 200 million.

Completed projects over SEK 20 million



Ursula 1 (Prisma), Helsingborg

AREA: 13,000 m²
LOCATION: City centre, Helsingborg
COMPLETION: Q1, 2021
INVESTMENT: SEK 405 million

Wihlborgs has built the Prisma office building (Ursula 1) in the new city district of Oceanhamnen, right opposite Helsingborg's central station, which with its unique architecture is an iconic building in the area. The tenants include Assistansbolaget, the tech hub HETCH, law firm WSA, EY, Atkins and KPMG. In 2022, Visma and Inyett will move in. The building has been environmentally certified in line with Miljöbyggnad Gold.



Terminalen 1, Helsingborg

AREA: 8,800 m²
LOCATION: City centre, Helsingborg
COMPLETION: Q1, 2021
INVESTMENT: SEK 305 million

At Helsingborg Central Station, a transformation has taken place, where the building has gained a new facade, new entrances and a new restaurant area. At the same time, the terminal building was upgraded to create an attractive, modern and secure environment for passengers and visitors. Additionally, new modern office space has been added.



Kärnan Södra 9

AREA: 4,410 m²
LOCATION: City centre, Helsingborg
COMPLETION: Q4, 2021
INVESTMENT: SEK 28 million

During the year, Procvita's upper secondary school was redeveloped, with customisation of school kitchens and classrooms, as well as a wellness facility for Friskis och Svettis.



Kranen 2, Malmö

AREA: 3,700 m²
LOCATION: Dockan, Malmö
COMPLETION: Q4, 2021
INVESTMENT: SEK 141 million

Region Skåne has signed an agreement for the Reproductive Medicine Centre (RMC), which moved in during 2021, and a speech therapy clinic that will move in during 2022. The property is thus increasingly becoming a public property. In total, Region Skåne rents 3,700 m² and Malmö University 15,500 m² at Kranen 2.



Kranen 2, Malmö

AREA: 4,400 m²
LOCATION: Dockan, Malmö
COMPLETION: Q4, 2021
INVESTMENT: SEK 103 million

At Kranen 2, we have redeveloped the final remaining spaces for Malmö University and created an examination centre with space for 350 students. We have also produced further premises for the police training academy that has been located in the building since 2019.



Sparven 15, Malmö

AREA: 4,300 m²
LOCATION: City centre, Malmö
COMPLETION: Q3, 2021
INVESTMENT: SEK 45 million

Sparven 15 has undergone a renovation consisting of maintenance of the entire building and adaptation of premises for the new tenants Fortnox and law firm Wählin.



Sunnanå 12:54, Malmö

AREA: 3,600 m²
LOCATION: Stora Bernstorp, Malmö/Burlöv
COMPLETION: Q2, 2021
INVESTMENT: SEK 107 million

At Stora Bernstorp, Wihlborgs has built a new service centre for Veho Bil, a Mercedes-Benz dealer. The building is used for the sales and service of trucks and buses. The building has been certified to Miljöbyggnad Silver.



Sunnanå 12:54, Malmö

AREA: 2,300 m²
LOCATION: Stora Bernstorp, Malmö/Burlöv
COMPLETION: Q1, 2021
INVESTMENT: SEK 61 million

Next to Veho Bil's facility at Sunnanå 12:54, Wihlborgs has built a logistics centre with accompanying parking spaces and logistical spaces for Region Skåne's Skånetransport operations. The building has been certified to Miljöbyggnad Silver.



Dubbelknappen 23, Malmö

AREA: 1,200 m²
LOCATION: Fosie, Malmö
COMPLETION: Q2, 2021
INVESTMENT: SEK 23 million

Since 2007, wholesaler and retail company Bevego has been leasing a 4,000 m² store and warehouse premises at the Dubbelknappen 23 property in Fosie. On the same property, we have built a production facility of 1,200 m².

Ongoing projects over SEK 20 million



Pulpeten 5 (Kvartetten), Malmö

AREA: 16,000 m²
LOCATION: Hyllie, Malmö
COMPLETION: Q2, 2023
INVESTMENT: SEK 696 million

Kvartetten is our third office project in Hyllie and is located a stone's throw from Hyllie station. The building will be certified to Miljöbyggnad Gold, Zero CO₂ and the WELL health certification. We are placing great focus on reducing the environmental impact of the construction phase. Trygg-Hansa, SPILL restaurant and Mindpark will be the tenants here.



Bläckhornet 1 (Vista), Malmö

AREA: Approx. 16,600 m² + 12,000 m² parking
LOCATION: Hyllie, Malmö
COMPLETION: Q1, 2025
INVESTMENT: SEK 884 million

Vista will be the first building people see as they cross the bridge from Denmark. It will offer parking on the lower floors and office premises with a fantastic view of the bridge, the strait and the continent on the upper floors. Kvartetten aims for a triple certification in line with Miljöbyggnad Gold, health certification in line with WELL and Zero CO₂.



Hindbygården 7, Malmö

AREA: 1,800 m²
LOCATION: Fosie, Malmö
COMPLETION: Q3, 2022
INVESTMENT: SEK 59 million

At Hindbygården 7, Wihlborgs is building new premises for Beckhoff Automation's Swedish head office alongside Inre ringvägen in Malmö. Beckhoff will lease the entire property in which it will locate functions such as sales, orders, support, administration and inventory. The building has been certified to Miljöbyggnad Gold.



Raffinaderiet 3, Lund

AREA: 5,800 m²
LOCATION: City centre, Lund
COMPLETION: Q4, 2022
INVESTMENT: SEK 114 million

At Raffinaderiet 3, adjacent to Lund Central Station, we are planning for the redevelopment and new construction of 5,800 m², where we are creating modern workplaces with an industrial look that respects the property's history. The project involves a total redevelopment of the existing buildings, which total 4,900 m², and a new building of 900 m².



Kunskapen 1 (Space), Lund

AREA: 6,000 m²
LOCATION: Science Village, Lund
COMPLETION: Q3, 2023
INVESTMENT: SEK 244 million

A new city district, Science Village, is growing between the research facilities MAX IV and ESS in Brunnshög in northeast Lund. Right next to the tram stop, Wihlborgs is building an iconic building, where the oat-drink manufacturer Oatly will be the first tenant. Space is being constructed from timber and in Scandinavian style, and will be certified to Sweden Green Building Council Gold, WELL and Zero CO₂.



Nya Vattentornet 4, Lund

AREA: 4,200 m²
LOCATION: Ideon, Lund
COMPLETION: Q2, 2022
INVESTMENT: SEK 35 million

At Nya Vattentornet 4 (Cube), tenant improvements are ongoing for the Swedish Social Insurance Agency on floors 5 and 6.



Posthornet 1 stage 2, Lund

AREA: 9,900 m²
LOCATION: City centre, Lund
COMPLETION: Q4, 2024
INVESTMENT: SEK 448 million

In the Posthornet block, we are now planning for phase 2 with another addition of modern office premises with space for more job satisfaction near Lund Central Station.



Snårskogen 5, Helsingborg

AREA: 2,200 m²
LOCATION: Väla norra, Helsingborg
COMPLETION: Q1, 2023
INVESTMENT: SEK 60 million

With proximity to the E4 and E6, Doka Sweden, which rents out formwork systems, will have a new facility comprising warehouses and offices.



Huggjärnet 13, (Berga Flexhus)

AREA: 8,000 m²
LOCATION: Berga, Helsingborg
COMPLETION: Q2, 2023
INVESTMENT: SEK 108 million

In west Berga, we are creating two modern office and warehouse buildings with a considerable focus on flexibility. Here, tenants can combine offices of between 230–510 m² with warehouses/light industry of between 600–1,400 m², with a ceiling height of 10.5 metres.

Continuation of ongoing projects over SEK 20 million



Hermes 10, Helsingborg

AREA: 2,500 m²

LOCATION: City centre, Helsingborg

COMPLETION: Q4, 2022

INVESTMENT: SEK 32 million

At Hermes 10, Fabriken1891, we are rebuilding and creating modern and appropriate premises for Region Skåne's child and adolescent psychiatry clinic.



Girostrøget 1, Copenhagen

AREA: 4,300 m²

LOCATION: Høje-Taastrup, Denmark

COMPLETION: Q4, 2021

INVESTMENT: SEK 24 million

At the Høje-Taastrup C development area, Wihlborgs is building a new multistorey car park with six storeys and 875 parking spaces both for residents and for companies in the area, of which Wihlborgs's share is 175 spaces.



Hørkær 16-28

AREA: 1,500 m²

LOCATION: Herlev, Denmark

COMPLETION: Q1, 2023

INVESTMENT: SEK 22 million

In southern Herlev, where there is a great need for additional preschool positions, Wihlborgs is building a state-of-the-art preschool that will be rented by Herlev Municipality.

Future projects over SEK 20 million



Syret 8 (Zenit), Lund

AREA: Approx. 5,000 m² GFA

LOCATION: Ideon, Lund

CONSTRUCTION START:

Not decided, possible construction start in 2022

Right next to the new Ideontorget tram stop, Wihlborgs is planning new innovative environments, workplaces, shops, restaurants and other services at the Zenit office building. Zenit will be Ideon Science Park's new iconic building and a natural hub for Ideon as a whole, with space for a couple of thousand workspaces. Kvarteret aims for a triple certification in line with Miljöbyggnad Gold, health certification in line with WELL and Zero CO₂.



Smörkajen, Malmö

AREA: Approx. 10,000 m² GFA

LOCATION: Nyhamnen, Malmö

CONSTRUCTION START:

Not decided.

North of Malmö Central Station, Nyhamnen is being developed into a green and mixed city district, with existing buildings being complemented by new housing, schools and workplaces. Wihlborgs is a major property owner in the area and has several future development rights. The first project is situated next to the area known as Smörkajen.



Vetskapen 1, Lund

AREA: Approx. 4,700 m² GFA

LOCATION: Science

Village, Lund

CONSTRUCTION START:

Not decided

Spectra will be built next to Space in Science Village. Another exciting property with a focus on sustainability and employee well-being, which will comprise both offices and labs.



Naboland 3, Malmö

AREA: 7,700 m²

LOCATION: Dockan, Malmö

CONSTRUCTION START:

Not decided, possible construction start in 2022

We are planning for a new office building on six floors, with an entrance from Östra Varvsgatan at Dockan, with a 500 square metre shared rooftop terrace. The building will comprise large and small offices, as well as shared areas and commercial premises on the ground floor.

Future projects over SEK 20 million, cont.



Polisen 7 (View), Helsingborg

AREA: 9,500 m² GFA

LOCATION: City centre, Helsingborg

CONSTRUCTION START: Not decided

Wihlborgs completed a redevelopment and extension of Helsingborg District Court at Polisen 5 in 2019, just south of Helsingborg Central Station. There is potential to create new office space in a high-rise building at the neighbouring property, with its excellent location for transport links in central Helsingborg.



Rausgård, 21 Helsingborg

AREA: 25,000 m² GFA

LOCATION: Ramlösa, Helsingborg

CONSTRUCTION START: Not decided, possible construction start in 2022

We have the opportunity to rebuild the existing premises at this location and supplement it with extensions and new construction.



Grustaget 1, Helsingborg

AREA: 20,000 m² GFA

LOCATION: Väla Södra, Helsingborg

CONSTRUCTION START: Not decided

Office and industrial property in Väla Södra business district. The location has a connection to the motorway and proximity to Väla centre, which features shops, services and restaurants.



Plåtförädlingen 15, Helsingborg

AREA: 8,000 m² GFA

LOCATION: Hamncity, Helsingborg

CONSTRUCTION START: Possible construction start in 2022

We have the opportunity for new construction here of a logistics facility with an open floor plan and ceiling height of 12 metres. The building has eight cargo holds, which provides good conditions for a strategic flow for loading and unloading.



Bilrutan 5, Landskrona

AREA: 14,000 m² GFA

LOCATION: Kamgatan, Landskrona

CONSTRUCTION START: Not decided

At the perfect logistics location in Landskrona, there is the opportunity of establishing a modern logistics building of up to 14,000 m².



Symbiosehusene, Copenhagen

AREA: Approx. 24,000 m² GFA

LOCATION: Hørkær, Herlev

CONSTRUCTION START: Not decided

Symbiosehusene is a proposal for how to create new housing adjacent to existing commercial properties while maintaining a focus on sustainability and community. Companies and residents live in harmony and share common resources.



Ejby industriväg, Copenhagen

AREA: Not decided

LOCATION: Glostrup, Copenhagen

CONSTRUCTION START: Not decided

After Danske Bank left, we are now working on the property as a promising urban development project. The communication situation will further improve when the Greater Copenhagen Light Rail opens a new station next door.

Financial information

Administration Report

The Board of Directors and CEO of Wihlborgs Fastigheter AB (publ), corporate registration number 556367-0230, hereby present their 2021 Annual Report for the Group and Parent Company.

Review of 2021

Operations

Wihlborgs is a property company with operations focused in the Öresund region. The company's property portfolio comprises 299 (294) commercial properties, located primarily in Malmö, Helsingborg, Lund and Copenhagen with a carrying amount on the balance-sheet date of SEK 50,033 million (46,072). As of 1 January 2022, the total rental value excluding projects and land was SEK 3,383 million (3,240) and the corresponding contractual rental income on an annualised basis was SEK 3,115 million (2,933). This gave an economic occupancy rate, excluding projects and land, of 92 percent (91).

Organisation

Wihlborgs' operational organisation comprises property management as well as projects and development. Property management is adapted to local market conditions and organised in four geographic regions: Malmö, Lund, Helsingborg and Copenhagen, which in turn are divided into eleven geographical sub-areas for efficient, customer-centric management. All management is performed by our own personnel and each region has a base office for the employees. The head office is located in Malmö. With close links to property management, the projects and developments department has project managers responsible for new-build and redevelopment projects, procurement and follow-up. The head office accommodates central functions such as accounting/finance, IT, communication/marketing and sustainable business. These functions drive Group-wide development initiatives and supply functional expertise to support the administration and the project department. Wihlborgs' culture is based on the four values of knowledge, honesty, community and action. Wihlborgs collaborates with Great Place to Work in terms of employee commitment and has been certified as an excellent workplace since the start of the partnership in 2016.

The 2021 survey showed that 92 percent of our employees would recommend Wihlborgs as a workplace. The year-end number of full-time employees was 250, compared with 236 last year. The percentage of women, 42 percent, was the same as last year and the average age was 44 (43). See pages 42–43 for further information on our workplace culture at Wihlborgs.

Results

In 2021, Group rental income amounted to SEK 3,060 million (3,074). The decline was largely due to the sale of 21 properties in December 2020, which had a negative effect on income of SEK 98 million, and a negative currency effect of SEK 19 million. At the end of the third quarter, Danske Bank vacated the property at Ejby Industrivej 41 in Copenhagen prematurely and in conjunction therewith paid one-time compensation of SEK 69 million. Furthermore, compared with last year, the five properties acquired during the year contributed SEK 15 million and sales in staff restaurants in Denmark increased SEK 5 million due to fewer restrictions in 2021. The effects from the ongoing Covid pandemic have continued to entail serious consequences both for people and for companies. Wihlborgs' exposure to the segments most affected, such as hotels, restaurants and retail, is relatively small and net Covid-related discounts provided in 2021 amounted to SEK 2 million (19) after state support received of SEK 3 million (4). The remaining increase in income of 2.1 percent was attributable to completed projects, renegotiations, new lettings and the indexation of contracts. Despite the pandemic, net lettings remained positive in 2021 and totalled SEK 115 million (31). Property costs totalled SEK 865 million, compared with SEK 852 million last year. The increase was mainly attributable to the portfolio in Denmark and was largely due to the reopening of staff restaurants and the acquisition of four new properties. In addition, a cold start and a cold finish to the year led to increased snow clearance costs of SEK 10 million compared with last year. Rent losses amounted to SEK 0 million (5). The operating surplus totalled SEK 2,195 million (2,222). The surplus ratio remained unchanged at 72 percent.

Interest income totalled SEK 13 million (14). Interest expenses, including realised effects of interest-rate derivatives and ground rents, amounted to SEK 316 million (332). Interest expenses relating to interest-rate derivatives amounted to SEK 59 million (39). The average interest rate was 1.32 percent

(1.38) at year end, including the cost of interest-rate derivatives and credit agreements. Profit participations in joint ventures amounted to SEK 6 million (3).

The rise in the value of the property portfolio during the year amounted to SEK 2,153 million (826), of which SEK 379 million was attributable to project development. The value increases were impacted equally by lowered investment yield requirements and increased expectations for net operating income and project development. Changes in value of derivatives amounted to SEK 202 million (negative: 73), of which SEK 214 million (negative: 102) was attributable to interest-rate derivatives and a negative SEK 12 million (29) to other financial items. The measurement of interest-rate derivatives is based on forecast interest rates until expiry, and utilises data from external parties (banks) related to interest-rate curves, etc.

Cash flow and financial position

Cash flows from operating activities generated a surplus of SEK 1,690 million, compared with SEK 1,831 million in the preceding year, mainly through a lower operating surplus and negative change in working capital. Investments in existing properties remained at the 2020 level, whereas acquisitions were slightly lower. Last year, cash flow from investment activities was positively impacted by the sale of a total of 22 properties and amounted to a total expense of SEK 86 million compared with an expense of SEK 1,680 million for 2021. Borrowings increased with a net impact of SEK 914 million (negative: 1,120). A dividend of SEK 807 million (692) was distributed to shareholders in 2021. Total cash flow for the Group during the year was SEK 110 million (outflow: 75).

At year end, the company had a strong financial position. The Group's equity increased SEK 2,552 million to SEK 21,948 million, giving an equity/assets ratio of 42.9 percent (41.3) at year end. Interest-bearing liabilities at year end totalled SEK 23,278 million (22,208), resulting in a loan-to-value ratio of 46.5 percent (48.2). All of the Group's financial targets (return on equity, equity/assets ratio, interest coverage ratio and loan-to-value ratio) were met at the end of 2021.

Acquisition and sale of properties and subsidiaries

A total of five (3) properties were acquired during the year for SEK 429 million (327), of which three properties in Copenhagen, one in Helsingborg and one project property in Malmö. Land has been divested in Lund for SEK 3 million (1,540). For more information on changes to the property portfolio during the year, refer to Acquisitions and Sales on page 49.

Investments in existing properties and ongoing projects

Investing in the property portfolio is an important part of operations and through 2021 investments continued as planned despite the ongoing pandemic. During the year, SEK 1,219 million (1,231) was invested in existing properties. At year end, approved investments in ongoing projects amounted to SEK 2,804 million (2,227), of which SEK 505 million (916) had been invested at the turn of the year. A new office building was completed during the year, Prisma (Ursula 1), at Oceanhamnen

in Helsingborg, where the extensive redevelopment of Helsingborg C (Terminalen 1) has been concluded at the end of the year. A logistics centre and a service centre for trucks/busses were completed at the Sunnanå 12:54 property in Malmö during the year as was a production facility at Dubbelknappen 23. Moreover, major tenant improvements were implemented at Kranen 2 and Sparven 15 in Malmö. At year end, eight projects valued at more than SEK 50 million were ongoing, of which seven pertained to new construction and extensions, and one pertained to the extensive redevelopment of Raffinaderiet 3 in Lund. Refer to pages 69–75 for more detailed descriptions of the above projects and of future projects.

Parent Company

The Parent Company does not have any property holdings itself and, instead, manages issues related to the stock market and Group-wide management, administration and financial services. Sales amounted to SEK 223 million (215), primarily from the sale of services to other companies within the Group. Profit for the year amounted to SEK 977 million (1,327), where interest expense had risen slightly but where the greatest change was due to a reduction in Group contributions received of SEK 334 million. During the year, the Parent Company invested SEK 38 million (83), in shares in subsidiaries, including shareholders' contributions.

The Wihlborgs share

Since 1 January 2016, the Wihlborgs share has been listed in the Real Estate sector of the Large Cap segment of Nasdaq Stockholm. The share capital totalled SEK 192 million and was allocated over 153,713,456 shares. Each share has a quotient value of SEK 1.25. All shares carry equal voting rights, one vote per share. During the year, the Board did not exercise its mandate to buy back and transfer a maximum of 10 percent of the registered shares, or its mandate to approve a new issue of shares amounting to not more than 10 percent of the shares registered.

A total of 60.9 million (94.2) Wihlborgs shares were traded on the Nasdaq Stockholm at a total value of SEK 11.6 billion (15.0), corresponding to a daily turnover of 241,000 shares (374,000). This represents a turnover rate of 40 percent (61) of the number of shares outstanding. See page 21 for a summary of the largest shareholders as of 31 December 2021.

On 31 December 2021, the market capitalisation was SEK 31.6 billion, compared with SEK 28.5 billion last year. Long-term net asset value (EPRA NRV) per share was SEK 172.65 (152.44) at year end. The share price at the same date was SEK 205.40 (185.40).

The Board of Directors proposes that the Annual General Meeting (AGM) renew the Board's mandate firstly to repurchase a maximum of 10 percent of the shares registered in the company, which could mean the acquisition of a maximum of 15,371,345 shares, and secondly to authorise a new share issue corresponding to not more than 10 percent of the shares registered.

Ownership

With 11.0 percent (10.5) both of the shares outstanding and of the voting rights on 31 December 2021, the largest shareholder in Wihlborgs is Erik Paulsson and family, privately and through companies. The proportion of shareholders registered abroad was 36 percent (37). At year end, the ten largest Swedish

shareholders in Wihlborgs held 38 percent (36) of the shares registered. At year end, the number of shareholders was around 28,000, unchanged year-on-year.

Profit-Sharing Fund

As of 31 December 2021, employee holdings of shares via Wihlborgs' Profit-Sharing Fund totalled 563,040 shares (561,140).

Sustainability reporting

For a number of years now, Wihlborgs reports its sustainability work in accordance with the GRI Standards: Core option. Wihlborgs' Sustainability Report for 2021 is integrated in the Annual Report and sustainability information presented on pages 31–43 and 132–151. The location of the sustainability information is shown on page 133 in accordance with the Annual Accounts Act.

Corporate Governance Report

A separate Corporate Governance Report is presented on pages 116–123.

Board of Directors

Under Wihlborgs' Articles of Association, the company's Board is to comprise not less than four and no more than eight members. At the 2021 AGM, Sara Karlsson and Per-Ingemar Persson stepped down. Amela Hodzic and Lennart Mauritzson were elected as new members of the Board, while the five other members, including the Chairman Anders Jarl, were re-elected. No Board members are entitled to compensation at the end of their term of office. Directors' fees for 2021 are detailed in Note 6.

Guidelines and remuneration of senior executives

Senior executives are defined as the Chief Executive Officer and other members of Group Management, see page 122 for a presentation of these. The entire Board, excluding the CEO, prepares issues pertaining to the principles governing remuneration and terms and conditions of employment for the Group Management, and decides the remuneration and terms and conditions of employment for the CEO.

The 2021 Annual General Meeting resolved to adopt the following guidelines for remuneration and other terms and conditions of employment for the Group Management: remuneration and terms of employment should be market-based and competitive. All members of Group Management receive fixed remuneration. Any remuneration over and above the fixed salary is capped at half of the fixed remuneration, and is to be settled in cash. Where appropriate, remuneration in addition to the fixed salary is based on outcomes relative to set targets and must accord with the interests of the shareholders. At present, Wihlborgs has no remuneration commitments to Group Management other than fixed salary. At Wihlborgs, there is a profit-sharing fund that encompasses all employees. Allocations to the fund are based on the return on equity and are limited to a maximum of an annual amount for each employee. See Note 6 for amounts pertaining to remuneration in 2021.

The retirement age is 65 for all members of Group Management. The cost of the CEO's pension comprises a premium amounting

to 35 percent of the pensionable salary per year during the CEO's period of service. Other members of Group Management are covered by an ITP plan or equivalent. The notice period on termination of employment is six months for the CEO. Severance pay for the Chief Executive Officer amounts to 18 months' salary and for other members of Group Management is maximised at 12 months' salary. Severance pay is deducted from other sources of income. The principles governing remuneration and terms and conditions of employment are unchanged compared with 2020.

The Board conducts an annual follow-up to ensure compliance with the guidelines for remuneration of Group Management adopted by the AGM.

The Board's proposal to the AGM regarding applicable guidelines for 2022 is the same as for 2021.

Outlook for 2022

Wihlborgs' business model is based on growth via project development and property management. We anticipate that the project portfolio will remain large with a number of new builds and major redevelopments. Our balance sheet is strong and the objective is to acquire more properties in our existing sub-areas. As in previous years, net lettings will also remain in focus in 2022.

Proposed appropriation of profit, etc.

The following unappropriated profit in the Parent Company is at the disposal of the AGM:

Retained earnings	5,576,576,785
Profit for the year	976,510,181
Total, SEK	6,553,086,966

The Board proposes that the profit be appropriated as follows:

Dividend to shareholders, SEK 6.00 per share	922,280,736
To be carried forward	5,630,806,230
Total, SEK	6,553,086,966

Wihlborgs has 153,713,456 registered shares. If the number of shares outstanding changes prior to the record date, the dividend sum of SEK 922,280,736 will be adjusted.

Statement of the Board of Directors on the proposed dividend

Reasoned statement

The Group's equity has been calculated in accordance with the IFRS standards and interpretations of those standards (IFRIC), as adopted by the EU, and in accordance with Swedish law through the application of the Swedish Financial Reporting Board's Recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups. The Parent Company's equity has been calculated in accordance with Swedish law, via application of the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities.

The proposed distribution of unappropriated profit is based on 50 percent of the Group's income from day-to-day property management and 50 percent of the proceeds realised from property sales, less a deduction for tax at a standard rate of 20.6 percent, which is in line with Wihlborgs' dividend policy.

The Board is of the view that full provision will be available for the company's restricted equity following the proposed share dividend.

The Board also considers that the proposed dividend to shareholders is justifiable in terms of the parameters stipulated in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act; nature, scope and risks of the business, as well as consolidation requirement, liquidity and general position.

Nature, scope and risks of the business

The Board's opinion is that, even after the proposed dividend, the equity of the company and the Group is sufficient for capitalising on future business opportunities and for being able to fulfil its undertakings. In this context, the Board has considered factors such as the company's and the Group's equity/assets ratio, investment plans and economic conditions.

Consolidation requirement, liquidity and general position

The Board has conducted a comprehensive assessment of the company's and the Group's financial positions and its potential to fulfil its undertakings. The proposed dividend represents less than 4.2 percent of the Group's and 13.7 percent of the Parent Company's equity. The proposed dividend also fulfils the stated target for the Group's capital structure, of an equity/assets ratio of at least 30 percent and an interest coverage ratio of at least 2.0. The company's and the Group's capital structures remain solid, taking into account the conditions prevailing in the property sector. Against this background, the Board is of the opinion that the company and the Group have excellent potential to capitalise on future business opportunities and also to withstand any losses that may arise. Planned investments have been taken into account when determining the proposed dividend. Derivatives and other financial instruments have been measured at fair value pursuant to Chapter 4, Section 14a of the Annual Accounts Act. This valuation had an impact of SEK 202 million on equity (negative: 73).

The proposed dividend will not affect the company's and the Group's ability to promptly fulfil their payment obligations. The company and the Group have good access to liquidity reserves in the form of short- and long-term loans. The loans can be accessed at short notice, whereby the company and the Group have the preparedness necessary to withstand both variations in liquidity and any unforeseen events.

The Board has considered all known circumstances that could be of significance to the company's and the Group's financial positions and that have not been taken into account within the above framework. While so doing, no circumstance has arisen that would make the proposed dividend not appear defensible.

Taxes

In the operations conducted by Wihlborgs, several areas are subject to taxation. As well as income tax that is charged to the companies in the Group, taxes include property taxes, value added tax, stamp duties and energy taxes. Political decisions such as changes in company taxation and tax legislation, and interpretations of that legislation, may either favourably or adversely impact Wihlborgs' tax situation.

Income tax

The nominal rate of corporation tax in 2021 was 20.6 percent (21.4) in Sweden and 22 percent (22) in Denmark.

Current tax

In 2021, Wihlborgs' current tax totalled SEK 57 million (46). The taxable base does not include changes in the value of properties and unrealised changes in derivative values. Nor is income from the sale of companies included either, as this item is not normally taxable/deductible. In addition, taxation may be deferred via fiscal depreciation as well as direct deductions. Loss carryforwards can also be used.

On 1 January 2019, new corporate sector tax rules entered force, which inter alia, includes limits to tax relief for interest expenses in accordance with the EU's directive. The rules entail that the deductibility of interest is capped at 30 percent of taxable EBITDA. The new rules entail an increase in the tax base but do not entail an increase in paid tax for the next few years.

Note 11 on page 105 details how taxable income is calculated.

Deferred tax

The deferred tax is calculated using the net of temporary differences between the recognised and tax values for assets and liabilities and on loss carryforwards. The income statement reports the tax on any change in the deferred tax liability over the year. Through the sale of properties in a corporate wrapper, recognised deferred tax on divested properties becomes revenue.

As part of measures to stimulate the economy due to the ongoing pandemic, in autumn 2021, the Swedish parliament introduced a temporary tax reduction of 3.9 percent for investments in equipment made in 2021. The tax reduction is deductible from national income tax and national property tax in 2022. If the tax reduction has not been fully utilised, the remaining portion can be used in 2023. Based on investments in fixtures and fittings in 2021, Wihlborgs has reported deferred tax assets of SEK 20 million for 2021, the majority of which are expected to reduce property tax in the taxation for the 2022 income year.

Tax deductible depreciation

Investments in properties in Sweden are divided among the categories of buildings, land improvements, fixtures and fittings, and land. Wihlborgs applies depreciation at the following rates for tax purposes:

Buildings	2–5% (Offices 2%, Logistics/Prod. 4%)
Land improvements	5%
Fixtures and fittings	25%
Land	0%

The depreciation of buildings and land improvements is based on the accumulated cost and depreciation of fixtures and fittings based on the taxable residual value at the start of the year, adjusted to reflect investments and disposals during the year. In the case of new builds, fixtures and fittings often represent a major part of the investment. From 2019, it will also be possible to make primary deductions entailing that 12 percent of the building cost of new rental accommodation production can be deducted in the first six years following completion. For investments made in 2017 and 2018, primary deductions may be made for the portion of the six-year period following completion that remained as of 1 January 2019.

In Denmark, the following depreciation categories are used:

Buildings	0–4% (Offices 0%, Logistics/Prod. 4%)
Installations	4%
Fixtures and fittings	25%
Land	0%

In Denmark, it is also possible to apply extra initial depreciation for buildings and installations during the year of investment.

Direct tax deductions in minor redevelopments

Direct tax deductions are allowed for tenant improvements, the replacement of components and minor redevelopments, even when these measures add value and are capitalized in the accounts.

Sale of properties as companies

Any profit from the sales of properties as companies is tax-free and any loss is not tax-deductible. This applies for shares that are business-related.

Loss carryforwards

The loss carryforwards that have been utilised to calculate deferred tax amounted to SEK 2,042 million (2,428).

Property tax

Property tax is paid for nearly all the Group's properties. Particular categories of buildings, such as those for communication, education and health care, are tax-exempt. Tax rates for other types of buildings are determined by the type of building and land use. The rate for office properties is 1 percent of the tax assessment value and for industrial and warehousing properties the rate is 0.5 percent. In Denmark, tax rates vary, depending on which municipality the properties are located in. Property tax paid by the Group for 2021 totalled SEK 192 million (204).

Value added tax

Properties are exempt from compulsory registration for value added tax (VAT). If premises are leased to a tenant permanently operating a business subject to compulsory VAT registration, the property owner can voluntarily register for VAT and thereby have input VAT deducted from both operating costs and the investment. Where premises are leased to central or local government, there is no requirement regarding compulsory VAT registration. No deduction may be made for input VAT relating to operating costs or investments in premises that have not been registered for voluntary liability for VAT. In 2021, non-deductible input VAT on operating costs totalled SEK 9 million (7). This amount was recognised as an operating cost in the annual accounts. In 2021, non-deductible input VAT on investments totalled SEK 58 million (7) and was recognised as investment in property.

Stamp duties

The sale of real property in Sweden is subject to stamp duty (transfer of title) of 4.25 percent on the purchase price or tax assessment value, whichever is the higher. In Denmark, the tax rate is 0.6 percent and the tax is charged in the same way. In the case of intra-Group property transactions, it is possible to be granted deferral of stamp duty until the property is sold outside the Group. If properties are purchased or sold as companies (packaged in holding companies) no stamp duty is payable. In 2021, SEK 6 million (18) was paid as stamp duty on the transactions in which Wihlborgs was involved. Stamp duty of 2 percent (1.5 percent in Denmark) was also payable on mortgages taken out on properties. This tax amounted to SEK 11 million (10) in 2021.

Energy taxes

In 2021, Wihlborgs procured energy at a cost of SEK 188 million (186) for use in its properties, primarily for heating, cooling, ventilation and lighting. Of this cost, energy taxes accounted for SEK 26 million (26). Wihlborgs is striving actively to reduce its energy consumption, which in the long term, and assuming an unchanged tax rate and property portfolio, will lead to lower energy tax costs.

Summary

In 2021, Wihlborgs' operations generated a total of SEK 359 million (318) in different categories of tax, as described above and detailed in the table below.

Breakdown of taxes paid (SEK m)	2021	2020
Income tax	57	46
Property tax	192	204
Value added tax	67	14
Stamp duty	17	28
Energy tax	26	26
Total tax paid	359	318

In addition to taxes paid, Wihlborgs has liabilities in the form of deferred taxes. Deferred income tax was SEK 4,622 million (3,853) and stamp duty SEK 23 million (31).

Property valuation principles

Market valuation

Wihlborgs' consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) and report the properties at fair value, that is, at their market value. The properties' carrying amount on 31 December 2021 was SEK 50,033 million (46,072). The valuation of the properties as of 31 December 2021 entailed an increase in the property value of SEK 2,153 million (826), of which about half was due to lowered yield requirements, one third to improved property management (renegotiations, indexation, new lettings, etc.) and the remainder of SEK 379 million (311) from project development. For details of all value changes, see the table below.

Change in properties' carrying amount in 2021

Value change item	Group total, SEK m
Carrying amount, 1 January 2021	46,072
Acquisitions	429
Investments	1,219
Divestments	-3
Change in value	2,153
Currency translations	163
Carrying amount, 31 December 2021	50,033

External market valuation

At the valuation date, 31 December 2021, Wihlborgs arranged for an external valuation of its entire property portfolio, whereby the market values of the individual properties were assessed. The Swedish portfolio was valued by Samhällsbyggarna-certified valuers, Malmöbryggan Fastighetsekonomi AB, while the Danish portfolio was valued by Newsec Advisory A/S. The valuations were performed pursuant to International Valuation Standards. The customary definition of market value used in Sweden is: "The probable price obtained from a sale in the general property market."

This definition is assumed to fall within the scope of, and lead to the same valuation result as, application of the definition from the International Valuation Standards Committee (IVSC):

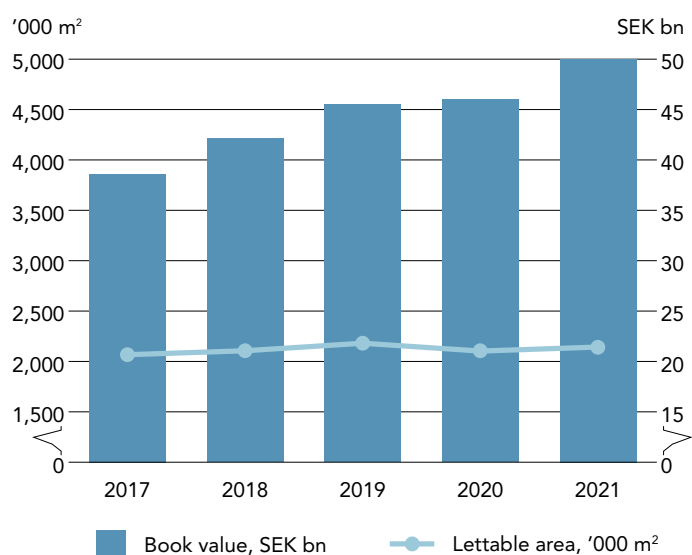
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuations are based on data including quality-assured contract and property-related information from Wihlborgs, data obtained from public sources and relevant market information. All developed properties were inspected in the 2019–2021 period.

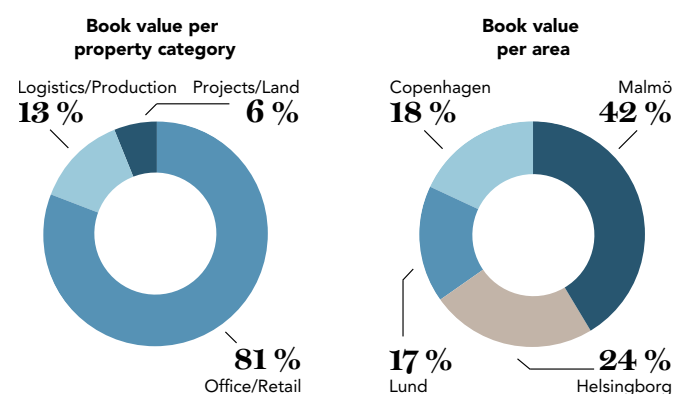
Valuation methods

In this valuation, a combination of a yield-based method (market simulation) and a location-price method is used, in which transactions completed in the sub-markets concerned are analysed in order to calibrate the parameters for the yield-based method (cash-flow method). The market parameters derived from analysis of comparable transactions encompass investment yield requirements, which include an appropriate risk premium. The market value is considered to correspond to the yield value that is normally calculated from five-year cash-flow forecasts. In cases where it is considered justified in view of long-term leases, longer estimate periods are used. Ongoing new-build projects are valued as if the project were completed, less the budgeted remaining cost of the project. Undeveloped land and other upgrade projects are valued in accordance with the location-price method.

Change in properties' carrying amount and lettable area 2017–2021



Carrying amount per property category and per area in 2021



The property values are affected by the assumed market parameters that are applied. By varying a number of parameters, a measure of the sensitivity of the valuation is obtained. For example, lowering the investment yield requirement by 0.25 percent results in an increase of 4.4 percent in the yield value for the developed properties in Sweden. A corresponding increase results in a reduction of 3.8 percent in the yield value. For a sensitivity analysis; see the table below.

Aggregated sensitivity analysis, developed properties in Sweden		
Parameter	Assumed change, %	Change in yield value, %
Market rent level	10	10.2
Market rent level	-10	-10.3
Operating and maintenance costs	20	-5.6
Operating and maintenance costs	-20	5.7
Investment yield, residual value	0.25	-3.8
Investment yield, residual value	-0.25	4.4

Source: Malmöbryggan Fastighetsekonomi AB

All assumptions on which value assessments are based reflect known market conditions at the time of valuation.

- When leases expired, rents were adjusted to market levels while consideration was given to the property-specific, long-term vacancy risk. The long-term rent trends for office and commercial premises in their existing state is assumed to be no more than the rate of inflation.
- Operating and maintenance costs are expected to rise by 0.5 percentage points above the rate of inflation during the calculation period. Standardised operating and maintenance costs are applied when assessing values, and the specific characteristics of the property are also taken into account. These estimates are based on analyses of historical outcomes and budgeted costs at both property and aggregated level for the market segments and property categories concerned.
- Over the calculation period, the CPI was assessed to be 2.1 percent in 2022, and thereafter to follow Riksbanken's (the Swedish Central Bank) long-term target of 2 percent.
- Other material valuation assumptions are shown in the table below. For ongoing new-build projects, the same assumptions apply as in the table below, depending on which area the project is in.

Material valuation assumptions

Area	Cost of capital for current value calculation of net operating income, %	Investment yield requirement for calculation of residual value, %	Long-term economic vacancy rate, %	Market rent excl. heating, SEK/m ²	Operating and maintenance costs, SEK/m ²
OFFICE/RETAIL					
Malmö City Centre	3.8–6.2	3.9–4.6	4–9	1,100–4,600	261–476
Malmö Dockan/Hyllie	3.8–6.5	3.8–5.0	5–12	1,100–2,900	241–798
Outer Malmö	3.8–7.2	4.8–5.5	7–12	800–1,600	226–596
Central Helsingborg	3.8–6.9	3.8–5.3	5–8	1,000–4,300	237–713
Outer Helsingborg	5.6–7.7	5.3–6.0	6–12	700–2,350	116–425
Lund Ideon	3.9–6.6	4.5–5.0	5–8	1,400–3,250	310–773
Central Lund/Gastelyckan	5.0–7.1	4.3–5.5	5–8	800–2,900	326–501
Copenhagen	7.3–10.0	5.3–8.0	8–12	400–2,700	83–962
LOGISTICS/PRODUCTION					
Outer Malmö	5.8–8.0	4.8–6.5	4–11	650–1,500	88–394
Outer Helsingborg	3.8–7.8	5.3–6.3	5–12	350–1,900	126–378
Central Lund/Gastelyckan	4.4–7.1	5.5	7–8	500–1,000	160–229
Copenhagen	7.3–9.8	5.3–7.8	8–12	400–1,300	117–308

* With the exception of market rents which pertain to local levels for the interval, the reported figures are per property. The reported market rents for offices/retail pertain to office and retail premises, and for logistics/production pertain to warehouse, industry, production and workshop premises. All premises are >200 m².

Risks and uncertainties

Wihlborgs' future development and ability to reach its operational goals are influenced by 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.

Risks and uncertainties are managed on an ongoing basis in daily operations pursuant to well-established procedures and guidance. Group-wide risks are also managed in a structured process where the Group Management regularly take inventory of and assess prioritised risks that could impact Wihlborgs' future development.

Process for managing risk

Wihlborgs' annual risk management process is conducted in three main stages.

- 1. Inventory and assessment.** A working group comprised of parts of the Group management and senior personnel with expertise in various areas conduct an initial inventory and preliminary assessment of new and existing risks. The risks are assessed according to likelihood and possible impact on Wihlborgs from a short- to mid-term horizon of 3–5 years.
- 2. Prioritising and management.** The results of the initial analysis are discussed with the executive management, which prioritises the most material risks and allocates responsibility for the respective risks to relevant employees, who are often

members of Group management. Overarching strategies and action plans for managing risks are established.

- 3. Follow-up and evaluation.** The prioritised risks and risk management strategies are communicated to and established with the Board. Over the year, risk efforts are followed up by the Group management and reported annually to the Board.

The following tables compile the results of this year's risk analysis. The risks are described and graded based on their assessed impact on operations and the likelihood of the risk incurring (scale 1–5, where 5 entails a significant impact/high likelihood). Based on this analysis, risks are prioritised for monitoring and where actions could be needed (given using a scale of Low – Medium – High in the table, where high priority risks are given most focus and followed up more often by management during the year).

Wihlborgs has chosen to group in the following overarching categories.

- Financial risks – risks to the company's financing and financial stability.
- Operational risks – risks in project planning and daily management of our properties.
- Regulatory risks – risks related to lack of compliance with laws and regulations.
- Strategic risks – risks linked to our operating environment and market developments.

Risk	Impact	Likelihood	Priority
Financial risks			
Interest-rate risk	3	2	Low
Financing risk	5	2	High
Credit risk	2	2	Low
Operational risks			
Rental income	4	3	High
Property costs	4	2	Medium
Project development	3	4	High
Transactions	2	2	Low
Environmental risks	2	2	Low
Occupational health and safety	3	2	Medium
IT security	3	3	High
Property incidents	2	3	Medium
Regulatory risks			
Ethics & corruption	3	2	Medium
Regulatory compliance	4	2	Medium
Strategic risks			
Property values	4	2	Medium
Climate change	2	4	High
Organisational capacity	4	2	Medium
Property portfolio	4	2	Medium
Customer offering	4	3	High

Risk	Management	Outcome																					
FINANCIAL RISKS																							
Interest-rate risk																							
Interest expense, including the cost of interest-rate derivatives, credit agreements etc., represents Wihlborgs' largest cost item. Changes in interest rates and interest margins with banks have considerable impact on cash flow, results and key ratios. The extent to which and how quickly an interest-rate change shows through in income will depend on the fixed-interest period chosen for the loan.	A financial policy adopted by the Board forms the basis for Wihlborgs' management of interest expense. Wihlborgs uses a combination of floating interest rates and interest-rate derivatives to limit interest-rate risk. Refer to Note 2 for a more detailed description of Wihlborgs' financial risk management.	The average interest rate, including the cost of credit agreements and the effect of interest-rate derivatives, amounted to 1.32 percent (1.38) at year end. At year end, the average fixed-interest period for the loans was 2.9 years (3.6), including the effects of interest-rate derivatives. The changes in value of Wihlborgs' derivatives had a positive effect of SEK 202 million (negative: 73) on earnings.																					
Financing risk																							
Wihlborgs is dependent on external loans to be able to fulfil its commitments and complete transactions. Turbulence in the credit markets in recent years demonstrates how conditions for and access to credit can rapidly change. If Wihlborgs is unable to extend loans or raise new loans, or if the terms and conditions are extremely unfavourable, our ability to meet our undertakings and complete transactions becomes limited.	The financial policy defines the goals, and provides guidelines and risk limits for financial operations. The policy states, for example, that the spread of loans between various credit institutions must be such that there are at least three main lenders, each of whose share of the total loan portfolio should not exceed 50 percent. Wihlborgs is also to strive for a balanced maturity structure of its borrowings. Refer to Note 2 for a more detailed description of Wihlborgs' financial risk management.	At year end, the loan-to-value ratio amounted to 46.5 percent (48.2). Bank loans, including mortgages, accounted for 83 percent (81) of the total loan portfolio. There are a total of nine creditors, where the largest accounts for 17 percent of the loans. The remaining 17 percent (19) is raised in the bond market, in part through the part-owned company Svensk FastighetsFinansiering (SFF) and in part through the company's own issues of unsecured bonds. The maturity of the loans and the unutilized portions of the loans are shown in the diagram below. Refer to Note 25 for the recognition of current interest-bearing liabilities in the financial statements.																					
<p>Loan maturity</p> <table border="1"> <caption>Loan maturity data (SEK m)</caption> <thead> <tr> <th>Year</th> <th>Utilized</th> <th>Not utilized</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>3,500</td> <td>1,000</td> </tr> <tr> <td>2023</td> <td>1,000</td> <td>500</td> </tr> <tr> <td>2024</td> <td>9,500</td> <td>2,500</td> </tr> <tr> <td>2025</td> <td>500</td> <td>500</td> </tr> <tr> <td>2026</td> <td>1,000</td> <td>500</td> </tr> <tr> <td>>2026</td> <td>8,000</td> <td>1,000</td> </tr> </tbody> </table>			Year	Utilized	Not utilized	2022	3,500	1,000	2023	1,000	500	2024	9,500	2,500	2025	500	500	2026	1,000	500	>2026	8,000	1,000
Year	Utilized	Not utilized																					
2022	3,500	1,000																					
2023	1,000	500																					
2024	9,500	2,500																					
2025	500	500																					
2026	1,000	500																					
>2026	8,000	1,000																					
Credit risk																							
Even if certain difficulties in paying rent have arisen for some tenants during the ongoing pandemic, overall risk is low for any larger rent losses. The risk also encompasses counterparty risk – that any bank is unable to meet its commitments – which could have greater consequences, but again the likelihood is assessed as low.	Refer to Note 2 for a more detailed description of Wihlborgs' financial risk management.	In 2021, rent losses amounted to SEK 0 million (5). Rent losses were low in 2021, but the outcome are also due to the reversal of provisions for past due rent receivables as of 31 December 2020, which were paid in 2021.																					

Risk	Management	Outcome																																								
OPERATIONAL RISKS																																										
Rental income																																										
Rental income is of vital importance to cash flow for operating activities. Declining rent levels and increased vacancies lead to lower property values. Rent levels are mainly driven by demand for premises, which in turn is influenced by growth in various sub-markets. In areas of economic growth, higher demand for premises is to be expected, and thus potential for higher rents and scope for new production. An economic downturn or concern in society, caused by the ongoing pandemic for example, could lead to more tenants moving out and relocating, resulting in higher vacancy rates and falling rents.	Because the term of leases is normally between three and five years, changes in market rents do not immediately impact rental income. Most of Wihlborgs' leases with a term of three years and longer have index-linking clauses involving annual rental increases based either on changes in the consumer price index (CPI) or a fixed percentage increase. In shorter leases, pricing should reflect the risk. In the long term, the Öresund region is regarded as a strong market in terms of location, population growth, employment and public transport. Wihlborgs presence in both Skåne and the Copenhagen area also contributes to spreading risk.	As per 1 January 2022, contractual rental income in like-for-like portfolios was up 4.8 percent (down: 0.9) year-on-year. This was partially attributable to index increases of 2.8 percent, but also in part due to lower vacancies. As of 1 January 2022, vacancies, excluding projects and land, amounted to SEK 268 million (307) with an occupancy rate of 92 percent (91). Net lettings have been amongst the highest ever in 2021 and totalled SEK 115 million (31). At year end, the average term for Wihlborgs' leases was 3.6 years (3.7). The following table shows when the property leases expire.																																								
<table><tr><th colspan="4">Terms of lease contracts</th></tr><tr><th></th><th>Number of leases</th><th>SEK m</th><th>Share, %</th></tr><tr><td>2022</td><td>1,009</td><td>539</td><td>18</td></tr><tr><td>2023</td><td>698</td><td>544</td><td>18</td></tr><tr><td>2024</td><td>604</td><td>542</td><td>18</td></tr><tr><td>2025</td><td>261</td><td>493</td><td>16</td></tr><tr><td>2026</td><td>118</td><td>306</td><td>10</td></tr><tr><td>2027</td><td>55</td><td>218</td><td>7</td></tr><tr><td>>2027</td><td>95</td><td>397</td><td>13</td></tr><tr><td>Total</td><td>2,840</td><td>3,039</td><td>100</td></tr></table>			Terms of lease contracts					Number of leases	SEK m	Share, %	2022	1,009	539	18	2023	698	544	18	2024	604	542	18	2025	261	493	16	2026	118	306	10	2027	55	218	7	>2027	95	397	13	Total	2,840	3,039	100
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Property costs																																										
Major operating cost items are tariff-based costs for heating, electricity, water and waste management. Other costs include property tax, property upkeep, repairs and maintenance and administration. Under many of the leases, the bulk of these costs are passed on to the tenants. As a result, the impact of any change in the costs is relatively limited. Unforeseen repairs on a major scale may have a negative effect on profit, and the risk of this increases if ongoing maintenance is inadequate.	Wihlborgs works continuously with improving property efficiency, often in partnership with the tenants, to limit cost increases and environmental impact. Continuous maintenance and repairs are carried out to maintain the condition and standard of the properties. Regular tenders are conducted for subcontractors to obtain competitive prices. The importance of cost-efficient property management is kept in focus in conjunction with acquisitions and all properties are insured against major negative impact through damage. Final settlement of operating costs with tenants takes place once a year using a proprietarily developed system linked to both rent and financial management systems.	Property costs increased SEK 13 million year-on-year. The increase was mainly attributable to the portfolio in Denmark and was largely due to the reopening of staff restaurants and the acquisition of four new properties. In addition, a colder start and a colder finish to the year led to increased snow clearance costs of SEK 10 million compared with last year.																																								
Project development																																										
Wihlborgs' goal is to continue to grow, which will require investment in new and existing properties alike. New and evolving requirements for property design, function and efficiency increase expectations of our property development operations. There is a risk that a new build, extension or redevelopment project is more expensive than expected, is not leased on completion, is delayed during construction or could not be started as planned. In these cases, both value and cash flow are adversely affected. If there are few investment objects and these are not considered profitable, growth may be impeded.	All new projects are thoroughly evaluated, whereby estimated cost, yield and risks are analysed, and the execution is planned and established. Projects over SEK 10 million are subject to Board approval. The risks associated with internal projects managed by experienced, in-house project managers are limited partly via agreements with contractors and partly via regular internal follow-ups against budget to identify and address any deviations in good time. Through competent project managers and by showing substantial commitment to our sub-markets, we participate in the development of new areas, thereby creating opportunities for growth.	During the year, SEK 1,219 million (1,231) was invested in existing properties and of the value increase in the property portfolio, project development accounted for SEK 379 million (311). Projects have progressed as planned and the pandemic had no major impact on the outcome. At year end, approved investments in ongoing projects amounted to SEK 2,804 million (2,227), of which SEK 505 million had been invested at the end of the period. For more information concerning the projects, see pages 69–75.																																								

Risk	Management	Outcome
Transactions <p>Property acquisitions is part of Wihlborgs' growth strategy. A risk arising in conjunction with property acquisitions is that the acquired property does not correspond to expectations or the price paid. A further risk is that of unexpected vacancies or costs arising in the properties after acquisition that are not covered by the agreement. If an acquisition is made in a corporate wrapper, other risks, such as VAT and other taxes, are also associated with that company.</p>	<p>For all transactions, calculations are made of the estimated cost and the yield. These calculations are subject to approval via set internal procedures. Property transaction risks are limited through a well-established due diligence process, which is driven by competent and experienced personnel with the support of external expertise. Wihlborgs' strategy is to act quickly and efficiently in conjunction with property transactions, which often leads to earlier conclusions and occupancy, and thus a positive cash flow from the acquired property.</p>	<p>Five properties were acquired in 2021, of which two are in Sweden and three in Denmark. Three of these comprised investment properties and one a property with planning permission and another a project property. Of land, only one smaller plot has been sold to enable the implementation of a detailed development plan. For more information on the acquired properties, see page 48–49.</p>
Environmental risks <p>Pollution at our properties and negative impacts on the environment/health through choice of materials, use of resources and waste all comprise risks for Wihlborgs and the surroundings. Not endeavouring to reduce this impact entails a risk of being in breach of the law, reduced demand from tenants, lack of trust and a negative impact on our brand.</p>	<p>Wihlborgs has an established environmental management system based on legal requirements and the environmental policy established by the CEO. Environmental aspects and operational environmental risks are identified and reviewed regularly. Environmental instructions and policies are prepared and communicated. Our property management includes a self-assessment programme and we have an environmentally adapted project programme with clear specification of requirements for all new, extension and redevelopment projects incorporated in our project activities. All personnel complete fundamental environmental training and specific courses as needed.</p>	<p>The environmental certification of our office properties in Sweden continued during the year and contributed to raising employee competence and increased systemisation of the operation and maintenance of the properties. We have started efforts to improve the structure and control of environment-related documentation at the end of projects. Energy consumption at our properties increased slightly (up 4 percent) during the year and more than 95 percent of this energy was produced from renewable sources. Read more about our environmental work on pages 38–41 and 148–149.</p>
Occupational health and safety <p>Incidents can occur in daily operations, whereby employees, contractors or tenants/third parties occasionally come to harm in our projects and properties. Construction site accidents, in connection with maintenance work on properties, or accidents when tenants move in or around the buildings can occur, even if the likelihood is deemed low.</p>	<p>Laws and regulations aimed at preventing ill health and accidents at work are in place that function as a base for our efforts. Work environment/health and safety-related risks are identified through regular risk inventories and work environment inspections as well as through career development reviews, employee surveys and recurring health checks. Staff and managers report incidents and accidents to HR, thereby capturing them for evaluation and possible remedial measures.</p>	<p>In 2021, all employees completed work environment, and health and safety training. We have also reviewed and updated occupational health and safety routines at our properties. We registered eight (five) accidents in our own operations and our contractors reported eight (seven) accidents in conjunction with construction projects. Despite the pandemic, sick leave at Wihlborgs fell slightly to 1.96 percent (2.29). Read more about our work environment efforts on pages 36 and 146.</p>
IT security <p>Access to data and functioning IS/IT systems is central to Wihlborgs' entire operations. Increased digitalisation means greater dependence on these systems and larger quantities of sensitive data in all systems, which entails a potential security risk. There is a constant risk of data breaches and Wihlborgs is equally exposed to general IT attacks as other companies. Crashes or breaches of our internal business systems and of our properties' control systems could have significant consequences for us and our tenants.</p>	<p>Wihlborgs works continuously to ensure that we have high security levels in the various IS/IT systems. Both the technical and the human perspectives are important. We continuously analyse risks and implement necessary measures, for example with the help of diverse security software, and we have internal and external back-up solutions in place. By providing our employees with continuous information and training in behaviour and information management, and through encouraging them to pay notice, we minimise the risk of breaches and the exposure of business-critical data.</p>	<p>In 2021, few data and IT security-related incidents took place. Our IT operations have been stable and have not been exposed to any IT breach or malware. Like many others, we have encountered attempted e-mail fraud, but these have been stopped through a combination of security solutions, aware users, quick action and communication to users.</p>
Property incidents <p>Each day, various forms of unforeseen events could occur at any of our properties, but these are usually of a less serious nature. However, the risk of incidents that entail danger to life and health or more extensive property damage, for example from fire or a threat/intrusion directed at tenants is rare.</p>	<p>Risk management is based on extensive knowledge of our properties and tenants and thus a good preparedness for possible incidents. We maintain close contact with our tenants and thus have good insight into any possible threat scenario. We monitor our properties through regular checks and rounds. Ongoing maintenance keeps the properties in good condition and limits any risk of major damage. The properties are insured, thereby minimising any financial damage to Wihlborgs.</p>	<p>The work environment and health and safety have been in focus across Wihlborgs' operations during the year. This contributed to increased awareness and preparedness for any incidents. We have further developed our self-assessments and safety rounds, which has resulted in a more effective and thorough annual review of the properties. No incidents took place at our properties in 2021 that resulted in serious injury to person or property.</p>

Risk	Management	Outcome
REGULATORY RISKS		
Ethics & corruption		
The risk of unethical behaviour in conflict with Wihlborgs' Code of Conduct could arise in our own operations as well as at the supplier stage. The risk of corruption applies primarily to the project/development and property management units, as well as to the central purchasing function, since these units are the most exposed due to purchases of goods and services for Wihlborgs' operations.	Wihlborgs' corporate culture stresses the importance of honesty in our core values and the importance of clear business ethics guidelines is regularly showcased at internal gatherings. All new employees are trained in business ethics with a foundation in Wihlborgs' Code of Conduct (ethical guidelines). Systematic procurement processes involving more people increases transparency and reduces the risk of individual influence. Suppliers covered by framework agreements undertake to adhere to Wihlborgs' ethical guidelines, as do suppliers in project procurements. Any suspicion of corruption or similar improprieties can be reported using Wihlborgs' whistle-blower function.	All new employees received training in Wihlborgs' ethical guidelines in 2021, which was conducted in the same manner as for previous years. The guidelines have been communicated to all new suppliers covered by framework agreements and specific digital briefings have been conducted with new building contractors. All suppliers covered by framework agreements have been evaluated based on Wihlborgs' Code of Conduct. A new digitalised procedure was introduced in 2021 to clarify and simplify these evaluations. No incidents of unethical behaviour or suspected corruption were notified through the whistle-blower function in 2021. Read more about Wihlborgs work with business ethics and responsible business on pages 35 and 144–145.

Regulatory compliance

Laws, regulations and other rules govern many aspects of Wihlborgs' daily operations – from what and how we build to our management of the properties to reporting formats for the operations' performance. Lack of compliance with these regulations could lead to economic sanctions and damage confidence in Wihlborgs.

Wihlborgs continuously monitors regulatory developments in different areas, including through participation in various forums and collaboration with industry associations and other business organisations. The assignment of the central support function Sustainable Business includes monitoring new or updated laws and other regulations. Other methods for reducing risks comprise good internal control of essential processes and employees' continuous skills development.

Wihlborgs' ethical guidelines and supplier Code of Conduct was updated in 2021. Thereby clarifying expectations both for employees and for suppliers. Financial internal control processes were strengthened during the year, from actions such as the introduction of a new invoice management system in 2020.

STRATEGIC RISKS**Property values**

The property portfolio directly affects earnings and key ratios. The extent of changes in value is determined by Wihlborgs' own capacity to add value to investment properties, drive project development and complete strategic acquisitions. This is also largely dependent on external factors such as the development of local rental and property markets as well as the general economic trend in Sweden.

Property valuations at Wihlborgs are based on a valuation policy and well-established valuation models with clear procedures for collecting relevant and reliable calculation data. On acquisition, the transaction department analyses the property concerned to determine its fair value as well as the future possibilities and risks. Prior to closing the books, Wihlborgs engages external parties to value all properties. The property valuation work is also subject to examination by the auditors.

For further information on estimates and judgements in property valuations; see pages 82–83 and Note 13.

Wihlborgs changes in value for 2021 amounted to SEK 2,153 million (826). Of this, barely 20 percent or SEK 379 million (311) was attributable to project development, around 50 percent was due to lowered investment yield requirements and the remainder to improved property management (renegotiations, indexation and new lettings). The table below illustrates the impact of a +/-5–10 percent change in property values on Wihlborgs' results and financial position.

Sensitivity analysis, change in property values					
	-10%	-5%	0	5%	10%
Pre-tax profit, SEK m	-833	1,668	4,170	6,672	9,173
Equity/assets ratio, %	39.0	41.1	42.9	44.6	46.1
Loan-to-value ratio, properties, %	51.7	49.0	46.5	44.3	42.3

Risk	Management	Outcome
Climate change <p>Our weather will change and increase in turbulence over the coming decades. Climate change in the form of increasingly frequent powerful storms, warmer temperatures or raised groundwater levels, for example, entails a risk of rising costs for damp and damage claims settlement as well as increased cooling needs. In the long term, investments to adapt Wihlborgs' properties to a changing climate are also likely to increase. Furthermore, there is a risk of new rules, taxes, customer behaviour and other changes in society as a result of physical climate change.</p>	<p>Wihlborgs works systematically to reduce its operations' climate impact and to adapt the properties to global warming. An operational climate target (by 2022), a science-based climate target approved by SBTi (halving greenhouse gas emissions by 2030) and a recently developed climate roadmap based on a lifecycle perspective for the properties guide this work. In our internal environmental instructions and guidance, we showcase how we can and should systematically reduce our climate impact from our own operations and across the entire value chain. The property portfolio is being gradually analysed based on climate risks and any need for adaptation.</p>	<p>Wihlborgs has devoted extra focus during the year on climate efforts. This included new, more stringent climate targets that also encompass emissions from construction projects and a climate roadmap with internal training for all employees. We have also mapped climate risks linked to the Group's properties. This data provides a starting point for planning climate adaptation measures for individual properties moving forward. Read more about our climate work on pages 38–40 and 148. On pages 140–141, more detailed reporting is provided of climate-related risks and their long-term impact on Wihlborgs pursuant to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).</p>
Organisational capacity <p>A flexible, learning organisation is a prerequisite in a fast-moving, global world to be able to meet customer and other stakeholder expectations. The accelerating changes, in terms of expectations for digitalisation and sustainability but also for adjusted working methods for customers, means the organisation and skills need to be continuously upgraded. A risk exists that Wihlborgs will not succeed in developing the organisation further nor in attracting, retaining and developing the right skills that match customer, employee and other stakeholder needs.</p>	<p>Continuously strengthening individuals' skills, linked to their existing roles as well as the readiness to meet changes in the workplace, comprise crucial components for developing organisational capacity. Accordingly, Wihlborgs works continuously with developing skills in a number of defined key areas. Collaboration and the transfer of competence to new teams and departments is also promoted through various cross-functional forums. Wihlborgs also works with change management and communication to support employees in adapting to the changing demands and expectations of our business environment.</p>	<p>The investment in employee skills development continued in 2021, through measures including the Wihlborgs Academy. We have maintained continued focus on our property hosts who meet our customers daily and thus comprise a key element of Wihlborgs' ability to meet customer expectations. In addition to internal training, we have conducted an AI study and brought together the region's leading HR profiles to build on our knowledge of future ways of working. Moreover, the know-how and capacity to manage property-related sustainability issues has increased significantly and we have certified 14 buildings using our own staff.</p>
Property portfolio <p>A risk always exists of the property portfolio not meeting current or expected market demand in terms of the type of property/segment or geographical location – it could be the wrong property in the wrong city/area. Wihlborgs' property holdings are concentrated to four cities in the growing Öresund region, all with slightly differing characters and demand for premises, which contributes to a strong, diversified property portfolio.</p>	<p>Wihlborgs continuously evaluates the holdings based on extensive knowledge of the geographically defined market as a basis for its strategy for managing the risk of an erroneously composed property portfolio. The portfolio is diverse with different types of properties in various areas of the Öresund region. The combination of good contacts with many customers in the region and effective market monitoring as part of our project development and property management helps capture trends and analyse the local markets.</p>	<p>Wihlborgs reported positive net lettings for 2021, and customer activity increased through the year. The portfolio was strengthened during the year with two properties in Sweden, of which one was a project property, and three properties in Copenhagen.</p>
Customer offering <p>Over time, customers' expectations of a good landlord develop and it is clear that tenants are increasingly setting new and specific requirements for the landlord and the premises. These include good environmental performance, relevant certifications, a high technical standard, flexible contract terms or increased service and ancillary services. Should Wihlborgs fail to be sufficiently innovative, flexible or fully understand customers' wishes and needs, this may result in some tenants moving to other landlords.</p>	<p>Continuous monitoring and evaluation of the customer offering and market demand is required to be able to sufficiently future-proof the properties and Wihlborgs' business. Moreover, organisational capacity is also needed to adapt the operations and customer offering to demand. Wihlborgs' strong presence in local markets and close contact and dialogue with existing and prospective customers means that Wihlborgs' property managers, letting agents and project developers can capture changes in demand.</p>	<p>In 2021, we implemented a number of activities to strengthen Wihlborgs' customer offering. This was partly inspired by received feedback from our tenants in the 2020 customer survey. We have further deepened our partnership with Mindpark, thereby strengthening our capacity to capture relevant trends and better understand expectations of tomorrow's workplace.</p>

Financial statements

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

SEK m	Note	2021	2020
	1–3		
Rental income	4	3,060	3,074
Property costs	5–6	-865	-852
Operating surplus		2,195	2,222
Other income		3	6
Central administration and marketing	6–8	-86	-83
Interest income		13	14
Interest expense		-312	-327
Interest expense leasing, incl leasehold		-4	-5
Share in results of joint ventures		6	3
Income from property management		1,815	1,830
Change in value, investment properties	9	2,153	826
Change in value, derivatives	10	202	-73
Pre-tax profit		4,170	2,583
Current tax	11	-57	-46
Deferred tax	11	-765	-315
Profit for the year		3,348	2,222
Other comprehensive income	12		
Items that will be reclassified to profit or loss for the year			
Year's translation differences on recalculation of foreign operations		67	-121
Year's hedging of currency risk in foreign operations		-69	122
Tax attributable to items that may be reclassified to profit or loss for the year		13	-22
Other comprehensive income for the year		11	-21
Comprehensive income for the year		3,359	2,201
Profit for the year, attributable to:			
Parent Company shareholders		3,348	2,222
Comprehensive income for the year, attributable to:			
Parent Company shareholders		3,359	2,201
PER-SHARE DATA (NO DILUTION AFFECT, AS THERE ARE NO POTENTIAL SHARES)			
Earnings per share, SEK		21.78	14.46
Dividend per share (2021, proposed dividend)		6.00	5.25
No. of shares at end of period, million		153.7	153.7
Average number of shares, million		153.7	153.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Note	2021	2020
ASSETS			
Non-current assets			
Investment properties	13	50,033	46,072
Right-of-use assets	14	150	149
Equipment	15	22	25
Participations in joint ventures	16	90	84
Other long-term securities holdings		5	0
Derivatives	26	94	–
Receivables from joint ventures	17	200	200
Long-term receivables	18	79	76
Total non-current assets		50,673	46,606
Current assets			
Accounts receivable	19	46	55
Other receivables		50	38
Prepaid expenses and accrued income	20	68	57
Cash and cash equivalents	21	315	205
Total current assets		479	355
Total assets		51,152	46,961
EQUITY AND LIABILITIES			
Equity	22		
Share capital		192	192
Other contributed capital		2,178	2,178
Reserves	12	78	67
Retained earnings including profit for the year		19,500	16,959
Equity attributable to Parent Company shareholders		21,948	19,396
Non-controlling interests		–	–
Total equity		21,948	19,396
Non-current liabilities			
Deferred tax liability	23	4,622	3,853
Other provisions	24	26	47
Non-current interest-bearing liabilities	25	19,698	19,210
Lease liability	2	141	139
Derivatives	26	63	183
Deferred income		13	13
Other non-current liabilities		5	4
Total non-current liabilities		24,568	23,449
Current liabilities			
Current interest-bearing liabilities	25	3,580	2,998
Lease liability	2	8	8
Accounts payable		205	193
Current tax liabilities		40	33
Other liabilities		288	312
Accrued expenses and deferred income	27	515	572
Total current liabilities		4,636	4,116
Total equity and liabilities		51,152	46,961

For information on the Group's pledged assets and contingent liabilities; see Note 29.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
	12, 22	attributable to Parent Company shareholders						
Equity, 1 January 2020		192	2,178	88	15,429	17,887	-	17,887
Comprehensive income for the year								
Profit for the year		-	-	-	2,222	2,222	-	2,222
Other comprehensive income		-	-	-21	-	-21	-	-21
Comprehensive income for the year		-	-	-21	2,222	2,201	-	2,201
Transactions with the Group's owners								
Dividends paid		-	-	-	-692	-692	-	-692
Total transactions with the Group's owners		-	-	-	-692	-692	-	-692
Equity, 31 December 2020		192	2,178	67	16,959	19,396	-	19,396
Equity, 1 January 2021		192	2,178	67	16,959	19,396	-	19,396
Comprehensive income for the year								
Profit for the year		-	-	-	3,348	3,348	-	3,348
Other comprehensive income		-	-	11	-	11	-	11
Comprehensive income for the year		-	-	11	3,348	3,359	-	3,359
Transactions with the Group's owners								
Dividends paid		-	-	-	-807	-807	-	-807
Total transactions with the Group's owners		-	-	-	-807	-807	-	-807
Equity, 31 December 2021		192	2,178	78	19,500	21,948	-	21,948

CONSOLIDATED CASH FLOW

SEK m	Note	2021	2020
OPERATING ACTIVITIES			
Operating surplus		2,195	2,222
Other income		3	6
Central administration		-86	-83
Non-cash items		16	18
Interest received		2	4
Interest paid		-312	-338
Income tax paid		-50	-66
Cash flows before change in working capital		1,768	1,763
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		0	62
Changes in operating liabilities		-78	6
Total change in working capital		-78	68
Cash flows from operating activities		1,690	1,831
INVESTMENT ACTIVITIES			
Property acquisitions	13	-412	-327
Investments in existing properties	13	-1,236	-1,231
Disposal of properties	13	3	1,486
Investments in equipment		-6	-5
Change in other long-term receivables		-29	-9
Cash flow from investment activities		-1,680	-86
FINANCING ACTIVITIES			
Dividends paid		-807	-692
Borrowings	29	5,680	10,520
Loan repayments	29	-4,766	-11,640
Increase in other non-current liabilities		-7	-8
Cash flow from financing activities		100	-1,820
Change in cash and cash equivalents		110	-75
Opening cash and cash equivalents		205	280
Closing cash and cash equivalents	21	315	205

PARENT COMPANY INCOME STATEMENT

SEK m	Note	2021	2020
	1–2		
Net sales	30	223	215
Operating costs	6, 8, 30	-206	-203
Operating profit/loss		17	12
Result from financial items			
Result from participations in Group companies	31	690	945
Result from other securities and receivables accounted for as non-current assets	32	285	238
Other interest income and similar profit/loss items			
Interest expense and similar profit/loss items	33	-365	-190
Change in value, derivatives	10	214	-102
Profit after financial items		841	903
Appropriations	34	216	550
Pre-tax profit		1,057	1,453
Tax on profit for the year	11	-80	-126
Profit for the year		977	1,327

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

Profit for the year	977	1,327
Other comprehensive income for the year	–	–
Comprehensive income for the year	977	1,327

PARENT COMPANY BALANCE SHEET

SEK m	Note	2021	2020
ASSETS	1–2		
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment	15	6	8
<i>Financial assets</i>			
Participations in Group companies	35	9,431	9,506
Receivables from Group companies		15,791	14,231
Participations in joint ventures	16	43	43
Other long-term securities holdings		5	–
Receivables from joint ventures	17	217	217
Other long-term receivables	18	–	13
Deferred tax assets	36	–	78
Derivatives	26	94	–
<i>Total financial assets</i>		25,581	24,088
Total non-current assets		25,587	24,096
Current assets			
Accounts receivable		0	2
Other receivables		7	10
Prepaid expenses and accrued income	20	38	29
Cash at bank and in hand	21	173	53
<i>Total current assets</i>		218	94
Total assets		25,805	24,190
EQUITY AND LIABILITIES			
Equity	22		
<i>Restricted equity</i>			
Share capital		192	192
<i>Unrestricted equity</i>			
Retained earnings		5,577	5,057
Comprehensive income for the year		977	1,327
<i>Total unrestricted equity</i>		6,554	6,384
Total equity		6,745	6,576
Untaxed reserves		0	0
Provisions			
Other provisions for pensions	24	3	16
Provisions for deferred tax		2	–
Total provisions		5	16
Non-current liabilities			
Non-current interest-bearing liabilities	25	14,519	12,709
Liabilities to Group companies		2,512	2,634
Derivatives	26	63	183
Total non-current liabilities		17,094	15,526
Current liabilities			
Current interest-bearing liabilities		1,884	1,974
Accounts payable		5	19
Other liabilities	27	11	25
Accrued expenses and deferred income		61	54
Total current liabilities		1,961	2,072
Total equity and liabilities		25,805	24,190

STATEMENT OF CHANGES IN EQUITY IN PARENT COMPANY

SEK m	Note	Share capital	Restricted reserves	Unrestricted equity	Total equity
	22				
Equity, 1 January 2020		192	0	5,749	5,941
Dividends paid		–	–	-692	-692
Profit for the year/Comprehensive income for the year		–	–	1,327	1,327
Equity, 31 December 2020		192	0	6,384	6,576
Equity, 1 January 2021		192	0	6,384	6,576
Dividends paid		–	–	-807	-807
Profit for the year/Comprehensive income for the year		–	–	977	977
Equity, 31 December 2021		192	0	6,554	6,745

PARENT COMPANY CASH FLOW STATEMENT

SEK m	Note	2021	2020
OPERATING ACTIVITIES			
Operating profit/loss		17	12
Depreciation/amortisation		3	3
Interest and dividends received		1,072	1,269
Interest paid		-294	-294
Cash flows before change in working capital		798	990
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		-4	-10
Changes in operating liabilities		-24	25
Total change in working capital		-28	15
Cash flows from operating activities		770	1,005
INVESTMENT ACTIVITIES			
Acquisitions of non-current assets		0	-1
Shareholders' contributions paid and new share issues		-34	-74
Acquisition of participations in Group companies		-3	-9
Disposal of participations in Group companies		–	102
Increase in receivables from Group companies		-1,551	-850
Cash flow from investment activities		-1,588	-832
FINANCING ACTIVITIES			
Dividends paid		-807	-692
Borrowings	29	4,688	8,086
Loan repayments	29	-3,033	-8,817
Changes in other non-current liabilities and provisions		-126	637
Group contributions received		216	550
Cash flow from financing activities		938	-236
Change in cash and cash equivalents		120	-63
Opening cash and cash equivalents		53	116
Closing cash and cash equivalents	21	173	53

Notes

Unless otherwise stated, amounts are in SEK million.

NOTE 1 | Significant accounting policies

General information

The consolidated accounts and the annual accounts of Wihlborgs Fastigheter AB for the 2021 financial year have been approved by the Board of Directors and the Chief Executive Officer for publication on 15 March 2022 and will be presented to the Annual General Meeting (AGM) on 26 April 2022 for adoption. The Wihlborgs Group conducts property management with operations focused in the Öresund region. The property portfolio comprises commercial properties, located primarily in Malmö, Helsingborg, Lund and Copenhagen. The Parent Company Wihlborgs Fastigheter AB is a public limited company with its registered address in Malmö, Sweden. The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group. The address of the head office is Box 97, SE-201 20 Malmö, Sweden.

Compliance with standards and statutory requirements

The consolidated accounts have been prepared in accordance with 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. Furthermore, the consolidated accounts have been prepared according to the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups. The Parent Company's annual accounts have been prepared in accordance with the Annual Accounts Act and by application of recommendation RFR 2, Accounting for Legal Entities issued by the Swedish Financial Reporting Board. Deviations between the Group's and the Parent Company's accounting policies are described in the "Parent Company's accounting policies" section, below.

Basis of preparation

Assets and liabilities are recognised at cost, other than investment properties and derivatives, which are measured at fair value.

Judgements and estimates used

The preparation of financial statements in accordance with IFRS requires that the management and Board make judgements and assumptions that affect the amounts recognised for assets, liabilities, income and expenses, as well as other information disclosed. These judgements are based on experience and the various assumptions that are considered reasonable by the management and the Board in view of the prevailing circumstances. Actual outcomes may differ from these judgements if other assumptions are made or if the conditions change.

The accounts are particularly sensitive to the judgements and assumptions applied in the valuation of investment properties as well as deferred tax liabilities. Further information on the input data and the methods used in property valuation is provided in notes 9 and 13. When valuing loss carryforwards, an assessment has been made of the likelihood that the deficit can be utilised. Established deficits that can with a high degree of certainty be used to offset future profits comprise the basis for calculating deferred tax assets.

Significant accounting policies applied

The following accounting policies have been applied consistently in all periods that are presented in the Group's financial statements, unless otherwise indicated below.

New accounting policies

New standards and interpretations effective 2021 and thereafter

Phase 2 of the amendments to IFRS 9, IFRS 7, etc., pertains to the interest rate benchmark reform from 1 January 2021. As hedge accounting is not applied, the Group is mainly affected by the interest rate benchmark reform through the IBOR exposure of its external borrowing portfolio incl. derivatives. The effect of changes to IBOR is limited and the Group continuously monitors the changes and their impact. Wihlborgs' assessment is that none of the new or amended standards approved by the EU, or interpretations from the IFRS Interpretations Committee, that entered force in 2021 or enter force in 2022 or later, will affect its results or financial position in any material sense.

Parent Company's accounting policies

The changes to RFR 2, Accounting for Legal Entities, in 2021 have not had any material effect on the Parent Company's financial reports from 2021, aside from some disclosure requirements. The same applies for amendments that enter force in 2022 or later.

Definition of segments

Wihlborgs reports on four geographical market areas: Malmö, Helsingborg, Lund and Copenhagen. Each market area corresponds to an operating segment whose revenue and costs are regularly monitored through reporting to the CEO, who is the chief operating decision maker. The Group Management monitors operating profit and changes in property values; other profit and loss items are not broken down by market area. On the assets side, investments in properties and their fair values are monitored.

Consolidated accounts

The consolidated accounts include the Parent Company, Wihlborgs Fastigheter AB, and all companies in which the Parent Company has a direct or indirect controlling interest. A "controlling interest" comprises a direct or indirect right to design a company's financial and operational strategies in order to obtain economic benefits. The consolidated accounts are based on accounting documents prepared for all Group companies as per 31 December. The acquisition method is used on initial recognition in conjunction with acquisitions. The Group companies acquired in December 2004 are reported in the Wihlborgs Group up to the amounts recognised in the Faberge Group in accordance with the rules on joint control.

The functional currency for the Group's foreign operations is the currency in which the Group entity concerned conducts its business activities. The income statements and balance sheets for foreign operations are translated to SEK, which means that assets and liabilities are translated at the closing day rate. The income statements are translated at the average exchange rate for the period. Any translation differences arising in translation to SEK are recognised in other comprehensive income.

Acquisition of properties via companies

A company acquisition may be regarded either as an asset acquisition or a business combination. If the consideration paid for shares in a company acquisition, where the primary objective of the acquisition was to acquire the company's properties, is in all material respects attributable to the market value of the acquired properties, the acquisition is defined as an asset acquisition. A company acquisition where the acquired company's management organisation and administration are of major importance to the completion and value of the acquisition, is instead treated as a business combination.

In the case of an asset acquisition, no deferred tax is recognised on the surplus value of the properties; any discount attributable to the deferred tax is instead deducted from the property value. When establishing an initial fair value after the acquisition date, the valuation is no longer impacted by the tax discount.

Joint arrangements

Companies in which Wihlborgs has a long-term ownership stake and in which it exercises a controlling influence, together with one or several joint venture partners, are classified as a joint venture or joint operation, depending on whether the Group has direct rights to assets and obligations for liabilities (joint operation) or not (joint venture). The assessment is based on the structure of the investment, its legal form, contractual agreements and other factors and circumstances. Joint ventures are reported in the consolidated income statement and balance sheet using the equity method, which means that Wihlborgs' share of this result is recognised annually in the consolidated statement of income. The values of these participations are adjusted in the balance sheet to reflect the share of earnings and any dividend payments. For joint operations, Wihlborgs' direct share of the assets, liabilities, income and costs is recognised in the consolidated accounts. The assets, liabilities, income and costs that cannot be attributed directly to the partners are allocated on the basis of the respective participating interest. Intra-Group balances corresponding to ownership shares are eliminated on consolidation.

Joint arrangements are accounted for on the basis of the latest available accounts for the company concerned, adjusted for any differences in accounting policies.

Foreign currency

Transactions in foreign currency are translated to SEK using the exchange rate at the transaction date. Monetary assets and liabilities in foreign currency are translated at the closing day rate, with any resulting exchange-rate differences recognised in profit or loss. Non-monetary assets and liabilities carried at historical cost should be reported using the exchange rate at the date of the transaction. Non-monetary assets and liabilities carried at fair value should be reported in the functional currency at the rate on the date when the fair values were determined. Exchange-rate differences on operating receivables and liabilities are recognised in profit or loss, while exchange-rate differences attributable to financial assets and liabilities are recognised under "Result from financial items."

Hedging of net investments in foreign operations

To reduce currency risks related to net assets in foreign operations, foreign currency loans have been raised. At the end of accounting periods, monetary assets and liabilities in foreign currency are translated at the closing day rate. The effective portion of the period's changes in exchange rates attributable to the hedging instruments is recognised in other comprehensive income to take into account the translation differences pertaining to the net assets of foreign operations. Hedge ineffectiveness is recognised immediately in profit or loss. The accumulated translation differences from both net investments and hedging instruments are settled and recognised in profit or loss when the foreign operation is divested.

Income

Income from property management is invoiced in advance and recognised as income in the period to which it relates. Income is reported pursuant to IFRS 16, income from operating leases, and is divided into rental income and service income. The former includes standard invoiced rent including index and supplementary billing for investments and property tax. Service income includes all other supplementary billing, for example electricity, heating, water and services provided to tenants. In cases where a tenant is granted a time-limited rent reduction and charged a higher rent in another period, the respective underpayment or overpayment is accrued on a straight-line basis over the term of the lease, provided that the rent reduction is not associated with phased occupancy or the like. Remuneration relating to early lease termination is recognised immediately unless any outstanding obligations exist vis-à-vis the tenant.

Income from the sale of property is recognised on the contract date, provided there are no specific terms or conditions in the purchasing contract. The result of a property sale is recognised as a change in value and pertains to the difference between the received sales price after deductions for selling costs and the carrying amount in the most recent quarterly report, adjusted for subsequent investments. Should the sale of a property be effected via a company sale, the portion of profit/loss that is attributable to the recognised deferred tax is to be recognised in profit/loss on the line for tax on profit for the year.

Leaseholds and agreements as lessee

For Wihlborgs as a lessee all leases are recognised in the statement of financial position, measured at the present value of future lease payments. With the exception of contracted site leasehold agreements, Wihlborgs' exposure as a lessee, through leases for premises and smaller leases for assets, such as vehicles, is limited. All leases are included in the lease liability that is remeasured in the event of any change in, inter alia, the lease term, residual value guarantees and any changes in lease payments. Interest expense for ground rents is recognised under the line item Interest expense leasing in profit or loss. Other costs for leased assets are recognised as depreciation and interest expense. Short leases (12 months or less) and leases where the underlying asset is of low value do not require recognition in the statement of financial position, and are instead recognised in profit or loss in the same manner as the former operating leases.

Remuneration of employees

Remuneration of employees, in the form of salaries, paid holiday, paid sick leave etc., is recognised as it is earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit plans. Commitments under the defined-contribution plans are fulfilled via premiums to independent government agencies or companies that administer the plans. A number of Wihlborgs employees are covered by the ITP Plan, with regular contributions to Alecta. According to IFRS, this is to be classified as a multi-employer defined-benefit plan. Since sufficient information to recognise these plans as defined-benefit is not available, they are recognised as defined-contribution plans.

All employees in Sweden receives shares in the Wihlborgs Profit-Sharing Fund, which is entirely independent of Wihlborgs. Employees in Denmark receive employee shares in Wihlborgs Fastigheter AB. The allocations in Sweden and Denmark are decided each year by the Board and assume that set criteria for the Group's performance are met. The allocations are recognised as personnel costs in the period to which the profit shares pertain.

Financial income and expenses

Financial income pertains to interest income and is recognised in the period in which it arises. Dividends on shares are recognised as financial income in the period in which the entitlement to receive payment is considered certain.

Financial expenses pertain to interest and other expenses that arise when money is borrowed. Costs incurred for raising mortgage deeds are not regarded as a financial expense, but are capitalised as value-generating investments in property. Financial expenses are recognised in the period in which they arise. Financial expenses also include interest expenses for interest-rate derivative agreements. Payment flows from interest-rate derivative agreements are recognised in the period in which they arise. Net financial items are not affected by the market value of contracted interest-rate derivatives, which are instead reported as changes in value under a separate heading. The portion of interest expenses that include interest during production time for major new builds, extensions or renovations is capitalised. Interest is calculated based on an average borrowing cost for the Group.

Income from property management

IAS 1 prescribes the information that is to be presented in the statement of income and the appendix describes how it is to be presented. However, neither what is prescribed nor what is described is exhaustive or specific to developments at a property management company in Sweden, and a fairly clear tendency can be discerned. Against that background, income from property management is recognised in one section and changes in the value of properties and derivatives in a separate section between income from property management and pre-tax profit.

Taxes

Tax on profit for the year includes both current and deferred income tax for Swedish and foreign Group entities. Current tax is based on taxable profit for the year, which differs from the recognised profit for the year, in that it has been adjusted for non-taxable income, non-deductible expenses and for any change in temporary differences between recognised and taxable values for assets and liabilities. Current tax for the Group is based on the tax rates that applied on the balance-sheet date.

Deferred tax has been calculated using the balance sheet method. This method is used to account for deferred tax liabilities and claims for all temporary differences between recognised and taxable values for assets and liabilities and for other taxable deductions or deficits. Deferred tax liabilities and tax assets are calculated on the basis of the tax rate anticipated for the time at which the temporary difference is reversed. When valuing tax loss carryforwards, an assessment is made of the likelihood that the deficit can be utilised. Loss carryforwards associated with significant uncertainty have been excluded from the base data for deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset if they relate to income tax to the same tax authority, and if the Group can settle the tax by paying a net amount. Both current and deferred tax are recognised in profit or loss as income or expenses except where the underlying transaction is recognised in other comprehensive income. In such cases, the tax is also recognised in other comprehensive income.

Appropriations and untaxed reserves

Tax legislation in Sweden allows the payment of tax to be postponed by appropriation to untaxed reserves in the balance sheet via the income statement item "Appropriations." Depreciation rules in legislation allow accelerated depreciation. However, appropriations and untaxed reserves are not recognised in the consolidated accounts.

Investment properties

All properties in the Group are classified as investment properties on the basis that they are held to earn rental income or for capital appreciation, or a combination of the two. Wihlborgs rents offices in Copenhagen, Lund and Helsingborg in its own properties and the office in Malmö is rented from an external party from 1 December 2019. The rental value for own renting represents, in all cases, a negligible portion of the total rental value for the property concerned and consequently none of these properties is classified as owner-occupied property. Investment properties are measured at fair value

in the balance sheet in accordance with IAS 40, which means that depreciation is not recognised in profit or loss. Any change in value is recognised on a separate line in the income statement and is calculated on the basis of the period-end valuation compared with the preceding year's valuation, or alternatively cost if the property was acquired during the year, plus capitalised additional expenditure during the year. The change in value for divested properties is described in the accounting policies for income from property sales.

Investment properties are valued quarterly on the basis of an internal valuation model. The valuation of investment properties has been classified as falling within Level 3 in the fair value hierarchy, since the estimated value is materially affected by non-observable input data used in the valuation. At year end, all properties are valued by independent external appraisers with recognised and appropriate qualifications. Ongoing new-build projects are valued as if the project were completed, less the budgeted remaining cost of the project. Projects in early stages are valued as undeveloped land with a supplement for expenses incurred. Undeveloped land and other upgrade projects are valued in accordance with the location-price method. Further information on the valuation of the property portfolio and the carrying amounts included therein is provided in Note 13.

Additional expenses relating to redevelopment/extension are added to the carrying amount only when it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured in a reliable manner. All other subsequent costs are expensed in the period in which they arise. The decisive factor in determining when an additional expense is added to the carrying amount is whether the expense relates to replacement of whole or parts of identified components, in which case the expenditure is capitalised. Expenditure on entirely new components is also added to the carrying amount. In major new, extension and redevelopment projects, interest during the project period is capitalised. Expenditure on repairs is recognised in the period in which it arises.

Financial instruments

Financial instruments that are recognised in the balance sheet include assets such as cash and cash equivalents, rent receivables, other receivables and loan receivables, and liabilities such as interest-rate derivatives, accounts payable, other liabilities and borrowings.

Financial instruments are initially measured at fair value and thereafter regularly at fair value or amortised cost depending on the classification. Financial instruments recognised at cost are initially recognised at an amount corresponding to the instrument's fair value plus transaction costs. Financial instruments recognised at fair value are initially recognised at an amount corresponding to the instrument's fair value and transaction costs are expensed directly. All financial derivatives are recognised regularly at fair value.

A financial asset or liability is recognised in the balance sheet when the company becomes a party under the contractual terms and conditions for the instrument. A receivable is recognised when the company has discharged its undertaking and a contractual obligation has arisen to be paid by the counterparty, even if the invoice has yet to be sent. Rent receivables are recognised in the statement of financial position from the first day of the rental period. A liability is recognised when the counterparty has executed its part of the agreement and there is a contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognised when the invoice has been received. A financial asset is derecognised from the balance sheet when all of the risks and benefits associated with ownership have been transferred. A financial liability is derecognised from the balance sheet when the obligation is fulfilled or is otherwise extinguished.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances at the end of the reporting period and are recognised at their nominal value.

Financial assets

Financial assets that are not derivatives, that have fixed or determinable payments and that are not quoted in an active market are reported as receivables. Financial assets are classified as amortised cost, fair value through profit or loss or fair value via other comprehensive income based on the character of the asset's cash flow and on the business model encompassing the asset.

All financial assets that are not derivatives fulfil the criterion for contractual cash flows and are held in a business model to collect on these contractual cash flows. Receivables are thereby recognised at amortised cost. In the Group, there are rent receivables, other receivables and receivables pertaining to sold properties. After individual valuation, receivables are recognised at the amount at which they are expected to be realised, which means that they are recognised at cost, with a provision for bad debt.

The modified retrospective approach for provisions for credit losses is used for the Group's receivables, excluding cash and cash equivalents. Provisions for credit losses are continuously assessed based on historic, current and forward-looking factors. Because of the short tenor of the receivables, the reserve amounts are negligible. The Group defines default as receivables that are more than 90 days past due and in these cases, an individual assessment and loss allowance is made. Assessment of cash and cash equivalents is based on the banks' likelihood of defaulting and forward-looking factors. Because of their short tenor and high credit value, the provision amounts are negligible.

Debt instruments

Liabilities including credit and operating liabilities such as accounts payable. Most of the credit agreements are non-current. Current credits recognised as covered by unutilised long-term credit agreements are also recognised as non-current. The credit is recognised in the balance sheet on the payment date under amortised cost. Accrued unpaid interest is reported under the item accrued expenses. A liability is recognised when the counterparty has executed its part of the agreement and there is a contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognised when the invoice has been received. Accounts payable and other operating liabilities with short terms are recognised at their nominal value.

Foreign currency

Transactions in foreign currency are translated to SEK using the exchange rate at the transaction date. Monetary assets and liabilities are translated at the closing day rate.

Derivatives

An interest-rate derivative consists of a financial asset or liability measured at fair value together with changes in value through profit or loss. To manage exposure to fluctuations in the market interest rate in accordance with the established financial policy, the Group has entered into interest-rate derivatives. When using interest-rate derivatives, changes in value arise depending primarily on changes in the market interest rate. The interest-rate derivative is initially recognised in the balance sheet at cost on the transaction date, and valued thereafter at fair value together with changes in value through profit or loss. Payment flows from interest-rate derivative agreements are recognised in the period in which they arise.

Equipment

Assets are recognised in the balance sheet at accumulated cost, less accumulated depreciation according to plan and impairment. Annual depreciation is applied at 20 percent, on a straight-line basis, to the acquisition cost.

Share buy-backs

If any buy-back of Wihlborgs' own shares takes place, equity is reduced by the purchase consideration paid, including transaction costs. Payments received from any sale of the company's own shares are recognised as an increase in equity. Any transaction costs, including tax effects, are recognised directly against equity.

Parent Company's accounting policies

The deviations between the Parent Company's and the Group's policies arise from limitations in the Parent Company's ability to apply IFRS as a result of statutory provisions in, above all, the Swedish Annual Accounts Act, and in view of the relationship between accounting and taxation. Leases are reported in the Parent Company pursuant to the exemption in RFR2, which means that lease costs are recognised in profit or loss since they are included in property management and central administration. Group contributions are recognised in accordance with the alternative rule of recommendation RFR 2. According to the alternative rule, Group contributions received and paid are both recognised as appropriations. Shareholders' contributions are recognised by the donor as an increase in shares in subsidiaries and by the recipient as an increase in unrestricted equity. Receivables in the Parent Company's essentially comprise receivables from subsidiaries, which are recognised at cost. The general model is applied to the analysis of receivables from subsidiaries and the expected provisions for credit losses are calculated based on the contracts with adjustments for forward-looking factors and taking into account the value of collateral. Receivables without collateral in real property represent negligible amounts and, given the value of the collateral, the provisions represent negligible amounts.

NOTE 2 | Financial risk management

Operations are financed by equity and loans. The major share of these loans are interest-bearing liabilities. The relationship between equity and liabilities is determined by the chosen level of financial risk as well as the amount of equity required to satisfy lenders' requirements for maintaining the loan under reasonable terms and conditions. The objective for the capital structure is to generate a return on equity, to enable the company to obtain the necessary loan financing and to ensure scope for investment. The objective is to achieve a return on equity that exceeds the risk-free interest rate by not less than six percentage points, which was 5.8 percent for 2021, an equity/assets ratio of not less than 30 percent, an interest coverage ratio of at least 2.0 times and a loan-to-value ratio of not more than 60 percent. On 31 December, all of the targets had been met by healthy margins, refer to the table in Note 22 Equity for outcomes.

Financial policy

Each year, the Board sets the financial policy that governs Wihlborgs' financial operations. The aim of the financial policy is to define the goals, and to provide guidelines and risk limits for the financial operations within the Wihlborgs Group. The financial policy also provides a general allocation of responsibilities and how reporting and follow up of the financial risks is to be conducted. The Parent Company's Finance function is a Group executive function with responsibility for the Group's financing, interest-rate risk management, liquidity planning and management of other financial risks. The function reports quarterly to the Board in accordance with guidelines established in the financial policy. The overall goals for the Finance function are to:

- Ensure good access to funds so that Wihlborgs' payment obligations can be met at any given time
- Achieve the best possible accessibility and diversity within Wihlborgs' funding sources
- Achieve the best possible net financial items within the framework for established risk levels and set risk limits
- Identify and ensure good management of the financial risks that arise in Wihlborgs
- Ensure that financial operations are conducted with good internal controls.

Management of financial risks

Financing risk

Financing risk refers to the risk of not having access to assets, or only having access to them at a significantly increased cost, for refinancing, investing and other payment obligations. Wihlborgs must be able to carry out transactions when the opportunity arises and must always be able to meet its commitments. The financing risk increases if the company's creditworthiness deteriorates or if a large portion of its loan portfolio falls due on one or a few occasions.

Liquidity risk is managed by performing regular liquidity forecasts and by ensuring a liquidity reserve in the form of credit lines or cash and cash equivalents that can be used at short notice. The bank overdraft facility at year end amounted to SEK 437 million (435), of which SEK 57 million (34) was utilised.

Financing risk is limited by the guidelines given in the financial policy regarding approved counterparties when signing credit facilities, the effort to ensure a balanced maturity structure in borrowings including renegotiating credit margin terms, limiting the average contractual tenor of credits and guidelines about the number of lenders regarding bank loans. No individual lender should represent more than 50 percent of total bank borrowings outstanding, and the number of lenders should be not less than three. The financial policy also stipulates a maximum distribution of different financing formats. At year end, 47 percent (47) of total borrowings comprised bank loans, 36 percent (34) comprised mortgages and the remaining 17 percent (19) comprised bonds issued. There were nine (nine) main lenders, of whom the largest represented 17 percent (17). Wihlborgs has issued non-covered bonds totalling SEK 1,550 million (1,575) in a Medium Term Note programme. Additionally, bonds amounting to SEK 2,332 million (2,706) were issued via the part-owned finance company Svensk FastighetsFinansiering.

Most of the interest-bearing liabilities, which amounted to SEK 23,278 million (22,208) at year end, were raised by the Parent Company by pledging collateral in the form of promissory notes from subsidiaries containing pledged property mortgages. Most of the collateral contains conditions regarding loan-to-value ratio and interest coverage ratio in the agreements with lenders, known as financial covenants. These covenants to lenders are issued with satisfactory margins for Wihlborgs' capital structure targets. Wihlborgs' total available credit is SEK 25,798 million (25,864), of which SEK 23,278 million (22,208) had been utilised on 31 December 2021. Wihlborgs has secured access to financing via long-term credit facilities. The average loan maturity, including credit facility, was 6.0 years (6.1). The following table shows the credit facilities that existed at year end.

Credit facilities, SEK m

	31 Dec 2021		31 Dec 2020	
	Amount	Utilised	Amount	Utilised
Long-term binding loan agreements with banks	19,730	18,091	21,395	18,626
Short-term binding loan agreements with banks	4,080	3,580	2,459	1,973
Overdraft facilities	438	57	435	34
Total loan agreements	24,248	21,728	24,289	20,633
Bond, uncovered, framework SEK 4,000 m	1,550	1,550	1,575	1,575
	25,798	23,278	25,864	22,208

Maturity structure of credit framework agreements, SEK m

	31 Dec 2021		31 Dec 2020	
	Agreement	Utilised	Agreement	Utilised
0–1 year	4,080	3,580	3,484	2,998
1–2 years	1,043	1,043	8,269	6,539
2–3 years	11,850	9,830	4,550	4,000
3–4 years	405	405	2,000	1,110
4–5 years	549	549	7	7
>5 years	7,871	7,871	7,554	7,554
	25,798	23,278	25,864	22,208

Interest-rate risk

Interest expense is one of the largest cost items to which Wihlborgs is exposed. The extent to which and how quickly an interest rate change impacts earnings depends on the fixed-interest period. An interest expense sensitivity analysis showed that an increase or a decrease in the market interest rate of 1 percentage point would result in interest expense increasing SEK 97 million (69) and decreasing SEK 65 million (51), respectively. Interest-rate risk refers to the risk that developments in the interest-rate market negatively impact Wihlborgs' earnings, through running interest expenses for loans and derivatives and through changes in the market values of the derivatives. The aim of interest-rate risk management is to achieve the desired stability in the Group's combined cash flows to support property investments and to fulfil requirements and expectations that lenders and other external parties have of Wihlborgs. Interest-rate risk strategy should take into account the sensitivity of Wihlborgs' combined cash flow to trends in the interest-rate market over a multi-year time horizon. The interest-rate risk strategy is expressed in the form of a normal portfolio described through a maturity structure for fixed interest-rates in loan agreements combined with derivatives. According to the financial policy, the target for the interest coverage ratio is to exceed a multiple of 2.0; at year end, the interest coverage ratio was a multiple of 6.7 (6.5). The average interest rate, including the cost of credit agreements, decreased to 1.32 percent (1.38) as of 31 December 2021.

The tables below showing the respective interest maturity structures for 2021 and 2020, show the nominal value of loans and derivatives respectively. For loans with nominal amounts and fixed-interest periods of less than one year.

Interest maturity structure as of 31 Dec 2021, SEK m

	Excl. derivatives	Interest-rate derivatives	Net	Average interest, %
2022	21,455	-9,762	11,693	1.02
2023	146	2,430	2,576	1.35
2024	0	1,788	1,788	1.43
2025	0	1,788	1,788	1.44
2026	0	1,252	1,252	1.62
>2026	1,677	2,504	4,181	1.67
	23,278	0	23,278	1.27

Interest maturity structure as of 31 Dec 2020, SEK m

	Excl. derivatives	Interest-rate derivatives	Net	Average interest, %
2021	20,325	-11,392	8,933	1.03
2022	220	1,630	1,850	1.21
2023	0	2,430	2,430	1.46
2024	0	1,788	1,788	1.48
2025	0	1,788	1,788	1.49
>2025	1,663	3,756	5,419	1.67
	22,208	0	22,208	1.32

The fair value of Wihlborgs' interest-rate derivative portfolio at the end of the year was SEK 31 million (negative: 183). At year end, the interest-rate derivative portfolio included a total of SEK 11.4 billion (13.5) comprising 26 (30) different interest-rate swaps. For more detailed information about the interest-rate derivative portfolio see the table below.

Interest-rate derivative portfolio

Interest-rate swaps		
Final maturity	Amount, SEK m	Interest rate, %
2022	1,630	0.16
2023	2,430	0.39
2024	1,788	0.41
2025	1,788	0.42
2026	1,252	0.52
2027	752	1.05
2028	752	1.12
2029	500	0.12
2030	500	0.13
Total	11,392	0.46

Future liquidity flows attributable to credits are described below. The STIBOR rate at the end of the reporting period was used in the calculation of credits and the variable components of the interest-rate swaps. Outstanding borrowings and credit margins were assumed to be the same at the end of the reporting period until the maturity of each credit, at which point the final payment is assumed to have been made.

Future liquidity flows for credits, calculated as of 31 Dec 2021, SEK m

	Maturity of credits	Interest on credits	Interest on derivatives	Total
1–3 months	2,324	56	16	2,396
4–12 months	1,256	148	45	1,449
1–2 years	1,043	171	54	1,268
2–3 years	9,830	145	44	10,019
3–4 years	405	69	35	509
4–5 years	549	66	27	642
>5 years	7,871	604	29	8,504
	23,278	1,259	250	24,787

Future liquidity flows for credits, calculated as of 31 Dec 2020, SEK m

	Maturity of credits	Interest on credits	Interest on derivatives	Total
1–3 months	725	56	17	798
4–12 months	2,273	159	49	2,481
1–2 years	6,539	147	62	6,748
2–3 years	4,000	112	54	4,166
3–4 years	1,110	74	44	1,228
4–5 years	7	61	35	103
>5 years	7,554	610	53	8,217
	22,208	1,219	314	23,741

Future liquidity flows for other financial liabilities

on 31 Dec 2021, SEK million

The following table illustrates the maturity breakdown of financial liabilities (excl. borrowings and derivatives). The amounts in the table are undiscounted.

31 Dec 2021

	0–3 months	4–12 months	1–5 years	>5 years	Total
Lease liabilities	2	6	6	100	114
Accounts payable	205	–	–	–	205
Other liabilities	48	94	9	54	205
	255	100	15	154	524

Counterparty risk

Counterparty risk refers to the risk that the counterparty will not be able to fulfil a delivery or payment. In Wihlborgs' financial activities, counterparty risk primarily arises when the company invests excess liquidity, in derivative transactions and credit facilities. To reduce counterparty risk, Wihlborgs' financial policy states that the company is to endeavour to spread counterparty risk. To reduce the risks, only approved counterparties are to be used. Regarding Wihlborgs' accounts receivable, standard customer credit checks are performed before a new tenant is accepted, and if necessary the lease is backed by a personal guarantee, deposit or bank guarantee. Similarly, credit checks are carried out in connection with any promissory notes that may arise in connection with the disposal of properties or companies. The maximum credit exposure for financial assets corresponds to the carrying amount.

Currency risk/translation exposure

Currency risk refers to the risk of an impact from changes in exchange rates on Wihlborgs' income statement and balance sheet. Currency risk exposure includes unhedged net positions – the difference between assets and liabilities, and the difference between in- and outflows in foreign currencies. In both Sweden and Denmark, only limited transactions are conducted in currencies other than SEK and DKK. With the aim of limiting exchange-rate risk exposure, as far as possible, Wihlborgs' foreign currency investments are to be financed in local currency and thereafter hedged primarily through external Parent Company loans in local currency and secondarily through derivatives. The hedge ratio in relation to the net assets' fair value is to amount to not less than 80 percent and not more than 100 percent. Wihlborgs owns properties in Denmark through Wihlborgs A/S. At the balance-sheet date, Wihlborgs' exposure in DKK comprised the following: net assets in the Danish operations of the Group amounting to DKK 2,412 million (2,104); lending to the same operations of DKK 370 million (380); and Danish kronor bank loans in the Swedish Group companies of DKK 2,864 million (2,466), which have been taken up as a currency hedge for net investments and lending. After taking into account the tax effect, net exposure is 84 percent (81). An movement in the exchange rate of one percentage point would have an impact on other comprehensive income of SEK 6 million (6), including fiscal effects. Note 12 states the amounts for the translation of net investments and hedging of currency risk.

Operational risk

Operational risk in Wihlborgs' financial activities concerns the risk of incurring losses as a result of inadequate routines and/or irregularities, inadequate systems, handling failures and/or irregularities. Ensuring effective internal controls, fit-for-purpose administrative routines and processes, routine descriptions, competence development and the availability of reliable valuation and risk models minimises operational risks. Wihlborgs' Finance function focuses continuously on monitoring the company's administrative security and control.

NOTE 3 | Operating segment

The Group's operations are focused on commercial properties in the Öresund region. In internal reporting to Group Management, operations are evaluated per market area, which represents the Group's only division into segments. These market areas are Malmö, Helsingborg, Lund and Copenhagen.

Segment reporting

Market areas	Malmö		Helsingborg		Lund		Copenhagen		Total	
Items classified per segment	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rental income	1,019	1,065	688	688	458	462	615	557	2,779	2,773
Service income	85	107	50	52	59	63	87	80	281	301
Property costs	-262	-287	-199	-181	-160	-162	-244	-222	-865	-852
Operating surplus	841	885	539	559	357	363	458	415	2,195	2,222
Ground rents	0	-1	-4	-4	0	0	0	0	-4	-5
Changes in property values	797	514	778	198	403	-25	174	139	2,153	826
Segment profit	1,638	1,398	1,313	753	760	338	632	554	4,344	3,043

ITEMS NOT CLASSIFIED BY SEGMENT

Other income and central administration	-	-	-	-	-	-	-	-	-83	-77
Net financial items excl. ground rent	-	-	-	-	-	-	-	-	-299	-313
Profit participation in joint ventures	-	-	-	-	-	-	-	-	6	3
Change in value, derivatives	-	-	-	-	-	-	-	-	202	-73
Tax on profit for the year	-	-	-	-	-	-	-	-	-822	-361
Net profit	-	-	-	-	-	-	-	-	3,348	2,222

PROPERTY VALUES AND INVESTMENTS PER SEGMENT

Properties	20,813	19,361	11,791	10,657	8,465	7,910	8,963	8,144	50,033	46,072
Property acquisitions for the year	17	105	94	-	-	-	318	222	429	327
Other investments in properties	638	535	262	406	155	109	164	181	1,219	1,231

Further information on the respective market areas is available on pages 50–66.

Revenue and property value per country

	Rental income		Property value	
	2021	2020	2021	2020
Denmark	702	637	8,963	8,144
Sweden	2,358	2,437	41,070	37,928
	3,060	3,074	50,033	46,072

Wihlborgs has no tenant whose rent represents more than 10 percent or more of the Group's total rental income.

NOT 4 | Revenue

	Group	
	2021	2020
Rental income, gross	3,092	3,041
Rental income, unlet	-313	-269
Service income, gross	298	312
Service income, unlet	-16	-10
	3,060	3,074

The Group's revenue comprises rental income and service income. Rental income also includes property tax and rent discounts. Service income pertains to onward invoicing of expenses including heating, electricity, and water and sewerage. SEK 52 million (52) of rental income is sales-based rent on premises and SEK 151 million (155) is invoiced property tax. Rents and rent discounts only charged during a specific part of the term of the lease are normally recognised on an accrual and a straight-line basis over the entire term of the lease. However, rent discounts provided due to the impact of Covid-19 on tenants have reduced income as a whole for the period covered by the discount. In 2021, the negative impact on income amounted to SEK 2 million (19) net after receiving state support of SEK 3 million (4).

Rental and service income is based on leases classified as operating leases, where the Group is the lessor. Future payments regarding rental and service income not subject to lease termination are as follows, by maturity:

	Group	
	2021	2020
Within 1 year	2,801	2,590
Between 1 and 5 years	6,250	5,714
More than 5 years	2,421	1,870
	11,472	10,174

Of the above-mentioned future payments regarding rental and service income not subject to lease termination, SEK 964 million (241) related to leases signed before year end but with occupancy taking place on a later date in the following year. At year end, Wihlborgs had 2,840 commercial lease agreements (2,728) with contractual rental income totalling SEK 3,472 million (2,862) and an average term of 3.6 years (3.7). For more information on rents and leases, see pages 46–48.

NOTE 5 | Property costs

	Group	
	2021	2020
Heating, electricity and water/sewerage	201	199
Other operating costs	233	230
Repairs and maintenance	101	97
Property tax	192	204
Property management	138	122
	865	852

Other operating costs include costs for property upkeep, cleaning, insurance, alarm systems and security as well as rent losses. Rent losses in 2021 amounted to SEK 0 million (5).

Property management includes indirect costs for ongoing property management, such as costs for the management organisation, lettings, lettings system, rent negotiations, rent invoicing and marketing linked to the properties.

NOTE 6 | Employees, personnel costs and executive remuneration

Average number of employees	Of whom,		Of whom,	
	2021	men	2020	men
Parent Company, Sweden	131	78	130	79
Subsidiaries, Sweden	6	0	7	0
Subsidiaries, Denmark	108	67	95	61
Group, total	245	145	232	140

Gender distribution	Board of Directors		Senior executives	
	2021	2020	2021	2020
Men	4	4	4	4
Women	3	3	4	4
Total	7	7	8	8

Salaries, other remuneration and social security costs	Group		Parent Company	
	2021	2020	2021	2020
SALARIES AND OTHER REMUNERATION				
Chief Executive Officer				
Basic salary	5.3	4.7	5.3	4.7
Benefits	0.1	0.1	0.1	0.1
Other senior executives				
Basic salary	11.9	10.1	11.9	10.1
Benefits	0.3	0.3	0.3	0.3
Other employees	133.2	129.5	67.3	66.2
Total	150.8	144.7	85.0	81.5
PENSION COSTS				
Chief Executive Officer	1.6	1.4	1.6	1.4
Other senior executives	4.8	3.6	4.8	3.6
Other employees	17.5	15.8	9.7	9.4
OTHER SOCIAL SECURITY COSTS	33.7	28.9	31.7	27.2
Of which, Chief Executive Officer	2.1	1.8	2.1	1.8
Of which, other senior executives	5.0	4.1	5.0	4.1
Total	57.7	49.7	47.8	41.6

Remuneration of senior executives

Principles

Fees are paid to the Chairman and Board members in accordance with the resolution passed by the AGM. The Chairman receives SEK 440,000 (425,000) and other Board members, excluding the CEO, receive SEK 195,000 (190,000) each. Other remuneration to Anders Jarl pertained to the disbursement of a previously paid-in endowment insurance and is related to the value increase in

the endowment insurance. Fees to the Audit Committee, which was formed in 2021, amounted to SEK 80,000 to the Committee Chairman and SEK 40,000 each to the two other members of the Committee. Remuneration of the CEO and other senior executives comprises basic salary, other benefits and pension. "Other senior executives" refers to the Group Management, which in addition to the CEO consists of the Chief Financial Officer, the Director of Corporate Communications, the Director of Projects & Developments and the Director of Sustainable Business. Group Management is not entitled to any specific variable or share-price related remuneration.

Remuneration of the Board impacting profit/loss for the year, SEK thousand	2021	2020
Anders Jarl	2,521	1,891
Tina Andersson	220	182
Sara Karlsson	63	182
Jan Litborn	247	182
Helen Olsson	193	182
Per-Ingemar Persson	63	182
Johan Qviberg	193	182
Amela Hodzic	130	–
Lennart Mauritzson	157	–
	3,788	2,981

Remuneration and other benefits during the year

"Other benefits" refers to company cars and healthcare. "Pension cost" refers to the cost charged to profit for the year. The retirement age for the CEO is 65 years. The cost of the CEO's pension comprises a premium amounting to 35 percent of pensionable salary per year during the CEO's period of employment. Other senior executives are covered by an ITP plan or equivalent, with the retirement age being 65.

A number of administrative personnel in Sweden are covered by the ITP2 Plan's defined-benefit pension commitments for retirement and family pensions via an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board UFR 3 Classification of ITP plans financed by insurance with Alecta, this comprises a multi-employer defined-benefit plan. For the 2021 financial year, the company did not have access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. As a result, the company was unable to recognise it as a defined-benefit plan. Accordingly, the ITP 2 Pension Plan secured via insurance with Alecta was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. Anticipated charges for the next reporting period for ITP 2 insurance policies held with Alecta totalled SEK 5.4 million (6.1). The collective consolidation level is the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. Normally, the collective consolidation is permitted to vary between 125 and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 155 percent, action is to be taken to create the conditions for returning the consolidation level to within the normal range. In the case of low consolidation, one step can be to increase the price of new, and extending existing, benefits. In the case of high consolidation, one alternative can be to reduce premiums. At year-end 2021, Alecta's surpluses in the form of the collective consolidation level was 172 percent (148), which will mean a certain reduction in premiums in the coming year.

Severance pay

The notice of termination of employment, on either side, for the CEO is six months. If employment is terminated by Wihlborgs, the CEO is entitled to severance pay corresponding to 18 months' salary. Severance pay is deducted from other sources of income. If the employment is terminated by the CEO, no severance pay is due. In the case of other senior executives, employment is subject to a mutual notice of termination of four to six months. If employment is terminated by the company, the senior executive is entitled to severance pay for up to 12 months. Severance pay is deducted from other sources of income. If the employment is terminated by the senior executive, no severance pay is due.

Remuneration-setting procedure

Remuneration of the CEO for the 2021 financial year was approved by the Board. Remuneration of other senior executives was approved by the CEO.

Profit-Sharing Fund

Wihlborgs has a Profit-Sharing Fund for which all employees are eligible. Allocations to the Profit-Sharing Fund may not exceed one price base amount per employee per year and is based on a combination of Wihlborgs' profits, excluding changes in the value of properties and derivatives, return on

equity requirements and dividend to shareholders. The Profit-Sharing Fund is required to invest its assets in shares in Wihlborgs Fastigheter AB. Payments to employees are made in accordance with the Fund's articles of association.

Employees in Denmark receive employee shares in Wihlborgs Fastigheter AB corresponding to an amount equivalent to one Danish price base amount.

The allocations in Sweden and Denmark are decided each year by the Board with the proviso that the allocation criteria are met. Personnel costs for 2021 include an allocation of SEK 8.9 million (9.6), of which SEK 5.9 million (5.8) pertained to Sweden.

NOTE 7 | Central administration and marketing

Central administration and marketing include costs for Group Management and Group-wide functions for accounting and finance, investor relations and central marketing as well as other costs associated with being a public listed company. In addition, some of the components of the cost for sustainable business and IT are also included. Property-related administration is not included, and is instead recognised under property costs.

NOTE 8 | Fees and cost compensation to auditors, SEK 000

	Group		Parent Company	
	2021	2020	2021	2020
Deloitte				
Audit engagement	3,017	2,969	2,420	2,373
Auditing activities other than the audit engagement	660	522	660	290
Tax advice	–	–	–	–
Other services	247	90	247	90

Fees charged to Swedish subsidiaries are invoiced to the Parent Company.

The audit engagement encompasses statutory auditing of the annual accounts, the consolidated accounts and the accounting records, as well as examination of the administration of the Board and CEO and other auditing functions performed by agreement or under contract.

This also includes other duties that fall to a company's auditor, together with advisory services and other support caused by observations made during audits or the performance of such other duties.

NOTE 9 | Change in value, investment properties

The change in value during the year relates to properties sold and the property portfolio at year end.

	Group	
	2021	2020
Change in value, properties sold	0	317
Change in value, property portfolio on 31 Dec.	2,153	509
	2,153	826

To determine the change in value for each period, the properties are valued at the end of every quarter. Internal valuations are performed on 31 March, 30 June and 30 September. To confirm internal valuations at these times, a small selection of properties is valued externally. The properties are selected with a focus on properties showing major changes in rental levels, vacancy rates or substantial investments. At every year end, all properties are valued externally. Malmöbryggan Fastighetsekonomi AB's valuers, authorised by Samhällsbyggarna (Swedish professionals for the built environment), performed a valuation of all Wihlborgs' properties in Sweden as per 31 December 2021. The values of the properties are determined individually to correspond to the fair value of each property. In Denmark, the properties were valued by Newsec Advisory A/S. For further information, see Note 13.

NOTE 10 | Change in value, derivatives

Derivatives are financial instruments that in accordance with IFRS 9 are measured at fair value in the balance sheet. Any change in value for interest-rate derivatives is recognised on a separate line after income from property management in the income statement. For information on the principles for valuation of derivatives, refer to Note 1. The fair value of the interest-rate derivative portfolio at the end of the year was SEK 31 million (negative: 183).

	Group		Parent Company	
	2021	2020	2021	2020
Change in value				
– Interest-rate derivatives	214	-102	214	-102
– Other financial items	-12	29	–	–
Total	202	-73	214	-102

NOTE 11 | Tax on profit for the year

	Group		Parent Company	
	2021	2020	2021	2020
Current tax on profit for the year	-56	-44	–	-1
Adjustment of current tax, previous years	-1	-2	–	0
Total current tax	-57	-46	–	-1
Deferred tax	-765	-315	-80	-125
Total tax	-822	-361	-80	-126
Nominal tax on pre-tax profit	-867	-539	-218	-311
Tax effect, adjustment items				
– Dividend from Group companies	–	–	164	219
– Impairment/reversal of participations in Group companies	–	–	-22	-16
– Sale of properties via companies	–	138	–	–
– Gain from sale of subsidiaries	–	–	–	–
– Revaluation of previous provisions	10	13	–	–
– Adjustment of opening temporary differences and loss carryforwards	18	65	–	40
– Share of profits of associated companies	1	3	–	–
– Tax reduction, equipment	20	–	–	–
– Other adjustment items	-3	-39	-4	-58
Total tax, excl. current tax, previous years	-821	-359	-80	-126
Adjustment of current tax, previous years	-1	-2	–	0
	-822	-361	-80	-126

In addition to that reported above, the Group has tax revenue attributable to components of other comprehensive income amounting to SEK 13 million (expense: 22).

The nominal tax rate is 20.6 percent (21.4) in Sweden and 22 percent (22) in Denmark. Current tax is based on the taxable income of the companies incorporated in the Group. This is lower than the Group's pre-tax profit. This is primarily because:

- The change in value for investment properties is not included in the taxable profit.
- The change in value for derivatives is not included in the taxable profit.
- Tax deductible depreciation on buildings, land improvements and fixtures and fittings in buildings is not charged to consolidated profit.
- Directly tax-deductible amounts for certain redevelopment investments in properties are not charged to consolidated profit.
- Loss carryforwards utilised are not charged to consolidated profit.

Calculation of current tax on profit for the year in the Group	2021	2020
Pre-tax profit	4,170	2,583
Changes in value	-2,356	-753
Tax deductible depreciation on buildings	-730	-778
Direct deductions, tenant improvements and replacement of components, etc.	-243	-191
Taxable profit, property sales	0	91
Effect of limit on interest expense tax relief	-3	22
Currency effects recognised in consolidated equity	-60	103
Miscellaneous	-40	-44
Taxable profit before loss carryforwards	738	1,033
Loss carryforwards, opening balance	-2,428	-2,945
Adjustment of opening deficit for retaxation and revaluation	-100	-317
Loss carryforwards, closing balance	2,046	2,428
Taxable profit	256	199
Current tax on profit for the year	-56	-44
Current tax on profit previous years	-1	-2
Total current tax	-57	-46

NOTE 12 | Statement of other comprehensive income and change in reserves

The translation reserve includes all currency differences that arise in translation of financial statements from foreign subsidiaries that have prepared their financial statements in a currency other than the one in which the Group's financial statements are presented.

The translation reserve also includes currency differences that arise in translation of liabilities and other items accounted for as hedging instruments for a net investment in a foreign operation. When the foreign subsidiary is wound up or sold, its portion of the translation reserve is transferred to profit for the year. These reserves are recognised as a separate item in equity. Various reserves may appear here, but at present the only one included is the translation reserve.

2021	Opening balance	Change in translation reserve for the year	Transferred to profit for the year	Closing balance
Translation of net investments in foreign operations	154	67	-	221
Hedging of currency risk in foreign operations	-79	-70	-	-149
Tax attributable to the above items	-8	13	-	5
	67	11	-	78

2020	Opening balance	Change in translation reserve for the year	Transferred to profit for the year	Closing balance
Translation of net investments in foreign operations	275	-121	-	154
Hedging of currency risk in foreign operations	-201	122	-	-79
Tax attributable to the above items	14	-22	-	-8
	88	-21	-	67

In order to minimise the impact of exchange rate fluctuations on translation of the net assets of foreign operations into SEK, both forward currency contracts and loans in foreign currency have historically been used. At present, only loans denominated in foreign currency are used for hedging.

NOTE 13 | Investment properties

All Wihlborgs' properties are classified as investment properties. Investment properties are those owned in order to earn rental income or for capital appreciation or a combination of the two. Investment properties are measured at fair value in the statement of financial position.

Wihlborgs rents offices in Copenhagen, Lund and Helsingborg in its own properties. The rental value for own renting represents, in all cases, a negligible portion of the total rental value for the property concerned and consequently none of these properties is classified as owner-occupied property.

Wihlborgs does not own any property that was acquired or redeveloped with a view to reselling it quickly thereafter. As a result, no property is recognised as property held for resale.

Approved investments amount to SEK 2,804 million (2,227), of which SEK 505 million (916) had been invested at year end.

At year end, the residual value of the property portfolio for tax purposes was SEK 21,041 million (20,322).

Change in carrying amount for the year

	2021	Group 2020
Carrying amount, beginning of year	46,072	45,519
Property acquisitions	429	327
Investments	1,219	1,231
Divested properties	-3	-1,540
Change in value	2,153	826
Currency translations	163	-291
Carrying amount	50,033	46,072

The valuation of the properties at year end entailed an increase in the property value of SEK 2,153 million (826), of which about half was due to lowered yield requirements, one third to improved property management (renegotiations, indexation, new lettings, etc.) and the remainder of SEK 379 million (311) from project development. For details of all value changes, see the table above.

The fair value of investment properties was assessed by impartial external property appraisers with appropriate professional qualifications and experience not of only the market areas concerned but also the type of properties valued. In Sweden, the valuations were performed by Malmöbryggan Fastighetsekonomi AB. In Denmark, the properties were valued by Newsec Advisory A/S. When determining fair value, the point of departure has been the maximum and best use.

Fair value has been established 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 yield-based method is based on a present value calculation of future actual cash flows, which is continually adjusted to the market, and the present value of the estimated residual value at the end of the calculation period. Ongoing new-build projects are valued as if the project were completed, less the budgeted remaining cost of the project. Projects in early stages are valued as undeveloped land with a supplement for expenses paid. Undeveloped land and other upgrade projects are valued in accordance with the location-price method. The valuation of investment properties has been classified as falling within Level 3 in the fair value hierarchy, since the estimated value is materially affected by non-observable input data used in the valuation. The values of the properties are determined individually to correspond to the fair value of each property.

Aggregated sensitivity analysis, developed properties in Sweden

Parameter	Assumed change, %	2021	2020
Market rent level	10	10.2	10.3
Market rent level	-10	-10.3	-10.2
Operating and maintenance costs	20	-5.6	-5.6
Operating and maintenance costs	-20	5.7	5.6
Investment yield, residual value	0.25	-3.8	-3.8
Investment yield, residual value	-0.25	4.4	4.2

Source: Malmöbryggan Fastighetsekonomi AB

The property values are affected by the assumed market parameters that are applied. All assumptions on which value assessments are based reflect known market conditions at the time of valuation. The most material valuation assumptions are shown in the following tables. For further information on the valuation of the property portfolio, see pages 82–83.

Summary of valuation assumptions

Calculation period	Normally five years for Swedish properties and ten years for Danish properties. However, for certain properties, different calculation periods are justified on the basis of the length of the lease.
Market rent	When leases expired, rents were adjusted to market levels while consideration was given to the property-specific, long-term vacancy risk. The long-term rent trends for office and commercial premises in their existing state is assumed to be no more than the rate of inflation.
Operating and maintenance costs	These are expected to rise by 0.5 percentage points above the rate of inflation during the calculation period. Standardised operating and maintenance costs are applied when assessing values, taking the specific characteristics of the property, valuation year and location into account. These estimates are based on analyses of historical outcomes and budgeted costs at both property and aggregated level for the market segments and property categories concerned.
Inflation assumption	Over the calculation period, the CPI was assessed to be 2.1 percent in 2022, and thereafter to follow Riksbanken's (the Swedish Central Bank) long-term target of 2.0 percent.
Other material valuation assumptions	Shown in the table below. For ongoing new-build projects, the same assumptions for completion apply as in the table below, depending on which area the project is in.

Other material valuation assumptions

Area	Cost of capital for current value calculation of net operating income, %	Investment yield requirement for calculation of residual value, %	Long-term economic vacancy rate, %	Market rent excl. heating, SEK/m ²	Operating and maintenance costs, SEK/m ²
OFFICE/RETAIL					
Malmö City Centre	3.8–6.2	3.9–4.6	4–9	1,100–4,600	261–476
Malmö Dockan/Hyllie	3.8–6.5	3.8–5.0	5–12	1,100–2,900	241–798
Outer Malmö	3.8–7.2	4.8–5.5	7–12	800–1,600	226–596
Central Helsingborg	3.8–6.9	3.8–5.3	5–8	1,000–4,300	237–713
Outer Helsingborg	5.6–7.7	5.3–6.0	6–12	700–2,350	116–425
Lund Ideon	3.9–6.6	4.5–5.0	5–8	1,400–3,250	310–773
Central Lund/Gastelyckan	5.0–7.1	4.3–5.5	5–8	800–2,900	326–501
Copenhagen	7.3–10.0	5.3–8.0	8–12	400–2,700	83–962
LOGISTICS/PRODUCTION					
Outer Malmö	5.8–8.0	4.8–6.5	4–11	650–1,500	88–394
Outer Helsingborg	3.8–7.8	5.3–6.3	5–12	350–1,900	126–378
Central Lund/Gastelyckan	4.4–7.1	5.5	7–8	500–1,000	160–229
Copenhagen	7.3–9.8	5.3–7.8	8–12	400–1,300	117–308

*With the exception of market rents which pertain to local levels for the interval, the reported figures are per property. The reported market rents for OFFICE/RETAIL pertain to office and retail premises, and for LOGISTICS/PRODUCTION pertain to warehouse, industry, production and workshop premises. All premises are >200 m².

NOTE 14 | Leases pursuant to IFRS 16

Right-of-use assets OB/CB per lease class

	Lease-holds	Office premises	Vehicles	Total
Opening balance (OB), 1 Jan 2021	129	13	7	149
New leases	–	0	4	4
Depreciation	–	-5	-3	-8
Remeasurements	5	–	0	5
Terminations/sales	–	–	0	0
Closing balance (CB), 31 Dec 2021	134	8	8	150

Amounts recognised in profit or loss

	2021	2020
Depreciation of right-of-use assets	-8	-7
Interest expense on lease liabilities	-4	-5
Costs for low-value and short-term leases	-1	-1
Total	-13	-13

Refer to the table of maturities for financial liabilities in Note 2 for maturity dates for lease liabilities. The following table presents future contracted lease payments pertaining to all leases.

Future lease payments

	2021	2020
Year 1	13	12
Years 2–5	22	27
More than 5 years	79	109
Total	114	148

NOTE 15 | Equipment

	Group 2021	2020	Parent Company 2021	2020
Opening balance, cost	76	80	24	23
Reclassifications, equipment leases	–	-8	–	–
Investments	6	4	0	1
Sales and disposals	-2	0	–	–
Closing balance, cost	80	76	25	24
Opening balance, depreciation	-51	-47	-16	-12
Reclassifications, equipment leases	–	3	–	–
Sales and disposals	-8	0	–	–
Depreciation for the year	1	-7	-3	-4
Closing balance, depreciation	58	-51	-19	-16
Carrying amount	22	25	6	8

NOTE 16 | Participations in joint ventures and holdings in joint operations

In accordance with IFRS 11, joint arrangements are to be adjudged as either a joint operation or a joint venture, depending on whether the Group has direct rights to the assets and obligations for the liabilities (joint operation) or not (joint venture). The assessment is based on the structure of the investment, its legal form, contractual agreements and other factors and circumstances. For Wihlborgs, the effect of this is that Dockan Exploatering AB and SFF Holding AB are classified as joint operations, which means that Wihlborgs' share of assets, liabilities, income and expenses in these companies has been consolidated into the consolidated accounts. Joint ventures are recognised according to the equity method. Refer to Note 1 for a more detailed description of the accounting policies.

	Group 2021	2020	Parent Company 2021	2020
Carrying amount at beginning of year	84	75	43	43
Share of profit	6	9	–	–
Carrying amount at year end	90	84	43	43

Name/Corp. Reg. No.	Registered office	Proportion of equity, %	Group	Parent Company
Dockan Exploatering AB 556594-2645	Malmö	33.3	–	17
Hälsostaden Ängelholm Holding AB, 556790-5723	Ängelholm	33.3	19	5
Medeon AB 556564-5198	Malmö	40.0	1	0
Ideon AB 559033-2598	Lund	66.6	0	0
Ideon Open AB 556862-4026	Lund	60.0	2	–
Fastighets AB ML4 556786-2155	Lund	50.0	68	21
SFF Holding AB 556958-5606	Stockholm	20.0	–	–
			90	43

Description of participations classified as joint ventures

- Hälsostaden Ängelholm AB is a joint venture between Region Skåne, Peab and Wihlborgs. The company owns, develops and manages the properties at the Ängelholm Hospital site. A decision was taken during the year to initiate a sale of the southern part of the hospital site, which is expected to take place in 2022. The construction of a new care facility has progressed as planned with expected occupancy in April 2022. Hälsostaden has driven efforts with a new detailed development plan for a new health hotel. In 2020, Ängelholm municipality's decision to adopt the plan was appealed with the Land and Environmental Court, but the plan entered force in 2021.
- Medeon AB is marketing Medeon Science Park, a research park in Malmö focusing on life sciences (pharmaceuticals, medical technology, biotechnology and healthcare).
- Ideon AB, which is owned jointly with Castellum, has the mission of marketing the Ideon area.
- Ideon Open AB, owned jointly with Lund University Innovationssystem AB and the City of Lund, was established to strengthen and develop Ideon as a creative and active research community in close contact with universities and other institutes of higher education.
- The purpose of Fastighets AB ML4, which Wihlborgs owns jointly with Peab Sverige AB, is to develop, own and manage the MAX IV research centre located in Lund. The lease with Lund University, which is leasing the MAX IV facility, extends until 2040. At year end, another research facility was completed at the property, the Comparative Medicine Unit (CMU) of about 4,000 m², which is being leased by Lund University under a 20-year lease starting 1 January 2022. Financing of the CMU and the MAX IV facility has been arranged through the Nordic Investment Bank (NIB).

Summary of joint venture company earnings and financial position (100%)

Earnings	2021	2020
Operating income	241	226
Operating costs	-88	-69
Net financial items	-53	-54
Depreciation	-81	-82
Tax	-6	-6
Earnings	13	15

Summary of joint venture company earnings and financial position (100%)

Assets		
Non-current assets	3,440	3,288
Current assets	175	67
	3,615	3,355
Liabilities and equity		
Equity	199	186
Non-current liabilities	3,163	2,941
Current liabilities	253	228
	3,615	3,355
Carrying amount	90	84

Description of holdings classified as joint operations

- Dockan Exploatering AB conducts development activities in the Dockan area of Malmö. The company's purpose is to source development land for its owners.
- SFF Holding AB, which owns 100% of Svensk FastighetsFinansiering AB, is a finance company that issues bonds in the Swedish capital markets under a covered MTN programme of SEK 12 billion. The bonds are secured against collateral in immovable property and are listed on Nasdaq Stockholm. SFF Holding AB is owned equally by the listed property companies Catena AB, Diös Fastigheter AB, Fabega AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB. The objective is to broaden the base for the company's borrowing structure in a situation where the capital market is showing a strong appetite for bonds. At the end of the year, bonds of SEK 8,382 million (8,280) had been issued, of which Wihlborgs' share amounted to SEK 2,332 million (2,706).

Summary of joint operation company earnings and financial position (100%)

Earnings	2021	2020
Operating income	13	12
Operating costs	-13	-12
Net financial items	4	5
Changes in property values	109	-2
Tax	-22	0
Earnings	91	3
Assets		
Investment properties	320	204
Other non-current assets	4,616	6,543
Current assets	4,837	2,814
	9,773	9,561
Liabilities and equity		
Equity	1,274	1,195
Non-current liabilities	4,454	6,243
Current liabilities	4,045	2,123
	9,773	9,561

NOTE 17 | Receivables from joint ventures

	Group		Parent Company	
	2021	2020	2021	2020
Maturity date between 1–5 years from balance-sheet date	–	–	17	17
Maturity date more than 5 years from balance-sheet date	200	200	200	200
Carrying amount	200	200	217	217

NOTE 18 | Long-term receivables

	Group		Parent Company	
	2021	2020	2021	2020
Maturity date between 1–5 years from balance-sheet date	61	56	–	11
Maturity date more than 5 years from balance-sheet date	18	20	–	2
Carrying amount	79	76	–	13

Of the above receivables, SEK 0 million (0) for the Group and SEK 0 million (0) for the Parent Company pertained to interest-bearing receivables. From 2021, non-current receivables pertaining to endowment insurance, both in the Group and in the Parent Company, have been recognised net against the corresponding liabilities, refer to Note 24 Other provisions.

NOTE 19 | Analysis of credit exposures in accounts receivable

	Group	
Maturity structure – accounts receivable due	2021	2020
Accounts receivable that are neither due nor impaired	16	19
Accounts receivable that are due		
1–30 days	5	5
31–60 days	5	4
61–90 days	1	2
>90 days	34	43
Of which, provision made (excluding VAT)	-15	-18
Total	46	55

The total cost for the year for confirmed and anticipated bad debts amounted to SEK 0 million (5).

NOTE 20 | Prepaid expenses and accrued income

	Group		Parent Company	
	2021	2020	2021	2020
Accrued rental income, etc.	9	14	–	–
Accrued interest income	27	15	26	15
Prepaid expenses	32	28	12	14
Total	68	57	38	29

NOTE 21 | Cash and cash equivalents

Cash and cash equivalents comprise bank balances. Unused bank overdraft facilities that are not included in cash and cash equivalents amounted to SEK 380 million (401), of which SEK 300 million (300) in the Parent Company.

NOTE 22 | Equity

The number of shares registered and outstanding at the beginning and the end of the year	153,713,456
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All shares have equal voting rights, one vote per share. The quotient value per share is SEK 1.25 (1.25). In 2021, shareholders received a dividend of SEK 5.25 (4.50) per share, representing a total of SEK 807 million (692).

PROPOSED DISTRIBUTION OF PROFIT

The Board proposes that the funds available for appropriation by the AGM, an amount of SEK 6,553,086,966, be distributed as follows: dividend to shareholders SEK 6.00/share, a total of SEK 922,280,736, and that SEK 5,630,806,230 be carried forward.

The proposed dividend is subject to approval by the AGM, to be held on 26 April 2022. The proposed dividend complies with the company's dividend policy and is based on:

- 50 percent of income from property management, after deduction of tax at 20.6 percent.
- 50 percent of profit realised from property sales, that is, the sales price, less total capital invested, after deduction of tax at 20.6 percent.

In order to control and manage the company's capital, a number of financial targets have been established to provide Wihlborgs with a capital structure that delivers the best return to shareholders, with due account taken of risk. Capital refers to equity. For definitions and calculation bases, refer to pages 129–130.

	Target 2021	Outcome 2021	Average 2017–2021
Return on equity is to exceed the risk-free interest rate by no less than six percentage points, %	>5.8	16.2	16.5
Equity/assets ratio, %	>30	42.9	38.7
Loan-to-value ratio, %	<60	46.5	50.8
Interest coverage ratio, multiple	>2.0	6.7	5.3

The company's lenders have been given guarantees (financial covenants) concerning the equity/assets ratio and interest coverage ratio. There is an adequate margin between the level of guarantees provided and targets/outcomes for 2021. For more information on the Group's financial targets, dividend policy etc., see pages 17–21.

NOTE 23 | Deferred tax liability

	Group	
	2021	2020
Deferred tax is based on the net of:		
– Loss carryforwards	-421	-501
– Difference between carrying amount and taxable value of properties	5,042	4,369
– Difference between carrying amount and taxable value related to derivatives	6	-38
– Tax reduction on investments in fixtures and fittings	-20	–
– Difference in loans and interest rates	20	22
– Other temporary differences	-5	1
	4,622	3,853

The loss carryforwards that have been utilised to calculate deferred tax amounted to SEK 2,045 million (2,428). Of this amount, SEK 1,976 million (1,980) is a deficit that is non-permissible since it is Group contributions or is merger-related and for which the majority is permissible for use from 2022.

In the calculation of deferred tax on unutilised loss carryforwards, loss carryforwards encumbered with considerable uncertainty have been excluded. Excluded loss carryforwards amounted to SEK 0 million (90).

NOTE 24 | Other provisions

	Group		Parent Company	
	2021	2020	2021	2020
Stamp duty, property acquisition	23	31	–	–
Other provisions for pensions	3	16	3	16
Carrying amount	26	47	3	16

The stamp duty liability arose in connection with sales of properties within the Group. The liability only falls due for payment when the properties or the Group companies that own the properties are sold to an external party. From 2021, provisions for pensions in the Parent Company have been recognised net against long-term receivables for endowment insurances, refer to Note 18 Long-term receivables.

NOTE 25 | Interest-bearing liabilities

Loans to credit institutions				
	Group		Parent Company	
	2021	2020	2021	2020
Maturity date up to 1 year from balance-sheet date	3,580	2,998	1,884	1,974
Maturity date between 1 and 5 years from balance-sheet date	11,827	11,656	11,128	9,920
Maturity date more than 5 years from balance-sheet date	7,871	7,554	3,391	2,789
	23,278	22,208	16,403	14,683
– of which, non-current portion	19,698	19,210	14,519	12,709
– of which, current portion	3,580	2,998	1,884	1,974
	23,278	22,208	16,403	14,683

The amounts above include the utilised bank overdraft facility, which was SEK 57 million (34) for the Group and SEK 0 million (0) for the Parent Company. The credit limit approved as a bank overdraft facility was SEK 438 million (435) for the Group and SEK 300 million (300) for the Parent Company. The portion of the loans classified as short-term, due to formally falling due for repayment within 12 months, is subject to clauses providing the Group and the Parent Company with the unconditional right to defer repayment of the principal insofar as it is covered by unused portions of the respective credit facilities. After adjustment for the above, the net exposure to short-term loan obligations was SEK 1,560 million (0). In addition to loans from banks and credit institutions, the loan portfolio also includes bond loans from the finance company Svensk FastighetsFinansiering AB in the amount of SEK 2,332 million (2,706) and own bond loans of SEK 1,550 million (1,575).

NOTE 26 | Derivatives

Analysis of value of derivatives based on maturity				
	Group		Parent Company	
	2021	2020	2021	2020
Less than 1 year from balance-sheet date	-2	-1	-2	-1
Between 1 and 5 years from balance-sheet date	4	-78	4	-78
More than 5 years from balance-sheet date	29	-104	29	-104
	31	-183	31	-183
of which, recognised as				
Non-current receivable				
– Interest-rate derivative, surplus value	94	–	94	–
Non-current liability				
– Interest-rate derivative, deficit value	-63	-183	-63	-183

Derivatives are classified as non-current liabilities in the balance sheet and measured regularly in accordance with IFRS 9 at fair value at level 2.

For more detailed information on Wihlborgs' derivatives and the risks they are intended to minimise, refer to Note 2 – Financial risk management.

NOTE 27 | Accrued expenses and deferred income

	Group		Parent Company	
	2021	2020	2021	2020
Prepaid rent	394	422	–	–
Interest expense	28	23	26	20
Additional expenses, sold properties	–	17	–	–
Personnel-related expenses	26	30	24	23
Other accrued costs	67	80	11	11
	515	572	61	54

NOTE 28 | Pledged assets and contingent liabilities

Pledged assets	Group		Parent Company	
	2021	2020	2021	2020
Property mortgages	23,426	23,112	–	–
Participations in Group companies	3,360	3,643	921	1,179
Participations in joint ventures	21	21	21	21
Endowment insurance	12	13	12	13
Promissory notes	–	–	15,231	14,036
Bank deposits	6	6	–	–
	26,825	26,796	16,185	15,249
Contingent liabilities				
Guarantee commitments on behalf of subsidiaries	–	–	–	4,427
Other contingent liabilities	419	398	428	398
	419	398	428	4,825

Indemnity bond for Fastighets AB ML4

As security for all loans in Fastighets AB ML4 to the Nordic Investment Bank, the bank has collateral in the form of the lease with Lund University and in rent payments, liens on insurance receivables and mortgages covering leaseholds and buildings. If Lund University neglects to make rental payments due to mandatory legislation in the Swedish Land Code/Tenancy Act, Wihlborgs has agreed an indemnity bond for 50 percent of unpaid, due payments of interest and repayment instalments for loans pertaining to the MAX IV facility that Fastighets AB ML4 has not paid. At year end, 50 percent of the (unpaid but not past due) liability for the loan concerned amounted to SEK 659 million (679).

NOTE 29 | Summary of interest-bearing liabilities

Loans to credit institutions

	Group		Parent Company	
	2021	2020	2021	2020
Opening balance – loans	22,208	23,628	14,683	15,516
Borrowings	5,680	10,520	4,688	8,086
Loan repayments	-4,766	-11,640	-3,033	-8,817
Total cash flow items	914	-1,120	1,655	-731
Translation of loans in foreign companies	50	-168	–	–
Exchange rate changes for loans in foreign currencies	94	-103	66	-102
Miscellaneous	12	-29	–	–
Total non-cash items	156	-300	66	-102
Closing balance – loans	23,278	22,208	16,404	14,683

NOTE 30 | Net sales and operating costs

Net sales largely comprise the Parent Company's onward invoicing of costs to other Group companies, primarily relating to property management, property upkeep and a share of central administration.

	Parent Company	
Operating costs	2021	2020
Personnel costs	141	135
Administration costs	65	68
	206	203

NOTE 31 | Result from participations in Group companies

	Parent Company	
	2021	2020
Dividends on participations	797	1,022
Impairment of participations	-107	-69
Gain from sale of participations	–	-8
	690	945

Participations in Group companies are impaired when the carrying amount in the Parent Company exceeds the fair value of an individual Group company. In cases where the impaired value of participations has risen and exceeds the carrying amount in the Parent Company, these impairments are reversed, wholly or in part. In 2020, an impairment loss was recognised on the value of shareholdings in three (five) Group companies.

NOTE 32 | Result from other securities and receivables accounted for as non-current assets

	Parent Company	
	2021	2020
Interest income, Group companies	273	230
Interest income, other	12	11
Result from other securities and receivables	–	-3
	285	238

NOTE 33 | Interest expense and similar profit/loss items

	Parent Company	
	2021	2020
Interest expense, Group companies	43	30
Interest expense, other	322	160
	365	190

NOTE 34 | Appropriations

This item consists of Group contributions received from other Group companies. Group contributions are recognised in accordance with the alternative rule of recommendation RFR 2. According to the alternative rule, Group contributions received and paid are both recognised as appropriations.

NOTE 35 | Participations in Group companies

	Parent Company	
	2021	2020
Opening balance, cost	12,458	12,485
Acquisitions	-2	9
Shareholders' contributions paid/new share issues	34	74
Sales	–	-110
Closing balance, cost	12,490	12,458
Opening balance, impairment	-2,952	-2,894
Sales	–	11
Impairment for the year	-107	-69
Closing balance, impairment	-3,059	-2,952
Carrying amount	9,431	9,506

Subsidiaries Name	Corp. Reg. No.	Carrying amount		
Balken 10 i Malmö AB	556705-3334	19	Wihlborgs Kranen AB	556704-6387 112
Bastionen Syd AB	556072-2042	115	Wihlborgs Kroksabeln 12 AB	556654-0331 71
Berga V5, AB	556742-9443	1	Wihlborgs Kunskapen 1 AB	559054-2741 21
Bruksгатans Fastighets AB	556401-0675	35	Wihlborgs KV 9 AB	559063-5495 0
Bunium Fastigheter AB	556700-5474	24	Wihlborgs Kärnan Södra 9 AB	556824-7661 79
Exab Utvecklings AB	556353-2828	0	Wihlborgs Lönngatan AB	556704-3657 10
Fastighets AB Altimeter	556786-2213	6	Wihlborgs Mobergsgården Västra 8 AB	556831-9130 33
Fastighets AB Bergakniven	556742-7454	11	Wihlborgs MS 9 AB	559025-2598 0
Fastighets AB Fortet	556090-5621	2	Wihlborgs Musköten 17 AB	559021-1081 18
Fastighets AB Hundstjärnan	556824-7679	21	Wihlborgs Måsen 17 AB	556627-7835 2
Fastighets AB Kastrullen	556754-8812	2	Wihlborgs Nya Vattentornet 2 4 AB	556137-8562 663
Fastighets AB Kvävet	556222-8071	7	Wihlborgs Nora 11 AB	556761-9001 209
Fastighets AB Oxigenium	556754-8820	208	Wihlborgs Obligation Holding AB	556240-3633 23
Fastighets AB Plinius	556033-6538	23	Wihlborgs Olsgård 8 AB	556775-6019 10
Fastighets AB Stillman	556082-1752	46	Wihlborgs Polisen 6 AB	559063-5529 0
Fastighets AB Yxstenen	556691-4437	7	Wihlborgs Polisen 7 AB	559063-5537 1
Fastighets AB Öresundsbron	556096-7258	1	Wihlborgs Polisett AB	556703-0589 118
Första Fastighets AB Ideon	556233-7765	842	Wihlborgs Pulpeten 5 AB	556910-1016 9
Förvaltnings AB Haspen	556466-2533	13	Wihlborgs Raffinaderiet 3 AB	559117-8750 10
Hilab Fastigheter AB	556112-0345	19	Wihlborgs Raffinaderiet 5 AB	559117-9923 6
Hundlokan 10 i Malmö AB	556730-4489	36	Wihlborgs Rikken AB	556701-5028 202
Ishavet Malmö AB	556928-0737	15	Wihlborgs Ritaren 1 AB	556675-2605 1
Kalinehuset AB	556129-5824	85	Wihlborgs Rosengård AB	556699-7986 49
Kniiven 2 AB	556706-9355	5	Wihlborgs Rubinen AB	556862-2855 4
Kolgafour AB	556627-7843	7	Wihlborgs Skrovett 3 AB	556468-5385 169
Lund Lagret 1 AB	556730-3820	35	Wihlborgs Skrovett 4 AB	556173-9417 5
M2 Fastigheter AB	556101-4332	119	Wihlborgs Skrovett 5 AB	556237-6268 147
Malmö Börshus AB	556115-8543	85	Wihlborgs Skrovett 6 AB	556681-1898 283
Medeon Fastigheter AB	556034-1140	31	Wihlborgs Spanien 5 AB	556710-4574 0
Neptuninnan AB	556743-5465	97	Wihlborgs Sparven 15 AB	556704-3624 291
Ringcentralen i Hälsingborg Fastighets AB	556115-9483	0	Wihlborgs Spettet 11 AB	556761-9050 12
Studentkåren 6 Fastighets AB	556730-3499	129	Wihlborgs Statten 7 AB	559012-4995 0
Utvecklings AB Kranen	556286-9999	128	Wihlborgs Stenåldern 7 AB	556120-9759 0
Weraco AB	556509-6418	58	Wihlborgs Sufflören 3 AB	556704-3640 6
Wihlborg & Son AB	556298-1893	0	Wihlborgs Sunnanå 12:27 AB	556766-4098 50
Wihlborgs A/S	14 12 50 43	820	Wihlborgs Sunnanå 12:53 AB	559063-5479 1
Wihlborgs Ackumul 17 AB	556742-5813	12	Wihlborgs Sunnanå 12:54 AB	559063-5487 4
Wihlborgs Ametisten 5 AB	556686-0457	7	Wihlborgs Sydporten AB	556726-0202 36
Wihlborgs Armorstet 6 AB	556966-7081	15	Wihlborgs Terminalen 1 AB	556726-1663 78
Wihlborgs Benkammen 16 AB	559096-6213	18	Wihlborgs Terminalen 3 AB	556962-9859 66
Wihlborgs BG 6 AB	559063-5545	0	Wihlborgs Tyfonen 1 AB	556692-2570 1
Wihlborgs Boplatsgatan 5 AB	556675-2449	0	Wihlborgs Ursula 1 AB	559063-5503 190
Wihlborgs Borgeby AB	556675-2639	0	Wihlborgs Uvenine AB	556695-2502 40
Wihlborgs Bronsdolken AB	556232-5919	4	Wihlborgs Tower AB	556962-8695 411
Wihlborgs Bure 2 AB	559053-5372	42	Wihlborgs Vetskapen 1 AB	559163-3440 9
Wihlborgs Bytarebacken AB	556822-0171	265	Wihlborgs Väktaren 3 AB	556743-6109 177
Wihlborgs Cinder AB	556518-5732	6	Wihlborgs Zirkonen 2 AB	556788-4852 17
Wihlborgs Cityfastighet AB	556862-2848	1	Wihlborgs Östersjön 1 AB	556637-7361 145
Wihlborgs Cylindern 2 AB	559015-5023	7	Wihlborgsporten AB	556630-3797 56
Wihlborgs Erik Menved 37 AB	556704-3699	417	Wihlodia AB	556301-8109 3
Wihlborgs Fastigheter i Helsingborg AB	556101-6295	424	WJ Bygg AB	556060-0529 1
Wihlborgs Fastigheter i Nordvästra Skåne AB	556271-3924	3		9,431
Wihlborgs Fisker 18 AB	556675-2357	153	Participations in Group companies are impaired when the carrying amount in the Parent Company exceeds the fair value of an individual Group company. In cases where the impaired value of participations has risen and exceeds the carrying amount in the Parent Company, these impairments are reversed, wholly or in part.	
Wihlborgs Flounderone AB	556727-7909	20	Of the subsidiaries listed above, 12 are parent companies of sub-groups. All subsidiaries are wholly owned and all have their registered office in Malmö, except Wihlborgs A/S, which has its registered office in Copenhagen, Denmark. There are a total of 157 (156) companies in the Group.	
Wihlborgs Forskaren 3 AB	556690-0667	129		
Wihlborgs Fosieberg AB	556188-3223	50		
Wihlborgs Gallerian AB	556704-3632	181		
Wihlborgs Gimlett AB	556704-3681	127		
Wihlborgs Gjuteriet 18 AB	556717-2282	0		
Wihlborgs Gåseback AB	556303-1326	9		
Wihlborgs Gångtappen 2 AB	556813-3572	148		
Wihlborgs Havskryssaren AB	556703-0613	43		
Wihlborgs Hermes 10 AB	556721-4225	12		
Wihlborgs Holding AB	556701-2827	0		
Wihlborgs Hordaland 1 AB	556704-3731	8		
Wihlborgs Ideon Fastigheter AB	556239-8718	194		
Wihlborgs Kalifornien 11 AB	556093-4944	109		
Wihlborgs Karin 13 AB	556761-8987	120		
Wihlborgs Karin 14 AB	559063-5511	1		
Wihlborgs Kranen 10 AB	556824-7703	5		

NOTE 36 | Deferred tax assets

	Parent Company 2021	2020
Deferred tax is calculated on:		
– Loss carryforwards	–	37
– Difference between carrying amount and taxable value related to derivatives	–	38
– Other temporary differences	–	3
	–	78

At year end, the Parent Company had unutilised loss carryforwards of SEK 0 million (180).

NOTE 37 | Categorisation of financial instruments

Accounts receivable, other receivables, cash at bank and in hand, accounts payable and other liabilities are recognised at amortised cost less any impairment; as a result, the fair value is considered to be the same as the carrying amount. Interest-bearing liabilities are mainly subject to a short fixed-interest period, meaning that the amortised cost is the same as fair value.

The carrying amounts for financial assets and liabilities are allocated by valuation category pursuant to IFRS 9.

31 Dec 2021	Group		Parent Company	
	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
Financial assets				
Receivables from Group companies			15,791	
Receivables from joint ventures	200		217	
Other long-term receivables	79			
Derivatives		94		94
Accounts receivable	46			
Other current receivables	50		2	
Cash at bank and in hand	315		173	
Total	690	94	16,183	94
Financial liabilities				
Liabilities to credit institutions	23,278		16,403	
Liabilities to Group companies			2,512	
Other non-current liabilities	5			
Lease liabilities	149			
Derivatives		63		63
Accounts payable	205		5	
Other current liabilities	253		30	
Total	23,890	63	18,950	63

31 Dec 2020	Group		Parent Company	
	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
Financial assets				
Receivables from Group companies			14,231	
Receivables from joint ventures	200		217	
Other long-term receivables	76		13	
Accounts receivable	55		2	
Other current receivables	38		4	
Cash at bank and in hand	205		53	
Total	574		14,520	
Financial liabilities				
Liabilities to credit institutions	22,208		14,683	
Liabilities to Group companies			2,634	
Other non-current liabilities	4			
Lease liabilities	147			
Derivatives		183		183
Accounts payable	193		19	
Other current liabilities	274		32	
Total	22,826	183	17,368	183

NOTE 38 | Related parties

Joint arrangements

The Group and Parent Company have close relationships with joint ventures and joint operations, refer to Note 16.

Group companies

The Parent Company has a close relationship with its subsidiaries; refer to Note 35.

Senior executives

For more information on salaries and other remuneration of the Board, CEO and other senior executives, as well as costs and commitments regarding pensions and similar benefits and agreements on severance pay; refer to Note 6. All transactions with related parties are priced in line with market conditions.

Summary of related-party transactions

TRANSACTIONS WITH JOINT ARRANGEMENTS	Group	
	2021	2020
Sales to joint arrangements	7	8
Invoicing from joint arrangements	-17	-13
Acquisition of properties from joint arrangements	-17	-
Interest income from joint arrangements	12	11
Interest expense to joint arrangements	-22	-25
Receivables from joint arrangements on 31 December	243	232
Liability to joint arrangements on 31 December	-2,533	-2,910

TRANSACTIONS WITH JOINT ARRANGEMENTS	Parent Company	
	2021	2020
Sales to joint arrangements	3	5
Interest income from joint arrangements	12	11
Receivables from joint arrangements on 31 December	243	232

TRANSACTIONS WITH GROUP COMPANIES		
Sales to Group companies	216	206
Purchases from Group companies	-4	-5
Interest income from Group companies	273	230
Dividend from Group companies	797	1,022
Interest expense to Group companies	-43	-30
Receivables from Group companies on 31 December	15,791	14,231
Liabilities to Group companies on 31 December	-2,512	-2,634

NOTE 39 | Events after the balance-sheet date

No significant events took place after the balance-sheet date.

Signing of the Annual Report

The consolidated statement of income and consolidated statement of financial position, together with the Parent Company income statement and balance sheet are subject to approval by the Annual General Meeting on 26 April 2022.

The Board of Directors and the Chief Executive Officer hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting practice in Sweden and that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual accounts and the consolidated accounts provide a true and fair view of the financial position and results of the Parent Company and the Group.

The administration report for the Parent Company and the Group together with the sustainability report provide a true and fair view of the development of the operations, financial position and performance of the Parent Company and the Group and also describes the material risks and uncertainties facing the Parent Company and the other companies in the Group.

Malmö, 15 March 2022

Anders Jarl
Chairman

Lennart Mauritzson
Deputy Chairman

Tina Andersson
Board Member

Amela Hodzic
Board member

Jan Litborn
Board Member

Helen Olausson
Board member

Johan Qviberg
Board member

Ulrika Hallengren
CEO

Our Auditor's Report was submitted on 15 March 2022
Deloitte AB

Richard Peters
Authorised Public Accountant

Corporate Governance Report

Wihlborgs is a Swedish public limited company that is listed on Nasdaq Stockholm. Wihlborgs applies the Swedish Corporate Governance Code (the Code). This is a separate report and does not form part of the formal Annual Report. Wihlborgs' Corporate Governance Report has been reviewed by the company's auditors.

The shareholders influence the governance of the company through participating in and exercising their voting rights at the Annual General Meeting (AGM), Wihlborgs' highest decision-making body.

The management and responsibilities of the Wihlborgs Group are allocated between the Board and the CEO in accordance with the Swedish Companies Act, other legislation and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Code, the Articles of Association and internal governance instruments, such as the rules of procedure for the Board, instructions to the Chief Executive Officer and the financial policy.

Shareholders

Wihlborgs' shares were listed on the Stockholm Stock Exchange on 23 May 2005. Since January 2016, Wihlborgs has been included in the Large Cap segment on the Nasdaq Nordic market. At year end, the company's share capital totalled SEK 192 million. The number of shares registered and outstanding was 153,713,456 with a quotient value of SEK 1.25 per share.

Each share entitles the holder to one vote and, at general meetings, each person entitled to vote may vote for the full number of shares held and represented by that individual. All shares are entitled to an equal share in Wihlborgs' profits.

With 11.0 percent of the shares outstanding, the largest shareholder in Wihlborgs is Erik Paulsson and family, privately and through companies. At the end of December 2021, the ten largest shareholders owned 38 percent of the shares. The number of shareholders was about 28,000, unchanged compared with last year. Of total share ownership, 82 percent was represented by legal entities and 18 percent by natural persons.

At the end of December, foreign shareholders represented 36 percent of the total, down 1 percentage point year-on-year.

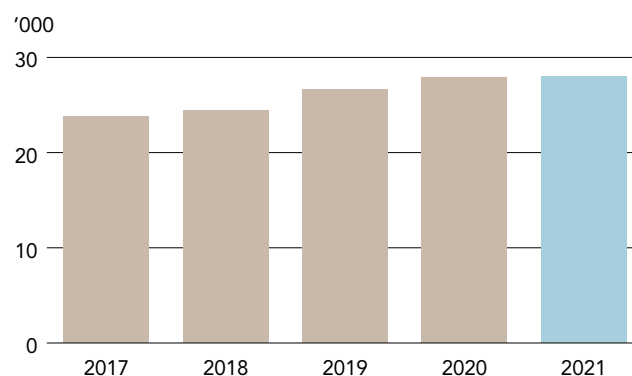
Further information on the share and shareholders is available on pages 20–21.

Articles of Association

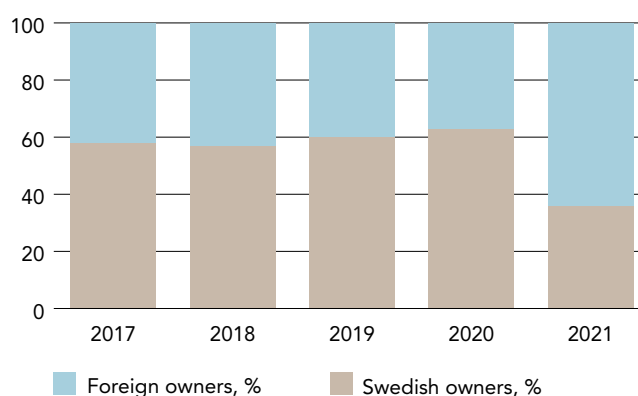
Wihlborgs' Articles of Association were most recently amended at the 2018 AGM. The object of the company's operations is to acquire, manage, develop and sell properties, primarily in the Öresund region, and conduct associated operations. The company's registered address is in Malmö. The full text of the Articles of Association is available on the company's website: www.wihlborgs.se/en/investor-relations/corporategovernance.



Number of shareholders on 31 December



Shareholder structure on 31 December



2021 Annual General Meeting

Wihlborgs' AGM was held on 27 April 2021. A total of 316 shareholders participated in the AGM, all by proxy. The shareholders represented 52.2 percent of the votes in the company. The AGM minutes are available at www.wihlborgs.se.

In brief, the most significant resolutions were:

Election of Board members and auditors – It was resolved that the number of Board members should be seven. The following Board members were re-elected: Tina Andersson, Anders Jarl, Jan Litborn, Helen Olausson and Johan Qviberg. Amela Hodzic and Lennart Mauritzson were elected as new members of the Board. Anders Jarl was appointed Chairman of the Board. It was resolved to appoint Deloitte AB as auditors, with Richard Peters as Auditor-in-Charge.

Nomination Committee – The Nomination Committee is to comprise not fewer than four (4) and not more than six (6) members. Three (3) of the members are to be nominated by the largest shareholders in terms of voting rights as recorded in Euroclear Sweden AB's information on the ownership structure on 31 January, provided that said shareholders wish to nominate a member of the Nomination Committee. Should any of the three largest shareholders in terms of voting rights abstain from appointing a member, the next largest shareholder in terms of voting rights will instead be entitled to nominate a member, and so on. One member to represent the smaller shareholders is also to be nominated to the Committee. The mandate period of the Nomination Committee elected at the AGM extends until such time as a new Nomination Committee has been appointed at the next AGM. The Committee's Chairman should be the member nominated by the largest shareholder in terms of voting rights unless agreed otherwise by the Committee.

Acquisition and transfer of treasury shares – A resolution was passed to authorise the Board, for the period until the next AGM, to buy back and transfer Wihlborgs shares corresponding to a maximum of 10 percent of the shares outstanding.

New share issue – A resolution was passed to authorise the Board, for the period until the next AGM, to approve a new share issue corresponding to no more than 10 percent of the shares outstanding.

The Nomination Committee and proposals for the 2022 AGM

The Code states that AGM resolutions on nominations for the Board and auditors should be prepared through a structured and transparent process, managed by the shareholders, that provides all shareholders with the opportunity to present their views on and proposals for each individual issue and to create the requisite conditions for well-prepared decisions. The Nomination Committee is the AGM's body for preparing decisions relating to appointments. Wihlborgs' Nomination Committee has therefore prepared proposals for the Chairman of the AGM, Chairman of the Board, Board members, Directors' fees, and auditors and their fees. The Nomination Committee has chosen to use the section under Code rule 4.1 of the Swedish Corporate Governance Code as the Board's diversity policy. This states

that the Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. Moreover, the company is to strive for gender balance on the Board.

In accordance with the AGM's resolution, the Nomination Committee comprises: Göran Hellström, representing Backahill; Elisabet Jamal Bergström, representing SEB Investment Management; Eva Gottfridsdotter-Nilsson, representing Länsförsäkringar Fondförvaltning; and Krister Eurén, representing minor shareholders. On 31 December 2021, the representatives of the three largest shareholders on the Committee accounted for 23 percent of the votes in Wihlborgs. Göran Hellström was appointed Chairman of the Committee.

The Nomination Committee has met on nine occasions. To support its work, the Committee has held dialogues with the Board members and held meetings with the Chairman and CEO. The Committee was informed of the company's strategy, risk management and control functions. The Committee has also studied the Board's self-evaluation, which comprised a questionnaire that was answered by all of the Board members.

Ahead of the AGM on 26 April 2022, the Nomination Committee proposes that the Board consist of seven members. The Nomination Committee proposes re-election of Board members Tina Andersson, Anders Jarl and Jan Litborn, and the election as new Board members of Anna Werntoft and Johan Röstin. Furthermore, the Committee proposes that Anders Jarl be elected as Chairman of the Board.

It is proposed that total fees of SEK 1,860,000 (1,770,000) be paid to the Board. It is proposed that a fee of SEK 460,000 (440,000) be paid to the Chairman and SEK 205,000 (195,000) be paid to the other Board members. That fees totalling SEK 170,000 (160,000) be paid to the Audit Committee, to be distributed as SEK 85,000 (80,000) to the Committee Chairman and SEK 42,500 (40,000) to each Committee member.

The Nomination Committee proposes that Deloitte AB be re-elected as auditor, with Richard Peters as Auditor-in-Charge.

The Nomination Committee until the 2023 AGM

Name	Representing	Percent of votes, 31 Jan 2021	Percent of votes, 31 Dec 2021
Lennart Mauritzson	Backahill AB	10.3	11.0
Elisabet Jamal Bergström	SEB Investment Management	7.3	7.2
Eva Gottfridsdotter-Nilsson	Länsförsäkringar Funds	3.8	4.8
Krister Eurén	Minor shareholders	–	–

Other resolutions for the 2022 AGM

The Board has submitted the following proposals ahead of the AGM on 26 April 2022:

- A dividend of SEK 6.00 per share, with the record date 28 April
- Guidelines on remuneration principles for Group Management
- Authorisation of the Board, for the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than 10 percent of the shares outstanding.
- Authorisation of the Board, for the period until the next AGM, to approve a new share issue corresponding to a maximum of 10 percent of the shares outstanding.
- to implement a two-for-one share split.

Board of Directors

The overriding duty of the Board is, on behalf of the owners, to administer the company's affairs in a way that optimally secures the owners' interests in a healthy long-term return on capital, in accordance with set rules of procedure. According to Wihlborgs' Articles of Association, the Board may consist of no fewer than four and no more than eight members. At the April 2021 AGM, Anders Jarl was re-elected Chairman of the Board and Lennart Mauritzson was appointed Deputy Chairman at the subsequent Board meeting. The company's Chief Financial Officer, Arvid Liepe, served as Secretary to the Board.

Wihlborgs' Board possesses skills and experience in areas that are of major importance in terms of being able to support, monitor and control the activities of a leading property company in Sweden. The various Board members possess in-depth knowledge of property, the property market, financing and business development.

The Board and Group Management are responsible for ensuring that work related to the environment, work environment, monitoring of ethical guidelines, social responsibility and sustainable financial development is performed in line with established rules, strategies and goals.

The Board meets the requirement of the Code and the listing requirement of Nasdaq Stockholm that not more than one Board member has an operational role in day-to-day business. The majority of Board members are independent in relation to the company and its executive management. In 2021, the Board held nine (9) meetings, including the statutory and per capsulam meetings. Of these nine (9) meetings, five (5) were scheduled Board meetings.

Members of the Board, independence, number of meetings and attendance

	Indep. of company	Indep. of major owners	No. of meetings/ attendance
Anders Jarl, Chairman	no	yes	9 of 9
Lennart Mauritzson, Deputy Chairman	yes	no	6 of 6
Tina Andersson	yes	yes	9 of 9
Amela Hodzic	yes	yes	6 of 6
Helen Olausson	yes	yes	9 of 9
Johan Qviberg	yes	yes	9 of 9
Jan Litborn	yes	no	9 of 9
Per-Ingemar Persson, Deputy Chairman	yes	yes	3 of 3
Sara Karlsson	yes	no	3 of 3

The work of the Board of Directors

January	No. 1	Project investments
February	No. 2	Year-end report, final audit, financial report, project investments, resolutions for the AGM, employment terms for the CEO and executive management and the prospectus for the MTN programme.
April	No. 3	Q1 interim report, financial report and project investments
April	No. 4	Statutory meeting
June	No. 5	Credit agreement
June	No. 6	Project investments, financing, sustainability issues
September	No. 7	Q2 interim report, strategy, project investments, acquisitions and sales, financial report, review of rules of procedure and ethical guidelines
October	No. 8	Project investments
December	No. 9	Q3 interim report project investments, acquisitions, financial report, property valuations, budget for 2022, interim audit, financial policy, evaluation of the Board's work and evaluation of the CEO's performance.

Committees

The Board of Wihlborgs has an Audit Committee that comprises Jan Litborn (Chairman), Tina Andersson and Lennart Mauritzson. The company's CFO, Arvid Liepe, acts as secretary to the Committee. Wihlborgs has no separate remuneration committee as this allows the full competence of the Board to be utilised for these issues and makes the meetings more efficient. With the exception of Anders Jarl, the full Board comprises the remuneration committee.

Rules of procedure and instructions

The Board observes Rules of Procedure comprising instructions for the delegation of work and financial reporting. The Rules of Procedure, which supplement the provisions of the Swedish Companies Act and Wihlborgs' Articles of Association, are reviewed annually.

Under the above rules, the Board is also required to ensure that the CEO discharges his obligations. The performance of the CEO is evaluated each year against set long- and short-term targets.

The Board is further required, on an ongoing basis, to evaluate Wihlborgs' administrative procedures, and guidelines on property management and investment of the company's assets. The Board is required to establish goals, major policies and strategic plans for Wihlborgs and to continuously monitor not only compliance with the same, but also that they are updated and reviewed following reports from the CEO.

In addition to the statutory meeting, five scheduled Board meetings are normally held each calendar year. The meetings address issues including economic and financial reports, sales and investments, and current market and personnel issues. Extraordinary meetings may be held to discuss and resolve issues that cannot be referred to scheduled Board meetings.

According to the Rules of Procedure, the Chairman is required, through contact with the CEO, to monitor developments at Wihlborgs and to ensure that the Board members receive the information they need through the agency of the CEO. The Chairman is also required to consult with the CEO on strategic issues and ensure that the conduct of business does not conflict with the provisions of the Swedish Companies Act, the Articles of Association or the Code.

Group Management

The CEO is responsible for the company's day-to-day management and for leading the organisation in accordance with the Board's guidelines, instructions and directions. Wihlborgs' rules of procedure for the Board include instructions to the CEO, who is required to ensure that the Board receives the necessary information and decision data ahead of Board meetings, that the Board is kept informed between its meetings and that financial reporting is conducted in such a way that the Board can make well-founded decisions. This also includes separate reporting instructions specifying timetables. The Group Management discusses and decides overriding operational issues within the scope of business development, the organisation, sustainability and digitalisation. Issues pertaining to sustainability are raised on a continuous basis at Group Management meetings. Continuous reporting and follow-up by the Group Management is implemented through presentations by the individuals responsible for various sub-areas, such as the environment, purchasing, HR, communication and finance.

The Group Management consists of:

Ulrika Hallengren, CEO
Andreas Ivarsson, Director of Projects & Development
Arvid Liepe, Chief Financial Officer
Anna Nambord, Director of Sustainable Business
Mia Rolf, Director of Marketing and Corporate Communications
Maria Ivarsson, Regional Director Lund
Magnus Lambertsson, Regional Director Helsingborg
Peter Olsson, Regional Director Malmö

Principles for employment terms and conditions for the CEO and Group Management

Under the Swedish Corporate Governance Code, the Board is tasked with presenting proposals to the AGM on the principles for remuneration and other terms and conditions of employment for the Group Management. Wihlborgs' Board of Directors proposes that remuneration and other employment terms and conditions should be competitive and on market terms. Remuneration is paid in the form of fixed salary to all members of Group Management. Any remuneration over and above the fixed salary is subject to a cap of 50 percent of fixed salary, and is to be paid in the form of cash. Where appropriate, remuneration in addition to the fixed salary is based on outcomes relative to set targets and must accord with the interests of the shareholders. The conditions for other benefits, if such funds are provided, represent a limited part of total remuneration and mainly consist of company car benefits.

At Wihlborgs, there is a profit-sharing fund that encompasses all employees. Allocations to the fund are based on the return on equity and are limited to a maximum of one basic amount (as defined by Statistics Sweden) per year for each employee.

The pensionable age is 65 for all members of Group Management. The cost of the CEO's pension is fixed at premium of 35 percent of the pension-based salary per year during the period of employment. For other members of Group Management, the ITP plan or its equivalent applies. The notice of termination of employment, on either side, for the CEO and other members of Group Management is four to six months. Severance pay for the CEO consists of 18 months' salary and for other members of Group Management up to 12 months' salary. Severance pay is to be offset against other sources of income.

The principles governing remuneration and terms and conditions of employment for the Group Management and remuneration and terms and conditions of employment for the CEO are decided by the full Board without the Chairman of the Board. The principles for the conditions of employment are unchanged.

Remuneration and other benefits 2021, SEK thousand

	Salary	Other benefits	Pension	Total
Chief Executive Officer	5,329	58	1,552	6,939
Other senior executives	10,222	335	2,739	13,296

Other benefits consist of company car, fuel and healthcare.

Board of Directors



Anders Jarl

Chairman of the Board since 2018, elected 2004
Malmö, born 1956

Education:
MSc in Engineering from Lund University's Faculty of Engineering.

Main occupation:
Chairman of the Board of Wihlborgs.

Other Board assignments:
Board member of Platzer Fastigheter Holding AB, Brinova Fastigheter AB and Malmö City fastigheter AB.

Holding in Wihlborgs: 649,647 shares.



Helen Olausson

Board member, elected 2007
Stockholm, born 1968

Education: MSc in Engineering from KTH Royal Institute of Technology, Executive MBA from the Stockholm School of Economics.

Main occupation: CEO of Årehus AB, CEO of Duved Framtid AB.

Other Board assignments:
Chairman of the Board of AB Jämtsöl and Fastighetsaktiebolaget Palindromet. Board member of Skärvången Invest and others.

Holding in Wihlborgs: 2,000 shares.



Tina Andersson

Board member, elected 2014
Malmö, born 1969

Education: MSc in Business and Economics from Lund University.

Main occupation:
Chief Consumer Officer, Fiskars Group.

Other Board assignments:
Board member of Älvsbyhus AB and Malmö FF.

Holding in Wihlborgs: 4,000 shares through companies.



Lennart Mauritzson

Board member, elected 2021
Stockholm, born 1967

Education: MSc in Economics, Halmstad University/Lund University, lawyer Lund University (not degree)

Main occupation:
President & CEO Backahill AB

Other Board assignments: Board member of Brinova Fastigheter AB (publ), Fabega AB (publ), Catena AB and Rögle Marknads AB.

Holding in Wihlborgs: 0 shares.



Amela Hodzic

Board member, elected 2021
Malmö, born 1974

Education: Master's degree in economic history, Lund University, Bachelor of Philosophy degree, German, Lund University.

Main occupation:
Head of Communications Service Administration, Malmö Stad

Other Board assignments:
Board member of Skurups Sparbank, Camp Scandinavia (Allard Support for Better Life AB) and FramtidNu.

Holding in Wihlborgs: 0 shares.



Johan Qviberg

Board member, elected 2004
Stockholm, born 1981

Education: MSc in Business and Economics from the Stockholm School of Economics.

Main occupation: CEO of Quinary Investment AB.

Other Board assignments:
Board member of Ework Group AB and Compodium International AB.

Holding in Wihlborgs:
1,560,000 shares.



Jan Litborn

Board member, elected 2018
Stockholm, born 1951

Education: LL.M. from Stockholm University, studies at Stockholm School of Economics (no degree).

Main occupation: Managing Partner and lawyer at law firm Born Advokater

Other Board assignments: Chairman of the Board of Fabega AB, Arenabolaget i Solna AB, and Hedin Mobility Group AB. Board member of Consensus Asset Management AB, Aimo Holding AB, Revelop Management AB and Backahill AB.

Holding in Wihlborgs: 5,000 shares.

Auditing

Under the Swedish Companies Act, the company's auditor is required to examine the company's annual accounts and day-to-day accounting records, as well as the administration of the company by the Board of Directors and the CEO. This examination results in an auditor's report that is presented to the AGM after the end of the financial year.

The Nomination Committee proposes auditors to the AGM.

At the 2021 AGM, Deloitte AB was re-elected as the company's auditor, with Richard Peters as the Auditor-in-Charge for Wihlborgs, for a period of one year and, accordingly, the next election of auditors will be at the 2022 AGM. He has no assignments with any companies that are closely related to Wihlborgs' major owners or to the CEO. Alongside the auditing assignment on behalf of Wihlborgs, Richard Peters is also responsible for the following major audit engagements: Beijer Ref, Diös Fastigheter, Fasadgruppen, Lindéngruppen and Mellby Gård.

Richard Peters attends the meeting in person to discuss the year-end accounts and delivers a report on the final examination of the company's accounts. The auditor also participates in audit committee meetings and provides information to the Board on a regular basis regarding the examinations conducted during the year.

In addition to its audit engagement, Deloitte has also advised Wihlborgs in areas related to tax and accounting issues.

Fees and reimbursement of expenses to auditors, SEK thousand		
Group	2021	2020
Deloitte		
Audit engagement	3,017	2,969
Auditing activities other than the audit engagement	660	522
Tax advice	–	–
Other services	247	90

Swedish Corporate Governance Code

The overall aim of the Code is to promote positive development of governance in Swedish companies so that they meet their owners' requirements for return on the capital invested. Any deviations from the rules of the Code must be described and justified in accordance with the comply or explain principle. The reasons for each deviation must be clearly presented.

Wihlborgs' deviations from the Code are presented below:

No separate remuneration committee has been established and, instead, the functions of a remuneration committee were carried out by the entire Board excluding Anders Jarl. During discussions of these matters, no member of executive management was present.

The Board's motivation for not establishing any separate remuneration committee is that this allows the full competence of the Board to be utilised and makes the meetings more efficient.

Internal controls related to financial reporting

Under the Swedish Companies Act and the Swedish Corporate Governance Code, the Board is responsible for internal control. Wihlborgs applies the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework for internal control, which is an internationally recognised and widely accepted system, to describe the company's control structure. COSO describes internal control as being divided into five components:

Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

The control environment is designed by the Board, Group Management and the company's personnel to ensure that the company observes laws and regulations, has an efficient organisation and that the company operates an effective system of financial reporting.

Control environment – has key significance for the organisation and provides the foundation for effective internal control.

Rules of procedure have been established to ensure adequate internal control and to perform accurate risk assessment. These describe the allocation of responsibilities between the Board and the CEO to provide for an effective assessment of risks in the organisation and its financial reporting. The rules of procedures and the ethical guidelines that apply to the Board and the company's employees are updated each year. In its rules of procedure, the Board has clearly set out its delegation of decision-making to management for financial reporting. The organisational structure at Wihlborgs enables effective internal control. The company's organisation into management areas led by a property director shows defined responsibilities together with authorities. This has been described in an instruction governing the signing of leases, authorisation rules and project applications. Consolidated reporting for Wihlborgs' approximately 160 subsidiaries is standardised.

Internal accounting is reconciled with external accounting on each reporting occasion. In accordance with Wihlborgs' personnel policy, employees working with financial issues have individual training plans to ensure competence in the field.

Overall policies are in place for finance, IT, communication, purchasing, equal opportunities and personnel.

Wihlborgs has signed up to the UN Global Compact, which means that the company has committed itself to supporting the ten principles in the areas of human rights, labour law, the environment and anti-corruption. As a result, the company annually reports the current status in its Communication on Progress. Wihlborgs has decided to report on sustainability in accordance with the Global Reporting Initiative (GRI). Sustainability reporting for the 2021 financial year follows the GRI Standards: Core option. This reporting is integrated with the reporting required for the Global Compact.

Risk assessment – Wihlborgs continuously conducts risk assessment in respect of its financial reporting. A risk analysis indicates that internal control is especially important regarding:

- Procedures for rent invoicing, including supplementary billing to tenants
- Buying and selling properties, individually and as companies
- Property costs, primarily energy
- Financing, interest rates and derivatives
- The IT system
- Property valuation
- Project activities
- Taxes

These risks are assessed each year in consultation with the management and the auditors.

Control activities – are intended to create methods that enable the company to manage risks. Such activities are designed to prevent, record and correct any errors that may arise. The aim of control activities is to secure the company's income and assets, to check the accuracy and reliability of its financial reports and also to ensure that established systems of rules are complied with.

Quarterly reports are submitted by operations. Monitoring takes the form of measuring the financial outcome against budget. Once each quarter, project managers and the property management organisation meet to coordinate redevelopment and new-build issues with day-to-day management. Group Management and the heads of property management meet regularly during the quarter to report deviations, major new lets and lease terminations.

A central unit prepares consolidated accounts and financial reporting on a quarterly basis. On these occasions, a property table is also drawn up showing details, at that date, of: rental value, current rental income, vacancies, operating surplus, property valuations and yield.

Information and communication – The Communications Department is responsible for ensuring that external information is provided in accordance with the Nasdaq Exchange agreement.

The company's communication policy describes, for example, how financial reporting should be performed.

The Board receives information about risks of error in the company's financial reporting and the internal control by the auditors in connection with the year-end accounts and their auditing of the interim reports.

Wihlborgs' employees receive continuous information on updated guidelines and policies via the company's intranet.

The Wihlborgs' website is continuously updated to adapt and improve the external disclosure in line with market requirements.

Monitoring activities – The control system is monitored and evaluated on an ongoing basis to guarantee its quality. Feedback on each sub-market is regularly communicated to management and any failings that have emerged in internal controls are rectified.

Group Management reports to the Board in accordance with the instructions for financial reporting. The company's auditors review the financial reports pertaining to the year-end accounts and carry out a review of the accounts for the third quarter. At least twice each year, the auditors present their assessment of the company's internal control to the Board.

Internal audit – To complement the external audit, internal assessments of internal control for the company's most important procedures are maintained continuously. Moreover, as the organisation is simple and the business is geographically limited in extent, the Board has concluded that the appointment of an internal auditor is not necessary.

Group Management



Ulrika Hallengren

Chief Executive Officer
Lomma, born 1970
Employed at Wihlborgs since 2010

Education: BSc in Construction Sciences from Lund University's Faculty of Engineering.

Holding in Wihlborgs: 118,442 shares held privately and through company.



Andreas Ivarsson

Director of Projects & Developments
Helsingborg, born 1977
Employed at Wihlborgs since 2017

Education: Property development, organisation, leadership, marketing at the University of Kalmar, KTH Royal Institute of Technology, Malmö University.

Holding in Wihlborgs: 6,447 shares through companies.



Arvid Liepe

Chief Financial Officer
Falsterbo, born 1967
Employed at Wihlborgs since 2013

Education: MSc in Business and Economics from the Stockholm School of Economics.

Holding in Wihlborgs: 115,219 shares held privately and through company.



Anna Nambord

Director of Sustainable Business
Lomma, born 1973
Employed at Wihlborgs since 2013

Education: BSc in Business Administration from Lund University.

Holding in Wihlborgs: 6,447 shares through companies.



Mia Rolf

Director of Marketing and Corporate Communications
Malmö, born 1971
Employed at Wihlborgs since 2021

Education: BSc in Communication and Media Studies, Stockholm University, EFL Executive MBA

Holding in Wihlborgs: 3,223 shares through companies.



Maria Ivarsson

Regional Director, Lund
Lund, born 1972
Employed at Wihlborgs since 2018

Education: MBA Executive Master of Management and Leadership, MGruppen.

Holding in Wihlborgs: 6,447 shares through companies.



Magnus Lambertsson

Regional Director, Helsingborg
Helsingborg, born 1977
Employed at Wihlborgs since 2020

Education: Bachelor of Science in Real Estate Science, Malmö University.

Holding in Wihlborgs: 6,447 shares through companies.



Peter Olsson

Regional Director, Malmö
Malmö, born 1979
Employed at Wihlborgs since 2017

Education: MSc in Engineering from Lund University's Faculty of Engineering.

Holding in Wihlborgs: 6,447 shares through companies.

Signatures to the Corporate Governance Report

Malmö, 15 March 2022

Anders Jarl
Chairman

Lennart Mauritzson
Deputy Chairman

Tina Andersson
Board Member

Amela Hodzic
Board member

Jan Litborn
Board Member

Helen Olausson
Board Member

Johan Qviberg
Board Member

Ulrika Hallengren
CEO

Revisionsberättelse

To the general meeting of the shareholders of Wihlborgs Fastigheter AB (publ), corporate identity number 556367-0230

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Wihlborgs Fastigheter AB (publ) for the financial year 2021-01-01 – 2021-12-31 except for the corporate governance statement on pages 116–123. The annual accounts and consolidated accounts of the company are included on pages 76–115 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 116–123. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

Description of risk

The most significant transactions and assets of Wihlborgs are related to investment properties and their valuation. The carrying amount represents 98 percent of total assets and is reported at fair value of 50 033 MSEK and this year's change in value amounts to 2 153 MSEK in profit. The valuation is based on significant estimates and assumptions of factors such as the individual property's type, its location, future earning capacity and the market's required return. For project properties, an assessment is made of the remaining construction costs. Undeveloped project properties are valued according to projects location price. These estimates and assumptions may cause a significant impact on the Group's results and financial position.

For further particulars please refer to the section on risks and uncertainties on page 84–89, Group accounting policies on page 98, note 9 and note 13.

Our audit procedures

Our audit covered the following audit actions, but was not limited to these:

- We have reviewed and assessed Wihlborgs' routines to produce input for external valuations, that the routines are consistently applied and that there is integrity in the process.
- We have examined input on a property level for a selection of properties in the external valuations and studied these to ensure that they are complete and accurate.
- For a selection of properties we have evaluated the assumptions of the external valuers about the underlying parameters relating to inflation, rental development, cost development, yield and vacancies. We have also evaluated the competence and objectivity of the external valuers.
- We have examined for a selection of acquired and divested properties that these have been reported in accordance with underlying agreements, applicable tax rules and accounting principles.
- We have reviewed and assessed Wihlborgs routines for development and processing of real estate, including the process of investment decisions, authorization instructions and follow-up of project outcomes.
- We have reviewed that appropriate accounting policies are applied and that adequate information is provided in the relevant notes to the financial statements.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information consists of the remuneration report and pages 1–75 and 132–161 in this document, but does not include the annual report, the consolidated accounts and our auditor's report regarding these. We expect to have access to the remuneration report after the date of this audit report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Wihlborgs Fastigheter AB (publ) for the financial year 2021-01-01 – 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Wihlborgs Fastigheter AB for the financial year 2021-01-01 – 2021-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[3cffeeba4ba613e4948fe0c-cb0d3a77360481a6e79edae01b9848e83a9d4e8a7] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Wihlborgs Fastigheter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order

to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 116–123 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act

Deloitte AB was appointed auditor of Wihlborgs Fastigheter AB by the annual general meeting of the shareholders on the 27 April 2021 and has been the company's auditor since the 28 December 2004.

Malmö, 15 March 2022
Deloitte AB

Richard Peters
Authorized Public Accountant

Five-year review

	2021	2020	2019	2018	2017
Comprehensive income, SEK m					
Rental income	3,060	3,074	2,983	2,684	2,351
Operating surplus	2,195	2,222	2,140	1,941	1,717
Income from property management	1,815	1,830	1,775	1,406	1,179
Changes in value	2,153	753	1,492	1,349	2,052
Tax	-822	-361	-344	-352	-663
Profit for the year	3,348	2,222	2,923	2,403	2,568
Comprehensive income for the year	3,359	2,201	2,933	2,418	2,571
Financial position, SEK m					
Investment properties	50,033	46,072	45,519	42,146	38,612
Other non-current assets	640	534	558	351	312
Current receivables	164	150	201	62	114
Cash and cash equivalents	315	205	280	183	179
Total assets	51,152	46,961	46,558	42,742	39,217
Equity	21,948	19,396	17,887	15,530	13,592
Deferred tax liability	4,622	3,853	3,582	3,295	2,989
Other non-current liabilities	19,946	19,596	22,872	19,677	20,932
Current liabilities	4,636	4,116	2,217	4,240	1,704
Total equity and liabilities	51,152	46,961	46,558	42,742	39,217
Key financial metrics					
Return on equity, %	16.2	11.9	17.5	16.5	20.5
Return on capital employed, %	9.8	7.1	9.0	8.8	11.1
Equity/assets ratio, %	42.9	41.3	38.4	36.3	34.7
Interest coverage ratio, multiple	6.7	6.5	6.2	3.9	3.4
Loan-to-value ratio, properties, %	46.5	48.2	51.9	54.1	53.5
Debt/equity ratio, multiple	1.1	1.2	1.3	1.5	1.5
Share-related key metrics					
Earnings per share, SEK	21.78	14.46	19.02	15.63	16.71
Earnings per share before tax, SEK	27.13	16.80	21.25	17.92	21.02
EPRA EPS, SEK	10.65	10.65	10.53	8.06	6.84
Cash flows from operating activities per share, SEK	10.99	11.91	10.96	9.69	8.45
EPRA NDV per share, SEK	142.79	126.18	116.37	101.03	88.43
EPRA NRV per share, SEK	172.65	152.44	140.20	122.64	114.00
Market price per share, SEK	205.40	185.40	172.50	102.40	98.15
Dividend per share, SEK (2021 = proposed dividend)	6.00	5.25	4.50	3.75	3.13
Dividend yield per share, %	2.9	2.8	2.6	3.7	3.2
Total yield per share, %	13.6	10.1	72.1	7.5	19.3
P/E ratio I, multiple	9.4	12.8	9.1	6.6	5.9
P/E ratio II, multiple	19.3	17.4	16.4	12.7	14.4
Number of shares at period end, thousand	153,713	153,713	153,713	153,713	153,713
Average number of shares, thousand	153,713	153,713	153,713	153,713	153,713
Property-related key metrics					
Number of properties	299	294	312	310	308
Carrying amount for properties, SEK m	50,033	46,072	45,519	42,146	38,612
Investment yield, % – all properties	4.8	4.6	4.9	4.9	4.9
Estimated investment yield, % – excl. project properties	5.1	4.8	5.0	5.1	5.1
Lettable area, m ²	2,142,892	2,102,707	2,181,359	2,105,851	2,066,874
Rental value, SEK per m ²	1,620	1,554	1,508	1,423	1,322
Operating surplus, SEK per m ²	1,048	1,011	1,015	972	912
Economic occupancy rate, % – all properties	90	90	93	93	93
Economic occupancy rate, % – excl. project properties	92	91	93	94	94
Estimated surplus ratio, %	72	72	72	73	74
Employees					
No. of full-time equivalents (FTEs) at end of period	250	236	221	187	149

Turn to pages 129–130 to see calculation bases and definitions of metrics.

Calculation bases and definitions of Group metrics

Some of the financial metrics that Wihlborgs presents 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. Presented below are calculation bases and definitions of metrics that, with a few exceptions, are not defined in accordance with IFRS.

Calculation bases

Unless otherwise stated, amounts are in SEK million.

	31 Dec 2021	31 Dec 2020
Return on equity		
Profit for the period	3,348	2,222
Equity, opening balance (OB)	19,396	17,887
Equity, closing balance (CB)	21,948	19,396
Average equity	20,672	18,642
Return on equity, %	16.2	11.9
Return on capital employed		
Pre-tax profit	4,170	2,583
Interest expense (incl change in value, interest-rate derivatives)	110	400
Total	4,280	2,983
Total assets, OB	46,961	46,558
Total assets, CB	51,152	46,961
Non-interest-bearing liabilities and provisions, OB	-5,198	-4,856
Non-interest-bearing liabilities and provisions, CB	-5,670	-5,198
Average capital employed	43,623	41,733
Return on capital employed, %	9.8	7.1
Equity/assets ratio		
Equity	21,948	19,396
Total assets	51,152	46,961
Equity/assets ratio, %	42.9	41.3
Interest coverage ratio		
Income from property management	1,815	1,830
Interest expense	316	332
Total	2,131	2,162
Interest expense	316	332
Interest coverage ratio, multiple	6.7	6.5
Loan-to-value ratio, properties		
Borrowings	23,278	22,208
Carrying amount, investment properties	50,033	46,072
Loan-to-value ratio, properties, %	46.5	48.2
Debt/equity ratio		
Interest-bearing liabilities	23,440	22,368
Equity	21,948	19,396
Debt/equity ratio, multiple	1.1	1.2

	31 Dec 2021	31 Dec 2020
Earnings per share		
Profit for the period	3,348	2,222
Average number of shares, thousand	153,713	153,713
Earnings per share, SEK	21.78	14.46
Earnings per share before tax		
Pre-tax profit	4,170	2,583
Average number of shares, thousand	153,713	153,713
Earnings per share before tax, SEK	27.13	16.80
EPRA EPS		
Income from property management	1,815	1,830
Fiscal depreciation/amortisation, direct deductions, etc.	-967	-929
Taxable income from property management	848	901
Current tax on the above	-178	-193
Income from property management after deduction of current tax	1,637	1,637
Average number of shares, thousand	153,713	153,713
EPRA EPS, SEK	10.65	10.65
Cash flows from operating activities per share		
Cash flows from operating activities	1,690	1,831
Average number of shares, thousand	153,713	153,713
Cash flows from operating activities per share, SEK	10.99	11.91
EPRA NDV per share		
Equity	21,948	19,396
Number of shares at period end, thousand	153,713	153,713
Equity per share I, SEK	142.79	126.18
EPRA NRV (long-term net asset value)		
Equity	21,948	19,396
Deferred tax liability	4,622	3,853
Derivatives	-31	183
Total	26,539	23,432
Number of shares at period end, thousand	153,713	153,713
EPRA NAV per share, SEK	172.62	152.44
Dividend yield per share		
Proposed dividend, SEK	6.00	5.25
Share price at year end, SEK	205.40	185.40
Dividend yield per share, %	2.9	2.8
Total yield per share		
Share price at start of year	185.40	172.50
Share price at year end, SEK	205.40	185.40
Change in share price over the year, SEK	20.00	12.90
Dividends paid over the year, SEK	5.25	4.50
Total yield per share, %	13.6	10.1
P/E ratio I		
Share price at period end	205.40	185.40
Earnings per share	21.78	14.46
P/E ratio I, multiple	9.4	12.8
P/E ratio II		
Share price at period end	205.40	185.40
EPRA EPS	10.65	10.65
P/E ratio II, multiple	19.3	17.4

Definitions

Key financial metrics

When profit for the year or equity is included in key metrics, profit and equity are stated including non-controlling interests unless otherwise indicated.

Return on equity

Profit for the period as a percentage of average equity. Average equity refers to the average of the opening and closing values for the respective period. The ratio comprises a measure of the profitability in terms of the shareholders' equity.

Return on capital employed

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. The metric shows the return on the capital provided by shareholders and lenders without regard to how the company is financed.

Equity/assets ratio

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

Interest coverage ratio

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

Loan-to-value ratio, properties

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

Debt/equity ratio

Interest-bearing liabilities relative to equity. Interest-bearing liabilities 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

Operating surplus 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 year. The ratio illustrates the yield on the property portfolio without taking account of its financing costs.

Share-related key metrics

Earnings per share for the year

Profit for the year divided by the average number of shares outstanding. Definition in accordance with IFRS.

Earnings per share before tax

Earnings divided by the average number of shares outstanding.

EPRA EPS

Income from property management less the estimated current 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

Recognised equity in the balance sheet divided by the number of shares at period end.

EPRA NRV (Net reinstatement value) per share

Recognised equity in the balance sheet with the add back of interest-rate derivatives and deferred tax pursuant to the balance sheet and then divided by the number of shares at period end.

Dividend yield per share

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

Total yield per share

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

P/E ratio I, multiple

Market price per share divided by earnings per share.

P/E ratio II, multiple

Market price per share divided by EPRA EPS.

Average fixed-interest period

The average of the tenors remaining until rate adjustment for the entire interest-bearing debt.

Average loan maturity

The time remaining until the entire interest-bearing debt has been refinanced.

Property-related key metrics*

These key metrics are based on the property table on page 47. The table shows the estimated rental value, rental income and property costs on an annualised basis with an unchanged property portfolio based on the lettings portfolio as of 1 January 2022.

Rental value

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

Estimated investment yield

Operating surplus, including property management, as a percentage of the carrying amount for the properties at the end of the period.

Rental value per m²

Rental value divided by lettable area.

Operating surplus per m²

Operating surplus, including property management, divided by lettable area.

Economic occupancy rate

Rental income as a percentage of rental value.

Estimated surplus ratio

Operating surplus as a percentage of rental income.

Net lettings

New lettings contracted during the period less lease terminations.

Like-for-like portfolios

Excludes properties that in the current and comparative period were classified as projects/land, acquisitions or disposals.

*These key metrics are operational and do not constitute alternative performance measures in accordance with the guidelines of the European Securities and Markets Authority (ESMA).



Every Monday, a digital information meeting is held over breakfast. A good and appreciated way of reaching everyone in the organisation.

**In-depth
sustainability
information**

2021 Sustainability Report

Wihlborgs' sustainability report is integrated into different sections of its Annual Report. We report on our priorities and important activities during the year on pages 30–43. A compiled report on risks and uncertainties including important sustainability risks can be found on pages 84–89. The in-depth sustainability information on pages 132–151 in this section includes additional information concerning governance, measurement and follow-up on our sustainability agenda. The section also includes performance indicators and supplementary information that has been requested in the reporting frameworks that we apply.

The sustainability reporting – which also encompasses our Sustainability Report in accordance with the Annual Accounts Act – covers the period from 1 January to 31 December 2021. We report annually and the previous sustainability report, which pertained to 2020, was published on 1 April 2021. We intend to publish the next sustainability report in April 2023.

The information in the Sustainability Report has been subject to a limited review from Wihlborgs' auditors elected by the Annual General Meeting. Their statement is found on page 151.

For additional information about Wihlborgs' sustainability work and our sustainability reporting, please contact:

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GRI

For several years, Wihlborgs has been reporting in accordance with the Global Reporting Initiative (GRI) Standards: Core option, including certain sector specific indicators from the earlier GRI G4 standards. In this report, we are using GRI Standards 2020 and plan to transition next year to the new GRI Standards 2021. On pages 138–139, there is an index that shows where in the Annual Report the GRI information is presented.

EPRA

As of last year, Wihlborgs also applies the guidelines for sustainability reporting issued by the European Public Real Estate Association (EPRA). The performance indicators that are prepared pursuant to EPRA's Sustainability Best Practice Recommendations are compiled on pages 142–143. In addition, some supplementary EPRA information is available on Wihlborgs' website.

TCFD

This year, we present expanded information about climate-related risks in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations on pages 140–141.

UN Global Compact

Wihlborgs has been a member of the UN Global Compact since 2010, an initiative we continue to support. In June 2020, Wihlborgs submitted its latest Communication on Progress (equivalent to the 2020 Annual Report/Sustainability Report).

The Swedish Annual Accounts Act

According to the Swedish Annual Accounts Act, large companies must prepare a sustainability report according to certain specified criteria. Wihlborgs has elected to present the required information pursuant to the Swedish Annual Accounts Act in the in-depth sustainability information section, but also in other sections of the Annual Report as follows.

The presentation of Wihlborgs' business model is presented on page 14. Risks and risk management are primarily presented on pages 84–89, but are also covered in the in-depth sustainability information. Policies and the governance of material sustainability issues are primarily described on pages 144–149. Performance indicators concerning the environment, personnel, human rights and anti-corruption are primarily presented on pages 142–149.

EU Taxonomy

Pursuant to the EU Taxonomy for sustainable activities, major listed companies in Europe are expected to submit information in their sustainability reports about how their operations contribute to meeting the EU environmental objectives. This information will be reported as the share of turnover, operational expenditures and capital expenditures that are "sustainable" pursuant to the Taxonomy criteria.

While initially, Wihlborgs is not subject to the reporting requirement, we have nevertheless chosen to present our assessment of how our operations comply with the EU Taxonomy in order to provide guidance for owners and investors. In step one, we have estimated the share of our turnover, operational expenditures and capital expenditures that pertain to Taxonomy-eligible economic activities.

Wihlborgs owns, manages and develops commercial properties. Our operations correspond with the activities in the Taxonomy under activity 7.7 "Acquisition and ownership of buildings" and essentially all of our turnover, all of our operational expenditures and all of our capital expenditures derive from this activity. When we carry out new construction or renovate, the capital expenditures can be linked to the activities under 7.1 Construction of new buildings and 7.2 Renovation of existing buildings respectively. Moreover, we conduct ongoing energy efficiency enhancements of our properties and install charging stations for electric vehicles and solar power systems. These investments correspond with the activities 7.3–7.6, which pertain to exactly these types of measures to limit the climate impact.

	Total 2021 (SEK m)	Eligible according to the EU Taxonomy (%)	Not eligible according to the EU Taxonomy (%)
Turnover ¹⁾	3,033	99%	1%
Opex ²⁾	224	100%	0%
Capex ³⁾	1,645	100%	0%

1) Turnover pertains to our total rental income recognised in the income statement. All revenue except some service income for restaurant operations in Denmark is covered by the EU Taxonomy.

2) Operating expenditure (Opex) pertains to direct costs for upkeep, repair and maintenance of our properties.

3) Capital expenditures (Capex) pertain to capitalised expenses that raise the value of our properties, including investments and acquisitions.

Wihlborgs' sustainability framework

The foundation of Wihlborgs' sustainability work is our framework that covers the most material sustainability issues separated in four comprehensive areas:

The framework is presented below and is a guide for us in establishing targets and prioritising sustainability-related activities. It also establishes a focus in our reporting, and the structure of our Sustainability Report is based on this framework.

Materiality analysis

Wihlborgs' sustainability framework has developed over a number of years and is based on our own understanding of how we impact our surroundings, impressions from external guidelines, rules and regulations, validation with industry colleagues and dialogues that we have carried out with important stakeholder groups, which includes tenants, investors, creditors, municipalities, employees, suppliers and other partners.

Through continuous business intelligence and recurring stakeholder dialogues, we regularly monitor the sustainability issues that we have assessed to be material in our framework. We focus on the sustainability aspects that are meaningful for Wihlborgs' continued development, and where we believe that we have an impact on the environment and society.

The table below displays the prioritised sustainability issues within each area in the framework and their connection to the relevant GRI Standards. In the chapters Sustainable business (pages 30–43) and Sustainability information (pages 144–149), we describe how we define the different aspects and why we believe them to be material for Wihlborgs and our stakeholders.

Stakeholder dialogue

All of the above stakeholder groups are crucial for Wihlborgs' long-term survival, and we conduct formal dialogues with many of these, such as a customer satisfaction index (CSI) every other year. However, we also conduct informal daily dialogues concerning what is important for them in their relationship with Wihlborgs. The table on page 136 outlines examples of our recurring stakeholder dialogues, where we also address sustainability issues.

We note that our stakeholders increasingly highlight sustainability-related issues in the dialogues that we conduct with them. In the customer satisfaction survey that we conducted in 2020, we asked specific questions concerning how tenants view Wihlborgs' sustainability work and which sustainability issues they saw as the most material. The results clearly showed that many

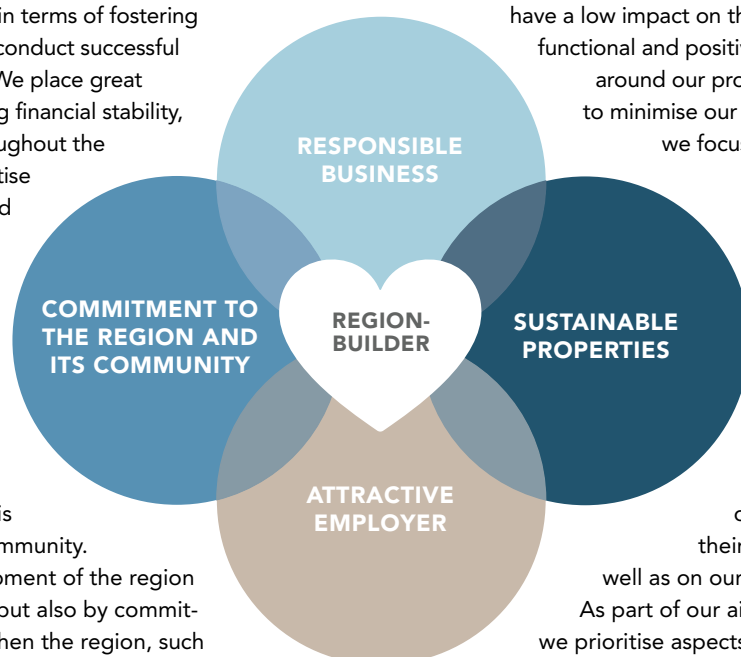
Sustainability framework

Responsible business

Taking responsibility for our relationships with customers, suppliers and partners is vital in terms of fostering confidence and our ability to conduct successful business over the long term. We place great importance on ensuring strong financial stability, responsible relationships throughout the value chain and we also prioritise initiatives relating to ethics and anti-corruption. For more information, see pages 34–35 and 144–145.

Commitment to the region and its community

A prerequisite for our operations is that the region is attractive for the business community. We contribute to the development of the region through our core operations but also by committing to initiatives that strengthen the region, such as infrastructure, innovation and education. Opting for local suppliers also helps the region's development. For more information, see pages 38–39 and 147.



Sustainable properties

It is important for our properties to be energy-efficient, to have a low impact on the climate and to contribute to a functional and positive work environment. It is in and around our properties that we can do the most to minimise our impact on the environment, and we focus on reporting on and improving our properties' climate impact, environmental performance and energy consumption. For more information, see pages 40–44 and 148–149.

Attractive employer

Our employees' happiness, commitment and ability to develop has a direct impact on our customers' experience of their relationship with Wihlborgs, as well as on our ability to deliver strong results. As part of our aim to be an attractive employer, we prioritise aspects such as the work environment, skills development, diversity and equal opportunities. For more information, see pages 36–37 and 145–147.

of the tenants would like Wihlborgs to prioritise the energy and environmental performance of the properties and want to engage in dialogue with us concerning this. Tenants are mostly interested in daily property-related issues and they prefer to lease premises in energy-efficient and well-maintained properties.

During the past few years, we have also noted an increased interest in sustainability issues among investors and creditors. They often want to assure themselves that Wihlborgs is working in a systematic manner with relevant sustainability issues. In 2021, there has also been considerable focus in the financial sector on the EU proposed Taxonomy for sustainable investments. This further accentuates energy and climate issues for our industry.

Wihlborgs values its role as a region-builder, and in the dialogues we have conducted with the cities in which we have our properties, what we found was that stakeholders appreciate that Wihlborgs plays an active part in city development, for example in developer dialogues and other forums. They also expect us to actively work and collaborate on social issues as well as issues relating to security and safety. In light of this, we ensure that our societal commitment agenda with a focus on work, training, inclusion and regional development remains up-to-date.

Membership and collaboration

For Wihlborgs, it is important and natural to engage in collaboration with organisations that contribute to the development of the region or that drive important societal issues.

We support and are involved in local initiatives such as LFM30 (local roadmap for a climate neutral construction sector in Malmö by 2030) and H22 – A Smarter City in Helsingborg where sustainability will be in strong focus. We are also represented on the committee promoting a metro rail link between Malmö and Copenhagen, to name just a few examples.

Many of Wihlborgs' employees sit on external boards and forums through which they drive important issues concerning urban development. We are represented on various boards, including those of Fastighetsägarna Syd, Fastighetsföreningen Lund City, Malmö Citysamverkan, Lund Citysamverkan, Helsingborg Citysamverkan, Medeon, Ideon and Øresundsinstitutet.

In terms of environmental and sustainability issues, we are active in networks such as the Sweden Green Building Council (SGBC), the environmental think-tank Tankesmedjan Miljö, Klimatsamverkan Skåne, Lund's Climate Alliance, the Swedish Association for Sustainable Business (NMC), Global Compact Sweden, Solar Region Skåne and CSR Skåne.

Prioritised sustainability issues in our framework

The table below displays the sustainability topics that Wihlborgs has identified as most material to work with, follow up on and report on (in accordance with GRI Standards 2020 – with references to the relevant GRI Standard in brackets). In addition

to this, there are a number of sustainability topics that we work with in our daily operations, follow up on internally and, in many cases, report on via our website.

Responsible business	Attractive employer
Economic performance (GRI 201) Anti-corruption (GRI 205) Procurement practices (GRI 204) Supplier environmental assessment (GRI 308) and Supplier social assessment (GRI 414)	Occupational health and safety (GRI 403) Training and education (GRI 404) Diversity and equal opportunity (GRI 405)
Commitment to the region and its community	Sustainable properties
Community commitment (–)	Energy (GRI 302) Emissions (GRI 305) Certified properties (–)

Examples of stakeholder dialogues

Examples of stakeholder groups and more formal dialogues regularly conducted with our key stakeholders.

	Dialogue format	Timing/interval
Tenants	Customer satisfaction surveys Wihlborgs' Kontaktyta forum Dialogues with responsible property owners/managers Reconciling green leases	Every second year Twice yearly Continuously As per the tenant's wishes
Shareholders	Annual General Meeting Investor meetings	Once each year Several times a year
Employees	Career development reviews Employee survey Monthly meetings (at each office) Work Environment Committee Environmental Management Committee	Once each year Once each year Each month Four times per year Four times per year
Loan providers	Meetings with the respective banks Financial reporting/Presentation of quarterly reports Data gathering, surveys and dialogues about Wihlborgs' sustainability management	Several times a year Quarterly Several times a year
Suppliers	Procurement process Annual review of agreements Review of sustainability work in conjunction with renegotiation/resigning of agreements Wihlborgs' Kontaktyta forum Follow-up meetings during/after construction projects	Ongoing basis for different areas Annually Continuously Twice yearly Continuously
Community The public sector The non-profit and voluntary sector Universities and other institutes of higher education	Dialogue forums in conjunction with city planning meetings, developer dialogues, etc. Board and steering committee meetings with FC Rosengård, Drivkraft, Diversity index, among others Member meetings of Malmö Citysamverkan, Lund Citysamverkan and Helsingborg Citysamverkan. Partner group meetings and market days Presentation for students and openings for projects/theses	When invited by municipalities Several times per year Several times per year Some/Several times per year Upon request, normally several times annually
Board of Directors	Board meetings	Five times per year

UN Sustainable Development Goals

At Wihlborgs, we understand that all of society's players – including companies and business – must collaborate for the world to have a chance of achieving the SDGs by 2030. To increase clarity and show how we contribute to the various SDGs, we have conducted a more in-depth analysis of the SDGs as well as the underlying targets.

Our assessment is that six of the 17 SDGs are closely related to the prioritised sustainability issues of our sustainability framework – SDGs 7, 8, 11, 12, 13 as well as SDG 17 which we view as an “enabler” of the other SDGs. We have also set other goals for Wihlborgs in line with the SDGs that we measure and follow up on. These are summarised in the table below.







Through our work with “Sustainable properties” and focus on energy and climate issues, the choice of materials and resource optimisation, we contribute to several of the SDGs. We are involved in urban development in those locations in which we construct and manage properties, and we are active in ensuring a sustainable approach.

Sustainable economic growth must not take place at the

expense of the environment or the quality of life in our local communities. We promote a healthy work environment and decent work conditions both within Wihlborgs and with our suppliers. These are important aspects for our investments in Responsible business and being an Attractive employer, which are also in line with the SDGs.

Our commitment to the region and its community takes different forms, but mainly concerns our wish to help and collaborate with organisations that make a difference in society. By supporting initiatives that impact societal development, the likelihood that we will achieve more of the SDGs increases.

Apart from the six prioritised SDGs, we indirectly contribute to an additional six SDGs in our daily operations by, for example, creating healthy work environments for our tenants (thereby contributing to SDG 3) and maintaining good business ethics in the supply chain (SDG 16). Through our societal commitment, we also support organisations that advocate increased inclusion, training of young people and other important societal initiatives (SDGs 4, 5 and 10).

Goal/targets	Our contribution	Our result
 7 AFFORDABLE AND CLEAN ENERGY Targets: 7.2, 7.3	Wihlborgs uses almost entirely renewable energy where this is available from our energy suppliers, and we are installing more solar power systems at our properties. Each year, we carry out energy efficiency projects that contribute to reducing energy consumption in the properties.	Refer to the EPRA section on pages 142–143 and Sustainable properties on pages 148–149
 8 DECENT WORK AND ECONOMIC GROWTH Targets: 8.4, 8.8	Wihlborgs places substantial focus on its use of resources and choice of materials in our construction projects and tenant improvements. We promote a safe and secure workplace for our employees and set equivalent requirements for our suppliers and contractors.	Refer to the EPRA section on pages 142–143, Responsible business and Attractive employer on pages 144–147
 11 SUSTAINABLE CITIES AND COMMUNITIES Targets: 11.6	Wihlborgs contributes to reducing the environmental impact of cities by constructing and managing resource-efficient properties that use energy with limited emissions. We provide facilities for our tenants to sort waste at the properties and strive to reduce the amount of waste related to our construction projects.	Refer to the EPRA section on pages 142–143 and Sustainable properties on pages 148–149
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Targets: 12.2, 12.5, 12.6	With environmental goals, an environmental programme and by setting clear requirements for our suppliers, we drive all of Wihlborgs' operations toward reduced material consumption, reusing material and the efficient use of natural resources. Every year, we summarise and present our results and aim to inspire our customers to make sustainable decisions concerning the design of premises.	Refer to the EPRA section on pages 142–143 and Sustainable properties on pages 148–149
 13 CLIMATE ACTION Targets: 13.1	Contributing to reduced climate impact is our most important environmental challenge, and we achieve this by focusing on energy issues, the choice of materials, transportation and an environmental focus for new builds and renovations. We adapt our properties to benefit the climate and place requirements on construction contractors to present technical solutions to protect against the effects of climate change.	Refer to the EPRA section on pages 142–143 and Sustainable properties on pages 148–149
 17 PARTNERSHIPS FOR THE GOALS Targets: 17.17	We are convinced that work to make a change is most efficient when different parties and sectors collaborate. We do this by collaborating with suppliers and customers, but also by supporting and taking part in various organisations and initiatives that act for a more sustainable society.	Refer to the Commitment to the region and its community section on page 147

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Reporting according to the TCFD

For the second year in a row, Wihlborgs is reporting pursuant to the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD). The structure of this section follows the TCFD and some information is also presented in other sections in the Annual Report, which is indicated with references in the text below.

Governance

The Board bears overall responsibility for Wihlborgs' operations including work with climate-related risks and opportunities. The Board of Directors regularly monitors that work is proceeding to plan and the progress of climate targets set by the management. This takes place, inter alia, in conjunction with the review of the annual report, in strategy meetings during the year and when setting the budget and operational targets. During the year, the Board also held special meetings on the climate and other sustainability topics in which Wihlborgs' Director of Sustainable Business participated.

How Wihlborgs otherwise works in daily operations with climate-related issues is presented in the Sustainable properties section on pages 38–40 and in the Emissions section on page 148. Within Wihlborgs' executive management, it is the CEO and the Director of Sustainable Business who are responsible for climate and sustainability issues and keeping the Board informed of such developments. The Environmental Manager bears the operational responsibility for driving Wihlborgs' climate activities, proposing Group-wide climate targets and following up on and reporting these outcomes to Group Management.

Strategy

As a property owner with a strong geographical focus on the Öresund region, it is natural that Wihlborgs holds a long-term perspective on its operations. Our properties should remain able to offer attractive workplaces for our customers and continue to create value for our owners for many decades ahead.

Climate change means that we must adapt our properties to new physical conditions in the form of more extreme weather conditions, flooding and an increased risk for damp and mould damage, but we must also adapt operations to the changes that take place in the market and in society as a result of climate change.

We can already note that there are greater expectations of Wihlborgs from customers, investors and other players in regards to responsible climate activities. In the short and medium term (the next 3–5 years), this is likely to accelerate, at the same time as we will meet more stringent requirements from regulators and government authorities in terms of what and how we may build. This will result in implications in terms of, for example, which properties we choose to own in different locations and how we will adapt these in order to make them more energy efficient and climate smart.

In the long term (5–10 years and beyond), it is highly likely that we will increasingly take note of physical climate change – increased rain levels and wind strengths resulting in recurring flooding, rising temperatures and water levels – which will result in the need to protect our properties against the climate. This could result in investments in various climate adaptations of the buildings or increased costs for comfort cooling, disposing of rain water

and repairs/maintenance to rectify or avoid damage. For more information, refer to the analysis we completed to identify these risks below.

Risk management

The identification and analysis of climate-related risks is an extension of our ordinary risk management – a process that is described on page 84 where we assess the probability and impact of a broad spectrum of risks. At the same time, we note that climate risks currently require separate analysis in order to form a well thought-out long-term risk management strategy.

In light of the climate-related risks that we have identified to date, we have also begun to implement a number of measures to manage these risks. One example is Wihlborgs' project-adapted environmental programme, in which we, inter alia, carry out analyses of each new construction project with the aim of identifying the need for climate adaptation and setting boundaries for the energy performance of the construction. Another example is Wihlborgs' Climate roadmap which will guide and inspire the organisation to work to achieve Wihlborgs' ambitions to reduce the climate impact of operations.

Thanks to careful maintenance work and a daily presence at the properties through Wihlborgs' own property caretakers, we are very well aware of the condition of the buildings and any need for adaptations. Energy optimisation and operational optimisation of the properties, as well as an increase in the installation of, for example, solar power systems and modern refrigeration units, also contributes to reducing climate impact and operating costs.

Goals and measures

Wihlborgs has adopted short-term (until 2022) and long-term (until 2030) climate goals that aim to markedly reduce our greenhouse gas emissions. Goals and metrics for Wihlborgs' climate impact are presented in the Sustainable properties section on pages 38–40, in the EPRA section on page 142 and in the Emissions section on page 148.

Overall, our metrics and estimations of Wihlborgs' climate-impacting emissions show that we are on the right path to reducing emissions that result from our own operations (Scope 1) or the production of purchased energy (Scope 2), but that significant emissions remain in the value chain related to our construction projects and our tenants' use of electricity in the properties (Scope 3).

Scenario analyses

With the aim of better understanding how the climate may change and what this could mean for our property portfolio, we completed an assessment of climate risks in 2021 based on analysing various climate scenarios.

Climate scenarios shed light on different risks and opportunities for Wihlborgs' operations and help us to adapt our business strategy and assess the need to make climate adaptations to our properties. The risk assessment was based on two primary scenarios developed by the UN Intergovernmental Panel on Climate Change (IPCC) – RCP 8.5 and RCP 2.6.

These scenarios comprise two extremes, where RCP 8.5 describes a future in which we continue to increase GHG emis-

Climate-related risks and opportunities

Scenario	Risks	Opportunities	Impact
Severe climate change with considerable impact on society as a result of increased GHG emissions. (RCP 8.5)	<p>Property damage as the result of downpours, rising sea levels, landslides and erosion</p> <p>Shorter technical lifespans of constructions and building production due to weather impact</p> <p>Reduced demand for properties in risk areas</p> <p>Energy shortages as the result of increased societal demand</p>	<p>Climate adaptation leading to more robust and attractive properties</p> <p>The self-production of solar energy and energy enhancements reducing the need of purchased energy</p> <p>Milder winters reducing heating requirements and shortening production times for new construction</p>	<p>Increased costs for the climate adaptation of properties</p> <p>Increased costs for repairs, maintenance and insurance</p> <p>Increased energy and operating costs</p> <p>Reduced value for non-climate adapted properties or properties in risk zones</p> <p>Increased value and higher rent for climate-adapted and energy-efficient properties</p>
Vigorous climate policies reducing GHG emissions and limiting climate change (RCP 2.6)	<p>Increased regulations and taxes concerning energy, emissions, land use and construction norms</p> <p>The need for increased investments in new or renovated energy-efficient properties</p> <p>Reduced demand for older properties with lower energy and climate performance</p>	<p>More energy-efficient properties with new technology reducing energy consumption</p> <p>Collaboration with entrepreneurs leading to more resource efficiency and fewer climate-impacting projects</p> <p>Customers and investors demanding environmentally certified and climate-adapted properties</p>	<p>Increased costs for the transition of operations and climate adaptation of properties</p> <p>Increased costs for energy, building material and transportation</p> <p>Reduced value/increased vacancies in properties with lower energy and climate performance</p> <p>Increased value/higher rent for environmentally certified and climate adapted properties</p>

sions substantially and are not able to curb climate change. In the RCP 2.6 scenario, we assume instead that a substantial and global climate policy will lead to a decline in emissions and more limited global temperature increase in line with the Paris Agreement.

Climate-related risks and opportunities

Our analysis demonstrates that there are both climate-related risks and opportunities present in these different future scenarios. The risks can, in line with the TCFD, be divided into transition risks – political, technological and regulatory risks as a result of society attempting to limit climate change – and physical climate risks such as floods, heat waves and other types of extreme weather.

Climate-related risks

In the climate scenario with higher average temperatures and emissions (RCP 8.5), we see increased physical climate risks and potential damage to Wihlborgs' properties as the result of an increase in extreme weather. The analysis demonstrates that a number of properties in our portfolio have an elevated risk of local flooding as a result of higher rainfall and intense downpours. Properties in coastal locations in Malmö and Helsingborg are also exposed to the risk of flooding due to rising sea levels.

In the scenario with a lower temperature increase (RCP 2.6), the physical climate risks are lower as the effects of climate change are expected to be more limited. On the other hand, transition risks are assessed to be even greater in the form of political decisions and technological innovations that compel society to reduce its climate impact. For Wihlborgs' operations, this could involve, for example, price hikes for building material, energy and transportation due to political restrictions and taxes.

Climate-related opportunities

Irrespective of the climate scenario, the analysis demonstrates that climate change could also present opportunities for Wihlborgs, largely thanks to the transition of operations that we have already commenced. As mentioned above, the investment of solar power

systems to our properties and purchases of renewable electricity and heating are reducing our dependence of fossil energy and contributing to a lower climate footprint. Annual investments in energy saving measures such as more efficient and less climate-impacting refrigeration units are contributing to reducing our energy consumption and, as a result, our operating costs.

In addition, we see opportunities in terms of Wihlborgs' conscious investment in the environmental certification of our property portfolio. Environmental certification efforts are future-proofing our properties, increasing knowledge and developing commitment in our own organisation. These are efforts that are appreciated by tenants as well as financiers, which could potentially lead to higher rental income and market value moving forward.

Wihlborgs' assessment and work moving forward

The aforementioned climate-related risks and opportunities are also likely to lead to certain financial consequences for Wihlborgs. A number of investments that aim to limit our climate impact have already been completed, while other financial effects will be felt further in the future when, for example, new technology becomes accessible, regulations are changed or potential damage to properties incurs.

The completed scenario analysis provides an indication of the potential impact on Wihlborgs and our properties. Our assessment is that climate scenario RCP 8.5 that gives rise to the most significant climate risks overall is less likely than scenario RCP 2.6 that involves greater transition risks. A scenario between these two extremes is probably most likely, and Wihlborgs is preparing for such a future.

We are continuing our efforts to gradually reduce our carbon footprint in own operations and in the value chain. In such a way, we are also limiting the financial consequences of the climate transition that is now taking place in society at large. In parallel, we are also compiling an inventory of climate adaptation requirements on a property level based on the completed assessment of physical climate risks. We are therefore equipping ourselves for a scenario in which extreme weather is on the rise.

Sustainability indicators according to EPRA

In the tables below in this section, we summarise most of the sustainability indicators specified by the European Public Real Estate Association (EPRA) in their Sustainability Best Practice Recommendations (sBPR). Certain indicators concerning societal commitment and corporate governance can also be found in other sections of the Annual Report.

Important definitions and assumptions are provided in connection with each table. Moreover, we have grouped all of the accounting policies for the year's Sustainability Report

on page 150, which also includes information on how we have applied important aspects of EPRA sBPR's "Overarching recommendations".

Comments concerning the outcomes reported below are primarily found on pages 144–149. In addition, additional information according to EPRA is also presented on Wihlborgs' website, including a breakdown of performance indicators per region and property type as well as other information that, for the purposes of space, cannot be reported in the Annual and Sustainability Report.

Energy consumption

EPRA	Description	Unit	Absolute performance (Abs)		Like-for-like performance (Lfl)	
			2021	2020	2021	2020
Elec-Abs/Lfl	Total electricity consumption	MWh	73,444	76,644	57,205	55,823
DH&C-Abs/Lfl	Total district heating and cooling consumption	MWh	135,563	125,290	107,108	100,042
Fuels-Abs/Lfl	Total fuel consumption	MWh	9,562	8,364	8,925	8,079
Energy-Int	Building energy intensity	kWh/m ²	102.19	95.54	100.30	95.43

The table shows Wihlborgs' purchased energy, including electricity to tenants where Wihlborgs accounts for the contract with the energy supplier. Fuel refers to natural gas and biogas for heating. Renewable energy (2021): electricity (100%), district heating/cooling (95%), fuel (80%). Fuel intensity has been calculated in relation to the total lettable area for each year.

GHG emissions

EPRA	Description	Unit	2021	2020
GHG-Dir-Abs	Total direct GHG emissions (Scope 1)	Tonnes CO ₂ e	1,007	1,090
GHG-Indir-Abs	Total indirect GHG emissions (Scope 2) – market based	Tonnes CO ₂ e	1,986	1,989
	Total indirect GHG emissions (Scope 2) – location based	Tonnes CO ₂ e	10,660	10,250
GHG-Int	GHG emissions intensity (Scope 1 & 2)	kg CO ₂ e/m ²	1.40	1.40

The table displays GHG emissions from fuel and leakage of refrigerants from refrigeration units (Scope 1) and purchased electricity, heating and cooling (Scope 2).

Water consumption

EPRA	Description	Unit	Absolute performance (Abs)		Like-for-like performance (Lfl)	
			2021	2020	2021	2020
Water-Abs/Lfl	Total water consumption	m ³	403,220	465,430	317,210	366,122
Water-Int	Building water intensity	m ³ /m ²	0.19	0.21	0.18	0.21

The table displays Wihlborgs' indicated water consumption in the properties. Water-Abs/Lfl has been adjusted for 2020 – previously reported as 395,471 m³ and 296,163 m³ due to incorrect summing-up.

Waste management

EPRA	Description	Unit	Absolute performance (Abs)		Like-for-like performance (Lfl)	
			2021	2020	2021	2020
Waste-Abs/Lfl	Total weight of hazardous waste	Tonnes	16	18	12	–
	Total weight of other waste	Tonnes	5,673	5,284	4,316	–
	Waste to material recovery	Tonnes	1,691	1,485	1,398	–
	Waste to energy extraction	Tonnes	3,998	3,816	2,930	–
	Waste to landfill	Tonnes	0	0.4	0	–

The table shows the total collected waste (including residual waste and food waste) from the properties reported to Wihlborgs by the recycling companies. The majority of this comprises the tenants' waste. All hazardous waste goes to material recovery. Waste treatment (2021): Recycling/digestion (30%), incineration (70%). Waste-Abs data for 2020 has been corrected.

Certification of buildings

EPRA	Description	Unit	Miljöbyggnad		LEED		BREEAM	
			2021	2020	2021	2020	2021	2020
Cert-Tot	Certified buildings	No.	37	23	3	3	0	4
	Certified floor space	m ²	314,836	215,511	65,696	65,696	–	42,920
	Share of the Group's floor space	%	14.7	9.6	3.1	3.0	–	1.9

The table displays current environmental certification status. Certification in accordance with BREEAM has been discontinued. Floor space data for 2020 has been adjusted for some properties. Certification level, share of area (2021): Miljöbyggnad Gold (4.4%), Miljöbyggnad Silver (9.4%), Miljöbyggnad Bronze (0.4%). Total certification status (2021): 362,961 m² = 17% of floor space. One property (17,571 m²) has double certification.

Employees

EPRA	Description	Unit	2021	2020
Emp-Training	Number of training hours per employee	No.	15.3	12.9
Emp-Dev	Percentage of employees who have undergone career development reviews	%	97	96
Emp-Turnover	Number of new employees during the year	No.	63	50
	Percentage of employees who were new employees during the year	%	24	20
	Number of employees who have left during the year	No.	50	38
	Percentage of employees who have left during the year	%	19	15

The table displays indicators for employees. The number of employees on 31 December was 262 (249). The number of employees that began/left per country was (%): 13/12 (Sweden) and 37/28 (Denmark).

Diversity

EPRA	Category	Age	No. of women	No. of men	% women
Diversity-Emp	Board of Directors	<30 years old	0	0	
		30–50 years old.	1	1	
		>50 years old	2	3	
		Total	3	4	43%
	Group Management	<30 years old	0	0	
		30–50 years old.	2	3	
		>50 years old	2	1	
		Total	4	4	50%
	Employees	<30 years old	10	37	
		30–50 years old.	63	58	
		>50 years old	36	58	
		Total	109	153	42%

The table displays indicators for diversity separated by men/women on the Board of Directors, in management (incl. Group Management) and in the total number of employees for different age intervals.

Pay gap

EPRA	Category	Unit	2021	2020
Diversity-Pay	Group Management	% of men's salary level	131	124
	Group Management excl. CEO	% of men's salary level	79	78
	Property managers (Sweden <30 years old)	% of men's salary level	92	99
	Property managers (Sweden 30–50 years old)	% of men's salary level	89	105

The table displays pay gaps for Group Management and the category property managers in Sweden separated by age intervals, since age and experience are important factors behind pay gaps. There are no female property managers in the >50 years old interval.

Health and safety

EPRA	Description	Unit	2021	2020
H&S-Emp	Incident Rate (per 200,000 WH)	Number of claims	2.52	1.76
	Absenteeism rate (per 200,000 WH)	Number of days	9.25	11.47
	Sick leave	%	1.96	2.29
H&S-Asset	Percentage of properties where health & safety is assessed	%	88	96
H&S-Comp	Number of deviations noted from safety inspections	No.	42	12

The table displays indicators for health and safety. No work-related deaths occurred in 2020 or 2021. H&S-Asset refers to completed safety inspections in the Swedish operations. H&S-Comp refers to the number of remarks from these safety inspections irrespective of their level of seriousness. The incident rate and H&S-Asset for 2020 have been adjusted.

Other indicators according to EPRA

EPRA	Description	References	Page
Comty-Eng	Community engagement	Commitment to the region and its community	38–39, 147
Gov-Board	The composition of the Board	Corporate Governance Report	116–123
Gov-Select	The process for nominating members of the Board	Corporate Governance Report	116–123
Gov-Col	Process for managing conflicts of interest	Corporate Governance Report	116–123

The table shows where we report relevant information in the Annual Report that has a bearing on the EPRA indicators regarding societal commitment and corporate governance.

Sustainability information

Responsible business

For Wihlborgs, it is self-evident that our brand should represent sound values. All of the relationships that we have with the stakeholders who are involved in our operations must be maintained in a correct and trustworthy manner and we expect the stakeholders to show us the same level of respect. This is the foundation of responsible business that, for Wihlborgs, comprises economic value-creation, anti-corruption, local purchases and supplier evaluations.

Economic value creation

Description and boundaries

A prerequisite for Wihlborgs to be able to continue operating, fulfil our strategies and achieve our goals is that we also generate economic value for our stakeholders. We have to reach our financial targets to be able to invest in sustainable work methods. But we also have to operate sustainably to achieve these financial targets in the long term.

This topic encompasses Wihlborgs' economic value creation which, in turn, impacts the company's shareholders and surrounding communities. The value we create through property management benefits various groups: employees, creditors, the community and suppliers. Our shareholders share in this value via dividends. Once all stakeholders have received their share and tax has been paid, the remainder is retained in the company to strengthen operations, create new projects and acquire new properties with the aim of creating sustainable growth.

Goals and governance

The management and responsibilities of the Wihlborgs Group are distributed between the Board and the CEO in accordance with the Swedish Companies Act, other legislation and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code, the Articles of Association and internal governance instruments, such as the rules of procedure for the Board and instructions to the CEO.

Wihlborgs' overriding financial targets are set and monitored continuously by the Board. Operational property management is organised into four geographic regions, each of which has set targets for, inter alia, revenue, earnings and net lettings.

More detailed information about the organisation and governance of operations can be found in, inter alia, the administration report on pages 77–89 and in several sections of the company presentation on pages 45–75. Wihlborgs general financial targets, business targets and sustainability targets are also presented on pages 17–19.

Outcomes and follow-up

We report on the income statement, balance sheet and the statutory financial reports prepared in accordance with the Annual Accounts Act, International Financial Reporting Standards (IFRS) and other relevant frameworks on pages 91–114.

The adjacent table summarises "economic value created and distributed" prepared in accordance with GRI Standards with the purpose of showing which economic results that operations have generated during the year and how these have been distributed among Wihlborgs' stakeholders. The table deviates on certain points from the income statement, for example, changes in property value or deferred tax are not included.

In 2021, the pandemic generated economic value for Wihlborgs in line with the preceding year with a slightly larger amount than 2020, which is evident in the table below. Wihlborgs is investing the majority of the remaining value in construction projects through local suppliers who are improving and adding value to our properties. The contribution to the local community pertains to sponsoring of primarily local sports and cultural organisations. In addition, Wihlborgs is also engaged in other ways in the region, which is presented on pages 38–39.

Anti-corruption

Description and boundaries

This topic regards actions to counter corruption and unethical behaviour, the success of which is a prerequisite for a long-term profitable and sustainable business. Corruption derails markets and benefits a few at the expense of the many. Wihlborgs does not accept any form of corruption, and this is highlighted in all relationships with stakeholders.

The topic encompasses Board members and employees at Wihlborgs as well as the employees of suppliers and contractors engaged by Wihlborgs. We report on how we work to combat corruption in our operations and potential incidents of corruption that have come to our knowledge.

Economic value created and distributed, SEK m

	2021	2020
Direct economic value created	3,082	3,097
Rental income and financial income	3,082	3,097
Economic value distributed	2,142	2,035
Operating costs – payment to suppliers	447	489
Salaries and benefits to employees	217	205
Interest paid to creditors	312	327
Dividend to shareholders	807	692
Taxes to the state	355	318
Contributions to the local community	4	4
Retained economic value	940	1,062

Goals and governance

Governance in this area is based on the legislation that encompasses corruption, including bribery legislation, but also international conventions and frameworks. Wihlborgs has been a member of the UN Global Compact for many years, where one of the ten principles that we support is anti-corruption.

The essential internal steering document for this is Wihlborgs' ethical guidelines that is determined by the Board of Directors and revised annually. These form a Code of Conduct for Wihlborgs' employees and Board members and take a clear position on such matters as bribes, gifts and corruption. For our suppliers, corresponding requirements apply through the Wihlborgs' Code of Conduct for suppliers. For further information, refer to the "Supplier evaluation" section.

The risk of corruption is more or less usual in various business situations and certain categories of employees are more exposed than others, for example, within project development, certain parts of management and the purchasing function. We prevent unethical behaviour and undue influence through, for example, recurring training initiatives, systematic procurement processes and internal authorisation rules.

During the year, we reviewed Wihlborgs' whistle-blower function and outsourced it to an external party to ensure independent and professional management. The Wihlborgs' whistle-blower function can be used by Wihlborgs' employees and people outside the company, such as the employees of contractors/suppliers, who wish to report unethical/illegal behaviour of some type.

Our anti-corruption targets concern creating awareness of these issues among our employees and maintaining a zero-tolerance approach to unethical behaviour.

- All new employees are to be trained in business ethics and anti-corruption.
- No cases of corruption are to occur at Wihlborgs.

Outcomes and follow-up

With our introduction programme for new employees, we ensure that everyone who is new at Wihlborgs is equipped with a briefing of our ethical guidelines, including discussions covering various ethical dilemmas, during their first year at the company. Aside from the ethical guidelines, all new employees also receive a more tangible guide in business ethics that acts as a guide for how the guidelines can be applied in various situations that they may encounter in their daily tasks.

During 2021, we have not handled any cases via our whistle-blower function, which concern suspected corruption, nor are we aware of any such incidents having arisen.

Local purchases

Description and boundaries

Wihlborgs purchases products and services that are required for the ongoing maintenance and operations of our properties. We also hire contractors and other suppliers in conjunction with construction projects. Our primary ambition is to benefit local suppliers that are active in the Öresund region and help the business community grow and develop, thereby creating new business opportunities for Wihlborgs. Another possible positive effect is that transportation routes are shortened, which can result in cost savings and reduced environmental impact.

This topic pertains to Wihlborgs, as far as possible, prioritising purchases from local suppliers. Wihlborgs' definition of a local supplier or contractor is that the company has an office (but not necessarily a head office) and active operations in the Öresund region.

Goals and governance

Governance concerning local purchases is based on Wihlborgs' stated ambition to contribute to the development of the Öresund region, but there are no other particular steering documents for this topic.

The Procurement Director is responsible for ensuring that Wihlborgs prioritises local suppliers in procurements and when signing framework agreements. One natural prerequisite is that local suppliers also meet Wihlborgs' other requirements concerning, inter alia, price, ability to deliver and an acceptable level of sustainability work. The Procurement Director reports on an ongoing basis to Group Management.

The goal concerning local purchases is that:

- The share of local suppliers with framework agreements should be over 90 percent

Outcomes and follow-up

At the end of 2021, Wihlborgs had 388 suppliers with framework agreements. Of these, 362 suppliers, 93 percent (96) had local offices and operations in the Öresund region.

Supplier evaluation

Description and boundaries

Wihlborgs' reputation and brand are not only impacted by our own actions and how we treat our stakeholders. We are closely interconnected with our contractors and other suppliers and dependent on them to meet our customers' expectations. If there are deficiencies of responsibility in any part of the value chain, this also impacts the rest of the chain and often also third parties or the environment.

This topic deals with the requirements that Wihlborgs' places on suppliers and contractors concerning human rights, a good work environment and high safety levels as well as initiatives to minimise environmental impact connected to their operations. To achieve this, Wihlborgs screens suppliers based on the requirements of our Code of Conduct, which is based on our own ethical guidelines for employees and the principles of the UN Global Compact.

Goals and governance

Wihlborgs' purchasing department ensures that the Code of Conduct is distributed to all suppliers covered by framework agreements that are expected to study and follow the Code during the contract period. In autumn 2021, we updated and further developed our process for supplier approval of the Code of Conduct as well as Wihlborgs' assessment of suppliers. This process includes all suppliers covered by framework agreements in Sweden and Denmark.

An incoming supplier for Wihlborgs must complete a self-declaration using an external digital platform describing their internal management and monitoring of such areas as work environment and environmental issues. They must also enclose documents that verify their responses. The self-declaration is based on the requirements we place in the Code of Conduct and the suppliers' responses are allocated points that form the basis of an assessment of their sustainability risk. The outcome of the risk assessment of a supplier helps us to determine if and under what circumstances we can continue to collaborate with said supplier.

In addition to the Code of Conduct, Wihlborgs environmental programme is applied in all construction projects. The environmental programme places a number of tangible requirements on how new building are designed and construction is carried out in order to minimise environmental and climate impact. In accordance with the environmental programme, suppliers are expected, for example, to only use building material that is approved in the Byggarbetsdömmingen (BVB) digital service. Other requirements in accordance with the environmental programme include transportation planning to and from construction sites, efficient energy and material use during the construction process, sorting of construction waste and the reuse of fill materials. Contractors are expected to present plans for these activities before the start of construction and following the completion of statistics concerning the outcomes following construction projects.

By showcasing, examining and assessing our suppliers with respect to the environment, work environment, human rights and other requirements in our Code of Conduct and environmental programme, we communicate to our business partners the importance of these issues for our operations. We also ensure the existence of a structure and system for our suppliers to manage these issues.

The general goals for the evaluation of suppliers are that:

- All suppliers with whom we sign framework agreements are to sign the Wihlborgs Code of Conduct and complete a self-declaration in our digital platform; and
- The share of suppliers assessed to have a high sustainability risk will gradually decrease over time.

Outcomes and follow-up

Of the new suppliers with whom Wihlborgs signed framework agreements during the year, all (100 percent) approved our Code of Conduct and were

evaluated in accordance with either the previous or the updated assessment process for sustainability risks.

In conjunction with the launch of the new digital evaluation process in the autumn, all existing suppliers covered by framework agreements were also asked to complete a self-declaration in the platform in order to be able to evaluate all suppliers using the same method. On 31 December 2021, about 60 percent of Wihlborgs' suppliers covered by framework agreements had completed a self-declaration. In 2022, we will work to increase this percentage and therefore ascertain a more complete image of the sustainability risks of our most important suppliers.

Based on the responses we received by the end of the year, our suppliers achieved an average score of 24.6 out of a maximum of 39 according to the model we developed to evaluate sustainability risks. A higher score generally indicates that the supplier has stronger sustainability governance and is therefore likely to have lower sustainability risk. About a third of suppliers achieved a score of 30 or more in the assessment, and are deemed to have a very low risk. Only ten suppliers (4 percent) received a score lower than 10 and almost all of these were small companies with less than 20 employees.

Moving forward, we will further develop our model for the assessment of suppliers and, based on the results of the self-declaration, carry out dialogue with suppliers about how they can strengthen their sustainability governance. Given that this is a new method of assessing suppliers, the results are incomparable with previous years.

Supplier risk assessment

Score	Assessment	Percentage
30–39	Low risk. Certified management systems and other components of strong sustainability governance	33%
20–29	Limited risk. Management systems and policies in place as regards to the environment, work environment, etc.	38%
10–19	Some risk. Management systems/policies in place in certain cases. Dialogue with suppliers may need to be initiated.	25%
0–9	Elevated risk. Lacking systemic sustainability governance. Follow-up with suppliers planned.	4%

The table displays the percentage of suppliers that achieved a score within certain intervals of the digital self-declaration for the assessment of sustainability risks that they have been asked to complete.

Attractive employer

With our goal to be the best workplace in our industry, we work with a number of areas, including work environment and health, training and education and equality and diversity. Read more about these issues below.

On 31 December 2021, we had 262 employees in Wihlborgs, of which 119 in Denmark and 143 in Sweden. All employees in Sweden are covered by collective agreements, which is not the case in Denmark. Operations in Denmark are conducted somewhat differently than in Sweden, and as such, we have different personnel categories for our employees. For example, Wihlborgs operates a number of dining facilities in the major office properties where employees can eat lunch, which is customary in Denmark. We also have employees in Denmark who tend to green areas at our properties, while subcontractors are engaged to perform similar duties in Sweden. Overall, this means that we have more employees (relative to floor space) in Denmark than in Sweden, and more of these are operating under temporary or part-time contracts.

Employment contract		Women	Men
Permanent	Sweden	58	79
	Denmark	41	49
Temporary	Sweden	6	0
	Denmark	4	25
Total		109	153

Type of employment		Women	Men
Full-time	Sweden	59	77
	Denmark	36	49
Part-time	Sweden	5	2
	Denmark	9	25
Total		109	153

Occupational health and safety

Description and boundaries

It is important to ensure a good working environment in terms of the physical and psychosocial environment for our employees. Our work developing and managing properties that comprise workplaces and meeting places for our customers means that we impact, and have a responsibility for, their work environments. Moreover, our suppliers and contractors work in and at our properties in conjunction with construction projects, redevelopments or the delivery of services in the form of service and operation. This also entails a responsibility in connection with their work environment. There is no clear line defining where our responsibilities begin or end.

In this chapter, we have limited reporting to primarily encompass our own employees. The physical work environment is limited to the properties we own, our offices and journeys in between. We also report on accident statistics for contractors working on our ongoing projects, even if we have delegated formal responsibility in the turnkey contract.

Goals and governance

The work environment is ultimately the responsibility of the CEO, but work environment efforts are led by the HR function, which formulates targets and frameworks for the area. Implementation is carried out by managers in the organisation and by work environment committees in Sweden and Denmark in which all work groups are represented. The managers together with all of the work environment committee representatives have completed work environment training encompassing legal requirements, regulations and procedures for Systematic Work Environment Management (SAM).

The basis of our work environment efforts is the Swedish Work Environment Act and the Swedish Work Environment Authority's regulations. The work is conducted in accordance with SAM. Wihlborgs has several internal steering documents for this area. These include the work environment policy, the policy and action plan to combat discriminatory treatment and the policy and action plan to combat at-risk use and abuse.

We investigate, measure and follow up physical and psychological work environments through safety inspections, ergonomic checks, career development reviews, employee surveys and health checks. The health checks are carried out by occupational healthcare providers and encompass all employees.

Accidents and near-accidents are reported to HR and addressed by the work environment committees. A risk assessment is made following all incidents and action plans are produced to minimise the risk of similar occurrences in the future. Monitoring takes place at workplace meetings and through recurring evaluations and safety checks.

To further promote employees' health and provide access to care, we offer all employees a free private health insurance. The preventive health care efforts also encompass a wellness contribution and joint healthcare initiatives such as the Wihlborgs Classic wellness initiative that was conducted in a more limited format during the pandemic year of 2021.

Our goals concerning occupational health and safety are aimed at, for example, how employees perceive their work environment and are able to utilise wellness benefits. Of course, we also strive for low sick leave and an accident-free workplace.

- The workplace should be perceived as safe by our employees (>90 percent in the employee survey).
- Absence due to sick leave should be low (under 3 percent).
- The majority of employees should use the wellness allowance and participate in the company's other wellness initiatives.

Outcomes and follow-up

Certain measures for occupational health and safety are presented in the "EPRA" section on page 143. Workplace accidents among our employees are relatively unusual. In 2021, a total of six (five) workplace accidents occurred, of which three resulted in absence exceeding one day.

The most common types of injuries are minor falls. The greatest risk of a serious injury has been identified as traffic-related injuries.

In relation to the goals that we have established, it can be noted that:

- 96 percent (93) of employees stated that they perceive the workplace as safe in the employee survey conducted in 2021.
- Sick leave remains consistently under 3 percent and sunk further in 2021 to 1.96 percent.
- The majority (approximately 75 percent) of employees have utilised the wellness allowance. Pertains only to Sweden.

Work injuries at contractors

In 2021, our contractors reported eight workplace accidents in conjunction with construction projects, of which five of these resulted in personal injury. In all projects where near-accidents have occurred, we follow up any deficiency in our or the contractor's work to continuously progress our work environment efforts.

In all of the projects we carry out, the contractor bears full responsibility for acting as the construction work environment coordinator (BAS-U), which also entails responsibility for preparing an occupational health and safety plan as well as for training and follow-up. As the purchaser, we are deeply engaged in work environment efforts and clearly communicate our expectations of partners and suppliers. In our larger redevelopment, new-build and extension projects, we also meet with the respective construction site organisations and present Wihlborgs' perspective on work environment efforts. Even if responsibility for reporting preventive work is incumbent on the contractor, we follow up the work environment and work continuously to improve preconditions for a good work environment in our projects.

Training and education

Description and boundaries

It is important to work with corporate culture and engagement to ensure that we have a climate that supports development and skills supply for the future. Developing employee talents is essential for the employees themselves, and we are to deliver good quality to customers and to create value for society and the region. Skills development is about how we leverage new know-how and transform it into new or more well-developed skills.

Reporting is limited to our employees even if, in several areas, we work together with other players to develop jointly, for example, through supplier days and customer networks.

Goals and governance

Securing the skills supply and developing employees' talents in different areas is led by the Group Management. Needs are identified through the company's strategy process and through the annual career development reviews.

Operating plans for the coming year are decided by the Group Management and are implemented by the HR Department.

The framework and policy for this work is on the intranet, as are the procedures for when and how different activities are conducted. Based on the company's overall goals, objectives are set at regional and Group level in the strategy process, and each manager is responsible for ensuring that their respective employees have the resources and skills required to meet their performance and behavioural targets.

There are a number of steering documents that form the basis of our training and education efforts, including Wihlborgs' ethical guidelines, guide for business ethics and guidelines for career development reviews. The career development reviews encompass both performance targets and behavioural targets and document what employees need to reach these targets.

Our digital skills portal – Wihlborgs Academy – enables each employee to follow their own training and managers can gain an overview of how decided development initiatives are implemented. All completed and planned training courses can be found on Wihlborgs Academy. As such, we ensure that all necessary certificates are up-to-date and that the base training that everyone should complete is conducted when employees start their employment.

Our goals related to training and education are that:

- Each employee has at least one career development review per year;
- Our employees recommend Wihlborgs as an employer (>90% in the employee survey); and
- Our employees are convinced that Wihlborgs' customers give us a high rating (>90% in the employee survey).

Outcomes and follow-up

Certain measures for training and education are presented in the "EPRA" section on page 143, including the number of completed training hours per employee via the Wihlborgs Academy.

In 2021, 97 percent (96) of employees in Sweden and Denmark underwent career development reviews. Those who missed their dialogues were on parental leave or on sick leave during the period the dialogues were held (February to April), but have been offered a follow-up at a later date. Only permanent employees are included in these statistics. Hourly and temporary employees do not have these types of documented career development reviews.

We conduct regular employee surveys as part of Wihlborgs' participation in the "Great Place to Work" evaluation. A measure of a strong corporate culture and employees being proud to work at Wihlborgs is if they are prepared to recommend Wihlborgs as an employer and if they are convinced that customers are satisfied with Wihlborgs as a landlord. We have obtained high scores in this regard for many years, and even if we have seen a slight decline in the past few years, an overwhelming majority of employees are also strong "ambassadors" for Wihlborgs.

Willingness to recommend

	2021	2020	2019	2018	2017
Willingness to recommend – employer	90%	92%	96%	95%	96%
Willingness to recommend – satisfied customers*	92%	89%	–	–	–

Measures the number of employees who answered “Often” (4) or “Almost always” (5) for the statements “I feel I can recommend my workplace to others” and “Our customers would give us the highest rating” (scale of 1–5). *The statement “I feel I can recommend our products and services” that we have previously used as a measure of willingness to recommend as regards to Wihlborgs as a landlord has been discontinued from the Great Place to Work survey.

Equality and diversity**Description and boundaries**

We believe that a diversity of perspectives, experience and culture enriches an organisation and creates the prerequisites for a more attractive workplace. One-track thinking when recruiting risks generating work groups that become too homogeneous and which could entail a lack of creativity and dynamism. Moreover, there is the risk that competent candidates could be missed if we do not act proactively to prevent discrimination. For these reasons, we are working on different approaches for inclusion and equal opportunities within Wihlborgs.

This topic concerns diversity and equal opportunity with respect to gender and age of Wihlborgs’ employees. For reasons of integrity, we have currently chosen not to follow up on other measures of diversity such as ethnicity. In addition, we monitor salaries in Wihlborgs on an annual basis with the aim of ensuring that there are no ungrounded pay gaps.

Goals and governance

There is comprehensive legislation and government agencies’ regulations in both Sweden and Denmark that aim to combat discrimination and ensure equal opportunity in the workplace. Regulation of this area is a natural starting point for Wihlborgs’ work with diversity and equal opportunity.

In addition, we have our own policies such as our equality policy, in which we, inter alia, lay down that all work groups must have an equal distribution of men and women and that women and men are both provided with full opportunity to take parental leave as well as absence to take care of a child.

Wihlborgs’ policy and action plan to combat discriminatory treatment is based on the idea that no individual should be exposed to any form of harassment or discrimination. This also entails that no individual should feel offended or experience discomfort as a result of a statement, image and/or text.

If a situation were to arise where an employee feels unjustly treated or offended to any degree, the first step is for that individual to talk to their line manager. If for any reason this does not yield the desired result, the employee may address the issue to the HR department.

Wihlborgs’ diversity and equal opportunity work is led by Group Management, and the HR Department sets goals and activities and follows up on results.

Our goals within diversity and equal opportunity include:

- Equal pay for equal and equivalent work – no erroneous grounds for potential pay gaps
- Equal development opportunities – equal gender distribution for both employees and managers

Outcomes and follow-up

Certain measures for equal opportunity and diversity are presented in the “EPRA” section on page 143, including the number of men and women respectively in Group Management, among managers and the total number of employees. We are proud to have an equal gender distribution across all groups and continue to work to maintain an allocation between men and women within the interval of 40–60 percent.

For the compilation of salaries, we have chosen to present information for Group Management and the Property manager category (where we currently only have data available for Sweden). This may be expanded in the years ahead. Compared with 2020, pay gaps have increased in the property manager category. This is mainly the result of a changed composition of the Group, having recruited more younger women in 2021. The <30 age group now has an excess of woman and the 30–50 age group has an excess of men who are 45 or older. Overall, pay comparisons show display a growing age, more work experience and higher pay irrespective of gender.

Commitment to the region and its community

Wihlborgs is highly committed to the Öresund region and those cities in which our properties are located. We see ourselves as a region-builder that contributes to the development of business and the community by offering sustainable workplaces and meeting places, but also through the support we provide to various initiatives focusing on work, inclusion and education, particularly for the young people of the region.

Community commitment**Description and boundaries**

Socially prosperous cities together with positive and vibrant urban environments are vital in terms of creating healthy and sustainable development for both individuals and companies. Through sponsorship and other forms of support, we promote initiatives within the areas of work, education, inclusion and regional development. We also take our own initiatives in these areas. It is also important for the region to have the right preconditions for business start-ups and for entrepreneurs to receive help when setting up dynamic businesses.

This topic is limited to Wihlborgs and the partners we have collaboration agreements with. The goal is for our activities to have a positive effect on individuals and society at large and we are happy to see the organisations that we sponsor being able to display the results of their commitment.

Goals and governance

Wihlborgs’ community involvement sponsorship policy comprises the governing document for this area. Group Management bears overall responsibility for the focus of Wihlborgs’ societal commitment. The daily work in driving our societal commitment is primarily conducted by the Sustainable business unit, but regional directors, for example, can also initiate and complete various sponsorship collaborations with or without community involvement.

When we sign collaboration agreements with partners, we clearly state in the agreement which part of the organisation’s operations our contribution is to be used for – preferably initiatives with community involvement. We also expect our partners to have sound values and to adhere to the principles of Wihlborgs’ ethical guidelines. We maintain ongoing dialogues with our partners and follow up on outcomes of their operations, where we would like to see that they are able to report the impact that their operations have had.

Our goal is that more than 50 percent (in SEK) of our sponsoring comprises community involvement by the end of 2022. By community involvement, we refer to initiatives within areas connected to work, education and inclusion.

Outcomes and follow-up

During the year, we have initiated a number of collaborations but also concluded some others. We also held negotiations with some other partners to strengthen the focus on community in existing collaborations and the share of community focused sponsorship has further increased as a result.

We sponsor organisations that conduct sporting, cultural and other operations in all of our regions and our sponsorship program therefore consists of 100 percent of our property portfolio. The organisations we sponsor and the scope of our sponsorship varies from city to city depending on local needs and conditions. In 2021, Wihlborgs sponsored some 40 organisations with a total of about SEK 4 million, of which 43 percent were financed initiatives with community involvement. This is excluding membership fees, customer events and other marketing commitments that have a primarily commercial purpose.

In addition to these sponsorships, Wihlborgs takes part in different collaborations and partnerships to develop the region and those cities in which we have properties. Read more about Wihlborgs’ commitment to the region and its community on pages 38–39.

Sponsorship with community involvement

	2021	2020	2019	2018	2017
Share of sponsorship	43%	41%	27%	28%	24%

Sustainable properties

Work with sustainable properties is fundamental to our sustainability strategy and is of particular interest to our tenants and shareholders. These efforts focus on resource optimisation and the environmental certification of properties, thus striving for a low environmental and climate impact. This also takes into consideration the impact arising from, for example, our construction projects. We strive to influence our suppliers and tenants based on our position in the value chain. We set requirements and assess our suppliers in our procurement process. In partnership with tenants, we work with green leases as a platform for shared environmental ambitions.

Energy consumption

Description and boundaries

The consumption of energy at Wihlborgs' properties is one of our most significant environmental topics. We work on an ongoing basis with energy efficiency projects at our properties, but these efforts must be made in collaboration with our tenants in order to produce a real impact. The tenants use of the properties also determines energy demand.

Reporting of energy consumption is limited to purchased energy (electricity, district heating, cooling, gas) for which Wihlborgs administers the agreement with the energy supplier. Some renewable energy is produced locally at selected buildings in Wihlborgs' property portfolio via solar panels or geothermal energy. Our own locally produced energy is included in the statistics by reducing the need to purchase energy for the properties concerned.

Goals and governance

Wihlborgs' efforts to improve the energy efficiency of its properties is based on legislation, building regulations and, in particular, the EU Taxonomy for sustainable investments.

The internal governance is based on Wihlborgs' Environmental Policy and the environmental management system containing, inter alia, instructions for monthly energy follow-ups in the property. We are also working to ensure that our energy declarations (legal requirement) are updated and perform energy audits when needed. For our construction projects, we ensure that we build in an energy-efficient manner and purchase energy-optimised products for new construction and redevelopments.

Wihlborgs' Environmental Manager is responsible for managing by objectives (MBO), coordinating and following up energy performance together with Group Management, property directors, project managers and operators. Wihlborgs' property directors are responsible for legal compliance in accordance with the Swedish Environmental Code and optimising and managing the energy performance in their respective properties.

Energy and climate is one of the highest priority areas in Wihlborgs' environmental programme, and we have set several targets that aim to reduce our energy consumption and climate impact. Before the end of 2022, we aim to achieve such goals as:

- Total energy consumption in our properties of a maximum of 95 kWh/m²;
- Energy consumption to reduce at least 1% per year (like-for-like); and
- Own solar power systems installed that have at least a max. output of 3,000 kWp.

Outcomes and follow-up

Energy consumption in Wihlborgs' properties in 2021 is presented in the "EPRA" section on page 142. Total energy consumption increased about 4% in 2021. The main increase was for district heating and gas for heating, partly due to a colder winter. On the other hand, purchases of district cooling and electricity declined. In total, about 102 kWh of energy was used per square metre, which is slightly over our target for 2022.

During the year, we continued with our ongoing energy-efficiency measures in the properties and installed a number of additional solar power systems. In total, we installed a max. output of approximately 2,840 kWp by the end of 2021, which is very close to our goal for 2022.

GHG emissions

Description and boundaries

The property sector's total climate impact is significant, particularly when a building's entire lifecycle is taken into account. The climate issue is a high priority in Wihlborgs, and as we are procuring increasing amounts of renewable energy for our properties, focus is gradually shifting to the climate impact as a result of other aspects of our value chain – when properties are being planned, constructed and eventually dismantled.

Reporting on Wihlborgs' climate impact covers the operations' direct and indirect GHG emissions based on defined areas in the Greenhouse Gas Protocol (GHG) standard. We present the most comprehensive climate report possible containing Scope 1 emissions (direct emissions from operations),

Scope 2 emissions (indirect emissions from purchased energy), and Scope 3 emissions (other indirect emissions in the value chain) that we assess to be relevant considering our operations.

Goals and governance

A conscientious societal focus on climate issues is prevailing, and Wihlborgs has signed several external climate initiatives – including the Fossil-free Sweden Initiative, the plan for a climate neutral value chain in the construction and engineering sectors by 2045 and Malmö's local roadmap LFM30 – highlighting our commitment to reducing our carbon footprint.

The internal governance is based on Wihlborgs' Environmental Policy and environmental management system, which includes procedures to reduce climate impact in operations, management and maintenance, for example through procurement requirements for renewable energy and products.

We use Wihlborgs' project-tailored environmental programmes to ensure that we build with the lowest climate impact possible, in part by assessing the climate effects of our building material. Climate adaptation is a key issue that is evaluated for all new builds.

Our policies and guidelines for service vehicles and company cars ensure that we exclusively use service vehicles that run on renewable fuels and place an upper limit for CO₂ emissions (70g CO₂/km) when selecting company cars. Our travel policy focuses on sustainable alternatives, such as public transport and bicycles.

Wihlborgs' property management in Sweden is climate neutral in terms of our own (scopes 1 and 2) emissions. We achieve climate neutrality through continual resource optimisation and the choice of renewable energy sources, as well as through climate compensation of remaining emissions. In the longer term (by 2045), our entire operations will be climate neutral (net zero) including our construction projects.

Wihlborgs' Environmental Manager is responsible for managing by objectives (MBO), coordinating and following up energy performance together with Group Management, property directors, project managers and operators per region. Wihlborgs' Group Management, property directors, purchasing managers and project managers are responsible for realising measures to reduce climate impact and to proactively implement climate change adaptations in their properties or projects.

We have set climate goals in the short term (by 2022) and the long term (by 2030). Our long-term climate goals are in line with the Paris Agreement's goal to limit global warming to 1.5°C, and have been approved in 2020 by the Science-Based Targets Initiative (SBTi). The goals are that:

- GHG emissions (scopes 1 and 2) to amount to a maximum of 1.5kg CO₂e/m² (per 2022)
- GHG emissions (scopes 1 and 2) to reduce 50 percent by 2030 compared with 2018
- GHG emissions (Scope 3) – with a focus on project operations – to reduce 50 percent by 2030 compared with 2020.

Outcomes and follow-up

GHG emissions in Wihlborgs' operations (scopes 1 and 2) are presented in the "EPRA" section on page 142. Despite increased energy consumption in 2021, total GHG emissions have declined about 3 percent, primarily as a result of a continued increase of the share of renewable energy products with low CO₂ emissions in Copenhagen. The relative emissions per square metre remain at 1.4 kg CO₂e/m², which is under our goal for 2022.

Our assessment is that the most significant emissions in the value chain (Scope 3) are the result of construction projects (category 1), from the production and distribution of purchased energy (category 3) and tenant use of our properties in terms of electricity consumption and waste (categories 5 and 13). We also report emissions from our own business trips (category 6). The categories are defined in the Greenhouse Gas (GHG) Protocol.

Scope 3 GHG emissions, tonnes CO₂e

		2021	2020
Category 1	Purchased goods and services	28,095	15,685
Category 3	Fuel- and energy-related activities	2,223	2,165
Category 5	Waste generated in operations	171	159
Category 6	Business travel	20	15
Category 13	Downstream leased assets	3,120	2,807
Total Scope 3 emissions		33,629	20,831

The principle for the calculation of category 1 emissions (Purchased goods and services) has changed. If the previous year's method for calculating emissions from construction projects was applied for 2021, emissions would amount to approximately 27,345 tonnes. In addition, emissions in category 5 (Waste generated in operations) for 2020 have been adjusted due to the correction of incorrect waste data. For category 13 (Downstream leased assets), the standardised value for 2020 was also used for 2021.

All emissions are calculated based on activity data and an emissions factor. In 2021, we adjusted the method for calculating emissions for construction projects and calculate activity data (square metres) for projects that began in 2020 or 2021 and were concluded in 2021. Last year, we only calculated projects that began and were concluded in 2020 since this was the first year we calculated Scope 3 emissions. We have also updated emission factors for construction projects – mainly redevelopment and tenant improvements – in light of new studies that in general show that the values we used in the preceding year were overestimated. For further information, refer to the “Accounting policies” section.

Certified properties

Description and boundaries

An environmentally certified property is evidence of a generally well-run property with verified environmental performance that meets prevailing legislation and other requirements. Environmental certification is an important tool in Wihlborgs’ sustainability strategy and focuses on the efficient use of resources, risk management and optimisation of the indoor climates and work environments. This lays the foundation for a systematic working method in the management of our properties that is an asset for the entire operation.

This aspect includes Wihlborgs’ properties that are certified by external parties pursuant to an established standard. Wihlborgs’ property portfolio includes new builds and renovated older properties that are primarily certified under the Sweden Green Building Council standard, and in some cases, LEED. We are now working intensely to certify existing properties in accordance with the Miljöbyggnad iDrift standard.

Goals and governance

Efforts to certify the properties are a central part of our environmental programme and environmental management system, which are accessible for all employees. These also contain more detailed information on our ambitions and instructions concerning the choice of environmental certification and how the process is carried out.

Miljöbyggnad developed by Sweden Green Building Council is our main certification standard and requires recurrent verifications to retain certification. A certification places stringent requirements on documentation, including documentation for building material. Wihlborgs also uses the external service “Byggsvarubedömningen,” where we assess the environmental and health hazards of building materials prior to procurement in construction and tenant improvement projects. It is also possible to document volume and placement in a logbook (a basic requirement for all of our environmentally certified buildings).

Wihlborgs’ Environmental Manager is responsible for MBO, coordinating and following up environmental certification and acts as SGBC’s contact. A dedicated certification specialist drives, supports and monitors environmental certification efforts. Wihlborgs’ property directors and project managers are responsible for developing and managing environmental certification in their properties or projects.

Wihlborgs aims to certify all new production in accordance with Miljöbyggnad Gold. Larger redevelopments and extensions costing over SEK 5 million should also generally be certified. We aim to increase certification of existing properties and have established clear quantitative targets in line with this. These have been established by us with our own personnel, contributing to increased internal competence.

- 80 percent of our office properties in Sweden in terms of lettable floor area to be environmentally certified by the end of 2022.
- The long-term target is for 100 percent of the properties within the Group to be environmentally certified.

Outcomes and follow-up

The share of environmentally certified properties in accordance with Miljöbyggnad and other certification systems is presented in the “EPRA” section on page 142. Which properties are certified is presented in the property lists on pages 152–162.

In 2021, we have increased the pace of efforts to certify existing properties. 14 new additional certifications – all with Miljöbyggnad iDrift Silver – were awarded to Wihlborgs’ properties during the year, which is an increase of over 60 percent.

Our ambitious plan remains to certify a considerable amount of office properties in accordance with Miljöbyggnad iDrift in 2022. According to our assessment, this plan will place us very close to the goal of certifying 80 percent of office space in Sweden before the end of the year.

We are also continuing to certify all new builds according to Miljöbyggnad Gold when possible, but also according to other certification standards such as Zero CO₂ and WELL with the aim of promoting the health and well-being of tenants.

Green leases

Description and boundaries

Green leases are the sector’s standard for introducing an environmental focus to the relationship between tenant and landlord. What is known as the green appendix ensures mutual commitment to issues such as energy, the indoor environment, choice of materials and waste management. The parties should work together to optimise aspects such as operating times for heating, cooling and ventilation.

The green appendix is currently only used in Sweden, in which we report the share of leases in Swedish operations containing a green appendix.

Goals and governance

Wihlborgs’ ambition is to gradually increase the number of green leases, and the target for 2022 is that 50 percent of total leases will also include a green appendix. With each renegotiation of a lease, we endeavour to agree with the tenant to include a green appendix.

Outcomes and follow-up

In 2021, the share of green leases was 44 percent, a figure that has been increasing over the past few years, as seen in the table below.

The increase in the proportion of green leases is slowed, inter alia, by the fact that the lease turnover rate is relatively low and that green leases have historically mainly been used for office premises, and not to the same extent for our logistic and production properties.

Leases with green appendices

	2021	2020	2019	2018	2017
Share of green leases	44%	38%	30%	26%	18%

Accounting principles for sustainability information

Wihlborgs prepares the Sustainability Report based on GRI Standards: Core option and EPRA Sustainability Best Practice Recommendations (SBPR). Metrics concerning GHG emissions are calculated in accordance with the Greenhouse Gas (GHG) Protocol. Below, important principles and assumptions that form the bases of the performance indicators that are reported in the Sustainability Report are presented.

Scope and boundaries

Unless otherwise stated, Wihlborgs' Sustainability Report pertains to the entire Group (including all subsidiaries according to Note 35, but not joint ventures).

For environment-related metrics, the basic principle is that these cover those properties for which we maintain operational control and agreements concerning the delivery of energy, water or the collection of waste. Wihlborgs does not have general access to the measurement data for properties in which the tenant is responsible for these agreements.

Properties are included in the report during the time that they are owned and managed by Wihlborgs, provided that there is sufficient data. This means that the metrics also cover properties that were purchased or divested during the year, but excludes properties classed as Projects & Land. At the end of 2021, Wihlborgs owned 259 (257) investment properties that were operational, and the metrics cover all of these properties unless otherwise stated.

For personnel-related metrics, all employees are covered that have been employed at Wihlborgs in Sweden and Denmark during the year. For certain metrics, information is also reported concerning suppliers, for example, with health and safety statistics.

Data collection

The collection of data for the metrics is conducted in different ways and derived from various sources. Economic and personnel related data mainly comes from our internal accounting and personnel systems while environmental data is mainly collected from external sources and suppliers.

Data for energy consumption refers to Wihlborgs' purchased energy which is reported by each respective energy company. This includes the tenants' electricity consumption in those cases that tenants have not signed their own agreement with an energy supplier. Water consumption in the properties is read and registered monthly by Wihlborgs' property caretakers. Waste volumes are reported by waste companies annually. All of the data refers to definitively measured quantities and volumes.

Assumptions and calculations

One area that is largely based on calculations is GHG emissions. Below, important assumptions and estimations are summarised for the GHG emissions that Wihlborgs reports.

Scope 1 (direct emissions)

Service vehicles and company cars

The climate impact of Wihlborgs' vehicles is calculated based on annual fuel consumption reported by the supplier, Autoplan, multiplied by emission factors from the Swedish Energy Agency. Biofuel and electric cars are calculated to have zero Scope 1 climate impact.

Refrigerants

The climate impact of refrigerants used by Wihlborgs is calculated based on the amount of leakage measured during the year in the case of incidents or service checks. This is calculated based on the amount of refrigerants that are filled in refrigeration units multiplied by standard emission factors for each refrigerant.

Gas

In Sweden, we purchase biogas to heat a few properties. In Denmark, we purchase an increasing amount of biogas, but also fossil gas (natural gas) mixed with some biogas. Biogas is considered to have zero Scope 1 climate impact. Otherwise, we use the suppliers' environmental values for the gas mix that we purchase in Denmark.

Scope 2 (indirect emissions)

Energy consumption

We have agreements for certificate of origin renewable electricity in Sweden and Denmark, which means zero emissions of Scope 2 fossil CO₂ (market-based). In Sweden, we have also procured renewable district heating. In Denmark, fossil fuel is used to a greater extent for district heating (emission factor 62g CO₂e/kWh) and a mixture of natural gas and biogas for heating

(157g CO₂e/kWh). We also report an estimate of the emissions that we would have had without these agreements (location-based emissions) and use the generic emissions factor for electricity (22g CO₂e/kWh in Sweden and 145g CO₂e/kWh in Denmark) and environmental values for district heating and district cooling calculated by energy companies.

Scope 3 (other indirect emissions)

Purchased goods and services

This category includes emissions from new-build and redevelopment projects, and modifications of our properties. We calculate this based on information of completed areas (square metres) during the year multiplied by an estimate of CO₂ emissions that arise during the building stage (equivalent to phases A1–A5 in the LCA standard SS-EN 15978:2011). We use an environmental value of 350kg CO₂e/m² for new-build and extension projects, 200kg CO₂e/m² for redevelopments and 50kg CO₂e/m² for modifications. Emissions from redevelopment have declined 150kg CO₂e/m² and emissions from modifications have declined 100kg CO₂e/m² compared with 2020 in light of new knowledge about relevant emission factors.

Fuel- and energy-related activities

Emissions that arise from the production and distribution of the fuel used by Wihlborgs or our energy suppliers is calculated based on a standard rate of 10g CO₂e/kWh, apart from the mix of natural gas and biogas that is used for heating in Denmark, for which we calculate 30g CO₂e/kWh.

Waste generated in operations

We have calculated the climate impact of the transportation of waste from our properties to recycling centres based on the total weight multiplied by an emission factor of 30g CO₂e/kg of waste based on information from recycling companies.

Business travel

This category includes air travel and private cars on business. Emissions from air travel are calculated by Wihlborgs' business travel agency. Emissions from the use of private cars on business are based on employees reporting the number of kilometres driven. The emission factor (from the vehicles' exhausts) for petrol and diesel driven vehicles is 150g CO₂e/km in Sweden and 158g CO₂e/km in Denmark. For plug-in-hybrid electric vehicles, 100 g CO₂e/km is used. Electric cars are considered to have zero emissions.

Downstream leased assets

This category includes tenants' electricity consumption to the extent that it is already included in Wihlborgs' purchased energy (Scope 2). Our data is based on those properties where tenants have their own electricity connection and assumed that electricity consumption amounts to 50 kWh/m². For calculating emissions, we have used the same location-based emission factors as for Scope 2.

Recalculations

We recalculate metrics for previous years including in cases where we have changed a reporting principle or managed to collect data of a superior quality. Such recalculations are usually reported in connection with the respective metric in the Sustainability Report. In certain cases, where a recalculation of historical data is not possible a statement is included that metrics across several years are not comparable.

This year, we adjusted several metrics concerning 2020, which have been stated on an ongoing basis in the Annual Report. Some of the more significant changes are:

Metrics	Value 2020	New value	Reasoning
Water consumption (m ³)	395,471	465,430	Incorrect summing-up
Other waste (tonnes)	8,648	5,284	Data miscalculation supplier
Certified area (m ²)	240,131	215,511	Incorrect summing-up
Incident rate (number)	2.21	1.76	Corrected number of claims
H&S Asset (share)	100	96	Incorrect summing-up
Downstream leased assets (tonnes CO ₂ e)	3,260	2,807	Adjusted Emission factor

The method for calculating and presenting how we evaluate suppliers' sustainability risks and the reporting principle and emissions factors for Scope 3 emissions from construction projects. These changes were described earlier in the Annual Report.

Auditor's Limited Assurance Report on Sustainability Report

and statement regarding the Statutory Sustainability Report

To Wihlborgs Fastigheter AB (publ), corporate identity number 556367-0230

Introduction

We have been engaged by the Board of Directors of Wihlborgs Fastigheter AB (publ) to undertake a limited assurance engagement of the Wihlborgs Fastigheter AB (publ) Sustainability Report for the year 2021. The Company has defined the scope of the Sustainability Report on page 133 and the Statutory Sustainability Report on page 79.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 79 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Wihlborgs Fastigheter AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

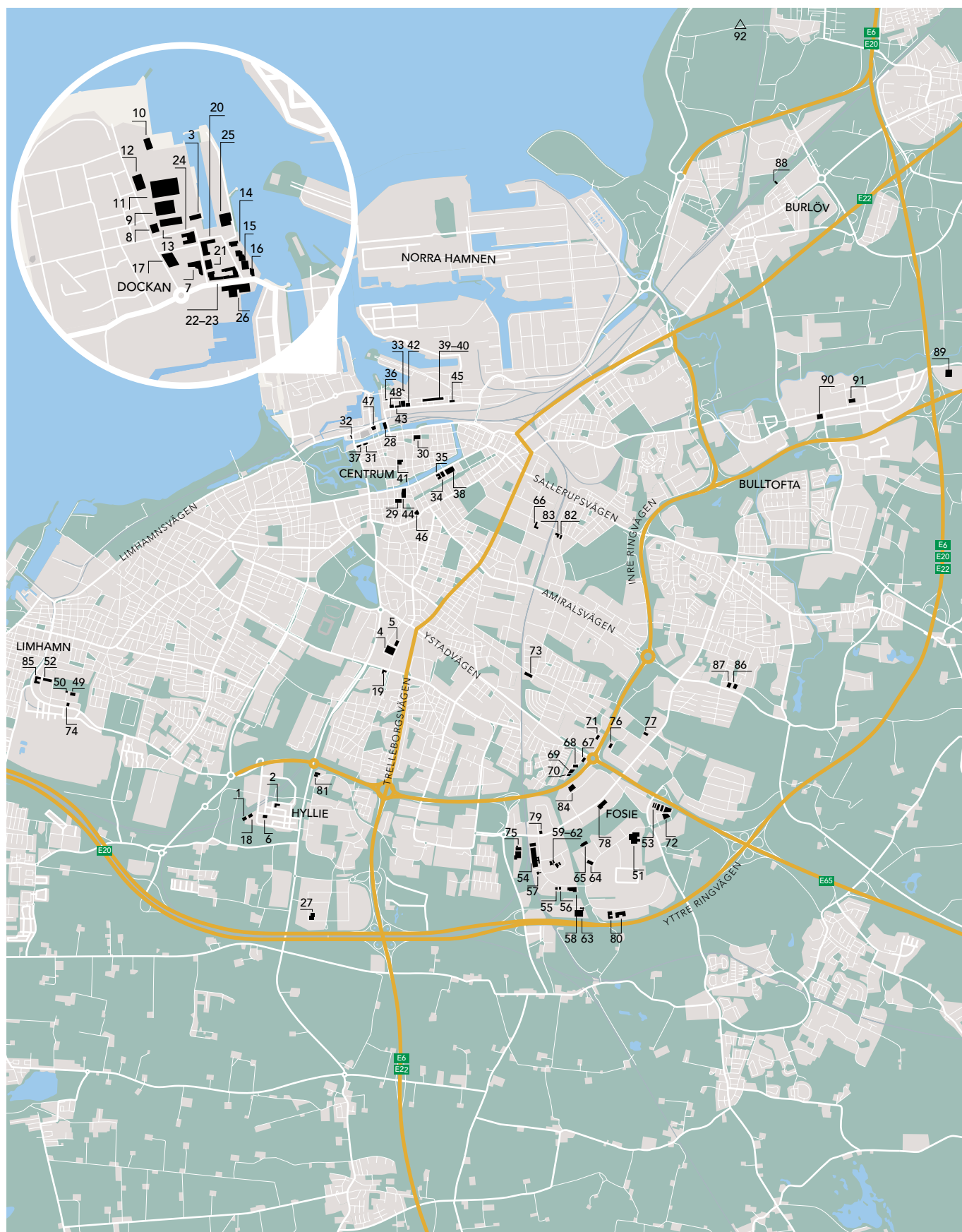
A Statutory Sustainability Report has been prepared.

Malmö 15 March 2022
Deloitte AB

Richard Peters
Authorized Public Accountant

Property lists

Malmö

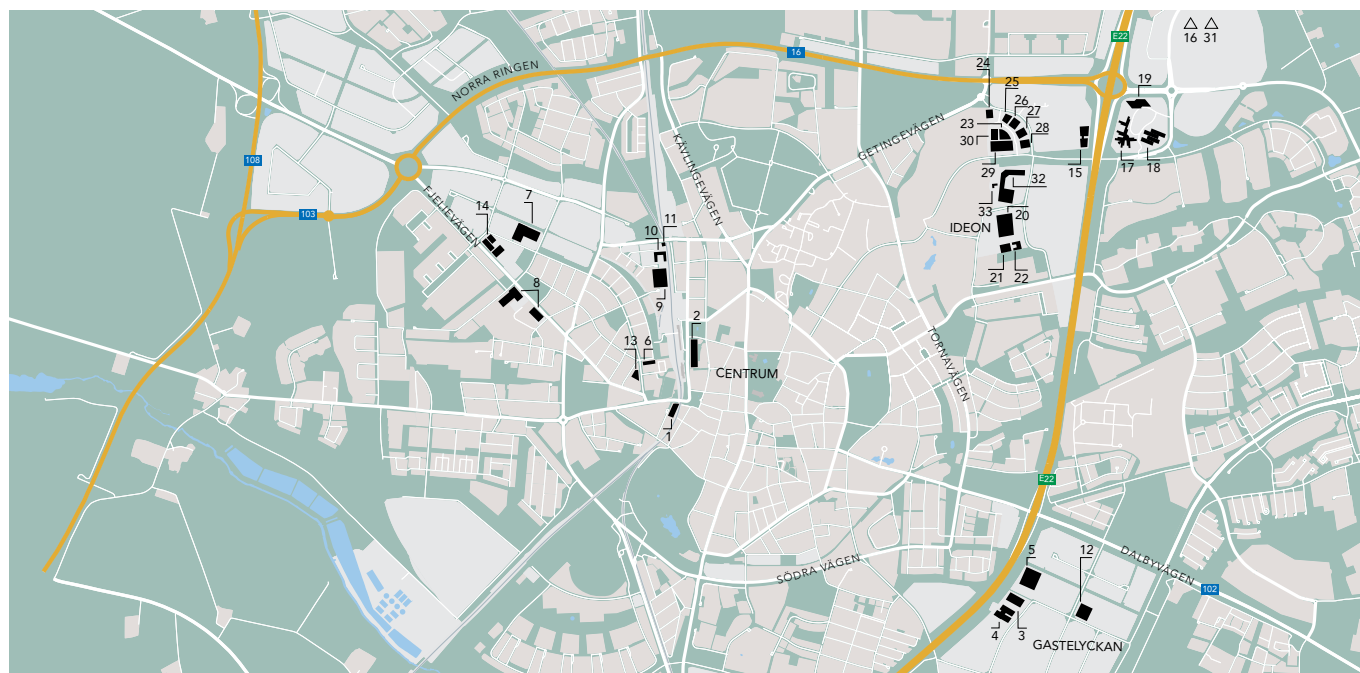


Malmö, Dockan and Hyllie												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Lease-hold	Offices, m ²	Retail, m ²	Logistics/ Prod, m ²	Education/ Healthcare, m ²	Other, m ²	Total, m ²
1	Bläckhornet 1	Pulpetgatan	Malmö	Projects & Land	108							0
2	Bure 2	Bures g. 7–11, Friggs gränd 2	Malmö	Office/Retail	225		7,276		12			7,288
3	Dockporten 1	Dockgatan 1 A–F	Malmö	Office/Retail	119		4,120	450				4,570
4	Forskaren 1	PA Hanssons väg 35	Malmö	Office/Retail	279		14,828	225	1,694		593	17,340
5	Forskaren 4	PA Hanssons väg 35	Malmö	Office/Retail	0		2,730					2,730
6	Gimle 1	Hyllie Allé 36–40/Nannas g 1–7	Malmö	Office/Retail	281		8,502	159	504			9,165
7	Gängtappen 2	Hallenborgs gata 4–12	Malmö	Office/Retail	255		9,165	680	19			9,864
8	Hordaland 1	Östra Varvsgatan 7 B	Malmö	Office/Retail	49			157				157
9	Kranen 2	Östra Varvsgatan 11 A–F	Malmö	Office/Retail	0			0	685	18,687		19,372
10	Kranen 4	Östra Varvsgatan 23	Malmö	Office/Retail	56		3,988		25		170	4,182
11	Kranen 6	Östra Varvsgatan 13 A–D	Malmö	Office/Retail	0				5,484	2,830	3,050	11,364
12	Kranen 7	Östra Varvsgatan 15	Malmö	Projects & Land	1		650		3,449			4,099
13	Kranen 8	Ö Varvsgatan 9 A–B/Dockg 2	Malmö	Office/Retail	305		15,070	375	41			15,486
14	Kranen 9	Isbergs gata 15	Malmö	Office/Retail	137		6,000	177				6,177
15	Kranen 14	Isbergs gata 3–13	Malmö	Office/Retail	147		7,650	576				8,226
16	Kranen 15	Stora Varvsgatan 1	Malmö	Office/Retail			569			698		1,267
17	Naboland 3	Östra Varvsgatan, Lägatan	Malmö	Projects & Land								0
18	Pulpeten 5	Skrivaregatan	Malmö	Projects & Land	112							0
19	Ritaren 1	Stadiongatan 10	Malmö	Office/Retail	20	L	2,713					2,713
20	Skrovet 3	Dockplatsen 10–18	Malmö	Office/Retail	239		8,756	1,629	21			10,406
21	Skrovet 4	Hallenborgs gata 7 A–B	Malmö	Office/Retail	54							0
22	Skrovet 5	Hallenborgs gata 1A–5	Malmö	Office/Retail	200		7,430	1,242				8,672
23	Skrovet 6	Stora Varvsgatan 3–7	Malmö	Office/Retail	315		12,147	284				12,431
24	Skåneland 1	L Varvsg 53	Malmö	Office/Retail	249		11,206	325				11,531
25	Torrdockan 6	Dockplatsen 1	Malmö	Office/Retail	231		10,608	451			1	11,060
26	Ubåten 2	Stora Varvsgatan 2–6 A–B	Malmö	Office/Retail	192		12,172	369				12,541
27	Urnes 3	Långhusgatan 4	Malmö	Office/Retail	39		4,600					4,600
Malmö, Dockan and Hyllie total					3,613		150,179	7,099	11,934	22,215	3,814	195,241

Malmö City												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Lease-hold	Offices, m ²	Retail, m ²	Industrial/ warehousing, m ²	Education/ Healthcare, m ²	Other, m ²	Total, m ²
28	Börshuset 1	Skeppsbron 2	Malmö	Projects & Land	115		4,357	934	36			5,327
29	Elefanten 40	Storgatan 20/S Förstadsg 12–14	Malmö	Office/Retail	284		10,575	2,742	8			13,325
30	Erik Menved 37	M Nilsg 2–24/Kattsundsg 7–27	Malmö	Office/Retail	372		17,220	3,217	2,142		740	23,319
31	Fisken 18	N Vallg 100–102/Västerg 35	Malmö	Office/Retail	147		5,193		119	1,508		6,820
32	Flundran 1	Gibraltargatan 2	Malmö	Office/Retail	0					2,451		2,451
33	Hamnen 22:188	Hans Michelsensgatan 8–10	Malmö	Office/Retail	125		6,587	700	1,151			8,438
34	Karin 13	Fänriksgatan 2/Drottningg. 18	Malmö	Office/Retail	91		6,171		749		181	7,101
35	Karin 14	Kungsgatan 13	Malmö	Office/Retail	96		7,219		1,199			8,418
36	Kolga 4	Jörgen Kocksgatan 4	Malmö	Office/Retail	55		2,244		41			2,285
37	Neptun 6	Västergatan 43–47/Slottsg. 2	Malmö	Office/Retail	89		3,190		290	1,486		4,966
38	Nora 11	Kungsgatan/Drottningg.	Malmö	Office/Retail	390		27,186		1,471			28,657
39	Polstjärnan 1	Jupiterg 4/Jörgen Kocksg 35	Malmö	Projects & Land	16							0
40	Polstjärnan 2	Jupiterg 4/Jörgen Kocksg 35	Malmö	Projects & Land	2				11,055			11,055
41	Sankt Jörgen 21	Söderg 22–24/Baltzarg 26–34	Malmö	Office/Retail	300		7,816	3,457	61			11,334
42	Sirius 3	Carls g 14A–F/Navigationsg.	Malmö	Office/Retail	165		6,828	325	30			7,183
43	Slagthuset 1	Carls g 10, 12/Utställng 1B	Malmö	Office/Retail	403		6,878	8,000	43	1,267	10,275	26,463
44	Sparven 15	V Kanal g 2–8/Storg 15	Malmö	Office/Retail	118		8,470		6,032	6,329		20,831
45	Söderhavet 4	Carls gatan 54/Elbegatan	Malmö	Office/Retail	15			2,832				2,832
46	Uven 9	Diskontogången 2	Malmö	Office/Retail	98		7,590					7,590
47	Väktaren 3	Hjälmar g 3/Nordenskiöldsg 2B	Malmö	Office/Retail	195		8,276		30			8,306
48	Östersjön 1	Carls gatan 6–8/Stormgatan 5	Malmö	Office/Retail	184		7,935		80			8,015
Malmö City total					3,261		143,735	22,207	24,537	13,041	11,196	214,716

Outer Malmö												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Lease- hold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ Healthcare, m²	Other, m²	Total, m²
49	Balken 10	Ringugnsgatan 3	Malmö	Logistics/Prod	22				3,725			3,725
50	Balken 7	Schaktugnsgatan 5	Malmö	Logistics/Prod	8		618		1,202			1,820
51	Benkammen 16	Kantyxegatan 14	Malmö	Logistics/Prod	38				6,260			6,260
52	Blocket 1	Limhamnsgårdens Allé 3–37	Malmö	Logistics/Prod	38		3,363		2,725		721	6,809
53	Boplatsen 3	Boplatsgatan 4–8	Malmö	Office/Retail	142		21,843	660	2,218			24,721
54	Bronsdolken 3	Stenyxegatan 13–15	Malmö	Logistics/Prod	58			4,242	7,332			1,271
55	Bronsdolken 10	Stenyxegatan 27	Malmö	Logistics/Prod	6				1,271			953
56	Bronsdolken 11	Stenyxegatan 29	Malmö	Logistics/Prod	6		432		521			1,311
57	Bronsdolken 18	Stenyxegatan 17	Malmö	Office/Retail	9				1,311			10,233
58	Bronsdolken 25	Stenyxegatan 33–35	Malmö	Logistics/Prod	42		480	6,872	2,881			11,574
59	Bronsspannen 5	Trehögsgatan 7	Malmö	Logistics/Prod	3				735			735
60	Bronsspannen 8	Flintyxegatan 3	Malmö	Logistics/Prod	6				1,067			1,067
61	Bronsspannen 9	Flintyxegatan 5	Malmö	Logistics/Prod	10				2,069			2,069
62	Bronsspannen 13	Trehögsgatan 3	Malmö	Logistics/Prod	8				1,765			1,765
63	Bronsåldern 2	Bronsåldersgatan 2	Malmö	Logistics/Prod	64				12,485			12,485
64	Dubbelknappen 15	Kantyxegatan 23	Malmö	Office/Retail	14		1,520		78			1,598
65	Dubbelknappen 23	Risyxegatan 3	Malmö	Logistics/Prod	34				5,179			5,179
66	Grytan 3	Industrigatan 21	Malmö	Logistics/Prod	12		1,263		1,100			2,363
67	Hindbygården 7	Ö Hindbyvägen 70	Malmö	Projects & Land	2							0
68	Hindbygården 8	Ö Hindbyvägen 74	Malmö	Office/Retail	13		1,630					1,630
69	Hindbygården 9	Ö Hindbyvägen	Malmö	Projects & Land	2							0
70	Hindbygården 10	Ö Hindbyvägen	Malmö	Projects & Land	1							0
71	Hundlokan 10	Cypressvägen 21–23	Malmö	Logistics/Prod	42				5,985			5,985
72	Hällristningen 5	Boplatsgatan 5	Malmö	Projects & Land	4							0
73	Mandelblomman 5	Lönngatan 75	Malmö	Logistics/Prod	7		640		1,992			2,632
74	Muren 5	Ringugnsgatan 8	Malmö	Logistics/Prod	7				1,593			1,593
75	Olgård 8	Olgårdsgatan 3	Malmö	Logistics/Prod	64				8,189			8,189
76	Revolversvarven 11	Jägerhillsgatan 20	Malmö	Office/Retail	10	L		1,650				1,650
77	Rosengård 130:403	Agnesfridsvägen 113 A	Malmö	Office/Retail	62		7,838	415				8,253
78	Spännbucklan 9	Agnesfridsvägen 182	Malmö	Logistics/Prod	39				6,800			6,800
79	Stenyxan 20	Stenyxegatan 16	Malmö	Office/Retail	9		1,415		175			1,590
80	Stenåldern 7	Stenåldersgatan	Malmö	Logistics/Prod	110				13,976			13,976
81	Sufflören 3	Axel Danielssons väg 259	Malmö	Logistics/Prod	4		828		1,470			2,298
82	Syret 12	Industrigatan 33 B	Malmö	Logistics/Prod	9	L			1,803			1,803
83	Syret 13	Industrigatan 31–33	Malmö	Logistics/Prod	9		788		778			1,566
84	Trindyxan 3	Bronsyxegatan 9	Malmö	Logistics/Prod	38		576		6,928			7,504
85	Valvet 1	Krossverksgatan 5 A–M	Malmö	Logistics/Prod	21		2,818		645			3,463
86	Vårbuketten 2	Husievägen 19	Malmö	Logistics/Prod	15				2,837			2,837
87	Vårbuketten 4	Husievägen 17	Malmö	Projects & Land	7							0
88	Arlöv 19:133	Hantverkaregatan 18	Burlöv	Office/Retail	14		1,662					1,662
89	Sunnanå 12:27	Mor Marnas Väg 6–10	Burlöv	Logistics/Prod	72				14,525			14,525
90	Sunnanå 12:53	Vattenverkstv./Toftanäsv. 232	Burlöv	Logistics/Prod	21				2,332			2,332
91	Sunnanå 12:54	Staffanstorpsvägen 104	Burlöv	Logistics/Prod	33				5,972			5,972
92	Borgeby 15:14, etc.	Norra Västkvstvägen	Lomma	Projects & Land	0							0
Outer Malmö, total					1,131		47,714	13,839	129,924	0	721	192,198
Malmö, total					8,005		341,628	43,145	166,395	35,256	15,731	602,155

Lund



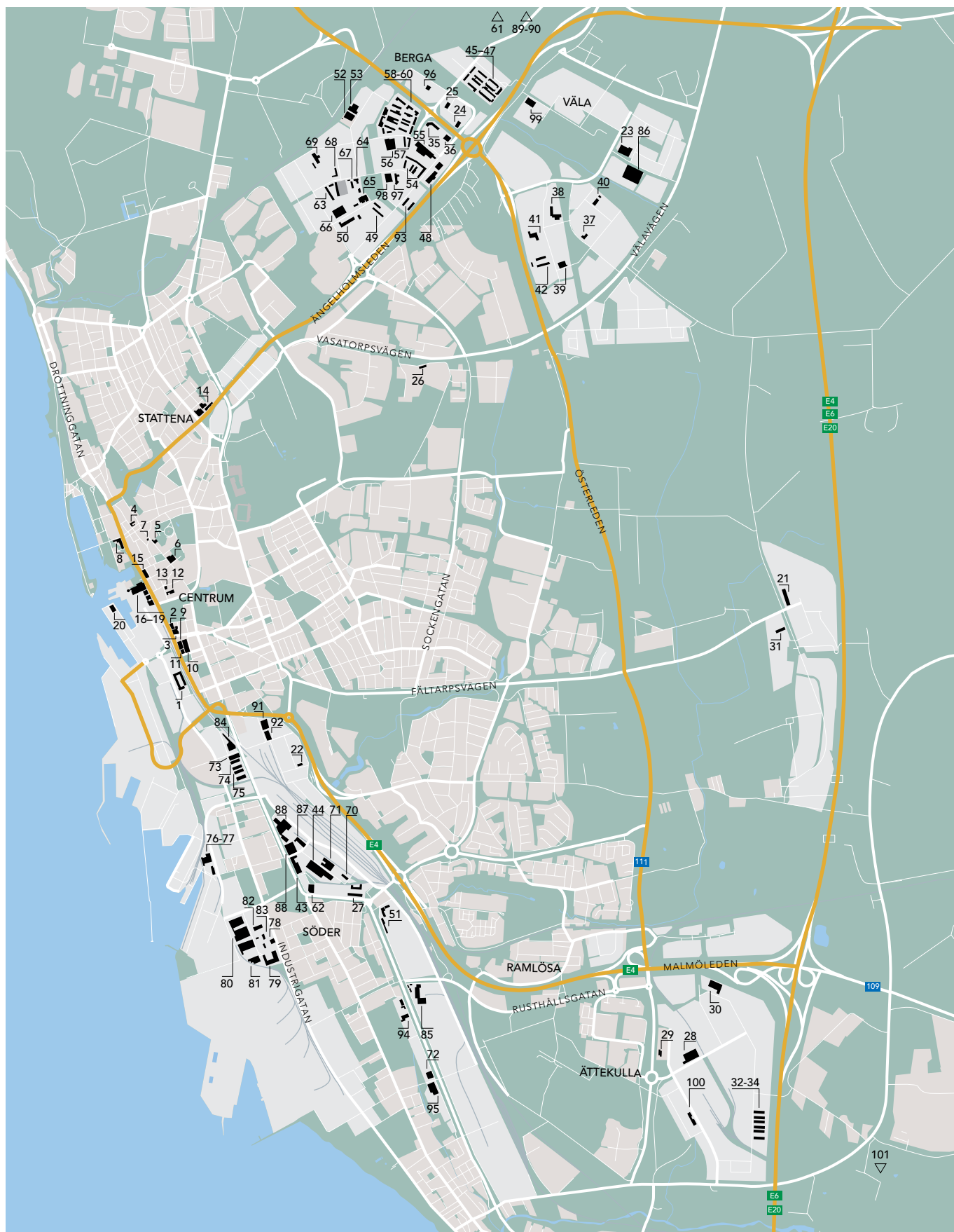
Central Lund/Gastelyckan

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/healthcare, m ²	Other, m ²	Total, m ²
1	Armaturen 4	Trollebergsv 1 / Gasverksg 1–9	Lund	Office/Retail	61		6,487		268		208	6,963
2	Bytarebacken 39	Bang. 10–12/Clemenstorget 5	Lund	Office/Retail	227		4,384	6,920	1,057	3,078	167	15,606
3	Diabasen 1	Skiffervägen 26 A–B	Lund	Logistics/Prod	36		661		5,217			5,878
4	Diabasen 3	Skiffervägen 30–86	Lund	Logistics/Prod	42		2,250		5,870			8,120
5	Flintan 3	Skiffervägen 24	Lund	Logistics/Prod	27				5,979			5,979
6	Landstinget 2	Byggmästaregatan 4	Lund	Office/Retail	60		3,215				4	3,219
7	Länsmannen 1	Åldermansg. 2/Måsvägen 23,	Lund	Logistics/Prod	32		220		7,740			7,960
8	Måsen 17	Starvägen 19/Grisslev. 15–19	Lund	Office/Retail	42		3,828		452			4,280
9	Posthornet 1	Bruksgratan 8/Väwareg. 21–23	Lund	Office/Retail	343		10,588	197	103			10,888
10	Raffinaderiet 3	Fabriksgatan 2 A–F	Lund	Projects & Land	63							0
11	Raffinaderiet 5	Kung Oskars Väg 11 A–D	Lund	Office/Retail	40		1,865		42			1,907
12	Skiffern 2	Skiffervägen 14/Portfyrvägen 7	Lund	Logistics/Prod	11				2,910			2,910
13	Spettet 11	Byggmästaregatan 5	Lund	Office/Retail	22		1,486		41			1,527
14	Töebacken 7	Bondeväg 2/Fjelliev 68	Lund	Office/Retail	42		2,845	1,482	448			4,775
Central Lund/Gastelyckan, total					1,047		37,829	8,599	30,127	3,078	379	80,012

Lund Ideon

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/healthcare, m ²	Other, m ²	Total, m ²
15	Forskaren 3	Scheelevägen 24–26	Lund	Office/Retail	218		11,253					11,253
16	Kunskapen 1	Partikelgatan	Lund	Projects & Land	8							0
17	Nya Vattentornet 2	Mobilvägen 10/Ideongatan 51	Lund	Office/Retail	317		19,727	1,456	1,243		599	23,025
18	Nya Vattentornet 3	Mobilvägen 1	Lund	Office/Retail	375		18,516	1,231	1,118			20,865
19	Nya Vattentornet 4	Mobilvägen 4–6	Lund	Office/Retail	520		22,896	1,477	726			25,099
20	Studentkåren 2 (Alfa)	Scheelevägen 15	Lund	Office/Retail	71		9,315	1,183	280		22	10,800
21	Studentkåren 5	Scheelevägen 15 B–D	Lund	Office/Retail	0		8,150					8,150
22	Studentkåren 6	Scheelevägen 15 A	Lund	Office/Retail	35		4,510		21			4,531
23	Syret 1 (Delta P-hus)	Molekylvägen 3	Lund	Office/Retail	14							0
24	Syret 3 (Gateway)	Scheelevägen 27	Lund	Office/Retail	392		9,097		257		8,217	17,571
25	Syret 4 (Delta 2)	Scheelevägen 25	Lund	Projects & Land	2							0
26	Syret 5 (Delta 3)	Scheelevägen 23	Lund	Office/Retail	39		7,050					7,050
27	Syret 6 (Delta 4)	Scheelevägen 21	Lund	Office/Retail	48		8,050		406			8,456
28	Syret 7 (Delta 5)	Scheelevägen 19	Lund	Office/Retail	42		6,078		205			6,283
29	Syret 8 (Gamma)	Ideongatan 1A–D	Lund	Office/Retail	45		10,067		87			10,154
30	Syret 9 (Delta 6)	Ideongatan 3A–B	Lund	Office/Retail	21		3,302		41			3,343
31	Vetskapen 1	Partikelgatan	Lund	Projects & Land	8							0
32	Vätet 1 (Beta 1–6)	Scheelevägen 17	Lund	Office/Retail	160		22,041	710	1,198	1,016	5	24,970
33	Vätet 3 (Minideon)	Ole Römers väg 5	Lund	Office/Retail	0					335		335
Lund Ideon, total					2,314		160,052	6,057	5,582	1,351	8,843	181,885
Lund, total					3,361		197,881	14,656	35,709	4,429	9,222	261,897

Helsingborg

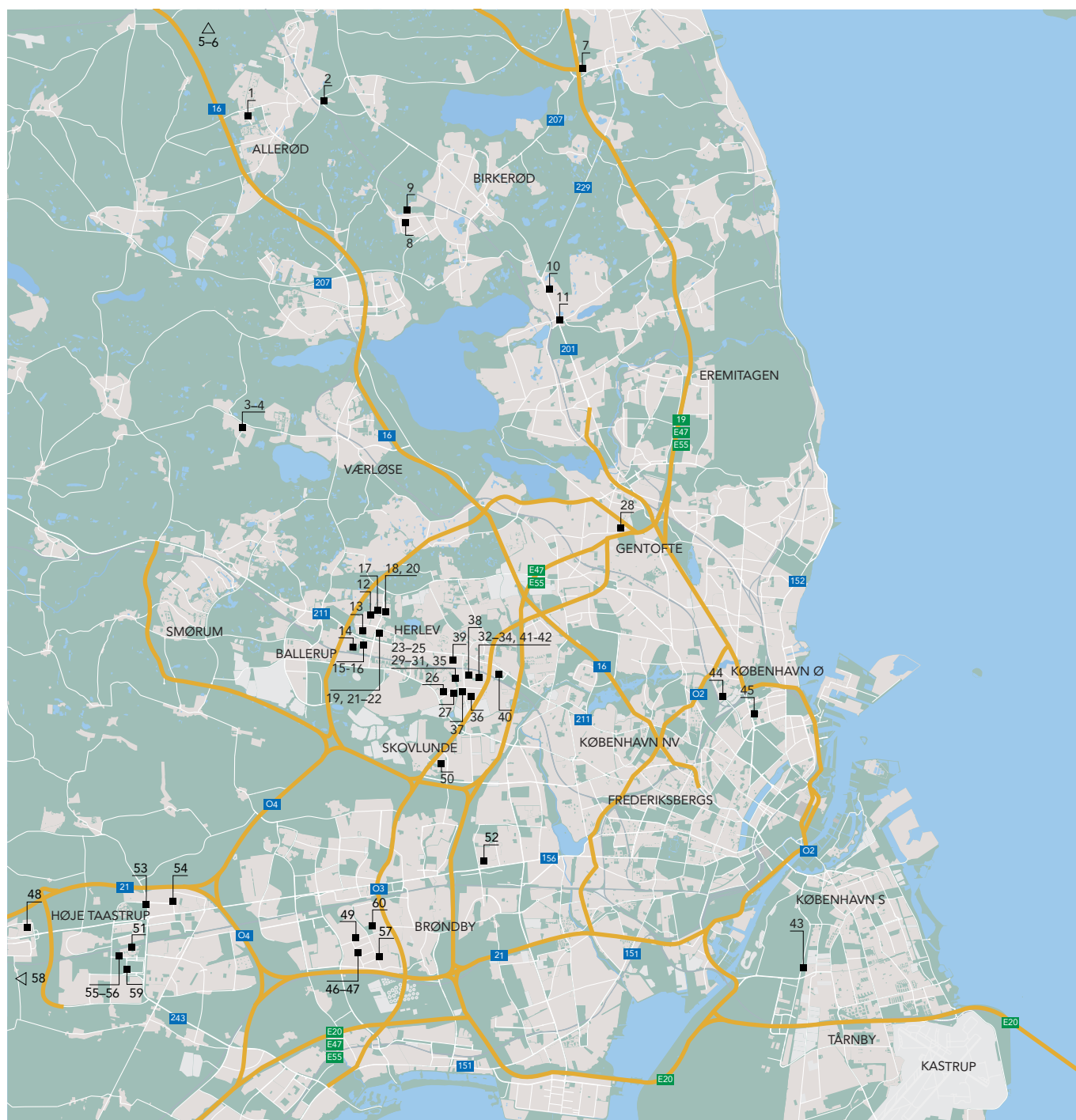


Central Helsingborg												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/ Prod, m ²	Education/ healthcare, m ²	Other, m ²	Total, m ²
1	Hermes 10	Rönnowsg 4–12, Bredg 7–11	Helsingborg	Office/Retail	360		29,100	872	1,500	19,190	538	51,200
2	Kalifornien 10	Järnvägsgatan 35–37	Helsingborg	Office/Retail	82		5,831				77	5,908
3	Kalifornien 11	Gasverksg 9 Järnvägsg 39&41	Helsingborg	Office/Retail	75		3,091		29	1,334	2,010	6,464
4	Kullen Västra 19	Kullagatan 30	Helsingborg	Office/Retail	30		1,108	402			372	1,882
5	Kärnan Norra 21	Stortorget 17 /Norra Storg 6	Helsingborg	Office/Retail	36		2,309	303	159			2,771
6	Kärnan Södra 9	Södra Storg 9	Helsingborg	Office/Retail	0		382	1,002	16	1,638	3,543	6,581
7	Magnus Stenbock 7	Strömgränd 3/N Storgatan 7	Helsingborg	Office/Retail	9		393	200				593
8	Najaden 14	Drottningg. 7, 11/Sundstor. 2–6	Helsingborg	Office/Retail	191		8,635	1,552	602	2,775	42	13,606
9	Polisen 5	Konsul Perssons plats 1	Helsingborg	Office/Retail	200		8,987					8,987
10	Polisen 6	Carl Krooksgatan 24	Helsingborg	Office/Retail	134		6,896		132	1,457		8,485
11	Polisen 7	Nedre Holländaregatan 1	Helsingborg	Projects & Land	27							0
12	Ruuth 23	Bruksgatan 29	Helsingborg	Office/Retail	0		1,145	313		2,740		4,198
13	Ruuth 35	Bruksgatan 25/Prästgatan 10	Helsingborg	Office/Retail	0			589	136	1,730		2,455
14	Stattena 7	StattenaCent. NellyKrooksg.2	Helsingborg	Office/Retail	77		1,858	4,838		124	2,766	9,586
15	Svea 7	Järnvägsg. 7–11/S.Strandg. 2–6	Helsingborg	Office/Retail	116		5,000	2,013	62		313	7,388
16	Terminalen 1	Järnvägsg. 10/Kungstorg. 8	Helsingborg	Office/Retail	452	L	16,299	7,225	225	1,088	1,211	26,048
17	Terminalen 3	Järnvägsgatan 14	Helsingborg	Office/Retail	59	L	2,951	135		1,076		4,162
18	Terminalen 4	Järnvägsgatan 18	Helsingborg	Office/Retail	53	L	3,348				25	3,373
19	Terminalen 5	Järnvägsgatan 22–24	Helsingborg	Office/Retail	71	L	5,591	142				5,733
20	Ursula 1	Redareg. 48–50/Henckels trg 3	Helsingborg	Office/Retail	198		10,969		0			10,969
Central Helsingborg, total					2,171		113,893	19,586	2,861	33,152	10,897	180,389

Outer Helsingborg												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/ Prod, m ²	Education/ healthcare, m ²	Other, m ²	Total, m ²
21	Ackumulatörn 17	Knut Pål's väg 1	Helsingborg	Logistics/Prod	25				4,214			4,214
22	Afrika 18	Verkstadsg. 13/Rågångsg. 7	Helsingborg	Office/Retail	10		1,434					1,434
23	Ametisten 5	Porfyrgatan 1	Helsingborg	Logistics/Prod	42		619		7,050			7,669
24	Armborstet 4	Lilla Garnisonsgatan 31	Helsingborg	Logistics/Prod	12		899	1,970				2,869
25	Armborstet 6	Lilla Garnisonsgatan 41	Helsingborg	Logistics/Prod	13		421	3,798				4,219
26	Barrikaden 3	Fyrverkaregatan	Helsingborg	Projects & Land								0
27	Brottaren 15	Kapplöpningsgatan 14, 16	Helsingborg	Logistics/Prod	22		3,225	100	1,005			4,330
28	Bunkagården V. 8	Bunkalundsvägen 5	Helsingborg	Logistics/Prod	14		30		10,653			10,683
29	Bunkagårdet 6	Torbornavägen 6	Helsingborg	Logistics/Prod	5				556			556
30	Bunkalund Östra 8	Bunkagårdsgatan 13	Helsingborg	Logistics/Prod	20				6,300			6,300
31	Cylindern 2	Fältarpsvägen 396	Helsingborg	Logistics/Prod	15				2,173			2,173
32	Flintyxan 1	Stenbrovägen 40–42	Helsingborg	Logistics/Prod	11				3,107			3,107
33	Flintyxan 3	Stenbrovägen 36–38	Helsingborg	Logistics/Prod	11				3,138			3,138
34	Flintyxan 5	Stenbrovägen 32–34	Helsingborg	Logistics/Prod	18		324		4,523			4,847
35	Floretten 3	Garnisonsgatan 25 A–C	Helsingborg	Office/Retail	50		5,392	44	489			5,925
36	Floretten 4	Garnisonsgatan 23	Helsingborg	Office/Retail	79		4,647	138				4,785
37	Grusbacken 1	Mogatan 12	Helsingborg	Logistics/Prod	12				1,278			1,278
38	Grusgropen 3	Grustagsgatan 22	Helsingborg	Logistics/Prod	30		1,067		4,776			5,843
39	Grushögen 2	Makadamgatan 1	Helsingborg	Logistics/Prod	12				3,150			3,150
40	Grusplanen 2	Blockgatan 8	Helsingborg	Logistics/Prod	13		405		2,908			3,313
41	Grustaget 1	Grustagsgatan 35–37	Helsingborg	Office/Retail	21		4,008					4,008
42	Grustaget 2	Grustagsgatan 11–15	Helsingborg	Logistics/Prod	22		1,316		2,388			3,704
43	Gymnasten 4	Planteringsvägen 11	Helsingborg	Office/Retail	32		65	3,048	2,787		60	5,960
44	Gymnasten 9	Kapplöpningsgatan 6	Helsingborg	Logistics/Prod	42		2,248		15,703			17,951
45	Hakebössan 1	Karbingatan 28–32	Helsingborg	Logistics/Prod	22		997		3,888			4,885
46	Hakebössan 2	Karbingatan 10–20	Helsingborg	Logistics/Prod	42		823	366	8,185			9,374
47	Hakebössan 3	Karbingatan 22	Helsingborg	Logistics/Prod	24		1,123		4,201			5,324
48	Hillebarden 1	Garnisonsgatan 16	Helsingborg	Logistics/Prod	38		2,014	2,732	4,285			9,031
49	Huggjärnet 12	Garnisonsgatan 7a	Helsingborg	Office/Retail	37		4,622		860			5,482
50	Huggjärnet 13	Kastellgatan 2	Helsingborg	Logistics/Prod	16			600	130			730
51	Hästhagen 7	La Cours gata 2–6	Helsingborg	Office/Retail	42		7,418	1,289	1,062	1,297	320	11,386
52	Kniven 2	Mörsaregatan 17	Helsingborg	Logistics/Prod	21				3,515			3,515
53	Kniven 3	Mörsaregatan 19	Helsingborg	Logistics/Prod	18		200		4,591			4,791
54	Kroksabeln 11	Muskötg.17–27/Garnisonsg 17	Helsingborg	Logistics/Prod	30		458	1,511	5,927			7,896
55	Kroksabeln 12	Garnisonsgatan 19	Helsingborg	Logistics/Prod	77		2,810	3,982	8,260			15,052
56	Kroksabeln 19	Florettgatan 14	Helsingborg	Logistics/Prod	24		922	562	6,588			8,072
57	Kroksabeln 20	Florettgatan 16	Helsingborg	Office/Retail	29		972	2,463	842			4,277
58	Lansen 1	Florettgatan 15–29 B–C	Helsingborg	Logistics/Prod	113		9,562		13,663			23,225
59	Lansen 2	Florettgatan 31–39	Helsingborg	Logistics/Prod	23		1,248		4,425		30	5,703
60	Lansen 3	Florettgatan 29 A	Helsingborg	Office/Retail	8		1,340					1,340
61	Lövsåken 3	Ekvandan	Helsingborg	Projects & Land	0							0
62	Manövern 3	Hästhagsvägen 1	Helsingborg	Office/Retail	25		616	3,621	762			4,999
63	Musköten 9	Muskötgatan 4	Helsingborg	Office/Retail	16		975	2,805	1,360			5,140
64	Musköten 13	Muskötgatan 8 B	Helsingborg	Office/Retail	20		2,087					2,087
65	Musköten 17	Kastellgatan 5	Helsingborg	Logistics/Prod	31				6,807			6,807
66	Musköten 19	Bergavägen 6	Helsingborg	Office/Retail	45		676	4,181	3,907			8,764
67	Musköten 20	Muskötgatan 6–8	Helsingborg	Logistics/Prod	73		4,369		2,380			6,749
68	Mörsaren Västra 5	Muskötgatan 5	Helsingborg	Logistics/Prod	8				1,701			1,701
69	Mörsaren Västra 13	Florettgatan 4	Helsingborg	Logistics/Prod	17		404		3,566			3,970

Outer Helsingborg												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Lease-hold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/healthcare, m ²	Other, m ²	Total, m ²
70	Olympiaden 7	Kapplöpningsgatan 5	Helsingborg	Logistics/Prod	8		900		930			1,830
71	Olympiaden 8	Kapplöpningsgatan 3	Helsingborg	Logistics/Prod	20		1,190		5,910			7,100
72	Orkanen 5	Landskronavägen 18	Helsingborg	Logistics/Prod	8		498		2,681			3,179
73	Persien 1	V Sandg. 10–12, Cindersg 11	Helsingborg	Logistics/Prod	7		104		3,233		515	3,852
74	Persien 14	Cindersgatan 13–15	Helsingborg	Logistics/Prod	12		44		2,800	1,022		3,866
75	Persien 15	Cindersgatan 17–19	Helsingborg	Logistics/Prod	0					4,026		4,026
76	Planteringen 1:8	V Tallgatan 32	Helsingborg	Logistics/Prod	6		540		1,312			1,852
77	Planteringen 1:9	V Tallgatan 32	Helsingborg	Logistics/Prod	17		979		5,217			6,196
78	Plåtförädlingen 7	Strandbadsvägen 11	Helsingborg	Logistics/Prod	5				1,230			1,230
79	Plåtförädlingen 8	Strandbadsvägen 13	Helsingborg	Logistics/Prod	47		10,792		1,236			12,028
80	Plåtförädlingen 11	Strandbadsvägen 19–21	Helsingborg	Logistics/Prod	76		3,601	276	17,898			21,775
81	Plåtförädlingen 13	Strandbadsvägen 15–17	Helsingborg	Logistics/Prod	68		1,674		15,193			16,867
82	Plåtförädlingen 15	Strandbadsvägen 7	Helsingborg	Logistics/Prod	21				2,496			2,496
83	Plåtförädlingen 18	Strandbadsvägen 9	Helsingborg	Logistics/Prod	11		70		2,438			2,508
84	Posten 1	Västra Sandgatan 7	Helsingborg	Office/Retail	0		3,051		2,949			6,000
85	Rausgård 21	Landskronavägen 9	Helsingborg	Logistics/Prod	52		4,312		5,947			10,259
86	Rubinen 1	Basaltgatan 9	Helsingborg	Logistics/Prod	53		1,525		9,502			11,027
87	Sadelplatsen 10	Fäktmästaregatan 5	Helsingborg	Logistics/Prod	13		350		2,725			3,075
88	Sadelplatsen 13	Planteringsv 5–9	Helsingborg	Logistics/Prod	83		728	5,680	11,344	1,270	520	19,542
89	Snärskogen 4	Ekvåndan 5	Helsingborg	Logistics/Prod	16				3,015			3,015
90	Snärskogen 5	Ekvåndan	Helsingborg	Projects & Land	2							0
91	Spanien 5	Gåsebäcksv. 6/Motorg. 1	Helsingborg	Projects & Land	1							0
92	Spanien 11	Kvarnstensg 6–8/Motorg 5–7	Helsingborg	Office/Retail	31		2,253	451	2,841			5,545
93	Spjutet 1	Garnisonsgatan 12	Helsingborg	Logistics/Prod	14		168	1,328	1,512			3,008
94	Stormen 13	Landskronavägen 2–12	Helsingborg	Logistics/Prod	18		1,480		2,746			4,226
95	Tyfonen 1	Landskronavägen 20	Helsingborg	Logistics/Prod	19		1,095		2,519		700	4,314
96	Visiret 5	Garnisonsgatan 47 A	Helsingborg	Logistics/Prod	11				1,800			1,800
97	Värjan 12	Muskötgatan 12	Helsingborg	Office/Retail	16		1,871					1,871
98	Värjan 13	Muskötgatan 10	Helsingborg	Logistics/Prod	23				5,145			5,145
99	Zirkonen 2	Andesitgatan 16	Helsingborg	Office/Retail	29			4,628				4,628
100	Ättehögen 6	Torbornavägen 22	Helsingborg	Logistics/Prod	11		385		2,221			2,606
101	Pedalen 16 & others	Rattgatan 48	Landskrona	Projects & Land	0							0
Outer Helsingborg, total					2,030		107,346	45,573	283,943	7,615	2,145	446,622
Helsingborg, total					4,200		221,239	65,159	286,804	40,767	13,042	627,011

Copenhagen



North Copenhagen

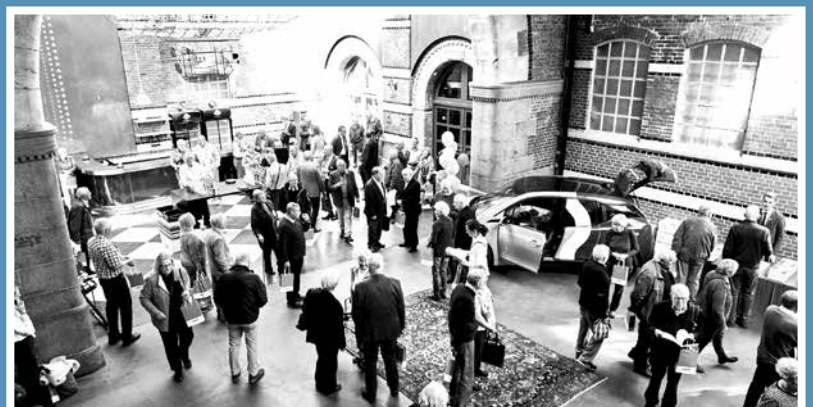
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/Healthcare, m ²	Other, m ²	Total, m ²
1	Engholm Parkvej 8	Engholm Parkvej 8	Allerød	Office/Retail	518		11,387		19			11,406
2	Sortemosevej 2	Sortemosevej 2	Allerød	Office/Retail	78		7,252				2,005	9,257
3	Lejrvej 1	Lejrvej 1	Furesø	Logistics/Prod	12		183		1,219			1,402
4	Lejrvej 15-19	Lejrvej 15-19	Furesø	Office/Retail	55		7,980		872		8	8,860
5	Bymosevej 4	Bymosevej 4	Gribskov	Office/Retail	172		2,943		0		1,029	3,972
6	Munkeengen 22-32	Munkeengen 22-32	Hillerød	Office/Retail	63		4,211			4,937	5	9,153
7	Slotsmarken 10-18	Slotsmarken 10-18	Hørsholm	Office/Retail	242		24,937		2,141		544	27,621
8	Blokken 84	Blokken 84	Rudersdal	Logistics/Prod	54				8,616			8,616
9	Bregnerødvej 140-144	Bregnerødvej 140-144	Rudersdal	Office/Retail	23		7,463					7,463
10	Kongevejen 400	Kongevejen 400	Rudersdal	Office/Retail	276		4,568		116			4,684
11	Røjelskær 11-15	Røjelskær 11-15	Rudersdal	Office/Retail	65		4,358					4,358
North Copenhagen, total					1,558		75,281	0	12,983	4,937	3,591	96,792

West Copenhagen												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/Healthcare, m ²	Other, m ²	Total, m ²
12	Borupvang 2	Borupvang 2/Lautrupcentret	Ballerup	Office/Retail	98		7,647	5,298	1,040		5,600	19,585
13	Borupvang 5	Borupvang 5	Ballerup	Office/Retail	101		10,553				286	10,839
14	Brydehusvej 30	Brydehusvej 30	Ballerup	Office/Retail	39		4,325		333			4,658
15	Industriparken 21	Industriparken 21	Ballerup	Office/Retail	32		10,110		50			10,160
16	Industriparken 29	Industriparken 29	Ballerup	Office/Retail	36		3,118					3,118
17	Lautruphøj 8–10	Lautruphøj 8–10	Ballerup	Office/Retail	252		15,603		373			15,976
18	Lautrupvang 1 A+B	Lautrupvang 1 A+B	Ballerup	Office/Retail	303		11,619		2,939			14,558
19	Lautrupvang 12	Lautrupvang 12	Ballerup	Office/Retail	124		9,396					9,396
20	Lautrupvang 2	Lautrupvang 2	Ballerup	Office/Retail	102		11,398		1,220			12,618
21	Lautrupvang 3	Lautrupvang 3	Ballerup	Projects & Land			13,441					13,441
22	Lautrupvang 8	Lautrupvang 8	Ballerup	Office/Retail	128		9,074				2,672	11,746
West Copenhagen, total					1,213		106,284	5,298	5,955	0	8,558	126,095

East Copenhagen												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/Healthcare, m ²	Other, m ²	Total, m ²
23	Literbuen 6–10	Literbuen 6–10	Ballerup	Office/Retail	62		2,099		9,626			11,724
24	Literbuen 16–18	Literbuen 16	Ballerup	Office/Retail	35		4,708		3,648			8,356
25	Meterbuen 27	Meterbuen 27	Ballerup	Office/Retail	98		17,255					17,255
26	Mileparken 9 A	Mileparken 9 A	Ballerup	Logistics/Prod	41		2,272		2,782			5,054
27	Mileparken 22	Mileparken 22	Ballerup	Office/Retail	55		8,654		2,089		723	11,466
28	Sandtoften 9	Sandtoften 9	Gentofte	Office/Retail	56		4,970					4,970
29	Ellekær 2–4	Ellekær 2–4	Herlev	Office/Retail	23				4,828			4,828
30	Ellekær 6	Ellekær 6	Herlev	Office/Retail	43		4,012		894		1,169	6,075
31	Ellekær 9	Ellekær 9	Herlev	Office/Retail	100		5,983		1,182			7,164
32	Hørkær 12	Hørkær 12	Herlev	Office/Retail	43		11,733		464			12,197
33	Hørkær 14 & 26	Hørkær 14 & 26	Herlev	Office/Retail	337		4,191		817		412	5,420
34	Hørkær 16–28	Hørkær 16–28	Herlev	Office/Retail	67		20,817		5,896	6,149	1,663	34,525
35	Knapholm 7	Knapholm 7	Herlev	Office/Retail	76		3,977		528		1,120	5,625
36	Lyskær 9	Lyskær 9	Herlev	Office/Retail	39		4,923		673			5,596
37	Marielundvej 28–30	Marielundvej 28–30	Herlev	Office/Retail	61		2,122		7,634			9,756
38	Marielundvej 29	Marielundvej 29	Herlev	Logistics/Prod	28		803		3,639			4,442
39	Smedeholm 10	Smedeholm 10	Herlev	Office/Retail	36		3,010		196		79	3,285
40	Stationsalleen 40–46	Stationsalleen 40–46	Herlev	Office/Retail	32		1,857	2,773	1,417			6,047
41	Vasekær 7	Vasekær 7	Herlev	Projects & Land	10							0
42	Vasekær 10–12	Vasekær 10–12	Herlev	Office/Retail	66		7,660					7,660
43	Digevej 114	Digevej 114	Copenhagen	Office/Retail	362		6,710		680			7,390
44	Lersø Park Alle 103–105	Lersø Park Alle 103–105	Copenhagen	Office/Retail	121		9,859					9,859
45	Lyngbyvej 20	Lyngbyvej 20	Copenhagen	Office/Retail	68		2,719				561	3,280
East Copenhagen, total					1,859		130,333	2,773	46,993	6,149	5,727	191,975

South Copenhagen												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Logistics/Prod, m ²	Education/Healthcare, m ²	Other, m ²	Total, m ²
46	Abildager 8–14	Abildager 8–14	Brøndby	Logistics/Prod	43		528		13,931			14,459
47	Abildager 16	Abildager 16	Brøndby	Logistics/Prod	50				7,683			7,683
48	Baldersbuen 5	Baldersbuen 5	Høje-Taastrup	Logistics/Prod	56		1,289		5,639			6,928
49	Banemarksvej 50	Banemarksvej 50	Brøndby	Office/Retail	179		19,654					19,654
50	Ejby Industrivej 41	Ejby Industrivej 41	Glostrup	Projects & Land	20		25,480		23,695			49,175
51	Girostrøget 1	Girostrøget 1	Høje-Taastrup	Office/Retail	63		46,759				15,153	61,912
52	H.J. Holst vej 3–5	H.J. Holst vej 3–5	Brøndby	Office/Retail	41		7,283		824			8,107
53	Helgeshøj Alle 9–15 & 49–55	Helgeshøj Alle 9–15 & 49–55	Høje-Taastrup	Office/Retail	83		13,347					13,347
54	Husby Alle 8	Husby Alle 8	Høje-Taastrup	Office/Retail	153		2,443					2,443
55	Høje-Taastrup Blvd 33–39	Høje-Taastrup Blvd 33–39	Høje-Taastrup	Office/Retail	11		4,280	129	988	1,108	38	6,542
56	Høje-Taastrup Blvd 52–58+	Høje-Taastrup Blvd 52–58+	Høje-Taastrup	Office/Retail	113		2,584	196			1,499	4,279
57	Midtager 35	Midtager 35	Brøndby	Logistics/Prod	63				7,938			7,938
58	Ny Østergade 7–11	Ny Østergade 7–11	Roskilde	Office/Retail	188		14,609		142	314	685	15,750
59	Oldenburg Alle 1–5	Oldenburg Alle 1–5	Høje-Taastrup	Office/Retail	95		13,023		1,121		606	14,750
60	Park Allé 363	Park Allé 363	Brøndby	Logistics/Prod	38		4,000					4,000
South Copenhagen, total					1,197		155,279	325	61,961	1,422	17,981	236,967

Copenhagen, total					5,827		467,178	8,396	127,891	12,508	35,856	651,828
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Annual General Meeting 2022

The Annual General Meeting of Wihlborgs Fastigheter AB (publ) will be held on Tuesday, 26 April 2022. Information about notification and postal voting instructions are available in the notice of the Annual General Meeting, which was published as a press release and is available on wihlborgs.se.

Financial Information 2022

Wihlborgs' annual reports and interim reports are available from its website www.wihlborgs.se. Moreover, the annual report is printed in Swedish and distributed to shareholders who have requested this service. The actual publication dates for interim reports in 2022 are as follows:

Interim Report, Jan–Mar **26 April 2022**

Interim Report, Jan–June **11 July 2022**

Interim Report, Jan–Sep **21 Oct 2022**

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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.



wihlborgs.se