Wihlborgs Annual Report & Sustainability Report

2020

Highlights of the Year

Rental income rose 3 percent to SEK 3,074 million (2,983)
Operating surplus improved 4 percent to SEK 2,222 million (2,140).
Income from property management improved 3 percent to SEK 1,830 million (1,775).
Profit for the period totalled SEK 2,222 million (2,923), corresponding to earnings per share of SEK 14.46 (19.02).
The Board of Directors proposes a dividend of SEK 5.25 (4.50) per share.

Key metrics for the Group, SEK m.	**2020 Jan–Dec**	2019 Jan–Dec
Rental income	3,074	2,983
Operating surplus	2,222	2,140
Income from property management	1,830	1,775
Changes in property values	826	1,479
Changes in derivative values	-73	13
Profit for the year	2,222	2,923
Earnings per share, SEK	14.46	19.02
Surplus ratio, %	72	72
Equity/assets ratio, %	41.3	38.4
Occupancy rate, %*	91	93
EPRA NAV per share, SEK	152.44	140.20

*Excluding Projects & Land.

46.1

PROPERTY VALUE SEK BILLION

3.3

RENTAL VALUE, SEK BILLION

1.8

INCOME FROM PROPERTY MANAGEMENT, SEK BILLION

91

OCCUPANCY RATE, %

Introduction

Highlights of the Year 2
Major events 2020 4
Wihlborgs in brief 6
CEO's statement 8

Goals and strategies

Mission, business model and strategies 12
Overall goals 17
The Wihlborgs share 20

Market and trends

The expansive Öresund region 23
The workplace of the future 27

Sustainable Business

Wihlborgs' sustainability initiatives 31
Responsible business 34
Attractive employer 36
Commitment to the region and its community 38
Sustainable properties 40

Our properties

Property portfolio and transactions 45
Malmö 50
Lund 56
Helsingborg 60
Copenhagen 64

Projects and development

Projects and development at Wihlborgs 69
Completed, ongoing and future projects 72

Administration Report

Review of 2020 77
Proposed distribution of profit 79
Taxes 80
Property valuation principles 82
Risks and uncertainties 84

Financial statements

Consolidated financial statements 91
Parent Company financial statements 95
Notes to Consolidated & Parent Company financial statements 98
Signatures 115
Corporate governance report 116
Auditor's Report 124
Five-year review 128
Calculation bases and definitions 129

In-depth sustainability information

Sustainability reporting 2020 133
Auditors' Statement on the sustainability report 133
Sustainability framework 134
The UN's Sustainable Development Goals 137
GRI Index 138
Reporting according to TCFD 140
Sustainability indicators according to EPRA 142
Sustainability information 144

Property list

Malmö 153
Lund 156
Helsingborg 157
Copenhagen 160

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its portfolio is located in Malmö, Helsingborg, Lund and Copenhagen. Wihlborgs is the leading property company in Malmö, Lund and Helsingborg. The carrying amount of the company's properties totals SEK 46.1 billion. The annual rental value of the properties is SEK 3.3 billion. Wihlborgs' shares are listed on the Large Cap List of Nasdaq Stockholm.

Cover image and left-hand image: The Prisma office building (Ursula 1) was the first to be finished in Helsingborg's new Oceanhamnen district.

2020 began with the acquisition of a property previously owned by Wihlborgs – the Banemarksvej 50 office property in Brøndby. It was first purchased in 1999 before being sold for a profit three years later. The largest tenant in the property is, as was also the case back then, Milestone System A/S.

We are beginning a total redevelopment of the Raffinaderiet 3 property next to Lund Central Station, to which we will also add a new building. In total, we are creating 5,800 m² of modern offices with an industrial feel and respect for the building's history.

The newly built Origo office building in Hyllie was awarded the "Gröna Lansen" in September – the City of Malmö's prize for environmentally sustainable construction. Property Manager Ida Lejdström and Project Manager Rickard Berlin are proud of this prize.

In December, tech hub Hetch moved into the newly built Prisma (Ursula 1) building in Helsingborg. Hetch offers accelerators, a start-up community, co-working, business advisors and a network, all with the vision of Helsingborg becoming a leading tech city in Sweden.

Major events 2020

Q1

On 1 January 2020, the Banemarksvej 50 office building in Brøndby, Denmark was acquired, encompassing 19,500 m² of lettable area for a purchase consideration of DKK 100 million.

We signed two new leases at Slagthuset 1 in Nyhamnen, Malmö. The co-working company Mindpark signed a lease for 1,300 m² while tech company Softhouse leased 1,100 m².

We strengthened our focus on sustainability through a new business function – Sustainable business – that is represented in the Group Management and managed by Anna Nambord.

Q2

The effects of the coronavirus pandemic began to become apparent among certain tenants and we attempted to jointly pinpoint sustainable solutions. Wihlborgs helped to ensure continued growth by maintaining its investments in the region, purchasing and distributing lunches, etc.

All Wihlborgs' properties in central Lund were fully let and Wihlborgs commenced planning of a project to renovate and create 5,800 m² of modern and environmentally certified offices in Raffinaderiet 3.

Region Skåne signed a 15-year lease for 3,700 m² at Kranen 2 in Dockan, Malmö, for the Reproductive Medicine Center (RMC) and a speech therapy reception.

Q3

The Origo (Bure 2) office building in Hyllie, at which Ingka Services is a tenant, was awarded the "Gröna Lansen" – the City of Malmö's prize for environmentally sustainable construction.

A new building comprising 4,000 m² of new office space was completed at Medeon Science Park in Malmö. Galenica, which launched at Medeon in 1999, became the largest tenant in the building.

In Malmö, Wihlborgs sold 21 properties in Arlöv, Bulltofta and the port for a total of 124 000 m² and an underlying property value of SEK 1.4 billion.

Q4

In Fosie, Malmö, tenant voestalpine Böhler weldCare AB moved into an entirely new logistics and production facility at Stenåldern 7.

Wihlborgs improved on its result in the Global Real Estate Sustainability Benchmark's annual evaluation of the property sector's sustainability performance and captured first place in the Northern Europe/Diversified/ Listed group.

In December, occupancy began in the newly built Prisma office building in Oceanhamnen. First to move in were tech hub Hetch, Assistansbolaget, KPMG and EY.

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.

1,810
Tenants

46.1
Property value, SEK billion

2.1
Million square metres

Our mission

Specialising in efficient sub-markets in the Öresund region, Wihlborgs will develop and own commercial properties, as well as manage them in-house.

Our sustainability

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

236
Full-time employees

294
Properties

28
Market capitalisation, SEK billion

New opportunities for success forged from the changes

It was a different year.

The pandemic took hold and changed life for everyone. Beside the human suffering with a great number of people falling ill, many companies found it difficult to keep their businesses operational, with the pandemic resulting in furloughs, dismissals and, in the worst cases, bankruptcies. Of course, we do what we can to help our customers when the crisis is at its most severe. At the time of writing, we still cannot see an end to the pandemic, but with continued restrictions and vaccinations, we will get through this crisis. Nobody can tell how quickly this will occur, but we know that this is about building for the future with a receptiveness and curiosity that presents us with new answers and opportunities. Despite the different year, our strong position in the region has prevented the pandemic from hindering us in investing and developing new ideas. On the contrary, we have increased our commitment and established new initiatives to place us in an even better position for the future. Without losing focus on our core operations and our earning capacity, there is a need for new innovation based on our shared experiences. This gives us a head-start from which we can be involved in creating new strategies for the time ahead.

Desire to create something new

Our shared impetus is to work close to our customers so that we can create sustainable and profitable solutions together – for the customers, for society and for us. Simply by refining our own operations and by being curious, we can increase our multiplicity of knowledge and experiences. During the year, we have conducted a study together with Navet and Quilt AI to create more knowledge about the situations that may occur in the wake of the pandemic. We examined how people view their workplace and work environment, how they want to work in the future and how they want to combine working from several locations. Hybrid workplaces are currently a hot topic and seen as a flexible solution, but the exact extent of these needs and how the solutions can be put into practice will be revealed from conducting dialogues with our customers. To date, there has been no obstacle too large for us to manage together with our customers, and we intend to continue in this way. Equipped with our stable foundations, we are never afraid to stimulate the desire to find new solutions that align with society.

How has 2020 been?

It was successful, in many ways very successful. We enter 2021 with a stronger financial position than ever before.

We take a long-term approach and our sustainable strategy allows us to continue to deliver. Even in 2020, we noted positive net lettings in all four quarters, totalling SEK 31 million for the year. Rental income rose 3 percent to SEK 3,074 million while the operating surplus improved 4 percent to SEK 2,222 million. Income from property management increased 3 percent to SEK 1,830 million, while profit for the year totalled SEK 2,222 million, corresponding to earnings per share of SEK 14.46. In particular, the equity/assets ratio has increased and the loan-to-value ratio has declined, placing us in a stronger financial position than ever before. Our largest transaction during the year was the divestment of 21 properties in the northern part of Malmö to Blackstone for SEK 1,430 million. The properties encompass office space and logistics and production premises totalling 124,000 m^2. We are further refining our property portfolio through transactions, enabling us greater opportunities to invest in areas such as Malmö, where we note the greatest potential for development.

Certain projects with an extra something

We have now commenced the next major project in Hyllie – Kvartetten – with 16,000 m^2 office premises focusing on people and the environment.

Generous natural lighting, a good indoor climate and a lush, expansive roof terrace produces an environment that is easy to enjoy. On the ground floor, there is a bicycle lounge equipped with showers and a changing room for those who cycle to work. Kvartetten is a dream of the future for many of us, but now that dream is becoming a reality.

In Lund, the renovation of the old sugar refinery in the city centre is now underway. In the Raffinaderiet 3 property, 5,800 m^2 of state-of-the-art office premises is being combined with a historic charm enhanced by the choice of materials that inspire the feeling of a workplace with an entirely unique character. The project is a sterling example of sustainable reuse – we are creating offices with new production standards but keeping as much as we can of the existing buildings in place.

We have increased our commitment and established new initiatives to position ourselves even better for the future. Continued focus on our core operations and our earning capacity combined with new innovation provides us with a head start for the times ahead.

Ulrika Hallengren, CEO

In Helsingborg, the fantastic office building Prisma is now lighting up the city environment in a unique way. This is no run-of-the-mill building. Rather, it is a new landmark and a symbol for an expansive and forward-looking Helsingborg. However, it also looks out to the rest of the world thanks to its location in the new Oceanhamnen, not far from the newly-renovated Helsingborg Central Station. The ground floor is home to a restaurant and a service centre, making Prisma a welcoming meeting place for everyone who lives and works in Oceanhamnen.

In Copenhagen, our ventures during the year have included the acquisition of the 55,000 m² Baldersbuen 5 property located between Taastrup and Roskilde. Baldersbuen 5 has a good logistics location with quick access to Greater Copenhagen, and is in line with our strategy to focus on areas with transportation links. At the start of the year, we purchased Banemarksvej 50, a property that we previously owned but sold about 20 years ago. Milestone System A/S was already a tenant back then, a company that has been growing substantially since then and now leases 12,200 m² of the building.

Sustainability as a whole

Who takes the long-term responsibility for sustainability?

That is something we must do. Sustainability must be an integrated part of everything we do, and to make this extra clear, we have grouped functions such as purchasing, HR, business development, strategic partnerships and the environment into a shared business function simply called Sustainable business. We are also increasing our focus on governance and follow-up of sustainability work. We need to examine how we can tackle sustainability topics without blinkers – sustainability efforts may never merely be a "green facade". The UN has defined sustainable development as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability is an important principle in which we all bear individual responsibility – how we take responsibility in our business, what forms of employment our suppliers have, how we can build climate-smart, what can be reused, how we can reduce energy consumption, how we can communicate our values to customers and suppliers and how we can use the relationships we have with our business partners. Naturally, we continue to support the principles of the UN Global Compact, but we also undertake collaborative initiatives with more companies and organisations for the enhancement of sustainable development. We are driven by meeting the future in a responsible manner.

A strong team spirit

Integration efforts in the Öresund region have stagnated slightly.

Considering the travel restrictions and concern for contagion, this is not too surprising. However, time is not standing still and efforts to ignite thoughts and ideas for the development of the Öresund region are continuing at an undiminished pace. Interest for the Öresund region remains strong among both domestic and international investors as well as other parties. We can also note that interest in the region is increasing from the government's side, the Minister for Infrastructure having expressed that the connection between Helsingborg and Helsingør is a national matter and that the development of the Öresund region and Skåne is important for Sweden. A further example of interest in the region is SJ's plans for Copenhagen to become as much as a hub for Scandinavian rail traffic as it is for Scandinavian aviation. Of course, there is nothing lacking about our own faith in our region, nor for the other businesses present or the public-sector decision makers. We have close ties and appreciate all positive and rewarding discussions. We see ourselves as a region-builder with the knowledge and network to advance development on the basis that everyone pitches in. Of course, the success of our region is based on measurable figures, but it is also based on collaboration, attitude, work satisfaction and the feeling of being able to contribute with something in a wider context. We are always moving and ready to capture new thoughts and ideas to be able to continue to develop the Öresund region. The more stable our position, the more impact we will have. Through a combination of stability, action and curiosity, we will continue to be a strong force in the future development of the region.

Malmö, March 2021
Ulrika Hallengren
Chief Executive Officer

Goals and strategies

Good ideas may not grow on trees, but they are developing and flourishing in our premises, as Wihlborgs provides a home for every possible type of business idea. From newly planted seeds just starting to grow to splendid giants stretching their branches far beyond the horizon; no matter how far along your idea is, we always have space for operations that help create value for the region.

Business concept

Specialising in efficient sub-markets in the Öresund region, Wihlborgs will develop and own commercial properties, as well as manage them in-house.

Our size gives us the opportunity to offer a greater number of more attractive environments than anyone else. It also enables us to offer freedom of choice and flexibility for our customers in terms of the size, location and design of their workplace – and of course the ability to change with the times.

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 adaptable to the customer's needs, and we also have a responsibility to ensure that we can make these adaptations for new customers instead of tearing down and rebuilding.

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 we build with a view to managing the properties.

We are not only involved in developing properties, city districts and cities, however; we also play a part in developing the Öresund region. Our conviction that this region offers unique benefits and potential only grows stronger with each passing year. We are located in the centre of a world-class growth region with four million people and 800,000 workplaces in the range of a one-hour commute – we could hardly imagine a better location.

Of course, the pandemic's effects are impacting the Öresund region, but tough times make it more important than ever to participate in its continued development. We do this by maintaining our investments in new projects and thus contributing to the creation of jobs here, because we are convinced that there is potential for continued development. And we want to be part of that development. Our size, our commitment 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:

- Consolidate its market position by concentrating on particularly attractive sub-markets that are ripe for development, where we can contribute to sustainable urban development.
- Take active steps to 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) into our business.
- Reinforce our brand so as to become the preferred choice of new customers and foster pride 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 parts: 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 of our sub-markets, 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

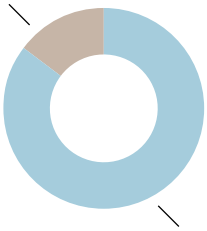
To have an attractive offering, we must actively develop and add value to existing properties in the form of redevelopment and extensions. We also create growth and new opportunities by acquiring and building new properties. However, this is not merely a question of developing individual properties; 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, a thorough 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 2020

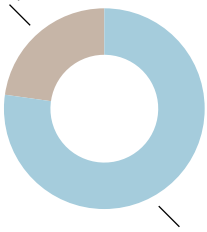
Project development
SEK 311 m



SEK 1,830 m
Property management

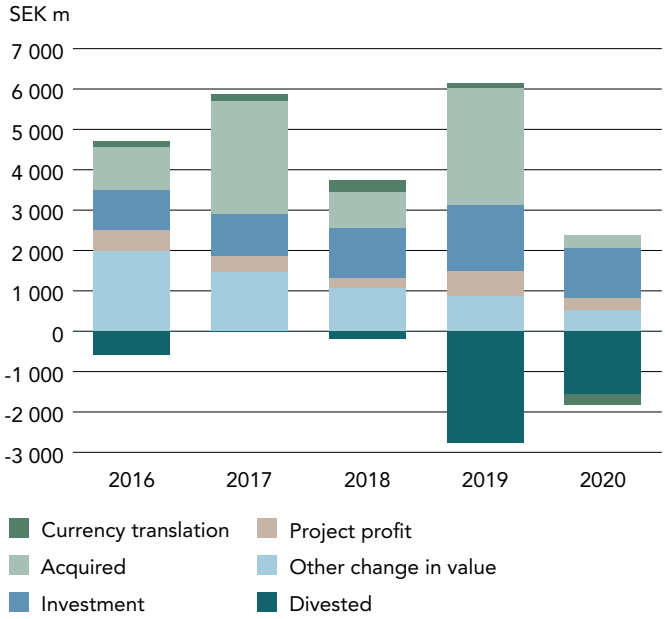
Business model Outcome 2016-2020

Project development
SEK 2,101 bn



SEK 7,225 bn
Property management

Property value trend 2016–2020



Outcome 2020

For 2020, Wihlborgs recognised income from property management of SEK 1,830 million (1,775). This increase in income from property management is in line with the increase 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 311 million (618). 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. 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. Wihlborgs' head office is located in Malmö.

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. Closely linked to property management is project department, which runs redevelopment and new-build projects at our properties.

At the end of 2020, Wihlborgs had 236 full-time positions, of which 140 were based in Sweden and 96 in Denmark. There is a relatively large proportion of service staff in Denmark who work with restaurant service and outdoor environments.

Values

We work actively with the work environment, corporate culture, 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. Our business model for long-term sustainable growth creates possibilities and progress for ourselves, our tenants and the entire Öresund region.

CUSTOMERS

Wihlborgs' properties are managed by our own staff, which means that we can be sensitive to customers' needs and wishes. Needs often change over time and we can enable development by adapting or expanding existing premises or, alternatively, arranging a transfer to another property.

Value created:
By offering flexible premises that allow growth within our portfolio, we enable our customers to develop.

SHAREHOLDERS

We run our operations with a focus on long-term sustainable growth and strive to increase growth and profitability.

Value created:
By generating strong financial results, we enable value growth and share dividends to our shareholders.

EMPLOYEES

Motivated and committed employees play a critical role in daily operations as well as in Wihlborgs' long-term development. We work strategically to develop the organisation, culture and competence.

Value created:
Through maintaining focus on motivation, development and job satisfaction, we can offer our employees a sustainable and stimulating work environment.

LOAN PROVIDERS

Access to capital is crucial to Wihlborgs continued development. We raise funds with Swedish and Danish banks, and issue bonds.

Value created:
Lenders receive interest income and Wihlborgs is able to continue to develop.

SUPPLIERS

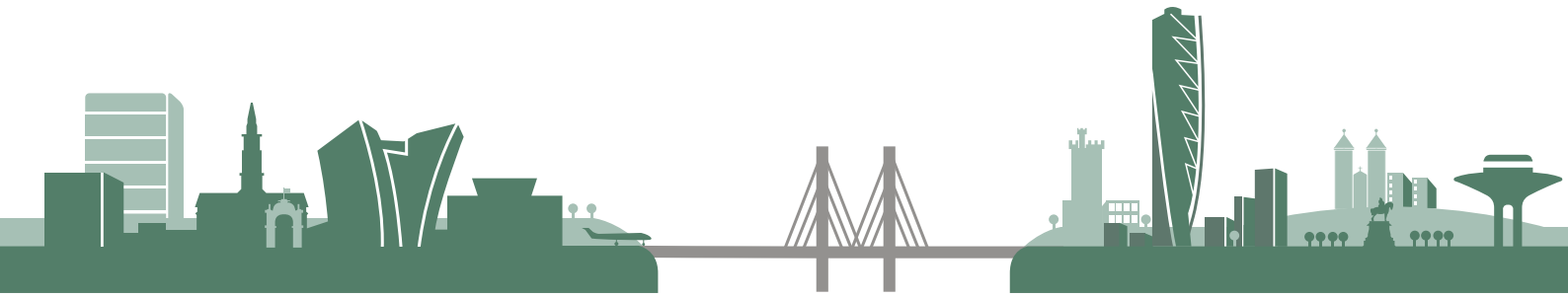
Responsible suppliers are key to the day-to-day running of the properties and to our new-build and redevelopment projects. We set stringent requirements for quality, competence, the environment, ethics and service with our suppliers.

Value created:
Through local procurement we advance the development of the region's business community and contribute to creating employment. Our requirements enable us to influence suppliers in a positive direction.

CITIES AND REGIONS

Our substantial market share in the cities in which we operate means we have considerable potential to be part of and contribute to the development of entire city districts filled with life around the clock. We also want to be a strong force in the development of the Öresund region.

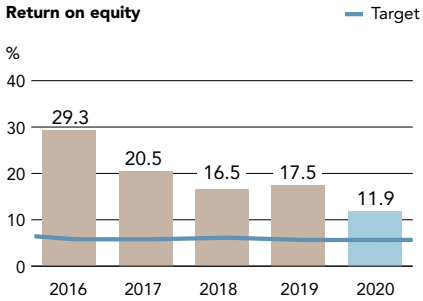
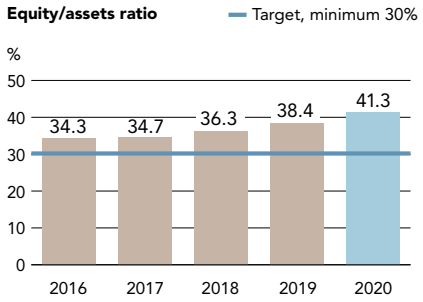
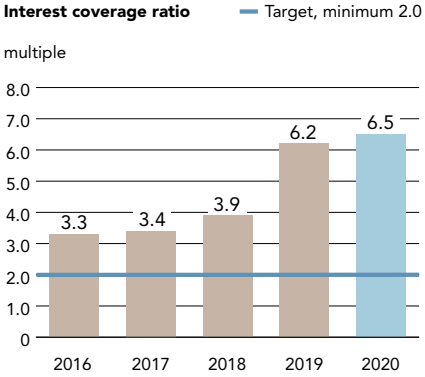
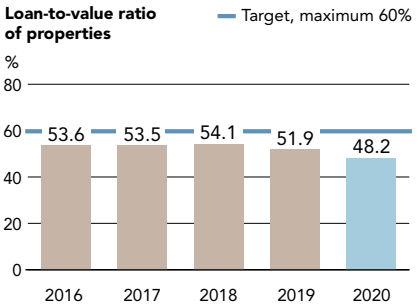
Value created:
Thriving cities and a strong region are attractive locations for people and companies, which enables society and Wihlborgs to develop.



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 is 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 2020.

Target	Outcome	Notes
Return on equity A return on equity that exceeds the risk-free interest rate by no less than six percentage points.		For 2020, the return on equity was 11.9 percent, thereby exceeding the target of achieving six percentage points above the risk-free interest rate by a considerable margin. At the start of the year, the risk-free interest rate was negative 0.18 percent, which led to a target of 5.82 percent for 2020. 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.
Equity/assets ratio An equity/assets ratio of no less than 30 percent.		At year end, the equity/assets ratio amounted to 41.3 percent. The high equity/assets ratio was affected by strong results and lower borrowings.
Interest coverage ratio An interest coverage ratio of no less than 2.0.		The interest coverage ratio was a multiple of 6.5 in 2020, which was somewhat stronger than in 2019. Income from property management increased while interest expenses fell due to lower borrowings. The average interest-rate level rose somewhat during the year.
Loan-to-value ratio A loan-to-value ratio of no more than 60 percent.		At the end of 2020, the loan-to-value ratio totalled 48.2 percent. A combination of increased income from property management, positive changes in the value of properties and property sales led to the loan-to-value ratio being considerably lower than the target of a maximum of 60 percent.

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. We delivered results in 2020 that fulfilled all three of these targets.

Target

Income from property management

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.

Surplus ratio

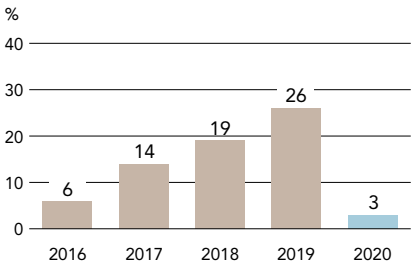
Property management is the core of our operations. The efficiency of our property management can be measured using the surplus ratio, that is, the operating surplus in relation to rental income. We will maintain a high surplus ratio by focusing on rental income, vacancy levels and cost-efficiency.

Project investments

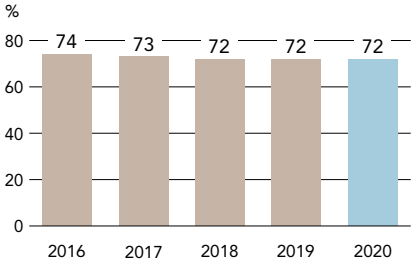
Project investments create value for Wihlborgs through potential profits and by providing the conditions for higher rental income over time. Wihlborgs will monitor market conditions in order to continuously invest in new projects that will yield healthy returns.

Outcome

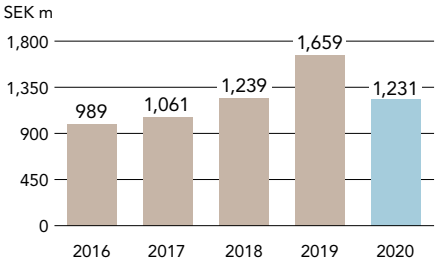
Growth in income from property management



Surplus ratio



Project investments



Notes

Growth in income from property management totalled 3 percent in 2020. Despite COVID-19 discounts of SEK 19 million net being granted, a higher operating surplus together with lower interest expenses has led to growth, while property sales adversely impacted growth.

The surplus ratio was 72 percent in 2020. The increase in income was slightly higher than the increase in costs, which led to a marginal improvement in the surplus ratio.

Project investments totalled SEK 1,231 million in 2020. Several major projects were completed during the year, but the project volume remains considerable and decisions on further new investments were taken at the end of the year.

Wihlborgs' annual kick-off was carried out this year under adapted conditions. A discussion was held on stage between (from left) Peter Olsson, Property Director in Malmö, Maria Ivarsson, Regional Director in Lund and Magnus Lambertsson, Regional Director in Helsingborg, about future business and the customer offering together with CFO Arvid Liepe.

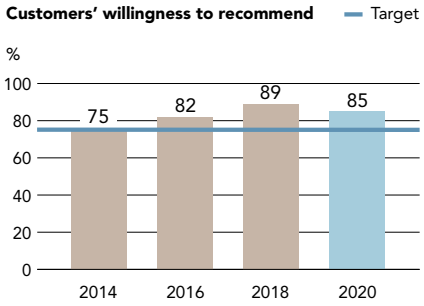
Sustainability targets

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.

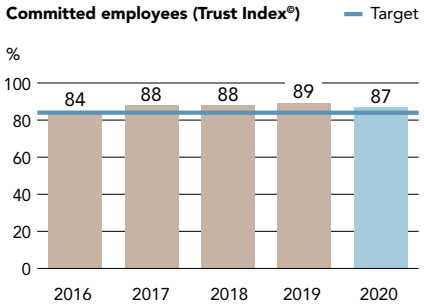


Willingness to recommend is measured in the customer survey conducted every other year. The survey carried out in 2020 indicated that 85 percent of customers would consider recommending or highly recommending Wihlborgs.

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.

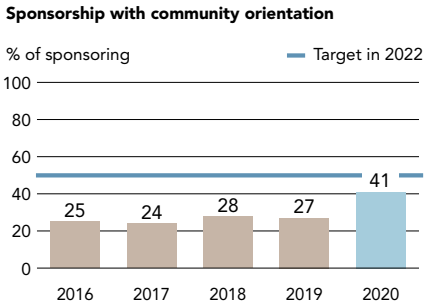


Employee commitment is measured each year by the employee survey that we conduct together with Great Place To Work.

In the 2020 survey, Wihlborgs had an average Trust Index of 87 percent. We were also listed on Great Place to Work's lists of the best workplaces in Sweden and Denmark for 2020.

Commitment to the region and its community

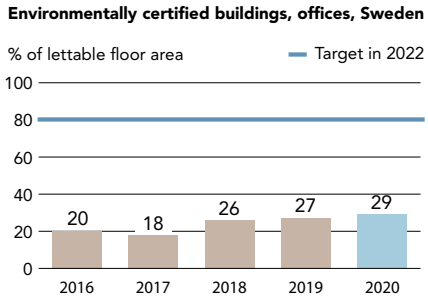
As a region-builder, Wihlborgs contributes to the development of the region in multiple ways, including by supporting initiatives focusing on work, education, inclusiveness, diversity and regional development. Through our sponsorships we prioritise endeavours which have some form of community focus. The target is for a majority of our investments in sponsorship activities to be directly connected to societal commitment or other forms of community involvement by the end of 2022.



Our sponsorship activities encompass various, and sometimes several, purposes. A majority of them are focused on societal commitment, but we also sponsor sports associations, cultural events and similar activities that do not offer any specific initiatives with a community focus. In 2020, we updated our sponsorship policy and reviewed the sponsorships with a community focus, which led to the adjustment of previous years' results. The 2020 results were also affected by a number of cancelled sponsorship activities during the pandemic.

Environmental certification

Wihlborgs is continually focused on reducing its environmental impact and developing properties with a strong environmental performance and a positive work environment. Environmental certification is one way to measure these efforts. The target is to see 80 percent of the floor space of Wihlborgs' office buildings in Sweden environmentally certified by the end of 2022. The long-term target is for 100 percent of our properties within the Group to be environmentally certified.



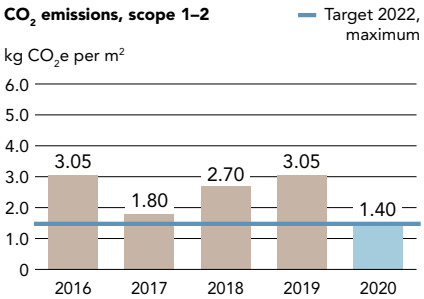
We redefined our target for environmentally certified properties in 2020, meaning we now measure the number of square metres (floor space) that are certified. Compared with the previous measure – the percentage of property value – we are now generally reporting slightly lower results. However, the trend remains the same and we are certifying an increasing number of office properties in Sweden. Three new buildings were certified in line with SGBC Miljöbyggnad Gold level in 2020, while one existing building was certified in line with the new Miljöbyggnad iDrift standard, Silver level.

The recalculation for the percentage of floor space has been carried out for every year.

Climate impact

The greatest environmental challenge we face is how we contribute to reducing the climate impact of our operations. One of the targets linked to this vision is for our CO_2 emissions in scopes 1–2* to fall below 1.5 kg CO_2 equivalents per square metre by the end of 2022. We have also established a target for our total CO_2 emissions that has been approved by the Science Based Targets Initiative (SBTi), read more on page 40.

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



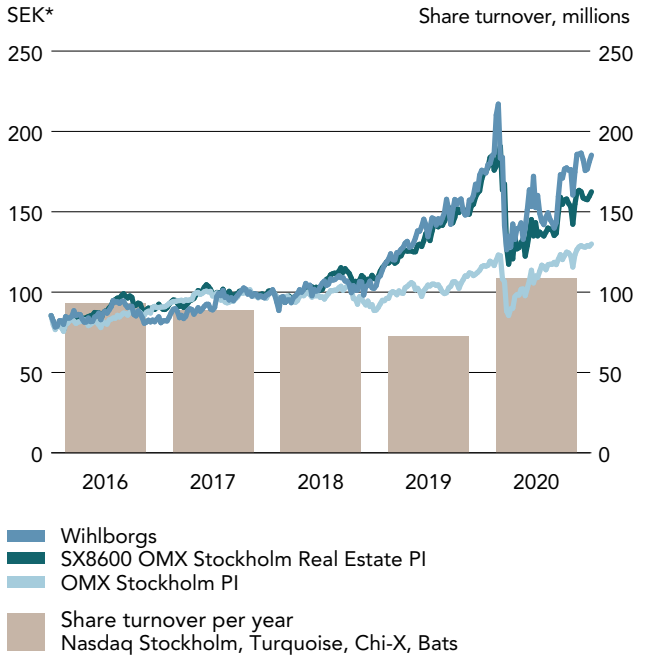
In 2020, we succeeded in halving our greenhouse gas emissions in scopes 1 and 2 to 1.4 kg per square metre. This was mainly due to the measures we took in Denmark to procure renewable energy and a greater use of biogas in heating. We have also returned to using reallocated waste-to-energy in Helsingborg which has a very limited climate impact. Energy consumption in 2020 was generally lower than the 2019 level, which also contributed to lower emissions of greenhouse gases.

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.

Share price performance

Development of share price, 2016–2020



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

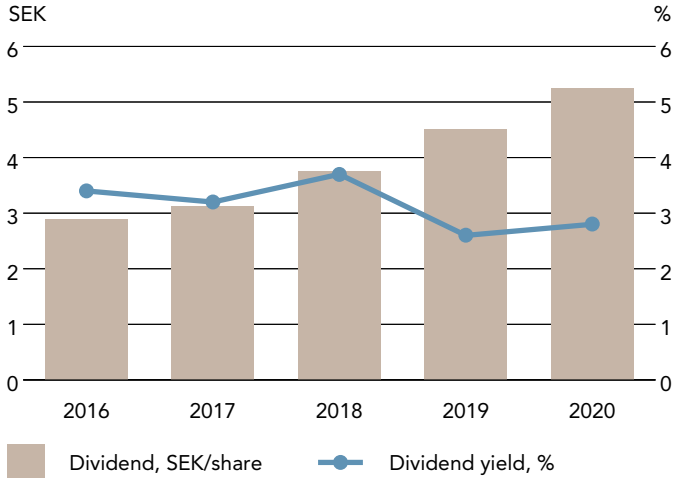
Dividend

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 21.4 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 5.25 (4.50) for 2020. This corresponds to a dividend yield of 2.8 percent based on the year-end share price. Provided that the AGM adopts the Board's proposed dividend of SEK 5.25 and that the record date is set for 29 April, the dividend will be distributed on 4 May 2021. The shares will then be traded, including dividend, up to and including the day of the AGM, Tuesday, 27 April 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 cost-efficiency and a continuous focus on increasing the operating surplus and income from property management. 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

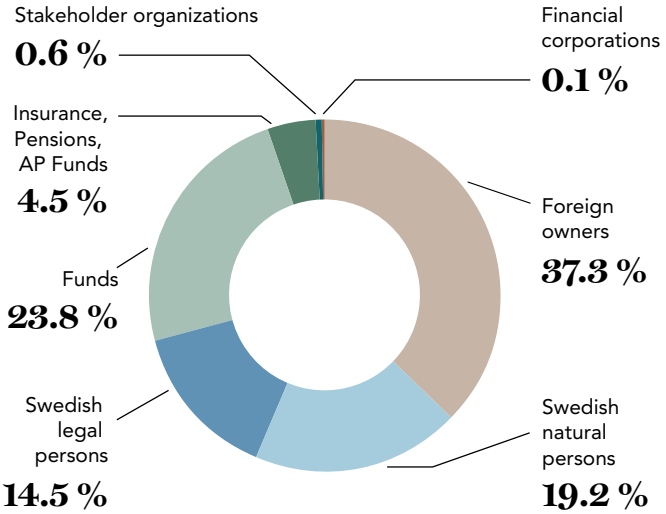
We know the market well thanks to our geographical focus and our head office located in the region. We manage properties using our own company employees, who with a high level of service and strong customer focus create long-term relationships with the tenants. Our involvement in everything from urban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

Ownership structure

At the end of 2020, the ten largest shareholders in Wihlborgs owned 36 percent of the total number of shares. The number of shareholders was around 28,000, up some 1,400 year-on-year.

The number of foreign shareholders was 37 percent, which is a decrease of 3 percentage points year-on-year. Of foreign ownership, the US accounted for 44 percent, the UK for 25 percent, Luxembourg for 12 percent, Belgium for 4 percent and Norway for 4 percent.

Ownership structure



Largest shareholders in Wihlborgs at 31 December 2020

Shareholders	Number of shares, thousand	Share of capital and votes, %
Erik Paulsson and family, privately and through companies	16,188	10.5
SEB Investment Management	11,109	7.2
Länsförsäkringar Funds	6,617	4.3
Handelsbanken Funds	5,120	3.3
Swedbank Robur funds	4,957	3.2
Bank of Norway	4,119	2.7
Qviberg family	3,265	2.1
Skandia life insurance company	1,564	1.0
Tibia Konsult AB	1,533	1.0
Nordea Funds	1,447	0.9
Other shareholders registered in Sweden	44,537	29.0
Other shareholders registered abroad	53,257	34.6
Total number of shares outstanding	153,713	100.0

Share/Key metrics[1]	**2020**	2019	2018	2017	2016
Share price at year end, SEK	185.4	172.50	102.40	98.15	84.70
Change in share price during the year, %	7.5	68.6	4.3	15.9	-0.9
Earnings per share, SEK	14.46	19.02	15.63	16.71	19.36
EPRA EPS, SEK	10.65	10.53	8.06	6.84	6.77
P/E ratio I, multiple	12.8	9.1	6.6	5.9	4.4
P/E ratio II, multiple	17.4	16.4	12.7	14.4	12.5
EPRA NAV per share, SEK	152.44	140.20	122.64	114.00	97.38
Dividend per share, SEK (2020 = proposed dividend)	5.25	4.50	3.75	3.13	2.88
Dividend yield per share, %	2.8	2.6	3.7	3.2	3.4
Total yield per share, %	10.1	72.1	7.5	19.3	2.1
Number of shares at year 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.

Market and trends

Imagine being able to unite two worlds and create added value that would otherwise be impossible. This is exactly what happens on a daily basis around the Öresund strait, across which Sweden and Denmark are united by a bridge. We build upon all the things we have in common and learn from the things that differentiate us. Wihlborgs finds the fuel it needs to grow right at the heart of this dynamic context.

The Öresund region – the Nordic region's expansive focal point

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 in many different ways during its 20 years of existence. The labour market, trade, education and tourism are just some of the areas that benefit from South Sweden and East Denmark continuously establishing closer links. Although the coronavirus pandemic has led to temporary setbacks in the form of intermittently closed borders, the long-term benefits of the bridge remain.

The geographical location of the Öresund region lends itself to being a logistical hub for transport to and from the Scandinavian countries, something that is now being reinforced by the construction of the Fehmarn Belt tunnel between Germany and Denmark, which will be completed in 2029. The Öresund region also 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.

Strong skills

Around 4.1 million people live in the Öresund region, making it the Nordic region's most densely populated metropolitan area. 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.

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.

Vital infrastructure

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

If an Öresund metro linking Malmö and Copenhagen becomes a reality, one of the stations is planned to be built in Västra Hamnen.

In Copenhagen, the extension of the Ring 3 Light rail that will connect the city to the surrounding municipalities will continue until 2025. The new construction of the Fehmarn Belt link has also begun, which will lead to a travel time of just three hours between Malmö and Hamburg when complete in 2029. 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, while in December 2020 the Lomma line was opened for passenger transport along with Lund's new tramway. The tramway runs along the "route of knowledge" and connect central Lund to Ideon, Science Village and Brunnshög. 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 volumes of traffic 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. In early 2021, a joint Danish-Swedish report was presented that forms the basis of ongoing efforts to build the HH link and shows that at the very least the road tunnel could be self-funded.

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 increases 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.

There are also a number of network organisations pursuing various issues, such as Øresundsinstituttet, String, Øresundmetro Executive, Medicon Valley Alliance and the Centre for Öresund Region Studies. All of these organisations share a desire to contribute to the development of the Öresund region's full potential, which is a matter of expanding upon the shared values and viewing cultural differences as an asset. Representatives of two of these organisations give their view of the Öresund region today and its future development potential on page 26.

1,100
Danish board positions and CEO posts are held by people registered in Sweden

250,000
companies

450
board positions in Skåne-based companies are filled by people resident in Denmark

800,000
workplaces within a one-hour commute

4.1
million inhabitants of the Öresund region

173,000
students

19
universities & higher education institutions

25%
of Sweden and Denmark's combined GDP

11,000
researchers

15,000
daily commuters over the bridge

170 destinations from CPH airport

Travel times over the strait (train):

13 mins Malmö Hyllie – CPH airport
21 mins Malmö central station – CPH airport
36 mins Malmö Hyllie – Copenhagen central station

Joint events:

2021 WorldPride and EuroGames in Copenhagen and Malmö
2023 World Handball Championships in Sweden, Denmark and Norway
2025 World Ice Hockey Championships in Denmark and Sweden

Developments in the rental and property transaction markets

The coronavirus pandemic affected the entire globe in 2020, with the rental and property markets no exceptions. With regard to the rental market, the long-term trend in demand for office premises is difficult to foresee. In terms of transactions, however, 2020 was a strong year in both Sweden and Denmark.

Rental market

Despite the coronavirus pandemic, Wihlborgs reported positive net lettings for 2020 in both Sweden and Denmark.

Many people have worked remotely during the pandemic, which has for the most part worked well from the companies' perspective. For employees, the joy of having an easier work-life balance turned for many into frustration at the lack of social contact, less creativity and a poorer work environment. It is widely believed that working life will be different after the pandemic, but it is difficult to predict what the long-term consequences will be for the office market.

In general, we saw greater desire among customers for more flexibility in their leases in 2020. A slight increase in office vacancies can be noted, which could depend on a combination of the pandemic and that we were already experiencing a slowdown in the economy prior to 2020, along with the amount of newly produced office properties. However, we are seeing sustained demand for modern office premises with good transportation links. Read more about how we view the workplaces of the future on pages 27–29.

Property transactions

With property transactions totalling SEK 188 billion, 2020 was one of the strongest transaction years ever in the Swedish market – despite the pandemic. International investors accounted for around a quarter of that volume. The most attractive segment was housing, followed by logistical properties.

Flygledaren 9 was one of the 21 properties that Wihlborgs sold to Blackstone.

The year was characterised by billion-size transactions, not least within the logistics segment. Blackstone purchased 21 properties from Wihlborgs. They also acquired a portfolio from Castellum for just over SEK 5 billion and an additional portfolio in February 2021 for SEK 4.8 billion. Blackstone also purchased logistical properties for just over SEK 2 billion from Nyfosa.

An example of a large transaction in South Sweden, primarily Skåne, was Norama Real Estate Fund that sold its entire portfolio of just over SEK 2 billion to SLP, Brinova and Emilshus.

Within the housing segment, Samhällsbyggnadsbolaget's (SBB) acquisition of Sveafastigheter Bostad with 7,000 homes in the Öresund region, Greater Stockholm and various regional cities can be named. In Malmö, Willhem purchased 405 apartments from Hagagruppen.

The transaction year in Denmark concluded surprisingly strongly, with a number of major transactions. The transaction volume was around 25 percent higher than the preceding year, totalling DKK 70 billion. This includes the Swedish Heimstaden's acquisition of HD Eiendomme A/S, comprising 6,300 homes and 183,000 m² of commercial premises. Other Swedish property companies such as K-Fastigheter and Areim took their first steps into the Danish market during 2020.

Sources: Newsec, Fastighetsvärlden.

”The Öresund region takes its next step”

Øresundsinstituttet is a Danish-Swedish knowledge centre that works to create greater awareness of developments in the region. Johan Wessman is the CEO and thinks the Öresund region currently finds itself at a turning point:

“We have had 20 years with the bridge, which has gone from visionary ecstasy to an everyday normality, although a very exciting everyday normality, even if the coronavirus pandemic has temporarily impeded movement across Öresund following both Danish and Swedish decisions to partially close the border.” Integrating a region is a matter of long-term perspectives. The Öresund region will soon take its next big developmental steps thanks to new, fixed connections over the Fehmarn Belt and Öresund, and better integration of the border regions’ labour markets.

Dynamic business climate

Even if the Öresund region is an increasingly integrated region, it is not yet possible to talk about a common business climate. Denmark and Sweden are different, but according to Johan Wessman this is mainly to their benefit:

Johan Wessman, CEO of Øresundsinstituttet

“Potential in the region is not only based on similarities; dynamism is created when we learn to find the advantages in each other’s differences. Many of the major companies that establish themselves in the Öresund region operate in a global business climate and see the synergies in the mixed structures of Zealand and Skåne. For example, Malmö has expanded its recruitment pool of high-level managers thanks to them being able to live in Copenhagen and work in Sweden. This also benefits research and innovation in areas such as life sciences and telecom, which can benefit from the knowledge of systems on both sides of the strait and the increasingly close personal contacts that can be fostered through movement across the region.”

”A growing mega-region”

STRING is a geographical area and political member organisation comprising 13 regions and major cities, from Hamburg in the south to Oslo in the north. Their collaborations aim to create a mega-region that attracts investments primarily from the green sector. Rebecca Rosenquist Elliott is Deputy Managing Director:

“The Öresund region is growing in strength in the wider context, and this is the basic logic behind the idea of creating a mega-region. In order to work together as a unit, it is important for the infrastructure to be in place, which is why the focus in recent years has been on establishing a fixed connection between Germany and Denmark via the Fehmarn Belt. Work on the tunnel has now started and will connect the region even further upon completion in 2029. When goods and people can move more freely and quickly, the conditions and benefits of a common mega-region will also be established.”

Collaboration is key

The EU has defined what is known as the TEN-T corridors, which link Germany, Denmark, Southwest Sweden and Southern Norway. This is central to the economies of

Rebecca Rosenquist Elliott, Deputy Managing Director of STRING.

Northern Europe and entails extensive collaboration between the countries and various collaborative bodies. The Öresund region is a dynamic area in itself, but its potential becomes even greater when it forms the focal point of a mega-region.

“In this growing mega-region, you don’t need to deal with the problems that burden many other mega-regions, such as corruption, traffic chaos and a low quality of life. The members are all world leaders in developing green technologies, but have not yet fully interacted with each other. Even better infrastructure and active political collaboration will be the catalysts that help Northern Europe’s mega-region thrive,” says Rebecca Rosenquist Elliott.

The workplace of the future: AI study shows people are torn regarding working from home

Discussions surrounding the workplace of the future have intensified during the coronavirus pandemic. To enhance understanding of trends and behaviours, Wihlborgs collaborated with Navet and Quilt AI to carry out the study "Kontorsmarknad i förändring" (A Changing office market) – a study that shows people are torn. Outwardly, most people paint a positive picture of working from home, but at the same time searches relating to psychosocial health, social contact and efficiency management have all increased.

The study is based on data relating to home and office-working and was analysed using artificial intelligence (AI). The study included 2,400 social media posts from individuals, 6,100 posts from companies and 2,300,000 Google searches. In addition, over 25 reports and articles relating to this subject were analysed. The amount of content used in the analysis corresponds to a survey of 260,000 individuals. The advantage of this type of study is that it produces a significantly more nuanced image, as it reflects both how people express themselves and how they act.

The advantages and disadvantages of working from home

The analysis shows that 80 percent of people were positive or neutral to working from home and that the preference for working from home had increased 170 percent. However, it also clearly showed that many experience considerable disadvantages with working from home. They noted a lack of community, and searches relating to subjects concerning social contact and human contact had increased 940 percent, according to the study.

Searches relating to mental health increased by just over 100 percent compared with the period before the pandemic. Many also feel it is difficult to measure their efficiency and establish new daily routines – an area that has grown 400 percent. People search for advice and methods to better plan their working day, manage distractions in the home office and establish new routines. Instead of communicating face-to-face and having natural breaks in the form of a walk to the coffee machine, chats before a meeting or small talk in the corridor, people now feel the working day has become an uninterrupted digital onslaught.

Many people's home offices also have substandard ergonomics – something demonstrated by the 50 percent rise in searches relating to physical issues.

People's desire to determine their own hours, that is, govern how, where and when they work, has increased 25 percent. One of the conclusions of the study is that employees will likely demand more flexibility in the future and more opportunities to work from home even after the pandemic is over. However, the need for community, ergonomic equipment and a stimulating environment mean that people want to maintain offices as an important work environment and meeting place.

This will likely lead to a need for hybrid solutions, meaning to be an attractive employer it will be important to offer employees flexibility if a workplace is to be deemed attractive. This may entail operations complementing the traditional office with workplaces closer to the homes of employees with long commutes, for example in the form of co-working solutions.

Read the full report at wihlborgs.se.
How does Wihlborgs view the workplace of the future?
Read more on the following page.

The "Changing office market" AI study showed that many people miss the benefits offered by an office.

"Offices will continue to play an important role in corporate culture, innovation and development."

The property sector has long wondered how technology will shape the workplace of the future; it may even revolutionise it through smart buildings and artificial intelligence.

"We constantly come back to the fact that the offices of the future need to be designed with people's needs in mind. There is the potential here to find out how our behaviours are changing and create solutions for premises that can be adapted accordingly. The same applies to technology. It can seem as if technological developments are advancing rapidly, but it is my perception that people's expectations of how technology is to function are increasing even more rapidly," says Ulrika Hallengren, CEO of Wihlborgs.

Corporate culture and innovation

So what will the workplace of the future look like? Will there even be the need for physical workplaces now that we have learned to work digitally and remotely?

"There is no general answer to that question. Rather, the answer is that needs vary – operations have differing needs and conditions. Undisturbed work and a calm environment can be important for some, while for others creativity and meetings are vital. But regardless of the sector, most companies have the need for meeting places without digital filters, in which employees can collaborate and develop.

"During the pandemic we learned that we can make the working day function remotely, but at the same time it has become clear that our need for belonging and development cannot be satisfied by digital meetings alone."

"Meeting in person helps corporate culture thrive and is a catalyst for innovation. The shared workplace will continue to play an important role in the future in terms of building a culture and fostering community, innovation and development. Our focus is on how the spaces can best be designed to support future working styles," says Hallengren.

Flexibility leads to sustainability

In a changing world, the workplace of the future needs to be flexible. Buildings should be convertible to house several generations of successive tenants without major interventions.

"Generality in terms of the building's design leads to long-term sustainability. This is something we have long strived to achieve, and we see in our dialogue with tenants that an increasing amount of them want to opt for repurposed premises and fixtures. Not needing to throw everything out and start again from scratch when changing tenant is something that definitely characterises our view of the sustainable workplace of the future," concludes Ulrika Hallengren.

"The workplace of the future is largely a question of creating dynamism and face-to-face meetings"

Ideon Science Park is a place where innovative companies involved in life sciences, energy and connectivity meet research. It is a dynamic melting pot in which ideas are born, developed and brought to market. Ideon Science Park was Sweden's first science park when it was opened in 1983, and has set its sights on the future throughout all of those years. Mia Rolf is CEO of Ideon AB, which supports the growth journey of companies that have chosen Ideon as their platform:

Mia Rolf, CEO of Ideon AB

"These days, when people talk about the workplaces of the future, they often refer to factors that have always been basic pillars for us here at Ideon. Collaboration and flexibility. Collaboration because we know this leads to greater innovation and creation. Research shows that chances of success increase 30 percent when sitting alongside other innovative companies. Flexibility as this is vital for the type of expansive companies we look to. Conditions can change quickly, which means agile action is needed to adapt operations."

Great ideas that influence each other

At Ideon, companies receive access to a range of services such as courses, matchmaking and co-branding activities, but also physical services such as a new film studio where films and podcasts can be produced.

"Workplaces need to adhere to the new, digital way of working – in order to develop operations in the right direction, but also to attract new employees. When we do meet physically, it's important for there to be creative meeting places where people can work effectively together. And when we ask tenants at Ideon, more than half of them respond that they chose to be based here simply because it's a science park, with everything that entails in terms of networking and community. The workplace of the future is a matter of establishing the contexts that support face-to-face meetings and the dynamism that is created when good ideas influence each other," concludes Mia Rolf.

"Co-working is a sustainable option"

Collab is a company that owns, runs and develops co-working spaces, which are workplaces in which tenants share services and certain areas. Their most well-known concept is Mindpark in Malmö, Lund and Helsingborg. The idea of offices forming part of the growing sharing economy is nothing new, but in Sweden it has so far only gathered pace in the major metropolitan areas where there is sometimes a shortage of free office space in attractive locations. Karsten Deppert is one of the founders of Collab:

"For us at Collab, co-working means adopting a sustainability perspective. If companies can share certain service functions and spaces, they can get by with a much smaller lease. For example, they can have a shared reception and shared meeting rooms to use resources and the floor space more effectively. Co-working also opens up new opportunities, as companies get access to functions in the building they may not prioritise when managing their own place but which add value for staff, for example a shared gym."

Flexible solution driven by needs

Does co-working represent the workplace of the future, then? "Yes, for some companies that see the benefits of a flexible premises structure. Not necessarily cheaper than a traditional office, but more flexible and offering other opportunities." Sanna Kahlström is also one of the founders of Collab:

"Co-working is about adopting a new mindset, where you do things smarter instead of just increasing the number of square metres whenever there's a new requirement. We also see that employees are more focused as it is their needs that govern the spaces and functions used at any given point. I am convinced that co-working will be a prominent part of the workplace of the future – quite simply because it is the smart, sustainable option."

Karsten Deppert and Sanna Kahlström, founders of Collab.

Sustainable Business

Wihlborgs is here to stay. We see our future right here with our roots deeply anchored in the fertile soil of the Öresund region. This means we care about what happens in our surrounding environment, in our society and to the people who live and work here. Both now and in the future. Sustainable business is part of our DNA and governs the course we take.

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 gives us the opportunity to make sustainable investments and take the economy, 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.

We, like everybody else, had to deal with several different changes and adjustments in 2020, and the term "sustainable relationships" took on a new dimension. It also led to us altering our focus to a certain extent. Customers in vulnerable sectors were hit by lower revenue and lower profitability as a result of the pandemic. Many of the operations are fundamentally profitable, meaning our close dialogue enabled us to find different ways to help them survive – with a focus on long-term, sustainable relationships and business. This involved everything from rent payment deferrals and rent discounts to purchasing lunches from our restaurant tenants to distribute to community heroes and vulnerable groups. Read more about our commitment to the region on pages 38–39.

Our strategy entails a focus on long-term, sustainable growth. All three parts of the Environmental, Social and Governance (ESG) agenda are to be integrated into our business and operations. However, sustainable development is not created by one company or one organisation alone; collaboration with others and proximity to our customers – who represent a major part of the business community of this region – have always been part of our approach. When we collaborate with others – companies, cities, universities, the public sector and non-profit sector – we are able to continue developing the Öresund region.

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, Sustainable properties, Attractive employer and Commitment to the region and its community. These four areas and the material topics we report comprise our sustainability framework. The areas 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 our framework, materiality analysis and stakeholder dialogues in the in-depth sustainability information on pages 132–148.

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 also have additional goals within each area. Read more about these on the following pages and in the in-depth sustainability information on pages 130–148. In 2020, we also established a longer term, scientific goal to reduce our CO_2 emissions, which has been approved by the Science Based Targets Initiative (SBTi). Our sustainability initiatives also contribute in many ways to the UN's 17 Sustainable Development Goals (SDGs); read more on the following page.

Our own framework, our own sustainability goals and the UN SDGs are all important governance instruments. Naturally, we also have policies and instructions such as an environmental policy, quality policy, ethical guidelines, sponsorship policy, etc. These are described in more detail in the in-depth sustainability information on pages 132–148. Risk analysis and risk management are other important aspects of our sustainability efforts, and in 2020 we conducted a new analysis in which we prioritised and analysed our most significant risks; see pages 84–89 for more information.

To create greater focus and enhance skills in this area, we established sustainable business as its own business function in 2020, with its own representation in Group Management. In sustainable business we have brought together functions such as environment, purchasing, HR and strategic partnerships. They are responsible for drawing up goals, policies and action plans upon which Group Management then decides, as well as for managing each area together with the rest of the organisation.

Wihlborgs – the relationship-builder

We have relationships with a great variety of stakeholders, all of whom have different needs and expectations of us. A common thread in all of these relationships is that we prioritise a long-term approach and strong commitment. Our main stakeholders are customers, shareholders, lenders, employees, suppliers, municipalities and regions. Read more about how we create value for our stakeholders on page 16. Stakeholder expectations change over time, which is why we have continuous dialogues with the various groups. We describe these in more detail in the in-depth sustainability information on pages 130–148.

Naturally, the most important stakeholders are our customers. We want them to feel that we are close by and can help them on their journey. Requirements to change premises must never stand in the way of the development of their business. Our employees are key figures in our relationship with customers. 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.

When customers and employees are prepared to recommend Wihlborgs, we see a benefit in terms of attracting new colleagues and customers. This is why we regularly measure their willingness to recommend us through our customer and employee surveys. In 2020, we also included questions relating to sustainability, with the answers revealing that interest in sustainability issues and expectations of Wihlborgs in that area have increased considerably. Read more about the results of the customer survey on page 34.

Our suppliers are also an important part of our value chain, which is why we place stringent requirements on them in terms of health, safety, the environment and ethical conduct.

Anna Nambord is head of the new business function, Sustainable business, that involves HR, purchasing, environmental and strategic partnership functions.

Wihlborgs – the region-builder

The development of the Öresund region in a positive direction is vital for people and companies that work here as well as for Wihlborgs' continued growth. For us, being a region-builder means contributing to the sustainable development of the region 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.

We also support initiatives focusing on work, inclusiveness and education to give young people the opportunities and motivation to gain an education and thus provide companies with access to a highly educated labour force. Infrastructure is a core issue for the continued development of the region and we are therefore committed to expanding new infrastructure, such as a fixed connection between Helsingborg and Helsingør and an Öresund metro line between Malmö and Copenhagen.

Of course, we have a responsibility to consider the environment in everything we do. 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 do all we can to reduce out carbon footprint and inspire others to make significant changes. We have been actively working to reduce our carbon footprint for many years now, but we still have a fair way to go. Those of us operating in this sector need to come together to find new ways of working, which is why we are involved in several different sector initiatives to reduce our carbon footprint. Read more about these on pages 40–43.

Sustainability reporting

Wihlborgs reports on sustainability in line with the Global Reporting Initiative's GRI Standards: Core option. We also take into account the EPRA Sustainability Best Practices Recommendations (sBPR) and the guidelines issued by the Task Force on Climate-Related Financial Disclosures (TCFD). We also report annually to the UN Global Compact and Global Real Estate Sustainability Benchmark (GRESB). The in-depth sustainability information on pages 130–148 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.

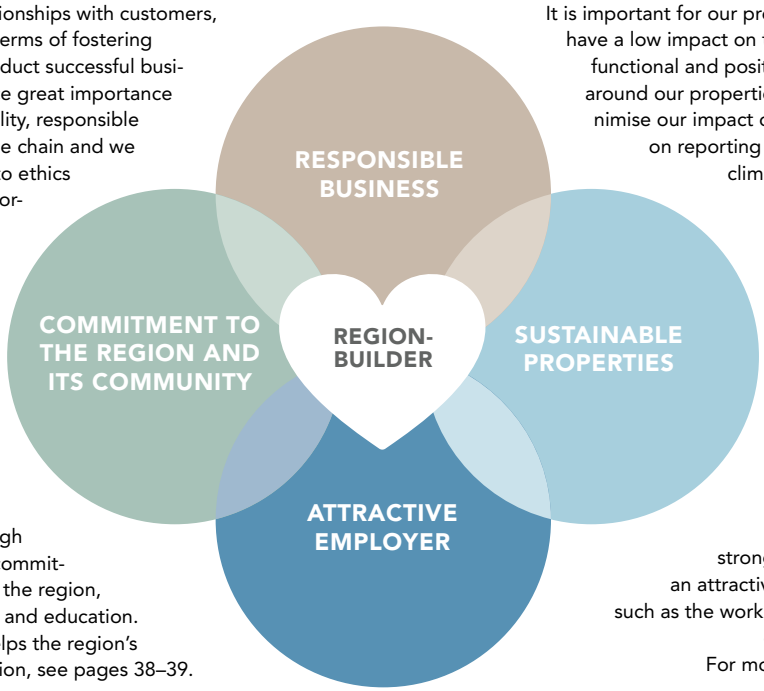
Wihlborgs Sustainability framework

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.

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.



Commitment to the region and its community

A prerequisite for our operations is that the region is attractive to 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.

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.

The UN's Sustainable Development Goals

THE GLOBAL GOALS

As a member of the UN Global Compact, we naturally work to advance the 17 SDGs contained in the UN's 2030 Agenda for Sustainable Development. The goals serve as a common strategic objective for us and the cities in which we operate. We cannot achieve the SDGs alone as a company, so our focus is on taking responsibility for the areas that we can influence and on bringing positive forces together for collaboration.

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 132–148.

Sustainable energy for all

Sustainable energy is one area in which Wihlborgs has significant opportunities to help create positive change. We work continuously on enhancing energy efficiency and have been using renewable energy almost exclusively at our properties in Sweden for several years.
Target: 7.2, 7.3

Decent work and economic growth

Working towards an inclusive and sustainable economic growth is fundamental for Wihlborgs and permeates our everyday operations. We create healthy and safe workplaces in resource-efficient properties for our employees and our tenants and ensure decent working conditions are maintained throughout the value chain.
Target: 8.4, 8.8

Sustainable cities and communities

Sustainable urban environment is obviously close to our heart, and this is where we can make a difference in the areas in which we operate. 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.
Target: 11.6

Responsible consumption and production

The property sector plays an important role in reducing environmental impact in our communities and in contributing to a more sustainable and circular way of life. We at Wihlborgs take a structured approach to the environmental programme, which in part aims to reduce material consumption and promote recycling throughout our operations.
Target: 12.2, 12.5, 12.6

Climate action

Climate change is one of the biggest challenges of our time and requires collaboration from every part of society. At Wihlborgs, 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.
Target: 13.1

Partnerships for the goals

Conditions for achieving the goals significantly improve if different parties and sectors throughout society collaborate. 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.
Target: 17.7

Responsible business

Trust is vital for sustainable and successful business. Trust is built up over time and is the result of all the decisions and actions taken by the organisation, in which we are to act honestly and with high business ethical standards. 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. In turn, a vibrant and attractive region continues to strengthen Wihlborgs' business and growth.

Goals and governance

Our overall strategies specify that we will operate a business model for long-term, sustainable growth and will be one of the leading and most profitable property companies. We will take active steps to strengthen relationships with our customers, offer them good service and show commitment to the development of their businesses. Our focus on cost efficiency forms the foundation for sustained profitability.

Among our overall goals (see pages 17–19) are financial targets and business targets that specify how we will continue to grow while sustaining financial stability, annual growth in income from property management and a high surplus ratio. We will also continuously invest in new projects that yield healthy returns. There are also overall goals for the Sustainable business area (see page 19). One of these is for at least 75 percent of customers to say they could consider "recommending or highly recommending" Wihlborgs. We also have additional sustainability targets for each focus area. For example, all new framework suppliers are to sign Wihlborgs' Code of Conduct, thus permitting them to be assessed in terms of environmental aspects and social criteria. We have an explicit target to contract local suppliers as far as possible. No cases of corruption are to occur at Wihlborgs.

Our own actions are governed by our ethical guidelines and our guide to business ethics. Our values are knowledge, honesty, action and community, and these are to guide us in all we do.

The relationship with our suppliers is governed by our Code of Conduct and accompanying ethical guidelines, environmental policy, work environment policy and other governance documents.

Sustainable finances

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 provide 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.

Financing

We finance our operations through equity, loans from Swedish and Danish banks and by issuing bonds onto the Swedish bond market. Wihlborgs also has access to financing through Svensk FastighetsFinansiering AB – a finance company jointly owned by Wihlborgs and four other property companies. The relationship with Wihlborgs' loan providers is to be based on transparency and predictability.

Some of Wihlborgs' financing is ensured through green loans or bonds that are connected to properties with environmental certification or other environmental performances.

Customer relationships

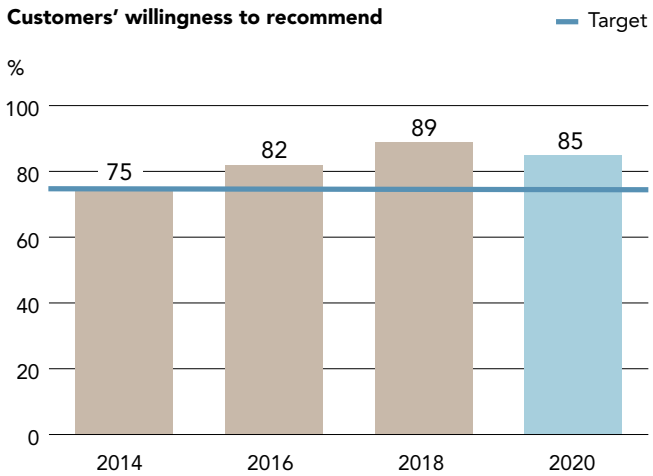
Long-term and close relationships with our customers are vital for Wihlborgs. Providing commercial properties lies at the heart of a company's development, and we want to offer customers the opportunity to develop their operations without being limited by the size or design of their premises.

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 direct contact is invaluable for building trust and long-term relationships. Of course, we also offer digital contact channels so customers can easily report faults and service matters in 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

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 a full 85 percent would be willing to recommend Wihlborgs as a landlord. 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.



The Swedish part of the survey shows that the majority are happy with their contact person and how the fault reporting process works. A large proportion also see us as a stable and reliable landlord, a customer-oriented company and a good business partner. There is potential for improvement in terms of both proactiveness and information from Wihlborgs. The Danish part showed similar results, with the highest scores going to the contact people and customer service, as well as the location of properties and access to transport links. A large number of respondents also praised our handling of the Covid-19 situation.

Many customers expressed a wish in the survey to have more collaboration with us in the area of sustainability, particularly property-related issues such as energy consumption, security, climate adaptation, healthy workplaces and waste management. They also want more information about how we work on sustainability – both in general and at their property. Furthermore, wishes were also expressed in Denmark for more electric vehicle charging stations.

The results of the customer survey are a key element of our quality management; they are broken down per property area and action plans are drawn up based on the results for each area to further improve the customer experience.

Supplier relationships

Wihlborgs sets stringent requirements for the suppliers we engage. Our focus on sustainability has become significantly clearer and we set even more stringent requirements for suppliers in line with our environmental and climate ambitions and social aspects such as the work environment. Of course, we want everyone who works on behalf of our company to have acceptable working conditions and a good work environment. There is also a clearer expectation concerning circularity, recycling and environmental statistics on the part of suppliers. We do not simply set requirements, however – we also like to help suppliers who do not meet our requirements to develop their sustainability initiatives. By offering our expertise, we can have a positive influence and help them take responsibility for their part of the value chain.

Many of the suppliers carry out work on our properties, meaning they often 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

When we sign a framework agreement with a supplier, the company must fulfil the requirements of Wihlborgs' Code of Conduct and all new framework suppliers are reviewed in terms of environmental impact and social conditions.

We always prioritise suppliers with whom we have a framework agreement. A separate procurement is often completed for larger new-build and redevelopment projects, but these contractors also sign Wihlborgs' Code of Conduct. 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 unpaid taxes or other warning signs.

Supplier relationships have also been affected by the coronavirus pandemic and we have been in contact with suppliers to ensure they are following our guidelines relating to social distancing, ensuring good hand hygiene and staying at home if showing symptoms. We have had a particularly close dialogue with the suppliers who handle building maintenance of our properties to guarantee that they have the correct knowledge, and we have also increased the frequency of cleaning of public areas. The framework agreements we have with several suppliers in each category reduce our vulnerability, something that has proved to be an advantage during the pandemic which naturally raised the risk of sick leave.

In 2020, we also initiated a new procurement of building contractors in which we set clearer requirements in terms of social and environmental sustainability, as we want to help establish greater knowledge and a clearer focus on these issues.

Efforts are under way in our Danish operations to systematise purchasing management and supplier relationships in a similar way. Wihlborgs' operations differ in Sweden and Denmark, in part because we manage our own restaurants at a number of our properties in Denmark. In 2020, all of the restaurants obtained an organic certificate and we are also working to further guarantee affordable and healthy food for our customers, with the focus placed on production quality, health and limiting food waste.

Local purchases

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 2020, local suppliers accounted for 96 percent of our framework agreements.

Ethics and anti-corruption

As the region's leading property company, we must set an example in terms of business ethics and morals. We have a systematic procurement process to avoid bribery and corruption, and for the sake of transparency several people 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 HR Director. There is also a whistle-blower function that employees and external parties can use to anonymously report suspicions of corruption or other improprieties.

Code of Conduct for suppliers

Wihlborgs' Code of Conduct details a range of requirements that the supplier must fulfil in terms of the environment, work environment, quality, ethics and anti-corruption. By signing the Code of Conduct, the suppliers undertake to adhere to these guidelines. They should also complete a self-declaration regarding management of areas such as environment, quality, work environment and ethics, which then forms the basis of Wihlborgs' risk assessment before a new supplier is approved. To guarantee responsibility throughout the value chain, we require our suppliers to also take responsibility for the subcontractors they engage.

We have in-house project managers responsible for new-build and redevelopment projects as well as for agreements and contact with the suppliers we engage. Cacke Larsson at the Malmö office is one of them.

Attractive employer

Wihlborgs has a vision to be the best workplace in the sector. Each of our employees has a key role with extensive responsibility. We want our personnel to be happy and have the conditions to develop professionally and as an individual. We value aspects such as our employees having a go, helping each other, finding solutions and communicating in an engaged, honest and genuine manner. We are convinced that having committed and knowledgeable employees leads to high quality and to satisfied customers, which in turn contributes to strong financial results. Constantly working to become an attractive employer for our employees also leads to a greater ability to attract potential new staff.

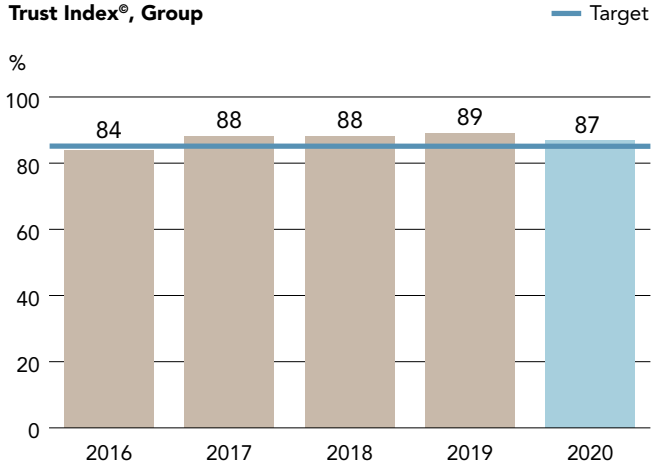
Goals and governance

We want to foster ambassadorship that reaches beyond Wihlborgs through our active efforts relating to our work environment, culture, camaraderie and leadership. Our culture is based on professionalism and our four values of knowledge, honesty, community and action are to form the basis of all our actions in every situation. In addition to this, we have ethical guidelines and various policies that provide a framework for our actions.

Since 2016, we have been collaborating with Great Place to Work, which assesses 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©, in which our target is to gain a score above 85 percent. We have exceeded this target every year since 2016, and we have been certified annually as an excellent workplace. The survey also showed that 92 percent of our employees would recommend Wihlborgs as a workplace. We have also been listed on Great Place to Work's lists of the best workplaces in Sweden and Denmark for a few years.

Our customer survey also serves as an important instrument for managing our priorities. Satisfied customers are vital to our results, meaning Wihlborgs' development as a workplace goes hand in hand with customers' needs and expectations. Read more about this on page 34.

Trust Index©, Group



Health and work environment

Exciting challenges and a balance in life should act in harmony when working for us. 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, which is why we work actively on issues relating to the work environment, health and community.

A different year

Wihlborgs is growing as a company, both in terms of the property portfolio and its number of employees. We need to adapt to this, which is why we implemented work environment and leadership initiatives during the year. Such initiatives included training all managers in the work environment and working together to identify important focus areas relating to the work environment.

In 2020, the pandemic meant that our work environment initiatives and leadership were challenged as employees had to work to some extent remotely. To deal with this, we introduced live joint Monday meetings for all employees in early spring. These meetings enabled us to share information, maintain good cohesion and take note of any concerns or questions. We also invited all of our managers to participate in workshops on how to manage employees working both on site and remotely. The fact that we have operations in both Sweden and Denmark meant we also had to take into account and adapt to two different countries' restrictions.

Culture and competence

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. It has contributed to our success and is often specified by customers and employees as a reason to recommend Wihlborgs. It is permeated by our values: action, knowledge, honesty and community. By this we mean that our employees have strong professional skills (knowledge), lead the work in their areas of responsibility (action), are humble, considerate and cooperative (community), stand by their viewpoints (honesty) and need to have the courage to take decisions. Our culture is the result of our active cultural efforts that we conduct in our day-to-day work and through various events, for example our annual kick-off. In Sweden we

My role as a property caretaker offers me enjoyable work with varied work duties. There is a great community among colleagues and I appreciate the fact that people are there for each other when help is needed.

Jeanette Blomkvist, property caretaker in Central Helsingborg.

Working at Wihlborgs is varied and staff feel close to colleagues and the management. Our employees are solution-oriented and we help each other to drive the company and society forward, using our wonderful communities as a basis.

Tobias Nilsson, Property Director for Outer Malmö

carried out the kick-off in a format adapted to the situation – something that was highly appreciated.

We also created the means to strengthen and develop our culture by meeting digitally, for example with a digital after-work event and a digital Christmas party. This strengthened our cohesion and generated some much-needed laughter and inspiration.

We have also shown our employees our appreciation, while simultaneously supporting some of our customers by choosing to give our Swedish employees a Christmas gift in the form of gift vouchers at selected customers such as restaurants, hotels and stores.

Skills

Skills development is ensured through the Wihlborgs Academy, which 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 value our employees' desire to develop themselves and enjoy welcoming trainees and apprentices in both Sweden and Denmark.

The focus in the Swedish operations during the year was on training our property caretakers. The property caretaker role is undergoing changes in line with increased digitalisation of property operation and greater demands in terms of sustainability, for example energy efficiency enhancement and environmental certification of existing buildings. Our customer surveys also show that the relationship with property caretakers is highly important to customers, and we consider it a competitive factor to be both personal and professional. We also carried out training sessions for our managers. In Denmark, this took the form of a leadership programme, while in Sweden we offered leadership days with different themes.

In autumn 2020, we won the "Competensumpriset" (Skills prize) that is awarded to companies in Skåne who serve as a role model in their efforts to create prosperous and competitive organisations. From the motivation: "*We see an organisation that has sustainability in its DNA and an impressive array of approaches and arenas for continuous learning. A strong "do it" culture offers training together and as an integrated part of daily activities in close proximity to customers.*" The prize attests that our work has an impact and is noted outside Wihlborgs as well.

To establish an even clearer focus on sustainability, and have a greater impact and increase skills in that area, we launched the business function known as Sustainable business in early 2020. The aim is to assemble skills to have a greater impact, and we also introduced specialists in property certification and sustainability reporting, among other areas. Introducing these skills to the company makes it easier to transfer knowledge to other employees.

As a chef at Wihlborgs, there's room for creativity, ecology and using healthy products to cook food for our tenants. It's great to come to work every day!

Nanet Mailind Groth, chef at Wihlborgs' restaurant on Engholm Parkvej 8 in Alleröd

Equality and diversity

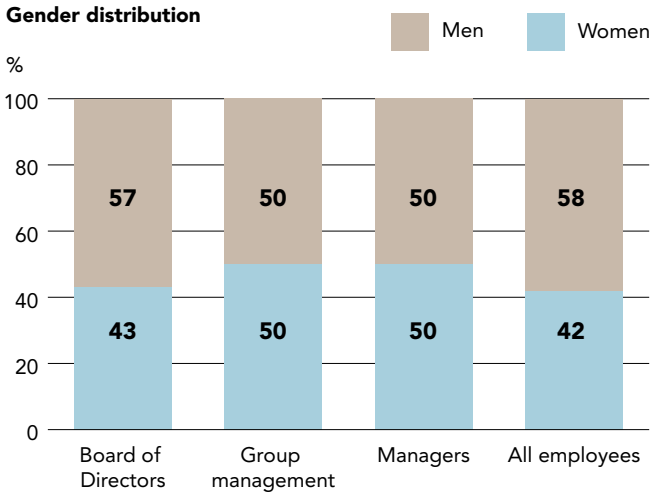
For us, inclusiveness is self-evident. The fact that one of our values is "community" is a clear symbol of this. We value the fact that people have different backgrounds and skills, and see the strength in listening to different perspectives. We are also convinced that diversity among our employees helps us understand our different types of customers.

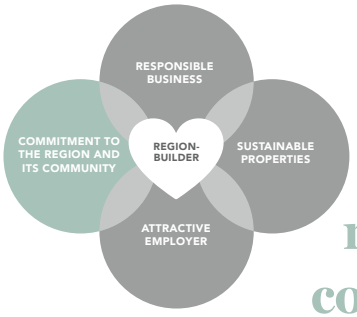
The average age is 43 and women make up a total of 42 percent. We have an equal gender distribution among managers, in Group Management and on the Board of Directors. Wihlborgs has also figured on the AllBright foundation's list of the most gender-equal listed companies for several years. Wihlborgs also took joint first place in the European Women on Boards Gender Diversity Index, in which 600 of the largest European companies are ranked in terms of gender equality in executive management and on boards of directors.

We will continue to focus extra on those groups where gender distribution remains unequal, and we have also taken steps to employ people from different backgrounds. One example of this is a trainee programme for property caretakers we launched in 2020, which aims to guarantee long-term skills and increase diversity in terms of gender, age and background.

We also work to increase diversity from a broader perspective by serving as a partner to diversity initiatives such as the Diversity Index and the Chamber of Commerce's 100 List.

Gender distribution





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 our cities and the future of the entire region. We are committed to the people who live here and the companies that grow and provide jobs. We see Wihlborgs as a region-builder and we have opportunities and a responsibility to contribute to the development of the Öresund region. As our entire operations are based here, it is crucial for us that the region continues to develop in a positive way.

Of course, we help promote development and job-creation through our core business – developing and managing properties. However, we are also involved in developments in many other ways. We work actively to create new infrastructure and we collaborate with the business community, municipalities and the region. We also support initiatives that promote work, education and inclusiveness.

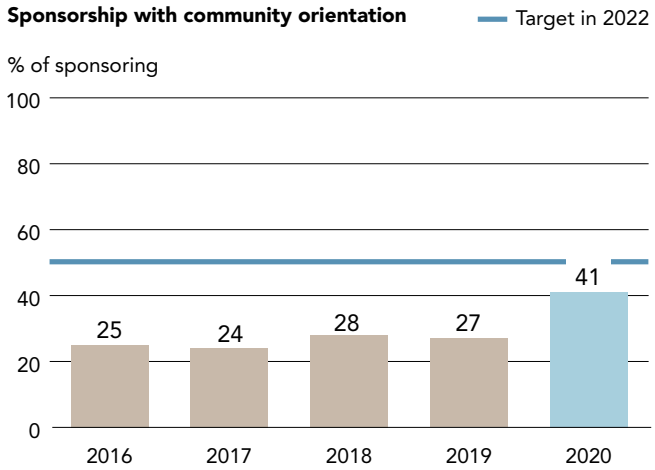
Goals and governance

Our commitment to the region is deeply rooted in our strategy that states we should take active steps to contribute to the development of the Öresund region. We work in line with our conviction that what is good for the region is also good for Wihlborgs. Our sponsorships are governed by our sponsorship policy that states that sponsorships are to target initiatives with a focus on work, education and inclusiveness, as well as the target of at least 50 percent of our sponsorships being directly connected to these three areas.

Community-focused sponsorship

Wihlborgs supports a range of different initiatives and operations that make positive efforts in the region. Over time, we have reduced the proportion of traditional sponsorship, for example of elite sports, and instead now prioritise initiatives with a focus on work, education and inclusiveness. In 2020 we established a new sponsorship policy which clarifies that the majority of our sponsorship should have a clear community focus and sets out guidelines for

Sponsorship with community orientation



Wihlborgs and Öresundskraft signed a collaboration agreement with Helsingborgs IF, which provided the club with the chance to launch a broad investment in girls' football for different ages – something they had not done since the 1970s.

how we take sponsorship decisions. We will also place clearer requirements on the organisations we support to annually report the results they achieve.

In 2020, 41 percent (27) of our sponsorships had a community focus. The background to this increase is that we initiated a number of collaborations during the year but also terminated some others, while a number of activities were not carried out as planned due to the pandemic. We also held negotiations with some other partners to strengthen the focus on community in existing collaborations.

In addition to supporting a range of initiatives as a company, we also have a hope that our employees will want to get involved. In line with the UN SDG 17, which deals with collaborations and partnerships to promote sustainable development, as of 2021 each employee may invest up to 17 hours of their working hours per year into community-focused activities, ideally in one of the initiatives we support.

Although we are now sponsoring elite sport to a lesser extent, we remain committed to sport given its major importance in terms of social integration, which is why we are continuing to support various social projects within the sports movement. For example, FC Rosengård runs a major social project with a focus on education and work known as Boost by FC Rosengård – a project we have supported for many years.

In 2020, we deepened our collaboration with "MFF i samhället" (MFF in society), which runs career academies, and the "Modiga ledare" (Brave leaders) initiative in which Wihlborgs' CEO participated as an inspirational figure. Together with Malmö FF, we also looked at how to measure the social effects of running elite football clubs for young people.

Wihlborgs has been sponsoring Helsingborgs IF (HIF) for a long time now, but in the future the sponsorship will focus on HIF's new investment in girls' football. Wihlborgs deems it to be self-evident that girls and boys should have equally good opportunities to practise their sport.

We entered into a partnership with Foo Café in Malmö for the FooCoding initiative, which teaches advanced programming to new arrivals over six months, with the aim of landing the students a job in the IT sector. The result was that 15 of the 30 initial participants got a relevant job immediately after the course ended.

We are also involved in the local association and business

communities of Denmark. We collaborate with municipalities and local job centres to offer traineeships and regularly welcome trainees and hourly employees to help provide them with work experience.

You can read more about our activities in each specific city on pages 50–67.

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. A major part of the events are personal meetings, which is why we chose not to hold any events in the framework of Wihlborgs' Kontaktyta forum in 2020, given that it was not possible due to the prevailing restrictions. We normally also have other forums in which our customers can meet and get the chance to connect with new contacts, including during the Nordea Open tennis tournament in Båstad and other events linked to our commitments, but for obvious reasons these were also not held in 2020.

During the year we created the "Framtidsmötet" (Meet the Future) initiative – a new, in-house initiative that aims to foster belief in the future among young people. The idea is that we will connect them with our tenants who can inspire them to get an education and pursue future career opportunities. Our hope is to launch this in 2021.

Business community development

The innovation and business climate in the Öresund region is of major significance to Wihlborgs and the ongoing development of the region. To boost this climate of innovation, we support Ideon Science Park and Medeon Science Park at which we own properties. We are also active in our contribution to, and support for, the NyföretagarCentrum (the Business Start-up centre), the Citysamverkan partnerships and similar organisations in our cities.

Since 2019, we have been a partner to the Malmö "Business Community Gala", as we consider it to be an important initiative that stimulates the city's business community. A new commitment we made in 2020 was our partnership with Navet in the "Better business days" initiative, which aims to spread knowledge and inspiration about how the Öresund region can grow in a more sustainable – and thus stronger – way.

Regional and urban development

The development of new infrastructure is of major significance to the business community and jobs in the region. In 2020, we continued our involvement in the Öresund Metro Executive – 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. In late 2020, Wihlborgs and the City of Helsingborg presented a joint proposal for future development of the area around Helsingborg Central Station, which shows how to facilitate a fixed connection between Helsingborg and Helsingør while also creating an attractive city district with new offices, housing and a sustainable living environment where there is currently a ferry terminal and railway lines. 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. Read more about our involvement with H22 on page 61.

Our partnership with Øresundsinstituttet 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 development and providing information about the region.

Commitments during the pandemic

Our commitment to the region's development took a slightly different form in 2020. Our most important contribution, of course, is that we have continued to invest in our region. We are doing this because we are convinced that our investments will create long-term value for us and for our tenants. But these investments also boost economic activity, and since our suppliers are primarily local, our investments create jobs here in the Öresund region.

We have also made various investments to support customers who have had a tough time due to the pandemic while simultaneously supporting vulnerable groups. We describe some examples of this here. We have also offered encouragement to our employees in the form of offers among selected tenants.

Culture in empty retail premises

To offer a chance to experience culture outdoors, Urban Window Gallery filled empty retail premises in the City of Malmö with art and cultural installations. Wihlborgs made a contribution by subletting three empty retail premises for art installations.

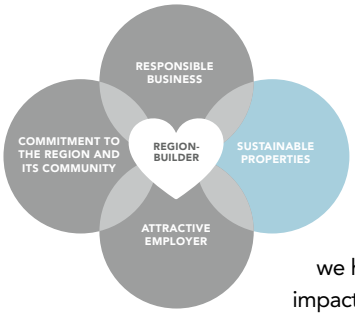
Lunches for those in need

Some of Wihlborgs' tenants are restaurants, which saw the number of guests fall sharply in 2020 while many vulnerable people in society were hit particularly hard by the effects of the pandemic. Over a three-month period, we ordered just over 3,500 lunchboxes from some of our restaurants, which were then delivered to the Stadsmission and Fryshuset charities in Malmö. In this way we supported some of our restaurants while also ensuring vulnerable groups were able to eat good, well prepared food.

Lunches for community heroes

We also carried out an initiative whereby we offered various groups of community heroes lunch from restaurants that rent premises from us. Some of the recipients included hospital staff, voluntary organisations, emergency service workers and cleaning company staff.

During the spring of 2020, we encouraged our social media followers to nominate community heroes they thought deserved to be offered lunch. Here you can see employees from the neonatal department in Malmö receiving lunch for the whole team.



Sustainable properties

Our core business – developing and managing properties – is where we have the greatest environmental impact. It is therefore also the area where we can make the biggest difference, whether it is changing our own behaviour, influencing our value chain or 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. This is why we participate in several sector initiatives that promote a climate-neutral construction sector as well as other environment-related initiatives.

Goals and governance

We have two prioritised goals relating to the climate. One goal is for our emissions in scopes 1–2 (direct emissions and emissions from purchased energy) to be lower than 1.5 kg of CO_2 equivalents per square metre by the end of 2022.

The other goal is for us to halve our CO_2 equivalents in scopes 1–2 by 2030 compared with 2018, which means we are to reduce our CO_2 emissions by 2,750 tonnes of CO_2 equivalents. For Scope 3 (indirect emissions in the value chain), we are to expand measurement and gradually reduce emissions. Our goals have been approved by the Science Based Targets Initiative (SBTi), which we joined in 2020 and which drives the science-based development of climate goals.

In terms of environmental certification, our goal is for 80 percent of our portfolio of office properties in Sweden to be certified, as measured by floor space, by the end of 2022. The long-term target is for all of our properties to be environmentally certified.

In addition to these goals, we also have goals relating to resource optimisation and energy consumption. These are described in more detail in the in-depth sustainability information on page 148.

Our environmental initiatives are governed by our environmental policy and our environmental and climate goals, but also by our responsibilities linked to the UN SDGs and participation in external initiatives such as Fossil-free Sweden, LFM30 – the local roadmap for a climate neutral construction sector in Malmö by 2030, and several others.

Climate impact

Wihlborgs takes steps to reduce CO_2 emissions in a range of areas. Emissions from property management are reported in Scope 1 (direct impact) and Scope 2 (purchased energy). For these scopes there are good conditions for reducing our CO_2 emissions to a very low level in the foreseeable future. Over time we have clearly reduced these emissions even as our operations have expanded, thanks to continuous energy efficiency enhancements and purchases of renewable energy.

Since 2019 the goal for our Swedish property management has been to achieve climate neutrality, and we will achieve that goal again in 2020 by climate-compensating for our net deficit in both Sweden and Denmark. We climate compensate by purchasing certificates based on the Gold Standard. Naturally, our efforts to reduce our own operational emissions are ongoing, meaning climate compensation will become a smaller part of our work to achieve climate neutrality.

In 2020, we succeeded in halving our climate emissions in scopes 1 and 2 and are already just shy of our goal for 2022. The main reason for this major reduction is that we also opted for renewable energy products in Helsingborg and Copenhagen, as well as less leakage at our cooling facilities.

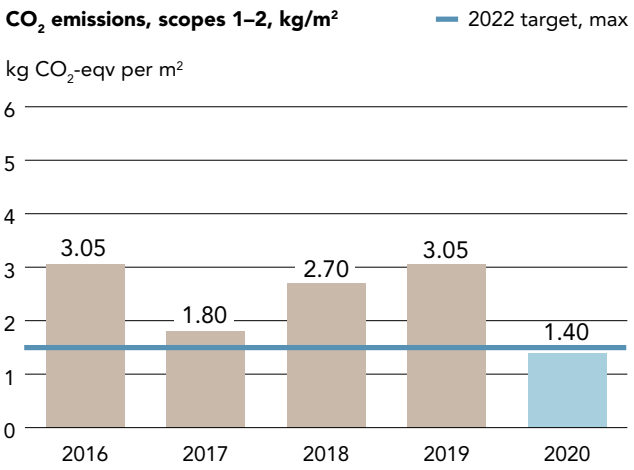
Our largest climate impact comes from Scope 3 (indirect impact) via activities along our value chain, for example construction and improvement projects at our properties where the construction is carried out by procured suppliers. There are major challenges in terms of following up on this impact, but over the past few years we have refined our measurement and reporting processes, which has given us better knowledge about our impact and as such, which steps we need to take.

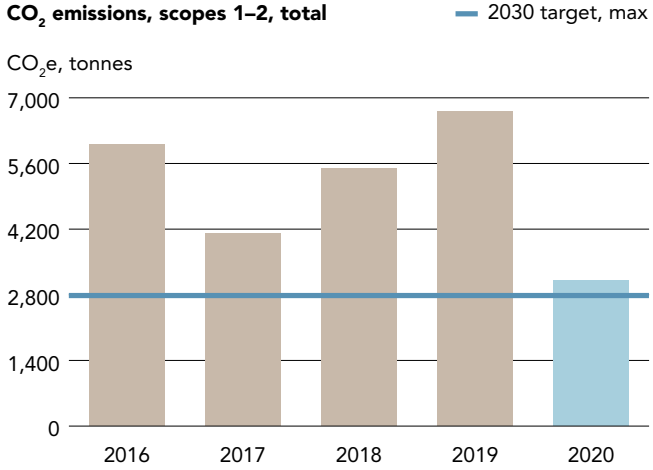
In 2020, our reported climate emissions increased considerably in Scope 3 compared with our 2019 report. This is due to the fact that we included new measurement data in our report, including data linked to our project activities and the climate impact of our tenants' purchased electricity. Standard values have so far been used for this, but they still provide an overview of the climate impact created during the construction phase and by the use of materials.

See page 142 and 148 for a detailed report of our CO_2 emissions.

Climate impact of our own operations (Scope 1)

With respect to the climate impact of our own operations, we have taken a number of steps including only purchasing electric, hybrid or gas vehicles to rebuilding our cooling facilities and transitioning to renewable biogas.





Origo in Hyllie receives an environmental sustainability award

Wihlborgs' Origo (Bure 2) office building in Hyllie, at which Ingka Services is the largest tenant, won the "Gröna Lansen" in September 2020 – the City of Malmö's prize for environmentally sustainable construction.

The jury's motivation:
"Origo is the workplace that almost feels like home. It combines a thorough approach to the environment and sustainability with care, comfort and well-being. Each office space has its own balcony with an area for outdoor socialising, vegetation and cultivation. Thanks to its management of volume and configuration, the project gels well with the residential area surrounding it and offers a new dimension to office buildings. Comfortable bicycle parking areas on the ground floor with a directly connected changing room encourage commuting by bike. SGBC Gold and its own environmental programme with enhanced requirements turn the ambitions into reality, from planning to implementation, and make Origo complete."

Cooling facilities with reduced climate impact

Leakage from refrigerants accounts for a considerable proportion of our climate emissions, which is why we have been developing our own cooling facilities for a number of years, through which our technology managers collaborate with our suppliers. We are replacing old cooling machines with new ones that run on a natural refrigerant (propane), which has a very small climate impact should there be a leak compared with traditional refrigerants.

Skills development and commitment are both vital in terms of boosting efforts to achieve climate-neutral property management. This is why we launched an internal competition in 2020 in conjunction with the World Wildlife Fund's Earth Hour Challenge. All property areas got the chance to submit proposals for measures to reduce the CO_2 impact of refrigerants at our properties. Many proposals were submitted and several of them became a reality in 2020 itself. During the year we installed new cooling machines in properties such as Östersjön 1, Dockporten 1, Skåneland 1, Bronsdolken 3, Sparven 15 and Forskaren 1 in Malmö and Diabasen 1 in Lund. The replacement of cooling machines will continue throughout 2021.

Renewable gas

In our Swedish operations, we have exclusively used biogas in properties heated by gas for a long time. In 2020, our Danish operations converted half of the gas consumption to biogas, which will reduce our CO_2 emissions by around 750 tonnes of CO_2 equivalents per year.

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.

Energy consumption

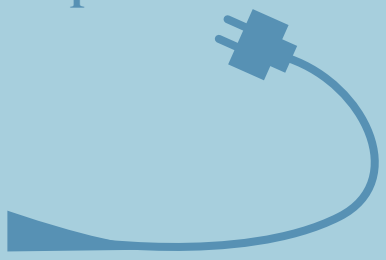
Each year we carry out energy efficiency enhancement projects at selected properties. The fact that we have our own service technicians and operators with extensive expertise and strong system support means we are easily able to identify the properties with the greatest savings potential.

CO_2 emissions reporting
Wihlborgs reports CO_2 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

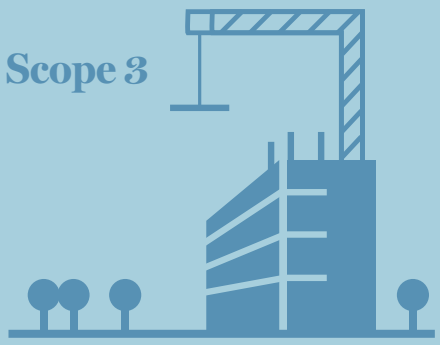
Own operations, for example refrigerants, service vehicles, company cars and gas consumption.

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 improvement projects. 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.

Renewable energy sources

We have in principle solely been using energy from renewable sources in our Swedish operations for several years, and we are continuing to purchase renewable energy to the greatest extent possible in Denmark as well. For district heating, however, there are unfortunately no options to use solely bio-based fuels on the Danish market.

By purchasing renewable energy, we reduce our climate emissions, of course, but we also help drive the transition towards more sustainable energy. In Helsingborg, we purchase renewable district heating in the form of Öresundskraft's "District heating gold" product, through which some of the revenue is used to develop technology that reduces CO_2 emissions from the Filbornaverket district heating plant.

In 2020, 94 percent of the Group's purchased energy came from renewable sources. See pages 142 and 148 for more detailed energy figures.

Our own solar power systems

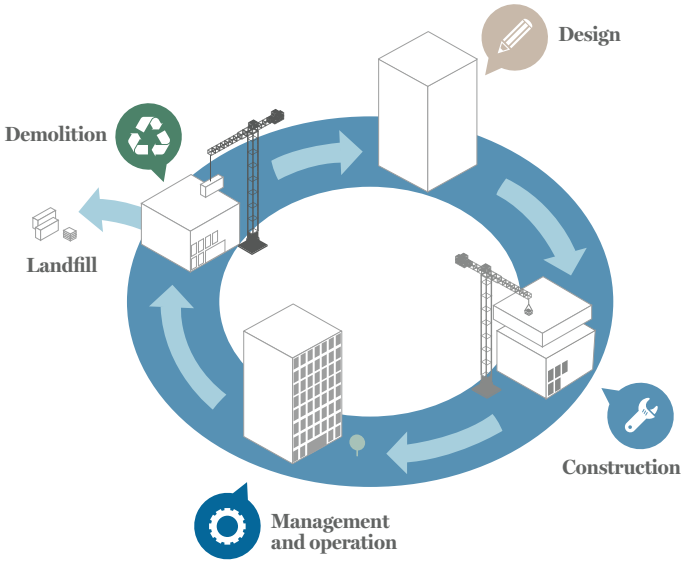
Our own solar power systems reduce the need for purchased energy, and we can produce our own renewable energy that is often used directly at the properties. We also contribute to more robust energy systems locally by way of lower power requirements, as solar power fills the gap during certain periods. In 2020, we installed more new solar power systems, including at voestalpine Böhler Weldcare AB's new facility at Stenåldern 7 in Malmö and MilDef AB's new premises at Musköten 20 in Helsingborg. In Denmark, solar panels were installed at two properties: Lautruphøj 8 in Ballerup and Banemarksvej 50 in Brøndby. We now have solar panels at a total of 21 properties.

In 2020, we installed several new solar power systems in both Sweden and Denmark. We now have solar power systems at a total of 21 properties.

Climate impact from construction projects (Scope 3)

A large proportion of the property sector's climate impact originates from the building process, and we are enhancing our efforts in this area together with the construction sector. 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 one year has managed to foster greater awareness and skills among the 150 participants. It has also had an impact nationally and at the Swedish National Housing Board. The Noll CO_2 (Zero CO_2) certification is another important initiative, see next page for more details.

Building new houses with a focus on reducing the climate impact is naturally a responsible thing to do, but even more important is to reuse, renovate and convert existing buildings. This is what we did with Gängtappen 1 a few years ago, as well as with Tullhuset (Hamnen 22:118) in Malmö and is what we are now doing with Sparven 15, which was left empty after the sole tenant moved out. 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. Part of this is having a clear lifecycle perspective and taking a circular approach to our buildings. We are now sharpening our focus at Wihlborgs to ensure circular designs and climate-adapted property management.



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 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 potential to work more actively on these issues in the future as we expect to see changing weather conditions in the Öresund region.

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. At the end of 2020, 29 percent of the floor space of our Swedish office properties was certified, for more information see pages 152–161.

We have been certifying all of our new-build projects for a number of years in line with the Sweden Green Building Council

New-builds with character and a high environmental performance

In 2020, we certified our first building in line with SGBC version 3.0 Gold level. The new building at Musköten 20 in Helsingborg, with 4,400 m² of office, production and laboratory premises for defence company Mildef, passed the stringent requirements of the new certification. To achieve this, we carried out a climate calculation for the frames and land, which impacted the choice of materials. Energy requirements are falling thanks to windows with low U-values and adjusted placement to limit solar gain while simultaneously ensuring sufficient daylight. The building is largely cooled by its own solar power system that was expanded during the project to reduce the need for purchased energy. The climate impact of the building's cooling system has fallen through the use of propane as the refrigerant, as this is non-hazardous and has a very low climate impact. Sustainable forms of transport have been enabled thanks to 18 charging stations for electric and hybrid vehicles, with the option of expanding to 40, along with a generous bicycle parking area with charging options for electric bikes.

"Miljöbyggnad" 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.

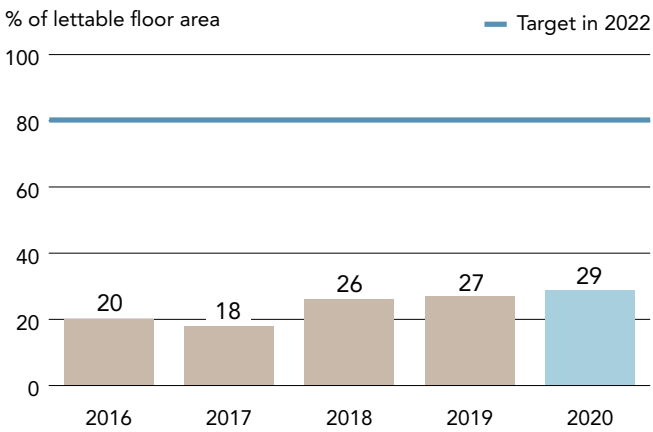
To reduce the climate impact of our new-build projects, we also launched efforts to certify the Vista (Bläckhornet 1) office building in line with Noll CO_2 (Zero CO_2), which is an add-on certification scheme that aims to achieve net-zero climate impact in a new building throughout its lifespan. Certification of a building in line with Noll CO_2 requires the building's CO_2 emissions from the production of building materials to be reduced by at least 30 percent compared with a comparable building and for CO_2 emissions from the construction process to be minimised. A limit is also set for the building's energy consumption, and the building's remaining climate impact is balanced against climate measures so the overall climate impact is net-zero.

We have also begun to produce health certifications as we can see greater focus from customers on workplaces that promote health. Our first health-certified building will be Kvartetten (Pulpeten 5) in Hyllie, which, in addition to SGBC Gold, is also being certified in line 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. Our future projects Zenit (Syret 8) in Lund and Vista (Bläckhornet 1) in Hyllie will also be certified in line with WELL.

We also want to focus on a reduced climate impact and good work environment for our customers in existing buildings, which is why we have played an active part in SGBC's pilot project to develop Swedish certification for existing buildings – SGBC Miljöbyggnad In-Use. Wihlborgs was one of the first property companies to receive an approved certification in line with the new system in 2020 for the Delta 4 (Syret 6) building at Ideon in Lund. With support from the new system, we are now accelerating efforts to increase the number of certified buildings. SGBC Miljöbyggnad In-Use focuses on the indoor environment, health, climate impact, resources and the state of the building. An important part of this certification is also the mandatory requirements, which include tenants' impact on the building's environmental performance, which means the process leads to a closer dialogue and collaboration between Wihlborgs and its tenants.

In Denmark, the certification of buildings is not as well established and our ambition is to help 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.

Environmentally certified buildings, offices, Sweden



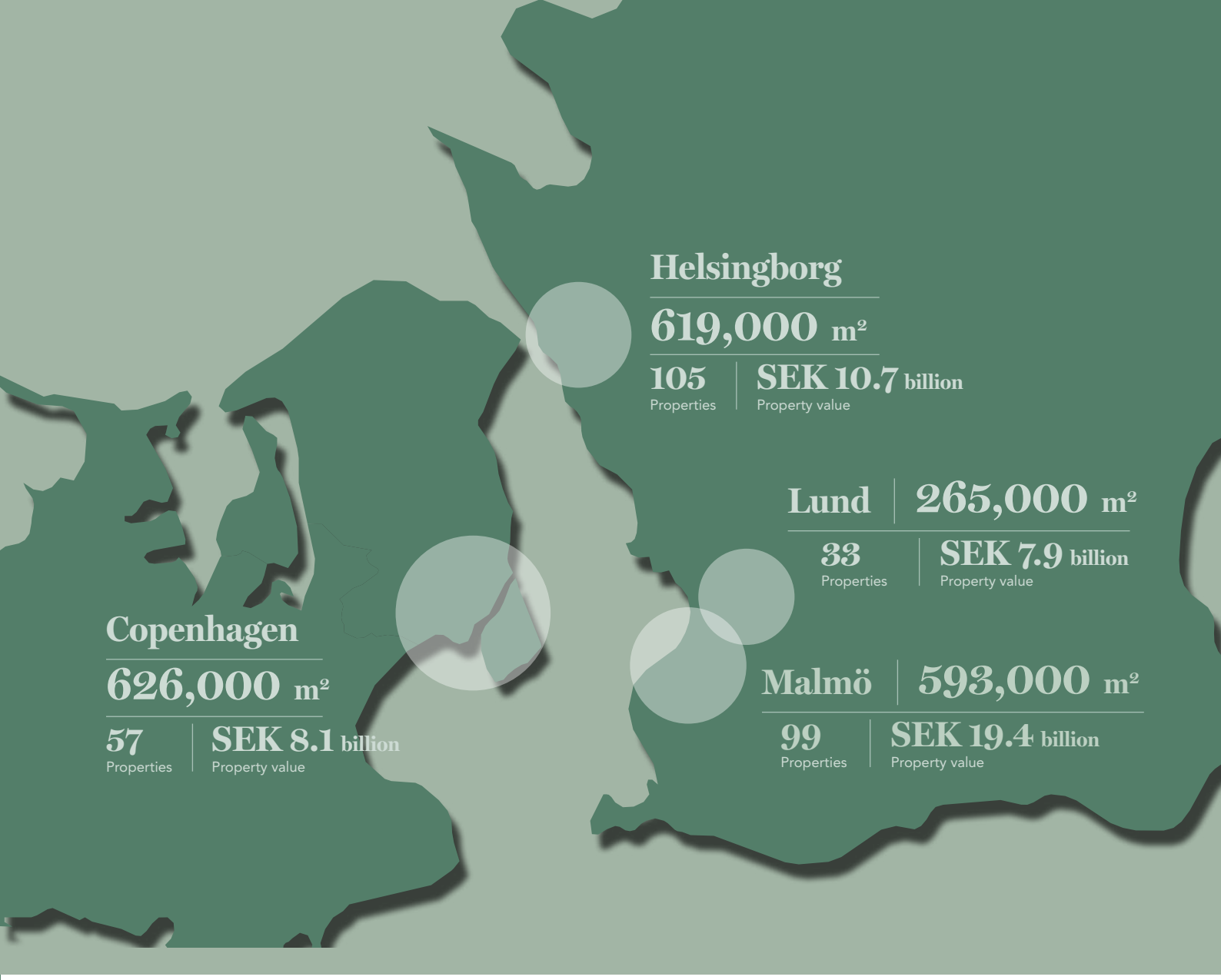
Collaboration with tenants

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 are also a way of expanding our dialogue, as tenants' choices and behaviours impact the certification.

We are also helping tenants travel in a climate-smart way to their workplaces by installing charging stations at our properties. In 2020, we installed 27 new charging stations at Floretten 4 at Berga in Helsingborg and 16 new stations at Nya Vattentornet 3 at Ideon in Lund. In Denmark, we have installed charging stations at Mileparken 22 in Skovlunde and Borupvang 5 in Ballerup. These represent the start of a larger expansion of charging infrastructure in Herlev, Ballerup, Brøndby and Høje-Taastrup with charging stations that can be used by tenants, residents and visitors alike.

Our properties

A city is comprised of the people who live and work there, and by all the fantastic buildings that make up the cityscape. Some of these have stood for decades, even centuries, others are entirely new additions to the cityscape. Our properties are located in selected, attractive sub-markets, where companies grow.



Wihlborgs' property value has increased from SEK 7.2 billion in 2005 to SEK 46.1 billion at the end of 2020. 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.

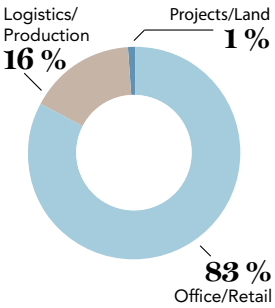
We also want to be an active and significant participant in the dynamic and sustainable development of the Öresund region. Read more about this in the Sustainable business section on pages 30–43.

Property portfolio

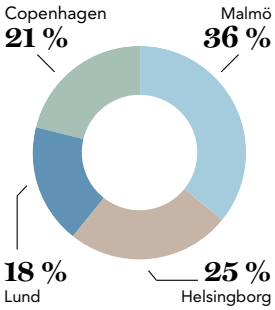
Wihlborgs' property portfolio consists of commercial properties located in selected sub-markets in Malmö, Helsingborg, Lund and Copenhagen. By creating a concentrated portfolio and a clear cluster strategy, we are able to ensure cost-effective property management with a high level of service and proximity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

At 31 December 2020, the property portfolio consisted of 294 properties, including seven leasehold properties, with a total lettable area of 2,103,000 m². The carrying amount totalled SEK 46,072 million.

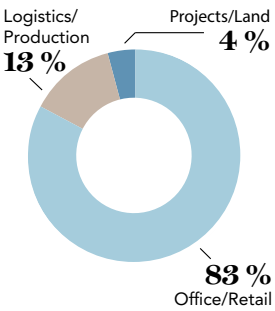
Rental value per property category



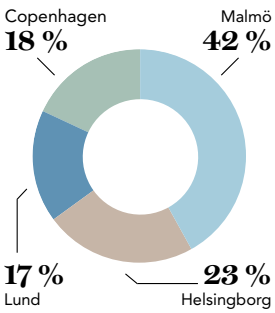
Rental value per area



Book value per property category



Book value per area

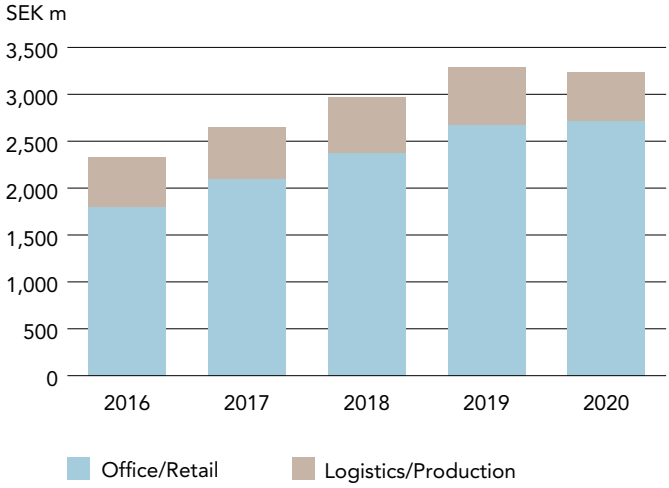


Analysis per property category in each management area

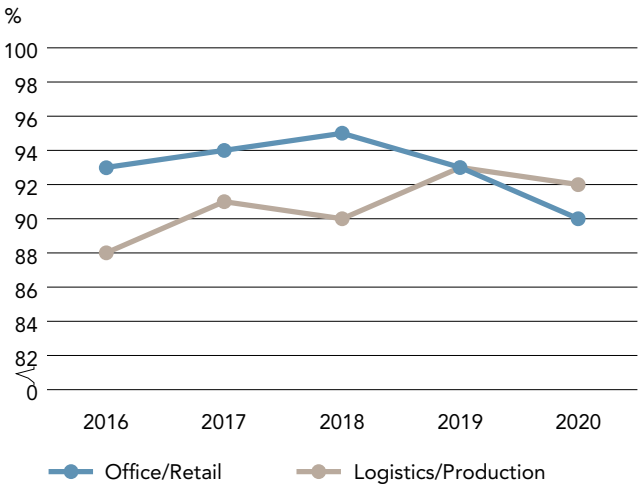
Area/property category	No. of properties	Area, thousand m²	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property mgmt, SEK m	Surplus ratio, %	Operating surplus excl. property mgmt, SEK m	Yield excl. property mgmt, %
MALMÖ											
Office/Retail	50	444	16,847	1,033	2,326	92	948	723	76	756	4.5
Logistics/Production	29	134	1,674	132	984	97	127	102	80	108	6.5
Projects & Land	20	15	840	1	37	–	1	-2	–	-2	–
Total, Malmö	**99**	**593**	**19,361**	**1,165**	**1,965**	**92**	**1,076**	**822**	**76**	**862**	**4.5**
HELSINGBORG											
Office/Retail	35	249	6,672	481	1,933	91	440	335	76	349	5.2
Logistics/Production	58	359	3,182	321	894	89	284	208	73	224	7.0
Projects & Land	12	11	804	27	2,422	–	12	10	–	11	–
Total, Helsingborg	**105**	**619**	**10,657**	**829**	**1,339**	**89**	**737**	**554**	**75**	**584**	**5.5**
LUND											
Office/Retail	25	241	7,458	571	2,363	87	494	341	69	382	5.1
Logistics/Production	4	23	214	20	874	95	19	15	77	16	7.3
Projects & Land	4	–	238	–	440	–	–	-3	–	-2	–
Total, Lund	**33**	**265**	**7,910**	**591**	**2,232**	**87**	**513**	**353**	**69**	**396**	**5.0**
COPENHAGEN											
Office/Retail	47	566	7,456	628	1,111	90	568	359	63	379	5.1
Logistics/Production	9	61	667	55	902	95	52	39	75	40	6.0
Projects & Land	1	–	20	–	–	–	–	–	–	–	–
Total, Copenhagen	**57**	**626**	**8,143**	**683**	**1,091**	**91**	**620**	**397**	**64**	**418**	**5.1**
Total, Wihlborgs	**294**	**2,103**	**46,072**	**3,268**	**1,554**	**90**	**2,946**	**2,126**	**72**	**2,260**	**4.9**
Total, excluding Projects & Land	**257**	**2,076**	**44,169**	**3,240**	**1,561**	**91**	**2,933**	**2,121**	**72**	**2,253**	**5.1**

The table data is based on Wihlborgs' property portfolio as of 31 December 2020. Rental income pertains to annual contractual rental income as per 1 January 2021. Operating surplus is calculated from the annualised earning capacity of the properties, based on rental income for January 2021, operations and maintenance costs, rolling 12-month property management and property tax.

Development of rental value



Development of occupancy rate

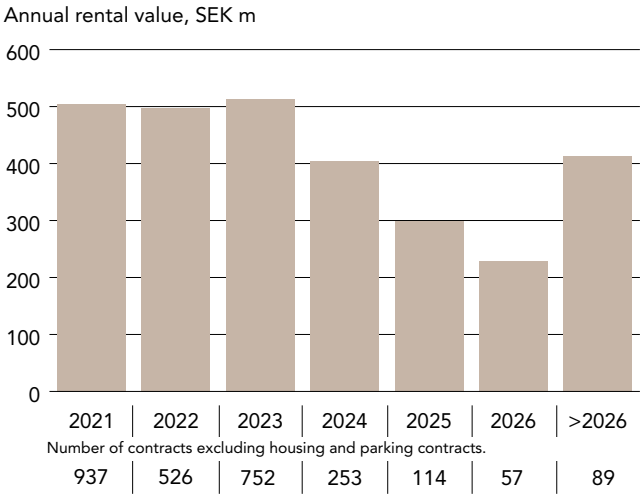


Rental value and occupancy rate

Wihlborgs' rental value amounted to SEK 3,268 million on 1 January 2021. The estimated rental value of vacant premises corresponded to SEK 322 million.

The economic occupancy rate for the entire property portfolio, including the project portfolio, was 90 percent. When divided up geographically, Malmö was at 92 percent, Helsingborg 89 percent, Lund 87 percent and Copenhagen 91 percent. Divided up by property category, the economic occupancy rate was 90 percent for offices/retail and 92 percent for logistics/production.

Terms of Wihlborgs leases on 31 december 2020



Contractual rental income

Net lettings amounted to SEK 31 million (95) in 2020. Wihlborgs' annualised contractual rental income on 1 January 2021 was SEK 2,946 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 down 0.9 percent year-on-year.

At year end, Wihlborgs had 2,728 commercial lease agreements with contractual rental income totalling SEK 2,862 million and an average term of 3.7 years. Rental income pertaining to contracts for parking places, land, housing, etc. amounted to SEK 84 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. Annualised rental income from Wihlborgs' ten largest tenants totalled SEK 619 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 2020 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 2020 totalled SEK 15,380 million, while the Group's property tax for 2020 amounted to SEK 204 million. Of this, SEK 143 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.

Raffinaderiet 3 in Lund was built 100 years ago for the sugar refinery. We are now renovating and building new offices with a reuse approach and with respect for the history and charm embedded in the building's walls. Read more about the project on page 74.

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 improvement projects. These investments are important in terms of maintaining customer satisfaction and meeting tenants' needs.

In 2020, SEK 1,231 million (1,659) was invested in redevelopment, extensions and new builds. For a more detailed description of project activities, see pages 68–75.

Acquisitions and sales

Wihlborgs started 2020 with the acquisition of a property we had owned once before – the Banemarksvej 50 office building in Brøndby. Wihlborgs first purchased the building in 1999 and sold it three years later at a profit of DKK 15 million. The property encompasses a lettable area of 19,600 m² and had an occupancy rate of 83 percent on the acquisition date in 2020. The purchase price was DKK 100 million. The property's largest tenant is Milestone System A/S, which was a tenant on the last occasion that Wihlborgs owned the property. Over the years, they have expanded from 300 m² to their current occupancy of 12,200 m². The property complements Wihlborgs' existing portfolio in Brøndby well.

In the fourth quarter, we acquired another property in Denmark, Baldersbuen 5 in Hedehusene. The property has a good logistics location between Taastrup and Roskilde. GSV Materialudlejing A/S, the largest plant hire firm in Denmark, is the sole tenant and is renting the entire property. The lettable area is 6,300 m² and the site encompasses 55,000 m². The purchase price was DKK 58 million.

We have purchased the Bläckhornet 1 project property located in Hyllie from the City of Malmö. The property has planning permission for 20,000 m² of offices. In Dockan in Malmö, we have sold development rights for approximately 170 housing units to JM, which is developing the Docks housing project at the property.

Wihlborgs leveraged the extremely strong market for warehouse/logistics properties in 2020 and divested a portfolio of 21 properties in Arlöv, Burlöv and the port area of Malmö. The divestment means we are concentrating operations in the logistics/production segment in Malmö to areas where we have identified

Property acquisitions and sales, 2020

Quarter	Property	Municipality	Management area	Category	Lettable area, m²	Price, SEK m	Operating surplus 2020, SEK m*
Acquisitions							
1	Banemarksvej 50	Brøndby	South Copenhagen	Office/Retail	19,636		
3	Bläckhornet 1	Malmö	Malmö City Centre South	Projects/Land	–		
4	Baldersbuen 5	Copenhagen	South Copenhagen	Logistics/Production	6,928		
Total acquisitions, 2020					**26,564**	**327**	**14**
Sales							
3	Torrdockan 7	Malmö	Malmö Dockan	Projects/Land	–		
4	Arlöv 17:4	Malmö	Outer Malmö	Logistics/Production	4,236		
4	Finngrundet 4	Malmö	Outer Malmö	Logistics/Production	3,621		
4	Flintan 3 (Malmö)	Malmö	Outer Malmö	Logistics/Production	3,277		
4	Flygledaren 9	Malmö	Outer Malmö	Logistics/Production	5,448		
4	Flygvärdinnan 5	Malmö	Outer Malmö	Logistics/Production	5,230		
4	Fältsippan 11	Malmö	Outer Malmö	Projects & Land	–		
4	Gulsippan 4	Malmö	Outer Malmö	Logistics/Production	3,397		
4	Hanö 1	Malmö	Outer Malmö	Logistics/Production	5,020		
4	Höjdmätaren 1	Malmö	Outer Malmö	Logistics/Production	1,872		
4	Kirseberg 31:53	Malmö	Outer Malmö	Logistics/Production	24,936		
4	Skevrodret 2	Malmö	Outer Malmö	Logistics/Production	1,830		
4	Skjutsstallslyckan 11	Malmö	Outer Malmö	Logistics/Production	3,765		
4	Spillepengshagen 1	Malmö	Outer Malmö	Logistics/Production	2,030		
4	Spillepengshagen 3	Malmö	Outer Malmö	Office/Retail	4,864		
4	Spillepengsmarken 8	Malmö	Outer Malmö	Office/Retail	3,024		
4	Stenshuvud 3	Malmö	Outer Malmö	Logistics/Production	17,779		
4	Stocken 2	Malmö	Outer Malmö	Logistics/Production	4,390		
4	Tågarp 16:19	Malmö	Outer Malmö	Logistics/Production	4,316		
4	Tågarp 16:42	Malmö	Outer Malmö	Logistics/Production	9,211		
4	Utgrunden 8	Malmö	Outer Malmö	Logistics/Production	10,084		
4	Åkarp 1:69	Malmö	Outer Malmö	Logistics/Production	5,277		
Total sales, 2020					**123,607**	**1,540**	**70**

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

greater opportunities for development and value growth moving forward, such as Fosie and Stora Bernstorp. The properties encompass a total of 100,000 m² of logistics and production premises and 24,000 m² of office space. The underlying property value for the transaction was SEK 1,430 million. The buyer was property fund advisor Blackstone and the portfolio will be integrated into Mileway, which is their European platform for last mile logistics.

Effects of the Coronavirus pandemic

At the start of 2020, Sweden and the rest of the world was hit by the coronavirus pandemic. The effects from the spread have entailed serious consequences for people, companies and communities. The world was hit in winter 2020/2021 by a second wave of the pandemic that continues to cause great suffering, apply severe pressure to healthcare and negatively impact people and companies in many different ways.

Naturally, the situation has required direct action from us, such as decisions regarding measures and guidelines to reduce contagion, and communication of these to employees, suppliers and tenants as well as increased cleaning of shared areas at our properties and signage about rules governing behaviour when at the properties. But before all else, we have focused hard on being responsive to and maintaining dialogues with our tenants about their circumstances.

Wihlborgs' exposure to the segments most affected, such as hotels, restaurants and retail, is relatively small and corresponds to barely six percent of our total rental income. But for every one of our tenants, the situation causes difficulties and we proceed with every dialogue based on each individual customer's circumstances. During the year, we have held more than 200 discussions with tenants affected by the pandemic's effects and granted pandemic discounts to tenants totalling SEK 19 million net. We have also helped tenants by deferring rent payments as well other actions we are taking to continue to contribute to the development of the Öresund region.

Our biggest contribution is our continued investment and continued engagement of suppliers in the region. In this way, we contribute to job creation for the people who live and work here. We have also purchased several thousand lunches from restaurants in our premises and donated them to organisations that assist the vulnerable, such as Fryshuset or Stadsmissionen, as well as to individuals who are working in essential societal functions. Read more about our commitment during the pandemic on page 39.

At the same time as many companies and sectors have been hit hard, we are also seeing many examples of companies and organisations finding new ways to develop in the face of a new reality. We have noted indicators of future confidence and a willingness to invest even if decision processes are taking longer. One positive indicator is that we noted positive net lettings in all four quarters of 2020. In total, net lettings amounted to SEK 31 million in 2020 and 490 new leases were signed during the year. Our major projects have continued as planned in 2020, both in terms of timetables and expenses, but the volume of new starts for projects was down slightly on previous years.

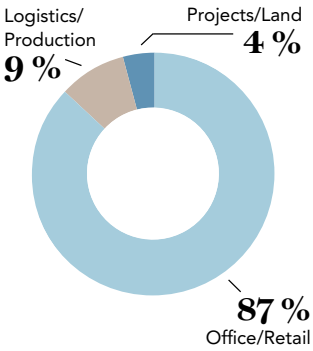
It remains difficult to gain an overview of the pandemic's consequences in terms of unemployment, consumption and society in general as well as for Wihlborgs' tenants. We are entering an economic downturn but the duration of the downturn is difficult to forecast. Accordingly, critical factors moving forward will entail being responsive, active and flexible. Read more about our perception of tomorrow's workplace on pages 27–29.

The pandemic has impacted our tenants in different ways. In many cases, the entire or part of the workforce have worked from home during the year, while customers in vulnerable sectors have experienced a negative impact on revenue and profitability.

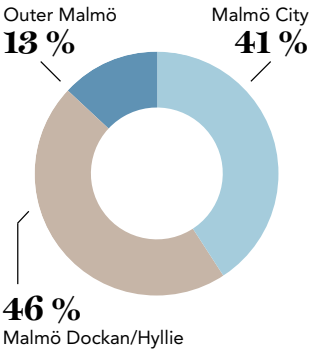
Wihlborgs in Malmö

Properties: 99
Property value: SEK 19,400 million
Rental value: SEK 1,200 million
Lettable area: 593,000 m²

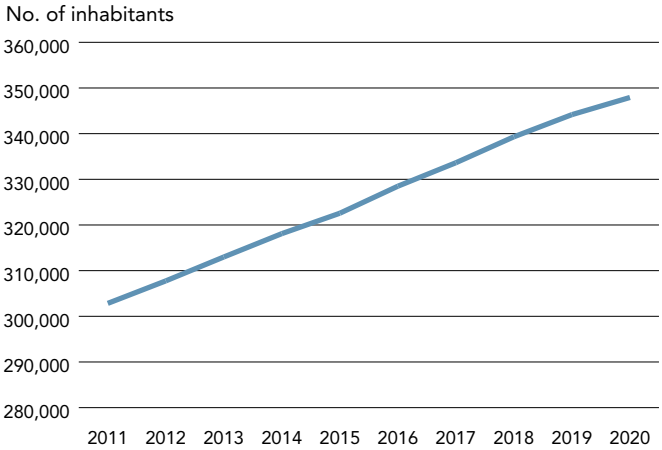
Book value per property category



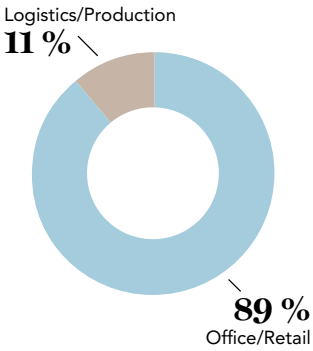
Book value per area



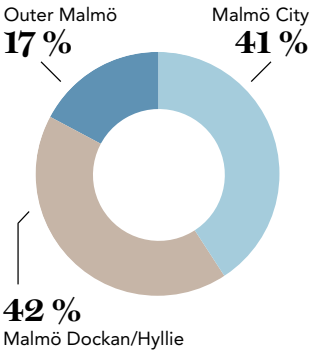
Population trend in Malmö



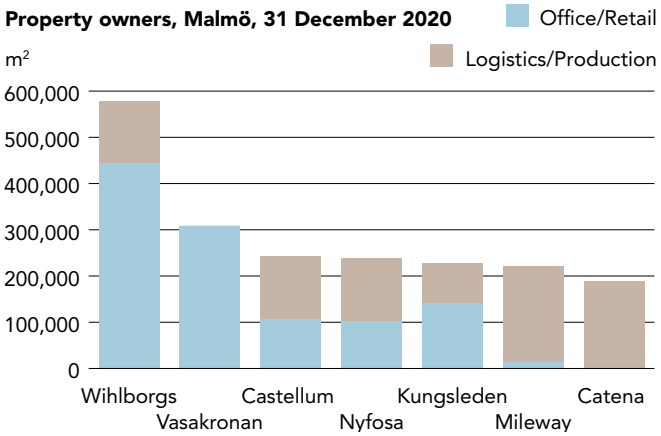
Rental value per property category



Rental value per area



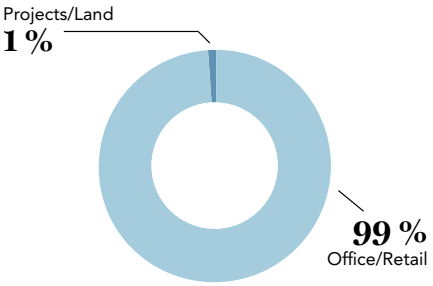
Property owners, Malmö, 31 December 2020



Malmö City
215,000 m²

Properties: 21
Rental value: SEK 481 million

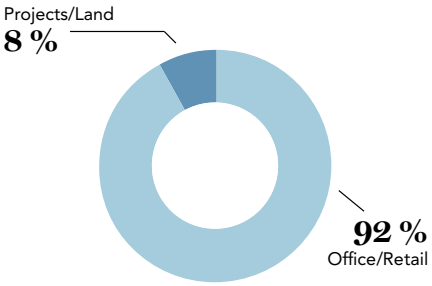
Book value per property category



Dockan and Hyllie
193,000 m²

Properties: 26
Rental value: SEK 491 million

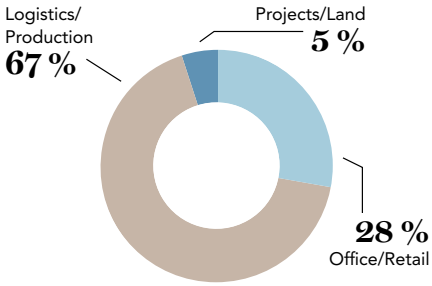
Book value per property category



Outer Malmö
185,000 m²

Properties: 52
Rental value: SEK 193 million

Book value per property category



Young and growing city

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. This shows. Malmö has the pulse and dynamism of the young at heart. 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. In just a couple of decades, Malmö has undergone an incredible transformation from an industrial city to a modern knowledge city, resulting in fundamental changes.

There is great interest in Malmö. 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 science, gaming and IT have chosen Malmö, largely due to the availability of highly educated staff. Examples include: AarhusKarlshamn, Boozt Fashion, Duni, Inwido, Orkla Foods, Perstorp, Vestas Northern Europe, Mercedes-Benz, Peugeot, Thule Group, Hilding Anders, Aller Media, Trygg Hansa, IBM Client Innovation Center and the global meeting centre Hubhult established by the IKEA Group.

Malmö University is one clear example of how knowledge is growing and thriving. Since the seat of learning was raised from a university college to full university status in 2018, Malmö's position as a knowledge city has become increasingly stronger. With 24,000 students, the university contributes to securing the skills supply for the region's companies.

What makes Malmö so attractive for young and well-educated people? One factor is the strategically central location in the Öresund region, by the water and a stone's throw from Copenhagen. Since the opening of the Öresund Bridge 20 years ago, every year, more people discover the possibilities in this shared metropolitan region.

Market conditions

Malmö has almost 350,000 inhabitants today, a number that is expected to increase by 50,000 before 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.

With around a third of Malmö's residents born abroad, people from 184 countries have come together here. Soon, Malmö could have representatives from all 193 UN member states, and the city gathers cultural values from all corners of the world.

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, that aims to promote sustainable growth and make the city even more attractive for establishing and running companies. The investment has proved successful; the number of newly started companies in Malmö has increased for a number of years unlike the country as a whole where numbers have declined. 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.

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 Fehmarnbelt tunnel, is completed in 2029, it will be possible to get from Malmö to Hamburg in just three hours. 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.

Some of Malmö's challenges are linked to its growing population. Rising unemployment is an issue that negatively impacts individuals and society. At the end of 2020, Malmö reported a total unemployment level of 15.8 percent, which was above national average and the average for Skåne. Accordingly, moving people into employment is a highly prioritised issue for Malmö. Another key issue is ensuring that all children, irrespective of their different linguistic and socioeconomic prerequisites, have access to the same level of schooling.

Contributing to development

Wihlborgs has active societal commitments in several areas. One that is particularly close to our hearts is helping to provide a better future for children and young people. Funnys Äventyr opened in autumn 2020, with Wihlborgs as one of six partners involved from the start. Funnys Äventyr is a cultural centre brought to life in a fairy tale setting. Its main objective is to encourage children's reading, comprehension and imagination. Our commitment is based on the conviction that by helping to stimulate children's imagination and creativity, we will enable them to grow up and become the innovators of the future. This project has also attracted considerable interest from our employees, who have collected and donated books to the centre among other actions.

We are also a partner to the City of Malmö's "Business Community Gala", which we consider a key initiative to stimulate the development of the city's business community and to inspire continued entrepreneurship and innovation.

Sustainability and climate issues are high on Wihlborgs' list of societal commitments. LFM30 is Malmö's local roadmap for a climate neutral construction sector by 2030. Together with other participants, Wihlborgs has joined LFM30 and participates at board level as well as in various working groups. LFM30 is a good example of how Wihlborgs contributes to societal development – by providing financial resources and through the participation of its employees in the work.

Wihlborgs sponsors a number of sports associations in Malmö, where we mainly focus our support on societal projects and youth sports rather than on elite sports. For example, FC Rosengård has extensive societal activities with a focus on education and work under the name Boost by FC Rosengård, which we have supported for a number of years. Wihlborgs has a long-standing commitment to Malmö FF and our partnership is now focused on MFF in the Community, which runs the Career Academy and the Brave Leaders initiatives.

We have partnered with Foo Café in Malmö regarding the Hack your future initiative, which teaches advanced programming to new arrivals with the aim of the students gaining jobs within the IT sector. 15 of the first 30 participants were in related employment directly after the course.

"Vi är alla Malmö" is a network with the aim of spreading positive news about Malmö. Wihlborgs is one of five partners that help to showcase positive events in Malmö, from perspectives such as business, housing and studying. In this manner, the network aims to strengthen the city as a place to live and work, and to invest and establish companies in.

Wihlborgs is one of the founders of the fairy tale house Funnys Äventyr that opened in 2020 with the objective of encouraging children's reading, comprehension and imagination.

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 and SAAB Kockums. However, our tenants also include companies such as Ingka Services, AFRY, Tyréns, SDK Logistics, Nordea, Sveriges Television and ABB.

With the aim of working more proactively and with greater focus on processing new customers, Wihlborgs has established a new lettings team led by a lettings manager. This means Wihlborgs can structure and conduct its marketing efficiently, even when under high pressure from incoming enquiries. We have also changed the property management organisation to the effect that it now comprises three property areas instead of four.

The coronavirus pandemic has complicated working with personal customer relationships, which is a key success factor for Wihlborgs. Over the year, we have tried to identify new paths, and it will remain decisive to maintain continuous, close dialogues with customers and provide them with the service they desire even if their requirements rapidly change. Insights gained from the customer survey we completed together with Fastighetsbarometern in 2020 will provide valuable knowledge about customers' needs and expectations. Read more about the survey on page 34.

Malmö City

Vacancies remain low in Malmö City. Sparven 15 is starting to fill with new tenants following the move by video game developer Massive, part of the Ubisoft Group, to its own premises in 2020. One of the first new tenants is Fortnox, which has moved in to 1,000 m², and they will be followed by law firm Wåhlin among others. At Slagthuset, at the centre of the Nyhamnen development area, Mindpark and Softhouse have moved in to 2,400 m², which has injected some real energy to the recently started transformation of the area. Adjacent to the property, we completed the renovation during the year of the old Tullhuset for Altran AB.

Dockan and Hyllie

All 17,000 m² at Kranen 2 in Dockan are now let. Police training at Malmö University moved in to 10,700 m² back in 2019 and in 2020, the University signed a lease for an additional 4,350 m². Moreover, we have signed an agreement with Region Skåne for 3,700 m² for

In Hyllie, we are building the Kvartetten office building, a people certified workplace with expansive floor plans, a shared lobby and reception, and a large roof terrace that opens for new inspiration, relaxation and socialising, both during and after the working day.

a reproductive medicine centre and a speech therapy clinic. The housing development rights at Torrdockan 7 in Dockan have been sold to JM, since housing is not part of Wihlborgs' core business.

The new Origo property in Hyllie is fully let, where Ingka Services moved in to the majority of the space at the end of 2019 and the remaining 200 m² is being taken by Hyllie Health Centre. At Medeon Science Park, near Skåne University Hospital, a new 4,000 m² building stands ready and Galenica AB was the first tenant to move in during 2020.

Outer Malmö

In Outer Malmö, Wihlborgs sold 21 properties in Norra Hamnen and Bulltofta to property funds advised by Blackstone. The transaction encompassed 24,000 m² of office space and 100,000 m² of logistics and production premises. This transaction enables Wihlborgs to increase focus on Fosie, where we already hold a very strong position, and on Stora Bernstorp on the border between Malmö and Arlöv. In Fosie, Wihlborgs has built a new, 1 000 m² production facility for Bevego, which will be completed in 2021. The company has been a tenant since 2007, and the new facility enables us to help Bevego expand. We have also completed a 4,300 m² production facility for voestalpine Böhler weldcare AB in Fosie.

New tenants in Outer Malmö include ACNR Cyber Technology, which signed a lease for 3,700 m² at Olsgård 8, and Burlöv municipality, which has leased 1,600 m² at Arlöv 19:133.

Future development

Wihlborgs is participating in several major urban regeneration projects that are ongoing in Malmö. The area of Nyhamnen in Malmö City is both central and close to the sea, and starts immediately behind Malmö Central Station. Over the coming years, an attractive, green city district will take form that mixes housing with workplaces, retail and service. 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.

Boplatsen 3 on Ystadvägen is one property with major development potential. 9,000 m² of vacant space is currently available here, where we have started a development project with substantial potential and where we have looked at how the space can be divided into new, more efficient offices and offer new services such as a reception, conference facilities and gym.

Hyllie is one of Malmö's most expansive development areas. Wihlborgs has two fully let office buildings in Hyllie: Dungen (Gimle 1) and Origo (Bure 2). We are now continuing development with the office building Kvartetten (Pulpeten 5), comprising 16,000 m² of lettable area with construction starting in the first quarter of 2021, and Vista (Bläckhornet 1), comprising a further 16,000 m² of net floor area. Kvartetten is a people-centric office building with a lot of light and greenery, and with outdoor workplaces on the large roof terrace. Vista is a forthcoming project comprising office buildings and multistorey car parks adjacent to Kvartetten.

At Dockan, development is being driven together with Peab and JM, among others, within the framework of the joint venture Dockan Exploatering AB. Read more on page 71.

At Sunnanå 12:54 in Outer Malmö, Wihlborgs is developing a new facility for Veho Bil, the Nordic region's largest Mercedes-Benz dealer. The building encompasses 2,950 m² and will be certified in line with SGBC Silver and taken into use by the customer in the second quarter of 2021. A logistics hub of around 2,300 m² is also being built at the same property for Region Skåne, and space remains for one or two more similar facilities. Moreover, we have access to additional land in Outer Malmö, which means that development of the area can continue.

Alexander Eliasson

Workplace Manager
Fortnox

City centre Malmö | 1,050 m² of offices

Fortnox makes life easier for small companies

Fortnox offers cloud-based administration and financial services including invoicing, accounting and payroll. Tasks that are essentially handled by most small companies on a daily basis, but which are not part of their core business. Fortnox has made it its objective to challenge traditional, manual systems and make administration simpler and more efficient.

Fortnox has experienced rapid growth since its start in 2001. Currently, most of its around 400 employees work at the group's head office in Växjö, but some 40 employees recently moved in to Sparven 15 on Drottninggatan in Malmö. Alexander Eliasson is the Workplace Manager at Fortnox:

"When we decided to move from our current premises on Stortorget, we evaluated several alternatives. Wihlborgs demonstrated the flexibility we were looking for in a landlord as well as a fantastic premises that suited us perfectly – Massive Entertainment's former office on Drottninggatan. The challenge was adapting the premises to our current needs, while creating possibilities to grow without compromising the working environment for our employees.

The premises is part of the employee strategy

Employees are in focus at Fortnox. There is stiff competition for the needed expertise and the premises are a key component of our employer profile. It is important to offer good commuting possibilities together with an extensive range of restaurants and service, and the interior must seek to inspire at the same time as it is functional.

"We recently prepared a new concept for our offices. The foundation comprised using colour and design to create identity and character. For example, we haven't set up a single logotype, yet the office gives the clear impression of being a Fortnox office. Throughout the entire process of Fortnox adapting the premises, Wihlborgs has been open and active, which facilitated our work when establishing the office," says Alexander Eliasson.

Flexibility fosters growth

Fortnox's premises solution can best be described as a dynamic hybrid. There are central meeting areas at the centre of the premises, with staff sitting in groups of eight in the surrounding open landscape. Much effort was invested in light and noise to ensure a good working environment that creates harmony and well-being.

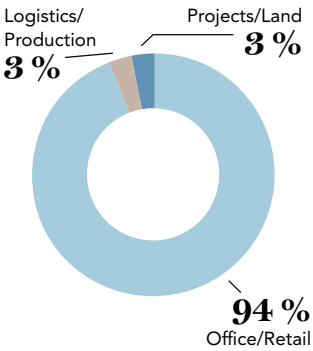
"Sustainability is prioritised at Fortnox. We appreciate Wihlborgs' green leases that ensure both landlord and tenant take responsibility for sustainability. We now view Drottninggatan as our long-term home in Malmö, where we can continue to grow due to the flexible lease," concludes Alexander Eliasson.

The Dungen (Gimle 1) office building in Hyllie was completed in 2019 and received the Urban Design Prize the same year.

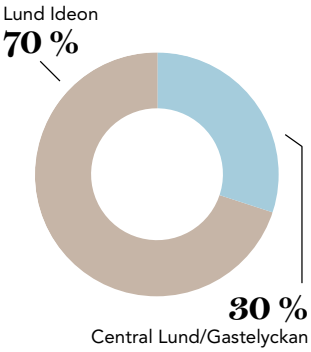
Wihlborgs in Lund

Properties: 33
Property value: SEK 7,900 million
Rental value: SEK 600 million
Lettable area: 265,000 m²

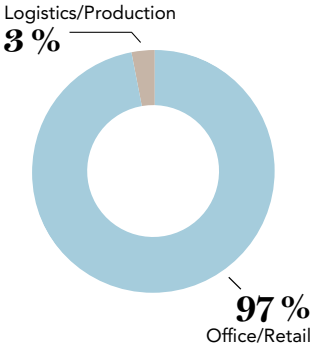
Book value per property category



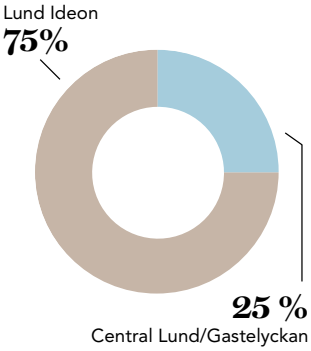
Book value per area



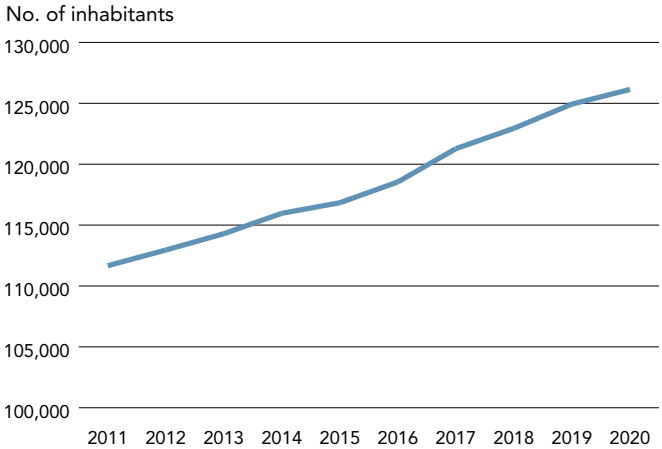
Rental value per property category



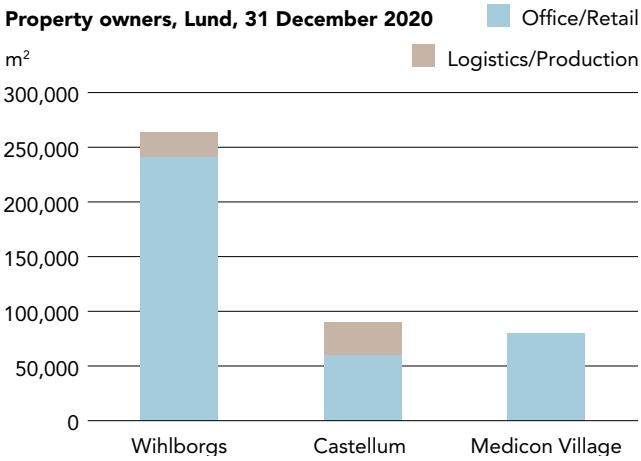
Rental value per area



Population trend in Lund



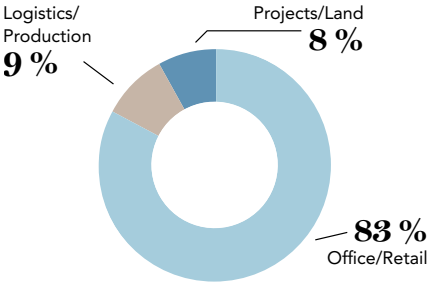
Property owners, Lund, 31 December 2020



Central Lund
80,000 m²

Properties: 14
Rental value: SEK 150 million

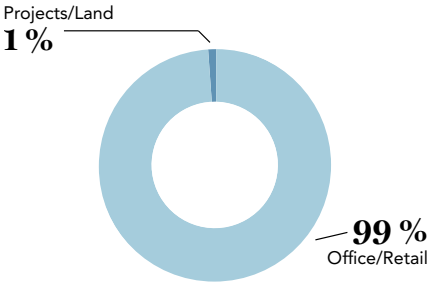
Book value per property category



Ideon
184,000 m²

Properties: 19
Rental value: SEK 441 million

Book value per property category



The knowledge city concentrates

Always at the leading edge – a spearhead for innovation and research. And concurrently, a city that breathes traditions, where student life, entrepreneurship and architecture build on a rich historical legacy. Lund is a city of contrasts where old and new unite in dynamic advancement. Where the focus often lies beyond the visible horizon, constantly aiming to make new advances, and to create change and development.

Lund has always attracted the sharpest minds. From its founding in the tenth century to the founding of the university in 1666 and forward. Today, Lund University is one of the country's foremost universities with over 40,000 students. Indubitably, the university makes its mark on the cityscape and the business community, and due precisely to the availability of skills, many knowledge-intensive companies choose Lund as their operational base. The city has many examples of companies living in fruitful symbiosis with the university, not least in the research village Ideon Science Park.

As a historic city, Lund is committed to preserving the ancient city centre, where few buildings overshadow the two towers of the thousand-year-old cathedral. That said, urban development is far from standing still. The central plan adopted in 2018 describes how the city will grow through densification from the inside out. The historic 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 northeastern Lund. Diverse urban environments are being created here with new university buildings, student housing and offices. But Lund is also growing at its extremities, in Brunnshög with Max IV and ESS as clear highlights.

Market conditions

The City of Lund has some 125,000 inhabitants, including some 40,000 students. The educational level is high in Lund, with 53 percent of residents having at least one three-year tertiary qualification compared with 28 percent for the country as a whole, thereby providing knowledge-intensive companies and businesses with fertile ground from which to recruit.

Unemployment in Lund was around 8 percent in autumn 2020. As for the rest of Skåne, unemployment has risen in Lund in recent years, but remains 2 percent below the figure for the region as a whole, and 0.8 percent below the national average.

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. The incentives to establish operations in Lund increase as infrastructure improves accessibility within the city. Opportunities are also favourable for those needing to travel to and from Lund. 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. In a historic city, it is often difficult to dig without turning up archaeological artefacts, but the decision to densify central Lund means possibilities have expanded. More construction is now ongoing at central locations, naturally, while concurrently keeping historical conservation interests in mind.

In common with the rest of Sweden, Lund needs to handle an ageing population. The number of over-80s is expected to increase 70 percent over the next decade. As the number of people of working age is not rising in proportion, a risk exists of staffing shortages for schools and elderly care.

Commitment to development

Wihlborgs makes its greatest contribution to societal development in Lund through the work conducted in connection with our properties. Wihlborgs is the largest commercial property owner in Lund and we participate in numerous urban planning and regeneration projects. In close connection with the above, and together with the Swedish Property Federation, we have initiated a deeper dialogue with the City of Lund about objectives and the vision. The goal is for the sector to act in partnership with the municipality to create a shared objective for Lund's future development.

We contribute to local communities through a range of activities and commitments. Long-termism is a key word, as this gives commitment a perspective where we can make a real difference. We actively participate in the Lund Climate Alliance, which consists of some 25 companies in Lund that prioritize work on climate

and sustainability issues, and who recognise the value of sharing knowledge in this area.

Our societal commitments include Eos Cares, which is a section of the sports association IK Eos that promotes increased inclusion and meetings between different communities. Under Eos Cares' auspices, language cafés, excursions, mother tongue teaching and mentoring programmes are arranged. We also support Lund Comedy Festival – an annual comedy festival that attracts visitors from near and far.

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 in areas such as IT, technology and life science, with many of them connected to Lund University and the innovation activities at Ideon Science Park.

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

Over the last few years, Wihlborgs has completed a number of large acquisitions in Lund. We have therefore focused on consolidating and developing the existing property portfolio and adapting the organisation in 2020. Considerable focus has also been given to continuing the close dialogue with our customers. Many of our tenants are development companies with rapidly changing needs, even under more normal conditions, which makes it critical to maintain close contact with customers. It is gratifying that many companies followed through on their development plans during the year and are positive about the future after the pandemic. We continuously strive to improve our offering and service and this year's customer survey will be an important tool in our future development efforts. Read more on page 34.

Going forward, considerable focus will be given to continuing to strengthen relationships with the city and the business community. By developing shared goals, we can create the prerequisites for developing Lund as a dynamic and attractive city while keeping sustainability in focus. Major parts of our property portfolio are adjacent to the new tramway, and we want to help communicate its possibilities to increase the numbers travelling by public transport.

Wihlborgs is developing the Space building at Science Village which will become a landmark for the area and house innovative companies.

Ideon

In 2016, Volvo established a research and development centre in Lund. The operations have expanded over time and in summer 2020, the company moved in to all 7,000 m² at Delta 3 (Syret 5) in Ideon. We have conducted extensive adaptation and renovation of the building, with a consistent focus on sustainability and cost efficiency. A substantial share of the fittings and technology has been reused and the spaces have been designed based on existing preconditions to minimise the investment need.

Ideon comprises many development companies that are continuously growing and need our help to change their premises. This has continued even during the pandemic, where demand has increased for services and companies with a particular focus as a result of changed conditions in society.

Central Lund/Gastelyckan

Central Lund has long suffered from a shortage of available office space, but in recent years Wihlborgs has added new and attractive space through the Posthornet 1 and Raffinaderiet 5 development projects. Our Central Lund/Gastelyckan properties are fully let and, pending the completion of coming development projects, only minor changes are occurring among customers in our city centre premises, where we have been able to find space for some new businesses during the year as others have decreased.

Future development

The area around Lund Central Station is a central development area where we are planning continued development. The newly built Posthornet 5 and Raffinaderiet 1 properties are fully let, and Raffinaderiet 3 is undergoing remodelling. This historic listed property was originally used as a sugar mill, but will now become modern offices with an industrial theme inside a preserved exterior. The second stage at Posthornet 1 lies a couple of years ahead, where we can build an additional 10,000 m² of offices close to the station.

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 with housing, workplaces, retail and services, green areas, schools and preschools. The development is still at an early stage where we are currently participating in drawing up detailed development plans.

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 also plan to continue the conversion at Ideon of the properties by the water tower into multi-tenant housing. We are creating possibilities for more tenants in this expansive area of Lund by converting these properties into one unit, including shared restaurants, services and parking. We are also designing a conversion of Beta 1–3, where most of the existing tenants have now moved to other premises at Ideon.

Science Village is a new city district that is emerging between the MaxIV and ESS research facilities in northeastern Lund. There will be branches of universities and university colleges, guest accommodation, research institutes, services and restaurants. We are developing the Space project with space for innovative companies, right next to the tram stop and the new square as part of the first phase.

Nils Johansson
Facility & Warehouse Manager
BioInvent International

Ideon, Lund | 3,000 m² offices/lab

BioInvent strengthens the immune system

BioInvent is a biotechnology company focused on the development of immuno-oncology therapies. These drugs activate important cells in the immune system, particularly T-cells, and stimulate them to attack tumour cells. Immuno-oncology drugs are one of the greatest medical breakthroughs of the 21st century, and have significantly improved cancer survival rates.

Ever since it was founded in the 1980s, BioInvent has been at its current premises in Ideon in Lund. The premises are around 4,000 m² and house laboratories and production facilities among other functions. This is where BioInvent's approximately 70 employees work, many of whom are highly educated, with everything from research and development to large scale production. We meet Nils Johansson who is the Facility & Warehouse Manager.

The same premises for 30 years

"With more than 30 years at the same premises, I have to say that we found the right location. Ideon's location means a good skills supply. The proximity to the university and other research-intensive companies provides us with an excellent platform for our operations. We also appreciate the area's service offering and accessibility, which recently became even better due to the new tramway."

Flexibility is a must

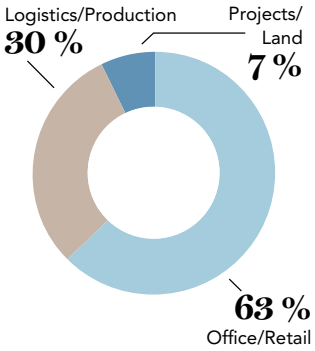
BioInvent operates in a rapidly changing sector, which means that it is difficult to make long-range projections. This entails a need to be able to quickly adapt and change premises in a manner that does not disrupt ongoing operations.

"Given the constantly changing nature of our industry, we depend on a responsive and flexible landlord who is prepared to support us in terms of our premises needs. As Facility & Warehouse Manager, I work closely with Wihlborgs, with everyone from property caretakers to managers. The partnership is excellent and we appreciate Wihlborgs being there for us and enabling quick adaptations. We continue to invest heavily in identifying more immuno-oncology therapies to enable more patients to be treated, and of course Ideon is the ideal location for this," concludes Nils Johansson.

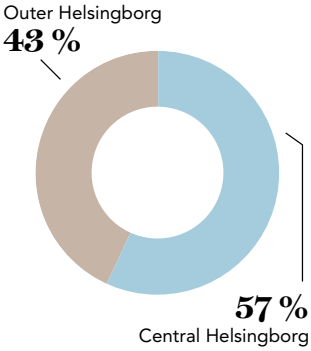
Wihlborgs in Helsingborg

Properties: 105
Property value: SEK 10,700 million
Rental value: SEK 800 million
Lettable area: 619,000 m²

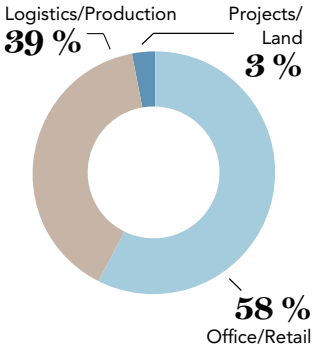
Book value per property category



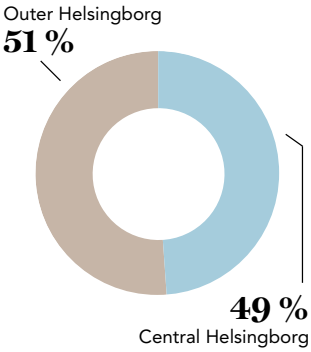
Book value per area



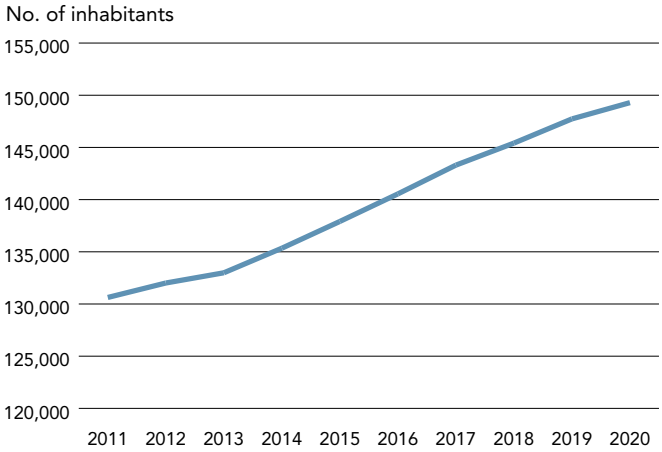
Rental value per property category



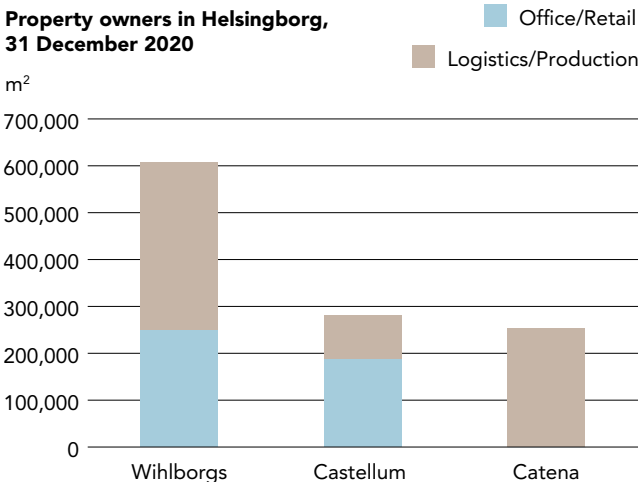
Rental value per area



Population trend in Helsingborg



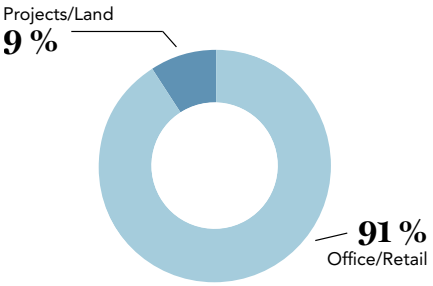
Property owners in Helsingborg, 31 December 2020



Central Helsingborg
178,000 m²

Properties: 20
Rental value: SEK 406 million

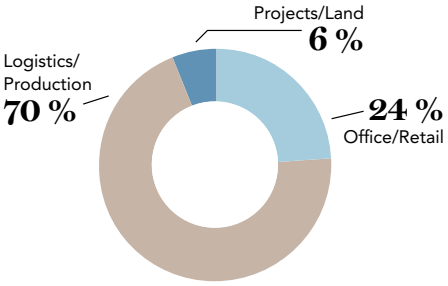
Book value per property category



Outer Helsingborg
440,000 m²

Properties: 85
Rental value: SEK 423 million

Book value per property category



Port city with good connections

When you stand at Helsingborg's harbour edge and look out over the sea, you will see the silhouette of Helsingør 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. A ferry line was established as early as the 15th century to connect the then Danish territories of Skåne and Zealand. Today, the ferries depart every 20 minutes, and although a national border now separates the two cities, Helsingborg and Helsingør are forever intertwined by history.

Shipping has always been an intrinsic part of the maritime city that is Helsingborg. The city has Sweden's second largest container port, and is a natural logistics hub for, inter alia, large volumes of fruit and vegetables that arrive by sea for onward transport into the country. The E4 and E6 E Roads meet at Helsingborg, further strengthening the city's attraction for the many logistics operators and e-commerce companies enticed by its strategic location and high accessibility. The region also has an airport, Ängelholm Helsingborg Airport, which has been co-owned by Helsingborg and six other northwestern municipalities in Skåne since 2020. To improve communications with the north, double tracks are currently being constructed for the railway between Helsingborg and Ängelholm.

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 the historic Tretorn block (Hermes 10) south of Helsingborg Central Station.

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 in the long term the average level of education in the city will rise, which is positive for the skills supply. Helsingborg currently has a population in which 24 percent of people have at least three years of post-secondary education, compared with the national average of 28 percent.

A new business programme was adopted in 2020 stating that Helsingborg should be one of Europe's most innovative cities. The focus entails strengthening investment in entrepreneurship and innovation to further improve an already positive business climate. Helsingborg's second place in the European Capital of Innovation Awards 2020 confirmed the fact that the city is already at the forefront. The prize is awarded by the European Commission to the European city that can best demonstrate its ability to leverage innovation to improve quality of life for its citizens.

The investment in the H22 city fair, which promotes a better quality of life in a smarter and more sustainable city is but one example of how Helsingborg continues to strengthen its innovation climate. The new tech hub Hetch in Prisma, of which Wihlborgs is one of the founders, is also supported by the City of Helsingborg.

Helsingborg's business community has a high share for the logistics and retail sectors, which employ 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.

As for many other municipalities in Skåne, unemployment is rising in Helsingborg. In December 2020, 12.2 percent of the population was unemployed as compared to the average for Skåne of 10.9 percent.

Commitment to development

H22 is an international city fair focused on innovation providing an improved quality of life in a smarter and more sustainable city. Wihlborgs is a partner of H22 and, together with some other participants, is developing 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 and other project participants. Employment is a central issue with regard to urban development and the project aims to enable more young people to succeed.

Helsingborg has set a high ambition level for the transition to a climate-friendly society. One initiative launched in 2020 was the goal of planting 8,000 trees, to improve the climate and air quality by using trees as natural treatment plants. Wihlborgs is participating by planting one tree per employee in Helsingborg, a total of 32 trees. In the area of environment, we are also a member of the Climate Dialogue initiative, which aims to prepare methodologies for working with energy-related climate and environmental issues.

Helsingborg Citysamverkan is an association of retailers, property owners and the City of Helsingborg that strives to strengthen the attractiveness of the city centre. Wihlborgs helps to develop retail and the business community in order to create a vibrant city centre as we have many properties in the central parts of the city.

Drivkraft Helsingborg is a non-profit organisation that supports students through mentoring and homework help. For several years, we have supported their efforts to provide all young people with the same opportunities to manage their schooling, regardless of the conditions and prerequisites at home.

Contributing to local sports is another key component of our societal commitment. We have supported Helsingborgs IF's women's and girls' football initiative since 2019. The initiative aims to increase gender equality in football and enable men and women to play sports on the same terms.

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.

Our largest tenants include the City of Helsingborg, Lund University's Campus Helsingborg, IKEA, WSP, Capgemini, Nowaste logistics, Mestergruppen Logistik and Yves Rocher. Tenants also include companies such as Tyréns, Sweco, Mindpark, Victoria Soap, MilDef, the co-working company Genetor and several upper secondary schools.

Considerable focus has been directed during the year on continuing our close customer dialogue, where we strive to continuously capture new or changing needs. Our employees are our most important asset in everything we do, and over the past year as well as going forward, we have and will invest in initiatives to create well-educated and motivated employees who can nurture customer relationships. This year's customer survey is an important key, in our continued work, to insights regarding the needs of customers and their expectations of us. Read more about the customer survey on page 34.

Central Helsingborg

Occupancy of Wihlborgs' newly built office building Prisma (Ursula 1) started in 2020. Prisma is the first office building to be completed in the new Oceanhamnen district and the building's spectacular architecture makes it Helsingborg's new landmark. The tech hub Hetch, Assistansbolaget Försäkring, KPMG and EY were among the first tenants to move in. In 2020, agreements were also signed with the law firm WSA and Atkins, who will take occupancy in summer 2021. Atkins has been a tenant of ours for many years and during that time has grown from two to 80 employees.

The vision for the area south of Helsingborg Central Station illustrates how we can create new offices and housing in an area currently occupied by the ferry and railway.

The second stage of the remodelling of Helsingborg Central Station (Terminal 1) was completed in winter 2020/2021, and includes a new facade and entrance, a new restaurant square and an enhanced environment in the travel centre. Helsingborg Central Station is also gaining a new, creative environment in the form of Genetor's co-working space with 1,800 m² of event spaces, conference rooms and workplaces that will open in 2021. Folktandvården Skåne is also expanding its clinic in the building to just over 2,000 m².

Outer Helsingborg

In Berga, we have built a new facility for MilDef, an existing tenant that develops computers and electronics for defence applications. The new facilities at Musköten 20 encompass 4,400 m² of office, production and laboratory facilities, and are certified to SGBC Gold. At the start of the year, we opened Berga office hotel – a furnished lifestyle office with the possibility of own rooms or places in an open office landscape.

Moreover, we signed an agreement with Lucu Food during the year, which will open a 3,000 m² grocery store at Gymnasten 4 on Landskronavägen in summer 2021. Lucu Food already has operations in Malmö and its range of produce derives from different food cultures across the world.

In Ättekulla, we have signed an agreement with Medea AB for 4,000 m² at Bunkagården Västra 8. Medea is a rapidly developing supplier of products, services and the stocking of crisis products and medical protective equipment with its head office and warehouse located in Helsingborg.

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. The construction of Prisma in Oceanhamnen is part of this development.

We have the opportunity to build a further 9,500 m² of office space at Polisen 7, adjacent to Helsingborg District Court in central Helsingborg. On the other side of the railway tracks, continued development opportunities exist at Hermes 10, where among others, Lund University's Campus Helsingborg is located. In the logistics segment, we have the possibility of developing additional logistics areas in existing and new buildings at, among other locations, Plåtförädlingen 15 in south Helsingborg and Grusplanen 1 and 2 at Väla Södra in north Helsingborg.

A fixed connection between Helsingborg and Helsingør is key to Helsingborg's future development. At the end of 2020, the City of Helsingborg and Wihlborgs presented a joint proposal on future development for the area around Helsingborg Central Station that shows how to facilitate a future fixed connection between Helsingborg and Helsingør at the same time as creating an attractive city district with new offices, housing and a sustainable living environment. Areas that are currently dedicated to the ferry and railway can be rebuilt with thousands of new homes and workplaces, and where the new city district connects Söder with Oceanhamnen thereby creating a cohesive city.

Catharina Freij
Key Account Manager Brands
Victoria Soap

Berga Helsingborg | **5,100 m² production/offices/ warehouse**

Victoria Soap delivers sustainable soap to the world

Victoria Soap in Helsingborg has manufactured soap according to its traditional recipes since 1905. Classic, hard soaps and now shampoo in a solid format. How is it possible that this centenarian is now hotter than ever? The reason is increased sustainability awareness and that we have now all learned to wash our hands thoroughly.

Over the past two decades, liquid soap has grown to become the dominant format. Practical and hygienic though it may be, the fact is that it mostly comprises water and the plastic pump packaging can account for up to 60 percent of the price. As focus increases on sustainability, consumers are increasingly choosing solid soap.

"Interest in our product has increased dramatically over the last few years. Solid soap requires less packaging and is lighter to ship, thereby lessening the environmental impact. In addition, many perceive a solid soap as luxurious, and it can come in many different forms, colours and fragrances. Our customers say they appreciate the feel of our soaps," says Catharina Freij, Key Account Manager Brands at Victoria Soap.

Tenants for 40 years

Victoria Soap has been owned by the Freij family since 1980, when Jonny Freij, who was Head of Technology at the time, purchased the company from the Unilever Group. Jonny saw substantial potential and started planning for expansion at an early stage.

"Victoria moved in to premises of 900 m² on Florettgatan in Berga. A couple of years later, Wihlborgs bought the property and we have grown together since this time. First, we expanded at Florettgatan, but when such possibilities had been exhausted, we moved to a nearby Wihlborgs property at Muskötgatan in 2010. Whereupon we opened Europe's most contemporary soap factory of around 5,400 m², which Wihlborgs had adapted fully to meet our needs," says Catharina Freij.

Expansion continues

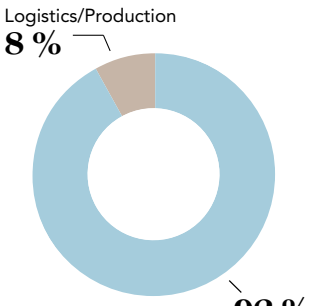
Today, Victoria Soap has 12 production lines and 57 employees. The family company is now run by the sibling team of Andreas, Marie-Louise and Catharina, with their father Jonny as senior advisor. Products under Victoria Soap's own brand are available in stores and online, but Victoria also produces many items that are sold under other private labels. Irrespective of the target group, sustainability awareness is here to stay, and as such, so is interest in solid soap.

"After ten years in these premises, we feel the need to expand once again. We are currently conducting a dialogue with Wihlborgs, where we are evaluating a couple of different alternatives. After almost 40 years as an expansive tenant of Wihlborgs, we know that they have the knowledge and flexibility to identify the optimal solution to meet our needs in terms of premises," concludes Catharina Freij.

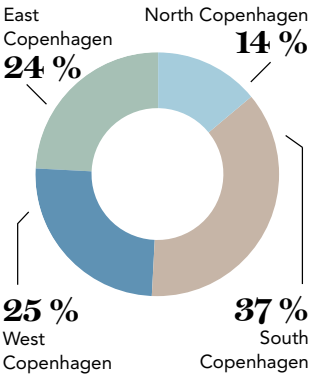
Wihlborgs in Copenhagen

Properties: 57
Property value: SEK 8,100 million
Rental value: SEK 700 million
Lettable area: 626,000 m²

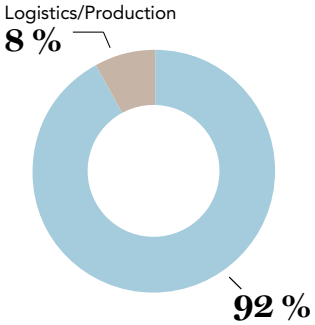
Book value per property category



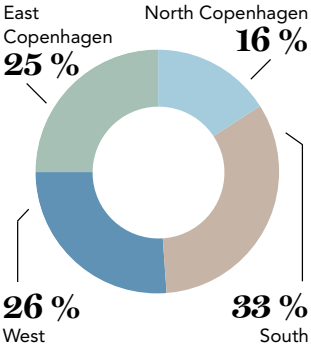
Book value per area



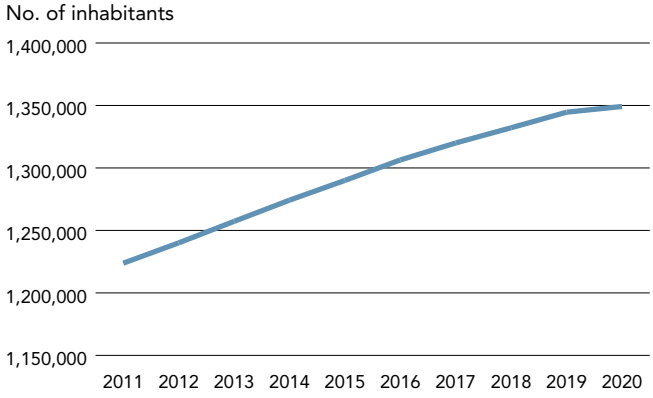
Rental value per property category



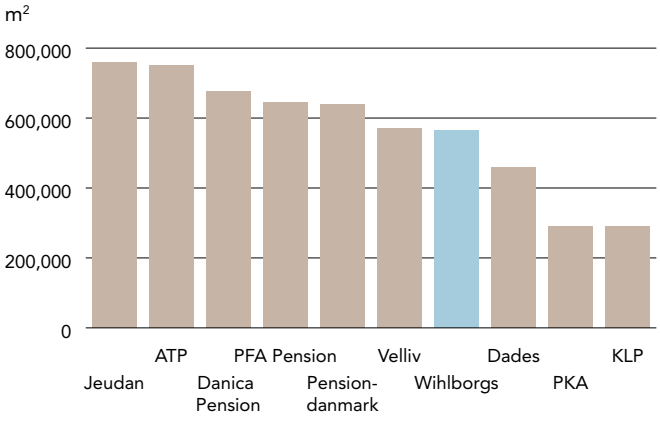
Rental value per area



Population trend in the capital region*



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

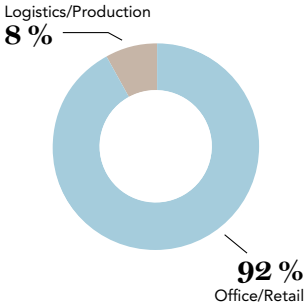


* The capital region includes Copenhagen, Frederiksberg, Dragør, Tårnby, Albertslund, Ballerup, Brøndby, Gentofte, Gladsaxe, Glostrup, Herlev, Hvidovre, Høje-Taastrup, Ishøj, Lyngby-Taarbæk, Rødovre and Vallensbæk.

North Copenhagen 89,000 m²

Properties: 10
Rental value: SEK 111 million

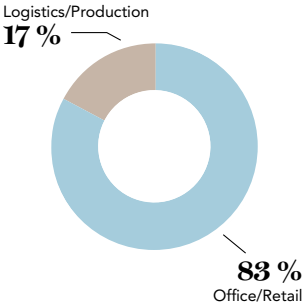
Book value per property category



South Copenhagen 237,000 m²

Properties: 15
Rental value SEK 227 million

Book value per property category



West Copenhagen 116,000 m²

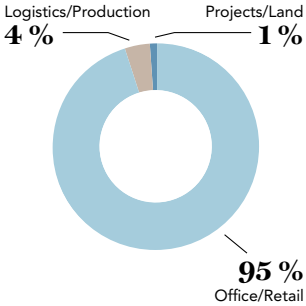
Properties: 10
Rental value: SEK 178 million

Book value per property category

East Copenhagen 184,000 m²

Properties: 22
Rental value SEK 167 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. For example, Denmark is the easiest country in Europe in which to do business, according to the World Bank's Doing Business report for 2020.

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 Ring 3 Light rail project, 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 includes working with the goal of becoming carbon neutral by 2025, at the same time as growth is maintained. 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. Many young people prefer to remain in the metropolitan area even after completing their education and this trend is expected to contribute to a continued good skills supply in Copenhagen. This skills supply makes Copenhagen attractive to knowledge-intensive industries such as life science, IT and telecommunications.

Copenhagen has good infrastructure in and around the city. Copenhagen Airport is the Nordic region's largest airport and, following the ongoing expansion, is designed to handle 40 million travellers a 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 Ring 3 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 4.9 percent in September 2020, slightly above the average for Denmark as a whole.

Commitment to development

We strive continuously to develop our business and our operations – both through our own development work and through engaging in various partnerships. In 2020, we joined three new organisations: Proptech Denmark, Green Building Council Denmark and Byggesocietet.

Green Building Council Denmark (GBC) is a member organisation that promotes sustainability in the construction and property sectors. At Wihlborgs, we constantly strive to reduce our CO_2 emissions and maintain a sustainability focus in construction projects. 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.

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 want to contribute to the property sector's digital and green transformation.

We engage in local associations through sponsorship and through partnerships with municipalities, job centres and local schools to create opportunities for work and education.

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 2020, we employed four apprentices.

Our societal commitments include Mindsteps, a training centre for children and young people with brain injuries. Read more about Mindsteps on the next page.

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.

Another project where we contribute is CPH-Business, an initiative within Copenhagen Business Academy, and where we have previously arranged a case competition aimed at showcasing and strengthening the innovative power of students. We have continued a fruitful partnership with CPH-Business, and in 2020, we took part in the teaching, including a digital lecture on letting, strategy and Wihlborgs' customers.

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, Danske Bank, Hørsholm Municipality, ATP, HP, Pfizer, Mercedes and ABB. Tenants also include T-Systems, 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 2021. During 2020, work has been greatly affected by the coronavirus pandemic, where our restaurants have had to adjust their operations several times to meet new restrictions, for example through requirements for masks for guests and personnel or by only serving take-away food.

Tenant relations is one of Wihlborgs' strongest qualities and competitive advantages. In 2021, we will continue to motivate and train employees, so that every day they can meet tenants with a smile and a solution to the tenants' needs. In 2020, we also conducted a customer survey in Copenhagen that brought insight to customers' needs and expectations of us. We are using the findings from this survey in our continued development of our operations. Read more about the survey on page 34.

The idea of Symbiosehusene in Herlev is that companies and residents will live in symbiosis in an area where life is lived around the clock.

Wihlborgs purchased two properties in Denmark during the year. Banemarksvej 50 is a property located in Brøndby, encompassing 19,500 m² of lettable area. The property was acquired at the start of the year with an occupancy rate of 83 percent, and with its largest tenant Milestone System A/S leasing 12,200 m².

In the autumn, we purchased Baldersbuen 5 in Hedehusene – a 55,000 m² site with a lettable area of 6,300 m². Baldersbuen 5 is located between Taastrup and Roskilde, and has a good logistics location. The property is fully let to the plant hire firm GSV, which has signed a new ten-year lease.

We have completed several substantial lettings during the year, despite the pandemic. One example is the ten-year lease with Saint Gobain for 7,700 m² of warehouse and office space at Abildager 16 in Brøndby.

In November we signed an agreement with Danbred, which is moving in to our newly renovated property Borupvang 5D in 2021. We have also entered into a contract with Epos, which is moving in to 3,100 m² at Industriparken 29 in Ballerup, one of our most modern properties. Moreover, we have signed agreements with Husqvarna, Sedwick Leif Hansen, Pascal, Capmon, the Danish Armed Forces, NTI and Four Dimensions.

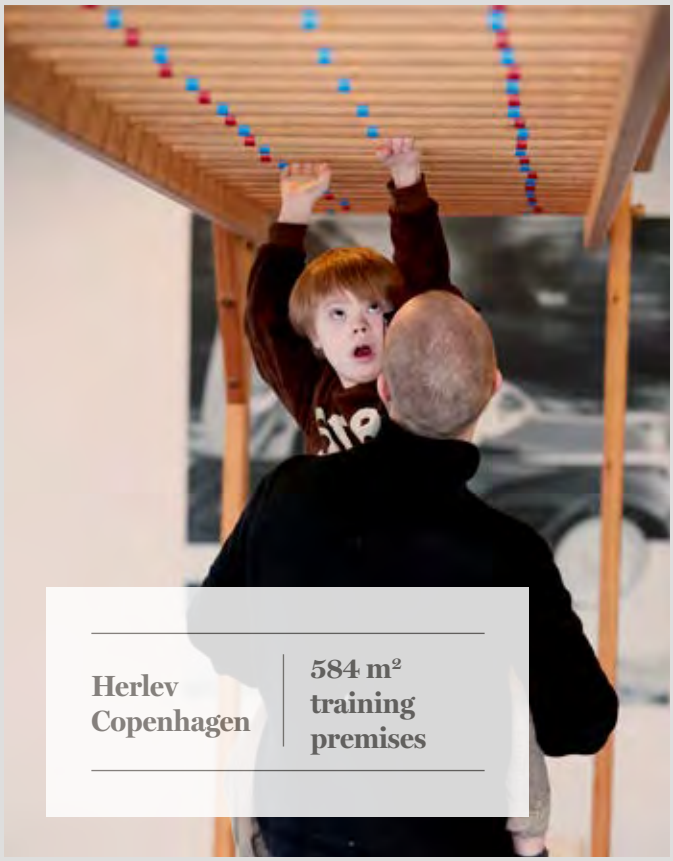
Future development

Wihlborgs is working with city and district development at a number of locations in Denmark. The work has progressed furthest in Ballerup and Herlev, where detailed development plans will be presented in mid-2021. The existing office portfolio is being developed with housing development rights of 23,000 m² in Ballerup and 25,000 m² in Herlev, some of which is being created in existing office buildings. 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 produced the Symbiosehusene project, which is a feasible proposal for mixing housing with commerce in Herlev, thereby contributing to societal development. Symbiosehusene shows how to create new housing adjacent to existing commercial properties while maintaining a focus on sustainability and community. By building housing above existing commercial properties, resources are better used and companies and people can live in symbiosis. New green investments support this symbiosis, which contains physical functions, circular systems for utilising resources and social functions. Our properties encompassed by the project are those in Hørkær in Herlev, but the idea behind Symbiosehusene can be transferred to more property areas in the future.

Symbiosehusene was one of seven projects selected for realisation out of 150 proposals submitted to the Danish Arts Foundation and Realdania.



Herlev Copenhagen

584 m² training premises

Mindsteps' conviction is that everyone can

Mindsteps is a non-profit organisation that supports children and young people with special needs, and has a particular focus on children with brain injuries. The operations started in 2009 as an alternative for parents who want to train their children at home, which was previously not available in Denmark. Mindsteps applies an approach that everyone can, and on that basis helps children develop their physical and cognitive abilities.

Mindsteps starts from the needs of the children. That the operations should adapt to the children, and not the other way round. Mindsteps operates a private training facility in Herlev, Copenhagen as an alternative to the training provided by the public sector. The children come here to train and to meet together with their families. Nina Reffstrup is on the Board of Mindsteps:

For children with special needs

"Children come to us with a coach and a parent, which means that we need plenty of space as we are currently working with about 25 children. As a non-profit organisation, we are unable to fund such a venue with our own means, which is where Wihlborgs enters the picture. They are providing these large premises with the space to carry out a variety of training programmes. We have a choice of large open spaces or smaller private rooms, depending on each child's individual circumstances."

Improving quality of life

Children with special needs often become isolated, particularly if educated at home. Mindsteps provides a social context, where it is possible to meet families in similar circumstances. Sometimes the children's siblings come too, which enables them to be a part of each other's everyday life.

Mindsteps is run by the association's Board, which comprises the parents of the children who train there. The association has no employees, but the families pay a monthly fee and then children and parents can come and train whenever they want, 24/7.

"We really appreciate the partnership with Wihlborgs. It has made it possible for many children with special needs to access a training facility that helps them increase their independence and quality of life. Wihlborgs demonstrates its enthusiasm in words and deeds, and everything is dealt with in a practical and positive manner. While we are perceived by many in society to be a little different, the partnership with Wihlborgs is characterised by commitment and respect," concludes Nina Reffstrup.

Projects and development

Few things are more exciting than playing a part in designing the cities of the future, and creating sustainable, flexible environments that can be adapted over time to companies' and people's evolving needs. Developing cities and blocks is a major part of Wihlborgs' contribution to the communities in which we work, and an area that has a great impact on people's daily lives.

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 units. In Denmark, we have become involved over the past few years in developing blocks, which involves a combination of housing and commercial premises. An exciting project in this area is the Symbiosehusene buildings in Herlev, which are based upon an idea that housing and commercial activities can share resources to a greater extent than they do now. There are plans here to build housing above existing commercial properties, meaning companies and residents can live in harmony with each other. Read more on page 66.

Completed and ongoing projects

In 2020, SEK 1,231 million was invested in redevelopment, extensions and new builds. Approved investments in ongoing projects amounted to SEK 2,227 million on 31 December 2020, of which SEK 916 million had been invested at the turn of the year. During the year, some ten projects requiring investments of over SEK 10 million were completed. The largest of these were the new build for Mildef at Musköten 20 in Helsingborg and a new building at Forskaren 1 (Medeon Science Park) in Malmö. For more information, see pages 72–73.

There were 12 ongoing projects requiring investments of more than SEK 10 million at the end of 2020. In total, around 250 development projects of varying scope and character are under way, managed by our project organisation consisting of our some 15 project managers and specialists in the area of property development. A list of ongoing projects can be found on pages 73–75.

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.

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 architec-

ture, 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.

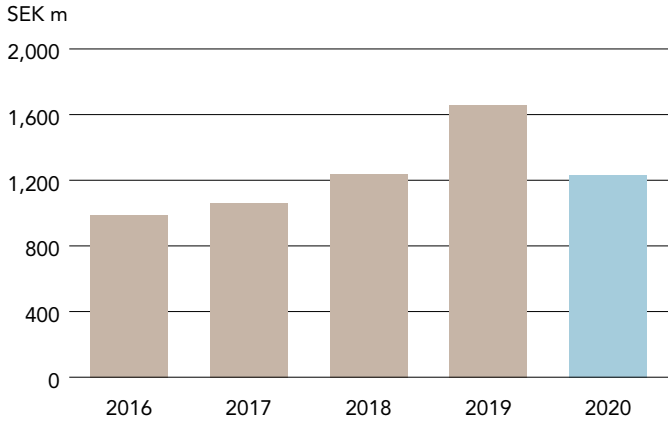
Our long-term perspective also means we want to contribute to the development of city districts that are attractive and vibrant every hour of the day. We achieve this by creating opportunities for restaurants, shops and other services to run profitable businesses in all of our areas. We are convinced that properties located in dynamic, vibrant districts are more attractive and can thus attract new tenants to our buildings.

Proximity and implementation potential

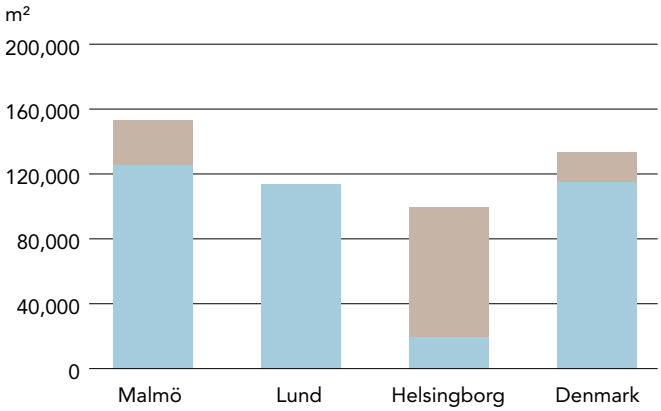
Our concentrated market, and the fact that our head office is located in the region, creates good conditions for a close dialogue with municipalities on issues such as land allocation, central plans and detailed development plans. This means we are able to maintain a close relationship and gain a keen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

Our geographical proximity to the market also enables to sense trends and changes in customers' wishes and demands at an early stage. Thanks to our long-term and conscious efforts, we have built up knowledge over time about what our customer groups consider most attractive. We have refined and developed our property portfolio over a long period to enable us to now have properties and planning permissions in the most ideal strategic locations. Our proximity to the market and strong financial position provide us with extensive implementation potential and plenty of resources for planning, launching, managing and completing projects.

Investment volume



Development rights



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. Wihlborgs has a varied and mixed portfolio of planning permissions that are largely ready to launch, but we are continuously investigating opportunities to acquire further land from municipalities and private operators. With respect to future development, we focus on, for example, transport nodes because they represent one of the most important requirements specified by our customers.

In the case of office buildings, this means locations where all forms of transport enjoy good accessibility, not least public transport, while for logistical and production premises proximity to the major E Roads is important, as are connections to the bridges, ferries and railways.

At the end of 2020, we had a total of 500,000 m² of development rights distributed across Malmö, Lund, Helsingborg and Copenhagen. See the diagram below. 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 SGBC Miljöbyggnad, Gold and the new SGBC 3.0 standard entails more stringent demands in terms of calculating and reducing our climate impact. 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. This is an area in which the entire construction sector needs to develop and find new methods and materials. We contribute to this development through our involvement in various forums to reduce the climate impact of the building process. Read more about this on pages 40–43.

Use of materials

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. An increasingly relevant area is the reuse of materials, and several tenants have shown an interest in collaborating on this when we carry out redevelopments for them. Greater awareness and planning mean we can jointly reduce the need for newly produced materials, which is positive from both an economical and an environmental perspective.

It is good to reuse materials in the buildings, but reusing entire buildings is even better. One example of this is the hundred-year-old, partially listed Raffinaderiet 3 property in Lund, which we are now renovating with a major focus on reuse and preservation of the historical materials. The facade will be designed with reused bricks, and the building will also have period-correct glazing and material choices such as patinated brass and steel. The material choices for the interiors will also tie in to the property's industrial heritage. We will also add new spaces, which in total will create 5,800 m² of environmentally certified office space in an existing building to the same high

Reuse of materials – examples of initiatives

For the renovation of Sparven 15 in Malmö, we are collaborating with floor manufacturer Tarkett who has been tasked with taking care of the spent textile carpets. The carpets are sent to Tarkett's recycling factory, and we then purchase carpets manufactured from the recycled materials for new tenants who opt for textile flooring. In Kalifornien 10 in Helsingborg, we have recycled sections of glazing and doors instead of ripping them out and buying new ones. At Ideon in Lund, in consultation with our tenants, we have recycled sections of glazing and doors, washed textile carpets instead of laying new ones, recycled lighting, suspended ceilings, ventilation equipment and kept furnishings that have been reinstalled, sometimes after renovation, in connection with several redevelopments. In Lund, we are carrying out an extensive renovation of Raffinaderiet 3, in which we are trying to find new uses for materials that cannot remain there. For example, we need to replace some 40 windows from 2015 due to safety requirements linked to the adjacent railway line. It is self-evident to us that we should try and find a new place to use them. We are also taking an inventory of the historic old fittings in the building with the aim of reusing them.

standards as a new build. The old Tullhuset (part of Hamnen 22:188) in Nyhamnen in Malmö is another example where we renovated a property dating back to 1931 for the tenant Altran, who moved in to 930 m² of offices redeveloped to a new-build standard during the year.

Certification of new buildings

Health and the work environment are becoming increasingly important for our customers, and in 2020 we began to certify two projects in line with the health-focused WELL certification system. One of these is the Kvartetten (Pulpeten 5) office building in Hyllie, which will become our first health-certified building as it obtains a WELL certification in addition to SGBC Gold. Construction started at Kvartetten in early 2021, and the ambition is for it to become a Zero CO_2-certified project. Next to Kvartetten we are planning our next project, Vista (Bläckhornet 1), where, just like with Kvartetten, we are aiming for a triple certification, that is, SGBC, WELL and Zero CO_2. Read more about environmental certifications on pages 42–43.

Safety and work environment

Safety and work environment are vital aspects of our sustainability efforts, and we place stringent requirements on the contractors with whom we collaborate. These contractors are responsible for the work environment and safety at construction sites, but in order to place extra focus on safety, Wihlborgs participates in meetings with staff working on our projects. Together with the contractors, we communicate our desire to always see safety prioritised in any Wihlborgs project. Read more about supplier relationships on page 35.

Jointly owned projects

Dockan Exploatering

Dockan Exploatering is a development company jointly owned by JM, Peab and Wihlborgs. The company once bought the land in the Dockan area of Västra Hamnen in Malmö from Kockums. Since then, the company has joined forces with the 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. In 2020, a detailed development plan was started for some 55,000 m² of development rights that principally involve a residential district but also a large preschool. Dockan Exploatering currently owns 20,000 m² of development rights for housing and offices with detailed development plans and owns other land that can be planned in the future.

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. A further beam-tube facility, MicroMAX, was built in 2020, and construction is underway on a research building for the Faculty of Medicine. 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.

Hälsostaden has driven efforts with a new detailed development plan for a new health hotel. Ängelholm municipality decided to adopt the plan during the year, but an appeal against the decision has been launched with the Land and Environmental Court, with a verdict on the matter expected in 2021. A new project was launched for a new care facility in the northern part of the site in order to enable the remaining operational facilities in the southern part of the hospital to be decommissioned by 2022 at the latest. The investment is estimated at SEK 200 million.

In 2020, Hälsostaden was awarded Ängelholm municipality's new architecture prize for the arcade of healthcare outlets in the northern part of the hospital. The building has also previously won the national healthcare building prize.

The Prisma office building in Oceanhamnen is Helsingborg's new landmark. The building has a roof terrace with an outdoor gym, work spaces and areas for socialising.

Completed projects over SEK 10 million

Forskaren 1 (Medeon), Malmö

AREA: 4,000 m²
LOCATION: City centre, Malmö
COMPLETION: Q3, 2020
INVESTMENT: SEK 99 million

The life science cluster, Medeon Science Park, has been expanded through the addition of a new building that will allow existing tenants to develop and create space for new companies. The largest tenant in the new building is pharmaceutical company Galenica, which started at Medeon in 1999.

Swedencare, an animal health company, has also expanded and is moving from the office hotel at Medeon to its own premises in the new building.

The building has been environmentally certified in line with SGBC Gold and has charging stations for electric vehicles that can be used by the tenants.

Stenåldern 7, Malmö

AREA: 4,400 m²
LOCATION: Fosie, Malmö
COMPLETION: Q4, 2020
INVESTMENT:
SEK 84 million

In Fosie, Wihlborgs has built an entirely new logistics and production facility for its tenant voestalpine Böhler weldCare AG, which is a global supplier of consumables for industrial welding and soldering.

The building is fitted with a roof-top solar power system.

Hamnen 22:188, Malmö

AREA: 930 m²
LOCATION: Nyhamnen, Malmö
COMPLETION: Q2, 2020
INVESTMENT:
SEK 23 million

Wihlborgs has upgraded the old Tullhuset next to Magasinet in Nyhamnen for the tenant Altran, who signed a lease for the entire building encompassing 930 m². We have created premises here to a modern standard in a historic building. The property was built in 1931 on behalf of the Customs service and is one of the area's oldest buildings.

Slagthuset 1, Malmö

AREA: 1,300 m²
LOCATION: City centre, Malmö
COMPLETION: Q3, 2020
INVESTMENT: SEK 21 million

We have redeveloped 1,300 m² on the bottom three floors of the Slagthuset high-rise for co-working & conference enterprise Mindpark, who, together with Goto 10 – a concept from the Internet Foundation in Sweden – is now managing coworking, reception, conference, café and event facilities there. This will enhance the general attractiveness of both Slagthuset and Nyhamnen.

Slagthuset 1, Malmö

AREA: 1,100 m²
LOCATION: City centre, Malmö
COMPLETION: Q3, 2020
INVESTMENT: SEK 18 million

Wihlborgs has redeveloped 1,100 m² of office space in the Slagthuset high-rise for software company Softhouse. We have created ultra-modern offices with work spaces and many public areas here in a property with origins dating back to the start of the 1900s. The high-rise section was built in 1991, however.

Erik Menved 37, Malmö

AREA: 1,500 m²
LOCATION: City centre, Malmö
COMPLETION: Q1, 2020
INVESTMENT: SEK 13 million

At Erik Menved 37, just a few minutes from Malmö Central Station, a redevelopment has been carried out for the tenant Academic Work, who has moved in to the building. The company had previously based its operations at Fisken 18, but as the company has now grown, we have enabled its expansion to new premises in Wihlborgs' portfolio.

Musköten 20, Helsingborg

AREA: 4,400 m²
LOCATION: Berga, Helsingborg
COMPLETION: Q4, 2020
INVESTMENT: SEK 93 million

At Berga we have built new office, production and laboratory premises for defence company MilDef, which has long been a tenant of Wihlborgs. The company is in the midst of strong growth, and the new facilities have more than doubled the space for operations. The building has its own solar power system and is Wihlborgs' first building to be certified in line with the new SGBC 3.0 standard.

Borupvang 5d, Copenhagen

AREA: 4,000 m²
LOCATION: Ballerup, Copenhagen
COMPLETION: Q4, 2020
INVESTMENT: SEK 68 million

The Borupvang 5d property is located in the business district of Lautrupparken in Ballerup. The buildings underwent a total renovation in 2020, with new installations and a new roof. The premises contain a new Danish head office for security company Assa Abloy.

Syret 5, Lund

AREA: 7,000 m²
LOCATION: Ideon, Lund
COMPLETION: Q2, 2020
INVESTMENT: SEK 13 million

In 2016, Volvo Cars established a 600 m² research and development centre at Ideon in Lund; since then, the operations have gradually expanded. In 2020, Volvo moved into Syret 5 (Delta 3), all 7,000 m² of which has been entirely adapted to Volvo's needs.

Mileparken 9a, Copenhagen

AREA: 2,300 m²
LOCATION: Ballerup, Copenhagen
COMPLETION: Q1, 2020
INVESTMENT: SEK 12 million

The premises at Mileparken 9a have been totally renovated into a modern office and warehouse facility for the tenant Caverion. Caverion has a showroom and its head office for the Copenhagen region here.

Hørkær 12, Copenhagen

AREA: 2,600 m²
LOCATION: Herlev, Copenhagen
COMPLETION: Q2, 2020
INVESTMENT: SEK 12 million

The shell of the building has been transformed into completely modernised premises with air conditioning for the IT company ECIT and Dansk Sundhedssikring, who are the largest tenants at the property.

Ongoing projects over SEK 10 million

Sparven 15, Malmö

AREA: 4,300 m²
LOCATION: City centre, Malmö
COMPLETION: Q3, 2021
INVESTMENT: SEK 44 million

Sparven 15 is undergoing a renovation consisting of maintenance of the entire building and adaptation of premises for new tenants Fortnox and law firm Wåhlin after the previous tenant Massive Entertainment/Ubisoft vacated.

Kranen 2, Malmö

AREA: 3,700 m²
LOCATION: Dockan, Malmö
COMPLETION: Q4, 2021
INVESTMENT: SEK 137 million

Region Skåne has signed an agreement for 9,000 m² in the same building as the police training premises at Malmö University for the Reproductive Medicine Center (RMC), which offers assisted reproduction and in-vitro fertilisation, as well as a speech-therapy centre.

Kranen 2, Malmö

AREA: 4,400 m²
LOCATION: Dockan, Malmö
COMPLETION: Q4, 2021
INVESTMENT: SEK 99 million

At Kranen 2, we are also redeveloping the final remaining spaces for Malmö University that will eventually create an examination centre with space for 350 students. We are also producing further premises for the police training academy that has been located in the building since 2019.

Ongoing projects over SEK 10 million

Pulpeten 5 (Kvartetten), Malmö

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

We are now building our third office project in Hyllie: Kvartetten, which is a stone's throw from Hyllie station. This will be an inspiring building with several facades, all with different designs based on the Öresund region. The design and size of the building will enable large floor plans with views in every direction. At the core of the building will be a generous atrium courtyard with a shared reception area, meeting rooms and restaurant. The building will be certified to SGBC Gold and the WELL health certification. We are placing great focus on reducing the environmental impact of the construction phase by using recycled steel and reducing material consumption.

Raffinaderiet 3, Lund

AREA: 5,800 m²
LOCATION: City centre, Lund
COMPLETION: Q2, 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. The building will be certified in line with SGBC, level yet to be decided.

Ursula 1 (Prisma), Helsingborg

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

Wihlborgs is building 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. The building is certified to SGBC Gold and has an outdoor gym, outdoor work spaces, a delivery service for e-commerce and a solar power system.

Terminalen 1, Helsingborg

AREA: 8,800 m²
LOCATION: City centre, Helsingborg
COMPLETION: Q1, 2021
INVESTMENT: SEK 257 million

Helsingborg Central Station is undergoing a transformation with the building gaining a new facade, new entrances and a new restaurant area. At the same time, the terminal building is also being upgraded to turn it into an attractive, modern and secure environment for passengers and visitors. Additionally, new modern office space is being added.

Visiret 5, Helsingborg

AREA: 1,500 m²
LOCATION: Berga, Helsingborg
COMPLETION: Q4, 2021
INVESTMENT: SEK 17 million

Dafo Fomtec's operations involve foam production, which have been based at Visiret 5 in Berga, Helsingborg, since 2007. We are now carrying out an extension of 1,470 m² of warehouse space and offices which will enable the company to continue to grow.

Hindbygården 7, Malmö

AREA: 1,800 m²
LOCATION: Fosie, Malmö
COMPLETION: Q2, 2022
INVESTMENT: SEK 58 million

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 will be certified Gold by SGBC.

Sunnanå 12:54, Malmö

AREA: 3,600 m²
LOCATION: Stora Bernstorp, Malmö/Burlöv
COMPLETION: Q1, 2021
INVESTMENT: SEK 96 million

At Stora Bernstorp, Wihlborgs is building a new service centre for Veho Bil, a Mercedes-Benz dealer. The building will be used for sales and service of trucks and buses. The building will be certified Silver by SGBC.

Sunnanå 12:54, Malmö

AREA: 2,300 m²
LOCATION: Stora Bernstorp, Malmö/Burlöv
COMPLETION: Q1, 2021
INVESTMENT: SEK 58 million

Next to Veho Bil's facility at Sunnanå 12:54, Wihlborgs is building a logistics centre with accompanying parking spaces and logistical spaces for Region Skåne's Skånetransport operations. The building will be certified Silver by SGBC.

Dubbelknappen 23, Malmö

AREA: 1,200 m²
LOCATION: Fosie, Malmö
COMPLETION: Q2, 2021
INVESTMENT: SEK 26 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. Wihlborgs is now building a production facility at the same property, spanning 1,200 m².

Future projects (selection)

Syret 8 (Zenit), Lund

AREA: Approx. 15,000 m² GFA
LOCATION: Ideon, Lund
CONSTRUCTION START: Not decided, possible construction start 2021

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 work spaces. Certification in line with SGBC Gold, WELL and Zero CO_2 is planned.

Smörkajen, Malmö

AREA: Approx. 10,000 m² GFA
LOCATION: Nyhamnen, Malmö
CONSTRUCTION START: Not decided, possible construction start in early 2022.

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 located at Smörkajen, with construction able to be started as soon as the detailed development plan is complete, which is expected to happen by the end of 2021.

Symbiosehusene, Copenhagen

AREA: Approx. 10,000 m² GFA
LOCATION: Hørkær, Herlev
CONSTRUCTION START: Not decided

For the Symbiosehusene project, we are planning to build housing above existing commercial properties to create a more vibrant area in which companies and residents live in harmony and share common resources. Read more about the project on page 66.

Bläckhornet 1 (Vista), Malmö

AREA: Approx. 20,000 m² GFA
LOCATION: Hyllie, Malmö
CONSTRUCTION START: Not decided

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. Certification in line with SGBC Gold, WELL and Zero CO_2 is planned.

Polisen 7, 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.

Financial information

Looking back is looking forward. Learning from past events helps us take the right decisions today for the future. Using a helicopter view, we can see that Wihlborgs is on the right path, even if we are not unaffected by the dramatic developments in the world around us in 2020. But our course is set and we are advancing steadily on established goals.

Administration Report

The Board of Directors and CEO of Wihlborgs Fastigheter AB (publ), corporate registration number 556367-0230, hereby present their 2020 Annual Report for the Group and Parent Company.

Review of 2020

Operations

Wihlborgs is a property company with operations focused in the Öresund region. The company's property portfolio comprises 294 (312) commercial properties, located primarily in Malmö, Helsingborg, Lund and Copenhagen with a carrying amount on the balance-sheet date of SEK 46,072 million (45,519). At 1 January 2021, the total rental value excluding projects and land was SEK 3,240 million (3,288) and the corresponding contractual rental income on an annualised basis was SEK 2,933 million (3,057). This gave an economic occupancy rate, excluding projects and land, of 91 percent (93).

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 collaboration started in 2016. The 2020 survey showed that 92 percent of our employees would recommend Wihlborgs as a workplace. The year-end number of full-time employees was 236, compared with 221 at the end of last year, of which 42 percent (40) are women and 58 percent (60) men. The average age was unchanged at 43. See pages 36–37 for further information on our workplace culture at Wihlborgs.

Results

In 2020, Group rental income rose 3 percent to SEK 3,074 million (2,983). The increase was attributable to completed projects, renegotiations, new lettings and the indexation of contracts. During the year, Sweden and the rest of the world was hit by the Covid-19 pandemic. The effects from the spread have entailed serious consequences for people and companies. While Wihlborgs' exposure to the segments most affected, such as hotels, restaurants and retail, is relatively small, income was negatively impacted in 2020. The greatest impact was from Covid-19 discounts granted to tenants amounting to SEK 19 million net after receiving state support of SEK 4 million. Parking revenue decreased SEK 5 million and sales in staff restaurants in Denmark declined SEK 6 million year-on-year. Property acquisitions and divestments had a negative net impact on income of SEK 14 million (positive: 129) and currency effects amounted to an expense of SEK 4 million (income: 17) for the period. Despite the pandemic, net lettings remained positive in 2020 and totalled SEK 31 million (95). Property costs totalled SEK 852 million, compared with SEK 843 million last year. Of the increase of SEK 9 million, half was attributable to property tax. Property costs include rent losses of SEK 5 million (7), which was on a par with previous years. The operating surplus increased SEK 82 million to SEK 2,222 million (2,140). The surplus ratio remained unchanged at 72 percent.

Interest income totalled SEK 14 million (14). Interest expenses, including realised effects of interest-rate derivatives and ground rents, amounted to SEK 332 million (341). Interest expenses relating to interest-rate derivatives amounted to SEK 39 million (60). The average interest rate was 1.38 percent (1.28) at year end, including the cost of interest-rate derivatives and credit agreements. Profit participations in joint ventures amounted to SEK 3 million. Last year, the shares in Fastighets AB ML4 were reclassified from participations in other companies to participations in joint ventures, which had an earnings impact of SEK 34 million.

The rise in the value of the property portfolio during the year amounted to SEK 826 million (1,479), of which SEK 311 million was attributable to project development. The divestment of 21 properties in the logistics/production segment has resulted in realised changes in value for these properties, and also led to a reduced investment yield requirement in the segment. A lower occupancy rate together with reduced inflation assumptions in the valuation models in the next few years have affected rent trends with a corresponding negative impact on property values. This has been partially offset by marginally reduced investment yield requirements for offices/stores in some sub-areas. Changes in value of derivatives amounted to negative SEK 73 million (positive: 13), of which a negative SEK 102 million (negative: 55) was attributable to interest-rate derivatives and a positive SEK 29 million (68) 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 flow from operating activities generated a surplus of SEK 1,831 million, compared with SEK 1,684 million in the preceding year, mainly through a higher operating surplus and positive working capital, while tax paid increased. Last year was a record year for investment operations, acquisitions were significantly fewer in 2020, whereas investments in existing properties remained at a high level despite the pandemic. At the year end, 21 properties were divested. Total cash flow from investment activities was a negative SEK 86 million (negative: 1,784). Strong cash flow from operating activities and a lower pace of investment together with property sales have enabled amortisation of borrowings, which decreased SEK 1,120 million over the year, compared with an increase of SEK 774 million last year. A dividend of SEK 692 million (576) was distributed to shareholders in 2020. Total cash flow for the Group during the year was SEK -75 million (97).

At year end, the company had a strong financial position. The Group's equity increased SEK 1,509 million to SEK 19,396 million, giving an equity/assets ratio of 41.3 percent (38.4) at year end. Interest-bearing liabilities at year end totalled SEK 22,208 million (23,628), resulting in a loan-to-value ratio of 48.2 percent (51.9). 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 2020.

Acquisition and sale of properties and subsidiaries

A total of 3 (8) properties were acquired during the year, of which one project property in Malmö and two properties in Copenhagen, for a total of SEK 327 million (2,881). 22 (6) properties were divested for SEK 1,540 million (2,764), all of which were in Malmö. 21 of the properties were divested as a portfolio in a corporate wrapper and primarily comprised logistics/production properties. For more information on changes to the property portfolio during the year, refer to Acquisitions and Sales on page 48.

Investments in existing properties and ongoing projects

Investing in the property portfolio is an important part of operations and through 2020 investments continued as planned despite the ongoing pandemic. During the year, SEK 1,231 million (1,659) was invested in existing properties. At year end, approved investments in ongoing projects amounted to SEK 2,227 million (1,585), of which SEK 916 million (640) had been invested at the turn of the year. During the year, a new building was completed at Medeon Science Park and a new production facility at Stenåldern 7, both in Malmö. A new office, production and laboratory building has been completed at Musköten 20 in Helsinborg. Moreover, eight larger redevelopments for new and existing tenants were completed at the properties: Hamnen 22:188, Slagthuset 1 and Erik Menved 37 in Malmö; Syret 5 in Lund; and Borupvang 5d, Mileparken 9a and Hörkaer 12 in Copenhagen. At year end, there were 12 major ongoing projects, of which seven were new builds or extensions; one redevelopment encompassed Helsingborg Central Station and the remainder redevelopments for new and existing tenants. Refer to pages 68–75 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 215 million (192), primarily from the sale of services to other companies within the Group. Profit for the year totalled SEK 1,327 million (1,909), the decrease was due to a lower result from participations in Group companies, slightly lower interest expenses than last year and a slight increase in tax. During the year, the Parent Company invested SEK 83 million (972), 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 94.2 million (58.4) Wihlborgs shares were traded on the Nasdaq Stockholm at a total value of SEK 15.0 billion (8.2), corresponding to a daily turnover of 374,000 shares (235,000). This represents a turnover rate of 61 percent (38) of the number of shares outstanding. See page 21 for a summary of the largest shareholders at 31 December 2020.

At 31 December 2020, the market capitalisation was SEK 28.5 billion, compared with SEK 26.5 billion last year. The EPRA NAV per share was SEK 152.44 (140.20) at year end. The share price at the same date was SEK 185.40 (172.50).

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 10.5 percent (10.3) of both the shares outstanding and the voting rights at 31 December 2020, the largest shareholder in Wihlborgs is Erik Paulsson and family, privately and through

companies. The proportion of shareholders registered abroad was 37 percent (40). At year end, the ten largest Swedish shareholders in Wihlborgs held 36.2 percent (33.6) of the shares registered. The number of shareholders at year end totalled 28,000 (27,000).

Profit-Sharing Fund

At 31 December 2020, employee holdings of shares via Wihlborgs' Profit-Sharing Fund totalled 561,140 shares (554,824).

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 2020 is integrated in the Annual Report and sustainability information presented on pages 30–43 and 132–150. 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 2020 AGM, the Chairman of the Board Anders Jarl was re-elected, as were the other six Board members. No Board members are entitled to compensation at the end of their term of office. Directors' fees for 2020 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 2020 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 2020.

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 2019.

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 2021 is the same as for 2020.

Outlook for 2021

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. We expect certain tenants to need continued support in the first six months of 2021, but we expect society to start to reopen following the vaccination of the population. As in previous years, net lettings will also remain in focus in 2021.

Proposed appropriation of profit, etc.

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

Retained earnings	5,056,793,464
Profit for the year	1,326,778,966
Total, SEK	**6,383,572,430**

The Board proposes that the profit be appropriates as follows:

Dividend to shareholders, SEK 5.25 per share	806,995,644
To be carried forward	5,576,576,786
Total, SEK	**6,383,572,430**

Wihlborgs has 153,713,456 registered shares. If the number of shares outstanding changes prior to the record date, the dividend sum of SEK 806,995,644 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 21.4 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 12.3 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 has a negative impact of SEK 73 million on equity (positive: 13).

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 2020 was 21.4 percent (21.4) in Sweden and 22 percent (22) in Denmark. From 2021, corporation tax in Sweden is being lowered to 20.6 percent.

Current tax

In 2020, Wihlborgs' current tax totalled SEK 46 million (54). 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, which means the rules entail that the possibility to deduct 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.

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 2,428 million (2,946).

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 2020 totalled SEK 204 million (199).

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 2020, non-deductible input VAT on operating costs totalled SEK 7 million (8). This amount was recognised as an operating cost in the annual accounts. In 2020, non-deductible input VAT on investments totalled SEK 7 million (4) 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 2020, SEK 18 million (1) 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 10 million (47) in 2020.

Energy taxes

In 2020, Wihlborgs procured energy at a cost of SEK 186 million (193) for use in its properties, primarily for heating, cooling, ventilation and lighting. Of this cost, energy taxes accounted for SEK 26 million (29). 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 2020, Wihlborgs' operations generated a total of SEK 318 million (342) in different categories of tax, as described above and detailed in the table below.

Breakdown of taxes paid (SEK m)	2020	2019
Income tax	46	54
Property tax	204	199
Value added tax	14	12
Stamp duty	28	48
Energy tax	26	29
Total tax paid	**318**	**342**

In addition to taxes paid, Wihlborgs has liabilities in the form of deferred taxes. Deferred income tax was SEK 3,853 million (3,582) and stamp duty SEK 31 million (28).

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 at 31 December 2020 was SEK 46,072 million (45,519). The valuation of the properties as of 31 December 2020 entailed an increase in the property value of SEK 826 million (1,479), of which SEK 311 million pertained to value increases attributable to project development and SEK 317 million to realised changes in value on sold properties. The remainder was positively affected by marginally reduced investment yield requirements for offices/stores in some sub-areas and by lower investment yield requirements for the logistics/production segment. The above was motivated by a negative impact on value from lower occupancy rates and lower inflation assumptions in the valuation models for the next few years.

For details of all value changes, see the table below.

Change in properties' carrying amount in 2020

Value change item	Group total, SEK m
Carrying amount, 1 January 2020	45,519
Acquisitions	327
Investments	1,231
Divestments	-1,540
Change in value	826
Currency translations	-291
Carrying amount, 31 December 2020	**46,072**

External market valuation

At the valuation date, 31 December 2020, 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 from 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):

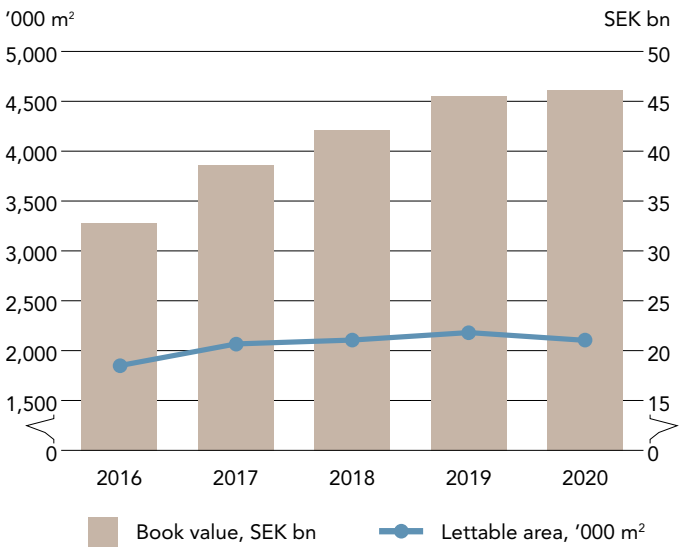
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

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 2018–2020 period.

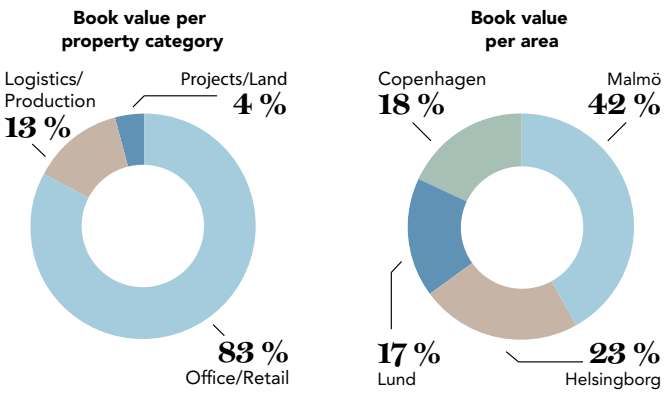
Valuation methods

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

Change in properties' carrying amount and lettable area 2016–2020



Carrying amount per property category and per area in 2020



budgeted remaining cost of the project. Undeveloped land and other upgrade projects are valued in accordance with the location-price method.

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 4.2 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	10.3
Market rent level	-10	-10.2
Operating and maintenance costs	20	-5.6
Operating and maintenance costs	-20	5.6
Investment yield, residual value	0.25	-3.8
Investment yield, residual value	-0.25	4.2

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 1 percent in 2021, 1.25 percent in 2022, 1.75 percent in 2023 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/m²	Operating and maintenance costs, SEK/m²
OFFICE/RETAIL					
Malmö City Centre	4.0–6.4	4–4.75	4–13	1,100–4,600	250–765
Malmö Dockan/Hyllie	4.0–6.8	4.0–5.25	5–12	1,100–2,850	250–798
Outer Malmö	4.0–7.4	5.0–6.0	7–12	675–1,575	229–612
Central Helsingborg	4.0–7.1	4.5–5.5	5–7	825–4,200	229–703
Outer Helsingborg	5.0–8.2	5.25–6.5	7–12	675–2,275	100–400
Lund Ideon	4.0–6.6	4.5–5.0	5–8	1,250–3,150	325–775
Central Lund/Gastelyckan	5.1–7.5	4.25–6.0	5–8	800–2,900	321–481
Copenhagen	–	5.25–8.00	8–12	633–2,110	32–951
LOGISTICS/PRODUCTION					
Outer Malmö	6.7–8.3	5.25–6.75	3–10	500–1,500	95–395
Outer Helsingborg	4.0–8.0	5.5–6.5	5–13	200–1 900	125–391
Central Lund/Gastelyckan	6.25–8.4	6.0–7.0	7–12	475–800	125–250
Copenhagen	–	5.50–8.50	8–12	281–914	37–309

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 numerous risks and uncertainties. By systematically reviewing, analysing and managing these risks and uncertainties, it is possible to limit them and concurrently create the prerequisites for continued growth.

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.

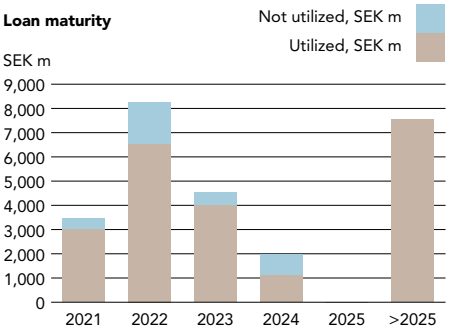
3. **Follow-up and evaluation.** The prioritised risks and risk management strategies are communicated to and established with the Board. Over the year, risk efforts are followed up by the Group management and reported annually to the Board.

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	4	2	High
Regulatory compliance	4	2	Medium
Strategic risks			
Property values	4	2	Medium
Climate change	2	4	High
Organisational capacity	3	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 1.38 percent (1.28) at year end. At year end, the average fixed-interest period for the loans was 3.6 years (3.5), including the effects of interest-rate derivatives. The changes in value of Wihlborgs' derivatives had a negative effect of SEK 73 million (positive: 13) 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 48.2 percent (51.9). Bank loans, including mortgages, accounted for 81 percent (76) of the total loan portfolio. There are a total of nine creditors, where the largest accounts for 17 percent of the loans. The remaining 19 percent (24) 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. 
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 2020, rent losses amounted to SEK 5 million (7), which was on a par with previous years. The low figure was largely due to Wihlborgs granting rent discounts that lowered income by SEK 19 million and deferrals to those tenants who were experiencing liquidity problems as a result of the pandemic. Of the rents due for payment (excluding granted deferrals) on 31 December, 99 percent had been received as of 31 January, which is better than the average for the past seven quarters.

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.

Total income increased 3 percent year-on-year, mainly as a result of completed projects, new lettings and indexation of contracts. Income from like-for-like portfolios at 1 January 2021 was down 0.9 percent (up: 3.2) year-on-year as a result of higher vacancies at year end. As per 1 January 2021, vacancies, excluding projects and land, amounted to SEK 307 million (231) with an occupancy rate of 91 percent (93). Net lettings were also positive for 2020 amounting to SEK 31 million (95). At year end, the average term for Wihlborgs' leases was 3.7 years (3.8). The following table shows when the property leases expire.

Terms of lease contracts

	Number of leases	SEK m	Share, %
2021	937	504	11
2022	526	497	17
2023	752	514	17
2024	253	404	17
2025	114	299	10
2026	57	229	9
>2026	89	414	19
Total	2,728	2,862	100

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 9 million compared with the preceding year. The increase was mainly attributable to higher property tax as well as repairs and maintenance. However, property costs have decreased slightly in relation to income.

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 1,231 million (1,659) was invested in existing properties and of the value increase in the property portfolio, project development accounted for SEK 311 million (618). 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 2,227 million (1,585), of which SEK 916 million had been invested at the end of the period. For more information concerning the projects, see pages 69–75.

Risk	Management	Outcome
Transactions		
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.	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.	In 2020, a portfolio with 21 logistics properties and one project property in Malmö was divested. Two properties were acquired in Denmark and one project property in Malmö. For more information on the acquired properties, see page 29.
Environmental risks		
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.	Wihlborgs has a well-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 updated on an ongoing basis. 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.	Wihlborgs has strengthened its environmental work during the year through, inter alia, recruiting employees with a special focus on environmental certification, where we are now accelerating efforts. Energy consumption per square metre in properties has decreased 7 percent and water use 13 percent. No contamination in the form of spills or leaks was recorded during the year. Read more about our environmental work on pages 40–43 and 148–149.
Occupational health and safety		
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 conjunction with maintenance work on properties, or accidents when tenants move in or around the buildings can occur, even if the likelihood is deemed low.	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.	In 2020, we registered five workplace accidents in our own operations, which is the same level as the previous year. Our contractors reported seven accidents in conjunction with new-build projects, however none involved any serious personal injury. Sick leave at Wihlborgs was stable at under 3 percent (2.29 percent in 2020). As a preventive measure, all managers have received work environment and health training. Read more about our work environment efforts on pages 36 and 146.
IT security		
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 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.	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.	In 2020, 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 by aware users, quick action and timely communication to users.
Property incidents		
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.	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.	Continued self-assessments and safety rounds together with conducting planned maintenance work as scheduled means that the properties are generally in good condition. No incidents took place at our properties in 2020, that resulted in serious injury to person or property.

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 under 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 2020, 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 these have also been evaluated based on Wihlborgs' Code of Conduct. No incidents of unethical behaviour or suspected corruption were notified through the whistle-blower function in 2020. 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 formation of the business function, Sustainable Business, strengthened the organisation and has created favourable preconditions for 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.	A new invoice management system was introduced in 2020, and in conjunction, responsibilities and rules for fact-checking and certification were clarified. Employees have kept themselves updated in various ways during the year on the new rules and laws that impact our operations.
STRATEGIC RISKS		
Property values		
The property portfolio directly affects earnings and key ratios. The extent of changes in value is partly determined by Wihlborgs' own capacity, through alteration and upgrading of properties, as well as by lease contracts and client structures, to increase the properties' market value, and partly by external factors that affect supply and demand in Wihlborgs' property markets.	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.	In 2020, changes in value for Wihlborgs totalled SEK 826 million (1,479), including SEK 311 million attributable to project development. The remaining value increase was positively affected by lowered investment yield requirements in certain areas and negatively affected by lower inflation assumptions over the coming years. 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	-2,024	279	2,583	4,887	7,190
Equity/assets ratio, %	37.2	39.3	41.3	43.1	44.7
Loan-to-value ratio, properties, %	53.6	50.7	48.2	45.9	43.8

Risk	Management	Outcome
Climate change		
Most indications point to some change in the climate 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.	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 (halving greenhouse gas emissions by 2030) and a recently developed climate roadmap guide this work. In our internal environmental instructions and guidance, we showcase how we can and should systematically reduce our climate impact from property management and new-build project development. This includes always conducting risk analyses for new construction projects to identify climate risks and any need for adaptation.	Wihlborgs implemented several measures in 2020 that reduced our climate impact. Greenhouse gas emissions from own operations decreased 54 percent year-on-year. We now use renewable energy products for almost all managed properties, reduce refrigerant leakages through more modern refrigeration plants and install solar panels in increasing numbers of properties. We have also made an inventory of and started work to reduce emissions in the value chain, such as our construction projects. Read more about our climate work on pages 40–42 and 148. On page 140, 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).
Organisational capacity		
A flexible, learning organisation is a prerequisite in a fast-moving, global world to be able to meet customer and other stakeholder expectations. 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.	Strengthening individuals' skills, the readiness to meet changes and the workplace collaboration climate all comprise crucial components for developing organisational capacity. Wihlborgs works continuously with developing skills in a number of defined key areas through its digital skills portal, the Wihlborgs Academy. The transfer of individual competence to new teams and departments is also promoted through various cross-functional forums. Wihlborgs is also increasingly working with change management and communication to support employees in adapting to the changing demands and expectations of our business environment.	The investment in employee skills development continued in 2020, through measures including the Wihlborgs Academy. We have devoted special focus to our property caretakers who meet our customers daily and thus comprise a key element of Wihlborgs' ability to meet customer expectations. In 2020, Wihlborgs received the Competensumpriset, where we were lauded for our work approach with continuous learning and education conducted in integration with daily operations close to customers.
Property portfolio		
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.	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.	Wihlborgs reported positive net lettings for 2020 in both Sweden and Denmark, which we view as confirmation that we continue to offer premises that are in demand in the market. During the year, we partially changed the portfolio composition through, inter alia, the divestment of 21 logistics properties in Malmö and additional acquisitions in Copenhagen.
Customer offering		
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. A risk exists that Wihlborgs is insufficiently innovative or flexible or does not fully understand customers' wishes and needs with a consequent increase in vacancies and declining rental income.	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.	In 2020, we conducted a customer survey together with a new survey institute and some updated questions. The survey showed confidence remained strong in Wihlborgs as a landlord (willingness to recommend of 85 percent), but also indicated a number of areas where tenants desired greater collaboration, for example in the area of sustainability. We also contracted a survey of the "Changing office market" to improve understanding of expectations of tomorrow's workplace.

Financial statements

Balance is not just important in our lives, financial accounts are also at their best when in harmony. When one plus one really equals two, and nothing else. However, in the greater perspective, each part of our operations contributes to one whole, where the sum of the parts is so much greater than their individual totals. We call this building value for the future.

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME			
SEK m	Note	**2020**	2019
	1–3		
Rental income	4	3,074	2,983
Property costs	5–6	-852	-843
Operating surplus		**2,222**	**2,140**
Other income		6	3
Central administration and marketing	6–8	-83	-75
Interest income		14	14
Interest expense		-327	-336
Ground rents		-5	-5
Share in results of joint ventures		3	34
Income from property management		**1,830**	**1,775**
Change in value, investment properties	9	826	1,479
Change in value, derivatives	10	-73	13
Pre-tax profit		**2,583**	**3,267**
Current tax	11	-46	-54
Deferred tax	11	-315	-290
Profit for the year		**2,222**	**2,923**
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		-121	41
Year's hedging of currency risk in foreign operations		122	-36
Tax attributable to items that may be reclassified to profit or loss for the year		-22	5
Other comprehensive income for the year		**21**	**10**
Comprehensive income for the year		**2,201**	**2,933**
Profit for the year, attributable to:			
Parent Company shareholders		**2,201**	**2,933**
Comprehensive income for the year, attributable to:			
Parent Company shareholders		**2,201**	**2,933**
PER-SHARE DATA (NO DILUTION AFFECT, AS THERE ARE NO POTENTIAL SHARES)			
Earnings per share, SEK		14.46	19.02
Dividend per share (2020, proposed dividend)		5.25	4.50
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	**2020**	2019
ASSETS			
Non-current assets			
Investment properties	13	46,072	45,519
Right-of-use assets	14	149	169
Equipment	15	25	33
Participations in joint ventures	16	84	75
Receivables from joint ventures	17	200	200
Long-term receivables	18	76	80
Total non-current assets		**46,606**	**46,076**
Current assets			
Accounts receivable	19	55	63
Other receivables		38	75
Prepaid expenses and accrued income	20	57	63
Cash and cash equivalents	21	205	280
Total current assets		**355**	**482**
Total assets		**46,961**	**46,558**
EQUITY AND LIABILITIES			
Equity	22		
Share capital		192	192
Other contributed capital		2,178	2,178
Reserves	12	67	88
Retained earnings including profit for the year		16,959	15,429
Equity attributable to Parent Company shareholders		**19,396**	**17,887**
Non-controlling interests		**–**	**–**
Total equity		**19,396**	**17,887**
Non-current liabilities			
Deferred tax liability	23	3,853	3,582
Other provisions	24	47	46
Non-current interest-bearing liabilities	25	22,208	22,558
Lease liability	2	139	164
Derivatives	26	183	81
Deferred income		13	14
Other non-current liabilities		4	9
Total non-current liabilities		**26,447**	**26,454**
Current liabilities			
Current interest-bearing liabilities	25	–	1,070
Lease liability	2	8	10
Accounts payable		193	292
Current tax liabilities		33	53
Other liabilities		312	241
Accrued expenses and deferred income	27	572	551
Total current liabilities		**1,118**	**2,217**
Total equity and liabilities		**46,961**	**46,558**

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 contri-buted capital	Reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
	12, 22	attributable to Parent Company shareholders						
Equity, 1 January 2019		**192**	**2,178**	**78**	**13,082**	**15,530**	**–**	**15,530**
Comprehensive income for the year								
Profit for the year		–	–	–	2,923	2,923	–	2,923
Other comprehensive income		–	–	10	–	10	–	10
Comprehensive income for the year		**–**	**–**	**10**	**2,923**	**2,933**	**–**	**2,933**
Transactions with the Group's owners								
Dividends paid		–	–	–	-576	-576	–	-576
Total transactions with the Group's owners		**–**	**–**	**–**	**-576**	**-576**	**–**	**-576**
Equity, 31 December 2019		**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**

CONSOLIDATED CASH FLOW			
SEK m	Note	**2020**	2019
OPERATING ACTIVITIES			
Operating surplus		2,222	2,140
Other income		6	3
Central administration		-83	-75
Non-cash items		18	12
Interest received		4	7
Interest paid		-338	-341
Income tax paid		-66	-25
Cash flows before change in working capital		**1,763**	**1,721**
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		62	-135
Changes in operating liabilities		6	98
Total change in working capital		**68**	**-37**
Cash flows from operating activities		**1,831**	**1,684**
INVESTMENT ACTIVITIES			
Property acquisitions	13	-327	-2,881
Investments in existing properties	13	-1,231	-1,659
Disposal of properties	13	1,486	2,764
Investments in equipment		-5	-19
Change in other long-term receivables		-9	11
Cash flow from investment activities		**-86**	**-1,784**
FINANCING ACTIVITIES			
Dividends paid		-692	-576
Borrowings	29	10,520	10,229
Loan repayments	29	-11,640	-9,455
Increase in other non-current liabilities		-8	-1
Cash flow from financing activities		**-1,820**	**197**
Change in cash and cash equivalents		**-75**	97
Opening cash and cash equivalents		**280**	183
Closing cash and cash equivalents	21	**205**	**280**

PARENT COMPANY INCOME STATEMENT			
SEK m	Note	**2020**	2019
	1–2		
Net sales	30	215	192
Operating costs	6, 8, 30	-203	-195
Operating profit/loss		**12**	**-3**
Result from financial items			
Result from participations in Group companies	31	945	1,571
Result from other securities and receivables accounted for as non-current assets	32	238	256
Other interest income and similar profit/loss items			0
Interest expense and similar profit/loss items	33	-190	-330
Change in value, derivatives	10	-102	-55
Profit after financial items		**903**	**1,439**
Appropriations	34	550	548
Pre-tax profit		**1,453**	**1,987**
Tax on profit for the year	11	-126	-78
Profit for the year		**1,327**	**1,909**

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME		
Profit for the year	**1,327**	**1,909**
Other comprehensive income for the year	**–**	**–**
Comprehensive income for the year	**1,327**	**1,909**

PARENT COMPANY BALANCE SHEET			
SEK m	Note	**2020**	2019
ASSETS	1–2		
Non-current assets			
Property, plant and equipment			
Equipment	15	8	11
Financial assets			
Participations in Group companies	35	9,506	9,591
Receivables from Group companies		14,231	13,399
Participations in joint ventures	16	43	43
Receivables from joint ventures	17	217	217
Other long-term receivables	18	13	13
Deferred tax assets	36	78	203
Total financial assets		**24,088**	**23,466**
Total non-current assets		**24,096**	**23,477**
Current assets			
Accounts receivable		2	0
Other receivables		10	8
Prepaid expenses and accrued income	20	29	23
Cash at bank and in hand	21	53	116
Total current assets		**94**	**147**
Total assets		**24,190**	**23,624**
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital		192	192
Unrestricted equity			
Retained earnings		5,057	3,840
Comprehensive income for the year		1,327	1,909
Total unrestricted equity		6,384	5,749
Total equity		**6,576**	**5,941**
Untaxed reserves		0	0
Provisions			
Other provisions for pensions	24	16	18
Non-current liabilities			
Non-current interest-bearing liabilities	25	14,683	15,516
Liabilities to Group companies		2,634	1,997
Derivatives	26	183	81
Total non-current liabilities		**17,500**	**17,594**
Current liabilities			
Accounts payable		19	7
Other liabilities		25	9
Accrued expenses and deferred income	27	54	55
Total current liabilities		**98**	**71**
Total equity and liabilities		**24,190**	**23,624**

STATEMENT OF CHANGES IN EQUITY IN PARENT COMPANY

SEK m	Note	Share capital	Restricted reserves	Unrestricted equity	Total equity
	22				
Equity, 1 January 2019		**192**	**0**	**4,416**	**4,608**
Dividends paid		–	–	-576	-576
Profit for the year/Comprehensive income for the year		–	–	1,909	1,909
Equity, 31 December 2019		**192**	0	**5,749**	**5,941**
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**

PARENT COMPANY CASH FLOW STATEMENT

SEK m	Note	**2020**	2019
OPERATING ACTIVITIES			
Operating profit/loss		12	-3
Depreciation/amortisation		3	3
Interest and dividends received		1,269	1,606
Interest paid		-294	-279
Cash flows before change in working capital		**990**	**1,327**
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		-10	-21
Changes in operating liabilities		25	2
Total change in working capital		**15**	**-19**
Cash flows from operating activities		**1,005**	**1,308**
INVESTMENT ACTIVITIES			
Acquisitions of non-current assets		-1	-1
Shareholders' contributions paid and new share issues		-74	-243
Acquisition of participations in Group companies		-9	-729
Disposal of participations in Group companies		102	1,445
Increase in receivables from Group companies		-850	-1,377
Cash flow from investment activities		**-832**	**-905**
FINANCING ACTIVITIES			
Dividends paid		-692	-576
Borrowings	29	8,086	7,571
Loan repayments	29	-8,817	-7,077
Increase in other non-current liabilities and provisions		637	-755
Group contributions received		550	548
Cash flow from financing activities		**-236**	**-289**
Change in cash and cash equivalents		-63	115
Opening cash and cash equivalents		116	1
Closing cash and cash equivalents	21	**53**	**116**

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 (the Parent Company) for the 2020 financial year have been approved by the Board of Directors and the Chief Executive Officer for publication on 10 March 2021 and will be presented to the Annual General Meeting (AGM) on 27 April 2021 for adoption. The Parent Company is a Swedish public limited company with its registered office in Malmö. The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group.

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
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 2020 or enter force in 2021, 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 2020 have not had any material effect on the Parent Company's financial reports from 2020, aside from some disclosure requirements. The same applies for amendments that enter force in 2021.

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, and have been prepared in accordance with the acquisition method. The Group companies acquired in December 2004 are reported in the Wihlborgs Group up to the amounts recognised in the Fabege 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 difference 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. 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. Where a hedge is not wholly effective, the ineffective portion is recognised in profit for the year. 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, the introduction of IFRS 16 on 1 January 2019 largely means that all leases have to be recognised in the statement of financial position, measured at the present value of future lease payments. Previously, all leases were managed as operating leases. With the exception of contracted site leasehold agreements, Wihlborgs' exposure as a lessee, through leases for premises (from 1 December 2019) and smaller leases for assets, such as vehicles, is limited. From 2020, all leases are recognised as right-of-use assets in the statement of financial position, in 2019, low-value leases were recognised under the line item for equipment. 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. From 2019, costs for ground rents are recognised as financial expenses, which differs from the previous principle whereby these were recognised as operating costs. Other costs for leased assets are recognised as depreciation and interest expense from 2019. 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 can receive 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. Mortgages raised are not expensed but capitalised as investment in property.

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. In the consolidated balance sheet, untaxed reserves are divided into deferred tax liabilities and equity. Equity is then eliminated so that only equity earned after the date of acquisition remains. In the consolidated income statement, the appropriation to or withdrawal from untaxed reserves is divided between deferred tax and profit for the year.

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.

In the case of properties acquired via asset acquisition, the fair value is downwardly adjusted by an amount equal to any discount provided, in respect of the deferred tax, at acquisition. The tax discount is not considered in subsequent valuation.

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 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 recognised at fair value, which corresponds to cost, plus transaction costs, with the exception of the category financial instruments recognised at fair value through profit or loss where transaction costs are not included. Subsequent reporting occurs thereafter depending on how classifications have been made according to the following. Financial transactions such as incoming and outgoing payments of interest and credit are entered in the accounting bank's books on settlement date, while other incoming and outgoing payments are entered into the accounting bank's books on the accounting date. A financial asset is derecognised from the balance sheet when the contractual rights are realised, expire or the company loses control over the asset. A financial liability is derecognised from the balance sheet when the obligation has been fulfilled or has 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 accounts receivable. 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. Borrowings are thereby recognised at amortised cost. There are rent receivables, other receivables in the Group 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 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.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.

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 5.7 percent for 2020, 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 435 million (340), of which SEK 34 million (53) 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 (46) of total borrowings comprised bank loans, 34 percent (30) comprised mortgages and the remaining 19 percent (24) comprised bonds issued. There were 9 (9) of whom the largest represented 17 procent (16). Wihlborgs has issued non-covered bonds totalling SEK 1,575 million (2,651) in a Medium Term Note programme. Additionally, bonds amounting to SEK 2,706 million (2,943) were issued via the part-owned finance company Svensk FastighetsFinansiering.

Most of the interest-bearing liabilities, which amounted to SEK 22,208 million (23,628) 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 25,864 million (26,734), of which SEK 22,208 million (23,628) had been utilised on 31 December 2020. Wihlborgs has secured access to financing via long-term credit facilities. The average loan maturity, including credit facility, was 6.1 years (5.7). The table below shows the credit facilities that existed at year end.

In the statement of financial position, the current portion of interest-bearing liabilities have been reduced by the sum of unutilised long-term credit agreements, see Note 25.

Credit facilities, SEK m

	31 Dec 2020		31 Dec 2019	
	Amount	Utilised	Amount	Utilised
Long-term binding loan agreements with banks	21,395	18,626	19,481	16,662
Short-term binding loan agreements with banks	2,459	1,973	4,262	4,262
Overdraft facilities	435	34	340	53
Total loan agreements	**24,289**	**20,633**	**24,083**	**20,977**
Bond, uncovered, framework SEK 4,000 m	1,575	1,575	2,651	2,651
	25,864	**22,208**	**26,734**	**23,628**

Maturity structure of credit framework agreements, SEK m

	31 Dec 2020		31 Dec 2019	
	Agreement	Utilised	Agreement	Utilised
0–1 year	3,484	2,998	4,262	4,262
1–2 years	8,269	6,539	8,520	7,015
2–3 years	4,550	4,000	7,023	5,422
3–4 years	2,000	1,110	431	431
4–5 years	7	7	0	0
>5 years	7,554	7,554	6,498	6,498
	25,864	**22,208**	**26,734**	**23,628**

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 69 million (66) and decreasing SEK 51 million (35), 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 6.5 (6.2). The average interest rate, including the cost of credit agreements, decreased to 1.38 percent (1.28) as of 31 December 2020.

The tables below show the interest maturity structure as per 31 December 2020 and 2019, respectively.

Interest maturity structure at 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**

Interest maturity structure at 31 Dec 2019, SEK m

	Excl. derivatives	Interest-rate derivatives	Net	Average interest, %
2020	21,838	-11,222	10,616	1.05
2021	0	2,130	2,130	1.02
2022	0	1,630	1,630	1.13
2023	0	2,130	2,130	1.38
2024	0	1,288	1,288	1.53
>2024	1,790	4,044	5,834	1.67
	23,628	**0**	**23,628**	**1.26**

The deficit value in Wihlborgs' interest-rate derivative portfolio at the end of the year was SEK 183 million (81). At year end, the interest-rate derivative portfolio included a total of SEK 13.5 billion (12.9) comprising 30 (28) 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, %
2021	2,130	0.05
2022	1,630	0.16
2023	2,430	0.39
2024	1,788	0.41
2025	1,788	0.42
2026	1,252	0.59
2027	752	1.05
2028	752	1.12
2029	500	0.12
2030	500	0.13
Total	**13,522**	**0.39**

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 at 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 credits, calculated at 31 Dec 2019, SEK m

	Maturity of credits	Interest on credits	Interest on derivatives	Total
1–3 months	1,047	69	12	1,128
4–12 months	3,215	177	36	3,428
1–2 years	7,015	175	48	7,238
2–3 years	5,422	68	48	5,538
3–4 years	431	49	42	522
4–5 years	0	48	33	81
>5 years	6,498	671	68	7,237
	23,628	**1,257**	**287**	**25,172**

Future liquidity flows other financial debts, 31 dec 2020, SEK m

The following table illustrates the maturity breakdown of financial liabilities (excl. borrowings and derivatives). The amounts in the table are undiscounted.

31 Dec 2020

	0–3 months	4–12 months	1–5 years	>5 years	Total
Lease liabilities	2	6	11	128	147
Accounts payable	193	–	–	–	193
Other liabilities	71	110	73	46	300
	289	**116**	**84**	**174**	**663**

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 accounts receivable and promissory notes corresponds to the carrying amount, refer to Note 19 for an age analysis of accounts receivable.

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. Exchange-rate risk exposure includes unhedged net positions — the difference between assets and liabilities, and the difference between in- and outflows in foreign currencies. 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 2,104 million (1,828); lending to the same operations of DKK 380 million (440); and Danish kronor bank loans in the Swedish Group companies of DKK 2,466 million (2,000), which have been taken up as a currency hedge for net investments and lending. After taking into account the tax effect, net exposure is 81.4 percent. A movement in the exchange rate of one percentage point would have an impact on other comprehensive income of SEK 6 million (13), including tax 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	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Rental income	1,065	1,026	688	646	462	472	557	539	2,773	2,683
Service income	107	106	52	50	63	65	80	78	301	300
Property costs	-287	-287	-181	-178	-162	-162	-222	-215	-852	-843
Operating surplus	**885**	**845**	**559**	**518**	**363**	**375**	**415**	**402**	**2,222**	**2,140**
Ground rents	-1	-1	-4	-4	0	0	0	0	-5	-5
Changes in property values	514	1,101	198	196	-25	48	139	134	826	1,479
Segment profit	**1,398**	**1,945**	**753**	**710**	**338**	**423**	**554**	**536**	**3,043**	**3,614**
ITEMS NOT CLASSIFIED BY SEGMENT										
Other income and central administration		–		–		–		–	-77	-75
Net financial items excl. ground rent		–		–		–		–	-313	-322
Change in value, derivatives		–		–		–		–	-73	13
Profit participation in joint ventures		–		–		–		–	3	34
Tax on profit for the year		–		–		–		–	-361	-344
Net profit		–		–		–		–	**2,222**	**2,923**
PROPERTY VALUES AND INVESTMENTS PER SEGMENT										
Properties	19,361	19,747	10,657	10,054	7,910	7,826	8,144	7,892	46,072	45,519
Property acquisitions for the year	105	92	0	1,313	0	1,260	222	216	327	2,881
Other investments in properties	535	863	406	347	109	180	181	269	1,231	1,659

Further information on the respective market areas is available on pages 50–66.

Revenue and property value per country

	Rental income		Property value	
	2020	2019	**2020**	2019
Denmark	637	617	8,144	7,892
Sweden	2,437	2,366	37,928	37,627
	3,074	**2,983**	**46,072**	**45,519**

Wihlborgs has no tenant whose rent represents more than 10 percent or more of the Group's total rental income.

NOTE 4 | Revenue

	Group	
	2020	2019
Rental income, gross	3,041	2,936
Rental income, unlet	-269	-253
Service income, gross	312	308
Service income, unlet	-10	-8
	3,074	**2,983**

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 (55) of rental income is sales-based rent on premises and SEK 143 million 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 2020, the negative impact on income amounted to SEK 19 million net after receiving state support of SEK 4 million.

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	
	2020	2019
Within 1 year	2,590	2,845
Between 1 and 5 years	5,714	6,342
More than 5 years	1,870	2,471
	10,174	**11,659**

Of the above-mentioned future payments regarding rental and service income not subject to lease termination, SEK 241 million (590) relates to leases signed before year end but with occupancy taking place on a later date in the following year. At year end, Wihlborgs had 2,728 commercial lease agreements (2,904) with contractual rental income totalling SEK 2,862 million (2,967) and an average term of 3.7 years (3.8). For more information on rents and leases, see pages 46–47.

NOTE 5 | Property costs

	Group	
	2020	2019
Heating, electricity and water/sewerage	199	208
Other operating costs	230	219
Repairs and maintenance	97	94
Property tax	204	199
Property management	122	123
	852	**843**

Other operating costs include costs for property upkeep, cleaning, insurance, alarm systems and security as well as rent losses. Rent losses in 2020 amounted to SEK 5 million (7), corresponding to 0.2 percent (0.2) of total revenue.

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	**2020**	Of whom, men	2019	Of whom, men
Parent Company, Sweden	130	79	115	73
Subsidiaries, Sweden	7	0	8	0
Subsidiaries, Denmark	95	61	81	53
Group, total	**232**	**140**	**204**	**126**

Gender distribution	Board of Directors		Senior executives	
	2020	2019	**2020**	2019
Men	4	4	4	2
Women	3	3	4	3
Total	**7**	**7**	**8**	**5**

Salaries, other remuneration and social security costs	Group		Parent Company	
	2020	2019	**2020**	2019
SALARIES AND OTHER REMUNERATION				
Chief Executive Officer				
Basic salary	4.7	4.0	4.7	4.0
Benefits	0.1	0	0.1	0
Other senior executives				
Basic salary	10.1	9.4	10.1	9.4
Benefits	0.3	0.2	0.3	0.2
Other employees	129.5	113.2	51.2	49.6
Total	**144.7**	**126.8**	**66.4**	**63.2**
PENSION COSTS AND OTHER SOCIAL SECURITY COSTS				
Chief Executive Officer	1.4	1.2	1.4	1.2
Other senior executives	2.5	1.7	2.5	1.7
Other employees	15.8	16.2	9.4	10.2
Other social security costs	28.9	29.6	27.2	28.0
Of which, Chief Executive Officer	*1.8*	*1.6*	1.8	*1.6*
Of which, other senior executives	*3.3*	*2.7*	3.3	*2.7*
Total	**48.6**	**48.7**	**40.6**	**41.1**

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 425,000 (350,000) and other Board members, excluding the CEO, receive SEK 190,000 (165,000) each. No separate fee was paid to Anders Jarl for assisting the company management (2019, fee of SEK 1.1 million). 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. Moreover, from 1 September 2020, Group Management also includes the regional directors for Malmö, Lund and Helsingborg. 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	**2020**	2019
Anders Jarl	752	1,770
Tina Andersson	182	160
Sara Karlsson	182	160
Jan Litborn	182	160
Helen Olausson	182	160
Per-Ingemar Persson	182	160
Johan Qviberg	182	160
	1,842	**2,730**

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 2020 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 6.1 million (5.5). 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 2020, Alecta's surpluses in the form of the collective consolidation level was 148 percent (148).

Severance pay

The notice of termination of employment, on either side, for the CEO is six months. If employment if 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 2020 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 2020 include an allocation of SEK 9.6 million (7.9), of which SEK 5.8 million (5.6) 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, HR, IT, investor relations and central marketing as well as other costs associated with being a public listed company. 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	
	2020	2019	**2020**	2019
Deloitte				
Audit engagement	2,969	2,527	2,373	2,233
Auditing activities other than the audit engagement	522	290	290	290
Tax advice	–	19	–	19
Other services	90	–	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	
	2020	2019
Change in value, properties sold	317	50
Change in value, property portfolio on 31 Dec.	509	1,429
	826	**1,479**

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, performed a valuation of all Wihlborgs' properties in Sweden as per 31 December 2020. 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 deficit value in the interest-rate derivative portfolio at the end of the year was SEK 183 million (81).

	Group		Parent Company	
	2020	2019	**2020**	2019
Change in value				
– Interest-rate derivatives	-102	-55	-102	-55
– Other financial items	29	68	–	–
Total	**-73**	**13**	**-102**	**-55**

NOTE 11 | Tax on profit for the year

	Group		Parent Company	
	2020	2019	**2020**	2019
Current tax on profit for the year	-44	-54	-1	0
Adjustment of current tax, previous years	-2	0	0	–
Total current tax	-46	-54	-1	0
Deferred tax	-315	-290	-125	-78
Total tax	**-361**	**-344**	**-126**	**-78**
Nominal tax on pre-tax profit	-539	-679	-311	-425
Tax effect, adjustment items				
– Dividend from Group companies	–	–	219	292
– Impairment/reversal of participations in Group companies	–	–	-16	-114
– Sale of properties via companies	138	282	–	–
– Gain from sale of subsidiaries	–	–	–	158
– Revaluation of previous provisions	13	11	–	–
– Adjustment of opening temporary differences and loss carryforwards	65	32	40	10
– Share of profits of associated companies	3	7	–	–
– Other adjustment items	-39	4	-58	1
Total tax, excl. current tax, previous years	**-359**	**-343**	**-126**	**-78**
Adjustment of current tax, previous years	-2	-1	0	–
	-361	**-344**	**-126**	**-78**

In addition to that reported above, the Group has tax revenue attributable to components of other comprehensive income amounting to SEK -22 million (5).

The nominal tax rate is 21.4 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	2020	2019
Pre-tax profit	2,583	3,267
Changes in value	-753	-1,492
Tax deductible depreciation on buildings	-778	-859
Direct deductions, tenant improvements and replacement of components, etc.	-191	-311
Taxable profit, property sales	91	102
Share of profits of associated companies	-3	-34
Non-deductible interest expenses	22	16
Miscellaneous	62	-73
Taxable profit before loss carryforwards	1,033	616
Loss carryforwards, opening balance	-2,945	-3,169
Adjustment of opening deficit for retaxation and revaluation	-317	-145
Loss carryforwards, closing balance	2,428	2,945
Taxable profit	199	247
Current tax on profit for the year	**-44**	**-53**
Current tax on previous years' profits	**-2**	**-1**

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.

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

2019	Opening balance	Change in translation reserve for the year	Transferred to profit for the year	Closing balance
Translation of net investments in foreign operations	234	41	–	275
Hedging of currency risk in foreign operations	-165	-36	–	-201
Tax attributable to the above items	9	5	–	14
	78	10	–	88

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 its own properties in Copenhagen, Lund and Helsingborg and, until 1 December 2019, in Malmö. 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 2,227 million (1,585), of which SEK 916 million (640) had been invested at year end.

Of the carrying amounts for the properties, it is estimated that SEK 157 million (148) relates to capitalised borrowing costs. The interest rate used to calculate the capitalised borrowing cost is based on the average interest rate of the loan portfolio. On 31 December 2020, the interest rate was 1.66 percent (1.59).

At year end, the residual value of the property portfolio for tax purposes was SEK 20,322 million (20,405).

Change in carrying amount for the year

	Group	
	2020	2019
Carrying amount, beginning of year	45,519	42,146
Property acquisitions	327	2,881
Investments	1,231	1,659
Divested properties	-1,540	-2,764
Change in value	826	1,479
Currency translations	-291	118
Carrying amount	**46,072**	**45,519**

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 newbuild projects are valued as if the project were completed, less the budgeted remaning costs 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, %	Change in yield value, %	
		2020	2019
Market rent level	10	10.3	10.2
Market rent level	-10	-10.2	-9.9
Operating and maintenance costs	20	-5.6	-5.8
Operating and maintenance costs	-20	5.6	5.9
Investment yield, residual value	0.25	-3.8	-3.6
Investment yield, residual value	-0.25	4.2	4.1

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. Costs are expected to rise by 0.5 percentage points above the rate of inflation during the calculation period.
Inflation assumption	Over the calculation period, the CPI was assessed to be 1 percent in 2021, 1.25 percent in 2022, 1.75 percent in 2023 and thereafter to follow Riksbanken's (the Swedish Central Bank) long-term target of 2 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/m²	Operating and maintenance costs, SEK/m²
OFFICE/RETAIL					
Malmö City Centre	4.0–6.4	4–4.75	4–13	1,100–4,600	250–765
Malmö Dockan/Hyllie	4.0–6.8	4.0–5.25	5–12	1,100–2,850	250–798
Outer Malmö	4.0–7.4	5.0–6.0	7–12	675–1,575	229–612
Central Helsingborg	4.0–7.1	4.5–5.5	5–7	825–4,200	229–703
Outer Helsingborg	5.0–8.2	5.25–6.5	7–12	675–2,275	100–400
Lund Ideon	4.0–6.6	4.5–5.0	5–8	1,250–3,150	325–775
Central Lund/Gastelyckan	5.1–7.5	4.25–6.0	5–8	800–2,900	321–481
Copenhagen	–	5.25–8.00	8–12	633–2,110	32–951
LOGISTICS/PRODUCTION					
Outer Malmö	6.7–8.3	5.25–6.75	3–10	500–1,500	95–395
Outer Helsingborg	4.0–8.0	5.5–6.5	5–13	200–1,900	125–391
Central Lund/Gastelyckan	6.25–8.4	6.0–7.0	7–12	475–800	125–250
Copenhagen	–	5.50–8.50	8–12	281–914	37–309

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.

NOTE 14 | Leases pursuant to IFRS 16

Right-of-use assets OB/CB per lease class

	Leaseholds	Office premises	Vehicles
Opening balance (OB), 1 Jan 2020	146	23	5
New leases	–	–	5
Depreciation	–	-5	-2
Remeasurements	2	-5	0
Terminations/sales	-19	–	-1
Closing balance (CB) 31 Dec 2020	**129**	**13**	**7**

In 2019, leaseholds and office premises were recognised under the item Right-of-use assets and vehicles under the item Equipment. In 2020, all were recognised under Right-of-use assets.

Amounts recognised in profit or loss

	2020	2019
Depreciation of right-of-use assets	-7	-3
Interest expense on lease liabilities	-5	-5
Costs for low-value and short-term leases	-1	-1
Total	**-13**	**-9**

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

	2020	2019
Year 1	12	14
Years 2–5	27	38
More than 5 years	109	123
Total	**148**	**175**

NOTE 15 | Equipment

	Group		Parent Company	
	2020	2019	**2020**	2019
Opening balance, cost	80	57	23	22
Adjustment OB – equipment leases	–	6	–	–
Reclassifications, equipment leases	-8	–	–	–
Investments	4	17	1	1
Sales and disposals	0	0	–	0
Closing balance, cost	76	80	24	23
Opening balance, depreciation	-47	-38	-12	-9
Reclassifications, equipment leases	3	–	–	–
Sales and disposals	0	0	–	–
Depreciation for the year	-7	-9	-4	-3
Closing balance, depreciation	-51	-47	-16	-12
Carrying amount	**25**	**33**	**8**	**11**

Leased vehicles are recognised as right-of-use assets from 2020.

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.

During 2019, Fastighets AB ML4 was reclassified as a joint venture from previously having been recognised as an unconsolidated structured entity. The earnings impact of the reclassification amounted to SEK 34 million.

	Group		Parent Company	
	2020	2019	**2020**	2019
Carrying amount at beginning of year	75	20	43	22
Reclassification	–	21	–	21
Acquisitions	–	–	–	–
Share of profit	9	34	–	–
Carrying amount at year end	**84**	**75**	**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	62	21
SFF Holding AB 556958-5606	Stockholm	20.0	–	–
			84	**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. Hälsostaden has driven efforts with a new detailed development plan for a new health hotel. Ängelholm municipality decided to adopt the plan during the year, but an appeal against the decision has been launched with the Land and Environmental Court, with a verdict on the matter expected in 2021. A new project was launched for a new care facility in the northern part of the site in order to enable the remaining operational facilities in the southern part of the hospital to be decommissioned by 2022 at the latest. The investment is estimated at SEK 200 million.
- 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. The acquisition of Nya Vattentornet 2 och 4 AB in February 2019 included Vasakronan's share (33.3%) of Ideon AB.
- 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 in Lund which was inaugurated in 2016. The lease with Lund University, which is leasing the MAX IV facility, extends until 2040. Moreover, the company signed a 20-year lease with Lund University regarding a new research facility, the Comparative Medicine Unit (CMU), of about 4,000 m². Construction is ongoing and occupancy estimated for 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	**2020**	2019
Operating income	226	230
Operating costs	-69	-80
Net financial items	-54	-51
Depreciation	-82	-79
Tax	-6	-5
Earnings	**15**	**15**

Assets		
Non-current assets	3,288	3,118
Current assets	67	66
	3,355	**3,184**
Liabilities and equity		
Equity	186	169
Non-current liabilities	2,941	2,845
Current liabilities	228	170
	3,355	**3,184**
Carrying amount	**84**	**75**

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 is owned equally by the listed property companies Catena AB, Diös Fastigheter AB, Fabege 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 8,280 million (8,852) had been issued, of which Wihlborgs' share amounted to SEK 2,706 million (2,943).

Summary of joint venture company earnings and financial position (100%)		
Earnings	**2020**	2019
Operating income	12	12
Operating costs	-12	-14
Net financial items	5	6
Changes in property values	-2	6
Tax	0	-2
Earnings	**3**	**8**
Assets		
Investment properties	204	210
Other non-current assets	6,543	3,453
Current assets	2,814	6,536
	9,561	**10,199**
Liabilities and equity		
Equity	1,195	1,251
Non-current liabilities	6,243	3,289
Current liabilities	2,123	5,659
	9,561	**10,199**

NOTE 17 | Receivables from joint ventures

	Group		Parent Company	
	2020	2019	**2020**	2019
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	
	2020	2019	**2020**	2019
Maturity date between 1–5 years from balance-sheet date	56	48	11	–
Maturity date more than 5 years from balance-sheet date	20	32	2	13
Carrying amount	**76**	**80**	**13**	**13**

Of the above receivables, SEK 0 million (10) for the Group and SEK 0 million (0) for the Parent Company pertained to interest-bearing receivables.

NOTE 19 | Analysis of credit exposures in accounts receivable

	Group	
Maturity structure – accounts receivable due	**2020**	2019
Accounts receivable that are neither due nor impaired	19	23
Accounts receivable that are due		
1–30 days	5	13
31–60 days	4	2
61–90 days	2	3
>90 days	43	40
Of which, provision made (excluding VAT)	-18	-18
Total	**55**	**63**

The total cost for the year for confirmed and anticipated bad debts amounted to SEK 5 million (7).

NOTE 20 | Prepaid expenses and accrued income

	Group		Parent Company	
	2020	2019	**2020**	2019
Accrued rental income, etc.	14	20	–	2
Accrued interest income	15	5	15	5
Prepaid expenses	28	38	14	16
Total	**57**	**63**	**29**	**23**

NOTE 21 | Cash and cash equivalents

Cash and cash equivalents comprise bank balances. Unused overdraft facilities that are not included in cash and cash equivalents amounted to SEK 401 million (287), of which SEK 300 million (200) 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

All shares have equal voting rights, one vote per share. Quotient value per share, SEK 1.25 (1.25). In 2020, shareholders received a dividend of SEK 4.50 (3.75) per share, representing a total of SEK 692 million (576).

PROPOSED DISTRIBUTION OF PROFIT

The Board has proposed that the funds available for appropriation by the AGM, an amount of SEK 6,383,572,430, be distributed as follows: dividend to shareholders SEK 5.25/share, a total of SEK 806,995,644, and that SEK 5,576,576,786 be carried forward.

The proposed dividend is subject to approval by the AGM, to be held on 27 April 2021.

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 21.4 percent.

– 50 percent of profit realised from property sales, that is, the sales price, less total capital invested, after deduction of tax at 21.4 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 2020	Outcome 2020	Average 2016–2020
Return on equity is to exceed the risk-free interest rate by no less than six percentage points, %	5.7	11.9	19.1
Equity/assets ratio, %	>30	41.3	37.0
Loan-to-value ratio, %	<60	48.2	52.3
Interest coverage ratio, multiple	>2.0	6.5	4.7

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 2020. For more information on the Group's financial targets, dividend policy etc., see pages 17–21.

NOTE 23 | Deferred tax liability

	Group	
	2020	2019
Deferred tax is based on the net of:		
– Loss carryforwards	-501	-607
– Difference between carrying amount and taxable value of properties	4,369	4,202
– Difference between carrying amount and taxable value related to derivatives	-38	-17
– Other temporary differences	23	4
	3,853	**3,582**

The loss carryforwards that have been utilised to calculate deferred tax amounted to SEK 2,428 million (2,946). Of this amount, SEK 1,980 million (1,993) is a deficit that is non-permissible since it is Group contributions or is merger-related.

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 90 million (213).

NOTE 24 | Other provisions

	Group		Parent Company	
	2020	2019	**2020**	2019
Stamp duty, property acquisition	31	28	–	–
Other provisions for pensions	16	18	16	18
Carrying amount	**47**	**46**	**16**	**18**

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.

NOTE 25 | Interest-bearing liabilities

Loans to credit institutions

	Group		Parent Company	
	2020	2019	**2020**	2019
Maturity date up to 1 year from balance-sheet date	2,998	4,262	1,974	2,476
Maturity date between 1 and 5 years from balance-sheet date	11,656	12,868	9,920	10,806
Maturity date more than 5 years from balance-sheet date	7,554	6,498	2,789	2,235
	22,208	**23,628**	**14,683**	**15,516**
– of which, non-current portion	22,208	22,558	14,683	15,516
– of which, current portion	0	1,070	0	0
	22,208	**23,628**	**14,683**	**15,516**

The amounts above include the utilised bank overdraft facility, which was SEK 34 million (53) for the Group and SEK 0 million (0) for the Parent Company. The credit limit approved as a bank overdraft facility was SEK 435 million (340) for the Group and SEK 300 million (200) for the Parent Company. The current portion of loans has been wholly or partly reduced by unutilised long-term credit agreements. 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 2,706 million (2,943) and own bond loans of SEK 1,575 million (2,651).

NOTE 26 | Derivatives

Analysis of value of derivatives based on maturity

	Group		Parent Company	
	2020	2019	**2020**	2019
Less than 1 year from balance-sheet date	-1	2	-1	2
Between 1 and 5 years from balance-sheet date	-78	-16	-78	-16
More than 5 years from balance-sheet date	-104	-67	-104	-67
	-183	**-81**	**-183**	**-81**
of which, recognised as				
Non-current receivable				
– Interest-rate derivative, surplus value	–	–	–	–
Non-current liability				
– Interest-rate derivative, deficit value	-183	-81	-183	-81

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	
	2020	2019	**2020**	2019
Prepaid rent	422	396	–	–
Interest expense	23	30	20	22
Additional expenses, sold properties	17	17	–	–
Personnel-related expenses	30	25	23	19
Other accrued costs	80	83	11	14
	572	**551**	**54**	**55**

NOTE 28 | Pledged assets and contingent liabilities

	Group		Parent Company	
Pledged assets	**2020**	2019	**2020**	2019
Property mortgages	23,112	23,086	–	–
Participations in Group companies	3,643	3,249	1,179	1,224
Participations in joint ventures	21	21	21	21
Endowment insurance	13	13	13	13
Promissory notes	–	–	14,036	12,885
Bank deposits	6	9	–	–
	26,796	**26,378**	**15,249**	**14,143**
Contingent liabilities				
Guarantee commitments on behalf of subsidiaries	–	–	4,427	4,430
Other contingent liabilities	398	342	398	342
	398	**342**	**4,825**	**4,772**

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 that Fastighets AB ML4 has not paid. At year end, 50 percent of the (unpaid but not past due) liability amounted to SEK 679 million (697).

NOTE 29 | Summary of interest-bearing liabilities

Loans to credit institutions

	Group		Parent Company	
	2020	2019	**2020**	2019
Opening balance – loans	**23,628**	**22,814**	**15,516**	**14,973**
Borrowings	10,520	10,229	8,086	7,571
Loan repayments	-11,640	-9,455	-8,817	-7,077
Total cash flow items	-1,120	774	-731	494
Translation of loans in foreign companies	-168	66	–	–
Exchange rate changes for loans in foreign currencies	-103	42	-102	49
Miscellaneous	-29	-68	–	–
Total non-cash items	-300	40	-102	49
Closing balance – loans	**22,208**	**23,628**	**14,683**	**15,516**

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.

Operating costs	**2020**	2019
Personnel costs	135	125
Administration costs	68	70
	203	**195**

NOTE 31 | Result from participations in Group companies

	Parent Company	
	2020	2019
Dividends on participations	1,022	1,366
Impairment of participations	-69	-533
Gain from sale of participations	-8	738
	945	**1,571**

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 5 (15) Group companies.

NOTE 32 | Result from other securities and receivables accounted for as non-current assets

	Parent Company	
	2020	2019
Interest income, Group companies	230	243
Interest income, other	11	13
Result from other securities and receivables	-3	–
	238	**256**

NOTE 33 | Interest expense and similar profit/loss items

	Parent Company	
	2020	2019
Interest expense, Group companies	30	23
Interest expense, other	160	307
	190	**330**

NOTE 34 | Appropriations

Provisions for the year to the accrual fund amounted to 0 (-0). The remainder of this item consists entirely 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	
	2020	2019
Opening balance, cost	12,485	12,220
Acquisitions	9	729
Shareholders' contributions paid/new share	74	243
Sales	-110	-707
Closing balance, cost	12,458	12,485
Opening balance, impairment	-2,894	-2,360
Sales	11	–
Impairment for the year	-69	-534
Closing balance, impairment	-2,952	-2,894
Carrying amount	**9,506**	**9,591**

Subsidiaries Name	Corp. Reg. No.	Carrying amount
Balken 10 i Malmö AB	556705-3334	19
Bastionen Syd AB	556072-2042	115
Berga V5, AB	556742-9443	1
Bruksgatans Fastighets AB	556401-0675	33
Bunium Fastigheter AB	556700-5474	24
Exab Utvecklings AB	556353-2828	0
Fastighets AB Altimeter	556786-2213	6
Fastighets AB Bergakniven	556742-7454	11
Fastighets AB Fortet	556090-5621	2
Fastighets AB Hundstjärnan	556824-7679	19
Fastighets AB Kastrullen	556754-8812	2
Fastighets AB Kvävet	556222-8071	7
Fastighets AB Oxigenium	556754-8820	208
Fastighets AB Plinius	556033-6538	23
Fastighets AB Stillman	556082-1752	46
Fastighets AB Yxstenen	556691-4437	7
Fastighets AB Öresundsbron	556096-7258	1
Första Fastighets AB Ideon	556233-7765	842
Förvaltnings AB Haspen	556466-2533	13
Hilab Fastigheter AB	556112-0345	19
Hundlokan 10 i Malmö AB	556730-4489	37
Ishavet Malmö AB	556928-0737	15
Kalinehuset AB	556129-5824	162
Kniven 2 AB	556706-9355	4
Kolgafour AB	556627-7843	7
Lund Lagret 1 AB	556730-3820	35
M2 Fastigheter AB	556101-4332	119
Malmö Börshus AB	556115-8543	109
Medeon Fastigheter AB	556034-1140	31
Neptuninnan AB	556743-5465	96
Ringcentralen i Hälsingborg Fastighets AB	556115-9483	0
Studentkåren 6 Fastighets AB	556730-3499	129
Utvecklings AB Kranen	556286-9999	122
Weraco AB	556509-6418	58
Wihlborg & Son AB	556298-1893	0
Wihlborgs A/S	14 12 50 43	820
Wihlborgs Ackumul 17 AB	556742-5813	12
Wihlborgs Ametisten 5 AB	556686-0457	7
Wihlborgs Armborstet 6 AB	556966-7081	15
Wihlborgs Benkammen 16 AB	559096-6213	18
Wihlborgs BG 6 AB	559063-5545	0
Wihlborgs Boplatsgatan 5 AB	556675-2449	0
Wihlborgs Borgeby AB	556675-2639	0
Wihlborgs Bronsdolken AB	556232-5919	4
Wihlborgs Bure 2 AB	559053-5372	42
Wihlborgs Bytarebacken AB	556822-0171	265
Wihlborgs Cinder AB	556518-5732	6
Wihlborgs Cityfastighet AB	556862-2848	1
Wihlborgs Cylindern 2 AB	559015-5023	7
Wihlborgs Erik Menved 37 AB	556704-3699	417
Wihlborgs Fastigheter i Helsingborg AB	556101-6295	424
Wihlborgs Fastigheter i Nordvästra Skåne AB	556271-3924	3
Wihlborgs Fisken 18 AB	556675-2357	150
Wihlborgs Flounderone AB	556727-7909	20
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 Gåsebäck AB	556303-1326	9
Wihlborgs Gängtappen 2 AB	556813-3572	149
Wihlborgs Havskryssaren AB	556703-0613	43
Wihlborgs Hermes 10 AB	556721-4225	11
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	118
Wihlborgs Karin 14 AB	559063-5511	0
Wihlborgs Kranen 10 AB	556824-7703	5
Wihlborgs Kranen AB	556704-6387	112
Wihlborgs Kroksabeln 12 AB	556654-0331	72
Wihlborgs Kunskapen 1 AB	559054-2741	11
Wihlborgs KV 9 AB	559063-5495	0
Wihlborgs Kärnan Södra 9 AB	556824-7661	79
Wihlborgs Lönngatan AB	556704-3657	10
Wihlborgs Mobergsgården Västra 8 AB	556831-9130	31
Wihlborgs MS 9 AB	559025-2598	0
Wihlborgs Musköten 17 AB	559021-1081	18
Wihlborgs Måsen 17 AB	556627-7835	2
Wihlborgs Nya Vattentornet 2 4 AB	556137-8562	664
Wihlborgs Nora 11 AB	556761-9001	209
Wihlborgs Obligation Holding AB	556240-3633	23
Wihlborgs Olsgård 8 AB	556775-6019	10
Wihlborgs Polisen 6 AB	559063-5529	0
Wihlborgs Polisen 7 AB	559063-5537	1
Wihlborgs Polisett AB	556703-0589	118
Wihlborgs Pulpeten 5 AB	556910-1016	9
Wihlborgs Raffinaderiet 3 AB	559117-8750	10
Wihlborgs Raffinaderiet 5 AB	559117-9923	6
Wihlborgs Riggen AB	556701-5028	202
Wihlborgs Ritaren 1 AB	556675-2605	1
Wihlborgs Rosengård AB	556699-7986	49
Wihlborgs Rubinen AB	556862-2855	4
Wihlborgs Skrovet 3 AB	556468-5385	170
Wihlborgs Skrovet 4 AB	556173-9417	5
Wihlborgs Skrovet 5 AB	556237-6268	147
Wihlborgs Skrovet 6 AB	556681-1898	283
Wihlborgs Spanien 5 AB	556710-4574	0
Wihlborgs Sparven 15 AB	556704-3624	292
Wihlborgs Spettet 11 AB	556761-9050	12
Wihlborgs Stattena 7 AB	559012-4995	0
Wihlborgs Stenåldern 7 AB	556120-9759	0
Wihlborgs Sufflören 3 AB	556704-3640	6
Wihlborgs Sunnanå 12:27 AB	556766-4098	50
Wihlborgs Sunnanå 12:53 AB	559063-5479	1
Wihlborgs Sunnanå 12:54 AB	559063-5487	4
Wihlborgs Sydporten AB	556726-0202	36
Wihlborgs Terminalen 1 AB	556726-1663	78
Wihlborgs Terminalen 3 AB	556962-9859	66
Wihlborgs Tyfonen 1 AB	556692-2570	1
Wihlborgs Ursula 1 AB	559063-5503	190
Wihlborgs Uvenine AB	556695-2502	38
Wihlborgs Tower AB	556962-8695	411
Wihlborgs Vetskapen 1 AB	559163-3440	10
Wihlborgs Väktaren 3 AB	556743-6109	175
Wihlborgs Zirkonen 2 AB	556788-4852	17
Wihlborgs Östersjön 1 AB	556637-7361	144
Wihlborgsporten AB	556630-3797	60
Wihlodia AB	556301-8109	2
WJ Bygg AB	556060-0529	1
		9,506

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.

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 156 (165) companies in the Group.

NOTE 36 | Deferred tax assets

	Parent Company	
	2020	2019
Deferred tax is calculated on:		
– Loss carryforwards	37	134
– Difference between carrying amount and taxable value related to derivatives	38	17
– Other temporary differences	3	52
	78	**203**

At year end, the Parent Company had unutilised loss carryforwards of SEK 180 million (649).

NOTE 37 | Categorisation of financial instruments

Accounts receivable, other receivables, cash and bank balances, 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 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**

31 Dec 2019	**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			13,399	
Receivables from joint ventures	200		217	
Other long-term receivables	80		13	
Accounts receivable	63		0	
Other current receivables	75		8	
Cash at bank and in hand	280		116	
Total	**698**	**0**	**13,753**	**0**
Financial liabilities				
Liabilities to credit institutions	23,628			
Liabilities to Group companies			15,516	
Other non-current liabilities	9		1,997	
Lease liabilities	174			
Derivatives		81		81
Accounts payable	292		7	
Other current liabilities	221		34	
Total	**24,324**	**81**	**17,554**	**81**

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

	Group	
TRANSACTIONS WITH JOINT ARRANGEMENTS	**2020**	2019
Sales to joint arrangements	8	4
Invoicing from joint arrangements	-13	-17
Interest income from joint arrangements	11	11
Interest expense to joint arrangements	-25	-20
Receivables from joint arrangements on 31 December	232	217
Liability to joint arrangements on 31 December	-2,910	-3,144

	Parent Company	
TRANSACTIONS WITH JOINT ARRANGEMENTS	**2020**	2019
Sales to joint arrangements	5	3
Interest income from joint arrangements	11	11
Receivables from joint arrangements on 31 December	232	217
TRANSACTIONS WITH GROUP COMPANIES		
Sales to Group companies	206	186
Purchases from Group companies	-5	9
Interest income from Group companies	230	243
Dividend from Group companies	1,022	1,366
Interest expense to Group companies	-30	-37
Receivables from Group companies on 31 December	14,231	13,399
Liabilities to Group companies on 31 December	-2,634	-1,997

NOTE 39 | Events after the balance-sheet date

In March 2021, Wihlborgs issued bonds within the MTN programme for SEK 300 million with a maturity of 3 years at a floating interest rate with a margin of 1.05 percent.

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 27 April 2021.

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, 10 March 2021

Anders Jarl
Chairman

Per-Ingemar Persson
Deputy Chairman

Tina Andersson
Board Member

Sara Karlsson
Board member

Jan Litborn
Board Member

Helen Olausson
Board member

Johan Qviberg
Board member

Ulrika Hallengren
CEO

Our Auditor's Report was submitted on 16 March 2021
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.

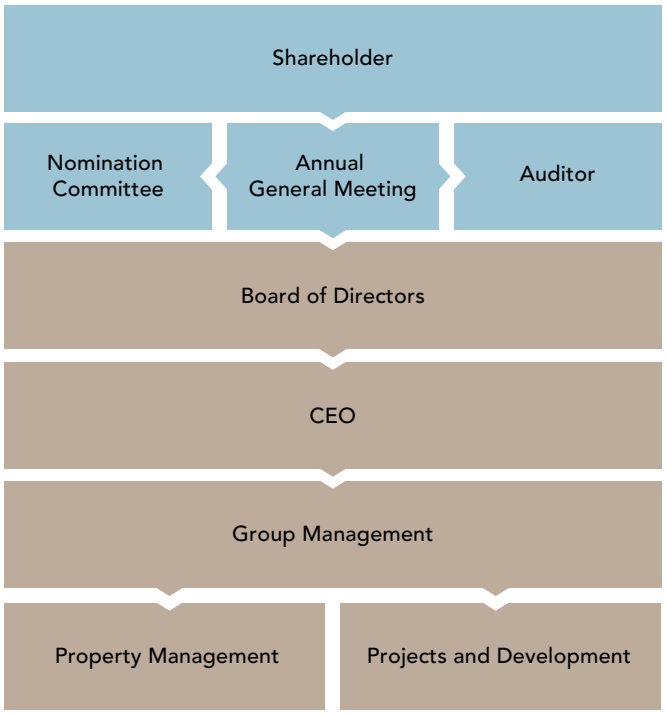
Shareholders

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 10.5 percent of the shares outstanding, the largest shareholder in Wihlborgs is Erik Paulsson and family, privately and through companies. At the end of December 2020, the ten largest shareholders owned 36 percent of the shares. The number of shareholders was about 28,000, up around 1,400 year-on-year. Of total share ownership, 81 percent was represented by legal entities and 19 percent by natural persons.

At the end of December, foreign shareholders represented 37 percent of the total, down 3 percentage points year-on-year.

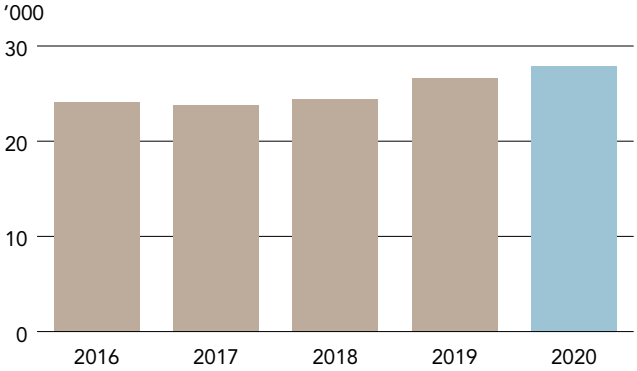
Further information on the share and shareholders is available on pages 20–21.



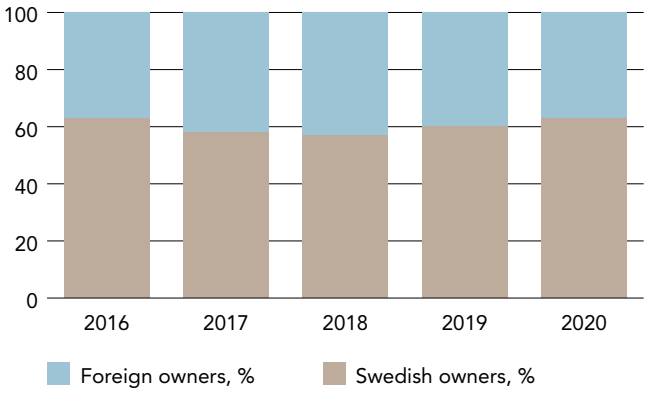
Articles of Association

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



2020 Annual General Meeting

Wihlborgs' AGM was held on 28 April 2020. A total of 341 shareholders participated in the AGM, either personally or by proxy. The shareholders represented 50.4 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, Sara Karlsson, Jan Litborn, Helen Olausson, Per-Ingemar Persson and Johan Qviberg. 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 at 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 2021 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: Lennart Mauritzson, representing Backahill; Elisabet Jamal Bergström, representing SEB Investment Management; Eva Gottfridsdotter-Nilsson, representing Länsförsäkringar Funds; and Krister Eurén, representing minor shareholders. On 31 December 2020, the representatives of the three largest shareholders on the Committee accounted for 22 percent of the votes in Wihlborgs. Lennart Mauritzson was appointed Chairman of the Committee.

The Nomination Committee has met on six 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 27 April 2021, the Nomination Committee proposes that the Board consist of seven members. The Nomination Committee proposes re-election of Board members Tina Andersson, Helen Olausson, Anders Jarl, Johan Qviberg and Jan Litborn, and the election as new Board members of Amela Hodzic and Lennart Mauritzson. Furthermore, the Committee proposes that Anders Jarl be elected as Chairman of the Board.

It is proposed that total fees of SEK 1,770,000 (1,565,000) be paid to the Board. It is proposed that a fee of SEK 440,000 (425,000) be paid to the Chairman and SEK 195,000 (190,000) be paid to the other Board members. That fees totalling SEK 160,000 (0) be paid to the Audit Committee, to be distributed as SEK 80,000 to the Committee Chairman and SEK 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 2021 AGM

Name	Representing	Percent of votes, 31 Jan 2020	Percent of votes, 31 Dec 2020
Lennart Mauritzson	Backahill AB	10.3	10.5
Elisabet Jamal Bergström	SEB Investment Management	7.3	7.2
Eva Gottfridsdotter-Nilsson	Länsförsäkringar Funds	3.8	4.3
Krister Eurén	Minor shareholders	–	–

Other resolutions for the 2021 AGM

The Board has submitted the following proposals ahead of the AGM on 27 April 2021:

- A dividend of SEK 5.25 per share, with the record date 29 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.

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 2020 AGM, Anders Jarl was re-elected Chairman of the Board and Per-Ingemar Persson 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 the Stockholm Stock Exchange 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 2020, 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
Per-Ingemar Persson, Deputy Chairman	yes	yes	9 of 9
Tina Andersson	yes	yes	8 of 9
Sara Karlsson	yes	no	9 of 9
Helen Olausson	yes	yes	9 of 9
Johan Qviberg	yes	yes	9 of 9
Jan Litborn	yes	yes	9 of 9

The work of the Board of Directors

February	No. 1	Year-end report, final audit, financial report, projects, resolutions for the AGM, employment terms for the CEO and executive management and the prospectus for the MTN programme.
April	No. 2	Project investments
April	No. 3	Advance voting at the AGM
April	No. 4	Q1 interim report, financial report and projects
April	No. 5	Statutory meeting
May	No. 6	Projects, financing, scenario analysis
August	No. 7	Property sales
September	No. 8	Q2 interim report, projects, acquisitions and sales, financial report, review of rules of procedure and ethical guidelines
December	No. 9	Q3 interim report, sustainability issues, projects, acquisitions, financial report, property valuations, budget for 2021, interim audit, financial policy, evaluation of the Board's work and evaluation of the CEO's performance.

Committees

Wihlborgs has no separate audit or remuneration committees 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 audit and remuneration committees.

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 & Developments
Arvid Liepe, Chief Financial Officer
Anna Nambord, Director of Sustainable Business
Karin Wittsell Heydl, Director of Corporate Communications and Marketing
Maria Ivarsson, Regional Director Lund
Magnus Lambertsson, Regional Director Helsingborg
Magnus Prochéus, 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 2020, SEK thousand

	Salary	Other benefits	Pension	Total
CEO	4,684	52	1,396	6,132
Other senior executives	8,398	274	2,476	11,148

Other benefits consist of company car, fuel and healthcare.

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 2020 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 2021 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 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.

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 AB and Brinova Fastigheter AB.

Holding in Wihlborgs: 733,422 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.

Sara Karlsson
Board member, elected 2007
Båstad, born 1969

Education: Upper secondary school.

Main occupation: Backahill AB.

Other Board assignments:
Board member of Skistar AB, Destination Bjäre Holding AB and Backahill AB.

Holding in Wihlborgs: 16,187,909 shares with family and through company.

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 Glimstedt

Other Board assignments: Chairman of the Board of Fabege AB, Arenabolaget i Solna AB, I.A. Hedin Bil AB and Buildroid AB. Board member of Profi Förvaltning AB, Consensus Asset Management AB, Tuve Holding AB and Hedin Group AB.

Holding in Wihlborgs: 5,000 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 Jämtsol and Fastighetsaktiebolaget Palindromet. Board member of Skärvångens Bymejeri and others.

Holding in Wihlborgs: 2,000 shares.

Per-Ingemar Persson
Deputy Chairman, elected 2010
Lund, born 1956

Education: MSc in Engineering from Lund University's Faculty of Engineering.

Main occupation:
Own consultancy business.

Other Board assignments: Chairman of Northern Environmental and Water Solutions and ELU Konsult AB. Board member of Fabege AB and Veidekke ASA.

Holding in Wihlborgs: 4,000 shares in a personal endowment insurance.

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.

Holding in Wihlborgs:
1,560,000 shares.

Fees and reimbursement of expenses to auditors, SEK thousand		
Group	**2020**	2019
Deloitte		
Audit engagement	2,969	2,527
Auditing activities other than the audit engagement	522	290
Tax advice	–	19
Other services	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 audit committee has been established and, instead, the functions of an audit committee were performed by the entire Board excluding Anders Jarl.

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 audit or remuneration committees 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 2020 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: 115,149 shares held privately and through company.

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: 115,149 shares held privately and through company.

Karin Wittsell Heydl
Director of Corporate Communications and Marketing
Lomma, born 1972
Employed at Wihlborgs since 2014

Education: BSc in Communication Studies, Örebro University

Holding in Wihlborgs: 6,377 shares through company.

Magnus Lambertsson
Regional Director, Helsingborg
Helsingborg, born 1977
Employed at Wihlborgs since 2020

Education: BSc in Real Estate Science, Malmö University.

Holding in Wihlborgs: 425 shares.

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: 6,377 shares 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: 6,377 shares through company.

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: 6,377 shares through company.

Magnus Prochéus
Regional Director, Malmö
Södra Sandby, born 1972
Employed at Wihlborgs since 2019

Education: MSc in Surveying from Lund University's Faculty of Engineering.

Holding in Wihlborgs: No holding in Wihlborgs.

Signatures to the Corporate Governance Report

Malmö, 10 March 2021

Anders Jarl
Chairman

Per-Ingemar Persson
Deputy Chairman

Tina Andersson
Board Member

Sara Karlsson
Board member

Jan Litborn
Board Member

Helen Olausson
Board Member

Johan Qviberg
Board Member

Ulrika Hallengren
CEO

Auditors Report

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 2020-01-01 – 2020-12-31 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 2020 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 2020 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 46 072 MSEK and this year's change in value amounts to 826 MSEK in profit. The valuation is based on 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 2020-01-01 – 2020-12-31 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 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 28 April 2020 and has been the company's auditor since the 28 December 2004.

Malmö, 16 March 2021
Deloitte AB

Richard Peters
Authorized Public Accountant

Five-year review

	2020	2019	2018	2017	2016
Comprehensive income, SEK m					
Rental income	3,074	2,983	2,684	2,351	2,062
Operating surplus	2,222	2,140	1,941	1,717	1,518
Income from property management	1,830	1,775	1,406	1,179	1,035
Changes in value	753	1,492	1,349	2,052	2,239
Tax	-361	-344	-352	-663	-298
Profit for the year	2,222	2,923	2,403	2,568	2,976
Comprehensive income for the year	2,201	2,933	2,418	2,571	2,990
Financial position, SEK m					
Investment properties	46,072	45,519	42,146	38,612	32,755
Other non-current assets	534	558	351	312	290
Current receivables	150	201	62	114	117
Cash and cash equivalents	205	280	183	179	252
Total assets	46,961	46,558	42,742	39,217	33,414
Equity	19,396	17,887	15,530	13,592	11,463
Deferred tax liability	3,853	3,582	3,295	2,989	2,362
Other non-current liabilities	22,594	22,872	19,677	20,932	17,877
Current liabilities	1,118	2,217	4,240	1,704	1,712
Total equity and liabilities	46,961	46,558	42,742	39,217	33,414
Key financial metrics					
Return on equity, %	11.9	17.5	16.5	20.5	29.3
Return on capital employed, %	7.1	9.0	8.8	11.1	14.8
Equity/assets ratio, %	41.3	38.4	36.3	34.7	34.3
Interest coverage ratio, multiple	6.5	6.2	3.9	3.4	3.3
Loan-to-value ratio, properties, %	48.2	51.9	54.1	53.5	53.6
Debt/equity ratio, multiple	1.2	1.3	1.5	1.5	1.5
Share-related key metrics					
Earnings per share, SEK	14.46	19.02	15.63	16.71	19.36
Earnings per share before tax, SEK	16.80	21.25	17.92	21.02	21.30
EPRA EPS, SEK	10.65	10.53	8.06	6.84	6.77
Cash flows from operating activities per share, SEK	11.91	10.96	9.69	8.45	6.92
Equity per share I, SEK	126.18	116.37	101.03	88.43	74.58
Equity per share II, SEK	151.25	139.67	122.47	107.87	89.94
EPRA NAV per share, SEK	152.44	140.20	122.64	114.00	97.38
Market price per share, SEK	185.40	172.50	102.40	98.15	84.70
Dividend per share, SEK (2020 = proposed dividend)	5.25	4.50	3.75	3.13	2.88
Dividend yield per share, %	2.8	2.6	3.7	3.2	3.4
Total yield per share, %	10.1	72.1	7.5	19.3	2.1
P/E ratio I, multiple	12.8	9.1	6.6	5.9	4.4
P/E ratio II, multiple	17.4	16.4	12.7	14.4	12.5
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	294	312	310	308	282
Carrying amount for properties, SEK m	46,072	45,519	42,146	38,612	32,755
Investment yield, % – all properties	4.6	4.9	4.9	4.9	4.9
Estimated investment yield, % – excl. project properties	4.8	5.0	5.1	5.1	5.1
Lettable area, m^2	2,102,707	2,181,359	2,105,851	2,066,874	1,848,738
Rental value, SEK per m^2	1,554	1,508	1,423	1,322	1,285
Operating surplus, SEK per m^2	1,011	1,015	972	912	868
Economic occupancy rate, % – all properties	90	93	93	93	91
Economic occupancy rate, % – excl. project properties	91	93	94	94	92
Estimated surplus ratio, %	72	72	73	74	74
Employees					
No. of Full-time equivalents (FTEs) at end of period	236	221	187	149	132

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 2020	31 Dec 2019
Return on equity		
Profit for the period	2,222	2,923
Equity, opening balance (OB)	17,887	15,530
Equity, closing balance (CB)	19,396	17,887
Average equity	18,642	16,709
Return on equity, %	**11.9**	**17.5**
Return on capital employed		
Pre-tax profit	2,583	3,267
Interest expense (incl change in value, interest-rate derivatives)	400	323
Total	2,983	3,590
Total assets, OB	46,558	42,742
Total assets, CB	46,961	46,558
Non-interest-bearing liabilities and provisions, OB	-4,856	-4,383
Non-interest-bearing liabilities and provisions, CB	-5,198	-4,856
Average capital employed	41,733	40,031
Return on capital employed, %	**7.1**	**9.0**
Equity/assets ratio		
Equity	19,396	17,887
Total assets	46,961	46,558
Equity/assets ratio, %	**41.3**	**38.4**
Interest coverage ratio		
Income from property management	1,830	1,775
Interest expense	332	341
Total	2,162	2,116
Interest expense	332	341
Interest coverage ratio, multiple	**6.5**	**6.2**
Loan-to-value ratio, properties		
Borrowings	22,208	23,628
Carrying amount, investment properties	46,072	45,519
Loan-to-value ratio, properties, %	**48.2**	**51.9**
Debt/equity ratio		
Interest-bearing liabilities	22,368	23,816
Equity	19,396	17,887
Debt/equity ratio, multiple	**1.2**	**1.3**

	31 Dec 2020	31 Dec 2019
Earnings per share		
Profit for the period	2,222	2,923
Average number of shares, thousand	153,713	153,713
Earnings per share, SEK	**14.46**	**19.02**
Earnings per share before tax		
Pre-tax profit	2,583	3,267
Average number of shares, thousand	153,713	153,713
Earnings per share before tax, SEK	**16.80**	**21.25**
EPRA EPS		
Income from property management	1,830	1,775
Fiscal depreciation/amortisation, direct deductions, etc.	-929	-1,047
Taxable income from property management	901	728
Current tax on the above	-193	-156
Income from property management after deduction of current tax	1,637	1,619
Average number of shares, thousand	153,713	153,713
EPRA EPS, SEK	**10.65**	**10.53**
Cash flows from operating activities per share		
Cash flows from operating activities	1,831	1,684
Average number of shares, thousand	153,713	153,713
Cash flows from operating activities per share, SEK	**11.91**	**10.96**
Equity per share I		
Equity	19,396	17,887
Number of shares at period end, thousand	153,713	153,713
Equity per share I, SEK	**126.18**	**116.37**
Equity per share II		
Equity	19,396	17,887
Deferred tax liability	3,853	3,582
Total	23,249	21,469
Number of shares at period end, thousand	153,713	153,713
Equity per share II, SEK	**151.25**	**139.67**
EPRA NAV (long-term net asset value)		
Equity	19,396	17,887
Deferred tax liability	3,853	3,582
Derivatives	183	81
Total	23,432	21,550
Number of shares at period end, thousand	153,713	153,713
EPRA NAV per share, SEK	**152.44**	**140.20**
Dividend yield per share		
Proposed dividend, SEK	5.25	4.50
Share price at year end, SEK	185.40	172.50
Dividend yield per share, %	**2.8**	**2.6**
Total yield per share		
Share price at start of year	172.50	102.40
Share price at year end, SEK	185.40	172.50
Change in share price over the year, SEK	12.90	70.10
Dividends paid over the year, SEK	4.50	3.75
Total yield per share, %	**10.1**	**72.1**
P/E ratio I		
Share price at period end	185.40	172.50
Earnings per share	14.46	19.02
P/E ratio I, multiple	**12.8**	**9.1**
P/E ratio II		
Share price at period end	185.40	172.50
EPRA EPS	10.65	10.53
P/E ratio II, multiple	**17.4**	**16.4**

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, excluding non-controlling interests. 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 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.

Equity per share I

The relationship between the closing balances for equity and the number of shares at the same date.

Equity per share II

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

EPRA NAV per share

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

Dividend yield per share

Proposed dividend as a percentage of the year-end 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 46.

The table shows the estimated rental value, rental income and property costs on an annualised basis with an unchanged property portfolio, rental income and lettings portfolio compared with the most recent year end.

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 m^2

Operating surplus, including property management, divided by lettable area.

Operating surplus per m^2

Operating surplus divided by lettable area.

Economic occupancy rate

Rental income as a percentage of rental value.

Estimated surplus ratio

Operating surplus as a percentage of rental income.

*These key metrics are operational and do not constitute alternative performance measures in accordance with the guidelines of the European Securities and Markets Authority (ESMA).

Interior of Posthornet 1 in central Lund.

In-depth sustainability information

The children are our future. It is with consideration for future generations that Wihlborgs takes sustainability very seriously. In every part of our operations, we work to minimise negative impact and contribute to positive development. Nobody says that sustainability is easy, but we want to be able to say that we are doing all that we can, now and for the future.

Sustainability reporting 2020

Wihlborgs' ambition is to drive the entire operation with a long-term sustainable approach, and the description of our sustainability work is integrated in the Annual Report. We report on our sustainability agenda and important activities during the year on pages 30–43. A compiled report on prioritised business risks including important sustainability risks can be found on pages 84–89. The in-depth sustainability information in this section includes additional information concerning governance, measurement and follow-up on our sustainability agenda. The section also includes supplementary information that has been requested in the reporting frameworks that we apply. We refer to the collective sustainability information found in the Annual Report as our "Sustainability Report".

Since 2011, Wihlborgs has been reporting its sustainability work in accordance with the Global Reporting Initiative (GRI) Standards: Core option, including certain sector specific indicators from the earlier GRI G4 standards. For 2020, we also apply the guidelines for sustainability reporting issued by the European Public Real Estate Association (EPRA) and the recommendations for the reporting of climate-related risks from the Task Force on Climate-related Financial Disclosures (TCFD).

The Sustainability Report – which also encompasses our Non-financial report in accordance with the Annual Accounts Act – covers the period from 1 January to 31 December 2020. We report annually and the previous sustainability report, which pertained to 2019, was published on 5 April 2020. The next Sustainability Report will be published in April 2022.

Information in the Sustainability Report has not been subject to an external review, but is instead verified by an internal ESG controller and an expert within each area.

For additional information about Wihlborgs' sustainability work and our sustainability reporting, please contact:

Anna Nambord, Director of Sustainable Business
anna.nambord@wihlborgs.se, +46 (0)40 690 57 54

Fredrik Ljungdahl, ESG controller
fredrik.ljungdahl@wihlborgs.se, +46 (0)40 661 97 04

GRI

The structure of the in-depth sustainability information follows our own sustainability framework and the GRI Standards. On pages 138–139, there is an index that shows where the GRI information is presented.

EPRA

This year, we are applying EPRA's Sustainability Best Practice Recommendations (sBPR) for the first time. On pages 142–143, we present the majority of the EPRA indicators.

TCFD

We present information about climate-related risks in line with the TCFD's recommendations on pages 140–141. References are also provided to information in other parts of the Sustainability Report.

UN Global Compact

In July 2010, Wihlborgs signed up to the UN Global Compact, an initiative we continue to support. In June 2020, Wihlborgs submitted its latest Communication on Progress that is available on the Global Compact website.

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 outlined on pages 30–43, and in somewhat more detail on pages 144–149. Performance indicators concerning environment, personnel, human rights and anti-corruption are primarily presented on pages 142–149.

The auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Wihlborgs Fastigheter AB (publ), corporate identity number 556367-0230

Engagement and responsibility
It is the Board of Directors who is responsible for the statutory sustainability report for 2020. The company has defined the scope of the sustainability report on page 133 of the Annual Report.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and 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 opinion.

Opinion
A statutory sustainability report has been prepared.

Malmö, 16 March 2021
Deloitte AB

Richard Peters
Authorised Public Accountant

Wihlborgs' sustainability initiatives and framework

The foundation of Wihlborgs' sustainability work is our framework that covers the most material sustainability issues separated in four focus areas:

- Responsible business
- Sustainable properties
- Attractive employer
- Commitment to the region and its community

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.

For each area of the framework, we have identified a number of sustainability aspects that are important 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 GRI Standards.

Stakeholder dialogue and 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.

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

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.

Wihlborgs' sustainability work and which sustainability issues they saw as the most material. The results clearly showed that many of the tenants would like Wihlborgs to prioritise the environmental performance of the properties and want to engage in dialogue with us concerning this.

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 2020, there has also been considerable focus in the financial sector on the EU proposed taxonomy for sustainable investments. For Wihlborgs, the EU taxonomy stipulates that it is only the most energy-efficient properties (energy efficiency class A according to the latest available energy declaration) that may be classed as sustainable.

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 2020, we conducted a review of our sustainability risks and other risks, which can be found on pages 84–89. We also conducted a deeper analysis of how we contribute to the UN Sustainable Development Goals, which is presented on page 33 and further on page 137 of this chapter. Overall, these analyses show that our sustainability framework remains relevant, and that sustainability issues are closely related to our business.

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 Øresundsinstituttet.

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 and report on (in accordance with GRI Standards – 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.

Key stakeholders	Dialogue format	Timing/interval
Tenants	Customer satisfaction surveys	Every second year
	Wihlborgs' Kontaktyta forum	Twice yearly
	Dialogues with responsible property owners/managers	Continuously
	Reconciling green leases	As per the tenant's wishes
Shareholders	Annual General Meeting	Once each year
	Investor meetings	Several times a year
Employees	Career development reviews	Once each year
	Employee survey	Once each year
	Monthly meetings (at each office)	Each month
	Work Environment Committee	Four times per year
	Environmental Management Committee	Four times per year
Loan providers	Meetings with the respective banks	Several times a year
	Financial reporting/Presentation of quarterly reports	Quarterly
	Data gathering, surveys and dialogues about Wihlborgs' sustainability management	Several times a year
Suppliers	Procurement process	Ongoing basis for different areas
	Annual review of agreements	Annually
	Review of sustainability work in conjunction with renegotiation/resigning of agreements	Continuously
	Wihlborgs' Kontaktyta forum	Twice yearly
	Follow-up meetings during/after construction projects	Continuously
Community		
The public sector	Dialogue forums in conjunction with city planning meetings, developer dialogues, etc.	When invited by municipalities
The non-profit and voluntary sector	Board and steering committee meetings with FC Rosengård, Drivkraft, Diversity index, among others	Several times per year
	Member meetings of Malmö Citysamverkan, Lund Citysamverkan and Helsingborg Citysamverkan.	Several times per year
Universities and other institutes of higher education	Partner group meetings and market days	Some/Several times per year
	Presentation for students and openings for projects/theses	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

GRI Index

GENERAL DISCLOSURES

ORGANISATIONAL PROFILE	PAGE
102-1 Name of the organisation	77
102-2 Activities, brands, products, and services	13–14, 77
102-3 Location of headquarters	77
102-4 Location of operations	77
102-5 Ownership and legal form	21, 77–78
102-6 Markets served	45–46
102-7 Scale of the organisation	6–7
102-8 Information on employees and other workers	145
102-9 Supply chain	35, 145
102-10 Significant changes to the organisation and its supply chain	48
102-11 Precautionary Principle or approach	145, 149
102-12 External initiatives	133
102-13 Membership of associations	135
STRATEGY	
102-14 Statement from senior decision-maker	9–10
ETHICS AND INTEGRITY	
102-16 Values, principles, standards, and norms of behaviour	15, 35, 144–145
GOVERNANCE	
102-18 Governance structure	115–122
STAKEHOLDER ENGAGEMENT	
102-40 List of stakeholder groups	16, 32, 134
102-41 Collective bargaining agreements	145
102-42 Identifying and selecting stakeholders	134
102-43 Approach to stakeholder engagement	134–136
102-44 Key topics and concerns raised	16, 32, 134
REPORTING PRACTICE	
102-45 Entities included in the consolidated financial statements	150
102-46 Defining report content and topic Boundaries	134–135
102-47 List of material topics	134–135
102-48 Restatements of information	150
102-49 Changes in reporting	150
102-50 Reporting period	133
102-51 Date of most recent report	133
102-52 Reporting cycle	133
102-53 Contact point for questions regarding the report	133
102-54 Claims of reporting in accordance with the GRI Standards	133
102-55 GRI content index	138–139
102-56 External assurance	133

SELECTED TOPICS AND SPECIFIC INDICATORS

TOPIC	GOVERNANCE/INDICATOR	PAGE
201 Economic performance (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	34, 144
	201-1 Direct economic value generated and distributed	144
204 Procurement practices (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	35, 145
	204-1 Proportion of spending on local suppliers	35, 145
205 Anti-corruption (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	35, 144
	205-2 Communication and training about anti-corruption policies and procedures	35, 144
	205-3 Confirmed incidents of corruption and actions taken	144
302 Energy (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	40–42, 148
	302-1 Energy consumption within the organisation	142
	302-3 Energy intensity	142
305 Emissions (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	40–42, 140, 148
	305-1 Direct (Scope 1) GHG emissions	40, 142
	305-2 Energy indirect (Scope 2) GHG emissions	40, 142
	305-3 Other indirect (Scope 3) GHG emissions	148
	305-4 GHG emissions intensity	40, 142
Certified buildings	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	42–43, 149
	CRE8 Share of certified buildings	142, 149
308 Supplier environmental assessment (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	35, 145
	308-1 New suppliers that were screened using environmental criteria	145
403 – Occupational health and safety (2018)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	36, 145–146
	403-1 Occupational health and safety management system	36, 145–146
	403-2 Hazard identification, risk assessment and incident investigation	36, 87, 145–146
	403-3 Occupational health services	36, 145–146
	403-4 Worker participation, consultation and communication on occupational health and safety	36, 145–146
	403-5 Worker training on occupational health and safety	36, 145–146
	403-6 Promotion of worker health	36, 145–146
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35, 145
	403-9 Work-related injuries	143, 146
404 – Training and education (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	36–37, 146
	404-3 Percentage of employees receiving regular performance and career development reviews	143, 146
	Own indicator: Percentage of employees who would recommend Wihlborgs as an employer/recommend Wihlborgs' products and services	147
405 Diversity and equal opportunity (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	37, 147
	405-1 Diversity of governance bodies and employees	143
414 Supplier Social Assessment (2016)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	35, 145
	414-1 New suppliers that were screened using social criteria	145
Societal commitment (own topic)	103-1 Explanation of the material topic and its Boundary, 103-2 The management approach and its components, 103-3 Evaluation of the management approach	38–39, 147
	Own indicator: Share of sponsorship with community involvement	147

Reporting according to the TCFD

This year, for the first time, Wihlborgs is reporting on how we work with climate-related risks and opportunities according to the recommendations from the Task Force for Climate-related Financial Disclosures (TCFD). The information according to the TCFD is presented in this section, but also in other places in the Annual Report, which are disclosed in the table below.

Governance

The Board's work with various strategic issues during the year is described in the Corporate Governance Report on pages 116–122. The Board of Directors bears overall responsibility for Wihlborgs' work with climate-related issues and regularly monitors progress with the 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. In December 2020, under the leadership of Wihlborgs' CEO and the Director of Sustainable Business, the Board of Directors discussed climate and sustainability issues in depth.

How Wihlborgs otherwise works in daily operations with climate-related issues is presented in the Sustainable properties section on pages 40–42 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. These risks have been identified through internal analyses in which other climate scenarios have also been examined – one scenario in line with the UN's goal of limiting the global temperature rise to 1.5°C and one scenario in which this has failed and we experience a substantial increase in global warming. Our assessment is that much more stringent climate policies are required together with extensive regulations in order to achieve the UN's goal, which would result in significant transitional risks for Wihlborgs, business and society in general. In the latter scenario, the physical risks will instead have the greatest impact, with very troublesome extreme weather, rising sea levels, etc. We will continue to expand on and refine our analysis in order to support our strategic planning.

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' recently adopted "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 solar power system installations 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 40–42, 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).

Recommended disclosures according to the TCFD	Page
Governance	
A. The Board of Directors' oversight of climate-related risks and opportunities	40–42, 140, 148
B. Management's role in assessing and managing climate-related risks and opportunities.	40–42, 140, 148
Strategy	
A. Identified climate-related risks and opportunities	40–42, 89, 140, 148
B. How climate-related risks and opportunities impact operations, strategy and financial planning	40–42, 89, 140, 148
C. The resilience of the strategy in relation to various climate-related scenarios	40–42, 89, 140, 148
Risk management	
A. Processes for identifying climate-related risks	40–42, 84, 89, 140, 148
B. Processes for managing climate-related risks	40–42, 84, 89, 140, 148
C. Integration of the above processes in general risk management	84, 89, 140
Goals and metrics	
A. Indicators to evaluate climate-related risks and opportunities	140, 142, 148
B. Emissions of greenhouse gases according to the GHG Protocol	142, 148
C. Targets to manage climate-related risks and opportunities	40–42, 148

Sustainability indicators according to EPRA

In previous sustainability reports, Wihlborgs has reported a number of sustainability indicators that have been specified by the European Public Real Estate Association (EPRA) in their Sustainability Best Practice Recommendations (sBPR). In this year's report, we are applying EPRA's sBPR (version 3 from 2017) in a more complete and clear manner, that can be seen from the compilation in the table below. Wihlborgs reports on most of EPRA's sBPR "Performance Measures" in the table below. Certain indicators concerning societal commitment and corporate governance can also be found in other sections of the Annual Report.

We have grouped all of the important accounting policies for the year's Sustainability Report on page 150, which also includes information on how we have applied EPRA sBPR's "Overarching recommendations". Comments concerning the outcomes are primarily found on pages 144–149, where we account for how we worked with the prioritised issues in Wihlborgs' sustainability framework during the year.

Energy consumption

			Absolute performance (Abs)		Like-for-like performance (Lfl)	
EPRA	**Description**	**Units of measure**	**2020**	2019	**2020**	2019
Elec-Abs/Lfl	Total electricity consumption	MWh	76,644	83,971	55,823	60,787
DH&C-Abs/Lfl	Total district heating and cooling consumption	MWh	125,290	131,956	100,042	104,166
Fuels-Abs/Lfl	Total fuel consumption	MWh	8,364	7,802	8,079	7,600
Energy-Int	Building energy intensity	kWh/m²	95.54	102.56	95.43	101.62

The table show Wihlborgs' purchased energy, including our own offices and electricity to tenants where Wihlborgs accounts for the contract with the energy supplier. District heating is not normal year corrected. Fuel refers to natural gas and biogas for heating (on average 70% non-fossil fuel). Fuel intensity has been calculated in relation to the total lettable area for each year.

GHG emissions

EPRA	**Description**	**Units of measure**	**2020**	2019
GHG-Dir-Abs	Total direct GHG emissions (Scope 1)	Tonnes CO_2e	1,090	1,977
GHG-Indir-Abs	Total indirect GHG emissions (Scope 2) – market based	Tonnes CO_2e	1,989	4,676
	Total indirect GHG emissions (Scope 2) – location based	Tonnes CO_2e	10,250	11,050
GHG-Int	GHG emissions intensity (Scope 1 & 2)	kg CO_2e/m^2	1.40	3.05

The table displays the estimated GHG emissions from fuel consumption and leakage of refrigerants from cooling facilities (Scope 1) and purchased electricity, heating and cooling (Scope 2).

Water consumption

			Absolute performance (Abs)		Like-for-like performance (Lfl)	
EPRA	**Description**	**Units of measure**	**2020**	2019	**2020**	2019
Water-Abs/Lfl	Total water consumption	m³	395,471	450,391	296,163	351,023
Water-Int	Building water intensity	m³/m²	0.18	0.21	0.17	0.21

The table displays Wihlborgs' indicated water consumption in the properties.

Waste management

			Absolute performance (Abs)		Like-for-like performance (Lfl)	
EPRA	**Description**	**Units of measure**	**2020**	2019	**2020**	2019
Waste-Abs/Lfl	Total weight of hazardous waste	Tonnes	32	–	–	–
	Total weight of other waste	Tonnes	8,648	–	–	–
	Waste to material recovery	Tonnes	2,711	–	–	–
	Waste to energy extraction	Tonnes	5,937	–	–	–
	Waste to landfill	Tonnes	0.4	–	–	–

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. Information for 2019 and like-for-like is unavailable.

Certification of buildings

			SGBC		LEED		BREEAM	
EPRA	**Description**	**Unit**	**2020**	2019	**2020**	2019	**2020**	2019
Cert-Tot	Number of properties	No.	22	18	3	3	4	4
	Certified floor space	m²	240,131	200,930	67,472	67,472	42,920	42,920
	Share of the Group's floor space	%	11	9	3	3	2	2

The table shows the environmental certification status of Wihlborgs' properties split into various certification standards. Some properties are certified in accordance with more than one standard. Sweden Green Building Council also includes Miljöbyggnad iDrift. The share of the total area is calculated based on the total lettable area in the Group.

Employees

EPRA	Description	Unit	2020	2019
Emp-Training	Number of training hours per employee	Hours	12.9	–
Emp-Dev	Percentage of employees who have undergone career development reviews	%	96	98
Emp-Turnover	Number of new employees during the year	No.	50	–
	Percentage of employees who were new employees during the year	%	20	–
	Number of employees who have left during the year	No.	38	–
	Percentage of employees who have left during the year	%	15	–

The table displays indicators for employees. The number of employees at 31 December was 249 (234). Data for 2019 is not available for all indicators.

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.	0	1	
		>50 years old	3	3	
			3	4	43%
	Group Management	<30 years old	0	0	
		30–50 years old.	3	3	
		>50 years old	1	1	
			4	4	50%
	Employees	<30 years old	14	36	
		30–50 years old.	58	50	
		>50 years old	32	59	
			104	145	42%

The table displays indicators for diversity separated by men/women on the Board of Directors, in management and in the total number of employees for different age intervals.

EPRA	Category	Unit	2020	2019
Diversity-Pay	Group Management	% of men's salary level	124	–
	Group Management excl. CEO	% of men's salary level	78	–
	Property managers (Sweden <30 years old)	% of men's salary level	99	–
	Property managers (Sweden 30–50 years old)	% of men's salary level	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. Data for 2019 is unavailable.

Health and safety

EPRA	Description	Unit	2020	2019
H&S-Emp	Incident Rate (per 200,000 WH)	No.	2.21	2.35
	Sick leave	%	2.29	2.75
H&S-Asset	Percentage of properties where health & safety is assessed	%	100	100
H&S-Comp	Number of deviations noted from safety inspections	No.	12	26

The table displays indicators for health and safety. The incident rate and sick leave refer to the whole Group and are calculated as the number of injuries with or without absence respective the number of sick days in relation to hours worked (453,508 hours in 2020). The incident rate is expressed as the number of workplace injuries per 200,000 work hours. The H&S-Asset indicator refers to completed safety inspections on properties and comprises the Swedish operations. The H&S-Comp indicator refers to the number of remarks from these safety inspections irrespective of their level of severity.

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	116–122
Gov-Select	The process for nominating members of the Board	Corporate Governance Report	116–122
Gov-Col	Process for managing conflicts of interest	Corporate Governance Report	116–122

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 with a total of ten property management areas, 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 table below 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, which also means that we have adjusted the figures for 2019.

We note that Wihlborgs continues to generate growing economic value despite the ongoing pandemic that has of course also impacted our operations and those of our tenants. This is very positive, and all stakeholders will benefit from the value that has been created, as presented 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.

Economic value created and distributed, SEK m

	2020	2019
Direct economic value created	**3,097**	**3,034**
Rental income and financial income	3,097	3,034
Economic value distributed	**2,035**	**1,936**
Operating costs – payment to suppliers	489	494
Salaries and benefits to employees	205	184
Interest paid to creditors	327	336
Dividend to shareholders	692	576
Taxes to the state	318	342
Contributions to the local community	4	5
Retained economic value	**1,062**	**1,098**

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.

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 Wihlborgs' Code of Conduct and take a clear position on such matters as bribes, gifts and corruption. These ethical guidelines apply to all Board members and employees, as well as via our purchasing agreements also for suppliers and contractors.

Wihlborgs' Procurement Director is responsible for informing new suppliers of Wihlborgs' ethical guidelines in conjunction with signing framework agreements and ensuring that new suppliers sign the Code of Conduct and that by doing so they also undertake to comply with these guidelines and other relevant policies (concerning for example, the environment and work environment).

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.

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 2020, we have not handled any cases via our whistleblower system, which concern suspected corruption, nor are we aware of any such incidents having arisen.

Local procurement

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 2020, Wihlborgs had 367 suppliers with framework agreements in Swedish property management. Of these, 351 suppliers, 96 percent (97) 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 ethical guidelines/Code of Conduct, which is presented below.

Goals and governance

Wihlborgs has a Code of Conduct that all framework-agreement-covered suppliers that we use in property management and projects are required to read and approve. Wihlborgs' Procurement Director is responsible for ensuring that new framework-agreement-covered suppliers in Swedish operations sign the Code of Conduct. By signing the Code of Conduct, suppliers confirm that they have familiarised themselves with our policies and undertake to adhere to them during the period of the agreement.

This Code of Conduct includes a work environment policy and environmental policy with supplier requirements in terms of the environment. Suppliers with more than 20 employees should also complete a self-declaration describing their internal management of such areas as work environment and environmental issues. They must also enclose documents that verify their responses. Based on this data, Wihlborgs makes a risk assessment of the supplier, helping us to determine if and under what circumstances we can continue to collaborate with said supplier.

The Code of Conduct and self-declaration have been implemented in operations in Sweden for a number of years. In Denmark, implementation of an equivalent process is underway, and the administrative director ensures that the suppliers fulfil Wihlborgs' requirements. In 2021, a Group-wide working approach with support from a cloud-based supplier portal will be introduced.

By showcasing, examining and assessing our suppliers with respect to the environment, work environment, human rights and other requirements in our Code of Conduct, 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. We periodically conduct random checks of suppliers who have signed the Code of Conduct and ensure that they are working in line with Wihlborgs' expectations.

Additionally, some procurements set direct environmental requirements based on the service/product being purchased. This concerns, inter alia, the choice of materials in construction projects, for which we are clear that our suppliers must use Wihlborgs approved building material based on fundamental criteria for each material/goods found in the digital service "Byggvarubedömningen".

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
- The share of suppliers assessed to have a low sustainability risk will gradually increase over time.

Outcomes and follow-up

Of the new suppliers with whom Wihlborgs signed framework agreements in 2020, all (100 percent) signed our Code of Conduct and were evaluated in accordance with the assessment process for sustainability risks. This figure refers to Sweden, since the Code of Conduct is not yet fully implemented in the Danish operations.

The outcomes of our evaluation and risk assessment of suppliers are presented in the table below. Compared with 2019, we enlisted a greater share of smaller suppliers in 2020 who have not completed a self-declaration according to Wihlborgs' procedures. At the same time, an increasing number of major suppliers have been awarded a lower risk class compared with previous assessments.

Supplier risk assessment

Risk class	Assessment	**2020**	2019
U	Signing of the Code of Conduct only (suppliers with less than 20 employees)	24%	18%
3	Management systems and policies may exist, but these have not been completed in line with Wihlborgs' requirements	1%	1%
2	The supplier has approved policies for the environment, quality and work environment	60%	69%
1	The supplier has policies and a management system but is not externally certified	12%	11%
0	Externally certified management system. Has signed the UN Global Compact	3%	1%

We have adjusted the statistics for 2019 and removed suppliers who lack an assessment (for example, a government authority) from the table. As such, the total for both 2020 and 2019 is 100%.

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.

At 31 December 2020, we had 249 employees in Wihlborgs, of which 108 in Denmark and 141 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	59	77
	Denmark	36	46
Temporary	Sweden	4	1
	Denmark	5	21
	Total	104	145

Type of employment		Women	Men
Full-time	Sweden	56	76
	Denmark	30	41
Part-time	Sweden	7	2
	Denmark	11	26
	Total	104	145

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 SAM, Systematic Work Environment Management.

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 the Wihlborgs Classic wellness initiative that was unfortunately unable to be implemented as planned in 2020.

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 2020, a total of 5 (5) workplace accidents occurred, of which only one 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, but no such incident occurred in 2020.

In relation to the goals that we have established, it can be noted that:

- 93 percent of employees stated that they perceive the workplace as safe in the most recent employee survey (Great Place to Work) conducted in 2020.
- Sick leave is stable at under 3 percent
- The majority (approximately 80 percent) of employees have utilised the wellness allowance in 2020.

Work injuries at contractors

In 2020, our contractors reported seven workplace accidents in conjunction with ongoing new-build projects. None of these led to any serious personal injury that has resulted in sick leave. 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 recommend Wihlborgs' products and services (>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 2020, 96 percent (98) 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 or a landlord. We have obtained high scores in this regard for many years, and an overwhelming majority of employees are also "ambassadors" for Wihlborgs.

Willingness to recommend

	2020	2019	2018	2017	2016
Willingness to recommend – employer	92%	96%	95%	96%	93%
Willingness to recommend – products and services	97%	98%	98%	98%	97%

Measures the number of employees who answered "Often" (4) or "Almost always" (5) for the statements "I feel I can recommend my employer to others" and "I feel I can recommend our products and services" (scale of 1–5).

Diversity and equal opportunity

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 a yearly 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. Salary comparisons show that, when age and experience are taken into account, there is essentially no difference between the salaries allocated to men and women.

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 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 have also negotiated with a number of other partners in terms of strengthening the community involvement aspect of existing collaborations.

Of course, 2020 has been a unique year in light of the pandemic, and a great deal of planned initiatives have not come to fruition. At the same time, Wihlborgs has sponsored new initiatives that aim to support vulnerable groups that have experienced particular hardship during the pandemic. This has resulted in some changes in the composition of our sponsoring portfolio during the year, with a different appearance than in a normal year.

In addition, we conducted a review of our collaborations and how they are classified in relation to our sponsorship policy concerning their depth of community involvement. To maintain comparability, we have also recalculated the sponsorship with community involvement metric for the years 2018 and 2019.

Sponsorship with community involvement

	2020	2019	2018	2017	2016
Share of sponsorship	41%	27%	28%	24%	25%

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 coming 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.

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/m^2;
- 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.

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.

Outcomes and follow-up

Energy consumption in Wihlborgs' properties in 2020 is presented in the "EPRA" section on page 142. We noted reduced energy consumption in general during 2020, both in absolute and relative terms (per m^2). In total, energy consumption declined 6 percent compared with 2019, and energy consumption per square metre was just over 95 kWh/m^2, very close to our 2022 target.

It is clear that a lower presence in our tenants' workplaces during the pandemic has contributed to the reduction in energy consumption during 2020. In addition, we have also continued with our ongoing energy-efficiency measures in the properties and installed additional solar power systems. In total, we installed a max. output of approximately 1,620 kWp by the end of 2020, which contributed to reducing the need for purchased electricity.

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. For several years, we have reported Scope 1 emissions (direct emissions from operations), Scope 2 emissions (indirect emissions from purchased energy), and certain Scope 3 emissions (other indirect emissions in the value chain). This year, we are presenting a more complete composition of relevant Scope 3 emissions that include an estimate of the climate-impacting emissions of our construction projects.

Goals and governance

A conscientious societal focus on climate issues is prevailing, and Wihlborgs has signed several external climate initiatives – the Fossil-free Sweden Initiative 2020, 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 CO_2 emissions (70g CO_2/km) when selecting company cars. Our travel policy focuses on sustainable alternatives, such as public transport and bicycles.

Wihlborgs' property management in Sweden has already achieved climate neutrality in terms of our own (Scope 1 and 2) emissions, and this will also encompass Denmark from 2020. 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, all new projects and our management are to be climate neutral (net zero) in the Malmö region from 2030 and the entire Wihlborgs Group from 2045.

We measure and follow up on Scope 1 and 2 emissions, for which we have established concrete short-term goals and now also long-term goals. Our long-term climate goals to achieve before 2030 are scientifically grounded and in line with the global ambition to limit global warming to 1.5°C, and have been approved during the year by the Science-Based Targets Initiative (SBTi).

- GHG emissions (Scope 1 and 2) to amount to a maximum of 1.5kg CO_2e/m^2 (per 2022)
- GHG emissions (Scope 1 and 2) to reduce 50 percent by 2030 compared with 2018
- Scope 3 GHG emissions to be measured, reported and reduced.

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.

Outcomes and follow-up

GHG emissions in Wihlborgs' operations (Scope 1 and 2) are presented in the "EPRA" section on page 142 and in the "Sustainable business" section on pages 40–42. Total emissions have declined 54 percent, partly as a result of lower energy consumption, but also because we have increased the share of renewable energy products with low CO_2 emissions in Helsingborg and

Copenhagen. Relative emissions now amount to only 1.4g CO_2e/m^2, which means that we have already achieved our target for 2022.

This year, we conducted a more thorough review and estimation of Wihlborgs' climate-impacting Scope 3 emissions, which is presented in the table below. Our assessment is that the most significant emissions in the value chain 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). As per previous years, 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 CO_2e		
Category 1	Purchased goods and services	15,685
Category 3	Fuel- and energy-related activities	2,165
Category 5	Waste generated in operations	260
Category 6	Business travel	15
Category 13:	Downstream leased assets	3,260
	Total Scope 3 emissions	**21,385**

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.

Here, we present which buildings in Wihlborgs' property portfolio are externally certified. Wihlborgs' property portfolio includes new builds and renovated older properties that are primarily certified under BREEAM (Building Research Establishment Environmental Assessment Method), LEED (Leadership in Energy and Environmental Design) and the Swedish standard "Miljöbyggnad". We have also commenced certification of existing properties in accordance with the newly-developed Miljöbyggnad iDrift standard, which we plan to roll out on a large scale in the coming years.

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 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 "Byggvarubedömningen", where we assess the environmental and health hazards of building materials prior to procurement in construction and 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 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.

- 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.

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.

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 and in the "Sustainable business" section on page 43. Which properties are certified is presented in the property lists on pages 153–162. In 2020, we certified an additional three new buildings in accordance with Miljöbyggnad Gold, and our first property in accordance with the new Miljöbyggnad iDrift (Silver) standard.

In 2020, we defined our certification target and reviewed which properties we are focusing on for following up on this target. Previously, a target was established to certify 80 percent of Swedish office properties measured in share of property value, but this proved problematic to monitor, and certification efforts began to focus on the most valuable properties, preferably those in the centre of cities. The target has now been revised to 80 percent of the Swedish office properties' area (floor space), which is also more in line with international frameworks such as GRI Standards and EPRA sBPR.

Compared with the previous performance indicator (share of property value), the new indicator (share of area) generally results in a lower percentage, but the target remains 80 percent by 2022. We have established an ambitious plan for the certification of existing properties according to Miljöbyggnad iDrift for 2021–2022, and are confident that we can reach the target.

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 2020, the share of green leases was 38 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

	2020	2019	2018	2017	2016
Share of total leases	38%	30%	26%	18%	20%

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 result 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 access to the measurement data for properties in which the tenant is responsible for these agreements, and is therefore unable to report on them.

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 2020, Wihlborgs owned 257 (275) 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 that are reported in the Sustainability Report 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

The majority of the data in the Sustainability Report is definitively measured and registered by Wihlborgs or one of our suppliers. 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 cooling facilities 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

Energy consumption includes electricity, heating and district cooling that Wihlborgs purchases for the properties. We have agreements for certificate of origin renewable energy in Sweden and Denmark, which generally means zero emissions of Scope 2 fossil CO_2 (market-based emissions) in Sweden. In Denmark, fossil fuel is used to a greater extent for district heating (emission factor 66g CO_2e/kWh) and a mixture of natural gas and biogas for heating (155g CO_2e/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 CO_2e/kWh in Sweden and 154g CO_2e/kWh in Denmark) and environmental values for district heating and cooling calculated by energy companies.

Scope 3 (other indirect emissions)

This year, we expanded our reporting of Scope 3 emissions that occur upstream or downstream in the value chain. The most significant change is that we now include an estimation of the emissions that arise in connection with construction projects and the tenants' electricity consumption (in those cases where they have their own agreements).

Purchased goods and services

This category primarily 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 CO_2 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 350g CO_2e/m^2 for new-build and redevelopment projects and 150g CO_2e/m^2 for modifications. Emission factors are based on reference values that are presented in scientific reports from IVL.

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 CO_2e/kWh, apart from the mix of natural gas and biogas that is used for heating in Denmark, for which we calculate 30g CO_2e/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 CO_2e/kg of waste based on information from recycling companies.

Business travel

This category includes air travel and private cars on business. GHG emissions from air travel is 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 CO_2e/km in Sweden and 158g CO_2e/km in Denmark. For plug-in-hybrid electric vehicles, 100 g CO_2e/km is used. Electric cars are considered to have zero emissions.

Downstream leased assets

This category includes tenants' energy consumption in our properties during the year to the extent that it is not already included in Wihlborgs' purchased energy (Scope 2). Our data is based on those properties where tenants have their own electricity agreement and assumes that energy consumption in the tenants' operations amounts to 50 kWh/m^2. For calculating GHG emissions, we have used the same location-based emission factors as for Scope 2.

Recalculations

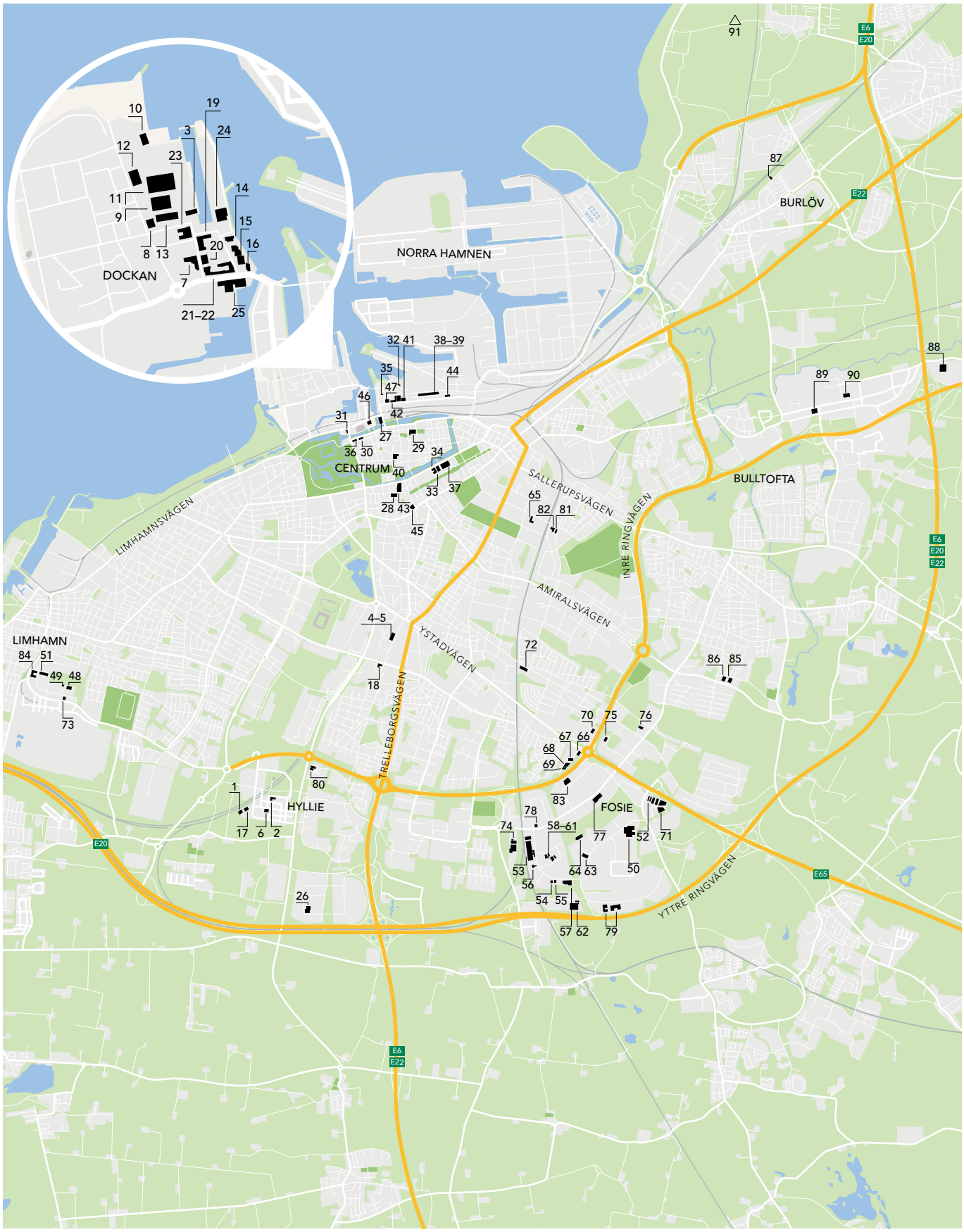
We recalculate metrics for previous years including in cases where we have changed a reporting principle or managed to collect data of a superior quality. Such recalculations are usually reported in connection with the respective metric in the Sustainability Report. In certain cases, where a recalculation of historical data is not possible a statement is included that metrics across several years are not comparable. In 2020, we have, inter alia, adjusted metrics concerning our targets for certified properties and reviewed data from previous years for community focused sponsorship.

Interior of the co-working company Mindpark's newly opened premises at Slagthuset 1 in Malmö.

Property list

What is hiding behind the door? At Wihlborgs' properties, you will find a raft of fantastic ideas and businesses. Companies and organisations that contribute in terms of jobs, products, services and development in many different areas and who do so daily. Our properties are like dynamic greenhouses for the emergence of a more sustainable society.

Malmö


DOCKAN
NORRA HAMNEN
CENTRUM
BURLÖV
BULLTOFTA
LIMHAMN
HYLLIE
FOSIE
LIMHAMNSVÄGEN
SALLERUPSVÄGEN
INRE RINGVÄGEN
AMIRALSVÄGEN
YSTADVÄGEN
TRELLEBORGSVÄGEN
YTTRE RINGVÄGEN
E6
E20
E22
E65

Malmö, Dockan and Hyllie

	No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ Healthcare, m²	Other, m²	Total, m²
	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	264		14,945	225	1,694		593	17,457
	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		8,503	159	504			9,166
●	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			117				117
	9	Kranen 2	Östra Varvsgatan 11 A–F	Malmö	Office/Retail	0			650	685	15,987		17,322
	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	Pulpeten 5	Skrivaregatan	Malmö	Projects & Land	112							0
	18	Ritaren 1	Stadiongatan 10	Malmö	Office/Retail	20	L	2,713					2,713
●	19	Skrovet 3	Dockplatsen 10–18	Malmö	Office/Retail	239		8,660	1,629	21			10,310
	20	Skrovet 4	Hallenborgs gata 7 A–B	Malmö	Office/Retail	54							0
	21	Skrovet 5	Hallenborgs gata 1A–5	Malmö	Office/Retail	200		7,422	1,243				8,664
	22	Skrovet 6	Stora Varvsgatan 3–7	Malmö	Office/Retail	315		12,147	284				12,431
●	23	Skåneland 1	L Varvsg 53	Malmö	Office/Retail	249		11,206	325				11,531
	24	Torrdockan 6	Dockplatsen 1	Malmö	Office/Retail	231		10,674	451			1	11,126
	25	Ubåten 2	Stora Varvsgatan 2–6 A–B	Malmö	Office/Retail	192		12,172	369				12,541
	26	Urnes 3	Långhusgatan 4	Malmö	Office/Retail	39		4,600					4,600
	Malmö, Dockan and Hyllie, total					**3,598**		**150,258**	**7,710**	**11,934**	**19,515**	**3,814**	**193,230**

Malmö City

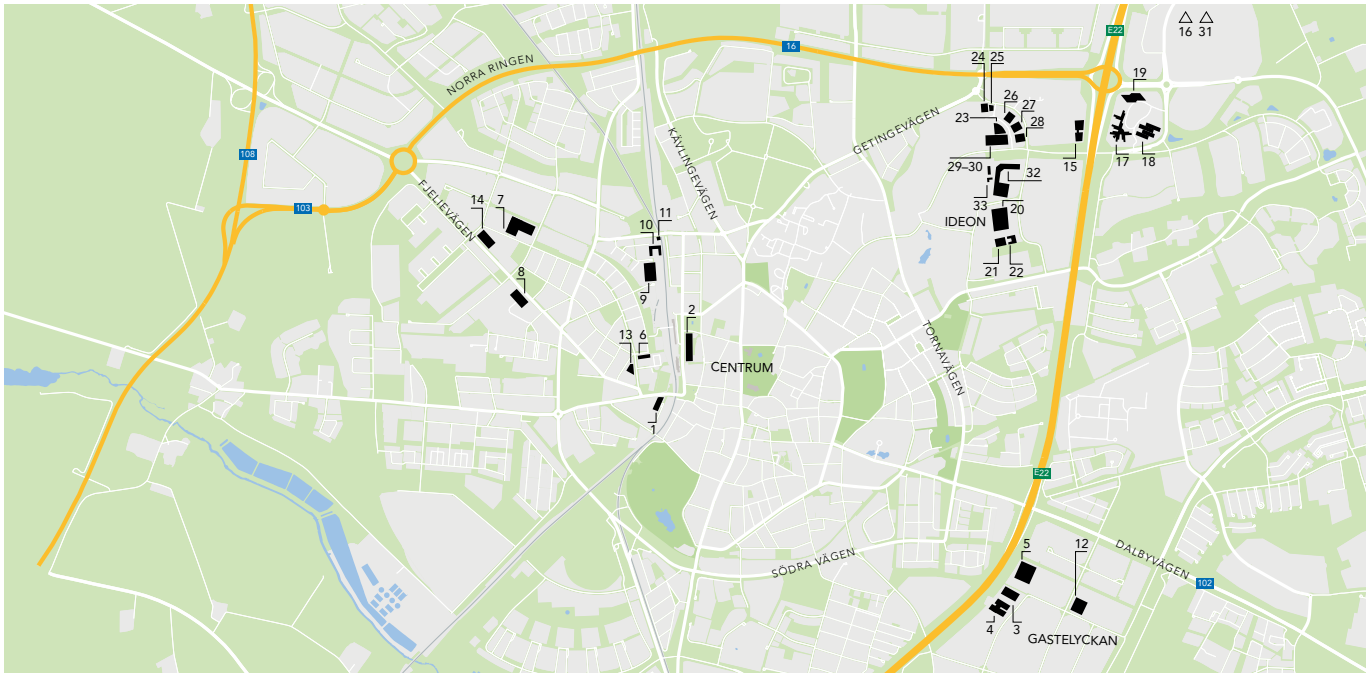
	No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ Healthcare, m²	Other, m²	Total, m²
	27	Börshuset 1	Skeppsbron 2	Malmö	Office/Retail	134		4,357	934	36			5,327
	28	Elefanten 40	Storgatan 20/S Förstadsg 12–14	Malmö	Office/Retail	284		10,575	2,742	8			13,325
	29	Erik Menved 37	M Nilsg 2–24/Kattsundsg 7–27	Malmö	Office/Retail	372		17,195	3,217	2,142		740	23,294
	30	Fisken 18	N Vallg 100–102/Västerg 35	Malmö	Office/Retail	147		5,193		119	1,508		6,820
	31	Flundran 1	Gibraltargatan 2	Malmö	Office/Retail	0					2,451		2,451
	32	Hamnen 22:188	Hans Michelsensgatan 8–10	Malmö	Office/Retail	125		6,552	700	1,151			8,403
	33	Karin 13	Fänriksgatan 2/Drottningg. 18	Malmö	Office/Retail	91		6,171		749		181	7,101
	34	Karin 14	Kungsgatan 13	Malmö	Office/Retail	96		7,219		1,199			8,418
	35	Kolga 4	Jörgen Kocksgatan 4	Malmö	Office/Retail	55		2,244		41			2,285
	36	Neptun 6	Västergatan 43–47/Slottsg. 2	Malmö	Office/Retail	89		3,190		293	1,486		4,969
●	37	Nora 11	Kungsgatan/Drottningg.	Malmö	Office/Retail	390		27,186		1,471			28,657
	38	Polstjärnan 1	Jupiterg 4/Jörgen Kocksg 35	Malmö	Projects & Land	16							0
	39	Polstjärnan 2	Jupiterg 4/Jörgen Kocksg 35	Malmö	Projects & Land	2				11,055			11,055
	40	Sankt Jörgen 21	Söderg 22–24/Baltzarg 26–34	Malmö	Office/Retail	300		7,816	3,457	61			11,334
●	41	Sirius 3	Carlsg 14A–F/Navigationsg.	Malmö	Office/Retail	165		6,828	325	30			7,183
	42	Slagthuset 1	Carlsg. 10, 12/Utställng. 1B	Malmö	Office/Retail	403		6,666	8,225	30	1,267	10,275	26,463
	43	Sparven 15	V Kanalg 2–8/Storg 15	Malmö	Office/Retail	97		8,450		6,048	6,329		20,827
	44	Söderhavet 4	Carlsgatan 54/Elbegatan	Malmö	Office/Retail	15			2,832				2,832
●	45	Uven 9	Diskontogången 2	Malmö	Office/Retail	98		7,590					7,590
	46	Väktaren 3	Hjälmareg 3/Nordenskiöldsg 2B	Malmö	Office/Retail	203		8,276		30			8,306
	47	Östersjön 1	Carlsgatan 6–8/Stormgatan 5	Malmö	Office/Retail	184		7,956		80			8,036
	Malmö City, total					**3,266**		**143,464**	**22,432**	**24,543**	**13,041**	**11,196**	**214,676**

● Environmentally certified buildings

Outer Malmö												
No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ Healthcare, m²	Other, m²	Total, m²
48	Balken 10	Ringugnsgatan 3	Malmö	Logistics/Prod	22				3,725			3,725
49	Balken 7	Schaktugnsgatan 5	Malmö	Logistics/Prod	8		618		1,202			1,820
50	Benkammen 16	Kantyxegatan 14	Malmö	Logistics/Prod	38				6,260			6,260
51	Blocket 1	Limhamnsgårdens Allé 3–37	Malmö	Logistics/Prod	38		3,370		2,725		721	6,816
52	Boplatsen 3	Boplatsgatan 4–8	Malmö	Office/Retail	142		21,924	660	2,218			24,802
53	Bronsdolken 3	Stenyxegatan 13–15	Malmö	Logistics/Prod	58			4,242	7,332			11,574
54	Bronsdolken 10	Stenyxegatan 27	Malmö	Logistics/Prod	6				1,271			1,271
55	Bronsdolken 11	Stenyxegatan 29	Malmö	Logistics/Prod	6		432		521			953
56	Bronsdolken 18	Stenyxegatan 17	Malmö	Logistics/Prod	9				1,311			1,311
57	Bronsdolken 25	Stenyxegatan 33–35	Malmö	Office/Retail	42		480	6,872	2,881			10,233
58	Bronsspannen 5	Trehögsgatan 7	Malmö	Logistics/Prod	3				735			735
59	Bronsspannen 8	Flintyxegatan 3	Malmö	Logistics/Prod	6				1,067			1,067
60	Bronsspannen 9	Flintyxegatan 5	Malmö	Logistics/Prod	10				2,069			2,069
61	Bronsspannen 13	Trehögsgatan 3	Malmö	Logistics/Prod	8				1,765			1,765
62	Bronsåldern 2	Bronsåldersgatan 2	Malmö	Logistics/Prod	64				12,485			12,485
63	Dubbelknappen 15	Kantyxegatan 23	Malmö	Office/Retail	14		1,520		78			1,598
64	Dubbelknappen 23	Risyxegatan 3	Malmö	Logistics/Prod	29				4,027			4,027
65	Grytan 3	Industrigatan 21	Malmö	Logistics/Prod	12		1,263		1,100			2,363
● 66	Hindbygården 7	Ö Hindbyvägen 70	Malmö	Projects & Land	2							0
67	Hindbygården 8	Ö Hindbyvägen 74	Malmö	Office/Retail	13		1,630					1,630
68	Hindbygården 9	Ö Hindbyvägen	Malmö	Projects & Land	2							0
69	Hindbygården 10	Ö Hindbyvägen	Malmö	Projects & Land	1							0
70	Hundlokan 10	Cypressvägen 21–23	Malmö	Logistics/Prod	42				5,985			5,985
71	Hällristningen 5	Boplatsgatan 5	Malmö	Projects & Land	4							0
72	Mandelblomman 5	Lönngatan 75	Malmö	Logistics/Prod	7		640		1,992			2,632
73	Muren 5	Ringugnsgatan 8	Malmö	Logistics/Prod	7				1,593			1,593
74	Olsgård 8	Olsgårdsgatan 3	Malmö	Logistics/Prod	64				8,189			8,189
75	Revolversvarven 11	Jägerhillsgatan 20	Malmö	Office/Retail	10	L		1,650				1,650
76	Rosengård 130:403	Agnesfridsvägen 113 A	Malmö	Office/Retail	62		7,838	415				8,253
77	Spännbucklan 9	Agnesfridsvägen 182	Malmö	Logistics/Prod	39				6,800			6,800
78	Stenyxan 20	Stenyxegatan 16	Malmö	Office/Retail	9		1,415		175			1,590
79	Stenåldern 7	Stenåldersgatan	Malmö	Logistics/Prod	96				13,976			13,976
80	Sufflören 3	Axel Danielssons väg 259	Malmö	Logistics/Prod	4		828		1,470			2,298
81	Syret 12	Industrigatan 33 B	Malmö	Logistics/Prod	9	L			1,803			1,803
82	Syret 13	Industrigatan 31–33	Malmö	Logistics/Prod	9		788		797			1,585
83	Trindyxan 3	Bronsyxegatan 9	Malmö	Logistics/Prod	38		576		6,928			7,504
84	Valvet 1	Krossverksgatan 5 A–M	Malmö	Logistics/Prod	21		2,818		645			3,463
85	Vårbuketten 2	Husievägen 19	Malmö	Logistics/Prod	15				2,837			2,837
86	Vårbuketten 4	Husievägen 17	Malmö	Projects & Land	7							0
87	Arlöv 19:133	Hantverkaregatan 18	Burlöv	Office/Retail	14		1,662					1,662
88	Sunnanå 12:27	Mor Marnas Väg 6–10	Burlöv	Logistics/Prod	72				14,525			14,525
89	Sunnanå 12:53	Vattenverksv./Toftanäsv. 232	Burlöv	Logistics/Prod	21				2,332			2,332
90	Sunnanå 12:54	Staffanstorpsvägen 104	Burlöv	Projects & Land	8							0
91	Borgeby 15:14, etc.	Norra Västkustvägen	Lomma	Projects & Land	0							0
Outer Malmö, total					**1,088**		**47,802**	**13,839**	**122,819**	**0**	**721**	**185,181**
Malmö, total					**7,852**		**341,524**	**43,981**	**159,296**	**32,556**	**15,731**	**593,087**

● Environmentally certified buildings

Lund



Central Lund/Gastelyckan

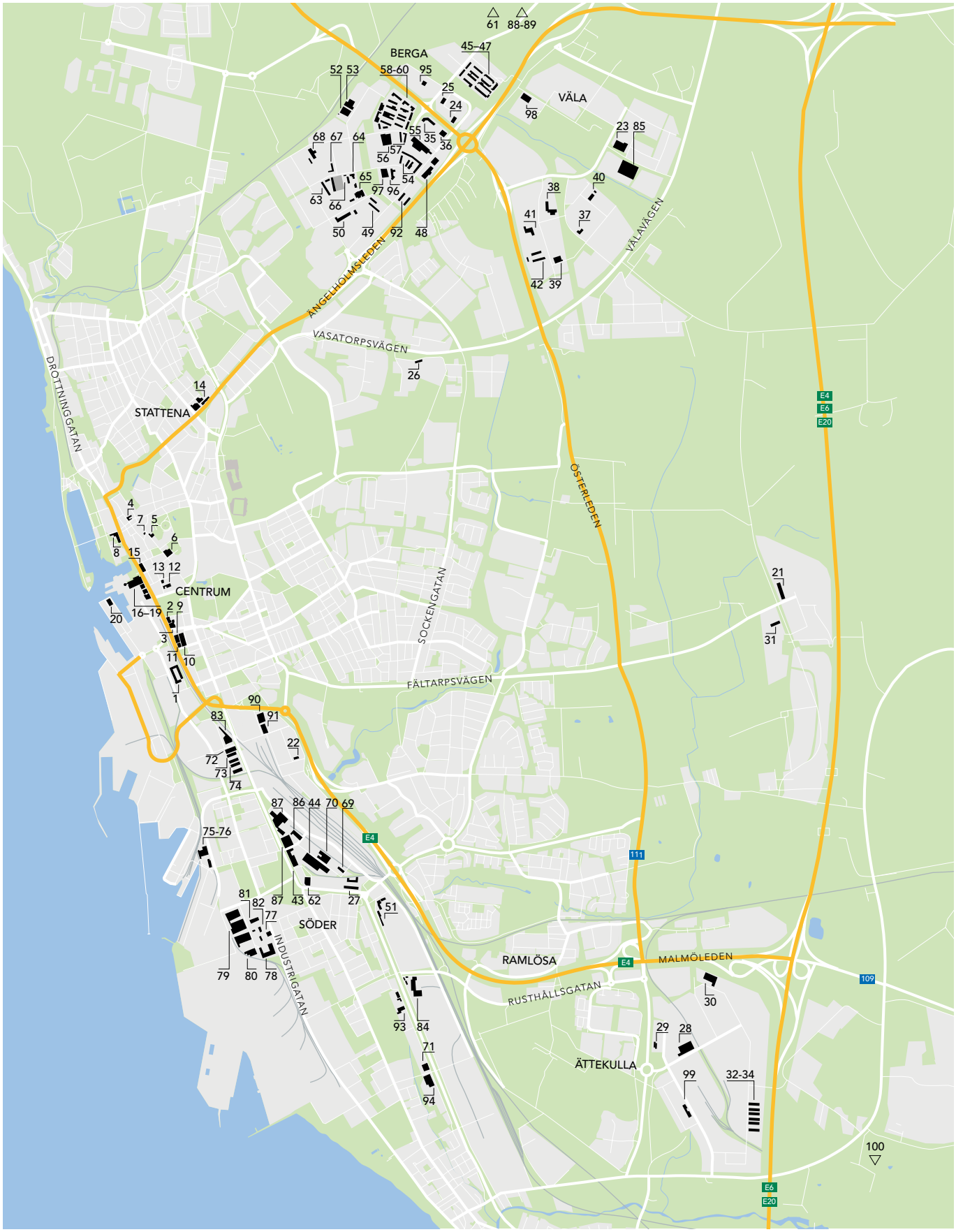
	No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ healthcare, m²	Other, m²	Total, m²
	1	Armaturen 4	Trollebergsv 1 / Gasverksg 1–9	Lund	Office/Retail	81		6,487		268		208	6,963
	2	Bytarebacken 39	Bang. 10–12/Clemenstorget 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	Bruksgatan 8/Vävareg. 21–23	Lund	Office/Retail	343		10,588	197	103			10,888
	10	Raffinaderiet 3	Fabriksgatan 2 A–F	Lund	Projects & Land	63		453				22	475
●	11	Raffinaderiet 5	Kung Oskars Väg 11 A–D	Lund	Office/Retail	29		1,865		42			1,907
	12	Skiffern 2	Skiffervägen 14/Porfyrvägen 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	Bondev 2/Fjeliev 68	Lund	Office/Retail	42		2,845	1,482	448			4,775
	Central Lund/Gastelyckan, total					**1,056**		**38,282**	**8,599**	**30,127**	**3,078**	**401**	**80,487**

Lund Ideon

	No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Logistics/ Prod, m²	Education/ healthcare, m²	Other, m²	Total, m²
	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		21,474	1,456	1,273		579	24,782
●	18	Nya Vattentornet 3	Mobilvägen 1	Lund	Office/Retail	375		18,497	1,231	1,118			20,846
●	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		9,288	1,183	280		22	10,773
	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		9,105		257		8,217	17,579
	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		6,027		205			6,232
	29	Syret 8 (Gamma)	Ideongatan 1A–D	Lund	Office/Retail	45		10,212		87			10,299
	30	Syret 9 (Delta 6)	Ideongatan 3A–B	Lund	Office/Retail	21		3,318		41			3,359
	31	Vetskapen 1	Partikelgatan	Lund	Projects & Land	8							0
	32	Vätet 1 (Beta 1–6)	Scheelevägen 17	Lund	Office/Retail	160		22,524	710	1,198	1,016	5	25,453
	33	Vätet 3 (Minideon)	Ole Römers väg 5	Lund	Office/Retail	0					335		335
	Lund Ideon, total					**2,314**		**162,354**	**6,057**	**5,612**	**1,351**	**8,823**	**184,197**
	Lund, total					**3,370**		**200,636**	**14,656**	**35,739**	**4,429**	**9,224**	**264,684**

● Environmentally certified buildings

Helsingborg



Central Helsingborg

	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
	1	Hermes 10	Rönnowsg 4–12, Bredg 7–11	Helsingborg	Office/Retail	360		28,886	872	1,501	19,190	538	50,987
●	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		3,069		29	1,334	2,010	6,442
	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	1,366	3,543	6,309
	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	4,837		124	2,766	9,585
	15	Svea 7	Järnvägsg. 7–11/S.Strandg. 2–6	Helsingborg	Office/Retail	116		5,000	2,009	62		313	7,384
●	16	Terminalen 1	Järnvägsg. 10/Kungstorg. 8	Helsingborg	Office/Retail	452	L	15,703	6,681	226	705	1,215	24,530
	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	85	L	5,591	142				5,733
●	20	Ursula 1	Redareg. 48–50/Henckels trg 3	Helsingborg	Projects & Land	128		10,957		36			10,993
	Central Helsingborg, total					**2,115**		**113,049**	**19,037**	**2,899**	**32,497**	**10,901**	**178,383**

Outer Helsingborg

	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
	21	Ackumulatorn 17	Knut Påls 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		3,221	100	1,005			4,326
	28	Bunkagården V. 8	Bunkalundsvägen 5	Helsingborg	Logistics/Prod	14		30		10,674			10,704
	29	Bunkagärdet 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				3,111			3,111
	33	Flintyxan 3	Stenbrovägen 36–38	Helsingborg	Logistics/Prod	11				3,126			3,126
	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		4,648	138				4,786
	37	Grusbacken 1	Mogatan 12	Helsingborg	Logistics/Prod	12				1,278			1,278
	38	Grusgropen 3	Grustagsgatan 22	Helsingborg	Logistics/Prod	30		531		4,776			5,307
	39	Grushögen 2	Makadamgatan 1	Helsingborg	Logistics/Prod	12				3,150			3,150
	40	Grusplanen 2	Blockgatan 8	Helsingborg	Logistics/Prod	13		405		2,937			3,342
	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	3,040	2,865		60	6,030
	44	Gymnasten 9	Kapplöpningsgatan 6	Helsingborg	Logistics/Prod	42		2,248		15,503			17,751
	45	Hakebössan 1	Karbingatan 28–32	Helsingborg	Logistics/Prod	22		997		3,886			4,883
	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	3,932			4,532
	51	Hästhagen 7	La Cours gata 2–6	Helsingborg	Office/Retail	42		7,404	1,289	1,062	1,297	320	11,372
	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		488	1,511	5,927			7,926
	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		889	562	6,588			8,039
	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		13,628			23,190
	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	Lövskogen 3	Ekvändan	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 20	Muskötgatan 6–8	Helsingborg	Logistics/Prod	29		4,369		2,380			6,749
	67	Mörsaren Västra 5	Muskötgatan 5	Helsingborg	Logistics/Prod	8				1,701			1,701
	68	Mörsaren Västra 13	Florettgatan 4	Helsingborg	Logistics/Prod	17		404		3,566			3,970
	69	Olympiaden 7	Kapplöpningsgatan 5	Helsingborg	Logistics/Prod	8		812		930			1,742
	70	Olympiaden 8	Kapplöpningsgatan 3	Helsingborg	Logistics/Prod	20		1,190		5,910			7,100
	71	Orkanen 5	Landskronavägen 18	Helsingborg	Logistics/Prod	8		498		2,681			3,179

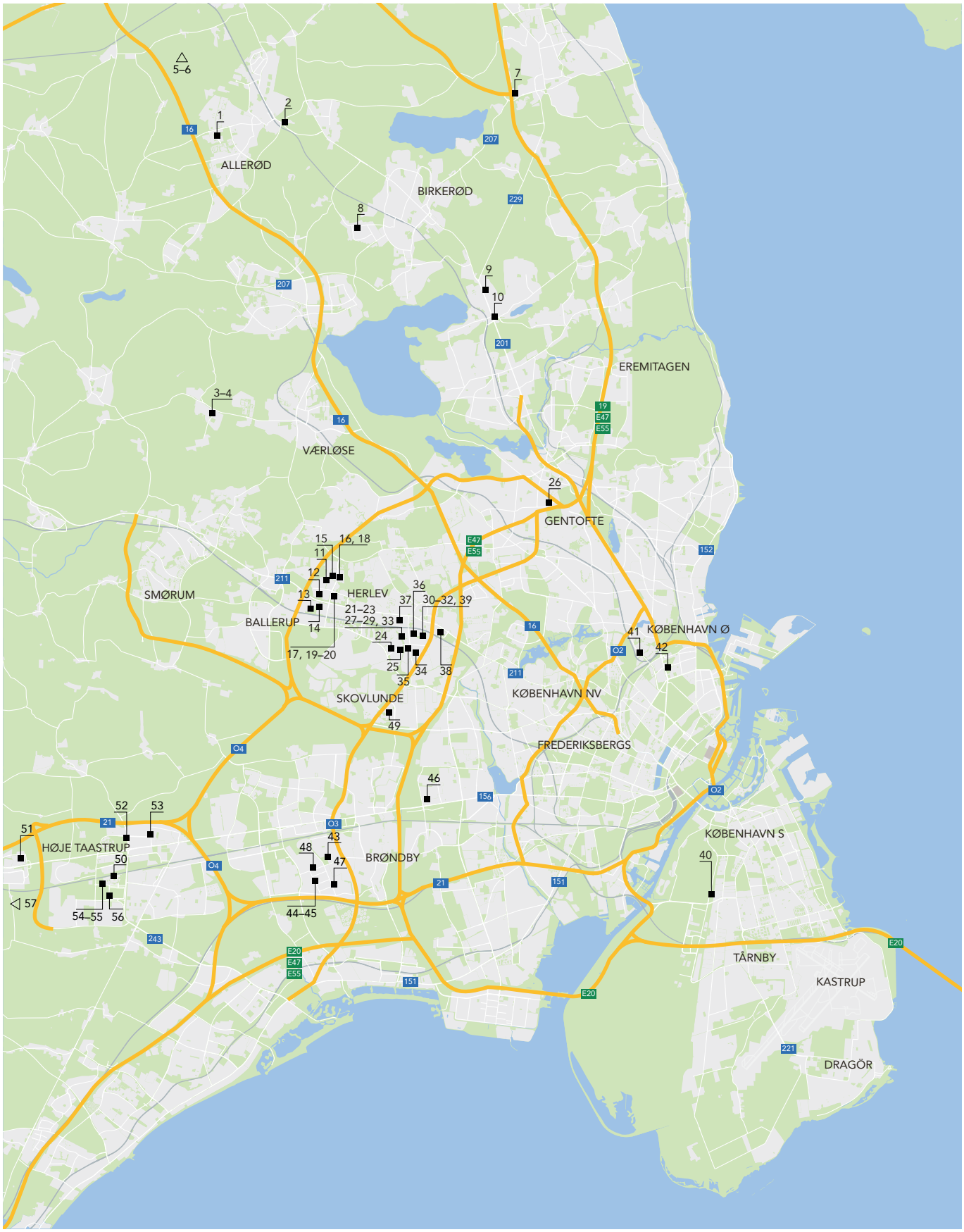
Continued on next page

● Environmentally certified buildings

	Outer Helsingborg											
	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
	72	Persien 1	V Sandg. 10–12, Cindersg 11	Helsingborg	Logistics/Prod	7		104		3,233		515	3,852
	73	Persien 14	Cindersgatan 13–15	Helsingborg	Logistics/Prod	12		44		2,824	1,022		3,890
	74	Persien 15	Cindersgatan 17–19	Helsingborg	Logistics/Prod	0					4,026		4,026
	75	Planteringen 1:8	V Tallgatan 32	Helsingborg	Logistics/Prod	6		540		1,317			1,857
	76	Planteringen 1:9	V Tallgatan 32	Helsingborg	Logistics/Prod	17		979		5,217			6,196
	77	Plåtförädlingen 7	Strandbadsvägen 11	Helsingborg	Logistics/Prod	5				1,230			1,230
	78	Plåtförädlingen 8	Strandbadsvägen 13	Helsingborg	Logistics/Prod	47		10,792		1,236			12,028
	79	Plåtförädlingen 11	Strandbadsvägen 19–21	Helsingborg	Logistics/Prod	76		2,759	276	18,231			21,266
	80	Plåtförädlingen 13	Strandbadsvägen 15–17	Helsingborg	Logistics/Prod	68		1,674		15,193			16,867
	81	Plåtförädlingen 15	Strandbadsvägen 7	Helsingborg	Logistics/Prod	21				2,496			2,496
	82	Plåtförädlingen 18	Strandbadsvägen 9	Helsingborg	Logistics/Prod	11		70		2,438			2,508
	83	Posten 1	Västra Sandgatan 7	Helsingborg	Office/Retail	0		3,051		2,949			6,000
	84	Rausgård 21	Landskronavägen 9	Helsingborg	Logistics/Prod	52		4,312		5,947			10,259
	85	Rubinen 1	Basaltgatan 9	Helsingborg	Logistics/Prod	53		1,525		9,502			11,027
	86	Sadelplatsen 10	Fäktmästaregatan 5	Helsingborg	Logistics/Prod	13		350		2,725			3,075
●	87	Sadelplatsen 13	Planteringsv 5–9	Helsingborg	Logistics/Prod	83		728	5,680	11,344	1,270	520	19,542
	88	Snårskogen 4	Ekvändan 5	Helsingborg	Logistics/Prod	16				3,015			3,015
	89	Snårskogen 5	Ekvändan	Helsingborg	Projects & Land	2							0
	90	Spanien 5	Gåsebäcksv. 6/Motorg. 1	Helsingborg	Projects & Land	1							0
	91	Spanien 11	Kvarnstensg 6–8/Motorg 5–7	Helsingborg	Office/Retail	31		2,253	451	2,841			5,545
	92	Spjutet 1	Garnisonsgatan 12	Helsingborg	Logistics/Prod	14		168	1,328	1,512			3,008
	93	Stormen 13	Landskronavägen 2–12	Helsingborg	Logistics/Prod	18		1,480		2,746			4,226
	94	Tyfonen 1	Landskronavägen 20	Helsingborg	Logistics/Prod	19		1,095		2,519		700	4,314
	95	Visiret 5	Garnisonsgatan 47 A	Helsingborg	Logistics/Prod	11				1,800			1,800
	96	Värjan 12	Muskötgatan 12	Helsingborg	Office/Retail	16		1,871					1,871
	97	Värjan 13	Muskötgatan 10	Helsingborg	Logistics/Prod	23				5,145			5,145
	98	Zirkonen 2	Andesitgatan 16	Helsingborg	Office/Retail	29			4,628				4,628
	99	Ättehögen 6	Torbornavägen 22	Helsingborg	Logistics/Prod	11		385		2,221			2,606
	100	Pedalen 16 & others	Rattgatan 48	Landskrona	Projects & Land	0							0
	Outer Helsingborg, total					**1,943**		**105,184**	**41,384**	**284,083**	**7,615**	**2,145**	440,411
	Helsingborg, total					**4,058**		**218,233**	**60,421**	**286,982**	**40,112**	**13,046**	618,794

● Environmentally certified buildings

Copenhagen


5–6
1
2
7
ALLERØD
BIRKERØD
8
9
10
EREMITAGEN
3–4
VÆRLØSE
26
GENTOFTE
15
16, 18
11
12
13
14
SMØRUM
BALLERUP
HERLEV
21–23
27–29, 33
36
37
30–32, 39
24
25
35
34
38
17, 19–20
41
42
KØBENHAVN Ø
KØBENHAVN NV
SKOVLUNDE
49
FREDERIKSBERGS
46
52
53
51
HØJE TAASTRUP
50
48
43
47
BRØNDBY
44–45
57
54–55
56
40
KØBENHAVN S
TÅRNBY
KASTRUP
DRAGÖR

North Copenhagen

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
1	Engholm Parkvej 8	Engholm Parkvej 8	Allerød	Office/Retail	98		7,143		1,339		2,886	11,368
2	Sortemosevej 2	Sortemosevej 2	Allerød	Office/Retail	77		7,252				2,005	9,257
3	Lejrvej 1	Lejrvej 1	Furesö	Logistics/Prod	12		183		1,219			1,402
4	Lejrvej 15–19	Lejrvej 15–19	Furesø	Office/Retail	54		7,695		374		750	8,819
5	Bymosevej 4	Bymosevej 4	Gribskov	Office/Retail	38		2,943				1,029	3,972
6	Munkeengen 22–32	Munkeengen 22–32	Hillerød	Office/Retail	46		3,586			4,937	630	9,153
7	Slotsmarken 10–18	Slotsmarken 10–18	Hørsholm	Office/Retail	63		24,749		240		2,632	27,621
8	Blokken 84	Blokken 84	Rudersdal	Logistics/Prod	53				8,616			8,616
9	Kongevejen 400	Kongevejen 400	Rudersdal	Office/Retail	74		4,629					4,629
10	Røjelskær 11–15	Røjelskær 11–15	Rudersdal	Office/Retail	63		4,358					4,358
North Copenhagen, total					**578**		**62,538**	**0**	**11,788**	**4,937**	**9,932**	**89,195**

West Copenhagen

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
11	Borupvang 2	Borupvang 2/Lautrupcentret	Ballerup	Office/Retail	271		7,867	4,931		391	6,589	19,778
12	Borupvang 5	Borupvang 5	Ballerup	Office/Retail	96		10,358				429	10,787
13	Brydehusvej 30	Brydehusvej 30	Ballerup	Office/Retail	22		4,458		200			4,658
14	Industriparken 29	Industriparken 29	Ballerup	Office/Retail	31		3,118					3,118
15	Lautruphøj 8–10	Lautruphøj 8–10	Ballerup	Office/Retail	247		13,548				2,428	15,976
16	Lautrupvang 1 A+B	Lautrupvang 1 A–B	Ballerup	Office/Retail	297		11,619		2,939			14,558
17	Lautrupvang 2	Lautrupvang 2	Ballerup	Office/Retail	100		12,560				58	12,618
18	Lautrupvang 3	Lautrupvang 3	Ballerup	Office/Retail			11,514				1,928	13,442
19	Lautrupvang 8	Lautrupvang 8	Ballerup	Office/Retail	123		9,652				2,094	11,746
20	Lautrupvang 12	Lautrupvang 12	Ballerup	Office/Retail	121		8,135				1,261	9,396
West Copenhagen, total					**1,308**		**92,829**	**4,931**	**3,139**	**391**	**14,787**	**116,077**

East Copenhagen

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
21	Literbuen 6–10	Literbuen 6–10	Ballerup	Office/Retail	10		1,602		9,672		450	11,724
22	Literbuen 16–18	Literbuen 16	Ballerup	Office/Retail	34		4,696		3,637			8,333
23	Meterbuen 27	Meterbuen 27	Ballerup	Office/Retail	96		17,255					17,255
24	Mileparken 9 A	Mileparken 9 A	Ballerup	Logistics/Prod	40				5,054			5,054
25	Mileparken 22	Mileparken 22	Ballerup	Office/Retail	54		9,391		2,089			11,480
26	Sandtoften 9	Sandtoften 9	Gentofte	Office/Retail	55		4,970					4,970
27	Ellekær 2–4	Ellekaer 2–4	Herlev	Office/Retail	20				4,828			4,828
28	Ellekær 6	Ellekaer 6	Herlev	Office/Retail	22		4,599		1,071		265	5,935
29	Ellekær 9	Ellekaer 9	Herlev	Office/Retail	42		5,976		1,181			7,157
30	Hørkær 12	Hørkær 12	Herlev	Office/Retail	111		11,733		464			12,197
31	Hørkær 14 & 26	Hørkær 14 & 26	Herlev	Office/Retail	42		3,745		529		1,105	5,379
32	Hørkær 16–28	Hørkær 16–28	Herlev	Office/Retail	331		23,552		3,199	2,781	4,994	34,525
33	Knapholm 7	Knapholm 7	Herlev	Office/Retail	36		3,977		528		1,120	5,625
34	Lyskær 9	Lyskær 9	Herlev	Office/Retail	38		4,997				532	5,529
35	Marielundvej 28–30	Marielundvej 28–30	Herlev	Office/Retail	60		2,597		6,877		283	9,757
36	Marielundvej 29	Marielundvej 29	Herlev	Logistics/Prod	28		1,808		2,371		263	4,442
37	Smedeholm 10	Smedeholm 10	Herlev	Office/Retail	16		3,069				216	3,285
38	Stationsalleen 40–46	Stationsalléen 40–46	Herlev	Office/Retail	32		1,297	924		2,208	1,526	5,955
39	Vasekær 9	Vasekaer 9	Herlev	Projects & Land	10							0
40	Digevej 114	Digevej 114	Copenhagen	Office/Retail	169		7,360				30	7,390
41	Lersø Park Alle 103–105	Lersø Park Alle 103–105	Copenhagen	Office/Retail	119		9,859					9,859
42	Lyngbyvej 20	Lyngbyvej 20	Copenhagen	Office/Retail			2,720				560	3,280
East Copenhagen, total					**1,365**		**125,203**	**924**	**41,500**	**4,989**	**11,344**	**183,959**

South Copenhagen

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
43	Banemarksvej 50	Banemarksvej 50	Brøndby	Office/Retail	130		19,634					19,634
44	Abildager 8–14	Abildager 8–14	Brøndby	Logistics/Prod	92		528		13,930			14,459
45	Abildager 16	Abildager 16	Brøndby	Logistics/Prod					7,683			7,683
46	H.J. Holst vej 3–5	H.J. Holst vej 3–5	Brøndby	Office/Retail	81		7,263				844	8,107
47	Midtager 35	Midtager 35	Brøndby	Logistics/Prod	62				7,963			7,963
48	Park Allé 363	Park Allé 363	Brøndby	Logistics/Prod	37		4,000					4,000
49	Ejby Industrivej 41	Ejby Industrivej 41	Glostrup	Office/Retail	355		25,480				23,695	49,175
50	Girostrøget 1	Giroströget 1	Høje-Taastr.	Office/Retail	472		46,759				15,153	61,912
51	Baldersbuen 5	Baldersbuen 5 mfl	Høje-Taastr.	Logistics/Prod	37		1,289		5,639			6,928
52	Helg.Alle 9–15 & 49–55	Helgeshøj Alle 9–15 & 49–55	Høje-Taastr.	Office/Retail	150		13,347					13,347
53	Husby Alle 8	Husby Alle 8	Høje-Taastr.	Office/Retail	11		2,114				329	2,443
54	Høje-Taastr. Blvd 33–39	Høje-Taastrup Blvd 33–39	Høje-Taastr.	Office/Retail	62		4,121	294		888	1,239	6,542
55	Høje-Taastr. Blvd 52–58	Høje-Taastrup Blvd 52–58+	Høje-Taastr.	Office/Retail	40		2,636	926			720	4,282
56	Oldenburg Alle 1–5	Oldenburg Alle 1–5	Høje-Taastr.	Office/Retail	93		13,075				1,611	14,686
57	Ny Østergade 7–11	Ny Østergade 7–11	Roskilde	Office/Retail	185		14,609		142	314	685	15,750
South Copenhagen, total					**1,807**		**154,855**	**1,220**	**35,357**	**1,202**	**44,276**	**236,911**
Copenhagen, total					**5,058**		**435,425**	**7,075**	**91,784**	**11,519**	**80,339**	**626,142**

Interior of tech hub Hetch's premises in the Prisma (Ursula 1) office building in Helsingborg.

Annual General Meeting 2021

The Annual General Meeting of Wihlborgs Fastigheter AB (publ) will be held on Tuesday, 27 April 2021. Within the aim of reducing the risk of infection, the AGM is only held using postal voting, meaning that the AGM will be held without the physical presence of shareholders, proxies or external parties. 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 2021

Wihlborgs' annual reports and interim reports are available from its website wihlborgs.se. The annual report is printed in Swedish and distributed to shareholders who have requested this service. The actual publication dates for interim reports in 2021 are as follows:

Interim Report, Jan–Mar	**27 April 2021**
Interim Report, Jan–June	**12 July 2021**
Interim Report, Jan–Sep	**22 Oct 2021**

Malmö – Head Office
Wihlborgs Fastigheter AB
Box 97, SE-201 20 Malmö, Sweden
Visitors: Stora Varvsgatan 11A
Tel: +46 (0)40 690 57 00

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

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

Denmark
Wihlborgs A/S
Mileparken 22A
DK-2740 Skovlunde, Denmark
Tel: +45 396 161 57

Production Wihlborgs in association with Navigator. **Photographers:** Alexander Olivera, Josefin Widell Hultgren and Iben Kaufmann.
Printed by Exakta. Printed on Swan marked paper, licence no. 341 140.

SVANENMÄRKT Trycksak 3041 0417

FSC www.fsc.org MIX Papper från ansvarsfulla källor FSC® C074394

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

wihlborgs.se