
Fasade Space (Kunskapen 1)

Wihlborgs

Wihlborgs' Interim report 2021

January–September

CONTINUED RECOVERY OF THE OFFICE MARKET

Rental income amounted to SEK 2,290* million (2,323)

Operating surplus amounted to SEK 1,658 million (1,699)

Income from property management amounted to SEK 1,372 million (1,411)

Result for the period amounted to SEK 1,680 million (1,528), corresponding to earnings per share of SEK 10.93 (9.94)

EPRA NAV increased by 8 percent** to SEK 159.68 (152.44)

* Of which early termination fee related to Ejby Industrivej 41 of SEK 64 million

**Paid divident of SEK 5.25 has been taken into account

We aren't afraid of change. Being able to adapt to developments in society to remain relevant has always been our strength. Wihlborgs is growing and developing every day, especially during these challenging times. This is all so we can be the customer-centric, long-term and region-building company that we are.

Our 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 business model

Our business model consists of two elements: property management and project development. We work continuously to improve our property portfolio by refining and developing existing properties, completing new projects and acquiring and selling properties. Strong financial results enable value growth and dividends to our shareholders.

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.

This is Wihlborgs

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 and relations-builder. The book value of the company's properties totals SEK 47.7 billion, representing an annual rental value of SEK 3.3 billion. Wihlborgs' shares are listed on the Large Cap List of Nasdaq Stockholm.

Property value	Rental income	Income property management
47.7	2,290	1,372
SEK billion	SEK million	SEK million

January–September 2021

Group key figures, SEK m	**2021 Jan-Sep**	2020 Jan-Sep
Rental income	**2,290**	2,323
Operating surplus	**1,658**	1,699
Income property management	**1,372**	1,411
Changes in value of properties	**591**	422
Changes in value of derivatives	**147**	-117
Result for the period	**1,680**	1,528
Earnings per share, SEK	**10.93**	9.94
Surplus ratio, %	**72**	73
Equity/assets ratio, %	**41.5**	38.4
Occupancy rate, %*	**92**	91
EPRA NRV per share, SEK	**159.68**	147.63

*) Excluding Projects & Land.

Financial targets

Mål	**Outcome Q3 2021**
A return on equity that exceeds the risk-free interest rate by not less than six percentage points, which for the beginning of 2021 corresponds to 5.78 percent	11.3
An equity/assets ratio of no less than 30 percent	41.5
An interest coverage ratio of no less than 2.0	6.7
The loan-to-value ratio is not to exceed 60 percent	48.2

CEO's comments

Our strategy delivers

In line with the easing of pandemic-related restrictions, we are now noting that most organisations are beginning to return to a way of working in which physical meetings are playing an increasingly large role and a growing focus can be placed on development. This does not mean that everything will run as it did prior to the pandemic, but we are noting a strong impetus to stimulate creativity and innovation in other ways than through digital meetings. We are focusing on being extremely sensitive to the needs of our tenants so that the product we are offering can help them to be successful. That is how we build on our own success, thereby contributing to a stronger region. We are also convinced that meetings create strong relationships.

Three of four of our largest leases to public-sector tenants

The increase in activity that we noted as early as in the second quarter continued also in the third. Three of our four largest leases during the quarter have been to public-sector tenants, and two of them have chosen Ideon in Lund. At Ideon, the Swedish Social Insurance Agency are leasing 4,200 m² at the Cube property (Nya Vattentornet 4) and the Human Rights Institute have signed a lease for 1,300 m² in the Node property (Nya Vattentornet 2). At the same time, northeastern Lund continues to consolidate its position as a place where academia meets entrepreneurship, with Oatly having decided to locate their new research and innovation centre in a new building, Space (Kunskapen 1), which we are constructing for them, at Science Village. The demand for logistics areas remains robust. During the quarter, we signed an agreement for 11,200 m² at Plåtförädlingen 11 in Helsingborg into which Boozt has already moved back in August.

Positive net lettings

During the quarter, we signed 111 new agreements for a total rental value of SEK 65 million and this healthy trends appears to be continuing. High tenant activity also means that shifts in requirements can lead to terminations. Following a review conducted by Danske Bank concerning their organisation and need for operational premises in Copenhagen, we have agreed with them that they vacate the Ejby Industrivej 41 property with immediate effect, with an annual rent of SEK 29 million. In return, they are making a one-off payment to us of SEK 64 million. The rent level has been very low and communication links will further improve when the Greater Copenhagen Light Rail (Letbanen) opens a new station next door. Together with attractive planning permission opportunities, this means that there is extremely good potential for development and we are now working further with the property as a promising urban regeneration project.

Even taking this termination into account, numerous and favourable lettings have resulted in positive net lettings for another quarter. During the period, we recorded a total of 132,000 m² lettings, 143,000 m² terminations and positive total for net lettings of SEK 48 million. This manner of conducting business continues to leave me firmly confident that we are doing the right things in the right places.

We are continuing to invest in our project portfolio. In our largest new-build project, Kvartetten (Pulpeten 5) in Hyllie/Malmö, we have signed the first leases with the co-working company Mindpark and the restaurant Spill. The presence of these tenants means that other tenants will receive an extraordinary offering in this building that will be certified in accordance with Zero CO2, Miljöbyggnad Guld and WELL. We are particularly pleased to achieve a Zero CO2 certification as the result of smart choices in the project combined with energy efficiency enhancements and solar cell investments in other properties.

” This manner of conducting business continues to leave me firmly confident that we are doing the right things in the right places.”

Property focus from a lifecycle perspective

At Wihlborgs, we work systematically to continually reduce the impact our properties have on people and the environment and to make our properties more sustainable. As such, we also welcome the new EU taxonomy, which contributes to clarifying what can be called sustainable property management. At the same time, we note that the taxonomy favours new construction over the refurbishment of existing properties through its focus on high energy efficiency. However, from a lifecycle perspective, existing buildings generate the least emissions, which also needs to be highlighted through certification. This is an issue for which we and the industry need to continue to influence.

Healthy prerequisites for continued stable growth

Our strong results, strengthened by one-off payments, provide us with a historically strong balance sheet with an equity/assets ratio of 41.5 percent and a loan-to-value ratio of 48.2 percent. We want to use the balance sheet to do more business that help our tenants grow and increase our own cash flow. With a focus on core operations, we will also increase future earnings, quarter after quarter and year after year.

Uncertainty in terms of financial trends will always exist and no business is immune to heavy financial disruptions. However, I can conclude that Wihlborgs’ business model has fared well during the rather extreme circumstances we have been faced with during the past 18 months. With that in mind, I see no obstacles for our future progress. We have every prerequisite in place for continued stable growth. Our strategy delivers.

Ulrika Hallengren, CEO

Market comments

The government’s easing of restrictions has entailed a normalising of society and the economy increasingly approaching a more normal growth rate. According to SEB Nordic Outlook, Sweden’s GDP continues to surprise on the upside. In 2022, Sweden is expected to post GDP growth of 3.9 percent before declining closer to the long-term trend of 2.3 percent for 2023. In Denmark, the fast reopening has accelerated GDP growth and unemployment has fallen from 6 percent to 5 percent in just a few months. GDP growth of 4.1 percent is expected in 2022 before falling to 2.5 percent in 2023.

In its most recent Monetary Policy Report, the Riksbank (the Swedish Central Bank) has continued to signal an unchanged repo rate until the end of the third quarter of 2024. Bond holdings are expected to remain essentially unchanged in 2022, which entails new purchases to compensate for maturities. For the first time, the Riksbank’s holding of covered bonds exceeds the bank’s holding of government bonds.

The CPIF inflation figure reported by Statistics Sweden for August amounted to 2.4 percent. Moreover, the Riksbank expects it to continue rising to about 3 percent toward the end of the year, largely driven by higher energy prices. Adjusted for energy prices, inflation was 1.4 percent in August, up strongly from July and was due, in the Riksbank’s assessment, to rising freight and commodity prices as well as shortages being passed on to consumers with consequent price increases. In Denmark, SEB expects inflation of 1.4% for 2022 and 1.7% for 2023.

The Øresundsinstituttet’s report, ”Kontorsmarknaden i Öresund” (”Office Market in Öresund”), highlights the new office volumes coming in Malmö and Copenhagen, which amount to about 140,000 m² and 255,000 m² respectively in 2022–2023. It should be noted, however, that the larger part of additional space in Malmö is already let. The high level of construction activity has only resulted in marginally higher vacancy rates in Malmö, while the assessment of Newsec is that they are at a five-year high in Copenhagen. According to SEPREF’s most recent consensus forecast, the top rent in Malmö remains unchanged at SEK 2,900/m².

Nordea’s report, ”Regionala utsikter” (”Regional Outlook)”, confirms that all regions in Sweden have put the crisis behind them and that South Sweden is the major metropolitan area that has best weathered the crisis. Continued robust growth in South Sweden will be driven by fewer long-term unemployed and population growth.

The major portfolio transactions led by Castellum/Kungsleden, Klövern/Corem and Akelius/Heimstaden dominated the transactionmarket. According to Pangea, the rolling 12 month transaction volume was a record at SEK 325 billion.

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

Income, expenses and profits, January–September 2021

Rental income

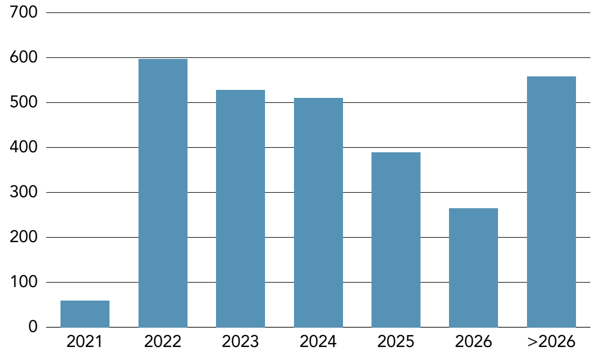
Rental income amounted to SEK 2,290 million (2,323), corresponding to a decline of 1 percent. Of the rental income, service income accounted for SEK 211 million (231) of which SEK 2 million (12) comprised supplementary billing as final settlement for costs in 2020. Income has been positively affected by compensation for early termination of leases in Ejby Industrivej 41 of SEK 64 million. Acquisitions and sales of properties had an impact of SEK -67 million (-6). Vacancies were SEK 58 million higher during the period compared with the year-earlier period. Discounts granted to tenants due to the ongoing Covid-19 situation had an impact of SEK -7 million (-14) on net rental income after taking into account expected state subsidy of SEK 3 million (4). Currency effects amounted to SEK -17 million (0) for the period. The additional increase in income of 3 percent arose as a result of completed projects, renegotiations, new lettings and the indexation of contracts.

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

During the period new leases were signed to a value of SEK 207 million (159) on an annualized basis. Lease terminations totalled SEK 159 million (144). This represents a net letting of SEK 48 million (15).

Terms of Wihlborgs' contracts per 30 September 2021

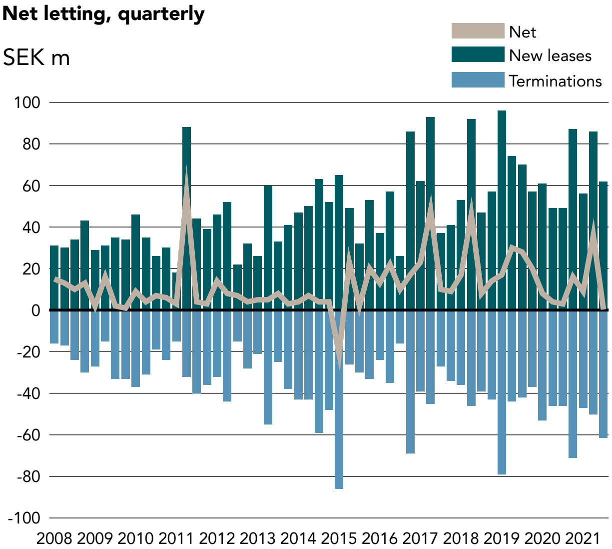
Cancellable rental value, SEK m



Number of contracts, excluding housing and parking contracts, per year

294	818	784	432	207	107	124

Net letting, quarterly



Ten largest tenants per 30 September 2021

21 %

Rental income from ten largest tenants

24 %

Rental income from governmental tenants

- City of Helsingborg
- City of Malmö
- Danish Building and Property Agency
- Danske Bank
- Ericsson
- Lunds University
- Malmö University
- Skåne Regional Council
- Swedish Customs
- Swedish Tax Agency

Property expenses

Total property expenses amounted to SEK 632 million (624). Bad debt losses was SEK 1 million (4) during the period. The increase in property costs is mainly attributable to the Danish portfolio, where a large part is due to the reopening of the canteen operations and the aquisition of two new properties. In addition, the cold start of the year led to increased costs for snow removal of SEK 6 million compared with previous year. The historical summary at the bottom of page 17 illustrates how costs vary over the different quarters of the year.

Operating surplus

The operating surplus amounted to SEK 1,658 million (1,699) representing a surplus ratio of 72 percent (73). Of the change, SEK -47 million (-12) was attributable to property acquisitions and divestments, in addition, currency effects have affected by SEK -11 million (0). Compensation for early terminationof leases on Ejby Industrivej 41 has had a positive effect on the operating surplus of SEK 64 million.

Central administration

The costs for central administration were SEK 61 million (55).

Financial income and expense

Net interest totalled SEK -226 million (-234), of which interest income accounted for SEK 10 million (10).

The interest expense for the period, incl. realized effects from interest rate derivatives, was SEK 236 million (244). Leasehold rent amounted to SEK 3 million (4). Interest expense relating to interest rate derivatives amounted to SEK 44 million (24). At the end of the period, the average interest rate, including the cost of credit agreements, was 1.33 percent, compared with 1.38 percent at year-end.

Income from property management

Profit participation in joint ventures amounted to SEK 4 million (5). Income from property management amounted to SEK 1,372 million (1,411).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 2,110 million (1,716). During the period, value changes on properties amounted to SEK 591 million (422). Value changes on derivatives amounted to SEK 147 million (-117) of which SEK 155 million (-149) are attributable to interest rate derivates and -8 million (32) to other financial items.

Profit after taxes

The profit after taxes was SEK 1,680 million (1,528). Total tax amounted to SEK 430 million (188), of which current tax SEK 44 million (33) and deferred tax SEK 386 million (155).

In the summer, all of our employees were given the chance to fill in a survey about their work environment. The results revealed that, in two-thirds of the responses, the things that we have longed for most during the pandemic is being able to meet colleagues, to do stimulating things together and to collaborate between groups and departments. We have carried out rounds at all of Wihlborgs' offices to ensure that they are working optimally for employees. This involves, inter alia, having equipped workstations in closable rooms and more meeting rooms in our smaller offices. In September, a pandemic-adapted kickoff was held in Båstad.

Assets

Property portfolio as of 30 September 2021

The summaries below are based on Wihlborgs' property portfolio as of 30 September 2021. Rental income relates to contracted rental income on an annual basis as of 1 October 2021.

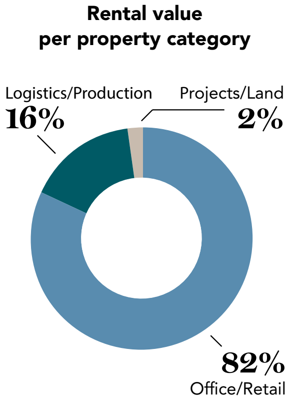
The operating surplus is based on the properties' earning capacity on an annual basis based on rental income for October 2021, operating and maintenance costs, property administration on a rolling twelve-month basis and property tax.

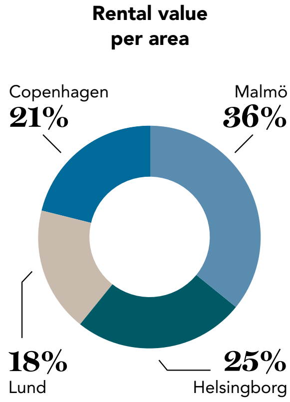
Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 30 September 2021 consisted of 296 properties (294) with a lettable area of 2,120,000 m^2 (2,103,000). 7 of the properties (7) are leasehold rights.

The properties' carrying amount was SEK 47,741 million (46,072), which corresponds to the estimated market value. The total rental value was SEK 3,322 million (3,268) and the contracted rental income on annual basis SEK 2,991 million (2,946). The like-for-like increase in rental value was 1.4 percent while contracted rental income increased by 2.1 percent compared to 12 months previously.

The economic occupancy rate for Office/Retail properties was 92 percent (90) and for Logistics/Production properties 93 percent (92). The rental value for Office/Retail properties represented 82 percent and Logistics/Production properties 16 percent of the total rental value.

The operating surplus from investment properties, excluding property administration and Projects/Land, is SEK 2,290 million (2,253) which with a carrying amount of SEK 44,936 million (44,169) corresponds to a yield of 5.1 percent (5.1). Broken down by property category, this is 4.9 percent (4.9) for Office/Retail and 6.4 percent (6.8) for Logistics/Production.





Exciting developments are under way in northern Lund where Ideon Science Park is a well-known, innovative research hub containing over 400 companies and providing 10,000 jobs. In addition to research and technology companies, public sector tenants and government agencies now see the potential here. One example is the new Human Rights Institute (Swe: Institutet för mänskliga rättigheter) that will be established on 1 January 2022 and will move in to our iconic LEED Gold-certified building, Node (Nya Vattentornet 2).

Changes in values of properties

By year-end the valuation of all Wihlborgs' properties is carried out by external valuers. The valuation as of 30 September 2021 has been made internally and resulted in a value increase at SEK 591 million (422).

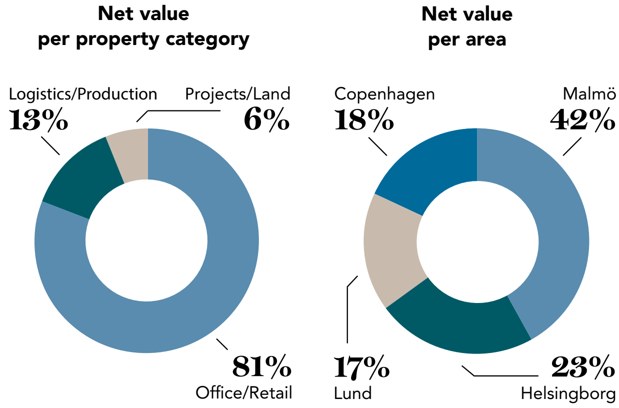
Lower yield requirements and increased expected operating results due to net lettings have affected valuation largely to the same extent.

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

As of 30 September 2021 the carrying amount for the properties is SEK 47,741 million (46,072).

Changes in carrying amount of properties

Changes	Group total, SEK m
Carrying amount 1 January 2021	46,072
Acquisitions	182
Investments	755
Properties sold	-3
Change in value	591
Currency translations	144
Carrying amount 30 September 2021	**47,741**



Investments and current projects

Investments in the property portfolio totalled SEK 755 million (859).

Approved investments in ongoing projects amount to SEK 2,005 million, of which 672 million had been invested at the end of period.

Liquid assets

The Groups liquid assets totalled SEK 538 million (607) including unutilized overdraft facilities. At the end of the period unutilized credit facilities amounted to SEK 2,970 million (3,656).

Investments in progress >SEK 50 million, 30 September 2021

Property	Category of use	Municipality	Completion date	Lettable area, m^2	Occupancy rate, %	Estimated investment, SEK m	Expended 30-09-2021, SEK m
Kranen 2 a	Office/Retail	Malmö	Q4 2021	3,700	100	137	123
Kranen 2 b	Office/Retail	Malmö	Q4 2021	4,400	100	100	77
Raffinaderiet 3	Office/Retail	Lund	Q4 2022	5,800	40	114	32
Hindbygården 7	Office/Retail	Malmö	Q3 2022	1,800	100	59	8
Huggjärnet 13	Logistics/Production	Helsingborg	Q4 2022	8,000	0	108	1
Pulpeten 5	Office/Retail	Malmö	Q2 2023	16,000	10	696	93
Kunskapen 1	Office/Retail	Lund	Q3 2023	6,000	50	244	11
Total				**45,700**		**1,458**	**345**

Analysis of lettable space per area and category of use

Area	Office, m²	Retail, m²	Logistics/ Production, m²	Education/ Health care, m²	Misc., m²	Total, m²	Share, %
Malmö	341,597	43,145	166,395	35,256	15,731[1]	602,124	28
Helsingborg	220,312	60,921	282,758	40,495	13,042[2]	617,528	29
Lund	199,764	14,656	35,736	4,429	9,202[3]	263,787	13
Köpenhamn	445,187	7,435	92,830	11,760	79,002[4]	636,214	30
Total	**1,206,860**	**126,157**	**577,719**	**91,940**	**116,977**	**2,119,653**	**100**
Share, %	**57**	**6**	**27**	**4**	**6**		

1) Includes 10,275 m² hotel.
2) Includes 1,819 m² residential.
3) Includes 8,215 m² hotel.
4) Includes 38,848 m² data center and 5,600 m² hotel

Analysis per property category in each management area

Area/ property category	Number of properties	Area, m² thousand	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property admin., SEK m	Surplus ratio, %	Operating surplus excl. property admin., SEK m	Yield excl property admin., %
Malmö											
Office/Retail	49	433	16,844	1,018	2,353	94	958	737	77	771	4.6
Logistics/Production	30	141	1,907	143	1,018	97	139	108	77	116	6.1
Projects & Land	21	29	1,153	23	808	-	9	-3	-	-	-
Total Malmö	**100**	**602**	**19,904**	**1,184**	**1,967**	**93**	**1,106**	**841**	**76**	**887**	**4.5**
Helsingborg											
Office/Retail	36	262	7,363	520	1,983	88	456	345	76	363	4.9
Logistics/Production	57	355	3,295	316	890	91	287	206	72	222	6.7
Projects & Land	12	1	363	1	1,450	-	1	0	-	0	-
Total Helsingborg	**105**	**618**	**11,021**	**836**	**1,354**	**89**	**743**	**551**	**74**	**585**	**5.3**
Lund											
Office/Retail	25	234	7,437	554	2,364	89	494	346	70	386	5.2
Logistics/Production	4	23	221	19	827	94	18	13	73	14	6.5
Projects & Land	4	7	429	13	1,884	-	2	-4	-	-2	-
Total Lund	**33**	**264**	**8,087**	**585**	**2,219**	**88**	**514**	**355**	**69**	**398**	**4.9**
Copenhagen											
Office/Retail	46	513	7,143	619	1,207	93	574	354	62	376	5.3
Logistics/Production	9	61	727	56	925	95	53	41	77	42	5.8
Projects & Land	3	63	860	41	-	-	-	-5	-	-5	-
Total Copenhagen	**58**	**636**	**8,729**	**716**	**1,125**	**88**	**627**	**390**	**62**	**413**	**4.7**
Total Wihlborgs	**296**	**2,120**	**47,741**	**3,322**	**1,567**	**90**	**2,991**	**2,136**	**71**	**2,284**	**4.8**
Total excluding projects and land	**256**	**2,021**	**44,936**	**3,244**	**1,605**	**92**	**2,978**	**2,149**	**72**	**2,290**	**5.1**

Property transactions

Property transactions January–September 2021

Quarter	Property	Municipality	Management area	Category	Area, m²	Price, SEK m	Operating surplus 2021, SEK m[1]
Acquisitions							
1	Industriparken 21	Ballerup	Copenhagen		10,200		4.1
2	Naboland 3	Malmö	Dockan/Hyllie		-		-0.1
Total acquisitions 2021					**10,200**	**182**	**4.0**
Sales							
3	Part of Vätet 1 (land)				-	3.0	-
Total sales 2021					**0**	**3.0**	**0**

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

Sustainable Business

Counteracting and adapting to a changing climate is one of the greatest challenges of our time. The property sector accounts for a substantial portion of society's climate impact and at Wihlborgs, climate issues are high on the agenda. With the aim of halving climate-impacting emissions across the entire value chain by 2030, Wihlborgs is now accelerating the pace of climate initiatives.

Climate issues are also prioritised in the EU's Green Deal and the taxonomy for sustainable activities that is now being introduced. In the future, larger listed companies will be expected to report in their sustainability reports the share of revenue, costs and investments that are "sustainable" pursuant to the taxonomy criteria.

While initially, Wihlborgs is not subject to the reporting requirement, we have nevertheless chosen in this quarterly report to present the preliminary assessment of how operations comply with the EU taxonomy in order to provide guidance for owners and investors. In step one, estimates are made of the share of revenue, expenses and investments pertaining to taxonomy-eligible economic activities.

Wihlborgs' assessment is that the entire operations are exposed to the EU taxonomy, at least with regard to the EU's climate goals (primarily climate mitigation). By making our properties more energy-efficient and procuring renewable energy among other actions, Wihlborgs can contribute to the climate transition. Wihlborgs can also promote a low climate footprint for new construction and redevelopments/extensions.

Wihlborgs' primary economic activity according to the taxonomy is "acquisition and ownership of real estate". In a next step, estimates will be made of the share of revenues, costs and investments that can be attributed to real estate that contributes to the EU climate targets, in other words, is "aligned" with the taxonomy.

Wihlborgs has initially analysed the "climate mitigation" target where the EU taxonomy focuses on energy consumption in existing buildings. The main criterion to be aligned with the taxonomy is that a property should have been certified energy class A in the latest available energy performance certificate or be among the 15% most energy efficient properties in the country.

On an initial review of Wihlborgs' properties, some 80 properties were identified that could potentially meet the taxonomy's criteria for the climate mitigation objective. In the first three quarters these accounted for about 30% of rental income from the properties that have prepared energy declarations[4]. Moving forward, Wihlborgs will deepen its analysis and advance reporting in line with the EU taxonomy.

Exposure to the EU-taxonomy

	Total Q1-Q3 (SEK m)	Eligible according to the EU taxonomy (%)	Not eligible according to the EU-taxonomy (%)
Turnover[1]	2 290	99 %	1 %
Costs[2]	158	100 %	0 %
Investments[3]	937	100 %	0 %

1) Turnover pertains to total rental income recognised in the income statement.
2) Costs (Opex) pertain to direct costs for upkeep, repair and maintenance of properties.
3) Investments (Capex) pertain to capitalised expenses that raise the value of our properties, including redevelopments/extensions, acquisitions and new construction.

4) Due to the lack of relevant energy consumption data for the entire Swedish and Danish property portfolio, we use the Swedish Property Federation's proposed primary energy ratio of less than 100 kWh/m² heated area to determine which of Wihlborgs' properties are among the 15% most energy efficient. Data from energy declarations for 253 of our properties is used for the calculation.

Liabilities and equity

As of 30 September 2021 equity totalled SEK 20,278 million (19,396) after dividend payment of SEK 807 million during the second quarter. The equity/assets ratio stood at 41.5 percent (41.3).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 30 September amounted to SEK 22,998 million (22,208) with an average interest rate including costs for credit agreements of 1.33 percent (1.38).

With consideration to the company's net debt of SEK 23.0 billion, the loan-to-value ratio is 48.2 percent (48.2) as a percentage of property values.

The loans' average fixed interest period including effects of derivatives on 30 September 2021 amounted to 3.1 years (3.6). The average loan maturity, including commited credit facilities, amounted to 6.4 years (6.1).

Structure of interest and loan maturities as of 30 September 2021

	Interest maturity		Loan maturity	
Matures, year	Loan amount, SEK m	Av. interest rate, %	Credit ag., SEK m	Utilised, SEK m
2021	6,914	1.17	0	0
2022	4,706	0.74	4,056	3,556
2023	2,430	1.45	986	986
2024	1,788	1.47	12,100	9,630
2025	1,788	1.48	406	406
>2025	5,372	1.67	8,420	8,420
Total	**22,998**	**1.28***	**25,968**	**22,998**

*) Excluding costs for credit agreements

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

Interest rate derivatives portfolio 30 September 2021

Interest rate swaps		
Maturity	Amount, SEK m	Interest, %
2021	815	0.16
2022	1,630	0.16
2023	2,430	0.39
2024	1,788	0.41
2025	1,788	0.42
>2025	3,756	0.66
Total	**12,207**	**0.44**

The deficit value in Wihlborgs' interest rate derivative portfolio amounted to SEK 27 million (183).

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

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

In April 2022, Visma Financial Solutions along with their 70 employees will move in to Oceanhamnen's profile building Prisma (Ursula 1). With a view across Öresund, housing, offices, restaurants and stores are being constructed in Oceanhamnen with a clear focus on the environment and sustainability. Proximity to Helsingborg Central Station and central Helsingborg via a spectacular pedestrian and bicycle bridge make the district attractive both for companies and for residents.

Miscellaneous

Employees

At the end of the period, the number of FTEs at Wihlborgs was 246 (236), of which 107 (102) were in property service. Of the total number of FTEs, 75 (77) were in Malmö, 34 (32) in Helsingborg, 30 (31) in Lund and 107 (96) in Copenhagen. The average age of employees is 44 years and women make up 42 percent.

Parent company

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

The parent company has invested SEK 6 million (1), in shares in subsidiaries and other shares, including shareholders' contributions, during the period.

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

Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 108–109 in the Company's 2020 Annual Report.

Largest shareholders

The largest shareholder in Wihlborgs is Erik Paulsson with family and company, with 11.0 percent of the shares outstanding.

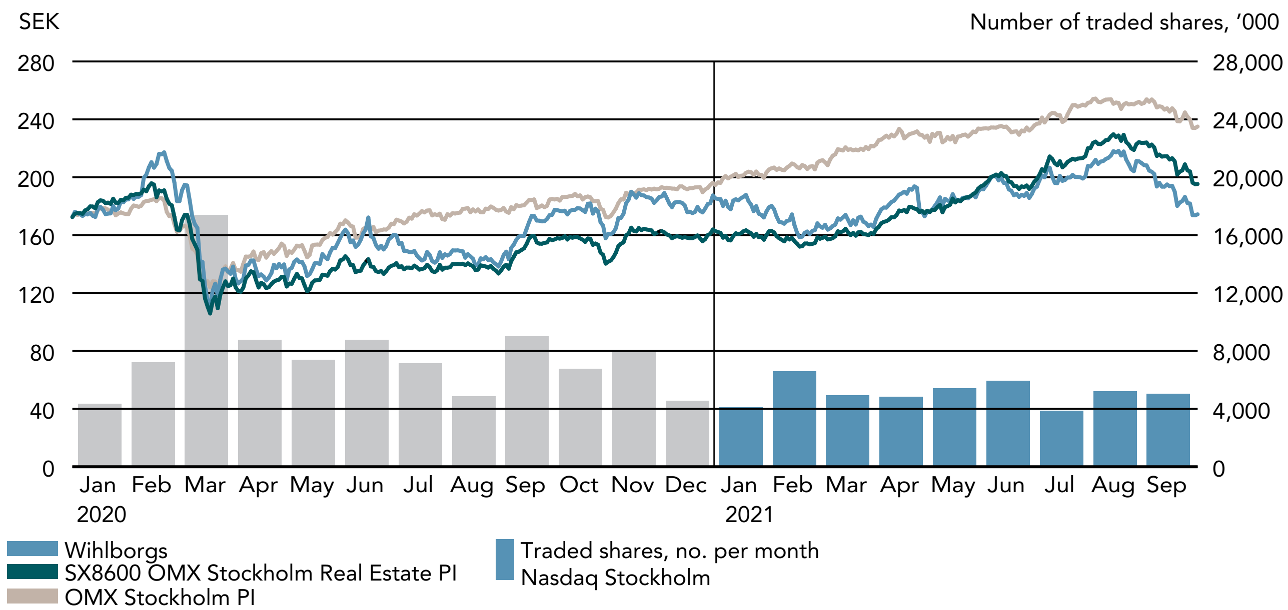
Shares held by owners registered abroad account for 37 percent. The number of shareholders is approximately 29,000.

Largest shareholders in Wihlborgs 30 September 2021

	Number of shares, thousands	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	16,938	11.0
SEB Investment Management	10,846	7.1
Länsförsäkringar funds	7,691	5.0
Swedbank Robur funds	5,210	3.4
Handelsbanken funds	5,205	3.4
Bank of Norway	3,165	2.1
Qviberg family	2,510	1.6
Life insurance company Skandia	1,952	1.3
Lannebo funds	1,874	1.2
AMF funds	1,650	1.1
Other shareholders reg. in Sweden	43,627	28.3
Other shareholders reg. abroad	53,045	34.5
Total outstanding shares	153,713	100.0

Development of share price

01-01-2020 – 30-09-2021



Significant risks and uncertainty factors

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

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

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

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

Accounting policies

Wihlborgs follows the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union. The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Information under IAS 34 p.16A is submitted in the notes and elsewhere in the interim report.

Discounts provided as a result of Covid-19 are expensed entirely, reduced with state aid received, in the period they relate to. Phase 2 of the amendments to IFRS 9, IFRS 7 etc. applies to the reference interest rate benchmark reform from 1 January 2021. The Group is affected by the reference interest rate benchmark reform mainly in the exposure to IBOR in its external borrowing portfolio incl. derivative instruments as hedge accounting is not applied. The exposure to IBOR is limited and the Group continuously monitors the changes and their impact. Otherwise the Group applies the same accounting policies and valuation methods as in the most recent annual report. Wihlborgs assesses that no other of the new or amended standards approved by the EU, or interpretations from the IFRS Interpretations Committee, that entered force after 1 January 2021, affect its results or financial position in any material sense. The Group applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups and the Parent Company applies RFR 2. The financial reports are found on page 15-19.

Malmö 22 October 2021

Wihlborgs Fastigheter AB (publ)

Ulrika Hallengren, CEO

This interim report has been subject to review by the company's auditors.

Review report

Introduction

We have reviewed the interim report for Wihlborgs Fastigheter AB (publ) for the period 1 January–30 September 2021. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Malmö, 22 October 2021

Deloitte AB, Richard Peters, Authorized Public Accountant

Consolidated income statement summary

SEK m	**2021 Jul-Sep 3 months**	2020 Jul–Sep 3 months	**2021 Jan–Sep 9 months**	2020 Jan–Sep 9 months	**2020/2021 Oct–Sep 12 months**	2020 Jan–Dec 12 months
Rental income	**813**	**775**	**2,290**	**2,323**	**3,041**	**3,074**
Operating costs	-99	-88	-324	-308	-445	-429
Repairs and maintenance	-24	-24	-67	-67	-97	-97
Property tax	-49	-54	-147	-155	-196	-204
Property administration	-29	-35	-94	-94	-122	-122
Total propery costs	**-201**	**-201**	**-632**	**-624**	**-860**	**-852**
Operating surplus	**612**	**574**	**1,658**	**1,699**	**2,181**	**2,222**
Central administration	-21	-17	-61	-55	-83	-77
Interest income	4	3	10	10	14	14
Interest expense	-82	-83	-236	-244	-319	-327
Leasehold rent	-1	-1	-3	-4	-4	-5
Share in results of joint ventures	1	1	4	5	2	3
Income from property management	**513**	**477**	**1,372**	**1,411**	**1,791**	**1,830**
Change in value of properties	307	335	591	422	995	826
Change in value of derivatives	34	-1	147	-117	191	-73
Pre-tax profit	**854**	**811**	**2,110**	**1,716**	**2,977**	**2,583**
Current tax	-22	-12	-44	-33	-57	-46
Deferred tax	-159	21	-386	-155	-546	-315
Profit for the period[1]	**673**	**820**	**1,680**	**1,528**	**2,374**	**2,222**
OTHER TOTAL PROFIT/LOSS						
Items that will be reclassified to profit or loss for the year:						
Translation differences on recalculation of foreign operations	32	17	58	40	-103	-121
Hedging of currency risk in foreign operations	-33	-18	-60	-42	104	122
Tax attributable to items that will be reclassified to profit or loss for the year	6	3	11	7	-18	-22
Other comprehensive income for the period	**5**	**2**	**9**	**5**	**-17**	**-21**
Total comprehensive income for the period[1]	**678**	**822**	**1,689**	**1,533**	**2,357**	**2,201**
Earnings per share[2]	4.38	5.33	10.93	9.94	15.44	14.46
No. of shares at end of the period, thousands	153,713	153,713	153,713	153,713	153,713	153,713
Average no. of shares, thousands	153,713	153,713	153,713	153,713	153,713	153,713

1) The entire profit/income is attributable to the parent company's shareholders.
2) Key ratios per share have been calculated based on a weighted average number of shares during the period. There are no outstanding subscription options, convertibles or other potential ordinary shares and accordingly, no dilution effects to take into consideration.

Consolidated balance sheet summary			
SEK m	**30-09-2021**	30-09-2020	31-12-2020
ASSETS			
Investment properties	47,741	47,041	46,072
Right-of-use assets	152	168	149
Other fixed assets	411	396	385
Derivatives	77	-	-
Current receivables	246	314	150
Liquid assets	205	843	205
Total assets	**48,832**	**48,762**	**46,961**
EQUITY AND LIABILITIES			
Equity	20,278	18,729	19,396
Deferred tax liability	4,240	3,734	3,853
Borrowings	22,998	24,612	22,208
Lease liability	151	166	147
Derivatives	104	230	183
Other long-term liabilities	59	70	64
Current liabilities	1,002	1,221	1,110
Total equity & liabilities	**48,832**	**48,762**	**46,961**

Consolidated statement of changes in equity			
SEK m	**Jan-Sep 2021**	Jan-Sep 2020	Jan–Dec 2020
Total equity at beginning of period	**19,396**	**17,887**	**17,887**
Equity attributable to parent company's shareholders			
Opening amount	19,396	17,887	17,887
Dividend paid	-807	-692	-692
Profit for the period	1,680	1,528	2,222
Other comprehensive income	9	5	-21
Closing amount	**20,278**	**18,729**	**19,396**
Equity attributable to minority shares with non-controlling interests	**-**	**-**	**-**
Total equity at end of period	**20,278**	**18,729**	**19,396**

Consolidated cash flow statement summary

SEK m	**Jul-Sep 2021**	Jul-Sep 2020	**Jan-Sep 2021**	Jan-Sep 2020	Jan-Dec 2020
Operating activities					
Operating surplus	612	574	1,658	1,699	2,222
Central administration	-21	-17	-61	-55	-77
Non-cash items	-60	15	-50	10	18
Interest received	1	0	2	2	4
Interest paid	-88	-79	-242	-250	-338
Income tax paid	0	0	-9	-5	-66
Change in other working capital	6	-26	-166	-48	68
Cash flow from operating activities	**450**	**467**	**1,132**	**1,353**	**1,831**
Investment activities					
Acquisitions of properties	0	-105	-182	-245	-327
Investments in existing properties	-302	-274	-755	-859	-1,231
Sales of properties	3	110	3	110	1,486
Change in other non-current assets	-22	-21	-38	-14	-14
Cash flow from investment activities	**-321**	**-290**	**-972**	**-1,008**	**-86**
Financing activities					
Dividend paid	0	0	-807	-692	-692
Change in borrowing	1,439	1,304	5,330	4,922	10,520
Loan repayments	-1,861	-1,054	-4,681	-4,008	-11,640
Change in other long-term liabilities	2	-1	-2	-5	-8
Cash flow from financing activities	**-420**	**249**	**-160**	**218**	**-1,820**
Cash flow for the period	**-291**	**426**	**0**	**563**	**-75**
Opening cash flow	**496**	**417**	**205**	**280**	**280**
Closing cash flow	**205**	**843**	**205**	**843**	**205**

Historical summary of last eight quarters

SEK m	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Rental income	**813**	**739**	**738**	**751**	**775**	**767**	**781**	**765**
Operating costs	-99	-98	-127	-121	-88	-96	-124	-120
Repairs and maintenance	-24	-21	-22	-30	-24	-21	-22	-35
Property tax	-49	-49	-49	-49	-54	-52	-49	-51
Property administration	-29	-34	-31	-28	-35	-28	-31	-34
Operating surplus	**612**	**537**	**509**	**523**	**574**	**570**	**555**	**525**
Income from property management	513	443	416	419	477	474	460	456
Profit for the period	673	529	478	694	820	364	344	1,546
Surplus ratio, %	75.3	72.7	69.0	69.6	74.1	74.3	71.1	68.6
Investment yield, %	5.2	4.6	4.4	4.5	4.9	4.9	4.8	4.6
Equity/assets ratio, %	41.5	40.5	41.5	41.3	38.4	37.6	38.3	38.4
Return on equity, %	13.5	10.7	9.7	14.6	17.9	8.0	7.6	36.1
Earnings per share, SEK	4.38	3.44	3.11	4.51	5.33	2.37	2.24	10.06
Income property management per share, SEK	3.34	2.88	2.71	2.73	3.10	3.08	2.99	2.97
Cash flow fr operating activities per share, SEK	2.93	2.40	2.04	3.11	3.08	3.11	2.65	3.19
EPRA NRV per share, SEK	159.68	154.48	155.59	152.44	147.63	142.19	143.77	140.20
Share price as % of EPRA NRV	109.2	120.20	106.49	121.62	120.23	107.25	96.2	123.0
Carrying amount of properties	47,741	47,056	46,687	46,072	47,041	46,392	46,559	45,519
Equity	20,278	19,600	19,887	19,396	18,729	17,907	18,285	17,887
Total assets	48,832	48,411	47,964	46,961	48,762	47,616	47,795	46,558

Definitions of key ratios are available on page 23.

Consolidated segment reporting January–September										
Property management	Malmö		Helsingborg		Lund		Copenhagen		Total	
SEK m	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Rental income	816	886	548	561	387	399	540	477	2,290	2,323
Property costs	-194	-209	-142	-133	-118	-120	-178	-161	-632	-624
Operating surplus	**622**	**677**	**406**	**428**	**268**	**279**	**362**	**316**	**1,658**	**1,699**

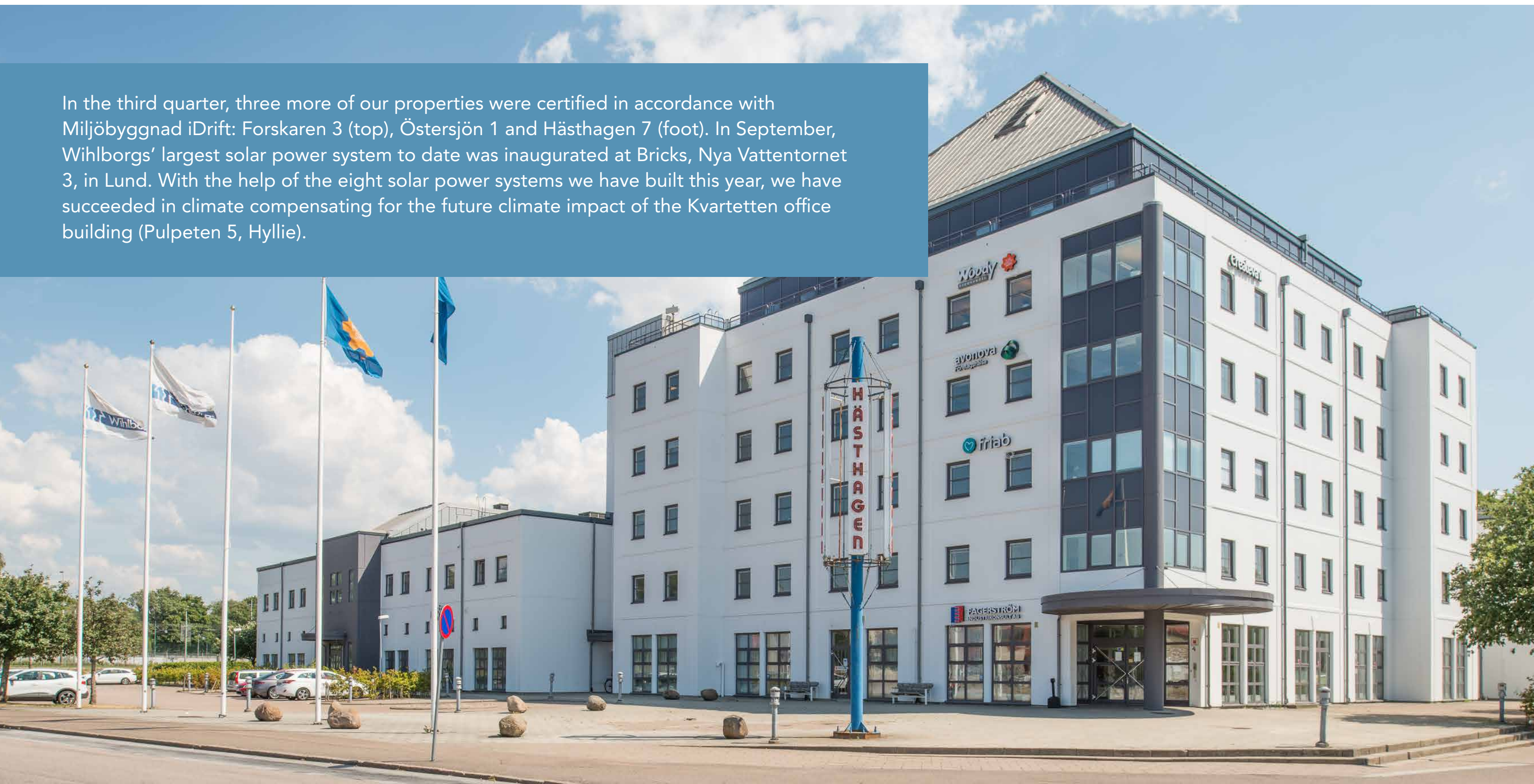
In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. For a more detailed description of segments, see the annual report for 2020 pages 45-67. The total operating surplus shown above corresponds with the operating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

The difference between the operating surplus of SEK 1,658 million (1,699) and the pre-tax profit of SEK 2,110 million (1,716) consists of central administration SEK -61 million (-55), financial net SEK -229 million (-238), share in results SEK 4 million (5) and changes in value of properties and derivatives SEK 738 million (305).

Parent company's income statement summary			
SEK m	**Jan–Sep 2021**	Jan–Sep 2020	Jan-Dec 2020
Income	165	155	215
Expenses	-152	-146	-203
Operating profits	**13**	**9**	**12**
Financial income	1,088	1,213	1,191
Financial expenses	-282	-399	-300
Pre-tax profit	**819**	**823**	**903**
Appropriations	-	-	550
Tax	-69	-78	-126
Profit for the period	**750**	**745**	**1,327**

Parent company's balance sheet summary			
SEK m	**30-09-2021**	30-09-2020	31-12-2020
Participations in Group companies	9,430	9,592	9,506
Receivables fr Group companies	15,523	14,303	14,231
Derivatives	77	-	-
Other assets	335	439	399
Cash and bank balances	74	679	54
Total assets	**25,439**	**25,013**	**24,190**
Equity	6,519	5,993	6,576
Liabilities to credit institutions	16,194	16,692	14,683
Derivatives	104	230	183
Liabilities to Group companies	2,535	2,005	2,634
Other liabilities	87	93	114
Total equity and liabilities	**25,439**	**25,013**	**24,190**

Key figures for the group				
SEK m	**Jan-Sep 2021**	Jan-Sep 2020	Oct-Sep 2020/2021	Jan-Dec 2020
Financial				
Return on equity, %	11.3	11.1	12.2	11.9
Return on total capital, %	6.9	6.5	7.1	7.1
Equity/assets ratio, %	41.5	38.4	41.5	41.3
Interest coverage ratio, multiple	6.7	6.7	6.5	6.5
Leverage properties, %	48.2	52.3	48.2	48.2
Debt/equity ratio, multiple	1.1	1.3	1.1	1.2
Share-related				
Earnings per share, SEK	10.93	9.94	15.44	14.46
Earnings per share before tax, SEK	13.73	11.16	19.37	16.80
EPRA EPS, SEK	8.20	8.28	10.57	10.65
Cash flow from operations per share, SEK	7.36	8.80	10.47	11.91
EPRA NDV (net disposal value) per share, SEK	131.92	121.84	131.92	126.18
EPRA NRV (net reinstatement value) per share, SEK	159.68	147.23	159.68	152.44
Market value per share, SEK	174.40	177.50	174.40	185.40
Proposed dividend per share, SEK	-	-	-	5.25
Dividend yield, %[1]	-	-	-	2.8
Total return from share, %	-	-	-	10.1
P/E-ratio I, multiple	12.0	13.4	11.3	12.8
P/E-ratio II, multiple	16.0	16.1	16.5	17.4
Number of shares at the end of period, thousands	153,713	153,713	153,713	153,713
Average number of shares, thousands	153,713	153,713	153,713	153,713
Property-related				
Number of properties	296	314	296	294
Carrying amount of properties, SEK m	47,741	47,041	47,741	46,072
Estimated investment yield, % – all properties	4.4	4.7	4.4	4.6
Estimated direct return, % – excl project properties	4.8	4.9	4.8	4.8
Lettable area, m^2	2,119,653	2,209,733	2,119,653	2,102,707
Rental income, SEK per m^2	1,567	1,525	1,567	1,554
Operating surplus, SEK per m^2	1,008	1,004	1,008	1,011
Financial occupancy rate, % – all properties	90	91	90	90
Financial occupancy rate, % – excl project properties	92	91	92	91
Estimated surplus ratio, %	71	72	71	72
Employees				
Number of FTEs at period end	246	238	246	236



In the third quarter, three more of our properties were certified in accordance with Miljöbyggnad iDrift: Forskaren 3 (top), Östersjön 1 and Hästhagen 7 (foot). In September, Wihlborgs' largest solar power system to date was inaugurated at Bricks, Nya Vattentornet 3, in Lund. With the help of the eight solar power systems we have built this year, we have succeeded in climate compensating for the future climate impact of the Kvartetten office building (Pulpeten 5, Hyllie).

Key figures & definitions

Basis for key ratios

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

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

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

Unless otherwise stated, amounts are in SEK million.	**30-09-2021**	30-09-2020	31-12-2020
Return on equity			
Profit for the period	1,680	1,528	2,222
Annualized	2,240	2,037	2,222
Equity, opening balance	19,396	17,887	17,887
Equity, closing balance	20,278	18,729	19,396
Average equity	19,837	18,308	18,642
Return on equity, %	**11.3**	**11.1**	**11.9**
Return on capital employed			
Profit before tax	2,110	1,716	2,583
Interest expense (incl value changes interest derivatives)	89	361	400
Total	2,199	2,077	2,983
Annualized	2,932	2,769	2,983
Total assets, opening balance	46,961	46,558	46,558
Total assets, closing balance	48,832	48,762	46,961
Non-interest bearing debt, opening balance	-5,198	-4,856	-4,856
Non-interest bearing debt, closing balance	-5,315	-5,241	-5,198
Average capital employed	42,640	42,612	41,733
Return on capital employed, %	**6.9**	**6.5**	**7.1**
Equity/assets ratio			
Equity	20,278	18,729	19,396
Total assets	48,832	48,762	46,961
Equity/assets ratio, %	**41.5**	**38.4**	**41.3**
Interest coverage ratio			
Income from property management	1,372	1,411	1,830
Interest expense	239	248	332
Total	1,611	1,659	2,162
Interest expense	239	248	332
Interest coverage ratio, multiple	**6.7**	**6.7**	**6.5**
Leverage properties			
Borrowings	22,998	24,612	22,208
Net value investement properties	47,741	**47,041**	46,072
Leverage properties, %	**48.2**	**52.3**	**48.2**
Debt/equity ratio			
Interest-bearing liabilities	23,162	24,792	22,368
Equity	20,278	18,729	19,396
Debt/equity ratio, multiple	**1.1**	**1.3**	**1.2**

	30-09-2021	30-09-2020	31-12-2020
Earnings per share			
Profit for the period	1,680	1,528	2,222
Average number of shares, thousands	153,713	153,713	153,713
Earnings per share, SEK	**10.93**	**9.94**	**14.46**
Earnings per share before tax			
Profit before tax	2,110	1,716	2,583
Average number of shares, thousands	153,713	153,713	153,713
Earnings per share before tax, SEK	**13.73**	**11.16**	**16.80**
EPRA EPS			
Income from property management	1,372	1,411	1,830
Tax depreciation, direct tax deductions etc	-837	-764	-929
Taxable income from property management	535	647	901
Current tax on the above	-111	-138	-193
Income from property management after deduction of current tax	1,261	1,273	1,637
Average number of shares, thousands	153,713	153,713	153,713
EPRA EPS, SEK	**8.20**	**8.28**	**10.65**
Operating cash flow per share			
Operating cash flow	1,132	1,353	1,831
Average number of shares, thousands	153,713	153,713	153,713
Operating cash flow per share, SEK	**7.36**	**8.80**	**11.91**
EPRA NDV per share			
Equity	20,278	18,729	19,396
Number of shares at year end, thousands	153,713	153,713	153,713
EPRA NDV per share, SEK	**131.92**	**121.84**	**126.18**
EPRA NRV per share			
Equity	20,278	18,729	19,396
Deferred tax liability	4,240	3,734	3,853
Derivatives	27	230	183
Total	24,545	22,693	23,432
Average number of shares, thousands	153,713	153,713	153,713
EPRA NRV per share, SEK	**159.68**	**147.63**	**152.44**
Dividend yield per share			
Proposed dividend, SEK	-	-	5.25
Market price per share at year end	-	-	185.4
Dividend yield per share, %	**-**	**-**	**2.8**
Total yield per share			
Market price per share at year start	-	-	172.5
Market price per share at year end	-	-	185.4
Change in market price during the year, SEK	-	-	12.90
Dividend paid during the year, SEK	-	-	4.50
Total return per share, %	**-**	**-**	**10.1**
P/E ratio I			
Market price per share at year end	174.40	177.50	185.40
Earnings per share	10.93	9.94	14.46
Annualized per share	14.57	13.25	14.46
P/E ratio I, multiple	**12.0**	**13.4**	**12.8**
P/E ratio II			
Market price at year end	174.40	177.50	185.40
EPRA EPS	8.20	8.28	10.65
Annualized per share	10.93	11.04	10.65
P/E ratio II, multiple	**16.0**	**16.1**	**17.4**

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

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

Definitions

Key financial ratios

The key ratios are based on the statements of income, financial position, changes in equity and cash flow. Some of the historic data is compiled from the historical summary on page 17 In Wihlborgs' Interim Report.

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

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

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

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

Loan-to-value ratio, properties
Borrowings as a percentage of the properties' carrying amounts. The ratio shows the degree of borrowing on the property portfolio.

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

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

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

Share-related key ratios

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

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

EPRA EPS
Income from property management less the estimated tax payable on taxable income from property management divided by the average number of shares outstanding. Taxable income from property management is defined as income from property management less fiscal depreciation/amortisation and direct deductions. The effect of loss carryforwards is not taken into consideration.

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

EPRA NDV - Net disposal value, per share
The closing balances for equity divided by the number of shares at the end of the period.

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

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

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

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

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

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

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

Property-related key figures*

These key figures are based on the property table on page 10. The table shows the estimated rental value, rental income and property expenses on an annualised basis with an unchanged property portfolio, rental income and lettings portfolio compared with the end of the last quarter.

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

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

Rental income per m^2
Rental income on an annualised basis 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.

Net Lettings
New lettings during the period less terminations to vacate.

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

Calendar

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

Press releases Q3 2021

Søren Kempf Holm – new CEO of Wihlborgs A/S .... 30 september 2021
Wihlborgs and E.ON invest in low climate footprint solar cells.......... 30 september 2021
Visma new tenant in innovative Prisma building in Helsingborg .... 14 september 2021
Wihlborgs signs agreement with logistics customer with immediate occupancy in Helsingborg.......... 24 augusti 2021
Wihlborgs welcomes the Human Rights Institute, a newly established government agency, to Ideon, Lund .... 20 juli 2021
Interim report: January-June 2021: High activity creates new opportunities.......... 12 juli 2021
Wihlborgs leases at Ideon in Lund to a public sector tenant.......... 9 juli 2021
Wihlborgs signs agreement with Mindpark, which is expanding in Hyllie.......... 6 juli 2021
Wihlborgs adds more agreements for Raffinaderiet 3 in Lund.......... 2 juli 2021

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