

A sustainable business concept should keep its promises

I have been summing up each year as the best ever for several years now – and I am pleased to be able to do so once again.

Last year, I wrote that we would surpass the one billion Swedish krona mark in terms of income from property management in 2016. And we did. Income from property management increased 11 percent to SEK 1,030 million. Rental income rose six percent to SEK 2,030 million while the operating surplus improved eight percent to SEK 1,513 million.

The belief that we have the right approach is rooted firmly among all of us at Wihlborgs. We have had a clear business strategy since 2004 and it has proved to be more than sustainable – we continuously develop and refine it in line with new challenges. Despite now being three to four times larger than when we started, our direct environmental impact is in fact smaller – a result of having clear goals and taking responsibility for our shared future. Being part of creating sustainable communities that work for those who work and live in them is a major driver for us. It also provides us with continued stable growth and healthy profitability.

Year after year.

Daily work at our core

The idea that satisfied customers comprise a growing asset is hardly new.

In fact, it is simple mathematics. Our customers represent 100 percent of our income, and that just about says it all. Improving our quality and our customer relationships is a never-ending journey that continues each and every day.

It is through our daily work that we are able to show that we can meet the needs and expectations set by our customers. We do not always follow the beaten track – instead we are driven by our curiosity and responsiveness to what could be round the corner. Our dialogues with customers are a vital ingredient as they provide us each day with new insights and understanding of the business community's conditions. For us, it is a daily injection of new inspiration.

New initiatives lead to new opportunities

Our belief in the Öresund region is unshakable and represents an important part of our strategy – to be the dominant commercial property company in the region. The region accounts for 26 percent of Denmark and Sweden's collective GDP and, pleasingly, Denmark has begun to recover after a number of years of economic stagnation. For this reason, we expanded our presence in Copenhagen during the year by purchasing 15 properties with a total area of 100,000 m², and Wihlborgs now manages 400,000 m² in the Copenhagen area with a value of SEK 4 billion.

Malmö remains a powerful growth driver and is definitively on the way to becoming a major city. Our ambition here is to be a driving force in the new development area of Nyhamnen. Its proximity to the city centre and Malmö Central Station makes the Nyhamnen

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area Malmö's hottest and most expansive area. We have already started constructing the Sirius office building here, which will have space for around 350 people – and the hope is that we will be able to expand our presence and contribute to the entire area's development, in the same way as we did in Dockan. On the outskirts of Malmö, Hyllie remains an attractive location for many companies who want to be near Copenhagen airport and the wider world, and here we are building the Dungen office building with occupancy expected in early 2019.

Lund continues to reinforce its position as a centre of knowledge and research, with many world-leading companies looking to relocate there to be near the major research facilities MAX IV and ESS. During the year, Volvo Cars, Continental and Bosch all signed leases with us to establish operations in Ideon. We are also contributing to the development of the central areas of Lund by way of the construction of the Posthornet office building.

In Helsingborg, all tenants have now moved into the Knutpunkten extension and we have begun planning a new property in the new development area of Oceanhamnen.

Over the years, we have amassed extensive knowledge about business conditions in the region, which has given us the courage and imagination to take initiatives that benefit the region's development. Instead of waiting for something to happen, we want to be part of making things happen.

If it can be done better, we will do it better

Our commitment to the region and our shared community help us to think long term. We want to create vibrant urban environments that work for everyone who lives and works there. We also have a responsibility to future generations, which means we actively con-

sider sustainability in everything we do. Every day, we see examples of how the future cannot simply be a continuation of the here and now – that we cannot merely continue doing what we have always done. New initiatives, new positive examples and a desire to find solutions for a more sustainable society are all required. If we can produce solutions that are better adapted to the environment, either alone or together with our suppliers, then we will. Wihlborgs' environmental initiatives are a natural and integral part of all our business activities – and our own daily lives.

One sign of just how integral is that, this year, we are reporting our sustainability initiatives for the first time in the Annual Report, to thereby provide an overview of Wihlborgs as a whole.

As part of our sustainability initiatives, we adopted the principles of the UN Global Compact in 2010 and will continue to support these principles moving forward.

Can job satisfaction be certified?

Wihlborgs is now certified by Great Place to Work, which helps companies evaluate and develop their workplace culture. Truly strong workplaces are characterised by positive relationships, pride and trust.

We usually use “Where job satisfaction matters” to express our ambition in relation to our tenants – that we do all we can to ensure they work in premises that promote their job satisfaction. To a high degree, this also applies to us, however. I cannot adequately express my pride and satisfaction when it comes to all of our fantastic employees who trust one another and enjoy working together. They deserve the greatest praise for our excellent results.

We all have the same ambition to continue playing an active role in the market and believing in both our mission and ourselves.

That much I can promise.



Malmö, March 2017
Anders Jarl, Chief Executive Officer