

PRESENTATION

Year-End Report 2022

Mikael Granath
CEO

Peter Malmén
CFO



Mikroskopet 1, Stockholm

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A leading Swedish residential company

- Founded 2010
- Owner: Första AP-fonden (AP1)
- Operating in 13 growth cities in Sweden, with HQ in Gothenburg
- Property portfolio of approx. 1,900,000 sqm area, 93 percent residential
- S&P Rating: A-
- Decentralized organization, local performance responsibility, and in-house property management
- Active and innovative organization

Property value

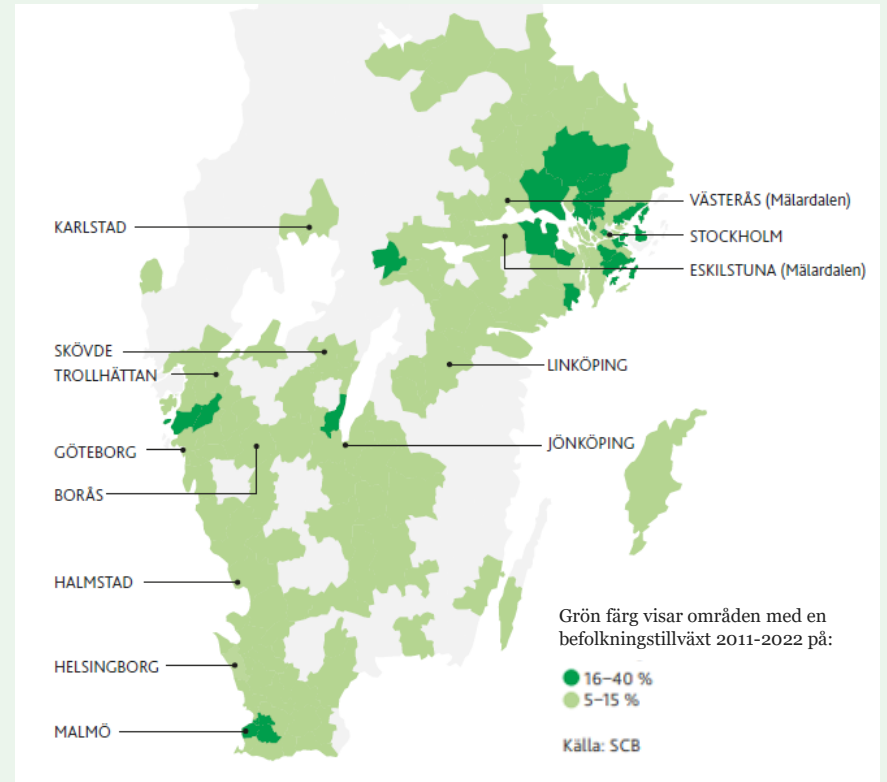
59,9 SEK bn

61,6 SEK bn incl signed agreements

units

28,451

29,734 units incl signed agreements



An eventful year

- Net operating income increased 9.8%
- Property value SEK 59,886 million
- 972 apartments in ongoing development projects
- Road map to reduce CO2 emission developed
- Several social initiatives
- GRESB – improved results
- Mikael Granath to step down as CEO in 2023 – will be replaced by Mariette Hilmersson

	2022 Jan-Dec	2021 Jan-Dec
Rental revenues, SEK m	2,664	2,491
Net operating income, SEK m	1,695	1,544
Profit for the period, SEK m	1,316	7,281
Market value, SEK m	59,886	56,560
Net operating margin, %	63.6	62.0
Loan-to-value ratio, %	49.6	47.2
Interest coverage ratio, multiple	3.1	3.5
Equity/asset ratio, %	38.4	40.4

Property value decreased by

-1.8%

2022

Net operating margin

63.6%

2022

Investments in properties

4,395

SEK million



January-December 2022

INCOME STATEMENT IN SUMMARY

SEK m	2022 Jan-Dec	2021 Jan-Dec
Rental revenues	2,664	2,491
Property expenses	-969	-947
Net operating income	1,695	1,544
Corporate administration expenses	-95	-90
Change in value of properties	-1,072	7,654
Operating profit	528	9,108
Interest income and expenses	-471	-388
Change in value of financial instruments and other items	1,707	507
Profit before tax	1,764	9,227
Profit for the period	1,316	7,281

- Rental revenues +6.9%
- Property expenses higher, mainly due to higher energy costs
- Net operating income +9.8%
- Value of properties -1.8%
- Interest amounted to -471 SEKm
- Financial instruments and other items +1,707 SEKm
- Lower profit for the period attributable to negative unrealised change in value of the properties

Stable finances

BALANCE SHEET IN SUMMARY

SEK m	31 Dec 2022	31 Dec 2021
ASSETS		
Investment properties	59,886	56,560
Other non-current assets	567	1,166
Other current assets	225	252
Derivatives	1,541	59
Cash and cash equivalents	4,464	3,254
TOTAL ASSETS	66,683	61,291
EQUITY AND LIABILITIES		
Equity	25,574	24,759
Interest-bearing financial liabilities	34,194	29,937
Deferred tax liabilities	5,719	5,270
Derivatives	21	350
Other liabilities	1,175	975
TOTAL EQUITY AND LIABILITIES	66,683	61,291

- Properties 59,886 SEKm
- Cash 4,464 SEKm
- Equity 25,574 SEKm
- Financial liabilities 34,194 SEKm (net 29,730 SEKm)
- LTV 49.6%

FUNDING

Diversified funding

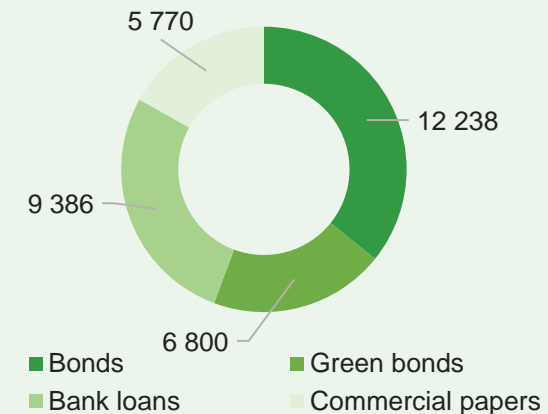
INTEREST & DEBT MATURITY

	Interest maturity SEK m	%	Debt maturity SEK m	%
Within 1 year	9,857	28.9	10,070	29.5
1-2 years	3,300	9.7	8,749	25.6
2-3 years	4,100	12.0	4,378	12.8
3-4 years	4,000	11.7	2,650	7.8
4-5 years	4,578	13.4	3,138	9.2
5-6 years	2,350	6.9	900	2.6
6-7 years	400	1.2	3,700	10.8
7-8 years	2,600	7.6	-	-
8-9 years	880	2.6	380	1.1
9-10 years	1,050	3.1	-	-
10-30 years	1,050	3.1	200	0.6
Total	34,165	100.0	34,165	100.0

Interest maturity 3.5 years
 Debt maturity 2.5 years
 Debt maturity, including RCFs 3.5 years

- Total debt 34,165 SEKm (net debt 29,701 SEKm)
- Interest rate 2.1%
- ICR 3.1
- RCFs from banks: 9,700 SEKm
- Undertaking from AP1: 8,000 SEKm (CP-program)
- S&P rating A-

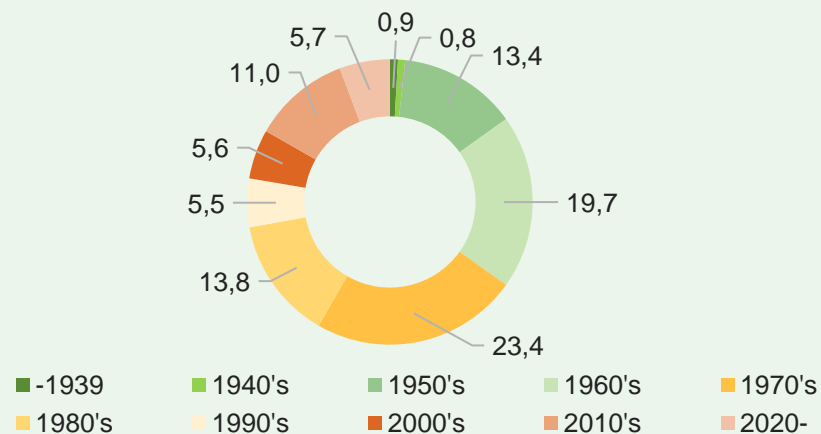
FUNDING SOURCES



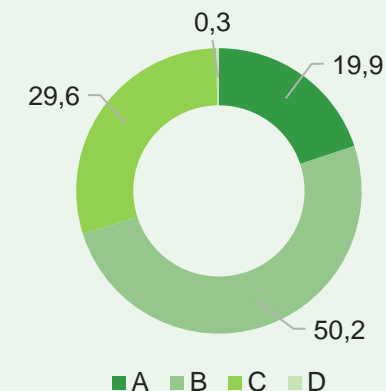
Value and transactions

SEK m	2022 Jan-Dec	2021 Jan-Dec
Market value at the beginning of the period	56,560	46,347
+ Acquisitions (incl. acquisitions costs)	2,429	1,039
+ Investments in existing properties	1,284	1,092
+ Investments in development projects	682	633
+ Unrealised changes in property value	-1,069	7,653
- Divestments	-	-204
Market value at the end of the period	59,886	56,560

PROPERTY VALUE PER DECADE, %



PROPERTY VALUE PER LOCATION, %



- Property market:
 - Transaction volume, about 220 SEK bn
 - Residential, about 24% of the transaction volume
- Our portfolio:
 - Yield expansion, -1.8% value change
 - Acquired seventeen properties in Gothenburg, Helsingborg, Malmö and Stockholm

Investments in existing buildings

- **Mixed investments**

- Energy reducing
- Individual consumption for tenants
- Add-on options for tenants
- Converting other space to apartments

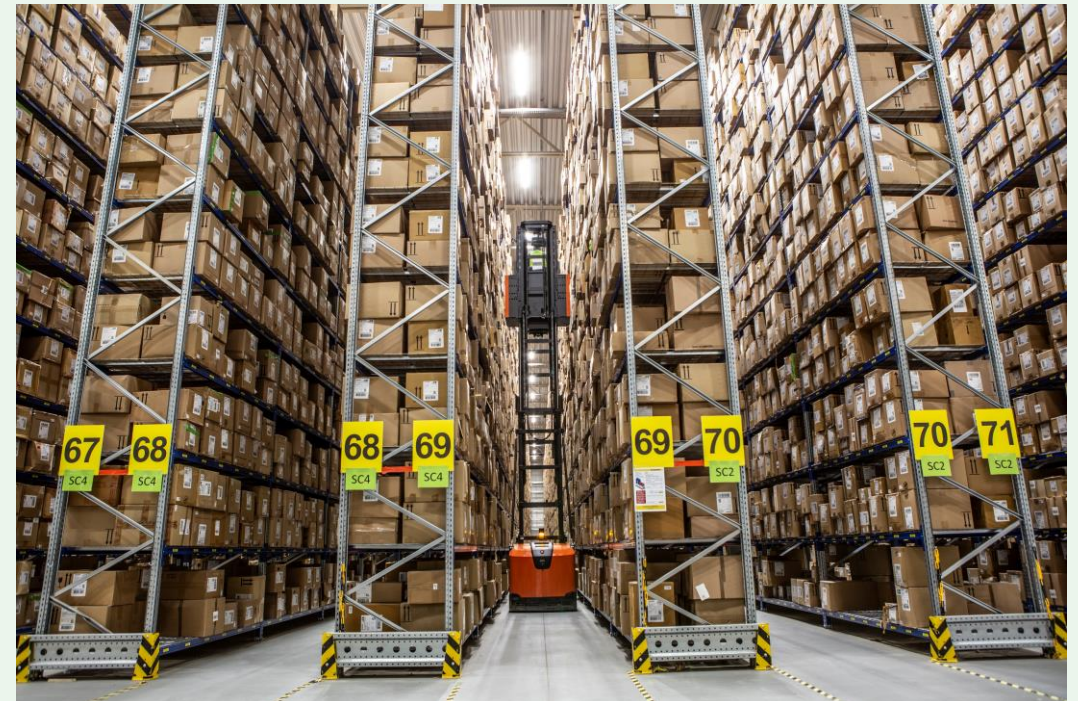
- **Willhemlyftet**

- Total renovation of single apartments
- Diversifies the portfolio and our offering
- Renovated between tenants, when the apartment is empty
- Efficient and sustainable production
- Purchasing and logistics centralized
- Target: 1000 Willhemlyft per year



Further optimization of logistics and storage

- **Willhem Logistics**
 - Purchase and stock material – ensure material supply
 - Improved negotiation position in terms of price
 - Better control of origin and production in the supply chain
 - Primarily Willhemlyft (but also development projects and conversions)



Our development projects

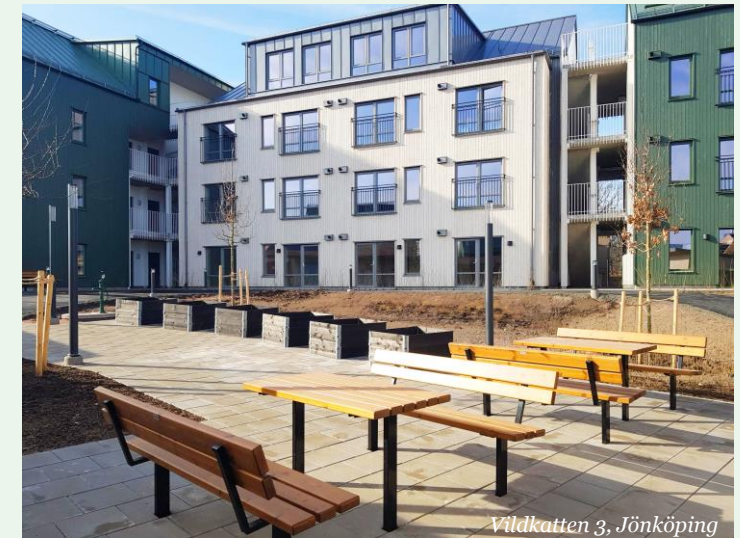
ONGOING DEVELOPMENTS PROJECTS

Property	Location	Type of project	No of apartments	Residential, sq m	Planned occupancy
Valsverket 5	Eskilstuna	Development projects*	337	14,604	Q2 2022-Q4 2023
Guldfisken 10	Linköping	Conversion	106	3,821	Q2 2023
Kolartorp 1:394	Haninge	Development projects*	135	5,638	Q2-Q3 2023
Kallhäll 9:4	Järfälla	Development projects	34	2,396	Q3 2023
Karmen 5	Karlstad	Development projects	78	3,900	Q2 2024
Smedjan 2	Ursvik	Development projects*	232	10,334	Q2-Q3 2024
Kviberg 28:4	Göteborg	Development projects	50	1,792	Q3 2024
Total ongoing			972	42,485	

COMPLETED DEVELOPMENT PROJECTS

Property	Location	Type of project	No of apartments	Residential, sq m	Completion
Vildkatten 3	Jönköping	Development projects	54	1,776	Q1 2022
Kronojägaren 2	Karstad	Extension	43	1,380	Q3 2022
Viksjö 2:595	Järfälla	Development projects	32	1,554	Q3 2022
Kolartorp 1:395	Haninge	Development projects*	157	4,255	Q4 2022
Total completed			286	8,965	

* Acquired development projects



Many challenges ahead, but also opportunities



OUR VIEW ON THE MARKET

- Still a great deal of uncertainty
- Rent negotiations are ongoing
- Continued gap in price expectations between seller and buyer
- The number of new development projects will most likely decrease significantly compared to previous years
- Deficit in residential units contributes to low vacancy rates

Long term objective

70%

Net operating margin



OUR FOCUS LOOKING FORWARD

Property Management

We continue to focus on sustainable value creation in our everyday property operations

Development projects

Due to market conditions, a more restrictive approach is applied

Acquisitions

We continue to look for decently priced acquisitions to add on to our portfolio

An architectural rendering of a modern, multi-story apartment building at dusk. The building features a light-colored facade, large windows, and numerous balconies with glass railings. Some balconies have plants and outdoor furniture. The building is situated on a grassy hillside with trees in the background. The sky is a mix of blue and orange from the setting sun.

Q&A

Mikael Granath

CEO

+46 70 577 15 84
mikael.granath@willhem.se

Peter Malmén

CFO

+46 70 568 31 83
peter.malmen@willhem.se



Mikroskopet 1, Stockholm