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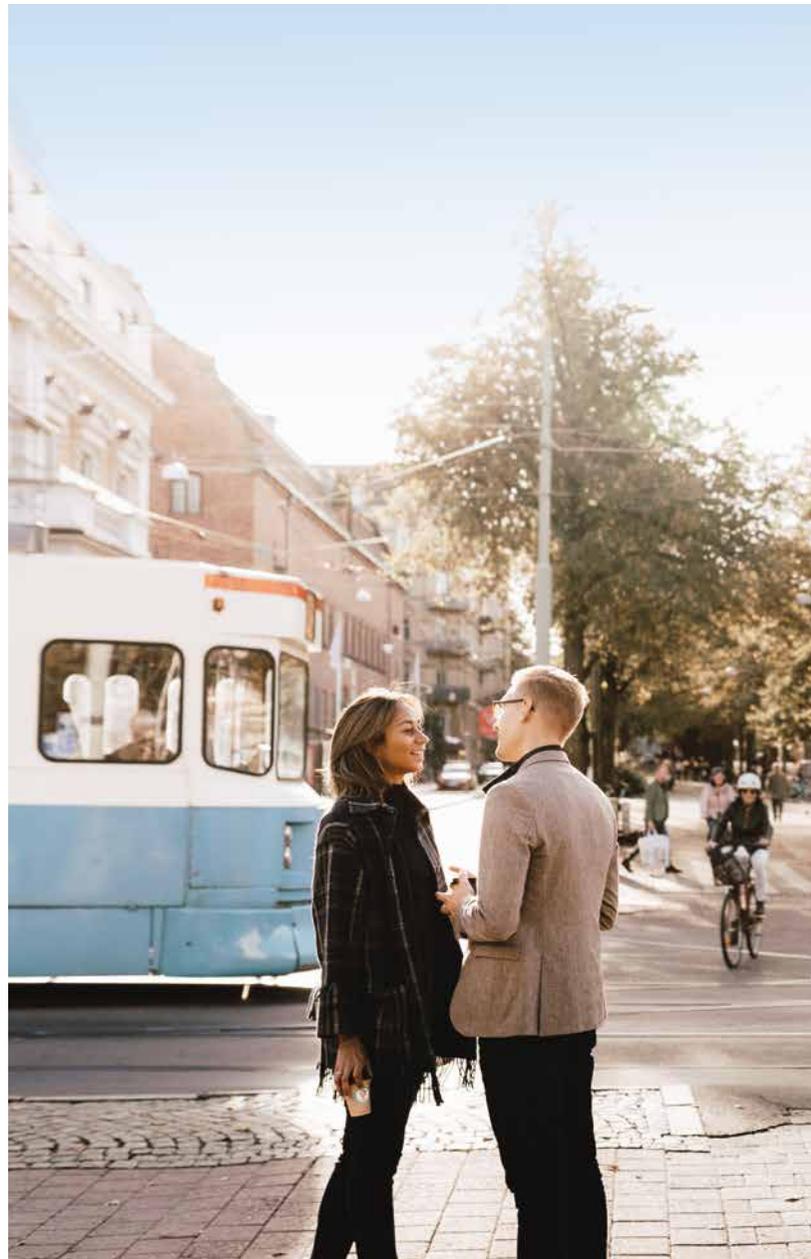
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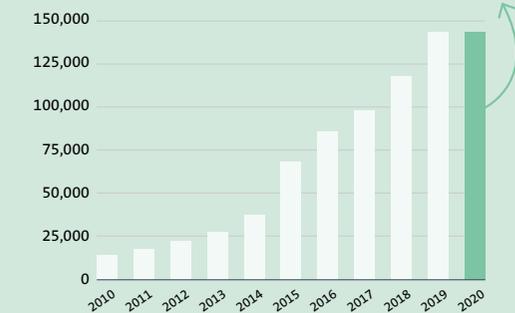
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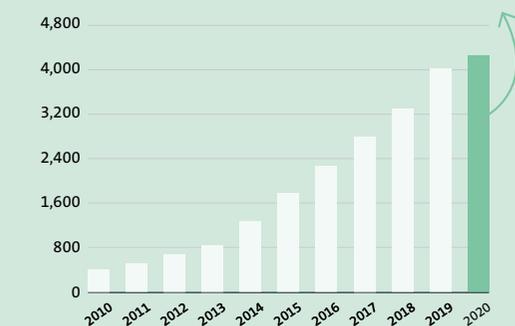


The cover photo shows Hovås Höjd, an area south of Gothenburg where Balder is building 138 apartments and 10 town houses.

PROPERTY VALUE
SEKm **151,982**



PROFIT FROM PROPERTY MANAGEMENT¹⁾
SEKm **4,244**



1) Refers to profit from property management attributable to the parent company's shareholders.

THIS IS BALDER



PROJECT LÅNGSTRÖMSALLÉN, GOTHENBURG

Fastighets AB Balder is a listed property company which aims to meet the needs of different customer groups for commercial premises and housing based on local presence. The Group owns, manages and develops homes and commercial properties in Sweden, Denmark, Finland, Norway, Germany and the UK, creating attractive, secure areas for people to live and where new businesses can be developed.

NUMBER OF EMPLOYEES

824

NEWLY BUILT PROPERTIES WITH ENVIRONMENTAL CERTIFICATION

100%

NUMBER OF SQ.M. UNDER CONSTRUCTION

225,765

MARKET CAPITALISATION, SEK MILLION

79,990

The Balder share is listed on Nasdaq Stockholm, Large Cap.



*"WE HAVE A
LARGE PORTFOLIO
WITH EXTREMELY
ATTRACTIVE BUILDING
RIGHTS AND WILL BE
**LAUNCHING SEVERAL
EXCITING PROJECTS
DURING THE
YEAR AHEAD."***

CEO COMMENT

CONTINUED BOOM IN HOME-BUILDING DURING THE PANDEMIC

The past year has been eventful in many different ways. The outbreak of the Coronavirus pandemic has had an extremely strong impact on society and on global stock markets and unfortunately, we have not seen the end of it yet.

For Balder, the most important financial goal is to increase our profit from property management and our earning capacity on a long-term basis. This requires both that the existing property portfolio develops positively and that we find new investments with a good balance between risk and reward.

Despite the turbulence and uncertainty, we continued to develop the operations during the year. During 2020, profit from property management increased by 5% and the net asset value by 13%. The profit was weighed by lower revenue from hotel properties, lower earnings from Collector and rent discounts due to the pandemic. Smaller changes in value in respect of our investment properties meant that profit after tax decreased to SEK 36.79 per share (49.77). Current earning capacity per share improved by 12% compared to the previous year-end.

The impact of the pandemic

Since early in the spring of 2020, the world has been dominated by the ongoing pandemic. Apart from those who are directly impacted and become sick, it is very sad on the economic front to see everyone who is affected, through no fault of their own, with businesses in particularly badly hit parts of the economy.

Balder has taken a number of measures to handle the current situation. We are trying as far as possible

and in different ways to support those of our tenants that are experiencing most difficulties. The future development is uncertain and it is very important that the operations are flexible and prepared for new challenges.

The rental income during the quarter has been received on the same level as the previous quarters. For the first quarter 2021 approximately 99% of the rents due on 31 December have been paid.

Continued access to financing

The investments in our residential projects continued according to plan during the year. We perceive strong demand for rental apartments in all of our markets and also for tenant-owner's apartments in Sweden. We have a large number of apartments under construction and many where construction will start in the coming years.

Access to financing on good terms remained favourable during the year and the Group has a strong liquidity position. At the end of the year, we carried out a directed share issue of 6,500,000 Class B shares. Subscribers to the issue consisted of a large number of Swedish and international institutional investors.

To date, we have made the assessment that the best total return for Balder's shareholders is achieved by reinvestment of the profits generated.

The goal is also the same going forward and during the year we also invested in a number of interesting projects and companies.

A number of excellent acquisitions

During the year, we entered into an agreement to acquire Masmästaren with properties in Falun/Borlänge, Västerås, Uppsala and Nacka. The portfolio consists of approx. 250,000 sq.m., with a property value of approx. SEK 5 billion, which is evenly divided between residential properties and commercial properties.

Among other larger investments, I would like to mention the strengthening of our position in Norway, due to investments in Entra equivalent to 18% of the total share capital and in 50% of Anthon B Nilsen Eiendom. The latter has a very good property portfolio in the Oslo region consisting of both investment properties and future projects, and a really excellent organization with competent employees.

Another positive transaction I would also like to highlight is the structural transaction we carried out with Serneke at the end of the year. It feels very gratifying to be able to contribute to the realisation of such a unique urban development project as Karlatornet. The investment in Karlatornet is included as part of a long-term transaction between Balder and Serneke, which comprises almost 1,400 rental apartments and just over 12,000 sq.m. of commercial premises.

Development of associated companies

The profit from property management decreased compared to last year but the net profit for the year increased slightly, over time though I believe that this group of companies will also continue to generate increasing profit from property management.

Focus on sustainability

Balder has signed the Global Compact, which is the UN's principles for companies in the areas of human rights, labour, anti-corruption and the environment and we are working to comply with these principles and to help meet the global sustainable development goals. We also notice a continued increased

engagement on sustainability issues from our stakeholders, for example from investors, customers and employees. We are proud of the initiatives we are pursuing in this area, including certifying all new buildings and working actively with social issues in our residential areas.

Internal engagement

The day-to-day operations have obviously needed to be adapted to the prevailing circumstances. Our employees contribute in many different ways and during the past year, all colleagues have participated and made a great number of extraordinary efforts, many times over and above their own job descriptions. I want to take this opportunity to thank all of our excellent employees that help out when needed in order to support both our tenants and one another.

A different anniversary

In the middle of the pandemic and during this very unusual period, we have also passed Balder's 15th anniversary. I look back on the past 15 years on all we have accomplished together in the Balder family with great happiness and enthusiasm. Today, we have more than 800 employees and we are operating in many places in several countries. Balder as a company and investment platform is continuing to develop well over time.

Future outlook

On my own behalf and on behalf of our shareholders, I want to take this opportunity to express a big and warm thank you to all of you in the Balder family for your really amazing efforts during the year. I look forward with great curiosity to Balder's continued journey. In spite of the difficult times right now we are trying to see over the brow of the next hill and to continue developing the business together. The future is always uncertain but it is bright and filled with opportunities.

Erik Selin
Chief Executive Officer



IMPORTANT EVENTS IN 2020

- Balder invests together with Anthon B Nilsen Eiendom in Norway through the acquisition of 50% of the company.
- Masthuggskajen, which includes Balder's Draken project, is awarded for sustainable urban development and is named Citylab Project of the Year.
- Balder agrees to acquire Masmästaren, taking up occupancy in Q1 2021.
- Eva Sigurgeirsdottir is appointed new Director of Economy for the Group.
- Through a structural transaction with Serneke Balder acquires 50% of the shares in Karlatornet AB.
- Balder acquires just over 18% of the shares in Entra ASA.
- Balder undertakes a directed share issue of 6.5 million Class B shares, raising approx. SEK 2,930 million.

HOW BALDER HAS HANDLED COVID-19

In 2020, the world changed in a way that no one could have predicted. Like all companies, Balder was affected by the ongoing pandemic during the year.

Future developments are uncertain, and it is important that the business is flexible and prepared for any new challenges that arise. Balder follows the advice and guidelines issued by the government and authorities, and during the year has taken a number of measures to deal with the prevailing situation. Balder has a stable organisation, and during the year continued to maintain a high tempo, and has therefore not needed to take any action, for example in the form of temporary or permanent layoffs.

RESIDENTIAL CUSTOMERS

Around 60% of the property portfolio consists of homes. Balder is constantly carrying out a large number of activities in the company's areas, not just during the pandemic. In order to support both tenants and society at large in the prevailing situation, the ordinary activities have been supplemented by adapted activities.

One example of this was that when upper secondary schools went over to remote teaching in the spring, Balder provided premises at several locations for upper secondary school students to use for their studies. At some places the company also provided lunch for the students. Residential tenants were also given information about where they can turn for help or to become involved themselves in lending a hand.

PROPERTY DEVELOPMENT

Balder continues to develop its property portfolio through new production and renovation. Projects where construction is under way are running to plan. For those projects where construction has not yet started, planning is continuing as before. During the spring, some construction launches were put on hold temporarily, but later on in the year production started once more according to plan, and all projects that were on hold have started.

INVESTORS

The strong impact that the pandemic has had on society has so far had a limited effect on the company's financing. In these times, good liquidity and the fact that the company's financing needs are secured is of the utmost importance. Balder continued to have good access to financing during the year, and during the second half of the year bonds were issued to a total value of just over SEK 1 billion. At the turn of the year, Balder has available liquidity and loan commitments of SEK 20,500 million, which can be used if the need were to arise.

SOCIETY

As well as offering support to tenants, during the year Balder carried out a number of activities to support society at large during the ongoing pandemic. At the Östra Hospital in Gothenburg, where many of Region Västra Götaland's Covid-19 patients are being cared for, Balder provided parking spaces where healthcare staff could park for free during the spring. Balder also took part in an initiative in May in which several major companies took turns to pay for lunch for healthcare staff at the Östra Hospital.

COMMERCIAL CUSTOMERS

Since the pandemic began, Balder has maintained an ongoing dialogue with rental tenants and has striven as far as possible to support those experiencing cash flow problems as a consequence of the pandemic.

A number of requests for rental reductions were received in the commercial portfolio, and these cases have been dealt with on an ongoing basis to find the best possible solution and to support these tenants. In many cases, agreements were reached on a transition to monthly payments or the postponement of rental payments. Of the total property portfolio, about 8% consists of hotels, an industry that was hard hit during the pandemic.

To support commercial tenants, Balder has also collected special offers from them and is helping to market the businesses.

COLLEAGUES

Day-to-day activities have been adapted to the prevailing circumstances and employees are contributing in many different ways by doing jobs different to their normal ones. Employees have been given information relating to the pandemic on an ongoing basis, and those who are able have also been given the conditions to work from home. Other measures have also been taken, such as extended cleaning in the offices and reduced numbers of business trips and physical meetings.





PROJECT HOTEL DRAKEN, GOTHENBURG

BALDER'S SHARE AND OWNERS

Balder's Class B share is listed on Nasdaq Stockholm, Large Cap. The net asset value per share reported positive development during the year and increased by 13%.

Balder's market capitalisation as of 31 December totalled SEK 79,990 million (77,976). The price of Balder's Class B share was SEK 428.90 (433.20) at the year-end, representing a fall of 1% during the year.

Share capital

Balder carried out a directed share issue during November of 6,500,000 Class B shares, which brought in SEK 2,930 million after issue costs. For existing shareholders, the issue means a dilution effect of 3.61% in relation to

the number of shares and 2.31% in relation to the number of votes. After the share issue and as of 31 December, the share capital in Balder totalled SEK 186,500,000 distributed among 186,500,000 shares, of which 11,229,432 shares are Class A shares and 175,270,568 are Class B shares. Each share has a quota value of SEK 1.00. The total number of outstanding shares is 186,500,000. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

ANALYSTS FOLLOWING BALDER

David Flemmich, Nordea
 Erik Granström, Carnegie
 Fredric Cyon, Carnegie
 Tobias Kaj, ABG Sundal Collier
 Jan Ihrfelt, Kepler Cheuvreux
 Albin Sandberg, Kepler Cheuvreux
 Philip Hallberg, Danske Bank
 Johan Edberg, Handelsbanken
 Stefan Andersson, SEB
 Markus Henriksson, Pareto
 Simen Mortensen, DNB

THE BALDER SHARE'S PERFORMANCE

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Data per share										
Average number of shares, thousand	180,515	180,000	180,000	180,000	173,598	162,753	161,786	159,537	159,537	158,656
Net profit for the year, SEK	36.79	49.77	51.71	38.71	30.38	28.98	18.10	10.11	6.69	4.87
Profit from property management before tax, SEK	23.51	22.35	18.35	14.74	11.89	9.71	6.64	4.57	3.73	3.00
Outstanding number of shares, thousand	186,500	180,000	180,000	180,000	180,000	172,397	162,397	159,537	159,537	159,537
Equity, SEK	312.12	272.28	223.03	173.86	139.23	103.24	70.10	52.14	42.15	35.57
Long-term net asset value (NAV), SEK	387.38	341.70	277.60	218.10	180.09	134.35	86.33	60.50	50.37	41.84
Share price on closing date, SEK	428.90	433.20	252.00	219.40	184.10	208.70	110.25	66.00	37.30	25.30
Change in share price, %	-1	72	15	19	-12	89	67	77	47	-14
Dividend, SEK	-	-	-	-	-	-	-	-	-	-
Market capitalisation										
Market capitalisation, SEKm	79,990	77,976	45,360	39,492	36,371	39,099	21,404	13,889	7,800	5,104

WHY INVEST IN BALDER?

1. THE BALDER SHARE HAS SEEN STABLE GROWTH SINCE ITS STOCK EXCHANGE LAUNCH

Balder’s most important goal is to increase the profit from property management per share over time. Over the past five years, the profit from property management has increased by an average of 19% per year and the net asset value by an average of 24% per year. During the same period, the share has been traded at an average of 106% of the net asset value and 16 times the profit from property management.

Positive development during the year

Equity per share totalled SEK 312.12 (272.28) as of 31 December, representing an increase of 15% (22) during the year. The net asset value per share (NAV) during the same period increased by 13% (23) to

SEK 387.38 (341.70). The difference between equity and net asset value is that derivatives, net of deferred tax liabilities and deferred tax assets are reversed in net asset value.

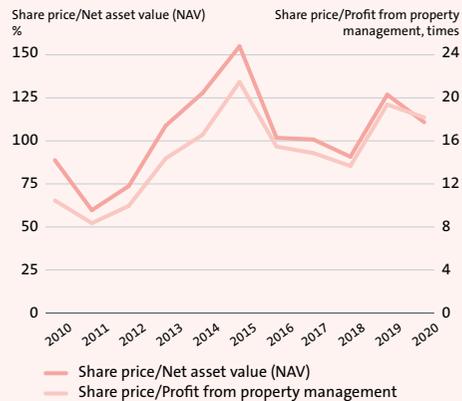
The share price/net asset value ratio was 111% (127) at the year-end. The profit from property management before tax attributable to the parent company’s shareholders totalled SEK 4,244 million (4,023), which represents an increase of 5% (22) compared with the previous year. The profit from property management per share increased by 5% (22) during the year.

135 million shares were traded during the year (78), representing an average of 537 thousand

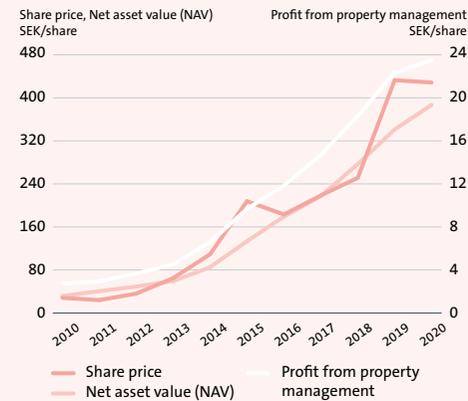
shares per trading day (319) or SEK 219 million (106) based on the average price during the year. This turnover represents an annual turnover rate of 73% (43), and if Erik Selin Fastigheter AB’s shares are excluded, the annual turnover represents approx. 112% (68) of the outstanding shares. The proportion of foreign-owned shares is 33% (25).

At the end of the year, Balder carried out a directed share issue of 6,500,000 Class B shares. Subscribers to the share issue were a large number of Swedish and international institutional investors.

SHARE PRICE/NET ASSET VALUE AND SHARE PRICE/PROFIT FROM PROPERTY MANAGEMENT



SHARE PRICE PERFORMANCE, NET ASSET VALUE AND PROFIT FROM PROPERTY MANAGEMENT



THE SHARE’S PERFORMANCE OVER TIME

The charts show the development of the share price in relation to net asset value and profit from property management. The chart on the right provides an illustration of the price per share, net asset value per share and profit from property management per share. The chart on the left shows the price per share in relation to net asset value per share and profit from property management per share.



2. BALDER HAS LONG-TERM, ENGAGED OWNERS

The principal owner of Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.1% of the capital and 48.8% of the votes together with Arvid Svensson Invest AB and a number of institutional investors.

At the end of 2020, the total number of shareholders was approximately 22,000 (17,000), and 45% (47) of the share capital was held by the Board and Management.

DIVIDEND POLICY

Balder's goal is to generate the best long-term total yield for its shareholders. The assessment continues to be that this is best achieved by reinvesting the profits in the business in order to create further growth. The dividend will therefore remain low or will not be declared at all in the next few years.

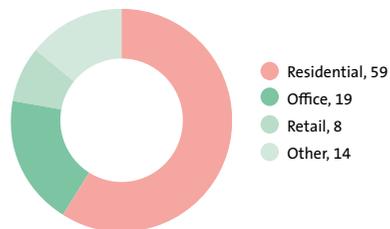
Balder will instead continue to grow by investing in existing properties, new construction and the acquisition of new properties. The Board proposes to the Annual General Meeting that no dividend for the share should be paid for the financial year 2020.

OWNERSHIP LIST, 31/12/2020

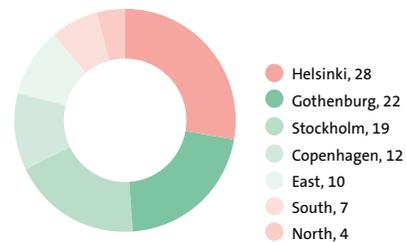
Owners	Class A shares	Class B shares	Total number of shares	Capital, %	Votes, %
Erik Selin via company	8,309,328	57,210,900	65,520,228	35.1	48.8
Arvid Svensson Invest AB	2,915,892	13,542,540	16,458,432	8.8	14.8
Swedbank Robur fonder	-	8,123,128	8,123,128	4.4	2.8
SEB Investment Management	-	6,846,649	6,846,649	3.7	2.4
Handelsbanken Fonder AB	-	5,649,972	5,649,972	3.0	2.0
Länsförsäkringar fondförvaltning AB	-	5,326,134	5,326,134	2.9	1.9
AMF Försäkring och Fonder	-	3,674,461	3,674,461	2.0	1.3
Vanguard	-	3,303,843	3,303,843	1.8	1.1
CBNY Norges Bank	-	2,338,549	2,338,549	1.3	0.8
Livförsäkringsbolaget Skandia	-	1,857,429	1,857,429	1.0	0.6
Others	4,212	67,396,963	67,401,175	36.1	23.5
Total	11,229,432	175,270,568	186,500,000	100	100

3. BALDER HAS A WELL-DIVERSIFIED PORTFOLIO

CARRYING AMOUNT PER PROPERTY CATEGORY
total property portfolio, %

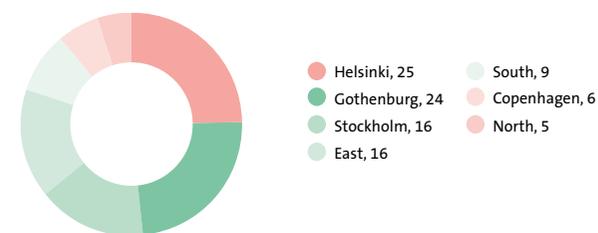


CARRYING AMOUNT PER REGION
total property portfolio, %



4. WITH FOCUS ON CAPITAL CITIES AND MAJOR CITIES WITH GROWTH POTENTIAL

LETTABLE AREA PER REGION
total property portfolio, %



5. A COMPREHENSIVE PROJECT PORTFOLIO WITH GREAT POTENTIAL

225,765 sq.m.

UNDER CONSTRUCTION

233,287 sq.m.

WITH ESTIMATED CONSTRUCTION
START Q1 2021-Q1 2022

1 451,957 sq.m.

GROSS AREA WITH ESTIMATED
CONSTRUCTION START 2022 AND ONWARDS

6. A STRONG BALANCE SHEET AND LOW FINANCIAL RISK

MULTI-YEAR SUMMARY

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Rental income, SEKm	8,134	7,609	6,714	5,915	5,373	2,711	2,525	1,884	1,701	1,466
Profit from property management, SEKm ¹⁾	4,244	4,023	3,304	2,804	2,265	1,780	1,275	854	691	516
Changes in value of investment properties, SEKm	3,453	9,577	8,007	5,336	4,932	3,388	3,050	854	812	990
Changes in value of derivatives, SEKm	-141	-180	-34	144	-114	227	-624	433	-71	-520
Net profit for the year, SEKm ¹⁾	6,641	8,958	9,308	7,118	5,474	4,916	3,128	1,738	1,162	812
Investment properties, SEKm	149,179	141,392	116,542	98,360	86,177	68,456	37,382	27,532	22,278	17,556
Development properties, SEKm	2,803	2,344	1,598	-	-	-	-	-	-	-
Property-related key ratios										
Rental value full year, SEK/sq.m.	1,893	1,921	1,802	1,724	1,583	1,508	1,325	1,216	1,247	1,163
Rental income full year, SEK/sq.m.	1,809	1,850	1,737	1,651	1,507	1,455	1,254	1,148	1,166	1,088
Economic occupancy rate, %	96	96	96	96	95	96	95	94	94	94
Vacancy rate, %	4	4	4	4	5	4	5	6	6	6
Surplus ratio, %	76	74	73	71	68	72	70	68	68	68
Carrying amount, SEK/sq.m.	32,114	31,613	28,013	24,952	21,473	18,622	17,172	13,985	14,439	12,467
Number of investment properties	1,362	1,298	1,185	1,148	1,220	1,177	486	498	432	433
Lettable area, thousand sq.m.	4,502	4,304	4,025	3,739	3,806	3,430	2,177	1,969	1,543	1,408
Financial key ratios										
Return on equity per share, %	12.4	20.1	26.1	24.7	24.6	32.3	29.7	21.5	17.0	14.3
Interest coverage ratio, times	5.3	5.2	4.6	4.3	3.7	5.1	3.4	2.9	2.4	2.1
Equity/assets ratio, %	38.6	38.3	38.4	35.5	36.1	34.1	35.5	37.3	34.8	35.2
Debt/equity ratio, times ²⁾	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.5	1.7	1.6
Net debt to total assets, % ²⁾	46.1	48.4	50.1	51.8	51.8	54.6	54.6	53.3	57.3	56.0
Net debt/EBITDA, times ²⁾	13.2	13.0	12.9	12.9	13.2	18.1	12.1	12.2	11.8	11.1

1) Attributable to parent company's shareholders.

2) The key ratios for 2020 include SEK 3,009 million that is included in Other liabilities and relates to a commitment in respect of the purchase of shares in Entra ASA.

BALDER 2020 OPERATIONS



PROJECT HOTEL DRAKEN, GÖTHEBURG

HOW BALDER CREATES VALUE

In close collaboration with customers and other actors in society, Balder contributes to the long-term development of areas and city districts. This creates value for everyone who spends time every day in the company's homes, offices, premises and hotels, and for other stakeholders.

DRIVING FORCES

Aside from global trends such as urbanisation, digitalisation and sustainability, Balder's operations are also affected by a number of more industry-specific trends, which differ to some extent depending on, for example, property category and geography.

> Read more on page 12

STAKEHOLDERS

Balder's stakeholders consist of, for example, tenants, business partners, employees and society at large, and there are to some extent different issues that are important for each group. Operations are developed by continuously analysing the issues that are most important.

> Read more on page 96

STRATEGY & GOALS

Balder aims to be a long-term owner with satisfied customers and employees, and stable cash flows. The company generates good profits from property management by means of a high level of activity and efficient management.

FINANCING

Balder secures financing that is sustainable in the long term through a diversified financing structure.

> Read more on pages 20–22

FINANCIAL GOALS

NET DEBT TO TOTAL ASSETS

< **50%**

EQUITY/ASSETS RATIO

> **40%**

INTEREST COVERAGE RATIO

> **2.0** times

OPERATIONS

PROPERTY DEVELOPMENT

Balder continues to build up a significant portfolio of building rights and in the longer term is producing both apartments and commercial properties.



PROPERTY MANAGEMENT

Balder's own employees are responsible for property management, finance, letting and operations, creating proximity to the customer and good awareness of both the area and the property.



TRANSACTIONS

Balder makes acquisitions continuously in capital cities and major cities that are developing positively in order to further enhance the property portfolio.



> Read more on pages 14–16

A FOCUS ON SUSTAINABILITY IN ALL OPERATIONS

Work on sustainability is carried out throughout the organisation, and is divided into five overarching focus areas.

> Read more on pages 24–28 and 96–104



VALUE CREATED

CUSTOMERS

1,850

number of homes completed during the year.

EMPLOYEES

40

new employees started work at Balder during the year.

OWNERS

13%

increased net asset value during the year.

SOCIETY

181,472

sq.m. homes under construction

PROPERTIES

1,362

properties in Balder's portfolio.

FINANCING

1.5%

average interest rate

A CHANGING EXTERNAL ENVIRONMENT

Like all companies, Balder is affected by developments in the external environment. The company works continuously to monitor trends and take advantage of the opportunities that arise.

GLOBAL TRENDS



SOCIETAL DEVELOPMENT AND URBANISATION

Growing cities are contributing to higher demand for homes and commercial premises. Recent years have seen a constant increase in people moving into major cities. This trend will probably continue, with medium-sized cities also growing at the same time with more people moving in.



DIGITALISATION

Digitalisation and AI bring opportunities for connected properties and greater transparency, alongside new kinds of services. This can also bring a risk of increased vulnerability and inadequate security, and it places greater demands on security when it comes to the information infrastructure and IT.



CLIMATE CHANGE

Buildings account for a significant proportion of emissions in society, both from existing buildings and from the construction process in new production. Financial risks associated with climate change are also becoming evident in many places, for example the negative impact of floods, fires or extreme heat and cold.

INDUSTRY-SPECIFIC TRENDS

STRONG HOUSING MARKET



Low interest rate levels in recent years have contributed to a strong housing market. As a consequence of the pandemic and uncertainty about how the global economy will develop, demand may fall, although there are no signs of this yet. There may instead be an increase in demand for larger homes, further away from city centres, as more people continue to work from home.

Balder owns properties in the metropolitan regions and other major cities with continued growth. Balder's property portfolio consists to 60% of homes, and the Group has a strong project portfolio for the production of new homes in attractive locations in both big cities and many regional towns. This gives the Group large potential to meet increased demand for both homes and premises.

CHANGED SHOPPING PATTERNS



E-commerce has increased steadily in recent years, and this year received another significant boost as a consequence of the pandemic. This means increased demand for logistics properties, while demand is falling for central retail locations.

Balder has both centrally located properties and large logistics and retail properties in outer areas. Like all property owners, the company has seen a degree of slowdown in demand for central retail premises, and is working continuously to identify solutions and new areas of application.

NEW TECHNOLOGY BRINGS NEW OPPORTUNITIES



The development of digital solutions for smart houses is very much on the move and will bring new opportunities to property owners. By investing in digital solutions and new technology, companies can achieve better opportunities, for example to monitor properties.

Balder works continuously to increase the degree to which properties are digitalised, partly to improve security and to realise the opportunity for better control and optimisation. There are also major opportunities to enhance service to customers by being able to offer new kinds of services.

INCREASED DEMANDS FOR GREEN PROPERTIES



Requirements for sustainable and environmentally certified properties continue to increase. In recent years, increasing demands have been made from the financial market, where green properties are also favoured when it comes to loans and other financing solutions. Increased demands are also evident among customers for sustainable homes and offices.

Balder adopts a structured approach to reduce the company's climate impact, for example by continuously optimising the running of its properties, increasing the proportion of renewable energy, reducing waste and increasing recycling and reuse. This also reduces the costs of consumption and waste management, while at the same time acquiring greater knowledge of physical and financial exposure to climate risks. All electricity purchased for the Swedish and Finnish properties is green electricity, and all properties built on behalf of the company must be certified as a minimum according to the Miljöbyggnad Silver rating or equivalent. The company monitors the development of rules and guidelines in order to adapt the business, for example, to the upcoming EU taxonomy.

NEW WAYS OF WORKING



Recent years have seen the emergence of the concept of coworking, in which companies share offices and communal areas and functions. This, combined with an increase in remote working as a consequence of the ongoing pandemic, may result in reduced demand for large office premises in future.

Balder has stable, long-term partnerships with office tenants, and also has a diversified contract structure in which no customer accounts for more than 4.0% of the total rental income.

POSITIVE DEVELOPMENT IN THE PROPERTY MARKET

There was a very high level of interest in the Nordic property market in 2020. A continued low interest rate, a high level of liquidity in the global capital market, increased rental levels for office and logistics properties as a consequence of profitable enterprise and demand for high standards, low vacancy rates and a very strong residential market, where there is a housing shortage in virtually all major cities, all mean that the outlook for the property market in the Nordic region will probably remain positive during 2021.

Another important reason for a strong property market is the volatility prevailing in the stock exchanges as well as very low capital returns from interest-bearing securities. This is contributing to investments in directly-owned properties being viewed as a better, more secure alternative to capital investment.

The market was affected by the ongoing pandemic during the year. The biggest effect was seen among hotel and retail properties, the latter category being affected by the increase in e-commerce in both the food and non-food retail sectors.

The residential market

A high rate of population growth and virtually non-existent vacancies in strong sub-markets has caused demand to invest in both newly produced residential properties and existing property portfolios to increase strongly in recent years. All in all, it is believed that the market conditions for residential properties continue to be good, on the condition that the properties are located within a growth region.

Stricter repayment requirements and tougher rules on providing credit have had a major impact on the market for tenant-owner's homes, even though demand remains strong in many markets. This, combined with the general housing shortage and urbanisation, has increased the demand for

newly renovated and newly produced rental apartments with relatively high rent levels.

The office market

Demand in the office rental market was considered good at the end of the year, with a high level of activity, strong rental growth and low vacancy rates especially in the major cities. The objects that attract both tenants and investors are characterised by flexible, space-efficient, environmentally certified buildings with high technical standards and proximity to public communications.

The strong rental development in recent years in attractive city centre locations has also affected rents outside CBDs¹⁾. As rental levels rise in more central locations, so does interest among tenants to locate outside city centres. This is in turn resulting in increased interest among investors who see rental potential in properties in locations on the edge of cities.

Outlook

The good rental development of recent years in the office market in central locations will probably level out as a consequence of an economy that is slowing down and the ongoing pandemic. One possible scenario is a transition to other ways of utilising the premises, for example by creating more open, creative spaces combined with cellular offices for individual work.

As far as demand for housing is concerned, the economic risks are limited. In this context it is rather adjustments to the granting of credit that may continue to change the market for both owned and rented housing.

Interest rates are expected to remain at historically low levels during the years ahead. Access to capital remained good at the end of the year, underpinning high demand for property investments, despite the ongoing pandemic.



KEY RATIOS 2020

	Sweden	Denmark	Finland	Norway
Transaction volume, SEK billion	188	91	63	99
Yield from office properties, CBD ¹⁾ in capital cities, %	3.25	3.75	3.50	3.40
Rental levels, CBD ¹⁾ in capital cities (SEK/sq.m./year)	8,200	3,200	4,550	5,500
Foreign buyers, %	27	62	52	13

¹⁾ CBD = Central Business District.
Source: Pangea Property Partners

CONTINUED DEVELOPMENT OF THE BUSINESS

Balder’s property portfolio is developed through transactions, property development and customer-oriented property management. The company has a diversified portfolio of residential properties, commercial properties and projects in capital cities and other large cities, primarily in Sweden, Denmark, Finland and Norway.

Having satisfied customers is one of Balder’s most important goals, and there is a major focus on this work in the organisation. The objective is that commercial customers shall develop in Balder’s properties and that their various needs in terms of the size of premises and geographical location shall be met over time. For residential customers, the objective is that they shall be happy in their homes and in their residential area, and live in Balder’s properties for a long time.

Every other year a CSI (Customer Satisfaction Index) survey is conducted, the results of which form the basis of future activities and prioritisations. CSI surveys are also conducted among new occupants in completed projects. In addition to this, Balder has continuous dialogues with customers, for example in the form of regular meetings with tenants.

ACQUISITIONS

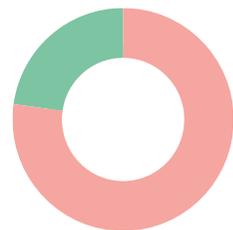
per property category, SEKm



● Retail, 1,054 ● Office, 889 ● Residential, 588

SALES

per property category, SEKm

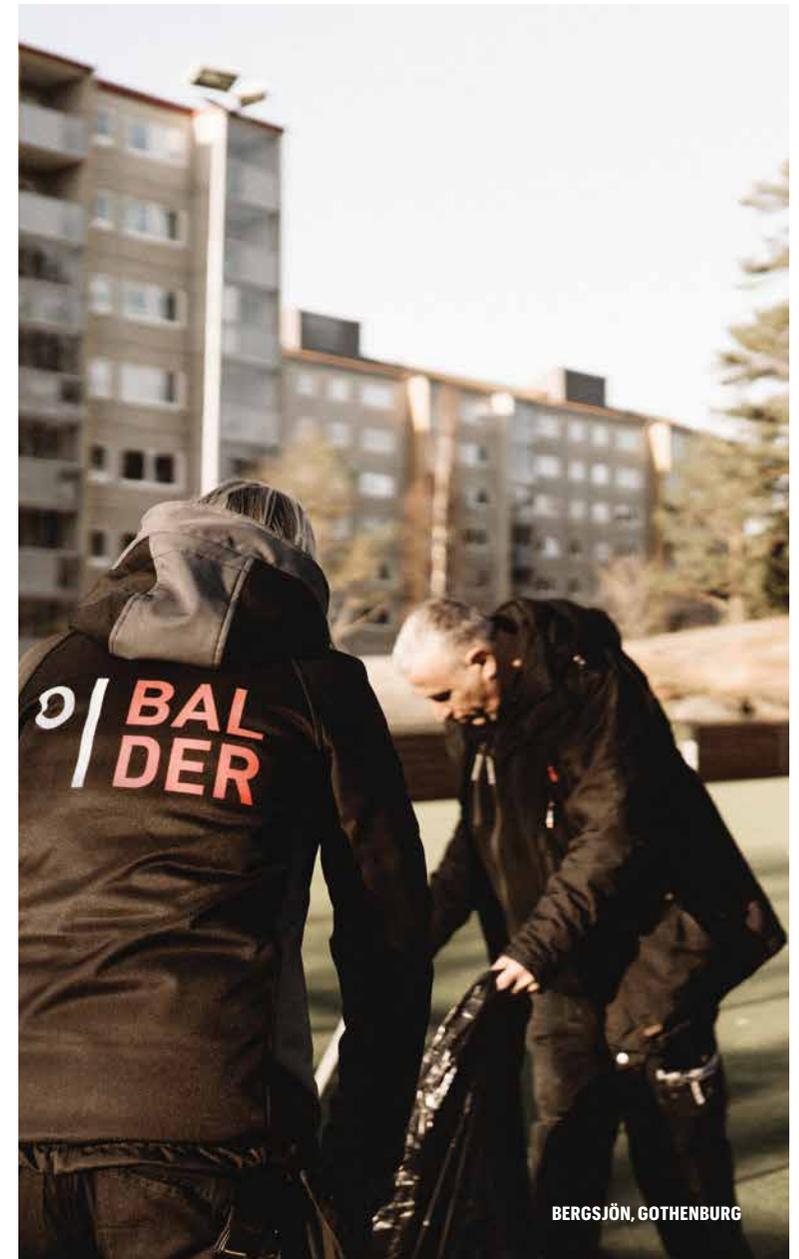


● Development properties, 1,253 ● Investment properties, 366

LEASE STRUCTURE, 31/12/2020

Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2021	1,276	37	342	4
2022	834	24	409	5
2023	559	16	370	5
2024	418	12	318	4
2025–	399	11	1,809	22
Total	3,486	100	3,247	40
Residential ¹⁾	41,296		4,872	59
Car park ¹⁾	5,503		23	0
Garage ¹⁾	5,249		72	1
Total	55,534		8,214	100

1) Normally has a period of notice of three months.



BERGSJÖN, GOTHENBURG

PROPERTY MANAGEMENT

Balder offers a wide range of premises and homes in different locations and at different rental levels. In all areas where Balder owns properties, the company has its own employees who are responsible for property management, letting and operations. This produces fast decision-making paths, proximity to the customer, good awareness of areas and properties, and the opportunity to adopt a long-term approach to property management.

Balder's property portfolio consists of approximately 60% homes, and the company offers apartments in both central locations and on the outskirts of cities, both in the form of newly produced rental apartments and rental apartments in older properties. At the end of the year the Group had about 41,000 residential contracts in total.

Balder's property portfolio also includes a wide variety of commercial premises. In total, Balder has approximately 2,400 commercial customers and the total floor space is approximately 1,800,000 sq.m. The occupancy rate in the commercial portfolio is around 94%.

TOTAL OCCUPANCY RATE

96%

BALDER'S TEN LARGEST CUSTOMERS

- The municipality of Gothenburg
- I.A. Hedin Bil AB
- ICA Sverige AB
- Kesko Oyj
- Ligula Hospitality Group
- Scandic Hotels
- City of Stockholm
- Stureplansgruppen
- The municipality of Sundbyberg
- Winn Hotel Group

TOTAL ACQUIRED

3,491
SEKm

TRANSACTIONS

Balder strives to own centrally located properties in capital cities and cities showing positive development. Investments are being made in particular in areas where the company is already active, with an emphasis on Stockholm, Gothenburg, Helsinki and Copenhagen. The rates of growth and new occupancy have remained high in these markets, which is increasing demand for both homes and commercial premises.

During the year, Balder also expanded its presence in Norway, by the acquisition of 50% of Norwegian

company Anthon B Nilsen Eiendom AS. This transaction included the Anthon B Nilsen Group's entire property portfolio, with properties in Oslo and at Lahaugmoen, and a development portfolio of 170,000 sq.m. in Eastern Norway. At the end of the year, Balder also owned approximately 18% of the shares in Entra ASA, a company that owns and develops office properties in Norway, with a focus on centrally located properties in Oslo, Bergen, Stavanger and Trondheim.

PROPERTY DEVELOPMENT

As a large, long-term property owner, Balder develops both small projects involving individual properties and larger areas and city districts. Within the framework of property development there is both new production of homes and premises and a large number of projects involving the renovation of existing properties.

For Balder, it is important to control the whole value chain from land acquisition to the long-term management of completed projects. Development takes place in the form of long-term work in close collaboration with municipal authorities and other stakeholders. The development process extends over different phases and often takes several years. During the year, Balder has continued to strengthen its organisation, not only in

production, but also in sales and marketing.

The company has built up a significant portfolio of building rights for the production of not only rental and tenant-owner's apartments, but also commercial properties. In many areas, new homes are being built where Balder already owns properties, contributing to a densification of areas and an increased range of mixed forms of housing, thus contributing towards sustainable and responsible urban development.

In 2020, Balder completed just over 1,850 homes, of which 1,420 for own management and 430 for sale. At year-end approximately 2,900 homes were under construction in Sweden, Denmark and Finland as well as a total of approximately 44,000 sq.m. of commercial properties.

COMPLETED HOMES IN 2020

1,850



PROJECTS UNDER CONSTRUCTION

PROJECT PROPERTIES FOR OWN MANAGEMENT

	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm
Sweden commercial	44,293	-	1,841
Sweden residential	14,149	265	470
Finland	33,329	958	1,439
Denmark	85,691	1,053	3,108
Total	177,462	2,276	6,859



DEVELOPMENT PROPERTIES FOR SALE

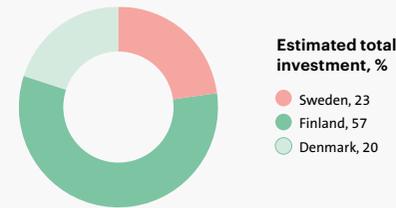
	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm
Sweden	39,233	556	1,892
Finland	2,277	55	105
Norway	6,793	46	292
Total	48,303	657	2,288



FUTURE PROJECTS Q1 2021–Q1 2022

PROJECT PROPERTIES FOR OWN MANAGEMENT

	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm
Sweden commercial	14,899	-	306
Sweden residential	26,858	454	1,015
Finland	71,054	1,926	3,242
Denmark	30,978	456	1,170
Total	143,789	2,836	5,734



DEVELOPMENT PROPERTIES FOR SALE

	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm
Sweden	64,722	938	3,819
Norway	24,776	276	1,207
Total	89,498	1,214	5,026



FUTURE PROJECTS WITH ESTIMATED CONSTRUCTION START 2022 AND ONWARDS

1,451,957 sq.m.
Gross area

► Read more about projects on pages 121–123



LAVETTEN
**MODERN BUILDING WHERE
 NATURE MEETS THE URBAN
 ENVIRONMENT**

In Ørestad Syd, which is Copenhagen’s new green district with a blend of homes, businesses, education and culture, is Balder’s property Lavetten, which was completed at the end of 2019. Lavetten is what is known as a low-energy building, which meets the requirements of the energy label A2020. The building is also certified in accordance with DGNB level Silver, which means, among other things, that great emphasis has been placed on the indoor climate, choice of materials, high standard of outdoor areas, good facilities for cyclists, security and safety, and high-class architecture.



FIXFABRIKEN
**URBAN DEVELOPMENT
 ON HISTORICAL SITE**

Balder is involved in refurbishing the old Fixfabriken factory in Majorna in Gothenburg, where the company is building around 250 tenant-owner’s apartments. Fixfabriken is a densification project that forms part of the City of Gothenburg’s anniversary initiative BoStad2021, which aims to develop the detailed planning process and complete 7,000 homes by 2021. Fixfabriken’s architecture has gained recognition on many occasions, and has been praised by, among others, the City of Gothenburg’s municipal architect. Construction started on the district in 2019, and the plan is for the first occupants to move in during 2021.



ATLANTIKATU
INNOVATIONS THAT REDUCE NEED FOR RENOVATION

Atlantinkatu 12 consists of two buildings in a modern urban block in Jätkäsaari in Helsinki, and is owned by SATO. The apartments have bathrooms furnished with a totally new kind of interior, with a significantly longer useful life than the standard range of bathroom fixtures and fittings. The collection, which goes under the name of Kide, was developed by SATO’s

product development expert in partnership with the Finnish company Kankarin Kaluste Oy. Thanks to the Kide range, the amount of waste generated because of furniture being replaced has been reduced by a total of 12,500 kg a year, and residents also avoid disruption in the form of bathroom renovations and maintenance visits.

SATISFIED CUSTOMERS IN FINISHED PROJECTS

Having satisfied customers is one of Balder's most important goals and a precondition for the company's financial sustainability and development. During the year, occupants moved into a number of completed tenant-owner's property projects. As part of Balder's work on customer satisfaction, buyers of tenant-owner's properties have the chance to respond to a survey, which produces a Customer Satisfaction Index (CSI) and also provides an understanding of which measures should be prioritised for increased customer satisfaction. The goal is to develop homes and areas with high levels of well-being and security.



BRF BOVIERAN SALEM

97%

appreciate the material selections in kitchens and bathrooms



BRF BERGSJÖ HAGE & BERGSJÖ GÅRD

100%

appreciate the property's floor plan



BRF TRILITEN

96%

are satisfied with the contact with the real estate agent



BRF STRANDSNÄCKAN

98%

are very happy in their new home

BALDER 2020 FINANCE



PROJECT BACKAPLAN, GOTHENBURG

CURRENT EARNINGS CAPACITY

The earning capacity is based on the property portfolio's contracted rental income, estimated property costs during a normal year as well as administrative expenses.

Balder presents its earning capacity on a 12-month basis in the accompanying table. The earning capacity is based on the property portfolio's contracted rental income, estimated property costs during a normal year as well as administrative expenses. The costs of the interest-bearing liabilities are based on the Group's average interest rate level including the effect of derivative instruments. Tax is calculated using the effective tax rate during each period.

The current earning capacity should not be placed on a par with a forecast for the next twelve months. The earning capacity does not contain, for example, an estimate of rental, vacancy, currency or interest rate changes.

Balder's income statement is also impacted by the development in the value of the property portfolio as well as future property acquisitions and/or property divestments. Additional items affecting the net profit are changes in value of derivatives. None of this has been considered in the current earning capacity.

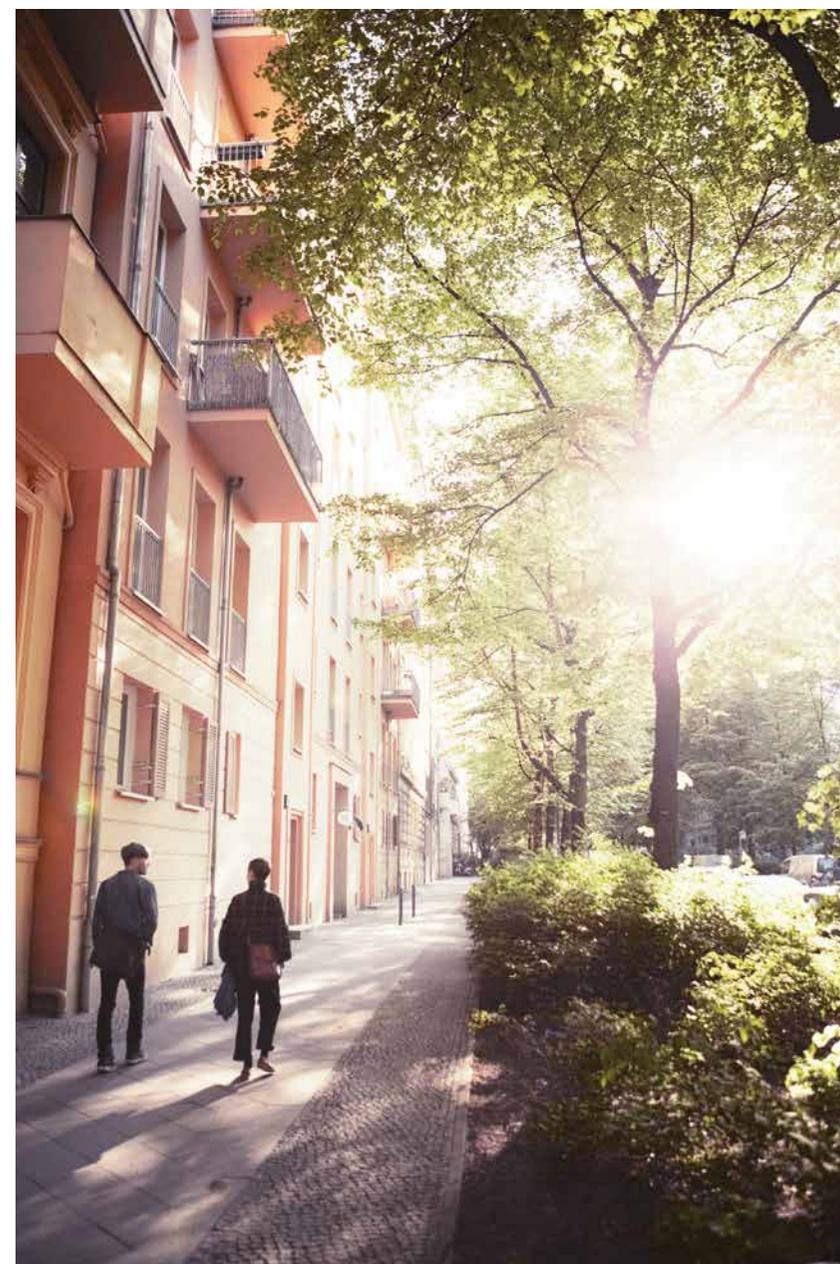
CURRENT EARNING CAPACITY ON A 12-MONTH BASIS

SEKm	2020 31 Dec	2019 31 Dec	2018 31 Dec	2017 31 Dec	2016 31 Dec	2015 31 Dec
Rental income	8,545	8,000	7,000	6,240	5,800	5,045
Property costs	-2,225	-2,080	-1,885	-1,720	-1,695	-1,635
Net operating income	6,320	5,920	5,115	4,520	4,105	3,410
<i>Surplus ratio, %</i>	74	74	73	72	71	68
Management costs and administrative expenses	-675	-670	-595	-550	-490	-425
Profit from property management from associated companies	1,110	785	735	640	505	340
Operating profit	6,755	6,035	5,255	4,610	4,120	3,325
Net financial items incl. ground rent	-1,450	-1,330	-1,125	-1,060	-1,040	-880
Minus non-controlling interests	-630	-675	-565	-525	-445	-410
Profit from property management¹⁾	4,675	4,030	3,565	3,025	2,635	2,035
Tax ²⁾	-970	-875	-750	-650	-570	-439
Profit after tax	3,705	3,155	2,815	2,375	2,065	1,596
Profit from property management per share, SEK	25.06	22.39	19.81	16.81	13.52	10.64

1) Attributable to parent company's shareholders.

2) Refers primarily to deferred tax, which has no effect on cash flow.

Current earning capacity as of 31 December 2020 includes the acquisition of Masmästaren, with possession taken at the beginning of January 2021. In the current earning capacity, the following exchange rates were used to translate foreign subsidiaries' income statement items: EUR: 10.10 DKK: 1.36 NOK: 0.98 GBP: 11.47



FINANCING

Balder secures financing that is sustainable in the long term through a diversified financing structure.

Balder has assets in Sweden, Denmark, Finland, Norway, Germany and the UK, which means that the Group is exposed to currency risks. To reduce the risks and secure financing that is sustainable in the long term, the company therefore has a well-diversified financing structure with bonds and bank financing in several different currencies. Balder values long-term relationships with its credit providers and collaborates with a number of Nordic banks.

When a credit provider assesses the credit risk, factors considered include the properties' location and the diversification of the property portfolio with regard to geography and asset types. Balder's assets consist primarily of residential properties, which are characterised by cash flows that are stable in the long term since the risk is spread among a large number of customers. The long-term security in the cash flow from residential properties means these assets can be pledged to a higher degree than commercial properties.

Balder's property portfolio currently consists of around 60% residential properties, and a large proportion of these are located in Copenhagen, Helsinki, Stockholm, Gothenburg and some other growth areas in Sweden and Finland. The majority of Balder's commercial properties are located in the central parts of Stockholm, Gothenburg and Malmö.

Several financing sources

The single largest financing source is euro bonds issued in the European bond market, under Balder's

EMTN programme, followed by bank loans in various currencies, a domestic MTN programme and a commercial paper programme in euros and Swedish kronor. Aside from these financing sources, Balder has also issued hybrid capital with a maturity of 60 years. The hybrid capital is subordinate to other financial liabilities and therefore half of it is treated as equity by credit rating agencies when calculating key ratios.

During the year, Balder also broadened the funding base by taking out loans to a total value of SEK 2,000 million with a term of ten years from Brunswick Real Estate Capital, through their third real estate credit fund Brunswick Real Estate Capital III (BRECIII).

Balder has a green framework that provides an opportunity to issue green bonds, for the purpose of financing in particular green and energy-efficient buildings, but also investments in measures to improve energy efficiency and in renewable energy.

Balder's green framework has been developed in line with the industry standard Green Bond Principles 2018. The framework has undergone an independent evaluation by Cicero Shades of Green and been awarded the rating Medium Green.

FINANCIAL GOALS

	Goal	Outcome
Equity/assets ratio, %	min. 40.0	38.6
Net debt to total assets, %	max. 50.0	46.1
Interest coverage ratio, times	min. 2.0	5.3



FINANCIAL KEY RATIOS

	2020 31 Dec	2019 31 Dec
Interest-bearing liabilities excl. Hybrid capital, SEKm	85,476	77,590
Hybrid capital, SEKm	3,513	3,652
Available liquidity including confirmed loan commitments, SEKm	20,509	11,925
Average fixed credit term, years	5.9	5.8
Average fixed interest rate term, years	3.5	3.1
Net debt to total assets (financial covenant ¹ < 65), %	46.1	48.4
Interest coverage ratio (financial covenant ¹ > 1.8), times	5.3	5.2
Secured debt/Total assets (financial covenant ¹ < 45), %	15.6	16.2
Net debt/EBITDA, times	13.2	13.0
Credit rating S&P	BBB Stable outlook	BBB Stable outlook
Calculation of net debt		
Interest-bearing liabilities excl. Hybrid capital, SEKm	85,476	77,590
Other liability ²⁾	3,009	-
Hybrid capital (50% is treated as equity by rating agencies), SEKm	1,757	1,826
Cash and cash equivalents and financial investments, SEKm	-7,127	-2,902
Net debt	83,115	76,514

1) Financial covenants refer to obligations that Balder has to its financiers in the form of financial key ratios.

2) Other liability SEK 3,009 million relates to obligation regarding purchase of shares in Entra ASA.

In addition to green bonds, Balder also has green loans with Swedish banks, both within the Balder Group and in associated companies, and a green loan agreement with the European Investment Bank (EIB) for EUR 100 million for the development of two residential projects in Copenhagen with nearly zero-energy building (NZEB) standards.

Balder's MTN programme has a framework of SEK 15,000 million, and three issues were carried out during the year within the programme to a total value of SEK 1,150 million. The EMTN programme has a framework of EUR 2,000 million, within which an issue of EUR 300 million was carried out at the beginning of the year. At the year-end, a total of SEK 11,550 million was outstanding within the MTN programme and EUR 800 million was outstanding within the EMTN programme.

The proportion of bonds in the loan portfolio increased during the year from 53% to 57%, and the proportion of secured debt dropped in line with the recent years' issues of euro bonds and hybrid capital. At the year-end, secured debt as a proportion of total assets was 15.6%.

The net debt to total assets has also fallen in recent years and totalled 46.1% at the year-end.

At the same time, the fixed credit term has been gradually extended, totalling 5.9 years at the year-end.

The financial commitments, covenants, that Balder has towards its financiers are a net debt to total assets of 65%, an interest coverage ratio of 1.8 times and secured debt in relation to total assets of 45%. All commitments were fulfilled with a comfortable margin at the year-end.

Investment grade rating

Balder has an investment grade rating from S&P of BBB with a stable outlook. The rating reflects, among other things, the fact that Balder has a large property portfolio that is well-diversified in terms of both property types and geography, and that Balder has stable rental income, a high and stable occupancy rate and a well-diversified loan maturity structure with a modest proportion of secured debt.

An investment grade rating from S&P means that Balder can continue to access both European and domestic capital markets, obtain long terms for tying-up of capital, diversify its funding base and thus secure long-term capital for continued growth. Balder's subsidiary SATO also has an investment grade rating from S&P of BBB with a stable outlook.

DEBT MATURITY STRUCTURE, 31/12/2020

Year	SEKm	Share, %
2021	9,038	10
2022	12,029	14
2023	11,602	13
2024	11,170	13
2025	9,567	11
2026	7,717	9
2027	5,234	6
2028	6,647	7
2029	928	1
2030	2,792	3
2031-	12,265	14
Total	88,989	100

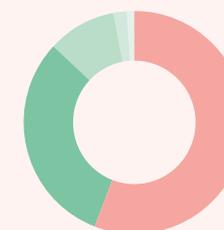
INTEREST MATURITY STRUCTURE, 31/12/2020

Year	SEKm	Interest, %	Share, %
2021	34,277	1.0	39
2022	6,556	1.4	7
2023	9,548	2.4	11
2024	4,126	1.6	5
2025	7,566	2.1	9
2026	7,063	2.3	8
2027	6,169	1.2	7
2028	6,503	0.6	7
2029	2,875	1.6	3
2030	1,174	1.4	1
2031-	3,133	1.8	4
Total	88,989	1.5	100

NET DEBT TO TOTAL ASSETS, %



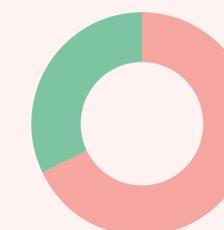
FINANCING SOURCES, %



FIXED INTEREST TERM, YEARS



DISTRIBUTION OF SECURED AND UNSECURED FINANCING, SEKm



DEBT MATURITY STRUCTURE, 31/12/2020, SEKm



BALDER 2020 SUSTAINABILITY



PROJECT HALLONBERGEN, SUNDBYBERG

BALDER'S WORK ON GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Balder strives to contribute to achieving the UN's Global Sustainable Development Goals and has selected six of the 17 goals that are considered most relevant to the company's business activities and where the company has the greatest opportunity to have an influence.

To link these more closely to the company's operations, the associated targets have also been analysed. Balder has interpreted goals and targets in

order to identify the areas where the company has the greatest opportunity to contribute to the goals being achieved.

SUSTAINABLE CITIES AND COMMUNITIES

Sustainable cities have a very strong link to Balder's business, and the Group plays an active role in the development of entire areas and city districts. By building new homes with varied forms of tenure, Balder contributes to developing residential areas and improving security. A blend of workplaces and homes also creates more job opportunities in the local environment and creates new meeting places. Solutions for increased mobility, such as proximity to public transport, cycle paths and electric car pools are also given priority in the development of properties and areas, as are green areas for sport and recreation. Balder is also striving to promote effective waste management and to keep the areas clean and tidy.



- 11.1 Safe and affordable housing
- 11.3 Inclusive and sustainable urbanisation
- 11.6 Reduce the environmental impact of cities



Sustainable energy for all

Environmental sustainability is an important element of Balder's long-term value creation. In addition to maintaining a strong focus on efficient energy utilisation, the company is adapting to the increased use of renewable energy. All electricity purchased for the properties in Sweden and Finland is green electricity, and Balder also owns several wind farms in Sweden. Several properties also have solar panels and charging stations installed, and the company is working continuously on operational optimisation and efficiency improvement, by such means as additional insulation, replacing windows and so on.



- 7.2 Increase the share of renewable energy in the world.
- 7.3 Double the rate of improvement in energy efficiency.

Decent working conditions and economic growth

Balder strives to achieve greater diversity and equality, and a good work environment. A number of young people who live in the company's areas are hired as summer workers every year, and Balder also offers possibilities for work experience and work placements to students on property-related study programmes, and within the framework of various local initiatives. Balder strives to achieve sustainable purchasing, following up on suppliers and buying local wherever possible.



- 8.4 Improve resource efficiency in consumption and production.
- 8.6 Promote employment, education and training for young people.
- 8.8 Protect labour rights and promote a safe and secure work environment for all.

Sustainable industry, innovation and infrastructure

Balder supports sustainable industrialisation and innovation, and works continuously with more efficient resource utilisation. The company also strives to increase the proportion of recycled and reused material in both renovation and new construction, and to increase the use of new technology by such means as increased digitalisation of properties.



- 9.2 Promote inclusive and sustainable industrialisation.
- 9.4 Upgrade all industry and infrastructure for increased sustainability.

Sustainable consumption and production

To promote sustainable consumption and production, Balder strives to be prudent in its consumption of materials, with a focus on increased recycling. Tenants are also encouraged in various ways to increase their recycling. The company will also continue to increase the level of reuse and recycling in renovation projects, for example, to contribute to increased circularity, and to strive to increase levels of sorting at source and reuse.



- 12.4 Responsible management of chemicals and waste.
- 12.5 Substantially reduce waste generation.

Climate action

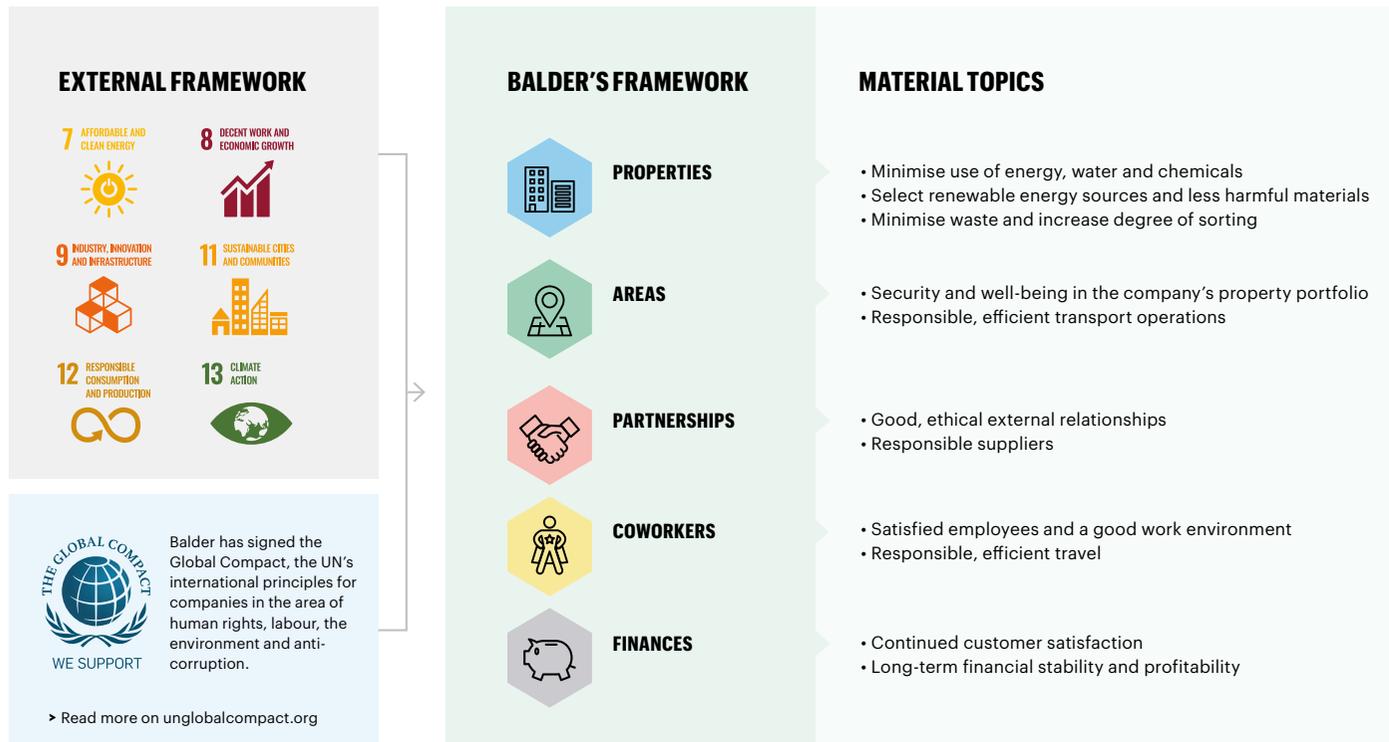
Buildings account for a large proportion of the overall climate impact in society, and reducing this is an important issue for Balder. This includes both the management of properties and the construction phase. In Balder's business activities, transport operations also account for a large impact on the environment and climate, and various measures are being taken to reduce this. The company's travel policy, for example, supports more environment-friendly means of transport, and alternatives to business trips such as videoconferencing and phone meetings are encouraged. The company has also initiated work to map out climate-related risks and opportunities.



- 13.1 Strengthen resilience and adaptive capacity to climate-related disasters.
- 13.3 Improve knowledge of and capacity for climate change mitigation.

SUSTAINABILITY FRAMEWORK

Balder’s framework for sustainability comprises five general elements that bring together the company’s material topics in respect of social, environmental and economic sustainability. Examples of activities linked to this framework are presented on the following pages. In addition to this, more detailed information about sustainability may be found on pages 96–104.



PROPERTIES | ACTIVITIES

Reduced energy consumption

Balder works continuously to optimise day-to-day operations in order to reduce energy consumption in the properties. In addition to this, major projects are also undertaken in selected properties, such as replacing windows and renovating façades in order to improve energy performance. Energy use fell by 7.9% during the year.





PARTNERSHIPS | ACTIVITIES

Lunches for healthcare staff

During the spring, Balder took part in an initiative in which a number of large companies joined forces to fund lunches for employees working in intensive care and at the infection clinic at the Östra Hospital in Gothenburg, where Covid-19 patients are being treated. During one week, Balder provided around 1,400 lunches, which were served free of charge at the restaurant next to the hospital.



COWORKERS | ACTIVITIES

Focus on gender equality and diversity

Balder aims to have a good work environment based on gender equality and diversity, where the privacy of employees is safeguarded. The company strives to increase the blend of employees with different backgrounds and to improve the balance in the distribution between men and women in all positions in the company.



AREAS | ACTIVITIES

Brighter windows with the Rainbow Bridge

The Rainbow Bridge is an initiative that has attracted attention in many countries during the year, and is based on children painting a rainbow and taping them to their window at home. The intention is to spread hope with the message that everything will turn out fine, creating a sense of community in otherwise gloomy times. During the year Balder initiated a campaign in the company's residential areas, with the aim of spreading hope to children during the pandemic.



FINANCES | ACTIVITIES

Green financing

For several years, Balder has had green loans as an element of financing for new projects. Green loans are arranged using a green asset as security, which in the property sector usually consists of buildings that have been built with a low environmental impact and have certification. In addition to this, the company also has a framework for green bonds in order to finance projects that contribute to a reduced environmental impact. This relates primarily to green and energy-efficient buildings, but also investments in energy efficiency improvement measures and renewable energy.





PROPERTIES | ACTIVITIES

Green electricity only

All electricity purchased for Balder's properties in Sweden and Finland is green electricity from renewable sources.

Production of renewable electricity

Balder owns two wind farms, one to the north of Falkenberg and one on Öland. Every year, the ten wind turbines contribute with renewable energy corresponding to the domestic electricity for about 7,800 apartments.

Continuous checks

In addition to the regular inspections conducted in all properties, a large proportion of employees gather once a year to carry out what is known as a Night Run. This involves in-depth inspections of the properties to investigate how they are running and how security is perceived at night.

AREAS | ACTIVITIES

Partnerships with municipalities

Every year, Balder hires a number of young people as summer workers in the company's areas. The number was increased this year at many locations, as Balder took in summer workers who were recruited by municipalities and organised employment for them, as they were unable to work in many municipal operations due to the pandemic.

Summer activities and swimming lessons

Despite the ongoing pandemic, it was possible to organise plenty of summer holiday activities for children in Balder's areas. Events organised during the summer included various sporting activities, swimming lessons in partnership with the Swedish Life Saving Society, study visits from the Equality Academy and various kinds of summer games.

Training initiative for the unemployed

Balder organised a training course during the year in Bergsjön in Gothenburg for forklift truck drivers. Ten unemployed tenants, most aged 18–25, took part. Participants were given the opportunity to take a driving license for forklift trucks and were also introduced to potential employers that were looking for forklift truck drivers.

Increased opportunities for sustainable transport

Balder works continuously to increase the opportunities to cycle and travel by public transport to and from the company's properties. In Denmark, Balder has initiated a unique partnership with Bycyklen, which provides electric bikes for hire via a sharing service. Bycyklen has set up a bike sharing station with six charging stations at Balder's Faelledkanten property in Ørestad, with Balder providing the electrical connection and paying for the electricity used for charging.

Activities in the areas

During the year, Balder organised a large number of activities adapted for the pandemic in the company's areas. These included outdoor exercise sessions, balcony bingo and musical performances.

PARTNERSHIPS | ACTIVITIES

Hallonbergen Runners' Academy

During the year, Balder collaborated with the Runners' Academy in Sundbyberg and Botkyrka. The Runners' Academy is a non-profit organisation for children and young people that promotes equal health and social inclusion. It organises running events 2–3 times a week with the aim of running 10 km.

Parking spaces and events

In many parts of the country, during the year Balder re-targeted letting events and the like that had been intended for potential customers, to offer support instead to healthcare staff in various ways. For example, the company handed out boxes of chocolates and coffee at several hospitals. Balder also provided temporary parking spaces free of charge at Smörslottsgatan, which is close to the Östra Hospital in Gothenburg, to healthcare staff during the spring.

Food boxes in partnership with Lidl

Together with Lidl in Frölunda, Balder distributed food boxes to tenants who were aged 70+ and thereby defined as being in the at-risk group for Covid-19.

Support for organisations

Balder has for many years been supporting the organisation Giving People. By means of donations, the organisation can distribute food boxes and other necessities to families in need. The company also has a partnership with Mitt Livs Val, which offers programmes to encourage study and a mentoring programme for new arrivals and unaccompanied young people.

Property-related training courses

Through its involvement in Fastighetsakademien, a vocational training college in Gothenburg, Balder has a great opportunity to support students who show an interest in learning more about different professions in the property sector. Balder contributes with knowledge about its business activities, giving the training courses a clearer connection to working life. The company also offers a number of work placements in various occupational roles.

FINANCES | ACTIVITIES

Certification of properties

Balder is striving to increase the proportion of properties that are certified. The goal for new in-house production is that the properties shall be certified as a minimum in accordance with the Miljöbyggnad Silver rating or equivalent, which means, for example, BREEAM Very Good, LEED Excellent, DGNB or Nordic Swan Ecolabel.





Coworkers

Engaged coworkers who are happy and develop in their day-to-day work are a prerequisite for Balder’s success. The company works continuously to create the conditions for both retaining existing colleagues and recruiting new ones to contribute to continued growth and development.

During the year, Balder has continued to develop by recruiting new employees, which has further strengthened the organisation.

Continuous skills development

Balder is dependent on employees with the right competence in order to continue to run and develop the business. Training and development are an important factor in retaining employees and creating internal engagement. The Balder Academy is the company’s digital training tool and offers, among other things, induction courses for new employees, to provide them with an insight into how Balder works, what values the company has and what different functions within the company work with.

All employees also get an adapted training package, depending on which role in the company the individual will be taking on. The training courses are available as a knowledge database in which employees can access the content at any time. The Balder Academy is also responsible for skills development when, for example, new roles and functions arise in the company.

Career path and a focus on wellness

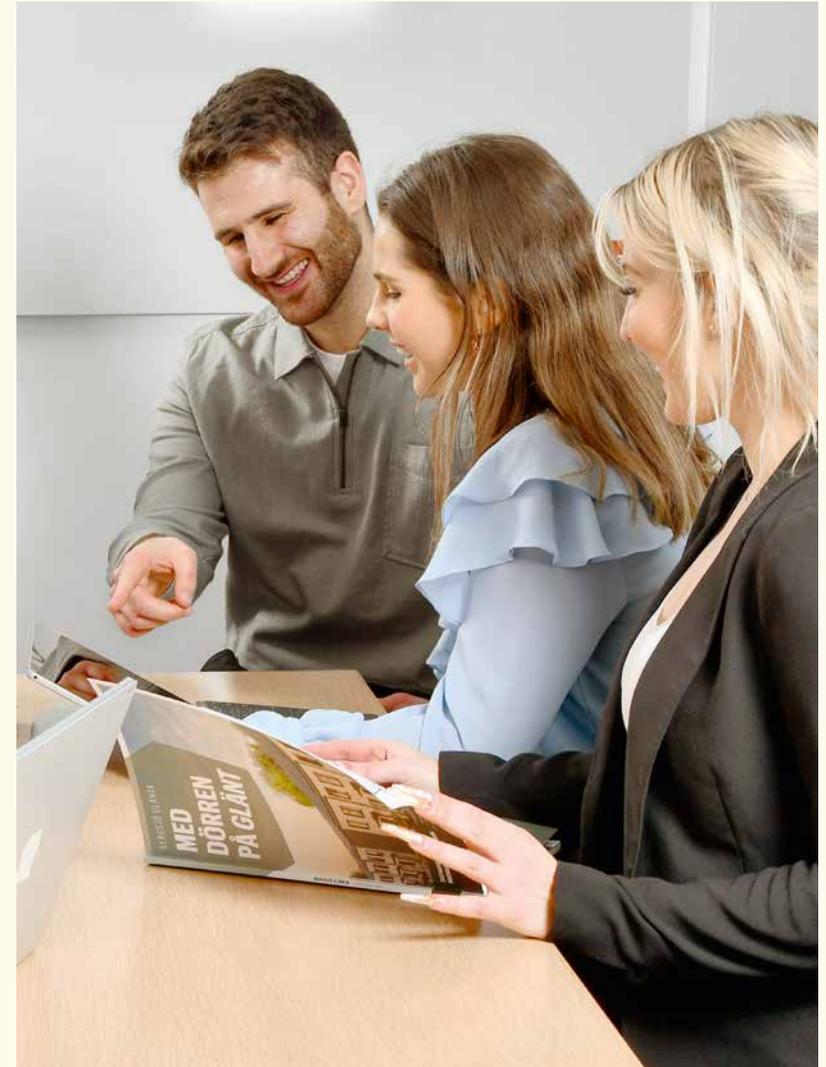
There are major opportunities to build a career in the company, and many employees change position internally. Balder collaborates in different ways with different property-

related training courses, and every year the company offers a number of students both work placements and a chance to do degree projects.

All employees are offered a wellness grant and have ongoing employee appraisals in order to promote health and personal development. Every year a large number of colleagues take part in the Göteborgsvarvet Half Marathon, which is held in May. This event was cancelled in 2020 because of the pandemic, so Balder organised a number of internal exercise challenges instead. These included Balder Return Trip, a joint step counting competition, in which colleagues were encouraged to join forces and either walk or run a distance equivalent to that between Malmö and Sundsvall and back again. Other exercise challenges were also held, with different departments within the company challenging each other.

Responsible travel

When it comes to travel, Balder has a travel policy that aims to simplify booking and the choice of environment-friendlier means of transport. Alternatives to business trips, such as video conferences and phone meetings, are also encouraged in order to reduce emissions. During the ongoing pandemic, there has been a significant increase in the use of digital meetings, while travel has decreased. There has also been a reduction in commuter journeys, as most employees have been working from home.



BALDER 2020 VALUATION



PROJECT VÄSTRA GÅTAN, KUNGÄLV



BALDER'S PROPERTY PORTFOLIO

PROPERTY PORTFOLIO AS OF 31/12/2020¹⁾

	Number of investment properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate,%	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Helsinki	601	1,144,971	2,671	2,333	2,601	97	40,938	27
Stockholm	83	698,543	1,391	1,992	1,321	95	27,364	18
Gothenburg	185	1,064,183	1,690	1,588	1,606	95	30,863	20
Copenhagen	19	270,404	703	2,601	659	94	15,272	10
South	80	404,432	636	1,573	583	92	10,439	7
East	308	711,294	1,125	1,582	1,081	96	14,448	10
North	86	207,739	303	1,458	293	97	5,238	3
Total excluding projects	1,362	4,501,566	8,520	1,893	8,144	96	144,562	95
Projects for own management			70		70		4,617	3
Total investment properties	1,362	4,501,566	8,590	1,893	8,214	96	149,179	98
Development properties							2,803	2
Total property portfolio	1,362	4,501,566	8,590	1,893	8,214	96	151,982	100
Distributed by property category								
Residential	1,068	2,658,192	5,127	1,929	4,947	96	83,021	55
Office	101	617,472	1,508	2,441	1,379	91	28,208	19
Retail	113	660,673	847	1,283	811	96	12,478	8
Other	80	565,229	1,038	1,837	1,007	97	20,855	14
Total excluding projects	1,362	4,501,566	8,520	1,893	8,144	96	144,562	95
Projects for own management			70		70		4,617	3
Total investment properties	1,362	4,501,566	8,590	1,893	8,214	96	149,179	98
Development properties							2,803	2
Total property portfolio	1,362	4,501,566	8,590	1,893	8,214	96	151,982	100

1) The above table refers to properties that Balder owned at the end of the year. Properties sold have been excluded and acquired properties have been adjusted to full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties.

INCREASED VALUE OF PROPERTY PORTFOLIO

Balder owns around 1,360 investment properties, more than 1,060 of them residential properties. At the end of 2020, the market value of these investment properties was SEK 149 billion.

The value of the investment properties is based on internal valuations. The valuation assumes that the rental trend for the property portfolio will reflect inflation over time. Commercial contracts contain an index clause, which means that the rent develops at the same rate as the consumer price index (CPI) during the term of the contract.

Residential properties have performed a little better than the CPI historically, but in its valuations Balder has assumed that rents develop in line with inflation. The total rental value of Balder's property portfolio as of 31 December was SEK 8,590 million.

Valuation methods

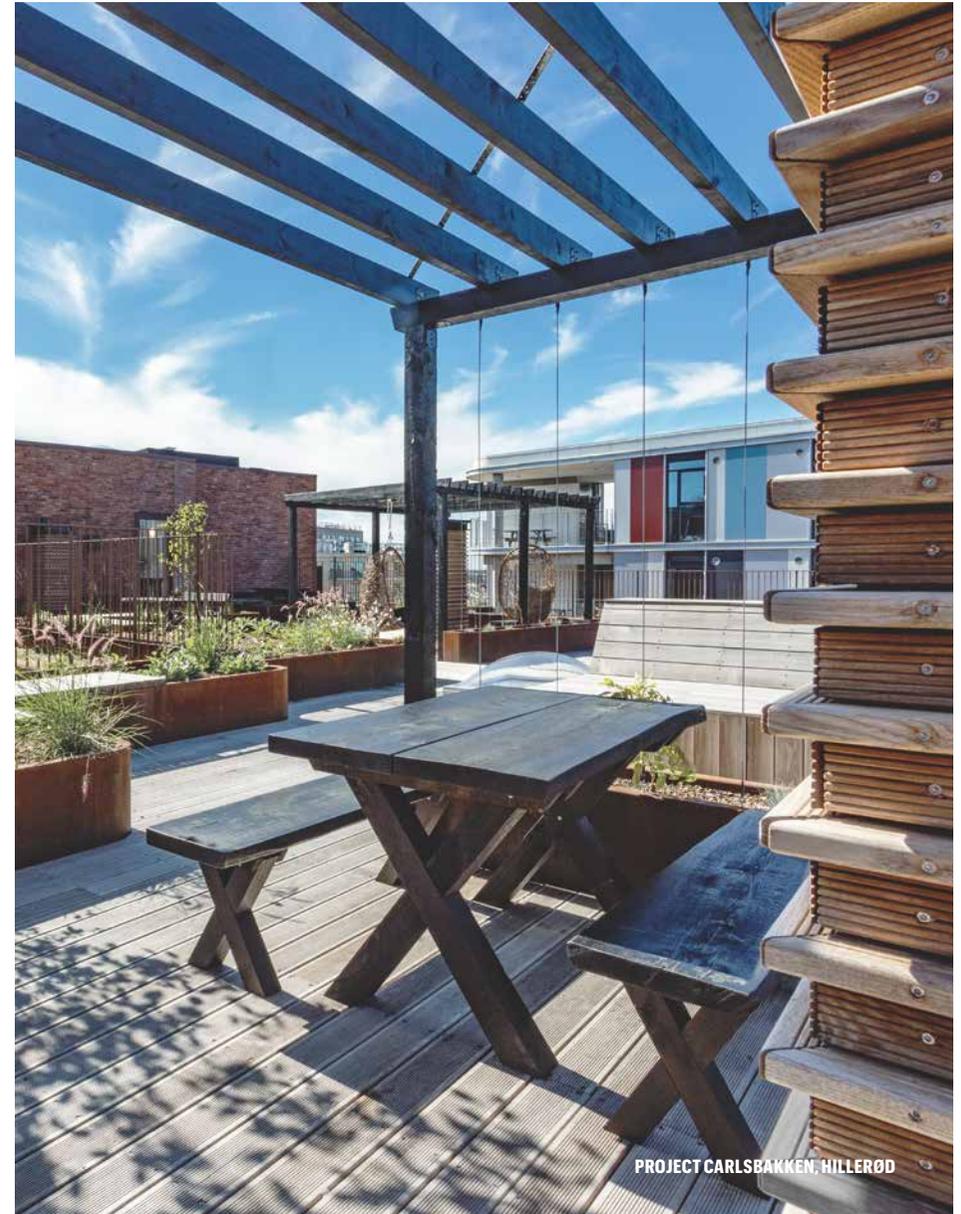
Two different valuation methods are used primarily in the internal valuations. These are the yield method and the acquisition cost method. Properties in Sweden, Denmark, Finland, Norway, Germany and the UK are valued using the yield method. In Finland, the acquisition cost method is used in addition to the yield method. The properties in Russia are valued using the sales comparison method.

The yield method

When valuing according to the yield method, the market value of the properties reflects the future cash flow, which is calculated at current value using a yield requirement. The more predictable the future cash flow, the easier it is to determine the market

value of the properties. The cash flows of residential properties are usually very predictable, as the income is divided among a large number of customers, which makes it easy to determine at what rent an apartment will be let out at in the event of a vacancy. Balder's commercial properties have an average lease term of 6,7 years. The ten biggest leases represent 4.5% of the total rental income, with an average lease term of 10.9 years. These circumstances mean that a large proportion of Balder's future cash flows that form the basis of the market value are known.

The properties where the future cash flow is least predictable are mainly concentrated in the central areas of the major cities of Stockholm, Gothenburg and Malmö. It is in these properties that Balder is most dependent on future lettings and it is also here where an estimate must be performed in the valuations of what level of rent an object can command if it becomes vacant. The major cities offer good transparency for a comparison of rental rates, which means that rental rates can be determined with high degree of certainty. The timing of subsequent letting is, however, more difficult to determine, which means that an assumption has to be made based on market demand, historical interest and similar premises. An assessment is also made of the future development of the immediate surroundings as well as the property's position within its market segment.



PROJECT CARLSBAKKEN, HILLERØD

Properties under construction and project properties for own management are valued at market value minus estimated contracting expenditure and project risk, which usually corresponds to a valuation at cost.

The acquisition cost method

The acquisition cost method is applied for properties subject to rent control in Finland. Initially, these properties are valued at cost of acquisition plus transaction costs and subsequently at cost of acquisition minus depreciation and impairment losses. See also Note 12, Investment properties.

Operating and maintenance payments

When valuing properties, assumptions are made regarding future operating and maintenance payments. These assumptions are based on historic outcomes and future projections as well as estimated standardised costs. Operating and maintenance payments are adjusted annually in line with inflation.

Yield requirement and cost of capital

The yield requirements and cost of capital used in valuations have been derived from comparable transactions in the property market. Important factors in choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property. Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made. The uncertainty in respect of individual properties is normally considered to be in the range of +/- 5–10%. Balder continually monitors transactions completed in the market in order to substantiate and guarantee the internal valuations. Balder also conducts continual discussions with external actors regarding the acquisition and divestment of properties, which provides additional guidance.

As of 31 December, Balder’s average yield was 4.5% (4.5). The average yield requirement for commercial properties was 4.7% (4.7) and for residential properties 4.3% (4.3).

Change in value of investment properties

In 2020, Balder acquired properties for a total of SEK 3,491 million (8,439). Divestments during the year totalled SEK 366 million (1,050), generating a profit of SEK 24 million (14). According to Balder’s internal valuations, the carrying amount of the investment properties at year-end totalled SEK 149,179 million (141,392), representing an unrealised change in value of SEK 3,429 million (9,562).

The largest proportion of the market value is found in the Stockholm, Helsinki and Gothenburg regions, which between them represent a property value of SEK 99,165 million, excluding projects.

External valuations

In order to quality-assure its internal valuations, the company allows parts of the portfolio to be valued externally on an ongoing basis and obtains second opinions¹⁾ on the internal valuations. Historically, deviations between Balder’s internal and external valuations have been insignificant. During the year, exter-

nal valuations or second opinions were obtained for approximately 21% of the property portfolio excluding projects, equivalent to approximately SEK 31 billion, and second opinions were obtained for approximately 31% of the property portfolio excluding projects, equivalent to approximately SEK 45 billion. The difference between the external valuations and the internal valuations was less than 1%.

The external valuations were carried out during the year by Newsec, Cushman & Wakefield, CBRE and JLL. Second opinions were obtained during the year from JLL.

Development properties

A development property is a property that is owned for refinement with the intention of being divested. These properties are recognised at cost on an ongoing basis, and a profit/loss is recognised when each property is completed, sold and handed over to the buyer. As of 31 December, the value of Balder’s development properties totalled SEK 2.8 billion (2.3).

1) Review performed by external valuation company of used valuation method.

RESIDENTIAL AND COMMERCIAL PROPERTIES

Region	Mean value of yield requirement for estimation of residual value, %
Helsinki	4.84
Stockholm	4.16
Gothenburg	4.48
Copenhagen	3.66
South	4.79
East	4.89
North	4.36

NET OPERATING INCOME, ROLLING ANNUAL VALUE, SEK/SHARE



RENTAL VALUE, RESIDENTIAL, SEK/SQ.M.



RENTAL VALUE, COMMERCIAL, SEK/SQ.M.



BALDER 2020 ASSOCIATED COMPANIES



PROJECT KARLATORNET, GÖTHEBURG

STABLE DEVELOPMENT IN ASSOCIATED COMPANIES

Balder is co-owner of associated companies that manage properties, associated companies that are project developers and the bank Collector.

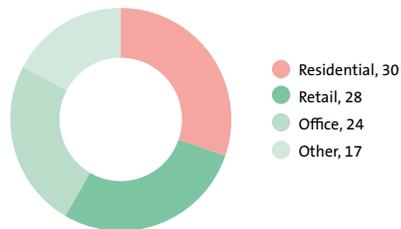
The 50%-owned associated companies that manage properties Trenum AB, Fastighets AB Centur, Tulia AB and the Norwegian property company acquired during the year, Anthon B Nilsen Eiendom AS and Balder's holding in Serena Properties and Sinoma Fastighets AB between them own 188 investment properties (170) and project properties with a total carrying amount of SEK 30,084 million (23,682), a total lettable area of approximately 1,172 sq.m. (1,038) and a total rental value of SEK 1,654 million (1,418).

The profit from property management for all associated companies, i.e. profit excluding changes in value and tax, totalled SEK 2,612 million (1,749), of which Balder's share totalled SEK 663 million (787). The company's profit after tax totalled SEK 7,899 million (1,940), of which Balder's share totalled SEK 897 million (876).

Balder's profit was affected by changes in value in respect of properties and derivatives to the order of SEK 489 million (297) before tax. For more information about Balder's associated companies, see Note 14, Participations in associated companies/joint ventures.

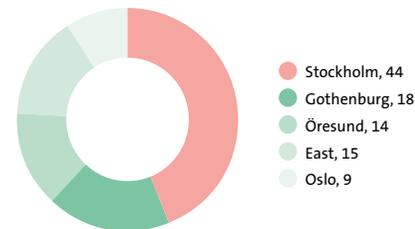
CARRYING AMOUNT PER PROPERTY CATEGORY

associated companies, %

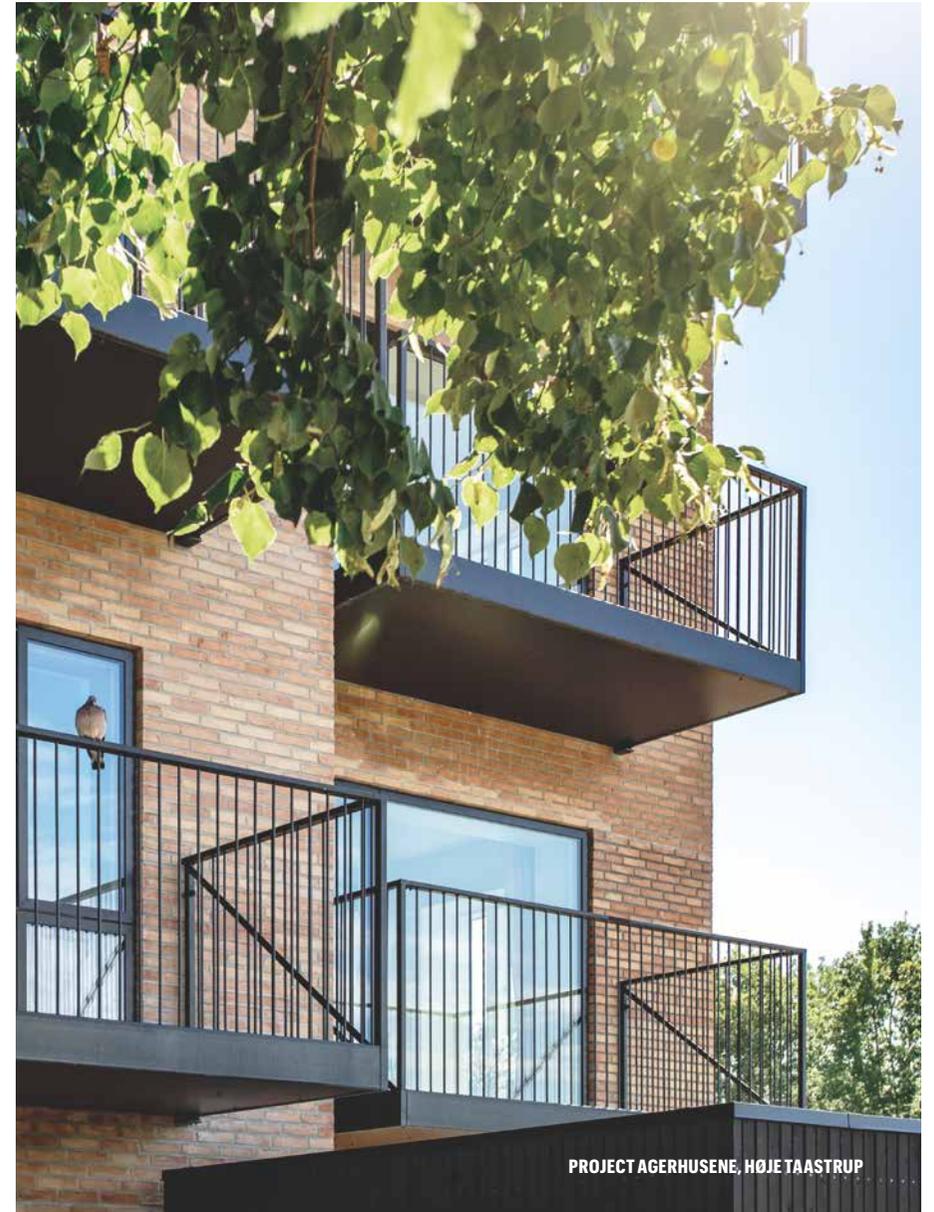


CARRYING AMOUNT PER REGION

associated companies, %



The chart above relates to Balder's share of the property portfolio of 50%-owned associated companies.



SUMMARY OF BALDER'S ASSOCIATED COMPANIES

Company	Operations	Geographical focus	Balder's holding, %	Other owners, %	Number of investment properties	Lettable area, thousand sq.m.	Rental value, SEKm	Number of project properties	Properties carrying amount, SEKm
Trenum AB	Owns and manages residential properties	Apart from the three metropolitan regions, there is also a focus on growth locations with a positive population trend	50%	Third Swedish National Pension Fund 50%	37 (34)	225 (216)	381 (363)	24 (18)	8,774 (7,223)
Fastighets AB Centur	Owns and manages commercial properties and project development	Stockholm, Gothenburg and Öresund regions	50%	Peab 50%	35 (34)	327 (327)	402 (385)	1 (2)	7,011 (6,621)
Tulia AB	Owns and manages commercial properties	Central locations in Stockholm	50%	André Åkerlund AB 50%	39 (35)	115 (102)	261 (233)	-	5,174 (4,527)
Anthon B Nilsen Eiendom AS	Owns and manages commercial properties and project development	Oslo	50%	Anthon B Nilsen AS 50%	6	57	113	4	2,789
Brinova Fastigheter AB	Owns and manages public properties and homes	Southern Sweden/ Öresund region	22%	Listed in Stockholm	111 (84)	305 (240)	404 (313)	3 (5)	6,048 (4,321)
Tornet Bostadsproduktion AB	Owns and manages residential properties and project development	Stockholm, Gothenburg and Öresund regions	33%	Peab 33% Folksam 33%	24 (21)	106 (83)	214 (161)	4 (7)	5,019 (4,298)
Serena Properties AB	Owns and manages retail properties in the Nordic region	Finland	56%	Varma 43% Redito 1%	30 (26)	260 (207)	305 (247)	-	3,974 (3,081)
Sinoma Fastighets AB	Owns and manages office, warehouse and logistics properties	Stockholm and Gothenburg	49%	Folksam 50% Redito 1%	41 (40)	187 (186)	195 (193)	-	2,363 (2,231)
Rosengård Fastigheter AB	Owns and manages residential properties	Rosengård in Malmö	25%	Heimstaden 25% MKB Fastighets AB 25% Victoria Park AB 25%	10 (10)	134 (134)	150 (146)	-	1,639 (1,443)
Entra ASA	Owns and manages commercial properties	Oslo	18%	Listed in Oslo	73	1 053	2 392	17	54,252
						Net sales, SEKm	Profit after tax, SEKm	Total assets, SEKm	Market capitalisation, SEKm
Collector AB	Niche bank offering financing solutions for private and business customers	The company has offices in Gothenburg, Stockholm, Helsinki and Oslo	44%	Listed in Stockholm		2,529 (2,430)	291 (-8)	37,977 (37,436)	4,980 (5,186)
SHH Bostad AB	Housing development	National coverage in Sweden	20%	Company management 80%		382 (407)	7 (12)	792 (862)	-
Sjælsø Management ApS	Project development and construction management	Denmark	49%	Company management 51%		103 (104)	35 (62)	120 (116)	-
Karlatornet AB	Project development and construction management	Gothenburg	50%	Serneke Group 50%		-	Ongoing construction	-	-



BALDER'S SHARE OF 50%-OWNED ASSOCIATED COMPANIES' PROPERTY PORTFOLIO^{1,2)}

31/12/2020	Number of investment properties ³⁾	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	89	227,125	346	1,522	327	95	6,276	41
Gothenburg	42	157,259	184	1,167	172	94	2,399	16
Öresund	22	65,058	101	1,551	88	88	1,587	10
East	29	121,232	157	1,291	154	98	2,144	14
Oslo	6	28,684	57	1,965	55	97	1,239	8
Total excluding projects	188	599,357	843	1,406	796	94	13,646	89
Projects for own management			1		1		1,611	11
Total property portfolio	188	599,357	844	1,406	796	94	15,257	100
Distributed by property category								
Residential	45	78,027	152	1,942	148	98	3,208	21
Office	35	123,178	197	1,600	183	93	3,574	23
Retail	65	266,781	323	1,212	310	96	4,313	28
Other	43	131,371	171	1,301	155	91	2,551	17
Total excluding projects	188	599,357	843	1,406	796	94	13,646	89
Projects for own management			1		1		1,611	11
Total property portfolio	188	599,357	844	1,406	796	94	15,257	100

1) The above table refers to properties that the associated companies owned at the end of the year. Properties sold have been excluded and acquired properties have been adjusted to full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties.

2) Refers to Balder's holding in Trenum AB, Fastighets AB Centur, Tulia AB, Sinoma Fastighets AB, Serena Properties AB and Anthon B Nielsen Eiendom AS.

3) Refers to the entire associated companies' portfolio.

SEKm	31/12/2020	31/12/2019	31/12/2018
Assets			
Properties	15,257	12,004	10,356
Other assets	361	243	50
Cash and cash equivalents	202	204	111
Total assets	15,819	12,450	10,517
Equity and liabilities			
Equity/shareholders' loans	7,290	5,635	4,499
Deferred tax liability	898	657	529
Interest-bearing liabilities	6,875	5,671	5,199
Other liabilities	756	488	290
Total equity and liabilities	15,819	12,450	10,517

SEKm	2020	2019	2018
Rental income	725	659	521
Property costs	-120	-115	-96
Net operating income	605	543	425

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PROJECT BACKAPLAN, GOTHENBURG

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO of Fastighets AB Balder (publ), corporate registration number 556525-6905, hereby submit the following annual accounts and consolidated accounts for the financial year 2020.

Fastighets AB Balder is listed on Nasdaq Stockholm, Large Cap segment. All amounts in SEK million unless otherwise stated. Comparisons stated in parenthesis refer to the corresponding period of the previous year.

Operations

Balder's business concept is to create value by acquiring, developing and managing residential properties and commercial properties based on local presence and to create customer value by meeting the needs of different customer groups for commercial premises and housing.

Balder shall strive to achieve a position in each region whereby the company is a natural partner for potential customers that are in need of new commercial premises and/or housing. Growth shall take place on the basis of continued profitability and positive cash flows.

Financial goals

Balder's goal is to achieve a stable, good return on equity, while the equity/assets ratio over time shall be no less than 40% and the interest coverage ratio shall be no less than 2.0 times and the net debt to total assets should not exceed 50%. The outcomes for 2020 were 38.6% (38.3), 5.3 times (5.2) and 46.1% (48.4).

Employees and organisation

Balder's business areas consist of the regions Helsinki, Stockholm, Gothenburg, Copenhagen, South, East and North. The regional organisations

follow the same basic principles, but differ depending on the size and property holdings of each region. The regional offices are responsible for letting, operations, environmental matters and technical management.

The Balder Group, with Fastighets AB Balder as Parent Company, is composed of a large number of limited liability companies and limited partnership companies. Balder's operational organisation is supported by a central accounting, property management and finance function.

On 31 December the Group had a total of 824 employees (784), of which 351 were female (327). Balder's management team consists of six people, two of whom are female. For information regarding adopted guidelines for remuneration to senior executives, see Note 4, Employees and staff costs. The Board will not propose any changes in the guidelines to the Annual General Meeting 2021.

Significant events during the financial year

Financing

During the year, Balder issued bonds within the framework of the MTN programme totalling SEK 1,150 million. EUR 300 million was also issued within the framework of the EMTN programme.

A directed share issue of 6,500,000 Class B shares at a total value of SEK 2,930 million after issue costs was carried out during the year.

Acquisitions

During the year a total of 19 properties were acquired at a property value of SEK 3,491 million.

In terms of value, the biggest acquisitions during the year are Balder's purchases of 11 retail properties in Finland.

Divestments

During the year, Balder sold owner apartments and land for a sales value of SEK 366 million. The profit from the sales totalled SEK 24 million.

Other information

During the year Balder acquired 50% of the shares in Anthon B Nilsen Eiendom AS, 50% of the shares in Karlatornet AB and 17.7% of the shares in the Norwegian listed real estate company Entra ASA. Balder also agreed to acquire Masmästaren taking up occupancy in Q1 2021. The property portfolio consists of 250 t sq.m. and is evenly divided between residential and commercial properties, at a total property value of approx. SEK 5 billion.

Investment properties

Balder's commercial properties are located primarily in the central areas of big cities, and the residential properties are located in metropolitan areas and in places that are growing and developing positively. On 31 December, Balder owned 1,362 development properties (1,298) with a lettable area of 4,502,1 sq.m. (4,304) at a carrying amount of SEK 149.2 billion (141.4), including project properties for own management. During the year, 19 investment properties (44) and land with a lettable area of 104 t sq.m. (222) were acquired for SEK 3,491 million (8,439). Sales of owner apartments

and land amounted to a value of SEK 366 million (1,050), which generated a profit of SEK 24 million (14).

When allocating the total property portfolio's carrying amounts by region, the share for Helsinki totalled 28% (28), Gothenburg 22% (21), Stockholm 19% (19), Copenhagen 12% (11), South 7% (7), East 10% (10) and North 4% (4). Of the carrying amount, 41% (41) relates to commercial properties and 59% (59) to residential properties.

Development properties

A development property is a property that is owned for upgrading with a view to being divested. These properties are recognised at cost on an ongoing basis, and a profit/loss is recognised when each property is completed, sold and handed over to the buyer. As of 31 December 2020, the value of Balder's development properties totalled SEK 2,803 million (2,344).

Profit from property management

Profit from property management for the year totalled SEK 4,900 million (4,604), of which the effect of exchange rate fluctuations totalled SEK -26 million (55). The profit from property management attributable to the parent company's shareholders increased by 5% and totalled SEK 4,244 million (4,023), representing SEK 23.51 per share (22.35). Profit from property management includes SEK 663 million (787) in respect of associated companies, which is included in the income statement in participations in profits from associated companies.

Profit after tax

Net profit after tax totalled SEK 7,275 million (11,526). Profit after tax attributable to the parent company's shareholders totalled SEK 6,641 million (8,958), corresponding to SEK 36.79 per share (49.77). Profit before tax was impacted by changes in the value of investment properties of SEK 3,453 million (9,577), profit from sales of development properties of SEK 174 million (95), changes in value in interest rate derivatives of SEK -141 million (-180) and profit from participations in associated companies of SEK 897 million (876).

Rental income

Rental income increased by 7% to SEK 8,134 million (7,609), of which the effect of exchange rate fluctuations totalled SEK -50 million (124). This increase is due primarily to acquisitions, new lettings and completed projects for own management. The lease portfolio was estimated to have a rental value on a full-year basis of SEK 8,590 million (8,304) as of 31 December. The average rental level for the whole property portfolio totalled SEK 1,893/sq.m. (1,921) excluding project properties.

The rental income in a comparable portfolio increased by 1.0% (3.8) after adjustment for exchange rate fluctuations. The rental income shows a considerable diversification of risk with regard to tenants, sectors and locations. The economic occupancy rate as of the closing date was 96% (96). The total rental value of unlet areas on 31 December totalled SEK 376 million (304) on an annual basis.

Sensitivity analysis

Factor	Change	Profit before tax, SEKm
Rental income	+/- 1%	+/- 82
Economic occupancy rate	+/- 1 percentage point	+/- 86
Interest rate level of interest-bearing liabilities	+ 1 percentage point	- 257
Property costs	+/- 1%	-/+ 22
Changes in value of investment properties	+/- 5%	+/- 7 459

Property costs

Property costs for the year totalled SEK -1,919 million (-1,966), of which the effect of exchange rate fluctuations totalled SEK 12 million (-36). Net operating income increased by 10% to SEK 6,216 million (5,643), representing a surplus ratio of 76% (74).

Operating costs usually vary with the seasons. The first and fourth quarters have higher costs than the other quarters, while the third quarter usually has the lowest cost level.

Management costs and administrative expenses

Management and administrative expenses for the year totalled SEK -676 million (-664), of which the effect of exchange rate fluctuations totalled SEK 4 million (-13).

Shares in profit from associated companies/joint ventures

Profit from participations in associated companies amounted to year to SEK 897 million (876) and Balder's share of the associated companies profit from property management amounted to SEK 663 million (787).

Profit before tax has been affected by unrealised changes in value regarding real estate and interest rate derivatives with SEK 489 million (297). Tax expense for the year amounted to SEK -254 million (-209).

Other income/expenses

Other income/expenses during the year amounted to SEK 371 million (7), of which unrealised change in value of long-term financial assets amounted to SEK

462 million (-) and refers to the unrealised revaluation that has taken place during the fourth quarter of the shares in the Norwegian listed real estate company Entra ASA. See also note 32, Other income/expenses.

Net financial item and changes in the value of derivatives

Net financial items, excluding changes in the value of derivatives, totalled SEK -1,212 million (-1,170), of which the effect of exchange rate fluctuations totalled SEK 7 million (-21).

Changes in value in respect of interest rate derivatives totalled SEK -141 million (-180). The negative change in value during the year in respect of derivatives was due to the decrease in the level of interest rates during the year, which means that the difference in relation to the contracted interest rate level of the interest rate derivatives has increased.

Derivatives are recognised on an ongoing basis at fair value in the balance sheet. Changes in value from derivatives arise when there are changed interest rate levels/exchange rates and do not affect cash flow, as long as they are not sold during the term. Balder has protected itself against higher interest rate levels, which means that the market value of derivatives falls when interest rate levels fall. The deficit in respect of derivatives (interest and currency) totalled SEK 1,540 million (1,210) at year-end. The deficit on derivatives will be released during the remaining term and recognised as income. The average interest rate was 1.5% (1.5) on the closing date and 1.6% (1.7) for the year.

Changes in value of investment properties

Balder performed internal valuations of all investment properties as of 31 December. The investment properties in Sweden, Denmark, Finland, Norway, Germany and the UK were valued using the yield method, which is based on a ten-year cash flow model.

Each property is individually valued by computing the present value of future cash flows, i.e. future rental payments minus estimated operating and maintenance payments. The cash flow is adapted

to the market by taking account of any changes in letting levels and occupancy rates, as well as operating and maintenance payments.

The valuation is based on an individual assessment for each property of both future cash flows and the required yield.

In Finland the acquisition cost method is used in addition to the yield method. The properties in Russia are valued using local price method.

Investment properties for own management are valued at market value minus estimated contracting expenditure and project risk, which usually corresponds to a valuation at the cost of acquisition. For a more detailed description of Balder's property valuation, see Note 12, Investment properties.

Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made. In order to quality-assure its internal valuations, the company allows parts of the portfolio to be valued externally on an ongoing basis and obtains second opinions on the internal valuations. This means that the used method of valuation is reviewed by an external valuation company.

During the year, external valuations were obtained for approx. 21% (23) of investment properties, excluding project properties for own management, equivalent to SEK 31 billion (31) and second opinions were obtained for 31% (32) of the investment properties excluding internally managed project properties, equivalent to SEK 45 billion (44). The difference between the external valuations and the internal valuations was less than 1%. Historically, deviations between external and internal valuations have been insignificant.

As of 31 December, Balder's average yield requirement was 4.5% (4.5) excluding project properties for own management. The change in value during the year was attributable to improved net operating income and completed projects.

On 31 December, the carrying amount of the investment properties according to the individual internal valuation totalled SEK 149,179 million (141,392), which includes an unrealised change in value during the year of SEK 3,429 million (9,562). Of the unrealised change in value during the year

70% is attributable to residential properties and of the total unrealised change in value 40% is attributable to completed projects.

Profit from divestment, development properties

The profit from the divestment of development properties is recognised in connection with the buyer taking possession of the property. In addition to the cost of acquisition, sales and marketing expenses are also included, which are recognised as expenses as they arise, during the year these amounted to SEK –20 million.

The results of in total six projects has been recognised during the year. The net profit from sales for the period totalled SEK 174 million (95) after deduction of costs for marketing and sales.

Tax

The Group's total tax expense was SEK –1,807 million (–2,659), of which the effect of exchange rate fluctuations totalled SEK 8 million (–52). The current tax expense for the year totalled SEK –388 million (–259), which is attributable primarily to SATO Oyj and Balder Danmark A/S. The current tax expense attributable to the parent company's shareholders totalled SEK –261 million (–157).

Deferred tax expense for the year amounted to SEK –1,419 million (–2,400).

Tax has been calculated using the current tax rate in each country. In Sweden, tax was calculated at 21.4% of ongoing taxable net profit. Deferred tax liabilities and tax assets were calculated at the lower tax rate of 20.6% that will apply as of 2021.

Deferred tax is calculated on the temporary differences arising after the acquisition date. The Group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary difference primarily between the carrying amounts and values for tax purposes of properties and interest rate derivatives. The deferred tax liability totalled SEK 12,497 million (11,285). For more detailed information, see Note 10, Income tax.

Cash flow and financial position

Balder's assets as of 31 December amounted to 180,401 million (157,928). These were financed by

equity of SEK 67,885 million (58,725) and liabilities of SEK 112,516 million (99,203), of which SEK 88,989 million (81,242) are interest-bearing.

Cash flow from operating activities before changes in working capital totalled SEK 3,986 million (3,288). Investing activities charged cash flow with SEK –16,993 million (–15,867).

During the year, acquisitions of development properties of SEK –3,491 million (–7,972), investments in existing properties and projects of SEK –5,572 million (–8,133), investments in property plant and equipment, financial investments, associated companies and transactions with non-controlling interests of SEK –10,129 million (–1,315), dividend to non-controlling interests of SEK 0 million (–137 and amortisation of lease liability of SEK –19 million (–26) totalled SEK –19,211 million (–17,583).

These were financed through cash flow from operating activities of SEK 6,520 million (3,209), by divestments of investment properties of SEK 366 million (1,050), development properties of SEK 1,253 million (387), financial investments of SEK 561 million (60), dividend from associated companies of 20 million (42), sale of shares in associated companies of SEK 0 million (15), shareholder contribution from non-controlling interests of SEK 18 million (–), issue of new shares after issue costs of SEK 2,930 million (–) and net borrowing of SEK 10,634 million (13,641), which totalled SEK 22,300 million (18,404). Total cash flow for the year was SEK 3,089 million (821).

Liquidity

Apart from unutilised credit facilities of SEK 13,032 million (8,673), the Group's cash and cash equivalents, financial investments and unutilised credit facilities totalled SEK 7,477 million (3,252) as of 31 December.

Equity

Equity totalled SEK 67,885 million (58,725) on 31 December, of which non-controlling interests totalled SEK 9,676 million (9,714), corresponding to SEK 312.12 per share (272.28) excluding non-controlling interests. The equity/assets ratio was 38.6% (38.3).

Interest-bearing liabilities

The Group's interest-bearing liabilities totalled SEK 88,989 million (81,242) as of 31 December. The proportion of loans with interest maturity dates during the coming 12-month period totalled 39% (44) and the average fixed credit term was 5.9 years (5.8). Derivatives contracts have been concluded in order to limit the impact of a higher market interest rate.

The above-mentioned derivatives are recognised at fair value on an ongoing basis in the balance sheet with changes in value recognised in the income statement. Changes in value during the year totalled SEK –141 million (–180). Interest-bearing liabilities are described in greater detail in Note 22, Financial risk management.

Rating

Balder has an investment grade rating from the S&P credit agency of BBB with a stable outlook. The rating from S&P means that Balder can continue to access the European capital market, obtain long terms for tying-up of capital, diversify its funding base and thus secure long-term capital for continued growth. Credit ratings from credit agencies have a major impact on Balder's financing costs, and therefore it is important to maintain an investment grade rating.

Investments

Property investments during the year totalled SEK 7,545 million (15,006), of which SEK 3,491 million (8,439) relates to acquisitions and SEK 4,054 million (6,567) relates to investments in existing investment properties and projects for own management. Of total investments in the investment property portfolio, SEK 2,598 million (3,398) relate to Helsinki, SEK 297 million (2,260) to Stockholm, SEK 1,411 million (5,225) to Gothenburg, SEK 1,722 million (1,590) to Copenhagen, SEK 91 million (1,607) to South, SEK 925 million (472) to East and SEK 500 million (454) to North.

Associated companies/joint ventures

Balder owns 50% of a number of property companies in which Balder handles management and administration. For more information, see Note 14,

Participations in associated companies/joint ventures. In addition to the 50%-owned associated companies, Balder owns, among others, 44.1% (44.1) of Collector AB (publ), 33.3% (33.3) of Tornet Bostadsproduktion AB, 21.8% (25.5) of Brinova Fastigheter AB (publ), 49% (49) of Sjaelsö Management ApS, 20% (20) of SHH Bostad AB, 56% (56) of Serena Properties AB, 49% (49) of Sinoma Fastighets AB and 25% (25) of Rosengård Fastighets AB.

During the fourth quarter Balder invested in Anthon B Nilsen Eiendom AS, Balder's share amounts to 50%. The transaction includes the Groups entire property portfolio, with properties in Oslo and at Lahaugmoen, and a development portfolio of 170,000 sq.m. in Eastern Norway. The market value of the properties included in the acquisition amounted to approx. SEK 2,800 million.

During the fourth quarter Balder also acquired 50% of the shares in Karlatornet AB. The company is the owner of the properties where the highest skyscraper in the Nordic region, 245 metres high with 73 floors, is going to be built. The properties include approx. 600 apartments, 300 hotel rooms and 8 t sq.m. of offices.

During the last quarter of the year Balder also acquired 17.7% of shares in the Norwegian listed company Entra ASA, for more information see entra.no.

On pages 34–36, Balder's participations in the balance sheets and property portfolios of the 50%-owned property-managing associated companies are reported and presented in accordance with IFRS accounting policies. The 50%-owned associated companies own a total of 188 investment properties (170) and 30 project properties (20). Balder's share of the property portfolio's lettable area is approximately 599 t sq.m. (530) with a rental value of SEK 844 million (722). The economic occupancy rate was 94% (94).

Parent Company

The parent company's operations consist primarily of the performance of Group-wide services. Balder has centralised the Group's credit supply, risk management and cash management through the parent company having an internal bank function. Net sales

in the parent company totalled SEK 349 million (361) during the year, of which intra-Group services represented SEK 251 million (266) and the remainder related primarily to management assignments for associated companies.

Net profit after tax totalled SEK 1,615 million (1,025). A dividend from subsidiaries was included at SEK 975 million (800), net interest items totalled SEK 1,599 million (194) and exchange rate differences totalled SEK 785 million (-251) and unrealised change in value in long-term financial asset amounted to SEK 462 million (-), changes in value in respect of interest rate derivatives totalled SEK -141 million (-180) and Group contributions received/paid totalled SEK -821 million (229). Recognised exchange differences related primarily to the translation of euro bonds, which from a Group perspective are used for the hedging of net investments in euros and Danish kroner.

The parent company's financial investments and cash and cash equivalents, including unutilised credit facilities, totalled SEK 3,787 million (2,345) on 31 December. Receivables from Group companies totalled SEK 43,368 million (41,680) on the closing date and interest-bearing liabilities SEK 46,366 million (43,862).

Sustainability Report in accordance with the Swedish Annual Accounts Act

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Fastighets AB Balder has chosen to produce the sustainability report as a separate report from the Annual Report. The scope of the sustainability report is described on page 102 of this document.

Multi-year summary

See page 9.

The share and the owners

As of 31 December, the share capital totalled SEK 186,500,000 distributed among 186,500,000 shares. Each share has a quota value of SEK 1. The shares are distributed across 11,229,432 Class A shares and 175,270,568 Class B shares. Each Class A

share carries one vote and each Class B share carries one tenth of one vote.

The largest owners are Erik Selin via company with 48.8% of votes and Arvid Svensson Invest AB with 14.8% of votes. There are no restrictions in the articles of association as to the form of transfer of shares or voting rights at the shareholders' general meeting.

Since Balder will be prioritising growth, capital structure and liquidity over the next few years, the dividend for the share will be low or will not be declared at all.

Report on the Board's work during the year

The Board held 18 board meetings during the financial year, one of which was the statutory meeting. The work follows a formal work plan adopted by the Board. The formal work plan regulates the Board's working methods and the allocation of responsibility between the Board and CEO, as well as the forms of ongoing financial reporting. During the year, strategic questions and other important matters for the company's development were discussed, as well as ongoing financial reporting and decision-making matters. The company's auditors participated in one board meeting and reported on their completed audit of the management's administration and of the accounts.

Corporate governance

Balder is governed by the corporate governance rules prescribed in the Swedish Companies Act, the Articles of Association and the listing agreement with Nasdaq Stockholm. The Board aims to make it easy for the individual shareholder to understand where in the organisation responsibility and authority lie. Corporate governance in the company is based on Swedish legislation, principally on the Swedish Companies Act, the listing agreement with the Swedish Stock Exchange, the Swedish Code of Corporate Governance as well as other rules and guidelines. Some of the Code's principles are about creating a good basis for exercising an active balance of power between owners, the Board and Management, which Balder views as a natural element of

the principles for the operation. See pages 88–93 for the Corporate Governance Report.

Remuneration to the CEO and other senior executives

Guidelines for remuneration to senior executives were adopted at the last Annual General Meeting. The guidelines essentially state that competitive market salaries and other terms of employment shall be applied for company management. Remuneration shall be paid in the form of a fixed salary. Redundancy pay and severance payment shall not exceed 18 monthly salaries in total for the company's CEO, and for other members of company management the figure is a maximum of six months with no severance payment. Company management comprises the CEO and other members of Group Management. The Board shall have the right to depart from the guidelines if in a single case there are specific reasons for this.

The Board's proposal on guidelines for the next AGM corresponds with the current guidelines and shall apply until the 2024 AGM unless circumstances arise that necessitate an earlier revision. See also Note 4, Employees and staff costs.

Covid-19

Since the beginning of spring 2020, the world has been marked by the ongoing pandemic in a way that no one has been able to predict.

Balder has taken a number of measures to deal with the current situation. Since the start of the pandemic, Balder has had an ongoing dialogue with the tenants and strived to support those who have liquidity problems as a result of the pandemic as far as possible. In some cases, rent reductions have taken place, but mainly agreements on transition to monthly payments or postponement of rent payments have been made.

The Group has tenants who conduct hotel operations and has thus been affected both directly and indirectly by the ongoing pandemic. The hotel business has a significantly lower occupancy rate, which has had a negative effect on tenants. Of the total property portfolio, approximately 8% consists of hotels.

The pandemic affected Balder's development of the property portfolio through new production and redevelopment temporarily during the spring, but the projects where construction is underway are progressing according to plan. For those projects that have not yet started construction, planning continues as before.

To date, the pandemic has had a limited effect on the company's financing. In these times, good liquidity and ensuring the company's financing needs are of paramount importance. During the year, Balder continued to have good access to financing. At the turn of the year, Balder has available liquidity and loan promises of SEK 20,500 million that can be used should the need arise.

The continued development is uncertain and it is important that the business is flexible and prepared for new challenges that arise. Balder follows the advice and guidelines given by the government and authorities.

Significant events since the end of the financial year

See Note 29 Significant events since the end of the financial year.

Expectations regarding the future trend

Balder's objective is to grow with maintained profitability by means of direct or indirect acquisitions together with our partners in locations that are considered to be of interest.

Proposed distribution of earnings

The following amount in SEK is at the disposal of the Annual General Meeting:

Retained earnings	14 996 163 560
Net profit for the year	1 615 390 152
Total¹⁾	16 611 553 712

1) See change in parent company's equity, page 52.

The Board proposes that the amount be allocated as follows:

Carried forward	16 611 553 712
Total	16 611 553 712

OPPORTUNITIES AND RISKS

Like all business Balder's organisation and business are exposed to a number of risks. These risks are to varying degrees within the company's control and are therefore managed differently to some extent. The main strategy, however, is to strive as far as

possible to identify both risks and opportunities and to draw up action plans on this basis.

The risk analysis is performed continuously, at several levels within the company, depending on where different risks and opportunities arise

and which parts of the business might be affected.

Below is a summary of the main opportunities and risks that have been identified, together with a brief description of how Balder assesses and manages them.

AREA	DESCRIPTION	APPROACH	ASSESSMENT
>> OPERATIONAL RISKS			
The risk of reduced occupancy rate, reduced rental income and negative rental development	Balder's income is affected by the occupancy rate of the properties, the possibility of charging competitive market rents and the ability of customers to pay. The occupancy rate and rental levels are determined largely by the economic trend. Naturally, the risk of major fluctuations in vacancies and loss of rental income increases when the property portfolio contains more large individual customers.	Balder's ten largest contracts account for 4.5% of the total rental income, and their average contract term is 10.9 years. No single contract accounts for more than 0.7% of Balder's total rental income, and no single customer accounts for more than 4.0% of total rental income. Balder's leases for premises are usually wholly or partly linked to the consumer price index. Residential properties in Sweden are subject to regulations, the effects of which include rental levels being determined by what is known as the utility value principle. During 2020 Balder, like all property companies, was affected by the ongoing pandemic, as commercial customers in particular experienced increasing problems in their businesses. Balder has developed solutions for many of these in the form of deferred payments or a switch from quarterly to monthly rent. The hotel industry is one of the hardest hit. Hotels account for around 8% of Balder's total property portfolio.	
Risk of increased property costs due to increased operating and maintenance costs	Property costs include direct costs such as costs of operation, media, maintenance and property tax. Extensive needs to perform repairs can have a negative impact on profits. Operating costs are primarily tariff-based costs of electricity, cleaning, water and heating. Many of these goods and services can only be purchased from one actor, which can affect the price. Regulatory factors such as stricter demands for reduced emissions and the transition to fossil-free types of energy can also affect energy costs. Other consequences of climate change, such as an increased risk of flooding and extreme weather conditions, can also generate increased costs when insuring properties in risk areas. Cost increases that are not compensated by regulation in leases or rental increases through re-negotiation can have a negative impact on profits. A change of +/-1% in property costs would affect the total cost figure by SEK +/- 22 million.	Balder works constantly to achieve continuous improvement in cost-efficiency with the aid of rational technical solutions, practical initiatives and continuous follow-up. Each region is responsible for ensuring that the property portfolio is well-maintained and in good condition. Having a local presence increases the knowledge of each property's needs for preventive measures, which is more cost-efficient in the long run than extensive repairs. All electricity purchased for the properties in Sweden is green electricity from renewable sources. Balder has also initiated an analysis of the property portfolio based on the possible effects of climate change, in order to draw up action plans for properties where the risks of an impact are considered the greatest.	
Risk of incorrect assessment of the rental market's development and the execution of projects	One way of increasing the yield is to produce new properties and develop existing ones through investments. Project development risks exist in assessments of the market's development, but also in the design of the product and the execution of the project itself.	Quality-assured internal processes and a high level of competence in the project organisation guarantee high quality in both execution and the product itself. When new commercial buildings are constructed, it is always a requirement that large parts of the property must be let before the investment commences. Most of the commercial projects in progress therefore have a high occupancy rate. The risks are also limited by the fact that investments are only made in markets where Balder has good market knowledge and where there is high demand for homes and commercial premises.	

Risk level assessment



AREA	DESCRIPTION	APPROACH	ASSESSMENT
>> IT AND DIGITALISATION			
Risk of inadequate digital development	Digitalisation in the property sector is primarily about digitalising the properties themselves in order to, for example, improve follow-up on consumption, etc., and to build smarter homes and offer commercial customers digital services that promote business.	The digitalisation process is relatively simple to undertake in connection with new production, where a lot can be integrated during the planning phase, for example fibre networks and sensors. Work to digitalise an existing property is a bigger challenge, but Balder is equipped for this. The company has continued to expand its operations by creating more roles with a focus on digitalisation in order to drive developments forward.	
Risk of inadequate IT security	Inadequate IT security can have major consequences, for example in the form of data being destroyed or lost, confidential information being leaked, etc. There is also a certain risk of infringing statutory provisions on the processing of personal data.	Balder works with the layered security principle in order to minimise the areas for intrusion and in recent years has continuously extended the level of protection. Apart from tried and tested technologies such as firewalls, antivirus and backup systems, Balder has also supplemented its protection with sandboxing systems, advanced email filtering and virtualisation to secure the internal IT environment. Balder has also carried out extensive internal work in order to guarantee compliance with the requirements of GDPR, in terms of both internal systems and structures as well as employee training.	
>> FINANCIAL RISKS			
Refinancing risk	Balder's greatest financial risk is a lack of financing. Refinancing risk refers to the risk that financing cannot be obtained at all, or only at a significantly increased cost.	Balder conducts ongoing discussions with banks and credit institutions aimed at securing long-term financing and also renegotiating loans and diversifying the maturity structure of loans. Meanwhile, this work ensures that competitive long-term financing is maintained. Balder's average fixed credit term was 5.9 years (5.8).	
Interest rate risk	The interest expense is Balder's single largest cost item. Interest expenses are affected primarily by the current level of market interest rates and the credit institutions' margins, and also by what strategy Balder chooses for fixed terms for interest rates. A higher market interest rate means an increased interest expense, but this often also coincides with higher inflation and economic growth.	Higher interest expenses are partly offset by lower vacancy rates and higher rental income through increased demand, and by the fact that rents are indexed. Balder has also chosen to use interest rate derivatives to limit the risk of financing costs increasing significantly in the event of higher market interest rates. In the event of an increase in the market interest rate of one percentage point and assuming an unchanged loan and derivative portfolio, the interest expense would increase by SEK 257 million. Of Balder's total loan stock at the year-end, 61% (56) had a fixed interest rate period of more than one year.	
Credit risk	Credit risk is defined as the risk that Balder's counterparties cannot fulfil their financial obligations towards Balder. Credit risk in financial operations arises, for example, in connection with the investment of excess liquidity, on entering into interest rate swap contracts and in connection with the issuing of credit agreements.	Balder conducts the customary credit checks before entering into a new lease and calculates the credit risk in connection with new letting and the adaptation of premises for an existing customer.	
Currency risk	Balder owns properties via subsidiaries in Denmark, Finland, Norway, Germany and the UK. The companies have income and expenses in local currency and are thereby exposed to exchange rate fluctuations from the Group's perspective. Exchange rate fluctuations also occur when translating the foreign subsidiaries' assets and liabilities into the parent company's currency.	The translation differences are mainly handled through borrowing spread among different currencies based on the net assets in each currency. Loans taken out in the same currencies as the net assets in the Group reduce these net assets and thereby reduce translation exposure.	

Risk level assessment
 Low Medium High

AREA	DESCRIPTION	APPROACH	ASSESSMENT
>> CHANGE IN VALUE			
Risk of negative development in value of properties	The value of the properties is affected by a number of factors, including property-specific factors such as occupancy rate, rental level and operating costs, as well as market-specific factors such as yield requirements and cost of capital. Both property-specific and market-specific changes affect the value of investment properties, which in turn impacts on the Group's financial position and profits. 81% of the value of Balder's property portfolio is in the four metropolitan regions of Helsinki, Stockholm, Gothenburg and Copenhagen. The value of these properties can also be adversely affected if the technical obstacles to development, for example conversion to reduce emissions and manage climate change, are too high and expensive.	Balder carries out an internal valuation of the property portfolio in connection with quarterly reports. Parts of the property portfolio are also valued externally and compared with the internal valuation. Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made. The profit before tax would be affected by SEK +/-7459 million if there were a change in value of the investment properties of +/-5%. The equity/assets ratio would be 40.2% in the event of a positive change in value and 36.8% in the event of a negative change in value. See also Note 12, Investment properties. Balder has also initiated an analysis of the impact of climate change on the properties, including the value trend, and this will become more detailed in future.	
>> TAX			
Risk of changes in tax legislation	The possibility cannot be ruled out that tax rates will change in the future or that other changes will occur in the state system that affect property ownership. Changes in tax levels and tax legislation, for example new rules in respect of depreciation, a ban on the packaging of properties and the opportunity to utilise loss carryforwards can affect Balder's future tax expense and thereby affect the profit.	Balder monitors the development of legislation in markets where the company is active and where relevant prepares the business and the financial statements for any adaptations that may be necessary.	
>> EXTERNAL ENVIRONMENT			
The risk of serious incidents in the external environment that change the conditions for the business	In 2020, the world was hit by a global pandemic that had unforeseen consequences. The way out remains uncertain, with a risk of the impact being felt for several years to come.	Balder has been dealing constantly with issues relating to the ongoing pandemic and the company's stakeholders. For more information see page 5. Experiences from the past year will also contribute to a stronger organisation that is better equipped for similar incidents in the future.	
>> ENVIRONMENT			
Risk of hazardous substances and choice of materials	The main challenges that Balder has identified in connection with the environmental area are hazardous substances built into the properties such as PCB and asbestos, increased radon values and transport operations to and from the properties.	Ongoing inventory is kept of the existing portfolio, and action plans are drawn up to manage the risks in connection with planned measures or as separate projects. As new buildings become more energy-efficient, the construction phase accounts for a bigger part of the total environmental impact of buildings. These issues are taken into account in connection with new production, both internally and in dialogue with external parties such as business partners, city planning offices, consultants' or architects' offices and contractors.	
Risk of increased impact from transport operations	Both Balder's internal transport operations and customer transport operations to and from the properties have a major environmental impact.	When developing areas, opportunities for more efficient transport are considered, and in many areas car pools and bike pools, for example, are offered. Together with suppliers, Balder's internal transport and logistics solutions are being reviewed so that the number of transport operations to the properties is minimised and streamlined. This work will be further developed in future, as Balder's increased project portfolio means increased construction, bringing a risk of increased transport operations. The company's travel policy regulates business travel, and all local offices have video equipment to minimise the number of trips for meetings.	

Risk level assessment
 Low Medium High

AREA	DESCRIPTION	APPROACH	ASSESSMENT
Climate risks	Rising sea levels, heavier rainfall and increased risks of landslides are climate risks that have been highlighted and need to be dealt with in planning processes in order to reduce the risks of damage to properties and infrastructure going forward. In the event of floods there is a risk that vermin will find their way into properties, resulting in a risk of the spread of contagion and damage.	Investigations into which climate adaptations might be necessary are conducted in the planning process and managed in detailed development plans. Aside from this, Balder strives to review work on climate risks, including the preparation of plans for how existing properties that may be in the risk zone should be registered and what action plans need to be prepared. This work entails, among other things, plans to further reduce emissions from the business, as well as plans describing, for example, how properties situated in areas where the risk of flooding is considered to be high are to be equipped to deal with this. To increase transparency in this work, Balder is also continuing to develop the company's reporting of emissions and other climate-related metrics, and during the year has also incorporated the climate issue into the risk management process in accordance with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). Potential effects of climate change have been identified in terms of both property costs and value growth, and work has started on action plans to manage these. Read more on page 101.	
>> SOCIAL CONDITIONS AND EMPLOYEES			
Risk of deficiencies in the skills supply, work environment and respect for human rights	As Balder has grown, both geographically and in terms of the number of colleagues, challenges have arisen, including the new recruitment and retention of existing colleagues, identifying and utilising Group-wide resources and developing common work methods. Another challenge resulting from the company's strong growth is to get every colleague to feel that they are part of Balder's corporate culture.	Balder's Code of Conduct is based on the principles of the UN's Global Compact and deals with issues relating to the work environment and human rights. Balder is striving to continue to increase equal opportunity and diversity in the organisation, in order to reflect society in the best way possible. In order to attract new employees, Balder continuously participates in job fairs at institutes of higher education, and offers work placements and opportunities for students to do their degree projects.	
>> ETHICS AND ANTI-CORRUPTION			
Risk of fraud and bribery	For property companies processes such as those in the areas of letting, recruitment and supplier selection are particularly important.	Balder has a Code of Conduct as well as policies and procedures, which are intended to guide and ensure respectful and business-like relationships, while minimising risks of, for example, discrimination and corruption. When selecting suppliers and during follow-up on delivered quality, internal criteria are used to guarantee compliance with laws and regulatory requirements and also with the company's adopted policies and guidelines. There is an independent whistleblowing function for the reporting of infringements.	

Risk level assessment

Low Medium High

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Note	2020	2019
Rental income	2, 3	8,134	7,609
Property costs	2, 6, 7	-1,919	-1,966
Net operating income		6,216	5,643
Management costs and administrative expenses	4, 5, 6	-676	-664
Participation in profits of associated companies/joint ventures	14	897	876
– of which profit from property management		663	787
– of which changes in value		489	297
– of which tax		-254	-209
Other income/expenses		371	7
– of which unrealised change in value of long-term financial asset	32	462	-
Profit before net financial items		6,809	5,863
<i>Financial items</i>			
Financial income	9	299	395
Financial expenses	9	-1,511	-1,565
– of which lease expense/ground rent	8	-64	-63
Net financial items		-1,212	-1,170
Profit including changes in value and tax in associated companies/joint ventures		5,597	4,693
– of which Profit from property management	2, 3, 4, 5, 6, 7, 8, 9	4,900	4,604
<i>Changes in value</i>			
Changes in value of investment properties, realised	12	24	14
Changes in value of investment properties, unrealised	12	3,429	9,562
Changes in value of derivatives	22	-141	-180
Income from divestment of development properties	16	1,253	387
Expenses from divestment of development properties	16	-1,079	-292
Changes in value, total		3,486	9,492
Profit before tax		9,083	14,185
Income tax	10	-1,807	-2,659
Net profit for the year		7,275	11,526
<i>Net profit for the year attributable to</i>			
The parent company's shareholders		6,641	8,958
Non-controlling interests	21	634	2,568
		7,275	11,526

SEKm	Note	2020	2019
Other comprehensive income – items that may be reclassified to profit or loss			
Translation difference relating to foreign operations (net after hedge accounting)		-705	8
Cash flow hedges after tax		-20	-55
Participation in other comprehensive income from associated companies/joint ventures		-37	3
Total comprehensive income for the year		6,513	11,482
<i>Total comprehensive income for the year attributable to</i>			
The parent company's shareholders		6,273	8,865
Non-controlling interests		240	2,617
		6,513	11,482

SEKm	Note	2020	2019
Profit from property management		4,900	4,604
Of which non-controlling interests' participation in the profit from property management		-657	-581
Profit from property management attributable to parent company's shareholders		4,244	4,023
Profit from property management per share, SEK		23.51	22.35
Profit after tax per share, SEK	11	36.79	49.77

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Note	31 Dec 2020	31 Dec 2019
Assets			
Non-current assets			
Investment properties	12, 25	149,179	141,392
Leases; right of use	8	1,532	1,541
Other property, plant and equipment	13	160	166
Participations in associated companies/joint ventures	14	15,593	7,018
Other non-current receivables	15	2,302	1,448
Total non-current assets		168,765	151,565
Current assets			
Development properties	16	2,803	2,344
Trade receivables	17	343	241
Other receivables		713	399
Prepaid expenses and accrued income	18	650	478
Financial investments	19	2,659	1,523
Cash and cash equivalents	26	4,468	1,379
Total current assets		11,636	6,363
Total assets		180,401	157,928

SEKm	Note	31 Dec 2020	31 Dec 2019
Equity and liabilities			
Equity			
	20		
Share capital		187	180
Other contributed capital		10,729	7,806
Translation differences		-789	-432
Reserves		15	26
Retained earnings including net profit for the year		48,068	41,432
Equity attributable to the parent company's shareholders		58,209	49,011
Non-controlling interests	21	9,676	9,714
Total equity		67,885	58,725
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities ^{1,2)}	22	79,814	69,436
Other non-current liabilities		828	542
Lease liability	8	1,487	1,494
Deferred tax liability	10	12,497	11,285
Derivatives	22	1,155	1,108
Total non-current liabilities		95,781	83,865
Current liabilities			
Current interest-bearing liabilities ¹⁾	22	9,175	11,806
Trade payables		505	660
Lease liability	8	49	49
Derivatives	22	384	102
Other liabilities ³⁾		4,076	605
Accrued expenses and prepaid income	24	2,546	2,115
Total current liabilities		16,735	15,338
Total liabilities		112,516	99,203
Total equity and liabilities		180,401	157,928

1) Interest-bearing liabilities that formally mature within one year and one year of agreed amortisation are recognised as current interest-bearing liabilities.

2) The line item Non-current interest-bearing liabilities includes Hybrid capital of SEK 3,513 million (3,652). 50% of the Hybrid capital, or equivalent to SEK 1,757 million (1,826), is treated as equity by the ratings agencies and thereby reduces interest-bearing liabilities when calculating the debt/equity ratio and net debt to total assets, and increases equity when calculating the equity/assets ratio.

3) The line Other liabilities per 31 dec 2020 includes SEK 3,009 million which relates to a commitment in respect of the acquisition of shares in Entra ASA.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Attributable to parent company's shareholders					Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Translation differences	Retained earnings incl. net profit for the year			
Opening equity, 01/01/2019	180	7,806	56	-369	32,473	40,146	7,262	47,408
Net profit for the year					8,958	8,958	2,568	11,526
Other comprehensive income			-30	-63		-93	49	-44
Total comprehensive income	-	-	-30	-63	8,958	8,865	2,617	11,482
Transactions with non-controlling interests							-35	-35
Dividends to non-controlling interests							-137	-137
Non-controlling interests arising from the acquisition of subsidiaries							8	8
Total transactions with the company's owners	-	-	-	-	-	-	-164	-164
Closing equity, 31/12/2019¹⁾	180	7,806	26	-432	41,432	49,011	9,714	58,725
Opening equity, 01/01/2020	180	7,806	26	-432	41,432	49,011	9,714	58,725
Net profit for the year					6,641	6,641	634	7,275
Other comprehensive income			-11	-357		-368	-394	-763
Total comprehensive income	-	-	-11	-357	6,641	6,273	240	6,513
Transactions with non-controlling interests					-5	-5	-296	-301
Share issue, after issue costs	7	2,923				2,930		2,930
Shareholder contributions from non-controlling interests							17	17
Total transactions with the company's owners	7	2,923	-	-	-5	2,925	-278	2,647
Closing equity, 31/12/2020¹⁾	187	10,729	15	-789	48,068	58,209	9,676	67,885

1) For more information, see Note 20, Equity.

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Note	2020	2019
Operating activities			
Net operating income		6,216	5,643
Other income/expenses		-91	7
Management costs and administrative expenses		-676	-664
Sales expenses development properties		-20	-
Reversal of depreciation and amortisation		41	42
Interest received	26	267	176
Interest paid	26	-1,442	-1,596
Tax paid		-310	-321
Cash flow from operating activities before change in working capital		3,986	3,288
Cash flow from changes in working capital			
Change in operating receivables		-901	-262
Change in operating liabilities		3,435	183
Cash flow from operating activities		6,520	3,209
Investing activities			
Acquisition of investment properties		-3,491	-7,972
Acquisition/divestment of property, plant and equipment		-36	-85
Acquisition of financial investments		-1,665	-594
Acquisition/capital contribution/borrowing from and lending to associated companies/joint ventures		-8,128	-601
Investments in existing properties and projects		-5,572	-8,133
Transactions with non-controlling interests		-301	-35
Divestment of investment properties		366	1,050
Divestment of development properties		1,253	387
Divestment of financial investments		561	60
Divestment of shares in associated companies/joint ventures		-	15
Dividend paid from associated companies/joint ventures		20	42
Cash flow from investing activities		-16,993	-15,867

SEKm	Note	2020	2019
Financing activities			
Share issue, after issue costs	26	2,930	-
Dividend paid to non-controlling interests		-	-137
Amortisation of lease liability		-19	-26
Shareholder contribution from non-controlling interests		18	-
Borrowings		20,472	25,169
Amortisation/redemption of loans		-9,838	-11,527
Cash flow from financing activities		13,563	13,479
Cash flow for the year			
Opening cash and cash equivalents		1,379	558
Closing cash and cash equivalents	26	4,468	1,379

Available liquidity, SEKm	Note	2020	2019
Cash and cash equivalents		4,468	1,379
Unutilised overdraft facilities	23	350	350
Unutilised credit facilities		13,032	8,673
Financial investments	19	2,659	1,523
Available liquidity including confirmed credit commitments		20,509	11,925

PARENT COMPANY INCOME STATEMENT

SEKm	Note	2020	2019
Net sales	3	349	361
Administrative expenses	4, 5	-353	-363
Operating profit		-4	-2
Profit from financial items			
Dividends from subsidiaries		975	800
Interest income and similar profit/loss items	9	2,705	1,420
– of which exchange rate differences		785	–
– of which unrealised change in value of long-term financial asset	32	462	–
Interest expenses and similar profit/loss items	9	-1,106	-1,226
– of which exchange rate differences		–	-251
Changes in value of derivatives	22	-141	-180
Profit before appropriations and tax		2,429	812
Appropriations			
Group contribution		-821	229
Profit before tax		1,608	1,042
Income tax	10	7	-16
Net profit for the year/comprehensive income¹⁾		1,615	1,025

1) The Parent Company has no items that are recognised in Other comprehensive income and therefore total comprehensive income corresponds to net profit for the year.

PARENT COMPANY BALANCE SHEET

SEKm	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	22	23
Financial assets			
Participations in Group companies	25, 27	10,376	10,111
Participations in associated companies/joint ventures	14, 25	8,426	1,972
Other non-current receivables	15	1,817	1,190
Receivables from Group companies	28	57,787	52,646
Total financial assets		78,406	65,919
Deferred tax assets	10	91	74
Total non-current assets		78,519	66,016
Current assets			
Current receivables			
Other receivables		52	70
Prepaid expenses and accrued income	18	133	137
Total current receivables		184	206
Financial investments	19	2,078	1,051
Cash and cash equivalents	26	1,359	944
Total current assets		3,621	2,201
TOTAL ASSETS		82,140	68,217

SEKm	Note	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES			
Equity			
	20		
Restricted equity			
Share capital		187	180
Non-restricted equity			
Share premium reserve		7,289	4,366
Retained earnings		7,707	6,681
Net profit for the year		1,615	1,025
Total equity		16,798	12,253
Non-current liabilities			
Liabilities to credit institutions ^{1,2)}	22	40,260	39,449
Derivatives	22	735	624
Liabilities to Group companies	28	14,419	10,966
Total non-current liabilities		55,414	51,038
Current liabilities			
Liabilities to credit institutions ¹⁾	22	6,106	4,414
Trade payables		7	19
Derivatives	22	32	2
Other liabilities ³⁾		3,329	96
Accrued expenses and prepaid income	24	454	396
Total current liabilities		9,928	4,926
TOTAL EQUITY AND LIABILITIES		82,140	68,217

1) Interest-bearing liabilities that formally mature within one year and one year of agreed amortisation are recognised as current interest-bearing liabilities.

2) The line item Non-current interest-bearing liabilities includes Hybrid capital of SEK 3,513 million (3,652). 50% of the Hybrid capital, or equivalent to SEK 1,757 million (1,826), is treated as equity by the ratings agencies and thereby reduces interest-bearing liabilities when calculating the debt/equity ratio and net debt to total assets, and increases equity when calculating the equity/assets ratio.

3) The line Other liabilities per 31 dec 2020 includes SEK 3,009 million which relates to a commitment in respect of the acquisition of shares in Entra ASA.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKm	Restricted equity		Non-restricted equity			Total equity
	Number of shares	Share capital	Share premium reserve	Retained earnings	Net profit for the year	
Opening equity, 01/01/2019	180,000,000	180	4,366	5,091	1,590	11,227
Net profit for the year/comprehensive income	-	-	-	-	1,025	1,025
Appropriation of profits				1,590	-1,590	-
Total transactions with the company's owners	-	-	-	1,590	-1,590	-
Closing equity, 31/12/2019¹⁾	180,000,000	180	4,366	6,681	1,025	12,253
Opening equity, 01/01/2020	180,000,000	180	4,366	6,681	1,025	12,253
Net profit for the year/comprehensive income	-	-	-	-	1,615	1,615
Share issue, after issue costs	6,500,000	7	2,923			2,930
Appropriation of profits				1,025	-1,025	-
Total transactions with the company's owners	6,500,000	7	2,923	1,025	-1,025	2,930
Closing equity, 31/12/2020¹⁾	186,500,000	187	7,289	7,707	1,615	16,798

1) For more information, see Note 20, Equity.

PARENT COMPANY'S CASH FLOW STATEMENT

SEKm	Note	2020	2019
Operating activities			
Operating profit		-4	-2
Reversal of depreciation/impairment		6	4
Interest received	26	158	137
Interest paid	26	-840	-783
Tax paid		-9	-5
Cash flow from operating activities before change in working capital		-689	-649
Cash flow from changes in working capital			
Change in operating receivables		260	-78
Change in operating liabilities		3,042	5
Cash flow from operating activities		2,612	-722
Investing activities			
Acquisition of property, plant and equipment		-5	-9
Acquisition of participations in Group companies/shareholder contributions paid		-265	-1,662
Acquisition of financial investments		-966	-73
Change in lending to Group companies		-1,138	-6,819
Change in lending to associated companies/joint ventures		-595	-367
Divestment of financial investments		-	60
Acquisition of shares in associated companies/capital contribution		-5,992	-91
Cash flow from investing activities		-8,962	-8,961

SEKm	Note	2020	2019
Financing activities	26		
Share issue, after issue costs		2,930	-
Borrowings		7,524	12,127
Amortisation/redemption of loans		-3,689	-1,729
Cash flow from financing activities		6,765	10,398
Cash flow for the year		415	714
Opening cash and cash equivalents		944	230
Closing cash and cash equivalents	26	1,359	944

Available liquidity, SEKm	Note	2020	2019
Cash and cash equivalents		1,359	944
Unutilised overdraft facilities	23	350	350
Unutilised credit facilities		9,519	4,500
Financial investments	19	2,078	1,051
Available liquidity including confirmed credit commitments		13,306	6,845

NOTES ON THE FINANCIAL STATEMENTS

NOTE 1 Accounting policies

General information

The financial statements for Fastighets AB Balder, as of 31 December 2020, were approved by the Board of Directors and Chief Executive Officer on 18 March 2021 and will be submitted for adoption by the Annual General Meeting on 12 May 2021.

Fastighets AB Balder (publ), corporate identity number 556525-6905, with its registered office in Gothenburg, constitutes the parent company of a Group with subsidiaries according to Note 27, Participations in Group companies. The company is registered in Sweden and the address of the company's head office in Gothenburg is Fastighets AB Balder, Box 53121, 400 15 Gothenburg, Sweden. The visiting address is Parkgatan 49. Balder is a listed property company which aims to meet the needs of different customer groups for commercial premises and housing based on local presence.

The accounting policies are described in association with each note in order to provide a better understanding of each accounting area. The general accounting policies and information about the consolidated financial statements are set out below. Accounting policies, risks, estimates and assessments are then presented more specifically for each note in order to provide the reader with a greater understanding of each income statement and balance sheet item.

– Accounting policies are indicated by 

– Risks are indicated by 

– Estimates and assessment are indicated by 

Accounting policies

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and statements on interpretations announced by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Swedish Financial Accounting Standards Council's recommendation RFR 1, Complementary Accounting Rules for Groups, was also applied.

The annual accounts of the parent company have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Accounting Standards Council's recommendation RFR 2 (Accounting for Legal Entities) and statements from the Swedish Financial Reporting Board. The parent company applies the same accounting policies as the Group except in the cases specified below in the section entitled "Parent Company accounting policies". The deviations that occur between the parent company and Group accounting policies are due to limitations in the possibilities of applying IFRS in the parent company as a consequence of the Annual Accounts Act.

The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency of the parent company and the Group.

Unless otherwise specified, the financial statements are presented in Swedish kronor rounded off to millions of kronor.

Preparation of financial statements in conformity with IFRS requires company management to make estimates and assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experiences and a number of other factors that are considered reasonable in the prevailing circumstances. The result of these estimates and assumptions is subsequently used to estimate the carrying amounts of assets and liabilities that are not otherwise clear from other sources. The actual outcome may diverge from these estimates and judgements.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which they arise if the change affects that period alone or, alternatively, in the period in which they arise and during future periods if the change affects both the period in question and future periods.

Assumptions made by company management in the application of IFRS, which have a material impact on the financial statements, and estimates which may give rise to significant adjustments in subsequent financial statements are presented in more detail in Note 10, Income tax and in Note 12, Investment properties.

Unless otherwise stated below, the accounting principles set out for the Group have been applied consistently for all periods presented in the Group's financial statements. The Group's accounting policies have been applied consistently in the reporting and consolidation of subsidiaries.

Classification, etc.

Non-current assets and non-current receivables essentially consist of amounts that are expected to be recovered or paid after more than twelve months, calculated from the end of the reporting period. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within twelve months, calculated from the end of the reporting period. Current liabilities to credit institutions include the interest-bearing liabilities that formally mature within one year and one year's agreed amortisation. The company's interest-bearing liabilities are non-current in nature, as they are continually extended, see Note 22, Financial risk management. In the parent company, receivables and liabilities from/to Group companies are recognised as non-current, as there is no approved amortisation plan.

Basis of consolidation

Subsidiaries are all companies (including structured companies) over which the Group has control. The Group controls a company when it is exposed to or has the right to a variable return from its holding in the company and can affect the return through its control of the company. When determining whether control exists, potential voting shares that can be called upon or converted without delay should be considered.

Subsidiaries are reported according to the acquisition method. This method means that acquisition of a subsidiary that is classified as a business combination is treated as a transaction by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The analysis establishes the cost of the shares or entity, as well as the fair value on the acquisition date of the company's identifiable assets, liabilities assumed and contingent liabilities. The consideration also includes the fair value of all assets or liabilities which are a result of an agreement on contingent consideration. Expenses relating to the

acquisition are recognised as expenses as they arise. For each acquisition, the Group determines if non-controlling interests in the acquired entity are recognised at fair value or at the non-controlling interest's proportionate share of the acquired company's net assets. The cost of acquisition of a subsidiary's shares and operations consists of the fair values of the assets on the date of exchange, liabilities incurred or assumed and equity instruments issued as consideration in exchange for the acquired net assets, as well as transaction costs that are directly attributable to the acquisition.

In business combinations where the cost of acquisition exceeds the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognised as goodwill. When the difference is negative, this is recognised directly in the income statement. When a company is acquired, the acquisition constitutes either the acquisition of an entity or the acquisition of an asset. An acquisition of an asset is identified if the acquired company only owns one or more properties. There are leases for these properties, but no members of staff are employed in the company who can conduct business. In a business combination based on joint control, de facto control, the acquisition is recognised at historical cost, which means that assets and liabilities are recognised at the values they have been carried at in each company's balance sheet. In this way, no goodwill arises.

When an acquisition occurs of a group of assets or net assets which do not constitute an entity, the cost for the Group is allocated according to the individually identifiable assets and liabilities in the Group based on their relative fair values on the acquisition date.

The subsidiaries' financial statements are included in the consolidated financial statements from the date on which control arises until the date on which control ceases.

Transactions with non-controlling interests and eliminations

Transactions with non-controlling interests that do not result in a loss of control are recognised as equity transactions, i.e. transactions with owners in their capacity as owners. In the case of acquisitions from non-controlling interests, the difference between the fair value of consideration paid and the proportion of the carrying amount of the subsidiary's net assets actually acquired is recognised in equity. Gains and losses on divestments to non-controlling interests are also recognised in equity.

Intra-Group receivables and liabilities, income or expenses, and unrealised gains or losses arising from transactions between Group companies, are eliminated in full on preparation of the consolidated financial statements.

Foreign currency

Financial statements of foreign operations

Assets and liabilities in foreign operations are translated to Swedish kronor at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated into Swedish kronor at an average rate that represents an approximation of the prevailing exchange rates on the date of each transaction.

Contd. **Note 1 Accounting policies**

Translation differences arising on currency translation of foreign operations are recognised via other comprehensive income as a translation reserve.

Transactions in foreign currency

Transactions in foreign currencies are converted to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency used in the primary economic environments where the companies conduct their operations. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Exchange differences are recognised in the income statement, apart from non-current internal balances, which are treated as a part of the net investment in subsidiaries and are recognised via other comprehensive income. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are translated into the functional currency at the rate prevailing on the date of fair value measurement.

Impairments

The carrying amounts of the Group's assets, with the exception of investment properties, financial instruments and deferred tax assets, are tested on each balance sheet date to determine if there is any indication of an impairment requirement. If any such indication exists, the asset's recoverable amount is estimated. For exempted assets, as above, the carrying amount is tested in accordance with each standard.

If it is impossible to determine significant independent cash flows to an individual asset, the assets should be grouped, in conjunction with impairment testing, at the lowest level at which it is possible to identify significant independent cash flows – this is known as a cash generating unit. An impairment is recorded when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. An impairment loss is recognised in the income statement.

Assets with short maturities are not discounted. The recoverable amount of other assets is the higher of the fair value minus selling expenses and the value in use. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free rate of interest and the risk associated with the specific asset. For an asset that does not generate cash flows, which is significantly independent of other assets, the recoverable amount is estimated for the cash generating unit to which the asset belongs.

Provisions

A provision is recognised in the balance sheet when the Group has an existing legal or informal obligation as a result of past events, and it is probable that an outflow of financial resources will be required to settle the obligation and that the amount can be reliably estimated. In cases where the effect of payment timing is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks specific to the liability.

New and amended standards applied for the first time in 2020

From 1 January 2020, the amendment to IFRS 3 will be applied, which means, among other things, that a voluntary concentration test can be applied to simplify the assessment of whether the transaction is not a business/operation. The amendment to IFRS 3 is not considered to be significant any significant impact on the Group's classification of acquisitions as asset acquisitions or acquisition of business/operation. Other new and changed standards and interpretations which have entered into force on 1 January 2020 and which have been applied for the first time the time for the financial year has not had any significant impact on the company accounting.

New and amended standards that have not yet been applied by the Group

A number of new standards and interpretations come into force for the financial year that commences on 1 January 2021 or thereafter and have not been applied in the preparation of this financial statement. It is not considered that any of the published standards that have not yet come into force will have any significant impact on the Group.

Parent Company accounting policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. This recommendation means that the parent company in the annual accounts for the legal entity should apply all rules of the International Financial Reporting Standards and interpretations approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act, and taking into account the connection between recognition and taxation. The recommendation states which exemptions and amendments are applied with regard to IFRS.

Differences between the accounting policies of the parent company and the Group

The accounting policies set out for the parent company have been applied consistently for all periods presented in the parent company's financial statements. In those instances where the accounting policies deviate from the Group's accounting policies, this is specified in the notes or below.

Classification and presentation

The parent company's income statement and balance sheet are prepared in accordance with the layout described in the Swedish Annual Accounts Act. The difference from IAS 1 Presentation of Financial Statements, which is applied in the presentation of the consolidated financial statements, relates primarily to recognition of financial income and expenses and of equity.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised in cases where the parent company has the exclusive right to decide on the size of the dividend and the parent company has made a decision on the size of the dividend before having published its financial statements.

Group contributions and shareholders' contributions

The company recognises Group contributions and shareholders' contributions in accordance with the Swedish Financial Reporting Board's recommendation RFR 2. Shareholders' contributions are recognised directly in equity at the recipient and are capitalised as shares and participations at the donor, if impairment is not required. Group contributions are recognised as income in the income statement of the recipient and as an expense for the donor. The tax effect is recognised in accordance with IAS 12 in the income statement.

Income

Recognised in accordance with the principles described in Note 3, Distribution of income.

Leases

Recognised in accordance with the principles described in Note 8, Leases.

Taxes

Recognised in accordance with the principles described in Note 10, Income tax.

Associated companies/joint ventures

Recognised in accordance with the principles described in Note 14, Participations in associated companies/joint ventures.

Subsidiaries

Recognised in accordance with the principles described in Note 27, Participations in Group companies.

Financial guarantees

Recognised in accordance with the principles described in Note 25, Pledged assets and contingent liabilities.

NOTE 2 Segment reporting



ACCOUNTING POLICY

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocation of resources and evaluation of the operating segments' results. In the Group, this function has been identified as the Management team, which takes strategic decisions. Management primarily follows up on operating segments in terms of their operating surplus, where the distribution of shared property administration expenses has taken place through the cost principle. The Group's internal reporting of the operations is divided into the segments Helsinki, Stockholm, Gothenburg, Copenhagen, South, East and North, which are harmonised with the Group's internal reporting system. SATO's property portfolio distributed between the Helsinki and East regions. Property holdings in Norway is classified under region North, the properties in Denmark under region Copenhagen and the properties in Germany and the UK under the South region.

Regions SEKm	Helsinki		Stockholm		Gothenburg		Copenhagen		South		East		North		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	2,495	2,433	1,338	1,234	1,561	1,426	657	566	584	589	1,218	1,083	282	277	8,134	7,609
Property costs	-675	-686	-243	-261	-324	-327	-159	-130	-124	-118	-330	-366	-64	-78	-1,919	-1,966
Net operating income	1,820	1,747	1,095	973	1,237	1,099	499	436	460	471	888	717	218	199	6,216	5,643
Changes in value of properties																
Commercial properties	7	-	647	319	253	1,390	12	76	112	398	-8	26	24	113	1,047	2,322
Residential properties	1,229	5,423	111	192	187	244	1,156	669	141	132	-561	498	142	98	2,406	7,255
Development properties	-	-	-	-	145	95	29	-	-	-	-	-	-	-	174	95
Net operating income including changes in value	3,056	7,169	1,853	1,484	1,822	2,828	1,696	1,181	713	1,000	319	1,241	384	411	9,842	15,315
Non-allocated items:																
Other income/expenses															371	7
Management costs and administrative expenses															-676	-664
Participations in profits of associated companies															897	876
Operating profit															10,435	15,534
Net financial items															-1,212	-1,170
Changes in value of derivatives															-141	-180
Income tax															-1,807	-2,659
Net profit for the year															7,275	11,526
Other comprehensive income															-763	-44
Comprehensive income for the year															6,513	11,482

Contd. **Note 2** Segment reporting

Regions SEKm	Helsinki		Stockholm		Gothenburg		Copenhagen		South		East		North		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Assets																
Commercial properties	852	647	22,304	21,016	24,243	22,881	2,441	2,504	8,340	8,290	2,650	1,640	1,520	1,552	62,349	58,530
Residential properties	41,542	40,064	5,327	5,368	7,073	6,490	14,948	12,902	2,099	1,906	11,883	12,722	3,958	3,410	86,830	82,862
Investment properties	42,394	40,711	27,631	26,383	31,315	29,371	17,388	15,407	10,439	10,196	14,533	14,362	5,478	4,962	149,179	141,392
Development properties	-	-	812	448	1,594	1,422	250	265	145	42	-	11	3	156	2,803	2,344
Total property portfolio	42,394	40,711	28,443	26,831	32,910	30,794	17,638	15,672	10,583	10,238	14,533	14,373	5,480	5,117	151,982	143,736
Non-allocated items:																
Property, plant and equipment															160	166
Leases; right of use															1,532	1,541
Other receivables															4,007	2,566
Participations in associated companies															15,593	7,018
Cash and cash equivalents and financial investments															7,127	2,902
Total assets															180,401	157,928
Equity and liabilities																
Non-allocated items:																
Equity															67,885	58,725
Lease liability															1,536	1,543
Deferred tax liability															12,497	11,285
Interest-bearing liabilities															88,989	81,242
Derivatives															1,540	1,210
Non interest-bearing liabilities															7,955	3,923
Total equity and liabilities															180,401	157,928
Investments (including company acquisitions)																
Commercial properties	449	120	167	1,664	990	4,593	108	1,367	60	1,444	752	24	4	87	2,530	9,300
Residential properties	2,149	3,278	130	596	421	632	1,614	223	30	162	173	448	496	368	5,015	5,707
Investment properties	2,598	3,398	297	2,260	1,411	5,225	1,722	1,590	91	1,607	925	472	500	454	7,545	15,006
Development properties	-	-	427	299	741	950	228	177	123	28	-	7	1	104	1,518	1,566
Total property portfolio	2,598	3,398	724	2,559	2,152	6,175	1,950	1,767	213	1,635	925	479	501	558	9,063	16,572

The Group's registered office is in Sweden. Income from external customers in Sweden totals SEK 3,734 million (3,481) and total income from external customers in Denmark, Finland, Norway, Germany and the UK totals SEK 4,400 million (4,127). The total of non-current assets, other than financial instruments and deferred tax receivables that are located in Sweden, is SEK 77,425 million (73,023) and the total of such non-current assets located in other countries is SEK 74,718 million (70,878).

NOTE 3 Distribution of income



ACCOUNTING POLICY

Group – Rental income and service income

Rental income refers to income from leases in which the Group is the lessor. Rental income includes rent, supplements for investments and property tax, as well as other additional charges such as heating, water, air conditioning, waste management, etc. as it is not considered necessary to report these separately. Both rental income and additional charges are recognised on a straight-line basis in the consolidated income statement based on the terms and conditions of the lease. The aggregated cost of discounts provided is recognised as a reduction in rental income on a straight-line basis over the lease term. Rental income and additional charges are paid in advance and recognised as prepaid income in the balance sheet.

Group – Income from divestments of investment properties and development properties

For policies in respect of income and profits from divestments of investment properties and development properties, see Note 12, Investment properties and Note 16, Development properties.

Parent company – Service assignments

The parent company's net sales consist of property management services for subsidiaries and associated companies. This income is recognised in the period to which it relates.

There is no division between rental income and income from contracts with customers, as this income is not significant. The categories of rental income presented below include service income.

Balder has granted discounts of SEK 28 million in accordance with the state rent support package linked to covid-19, of which Balder accounts for 50%. Thus, for reasons of simplification, the net amount of SEK 14 million reduced rental income.

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Rental income	8,134	7,609	-	-
Service assignments	-	-	349	361
Total	8,134	7,609	349	361

RENTAL INCOME DISTRIBUTED BY COUNTRY

SEKm	Group	
	2020	2019
Sweden	3,734	3,481
Denmark	657	566
Finland	3,547	3,354
Norway	75	76
Germany	45	51
UK	77	80
Total	8,134	7,609

RENTAL INCOME DISTRIBUTED BY PROPERTY CATEGORY

SEKm	Group	
	2020	2019
Residential	4,899	4,600
Office	1,365	1,249
Retail	803	674
Other	998	1,050
Projects for own management	69	35
Total	8,134	7,609

RENTAL INCOME DISTRIBUTED BY REGION

SEKm	Group	
	2020	2019
Helsinki	2,495	2,433
Stockholm	1,338	1,234
Gothenburg	1,561	1,426
Copenhagen	657	566
South	584	589
East	1,218	1,083
North	282	277
Total	8,134	7,609

NOTE 4 Employees and staff costs



ACCOUNTING POLICY

Employee benefits

Short-term benefits

Employee benefits are calculated without discount and recognised as an expense when the related services are received.

Pensions

Pension plans are classified as either defined contribution or defined benefit. Most of the plans are defined contribution plans. Defined benefit plans only occur in exceptional cases.

Defined contribution plans

For defined-contribution pension plans, the Group pays contributions to privately managed pension insurance plans on a voluntary basis. The Group has no other payment commitments once the contributions have been paid, i.e. the individual bears the risk. The contributions are recognised as staff costs when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that cash repayment or a reduction of future payments may be credited to the Group.

Redundancy compensation

A provision is recognised in connection with redundancies of staff only if it can be proven that the company is obliged to terminate a period of employment before the normal time or if compensation is paid in order to encourage voluntary redundancy.

At the year-end, the Group had 824 employees (784), of whom 351 were female (327). The number of employees in the parent company at the year-end was 379 (360), of whom 129 were female (111).

During 2020, Fastighets AB Balder had 5 Board members (5) including the Chairman, of whom 1 (1) was female. The Group together with the parent company had 6 senior executives (6) including the CEO, of whom 2 (1) was female.

AVERAGE NUMBER OF EMPLOYEES WITH GEOGRAPHIC DISTRIBUTION PER COUNTRY

	Group		Parent Company	
	2020	2019	2020	2019
Average number of employees	795	725	366	325
of whom women	340	267	122	99
of whom male	455	458	244	226
of which Sweden (of whom men)	502 (330)	459 (354)	366 (244)	325 (226)
of which Finland (of whom men)	229 (96)	223 (85)	-	-
of which Denmark (of whom men)	64 (29)	43 (19)	-	-

Contd. **Note 4** Employees and staff costs

SALARIES, FEES AND BENEFITS

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Chairman of the Board	0.2	0.2	0.2	0.2
Other Board members	0.3	0.3	0.3	0.3
Chief Executive Officer				
Basic salary	0.9	0.9	0.9	0.9
Benefits	-	-	-	-
Deputy CEO				
Basic salary	0.7	0.7	0.7	0.7
Benefits	-	-	-	-
Other senior executives				
Basic salary	6.2	6.7	6.2	6.7
Benefits	0.3	0.4	0.3	0.4
Other employees				
Basic salary	366.4	339.1	159.6	145.2
Benefits	4.0	3.8	2.6	2.7
Total	379.0	352.1	170.8	157.1

STATUTORY SOCIAL SECURITY CONTRIBUTIONS INCLUDING PAYROLL TAX

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Board of Directors	0.1	0.1	0.1	0.1
Chief Executive Officer	0.4	0.4	0.4	0.4
Deputy CEO	0.2	0.2	0.2	0.2
Other senior executives	2.2	2.6	2.2	2.6
Other employees	105.7	103.6	54.1	49.5
Total	108.6	106.9	57.0	52.8

CONTRACTUAL PENSION EXPENSES

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Chief Executive Officer	0.3	0.3	0.3	0.3
Deputy CEO	-	-	-	-
Other senior executives	0.8	1.4	0.8	1.4
Other employees	40.1	39.0	12.8	10.0
Total	41.2	40.7	13.9	11.7
Total staff costs	528.8	499.6	241.7	221.6

REMUNERATION TO SENIOR EXECUTIVES AND OTHER BENEFITS DURING THE YEAR

SEKm	01/01/2020 – 31/12/2020				01/01/2019 – 31/12/2019			
	Basic salary, directors' fee	Benefits	Pension expense	Total	Basic salary, directors' fee	Benefits	Pension expense	Total
Christina Rogestam, Chairman of the Board	0.2	-	-	0.2	0.2	-	-	0.2
Fredrik Svensson, Board member	0.1	-	-	0.1	0.1	-	-	0.1
Sten Dunér, Board member	0.1	-	-	0.1	0.1	-	-	0.1
Anders Wennergren, Board member	0.1	-	-	0.1	0.1	-	-	0.1
Chief Executive Officer	0.9	-	0.3	1.2	0.9	-	0.3	1.2
Deputy CEO	0.7	-	-	0.7	0.7	-	-	0.7
Management team (4 persons)	6.2	0.3	0.8	7.3	6.7	0.4	1.4	8.5
Total	8.3	0.3	1.1	9.7	8.8	0.4	1.7	10.9

No variable remuneration is paid to any of the company's senior executives.

A defined benefit pension plan agreement has been entered into with the CEO which means that an amount of SEK 0.3 million (0.3) will be paid annually to the CEO from the age 55 until he reaches the age of 65. Future payments will be limited according to agreement by the fund's assets. The payments are not dependent on future employment. The current value of the commitment totalled SEK 3.4 million (3.4). The commitment has been secured by a provision to a pension fund, whose plan assets totalled SEK 3.4 million (3.4). The value of the pension commitment has been calculated in accordance with the Swedish Pension Obligations Vesting Act, which does not correspond with IAS 19. The difference in cost according to the two methods of calculation is not, however, significant.

Remuneration to senior executives follows the guidelines adopted at the latest Annual General Meeting. The remuneration must be at competitive market rates.

Remuneration is paid in the form of a fixed salary. Pension terms must be at competitive market rates and based on defined contribution pension solutions. Other benefits relate to car benefits. Redundancy pay and severance payment shall not exceed 18 months' salary in total. The CEO's salary and benefits are determined by the Board. Salaries and benefits of other senior executives are determined by the CEO. In the event of termination of the CEO's employment, a mutual period of notice of six months applies. In the event of termination by the company, a severance payment of 12 months' salary is paid (not qualifying for pension or holiday pay). A mutual period of notice of six months applies for other members of the management team. There is no severance payment.

The Board has the right to depart from the guidelines adopted by the Annual General Meeting for remuneration to senior executives, if special grounds exist.

NOTE 5 Remuneration to auditors

The audit assignment refers to the review of the financial statements and accounting records as well as the administration of the Board of Directors and CEO. This item also includes other duties that the company's auditors are obliged to perform as well as advice or other assistance that is occasioned by review or implementation of such other duties. Everything else is consultancy. Audit expenses are included in Group-wide expenses, which are levied on the subsidiaries.

SEKm	Group		Parent Company	
	2020	2019	2020	2019
PwC				
Audit assignment	5.4	5.0	3.1	3.1
– of which to ÖhrlingsPrice-waterhouseCoopers AB	3.1	3.2	3.1	3.1
Auditing work apart from the audit assignment	0.6	1.2	0.6	1.2
– of which to ÖhrlingsPrice-waterhouseCoopers AB	0.6	1.2	0.6	1.2
Tax advice	0.4	0.9	0.4	0.9
– of which to ÖhrlingsPrice-waterhouseCoopers AB	0.4	0.9	0.4	0.9
Deloitte				
Audit assignment	2.5	2.1	–	–
Tax advice	0.1	0.1	–	–
Other services	0.9	0.9	–	–
Total	9.9	10.1	4.2	5.2

NOTE 6 Operating costs distributed according to function and type of cost



ACCOUNTING POLICY

Property costs

The Group's property costs comprise costs that arise in connection with property management such as media (electricity, district heating, air conditioning, gas, water), property maintenance, cleaning, repairs, maintenance, property tax and other operating costs. These property costs are recognised in the period to which they relate.

Management costs and administrative expenses

Management costs and administrative expenses comprise the Group's administrative expenses such as HR, office, property, IT, consultancy and marketing expenses as well as the depreciation of equipment. These costs are recognised in the period to which they relate.

Group, SEKm	2020	2019
Property costs	1,919	1,966
Management costs and administrative expenses	676	664
Total	2,594	2,629

Group, SEKm	2020	2019
Staff costs	529	500
Depreciation	41	40
Media expenses	655	665
Property tax	342	338
Maintenance and other costs ¹⁾	1,028	1,086
Total	2,594	2,629

1) Refers to operating costs and administration excluding staff costs.

NOTE 7 Specification of property costs

Group, SEKm	2020	2019
Operating and maintenance costs ¹⁾	922	963
Media expenses ²⁾	655	665
Property tax	342	338
Total	1,919	1,966

1) Operating costs include staff costs relating to property maintenance.

2) Includes depreciation of wind farms.

NOTE 8 Leases



ACCOUNTING POLICIES
– Leases where the Group is the lessor

Leases in which a significant element of the risks and benefits of ownership are retained by the lessor are classified as operational leases. Lease payments received during the lease term are recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Leases in which the financial risks and benefits associated with ownership are essentially assigned from the lessor to the lessee are classified as finance leasing. A finance lease is recognised in the balance sheet at the beginning of the lease term at the lower of the lease object’s fair value and the current value of the minimum lease charges.

At present the Group only has leases that are classified as operating leases.

The Group lets out its investment properties under operating leases. The future non-retractable lease payments are as set out in the table below.

Commercial leases are usually entered into for 3–5 years with a period of notice of 9 months. Residential leases usually have a period of notice of 3 months.

The average lease term in the portfolio’s commercial leases totalled 6.7 years (7.1).

Group, SEKm	2020	2019
Residential, parking lots, car park, etc. (within one year)	4,967	4,822
<i>Commercial premises</i>		
Within one year	3,247	3,178
1–5 years	10,727	10,739
>5 years	11,941	13,126
Total	30,881	31,866



ACCOUNTING POLICIES
– Leases where the Group is the lessee

Accounting policies for the Group

The Group’s leases consist essentially of site leasehold agreements and leases. There are also a number of leases relating to the renting of offices within the Group. In addition to these leases, there are smaller leases in the form of leases for cars and office equipment, etc. These leases have been defined by the Group as agreements in which the underlying asset is of low value. For these agreements, the practical exemption in IFRS 16 has been applied, which means that the lease charge is recognised as an expense on a straight-line basis over the lease term in the income statement and no right of use asset or lease liability is thus recognised in the balance sheet. There are no leases shorter than 12 months (short-term leases) in the Group.

A right of use asset and a lease liability are recognised in the balance sheet attributable to all leases that have not been defined as agreements in which the underlying asset is of low value.

Site leasehold rights and leases

Site leasehold rights and leases are treated as perpetual leases and a recognised at fair value. A right of use asset will thus not be depreciated, but its value will remain until renegotiation of each ground rent takes place. Right of use assets attributable to site leasehold agreements do by definition form part of the value of the investment properties, but the Group has chosen to recognise these in a separate line item in the balance sheet in the item “Leases: right of use”. A non-current liability is recognised in the balance sheet in the item “Lease liability” corresponding to the value of the right of use asset. The lease liability is not amortised, but the value remains unchanged until renegotiation of each ground rent takes place. Leases are recognised as rights of use or a lease liability on the date on which the leased asset became available for use by the Group, which normally takes place on the date of taking possession. The cost of ground rents is recognised in full in the income statement as a financial expense, as these are considered to constitute interest according to IFRS 16.

Rent of office premises

For all leases, a right of use asset and a corresponding lease liability are recognised on the date on which the leased asset is available for use by the Group. The lease liability includes the current value of lease payments in the form of fixed charges. When valuing the liability, options to extend are included if it is very likely that these will be exercised.

Each lease payment is divided between amortisation of the liability and financial expense. The financial expense must be divided over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the debt recognised during each period.

Right of use assets are initially recognised at the cost of acquisition and include the following:

- Initial value of lease liability
- Lease charges paid at or before the start of the lease term
- Initial direct expenses
- Expenses for restoring the asset to the condition prescribed in the terms of the lease

Right of use assets are depreciated on a straight-line basis over the shorter of the asset’s useful life and the lease term. Leases run for periods of 2–10 years, but there are options to extend or terminate.

Reporting in subsequent periods

The lease liability is revalued if there are any changes to the lease or if there are changes in cash flow that are based on the original terms of the lease. Changes in cash flow based on original terms of the lease arise when: the Group changes its initial assessment of whether options to extend and/or terminate will be exercised, there are changes in previous assessments if an option to purchase will be exercised or lease charges changed because of changes in an index or interest rate. A revaluation of the lease liability results in a corresponding adjustment of the right of use asset. If the carrying amount of the right of use asset has already been reduced to zero, the remaining revaluation is recognised in the income statement. The right of use asset undergoes impairment testing whenever events or changes in conditions indicate that the carrying amount of an asset cannot be recovered.

Accounting policies for the parent company

The parent company essentially has leases in respect of cars. IFRS 16 is not applied in the parent company, but RFR 2 is applied instead (IFRS 16 Leases p. 2–12). In instances where the parent company is the lessee, this means that lease charges are recorded as an expense on a straight-line basis over the lease term. The cost of the lease is recognised in the item “Administrative expenses”. The right of use and the lease liability are thus not recognised in the balance sheet.

Contd. **Note 8** Leases

Leases; right of use	31/12/2020	31/12/2019
Ground rent/leases	1,465	1,460
Office premises	66	81
Total	1,532	1,541
Lease liability		
Long-term lease liability	1,487	1,494
Current lease liability	49	49
Total	1,536	1,543

Site leasehold agreements

Use of right assets – site leasehold rights are by definition part of the value of the investment properties. The Group has chosen to recognise data linked to use of right assets and site leasehold rights separately from other data about the development properties in both the notes and the balance sheet. In the balance sheet, site leasehold rights are included in the item “Leases: right of use”. For information about other development properties, see Note 12, Development properties. The change in the right of use asset attributable to site leasehold rights is set out in the table below:

Use of right assets – site leasehold rights	2020	2019
Beginning of the period (introduction of IFRS 16)	1,460	1,456
Acquisitions	25	22
Divestments	-20	-
Change in ground rent and effect of changed exchange rates	-1	-18
Fair value of site leasehold rights at end of period	1,465	1,460

Lease liabilities to site leasehold rights total SEK 1,469 million (1,461) and is recognised as a lease liability under the item non-current liabilities at SEK 1,432 million (1,425) and current liabilities at SEK 37 million (36).

Rent of premises

Use of right assets in respect of rent of premises total SEK 66 million (81). The change in use of right assets associated with office premises, including the effect of changed exchange rates, totalled SEK -15 million (3) during the year.

Leases run for periods of 2-10 years, but there are options to extend or terminate.

Information about all leases	2020	2019
The following amounts relating to leases are recognised in the income statement:		
<i>Management costs and administrative expenses</i>		
Amortisation of rights of use (office premises)	-12	-19
Total	-12	-19
<i>Financial expenses</i>		
Interest expenses, rent of premises	-1	-1
Interest expenses – ground rent	-63	-62
Total	-64	-63

Total cash flow in respect of leases was SEK -89 million (-91), of which amortisation of lease liability totalled SEK -18 million (-26).

For information about the lease liability’s maturity linked to rent of premises, see Note 22, Financial risk management.

The part of the lease liability attributable to site leasehold rights comprises contractual non-discounted cash flows of annual ground rents of SEK -63 million (-62), which are paid annually in perpetuity. The annual ground rent that will be paid in future will be affected by changes in the ground rent.

NOTE 9 Financial income and expenses



ACCOUNTING POLICY

Financial income and expenses consists of interest income on bank balances and receivables as well as interest expenses on liabilities.

Interest income from receivables and interest expenses from debts are calculated using the effective interest method. The effective interest is the interest that means that the current value of all future payments received and made during the fixed-rate interest term are equal to the reported value of the receivable or debt. Interest income and interest expenses include allocated amounts of transaction costs and possible discounts, premiums and other differences between the initial carrying amount of the receivable or liability and the amount that is settled at maturity. The interest component in financial lease payments is recognised in the consolidated statement of comprehensive income by application of the effective interest method.

Borrowing costs directly attributable to the construction or production of an asset that requires a significant time to complete for use or sale are included in the cost of the asset. Capitalisation of borrowing costs takes place provided that it is likely to lead to future economic benefits and that the costs may be measured in a reliable manner.

Interest income is primarily attributable to receivables from associated companies. Other financial income relates primarily to dividends and both realised and unrealised changes in value of listed shares.

FINANCIAL INCOME SEKm	Group		Parent Company	
	2020	2019	2020	2019
Interest income	132	114	70	72
Interest income, subsidiaries	-	-	1,096	978
Other financial income ¹⁾	167	281	754	370
Exchange rate differences ²⁾	-	-	785	-
Total	299	395	2,705	1,420

1) Other financial income in the parent company amounted to SEK 754 million, of which unrealised change in value of long-term financial asset amounted to SEK 462 million and refers to the unrealised revaluation of the shares in the Norwegian listed real estate company Entra ASA, see also Note 32, Other income/expenses.

Other financial expenses are attributable to interest-bearing liabilities.

FINANCIAL EXPENSES SEKm	Group		Parent Company	
	2020	2019	2020	2019
Interest expenses, borrowings	1,342	1,327	697	595
Interest expenses, interest rate derivatives	105	139	105	139
Interest expenses, subsidiaries	-	-	218	178
Leases/ground rent	64	63	-	-
Other financial expenses	-	36	86	62
Exchange rate differences ²⁾	-	-	-	251
Total	1,511	1,565	1,106	1,226

2) Reported exchange rate differences mainly relate to the translation of Eurobonds, which from a group perspective is used to hedge net investments abroad.

NOTE 10 Income tax



ACCOUNTING POLICY

Group – Taxes

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement when an underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity. Current tax is tax that must be paid or received in respect of the current year, using the tax rates which are enacted or which in practice are enacted on the balance sheet date. This also includes adjustment of current tax attributable to previous periods.

Deferred taxes are estimated in accordance with the liability method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The following temporary differences are not considered: temporary differences arising on the initial recognition of goodwill, the initial recognition of assets and liabilities that are not business combinations and which on the transaction date did not affect the recognised or taxable result. Furthermore, temporary differences are not taken into consideration that are attributable to investments in subsidiaries and which are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is measured using the tax rates and tax regulations which are enacted or are in practice enacted on the balance sheet date. Deferred tax assets and liabilities are recognised net if they concern the same tax authority (country).

Deferred tax assets relating to deductible temporary differences and loss carry-forwards are only recognised to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

When a company is acquired, the acquisition constitutes either the acquisition of an entity or the acquisition of an asset. An acquisition of an asset is identified if the acquired company only owns one or more properties. There are leases for these properties, but no members of staff are employed in the company who can conduct business. When recognising an asset acquisition, no deferred tax is recognised. All of Balder's completed acquisitions during the year were classified as asset acquisitions and therefore no deferred tax is recognised relating to properties in respect of these acquisitions.

Parent company – Taxes

In the parent company, untaxed reserves are recognised including deferred tax liability. In the consolidated financial statements however, untaxed reserves are allocated between tax liability and equity.

Contd. **Note 10** Income tax

 **ESTIMATES AND JUDGEMENTS**

Deferred tax

Balder has loss carryforwards at its disposal, which it is estimated can be utilised against future profits, under current tax rules. However, Balder cannot provide any guarantees that current or new tax rules will not restrict the possibilities of utilising the loss carryforwards. When measuring loss carryforwards, a judgement is performed of the probability that the loss can be utilised in future and at which time. Confirmed losses that can, with a high degree of certainty, be utilised against future profits form the basis of calculating the deferred tax asset. For an asset acquisition, no deferred tax attributable to the acquisition is recognised.

RECOGNISED IN THE INCOME STATEMENT

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Current tax expense (-)/tax revenue(+)				
Current tax	-388	-259	-9	-5
Deferred tax expense (-)/tax revenue (+)				
Deferred tax related to temporary differences in properties	-1,120	-2,325	-	-
Deferred tax related to temporary differences in derivatives	26	50	17	-10
Deferred tax on changes in loss carryforwards	-126	-138	-	-2
Change in other temporary differences	-235	-25	-	-
Remeasurement of deferred tax due to new tax rate	37	37	-	0
Total deferred tax	-1,419	-2,400	17	-11
Total recognised tax	-1,807	-2,659	7	-16

RECONCILIATION OF EFFECTIVE TAX

Group, SEKm	2020, %	2020	2019, %	2019
Profit before tax		9,083		14,185
Tax according to applicable tax rate for the parent company	21.4	-1,944	21.4	-3,036
Difference between profit for tax purposes and the recognised profit on sale of property	-0.3	30	-0.1	15
Tax on participations in profits from associated companies/joint ventures	-2.1	192	-1.3	180
Tax attributable to previous years	0.3	-30	0.0	-5
Differences in foreign tax rates	-0.3	25	-0.7	98
Non-taxable income/non-deductible expenses, etc.	1.3	-117	-0.4	53
Remeasurement of deferred tax due to new tax rate	-0.4	37	-0.3	37
Reported effective tax	19.9	-1,807	18.7	-2,659
Parent Company, SEKm	2020, %	2020	2019, %	2019
Profit before tax		1,608		1,042
Tax according to applicable tax rate for the parent company	21.4	-344	21.4	-223
Non-taxable income/non-deductible expenses, etc.	-9.1	147	-3.4	35
Tax-exempt dividend	-13.0	209	-16.5	172
Tax attributable to previous years	0.3	-4	0.1	-1
Remeasurement of deferred tax due to new tax rate	0.0	-1	-0.0	0
Reported effective tax	-0.5	7	1.6	-16

The Swedish Parliament has decided that corporation tax shall be reduced in two stages. The first reduction took place in 2019 to 21.4% and the second reduction will take place in 2021 to 20.6%. Deferred taxes are remeasured based on the tax rate that applies at the time when the deferred tax is expected to be settled.

Contd. **Note 10** Income tax

Recognised in the balance sheet

DEFERRED TAX ASSETS AND TAX LIABILITIES

Group 2020, SEKm	Deferred tax assets	Deferred tax liabilities	Net
<i>Deferred tax assets and tax liabilities relate to the following:</i>			
Properties	-	-12,497	-12,497
Derivatives	226	-	226
Loss carryforwards	93	-	93
Other temporary differences	-	-319	-319
Set-off	-319	319	-
Total	-	-12,497	-12,497

No non-capitalised assessed loss carryforwards exist. The measured deficit totals SEK 451 million (1,140).

Parent Company 2020, SEKm	Deferred tax assets	Deferred tax liabilities	Net
<i>Deferred tax assets and tax liabilities relate to the following:</i>			
Derivatives	158	-	158
Other temporary differences	-	-67	-67
Set-off	-67	67	-
Total	91	-	91

No loss carryforwards exist.

CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

Group, SEKm	Balance as of 01/01/2020	Recognised in the income statement	Acquisitions and divestments of companies	Balance as of 31/12/2020
Properties	-11,609	-1,095	208	-12,497
Derivatives	199	24	2	226
Capitalisation of the value of loss carryforwards	235	-121	-20	93
Other temporary differences	-110	-227	17	-319
Total	-11,285	-1,419	207	-12,497

Group, SEKm	Balance as of 01/01/2019	Recognised in the income statement	Acquisitions and divestments of companies	Balance as of 31/12/2019
Properties	-9,295	-2,292	-22	-11,609
Derivatives	149	48	2	199
Capitalisation of the value of loss carryforwards	359	-133	8	235
Other temporary differences	-70	-24	-16	-110
Total	-8,857	-2,400	-28	-11,285

Parent Company, SEKm	Balance as of 01/01/2020	Recognised in the income statement	Balance as of 31/12/2020
Derivatives	129	29	158
Other temporary differences	-54	-12	-67
Total	74	17	91

Parent Company, SEKm	Balance as of 01/01/2019	Recognised in the income statement	Balance as of 31/12/2019
Derivatives	92	37	129
Capitalisation of the value of loss carryforwards	2	-2	-
Other temporary differences	-8	-46	-54
Total	85	-11	74

NOTE 11 Earnings per share



ACCOUNTING POLICY

Earnings per share before dilution are calculated by dividing the profit for the year attributable to the parent company's shareholders by the parent company's weighted average number of outstanding shares for the financial year. Earnings per share after dilution are calculated by dividing the profit for the year attributable to the parent company's shareholders by the weighted average number of outstanding shares after dilution.

EARNINGS PER SHARE WERE COMPUTED IN THE FOLLOWING WAY:

Parent Company, SEKm	2020	2019
Net profit for the year attributable to the parent company's shareholders	6,641	8,958
Total	6,641	8,958
<i>Weighted average number of shares</i>		
Total number of shares on 1 January	180,000,000	180,000,000
Weighted average number of shares before dilution	180,000,000	180,000,000
Effect of newly issued shares	515,027	-
Weighted average number of shares after dilution	180,515,027	180,000,000
Earnings per share before dilution, SEK	36.90	49.77
Earnings per share after dilution, SEK	36.79	49.77

NOTE 12 Investment properties



ACCOUNTING POLICY

Investment properties

Investment properties are properties that are held with the aim of receiving rental income or appreciation in value or a combination of both. Investment properties are initially recognised at cost, which includes expenses and borrowing costs directly related to the acquisition. Investment properties are recognised according to the fair value method. The fair value is based on internal valuations which are reconciled as required with external independent valuation institutes. Fair value is based on the market value, which is the estimated amount that would be received in a transaction on the valuation date between knowledgeable parties that are independent of one another and that have an interest in completing the transaction after customary marketing, where both parties are assumed to have acted discerningly, wisely and without compulsion. Both unrealised and realised changes in value are recognised in the income statement. Valuations are performed at the end of each quarter.

Revenue from the sale of properties is recognised when the control of the property has been transferred to the buyer. However, an enforceable right to payment does not arise until ownership has been transferred to the buyer. Revenue is therefore recognised at the time when ownership is transferred to the buyer. Ownership of the property (regardless of whether the property is sold separately or via a company transaction) is normally transferred on the date of taking possession. The revenue is valued at the contractual transaction price as the consideration usually falls due for payment when ownership has been transferred.

If the Group starts a conversion of an existing investment property for continued use as an investment property, the property will continue to be recognised as an investment property. The property is recognised according to the fair value method and is not reclassified as property, plant and equipment during the conversion period.

Additional expenditure is added to the carrying amount only if 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 way. Other additional expenditure is recognised as a cost in the period in which it arises. The assessment of whether additional expenditure is added to the carrying amount depends on whether the expenditure concerns the replacement of identified components, or parts thereof, whereupon such expenditure is capitalised. Even in cases where new components are created, the expenditure is added to the carrying amount.

The part of financial costs that pertains to major new construction, extensions or conversions is capitalised. The capitalised interest rate is based on the weighted average borrowing cost for the Group.

Development properties, such as, for example, new construction of tenant-owner's apartments with the intention of being sold are not included as part of the investment properties. For information on development properties, see Note 16, Development properties.



ESTIMATES AND JUDGEMENTS

Investment properties

When valuing investment properties, estimates and judgements can have a significant impact on the Group's recognised profit and position. Internal valuations of investment properties require estimates and judgements of and assumptions about, for example, future cash flows and definitions of yield requirements for each individual property. Judgements made affect the carrying amount in the balance sheet for the item Investment properties and in the income statement for the item Changes in value of investment properties, unrealised. When a transaction is completed, Balder performs a reconciliation with judgements made. Balder also monitors relevant property transactions completed on an ongoing basis. Internal valuations of the whole property portfolio are conducted in connection with each quarterly report. In order to reflect the uncertainty that exists in assumptions, estimates and judgements performed, the values normally include what is known as a valuation range of +/- 5-10%. In order to ensure the quality of Balder's internal valuations, Balder continuously performs external valuations of parts of the portfolio and obtains second opinions¹⁾ on internal valuations. The external valuations were carried out during the year by CBRE, Cushman & Wakefield, JLL and Newsec. Second opinions were conducted by JLL during the year. The discrepancies between external and internal values have historically been insignificant.

Classification of acquisitions

For each acquisition, an assessment is made of whether the acquisition is to be classified as a business acquisition or an asset acquisition. An individual assessment is made of each individual transaction. From 1 January 2020, the amendment to IFRS 3 is applied, which means, among other things, that a voluntary concentration test can be applied to simplify the assessment of whether the transaction is not an activity/business. For all of this year's acquisitions, the assessment has meant that the transactions have been classified as asset acquisitions. See also Note 1, Accounting principles, under the heading Consolidation principles.

1) Review performed by external valuation company of used valuation method.

Group, SEKm	2020	2019
Opening fair value	141,392	116,542
Acquisitions	3,491	8,439
Investments in existing properties and projects	4,054	6,567
Changes in value, unrealised	3,429	9,562
Divestments	-342	-1,036
Currency changes	-2,845	789
Reclassification from/to development properties	-	528
Closing fair value	149,179	141,392

Contd. **Note 12 Investment properties**

Right of use assets attributable to site leasehold agreements and leases do by definition form part of the value of the investment properties. The Group has chosen to recognise these in a separate line item in the balance sheet and also to recognise these separately in disclosures. Disclosures about the change in value of site leasehold rights may be found in Note 8, Leases.

Valuation model

Investment properties are recognised at fair value in the consolidated statement of financial position and changes in value are recognised in the consolidated income statement. All investment properties are deemed to be at Level 3 in the fair value hierarchy according to IFRS 13 Fair Value Measurement. The fair value of the properties is based on internal valuations. Properties in Sweden, Denmark, Finland, Norway, Germany and the UK are valued using the yield method.

In Finland, in addition to the return method, valuation of acquisition cost is also used. The properties in Russia are valued using the sales comparison method.

The Group's building rights are valued at acquisition cost.

Properties under construction and project properties for own management are valued at market value reduced by estimated construction costs and project risk which usually coincides in a valuation at acquisition cost. Fair value is the estimated amount that would be obtained in a transaction at the time of value between knowledgeable parties who are independent of each other and who have an interest in the transaction being carried out after customary marketing, where both parties are presumed to have acted insightfully, wisely and without coercion.

As of the balance sheet date, Balder has carried out an internal valuation of the entire property portfolio.

The yield method

When valuing using the yield method, each property is valued by computing the present value of future cash flows, i.e. future rental payments minus estimated operating and maintenance payments as well as the residual value in ten years. Estimated rent payments as well as operating and maintenance payments have been derived from current rental income as well as operating and maintenance costs. The cash flow is adapted to the market by taking account of any changes in the occupancy rate and letting levels, as well as operating and maintenance payments. An inflation rate of 2% has been assumed in all cash flow calculations. Properties equivalent to about 98% of the total market value were valued by the yield method.

The acquisition cost method

The acquisition cost method is applied for properties subject to rent control in Finland. Properties equivalent to about 1% of the total market value were valued at cost. Initially, these properties are valued at cost of acquisition plus transaction costs and subsequently at cost of acquisition minus any impairment losses.

The sales comparison method

When valuing with the sales comparison method, quoted prices on the market are used for comparable objects. The sales comparison method is used for the properties in Russia. Properties corresponding to about 1% of the total market value are valued using the sales comparison method.

Internal and external valuations

Market value assessments of properties always involve a certain degree of uncertainty in assumptions and estimates. The uncertainty in respect of individual properties is normally considered to be in the range of +/- 5–10% and should be regarded as the uncertainty, which is part of the assumptions and estimates made. The range can be greater in a less liquid market. For Balder, a range of uncertainty of +/- 5% means a value range of SEK +/- 7,459 million, equivalent to a range of SEK 141,720–156,638 million.

To ensure the quality of Balder's internal valuations, Balder performs external valuations on an ongoing basis on parts of the portfolio and obtains second opinions on internal valuations.

During the year, external valuations were obtained for approximately 21% (23) of the investment properties excluding projects for own management, corresponding to SEK 31 billion (31) and second opinions were obtained for 31% (32) of the investment properties excluding projects for own management, corresponding to SEK 45 billion (44). The difference between the external ones valuations and internal valuations were less than 1%. The discrepancies between external and internal values have historically been insignificant. For more information on Balder's valuation methods, see pages 31–32.

Changes in value

Balder performed an individual internal valuation on the entire property portfolio as of 31 December. Unrealised changes in value during the year totalled SEK 3,429 million (9,562) of which 70% is attributable to residential properties. Of the total unrealised change in value is 40% related to completed projects. Realised changes in value amounted to SEK 24 million (14).

Rent payments

The rental trend is estimated to follow inflation taking account of prevailing index clauses in leases during their terms. When leases expire, an assessment is made of whether the lease is deemed to be extended at the prevailing market rent level and whether there is a risk of the premises becoming vacant. Vacancies are considered on the basis of the current vacancy situation with a gradual adjustment to expected market-related vacancy rates taking account of the property's individual conditions.

Operating and maintenance payments

Outcomes, budgetary and projection data as well as estimated standardised costs have been used in the assessment of the property's future property costs.

Yield

Yield requirements and cost of capital used in calculations have been derived from comparable transactions in the property market. Important factors in choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property. The yield requirement is shown in the table below.

The average yield as of the closing date was 4.5% (4.5).

As of 31 December 2020, according to Balder's valuation, the total property value was SEK 149,179 million (141,392). For more information, see the Report of the Board of Directors and the Sensitivity Analysis on page 39.

Projects for own management

Balder had projects for own management totalling SEK 4.6 billion (5.3) as of 31 December. Projects for own management that are under construction has an estimated total investment of SEK 6.9 billion (7.2), of which SEK 3.8 billion (4.7) is invested and SEK 3.1 billion (2.5) remains to be invested. Most of the ongoing projects refers to housing projects with owner apartments for rental use. The projects include about 2,300 apartments (2,200) and mainly refers to about 1,100 apartments in Copenhagen and about 600 apartments in Helsinki.

Other investment commitments

Balder has signed an agreement to, with access in January 2021, acquire the real estate group Masmästaren. As of the financial statements, there is an investment commitment of SEK 2,698 million.

SENSITIVITY ANALYSIS, EXCLUDING PROJECT PROPERTIES

Effect on value, SEKm	Change	Change in value, SEKm
Yield requirements	+/- 0.25%-points	- 7,639/+ 8,541
Rental income	+/- 5%	+ 9,077/- 9,077
Property costs	+/- 5%	- 1,841/+ 1,841

Impact on value, SEKm	Residential properties	Commercial properties
+/- 5% change in value	+/- 4,151	+/- 3,077

Region	Mean value of yield requirement for estimation of residual value, %
Helsinki	4.84
Stockholm	4.16
Gothenburg	4.48
Copenhagen	3.66
South	4.79
East	4.89
North	4.36

Property category	Mean value of yield requirement for estimation of residual value, %
Residential properties	4.3
Commercial properties	4.7

The yield requirement is the single most important parameter during valuation. Generally speaking, residential has a lower yield requirement, mainly due to a secure cash flow and low risk.

NOTE 13 Other property, plant and equipment



ACCOUNTING POLICY

Property, plant and equipment

Owned assets

Property, plant and equipment are recognised as an asset in the consolidated statement of financial position if it is probable that future economic benefits will accrue to the company and the cost of the asset can be reliably measured.

Property, plant and equipment are recognised in the Group at cost minus accumulated depreciation and any impairment losses. The purchase price is included in the cost as well as expenses directly attributable to the asset in order to bring it to the location and in the condition to be used in accordance with the aim of the acquisition.

The carrying amount of an item of property, plant and equipment is derecognised on retirement, disposal or when no future economic benefits can be expected from use of the asset. Gains or losses arising from disposal or retirement of an asset consist of the difference between the selling price and the asset's carrying amount minus directly related selling expenses. Gains and losses are recognised as other operating income/expenses.

Additional expenditure

Additional expenditure is added to cost only if 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 way. Other additional expenditure is recognised as a cost in the period in which it arises. The assessment of whether additional expenditure is added to cost depends on whether the expenditure concerns the replacement of identified components, or parts thereof, whereupon such expenditure is capitalised. Even in cases where new components are created, the expenditure is added to the cost. Repairs are recognised as expenses on an ongoing basis.

Depreciation methods

Assets are depreciated on a straight-line basis over their estimated useful lives.

Property, plant and equipment	Useful life
Equipment	3–10 years
Wind farms	10–20 years

There is an annual review of an asset's residual value and useful life.

EQUIPMENT

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Cost				
Opening balance	257	200	31	28
Purchases	24	66	5	9
Disposals and retirements	-4	-9	-2	-6
Closing balance	277	257	34	31
Depreciation				
Opening balance	-98	-85	-8	-11
Disposals and retirements	4	8	2	6
Depreciation	-27	-21	-6	-4
Closing balance	-121	-98	-12	-8
Carrying amount equipment	155	159	22	23

WIND FARMS

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Cost				
Opening balance	164	164	30	30
Closing balance	164	164	30	30
Depreciation and impairments				
Opening balance	-158	-156	-30	-30
Depreciation	-2	-2	-	-
Closing balance	-160	-158	-30	-30
Carrying amount windfarms	5	7	-	-
Total carrying amount equipment and windfarms	160	166	22	23

Depreciation is recognised in administrative expenses and media expenses.

NOTE 14 Participations in associated companies/joint ventures



ACCOUNTING POLICY

Group

Associated companies

Associated companies are companies over which Balder has significant influence. Significant influence means the opportunity to participate in decisions relating to the company's financial and operational strategies, but does not imply control or joint control. Normally, ownership equivalent to at least 20% and up to 50% of the votes means that a significant influence is held. Circumstances in the individual case can result in a significant influence even with ownership of less than 20% of the votes.

Joint ventures

A joint venture is a joint arrangement whereby the parties that exercise joint control over the arrangement are entitled to the net assets from the arrangement. Joint control exists when the joint exercise of control over an operation is regulated through an agreement. It only exists when the parties that share control must give their consent in connection with decisions regarding the operation.

Associated companies and joint ventures are recognised in the Group according to the equity method. The equity method means that participations in an associated company are recognised at cost at the date of acquisition and are subsequently adjusted by the Group's participation in the change in the associated company's net assets. Dividends received from associated companies are deducted from the carrying amount. Profit participations in associated companies are recognised on separate lines in the consolidated statement of comprehensive income and in the consolidated statement of financial position. Participations in the profits of associated companies are recognised after tax. The equity method is applied until the date when the significant influence ceases.

Parent Company

Participations in associated companies are recognised in the parent company in accordance with the cost method. Received dividends are only recognised as income provided that they pertain to profits earned subsequent to the acquisition. Dividends which exceed this earned profit are treated as a repayment of the investment and reduce the carrying amount of the participation.

GROUP HOLDINGS OF PARTICIPATIONS IN ASSOCIATED COMPANIES/JOINT VENTURES 2020

Company	Corporate ID number	Reg. office	Number of shares	Share, %	Type of holding	Value of share of equity in the Group, SEKm	Carrying amount in Parent Company, SEKm
Collector AB	556560-0797	Gothenburg	90,501,180	44	Associated company	2,326	1,196
Tulia AB	556712-9811	Gothenburg	50,000	50	Joint venture	1,001	-
Fastighets AB Centur	556813-6369	Stockholm	5,000	50	Joint venture	863	4
Fixfabriken Holding AB	556949-3702	Gothenburg	50,000	50	Joint venture	1	-
Chirp AB	556915-7331	Stockholm	17,000	34	Associated company	6	-
Tornet Bostadsproduktion AB	556796-2682	Stockholm	1,666,667	33	Joint venture	644	-
Brinova Fastigheter AB	556840-3918	Helsingborg	18,420,302	22	Associated company	420	-
Fastighets AB Tornet	559008-2912	Gothenburg	500	50	Joint venture	164	-
Trenum AB	556978-8291	Gothenburg	500	50	Joint venture	1,288	400
Norra Backaplan Bostads AB	556743-0276	Gothenburg	33,333	33	Joint venture	170	-
Sjalsö Management ApS	35394923	Copenhagen	392	49	Associated company	65	-
SHH Bostad AB	559007-1824	Stockholm	808,088	20	Associated company	99	100
SB Bostad i Stockholm AB	559094-8914	Stockholm	250	50	Joint venture	2	-
Serena Properties AB ¹⁾	559023-2707	Stockholm	2,799,998	56	Joint venture	578	309
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	Joint venture	195	-
Sinoma Fastighets AB	559161-0836	Stockholm	245	49	Associated company	649	434
Grunnsteinen AS	919 424 427	Asker	1,000	50	Joint venture	0	-
Zenit AS	918 773 924	Asker	180,000	50	Joint venture	98	-
Bostadsutveckling Kungens Kurva AB	559056-7888	Solna	250	50	Joint venture	2	-
Homestate AB	559179-2253	Jönköping	167	33	Joint venture	0	0
Heimdal Sentrum Utvikling AS	822 336 752	Trondheim	15,000	50	Joint venture	0	-
Steinan Holding AS	822 404 502	Oslo	30,000	50	Joint venture	85	-
Boo AS	921 580 614	Oslo	850,000	33	Associated company	1	-
Ängsladan Fastighetsförvaltning i Lund AB	559148-5783	Vetlanda	25,000	50	Joint venture	21	-
White Peak IV Limited	126219	Jersey	21	20	Associated company	163	-
iBoxen Infrastruktur Sverige AB	559254-3705	Stockholm	350	35	Associated company	3	3
AMW Gruppen i Götaland AB	559218-0433	Växjö	270	50	Joint venture	20	-
Anthon B Nilsen Eiendom AS	885857582	Oslo	4,377	50	Joint venture	614	-
Karlatornet AB	559185-8526	Gothenburg	250	50	Joint venture	0	-
Entra ASA ²⁾	999 296 432	Oslo	32,261,713	18	Associated company	5,981	5,981
MAJLLBPN AB	559272-6318	Stockholm	125	50	Joint venture	0	-
MILLENNIUM HoldCo ApS	38252283	Nordhavn	50,000	50	Joint venture	137	-
HE Prosjektinvest AS	918 984 186	Trondheim	500,000	50	Joint venture	0	-
Total						15,593	8,426

1) Balder owns 56% of Serena Properties AB. Balder exercises joint control through an agreement, and the company is thus recognised according to the equity method in the Group.

2) Balders share has increased to over 25% during January 2021. For further information see Note 32 Other income/expenses.

Contd. **Note 14** Participations in associated companies/joint ventures

ACCUMULATED COST

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Opening balance	7,018	6,219	1,972	1,880
Acquisition of associated companies/joint ventures ¹⁾	6,954	4	5,981	0
Divestment of associated companies/joint ventures	-	-15	-73	-15
Associated companies/joint ventures that were reclassified as subsidiaries ²⁾	-	-471	-	-
Dividend from associated companies/joint ventures	-20	-41	-	-
Participations in the profits of associated companies/joint ventures after tax	897	876	-	-
Change in equity of associated companies/joint ventures (shareholders' contribution)	743	446	546	106
Closing balance	15,593	7,018	8,426	1,972

1) Acquisitions of associated companies during the year referred primarily to participations in Entra ASA och Anthon B Nilsen Eiendom AS.
2) This item during 2019 referred to Första Långgatan Fastigheter i GBG HB and Balder Skåne AB.

GROUP HOLDINGS OF PARTICIPATIONS IN ASSOCIATED COMPANIES/JOINT VENTURES 2019

Company	Corporate ID number	Reg. office	Number of shares	Share, %	Type of holding	Value of share of equity in the Group, SEKm	Carrying amount in Parent Company, SEKm
Collector AB	556560-0797	Gothenburg	45,250,590	44	Associated company	1,752	744
Tulia AB	556712-9811	Gothenburg	50,000	50	Joint venture	901	-
Fastighets AB Centur	556813-6369	Stockholm	5,000	50	Joint venture	775	4
Fixfabriken Holding AB	556949-3702	Gothenburg	50,000	50	Joint venture	3	-
Chirp AB	556915-7331	Stockholm	17,000	34	Associated company	6	-
Tornet Bostadsproduktion AB	556796-2682	Stockholm	1,666,667	33	Joint venture	500	-
Brinova Fastigheter AB	556840-3918	Helsingborg	18,420,302	25	Associated company	384	-
Fastighets AB Tornet	559008-2912	Gothenburg	500	50	Joint venture	162	-
Trenum AB	556978-8291	Gothenburg	500	50	Joint venture	1,022	350
Norra Backaplan Bostads AB	556743-0276	Gothenburg	33,333	33	Joint venture	170	-
Sjaelsö Management ApS	35394923	Copenhagen	392	49	Associated company	63	-
SHH Bostad AB	559007-1824	Stockholm	808,088	20	Associated company	95	100
SB Bostad i Stockholm AB	559094-8914	Stockholm	250	50	Joint venture	1	-
Serena Properties AB	559023-2707	Stockholm	2,799,998	56	Joint venture	437	268
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	Joint venture	158	73
Sinoma Fastighets AB	559161-0836	Stockholm	245	49	Associated company	582	434
Grunnsteinen AS	919 424 427	Asker	1,000	50	Joint venture	0	-
Zenit AS	918 773 924	Asker	180,000	50	Joint venture	2	-
Bostadsutveckling Kungens Kurva AB	559056-7888	Solna	250	50	Joint venture	3	-
Homestate AB	559179-2253	Jönköping	167	33	Joint venture	0	-
Heimdal Sentrum Utvikling AS	822 336 752	Trondheim	15,000	50	Joint venture	0	-
Steinan Holding AS	822 404 502	Oslo	30,000	50	Joint venture	1	-
Boo AS	921 580 614	Oslo	850,000	33	Associated company	1	-
Total						7,018	1,972

ASSOCIATED COMPANIES/JOINT VENTURES STATEMENT OF COMPREHENSIVE INCOME

SEKm	Total (100%)		Balder's holding	
	2020	2019	2020	2019
Rental income	4,423	1,864	892	816
Property costs	-682	-442	-178	-173
Net operating income	3,741	1,422	714	643
Management costs and administrative expenses	-358	-145	-66	-64
Participations in the profits of associated companies	139	-	-	-
Other operating income ¹⁾	496	860	213	385
Operating profit	4,018	2,137	862	964
Net interest	-991	-385	-197	-175
Changes in value	7,362	679	489	297
Profit before tax	10,389	2,431	1,153	1,087
Of which non-controlling interests	-234	-4	-1	-2
Tax	-2,256	-488	-254	-209
Net profit for the year	7,899	1,940	897	876
- of which Profit from property management	2,612	1,749	663	787

1) Mostly relates to Collector AB. Of which the profit from property management from Collector totals SEK 174 million (341).

ASSOCIATED COMPANIES/JOINT VENTURES STATEMENT OF FINANCIAL POSITION

SEKm	Total (100%)		Balder's holding	
	2020	2019	2020	2019
Investment properties	96,143	33,745	28,073	14,898
Other assets	8,661	4,796	3,218	2,118
Equity/shareholders' loans	51,721	18,299	15,613	8,236
Liabilities	53,083	20,242	15,677	8,780

Entra ASA and Anthon B Nilsen Eiendom AS are included as associated companies as of 31 December 2020. The companies were acquired at the end of December and has therefore not affected the year's profit regarding Balder's ownership share of the income statement above.

NOTE 15 Other non-current receivables



ACCOUNTING POLICY

Other non-current receivables are recognised in accordance with the principles described in Note 22 in respect of financial assets measured at accrued cost.

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Receivables from the Group's associated companies	2,077	1,392	1,817	1,189
Other non-current receivables	224	56	1	1
Total	2,302	1,448	1,817	1,190

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Opening balance	1,448	1,293	1,190	904
Changes in loans to associated companies/joint ventures	686	333	627	286
Changes in other non-current receivables	168	-178	-	-
Closing balance	2,302	1,448	1,817	1,190

The Group has receivables from associated companies/joint ventures on which interest is calculated on market conditions. See also Note 30, Related parties.

NOTE 16 Development properties



ACCOUNTING POLICY

A development property is a property that is held for processing with the intention of being sold, either in its entirety or per apartment, upon completion. Development properties consist partly of land where construction has not begun and partly of projects where construction has begun. Ongoing construction essentially refers to new production of tenant-owner's apartments with the intention of being sold at completion. These properties are reported on an ongoing basis at acquisition value on the line "Development properties" among current assets in the balance sheet and are valued at the lower of acquisition value and net sales value.

Revenues from the sale of development properties refer to compensation from the sale of condominium projects, condominium shares and development properties. In connection with the sale of condominiums, compensation received as income and as an expense the apartment's assessed share of the production cost, or for externally acquired condominium shares, the apartment's book value is reported. Revenue from the sale of development properties is reported as compensation received and as a cost incurred production cost. Income and expenses are reported in the income statement in connection with the home/property being completed, sold and handed over to the buyer. Marketing and sales costs are reported on an ongoing basis in the income statement as they arise.

Investments and divestments are reported during investing activities in the Group's report on cash flows.

In addition to investment properties, Balder owns development properties to a value of SEK 2,803 million (2,344).

Development projects that are under construction have an estimated total investment of SEK 2.3 billion (2.3), of which SEK 1.2 billion (1.1) has been closed and SEK 1.1 billion (1.2) remains to be invested. All of the projects relate to housing projects that are sold to end customers. The projects comprise approximately 660 apartments (700) and mainly concern approximately 550 tenant-owner's apartments in Sweden.

During the year, a total of six projects were recognized in the income statement. The acquisition cost for all the divested projects for the year amounted to SEK -1,079 million (-292) and the results from the sales amounted to SEK 174 million (95), including marketing and sales costs of SEK -20 million.

SEKm	Group	
	2020	2019
Carrying amount at beginning of year	2,344	1,598
Reclassification to/from investment properties	-	-528
Accrued project costs	1,518	1,566
Divestments	-1,059	-292
Book value of development properties	2,803	2,344

NOTE 17 Trade receivables



ACCOUNTING POLICY

Trade receivables are recognised in accordance with the principles described in Note 22 in respect of financial assets measured at accrued cost.

Trade receivables are recognised and measured at the amount that is expected to be received minus the provision for credit losses. Earnings in 2020 were impacted by SEK -22 million (-12) in respect of actual and expected bad debt losses. Trade receivables are of a short-term nature, which means that they are recognised as current assets, corresponding to fair value.

Age distribution of trade receivables

Group, SEKm	2020	2019
-30 days	301	216
31-60 days	33	20
61-90 days	8	4
91 days-	72	51
Total	414	291
Provision for credit losses	-72	-51
Trade receivables, net	343	241

Provision for credit losses

Group, SEKm	2020	2019
Opening balance	-51	-34
Reclassifications	-	-8
Confirmed bad debts during the year	1	3
Change in credit loss provision during the year	-22	-12
Closing balance	-72	-51

NOTE 18 Prepaid expenses and accrued income

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Insurance policies	4	4	-	-
Interest income	5	2	-	-
Interest expenses	84	113	78	107
Rental income	17	11	-	-
Property costs	477	303	-	-
Other financial income	53	29	53	29
Other items	10	15	1	0
Total	650	478	133	137

NOTE 19 Financial investments



ACCOUNTING POLICY

Financial investments are recognised in accordance with the principles described in Note 22 in respect of financial assets measured at fair value via the income statement.

SEKm	Group		Parent Company	
	2020	2019	2020	2019
<i>Securities</i>				
Shares and bonds	2,659	1,523	2,078	1,051
Total	2,659	1,523	2,078	1,051

NOTE 20 Equity

Share capital

In November, Balder carried out a directed new issue of 6,500,000 Class B shares, which brought in SEK 2,930 million after issue costs. For existing shareholders, the issue had a dilution effect of 3.61% in relation to the number of shares and 2.31% in relation to the number of votes. After the issue and as of December 31, the share capital in Balder amounted to SEK 186,500,000 divided into 186,500,000 shares. Each share has a quotient value of SEK 1, of which 11,229,432 of Class A and 175,270,568 of Class B. The total number of outstanding shares as of December 31 amounted to 186,500,000. Each share of Class A entitles to one vote and each share of Class B entitles to one tenth of a vote. The holder of ordinary shares is entitled to a dividend that is determined gradually. The shareholding entitles the holder to vote at the AGM.

Other contributed capital

Other contributed capital refers to equity contributed by the owners. This includes share premiums paid in connection with new issues.

Translation differences

Refers to currency translation differences arising due to translation of foreign operations.

Share capital development

Day	Month	Year	Event	Change in number of shares	Total number of shares	Total number of outstanding shares	Quota value per share, SEK	Change in share capital, SEK	Total share capital, SEK
27	June	2005	Start date		75,386,104	75,386,104	1.00		75,386,104
18	August	2005	Issue in kind	2,000,002	77,386,106	77,386,106	1.00	2,000,002	77,386,106
18	August	2005	Reduction of the share capital by decreasing nominal amount	-	77,386,106	77,386,106	0.01	-76,612,245	773,861
18	August	2005	Issue in kind	1,287,731,380	1,365,117,486	1,365,117,486	0.01	12,877,314	13,651,175
18	August	2005	Set-off issue	18,846,514	1,383,964,000	1,383,964,000	0.01	188,465	13,839,640
18	August	2005	Consolidation of nominal amount to SEK 1	-1,370,124,360	13,839,640	13,839,640	1.00	-	13,839,640
27	January	2006	Issue in kind	1,000,000	14,839,640	14,839,640	1.00	1,000,000	14,839,640
9	October	2006	Issue in kind	1,380,000	16,219,640	16,219,640	1.00	1,380,000	16,219,640
		2008	Repurchase of own shares	-476,600	16,219,640	15,743,040	1.00	-	16,219,640
28	August	2009	Issue in kind	9,171,502	25,391,142	24,914,542	1.00	9,171,502	25,391,142
4	June	2010	Bonus issue	76,173,426	101,564,568	99,658,168	1.00	-	101,564,568
1	February	2011	New share issue	6,700,000	108,264,568	106,358,168	1.00	6,700,000	108,264,568
20	May	2011	Bonus issue	54,132,284	162,396,852	159,537,252	1.00	-	162,396,852
16	June	2011	Directed new issue of preference shares	4,000,000	166,396,852	163,537,252	1.00	4,000,000	166,396,852

Reserves

This item refers to cash flow hedges after tax. Cash flow hedges mainly refer to interest rate hedges.

Retained earnings including net profit for the year

Retained earnings including net profit for the year includes profits earned in the parent company and its subsidiaries. This item also includes previous transfers to statutory reserves.

Non-controlling interests

The item refers to the minority's share of equity in non-wholly owned subsidiaries and mainly refers to SATO Oyj where Balder's ownership share amounts to 56.0% (54.7), and Asuntoyhtymä Group Oy where the ownership share amounts to 75.0% (75.0). For further information, see Note 21, Non-controlling interests.

Dividend

The Board proposes to the Annual General Meeting that no dividend (-) be declared for the financial year 2020.

Appropriation of profits

The Board has proposed that the profit at the disposal of the annual general meeting of SEK 16,611,553,712 shall be appropriated as follows; to be carried forward SEK 16,611,553,712.

Contd. **Note 20** Equity

Day	Month	Year	Event	Change in number of shares	Total number of shares	Total number of outstanding shares	Quota value per share, SEK	Change in share capital, SEK	Total share capital, SEK
31	January	2012	Set-off issue of preference share	1,000,000	167,396,852	164,537,252	1.00	1,000,000	167,396,852
11	October	2012	Set-off issue of preference share	1,000,000	168,396,852	165,537,252	1.00	1,000,000	168,396,852
24	May	2013	Directed new issue of preference shares	500,000	168,896,852	166,037,252	1.00	500,000	168,896,852
22	October	2013	Directed new issue of preference shares	3,500,000	172,396,852	169,537,252	1.00	3,500,000	172,396,852
19	March	2014	Disposal of repurchased shares	2,859,600	172,396,852	172,396,852	1.00	-	172,396,852
18	December	2015	Directed new issue of ordinary shares	10,000,000	182,396,852	182,396,852	1.00	10,000,000	182,396,852
23	September	2016	Directed new issue of ordinary shares	3,000,633	185,397,485	185,397,485	1.00	3,000,633	185,397,485
16	December	2016	Set-off issue	4,602,515	190,000,000	190,000,000	1.00	4,602,515	190,000,000
12	October	2017	Redemption of preference capital	-10,000,000	180,000,000	180,000,000	1.00	-10,000,000	180,000,000
30	November	2020	Directed new issue of ordinary shares	6,500,000	186,500,000	186,500,000	1.00	6,500,000	186,500,000
31	December	2020			186,500,000	186,500,000			186,500,000

NOTE 21 Non-controlling interests

Below is a summary of financial information for significant holdings without a controlling influence in the Group. The amounts reported are based on the amounts included in the consolidated financial statements. Only net assets in which non-controlling interests have a share are included.

SATO Oyj (corporate identity number 0201470-5) is one of Finland's largest real estate companies focusing on housing. The company invests primarily in homes located in Greater Helsinki, Tampere and Turku. Non-controlling interests in SATO Corporation amount to 44.0% (45.3).

Asuntoyhtymä Group Oy (corporate identity number 2808794-5) is a growing real estate company focused on newly produced homes in the largest cities in Finland. The company attaches great importance to optimizing the size and efficiency of the apartments' floor plans. Non-controlling interests in Asuntoyhtymä Group Oy amount to 25.0% (25.0).

Both subsidiaries operate in Finland and are based in Helsinki.

Holding	SATO Oyj		Asuntoyhtymä Group Oy	
	2020	2019	2020	2019
Balder, share, %	56,0	54,7	75,0	75,0
Non-controlling interests, %	44,0	45,3	25,0	25,0
Total	100,0	100,0	100,0	100,0

Balance sheet in summary, SEKm	SATO Oyj		Asuntoyhtymä Group Oy	
	2020	2019	2020	2019
Investment properties	47,193	48,080	3,558	2,109
Other non-current assets	837	900	0	1
Current assets	3,208	248	39	64
Total assets	51,238	49,228	3,597	2,173
Liabilities	25,673	22,562	2,956	2,118
Current liabilities	3,927	5,217	26	26
Total liabilities	29,600	27,779	2,982	2,144
Net assets	21,638	21,449	614	29
Reported value non-controlling interests	9,472	9,690	154	7

Statement of comprehensive income in summary, SEKm	SATO Oyj		Asuntoyhtymä Group Oy	
	2020	2019	2020	2019
Income	3,181	3,130	189	118
Net profit for the year	1,069	5,664	613	26
Other comprehensive income	-21	-56	0	0
Comprehensive income for the year	1,048	5,609	613	26
Net profit for the year related to non-controlling interests	470	2,564	153	7
Dividend paid to non-controlling interests	-	135	-	-
Cash flow statement, SEKm	2020	2019	2020	2019
Cash flow from operating activities	1,240	982	38	35
Cash flow from investing activities	-1,551	-1,969	-753	-1,251
Cash flow from financing activities	2,965	981	722	1,230
Increase/decrease in cash and cash equivalents	2,654	-5	7	14

NOTE 22 Financial risk management



ACCOUNTING POLICY

Financial instruments

Financial instruments are measured and recognised in the Group in accordance with the rules in IFRS 9. Financial instruments on the asset side that are recognised in the consolidated statement of financial position include cash and cash equivalents, financial investments, trade receivables and other non-current receivables (receivables from associated companies) as well as derivatives with a positive value. Liabilities include trade payables, borrowings and derivatives with a negative value.

A financial asset or financial liability is carried in the consolidated statement of financial position when the company becomes a party to the contractual terms of the instrument. Trade receivables are carried in the balance sheet when the invoice has been sent. Rent receivables are recognised as a receivable in the period when performance, which corresponds to the receivable's value, has been delivered and payments corresponding to the value of the receivable have still not been received. A liability is recognised when the counterparty has performed a service and a contractual payment obligation exists, even if the invoice has not yet been received. Trade payables are recognised when the invoice has been received.

A financial asset is derecognised when the contractual rights are realised or expire or the company no longer has control over them. The same applies to a portion of a financial asset. A financial liability is derecognised when the contractual liability is discharged or otherwise expires. The same applies to a portion of a financial liability.

The acquisition or disposal of financial assets is recognised on the transaction date, which represents the day when the company committed to acquire or dispose of the asset. Borrowing is recognised when the funds have been received, while derivative instruments are recognised when the contract has been entered into.

Balder divides its financial instruments into the following categories in accordance with IFRS 9; amortised cost, fair value through other comprehensive income and fair value through the income statement. The classification is based on the cash flow characteristics of the asset and on the business model the asset is held within.

Financial assets measured at amortised cost

Interest-bearing assets (debt instruments) which are held for the purpose of recovering contractual cash flows and where these cash flows consist only of principal amounts and interest are measured at amortised cost. The carrying amount of these assets is adjusted with any expected credit losses recognised (see paragraph on Impairment testing of financial assets). Interest income from these financial assets is recognised using the effective interest method and is recognised as financial income. The Group's financial assets that are measured at amortised cost consist of other non-current receivables (mainly receivables from associated companies), trade receivables, and cash and cash equivalents.

Financial assets measured at fair value via the income statement

Investments in debt instruments that do not qualify for recognition at amortised cost or at fair value through other comprehensive income are measured at fair value via the income statement. Equity instruments held for trading, equity instruments where the Group has chosen not to report fair value changes through other comprehensive income and derivatives that do not qualify for hedge accounting are included in this category. A gain or loss on a financial asset (debt instrument) that is recognised at fair value via the income statement and which is not part of a

hedging relationship is recognised net in the income statement during the period in which the gain or loss arises. This category includes the Group's derivatives with positive fair value and the Group's financial investments.

Financial assets measured at fair value through other comprehensive income

This category includes equity instruments that are not held for trading and for which the Group, on initial recognition, made an irrevocable decision to report the holding at fair value through other comprehensive income. The changes in value of these investments are recognised on an ongoing basis in other comprehensive income. In the event of a divestment, the accumulated profit or loss is not transferred to the income statement. Holdings of unlisted shares that are included in the item other non-current receivables are recognised in this category.

Financial liabilities measured at fair value via the income statement

Financial liabilities measured at fair value via the income statement comprise derivatives with negative fair values that are not included in what is referred to as hedge accounting. Financial liabilities measured at fair value via the income statement are also recognised in subsequent periods at fair value and the change in value is recognised in the net profit for the year.

Liabilities in this category are classified as current liabilities if they fall due within 12 months of the balance sheet date. If they fall due after more than 12 months from the balance sheet date, they are classified as non-current liabilities.

Financial liabilities measured at amortised cost

The Group's other financial liabilities are classified as measured at amortised cost by application of the effective interest method. Financial liabilities at amortised cost consist of interest-bearing liabilities (current and non-current), other non-current liabilities and trade payables. Borrowing is initially carried at fair value, net after transaction costs. Borrowing is subsequently recognised at amortised cost and any difference between the amount received (net after transaction costs) and the amount of repayment is recognised in the statement of comprehensive income allocated over the term of the loan using the effective interest method. Borrowing is classified as short-term in the balance sheet if the company does not have an unconditional right to postpone the settlement of the debt for at least twelve months after the reporting period. Declared dividends are recognised, where applicable, as liabilities after the shareholders' general meeting has approved the dividend. Trade payables and other operating liabilities have short expected maturities and are measured at their nominal value with no discounting.

Derivative instruments

Derivative instruments are recognised in the balance sheet on the transaction date and are measured at fair value, both on initial and subsequent remeasurement in each reporting period. Balder holds derivatives that hedge certain risks relating to cash flow (currency swaps and interest rate swaps), and derivatives that hedge investment in a foreign operation (net investment hedges). Derivatives related to net investments in foreign operations, currency swaps and certain interest rate swaps have been identified as hedging instruments and are deemed to meet the requirements for hedge accounting in IFRS 9. For more detailed descriptions of hedge accounting, see the following paragraph. All other derivative instruments are not considered to meet the criteria for hedge accounting in IFRS 9. Derivatives are also contractual terms that are embedded into other agreements. Embedded

derivatives should be accounted for separately if they are not closely related to the host contract. At present, no embedded derivatives have been identified. Changes in the value of derivative instruments identified as hedging instruments are recognised in other comprehensive income, while changes in value of other derivative instruments are recognised in accordance with the applicable category above.

Hedging of variable interest on loans

Some of the Group's interest rate swaps have been identified as hedging instruments and are deemed to meet the requirements for hedge accounting. The interest rate swaps hedge loans with variable interest rates by replacing variable rates with fixed interest rates. The effective portion of changes in fair value on these interest rate swaps is recognised through other comprehensive income in reserves in equity. The ineffective portion of the change in value is recognised immediately in net profit for the year and is included in the line item Changes in value of derivatives. Amounts accumulated in the hedging reserve in equity are reclassified to profit or loss in the periods in which the hedged item affects earnings.

Hedges of net investments in foreign operations

The Group hedges a significant proportion of the net investments in foreign operations through loans in the same currency as the foreign operations and through currency swaps. The Group considers that the criteria for hedge accounting in IFRS 9 are met for net investments in foreign operations. Translation differences on loans and changes in fair value of hedging instruments are recognised in "Other comprehensive income" insofar as the hedge is effective. The cumulative changes in translation differences and fair value are recognised as separate components in equity. Gains or losses arising from the ineffective portion of the hedging instrument are recognised in net profit for the year. When divesting foreign operations, the gain or loss that is accumulated in equity is transferred to net profit for the year, thus increasing or decreasing the profit/loss of the divestment.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions as well as short-term highly liquid investments with original maturities of less than three months which are only subject to an insignificant risk of fluctuation in value.

Impairment testing of financial assets

At each reporting date, the Group assesses the future expected credit losses, which are linked to assets recognised at amortised cost based on forward-looking information. The Group's financial assets for which credit losses are expected, consist essentially of trade receivables (rent receivables) and other non-current receivables (mainly receivables from associated companies). The Group chooses a provisioning method based on whether or not there has been a significant increase in credit risk. The Group recognises a provision for credit losses for such expected credit losses at each reporting date. For the Group's financial assets (largely trade receivables and receivables from associated companies), the Group applies the simplified approach for credit loss provisioning, in other words, the provision will correspond to the expected loss over the entire life of the trade receivable. In order to measure the expected credit losses, trade receivables have been grouped based on distributed credit risk characteristics and days overdue. The Group uses forward-looking variables for expected credit losses.

Contd. **Note 22** Financial risk management

Balder is financed by equity and liabilities, where the majority of the liabilities consist of interest-bearing liabilities. The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering financing at competitive market rates. Balder's long-term goals for the capital structure are that the equity/assets ratio should not be less than 40% over time, that the interest coverage ratio should not be less than 2 times and that the net debt to total assets should not exceed 50%.

Financial policy

The Group is exposed to six different kinds of financial risks through its operations. Financial risks refer to interest rate risk, liquidity risk, refinancing risk, price risk, credit risk and currency risk. The financial policy prescribes guidelines and rules for how the financial operations shall be conducted and establishes the division of responsibilities and administrative rules. Departures from the Group's financial policy require the approval of the Board. Responsibility for the Group's financial transactions and risks is managed centrally by the parent company's finance department. Financial risk is managed at a portfolio level. Financial transactions shall be conducted based on an assessment of the Group's overall needs relating to liquidity, financing and interest rate risk. The equity/assets ratio shall not fall below 40% over time.

Financial policy goals:

- the equity/assets ratio should exceed 40% over time,
- the interest coverage ratio should not be less than 2 times,
- net debt to total assets should not exceed 50% over time,
- secure the short-term and long-term supply of capital,
- achieve a stable long-term capital structure.

The goals are followed up regularly in reports to the Board prior to presentation of the company's interim reports.

Balder has obligations to its financiers in the form of financial key ratios, so-called covenants. At the year-end, Balder had financing obligations with an interest coverage ratio of 1.8 times, secured debt/total assets of 45% and a net debt to total assets ratio of 65%. All covenants were met at the year-end. SATO also has covenants in its loan agreements and all of them were fulfilled as of the year-end.

Duration analysis of financial liabilities

The tables show the cash flow per year in respect of financial liabilities assuming the current size of the Group. The cash flow refers to interest expenses, amortisation, trade payables and settlement of other financial liabilities. Net financial items have been calculated based on the Group's average interest minus interest income. Refinancing takes place on an ongoing basis, so no interest expense for a longer period than 10 years is indicated.

Duration analysis of financial liabilities

Group, 31/12/2020

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Maturity structure, loans	9,174	12,026	11,585	11,150	9,567	35,487	88,989
Interest expenses ¹⁾	1,385	1,382	1,380	1,378	1,375	6,840	13,740
Trade payables	505	-	-	-	-	-	505
Lease liabilities (rent of premises)	12	12	10	9	9	19	72
Other liabilities	4,076	-	-	-	-	-	4,076
Total	15,152	13,421	12,975	12,537	10,951	42,346	107,382

For non-discounted cash flows attributable to site leasehold rights, see Note 8, Leases.

Group, 31/12/2019

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Maturity structure, loans	11,806	8,041	8,587	8,080	10,664	34,064	81,242
Interest expenses ¹⁾	1,265	1,262	1,259	1,256	1,253	6,221	12,518
Trade payables	660	-	-	-	-	-	660
Lease liabilities (rent of premises)	13	13	13	10	10	30	89
Other liabilities	605	-	-	-	-	-	605
Total	14,350	9,316	9,859	9,346	11,928	40,315	95,114

Parent Company, 31/12/2020

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Maturity structure, loans	4,291	8,475	6,245	5,268	6,696	15,392	46,366
Interest expenses ¹⁾	694	694	694	694	693	3,462	6,932
Trade payables	7	-	-	-	-	-	7
Other liabilities	3,329	-	-	-	-	-	3,329
Total	8,322	9,169	6,939	5,962	7,389	18,854	56,634

Parent Company, 31/12/2019

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Maturity structure, loans	4,414	2,624	7,667	5,546	4,576	19,035	43,862
Interest expenses ¹⁾	667	666	666	665	665	3,319	6,648
Trade payables	19	-	-	-	-	-	19
Other liabilities	96	-	-	-	-	-	96
Total	5,195	3,291	8,333	6,212	5,241	22,354	50,625

1) Refers to interest expenses during the period 0-10 years.

Contd. **Note 22** Financial risk management

Sensitivity analysis

Factor	Change	Profit effect before tax, SEKm
Interest rate level for interest-bearing liabilities	+ 1 percentage point	-257

Financial goals

		Goal	Outcome	
			2020	2019
Equity/assets ratio, %	min.	40.0	38.6	38.3
Net debt to total assets, %	max.	50.0	46.1	48.4
Interest coverage ratio, times	min.	2.0	5.3	5.2

Maturity structure interest rate derivatives¹⁾

Year	Nominal amount, SEKm	Interest, %
2021	2,677	2.25
2022	1,634	0.78
2023	3,052	0.44
2024	631	1.29
2025	2,253	1.24
2026	2,054	1.81
2027	1,151	0.14
2029	2,201	0.84
2030	1,004	1.04
2037	1,500	2.00
2040	251	0.67
Totalt	18,407	1.21

1) Relates to interest rate derivatives where a fixed interest rate is being paid.



RISKS

Capital risk

The Group's goal in respect of the capital structure is to secure the Group's ability to continue its operations, in order to continue to generate a return to shareholders and value for other stakeholders.

Liquidity risk

Liquidity risk refers to the risk of a lack of sufficient cash and cash equivalents to be able to fulfil the company's payment obligations relating to operating costs, interest and amortisation. According to the financial policy, there should always be sufficient cash in hand and guaranteed credit facilities to cover the day-to-day liquidity requirements. Regardless of long-term goals, the Board can decide to temporarily boost liquidity, for example, to be better prepared for major transactions. As of the closing date, Balder's cash and cash equivalents, financial investments and unutilised credit facilities totalled SEK 7,477 million (3,252). Balder's financial policy, which is updated at least once each year, prescribes guidelines and rules for how borrowing should be conducted. The overall objective of financial management is to use borrowing to safeguard the supply of capital to the company in the short and long run, to adapt the financial strategy and management of financial risks to the company's business so that a long-term and stable capital structure is achieved and maintained and to achieve the best possible net financial income/expense within given risk limits.

Refinancing risk

Refinancing risk refers to the risk that Balder may not be able to obtain refinancing in the future or only at a significantly increased cost. As of the year-end, Balder had credit facilities of SEK 13,032 million (8,673), of which SEK 13,032 million (8,673) were unutilised. Balder works continually on raising new loans and on renegotiating existing loans. Over time, 50% of the loan portfolio shall have a credit term of more than 2 years and not more than 20% of the loans should mature within one year.

Interest rate risk

Interest rate risk refers to the risk of fluctuations in cash flow and earnings due to changes in interest rates. The key factor affecting interest rate risk is the interest rate refixing period. Long interest rate refixing periods ensure predictability in cash flow, but in most cases also mean higher interest expenses. The Group's interest rate exposure is centralised, which means that the central finance function is responsible for identifying and managing this exposure. The interest rate risk shall be managed using risk hedging instruments such as interest rate swaps, interest rate ceilings and interest rate floors. The overriding key ratio used is the interest coverage ratio. On each measurement date, the interest coverage ratio shall exceed 2.0 times. To manage the interest risk cost-effectively, an assessment of the interest rate risk is made when raising loans with short interest rate refixing periods based on the Group's overall loan portfolio. Interest rate derivative transactions are entered into as required to achieve the desired interest risk in the overall borrowing.

Balder has mainly used swaps and fixed-rate loans to manage its interest rate risk, which mature between 2021 and 2040. As of the year-end, about 67% of the

loans were hedged using interest rate swaps and fixed-rate loans and for 7% hedge accounting is applied. Fluctuations in market interest rates give rise to theoretical surpluses or deficits in respect of these financial instruments, which do not directly affect cash flow. Derivatives are recognised on an ongoing basis at fair value in the balance sheet and changes in value are recognised in the income statement. Derivatives are measured based on quoted prices in the market. Changes in value during 2020 totalled SEK -141 million (-180). As of the year-end, the fair value of interest rate derivatives totalled SEK -1,253 million (-1,113). The fair value of financial instruments is based on measurements by the intermediating credit institutions. The reasonability of the measurements has been tested by engaging another credit institution to value similar instruments at the end of the reporting period, see the sensitivity analysis.

SATO's interest rate derivatives meet hedge accounting requirements, as the term of the derivatives is matched with the underlying financing. This means that the change in value of the derivatives is recognised in other comprehensive income. The interest rate derivatives (interest rate swaps) entered into by SATO have the same critical terms as the hedged item. Critical terms may be the reference rate, interest rate conversion days, payment dates, due date and nominal amount. Inefficiency in interest rate swaps may arise due to differences in critical terms between the interest rate swap and the loan. There were no inefficiencies attributable to SATO's interest rate swaps in 2020.

Currency risk

Balder owns properties through subsidiaries in Denmark, Norway, Finland, Germany and the UK and through SATO in St Petersburg. The companies mainly have revenue and costs in local currency. The Group is impacted by exchange rate fluctuations when translating the assets and liabilities of foreign subsidiaries into the currency of the parent company. The Group is exposed to EUR, DKK, GBP and NOK through net investments in foreign operations.

Translation exposure

When the subsidiaries' statement of financial position in local currency is translated into Swedish kronor, a translation difference arises, which is due to the fact that the current year is translated at a different closing rate than the previous year and that the statement of comprehensive income is translated at the average rate during the year, while the statement of financial position is translated at the exchange rate as of 31 December. The translation difference is posted to other comprehensive income and is carried forward in reserves in equity. The translation exposure consists of the risk that the translation difference represents in terms of the impact on other comprehensive income and equity. The risk is greatest for the currencies in which the Group has the largest net assets and where the price movements in relation to Swedish kronor are the largest. The net assets in Finland and Denmark have the greatest impact on the Group. Balder issued a total of EUR 2,650 million in the European bond market, which helped to reduce the currency exposure of the Group's net assets in EUR and DKK. At the turn of the year, there were also currency swaps of NOK 445 million (-) and EUR -492 million (-348), the fair value of these amounted to SEK -287 million (-97).

Contd. **Note 22** Financial risk management

The assets and liabilities in EUR and DKK are aggregated as the DKK rate is pegged to the EUR. The translation differences are mainly handled through borrowing spread among different currencies based on the net assets in each currency. Loans raised in the same currency as there are net assets for in the Group, reduce these net assets and thus reduce the translation exposure. These hedges of net investments in foreign operations operate in the following way. Exchange gains and losses on loans in foreign currency, which finance acquisition of foreign subsidiaries, are recognised as part of other comprehensive income to the extent that the loan functions as a hedge for the acquired net assets. In other comprehensive income, they meet the translation difference arising from the consolidation of the foreign subsidiaries. In the Group, net exchange differences of SEK 714 million (-226) relating to liabilities in foreign currency were transferred to other comprehensive income as hedging of net investments in foreign operations. There was no inefficiency to be recognised from hedges of net investment in foreign operations. The loans that hedge net investments in foreign operations are in EUR and DKK, since these foreign currencies have the greatest impact on the statement of financial position. Of the Group's total net investments in foreign operations, 100% are hedged.

Since the Group uses parts of its cash flow to amortise the loans to improve net financial items, the extent of this hedging tends to decrease over time. A change in the foreign subsidiary's net assets over time can have the same effect.

Price risk

Balder's income is affected by the occupancy rate of the properties, the level of competitive market rents and the ability of customers to pay. A change in the rental rate or economic occupancy of +/- 1% has an effect on profit before tax of SEK +/- 82 million and SEK +/- 86 million respectively.

Credit risks

Trade receivables

The risk that the Group's customers will not fulfil their obligations, i.e. that payment will not be received for trade receivables, constitutes a customer credit risk. The credit of the Group's customers is assessed by obtaining information about the customers' financial position from various credit rating agencies.

An estimate of the credit risk is made in conjunction with new leases and conversion of premises for existing customers. Bank guarantees, deposits or other security are required for customers with low creditworthiness or unsatisfactory credit histories.

Credit is monitored continually to follow developments in the creditworthiness of customers.

Financial operations

Balder's financial operations give rise to credit risk exposure. The risk is mainly counterparty risk in connection with receivables from banks and other counterparties that arise in the trading of derivative instruments. Balder's financial policy includes special counterparty rules which stipulate the maximum credit exposure for different counterparties.

Borrowing, maturity structure and interest rates

At the year-end, Balder had binding loan agreements totalling SEK 88,989 million (81,242). Loans are raised in Swedish kronor, Danish kroner, Norwegian kroner, British pounds and euros. At year-end, loans in Danish kroner totalled DKK 6,183 million, loans in Norwegian kroner NOK 622 million, loans in British pounds GBP 49 million and loans in euros EUR 5,230 million. The single largest financing source is euro bonds issued in the European bond market. As of 31 December, the outstanding commercial paper volume was SEK 1,870 million (3,836), the commercial paper programme totals SEK 6,015 million (6,173). Net interest-bearing liabilities minus cash and cash equivalents and financial investments of SEK 7,127 million (2,902) totalled SEK 83,115 million (76,514).

Agreements can be divided into four categories:

- loans against security pledged in the form of promissory note receivables from subsidiaries. The security has been augmented by collateral in the shares of subsidiaries/limited partnership shares,
- loans against pledging of mortgage deeds on property,
- commercial paper programme,
- bond loans, including Hybrid capital.

Short-term interest bearing liabilities that formally mature within one year and one year of agreed amortisation are recognised as current interest-bearing liabilities.

In certain cases, the security is augmented by covenants. Balder satisfies all of its covenants. Credit agreements contain customary termination conditions.

The average fixed credit term in loan agreements totalled 5.9 years (5.8) on 31 December 2020. The maturity structure of loan agreements, presented in the table showing the loan terms, indicates when loan agreements are due for renegotiation or repayment. The average effective interest as of the closing date totalled 1.5% (1.5) including the effect of accrued interest from Balder's interest rate derivatives. The average interest rate refixing period on the same date was 3.5 years (3.1). The proportion of loans with interest maturity dates during the coming 3-year period was 57% (57).

Other commitments

During the year Balder acquired 50% of the shares in Karlatornet AB and has a commitment to provide SEK 500 million as a shareholder's loan to the company.

Contd. **Note 22** Financial risk management

Carrying amount and fair value of financial instruments, 2020

Group, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2020		
					Level 1	Level 2	Level 3
Other non-current receivables	2,291	-	10 ²⁾	2,302	-	2,302	-
Trade receivables	343	-	-	343	-	343	-
Financial investments	-	2,659	-	2,659	2,659	-	-
Cash and cash equivalents	4,468	-	-	4,468	-	4,468	-
Total receivables	7,102	2,659	10	9,771	2,659	7,112	-
Non-current interest-bearing liabilities	79,814	-	-	79,814	42,403	38,302	-
Other non-current liabilities	828	-	-	828	-	828	-
Derivatives ¹⁾	-	767	773	1,540	-	1,540	-
Current interest-bearing liabilities	9,175	-	-	9,175	2,409	6,769	-
Trade payables	505	-	-	505	-	505	-
Total liabilities	90,322	767	773	91,861	44,811	47,944	-

Carrying amount and fair value of financial instruments, 2019

Group, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2019		
					Level 1	Level 2	Level 3
Other non-current receivables	1,436	-	12 ²⁾	1,448	-	1,448	-
Trade receivables	241	-	-	241	-	241	-
Financial investments	-	1,523	-	1,523	1,523	-	-
Cash and cash equivalents	1,379	-	-	1,379	-	1,379	-
Total receivables	3,055	1,523	12	4,590	1,523	3,067	-
Non-current interest-bearing liabilities	69,436	-	-	69,436	33,924	36,166	-
Other non-current liabilities	542	-	-	542	-	542	-
Derivatives ¹⁾	-	626	584	1,210	-	1,210	-
Current interest-bearing liabilities	11,806	-	-	11,806	1,054	10,763	-
Trade payables	660	-	-	660	-	660	-
Total liabilities	82,444	626	584	83,654	34,977	49,340	-

1) Derivative instruments have been recognised net as a liability. The liability includes positive values in the Group of SEK 18 million (0).

2) No changes in value were recognised in 2020 or 2019.

Level 1 – measured at fair value based on quoted market values on active markets for identical assets.

Level 2 – measured at fair value based on other observable inputs for assets and liabilities than market values under level 1.

Level 3 – measured at fair value based on inputs for assets and liabilities that are not based on observable market inputs.

Interest rate refixing period

Year	Carrying amount, SEKm		Interest, %	
	2020	2019	2020	2019
2021	34,277	35,789	1.0	0.9
2022	6,556	4,493	1.4	2.4
2023	9,548	6,279	2.4	1.4
2024	4,126	4,712	1.6	3.0
2025	7,566	4,285	2.1	1.6
>2026	26,917	25,684	1.5	1.9
Total	88,989	81,242	1.5	1.5

Year	Share, %		Fair value, SEKm	
	2020	2019	2020	2019
2021	38	44	34,287	35,811
2022	7	6	6,615	4,532
2023	11	8	9,770	6,374
2024	5	6	4,257	4,785
2025	9	5	7,815	4,386
>2026	30	32	27,138	26,018
Total	100	100	89,883	81,906

Contd. **Note 22** Financial risk management

Carrying amount and fair value of financial instruments, 2020

Parent Company, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2020		
					Level 1	Level 2	Level 3
Other non-current receivables	1,817	-	-	1,817	-	1,817	-
Receivables from Group companies	57,787	-	-	57,787	-	57,787	-
Financial investments	-	2,078	-	2,078	2,078	-	-
Cash and cash equivalents	1,359	-	-	1,359	-	1,359	-
Total receivables	60,963	2,078	-	63,041	2,078	60,963	-
Non-current liabilities to credit institutions	40,260	-	-	40,260	28,536	12,460	-
Derivatives ¹⁾	-	767	-	767	-	767	-
Liabilities to Group companies	14,419	-	-	14,419	-	14,419	-
Current liabilities to credit institutions	6,106	-	-	6,106	901	5,206	-
Trade payables	7	-	-	7	-	7	-
Total liabilities	60,792	767	-	61,559	29,437	32,860	-

Carrying amount and fair value of financial instruments, 2019

Parent Company, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2019		
					Level 1	Level 2	Level 3
Other non-current receivables	1,190	-	-	1,190	-	1,190	-
Receivables from Group companies	52,646	-	-	52,646	-	52,646	-
Financial investments	-	1,051	-	1,051	1,051	-	-
Cash and cash equivalents	944	-	-	944	-	944	-
Total receivables	54,780	1,051	-	55,831	1,051	54,780	-
Non-current liabilities to credit institutions	39,449	-	-	39,449	27,819	12,131	-
Derivatives ¹⁾	-	626	-	626	-	626	-
Liabilities to Group companies	10,966	-	-	10,966	-	10,966	-
Current liabilities to credit institutions	4,414	-	-	4,414	-	4,414	-
Trade payables	19	-	-	19	-	19	-
Total liabilities	54,847	626	-	55,473	27,819	28,155	-

1) Derivative instruments have been recognised net as a liability. The liability includes positive values in the parent company of SEK - million (1).

Level 1 - measured at fair value based on quoted market values on active markets for identical assets.

Level 2 - measured at fair value based on other observable inputs for assets and liabilities than market values under level 1.

Level 3 - measured at fair value based on inputs for assets and liabilities that are not based on observable market inputs.

NOTE 23 Credit facilities

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Approved credit limit	350	350	350	350
Utilised portion	-	-	-	-
Unutilised portion	350	350	350	350

NOTE 24 Accrued expenses and deferred income

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Staff costs	88	124	22	21
Interest expenses	603	507	427	370
Rent paid in advance	1,209	1,090	-	-
Property costs	571	329	-	-
Other items	73	65	5	5
Total	2,546	2,115	454	396

NOTE 25 Pledged assets and contingent liabilities



ACCOUNTING POLICY

Contingent liabilities

A contingent liability is recognised if there is a possible obligation for which it has yet to be confirmed if the Group has an obligation that could lead to an outflow of resources, alternatively, if there is a present obligation that does not meet the criteria to be recognised in the balance sheet as a provision or other liability as it is not probable that an outflow of resources will be required to settle the obligation or as it is not possible to make a sufficiently reliable estimate of the amount.

Parent company – Financial guarantees

The parent company's financial guarantee contracts mainly consist of loan guarantees on behalf of subsidiaries and associated companies. Financial guarantees mean that the company has an obligation to compensate the holder of a debt instrument for losses that they incur because a particular debtor does not complete payment on maturity according to the terms of the agreement. For recognition of financial guarantee contracts, the parent company applies RFR 2 paragraph IFRS 9, which implies relief compared to the rules in IFRS 9 as regards financial guarantee contracts issued on behalf of subsidiaries and associated companies. The parent company recognises financial guarantee contracts as a provision in the balance sheet when the company has an obligation for which payment is likely to be required to settle the obligation.

Pledged assets

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Property mortgages	31,039	27,755	-	-
Shares in Group companies	12,100	8,976	-	-
Promissory notes	-	-	3,203	3,175
Total	43,139	36,730	3,203	3,175

Contingent liabilities

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Guarantees for subsidiaries	-	-	16,555	15,532
Guarantees for associated companies	1,647	1,451	1,647	1,451
Other guarantees ¹⁾	1,597	1,712	189	546
Total	3,244	3,162	18,391	17,529

1) As the project portfolio grows and the number of tenant owner property projects in progress increases, so do other guarantee commitments towards housing associations, contractors and municipalities.

NOTE 26 Cash flow statement



ACCOUNTING POLICY

Cash flow statement

The cash flow statement was prepared using the indirect method, by which the result is adjusted for transactions that do not result in incoming or outgoing payments during the period, as well as for any income or expenses attributable to investing or financing activities.

Cash and cash equivalents

The Group's cash and cash equivalents consist of cash and bank balances. Cash and cash equivalents are recognised in accordance with the principles described in Note 22 in respect of financial assets measured at accrued cost.

Cash and cash equivalents

SEKm	Group		Parent Company	
	2020	2019	2020	2019
The following components are included in cash and cash equivalents:				
Cash and bank balances	4,468	1,379	1,359	944
Total according to Balance Sheet	4,468	1,379	1,359	944
Total according to cash flow statement	4,468	1,379	1,359	944

Interest and derivative expenses paid

SEKm	Group		Parent Company	
	2020	2019	2020	2019
Interest received	267	176	158	137
Interest paid	-1,337	-1,456	-735	-644
Derivative expense paid	-105	-139	-105	-139
Total	-1,174	-1,419	-682	-646

Intra-Group interest income and interest expenses for 2020 and 2019 do not affect the cash flow.

Reconciliation of liabilities related to financing activities

Group, SEKm	31/12/2019	Cash flow	Changes not affecting cash flow		31/12/2020
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	81,242	10,634	-2,847	-40	88,989
Lease liabilities (rent of office premises)	81	-19	-	5	67
Total liabilities related to financing activities	81,324	10,615	-2,847	-36	89,056

Group, SEKm	31/12/2018	Cash flow	Changes not affecting cash flow		31/12/2019
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	67,205	13,641	458	-63	81,242
Lease liabilities (rent of office premises)	-	-26	-	107	81
Total liabilities related to financing activities	67,205	13,616	458	44	81,324

Contd. **Note 26** Cash flow statement

Reconciliation of liabilities related to financing activities

Parent Company, SEKm	31/12/2019	Cash flow	Changes not affecting cash flow		31/12/2020
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	43,862	3,835	-1,331	-	46,366
Total liabilities related to financing activities	43,862	3,835	-1,331	-	46,366

Parent Company, SEKm	31/12/2018	Cash flow	Changes not affecting cash flow		31/12/2019
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	33,275	10,398	190	-	43,862
Total liabilities related to financing activities	33,275	10,398	190	-	43,862

NOTE 27 Participations in Group companies



ACCOUNTING POLICY

Shares in subsidiaries are recognised in the parent company in accordance with the cost method. The book value is tested on an ongoing basis against the subsidiaries' Group equity. If the book value falls below the subsidiaries' Group value, there is an impairment that is charged to the income statement. In those cases where a previous impairment is no longer justified, this is reversed.

Parent Company, SEKm	2020	2019
Accumulated cost		
Opening balance	10,111	8,449
Acquisitions	265	-
Shareholder contributions paid	-	1,662
Closing balance	10,376	10,111

Specification of parent company's direct holdings of participations in subsidiaries

Subsidiaries	Corporate ID number	Reg. office	Number of participations	Share, %	2020	2019
Balder Storstad AB	556676-4378	Gothenburg	100,000	100	2,046	2,046
Balder Mellanstad AB	556514-4291	Gothenburg	1,938,000	100	5,782	5,782
Din Bostad Sverige AB	556541-1898	Gothenburg	1,000,000	100	626	626
Egby Vindkraftverk AB	556760-5919	Gothenburg	1,000	100	0	0
Balder Danmark A/S	34058016	Copenhagen	5,000	100	158	158
Balder Fastigheter Norge AS	916755856	Oslo	120	100	319	319
Balder Bilrum Fastighet AB	556730-4059	Gothenburg	100,000	100	1,179	1,179
Balder Germany GmbH	194177B	Berlin	23,725	95	1	1
SATO Oyj ¹⁾	0201470-5	Helsinki	619,300	0	265	-
Total					10,376	10,111

1) The Balder Group owns a total of 31,696,745 shares in SATO Oyj, corresponding to an ownership interest of 56.0% (54.7). 619,300 shares are owned by Fastighets AB Balder and the remaining 31,077,455 shares are owned by the subsidiary Balder Finska Otas AB (559000-0369).

The Balder Group owns 100% of 510 additional companies (480) in Sweden, Denmark, Finland, Norway, Germany and the UK via the above-mentioned subsidiaries, as presented in each subsidiary's annual accounts. For companies in SATO Oyj, see SATO Oyj's annual accounts at sato.fi.

NOTE 28 Receivables from/liabilities to Group companies

Parent Company, SEKm	Receivables		Liabilities	
	2020	2019	2020	2019
Opening balance	52,646	38,337	10,966	5,282
Change in lending to subsidiaries	5,141	14,309	3,453	5,683
Closing balance	57,787	52,646	14,419	10,966

There is no fixed amortisation plan.

NOTE 29 Significant events after the end of the financial year

After the end of the year, Balder continued to acquire shares in the Norwegian listed real estate company Entra ASA. Balder's ownership share amounts to just over 25% of capital and votes.

Otherwise, no events of significant importance for Fastighets AB Balder's position occurred after the end of the reporting period.

NOTE 30 Related parties

 **ACCOUNTING POLICY**

Related parties are both legal and physical persons as defined in IAS 24. Transactions with related parties shall be conducted on commercial terms and conditions, just like other transactions. In connection with transactions, special attention shall also be paid to the guidelines on conflicts of interest. The following are defined as related parties:

- All companies within the Balder Group
- Board members and company management
- Close family members of Board members or company management
- Companies controlled by Board members or company management
- Shareholders in control of more than 10% of the shares or votes in the company

Related party relationships

Group

The Group is under the control of Erik Selin Fastigheter AB, which holds 48.8% (49.9) of the votes in the parent company Fastighets AB Balder. The parent company in the largest Group of which Balder is part is Erik Selin Fastigheter AB.

Parent Company

Apart from the related parties shown for the Group, the parent company exercises control over subsidiaries according to Note 27, Participations in Group companies.

Summary of related party transactions

Group

Erik Selin Fastigheter AB purchased property-related administrative services from Balder for SEK 4 million (3). Balder purchased services from the law firm Glimstedt for SEK 1 million (3), where the Board member Anders Wennergren is a partner. During the year, construction services were purchased from Tommy Byggare AB to the order of SEK 4 million (17), which is a related company to Erik Selin Fastigheter AB. The services were priced on competitive market conditions.

Parent Company

The parent company performed property-related administrative services on behalf of its subsidiaries totalling SEK 251 million (266). The parent company functions as an internal bank. On the closing date, receivables from subsidiaries totalled SEK 57,787 million (52,646). Both administrative and financial services were priced on competitive market conditions.

Associated companies/joint ventures

Apart from the related parties described above, the Balder Group owns associated companies according to Note 14, Participations in associated companies/joint ventures.

During the financial year, associated companies purchased management and administrative services for their organisations from Balder totalling SEK 78 million (70). In addition to this, services were purchased from Collector AB (publ). Net receivables from associated companies totalled SEK 2,077 million (1,392) on the closing date. Both administrative and financial services were priced on competitive market conditions.

Transactions with key people in executive positions

The company's Board members and companies owned by these members control 63.7% (65.8) of the votes in Balder. With regard to the Board, CEO and other employees' salaries and other remuneration, expenses and agreements relating to pensions and similar benefits as well as agreements in respect of severance pay, see Note 4, Employees and staff costs.

NOTE 31 Parent Company information

Fastighets AB Balder (publ) is a Swedish-registered limited liability company with its registered office in Gothenburg. The parent company's shares are listed on Nasdaq Stockholm, Large Cap segment. The address of the head office is Box 53121, 400 15 Gothenburg, Sweden. The visiting address is Parkgatan 49.

The consolidated accounts for 2020 comprise the parent company and its subsidiaries, together referred to as the Group.

NOTE 32 Other income/expenses

During the fourth quarter, 17.7% was acquired in the Norwegian listed real estate company Entra ASA and the holding was classified as a financial asset valued at fair value via the income statement. At the end of the fourth quarter, an agreement was made for the purchase of additional shares (new holding over 20%) and a significant influence is thus estimated to have been achieved as of December 31, 2020. Change in the fair value of the holding in Entra ASA from the time of acquisition until significant influence was achieved amounts to SEK 462 million and is reported in the item Other income/expenses in the income statement for the Group and in the item Interest income and similar income items in the parent company. For further information on the holding in Entra ASA, see Note 14, Participations in associated companies/joint ventures.

The annual accounts and the consolidated accounts were approved for issuance by the Board of Directors and CEO on 18 March 2021. The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting on 12 May 2021. The Board will propose to the Annual General Meeting that no dividend (-) be declared for the financial year 2020.

The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS 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 consolidated financial statements provide a true

and fair view of the parent company's and Group's financial position and results of operations. The Report of the Board of Directors for the Group and the parent company provides a true and fair review of the development of the Group's and the parent company's operations, financial position and results of operations and describes material risks and uncertainties facing the parent company and the companies forming the Group.

Gothenburg, 18 March 2021

Christina Rogestam
Chairman of the Board

Sten Dunér
Board member

Fredrik Svensson
Board member

Anders Wennergren
Board member

Erik Selin
Board member and CEO

Our audit report was submitted on 19 March 2021
Öhrlings PricewaterhouseCoopers AB

Bengt Kron
*Authorised Public Accountant
Auditor in charge*

Konstantin Belogorcev
Authorised Public Accountant

AUDIT REPORT

To the Annual General Meeting of Fastighets AB Balder (publ), corporate identity no. 556525-6905

Report on the annual accounts and consolidated financial statements

Opinions

We have audited the annual accounts and consolidated financial statements of Fastighets AB Balder (publ) for 2020. The company's annual accounts and consolidated accounts are included on pages 38–83 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements 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 of its financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Report of the Board of Directors is consistent with the other parts of the annual accounts and the consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet of the parent company and the statement of comprehensive income and the statement of financial position for the Group.

Our opinions in this statement on the annual accounts and consolidated financial statements are consistent with the content of the supplementary report that has been submitted to the Board of Directors of the parent company and the Group in accordance with Article 11 of the Auditors Ordinance (537/2014).

Basis for opinions

We conducted the audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are described in further detail in the section entitled Auditor's responsibility. We are independent in relation to the parent company and the Group according to generally accepted auditing standards in Sweden and in other respects have fulfilled our professional ethical responsibilities according to these requirements. This means that, based on our best knowledge and belief, no prohibited services referred to in Article 5 (1) of the Auditors Ordinance (537/2014) have been provided to the audited company or, if applicable, to its parent company or its controlled companies in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

The focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. We conducted in particular those areas where the CEO and the Board of Directors have performed subjective assessments, for example important accounting estimates made on the basis of assumptions and forecasts about future events, which are uncertain in their nature. As in all of our audits, we also addressed the risk of the Board of Directors and the CEO overriding internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored our audit in order to perform a proper review to enable us to provide an opinion on the

financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group operates in six countries and the properties are owned by separate companies, which through centralised accounting functions and uniform routines are compiled in sub-groups. The Finnish sub-group SATO Oyj and the Danish and Norwegian companies are audited by local unit audit teams, which report to the Group audit team.

We have evaluated the work performed by the local unit auditors to determine whether sufficient audit evidence has been obtained as the basis for our opinions in the audit report for the Group.

The audit of the sub-group Sato Oyj was performed by Deloitte, Finland. According to generally accepted auditing standards, it is the responsibility of the Group auditor to ensure that the unit auditors have performed the right work and with sufficiently high quality regarding the identified audit risks. Since Sato Oyj accounts for a substantial part of the Balder Group and thus the Group audit, and since we and the unit auditors are not part of the same network, this task is particularly important. We have therefore drawn up special instructions to Deloitte Finland and ensured via continual communication and meetings as well as written confirmations that they followed and considered the instructions. We have read, discussed and evaluated the risk assessment and materiality assessment that the unit auditor planned for and also used in the audit. We also visited Deloitte, Finland digitally and reviewed significant audit items.

Apart from the parent company accounts and consolidated financial statements, the Swedish companies were also audited by the Group audit team.

All in all, this means that we have assured ourselves that there is sufficient evidence for our Group audit and audit report.

Materiality

The scope and direction of the audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including for the consolidated financial statements as a whole. These and qualitative considerations helped us to determine the emphasis and scope of our audit and the nature, timing and scope of our audit procedures, and to assess the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

We chose total assets as a benchmark of our overall assessment of materiality for the financial statements as a whole, given that the value of the investment properties has a significant impact and significance for the Group's financial position, and constitutes a particularly important area for the audit. We also defined a specific materiality for the audit of the profit from property management including the working capital related balance sheet items.

Key audit matters

Key audit matters are the matters which, in our professional judgement were the most significant for the audit of the annual accounts and consolidated financial statements for the current period. These matters were addressed in the context of our audit of, and in forming our opinion about, the annual accounts and consolidated financial statements as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER**Valuation of investment properties**

We refer to the Report of the Board of Directors, description of accounting policies in Note 1 and Investment properties in Note 12.

Investment properties were recognised at a fair value of SEK 149,179 million as of 31 December 2020 and account for a significant part of the Balder Group's balance sheet.

The fair value of the Group's property holdings is based on internal calculations, mainly by applying the yield method. Properties under construction and internally managed project properties are valued at market value minus estimated contracting expenditure and project risk, which usually corresponds to a valuation at cost.

To quality-assure the internal valuations, external valuations and second opinions were obtained for about 31% of the property portfolio's value.

The significance of the estimates and assumptions included in determining fair value, together with the fact that only a small difference in the individual properties calculation parameters, such as estimates of future net operating income, occupancy rate and yield requirements, can lead to significant errors, means that the valuation of investment properties, is a key audit matter.

Recognition of property transactions

We refer to the Report of the Board of Directors, description of accounting policies in Note 1 and Investment properties in Note 12.

During the year, a number of property transactions took place, acquisitions to a value of SEK 3,491 million, which in respect of the amount and contractual terms were particularly important to consider in the audit.

In the case of each significant property transaction, we estimated that the accounting treatment was in accordance with Balder's accounting principles and IFRS.

HOW OUR AUDIT CONSIDERED THIS KEY AUDIT MATTER

We arranged for our valuation specialists to review and assess the measurement techniques that Balder applies and the reasonableness of the assumptions made.

Our audit included the following audit procedures:

- Follow-up to ensure that the valuations comply with Balder's guidelines for property valuation
- Audit sampling to follow up on the model's mathematical calculations
- Assessed inputs through audit sampling and follow-up in relation to historical outcomes, compared with available market inputs
- Audit sampling of inputs in the calculation models in relation to information in the property system
- Consideration of external valuations and audit sampling compared to internal calculations
- Review of the audit approach and external documentation with the Finnish audit team regarding the valuation of the subsidiary SATO's property portfolio.

Our work focused on the largest investment properties, the most significant assumptions and the properties where there were the largest variations in value compared to previous years. In cases where the assumptions about future net operating income, occupancy rate and yield requirement deviated from our initial expectations, these deviations were discussed with the Group's representatives and, if necessary, supplementary documentation was obtained.

Finally, we checked that the models used, that the assumptions and sensitivity analyses Balder made were properly described in Note 12.

For all significant acquisitions and divestments, we obtained and reviewed the underlying agreements and terms of entry. Furthermore, we examined the calculations, to ensure that pro forma statements, entry balances and, where appropriate, that settlement notes were in accordance with the agreement and that the transaction was recognised correctly.

We followed up to ensure that the property transactions were correctly recognised and disclosed in the annual accounts.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated financial statements, and this is found on pages 1–37 and 106–125, respectively. Other information also consists of the Remuneration Report for 2020, which we obtained for the date of this audit report. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements accounts does not cover this other information and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts and consolidated financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. In this procedure we also consider the knowledge otherwise obtained during 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 CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated financial statements and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also respon-

sible for the internal control they deem necessary to prepare annual accounts and consolidated accounts that do not contain material misstatements, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO 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 the ability to continue as a 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 CEO intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The auditor's responsibility

Our goal is to achieve a reasonable degree of certainty as to whether the annual accounts and consolidated accounts as a whole do not contain any material misstatement, whether due to fraud or error, and to submit an audit report that contains our statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the audit report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also performed a review of the administration of the Board of Directors and the CEO of Fastighets AB Balder (publ) for the year 2020 and the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the Report of the Board of Directors and discharge the members of the Board and the CEO from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in this respect is described in further detail in the section entitled The auditor's responsibility. We are independent in relation to the parent company and the Group according to generally accepted auditing standards in Sweden and in other

respects have fulfilled our professional ethical responsibilities according to 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 CEO

The Board of Directors is responsible for the proposal for allocating the company's profit or loss. In connection with a proposal for dividend, this involves, inter alia, an assessment of whether the dividend is defensible in view of the requirements imposed by the type, scale and risks of the operations on the size of the parent company's and the Group's equity, need to strengthen the balance sheet, liquidity and financial position generally.

The Board of Directors is responsible for the company's organisation 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 organisation is designed so that the accounting, management of assets and the compa-

ny's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other things, take measures that are necessary to fulfil the company's accounting in accordance with the law and handle the management of assets in a reassuring manner.

The 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 CEO 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 Swedish Companies Act, the Swedish 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 thus our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Swedish 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 Swedish Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the audit report.

Öhrlings PricewaterhouseCoopers AB, Skånegatan 1, 405 32 Gothenburg, Sweden, was appointed as Fastighets AB Balder (publ)'s auditor by the general meeting of shareholders on 8 May 2019 and has been the company's auditing company since 2009.

Gothenburg, 19 March 2021
Öhrlings PricewaterhouseCoopers AB

Bengt Kron
Authorised Public Accountant
Auditor in charge

Konstantin Belogorcev
Authorised Public Accountant

COMMENTS **BY THE CHAIRMAN OF THE BOARD**



Christina Rogestam
Chairman of the Board

Balder is a long-term property owner that assumes responsibility for the business’s impact on not only the economy and the environment, but also on social issues. The company continues to work on the development of our own areas and has a high level of social engagement with a focus on security and well-being, children, young people and employment. Balder has several strategic partnerships linked to the company’s social engagement, and every year engages a large number of people on work placements, summer workers and students to contribute to increased employment but also in order to develop the property industry.

By signing up to the Global Compact, Balder has adopted a stance and is working actively to follow the UN’s ten principles for companies with regard to human rights, labour, the environment and anti-corruption. In implementing this work, the company also strives to contribute to achieving the global sustainable development goals.

Focus on risks and opportunities

It is the task of Balder’s Board of Directors, within the framework of current laws, rules and practice, to work on the long-term development of the company. This work includes, among other things, following up on the management team’s operational activities and assuring themselves that everything is as it should be in the company.

One recurring topic of discussion for the Board is risk assessment, in which matters such as the state of the economy and the impact of interest rate trends on the company are analysed. Other matters discussed by the Board are the company’s development in the form of access to competence, and how the company is working to contribute towards socially and environmentally sustainable social development.

Balder has also initiated work to analyse in greater depth risks associated with climate change. This work is being undertaken in accordance with the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD) and will continue to be developed in future.

A challenging year

The year has seen the company’s operations challenged in many ways. For Balder, it is self-evident to maintain laws and rules and not to act unethically in any way. The past year has shown that the organisation has been built up in a way that is sustainable in the long term with clear backup structures. This provides peace of mind in the business’s future progress, even if employees are missing temporarily or for longer periods.

The ongoing pandemic has also generated questions about the future development of Balder’s markets, for example the office market. There has cer-

tainly been a significant increase in remote working during the year, and many analysts believe that this will to some extent also continue in future. This may affect demand for offices as they look at present.

Balder has already made changes in view of this fact and is working actively, for example, to identify new areas of application for offices and premises, and to present solutions that are suitable for new ways of working. Companies will still need offices, but it is possible that they will be designed differently, for example with larger areas for creative meetings and fewer separated workplaces for individual work.

All in all, the Board considers that Balder has dealt well with this year’s challenges. All employees have contributed in various ways to meeting these challenges, and it is my feeling that the company is well-equipped to continue developing the business in the future.

CORPORATE GOVERNANCE REPORT

Corporate governance in Swedish listed companies is governed by a combination of written rules and practice, by which the owners directly and indirectly control the company. The rules and regulations have been developed through legislation, recommendations, the Swedish Corporate Governance Code and through self-regulation.

The Code is based on the principle comply or explain, which means that all rules do not always have to be complied with if there is a reason and it is explained. Some of the Code’s principles are to create a good basis for exercising an active and responsible ownership role and to create a well-adjusted balance of power between owners, the

Board and the executive management, which Balder views as a natural part of the principles for its operations. The Code also means that certain information should be made available on the company’s website.

The Swedish Corporate Governance Code is administered by the Swedish Corporate Governance Board and is available on bolagsstyrning.se, where the Swedish model for corporate governance is also described. Balder applies the Code, which is intended to serve as part of the self-regulation within the Swedish business community. In the view of the Board, there are no deviations to report or explain.

Articles of Association

The company’s name is Fastighets AB Balder and the company is a public company (publ). The registered office of the company is in Gothenburg. The company’s purpose shall be directly or indirectly, through wholly-owned or part-owned companies, to acquire, manage, own and divest real property and securities, and to conduct other associated activities.

The articles of association, which are available on Balder’s website, contain, among other things, information regarding share capital, number of shares, class of shares and preferential rights, number of Board members and auditors as well as provisions regarding notice and agenda for the annual general meeting.

1. THE SHARE AND THE OWNERS

The Balder share is listed on Nasdaq Stockholm, Large Cap segment. At the year-end, the number of shareholders was approximately 22,000. Of the total share capital, 33% was owned by foreign owners. The principal owner of Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.1% of the capital and 48.8% of the votes.

Balder’s share capital as of 31 December 2020 totalled SEK 186,500,000, distributed among 186,500,000 shares. Each share has a quota value of SEK 1.00. The shares are distributed across 11,229,432 Class A shares and 175,270,568 Class B shares. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

Each shareholder at the general meeting is entitled to vote for the number of shares held and represented by him/her. Further information regarding shares and share capital may be found on pages 6–9, Balder’s share and owners.

Information to the stock market

Balder issues interim reports for the operations three times per year: as of 31 March, as of 30 June and as of 30 September. In addition to this, Balder’s reports its full-year accounts on 31 December in its year-end report and publishes its annual accounts in good time before the AGM.

The annual accounts for 2020 are now available for distribution and on Balder’s website. All documents, press releases and presentations in connection with reports are available at balder.se.

2. ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the company’s highest decision-making body in which the shareholders exercise their rights to decide on the affairs of the company. The Board and auditors of the company are elected by the AGM according to the proposal of the nomination committee. The annual AGM also passes resolutions, including on amendments of the articles of association, on change of the share capital and decides on the company’s distribution of profits and discharge from liability for the Board and the CEO.

To participate in passing resolutions, the shareholder must be present at the meeting, either in person or by proxy. In addition, the shareholder must be registered in the share register at a certain date prior to the meeting and notification of participation must be given to the company within certain determined period. Shareholders who wish to have a special matter dealt with at the AGM can normally request this if the request is made in good time to Balder’s Board of Directors prior the meeting. Due to the prevailing pandemic the 2021 AGM has been adapted with the support of temporary legal rules. The meeting will therefore be carried out without the possibility for shareholders to attend in person or by proxy. For further information see page 125.



Notice to attend the Annual General Meeting is given through the Official Swedish Gazette (Post- och Inrikes Tidningar) and on Balder's website. It shall also be announced in Svenska Dagbladet that notice has been given.

Resolutions at the general meeting are normally passed by a simple majority. In certain questions, the Swedish Companies Act prescribes that proposals must be approved by a larger proportion of the shares represented and cast at the meeting.

Annual General Meeting 2020

At the AGM on 11 May 2020 411 shareholders were represented, holding around 81% of total number of votes. Because of the measures taken by the company in connection with the ongoing pandemic, and with due consideration of the behavioural guidelines issued by government agencies, Chairman of the Board Christina Rogestam and Board members Fredrik Svensson and Sten Dunér were not present at the meeting, but were available by phone. The AGM adopted the financial statements for 2019 and discharged the Board and CEO from liability for the financial year 2019.

The following resolutions were passed at the AGM on 11 May 2020:

- that no dividend shall be declared for the shareholders,
- the Board shall, during the period until the next AGM has been held, be composed of five ordinary members without deputy members,
- directors' fees of a fixed amount of SEK 560,000 should be paid to the Board, of which SEK 200,000 to the Chairman of the Board and SEK 120,000 to the other Board members who are not permanently employed by the company. The amount includes remuneration for committee work,

- re-election of Board members Christina Rogestam, Erik Selin, Fredrik Svensson, Sten Dunér and Anders Wennergren. All members are elected up to and including the 2021 AGM. Christina Rogestam was re-elected as Chairman of the Board,
- approval of the Board's proposed guidelines for remuneration to senior executives,
- amendment to the articles of association regarding the deadline for registration for the meeting, and additions regarding postal voting and proxies,
- a mandate for the Board, during the time until the next AGM, on one or more occasions, to decide on a new issue of Class B shares, with or without departure from the preferential rights of shareholders. The number of shares issued with the support of this mandate may be a maximum of 20,000,000 Class B shares. The new issue shall be used by the company for payment of acquisitions of properties or acquisition of shares or participations in legal entities that own property or in order to capitalise the company ahead of such acquisitions or to capitalise the company in other respects,
- a mandate for the Board to decide on repurchase and transfer of the company's own shares for the purpose of adjusting the company's capital structure and for transferring own shares as payment or for financing of property investments.

Minutes taken at the AGM on 11 May 2020 are available on the company's website. The 2021 AGM will take place on 12 May at 16:00. For further information see page 125. Information concerning the AGM will be published at balder.se.

3. NOMINATION COMMITTEE

The AGM passes resolutions on the procedure for election of the Board and, when applicable, auditors. The 2020 AGM resolved that a nomination committee should be established before the 2021 AGM in order to submit proposals on the number of Board members, election of Board members including the Chairman of the Board and election of auditors and remuneration for Board members as well as for auditors. The nomination committee's proposals shall be announced no later than in conjunction with the notice convening the AGM. Shareholders are given the opportunity to submit nomination proposals to the nomination committee.

The 2020 AGM adopted the nomination committee's proposal that the nomination committee should be composed of one representative for each of the two largest shareholders or ownership spheres in addition to Lars Rasin, who represents the other shareholders. The chairman of the nomination committee shall be Lars Rasin. The names of the other two members and the owners they represent shall be announced no later than six months before the AGM. The nomination committee's term of office extends until a new nomination committee has been appointed. If Lars Rasin resigns as chairman of the nomination committee, the company's Chairman shall appoint a new chairman of the nomination committee until the next general meeting of the company.

The nomination committee ahead of the 2021 AGM is composed of Jesper Mårtensson, representing Erik Selin Fastigheter AB, Rikard Svensson, representing Arvid Svensson Invest AB, and chairman Lars Rasin.

The nomination committee has decided to propose the re-election of the current Board members Christina Rogestam, Fredrik Svensson, Sten Dunér,

Anders Wennergren and Erik Selin. It is proposed that Christina Rogestam be re-elected as Chairman of the Board.

4. AUDITORS

The company's annual accounts and the administration of the CEO and Board are reviewed by the company's auditor, who submits an audit report for the financial year to the AGM. The auditor reports to the Board on his audit plan for the year and his views on the accounts, annual accounts and administration.

At the 2019 AGM, Öhrlings Pricewaterhouse-Coopers AB was elected as the company's auditor, with Bengt Kron as auditor in charge, for the period until the end of the 2023 AGM.

5. BOARD OF DIRECTORS

The Board of Directors is elected by the AGM and according to the articles of association shall consist of at least three and at most seven members. The members are elected at the AGM for the period until the end of the first AGM that is held after the members were elected. During 2020, the Board was composed of five members and is responsible for the company's organisation and administration (more information about the company's Board is available on page 94 and at balder.se). The Board works according to an established formal work plan with instructions concerning division of responsibilities between the Board and the CEO.

New Board members receive an introduction to the company and its operations and participate in the stock exchange's training according to the stock exchange agreement. The Board subsequently receives continual information, including about regulatory changes and such issues concerning the operations and the Board's responsibility in a listed company.

The rules of the Swedish Companies Act apply to resolutions in the Board, to the effect that more than half of the members present and more than one third of the total number of members must vote for resolutions. The Chairman has the casting vote if there is no majority.

The Board's work is governed by the Swedish Companies Act, the articles of association, the Code and the formal work plan that the Board has adopted for its work. Balder's Board of Directors is composed of persons who possess broad experience and competence from the property sector, business development, sustainability issues and financing. Most of the Board members have experience of board work from other listed companies.

Both of the major owners Erik Selin Fastigheter AB and Arvid Svensson Invest AB are represented on the Board through Erik Selin and Fredrik Svensson. Balder's authorised signatories, apart from the Board, are any two jointly of Chairman Christina Rogestam, CEO Erik Selin or any one of them in combination with Director of Economy Eva Sigurgeirsdottir or Head of Personnel and Administration Petra Sprangers.

The Board's duties and responsibilities

The Board's overriding duty is to manage the affairs of the company on behalf of the owners so that the owners' interest in a good long-term return on capital is satisfied in the best possible way. The Board has responsibility for ensuring that the company's organisation is appropriate and that the operations are conducted in accordance with the articles of association, the Companies Act and other applicable laws and regulations and the formal work plan of the Board. The Board shall perform the board work collectively under the leadership of the Chairman.

The Board shall also ensure that the CEO fulfils his duties in accordance with the Board's guidelines and directions. These may be found in the instructions to the CEO drawn up by the Board. The Board members shall not be responsible for different lines of business or functions. Matters relating to compensation and remuneration for the CEO are prepared by the Chairman and presented to the rest of the Board prior to decision.

The Board's duties include, but are not limited to, the following:

- establishing business plans, strategies, significant policies and goals for the company and the Group that the company is parent company of,
- determining the company's and Group's overall organisation,
- appointing and dismissing the CEO,
- ensuring that there is a functioning reporting system,
- ensuring that there is satisfactory control of the company's and Group's compliance with laws and other regulations that apply to the operations,
- approving a new formal work plan and instruction to the CEO annually,
- approving financial reporting in the form of interim reports, year-end reports and annual accounts that the company must publish,
- ensuring that the company has a functioning approvals list and approvals process,
- approving necessary guidelines for the company's conduct in society with the aim of ensuring long-term value creation and a sustainability perspective,
- ensuring that the company has an appropriate system for follow-up and control of the risks associated with the company and its operations.

Chairman of the Board

It is the duty of the Chairman to ensure that the Board's work is conducted effectively and that the Board fulfils its duties. The duties of the Chairman thus include, but are not limited to:

- organising and leading the Board's work and creating the best possible basis for the Board's work,
- ensuring that the Board's work occurs in accordance with the provisions of the articles of association, the Companies Act and the formal work plan of the Board,
- monitoring that the Board's decisions are executed effectively,
- continually monitoring the company's development through contact with the CEO and acting as a discussion partner,
- ensuring that the Board members, through the agency of the CEO, receive sufficient information and decision data for their work,
- making sure that each new Board member is given a proper introduction upon joining the Board.

The formal work plan of the Board of Directors

The Board adopts a formal work plan for the Board's work each year. This formal work plan describes the duties of the Board and the division of responsibilities between the Board and the CEO. The formal work plan also describes what matters shall be dealt with at each board meeting and instructions regarding the financial reporting to the Board. The formal work plan also prescribes that the Board shall have an audit committee and a remuneration committee. The Chairman of the Board shall serve as the chairman of the committees.

Board meetings

The Board shall, in addition to the statutory meeting, hold board meetings on at least four occasions

annually. The CEO and/or CFO shall as a general rule present a report to the Board. The company's employees, auditor or other external consultants shall be called in to board meetings in order to participate and report on matters as required. The Board has a quorum if more than half of the Board members are present. The Chairman has the casting vote in the event that there is no clear majority.

The work of the Board

Balder's Board held 18 board meetings during 2020, one of which was the statutory meeting. Board meetings are held in connection with the company's reporting. Matters of significant importance to the company are dealt with at each ordinary board meeting, such as acquisition and divestment of properties, investments in existing properties and financing questions.

In addition, the Board is informed about the current business situation in the rental, property and credit markets. The regular matters dealt with by the Board in 2020, included acquisition strategies, capital structure and financing position, sustainability work, common corporate policies and the formal work plan for the Board.

Composition of the Board

The Board, for its work in Balder's Board of Directors, shall have appropriate experience and competence for the operations that are being conducted in order to be able to identify and understand the risks that can arise in the business and the rules and regulations governing the operations that are being conducted.

The composition of the Board shall be characterised by diversity and breadth in terms of the chosen members' competencies, experience, age, gender or ethnic background. The diversity policy applied

by the nomination committee follows item 4.1 of the Code. It is the duty of the nomination committee to consider the policy, with the objective of achieving an appropriate composition in the Board.

When electing new Board members, the suitability of the individual members shall be examined with the aim of achieving a Board with a combined level of expertise that is sufficient for ensuring appropriate governance of the company.

The composition of the Board provides a good basis for well-functioning Board work with a good spread among individual members that represents diversity according to the Board's diversity policy.

Evaluation of the Board's work

The intention of the evaluation is to further improve the Board's working methods and efficiency, and to clarify the main direction of the Board's future work. The evaluation also serves as a tool for ensuring the right competence and knowledge in the Board. In connection with the annual evaluation, Board members are asked, based on their own perspective, to discuss various areas relating to the Board's work

with other Board members. These conclusions are documented in a report.

The areas discussed and evaluated in 2020 related to the Board's composition, competence, efficiency and focus areas going forward. The areas covered by the Board evaluation may vary from one year to another to reflect the development of the Board's work. The evaluation showed constructive board work conducted in a positive spirit.

Remuneration committee

The remuneration committee has a preparatory function in relation to the Board in questions regarding principles for remuneration and other terms of employment for the CEO and other senior executives. The remuneration committee shall monitor and evaluate the application of the guidelines for remuneration and levels of compensation to senior executives that the AGM has determined and shall also draw up proposals for new guidelines for principles of remuneration and other terms of employment. Before the resolution of the AGM, at least every four years the Board shall propose new prin-

ciples for remuneration and other terms of employment for the CEO and other senior executives.

Based on the resolution of the AGM, it is the duty of the remuneration committee to decide on remuneration to the CEO and other officers. The Board shall be entitled to deviate from the guidelines if there are special reasons in an individual case to justify this. The remuneration committee is composed of all independent Board members and shall meet at least once every year. For further information see Note 4, Employees and staff costs.

Audit committee

The audit committee shall be responsible for preparing the Board's work by quality-assuring the company's financial reporting, assisting the nomination committee in drawing up proposals for auditors and their fees and ensuring a qualified independent audit of the company.

The audit committee shall meet the company's auditor at least once per calendar year and have the opportunity to meet with the auditors without any members of company management being present. During 2020, the audit committee, which was composed of all independent Board members, met the company's auditor on one occasion and received an audit plan for 2020 and a report on the audit performed.

Disqualification

Board members or the CEO may not deal with issues concerning agreements between themselves and the company or Group. Nor may they deal with issues regarding agreements between the company and a third party, if they have a material interest that can conflict with that of the company. Lawsuits or other

actions are on a par with the agreements referred to above. Where applicable, it is incumbent on the Board member or CEO to disclose if a disqualification situation would arise.

6. CEO AND MANAGEMENT

The CEO is responsible for day-to-day administration pursuant to the guidelines and policies adopted by the Board. The CEO shall report on Balder's development to the Board and prepare the order of business at Board meetings according to an approved agenda. The CEO shall ensure that the required material is compiled and distributed to the Board members prior to board meetings.

The management team normally meets once every month with a standing agenda, including property transactions, finance and general management issues. Group Management consists of six persons and includes resources such as the CEO, accounting, finance, management, property transactions and HR. More information about the company's CEO and management team may be found on page 95.

Composition of the Board of Directors, number of meetings and attendance

Name	Elected	Independent ¹⁾	Board meetings	Audit committee	Remuneration committee
Christina Rogestam	2006	Yes	18/18	1/1	1/1
Erik Selin	2005	No	18/18	—	—
Fredrik Svensson	2005	No	17/18	1/1	1/1
Sten Dunér	2007	Yes	18/18	1/1	1/1
Anders Wennergren	2009	Yes	18/18	1/1	1/1

1) The independence is based on both independence in relation to the company and the company management as well as to larger shareholders (>10%).

INTERNAL CONTROL IN RESPECT OF FINANCIAL REPORTING

The Board is responsible for internal control under the Swedish Companies Act and under the Code. This description has been prepared in accordance with the Swedish Annual Accounts Act and the Code and is thus limited to internal control over financial reporting. Financial reporting refers to interim reports, year-end reports and annual reports. The description does not constitute a part of the formal annual accounts.

Balder's internal control follows an established framework, Internal Control – Integrated Framework, which consists of five components. The components are control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

The control environment constitutes the basis for the internal control over financial reporting. A good control environment is built on clearly defined and communicated decision-making procedures and guidelines between different levels of the organisation, which together with the corporate culture and shared values establish the basis for managing Balder in a professional manner.

Balder's internal control is based on a decentralised organisation with 1,362 properties, each with its own profit centre, which are administered from regional offices. To support the control environment and provide necessary guidance to different officers, there are a number of documented governing documents such as internal policies, guidelines, manuals, the formal work plan of the Board, decision-making procedures, rules for approvals as well as accounting and reporting instructions. Governing documents are updated as required in order to always reflect applicable laws and rules.

Risk assessment

The focus is on identifying the risks that are considered most significant in Balder's income statement and balance sheet items in the financial statements and what measures can reduce these risks. Risk management is integrated into the above-mentioned document for the control environment.

Different methods are used to measure and minimise risks and to ensure that the risks that the company is exposed to are handled according to Balder's current policies and rules. The Board conducts an annual review of the internal control in accordance with the formal work plan of the Board. The risk assessment is continually updated to cover changes that have a material impact on the internal control over financial reporting.

The most significant risks that have been identified in connection with the financial reporting are errors in the accounts and in the valuation of the property portfolio, deferred tax, interest-bearing liabilities, refinancing, tax and value added tax as well as the risk of fraud, loss or embezzlement of assets.

Control activities

A number of control activities are built-in to ensure that financial reporting provides a true and fair view at each point in time. These activities involve different levels in the organisation, from the Board and company management to other employees.

The control activities are aimed at preventing, discovering and correcting errors and deviations. The activities consist of approval and reporting of commercial transactions, follow-up on decisions and approved policies of the Board, general and application-specific IT controls, checking of external counterparties and follow-up on results at various levels in the organisation.

Other activities are follow-up on reporting procedures, including the annual accounts and consolidated financial statements and their conformity with applicable rules and regulations, approval of reporting tools, accounting and valuation principles, as well as power of attorney and authority structures.

Balder's regional offices participate in basic control, follow-up and analysis in each region. To guarantee the quality of the regions' financial reporting, an evaluation is performed in conjunction with the Group's controllers.

Follow-up at regional level combined with the controls and analyses at Group level are an important part of the internal control, to make sure that financial reporting essentially does not contain any errors.

Information and communication

Balder has determined how information and communication in respect of the financial reporting should occur so that the company's information disclosure should take place in an effective and correct manner. Balder has guidelines for how financial information should be communicated between management and other employees.

Guidelines, updates and changes are made available and known to the employees concerned by means of oral and written information and on Balder's intranet. The Board receives further information about risk management, internal control and financial reporting from meetings and reports from the company's auditors.

Follow-up

There is an appropriate process for continual follow-up and annual evaluation of the observance of internal policies, guidelines, manuals and codes and of

the appropriateness and functionality of the established control activities.

Different methods are used to measure and minimise risks and to ensure that the risks that the company is exposed to are handled according to Balder's current policies and rules. The Group's accounting and controller function has the day-to-day responsibility for ensuring follow-up and reporting to the company management of possible shortcomings. Follow-up takes place at both property level and at Group level.

The Board regularly evaluates the information submitted by company management and the auditors. The company's auditors report their observations from the audit and their opinion about internal control over financial reporting on at least one occasion each year.

Need for internal audit

Balder has a decentralised organisation that manages 1,362 properties from regional offices. Financial operations and the finance function for the entire Group are conducted in the parent company. There is a controller function in the parent company which, together with controllers in Denmark and Finland, monitors the administration of the regional offices and financial operations in the parent company. Balder's size and decentralised organisation together with the controller function in the parent company mean that a special internal audit function is not justified at present.

AHEAD OF THE 2021 AGM

Ahead of the AGM on 12 May 2021, the Board proposes:

- no share dividend to be declared,
- decision approving the report regarding remuneration of senior executives,
- guidelines for remuneration of senior executives,
- a renewed mandate for the Board, before the next AGM, on one or more occasions, to resolve on the new issue of Class B shares corresponding to no more than 20,000,000 shares. It shall be possible to subscribe for the shares in cash, in kind or through right of set-off,
- a mandate for the Board, before the next AGM, to repurchase and transfer Class B shares in Balder equivalent to no more than 10% of all shares in the company.

Ahead of the AGM on 12 May 2021, the nomination committee proposes:

- re-election of the current Board members Christina Rogestam, Fredrik Svensson, Sten Dunér, Anders Wennergren and Erik Selin. It is proposed that Christina Rogestam be re-elected as Chairman of the Board,
- it is proposed to pay directors' fees of SEK 200,000 to the Chairman of the Board and SEK 120,000 to the other Board members who are not permanently employed by the company. The amounts include remuneration for committee work,
- that the general meeting resolves that the nomination committee shall be composed of one representative for each of the two largest shareholders or ownership spheres in addition to Lars Rasin, who represents the other shareholders. The chairman of the nomination committee shall be Lars Rasin. The names of the other two members and the owners they represent shall be announced no later than six months before the AGM. The nomination committee's term of office extends until a new nomination committee has been appointed.

Gothenburg, 18 March 2021

Christina Rogestam
Chairman of the Board

Sten Dunér
Board member

Fredrik Svensson
Board member

Anders Wennergren
Board member

Erik Selin
Board member and CEO

AUDITOR'S STATEMENT REGARDING THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of Fastighets AB Balder (publ), corporate identity no. 556525-6905

Engagement and allocation of responsibility

The Board of Directors is responsible for the Corporate Governance Report for 2020 on pages 88–93 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

The focus and scope of the review

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our review of the corporate governance report has another aim and direction, and is substantially less exhaustive in scope,

than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

Opinion

A corporate governance statement has been prepared. Disclosures according to Chapter 6 Section 6, second paragraph, items 2–6 of the Annual Accounts Act and Chapter 7 Section 31, second paragraph of the same Act are consistent with the annual accounts and consolidated financial statements and are in compliance with the Annual Accounts Act.

Gothenburg, 19 March 2021
Öhrlings PricewaterhouseCoopers AB

Bengt Kron
Authorised Public Accountant
Auditor in charge

Konstantin Belogorcev
Authorised Public Accountant



BOARD OF DIRECTORS

Sten Dunér

Board member since 2007

Born 1951

Education and experience

B.Sc. (Economics).

Chairman of the Board at Länsförsäkringar Liv. Board member at Garbo and Humlegården.

Shareholding in Balder

No shareholding in Balder.

Christina Rogestam

Chairman of the Board since 2006

Born 1943

Education and experience

B.A. Social Studies.

Former President and CEO of Akademiska Hus AB.

Shareholding in Balder

20,000 Class B shares.

Anders Wennergren

Board member since 2009

Born 1956

Education and experience

Bachelor of Law.

Lawyer and partner at Advokatfirman Glimstedt.

Shareholding in Balder

210,000 Class B shares held via company.

Fredrik Svensson

Board member since 2005

Born 1961

Education and experience

B.Sc. (Economics).

Chairman of the Board at Arvid Svensson Invest AB, Board member at SBB, Samhällsbyggnadsbolaget, Chairman of the Board at ABB-Gymnasiet.

Shareholding in Balder

2,915,892 Class A shares and 13,542,540 Class B shares, all held via company.

Erik Selin

Board member since 2005

Born 1967

Education and experience

Business school economist.

CEO of Fastighets AB Balder, Chairman of the Board at Brinova Fastigheter AB, K-fast Holding AB and Collector AB, Board member Hexatronic Group AB, I.A. Hedin Bil AB and Ernström & Co AB.

Shareholding in Balder

10,500 Class B shares, and 8,309,328 Class A shares and 57,200,400 Class B shares held via company.

Auditor

Öhrlings PriceWaterhouseCoopers AB. Auditor in charge: Bengt Kron, born 1965. Öhrlings PriceWaterhouseCoopers AB was elected at the AGM held on 8 May 2019 for the period until the AGM in 2023.

MANAGEMENT



Erik Selin
CEO

Born
1967

Employed since
2005

Education and experience
Business school economist

Shareholding in Balder
10,500 Class B shares, 8,309,328 Class A shares and 57,200,400 Class B shares held via company

Email address
erik.selin@balder.se



Sharam Rahi
Deputy CEO

Born
1973

Employed since
2005

Education and experience
Compulsory school

Shareholding in Balder
737,822 Class B shares and 788,978 Class B shares held via company

Email address
sharam.rahi@balder.se



Eva Sigurgeirsdottir
Director of Economy

Born
1974

Employed since
2014

Education and experience
DIHM Diploma in Business Administration, IHM Business School

Shareholding in Balder
No shareholding in Balder.

Email address
eva.sigurgeirsdottir@balder.se



Marcus Hansson
CFO

Born
1974

Employed since
2007

Education and experience
B.Sc. (Economics)

Shareholding in Balder
156,500 Class B shares

Email address
marcus.hansson@balder.se



Petra Sprangers
Head of Personnel and Administration

Born
1965

Employed since
2007

Education and experience
Business school economist

Shareholding in Balder
300 Class B shares

Email address
petra.sprangers@balder.se



Benny Ivarsson
Head of Property

Born
1955

Employed since
2006

Education and experience
B.Sc. (Economics)

Shareholding in Balder
11,474 Class B shares and 11,720 Class B shares held via company

Email address
benny.ivarsson@balder.se

DETAILED **SUSTAINABILITY INFORMATION**

In this section additional information about Balder’s sustainability work is presented, including goals, key ratios and information about the materiality analysis and the company’s analysis on climate-related risks. Included is also the GRI index and information to the company’s Communication on Progress to the UN Global Compact.

STAKEHOLDERS AND MATERIAL TOPICS

Continuous dialogues with stakeholders combined with regular reviews of the materiality analysis define which topics are the focus of Balder’s work on sustainability.

The main groups of stakeholders defined comprise Customers, Employees, Owners and Society. The latter group includes, for example, government agencies and municipal authorities, business partners and suppliers, and the Tenants’ Association.

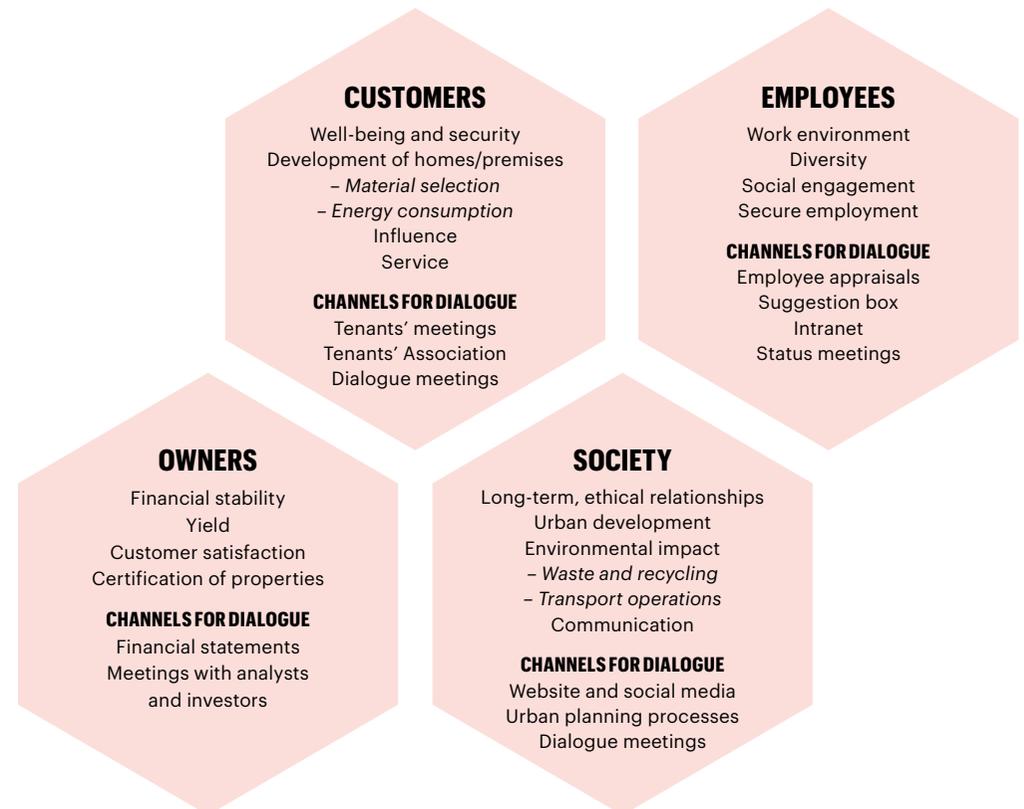
Dialogues with stakeholder groups take place

in many different forums. Dialogues with customers take place, for example, both on an ongoing basis and in connection with the CSI survey that is conducted every one and a half to two years. All employees have employee appraisals with their line manager at least once a year.

Different topics are important for each stakeholder group, and these different topics have been weighted to contribute to the materiality analysis that forms the basis of Balder’s work on sustainability and this report.



EXAMPLES OF MATERIAL TOPICS





PROPERTIES

Material topics

- Minimise use of energy, water and chemicals
- Select renewable energy sources and less harmful materials
- Minimise waste and increase degree of sorting

Policies

- Sustainability Policy

Goals

- Energy efficiency improvement 2% per sq.m. per annum
- Reduced water use 2% per sq.m. per annum
- All newly produced properties must fulfill the Miljöbyggnad Silver rating or equivalent

Key ratios

- Energy use
- Water use

GRI indicators

302-1	305-2
CRE1	307-1
CRE2	

UN's global sustainable development goals



AREAS

Material topics

- Security and well-being in the company's property portfolio
- Responsible, efficient transport operations

Policies

- Sustainability Policy
- Code of Conduct

Goals

- Create jobs in the property management organisation for young people
- Implement initiatives for sustainable travel to and from the properties

Key ratios

- Number of jobs for young people per annum
- Number of car and bike pools at new properties per annum

GRI indicators

305-1
305-2

UN's global sustainable development goals



PARTNERSHIPS

Material topics

- Good, ethical external relationships
- Responsible suppliers

Policies

- Code of Conduct
- Sustainability Policy

Goals

- No reported incidents of corruption
- No reported incidents of discrimination

Key ratios

- Number of reported incidents of corruption
- Number of reported incidents of discrimination

GRI indicators

205-2
205-3
419-1

UN's global sustainable development goals



COWORKERS

Material topics

- Satisfied employees and a good work environment
- Responsible, efficient travel

Policies

- Health and Safety Policy
- Code of Conduct
- Sustainability Policy

Goals

- All employees must be trained in the Code of Conduct
- Encourage environment-friendly travel

Key ratios

- Number of employees trained in the Code of Conduct
- Number of business trips made by train instead of air, and estimated saving in emissions

GRI indicators

404-3
405-1
406-1

UN's global sustainable development goals



FINANCES

Material topics

- Continued customer satisfaction
- Long-term financial stability and profitability

Policies

- Code of Conduct
- Sustainability Policy

Goals

- Financial goals, see page 21
- Improvement in CSI results

Key ratios

- CSI
- Economic performance

GRI indicators

201-1

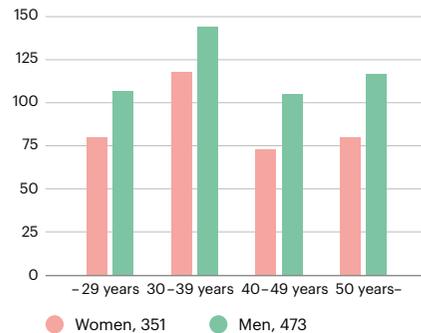
UN's global sustainable development goals



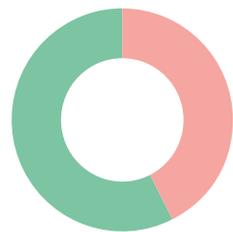
KEY RATIOS

Employees

Gender distribution by age group, number

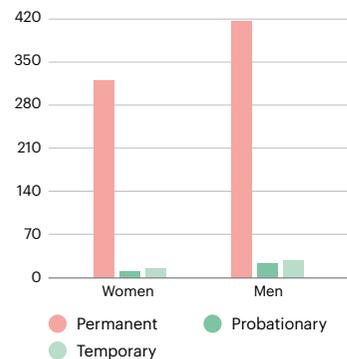


Number of employees, female/male distribution, number



Number of employees: 824
 ● Women, 351
 ● Men, 473

Employees per employment form, number



Other employee information

	2020	2019
Number of summer workers	26 ¹⁾	56
Number of work placements	26	20
Number of reported cases of corruption	0	0
Number of reported cases of discrimination	0	0

1) In addition to the summer workers employed by Balder the company provided jobs for a large number of young people employed by municipalities throughout Sweden during the summer of 2020.

Energy and water

	2020	2019	2018
Total energy use ¹⁾ degree day-based, kWh	463,053,880	433,907,253	452,292,474
Energy use ¹⁾ kWh/sq.m. degree day-based	116.90	126.92	145.21
Water use m ³ /sq.m.	1.04	1.07	1.19

1) Refers to electricity, heating and district cooling.

Wind power production

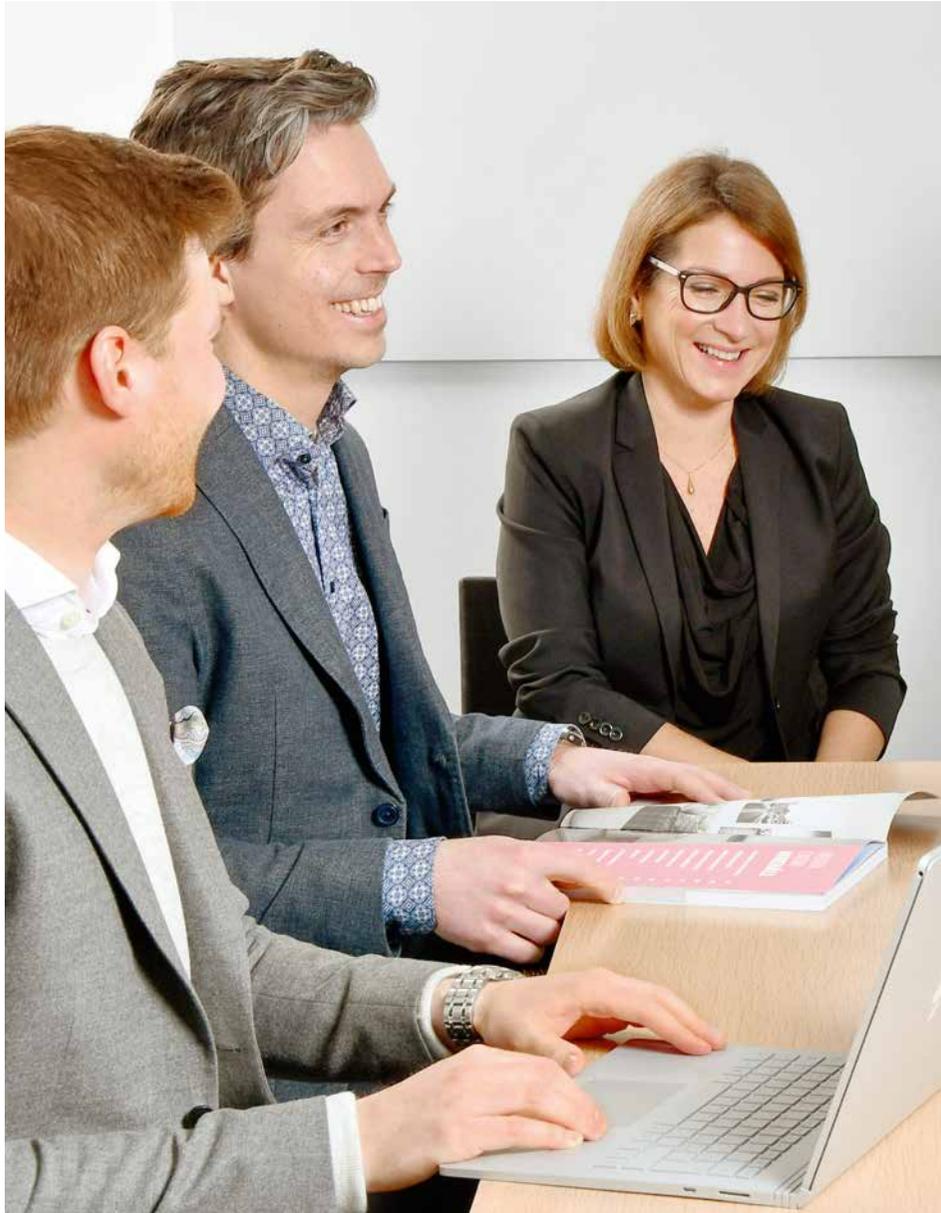
	2020	2019	2018
Total, MWh	21,047	18,274	15,816

Emissions

	2020	2019
Scope 1, tonnes	10.58	11.37
Scope 2, tonnes	13,870.25	14,715.85
Intensity kg/sq.m.	6.57	8.05

Goals and outcome

Goal	Outcome
Properties	
Energy efficiency improvement 2% per sq.m. per annum	During the year the energy use decreased by 7.9%
Reduced water use 2% per sq.m. per annum	During the year the water use decreased by 2.8%
All newly produced properties must fulfill the Miljöbyggnad Silver rating or equivalent	100% of the properties completed in Sweden during the year were certified according to Miljöbyggnad Silver.
Areas	
Create jobs in the property management organisation for young people	During the year 26 summer workers were employed by Balder. In addition to this Balder provided jobs for a large number of young people employed by municipalities in different parts of the country, when the municipalities could not provide jobs under the on-going pandemic.
Implement initiatives for sustainable travel to and from the properties	Several charging stations for electric cars have been installed in Balders properties during the year, as well as car pools with electric cars at newly constructed properties.
Partnerships	
No reported incidents of corruption	During the year 0 incidents of corruption have been reported.
No reported incidents of discrimination	During the year 0 incidents of discrimination have been reported.
Coworkers	
All employees must be trained in the Code of Conduct	Training in the Code of Conduct has started in the organisation, and the number of coworkers that has completed the training will be followed up in 2021.
Encourage environment-friendly travel	During 2020 business travel has decreased heavily following the on-going pandemic, why it is difficult to determine how large the proportion of fewer and more environment-friendly trips following Balders efforts would have been in a normal year.
Finances	
Finacial goals	For outcome, see page 21.
Improved CSI result	During the year no new CSI poll has been made among existing tenants, only in separate newly produced projects, see page 18.



GOVERNANCE OF SUSTAINABILITY WORK

Sustainability is integrated in Balder's day-to-day operations and is governed by the general sustainability policy and the Code of Conduct. These policies interact with the company's business concept, goals and other policies for governing the company in a way that is sustainable in the long term. The sustainability policy includes the company's environmental policy.

The Board is ultimately responsible for the company's Code of Conduct and sustainability policy, and decides on these issues. The company's management team is responsible for implementing policies and ensuring that they are followed. The CEO and management also have ultimate responsibility for the economic performance, and for ensuring that the company's business is conducted in an ethically correct manner. Managers from the property management organisation and property development are responsible for ensuring that the material environmental topics are taken into account in the day-to-day operations, as well as topics relating to social sustainability in the company's areas.

All managers with staff responsibility together with HR, are responsible for maintaining a good working environment with satisfied employees. The company has a sustainability manager who coordinates the internal work, as well as the external communications and reporting.

The Code of Conduct and related policies are based on international guidelines such as the UN Global Compact's principles for human rights, labour, the environment and anti-corruption, the UN Guiding Principles on Business and Human Rights, the ILO's Core Conventions and the OECD's Guide-

lines for Multinational Enterprises. Each employee is responsible for observing the Code of Conduct. The company and those with staff responsibility are responsible for ensuring that all employees understand, can obtain advice and act in accordance with the Code of Conduct.

Compliance with and knowledge of the Code of Conduct and other policies are followed up annually and have been integrated into the company's internal training system. The content of these documents is reviewed annually, in order to correspond with the company's operations and material topics. No cases of corruption have been reported during the year, nor have any cases of infringements of laws and regulations.

Balder strives to create a good work environment based on gender equality and diversity, where the privacy of employees is safeguarded. All forms of harassment are forbidden, as is discrimination. The company distances itself from all forms of forced labour and safeguards employees' freedom of expression and right of association. There were no cases of discrimination reported during the year. There are 363 employees with collective agreements in the Balder Group.

For Balder's wholly-owned subsidiaries, the same sustainability policy and environmental goals apply as for Fastighets AB Balder. For SATO Oyj, see the company's website, sato.fi. For the environmental policies and environmental goals of other subsidiaries and associated companies, see each company's website. For more information about Balder's subsidiaries, see Note 27, Participations in Group companies.

RESPONSIBILITY AND BOUNDARIES

Balder's responsibility primarily covers its own operations, but the company tries as far as possible to contribute to a positive development in a wider perspective, by such means as imposing requirements on suppliers and developing sustainable urban districts and areas.

In order to continue operating and growing, the company depends on long-term economic stability and profitability. This is achieved through solid management of the company's resources, but also depends on satisfied customers that want to continue renting homes and premises from Balder.

For Balder, it is very important to take responsibility for more than just the buildings the company owns, since this creates significant value. This is achieved by promoting security and well-being in the areas where the properties are located. It is also accomplished by maintaining good and ethical external relationships, and also through collaboration with other parties in order to develop districts and areas together. In the same way, the relationship with suppliers is very important, and Balder has zero tolerance of corruption and bribery.

Buildings have a large environmental impact in society, why this is a key issue for Balder. Balder supports the precautionary principle with regard to environmental risks. By minimising use of energy, water and chemicals, Balder aims to reduce the company's environmental impact. For the same reason, the company aims as far as possible to choose renewable energy sources and less hazardous materials, and to apply the precautionary principle in material selection and handling chemicals.

In order to contribute to the circular economy, the company also aims to minimise the volume of waste, and to increase recycling whenever possible. Both in property management and new construction, the company depends on transport operations,

and continual work is in progress to optimise these as much as possible to also reduce the environmental impact from these.

It is just as important to work to ensure people's well-being in the company's properties by offering a good indoor environment. Balder is subject to environmental legislation in many areas and works actively to meet the requirements in both new production and in day-to-day management. Some of the company's focus areas are energy, waste management, indoor climate and potential environmental risks such as radon, PCB and asbestos.

Balder does not conduct any operations that require permits according to the Environmental Code. There is, however, a duty to report in respect of refrigerants. Balder's tenants may, however, conduct business operations that require permits or have a duty to report. There were no registered breaches of environmental legislation and regulations during the year.

Calculation methods

The figures reported for energy use refer to the parent company and wholly owned subsidiaries and properties in Sweden and Denmark owned by Fastighets AB Balder throughout the financial year 2020, and SATO's properties in Finland. Other properties owned by partly owned companies and associated companies are not included. Water intensity refers to use in Swedish properties.

Balder's environmental data is based on measurement with the main meters available for each type of media on the properties. These meters report actual energy used in the property. In cases where the tenant is responsible for all the installations and purchases, this is not included in the total.

Consumption of media is compiled by collection of data from Balder's central energy monitoring

system and financial systems. A new energy monitoring system has been installed in recent years, and the quality of the data collected will continuously be refined, to improve follow-up. The data reported is compiled consumption data degree day-corrected.

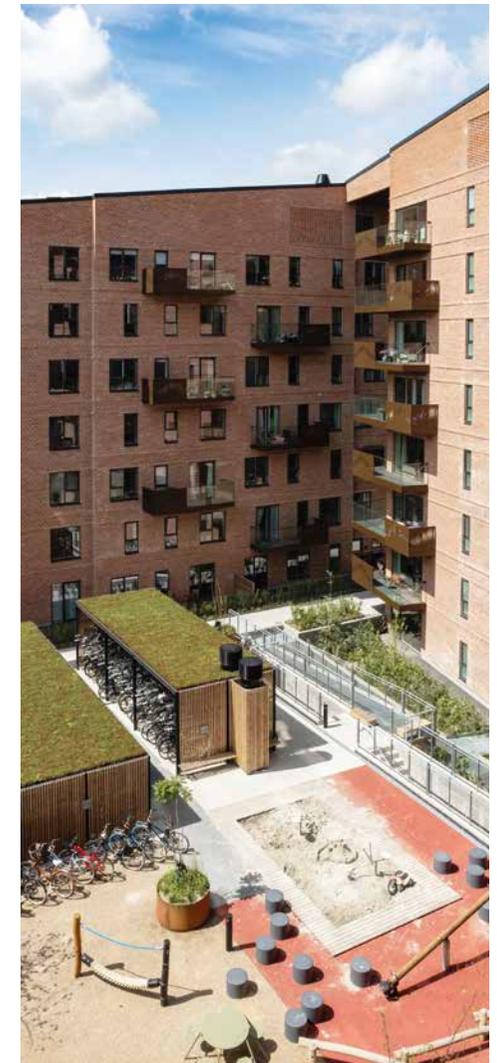
Balder reports emission data for Scope 1 and 2. Scope 1 includes data from own operating cars, based on standard calculation of actual consumption and emission data from suppliers. Scope 2 includes electricity, heating and district cooling, based on actual consumption and emission factors from the company's supplier of energy monitoring services and energy suppliers. The emission reporting includes operations in Sweden and Denmark. For SATO's emissions, see the company's annual report, see sato.fi.

All electricity purchased for the properties in Sweden and Finland is renewable, as is most of the electricity in Denmark.

Balder strives to that to such an extent as possible report key figures related to the significant issues identified, and also to the areas defined in the Annual Accounts Act. Several areas will be updated in the future both regarding governance and follow-up. This applies to, for example the use of energy and water, as well the reporting of emissions.

For human rights, issues concerning increased diversity, development of areas and districts as well as a fair rental process are identified as most material. Governance, risks and indicators for follow-up in this area will be developed in the future. The same applies to other social issues, staff, ethics and anti-corruption.

The risk analysis also continues to develop, among other things to ensure that it covers both potential impact on Balder and risks where Balder's business can have an impact.



RISKS AND OPPORTUNITIES

Management and development of properties, just like all business activity, is associated with risks and these must be handled responsibly and in a controlled manner. Balder works continually on identifying and reducing the risks that can impact operations. Handled in the right way, risks can generate opportunities and create value.

During the year, Balder also started an evaluation of risks and opportunities that can arise as a consequence of climate change. This evaluation also included an initial analysis of the organisation’s resilience. This work will be supplemented in future by detailed analyses, including scenario-based analyses, to clarify which effects climate change might have for the company and the business.

To evaluate risks and opportunities linked to climate change, Balder follows the recommendations issued by the Taskforce on Climate-related Financial Disclosures (TCFD) and is working to implement the recommendations in the areas included:

- Governance
- Strategy
- Risk management
- Goals and metrics

Governance and strategy

Governance of the risk process takes place at an overarching level by the Board of Directors and at an operational level by the CEO, management and other employees.

The sustainability function (including energy managers) are responsible for identifying and assessing climate-related risks and opportunities, as well as suggested measures to manage these (e.g. energy efficiency improvement measures). This is done in collaboration with the finance function and those responsible for property development and management.

The Board deals with climate-related issues at least once a year, and if something special occurs



*) Goals and metrics have not been produced.

that requires action in addition to these instances. Before these meetings, the Board receives a report from the sustainability manager/CEO about climate-related issues and other sustainability-related issues.

Managing risks

When new construction takes place, risks of issues such as floods are dealt with in the planning process, in which municipalities and county administrative boards are involved, specifying tough demands for investigations and impact assessments. Analyses need to be performed for existing properties based on, for example, geographical location, type of property, year of construction, etc. When analysing risks, they are divided into the short, medium and long term, which in Balder’s analysis corresponds to 5, 25 and 50 years respectively.

Continued work

Balder will continue to work with risks and opportunities in accordance with the TCFD’s recommendations. This means above all continued work to identify goals and metrics, as well as detailed analysis of risks with the aid of scenario-based analyses. The objective is also to be able to evaluate the economic consequences that different scenarios and risks may give rise to.

For more information about risks and opportunities, see pages 42–45.

Identified risks and opportunities

Work undertaken so far in accordance with the TCFD’s recommendations has identified the following risks and opportunities:

Risks

- Increased energy costs, for example as a result of increased emission limits.
- Official decisions, for example increased taxes and increased requirements for transition.
- Increased property costs, for example to adapt properties to meet stricter regulations on energy types and emissions, and to replace old technology.
- Increased insurance costs for properties in risk zones.
- Increased requirements for reporting of emissions.
- Increased costs of replacing fossil fuels in operational vehicles.
- Uncertainty about market development and increased requirements or changed preferences from customers.
- Physical effects on properties, e.g. floods, raised sea levels, heatwaves and other extreme weather.

Opportunities

- Less energy use in more efficient buildings.
- Increased use of energy sources with lower emissions.
- Increased production of own renewable energy, e.g. solar panels.
- More efficient transport operations.
- Increased recycling.

ABOUT THE REPORT

Balder has prepared a sustainability report for the Group in accordance with Chapter 6 of the Swedish Annual Accounts Act. The sustainability report is included in this document, which also contains the company’s statutory Annual Report for 2020. The sustainability report also constitutes the company’s Communication on Progress, i.e. the annual report to the UN’s Global Compact.

The sustainability report consists of pages 23–28, 42–45 and 96–102. Specific areas in the statutory sustainability report are shown in the table below. The auditor’s statement on the statutory sustainability report may be found on page 105.

Balder’s sustainability report follows the financial year and is published annually. The previous report was published in March 2020. In this years report key ratios have been updated to also include the properties in Denmark and Finland (the latter consisting of Balders’s subsidiary SATO Oyj). For comparability, previous years’ key ratios have also been updated. Otherwise, no significant changes occurred in operations during the reporting period. This is Balder’s fourth sustainability report and it is prepared in accordance with GRI Standards, Core option. The report has not been reviewed by a third party.

Area in Annual Accounts Act	UNGC principle	Example of Balder’s work	Page reference
Material topics		Annual review of materiality analysis, and ongoing stakeholder dialogues.	24–25, 96–97
Environment	7, 8, 9	Structured work in order to minimise use of energy, water and chemicals, reduce emissions from transport operations and minimise waste.	25–27, 100
Social conditions		Initiatives to create vibrant and safe areas and districts where tenants and others are happy and remain.	25–27, 100
Employees	3, 4, 5, 6	Attract and retain competent employees and continue to develop them. Combat all forms of discrimination, forced labour and the like.	28, 99
Human rights	1, 2	Continued work for increased diversity both internally and externally, development of areas and city districts and a fair letting process.	25–28, 99–100
Anti-corruption	10	Continued training in the Code of Conduct and policies, and follow-up on suppliers and partners.	28, 99–100
Business model		The processes for management, property development and transactions are continually refined, in order to create further value for the company’s stakeholders.	11, 14–15
Policies and follow-up		Internal training in the Code of Conduct and other policies. Whistleblowing function for the reporting of possible breaches.	28, 45, 99
Risks		Continuous analysis of risks and action plans for handling these. Balder has identified risks in the areas environment, social conditions and employees, as well as ethics and corruption. Development and analysis has also started in accordance with TCFD.	42–45, 101

GRI INDEX

GRI Standard	Disclosure	Page reference	Comments
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	2, 38	
102-2	Activities, brands, products and services	2, 11-16	
102-3	Location of headquarters	125	
102-4	Location of operations	30	
102-5	Ownership and legal form	8, 38	
102-6	Markets served	13-15	
102-7	Scale of the organisation	9	
102-8	Information on employees and other workers	28, 58-59, 98	
102-9	Supply chain	97, 99-100	
102-10	Signification changes to the organisation and its supply chain	102	
102-11	Precautionary Principle or approach	100	
102-12	External initiatives supported by the organisation	25	
102-13	Membership of associations		Collaboration and membership are organised locally as relevant
Strategy			
102-14	Statement from the senior decision-maker	3-4, 87	
Ethics and integrity			
102-16	Values, principles, standards and code of conduct	99-101	
Governance			
102-18	Governance structure	99-101	
Stakeholder engagement			
102-40	List of stakeholder groups	96	
102-41	Collective bargaining agreements	99	
102-42	Identifying and selecting stakeholders	96	
102-43	Stakeholder dialogue	96	
102-44	Material topics for stakeholders	96	

GRI Standard	Disclosure	Page reference	Comments
GRI 102: General Disclosures 2016			
Reporting practice			
102-45	Entities included in the consolidated statements	100	
102-46	Defining report content and topic boundaries	96-97, 100, 102	
102-47	List of material topics	96-97	
102-48	Restatement of information from previous reports including reason	100, 102	
102-49	Changes in reporting	100, 102	
102-50	Reporting period	102	
102-51	Date of most recent report	102	
102-52	Reporting cycle	102	
102-53	Contact points for questions regarding the report		Camilla Holten, sustainability coordinator
102-54	Reporting in accordance with GRI Standards	102	
102-55	GRI Index	103-104	
102-56	External assurance	102	
GRI 200: Economic standards			
Economic performance			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 201: Economic performance 2016</i>			
201-1	Direct economic value generated and distributed	46-53	
Own disclosure	Satisfied customers	18	
Anti-corruption			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 205: Anti-corruption 2016</i>			
205-2	Communication and training about anti-corruption policies and procedures	28, 99	
205-3	Confirmed incidents of corruption and actions taken	98	

GRI Standard	Disclosure	Page reference	Comments
GRI 300: Environmental standards			
Energy			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 302: Energy 2016</i>			
302-1	Energy consumption within the organisation	98	
CRE1	Building energy intensity	98	
Water			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
CRE2	Building water intensity	98	
Emissions			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 305: Emissions 2016</i>			
305-1	Direct greenhouse gas emissions	98	
305-2	Indirect greenhouse gas emissions	98	
Environmental compliance			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic and its boundary	99-101	
<i>GRI 307: Environmental compliance</i>			
307-1	Non-compliance with environmental laws and regulations	100	

GRI Standard	Disclosure	Page reference	Comments
GRI 400 Social standards			
Education			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 404: Training and education 2016</i>			
404-3	Percentage of employees receiving regular performance and career development reviews	28	
Diversity and equal opportunity			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 405: Diversity and equal opportunity 2016</i>			
405-1	Diversity of governance bodies and employees	94-95, 98	
Non-discrimination			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 406: Non-discrimination 2016</i>			
406-1	Incidents of discrimination and corrective actions taken	98	
Socioeconomic compliance			
<i>GRI 103: Management approach 2016</i>			
103-1-103-3	Explanation of the material topic, its boundary and governance	99-101	
<i>GRI 419: Socioeconomic compliance 2016</i>			
419-1	Non-compliance with laws and regulations in the social and economic area	99	

THE AUDITOR'S STATEMENT IN RESPECT OF THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Fastighets AB Balder (publ), corporate identity no. 556525-6905

Engagement and allocation of responsibility

The Board of Directors is responsible for the sustainability report for 2020 on pages 23–28, 42–45 and 96–102 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

The focus and scope of the review

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's statement in respect of the sustainability report.

This means that our review of the sustainability report has another aim and direction, and is substantially less exhaustive in scope, than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Gothenburg, 19 March 2021
Öhrlings PricewaterhouseCoopers AB

Bengt Kron
Authorised Public Accountant
Auditor in charge

Konstantin Belogorcev
Authorised Public Accountant



Property list

Municipality	Name of property	Address	Year of construction or value	Property category	Site leasehold right	Lettable area, sq.m.						Total	Tax assessment value, SEKm
						Office	Retail	Industrial/ Warehouse	Education/ Care	Hotel	Residential		
HELSINKI REGION													
Finland	Espoo	Jousenpuistonkatu 2	2019	Retail			1,266					1,266	
● Finland	Helsinki	Fredrikinkatu 47	1955	Office		3,669						3,669	
Finland	Sipoo	Gneissikaari 13	2019	Residential						380		380	
Finland	Sipoo	Graniittitie 8	2020	Residential						279		279	
Finland	Järvenpää	Harava 1	2018	Residential						114		114	
Finland	Vantaa	Haravakuja 10	2018	Residential						27		27	
Finland	Klaukkala	Isoseppäla 14	1966	Retail			3,008					3,008	
Finland	Vantaa	Jaspiskuja 6 B	2019	Residential						61		61	
Finland	Vantaa	Jaspiskuja 6 C	2018	Residential						67		67	
Finland	Vantaa	Jokiniemenkuja 7	2020	Residential						81		81	
Finland	Kerava	Juurakkokatu 56	2017	Residential						384		384	
Finland	Vantaa	Kaivokselantie	2020	Other									
Finland	Vantaa	Kaivokselantie 5 C	2018	Residential						122		122	
Finland	Vantaa	Kaivokselantie 5 L	2019	Residential						2,422		2,422	
Finland	Vantaa	Kaivokselantie 5 N-M	2019	Residential						298		298	
Finland	Espoo	Kavallinmäki 13	2019	Residential						423		423	
Finland	Vantaa	Keimolankaarre 1 B	2020	Residential						706		706	
Finland	Vantaa	Keimolankaarre 3	2019	Residential						2,153		2,153	
Finland	Vantaa	Keltasafiirinpolku 3 C-E	2019	Residential						2,797		2,797	
Finland	Vantaa	Keltasafiirinpolku 3 F-H	2019	Residential						748		748	
Finland	Vantaa	Keltavuokontie 4	2016	Residential						418		418	
Finland	Vantaa	Kilterinrinne 3 B	2020	Residential						23		23	
Finland	Vantaa	Kilterinrinne 3 A	2020	Residential						50		50	
Finland	Espoo	Klippinkitie 7	2018	Residential						901		901	
Finland	Vantaa	Korsontie 14	2019	Residential						400		400	
Finland	Vantaa	Kulorastaantie 3	2019	Residential						390		390	
Finland	Vantaa	Kvartsijuonenkuja 1	2019	Residential						71		71	
Finland	Helsinki	Kyytimiehenkatu 1	2018	Residential						495		495	
Finland	Helsinki	Laurinniityntie 17	2016	Residential						353		353	
Finland	Vantaa	Lincolnin aukio 1	2019	Residential						2,515		2,515	
Finland	Espoo	Linjaljoistonkatu 3	2019	Residential						297		297	
Finland	Vantaa	Lipstikkakuja 1	2020	Residential						113		113	
Finland	Vantaa	Lipstikkakuja 1 A	2019	Residential						147		147	
Finland	Vantaa	Lipstikkakuja 1 B	2020	Residential						105		105	
Finland	Vantaa	Lipstikkakuja 8	2018	Residential						118		118	
Finland	Helsinki	Läntinen Brahenkatu 2	1961	Hotel					3,979			3,979	
Finland	Vantaa	Maamiehentie 15	2017	Residential						172		172	

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site lease-hold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/ Warehouse	Education/ Care	Hotel	Residential	Other		Total
Finland	Vantaa	Martinlaaksonpolku 6	2019	Residential							779		779	
Finland	Vantaa	Martinpolku 10	2019	Residential							33		33	
Finland	Kerava	Niinikankaantie 9	2019	Residential							1,160		1,160	
Finland	Vantaa	Ohratie	2018	Residential							1,694		1,694	
Finland	Espoo	Paapuuuri 4	2019	Residential							203		203	
Finland	Vantaa	Peltolantie 30	2018	Residential							115		115	
Finland	Nurmijärvi	Pikimetsäntie 11	2018	Residential							50		50	
Finland	Espoo	Pikkunevantie 5	2018	Residential							156		156	
Finland	Helsinki	Radiokuja 4	2019	Residential							118		118	
Finland	Vantaa	Rajakyläntie 34	2013	Residential							320		320	
Finland	Vantaa	Rajatie 39	2019	Residential							140		140	
Finland	Espoo	Reviisorinkatu 10	2019	Residential							847		847	
Finland	Nurmijärvi	Ropakkotie 6 A	2018	Residential							168		168	
Finland	Nurmijärvi	Ropakkotie 6 B	2018	Residential							2,122		2,122	
Finland	Nurmijärvi	Ropakkotie 8 D	2018	Residential							113		113	
Finland	Nurmijärvi	Ropakkotie 8 E	2018	Residential							1,099		1,099	
Finland	Vantaa	Rubiinikahä 4 A	2020	Residential							94		94	
Finland	Vantaa	Rubiinikahä 4 B	2020	Residential							134		134	
Finland	Espoo	Runoratsunkatu 3	2019	Residential							252		252	
Finland	Kirkkonummi	Rydmanintie 7 A	2020	Residential							80		80	
Finland	Kirkkonummi	Rydmantintie 7	2020	Residential							71		71	
Finland	Vantaa	Safiirikuja 8	2019	Residential							465		465	
Finland	Vantaa	Sinikuja 3	2015	Residential							336		336	
Finland	Espoo	Sotilastorpantie 1	2014	Residential							500		500	
Finland	Vantaa	Spinellikuja 2	2020	Other										
Finland	Vantaa	Spinellikuja 5 A	2019	Residential							92		92	
Finland	Vantaa	Spinellikuja 5 B	2018	Residential							68		68	
Finland	Vantaa	Spinellikuja 5 C	2019	Residential							69		69	
Finland	Vantaa	Spinellikuja 5 D	2019	Residential							124		124	
Finland	Vantaa	Spinellikuja 9	2019	Residential							69		69	
Finland	Helsinki	Sulhasenkuja 3	2005	Hotel						9,734			9,734	
Finland	Espoo	Suviniitynkatu 4	2018	Residential							579		579	
Finland	Porvoo	Tarkmansintie 11	2018	Residential							2,772		2,772	
Finland	Kirkkonummi	Tarutie 19	2019	Residential							1,951		1,951	
Finland	Sipoo	Tasbyntie 11	2018	Residential							2,224		2,224	
Finland	Sipoo	Tasbyntie 18	2018	Residential							1,448		1,448	
● Finland	Vanda	Tikkurilantie 123	2010	Retail			13,102						13,102	
Finland	Nurmijärvi	Tilkankuja 3 B	2020	Residential							134		134	
Finland	Kirkkonummi	Tolsankuja 5	2017	Residential							1,040		1,040	
Finland	Vantaa	Topaasipolku 2	2020	Residential							62		62	
Finland	Nurmijärvi	Tornitie 4-6	2018	Residential							1,938		1,938	
Finland	Espoo	Tyrskyyvuori 4	2007	Residential							630		630	

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site leasehold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other		Total
Finland	Espoo	Tyyrpuuri 2	2019	Residential							249		249	
Finland	Vantaa	Valtimotie 3 A	2018	Residential							73		73	
Finland	Vantaa	Valtimotie 3 B	2018	Residential							294		294	
Finland	Vantaa	Varikkokaarre 4	2019	Residential							642		642	
Finland	Kirkkonummi	Vernerintie 12	2018	Residential							1,327		1,327	
Finland	Kirkkonummi	Vernerintie 6	2019	Residential							1,320		1,320	
Finland	Kirkkonummi	Vernerintie 8	2019	Residential							1,266		1,266	
Finland	SATO Oyj, several properties			Residential							1,066,844		1,066,844	
Total Helsinki Region							17,376			13,713	1,113,882		1,144,971	
STOCKHOLM REGION														
Botkyrka	Freja 2	Balders väg 10	1973	Residential	Yes						7,060	220	7,280	68
Botkyrka	Freja 3	Balders väg 1	1973	Residential	Yes						7,167	220	7,387	65
Botkyrka	Hallunda 4:11	Iduns väg 1-16		Other	Yes									
Botkyrka	Hallunda 4:9	Balders väg 1-16		Other	Yes									
Botkyrka	Idun 2	Iduns väg 10	1972	Residential	Yes			35			7,060	256	7,351	66
Botkyrka	Idun 3	Iduns väg 1	1972	Residential	Yes			255			7,060		7,315	67
Haninge	Ribby 1:531	Ribby Allé 86 B	2015	Residential							3,140		3,140	39
Huddinge	Björkgården 6	Vårby Allé 32	1973	Residential							14,926		14,926	154
Huddinge	Bäckgården 8	Vårby Centrum	1974	Other	Yes	2,719	2,550	381				2,238	7,888	43
Huddinge	Krongården 7	Krongårdsvägen 1	1973	Residential							42,045		42,045	420
Huddinge	Vinkeln 7	Geometrivägen	1994	Retail			5,391						5,391	80
Järfälla	Säby 3:29	Korpralsvägen 10	2008	Residential		10		622			5,344	8	5,984	105
Karlskoga	Fordonet 1	Tibastvägen 10	1975	Retail	Yes		1,660						1,660	6
Lidingö	Fjällräven 1	Karins Allé 3-7, Vesslevägen 3	1963/1999	Residential				100	4,348		2,561		7,009	
Linköping	Palmen 3	Gamla Tanneforsvägen 51	2002	Hotel						11,086			11,086	155
Nacka	Sicklaön 354:1	Ektorpsvägen 2	1979	Office		6,058	3,871	1,279	5,726	1,385		303	18,622	78
Nacka	Sicklaön 363:2	Värmdövägen 84	1986	Hotel		2,392		35		8,365			10,792	142
Nacka	Ålta 9:130	Åltavägen 170	1992	Retail			960				880		1,840	24
Norrköping	Flygspanaren 8	Stockholmsvägen 39	1959	Retail			1,884						1,884	9
Nynäshamn	Loket 5 & 6	Nickstabadsvägen 14 A	2015	Residential							6,394		6,394	103
Nynäshamn	Musköten 1	Björn Barkmans väg 1	1968	Residential		206		65			22,494	1,208	23,973	203
Sollentuna	Ritmallen 2	Kung Hans Väg 10	1981/1993	Residential		298		1,721		7,844		1,148	11,011	121
Solna	Banken 14	Hotellgatan 11	1965	Hotel		93				11,444			11,537	181
Solna	Puman 1	Bangatan 21	1972	Hotel		340		145		1,664			2,149	23
Stockholm	Alptanäs 1	Haukadalsgatan 3	1981	Retail	Yes	2,222	10,409					859	13,490	79
Stockholm	Doggen 1	Vinthusvägen 157	1974	Office		1,650							1,650	9
Stockholm	Doggen 2	Vinthusvägen 159	1984	Office	Yes	4,721							4,721	23
Stockholm	Domherren 1	Rådmanngatan 12 A	1929	Office		9,719		26				714	10,459	354
Stockholm	Fiskaren Större 3	Götgatan 21	1929	Residential		235	993				1,375		2,603	80
Stockholm	Granen 21	Floragatan 13	1972	Office		4,304							4,304	145
Stockholm	Göta Ark 18	Göta Ark 100	1985	Office	Yes	17,761	320	876				559	19,516	529

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Stockholm	Havsfrun 26	Artillerigatan 42	1929	Office		3,267		252					3,519	113
Stockholm	Holar 3	Skalholtsgatan 10	1985	Other	Yes	6,135		1,072					7,207	74
Stockholm	Islandet 4	Adolf Fredriks Kyrkogata 13	1908	Office		1,845	245	125					2,215	73
Stockholm	Järnplåten 23	Kungsgatan 37	1937	Office		5,225	440	171	148			2,049	8,033	484
Stockholm	Katthavet 8	Näckströmsgatan 8	1863	Other						8,022			8,022	313
Stockholm	Kilaberg 1	Kilabergsvägen	1975	Office	Yes	7,893		5,009					12,902	
Stockholm	Kungsbacken 8	Drottninggatan 108	1929	Office		1,787	547	67				25	2,426	74
Stockholm	Kvasten 8	Mäster Samuelsgatan 10	1929	Office		1,336	614	81				10	2,041	219
Stockholm	Lindansaren 23	Flaggstång, Holländargatan 22	1929	Office		7,120	863	603			293		8,879	267
Stockholm	Luftspringaren 10	Saltmätargatan 10	1931	Office		498		18					516	
Stockholm	Luftspringaren 16	Saltmätargatan 19 A	1929	Office		615	372	80			613	794	2,474	61
Stockholm	Lärfvet 2	Brommaplan 407	1941	Residential	Yes	204	530	143			895		1,772	33
Stockholm	Magneten 32	Voltavägen 13	1982	Office		6,539	450	3,118					10,107	84
Stockholm	Meteorologen 4	Finn Malmgrens Väg 9	1991	Residential	Yes		399				725		1,124	24
Stockholm	Meteorologen 5	Finn Malmgrens Väg 11	1991	Residential	Yes		1,090	74			1,235		2,399	48
Stockholm	Murmästaren 3	Garvargatan 10	1926	Other					16,423				16,423	
Stockholm	Murmästaren 7	Hantverkargatan 31	1929	Office		2,448	462	84				83	3,077	105
Stockholm	Murmästaren 9	Hantverkargatan 21	1929	Residential		1,419	756	6			2,444		4,625	135
Stockholm	Prästgårdsängen 3	Götalandsvägen 218	1986	Office	Yes	5,405	847	39					6,291	65
Stockholm	Silket 2	Brommabågen 4	1941	Retail	Yes	174	602	94			555	7	1,432	28
Stockholm	Singeln 9	Sorterargatan 8	1970	Office	Yes	5,139		103					5,242	32
Stockholm	Skeppshandeln 1	Hammarby Allé 45	2013	Hotel		2,143	3,033	210		8,550			13,936	439
Stockholm	Snöflingan 3	Drottningholmsvägen 59	2009	Hotel						22,000			22,000	489
Stockholm	Spelbomskan 14	Gyldéngatan 6, Sandåsgatan 2	1939	Other				147	2,553				2,700	
Stockholm	Spårvagnen 4	Birger Jarlsgatan 57	1995	Office		18,933	3,084	962				191	23,170	999
Stockholm	Tre Vapen 7	Valhallavägen 185	2004	Other		2,390		333	9,018				11,741	
Stockholm	Tråden 1	Brommaplan 418-420	1941	Retail	Yes	555		41			537		1,133	22
Stockholm	Varmvattnet 3	Esbogatan 8	1977	Retail	Yes		15,000					18,009	33,009	215
Stockholm	Vattenkraften 1	Solkraftsvägen 13	1989	Office	Yes	6,576	734	25	3,689			4	11,028	46
Stockholm	Vilunda 6:48	Hotellvägen 1	1986	Hotel						6,955			6,955	63
Stockholm	Årstaäng 4	Fredsborgsgatan 24	1966	Office	Yes	1,547		84	4,182			3	5,816	57
Stockholm	Årstaäng 6	Fredsborgsgatan 24	2015	Office	Yes	16,388	815	849				7	18,059	460
Sundbyberg	Bivacken 2	Kavallerivägen 24	1990	Other		4,017	499	95	70			2	4,683	42
Sundbyberg	Bollspelaren 1	Lötsjövägen 10	1993	Other				4,028	5,621				9,649	
Sundbyberg	Kartan 1	Lötsjövägen 2	1971	Other		11,349		1,160		2,414	5,996	2	20,921	149
Sundbyberg	Kasernen 1	Kasernvägen 1	1940	Other					1,546			4	1,550	
Sundbyberg	Kasernen 2	Kasernvägen 5	1940	Other					1,594				1,594	
Sundbyberg	Kasernen 3	Kasernvägen 3	1940	Other					1,551				1,551	
Sundbyberg	Kvartermästaren 1	Rissne torg 1	1984	Retail		470	1,657	87	1,916			6	4,136	
Sundbyberg	Maden 4	Madenvägen 7	1988	Retail	Yes	4,314	6,357					466	11,137	110
Sundbyberg	Muraren 9	Järnväggsgatan 30	2002	Residential		4,037		19			3,166	1,069	8,291	142
Sundbyberg	Terränglöparen 11	Hallonbergsplan 1	1984	Office		7,475	5,845	2,738	3,810			4,871	24,739	155

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Södertälje	Grävmaskinen 23	Morabergsvägen 1	1973	Retail			2,391						2,391	4	
Södertälje	Yxan 8	Täppgatan 15	1975	Hotel						14,115			14,115	102	
Uppsala	Berthåga 53:1	Naturstenvägen 101	2007	Residential							3,814		3,814	60	
Uppsala	Denmarks-Säby 11:1	Kumlagatan 12	2012	Retail			20,727				712		21,439	191	
Uppsala	Dragarbrunn 16:4	Dragarbrunns torg 18	1962	Hotel			680	51		5,259			5,990	111	
Uppsala	Kvarngärdet 3:2	Gamla Uppsalagatan 50	1983	Hotel						7,518			7,518	54	
Uppsala	Årsta 68:1	Fyrislundsgatan 75	1976	Retail			7,558						7,558	61	
Uppsala	Årsta 94:1	Stålgatan 101	1988	Residential							5,274	39	5,313	83	
Uppsala	Årsta 95:1	Stålgatan 35	2005	Residential							4,125	8	4,133	62	
Örebro	Stjärnregnet 1	Otto E Andersens gata 1	1979	Retail	Yes		4,341						4,341	30	
Total Stockholm Region							189,971	108,976	27,508	62,195	116,621	157,178	36,094	698,543	9,749
GOTHENBURG REGION															
Ale	Nödinge 38:14	Ale Torg 10	2007	Retail		3,920	10,032	30					13,982	94	
Ale	Surte 1:245	Gothenburgsvägen 64 B	1967	Residential		215	337				1,216	90	1,858	17	
Ale	Surte 1:293	Gothenburgsvägen 93 A	1946	Residential					424		356		780		
Ale	Surte 1:294	Brattåsstigen 6	1992	Residential					455		330		785		
Ale	Surte 4:119	Gothenburgsvägen 64	1987	Retail		808	1,440	277			462	114	3,101	19	
Alingsås	Bagaren 14	Hantverksgatan 2	1991	Residential							556		556	8	
Alingsås	Bagaren 2	Hantverksgatan 4	1992	Residential							424	9	433	6	
Alingsås	Björkhagen 1	Björkhagegatan 2 A	2008	Residential							3,212		3,212	60	
Alingsås	Bolltorp 4:13	Bolltorp	2003	Residential							14,166		14,166	249	
Alingsås	Dryckeshornet 1	Bankgatan 1	1911	Hotel			219			5,362			5,581	36	
Alingsås	Safiren 1	Safirgatan 6 A	1993	Residential							4,342		4,342	64	
Alingsås	Skyffeln 2	Aleforsvägen 9	1973	Office		210		5,716					5,926	18	
Alingsås	Smedjan 3	Malmgatan 6 A	1953	Retail			2,807					15	2,822	7	
Borås	Bulten 1	Verkstadsgatan 3	1901	Retail			1,815						1,815	6	
Borås	Plutonen 1	Pickesjövägen 2	2011	Retail		40	12,318					762	13,120	66	
Borås	Vattnet 4	Elementgatan 8	2018	Retail			7,716						7,716	41	
Borås	Vindyget 6	Ödegårdsgatan 2 A	2012	Retail			3,350						3,350	21	
Gothenburg	Askim 243:20	Askims Torg	1972	Office		1,803	638	553	1,385				4,379	29	
Gothenburg	Backa 169:2	Södra Deltavägen 3 B	1994	Retail			3,615						3,615	47	
Gothenburg	Backa 169:3	Södra Deltavägen 3 A	2006	Retail			1,975						1,975	45	
Gothenburg	Backa 171:3	Backavägen 1	1955	Retail			4,334						4,334	53	
Gothenburg	Backa 171:4	Backavägen 3	1990	Office		4,932	2,930	308					8,170	108	
Gothenburg	Backa 21:14	Exportgatan 47 B	1989	Other		608		1,784				108	2,500	13	
Gothenburg	Bagaregården 5:8	Kungälvsgatan 6 A	1929	Residential							584		584	16	
Gothenburg	Bagaregården 5:9	Kungälvsgatan 6 A	1929	Residential							588		588	16	
Gothenburg	Bergsjön 34:1	Atmosfärgatan 1	1970	Residential		115		281			22,336		22,732	204	
Gothenburg	Bergsjön 9:6	Kosmosgatan 1	1967	Residential		77	162	399			43,993	3,482	48,113	397	
Gothenburg	Biskopsgården 7:1	Långströmmsgatan 26	1967	Residential	Yes			388			15,278		15,666	136	
Gothenburg	Biskopsgården 7:2	Långströmmsgatan 14 C	1967	Residential	Yes	145		153			13,855		14,153	126	

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Gothenburg	Biskopsgården 7:3	Långströmsgatan 10 A	1968	Residential	Yes			161			13,988		14,149	122
Gothenburg	Bråmaregården 72:4	Hisingsgatan 28	1959	Office	Yes	2,495	889	42				20	3,446	29
Gothenburg	Bur 134:1	Oxholmsgatan 28	1989	Residential	Yes							302	302	
Gothenburg	Bö 93:2	Sofierogatan 1	1940	Office		8,304		472				316	9,092	119
Gothenburg	Gamlestaden 25:11	Marieholmsgatan 4	1990	Office	Yes	3,809		178				70	4,057	28
Gothenburg	Gamlestaden 26:13	Vassgatan 3	1988	Office	Yes	3,803		6,363				3,991	14,157	64
Gothenburg	Gullbergsvass 11:2	Gullbergs Strandgata 40	1977	Other	Yes			5,865					5,865	27
Gothenburg	Gårda 15:1	Fabriksgatan 7	1929	Office		7,144	207	487					7,838	194
Gothenburg	Gårda 15:1 (15:12)	Drakegatan 2	1937	Residential		1,583	87				6,717		8,387	237
Gothenburg	Gårda 70:9	Kobbarnasväg 17	1985	Residential							1,519		1,519	39
Gothenburg	Gothenburg Tuve 116:6	Grimbodalen 6	2008	Retail			3,213						3,213	22
Gothenburg	Heden 24:11	Engelbrektsgatan 73	1964	Hotel	Yes					17,875			17,875	305
Gothenburg	Heden 47:3	Parkgatan 49	2015	Office		5,788	472	50				1,231	7,541	271
Gothenburg	Högsbo 1:1	J A Wettergrensgata 7	1967	Office		11,165		3,527				124	14,816	66
Gothenburg	Högsbo 11:10	Victor Hasselbladsgata 8	1982	Office		4,050							4,050	20
Gothenburg	Högsbo 23:4	Gustaf Werners Gata 1	2008	Retail		1,698	31,250	274				94	33,316	451
Gothenburg	Högsbo 36:2	Norra Långebergsgatan 2	1974	Retail			5,597					456	6,053	46
Gothenburg	Högsbo 36:8	Hulda Mellgrensgata 11	1992	Retail		2,448							2,448	33
Gothenburg	Högsbo 38:17	Sisjö Kullegata 5	1986	Office		1,680						26	1,706	15
Gothenburg	Högsbo 38:20	Sisjö Kullegata 6	1989	Office		2,010		780					2,790	22
Gothenburg	Högsbo 38:8	Sisjö Kullegata 8	1990	Office		5,409		1,340					6,749	62
Gothenburg	Inom Vallgraven 1:13	Drottninggatan 62	1986	Hotel						26,656			26,656	460
Gothenburg	Inom Vallgraven 14:1	Södra Hamngatan 2	1907	Other			1,732			3,129			4,861	114
Gothenburg	Inom Vallgraven 15:3	Drottninggatan 30	1980	Office		3,847	379	169					4,395	124
Gothenburg	Inom Vallgraven 16:21	Drottninggatan 10	1882	Office		2,370	352	86				200	3,008	91
Gothenburg	Inom Vallgraven 19:4	Drottninggatan 31	1929	Office		859	236						1,095	30
Gothenburg	Inom Vallgraven 19:6	Drottninggatan 35	1929	Office		525	510						1,035	25
Gothenburg	Inom Vallgraven 2:2	Drottninggatan 69	1853	Office		1,038	254						1,292	42
Gothenburg	Inom Vallgraven 20:8	Östra Hamngatan 37	1993	Office		587	514					6	1,107	40
Gothenburg	Inom Vallgraven 22:6	Kungsgatan 41	1869	Office		405	468						873	43
Gothenburg	Inom Vallgraven 33:7	Magasinsgatan 26	1929	Office		2,189	926	21			258	387	3,781	82
Gothenburg	Inom Vallgraven 36:4	Kaserntorget 11 A	1912	Office		3,154		10	9,494			3,840	16,498	
Gothenburg	Inom Vallgraven 4:2	Lilla Kungsgatan 1	1929	Office		2,068	630	62				1,001	3,761	98
Gothenburg	Inom Vallgraven 4:4	Lilla Kungsgatan 3	1929	Office		5,819							5,819	105
Gothenburg	Inom Vallgraven 4:5	Bastionsplatsen 2	2019	Office		2,260	770	55				500	3,585	
Gothenburg	Inom Vallgraven 54:10	Lilla Torget 3	1929	Office		700	175						875	16
Gothenburg	Inom Vallgraven 54:9	Lilla Torget 4	1929	Office		757		8					765	18
Gothenburg	Inom Vallgraven 58:6	Kungsgatan 34	1989	Office		2,816	328	10				1,374	4,528	159
Gothenburg	Inom Vallgraven 8:1	Kyrkogatan 29-31	1850	Retail		1,526	1,668					5	3,199	137
Gothenburg	Inom Vallgraven 8:14	Kungsgatan 54	1929	Office		1,318	1,606						2,924	116
Gothenburg	Inom Vallgraven 8:19	Kungsgatan 56	1962	Office		801	509						1,310	66

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Gothenburg	Inom Vallgraven 8:20	Kyrkogatan 33	1940	Retail			803						803	21
Gothenburg	Järnbrott 145:6	Svångrumsgatan 45	1963	Residential	Yes						3,899	8	3,907	82
Gothenburg	Kobbegården 6:169	Datavägen 18	1980	Office				1,608					1,608	7
Gothenburg	Kobbegården 6:170	Datavägen 16	1985	Office				1,574					1,574	8
Gothenburg	Kobbegården 6:259	Datavägen 41		Office										3
Gothenburg	Kobbegården 6:261	Datavägen 37	1976/1981	Office		2,896	386	5,670					8,952	52
Gothenburg	Kobbegården 6:56	Datavägen 12 B	1981	Office		1,530		1,353					2,883	16
Gothenburg	Kobbegården 6:725	Datavägen 12 A	1988	Office		3,268							3,268	36
Gothenburg	Kvillebäcken 16:10	Färgfabriksgränd 7	1965	Other		100	1,876	527			985		3,488	8
Gothenburg	Kvillebäcken 16:11	Gamla Björlandavägen 2	1966	Office		3,152	854	217			4,316		8,539	43
Gothenburg	Kvillebäcken 61:5	Ångpannegatan 1	1945	Office				1,505					1,505	2
Gothenburg	Kvillebäcken 61:8	Turbingatan 1	1901	Office				2,059					2,059	12
Gothenburg	Kålltorp 36:7	Solrosgatan 13 A	1935	Residential							769	105	874	20
Gothenburg	Kålltorp 39:1	Råstengsgatan 2 A	1936	Residential							791		791	20
Gothenburg	Kärra 32:22	Tagenevägen 26	1980	Retail	Yes		2,800						2,800	20
Gothenburg	Kärra 73:1-2	Tagenevägen 17 A	1971	Retail		192		4,160				220	4,572	28
Gothenburg	Kärra 95:3	Orrekulla Industrigata 14	1990	Retail			7,080					129	7,209	56
Gothenburg	Lindholmen 29:1	Theres Svenssons Gata 15	2002	Office		11,297	475	86				31	11,889	301
Gothenburg	Lindholmen 39:2	Lindholmospiren 4	2013	Hotel						13,299			13,299	299
Gothenburg	Lorensberg 45:20	Kungssportsavenyen 6-8	1971	Hotel			1,357			2,305			3,662	136
Gothenburg	Lorensberg 46:1	Kungssportsavenyen 3	1929	Retail		737	1,831	42				316	2,926	66
Gothenburg	Lorensberg 46:10	Kungssportsavenyen 17	1944	Office		1,053	572						1,625	48
Gothenburg	Lorensberg 46:11	Teatergatan 18	1929	Retail								1,203	1,203	23
Gothenburg	Lorensberg 46:12	Kungssportsavenyen 11	1929	Retail			2,394						2,394	66
Gothenburg	Lorensberg 46:5	Kungssportsavenyen 7	1929	Retail		201	766						967	27
Gothenburg	Lorensberg 46:6	Kungssportsavenyen 9	1950	Retail								1,176	1,176	37
Gothenburg	Lorensberg 49:2	Storgatan 33	1983	Hotel						1,500			1,500	23
Gothenburg	Lorensberg 55:15	Södra Vägen 23	1969	Office		2,700	8,690	336		13,158			24,884	851
Gothenburg	Lorensberg 55:4	Södravägen 27	1968	Office			120		3,308				3,428	
Gothenburg	Lorensberg 55:8	Lorensbergsgatan 16	1968	Office										24
Gothenburg	Lunden 45:2	Platågatan 3 A	1986	Residential							625		625	16
Gothenburg	Masthugget 11:13	Andra Långgatan 29	1970	Office		17,632	2,840	945	2,046		7,706	1,445	32,614	546
Gothenburg	Nordstaden 10:15	Köpmansgatan 27	1929	Office		1,031	590	36				812	2,469	99
Gothenburg	Nordstaden 10:16 & 10:17	Köpmansgatan 29	2008	Hotel			113			7,753			7,866	193
Gothenburg	Olskroken 10:5	Olskroksgatan 30	1985	Office		1,920		81	2,532				4,533	
Gothenburg	Olskroken 25:11	Falkgatan 7	1932	Other					1,969			292	2,261	
Gothenburg	Rud 8:10	Munspelsgatan 10	1962	Residential		255		614			43,673	988	45,530	729
Gothenburg	Rud 8:12	Lergöksgatan 2 AA	2019	Other			2,790						2,790	62
Gothenburg	Rud 8:22	Munspelsgatan 18	2019	Other										9
Gothenburg	Sannegården 25:1	Säterigatan 20	1971	Office		3,482		192					3,674	24
Gothenburg	Sannegården 28:5	Sjöporten 1	1945	Hotel		69	307			1,161			1,537	17
Gothenburg	Stampen 7:12	Burggrevegatan 25	1901	Hotel						3,533			3,533	86

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Gothenburg	Tingstadsvassen 3:6	Krokegårdsgatan 3	1944	Retail		128	3,426	100				6	3,660	77
Gothenburg	Tingstadsvassen 3:7	Krokegårdsgatan 7	1987	Retail			5,243						5,243	116
Gothenburg	Tingstadsvassen 3:8	Krokegårdsgatan 5	1991	Retail			4,865						4,865	126
Gothenburg	Tingstadsvassen 4:3	Krokegårdsgatan 1	1986	Retail		502	3,268					15	3,785	85
Gothenburg	Torslanda 153:1	Mossfyndsgatan 15	1989	Residential	Yes	362							362	
Gothenburg	Torslanda 155:3	Mossfyndsgatan 10	1989	Residential	Yes	300							300	
Gothenburg	Torslanda 95:1	Torslanda Torg 2	1973	Retail		231	4,578	26			871	968	6,674	51
Gothenburg	Uggledal 408:1	Uggledalsvägen 13	2010	Office		3,200							3,200	23
Gothenburg	Utby 39:11	Västra Tvärskedet 3	1990	Residential					116		351		467	
Jönköping	Visionen 4	Bataljongsgatan 14	2016	Retail			22,448					385	22,833	166
Kungsbacka	Bolsheden 1:18	Bolshedens Industriväg 35	2006	Office		2,718		1,745					4,463	26
Kungsbacka	Bolsheden 1:48	Bolshedens Industriväg 30	1992	Office		699		3,701					4,400	19
Kungsbacka	Hede 4:14	Hedebrovägen 15	2011	Retail			4,177						4,177	29
Kungsbacka	Kungsbacka 6:28	Smörhålevägen 1	1993	Other						456		2,219	2,675	
Kungsbacka	Kungsbacka 6:29	Smörhålevägen 3-5	1993	Other		2,585		603	1,723				4,911	
Kungsbacka	Spekedal 1:104	Kopparvägen 4-14	1988	Residential							2,519		2,519	27
Kungsbacka	Spekedal 1:92	Gottskärsvägen 28	1987	Residential							681		681	6
Kungsbacka	Varla 2:367	Energigatan 3	1986	Other								563	563	3
Kungsbacka	Varla 2:394	Energigatan 5 A-C	1987	Other								685	685	4
Kungsbacka	Varla 2:429	Magasinsgatan 2 A	2004	Other								1,172	1,172	8
Kungsbacka	Verkmästaren 10	Hantverksgatan 3	1975	Office			3,471						3,471	15
Kungsbacka	Ysby 2:25	Klovstenvägen 13-17		Other										
Kungälv	Krabbetorget 1 & 35	Västra Gatan 84	1938	Retail		391	840				272		1,503	15
Kungälv	Rhodin 19	Strandgatan 77	1967	Retail			2,822	91				7	2,920	30
Kungälv	Skatan 1	Christian IV:s väg 1	1976	Office			1,489						1,489	7
Kungälv	Skomakaren 10	Fabriksgatan 10	1988	Office		1,781	478	79	1,474			308	4,120	
Kungälv	Slottsträdgården 5	Gamla Torget	1958	Hotel						6,100			6,100	31
Kungälv	Stopet 1	Fräkne Gränd 20	2018	Residential			221				7,869		8,090	126
Lerum	Floda 3:121	Gamla Vägen 26	1991	Residential							1,016		1,016	14
Lerum	Lerum 43:21	Skattegårdsbacken 10	1991	Residential							1,383		1,383	3
Lerum	Torp 1:328	Lindvägen 34 A	1988	Residential							428	11	439	5
Mariestad	Enen 23	Viktoriagatan 16	1985	Retail			3,889				1,952		5,841	42
Mariestad	Furan 11	Stockholmsvägen 23	1962	Residential		121					1,620	637	2,378	45
Mariestad	Furan 12	Stockholmsvägen 25	1962	Residential				6			4,254		4,260	
Mariestad	Fårtickan 1	Bergsgatan 20	1968	Residential							4,632		4,632	34
Mariestad	Granen 8	Viktoriagatan 17		Other										
Mariestad	Hunden 3	Nya Torget 1	1965	Retail			2,187	260			158	1,251	3,856	16
Mariestad	Murklan 1	Bergsgatan 18	1968	Residential							12,597		12,597	91
Mariestad	Staren 8	Nygatan 14	1966	Retail		305	1,596				65	46	2,012	8
Möln dal	Fallström 14	Fallströmsgatan 1	1996	Office		89					842		931	
Möln dal	Gaslyktan 2	Argongatan 20	1981	Retail			3,483					81	3,564	31
Möln dal	Gaslyktan 8	Argongatan 8	1977	Office		478		5,913					6,391	35

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site leasehold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other		Total
Mölnadal	Leoparden 2	Gothenburgsvägen 129	1923	Retail		1,476	20,669					495	22,640	125
● Mölnadal	Pekdonet 1	Betagatan 2		Project, land										
Mölnadal	Pianot 5	Bäckstengsgatan 13	2009	Retail		2,493							2,493	22
Mölnadal	Presenten 1	Flöjelbergsgatan 24	2001	Retail		774	12,726					77	13,577	96
Mölnadal	Presenten 2	Flöjelbergsgatan 22	1978	Retail			2,250					75	2,325	12
Mölnadal	Stockrosen 10	Norra Ågatan 26 C	1973	Office		1,520		53				35	1,608	13
Mölnadal	Stockrosen 3	Norra Ågatan 38	1964	Office		1,073	408	4,548				190	6,219	21
Mölnadal	Stockrosen 6	Norra Ågatan 34	1948	Office		551	1,212	252					2,015	14
Skövde	Dagslåndan 10	Barkvägen 10 A	1972	Residential		222					22,212		22,434	172
Skövde	Ekoxen 10	Barkvägen 32	1974	Residential		2,406	346				21,927	5,656	30,335	203
Skövde	Mellomkvarn 1	Mellomkvarnsvägen 2	1972	Retail			10,959						10,959	37
Skövde	Smeden 5	Petter Heléns Gata 2	1976	Office	Yes	2,434							2,434	16
Skövde	Storängen 13	Kåsatorpsvägen 5	1992	Office		2,205		70					2,275	13
Trollhättan	Fullriggaren 1	Sandviksvägen 2	1990	Retail			2,200						2,200	9
Trollhättan	Fullriggaren 6	Överbyvägen 29	2020	Retail				2,000					2,000	10
Trollhättan	Hoppet 1	Drottninggatan 13, Staveredsg 19	1992	Residential		295					2,341	265	2,901	35
Trollhättan	Plogen 1	Lantmannavägen	1969	Residential	Yes	32		316			11,166		11,514	82
Trollhättan	Plogen 2	Lantmannavägen	1967	Residential	Yes						10,555	176	10,731	64
Trollhättan	Propellern 7	Saabvägen 1	1992	Office		4,759						9	4,768	14
Trollhättan	Sjöfrun 5	Magasinsg 4 A-4 B, Storgatan 35	1936	Residential			193				1,367	161	1,721	19
Trollhättan	Strandpiparen 12	Slättbergsvägen 22	1952	Residential				14			640	110	764	8
Trollhättan	Svan 7	Storgatan 47	1989	Hotel						11,632			11,632	51
Trollhättan	Venus 9	Föreningsg 10 A-10 C, Österlångg 44-46	1989	Residential		1,250	475				1,594		3,319	29
Uddevalla	Bagge 7	Kungsgatan 10	1968	Retail		1,050	1,569	103					2,722	21
Uddevalla	Frölandsgärdet 2	Brunegårdsvägen 5	1989	Retail				5,614				136	5,750	20
Uddevalla	Kålgården 51	Kyrkogårdsgatan 1, 3, 5	1930	Hotel		1,027	590	500	294	6,500		10	8,921	49
Uddevalla	Sälghugget 1	Lillbräckegeatan	1972	Residential	Yes	243	239	206			14,456		15,144	151
Varberg	Kardanen 4	Kardanvägen 6 A	1991	Retail			3,847						3,847	14
Total Gothenburg Region						196,513	269,268	77,054	25,220	120,419	329,411	46,298	1,064,183	12,591

COPENHAGEN REGION

Greve	Matr.nr. 60s	Ventrupparken 6	2010	Other				4,909					4,909	
Copenhagen	Matr.nr 1002 d Sundby Overdrev	Hannemanns Allé	2018	Residential							7,137		7,137	
Copenhagen	Matr.nr 1034, 1035, 955a Sundby Overdrev	Else Alfelts Vej 85-89, 95-101, Richard Mortensens Vej 84-88	2016	Residential							18,234		18,234	
Copenhagen	Matr.nr 1041 Sundby øster	Lergravsvej nr. 64-76, Øresundsvej 145-159	2017/2018	Residential			232				41,395	139	41,766	
Copenhagen	Matr.nr 130 & 158 Vestervold Kvarter	Colbjørnsensgade 13	1889	Hotel						6,380			6,380	
Copenhagen	Matr.nr 1565 Udenbys Vester	Havneholmen 12 B-G, 14 B-G	2016	Residential							17,286	252	17,538	
Copenhagen	Matr.nr 2406 Udenbys Klædebo Kvarter	Marskens Gade 1-35, Borgm. Jensens Allé 11-41, Serridslevvej 4-22	1996	Residential							43,684		43,684	

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site lease-hold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other		Total
Copenhagen	Matr.nr 274 Vestervold kvarter	Jernbanegade 8	1912	Other								5,300	5,300	
Copenhagen	Matr.nr 329 Vestervold Kvarter	Bernstorffsgade 4	1913	Hotel					5,310				5,310	
Copenhagen	Matr.nr 371 Vestervold Kvarter	Vester Farimagsgade 33	1950	Hotel					6,308				6,308	
Copenhagen	Matr.nr 378 Vestervold Kvarter	Vester Farimagsgade 17	1957	Hotel					5 120				5,120	
Copenhagen	Matr.nr 59o Hillerød Markjorder	Studiestræde 3-27, 3400 Hillerød	2020	Residential							10,656		10,656	
Copenhagen	Matr.nr 938 Østervold Kvarter	Oslo Plads 5	1958	Hotel					7,453				7,453	
Copenhagen	Matr.nr 952 g Sundby Overdrev	Else Alfelts Vej 52 -58	2019	Residential			211				21,029		21,240	
Copenhagen	Matr.nr 954 b, Sundby Overdrev	Else Alfelts Vej 80	2017	Residential							15,035		15,035	
Copenhagen	Matr.nr 957 og 980A Sundby Overdrev	Richard Mortensens vej 60	2020	Residential			127				21,175		21,302	
Copenhagen	Matr.nr 964 a, Sundby Overdrev	Robert Jacobsens Vej 50	2019	Residential			95				20,830		20,925	
Copenhagen	Matr.nr 966 Sundby Overdrev	Robert Jacobsens vej 93-101	2009	Residential							6,807		6,807	
Copenhagen	Matr.nr Vestervold kvarter 0273	Niels Brocks Gade 1	2017	Hotel					5,300				5,300	
Total Copenhagen Region							665	4,909		35,871	223,268	5,691	270,404	
SOUTH REGION														
Burlöv	Tågarp 16:12	Testvägen 4	1990	Retail								3,174	3,174	14
Gislaved	Anderstorp 8:16	Ågatan 35	1970	Retail			1,400					100	1,500	3
Halmstad	Eketånga 24:20	Olofsdalsvägen 33	1973	Retail			5,836						5,836	30
Halmstad	Eketånga 24:47	Olofsdalsvägen 37	2012	Retail			3,220						3,220	29
Halmstad	Stenalyckan 2	Orkangatan 1	1992	Retail			3,750						3,750	17
Helsingborg	Amerika Södra 28	Bryggaregatan 7	1950	Residential	561	501	20			5,094	1,363		7,539	111
Helsingborg	Huggjärnet 10	Garnisonsgatan 5	1971	Retail							11,144		11,144	30
Helsingborg	Skalbaggen 15	Gustav Adolfs Gata 13	1939	Residential						762	19		781	7
Helsingborg	Skalbaggen 16	Gasverksgatan 32 A	1935	Residential			195			2,155	65		2,415	22
Helsingborg	Skalbaggen 17	Gasverksgatan 34	1935	Residential			83			712	32		827	7
Helsingborg	Skalbaggen 18	Gasverksgatan 36	1933	Residential			34			818	66		918	7
Helsingborg	Skalbaggen 19	Gasverksgatan 38	1935	Residential						708	57		765	6
Helsingborg	Skalbaggen 20	Gasverksgatan 40	1935	Residential			83			632	109		824	6
Helsingborg	Skalbaggen 21	Gasverksgatan 42	1935	Residential						711	103		814	7
Helsingborg	Skalbaggen 22	Gasverksgatan 44 A	1930	Residential			143			1,905			2,048	17
Helsingborg	Skalbaggen 23	Gustav Adolfs Gata 17	1967	Residential						3,685	60		3,745	36
Helsingborg	Skalbaggen 24	Gustav Adolfs Gata 15	1983	Residential						2,134			2,134	20
Helsingborg	Skalbaggen 7	Drakegatan 5	1929	Residential						688	111		799	7
Helsingborg	Verdandi 1	Bifrostgatan 71	2006	Residential			62			3,763			3,825	53
Helsingborg	Würtemberg 20	Furutorpbgatan 29	1937	Retail	1,392	6,168	15			4,786	1,314		13,675	146
Helsingborg	Zirkonen 3	Andesitgatan 18	2016	Retail		5,500							5,500	42
Kristianstad	Hammar 9:184	Blekingevägen 104	1989	Retail								5,135	5,135	12
Kristianstad	Hovrätten 41	Västra Storgatan 13	1985	Hotel			380		7,075				7,455	40
Kristianstad	Topplocket 1	Sävevägen 1	1999	Retail		6,509							6,509	37
Kristianstad	Traversen 1	Hedentorpsvägen 14 A	1990	Retail				2,172					2,172	7
Ljungby	Linné 9	Fabriksgatan 5	1970	Retail		1,975							1,975	4

● Acquisitions in 2020

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						Office	Retail	Industrial/ Warehouse	Education/ Care	Hotel	Residential	Other		Total
Lund	Dioriten 1	Brunnsgård, Råbyvägen 1	2001	Office		3,080							3,080	34
Lund	Jöns Petter Borg 14	Hedvig Möllers gata 2	2013	Hotel						8,462			8,462	73
Lund	Kalkstenen 1	Kalkstensvägen 32	2000	Retail			2,180						2,180	12
Lund	Kopparkisen 13	Porfyrvägen 11	1989	Retail			4,732				72		4,804	22
Lund	Lagfarten 1 & 2	Magistratsvägen 10	1968	Office		3,472	1,005	289					4,766	35
Lund	Porfyren 2	Glimmervägen 3	1991	Hotel						15,711			15,711	105
Lund	Rügen 1	Stralsundsvägen 1-25	2006	Residential							3,085		3,085	51
Lund	Rügen 2	Stralsundsvägen 29	2006	Residential							5,264	526	5,790	95
Malmö	Automobilen 1	Jägersrovägen 100	1985	Retail	Yes			10,718				827	11,545	42
Malmö	Draglädret 1	Jägersrovägen 179	1994	Retail			2,679						2,679	19
Malmö	Grytan 4	Agneslundsvägen 24 A-B	2010	Other	Yes				2,400				2,400	
Malmö	Grytan 9	Agneslundsvägen 22	2010	Other		98	164	185	11,923		1,366	262	13,998	
Malmö	Hans Michelsen 10	Adelgatan 5	1963	Hotel		1,955	558			1,645		10	4,168	40
Malmö	Hästkälken 3	Jägershillgatan 4	1979	Retail	Yes		2,290						2,290	11
Malmö	Ledebur 15	Amiralsgatan 20	1990	Office		6,113						1,300	7,413	87
Malmö	Lejonet 1	Isak Slaktaregatan 2	1991	Hotel						3,849			3,849	72
Malmö	Lejonet 2	Lilla Torg 1	1929	Office		4,064	1,256	72			314		5,706	130
Malmö	Rosen 9	Engelbrectsgatan 2	1960	Hotel			1,430	9		9,777			11,216	161
Malmö	Spinneriet 8	Baltzarsgatan 20	1957	Office		12,070	3,192	2,283		5,540		1,454	24,539	539
Malmö	Spännbucklan 12 & 13	Agnesfridsvägen 180	1983	Retail	Yes		5,320						5,320	26
Malmö	Von Conow 54	Baltzarsgatan 31	1964	Office		9,944	2,409	1,950			2,584	4,135	21,022	464
Trelleborg	Lavetten 41	Hedvägen 167-173	1987	Retail			990						990	5
Trelleborg	Phylatterion 6	Bryggaregatan 25-39	1991	Retail			3,520	1,563					5,083	17
Trelleborg	Snickeriet 16-17 and Verkstaden 11	Maskingatan 1	1975	Retail			1,600					220	1,820	6
Värnamo	Sjötungan 1	Margretelundsvägen 2	1973	Retail			4,924					425	5,349	15
Växjö	Elden Södra 17	Biblioteksgatan 7	1985	Hotel			65			6,888		57	7,010	40
Växjö	Kocken 3	Hejaregatan 19	1969	Hotel						3,982			3,982	19
Åstorp	Asken 14	Esplanaden 15	1952	Residential		167	239	53			771		1,230	8
Åstorp	Blåklockan 9	Fågelsångsgatan 32 A	1966	Residential							808		808	6
Åstorp	Boken 4	Esplanaden 19 A	1945	Residential		218	1,163	222			7,642		9,245	70
Åstorp	Ekorren 27	Skolgatan 7	1929	Residential			162	70			724		956	7
Åstorp	Hyllinge 5:122	Postgatan 12 A	1963	Residential				164	120		7,431	134	7,849	34
Åstorp	Hästhoven 12	Fabriksgratan 19 A	1960	Residential			704	72			2,633		3,409	23
Åstorp	Kastanjen 16	Esplanaden 7	1972	Residential		1,919	833				3,543	161	6,456	42
Åstorp	Linden 11	Nyvängsgatan 1 A	1961	Residential							340		340	3
Åstorp	Lotusblomman 15	Nyvängsgatan 31	1961	Residential							340		340	3
Åstorp	Lungörten 1	Nyvängsgatan 2 A	1961	Residential							792		792	4
Åstorp	Lärksoppen 10	Ekebrogatan 100	1972	Residential				28			8,050	165	8,243	33
Åstorp	Lärkträdet 10	Ekebrogatan 1	1970	Residential				42			5,799	142	5,983	24
Åstorp	Moroten 10	Torggatan 35 A	1954	Residential							776		776	5
Åstorp	Resedan 1	Norra Storgatan 10 A	1964	Residential				20			1,073		1,093	7
Åstorp	Svärdsliljan 7	Östergatan 16 A	1958	Residential		245	457	16			6,457		7,175	45

● Acquisitions in 2020

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						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential			Other
Åstorp	Tranan 1	Fjällvägen 10 A	1991	Residential							3,820		3,820	33
Ängelholm	Skräddaren 5	Verkstadsgatan 5	1973	Retail				1,172					1,172	4
Ängelholm	Taktäckaren 6	Midgårdsgatan 11	2015	Retail		583	875	4,780				429	6,667	36
Germany	Several properties			Hotel						40,381			40,381	
United Kingdom	London	8 Fenchurch Place		Office		9,161							9,161	
United Kingdom	London	11 Ironmonger Lane		Office		1,800							1,800	
Total South Region						56,842	78,586	25,915	14,443	103,310	92,165	33,171	404,432	3,222

EAST REGION

Gotland	Soldaten 1	Volontärgatan	2005	Residential				29			3,050	50	3,129	35
Linköping	Nöjet 1	Låsbomsgatan 27	2010	Retail			1,380						1,380	9
Linköping	Paletten 2	Ottargatan 1	1972	Retail				5,202				440	5,642	38
Linköping	Papegojan 1	Vigfastgatan 5	1967	Retail			7,775					15	7,790	36
Norrköping	Gärdet 1	Rågången 71	1958	Residential			491	7			4,609		5,107	68
Norrköping	Lammet 2	Kungstorget 2	1939	Residential		173	1,950				2,405	60	4,588	45
Norrköping	Lokatten 12	Trädgårdsgatan 8 B	1992	Residential		1,586	380	15			5,502	401	7,884	108
Norrköping	Planket 20	Bråddgatan 54	1983	Residential							1,139		1,139	17
Norrköping	Planket 23	Plankgatan 46	1940	Residential		25	60				940	600	1,625	16
Norrköping	Prinsen 18	Hospitalsgatan 42	1967	Residential			30	138			9,603	11	9,782	153
Norrköping	Sprutan 8	Gamla Rådstugugatan 52	1940	Residential			370	12			1,318	145	1,845	25
Norrköping	Stenhuggaren 25	Sandgatan 28	1960	Residential							2,918		2,918	44
Norrköping	Storgatan 10	Drottninggatan 10	1929	Residential		484					1,213	755	2,452	25
Norrköping	Storgatan 9	Nya Rådstugegatan 2	1985	Residential		252	355	20			6,066	248	6,941	110
Norrköping	Stävan 2	Rösgången 32	1959	Residential	Yes						3,639		3,639	49
Norrköping	Tullhuset 1	Gamla Rådstugugatan 11	1929	Residential			273				1,344		1,617	24
Nyköping	Brandholmen 1:72	Idrottsvägen 12 E	2014	Other								16,324	16,324	
Västerås	Badelundaåsen 3	Stockholmsvägen 144	1987	Retail			2,796						2,796	18
Västerås	Fältmössan 1	Rönbergagatan 1	1963	Residential			150	106			14,331		14,587	261
Västerås	Klockarkärleken 2	Rönbergagatan 4	1962	Residential				260			5,778		6,038	44
Västerås	Rödklinten 2	Bangatan 15	1957	Residential			133	120			7,003	30	7,286	51
Västerås	Sågen 1	Pilgatan 33	1980	Hotel						8,317			8,317	29
Västerås	Vallmon 6	Bangatan 1 A	1968	Residential				84			13,914		13,998	102
Västerås	Vapenrocken 1	Regementsgatan 62	1963	Residential		441		114			19,182	2	19,739	
● Finland	Hyvinkää	Veikkarinkatu 7	1981	Retail			2,645						2,645	
● Finland	Hämeenlinna	Tampereentie 169	1970/1978	Retail			5,840						5,840	
Finland	Hämeenlinna	Linnaniemenkatu 1	2019	Residential							469		469	
● Finland	Joensuu	Voimatie 16	1999	Retail			8,282						8,282	
Finland	Keminmaa	Joulantie 1-3	2001/2002	Retail			12,337						12,337	
● Finland	Kotka	Ristikalliontie 41	2014	Retail			3,100						3,100	
Finland	Koupio	Leväsentie 2 B	2006	Retail			19,808						19,808	
● Finland	Kouvola	Taitajantie 4	1967/1986	Retail			3,800						3,800	

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site leasehold right	Lettable area, sq.m.							Tax assessment value, SEKm
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other	
● Finland	Kuopio	Leväsentie 33	2010	Retail			7,770						7,770
Finland	Kuusamo	Loumantie 1-3	1990	Retail			12,617						12,617
Finland	Kuusamo	Ouluntaival 1	1978	Retail			3,718						3,718
● Finland	Lahti	Ajokatu 261	2008	Retail			7,947						7,947
● Finland	Lappeenranta	Myllymäenkatu 6	2006	Retail			4,400						4,400
Finland	Mäntsälä	Mäntsäläntie 1	1989	Retail			3,384						3,384
Finland	Nokia	Välikatu 13	2020	Residential						750			750
Finland	Närpes	Yhdistyksentie 3	2017	Retail			2,513						2,513
Finland	Oulu	Mallastie 30-32 A & B	2020	Residential						3,264			3,264
Finland	Oulu	Tietolinja 9	2018	Residential						2,003			2,003
Finland	Oulu	Mallastie 30-32 C	2020	Residential						1,706			1,706
Finland	Oulu	Talatie 2	2019	Residential						734			734
Finland	Oulu	Ukkoherrantie 2 C	2018	Residential						570			570
Finland	Oulu	Ukkoherrantie 2 D	2018	Residential						406			406
Finland	Oulu	Satamatie 2-4	2019	Residential						364			364
Finland	Oulu	Ukkoherrantie 2 B	2017	Residential						268			268
Finland	Oulu	Limingantie 4	2020	Residential						81			81
Finland	Pirkkala	Kauppiaankatu 17 A & 21 C	2020	Residential						2,294			2,294
Finland	Raisio	Kauppakatu 2	1968	Retail			5,504						5,504
Finland	Riihimäki	Kärjäkatu 8	2019	Residential						198			198
● Finland	Tampere	Hataanpään Valtatie 42	1997	Retail			12,412						12,412
● Finland	Tampere	Puistokuja 32	2005	Retail			5,865						5,865
Finland	Tampere	Tesoman Valtatie 31	2019	Residential						3,078			3,078
Finland	Tampere	Tesoman Valtatie 29	2020	Residential						3,078			3,078
Finland	Tampere	Fleminginkatu 5	2019	Residential						1,969			1,969
Finland	Tampere	Ruopionkatu 6A-B	2011	Residential						1,555			1,555
Finland	Tampere	Takamaanrinne 9 B	2019	Residential						1,381			1,381
Finland	Tampere	Takamaanrinne 9 C	2019	Residential						1,381			1,381
Finland	Tampere	Ruopionkatu 6 C-D	2011	Residential						1,203			1,203
Finland	Tampere	Isokuusenkatu 47	2020	Residential						1,134			1,134
Finland	Tampere	Männistökatu 2	2019	Residential						769			769
Finland	Tampere	Tervaskatu 4	2020	Residential						66			66
Finland	Tampere	Takamaanrinne 14	2020	Residential						44			44
Finland	Tampere	Kohmankaari 9	2018	Residential						44			44
Finland	Tampere	Takamaanrinne 16	2020	Residential						44			44
Finland	Turku	Suksikuja 2	2019	Residential						2,594			2,594
Finland	Turku	Fatabuurinkatu 2 B	2020	Residential						2,287			2,287
Finland	Turku	Fatabuurinkatu 2 A	2020	Residential						2,235			2,235
Finland	Turku	Kalastajankatu 3	2017	Residential						547			547
Finland	Turku	Fleminginkatu 7	2020	Residential						371			371
Finland	Vaasa	Hietalahdenkatu 13 B	1948	Residential						7,224			7,224

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site leasehold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other		Total
● Finland	Vanda	Härkähaantie 16		Other										
Finland	SATO Oyj, several properties			Residential							385,014		385,014	
Total East Region						6,630	138,085	6,107		8,317	533,074	19,081	711,294	1,306
NORTH REGION														
Gävle	Hemsta 14:2	Skolgången 1	1974	Retail			4,100						4,100	13
Gävle	Hemsta 14:3	Skolgången 3	1983	Retail			1,448						1,448	5
Gävle	Holmsund 11:1 et al.	Korsnäsvägen 104 A	1929	Residential							1,456	50	1,506	2
Gävle	Holmsund 7:6	Holmsundsvägen 7, 17-29, (odd no)	1929	Residential							3,002	8	3,010	16
Gävle	Kastet 8:1, 12:1 et al.	Forskarvägen 27 et al.	1929	Residential		777	57	160			13,166	2,121	16,281	76
Gävle	Lillhagen 5:3	Torkarvägen 10	1946	Residential				14			3,029	26	3,069	16
Gävle	Norr 18:6	Hattmakargatan 11	1985	Residential		42	408				2,641	385	3,476	40
Gävle	Norr 27:2	Nygatan 40	1929	Residential		127	480				2,185	67	2,859	31
Gävle	Söder 58:7	Kaserngatan 65	1969	Residential			933	347			2,281	6	3,567	35
Gävle	Sörby 10:9	Falkvägen 5 A	1994	Residential							512		512	6
Gävle	Valbo-Backa 6:12	Johanneslöttsvägen 6	1981	Hotel						7,382			7,382	33
Karlstad	Anden 9	Långgatan 65	1983	Residential							1,472	92	1,564	26
Karlstad	Braxen 34	Nygatan 1	1944	Residential			322	27			1,198	521	2,067	23
Karlstad	Druvan 1	Drottninggatan 22	1929	Residential			459			601	1,443	80	2,583	43
Karlstad	Ekorren 9	Sandbäcksg 5/S Klaragatan 1	1929	Residential		715	46				1,811		2,572	30
Karlstad	Furan 5	Gillbergsgatan 3	1951	Residential			119				1,710		1,829	28
Karlstad	Furan 7	Jössegatan 3	1968	Residential							925	97	1,022	16
Karlstad	Granatkastaren 4	Artillerigatan 1	1945	Residential							748		748	9
Karlstad	Gruvan 12	Västra Kanalgatan 3	1991	Residential			126				2,525		2,651	47
Karlstad	Gruvan 2	Östra Kyrkogatan 4	1929	Residential							1,064	102	1,166	18
Karlstad	Grävlingen 3	Herrhagsgatan 43	1929	Residential			138				1,018	32	1,188	18
Karlstad	Höken 1	Hamngatan 16	1929	Hotel						5,890			5,890	65
Karlstad	Pilbågen 1	Sandelsgatan 2 A	1942	Residential							2,184		2,184	24
Karlstad	Registratorn 1	Norra Allén 26 A	1949	Residential							502	56	558	7
Karlstad	Registratorn 8	Norra Allén 30 A	1948	Residential				12			456	61	529	6
Karlstad	Registratorn 9	Norra Allén 28 A	1946	Residential		100					466	29	595	7
Karlstad	Spiran 1-6	Lignellsgatan 1	1939	Residential			95				4,456	145	4,696	61
Karlstad	Trätälja 11	Drottningg 37/Pihlgrensgatan 4	1959	Residential			259				4,567	35	4,861	80
Karlstad	Tusenskönan 1	Älvdalsgatan 8	1950	Residential	Yes		69				1,288		1,357	21
Karlstad	Väduren 3	Rudsvägen 1	1942	Residential							1,344	54	1,398	18
Luleå	Skorpionen 9	Hummergatan 8	1978	Retail			1,800						1,800	8
Sundsvall	Aeolus 1	Nybrogatan 19	1944	Residential			501	32			957		1,490	13
Sundsvall	Bredsand 1:3 et al.	Appelbergsvägen 1 A	1950	Residential				158			7,127	119	7,404	29
Sundsvall	Bredsand 1:4 et al.	Appelbergsv. 14, 16, 18	1950	Residential							4,479	3	4,482	18
Sundsvall	Dingersjö 28:27 et al.	Appelbergsvägen 26	1989	Residential				37			9,464	56	9,557	40
Sundsvall	Dingersjö 3:131 et al.	Bergsvägen 3	1964	Residential		16		287			21,208	2,783	24,294	80

● Acquisitions in 2020

Municipality	Name of property	Address	Year of construction or value	Property category	Site lease-hold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/Warehouse	Education/Care	Hotel	Residential	Other		Total
Sundsvall	Fliten 10	Skolhusallén 7	1990	Office		3,059		5				36	3,100	30
Sundsvall	Fliten 11	Rådhusgatan 39 A	1992	Residential		272		66			3,371		3,709	44
Sundsvall	Kvissle 2:53 & 2:43	Affärsgatan 26 A-D	1962	Residential							1,468		1,468	5
Sundsvall	Kvissle 22:2 & 39:1	Affärsgatan 22	1968	Residential		87	137	75			6,416	45	6,760	19
Sundsvall	Lagmannen 10	Esplanaden 18	1962	Residential		757	240				3,985	957	5,939	49
Sundsvall	Nolby 1:48, 40:1, 1:108	Affärsgatan 20	1983	Residential		998		62			4,097	725	5,882	20
Sundsvall	Nolby 3:268	Brovägen 9	1988	Residential							997		997	4
Sundsvall	Nolby 40:2	Affärsgatan 18	1964	Residential			1,071	6			2,243	130	3,450	10
Sundsvall	Nolby 41:3 & 37:1	Affärsgatan 14	1974	Residential			1,006	5			5,328	43	6,382	21
Östersund	Traktorn 5	Fagerbacken 65	1994	Retail			3,216						3,216	20
● Norway	Bærum 3024-81/16	Dønskiveien 6 A-E	1970	Residential							2,614		2,614	
Norway	Elverum 13/1059/0/1	Hamarvegen 112	2010	Other					16,400				16,400	
Norway	Oslo 230/397	Lakkegata 3	1983	Residential							8,551		8,551	
● Norway	Trondheim 5001/416/105	Hans Nissens gate 3 and Skolegata 5	2016	Residential							3,577		3,577	
Total North Region						6,950	17,030	1,293	16,400	13,873	143,331	8,864	207,739	1,230
Total property portfolio						456,906	629,985	142,786	118,258	412,124	2,592,308	149,198	4,501,566	28,099

● Acquisitions in 2020

Project properties for own management Under construction

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Estimated completion
Finland	Tampere	As Oy Pirkkalan Loiste	Residential	2,294	61	78	Q1 2021
Sweden	Stockholm	Hedin Haninge	Retail	3,841	-	75	Q2 2021
Denmark	Copenhagen	Agerhusene	Residential	13,673	176	479	Q2 2021
Denmark	Copenhagen	Lerholmen	Residential	14,364	186	501	Q2 2021
Finland	Helsinki	Espoo Iris	Residential	2,448	41	103	Q2 2021
Finland	Helsinki	As Oy Vantaan Ruutulippu	Residential	4,181	96	164	Q2 2021
Finland	Helsinki	As Oy Helsingin Redin Loisto	Residential	759	17	47	Q3 2021
Finland	Helsinki	As Oy Kirkkonummen Manhattan	Residential	3,960	165	176	Q3 2021
Finland	Oulu	As Oy Oulun Mallasmaisteri	Residential	4,032	168	135	Q3 2021
Finland	Helsinki	Kappelitie 5	Residential	3,417	77	165	Q4 2021
Finland	Helsinki	Sompasaaren Priki	Residential	2,888	73	197	Q4 2021
Finland	Helsinki	Virtakuja 6	Residential	2,865	76	129	Q4 2021
Finland	Tampere	As Oy Nokian Värjäämö	Residential	3,033	105	104	Q4 2021
Denmark	Copenhagen	Lynghaven	Residential	14,835	184	528	Q1 2022
Denmark	Copenhagen	Ofeliahaven	Residential	9,079	110	323	Q2 2022
Denmark	Copenhagen	HTC A10	Residential	8,854	107	336	Q2 2022
Finland	Helsinki	Jokiniityntie 28	Residential	3,452	79	141	Q2 2022
Sweden	Gothenburg	Stenhuggaren	Residential	5,233	88	143	Q3 2022
Sweden	Gothenburg	Hedin HK	Office	12,286	-	496	Q4 2022
Sweden	Gothenburg	Bergsjön	Residential	8,916	177	327	2022-2023
Denmark	Copenhagen	Green Hills	Residential	24,886	290	941	Q2 2023
Sweden	Gothenburg	Hotell Draken	Hotel	28,166	-	1,270	Q3 2023
Total				177,462	2,276	6,858	

Development properties for sale Under construction

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Estimated completion
Sweden	South	Bovieran Staffanstorp	Residential	4,273	54	170	Q2 2021
Sweden	Stockholm	Berget	Residential	1,467	21	162	Q2 2021
Finland	Helsinki	Virtakuja 4	Residential	2,277	55	105	Q4 2021
Sweden	Gothenburg	Fixfabriken	Residential	19,114	270	897	2021-2022
Norway	Sandefjord	Sandefjord	Residential	6,793	46	292	Q1 2022
Sweden	Gothenburg	Bergsfallet	Residential	5,571	87	242	Q3 2022
Sweden	Gothenburg	Västra Gatan Kungälv	Residential	8,808	124	421	Q1 2023
Total				48,303	657	2,289	
Total				225,765	2,933	9,147	

Project properties for own management Estimated construction start Q1 2021–Q1 2022

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Construction start
Sweden	Gothenburg	Bergskristallen	Residential	5,078	89	182	2021
Sweden	Gothenburg	Frölunda	Residential	21,780	365	833	2021
Sweden	Linköping	Mörtlösa	Retail	14,899	–	306	2021
Denmark	Copenhagen	HTC A17	Residential	8,646	124	316	2021
Denmark	Copenhagen	Hundige Øst A och D	Residential	22,332	332	854	2021
Finland	Helsinki	Kotkatie 6	Residential	3,791	100	186	2021
Finland	Helsinki	Runoratsaunkatu 15	Residential	5,397	135	280	2021
Finland	Helsinki	Jokiniementie 46 och 48	Residential	9,462	222	531	2021
Finland	Helsinki	Lupajantie 2	Residential	4,321	112	194	2021
Finland	Helsinki	Lincolninaukio 4	Residential	5,680	158	241	2021
Finland	Helsinki	Raudikkokuja 7	Residential	6,390	161	262	2021
Finland	Tampere	Heittoniitynkuja 5	Residential	5,787	132	199	2021
Finland	Tampere	Hervantajärven Helmi	Residential	2,612	52	95	2021
Finland	Turku	As Oy Turun Montana	Residential	2,781	89	107	2021
Finland	East	As Oy Hämeenlinnan Asemanranta	Residential	2,802	100	107	2021
Finland	Helsinki	As Oy Kirkkonummen Pyssy-Seppä	Residential	1,770	74	79	2021
Finland	Helsinki	As Oy Riihimäen Pesispolku	Residential	2,430	100	86	2021
Finland	Turku	As Oy Turun Kirstinpuisto	Residential	3,771	129	165	2021
Finland	Helsinki	As Oy Kirkkonummen Lukko-Seppä	Residential	1,770	74	79	2021
Finland	Tusby	Pataljoonantie	Residential	4,618	90	172	2022
Finland	Helsinki	Hexagon	Residential	3,229	77	228	2022
Finland	Helsinki	Peijinkuja 3	Residential	4,443	121	231	2022
Total				143,789	2,836	5,733	

Development properties for sale Estimated construction start Q1 2021–Q1 2022

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Construction start
Sweden	Gothenburg	Bastuban	Residential	11,000	133	449	2021
Sweden	Gothenburg	Bohusgatan	Residential	19,465	340	1,146	2021
Sweden	Gothenburg	Hovås Höjd	Residential	10,755	144	572	2021
Sweden	Stockholm	Gladan	Residential	7,479	143	643	2021
Sweden	Stockholm	Basaren	Residential	4,428	65	294	2021
Sweden	Stockholm	Caprea	Residential	3,691	28	440	2021
Sweden	Gothenburg	Bergsjö Glänta	Residential	3,619	31	115	2021
Sweden	South	Bovieran Svedala	Residential	4,285	54	160	2021
Norway	Drammen	Sølfast Park	Residential	8,311	107	440	2021
Norway	Oslo	Ski, Linåskollen	Residential	16,465	169	767	2021
Total				89,498	1,214	5,026	
Total				233,287	4,050	10,760	

Future projects Estimated construction start 2022 and onwards

Country	Region	Gross area, sq.m.	Number of apartments
Sweden	Gothenburg	618,160	5,435
Sweden	Stockholm	306,329	2,804
Finland	Helsinki	225,097	4,083
Finland	East	146,630	1,584
Denmark	Copenhagen	108,161	1,147
Norway	North	47,580	732
Total		1,451,957	15,785

The table above shows Balder's share of projects with ongoing project development distributed by country and region and with an estimated start of construction from 2022 onwards. At the end of the year, Balder's share of projects with ongoing project development comprised of 1,451,957 sq.m. gross area and 15,785 apartments.

DEFINITIONS

Balder presents a number of financial metrics in the annual report that are not defined according to IFRS (so-called Alternative Performance Measures according to ESMA's guidelines). These performance measures provide valuable supplementary information to investors, the company's management and other stakeholders since they facilitate effective evaluation and analysis of the company's financial position and performance. These alternative performance measures are not always comparable with measures used by other companies and shall therefore be considered as a complement to measures defined according to IFRS. Fastighets AB Balder will apply these alternative performance measures consistently over time. Unless otherwise specified, the key ratios are alternative performance measures according to ESMA's guidelines. A description follows below of how Fastighets AB Balder's key ratios are defined and calculated.

FINANCIAL

Return on equity, %

Profit after tax in relation to average equity. The profit was converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations, with the exception of changes in value.

Return on total assets, %

Profit before tax with addition of net financial items in relation to average total assets. The profit was converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations, with the exception of changes in value.

Net debt to total assets, %

Net debt in relation to total assets.

EBITDA

Profit from property management plus the net profit from the sale of development properties with reversal of net financial items. EBITDA has been con-

verted to a full-year basis in interim accounts, with the exception of the net profit from the sale of development properties.

Profit from property management, SEKm

Profit including changes in value and tax in associated companies, with reversal of change in value and tax in participations in profit from associated companies. When estimating the Profit from property management, attributable to the parent company's shareholders, the profit from property management is also reduced by the participation of non-controlling interests.

Average interest, %

Interest expenses in the period recalculated to annual value in relation to the average interest-bearing liabilities.

Hybrid capital

A bond with a maturity of 60 years. The bond is recognised as an interest-bearing liability, but is treated by the rating institutes as 50% equity.

Net debt, SEKm

Interest-bearing liabilities minus cash and cash equivalents, financial investments and 50% of the hybrid capital, which is treated by the rating agencies as 50% equity.

Interest coverage ratio, times

Profit including changes in value and tax in associated companies with reversal of net financial items, excluding ground rent, and changes in value and tax in participations in profits from associated companies, in relation to net financial items excluding ground rent.

Debt/equity ratio, times

Interest-bearing liabilities minus 50% of hybrid capital in relation to equity.

Equity/assets ratio, %

Equity including non-controlling interests plus 50% of hybrid capital in relation to the balance sheet total at the year-end.

SHARE-RELATED

Equity per share, SEK

Equity attributable to parent company shareholders in relation to the number of outstanding shares at the year-end.

Profit from property management per share, SEK

Profit from property management attributable to parent company shareholders in relation to the average number of outstanding shares.

Average number of shares

The number of outstanding shares at the start of the year, adjusted by the number of shares issued during the year weighted by the number of days that the shares have been outstanding in relation to the total number of days during the year.

Long-term net asset value per share (NAV), SEK

Equity per share attributable to parent company shareholders with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per share, SEK

Profit attributable to the parent company's shareholders in relation to the average number of shares.

PROPERTY-RELATED

Yield, %

Estimated net operating income on an annual basis in relation to the fair value of the properties at the year-end.

Net operating income, SEKm

Rental income minus property costs.

Economic occupancy rate, %¹⁾

Contracted rent for leases which are running at year-end in relation to rental value.

Development properties

Refers to properties constructed with the intention of being sold after completion.

Property portfolio

Refers to both investment properties and development properties.

Property category

Classified according to the principal use of the property. There is a breakdown into office, retail, residential and other properties. Other properties include hotel, educational, care, industrial/warehouse and mixed-use properties. The property category is determined by what the property is mostly used for.

Property costs, SEKm

This item includes direct property costs, such as operating expenses, media expenses, maintenance and property tax.

Investment properties

Refers to properties that are held with the objective of generating rental income or an increase in value or a combination of these.

Rental value, SEKm¹⁾

Contracted rent and estimated market rent for vacant premises.

Surplus ratio, %

Net operating income in relation to rental income.

OTHER

Associated companies/joint ventures

Information in running text about transactions linked to associated companies and joint ventures are for reasons of simplification only named "associated companies", the report refers to both holdings that constitute associated companies and joint ventures.

Second opinion

Review performed by external valuation company of used valuation method.

¹⁾ This key ratio is operational and is not considered to be an alternative key ratio according to ESMA's guidelines.

Annual General Meeting

The shareholders of Fastighets AB Balder (publ), (Balder) reg. no 556525-6905, are hereby invited to attend the annual general meeting on Wednesday May 12, 2021.

Implementation of the annual general meeting

Due to the current covid-19 pandemic and in order to minimize risks of infection, the board of directors has decided that the annual general meeting will be held by postal voting, in accordance with temporary statutory provisions. The meeting will therefore be carried out without the possibility for shareholders to attend in person or by proxy.

A presentation of Balder's CEO, Erik Selin, will be provided on Balder's website, balder.se, on May 12, 2021.

Information on the resolutions passed by the annual general meeting will be disclosed on May 12, 2021 as soon as the results of the postal voting have been compiled.

Notification etc.

A shareholder who wishes to attend the annual general meeting by postal voting must be registered as a shareholder in the share register kept by Euroclear Sweden AB no later than May 4, 2021. The shareholder must also announce that he/she/it will attend the annual general meeting no later than Tuesday May 11, 2021, by submitting a postal vote in accordance with the instructions under the headline "Postal Voting" below so that the postal vote reach Computer-share AB no later than that day.

Shareholders who have their shares registered in the name of a trustee must, in order to be able to participate in the annual general meeting, re-register their shares in their own name. Such re-registration, which can be tem-

porary, shall be executed at Euroclear Sweden AB no later than Tuesday May 4, 2021. Voting right registrations effected no later than the second bank day after May 4, 2021, will be included in the generation of the share register.

Announcement to attend the annual general meeting can only be made through postal voting.

Postal voting

For postal voting, a certain form must be applied. The form is available at Balder's website, balder.se. The form, completed and signed, is a valid registration to participate in the annual general meeting.

The completed form shall be sent to Computer-share AB, "Balder's annual general meeting 2021", Box 610, 182 16 Danderyd or through e-mail to info@computershare.se. The completed form shall reach Computershare AB no later than Tuesday May 11, 2021.

A shareholder who is a physical person may also, by verification with BankID, submit his/her postal vote electronic by Balder's website, balder.se. To be valid as a registration to the annual general meeting, such electronic signature shall be registered no later than Tuesday May 11, 2021.

If a shareholder who is represented by proxy wishes to submit a postal vote, a written authorization for the proxy shall be enclosed with the postal voting form. A proxy form is available at Balder's website, balder.se. If the shareholder is a legal person a proof of registration or other authorization document shall be enclosed with the form.

Shareholders may not insert any specific instructions or terms to the postal vote. If so happens, the vote (i.e. the entire postal vote) is invalid. The form for postal voting contains further instructions.

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CALENDAR

Annual General Meeting, 12 May 2021
Interim report, Jan–Mar 2021, 12 May 2021
Interim report, Jan–June 2021, 16 July 2021
Interim report, Jan–Sept 2021 11 November 2021
Year-end report, Jan–Dec 2021, 11 February 2022



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