

FASTIGHETS AB BALDER

YEAR-END REPORT

JANUARY-DECEMBER 2023



**STOCKHOLM
SPÅRVAGNEN 4**
COMMERCIAL PROPERTY
LETTABLE AREA 23,000 SQ.M.

FASTIGHETS AB BALDER is a listed property company which shall meet the needs of different customer groups for residential properties and premises based on local support. Balder's property portfolio had a value of SEK 211.7 billion (217.4) as of 31 December 2023. The Balder share is listed on Nasdaq Stockholm, Large Cap.

- Profit from property management attributable to the parent company's shareholders amounted to SEK 6,135m (6,139), corresponding to a decrease per share of 3% to SEK 5.32 (5.48).
- Long term net asset value amounted to SEK 85.06 per share (92.10).
- Rental income amounted to SEK 11,944m (10,521).
- Profit after tax attributable to the parent company's shareholders amounted to SEK -6,746m (10,175), corresponding to SEK -5.85 per share (9.09).



**STOCKHOLM
SPÅRVAGNEN 4**
OFFICE HOTEL, ETC.

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THE PERIOD IN BRIEF

Comparisons stated in parenthesis refer to the corresponding period of the previous year.

OCTOBER–DECEMBER 2023

- Rental income amounted to SEK 3,089m (2,805), of which the effect of changes in exchange rates amounted to SEK 103m (87).
- Net operating income amounted to SEK 2,274m (2,065), of which the effect of changes in exchange rates amounted to SEK 69m (64).
- The surplus ratio amounted to 74% (74).
- Profit from property management attributable to the parent company's shareholders decreased by 6% to SEK 1,451m (1,537), representing a decrease per share of 8% to SEK 1.26 (1.37).
- Unrealised changes in value of investment properties amounted to SEK -3,985m (-795). The average yield requirement amounted to 4.9% (4.6), which is 0.1 percentage points higher compared to the third quarter.
- Changes in value of interest rate derivatives and option component convertible amounted to SEK -2,111m (283).
- Net profit after tax for the period amounted to SEK -5,213m (712).
- Net profit after tax attributable to the parent company's shareholders amounted to SEK -4,768m (846), corresponding to SEK -4.13 per share (0.76).
- Long term net asset value amounted to SEK 85.06 per share (92.10).
- Two development properties (3) were divested and recognised as income during the quarter. The profit from sales amounted to SEK 207m (40) including the portfolio's ongoing selling expenses.

JANUARY–DECEMBER 2023

- Rental income amounted to SEK 11,944m (10,521), of which the effect of changes in exchange rates amounted to SEK 398m (258).
- Net operating income amounted to SEK 8,914m (7,796), of which the effect of changes in exchange rates amounted to SEK 278m (191).
- The surplus ratio amounted to 75% (74).
- Profit from property management attributable to the parent company's shareholders amounted to SEK 6,135m (6,139), corresponding to a decrease per share of 3% to SEK 5.32 (5.48).
- Unrealised changes in value of investment properties amounted to SEK -9,980m (5,419). The average yield requirement amounted to 4.9% (4.6), which is 0.3 percentage points higher compared to the previous year-end.
- Changes in value of interest rate derivatives and option component convertible amounted to SEK -1,899m (1,617).
- Net profit after tax for the year amounted to SEK -7,699m (10,989).
- Net profit after tax for the year attributable to the parent company's shareholders amounted to SEK -6,746m (10,175), corresponding to SEK -5.85 per share (9.09).
- Six development properties (6) were divested and recognised as income during the year. The profit from sales amounted to SEK 544m (110) including the portfolio's ongoing selling expenses.
- During the year, a placement of convertible bonds with a maturity of five years of just over SEK 5 billion was made, at an interest rate of 3.5%.

	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2018 Jan-Dec	2017 Jan-Dec
Rental income, SEKm	3,089	2,805	11,944	10,521	8,956	8,134	7,609	6,714	5,915
Profit from property management, SEKm ¹⁾	1,451	1,537	6,135	6,139	5,543	4,244	4,023	3,304	2,804
Changes in value of investment properties, SEKm	-4,005	-742	-9,995	5,530	13,111	3,453	9,577	8,007	5,336
Changes in value of derivatives, SEKm	-2,111	283	-1,899	1,617	511	-141	-180	-34	144
Profit after tax, SEKm ¹⁾	-4,768	846	-6,746	10,175	18,508	6,641	8,958	9,308	7,118
Investment properties, SEKm	209,000	213,932	209,000	213,932	189,138	149,179	141,392	116,542	98,360
Development properties, SEKm	2,750	3,421	2,750	3,421	2,697	2,803	2,344	1,598	-
Data per share									
Average number of shares, thousands	1,154,000	1,119,769	1,154,000	1,119,192	1,119,000	1,083,090	1,080,000	1,080,000	1,080,000
Profit after tax per share, SEK	-4.13	0.76	-5.85	9.09	16.54	6.13	8.30	8.62	6.45
Profit from property management per share, SEK	1.26	1.37	5.32	5.48	4.95	3.92	3.73	3.06	2.46
Outstanding number of shares, thousands	1,154,000	1,154,000	1,154,000	1,154,000	1,119,000	1,119,000	1,080,000	1,080,000	1,080,000
Equity per share, SEK	71.33	78.16	71.33	78.16	69.35	52.02	45.38	37.17	28.98
Long-term net asset value per share (NAV), SEK	85.06	92.10	85.06	92.10	83.96	64.56	56.95	46.27	36.35
Share price on closing date per share, SEK	71.52	48.52	71.52	48.52	108.63	71.48	72.20	42.00	36.57

1) Attributable to the parent company's shareholders.

COMMENTS **BY THE CEO**

Dear shareholders,

Profit from property management

Profit from property management attributable to the parent company's shareholders amounted to SEK 6,135m (6,139), corresponding to a decrease to SEK 5.32 (5.48) per share. Profit from property management per share for the fourth quarter decreased to SEK 1.26 (1.37). Thanks to the 14% increase in net operating income, we have been able to absorb more than SEK 1 billion in increased financing costs through a combination of completed projects, rent increases and better cost-efficiency.

Financing

We entered the interest hike cycle from a strong position with long fixed-interest periods and maturities. Throughout 2023 we have maintained a high liquidity buffer, which provides reassurance to both shareholders and bondholders. Even if we are working on the hypothesis that interest rates have peaked for this cycle, we will remain at relatively high liquidity levels for the foreseeable future. Towards the end of the fourth quarter, extended fixed-interest periods were used to benefit from lower long-term interest rates. The work to achieve our goal of a net debt in relation to EBITDA of no more than 11 times continues.

Projects and investments

Our deliveries of ongoing projects went more or less according to plan during 2023, and we completed a total of almost 200,000 sq.m. of lettable area and almost 500 apartments for sale. As we launched very few new projects over the last 18–24 months, the need for investment will fall significantly during 2024, and new additions of lettable area will be halved compared with 2023. No construction starts are planned for residential in 2024.

Sustainability

The company's work with climate risk analyses that began in 2022 intensified during 2023, and at the year-end large parts of the property portfolio has undergone climate screening. Balder has undertaken to set science-based climate goals in line with the Paris Agreement, which entails more than halving emissions in our own operations by 2030. We have also set a goal to achieve net zero emissions throughout the value chain by 2045. The climate goals have been submitted to the Science Based Targets Initiative for approval, and we are now awaiting validation. Work on a climate roadmap was started towards the end of 2023 to specify which measures are required for the business to achieve its climate goals.

During 2023, a double materiality analysis was conducted based on the principles of ESRS/CSRD, and we are gradually adapting the sustainability report in accordance with ESRS. We received an ESG risk rating from Sustainalytics of 12.3 during the year, which puts us comfortably within the low-risk framework.

The residential market

At the time of writing, residential prices seem to have bottomed out, while the completion of new residential is falling steadily. This combination should give a boost to prices in the secondary market, and also keep down vacancy rates in rental accommodation. In Helsinki prices decreased during 2023, in Norway and Sweden prices increased marginally and in Copenhagen prices increased clearly.

Volatile environment

Our high proportion of residential and well-diversified commercial portfolio makes us more resilient even in tougher times, while we remain humble about the future. We are continuing to improve our efficiency and have a

high level of liquidity, as the recession and the unstable environment around us appear to be persisting.

2023 was characterised by a low level of activity in the transaction market, and even though we saw falling interest rates towards the end of the year, the yield requirements have continued to rise. During the fourth quarter, the unrealised change in value amounted to almost SEK 4 billion, corresponding to a yield change of 0.1 percentage points for the quarter.

"OUR HIGH PROPORTION OF RESIDENTIALS AND WELL-DIVERSIFIED COMMERCIAL PORTFOLIO MAKES US MORE RESILIENT EVEN IN TOUGHER TIMES, WHILE WE REMAIN HUMBLE ABOUT THE FUTURE."

2024

Even though we will not be adding as much newly produced area as last year and rent increases in our commercial portfolio will be lower, we should be able to keep the profit from property management stable, on the condition that nothing dramatic happens with exchange rates or interest rates.

Finally, I would like to conclude with a sincere thank-you to all our dedicated employees for their fantastic efforts in the daily operations.

Erik Selin

Chief Executive Officer



CURRENT EARNING CAPACITY

CURRENT EARNING CAPACITY

Balder presents its earning capacity on a twelve-month basis in the table below. It is important to note that the current earning capacity should not be placed on a par with a forecast for the coming 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.

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.

CURRENT EARNING CAPACITY ON A TWELVE-MONTH BASIS

SEKm	2023 31 Dec	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec	2022 30 Sep	2022 30 Jun	2022 31 Mar	2021 31 Dec	2021 30 Sep	2021 30 Jun
Rental income	12,400	12,100	12,000	11,650	11,600	10,750	10,350	10,135	9,710	9,150	9,100
Property costs	-3,050	-2,950	-2,925	-2,800	-2,735	-2,565	-2,470	-2,445	-2,370	-2,230	-2,220
Net operating income	9,350	9,150	9,075	8,850	8,865	8,185	7,880	7,690	7,340	6,920	6,880
Surplus ratio, %	75%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%
Management and administrative costs	-1,100	-1,100	-1,100	-1,050	-1,035	-1,000	-990	-980	-830	-780	-770
Profit from property management from associated companies	1,950	1,950	1,850	1,850	1,850	1,800	1,780	1,760	1,650	1,500	1,370
Operating profit	10,200	10,000	9,825	9,650	9,680	8,985	8,670	8,470	8,160	7,640	7,480
Net financial items, including ground rent	-4,000	-3,900	-3,600	-3,300	-2,900	-2,550	-2,220	-2,020	-1,750	-1,600	-1,600
Of which non-controlling interests	-400	-400	-410	-410	-560	-550	-580	-630	-630	-610	-605
Profit from property management¹⁾	5,800	5,700	5,815	5,940	6,220	5,885	5,870	5,820	5,780	5,430	5,275
Tax ²⁾	-1,200	-1,190	-1,200	-1,230	-1,305	-1,240	-1,250	-1,240	-1,230	-1,130	-1,085
Profit after tax	4,600	4,510	4,615	4,710	4,915	4,645	4,620	4,580	4,550	4,300	4,190
Profit from property management per share, SEK	5.03	4.94	5.04	5.15	5.39	5.26	5.25	5.20	5.17	4.85	4.71

1) Attributable to the parent company's shareholders.

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

In the current earning capacity as of 31 December 2023, the following exchange rates were used to translate foreign subsidiaries' income statement items.

EUR: 11.10

DKK: 1.49

NOK: 0.99

GBP: 12.77

INCOME, COSTS AND RESULTS

Profit from property management

Profit from property management for the year amounted to SEK 6,549m (6,659), of which the effect of exchange rate fluctuations amounted to SEK 91m (111). Profit from property management attributable to the parent company's shareholders amounted to SEK 6,135m (6,139), corresponding to a decrease per share of 3% to SEK 5.32 (5.48). Profit from property management includes SEK 1,917m (1,929) in respect of associated companies.

Profit after tax

Profit after tax for the year amounted to SEK -7,699m (10,989). Net profit after tax attributable to the parent company's shareholders amounted to SEK -6,746m (10,175), corresponding to SEK -5.85 per share (9.09). Profit before tax was impacted by unrealised changes in the value of investment properties of SEK -9,980m (5,419), realised changes in the value of investment properties of SEK -14m (111), net profit from the sale of development properties of SEK 544m (110), changes in value in interest rate derivatives and option component convertible of SEK -1,899m (1,617) and profit from participations in associated companies of SEK -2,236m (1,002).

Rental income

Rental income increased by 14% to SEK 11,944m (10,521), of which the effect of changes in exchange rate fluctuations was SEK 398m (258). This increase is due to acquisitions and completed projects for own management, as well as an increase in the index for commercial premises and increased residential rents.

The lease portfolio had a rental value as of 31 December of SEK 12,968m (12,057). The average rental level for the whole property portfolio amounted to SEK 2,158 per sq.m. (2,060) excluding project properties.

Rental income in a comparable portfolio increased by 4.9% (3.9) after adjustment for changes in exchange rates.

Rental income shows a considerable diversification of risk with regard to tenants, sectors and locations. The economic occupancy rate as of 31 December was 96% (96). The total rental value of unlet areas at the end of the year amounted to SEK 568m (458).

Property costs

Property costs for the year amounted to SEK -3,030m (-2,725), of which the effect of changes in exchange rates was SEK -121m (-67).

Net operating income increased by 14% to SEK 8,914m (7,796), representing a surplus ratio of 75% (74).

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

Management and administrative costs

Management and administrative costs for the year amounted to SEK -1,080m (-1,019), of which the effect of changes in exchange rate amounted to SEK -48m (-31).

Participation in profits from associated companies and joint ventures

Balder owns property managing and project developing associated companies, see note 14 in the Annual Report for 2022.

Profit from participations in associated companies and joint ventures during the year amounted to SEK -2,236m (1,002) and Balder's participation in the associated companies' profit from property management amounted to SEK 1,917m (1,929).

Profit before tax was impacted by SEK -4,557m (-433) as a result of unrealised changes in value in respect of the properties and interest rate derivatives. Tax for the year amounted to SEK 404m (-495).

The profit from participations in associated companies and joint ventures was affected during the year by the negative unrealised changes in value in the property portfolio performed by Entra ASA. Balder's participation in Entra's net asset value (EPRA NRV) indicates no need for a write-down at the end of the reporting period.



Net financial items and changes in the value of derivatives

Net financial items amounted to SEK -3,186m (-2,031), of which the effect of changes in exchange rates amounted to SEK -137m (-48).

Changes in value of interest rate derivatives and option component convertible amounted to SEK -1,899m (1,617). Unrealised changes in value do not affect cash flow. The average interest rate for net financial items as of 31 December was 2.9% (2.1).

As of 31 December, available liquidity including confirmed loan commitments was SEK 17,653m (25,771).

The net debt/EBITDA at the year-end was 12.3 times (13.4). This key ratio is moving in the right direction, with the improvement coming from a combination of reduced net debt and increased income from existing property portfolio and the completion of projects.

Changes in value of investment properties

Balder conducted an individual internal valuation of the entire property portfolio as of 31 December, see also page 9. Unrealised changes in value during the year amounted to SEK -9,980m (5,419). Realised changes in value amounted to SEK -14m (111). The average yield requirement amounted as of 31 December to 4.9% (4.6), which is 0.3 percentage points higher compared to the previous year-end. The change in value during the year is mainly attributable to the increased estimated yield requirement.

Profit from sales of development properties

The profit from the sales of development properties is recognised when the buyer takes possession of the property. In addition to the cost, selling and marketing expenses are also included with SEK -28m (-20), which are recognised as expenses on an ongoing basis during the year.

Six projects (6) were recognised as income during the year. The net profit from sales for the year amounted to SEK 544m (110) after the deduction of selling and marketing expenses, and includes the sale of development projects in Sweden and Denmark: Bovieran Helsing ÅpS, Brf Glasbruket i Majorna, Brf Bovieran Svedala, Brf Glasbruksgränd vid Västra Gatan, Brf Hovås Altituden and Brf Caprea.

Tax

The Group's total tax amounted to SEK 1,254m (-1,999), of which the effect of changes in exchange rates amounted to SEK 52m (-57). The current tax expense for the year amounted to SEK -324m (-613). The current tax expense attributable to the parent company's shareholders amounted to SEK -246m (-421).

The deferred tax income for the year amounted to SEK 1,579m (-1,386).

Tax has been calculated using the current tax rate in each country. The Group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary difference between the carrying amounts and values for tax purposes primarily of properties and interest rate derivatives. The deferred tax liability amounted to SEK 16,272m (17,769).

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 4,221m (4,442). Investing activities burdened cash flow by a net figure of SEK -6,209m (-12,915). Cash flow from financing activities amounted to SEK -212m net (10,497).

Total cash flow for the year was SEK -1,564m (2,632). The exchange rate difference in cash and cash equivalents amounted to SEK -12m (46).

In addition to unutilised credit facilities of SEK 11,794m (18,808), the Group's cash and cash equivalents, financial investments and unutilised overdraft facilities amounted to SEK 5,859m (6,963) as of 31 December. Available liquidity including confirmed loan commitments thus amounted to SEK 17,653m (25,771).

Fourth quarter 2023

Profit from property management for the fourth quarter 2023 amounted to SEK 1,540m (1,629). The profit from property management attributable to the parent company's shareholders for the fourth quarter decreased by 6% and amounted to SEK 1,451m (1,537), representing a decrease per share of 8% to SEK 1.26 (1.37). Profit from property management included SEK 492m (477) in respect of associated companies. Rental income amounted to SEK 3,089m (2,805) and property costs amounted to SEK -815m (-740), which meant that net operating income increased by 10% to SEK 2,274m (2,065), of which the effect of changes in exchange rates affected net operating income by SEK 69m (64). The surplus ratio amounted to 74% (74).

Net profit after tax for the period amounted to SEK -5,213m (712). Net profit after tax attributable to the parent company's shareholders amounted to SEK -4,768m (846), corresponding to SEK -4.13 per share (0.76). Profit was impacted by unrealised changes in the value of investment properties of SEK -3,985m (-795), realised changes in the value of investment properties of SEK -20m (53), net profit from the sale of development properties of SEK 207m (40), changes in value in interest rate derivatives and option component convertible of SEK -2,111m (283) and profit from participations in associated companies of SEK -1,247m (128). The Group's total tax amounted to SEK 894m (-150). The current tax expense for the period amounted to SEK -159m (-127). The deferred tax income for the period amounted to SEK 1,053m (-24).

The deferred tax was affected by positive exchange rate differences that arose from the translation of the parent company's euro bonds during the quarter. In the Group, these are used for hedging foreign net investments and are transferred to "Other comprehensive income".

Employees and organisation

As of 31 December, the Group had 1,145 employees (1,161), of whom 481 were women (493). Balder is organised into seven regions. The head office with Group-wide functions is located in Gothenburg.

Parent Company

The parent company's operations consist primarily of performing Group-wide services, but an important part also relates to sales of services, principally to associated companies. Net sales in the parent company amounted to SEK 529m (491) during the year.

Net profit after tax for the year amounted to SEK -2,136m (8,466). Other net financial items amounted to SEK 1,541m (-2,291), of which exchange rate differences amounted to SEK 1,324m (-2,851), changes in value in respect of interest rate derivatives and option component convertible amounted to SEK -1,821m (1,507) and Group contributions received/paid amounted to SEK -2,457m (2,708).

Reported exchange rate differences relate primarily to the translation of the Group's euro bonds, which from a Group perspective are used for hedging foreign net investments.

Since January 2023, the parent company has been a member of a fiscal commission with a selection of its subsidiaries. All companies in the fiscal commission are also members of a Value Added Tax group. The parent company has received SEK 215m (-) in principal earnings from subsidiaries in the fiscal commission.

Proposed dividend

The Board of Directors intends to propose to the Annual General Meeting that no share dividend shall be declared (-).

Annual Report and Annual General Meeting

The annual report for 2023 will be available on Balder's website, balder.se, as of calendar week 15, 2024.

Fastighets AB Balder's Annual General Meeting will be held on Friday 3 May at 16:00, at Park49, Parkgatan 49 in Gothenburg.

PROPERTY PORTFOLIO

On 31 December, Balder owned 1,901 investment properties (1,841) with a lettable area of 6,004 thousand sq.m. (5,837) at a value of SEK 209,000m (213,932). Balder's total rental value excluding projects amounted to SEK 12,958m (12,025).

In addition to investment properties, Balder owns development properties with an acquisition cost of SEK 2,750m (3,421). The value of the total property portfolio amounted to SEK 211,749m (217,353).

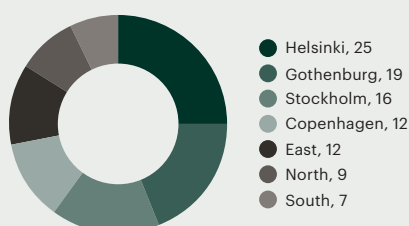
Balder's commercial properties are located primarily in the central areas of major cities, and the residential properties are located in metropolitan regions and in places that are growing and developing positively in each country. Balder's ambition is to continue growing in selected markets.

BALDER'S PROPERTY PORTFOLIO AS OF 31/12/2023¹⁾

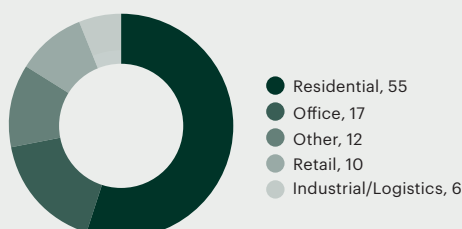
	Number of investment properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Helsinki	771	1,326,890	3,560	2,683	3,390	95	52,039	25
Stockholm	93	828,954	1,990	2,400	1,867	94	33,113	16
Gothenburg	202	1,194,368	2,274	1,904	2,181	96	38,922	18
Copenhagen	27	387,147	1,131	2,920	1,122	99	23,364	11
South	91	478,579	902	1,885	857	95	13,558	6
East	459	926,278	1,753	1,893	1,695	97	23,875	11
North	258	861,907	1,349	1,565	1,278	95	18,845	9
Total excluding projects	1,901	6,004,123	12,958	2,158	12,390	96	203,715	96
Projects for own management			10		10		5,285	2
Total investment properties	1,901	6,004,123	12,968	2,158	12,400	96	209,000	99
Development properties							2,750	1
Total property portfolio	1,901	6,004,123	12,968	2,158	12,400	96	211,749	100
Distributed by property category								
Residential	1,398	3,025,857	6,840	2,260	6,567	96	109,818	52
Office	108	708,112	2,010	2,838	1,862	93	34,963	17
Retail	143	1,000,541	1,714	1,713	1,652	96	21,363	10
Industrial/Logistics	167	651,665	1,001	1,537	937	94	12,941	6
Other	85	617,947	1,393	2,254	1,373	99	24,630	12
Total excluding projects	1,901	6,004,123	12,958	2,158	12,390	96	203,715	96
Projects for own management			10		10		5,285	2
Total investment properties	1,901	6,004,123	12,968	2,158	12,400	96	209,000	99
Development properties							2,750	1
Total property portfolio	1,901	6,004,123	12,968	2,158	12,400	96	211,749	100

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

CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL PROPERTY PORTFOLIO, %



CARRYING AMOUNT DISTRIBUTED BY PROPERTY CATEGORY, TOTAL PROPERTY PORTFOLIO, %



CHANGES IN PROPERTY PORTFOLIO

Investment properties

Balder's investment properties are reported on the basis of internal valuations. 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.

Properties under construction and project properties for own management are valued at market value reduced by estimated building expenditure and project risk.

Balder has increased the yield requirement in the valuations of the investment properties during the year by 0.3 percentage points compared with the year-end of the previous year. The increased estimated yield requirement is explained by the uncertain market situation and rising market interest rates. As of 31 December, Balder's average yield requirement was 4.9% (4.6) excluding project properties for own management. The average yield requirement for residential properties amounted to 4.4% (4.1) and for commercial properties 5.4% (5.2). In order to quality-assure the internal valuations, Balder uses external valuation firms in order to have parts of the portfolio valued externally and to secure parameters and assumptions in the valuation calculations. During the year, 52% of the portfolio has

been subject of assessment by external valuation firms. Deviations between external and internal valuations were insignificant.

Unrealised changes in value of investment properties

The overall carrying amount of Balder's investment properties amounted to SEK 209,000m (213,932) on 31 December. The unrealised change in value during the year amounted to SEK -9,980m (5,419).

The change in value during the year is mainly attributable to the increased estimated yield requirement.

Investments, acquisitions and divestments

During the year, a total of SEK 6,710m (14,171) was invested in respect of investment properties, of which SEK 888m (5,160) related to acquisitions and SEK 5,822m (9,011) related to investments in existing properties and projects for own management. Investment properties as well as condominiums and land were divested during the year with a sales value of SEK 681m (2,913). Realised changes in value from the divestments amounted to SEK -14m (111).

CHANGE IN CARRYING AMOUNT OF PROPERTIES

	2023		2022	
	SEKm	Number ¹⁾	SEKm	Number ¹⁾
Investment properties, 1 January	213,932	1,841	189,138	1,678
Investments in existing properties and projects	5,822		9,011	
Acquisitions	888	5	5,160	31
Divestments	-696	-12	-2,802	-69
Changes in value of investment properties, unrealised	-9,980		5,419	
Currency changes	-967		8,006	
Reclassification	-	67	-	201
Investment properties, 31 December	209,000	1,901	213,932	1,841
Development properties, 1 January	3,421		2,697	
Investments in projects	1,695		1,731	
Divestments	-2,366		-1,007	
Development properties, 31 December	2,750		3,421	
Total property portfolio, 31 December	211,749		217,353	

1) Number of investment properties.

PROPERTY DEVELOPMENT

Within the framework of property development, both new production and conversion projects of residential and commercial spaces are being carried out. Investments are being made primarily in areas where the company already operates, with a focus on the metropolitan regions of Stockholm, Gothenburg, Helsinki and Copenhagen. The building rights portfolio mainly includes building rights for the construction of both rental apartments and tenant-owner apartments, but also commercial properties.

Projects for own management

Projects for own management that are under construction have an estimated total investment of SEK 3.2 billion (11.3), of which SEK 2.5 billion (8.3) is invested and SEK 0.7 billion (3.0) remains to be invested. Most of the ongoing projects relate to residential projects with condominiums for rental use. The projects comprise about 1,250 apartments (4,100) and relate primarily to projects in Finland and Denmark.

Development properties for sale

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 net profit is recognised when each property is completed, sold and handed over to the buyer.

Development projects that are under construction have an estimated total investment of SEK 3.0 billion (3.0), of which SEK 1.6 billion (1.9) is invested and SEK 1.4 billion (1.1) is still to be invested. All of the projects relate to residential projects that will be sold to end customers.

The sales results from two development projects (3), Brf Hovås Altituden and Brf Caprea, are reported in the fourth quarter. The cost of these projects amounted to SEK -1,136m (-523) and the profit from sales amounted to SEK 214m (45), excluding marketing and sales costs for the quarter of SEK -7m (-5) relating to all development properties.

Six development properties (6) were divested and recognised as income during the year. The cost of all projects divested during the year amounted to SEK -2,366m (-1,007) and the profit from sales amounted to SEK 572m (130), excluding sales and marketing expenses for the period of SEK -28m (-20) in respect of all development properties.



**SVEDALA
BOVIERAN**
TENANT-OWNER APARTMENTS
COMPLETED 2023
54 APARTMENTS

PROJECT PROPERTIES FOR OWN MANAGEMENT – UNDER CONSTRUCTION

Country	Region	Project	Property category	Lettable area, sq.m.	Number apartments	Total estimated investment, SEKm	Estimated completion
Denmark	Copenhagen	Strandby Huse	Residential	3,024	48	166	Q1 2024
Finland	Helsinki	Kirkkonummen Tinapuisto	Residential	1,147	25	49	Q1 2024
Finland	Helsinki	Patljoonantie 3-5	Residential	4,649	92	213	Q1 2024
Finland	East	Nokian Ylpeys	Residential	2,244	88	98	Q1 2024
Sweden	Stockholm	Hedin Akalla	Commercial	11,025	-	206	Q1 2024
Sweden	Stockholm	Mörtlösa MG Ford	Commercial	7,305	-	208	Q2 2024
Denmark	Copenhagen	Strandby Høje	Residential	19,817	289	967	Q3 2024
Finland	Helsinki	Peijinkuja 6	Residential	6,099	136	368	Q3 2024
Finland	Helsinki	Piejinkuja 10	Residential	4,500	121	290	Q4 2024
Finland	East	Kangasalan Kuningas	Residential	4,589	140	190	Q4 2024
Finland	East	Kirkkonummen Ferdinand	Residential	2,620	73	118	Q1 2025
Finland	East	Turun Huoleton	Residential	4,100	132	203	Q1 2025
Finland	East	Turun Rento	Residential	2,965	94	150	Q3 2025
Total				74,084	1,238	3,225	

DEVELOPMENT PROPERTIES FOR SALE – UNDER CONSTRUCTION

Country	Region	Project	Property category	Lettable area, sq.m.	Number apartments	Total estimated investment, SEKm	Estimated completion
Sweden	Stockholm	Fabrique 46	Residential	7,393	138	741	Q2 2024
Sweden	Gothenburg	Frölunda	Residential	20,036	392	900	Q3 2024
Sweden	Gothenburg	Bohusgatan Rubinen	Residential	6,153	93	432	Q1 2026
Sweden	Gothenburg	Bohusgatan Safiren	Residential	5,570	99	404	Q3 2026
Sweden	Gothenburg	Bohusgatan Spinellen	Residential	7,133	134	490	Q2 2027
Total				46,285	856	2,966	
Total under construction				120,369	2,094	6,191	

FUTURE PROJECTS ESTIMATED CONSTRUCTION START 2025 AND ONWARDS

Country	Region	Grossarea, sq.m.	Number of apartments
Sweden	Gothenburg	867,766	6,896
Sweden	Stockholm	533,733	4,632
Finland	Helsinki	282,147	5,226
Finland	East	30,940	635
Norway	Oslo	7,000	100
Denmark	Copenhagen	40,024	225
Total		1,761,610	17,714

The majority of future projects in the above table have a development plan that has gained legal force or is in progress.

CUSTOMERS

In order to limit the risk of lower rental income and consequently a weakened occupancy rate, Balder strives to develop long-term relationships with the company's existing customers.

Balder has a good diversification as regards the distribution between residential and commercial properties as well as the geographical distribution. The diversification strengthens the possibilities of maintaining a steady and satisfactory occupancy rate.

Balder's commercial leases have an average lease term of 6.6 years (6.2). Balder's ten biggest leases account for 3.8% (3.5) of total rental income, and their average lease term is 12.8 years (10.1). The economic occupancy rate in the commercial portfolio was 95% at the end of 2023.

Customer satisfaction

Having satisfied customers is one of Balder's most important goals. Balder carries out structured, long-term work to continuously monitor what the company's customers think. During the autumn, a national survey was conducted to measure total customer satisfaction in the form of a customer satisfaction index (CSI). The outcome of this year's survey shows that never before has Balder had as many satisfied residential tenants as now in the Swedish market. The CSI result for Balder's current residential tenants is an average of 69, and the corresponding result in respect of residential tenants in Balder's newly produced rental apartments is 79. The result for Balder's commercial customers is an average of 71.

LEASE MATURITY STRUCTURE, 31/12/2023

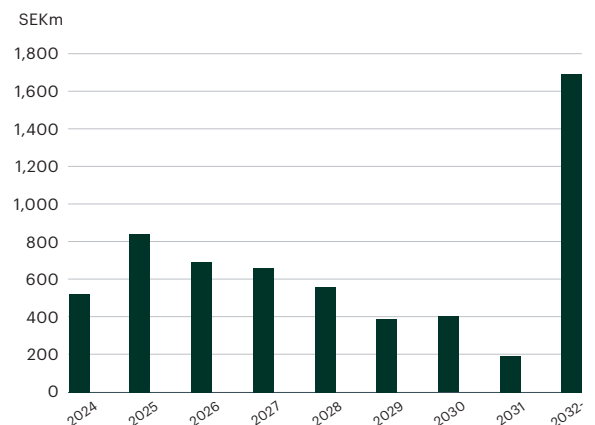
Maturity date	Number of leases	Share, %	Contracted rent, SEKm	Share, %
2024	1,673	35	513	4
2025	1,111	24	833	7
2026	699	15	685	6
2027	493	10	654	5
2028–	751	16	3,205	26
Total	4,727	100	5,890	47
Residential ¹⁾	47,905		6,365	51
Car park ¹⁾	11,859		54	0
Garage ¹⁾	6,358		91	1
Total	70,849		12,400	100

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

RENTAL INCOME AND PROFIT FROM PROPERTY MANAGEMENT



MATURITY STRUCTURE OF COMMERCIAL LEASE CONTRACTS



FINANCING

Balder has assets in Sweden, Denmark, Finland, Norway, Germany and the UK, which means that the Group is exposed to currency risks. Balder therefore has a diversified financing structure with bonds and bank financing in several different currencies. Balder values long-term relationships with its credit providers, which primarily comprise the major Nordic banks and capital market investors.

Balder's financing sources consist of bonds issued in euros in the European bond market under Balder's EMTN programme, followed by bank loans in various currencies, a domestic MTN programme, as well as a commercial paper programme in SEK and EUR. In addition to these financing sources, Balder also has issued hybrid capital, which has an original maturity of 60 years and is considered as 50% equity by the credit rating agencies.

Balder may from time to time seek to retire or repurchase outstanding debt through open market purchases, privately negotiated transactions, tender offers, exchange offers or other agreements. Such repurchases, if any, will depend on market conditions, liquidity requirements, contractual restrictions and other factors. The amounts subject to such repurchases may be material.

During the fourth quarter, interest-bearing liabilities decreased by SEK 2.9 billion. Balder has continued to take up bank financing in order to further strengthen liquidity and to repurchase bonds. Balder's presence in the Swedish and international capital markets continues to be strategically important in the longer term. As of the year-end, available liquidity including confirmed loan commitments was SEK 17,653m (25,771) corresponding to 1.4 times of Balder's future maturities of interest-bearing liabilities within 12 months. The available liquidity can fluctuate somewhat between quarters, depending on the timing of bank negotiations, currency movements and maturities. Balder will, however, maintain a level of liquidity in line with recent quarters, for as long as the company considers the financing markets to be strained.

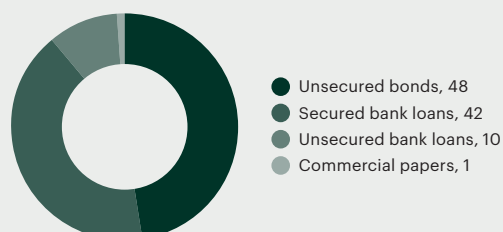
By extending the company's interest rate refixing period, Balder took advantage of lower long-term interest rates in the fourth quarter. Balder's interest rate refixing period as of 31 December was 3.2 years, and the fixed credit term was 5.4 years. As of 31 December, 74% of loans were hedged with interest rate swaps and fixed-interest loans.

Balder has obligations to its financiers in the form of financial key ratios, so-called covenants. All covenants were fulfilled as of the year-end.

FINANCIAL KEY RATIOS	2023 31 Dec	2022 31 Dec
Interest-bearing liabilities excl. Hybrid capital, SEKm	130,034	130,310
Hybrid capital, SEKm	4,435	4,942
Available liquidity including confirmed loan commitments, SEKm	17,653	25,771
Average fixed credit term, years	5.4	5.7
Average interest rate refixing period, years	3.2	3.5
Net debt/EBITDA, times	12.3	13.4
Financial covenants		
Net debt to total assets < 65, %	50.0	47.9
Interest coverage ratio > 1.8, times	3.2	4.7
Secured debt/Total assets < 45, %	22.0	17.9
Credit rating S&P	BBB Negative outlook	BBB Negative outlook

FINANCIAL TARGETS		Target	Outcome
Equity/assets ratio, %	min.	40.0	37.9
Net debt to total assets, %	max.	50.0	50.0
Interest coverage ratio, times	min.	2.0	3.2
Net debt/EBITDA, times (rolling twelve months)	max.	11.0	12.3

FINANCING SOURCES, %



DISTRIBUTION OF SECURED AND UNSECURED LOANS, SEKm



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES 31/12/2023

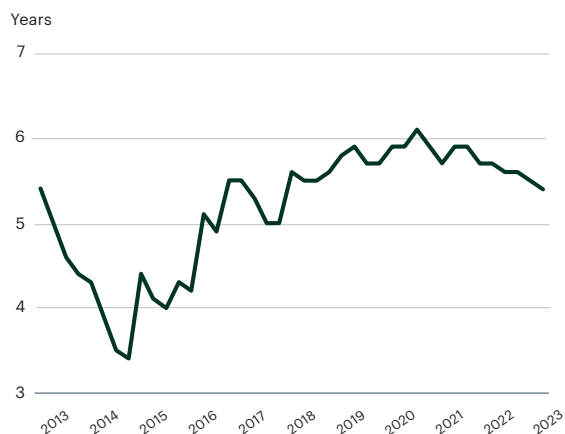
Year	SEKm	Share, %
2024	12,363	9
2025	20,846	16
2026	24,769	18
2027	15,612	12
2028	16,737	12
2029	7,652	6
2030	8,537	6
2031	6,775	5
2032	368	0
2033	1,224	1
2034-	19,585	15
Total	134,469	100

INTEREST FIXING STRUCTURE 31/12/2023

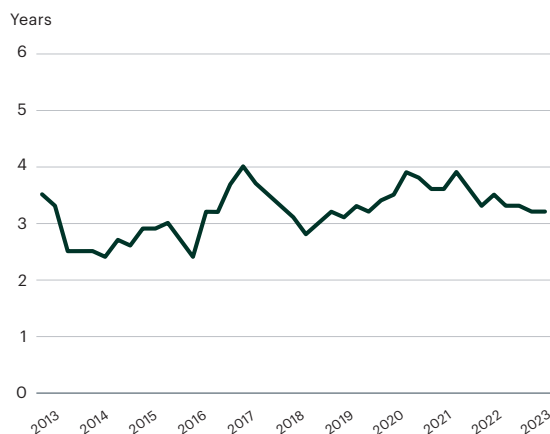
Year	SEKm	Interest, %	Share, %
2024	45,112	4.3*	34
2025	9,238	2.1	7
2026	13,257	2.7	10
2027	13,606	1.7	10
2028	18,992	2.8	14
2029	12,077	1.5	9
2030	8,706	2.0	6
2031	5,861	2.0	4
2032	2,804	2.5	2
2033	1,000	2.3	1
2034-	3,815	2.0	3
Total	134,469	2.9	100

*) The average interest rate for the current year includes the margin for the variable part of the debt portfolio.

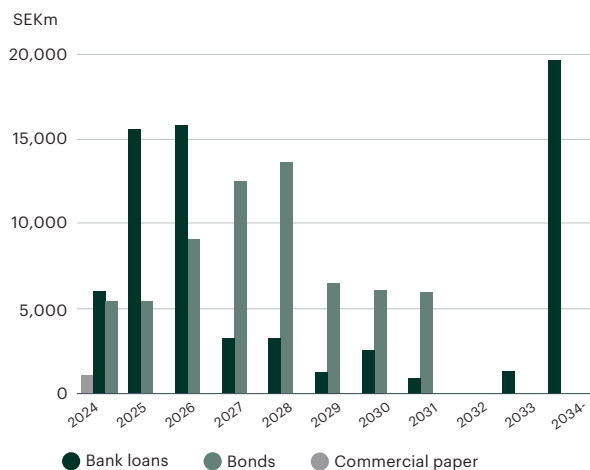
AVERAGE FIXED CREDIT TERM INTEREST-BEARING LIABILITIES



AVERAGE FIXED INTEREST TERM



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES



NET DEBT TO TOTAL ASSETS



SUSTAINABILITY

Balder's sustainability work

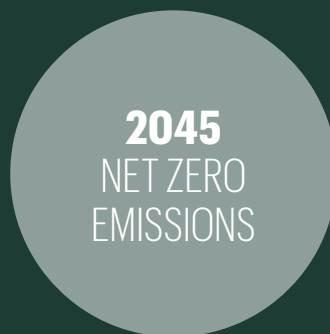
As a long-term property owner, Balder strives to assume social, environmental and financial responsibility. This includes not only minimising the environmental impact of operations, but also maximising the positive impact on society, both locally and globally.

Balder has signed Global Compact, the UN's set of international principles aimed at companies in the areas of human rights, labour law matters, the environment and anti-corruption. Balder strives to contribute to achieving the UN Global Sustainable Development Goals and has selected six of the 17 goals that are considered most relevant and where the company has the greatest opportunity to have an influence. To link these more closely to the business operations, the associated targets have also been identified in those areas where the company has the greatest opportunity to contribute to the goals being achieved.



Climate goals

Balder has undertaken to set science-based climate goals in line with the Paris Agreement. This involves more than halving emissions in its own operations (Scope 1 and 2) by 2030, with 2022 as the base year, and measuring and reducing emissions in the value chain. The company has also set a goal to achieve net zero emissions throughout the value chain (Scope 1, 2 and 3) by 2045. The climate goals have been submitted to the Science Based Targets Initiative for approval and are awaiting validation. Work on a climate roadmap was started towards the end of 2023 to specify which measures are required for the business to achieve its climate goals.



BALDER'S SUSTAINABILITY FRAMEWORK



PROPERTIES



AREAS



PARTNERSHIPS



COWORKERS



FINANCES

MATERIAL SUSTAINABILITY TOPICS

- Energy efficiency and renewable energy sources
- Greenhouse gas emissions and climate adaptation
- Environmentally certified properties
- Minimise waste and increase degree of sorting
- Safety and well-being of tenants
- Area development for social sustainability
- Responsible, fossil-free transport operations
- Business ethics and responsible collaboration
- Social and environmental requirements in supply chain
- Good work environment with satisfied employees
- Diversity and equal opportunity
- Long-term financial stability and profitability
- Green financing

GOALS

- Energy efficiency improvement 2% per sq.m. and year
- Reduced water use 2% per sq.m. and year
- 55% reduction in emissions from own operations by 2030 and achieve net zero emissions throughout the value chain by 2045
- All newly produced properties must as a minimum fulfil Miljöbyggnad Silver or equivalent certification
- Increase the proportion of environmentally certified buildings in Balder's current property portfolio
- Create jobs for young people in the management organisation
- Implement initiatives for sustainable travel to and from the properties
- No incidents of corruption
- No incidents of discrimination
- All employees must be trained in the Code of Conduct
- Encourage environment-friendly travel
- Increase the proportion of green financing

CLIMATE RISK ANALYSES

– FOR A RESILIENT PROPERTY PORTFOLIO

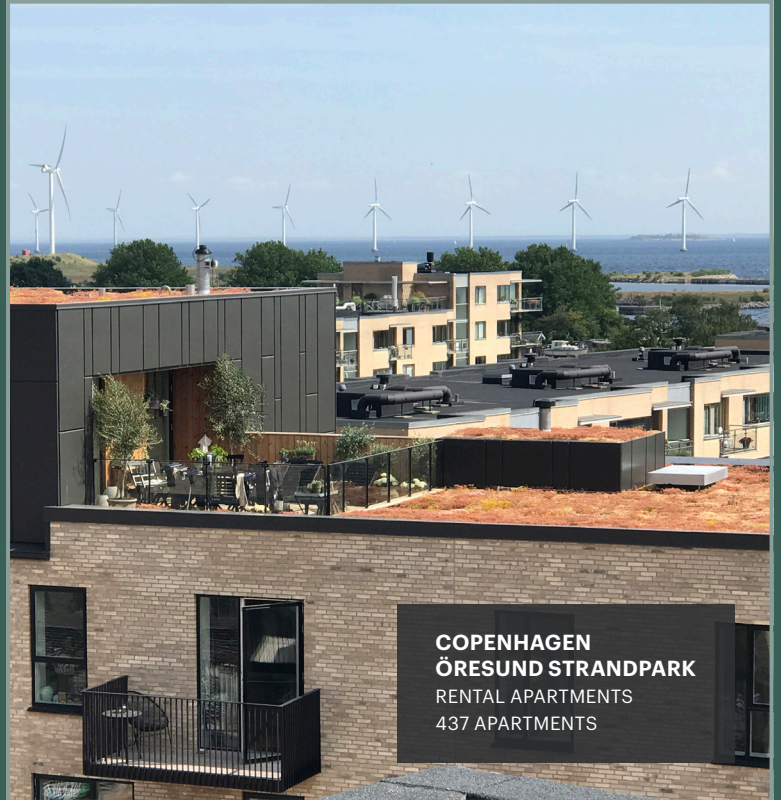
Balder continuously work on reducing the climate impact from operations. At the same time, the company adopts a proactive approach to managing risks that might arise as a consequence of climate change. Through climate risk analyses and climate adaptation, the company is striving to strengthen the resilience of its property portfolios.

To adapt to climate change and fulfil the criteria in the EU Taxonomy Regulation, Balder is working with climate risk analyses. In addition to preventing climate-related damage to properties, measures implemented can also create value for tenants, for example through an enhanced sense of security and a greener environment.

The company’s work with climate risk analyses started in 2022, when over one hundred analyses were conducted at building level. About half of the buildings were also the subject of vulnerability analyses and action plans. This work was intensified during 2023, and by the year-end large parts of the property portfolio, almost 750 properties and 1,650 buildings in Sweden, Denmark, Finland and Norway, had undergone climate risk screening.

The seven climate risks evaluated are flooding from heavy rainfall, lakes and watercourses or as a consequence of rising sea levels, heat-related risks, erosion, landslides and subsidence, and grass or forest fires. The most common risks in Balder’s property portfolio so far are flooding due to heavy rainfall, heat-related risks and landslides and subsidence. The risks vary between localities, locations and building types.

Work continues to establish comprehensive climate risk analyses within the Group. This is a wide-ranging task, and the company is currently working on internal processes surrounding action plans and to meet the requirement for implementation within five years of the plans being produced, in accordance with the EU taxonomy. With more knowledge of climate risks, the company can take preventive action and create a resilient operations.



The three stages of climate risk analyses

First of all, there is screening and categorisation of the exposure of buildings to climate-related risks. For buildings that have been given a sufficiently high risk classification, stage two sees a vulnerability analysis, in order to produce an overall view of the conditions that can make the building more resilient to climate-related risks. The third and final stage is to establish action plans for those properties that are classified as being exposed to risks and that are currently considered to be vulnerable to these climate risks. The strategic work is based on planning and governance, which then form the basis of driving the operational work forwards. Measures can be long-term, medium-term or short-term.

POSITIVE MOMENTUM IN BALDER’S ESG RATING

Fastighets AB Balder’s targeted efforts in the field of sustainability are yielding results, and Sustainalytics updated Balder’s ESG risk rating from 13.8 to 12.3 during the year. Balder remains stable within the low-risk range, and is closer to the desirable level of negligible risk.

“As a listed property company, high sustainability demands are placed by investors and other stakeholders. Sustainalytics’ positive rating confirms that our efforts are yielding results and further motivates us in our pursuit of even better outcomes,” says Balder’s Sustainability Manager, Klara Appelqvist.

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RATED

ASSOCIATED COMPANIES

Balder is co-owner of a large number of companies that manage properties and develop projects, and also of Norion Bank¹⁾ (formerly Collector Bank). For further information about Balder's associated companies, see pages 39–41 and 74–76 in Balder's Annual Report 2022. Associated companies and joint ventures are recognised in the Group according to the equity method.

During the year, Balder invested SEK 641m in associated companies.

The tables below show Balder's share of property managing associated companies. Companies included in the tables are Tulia AB 50% (50), Fastighets AB Centur 50% (50), Trenum AB 50% (50), Anthon Eiendom AS 60% (60), Sinoma Fastighets AB 49% (49), Tornet Bostadsproduktion AB 33% (33), Entra ASA²⁾ just under 40% (40), Stenhus Fastigheter i Norden AB³⁾ 20% (19) and Brinova Fastigheter AB⁴⁾ 19% (19).

BALDER'S PARTICIPATION IN THE PROPERTY MANAGING ASSOCIATED COMPANIES' PROPERTY PORTFOLIO AS OF 31/12/2023⁵⁾

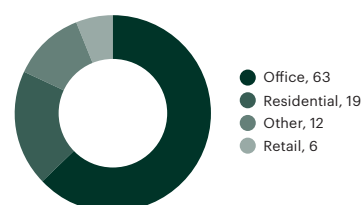
	Number of investment properties ⁶⁾	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	127	180,697	392	2,169	367	94	6,931	14
Gothenburg	108	257,848	355	1,376	344	97	4,949	10
South	162	156,551	258	1,649	250	97	3,958	8
East	67	118,428	171	1,440	166	98	2,484	5
North	45	186,915	378	2,021	362	96	6,389	13
Oslo	72	434,410	1,223	2,816	1,160	95	22,442	45
Total excluding projects	581	1,334,850	2,776	2,080	2,650	95	47,154	94
Projects for own management			-		-		2,799	6
Total property portfolio	581	1,334,850	2,776	2,080	2,650	95	49,953	100
Distributed by property category								
Residential	144	204,375	404	1,977	390	97	7,962	16
Office	142	681,512	1,738	2,550	1,648	95	30,457	61
Retail	62	142,647	213	1,496	208	97	2,756	6
Other	233	306,316	421	1,375	403	96	5,979	12
Total excluding projects	581	1,334,850	2,776	2,080	2,650	95	47,154	94
Projects for own management			-		-		2,799	6
Total property portfolio	581	1,334,850	2,776	2,080	2,650	95	49,953	100

- Balder's market value (share price) of Norion Bank AB (publ) as of 31 December 2023 amounted to SEK 3,923m. Balder classifies the holding in Norion as an associated company. The holding is long-term and there is no indication of a need for a write-down.
- Balder's market value (share price) of Entra ASA as of 31 December 2023 amounted to SEK 7,942m. Balder's participation in Entra's net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding.
- Balder's market value (share price) of Stenhus Fastigheter i Norden AB (publ) as of 31 December 2023 amounted to SEK 767m. Balder's participation in Stenhus' net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding.
- Balder's market value (share price) of Brinova Fastigheter AB (publ) as of 31 December 2023 amounted to SEK 356m. Balder's participation in Brinova's net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding. The share of the vote is 31.4%.
- The above table refers to properties that the associated companies owned at the end of the year. Properties sold have been excluded and properties acquired have been adjusted to full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties.
- Refers to the entire associated companies' portfolio.

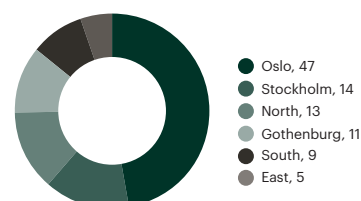
BALDER'S PARTICIPATION IN THE BALANCE SHEETS OF PROPERTY MANAGING ASSOCIATED COMPANIES

SEKm	2023 31 Dec	2022 31 Dec
Assets		
Properties	49,953	55,758
Other assets	2,139	2,441
Cash and cash equivalents	480	523
Total assets	52,572	58,723
Equity and liabilities		
Equity/interest-bearing shareholder loan	21,183	24,241
Deferred tax liability	4,003	5,087
Interest-bearing liabilities	26,033	27,799
Other liabilities	1,352	1,596
Total equity and liabilities	52,572	58,723

CARRYING AMOUNT DISTRIBUTED BY PROPERTY CATEGORY, TOTAL PROPERTY PORTFOLIO, %



CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL PROPERTY PORTFOLIO, %



OTHER DISCLOSURES

Events after the end of the year

No events of material significance for Fastighets AB Balder's position have occurred after the end of the reporting period.

Related party transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 98m (85) during the year and are reported in management and administrative costs. During the year, construction services were purchased from Tommy Byggare AB to the order of SEK 19m (118). All transactions have been priced on market terms.

Risks and uncertainties

Balder's operations, financial position and earnings may be affected by a number of risks and uncertainties. These are described on pages 47–50 in the Annual Report 2022. Otherwise no significant changes have been noted.

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This year-end report is prepared in accordance with IAS 34, Interim Financial Reporting. In addition, relevant provisions of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied. The parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act, the Swedish Securities Markets Act and RFR 2, Accounting for Legal Entities. The accounting policies follow those reported in the Annual Report 2022.

New and changed standards and policies that came into force as of 1 January 2023 or later are not considered to have any material impact on the Group's financial reports.

Recognition of convertible bonds

Convertible bonds issued in EUR are divided into two components, a liability component and an option component. The liability component is valued at accrued cost using the effective interest method. The option component is recognised as a liability and is valued on an ongoing basis at fair value via the income statement. Transaction costs are accrued over the term and included in the change in value in the income statement. According to IFRS, earnings per share after dilution must be calculated with the assumption that conversion will take place regardless of the current share price, i.e. the calculation is made with full dilution on day one.

The Board's proposal to the Annual General Meeting 2024

Ahead of the Annual General Meeting on 3 May 2024, the Board of Directors intends to propose to the meeting:

- That no share dividend shall be declared.
- That the Board shall be authorised, before the next annual general meeting, to repurchase and transfer Class B shares in Balder equivalent to no more than 10% of all shares in the company.
- That the Board shall be authorised, before the next annual general meeting, on one or more occasions, with or without derogation from the preferential rights of shareholders, to decide on the new issuing of Class B shares and of warrants and/or convertibles with the right to subscribe and/or convert to Class B shares. This authorisation shall comprise no more than 10% of all shares in the company. It shall be possible to subscribe to the shares in cash, through payment in kind or through a right of set-off.

This year-end report has not been subject to an examination by the company's auditors.

Gothenburg, 9 February 2024

Erik Selin
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Rental income	3,089	2,805	11,944	10,521
Property costs	-815	-740	-3,030	-2,725
Net operating income	2,274	2,065	8,914	7,796
Management and administrative costs	-290	-259	-1,080	-1,019
Participation in profits from associated companies and joint ventures	-1,247	128	-2,236	1,002
– of which profit from property management	492	477	1,917	1,929
– of which changes in value	-2,080	-379	-4,557	-433
– of which tax	341	30	404	-495
Other income/costs	-13	-4	-16	-17
Net financial items	-922	-649	-3,186	-2,031
– of which cost of leases/ground rent	-20	-20	-83	-76
Profit including changes in value and tax in associated companies	-199	1,281	2,396	5,732
– of which Profit from property management	1,540	1,629	6,549	6,659
<i>Changes in value</i>				
Changes in value of investment properties, realised	-20	53	-14	111
Changes in value of investment properties, unrealised	-3,985	-795	-9,980	5,419
Income sale development properties	1,350	568	2,938	1,136
Costs sale development properties	-1,143	-528	-2,394	-1,027
Changes in value of derivatives	-2,111	283	-1,899	1,617
Changes in value, total	-5,909	-419	-11,350	7,257
Profit before tax	-6,107	862	-8,954	12,988
Income tax	894	-150	1,254	-1,999
Net profit for the period/year	-5,213	712	-7,699	10,989
<i>Net profit for the period/year attributable to:</i>				
Parent company's shareholders	-4,768	846	-6,746	10,175
Non-controlling interests	-445	-133	-953	814
	-5,213	712	-7,699	10,989
Other comprehensive income – items that may be reclassified to net profit/loss for the period				
Translation difference relating to foreign operations (net after hedge accounting)	-775	20	-76	1,005
Cash flow hedges after tax	-119	-3	-56	414
Participation in other comprehensive income from associated companies and joint ventures	-452	189	-1,030	466
Comprehensive income for the period/year	-6,560	918	-8,862	12,875
<i>Total comprehensive income for the period/year attributable to:</i>				
Parent company's shareholders	-5,646	829	-7,880	10,903
Non-controlling interests	-914	89	-982	1,972
	-6,560	918	-8,862	12,875
Profit from property management	1,540	1,629	6,549	6,659
Of which non-controlling interests part of profit from property management	-89	-92	-414	-521
Profit from property management attributable to parent company's shareholders	1,451	1,537	6,135	6,139
Profit from property management per share, SEK	1.26	1.37	5.32	5.48
Profit after tax per share, SEK	-4.13	0.76	-5.85	9.09
Profit after tax per share after dilution of convertible, SEK ¹⁾	-4.13	0.76	-5.85	9.09

1) Convertible bonds involve dilution effects in cases where a conversion into ordinary shares would result in reduced earnings per share.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	2023 31 Dec	2022 31 Dec
Assets		
Investment properties	209,000	213,932
Development properties	2,750	3,421
Lease contract; Right-of-use assets	2,102	1,881
Other fixed assets	387	272
Participations in associated companies and joint ventures	28,288	31,620
Derivatives	421	1,982
Receivables	5,351	4,115
Cash and cash equivalents and financial investments	5,449	6,553
Total assets	253,748	263,775
Equity and liabilities		
Equity ¹⁾	93,987	102,909
Deferred tax liability	16,272	17,769
Interest-bearing liabilities	134,469	135,252
–of which Hybrid capital ²⁾	4,435	4,942
Derivatives	1,444	–
Lease contract	2,108	1,887
Other liabilities	5,469	5,958
Total equity and liabilities	253,748	263,775
1) Of which non-controlling interests.	11,674	12,715
2) 50% of the Hybrid capital 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 ratio and increases equity when calculating the equity/assets ratio.	2,217	2,471

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	2023 31 Dec	2022 31 Dec
Opening equity	102,909	88,567
Total comprehensive income for the year	–8,862	12,875
Transactions with non-controlling interests	–20	–183
Dividend to non-controlling interests	–40	–131
Shareholder contributions from non-controlling interests	0	3
Non-controlling interests arising from the acquisition of subsidiaries	–	0
Share issue, after share issue costs	–	1,778
Closing equity	93,987	102,909

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net operating income	2,274	2,065	8,914	7,796
Other income/costs	-13	-4	-16	-17
Management and administrative costs	-290	-259	-1,080	-1,019
Selling and marketing expenses, development properties	-7	-5	-28	-20
Reversal of depreciation and amortisation	19	14	71	52
Net financial items paid	-860	-551	-3,085	-1,860
Tax paid	-117	-143	-555	-491
Cash flow from operating activities before change in working capital	1,006	1,117	4,221	4,442
Change in operating receivables	337	766	-11	394
Change in operating liabilities	-1,131	-33	647	214
Cash flow from operating activities	212	1,850	4,857	5,050
Acquisition of investment properties	-470	-335	-888	-5,160
Acquisition/divestment of other fixed assets	-129	-70	-187	-138
Purchase of financial investments	-	-15	-897	-1,077
Acquisition of shares/Capital contributions/Loans to associated companies and joint ventures	-132	-261	-1,167	-1,518
Investments in existing properties and projects	-1,636	-3,314	-7,517	-10,742
Transactions with non-controlling interests	-18	-141	-20	-183
Sale of investment properties	32	141	681	2,913
Sale of development properties	1,350	568	2,938	1,136
Sale of financial investments	138	164	264	1,238
Sale of shares in associated companies and joint ventures	31	1	269	1
Dividend paid from associated companies and joint ventures	37	361	315	614
Cash flow from investing activities	-797	-2,901	-6,209	-12,915
Share issue, after share issue costs	-	1,778	-	1,778
Amortisation of lease liability	1	5	-21	-17
Shareholder contributions from non-controlling interests	0	-	0	3
Dividend paid to non-controlling interests	-	-	-42	-131
Loans raised	5,204	6,441	25,006	26,896
Amortisation/redemption of loans sold properties/changes in overdraft facilities	-4,612	-5,935	-25,155	-18,032
Cash flow from financing activities	594	2,290	-212	10,497
Cash flow for the period/year	8	1,238	-1,564	2,632
Cash and cash equivalents at the start of the period/year	2,453	2,727	3,977	1,299
Exchange rate difference in cash and cash equivalents	-60	12	-12	46
Cash and cash equivalents at the end of the period/year	2,402	3,977	2,402	3,977
Available liquidity, SEKm				
Cash and cash equivalents	2,402	3,977	2,402	3,977
Unutilised overdraft facilities	410	410	410	410
Unutilised credit facilities	11,794	18,808	11,794	18,808
Financial investments	3,047	2,576	3,047	2,576
Available liquidity including confirmed loan commitments	17,653	25,771	17,653	25,771

SEGMENT INFORMATION

SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Rental income				
Helsinki	733	667	2,859	2,606
Stockholm	459	437	1,795	1,618
Gothenburg	554	482	2,041	1,776
Copenhagen	294	244	1,146	899
South	214	194	809	715
East	531	472	2,047	1,727
North	304	310	1,247	1,180
Total	3,089	2,805	11,944	10,521
Net operating income				
Helsinki	486	438	1,919	1,793
Stockholm	347	325	1,375	1,225
Gothenburg	447	367	1,610	1,327
Copenhagen	188	182	841	683
South	164	141	610	524
East	397	359	1,564	1,282
North	245	253	994	962
Total	2,274	2,065	8,914	7,796

The Group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with recognised net operating income in the income statement. The difference between net operating income of SEK 8,914m (7,796) and profit before tax of SEK -8,954m (12,988) consists of changes in value of investment properties of SEK -9,995m (5,530),

profit from sales of development properties of SEK 544m (110), other income/costs of SEK -16m (-17), management and administrative costs of SEK -1,080m (-1,019), participations in profit from associated companies and joint ventures of SEK -2,236m (1,002), net financial items of SEK -3,186m (-2,031) and changes in value of derivatives of SEK -1,899m (1,617).

SEKm	2023 31 Dec	2022 31 Dec
Property portfolio		
Helsinki	52,039	52,932
Stockholm	33,113	34,267
Gothenburg	38,922	36,947
Copenhagen	23,364	22,811
South	13,558	12,901
East	23,875	21,704
North	18,845	20,061
Total excluding projects	203,715	201,623
Projects for own management	5,285	12,309
Total investment properties	209,000	213,932
Development properties	2,750	3,421
Total property portfolio	211,749	217,353

The carrying amounts of properties changed during the year due to investments, acquisitions, divestments, unrealised changes in value and currency changes by SEK -892m in the Helsinki region, SEK -1,154m in the Stockholm region, SEK 1,975m in the Gothenburg region, SEK 553m in the Copenhagen region, SEK 656m in the South region, SEK 2,171m in the East region and SEK -1,216m in the North region.

The Group's projects for own management decreased by SEK -7,024m and the Group's development properties decreased by SEK -671m. The properties in Denmark are classified under the Copenhagen region. The Finnish property portfolio is divided between the regions of Helsinki and East. Property ownership in Norway is classified under region North, and the properties in Germany and the UK under region South.

KEY RATIOS

	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Share-related key ratios				
Average number of shares, thousands	1,154,000	1,119,769	1,154,000	1,119,192
Profit after tax per share, SEK	-4.13	0.76	-5.85	9.09
Profit after tax per share after dilution of convertible, SEK ¹⁾	-4.13	0.76	-5.85	9.09
Profit after tax excluding unrealised changes in value per share, SEK	1.05	1.24	4.36	4.71
Profit from property management per share, SEK	1.26	1.37	5.32	5.48
Net operating income per share, SEK	1.74	1.66	6.77	6.06
Outstanding number of shares, thousands	1,154,000	1,154,000	1,154,000	1,154,000
Equity per share, SEK	71.33	78.16	71.33	78.16
Long-term net asset value per share (NAV), SEK	85.06	92.10	85.06	92.10
Share price on closing date per share, SEK	71.52	48.52	71.52	48.52
Property-related key ratios				
Rental value full year, SEK/sq.m.	2,158	2,060	2,158	2,060
Rental income full year, SEK/sq.m.	2,064	1,982	2,064	1,982
Economic occupancy rate, %	96	96	96	96
Vacancy rate, %	4	4	4	4
Surplus ratio, %	74	74	75	74
Carrying amount, SEK/sq.m.	33,929	34,540	33,929	34,540
Number of investment properties	1,901	1,841	1,901	1,841
Lettable area, thousand sq.m.	6,004	5,837	6,004	5,837
Profit from property management attributable to parent company's shareholders, SEKm	1,451	1,537	6,135	6,139
Financial key ratios				
Return on equity, %	-1.9	5.4	-7.8	12.1
Return on total assets, %	1.2	3.2	-2.2	6.1
Interest coverage ratio, times	2.7	3.7	3.2	4.7
Equity/assets ratio, %	37.9	40.0	37.9	40.0
Debt/equity ratio, times	1.4	1.3	1.4	1.3
Net debt to total assets, %	50.0	47.9	50.0	47.9
Net debt/EBITDA, times	12.7	13.6	12.3	13.4

1) Convertible bonds involve dilution effects in cases where a conversion into ordinary shares would result in reduced earnings per share.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEKm	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	148	36	529	491
Administrative costs	-148	-37	-527	-492
Operating profit	-0	-0	2	-2
Profit from financial items				
Profit from participations in subsidiaries	-	-2,676	178	6,825
Other net financial items	-58	85	1,541	-2,291
– of which exchange rate differences	1,328	-353	1,324	-2,851
Changes in value of derivatives	-2,086	352	-1,821	1,507
Profit before appropriations and tax	-2,144	-2,240	-100	6,039
Appropriations				
Group contribution	-2,457	2,708	-2,457	2,708
Principal earnings ¹⁾	215	-	215	-
Profit before tax	-4,386	468	-2,342	8,746
Income tax	421	-556	206	-281
Net profit for the period/year²⁾	-3,965	-88	-2,136	8,466

1) Since January 2023, the parent company has been a member of a fiscal commission with a selection of its subsidiaries. All companies in the fiscal commission are also members of a Value Added Tax group as of April 2023. The parent company has received SEK 215m (-) in principal earnings from subsidiaries in the fiscal commission.

2) The parent company has no items that are recognised in Other comprehensive income, and total comprehensive income therefore corresponds to net profit for the period/year.

CONDENSED PARENT COMPANY BALANCE SHEET

SEKm	2023 31 Dec	2022 31 Dec
Assets		
Other fixed assets	26	28
Financial non-current assets	29,111	32,931
Receivables from Group companies	86,864	92,204
Derivatives	181	1,185
Current receivables	421	415
Cash and cash equivalents and financial investments	2,097	2,895
Total assets	118,700	129,658
Equity and liabilities		
Equity	26,556	28,693
Interest-bearing liabilities	50,100	52,199
– of which Hybrid capital	4,435	4,942
Liabilities to Group companies	39,934	48,082
Derivatives	1,114	-
Other liabilities	996	685
Total equity and liabilities	118,700	129,658

THE SHARE AND OWNERS

Balder's share is listed on Nasdaq Stockholm, Large Cap segment. The company's market capitalisation as of 31 December amounted to SEK 82,534m (55,992).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 34.1% (34.1) of the capital and 47.8% (47.8) of the votes. Foreign ownership amounts to approximately 24% (27) of outstanding shares.

The share

At the end of the year, Balder had approximately 29,000 shareholders (29,000). During the year, approximately 698 million shares were traded (608), which corresponds to an average of about 2,780,000 shares per trading day (2,405,000). The annual turnover rate during the year amounted to 60% (53). The price of the share was SEK 71.52 (48.52) on 31 December, corresponding to a rise of 47% since the previous year-end.

Share capital

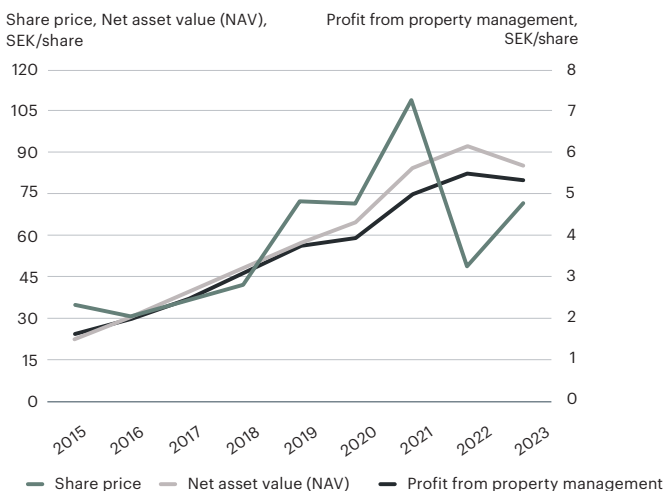
As of 31 December, the share capital in Balder amounted to SEK 192,333,333 distributed among 1,154,000,000 shares. Each share has a quota value of SEK 0.16667, of which 67,376,592 shares are Class A and 1,086,623,408 shares are Class B. The total number of outstanding shares is 1,154,000,000 as of 31 December. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

No shares were repurchased during the year.

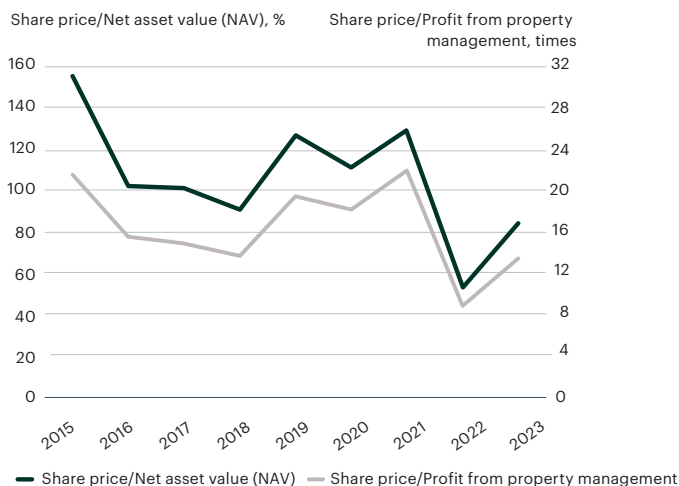
OWNERSHIP LIST AS OF 31/12/2023

Owners	Class A shares	Class B shares	Total number of shares	Capital, %	Votes, %
Erik Selin via company	49,855,968	343,265,400	393,121,368	34.1	47.8
Arvid Svensson Invest AB	17,495,352	81,255,240	98,750,592	8.6	14.6
Swedbank Robur Fonder	-	72,744,678	72,744,678	6.3	4.1
AMF – Försäkring och Fonder	-	61,082,056	61,082,056	5.3	3.5
Länsförsäkringar Fondförvaltning AB	-	35,477,161	35,477,161	3.1	2.0
Lannebo Fonder	-	22,170,378	22,170,378	1.9	1.3
SEB Investment Management	-	22,004,723	22,004,723	1.9	1.2
Folksam	-	16,950,433	16,950,433	1.5	1.0
Handelsbanken Fonder	-	15,529,601	15,529,601	1.3	0.9
Clients Fonder	-	13,772,789	13,772,789	1.2	0.8
Others	25,272	402,370,949	402,396,221	34.9	22.9
Total	67,376,592	1,086,623,408	1,154,000,000	100	100

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



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



RECONCILIATION OF KEY RATIOS

SHARE-RELATED KEY RATIOS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Profit after tax per share, SEK				
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-4,768	846	-6,746	10,175
B Average number of outstanding shares during the period, million	1,154	1,120	1,154	1,119
A/B Profit after tax per share, SEK	-4.13	0.76	-5.85	9.09
Profit after tax per share after dilution of convertible, SEK				
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-4,768	846	-6,746	10,175
B Effect on profit of convertible, SEKm	-932	-	-994	-
C Average number of outstanding shares during the period after dilution of convertible, million	1,229	1,120	1,218	1,119
(A-B)/C Profit after tax per share after dilution of convertible, SEK	-4.13¹⁾	0.76	-5.85¹⁾	9.09
Profit after tax excluding unrealised changes in value per share, SEK				
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-4,768	846	-6,746	10,175
B Changes in value of investment properties, unrealised during the period according to the income statement, SEKm	-3,985	-795	-9,980	5,419
C Changes in value of derivatives during the period according to the income statement, SEKm	-2,111	283	-1,899	1,617
D Non-controlling interests' share of unrealised changes in value during the period, SEKm	-642	-209	-1,600	430
E Changes in value in participations in profit from associated companies and joint ventures during the period according to the income statement, SEKm	-2,080	-379	-4,557	-433
F Tax effect of unrealised changes in value, SEKm	1,552	140	3,056	-1,272
G Average number of outstanding shares during the period, million	1,154	1,120	1,154	1,119
(A-B-C+D-E-F)/G Profit after tax excluding unrealised changes in value per share, SEK	1.05	1.24	4.36	4.71
Profit from property management per share, SEK				
A Profit from property management attributable to the parent company's shareholders during the period according to the income statement, SEKm	1,451	1,537	6,135	6,139
B Average number of outstanding shares during the period, million	1,154	1,120	1,154	1,119
A/B Profit from property management per share, SEK	1.26	1.37	5.32	5.48
Net operating income per share, SEK				
A Net operating income attributable to the parent company's shareholders during the period, SEKm	2,003	1,861	7,815	6,778
B Average number of outstanding shares during the period, million	1,154	1,120	1,154	1,119
A/B Net operating income per share, SEK	1.74	1.66	6.77	6.06
Equity per share, SEK				
A Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	82,313	90,194	82,313	90,194
B Number of outstanding shares at the end of the period, million	1,154	1,154	1,154	1,154
A/B Equity per share, SEK	71.33	78.16	71.33	78.16
Long-term net asset value per share (NAV), SEK				
A Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	82,313	90,194	82,313	90,194
B Deferred tax according to the balance sheet, SEKm	16,272	17,769	16,272	17,769
C Interest rate derivatives, SEKm	-421	-1,677	-421	-1,677
D Number of outstanding shares at the end of the period, million	1,154	1,154	1,154	1,154
(A+B+C)/D Long-term net asset value per share (NAV), SEK	85.06	92.10	85.06	92.10

1) In cases where the performance measure indicates a better outcome compared with no dilution of convertible, the performance measure applied is Profit after tax per share, SEK.

NUMBER OF SHARES	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Average number of shares	1,154,000,000	1,119,769,231	1,154,000,000	1,119,191,781
Average number of shares after dilution of convertible	1,228,659,366	1,119,769,231	1,217,613,871	1,119,191,781
Outstanding number of shares	1,154,000,000	1,154,000,000	1,154,000,000	1,154,000,000
Outstanding number of shares after dilution of convertible	1,228,659,366	1,154,000,000	1,228,659,366	1,154,000,000

RECONCILIATION OF KEY RATIOS

PROPERTY-RELATED KEY RATIOS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Rental value full year, SEK/sq.m.				
A Rental value on annual basis at the end of the period, SEKm	12,958	12,025	12,958	12,025
B Lettable area, thousand sq.m.	6,004	5,837	6,004	5,837
A/B x 1,000 Rental value, full year, SEK/sq.m.	2,158	2,060	2,158	2,060
Rental income full year, SEK/sq.m.				
A Rental income on annual basis at the end of the period, SEKm	12,390	11,568	12,390	11,568
B Lettable area, thousand sq.m.	6,004	5,837	6,004	5,837
A/B x 1,000 Rental income, full year, SEK/sq.m.	2,064	1,982	2,064	1,982
Economic occupancy rate, %				
A Rental income on annual basis at the end of the period, SEKm	12,390	11,568	12,390	11,568
B Rental value on annual basis at the end of the period, SEKm	12,958	12,025	12,958	12,025
A/B Economic occupancy rate, %	96%	96%	96%	96%
Surplus ratio, %				
A Net operating income during the period according to the income statement, SEKm	2,274	2,065	8,914	7,796
B Rental income during the period according to the income statement, SEKm	3,089	2,805	11,944	10,521
A/B Surplus ratio, %	74%	74%	75%	74%
Carrying amount, SEK/sq.m.				
A Carrying amount of investment properties excluding projects, SEKm	203,715	201,623	203,715	201,623
B Lettable area, thousand sq.m.	6,004	5,837	6,004	5,837
A/B x 1,000 Carrying amount, SEK/sq.m.	33,929	34,540	33,929	34,540

RECONCILIATION OF KEY RATIOS

FINANCIAL KEY RATIOS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Return on equity, %				
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-4,768	846	-6,746	10,175
B Changes in value of investment properties, realised and unrealised during the period according to the income statement, SEKm	-4,005	-742	-9,995	5,530
C Profit from development properties during the period according to the income statement, SEKm	207	40	544	110
D Changes in value of derivatives during the period according to the income statement, SEKm	-2,111	283	-1,899	1,617
E Changes in value in participations in profit from associated companies and joint ventures during the period according to the income statement, SEKm	-2,080	-379	-4,557	-433
F Non-controlling interests' share of changes in values, SEKm	-650	-192	-1,622	465
G Tax effect of changes in values 20.6%, SEKm	1,512	125	2,943	-1,310
A-B-C-D-E+F-G Total adjusted profit for the period, SEKm	1,059	1,326	4,595	5,126
H Total adjusted profit recalculated for annual profit, SEKm	4,236	5,304	4,595	5,126
I Changes in value for the parent company's shareholders, SEKm (B+C+D+E-F)	-7,339	-605	-14,284	6,359
J Tax effect of changes in value, SEKm (G)	1,512	125	2,943	-1,310
K Calculated annual profit, SEKm (H+I+J)	-1,591	4,824	-6,746	10,175
L Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	82,313	90,194	82,313	90,194
M Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	87,963	87,658	90,194	77,606
N Average equity, SEKm (L+M)/2	85,138	88,926	86,254	83,900
K/N Return on equity, %	-1.9%	5.4%	-7.8%	12.1%
Return on total assets, %				
A Profit before tax for the period according to the income statement, SEKm	-6,107	862	-8,954	12,988
B Net financial items during the period according to the income statement, SEKm	-922	-649	-3,186	-2,031
C Changes in value of investment properties, realised and unrealised during the period according to the income statement, SEKm	-4,005	-742	-9,995	5,530
D Profit from development properties during the period according to the income statement, SEKm	207	40	544	110
E Changes in value of derivatives during the period according to the income statement, SEKm	-2,111	283	-1,899	1,617
F Changes in value in participations in profit from associated companies and joint ventures during the period according to the income statement, SEKm	-2,080	-379	-4,557	-433
A-B-C-D-E-F Total adjusted profit for the period, SEKm	2,804	2,309	10,139	8,195
G Total adjusted profit recalculated for annual profit, SEKm	11,215	9,234	10,139	8,195
H Changes in value, SEKm (C+D+E+F)	-7,989	-797	-15,906	6,824
I Calculated annual profit, SEKm (G+H)	3,226	8,437	-5,768	15,019
J Total assets at the end of the period, SEKm	253,748	263,775	253,748	263,775
K Total assets at the beginning of the period, SEKm	263,772	258,660	263,775	229,933
L Average total assets, SEKm (J+K)/2	258,760	261,218	258,762	246,854
I/L Return on total assets, %	1.2%	3.2%	-2.2%	6.1%
Interest coverage ratio, times				
A Profit including changes in value and tax in associated companies during the period according to the income statement, SEKm	-199	1,281	2,396	5,732
B Net financial items during the period according to the income statement, SEKm	-922	-649	-3,186	-2,031
C Leases/ground rent during the period according to the income statement, SEKm	-20	-20	-83	-76
D Changes in value of financial investments during the period, SEKm	-6	-28	-162	-164
E Changes in value and tax in participations in profit from associated companies and joint ventures during the period according to the income statement, SEKm	-1,739	-348	-4,153	-927
(A-(B-C)+D-E)/(B-C-D) Interest coverage ratio, times	2.7	3.7	3.2	4.7

RECONCILIATION OF KEY RATIOS

CONTD. FINANCIAL KEY RATIOS	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Equity/assets ratio, %				
A Equity including non-controlling interests at the end of the period according to the balance sheet, SEKm	93,987	102,909	93,987	102,909
B 50% of Hybrid capital according to the balance sheet, SEKm	2,217	2,471	2,217	2,471
C Total equity and liabilities at the end of the period according to the balance sheet, SEKm	253,748	263,775	253,748	263,775
(A+B)/C Equity/assets ratio, %	37.9%	40.0%	37.9%	40.0%
Debt/equity ratio, times				
A Interest-bearing liabilities at the end of the period according to the balance sheet, SEKm	134,469	135,252	134,469	135,252
B 50% of Hybrid capital according to the balance sheet, SEKm	2,217	2,471	2,217	2,471
C Equity including non-controlling interests at the end of the period according to the balance sheet, SEKm	93,987	102,909	93,987	102,909
(A-B)/C Debt-equity ratio, times	1.4	1.3	1.4	1.3
Net debt, SEKm				
A Interest-bearing liabilities at the end of the period according to the balance sheet, SEKm	134,469	135,252	134,469	135,252
B 50% of Hybrid capital according to the balance sheet, SEKm	2,217	2,471	2,217	2,471
C Cash and cash equivalents and financial investments at the end of the period according to the balance sheet, SEKm	5,449	6,553	5,449	6,553
A-B-C Net debt, SEKm	126,802	126,228	126,802	126,228
EBITDA, SEKm				
A Profit from property management during the period according to the income statement, SEKm	1,540	1,629	6,549	6,659
B Profit from sale of development properties during the period according to the income statement, SEKm	207	40	544	110
C Net financial items during the period according to the income statement, SEKm	-922	-649	-3,186	-2,031
A+B-C EBITDA, SEKm	2,669	2,318	10,279	8,800
EBITDA, SEKm converted on a full-year basis	10,057	9,153	10,279	8,800
Net debt to total assets, %				
A Net debt, SEKm	126,802	126,228	126,802	126,228
B Total equity and liabilities at the end of the period according to the balance sheet, SEKm	253,748	263,775	253,748	263,775
A/B Net debt to total assets, %	50.0%	47.9%	50.0%	47.9%
Net debt/EBITDA, times				
A Average net debt, SEKm	128,092	124,767	126,515	117,589
EBITDA, SEKm converted on a full-year basis	10,057	9,153	10,279	8,800
A/B Net debt/EBITDA, times	12.7	13.6	12.3	13.4

DEFINITIONS

The company presents a number of financial metrics in the interim 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 meas-

SHARE-RELATED

Equity per share, SEK

Shareholders' equity attributable to parent company's shareholders in relation to the number of outstanding shares at the end of the period.

Profit from property management per share, SEK

Profit from property management attributable to parent company's shareholders in relation to the average number of shares.

Average number of shares

The number of outstanding shares at the start of the period, adjusted by the number of shares issued during the period weighted by the number of days that the shares have been outstanding in relation to the total number of days during the period.

Long-term net asset value per share (NAV), SEK

Equity attributable to parent company's shareholders per share 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 end of the period.

Net operating income, SEKm

Rental income minus property costs.

Economic occupancy rate, %¹⁾

Contracted rent for leases which are running at the end of the period 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, industrial/logistics and other properties. Other properties include hotel, educational, care, 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.

ures 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 converted 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 changes in value and tax in participations in profit from associated companies. When calculating the profit from property management, attributable to parent company's shareholders, the profit from property management is also reduced by the participation of non-controlling interests.

Hybrid capital

A bond with a maturity of 60 years. The bond is reported as interest-bearing liability, but is treated as 50% equity by the rating agencies.

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.

Net debt/EBITDA, times

Average net debt in relation to EBITDA.

Interest coverage ratio, times

Profit including changes in value and tax in associated companies with reversal of net financial items excluding ground rents and changes in value of financial investments and changes in value and tax as regards participation in profits of associated companies, in relation to net financial items excluding ground rents and changes in value of financial investments.

Debt/equity ratio, times

Interest-bearing liabilities decreased by 50% of hybrid capital in relation to shareholders' equity, including non-controlling interests.

Equity/assets ratio, %

Shareholders' equity including non-controlling interests and 50% of hybrid capital in relation to the balance sheet total at the end of the period.

¹⁾ This key ratio is operational and is not considered to be an alternative performance measure according to ESMA's guidelines.

GOTHENBURG
HOVÅS HÖJD
TENANT-OWNER APARTMENTS
COMPLETED 2023
148 APARTMENTS

BALDER



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FINANCIAL INFORMATION

Overall information about the company's operations, Board of Directors and management, financial reporting and press releases, may be found on Balder's website, balder.se.

CALENDAR

Annual General Meeting	3 May 2024
Interim report Jan–Mar 2024	3 May 2024
Interim report Jan–Jun 2024	16 July 2024
Interim report Jan–Sep 2024	25 October 2024
Year-end report 2024	7 February 2025

This report is a translation of the Swedish Year-end report 2023. In the event of any disparities between this report and the Swedish version, the latter will have priority.

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