

# FASTIGHETS AB BALDER

## INTERIM REPORT

JANUARY-SEPTEMBER 2021



**FASTIGHETS AB BALDER** is a listed property company which shall meet the needs of different customer groups for premises and housing based on local support. Balder's real estate portfolio had a value of SEK 179.2 billion (151.1) as of 30 September 2021. The Balder share is listed on Nasdaq Stockholm, Large Cap.

- Profit from property management attributable to parent company shareholders amounted to SEK 3,924m (3,146), corresponding to an increase per share by 20% to SEK 21.04 (17.48)
- Long term net asset value amounted to SEK 454.43 per share (362.77)
- Rental income amounted to SEK 6,535m (6,079)
- Profit after tax attributable to parent company shareholders amounted to SEK 11,120m (3,063) corresponding to SEK 59.62 per share (17.02)

# THE PERIOD IN BRIEF

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

## JULY-SEPTEMBER 2021

- Rental income amounted to SEK 2,286m (2,030) of which effect of changes in exchange rates amounted to SEK -42m (-3).
- Net operating income amounted to SEK 1,804m (1,616) of which effect of changes in exchange rates amounted to SEK -31m (-2).
- Profit from property management attributable to parent company shareholders increased by 45% to SEK 1,675m (1,153), which corresponds to an increase of 40% per share to SEK 8.98 (6.41).
- Unrealised changes in value in respect of investment properties amounted to SEK 4,361m (226). The average yield requirement amounted to 4.4% (4.5) which is 0.1 percentage points lower than the second quarter.
- Changes in value of interest rate derivatives amounted to SEK 87m (-10).
- Net profit after tax for the period amounted to SEK 6,389m (1,326).
- Net profit after tax for the period attributable to parent company shareholders amounted to SEK 6,243m (1,189) which corresponds to SEK 33.47 per share (6.61).
- 108 investment properties (1) and land have been acquired at a property value of SEK 9,788m (322).
- Three development properties (2) were divested and recognised as income during the quarter. Sales profit amounted to SEK 178m (6) including the portfolio's ongoing selling and marketing expenses.

## JANUARY-SEPTEMBER 2021

- Rental income amounted to SEK 6,535m (6,079) of which effect of changes in exchange rates amounted to SEK -125m (-8).
- Net operating income amounted to SEK 4,946m (4,678) of which effect of changes in exchange rates amounted to SEK -91m (-6).
- Profit from property management attributable to parent company shareholders increased by 25% to SEK 3,924m (3,146), which corresponds to an increase of 20% per share to SEK 21.04 (17.48).
- Unrealised changes in value in respect of investment properties amounted to SEK 7,436m (801). The average yield requirement amounted to 4.4% (4.5) which is 0.1 percentage points lower than at year-end.
- Changes in value of interest rate derivatives amounted to SEK 415m (-231).
- Net profit after tax for the period amounted to SEK 11,903m (3,521).
- Net profit after tax for the period attributable to parent company shareholders amounted to SEK 11,120m (3,063) which corresponds to SEK 59.62 per share (17.02).
- 172 investment properties (17) and land have been acquired at a property value of SEK 15,977m (2,908).
- Three investment properties (-) and condominiums and land were divested at a property value of SEK 1,426m (339). Sales profit amounted to SEK 163m (15) of which realised changes in value of investment properties amounted to SEK 109m (15) and deferred tax income amounted to SEK 54m (-).
- Six development properties (4) were divested and recognised as income during the period. Sales profit amounted to SEK 215m (65) including the portfolio's ongoing selling and marketing expenses.

	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec	2018 Jan-Dec	2017 Jan-Dec	2016 Jan-Dec	2015 Jan-Dec	2014 Jan-Dec
Rental income, SEKm	6,535	6,079	8,134	7,609	6,714	5,915	5,373	2,711	2,525
Profit from property management, SEKm <sup>1)</sup>	3,924	3,146	4,244	4,023	3,304	2,804	2,265	1,780	1,275
Changes in value of investment properties, SEKm	7,545	817	3,453	9,577	8,007	5,336	4,932	3,388	3,050
Changes in value of derivatives, SEKm	415	-231	-141	-180	-34	144	-114	227	-624
Profit after tax, SEKm <sup>1)</sup>	11,120	3,063	6,641	8,958	9,308	7,118	5,474	4,916	3,128
Investment properties, SEKm	176,440	148,072	149,179	141,392	116,542	98,360	86,177	68,456	37,382
Development properties, SEKm	2,748	3,047	2,803	2,344	1,598	-	-	-	-
<b>Data per share</b>									
Average number of shares, thousands	186,500	180,000	180,515	180,000	180,000	180,000	173,598	162,753	161,786
Profit after tax, SEK	59.62	17.02	36.79	49.77	51.71	38.71	30.38	28.98	18.10
Profit from property management, SEK	21.04	17.48	23.51	22.35	18.35	14.74	11.89	9.71	6.64
Outstanding number of shares, thousands	186,500	180,000	186,500	180,000	180,000	180,000	180,000	172,397	162,397
Shareholders' equity, SEK	374.56	288.77	312.12	272.28	223.03	173.86	139.23	103.24	70.10
Long-term net asset value (NAV), SEK	454.43	362.77	387.38	341.70	277.60	218.10	180.09	134.35	86.33
Share price on the closing date, SEK	527.80	455.20	428.90	433.20	252.00	219.40	184.10	208.70	110.25

1) Attributable to parent company shareholders.

# COMMENTS BY THE CEO

## Dear shareholders,

### January-September 2021

Profit from property management and comprehensive income developed well during the period. All different parts contributed in a very profitable way and in addition the value of our properties continued to rise both thanks to the fact that our business developed well and that the interest in investing in properties remains strong, which leads to slightly lower yield requirements.

### Several large projects

We have a number of exciting projects underway. For example, we are building homes on Kungsholmen and Östermalm in Stockholm and continue to develop Karlastaden in Gothenburg together with Serneke. In addition to these projects, we have a very nice project portfolio with both ongoing and future projects.

### Updated climate goals

To increase the pace of our sustainability work, we have updated our climate goals in line with the Paris Agreement and the 1.5-degree goal. The new climate goal means that we shall halve emissions in our own operations by 2030, and measure and reduce emissions in the value chain. We have also set a goal of achieving net zero emissions throughout the value chain by 2045.

*"WE HAVE A VERY NICE PROJECT PORTFOLIO WITH BOTH ONGOING AND FUTURE PROJECTS."*

### Bid on Entra

In October, our ownership in Entra exceeded the mandatory offer limit and we have therefore, according to current rules, chosen to place a so-called mandatory offer on 8 November. However, we prefer that Entra continues as an independent company listed on the Oslo Stock Exchange.

### The continuation of 2021 and onwards

I think that the future of our company in all its small and large parts still looks very good and the same applies to the markets we operate in. Finally, I would like to take this opportunity to thank all colleagues for your daily involvement in Balder!

### Erik Selin

Chief Executive Officer



# 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 12 months. For instance, the earning capacity contains no estimate of rental, vacancy, currency or interest rate changes.

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

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

The costs of the interest-bearing liabilities are based on the group's average interest rate level including the effect of derivative instruments. The tax is calculated using the effective tax rate during each period.

## CURRENT EARNING CAPACITY ON A TWELVE-MONTHS BASIS

SEKm	2021 30 Sep	2021 30 June	2021 31 March	2020 31 Dec	2020 30 Sep	2020 30 June	2020 31 March	2019 31 Dec	2019 30 Sep	2019 30 June	2019 31 March
Rental income	9,150	9,100	8,505	8,545	8,335	8,240	8,100	8,000	7,830	7,435	7,175
Property costs	-2,230	-2,220	-2,210	-2,225	-2,130	-2,120	-2,090	-2,080	-2,060	-1,940	-1,875
<b>Net operating income</b>	<b>6,920</b>	<b>6,880</b>	<b>6,295</b>	<b>6,320</b>	<b>6,205</b>	<b>6,120</b>	<b>6,010</b>	<b>5,920</b>	<b>5,770</b>	<b>5,495</b>	<b>5,300</b>
Surplus ratio, %	76%	76%	74%	74%	74%	74%	74%	74%	74%	74%	74%
Management and administrative costs	-780	-770	-720	-675	-690	-690	-680	-670	-640	-640	-620
Profit from property management from associated companies	1,500	1,370	1,340	1,110	735	735	760	785	775	750	775
<b>Operating profit</b>	<b>7,640</b>	<b>7,480</b>	<b>6,915</b>	<b>6,755</b>	<b>6,250</b>	<b>6,165</b>	<b>6,090</b>	<b>6,035</b>	<b>5,905</b>	<b>5,605</b>	<b>5,455</b>
Net financial items, including ground rent	-1,600	-1,600	-1,580	-1,450	-1,380	-1,420	-1,420	-1,330	-1,330	-1,270	-1,250
Of which non-controlling interests	-610	-605	-625	-630	-670	-670	-670	-675	-655	-620	-580
<b>Profit from property management<sup>1)</sup></b>	<b>5,430</b>	<b>5,275</b>	<b>4,710</b>	<b>4,675</b>	<b>4,200</b>	<b>4,075</b>	<b>4,000</b>	<b>4,030</b>	<b>3,920</b>	<b>3,715</b>	<b>3,625</b>
Tax <sup>2)</sup>	-1,130	-1,085	-975	-970	-870	-825	-870	-875	-855	-775	-765
<b>Profit after tax</b>	<b>4,300</b>	<b>4,190</b>	<b>3,735</b>	<b>3,705</b>	<b>3,330</b>	<b>3,250</b>	<b>3,130</b>	<b>3,155</b>	<b>3,065</b>	<b>2,940</b>	<b>2,860</b>
<b>Profit from property management per share, SEK</b>	<b>29.11</b>	<b>28.28</b>	<b>25.26</b>	<b>25.06</b>	<b>23.33</b>	<b>22.64</b>	<b>22.22</b>	<b>22.39</b>	<b>21.78</b>	<b>20.64</b>	<b>20.14</b>

1) Attributable to parent company shareholders.

2) Mainly refers to deferred tax, which does not affect the cash flow.

In the current earning capacity as of 30 September 2021 the following exchange rates have been used for translation of the foreign subsidiaries' income statement items.

EUR: 10.15

DKK: 1.37

NOK: 0.99

GBP: 11.76

# INCOME, COSTS AND RESULTS

## Profit from property management

Profit from property management for the period amounted to SEK 4,376m (3,682), of which effect of changes in exchange rates amounted to SEK -60m (-4).

Profit from property management attributable to parent company shareholders increased by 25% and amounted to SEK 3,924m (3,146), which corresponds to an increase per share of 20% to SEK 21.04 (17.48). Profit from property management includes SEK 932m (475) in respect of associated companies.

## Net profit after tax

Net profit after tax for the period amounted to SEK 11,903m (3,521). Net profit after tax attributable to parent company shareholders amounted to SEK 11,120m (3,063), corresponding to SEK 59.62 per share (17.02). Profit before tax was affected by unrealised changes in value in respect of investment properties of SEK 7,436m (801), realised changes in value in respect of investment properties of SEK 109m (15), profit from sales of development properties of SEK 215m (65), changes in value of interest rate derivatives of SEK 415m (-231) and profit from participations in associated companies of SEK 2,096m (475).

## Rental income

Rental income increased by 8% to SEK 6,535m (6,079), of which the effect of changes in exchange rates was SEK -125m (-8). The increase was primarily due to acquisitions and completed projects for own management. The leasing portfolio was estimated to have a rental value on 30 September of SEK 9,681m (8,679). The average rental level for the entire real estate portfolio amounted to SEK 1,866/sq.m. (1,919) excluding project properties.

The like for like rental income has increased with 1.0% (1.0) after adjustments for currency changes.

Rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 95% (96) on 30 September. The total rental value of unlet areas at the end of the period amounted to SEK 531m (344).

## Property costs

Property costs amounted to SEK -1,589m (-1,401) during the period, of which the effect of changes in exchange rates was SEK 34m (2).

Net operating income increased by 6% to SEK 4,946m (4,678), which implies a surplus ratio of 76% (77).

Operating costs normally 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 and administrative costs

Management and administrative costs amounted to SEK -582m (-500) during the period, of which the effect of changes in exchange rates was SEK 14m (0).

## Participations in the profits of associated companies/joint ventures

Balder owns property managing and project developing associated companies, see note 14 in Balder's Annual Report for 2020, and 44.1% in Collector AB (publ) which is a listed niche bank. Brinova Fastigheter AB (publ) is also listed and Balder's share amounts to 18.9%.

During the third quarter, Balder has invested in ESS Hotel Group Fastigheter AB, Balder's share amounts to 50%. The company manages hotel properties in for example Malmö, Falkenberg and Ystad.

During the period, Balder has invested in Next Step Group AB, Balder's share amounts to 33.3%. The company is an urban developer and today operates three larger urban development projects in Gothenburg: Nya Hovås, Wendelstrand and GoCo Health Innovation City, for more information see nextstep.se.

Balder also acquired 33.7% of the shares in Emra gruppen AB during the period. Emrahem is a company in Emra gruppen focused on developing housing for people with special needs (LSS housing), for more information see emrahus.se.

During the period, Balder also continued to acquire shares in the Norwegian listed real estate company Entra ASA. Balder's share as of 30 September 2021 amounts to 33.3%, for further information see entra.no.

Profit from participations in associated companies/joint ventures amounted during the period to SEK 2,096m (475) and Balder's participation in the associated companies profit from property management amounted to SEK 932m (475).

Profit before tax was impacted by SEK 1,691m (132) as a result of unrealised changes in value in respect of properties and interest rate derivatives. The tax expense for the period amounted to SEK -527m (-132).



### Net financial items and changes in value of derivatives

Net financial items amounted to SEK -858m (-914), of which the effect of changes in exchange rates was SEK 18m (1). Net financial items include return on financial investments of SEK 344m.

Changes in value of interest rate derivatives amounted to SEK 415m (-231). The positive change in value of derivatives during the period is due to the fact that the long interest rates have increased during the period. Unrealised changes in value do not affect the cash flow. The average interest rate for net financial items was 1.3% (1.5) on the closing date.

### Changes in value of investment properties

Balder carried out an individual internal valuation on 30 September of the entire real estate portfolio, see page 10. Unrealised changes in value during the period amounted to SEK 7,436m (801). Realised changes in value amounted to SEK 109m (15) and referred to sale of three investment properties and condominiums and land. The average yield requirement as of 30 September amounted to 4.4% (4.5), which is 0.1 percentage points lower than at year-end. The change in value during the period is attributable to improved net operating income, completed projects and a slightly lower yield requirement.

### Profit from sales of development properties

Profit from sales of development properties is recognised when the property is taken into possession by the buyer. Apart from the cost, selling and marketing expenses are included, which are expensed on an ongoing basis, these amounted to SEK -15m (-15) during the period.

Six projects have been recognised as income during the period. The sales result for the quarter totaled SEK 215m (65) after deduction of selling and marketing expenses and includes sales of the development projects Brf Bergsjö Hage, Brf Bovieran Salem, Brf Lilla Berget Norrmalm, Brf Bränneriet i Majorna, Brf Bovieran Staffanstorp and Bovieran Ishøj Aps.

### Taxes

The group's total tax amounted to SEK -1,812m (-810), of which effect of changes in exchange rates amounted to SEK 23m (0). Current tax expense for the period amounted to SEK -233m (-263).

Deferred tax expense for the period amounted to SEK -1,578m (-548). Deferred tax for the period has been positively affected, partly because the assessment of deficits that with high probability can be used against future profits has increased in the calculation of deferred tax assets and partly from property sales made in the form of companies. Previously indebted deferred tax has been reversed.

Tax was calculated based on the applicable 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 differences between the carrying amounts and values for tax purposes of properties and interest rate derivatives. Deferred tax liabilities amounted to SEK 14,174m (11,877).

### Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 2,781m (2,935). Investing activities have burdened the cash flow by SEK -25,529m (-8,167). Cash flow from financing activities amounted to net SEK 23,416m (9,385).

Total cash flow for the period amounted to SEK -1,740m (3,968). Exchange rate difference in cash and cash equivalents amounted to SEK 56m (-).

In addition to unutilised credit facilities of SEK 8,070m (8,716), the Group's cash and cash equivalents, financial investments and unutilised overdraft facilities amounted to SEK 5,792m (8,010) on 30 September.

### Third quarter 2021

Profit from property management for the third quarter of 2021 increased by 38% and amounted to SEK 1,838m (1,335). Profit from property management attributable to parent company shareholders for the third quarter of 2021 increased by 45% and amounted to SEK 1,675m (1,153) which corresponds to SEK 8.98 per share (6.41). Profit from property management included SEK 362m (188) in respect of associated companies. Rental income amounted to SEK 2,286m (2,030) and property costs amounted to SEK -482m (-414), which meant that net operating income increased by 12% to SEK 1,804m (1,616), of which the effect of changes in exchange rates was SEK -31m (-2). The surplus ratio amounted to 79% (80).

Net profit after tax for the period amounted to SEK 6,389m (1,326). Profit after tax attributable to parent company shareholders amounted to SEK 6,243m (1,189) corresponding to SEK 33.47 per share (6.61). The result was affected by unrealised changes in value in respect of investment properties of SEK 4,361m (226), realised changes in value of investment properties of SEK -7m (4), profit from divestments of development properties of SEK 178m (6), changes in value of interest rate derivatives of SEK 87m (-10) and profit from participations in associated companies of SEK 1,027m (218). Net financial items amounted to SEK -144m (-301). During the quarter, net financial items were positively affected by return on financial investments of SEK 267m. The Group's total tax amounted to SEK -734m (-265). Current tax expense for the period amounted to SEK -97m (-67). Deferred tax expense for the period amounted to SEK -636m (-198). Deferred tax for the period has been positively affected, partly because the assessment of deficits that with high probability can be used against future profits has increased in the calculation of deferred tax assets and partly from property sales made in the form of companies. Previously indebted deferred tax has been reversed. The deferred tax expense has also been affected by negative exchange rate differences that have arisen from the translation of the parent company's Euro bonds during the quarter. In the Group these are used for hedging of foreign net investments and are transferred to "Other comprehensive income".

### Employees and organisation

The number of co-responsible on 30 September amounted to 981 persons (803), of whom 402 were women (344). Balder is organised into seven regions. The head office with Group-wide functions is located in Gothenburg.

### Parent Company

The parent company's operations mainly consist of performing Group-wide services but an important part relates to sales of services, principally to associated companies. Sales in the parent company amounted to SEK 302m (258) during the period.

Net profit after tax amounted to SEK 192m (867). Dividends from subsidiaries amounting to SEK 3m (975) were included, other net financial items amounted to SEK -162m (100) of which exchange rates differences amounted to SEK -650m (-137), change in value of interest rate derivatives amounted to SEK 365m (-231).

Reported exchange differences mainly refer to the translation of the company's Euro bonds, which from a Group perspective are used for hedging of foreign net investments.

# SUSTAINABILITY

In order to increase the pace of the sustainability work further Balder has set climate goals in line with the Paris Agreement and the 1.5-degree goal.

The climate goal means that Balder shall halve emissions in its own operations by 2030 with 2020 as the base year, and measure and reduce emissions in the value chain (scope 3).

Balder has also set a goal of achieving net zero emissions throughout the value chain (scope 1, 2 and 3) by 2045.

To achieve the goals the company will, among other things, increase the pace of energy efficiency projects, continuously reduce the amount of energy purchased and take several measures to increase the sustainability of property development projects. Other activities include

purchasing eco-labeled district heating and continuously replacing the vehicle fleet with fossil-free vehicles.

Balder has also signed Science Based Targets Initiative with the aim of getting science-based goals approved. Science Based Targets Initiative is a framework for companies to set science-based climate goals that are in line with what is required to meet the goals in the Paris Agreement. By joining the initiative, Balder has begun work on getting the company's climate goals verified and approved.

Balder also formally expresses support for the Task Force on Climate-related Financial Disclosures and will continue the work of mapping and managing financial risks and opportunities linked to climate change.

**2030**  
HALVED  
EMISSIONS

**2045**  
NET ZERO  
EMISSIONS

## EXAMPLES OF ACTIVITIES DURING THE QUARTER

### Updated climate goals

Balder's updated climate goals means that the company shall halve emissions in its own operations by 2030, and measure and reduce emissions in the value chain. Balder shall also achieve net zero emissions throughout the value chain by 2045.

### Extended agreement and expansion

During the quarter, a new agreement was signed with Balder's existing customer Inmotion regarding a doubled area that is being built with a strong focus on sustainability. Inmotion is a leading company in the transition to a fossil-free transport sector and manufactures, among other things, engines and components for electric buses and electric trucks. The extension gets solar cells on the roof, is heated with geothermal heating and will be certified according to Miljöbyggnad Silver. Adjacent to the building, charging stations are also being installed for both electric cars and trucks.

### Garbage collection day and football tournament

In several parts of the country, colleagues took the opportunity to make improvements in Balder's areas in connection with Keep Sweden Tidy Day. Balder aims to create activities and meetings that give young people and residents in the company's areas a richer leisure time. In Vårby, both a garbage collection day and a football tournament for children and young people were arranged in the area, where almost 70 children participated.

*BALDER SHALL HALVE EMISSIONS IN ITS OWN OPERATIONS BY 2030, AND MEASURE AND REDUCE EMISSIONS IN THE VALUE CHAIN. BALDER SHALL ACHIEVE NET ZERO EMISSIONS BY 2045.*

**Balder's sustainability work**

As a long-term real estate owner Balder strives to take responsibility both socially, environmentally and financially.

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 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 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.



**Framework for sustainability**

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.

Minimising the use of energy in buildings is an important issue for Balder. All electricity that is purchased for the properties is renewable and Balder also owns several wind farms in Sweden. In connection to many properties solar power and charging stations for electrical vehicles are installed, and the company works continuously with operational optimization and increased efficiency in order to decrease energy use.

Balder also works a lot with social activities, especially with a focus on security and well-being in the company's areas. Many activities are aimed at children and young people, and Balder's employees who are on site in the company's areas work closely with various organizations, municipalities and other property owners to achieve better results together.

A number of young people who live in the company's areas are employed as summer workers every year. Balder also offers opportunities for work experience and internships to students in real estate-related educations and within the framework of various local initiatives.

BALDER'S SUSTAINABILITY FRAMEWORK	MATERIAL TOPICS	GOALS
<p><b>PROPERTIES</b></p>	<ul style="list-style-type: none"> <li>• Minimise use of energy, water and chemicals</li> <li>• Select renewable energy sources and less harmful materials</li> <li>• Minimise waste and increase degree of sorting</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency improvement 2% per sq.m. per annum</li> <li>• Reduced water use 2% per sq.m. per annum</li> <li>• All newly produced properties must fulfill the Miljöbyggnad Silver rating or equivalent</li> </ul>
<p><b>AREAS</b></p>	<ul style="list-style-type: none"> <li>• Security and well-being in the company's property portfolio</li> <li>• Responsible, efficient transport operations</li> </ul>	<ul style="list-style-type: none"> <li>• Create jobs in the property management organization for young people</li> <li>• Implement initiatives for sustainable travel to and from the properties</li> </ul>
<p><b>PARTNERSHIPS</b></p>	<ul style="list-style-type: none"> <li>• Good, ethical external relationships</li> <li>• Responsible suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• No incidents of corruption</li> <li>• No incidents of discrimination</li> </ul>
<p><b>COWORKERS</b></p>	<ul style="list-style-type: none"> <li>• Satisfied employees and a good work environment</li> <li>• Responsible, efficient travel</li> </ul>	<ul style="list-style-type: none"> <li>• All employees must be trained in the Code of Conduct</li> <li>• Encourage environment-friendly travel</li> </ul>
<p><b>FINANCES</b></p>	<ul style="list-style-type: none"> <li>• Continued customer satisfaction</li> <li>• Long-term financial stability and profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Financial goals</li> <li>• Improved CSI result</li> </ul>



# REAL ESTATE PORTFOLIO

On 30 September Balder owned 1,595 investment properties (1,342) with a lettable area of 5,176 thousand sq.m. (4,455) and a value of SEK 176,440m (148,072). Balder's total rental value excluding projects amounted to SEK 9,658m (8,548).

In addition to investment properties Balder owns development properties with an acquisition cost of SEK 2,748m (3,047). The value of the total property portfolio amounted to SEK 179,188m (151,118).

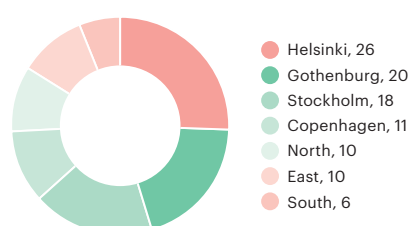
Balder's commercial properties are mainly located in the central parts of the major cities. Balder's residential properties are located in metropolitan areas and places that are growing and developing positively in each country. Balder's ambition is to continue growing in selected markets.

## BALDER'S REAL ESTATE PORTFOLIO ON 30/09/2021<sup>1)</sup>

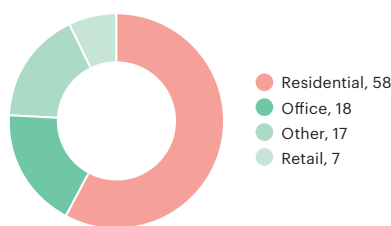
	Number of investment properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
<b>Distributed by region</b>								
Helsinki	631	1,153,859	2,754	2,387	2,608	95	43,743	24
Stockholm	90	732,109	1,465	2,002	1,369	93	30,537	17
Gothenburg	189	1,083,957	1,734	1,599	1,614	93	33,561	19
Copenhagen	21	296,848	774	2,607	760	98	16,866	9
South	80	404,432	643	1,590	585	91	11,123	6
East	337	746,929	1,203	1,611	1,149	96	16,474	9
North	247	757,782	1,085	1,432	1,042	96	17,430	10
<b>Total excluding projects</b>	<b>1,595</b>	<b>5,175,915</b>	<b>9,658</b>	<b>1,866</b>	<b>9,127</b>	<b>95</b>	<b>169,734</b>	<b>95</b>
Projects for own management			23		23		6,706	4
<b>Total investment properties</b>	<b>1,595</b>	<b>5,175,915</b>	<b>9,681</b>	<b>1,866</b>	<b>9,150</b>	<b>95</b>	<b>176,440</b>	<b>98</b>
Development properties							2,748	2
<b>Total real estate portfolio</b>	<b>1,595</b>	<b>5,175,915</b>	<b>9,681</b>	<b>1,866</b>	<b>9,150</b>	<b>95</b>	<b>179,188</b>	<b>100</b>
<b>Distributed by property category</b>								
Residential	1,170	2,849,689	5,519	1,937	5,278	96	95,095	53
Office	122	737,718	1,714	2,323	1,545	90	32,258	18
Retail	115	660,341	852	1,290	819	96	12,841	7
Other	188	928,166	1,573	1,695	1,485	94	29,541	16
<b>Total excluding projects</b>	<b>1,595</b>	<b>5,175,915</b>	<b>9,658</b>	<b>1,866</b>	<b>9,127</b>	<b>95</b>	<b>169,734</b>	<b>95</b>
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1) The above table refers to the properties owned by Balder at the end of the period. Sold properties have been excluded and acquired properties have been estimated using full-year values. Other properties include hotel, educational, care, industrial and mixed-use properties.

### CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL REAL ESTATE PORTFOLIO, %



### CARRYING AMOUNT DISTRIBUTED BY PROPERTY CATEGORY, TOTAL REAL ESTATE PORTFOLIO, %



# CHANGES IN REAL ESTATE PORTFOLIO

## Investment properties

Balder's investment properties are reported on the basis of internal valuations. The properties in Sweden, Denmark, Finland, Norway, Germany and United Kingdom are valued using the cash flow based method.

In Finland, in addition to the cash flow based method, valuation at acquisition cost is used. The properties in Russia are valued using the sales comparison method.

Properties under construction and project properties for own management are valued at market value reduced by estimated building expenditure and project risk, which usually results in valuation at cost.

On 30 September, Balder's average yield requirement amounted to 4.4% (4.5) excluding project properties for own management, which is 0.1 percentage points lower than at year-end. The average yield requirement for residential properties amounted to 4.1% and for commercial properties 4.7%.

In order to quality-assure its internal valuations, Balder regularly allows parts of its portfolio to be externally valued and obtain second opinions<sup>1)</sup> on internal valuations. Historically, deviations between external and internal valuations have been insignificant.

## Unrealised changes in value investment properties

The overall carrying amount of Balder's investment properties amounted to SEK 176,440m (148,072) on 30 September. The unrealised change in value during the period amounted to SEK 7,436m (801) of which 65% is attributable to residential properties. Of the total unrealised change in value, 4% is related to completed projects. The change in value during the period is attributable to improved net operating income, completed projects and a slightly lower yield requirement.

## Investments, acquisitions and divestments

During the period, a total of SEK 19,797m (5,675) was invested relating to investment properties, of which SEK 15,977m (2,908) related to acquisitions and SEK 3,820m (2,767) related to investments in existing properties and projects for own management. During the period three investment properties and condominiums and land have been divested at a sales value of SEK 1,426m (339). Profit from the sales amounted to SEK 163m (15) of which realised changes in value of investment properties amounted to SEK 109m (15) and deferred tax income amounted to SEK 54m (-) resulting from the fact that the sales were made as company transactions.

## CHANGE IN CARRYING AMOUNT OF PROPERTIES

	2021		2020	
	SEKm	Number <sup>2)</sup>	SEKm	Number <sup>2)</sup>
<b>Investment properties, 1 January</b>	<b>149,179</b>	<b>1,362</b>	<b>141,392</b>	<b>1,298</b>
Investments in existing properties and projects	3,820		2,767	
Acquisitions	15,977	172	2,908	17
Sales	-1,317	-3	-323	-
Change in value of investment properties, unrealised	7,436		801	
Currency changes	1,345		527	
Reclassification	-	64	-	27
<b>Investment properties, 30 September</b>	<b>176,440</b>	<b>1,595</b>	<b>148,072</b>	<b>1,342</b>
<b>Development properties, 1 January</b>	<b>2,803</b>		<b>2,344</b>	
Reclassification	-		-	
Investments in projects	1,167		1,299	
Sales	-1,222		-595	
<b>Development properties, 30 September</b>	<b>2,748</b>		<b>3,047</b>	
<b>Total real estate portfolio, 30 September</b>	<b>179,188</b>		<b>151,118</b>	

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

2) Number of investment properties.

## PROPERTY TRANSACTIONS

## PROPERTY TRANSACTIONS 2021

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
<b>Acquisitions</b>					
One	1	Prästtåkten 20	Falun	Office	4,246
One	1	Hattmakaren 10	Falun	Residential	1,483
One	1	Bokbindaren 2	Falun	Residential	3,289
One	1	Sparbanken 6	Falun	Residential	2,361
One	1	Smeden 9	Falun	Residential	6,547
One	1	Kronomagasinet 8-9	Falun	Residential	2,528
One	1	Kronobränneriet 4	Falun	Residential	2,997
One	1	Bergsrådmannen 9	Falun	Residential	3,463
One	1	Bokbindaren 4	Falun	Residential	935
One	1	Kronomagasinet 3	Falun	Residential	527
One	1	Hästbryggan 1	Falun	Residential	1,375
One	1	Bergsrådmannen 3	Falun	Residential	616
One	1	Arkivet 1	Falun	Office	2,061
One	1	Köpmannen 12 & 13	Falun	Retail	2,125
One	1	Vedkompaniet 1	Falun	Residential	3,780
One	1	Repslagaren 4	Falun	Residential	5,790
One	1	Kardmakaren 21	Falun	Residential	6,268
One	1	Kronomagasinet 5	Falun	Residential	771
One	1	Hattmakaren 9	Falun	Office	1,240
One	1	Balder 8	Borlänge	Office	11,634
One	1	Balder 4	Borlänge	Residential	1,714
One	1	Frithiof 6	Borlänge	Residential	2,268
One	1	Domnarvet 50:31	Borlänge	Residential	12,172
One	1	Sigge 1	Borlänge	Residential	1,651
One	1	Balder 9-10	Borlänge	Residential	1,530
One	1	Balder 6	Borlänge	Residential	2,081
One	1	Lugnet 2:6	Falun	Hotel	7,907
One	1	Lugnet 2:5	Falun	Education/Care	3,376
One	1	Norslundsskogen 1-4	Falun	Residential	28,413
One	1	Posten 6	Falun	Office	8,193
One	1	Ingarvsmon 3	Falun	Other	5,084
One	1	Frithiof 9	Borlänge	Office	3,613
One	1	Frigga 6	Borlänge	Residential	793
One	1	Främby 1:39	Falun	Other	4,427
One	1	Helge 7	Västerås	Other	4,179
One	1	Jarl 1	Västerås	Office	7,200
One	1	Borrkronan 1	Västerås	Residential	8,666
One	1	Dragarbrunn 11:1	Uppsala	Office	15,280
One	1	Dragarbrunn 14:3	Uppsala	Residential	3,983
One	1	Svartbäcken 51:3	Uppsala	Office	3,500
One	1	Hattmakaren 15	Falun	Office	2,621
One	1	Sparbanken 7	Falun	Office	2,637
One	1	Munken 1	Falun	Other	3,496
One	1	Torkel 8	Borlänge	Office	3,101
One	1	Engelbrekt 1	Västerås	Residential	6,662
One	1	Bryggaren 16	Falun	Residential	1,250
One	1	Bryggaren 26	Falun	Residential	1,684
One	1	Hanrö 2	Falun	Residential	1,110
One	1	Lagmannen 7	Falun	Residential	1,441
One	1	Färgaren 4	Falun	Residential	3,564
One	1	Sandviken 17:1	Falun	Residential	2,272
One	1	Sandviken 28:1	Falun	Residential	347
One	1	Lallarvet 17	Falun	Residential	7,033
One	1	Dahlian 21	Falun	Residential	409

## PROPERTY TRANSACTIONS

## PROPERTY TRANSACTIONS 2021

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
<b>Acquisitions</b>					
One	1	Dragarbrunn 19:6	Uppsala	Office	3,321
One	1	Hasseludden 1:73	Nacka	Hotel	7,159
One	1	Kronomagasinet 1	Falun	Residential	542
One	1	Fjärdingen 27:8	Uppsala	Office	960
One	1	Dragarbrunn 22:1	Uppsala	Office	6,645
One	1	Prästtåkten 5	Falun	Residential	1,187
One	-	Vitsippan 5	Falun	Project	-
One	1	Bolsheden 1:54	Kungsbacka	Office	989
One	1	Bolsheden 1:64	Kungsbacka	Industrial/Warehouse	5,146
Two	1	Gnr. 136, bnr. 38	Vestby, Norway	Retail	1,052
Two	1	Gnr. 136, bnr. 64	Vestby, Norway	Retail	1,259
Three	1	Bolsheden 1:69	Kungsbacka	Industrial/Warehouse	3,300
Three	1	Gastuben 2	Mölnådal	Industrial/Warehouse	10,339
Three	106	Asset Buyout Partners (ABP)	Norway	Office/Other	387,757
<b>Total</b>	<b>172</b>				<b>657,349</b>

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
<b>Divestments</b>					
One	1	Elverum 13/1059/0/1	Hamar, Norway	Other	16,400
One	1	Trondheim 5001/416/105	Trondheim, Norway	Residential	3,577
Three	1	Soldaten 1	Gotland	Residential	3,129
<b>Total</b>	<b>3</b>				<b>23,106</b>

# PROPERTY DEVELOPMENT

Within the frame of property development, both new production and conversion projects of residential and commercial spaces are carried out. Investments are 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 apartments for sale but also commercial properties.

## Project properties for own management

Projects for own management under construction has an estimated total investment of SEK 9.7 billion (6.9), of which SEK 5.1 billion (4.1) is invested and SEK 4.6 billion (2.8) remains to be invested. Most of the ongoing projects relate to residential projects with owner apartments for rental use. The projects comprise about 3,950 apartments (1,900) and mainly refers to about 1,500 apartments in Helsinki, about 1,050 apartments in Copenhagen and about 350 apartments in Gothenburg.

## Development properties for sale

A development property is a property that is held for refinement with the intention of being divested. These properties are continually recognised at cost and profit/loss is recognised when each property is completed, sold and handed over to the buyer.

Development projects under construction has an estimated total investment of SEK 3.6 billion (2.1), of which SEK 1.3 billion (1.3) is invested and SEK 2.3 billion (0.8) remains to be invested. All of the projects are residential projects that will be sold to end customer. The projects involve approx. 900 apartments (600) and mainly refers to approx. 530 tenant-owner's apartments in Gothenburg and approx. 230 tenant-owner's apartments in Stockholm.

Sales result from three (2) development projects is reported in the third quarter, which means that during the year, a total of six (4) projects has been divested. The sales during the quarter refers to the development projects Brf Bränneriet i Majorna, Brf Bovieran Staffanstorp and Bovieran Ishøj ApS. The cost of the projects amounted to SEK -789m (-241) and the profit from the sales amounted to SEK 178m (6), including the marketing and sales costs of the quarter of SEK -5m (-5) regarding all development properties.

The cost of all six (4) divested projects during the period amounted to SEK -1,237m (-611) and the profit from the sales amounted to SEK 215m (65), including the marketing and sales costs of the period of SEK -15m (-15) regarding all development properties.



## 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	East	Oulun Mallasmaisteri	Residential	4,032	168	138	Q4 2021
Finland	Helsinki	Kirkkonummen Manhattan	Residential	3,960	165	180	Q4 2021
Finland	Helsinki	Kappellitie 5	Residential	3,400	77	168	Q4 2021
Finland	Helsinki	Sompasaaren Priki	Residential	2,890	57	201	Q4 2021
Finland	Helsinki	Virtakuja 6	Residential	2,695	76	132	Q4 2021
Finland	East	Turun Montana	Residential	2,781	89	109	Q4 2021
Finland	East	Nokian Värjäämö	Residential	3,033	105	106	Q4 2021
Sweden	East	Mörtlösa Mercedes	Retail	6,300	-	135	Q1 2022
Sweden	East	Mörtlösa Porsche	Retail	4,200	-	89	Q1 2022
Denmark	Copenhagen	Lynghaven	Residential	14,835	184	503	Q2 2022
Finland	Helsinki	Lupajantie 2	Residential	4,505	112	198	Q2 2022
Finland	Helsinki	Hämeenlinnan Asemanranta	Residential	2,802	100	109	Q2 2022
Finland	East	Oulun Sokurin Hyve	Residential	2,109	68	70	Q2 2022
Finland	East	Oulun Toppilansalmi	Residential	1,804	55	57	Q2 2022
Finland	East	Turun Henning	Residential	3,595	118	152	Q2 2022
Finland	Helsinki	Jokiniityntie 28	Residential	3,400	79	143	Q2 2022
Denmark	Copenhagen	Ofeliahaven	Residential	9,079	109	316	Q3 2022
Denmark	Copenhagen	Fyrkanten HTC A10	Residential	8,863	107	329	Q3 2022
Finland	Helsinki	Järvenpään Herttua	Residential	2,530	43	67	Q3 2022
Finland	Helsinki	Kirkkonummen Brooklyn	Residential	1,770	74	81	Q3 2022
Finland	Helsinki	Kirkkonummen Soho	Residential	1,770	74	81	Q4 2022
Finland	Helsinki	Kirkkonummen Saaga	Residential	1,485	34	61	Q4 2022
Finland	East	Turun Kirstinpuiston Helmi	Residential	3,771	129	168	Q4 2022
Finland	East	Oulun Antiikva	Residential	2,279	75	96	Q4 2022
Finland	East	Oulun Hiillos	Residential	2,619	84	94	Q4 2022
Sweden	Gothenburg	Hedin HK	Office	12,286	-	462	Q4 2022
Denmark	Copenhagen	Rubinhaven HTC A17	Residential	9,697	124	360	Q4 2022
Sweden	Gothenburg	Stenhuggaren	Residential	5,233	88	132	Q3 2022
Sweden	Gothenburg	Bergsjön	Residential	8,922	177	251	2022-2023
Denmark	Copenhagen	Triumphbyen Hovvej	Residential	20,725	241	770	Q1 2023
Finland	East	Heittoniitynkuja 5	Residential	5,759	132	190	Q1 2023
Sweden	Gothenburg	Bergskristallen	Residential	5,079	89	184	Q2 2023
Denmark	Copenhagen	Green Hills	Residential	24,886	294	919	Q2 2023
Finland	Helsinki	Jokiniementie 46	Residential	4,548	104	236	Q2 2023
Finland	Helsinki	Jokiniementie 48	Residential	5,355	118	278	Q2 2023
Finland	Helsinki	Runoratsaunkatu 15	Residential	5,355	135	286	Q2 2023
Finland	Helsinki	Raudikkokuja 7	Residential	5,780	161	239	Q2 2023
Finland	Helsinki	Kotkatie 6	Residential	3,685	100	188	Q3 2023
Sweden	Gothenburg	Hotell Draken	Hotel	28,166	-	1,262	Q3 2023
Sweden	Gothenburg	Västra Gatan Kungälv	Commercial	3,343	-	31	Q3 2023
Sweden	Stockholm	Basaren	Commercial	1,655	-	113	Q3 2023
<b>Total</b>				<b>250,981</b>	<b>3,945</b>	<b>9,683</b>	

## DEVELOPMENT PROPERTIES FOR SALE - UNDER CONSTRUCTION

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Estimated completion
Finland	Helsinki	Virtakuja 4	Residential	2,117	55	107	Q4 2021
Norway	North	Sandefjord	Residential	6,500	46	292	Q1 2022
Sweden	Gothenburg	Bergsfallet	Residential	5,440	87	238	Q3 2022
Sweden	Gothenburg	Bergsjö Glänta	Residential	3,619	31	116	Q4 2022
Finland	East	Hervantajärven Helmi	Residential	2,741	52	93	Q4 2022
Sweden	Gothenburg	Fixfabriken Glasbruket	Residential	9,849	136	424	Q1 2023
Sweden	Gothenburg	Västra Gatan Kungälv	Residential	8,213	128	381	Q3 2023
Sweden	Gothenburg	Hovås Höjd	Residential	10,616	146	520	Q3 2023
Sweden	Stockholm	Basaren	Residential	4,334	65	280	Q3 2023
Sweden	Stockholm	Caprea	Residential	3,742	28	491	Q4 2023
Sweden	Stockholm	Fabrique 46	Residential	7,658	138	646	Q1 2024
<b>Total</b>				<b>64,829</b>	<b>912</b>	<b>3,587</b>	
<b>Total</b>				<b>315,810</b>	<b>4,857</b>	<b>13,270</b>	

## PROJECT PROPERTIES FOR OWN MANAGEMENT ESTIMATED CONSTRUCTION START Q4 2021-Q4 2022

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Construction start
Sweden	Gothenburg	Frölunda	Residential	21,825	392	772	2021-2022
Sweden	Gothenburg	Långström	Residential	20,550	402	849	2021-2022
Denmark	Copenhagen	Strandby Huse D and Høje A Hundige Øst	Residential	22,808	337	854	2021
Finland	Helsinki	Lincolninaukio 4	Residential	5,100	137	245	2021
Finland	Helsinki	Riihimäen Pesispolku	Residential	2,430	100	88	2021
Finland	East	Toppilansalmen Legenda	Residential	1,807	55	58	2021
Finland	East	Turun Olva	Residential	2,573	82	118	2021
Finland	East	Oulun Mallastohtori	Residential	2,144	60	73	2021
Sweden	Gothenburg	Gårdsten	Residential	6,414	150	216	2022
Sweden	Stockholm	Barkarby City E1	Residential	10,971	242	486	2022
Finland	Helsinki	Hämeenlinnan Keinusaari	Residential	3,360	116	134	2022
Finland	East	Jyväskylän Tulisydän	Residential	2,906	93	115	2022
Finland	East	Kangasalan Kuningatar	Residential	2,887	95	109	2022
Finland	East	Kangasalan Lamminrahka	Residential	4,646	140	176	2022
Finland	East	Nokian Tanhuankatu	Residential	4,693	168	177	2022
Finland	East	Nokian Ylpeys	Residential	2,177	88	85	2022
Finland	Helsinki	Kaskilaaksontie	Residential	2,558	63	116	2022
Finland	Helsinki	Peijinkuja 6	Residential	5,950	140	310	2022
Finland	Helsinki	Kruunuvuorenranta I	Residential	3,995	85	230	2022
Finland	Helsinki	Kruunuvuorenranta II	Residential	3,808	80	219	2022
Finland	Helsinki	Käskynhaltijantie 51	Residential	3,230	61	139	2022
Finland	Helsinki	Pataljoonantie	Residential	4,339	90	175	2022
Finland	Helsinki	Niittykummuntie	Residential	2,550	55	132	2022
Finland	Helsinki	Peijinkula 10	Residential	4,505	121	235	2022
Finland	Helsinki	Saturnuksenrinne	Residential	2,420	50	103	2022
Finland	East	Suorannankatu	Residential	2,125	42	70	2022
Finland	Helsinki	Maapadontie 3	Residential	4,026	91	225	2022
<b>Total</b>				<b>156,797</b>	<b>3,535</b>	<b>6,509</b>	

## DEVELOPMENT PROPERTIES FOR SALE ESTIMATED CONSTRUCTION START Q4 2021-Q4 2022

Country	Region	Project	Property category	Lettable area, sq.m.	Number of apartments	Estimated total investment, SEKm	Construction start
Finland	Helsinki	Nihtisillankuja	Residential	5,270	129	271	2021
Sweden	South	Bovieran Svedala	Residential	4,273	54	164	2021
Sweden	Gothenburg	Bastuban	Residential	11,000	133	531	2022
Sweden	Gothenburg	Bohusgatan	Residential	18,856	326	1,104	2022
Sweden	Stockholm	Bovieran Haninge	Residential	2,586	36	137	2022
Sweden	Stockholm	Bovieran Nykvarn	Residential	4,273	54	176	2022
Norway	North	Ski Linåskollen	Residential	16,600	169	861	2022
Norway	North	Drammen	Residential	8,400	102	431	2022
<b>Total</b>				<b>71,258</b>	<b>1,003</b>	<b>3,676</b>	

**Total** **228,055** **4,538** **10,185**

## FUTURE PROJECTS ESTIMATED CONSTRUCTION START 2022 AND ONWARDS

Country	Region	Gross area, sq.m	Number of apartments
Sweden	Gothenburg	701,538	6,254
Sweden	Stockholm	579,561	5,479
Finland	Helsinki	229,150	4,117
Finland	East	30,400	560
Denmark	Copenhagen	40,024	225
<b>Total</b>		<b>1,580,673</b>	<b>16,635</b>





# 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 commercial properties and residential 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 6.5 years (6.8). Balder's 10 largest leases represent 4.1% (4.5) of total rental income and the average lease term amounts to 10.2 years (11.4).

Balder's single largest customer accounts for 3.6% (3.9) of total rental income.

## LEASE MATURITY STRUCTURE 30/09/2021

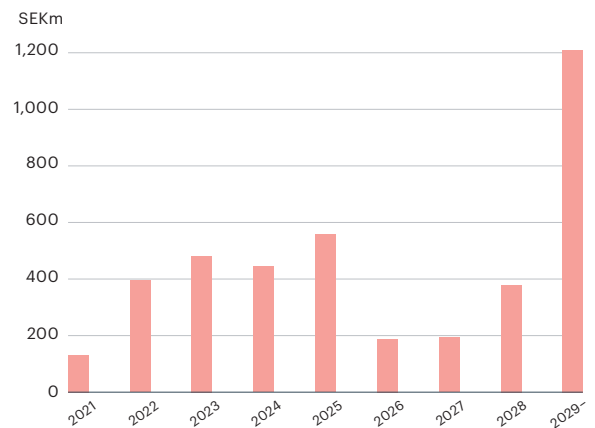
Maturity date	Number of leases	Share, %	Contracted rent, SEKm	Share, %
2021	259	6	127	1
2022	1,520	36	388	4
2023	835	20	477	5
2024	686	16	437	5
2025–	960	23	2,502	27
<b>Total</b>	<b>4,260</b>	<b>100</b>	<b>3,931</b>	<b>43</b>
Residential <sup>1)</sup>	43,716		5,109	56
Car park <sup>1)</sup>	7,593		29	0
Garage <sup>1)</sup>	6,281		81	1
<b>Total</b>	<b>61,850</b>		<b>9,150</b>	<b>100</b>

1) Normally runs subject to 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, Russia, Norway, Germany and United Kingdom which means that the Group is exposed to currency risks. Balder therefore has a diversified financing structure with bonds issued under a domestic MTN programme and a EMTN programme. In addition to bonds, bank financing in each country's currency and a commercial paper programme in Euro and Swedish kronor are used. The single largest source of funding is bonds issued on the European bond

market in Euro. In addition to these financing sources, Balder also has issued Hybrid capital which has a original maturity of 60 years and is considered as 50% equity by the credit rating agencies. As of 30 September 70% of the loans were hedged with interest rate swaps and fixed-rate loans.

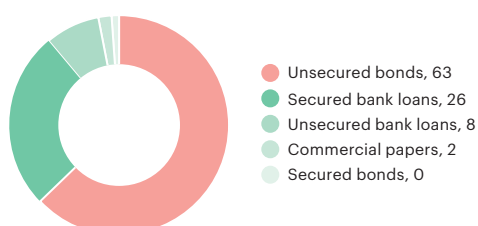
FINANCIAL KEY RATIOS	2021 30 Sep	2020 30 Sep	2020 31 Dec
Interest-bearing liabilities excl. Hybrid capital, SEKm	104,422	86,999	85,476
Hybrid capital, SEKm	8,671	3,689	3,513
Available liquidity including confirmed loan commitments, SEKm	13,862	16,726	20,509
Average fixed credit term, years	5.9	5.7	5.9
Average interest rate refixing period, years	3.6	3.4	3.5
Net debt to total assets (financial covenant <sup>1)</sup> < 65), %	47.7	47.0	46.1
Interest coverage ratio (financial covenant <sup>1)</sup> > 1.8), times	4.8	5.3	5.3
Secured debt/Total assets (financial covenant <sup>1)</sup> < 45), %	14.0	15.0	15.6
Net debt/EBITDA, times	14.4	13.1	13.2
Credit rating S&P	BBB Stable outlook	BBB Stable outlook	BBB Stable outlook
<b>Calculation of net debt</b>			
Interest-bearing liabilities excl. Hybrid capital, SEKm	104,422	86,999	85,476
Other liability <sup>2)</sup>	-	-	3,009
Hybrid capital (50% is treated as equity by rating agencies), SEKm	4,335	1,845	1,757
Cash and cash equivalents and financial investments, SEKm	-5,379	-7,660	-7,127
<b>Net debt</b>	<b>103,379</b>	<b>81,183</b>	<b>83,115</b>

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

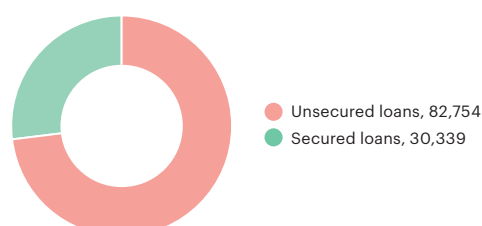
2) Other liability relates to obligation regarding purchase of shares in Entra ASA.

FINANCIAL TARGETS		Target	Outcome
Equity/assets ratio, %	min.	40.0	39.2
Net debt to total assets, %	max.	50.0	47.7
Interest coverage ratio, times	min.	2.0	4.8

## FINANCING SOURCES, %



## DISTRIBUTION OF SECURED AND UNSECURED LOANS, SEKm



**DEBT MATURITY STRUCTURE 30/09/2021**

Year	SEKm	Share, %
2021	3,532	3
2022	12,391	11
2023	17,510	15
2024	12,149	11
2025	10,232	9
2026	13,207	12
2027	6,014	5
2028	8,574	8
2029	6,393	6
2030	7,970	7
2031-	15,120	13
<b>Total</b>	<b>113,093</b>	<b>100</b>

**INTEREST MATURITY STRUCTURE 30/09/2021**

Year	SEKm	Interest, %	Share, %
2021	32,273	0.4	29
2022	9,703	1.3	9
2023	9,669	2.3	9
2024	4,195	1.5	4
2025	8,908	2.0	8
2026	14,280	2.2	13
2027	6,534	1.2	6
2028	8,128	1.6	7
2029	9,416	1.2	8
2030	6,597	1.4	6
2031-	3,392	1.7	3
<b>Total</b>	<b>113,093</b>	<b>1.3</b>	<b>100</b>

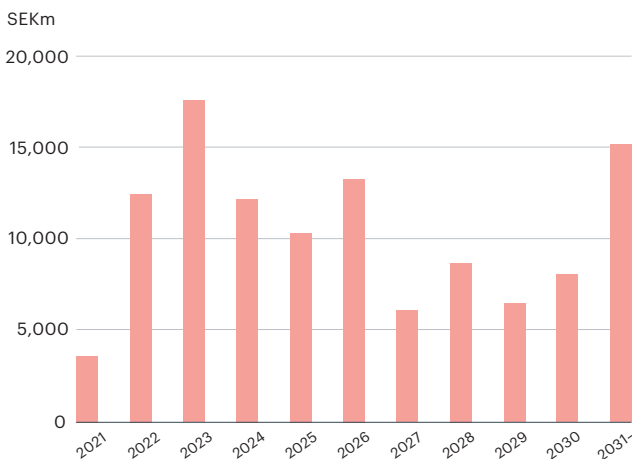
**FIXED CREDIT TERM**



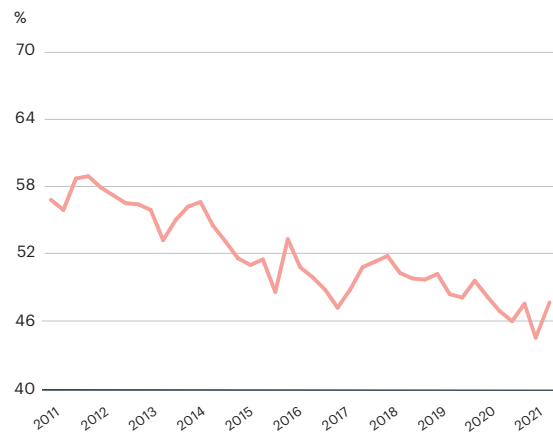
**FIXED INTEREST TERM**



**DEBT MATURITY STRUCTURE 30/09/2021**



**NET DEBT TO TOTAL ASSETS**



# ASSOCIATED COMPANIES

Balder is a partner in a large number of property managing and project developing companies as well as in the niche bank Collector, for further information on Balder's associated companies, see pages 34-36 and 69-70 in Balder's annual report 2020.

During the period, Balder invested SEK 6,919m in associated companies, which mainly relates to an additional 15% of the shares in Entra ASA. Other companies that have been added are Next Step Group

AB 33.3%, Emra gruppen AB 33.7% and ESS Hotel Group Fastigheter AB 50%. The table below shows Balder's share of property managing associated companies. Companies included in the table are Tulia AB 50% (50), Fastighets AB Centur 50% (50), Trenum AB 50% (50), Anthon B Nilsen Eiendom AS 59.5% (-), Sinoma Fastighets AB 49% (49), Serena Properties AB 56% (56), Tornet Bostadsproduktion AB 33% (33), Entra ASA 33.3% (-) and Brinova Fastigheter AB 18.9% (21.8).

## BALDER'S PARTICIPATION IN THE PROPERTY MANAGING ASSOCIATED COMPANIES' REAL ESTATE PORTFOLIO ON 30/09/2021<sup>1)</sup>

	Number of investment properties <sup>2)</sup>	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate,%	Carrying amount, SEKm	Carrying amount, %
<b>Distributed by region</b>								
Stockholm	85	210,496	351	1,666	335	96	6,900	17
Gothenburg	45	166,031	205	1,237	196	96	2,987	7
Öresund	151	153,920	233	1,512	219	94	3,618	9
East	47	158,844	198	1,249	194	98	3,033	7
Oslo	45	246,282	654	2,654	608	93	14,534	35
Other Norway	43	187,152	347	1,854	334	96	6,552	16
<b>Total excluding projects</b>	<b>416</b>	<b>1,122,725</b>	<b>1,987</b>	<b>1,770</b>	<b>1,887</b>	<b>95</b>	<b>37,625</b>	<b>90</b>
Projects for own management			1		1		4,187	10
<b>Total real estate portfolio</b>	<b>416</b>	<b>1,122,725</b>	<b>1,988</b>	<b>1,770</b>	<b>1,887</b>	<b>95</b>	<b>41,811</b>	<b>100</b>
<b>Distributed by property category</b>								
Residential	119	148,896	277	1,862	270	97	5,875	14
Office	116	522,539	1,138	2,178	1,068	94	23,451	56
Retail	69	274,288	335	1,222	320	95	4,547	11
Other	112	177,001	237	1,339	230	97	3,753	9
<b>Total excluding projects</b>	<b>416</b>	<b>1,122,725</b>	<b>1,987</b>	<b>1,770</b>	<b>1,887</b>	<b>95</b>	<b>37,625</b>	<b>90</b>
Projects for own management			1		1		4,187	10
<b>Total real estate portfolio</b>	<b>416</b>	<b>1,122,725</b>	<b>1,988</b>	<b>1,770</b>	<b>1,887</b>	<b>95</b>	<b>41,811</b>	<b>100</b>

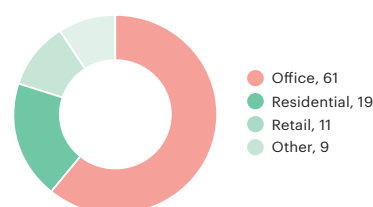
1) The above table refers to the properties owned by the associated companies at the end of the period. Sold properties have been excluded and acquired properties have been estimated using full-year values. Other properties include hotel, educational, care, industrial and mixed-use properties.

2) Refers to the entire associated companies' portfolio.

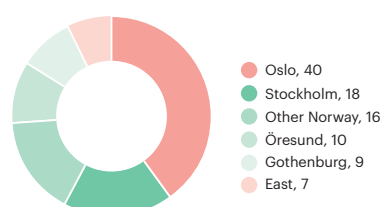
## BALDER'S PARTICIPATION IN THE BALANCE SHEETS OF THE PROPERTY MANAGING ASSOCIATED COMPANIES

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Assets</b>			
Properties	41,811	15,666	27,860
Other assets	1,312	341	759
Cash and cash equivalents	489	435	282
<b>Total assets</b>	<b>43,612</b>	<b>16,442</b>	<b>28,901</b>
<b>Shareholders' equity and liabilities</b>			
Equity/interest-bearing shareholder loan	20,125	7,340	12,952
Deferred tax liability	3,784	833	2,179
Interest-bearing liabilities	18,424	7,546	12,234
Other liabilities	1,278	723	1,537
<b>Total equity and liabilities</b>	<b>43,612</b>	<b>16,442</b>	<b>28,901</b>

## CARRYING AMOUNT DISTRIBUTED BY PROPERTY CATEGORY, TOTAL REAL ESTATE PORTFOLIO, %



## CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL REAL ESTATE PORTFOLIO, %



# OTHER DISCLOSURES

## Events after the end of the period

On October 18, S&P announced that they confirm Balder's BBB rating but revise the rating outlook to negative from stable. The revision is related to Balder's intention to make a mandatory offer for the remaining shares in Entra ASA ("Entra") and uncertainty regarding the initial financing structure. Balder has had a BBB stable rating since 2017 and we reconfirm our rating commitment to BBB and we would take the necessary steps to support our balance sheet and credit metrics if required.

On November 8, Balder launched mandatory offer to acquire all shares in Entra ASA. Terms and conditions for the Offer as follows:

- Offer Price: NOK 202.50 per share. The Offer Price is equivalent to NOK 205 adjusted for the dividend of NOK 2.50 per Entra share distributed to Entra shareholders in October 2021.
- Offer Period: From and including 9 November 2021 until 16:30 (Norwegian time) on 7 December 2021.
- Settlement: Cash settlement in NOK within two weeks after the expiry of the Offer Period.

After the end of the reporting period no other significant events has occurred.

## 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 60m (60) during the period and are reported in management and administrative costs. During the period, construction services were purchased from Tommy Byggare AB to the order of SEK 66m, which is a related company to Erik Selin Fastigheter AB. All transactions have been priced on market terms.

## Risks and uncertainties

Balder's operations, financial position and results may be affected by a number of risks and uncertainty factors. These are described in the annual report for 2020, on pages 42-45. Otherwise, no significant changes has 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 interim 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 Annual Accounts Act, the Securities Markets Act and RFR 2, Accounting for Legal Entities. The accounting principles follow those reported in the Annual Report 2020.

New and changed standards and principles that came into force as of January 1, 2021 or later, is not considered to have any material impact on the Group's financial reports.

## Nomination Committee

The Annual General Meeting on 12 May 2021 resolved 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 names of the other two members and the owners they represent shall be announced not later than six months before the Annual General Meeting and shall be based on known ownership immediately prior to publication.

In accordance with this resolution, Balder's nomination committee consists of, based on ownership as of 30 September 2021 and known changes subsequently: Lars Rasin, Chairman, Jesper Mårtensson, representing Erik Selin Fastigheter AB and Rikard Svensson, representing Arvid Svensson Invest AB.

The Annual General Meeting will be held in Gothenburg on Thursday 12 May 2022. Shareholders who wish to contact the nomination committee can do so via e-mail to [info@balder.se](mailto:info@balder.se)

Gothenburg 11 November 2021

Erik Selin  
Chief Executive Officer

**Auditor's report**

Fastighets AB Balder (publ), corp. id. no. 556525-6905.

**Introduction**

We have reviewed the condensed interim financial information (interim report) for Fastighets AB Balder (publ) as of 30 September 2021 and for the nine-month period that ended on this date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

**The focus and scope of the review**

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

**Conclusion**

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

Gothenburg 11 November 2021  
Öhrlings PricewaterhouseCoopers AB

Bengt Kron  
Authorised Public Accountant  
Auditor in charge

Konstantin Belogorcev  
Authorised Public Accountant



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2021 July-Sep	2020 July-Sep	2021 Jan-Sep	2020 Jan-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Rental income	2,286	2,030	6,535	6,079	8,591	8,134
Property costs	-482	-414	-1,589	-1,401	-2,107	-1,919
<b>Net operating income</b>	<b>1,804</b>	<b>1,616</b>	<b>4,946</b>	<b>4,678</b>	<b>6,483</b>	<b>6,216</b>
Management and administrative costs	-192	-142	-582	-500	-758	-676
Participations in the profits of associated companies/joint ventures	1,027	218	2,096	475	2,519	897
– of which profit from property management	362	188	932	475	1,120	663
– of which changes in value	916	87	1,691	132	2,048	489
– of which tax	-252	-57	-527	-132	-649	-254
Other income/costs	8	-26	-62	-58	368	371
– of which unrealised change in value of long-term financial asset	-	-	-	-	462	462
Net financial items	-144	-301	-858	-914	-1,156	-1,212
– of which cost of leases/ground rent	-17	-16	-50	-49	-65	-64
<b>Profit including changes in value and tax in associated companies</b>	<b>2,503</b>	<b>1,365</b>	<b>5,540</b>	<b>3,681</b>	<b>7,456</b>	<b>5,597</b>
<b>– of which Profit from property management</b>	<b>1,838</b>	<b>1,335</b>	<b>4,376</b>	<b>3,682</b>	<b>5,595</b>	<b>4,900</b>
<i>Changes in value</i>						
Changes in value investment properties, realised	-7	4	109	15	118	24
Changes in value investment properties, unrealised	4,361	226	7,436	801	10,064	3,429
Income sale development properties	967	247	1,453	675	2,030	1,253
Costs sale development properties	-789	-241	-1,237	-611	-1,706	-1,079
Changes in value derivatives	87	-10	415	-231	505	-141
<b>Changes in value total</b>	<b>4,620</b>	<b>226</b>	<b>8,175</b>	<b>650</b>	<b>11,010</b>	<b>3,486</b>
<b>Profit before tax</b>	<b>7,123</b>	<b>1,590</b>	<b>13,715</b>	<b>4,331</b>	<b>18,466</b>	<b>9,083</b>
Income tax	-734	-265	-1,812	-810	-2,809	-1,807
<b>Net profit for the period/year</b>	<b>6,389</b>	<b>1,326</b>	<b>11,903</b>	<b>3,521</b>	<b>15,658</b>	<b>7,275</b>
<i>Net profit for the period/year attributable to:</i>						
Parent company shareholders	6,243	1,189	11,120	3,063	14,698	6,641
Non-controlling interests	146	137	783	458	960	634
	<b>6,389</b>	<b>1,326</b>	<b>11,903</b>	<b>3,521</b>	<b>15,658</b>	<b>7,275</b>
<b>Other comprehensive income – items that may be subsequently reclassified to profit or loss</b>						
Translation difference relating to foreign operations (net after hedge accounting)	70	108	329	30	-406	-705
Cash flow hedges after tax	41	13	145	-20	145	-20
Participation in other comprehensive income of associated companies/joint ventures	92	-1	278	-12	252	-37
<b>Total comprehensive income for the period/year</b>	<b>6,592</b>	<b>1,446</b>	<b>12,656</b>	<b>3,520</b>	<b>15,649</b>	<b>6,513</b>
<i>Total comprehensive income for the period/year attributable to:</i>						
Parent company shareholders	6,352	1,243	11,647	2,972	14,948	6,273
Non-controlling interests	240	204	1,009	548	700	240
	<b>6,592</b>	<b>1,446</b>	<b>12,656</b>	<b>3,520</b>	<b>15,649</b>	<b>6,513</b>
Profit from property management	1,838	1,335	4,376	3,682	5,595	4,900
Of which non-controlling interests part of profit from property management	-163	-182	-452	-536	-573	-657
<b>Profit from property management attributable to parent company shareholders</b>	<b>1,675</b>	<b>1,153</b>	<b>3,924</b>	<b>3,146</b>	<b>5,022</b>	<b>4,244</b>
Profit from property management per share, SEK	8.98	6.41	21.04	17.48	27.09	23.51
Profit after tax per share, SEK	33.47	6.61	59.62	17.02	79.28	36.79

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Assets</b>			
Investment properties	176,440	148,072	149,179
Development properties	2,748	3,047	2,803
Lease contract; Right-of-use assets	1,537	1,520	1,532
Other fixed assets	172	155	160
Participations in associated companies/joint ventures	24,740	8,363	15,593
Other receivables	5,499	3,800	4,007
Cash and cash equivalents and financial investments	5,379	7,660	7,127
<b>Total assets</b>	<b>216,514</b>	<b>172,617</b>	<b>180,401</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity <sup>1)</sup>	80,465	62,235	67,885
Deferred tax liability	14,174	11,877	12,497
Interest-bearing liabilities	113,093	90,688	88,989
–of which Hybrid capital <sup>2)</sup>	8,671	3,689	3,513
Derivatives	723	1,444	1,540
Lease contract	1,536	1,511	1,536
Other liabilities	6,522	4,862	7,955
<b>Total equity and liabilities</b>	<b>216,514</b>	<b>172,617</b>	<b>180,401</b>
1) Of which non-controlling interests	10,611	10,257	9,676
2) 50% of Hybrid capital is treated as equity by the rating agencies and thus decreases 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.	4,335	1,845	1,757

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Opening equity</b>	<b>67,885</b>	<b>58,725</b>	<b>58,725</b>
Total comprehensive income for the period/year	12,656	3,520	6,513
Transactions with non-controlling interests	-25	-25	-301
Dividend to non-controlling interests	-129	-	-
Shareholder contributions from non-controlling interests	6	15	17
Non-controlling interests arising from the acquisition of subsidiaries	74	-	-
Share issue, after issue costs	-	-	2,930
<b>Closing equity</b>	<b>80,465</b>	<b>62,235</b>	<b>67,885</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	2021 July-Sep	2020 July-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Net operating income	1,804	1,616	4,946	4,678	6,216
Other income/costs	8	-26	-62	-58	-91
Management and administrative costs	-192	-142	-582	-500	-676
Selling and marketing expenses development properties	-5	-15	-15	-15	-20
Reversal of depreciation	11	10	33	31	41
Net financial items paid	-365	-280	-1,265	-919	-1,174
Taxes paid	-84	-59	-274	-282	-310
<b>Cash flow from operating activities before change in working capital</b>	<b>1,177</b>	<b>1,104</b>	<b>2,781</b>	<b>2,935</b>	<b>3,986</b>
Change in operating receivables	150	-114	-368	-824	-901
Change in operating liabilities	657	566	-2,040	640	3,435
<b>Cash flow from operating activities</b>	<b>1,984</b>	<b>1,555</b>	<b>373</b>	<b>2,750</b>	<b>6,520</b>
Acquisition of investment properties	-9,788	-322	-15,859	-2,908	-3,491
Acquisition/Divestment of property, plant and equipment	-17	-2	-44	-20	-36
Purchase of financial investments	-472	-776	-613	-821	-1,665
Acquisition of shares in associated companies/Capital contribution to associated companies/Loans to associated companies/joint ventures	-1,752	-446	-7,867	-1,422	-8,128
Investment in existing properties and projects	-2,027	-1,110	-4,988	-4,065	-5,572
Transactions with non-controlling interests	-25	-22	-25	-25	-301
Sale of investment properties	121	28	1,426	339	366
Sale of development properties	967	247	1,453	675	1,253
Sale of financial investments	757	-	803	62	561
Dividend paid from associated companies/joint ventures	2	-	186	19	20
<b>Cash flow from investing activities</b>	<b>-12,234</b>	<b>-2,404</b>	<b>-25,529</b>	<b>-8,167</b>	<b>-16,993</b>
Share issue, after issue costs	-	-	-	-	2,930
Amortisation of lease liability	10	-3	-10	-18	-19
Shareholder contributions from non-controlling interests	6	-	6	16	18
Dividend paid to non-controlling interests	-	-	-129	-	-
Loans raised	1,282	5,117	30,331	16,300	20,472
Amortisation/redemption of loans sold properties/changes in overdraft facilities	-1,075	-2,500	-6,781	-6,913	-9,838
<b>Cash flow from financing activities</b>	<b>224</b>	<b>2,615</b>	<b>23,416</b>	<b>9,385</b>	<b>13,563</b>
<b>Cash flow for the period/year</b>	<b>-10,027</b>	<b>1,766</b>	<b>-1,740</b>	<b>3,968</b>	<b>3,089</b>
Cash and cash equivalents at the start of the period/year	12,787	3,581	4,468	1,379	1,379
Exchange rate difference in cash and cash equivalents	24	-	56	-	-
<b>Cash and cash equivalents at the end of the period/year</b>	<b>2,783</b>	<b>5,347</b>	<b>2,783</b>	<b>5,347</b>	<b>4,468</b>
<b>Available liquidity, SEKm</b>					
Cash and cash equivalents	2,783	5,347	2,783	5,347	4,468
Unutilised overdraft facilities	413	350	413	350	350
Unutilised credit facilities	8,070	8,716	8,070	8,716	13,032
Financial investments	2,596	2,314	2,596	2,314	2,659
<b>Available liquidity including confirmed credit commitments</b>	<b>13,862</b>	<b>16,726</b>	<b>13,862</b>	<b>16,726</b>	<b>20,509</b>

## SEGMENT INFORMATION

SEKm	2021 July-Sep	2020 July-Sep	2021 Jan-Sep	2020 Jan-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
<b>Rental income</b>						
Helsinki	597	620	1,779	1,892	2,382	2,495
Stockholm	353	336	1,077	990	1,425	1,338
Gothenburg	408	396	1,219	1,156	1,624	1,561
Copenhagen	184	152	548	481	725	657
South	149	151	439	435	589	584
East	332	303	972	918	1,272	1,218
North	262	74	500	207	574	282
<b>Total</b>	<b>2,286</b>	<b>2,030</b>	<b>6,535</b>	<b>6,079</b>	<b>8,591</b>	<b>8,134</b>
<b>Net operating income</b>						
Helsinki	429	476	1,257	1,409	1,668	1,820
Stockholm	294	282	870	808	1,157	1,095
Gothenburg	334	327	956	917	1,276	1,237
Copenhagen	140	117	414	370	543	499
South	119	124	344	342	461	460
East	264	231	733	678	943	888
North	223	60	373	155	436	218
<b>Total</b>	<b>1,804</b>	<b>1,616</b>	<b>4,946</b>	<b>4,678</b>	<b>6,483</b>	<b>6,216</b>

The group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with reported net operating income in the income statement. The difference between net operating income of SEK 4,946m (4,678) and profit before tax of SEK 13,715m (4,331) consists of changes in value of investment properties of

SEK 7,545m (817), profit from sales of development properties SEK 215m (65), other income/costs SEK -62m (-58), management and administrative costs of SEK -582m (-500), participations in profits of associated companies/joint ventures of SEK 2,096m (475), net financial items of SEK -858m (-914) and changes in value of derivatives of SEK 415m (-231).

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Real estate portfolio</b>			
Helsinki	43,743	41,912	40,938
Stockholm	30,537	26,930	27,364
Gothenburg	33,561	30,385	30,863
Copenhagen	16,866	14,289	15,272
South	11,123	10,262	10,439
East	16,474	14,212	14,448
North	17,430	5,096	5,238
<b>Total excluding projects</b>	<b>169,734</b>	<b>143,085</b>	<b>144,562</b>
Projects for own management	6,706	4,986	4,617
<b>Total investment properties</b>	<b>176,440</b>	<b>148,072</b>	<b>149,179</b>
Development properties	2,748	3,047	2,803
<b>Total real estate portfolio</b>	<b>179,188</b>	<b>151,118</b>	<b>151,982</b>

The carrying amounts of properties have during the period changed by investments, acquisitions, divestments, unrealised changes in value and currency changes, with SEK 2,805m in the Helsinki region, SEK 3,173m in the Stockholm region, SEK 2,699m in the Gothenburg region, SEK 1,594m in the Copenhagen region, SEK 684m in the South region, SEK 2,026m in the East region and SEK 12,192m in the North region. The Group's projects

for own management has increased by SEK 2,089m and the Group's development properties has decreased by SEK -55m. SATO's property portfolio is divided between the regions Helsinki and East. The real estate holdings in Norway are classified in the North region, the real estate holdings in Denmark in the Copenhagen region and the properties in Germany and United Kingdom in the South region.

## KEY RATIOS

	2021 July-Sep	2020 July-Sep	2021 Jan-Sep	2020 Jan-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
<b>Share-related</b>						
Average number of shares, thousands	186,500	180,000	186,500	180,000	185,393	180,515
Profit after tax, SEK	33.47	6.61	59.62	17.02	79.28	36.79
Profit after tax excluding unrealised changes in value, SEK	10.68	5.23	21.18	14.03	25.87	18.69
Profit from property management, SEK	8.98	6.41	21.04	17.48	27.09	23.51
Net operating income, SEK	8.28	7.43	22.52	21.38	29.76	28.61
Outstanding number of shares, thousands	186,500	180,000	186,500	180,000	186,500	186,500
Shareholders' equity, SEK	374.56	288.77	374.56	288.77	374.56	312.12
Long-term net asset value (NAV), SEK	454.43	362.77	454.43	362.77	454.43	387.38
Share price on the closing date, SEK	527.80	455.20	527.80	455.20	527.80	428.90
<b>Property-related</b>						
Rental value full-year, SEK/sq.m.	1,866	1,919	1,866	1,919	1,866	1,893
Rental income full-year, SEK/sq.m.	1,763	1,841	1,763	1,841	1,763	1,809
Economic occupancy rate, %	95	96	95	96	95	96
Vacancy rate, %	5	4	5	4	5	4
Surplus ratio, %	79	80	76	77	75	76
Carrying amount, SEK/sq.m.	32,793	32,118	32,793	32,118	32,793	32,114
Number of investment properties	1,595	1,342	1,595	1,342	1,595	1,362
Lettable area, sq.m. thousands	5,176	4,455	5,176	4,455	5,176	4,502
Profit from property management, attributable to parent company shareholders, SEKm	1,675	1,153	3,924	3,146	5,022	4,244
<b>Financial</b>						
Return on equity, %	17.7	7.8	19.3	7.7	24.1	12.4
Return on total assets, %	5.9	3.9	8.1	4.1	10.1	6.1
Interest coverage ratio, times	5.7	5.7	4.8	5.3	4.9	5.3
Equity/assets ratio, %	39.2	37.1	39.2	37.1	39.2	38.6
Debt/equity ratio, times <sup>1)</sup>	1.4	1.4	1.4	1.4	1.4	1.3
Net debt to total assets, % <sup>1)</sup>	47.7	47.0	47.7	47.0	47.7	46.1
Net debt/EBITDA, times <sup>1)</sup>	12.8	12.4	14.4	13.1	14.6	13.2

1) The key figures for 31 December 2020 include SEK 3,009m which is included in Other liabilities and relates to obligation regarding purchase of shares in Entra ASA.

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEKm	2021 July-Sep	2020 July-Sep	2021 Jan-Sep	2020 Jan-Sep	2020/2021 Oct-Sep	2020 Jan-Dec
Net sales	91	67	302	258	393	349
Administrative costs	-90	-69	-300	-260	-393	-353
<b>Operating profit</b>	<b>1</b>	<b>-2</b>	<b>2</b>	<b>-2</b>	<b>0</b>	<b>-4</b>
<b>Profit from financial items</b>						
Dividends from subsidiaries	-	-	3	975	3	975
Other net financial items	-163	-38	-162	100	1,337	1,599
– of which exchange rate differences	-363	-130	-650	-137	272	785
– of which unrealised change in value of long-term financial asset	-	-	-	-	462	462
Changes in value of derivatives	75	-10	365	-231	455	-141
<b>Profit before appropriations and taxes</b>	<b>-88</b>	<b>-51</b>	<b>207</b>	<b>841</b>	<b>1,795</b>	<b>2,429</b>
<b>Appropriations</b>						
Group contributions	-	-	-	-	-821	-821
<b>Profit before tax</b>	<b>-88</b>	<b>-51</b>	<b>207</b>	<b>841</b>	<b>975</b>	<b>1,608</b>
Income tax	9	9	-16	26	-35	7
<b>Net profit for the period/year <sup>1)</sup></b>	<b>-79</b>	<b>-42</b>	<b>192</b>	<b>867</b>	<b>940</b>	<b>1,615</b>

1) The parent company has no items reported in other comprehensive income and therefore total comprehensive income for the period/year is equal with net profit for the period/year.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEKm	2021 30 Sep	2020 30 Sep	2020 31 Dec
<b>Assets</b>			
Property, plant and equipment	22	23	22
Financial non-current assets	30,432	14,290	20,710
Receivables from Group companies	67,510	56,020	57,787
Current receivables	249	186	184
Cash and cash equivalents and financial investments	3,583	2,764	3,437
<b>Total assets</b>	<b>101,796</b>	<b>73,282</b>	<b>82,140</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	16,990	13,120	16,798
Interest-bearing liabilities	53,655	48,652	46,366
– of which Hybrid capital	8,671	3,689	3,513
Liabilities to Group companies	30,296	10,140	14,419
Derivatives	402	857	767
Other liabilities	453	513	3,790
<b>Total equity and liabilities</b>	<b>101,796</b>	<b>73,282</b>	<b>82,140</b>

# THE SHARE AND OWNERS

Balder's share is listed on Nasdaq Stockholm, Large Cap segment. The company's market capitalisation as of 30 September amounted to SEK 98,435m (81,936).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.1% (36.4) of the capital and 48.8% (49.9) of the votes. Foreign ownership amounts to approximately 33% (29) of outstanding shares.

## The share

At the end of the period, approximately 21,000 shareholders (22,000) held shares. During the period, approximately 45 million shares were traded (102) which corresponds to an average of about 236,000 shares per trading day (541,000). The annual turnover rate amounted to 32% (76). The price of the share was SEK 527.80 (455.20) on 30 September, corresponding to an increase of 23% since year-end.

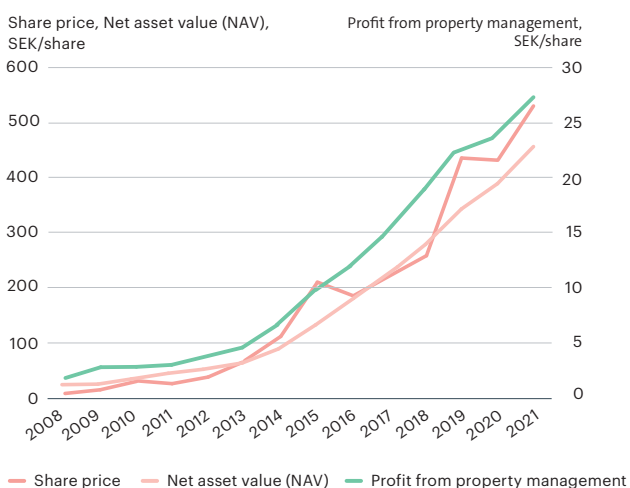
## Share capital

On 30 September, the share capital in Balder amounted to SEK 186,500,000 distributed among 186,500,000 shares. Each share has a quota value of SEK 1, where of 11,229,432 shares are of Class A and 175,270,568 of Class B. The total number of outstanding shares as of 30 September amounts to 186,500,000. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

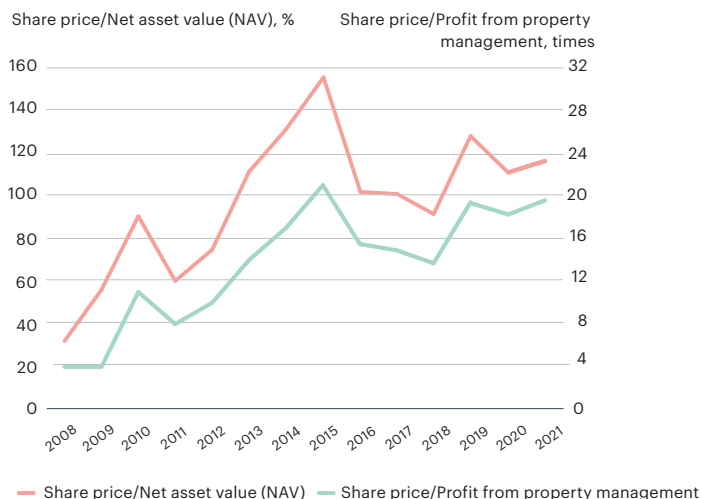
## OWNERSHIP LIST AS OF 30/09/2021

Owner	A shares	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	-	7,795,034	7,795,034	4.2	2.7
SEB Investment Management	-	6,687,367	6,687,367	3.6	2.3
Länsförsäkringar fondförvaltning AB	-	6,112,856	6,112,856	3.3	2.1
Handelsbanken fonder	-	5,610,117	5,610,117	3.0	2.0
AMF Försäkring och Fonder	-	4,192,457	4,192,457	2.2	1.5
Folksam	-	2,400,079	2,400,079	1.3	0.8
CBNY - Norges Bank	-	1,974,848	1,974,848	1.1	0.7
Livförsäkringsbolaget Skandia	-	1,766,954	1,766,954	0.9	0.6
Other	4,212	67,977,416	67,981,628	36.5	23.7
<b>Total</b>	<b>11,229,432</b>	<b>175,270,568</b>	<b>186,500,000</b>	<b>100</b>	<b>100</b>

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



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



# 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

## FINANCIAL

### Return on equity, %

Profit after tax in relation to average equity. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations and with the exception of changes in value.

### Return on total assets, %

Profit before tax with addition of net financial items in relation to average balance sheet total. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations and with the exception of changes in value.

### Net debt to total assets, %

Net debt in relation to total assets.

### EBITDA

Profit from property management with addition of profit from sales of development properties with reversal of net financial items. In the interim financial statements, EBITDA was converted to a full-year basis, with the exception of profit from 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 as regards participation in profits of associated companies. When calculating profit from property management before tax attributable to parent company shareholders, the profit from property management is also reduced with the non-controlling interests' share.

### Average interest, %

Net financial items 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 reported as interest bearing liability but is treated as 50% equity by the rating agencies.

### Net debt, SEKm

Interest-bearing liabilities decreased by cash and cash equivalents, financial investments and 50% of Hybrid capital which is treated as 50% equity by the rating agencies.

### 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.

### 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) The key ratio is operational and is not considered to be an alternative key ratio according to ESMA's guidelines.

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. The key ratios are alternative performance measures according to ESMA's guidelines unless otherwise stated. A description follows below of how Fastighets AB Balder's key ratios are defined and calculated.

## SHARE RELATED

### Equity per share, SEK

Shareholders' equity 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 the parent company shareholders divided by the average number of outstanding 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 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 shareholders in relation to 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 less property costs.

### Economic occupancy rate, %<sup>1)</sup>

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 divested after completion.

### Real estate portfolio

Refers to both investment properties and development properties.

### Property category

Classified according to the principal use of the property. The break-down is made 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 largest part of the property is used for.

### Property costs, SEKm

This item includes direct property costs, such as operating expenses, utility expenses, maintenance and property tax.

### Investment properties

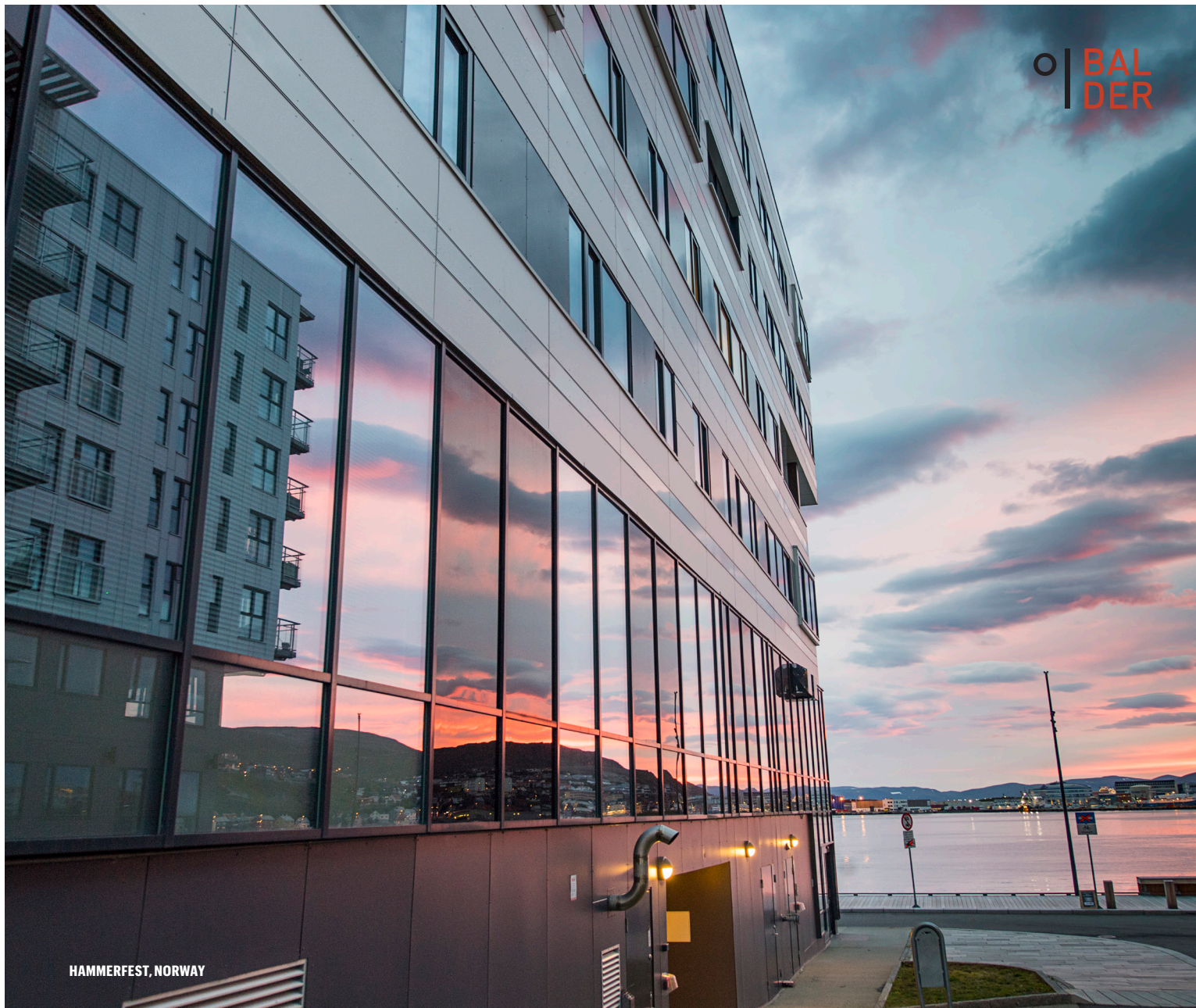
Refers to properties that are held with the objective of generating rental income or an increase in value or a combination of these.

### Rental value, SEKm<sup>1)</sup>

Contracted rent and estimated market rent for vacant premises.

### Surplus ratio, %

Net operating income in relation to rental income.



HAMMERFEST, NORWAY

## CONTACT

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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](http://balder.se).

## CALENDAR

Year-end report 2021	11 February 2022
Annual General Meeting	12 May 2022
Interim report Jan-March 2022	12 May 2022
Interim report Jan-June 2022	15 July 2022
Interim report Jan-Sep 2022	28 October 2022
Year-end report 2022	10 February 2023

This report is a translation of the Swedish Interim Report January-September 2021. In the event of any disparities between this report and the Swedish version, the latter will have priority.

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