



PRESS RELEASE
23 November 2020

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Balder explores the conditions for conducting a directed share issue of Class B shares

Fastighets AB Balder (publ) ("Balder") (Nasdaq Stockholm: BALD B) has engaged ABG Sundal Collier and Carnegie Investment Bank to explore the conditions for carrying out a directed share issue of up to approximately 6.5 million Class B shares to Swedish and international institutional investors (the "Issue") through an accelerated book building process. The Issue falls within the authorization for the Board of Directors of Balder, which was resolved upon at the Annual General Meeting on 11 May 2020.

Balder believes that the near-term conditions are very good for creating value-adding investments through both acquisitions and investments in existing properties. At the same time, Balder expects to begin construction of 3,500 to 4,000 apartments during the fourth quarter of 2020 and throughout 2021. In order to be able to both take advantage of such investment opportunities and at the same time maintain a good financial position and enjoy continued cost-effective financing, Balder has decided to investigate the conditions for the Issue. The reason for the deviation from the shareholders' preferential rights is to carry out the Issue in a time- and cost-effective manner, and to further diversify the shareholder base.

Many existing shareholders and new investors have expressed interest in subscribing to Class B shares in the Issue. The total number of Class B shares that may be issued and the subscription price per Class B share will be determined through the accelerated book building procedure.

The book building process will begin immediately. Pricing and allotment of the newly issued Class B shares is expected to take place before Nasdaq Stockholm opens at 09:00 on 24 November 2020. The time for the last registration of interest, pricing and allotment of Class B shares in the book building procedure is determined by Balder in consultation with ABG Sundal Collier and Carnegie Investment Bank. Balder will inform about the outcome of the Issue in a press release when the book building procedure has been completed. The new share issue postulates, among other things, that Balder's Board of Directors, after the book building procedure has been completed, decides to issue new Class B shares with the support of the authorization from the Annual General Meeting on May 11, 2020. However, the Board may at any time choose to suspend from carrying out the Issue.

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Corporate Identity No 556525-6905, Registered office Gothenburg
www.balder.se

Fastighets AB Balder is a listed real estate company which shall meet the needs of different customer groups for premises and housing through local support. Balder's real estate portfolio had a value of SEK 151.1 billion (133.2) as of 30 September 2020. The Balder share is listed on Nasdaq Stockholm, Large Cap.

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This is information that Fastighets AB Balder (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 17.31 CET on November 23, 2020.

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“investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

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INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the new shares in the Issue have been subject to a product approval process, which has determined that the these shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, ABG Sundal Collier and Carnegie Investment Bank will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or

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group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares and determining appropriate distribution channels.

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