

FASTIGHETS AB BALDER

INTERIM REPORT

JANUARY–SEPTEMBER 2023

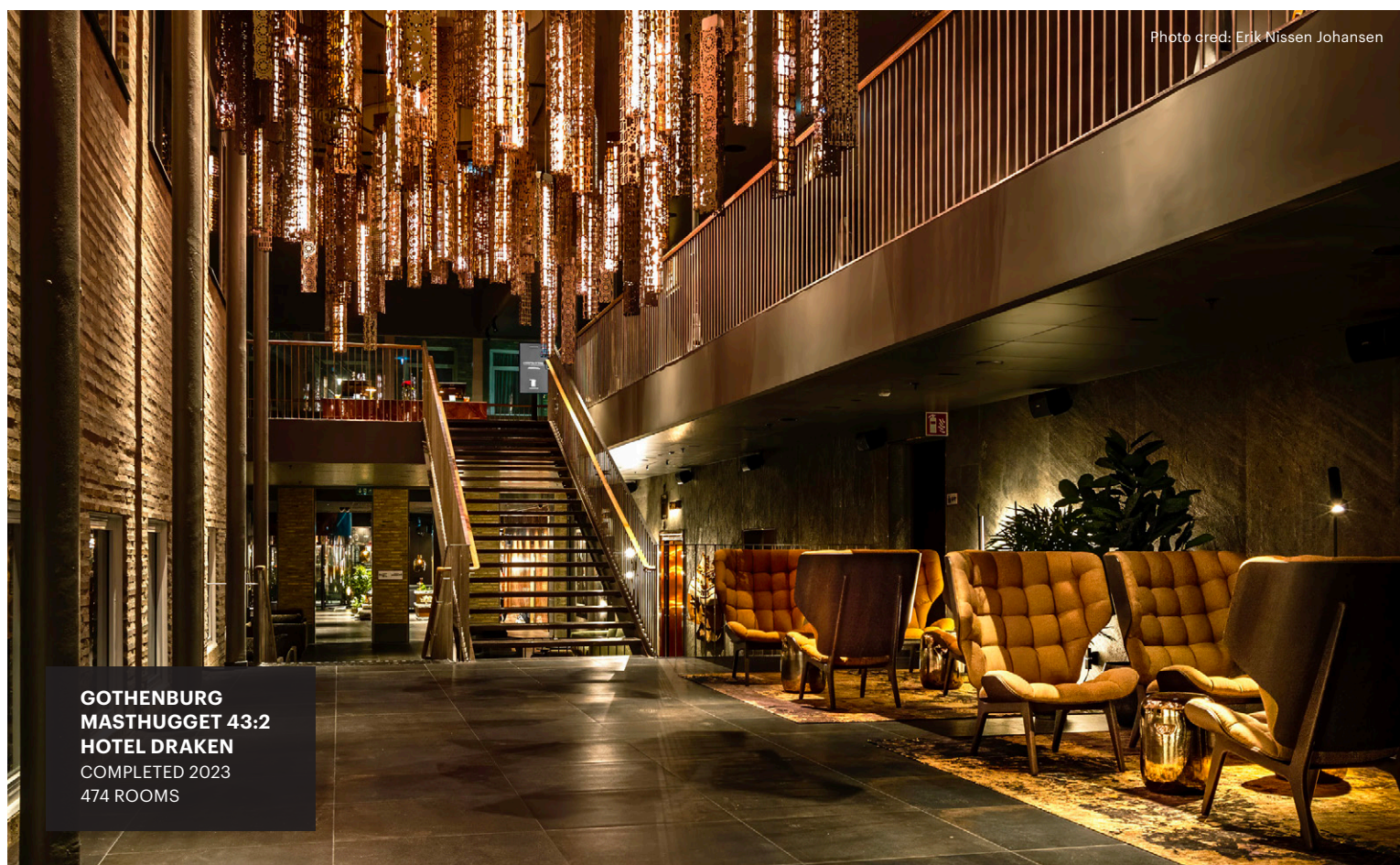


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GOTHENBURG
MASTHUGGET 43:2
HOTEL DRAKEN
 COMPLETED 2023
 474 ROOMS

FASTIGHETS AB BALDER is a listed property company which shall meet the needs of different customer groups for residential properties and premises based on local support. Balder's property portfolio had a value of SEK 218.6 billion (213.2) as of 30 September 2023. The Balder share is listed on Nasdaq Stockholm, Large Cap.

- Profit from property management attributable to the parent company's shareholders amounted to SEK 4,683m (4,601), corresponding to a decrease per share of 1% to SEK 4.06 (4.11).
- Long term net asset value amounted to SEK 89.74 per share (92.84).
- Rental income amounted to SEK 8,855m (7,716).
- Profit after tax attributable to the parent company's shareholders amounted to SEK -1,978m (9,329), corresponding to SEK -1.71 per share (8.34).



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Photo cred.: Erik Nissen Johansen



CONTENTS

The period in brief	3	Other disclosures	19
Comments by the CEO	4	Auditor's report	20
Forecast and current earning capacity	5	Comprehensive income	21
Income, costs and results	6–7	Financial position	22
Property portfolio	8	Cash flow	23
Changes in property portfolio	9	Segment information	24
Property development	10	Key ratios	25
Project tables	11–12	Parent Company	26
Customers	13	The share and owners	27
Financing	14–15	Reconciliation of key ratios	28–31
Sustainability	16–17	Definitions	32
Associated companies	18	Contact information, calendar	33

THE PERIOD IN BRIEF

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

JULY–SEPTEMBER 2023

- Rental income amounted to SEK 3,017m (2,659), of which the effect of changes in exchange rates amounted to SEK 107m (54).
- Net operating income amounted to SEK 2,341m (2,015), of which the effect of changes in exchange rates amounted to SEK 77m (42).
- The surplus ratio amounted to 78% (76).
- The profit from property management attributable to the parent company's shareholders decreased by 8% to SEK 1,584m (1,718), representing SEK 1.37 per share (1.54).
- Unrealised changes in value of investment properties amounted to SEK -1,749m (626). The average yield requirement amounted to 4.8% (4.4), which is unchanged compared to the second quarter.
- Changes in value of interest rate derivatives and option component convertible amounted to SEK 107m (135).
- Net profit after tax for the period amounted to SEK -1,067m (777).
- Net profit after tax for the period attributable to the parent company's shareholders amounted to SEK -1,060m (613), corresponding to SEK -0.92 per share (0.55).
- Long term net asset value amounted to SEK 89.74 per share (92.84).
- Two development properties (1) were divested and recognised as income during the quarter. The profit from sales amounted to SEK 115m (46) including the portfolio's ongoing selling expenses.

JANUARY–SEPTEMBER 2023

- Rental income amounted to SEK 8,855m (7,716), of which the effect of changes in exchange rates amounted to SEK 338m (158).
- Net operating income amounted to SEK 6,640m (5,732), of which the effect of changes in exchange rates amounted to SEK 241m (121).
- The surplus ratio amounted to 75% (74).
- The profit from property management attributable to the parent company's shareholders increased by 2% to SEK 4,683m (4,601), representing a decrease per share of 1% to SEK 4.06 (4.11).
- Unrealised changes in value of investment properties amounted to SEK -5,995m (6,213). The average yield requirement amounted to 4.8% (4.4), which is 0.2 percentage points higher compared to the year-end.
- Changes in value of interest rate derivatives and option component convertible amounted to SEK 212m (1,334).
- Net profit after tax for the period amounted to SEK -2,486m (10,277).
- Net profit after tax attributable to parent company's shareholders amounted to SEK -1,978m (9,329), corresponding to SEK -1.71 per share (8.34).
- Four development properties (3) were divested and recognised as income during the period. The profit from sales amounted to SEK 337m (69) including the portfolio's ongoing selling expenses.
- During the period, an investment was made in 5-year convertible bonds of just over SEK 5 billion, at an interest rate of 3.5%.

UNCHANGED FORECAST FOR 2023

For 2023, the profit from property management¹⁾, i.e. the profit before changes in value and tax, with the current property portfolio, acquisitions and divestments announced, and at current exchange rates, is expected to amount to SEK 6,200m. This forecast was announced in connection with the issuing of the year-end report for January–December 2022.

	2023 Jan–Sept	2022 Jan–Sept	2022 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2019 Jan–Dec	2018 Jan–Dec	2017 Jan–Dec
Rental income, SEKm	8,855	7,716	10,521	8,956	8,134	7,609	6,714	5,915
Profit from property management, SEKm ¹⁾	4,683	4,601	6,139	5,543	4,244	4,023	3,304	2,804
Changes in value of investment properties, SEKm	-5,990	6,272	5,530	13,111	3,453	9,577	8,007	5,336
Changes in value of derivatives, SEKm	212	1,334	1,617	511	-141	-180	-34	144
Profit after tax, SEKm ¹⁾	-1,978	9,329	10,175	18,508	6,641	8,958	9,308	7,118
Investment properties, SEKm	215,060	209,717	213,932	189,138	149,179	141,392	116,542	98,360
Development properties, SEKm	3,567	3,436	3,421	2,697	2,803	2,344	1,598	-
Data per share								
Average number of shares, thousands	1,154,000	1,119,000	1,119,192	1,119,000	1,083,090	1,080,000	1,080,000	1,080,000
Profit after tax per share, SEK	-1.71	8.34	9.09	16.54	6.13	8.30	8.62	6.45
Profit from property management per share, SEK	4.06	4.11	5.48	4.95	3.92	3.73	3.06	2.46
Outstanding number of shares, thousands	1,154,000	1,119,000	1,154,000	1,119,000	1,119,000	1,080,000	1,080,000	1,080,000
Equity per share, SEK	76.22	78.34	78.16	69.35	52.02	45.38	37.17	28.98
Long-term net asset value per share (NAV), SEK	89.74	92.84	92.10	83.96	64.56	56.95	46.27	36.35
Share price on closing date per share, SEK	49.30	44.76	48.52	108.63	71.48	72.20	42.00	36.57

1) Attributable to the parent company's shareholders.

COMMENTS **BY THE CEO**

Dear shareholders,

Profit from property management

Profit from property management attributable to the parent company's shareholders amounted to SEK 4,683m (4,601), per share it decreased somewhat and amounted to SEK 4.06 (4.11). Profit from property management per share for the third quarter decreased to SEK 1.37 (1.54). Current earning capacity has been stable during the year, which means that we have succeeded in compensating for higher interest rates with increased net operating income and stable profit from property management from associated companies.

Financing

We entered the uncertain period that has characterised the markets since Russia invaded Ukraine with long maturities and fixed-interest terms. The effect of higher market interest rates is mitigated as 70% of our loans are hedged, and even though the higher rates are gradually affecting interest expenses, this gives us time to adapt. We have continued to take up bank financing and reduce the proportion of bond financing. Balder's presence in the Swedish and international capital markets continues to be strategically important. In view of the current market conditions, however, the focus will be on bank financing for some time to come. The available liquidity can fluctuate somewhat between quarters, depending on the timing of bank negotiations, currency movements and maturities. Balder will maintain a level of liquidity in line with recent quarters, for as long as we consider the financing markets to be strained.

Projects and investments

During the quarter, we continued to complete projects for own management and projects for divestment with good results. The volume of investment fell during this quarter and will continue to fall gradually during 2024.

Sustainability

There is a lot happening in the area of sustainability, including new legal requirements. We conducted a double materiality analysis during the quarter based on the principles of ESRS/CSRD, and we are working with preparations in order to implement changes in the business in good time.

Balder's ESG risk rating from Sustainalytics has been upgraded from 13.8 to 12.3, which puts us comfortably within the low-risk segment, and we are satisfied with the positive momentum we have in connection with our work on these issues. The shift is primarily due to progress in the areas of governance and reporting. Balder's positive development in the climate area with regard to climate goals, climate calculations and climate risk analyses is also highlighted.

The residential market

Even though residential prices seem to have stabilised, we appear to be heading towards the lowest level of new housing production that we have seen for a long time. On the one hand, the reduced level of supply should give a boost to prices in the secondary market, and keep down the vacancy rates of rental apartments, but this is an unfortunate development in view of the current housing shortage. But I find it hard to foresee any movement in new production projects in the current environment, and it is likely that we are facing two to three years with a gradual decline in the supply of newly produced residential properties.

Unstable environment

We continue to see global uncertainty and an unstable environment. As a company, we constantly adapt to the current conditions, with a focus on streamlining day-to-day operations, taking care of our customers, properties and financing. Despite an unstable environment, Balder is experiencing a period that is not particularly eventful in operational terms. We continue to see a positive trend in the net operating profit, and we are gradually adjusting operations to increase our efficiency.

Finally, I would like to thank all employees for their daily engagement, hard work and flexibility, which all contribute to Balder's continued success!

Erik Selin

Chief Executive Officer



FORECAST AND CURRENT EARNING CAPACITY

UNCHANGED FORECAST FOR 2023

For 2023, the profit from property management¹⁾, i.e. the profit before changes in value and tax, with the current property portfolio, acquisitions and divestments announced, and at current exchange rates, is expected to amount to SEK 6,200m. This forecast was announced in connection with the issuing of the year-end report for January–December 2022.

CURRENT EARNING CAPACITY

Balder presents its earning capacity on a twelve-month basis in the table below. It is important to note that the current earning capacity should not be placed on a par with a forecast for the coming twelve months. The earning capacity does not contain, for example, an estimate of rental, vacancy, currency or interest rate changes.

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

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

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

CURRENT EARNING CAPACITY ON A TWELVE-MONTH BASIS

SEKm	2023 30 Sept	2023 30 Jun	2023 31 Mar	2022 31 Dec	2022 30 Sept	2022 30 Jun	2022 31 Mar	2021 31 Dec	2021 30 Sept	2021 30 Jun	2021 31 Mar
Rental income	12,100	12,000	11,650	11,600	10,750	10,350	10,135	9,710	9,150	9,100	8,505
Property costs	-2,950	-2,925	-2,800	-2,735	-2,565	-2,470	-2,445	-2,370	-2,230	-2,220	-2,210
Net operating income	9,150	9,075	8,850	8,865	8,185	7,880	7,690	7,340	6,920	6,880	6,295
Surplus ratio, %	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	74%
Management and administrative costs	-1,100	-1,100	-1,050	-1,035	-1,000	-990	-980	-830	-780	-770	-720
Profit from property management from associated companies	1,950	1,850	1,850	1,850	1,800	1,780	1,760	1,650	1,500	1,370	1,340
Operating profit	10,000	9,825	9,650	9,680	8,985	8,670	8,470	8,160	7,640	7,480	6,915
Net financial items, including ground rent	-3,900	-3,600	-3,300	-2,900	-2,550	-2,220	-2,020	-1,750	-1,600	-1,600	-1,580
Of which non-controlling interests	-400	-410	-410	-560	-550	-580	-630	-630	-610	-605	-625
Profit from property management¹⁾	5,700	5,815	5,940	6,220	5,885	5,870	5,820	5,780	5,430	5,275	4,710
Tax ²⁾	-1,190	-1,200	-1,230	-1,305	-1,240	-1,250	-1,240	-1,230	-1,130	-1,085	-975
Profit after tax	4,510	4,615	4,710	4,915	4,645	4,620	4,580	4,550	4,300	4,190	3,735
Profit from property management per share, SEK	4.94	5.04	5.15	5.39	5.26	5.25	5.20	5.17	4.85	4.71	4.21

1) Attributable to the parent company's shareholders.

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

In the current earning capacity as of 30 September 2023, the following exchange rates were used to translate foreign subsidiaries' income statement items.

EUR: 11.49

DKK: 1.54

NOK: 1.02

GBP: 13.27

INCOME, COSTS AND RESULTS

Profit from property management

Profit from property management for the period amounted to SEK 5,009m (5,030), of which the effect of exchange rate fluctuations amounted to SEK 88m (76). Profit from property management attributable to the parent company's shareholders amounted to SEK 4,683m (4,601), corresponding to a decrease per share of 1% to SEK 4.06 (4.11). Profit from property management includes SEK 1,425m (1,453) in respect of associated companies.

Profit after tax

Net profit after tax for the period amounted to SEK -2,486m (10,277). Net profit after tax attributable to the parent company's shareholders amounted to SEK -1,978m (9,329), corresponding to SEK -1.71 per share (8.34). Profit before tax was impacted by unrealised changes in the value of investment properties of SEK -5,995m (6,213), realised changes in the value of investment properties of SEK 6m (58), net profit from the sale of development properties of SEK 337m (69), changes in value in interest rate derivatives and option component convertible of SEK 212m (1,334) and profit from participations in associated companies of SEK -989m (873).

Rental income

Rental income increased by 15% to SEK 8,855m (7,716), of which the effect of changes in exchange rate fluctuations was SEK 338m (158). This increase is due to acquisitions and completed projects for own management, as well as an increase in the index for commercial premises and increased residential rents.

The lease portfolio had a rental value on 30 September of SEK 12,659m (11,186). The average rental level for the whole property portfolio amounted to SEK 2,116/sq.m. (1,930) excluding project properties.

Rental income in a comparable portfolio increased by 5.2% (2.5) after adjustment for changes in exchange rates.

Rental income shows a considerable diversification of risk with regard

to tenants, sectors and locations. The economic occupancy rate as of 30 September was 96% (96). The total rental value of unlet areas at the end of the period amounted to SEK 559m (436).

Property costs

Property costs for the period amounted to SEK -2,215m (-1,984), of which the effect of changes in exchange rates amounted to SEK -97m (-38).

Net operating income increased by 16% to SEK 6,640m (5,732), representing a surplus ratio of 75% (74).

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

Management and administrative costs

Management and administrative costs for the period amounted to SEK -790m (-760), of which the effect of changes in exchange rates amounted to SEK -40m (-18).

Participations in profits of associated companies/joint ventures

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

Profit from participations in associated companies/joint ventures during the period amounted to SEK -989m (873) and Balder's participation in the associated companies' profit from property management amounted to SEK 1,425m (1,453).

Profit before tax was impacted by SEK -2,477m (-54) as a result of unrealised changes in value in respect of the properties and interest rate derivatives. The tax expense for the period amounted to SEK 63m (-525).



Net financial items and changes in the value of derivatives

Net financial items amounted to SEK -2,264m (-1,382), of which the effect of changes in exchange rates amounted to SEK -112m (-27).

Changes in value of interest rate derivatives and option component convertible amounted to SEK 212m (1,334). Unrealised changes in value do not affect cash flow. The average interest rate for net financial items as of 30 September was 2.8% (1.9).

As of 30 September, available liquidity including confirmed loan commitments was SEK 18,535 billion (26,029).

The net debt/EBITDA at the end of the quarter was 12.7 times (13.5). This key ratio is moving in the right direction, with the improvement coming from a combination of reduced net debt and increased income from our existing property portfolio and the completion of projects.

Changes in value of investment properties

Balder conducted an individual internal valuation of the entire property portfolio as of 30 September, see also page 9. Unrealised changes in value for the period amounted to SEK -5,995m (6,213). Realised changes in value amounted to SEK 6m (58). The average yield requirement as of 30 September amounted to 4.8% (4.4), which is 0.2 percentage points higher compared to the year-end. The change in value during the period is mainly attributable to the increased estimated yield requirement.

Profit from sales of development properties

The profit from the sales of development properties is recognised when the buyer takes possession of the property. In addition to the cost, selling and marketing expenses are also included, which are recognised as expenses on an ongoing basis. These amounted to SEK -21m (-15) during the period.

Four projects were recognised as income during the period. The net profit from sales for the period amounted to SEK 337m (69) after the deduction of selling and marketing expenses, and includes the sale of development projects in Sweden and Denmark: Bovieran Helsing Ås, Brf Glasbruket i Majorna, Brf Bovieran Svedala and Brf Glasbruksgården vid Västra Gatan.

Tax

The Group's total tax amounted to SEK 360m (-1,849), of which the effect of changes in exchange rates amounted to SEK 22m (-46). The current tax expense for the period amounted to SEK -165m (-486). The current tax expense attributable to the parent company's shareholders amounted to SEK -125m (-324).

The deferred tax expense for the period amounted to SEK 525m (-1,363).

Tax has been calculated using the current tax rate in each country. The Group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary difference between the carrying amounts and values for tax purposes primarily of properties and interest rate derivatives. The deferred tax liability amounted to SEK 17,407m (17,589).

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 3,216m (3,325). Investing activities burdened cash flow by a net figure of SEK -5,412m (-10,014). Cash flow from financing activities amounted to SEK -806m net (8,207).

Total cash flow for the period was SEK -1,572m (1,393). The exchange rate difference in cash and cash equivalents amounted to SEK 48m (34).

In addition to unutilised credit facilities of SEK 12,479m (20,242), the Group's cash and cash equivalents, financial investments and unutilised overdraft facilities amounted to SEK 6,056m (5,787) as of 30 September. Available liquidity including confirmed credit commitments thus amounted to SEK 18,535m (26,029).

Third quarter 2023

Profit from property management for the third quarter 2023 amounted to SEK 1,707m (1,863). Profit from property management attributable to parent company's shareholders for the third quarter 2023 decreased by 8% and amounted to SEK 1,584m (1,718), corresponding to SEK 1.37 per share (1.54). Profit from property management included SEK 496m (550) in respect of associated companies. Rental income amounted to SEK 3,017m (2,659) and property costs amounted to SEK -676m (-645), which meant that net operating income increased by 16% to SEK 2,341m (2,015), of which the effect of changes in exchange rates was SEK 77m (42). The surplus ratio amounted to 78% (76).

Net profit after tax for the period amounted to SEK -1,067m (777). Profit after tax attributable to the parent company's shareholders amounted to SEK -1,060m (613), corresponding to SEK -0.92 per share (0.55). Profit was impacted by unrealised changes in the value of investment properties of SEK -1,749m (626), realised changes in the value of investment properties of SEK -21m (23), net profit from the sale of development properties of SEK 115m (46), changes in value in interest rate derivatives and option component convertible of SEK 107m (135) and profit from participations in associated companies of SEK -773m (-1,107). The Group's total tax amounted to SEK 43m (-259). The current tax expense for the period amounted to SEK -57m (-102). The deferred tax income for the period amounted to SEK 100m (-157). The deferred tax was affected by positive exchange rate differences that arose from the translation of the parent company's euro bonds during the quarter. In the Group, these are used for hedging foreign net investments and are transferred to "Other comprehensive income".

Employees and organisation

As of 30 September, the Group had 1,145 co-responsibles (1,145), of whom 479 were women (479). Balder is organised into seven regions. The head office with Group-wide functions is located in Gothenburg.

Parent Company

The parent company's operations consist primarily of performing Group-wide services, but an important part also relates to sales of services, principally to associated companies. Net sales in the parent company amounted to SEK 382m (454) during the period.

Net profit after tax for the period amounted to SEK 1,829m (8,554). Other net financial items amounted to SEK 1,599m (-2,376), of which exchange rate differences amounted to SEK -4m (-2,498), changes in value in respect of interest rate derivatives and option component convertible amounted to SEK 265m (1,154).

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

PROPERTY PORTFOLIO

On 30 September, Balder owned 1,882 investment properties (1,806) with a lettable area of 5,971,000 sq.m. (5,779,000) at a value of SEK 215,060m (209,717). Balder's total rental value excluding projects amounted to SEK 12,637m (11,153).

In addition to investment properties, Balder owns development properties with an acquisition cost of SEK 3,567m (3,436). The value of the total property portfolio amounted to SEK 218,626m (213,153).

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

BALDER'S PROPERTY PORTFOLIO AS OF 30/09/2023¹⁾

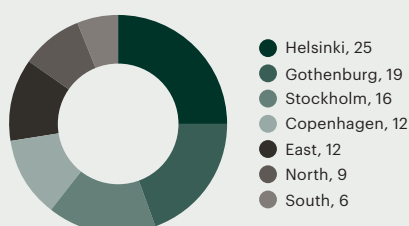
	Number of investment properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Helsinki	762	1,314,538	3,516	2,675	3,350	95	55,130	25
Stockholm	92	821,992	1,886	2,294	1,750	93	33,442	15
Gothenburg	200	1,194,573	2,175	1,821	2,086	96	38,754	18
Copenhagen	27	387,147	1,170	3,023	1,154	99	25,435	12
South	90	475,488	858	1,804	819	95	13,497	6
East	455	914,984	1,710	1,868	1,663	97	23,773	11
North	256	862,437	1,322	1,533	1,255	95	19,183	9
Total excluding projects	1,882	5,971,159	12,637	2,116	12,078	96	209,214	96
Projects for own management			22		22		5,846	3
Total investment properties	1,882	5,971,159	12,659	2,116	12,100	96	215,060	98
Development properties							3,567	2
Total property portfolio	1,882	5,971,159	12,659	2,116	12,100	96	218,626	100

Distributed by property category

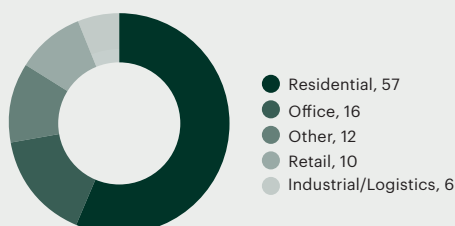
Residential	1,383	3,001,053	6,774	2,257	6,512	96	115,425	53
Office	105	694,099	1,876	2,703	1,721	92	34,150	16
Retail	144	1,007,522	1,663	1,651	1,599	96	21,469	10
Industrial/Logistics	167	648,818	956	1,474	899	94	13,081	6
Other	83	619,667	1,367	2,206	1,347	98	25,089	11
Total excluding projects	1,882	5,971,159	12,637	2,116	12,078	96	209,214	96
Projects for own management			22		22		5,846	3
Total investment properties	1,882	5,971,159	12,659	2,116	12,100	96	215,060	98
Development properties							3,567	2
Total property portfolio	1,882	5,971,159	12,659	2,116	12,100	96	218,626	100

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

CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL PROPERTY PORTFOLIO, %



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



CHANGES IN PROPERTY PORTFOLIO

Investment properties

Balder's investment properties are reported on the basis of internal valuations. The properties in Sweden, Denmark, Finland, Norway, Germany and the UK are valued using the yield method.

In Finland, the acquisition cost method is used in addition to the yield method.

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

Balder has increased the yield requirement in the valuations of the investment properties in the period by 0.2 percentage points compared with the year-end. The increased estimated yield requirement is explained by the uncertain market situation and rising market interest rates. As of 30 September, Balder's average yield requirement was 4.8% (4.4) excluding project properties for own management. The average yield requirement for residential properties amounted to 4.3% and for commercial properties 5.3%. In order to quality-assure its internal valuations, Balder allows parts of the portfolio to be valued externally on an ongoing basis and obtains second opinions¹⁾ on the internal valuations. Historically, deviations between external and internal valuations have been insignificant.

Unrealised changes in value of investment properties

The overall carrying amount of Balder's investment properties amounted to SEK 215,060m (209,717) on 30 September. The unrealised change in value during the period amounted to SEK -5,995m (6,213).

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

Investments, acquisitions and divestments

During the period, a total of SEK 4,923m (11,029) was invested in respect of investment properties, of which SEK 418m (4,824) related to acquisitions and SEK 4,505m (6,205) related to investments in existing properties and projects for own management. Investment properties as well as condominiums and land were divested during the period with a sales value of SEK 650m (2,772). Realised changes in value from the divestments amounted to SEK 6m (58).

CHANGE IN CARRYING AMOUNT OF PROPERTIES

	2023		2022	
	SEKm	Number ²⁾	SEKm	Number ²⁾
Investment properties, 1 January	213,932	1,841	189,138	1,678
Investments in existing properties and projects	4,505		6,205	
Acquisitions	418	2	4,824	23
Divestments	-644	-12	-2,714	-65
Changes in value of investment properties, unrealised	-5,995		6,213	
Currency changes	2,843		6,049	
Reclassification	-	51	-	170
Investment properties, 30 September	215,060	1,882	209,717	1,806
Development properties, 1 January	3,421		2,697	
Investments in projects	1,376		1,223	
Divestments	-1,230		-484	
Development properties, 30 September	3,567		3,436	
Total property portfolio, 30 September	218,626		213,153	

1) Statement from an external valuation firm in respect of the suitability of the valuation methods, the information sources used and the quality and credibility of the valuation.

2) Number of investment properties.

PROPERTY DEVELOPMENT

Within the framework 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 tenant-owner apartments, but also commercial properties.

Projects for own management

Projects for own management that are under construction have an estimated total investment of SEK 4.0 billion (11.8), of which SEK 2.8 billion (8.3) is invested and SEK 1.2 billion (3.5) remains to be invested. Most of the projects in progress relate to residential projects with condominiums that are rented out. The projects comprise about 1,600 apartments (4,720) and relate primarily to projects in Finland and Denmark.

Development properties for sale

A development property is a property that is owned for upgrading with a view to being divested. These properties are recognised at cost on an ongoing basis, and a net profit is recognised when each property is completed, sold and handed over to the buyer.

Development projects that are under construction have an estimated total investment of SEK 4.0 billion (3.9), of which SEK 2.4 billion (2.0) is invested and SEK 1.6 billion (1.9) is still to be invested. All of the projects relate to residential projects that will be sold to end customers.

The sales results from two development projects (1), Brf Glasbruksgård vid Västra Gatan and Brf Bovieran Svedala, are reported in the third quarter. The cost of these projects amounted to SEK -582m (-239) and the profit from sales amounted to SEK 122m (51), excluding marketing and sales costs for the quarter of SEK -7m (-5) relating to all development properties.

The cost of all projects divested during the period amounted to SEK -1,251m (-499) and the profit from sales amounted to SEK 358m (84), excluding sales and marketing expenses for the period of SEK -21m (-15) in respect of all development properties.



PROJECT PROPERTIES FOR OWN MANAGEMENT – UNDER CONSTRUCTION

Country	Region	Project	Property category	Lettable area, sq.m.	Number apartments	Total estimated investment, SEKm	Estimated completion
Denmark	Copenhagen	Strandby Huse	Residential	3,024	48	166	Q4 2023
Finland	Helsinki	Kotkatie 6	Residential	3,793	100	212	Q4 2023
Finland	Helsinki	Sorakatu 9	Residential	2,790	77	141	Q4 2023
Finland	Helsinki	Kirkkonummen Tinankulma	Residential	1,147	25	58	Q4 2023
Finland	Helsinki	Porvoon Horisontti	Residential	1,484	54	79	Q4 2023
Finland	East	Oulun Tervapääsky	Residential	2,470	68	112	Q4 2023
Finland	East	Kangasalan Kuningatar	Residential	2,861	95	123	Q4 2023
Finland	Helsinki	Kirkkonummen Tinapuisto	Residential	1,147	25	50	Q1 2024
Finland	Helsinki	Patljoonantie 3-5	Residential	4,649	92	221	Q1 2024
Finland	East	Nokian Ylpeys	Residential	2,244	88	101	Q1 2024
Sweden	Stockholm	Hedin Akalla	Commercial	10,859	-	230	Q1 2024
Sweden	Stockholm	Mörtlösa MG Ford	Commercial	7,276	-	216	Q3 2024
Denmark	Copenhagen	Strandby Høje	Residential	19,817	289	1,029	Q3 2024
Finland	Helsinki	Peijinkuja 6	Residential	6,099	136	379	Q3 2024
Finland	Helsinki	Piejinkuja 10	Residential	4,500	121	275	Q4 2024
Finland	East	Kangasalan Kuningas	Residential	4,589	140	197	Q4 2024
Finland	East	Turun Huoleton	Residential	4,100	132	210	Q1 2025
Finland	East	Turun Rento	Residential	2,965	94	155	Q3 2025
Total				85,814	1,584	3,955	

DEVELOPMENT PROPERTIES FOR SALE – UNDER CONSTRUCTION

Country	Region	Project	Property category	Lettable area, sq.m.	Number apartments	Total estimated investment, SEKm	Estimated completion
Sweden	Gothenburg	Hovås Höjd	Residential	10,771	148	569	Q4 2023
Sweden	Stockholm	Caprea	Residential	3,742	28	550	Q4 2023
Sweden	Gothenburg	Frölunda	Residential	19,996	392	900	Q2 2024
Sweden	Stockholm	Fabrique 46	Residential	7,393	138	702	Q2 2024
Sweden	Gothenburg	Bohusgatan Rubinen	Residential	6,153	93	429	Q1 2026
Sweden	Gothenburg	Bohusgatan Safiren	Residential	5,570	99	401	Q3 2026
Sweden	Gothenburg	Bohusgatan Spinellen	Residential	7,133	134	486	Q2 2027
Total				60,758	1,032	4,037	
Total under construction				146,572	2,616	7,991	

FUTURE PROJECTS ESTIMATED CONSTRUCTION START 2025 AND ONWARDS

Country	Region	Gross area, sq.m.	Number of apartments
Sweden	Gothenburg	882,406	7,116
Sweden	Stockholm	537,106	4,707
Finland	Helsinki	282,737	5,238
Finland	East	31,110	660
Norway	Oslo	7,000	100
Denmark	Copenhagen	40,024	225
Total		1,780,383	18,046

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



CUSTOMERS

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

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

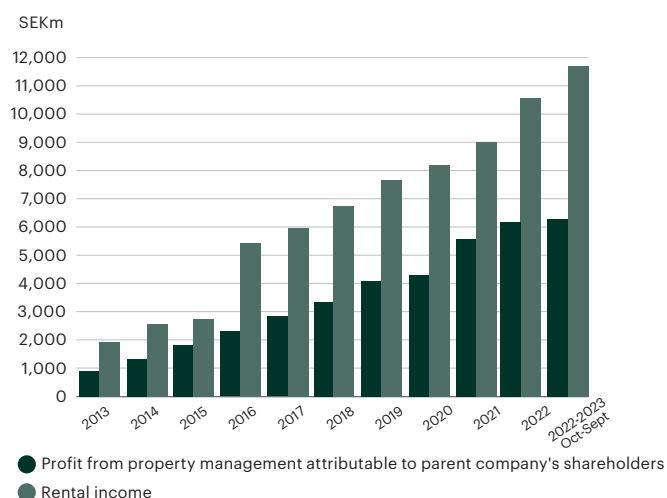
Balder's commercial leases have an average lease term of 6.6 years (6.2). Balder's ten biggest leases account for 3.8% (3.6) of total rental income, and their average lease term is 13.1 years (9.6).

LEASE MATURITY STRUCTURE, 30/09/2023

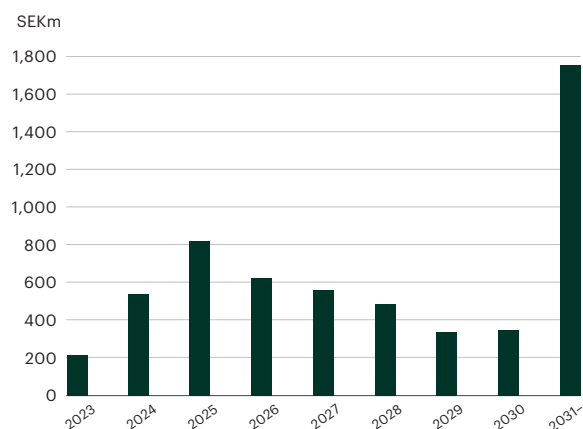
Maturity date	Number of leases	Share, %	Contracted rent, SEKm	Share, %
2023	358	8	209	2
2024	1,707	36	531	4
2025	948	20	813	7
2026	659	14	616	5
2027–	1,050	22	3,455	29
Total	4,722	100	5,625	46
Residential ¹⁾	47,509		6,333	52
Car park ¹⁾	11,768		53	0
Garage ¹⁾	6,289		88	1
Total	70,288		12,100	100

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

RENTAL INCOME AND PROFIT FROM PROPERTY MANAGEMENT



MATURITY STRUCTURE OF COMMERCIAL LEASE CONTRACTS



FINANCING

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

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

Balder may from time to time seek to retire or repurchase outstanding debt through open market purchases, privately negotiated transactions, tender offers, exchange offers or other agreements. Such repurchases, if any, will depend on market conditions, liquidity requirements, contractual restrictions and other factors. The amounts subject to such repurchases may be material. During 2023 10% of outstanding hybrid capital was repurchased, corresponding to SEK 510m.

During the third quarter, interest-bearing liabilities decreased by SEK 4.3 billion, of which approximately SEK 2.5 billion is a consequence of a stronger Swedish krona. Balder has continued to take up bank financing in order to further strengthen the liquidity and to repurchase bonds. Balder's presence in the Swedish and international capital markets continues to be strategically important in the longer term. In view of the current market conditions, however, the focus will be on bank financing for some time.

As of the end of the quarter, available liquidity including confirmed loan commitments was SEK 19 billion (26). The available liquidity can fluctuate somewhat between quarters, depending on the timing of bank negotiations, currency movements and maturities. Balder will, however, maintain a level of liquidity in line with recent quarters, for as long as the company considers the financing markets to be strained.

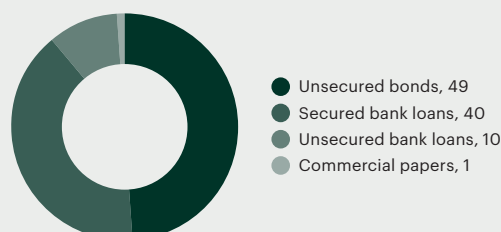
Balder's interest rate refixing period as of 30 September was 3.2 years, and the fixed credit term was 5.5 years. As of 30 September, approximately 70% of loans were hedged with interest rate swaps and fixed-rate loans.

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

FINANCIAL KEY RATIOS	2023 30 Sept	2022 30 Sept	2022 31 Dec
Interest-bearing liabilities excl. Hybrid capital, SEKm	132,731	124,503	130,310
Hybrid capital, SEKm	4,593	8,352	4,942
Available liquidity including confirmed loan commitments, SEKm	18,535	26,029	25,771
Average fixed credit term, years	5.5	5.7	5.7
Average interest rate refixing period, years	3.2	3.3	3.5
Net debt/EBITDA, times	12.7	13.5	13.4
Financial covenants			
Net debt to total assets < 65, %	49.1	47.7	47.9
Interest coverage ratio > 1.8, times	3.4	5.2	4.7
Secured debt/Total assets < 45, %	20.9	16.4	17.9
Credit rating S&P	BBB Negative outlook	BBB Stable outlook	BBB Negative outlook

FINANCIAL TARGETS		Target	Outcome
Equity/assets ratio, %	min.	40.0	39.0
Net debt to total assets, %	max.	50.0	49.1
Interest coverage ratio, times	min.	2.0	3.4
Net debt/EBITDA, times (rolling twelve months)	max.	11.0	12.7

FINANCING SOURCES, %



DISTRIBUTION OF SECURED AND UNSECURED LOANS, SEKm



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES 30/09/2023

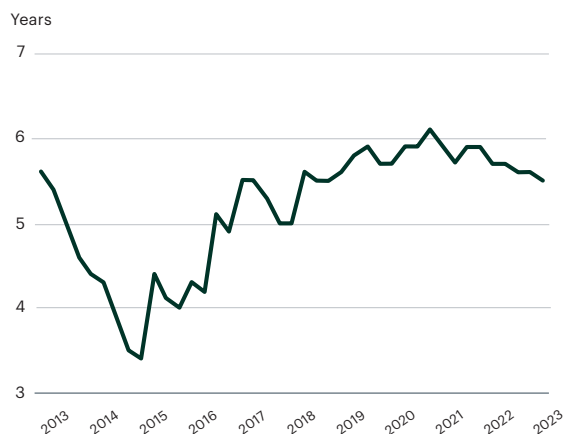
Year	SEKm	Share, %
2023	3,483	3
2024	10,978	8
2025	21,576	16
2026	25,171	18
2027	16,312	12
2028	15,016	11
2029	8,009	6
2030	8,803	6
2031	7,136	5
2032	381	0
2033-	20,459	15
Total	137,324	100

INTEREST FIXING STRUCTURE 30/09/2023

Year	SEKm	Interest, %	Share, %
2023	35,799	4.3*	26
2024	10,593	3.4	8
2025	10,088	2.6	7
2026	13,163	2.5	10
2027	14,243	1.7	10
2028	13,725	3.4	10
2029	15,753	1.4	11
2030	8,525	1.9	6
2031	8,734	1.7	6
2032	2,805	2.5	2
2033-	3,896	2.0	3
Total	137,324	2.8	100

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

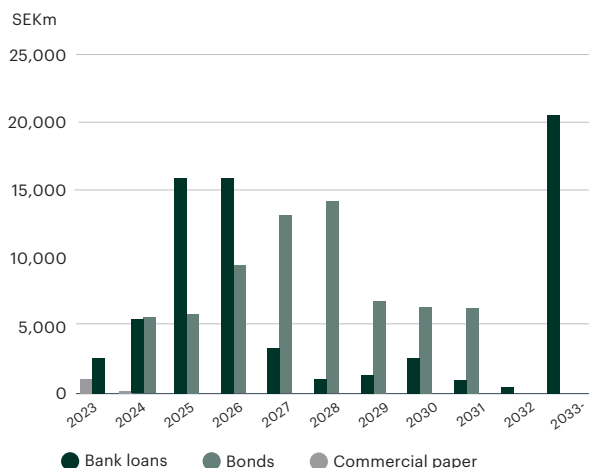
AVERAGE FIXED CREDIT TERM INTEREST-BEARING LIABILITIES



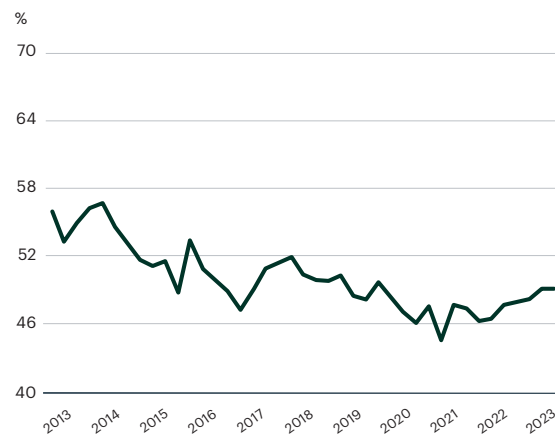
AVERAGE FIXED INTEREST TERM



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES



NET DEBT TO TOTAL ASSETS



SUSTAINABILITY

Balder's sustainability work

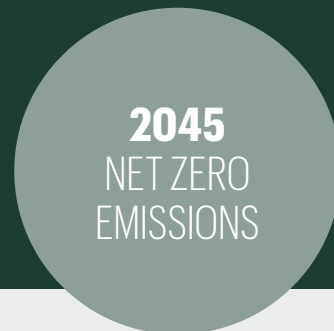
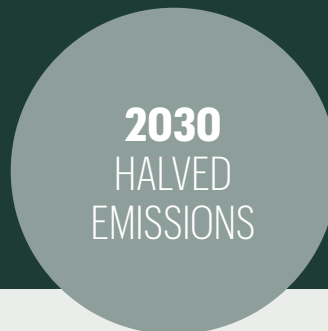
As a long-term property owner, Balder strives to assume social, environmental and financial responsibility. This includes not only minimising the environmental impact of operations, but also maximising the positive impact on society, both locally and globally.

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



Climate goals

Balder has set climate goals in line with the Paris Agreement, and shall more than halve emissions in its own operations by 2030, with 2022 as the base year, and to measure and reduce emissions in the value chain (Scope 3). The company has also set a goal to achieve net zero emissions throughout the value chain (Scope 1, 2 and 3) by 2045. The goals have been submitted to the Science Based Targets Initiative for approval. A roadmap will be produced towards the end of 2023 to specify which measures are required for the business to achieve its climate goals.



BALDER'S SUSTAINABILITY FRAMEWORK



PROPERTIES



AREAS



PARTNERSHIPS



COWORKERS



FINANCES

MATERIAL TOPICS

- Energy efficiency and renewable energy sources
- Greenhouse gas emissions and climate adaptation
- Environmentally certified properties
- Minimise waste and increase degree of sorting

- Safety and well-being of tenants
- Area development for social sustainability
- Responsible, fossil-free transport operations

- Business ethics and responsible collaboration
- Social and environmental requirements in supply chain

- Good work environment with satisfied employees
- Diversity and equal opportunity

- Long-term financial stability and profitability
- Green financing

GOALS

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

COLLABORATION FOR NEIGHBOURHOOD DEVELOPMENT IN GOTHENBURG'S SUBURBS

Since 2013, Balder owns, manages and develops residential areas in Bergsjön and Västra Frölunda in Gothenburg. During this ten-year period, Balder has been working to enhance the existing property portfolio and create more homes with various forms of tenure. Gothenburg celebrated its 400th anniversary in the summer of 2023, and alongside this the Prototyp Göteborg initiative provided opportunities for panel discussions and guided tours of a number of city districts. Employees from Balder took part in discussions on collaboration for social sustainability and co-creation between the city, property owners and residents.

Balder acquired around 800 apartments in Bergsjön in 2013. The property portfolio now consists of more than 1,000 rental apartments and over 70 tenant-owner apartments. The existing residential area has undergone continuous renovations and maintenance, including enhanced outdoor environments for increased safety and well-being. Focusing on children and young people in the residential area, activities are created to promote a sense of safety based on measures such as help with homework, summer jobs, swimming lessons, vocational training and meaningful leisure activities. Balder's Customer Satisfaction Index (CSI) for safety increased by 19.5% in Bergsjön between 2015 and 2021. The rating for Clean & Tidy rose by almost 16% during the same period.

In Västra Frölunda, Balder's portfolio has grown from around 560 rental apartments in 2013 to a current level of around 1,230 apartments, consisting of both rental apartments and tenant-owner apartments. With its local presence, Balder has worked together with tenants to increase the level of cleanliness, both outdoors and indoors. The CSI for the outdoor environment increased by almost 20% between 2015 and 2021. The initiatives and partnerships in the area are in line with what is being done in Bergsjön: help with homework, summer jobs, holiday activities and parents' groups, etc. Involving and inspiring children and young people at an early stage to pursue education that also contributes to increased employability is crucial.

Participation and influence are keywords. Balder's conviction about local presence and proximity to the customer is based on relationships and trust. Creating things together is a long-term process.



Representatives from Balder took part in panel discussions and guided tours of the city to explain how Balder, together with residents of Bergsjön and Västra Frölunda, is delivering development and work on social sustainability on site.

POSITIVE MOMENTUM IN BALDER'S ESG RATING

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

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

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ASSOCIATED COMPANIES

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

Balder invested SEK 342m in associated companies during the period.

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

BALDER'S PARTICIPATION IN THE PROPERTY MANAGING ASSOCIATED COMPANIES' PROPERTY PORTFOLIO AS OF 30/09/2023⁵⁾

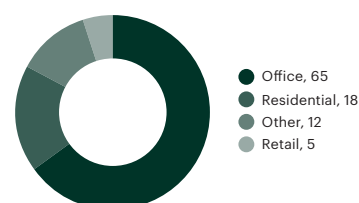
	Number of investment properties ⁶⁾	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	126	178,217	372	2,088	351	94	6,869	13
Gothenburg	106	253,208	333	1,317	321	96	4,772	9
South	160	158,060	251	1,587	243	97	3,918	8
East	67	117,230	169	1,439	165	98	2,491	5
North	45	186,731	380	2,034	361	95	6,764	13
Oslo	74	442,788	1,202	2,714	1,165	97	24,421	47
Total excluding projects	578	1,336,235	2,707	2,026	2,606	96	49,236	94
Projects for own management			-		-		3,004	6
Total property portfolio	578	1,336,235	2,707	2,026	2,606	96	52,239	100
Distributed by property category								
Residential	142	197,446	382	1,935	368	96	7,754	15
Office	144	689,923	1,710	2,479	1,647	96	32,791	63
Retail	62	142,642	204	1,429	199	98	2,720	5
Other	230	306,224	411	1,341	393	96	5,970	11
Total excluding projects	578	1,336,235	2,707	2,026	2,606	96	49,236	94
Projects for own management			-		-		3,004	6
Total property portfolio	578	1,336,235	2,707	2,026	2,606	96	52,239	100

- Balder's market value (share price) of Norion Bank AB (publ) as of 30 September 2023 amounted to SEK 3,190m. Balder classifies the holding in Norion as an associated company. The holding is long-term and there is no indication of a need for a write-down.
- Balder's market value (share price) of Entra ASA as of 30 September 2023 amounted to SEK 7,279m. Balder's participation in Entra's net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding.
- Balder's market value (share price) of Stenhus Fastigheter i Norden AB (publ) as of 30 September 2023 amounted to SEK 555m. Balder's participation in Stenhus' net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding.
- Balder's market value (share price) of Brinova Fastigheter AB (publ) as of 30 September 2023 amounted to SEK 258m. Balder's participation in Brinova's net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding. The share of the vote is 31.4%.
- The above table refers to properties that the associated companies owned at the end of the period. Properties sold have been excluded and properties acquired have been adjusted to full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties.
- Refers to the entire associated companies' portfolio.

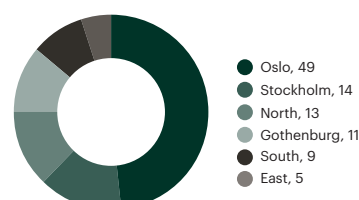
BALDER'S PARTICIPATION IN THE BALANCE SHEETS OF THE PROPERTY MANAGING ASSOCIATED COMPANIES

SEKm	2023 30 Sept	2022 30 Sept	2022 31 Dec
Assets			
Properties	52,239	55,518	55,758
Other assets	2,863	2,377	2,441
Cash and cash equivalents	351	712	523
Total assets	55,454	58,607	58,723
Equity and liabilities			
Equity/interest-bearing shareholder loan	22,842	24,589	24,241
Deferred tax liability	4,425	4,904	5,087
Interest-bearing liabilities	26,678	27,420	27,799
Other liabilities	1,508	1,693	1,596
Total equity and liabilities	55,454	58,607	58,723

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



CARRYING AMOUNT DISTRIBUTED BY REGION, TOTAL PROPERTY PORTFOLIO, %



OTHER DISCLOSURES

Events after the end of the period

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

Related party transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 72m (63) during the period and are recognised in management and administrative costs. During the period, construction services were purchased from Tommy Byggare AB to the order of SEK 19m (92). All transactions have been priced on market terms.

Risks and uncertainties

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

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This 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 Swedish Annual Accounts Act, the Swedish Securities Markets Act and RFR 2, Accounting for Legal Entities. The accounting policies follow those reported in the Annual Report 2022.

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

Recognition of convertible bond

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

Nomination committee

At the Annual General Meeting on 11 May 2023, it was decided that the nomination committee shall be composed of one representative for each of the three largest shareholders or ownership spheres, as well as Chairman of the Board Christina Rogestam, who represents the other shareholders. The members of the nomination committee shall be announced no later than six months before the Annual General Meeting 2024 and shall be based on known ownership immediately prior to publication. In accordance with this decision, the following nomination committee has been formed, based on ownership as of 30 September 2023 and known changes thereafter:

- Jesper Mårtensson, representing Erik Selin Fastigheter AB
- Rikard Svensson, representing Arvid Svensson Invest AB
- Patricia Hedelius, representing AMF Tjänstepension och Fonder
- Christina Rogestam, Chairman of the Board

The Annual General Meeting will be held in Gothenburg on Friday 3 May 2024. Shareholders wishing to make contact with the nomination committee may do so by sending an email to info@balder.se.

Gothenburg, 27 October 2023

Erik Selin
Chief Executive Officer

AUDITOR'S REPORT

Auditor's report

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

Introduction

We have conducted a limited assurance review of the condensed interim financial information (interim report) for Fastighets AB Balder (publ) as of 30 September 2023 and the nine-month period that ended on this date. The Board of Directors and the CEO are responsible for preparing and presenting this financial interim information in accordance with IAS 34 and the Swedish Annual Accounts Act. It is our responsibility to express a conclusion on this interim report on the basis of our limited assurance review.

The emphasis and scope of the limited assurance review

We have conducted our limited assurance 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 limited assurance review consists of making enquiries, in the first instance to people responsible for financial and accounting matters, to conduct an analytical review and to take other limited assurance review measures. A limited assurance review has a different emphasis and is substantially less exhaustive in scope compared with the emphasis and scope of an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards. The review measures taken in a limited assurance review do not enable us to obtain a sufficient degree of assurance to make us aware of all material circumstances that might have been identified if an audit had been conducted. The conclusion expressed on the basis of a limited assurance review does not therefore have the same degree of assurance as a conclusion expressed on the basis of an audit.

Conclusion

On the basis of our limited assurance review, no circumstances have been identified that give us reason to believe that the interim report has not, in all material respects, been prepared on the part of the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and on the part of the parent company in accordance with the Swedish Annual Accounts Act.

Gothenburg, 27 October 2023
Öhrlings PricewaterhouseCoopers AB

Bengt Kron
Authorised Public Accountant
Auditor in charge

Konstantin Belogorcev
Authorised Public Accountant

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Rental income	3,017	2,659	8,855	7,716	11,660	10,521
Property costs	-676	-645	-2,215	-1,984	-2,955	-2,725
Net operating income	2,341	2,015	6,640	5,732	8,705	7,796
Management and administrative costs	-250	-246	-790	-760	-1,049	-1,019
Participation in profits from associated companies/joint ventures	-773	-1,107	-989	873	-861	1,002
– of which profit from property management	496	550	1,425	1,453	1,902	1,929
– of which changes in value	-1,403	-1,804	-2,477	-54	-2,855	-433
– of which tax	134	147	63	-525	93	-495
Other income/costs	1	9	-2	-13	-7	-17
Net financial items	-881	-464	-2,264	-1,382	-2,912	-2,031
– of which cost of leases/ground rent	-23	-19	-63	-56	-83	-76
Profit including changes in value and tax in associated companies	438	207	2,595	4,450	3,876	5,732
– of which Profit from property management	1,707	1,863	5,009	5,030	6,638	6,659
<i>Changes in value</i>						
Changes in value of investment properties, realised	-21	23	6	58	59	111
Changes in value of investment properties, unrealised	-1,749	626	-5,995	6,213	-6,790	5,419
Income sale development properties	697	285	1,588	568	2,156	1,136
Costs sale development properties	-582	-239	-1,251	-499	-1,779	-1,027
Changes in value of derivatives	107	135	212	1,334	494	1,617
Changes in value, total	-1,547	829	-5,441	7,675	-5,860	7,257
Profit before tax	-1,109	1,036	-2,846	12,126	-1,984	12,988
Income tax	43	-259	360	-1,849	210	-1,999
Net profit for the period/year	-1,067	777	-2,486	10,277	-1,774	10,989
<i>Net profit for the period/year attributable to:</i>						
Parent company's shareholders	-1,060	613	-1,978	9,329	-1,133	10,175
Non-controlling interests	-7	164	-508	948	-642	814
	-1,067	777	-2,486	10,277	-1,774	10,989
Other comprehensive income – items that may be reclassified to net profit/loss for the period						
Translation difference relating to foreign operations (net after hedge accounting)	-554	296	699	985	719	1,005
Cash flow hedges after tax	-4	167	63	418	60	414
Participation in other comprehensive income from associated companies/joint ventures	141	199	-578	277	-389	466
Comprehensive income for the period/year	-1,485	1,439	-2,302	11,957	-1,384	12,875
<i>Total comprehensive income for the period/year attributable to:</i>						
Parent company's shareholders	-1,156	939	-2,234	10,075	-1,405	10,903
Non-controlling interests	-328	501	-68	1,882	21	1,972
	-1,485	1,439	-2,302	11,957	-1,384	12,875
Profit from property management	1,707	1,863	5,009	5,030	6,638	6,659
Of which non-controlling interests part of profit from property management	-123	-145	-325	-428	-417	-521
Profit from property management attributable to parent company's shareholders	1,584	1,718	4,683	4,601	6,221	6,139
Profit from property management per share, SEK	1.37	1.54	4.06	4.11	5.43	5.48
Profit after tax per share, SEK	-0.92	0.55	-1.71	8.34	-0.99	9.09
Profit after tax per share after dilution of convertible, SEK ¹⁾	-0.92	0.55	-1.71	8.34	-0.99	9.09

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	2023 30 Sept	2022 30 Sept	2022 31 Dec
Assets			
Investment properties	215,060	209,717	213,932
Development properties	3,567	3,436	3,421
Lease contract; Right-of-use assets	1,922	1,634	1,881
Other fixed assets	278	216	272
Participations in associated companies/joint ventures	29,824	31,599	31,620
Derivatives	1,407	2,181	1,982
Receivables	6,069	4,504	4,115
Cash and cash equivalents and financial investments	5,646	5,374	6,553
Total assets	263,772	258,660	263,775
Equity and liabilities			
Equity ¹⁾	100,563	100,355	102,909
Deferred tax liability	17,407	17,589	17,769
Interest-bearing liabilities	137,324	132,856	135,252
– of which Hybrid capital ²⁾	4,593	8,352	4,942
Lease contract	1,922	1,633	1,887
Other liabilities	6,555	6,228	5,958
Total equity and liabilities	263,772	258,660	263,775
1) Of which non-controlling interests.	12,600	12,696	12,715
2) 50% of the hybrid capital is treated as equity by the ratings agencies and thereby reduces interest-bearing liabilities when calculating the debt/equity ratio and net debt to total assets ratio and increases equity when calculating the equity/assets ratio.	2,297	4,176	2,471

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	2023 30 Sept	2022 30 Sept	2022 31 Dec
Opening equity	102,909	88,567	88,567
Total comprehensive income for the period/year	-2,302	11,957	12,875
Transactions with non-controlling interests	-3	-41	-183
Dividend to non-controlling interests	-41	-131	-131
Shareholder contributions from non-controlling interests	-	3	3
Non-controlling interests arising from the acquisition of subsidiaries	-	0	0
Share issue, after share issue costs	-	-	1,778
Closing equity	100,563	100,355	102,909

CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022 Jan-Dec
Net operating income	2,341	2,015	6,640	5,732	7,796
Other income/costs	1	9	-2	-13	-17
Management and administrative costs	-250	-246	-790	-760	-1,019
Selling and marketing expenses development properties	-7	-5	-21	-15	-20
Reversal of depreciation	17	12	52	38	52
Net financial items paid	-716	-310	-2,224	-1,309	-1,860
Tax paid	-86	-117	-438	-348	-491
Cash flow from operating activities before change in working capital	1,300	1,358	3,216	3,325	4,442
Change in operating receivables	-276	70	-348	-372	394
Change in operating liabilities	541	264	1,778	246	214
Cash flow from operating activities	1,565	1,692	4,646	3,200	5,050
Acquisition of investment properties	1	-1,546	-418	-4,824	-5,160
Acquisition/divestment of other fixed assets	-15	-12	-58	-68	-138
Purchase of financial investments	-	-40	-897	-1,063	-1,077
Acquisition of shares/Capital contributions/Loans to associated companies/joint ventures	-252	-408	-1,035	-1,256	-1,518
Investments in existing properties and projects	-1,358	-2,616	-5,881	-7,428	-10,742
Transactions with non-controlling interests	-	-50	-3	-41	-183
Sale of investment properties	-19	118	650	2,772	2,913
Sale of development properties	697	285	1,588	568	1,136
Sale of financial investments	117	1,013	126	1,074	1,238
Sale of shares in associated companies/joint ventures	-	-	239	-	1
Dividend paid from associated companies/joint ventures	-	1	278	253	614
Cash flow from investing activities	-829	-3,256	-5,412	-10,014	-12,915
Share issue, after share issue costs	-	-	-	-	1,778
Amortisation of lease liability	-6	2	-23	-22	-17
Shareholder contributions from non-controlling interests	-	-	-	3	3
Dividend paid to non-controlling interests	-2	-	-42	-131	-131
Loans raised	586	3,411	19,802	20,455	26,896
Amortisation/redemption of loans sold properties/changes in overdraft facilities	-2,293	-2,929	-20,543	-12,097	-18,032
Cash flow from financing activities	-1,715	484	-806	8,207	10,497
Cash flow for the period/year	-979	-1,080	-1,572	1,393	2,632
Cash and cash equivalents at the start of the period/year	3,476	3,794	3,977	1,299	1,299
Exchange rate difference in cash and cash equivalents	-43	12	48	34	46
Cash and cash equivalents at the end of the period/year	2,453	2,727	2,453	2,727	3,977
Available liquidity, SEKm					
Cash and cash equivalents	2,453	2,727	2,453	2,727	3,977
Unutilised overdraft facilities	410	413	410	413	410
Unutilised credit facilities	12,479	20,242	12,479	20,242	18,808
Financial investments	3,192	2,647	3,192	2,647	2,576
Available liquidity including confirmed loan commitments	18,535	26,029	18,535	26,029	25,771

SEGMENT INFORMATION

SEKm	2023 July–Sept	2022 July–Sept	2023 Jan–Sept	2022 Jan–Sept	2022/2023 Oct–Sept	2022 Jan–Dec
Rental income						
Helsinki	740	665	2,126	1,939	2,793	2,606
Stockholm	446	406	1,336	1,181	1,773	1,618
Gothenburg	492	440	1,487	1,294	1,969	1,776
Copenhagen	295	229	852	656	1,096	899
South	201	182	595	521	788	715
East	521	436	1,516	1,255	1,988	1,727
North	322	302	943	871	1,252	1,180
Total	3,017	2,659	8,855	7,716	11,660	10,521
Net operating income						
Helsinki	523	481	1,432	1,355	1,871	1,793
Stockholm	356	312	1,028	900	1,353	1,225
Gothenburg	397	332	1,163	960	1,530	1,327
Copenhagen	228	177	654	501	835	683
South	160	137	446	383	587	524
East	413	321	1,168	923	1,527	1,282
North	264	255	749	709	1,002	962
Total	2,341	2,015	6,640	5,732	8,705	7,796

The Group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with recognised net operating income in the income statement. The difference between net operating income of SEK 6,640m (5,732) and profit before tax of SEK -2,846m (12,126) consists of changes in value of investment properties

of SEK -5,990m (6,272), profit from sales of development properties of SEK 337m (69), other income/expenses of SEK -2m (-13), management and administrative costs of SEK -790m (-760), participations in profit from associated companies/joint ventures of SEK -989m (873), net financial items of SEK -2,264m (-1,382) and changes in value of derivatives of SEK 212m (1,334).

SEKm	2023 30 Sept	2022 30 Sept	2022 31 Dec
Property portfolio			
Helsinki	55,130	51,324	52,932
Stockholm	33,442	34,618	34,267
Gothenburg	38,754	36,662	36,947
Copenhagen	25,435	21,848	22,811
South	13,497	12,636	12,901
East	23,773	20,838	21,704
North	19,183	20,084	20,061
Total excluding projects	209,214	198,010	201,623
Projects for own management	5,846	11,706	12,309
Total investment properties	215,060	209,717	213,932
Development properties	3,567	3,436	3,421
Total property portfolio	218,626	213,153	217,353

The carrying amounts of properties changed during the period due to investments, acquisitions, divestments, unrealised changes in value and currency changes by SEK 2,198m in the Helsinki region, SEK -825m in the Stockholm region, SEK 1,807m in the Gothenburg region, SEK 2,624m in the Copenhagen region, SEK 596m in the South region, SEK 2,070m in the East region and SEK -879m in the North region.

The Group's projects for own management decreased by SEK -6,463m and the Group's development properties increased by SEK 146m. SATO's property portfolio is divided between the regions of Helsinki and East. Property ownership in Norway is classified under region North, the properties in Denmark under region Copenhagen and the properties in Germany and the UK under region South.

KEY RATIOS

	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Share-related key ratios						
Average number of shares, thousands	1,154,000	1,119,000	1,154,000	1,119,000	1,145,442	1,119,192
Profit after tax per share, SEK	-0.92	0.55	-1.71	8.34	-0.99	9.09
Profit after tax per share after dilution of convertible, SEK ¹⁾	-0.92	0.55	-1.71	8.34	-0.99	9.09
Profit after tax excluding unrealised changes in value per share, SEK	1.10	1.32	3.31	3.47	4.55	4.71
Profit from property management per share, SEK	1.37	1.54	4.06	4.11	5.43	5.48
Net operating income per share, SEK	1.77	1.55	5.04	4.39	6.70	6.06
Outstanding number of shares, thousands	1,154,000	1,119,000	1,154,000	1,119,000	1,154,000	1,154,000
Equity per share, SEK	76.22	78.34	76.22	78.34	76.22	78.16
Long-term net asset value per share (NAV), SEK	89.74	92.84	89.74	92.84	89.74	92.10
Share price on closing date per share, SEK	49.30	44.76	49.30	44.76	49.30	48.52
Property-related key ratios						
Rental value full-year, SEK/sq.m.	2,116	1,930	2,116	1,930	2,116	2,060
Rental income full-year, SEK/sq.m.	2,023	1,855	2,023	1,855	2,023	1,982
Economic occupancy rate, %	96	96	96	96	96	96
Vacancy rate, %	4	4	4	4	4	4
Surplus ratio, %	78	76	75	74	75	74
Carrying amount, SEK/sq.m.	35,037	34,265	35,037	34,265	35,037	34,540
Number of investment properties	1,882	1,806	1,882	1,806	1,882	1,841
Lettable area, sq.m. thousands	5,971	5,779	5,971	5,779	5,971	5,837
Profit from property management attributable to parent company's shareholders, SEKm	1,584	1,718	4,683	4,601	6,221	6,139
Financial key ratios						
Return on equity, %	2.8	5.6	-0.9	12.8	-1.3	12.1
Return on total assets, %	3.0	3.5	0.7	6.3	0.4	6.1
Interest coverage ratio, times	3.2	6.5	3.4	5.2	3.5	4.7
Equity/assets ratio, %	39.0	40.4	39.0	40.4	39.0	40.0
Debt/equity ratio, times	1.3	1.3	1.3	1.3	1.3	1.3
Net debt to total assets, %	49.1	47.7	49.1	47.7	49.1	47.9
Net debt/EBITDA, times	12.5	12.9	12.7	13.5	12.7	13.4

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

CONDENSED PARENT COMPANY INCOME STATEMENT

SEKm	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Net sales	114	210	382	454	418	491
Administrative costs	-112	-212	-380	-456	-416	-492
Operating profit	2	-2	2	-1	2	-2
Profit from financial items						
Profit from participations in subsidiaries	-	-	178	9,501	-2,498	6,825
Other net financial items	2,039	-1,020	1,599	-2,376	1,683	-2,291
– of which exchange rate differences	1,480	-996	-4	-2,498	-356	-2,851
Changes in value of derivatives	110	105	265	1,154	617	1,507
Profit before appropriations and tax	2,150	-917	2,044	8,278	-196	6,039
Appropriations						
Group contribution	-	-	-	-	2,708	2,708
Profit before tax	2,150	-917	2,044	8,278	2,512	8,746
Income tax	-422	162	-215	275	-770	-281
Net profit for the period/year¹⁾	1,729	-755	1,829	8,554	1,741	8,466

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

CONDENSED PARENT COMPANY BALANCE SHEET

SEKm	2023 30 Sept	2022 30 Sept	2022 31 Dec
Assets			
Other fixed assets	27	27	28
Financial non-current assets	30,563	35,778	32,931
Receivables from Group companies	90,590	90,740	92,204
Derivatives	1,145	833	1,185
Current receivables	439	453	415
Cash and cash equivalents and financial investments	2,153	1,433	2,895
Total assets	124,918	129,264	129,658
Equity and liabilities			
Equity	30,522	27,002	28,693
Interest-bearing liabilities	54,241	53,278	52,199
– of which Hybrid capital	4,593	8,352	4,942
Liabilities to Group companies	39,401	48,343	48,082
Other liabilities	754	641	685
Total equity and liabilities	124,918	129,264	129,658

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 56,892m (50,081).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 34.1% (35.1) of the capital and 47.8% (48.8) of the votes. Foreign ownership amounts to approximately 22% (28) of outstanding shares.

The share

At the end of the period, Balder had approximately 31,000 shareholders (27,000). During the period, approximately 541 million shares were traded (388), which corresponds to an average of about 2,879,000 shares per trading day (2,053,000). The annual turnover rate during the period amounted to 63% (46). The price of the share was SEK 49.30 (44.76) on 30 September, corresponding to a rise of 2% since the year-end.

Share capital

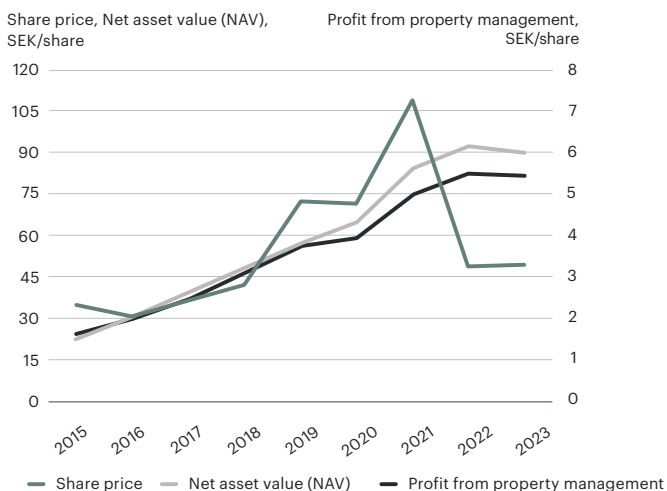
As of 30 September, the share capital in Balder amounted to SEK 192,333,333 distributed among 1,154,000,000 shares. Each share has a quota value of SEK 0.16667, of which 67,376,592 shares are Class A and 1,086,623,408 shares are Class B. The total number of outstanding shares is 1,154,000,000 as of 30 September. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

No shares were repurchased during the period.

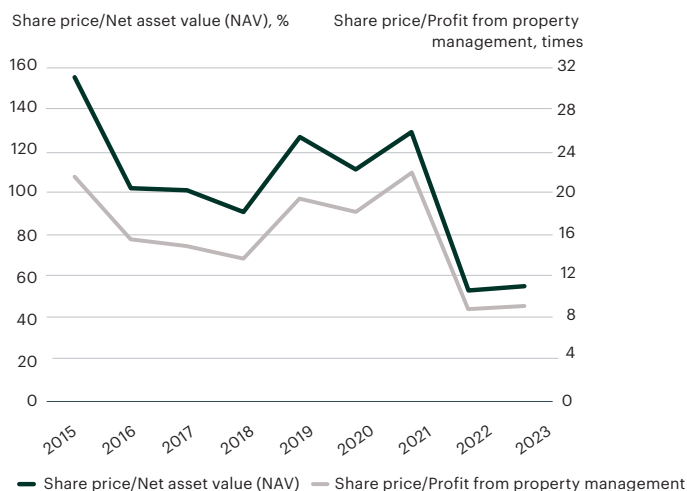
OWNERSHIP LIST AS OF 30/09/2023

Owners	Class A shares	Class B shares	Total number of shares	Capital, %	Votes, %
Erik Selin via company	49,855,968	343,265,400	393,121,368	34.1	47.8
Arvid Svensson Invest AB	17,495,352	81,255,240	98,750,592	8.6	14.6
AMF - Försäkring och Fonder	-	73,678,579	73,678,579	6.4	4.2
Swedbank Robur Fonder	-	64,515,681	64,515,681	5.6	3.7
Länsförsäkringar Fondförvaltning AB	-	39,742,285	39,742,285	3.4	2.3
Lannebo Fonder	-	24,836,650	24,836,650	2.2	1.4
SEB Investment Management	-	24,016,898	24,016,898	2.1	1.4
Handelsbanken Fonder	-	17,435,309	17,435,309	1.5	1.0
Folksam	-	16,002,095	16,002,095	1.4	0.9
Clients Fonder	-	13,902,789	13,902,789	1.2	0.8
Others	25,272	387,972,482	387,997,754	33.6	22.1
Total	67,376,592	1,086,623,408	1,154,000,000	100	100

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



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



RECONCILIATION OF KEY RATIOS

SHARE-RELATED KEY RATIOS	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Profit after tax per share, SEK						
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-1,060	613	-1,978	9,329	-1,133	10,175
B Average number of outstanding shares during the period, million	1,154	1,119	1,154	1,119	1,145	1,119
A/B Profit after tax per share, SEK	-0.92	0.55	-1.71	8.34	-0.99	9.09
Profit after tax per share after dilution of convertible, SEK						
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-1,060	613	-1,978	9,329	-1,133	10,175
B Effect on profit of convertible, SEKm	-214	-	-62	-	-62	-
C Average number of outstanding shares during the period after dilution of convertible, million	1,229	1,119	1,214	1,119	1,190	1,119
(A-B)/C Profit after tax per share after dilution of convertible, SEK	-0.92¹⁾	0.55	-1.71¹⁾	8.34	-0.99¹⁾	9.09
Profit after tax excluding unrealised changes in value per share, SEK						
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-1,060	613	-1,978	9,329	-1,133	10,175
B Changes in value of investment properties, unrealised during the period according to the income statement, SEKm	-1,749	626	-5,995	6,213	-6,790	5,419
C Changes in value of derivatives during the period according to the income statement, SEKm	107	135	212	1,334	494	1,617
D Non-controlling interests' share of unrealised changes in value during the period, SEKm	-117	47	-958	639	-1,167	430
E Changes in value in participations in profit from associated companies/joint ventures during the period according to the income statement, SEKm	-1,403	-1,804	-2,477	-54	-2,855	-433
F Tax effect of unrealised changes in value, SEKm	603	224	1,504	-1,412	1,645	-1,272
G Average number of outstanding shares during the period, million	1,154	1,119	1,154	1,119	1,145	1,119
(A-B-C+D-E-F)/G Profit after tax excluding unrealised changes in value per share, SEK	1.10	1.32	3.31	3.47	4.55	4.71
Profit from property management per share, SEK						
A Profit from property management attributable to the parent company's shareholders during the period according to the income statement, SEKm	1,584	1,718	4,683	4,601	6,221	6,139
B Average number of outstanding shares during the period, million	1,154	1,119	1,154	1,119	1,145	1,119
A/B Profit from property management per share, SEK	1.37	1.54	4.06	4.11	5.43	5.48
Net operating income per share, SEK						
A Net operating income attributable to the parent company's shareholders during the period, SEKm	2,039	1,738	5,812	4,918	7,673	6,778
B Average number of outstanding shares during the period, million	1,154	1,119	1,154	1,119	1,145	1,119
A/B Net operating income per share, SEK	1.77	1.55	5.04	4.39	6.70	6.06
Equity per share, SEK						
A Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	87,963	87,658	87,963	87,658	87,963	90,194
B Number of outstanding shares at the end of the period, million	1,154	1,119	1,154	1,119	1,154	1,154
A/B Equity per share, SEK	76.22	78.34	76.22	78.34	76.22	78.16
Long-term net asset value per share (NAV), SEK						
A Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	87,963	87,658	87,963	87,658	87,963	90,194
B Deferred tax according to the balance sheet, SEKm	17,407	17,589	17,407	17,589	17,407	17,769
C Interest rate derivatives, SEKm	-1,808	-1,359	-1,808	-1,359	-1,808	-1,677
D Number of outstanding shares at the end of the period, million	1,154	1,119	1,154	1,119	1,154	1,154
(A+B+C)/D Long-term net asset value per share (NAV), SEK	89.74	92.84	89.74	92.84	89.74	92.10
1) In cases where the performance measure indicates a better outcome compared with without dilution of convertible, the performance measure applied is Profit after tax per share, SEK.						
NUMBER OF SHARES	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Average number of shares	1,154,000,000	1,119,000,000	1,154,000,000	1,119,000,000	1,145,442,308	1,119,191,781
Average number of shares after dilution of convertible	1,228,659,366	1,119,000,000	1,213,891,579	1,119,000,000	1,190,360,992	1,119,191,781
Outstanding number of shares	1,154,000,000	1,119,000,000	1,154,000,000	1,119,000,000	1,154,000,000	1,154,000,000
Outstanding number of shares after dilution of convertible	1,228,659,366	1,119,000,000	1,228,659,366	1,119,000,000	1,228,659,366	1,154,000,000

RECONCILIATION OF KEY RATIOS

PROPERTY-RELATED KEY RATIOS	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Rental value full year, SEK/sq.m.						
A Rental value on annual basis at the end of the period, SEKm	12,637	11,153	12,637	11,153	12,637	12,025
B Lettable area, thousand sq.m.	5,971	5,779	5,971	5,779	5,971	5,837
A/B x 1,000 Rental value, full year, SEK/sq.m.	2,116	1,930	2,116	1,930	2,116	2,060
Rental income full year, SEK/sq.m.						
A Rental income on annual basis at the end of the period, SEKm	12,078	10,717	12,078	10,717	12,078	11,568
B Lettable area, thousand sq.m.	5,971	5,779	5,971	5,779	5,971	5,837
A/B x 1,000 Rental income, full year, SEK/sq.m.	2,023	1,855	2,023	1,855	2,023	1,982
Economic occupancy rate, %						
A Rental income on annual basis at the end of the period, SEKm	12,078	10,717	12,078	10,717	12,078	11,568
B Rental value on annual basis at the end of the period, SEKm	12,637	11,153	12,637	11,153	12,637	12,025
A/B Economic occupancy rate, %	96%	96%	96%	96%	96%	96%
Surplus ratio, %						
A Net operating income during the period according to the income statement, SEKm	2,341	2,015	6,640	5,732	8,705	7,796
B Rental income during the period according to the income statement, SEKm	3,017	2,659	8,855	7,716	11,660	10,521
A/B Surplus ratio, %	78%	76%	75%	74%	75%	74%
Carrying amount, SEK/sq.m.						
A Carrying amount of investment properties excluding projects, SEKm	209,214	198,010	209,214	198,010	209,214	201,623
B Lettable area, thousand sq.m.	5,971	5,779	5,971	5,779	5,971	5,837
A/B x 1,000 Carrying amount, SEK/sq.m.	35,037	34,265	35,037	34,265	35,037	34,540

RECONCILIATION OF KEY RATIOS

FINANCIAL KEY RATIOS	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Return on equity, %						
A Profit after tax for the period attributable to the parent company's shareholders during the period according to the income statement, SEKm	-1,060	613	-1,978	9,329	-1,133	10,175
B Changes in value of investment properties, realised and unrealised during the period according to the income statement, SEKm	-1,770	649	-5,990	6,272	-6,731	5,530
C Profit from development properties during the period according to the income statement, SEKm	115	46	337	69	377	110
D Changes in value of derivatives during the period according to the income statement, SEKm	107	135	212	1,334	494	1,617
E Changes in value in participations in profit from associated companies/ joint ventures during the period according to the income statement, SEKm	-1,403	-1,804	-2,477	-54	-2,855	-433
F Non-controlling interests' share of changes in values, SEKm	-126	58	-972	657	-1,165	465
G Tax effect of changes in values 20.6%, SEKm	582	213	1,431	-1,435	1,555	-1,310
A-B-C-D-E+F-G Total adjusted profit for the period, SEKm	1,183	1,433	3,536	3,800	4,862	5,126
H Total adjusted profit recalculated for annual profit, SEKm	4,730	5,732	4,715	5,066	4,862	5,126
I Changes in value for the parent company's shareholders, SEKm (B+C+D+E-F)	-2,824	-1,033	-6,945	6,964	-7,550	6,359
J Tax effect of changes in value, SEKm (G)	582	213	1,431	-1,435	1,555	-1,310
K Calculated annual profit, SEKm (H+I+J)	2,488	4,912	-800	10,596	-1,133	10,175
L Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	87,963	87,658	87,963	87,658	87,963	90,194
M Equity attributable to the parent company's shareholders at the end of the period according to the balance sheet, SEKm	89,120	86,717	90,194	77,606	87,658	77,606
N Average equity, SEKm (L+M)/2	88,542	87,187	89,079	82,632	87,811	83,900
K/N Return on equity, %	2.8%	5.6%	-0.9%	12.8%	-1.3%	12.1%
Return on total assets, %						
A Profit before tax for the period according to the income statement, SEKm	-1,109	1,036	-2,846	12,126	-1,984	12,988
B Net financial items during the period according to the income statement, SEKm	-881	-464	-2,264	-1,382	-2,912	-2,031
C Changes in value of investment properties, realised and unrealised during the period according to the income statement, SEKm	-1,770	649	-5,990	6,272	-6,731	5,530
D Profit from development properties during the period according to the income statement, SEKm	115	46	337	69	377	110
E Changes in value of derivatives during the period according to the income statement, SEKm	107	135	212	1,334	494	1,617
F Changes in value in participations in profit from associated companies/ joint ventures during the period according to the income statement, SEKm	-1,403	-1,804	-2,477	-54	-2,855	-433
A-B-C-D-E-F Total adjusted profit for the period, SEKm	2,722	2,475	7,335	5,887	9,643	8,195
G Total adjusted profit recalculated for annual profit, SEKm	10,889	9,898	9,780	7,849	9,643	8,195
H Changes in value, SEKm (C+D+E+F)	-2,950	-975	-7,918	7,621	-8,715	6,824
I Calculated annual profit, SEKm (G+H)	7,939	8,924	1,862	15,470	928	15,019
J Total assets at the end of the period, SEKm	263,772	258,660	263,772	258,660	263,772	263,775
K Total assets at the beginning of the period, SEKm	269,244	253,875	263,775	229,933	258,660	229,933
L Average total assets, SEKm (J+K)/2	266,508	256,268	263,773	244,297	261,216	246,854
I/L Return on total assets, %	3.0%	3.5%	0.7%	6.3%	0.4%	6.1%
Interest coverage ratio, times						
A Profit including changes in value and tax in associated companies during the period according to the income statement, SEKm	438	207	2,595	4,450	3,876	5,732
B Net financial items during the period according to the income statement, SEKm	-881	-464	-2,264	-1,382	-2,912	-2,031
C Leases/ground rent during the period according to the income statement, SEKm	-23	-19	-63	-56	-83	-76
D Changes in value of financial investments during the period, SEKm	-93	-104	-155	-136	-183	-164
E Changes in value and tax in participations in profit from associated companies/ joint ventures during the period according to the income statement, SEKm	-1,269	-1,656	-2,414	-579	-2,762	-927
(A-(B-C)+D-E)/-(B-C-D) Interest coverage ratio, times	3.2	6.5	3.4	5.2	3.5	4.7

RECONCILIATION OF KEY RATIOS

CONTD. FINANCIAL KEY RATIOS	2023 July-Sept	2022 July-Sept	2023 Jan-Sept	2022 Jan-Sept	2022/2023 Oct-Sept	2022 Jan-Dec
Equity/assets ratio, %						
A Equity including non-controlling interests at the end of the period according to the balance sheet, SEKm	100,563	100,355	100,563	100,355	100,563	102,909
B 50% of hybrid capital according to the balance sheet, SEKm	2,297	4,176	2,297	4,176	2,297	2,471
C Total equity and liabilities at the end of the period according to the balance sheet, SEKm	263,772	258,660	263,772	258,660	263,772	263,775
(A+B)/C Equity/assets ratio, %	39.0%	40.4%	39.0%	40.4%	39.0%	40.0%
Debt/equity ratio, times						
A Interest-bearing liabilities at the end of the period according to the balance sheet, SEKm	137,324	132,856	137,324	132,856	137,324	135,252
B 50% of hybrid capital according to the balance sheet, SEKm	2,297	4,176	2,297	4,176	2,297	2,471
C Equity including non-controlling interests at the end of the period according to the balance sheet, SEKm	100,563	100,355	100,563	100,355	100,563	102,909
(A-B)/C Debt-equity ratio, times	1.3	1.3	1.3	1.3	1.3	1.3
Net debt, SEKm						
A Interest-bearing liabilities at the end of the period according to the balance sheet, SEKm	137,324	132,856	137,324	132,856	137,324	135,252
B 50% of hybrid capital according to the balance sheet, SEKm	2,297	4,176	2,297	4,176	2,297	2,471
C Cash and cash equivalents and financial investments at the end of the period according to the balance sheet, SEKm	5,646	5,374	5,646	5,374	5,646	6,553
A-B-C Net debt, SEKm	129,382	123,305	129,382	123,305	129,382	126,228
EBITDA, SEKm						
A Profit from property management during the period according to the income statement, SEKm	1,707	1,863	5,009	5,030	6,638	6,659
B Profit from sale of development properties during the period according to the income statement, SEKm	115	46	337	69	377	110
C Net financial items during the period according to the income statement, SEKm	-881	-464	-2,264	-1,382	-2,912	-2,031
A+B-C EBITDA, SEKm	2,703	2,373	7,609	6,481	9,928	8,800
EBITDA, SEKm converted on a full-year basis	10,467	9,354	10,033	8,618	9,928	8,800
Net debt to total assets, %						
A Net debt, SEKm	129,382	123,305	129,382	123,305	129,382	126,228
B Total equity and liabilities at the end of the period according to the balance sheet, SEKm	263,772	258,660	263,772	258,660	263,772	263,775
A/B Net debt to total assets, %	49.1%	47.7%	49.1%	47.7%	49.1%	47.9%
Net debt/EBITDA, times						
A Average net debt, SEKm	130,776	120,638	127,805	116,128	126,344	117,589
EBITDA, SEKm converted on a full-year basis	10,467	9,354	10,033	8,618	9,928	8,800
A/B Net debt/EBITDA, times	12.5	12.9	12.7	13.5	12.7	13.4

DEFINITIONS

The company presents a number of financial metrics in the interim report that are not defined according to IFRS (so-called Alternative Performance Measures according to ESMA's guidelines). These performance measures provide valuable supplementary information to investors, the company's management and other stakeholders since they facilitate effective evaluation and analysis of the company's financial position and performance. These alternative performance measures are not always comparable with meas-

SHARE-RELATED

Equity per share, SEK

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

Profit from property management per share, SEK

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

Average number of shares

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

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

Equity attributable to parent company's shareholders per share with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per share, SEK

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

PROPERTY-RELATED

Yield, %

Estimated net operating income on an annual basis in relation to the fair value of the properties at the end of the period.

Net operating income, SEKm

Rental income minus property costs.

Economic occupancy rate, %¹⁾

Contracted rent for leases which are running at the end of the period in relation to rental value.

Development properties

Refers to properties constructed with the intention of being sold after completion.

Property portfolio

Refers to both investment properties and development properties.

Property category

Classified according to the principal use of the property. There is a breakdown into office, retail, residential, industrial/logistics and other properties. Other properties include hotel, educational, care, warehouse and mixed-use properties. The property category is determined by what the property is mostly used for.

Property costs, SEKm

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

Investment properties

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

Rental value, SEKm¹⁾

Contracted rent and estimated market rent for vacant premises.

Surplus ratio, %

Net operating income in relation to rental income.

ures used by other companies and shall therefore be considered as a complement to measures defined according to IFRS. Fastighets AB Balder will apply these alternative performance measures consistently over time. Unless otherwise specified, the key ratios are alternative performance measures according to ESMA's guidelines. A description follows below of how Fastighets AB Balder's key ratios are defined and calculated.

FINANCIAL

Return on equity, %

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

Return on total assets, %

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

Net debt to total assets, %

Net debt in relation to total assets.

EBITDA

Profit from property management plus the net profit from the sale of development properties with reversal of net financial items. EBITDA has been converted to a full-year basis in interim accounts, with the exception of the net profit from the sale of development properties.

Profit from property management, SEKm

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

Hybrid capital

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

Net debt, SEKm

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

Net debt/EBITDA, times

Average net debt in relation to EBITDA.

Interest coverage ratio, times

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

Debt/equity ratio, times

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

Equity/assets ratio, %

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

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



**COPENHAGEN
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RENTAL APARTMENTS
COMPLETED 2023
294 APARTMENTS

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FINANCIAL INFORMATION

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

CALENDAR

Year-end report 2023	9 February 2024
Annual General Meeting	3 May 2024
Interim report Jan–March 2024	3 May 2024
Interim report Jan–June 2024	16 July 2024
Interim report Jan–Sept 2024	25 October 2024
Year-end report 2024	7 February 2025

This report is a translation of the Swedish Interim Report January-September 2023. In the event of any discrepancies between this report and the Swedish version, the latter will have priority.

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