

# ANNUAL AND SUSTAINABILITY REPORT 2025



1K

O BAL  
DER



Gothenburg  
Inom Vallgraven 15:4  
Antikhallarna  
Commercial

# CONTENTS

## OVERVIEW

About Balder .....	1
Events during 2025 .....	2
CEO's comments .....	4
Balder's business model .....	5
Financial targets .....	6
Sustainability targets .....	7
Current earning capacity .....	8
Balder's share and owners .....	9
Why invest in Balder? .....	10

## OPERATIONS

A diversified property portfolio .....	15
Balder's geographical markets .....	16
Development in 2025 .....	17
Value-adding property management .....	19
Increased customer satisfaction .....	20
Property development .....	21
From acquisition and project to own management .....	22
Associated companies .....	23
Balder's property portfolio .....	25
Valuation .....	26

## FINANCING

Financing .....	29
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Balder's Annual and Sustainability Report for 2025 is submitted by the Board of Directors and the Chief Executive Officer. The statutory annual report is presented on pages 11 and 31–150. The sustainability report is presented on pages 42–108 and forms an integral part of the Directors' Report. The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (Chapter 6), the Directive (EU) 2022/2464 of the European Parliament and of the Council (Corporate Sustainability Reporting Directive, CSRD), and the European Sustainability Reporting Standards (ESRS).

## REPORT OF THE BOARD OF DIRECTORS

Report of the Board of Directors .....	31
Opportunities and risks .....	37

## SUSTAINABILITY REPORT

Sustainability at Balder .....	44
General disclosures .....	45
Environmental sustainability .....	59
Social sustainability .....	86
Business conduct .....	101
Appendix .....	105

## FINANCIAL STATEMENTS AND NOTES

Financial statements .....	109
Financial statements .....	110
Notes to the financial statements .....	118

## CORPORATE GOVERNANCE

Chairman's statement .....	152
Corporate Governance Report .....	153
Internal control in respect of financial reporting .....	157
Ahead of the AGM 2026 .....	158
Board of Directors .....	159
Management .....	160

## ADDITIONAL INFORMATION

Auditor's Report .....	162
Auditor's Report on the Corporate Governance Statement .....	166
Auditor's Limited Assurance Report on the Statutory Sustainability Statement .....	167
Project list .....	169
Definitions .....	170
Annual General Meeting .....	171
Contact information and calendar .....	171

# ABOUT BALDER

Fastighets AB Balder is a listed property group that owns, manages and develops properties in Sweden, Denmark, Finland, Norway, Germany and the UK. With a property value of SEK 229 billion and a diversified portfolio, Balder offers residentials, commercial properties and new construction projects in capital cities and other large cities. By being a long-term and stable owner, Balder creates attractive and safe areas in which people can live and do good business.

Number of employees

**1,151**

Number of properties

**2,023**

Property portfolio, SEKm

**228,580**

Economic occupancy rate

**95%**

Rental income, SEKm

**13,721**

Profit from property management, SEKm

**6,389**

S&P Rating

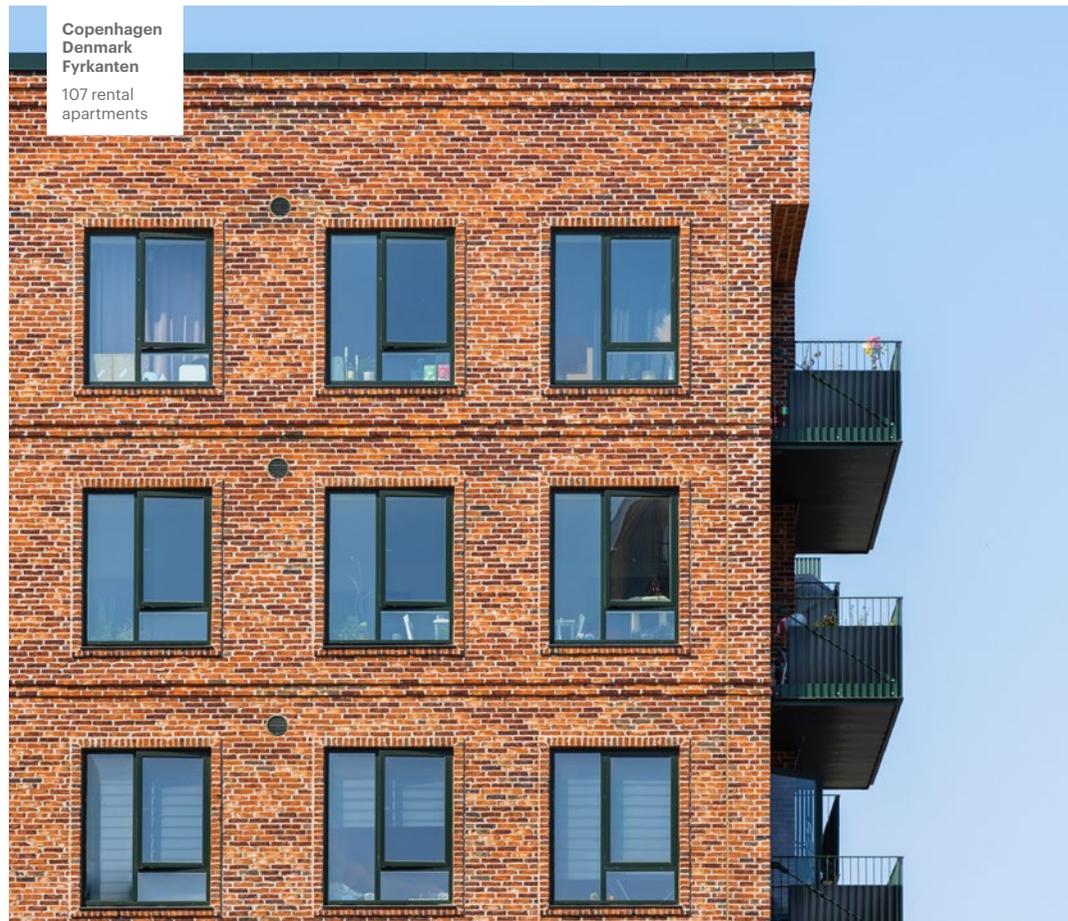
**BBB**

stable outlook

MSCI

**BBB**

ESG Risk Rating



PROPERTY PORTFOLIO



PROFIT FROM PROPERTY MANAGEMENT<sup>1)</sup>



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

# EVENTS DURING 2025



## SATO GROWS WITH 1,000 RENTAL APARTMENTS

In July, Balder's Finnish subsidiary SATO Oyj acquired almost 1,000 rental apartments from the OP-Rental Yield Fund. The transaction included 16 residential properties in the Helsinki metropolitan area, Turku, Tampere, Oulu and Jyväskylä. After this acquisition,

SATO owns around 27,000 rental apartments. The company has grown over many years through its own production, making this acquisition particularly interesting.



## SHARAM RAHI APPOINTED AS NEW CEO

At the end of the summer, Balder's founder and CEO Erik Selin announced that he will be standing down as CEO in connection with the 2026 AGM. The incoming CEO is Balder's current Deputy CEO Sharam Raheem, who has been working at Balder since the beginning and knows the company extremely well. To the AGM, the nomination committee will also propose that current CEO Erik Selin be elected as Executive Chairman of the Board.

## MALMÖ ARENA TAKEN OVER

In January, Balder took possession of the Malmö Arena block, which was part of the acquisition from Doxa that was executed at the turn of the year 2024/2025. The block includes a hotel, offices, restaurants and the arena itself, where a large number of sporting and other events are held. In recent years, for example, Malmö Arena has hosted events such as the Eurovision Song Contest, the World Junior Ice Hockey Championships and the Röntgenveckan (Radiology Week) congress.





## EXPANDED BOARD

At the 2025 AGM, Carina Edblad was elected as a new Board member. Carina has been CEO at Thomas Betong AB since 2011 and has extensive experience of Board assignments. This saw the Board of Directors at Balder expanded to six members, all with extensive experience of corporate governance and business.

## OLD SCHOOL OF ARCHITECTURE EXTENDED

Balder acquired the old school of architecture in the Östermalm district of Stockholm from Akademiska Hus in 2019 and has been managing the building since then. The idea for an extension has been around for many years, and the project was launched in 2025.

The extension, which goes by the name of A Wing, is being integrated into the existing building, adding approximately 1,000 sq.m. of office space to the already popular building. The extension will be brought into use at the end of 2026.



## SJÆLSØ MANAGEMENT – NOW A WHOLLY-OWNED COMPANY

Balder Denmark has been a co-owner of Sjælsø Management ApS since 2016, and this collaboration has resulted in the joint development and construction of many attractive residential properties in Greater Copenhagen. In summer 2025, the management team at Sjælsø Management sold its 51% holding to Balder Denmark, which now owns the company in full. Even after this change, Sjælsø Management is continuing to perform development and construction management assignments for companies other than Balder.

## NEW, EXTENDED FRAMEWORK FOR GREEN AND SOCIAL FINANCING

During the year, Balder presented a new, extended framework for green and social financing. The purpose of the framework is to finance projects that contribute to reducing environmental impact and promoting positive societal development. It replaces previous green frameworks and is based on environmentally certified buildings, ambitious targets for energy consumption and financially affordable rental apartments.

## LOW ESG RISK

Balder is evaluated on an ongoing basis by some of the most well-established ESG rating agencies in the world. Their assessments provide an independent examination of the company's work in the areas of environment, social responsibility and corporate governance, and show how the business is performing in relation to industry colleagues with the aid of various methods and rating scales. In 2025, Balder retained its BBB rating from MSCI indicating an average performance, and improved its rating from Sustainalytics to 14.3 (14.9), placing the business well within the low-risk framework. Balder also started reporting to S&P Global CSA during the year and achieved a score of 47/100, which is above the average for comparable companies. Balder was for the first time awarded an official score from CDP for the financial year 2025, see page 70.

**S&P Global**



Copyright: see page 171.

# 20 YEARS OF VALUE CREATION AND CONFIDENCE IN **THE FUTURE**

After a few years of rapid change in our environment, we now see a more balanced market, where a long-term perspective, discipline and local engagement are once again clearly in focus. For Balder, the year has meant continued consolidation, a strengthened financial position and an unchanged high level of commitment in our daily operations.

Balder turned 20 this summer, and what a journey it has been! The journey from a few properties in Sweden to over 2,000 properties in six markets is the result of perseverance, entrepreneurial spirit and strong teamwork. I am proud of what we have built together and look to the future with confidence. At the 2026 Annual General Meeting, I will hand over the title of CEO to my partner and Balder's current Deputy CEO, Sharam Rahi, but I will continue to be involved in the company, though in a different role — if the AGM chooses to appoint me as Executive Chairman of the Board.

## Stable operations and good relationships

The business developed roughly as expected during 2025, given the state of the world and conditions in the property market. Rental income, net operating income and profit from property management all increased, and despite somewhat tougher times in certain segments, the occupancy rate was 95 per cent. This is proof of the quality of our portfolio and the strength of our customer relationships.

Satisfied customers are essential for our long-term success and are measured continuously. This year's Swedish customer surveys show continued positive development and consistently good levels. The fine result is the outcome of the hard work by many of our coworkers, in everything from daily operations to taking care of customers and the property portfolio in the best way.

## Financial strength and responsible action

During the year, we continued to prioritise the balance sheet and efficient use of capital. The pace of investment has been adapted to the market situation, while we have completed ongoing projects and made investments where we see clear potential.

The funding market has functioned well, and we have been active in both the bank and bond markets in different currencies. During the autumn, the Board decided to utilise the AGM's approval to repurchase our own shares, and by year-end we had repurchased 4 million shares. This is being done to generate the best possible return for our shareholders.

The Board proposes that Balder's entire holding in Norion Bank be distributed to shareholders in connection with the Annual General Meeting in 2026. Balder currently owns about 90.5 million shares, corresponding to 44.1%, in Norion Bank. At year-end, the holding corresponded to a value of about SEK 6.2 billion, or SEK 5.26 per Balder share. Details regarding the distribution will be provided in connection with the notice of the Annual General Meeting.

Financing on favourable terms is a prerequisite for long-term profitability and, among other things, it can be mentioned that in May 2025, we updated Balder's green framework. At the same time, the scope of the framework was broadened to include the possibility of issuing social bonds, focusing on residential properties in socioeconomically vulnerable areas. In February

"I AM PROUD OF WHAT WE HAVE BUILT TOGETHER AND LOOK TO THE FUTURE WITH CONFIDENCE."

this year, AP7 invested in our social bond, and Balder then became the first property company in Sweden to issue such a bond.

## Thank you!

I want to extend a warm thank-you to all of you who contribute to Balder's development. Thank you for your trust and for being part of our journey!

Sharam and I have worked together for more than 20 years and developed Balder into the company it is today. I am convinced that he, together with our committed coworkers and the Board, will continue to lead the company in the best way possible.

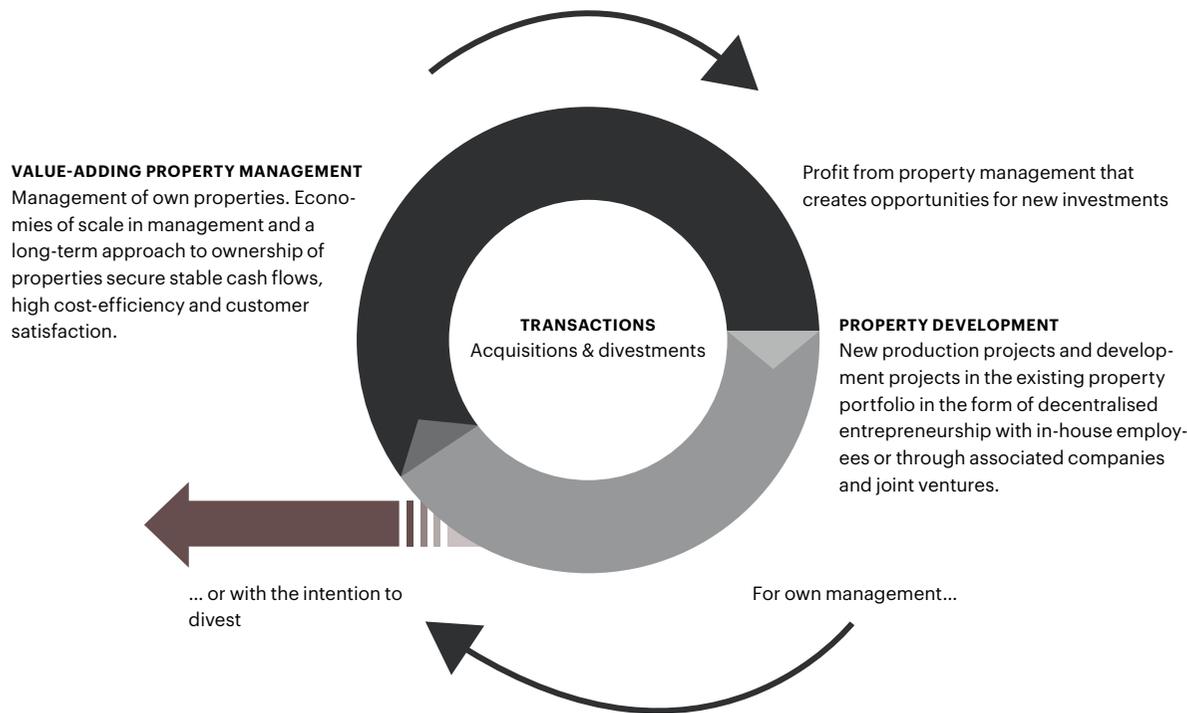
Happy reading!

**ERIK SELIN**  
CEO



# BALDER'S BUSINESS MODEL

Balder's overarching business concept is to create value by owning, developing and managing properties. The business model is based around Balder's diversified property portfolio in terms of geography and property type, which reduces the overall level of risk and results in better financing terms. Through continuous improvement of the existing property portfolio and growth through new land allocations and acquisitions, Balder undertakes long-term urban and property development. Balder evaluates its property portfolio on an ongoing basis in order to make use of opportunities and to create growth in value through both sales and acquisitions.



## COLLECTIVE ENTREPRENEURSHIP

With a shared interest in properties and business, everyone at Balder contributes to the whole. An entrepreneur at Balder is solution-oriented, agile and identifies opportunities every day based on changes in the external environment, with an attitude that anything is possible. Working in collaboration, opportunities are shaped from concepts for the mutual benefit of all the company's stakeholders. Together, as a commercial collective, lasting value is created.

## STAKEHOLDERS

Balder works continuously to meet the expectations of its stakeholders and to maintain strong relationships in the long term. To ensure a good understanding of needs and areas for improvement, regular customer and employee surveys are conducted. Below is a summary of the latest results from the Swedish surveys conducted during the year, together with the company's prioritised focus areas for each stakeholder group.

<p>CSI RESIDENTIAL <b>68</b> CSI COMMERCIAL <b>76</b></p>	<p><b>CUSTOMERS</b> Building long-term relationships for mutual business opportunities. Active social area development that creates safety and well-being, together with opportunities for the tenant to get involved and have an influence, and to make sustainable choices.</p>
	<p><b>OWNERS AND THE FINANCIAL MARKET</b> Long-term economic and sustainability-related results, and growth in value. A balance sheet that meets the criteria for an investment grade rating throughout an economic cycle.</p>
<p>eNPS<sup>1)</sup> <b>53</b></p>	<p><b>COWORKERS</b> A strong corporate culture with an inclusive, diversity-oriented perspective. A good work environment with equal terms and fair remuneration. Opportunities for skills development and a good balance between work and leisure.</p>
	<p><b>PARTNERSHIPS</b> A focus on business ethics and responsible collaboration, as well as social and environmental requirements in the supply chain.</p>
	<p><b>SOCIETY</b> Part of the transition to a sustainable society through property management with a presence and long-term urban development. Development and influence on city districts and local communities through active social area development and social investments.</p>

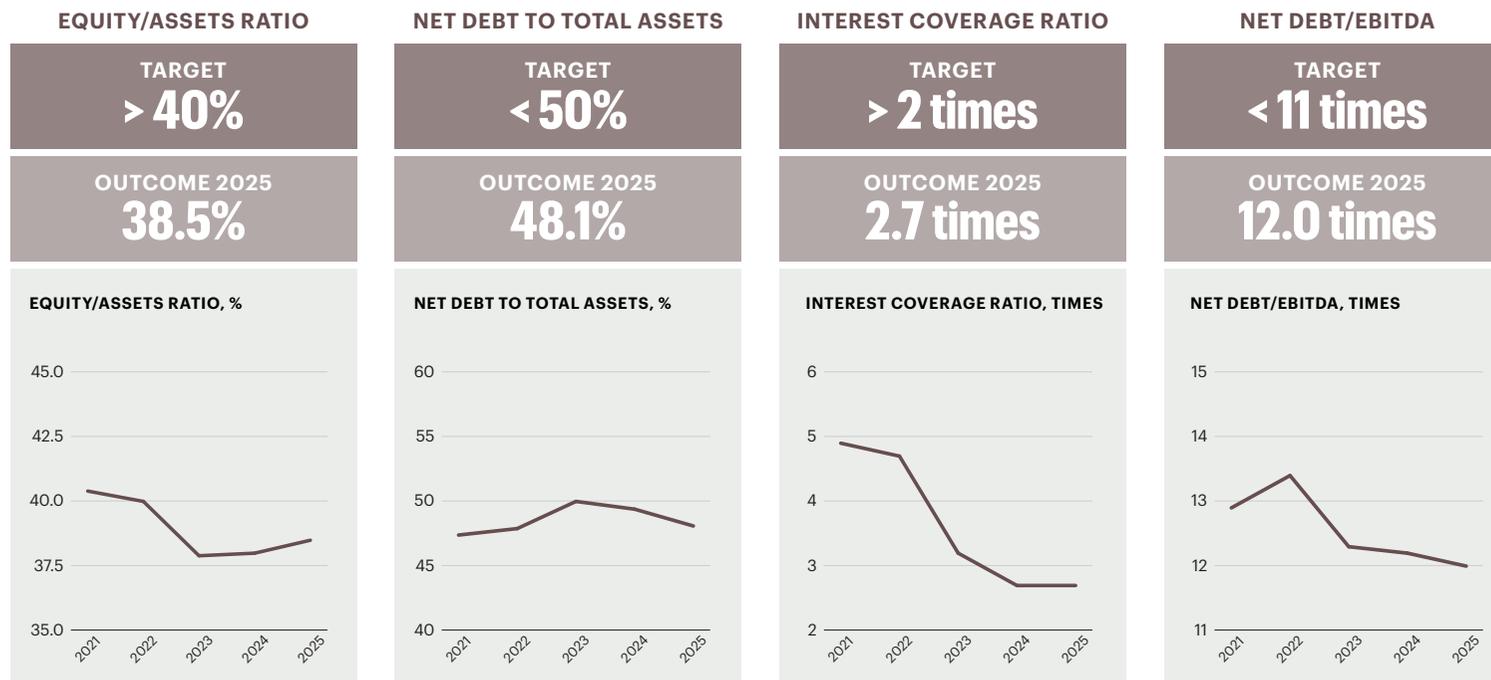
1) eNPS, Employee Net Promoter Score, is a general metric for ambassadorship that has a strong correlation with loyalty, engagement and employee satisfaction. The scale is -100 to +100, with a result lower than -20 being very low and lower than 0 being low, while above 0 is relatively high, above 20 is very high and above 50 is deemed to be exceptionally high. The average for employees within the real estate sector in 2025 is -1. Source: Netigate.

Read more about Balder's employee surveys on page 87.

# FINANCIAL TARGETS

Balder creates shareholder value through increasing earnings per share, but also maintains a number of financial targets designed to ensure a conservative and transparent risk framework.

Balder’s overarching target is to generate a higher risk-adjusted return than other property companies by virtue of the well-diversified property portfolio, business model and competence. The risk level in borrowing and hedging should be such that Balder can securely maintain an investment grade rating throughout an economic cycle. Balder has long been successful in building a property business with a size and diversification that are very suitable for both bond financing and secured bank loans. Having a balance sheet that satisfies the criteria for an investment grade rating and continuous access to bond financing is not simply a matter of financing strategy, it is also very much in line with the risk profile that the Board of Directors is in general striving to achieve for the company. All financial targets are in line with the long-term objective. Net debt in relation to EBITDA on a rolling 12-month basis is now 12.0 compared to 13.5 when the target of 11 times was introduced.



# SUSTAINABILITY TARGETS

ENVIRONMENT	
Targets	Outcome 2025
Halving of emissions by 2030 and net zero emissions by 2045	<b>51% reduction in total emissions since 2022</b> Balder has continued to reduce total carbon dioxide emissions since the base year 2022, using the location-based method. The reduction in emissions between 2024 and 2025 was 36%.
Energy efficiency improvement 2% per sq.m. and year	<b>6% decrease in energy use</b> Balder has decreased its energy use (kWh per sq.m.) between 2024 and 2025. The Group's energy use is increasing at a slower rate than the increase in lettable area.
Water use reduced by 2% per sq.m. and year	<b>2% decrease in water use</b> Water use per square meter has decreased by 2% during the year in line with Balder's sustainability targets.
All new production shall have environmental certification in accordance with the Miljöbyggnad Silver rating or equivalent	<b>110 environmentally certified buildings</b> All (100%) new production completed during the year were environmentally certified. In total, Balder has 110 environmentally certified buildings in its property portfolio.
Implement initiatives for sustainable travel to and from properties	<b>3,985 charging points for electric and hybrid vehicles in total</b> During 2025, Balder installed capacity of 31.5 MW for vehicle charging. The number of charging points increased by 627, and the installed capacity increased by 9.3 MW.

SOCIAL	
Targets	Outcome 2025
Create jobs for young people in the property management organisation	<b>594 jobs and 40 interns</b> Balder hired several young people and young adults during the financial year. Of 594 jobs, 67 were summer jobs created by Balder and 527 were jobs created through collaboration with external business partners.
No incidents of discrimination	<b>4 incidents</b> During 2025, 4 (0) cases of discrimination have come to the company's attention. All cases have been managed in accordance with labour law, by HR and in collaboration with affected managers.

GOVERNANCE	
Targets	Outcome 2025
No incidents of corruption	<b>0 incidents</b> Balder did not have any confirmed cases of corruption during 2025.
All employees must be trained in the Code of Conduct	<b>944 (82%) employees in the Group received training in the Code of Conduct during 2025</b> Of all employees in the Group, all 1,151 (100%) have received information about the Code of Conduct and anti-corruption.

A selection of Balder's sustainability targets and outcomes are presented above. See pages 42–108 of the Sustainability Report for more information.

Kuopio, Finland  
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**CURRENT EARNING CAPACITY ON A 12-MONTH BASIS**

SEKm	2025 31 Dec	2024 31 Dec	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec
Rental income	13,800	13,800	12,400	11,600	9,710	8,545
Property costs	-3,300	-3,400	-3,050	-2,735	-2,370	-2,225
<b>Net operating income</b>	<b>10,500</b>	<b>10,400</b>	<b>9,350</b>	<b>8,865</b>	<b>7,340</b>	<b>6,320</b>
Surplus ratio, %	76%	75%	75%	76%	76%	74%
Management and administrative costs	-1,100	-1,100	-1,100	-1,035	-830	-675
Profit from property management from associated companies <sup>1)</sup>	1,200	1,900	1,950	1,850	1,650	1,110
<b>Operating profit</b>	<b>10,600</b>	<b>11,200</b>	<b>10,200</b>	<b>9,680</b>	<b>8,160</b>	<b>6,755</b>
Net financial items including ground rent	-4,200	-4,200	-4,000	-2,900	-1,750	-1,450
Minus non-controlling interests	-400	-500	-400	-560	-630	-630
<b>Profit from property management<sup>2)</sup></b>	<b>6,000</b>	<b>6,500</b>	<b>5,800</b>	<b>6,220</b>	<b>5,780</b>	<b>4,675</b>
Tax <sup>3)</sup>	-1,200	-1,300	-1,200	-1,305	-1,230	-970
<b>Profit after tax</b>	<b>4,800</b>	<b>5,200</b>	<b>4,600</b>	<b>4,915</b>	<b>4,550</b>	<b>3,705</b>
<b>Profit from property management per share, SEK</b>	<b>5.06</b>	<b>5.46</b>	<b>5.03</b>	<b>5.39</b>	<b>5.17</b>	<b>4.18</b>

1) In Balder's earning capacity as of 31 December 2025, Norion Bank is no longer included under the line "Profit from property management from associated companies", as reporting in accordance with the equity method ceases with the Board's proposal that the AGM on 8 May 2026 should pass a resolution to distribute all of Balder's shares in Norion Bank.

2) Attributable to the parent company's shareholders.

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

In the current earning capacity, the following exchange rates were used to translate foreign subsidiaries' income statement items: EUR: 10.82 DKK: 1.45 NOK: 0.91 GBP: 12.42.

# 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.

**Current earning capacity**

Balder presents its earning capacity on a 12-month basis in the table. The costs of the interest-bearing liabilities are based on the Group's average interest rate level including the effect of derivative instruments. Tax is calculated using the effective tax rate during each period. The current earning capacity should not be placed on a par with a forecast for the next twelve months. The earning capacity does not contain, for example, an estimate of rental, vacancy, currency or

interest rate changes. Balder's income statement is also impacted by the development in the value of the property portfolio as well as future property acquisitions and/or property divestments. Additional items affecting the net profit are changes in value of derivatives. None of 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.



# BALDER'S SHARE AND OWNERS

Balder's Class B share is listed on Nasdaq Stockholm, Large Cap. The net asset value per share reported positive development during the year and was SEK 93.96 at year-end.

Balder's Class B share is listed on Nasdaq Stockholm, Large Cap. Balder's market capitalisation on 31 December amounted to SEK 80,885m (91,392). The price of Balder's Class B share was SEK 68.20 (76.80) at the year-end, representing a fall of 11% during the year.

### Repurchase of own shares

In 2025, the Board of Directors received a mandate from the general meeting to repurchase the company's own shares. The AGM authorised the Board, in the period until the next AGM, to acquire the company's own Class B shares. The maximum number of shares acquired may be such that the company's holding of its own Class B shares after the acquisition amounts to a maximum of 10% of all shares in the company. The purpose of the repurchase is to contribute to increased

shareholder value. The repurchase of the company's own shares took place at Nasdaq Stockholm. During the year Balder repurchased 4,000,000 shares at an average price of SEK 66.78. Balder owned none of its own shares before the repurchases.

### Share capital

As of 31 December, the share capital in Balder amounted to SEK 198,333,333 distributed among 1,190,000,000 shares. Each share has a quota value of SEK 0.16667, of which 67,376,592 shares are Class A and 1,122,623,408 shares are Class B. 4,000,000 of the Class B shares have been repurchased as of 31 December 2025, which means that the total number of outstanding shares is 1,186,000,000. Each Class A share carries one vote and each Class B share carries one tenth of one vote.



### ANALYSTS FOLLOWING BALDER

Erik Granström .....	DNB Carnegie	Stefan Andersson.....	Danske Bank
Fredric Cyon.....	DNB Carnegie	Lars Norrby .....	SEB
Fredrik Stensved.....	ABG Sundal Collier	Emil Ekholm .....	Pareto
Jan Ihrfelt.....	Kepler Cheuvreux	John Vuong.....	Van Lanschot Kempen
Johan Edberg .....	Handelsbanken	Niklas Wetterling .....	SB1 Markets

THE BALDER SHARE'S PERFORMANCE	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Data per share</b>										
Average number of shares, thousands	1,189,740	1,171,361	1,154,000	1,119,192	1,119,000	1,083,090	1,080,000	1,080,000	1,080,000	1,041,588
Net profit for the year, SEK	6.41	2.82	-5.85	9.09	16.54	6.13	8.30	8.62	6.45	5.06
Profit from property management, SEK	5.37	5.13	5.32	5.48	4.95	3.92	3.73	3.06	2.46	1.98
Outstanding number of shares, thousands	1,186,000	1,190,000	1,154,000	1,154,000	1,119,000	1,119,000	1,080,000	1,080,000	1,080,000	1,080,000
Equity, SEK	79.13	74.30	71.33	78.16	69.35	52.02	45.38	37.17	28.98	23.20
Long-term net asset value (NAV), SEK	93.96	88.31	85.06	92.10	83.96	64.56	56.95	46.27	36.35	30.02
Share price on closing date, SEK	68.20	76.80	71.52	48.52	108.63	71.48	72.20	42.00	36.57	30.68
Change in share price, %	-11	7	47	-55	52	-1	72	15	19	-12
Dividend, SEK	-	-	-	-	-	-	-	-	-	-
<b>Market capitalisation</b>										
Market capitalisation, SEKm	80,885	91,392	82,534	55,992	121,561	79,990	77,976	45,360	39,492	36,371

# WHY INVEST IN BALDER?

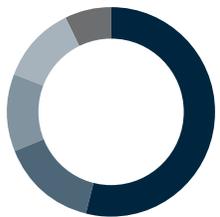
## 1. HISTORICALLY SUCCESSFUL INVESTMENTS

Balder has a size and diversification that enables capital to be allocated effectively between different markets and segments, as well as between project development and acquisitions. Capital is allocated where the best potential return is to be found in the long term, and where it adds value in relation to the existing portfolio.

Investments are being made in particular in areas where the company is already active, with an emphasis on Stockholm, Gothenburg, Helsinki and Copenhagen.

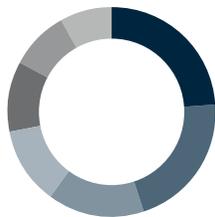
The project portfolio consists of many investments in major urban development projects such as Backaplan in Gothenburg and Kungens Kurva in Stockholm.

## 2. A WELL-DIVERSIFIED PORTFOLIO WITH A FOCUS ON CAPITAL CITIES AND MAJOR CITIES WITH GROWTH POTENTIAL



**CARRYING AMOUNT PER PROPERTY CATEGORY**  
total property portfolio, %

- Residential, 54
- Office, 15
- Other, 12
- Retail, 12
- Industrial/Logistics, 7



**CARRYING AMOUNT PER REGION**  
total property portfolio, %

- Helsinki, 24
- Gothenburg, 21
- Stockholm, 15
- East, 12
- Copenhagen, 11
- North, 9
- South, 8



**LETTABLE AREA PER REGION**  
total property portfolio, %

- Helsinki, 21
- Gothenburg, 20
- East, 16
- North, 15
- Stockholm, 13
- South, 10
- Copenhagen, 6



Stockholm  
Lindansaren 23  
Commercial

# 3. A STRONG BALANCE SHEET AND LOW FINANCIAL RISK-TAKING

MULTI-YEAR SUMMARY	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Rental income, SEKm	13,721	12,876	11,944	10,521	8,956	8,134	7,609	6,714	5,915	5,373
Profit from property management, SEKm <sup>1)</sup>	6,389	6,011	6,135	6,139	5,543	4,244	4,023	3,304	2,804	2,265
Changes in value of investment properties, SEKm	2,498	-760	-9,995	5,530	13,111	3,453	9,577	8,007	5,336	4,932
Changes in value of derivatives, SEKm	399	-21	-1,899	1,617	511	-141	-180	-34	144	-114
Net profit for the year, SEKm <sup>1)</sup>	7,621	3,304	-6,746	10,175	18,508	6,641	8,958	9,308	7,118	5,474
Investment properties, SEKm	225,196	221,261	209,000	213,932	189,138	149,179	141,392	116,542	98,360	86,177
Development properties, SEKm	3,384	1,955	2,750	3,421	2,697	2,803	2,344	1,598	—	—
<b>Property-related key ratios</b>										
Rental value full year, SEK/sq.m.	2,168	2,236	2,158	2,060	1,836	1,893	1,921	1,802	1,724	1,583
Rental income full year, SEK/sq.m.	2,056	2,145	2,064	1,982	1,758	1,809	1,850	1,737	1,651	1,507
Economic occupancy rate, %	95	96	96	96	96	96	96	96	96	95
Vacancy rate, %	5	4	4	4	4	4	4	4	4	5
Surplus ratio, %	75	75	75	74	75	76	74	73	71	68
Carrying amount, SEK/sq.m.	33,153	33,963	33,929	34,540	32,979	32,114	31,613	28,013	24,952	21,473
Number of investment properties	2,023	1,962	1,901	1,841	1,678	1,362	1,298	1,185	1,148	1,220
Lettable area, thousand sq.m.	6,703	6,425	6,004	5,837	5,509	4,502	4,304	4,025	3,739	3,806
<b>Financial key ratios</b>										
Return on equity, %	8.4	3.9	-7.8	12.1	27.3	12.4	20.1	26.1	24.7	24.6
Interest coverage ratio, times	2.7	2.7	3.2	4.7	4.9	5.3	5.2	4.6	4.3	3.7
Equity/assets ratio, %	38.5	38.0	37.9	40.0	40.4	38.6	38.3	38.4	35.5	36.1
Debt/equity ratio, times	1.3	1.4	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5
Net debt to total assets, %	48.1	49.4	50.0	47.9	47.4	46.1	48.4	50.1	51.8	51.8
Net debt/EBITDA, times	12.0	12.2	12.3	13.4	12.9	12.7	13.0	12.9	12.9	13.2

1) Attributable to the parent company's shareholders.

Stockholm  
Kungsbacken 8  
Commercial



## 4. LONG-TERM, ENGAGED OWNERS

The principal owners of Fastighets AB Balder are Erik Selin Fastigheter AB, which owns 33.0% of the capital and 46.9% of the votes, Arvid Svensson Invest AB, which owns 7.7% of the capital and 13.8% of the votes, and a number of institutional investors. At the end of 2025, the total number of shareholders was around 29,000 (30,300), and 41% (41) of the share capital was owned by the Board of Directors and management.

### DIVIDEND POLICY

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

Balder will instead continue to improve important financial key ratios and to invest in existing properties, new construction and the acquisition of new properties. The Board does, however, propose that the AGM should pass a resolution on a dividend to shareholders in the form of a non-cash dividend consisting of shares in Norion Bank AB.

### OWNERSHIP LIST, 31/12/2025

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	33.0	46.9
Arvid Svensson Invest AB	17,495,352	73,799,819	91,295,171	7.7	13.8
Swedbank Robur Fonder	—	63,729,681	63,729,681	5.4	3.5
AMF Fonder & Pension	—	59,569,418	59,569,418	5.0	3.3
Länsförsäkringar Fondförvaltning	—	39,639,107	39,639,107	3.3	2.2
Handelsbanken Fonder	—	29,963,544	29,963,544	2.5	1.7
Folksam	—	19,158,229	19,158,229	1.6	1.1
SEB Investment Management	—	16,855,595	16,855,595	1.4	0.9
Cliens Kapitalförvaltning	—	14,802,744	14,802,744	1.2	0.8
Nordea Funds	—	13,017,260	13,017,260	1.1	0.7
Other	25,272	444,822,611	444,847,883	37.4	24.8
<b>Total outstanding shares</b>	<b>67,376,592</b>	<b>1,118,623,408</b>	<b>1,186,000,000</b>	<b>99.7</b>	<b>99.8</b>
Repurchased own shares	—	4,000,000	4,000,000	0.3	0.2
<b>Total registered shares</b>	<b>67,376,592</b>	<b>1,122,623,408</b>	<b>1,190,000,000</b>	<b>100</b>	<b>100</b>

## 5. GROWTH FOR THE BALDER SHARE SINCE THE STOCK EXCHANGE LAUNCH

Balder's most important target is to increase the profit from property management per share over time. Over the past five years, the profit from property management has increased by an average of 7% per year and the net asset value by an average of 8% per year. During the same period, the share has been traded at an average of 85% of the net asset value and 14 times the profit from property management. As the company becomes larger, it will be more difficult to achieve high growth in net asset value and profit from property management per share. The company does, however, remain convinced that it can achieve yield figures well above the normal yield requirements in the market.

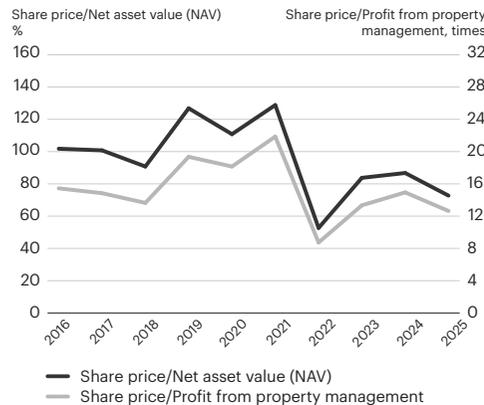
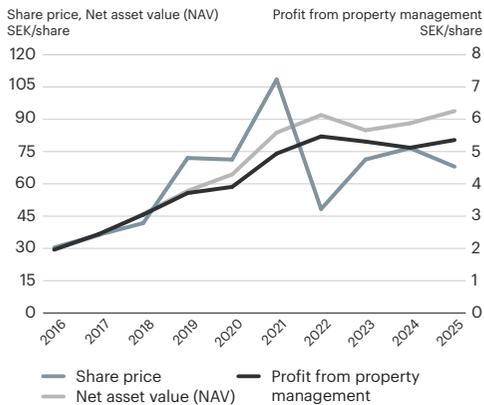
### Developments during the year

Equity per share amounted to SEK 79.13 (74.30) as of 31 December, representing an increase of 7% (4) during the year. The net asset value per share (NAV) during the same period increased by 6% (4) to SEK 93.96 (88.31). The difference between equity and net asset value is that derivatives, net of deferred tax liabilities and deferred tax assets, are reversed in net asset value.

The share price/net asset value ratio was 73% (87) at the year-end.

Profit from property management attributable to the parent company's shareholders amounted to SEK 6,389m (6,011), corresponding to an increase per share of 5% to SEK 5.37 (5.13).

406 million shares were traded during the year (415), representing an average of around 1,632,000 shares per trading day (1,654,000) or SEK 113m (125) based on the average price during the year. The turnover represents an annual turnover rate of 34% (35), and if Erik Selin Fastigheter AB's shares are excluded, the annual turnover represents approximately 51% (52) of the outstanding shares. The proportion of foreign-owned shares is 28% (27).



### THE SHARE'S PERFORMANCE OVER TIME

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

## 6. SUSTAINABLE FINANCING

The EU Taxonomy puts an additional focus on the importance of sustainability work in the property portfolio in areas such as energy efficiency improvement, climate adaptation measures and social sustainability-related issues in the supply chain. Balder has long been investing in energy-saving measures with a dedicated internal team, and has a long history of improving older buildings and achieving significant social and environmental effects. Balder continues to invest in social and environmental activities and reporting of these. Balder is well-positioned to meet future EU requirements for energy efficiency.

Balder has also had green financing for several years in the form of green loans and green bonds. All properties that are built by the company shall be environmentally certified in accordance with the Miljöbyggnad Silver rating or equivalent. In 2025, Balder owned 110 environmentally certified buildings in Sweden, Denmark, Finland, Norway and the UK, corresponding to 495,805 environmentally certified square metres.

Balder has an ESG risk rating from Sustainalytics in 2025 of 14.3, which puts the company comfortably within the low risk sector.



# OPERATIONS

Stockholm  
Kathavet 8  
Commercial



# A DIVERSIFIED PROPERTY PORTFOLIO

Balder offers residentials, commercial properties and new production projects in Sweden, Denmark, Finland, Norway, Germany and the UK. The focus is primarily on capital cities and other large cities. The diversity in terms of both geography and focus limits dependence on developments within specific segments, thereby limiting the overall risk in the business.

Balder's property portfolio is characterised by diversification. All in all, a wide range of residentials and commercial premises are offered in different locations, designs and sizes, and at different rental levels.

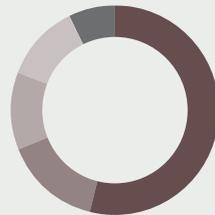
The residential properties are located primarily in metropolitan or growth regions in Sweden, Denmark, Finland and Norway. The portfolio includes apartments in both central locations and on the outskirts of cities, in newly produced properties and older properties. All in all, at the end of 2025 Balder had approximately 51,000 residential contracts distributed across approximately 1,440 residential properties.

Balder's property portfolio contains a wide variety of commercial space, ranging from office, retail and warehouse space to floor space adapted for restaurant and educational activities, for example. The commercial properties are primarily located in the central areas of major cities in the Nordic region, as well as in London and a number of large cities in Germany. The portfolio in Germany consists of a number of hotel properties. The portfolio in London consists of properties for offices and retail.



**CARRYING AMOUNT PER REGION**  
total property portfolio, %

- Helsinki, 24
- Copenhagen, 11
- Gothenburg, 21
- North, 9
- Stockholm, 15
- South, 8
- East, 12



**CARRYING AMOUNT PER PROPERTY CATEGORY**  
total property portfolio, %

- Residential, 54
- Office, 15
- Other, 12
- Retail, 12
- Industrial/Logistics, 7

**Gothenburg Bohusgatan**  
326 tenant-owner apartments  
Occupancy in 2026-2027



# BALDER'S GEOGRAPHICAL MARKETS

Balder owns, manages and develops properties in Sweden, Denmark, Finland, Norway, Germany and the UK.

	Sweden	Denmark	Finland	Norway
Balder established since	2005	2012	2014	2016
Focus	Residential, commercial properties and project development, primarily in Stockholm, Gothenburg and Malmö.	Residential, commercial properties and project development, primarily in the Copenhagen region.	Residential, commercial properties and project development, primarily in Helsinki, Tampere and Turku.	Residential, commercial properties and project development, primarily in the Oslo region.
Carrying amount of total property portfolio, 31/12/2025	SEK 112,220m	SEK 25,524m	SEK 76,053m	SEK 12,469m
Lettable area, 31/12/2025	3,491,214 sq.m.	408,473 sq.m.	2,180,386 sq.m.	554,755 sq.m.
Rental income, 2025	SEK 6,534m	SEK 1,220m	SEK 4,983m	SEK 804m

Balder also owns and manages properties in Germany and the UK, but these markets are not reported above as they constitute a small proportion of the total.



Gothenburg Bergsjön  
Rental apartments



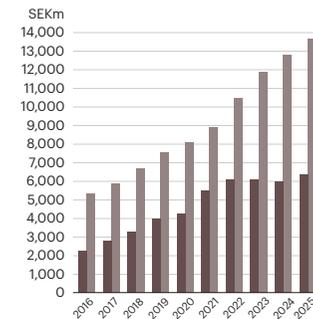
# DEVELOPMENT IN 2025

## INCREASING RENTAL INCOME AND STABLE PROFIT FROM PROPERTY MANAGEMENT

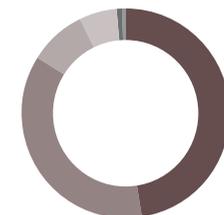
Rental income increased during 2025 by 7% to SEK 13,721m (12,876), of which the effect of changes in exchange rates was SEK -245m (-40). This increase is due to acquisitions and completed projects for own management, as well as an increase in the index for commercial premises and increased residential rents.

At the end of the year, the economic occupancy rate was 95% (96). The total rental value of unlet areas at the end of the year amounted to SEK 751m (585). Profit from property management for 2025 amounted to SEK 6,855m (6,458).

### RENTAL INCOME AND PROFIT FROM PROPERTY MANAGEMENT

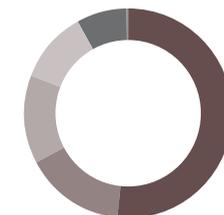


Profit from property management attributable to parent company's shareholders amounted to SEK 6,389m (6,011), corresponding to an increase per share of 5% to SEK 5.37 (5.13). Profit from property management includes SEK 1,933m (2,015) in respect of associated companies.



### RENTAL INCOME by country, SEKm

- Sweden, 6,534
- Finland, 4,983
- Denmark, 1,220
- Norway, 804
- UK, 119
- Germany, 62



### RENTAL INCOME by property category, SEKm

- Residential, 7,123
- Retail, 2,109
- Office, 1,862
- Other, 1,552
- Industrial/Logistics, 1,055
- Projects for own management, 20

## LEASE MATURITY STRUCTURE

31/12/2025

Maturity date	Number of leases	Share, %	Contracted rent, SEKm	Share, %
2026	1,895	37	620	4
2027	1,119	22	834	6
2028	709	14	660	5
2029	509	10	781	6
2030–	871	17	3,838	28
<b>Total</b>	<b>5,103</b>	<b>100</b>	<b>6,733</b>	<b>49</b>
Residential <sup>1)</sup>	51,004		6,897	50
Car park <sup>1)</sup>	11,338		58	0
Indoor parking spaces <sup>1)</sup>	6,484		112	1
<b>Total</b>	<b>73,929</b>		<b>13,800</b>	<b>100</b>

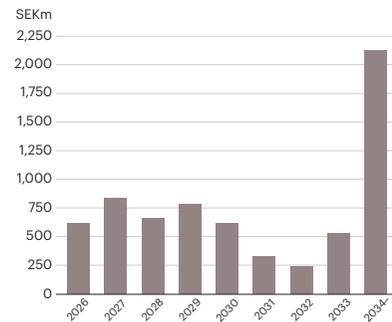
1) Normally has a period of notice of three months.

## GOOD RISK DIVERSIFICATION IN THE COMMERCIAL PORTFOLIO

At the end of 2025, Balder's commercial leases had an average lease term of 6.7 years (6.8). At the same time, the ten biggest leases represented 4.2% (4.1) of total rental income, with an average lease term of 13.9 years (14.8).

The economic occupancy rate in the commercial portfolio was 94% (95) at the end of 2025. In total, Balder had approximately 3,300 commercial customers and a total lettable area of approximately 3,543,000 sq.m.

### MATURITY STRUCTURE OF COMMERCIAL LEASE CONTRACTS



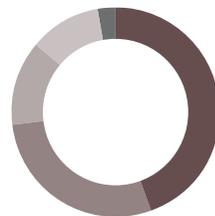
## TRANSACTIONS

Transactions, both acquisitions and sales, constitute part of Balder's business model. Investments are made primarily in areas where Balder is already operating. The rate of growth and inbound relocation in these metropolitan regions has been high over time, which has resulted in good, rising demand for both residential and commercial premises.

### Developments in the property portfolio, 2025

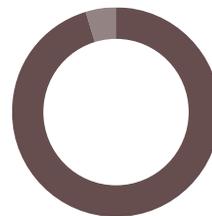
All in all, a total of SEK 11,953m (9,419) was invested in investment properties, of which SEK 9,770m (7,164) related to acquisitions and SEK 2,183m (2,255) to investments in existing properties and projects for own management.

Investment properties and land were divested during the year with a sales value of SEK 2,490m (294). Realised changes in value from the divestments amounted to SEK 58m (-4).



### ACQUISITIONS per property category, SEKm

- Residential, 4,366
- Retail, 2,791
- Other, 1,264
- Industrial/Logistics, 1,092
- Office, 257



### SALES per property category, SEKm

- Investment properties, 2,490
- Development properties, 123



# VALUE-ADDING PROPERTY MANAGEMENT

Having satisfied customers is one of Balder’s most important goals. All coworkers, whatever their occupational role, strive to create customer value and make sure that all customers feel that they are heard and seen. Through a long-term approach, responsible property management and local knowledge, the company creates lasting value.

Balder has a well-diversified property portfolio, both geographically and in terms of segments, and offers residential and commercial premises at different locations and rental levels. The company is working expansively to create safe, attractive environments for tenants, and has local offices with their own coworkers to offer convenient, prompt service.

The combination of the company’s size and the strong local roots gives Balder a unique position as a stable, reliable landlord that is also present, with good local knowledge and a desire to contribute to social area development. The aim is to create lasting value for customers, properties and society in general.

Social area development is characterised by a long-term, responsible approach, where initiatives are designed according to area-specific needs and conditions. For residential customers, the aim is well-being and lasting residential relationships, while commercial tenants shall be offered appropriate, flexible premises that can be adapted when needs change.

## Engaged coworkers close at hand

In areas where Balder operates, there are local offices and coworkers who are responsible for management, letting and operations. The local offices serve as a hub for dialogue with tenants, and the proximity to customers is important for successful social area development. It contributes to short decision-making paths, good service and a deeper understanding of the area’s conditions, while tenants have greater opportunities for involvement and influence.

All coworkers strive to create customer value and make sure that customers feel that they are heard and seen. Through ongoing dialogue, meetings and customer surveys, the needs and views of tenants are captured and translated into concrete actions. In parallel with this, continuous investments are made in the properties, from upgrades of individual apartments to the development of communal spaces and outdoor

environments – all with the aim of enhancing customer satisfaction and the long-term value of the areas.

## Events in property management during the year

The property portfolio in Sweden grew, partly through the acquisition of a dozen residential properties in Norrköping, three commercial properties in Uppsala and taking possession of Malmö Arena. In 2025, the associated company Trenum also completed its Skutan project in Karlstad, and Balder has been appointed to manage the 460 rental apartments. The tenants have moved in, and in order to look after them in the best possible way, Balder’s local area office has been relocated to the neighbourhood.

In Stockholm, work started on the extension of the former School of Architecture, which will add approximately 1,000 square metres of commercial space. In Gothenburg, the letting process started for the Urbana block, which will be ready for residents to move in during spring 2026, contributing around 130 rental apartments.

The property management organisation has had a focus on customer care and the further development of working methods. This work was targeted primarily at a deeper dialogue with tenants, a stronger local presence and concrete actions based on customer surveys. It has resulted in faster feedback, clearer priorities and a more uniform service level all over the country. Property management also continued during the year to streamline internal routines and operational processes in order to provide better support for both coworkers and tenants.

In Denmark, the property management organisation continued to strengthen customer relationships by means of close dialogue, increased presence in residential areas and local activities to promote a sense of community and well-being. Among other things, it was these initiatives that were recognised when Ejendoms-Danmark named Balder Denmark as Property Company

of the Year 2025 – a milestone that reflects the company’s determined work to achieve high levels of customer satisfaction and quality in property management.

Digital developments also played a prominent role during the year. New technological opportunities, including AI, have been analysed and tested in order to simplify internal processes and further improve the customer experience.

Engagement in sustainability continued to be a top priority, with a focus on social initiatives, greater transparency and actions to reduce emissions in both existing properties and upcoming construction projects.

Another significant event during 2025 was the adoption of the development plan for the upcoming Fortkvarteret project in Copenhagen. With the development plan in place, it is expected that the ground can be broken during 2026.

SATO Oyj is one of Finland’s largest property companies and a subsidiary of Balder. The business focuses on residential in the metropolitan regions of Greater

Helsinki, Tampere and Turku. Balder is also a majority shareholder in Joo Group Oy, which offers apartments in a number of Finnish growth locations. At the year-end, Balder owned 58.5% of SATO and 75% of Joo Group.

In addition to the co-ownership of SATO and Joo Group, since 2023 Balder has had a Finnish property management organisation that now owns over 80 commercial properties at over 40 locations all over Finland. These are managed by Balder Finland, which has almost doubled the size of its organisation since the beginning. In 2025, properties were acquired for a value of approximately EUR 70m. The year also featured activities to promote letting, streamline workflows and create a high level of cost consciousness. The Finnish property management organisation also worked on measures to achieve increased energy efficiency and more sustainable property management. A number of renovation projects were also undertaken in the commercial portfolio.

## RECORD NUMBER OF SUMMER WORKERS AT BALDER IN SWEDEN

In summer 2025, both independently and via partnerships with other actors, Balder welcomed almost 330 young people who worked in Gothenburg, Stockholm and Sundsvall.

Summer jobs not only offer valuable work experience, they also strengthen many relationships and contribute to meaningful leisure time, greater well-being and a sense of community.

The young people who had summer jobs at Balder were 15–20 years old and worked on everything from property maintenance and cultivation to selling ice cream and organising activities for children in the area. Just like Balder’s general work on social sustainability, tasks and activities are adapted based on the conditions and needs in each area, but one common theme was that they all contributed to an enhanced sense of well-being and safety.



## INCREASED CUSTOMER SATISFACTION

Balder meets its customers in many ways and on different occasions, from an initial expression of interest to follow-up on completed service cases. To find out what works well during the customer journey and what could be better, continuous customer surveys are conducted. This year's Swedish surveys reflect a continued positive trend, with customer satisfaction at a good, stable level.

Balder carries out long-term, targeted work to understand how customers feel about their residential and commercial premises and what they need. The aim is to increase customer satisfaction in both the short term and the long term. As part of this work, continuous customer surveys are conducted, the results of which form the basis of activities at both central and local levels. The insights acquired become part of the supporting data for decision-making in the property management organisation and the existing property portfolio, and also for property development and future projects.

Balder's large, diversified property portfolio entails a large number of customers, in many locations and with different needs, demands and conditions. This is why the company works locally on social area development and satisfying customers' preferences. Through a combination of quick actions and long-term initiatives, Balder strives to nurture and strengthen both customer relationships and the property portfolio.

In Sweden, customer satisfaction is measured in the three customer categories of Residential, Residential New Production and Commercial. To ensure a high service level in all customer categories, Balder has been maintaining a strong focus on these areas in recent years. This year's results indicate a continued increase in most of the service-related issues, with a particularly positive trend in questions relating to fault management and cleaning in the properties.

### CSI Residential

Almost half of Balder's residential tenants chose to participate in the national survey in 2025, offering their personal thoughts and responses. The results are in line with the previous year and indicate a continued medium-high level of customer satisfaction. The responses reveal improvements in many areas, including higher ratings than before for questions relating to safety and cleaning. Both of these subject areas are important for the residential environment, and Balder once more received

confirmation that its targeted work on safety and well-being is producing results and is appreciated by tenants.

### CSI Residential New Production

Balder did not complete any own rental projects in Sweden during 2025, and projects run within joint ventures and associated companies are not included in this report. There is therefore no CSI result for the category of Residential New Production in 2025.

### CSI Commercial

A national survey was also conducted among Balder's commercial tenants during the year. The results show not only increases compared with previous years, but also a new record level of customer satisfaction in this customer group.

Commercial tenants are more positive this time about virtually all questions relating to service and products. Nearly all respondents are satisfied with their treatment from Balder's personnel, and the results indicate a major improvement and high result in keeping promises made. Another particularly pleasing aspect is the increase in comfort-related issues, where Balder has in recent years been working on energy efficiency improvements to reduce the carbon footprint, improve the properties and increase profitability.

### Focus looking ahead

Despite the excellent results, work continues on being an even more attractive landlord. Looking ahead, the focus is on working even more closely with tenants to achieve a continued increase in customer benefit and service, including in the field of sustainability.

This year's surveys show that customers consider it important to have an environmentally aware landlord. Many also express the view that they have good opportunities to make green choices in their homes, and these results also continue to improve among commercial tenants.

## CUSTOMER SATISFACTION INDEX 2025

CSI  
RESIDENTIAL  
**68**

The CSI for Balder's current residential tenants amounts to an average of 68 (68), which represents a medium-high level of customer satisfaction.

CSI RESIDENTIAL  
NEW PRODUCTION

No result to report for 2025. The CSI for Balder's newly produced rental apartments completed during 2024 amounted to an average of 81, which represents a very high level of customer satisfaction.

CSI  
COMMERCIAL  
**76**

The CSI for Balder's commercial tenants amounts to an average of 76 (75), which represents a high level of customer satisfaction.

Balder uses three metrics to measure and follow up on customer satisfaction: CSI, NPS and the Balder Index. The Customer Satisfaction Index (CSI) is based on responses to three standardised questions and provides a general view of the customer experience. The Net Promoter Score (NPS) is an international indicator of willingness to recommend and customer loyalty. The Balder Index is tailored for Balder and based on questions about service, treatment and presence. Together, these measurement tools analyse both the big picture and the details of Balder's customer relationships, at both central and local level.

To give the business the right conditions, insights and base data for good decisions, Balder has three full-time employees who measure, analyse and present results in ongoing work on customer relationships.

# PROPERTY DEVELOPMENT

Within the framework of Balder's property development, both new production and major rebuilding projects of both residential and commercial premises are carried out. Investments are made primarily in areas where the company is already operating.

Through a continued upgrading of the existing property portfolio, combined with growth through new land allocations and acquisitions, Balder strives to be an active, long-term and responsible actor in the field of urban and property development.

## Completed projects and projects in progress, 2025

Completed projects were implemented according to plan. Refurbishments and renovations were ongoing continuously throughout the year, with some restraint. The newly produced properties are certified as a minimum in accordance with Miljöbyggnad Silver, LEED Platinum or equivalent.

## New production for own management

In total, approximately 300 rental apartments were completed during the year in Finland.

Most of the major projects in progress relate to residential projects for rental use. All in all, the projects comprise around 100 apartments in Sweden.

At the year-end, total investments in projects in progress for own management amounted to SEK 0.6 billion (0.5), of which SEK 0.1 billion (0.4) was invested and SEK 0.5 billion (0.1) is still to be invested.

## New production for divestment

The projects also include development properties that are intended for divestment after development or upgrading. At the year-end, investments in projects in progress intended for divestment amounted to SEK 2.0 billion (1.3), of which SEK 1.2 billion (0.7) was invested and SEK 0.8 billion (0.6) is still to be invested.

All projects in progress relate to residential projects that will be sold to end customers. The projects comprise around 330 apartments at Heden in the centre of Gothenburg and around 70 apartments in the project Garbo in Sundbyberg, Stockholm.

## Large building rights portfolio

In addition to projects in progress, Balder has a large, interesting portfolio of building rights. The building rights portfolio mainly includes building rights for the construction of residentials, but there are also rights for commercial properties. The portfolio covers all geographical markets, although the biggest proportion is in Gothenburg and Stockholm.



## THE CIRKUS BUILDING, COPENHAGEN RESTORATION

In close collaboration with the tenant, architects, contractors and others, Balder Denmark has carefully recreated one of the most iconic buildings in Copenhagen – the Cirkus building. The purpose was to restore this listed building to its former glory while also adapting it to modern requirements. The facades and windows were renovated, as were the characteristic relief frieze and domed cupola roof. At the same time, technical installations were updated and extensive restoration work was undertaken in areas including the foyer and bar areas. After five months of intensive work, the doors were reopened in August 2025.



## TORIHOTELLI, OULU ACQUISITION AND COMPLETION

In summer 2025, Balder Finland acquired the Oulu Torihotelli property in the centre of Oulu. The transaction was conducted with SRV, which was the main contractor for the project and the largest creditor in the previous developer's bankruptcy estate. The acquisition enabled the resumption of construction, and the hotel is expected to be completed in summer 2026, when Oulu is the European Capital of Culture. The premises will house not only a Scandic Go hotel with 144 rooms, but also a restaurant and event complex, and two business premises. The project also includes an underground car park.



## GRANIT, GOTHENBURG CONSTRUCTION UNDER WAY

In autumn 2025, construction work started on the Granit residential project on Långströmsallén in Gothenburg. This sees Balder continuing the area transformation that was initiated in 2017 with the vision of a green, vibrant and inclusive block with local shops and easily accessible infrastructure. Granit is Balder's fifth new production project in the area and is being built in 6–9 floors with nearly 100 apartments, two premises, an underground car park and a green inner courtyard. The block is being constructed in accordance with Miljöbyggnad Silver certification. The plan is for the first occupants to move in by spring 2027.

# FRÖLUNDA PARK – FROM ACQUISITION AND PROJECT TO OWN MANAGEMENT

Since 2013, Balder has been developing Frölunda Park around the iconic Stjärnhusen apartment blocks in Västra Frölunda, Gothenburg. Through new residential properties, social initiatives and welcoming external environments, the company has established a vibrant, attractive city district.

Balder acquired the distinctive Stjärnhusen apartment blocks in Västra Frölunda, Gothenburg in 2013. These pentagram-shaped blocks were built in the 1960s and contain a total of 560 rental apartments. Soon after the acquisition, work started to develop the area. In addition to ongoing maintenance and renovation of the existing portfolio, more residential have been added, both rental and tenant-owner apartments, as well as commercial premises. The initiative was named Frölunda Park.

First up was the tenant-owner apartment project Sjöstjärnan, which was completed in 2019, and Strandsnäcken was completed the following year. Between them, the two projects consist of almost 280 tenant-owner apartments. 2024 saw the completion of the last block in Frölunda Park, consisting of Korallen, Sandstenen and Sjöliiljan – a combination of tenant-owner apartments, rental apartments and the Hyrköp

(Lease-Purchase) concept. Together, they contain around 330 rental apartments, 65 tenant-owner apartments and a handful of commercial premises. All in all, Balder now owns and manages around 880 rental apartments, six commercial premises and one multi-storey car park in the area. To provide tenants with the best possible service, Balder also has a local property management office in Frölunda Park.

Frölunda is one of the areas where Balder is engaged in not only traditional property management work, but also active social area development through social initiatives. One of the facilities that the company provides in the area is an activity centre with activities aimed primarily at children and young people. Social initiatives are run by the company and in collaboration with, for example, other local property owners, associations and the City of Gothenburg to create a safe, attractive living environment.



Great emphasis has been placed down the years on designing a welcoming inner courtyard. It offers space for young and old, for activities or a quiet moment. There are social spaces with room for games, but also trees, bushes and flower beds.



# ASSOCIATED COMPANIES

Balder is co-owner of a large number of companies that manage properties and develop projects, and also of Norion Bank.

Between them, the property-managing associated companies own a total of 449 investment properties (515) as well as project properties. Balder's share of the carrying amount at the end of 2025 was SEK 45,525m (45,404), lettable area of approximately 1,148,000 sq.m. (1,151,000) and a rental value amounting to SEK 2,525m (2,532). The profit from property management for all associated companies, i.e. profit excluding changes in value and tax, amounted to SEK 4,434m (4,365), of which Balder's share amounted to SEK 1,933m (2,015).

The companies' profit after tax amounted to SEK 4,056m (1,581), of which Balder's share amounted to SEK 1,779m (901).

## Development in 2025

As a Group, Balder's associated companies report the same trend as Balder in general, i.e. improved profit from property management with stabilised property values.



Mönlycke  
Wendelstrand  
Lakehouse  
Commercial

## WENDELSTRAND HUB OPENED

To the south west of the Landvettersjön lake, in Mönlycke near Gothenburg, the new city district of Wendelstrand is emerging. A former quarry is being transformed into a verdant, sustainable city district with more than 1,300 residentials and some commercial premises. Balder, through its half-owned associated company Next Step Group, is one of the actors running the development, together with HSB, OBOS and Klövern.

It will be a few years before the first residents can be welcomed to the area, but June 2025 saw the official opening of Lakehouse, which is the heart of the city district and a central meeting place. The building was designed by the world-famous architectural firm Snøhetta and houses not only a restaurant and communal spaces, but also a gym and offices.



Gothenburg  
Södra Änggården  
128 rental apartments

## NEWLY PRODUCED RENTAL APARTMENTS IN SÖDRA ÄNGGÅRDEN

In autumn 2022, Balder acquired, through the associated company Trenum, a future residential block in Södra Änggården in West Gothenburg. The seller, Månsson Fastigheter, is responsible for completion and Trenum will take over the property in spring 2026.

The project was named Urbana and includes almost 130 rental apartments, over 20 long-stay apartments, indoor parking spaces and some commercial premises at ground level. Trenum, which is owned in equal parts by Balder and Tredje AP-fonden, owns the property, while Balder is responsible for property

management and letting the residentials and commercial premises. Letting of the rental apartments started in mid-September, and within around one month all apartments had been let.

The company that took the initiative for Södra Änggården was Platzer Fastigheter, which had the idea around ten years ago of transforming the Högsbo industrial area into a new urban city district. Skanska, Peab, Hökerum Bygg, Bonava and Balder are now also operating in the area. Almost 2,000 apartments are planned in total.

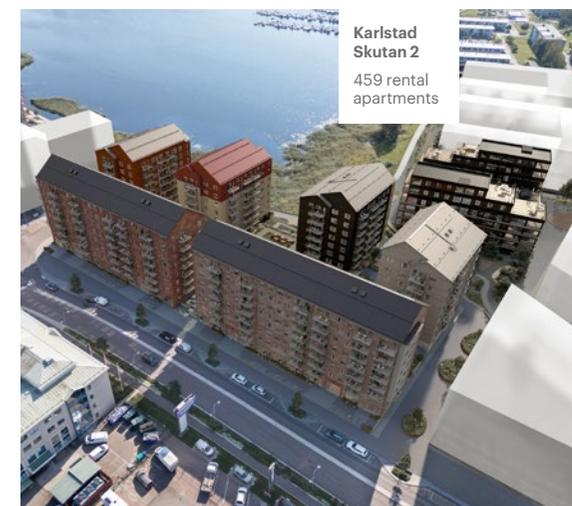
**BALDER'S SHARE OF PROPERTY-MANAGING ASSOCIATED COMPANIES' PROPERTY PORTFOLIO<sup>1,2)</sup>**

31/12/2025	Number of investment properties <sup>3)</sup>	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
<b>Distributed by region</b>								
Stockholm	127	180,663	451	2,494	415	92	8,076	18
Gothenburg	89	253,215	398	1,574	383	96	5,614	12
South	76	95,482	169	1,771	165	97	2,897	6
East	62	125,488	176	1,400	160	91	2,592	6
North	26	87,014	197	2,259	182	92	3,300	7
Oslo	69	405,851	1,134	2,795	1,072	95	20,334	45
<b>Total excluding projects</b>	<b>449</b>	<b>1,147,712</b>	<b>2,525</b>	<b>2,200</b>	<b>2,376</b>	<b>94</b>	<b>42,813</b>	<b>94</b>
Projects for own management			—		—		2,712	6
<b>Total property portfolio</b>	<b>449</b>	<b>1,147,712</b>	<b>2,525</b>	<b>2,200</b>	<b>2,376</b>	<b>94</b>	<b>45,525</b>	<b>100</b>
<b>Distributed by property category</b>								
Residential	144	269,737	599	2,221	574	96	11,203	25
Office	123	551,900	1,442	2,612	1,345	93	24,997	55
Retail	40	90,585	148	1,635	142	96	1,866	4
Other	142	235,491	336	1,426	314	94	4,747	10
<b>Total excluding projects</b>	<b>449</b>	<b>1,147,712</b>	<b>2,525</b>	<b>2,200</b>	<b>2,376</b>	<b>94</b>	<b>42,813</b>	<b>94</b>
Projects for own management			—		—		2,712	6
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1) Refers to properties that the associated companies owned at the end of the year. Properties sold have been excluded and acquired properties have been adjusted to full-year values. Other properties include hotel, educational, care, industrial and mixed-use properties.  
 2) Refers to Balder's holding in Anthon Eiendom AS, Sinoma Fastighets AB, Trenum AB, Tulia AB, Tornet Bostadsproduktion AB, Fastighetsstaden i Halmstad AB, Entra ASA and Stenhus Fastigheter i Norden AB.  
 3) Refers to the entire portfolio of associated companies.

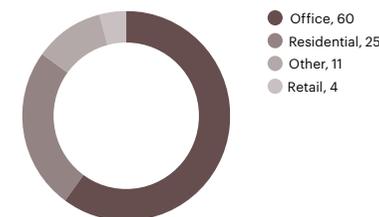
SEKm	31/12/2025	31/12/2024
<b>Assets</b>		
Properties	45,525	45,404
Other assets	1,668	3,575
Cash and cash equivalents	835	571
<b>Total assets</b>	<b>48,028</b>	<b>49,550</b>
<b>Equity and liabilities</b>		
Equity/shareholders' loans	19,982	21,001
Deferred tax liability	3,535	3,492
Interest-bearing liabilities	23,218	23,530
Other liabilities	1,294	1,527
<b>Total equity and liabilities</b>	<b>48,028</b>	<b>49,550</b>

SEKm	2025	2024
Rental income	2,333	2,651
Property costs	-346	-384
<b>Net operating income</b>	<b>1,987</b>	<b>2,267</b>



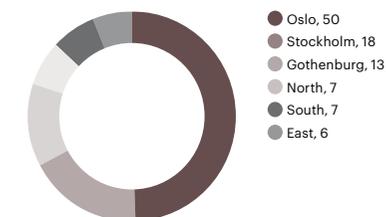
**CARRYING AMOUNT PER PROPERTY CATEGORY**

Associated companies, %



**CARRYING AMOUNT PER REGION**

Associated companies, %



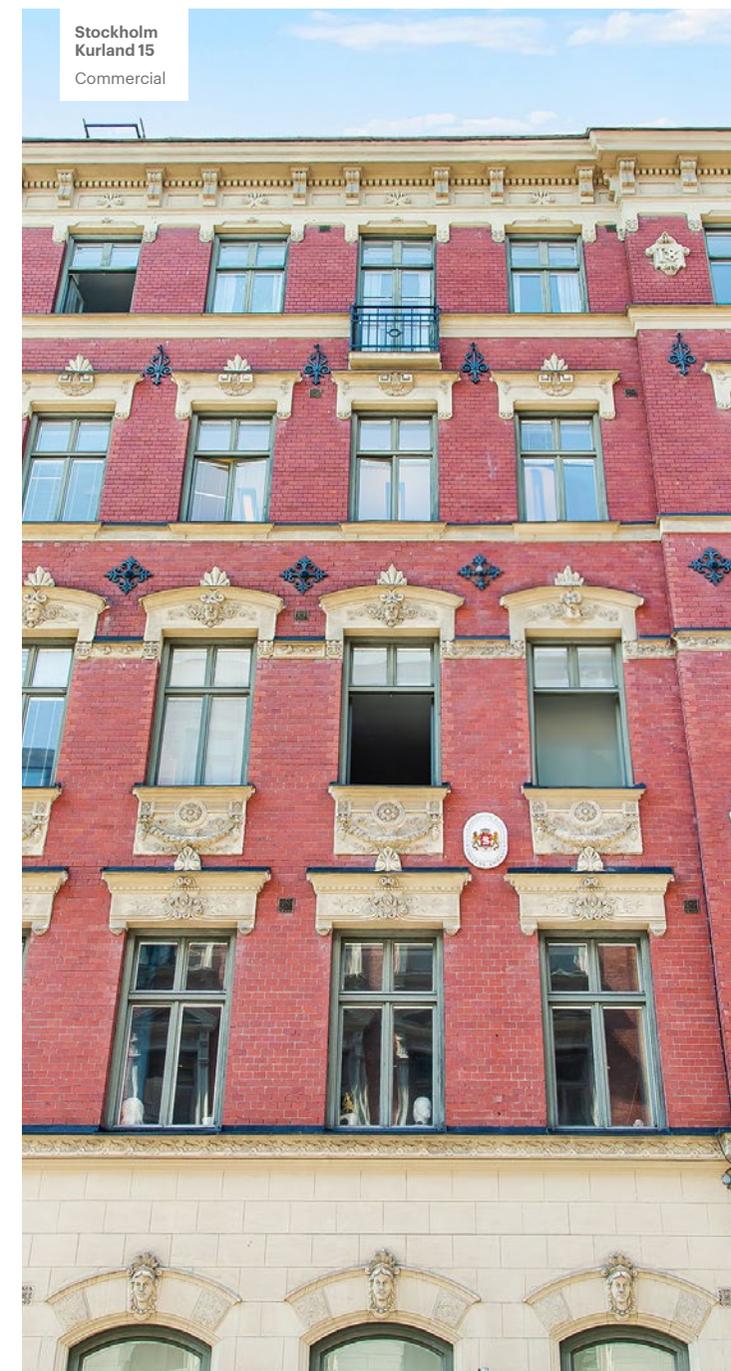
# BALDER'S PROPERTY PORTFOLIO

## PROPERTY PORTFOLIO AS OF 31/12/2025<sup>1)</sup>

	Number of investment properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
<b>Distributed by region<sup>2)</sup></b>								
Helsinki	784	1,380,132	3,666	2,656	3,505	96	54,279	24
Stockholm	103	864,173	2,107	2,438	1,936	92	33,209	15
Gothenburg	219	1,316,130	2,706	2,056	2,574	95	44,012	19
Copenhagen	29	408,473	1,226	3,001	1,221	100	25,193	11
South	113	646,114	1,224	1,894	1,114	91	17,598	8
East	505	1,086,448	2,118	1,949	2,047	97	28,041	12
North	270	1,001,677	1,485	1,482	1,382	93	19,898	9
<b>Total excluding projects</b>	<b>2,023</b>	<b>6,703,146</b>	<b>14,531</b>	<b>2,168</b>	<b>13,780</b>	<b>95</b>	<b>222,230</b>	<b>97</b>
Projects for own management			20		20		2,966	1
<b>Total investment properties</b>	<b>2,023</b>	<b>6,703,146</b>	<b>14,551</b>	<b>2,168</b>	<b>13,800</b>	<b>95</b>	<b>225,196</b>	<b>99</b>
Development properties							3,384	1
<b>Total property portfolio</b>	<b>2,023</b>	<b>6,703,146</b>	<b>14,551</b>	<b>2,168</b>	<b>13,800</b>	<b>95</b>	<b>228,580</b>	<b>100</b>
<b>Distributed by property category</b>								
Residential	1,437	3,160,165	7,370	2,332	7,080	96	117,258	51
Office	112	705,046	2,110	2,992	1,853	88	34,193	15
Retail	186	1,303,650	2,230	1,711	2,152	97	28,434	12
Industrial/Logistics	192	862,435	1,163	1,348	1,075	92	14,435	6
Other	96	671,850	1,658	2,468	1,619	98	27,910	12
<b>Total excluding projects</b>	<b>2,023</b>	<b>6,703,146</b>	<b>14,531</b>	<b>2,168</b>	<b>13,780</b>	<b>95</b>	<b>222,230</b>	<b>97</b>
Projects for own management			20		20		2,966	1
<b>Total investment properties</b>	<b>2,023</b>	<b>6,703,146</b>	<b>14,551</b>	<b>2,168</b>	<b>13,800</b>	<b>95</b>	<b>225,196</b>	<b>99</b>
Development properties							3,384	1
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1) The above table refers to properties that Balder owned at the end of the year. Properties sold have been excluded and acquired properties have been adjusted to full-year values. Other properties include hotel, educational, care and mixed-use properties.

2) The properties in Denmark are classified under the Copenhagen region. The Finnish property portfolio is divided between the regions of Helsinki and East. Property ownership in Norway is classified under region North, and the properties in Germany and the UK under region South.



# VALUATION

Balder owns just over 2,000 investment properties, 1,400 of which are residential properties. At the end of 2025, the market value of the investment properties was SEK 225,196m.

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

Residential properties have performed a little better than the CPI historically, but in its valuations Balder has assumed that rents develop in line with the inflation target. The total rental value of Balder’s property portfolio as of 31 December amounted to SEK 14,551m.

### Valuation method

The fair value of the properties is based on internal valuations. Properties in Sweden, Denmark, Finland, Norway, Germany and the UK are valued using the yield method.

### The yield method

When valuing according to the yield method, the market value of the properties reflects the future cash flow, which is calculated at current value using a yield requirement. The more predictable the future cash flow, the easier it is to determine the market value of the properties. The cash flows of residential properties are usually very predictable, as the income is divided among a large number of customers.

Balder’s commercial contracts have an average contract term of 6.7 years. The ten biggest leases represent 4.2% of the total rental income, with an average lease term of 13.9 years. These circumstances mean that a large proportion of Balder’s future cash flows that form the basis of the market value are known.

The properties where the future cash flow is least predictable are mainly concentrated in the central areas of the major cities of Stockholm, Gothenburg and Malmö. It is in these properties that Balder is most dependent on future lettings and it is also here where an estimate must be performed in the valuations of what level of

rent an object can command if it becomes vacant. The major cities offer good transparency for a comparison of rental rates. The timing of subsequent letting is, however, more difficult to determine, which means that an assumption has to be made based on market demand, historical interest and similar premises.

An assessment is also made of the future development of the immediate surroundings as well as the property’s position within its market segment. Properties under construction and projects for own management are valued at market value minus estimated contracting expenditure and project risk, which in some cases corresponds to a valuation at cost.

### Operating and maintenance payments

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

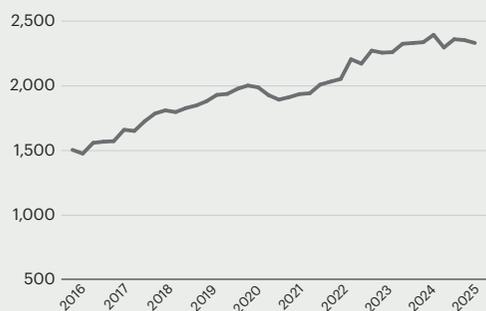
### Yield requirement and cost of capital

The yield requirements and cost of capital used in valuations have been derived from comparable transactions in the property market. Important factors when choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property. Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made.

The uncertainty in respect of individual properties is normally considered to be in the range of +/- 5–10%. Balder monitors transactions completed in the market on an ongoing basis in order to substantiate and guarantee the internal valuations. Balder also conducts continual discussions with external actors regarding the acquisition and divestment of properties, which provides additional guidance.

As of 31 December, Balder’s average yield was 4.9% (4.9). The average yield requirement for commercial properties was 5.5% (5.6) and for residential properties 4.4% (4.4).

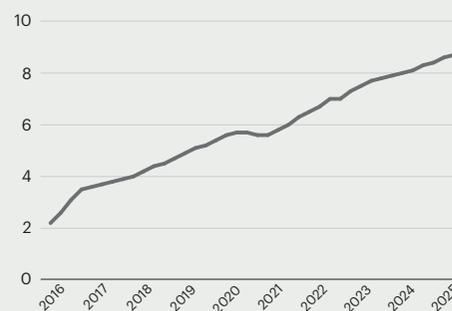
RENTAL VALUE, RESIDENTIAL, SEK/SQ.M.



RENTAL VALUE, COMMERCIAL, SEK/SQ.M.



NET OPERATING INCOME, ROLLING ANNUAL VALUE, SEK/SHARE



RESIDENTIALS AND COMMERCIAL PROPERTIES

	Mean value of yield requirement for estimation of residual value, %
Helsinki	4.69
Stockholm	4.80
Gothenburg	4.86
Copenhagen	3.83
South	5.41
East	5.53
North	5.91

**Change in value of investment properties**

During 2025, Balder acquired properties for a total value of SEK 9,770m (7,164). Sales during the year amounted to SEK 2,432m (298), generating a profit of SEK 58m (-4). According to Balder's internal valuations, the carrying amount of the investment properties at year-end amounted to SEK 225,196m (221,261), representing an unrealised change in value of SEK 2,440m (-756).

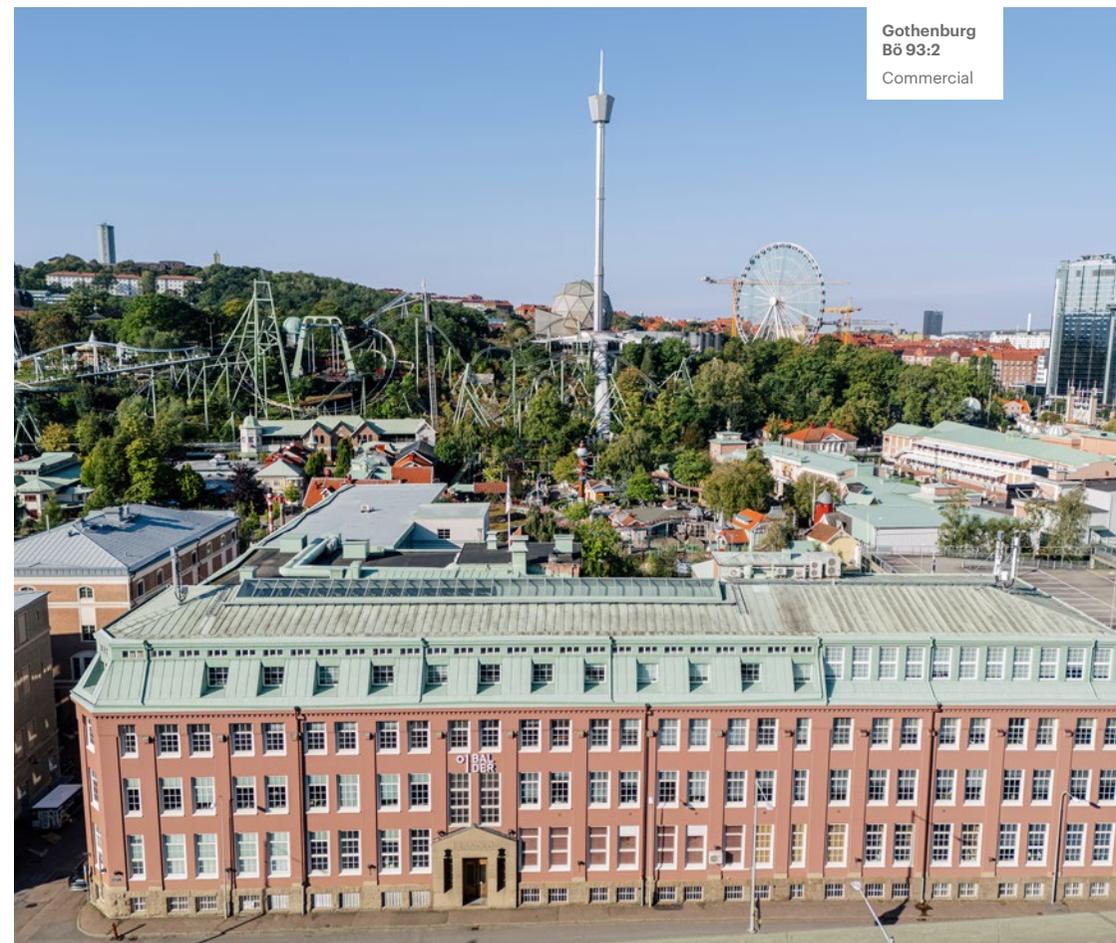
The biggest proportion of the market value is found in the Stockholm, Helsinki and Gothenburg regions, which between them represent a property value of SEK 131,500m, excluding projects.

**External valuations**

In order to quality-assure its internal valuations, Balder uses external valuation firms in order to have parts of the portfolio valued externally and to secure parame-



Helsingør  
Denmark  
Ofeliahaven  
109 rental  
apartments



Gothenburg  
Bö 93:2  
Commercial

ters and assumptions in the valuation calculations. During the year, 60% (60) of the portfolio was the subject of assessment by external valuation firms. Deviations between external and internal valuations were insignificant.

The external valuations were carried out during the year by CBRE, Colliers, JLL and Newsec.

**Development properties**

A development property is a property that is owned for upgrading with a view to being divested. These properties are recognised at the lower of cost and net realisable value on an ongoing basis, and a profit/loss is recognised when each property is completed, sold and handed over to the buyer. As of 31 December, the value of Balder's development properties amounted to SEK 3,384m (1,955).

# FINANCING

Copenhagen  
Denmark  
Rubinhaven  
124 rental  
apartments

# FINANCING

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

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

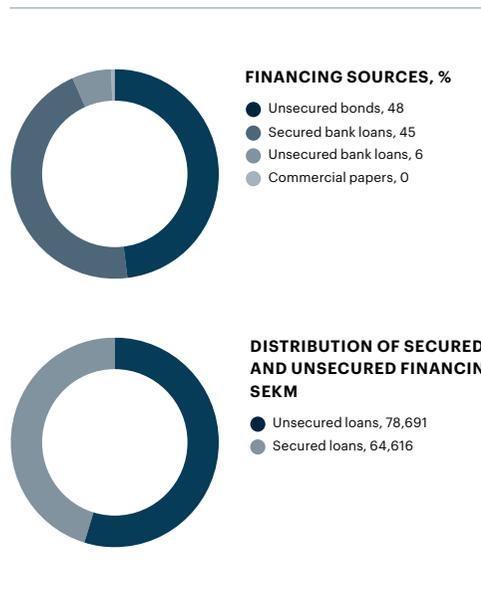
When a credit provider assesses the credit risk, factors considered include the properties' location and the diversification of the property portfolio with regard to geography and asset types. Balder's assets consist primarily of residential properties, which are characterised by cash flows that are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

Balder's property portfolio currently consists of 54% residential properties, and a large proportion of these are located in Stockholm, Gothenburg, Helsinki, Copenhagen and some other growth areas in Sweden and Finland. The majority of Balder's commercial properties are located in the central parts of Stockholm, Gothenburg and Malmö.

### Several financing sources

The single largest financing source is euro bonds issued in the European bond market, under Balder's EMTN programme, followed by bank loans in various currencies, a domestic MTN programme, as well as a commercial paper programme in euros and Swedish kronor. In 2025, Balder extended its presence in the Swedish capital market and issued SEK 2.3 billion.

In addition to these financing sources, Balder also issued convertible bonds to a value of EUR 480m as well as hybrid capital, which has an original maturity of 60



years and has historically been considered as 50% equity by the credit rating agencies. During 2024, an additional portion of the hybrid capital was repurchased, which meant that following the repurchase, the hybrid capital is treated as an interest-bearing liability. As of 31 December, approximately 80% of loans were hedged with interest rate swaps and fixed-interest loans.

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

Balder's first green framework was launched in 2019 and updated in 2023. The framework was further de-



FINANCIAL TARGETS	Target	Outcome
Equity/assets ratio, %	min. 40.0	38.5
Net debt to total assets, %	max. 50.0	48.1
Interest coverage ratio, times (rolling twelve months)	min. 2.0	2.7
Net debt/EBITDA, times (rolling twelve months)	max. 11.0	12.0

FINANCIAL KEY RATIOS	31 Dec 2025	31 Dec 2024
Interest-bearing liabilities, SEKm	143,307	138,851
Available liquidity including confirmed loan commitments, SEKm	23,724	20,726
Average fixed credit term, years	4.6	5.0
Average fixed interest term, years	2.7	3.1
Net debt/EBITDA, times	12.0	12.2

Financial covenants	31 Dec 2025	31 Dec 2024
Net debt to total assets < 65, %	48.1	49.4
Interest coverage ratio > 1.8, times (rolling twelve months)	2.7	2.7
Secured debt/Total assets < 45, %	23.4	23.6
Credit rating S&P	BBB Stable outlook	BBB Stable outlook

veloped during 2025 to include buildings that are EU Taxonomy-aligned or environmentally certified, in line with the ICMA’s Green Bond Principles 2021. The framework has also been developed to enable issuances of social bonds in accordance with the ICMA’s Social Bond Principles 2023, with a focus on rental apartments in socio-economically vulnerable areas. The framework has been reviewed by ISS Corporate Solutions, which issued a second opinion with the grade “positive”. This is the best possible outcome and means that Balder is deemed to be making a positive contribution to the UN Global Sustainable Development Goals and Agenda 2030. The green bond framework is published on the Balder website. Every year, a Green and Social Financing Impact Report is also published, with an account of how the funds have been used.

In addition to green bonds, Balder has green loans with Swedish banks, both within the Balder Group and in associated companies.

Balder’s MTN programme has a framework of SEK 20,000m, and the EMTN programme has a framework of EUR 6,000m. At the year-end, a total of SEK 11,422m was outstanding within the MTN programme and EUR 3,711m was outstanding within the EMTN programme.

As of the year-end, available liquidity including confirmed loan commitments was SEK 23,724m (20,726).

At the year-end, secured debt as a proportion of total assets was 23.4%. All financial targets are in line with the long-term objective. Net debt in relation to EBITDA on a rolling 12-month basis is now 12.0 compared to 13.5 when the target of 11 times was introduced. Net debt to total assets was 48.1%, the equity/assets ratio was 38.5% and the interest coverage ratio was 2.7 times. At the end of the year the fixed credit term was 4.6 years.

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

**Investment grade rating**

Balder has an investment grade rating from S&P of BBB with a stable outlook. This rating reflects, among other things, the fact that Balder has a large property portfolio that is well-diversified in terms of both property types and geography, and that Balder has stable rental income, a high and stable occupancy rate and a solid interest coverage capacity.

An investment grade rating from S&P means that Balder can continue to access both European and domestic capital markets, obtain long terms for tying-up of capital, increase the number of financing sources and thus secure long-term capital for continued growth. Having a balance sheet that satisfies the criteria for an

investment grade rating and continuous access to bond financing is not simply a matter of financing strategy, it is also very much in line with the risk profile that the Board of Directors is in general striving to achieve for the company.

**MATURITY STRUCTURE INTEREST-BEARING LIABILITIES, 31/12/2025**

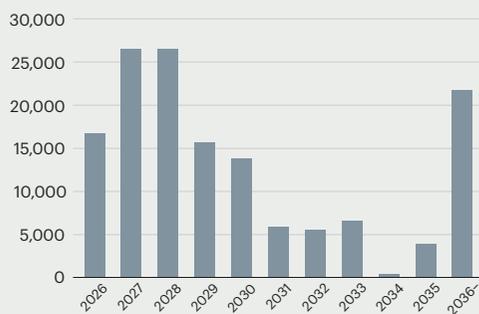
Year	SEKm	Share, %
2026	16,745	12
2027	26,457	18
2028	26,559	19
2029	15,670	11
2030	13,783	10
2031	5,917	4
2032	5,572	4
2033	6,641	5
2034	365	0
2035	3,894	3
2036-	21,703	15
<b>Total</b>	<b>143,307</b>	<b>100</b>

**INTEREST FIXING STRUCTURE, 31/12/2025**

Year	SEKm	Interest, %	Share, %
2026	43,470	3.1 <sup>1)</sup>	30
2027	15,715	2.0	11
2028	22,561	3.0	16
2029	16,353	2.1	11
2030	12,399	2.2	9
2031	7,261	2.2	5
2032	8,213	3.5	6
2033	5,409	4.1	4
2034	1,212	2.8	1
2035	—	—	—
2036-	10,714	2.9	7
<b>Total</b>	<b>143,307</b>	<b>2.9</b>	<b>100</b>

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

**MATURITY STRUCTURE INTEREST-BEARING LIABILITIES, 31/12/2025, SEKm**



**NET DEBT TO TOTAL ASSETS, %**



**AVERAGE FIXED INTEREST TERM, YEARS**



**AVERAGE FIXED CREDIT TERM INTEREST-BEARING LIABILITIES, YEARS**

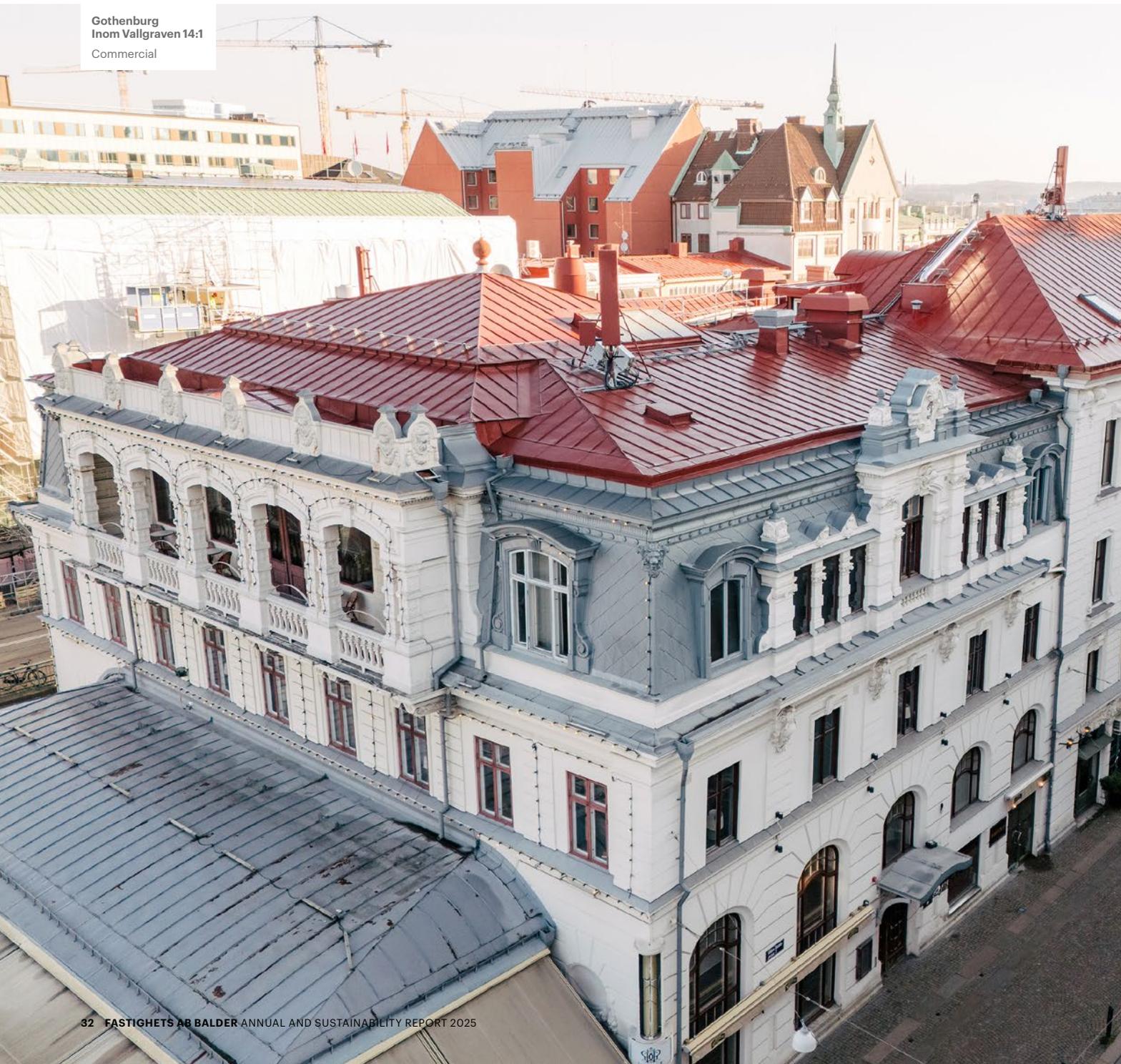


# REPORT OF THE BOARD OF DIRECTORS

Gothenburg  
Karlartornet  
Highest building in  
the Nordic region



Gothenburg  
Inom Vallgraven 14:1  
Commercial



# CONTENTS

<b>REPORT OF THE BOARD OF DIRECTORS</b> .....	<b>33</b>
<b>OPPORTUNITIES AND RISKS</b> .....	<b>37</b>
<b>SUSTAINABILITY REPORT</b> .....	<b>42</b>
Sustainability at Balder .....	44
General disclosures.....	45
Environmental sustainability .....	59
Social sustainability .....	86
Business conduct.....	101
Appendix.....	105
<b>FINANCIAL STATEMENTS AND NOTES</b> .....	<b>109</b>
Financial statements.....	110
Notes to the financial statements.....	118

# REPORT OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO of Fastighets AB Balder (publ), corporate ID number 556525-6905, hereby submit the following annual and sustainability report for the financial year 2025.

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

## Operations

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

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

## Financial targets

Balder's goal is to achieve a stable, good return on equity, while the equity/assets ratio over time shall be no less than 40%, the interest coverage ratio shall be no less than 2.0 times, the net debt to total assets shall not exceed 50% and the Net debt/EBITDA over time shall not exceed 11.0 times. For 2025, the outcome for the equity/assets ratio was 38.5% (38.0), the interest coverage ratio was 2.7 times (2.7), the net debt to total assets was 48.1% (49.4) and the Net debt/EBITDA was 12.0 times (12.2).

## Personnel and organisation

Balder's business areas consist of the regions Helsinki, Stockholm, Gothenburg, Copenhagen, South, East and North. The regional organisations follow the same basic principles, but differ depending on the size and property holdings of each region. The regional offices

are responsible for letting, operations, environmental matters and technical management.

The Balder Group, with Fastighets AB Balder as Parent Company, is composed of a large number of limited liability companies and limited partnership companies. Balder's operational organisation is supported by central accounting, property management and finance functions. On 31 December the Group had a total of 1,151 employees (1,058), of whom 451 were female (428). Balder's management team during the year consisted of five people, three of whom are female.

For information regarding adopted guidelines for remuneration to senior executives, see Note 4, Employees and staff costs. The Board of Directors will not propose any changes in the guidelines to the Annual General Meeting 2026.

## Significant events during the financial year

### Acquisitions

Investment properties as well as condominiums and land were acquired with a property value of SEK 9,770m (7,164).

### Divestments

Investment properties as well as condominiums and land were divested with a property value of SEK 2,490m (294).

### Other

At the AGM of Fastighets AB Balder on 8 May 2025, the general meeting took the decision to authorise the Board of Directors to decide on the acquisition of the company's own shares before the next AGM. During the fourth quarter, the Board decided to exercise this authorisation based on the conditions adopted at the AGM. 4,000,000 shares were repurchased during the fourth quarter at a total amount of SEK 267m.

The Board of Directors has previously made a directional decision to propose a distribution of the company's entire holding of shares in Norion Bank to Balder's shareholders. The Board of Directors proposes that the shareholders at the Annual General Meeting on 8 May 2026 resolve to distribute the entire holding in Norion Bank to Balder's shareholders. The proposal should be seen as part of the work to simplify and streamline Balder's operations.

Fastighets AB Balder's largest shareholders, Erik Selin Fastigheter AB and Arvid Svensson Invest AB, have announced their intention to propose to the nomination committee that current CEO Erik Selin be elected as Executive Chairman of the Board at the AGM in 2026. The Board of Directors has appointed current Deputy CEO Sharam Rahi as the new CEO. Erik Selin will remain as CEO until the AGM in 2026.

## Investment properties

Balder's commercial properties are located primarily in the central areas of big cities, and the residential properties are located in metropolitan areas and in places that are growing and developing positively. On 31 December, Balder owned 2,023 investment properties (1,962) with a lettable area of 6,703,000 sq.m. (6,425,000) at a carrying amount of SEK 225.2 billion (221.3), including projects for own management. During the year, 72 investment properties (43) as well as condominiums and land with a lettable area of 337,000 sq.m. (346,000) were acquired for SEK 9,770m (7,164). 11 investment properties (1) were divested during the year at a value of SEK 2,490m (294), which generated a profit of SEK 58m (-4).

When allocating the total property portfolio's carrying amount by region, the share for Helsinki amounted to 24% (25), Gothenburg 21% (20), Stockholm 15% (15), East 12% (13), Copenhagen 11% (12), North 9% (9) and South 8% (7). Of the carrying amount, 46% (46) relates to commercial properties and 54% (54) to residential.

## Development properties

A development property is a property that is owned for upgrading with a view to being divested. These properties are recognised at the lower of cost and net realisable value on an ongoing basis, and a profit/loss is recognised when each property is completed, sold and handed over to the buyer. As of 31 December, the value of Balder's development properties amounted to SEK 3,384m (1,955).

## Profit from property management

Profit from property management for the year amounted to SEK 6,855m (6,458). Profit from property management attributable to the parent company's shareholders amounted to SEK 6,389m (6,011), corresponding to an increase per share of 5% to SEK 5.37 (5.13). Profit from property management includes SEK 1,933m (2,015) in respect of associated companies, which is included in the income statement in participations in profits from associated companies.

## Profit after tax

Net profit after tax for the year amounted to SEK 7,991m (3,640). Profit after tax attributable to the parent company's shareholders amounted to SEK 7,621m (3,304), corresponding to SEK 6.41 per share (2.82). Profit before tax was impacted by unrealised changes in the value of investment properties of SEK 2,440m (-756), realised changes in the value of investment properties of SEK 58m (-4), net profit from the sale of development properties of SEK -17m (122), changes in value in interest rate derivatives and option component convertible of SEK 399m (-21) and profit from participations in associated companies of SEK 1,779m (901).

### Rental income

Rental income increased by 7% to SEK 13,721m (12,876), of which the effect of changes in exchange rates amounted to SEK -245m (-40). 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 was estimated to have a rental value on a full-year basis of SEK 14,551m (14,385) as of 31 December. The average rental level for the whole property portfolio amounted to SEK 2,168 per sq.m. (2,236) excluding project properties.

The rental income in a comparable portfolio increased by 2.7% (3.5) after adjustment for changes in exchange rates. The rental income shows a considerable diversification of risk with regard to tenants, sectors and locations. The economic occupancy rate as of the closing date was 95% (96). The total rental value of unlet areas on 31 December amounted to SEK 751m (585) on an annual basis.

### Property costs

Property costs for the year amounted to SEK -3,407m (-3,263), of which the effect of changes in exchange rates amounted to SEK 60m (8). Net operating income increased by 7% to SEK 10,314m (9,613), representing a surplus ratio of 75% (75). Operating costs usually vary with the seasons. During a normal year, the first and fourth quarters have higher costs than the other quarters, while the third quarter usually has the lowest cost level.

### Management and administrative costs

Management and administrative costs for the year amounted to SEK -1,160m (-1,080), of which the effect of changes in exchange rates amounted to SEK 25m (4).

### Sensitivity analysis

Factor	Change	Profit/loss before tax, SEKm
Rental income	+/- 1%	+/-138
Economic occupancy rate	+/- 1 percentage point	+/-146
Interest rate level of interest-bearing liabilities	+/- 1 percentage point	-/+481
Property costs	+/- 1%	-/+33
Changes in value of investment properties	+/- 5%	+/-11,260

### Participation in profits from associated companies and joint ventures

Profit from participations in associated companies and joint ventures during the year amounted to SEK 1,779m (901) and Balder's participation in the associated companies' profit from property management amounted to SEK 1,933m (2,015).

Profit before tax was impacted by unrealised changes in the value of properties and interest rate derivatives of SEK 297m (-909). Tax for the year amounted to SEK -450m (-204).

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

Net financial items, excluding changes in the value of derivatives, amounted to SEK -4,235m (-4,079), of which the effect of changes in exchange rates amounted to SEK 71m (13).

Changes in value of interest rate derivatives and option component convertible amounted to SEK 399m (-21).

Derivatives are recognised on an ongoing basis at fair value in the balance sheet. Changes in value from derivatives arise when there are changed interest rate levels/exchange rates and do not affect cash flow, as long as they are not sold during the term. Balder has protected itself against higher interest rate levels, which means that the market value of derivatives increases when interest rates rise.

The value of interest rate derivatives at year-end amounted to SEK 459m (485). The value of currency derivatives and option component convertible amounted to SEK -1,044m (-1,341) at year-end. The average interest rate for net financial items on the closing date was 2.9% (3.0).



### Changes in value of investment properties

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

Each property is individually valued by computing the present value of future cash flows, i.e. future rental payments minus estimated operating and maintenance payments. The cash flow is adapted to the market by taking account of any changes in letting levels and occupancy rates, as well as operating and maintenance payments.

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

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

Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made. In order to quality-assure its internal valuations, Balder uses external valuation firms in order to have parts of the portfolio valued externally and to secure parameters and assumptions in the valuation calculations.

During the year, 60% (60) of the portfolio was the subject of assessment by external valuation firms. Deviations between external and internal valuations were insignificant.

As of 31 December, Balder's average yield requirement amounted to 4.9% (4.9) excluding projects for own management, which is unchanged compared with the year-end of the previous year. The average yield requirement for residential properties amounted to 4.4% (4.4) and for commercial properties to 5.5% (5.6).

On 31 December, the carrying amount of the investment properties according to the individual internal valuation amounted to SEK 225,196m (221,261), which includes an unrealised change in value during the year of SEK 2,440m (-756). The change in value during the year is primarily attributable to improved net operating income.

### 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 of acquisition, selling and marketing expenses are also included, which are recognised as expenses as they arise. During the year these amounted to SEK -28m (-28).

No projects (2) were recognised as income during the year. Profit from sales for the year amounted to SEK -17m (122) after deductions for selling and marketing expenses, and includes the sale of individual tenant-owner apartments.

### Tax

The Group's total tax amounted to SEK -1,591m (-1,045), of which the effect of changes in exchange rates amounted to SEK 26m (2). The current tax expense for the year amounted to SEK -577m (-352). The current tax expense attributable to the parent company's shareholders amounted to SEK -500m (-286).

The deferred tax expense for the year amounted to SEK -1,013m (-694).

Tax has been calculated using the current tax rate in each country. Deferred tax is calculated on the temporary differences arising after the acquisition date. The Group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary difference primarily between the carrying amounts and values for tax purposes of properties and interest rate derivatives.

The deferred tax liability amounted to SEK 18,046m (17,159). For more detailed information, see Note 10, Income tax.

The majority of the companies in the Group operate in countries that have adopted and implemented the global minimum tax, known as Pillar 2. The Group's calculations of effective tax per country do not indicate any significant effect on the Group.

### Cash flow and financial position

Balder's assets on 31 December amounted to SEK 276,292m (267,926). These were financed by equity of SEK 106,491m (101,735) and liabilities of SEK 169,801m (166,191), of which SEK 143,307m (138,851) are interest-bearing.

Cash flow from operating activities before changes in working capital amounted to SEK 4,589m (4,273). Investing activities burdened cash flow by a net figure of SEK -9,857m (-9,435). Cash flow from financing activities amounted to SEK 8,223m net (5,650). Total cash flow for the year was SEK 2,405m (953). The exchange rate difference in cash and cash equivalents amounted to SEK -71m (25).

### Liquidity

Apart from unutilised credit facilities of SEK 12,660m (13,872), the Group's cash and cash equivalents, financial investments and unutilised overdraft facility amounted to SEK 11,064m (6,854) as of 31 December. Available liquidity including confirmed credit commitments thus amounted to SEK 23,724m (20,726). The company monitors the liquidity trend on an ongoing basis in the short term and the long term, the Group's liquidity requirements for the years ahead are secured through the Group's strong cash flow and binding credit agreements.

### Equity

Equity amounted to SEK 106,491m (101,735) on 31 December, of which non-controlling interests amounted to SEK 12,639m (13,315), corresponding to SEK 79.13 per share (74.30) excluding non-controlling interests. The equity/assets ratio was 38.5% (38.0).

### Interest-bearing liabilities

The Group's interest-bearing liabilities amounted to SEK 143,307m (138,851) as of 31 December. The proportion of loans with interest maturity dates during the coming 12-month period amounted to 30% (29) and the average fixed credit term was 4.6 years (5.0).

As of year-end, the available liquidity including confirmed loan commitments was SEK 23,724m (20,726), corresponding to 1.4 times Balder's maturities of interest-bearing liabilities within 12 months.

Derivatives contracts have been concluded in order to limit the impact of a higher market interest rate. The above-mentioned derivatives are recognised at fair value on an ongoing basis in the balance sheet with changes in value recognised in the income statement. Changes in value during the year amounted to SEK 399m (-21).

Interest-bearing liabilities are described in greater detail in Note 22, Financial risk management.

### Rating

Balder has an investment grade rating from the S&P credit agency of BBB with a stable outlook.

The company has long been successful in building a property business with a size and diversification that are very suitable for both bond financing and secured bank loans. Having a balance sheet that satisfies the criteria for an investment grade rating and continuous access to bond financing is not simply a matter of financing strategy, it is also very much in line with the risk profile that the Board of Directors is in general striving to achieve for the company.

### Investments

Property investments during the year amounted to SEK 11,953m (9,419), of which SEK 9,770m (7,164) relates to acquisitions and SEK 2,183m (2,255) relates to investments in existing investment properties and projects for own management. Of total investments in investment properties, SEK 2,393m (1,150) relates to Helsinki, SEK 712m (1,500) to Stockholm, SEK 1,980m (3,413) to Gothenburg, SEK 67m (172) to Copenhagen, SEK 3,415m (1,167) to South, SEK 2,083m (1,660) to East and SEK 1,302m (357) to North.

### Associated companies and joint ventures

Balder is a partner in a large number of property managing and project developing companies; for further information, see Note 14, Participations in associated companies and joint ventures.

Balder's participations in the balance sheets and property portfolios of property-managing associated companies are reported and presented on page 24 in accordance with IFRS accounting policies. The property-managing associated companies own a total of 449 investment properties (515). Balder's share of the property portfolio's lettable area is approximately 1,148,000 sq.m. (1,151,000) with a rental value of SEK 2,525m (2,532). The economic occupancy rate was 94% (95).

### Parent company

The parent company's operations consist primarily of the performance of Group-wide services. Balder has centralised the Group's credit supply, risk management and cash management through the parent company having an internal bank function. Net sales in the parent company amounted to SEK 587m (527) during the year, of which intra-Group services represented SEK 459m (390) and the remainder related primarily to management assignments for associated companies.

Net profit after tax for the year amounted to SEK 3,855m (2,289). Dividend from subsidiaries amounted to SEK 2,452m (1,598), impairment of shares in subsidiaries amounted to SEK -570m (-), net interest items amounted to SEK 3,491m (-85), of which exchange rate differences amounted to SEK 1,272m (-1,927), changes in value in respect of interest rate derivatives and option component convertible amounted to SEK 362m (26) and Group contributions paid/received amounted to SEK -1,837m (433). Recognised exchange rate differences relates primarily to the translation of euro bonds, which from a Group perspective are used for the hedging of net investments in euros and Danish kroner. The parent company applies hedge accounting of foreign net investments in respect of some of the company's euro bonds.

The parent company is a member of a fiscal commission with a selection of its subsidiaries. All companies in the fiscal commission are also members of a Value Added Tax group. The parent company has paid/received SEK -54m (358) in principal earnings to/from subsidiaries in the fiscal commission.

The parent company's financial investments and cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 8,883m (4,925) on 31 December. Net receivables from Group companies amounted to SEK 66,981m (57,281) on the closing date and interest-bearing liabilities to SEK 67,691m (57,080).

### Multi-year summary

See page 11.

### The share and the owners

As of 31 December, the share capital in Balder amounted to SEK 198,333,333 distributed among 1,190,000,000 shares. Each share has a quota value of SEK 0.16667, of which 67,376,592 shares are Class A and 1,122,623,408 shares are Class B. 4,000,000 of the Class B shares have been repurchased as of 31 December 2025, which means that the total number of outstanding shares is 1,186,000,000. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

The largest owners are Erik Selin via company with 46.9% of votes and Arvid Svensson Invest AB with 13.8% of votes. There are no restrictions in the articles of association as to the form of transfer of shares or voting rights at the shareholders' general meeting.

### Report on the Board's work during the year

The Board of Directors held 20 board meetings during the financial year, one of which was the statutory meeting. The work follows a formal work plan adopted by the Board of Directors. The formal work plan regulates the Board's working methods and the allocation of responsibility between the Board of Directors and CEO, as well as the forms of ongoing financial reporting. During the year, strategic questions and other important matters for the company's development were discussed, as well as ongoing financial reporting and decision-making matters. The company's auditors participated in one board meeting and reported on their completed audit of the management's administration and of the accounts.

### Corporate governance

Balder is governed by the corporate governance rules prescribed in the Swedish Companies Act, the Articles of Association and the listing agreement with Nasdaq Stockholm. The Board of Directors aims to make it easy for the individual shareholder to understand where in the organisation responsibility and authority lie. Corporate governance in the company is based on Swedish legislation, principally on the Swedish Companies Act, the listing agreement with the Swedish Stock Exchange, the Swedish Code of Corporate Governance as well as other rules and guidelines.

Some of the Code's principles are about creating a good basis for exercising an active balance of power between owners, the Board of Directors and Management, which Balder views as a natural element of the principles for the operation. See pages 153-158 for the Corporate Governance Report.

### Remuneration to the CEO and other senior executives

Guidelines for remuneration to senior executives were adopted at the Annual General Meeting 2023. The guidelines essentially state that competitive market salaries and other terms of employment shall be applied for company management. Remuneration shall be paid in the form of a fixed salary. Redundancy pay and severance payment shall not exceed 18 monthly salaries in total for the company's CEO, and for other members of company management the figure is a maximum of six months with no severance payment. Company management comprises the CEO and other members of Group Management. The Board of Directors shall be entitled to deviate from the guidelines if there are special reasons in an individual case to justify this.

The current guidelines shall apply until the 2027 AGM, unless circumstances arise that necessitate an earlier revision. See also Note 4, Employees and staff costs.

### Significant events after the end of the financial year

See Note 29, Significant events after the end of the financial year.

### Expectations regarding the future trend

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

### Proposed distribution of earnings

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

Retained earnings	30,866,371,715
Net profit for the year	3,854,905,623
<b>Total<sup>1)</sup></b>	<b>34,721,277,338</b>

1) See change in parent company's equity, page 116.

The Board of Directors proposes that the amount be allocated as follows:

Dividend to shareholders in the form of a non-cash dividend consisting of shares in Norion Bank AB, corp. ID no. 556597-0513	1,196,082,224
Carried forward	33,525,195,114
<b>Total</b>	<b>34,721,277,338</b>

### Statement from the Board in accordance with Chapter 18, Section 4 of the Swedish Companies Act

The Board of Directors has examined the company's financial situation and confirms, after further consideration, that a profit distribution in accordance with the Board's proposal is justifiable with due reference to the precautionary principle in Chapter 17, Section 3, second and third paragraph of the Swedish Companies Act (2005:551).

The Board's perception is that the nature, scope and risks of the operation are currently of such a scope that the proposed dividend does not affect this judgement.

After the proposed profit distribution, the company will still have a good equity/assets ratio, which in the Board's judgement meets the requirements that may currently be imposed on the sector in which the company operates. After the profit distribution, it is judged that the company will still have satisfactory liquidity and a consolidation requirement that may be deemed to be satisfied.

The Board's judgement is that the proposed profit distribution does not affect the company's opportunities to fulfil its obligations in the short term or the long term. Nor is it considered that the proposed transfer of value will in any way affect the company's ability to make any necessary investments.

In an overall assessment of the company's financial situation, the Board does not consider there to be any obstacle to carrying out the proposed profit distribution in accordance with the Board's proposal.

# OPPORTUNITIES AND RISKS

Like all companies, Balder’s organisation and business operations are exposed to a number of risks. These risks are to varying degrees within the company’s control and are therefore managed differently to some extent. The main strategy, however, is to strive as far as possible to identify both risks and opportunities and to draw up action plans on this basis. The risk analysis is performed continuously, at several levels within the company, depending on where different risks and opportunities arise and which parts of the business might be affected. Below is a summary of the main opportunities and risks that have been identified, together with a brief description of how Balder assesses and manages them.

## Balder’s assessment

All risk areas are ranked on the basis of degree of impact on the operation and the likelihood that the risk will occur. Trend arrows indicate whether the risk’s significance is expected in future to be unchanged, more important or less important in relation to today.

- Low impact or likelihood
- Medium impact or likelihood
- High impact or likelihood

- ↗ Upward trend
- Unchanged trend
- ↘ Downward trend

## Categorisation of risk

	Likelihood	Impact	Change in risk assessment
<b>Operational risks</b>			
Risk of negative development in value of properties	●	●	→
The risk of reduced occupancy rate, reduced rental income and negative rental development	●	●	→
Risk of increased property costs due to increased operating and maintenance costs	●	●	→
Risk of incorrect assessment of the rental market’s development and the execution of projects	●	●	→
Risk of inadequate digital development	●	●	→
Risk of inadequate IT security	●	●	→
<b>Financial risks</b>			
Refinancing risk	●	●	→
Interest rate risk	●	●	→
Credit risk	●	●	→
Currency risk	●	●	→
<b>External environment risks</b>			
Risk of changes in tax legislation	●	●	→
The risk of serious incidents in the external environment that change the conditions for the business	●	●	→
<b>Sustainability risks</b>			
Climate emissions and stricter requirements to reduce emissions	●	●	→
Climate adaptation-related risks	●	●	→
Risk of deficiencies in working conditions and equal treatment	●	●	→
Supply chain and respect for human rights	●	●	→
Risk of corruption, fraud and bribery	●	●	→

## OPERATIONAL RISKS

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Risk of negative development in value of properties</b>	The value of the properties is affected by a number of factors, including property-specific factors such as occupancy rate, rental level and operating costs, as well as market-specific factors such as yield requirements and cost of capital. Both property-specific and market-specific changes affect the value of investment properties, which in turn impacts on the Group's financial position and profits. 71% of the value of Balder's property portfolio is in the four metropolitan regions of Helsinki, Stockholm, Gothenburg and Copenhagen. The value of these properties can also be adversely affected if the technical obstacles to development, for example conversion to reduce emissions and manage climate change, are too high and expensive.	Balder carries out an internal valuation of the property portfolio in connection with quarterly reports. Parts of the property portfolio are also valued externally and compared with the internal valuation. During 2025 a large proportion, 60%, of the portfolio was subject to assessment by external valuers. Market assessments of properties always involve a certain degree of uncertainty in the assumptions and estimates made. The profit before tax would be affected by +/- SEK 11,260m if there were a change in value of the investment properties of +/- 5%. The equity/assets ratio would be 40.1% in the event of a positive change in value and 36.8% in the event of a negative change in value. See also Note 12, Investment properties. Balder has also initiated an analysis of the impact of climate change on the properties, including the value trend, and this will become more detailed in future.			→
<b>The risk of reduced occupancy rate, reduced rental income and negative rental development</b>	Balder's income is affected by the occupancy rate of the properties, the possibility of charging competitive market rents and the ability of customers to pay. The occupancy rate and rental levels are determined largely by the economic trend. The risk of major fluctuations in vacancies and loss of rental income increases when the property portfolio contains more large individual customers.	Balder's ten biggest contracts account for 4.2% of the total rental income, and their average contract term is 13.9 years. Balder's leases for premises are usually wholly or partly linked to the consumer price index. The past year was characterised by geopolitical turmoil and the rising inflation in previous years, which affects both income and expenses. During the year, residential rents were negotiated for the year ahead. The rental increases in parts of the residential rental portfolio are higher than inflation, which affects Balder positively.			→
<b>Risk of increased property costs due to increased operating and maintenance costs</b>	Property costs include direct costs such as costs of operation, media, maintenance and property tax. Extensive needs to perform repairs can have a negative impact on profits. Operating costs are primarily costs of electricity, cleaning, water and heating. Many of these goods and services can only be purchased from one actor, which can affect the price. Regulatory factors such as stricter demands for reduced emissions and the transition to fossil-free types of energy can also affect energy costs. Other consequences of climate change, such as an increased risk of flooding and extreme weather conditions, can also generate increased costs when insuring properties in risk areas. Cost increases that are not compensated by regulation in leases or rental increases through re-negotiation can have a negative impact on profits. A change of +/- 1% in property costs would affect the total cost figure by SEK +/- 33m.	Balder works constantly to achieve continuous improvement in cost-efficiency with the aid of rational technical solutions, practical initiatives and continuous follow-up. Each region is responsible for ensuring that the property portfolio is well-maintained and in good condition. Having a local presence increases the knowledge of each property's needs for preventive measures, which is more cost-efficient in the long run than extensive repairs. One important step is the development of a risk management strategy that includes both preventive and reactive measures to respond to cost increases. The implementation of systematic processes to monitor and manage risks continuously is crucial. Regular inspections and maintenance of properties prevent expensive repairs and ensure that the properties are kept in good condition. The use of technology to monitor properties in real time helps identify problems before they become expensive and optimises energy use in order to reduce operating costs. Communication and training of personnel are crucial in ensuring that everyone is aware of risks and knows how to deal with them effectively. Around 92% of all electricity purchased for the properties in the Group is green electricity from renewable sources. Balder has also initiated an analysis of the property portfolio based on the possible effects of climate change, in order to draw up action plans for properties where the risks of an impact are considered the greatest.			→
<b>Risk of incorrect assessment of the rental market's development and the execution of projects</b>	One way of increasing the yield is to produce new properties and develop existing ones through investments. Project development risks exist in assessments of the market's development, but also in the design of the product and the execution of the project itself.	Quality-assured internal processes and a high level of competence in the project organisation guarantee high quality in both execution and the product itself. When commercial buildings are constructed, it is always a requirement that large parts of the property must be let before the investment commences. Most of the commercial projects in progress therefore have a high occupancy rate. The risks are also limited by the fact that investments are only made in markets where Balder has good market knowledge and where there is high demand for homes and commercial premises. The conditions for newly produced rental apartments improved during the year in good locations. The conditions remain unfavourable in poorer locations. Balder has chosen to launch a small number of projects in strategic locations.			→

Contd. Operational risks

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Risk of inadequate digital development</b>	Digitalisation in the property sector is primarily about digitalising the properties themselves in order to, for example, improve follow-up on consumption, etc., and to build smarter homes and offer commercial customers digital services that promote business.	The digitalisation process is relatively simple to undertake in connection with new production, where a lot can be integrated during the planning phase, for example fibre networks and sensors. Work to digitalise an existing property is a major challenge, but Balder is equipped for this. The company has continued to expand its operations by creating more roles with a focus on digitalisation and AI in order to drive developments forward.			→
<b>Risk of inadequate IT security</b>	Inadequate IT security can have major consequences, for example in the form of data being destroyed or lost, confidential information being leaked, etc. The risk of cyber-attacks has increased in society in general and can cause direct or indirect damage. There is also a certain risk of infringing statutory provisions on the processing of personal data.	Balder works with the layered security principle in order to minimise the areas for intrusion and in recent years has continuously extended the level of protection. Apart from tried and tested technologies such as firewalls, antivirus and backup systems, Balder has also supplemented its protection with sandboxing systems, advanced email filtering and virtualisation, and set up a Security Operations Center (SOC) to secure the internal IT environment. Balder has also carried out extensive internal work in order to guarantee compliance with the requirements of GDPR, in terms of both internal systems and structures as well as employee training.			→

## FINANCIAL RISKS

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Refinancing risk</b>	Balder's greatest financial risk is a lack of financing. Refinancing risk refers to the risk that financing cannot be obtained at all, or only at a significantly increased cost. As the property industry is capital-intensive, it is extremely important to have access to financing via banks and an effective capital market. The terms and conditions in both banks and the capital market improved significantly during 2025.	Balder conducts ongoing discussions with banks and credit institutions aimed at securing long-term financing and also renegotiating loans and diversifying the maturity structure of loans. The refinancing risk is managed through diversified financing sources and appropriate fixed-interest periods and maturities. Meanwhile, this work ensures that competitive long-term financing is maintained. Balder's average fixed credit term was as of year end 4.6 years (5.0).			→
<b>Interest rate risk</b>	The interest expense is Balder's single biggest cost item. Interest expenses are affected primarily by the current level of market interest rates and the credit institutions' margins, and also by what strategy Balder chooses for fixed terms for interest rates. A higher market interest rate means an increased interest expense, but this often also coincides with higher inflation and economic growth.	Increased interest expenses are partly compensated by completed projects, rental increases and better cost-efficiency. Balder has also chosen to use interest rate derivatives to limit the risk of financing costs increasing significantly in the event of higher market interest rates. In the event of an increase in the market interest rate of one percentage point and assuming an unchanged loan and derivative portfolio, the interest expense would increase by SEK 481m. Of Balder's total loan stock at year-end, 70% (71) had a fixed interest rate period of more than one year. Rising interest rates over the past years have resulted in a lower rate of investment for Balder.			→
<b>Credit risk</b>	Credit risk is defined as the risk that Balder's counterparties, e.g. tenants, cannot fulfil their financial covenants towards Balder. Credit risk in financial operations arises, for example, in connection with the investment of excess liquidity, on entering into interest rate swap contracts and in connection with the issuing of credit agreements.	Balder conducts the customary credit checks before entering into a new lease and calculates the credit risk in connection with new letting and the adaptation of premises for an existing customer. In its financial operations, Balder only conducts transactions with Nordic banks with an S&P rating of at least A-. With other banks, transactions are only conducted with those with an S&P rating of at least AA-.			→
<b>Currency risk</b>	Balder owns properties via subsidiaries in Denmark, Finland, Norway, Germany and the UK. The companies have income and expenses in local currency and are thereby exposed to exchange rate fluctuations from the Group's perspective. Exchange rate fluctuations also occur when translating the foreign subsidiaries' assets and liabilities into the parent company's currency.	The translation differences are mainly handled through borrowing spread among different currencies based on the net assets in each currency. Loans taken out in the same currencies as the net assets in the Group reduce these net assets and thereby reduce translation exposure.			→

## EXTERNAL ENVIRONMENT RISKS

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Risk of changes in tax legislation</b>	The possibility cannot be ruled out that tax rates will change in the future or that other changes will occur in state systems that affect property ownership. Changes in tax levels and tax legislation, for example new rules in respect of global minimum taxation (Pillar 2), depreciation, a ban on the packaging of properties and the opportunity to utilise loss carryforwards, can affect Balder's future tax expense and thereby affect the profit.	Balder monitors the development of legislation in markets where the company is active and where relevant prepares the business and the financial statements for any adaptations that may be necessary.			→
<b>The risk of serious incidents in the external environment that change the conditions for the business</b>	The past year was characterised by geopolitical turmoil and the rising inflation in previous years, with central banks all over the world cutting key rates. During the year, this meant that financing costs stabilised, but the residential market remained cautious.	As a consequence of the cautious residential market, Balder chose to only launch a small number of new projects in strategic locations during the year. The level of activity in investing activities continued to increase during the year. The company monitors developments and continuously adapts its operation based on changing conditions.			→

## SUSTAINABILITY RISKS

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Climate emissions and stricter requirements to reduce emissions</b>	There are greenhouse gas emissions in many parts of the business, including from energy consumption, new production, renovation and transport operations. Stricter requirements for emission calculations, limits on emissions in new production and a possible future climate tax can all have an impact.	Balder calculates the company's climate emissions in order to acquire knowledge of where the material impact actually is, and works actively to reduce emissions. Balder has implemented science-based climate targets in line with the Paris Agreement, and validation was received from the Science Based Target initiative in March 2024. Balder will accelerate the transition and has produced a climate roadmap.			→
<b>Climate adaptation-related risks</b>	An increase in the frequency of extreme weather, rising sea levels, heat stress and increased precipitation are all climate risks that can cause damage to infrastructure and properties. This can result in higher insurance costs, higher charges for cooling, as well as increased costs of remediation and renovation in connection with extreme weather.	Balder works actively to manage those risks associated with climate change. The most common climate risks for Balder's property portfolio are heavy rainfall, heat-related risks, and landslides and subsidence. In 2025, Balder continued its work to produce complete climate risk analyses for buildings, in line with the EU Taxonomy's guidelines. To increase transparency in its climate risk work, Balder also continues to develop its reporting of climate-related metrics, and the company is following the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). Read more about climate adaptation on pages 60–64.			→
<b>Risk of deficiencies in working conditions and equal treatment</b>	As Balder has grown, both geographically and in terms of the number of colleagues, challenges have arisen, including new recruitment and retention of existing colleagues, identifying and utilising Group-wide resources and developing common work methods.	Balder is striving to continue to increase equal opportunity and diversity in the organisation, in order to reflect society in the best way possible. In order to attract new coworkers, Balder continuously participates in job fairs at institutes of higher education, and offers internships and opportunities for students to do their degree projects. The majority of employees in the Group received questionnaires with an employee survey, one of many working methods used for follow-up. Read more about the company's health and safety work on page 87-91.			→

Contd. Sustainability risks

Area	Description	Approach	Likelihood	Impact	Change in risk assessment
<b>Supply chain and respect for human rights</b>	The services, materials and products used in construction and property projects form part of a global supply chain in which there can be risks relating to human rights, working conditions, the environment and business ethics.	Clear purchasing and procurement procedures, specification of requirements and continuous follow-up are significant activities when it comes to managing risks in the supply chain. The Code of Conduct for Business Partners is to be attached in connection with procurement and new agreements with contractors. Every year, Balder conducts a review to determine whether the company has processes and policies in place to comply with the social minimum safeguards in accordance with the EU Taxonomy. There have been no breaches of legislation in the areas of human rights and workers' rights, anti-corruption, taxation or fair competition, and the company is considered to be in compliance with the requirements. Read more on pages 95-96.			→
<b>Risk of corruption, fraud and bribery</b>	In property companies, there are risks that coworkers commit violations in their professional role and in relationships with customers, suppliers and business partners.	Balder has a Code of Conduct for Employees that clarifies fundamental requirements and responsible actions in internal and external relationships. Balder also has an Insider Policy and has informed all coworkers about Group-wide policy documents. During the year, Balder also continued to update agreements, and further developed processes and procedures in respect of supplier follow-up and the guaranteeing of working conditions and labour law. There is an independent whistleblowing function for the reporting of infringements.			→

# SUSTAINABILITY REPORT 2025

Copenhagen  
Denmark  
Lavetten  
241 rental  
apartments

Gothenburg  
Näst Innovation  
Destination Torslanda  
Commercial



# CONTENTS

## SUSTAINABILITY REPORT 2025

**SUSTAINABILITY AT BALDER ..... 44**

### GENERAL DISCLOSURES

<b>GENERAL DISCLOSURES ..... 45</b>	<b>45</b>
Basis for the Sustainability Report.....	45
Governance.....	47
Strategy.....	49
Balder's value chain.....	49
Stakeholders and stakeholder dialogue.....	50
Material topics and channels for dialogue.....	50
Impacts, risks and opportunities.....	51
Double materiality analysis.....	51
Material sustainability topics.....	54
UN Global Sustainable Development Goals.....	57

### E ENVIRONMENT

<b>ENVIRONMENTAL SUSTAINABILITY ..... 59</b>	<b>59</b>
E1 Climate change.....	60
Climate change adaptation.....	60
Climate change mitigation.....	65
Energy.....	71
E3 Water.....	75
E5 Resource use and circular economy.....	77
EU Taxonomy.....	79

### S SOCIAL

<b>SOCIAL SUSTAINABILITY ..... 86</b>	<b>86</b>
S1 Own employees.....	87
Working conditions.....	88
Equal treatment and equal opportunities for all.....	92
S2 Workers in the value chain.....	95
S4 Customers and social area development.....	97
Local community impact and social area development.....	97
Information and data security.....	99

### G GOVERNANCE

<b>BUSINESS CONDUCT ..... 101</b>	<b>101</b>
G1 Business ethics.....	102

<b>APPENDIX ..... 105</b>	<b>105</b>
ESRS disclosure requirements.....	105
Disclosures originating from other legislation.....	106

<b>AUDITOR'S LIMITED ASSURANCE REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT ..... 167</b>	<b>167</b>
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Balder's Sustainability Report for 2025 has been prepared in accordance with the Swedish Annual Accounts Act. As of July 2024, the Swedish Annual Accounts Act has been updated as a consequence of the incorporation of the EU Corporate Sustainability Reporting Directive (CSRD). The company is therefore applying the requirements laid down in the Swedish Annual Accounts Act and reporting for the financial year 2025 in accordance with the European Sustainability Reporting Standards (ESRS).

# SUSTAINABILITY AT BALDER

Balder develops cities and properties where people are to live and work for many years to come. Sustainability work is focused on those issues that the company considers it has the greatest opportunity to influence. At the same time, proactive activities that can reduce the company’s risks in issues of social, climate-related, environmental as well as financial sustainability are prioritised. Balder strives to contribute to achieving the UN Global Sustainable Development Goals and has selected six goals where the company has the greatest opportunity to have an influence.

<b>E ENVIRONMENT</b>	<b>S SOCIAL</b>	<b>G GOVERNANCE</b>
<p><b>E1 Climate change</b>  <b>E3 Water</b>  <b>E5 Resource use and circular economy</b></p> 	<p><b>S1 Own employees</b>  <b>S2 Workers in the value chain</b>  <b>S4 Customers and social area development</b></p> 	<p><b>G1 Business conduct</b></p> 
<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• 50% reduction in emissions from own operations by 2030 and achieve net zero emissions in the value chain by 2045</li> <li>• Energy efficiency improvement 2% per sq.m. and year, and an increased volume of renewable energy production</li> <li>• Conduct climate risk analyses for the property portfolio</li> <li>• Provide customers and employees with good conditions for environment-friendly, fossil-free transport options</li> <li>• Increase the proportion of green financing</li> <li>• All newly produced properties must as a minimum fulfil Miljöbyggnad Silver or equivalent certification</li> <li>• Increase the proportion of environmentally certified buildings in Balder’s current property portfolio</li> <li>• Reduced water use 2% per sq.m. and year</li> <li>• Actively contribute to preserve and increase biodiversity in property management and in connection with property development</li> <li>• Reduce waste volumes, increase the level of sorting and strive to achieve increased reuse of materials</li> </ul>	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• No incidents of discrimination or victimisation</li> <li>• Implement various social initiatives that contribute to the development of Balder’s five social pillars</li> <li>• Create jobs for young people in the property management organisation</li> </ul>	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• No cases of corruption</li> <li>• All employees shall be trained in the company’s Code of Conduct</li> </ul>
		

# GENERAL DISCLOSURES

## BASIS FOR THE SUSTAINABILITY REPORT

Balder has prepared a Sustainability Report for the Group in accordance with Chapter 6, Section 10 and 10 a–10 f of the Swedish Annual Accounts Act (1995:1554), which implements Directive (EU) 2022/2464 of the European Parliament and of the Council (CSRD). The report also includes information according to the EU taxonomy, Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council and applicable delegated acts (EU Taxonomy Regulation). The report also draws support from standards such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the Greenhouse Gas Protocol (GHG-protocol). Balder focuses on sustainability areas that the company considers to be the most material based on the company’s business model, value chain and stakeholders.

This is Balder’s ninth sustainability report and the first in accordance with the ESRS. The Sustainability Report follows the financial year and is published annually. Balder’s Sustainability Report for 2025 is published in April 2026. The Sustainability Report consists of pages 42–108.

The auditor’s report in respect of the statutory Sustainability Report may be found on page 167. The contact person for Balder’s Sustainability Report is Klara Appelqvist, Head of Sustainability, klara.appelqvist@balder.se.

### Delimitations and consolidation

The information presented in the Sustainability Report is prepared on a consolidated basis. The information has been collected and compiled from all consolidated subsidiaries, which means that they are owned to more than 50% and that Balder holds a majority share of votes, see list in Note 27 on page 148. The company applies financial consolidation and delimitation, where associated companies or joint ventures are not included in sustainability reporting. Deviations may occur and are clarified in cases where the basic principle is deviated from.

For the companies that Balder defines as small subsidiaries, delimitations have been applied in the collection and reporting of sustainability data. Unless otherwise stated, consolidated small companies that have no employees report environmental data, but not data linked to business ethics and own employees.

Balder divides the value chain into upstream, downstream and own operations. Balder’s value chain is described in more detail under Strategy on page 49. The Sustainability Report covers impacts, risks and opportunities both upstream and downstream in the value chain, and in own operations, and includes environmental and social sustainability, as well as governance. Balder’s upstream value chain includes activities in the area of energy and water consumption, workers at Balder and in the value chain, and business conduct. Balder’s downstream activities include carbon emissions and social area development. Balder reports policies, actions, targets and metrics for the whole value chain where the company has material impacts, risks and opportunities, and strives to further develop parts of the areas. Delimitations of data collection in the value chain are based on Balder’s material sustainability topics as identified in the double materiality analysis. Read more on pages 51–56.

### Link to financial reporting

Since 2023, the Sustainability Report has presented sustainability information broken down into geographical regions reflecting the six countries in which Balder operates: Sweden, Denmark, Finland, Norway, Germany and the UK. Financial reporting is based primarily on segment reporting based on seven segments: Helsinki, Gothenburg, Stockholm, Copenhagen, East, North and South. See Note 2 on pages 120–121 for further information about segment reporting. Balder’s business activities can vary in the different countries, due to local conditions and the size of the organisations. See the table on the right for an explanation of the regional breakdown used in the Sustainability Report.

### REGIONAL BREAKDOWN – SUSTAINABILITY REPORT 31/12/2025

	Sweden	Denmark	Finland	Norway	Germany	UK
Region according to financial report	Gothenburg, North, Stockholm, South and East	Copenhagen	Helsinki, East	North	South	South
Number of employees	626	125	371	29	0	0
Number of properties	617	29	1,238	128	7	4
Lettable area, sq.m.	3,491,214	408,473	2,180,386	554,755	49,592	18,726

Information and assumptions in the Sustainability Report are consistent with the corresponding disclosures in Balder’s financial reporting, unless otherwise stated.

### Changes from previous reporting

As a consequence of acquisitions and sales, an annual internal analysis is conducted of whether the company should make a base year correction in the climate accounts for 2022. During the reporting period, the company did not need to recalculate its base year in the climate accounts. The acquisitions have not resulted in any other changes to historical sustainability reporting or any recalculation of comparative figures.

Balder’s journey to transition its sustainability reporting in accordance with ESRS began in 2023 and continued during 2024 and 2025, with a particular focus on information materiality analysis, data collection and compliance with ESRS disclosure requirements. As Balder is reporting in accordance with ESRS as of 2025, information previously reported in the Sustainability Report in accordance with the Global Reporting Initiative (GRI) has been separated from this year’s report. The GRI index may instead be found on Balder’s website.

In 2025, a revision was undertaken of the double materiality analysis, in which the company went through its material impacts, risks and opportunities. Changes

to the double materiality analysis have led to the phasing out of E4 Biodiversity and S3 Affected Communities. S4 Customers and Social Area Development has been included and contains much of the data previously reported in S3. This is presented in more detail under Impacts, risks and opportunities on pages 51–56. Other changes to the sustainability information presented are disclosed continuously through the Sustainability Report, in footnotes or in body text.

### Correction of errors in previous reporting

No material errors in the sustainability information for 2024 were discovered or brought to the company’s attention during the financial year. Adjustments have been made for some historical disclosures, and these are described in footnotes where applicable.

### Events after the end of the reporting period

There have been no significant events since the end of the reporting period that impacted the company or its reporting. Balder is closely following the development within the EU related to the Omnibus proposal and potential changes to the requirements for sustainability reporting.

GENERAL DISCLOSURES / BASIS FOR THE SUSTAINABILITY REPORT

**Non-disclosure of sensitive information**

In accordance with European and Swedish legislation such as the General Data Protection Regulation (GDPR) and the Swedish Discrimination Act (2008:567), the company has historically and going forward chosen not to collect any sensitive diversity and equality information related to ethnicity, disability or minority groups. No confidential information related to the Sustainability Report has been omitted for the financial year. Balder has not omitted any information concerning intellectual property rights, know-how or innovation results due to confidentiality or sensitivity.

**Uncertainties in estimates of sustainability information**

To create transparency about uncertainties and estimates in sustainability-related information, Balder has an objective to clarify conditions regarding data collection and applied methods, assumptions and accounting principles on an ongoing basis in its Sustainability Report under each thematic standard.

When collecting Balder’s sustainability data, data is primarily requested from direct sources with supporting documentation. In cases where access to direct data is limited or unavailable, sustainability information is estimated in part or in full, using either external standard assumptions or internally estimated calculations. Estimates are used for measurements throughout the value chain, but primarily to calculate indirect Scope 3 emissions linked to energy use by tenants, waste, property acquisitions and property development. Reported data for Scope 3 is generally the area in which the company believes there is the greatest risk of measurement uncertainty, as the calculations are largely based on standard assumption methods. Apart from this, the company has not identified any other qualitative metrics or monetary amounts with high levels of uncertainty. Read more about estimates and calculations under each thematic standard. The company’s assessment of data quality when estimates or external data are used is indicated for each metric. A split financial year is used for some collection of energy and water data from a small number of interna-

tional subsidiaries, where metering takes place manually or due to it being supplied with a delay from, for example, government agencies, industry organisation and energy companies. Balder Denmark, for example, reports energy data from December to November instead of January to December, as data for the last month of the year cannot be totalled in time before the Sustainability Report has to be compiled. Balder works on an ongoing basis to improve and quality-assure sustainability data by updating measurements and seeking more accurate data with associated substantiating documentation.

As data collection is extended, in both the company’s own operations and the value chain, where access to direct data is limited or completely unavailable, Balder intends to develop calculation methods that take into account any prevailing industry-wide reporting standards.

**Quick fix for sustainability reporting due to Omnibus**

The Omnibus package gives Balder the opportunity to apply the extended phase-in for disclosures in accordance with the “Quick Fix” amendment proposed by the EU. See the table for disclosures to see which disclosure requirements the company has chosen to phase in during 2025. Balder has chosen to continue to include information that the company previously reported, but to apply the Quick Fix when no information was previously reported. This relates primarily, but not exclusively, to quantitative disclosure requirements. For more information about the Quick Fix, see each thematic standard.

**Sustainability reporting in the future**

Data quality is crucial to provide a representative picture of Balder’s sustainability work. To quality-assure data collection processes and content Balder has established a fundamental principle that data is collected for two years internally before it is published externally. Mandatory disclosures in accordance with ESRS are not excluded from the report in favour of this principle, but the company has set up the collection of data for these kinds of disclosures since 2024. The

company’s ambition is to continue to develop and standardise processes for the collection, control and follow-up of data with the aid of existing system support. Other improvement actions for the sustainability reporting process are to reduce the volume of esti-

mated data and to continue to offer ongoing training and information meetings to all parties involved within Balder, and to focus on the sharing of knowledge and information between companies in the Group.

**PHASING-IN OF DISCLOSURE REQUIREMENTS**

ESRS	Disclosure requirement	Phasing-in
<b>General disclosures</b>		
ESRS 2	SBM-3	Information prescribed in ESRS 2 SBM-3 paragraph 48(d)-(e) (current and anticipated financial effects).
<b>Environmental sustainability</b>		
ESRS E1	E1-9	Anticipated financial effects through material physical risks and transitions risks, and potential climate-related opportunities.
<b>Social sustainability</b>		
ESRS S1	S1-7	Characteristics of non-employees in accordance with paragraph 55(a).
ESRS S1	S1-14	Characteristics of non-employees.
ESRS S1	S1-15	Details of the proportion of employees that took family-related leave, broken down by gender in accordance with paragraph 93(b).

**INCORPORATION BY REFERENCE**

Material area	Disclosure requirement	Reference
ESRS 2	SBM-1	Report of the Board of Directors
ESRS S1	S1-6	Note 4 Employees and staff costs.

GENERAL DISCLOSURES

# GOVERNANCE

Sustainability work is integrated in Balder’s daily operations. Governance is based on Group-wide policy documents and sustainability targets. The company’s process for governance and follow-up includes not only identifying and managing both risks and opportunities, but also securing progression towards the targets and commitments that have been adopted. The focus is on the prioritised and material sustainability areas identified in Balder’s double materiality analysis, see pages 51–56.

Planning, governance and follow-up on sustainability work follow Balder’s organisational structure. Responsibilities and authority are delegated via an internal management system from the Board of Directors and Group Management to each subsidiary, consisting of Group-wide policies and sustainability targets. Each consolidated subsidiary must develop guidelines and action plans in line with Group-wide policy documents. In addition to this, sustainability work is governed by laws, guidelines and regulations, and is guided by voluntary commitments and frameworks such as the UN’s Global Sustainable Development Goals and the Science Based Target initiative (SBTi).

## The Board of Directors’ work on sustainability-related issues

Balder’s Board of Directors is ultimately responsible for ensuring that the company is managed in line with the interests of the company and its shareholders. This work also includes guaranteeing long-term work on sustainability. The Board of Directors and the CEO are also ultimately responsible for ensuring that Balder’s Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act and is continually updated in line with laws and directives.

The Board of Directors revises and adopts Group-wide policies every year, including the company’s sustainability targets. More information about the company’s policies may be found under the heading Policies on page 48. The Board of Directors regularly monitors not only progress towards defined targets, but also the company’s risks and potential impacts relating to the environment, social aspects and general governance.

Balder’s Head of Sustainability is charged with the task of presenting the Board of Directors with information about the company’s sustainability work on a quarterly

basis. Reporting usually takes place in connection with regular board meetings. Before these meetings, the Board of Directors receives a report from the Head of Sustainability about ongoing projects, upcoming changes in legislation, trends in defined targets, outcomes and the Sustainability Report. The Board of Directors and management study, for example, the results from customer surveys and employee surveys. Significant deviations and actions associated with Balder’s Sustainability Policy and Code of Conduct are reported to the Board of Directors whenever they occur. The Board of Directors strives through continuous work to guarantee strategic and resilient sustainability governance, and also to ensure that sustainability reporting is transparent, relevant and reliable.

During the financial year, the Board of Directors addressed the following sustainability topics identified in the double materiality analysis and linked to the company’s material impacts, risks and opportunities:

- Ensure sustainability reporting requirements (CSRD) and compliance with ESRS disclosure requirements
- Balder’s alignment with the EU Taxonomy
- Updating of Group-wide policies
- Introduction of a Risk and Crisis Committee
- Climate risk analyses
- EU Energy Performance of Buildings Directive (EPBD)
- General examination of the sustainability report
- Green and social financing
- Environmental certification of buildings
- ESG ratings

The Board of Directors consists of five non-executive members who thus take no part in the day-to-day management of the organisation and one executive member. The executive member of the Board has the role of CEO.

The Board of Directors possesses extensive experience in the field of corporate governance from relevant sectors such as the construction and real estate sector, with previous roles as CEO, Chair of the Board and Board member. Board members also possess relevant experience concerning matters linked to environmental and social sustainability through their previous positions in the insurance and legal sectors. See also the previous experience of members of the Board on page 159. The Board’s composition and diversity are presented on

page 94. The Board consists of independent (67%) and non-independent (33%) members, see also page 156. Independent is defined by the company as independent of the company, company management and the major shareholders (> 10%).

In 2023, Anders Wennergren, Board member since 2009, was assigned special responsibility for ESG-related matters on the Board of Directors. Anders Wennergren is ultimately responsible for managing the Board of Directors’ sustainability governance and for ensuring that the company’s impacts, risks and opportunities are reflected in policies and reporting. Anders Wennergren is a lawyer, possessing extensive legal experience as well as previous experience from the legal firm NORMA Advokater, and he has been a member of several Boards in the construction sector, which makes him ideal to assume responsibility for ESG on the Board. In his role with special responsibility for ESG-related matters, Anders Wennergren holds quarterly meetings with Balder’s Head of Sustainability. One of the outcomes of these meetings is that the company established a separate Risk and Crisis Committee during 2025 with responsibility for coordination at Group level.

Balder does not pay any variable remuneration, and there are consequently no financial incentive schemes linked to sustainability-related targets or other key ratios.

## Group Management

Balder’s CEO and management team are responsible for ensuring that the business is run sustainably, with a clear delegation to the Head of Sustainability to run and develop sustainability work. The CEO and management follow up on compliance with policies and progress towards defined targets on an ongoing basis. The company’s double materiality analysis must also be reviewed and revised on a regular basis. Management is also responsible for ensuring that the company’s operations are undertaken in an ethical manner.

Balder’s management consists of (100%) executive managers with different areas of responsibility, who possess broad expertise in governance, environmental and social sustainability-related issues. The majority of Group Management, CFO, Director of Economy and Head of Personnel and Administration, have undergone external training in CSRD/ESRS and/or participated in workshops on the double materiality analysis. The man-

agement team’s composition and diversity are presented on page 94.

Balder’s CFO is responsible for the company’s Sustainability Department and can thus exercise operational supervision over the setting of targets linked to material impact, risks and opportunities, and monitor progress towards set sustainability targets. The Head of Sustainability reports weekly to the CFO on ongoing work that takes place in collaboration with the company’s other internal functions.

The management team receives continuous information about how the company’s sustainability work is progressing as well as supporting data for decision making on future development. During 2025, for example, Balder’s Head of Sustainability informed management about work to update the company’s double materiality analysis, the upcoming EU Energy Performance of Buildings Directive (EPBD), due diligence in the supply chain (CSDDD) and sustainability reporting (CSRD). Impacts, risks and opportunities identified as part of the company’s double materiality analysis in 2025 have been taken into consideration at management level, for example how the company can work strategically to increase the green and social financing of the portfolio as part of the company’s risk management process. The Director of Economy is responsible for preparing the Annual and Sustainability Report, and for audits of financial information.

## Sustainability Department

Through delegation, Balder’s Head of Sustainability is responsible for monitoring and improving the Group-wide sustainability work with the aim of achieving the sustainability targets. Balder’s Head of Sustainability is responsible for annually updating the Sustainability Policy and Codes of Conduct. The Head of Sustainability has also been delegated responsibility for the compilation and production of the Sustainability Report.

The Head of Sustainability Department is in charge of the Sustainability Department at Balder. This Group function was augmented in 2025 by two additional permanent employees, who are focused on the collection and quality-assurance of sustainability data, and also run internal projects linked to sustainability, such as improving the company’s internal routines for the environmental certification of properties.

GENERAL DISCLOSURES / GOVERNANCE

At the operational level, the Group Sustainability Department is also responsible for identifying and assessing sustainability-related risks and opportunities, as well as proposing actions to manage them. This is done in collaboration with various departments within the company, such as the Energy, Environment and Technology Department, HR and those responsible for property management and development. As part of its operational work during 2025, the company established a Group-wide Risk and Crisis Committee. The purpose of the committee is to clarify working methods, to coordinate and develop continuity in the business's risk and crisis management, and to ensure the organisation's preparedness in the event of crises and emergencies. Preparedness is extremely important for the whole company, as well as for external stakeholders such as customers, suppliers and business partners. The Risk and Crisis Committee is also responsible for compiling and reporting from each crisis management team to the company's Board of Directors. Read more about business conduct on page 101.

**Sustainability work in the organisation**

The overarching targets adopted in policy documents should constitute a general framework for the business development that is undertaken in the Group and its subsidiaries.

Managers from the property development and property management organisations are responsible for ensuring that material environmental aspects are taken into account in the day-to-day operations, as well as aspects relating to social sustainability and business ethics in corporate governance.

The HR function is responsible for identifying social and workplace-related risks, in close collaboration with all managers with staff responsibilities.

**Declaration of due diligence**

Due diligence entails the company working in a structured way to identify, manage and follow up on its most

material actual and potential negative impacts on people and the environment, in its own operations and in the value chain. The reporting of Balder's work on due diligence is integrated into the Sustainability Report and presented in the table below. The table refers to the disclosure requirements, which specify which due diligence processes are integrated into Balder's operations.

**Risk management and internal control**

It is ultimately the responsibility of the Board of Directors to set up appropriate and efficient systems for risk management and internal control. The Board of Directors has delegated responsibility for ongoing work to management, which is responsible for issues including follow-up on and development of internal controls. The assessment of risk takes place on the basis of time horizons defined by ESRS: short-term, medium-term and long-term.

Balder uses the Organisation for Economic Co-operation and Development (OECD) guidelines as a starting point for business conduct in processes for due diligence and support actions. When monitoring, for example, the minimum safeguards in accordance with the EU Taxonomy, the review is based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Group function coordinates risk management and internal control over the company's sustainability reporting. Balder has implemented a reporting system that forms the basis of a standardised, Group-wide reporting structure. Through system support, Balder can ensure that all reporting is uniform, appropriate and traceable. Data collection regarding the EU Taxonomy, climate risk analyses and energy performance certificates takes place separately with the support of Balder's financial system and other internal functions.

As the absence of automation means that the majority of all reported data is collected or processed manually, this is deemed to be the greatest risk of error. As one element of mitigating the risk of error, all sustainability-

related data undergoes a quality review by the Sustainability Department by such means as control calculations and random checks. Any deviations or fluctuations in data from one year to another are followed up and documented. For more information about accounting principles, see each thematic standard.

**Policies and targets**

All policies are Group-wide, and each consolidated company has to develop guidelines and actions plans in line with these based on their own organisation, operations and geographical location. The Sustainability Policy regulates Balder's governance, statements of position, actions and targets with regard to environmental, social and economic sustainability. Responsibilities and authority for the company's sustainability governance are delegated from the Board of Directors to Group Management, and on to each consolidated company. All of Balder's employees are subject to the policies and sustainability targets that have been adopted by the Board of Directors. Relevant policies are referred to under each thematic standard.

Balder's policies are primarily aimed at the company's employees. One exception is the Code of Conduct for Business Partners, which is also aimed at business partners with which the company enters into agreements. The Code of Conduct is distributed to Balder's business partners in order to provide guidelines for responsible behaviour in internal and external relationships, and to specify which fundamental requirements exist in all situations.

The Codes of Conduct and Balder's Tax Policy are based on international guidelines such as the UN Global Compact's principles for human rights, labour law, the environment and anti-corruption, the UN Guiding Principles on Business and Human Rights, the ILO's Core Conventions and the OECD's Guidelines for Multinational Enterprises. The Code of Conduct was also prepared

with reference to the Code to Prevent Corruption in Business from the Swedish Anti-Corruption Institute (IMM).

The company considers input from the main groups of stakeholders via various forums for dialogue when it establishes and revises policies, see also the description of the stakeholder dialogue on page 50 and under each thematic standard. In 2025, Balder adopted a Risk and Crisis Management Policy, which links in to work performed by the Risk and Crisis Committee, see description under Sustainability Department on page 47 and under Business conduct on page 101.

Balder's Group-wide sustainability targets are revised annually, in connection with the updating of the Sustainability Policy, and are approved by both Group Management and the Board of Directors. Targets and metrics were established internally in collaboration between employees and not in direct collaboration with external stakeholders or third parties. Exceptions apply for the company's climate targets, which are science-based and have been validated by an external party in the form of SBTi. There were no material changes to the company's sustainability targets during 2025.

Targets and metrics that are not science-based or linked to external regulation are described in each thematic chapter as being entity specific. Results in relation to the adopted sustainability targets are monitored on an ongoing basis by the department responsible in each company, and are followed up annually in connection with the Sustainability Report. All metrics reported in the Sustainability Report cover the entire Group and have not been validated by a third party.

More information about policies, guidelines and targets related to the company's material sustainability areas can be found in the respective thematic chapters in the Sustainability Report. Policies are available on the company's website and can be read by both internal and external stakeholders.

**DECLARATION OF DUE DILIGENCE**

**Key elements of due diligence**

	Reference to disclosure requirements							
	ESRS 2	E1	E3	E5	S1	S2	S4	G1
a) Embedding due diligence in governance, strategy and business model	GOV-1-2, SBM-3							
b) Engaging with affected stakeholders in all main stages of due diligence	GOV-2, IRO-1, SBM-2-3	E1-2, E1-4	E3-1, E3-3	E5-1, E5-3	S1-1, S1-5	S2-1, S2-5	S4-1, S4-5	G1-1, G1-4
c) Identifying and assessing negative impacts	IRO-1, SBM-3							
d) Taking action to address negative impacts	MDR-A	E1-3	E3-2	E5-2	S1-3-4	S2-3-4	S4-3-4	G1-4
e) Tracking the effectiveness of these efforts and communicating this	MDR-T	E1-5-6	E3-4	E5-5	S1-6-11, S1-13-17	S2-5	S4-5	

GENERAL DISCLOSURES

# STRATEGY

Balder’s overarching business strategy is to create value by owning, managing and developing properties located in major cities or large cities with positive population growth. As a consequence of Balder’s diversified operations, the company has a direct and indirect impact on financial results, the environment and society in the value chain. At the same time, the company is affected by external factors, in the form of both risks and opportunities. In its operations, Balder contributes to being an active and stable societal actor for its customers and tenants. Through new construction and property management with a local presence, good conditions are created for the development of areas in close collaboration with the company’s stakeholders. Continuous upgrading of the existing property portfolio combined with growth through acquisitions and

property development make Balder a long-term actor that assumes responsibility. Read more about Balder’s business model and operations on pages 33–36.

**Impact in the value chain**

Through its own operations and the company’s value chain, Balder has an impact on, and is impacted by, social, environmental and governance-related sustainability topics.

The company is dependent on various resources, products and services in order to conduct its business and create value for its customers and owners. In terms of the environment, this relates primarily to the procurement of materials in connection with renovations, the use of materials and land for new production, as well as water and energy use in the day-to-day oper-

ation of properties. How efficiently Balder’s operations use these resources has an impact downstream in areas such as climate emissions and waste volumes. The company also has a social impact through the working conditions of workers and employees in the supply chain, and also through the activities undertaken to contribute to positive social area development, as well as safety and well-being for those who live and work in the company’s properties. The way the company is governed, for example through policy documents, routines and supplier requirements, has an impact on corporate culture and business ethical conduct.

Balder works with a large number of business partners in the product and service sectors, both upstream and downstream in the company’s value chain. There

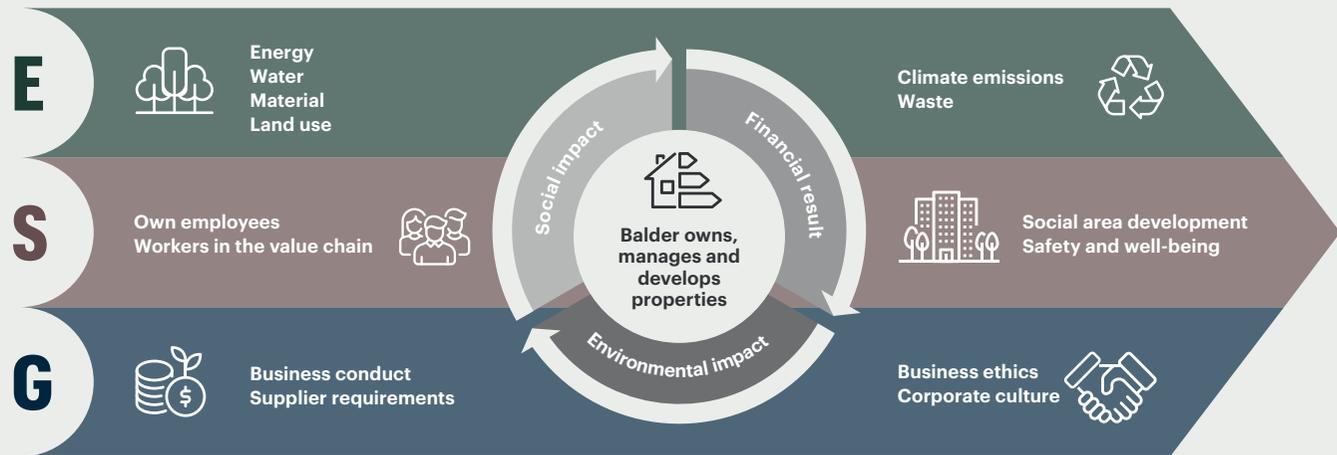
are business partners primarily in the construction, real estate and energy sectors. Balder’s operations and its value chain is associated with risks and opportunities, which challenges the company and requires adaptation of its operations in order to create resilience over time.

Balder’s material sustainability topics have been identified throughout the company’s value chain through a double materiality perspective, which essentially concerns what impact Balder has on the external environment and what impact the external environment has on Balder; there is more information regarding the double materiality analysis on pages 51–56.

## BALDER’S VALUE CHAIN FROM A SUSTAINABILITY PERSPECTIVE

In Balder’s sustainability work and sustainability reporting, the company must consider its entire value chain. This means that the company needs to look beyond its own operations, and also include business partners, customers and other stakeholders who are involved in the production and distribution of products and services on which its operations depend. By owning, managing and developing properties, Balder has an environmental, societal and economic impact on the external environment. At the same time, the operations need to be resilient to external impact and sustainability risks.

This illustration describes sustainability topics in the areas of environment, social responsibility and governance in Balder’s value chain. Environmental (E), social (S) and governance-related (G) sustainability topics can be referred to as ESG, which is presented in the form of three parallel, yet interlinked processes.



**UPSTREAM**  
The material resources, products and services needed to run Balder’s operations.

**OWN OPERATIONS**  
The values that Balder’s operations create and the factors that affect the company and the impact the company has on the external environment.

**DOWNSTREAM**  
The footprint and effects to which Balder’s operations contribute.

GENERAL DISCLOSURES

# STAKEHOLDERS AND STAKEHOLDER DIALOGUE

Identifying and analysing stakeholders' expectations of the business is an important element of achieving defined targets and creating long-term value. The purpose of the stakeholder dialogue is to achieve a greater understanding of the needs and requirements of Balder's stakeholders relating to sustainability, and which sustainability topics are important to the company's stakeholders. The main groups of stakeholders identified include customers, employees, owners and financial actors, business partners in the supply chain, and society. The latter group also includes the property area and the local community at locations where

Balder has operations, such as government agencies, municipalities and the Tenants' Association.

Dialogues with stakeholder groups take place in many forums and at different frequencies, see the table below for examples. Dialogues with customers take place, for example, on an ongoing basis in Balder's day-to-day operations and in connection with the annual customer surveys, which are conducted at several companies within the Group. The frequency can, however, vary for other stakeholders such as investors and financial actors to once or twice a year, depending on needs.

The views of stakeholders are an important part of developing Balder's operations, and the results from these are considered on an ongoing basis as they arise via the various channels available. It might be, for example, enquiries about better lighting in outdoor areas, access to skills development for employees or information requested by banks and rating agencies.

As different stakeholder groups raise different issues, their perspectives have been analysed and taken into account in order to ensure that the views of stakeholders are considered in the materiality analysis that forms

the basis of Balder's strategic sustainability work, including targets, policies and this report.

For the specific stakeholder dialogues, see page 87 for S1 Own employees, page 96 for S2 Workers in the value chain, page 98 and 100 for S4 Customers and social area development.

## MATERIAL TOPICS AND CHANNELS FOR DIALOGUE

	CUSTOMERS	EMPLOYEES	OWNERS AND FINANCIAL ACTORS	PARTNERSHIPS	SOCIETY
<b>Material topics for different stakeholders</b>	<ul style="list-style-type: none"> <li>Well-being and safety in the home/premises and in the local area</li> <li>Adaptation of premises and homes, including issues of, for example, energy use and material selection</li> <li>Dialogue and influence on development of property and area</li> <li>Service, provided by Balder, but also by others in the local area</li> <li>Opportunity for sustainable choices, such as creating the conditions for sorting waste and sustainable travel</li> </ul>	<ul style="list-style-type: none"> <li>Working conditions, including physical, organisational and social work environment</li> <li>Diversity, equality and equal opportunity</li> <li>Social engagement, especially in the company's own areas</li> <li>Secure jobs and development opportunities within the company</li> </ul>	<ul style="list-style-type: none"> <li>Financial stability and good share price trend</li> <li>Efficient risk management</li> <li>Business ethics and prevention of bribery and corruption</li> <li>Mapping of climate-related risks</li> <li>Customer satisfaction and continued high occupancy rate</li> <li>Sustainable finances and new international sustainability requirements, e.g. the EU Taxonomy</li> </ul>	<ul style="list-style-type: none"> <li>Commercial and responsible business relationships</li> <li>Compliance with Code of Conduct, internal control and follow-up</li> <li>Promote good corporate culture and business ethics</li> <li>Fair competition in purchasing and procurement</li> <li>Good working conditions and fundamental work-related rights</li> <li>Defined requirements for environment and climate</li> </ul>	<ul style="list-style-type: none"> <li>Long-term, sustainable urban development</li> <li>Long-term, ethical business relationships with external partners</li> <li>Reduced environmental impact, for example from transports and improved waste management</li> <li>Transparency and reporting of corporate responsibility</li> </ul>
<b>Channels for dialogue</b>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Resident dialogues</li> <li>Tenants' Association</li> <li>Ongoing contacts between customers and employees</li> </ul>	<ul style="list-style-type: none"> <li>Employee performance and career development reviews</li> <li>Employee survey</li> <li>Intranet</li> <li>Review meetings</li> </ul>	<ul style="list-style-type: none"> <li>Discussions with investors and negotiations on financing</li> <li>Board meetings</li> <li>Sustainability reporting</li> <li>Financial statements</li> </ul>	<ul style="list-style-type: none"> <li>Contract and follow-up meetings</li> <li>Procurement processes</li> <li>Follow-up on Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Urban planning processes</li> <li>Dialogue meetings</li> <li>Website and social media</li> </ul>

GENERAL DISCLOSURES

# IMPACTS, RISKS AND OPPORTUNITIES

## DOUBLE MATERIALITY ANALYSIS

Balder’s sustainability work shall be based on the topics where the company has the biggest impact, both positive and negative, and the risks or opportunities that can in turn affect the company.

During 2025, the company updated its double materiality analysis, which was prepared for the first time in 2023. The outcome of the double materiality analysis was accepted by the management and Board of Directors at Balder in October 2025 and is revised annually.

The purpose of the double materiality analysis is to identify sustainability topics that have material, actual or potential, positive or negative impacts on people or the environment in the short, medium and long term (impact materiality). The impacts can be related to the company’s own operations and activities upstream and downstream in the value chain.

The double materiality analysis also aims to identify sustainability topics that have, or may be reasonably expected to have, material financial effects for the company and thereby generate risks or opportunities in the short, medium and long term (financial materiality). Balder did not conduct an evaluation for this year of current short-term financial impacts of the material risks and opportunities identified in the double materiality analysis linked to the Group’s business model and strategy.

Monitoring, delegation of responsibility and decision-making around the management of the company’s actual and potential impacts, risks and opportunities take place on an ongoing basis, using processes that can vary depending on the sustainability topic. Balder’s sustainability risks are included in the company’s general risk work; read more on pages 37–41. Sustainability risks are directly or indirectly linked to financial risks and prioritised accordingly in a similar way.

A Group-wide qualitative or quantitative resilience analysis of the company’s strategy and business model has not been conducted. The company has, however, undertaken a resilience analysis, within the framework of ESRS E1 Climate change, linked specifically to climate

change. To read more about the company’s resilience analysis, see pages 63–64.

### Methodology and assumptions

The updating of the double materiality analysis in 2025 was based on questions from stakeholders, the materiality analysis conducted previously, and analysis of the value chain and existing policies and working documents. Balder has developed a method for implementation of the double materiality analysis in accordance with ESRS and using EFRAG guidelines.

The double materiality analysis considers activities in Balder’s own operations in all geographical markets where Balder operates, and also upstream and downstream. The value chain does not only include direct contractual relationships under Balder’s control or influence. Associated companies, joint ventures and other financial holdings were considered in the double materiality analysis if Balder has financial control or if they are part of the value chain. The company applied an assessment-based method when evaluating the company’s various actual and potential impacts, risks and opportunities, especially those linked to activities in the value chain.

### Implementation process

The process for the double materiality analysis of Balder’s impact materiality and financial materiality was conducted in parallel, based on the four phases below, which are developed in the subsequent text.

- 1) Analysis of value chain and stakeholders
- 2) Identification of material sustainability topics
- 3) Assessment of materiality
- 4) Summary of material sustainability topics

#### 1. Analysis of value chain and stakeholders

As an initial step, a more detailed mapping exercise was carried out with a subsequent analysis of the company’s entire value chain, including various types of operations, stakeholders and geographical areas where the company directly or indirectly operates or has significant business relationships. During the process, the perspectives and views of affected stake-

holders were collected through interviews and dialogue with internal and external stakeholders. Questions received by Balder from investors and other stakeholders were also included in the analysis. Read more about the stakeholder dialogue on page 50.

#### 2. Identification of material sustainability topics

Based on discussions conducted with internal and external stakeholders, and the sustainability topics defined in ESRS, a gross list of sustainability topics for Balder was created. The sustainability topics were then specified in greater detail, in order to confirm where in the value chain the impact, risk or opportunity arises, whether it is positive/negative and actual/potential, geographical scope and its time horizon. Balder uses the short, medium and long term, defined in ESRS as one year, up to five years and more than five years. The time horizons are used both to identify impacts, risks and opportunities, and in Balder’s work on actions linked to them. Through the process of assessing materiality linked to impacts, risks and opportunities, all topics have been assessed using the same methodology, resulting in Balder’s material sustainability topics.

#### 3. Assessment of materiality

Balder’s double materiality analysis in 2023 was developed through a workshop together with key individuals within the Group, where an assessment was made of the impact and financial materiality of each sustain-

ability topic. The assessment from 2023 formed the basis of the updating of the double materiality analysis that was undertaken in 2025. As with the 2023 analysis, the updating of the double materiality analysis was undertaken by Balder’s Sustainability Department in collaboration with key individuals within the Group. The assessment criteria were established in accordance with the requirements of the ESRS standard (ESRS 1). The assessment-based method used for evaluating impacts, risks and opportunities was influenced by the UN Guiding Principles on Business and Human Rights. The stakeholders’ perspectives were taken into account in the materiality assessment, based on insights from the stakeholder dialogue. For specific assessments of impact, risks, and opportunities regarding the thematic standards, see page 60 for E1 Climate change adaptation, page 75 for E3 Water, page 77 for E5 Resource use and circular economy, and page 102 for G1 Business ethics.

The focus of the double materiality analysis in 2025 was to use internally collected data that had been added since the 2023 analysis for assessments of impacts, risks and opportunities, where this was possible. The internal data was used as a complement to information from external data sources to create a more data-driven assessment. One example of where this was possible is for topics linked to E1 Climate change, where the company has data in the form of climate accounts, climate risk analyses, scenario analyses and

### ASSESSMENT CRITERIA

IMPACT MATERIALITY	
SEVERITY	<b>Scale</b> (How serious/beneficial the impact is for people or the environment)
	<b>Scope</b> (How extensive the impact is)
	<b>Remediability</b> (Difficulty to address/remediate)
Likelihood	

FINANCIAL MATERIALITY	
<b>Scope</b> (Scope of potential financial impacts)	
Likelihood	

GENERAL DISCLOSURES / IMPACT, RISKS AND OPPORTUNITIES

resilience analyses, as supporting data for the assessment. This contributes to transparency and comparability over time in the company's work to assess material impacts, risks and opportunities. Assessments are made on a scale of five; see more detailed descriptions in respect of the assessment for impact and financial materiality. The assessment of likelihood is done through the expected likelihood that an event will occur, in which 1 is deemed not likely and 5 has a more than 90% likelihood of occurring, or has already happened.

Balder has an internal information materiality analysis that is based on EFRAG's list of ESRS data points and is revised annually. In addition to documenting the company's assessment of materiality of sustainability data at data point level, the purpose of the analysis is to identify gaps in the sustainability data and ensure that necessary disclosures are supplemented in accordance with ESRS. The information materiality analysis describes, among other things, which phase-in opportunities Balder is utilising, when entity specific disclosures are applicable, and where and why the company chooses to report voluntary disclosures. The final outcome at aggregated level that is presented on page 53 is based on the detailed analysis that was conducted in the information materiality analysis.

*Impact materiality*

The assessment of impact materiality in terms of the company's potential and actual impact considered the assessment criteria of severity and likelihood, see the matrix on page 53. The severity of positive impacts was calculated as the maximum value of scale and scope. The severity of negative impacts was calculated as the maximum of scale, scope and remediability. The assessment of the topic's materiality is calculated as the average of severity multiplied by likelihood. When assessing negative impact, for example for the sub-topics relating to human rights (primarily within ESRS S1-S4), the severity was assessed before likelihood in accordance with what is set out in ESRS.



*Financial materiality*

When assessing the financial materiality, the company started with the scope and likelihood respectively of actual and potential risks and opportunities. Scope includes potential impact on profit from property management, total assets and spreading of rumours. Financial materiality is assessed based on, among other things, positive and negative impacts and dependencies that may result in potential risks and opportunities. You can read more about this on pages 37-41 in Balder's assessments of each topic and their descriptions. Consideration was given to how risks in general are assessed within Balder. The assessment of financial materiality was determined based on materiality figures that are used in the financial accounting; a separate risk management framework has therefore not been produced. The assessment of the topic's materiality is calculated as the average of scope/impact multiplied by likelihood.

*Adjustment and decisions*

The outcome of the first assessment was analysed for each sustainability topic in relation to the others by key individuals within the Group. Where necessary, reasonableness assessments were conducted, resulting in adjustments that affected the final outcome. Balder's updated material topics were presented by Balder's Head of Sustainability and approved during autumn 2025 by Group management and the Board of Directors.

*Threshold values*

The assessment of impact and financial materiality identified three different threshold values – high, medium and low materiality. The demarcation has been used to identify which topics are considered material and thus prioritised in Balder's sustainability work and the company's reporting.

**4. Summary of material sustainability topics**

The final result of the double materiality analysis is presented in the following matrix and summarised in the subsequent table on page 53.

There is more information about the company's sustainability targets and their outcomes under the respective chapters in the Sustainability Report. See the summary of Balder's sustainability targets in the company's sustainability framework on page 44.

**Non-material sustainability topics**

As an element of the company's overarching process to identify and assess material actual and potential impacts, risks and opportunities, the areas E2 Pollution and E4 Biodiversity and ecosystems were analysed.

This assessment was conducted within the framework of the company's double materiality analysis and included both own operations and upstream and downstream in the value chain. The analysis was based on the nature and scope of the company and the geographical markets in which Balder operates. The assess-

ment includes potential emissions to air, water and soil, use of chemicals and materials, and possible impact on protected or ecologically sensitive areas in connection with property management and new production.

The identification of impacts, risks and opportunities followed the company's process for implementation of the double materiality analysis, which is described in more detail on pages 51-56.

Based on the completed analysis, the company has concluded that neither pollution nor biodiversity and ecosystems constitute material sustainability areas, as the company's operations do not cause any significant emissions or impact on biodiversity and do not take place in or in the proximity of protected or ecologically sensitive areas. No material actual or potential negative impacts, risks or opportunities were identified in these areas. See page 53 for the company's assessment of each area.

Balder has not determined political involvement as a material topic according to the double materiality analysis. Balder shall not support political parties through donations, lobbying or otherwise. Local collaboration can take place through politically and religiously independent organisations.

The company monitors developments in each area and can review the assessment in the event of changes in operations, the value chain or external requirements in connection with the annual review of the double materiality analysis.

GENERAL DISCLOSURES / IMPACTS, RISKS AND OPPORTUNITIES

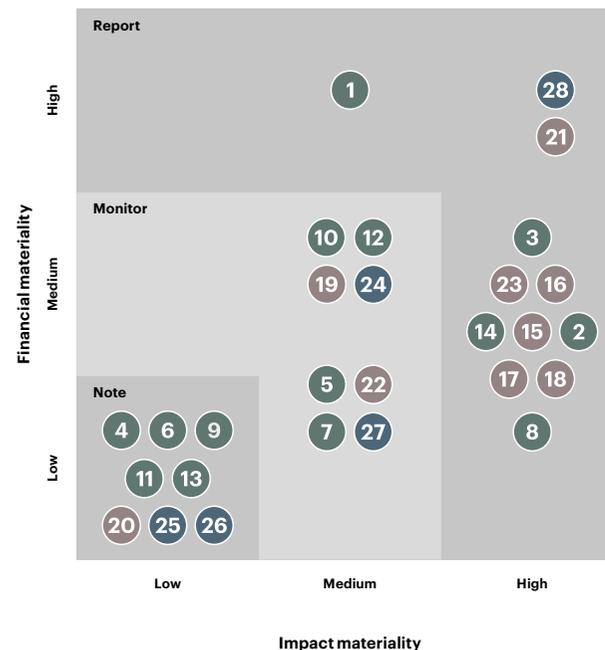
**MATERIAL SUSTAINABILITY TOPICS**

#	ESRS standard	Sustainability topics <sup>1)</sup>	Assessment of materiality
1	ESRS E1	Climate change adaptation	High
2	ESRS E1	Climate change mitigation	High
3	ESRS E1	Energy	High
4	ESRS E2	Pollution of air and water, and of living organisms and food resources <sup>2)</sup>	Low
5	ESRS E2	Pollution of soil	Medium
6	ESRS E2	Substances of concern and microplastics <sup>2)</sup>	Low
7	ESRS E2	Substances of very high concern	Medium
8	ESRS E3	Water	High
9	ESRS E3	Marine resources	Low
10	ESRS E4	Biodiversity	Medium
11	ESRS E4	Impacts on the state of species, ecosystems and ecosystem services <sup>2)</sup>	Low
12	ESRS E5	Resource inflows and resource use	Medium
13	ESRS E5	Resource outflows related to products and services	Low
14	ESRS E5	Waste	High
15	ESRS S1	Working conditions in own workforce	High
16	ESRS S1	Equal treatment and opportunities for all in own workforce	High
17	ESRS S2	Working conditions in the value chain	High
18	ESRS S2	Equal treatment and opportunities for all in the value chain	High
19	ESRS S3	Communities' economic, social and cultural rights, and rights of indigenous communities <sup>2)</sup>	Medium
20	ESRS S3	Communities' civil and political rights	Low
21	ESRS S4	Information and data security	High
22	ESRS S4	Personal safety of customers	Medium
23	ESRS S4	Local community impact and social area development	High
24	ESRS G1	Corporate culture	Medium
25	ESRS G1	Protection of whistleblowers and management of relationships with suppliers <sup>2)</sup>	Low
26	ESRS G1	Animal welfare	Low
27	ESRS G1	Political engagement	Medium
28	ESRS G1	Corruption and bribery	High

1) Designations in the above table are adjusted for the following thematic standards: ESRS E5 Resource inflows, including resource use; ESRS S1 Working conditions; ESRS S1 Equal treatment and opportunities for all; ESRS S2 Working conditions; ESRS S2 Equal treatment and opportunities for all; ESRS S2 Other work-related rights; ESRS S3 Communities' economic, social and cultural rights; ESRS S4 Information-related impacts for consumers and/or end-users; ESRS S4 Personal safety for consumers and/or end-users; ESRS S4 Social inclusion for consumers and/or end-users; ESRS G1 Management of relationships with suppliers, including payment practices.

2) Sub-topics in ESRS E2, E4, S3 och G1 have been merged where the assessment was the same.

**DOUBLE MATERIALITY ANALYSIS**



**Material sustainability topics**

The outcome of the double materiality analysis is summarised in the table on the left. The sequence in the table corresponds to that in ESRS and thus does not show any specific ranking of material topics. The same sequence is used for each topic in the Sustainability Report. Each material topic in the table has a summary assessment of impact and financial materiality based on three levels: high, medium and low.

In the table above, the materiality of each sustainability topic is expressed as low, medium or high financial materiality on the y-axis, and as low, medium or high impact materiality on the x-axis. Sustainability topics with high materiality are prioritised. Sustainability topics with low and medium materiality are noted and monitored, but not prioritised. They are, however, kept under observation in case any changes occur in the future.

Changes in the assessment of material sustainability topics and impacts, risks and opportunities have been made compared with the previous accounting period

as a consequence of Balder's updating of the double materiality analysis. This has resulted in environmental certifications having been added as an opportunity within E1 Climate change, and a reduction of identified impact areas in E5 Resource use and circular economy and G1 Business conduct. E4 Biodiversity was phased out in 2025 as a result of the company's reduced volume of new production projects. S3 Affected communities was replaced by S4 Customers and social area development, which has become material. This is to include the company's identified impact in Information and data security, in addition to the company's positive impact in Local communities and social area development. Balder's sustainability targets are adopted in connection with the company's Sustainability Policy by Balder's Board of Directors each February and are followed up continuously. Work to adapt the Group-wide targets based on the updated materiality analysis conducted in 2025 commenced during the year and is expected to continue during 2026.

# MATERIAL SUSTAINABILITY TOPICS

The result of Balder’s double materiality analysis includes those topics that exceed the company’s threshold values for impact materiality or financial materiality. The table summarises the material sustainability topics that are deemed to take priority in the company’s sustainability work and in sustainability reporting.



E ENVIRONMENT				
Material impact, risk or opportunity	Description	Value chain	Time frame	Page
<b>1 ESRSE1</b>	<b>CLIMATE CHANGE ADAPTATION</b>			
Potential risk	Balder sees a potential risk of a limited transition of the company’s properties related to climate change, including increased costs for greenhouse gas emissions, reporting requirements, changes in regulations and customer behaviour, incorrect investments in new technology and increased material prices, which can result in reduced income, increased costs, limited access to capital and a damaged reputation.	Upstream, own operations, downstream	Medium and long term	60–64
<b>2 ESRSE1</b>	<b>CLIMATE CHANGE MITIGATION</b>			
Actual negative impact	Balder’s properties have an actual negative impact on people and the environment through direct and indirect greenhouse gas emissions from own operations, in the supplier chain and among customers. For example, heating generation, energy use, company vehicles and business travel, and in the value chain in connection with new production, renovation, purchases of materials, goods and services, and transportation of goods and personnel.	Upstream, own operations, downstream	Short, medium and long term	65–70
<b>3 ESRSE1</b>	<b>ENERGY</b>			
Actual negative impact and potential risk	Energy consumption represents the Group’s largest climate impact. There is an actual negative impact on the environment due to high energy use through the energy use of properties and customers, and in new production, renovations and the production of construction materials. There is also a potential risk of future energy shortages, increased energy use and limited access to renewable energy, as well as changes in legislation on energy performance and energy performance certificates, which can result in failure to achieve climate targets, lower customer satisfaction, increased costs of energy efficiency improvement actions and renovation, and reduced property value.	Upstream, own operations, downstream	Short, medium and long term	71–74
Potential opportunity	Environmentally certified properties represent a potential opportunity for Balder’s operations, as they can have a positive financial impact. Environmentally certified properties create an opportunity for Balder to reduce interest expenses through green loans and bonds. The focus on environmental certification of properties has increased from both internal and external stakeholders.	Own operations	Short, medium and long term	71–74

GENERAL DISCLOSURES / MATERIAL SUSTAINABILITY TOPICS

Contd. Environmental

Material impact, risk or opportunity	Description	Value chain	Time frame	Page
<b>8</b> ESRSE3	<b>WATER</b>			
Actual negative impact	With a diversified property portfolio, Balder sees an actual negative impact on the environment through the water consumption of properties and customers. This includes industrial use, everyday consumption and watering.	Own operations and downstream	Short, medium and long term	75-76
<b>14</b> ESRSE5	<b>WASTE</b>			
Actual negative impact	Balder considers there to be an actual negative impact relating to waste that is generated downstream from tenants. This can involve household waste from residential properties and waste from commercial properties such as restaurants, hotels, shopping centres, shops and various types of industrial operations.	Downstream	Short, medium and long term	77-78



S

**SOCIAL**

Material impact, risk or opportunity	Description	Value chain	Time frame	Page
<b>15</b> ESRSE1	<b>WORKING CONDITIONS IN OWN WORKFORCE</b>			
Potential negative impact	With strong growth, geographical distribution and decentralised governance, there is an increased risk of negative impact on employees through inadequate working conditions. Negative impact can relate to secure employment, competitive wages, working hours, freedom of association, and health and safety.	Own operations	Short, medium and long term	87-91
<b>16</b> ESRSE1	<b>EQUAL TREATMENT AND OPPORTUNITIES FOR ALL IN OWN WORKFORCE</b>			
Potential negative impact	Balder is a major employer with many different types of occupational roles across four Nordic countries, where there is a potential negative impact on employees in respect of equality and diversity. The impact varies within the organisation, but focuses primarily on ensuring inclusion, equal pay, equal opportunities for skills development and zero tolerance of discrimination and harassment.	Own operations	Short, medium and long term	87, 92-94
<b>17</b> ESRSE2	<b>WORKING CONDITIONS IN THE VALUE CHAIN</b>			
Potential negative impact	As a major actor in the real estate sector, Balder can potentially have a negative impact on the workforce through inadequate working conditions along the value chain, especially with regard to turnkey contractors and subcontractors in connection with new construction, refurbishment or renovation. This includes just working conditions, freedom to form a trade union, collective bargaining agreements, and health and safety at the workplace.	Upstream and downstream	Short, medium and long term	95-96

GENERAL DISCLOSURES / MATERIAL SUSTAINABILITY TOPICS

Contd. Social

Material impact, risk or opportunity	Description	Value chain	Time frame	Page
<b>18</b> ESRS S2	<b>EQUAL TREATMENT AND OPPORTUNITIES FOR ALL IN THE VALUE CHAIN</b>			
Potential negative impact	Balder can potentially have a negative impact through inadequate equal treatment and diversity in the workforce in the value chain, especially with regard to turnkey contractors and subcontractors in connection with new construction, refurbishment or renovation. This includes just remuneration, equal pay for equal work, diversity, training and issues relating to violence, discrimination and harassment at the workplace.	Upstream and downstream	Short, medium and long term	95–96
<b>21</b> ESRS S4	<b>INFORMATION AND DATA SECURITY</b>			
Actual negative impact	In an increasingly digitalised world where many parts of society are connected, data and information security is becoming increasingly important. Balder considers there to be an actual negative impact linked to data and information security, as the company has historically experienced incidents involving customer data leaks.	Own operations and downstream	Short, medium and long term	99–100
<b>23</b> ESRS S4	<b>LOCAL COMMUNITY IMPACT AND SOCIAL AREA DEVELOPMENT</b>			
Actual positive impact	Through Balder’s business model of owning, developing and managing properties, the company has an actual positive impact on society’s economic, social and cultural rights in areas where the company operates. This impact takes the form of contributing to more homes and commercial premises for society in general, and in socio-economically vulnerable areas in particular, through social initiatives, offering training and employment in property management.	Own operations and downstream	Short, medium and long term	97–98



**G**

**GOVERNANCE**

Material impact, risk or opportunity	Description	Value chain	Time frame	Page
<b>28</b> ESRS G1	<b>CORRUPTION AND BRIBERY</b>			
Potential negative impact and risk	Balder operates in an industry where there is a potential risk of a negative impact on employees and business partners in connection with incidents involving irregularities, corruption, extortion, bribery, offering of bribes or insider trading. There is also a risk of inadequate business ethics, including fraud, which can result in fines, additional costs and/or a damaged reputation.	Upstream, own operations and downstream	Short, medium and long term	102–104

# BALDER'S CONTRIBUTION TO THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Agenda 2030 provides guidance on work to ensure that global development is sustainable in the long term. The business community has an important role to play, not least the construction and real estate sector.

In 2019, Balder signed the Global Compact to support and implement the ten principles of human rights, labour law, the environment and anti-corruption.

Balder strives to contribute to the fulfilment of the UN's Global Sustainable Development Goals (SDG) and has selected six of the 17 goals that are considered most relevant to the company's business activities and where the company has the greatest opportunity to have an influence. To link these more closely to the company's operations, the associated goals have also been analysed, to identify the areas where the company has the greatest opportunity to contribute to the goals being achieved. The following pages contain descriptions of how the company's sustainability work contributes to the general global development goals.

Balder's Sustainability Report has been prepared in accordance with the ESRS standards. Balder's metrics and targets are reported with clear contextual descriptions and provide an understanding of expected results for people, the environment and the company. The UN Sustainable Development Goals presented here are intended to illustrate Balder's contribution to the global sustainability agenda and are therefore not directly linked to the outcome of the company's double materiality assessment. How the global goals are linked to Balder's sustainability targets is further described using icons under the section entitled metrics and targets in each chapter.



## 11. SUSTAINABLE CITIES AND COMMUNITIES



### 11.1 Safe and affordable housing

According to Balder's Sustainability Policy, the company's role as a major property manager enables it to contribute to social area development and a positive local impact around its properties. By building new homes with varied forms of tenure, Balder contributes to developing residential areas and improving safety.



### 11.3 Inclusive and sustainable urbanisation

A blend of workplaces and homes produces more job opportunities in the local environment and creates new meeting places. As an element of Balder's Sustainability Policy, the company has been working for many years with special initiatives in the company's residential areas and has dedicated area developers on site in several socio-economically vulnerable property areas in Sweden. Balder's aim in the area of social sustainability is to implement various social initiatives and activities that contribute to the development of the following five social pillars: Employment, Education, Meaningful leisure time, Safety and well-being, and Participation and influence.



### 11.6 Reduce the environmental impact of cities

Solutions for increased mobility with a lower climate impact, such as electric vehicle pools and charging infrastructure, are given priority in the development of properties and areas, as are green areas and areas for health and recreation. Balder is also striving to promote effective waste management and reduce littering by keeping the areas clean and tidy.



## 7. SUSTAINABLE ENERGY FOR ALL



### 7.2 Increase the share of renewable energy in the world

81% of all energy purchased for the properties is renewable, and Balder also owns several wind farms in Sweden. More and more properties are also having solar panels and charging stations installed. At Group level, the company is working in accordance with Balder's Sustainability Policy to increase the proportion of renewable energy production.



### 7.3 Double the rate of improvement in energy efficiency

Balder has a strong focus on efficient energy use and works continuously on operational optimisation and efficiency improvement, by such means as adjusting or replacing ventilation units, replacing heating systems, supplementary insulation and similar actions. Balder's objective is an annual 2% improvement in energy efficiency per square metre. Balder is also striving to increase the proportion of environmentally certified buildings with a low environmental impact.



## 8. DECENT WORK AND ECONOMIC GROWTH



### 8.4 Improve resource efficiency in consumption and production

Balder strives to pursue responsible purchasing practices, to follow up on suppliers and to buy locally wherever possible. The company works continuously to reduce the volume of waste and to increase recycling and reuse.



### 8.6 Promote employment, education and internships for young people

The Group has an objective to create various jobs for young people in the area of property management and through collaboration. Balder therefore offers work experience and internships to young people on property-related study programmes and within the framework of various local initiatives.



### 8.8 Protect employees' rights and promote a safe and secure work environment for all

Based on Balder's Equality and Diversity Policy and the Code of Conduct for Employees, the company strives to increase diversity and equality, and to create a good work environment where all employees and non-employees have good working conditions and are treated equally. Balder's Code of Conduct for Business Partners is based on international guidelines such as the UN Global Compact, the OECD's Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO's Core Conventions. This Code of Conduct has been prepared with reference to the Code to Prevent Corruption in Business from the Swedish Anti-Corruption Institute (IMM).

## BALDER'S WORK ON THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS



## 9. SUSTAINABLE INDUSTRY, INNOVATION AND INFRASTRUCTURE

**TARGET 9-2**  

**9.2 Promote inclusive and sustainable industrialisation**  
 Balder supports sustainable industrialisation and innovation, and works continuously with more efficient resource utilisation, by such means as investments in the property portfolio with a focus on energy efficiency improvements and environmental certification. In 2025, new guidelines are drawn up for sustainable construction within Balder Sweden in order to define clear indicator requirements in the area of environmental certification, for example with targets for greenhouse gas emissions per square metre and stricter energy requirements than those required under national legislation.

**TARGET 9-4**  

**9.4 Upgrade all industry and infrastructure for increased sustainability**  
 Balder also strives to increase the proportion of recycled and reused material in both renovation and new construction, and to increase the use of new technology by such means as increased digitalisation of properties. Both in property management and new construction, the company depends on transport operations, and continual work is in progress to optimise these as much as possible to further reduce the environmental impact.



## 12. SUSTAINABLE CONSUMPTION AND PRODUCTION

**TARGET 12-4**  

**12.4 Responsible management of chemicals and waste**  
 New buildings constructed in accordance with Miljöbyggnad in Sweden are required to keep a log book of materials and products. This log book assesses and summarises construction-related products based on their chemical content and environmental impact during their life cycle. Balder strives to minimise the volume of chemicals and waste, to use less harmful materials and to apply the precautionary principle when selecting materials and handling chemicals, in accordance with the company's Sustainability Policy.

**TARGET 12-5**  

**12.5 Substantially reduce waste generation**  
 To promote sustainable consumption and production, Balder strives, in line with the company's Sustainability Policy, to be prudent in its consumption of materials, with a focus on increased recycling. Tenants are encouraged to sort at source and increase recycling in various ways.



## 13. CLIMATE ACTION

**TARGET 13-1**  

**13.1 Strengthen resilience and adaptive capacity to climate-related disasters**  
 Balder is continually developing the mapping of climate-related risks at building level in line with the guidelines in the EU Taxonomy. Within Balder's property development and ongoing property management, there are several examples of actions implemented with the aim of preserving and strengthening nature-based solutions at the company's properties in order to help with climate adaptation and the management of extreme weather events such as heavy rain and heatwaves.

**TARGET 13-3**  

**13.3 Build knowledge and capacity to meet climate change**  
 The company's science-based climate targets were validated by the Science Based Targets initiative in February 2024. A roadmap was developed during 2024 to clarify which climate emission mitigation actions the operation needs to implement, as well as activities that are required to develop in line with the Paris Agreement. In its continued work to map climate-related risks and opportunities, one of Balder's objectives is to develop more action plans at property level, in each company and based on regional conditions, and to make sure that all employees have relevant knowledge in this area.



# ENVIRONMENTAL SUSTAINABILITY

Through its operations, Balder has both actual and potential risk, linked to climate change and the environment. This takes place in its own operations and both upstream and downstream in the value chain. At all levels, the company's sustainability work shall mitigate the negative impact and minimise the risk. The greatest opportunity to exercise control is within the company's own operations. In order to have the greatest possible effect, the work is focused on those areas considered most material. These areas comprise climate change, energy, water, and resource use and circular economy.

For more information regarding the general procedure for the double materiality analysis, see pages 51–56.

## THIS CHAPTER DESCRIBES BALDER'S SUSTAINABILITY WORK RELATED TO:

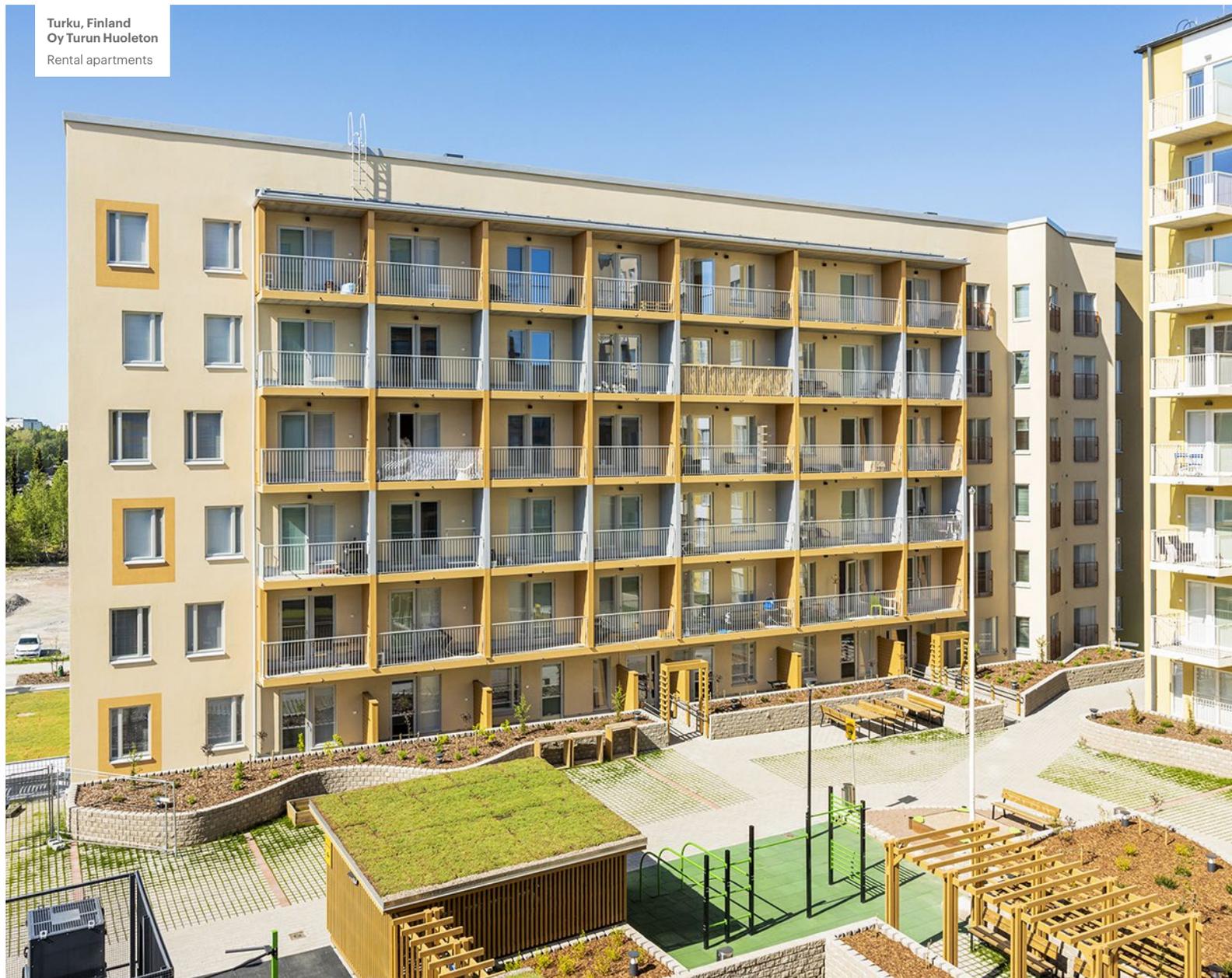
- E1 Climate change
  - *Climate change adaptation*
  - *Climate change mitigation*
  - *Energy*
- E3 Water
- E5 Resource use and circular economy
- EU Taxonomy

## POLICIES AND GUIDELINES

- Sustainability Policy
- Transport and Travel Policy
- Code of Conduct for Employees
- Code of Conduct for Business Partners

All policies are Group-wide and subject to an annual review and are adopted by Balder's Board of Directors.

Turku, Finland  
Oy Turun Huoleton  
Rental apartments



## E1 CLIMATE CHANGE

### CLIMATE CHANGE ADAPTATION

Mapping risks and opportunities is an important element of Balder's work to adapt and strengthen the property portfolio against the effects of climate change. Balder follows the method adopted in the EU Taxonomy, which includes screening of climate risks, vulnerability analyses and action plans.

#### IMPACTS, RISKS AND OPPORTUNITIES

The company sees a potential risk linked to climate-related transition risks, in the medium and long term, in its own operations and both upstream and downstream in the value chain. The risk derives from a limited transition related to climate change and includes potentially increased costs of greenhouse gas emissions, increased reporting requirements, changes in regulations, changes in demand, behaviour and preferences among customers, costs relating to investments in new technology and increased material prices. All of this could result in reduced revenue, a general increase in costs, limited access to capital and a damaged reputation.

Physical climate risks were not deemed to be material in the double materiality analysis. The main work to identify climate-related physical risks at building and property level is carried out within the framework of work with the EU Taxonomy. This has its origins in the do no significant harm (DNSH) criterion for climate change adaptation. This includes, but is not limited to, flooding, heat stress, grass and forest fire, and erosion and landslides. For more information about impacts, risks and opportunities, see Balder's double materiality analysis on pages 51–56.

In addition to the analysis conducted in the double materiality analysis, the company also reports the recommendations proposed by the Task Force on Climate-Related Financial Disclosures (TCFD), which include scenario analysis and potential climate-related physical risks and transition risks. For more information about the company's scenario analysis linked to the assessment of risks and opportunities, and the resilience analysis based on its results, see pages 63–64.

#### STRATEGY

Balder continuously evaluates risks that may arise as a consequence of climate change and analyses the organisation's resilience and ability to manage these risks. The work is focused on ensuring the property

portfolio's resilience to the effects of climate change in the short, medium and long term. Balder works on an ongoing basis with climate adaptation of properties. This can take place by such means as converting hard surfaces into green spaces, open surface water management and the creation of green roofs. Such actions can also result in enhanced customer benefit and well-being.

The company's Sustainability Policy clarifies the work and ambition regarding climate change adaptation. The company's main target is to conduct climate risk analyses for the property portfolio. Climate adaptation is also highlighted in a broader perspective in the policy's targets linked to environmental certifications, for example. The policy covers all subsidiaries in countries where Balder operates and includes all tenants, in both residential and commercial properties.

For more information about the company's policies, see page 48.

#### ACTIONS

Within Balder's property development and ongoing property management, there are several concrete examples of actions taken partly to reduce and prevent negative effects linked to climate change, and partly to strengthen and enable the company's adaptability and resilience to climate risks.

Balder does not have a Group-wide action plan linked to climate change adaptation, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the following actions is integrated into the company's ongoing operations.

There is variation in the actions taken by the company based on the countries where it operates and the scope can be either at location or property level. Actions are implemented as required or on an ongoing basis as part of day-to-day operations.

For more information about actions linked to transition risks, see also pages 65–70 for Climate change

mitigation and pages 71–74 for Energy. This includes follow-up on greenhouse gas emissions and energy use.

Below is a list of the company's ongoing key actions in climate change adaptation that are intended to make a long-term contribution to the company's sustainability strategy:

- Climate risk analysis of buildings
- Climate adaptation in property management
- Climate adaptation through ecosystem services

#### Climate risk analysis of buildings

Balder works actively on climate risk analyses of the property portfolio. Implementation of and work on climate risk analyses are undertaken by each consolidated company, in accordance with Balder's adopted targets in the Sustainability Policy. These climate risk analyses follow the method adopted in the EU Taxonomy and are conducted in three steps: climate risk screening (step A), vulnerability analysis (step B) and the production of action plans (step C). Climate risk analyses are prepared on an ongoing basis and as required. Implementation of action plans must take place within five years of having been established. The first properties are planned to have implemented action plans by the end of 2027.

In 2025, Balder continued its work to produce complete climate risk analyses for buildings in the building stock. The table on page 62 describes to what extent Balder's property portfolio has undergone climate risk analyses from 2022 until 2025, and the number that have undergone each step in the climate risk analysis. Balder has chosen to prioritise a complete analysis of newly produced buildings and the existing buildings that are also aligned with the EU Taxonomy. This is because a complete climate risk analysis (in accordance with steps A–C) is one of the basic requirements for buildings to be classified as being aligned with the EU Taxonomy.

#### Climate adaptation in property management

The company is working to reduce its greenhouse gas emissions, but also to manage the risks that arise due to climate change. Balder therefore works with climate adaptation in order to strengthen the resilience of its operations. Examples of actions being implemented include the installation of suspendable floor drains and check valves for water management, as well as property management in the form of inspections and maintenance of outdoor environments.

Actions linked to general climate adaptation within operations are carried out when needed and mainly in local property management. The types of actions may vary, depending on the country of operation and company.

#### Climate adaptation through ecosystem services

Ecosystem services are nature's ability to deliver benefits to people and society. It might be, for example, the way trees and vegetation contribute to water and air purification, temperature regulation and protection against flooding and erosion. Ecosystem services are of key importance for climate adaptation and to equip society for climate change. Preserving and strengthening nature-based solutions makes the company's properties and the cities in which they are located more resilient to deal with extreme weather events such as heavy rainfall and heatwaves.

Balder has many examples of nature-based solutions and actions regarding ecosystem services to contribute to climate change adaptation, which are in line with the company's ambition, in accordance with the Sustainability Policy, to actively contribute to preserving and increasing biodiversity in its management of properties and in connection with property development.

On smaller buildings, such as recycling stations and bicycle parking facilities in Sweden, Denmark and Finland, the company is installing green roofs with sedum plants. Many residential properties are also being provided with spaces for cultivation close to the

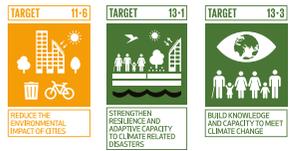
**E1** CLIMATE CHANGE / CLIMATE CHANGE ADAPTATION

property. There are also pilot projects under way in the Finnish company SATO Oy, in which meadows are being created close to properties.

These actions are also intended to contribute more values, such as limiting the impact of heat stress, creating natural water management when there is heavy rain, and serving as natural carbon sinks. In addition to this, the actions also contribute to habitat conservation and to preserving the diversity of species.

**METRICS AND TARGETS**

**THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK**



To support the purpose of Balder's Sustainability Policy, the company has adopted a quantitative, relative and ongoing target linked to physical climate risks. The company's target is to conduct climate risk analyses for the property portfolio and work on climate adaptation in order to create a resilient business operation. The target has no base year or base line value, but work started in 2022 and has continued since then. Targets and associated metrics are entity specific, not science-based, but are linked to EU regulation in the form of the EU Taxonomy. It includes all companies in the consolidated group and refers to the company's own operations.

The company collects information annually on the number of climate risk analyses conducted for each company in the Group. These analyses are aggregated at property and building level. In respect of the proportion of the property portfolio that has undergone each step of the analyses, the number of properties in the Group is used, as presented on page 45 in ESRS 2 General disclosures.

The table on page 62 presents the number of climate risk analyses at both property and building level, broken down by country. As the three steps follow one another, it means that a building that has completed step C or step B has also completed step A. A property can contain several buildings, which is why the analysis has been conducted at both property and building level. In total, 899 (723) properties have been screened for climate risks, 357 (283) have undergone a vulnerability analysis and 338 (269) properties have had a preliminary action plan produced. Of a total of 2,023 (1,962) properties in the Group, 44% (37) have undergone climate risk screening. The number of buildings and properties in the portfolio that have undergone a climate risk analysis has increased. This is because more analyses have been conducted in Sweden, Finland and Norway. The UK and Germany are not included in this summary, as no climate risk analyses have been conducted. It was also discovered that the number of assessments had been summarised incorrectly in 2024, which also explains the increase.

Work to conduct complete climate risk analyses for the remaining part of the portfolio will continue going forward.



**E1** CLIMATE CHANGE / CLIMATE CHANGE ADAPTATION

**CLIMATE RISK ANALYSES OF PROPERTIES AND BUILDINGS**

Number of climate risk analyses completed, 2022-2025<sup>1)</sup>

	Sweden		Denmark		Finland		Norway		Total 2022-2025		Share of property portfolio, %
	Properties	Buildings	Properties	Buildings	Properties	Buildings	Properties	Buildings	Properties	Buildings	
Step A: Climate risk screening	638	1,814	29	119	187	312	45	186	899	2,431	44
Step B: Vulnerability analysis	139	233	29	119	187	312	2	2	357	666	18
Step C: Action plan	133	216	29	119	174	299	2	2	338	636	17

1) Entity specific disclosure.

**STEP A**

**Screening and categorisation of climate risks**

Climate risk screening involves a property, with associated buildings, being evaluated based on a number of climate risks to which it might be exposed. Climate risk screening is conducted with the aid of geographical data for a set of both chronic and acute climate risks, which are defined in the EU Taxonomy. The risks for which screening takes place are flooding from heavy rainfall, flooding from lakes and watercourses, flooding as a consequence of rising sea levels or high tide events at sea, heat, landslides and rockfalls, erosion and ground or forest fires. The most common climate risks for Balder’s property portfolio are heavy rainfall, heat-related risks as well as rockfalls and landslides.

Two scenarios, representative concentration pathway (RCP), for greenhouse gas emissions are used in the analysis: RCP 4.5 and RCP 8.5. RCP 4.5 corresponds to greenhouse gas emissions rising slightly before culminating around 2040. RCP 8.5 corresponds to emissions continuing to increase. The climate projections undertaken should be done for at least 10–30 years for major investments, and this is the case as the estimated useful life of buildings exceeds 30 years.

When producing the assessment, exposure to climate risks is divided into different scales, which may vary, depending on availability of data and geographical location.

The buildings that have sufficiently high risk are also evaluated in step B, vulnerability analysis. If one single building in a property is deemed to be exposed to a climate risk, the whole property is deemed to be exposed to the risk.

**STEP B**

**Vulnerability analysis**

For the buildings that have a sufficiently high risk classification, with respect to one of the climate risks evaluated, vulnerability analyses are also conducted. A building that has no or very low exposure to the climate risks evaluated does not undergo a vulnerability analysis.

A vulnerability analysis involves evaluating how vulnerable a building is to the climate risks to which it is exposed. Vulnerability results in an aggregated picture of what actions may be needed to make a property or building more resilient to climate-related risks.

One example of vulnerability might be a building that is located at a low level next to a watercourse. This represents a potential risk that the building might be damaged in connection with a high water event in the nearby watercourse. This may then require extensive repairs to restore its function.

The vulnerability of properties is evaluated for each climate risk to which they are exposed, and their vulnerability is often assessed on a scale with three levels: “low vulnerability”, “medium vulnerability” and “high vulnerability”. An action plan needs to be established for those properties assessed as having “medium vulnerability” or “high vulnerability”. The degree of vulnerability also determines which actions should be included in the action plan. Buildings with “low vulnerability” do not require an action plan to be established.

**STEP C**

**Action plan**

Action plans are established for those properties that have been classified as being exposed to risk and that are currently assessed as being vulnerable to these climate risks. The strategic work is based on planning and governance, which then form the basis of driving the operational work. This involves, among other things, planning actions that the company needs to carry out and how this can be implemented in order to create greater resilience.

The action plans contain actions to increase resilience to climate change in the long, medium and short term. They contain suggested actions that can be included in day-to-day operations as an element of inspections, as well as actions that require major interventions in the building or its surrounding area. Examples of actions that might be carried out include sealing cellar windows and doors, diverting water that might reach the indoor parking spaces in order to avoid damage in the event of flooding or heavy rainfall, and extending the amount of green space or constructing green roofs.

This work is extensive in terms of time and resources, and the organisation will start to implement actions in the years ahead. At present, Balder is working to establish internal processes for these action plans. Over the next few years, Balder will be continually implementing action plans for exposed and vulnerable buildings in order to meet the requirement for implementation within five years of the plans having been produced, in accordance with the EU Taxonomy.

**E1** CLIMATE CHANGE / CLIMATE CHANGE ADAPTATION

**SCENARIO AND RESILIENCE ANALYSIS**

Balder’s scenario and resilience analysis was updated during autumn 2025 and is based on the company’s previous reporting in accordance with TCFD’s recommendations. The analysis has been used to inform the assessments regarding ESRS E1 in the double materiality analysis. The analysis defines physical risks as climate-related risks that can cause damage to an asset, such as flooding or landslide. A transition risk is defined as a risk that can act as an obstacle to limiting emissions, such as a price increase in building materials.

**Scenario and risk analysis**

The analysis was performed internally within the company and is based on many different kinds of supporting data, including emission scenarios, the company’s climate risk analyses and climate roadmap, information from industry actors and public information. With reference to current corporate governance, the com-

pany then consolidated the information from all sources in order to identify risks and opportunities.

The actual scenario analysis is based on earlier TCFD reporting that was presented in the previous sustainability report. The company has evaluated whether the risks and opportunities identified from this can be substantiated based on the company’s current structure. The companies and geographical regions included in the analysis correspond to the delimitation made in the rest of the Sustainability Report. For more information about assessments in the double materiality analysis, see pages 51–56, including how consequence and probability is assessed.

The low-emission scenario is based on representative concentration pathways (RCP) 2,6. This scenario assumes that global emissions will culminate around 2020 and be negative by 2100, and is in line with the Paris Agreement’s target of limiting the global temperature increase. The high-emission scenario is based on RCP 8.5. This scenario assumes that global emissions

will be just over three times higher in 2100 than current emissions. The scenarios chosen include inherent uncertainties, as they are based on assumptions of future economic trends and technical progress. Global events, such as conflicts and loss of biodiversity, are not included in the scenarios.

The time horizons applied for the physical climate risks and transition risks follow the time horizons used in the double materiality analysis. According to the ESRS, these are defined as one year, up to five years, and more than five years. For more information about the methodology for the double materiality analysis, see page 51. Scenarios extend until 2100. The only specific touchdown point in the scenarios is 2050. These time horizons are applicable for the company’s physical assets, as properties have long life times. They extend beyond the planned strategic and financial plans. The ESRS-defined time horizons are not as long, and in line with those used for strategic and financial planning.

For more information about the company’s other risks and opportunities, see pages 37–41. The climate-related assumptions made in the financial risk analysis are based on the same material that was used in the scenario analysis.

There are uncertainties concerning whether and when the transition risks may occur, and their scope. The analysis will therefore be continuously reviewed and revised.

The risks that have been identified in the scenarios are connected to the identified potential risks in ESRS E1. This refers to the risk of limited transition, see page 60, as well as the risk of energy shortage, increased energy use and limited access to renewable energy, see page 71. The opportunities in the graph below are potential opportunities that the company can see connected to the identified risks. These opportunities are labeled as potential, as the only material opportunity in the double materiality analysis is connected to environmental certification.

**SCENARIO AND RESILIENCE ANALYSIS**

	<b>Scenario description</b> Potential scenario in 2100	<b>Risks</b> Potential risks for property companies	<b>Opportunities</b> Potential opportunities for property companies	
<b>Low-emission scenario RCP 2.6</b>	<ul style="list-style-type: none"> <li>Global average temperature has increased by 1.6 degrees by 2100.</li> <li>More stringent climate policy.</li> <li>Energy transition from renewable to low-intensity.</li> <li>Lower vulnerability to chronic climate-related risks.</li> <li>Fewer extreme weather events.</li> <li>Technological development, for example CCS and fossil-free transport operations.</li> <li>More even population trend.</li> </ul>	<ul style="list-style-type: none"> <li>Tougher government agency decisions and regulation regarding emission limits and reporting requirements.</li> <li>Increased property costs linked to replacement of technology.</li> <li>Increased costs for transition to renewable energy.</li> <li>Higher vacancy levels as a consequence of tougher requirements.</li> <li>Increase in price of construction materials.</li> </ul>	<ul style="list-style-type: none"> <li>Increased energy efficiency, i.e. lower operating expenses and reduced emissions.</li> <li>Increased production of own renewable energy.</li> <li>Efficient transport operations.</li> <li>Increased recycling.</li> <li>Higher valuation and more favourable financing.</li> <li>Satisfying new customer and investor preferences.</li> </ul>	<p><b>Resilience</b> How resilience is created in the company:</p> <ul style="list-style-type: none"> <li>Low dependence on purchased fossil energy.</li> <li>Science-based climate roadmap with proposed actions and clear targets.</li> <li>Proactive work on compliance.</li> <li>Differentiated property portfolio in several countries.</li> <li>Collaboration for technological development in the value chain.</li> </ul>
<b>High-emission scenario RCP 8.5</b>	<ul style="list-style-type: none"> <li>Global average temperature has increased by 4.3 degrees by 2100.</li> <li>Continued high fossil dependence.</li> <li>Slower pace of technological development.</li> <li>Energy remains fossil-based.</li> <li>Greater vulnerability to chronic climate-related risks.</li> <li>More frequent and extensive extreme weather events.</li> <li>Significant population growth.</li> </ul>	<ul style="list-style-type: none"> <li>Properties affected by climate-related physical risks.</li> <li>Increased insurance costs for properties in risk zones.</li> <li>Uncertain market development.</li> <li>Increased demands from customers.</li> <li>Risk of unusable properties.</li> <li>Increased cost of restoring damaged properties.</li> <li>Increased energy costs for cooling.</li> </ul>	<ul style="list-style-type: none"> <li>Increased production of own renewable energy.</li> <li>More profitable energy efficiency improvement actions.</li> <li>Climate adaptation makes the company more attractive.</li> <li>Increased customer interest in properties in low-risk areas.</li> </ul>	

**E1** CLIMATE CHANGE / CLIMATE CHANGE ADAPTATION

**Physical risks**

The company can see that the property portfolio is exposed to a number of physical climate risks, including flooding, landslide, grass and forest fire, and heavy rainfall. The risks are identified on a scenario-wide basis, as the analysis of physical climate risks within the framework of climate risk analyses is also based on a scenario analysis. Vulnerability has been assessed for 18% of the company's properties. Exposure to a risk generally mean vulnerability. Few of the company's properties analysed face no potential risk at all. Climate risk assessments have been performed for parts of the portfolio in Sweden, Denmark, Finland, and Norway. The properties in the UK and Germany have not been analysed, but they correspond to a very small proportion of the company's total physical assets. From current information the company has for the property portfolio, the likelihood for physical climate risks is moderate, both regarding scope and where it may happen. There is a variety in types of physical climate risks the portfolio can be exposed to. The company does not deem that there is any larger risk for disruptions in the supply chain. For more information about the company's physical climate risks, see pages 60–62.

**Transition risks**

Regarding transition risks, there are risks that might affect the company's assets, and thereby its operations, as the functionality of the properties is fundamental for the company. Transition risks are identified on a scenario-wide basis, as they are based on assumptions made within the framework of each scenario. One risk is linked to change in legislation, which, for example, can mean increased requirements for energy efficiency

improvement and reduced emissions. To address these changes, the company may need to invest capital in the properties, not only for improvements in operations and equipment, but also in respect of investments in new technology. Linked to property development and stricter regulation, the company may need to invest in different construction materials and techniques, which may result in increased costs and a risk of unprofitable investments.

The company deems that there are clear indications regarding changes in policy which will lead to transition costs. There are also indications regarding changes in customer expectations. Finally, there is a connection between physical climate and transition risks, as the size of the portfolio means a financial risk with regard to increased costs exists.

**Resilience analysis**

The resilience analysis is based on the updated scenario analysis described earlier in this section and uses the same basic scenarios. The analysis was conducted internally at the company through a qualitative desk-top analysis of the company's current business model, portfolio of policy documents, financing opportunities and outcome of historical sustainability data. Each risk and opportunity identified was evaluated based on information described in order to acquire the clearest possible overall view of resilience. The assumptions made include that the development described in each scenario will happen. The company also assumes that the targets described in policies are implemented, such as increasing the volume of renewable energy and reducing emissions in line with the climate target.

The time horizons used in the resilience analysis follow the same time horizons applied in the double materiality analysis. The scope of the resilience analysis follows the delimitations applied in other reporting in respect of companies, property portfolios and geographical regions included, which are based on financial control. Impacts and dependencies in the upstream and downstream value chain have been taken into account, where risks over which the company has small control have been identified.

The company's resilience analysis is based on current knowledge. In respect of physical risks, the analysis is based on forecasts, which are in turn based on the scenarios. These forecasts describe the risk that, for example, extreme weather events will occur more frequently or remain at the same level as at present. Examples of transition risks that are uncertain include changes in regulations.

**The company's resilience**

Based on the risks and opportunities identified, the company is deemed to have relatively good resilience. Balder already has a low proportion of fossil energy in the energy it purchases, and has historically been increasing the amount of self-generated renewable energy. The effect of this is that the transition from fossil sources is deemed to have relatively little impact on the company, while the company is gearing up for changes in the energy networks by producing its own energy. The company has set an ambitious, science-based net zero target with an associated climate road-map describing how emissions are to be limited over time. Annual follow-up of progress towards these climate targets enables Balder to adjust its business

model over time. The company is dependent on changes in the value chain, and thereby dependent on technological development and other actors also working with emission reductions and adaptation actions.

Balder has a differentiated property portfolio in many different countries, which means risks are dispersed across different geographical regions. A property portfolio comprising of a more or less equal proportion of residential and commercial properties makes the company more resilient to negative impacts, as the risks are spread.

At present, the company has not quantified the cost of implementing actions to address physical climate risks to which the property portfolio might be exposed. To implement the proposed action plans associated with the climate risk analyses, the company has adopted the approach of starting with smaller actions that can be incorporated into daily operations. The implementation of larger actions, requiring collaboration with external parties, will be evaluated going forward.

**TCFD**

To evaluate risks and opportunities linked to climate change, Balder has officially adopted a position to follow the recommendations issued by the Task Force on Climate-Related Financial Disclosures (TCFD), and is working to implement the recommendations in the areas included. Balder will continue to work with risks and opportunities in accordance with the TCFD's most recent recommendation. This means above all continued work to refine the analysis at property level and to identify specific actions for each building.

**TCFD'S RECOMMENDATIONS**

Governance	Page	Strategy	Page	Risk management	Page	Targets and metrics	Page
The Board of Directors' overview of climate-related risks and opportunities.	47–48	Climate-related risks and opportunities identified in the short, medium and long term.	60–64	Process to identify, assess and address climate-related risks.	58, 60–64, 80	Metrics to evaluate climate-related risks and opportunities.	61–62, 41
Management's role in assessing and managing climate-related risks and opportunities.	47–48	Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	60–64, 80	The organisation's process to manage climate-related risks.	58, 60–64	Reporting of Scope 1, Scope 2 and Scope 3, including related risks.	67, 69
		The organisation's resilience in relation to different climate-related scenarios.	60–64	Integration of management of climate-related risks in the organisation's general risk management.	41	Targets and outcomes for the management of climate-related risks and opportunities.	61–62, 80

**E1** CLIMATE CHANGE

## CLIMATE CHANGE MITIGATION

To achieve defined targets and reduce greenhouse gas emissions, Balder has prepared a climate roadmap. With targets that include the whole value chain, the company is working to reduce emissions on a broad front. The climate roadmap follows the Paris Agreement, and the company is aiming to halve emissions by 2030 and achieve net zero emissions by 2045.

### IMPACTS, RISKS AND OPPORTUNITIES

The construction and real estate sector is responsible for a large amount of the world's total greenhouse gas emissions, partly due to energy intensity and the use of carbon-intensive materials in construction.

Balder's operations have an actual negative impact in the short, medium and long term, through greenhouse gas emissions in its own operations, and upstream and downstream in the value chain. As the company sees impacts in all time horizons, consideration has been given to potential future emissions in the assessment of materiality. Own operations include both direct and indirect emissions related to, for example, own heat production, energy use and company vehicles. The value chain includes indirect greenhouse gas emissions in the supply chain and among customers through, for example, new production and refurbishment and renovation projects.

The company's assessment in the materiality analysis is based on a qualitative examination, but also on the company's climate accounts from 2022, which is the company's base year for emission calculations.

For more information about the double materiality analysis, see pages 51–56.

### STRATEGY

The company's work to mitigate climate change is governed by a number of policies in the company's portfolio of policy documents. Policies cover all subsidiaries in countries where Balder operates and include all tenants, in both residential and commercial properties.

#### Sustainability Policy

The company's Sustainability Policy clarifies the work and targets regarding climate change mitigation. The policy refers to the company's science-based targets, and also to other targets that relate to emission reduc-

tions within the organisation. Targets include to phase out fossil fuels in operations, prioritise renewable sources for energy and transport, achieve environmental certification for buildings and create good conditions for fossil-free, environmentally friendly transport for customers and employees. Other targets are to reduce energy and water use in the company, increase the volume of renewable energy production, reduce waste volumes and increase levels of sorting and reuse.

#### Transport and Travel Policy

Balder's Transport and Travel Policy explains the company's approach to how business travel should take place. The policy aims to reduce climate emissions and environmental impact, and highlights the order of priority for different modes of transport.

#### Code of Conduct for Business Partners and Code of Conduct for Employees

The Code of Conduct for Business Partners clarifies that the company's business partners are expected to continuously improve their environmental work in order to reduce the negative impact of their operations. This is achieved by working more resource-efficiently, applying the precautionary principle when choosing materials, mitigating climate impact by phasing out fossil fuels and reducing the operation's energy and water consumption.

The Code of Conduct for Employees describes how the company's own employees are expected to act. This code also includes responsibility for the environment, and states that all employees shall be involved and strive to reduce the company's impact on the environment as far as possible.

There is more information about the company's policies on page 48.

#### Climate Roadmap

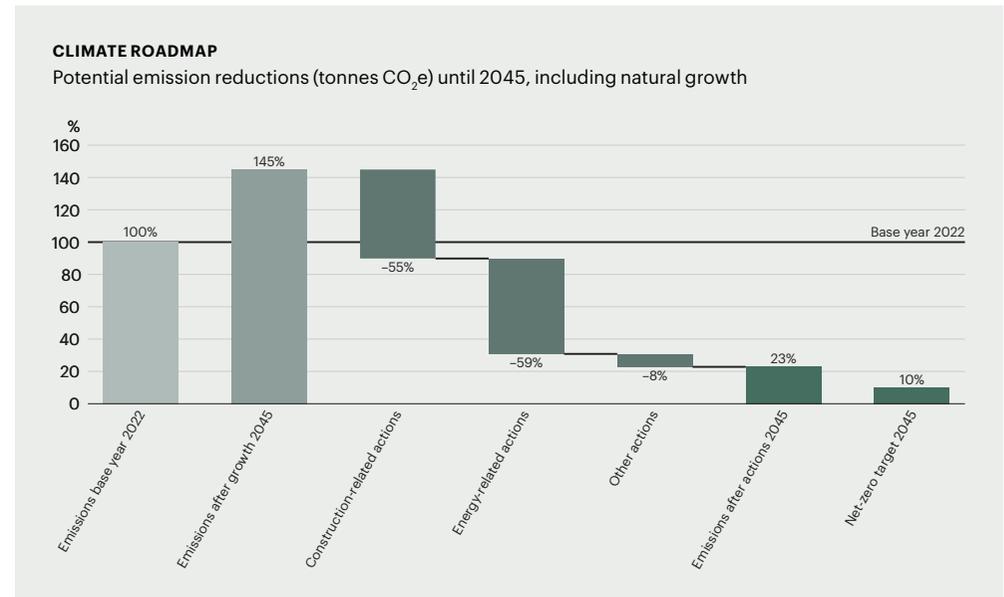
Balder has a climate target of halving emissions by 2030 and achieving net zero emissions by 2045, which is based on base year calculations from 2022. The company's climate targets were approved by the Science Based Targets initiative (SBTi) in February 2024. This validation concludes that the company's climate targets are in line with the 1.5 degree target of the Paris Agreement. Balder is not excluded from the EU's reference values for adaptation to the Paris Agreement.

To achieve the climate targets, Balder has prepared a roadmap of potential actions, broken down into different areas, that the company can implement to reduce its emissions. The climate roadmap was approved by

the company's Group Management and Board of Directors in 2024.

The climate roadmap is based on the location-based calculation method. The roadmap has also been broken down to company level in order to facilitate implementation in each company in the consolidated group. The climate roadmap takes into account organic annual growth in respect of the total lettable area, which includes increased energy use as a consequence of continued new production and the acquisition of properties.

The chart shows the forecast for the company's emissions, including growth and emission reductions, until 2045. There is a more detailed description of actions below. With the current structure of the climate



**E1** CLIMATE CHANGE / CLIMATE CHANGE MITIGATION

roadmap, the company will not achieve the climate target for 2045 unless the market changes with more climate-smart alternatives in the field of construction. This is largely because it is not considered possible to implement certain actions to any major extent before 2030. This is not considered to be due to locked-in emissions. The forecast for 2045 is also uncertain and will likely be the subject of revision after 2030.

**Implementation of the climate roadmap**

The assessment of the effect of actions and their implementation level is based on both a qualitative assessment made by internal experts and current research in the area. The prioritisation of actions introduced is carried out by means of the roadmap first prioritising actions for reduction and reuse, then actions for substitution, and finally passive actions. The actions included in the roadmap are not evaluated on the basis of actual cost, but on the possible implementation level by 2030 and 2045 respectively. By contrast, each proposed action has been evaluated qualitatively in terms of whether it is a saving, an expense or neither. The actions are divided into three areas: actions linked to construction and materials, actions linked to energy, and other actions.

Property development makes up a large part of the company's carbon footprint. This means that the company will need to maintain a strong focus on these emissions, with an emphasis on material selection and material efficiency. Actions linked to construction and materials are divided into actions relating to product phase and actions relating to transport and construction activities. The product phase includes actions to reduce the amount of emission-intensive materials, increased reuse and recycling, and material substitution.

Actions linked to energy include reduced energy use, reuse of energy and the replacement of energy and fuel sources. The roadmap also includes investments in better measurement and control technology. Actions for energy also include a general improvement of the energy system. The company is therefore dependent on actors in the value chain in respect of more sustainable materials and the transition to renewable energy grids. The company has relatively little control over these emissions.

Finally, other actions include, for example, actions for business travel, waste, investments and actions for service vehicles.

The climate roadmap is the first step towards achieving the company's climate targets, and it describes which overarching actions can be implemented in a broader perspective. As work on the climate roadmap is still at an early stage, there has not yet been any quantification of material investments that will be required to implement it. The actions proposed in the action plan have been evaluated qualitatively in terms of whether they can be deemed to be a saving, an expense or neither. The company has not at present linked the climate roadmap to the key ratios or activities presented in connection with the EU Taxonomy.

The climate roadmap has been primarily implemented in the company's business strategy through the Sustainability Policy and the targets that the company has linked to emission reductions. In addition to the net zero target for 2045, the company has other targets linked to the climate roadmap, including energy efficiency improvement of the property portfolio and the phasing out of fossil fuels in properties and the company's own vehicles.

At present, the company has no capital expenditure linked to coal, oil and gas, although a small proportion of the company's property portfolio uses its own fossil heating. The company does not currently work with any form of greenhouse gas removal or internal carbon pricing.

The table on page 69 shows greenhouse gas emissions and the reduction in emissions that is required to work towards the climate targets for 2030 and 2045. This table is used by the company to measure progress towards the proposed emission reductions in the climate roadmap.

The company has a framework for green and social financing, for which energy-efficient and environmentally certified buildings can qualify. With Balder's target to increase the share of green financing, climate work becomes an integral element of the company's financing. To read more about the company's green and social framework for sustainable financing, see page 79.

**ACTIONS**

Within Balder's property development and ongoing property management, there are several concrete examples of implemented actions with the aim to reduce emissions, in own operations and both upstream and downstream in the value chain.

The actions presented linked to the mitigation actions are based on the proposed actions in the company's climate roadmap, although the company has not identified any significant operating or capital expenditure, including CapEx plans within the framework of the EU Taxonomy. Expenditure linked to the following actions is currently integrated into the company's ongoing operations.

There is variation in the actions taken by the company based on the countries where it operates and the scope can be either at location or property level. The actions are ongoing, unless a defined target year is specified under the action in question.

For the expected emission reductions for each action described, see the table for the climate accounts on page 69, specifically the forward-looking part of the table. For the phasing out of fossil fuels, see Scope 1: Own heating, and for transport operations, see Scope 1: Company vehicles.

Below is a list of the company's ongoing key actions that are linked to climate change mitigation:

- Company-specific climate roadmaps
- Phasing out of fossil fuels
- Green annexes in commercial leases
- Sustainable transportation

**Company-specific climate roadmaps**

The company's Board of Directors approved the Group's roadmap in 2024, and the work with it has continued. In an initial step, the climate roadmap has been broken down to company level and communicated to all consolidated companies in the Group. This breakdown has been done because the different companies in the Group have variations in the separate climate accounts, depending on the type and size of the property portfolio, geographical locations and national factors such as access to renewable energy.

As the company's climate target is divided into a milestone for 2030 and a final target for 2045, the

company has chosen to start focusing on actions that can be implemented by 2030. Balder has chosen to adopt the initial approach that each consolidated company in the Group is responsible for implementing actions within the framework of their own operations.

In Sweden, for example, the company has chosen to start focusing on emissions as a consequence of energy use and emissions linked to property development. In Finland, two subsidiaries have produced their own climate roadmaps based on the Group-wide roadmap, with more specific actions for operations before 2030. Examples of actions in these roadmaps include increasing the amount of self-generated renewable energy, increasing the amount of renewable energy purchased and creating the conditions for sustainable transportation.

**Phasing out of fossil fuels**

The company has a small number of properties that use fossil heating in the form of oil or gas, which account for a relatively small share of total emissions. At the same time, Balder has set an interim target, in accordance with the Sustainability Policy, to phase out fossil fuels in its operations. The company is working continuously to phase out fossil heating in its properties, which is an important action to reduce the company's Scope 1 emissions.

When phasing out, the company is making the transition to heating systems that are deemed to be more climate-smart, energy efficient and available in the local markets, for example district heating and different kinds of heat pumps.

The phasing out of fossil fuels is one of the proposed activities in respect of energy in the climate roadmap.

The company follows up on this action annually through the climate accounts, see the table on page 69, specifically in respect of Scope 1 emissions. According to the climate roadmap, emissions from own fossil heat production shall be reduced to 0 by 2030.

**Green annexes in commercial leases**

Energy use by tenants is a material source of Balder's indirect emissions in Scope 3. The way that companies in the Balder Group work with programmes to encourage tenants to make sustainable choices and

**E1** CLIMATE CHANGE / CLIMATE CHANGE MITIGATION

do sustainable activities varies. One entity specific metric used is follow-up on green annexes that are attached to leases in Sweden and Norway. In total, the company had 697 (477) green leases in 2025.

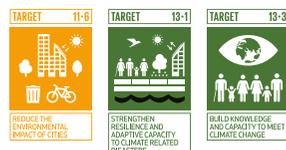
In Sweden, green annexes are used, also referred to as green leases. These are commercial leases in which tenants undertake to contribute to saving water and energy, fossil-free transport operations or other actions that reduce climate emissions. Since 2021, all new commercial leases in Sweden are required to have a green annex.

**Sustainable transportation**

In addition to Balder’s ambition to phase out fossil fuels in its own operations, the company shall also strive to provide tenants who live or work in Balder’s properties with good conditions for environment-friendly and fossil-free transportation. As a property owner, it is important to create the conditions for optimising travel and sustainable transportation. Balder is developing electric vehicle pools, as well as bike pools and repair stations for bicycles in new properties. During the year, Balder continued to install charging stations for electric vehicles in order to facilitate the transition to fossil-free travel. The company’s Scope 1 emissions currently account for a relatively small share of total emissions, and the climate roadmap is based on a complete phasing out of fossil fuels.

**METRICS AND TARGETS**

**THE UN’S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER’S SUSTAINABILITY WORK**



To support the purpose of Balder’s Sustainability Policy, the company has defined a number of Group-wide quantitative targets linked to limiting emissions in its own operations and both upstream and downstream in the value chain. Each target is described under the headings below. The targets includes all companies in the consolidated group.

**Sustainability target – sustainable transportation**

The company has a relative, quantitative and ongoing target to provide better conditions for fossil-free transportation for customers and employees. The target has no expected target level or base year, but is compared against the previous year in order to measure the trend over time. The target is entity specific but not science-based. Progress towards this target is monitored partly through reference to Scope 1 emissions linked to owned and leased vehicles in the company’s climate accounts, and partly through entity specific follow-up on the number of charging points for electric and hybrid charging in or adjacent to the company’s properties. Charging points refer to sockets used to charge electric or hybrid vehicles. One charging station can therefore have several charging points.

The company has 3,985 (3,358) charging points distributed across Sweden, Denmark, Finland and Norway. The volume and the installed capacity have increased thanks to more installed charging points, and also due to a mapping of charging infrastructure that was conducted during the year. Some of the installed capacity is calculated using standard assumptions, if the actual capacity is not available.

**SUSTAINABILITY TARGETS**

Sustainable transportation <sup>1)</sup>	Outcome 2025	Outcome 2024
Implement initiatives for sustainable travel to and from properties	3,985 charging points and 31.5 MW installed capacity	3,358 charging points and 22.2 MW installed capacity

1) Entity specific disclosure.

**INTENSITY OF GREENHOUSE GAS EMISSIONS**

	2025	2024	Change, %
<b>Intensity per unit of net revenue, kg CO<sub>2</sub>e/SEK</b>			
Total greenhouse gas emissions per unit of net revenue (location-based method)	0.008	0.013	-41
Total greenhouse gas emissions per unit of net revenue (market-based method)	0.008	0.013	-41
<b>Intensity per square metre, kg CO<sub>2</sub>e/sq.m.<sup>1)</sup></b>			
Scope 1	0.2	0.2	0
Scope 2 <sup>2)</sup>	5	7 <sup>3)</sup>	-17
Scope 3	12	22 <sup>3)</sup>	-46
Scope 3, excluding new production <sup>4)</sup>	10	12 <sup>4)</sup>	-13
<b>Total, Scope 1, 2 and 3</b>	<b>17</b>	<b>28<sup>5)</sup></b>	<b>-39</b>

- 1) Entity specific disclosures.
- 2) Refers to location-based calculation method. If a market-based calculation method is used, emissions are 4 kg CO<sub>2</sub>e/sq.m. (5) in Scope 2, corresponding to a 15% reduction, and 16 kg CO<sub>2</sub>e/sq.m. in total (27), corresponding to a 39% reduction.
- 3) Intensity Scope 2 2024 has been corrected to 7 (6), due to a rounding error, and for Scope 3 2024 to 22 (20) due to incorrect reporting.
- 4) Excluding Scope 3.2 Capital goods – New production. Intensity in Scope 3, excluding new production 2024 has been corrected to 12 (11) due to a completion.
- 5) Intensity for the total 2024 has been corrected to 28 (27) due to incorrect reporting.

**Sustainability target – reduced greenhouse gas emissions**

Balder has an absolute target to halve emissions in its own operations (Scope 1 and 2) by 2030, with 2022 as the base year. This represents a 50% reduction in absolute CO<sub>2</sub>e emissions. Balder also aims to measure and reduce emissions in the value chain (Scope 3) and reduce emissions by 55% per square metre by 2030. The company intends to achieve net zero emissions throughout the value chain (Scope 1, 2, and 3) by 2045, through a 90% reduction compared with the base year. The remaining 10% can be neutralised. The target has been approved by SBTi and is in line with the Paris Agreement’s objective of keeping global warming below 1.5 degrees. No sectoral decarbonisation pathway was used. A sectoral decarbonisation pathway is a sector-specific roadmap to make the transition to a

fossil-free society and achieve the targets of the Paris Agreement. As the target is aligned with the objective in the Paris Agreement, it is assumed that the external environment will change in accordance with the IPCC’s RCP 2.6 scenario. For more information about the climate scenarios, see page 63.

When setting the climate target and producing the associated climate roadmap, assumptions were made that operations will continue to grow in respect of factors such as lettable area, energy use and economic growth. Scope 2 emissions that are calculated for follow-up on climate targets use the location-based method. The base year 2022 was chosen, as this was deemed to represent an average year for the company, linked to the largest emission categories, including Scope 2 emissions and Scope 3 emissions linked to new production and property acquisitions. Companies

## E1 CLIMATE CHANGE / CLIMATE CHANGE MITIGATION

included and emission categories in Scope 3 have not changed since the base value was determined. For example, the base year is before the company saw major changes in activity in the construction and real estate sector. To read more about expected driving forces to reduce the company's emissions, see the sections about the climate roadmap and about actions in this chapter. There is more information about actions linked specifically to energy on pages 71–72.

Net revenue correspond to the net revenue from the company's rental income, which are presented in Note 3 in the financial statement, on page 122.

The table on page 67 presents intensity figures for the company's greenhouse gas emissions. All intensity metrics, except for Scope 1 in respect of lettable area, decreased during 2025 as a consequence of the company having reduced its Scope 2 and Scope 3 emissions. The decrease or increase per Scope, together with which relevant categories control this change, are described in the text below. The climate accounts on page 69 present emissions in accordance with the GHG Protocol as well as expected reductions according to the company's roadmap, both as a percentage per year and with expected total emissions per category permitted for 2030 and 2045.

The company's total greenhouse gas emissions decreased by 36% between 2024 and 2025 using the location-based method. This is largely due to market effects, which resulted in a slowdown in new production and project development. The decrease is also due to energy efficiency improvements. The company's total emissions decreased by 51% compared with the base year 2022. Below is a description of emission categories that changed between 2024 and 2025.

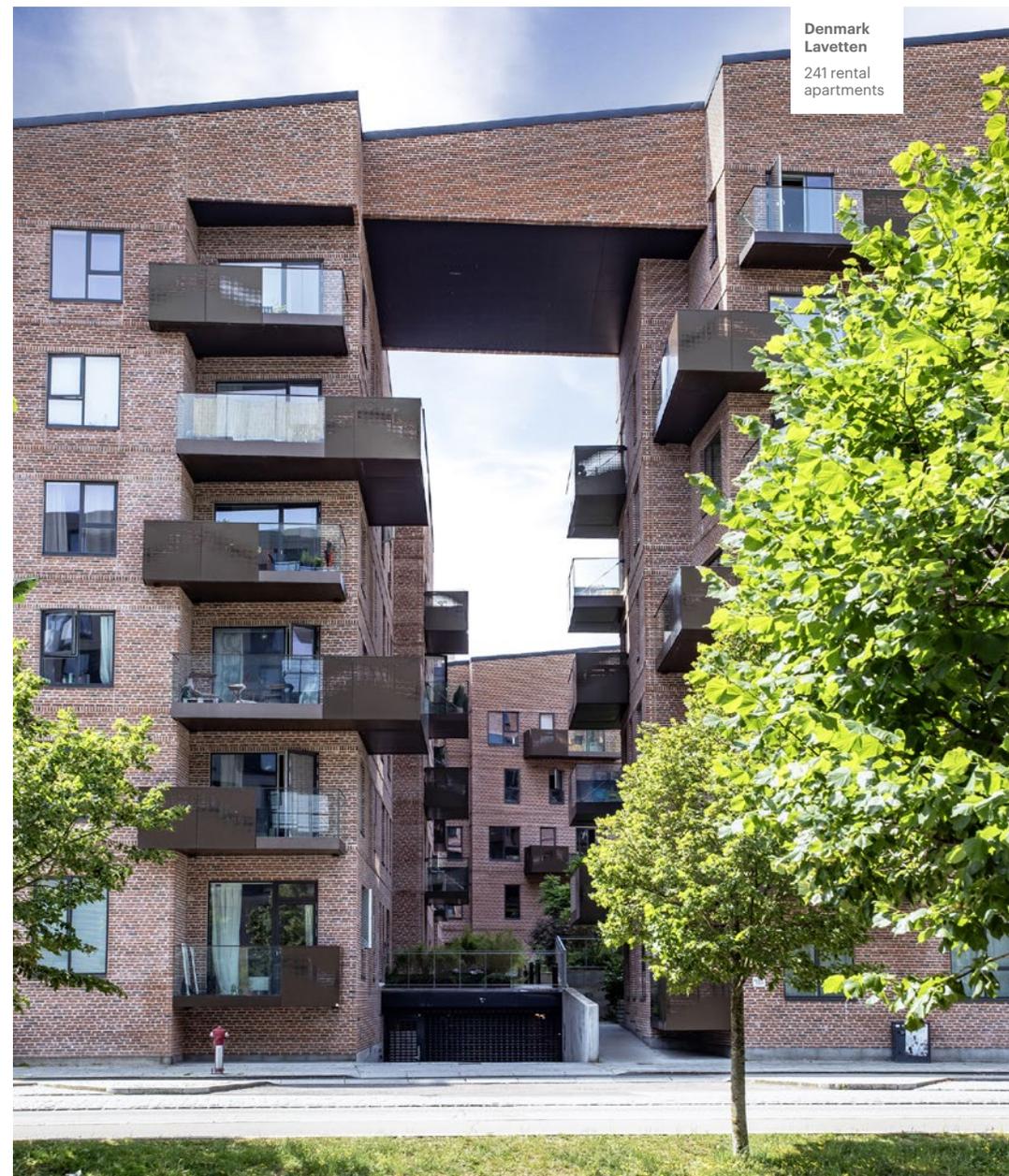
Scope 1 emissions from the company's own heating production decreased during the year as a consequence of plants and heating solutions having switched from fossil sources to a higher proportion of renewables. Emissions from company vehicles increased in 2025 compared with 2024. This is because the proportion of HVO100 used to fuel vehicles within Balder Sweden was adjusted downwards due to clearer base data from the supplier.

For Scope 2, the company had a decrease in both location-based and market-based emissions. The de-

crease in location-based emissions is due to energy efficiency improvements during the year, as the company reduced the volume of purchased heating. In addition, more companies in the Group reported purchased electricity with supplier-specific emission factors, which are generally more favourable than average factors. For market-based emissions, more companies have acquired guarantees of origin for purchased electricity, resulting in an overall decrease. About 97% of emissions from purchased electricity, using the market-based method, in Scope 2 are covered by guarantees of origin regarding hydropower, wind power and renewable mix. These are part of the company's electricity contracts. There is a variation between countries in terms of where these guarantees are used.

Total Scope 3 emissions decreased significantly, primarily due to emissions linked to Category 2: Capital goods and Category 13: Energy use of tenants. Category 2 is emissions originating from new production, value-adding renovations and property acquisitions. These emissions can fluctuate from one year to the next, depending on the number of new construction projects completed, as the company reports all emissions from project development when a building is completed. Fewer buildings were completed in 2025 compared with the previous year. The acquisitions made in the Group were also ones in which Balder is not the first owner. Category 13 emissions decreased primarily as a consequence of more companies in the Group no longer reporting on the basis of standard assumptions based on lettable area, but on the basis of actual operational energy.

Currently, there is no Scope 3 category that is calculated using only primary data. Some categories are calculated partly with primary data, and refer to the categories on page 69 using the hybrid method. This includes Category 2, where some new construction has climate calculations, Category 5, where parts of the data come from actual waste fractions, and Category 6, which include data directly from traveling companies. Biogenic emissions increased marginally in 2025. This is due to increased emissions from vehicles in Scope 1 as well improved calculation methods with supplier data in Scope 3: Category 13: Energy use by tenants.



**E1** CLIMATE CHANGE / CLIMATE CHANGE MITIGATION

**GREENHOUSE GAS EMISSIONS AND CLIMATE TARGETS**

Emission categories in the GHG protocol, tonnes of carbon dioxide equivalents (tonnes CO <sub>2</sub> e)	Source of emissions	Retrospective (looking back)						Milestones and target year (looking ahead)			
		Base year 2022	2024 <sup>1)</sup>	2025 <sup>1)</sup>	Change 2024-2025, %	Change 2022-2025, % <sup>2)</sup>	Calculation method	2030	2045	Annual target, %	
<b>Scope 1</b> Direct emissions											
	Own heating	793	712	583	-18	-26	Average method	0	0	-13	
	Own vehicles	612	261	385	47	-37	Average method	430	193	-4	
	Refrigerant leakage	79	257	320	25	304	Supplier-specific	93	125	2	
<b>Total Scope 1</b>		<b>1,484</b>	<b>1,231</b>	<b>1,289</b>	<b>5</b>	<b>-13</b>		136	64	-11	
<b>Scope 2</b> Indirect emissions											
	Electricity	8,482	11,615 <sup>3)</sup>	8,644	-26	2	Hybrid	3,869	488	-7	
	Heating	50,103	31,161 <sup>3)</sup>	27,039	-13	-46	Hybrid	17,664	5,455	-8	
	Cooling	16	0.16	0	-100	-100	Hybrid	18	25	2	
<b>Total Scope 2 – Location-based (LB)</b>		<b>58,601</b>	<b>42,775<sup>3)</sup></b>	<b>36,426</b>	<b>-15</b>	<b>-38</b>		21,899	5,767	-8	
<b>Total Scope 2 – Market-based (MB)</b>		<b>77,037</b>	<b>33,790<sup>3)</sup></b>	<b>30,045</b>	<b>-11</b>	<b>-61</b>		Not evaluated in the climate roadmap			
<b>Scope 3</b> Other indirect emissions											
3.1	Purchased goods and services	2,298	2,858 <sup>4)</sup>	3,107	9	35	Average method	1,750	906	-3	
3.2	Capital goods	117,267	67,521	21,025	-69	-82		59,327	35,238	-6	
	New production	58,679	51,966	8,692	-83	-85	Hybrid	28,966	16,441	-6	
	Refurbishment and renovation projects	13,056	6,910	10,186	47	-22	Spend method	7,571	5,522	-5	
	Property acquisitions – first owner	45,532	8,644	2,146	-75	-95	Average method	22,476	12,757	-6	
3.3	Fuel- and energy-related activities	4,725	14,114 <sup>5)</sup>	12,307	-13	161	Average method	1,637	488	-8	
3.4	Upstream transmission and distribution	4,621	3,794	635	-83	-86	Average method	2,103	1,285	-7	
3.5	Waste management in own operations	1,082	1,833 <sup>5)</sup>	1,164	-12	49	Hybrid	824	341	-3	
3.6	Business travel	225	240	325	36	45	Hybrid	162	74	-3	
3.7	Employee commuting	1,617	1,502	1,614	7	0	Average method	1,326	1,020	-2	
3.8	Upstream leased assets	2	31	12	-61	679	Average method	2	2	2	
3.9	Downstream transportation and distribution	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
3.10	Processing of sold product	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	
3.11	Use of sold product	Future energy use in sold properties	5,484	0	14	1,400	Average method	2,790	1,176	-6	
3.12	Waste management of sold product	Future demolition of sold properties	979	0	3	300	Average method	636	263	-4	
3.13	Downstream leased assets	Energy use by tenants	35,703	44,396 <sup>5)</sup>	35,772	-19	0	Average method	18,152	2,958	-6
3.14	Franchise		N/A	N/A	N/A	N/A		N/A	N/A	N/A	
3.15	Investments		2,356	2,168	2,168	0	-8	Spend method	1,794	1,114	-3
<b>Total Scope 3<sup>6)</sup></b>		<b>176,357</b>	<b>138,456<sup>6)</sup></b>	<b>78,597</b>	<b>-43</b>	<b>-55</b>		91,801	45,741	-6	
<b>Greenhouse gas emissions, total (LB)</b>		<b>236,442</b>	<b>182,463<sup>6)</sup></b>	<b>116,311</b>	<b>-36</b>	<b>-51</b>		115,468	53,519	-6	
<b>Greenhouse gas emissions, total (MB)</b>		<b>254,877</b>	<b>173,478<sup>6)</sup></b>	<b>109,930</b>	<b>-37</b>	<b>-57</b>		Not evaluated in the climate roadmap			

1) Biogenic emissions (in tonnes CO<sub>2</sub>e) was calculated in 2025 for Scope 1 at 491 (430), Scope 2 at 78,309 (83,992) and Scope 3 at 55,951 (44,981). Total biogenic emissions for all Scopes in 2025 amount to 134,751 (129,404). Biogenic emissions in 2024 for all Scopes have been corrected due to incorrect reporting. Biogenic emissions for 2024 have been changed for Scope 2 to 83,992 (83,890), Scope 3 to 44,981 (16,541) and in total to 129,404 (100,861).

2) Entity specific disclosure.

3) Emissions from Scope 2 categories 2024 have been corrected due to incorrect reporting. Emissions from electricity has changed to 11,615 (11,452), for heating to 31,161 (31,150), in total for Scope 2 location-based method to 42,775 (42,602) and in total for Scope 2 market-based method to 33,790 (33,791).

4) Emissions from purchased goods and services 2024 has been corrected to 2,858 (2,618), as a subsidiary in Finland has refined its methodology for underlying data.

5) Emissions in 2024 for the following Scope 3 categories have been corrected due to incorrect reporting: 3.3 Fuel- and energy-related activities has changed to 14,114 (14,059) and 3.13 Energy use by tenants 44,396 (36,142). For emissions from waste in 2024, data has been corrected to 1,833 (1,832) due to a rounding error.

6) Total emissions in Scope 3 2024 has been changed to 138,456 (129,906), total location-based emissions to 182,463 (173,739), and total market-based emissions to 173,478 (164,929) due to incorrect reporting in 2024.

**E1** CLIMATE CHANGE / CLIMATE CHANGE MITIGATION

**Accounting policies for climate calculations**

Balder reports emission data for Scope 1, 2 and 3. Emissions are reported in accordance with the Greenhouse Gas Protocol (GHG Protocol), the financial control method and recommendations issued by the Swedish Property Federation. From 2022, the whole Group is included with properties in Sweden, Denmark, Finland, Norway, Germany and the UK, consolidated by Fastighets AB Balder. There were no material changes in demarcations or emission categories during 2025.

The four calculation methods used in the company's climate calculations, in order of priority, are: supplier-specific, hybrid, spend, average. Each emission category has multiple possible methodological options linked to it, to enable reporting that is as complete as possible. The supplier-specific method refers to calculation using data collected directly from a supplier. Hybrid means that some of the reported data is supplier-specific, but some comprises standard assumptions. The spend method involves reporting through financial data taken from either the finance system or invoices, which is then multiplied by an emission factor. When currency conversion is needed, the same exchange rate is used as in the financial statements. The average method involves the use of standard assumptions, primarily based on lettable area and property type. Precisely which kind of standard assumption used can vary between emission categories, but the one constant is that there is no direct input data, so an estimate must be produced. The proportion of methods that can be applied to calculate emissions per category can vary, with Scope 3 in particular offering several different methodological options. For an overview of which method is used in the calculation of each category in the climate accounts, see the table on page 69, specifically under the column heading Calculation method. The methods described in the table are the main methods used in performing calculations. Other methods may also be used for the categories.

Emission factors used come from recognised sources, such as government agencies, research reports and international institutions. Where applicable, supplier-specific emission factors are used, primarily linked to Scope 2 emissions.

Net revenue correspond to the net revenue from the company's rental income, which are presented in Note 3 in the financial statement, on page 122. Square metres refers to the total amount of gross lettable area in the company.

All calculations of emissions are performed in the company's Position Green platform and follow the recommendations of the Swedish Property Federation, including the prioritisation of calculation and deviations from the GHG Protocol that are suggested.

**Biogenic emissions** are reported in accordance with the methodology in the GHG Protocol, separately from other emissions, to avoid duplication. Biogenic emissions originate from Scope 1 emissions from the company's own and leased vehicles linked to the use of biofuels, Scope 2 emissions linked to purchased electricity and district heating, and in Scope 3 linked to categories in respect of energy-related emissions from assets that the company leases from other parties and assets that the company leases out to tenants. These kinds of emissions occur in the value chain and represent emissions that, in contrast to fossil emissions, are already part of the natural carbon cycle. The emission factors used to calculate biogenic emissions come primarily from DEFRA or from Swedish government agencies.

**Scope 1** consists mostly of emissions from own heating. This refers to properties that use natural gas or fuel oil for heating. Direct emissions from vehicles owned or leased by the company and emissions from refrigerant leakages are also reported here. No specific standard assumptions are used for Scope 1 calculations, but the reporting of data relates to reporting of actual fuel consumption, cost of fuel purchases or distances for owned and leased vehicles. Refrigerants are reported using data from the supplier. Emission factors for Scope 1 calculations are supplier-specific or based on recognised sources such as DEFRA.

**Scope 2** consists of emissions from purchased electricity, district heating and district cooling. The emissions are based for the most part on specific emission data for energy use, although assumptions have been made based on square metres for certain properties. For Scope 2 calculations, actual energy purchased is

reported (electricity, heating, cooling). The only example of a standard assumption relates to purchased electricity, where the estimate is based on average use per square metre and property type. Emission factors for Scope 2 calculations are either supplier-specific or based on national sources from government agencies, industry organisations or DEFRA.

**Scope 3** reports indirect emissions in the value chain. Calculations derive largely from estimates based on a cost analysis and industry-specific data. Specific emission data has been used from, for example, climate calculations in new production, travel data and energy data. There are several possible methods available for Scope 3 calculations, following the order of priority described above in the recommendation from the Swedish Property Federation for emission calculations. These emissions are reported consistently based on supplier-specific data, based on cost, number of employees or lettable area. Emission factors for Scope 3 calculations come from several sources, including DEFRA, national government agencies or industry publications. The company applies the principle of first owner, which means that emissions are only included for acquisitions and divestments if the company is the first owner of the property. The company reports emissions from new production, property acquisitions and divestments in which the company is deemed to have had control of construction.

Balder follows the Swedish Property Federation recommendations for reporting Scope 3. The Scope 3 categories mentioned below are excluded, as they are not material for property companies:

- Scope 3: Category 9: Downstream transportation and distribution is excluded, as this category is primarily relevant for companies that sell products that are transported downstream in the value chain. Products developed by property owners, buildings, are not transported as a rule.
- Scope 3: Category 10: Processing of sold product is not deemed relevant for property owners, as sold products, buildings, are not further processed.
- Scope 3: Category 14: Franchises is not deemed to be relevant, as the company has no franchise operations.

Other Scope 3 categories are deemed to be material and follow the same delimitations as other reporting of the climate accounts. Exceptions are made, however, for companies that do not have their own employees, as they are not included in emission categories reported on the basis of employee data. This includes Scope 3: Category 6: Business travel and Scope 3: Category 7: Employee commuting. Emissions corresponding to Scope 1 and 2 for associated companies and joint ventures are included in the climate accounts in Scope 3: Category 15: Investments. Associated companies and joint ventures are not included in other reporting in the climate accounts, as Balder is not deemed to have operational control over them. For more information about associated companies and joint ventures, see Note 14 on page 136.



**Transparent climate reporting**

Balder received its first official rating of C from the CDP for the financial year 2025. The Carbon Disclosure Project (CDP) is a global organisation that operates a platform for transparent environmental reporting and climate-related governance.

## E1 CLIMATE CHANGE

### ENERGY

As a major corporate group in the real estate sector, one of Balder's biggest direct climate impacts is its energy use. Reduced energy use and increased production of renewable energy are therefore two of the company's most highly prioritised issues. The target is to reduce the use of electricity, heating and cooling by 2% per square metre and year.

#### IMPACTS, RISKS AND OPPORTUNITIES

Properties account for around 40% of total energy use within the EU. Energy consumption represents one of the Group's largest emission items in the climate accounts.

Balder's operations have an actual negative impact and see a potential risk, in the short, medium and long term, from the energy use of properties in its own operations and both upstream and downstream in the value chain. Operations also have an actual negative impact in respect of energy use upstream in the value chain. This impact takes the form of high energy use in new production, renovation and the production of construction materials. The company's potential risk can be linked to energy shortages, increased energy use and limited access to renewable energy. These risks can potentially result in missed climate targets, reduced customer satisfaction and a general increase in costs for materials, customers and operations.

The company sees potential risk, in the medium and long term, in its own operations, related to energy regulation, which can result in increased costs for energy efficiency improvement and renovation, unusable properties and decreased property value. Finally, the company sees a potential opportunity in its own operations in the short, medium and long term linked to the environmental certification of properties. This opportunity relates to more favourable financing and reduced interest expenses in connection with green loans and bonds.

For more information about the company's double materiality analysis, see pages 51–56.

#### STRATEGY

Energy appears in Balder's Sustainability Policy in many contexts. Among other things, the company must prioritise renewable sources for electricity and heating, reduce the Group's energy use annually and increase the amount of renewable energy production.

Balder must also increase the share of environmentally certified buildings in its portfolio and certify all newly produced buildings. The policy covers all subsidiaries in countries where Balder operates and includes all tenants, in both residential and commercial properties.

For more information about the company's Sustainability Policy, see page 48.

#### ACTIONS

In Balder's property development and ongoing management, there are several concrete examples of initiatives undertaken with the aim of reducing energy use, providing an overview of how changes in legislation can affect the property portfolio, and creating the opportunity for more favourable financing.

Balder does not have a Group-wide action plan linked to energy or environmental certifications, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions below is integrated into the company's ongoing operations.

There is variation in the actions taken by the company based on the countries where it operates and the scope can be either at location or property level. Actions are implemented as required or on an ongoing basis as part of day-to-day operations.

For more information about expected emission reductions linked to the company's climate targets, see the climate accounts on page 69, specifically the forward-looking part of the table. These emissions belong to Scope 1 Own heating, Scope 2, and primarily Scope 3: Category 2 in respect of new production.

Below is a list of the company's ongoing key actions in energy that are intended to make a long-term contribution to the company's sustainability strategy:

- Improving energy efficiency
- Summary of energy performance certificates
- Transition to renewable energy sources
- Environmental certification of properties

#### Improving energy efficiency

Balder has a target to reduce the use of electricity, heating and cooling by 2% per square metre and year. This links in to the identified impact and risk in respect of energy use. To reduce energy use, actions taken include window replacements, supplementary insulation of façades, adjustment or replacement of ventilation units and the replacement of heating systems. The installation of smart technical control systems that improve both comfort and energy use is an ongoing process within Balder. One current example is the commercial properties Grytan 4 and 9 in Malmö, which through actions implemented since 2019 have improved their energy use from 110 kWh/sq.m. to 66 kWh/sq.m. The roof of the property has been fitted with supplementary insulation, and new heating and ventilation systems have been installed. Another example is the commercial property Inom Vallgraven 36:4 in Gothenburg, which improved energy efficiency by replacing control and cooling machines. This resulted in a 13% saving in energy use between 2024 and 2025, which meant that the average energy use changed from 149 kWh/sq.m. to 129 kWh/sq.m.

Balder undertakes actions to improve energy efficiency on an ongoing basis as and when required, primarily within the framework of planned renovations or refurbishments. Improving the energy efficiency of buildings is an important element of work to achieve the company's climate targets and reduce Scope 2 emissions linked to purchased energy and Scope 3 emissions linked to energy use by tenants.

#### Summary of energy performance certificates

In 2023, for the first time, Balder compiled a summary of how the Group's property portfolio is distributed according to energy classification based on information taken from energy performance certificates. The system of energy performance certificates is governed by national legislation, and a direct comparison between

countries is therefore difficult to make. It is, however, important for Balder to maintain this overview in order to set the right priorities in projects and property development. The company is also preparing for the revised Energy Performance of Buildings Directive (EPBD), which is an action that links in to the identified risk in respect of changes in energy legislation.

The summary for 2025 contains more buildings than the summary for 2024. This is because the company has obtained energy performance certificates for several buildings during the year and collected more complete information.

For more information about the company's building portfolio broken down by energy class, see page 74.

#### Transition to renewable energy sources

Balder owns and manages properties in six countries with varying conditions regarding access to renewable electricity, heating and cooling. At the same time, Balder has expressed an ambition, in accordance with the Sustainability Policy, to prioritise renewable sources in its energy use. This involves, for example, increasing energy production from solar panels. This links in to the identified impact and risk in respect of changed use of energy, and the potential risk in respect of energy legislation.

Balder also owns and manages five wind turbines that contribute renewable energy annually. Making the transition to renewable energy sources is also an important driving force to reduce the company's emissions.

#### Environmental certification of buildings

Through environmental certification, Balder ensures that the properties meet strict demands for energy use, indoor environment and material selection. This also boosts the company's opportunities for favourable financing by such means as green loans.

Balder certifies all new production in accordance with at least Miljöbyggnad Silver, BREEAM Very Good,

**E1** CLIMATE CHANGE / ENERGY

LEED Gold, DGNB Silver or the Nordic Swan Ecolabel. This action is applied on an ongoing basis in all countries where the company operates. All new production projects completed during 2025 received environmental certification, see outcome on page 73.

During the year, Balder in Sweden implemented guidelines for sustainable construction that clarify the company’s sustainability ambitions and specify stricter requirements in areas such as energy use, climate impact and climate risks. The guidelines apply for all new production in Sweden, for properties both for own management and for divestment. All new production by the company must align with the environmental requirements in EU Taxonomy activity 7.7 and seek to achieve energy efficiency improvements that are at least 20% better than NZEB (Near-zero energy building).

Balder is a member of the Green Building Council in Sweden, Denmark and Finland, and has environmentally certified buildings in Sweden, Denmark, Finland, Norway and the UK.

**METRICS AND TARGETS**

**THE UN’S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER’S SUSTAINABILITY WORK**



To support the purpose of Balder’s Sustainability Policy, the company has adopted a number of Group-wide targets linked to energy and environmental certifications. The various targets are described under each heading. The targets are entity specific and not science-based or linked to external regulation or EU directives. Unless otherwise specified, the targets have no base year or base value. No companies in the consolidated group has been excluded.

Balder’s energy data is primarily based on data from the main meters for each type of media in the properties. These meters report the actual energy used in the

properties. In cases where the tenant is responsible for all property service installations and purchases, the energy consumption is not included in the summary. Only energy follow-up linked to the company’s energy targets is degree-day corrected for 2025; other energy summary information is not degree-day corrected.

**Energy consumption and energy mix**

Balder has a quantitative, relative and ongoing target to increase the amount of renewable energy used by the company, and this is set out in the company’s Sustainability Policy and links to the areas identified as material for energy. This target is followed up annually and compared with data from the previous year. The target is part of the identified risk regarding energy use in properties.

Balder’s energy mix is 81% renewable. The total amount of fossil fuels has decreased since 2024 due to a decrease in own fossil heating in the properties, which can also be seen in the climate accounts on page 69. The company can also see an increase in the amount of nuclear energy, while the renewable part decreases. In the energy mix table to the right, both direct and indirect energy and fuel use is reported related to Scope 1 and Scope 2. This includes fuels and electricity for vehicles, own production of renewable energy, own fossil heating in properties and purchased energy. This differs from the table regarding energy consumption, which only includes purchased energy.

The company operates in two high climate impact sectors: the construction sector and the real estate sector. All energy reported comes from the real estate sector, as energy use from the construction sector is situated in earlier parts of the value chain. Also, the net revenue used for calculating intensities is judged to only be from high climate impact sectors, namely real estate.

**Sustainability target – energy efficiency**

Balder has a quantitative, relative and ongoing target to continuously reduce energy consumption by 2% per square metre and year, which is set out in the company’s Sustainability Policy and links in to the identified risk in respect of the energy use by properties. The comparison is made between years.

**ENERGY MIX**

	2025		2024	
	MWh	Share, %	MWh	Share, %
<b>Energy and fuel, total</b>	<b>628,228</b>		<b>635,852</b>	
<b>Renewable energy and fuel, total</b>	<b>509,894</b>	<b>81</b>	<b>536,808</b>	<b>84</b>
Purchased renewable energy	501,154	98.28	530,020	99
Renewable fuel	1,825	0.36	1,625	0
Self-produced renewable energy	6,915	1.36	5,164	1
<b>Nuclear energy, total</b>	<b>8,269</b>	<b>1</b>	<b>3,367</b>	<b>1</b>
<b>Fossil energy and fuel, total</b>	<b>110,064</b>	<b>18</b>	<b>95,677</b>	<b>15</b>
Purchased fossil energy	106,046	96	91,574	96
Fossil fuel, total	4,019	4	4,103	4
– of which coal	0	0	0	0
– of which oil	2,390	59	2,097	51
– of which natural gas	1,629	41	2,006	49
– of which other fossil sources	0	0	0	0

**ENERGY CONSUMPTION**

	2025		2024 <sup>1)</sup>	
	MWh	Share, %	MWh	Share, %
<b>Purchased energy total</b>	<b>616,802</b>		<b>630,585</b>	
– of which renewable	496,877	81	530,014	84
Purchased electricity	178,567		157,969	
– of which renewable	164,491	92	147,860	94
Purchased heating	427,877		462,181	
– of which renewable	322,030	75	371,778	80
Purchased cooling	10,358		10,434	
– of which renewable	10,356	100	10,376	99

1) Data for 2024 has been corrected due to incorrect reporting for a company in Norway. Total purchased energy has been corrected to 630,585 (630,188), total purchased electricity to 157,969 (158,177), total purchased heating to 462,181 (461,577), and the renewable share of purchased heating to 94% (93).

**ENERGY INTENSITY**

	2025	2024
Purchased energy per square metre, kWh/sq.m. <sup>1)</sup>	92	98
Purchased energy per unit of net revenue, kWh/SEK	0.04	0.05

1) Entity specific disclosure.

**SUSTAINABILITY TARGETS**

Energy <sup>1)</sup>	Outcome 2025	Outcome 2024
Energy efficiency improvement 2% per sq.m./year	6% decrease	4% decrease
Energy efficiency improvement 2% per sq.m./year, degree-day corrected energy	6% decrease	—

1) Entity specific disclosure.

**E1** CLIMATE CHANGE / ENERGY

The company achieves its annual target of a 2% energy efficiency per sq.m., as the decrease between 2024 and 2025 amounts to 6%. This is due to a lower proportion of district heating having been purchased during the year, as well as the lettable area having increased as a consequence of property acquisitions during the year. Balder is also reporting for the first time in 2025 degree-day corrected energy linked to its energy efficiency improvement target. Even when the energy is degree-day corrected, there is a decrease of 6% between 2024 and 2025.

The energy intensity per lettable area has decreased and the intensity per net revenue decreases marginally between 2024 and 2025. This is a consequence of the lettable area increasing and the total amount of purchased energy decreasing.

Net revenue correspond to the net revenue from the company’s rental income, which are presented in Note 3 in the financial statement, on page 122.

For properties that are purchased or sold during the year, energy use is only reported for the period in question. Square meters are compiled at the end of the reporting period. Some operational electricity is included in the summary of energy consumption due to the difficulty in differentiating it from property electricity. This means that some tenant energy consumption may be included in the compilation, when it is not possible to differentiate.

**Renewable energy production**

Balder has a quantitative, relative and ongoing target to increase the amount of renewable energy production, and this is set out in the company’s Sustainability Policy and links to the areas identified as material for energy. This is done, in accordance with actions described, primarily through installation of solar panels on buildings, and by owning and managing wind turbines. One way for the company to reduce its dependence on purchased energy and thereby reduce Scope 2 emissions is to install more self-generated energy.

Balder has no self-generated, non-renewable production, and this is therefore not presented in the table on the right. The non-renewable energy used in properties is deemed to be consumption.

Energy produced from the company’s own wind farms decreased during 2025 compared with 2024 as a consequence of natural conditions.

The installed capacity and total production from the company’s solar panel installations has increased in 2025. This is because the company increased the number of solar panel installations and some of the solar panels from 2024 did not produce energy for the full year until 2025. A large number of new installations were installed in Sweden, Finland and Norway. For more information, see the table for renewable energy production to the right.

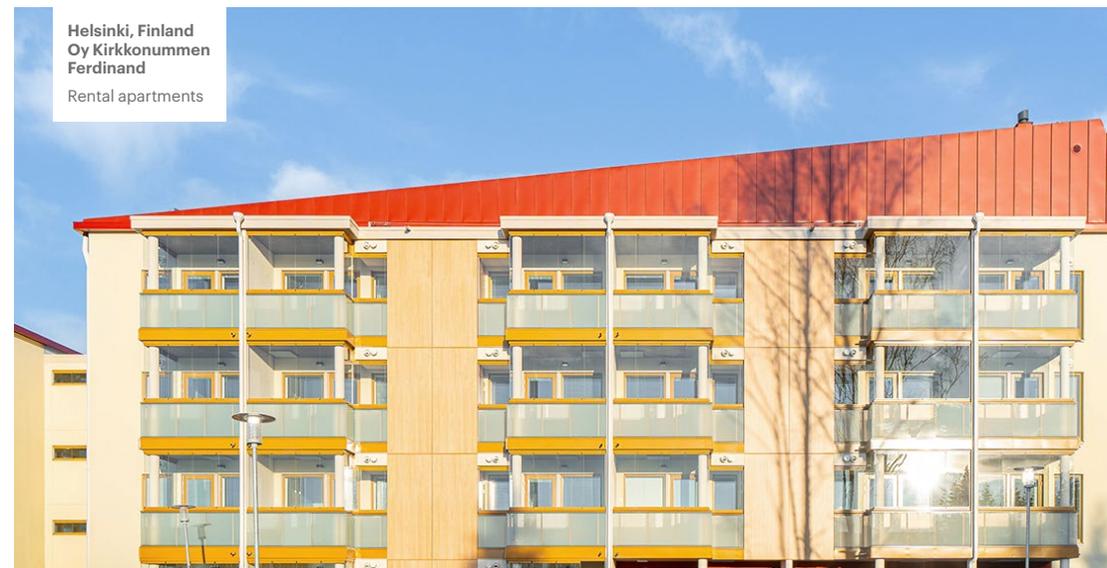
**Sustainability targets – environmental certifications**

Balder has a quantitative, relative and ongoing target to environmentally certify all new production under its own management and increase the share of environmentally certified properties in the existing portfolio according to at least Miljöbyggnad Silver, BREEAM Very Good, LEED Gold, DGNB Silver or the Nordic Swan Ecolabel. As of 2025, Balder is reporting the number and share of environmental certifications in new production.

All new production completed during 2025 received environmental certification. This corresponds to four buildings that were certified in accordance with LEED Platinum in the subsidiary Joo Group in Finland.

The number of environmentally certified buildings increased to 110 (106), due to new certifications from completed buildings in new production. This means that 7% (8) of Balder’s existing property portfolio has environmental certification. In 2025, the company has environmentally certified buildings in Sweden, Denmark, Finland, Norway and the UK.

Data has been collected from consolidated companies in all countries where the company operates as of the last day of the financial year. Only buildings with valid certificates are reported in the table. The area reported corresponds to the total certified lettable area. The proportion is calculated by dividing the certified area by Balder’s total lettable area.



**RENEWABLE ENERGY PRODUCTION**

Energy production, wind power <sup>1)</sup>	Outcome 2025	Outcome 2024
Total energy production, MWh/year	15,757	16,719
Number of wind farms	5	5
Energy production, solar panels <sup>1)</sup>		
Total installed capacity, MW	5	3 <sup>2)</sup>
Energy production, MWh/year	4,534	2,621 <sup>2)</sup>

1) Entity specific disclosures.  
2) Total installed capacity in 2024 has been adjusted to 3 (28) MW and energy production to 2,621 (3,413) MWh/year, due to an error in reporting.

**SUSTAINABILITY TARGETS**

New production <sup>1)</sup>	Outcome 2025	Outcome 2024
Number of completed buildings in new production	4	—
Share of environmentally certified new production, %	100	—
Existing property portfolio <sup>1)</sup>		
Number of environmentally certified buildings	110	106 <sup>2)</sup>
Total environmentally certified area, sq.m.	495,805	486,120 <sup>2)</sup>
Share of environmentally certified area, %	7	8

1) Entity specific disclosures.  
2) Number of environmentally certified buildings and the total environmentally certified area for 2024 have been revised due to corrected data. The number of environmentally certified properties was changed to 106 (107) and the certified area to 486,120 sq.m. (517,102).

**E1** CLIMATE CHANGE / ENERGY

**Energy classes in the property portfolio**

Balder has compiled the distribution of energy performance certificates in the company's property portfolio by energy class and region, broken down into the number of buildings and the proportion of the heated area covered by each energy class. The follow-up relates to the identified risk in respect of changed energy legislation.

**Accounting policies**

The information presented is based on what has been possible to acquire from the buildings' energy performance certificates and their availability. Percentages are rounded off in the table. There has been no conversion of energy performance certificates to the latest version. Square metres in the table refer to Atemp, which is heated area, as stated on energy performance certificates.

**ENERGY CLASSES IN THE PROPERTY PORTFOLIO, 2025<sup>1)</sup>**

Country	Sweden		Denmark		Finland		Norway		Germany		UK	
	% of PED and kWh/sq.m., year	Number of buildings and % of sq.m.	kWh/sq.m., year	Number of buildings and % of sq.m.	E-number <sup>2)</sup> kWh/sq.m., year	Number of buildings and % of sq.m.	kWh/sq.m., year	Number of buildings and % of sq.m.	kWh/sq.m., year	Number of buildings and % of sq.m.	SAP Assessment score <sup>3)</sup> kWh/sq.m., year	Number of buildings and % of sq.m.
A2020			R: 20 C: 25	79 57%								
A2015			R: < 30 + 1,000/sq.m. C: < 41 + 1,000/sq.m.	9 9%								
A2010			R: < 52.5 + 1,650/sq.m. C: < 71.3 + 1,650/sq.m.	12 23%								
A	≤ 50% R: ≤ 37 C: ≤ 35	2 0%			E-number ≤ 75	118 14%	R: < 85 + 600/sq.m. C: < 95 + 800/sq.m.	3 2%	< 50		92-100	1 24%
B	≤ 75% R: 38-56 C: 36-52	28 3%	R: < 70 + 2,200/sq.m. C: < 95 + 2,200/sq.m.	4 4%	76 ≤ E-number ≤ 100	191 20%	R: < 95 + 1,000/sq.m. C: < 120 + 1,600/sq.m.	31 21%	< 75		81-91	1 10%
C	≤ 100% R: 57-75 C: 53-70	143 16%	R: < 110 + 3,200/sq.m. C: < 135 + 3,200/sq.m.	6 4%	101 ≤ E-number ≤ 130	131 14%	R: < 110 + 1,500/sq.m. C: < 145 + 2,500/sq.m.	31 32%	< 100		69-80	1 12%
D	≤ 135% R: 76-101 C: 71-94	453 38%	R: < 150 + 4,200/sq.m. C: < 175 + 4,200/sq.m.	3 2%	131 ≤ E-number ≤ 160	191 13%	R: < 135 + 2,200/sq.m. C: < 175 + 4,100/sq.m.	14 8%	< 130		55-68	1 53%
E	≤ 180% R: 102-135 C: 95-126	294 28%	R: < 190 + 5,200/sq.m. C: < 215 + 5,200/sq.m.	2 1%	161 ≤ E-number ≤ 190	344 34%	R: < 160 + 3,000/sq.m. C: < 205 + 5,800/sq.m.	20 15%	< 160		39-54	
F	≤ 235% R: 136-176 C: 127-164	142 11%	R: < 240 + 6,500/sq.m. C: < 265 + 6,500/sq.m.		191 ≤ E-number ≤ 240	28 4%	R: < 200 + 4,000/sq.m. C: < 250 + 8,000/sq.m.	12 8%	< 200		21-38	
G	> 235% R: 177 ≤ C: 165 ≤	108 4%	R: > 240 + 6,500/sq.m. C: > 265 + 6,500/sq.m.	1 0%	241 ≤ E-number	3 0%	> F	27 14%	< 250		1-20	
H									> 250			
Certificate in progress		17		0		4		4		7		0
EPC-exempted		24		12		0		61		0		0
% in (A-C) area		20		97		49		55		0		47
% in (F-G) area		15		0		4		21		0		0

1) Entity specific disclosures.

2) The designation E-number for energy performance is used in Finland instead of the designation primary energy demand.

3) SAP Assessment Score (SAP = Standard Assessment Procedure) is a metric that differs partly from the way the rest of Europe (and the EU) determines a building's energy class. SAP includes metrics for both energy use and greenhouse gas emissions. The scale is 0-100.

**R=Residential  
C=Commercial**

# E3 WATER

The use of water takes place throughout the value chain, from material manufacturing and construction to property management and the individual consumption of tenants. Balder is working systematically and preventively to minimise water consumption in its own operations and by tenants. The target is to reduce its water consumption by 2% per square metre and year.

## IMPACTS, RISKS AND OPPORTUNITIES

Balder's operations have an actual negative impact on water in its own operations and downstream in the value chain through the ownership and management of properties. Impact takes place in the short, medium and long term through the properties' water consumption, including the company's as well as tenants' water consumption, for example through everyday consumption and irrigation.

The company is not considered to operate in areas with high water risk or water stress. As a result of this, the company has not undertaken any consultation.

An assessment of water stress in the countries where the company operates is conducted annually by using sources from the World Resources Institute (WRI). The company's assessment is based on whether the country has a high or extremely high water stress.

Marine resources have been deemed as not material for the company, including in the upstream and downstream value chain, as these are not used by the company to any significant extent. For more information about impacts, risks and opportunities, see Balder's double materiality analysis on pages 51–56.

## STRATEGY

Work related to water is governed by the company's Group-wide Sustainability Policy. Balder's water strategy is primarily aimed at reducing the water consumption in its own operations regarding property management.

The company has a target to reduce its water consumption every year, which aims to manage the negative impact from its operations. The company's Sustainability Policy also includes the target to have environmentally certified buildings and to use more resource-efficient materials, which is linked indirectly to water use in operations and the value chain. For more information about the company's sustainability work on policies and targets, see page 48.

## ACTIONS

There are many concrete examples of initiatives undertaken in order to reduce the company's water consumption in Balder's property development and ongoing management. Balder does not have a Group-wide action plan linked to water, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions below is integrated into the company's ongoing operations.

There is variation in the actions taken by the company based on the countries where it operates and the scope can be either at location or property level. Actions are implemented as required or on an ongoing basis as part of day-to-day operations.

Below is a list of the company's ongoing key actions that are intended to make a long-term contribution to the company's sustainability strategy:

- Smart metering and monitoring of water use
- Support for tenants in reducing water consumption

## Smart metering and monitoring of water use

Balder's work to improve follow-up on water consumption includes actions such as fitting constant flow valves to mixer taps and shower heads. Proactive work is being undertaken to map the risk of leaks. During the year, work also continued to digitalise the properties, including the upgrading and connection of water meters for better monitoring.

Devices are being installed in all new buildings for the individual measuring of cold and hot water, and the same is being done on an ongoing basis in the existing portfolio. Metering of water is important from several aspects, one being to enable the company to follow up on any deviations. By capturing deviations, the company can reduce unnecessary water consumption and detect leaks. In Sweden, for example, work continued during the year to install connected water meters.

## Support for tenants in reducing water consumption

The company implements various projects and actions to help and support tenants in reducing their water consumption. In Sweden and Denmark, for example, this may involve installing water-saving fittings to use less water in newly produced or renovated buildings, and to change habits and behaviours among tenants. These include water-saving toilets, washing machines, dishwashers and shower heads.

## METRICS AND TARGETS

### THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK



To support the purpose of Balder's Sustainability Policy, the company has adopted a quantitative, relative, ongoing target linked to water. The target is to reduce its water consumption by 2% per square metre and year. The target is entity specific and is neither science-based nor linked to external regulations or EU directives. It covers all companies in the consolidated group and relates to the company's own operations as well as downstream in the value chain.

During 2025, 0 m<sup>3</sup> of recycled or reused water was reported within the Group. The volume of water storage, as well as changes in stored water volumes, also amounted to 0 m<sup>3</sup>. Water reuse, recycling, and storage are not part of Balder's operations as a property owner and manager. Consequently, the company has not considered it necessary to establish specific processes for measuring these flows.

For the outcome of the company's sustainability target, total water consumption, and intensity metrics, see page 76.

## E3 WATER

### Water consumption metrics

Balder's total water consumption amounted to 5,610,489 m<sup>3</sup> during the year, representing an increase compared with 2024. The increase is partly explained by an expanded property portfolio and by the inclusion of an additional subsidiary that began reporting water consumption and has been included in the statistics from 2025.

Total water consumption per sq.m. decreased to 0.84 (0.86), corresponding to a reduction of 2%, and is in line with Balder's sustainability target. Water consumption per revenue decreased to 0.00041 (0.00042).

Information on water use is collected through remote and manual meter readings. In many commercial properties, the tenant or the property association is responsible for all or part of the utility costs. In these cases,

Balder is not considered the purchaser of water, and water use in these properties is therefore not included in the company's reported water data. One of the Group's smaller subsidiaries reports based on a broken financial year, covering the period from December 2024 to November 2025 instead of the full calendar year 2025. Where information is not available, data is collected from tenant invoices or estimated based on invoices relating to expected water consumption.

Intensity metrics are calculated by allocating water consumption to the companies' lettable area in sqm and to revenue. Revenue refers to net revenue from rental income and is presented in Note 3 of the financial statements on page 122.

From 2025 onwards, all subsidiaries are included in the reporting of water use due to improved data availability.

### SUSTAINABILITY TARGETS

Water	Outcome 2025	Outcome 2024 <sup>2)</sup>
Reduced water use 2% per sq.m./year <sup>1)</sup>	2% decrease	11% decrease

1) Entity specific disclosure.

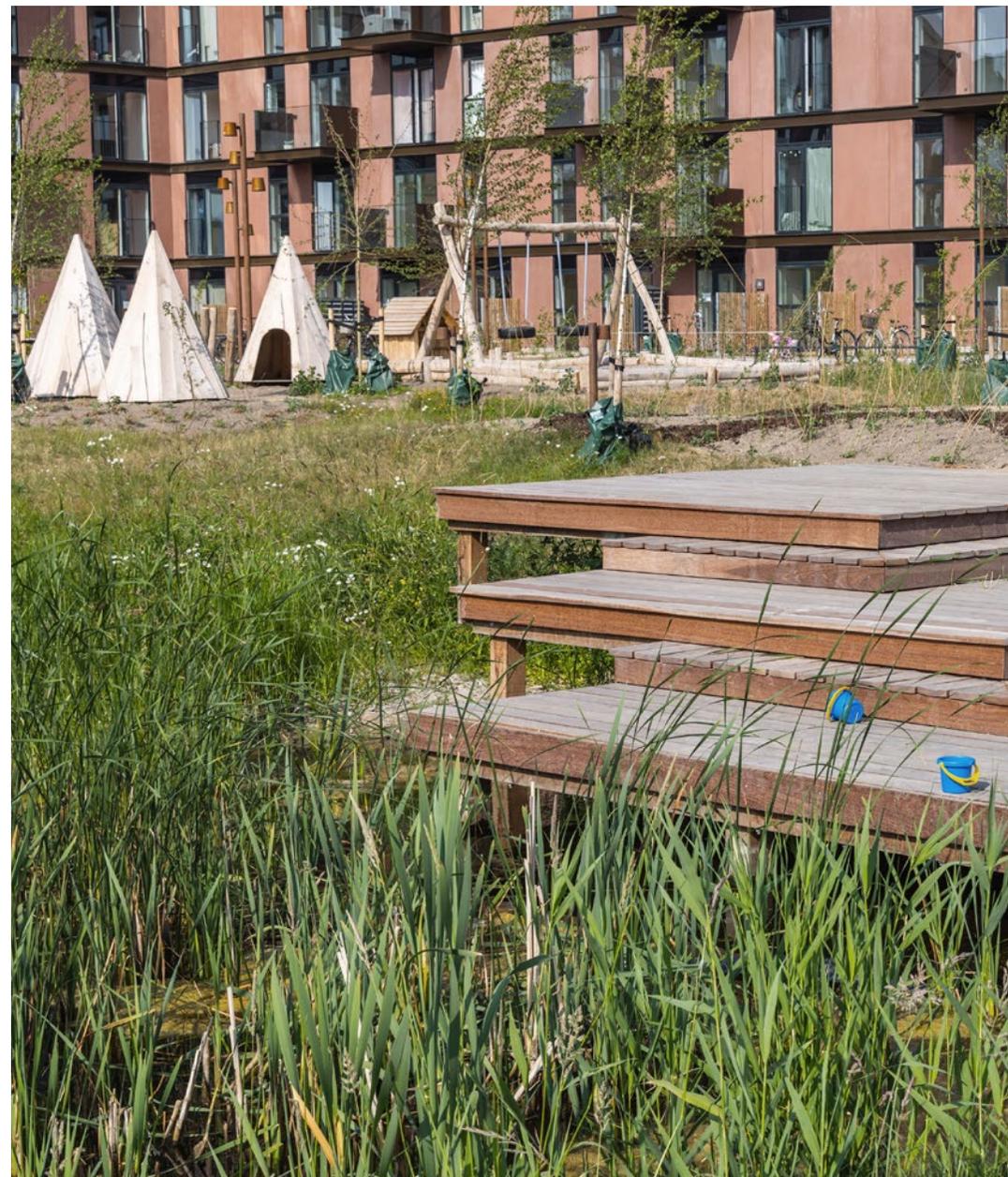
2) The outcome of the sustainability target for 2024 has been corrected due to previous reporting errors. The revised outcome for 2024 amounts to 11% (5).

### WATER USE

Water consumption	2025	2024 <sup>2)</sup>
<b>Total water consumption, m<sup>3</sup></b>	<b>5,610,489</b>	<b>5,136,075</b>
<b>Intensity of water consumption</b>		
Water consumption per square metre, m <sup>3</sup> /sq.m. <sup>1)</sup>	0.84	0.86
Water consumption per unit of net revenue, m <sup>3</sup> /SEK	0.00041	0.00042

1) Entity specific disclosure.

2) The statistics for 2024 have been revised due to previous reporting errors. Water consumption has been adjusted to 5,136,075 (5,848,620), water consumption per square metre to 0.86 (0.98), and water consumption per net revenue to 0.00042 (0.00048).



E5

## RESOURCE USE AND CIRCULAR ECONOMY

Balder has an extensive property portfolio with a large number of tenants who generate a significant amount of waste. By creating the conditions for recycling, reuse and clear sorting at source in the company's properties, Balder contributes to reducing the volume of waste generated by tenants and increasing the sorting rate.

### IMPACTS, RISKS AND OPPORTUNITIES

In connection with the double materiality analysis, Balder conducted a qualitative analysis of its operations and assets in order to identify actual and potential impacts, risks and opportunities linked to resource inflows, resource outflows and waste. The assessment covered property and project operations, own operations in the form of the company's offices and downstream linked to waste generated by tenants. Assumptions were made based on the scope of the operations, with resource use in own operations deemed to be limited compared with the impact of contractors and suppliers in the value chain. The upstream value chain is deemed to have a lower impact due to a period with a limited number of projects beginning. The most material resource and waste impact is deemed to arise downstream through waste generated by tenants.

Balder has identified an actual negative impact downstream in the value chain in the short, medium and long term. Impact arises via household and commercial waste generated by tenants, from both residential and commercial properties. The waste generated causes climate emissions in connection with waste management, inefficient resource use when waste is not recycled or reused, and a risk of pollution if the waste is not sorted or managed correctly. The company has not had any consultation with external stakeholders or affected communities, apart from the established stakeholder dialogue, in connection with the identification of impacts, risks and opportunities linked to resource use and circular economy.

For more information and the general process for the double materiality analysis, see pages 51–56.

### STRATEGY

Balder has an extensive property portfolio with a large number of tenants who generate a significant volume of waste. Through various initiatives and in collaboration with tenants, Balder works to reduce the amount of waste generated, increase the sorting rate and recycling, and promote reuse in the company's properties.

#### Sustainability Policy

According to Balder's Sustainability Policy, the company shall strive to raise awareness and to encourage and make it easier for tenants to make sustainable choices. The company shall work to reduce volumes of waste, increase the sorting rate and promote increased reuse of materials in properties. Sustainable procurement and use of renewable resources is not covered specifically in the policy, but resource efficiency and reduced waste constitute key elements of the company's overarching strategy for reuse and circular economy. The policy covers all subsidiaries in countries where Balder operates and includes all tenants, in both residential and commercial properties.

#### Code of Conduct with responsibility for the environment

According to Balder's Code of Conduct for Employees, every employee shall be involved in and strive to reduce the company's environmental impact and climate emissions. The company's employees are expected to contribute to the development of properties that, among other things, results in improved opportunities for tenants to sort waste and recycle.

Balder's Code of Conduct for Business Partners clarifies the expectations the company has of its business partners. According to the Code of Conduct, all business partners shall strive to reduce their environmental impact and climate emissions, and contribute to improving waste recycling.

For more information about the Codes of Conducts and the company's policies, see page 48.

### ACTIONS

Within Balder's property development and ongoing property management, there are several examples of actions implemented with the aim of reducing waste volumes, increasing the sorting rate and promoting the increased reuse of materials among tenants. The actions performed by the company vary, based on the countries where it operates, and the scope of the actions is often entity specific or property specific. Actions are taken either as required or on an ongoing basis in property development or management. Balder does not have a Group-wide action plan linked to waste generated by tenants, and does not therefore have any significant operating or capital expenditure. Expenditure linked to the actions described is integrated into the company's ongoing operations.

Below is a list of the company's ongoing key actions linked to waste generated by tenants:

- Environmental certification of properties
- Green annexes in commercial leases
- Clear information and well-maintained waste rooms

#### Environmental certification of buildings

Balder certifies all new production in accordance with the Miljöbyggnad Silver rating or equivalent, which includes BREAM Very Good, LEED Gold, DGNB Silver or the Nordic Swan Ecolabel. Certification systems such as DGNB, LEED and BREEAM reward and specify requirements that there is sufficient space for waste management in accordance with the need for sorting at source and municipal recycling requirements. Certifying properties promotes the fact that waste management is integrated into the building's design and operation, in order to help tenants sort, recycle and reduce the amount of residual waste in day-to-day activities.

The company certifies all new production, which includes both commercial and residential properties. There are environmentally certified properties in Sweden, Denmark, Norway, Finland and the UK.

#### Green annexes in leases

To raise awareness and encourage tenants to make sustainable choices, Balder uses green annexes in commercial leases. Green annexes are supplementary agreements that regulate environmental and sustainability issues between landlord and tenant. The purpose is to mitigate the environmental impact of the premises and clarify the tenants' responsibilities regarding energy, waste, climate and other sustainability aspects. Through green annexes, Balder's tenants undertake to strive to reduce waste volumes, increase sorting rates and promote reuse and recycling in the company's properties.

Green annexes are added to the leases of commercial tenants and do not cover residential leases. At present, companies in Sweden and Norway are working with green annexes to commercial leases. Balder had a total of 697 (477) green annexes to leases in 2025. The metric linked to this action is entity specific.

#### Clear information and well-maintained waste rooms

During the year, work continued to ensure that recycling stations are clean, bright and safe. In addition, work continued to inform, encourage and facilitate sorting of waste by tenants. Requirements for sorting at source are adapted based on various national and local regulations, and the responsibility for this lies with the local property management organisation. For example, there are requirements in the Nordic countries that waste management facilities must be close to the property.

**E5** RESOURCE USE AND CIRCULAR ECONOMY

**METRICS AND TARGETS**

**THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK**

<b>TARGET</b> 8-4	<b>TARGET</b> 9-2	<b>TARGET</b> 9-4	<b>TARGET</b> 12-4	<b>TARGET</b> 12-5
IMPROVE RESOURCE EFFICIENCY IN CONSUMPTION AND PRODUCTION	PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION	UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY	RESPONSIBLE MANAGEMENT OF CHEMICALS AND WASTE	SUBSTANTIALLY REDUCE WASTE GENERATION

Balder's Group-wide environmental target is to reduce waste volumes, increase sorting at source and strive to increase reuse of materials. The target is relative, ongoing and covers all of Balder's consolidated companies. It refers to many of the criteria in the waste hierarchy, including the step to minimise the generation of waste, preparation for reuse and material recovery. The waste target links in to the assessment in the double materiality analysis, with the aim of making it easier for tenants to sort at source, increasing circular material use and achieving the sustainable use of resources. The target is entity specific, but is being expedited partly by applicable national legislation, especially in respect of the enabling of sorting at source close to the property. Balder has not adopted a measurable, outcome-based target in accordance with ESRS linked to resource use, and is not at present following up on the appropriateness of policies and actions.

Balder follows up on metrics linked to the actions described above. For outcomes of environmentally certified buildings and green annexes to leases, see pages 73 and 77. Waste is also reported indirectly in the climate account in Scope 3: Category 5: Waste management in own operations and Category 12: Waste management of sold product, see page 69.

Balder does not at present have a Group-wide structure for data collection of tenants' waste volumes, and follow-up therefore only takes place at a local level. This is due to the fact that there is not currently a sufficiently robust method that is suitable for all countries in which the company operates. The company has therefore chosen to phase-in collection of data in the value chain, and does not report outcomes on tenants' waste volumes. A method for collecting, calculating and reporting tenants' waste volumes at Group level will be developed in the future.



Helsingør  
Denmark  
Ofeliahaven  
109 rental  
apartments

# REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

The EU Taxonomy is a joint classification system developed by the EU in order to steer the financial market towards more sustainable investments. By increasing the share of the operation’s activities that are aligned with the EU Taxonomy, more green financing opportunities become available.

Long-term financing is a precondition for the company’s profitability, and Balder has a target to increase the proportion of green financing. 2025 saw an update of Balder’s framework for green and social financing, which is closely interlinked with the company’s alignment with the EU Taxonomy. Buildings can qualify for the framework if they are deemed to meet the substantial contribution for environmental objective 1 in respect of activity 7.7. These buildings also need to undergo a climate risk analysis, step A, which is part of the criterion to do no significant harm. Increasing the share of the operation’s activities that are aligned with the EU Taxonomy thus contributes to Balder’s work on sustainable development, and simultaneously a number of financing opportunities.

### Scope and assessment of the EU Taxonomy

Balder is subject to the disclosure requirements under the Taxonomy Regulation and reports both the share of activities that is eligible for the EU Taxonomy and the share that is aligned with the EU Taxonomy.

Balder’s activities that are eligible in respect of environmental objective 1 and environmental objective 2 belong to section 4 Energy and section 7 Construction and real estate:

- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings

- 7.3–7.6 Activities involving installation, maintenance and repair of energy efficiency equipment, charging stations for electric vehicles, metering devices and renewable energy technologies
- 7.7 Acquisition and ownership of buildings
- 4.1 Electricity generation from solar power
- 4.3 Electricity generation from wind power

Balder’s activities cover above all category 7.7 Acquisition and ownership of buildings, where the biggest share of turnover and expenses is generated.

The estimated scope of each environmental objective can be seen in the table on this page and is based on applicable turnover, CapEx and OpEx. Balder maintains for 2025 that the company is subject to environmental objectives 1, 2, 4 and 6.

Under environmental objective 4, the company has activities that are eligible in section 3 Construction and real estate. These activities are comparable with activities described in the bullet points for environmental objectives 1 and 2.

Finally, under environmental objective 6, the company’s activities are eligible under section 2 Accommodation. The company operates a small number of hotels under its own management, which means that activity 2.1 Hotels, holiday, camping grounds and similar accommodation is also applicable. In 2025, the EU Com-

mission clarified that this activity not only relates to ecotourism, but can also be applied to hotels in an urban environment.

As in the previous year, the company considers that it is not eligible for any activities under environmental objectives 3 and 5. This assessment is based on the current structure of the delegated acts and may change in connection with the regulatory framework being developed.

The company only reports alignment with activity 4.3 Electricity generation from wind power and activity 7.7 Acquisition and ownership of buildings in the associated table for turnover, CapEx and OpEx. This is because the company’s review concludes that it does not yet have the infrastructure in place to report economic key ratios for other activities mentioned in this section. The company is working to include economic key ratios (turnover, CapEx and OpEx) in respect of alignment for more activities, for example some of those activities mentioned earlier, but is choosing to maintain a cautious approach to the regulation.

For 2025, the company has chosen to apply the new delegated act (delegated regulation 2026/73) that was published in the Official Journal of the European Union in January 2026. This means that for all KPI:s that new and simplified tables are used and that some activities are no longer analysed for eligibility or alignment as

they are not material according to the new rules. As a result of this, tables for total alignment per KPI have been added and the structure of the tables for each KPI have been changed compared with the previous year. Furthermore, disclosures in respect of not causing significant harm and minimum safeguards are no longer part of the tables, but are presented under the headings Climate risk analyses and Minimum safeguards later in this section.

Another change compared with the previous year’s report is that the table linked to nuclear and fossil gas energy has been removed. Balder does not have operations in the field of nuclear power or fossil gas, and therefore maintains that these activities are not eligible.

### Technical screening criteria for environmental objectives

For an activity to be considered Taxonomy-aligned, substantial contributions need to be fulfilled for one or more environmental objectives. The substantial contributions differ between activities and environmental objectives. In the following sections, the company describes its assessment of the substantial contributions for the activities evaluated for alignment.



### BALDER’S ELIGIBILITY FOR THE EU TAXONOMY

Environmental objectives	Eligibility
1. Climate change mitigation	100%
2. Climate change adaptation	100%
3. The sustainable use and protection of water and marine resources	N/A
4. The transition to a circular economy	30%
5. Pollution prevention and control	N/A
6. The protection and restoration of biodiversity and ecosystems	< 1%

## REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

**Activity 7.7 Acquisition and ownership of buildings**

Even though there is an opportunity to allocate to environmental objective 2, Balder has chosen to continue prioritising allocation to environmental objective 1 during 2025.

To be aligned with environmental objective 2, a building must have either at least energy class C or be in the top 30% of the national or regional portfolio in terms of primary energy demand. The economic key ratios that can be ascribed to environmental objective 2 only include investments (CapEx and OpEx) linked to buildings being adapted for climate change. This means that the key ratios are far more restrictive compared with the economic key ratios linked to environmental objective 1.

In its reporting, the company has to differentiate between buildings that were built before and after 31 December 2020. The division is used because the requirements defined for buildings under activity 7.7 differ, depending on when they were built. In cases where buildings were built after 31 December 2020, there are additional requirements for substantial contributions. To define when a building is built, Balder has chosen to apply the date of the approved building permit.

Those buildings built before 31 December 2020 are deemed to meet the requirements for environmental objective 1 if they have energy class A or meet the national requirements for the top 15% most energy-efficient buildings. Those buildings built after 31 December 2020 are deemed to meet the requirements for environmental objective 1 if they have energy performance that is at least 10% better than the national requirements for a nearly zero energy building (NZEB). There are additional requirements for large buildings (> 5,000 sq.m.) if they are built after 31 December 2020, in the form of climate calculations and air pressure testing.

The requirements to do no significant harm (DNSH) for activity 7.7. Acquisition and ownership of buildings are that the building shall have undergone a climate risk analysis in accordance with the method defined in the Climate Delegated Act of the Taxonomy Regulation.

**Activity 4.3 Electricity generation from wind power**

Balder owns five wind turbines in Sweden that are operated by the company and therefore reports align-

ment with activity 4.3. Activities at the wind turbines are allocated to environmental objective 1. The wind turbines that are deemed to meet the requirements for environmental objective 1 must, according to the substantial contribution, generate electricity from wind power.

In respect of criteria to do no significant harm to environmental objective 2, the wind farm must have undergone a climate risk analysis. This climate risk analysis is treated in the same way as climate risk analyses for buildings. The criterion to do no significant harm for environmental objective 3 only refers to offshore wind power and is therefore not deemed applicable to the company's wind turbines, all of which are onshore. The company has no attributable CapEx for the wind turbines, and has thus not made any significant investments in the wind turbines. This also means that the criterion to do no significant harm for environmental objective 4 is also not applicable for 2025. Finally, in respect of environmental objective 6, an environmental impact assessment must be undertaken in connection with the establishment of an installation. This is done in accordance with Swedish legislation. Other criteria for environmental objective 6 relate to offshore wind power and, as above, are not applicable to the company's wind farms.

Read more about energy on pages 71–74.

**Climate risk analyses**

To meet the requirements of the EU Taxonomy to do no significant harm in respect of environmental objective 2, Climate change mitigation, climate risk analyses must be conducted at building level. The company follows the criteria established in the Climate Delegated Act of the EU Taxonomy, and applies the prescribed classification of climate-related risks. Climate risk analyses are conducted in the Group at both property and building level.

A building or a wind turbine needs a complete climate risk analysis to be conducted before it can be deemed to be aligned with the Taxonomy. This comprises screening of exposure to climate risks (step A), a vulnerability analysis in respect of exposure identified (step B) and the establishment and implementation of an action plan (step C). The action plans must be implemented within five years of having been established.

Since 2023, the Balder Group has been conducting a large number of climate risk analyses for buildings in Sweden, Denmark and Finland, and for some of the company's properties in Norway.

In Sweden, for example, a large proportion of the building portfolio has undergone step A in the climate risk analysis. The establishment of new climate risk analyses takes place for new acquisitions, in cases where a property that did not meet the requirements of the EU Taxonomy in previous years, now does so in respect of energy performance, or when needed. The buildings that are deemed to be able to meet the other requirements of the EU Taxonomy are prioritised, and must if required also undergo a vulnerability analysis and have action plans established. Extensive work is being done to assess future climate risks and what climate adaptations should be undertaken to reduce long-term risk in the business. The company's first fully implemented action plans need to be in place no later than 2027, although the vast majority need to be implemented during 2028 and thereafter. Until that time, the proposed actions are deemed to be preliminary and for those, for example, in respect of risks linked to solid mass, further analysis needs to be performed.

More information about climate risks and climate change adaptation (ESRS E1) is presented on pages 60–64.

**Minimum safeguards**

For an activity to be classified as aligned with the EU Taxonomy, all requirements within minimum safeguards need to be reviewed and met. Minimum safeguards include social responsibility and a description of governance in the following areas:

- Human rights and workers' rights
- Corruption and bribery
- Taxation
- Fair competition

To comply with the minimum safeguards, it is a requirement that the Balder Group has processes in respect of due diligence and policies in place for each area, and that no legal violations in these areas have occurred during the year. For each area, the company has defined one or more process criteria and violation criteria, based on the final report on minimum safe-

guards from the Platform on Sustainable Finance (PSF) from 2022. In 2025, Balder reviewed the criteria for processes and breaches in all consolidated subsidiaries. This review was conducted in the company's system support for sustainability reporting, in contrast to previous years when follow-up took place manually outside the company's sustainability reporting system. The company has conducted an evaluation, based on the PSF report, to identify which disclosures in the CSRD and associated reporting standards can be used. This relates primarily to disclosures in the social- and governance-related thematic standards, which correspond to chapters S and G in this Sustainability Report. In cases of taxation and fair competition, the company has used the same types of control questions as in the form that was used in previous years.

The review showed that Balder and its consolidated subsidiaries are in compliance with the minimum safeguards of the EU Taxonomy. There were 0 (0) breaches during the year that resulted in a court judgement involving the four areas described and 0 (0) complaints were received by any of the OECD's national contact points or by the Business and Human Rights Resource Centre (BHRRC). Processes and policy documents are in place and the company is working continuously to establish an improved due diligence process.

Work to establish a due diligence process is a long-term effort, and there are ongoing reviews and amendments. How the company conducted the assessment of the areas for the minimum safeguards is described below under the various headings.

**Human rights and workers' rights**

In the area of human rights and workers' rights, the company is conducting a review based on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The process and violation criteria for human rights and workers' rights are reviewed through disclosures in ESRS 2 General disclosures, with a focus on due diligence, risk management and policies, and in the social standards ESRS S1 and S2. For more information about ESRS 2, see pages 47–49. There are descriptions of processes in respect of workers' rights on pages 87–91 for working conditions, pages 92–94 for equal treatment and pages 95–96 for workers in the value chain.

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

To be able to report suspected violations of the company's own policies or applicable national law, Balder refers to the whistleblowing function. Read more about the company's whistleblowing function on page 102-104.

The criterion for violating human rights is divided into three parts: whether the company or a member of the company's management or Board of Directors has been convicted in court in respect of human rights or labour law, whether the company has a case with one of the OECD's national contact points but has not become engaged in the case, and whether the BHRRC has received a case concerning the company and the company has not responded to this case.

**Corruption and bribery**

In the area of corruption and bribery, the company is also evaluating its policy structure and associated processes surrounding implementation, monitoring and follow-up. This involves processes in respect of codes of conduct, whistleblowing function, purchasing or supplier policy, and whether the companies have any other structure that guides work against corruption and bribery. Disclosures in the governance standard ESRS G1 Business conduct are used to conduct the review of compliance. The company has purchasing routines, which can, however, vary between the consolidated companies in the Group. Read more about the company's purchasing routines on pages 95-96 and work on business ethics on pages 102-104.

With regard to the violation criteria, there is an investigation into whether the company or anyone in Group Management or management in the consolidated companies has been convicted in a case of corruption. This criterion is also evaluated on the basis of information in ESRS G1. For more information, see the table on corruption on page 104.

**Taxation**

In the area of taxation, the company's Tax Policy and associated processes are being reviewed. In addition to the Group-wide Tax Policy, the company has established an accounting council that meets on a monthly basis to review routines and discuss accounting matters. The company has also produced a handbook describing how the company should manage corporate entertainment, especially in respect of tax and VAT, and this was launched at the turn of the year 2024/2025.

With regard to the violation criteria, there is an investigation into whether the company or anyone in Group Management or management in the consolidated companies has been convicted for a tax violation. The company applies the delimitation that if a violation in respect of tax has occurred in relation to a specific company, which is in turn linked to one or more properties, those specific properties are not deemed to be able to be aligned with the EU Taxonomy. This means that economic key ratios linked to those properties should not be included as aligned turnover, CapEx and OpEx.

**Fair competition**

In the area of fair competition, the company's general work on anti-corruption is being reviewed, as Balder considers that fair competition falls under the broader concept of corruption. In its review, the company refers to the same policy documents and processes that are presented under the area of corruption and bribery in chapter ESRS G1 Business conduct, on pages 102-104. In addition to this, the company has conducted a review of the way the Group's employees are trained in applicable competition legislation. This varies between the companies in the Group, although all companies do have some form of training for new employees in the company's Code of Conduct and other policy documents. With regard to the violation criteria, the company is investigating whether anyone in Group Management or senior management in the consolidated companies has been convicted in a competition case.

**ALIGNMENT WITH THE EU TAXONOMY 2025**

The summary for 2025 shows that Balder has 292 (207) properties, corresponding to 584 (381) buildings, that can be classified as fully aligned with the EU Taxonomy, as they meet the technical screening criteria for environmental objective 1. The summary also shows that all five of Balder's wind turbines are aligned with the EU Taxonomy.

The table below reports the economic share of the company's turnover, CapEx (investments) and OpEx (operating expenses) that are aligned with the EU Taxonomy. In 2025, the aligned proportion for all KPIs (turnover, CapEx and OpEx) increased in comparison with 2024. This increase is due to a number of factors. Partly due to acquisition of properties that was within the national requirements for top 15% most energy efficient buildings. Partly due to more existing buildings has been classified as aligned after extensive energy

efficiency projects finished and new energy performance certificates were established. For outcomes linked to each economic key ratio, see associated tables on pages 82-85. In 2025, the company included no development properties in the aligned turnover, as construction start was before the company implemented environmental requirements in accordance with the EU Taxonomy.

Balder operates in six different countries with diversified legislation. There are, for example, differences in the ways energy performance certificates are produced and the national limit values for which buildings can be classified within the top 15%. Which properties are aligned with the EU Taxonomy is based on the company's current interpretation of the regulations, and may change as criteria are clarified.

**EU TAXONOMY-ALIGNED BUILDINGS AND PROPERTIES 2025<sup>1)</sup>**

Energy class A or top 15%		Total number of properties and buildings included in the review of the EU Taxonomy	
Properties	Buildings	Properties	Buildings
292	584	1,551	2,781

1) Entity specific disclosure.

**BALDER'S ALIGNMENT WITH THE EU TAXONOMY**

	Total 2025, SEKm	Of which aligned with the EU Taxonomy 2025, %	Total 2024, SEKm	Of which aligned with the EU Taxonomy 2024, %
Turnover	13,851	29	13,885	18
CapEx	12,097	15	9,656	4
OpEx	842	21	796	14

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

**Accounting policies**

Below is a review of the company’s accounting policies linked to the EU Taxonomy.

**General policies**

Balder reports aligned financial activities in 2025 linked to 7.7. Acquisition and ownership of buildings and 4.3 Electricity generation from wind power. Reporting only includes consolidated companies in which Balder has financial control. Financial data is produced at property level and not building level, as financial data in the company’s finance systems is linked to properties. Buildings with energy class A or that are in the top 15% in the portfolio in terms of energy performance have been compiled based on the current energy performance certificate. Older energy performance certificates have not been recalculated according to the most current calculation method for energy performance certificates.

In cases where the company has a property comprising several buildings, the property is included if half or more of the buildings are aligned with the Taxonomy’s energy performance requirements. There has been no weighting between the number of square metres with different primary energy demand.

Financial data for all wind turbines has been produced as a grand total of turnover, CapEx and OpEx. Financial activities are not reported for each wind turbine, as they are linked to the same account in the company’s finance system.

**Turnover**

Reporting of total turnover corresponds to the Group’s rental income and income from the sale of development properties during the year in the income statement, see Note 2 on page 120. For wind power, income from sales of electricity is also included. Income from wind power is reported under other income in the income statement, see Note 7 on page 124. This item is not printed in the report but represents the sale of electricity from wind turbines.

**CapEx**

Investments include capitalised expenditure for acquisition of properties and investments in existing properties during the year. Capital expenditure may be found in Note 12 on page 130 in Balder’s financial statements, and consists of acquisitions and investments in existing properties and projects. It also includes leasehold rights (right-of-use assets), see Note 8 on page 126. In addition to this, equipment and wind turbines that constitute capital expenditure are also covered, see Note 13 on page 132. CapEx from the new production of properties is allocated to activity 7.7 Acquisition and ownership of buildings, as explanations on how property managers may report on recently constructed buildings were clarified in 2023.

**OpEx**

Operating expenditure includes expenses that are directly attributable to the day-to-day maintenance of the properties and the expenses that are necessary to maintain the function of the properties. This includes certain operating expenses, but only costs of personnel and equipment, for example vehicles, to manage the properties. Among the expenses included are costs of doors and locking devices, work on floors, windows and lifts, wages of employees that are linked to the properties, and costs of vehicles (including fuel and leases). It includes renovations that have not been capitalised at Group level, such as investments and expenses for maintenance and repairs. Costs of energy consumption and property tax are not included.

The company uses an allocation key when producing the denominator for OpEx. This allocation key is calculated by evaluating what share of total turnover companies in the Group account for. It is assumed that the same allocation is applicable to OpEx. See Note 3 on page 122 for rental income allocated to countries and some parts of Note 7 on page 124 in respect of property care and maintenance.

**EU TAXONOMY**

Financial year 2025															
KPI	Total	Share of activities that are Taxonomy-eligible	Taxonomy-aligned activities	Share of Taxonomy-aligned activities	Environmental objective for Taxonomy-aligned activities						Share of enabling activity	Share of transition activities	Non-assessed activities that are not deemed to be material	Taxonomy-aligned activities in the previous financial year (2024)	Share of Taxonomy-aligned activities in the previous financial year (2024)
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity					
	SEKm	%	SEKm	%	%	%	%	%	%	%	%	%	%	SEKm	%
Turnover	13,851	100	3,964	29	100	0	0	0	0	0	0	0	0	2,541	18
CapEx	12,097	100	1,821	15	100	0	0	0	0	0	0	0	0	352	4
OpEx	842	100	181	21	100	0	0	0	0	0	0	0	0	111	14

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

## TURNOVER

Reported turnover													
Financial year 2025													
Economic activity	Code	Taxonomy-eligible turnover	Taxonomy-aligned turnover	Share of Taxonomy-aligned turnover	Environmental objective for Taxonomy-aligned activities						Enabling activity	Transition activity	Share of Taxonomy-aligned activities
					Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity (BIO)			
		%	SEKm	%	%	%	%	%	%	%	%	%	%
Acquisition and ownership of buildings	<b>CCM 7.7</b>	100	3,957.0	29	100	0	0	0	0	0	0	0	29
Electricity generation from wind power	<b>CCM 4.3</b>	100	6.8	0	100	0	0	0	0	0	0	0	0
Total alignment per objective					100	0	0	0	0	0			
<b>Total turnover</b>		<b>100</b>	<b>3,963.8</b>										

### Outcome 2025

Balder's Taxonomy-aligned turnover increased from 18% in 2024 to 29% in 2025. Balder has chosen to prioritise allocation towards environmental objective 1 Climate change mitigation (CCM) during 2025.

The reason for an increased share of aligned turnover is based on a number of factors. The main reason for this increase is because the company acquired properties during 2025 that were within the national requirements for the top 15% most energy efficient buildings. It was possible to classify even more existing properties as aligned once extensive energy efficiency improvement projects had been completed and new energy performance certificates issued. This means that these properties generated aligned turnover during the year. The properties that were completed during 2024 also generated turnover for the full year in 2025, in contrast to the previous period. Companies in the Group also completed more climate risk analyses for properties that aside from this had previously been Taxonomy-aligned. This means that these properties were included in the aligned share for the first time. Rental increases were also implemented in 2025, which increased aligned turnover.

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

# CAPEX

Reported CapEx													
Financial year 2025													
Economic activity	Code	Taxonomy-eligible CapEx	Taxonomy-aligned CapEx	Share of Taxonomy-aligned CapEx	Environmental objective for Taxonomy-aligned activities						Enabling activity	Transition activity	Share of Taxonomy-aligned activities
					Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity (BIO)			
		%	SEKm	%	%	%	%	%	%	%	%	%	%
Acquisition and ownership of buildings	CCM 7.7	100	1,821.5	15	100	0	0	0	0	0	0	0	15
Total alignment per objective					100	0	0	0	0	0			
<b>Total CapEx</b>		<b>100</b>	<b>1,821.5</b>										

### Outcome 2025

Balder's Taxonomy-aligned CapEx increased during 2025 to 15% (4). Balder has chosen to prioritise allocation towards environmental objective 1 Climate change mitigation (CCM) during 2025.

In 2025, the company acquired properties that are also Taxonomy-aligned, with the effect that CapEx linked to the acquisitions is included in the aligned share. This accounts for the main increase in aligned CapEx compared with the previous period. CapEx is also generated by capitalised expenditure for properties, such as investments in existing properties. The company does not report any aligned CapEx that originates from CapEx plans. As the aligned share of CapEx can include both property acquisitions and completed new production projects, this can fluctuate significantly from one year to the next. This fluctuation is also due to the fact that aligned CapEx linked to newly produced properties is not included in reporting until the year in which they are completed. A small number of new production projects were completed in 2025, which thus affects the aligned share, assuming that new production projects are also Taxonomy-aligned when completed.

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY

## OPEX

Reported OpEx													
Financial year 2025													
Economic activity	Code	Taxonomy-eligible OpEx	Taxonomy-aligned OpEx	Share of Taxonomy-aligned OpEx	Environmental objective for Taxonomy-aligned activities						Enabling activity	Transition activity	Share of Taxonomy-aligned activities
					Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity (BIO)			
		%	SEKm	%	%	%	%	%	%	%	%	%	%
Acquisition and ownership of buildings	<b>CCM 7.7</b>	100	179.3	21	100	0	0	0	0	0	0	0	21
Electricity generation from wind power	<b>CCM 4.3</b>	100	1.2	0	100	0	0	0	0	0	0	0	0
Total alignment per objective					100	0	0	0	0	0			
<b>Total OpEx</b>		<b>100</b>	<b>180.5</b>										

### Outcome 2025

Balder's Taxonomy-aligned OpEx increased during 2025 to 21% (14). Balder has chosen to prioritise allocation towards environmental objective 1 Climate change mitigation (CCM) during 2025.

The increased share of aligned OpEx is due to several factors, in the same way as the outcome for turnover. In 2025, the company acquired properties that are Taxonomy-aligned, with the effect that these properties generated aligned OpEx during the year. It is also the case that properties completed in 2024 have now generated aligned OpEx throughout 2025. Companies in the Group have also conducted more climate risk analyses during the year of properties that had otherwise been Taxonomy-aligned previously. When a climate risk analysis has been completed, the property can be included within the framework of the EU Taxonomy. It was possible to classify even more existing properties as aligned once extensive energy efficiency improvement projects had been completed and new energy performance certificates issued.



## SOCIAL SUSTAINABILITY

Through its operations, Balder has potential and actual impacts on its own employees, workers in the value chain, customers and local communities.

In order to maximise the effect of sustainability work, the company is focused on social areas that are considered most material. These areas consist of working conditions and equal treatment and equal opportunities for all employees, as well as workers in the value chain. As a major property owner, Balder has actual opportunities to impact customers and contribute to local area development, creating positive impacts in and around the properties the company owns, develops, and manages. For more information about Balder's double materiality analysis, see pages 51–56.

### THIS CHAPTER DESCRIBES BALDER'S SUSTAINABILITY WORK RELATED TO:

- S1 Own employees
  - Working conditions
  - Equal treatment and equal opportunities for all
- S2 Workers in the value chain
- S4 Customers and social area development

### POLICIES AND GUIDELINES

- Code of Conduct for Employees
- Code of Conduct for Business Partners
- Sustainability Policy
- Work Environment Policy
- Equality and Diversity Policy
- Health and Safety Policy
- IT Policy
- Data Protection Policy for the Handling Of Personal Data

All policies are Group-wide, subject to annual review and adopted by Balder's Board of Directors.



S1

## OWN EMPLOYEES

Balder employs more than 1,100 people with different backgrounds with a wide range of expertise. The ability to attract and retain the right competence is essential for a successful business, and great emphasis is placed on good working conditions, anti-discrimination and skills development.

Business-driven, long-term oriented, rational and compassionate are watchwords that pervade Balder and its employees in day-to-day operations. Employees are Balder's most important asset in conducting long-term property management with satisfied customers. The company's own employees are staff employed at and supervised by Balder. These include property caretakers and property managers in residential and commercial management, as well as employees in administrative and central functions such as finance, customer service and IT. Balder's non-employees are employees who are not employed by Balder, but who are supervised by Balder. These consist primarily of consultants and staff hired from placement agencies, who are engaged to temporarily replace or supplement the company's existing line roles.

All of Balder's own employees work in Sweden, Denmark, Finland and Norway, where national legislation defines wide-ranging requirements for how companies must work, strategically and operationally, with respect to human rights and the management of fundamental requirements in respect of working conditions, fair pay, work environment, equality, and health and safety. Balder does not conduct any operations where the company faces a material risk of forced labour or child labour, either due to the nature of its activities or the countries and geographical regions in which it operates. Any negative impact on human rights that is identified or has occurred is managed through dialogue and corrective actions, and affected individuals are provided the opportunity for remediation in accordance with applicable legislation and internal policies.

### STRATEGY

Balder consists of companies of various sizes, organisational structures, geographical distribution and operations, which affects the composition of the internal workforce. The parent company applies a decentralised governance model, where Group-wide policies provide overarching guidelines on how business operations are conducted with regard to employees' working conditions and human rights.

Balder ensures that the company's business practices do not cause or contribute to material negative impacts on its own employees through strategic decisions, internal processes and follow-up on operations. This includes how business decisions, resource planning and change initiatives are structured and implemented, with due consideration of employees' workload, work environment and well-being. The company also monitors whether and how new sustainability requirements and transition plans affect the working life of employees.

### Code of Conduct for Employees

Balder has a Group-wide Code of Conduct that covers all employees and is intended to provide guidelines for responsible conduct in both internal and external relationships. According to the Code of Conduct, every employee shall participate in and strive for the creation of a good, healthy work environment. There must be no discrimination on the basis of age, gender, gender identity, religion, disability, sexual orientation or ethnic background. All forms of harassment and victimisation are forbidden.

The Code of Conduct makes it clear that the company distances itself from all forms of forced labour, child labour and human trafficking. Read more about Balder's Code of Conduct for Employees on page 48.

### Employee dialogue

Within the Group, a dialogue is conducted between Balder and its employees through various processes. This can involve, for example, a direct dialogue with employees through regular employee performance and career development reviews, or a dialogue that takes place via a representative at the workplace. The dialogues can involve, among other things, sharing information, negotiation or decisions on social and financial work-related issues such as pay, working hours or health and safety. For companies that have collective bargaining agreements, trade union representatives are involved in the dialogue. Companies with no collective bargaining agreements have other representatives. The majority of the Group's employees are covered by employee representation through safety representatives, who are responsible for representing employees in matters concerning, among other things, the work environment, health and safety. See more information on social dialogue on page 90. Regular employee performance and career development reviews between Balder's employees and their closest manager are a key element in creating a safe, pleasant and attractive workplace. The purpose of these reviews is to strengthen working relations, promote good collaboration and support the development of employees in achieving individual targets.

During the year, many of the Group's subsidiaries conducted employee surveys, which indicated a high level of employee satisfaction. The Employee Net Promoter Score (eNPS) in Balder Sweden was 53, in the Finnish subsidiary SATO it was 64 and in Balder Denmark it was 34. According to Netigate's latest report, the average eNPS within the Swedish real estate sector is -1. The total response rate for the employee surveys

was 91%, reflecting a high level of engagement among Balder's employees. The metric for the employee surveys is entity specific. Regular employee surveys are intended to identify various work-related factors that affect employee satisfaction. The results and insights form the basis of Balder's work to prevent and reduce any negative impact in respect of working conditions and equal treatment, and to evaluate initiatives undertaken.

All employees have access to the company's whistleblowing function, where they can raise concerns anonymously. Balder's employees must feel confident in raising concerns and complaints with the company and being aware of how to do this. To investigate how well the company's own employees know and trust the company's structures and routines regarding whistleblowing, Balder in Sweden asked questions about this in this year's employee survey. The HR Manager in each subsidiary is the person ultimately responsible for ensuring that the employee survey is working in the organisation, and operational responsibility is delegated to the closest manager with staff responsibility. When the company is deemed to have caused or contributed to a negative impact, corrective action and, if necessary, remediation is taken in accordance with established routines. Corrective actions can include adjustments to working conditions, the work environment or internal processes, while remediation can take the form of financial compensation, for example, or access to support measures, in accordance with applicable legislation and internal guidelines. Read more about policies, routines and outcomes in section G1 Business ethics on page 102-104.

**S1** OWN EMPLOYEES

## WORKING CONDITIONS

Balder has a responsibility and an obligation as an employer to create good working conditions for the company’s own employees. A safe and secure work environment, and conditions for work-life balance are important topics in order to attract, retain and engage employees who in turn contribute positively to the company’s development.

### IMPACTS, RISKS AND OPPORTUNITIES

As a large employer with historically strong growth, Balder has a potential negative impact on the working conditions of employees in the short, medium and long term. This impact can arise as a consequence of organisational changes, resource planning and operational development. Working conditions include secure employment, fair pay, reasonable working hours, the possibility of collective bargaining agreements and trade union representation, as well as a good work environment including health and safety. The potential impact covers all persons in the company’s workforce, including own employees and non-employees who are supervised by Balder.

With around 125 different kinds of occupational roles in all the Group’s companies, the potentially negative impact of inadequate working conditions can vary in terms of type, extent and frequency. Through the company’s incident management system, in which occupational injuries and near-accidents are reported, Balder has identified that the occupational category of blue collar employees is at a higher risk of work-related injuries and health and safety incidents due to the performance of more physical work tasks. The occupational category of white collar employees is at greater risk of work-related stress. Balder has not identified an increased risk or negative impact for any specific working condition, either for individual companies or geographical regions.

For more information about impacts, risks and opportunities, see Balder’s double materiality analysis on page 51–56.

### STRATEGY

To strategically manage and control the company’s impacts and the risks that inadequate working conditions might potentially involve, Balder primarily applies policy documents in the form of Group-wide policies. The ambition is to conduct systematic and continuous work

throughout the Group in respect of working conditions, by ensuring that human rights are respected, and that labour law obligations and rights are complied with and followed up. Balder strives to increase the positive impact on its own workforce by offering competitive terms of employment and a safe, secure and inclusive work environment. National legislation represents the minimum level for Balder’s work with working conditions, and through the policies presented below the company seeks to reinforce protection for its own employees and pursue continuous improvements over and above legal requirements.

#### Work Environment Policy

Balder has a Group-wide Work Environment Policy that explains the company’s commitment to identify, prevent and mitigate actual and potential negative impacts on the work environment of its employees. The policy aims to ensure a safe, healthy work environment that is sustainable in the long term and supports the professional and personal development of employees.

#### Health and Safety Policy

Balder conducts its operations in a way that ensures that employees do not suffer ill health or injury because of their work. The company’s Group-wide Health and Safety Policy confirms the Group’s commitment to prevent and mitigate actual and potential negative impacts on the working conditions of employees. Each company in the Group is responsible for planning, implementing and following up on actions on an annual basis to promote a secure, safe and healthy work environment. This includes not only a safe physical work environment where workplace accidents are prevented, but also a sustainable psychosocial work environment where work-related stress is addressed.

### ACTIONS

Within Balder’s operations, there are several examples of actions intended to reduce or prevent negative impacts

and to increase positive impacts among the company’s employees. Which actions need to be implemented to address Balder’s negative impact are identified by each subsidiary by such means as the employee survey, ongoing employee dialogue and collaboration with HR. Group functions provide common policies and support to assess actions needed, while decisions on and implementation of actions take place at the local level. Actions linked to working conditions can therefore vary between the subsidiaries, but are based on national legal requirements and supplemented by initiatives, internal control and follow-up in accordance with Balder’s Group policies.

Balder does not have an action plan linked to its own employees’ working conditions, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions described below is integrated into the company’s ongoing operations. The list below refers to key actions, ongoing and in progress, linked to working conditions:

- Safe employment and working conditions
- Sustainable working life
- Work environment, health and safety

#### Safe employment and working conditions

Balder offers safe employment in which the rights and obligations of employees are clearly defined. The company safeguards the right to and opportunity for freedom of association, collective bargaining agreements and trade union representation throughout the organisation, in accordance with the company’s Code of Conduct for Employees.

At Balder, the degree of coverage of collective bargaining agreements varies by region. In the Group, 40% (39) of all employees were covered by collective bargaining agreements in 2025, read more on page 90. Other employees have, in addition to each country’s health and safety legislation and to a varying extent, access to a range of different insurance policies and benefits corresponding to collective bargaining agreements. These include wellness allowance, occupational healthcare

and other activities that contribute to a safe and pleasant employment. In Balder Sweden, the company offers all employees a parental allowance through insurance policies, known as parental pay, to compensate for any loss of income and to ease the financial situation for employees who are starting a family.

All employees at Balder are covered by social protection against loss of income due to illness, unemployment, occupational injuries and acquired disability, parental leave and pension. Social protection is offered either through public insurance policies or benefits offered by the company.

#### Sustainable working life

Balder works continuously to create conditions for a sustainable work-life balance, in order to promote the long-term health, well-being and work capacity of employees. Balder offers the possibility of flexible working hours and hybrid working to a varying extent, based on each company’s local guidelines. The majority of employees are full-time employees where all subsidiaries apply working hours and annual working hours according to national standards.

All employees at Balder have the right to vacation with consecutive days of leave in accordance with applicable national legislation. The number of vacation days and when they can be taken varies between the countries in which the company operates. Depending on the nature of the employment, additional vacation days may be added to the statutory days, for example if overtime compensation is replaced by leave. In addition to this, Balder in Sweden offers extra leave as a benefit through reduced working hours in connection with celebrations and public holidays.

All employees within the Balder Group are legally entitled to leave for family reasons, for example to take care of close relatives or children. Balder’s Group-wide Equality and Diversity Policy also underlines the fact that the company must make it easy for all employees to combine work and parenthood. Read more about the

**S1** OWN EMPLOYEES / WORKING CONDITIONS

policy on page 92. Offering flexible working hours, well-ness hours, extra leave and part-time work are some examples of the way the Group is working to create a good work-life balance for its employees.

Through various ongoing actions, such as employee performance and career development reviews, surveys and check-in meetings in day-to-day work, Balder captures important insights into the employee perspective which form the basis of creating an attractive workplace. Some of the subsidiaries use exit questionnaires in their preventive work to reduce unwanted employee turnover. At the parent company, an anonymised outcome is summarised and processed at management level, and used as a basis for evaluating, managing and decision-making in respect of various HR issues that drive employee turnover.

**Work environment, health and safety**

The physical and psychological health of employees is a top priority for Balder, both at and outside of work. Balder is responsible for ensuring that the work environment is safe for all of the company’s employees and non-employees. In accordance with applicable legislation, the company undertakes systematic and proactive health and safety work in order to identify, prevent and manage risks and hazards at the workplace.

In the areas of property management and property development, where there is a higher risk of work-related injuries, Balder offers regular training courses in the area of health and safety for employees and managers. Ongoing operations involve conducting health and safety inspections, collaborating with local safety representatives and developing health and safety processes and routines.

All employees at Balder are covered by an occupational health and safety system. This refers to systematic health and safety work carried out in order to prevent risks and create a better and safer work environment for all of the company’s employees. Some companies also have access to occupational healthcare via digital wellness and healthcare services that offer appointments with doctors, psychologists, physiotherapists, health coaches and personal trainers. See table with key ratios linked to health and safety on page 91.

**METRICS AND TARGETS**

**THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK**



Good working conditions and satisfied employees represent a material sustainability topic for Balder. The company currently has no Group-wide target linked to working conditions, but does follow up on the appropriateness of its policies and actions through regular HR and health and safety processes, including employee dialogue, employee surveys, handling of cases via HR and the whistleblowing function, and follow-up within the framework of systematic health and safety work. Metrics and outcomes are compiled annually in connection with the Annual and Sustainability Report.

**Employees**

The number of employees in the Group amounted to 1,151 (1,058) as of the last day of the financial year and has increased compared with the previous accounting period. The increase in the number of employees is explained mainly by the acquisition of the Danish subsidiary Sjælsø Management, as well as a strengthening of resources in Sweden. In other countries where the company operates, the number of employees is in line with the previous accounting period.

Employees refer to individuals who are in an employment relationship with and are supervised by Balder, including Group Management and the Board of Directors, and are reported as the number of persons. Employees who were on leave, long-term sick leave or parental leave as of 31/12/2025 have been excluded. The same accounting principles apply to all quantitative data related to own employees, unless otherwise stated. All employee data has been exported and compiled via the subsidiaries’ HR systems.

**EMPLOYEES BY CONTRACT TYPE AND GENDER**

	31/12/2025					31/12/2024				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees	451	700	—	—	1,151	428	630	—	—	1,058
Number of permanent employees	424	680	—	—	1,104	392	610	—	—	1,002
Number of temporary employees	17	15	—	—	32	20	14	—	—	34
Number of non-guaranteed employees	10	5	—	—	15	16	6	—	—	22
Number of full-time employees	427	686	—	—	1,113	400	623	—	—	1,023
Number of part-time employees	24	14	—	—	38	28	7	—	—	35

Temporary employees include employees with a time-limited employment contract, for example, project-based employment or temporary replacements. Non-guaranteed employees are employees who do not have fixed working hours. Full-time and part-time employees include employees working the standard number of hours per week or month in accordance with each country’s definition of full-time and part-time. Balder does not report the number of employees in the categories “Other” and “Not disclosed”, as the company only measures gender affiliation based on legal gender, i.e. male and female. See more information about employees in Note 4 Employees and personnel costs on page 122–123.

**Non-employees**

The number of non-employees in the Group amounted to 84 (75) as of the last day of the financial year. These consist primarily of consultants and staff hired from placement agencies, who are used to temporarily replace or supplement the company’s existing line roles. Data has been collected by all subsidiaries from HR systems, employment contracts and invoices. Number of non-employees is reported as the number of persons.

**EMPLOYEES BY GENDER**

Gender	Number of employees	
	31/12/2025	31/12/2024
Men	700	630
Women	451	428
Other	—	—
Not disclosed	—	—
<b>Total employees</b>	<b>1,151</b>	<b>1,058</b>

**EMPLOYEES BY COUNTRY**

Country	Number of employees	
	31/12/2025	31/12/2024
Sweden	626	577
Denmark	125	95
Finland	371	362
Norway	29	24

**NON-EMPLOYEES**

	Number of employees	
	31/12/2025	31/12/2024
Number of non-employees	84	75

**S1** OWN EMPLOYEES / WORKING CONDITIONS

**EMPLOYEES BY CONTRACT TYPE AND REGION**

	Sweden		Denmark		Finland		Norway		Total	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Number of employees	626	577	125	95	371	362	29	24	1,151	1,058
Number of permanent employees	607	553	120	93	348	332	29	24	1,104	1,002
Number of temporary employees	8	12	2	1	22	21	0	0	32	34
Number of non-guaranteed employees	11	12	3	1	1	9	0	0	15	22
Number of full-time employees	617	567	114	89	354	343	28	24	1,113	1,023
Number of part-time employees	9	10	11	6	17	19	1	0	38	35

**Employee turnover**

The Group's total employee turnover has decreased to 12% (16) compared with the previous period. The total number of employees who left the company refers to those employees who terminated their employment voluntarily, were dismissed by Balder, retired or died during the financial year. Employees with temporary employment or other form of time-limited employment are not included in any of the above reasons and are therefore excluded from the calculation.

Employee turnover was calculated by dividing the total number of employees who left the organisation by the average number of employees during the financial year multiplied by 100.

**EMPLOYEE TURNOVER**

	2025				2024			
	Women who left	Men who left	Total number who left	Total employee turnover, %	Women who left	Men who left	Total number who left	Total employee turnover, %
Sweden	43	48	91	16	45	62	107	19
Denmark	6	12	18	17	7	13	20	22
Finland	9	12	21	6	17	16	33	10
Norway	0	0	0	0	1	4	5	21
<b>Total</b>	<b>58</b>	<b>72</b>	<b>130</b>	<b>12</b>	<b>70</b>	<b>95</b>	<b>165</b>	<b>16</b>

**Collective bargaining coverage and social dialogue**

The total share of employees within the Group who are covered by collective bargaining agreements amounts to 40% (39) and varies between the countries where the company operates due to the different conditions and strategies of the subsidiaries. The data includes all of Balder's employees, including those in countries of operation with fewer than 50 employees and representing less than 10% of the Group's total own workforce (Norway). Employees in the European Economic Area (EEA) refer to Balder's own employees, not non-employees. The Group has no employees outside the EEA.

The majority of the Group's employees are covered by employee representation through safety representatives, who are responsible for representing employees in matters concerning, among other things, the work environment, health and safety. Employees who have collective bargaining agreements are represented by trade union representatives. In 2025, employees in Norway were assigned worker representatives covering all employees. As a result, Norway, like the other countries of operation, now has a coverage rate of 80–100% in terms of workplace representation. There are no agreements between Balder and employees for representation by the European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

**COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE**

	Collective bargaining coverage		Social dialogue
	Employees in the EEA In countries with > 50 employees representing > 10% of total employees.	Employees outside the EEA Estimate for countries with > 50 employees representing > 10% of total employees.	Workplace representation EEA only. For countries with > 50 employees representing > 10% of total employees.
<b>Coverage</b>			
0–19%	Norway, Denmark	—	
20–39%		—	
40–59%	Sweden, Finland	—	
60–79%		—	
80–100%		—	Sweden, Denmark, Finland, Norway

**S1** OWN EMPLOYEES / WORKING CONDITIONS

**Occupational health and safety**

The number of work-related accidents amounted to 55 (32), corresponding to a frequency of 26.3 (17.7). The number of lost working days amounted to 45 (23), representing an increase compared with the previous accounting period. Work-related accidents occur primarily among employees in property management operations.

Data reported relates solely to Balder’s own employees and has been calculated based on the number of persons. During the year, Balder continued its work to collect health and safety-related data for non-employees and workers in the value chain.

The frequency of work-related accidents has been calculated by dividing the number of work-related

accidents with the total number of hours worked by the company’s employees, multiplied by 1,000,000. Documented work-related ill health includes acute, recurring or chronic health problems caused or aggravated by conditions in the work environment. Working days lost are calculated from the first full day of absence up to and including the last full day of absence.

Total sick leave was 3.2% (3.5), which is at the same level as the previous year. Sick leave is one of Balder’s own key ratios and is calculated by dividing the number of hours of sick leave by the total number of hours worked during the financial year, multiplied by 100. For more information about Balder’s work with the work environment, health and safety, see page 89.

**OCCUPATIONAL HEALTH AND SAFETY**

Balder Group	2025	2024 <sup>1)</sup>
Employees covered by the company’s occupational health and safety system, %	100	100
Fatalities as a result of work-related injuries or ill health, number	0	0
Work-related accidents, number	55	32
Work-related accidents, frequency	26.3	17.7
Recordable work-related ill health, number	0	2
Working days lost as a consequence of work-related ill health and accidents, number	45	23
Sick leave <sup>1, 2)</sup> , %	3.2	3.5
– of which short-term sick leave 1–14 days <sup>1)</sup> , %	1.8	1.8
– of which long-term sick leave ≥ 15 days <sup>1)</sup> , %	0.9	1.1

1) Entity specific disclosure.

2) Short-term and long-term sick leave do not add up to total sick leave, as some subsidiaries were not able to report according to the specified interval. All subsidiaries were able to report total sick leave.



## S1 OWN EMPLOYEES

### EQUAL TREATMENT AND EQUAL OPPORTUNITIES FOR ALL

At Balder, everyone shall be treated equally and have the same opportunities. The equality and diversity perspective is always present, from skills-based recruitment processes, equal pay to equal opportunity for continued development. Through various initiatives, the company works every day to increase diversity and inclusion and to create a workplace free of discrimination.

#### IMPACTS, RISKS AND OPPORTUNITIES

In order for Balder to continue to operate and develop its operations, it is crucial that the company can recruit and retain employees with the right competence. This requires Balder as an employer to guarantee equal treatment and equal opportunities for all employees.

Balder has identified a potential negative impact on the company's employees in the short, medium and long term. The impact relates to the company's responsibility to ensure an inclusive workplace that is free of discrimination and harassment, where all employees, regardless of background and experience, receive equal treatment and are offered the same opportunities. It includes, for example, equal pay for equal work, as well as training and skills development. All employees in the company's operations are subject to this impact, including own employees and non-employees.

The impact of deficiencies in equal opportunities is deemed to be Group-wide in all of Balder's operations and geographical regions, but differs in nature, frequency and scope, depending on each organisation. There are therefore no specific assessment criteria to identify which types of employees are at greater risk of negative impact in the double materiality analysis.

#### STRATEGY

Continuous work is carried out throughout the Balder Group to ensure that actions are in place to manage the company's impacts and risks related to equal treatment and equal opportunities for employees. Equality, diversity and inclusion shall be integrated into and pervade day-to-day activities. Day-to-day work is based on prevailing national legislation, such as the Swedish Discrimination Act (2008:567). This work shall be supplemented by Balder's Group-wide Code of Conduct

for Employees, Sustainability Policy and Equality and Diversity Policy, which are intended to further develop the work. See more information on policies on page 48.

#### Equality and Diversity Policy

According to Balder's Group-wide Equality and Diversity Policy, all employees shall be treated with respect and dignity, and have the same rights, obligations, opportunities and influence in all material areas of working life. The policy includes strategies and actions that all companies in the Group must implement and follow up in day-to-day operations. There must be no discrimination based on gender, gender identity or expression, ethnic origin, religion or other belief, disability, sexual orientation or age. The company has not adopted any specific policy commitments in respect of inclusion or positive discrimination for particularly vulnerable groups among its own employees. All employees are subject to the company's general policies for equal treatment, diversity and non-discrimination.

#### ACTIONS

Initiatives to improve equal treatment and equal opportunities for the company's employees and follow-up on these can vary between the companies. Balder does not have an action plan linked to equal treatment and equal opportunities for all, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions described is integrated into the company's ongoing operations. The list below consist of focus areas for the company's ongoing key actions linked to equal treatment and equal opportunities for all:

- Training and skills development
- Equal pay for equal work
- Diversity and anti-discrimination



#### Training and skills development

Training is important for the company's skills supply, to create internal engagement and to retain and develop employees. Balder offers employees the opportunity for training and skills development through seminars, internal and external courses, study visits and job rotation. The range of training courses is based on each subsidiary's needs and is a combination of profession-specific content and general subjects, for example covering Group-wide policies, IT and cyber security or CPR.

In Sweden and Denmark, there are a large number of internal training courses for employees, and these are updated on a regular basis. The training courses are available via the Balder Academy, the company's digital training platform that is run by the HR function. New employees are provided with both tailored training packages based on their professional role, as well as general courses about Balder's values and organisational functions, working methods and routines.

Balder Sweden also has an internal training initiative for the central functions, by the name of Roots, which involves practical experience in the field of property management with the aim of increasing understanding and respect among employees for each other's roles.

#### Equal pay for equal work

Pay is an important means of rewarding good performance and promoting professional development among Balder's employees. Balder ensures that all employees received an adequate wage in line with standard reference wages in the countries where the company operates. To prevent and counteract potential wage discrimination, all companies within Balder have to conduct regular pay reviews. The purpose of the pay reviews is to identify any inexplicable pay gaps, and to take action to reduce any pay gaps and to guarantee a fair and equal process for determining pay and other remuneration. At present, pay reviews are carried out in Balder Sweden and one subsidiary in Finland.

**S1** OWN EMPLOYEES / EQUAL TREATMENT AND EQUAL OPPORTUNITIES FOR ALL

During the year, Balder in Denmark implemented a pay follow-up system that aims to ensure equal pay for equal work for all employees. The purpose is to detect and reduce inexplicable deviations in pay gaps and to increase employee satisfaction regarding pay-related issues.

**Diversity and anti-discrimination**

Balder strives to achieve workgroups comprising employees with different backgrounds and experiences, as this enriches the business and contributes to continued positive development. Compassion is one of Balder’s fundamental values, the target being to be a workplace free of discrimination. To promote an inclusive environment, characterised by diversity and equal opportunities, Balder is working with various initiatives and structures to make this possible. For example, by ensuring that workplaces and working conditions are suitable for all employees, or by preventing discrimination and harassment through ongoing training of both employees and managers.

Many companies within the Group are working actively to guarantee an objective, competence-based recruitment process. In Balder Sweden, diversity and inclusion are taken into consideration in job advertisements, and standardised questions have replaced personal letters. Recruitment tests are used at an early stage, and HR supports managers in carrying out non-biased, competence-based recruitment processes. One of the Finnish subsidiaries has an action plan in the field of diversity, equality and inclusion with actions such as a review of the recruitment process, training of recruitment staff and applying positive discrimination in cases where the choice is between equal candidates.

**METRICS AND TARGETS**

**THE UN’S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER’S SUSTAINABILITY WORK**



Balder’s social sustainability target is to be a workplace that is free of discrimination and harassment, in accordance with the company’s Equality and Diversity Policy. The target is absolute, ongoing and covers all Balder employees within own operations. Follow-up takes place on an ongoing basis, as well as annually by measuring the number of incidents of discrimination brought to the company’s attention during the financial year via various channels, such as the whistleblowing function, the company’s HR department or employees’ closest manager.

**Incidents, complaints and severe impacts on human rights**

During 2025, 4 (0) incidents of discrimination were brought to the company’s attention. Incidents have been reported through the whistleblower function and employee surveys, which have been managed in accordance with labour law, by HR in collaboration with affected managers.

An incident of discrimination is defined as a report that the company or a competent authority has received and in which non-compliance resulted in action under labour law. Discrimination is defined based on Swedish legislation as the minimum standard and includes grounds such as age, gender, gender identity, religion, disability, sexual orientation, or ethnic background. If subsidiaries report incidents based on additional grounds for discrimination, these have also been included in the data collection.

No severe human rights incidents associated with the company’s employees were brought to the company’s attention during the financial year. This means that no fines, penalties or compensation related to such incidents have been issued.

**Training and skills development**

The share of employees who had employee performance and career development reviews during 2025 was 84% (94). The average number of training hours per employee was 7 (17) hours in 2025.

The number of training hours per employee was calculated by dividing the total number of training hours completed by the number of employees as of the last day of the accounting period in question.

**SUSTAINABILITY TARGETS**

Anti-discrimination	Outcome 2025	Outcome 2024
No incidents of discrimination, including harassment	4	0

**INCIDENTS, COMPLAINTS AND SEVERE IMPACTS ON HUMAN RIGHTS**

	2025	2024
Number of reported complaints	2	2
- of which reported to the OECD	0	0
Fines, penalties and compensation related to discrimination incidents and complaints, SEK	0	0
Number of severe human rights incidents	0	0
- of which cases of non-compliance with UNGP/OECD framework	0	0
Fines, penalties and compensation related to severe human rights incidents, SEK	0	0

**TRAINING AND SKILLS DEVELOPMENT**

	2025	2024
Share of employees who took part in regular employee performance and career development reviews, %	84	94
Average number of training hours per employee	7	17

**S1** OWN EMPLOYEES / EQUAL TREATMENT AND EQUAL OPPORTUNITIES FOR ALL

**Diversity**

The distribution of age and gender among the company's employees is in line with the previous year's outcome. The larger share of the Group's employees consists of white collar employees, 76% (74), who mainly work in administrative functions. Blue collar employees, 24% (26), refer primarily to property managers who work with the operation, maintenance and care of Balder's properties. Members of the management and the Board of Directors are included in figures for employees.

Senior management at Balder refers to management and the Board of Directors in the parent company, Fastighets AB Balder. The Board of Directors increased during 2025 to 6 (5) people, of which 2 (1) are women. There were no changes in the composition of management during the year. For more information about Balder's work on diversity, see pages 92-93.

**Pay gap**

The pay gap between men and women increased to 11% (3), which means that men generally earn 11% more than women at Balder. The pay gap varies between the Group's subsidiaries, with the biggest differences being in Denmark and Norway. The average pay for men increased during the year, while women's pay remained unchanged compared with the previous year. The acquisition of Sjælsø Management also contributed to the increase, as men hold more senior positions in the company. The same underlying cause explains the pay gap in Norway. In Sweden and Finland, the pay levels 2025 are generally comparable between men and women.

The remuneration ratio for the highest paid person compared with the median pay for employees increased to 17 (15) during the year.

Reported data only includes pay and compensation relating to the financial period and is based on staff

**DIVERSITY IN THE BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES**

31/12/2025	Board of Directors		Management		Employees							
	Total		Total		Blue collar (including managers)		White collar (including managers)		Total		of which managers (blue collar and white collar)	
	Number	Share, %	Number	Share, %	Number	Share, %	Number	Share, %	Number	Share, %	Number	Share, %
<b>Gender</b>												
Female	2	33	3	60	14	5	437	50	451	39	63	35
Male	4	67	2	40	267	95	433	50	700	61	118	65
<b>Total</b>	<b>6</b>	<b>100</b>	<b>5</b>	<b>100</b>	<b>281</b>	<b>100</b>	<b>870</b>	<b>100</b>	<b>1,151</b>	<b>100</b>	<b>181</b>	<b>100</b>
<b>Age</b>												
> 30 years	0	0	0	0	32	11	198	23	230	20	5	3
30-50 years	0	0	1	20	157	56	516	59	673	58	134	74
> 50 years	6	100	4	80	92	33	156	18	248	22	42	23
<b>Total</b>	<b>6</b>	<b>100</b>	<b>5</b>	<b>100</b>	<b>281</b>	<b>100</b>	<b>870</b>	<b>100</b>	<b>1,151</b>	<b>100</b>	<b>181</b>	<b>100</b>

**PAY GAP**

	Sweden		Denmark		Finland		Norway		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Pay gap between men and women, %	0	-2	36	5	3	10	47	56	11	3
Remuneration ratio of the highest paid individual to the median annual total remuneration for employees	6	6	4	4	9	7	6	6	17	15

who were employed as of 31/12/2025, excluding those on leave, long-term sick leave and parental leave. Data collection takes into consideration local wage policies and compensation models. All forms of compensation that vary, depending on when and if the employee in consultation with the employer chooses to take the compensation, have been excluded from the compilation of pay gaps between men and women. These include overtime compensation, vacation compensation and parental pay.

S2

## WORKERS IN THE VALUE CHAIN

In addition to its own employees, Balder is dependent on external workers, such as contractors and subcontractors. In order to provide guidelines for responsible conduct, Balder has established a Code of Conduct for Business Partners that aims to promote good working conditions and terms in the value chain.

### IMPACTS, RISKS AND OPPORTUNITIES

Balder is dependent on workers in the value chain, such as employees of business partners and contractors in connection with new production, refurbishment or property management. Other employees in the company's value chain are found in project operations, where contractors in turn engage subcontractors.

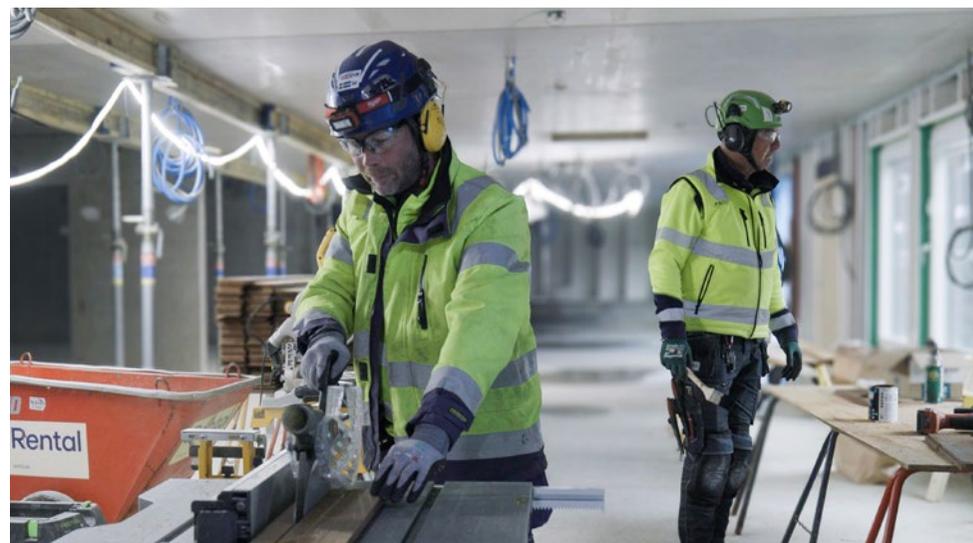
Balder has identified a potential negative impact upstream and downstream in the value chain linked to working conditions. This impact can arise in connection with deficiencies in basic workers' rights, such as freedom of association, the possibility of collective bargaining agreements and trade union representation, as well as health and safety at the workplace. The company has also identified a potential negative impact in respect of equal treatment and diversity in the value chain. This includes, for example, fair compensation, equal pay for equal work, access to skills development and the prevention of discrimination and harassment. Balder has not at present conducted an assessment that identifies whether material negative impacts are systemic, widespread or linked to individual incidents or business relationships.

Balder works with a large number of business partners in both product and service sectors in the company's value chain. Business partners are found primarily in the construction and real estate sectors, and also in the energy sector. Workers in the value chain are defined as people who are not the company's own employees, but who perform work in Balder's value chain, regardless of whether there is a contractual relationship with the company and regardless of the nature of the contractual relationship. This refers to workers upstream and downstream in the company's value chain who are or may be impacted by the company. It includes impacts linked to the company's own operations and value chain, including through its products and services,

and through its business relationships. Examples of workers in the value chain that can be materially impacted by Balder:

- Turnkey contractors and contractors for which Balder is the developer, for example construction workers, electricians and project managers, who are usually upstream in the value chain.
- Purchased services that do not replace line roles, where the work is not managed by Balder, for example, gardeners and cleaners, who are usually downstream in the value chain.

Certain groups of workers in the value chain can be particularly vulnerable to the negative impact, depending on the nature of their work tasks. For example, workers in the construction and civil engineering industry, migrant workers or workers with temporary or precarious forms of employment are deemed to be at higher risk of being exposed to negative impact. The company currently conducts no targeted assessment or structured process for collecting perspectives from these workers in the value chain. Assessments of risks and impacts currently take place at an overarching level within the framework of the company's general supplier follow-up and due diligence process. Balder has not conducted a specific risk assessment to identify regions or raw materials with a significant risk of child labour or forced labour in the value chain. No special geographical regions or raw materials have therefore been identified with a heightened risk. For more information about impacts, risks and opportunities, see Balder's double materiality analysis on page 51–56.



### STRATEGY

Balder's ambition is to be a responsible, long-term societal actor with strong engagement in the locations where the company operates.

#### Code of Conduct for Business Partners

Balder's Code of Conduct for Business Partners sets out guidelines that form the basis of collaboration in the supply chain. The policy covers issues within responsible and ethical business relationships, good work environment, respect for human rights and responsibility for the environment. The Code of Conduct is based on international guidelines such as the UN Global Compact, the OECD's Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO's Core Conventions. The purpose of the Code of Conduct is to provide guidelines for responsible actions in internal and external relationships, and to clarify which fundamental requirements exist in order to reduce the risk of violations.

The more central principles include a requirement that contracted business partners shall strive to create a good, healthy work environment based on equality and diversity, where employee's integrity is protected.

Balder and the company's business partners must distance themselves from all forms of human trafficking, child labour and forced labour, and safeguard employees' freedom of expression and right to freedom of association. Business partners must also support

and respect internationally declared human rights and take reasonable actions to avoid direct or indirect violations in the value chain. The company has zero tolerance of corruption, and encourages both employees and business partners to act ethically and avoid conflicts of interests in a business situation. Business partners are expected to continuously improve their environmental work in order to reduce the negative impact of their operations, whether they supply products or services. If a business partner for some reason is unwilling or unable to conduct their business in line with the Code of Conduct, if they consciously deviate from these guidelines or show no interest in desired improvements, Balder can withdraw from collaboration in favour of another partner. For more information about Balder's policy work, see page 48.

### ACTIONS

To manage the material impacts that are linked to workers in the value chain, the company has routines, controls and contact channels, and follows up to prevent and reduce the potential negative impact. Balder has no formalised process to assess which actions need to be implemented, as the need varies depending on operational activities and local conditions. Some of the actions presented are therefore not currently being measured in terms of metrics. The company is continuously developing the company's routines through sup-

**S2** WORKERS IN THE VALUE CHAIN

plier dialogues, reported incidents and complaints from workers in the value chain, as well as through internal risk assessments. Balder does not have a Group-wide action plan linked to workers in the value chain, and does not therefore have any significant operating or capital expenditure. Expenditure linked to the actions described is integrated into the company's ongoing operations.

Below is a list of the company's focus areas, including key actions that are linked to workers in the value chain:

- Clear requirements and control
- Review of social minimum safeguards
- Follow-up on suppliers and business partners
- Channels for dialogue and whistleblowing

During the reporting period, Balder did not carry out any additional actions or initiatives the main purpose of which is to achieve positive impacts on workers in the value chain, apart from actions aimed at preventing and managing identified risks and negative consequences.

**Clear requirements and control**

Major procurements are benchmarked and central procurement processes are conducted in order to increase control of business partners and the whole procurement chain. Routines for procurement and control of business partners vary between different subsidiaries in the Group. When selecting business partners and during follow-up on delivered quality, internal criteria are used to guarantee compliance with laws and regulatory requirements, as well as the company's requirements and guidelines. In addition to the total cost of purchases, consideration has to be given to quality, service, logistics and the environment.

Before a framework agreement is concluded in Sweden, an initial review must, for example, be conducted, which includes control of corporate tax, ownership structure, credit reference, insurance policies and any previous legal disputes. During the term of a framework agreement, random checks can then be conducted concerning issues such as the reporting of digital attendance registers and the payment of em-

ployer's contributions. In the event of any violations, business partners can be fined by Balder and have agreements terminated.

**Follow-up on suppliers and business partners**

Balder has a Code of Conduct for Business Partners that was produced in 2023 to supplement the existing Code of Conduct for Employees. The aim is for it to be attached to new agreements and procurements. This is partly an action to reduce the risk of breaches and negative impact, and partly to clarify the requirements that go beyond legal requirements, in order to encourage suppliers to improve their social, environmental and governance-related sustainability work.

In Norwegian companies, the company continued its work during the year on mapping and developing due diligence processes of the supply chain, in order to comply with new requirements under the Norwegian Transparency Act (Åpenhetsloven). The aim is to take action to identify, prevent and publicly report any actual or potential impacts on human rights in the value chain.

The company will gradually develop routines for increased monitoring of business partners, the number of codes of conduct signed and due diligence processes.

**Review of social minimum safeguards**

In line with the EU Taxonomy, a Group-wide review of requirements takes place with regard to minimum safeguards, which includes social responsibility in the areas of human and workers' rights, anti-corruption, taxation and fair competition. It is a way for the company to annually review that its operations are not causing material negative impact on workers in the value chain. In 2025, Balder reviewed the criteria for processes and breaches in all consolidated subsidiaries. The review in 2025 showed that Balder and its subsidiaries are compliant with the minimum safeguards of the EU Taxonomy and 0 (0) cases or incidents of serious human rights-related violations, downstream or upstream, were brought to the company's attention during the reporting period. Read more about the review of minimum safeguards on pages 80–81.

**Channels for dialogue and whistleblowing**

Balder considers perspectives among workers in the value chain through dialogue with suppliers, contractors and other business partners with knowledge of the situation of workers and local conditions. Dialogue takes place in the form of, for example, contract negotiations, follow-up meetings and procurement processes. These dialogues form the basis of decisions and actions to manage and prevent any material negative impact that the company has on workers in the value chain. Operational responsibility for ensuring that dialogues takes place and that the outcome of them is taken into account in the company's decisions rests with the manager responsible for purchasing and procurement. In situations where it is confirmed that the company has caused or contributed to material negative impacts on human rights or workers in the value chain, this is managed with reference to the prevailing circumstances and in day-to-day operations. In such cases, the company takes action to ensure that remediation takes place in an appropriate way, primarily through requirements for corrective action and follow-up in dialogue with affected suppliers, contractors or business partners. The company does not at present have a formalised process for evaluating appropriateness in its dialogues with workers in the value chain. Assessments are instead conducted at a general level and qualitatively based on the management of risks and deviations identified.

Balder has an external whistleblowing function, which is a channel that enables workers in the value chain to highlight problems and to submit anonymous reports of suspected deviations from laws and regulations concerning working conditions, the environment, business ethics or human rights, and to have them investigated. Balder's business partners in Sweden are informed of the whistleblowing function when, in connection with signing the agreement, they also sign the company's Code of Conduct for Business Partners. Balder has not at present conducted a systematic investigation to assess the extent to which workers in the value chain are familiar with or have confidence in the company's structures or routines linked to whistle-

blowing. Read more about policies, routines and outcomes in respect of whistleblowing in section G1 Business ethics on pages 102–104.

**METRICS AND TARGETS**

**THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK**



Balder has not adopted any measurable, outcome-based targets linked to workers in the value chain. The company does, however, follow up on the effectiveness of policies and actions at a general level through qualitative processes, including dialogues with suppliers and contractors, examination of compliance with contractual terms and managing deviations or incidents identified when it becomes aware of any. The level of ambition is to identify and address material risks and negative impacts for workers in the value chain. The company has not defined a specific base period for measuring progress.

Balder monitors the effectiveness of the company's actions by tracking cases reported via the whistleblower function. There have been no cases of incidents related to workers in the value chain that were reported to the police in 2025. Read more about outcomes regarding whistleblowing in G1 Business Ethics, on page 102–104. The company also monitors social responsibility by reviewing minimum safeguards, which cover areas such as human rights and workers' rights, anti-corruption, taxation, and fair competition. Metrics for clear requirements and follow-up on suppliers are currently not in place but will be developed in the future. Balder is continuously implementing actions to incorporate the Group-wide strategies and guidelines linked to workers in the value chain and working to compile qualitative data.

S4

## LOCAL COMMUNITY IMPACT AND SOCIAL AREA DEVELOPMENT

As a large property owner, Balder can have a material impact on customers, city districts and local communities through long-term property management and development. The company carries out social initiatives and activities that are considered to have a positive impact in the property areas.

### IMPACTS, RISKS AND OPPORTUNITIES

Balder's overarching business concept is to create value by owning, developing and managing properties in capital cities and other large cities. With its long-term ownership and property management in-house, the company has an impact on city districts and local communities. Balder undertakes urban and property development through both new production and major refurbishment projects of both homes and commercial premises, which also impact local communities. Through active social area development, it is considered that Balder's operations have an actual positive impact on customers and areas by contributing to more housing and commercial premises for workplaces, and through activities that aim to promote education, employment and meaningful leisure time. Balder's operations have a direct impact on customers who rent housing or commercial premises from the company, but also indirectly on the people who live and work in the property areas.

With active social area development and social investments, it is possible to enhance relationships with tenants, increase safety and well-being, and contribute to greater commercial benefit for Balder. Tenants who are content stay longer and are more inclined to feel a sense of ownership for their local area. The same applies for commercial tenants. This contributes to lower tenant turnover and fewer vacancies, which in turn results in lower transaction costs. For more information about impacts, risks and opportunities and Balder's double materiality analysis, see pages 51–56.

### STRATEGY

Balder's ambition is to be a responsible, long-term societal actor with strong engagement in the locations where the company operates. Balder's work with local communities and social area development is governed by the company's Group-wide Sustainability Policy and Code of Conduct for Business Partners.

### Sustainability Policy and Code of Conduct

Balder's Sustainability Policy clarifies how Balder, as a major property owner, can contribute with a positive local impact and social area development around the properties that the company owns, manages and develops. Social engagement is an important element of Balder's work and one way of contributing to social development, and the Sustainability Policy specifies that the company shall undertake various social initiatives and activities that contribute to developing the company's five social pillars and create jobs for young people in the property management organisation.

The purpose of the Code of Conduct for Business Partners is to provide guidelines for responsible actions in internal and external relationships, and to specify which fundamental requirements exist in all situations.

The company has different processes to monitor compliance with fundamental requirements in the area of human rights and commitments that are relevant to the local community. In line with the EU Taxonomy, a review of requirements takes place with regard to minimum safeguards, which includes social responsibility in the areas of human and workers' rights, anti-corruption, taxation and fair competition. The review in 2025 showed that Balder and its subsidiaries are in compliance with the minimum safeguards in the EU Taxonomy. Read more about minimum safeguards on pages 80–81. For more information about Balder's policy work and the Code of Conduct's link to international guidelines, see the section on policies on page 48, and page 50 for stakeholder dialogue and involvement in the materiality analysis.

### ACTIONS

In Balder's operations, there are many examples of actions aimed at increasing the positive impact on Balder's social sustainability work. Balder does not have a Group-wide action plan linked to local community impact and social area development, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions below is integrated into the company's ongoing operations. To create a common thread in Balder's social sustainability work, the company

has chosen to focus social initiatives and activities on five pillars. These five pillars and the activities linked to them form part of the company's Sustainability Policy, and governance therefore takes place at Board level while operational work is integrated into the company's day-to-day operations. The kinds of initiatives given priority are determined by the actual need of the various areas, customers and conditions. There are local variations in the implementation of social initiatives, depending on the organisation and property portfolio.

The company's social investments in area development in Sweden focus primarily on initiatives to support children and young people in socio-economically vulnerable areas. This work is performed in close collaboration with tenants, and not infrequently also in partnership with other local actors such as municipalities, schools, the police, associations and the local business community. Initiatives linked to the first three social pillars are being implemented primarily in socio-economically vulnerable residential areas, where the company has hired area developers. Activities linked to the fourth and fifth social pillars are implemented in all property areas where the company operates. Below is a list of the company's focus areas, including ongoing key actions that are linked to social area development and local community impact.

#### 1. Employment

Work experience is important for young people if they are to become established in the labour market, and Balder wants to contribute to this. In order to increase employment and employability, many companies in the Balder Group offer internships, holiday jobs, summer jobs and mentoring. The company also collaborates with local actors to provide courses, development opportunities and inspiration to find a job. The focus is on supporting young adults who are outside the labour market. See the outcome in the section Metrics and targets on page 98.

#### Initiatives to prepare for the labour market

Since 2017, Balder has been collaborating with Mitt Livs Val (My Life's Choice) in Sweden, a charity foundation working for an inclusive society where young people are

given the conditions to influence their own future. Mitt Livs Val runs activities including study-related and labour market preparation programmes for newly arrived young people in Stockholm and Gothenburg. In 2025, Balder Sweden took part in Future Week, a new initiative from Mitt Livs Val that aims to address the shortage of internships in Gothenburg in particularly vulnerable areas. Balder Sweden was among the first companies to try out the concept, welcoming 15 students and offering them a broader insight into working life and the real estate sector.

## BALDER'S FIVE SOCIAL PILLARS

### 1. EMPLOYMENT

Activities to increase employability for all, and to create more long-term jobs and summer jobs.

### 2. EDUCATION

Activities to help more young people leave school with complete grades, and activities to inspire them to pursue education.

### 3. MEANINGFUL LEISURE TIME

Local initiatives to contribute to equal opportunity leisure time. A strong focus on movement and public health (psychological and physical health).

### 4. SAFETY AND WELL-BEING

Activities to promote safety and well-being in the company's property areas.

### 5. PARTICIPATION AND INFLUENCE

Balder's tenants shall feel a sense of participation and influence over their homes, in their commercial premises or in the property area.

**S4** LOCAL COMMUNITY IMPACT AND SOCIAL AREA DEVELOPMENT

**2. Education**

To provide children and young people with better conditions for leaving school with complete grades, and offer inspiration for education, Balder collaborated in 2025 with organisations and associations to offer support with homework and studies, forklift truck training and courses in areas such as cultivation, bee-keeping and cycling.

**Handshake for increased faith in the future**

Handslag för framtiden (Handshake for the Future) is a partnership between the business community, the Framtiden Group and Business Region Gothenburg. The purpose is to work together towards Gothenburg’s objective to have no particularly vulnerable areas by 2030. The ambition is to create a real difference by having several actors working in the same direction in social area development projects. The initiatives primarily concern activities and targets linked to school, work and meaningful leisure time. Balder has been collaborating in the Handshake initiative for Bergsjön since 2022, and since 2024 also in the Biskopsgården district of Gothenburg.

**3. Meaningful leisure time**

Social engagement has been part of Balder’s DNA since the company was founded. There is a strong focus on children and young people. Play, rest and leisure time are crucial for a good upbringing with good physical and psychological health. Conditions and access to leisure activities vary between the areas where the company has its operations, a disparity that Balder is striving to reduce.

**Movement and health initiatives for children and young people**

In Sweden, Denmark, Finland and Norway, various activities are being undertaken to enable meaningful leisure time for children and young people close to the company’s property areas. These include, for example, sponsoring local sports clubs, organising tournaments, and instructor-led sessions for football, boxing, table tennis, taekwondo, skating or running.

**4. Safety and well-being**

Balder has been working for many years to increase safety in the company’s properties and areas. With a large, diversified property portfolio, needs differ and the actions to create safety can vary.

**Safety-enhancing initiatives**

Initiatives in commercial properties include the installation of access control systems and perimeter protection, inspections and the presence of property management staff. The most common initiatives in residential properties include replacing lock and access control systems to improve perimeter protection, the installation of security doors with peep-holes, and improved lighting in common areas and the outdoor environment. There are also safety patrols and various kinds of collaborations with other property owners, municipalities and other stakeholder organisations in order to work together to increase safety in the company’s property areas in Sweden and Denmark. During the year, Balder Denmark tested a new concept, “Waste Walk”, which the company’s employees was picking up litter in one of their operational areas in order to improve safety and well-being. The action was measured and evaluated on the basis of the volume of waste collected and feedback from tenants.

**5. Participation and influence**

Being able as a tenant to have an influence on your own home, your workplace and the local environment is an important factor in creating a long-term approach and the experience of local ownership. This means that people are more likely to care for the buildings, the external environment and adjacent areas.

**Dialogue with customers and the local community**

Every day, Balder’s employees meet the company’s customers, in various contexts, and through different forms of dialogue. Balder conducts regular customer satisfaction surveys in Sweden, Denmark and Finland. These measure customers’ experiences in different parts of the customer journey: signing the contract, moving in, the rental period and moving out. The aim is to identify strengths, as well as areas where the company needs to improve. Customer surveys are a form of dialogue that also enables the company to manage risks and opportunities, and to identify priority actions. People in local communities can also use the company’s customer service or whistleblowing service to raise problems or suspected violations. Read more about Balder’s stakeholders and stakeholder dialogue on page 50, and about Balder’s whistleblowing service on pages 102–104.

**Social housing contracts for greater inclusion**

Balder manages residential properties in many locations where there is a housing shortage, which often has a particularly hard impact on vulnerable groups. In Sweden and Finland, the company works with social contracts. Through rental agreements with municipalities or non-profit organisations, apartments are offered to socio-economically vulnerable individuals. In Sweden, the share of social contracts in the residential portfolio accounts for 3.0% in 2025 (3.2). This is one example of how Balder can contribute to inclusion and reduced social vulnerability, by making it easier for people who are far from the housing market.

**METRICS AND TARGETS**

**THE UN’S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER’S SUSTAINABILITY WORK**



To support the purpose of Balder’s Sustainability Policy in respect of social sustainability, the company has two entity specific targets linked to local community impact and social area development. All targets in respect of social sustainability targets cover all companies in the consolidated Group.

Creating jobs for young people is a quantitative, absolute and ongoing target. Within the Group, this is done by offering internships, extra jobs and holiday jobs to young people, students and young adults. The target is measured through the number of jobs created for young people and the number of internships annually.

**SUSTAINABILITY TARGETS**

Job, number of individuals <sup>1)</sup>	Outcome 2025	Outcome 2024
<b>Total number of jobs created for young people</b>	<b>594</b>	<b>340</b>
Summer jobs, employed by Balder	67	78
Jobs created through collaboration	527	262
<b>Internships</b>	<b>40</b>	<b>28</b>

1) Entity specific disclosures.

Balder has an objective to have satisfied customers, and strives constantly to develop its operations in order to improve the customer experience. Satisfied customers are a qualitative, relative and ongoing target, which is followed up through annual customer surveys and measured in the NPS on a scale from –100 to +100. Collection of the Group’s customer satisfaction surveys started in 2025 and will be reported externally in the next few years.

**Metric – social area development**

The company follows up on the number of summer workers employed by Balder, and on jobs created through collaboration. Balder offers jobs in the company’s property areas during school holidays and in the evenings and at weekends, where people are given an employment contract with and receive financial compensation from Balder. Jobs made possible in the property management organisation in Sweden through collaboration relate to jobs created in collaboration with other organisations, municipalities or associations. A job created through collaboration means a person who is supervised by the company, but does not have an employment contract with Balder, received financial compensation and performed at least six hours’ work.

Internships are jobs in which the company supervises, but there is no employment contract with Balder, as the person works at the company as part of their education.

Summer workers, jobs and internships are reported by Sweden, Denmark and Finland. The general increase in jobs is explained largely by improved data collection combined with targeted initiatives specifically for the financial year. Extended quantitative and qualitative follow-up on the company’s social area development takes place internally to follow up on the number of activities, participants and jobs made possible in collaboration with other local actors.

S4

## INFORMATION AND DATA SECURITY

Information and data security forms a material part of the company's day-to-day work through the handling of information and personal data relating to customers, suppliers and business partners. Work is performed to protect and safeguard security in internal systems and to train the company's employees in the area of security work.

### IMPACTS, RISKS AND OPPORTUNITIES

In an increasingly digitalised world where many parts of society are connected, information and data security is becoming progressively important. Every day, Balder handles large volumes of information and data linked to its operations, not only in property management and property development, but also in connection with any leakages or cases of theft that might have a direct impact on Balder's entire value chain, for example suppliers, the brand, employees and customers.

Balder considers there to be an actual negative impact linked to data and information security, as the company has historically experienced incidents involving customer data leaks. For more information about impacts, risks and opportunities, see Balder's double materiality analysis on pages 51–56.

### STRATEGY

Work on information and data security aims to protect Balder's operations, employees, customers and financial interests, and to ensure that the business can continue unhindered. This is governed by external legal requirements in those countries where the company operates, and the Group-wide IT Policy and the Data Protection Policy for the Handling of Personal Data.

#### IT Policy and Data Protection Policy for the Handling of Personal Data

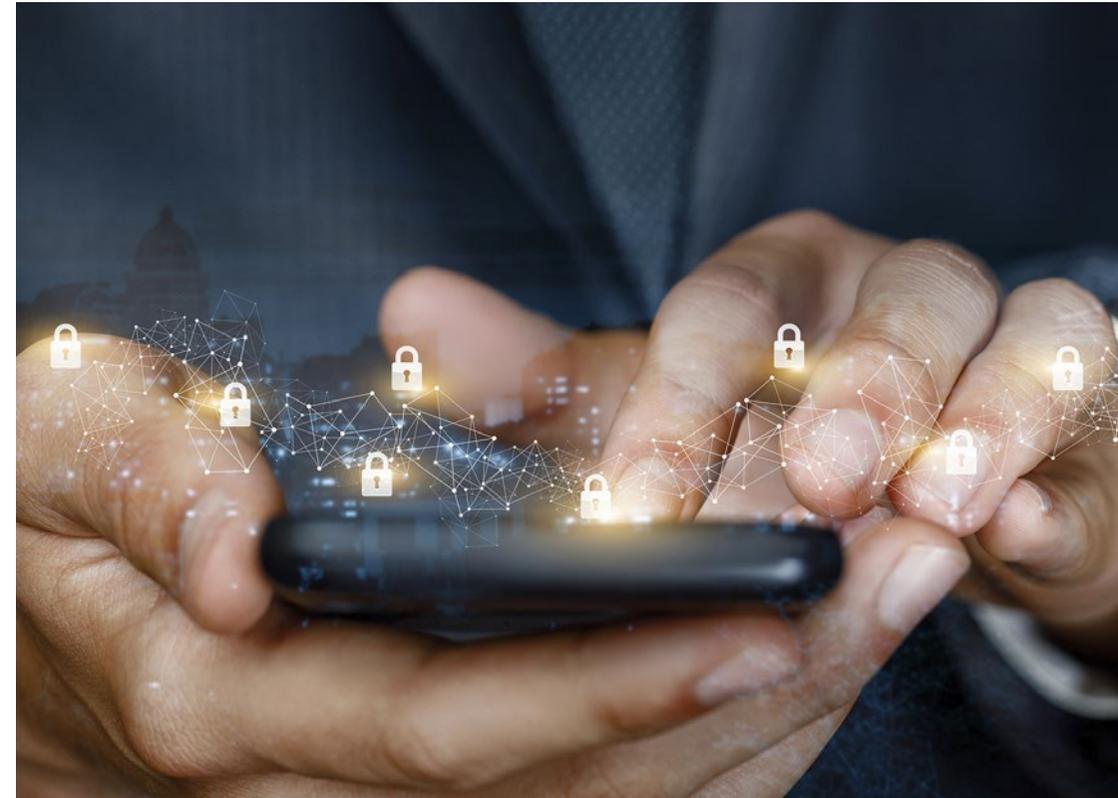
The Group's IT Policy and Data Protection Policy for the Handling of Personal Data aim to clarify internal guidelines, requirements and responsibilities within the company and thereby affect both employees within Balder, its customers and suppliers. The IT Policy describes how Balder is to work on a Group-wide level with security relating to IT, responsibility for handling hardware and information, and the use of online services and sources. The policy states that all employees within Balder shall work actively to ensure that con-

firmed guidelines and adopted targets relating to work on information and security are achieved and that security awareness is there at all times. Balder's Data Protection Policy for the Handling of Personal Data regulates how the company works with the EU's General Data Protection Regulation (GDPR) and personal data that can be attributed directly or indirectly to physical individuals, and the Director of Economy has been appointed as Data Protection Officer. The policy is there to ensure that Balder complies with the current Data Protection Regulation, stores and handles personal data in a correct, uniform way, communicates how personal data is handled in its operations, can fulfil the rights of stakeholders, reports incidents and protects its own operations against threats and privacy risks. In accordance with the Data Protection Policy for the Handling of Personal Data, the company has committed to fulfilling its obligations towards data subjects in line with the GDPR and is prepared to respect the rights of data subjects. The policies apply to and must be followed by all Balder employees, as well as non-employees who work on behalf of or under the supervision of Balder, such as consultants or partners.

Balder also has a Code of Conduct based on international guidelines related to human rights. For more information about Balder's policy work, see the section on policies on page 48, and about stakeholder dialogue and involvement in the materiality analysis on page 50. In connection with work on the EU Taxonomy, a review of requirements in the area of minimum safeguards is performed; read more about minimum safeguards on pages 80–81.

### ACTIONS

Within Balder's operations, there are several examples of actions intended to reduce or prevent negative impacts linked to information and data security. Balder does not have a Group-wide action plan in respect of



information and data security, and has therefore not identified any significant operating or capital expenditure. Expenditure linked to the actions below is integrated into the company's ongoing operations. Actions can vary between the subsidiaries, but are based on legal requirements and local needs, and are supplemented by routines, initiatives, internal control and follow-up in accordance with Balder's Group policies.

If the company is deemed to have caused or contributed to a negative impact, corrective action and, if necessary, remediation is taken as deemed appropriate based on incident management routines. Customers or other stakeholders can make contact through the company's various contact channels such as email or the customer service. There are at present no defined routines for ensuring access to corresponding chan-

nels through the company's business relationships. Cases received are followed up within the framework of the company's standard routines for customer and case management, and experiences from these are used to continuously improve handling and ensure that the channels are working appropriately. Below is a list of the company's ongoing key actions and those in progress that are intended to make a long-term contribution to the company's sustainability strategy:

- Compliance and routines for handling data
- Risk identification and supervision
- Employee training
- Internal incident management routines

**S4** INFORMATION AND DATA SECURITY

**Compliance and routines for handling data**

Balder’s operations are established within the EU, which means that the General Data Protection Regulation (GDPR) applies to all. Balder strives to comply with relevant regulations within this area, and the company’s IT Manager is responsible, together with HR, for the Group’s IT Policy. Where relevant, the company also engages external assistance in the form of consultants in order to ensure compliance.

Anyone whose personal data is being handled by Balder has the right to information about how their personal data is being handled. This applies to employees, tenants and other groups. The information must be easily accessible and is mainly provided via the company’s intranet for employees and the website for tenants, buyers or other stakeholders. Internal and external stakeholders can also use Balder’s external whistleblowing service for anonymous reporting of any irregularities or other serious incidents. See pages 102–104 for more information about Balder’s whistleblowing service.

**Risk identification and supervision**

All actions in the area of risk identification and supervision are aimed at reducing the identified negative impacts that the company has had and may have in the future. This may also relate to factors beyond the company’s control in the form of cyberattacks and the like. Balder works regularly with IT and cybersecurity analyses based on different levels of protection, in order to increase the company’s resilience and spread of risk. This is done within each consolidated company, with support at Group level if required. In addition to this, an audit of the company’s IT environment is conducted as part of the financial audit, and the company works on an ongoing basis with areas for improvement that are identified. Improvement work involves actions such as multi-factor authentication for information access, regular internal vulnerability analyses, external security audits of the company’s infrastructure and system configuration, and disaster and action plans for

Balder’s central systems. Balder also has operational measures in place in order to monitor and respond to data breaches and cyber-attacks, with the digital environment being monitored around the clock by an external partner. In Sweden, Denmark and Finland, Balder also conducts ongoing customer satisfaction surveys, in which issues including treatment and fault management are followed up. Customer surveys are a form of dialogue that also enables the company to manage risks and opportunities, and to identify priority actions.

**Employee training**

Balder’s employees are an important element of the company’s work on information and data security. As part of this, Balder provides a mandatory training course based on the company’s IT Policy and a specialist course in handling personal data in accordance with GDPR. The purpose is to increase knowledge among employees and thereby contribute to a resilient organisation in which various kinds of data are being used to an increasing extent. Through various interventions and initiatives, Balder strives to guarantee awareness and knowledge of information security. The company’s IT Manager reports regularly to the Board of Directors, and important information relating to information and data security is also published on an ongoing basis via the intranet and by emails sent to all employees in order to highlight potential threats and risks.

**Internal incident management routines**

In the event that incidents do occur relating to information and data security, there are internal routines and processes available for employees to follow, which include contacting the person responsible for follow-up on incidents. The person responsible for incidents then proceeds with the relevant actions for the incident based on what is applicable in accordance with GDPR. In cases where it is deemed necessary, the incident is escalated to the company’s incident management team.

**METRICS AND TARGETS**

**THE UN’S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER’S SUSTAINABILITY WORK**



Balder has not adopted any measurable, outcome-based targets linked to information and data security. The company does, however, follow up on the appropriateness of policies and actions by such means as metrics, and also through an annual audit of the IT environment within the framework of the financial audit. The company’s level of ambition at Group level is to comply with the legal requirements and regulatory frameworks that exist in the area and the various geographical markets where the company is established. Progress is assessed quantitatively through follow-up on data and information relating to the number of identified cases of data leakage, theft or loss of customer data. The company has not defined a base period to follow up on progress, but work takes place on an ongoing basis and is compared against the previous year.

In 2025, Balder commenced discussions on the formalisation of a target in respect of the number of incidents linked to data protection and the handling of personal data. The target will be formulated and included in the relevant policy in the next few years. In cases where incidents have been reported, these were followed up in accordance with the company’s internal processes.

**Metrics for information and data security**

The number of cases identified of data leakage, data theft or loss of customer data is based on confirmed incidents in which customer information was exposed, lost or accessed without authorisation. The number of substantiated complaints relates to written complaints to regulatory authorities or complaints from customers that were deemed, following an internal investigation, to be legitimate and relate to deficiencies in the protection of customers’ personal data. Balder has been made aware of 20 incidents of leakage of customer data during the financial year. The incidents relate to customer data that was mistakenly shared with the wrong counterpart, for example in connection with the sending of e-mails, rental contracts or invoices. In cases involving a breach of sensitive data, information was erased or recalled, and parties involved were reminded of the company’s routines for the secure handling of customer data. The scope of such incidents is relatively limited in the majority of cases, as the sensitive data only reached a small number of individuals. In some cases the breaches were systematic due to system error. In cases where incidents occurred linked to information or data security, Balder has not needed to provide any remediation apart from correcting what happened. This may involve, for example, recalling information that had been sent to the wrong counterpart. Balder had one substantial complaint during the financial year in which a tenant’s data was updated incorrectly in an internal system, one of the consequences of which was that their contact details were distributed incorrectly. The tenant reported the error to the company’s customer service, who worked with the IT Department to assist the tenant promptly. The company has not had any cases of non-compliance with or failure to respect human rights in respect of contact with the company’s tenants or other stakeholders downstream.

**INFORMATION AND DATA SECURITY**

	2025	2024
<b>Number of cases identified of data leakage, theft or loss of customer data<sup>1)</sup></b>	<b>20</b>	<b>10</b>
<b>Number of substantiated complaints<sup>1)</sup></b>	<b>1</b>	<b>0</b>
– of which from external parties	1	0
– of which from regulatory authorities	0	0

<sup>1)</sup> Entity specific disclosures.



## BUSINESS CONDUCT

Since being founded in 2005, Balder has grown strongly with good profitability. In order to continue this development and create value for the company's stakeholders, strict requirements are in place for a corporate culture characterised by sound values, collective entrepreneurship and business ethical conduct. For more information about Balder's double materiality analysis, see pages 51–56.

### THIS CHAPTER DESCRIBES BALDER'S SUSTAINABILITY WORK RELATED TO:

- G1 Business ethics

### POLICIES AND GUIDELINES

- Code of Conduct for Employees
- Code of Conduct for Business Partners
- Risk and Crisis Management Policy
- Whistleblowing Policy
- Privacy Policy
- Tax Policy
- Insider Policy

All policies are Group-wide, subject to an annual review and are adopted by Balder's Board of Directors.



G1

## BUSINESS ETHICS

Balder shall maintain a sound corporate culture and responsible entrepreneurship. This means openness, respect for stakeholders and a high level of business ethics in both the company and the value chain. Support is provided by systems and processes that are intended to prevent, discover and manage incidents, for example the Codes of Conduct, internal controls and an external whistleblowing service.

### IMPACTS, RISKS AND OPPORTUNITIES

A company characterised by sound values has the potential to promote responsible entrepreneurship with business ethical conduct. In the same way, there is a risk that inadequate business ethics, for example incidents of corruption or bribery, can cause a potential negative impact in own operations and in the value chain. Disregarding policy documents in the areas of business ethics, by employees or business partners, risks having a financial impact in the form of breaches of legislation, additional costs, fines, a damaged reputation and lost business. For more information about impacts, risks and opportunities, see Balder's double materiality analysis on pages 51–56.

Corruption refers to the use of someone's position to achieve an unfair advantage for their own or someone else's gain. Risk areas for corruption or bribery in a property company can be, for example, procurement and purchasing, information management, gifts and entertainment, and secondary occupations. In 2025, the company conducted a Group-wide risk assessment regarding which departments are most exposed to risk. See a more detailed description of the risk analysis under actions on page 103.

There are routines and guidelines providing clarity for employees and business partners about what business ethical conduct is. The company has mechanisms to discover, report and investigate breaches and actions that are in violation of Balder's policies and codes of conduct. Internal control and whistleblowing are important functions to discover any possible breaches.

### STRATEGY

Balder's aim is to maintain a culture of openness and high business ethics in the company. Since Fastighets AB Balder was founded in 2005, the company has grown rapidly, from being a local real estate company

in Sweden to having a diversified property portfolio with more than 2,000 properties in six European countries. In an expansive company with a growing organisation, there is a need for clear governance and effective collaboration in order to guarantee responsible entrepreneurship.

To address and manage the company's impacts and risks, such as those entailed by inadequate business ethics, Balder produces Group-wide policy documents. National legislation represents the lowest limit for Balder's work on business conduct. The following policies are intended to further develop and improve this work: Sustainability Policy, the Code of Conduct for Employees and the Code of Conduct for Business Partners, the Whistleblowing Policy, the Insider Policy, the Tax Policy and the Risk and Crisis Management Policy. For more information about Balder's policy work, see the section on policies on page 48.

#### Sustainability Policy

Balder's Sustainability Policy clarifies that the company's operations shall be conducted in an open, long-term and ethically responsible manner. The policy applies across the entire Group and includes targets to ensure that no cases of corruption occur and that employees are trained in Balder's Code of Conduct.

#### Code of Conduct and Whistleblowing Policy

The purpose of Balder's Code of Conduct for Employees and the Code of Conduct for Business Partners is to provide guidelines for responsible behaviour in internal and external relationships, and to specify which fundamental requirements exist in all business situations. The policies cover issues in the area of responsible and ethical business relationships, good work environment, responsibility for the environment, respect for human rights and how employees can take action

to report incidents of suspected violations of laws, regulations or the Code of Conduct.

The Code of Conduct for Employees describes, for example, that employees must act and prevent incidents of corruption and discrimination. The Code of Conduct is available via the company's internal and external channels, is distributed to new employees when they start employment, and included for the majority of employees in the Group's consolidated companies in training courses generated every year. If there is any suspicion of breaches of the codes of conduct, stakeholders can report anonymously via Balder's whistleblowing service. The purpose of the Whistleblowing Policy is to ensure that the organisation's employees and other stakeholders feel safe and secure when reporting irregularities and other serious incidents, without fear of retaliation or other negative consequences. Read more about the company's whistleblowing routines on page 103.

#### Tax Policy

Balder has a Group-wide Tax Policy that regulates approaches and conduct with regard to tax, and it supplements the company's codes of conduct. To ensure treatment of tax that is in line with the demands placed on a responsible actor, the Board of Directors has adopted guidelines for tax treatment.

#### Insider Policy

Balder's Insider Policy clarifies what the rules are for the purchase and sale of shares in Balder or associated companies. The purpose of the policy is to prevent insider dealing and the dissemination of confidential information. The policy also includes bans that are more far-reaching than what applies according to legislation and regulations. The policy applies to people employed at Balder, people who have certain assignments for the company and in some cases also close relatives.

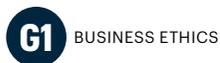
Compliance with the Codes of Conduct and other policies linked to business ethics and corporate culture is followed up annually through internal routines and external reporting.

### ACTIONS

Within Balder's operations, there are several examples of actions intended to reduce or prevent negative impacts and to increase positive impacts among the company's stakeholders linked to business conduct. Balder works continuously with training in current policies, promotion of a business ethical approach and implementation of systems and processes that make it possible to prevent, discover, investigate and take action in connection with incidents. Balder does not have a Group-wide action plan, and the company has therefore not identified any significant operating or capital expenditure.

Actions in respect of business conduct can vary between the subsidiaries, but are based on legal requirements and local needs, and are supplemented by routines, initiatives, internal control and follow-up in accordance with Balder's Group policies. Below is a list of the company's ongoing key actions and those in progress in the area of business conduct that are intended to make a long-term contribution to the company's sustainability strategy:

- Collective entrepreneurship as a basis for business conduct
- Preventive sharing of knowledge
- Requirements of suppliers and business partners in the value chain
- Risk analysis
- Crisis management
- Whistleblowing system



**Collective entrepreneurship as a basis for business conduct**

Balder works actively to strengthen the positive aspects, while limiting potential risks, that come with a business ethical approach characterised by entrepreneurship, rapid growth, business acumen, ambition and commitment. Essentially it is about the company, its managers and its employees having a shared view of what Balder stands for, what the company wants to achieve and how employees should act along the way. The company has a brand platform that communicates Balder’s values and vision, which must be conveyed by managers and leaders to each employee.

The company’s view of business ethics is included in processes and routines from recruitment and onboarding through to continuous dialogue during employment. Each employee contributes to collective entrepreneurship by being business-driven, compassionate, rational and long-term oriented.

**Preventive sharing of knowledge**

All policies adopted by the Board of Directors were communicated to the consolidated subsidiaries during 2025. In addition to governance and policies, Balder works preventively within business ethics through continuous information to employees and partners, as well as trainings. Management and managers with staff responsibility are responsible for ensuring that all employees are aware of and have knowledge of how they should behave in accordance with the Code of Conduct. Training and information to employees about business ethics takes place in different ways and to a different extent within the Group, in companies where Balder has its own employees. In Balder Sweden and SATO, information about accepting and offering bribes and the Code of Conduct are mandatory elements of each company’s digital training system, which all employees undergo. Each employee is responsible for complying with the Code of Conduct and adopted policy documents. The Board and management are also subject to the mandatory training in business ethics.

**Requirements of suppliers and business partners in the value chain**

Balder has strict demands on suppliers and business partners to comply with the international guidelines that form the basis of the company’s Code of Conduct for Business Partners. This includes requirements for suppliers and subcontractors to ensure a good working environment for their employees, promote sound competition and combat crime. This Code of Conduct is to be attached in the procurement and signing of new agreements with contractors. Balder also continues to update agreements and further develop processes and routines in respect of supplier follow-up as well as ensuring working conditions and labour law. In addition to the Code of Conduct, most companies in the Group also have a purchasing policy or guidelines on purchasing that clarify routines for a responsible process and for follow-up on suppliers.

**Risk analysis**

In order to protect the organisation, guarantee continuity in operations, reduce negative impacts and improve preparedness, a Risk and Crisis Management Policy was developed for the Group in 2024. The policy was approved by the Board of Directors in February 2025. Risk management is undertaken through a structured process that includes identifying risks, assessing and evaluating risks, planning and implementing actions, and ongoing monitoring and reporting.

As part of the company’s risk management, in 2025, Balder carried out a mapping exercise in order to identify which departments and roles are most exposed to risks linked to corruption and bribery. The risk analysis was conducted by all consolidated companies with their own employees. The results of the risk analysis will form the basis of targeted actions, such as internal training courses, enhanced processes and updated routines, in order to reduce the risk of irregularities, bribery and corruption. The departments and roles deemed to have the highest risk exposure are above all functions with significant financial decision-making authority and frequent collaboration with external par-

ties. Examples of such functions are the management and administration team, the Finance and Purchasing Department, and the Project and Property Development Department. In 2025, all employees in departments exposed to risk were given training in anti-corruption, bribery and responsible conduct.

**Crisis management**

A crisis is defined in the company’s Risk and Crisis Management Policy as an incident that might develop out of control and result in significant losses. It may arise from serious incidents, security or privacy problems, or unethical conduct that harms the business and its reputation. A crisis can start on a small scale but escalate quickly.

In addition to the Risk and Crisis Management Policy, in 2025 the company established a risk and crisis committee, charged with the task of clarifying working methods, coordinating and developing continuity in the business’s risk and crisis management and ensuring the organisation’s preparedness for the whole Group. In 2025, the company started an inventory in respect of the consolidated companies’ risk and crisis management, and started the collection of data linked to the number of crises in each company. The risk and crisis committee also has the task of compiling and reporting to the company’s Board of Directors.

Crisis management is carried out in the following steps: crisis identification, crisis plan, drills and communication. An evaluation of risk and crisis management initiatives must be conducted after each incident, in order to learn from experiences and improve processes. Crises are to be managed by each company’s crisis management team and integrated into operational work in order to strengthen the company’s resilience over time.

In Sweden, Denmark and Finland, the crisis management team has operational responsibility for maintaining routines and guidelines in security and crises as well as implementation and audits. The companies’ department managers are responsible for ensuring that the guidelines are followed in each area of responsibil-

ity, and also for compliance by their staff. Depending on the type of case that is received by the crisis management team, there is a process that includes the following steps: collection of information, investigation, assessment, management and follow-up. In cases of whistleblowing where the crisis management team assesses that an incident is against the law, a police report is filed. The company also uses external help to ensure that the whistleblowing process is pursued in an impartial manner.

**Whistleblowing**

Responsible entrepreneurship means openness, respect for all the company’s stakeholders and striving to observe high standards of business ethics in both the company and the whole value chain. It is important that any irregularities and cases of misconduct are highlighted and investigated as quickly as possible. These might involve, for example, financial crime, abuse of a position, serious harassment, corruption or environmental crime.

If there is any suspicion of breaches of the Code of Conduct or other policies, it is the responsibility of all employees to report this, either to their closest manager, the HR manager or crisis management, or anonymously to the company’s external whistleblowing service. Balder’s whistleblowing function is available to employees via the intranet and to external parties via the company’s website. The function is available in all markets where Balder operates and is offered in local languages for the company’s stakeholders. The service was updated during 2022 to further protect the privacy of whistleblowers and to ensure that cases are handled in an anonymous and impartial manner. The Whistleblowing Policy clarifies whistleblowing protection, including discharge from liability and the prevention of actions and retaliation. The policy is also intended to ensure that the reports are managed in accordance with the company’s set routines regarding processing time and confidentiality.

**G1** BUSINESS ETHICS

**METRICS AND TARGETS**

**THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS LINKED TO BALDER'S SUSTAINABILITY WORK**



To support the purpose of Balder's Sustainability Policy and the Code of Conduct for Employees, the company has adopted two entity specific targets. Balder's objective in respect of corruption is that no incidents of corruption shall occur in the business. The target is a quantitative, absolute and ongoing target linked to business ethics. The company also has a target that all employees shall be trained in the Code of Conduct. The target is quantitative, relative and ongoing, linked to the company's work in the area of business ethics. Both targets cover all companies in the consolidated Group and all of the company's employees. For more information about the company's sustainability work on policies and targets, see page 48.

Irregularities linked to corruption are measured and followed up, in all consolidated companies with own employees within the Group, through the number of cases of corruption and incidents of whistleblowing. Compilation of information linked to business ethics during the reporting period takes place internally through Balder's digital systems for sustainability reporting. In 2025, 82% (86) of the Group's employees were trained in the Code of Conduct. An incident of corruption or bribery refers to a case reported to the police that led to a conviction in court, and the number of persons involved in the incident. No incidents of corruption occurred during 2025, and no fines for violations of laws against corruption or bribery were issued.

The company reports the number of whistleblowing incidents that have come to the company's attention through the whistleblowing channel and that have led to a police report. Whistleblowing cases involve suspicions of all kinds of irregularities or violations of law,



such as financial crime, corruption, discrimination and harassment.

In 2025, a whistleblower case was received within the Group that led to a police report. The case, which concerned suspicions of bribery, was received via an external whistleblower service in Sweden. After an investigation with the support of an external agency, a police report was filed. The case has also been handled under labour law by HR in collaboration with affected managers, which resulted in two employees in Sweden leaving their jobs. The whistleblower case in 2024 concerned an employee in Sweden who was suspected of having exploited his position to gain an improper advantage for his own gain. This case was also reported to the police and handled under labour law by HR in collaboration with affected managers. Balder takes cases involving a breach of business ethical conduct very seriously. No cases resulting in a judgement against the company or fine for a violation of laws in respect of corruption or bribery were reported during 2025.

**SUSTAINABILITY TARGETS**

Business ethics	Outcome 2025	Outcome 2024
No incidents of corruption	0	0
Fines in respect of corruption	0	0
All employees must be trained in the Code of Conduct <sup>1)</sup>	944	915

1) Entity specific disclosure.

**KEY RATIOS, BUSINESS ETHICS**

	2025	2024
Number of reported cases of whistleblowing that were reported to the police <sup>1)</sup>	1	1

1) Entity specific disclosure.

APPENDIX

# ESRS DISCLOSURE REQUIREMENTS

**List of material disclosure requirements** **Page**

ESRS 2	General disclosures	
BP-1	Basis for the Sustainability Report	45–46
BP-2	Specific circumstances	45–46
GOV-1	Governing bodies	47, 94
GOV-2	Information provided to and sustainability matters addressed by governing bodies	47
GOV-3	Incentive schemes	47
GOV-4	Due diligence	48
GOV-5	Risk management and internal control	47–48
SBM-1	Value chain	49
SBM-2	Views of stakeholders	50
SBM-3	Strategy and business model	51–56
IRO-1	Processes to assess impacts, risks and opportunities	51–56
IRO-2	ESRS disclosures in the Sustainability Report	105–108

**E1** **Climate change**

ESRS 2 GOV-3. E1	Incentive schemes	47
E1-1	Transition plan	65–66
ESRS 2 SBM-3. E1	Strategy and business model	63–64
ESRS 2 IRO-1.E1	Processes to assess impacts, risks and opportunities	51–56, 60, 65, 71
E1-2	Policies	48, 65, 71
E1-3	Actions	60–61, 66–67, 71–72
E1-4	Targets	61, 67–68, 72–73
E1-5	Energy consumption	72–73
E1-6	Scope 1, 2 & 3	67–69

**E3** **Water**

ESRS 2 SBM-3. E3	Strategy and business model	75
ESRS 2 IRO-1	Processes to assess impacts, risks and opportunities	51–56, 75
E3-1	Policies	48, 75
E3-2	Actions	75
E3-3	Targets	75–76
E3-4	Water consumption	75–76

**List of material disclosure requirements** **Page**

E5	Resource use and circular economy	
ESRS 2 SBM-3. E5	Strategy and business model	77
ESRS 2 IRO-1. E5	Processes to assess impacts, risks and opportunities	51–56, 77
E5-1	Policies	48, 77
E5-2	Actions	77
E5-3	Targets	78
E5-5	Waste	78

**S1** **Own employees**

ESRS 2 SBM-2.S1	Views of stakeholders	50
ESRS 2 SBM-3.S1	Strategy and business model	87–88, 92
S1-1	Policies	48, 88, 92
S1-2	Channels to raise concerns	50, 87
S1-3	Remediation for negative impacts	87
S1-4	Actions	88–89, 92–93
S1-5	Targets	89, 93
S1-6	Characteristics of the undertaking’s employees	87, 89, 90
S1-7	Characteristics of non-employees	87, 89
S1-8	Collective bargaining coverage and social dialogue	90
S1-9	Diversity metrics	94
S1-10	Adequate wages	92
S1-11	Social protection	88
S1-13	Training and skills development metrics	93
S1-14	Health and safety metrics	91
S1-16	Remuneration metrics	94
S1-17	Incidents and complaints in area of human rights	93

**S2** **Workers in the value chain**

ESRS 2 SBM-2. S2	Views of stakeholders	50
ESRS 2 SBM-3. S2	Strategy and business model	95
S2-1	Policies	48, 95
S2-2	Channels to raise concerns	50, 96
S2-3	Remediation for negative impacts	96
S2-4	Actions	95–96
S2-5	Targets	96

**List of material disclosure requirements** **Page**

S4	Customers and social area development	
ESRS 2 SBM-2. S4	Views of stakeholders	50
ESRS 2 SBM-3. S4	Strategy and business model	97, 99
S4-1	Policies	48, 97, 99
S4-2	Channels to raise concerns	50, 98
S4-3	Remediation for negative impacts	99–100
S4-4	Actions	97–98, 99–100
S4-5	Targets	98, 100

**G1** **Business conduct**

ESRS 2 GOV-1. G1	Governing bodies	47–48
ESRS 2 IRO-1. G1	Processes to assess impacts, risks and opportunities	51–56, 102
G1-1	Policies	48, 102
G1-3	Preventive work	102–103
G1-4	Incidents	104

## APPENDIX

# DISCLOSURES ORIGINATING FROM OTHER LEGISLATION

Disclosure requirement	Related data point	Reference in the Corporate Sustainability Reporting Directive	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page/relevance
ESRS 2 GOV-1	21(d) Board's gender diversity	●		●		94
ESRS 2 GOV-1	21(e) Percentage of board members who are independent			●		47
ESRS 2 GOV-4	30 Statement on due diligence	●				48
ESRS 2 SBM-1	40(d)(i) Involvement in activities related to fossil fuel activities	●	●	●		Not material
ESRS 2 SBM-1	40(d)(ii) Involvement in activities linked to chemical production	●		●		Not material
ESRS 2 SBM-1	40(d)(iii) Involvement in activities related to controversial weapons	●		●		Not material
ESRS 2 SBM-1	40(d)(iv) Involvement in activities related to cultivation and production of tobacco			●		Not material
ESRS E1-1	14 Transition plan to reach climate neutrality by 2050				●	65–66
ESRS E1-1	16(g) Undertakings excluded from the EU Paris-aligned benchmarks		●	●		65
ESRS E1-4	34 GHG emission reduction targets	●	●	●		67–69
ESRS E1-5	38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	●				72
ESRS E1-5	37 Energy consumption and mix	●				72
ESRS E1-5	40–43 Energy intensity associated with activities in high climate impact sectors	●				72
ESRS E1-6	44 Gross Scopes 1, 2 and 3 and total GHG emissions	●	●	●		69
ESRS E1-6	53–55 Gross GHG emissions intensity	●	●	●		67
ESRS E1-7	56 GHG removals and carbon credits				●	Not material
ESRS E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks			●		Not material
ESRS E1-9	66(a) Disaggregation of monetary amounts by acute and chronic physical risk		●	●		Not material
ESRS E1-9	66(c) Location of significant assets at material physical risk		●			Not material
ESRS E1-9	67(c) Breakdown of the carrying value of its property assets by energy-efficiency classes		●			Not material
ESRS E1-9	69 Degree of exposure of the portfolio to climate-related opportunities			●		Not material
ESRS E2-4	28 Amount of each pollutant listed in Annex II of the European Pollutant Release and Transfer Register emitted to air, water and soil	●				Not material
ESRS E3-1	9 Water and marine resources	●				75
ESRS E3-1	13 Dedicated policy	●				75
ESRS E3-1	14 Sustainable oceans and seas	●				Not material
ESRS E3-4	28(c) Total water recycled and reused	●				75
ESRS E3-4	29 Total water consumption in own operations in m <sup>3</sup> per unit of net revenue	●				76

APPENDIX  
 Contd. Disclosures originating from other legislation

Disclosure requirement	Related data point	Reference in the Corporate Sustainability Reporting Directive	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page/relevance
ESRS 2 – SMB 3 – E4	16(a)(i)	●				Not material
ESRS 2 – SMB 3 – E4	16(b)	●				Not material
ESRS 2 – SMB 3 – E4	16(c)	●				Not material
ESRS E4-2	24(b) Sustainable land/agriculture practices or policies	●				Not material
ESRS E4-2	24(c) Sustainable oceans/seas practices or policies	●				Not material
ESRS E4-2	24(d) Policies to address deforestation	●				Not material
ESRS E5-5	37(d) Non-recycled waste paragraph	●				Not material
ESRS E5-5	39 Hazardous waste and radioactive waste	●				Not material
ESRS 2 – SBM3 – S1	14(f) Risk of incidents of forced labour	●				87
ESRS 2 – SBM3 – S1	14(g) Risk of incidents of child labour	●				87
ESRS S1-1	20 Human rights policy commitments	●				48, 87
ESRS S1-1	21 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			●		87
ESRS S1-1	22 Processes and actions to prevent trafficking in human beings	●				87
ESRS S1-1	23 Workplace accident prevention policy or management system	●				89
ESRS S1-3	32(c) Grievance/complaints handling mechanism related to employee matters	●				87
ESRS S1-14	88(b) and (c) Number of fatalities and number and rate of work-related accidents	●		●		91
ESRS S1-14	88(e) Number of days lost due to injuries, accidents, fatalities or illness	●				91
ESRS S1-16	97(a) Unadjusted gender pay gap	●		●		94
ESRS S1-16	97(b) Excessive CEO pay ratio	●				94
ESRS S1-17	103(a) Incidents of discrimination	●				93
ESRS S1-17	104(a) Non-respect of UNGPs on Business and Human Rights and OECD guidelines	●		●		93
ESRS 2 – SBM3 – S2	11(b) Significant risk of child labour or forced labour in the value chain	●				95
ESRS S2-1	17 Human rights policy commitments	●				96
ESRS S2-1	18 Policies related to value chain workers	●				95
ESRS S2-1	19 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	●		●		95
ESRS S2-1	19 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			●		95–96
ESRS S2-4	36 Human rights issues and incidents connected to its upstream and downstream value chain	●				96
ESRS S3-1	16 Human rights commitments	●				Not material
ESRS S3-1	17 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	●		●		Not material
ESRS S3-4	36 Human rights issues and incidents	●				Not material
ESRS S4-1	16 Policies related to consumers and end-users	●				97, 99
ESRS S4-1	17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	●		●		48, 97, 99

## APPENDIX

Contd. Disclosures originating from other legislation

Disclosure requirement	Related data point	Reference in the Corporate Sustainability Reporting Directive	Reference in the third pillar	Reference in the Benchmark Regulation	Reference in the EU Climate Law	Page/relevance
ESRS S4-4	35 Human rights issues and incidents	●				100
ESRS G1-1	10(b) United Nations Convention against Corruption	●				102
ESRS G1-1	10(d) Protection of whistleblowers	●				103
ESRS G1-4	24(a) Fines for violation of anti-corruption and anti-bribery laws	●		●		104
ESRS G1-4	24(b) Standards of anti-corruption and anti-bribery	●				102-103

# FINANCIAL STATEMENTS AND NOTES

Gothenburg  
Inom Vallgraven 4:2  
Commercial

## CONTENTS

<b>FINANCIAL STATEMENTS</b> .....	<b>110</b>
Consolidated statement of comprehensive income .....	110
Consolidated statement of financial position .....	111
Consolidated statement of changes in equity .....	112
Consolidated cash flow statement .....	113
Parent company income statement .....	114
Parent company balance sheet .....	115
Parent company statement of changes in equity .....	116
Parent company cash flow statement .....	117
<b>NOTES ON THE FINANCIAL STATEMENTS</b> .....	<b>118</b>
1 Accounting policies .....	118
2 Segment reporting .....	120
3 Distribution of income .....	122
4 Employees and staff costs .....	122
5 Remuneration to auditors .....	124
6 Operating costs distributed according to function and type of cost .....	124
7 Specification of property costs .....	124
8 Leases .....	125
9 Financial income and expenses .....	127
10 Income tax .....	127
11 Earnings per share .....	130
12 Investment properties .....	130
13 Other fixed assets .....	132
14 Participations in associated companies and joint ventures .....	133
15 Other non-current receivables .....	138
16 Development properties .....	138
17 Trade receivables .....	138
18 Prepaid expenses and deferred income .....	139
19 Financial investments .....	139
20 Equity .....	139
21 Non-controlling interests .....	140
22 Financial risk management .....	141
23 Credit facility .....	146
24 Deferred expenses and prepaid income .....	146
25 Pledged assets and contingent liabilities .....	147
26 Cash flow statement .....	147
27 Participations in Group companies .....	148
28 Receivables from/liabilities to Group companies .....	149
29 Significant events after the end of the financial year ..	149
30 Related parties .....	149
31 Parent company information .....	149
32 Goodwill .....	149
<b>AUDITOR'S REPORT</b> .....	<b>162</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Note	2025	2024
Rental income	2, 3	13,721	12,876
Property costs	2, 6, 7	-3,407	-3,263
<b>Net operating income</b>		<b>10,314</b>	<b>9,613</b>
Management and administrative costs	4, 5, 6	-1,160	-1,080
Participation in profits from associated companies and joint ventures	14	1,779	901
– of which profit from property management		1,933	2,015
– of which changes in value		297	-909
– of which tax		-450	-204
Other income/costs		4	-11
<b>Profit before net financial items</b>		<b>10,937</b>	<b>9,423</b>
<i>Financial items</i>			
Financial income	9	444	897
Financial expenses	9	-4,680	-4,976
– of which cost of leases/ground rent	8	-93	-103
<b>Net financial items</b>		<b>-4,235</b>	<b>-4,079</b>
<b>Profit including changes in value and tax in associated companies and joint ventures</b>		<b>6,702</b>	<b>5,344</b>
– of which Profit from property management	2, 3, 4, 5, 6, 7, 8, 9	6,855	6,458
<i>Changes in value</i>			
Changes in value of investment properties, realised	12	58	-4
Changes in value of investment properties, unrealised	12	2,440	-756
Changes in value of derivatives	22	399	-21
Income from sale of development properties	16	123	1,001
Costs from sale of development properties	16	-140	-879
<b>Changes in value, total</b>		<b>2,880</b>	<b>-659</b>
<b>Profit before tax</b>		<b>9,582</b>	<b>4,686</b>
Income tax	10	-1,591	-1,045
<b>Net profit for the year</b>		<b>7,991</b>	<b>3,640</b>
<i>Net profit for the year attributable to</i>			
Parent company's shareholders		7,621	3,304
Non-controlling interests	21	370	336
		<b>7,991</b>	<b>3,640</b>

SEKm	Note	2025	2024
<b>Other comprehensive income – items that may be reclassified to profit or loss</b>			
Translation difference relating to foreign operations (net after hedge accounting)		-1,780	664
Cash flow hedges after tax		4	-71
Participation in other comprehensive income from associated companies and joint ventures		-895	-55
<b>Comprehensive income for the year</b>		<b>5,321</b>	<b>4,179</b>
<i>Comprehensive income for the year attributable to</i>			
Parent company's shareholders		5,698	3,457
Non-controlling interests		-377	722
		<b>5,321</b>	<b>4,179</b>

SEKm	Note	2025	2024
Profit from property management		6,855	6,458
Minus participation of non-controlling interests in profit from property management		-466	-447
<b>Profit from property management attributable to parent company's shareholders</b>		<b>6,389</b>	<b>6,011</b>
Profit from property management per share after dilution, SEK		5.37	5.13
Profit after tax per share before dilution, SEK	11	6.41	2.82
Profit after tax per share after dilution, SEK	11	5.86	2.82

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	12, 25	225,196	221,261
Lease contracts; right-of-use assets	8	2,287	2,585
Goodwill	32	136	—
Other fixed assets	13	303	345
Participations in associated companies and joint ventures	14	24,164	29,281
Other non-current receivables	15	2,560	1,973
Derivatives	22	457	467
<b>Total non-current assets</b>		<b>255,103</b>	<b>255,912</b>
<b>Current assets</b>			
Development properties	16	3,384	1,955
Trade receivables	17	230	296
Other receivables		1,095	2,310
Prepaid expenses and accrued income	18	1,119	992
Derivatives	22	2	17
Financial investments	19	4,795	3,063
Cash and cash equivalents	26	5,715	3,381
Assets held for distribution	14	4,850	—
<b>Total current assets</b>		<b>21,189</b>	<b>12,014</b>
<b>Total assets</b>		<b>276,292</b>	<b>267,926</b>

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>Equity and liabilities</b>			
<b>Equity</b>	20		
Share capital		198	198
Other contributed capital		15,146	15,146
Translation differences		-2,341	-415
Cash flow reserve		282	279
Retained earnings including net profit for the year		80,567	73,212
<b>Equity attributable to the parent company's shareholders</b>		<b>93,852</b>	<b>88,420</b>
Non-controlling interests	21	12,639	13,315
<b>Total equity</b>		<b>106,491</b>	<b>101,735</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	22	126,135	121,124
Other non-current liabilities		801	828
Lease liability	8	2,229	2,527
Deferred tax liability	10	18,046	17,159
Derivatives	22	830	1,326
<b>Total non-current liabilities</b>		<b>148,041</b>	<b>142,964</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	22	17,172	17,727
Trade payables		320	581
Lease liability	8	66	66
Derivatives	22	214	14
Other liabilities		785	1,581
Accrued expenses and deferred income	24	3,203	3,257
<b>Total current liabilities</b>		<b>21,760</b>	<b>23,227</b>
<b>Total liabilities</b>		<b>169,801</b>	<b>166,190</b>
<b>Total equity and liabilities</b>		<b>276,292</b>	<b>267,926</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Attributable to parent company's shareholders						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Cash flow reserve	Translation differences	Retained earnings incl. net profit for the year	Total		
<b>Opening equity, 01/01/2024</b>	<b>192</b>	<b>12,501</b>	<b>320</b>	<b>-609</b>	<b>69,908</b>	<b>82,313</b>	<b>11,674</b>	<b>93,987</b>
Net profit for the year					3,304	3,304	336	3,640
Other comprehensive income			-41	193		153	386	538
<b>Total comprehensive income</b>			<b>-41</b>	<b>193</b>	<b>3,304</b>	<b>3,457</b>	<b>722</b>	<b>4,179</b>
New share issue	6	2,645				2,651		2,651
Transactions with non-controlling interests							-60	-60
Dividends to non-controlling interests							-12	-12
Non-controlling interests arising from new share issue in subsidiaries							959	959
Non-controlling interests arising from acquisition of subsidiaries							33	33
<b>Total transactions with the company's owners</b>	<b>6</b>	<b>2,645</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,651</b>	<b>919</b>	<b>3,570</b>
<b>Closing equity, 31/12/2024</b>	<b>198</b>	<b>15,146</b>	<b>279</b>	<b>-415</b>	<b>73,212</b>	<b>88,420</b>	<b>13,315</b>	<b>101,735</b>
<b>Opening equity, 01/01/2025</b>	<b>198</b>	<b>15,146</b>	<b>279</b>	<b>-415</b>	<b>73,212</b>	<b>88,420</b>	<b>13,315</b>	<b>101,735</b>
Net profit for the year					7,621	7,621	370	7,991
Other comprehensive income			3	-1,926		-1,923	-747	-2,670
<b>Total comprehensive income</b>			<b>3</b>	<b>-1,926</b>	<b>7,621</b>	<b>5,698</b>	<b>-377</b>	<b>5,321</b>
Repurchase of own shares					-267	-267		-267
Transactions with non-controlling interests					1	1	-286	-285
Dividends to non-controlling interests							-17	-17
Shareholder contributions from non-controlling interests							4	4
<b>Total transactions with the company's owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-266</b>	<b>-266</b>	<b>-299</b>	<b>-565</b>
<b>Closing equity, 31/12/2025<sup>1)</sup></b>	<b>198</b>	<b>15,146</b>	<b>282</b>	<b>-2,341</b>	<b>80,567</b>	<b>93,852</b>	<b>12,639</b>	<b>106,491</b>

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

## CONSOLIDATED CASHFLOW STATEMENT

SEKm	Note	2025	2024
<b>Operating activities</b>			
Net operating income		10,314	9,613
Other income/costs		4	-11
Management and administrative costs		-1,160	-1,080
Selling and marketing expenses, development properties		-28	-28
Reversal of depreciation and amortisation		95	97
Interest received	26	444	897
Interest paid	26	-4,483	-4,943
Tax paid		-597	-272
<b>Cash flow from operating activities before changes in working capital</b>		<b>4,589</b>	<b>4,273</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		-436	335
Change in operating liabilities		-114	131
<b>Cash flow from operating activities</b>		<b>4,039</b>	<b>4,738</b>
<b>Investing activities</b>			
Acquisition of investment properties		-9,578	-7,164
Acquisition/sale of other fixed assets		-53	-54
Acquisition of financial investments		-3,090	-2,422
Acquisition of shares/Capital contributions/Loans to/from associated companies and joint ventures		-556	-1,740
Investments in existing properties and projects		-2,612	-2,833
Sale of investment properties		2,490	294
Sale of development properties		123	1,001
Sale of financial investments		1,580	2,337
Sale of shares in associated companies and joint ventures		507	25
Dividend paid from associated companies and joint ventures		1,331	1,121
<b>Cash flow from investing activities</b>		<b>-9,857</b>	<b>-9,435</b>

SEKm	Note	2025	2024
<b>Financing activities</b>			
Payment for purchase of own shares	26	-267	—
New share issue		—	2,651
New share issue in subsidiaries, non-controlling interest's share in new share issue		—	959
Dividend paid to non-controlling interests		-17	-12
Transactions with non-controlling interests		-285	-60
Shareholder contributions from non-controlling interests		4	—
Amortisation of lease liability		-27	-24
Loans raised		31,426	19,416
Amortisation/redemption of loans		-22,610	-17,279
<b>Cash flow from financing activities</b>		<b>8,223</b>	<b>5,650</b>
<b>Cash flow for the year</b>		<b>2,405</b>	<b>953</b>
Opening cash and cash equivalents		3,381	2,402
Exchange rate difference in cash and cash equivalents		-71	25
<b>Closing cash and cash equivalents</b>	26	<b>5,715</b>	<b>3,381</b>

Available liquidity, SEKm	Note	2025	2024
Cash and cash equivalents		5,715	3,381
Unutilised overdraft facilities	23	555	410
Unutilised credit facilities		12,660	13,872
Financial investments	19	4,795	3,063
<b>Available liquidity including confirmed loan commitments</b>		<b>23,724</b>	<b>20,726</b>

## PARENT COMPANY INCOME STATEMENT

SEKm	Note	2025	2024
Net sales	3	587	527
Administrative costs	4, 5	-587	-527
<b>Operating profit</b>		<b>0</b>	<b>-0</b>
<b>Profit from financial items</b>			
Impairment of shares in subsidiaries	27	-570	—
Dividends from subsidiaries		2,452	1,598
Interest income and similar profit/loss items	9	6,725	5,353
– of which exchange rate differences		1,272	—
Interest expenses and similar profit/loss items	9	-3,235	-5,438
– of which exchange rate differences		—	-1,927
Changes in value of derivatives	22	362	26
<b>Profit before appropriations and tax</b>		<b>5,734</b>	<b>1,539</b>
<b>Appropriations</b>			
Group contributions		-1,837	433
Principal earnings <sup>1)</sup>		-54	358
<b>Profit before tax</b>		<b>3,843</b>	<b>2,329</b>
Income tax	10	12	-40
<b>Net profit for the year/comprehensive income<sup>2)</sup></b>		<b>3,855</b>	<b>2,289</b>

1) The parent company is a member of a fiscal commission with a selection of its subsidiaries. All companies in the fiscal commission are also members of a Value Added Tax group. The parent company has issued/received SEK -54m (358) in principal earnings from subsidiaries in the fiscal commission.

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

## PARENT COMPANY BALANCE SHEET

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other fixed assets	13	31	24
<b>Financial non-current assets</b>			
Participations in Group companies	25, 27	12,613	13,159
Participations in associated companies and joint ventures	14, 25	15,417	15,586
Other non-current receivables	15	97	318
Derivatives	22	319	366
Receivables from Group companies	28	100,197	95,871
<b>Total financial assets</b>		<b>128,645</b>	<b>125,300</b>
<b>Total non-current assets</b>		<b>128,675</b>	<b>125,324</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Other receivables		92	105
Prepaid expenses and accrued income	18	266	115
Derivatives	22	—	10
<b>Total current receivables</b>		<b>358</b>	<b>230</b>
Financial investments	19	4,018	2,557
Cash and cash equivalents	26	4,516	2,018
<b>Total current assets</b>		<b>8,891</b>	<b>4,805</b>
<b>TOTAL ASSETS</b>		<b>137,566</b>	<b>130,129</b>

SEKm	Note	31 Dec 2025	31 Dec 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>	20		
Share capital		198	198
<b>Non-restricted equity</b>			
Share premium reserve		11,706	11,706
Retained earnings		19,160	17,138
Net profit for the year		3,855	2,289
<b>Total equity</b>		<b>34,920</b>	<b>31,332</b>
<b>Provisions</b>			
Deferred tax liability	10	66	77
<b>Total provisions</b>		<b>66</b>	<b>77</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	22	57,240	50,646
Liabilities to Group companies	28	33,216	38,590
Derivatives	22	830	1,326
<b>Total non-current liabilities</b>		<b>91,287</b>	<b>90,563</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	22	10,451	6,433
Trade payables		19	18
Other liabilities		129	1,224
Accrued expenses and deferred income	24	696	482
<b>Total current liabilities</b>		<b>11,294</b>	<b>8,157</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>137,566</b>	<b>130,129</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKm	Number of shares	Restricted equity		Non-restricted equity		Total equity
		Share capital	Share premium reserve	Retained earnings	Net profit for the year	
<b>Opening equity, 01/01/2024</b>	<b>1,154,000,000</b>	<b>192</b>	<b>9,062</b>	<b>19,439</b>	<b>-2,136</b>	<b>26,556</b>
Net profit for the year/comprehensive income					2,289	2,289
Appropriation of profits				-2,136	2,136	—
New share issue, after share issue costs	36,000,000	6	2,645			2,651
Group contributions paid				-164		-164
<b>Total transactions with the company's owners</b>	<b>36,000,000</b>	<b>6</b>	<b>2,645</b>	<b>-2,300</b>	<b>2,136</b>	<b>2,487</b>
<b>Closing equity, 31/12/2024</b>	<b>1,190,000,000</b>	<b>198</b>	<b>11,706</b>	<b>17,138</b>	<b>2,289</b>	<b>31,332</b>
<b>Opening equity, 01/01/2025</b>	<b>1,190,000,000</b>	<b>198</b>	<b>11,706</b>	<b>17,138</b>	<b>2,289</b>	<b>31,332</b>
Net profit for the year/comprehensive income					3,855	3,855
Repurchase of own shares	-4,000,000			-267		-267
Appropriation of profits				2,289	-2,289	—
<b>Total transactions with the company's owners</b>	<b>-4,000,000</b>	<b>—</b>	<b>—</b>	<b>2,022</b>	<b>-2,289</b>	<b>-267</b>
<b>Closing equity, 31/12/2025<sup>1)</sup></b>	<b>1,186,000,000</b>	<b>198</b>	<b>11,706</b>	<b>19,160</b>	<b>3,855</b>	<b>34,920</b>

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

## PARENT COMPANY CASH FLOW STATEMENT

SEKm	Note	2025	2024
<b>Operating activities</b>			
Operating profit		0	-0
Reversal of depreciation/impairment		6	7
Interest received	26	1,383	305
Interest paid	26	-1,930	-1,698
Tax paid		-1	-1
<b>Cash flow from operating activities before changes in working capital</b>		<b>-542</b>	<b>-1,386</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		-159	-270
Change in operating liabilities		-857	1,237
<b>Cash flow from operating activities</b>		<b>-1,559</b>	<b>-419</b>
<b>Investing activities</b>			
Acquisition of other fixed assets		-12	-6
Acquisition of participations in Group companies/shareholder contributions paid		—	-1,974
Acquisition of financial investments		-3,083	-2,269
Change in lending to Group companies		-5,603	-4,642
Change in lending to associated companies and joint ventures		234	1,512
Sale of financial investments		1,580	583
Acquisitions of shares/Capital contributions to associated companies and joint ventures		-226	-16
<b>Cash flow from investing activities</b>		<b>-7,110</b>	<b>-6,811</b>

SEKm	Note	2025	2024
<b>Financing activities</b>	26		
New share issue		—	2,651
Payment for purchase of own shares		-267	—
Loans raised		19,847	8,312
Amortisation/redemption of loans		-8,414	-2,991
<b>Cash flow from financing activities</b>		<b>11,166</b>	<b>7,972</b>
<b>Cash flow for the year</b>		<b>2,498</b>	<b>741</b>
Opening cash and cash equivalents		2,018	1,277
<b>Closing cash and cash equivalents</b>	26	<b>4,516</b>	<b>2,018</b>

Available liquidity, SEKm	Note	2025	2024
Cash and cash equivalents		4,516	2,018
Unutilised overdraft facilities	23	350	350
Unutilised credit facilities		9,850	9,670
Financial investments	19	4,018	2,557
<b>Available liquidity including confirmed loan commitments</b>		<b>18,733</b>	<b>14,595</b>

# NOTES ON THE FINANCIAL STATEMENTS

## NOTE 1 ACCOUNTING POLICIES

### General information

The financial statements for Fastighets AB Balder, as of 31 December 2025, were approved by the Board of Directors and Chief Executive Officer on 30 March 2026 and will be submitted for adoption by the Annual General Meeting on 8 May 2026.

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

The accounting policies are described in association with each note in order to provide a better understanding of each accounting area. The general accounting policies and information about the consolidated accounts are set out below.

Accounting policies, risks, estimates and judgements are then presented more specifically for each note in order to provide the reader with a greater understanding of each income statement and balance sheet item.

– Accounting policies are indicated by 

– Risks are indicated by 

– Estimates and judgements are indicated by 

### Accounting policies

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

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

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

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

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

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

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

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

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

### Classification, etc.

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

### Basis of consolidation

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

Subsidiaries are reported according to the acquisition method. This method means that acquisition of a subsidiary that is classified as a business combination is treated as a transaction by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The analysis establishes the cost of the shares or entity, as well as the fair value on the acquisition date of the company's identifiable assets, liabilities assumed and contingent liabilities. The consideration also includes the fair value of all assets or liabilities which are a result of an agreement on contingent consideration. Expenses relating to the acquisition are recognised as expenses as they arise. For each acquisition, the Group determines if non-controlling interests in the acquired entity are recognised at fair value or at the non-controlling interest's proportionate share of the acquired company's net assets. The cost of acquisition of a subsidiary's shares and operations consists of the fair values of the assets on the date of exchange, liabilities incurred or assumed and equity instruments issued as consideration in exchange for the acquired net assets, as well as transaction costs that are directly attributable to the acquisition.

In business combinations where the cost of acquisition exceeds the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognised as goodwill. When the difference is negative, this is recognised directly in the income statement. When a company is acquired, the acquisition constitutes

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

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

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

### Transactions with non-controlling interests and eliminations

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

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

### Foreign currency

#### Financial statements of foreign operations

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

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

#### Transactions in foreign currency

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

### Impairments

The carrying amounts of the Group's assets, with the exception of investment properties, financial instruments and deferred tax assets, are tested on each balance

Contd. **Note 1 Accounting policies**

sheet date to determine if there is any indication of an impairment requirement. If any such indication exists, the asset's recoverable amount is estimated. For exempted assets, as above, the carrying amount is tested in accordance with each standard.

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

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

**Provisions**

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

**New and amended standards applied for the first time in 2025**

New and amended standards and policies that came into force as of 1 January 2025 or later are not considered to have any significant effect on the Group's financial statements.

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

IFRS 18 deals with presentation and disclosures in financial statements and is to be applied for financial years that commence on 1 January 2027 or thereafter. The standard has not yet been adopted by the EU. It will replace IAS 1 Presentation of Financial Statements, and introduces new requirements that aim to achieve increased comparability for similar companies and provide users with more relevant information and transparency.

Among other things, the new requirements mean that all income and expense items are to be classified on the basis of three main categories: operating, investing or financing. IFRS 18 also introduces mandatory subtotals and extended disclosure requirements in respect of certain performance measures, so-called "Management-defined performance measures" (MPM).

Management is currently analysing the full consequences of applying IFRS 18 in the Group's financial reporting. The material effects identified so far are as follows.

Operating profit will be a mandatory subtotal in the new standard, which for the Group will include changes in value of investment properties (and impairment of goodwill if applicable). This is a clear change from the current presentation.

Another important change is that profit from participations in joint ventures and associated companies that is reported in accordance with the equity method must be presented under investing activities. This means that this income statement item will not be included in the operating profit.

The new form of presentation also means that the current profit from property management will not be presented directly in the income statement, as such a subtotal is not possible in IFRS 18. Profit from property management will instead be an MPM with associated disclosures in the notes.

**Parent company accounting policies**

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

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

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

**Classification and presentation**

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

**Anticipated dividends**

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

**Group contributions and shareholders' contributions**

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

**Income**

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

**Leases**

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

**Taxes**

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

**Associated companies/joint ventures**

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

**Subsidiaries**

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

**Financial guarantees**

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

**Principal earnings**

The parent company is a member of a fiscal commission with a selection of its subsidiaries. In the subsidiaries that are members of the commission, the taxable profit is transferred to the parent company and recognised as an appropriation.

## NOTE 2 SEGMENT REPORTING



### ACCOUNTING POLICY

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocation of resources and evaluation of the operating segments' results. In the Group, this function has been identified as the management team, which takes strategic decisions. Management primarily follows up on operating segments in terms of their net operating income, where the distribution of shared property administration costs has taken place through the cost principle.

The Group's internal reporting of the operations is divided into the segments Helsinki, Stockholm, Gothenburg, Copenhagen, South, East and North, which is in harmony with the Group's internal reporting system. The Finnish 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.

Regions	Helsinki		Stockholm		Gothenburg		Copenhagen		South		East		North		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>SEKm</b>																
Rental income	3,037	3,028	1,955	1,947	2,560	2,299	1,220	1,198	1,157	895	2,423	2,197	1,370	1,312	13,721	12,876
Property costs	-923	-938	-469	-467	-564	-521	-295	-292	-253	-221	-606	-538	-296	-286	-3,407	-3,263
<b>Net operating income</b>	<b>2,113</b>	<b>2,090</b>	<b>1,487</b>	<b>1,480</b>	<b>1,996</b>	<b>1,778</b>	<b>924</b>	<b>906</b>	<b>903</b>	<b>674</b>	<b>1,817</b>	<b>1,659</b>	<b>1,074</b>	<b>1,026</b>	<b>10,314</b>	<b>9,613</b>
<b>Changes in value of investment properties and net profit from sale of development properties</b>																
Commercial properties	-15	-28	414	-721	93	-320	164	72	30	26	52	108	490	-78	1,228	-940
Residential properties	-68	-398	-68	-32	429	215	857	169	57	-86	9	357	55	-45	1,271	180
Development properties	—	—	44	90	-59	33	-2	-1	—	—	—	—	—	—	-17	122
<b>Net operating income including changes in value of investment properties and net profit from sale of development properties</b>	<b>2,031</b>	<b>1,664</b>	<b>1,876</b>	<b>817</b>	<b>2,458</b>	<b>1,706</b>	<b>1,943</b>	<b>1,146</b>	<b>991</b>	<b>615</b>	<b>1,877</b>	<b>2,124</b>	<b>1,619</b>	<b>904</b>	<b>12,795</b>	<b>8,975</b>
<b>Non-allocated items:</b>																
Other income/costs															4	-11
Management and administrative costs															-1,160	-1,080
Participations in profits of associated companies and joint ventures															1,779	901
<b>Operating profit</b>															<b>13,418</b>	<b>8,785</b>
Net financial items															-4,235	-4,079
Changes in value of derivatives															399	-21
Income tax															-1,591	-1,045
<b>Net profit for the year</b>															<b>7,991</b>	<b>3,640</b>
Other comprehensive income															-2,670	538
<b>Comprehensive income for the year</b>															<b>5,321</b>	<b>4,179</b>

Contd. **Note 2** Segment reporting

Regions SEKm	Helsinki		Stockholm		Gothenburg		Copenhagen		South		East		North		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Assets</b>																
Commercial properties	3,001	3,190	26,876	27,504	34,427	34,078	2,995	2,796	15,313	12,714	9,632	8,900	13,826	12,684	106,071	101,866
Residential properties	52,666	53,591	6,454	6,478	9,891	9,005	22,527	23,203	2,344	2,239	18,430	18,097	6,812	6,782	119,125	119,394
<b>Investment properties</b>	<b>55,667</b>	<b>56,782</b>	<b>33,330</b>	<b>33,982</b>	<b>44,318</b>	<b>43,083</b>	<b>25,522</b>	<b>25,999</b>	<b>17,657</b>	<b>14,953</b>	<b>28,063</b>	<b>26,997</b>	<b>20,638</b>	<b>19,465</b>	<b>225,196</b>	<b>221,261</b>
Development properties	—	—	514	508	2,868	1,445	2	2	—	—	—	—	—	—	3,384	1,955
<b>Total property portfolio</b>	<b>55,667</b>	<b>56,782</b>	<b>33,844</b>	<b>34,490</b>	<b>47,186</b>	<b>44,528</b>	<b>25,524</b>	<b>26,001</b>	<b>17,657</b>	<b>14,953</b>	<b>28,063</b>	<b>26,997</b>	<b>20,638</b>	<b>19,465</b>	<b>228,580</b>	<b>223,216</b>
<b>Non-allocated items:</b>																
Goodwill															136	—
Other fixed assets															303	345
Lease contract; right-of-use assets															2,287	2,585
Other receivables															5,004	5,570
Participations in associated companies and joint ventures															24,164	29,281
Derivatives															459	485
Cash and cash equivalents and financial investments															10,509	6,444
Assets held for distribution															4,850	—
<b>Total assets</b>															<b>276,292</b>	<b>267,926</b>
<b>Equity and liabilities</b>																
<b>Non-allocated items:</b>																
Equity															106,491	101,735
Lease liability															2,295	2,593
Deferred tax liability															18,046	17,159
Interest-bearing liabilities															143,307	138,851
Derivatives															1,044	1,341
Non-interest-bearing liabilities															5,108	6,246
<b>Total equity and liabilities</b>															<b>276,292</b>	<b>267,926</b>
<b>Investments (including company acquisitions)</b>																
Commercial properties	11	61	662	1,444	1,611	3,348	—	—	3,330	1,089	895	1,312	1,262	311	7,771	7,565
Residential properties	2,382	1,089	50	55	368	65	67	172	85	78	1,188	348	40	46	4,181	1,854
<b>Investment properties</b>	<b>2,393</b>	<b>1,150</b>	<b>712</b>	<b>1,500</b>	<b>1,980</b>	<b>3,413</b>	<b>67</b>	<b>172</b>	<b>3,415</b>	<b>1,167</b>	<b>2,083</b>	<b>1,660</b>	<b>1,302</b>	<b>357</b>	<b>11,953</b>	<b>9,419</b>
Development properties	—	—	13	19	414	557	2	1	—	—	—	—	—	—	429	577
<b>Total property portfolio</b>	<b>2,393</b>	<b>1,150</b>	<b>725</b>	<b>1,519</b>	<b>2,393</b>	<b>3,970</b>	<b>69</b>	<b>173</b>	<b>3,415</b>	<b>1,167</b>	<b>2,083</b>	<b>1,660</b>	<b>1,302</b>	<b>357</b>	<b>12,381</b>	<b>9,996</b>

The Group's registered office is in Sweden. Income from external customers in Sweden amounts to SEK 6,534m (5,816), in Denmark to SEK 1,220m (1,198) in Finland to SEK 4,983m (4,888), in Norway to SEK 804m (781) and in other countries to SEK 180m (193). Total fixed assets, other than financial instruments and deferred tax receivables, that are located in Sweden amount to SEK 112,408m (106,847), in Denmark to SEK 25,528m (26,003) in Finland to SEK 76,162m (76,673), in Norway to SEK 12,472m (11,433) and in other countries to SEK 2,313m (2,605). For detailed information about external customers in each country, see Note 3, Distribution of income.

### NOTE 3 DISTRIBUTION OF INCOME



#### ACCOUNTING POLICY

##### Group – Rental income and service income

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

##### Group – Income from sales of investment properties and development properties

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

##### Parent company – Service assignments

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

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

SEKm	Group		Parent company	
	2025	2024	2025	2024
Rental income	13,721	12,876	–	–
Service assignments	–	–	587	527
<b>Total</b>	<b>13,721</b>	<b>12,876</b>	<b>587</b>	<b>527</b>

#### Rental income distributed by country

SEKm	Group	
	2025	2024
Sweden	6,534	5,816
Denmark	1,220	1,198
Finland	4,983	4,888
Norway	804	781
Germany	62	64
UK	119	128
<b>Total</b>	<b>13,721</b>	<b>12,876</b>

#### Rental income distributed by property category

SEKm	Group	
	2025	2024
Residential	7,123	6,843
Office	1,862	1,853
Retail	2,109	1,746
Industrial/Logistics	1,055	959
Other	1,552	1,461
Projects for own management	20	14
<b>Total</b>	<b>13,721</b>	<b>12,876</b>

#### Rental income distributed by region

SEKm	Group	
	2025	2024
Helsinki	3,037	3,028
Stockholm	1,955	1,947
Gothenburg	2,560	2,299
Copenhagen	1,220	1,198
South	1,157	895
East	2,423	2,197
North	1,370	1,312
<b>Total</b>	<b>13,721</b>	<b>12,876</b>

### NOTE 4 EMPLOYEES AND STAFF COSTS



#### ACCOUNTING POLICY

##### Employee benefits

###### Short-term benefits

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

###### Pensions

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

###### Defined contribution plans

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

###### Redundancy compensation

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

At year-end, the Group had 1,151 employees (1,058), of whom 451 were female (428). The number of employees in the parent company at year-end was 476 (424), of whom 156 were female (144).

During 2025, the parent company had 6 Board members (5) including the Chairman, of whom 2 (1) were female. The parent company had 5 senior executives (5), of whom 3 (3) were female.

#### Average number of employees with geographical distribution per country

	Group		Parent company	
	2025	2024	2025	2024
Average total number of employees	1,086	1,040	426	397
– of whom female	427	417	138	131
– of whom male	660	622	288	266
– of whom Sweden (of whom male)	572 (378)	541 (356)	426 (288)	397 (266)
– of whom Denmark (of whom male)	117 (61)	95 (50)	–	–
– of whom Finland (of whom male)	371 (198)	378 (195)	–	–
– of whom Norway (of whom male)	26 (21)	26 (21)	–	–

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

**Salaries, fees and benefits**

SEKm	Group		Parent company	
	2025	2024	2025	2024
Chairman of the Board <sup>1)</sup>	1.3	1.2	0.4	0.2
Other Board members	2.0	2.4	0.7	0.4
Chief Executive Officer <sup>1)</sup>				
Basic salary	21.8	17.6	0.9	0.9
Benefits	2.2	1.6	0.0	—
Deputy CEO <sup>1)</sup>				
Basic salary	3.1	3.5	0.7	0.7
Benefits	0.0	0.0	0.0	—
Other senior executives				
Basic salary	29.7	23.3	5.1	5.0
Benefits	2.3	1.1	0.2	0.2
Other employees				
Basic salary	634.2	617.4	246.0	228.0
Benefits	19.4	16.8	3.6	3.9
<b>Total</b>	<b>716.1</b>	<b>684.9</b>	<b>257.7</b>	<b>239.3</b>

1) Includes all Chairs of the Board, Chief Executive Officers and Deputy Chief Executive Officers in the Group.

**Statutory social security contributions including payroll tax**

SEKm	Group		Parent company	
	2025	2024	2025	2024
Board of Directors <sup>1)</sup>	1.8	0.4	0.2	0.1
Chief Executive Officer <sup>1)</sup>	4.6	4.5	0.4	0.4
Deputy CEO <sup>1)</sup>	0.2	0.2	0.2	0.2
Other senior executives	7.8	7.1	1.8	1.7
Other employees	165.5	174.4	82.8	77.3
<b>Total</b>	<b>180.0</b>	<b>186.6</b>	<b>85.4</b>	<b>79.7</b>

1) Includes all Boards, Chief Executive Officers and Deputy Chief Executive Officers in the Group.

**Contractual pension expenses**

SEKm	Group		Parent company	
	2025	2024	2025	2024
Chief Executive Officer <sup>1)</sup>	1.4	1.5	0.3	0.3
Deputy CEO <sup>1)</sup>	0.3	0.3	0.0	—
Other senior executives	2.3	2.0	0.4	0.4
Other employees	47.3	53.5	20.0	19.3
<b>Total</b>	<b>51.3</b>	<b>57.3</b>	<b>20.8</b>	<b>20.0</b>
<b>Total staff costs</b>	<b>947.4</b>	<b>928.8</b>	<b>363.8</b>	<b>339.0</b>

1) Includes all Chief Executive Officers and Deputy Chief Executive Officers in the Group.

**Remuneration to senior executives and other benefits during the year**

SEKm	01/01/2025 – 31/12/2025				01/01/2024 – 31/12/2024			
	Basic salary, directors' fee	Benefits	Pension expense	Total	Basic salary, directors' fee	Benefits	Pension expense	Total
Chairman of the Board Sten Dunér	0.4	—	—	0.4	0.1	—	—	0.1
Chairman of the Board Christina Rogestam (Jan–May 2024)	—	—	—	—	0.1	—	—	0.1
Fredrik Svensson, Board member	0.2	—	—	0.2	0.1	—	—	0.1
Sten Dunér, Board member (Jan–May 2024)	—	—	—	—	0.1	—	—	0.1
Anders Wennergren, Board member	0.2	—	—	0.2	0.1	—	—	0.1
Carin Kindbom, Board member	0.2	—	—	0.2	0.1	—	—	0.1
Carina Edblad, Board member (May–Dec 2025)	0.1	—	—	0.1	—	—	—	—
Chief Executive Officer	0.9	0.0	0.3	1.2	0.9	—	0.3	1.2
Deputy CEO	0.7	0.0	0.0	0.7	0.7	—	—	0.7
Management team, 3 persons (3 persons)	5.1	0.2	0.4	5.7	5.0	0.2	0.4	5.6
<b>Total</b>	<b>7.8</b>	<b>0.2</b>	<b>0.8</b>	<b>8.8</b>	<b>7.2</b>	<b>0.2</b>	<b>0.7</b>	<b>8.1</b>

No variable remuneration is paid to any of the company's senior executives. A defined benefit pension plan agreement has been entered into with the CEO which means that an amount of SEK 1.3m (0.9) will be paid annually to the CEO from the age of 55 until he reaches the age of 65. Future payments will be limited according to agreement by the fund's assets. The payments are not dependent on future employment. The current value of the commitment amounted to SEK 8.3m (6.8). The commitment has been secured by a provision to a pension fund, whose plan assets amounted to SEK 8.3m (6.8). The value of the pension commitment has been calculated in accordance with the Swedish Pension Obligations Vesting Act, which does not correspond with IAS 19. The difference in cost according to the two methods of calculation is not, however, significant.

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

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

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

## NOTE 5 REMUNERATION TO AUDITORS

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

SEKm	Group		Parent company	
	2025	2024	2025	2024
<b>PwC</b>				
Audit assignment	17.6	15.3	6.9	5.9
– of which to Öhrlings PricewaterhouseCoopers AB	6.9	5.9	6.9	5.9
Auditing work apart from the audit assignment	3.4	2.8	3.2	2.3
– of which to Öhrlings PricewaterhouseCoopers AB	3.2	2.3	3.2	2.3
Tax advice	1.1	0.6	0.3	0.2
– of which to Öhrlings PricewaterhouseCoopers AB	0.3	0.2	0.3	0.2
Other services	0.6	0.4	–	–
– of which to Öhrlings PricewaterhouseCoopers AB	–	–	–	–
<b>Deloitte</b>				
Audit assignment	2.8	2.4	–	–
Other services	1.4	0.6	–	–
<b>EY</b>				
Audit assignment	0.1	0.7	–	–
Auditing work apart from the audit assignment	–	0.0	–	–
Tax advice	–	–	–	–
Other services	–	0.2	–	–
<b>Other audit companies</b>				
Audit assignment	1.1	0.9	–	–
Tax advice	0.1	0.1	–	–
Other services	0.1	0.0	–	–
<b>Total</b>	<b>28.4</b>	<b>24.2</b>	<b>10.4</b>	<b>8.4</b>

## NOTE 6 OPERATING COSTS DISTRIBUTED ACCORDING TO FUNCTION AND TYPE OF COST

### ACCOUNTING POLICY

#### Property costs

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

#### Management and administrative costs

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

Group, SEKm	2025	2024
Property costs	3,407	3,263
Management and administrative costs	1,160	1,080
<b>Total</b>	<b>4,567</b>	<b>4,343</b>

Group, SEKm	2025	2024
Staff costs	947	929
Depreciation	95	97
Media expenses	1,116	1,073
Property tax	512	493
Maintenance and other costs <sup>1)</sup>	1,897	1,752
<b>Total</b>	<b>4,567</b>	<b>4,343</b>

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

## NOTE 7 SPECIFICATION OF PROPERTY COSTS

Group, SEKm	2025	2024
Operating and maintenance costs <sup>1)</sup>	1,779	1,697
Media expenses <sup>2)</sup>	1,116	1,073
Property tax	512	493
<b>Total</b>	<b>3,407</b>	<b>3,263</b>

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

2) Includes depreciation of wind farms.

## NOTE 8 LEASES



### ACCOUNTING POLICIES – LEASES WHERE THE GROUP IS THE LESSOR

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

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

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

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

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

The average lease term in the portfolio’s commercial leases was 6.7 years (6.8).

Group, SEKm	2025	2024
Residential, car park, indoor parking spaces (within one year)	7,067	7,091
<i>Commercial premises</i>		
Within one year	6,733	6,709
1–5 years	19,849	19,625
> 5 years	20,721	21,099
<b>Total</b>	<b>54,370</b>	<b>54,524</b>



### ACCOUNTING POLICIES – LEASES WHERE THE GROUP IS THE LESSEE

#### Accounting policies for the Group

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

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

#### Site leasehold rights and leases

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

#### Rent of office premises

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

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

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

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

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

#### Reporting in subsequent periods

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

#### Accounting policies for the parent company

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

Contd. **Note 8** Leases

Leases; right of use	Group	
	31/12/2025	31/12/2024
Ground rent/leases	2,198	2,538
Office premises	60	37
Vehicles	29	10
<b>Total</b>	<b>2,287</b>	<b>2,585</b>
<b>Lease liability</b>		
Long-term lease liability	2,229	2,527
Current lease liability	66	66
<b>Total</b>	<b>2,295</b>	<b>2,593</b>

#### Site leasehold agreements

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

Use of right assets – site leasehold rights	Group	
	2025	2024
Beginning of the period	2,538	2,055
Acquisitions	70	193
Divestments	-389	-1
Change in ground rent and effect of changed exchange rates	-21	291
<b>Fair value of site leasehold rights at end of period</b>	<b>2,198</b>	<b>2,538</b>

A lease liability attributable to site leasehold rights amounts to SEK 2,202m (2,542) and is recognised as a lease liability under the item non-current liabilities at SEK 2,154m (2,493) and current liabilities at SEK 47m (49).

#### Rent of premises

Use of right assets in respect of rent of premises amount to SEK 60m (37). The change in use of right assets associated with office premises, including the effect of changes in exchange rates, amounted to SEK 24m (-10) during the year.

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

#### Vehicle leases

Use of right assets in respect of vehicle leases amount to SEK 29m (10). The change in use of right assets associated with vehicles, including the effect of changes in exchange rates, amounted to SEK 19m (10) during the year.

Information about all leases	Group	
	2025	2024
<b>The following amounts relating to leases are recognised in the income statement:</b>		
<i>Management and administrative costs</i>		
Amortisation of rights of use (office premises/vehicles)	-17	-15
<b>Total</b>	<b>-17</b>	<b>-15</b>
<i>Financial expenses</i>		
Interest expenses, rent of premises	-1	-1
Interest expenses, vehicle leases	-1	-0
Interest expenses, ground rent	-92	-102
<b>Total</b>	<b>-93</b>	<b>-103</b>

Total cash flow in respect of leases was SEK -123m (-130), of which amortisation of lease liability amounted to SEK -27m (-24).

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

The part of the lease liability attributable to site leasehold rights comprises contractual non-discounted cash flows of annual ground rents of SEK -92m (-102), which are paid annually in perpetuity. The annual ground rent that will be paid in future will be affected by changes in the ground rent.

## NOTE 9 FINANCIAL INCOME AND EXPENSES



### ACCOUNTING POLICY

Financial income and expenses consists of interest income on bank balances and receivables and interest expenses on liabilities as well as other finance-related items.

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

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

Financial income SEKm	Group		Parent company	
	2025	2024	2025	2024
Interest income <sup>1)</sup>	264	499	107	170
Interest income, subsidiaries	—	—	3,958	4,893
Other financial income <sup>2)</sup>	180	398	1,389	290
Exchange rate differences <sup>3)</sup>	—	—	1,272	—
<b>Total</b>	<b>444</b>	<b>897</b>	<b>6,725</b>	<b>5,353</b>

1) Interest income is primarily attributable to receivables from associated companies.

2) Other financial income relates primarily to the profit from bonds repurchased during the year and dividends.

3) The recognised exchange differences relate primarily to the translation of euro bonds, which from a Group perspective are used for hedging of net investments in foreign operations. The parent company also applies hedging of foreign net investments in respect of some of the company's euro bonds.

Financial expenses SEKm	Group		Parent company	
	2025	2024	2025	2024
Interest expenses, borrowings <sup>1)</sup>	4,332	5,028	1,722	1,683
Interest income and interest expenses, interest rate derivatives	-205	-663	-92	-469
Interest expenses, subsidiaries	—	—	868	1,272
Leases/ground rent	93	103	—	—
Financial expenses, convertible bond	244	252	244	252
Other financial expenses <sup>2)</sup>	215	256	493	774
Exchange rate differences <sup>3)</sup>	—	—	—	1,927
<b>Total</b>	<b>4,680</b>	<b>4,976</b>	<b>3,235</b>	<b>5,438</b>

1) During the year, SEK 98m (123) in interest has been capitalised in relation to investments in the property portfolio. The capitalised interest has been based on a weighted average borrowing cost for the Group, including a risk premium surcharge, and amounted to 3.73% (5.23). The capitalizations mainly relate to the Group's development properties.

2) Other financial expenses in the parent company amounted to SEK 493m (774), of which impairment of participations in associated companies and joint ventures amounted to SEK 395m (593) and refers to the impairment of Entra ASA, Fastighets AB Centur and HOMEstate AB. Realised and unrealised changes in value of listed shares for the Group are included at SEK 84m (69).

3) The recognised exchange differences relate primarily to the translation of euro bonds, which from a Group perspective are used for hedging of net investments in foreign operations. The parent company also applies hedging of foreign net investments in respect of some of the company's euro bonds.

## NOTE 10 INCOME TAX



### ACCOUNTING POLICY

#### Group – Taxes

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

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

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

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

#### Parent company – Taxes

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

Contd. **Note 10** Income tax



## ESTIMATES AND JUDGEMENTS

### Deferred tax

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

SEKm	Group	
	2025	2024
<b>Current tax distributed by country</b>		
Sweden	-220	-40
Denmark	-118	-113
Finland	-210	-169
Norway	-24	-21
UK	-4	-5
Germany	-2	-3
<b>Total</b>	<b>-577</b>	<b>-352</b>
<i>Current tax attributable to</i>		
Parent company's shareholders	-500	-286
Non-controlling interests	-77	-66
	<b>-577</b>	<b>-352</b>

### Recognised in the income statement

SEKm	Group		Parent company	
	2025	2024	2025	2024
<b>Current tax expense (-)/tax revenue (+)</b>				
Current tax	-577	-352	-0	-0
<b>Deferred tax expense (-)/tax revenue (+)</b>				
Deferred tax in respect of temporary differences in properties	-938	-311	—	—
Deferred tax in respect of temporary differences in derivatives	11	-45	12	-40
Deferred tax in respect of temporary differences in financial investments	—	—	—	—
Deferred tax on changes in loss carryforwards	78	114	—	—
Change in other temporary differences	-164	-453	—	—
<b>Total deferred tax</b>	<b>-1,013</b>	<b>-694</b>	<b>12</b>	<b>-40</b>
<b>Total recognised tax</b>	<b>-1,591</b>	<b>-1,045</b>	<b>12</b>	<b>-40</b>

### Reconciliation of effective tax

Group, SEKm	2025, %	2025	2024, %	2024
Profit before tax		9,582		4,686
Tax according to applicable tax rate for the parent company	20.6	-1,974	20.6	-965
Difference between profit for tax purposes and the recognised profit on sale of property	-1.6	157	-0.8	38
Tax on participations in profits from associated companies and joint ventures	-3.8	363	-3.9	185
Tax attributable to previous years	-0.0	5	0.5	-22
Differences in foreign tax rates	0.3	-25	0.1	-5
Measured deficit	-0.1	11	-0.2	12
Non-taxable income/non-deductible expenses, etc.	1.3	-127	6.1	-287
<b>Reported effective tax</b>	<b>16.6</b>	<b>-1,591</b>	<b>22.3</b>	<b>-1,045</b>
<b>Parent company, SEKm</b>	<b>2025, %</b>	<b>2025</b>	<b>2024, %</b>	<b>2024</b>
Profit before tax		3,843		2,329
Tax according to applicable tax rate for the parent company	20.6	-792	20.6	-480
Non-taxable income/non-deductible expenses, etc.	-6.0	232	-9.9	231
Tax-exempt dividend	-14.9	571	-8.9	208
Tax attributable to previous years	0.0	-0	0.0	-0
<b>Reported effective tax</b>	<b>-0.3</b>	<b>12</b>	<b>1.7</b>	<b>-40</b>

Contd. **Note 10** Income tax

### Recognised in the balance sheet

#### Deferred tax assets and tax liabilities

Group 2025, SEKm	Deferred tax assets	Deferred tax liabilities	Net
<i>Deferred tax assets and tax liabilities relate to the following:</i>			
Properties	—	-17,232	-17,232
Derivatives	—	-105	-105
Loss carryforwards	349	—	349
Other temporary differences	—	-1,058	-1,058
Set-off	-349	349	—
<b>Total</b>	<b>—</b>	<b>-18,046</b>	<b>-18,046</b>

Parent company 2025, SEKm	Deferred tax assets	Deferred tax liabilities	Net
<i>Deferred tax assets and tax liabilities relate to the following:</i>			
Derivatives	—	-66	-66
<b>Total</b>	<b>—</b>	<b>-66</b>	<b>-66</b>

There are no loss carryforwards.

SEKm	Group	
	2025	2024
<b>Maturity structure of tax loss carryforwards</b>		
Mature within 1–5 years	—	—
Mature after 5 years	—	—
No maturity date	1,649	1,485
<b>Total</b>	<b>1,649</b>	<b>1,485</b>

No non-capitalised assessed loss carryforwards exist. The measured deficit amounts to SEK 1,649m (1,485), which can be utilised to reduce future taxable income. At the year-end, there were non-recognised tax assets in respect of unutilised interest deductions of SEK 5,414m (4,603).

### Change in deferred tax in temporary differences and loss carryforwards

Group, SEKm	Balance as of 01/01/2025	Recognised in the income statement	Currency, acquisitions and divestments of companies, and items recognised in other comprehensive income	Balance as of 31/12/2025
Properties	-16,787	-938	494	-17,232
Derivatives	-122	11	6	-105
Capitalisation of the value of loss carryforwards	314	78	-43	349
Other temporary differences	-563	-164	-331	-1,058
<b>Total</b>	<b>-17,159</b>	<b>-1,013</b>	<b>126</b>	<b>-18,046</b>

Group, SEKm	Balance as of 01/01/2024	Recognised in the income statement	Currency, acquisitions and divestments of companies, and items recognised in other comprehensive income	Balance as of 31/12/2024
Properties	-16,203	-311	-273	-16,787
Derivatives	-93	-45	15	-122
Capitalisation of the value of loss carryforwards	219	114	-19	314
Other temporary differences	-195	-453	84	-563
<b>Total</b>	<b>-16,272</b>	<b>-694</b>	<b>-193</b>	<b>-17,159</b>

Parent company, SEKm	Balance as of 01/01/2025	Recognised in the income statement	Balance as of 31/12/2025
Derivatives	-77	12	-66
<b>Total</b>	<b>-77</b>	<b>12</b>	<b>-66</b>

Parent company, SEKm	Balance as of 01/01/2024	Recognised in the income statement	Balance as of 31/12/2024
Derivatives	-37	-40	-77
<b>Total</b>	<b>-37</b>	<b>-40</b>	<b>-77</b>

## NOTE 11 EARNINGS PER SHARE



### ACCOUNTING POLICY

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

The company's convertible bonds affect the calculation of earnings per share after dilution. Earnings per share after dilution are calculated with the assumption that conversion will take place regardless of the current share price, which means that the calculation of earnings per share after dilution is done with full dilution from day one.

#### Earnings per share were calculated as follows:

Group, SEKm	2025	2024
Profit for the year attributable to the parent company's shareholders	7,621	3,304
Effect on profit of convertible	213	-381
<b>Profit for the year attributable to the parent company's shareholders used in the calculation of profit after tax per share after dilution of convertible</b>	<b>7,408</b>	<b>3,685</b>
<i>Weighted average number of shares</i>		
Total number of shares on 1 January	1,190,000,000	1,154,000,000
Effect of repurchased own shares	-260,137	—
Effect of newly issued shares	—	17,360,656
<b>Weighted average number of shares when calculating profit after tax per share before dilution</b>	<b>1,189,739,863</b>	<b>1,171,360,656</b>
Adjustment for calculation of profit after tax per share after dilution of convertible	74,659,366	74,659,366
<b>Weighted average number of shares when calculating profit after tax per share after dilution of convertible</b>	<b>1,264,399,229</b>	<b>1,246,020,022</b>
Profit after tax per share before dilution, SEK	6.41	2.82
Profit after tax per share after dilution, SEK	5.86	2.82
Profit after tax per share after dilution of convertible, SEK <sup>1)</sup>	5.86	2.82

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

## NOTE 12 INVESTMENT PROPERTIES



### ACCOUNTING POLICY

#### Investment properties

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

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

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

Additional expenditure is added to the carrying amount only if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured in a reliable way. Other additional expenditure is recognised as a cost in the period in which it arises. The assessment of whether additional expenditure is added to the carrying amount depends on whether the expenditure concerns the replacement of identified components, or parts thereof, whereupon such expenditure is capitalised. Even in cases where new components are created, the expenditure is added to the carrying amount.

The element of financial expenses that relates to major new construction, extension or renovation is capitalised. The capitalised interest is based on the average weighted borrowing cost for the Group including a risk premium surcharge.

Development properties, such as new production of tenant owner apartments that are intended for sale, are not included as part of investment properties. For information about development properties, see Note 16, Development properties.



### ESTIMATES AND JUDGEMENTS

#### Investment properties

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

#### Classification of acquisitions

For each acquisition, a judgement is made of whether the acquisition is to be classified as a business combination or an asset acquisition. An individual judgement is made for each individual transaction. An optional concentration test can be applied to simplify the assessment of whether or not the transaction involves a business. The assessment of property acquisitions for the whole year resulted in all transactions being classified as asset acquisitions. See also Note 1, Accounting policies, under the heading Basis of consolidation.

Group, SEKm	2025	2024
<b>Opening fair value</b>	<b>221,261</b>	<b>209,000</b>
Acquisitions	9,770	7,164
Investments in existing properties and projects	2,183	2,255
Changes in value, unrealised	2,440	-756
Divestments	-2,432	-298
Currency changes	-6,913	3,375
Reclassification	-1,112	521
<b>Closing fair value</b>	<b>225,196</b>	<b>221,261</b>

Contd. **Note 12** Investment properties

**Lease contracts; right-of-use assets**

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

**Valuation model**

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

Properties under construction and projects for own management, as well as the Group’s building rights, are valued at market value minus estimated contracting expenditure and project risk, which in some cases corresponds to a valuation at cost. Fair value is the estimated amount that would be received in a transaction on the valuation date between knowledgeable parties that are independent of one another and that have an interest in completing the transaction after customary marketing, where both parties are assumed to have acted discerningly, wisely and without compulsion. Each valuation object is valued separately, without considering any portfolio effect. Balder carried out an internal valuation of the entire property portfolio as of the closing date.

The assessment in respect of future earnings and yield requirement is of crucial importance for the property portfolio’s estimated value, as these are the most important value-driving factors in the valuation model. Earnings are based on current contracts and the most likely letting scenario in each property. The yield requirement is derived from market transactions of equivalent objects.

The property evaluation is based on observable and non-observable data. Observable data is current rental levels, operating and maintenance costs, planned investments and current vacancy rates. Data that can be considered non-observable includes yield requirements and expectations of rental and vacancy levels.

**The yield method**

The yield method is based on a present value calculation of the net operating profit over a specific calculation period and a present value calculation of a residual value at the end of the calculation period, i.e. future rent payments minus estimated operating and maintenance payments plus the residual value in year ten. Estimated rent payments as well as operating and maintenance payments have been derived from current rental income as well as operating and maintenance costs. The net operating profit is adapted to the market by taking account of any changes in the occupancy rate and letting levels, as well as changes in operating and maintenance payments. To achieve the estimated market rent in each property, a tenant adaptation is sometimes needed, and in these cases the estimated need is considered in the calculations. The residual value is calculated by dividing a normalised net operating profit the year after the end of the calculation period by an estimated yield requirement. The cost of capital for discounting the net operating profit and residual value correspond to the market’s requirement for total yield, and may be said to consist of a risk-free interest rate, compensation for inflationary expectations and compensation for property-related risk, which varies with location, property type, state of the property, etc. An inflation rate of 2% has been assumed as a basis for all cash flow calculations.

The long-term risk-free interest rate has risen in recent years. In its internal valuations, Balder has used a normalised long-term risk-free interest rate, as the assessment is that the risk-free interest rate and yield requirements are not a 1/1 ratio, but yield requirements move more slowly and with fewer fluctuations. Changes in the interest rate market are faster than in the property market. This means that interest rate fluctuations do not have an equivalent effect on the yield requirement, for both upturns and downturns.

**Rent payments**

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

**Operating and maintenance payments**

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

**Yield**

The yield requirement and the cost of capital for the property is individual for each property and is based on transactions of comparable objects in the property market. Important factors when choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property, and these variables are therefore interrelated. To acquire a perception of the market’s yield requirements, Balder monitors property transactions completed in the market. In the absence of transactions at a certain location or a certain kind of property, comparative information is obtained instead from a similar location or similar kind of property. In the absence of transactions, the perception is based on prevailing macroeconomic factors. The average yield requirement as of the closing date was 4.9% (4.9). As of 31 December 2025, according to Balder’s internal valuation, the total property value was SEK 225,196m (221,261). For more information, see the Report of the Board of Directors and the Sensitivity analysis on page 34.

The table on the next page shows the average values for yield requirements per region and property category.

**Internal and external valuations**

Balder recognises its investment properties at fair value, and internal valuations of the entire property portfolio are conducted in connection with each quarterly report. Market value assessments of properties always involve a certain degree of uncertainty in assumptions and estimates. The uncertainty in respect of individual properties is normally considered to be in the range of +/- 5–10% and should be regarded as the uncertainty that exists in assumptions and estimates made. The range can be greater in a less liquid market. For Balder, a range of uncertainty of +/- 5% means a value range of SEK +/- 11,260m, equivalent to a range of SEK 213,936–236,456m. In order to quality-assure its internal valuations, Balder uses external valuation companies in order to have parts of the portfolio valued externally and to secure parameters and assumptions in the valuation calculations. During the year, 60% (60) of the portfolio was the subject of assessment by external valuation companies. Deviations between external and internal valuations were insignificant. For more information about Balder’s valuation methods, see pages 26–27.

**Changes in value**

Balder performed an individual internal valuation on the entire property portfolio as of 31 December. Unrealised changes in value during the year amounted to SEK 2,440m (–756). The change in value during the year is primarily attributable to improved net operating income.

Realised changes in value amounted to SEK 58m (–4).

**Projects for own management**

Balder had projects for own management amounting to SEK 3.0 billion (3.0) as of 31 December. Projects for own management that are under construction have an estimated total investment of SEK 0.6 billion (0.5), of which SEK 0.1 billion (0.4) has been invested and SEK 0.5 billion (0.1) is still to be invested. Most of the projects in progress relate to residential projects for rental use. The projects comprise about 100 apartments (300) in Sweden.

**Other investment commitments**

As of year-end, there is no other investment commitment of significance to the Group, other than that described for project and development properties.

**Summary of the internal valuation:**

Valuation date	31/12/2025
Fair value	225,196
Independent valuation companies used during the year	CBRE, Colliers, JLL and Newsec
Calculation period	Usually 10 years. A longer calculation period can be used in certain cases if required.
Assumed inflation	2%
Yield at end of calculation period, Residential	2.7–6.9%
Yield at end of calculation period, Commercial properties	3.3–11.5%
Cost of capital, Residential	4.7–8.9%
Cost of capital, Commercial properties	5.3–13.5%
Long-term vacancy rate	0.0–10.0%

Contd. **Note 12** Investment properties

**Sensitivity analysis, excluding project properties**

Impact on value, SEKm	Change	Change in value, SEKm
Yield requirement	+/- 0.25% points	-10,663/+11,808
Yield requirement	+/- 0.50% points	-20,341/+24,954
Yield requirement	+/- 0.75% points	-29,164/+39,681
Rental income	+/- 5%	+14,034/-14,034
Property costs	+/- 5%	-3,030/+3,030
Net operating income	+/- 5%	+11,004/-11,004
Vacancy rate	+/- 1.00% points	-2,960/+2,960

Impact on value, SEKm	Residential properties	Commercial properties
+/- 5% change in value	+/- 5,863	+/- 5,249

**Mean value of yield requirement for estimation of residual value, %**

Region	Total		Residential properties		Commercial properties	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Helsinki	4.69	4.72	4.55	4.58	7.00	6.90
Stockholm	4.80	4.88	4.23	4.23	4.93	5.03
Gothenburg	4.86	4.93	4.39	4.57	4.99	5.02
Copenhagen	3.83	3.91	3.68	3.76	4.90	5.08
South	5.41	5.47	4.55	4.61	5.54	5.62
East	5.53	5.47	4.60	4.64	7.30	7.12
North	5.91	6.07	4.56	4.56	6.65	6.92

**Mean value of yield requirement for estimation of residual value, %**

Property category	31 Dec 2025	31 Dec 2024
Residential properties	4.4	4.4
Commercial properties	5.5	5.6

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

**NOTE 13 OTHER FIXED ASSETS**

**ACCOUNTING POLICY**

**Other fixed assets**

**Owned assets**

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

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

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

**Additional expenditure**

Additional expenditure is added to cost only if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured in a reliable way. Other additional expenditure is recognised as a cost in the period in which it arises. The assessment of whether additional expenditure is added to cost depends on whether the expenditure concerns the replacement of identified components, or parts thereof, whereupon such expenditure is capitalised. Even in cases where new components are created, the expenditure is added to the cost. Repairs are recognised as expenses on an ongoing basis.

**Depreciation methods**

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

**Other fixed assets**

	Useful life
Equipment	3–10 years
Wind farms	10–20 years

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

**Equipment**

SEKm	Group		Parent company	
	2025	2024	2025	2024
Cost				
Opening balance	647	609	61	55
Purchases	74	44	12	6
Divestments and retirements	-44	-6	-2	-0
<b>Closing balance</b>	<b>677</b>	<b>647</b>	<b>71</b>	<b>61</b>
Depreciation				
Opening balance	-313	-234	-37	-29
Purchases	-21	-3	-	-
Divestments and retirements	27	5	2	0
Depreciation	-78	-81	-6	-7
<b>Closing balance</b>	<b>-385</b>	<b>-313</b>	<b>-41</b>	<b>-37</b>
<b>Carrying amount, equipment</b>	<b>292</b>	<b>333</b>	<b>31</b>	<b>24</b>

**Wind farms**

SEKm	Group		Parent company	
	2025	2024	2025	2024
Cost				
Opening balance	148	148	-	-
Divestments and retirements	-	-	-	-
<b>Closing balance</b>	<b>148</b>	<b>148</b>	<b>-</b>	<b>-</b>
Depreciation and impairments				
Opening balance	-137	-136	-	-
Divestments and retirements	-	-	-	-
Depreciation	-1	-1	-	-
<b>Closing balance</b>	<b>-138</b>	<b>-137</b>	<b>-</b>	<b>-</b>
<b>Carrying amount, wind farms</b>	<b>11</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>Total carrying amount equipment and wind farms</b>	<b>303</b>	<b>345</b>	<b>31</b>	<b>24</b>

Depreciation is recognised in administrative costs and media expenses.

## NOTE 14 PARTICIPATIONS IN ASSOCIATED COMPANIES AND JOINT VENTURES



### ACCOUNTING POLICY

#### Group

##### Associated companies

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

##### Joint ventures

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

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

#### Parent company

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

#### Group

##### Assets held for distribution

As a value transfer of Balder’s holding in associated company Norion Bank is deemed to be highly likely and is expected to take place within one year, the holding is classified as “Assets held for distribution” as of the balance sheet date. The holding is recognised from this time at the lower of its book value and fair value, less selling expenses, with the effect that reporting in accordance with the equity method ceases.



### ESTIMATES AND JUDGEMENTS

Balder holds approximately 44% of the voting rights in Norion Bank AB and has made the judgement that Balder holds a significant interest in Norion Bank, which shall therefore be reported as an associated company. This constitutes a material judgement in which Balder considered all of the circumstances in relation to voting rights and other circumstances in order to determine the degree of influence that exists in accordance with IFRS 10 and IAS 28.

### Accumulated cost

SEKm	Group		Parent company	
	2025	2024	2025	2024
Opening balance	29,281	28,288	15,586	16,163
Acquisition of associated companies and joint ventures	766	464	228	41
Divestment of associated companies and joint ventures	-595	-25	-2	-25
Associated companies and joint ventures that were reclassified as subsidiaries <sup>1)</sup>	-291	—	—	—
Associated companies/joint ventures that were reclassified as financial investments <sup>2)</sup>	-305	—	—	—
Associated companies/joint ventures that were reclassified as assets held for distribution <sup>3)</sup>	-4,850	—	—	—
Dividend from associated companies and joint ventures	-1,331	-1,121	—	—
Participations in the profits of associated companies and joint ventures after tax	1,779	901	—	—
Change in equity of associated companies and joint ventures (shareholders’ contribution and currency)	-290	774	—	—
Impairment of participations in associated companies and joint ventures <sup>4)</sup>	—	—	-395	-593
<b>Closing balance</b>	<b>24,164</b>	<b>29,281</b>	<b>15,417</b>	<b>15,586</b>

1) This reclassification means that additional participations in the existing holding have been acquired and a controlling influence has thereby been achieved. In technical terms, the associated company has been divested and a subsidiary has been acquired. For 2025, this item refers to Fastighets AB Tornet and Sjælsø Management ApS.

2) During 2025, Brinova Fastigheter AB is reported as a financial investment, as Balder’s holding decreased to 8% (19) due to dilution.

3) As the Board of Directors of Balder will propose to the AGM on 8 May 2026 that a resolution be passed to distribute Balder’s entire holding in Norion Bank to Balder’s shareholders, the holding in Norion Bank has been reclassified as “Assets held for distribution” in the consolidated balance sheet. Balder’s Group value in Norion Bank amounted to SEK 4,850m and the carrying amount in the parent company amounted to SEK 1,196m as of 31 December 2025.

4) The impairments of participations in associated companies and joint ventures during the year refer to Entra ASA, Fastighets AB Centur and HOMEstate AB.

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

**Associated companies' and joint ventures' statement of comprehensive income**

SEKm	2025				2024				Balder's holding	
	Entra ASA	Norion Bank AB <sup>1)</sup>	Other associated companies/JV	Total 100%	Entra ASA	Norion Bank AB	Other associated companies/JV	Total 100%	2025	2024
Rental income	2,927	—	3,253	6,179	3,212	—	3,882	7,094	2,462	2,723
Property costs	-254	—	-707	-961	-271	—	-889	-1,160	-370	-404
<b>Net operating income</b>	<b>2,673</b>	<b>—</b>	<b>2,546</b>	<b>5,218</b>	<b>2,941</b>	<b>—</b>	<b>2,993</b>	<b>5,934</b>	<b>2,093</b>	<b>2,319</b>
Management and administrative costs	-196	—	-457	-653	-196	—	-500	-696	-284	-298
Other operating income	160	3,026	389	3,575	45	3,097	607	3,749	1,674	1,888
<b>Operating profit</b>	<b>2,637</b>	<b>3,026</b>	<b>2,477</b>	<b>8,140</b>	<b>2,790</b>	<b>3,097</b>	<b>3,100</b>	<b>8,988</b>	<b>3,482</b>	<b>3,908</b>
Interest income and similar profit/loss items	22	525	192	739	34	478	228	741	325	325
Interest expenses and similar profit/loss items	-1,311	-1,713	-1,308	-4,332	-1,530	-1,967	-1,798	-5,295	-1,831	-2,188
Changes in value	199	—	506	705	-1,757	—	-537	-2,293	297	-909
<b>Profit before tax</b>	<b>1,547</b>	<b>1,838</b>	<b>1,867</b>	<b>5,252</b>	<b>-462</b>	<b>1,609</b>	<b>994</b>	<b>2,141</b>	<b>2,274</b>	<b>1,135</b>
Minus non-controlling interests	-108	—	-5	-113	-64	—	-12	-76	-44	-30
Tax	-330	-400	-354	-1,083	-24	-344	-116	-484	-450	-204
<b>Net profit for the year</b>	<b>1,110</b>	<b>1,438</b>	<b>1,508</b>	<b>4,056</b>	<b>-549</b>	<b>1,265</b>	<b>866</b>	<b>1,581</b>	<b>1,779</b>	<b>901</b>
– of which Profit from property management	1,240	1,838	1,356	4,434	1,231	1,609	1,526	4,365	1,933	2,015

1) As of the closing date, the holding in Norion Bank has been reclassified in the consolidated balance sheet from the line "Participations in associated companies and joint ventures" to the line "Assets held for distribution", and henceforth will not be reported in the income statement in accordance with the equity method.

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

**Associated companies' and joint ventures' statement of financial position**

SEKm	2025				2024				Balder's holding	
	Entra ASA	Norion Bank AB <sup>2)</sup>	Other associated companies/JV	Total 100%	Entra ASA	Norion Bank AB	Other associated companies/JV	Total 100%	2025	2024
Investment properties	56,707	—	56,924	113,631	58,735	—	60,338	119,073	47,036	46,902
Other fixed assets	2,427	25,635	2,469	30,531	2,660	24,246	5,127	32,032	14,366	14,227
Current assets	344	37,189	894	38,426	821	38,797	1,216	40,834	18,283	17,981
Current investments and cash and cash equivalents	239	4,704	2,151	7,093	256	4,164	1,338	5,758	3,251	2,510
<b>Total assets</b>	<b>59,716</b>	<b>67,527</b>	<b>62,437</b>	<b>189,681</b>	<b>62,472</b>	<b>67,206</b>	<b>68,019</b>	<b>197,698</b>	<b>82,935</b>	<b>81,619</b>
Equity	22,649	9,977	24,118	56,743	23,065	9,052	27,284	59,401	24,153	24,152
Non-current financial liabilities <sup>1)</sup>	31,564	11,965	34,655	78,184	29,359	5,133	34,365	68,857	33,429	28,174
Current interest-bearing liabilities	3,292	44,517	1,505	49,314	7,708	51,185	4,258	63,151	23,055	26,635
Other liabilities	2,212	1,068	2,159	5,439	2,340	1,836	2,113	6,289	2,298	2,657
<b>Total equity and liabilities</b>	<b>59,716</b>	<b>67,527</b>	<b>62,437</b>	<b>189,681</b>	<b>62,472</b>	<b>67,206</b>	<b>68,019</b>	<b>197,698</b>	<b>82,935</b>	<b>81,619</b>
<b>Reconciliation with carrying amounts</b>										
Opening Equity	23,065	9,052			23,630	7,803				
Profit for the period	1,110	1,438			-549	1,265				
Reserves	-2	-13			-1	-16				
Translation differences	-1,341	—			-15	—				
Repurchase of own shares	—	-1,000			—	—				
Dividend	-183	—			—	—				
<b>Closing Equity</b>	<b>22,649</b>	<b>9,477</b>			<b>23,065</b>	<b>9,052</b>				
Balder's participation as a % <sup>3)</sup>	39.98	47.69			39.98	44.07				
Balder's participation in SEKm	9,054	4,519			9,221	3,989				
Goodwill	2,546	331			2,699	224				
Impairments	-550	—			-400	—				
<b>Carrying amount</b>	<b>11,050</b>	<b>4,850</b>			<b>11,519</b>	<b>4,213</b>				

1) Including shareholder loan.

2) As the Board of Directors of Balder will propose to the AGM on 8 May 2026 that a resolution be passed to distribute Balder's entire holding in Norion Bank to Balder's shareholders, the holding in Norion Bank has been reclassified as "Assets held for distribution" in the consolidated balance sheet. Balder's Group value in Norion Bank amounted to SEK 4,850m and the carrying amount in the parent company amounted to SEK 1,196m as of 31 December 2025.

3) Holding based on outstanding shares.

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

**Group participations in associated companies and joint ventures, 2025**

Company	Corporate ID number	Reg. office	Number of shares	Share, % <sup>1)</sup>	Type of participation	Value of share of equity in the Group, SEKm	Carrying amount in parent company, SEKm
Accunor AS	936,401,228	Oslo	60,000	50	Joint venture	0	—
AMW Gruppen i Götaland AB	559218-0433	Växjö	270	50	Joint venture	1	—
Anthon Eiendom AS	885,857,582	Oslo	6,627	60	Joint venture	1,147	—
BL Hotell Holding AB	559224-4080	Gothenburg	25,000	50	Joint venture	39	—
Bolix Kommersiella Fastigheter AB	559371-9122	Gothenburg	2,475	50	Joint venture	202	—
E3 Fastighetsutveckling AB	559409-5332	Gothenburg	250	50	Joint venture	184	—
Emrahus AB	556927-2361	Landskrona	359,551	31	Associated companies	27	—
Entra ASA <sup>2)</sup>	999,296,432	Oslo	72,812,097	40	Associated companies	11,050	11,229
ESS Hotel Group Fastigheter AB	556994-2542	Gothenburg	250	50	Joint venture	425	304
Fastighets AB Centur	556813-6369	Stockholm	5,000	50	Joint venture	217	217
Fastighetsstaden i Halmstad AB	556686-2917	Halmstad	4,101	40	Associated companies	474	—
FBSM A/S	40454063	Valby	500	25	Associated companies	26	—
Fixfabriken Holding AB	556949-3702	Gothenburg	50,000	50	Joint venture	2	—
Grunnsteinen AS	918,773,924	Asker	15,000,000	50	Joint venture	297	—
Hamang Utvikling AS	929,424,611	Oslo	500	50	Joint venture	0	—
HE Prosjektinvest AS	918,984,186	Oslo	500,000	50	Joint venture	1	—
Heimdal Sentrum Utvikling AS	822,336,752	Trondheim	500	50	Joint venture	2	—
HOMEstimate AB	559179-2253	Jönköping	167	33	Joint venture	0	0
iBoxen Infrastruktur Sverige AB	559254-3705	Stockholm	12,229	47	Associated companies	139	145
Klemettilän Kulma Keskinäinen Kiinteistö Oy	2443794-4	Vaasa	2,478	28	Associated companies	21	—
Kongens Gate 44 AS	930,662,976	Trondheim	1,500	50	Joint venture	0	—
Ligula Hospitality Group AB	556792-6497	Gothenburg	10,000	50	Joint venture	192	188
Link4O Holding AB	559311-6360	Gothenburg	125	50	Joint venture	23	—
Link4O JV AB	559554-0666	Gothenburg	125	25	Joint venture	0	—
Ljus & Projektstyrning Svenska AB	559205-7359	Varberg	100	20	Associated companies	0	0
MAJLLBPN AB	559272-6318	Stockholm	125	50	Joint venture	0	—
MILLENNIUM HoldCo ApS	38252283	Nordhavn	50,000	50	Joint venture	221	—
Next Step Group Owners AB	559411-7649	Gothenburg	12,475	50	Associated companies	394	—
Norion Bank AB <sup>3)</sup>	556597-0513	Gothenburg	90,501,180	48	Associated companies	4,850	1,196

Company	Corporate ID number	Reg. office	Number of shares	Share, % <sup>1)</sup>	Type of participation	Value of share of equity in the Group, SEKm	Carrying amount in parent company, SEKm
Norra Backaplan Bostads AB	556743-0276	Gothenburg	33,333	33	Joint venture	183	—
Origo Industrieendom AS	928,053,954	Trondheim	1,500	50	Joint venture	0	—
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	Joint venture	271	—
SB Bostad i Stockholm AB	559094-8914	Stockholm	250	50	Joint venture	11	—
Scandinavian Data Centers AB	559332-4295	Eskilstuna	45,704	45	Associated companies	17	18
Sentrumsgårdene AS	934,540,786	Trondheim	1,500	50	Joint venture	0	—
Sinoma Fastighets AB	559161-0836	Stockholm	25,000	50	Associated companies	995	450
Ski Linås Boligutvikling AS	923,369,988	Trondheim	15,000	50	Joint venture	29	—
Steinan Holding AS	822,404,502	Oslo	15	50	Joint venture	41	—
Steinkjer Eiendom Holding AS	927,495,856	Trondheim	1,500	50	Joint venture	0	—
Stenhus Fastigheter i Norden AB <sup>4)</sup>	559269-9507	Stockholm	85,027,312	23	Associated companies	1,331	1,270
Strømsveien 81 Holding AS	928,054,225	Trondheim	1,500	50	Joint venture	0	—
Sulky Fastighets AB	559055-5610	Stockholm	250	50	Joint venture	152	—
Sundsøya Utvikling AS	929,418,603	Trondheim	1,500	50	Joint venture	0	—
Svensk Valfärdsteknik Holding AB	559500-6502	Landskrona	301,724	33	Associated companies	0	—
Tornet Bostadsproduktion AB	556796-2682	Stockholm	2,501,400	50	Joint venture	1,851	—
Trenum AB	556978-8291	Gothenburg	500	50	Joint venture	1,867	400
Tulia AB	556712-9811	Gothenburg	50,000	50	Joint venture	1,996	—
Victoria Kungens Kurva AB	559056-7888	Solna	250	50	Joint venture	16	—
White Peak IV Limited	126219	Jersey	21	20	Associated companies	1	—
Other holdings	—	—	—	—	Associated companies	318	—
<b>Total</b>						<b>29,015</b>	<b>15,417</b>
– of which assets held for distribution <sup>3)</sup>						–4,850	—
<b>Total</b>						<b>24,164</b>	<b>15,417</b>

1) Holding based on outstanding shares.  
 2) Balder's market value (share price) of Entra ASA as of 31 December 2025 amounted to SEK 7,700 million (8,162). Balder's participation in Entra's net asset value (EPRA NRV) as of 31 December 2025 indicates no need for further write-down and is a long-term holding.  
 3) Balder's market value (share price) of Norion Bank AB (publ) as of 31 December 2025 amounted to SEK 6,236m. As the Board of Directors of Balder will propose to the AGM on 8 May 2026 that a resolution be passed to distribute Balder's entire holding in Norion Bank to Balder's shareholders, the holding in Norion Bank has been reclassified as "Assets held for distribution" in the consolidated balance sheet. Balder's Group value in Norion Bank amounted to SEK 4,850m and the carrying amount in the parent company amounted to SEK 1,196m as of 31 December 2025.  
 4) Balder's market value (share price) of Stenhus Fastigheter i Norden AB (publ) as of 31 December 2025 amounted to SEK 971m (855). Balder's participation in Stenhus' net asset value (EPRA NRV) indicates no need for a write-down and is a long-term holding.

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

**Group participations in associated companies and joint ventures, 2024**

Company	Corporate ID number	Reg. office	Number of shares	Share, % <sup>1)</sup>	Type of participation	Value of share of equity in the Group, SEKm	Carrying amount in parent company, SEKm
AMW Gruppen i Götaland AB	559218-0433	Växjö	270	50	Joint venture	5	—
Anthon Eiendom AS	885,857,582	Oslo	6,627	60	Joint venture	1,158	—
BL Hotell Holding AB	559224-4080	Gothenburg	25,000	50	Joint venture	29	—
Bolix Kommersiella Fastigheter AB	559371-9122	Gothenburg	2,500	50	Joint venture	37	—
Brinova Fastigheter AB	556840-3918	Helsingborg	18,420,303	19	Associated companies	541	—
Chirp AB	556915-7331	Stockholm	17,063	34	Associated companies	90	—
E3 Fastighetsutveckling AB	559409-5332	Gothenburg	250	50	Joint venture	174	—
Emrahus AB	556927-2361	Landskrona	359,551	31	Associated companies	29	—
Entra ASA	999,296,432	Oslo	72,812,097	40	Associated companies	11,519	11,519
ESS Hotel Group Fastigheter AB	556994-2542	Gothenburg	250	50	Joint venture	404	304
Fastighets AB Centur	556813-6369	Stockholm	5,000	50	Joint venture	1,308	320
Fastighets AB Tornet	559008-2912	Gothenburg	500	50	Joint venture	168	—
Fixfabriken Holding AB	556949-3702	Gothenburg	50,000	50	Joint venture	2	—
Grunnsteinen AS	918,773,924	Asker	15,000,000	50	Joint venture	147	—
Hamang Utvikling AS	929,424,611	Oslo	500	50	Joint venture	0	—
HE Prosjektinvest AS	918,984,186	Trondheim	500,000	50	Joint venture	1	—
Heimdal Sentrum Utvikling AS	822,336,752	Trondheim	500	50	Joint venture	2	—
HOMESate AB	559179-2253	Jönköping	167	33	Joint venture	0	2
iBoxen Infrastruktur Sverige AB	559254-3705	Stockholm	12,229	47	Associated companies	46	46
Karlastaden Group AB	559222-7945	Gothenburg	250	50	Joint venture	0	—
Klemettilän Kulma Keskinäinen Kiinteistö Oy	2443794-4	Vaasa	2,478	28	Associated companies	22	—
Kongens Gate 44 AS	930,662,976	Trondheim	1,500	50	Joint venture	0	—
Ligula Hospitality Group AB	556792-6497	Gothenburg	10,000	50	Joint venture	188	188
Link40 Holding AB	559311-6360	Gothenburg	125	50	Joint venture	23	—
Ljus & Projektstyrning Svenska AB	559205-7359	Varberg	100	20	Associated companies	0	0

Company	Corporate ID number	Reg. office	Number of shares	Share, % <sup>1)</sup>	Type of participation	Value of share of equity in the Group, SEKm	Carrying amount in parent company, SEKm
MAJLLBPN AB	559272-6318	Stockholm	125	50	Joint venture	0	—
MILLENNIUM HoldCo ApS	38252283	Nordhavn	50,000	50	Joint venture	235	—
Next Step Group Owners AB	559411-7649	Gothenburg	12,475	50	Associated companies	409	—
Norion Bank AB	556597-0513	Gothenburg	90,501,180	44	Associated companies	4,213	1,196
Norra Backaplan Bostads AB	556743-0276	Gothenburg	33,333	33	Joint venture	181	—
Origo Industrieendom AS	928,053,954	Trondheim	1,500	50	Joint venture	0	—
Rosengård Fastighets AB	559085-4708	Malmö	25,000	25	Joint venture	254	—
SB Bostad i Stockholm AB	559094-8914	Stockholm	250	50	Joint venture	11	—
Sinoma Fastighets AB	559161-0836	Stockholm	25,000	50	Associated companies	945	450
Sjælsø Management ApS	35394923	Copenhagen	392	49	Associated companies	71	—
Ski Linås Boligutvikling AS	923,369,988	Trondheim	15,000	50	Joint venture	14	—
Steinan Holding AS	822,404,502	Oslo	15	50	Joint venture	44	—
Steinkjer Eiendom Holding AS	927,495,856	Trondheim	1,500	50	Joint venture	0	—
Stenhus Fastigheter i Norden AB	559269-9507	Stockholm	74,601,354	20	Associated companies	1,161	1,160
Strømsveien 81 Holding AS	928,054,225	Trondheim	1,500	50	Joint venture	0	—
Sulky Fastighets AB	559055-5610	Stockholm	250	50	Joint venture	150	—
Sundsøya Utvikling AS	929,418,603	Trondheim	1,500	50	Joint venture	0	—
Svensk Valfærdsteknik Holding AB	559500-6502	Landskrona	301,724	33	Associated companies	0	—
Tornet Bostadsproduktion AB	556796-2682	Stockholm	2,501,400	49	Joint venture	1,559	—
Trenum AB	556978-8291	Gothenburg	500	50	Joint venture	1,810	400
Tulia AB	556712-9811	Gothenburg	50,000	50	Joint venture	1,581	—
Victoria Kungens Kurva AB	559056-7888	Solna	250	50	Joint venture	10	—
White Peak IV Limited	126219	Jersey	21	20	Associated companies	103	—
Ängsladan Fastighetsförvaltning i Lund AB	559148-5783	Vetlanda	25,000	50	Joint venture	18	—
Other holdings	—	—	—	—	Associated companies	620	—
<b>Total</b>						<b>29,281</b>	<b>15,586</b>

1) Holding based on outstanding shares.

## NOTE 15 OTHER NON-CURRENT RECEIVABLES

### ACCOUNTING POLICY

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

SEKm	Group		Parent company	
	2025	2024	2025	2024
Receivables from the Group's associated companies and joint ventures	1,861	1,662	29	317
Other non-current receivables	699	310	69	1
<b>Total</b>	<b>2,560</b>	<b>1,973</b>	<b>97</b>	<b>318</b>

SEKm	Group		Parent company	
	2025	2024	2025	2024
Opening balance	1,973	3,029	318	1,763
Changes in lending to associated companies and joint ventures	199	-351	-288	-1,445
Changes in other non-current receivables	388	-706	68	—
<b>Closing balance</b>	<b>2,560</b>	<b>1,973</b>	<b>97</b>	<b>318</b>

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

## NOTE 16 DEVELOPMENT PROPERTIES

### ACCOUNTING POLICY

A development property is a property that is owned for upgrading with a view to being divested, either in full or per apartment, upon completion. Development properties consist partly of land where construction has not started and partly of projects where construction has started. Construction in progress refers essentially to the new production of tenant-owner apartments where the intention is to divest them upon completion. These properties are continually recognised at cost and in the line item "Development properties" among current assets in the balance sheet and are valued at the lower of cost and net realisable value.

Income from the sale of development properties refers to compensation from the sale of tenant owner apartment projects, tenant owner apartment shares and development properties. In connection with the sale of tenant-owner apartments, compensation received is recognised as income and the apartment's estimated share of the production cost is recognised as an expense, or, for externally acquired tenant owner apartment shares, the apartment's book value. Income from the sale of development properties is recognised as compensation received, and production cost incurred as an expense. Income and expense are recognised in the income statement in connection with the apartment/property being completed, sold and handed over to the buyer. Selling and marketing expenses are recognised on an ongoing basis in the income statement as they arise.

Investments and divestments are recognised under investing activities in the Consolidated cash flow statement.

In addition to investment properties, Balder owns development properties to a value of SEK 3,384m (1,955).

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 of SEK -28m (-28), which are recognised as expenses on an ongoing basis during the year.

Profit from sales for the year amounted to SEK -17m (122) after deductions for selling and marketing expenses, and includes the sale of individual tenant-owner apartments.

SEKm	Group	
	2025	2024
<b>Carrying amount at beginning of year</b>	<b>1,955</b>	<b>2,750</b>
Investments in projects	429	577
Divestments	-112	-851
Reclassification	1,112	-521
<b>Carrying amount at end of year</b>	<b>3,384</b>	<b>1,955</b>

## NOTE 17 TRADE RECEIVABLES

### ACCOUNTING POLICY

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

Trade receivables are recognised and measured at the amount that is expected to be received minus the provision for credit losses. The profit for 2025 was impacted by SEK -66m (-79) in respect of actual and expected bad debts. Trade receivables are of a short-term nature, which means that they are recognised as current assets, corresponding to fair value.

### Age distribution of trade receivables

Group, SEKm	2025	2024
-30 days	187	247
31-60 days	38	47
61-90 days	5	2
91 days-	223	174
<b>Total</b>	<b>453</b>	<b>470</b>
Provision for credit losses	-223	-174
<b>Trade receivables, net</b>	<b>230</b>	<b>296</b>

### Provision for credit losses

Group, SEKm	2025	2024
Opening balance	-174	-107
Confirmed bad debts during the year	17	12
Change in credit loss provision during the year	-66	-79
<b>Closing balance</b>	<b>-223</b>	<b>-174</b>

## NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

SEKm	Group		Parent company	
	2025	2024	2025	2024
Insurance policies	9	1	—	—
Interest income	48	46	—	—
Interest expenses	219	157	199	77
Rental income	165	130	—	—
Property costs	586	596	—	—
Other financial income	67	38	67	38
Other items	25	24	—	—
<b>Total</b>	<b>1,119</b>	<b>992</b>	<b>266</b>	<b>115</b>

## NOTE 19 FINANCIAL INVESTMENTS

### ACCOUNTING POLICY

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

SEKm	Group		Parent company	
	2025	2024	2025	2024
Shares and bonds (listed)	4,795	3,063	4,018	2,557
<b>Total</b>	<b>4,795</b>	<b>3,063</b>	<b>4,018</b>	<b>2,557</b>

## NOTE 20 EQUITY

### Repurchase of own shares

In 2025, the Board of Directors received a mandate from the general meeting to repurchase the company's own shares. The AGM authorised the Board, in the period until the next AGM, to acquire the company's own Class B shares. The maximum number of shares acquired may be such that the company's holding of its own Class B shares after the acquisition amounts to a maximum of 10% of all shares in the company. The purpose of repurchase is to contribute to increased shareholder value.

The repurchase of the company's own shares took place at Nasdaq Stockholm. During the year Balder repurchased 4,000,000 shares at an average price of SEK 66.78. Balder owned none of its own shares before the repurchases.

### Share capital

As of 31 December, the share capital in Balder amounted to SEK 198,333,333 distributed among 1,190,000,000 shares. Each share has a quota value of SEK 0.16667, of which 67,376,592 shares are Class A and 1,122,623,408 shares are Class B. 4,000,000 of the Class B shares have been repurchased as of 31 December 2025, which means that the total number of outstanding shares is 1,186,000,000. Each Class A share carries one vote and each Class B share carries one tenth of one vote.

### Other contributed capital

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

### Translation differences

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

### Cash flow reserve

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

### Retained earnings including net profit for the year

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

### Non-controlling interests

The item refers to the minority's share of equity in non-wholly-owned subsidiaries and mainly refers to SATO Oyj, where Balder's participating interest is 58.5% (57.1) and Joo Group Oy, where the participating interest is 75.0% (75.0). For further information see Note 21, Non-controlling interests.

### Proposed dividend

On 24 March 2025, the Board of Directors of Balder made a directional decision to propose to the shareholders that the company's entire holding in Norion Bank AB, corp. ID no. 556597-0513, be distributed to the company's shareholders.

### Share capital development

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

The table continues on the next page

Contd. **Note 20** Equity

Table continued from previous page.

Day	Month	Year	Event	Change in number of shares	Total number of shares	Total number of outstanding shares	Quota value per share, SEK	Change in share capital, SEK	Total share capital, SEK
16	June	2011	Directed new issue of preference share	4,000,000	166,396,852	163,537,252	1.00	4,000,000	166,396,852
31	January	2012	Set-off issue of preference share	1,000,000	167,396,852	164,537,252	1.00	1,000,000	167,396,852
11	October	2012	Set-off issue of preference share	1,000,000	168,396,852	165,537,252	1.00	1,000,000	168,396,852
24	May	2013	Directed new issue of preference share	500,000	168,896,852	166,037,252	1.00	500,000	168,896,852
22	October	2013	Directed new issue of preference share	3,500,000	172,396,852	169,537,252	1.00	3,500,000	172,396,852
19	March	2014	Divestment of repurchased shares	2,859,600	172,396,852	172,396,852	1.00	—	172,396,852
18	December	2015	Directed new issue of ordinary share	10,000,000	182,396,852	182,396,852	1.00	10,000,000	182,396,852
23	September	2016	Directed new issue of ordinary share	3,000,633	185,397,485	185,397,485	1.00	3,000,633	185,397,485
16	December	2016	Set-off issue	4,602,515	190,000,000	190,000,000	1.00	4,602,515	190,000,000
12	October	2017	Redemption of preference capital	-10,000,000	180,000,000	180,000,000	1.00	-10,000,000	180,000,000
30	November	2020	Directed new share issue	6,500,000	186,500,000	186,500,000	1.00	6,500,000	186,500,000
25	May	2022	Share split 6:1	932,500,000	1,119,000,000	1,119,000,000	0.16667	—	186,500,000
29	December	2022	Directed new share issue	35,000,000	1,154,000,000	1,154,000,000	0.16667	5,833,333	192,333,333
21	February	2024	Directed new share issue	18,000,000	1,172,000,000	1,172,000,000	0.16667	3,000,000	195,333,333
13	November	2024	Directed new share issue	18,000,000	1,190,000,000	1,190,000,000	0.16667	3,000,000	198,333,333
		2025	Repurchase of own shares	-4,000,000	1,190,000,000	1,186,000,000	0.16667	—	198,333,333
<b>31</b>	<b>December</b>	<b>2025</b>		<b>—</b>	<b>1,190,000,000</b>	<b>1,186,000,000</b>	<b>0.16667</b>		<b>198,333,333</b>

## NOTE 21 NON-CONTROLLING INTERESTS

A summary of financial information is shown below for significant non-controlling interests in the Group. The amounts recognised are based on the amounts contained in the consolidated financial statements. Only net assets in which non-controlling interests have a share are included.

SATO Oyj (corp. ID no. 0201470-5) is one of Finland's biggest property companies specialising in residential properties. The company invests primarily in residential properties located in Greater Helsinki, Tampere and Turku. The non-controlling interest in SATO Oyj amounts to 41.5% (42.9).

Joo Group Oy (corp. ID no. 2808794-5) is a growing property company specialising in newly produced residential properties in Finland's biggest cities. The company places great emphasis on optimising size and efficiency in the apartments' floor plans. The non-controlling interest in Joo Group Oy amounts to 25.0% (25.0).

Both subsidiaries operate in Finland and have their registered office in Helsinki.

Participation	SATO Oyj		Joo Group Oy	
	2025	2024	2025	2024
Balder, share, %	58.5	57.1	75.0	75.0
Non-controlling interests, share, %	41.5	42.9	25.0	25.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Balance sheet in summary, SEKm	SATO Oyj		Joo Group Oy	
	2025	2024	2025	2024
Investment properties	56,030	56,453	11,202	11,677
Other fixed assets	1,055	848	11	15
Current assets	345	556	52	82
<b>Total assets</b>	<b>57,430</b>	<b>57,857</b>	<b>11,264</b>	<b>11,774</b>
Non-current liabilities	25,331	24,427	10,390	10,670
Current liabilities	3,051	3,567	54	76
<b>Total liabilities</b>	<b>28,382</b>	<b>27,994</b>	<b>10,445</b>	<b>10,746</b>
<b>Net assets</b>	<b>29,048</b>	<b>29,863</b>	<b>820</b>	<b>1,028</b>
Carrying amount from non-controlling interests	12,243	12,844	205	257

The Board of Directors of Balder proposes that the shareholders at the Annual General Meeting on 8 May 2026 resolve to distribute Balder's entire holding in Norion Bank to Balder's shareholders. The proposal should be seen as part of the work to simplify and streamline Balder. More detailed information on the record date for distribution and the exchange ratio will be included in the Board's proposal for the Annual General Meeting 2026.

Balder currently owns 90,501,180 shares, corresponding to approximately 44.1%, in Norion Bank. The shares in Norion Bank are admitted to trading on Nasdaq Stockholm. Based on the trading price of Norion Bank's share, the market value of Balder's holding as of 31 December 2025 amounted to SEK 6,236m, corresponding to SEK 5.26 per share in Balder. Norion Bank is an associated company of Balder. The shares in Norion Bank are recognised in the parent company in accordance with the cost method, and amounted to SEK 1,196m as of 31 December 2025.

Upon distribution of the shares in Norion Bank, the parent company's equity is reduced by the book cost. In the Group, the Group's equity is reduced by the Group value in Norion Bank, which amounted to SEK 4,850m as of 31 December 2025.

For more information about Norion Bank, see the "Investor Relations" section at norionbank.se.

### Appropriation of profits

The Board of Directors has proposed that the profit at the disposal of the Annual General Meeting of SEK 34,721,277,338 be appropriated as follows: dividend to shareholders in the form of a non-cash dividend consisting of shares in Norion Bank AB (corp. ID no. 556597-0513) of SEK 1,196,082,224, and that SEK 33,525,195,114 be carried forward.

Statement of comprehensive income in summary, SEKm	SATO Oyj		Joo Group Oy	
	2025	2024	2025	2024
Income	3,499	3,477	732	694
<b>Net profit for the year</b>	<b>940</b>	<b>822</b>	<b>-152</b>	<b>-134</b>
Other comprehensive income	4	-71	—	—
<b>Total comprehensive income</b>	<b>945</b>	<b>750</b>	<b>-152</b>	<b>-134</b>
Net profit for the year attributable to non-controlling interests	390	352	-38	-33
Dividend paid to non-controlling interests	—	—	—	—

Cash flow statement in summary, SEKm	SATO Oyj		Joo Group Oy	
	2025	2024	2025	2024
Cash flow from operating activities	1,103	990	-52	-158
Cash flow from investing activities	-2,830	-733	344	-854
Cash flow from financing activities	1,551	21	-312	918
<b>Increase/decrease in cash and cash equivalents</b>	<b>-176</b>	<b>278</b>	<b>-20</b>	<b>-94</b>

## NOTE 22 FINANCIAL RISK MANAGEMENT



### ACCOUNTING POLICY

#### FINANCIAL INSTRUMENTS

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

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

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

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

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

#### Financial assets measured at accrued cost

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

#### Financial assets measured at fair value via the income statement

Investments in debt instruments that do not qualify for recognition at amortised cost or at fair value through other comprehensive income are measured at fair value via the income statement. Equity instruments held for trading, equity instruments where the Group has chosen not to report fair value changes through other comprehensive income and derivatives that do not qualify for hedge accounting are included in this

category. A gain or loss on a financial asset (debt instrument) that is recognised at fair value via the income statement and which is not part of a hedging relationship is recognised net in the income statement during the period in which the gain or loss arises. This category includes the Group's derivatives with positive fair value and the portion of financial investments that constitute shares and bonds.

#### Financial assets measured at fair value through other comprehensive income

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

#### Financial liabilities measured at fair value via the income statement

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

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

#### Financial liabilities measured at accrued cost

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

#### Derivative instruments

Derivative instruments are recognised in the balance sheet on the transaction date and are measured at fair value, both on initial and subsequent remeasurement in each reporting period. Balder holds derivatives that hedge certain risks relating to cash flow (currency swaps and interest rate swaps), and derivatives that hedge investment in a foreign operation (net investment hedges). Derivatives related to net investments in foreign operations, currency swaps and certain interest rate

swaps have been identified as hedging instruments and are deemed to meet the requirements for hedge accounting in IFRS 9. For more detailed descriptions of hedge accounting, see the following paragraph. All other derivative instruments are not considered to meet the criteria for hedge accounting in IFRS 9. Derivatives are also contractual terms that are embedded into other agreements. Embedded derivatives should be accounted for separately if they are not closely related to the host contract. At present, no embedded derivatives have been identified. Changes in the value of derivative instruments identified as hedging instruments are recognised in other comprehensive income, while changes in value of other derivative instruments are recognised in accordance with the applicable category above.

#### Convertible bonds

Balder has a convertible bond issued in EUR. This is divided into two components, a liability component and an option component. The liability component is valued at accrued cost using the effective interest method, and the option component is recognised as a liability and is valued on an ongoing basis at fair value via the income statement. The convertible (both the liability component and the option component) is recognised under Interest-bearing liabilities and Derivatives respectively in the balance sheet, and changes in value of the option are recognised under Changes in the value of derivatives in the income statement. Transaction costs are recognised as part of the liability and are accrued as an interest rate expense over the term with the application of the effective interest method.

#### Hedging of variable interest on loans

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

#### Hedges of net investments in foreign operations

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

Contd. **Note 22** Financial risk management

**Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions.

**Impairment testing of financial assets**

At each reporting date, the Group assesses the future expected credit losses, which are linked to assets recognised at amortised cost based on forward-looking information. The Group's financial assets for which credit losses are assessed essentially consist of trade receivables (rent receivables) and other non-current receivables (mainly receivables from associated companies). The Group chooses a provisioning method based on whether or not there has been a significant increase in credit risk. The Group recognises a provision for credit losses for such expected credit losses at each reporting date. For the Group's trade receivables and rental receivables, the Group applies the simplified approach for credit loss provisioning, in other words, the provision will correspond to the expected loss over the entire life of the trade receivable. In order to measure the expected credit losses, trade receivables have been grouped based on distributed credit risk characteristics and days overdue. The Group uses forward-looking variables for expected credit losses. The Group's credit losses have historically been insignificant, and the payment history of customers and associated companies has been good. In view of this, combined with forward-looking information about macroeconomic factors that might affect the ability of counterparties to pay receivables, the Group's expected credit losses have also been assessed as being insignificant.

Balder is financed by equity and liabilities, where the majority of the liabilities consist of interest-bearing liabilities. The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering financing at competitive market rates. Balder's long-term goals for the capital structure are that the equity/assets ratio should not be less than 40% over time, that the interest coverage ratio should not be less than 2 times, that net debt to total assets should not exceed 50% and that the net debt in relation to EBITDA should not exceed 11 times.

**DURATION ANALYSIS OF FINANCIAL LIABILITIES**

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

**FINANCE POLICY**

The Group is exposed to six different kinds of financial risks through its operations. Financial risks refer to interest rate risk, liquidity risk, refinancing risk, price risk, credit risk and currency risk. The finance policy prescribes guidelines and rules for how the financial operations shall be conducted and establishes the division of responsibilities and administrative rules. Departures from the Group's finance policy require the approval of the Board of Directors. Responsibility for the Group's financial transactions and risks is managed centrally by the parent company's finance department. Financial risk is managed at a portfolio level. Financial transactions shall be conducted based on an assessment of the Group's overall needs relating to liquidity, financing and interest rate risk.

**Finance policy targets:**

- The equity/assets ratio shall not fall below 40% over time.
- Net debt to total assets shall not exceed 50% over time.
- The interest coverage ratio should not fall below 2 times over time.
- Net debt/EBITDA shall not exceed 11 times over time.

**Duration analysis of financial liabilities**

**Group, 31/12/2025**

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Interest-bearing liabilities	17,172	26,359	21,316	15,619	13,779	44,004	138,248
Convertible bond	—	—	5,889	—	—	—	5,889
Interest expenses <sup>1)</sup>	4,090	4,055	4,021	3,987	3,952	19,246	39,352
Trade payables	320	—	—	—	—	—	320
Lease liability (rent of premises)	11	10	9	9	—	—	39
Lease liability (vehicle leases)	8	8	8	6	4	—	33
Other non-current liabilities	—	801	—	—	—	—	801
<b>Total</b>	<b>21,600</b>	<b>31,233</b>	<b>31,243</b>	<b>19,621</b>	<b>17,735</b>	<b>63,250</b>	<b>184,682</b>

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

**Group, 31/12/2024**

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Interest-bearing liabilities	17,727	25,138	25,876	13,191	11,828	39,780	133,541
Convertible bond	—	—	—	6,637	—	—	6,637
Interest expenses <sup>1)</sup>	4,089	4,072	4,056	4,039	4,022	19,864	40,142
Trade payables	581	—	—	—	—	—	581
Lease liability (rent of premises)	14	14	13	1	—	—	43
Lease liability (vehicle leases)	3	3	3	2	1	—	12
Other non-current liabilities	—	828	—	—	—	—	828
<b>Total</b>	<b>22,414</b>	<b>30,055</b>	<b>29,948</b>	<b>23,870</b>	<b>15,851</b>	<b>59,644</b>	<b>181,783</b>

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

**Parent company, 31/12/2025**

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Interest-bearing liabilities	10,451	15,884	8,425	4,073	2,000	21,799	62,632
Convertible bond	—	—	5,889	—	—	—	5,889
Interest expenses <sup>1)</sup>	1,960	1,955	1,950	1,945	1,940	9,621	19,371
Trade payables	19	—	—	—	—	—	19
<b>Total</b>	<b>12,430</b>	<b>17,839</b>	<b>16,264</b>	<b>6,018</b>	<b>3,940</b>	<b>31,420</b>	<b>87,911</b>

**Parent company, 31/12/2024**

SEKm	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Interest-bearing liabilities	6,433	17,339	13,327	5,695	3,863	5,113	51,769
Convertible bond	—	—	—	6,637	—	—	6,637
Interest expenses <sup>1)</sup>	1,711	1,707	1,703	1,699	1,696	8,423	16,938
Trade payables	18	—	—	—	—	—	18
<b>Total</b>	<b>8,161</b>	<b>19,046</b>	<b>15,030</b>	<b>14,031</b>	<b>5,558</b>	<b>13,535</b>	<b>75,362</b>

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

Contd. **Note 22** Financial risk management

- Increase the proportion of green financing.
- The Group's liquidity shall at all times correspond as a minimum to one month's known outgoing payments, including interest payments and repayments.

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

Balder has obligations to its financiers in the form of financial key ratios, so-called covenants. At year-end, Balder had financing obligations with an interest coverage ratio of min. 1.8 times, secured debt/total assets of max. 45% and net debt to total assets of max. 65%. Covenants are reported quarterly to the financiers and all covenants were fulfilled with a comfortable margin at year-end.

### Sensitivity analysis

Factor	Change	Profit effect before tax, SEKm
Interest rate level of interest-bearing liabilities	+/- 1 percentage point	-/+ 481

### Financial targets and commitments

	Target	Commitment	Outcome	
			2025	2024
Net debt to total assets, %	< 50.0	< 65.0	48.1	49.4
Interest coverage ratio, times	> 2.0	> 1.8	2.7	2.7
Secured debt/Total assets, %	n/a	< 45.0	23.4	23.6
Equity/assets ratio, %	> 40.0	n/a	38.5	38.0
Net debt/EBITDA, times	< 11.0	n/a	12.0	12.2

### Maturity structure interest rate derivatives<sup>1)</sup>

Year	Nominal amount, SEKm	Interest, %
2026	15,726	2.02
2027	6,196	2.14
2028	8,437	2.29
2029	13,950	1.86
2030	3,346	2.09
2031	1,500	2.18
2032	2,800	2.46
2034	1,000	2.52
2037	1,500	2.00
2040	270	0.67
<b>Total</b>	<b>54,725</b>	<b>2.07</b>

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

## RISKS

### Capital risk

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

### Liquidity risk

Liquidity risk refers to the risk of a lack of sufficient cash and cash equivalents to be able to fulfil the company's payment obligations relating to operating costs, interest and amortisation. According to the finance policy, there should always be sufficient cash in hand and guaranteed credit facilities to cover the day-to-day liquidity requirements. Regardless of long-term targets, the Board of Directors can decide to temporarily boost liquidity, for example, to be better prepared for major transactions. As of the closing date, Balder's cash and cash equivalents, financial investments and unutilised overdraft facilities amounted to SEK 11,064m (6,854). Balder's finance policy, which is updated at least once each year, prescribes guidelines and rules for how borrowing should be conducted. The overall objective of financial management is to use borrowing to safeguard the supply of capital to the company in the short and long run, to adapt the financial strategy and management of financial risks to the company's business so that a long-term and stable capital structure is achieved and maintained and to achieve the best possible net financial income/expense within given risk limits.

### Refinancing risk

Refinancing risk refers to the risk that Balder may not be able to obtain refinancing in the future or only at a significantly increased cost. As of year-end, Balder had credit facilities of SEK 13,012m (13,901), of which SEK 12,660m (13,872) were unutilised. Balder works continually on raising new loans and on renegotiating existing loans. Over time, 50% of the loan portfolio shall have a credit term of more than 2 years and not more than 20% of the loans should mature within one year.

### Interest rate risk

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

Balder has mainly used swaps and fixed-interest loans to manage its interest rate risk, which mature between 2026 and 2040. As of year-end, 83% (79) of the loans were hedged using interest rate swaps and fixed-interest loans, and for 5% (5) hedge accounting is applied. Fluctuations in market interest rates give rise to theoretical surpluses or deficits in respect of these financial instruments, which do not affect

cash flow. Derivatives are recognised on an ongoing basis at fair value in the balance sheet and changes in value are recognised in the income statement. Derivatives are measured based on quoted prices in the market. Changes in value of interest rate derivatives and option component convertible amounted to SEK 399m (-21), of which option component convertible amounted to SEK 418m (-169). As of year-end, the fair value of interest rate derivatives amounted to SEK 459m (485). The fair value of financial instruments is based on measurements by the intermediating credit institutions. The reasonability of the measurements has been tested by engaging another credit institution to value similar instruments at the end of the reporting period, see the sensitivity analysis.

SATO's interest rate derivatives meet hedge accounting requirements, as the term of the derivatives is matched with the underlying financing. This means that the change in value of the derivatives is recognised in other comprehensive income. The interest rate derivatives (interest rate swaps) entered into by SATO have the same critical terms as the hedged item. Critical terms may be the reference rate, interest rate conversion days, payment dates, due date and nominal amount. Inefficiency in interest rate swaps may arise due to differences in critical terms between the interest rate swap and the loan. There were no inefficiencies attributable to SATO's interest rate swaps in 2025.

### Currency risk

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

### Translation exposure

When the subsidiaries' statement of financial position in local currency is translated into Swedish kronor, a translation difference arises, which is due to the fact that the current year is translated at a different closing rate than the previous year and that the statement of comprehensive income is translated at the average rate during the year, while the statement of financial position is translated at the exchange rate as of 31 December. The translation difference is posted to other comprehensive income and is carried forward in reserves in equity. The translation exposure consists of the risk that the translation difference represents in terms of the impact on other comprehensive income and equity. The risk is greatest for the currencies in which the Group has the largest net assets and where the price movements in relation to Swedish kronor are the largest. The net assets in Finland and Denmark have the greatest impact on the Group. Balder issued a total of EUR 4,896m in the European bond market, as well as a convertible bond in which the liability component amounts to EUR 468m, which helps to reduce the currency exposure of the Group's net assets in EUR and DKK. As of year-end, there also were currency swaps for EUR -1,605m (-1,335), and the fair value of these items amounted to SEK -214m (-14).

The assets and liabilities in EUR and DKK are aggregated as the DKK rate is pegged to the EUR. The translation differences are mainly handled through borrowing spread among different currencies based on the net assets in each currency. Loans raised in the same currency as the currency of net assets in the Group reduce these net assets and thus reduce the translation exposure. These hedges of net

Contd. **Note 22** Financial risk management

investments in foreign operations operate in the following way. Exchange gains and losses on loans in foreign currency, which finance acquisition of foreign subsidiaries, are recognised as part of other comprehensive income to the extent that the loans function as a hedge for the acquired net assets. In other comprehensive income, they meet the translation difference arising from the consolidation of the foreign subsidiaries. In the Group, net exchange differences of SEK 801m (-1,715) relating to liabilities in foreign currency were transferred to other comprehensive income as hedging of net investments in foreign operations. There was no inefficiency to be recognised from hedges of net investment in foreign operations. The loans that hedge net investments in foreign operations are in EUR and DKK, since these foreign currencies have the greatest impact on the statement of financial position. Of the Group's total net investments in foreign operations, 100% are hedged.

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

#### Price risk

Balder's income is affected by the occupancy rate of the properties, the level of competitive market rents and the ability of customers to pay. A change in the rental rate of +/- 1% or economic occupancy rate of +/- 1% point has an effect on profit before tax of SEK +/- 138m and SEK +/- 146m respectively.

#### Credit risks

##### Trade receivables

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

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

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

##### Financial operations

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

#### Borrowing, maturity structure and interest rates

At year-end, Balder had binding loan agreements amounting to SEK 143,307m (138,851). Loans are raised in Swedish kronor, Danish kroner, Norwegian kroner, British pounds and euros. At year-end, loans in Danish kroner amounted to DKK 8,765m, loans in Norwegian kroner to NOK 6,584m, loans in British pounds to GBP 47m and loans in euros to EUR 7,637m. The single largest financing source is euro bonds issued in the European bond market. Balder also has a domestic MTN programme with a framework of SEK 20,000m and a convertible bond in EUR of EUR 480m. As of 31 December, the outstanding commercial paper volume was SEK 227m (275), the commercial paper programme amounts to SEK 6,327m (6,595). Net interest-bearing liabilities minus cash and cash equivalents and financial investments of SEK 10,509m (6,444) amounted to SEK 132,798m (132,408).

#### Agreements can be divided into five categories:

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

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

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

The average fixed credit term in loan agreements amounted to 4.6 years (5.0) on 31 December 2025. The maturity structure of loan agreements, presented in the duration analysis, indicates when loan agreements are due for renegotiation or repayment. The average effective interest as of the closing date was 2.9% (3.0) including the effect of accrued interest from Balder's interest rate derivatives. The average fixed interest term on the same date was 2.7 years (3.1). The proportion of loans with interest maturity dates during the coming 3-year period was 57% (52).

#### Other commitments

As of year-end, there is no other commitment of significance to the Group.

Contd. **Note 22** Financial risk management

### Carrying amount and fair value of financial instruments, 2025

Group, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2025		
					Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>
Other non-current receivables	2,554	—	6 <sup>4)</sup>	2,560	—	2,560	—
Derivatives	—	294	164	459	—	459	—
Trade receivables	230	—	—	230	—	230	—
Financial investments	—	4,795	—	4,795	4,795	—	—
Cash and cash equivalents	5,715	—	—	5,715	—	5,715	—
<b>Total receivables</b>	<b>8,498</b>	<b>5,089</b>	<b>171</b>	<b>13,758</b>	<b>4,795</b>	<b>8,963</b>	—
Non-current interest-bearing liabilities	121,076	—	—	121,076	57,329	61,618	—
Convertible bond	5,059	830	—	5,889	—	6,033	—
Other non-current liabilities	801	—	—	801	—	801	—
Derivatives	—	—	214	214	—	214	—
Current interest-bearing liabilities	17,172	—	—	17,172	3,903	13,268	—
Trade payables	320	—	—	320	—	320	—
<b>Total liabilities</b>	<b>144,428</b>	<b>830</b>	<b>214</b>	<b>145,472</b>	<b>61,232</b>	<b>82,254</b>	—

### Carrying amount and fair value of financial instruments, 2024

Group, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2024		
					Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>
Other non-current receivables	1,961	—	12 <sup>4)</sup>	1,973	—	1,973	—
Derivatives	—	310	174	485	—	485	—
Trade receivables	296	—	—	296	—	296	—
Financial investments	—	3,063	—	3,063	3,063	—	—
Cash and cash equivalents	3,381	—	—	3,381	—	3,381	—
<b>Total receivables</b>	<b>5,638</b>	<b>3,373</b>	<b>186</b>	<b>9,197</b>	<b>3,063</b>	<b>6,134</b>	—
Non-current interest-bearing liabilities	115,813	—	—	115,813	53,379	59,392	—
Convertible bond	5,311	1,326	—	6,637	—	6,895	—
Other non-current liabilities	828	—	—	828	—	828	—
Derivatives	—	—	14	14	—	14	—
Current interest-bearing liabilities	17,727	—	—	17,727	5,094	12,624	—
Trade payables	581	—	—	581	—	581	—
<b>Total liabilities</b>	<b>140,260</b>	<b>1,326</b>	<b>14</b>	<b>141,601</b>	<b>58,473</b>	<b>80,334</b>	—

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

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

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

4) No changes in value were recognised in 2025 or 2024.

### Interest rate refixing period

Year	Carrying amount, SEKm		Interest, %	
	2025	2024	2025	2024
Within one year	43,470	40,412	3.1	4.2
1–2 years	15,715	16,414	2.0	2.6
2–3 years	22,561	15,002	3.0	1.8
3–4 years	16,353	18,990	2.1	3.0
4–5 years	12,399	18,028	2.2	1.7
> 5 years	32,809	30,006	3.1	2.4
<b>Total</b>	<b>143,307</b>	<b>138,851</b>	<b>2.9</b>	<b>3.0</b>

Year	Share, %		Fair value, SEKm	
	2025	2024	2025	2024
Within one year	31	29	43,472	40,408
1–2 years	11	12	15,613	16,275
2–3 years	16	11	23,148	14,632
3–4 years	11	14	15,491	19,918
4–5 years	8	13	12,000	17,421
> 5 years	23	21	32,426	28,729
<b>Total</b>	<b>100</b>	<b>100</b>	<b>142,151</b>	<b>137,384</b>

Contd. **Note 22** Financial risk management

### Carrying amount and fair value of financial instruments, 2025

Parent company, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2025		
					Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>
Other non-current receivables	97	—	—	97	—	97	—
Derivatives	—	319	—	319	—	319	—
Receivables from Group companies	100,197	—	—	100,197	—	100,197	—
Financial investments	—	4,018	—	4,018	4,018	—	—
Cash and cash equivalents	4,516	—	—	4,516	—	4,516	—
<b>Total receivables</b>	<b>104,810</b>	<b>4,337</b>	<b>—</b>	<b>109,148</b>	<b>4,018</b>	<b>105,130</b>	<b>—</b>
Non-current liabilities to credit institutions	52,181	—	—	52,181	24,668	26,974	—
Convertible bond	5,059	830	—	5,889	—	6,033	—
Liabilities to Group companies	33,216	—	—	33,216	—	33,216	—
Current liabilities to credit institutions	10,451	—	—	10,451	3,903	6,546	—
Trade payables	19	—	—	19	—	19	—
<b>Total liabilities</b>	<b>100,926</b>	<b>830</b>	<b>—</b>	<b>101,756</b>	<b>28,571</b>	<b>72,789</b>	<b>—</b>

### Carrying amount and fair value of financial instruments, 2024

Parent company, SEKm	Assets and liabilities measured at amortised cost	Assets and liabilities measured at fair value via the income statement	Fair value via other comprehensive income	Total carrying amount	Fair value hierarchy		
					Total fair value 2024		
					Level 1 <sup>1)</sup>	Level 2 <sup>2)</sup>	Level 3 <sup>3)</sup>
Other non-current receivables	318	—	—	318	—	318	—
Derivatives	—	376	—	376	—	376	—
Receivables from Group companies	95,871	—	—	95,871	—	95,871	—
Financial investments	—	2,557	—	2,557	2,557	—	—
Cash and cash equivalents	2,018	—	—	2,018	—	2,018	—
<b>Total receivables</b>	<b>98,207</b>	<b>2,933</b>	<b>—</b>	<b>101,139</b>	<b>2,557</b>	<b>98,583</b>	<b>—</b>
Non-current liabilities to credit institutions	45,336	—	—	45,336	18,148	26,215	—
Convertible bond	5,311	1,326	—	6,637	—	6,895	—
Liabilities to Group companies	38,590	—	—	38,590	—	38,590	—
Current liabilities to credit institutions	6,433	—	—	6,433	5,094	1,330	—
Trade payables	18	—	—	18	—	18	—
<b>Total liabilities</b>	<b>95,688</b>	<b>1,326</b>	<b>—</b>	<b>97,014</b>	<b>23,242</b>	<b>73,048</b>	<b>—</b>

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

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

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

## NOTE 23 OVERDRAFT FACILITY

SEKm	Group		Parent company	
	2025	2024	2025	2024
Approved credit limit	555	410	350	350
Utilised portion	—	—	—	—
<b>Unutilised portion</b>	<b>555</b>	<b>410</b>	<b>350</b>	<b>350</b>

## NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

SEKm	Group		Parent company	
	2025	2024	2025	2024
Staff costs	137	139	23	21
Interest expenses	972	748	662	441
Rent paid in advance	1,650	1,570	—	—
Property costs	323	701	—	—
Other items	121	98	11	20
<b>Total</b>	<b>3,203</b>	<b>3,257</b>	<b>696</b>	<b>482</b>

## NOTE 25 PLEGGED ASSETS AND CONTINGENT LIABILITIES

### ACCOUNTING POLICY

#### Contingent liabilities

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

#### Parent company – Financial guarantees

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

#### Pledged assets

SEKm	Group		Parent company	
	2025	2024	2025	2024
Property mortgages	78,285	77,437	—	—
Shares in Group companies	36,565	32,722	—	—
Promissory notes	—	—	10,691	7,555
<b>Total</b>	<b>114,850</b>	<b>110,159</b>	<b>10,691</b>	<b>7,555</b>

#### Contingent liabilities

SEKm	Group		Parent company	
	2025	2024	2025	2024
Guarantees for subsidiaries	—	—	34,788	37,958
Guarantees for associated companies	1,444	1,664	514	814
Other guarantees <sup>1)</sup>	1,756	4,590	1,006	1,006
<b>Total</b>	<b>3,200</b>	<b>6,254</b>	<b>36,308</b>	<b>39,778</b>

1) The company issues, to a modest extent, time-limited capital adequacy guarantees for subsidiaries whose operations might require the injection of risk capital.

## NOTE 26 CASH FLOW STATEMENT

### ACCOUNTING POLICY

#### Cash flow statement

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

#### Cash and cash equivalents

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

#### Cash and cash equivalents

SEKm	Group		Parent company	
	2025	2024	2025	2024
The following components are included in cash and cash equivalents:				
Cash and bank balances	5,715	3,381	4,516	2,018
<b>Total according to balance sheet</b>	<b>5,715</b>	<b>3,381</b>	<b>4,516</b>	<b>2,018</b>
<b>Total according to cash flow statement</b>	<b>5,715</b>	<b>3,381</b>	<b>4,516</b>	<b>2,018</b>

#### Interest and derivatives paid/received

SEKm	Group		Parent company	
	2025	2024	2025	2024
Interest received	444	897	1,383	305
Interest paid	-4,688	-5,606	-2,022	-2,167
Received/paid in respect of derivatives	205	663	92	469
<b>Total</b>	<b>-4,039</b>	<b>-4,047</b>	<b>-547</b>	<b>-1,393</b>

Intra-Group interest income and interest expenses for 2025 and 2024 do not affect the cash flow.

#### Reconciliation of liabilities related to financing activities

Group, SEKm	31/12/2024	Cash flow	Changes not affecting cash flow		31/12/2025
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	138,851	8,816	-5,600	1,240	143,307
Lease liability (rent of office premises)	51	-27	-3	73	94
<b>Total liabilities related to financing activities</b>	<b>138,902</b>	<b>8,788</b>	<b>-5,603</b>	<b>1,313</b>	<b>143,401</b>

Group, SEKm	31/12/2023	Cash flow	Changes not affecting cash flow		31/12/2024
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	134,469	2,137	3,354	-1,108	138,851
Lease liability (rent of office premises)	50	-24	—	25	51
<b>Total liabilities related to financing activities</b>	<b>134,519</b>	<b>2,113</b>	<b>3,354</b>	<b>-1,083</b>	<b>138,902</b>

Contd. **Note 26** Cash flow statement

**Reconciliation of liabilities related to financing activities**

Parent company, SEKm	31/12/2024	Cash flow	Changes not affecting cash flow		31/12/2025
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	57,080	11,433	-802	-20	67,691
<b>Total liabilities related to financing activities</b>	<b>57,080</b>	<b>11,433</b>	<b>-802</b>	<b>-20</b>	<b>67,691</b>

Parent company, SEKm	31/12/2023	Cash flow	Changes not affecting cash flow		31/12/2024
			Exchange differences	Other items not affecting cash flow	
Interest-bearing liabilities	50,100	5,321	1,659	—	57,080
<b>Total liabilities related to financing activities</b>	<b>50,100</b>	<b>5,321</b>	<b>1,659</b>	<b>—</b>	<b>57,080</b>

**NOTE 27**  
**PARTICIPATIONS IN GROUP COMPANIES**

 **ACCOUNTING POLICY**

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

Parent company, SEKm	2025	2024
Accumulated cost		
Opening balance	13,159	11,185
Acquisitions	—	1,969
Impairments	-570	—
Shareholder contributions paid	24	5
<b>Closing balance</b>	<b>12,613</b>	<b>13,159</b>

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

Subsidiaries	Corporate ID number	Reg. office	Number of participations	Share, %	2025	2024
Balder Storstad AB <sup>1)</sup>	556676-4378	Gothenburg	100,000	100	2,211	2,211
Balder Mellanstad AB	556514-4291	Gothenburg	1,938,000	100	665	1,235
Din Bostad Sverige AB	556541-1898	Gothenburg	1,000,000	100	626	626
Egby Vindkraftverk AB	556760-5919	Gothenburg	1,000	100	0	0
Balder Danmark A/S	34058016	Copenhagen	5,000	100	158	158
Balder Fastigheter Norge AS	916755856	Oslo	120	100	319	319
Balder Nordenfastigheter AB	556743-8212	Gothenburg	1,000	100	1,974	1,950
Balder Bilrum Fastighet AB	556730-4059	Gothenburg	100,000	100	1,255	1,255
Balder Germany GmbH	194177B	Berlin	23,725	95	1	1
SATO Oyj <sup>2)</sup>	0201470-5	Helsinki	928,950	0	290	290
Asset Buyout Partners Invest AS	916164882	Oslo	4,185,527,540	100	4,266	4,266
Serena Properties AB	559023-2707	Stockholm	5,000,000	100	848	848
<b>Total</b>					<b>12,613</b>	<b>13,159</b>

1) K/S Sundbyberg, Danmark Filial (516403-5114) was exempted from the obligation to prepare financial statements in Denmark with reference to the rules in Directive 2013/34/EU.

2) The Balder Group owns a total of 49,632,504 shares in SATO Oyj, representing a holding of 58.5% (57.1). 928,950 shares are owned from Fastighets AB Balder and the remaining 48,703,554 shares are owned from the subsidiary Balder Finska Otas AB (559000-0369).

The Group owns a number of companies in Sweden, Denmark, Finland, Norway, Germany and the UK via the above-mentioned subsidiaries, as presented in each subsidiary's annual accounts. For companies in SATO Oyj, see SATO Oyj's annual accounts at sato.fi.

## NOTE 28 RECEIVABLES FROM/LIABILITIES TO GROUP COMPANIES

Parent company, SEKm	Receivables		Liabilities	
	2025	2024	2025	2024
Opening balance	95,871	86,864	38,590	39,934
Change in lending to subsidiaries	4,327	9,006	-5,374	-1,343
<b>Closing balance</b>	<b>100,197</b>	<b>95,871</b>	<b>33,216</b>	<b>38,590</b>

There is no fixed amortisation plan.

## NOTE 29 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

At the end of February 2026, a military escalation and increased geopolitical tension in the Middle East occurred, making it more difficult to assess economic developments during 2026. The global economy may be affected, for example in terms of energy prices, interest rates and exchange rates. Balder is closely monitoring developments to ensure preparedness for various scenarios. Apart from this, no events of material significance to Fastighets AB Balder's financial position have occurred since the end of the reporting period.

## NOTE 30 RELATED PARTIES

### ACCOUNTING POLICY

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

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

#### Related party relationships

##### Group

The Group is under the controlling influence of Erik Selin Fastigheter AB, which holds 46.9% (46.9) of the voting rights in Fastighets AB Balder and constitutes the ultimate parent company of the Group.

##### Parent company

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

#### Summary of related party transactions

##### Group

Erik Selin Fastigheter AB purchased property-related administrative services from Balder for SEK 18m (15). Balder purchased services from the law firm Norma Law for SEK 1m (1), where the Board member Anders Wennergren is a partner. During the year, construction services were purchased for SEK 4m (3) from T-Byggen Sverige AB (formerly Tommy Byggare AB), an associated company of Erik Selin Fastigheter AB. Balder has leases with associated companies of Erik Selin Fastigheter AB and receives rental income from these companies. One lease of a significant nature is with Hedin Mobility Group of SEK 539m (530). The services were priced on competitive market conditions.

##### Parent company

The parent company performed property-related administrative services on behalf of its subsidiaries amounting to SEK 459m (390). The parent company functions as an internal bank. On the closing date, receivables from subsidiaries amounted to SEK 100,197m (95,871). Both administrative and financial services were priced on competitive market conditions.

##### Associated companies/joint ventures

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

During the financial year, associated companies purchased management and administrative services for their organisations from Balder amounting to SEK 86m (102). Net receivables from associated companies amounted to SEK 1,861m (1,662) on the closing date. Both administrative and financial services were priced on competitive market conditions.

#### Transactions with key people in executive positions

The company's Board members and companies owned by these members control 61,1% (61.1) of the votes in Balder. With regard to the Board, CEO and other employees salaries and other remuneration, expenses and agreements relating to pensions and similar benefits as well as agreements in respect of severance pay, see Note 4, Employees and staff costs.

## NOTE 31 PARENT COMPANY INFORMATION

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

The consolidated accounts for 2025 comprise the parent company and its subsidiaries, together referred to as the Group.

## NOTE 32 GOODWILL

### ACCOUNTING POLICY

Goodwill constitutes the difference between the cost and the Group's share of the fair value of the acquired Group company's identifiable net assets on the acquisition date. Goodwill is also recognised in connection with business combinations, where the difference between agreed tax and nominal deferred tax is recognised as goodwill. On the acquisition date, goodwill is measured at cost and subsequently at cost minus impairment losses, if relevant. Goodwill is reviewed at least once a year in respect of a possible need for write-down, or when there is an indication that the carrying amount is not recoverable.

Group, SEKm	2025	2024
Opening balance	—	—
Business combinations	136	—
Currency changes	—	—
<b>Closing balance</b>	<b>136</b>	<b>—</b>

The goodwill item of SEK 136m (-) is attributable in full to the acquisition of the former associated company Sjælsø Management ApS.

The annual accounts and the consolidated accounts were approved for issuance by the Board of Directors and CEO on 30 March 2026. The consolidated income statement and balance sheet and the Parent company income statement and balance sheet will be subject to adoption by the Annual General Meeting on 8 May 2026. The Board of Directors intends to propose that the Annual General Meeting decides on a dividend to shareholders in the form of a non-cash dividend consisting of shares in Norion Bank AB (corp. ID no. 556597-0513) to a total value of SEK 1,196,082,224 for the financial year 2025.

The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards IFRS referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts provide a true and fair view of the parent company's and Group's financial position and results of operations. The Report of the Board of

Directors for the Group and the parent company provides a true and fair review of the development of the Group's and the parent company's operations, financial position and results of operations and describes material risks and uncertainties facing the parent company and the companies forming the Group. The annual report has been prepared in accordance with ESRS / EU Directive (Swedish Securities Market Act (2007:528), Chapter 16, Section 9).

Gothenburg, 30 March 2026

Sten Dunér  
*Chairman of the Board*

Carina Edblad  
*Board member*

Carin Kindbom  
*Board member*

Fredrik Svensson  
*Board member*

Anders Wennergren  
*Board member*

Erik Selin  
*Board member and CEO*

Our audit report on the annual accounts and the consolidated financial statements was submitted on 31 March 2026, and our limited assurance report on the statutory sustainability report was submitted on 31 March 2026.

Öhrlings PricewaterhouseCoopers AB

Konstantin Belogorcev  
*Authorised Public Accountant  
Auditor in charge*

Ulrika Ramsvik  
*Authorised Public Accountant*

# CORPORATE GOVERNANCE

Västerås  
Ångkraftverket 2  
Steam Hotel  
263 rooms

## CONTENTS

- COMMENTS BY THE CHAIRMAN OF THE BOARD** ..... 152
- CORPORATE GOVERNANCE REPORT**..... 153
  - Internal control in respect of financial reporting ..... 157
  - Ahead of the AGM 2026..... 158
- BOARD OF DIRECTORS** ..... 159
- MANAGEMENT** ..... 160
- AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT** ..... 166

# COMMENTS BY THE CHAIRMAN OF THE BOARD

In all businesses, especially those with an entrepreneurial leadership, it is essential to make continuous changes to strengthen the company's long-term development. As a principle, well thought-through changes often create other positive effects in the company.

Balder's Board has itself gone through some changes during the last few years. I assumed the role of Chairman in 2024 after Christina Rogestam's long and faithful service, and Carin Kindbom was elected as a new member that same year. At the last AGM, the Board was expanded, and we had a valuable addition in Carina Edblad who, in addition to her leadership skills, has solid experience from the construction materials industry.

In 2026 there will also be a change, as Erik Selin will hand over the role of CEO to current Deputy CEO Sharam Rahi. However, Erik will not leave the company but will, if the Annual General Meeting approves, assume the role of Executive Chairman, while I will remain available to serve as a board member. The Board views this change as a "win-win" for Balder and our shareholders, as we keep Erik's experience and competence in an even more strategic role, while at the same time getting a new CEO with more than twenty years of experience at Balder. The overall strategy of always putting shareholders' interests first is, however, something that will not change at Balder.

## Balder in a changing world

The geopolitical uncertainty increased in 2025. Despite the positive development in the financial markets, there are significant challenges stemming from fiscal deficits, not least in the US, problems in the Chinese property market and massive AI investments among US tech companies.

The Swedish property market has generally started to recover after the downturn in the last few years. There are more transactions, and we see a modest increase

in construction activity, driven by housing demand. The activity level is expected to increase further in the coming years, which benefits Balder with our significant portfolio of building rights. Even if we have been restrictive when it comes to construction starts, planning has continued and we are ready to act when the conditions are right.

## Strong finances

Speaking of being a good investment, I would like to highlight Balder's Treasury Department, which during 2025 has successfully strengthened the company's liquidity position.

Another important measure during the year was the Board's decision to start share buybacks, which was taken to create value for shareholders and give the company financial flexibility. Our view is that the current share price does not reflect the long-term value of the company, and the buybacks currently give an attractive return for the company and its shareholders.

The Board has for some time been discussing Balder's holding of shares in Norion Bank, and in March 2025 the directional decision was taken to distribute the entire holding to Balder's shareholders, at a time when our credit metrics and credit rating would not be negatively impacted. We judge the timing to be right for this distribution to take place in conjunction with the upcoming Annual General Meeting, and have proposed to the AGM to take the decision. The distribution will simplify and streamline Balder's operations, and we have received plenty of positive comments about the decision.

## Sustainability strengthening the business

Sustainability continues to play a central role in our operations as well as on the Board's agenda. During the year, a new framework with an increased scope for both green and social financing was adopted, along

with new guidelines for sustainable construction in our Swedish business – two good examples of measures with a positive impact for society as well as for the company, today and in the long run.

With the updated green framework came the inclusion of EU Taxonomy-aligned and environmentally certified buildings, and the scope was also broadened to include social bonds, with a focus on residential properties in socioeconomically challenged areas. I am proud to say that Balder, in February 2026, became the first Swedish property company to issue a social bond. The new guidelines deal with sustainable construction and environmental certification, and clarify Balder's sustainability ambitions when producing tenant-owner apartments and properties for its own portfolio in Sweden.

Balder's sustainability efforts are continuously developing, and we continue our journey ahead. A sustainable business is also good business.

## Collective entrepreneurship

Descriptions of property companies usually start with a description of the properties and their value, which is natural. In the case of Balder, the Board also wants to emphasise the extraordinary culture pervading all coworkers, which – put simply – is based on being considerate, doing good business and being efficient. This strong culture, combined with strong cash flows, low vacancy rates and a diversified portfolio, makes us well-positioned for the future.

Finally I would like, on behalf of the Board, to thank all Balder's coworkers for allowing us to close another good year and continue our development together!

## STEN DUNÉR

Chairman of the Board



# CORPORATE GOVERNANCE REPORT

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

The Code is based on the principle comply or explain, which means that rules do not always have to be complied with if there is a reason and it is explained. Some of the Code's principles are to create a good basis for exercising an active and responsible ownership role and to create a well-adjusted balance of power between owners, the Board of Directors and the executive management, which Balder views as a natural part of the principles for its operations. The Code also means that

certain information should be made available on the company's website.

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

### Articles of Association

The company's name is Fastighets AB Balder and the company is a public company (publ). The registered office of the company is in Gothenburg. The company's purpose shall be directly or indirectly, through wholly-

owned or partly-owned companies, to acquire, manage, own and divest real property and securities, and to conduct other associated activities.

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

### 1. THE SHARE AND THE OWNERS

The Balder share is listed on Nasdaq Stockholm, Large Cap segment. At the year-end, the number of shareholders was approximately 29,000. Of the total share capital, 28% was owned by foreign owners. The principal owner of Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 33.0% of the capital and 46.9% of the votes.

Balder's share capital as of 31 December 2025 amounted to SEK 198,333,333, distributed among 1,190,000,000 shares. Each share has a quota value of SEK 0.16667. The shares are distributed across 67,376,592 Class A shares and 1,122,623,408 Class B shares. Each Class A share carries one vote and each Class B share carries one tenth of one vote. 4,000,000 of the Class B shares were repurchased as of 31 December 2025, which means that the total number of outstanding shares is 1,186,000,000.

Each shareholder at the general meeting is entitled to vote for the number of shares held and represented by them. Further information regarding shares and share capital may be found on pages 9-13, Balder's share and owners.

### Information to the stock market

Balder issues interim reports for the operations three times per year: as of 31 March, as of 30 June and as of 30 September. In addition to this, Balder reports its full-year accounts on 31 December in its year-end report and publishes the Annual and Sustainability Report well in advance of the AGM.

The Annual and Sustainability Report for 2025 is available for distribution and on Balder's website. All documents, press releases and presentations in connection with reports are available at [www.balder.se](http://www.balder.se).

### 2. ANNUAL GENERAL MEETING

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

To participate in passing resolutions, the shareholder must be present at the meeting, either personally or by proxy. In addition, the shareholder must be registered in the share register on a certain date prior to the meeting and notification of participation must be given to the company within a certain determined period. Shareholders who wish to have a special matter dealt with at the AGM can normally request this if the request is made in good time to Balder's Board of Directors prior to the meeting. For further information, see page 171.

Notice to attend the Annual General Meeting is given through the Official Swedish Gazette (Post- och Inrikes Tidningar) and on Balder's website. It shall also be announced in Svenska Dagbladet that notice has been given. Resolutions at the general meeting are normally passed by a simple majority. In certain questions, the Swedish Companies Act prescribes that proposals must be approved by a larger proportion of the shares represented and cast at the meeting.

### Annual General Meeting 2025

At the AGM on 8 May 2025, 1,022 shareholders were represented, representing around 88% of the total number of votes. The AGM adopted the financial statements for 2024 and discharged the Board and CEO

## OVERALL STRUCTURE OF CORPORATE GOVERNANCE



from liability for the financial year 2024. The following resolutions were passed at the AGM on 8 May 2025:

- that no dividend shall be declared for the shareholders,
- the Board shall, during the period until the next AGM has been held, be composed of six ordinary members without deputy members,
- directors' fees of a fixed amount of SEK 1,150,000 should be paid to the Board, of which SEK 350,000 to the Chairman of the Board and SEK 200,000 to the other Board members who are not permanently employed by the company. The amount includes remuneration for committee work,
- re-election of Board members Sten Dunér, Erik Selin, Fredrik Svensson, Anders Wennergren and Carin Kindbom, and the election of Carina Edblad as a new member. All members are elected up to and including the 2026 AGM. Sten Dunér was elected as Chairman of the Board,
- a mandate for the Board, during the time until the next AGM, on one or more occasions, to decide that a new issue of Class B shares, as well as of warrants and/or convertibles with the right to subscribe and/or convert to Class B shares, may take place with or without departure from the preferential rights of shareholders. The number of shares, warrants and/or convertibles issued with the support of this authorisation may be the equivalent of no more than 10% of all shares in the company. The new share issue shall be used by the company for payment of acquisitions of properties or acquisition of shares or participations in legal entities that own property or in order to capitalise the company ahead of such acquisitions or to capitalise the company in other respects,
- a mandate for the Board to decide on repurchase and transfer of the company's own shares for the purpose of adjusting the company's capital structure and for transferring own shares as payment or for financing of property investments. If the use of this authorisation is combined with the use of the authorisation regarding the issue of shares, warrants and/or convertibles at the same acquisition, the number of

repurchased and issued Class B shares, warrants and/or convertibles that can be subscribed and/or converted to Class B shares may together correspond to no more than 10% of all shares in the company.

Minutes taken at the AGM on 8 May 2025 are available on the company's website. The 2026 AGM will be held on 8 May at 16:00. For further information, see page 171. Information concerning the AGM will be published at balder.se.

### 3. NOMINATION COMMITTEE

The AGM passes resolutions on the procedure for election of the Board and, when applicable, auditors. The 2025 AGM resolved that a nomination committee should be established before the 2026 AGM in order to submit proposals on the number of Board members, election of Board members including the Chairman of the Board and election of auditors and remuneration for Board members as well as for auditors. The nomination committee's proposals shall be announced no later than in conjunction with the notice convening the AGM. Shareholders are given the opportunity to submit nomination proposals to the nomination committee.

The 2025 AGM decided that the nomination committee shall be composed of one representative for each of the four biggest shareholders or owner constellations in terms of the number of votes, based on the shareholders registered in the share register kept by Euroclear Sweden AB on the last banking day in September. The nomination committee shall appoint a chairman from among its members. The chairman shall not be a member of the company's Board of Directors. The names of the nomination committee's members and the owners they represent shall be announced no later than six months before the AGM.

The nomination committee's term of office extends until a new nomination committee has been appointed.

The nomination committee ahead of the 2026 AGM is composed of Jesper Mårtensson, appointed by Erik Selin Fastigheter AB, Rikard Svensson, appointed by Arvid Svensson Invest AB, Jan Dworsky, appointed by

Swedbank Robur Fonder and Patricia Hedelius, appointed by AMF Tjänstepension och Fonder.

### 4. AUDITORS

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

At the 2023 AGM, Öhrlings PricewaterhouseCoopers AB was elected as the company's auditor for the period until the end of the 2027 AGM.

### 5. BOARD OF DIRECTORS

The Board of Directors is elected by the AGM and shall according to the articles of association consist of at least three and at most seven members. The members are elected at the AGM for the period until the end of the first AGM that is held after the members were elected. During 2025, the Board has been composed of six members and is responsible for the company's organisation and administration (more information about the company's Board is available on page 159 and on Balder's website). The Board works according to an established formal work plan with instructions concerning division of responsibilities between the Board and the CEO.

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

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

The Board's work is governed by the Swedish Companies Act, the articles of association, the Code and the formal work plan that the Board has adopted for its work. Balder's Board of Directors is composed of persons who possess broad experience and competence from the property sector, business development, sustainability issues and financing. Most of the Board members have experience of board work from other listed companies. Both of the major owners Erik Selin Fastigheter AB and Arvid Svensson Invest AB are represented on the Board through Erik Selin and Fredrik Svensson. Balder's authorised signatories, apart from the Board, are either the Chairman of the Board Sten Dunér or Board member Anders Wennergren, jointly with either Director of Economy Eva Sigurgeirsdottir, Head of Personnel and Administration Petra Sprangers or CFO Ewa Wassberg.

### The Board's duties and responsibilities

The Board's overriding duty is to manage the affairs of the company on behalf of the owners so that the owners' interest in a good long-term return on capital is satisfied in the best possible way.

The Board has responsibility for ensuring that the company's organisation is appropriate and that the operations are conducted in accordance with the articles of association, the Companies Act and other applicable laws and regulations and the formal work plan of the Board. Balder's Board of Directors is also ultimately responsible for the company's sustainability work. The Board shall perform its Board work collectively under the leadership of the Chairman.

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

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

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

#### Chairman of the Board

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

- organising and leading the Board's work and creating the best possible basis for the Board's work,
- ensuring that the Board's work takes place in accordance with the provisions of the articles of association, the Companies Act and the formal work plan of the Board,
- monitoring that the Board's decisions are executed effectively,

- continually monitoring the company's development through contact with the CEO and acting as a discussion partner,
- ensuring that the Board members, through the agency of the CEO, receive sufficient information and decision data for their work,
- making sure that each new Board member is given a proper introduction upon joining the Board.

#### The formal work plan of the Board of Directors

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

#### Board meetings

The Board shall, in addition to the statutory meeting, hold board meetings on at least four occasions annually. The CEO and/or the Director of Economy shall as a general rule present a report to the Board. The company's coworkers, auditor or other external consultants shall be called in to board meetings in order to participate and report on matters as required. The Board has a quorum if more than half of the Board members are present. The Chairman has the casting vote in the event that there is no clear majority.

#### The work of the Board of Directors

Balder's Board held 20 board meetings during 2025, one of which was the statutory meeting. Board meetings are held in connection with the company's reporting. Matters of material significance to the company are dealt with at each ordinary board meeting, such as acquisition and divestment of properties, investments in existing properties and financing questions. In addition,

the Board is informed about the current business situation in the rental, property and credit markets.

The regular matters dealt with by the Board in 2025 included acquisition strategies, capital structure and financing position, sustainability work, common corporate policies and the formal work plan for the Board. Anders Wennergren is the designated Board member with responsibility for ESG, to pursue sustainability-related issues in the Board's work.

#### Composition of the Board

The Board, for its work in Balder's Board of Directors, shall have appropriate experience and competence for the operations that are being conducted in order to be able to identify and understand the risks that can arise in the business and the rules and regulations governing the operations that are being conducted.

The composition of the Board shall be characterised by diversity and breadth in terms of the chosen members' competencies, experience, age, gender or ethnic background. The diversity policy applied by the nomination committee follows item 4.1 of the Code. It is the duty of the nomination committee to consider the policy, with the objective of achieving an appropriate composition in the Board.

When electing new Board members, the suitability of the individual members shall be examined with the aim of achieving a Board with a combined level of expertise that is sufficient for ensuring appropriate governance of the company. The composition of the Board provides a good basis for well-functioning Board work with a good spread among individual members that represents diversity according to the Board's equality and diversity policy.

#### Evaluation of the Board's work

The intention of the evaluation is to further improve the Board's working methods and efficiency, and to clarify the main direction of the Board's future work. The evaluation also serves as a tool for ensuring the right competence and knowledge in the Board. In connection

with the annual evaluation, Board members are asked, based on their own perspective, to discuss various areas relating to the Board's work with other Board members. These conclusions are documented in a report.

The areas discussed and evaluated in 2025 related to the Board's composition, competence, efficiency and focus areas going forward. The areas covered by the Board evaluation may vary from one year to another to reflect the development of the Board's work. The evaluation indicated constructive and effective Board work conducted in a positive spirit.

#### Remuneration committee

The remuneration committee has a preparatory function in relation to the Board in questions regarding principles for remuneration and other terms of employment for the CEO and other senior executives. The remuneration committee shall monitor and evaluate the application of the guidelines for remuneration and levels of compensation to senior executives that the AGM has determined and shall also draw up proposals for new guidelines for principles of remuneration and other terms of employment.

Before the resolution of the AGM, at least every four years the Board shall propose new principles for remuneration and other terms of employment for the CEO and other senior executives. Based on the resolution of the AGM, it is the duty of the remuneration committee to decide on remuneration to the CEO and other officers. The Board shall be entitled to deviate from the guidelines if there are special reasons in an individual case to justify this. The remuneration committee is composed of all external Board members and shall meet at least once every year. For further information see Note 4, Employees and staff costs.

#### Audit committee

The audit committee shall be responsible for preparing the Board's work by quality-assuring the company's financial reporting, assisting the nomination commit-

### Composition of the Board of Directors, number of meetings and attendance

Name	Elected	Independent <sup>1)</sup>	Board meetings	Audit committee	Remuneration committee
Sten Dunér	2007	Yes	20/20	1/1	1/1
Erik Selin	2005	No	20/20	—	—
Fredrik Svensson	2005	No	20/20	1/1	1/1
Anders Wennergren	2009	Yes	20/20	1/1	1/1
Carin Kindbom	2024	Yes	20/20	1/1	1/1
Carina Edblad	2025	Yes	14/20	—	—

1) The independence is based on both independence in relation to the company and the company management as well as to larger shareholders (> 10%).

tee in drawing up proposals for auditors and their fees and ensuring a qualified independent audit of the company.

The audit committee shall meet the company's auditor at least once per calendar year and have the opportunity to meet with the auditors without any members of company management being present. During 2025, the audit committee, which was composed of all external Board members, met the company's auditor on one occasion and received an audit plan for 2025 and a report on the audit performed.

#### Disqualification

Board members or the CEO may not deal with issues concerning agreements between themselves and the company or Group. Nor may they deal with issues regarding agreements between the company and a third party, if they have a material interest that can conflict with that of the company. Lawsuits or other actions are on a par with the agreements referred to above. Where applicable, it is incumbent on the Board member or CEO to disclose if a disqualification situation would arise.

### 6. CEO AND MANAGEMENT

The CEO is responsible for day-to-day administration pursuant to the guidelines and policies adopted by the Board. The CEO shall report on Balder's development to the Board and prepare the order of business at Board meetings according to an approved agenda. The CEO shall ensure that the required material is compiled and distributed to the Board members prior to board meetings.

The management team normally meets once every quarter with a standing agenda, including property transactions, finance and general management issues. Group Management consists of five persons and includes resources such as the CEO, accounting, finance, property management and HR. More information about the company's CEO and management team may be found on page 160.



Stockholm  
Snöflingan  
Marriot hotell  
Hotel  
282 rooms

# INTERNAL CONTROL IN RESPECT OF FINANCIAL REPORTING

The Board is responsible for internal control under the Swedish Companies Act and under the Code. This description has been prepared in accordance with the Swedish Annual Accounts Act and the Code and is thus limited to internal control over financial reporting. Financial reporting refers to interim reports, year-end reports and the Annual and Sustainability Report. The description does not constitute a part of the formal annual accounts.

Balder's internal control follows an established framework, Internal Control – Integrated Framework, which consists of five components. The components are control environment, risk assessment, control activities, information and communication, and follow-up.

## Control environment

The control environment constitutes the basis for the internal control over financial reporting. A good control environment is built on clearly defined and communicated decision-making procedures and guidelines between different levels of the organisation, which together with the corporate culture and shared values establish the basis for managing Balder in a professional manner.

Balder's internal control is based on a decentralised organisation with 2,023 properties, each with its own profit centre, which are managed from regional offices. To support the control environment and provide necessary guidance to different officers, there are a number of documented governing documents such as internal policies, guidelines, manuals, the formal work plan of the Board, decision-making procedures, rules for approvals as well as accounting and reporting instructions. Governing documents are updated as required in order to always reflect applicable laws and rules.

## Risk assessment

The focus is on identifying the risks that are considered most significant in Balder's income statement and balance sheet items in the financial statements and what measures can reduce these risks. Risk management is integrated into the above-mentioned document for the control environment.

Different methods are used to measure and minimise risks and to ensure that the risks that the company is exposed to are handled according to Balder's current policies and rules. The Board conducts an ongoing review of the internal control in accordance with the formal work plan of the Board. The risk assessment is continually updated to cover changes that have a material impact on the internal control over financial reporting.

The most significant risks that have been identified in connection with the financial reporting are errors in the accounts and in the valuation of the property portfolio, deferred tax, interest-bearing liabilities, refinancing, tax and value added tax as well as the risk of fraud, loss or embezzlement of assets.

## Control activities

A number of control activities are built-in to ensure that financial reporting provides a true and fair view at each point in time. These activities involve different levels in the organisation, from the Board and company management to other coworkers.

The control activities are aimed at preventing, discovering and correcting errors and deviations. The activities consist of approval and reporting of commercial transactions, follow-up on decisions and approved policies of the Board, general and application-specific IT controls, checking of external counterparties and follow-up on results at various levels in the organisation.

Other activities are follow-up on reporting procedures, including the annual accounts and consolidated accounts and their conformity with applicable rules and regulations, approval of reporting tools, accounting and valuation principles, as well as power of attorney and authority structures.

Balder's regional offices participate in basic control, follow-up and analysis in each region. To guarantee the quality of the regions' financial reporting, an evaluation is performed in conjunction with the Group's controllers.

Follow-up at regional level combined with the controls and analyses at Group level are an important part of the internal control, to make sure that financial reporting essentially does not contain any errors.

## Information and communication

Balder has determined how information and communication in respect of the financial reporting should occur so that the company's information disclosure should take place in an effective and correct manner. Balder has guidelines for how financial information should be communicated between management and other coworkers.

Guidelines, updates and changes are made available and known to the employees concerned by means of oral and written information and on Balder's intranet.

The Board receives further information about risk management, internal control and financial reporting from meetings and reports from the company's auditors.

## Follow-up

There is an appropriate process for continual follow-up and annual evaluation of the observance of internal policies, guidelines and codes and of the appropriateness and functionality of the established control activities.

Different methods are used to measure and minimise risks and to ensure that the risks that the company is exposed to are handled according to current policies and rules. The Group's accounting and controller function has the day-to-day responsibility for ensuring follow-up and reporting to company management of possible shortcomings. Follow-up takes place at both property level and at Group level.

The Board regularly evaluates the information submitted by company management and the auditors. The company's auditors report on the audit plan, their observations from the audit and their opinion about internal control over financial reporting on at least one occasion each year.

## Need for internal audit

Balder has a decentralised organisation that manages 2,023 properties from regional offices. Financial operations and the finance function for the entire Group are conducted in the parent company. There is a controller function in the parent company which, together with controllers in Denmark, Norway and Finland, monitors the administration of the regional offices and financial operations in the Group. Balder's size and decentralised organisation together with the controller function in the parent company mean that a special internal audit function is not justified at present.

## AHEAD OF THE 2026 AGM

Ahead of the AGM on 8 May 2026, the Board proposes:

- the distribution of Balder's holding in Norion Bank to Balder's shareholders,
- a decision to approve the report in respect of remuneration to senior executives,
- a renewed mandate for the Board of Directors, before the next Annual General Meeting, on one or more occasions, with or without derogation from the preferential rights of shareholders, to decide on the new issuing of Class B shares and of warrants and/or convertibles with the right to subscribe and/or convert to Class B shares,
- a mandate for the Board, before the next AGM, to repurchase and transfer Class B shares in Balder equivalent to no more than 10% of all shares in the company,
- the introduction of a new share class, ordinary shares in Class D. This proposal requires an amendment to the provisions on share classes in the articles of association. Further details of the terms and conditions for the Class D shares will be presented in connection with the invitation to the Annual General Meeting.

Ahead of the AGM on 8 May 2026, the nomination committee proposes:

- re-election of the current Board members Sten Dunér, Carin Kindbom, Fredrik Svensson, Anders Wennergren and Erik Selin, as well as Carina Edblad. It is proposed that Erik Selin be elected as Chairman of the Board,
- that directors' fees of SEK 550,000 be paid to the Executive Chairman of the Board and SEK 200,000 to the other Board members who are not permanently employed by the company. The amounts include remuneration for committee work,
- that the AGM decide that the nomination committee shall be composed of one representative for each of the four biggest shareholders or ownership constellations in terms of the number of votes, based on the shareholders registered in the share register kept by Euroclear on the last banking day in September. The names of the nomination committee's members and the owners they represent shall be announced no later than six months before the AGM. The nomination committee's term of office extends until a new nomination committee has been appointed.

Gothenburg, 30 March 2026

Sten Dunér  
Chairman of the Board

Carina Edblad  
Board member

Carin Kindbom  
Board member

Fredrik Svensson  
Board member

Anders Wennergren  
Board member

Erik Selin  
Board member and CEO

Mölnlycke  
Wendelstrand



# BOARD OF DIRECTORS



**STEN DUNÉR** ♂  
Chairman of the Board since 2024. Board member since 2007

**Born**

1951

**Education**

M.Sc. (Business and Economics)

**Current assignments**

Board member at Niagara AB and Garbo Försäkring AB, member of the finance committee at the Royal Swedish Academy of Agriculture and Forestry.

**Previous positions**

President and CEO of Länsförsäkringar AB, Chairman of the Board at Länsförsäkringar Liv AB, and Board member at Humlegården Fastigheter AB.

**Shareholding in Balder**

12,000 Class B shares



**CARINA EDBLAD** ♀  
Board member since 2025

1963

M.Sc. (Engineering)

CEO of Thomas Betong AB, Board member at Instalco and Sweden Green Building Council, and member of the Building and Construction Division at the Royal Swedish Academy of Engineering Sciences (IVA).

Board member at Hifab, NCC, Adapteo, Purmo Group, Svenska Betong and Confederation of Swedish Enterprise. Senior positions in the Skanska Group.

10,000 Class B shares



**CARIN KINDBOM** ♀  
Board member since 2024

1968

B.Sc. (Business and Economics)

President and CEO of Svenska Mässan Gothia Towers AB since 2010. Board member at Svenska Mässan Stiftelse (in role of CEO) and UFI (The Global Association of the Exhibition Industry).

President and CEO of STS Student Travel Schools. Prior to that, ten years in senior positions in the IT industry. Board member at Handelsbanken Västra Sverige, Moment Group and Almega Tjänsteföretagen.

4,000 Class B shares



**ERIK SELIN** ♂  
Board member since 2005

1967

Business school economist

CEO of Fastighets AB Balder, Chairman of the Board at Brinova Fastigheter AB, K-fast Holding AB, SLP Swedish Logistic Property AB and Norion Bank AB, and Board member at Hedin Mobility Group AB.

Board member at Hexatronic Group AB and Neudi & Co AB.

63,000 Class B shares, and 49,855,968 Class A shares and 343,202,400 Class B shares held via company



**FREDRIK SVENSSON** ♂  
Board member since 2005

1961

M.Sc. (Business and Economics)

Chairman of the Board at Arvid Svensson Invest AB.

Chairman of Klövern and Nordea Västerås, and Vice Chairman of Sardus. Board member of Dagon, Broström, IBS, Novotek and Svenska Handelsbanken Region Bank Mellansverige and Västerås Stadsmission.

17,495,352 Class A shares and 73,799,819 Class B shares, all held via company



**ANDERS WENNERGREN** ♂  
Board member since 2009

1956

Lawyer

Partner in the law firm NORMA Advokater, Board member at several companies in the BRA Bygg AB Group.

Law clerk at Mölndal district court, associate at a law firm and practising solicitor.

940,000 Class B shares held via company

**Previous experience**

CEO	•	•	•	•	•
Property sector			•	•	•
Project development		•	•	•	•
Technology		•	•		
ESG	•	•	•	•	•
Financing and stock market	•	•	•	•	•
Transactions and M&A	•	•	•	•	•
Financial reporting	•			•	
Risk management	•	•	•	•	•

**Auditor**

Öhrlings PricewaterhouseCoopers AB. Auditor in charge: Konstantin Belogorcev, born 1983. Öhrlings PricewaterhouseCoopers AB was elected at the AGM held on 11 May 2023 for the period until the AGM in 2027.

# MANAGEMENT



**ERIK SELIN** ♂  
CEO

<b>Born</b>	1967
<b>Employed since</b>	2005
<b>Education</b>	Business school economist
<b>Shareholding in Balder</b>	63,000 Class B shares, and 49,855,968 Class A shares and 343,202,400 Class B shares held via company
<b>Email address</b>	erik.selin@balder.se



**SHARAM RAHI** ♂  
Deputy CEO

<b>Born</b>	1973
<b>Employed since</b>	2005
<b>Education</b>	Compulsory school
<b>Shareholding in Balder</b>	5,690,868 Class B shares held via company
<b>Email address</b>	sharam.rahi@balder.se



**EVA SIGURGEIRSDOTTIR** ♀  
Director of Economy

<b>Born</b>	1974
<b>Employed since</b>	2014
<b>Education</b>	DIHM Graduate in Business Administration, IHM Business School
<b>Shareholding in Balder</b>	6,000 Class B shares
<b>Email address</b>	eva.sigurgeirsdottir@balder.se



**EWA WASSBERG** ♀  
CFO

<b>Born</b>	1980
<b>Employed since</b>	2022
<b>Education</b>	B. Sc. in Economics from the School of Business, Economics and Law at the University of Gothenburg
<b>Shareholding in Balder</b>	10,000 Class B shares
<b>Email address</b>	ewa.wassberg@balder.se



**PETRA SPRANGERS** ♀  
Head of Personnel and Administration

<b>Born</b>	1965
<b>Employed since</b>	2007
<b>Education</b>	Business school economist
<b>Shareholding in Balder</b>	1,800 Class B shares
<b>Email address</b>	petra.sprangers@balder.se

# ADDITIONAL INFORMATION

Copenhagen  
Denmark  
Strandby Høje  
289 rental  
apartments

## CONTENTS

- AUDITOR'S REPORT ..... 162**
- AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT ..... 166**
- AUDITOR'S LIMITED ASSURANCE REPORT OF THE STATUTORY SUSTAINABILITY STATEMENT ..... 167**
- PROJECT LIST ..... 169**
- DEFINITIONS ..... 170**
- ANNUAL GENERAL MEETING, CONTACT INFORMATION AND CALENDAR ..... 171**

# AUDITOR'S REPORT

To the general meeting of the shareholders of Fastighets AB Balder (publ), corporate identity number 556525-6905

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Fastighets AB Balder (publ) for the year 2025 except for the corporate governance statement on pages 42–108. The annual accounts and consolidated accounts of the company are included on pages 11 and 31–150 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 42–108, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and the statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### OUR AUDIT APPROACH

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management

override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

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

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

**KEY AUDIT MATTERS**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**KEY AUDIT MATTERS**

**Valuation of investment properties**

We refer to the Report of the Board of Directors and Investment properties in Note 12.

Investment properties were recognised at a fair value of SEK 225,196 m as of 31 December 2025 and account for a significant part of the Balder Group's balance sheet.

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

During the year, 60% of the portfolio has been subject to assessment by external valuation institutes with the aim of quality assurance of the internal valuations.

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

**HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER**

Our audit has, among other things, focused on the company's internal control and quality assurance for the valuation process.

We have, together with our valuation specialists, reviewed and assessed the valuation models that Balder applies and the reasonableness of the assumptions made.

Our audit included the following audit procedures:

- Assessed inputs through audit sampling and follow-up in relation to historical outcomes, compared with available market inputs.
- Audit sampling of inputs in the calculation models in relation to information in the property system and the notification system.
- We have assessed the independence and competence of the valuation specialists hired by the company and obtained the external valuations and compared these with the internal calculations and analysed deviations.
- We have evaluated the results of a selection of the internal valuations with the support of PwC's valuation specialists.
- Consideration of and discussion about the management team's assessment of the yield requirements for certain specific properties and for the property portfolio as a whole.

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

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–10, 12–30, 42–108, 151–152, 159–161 and 169–171. The other information also consists of the Remuneration Report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the

preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

**The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss**

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fastighets AB Balder (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's

type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards

in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Fastighets AB Balder (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fastighets AB Balder (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consoli-

dated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of

Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format

and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Masthamngatan 1, 405 32 Göteborg, was appointed auditor of Fastighets AB Balder (publ) by the general meeting of the shareholders on the 8 May 2025 and has been the company's auditor since the 16 June 2009.

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Gothenburg 31 March 2026  
Öhrlings PricewaterhouseCoopers AB

Konstantin Belogorcev  
*Authorised Public Accountant*

Ulrika Ramsvik  
*Authorised Public Accountant*

# AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Fastighets AB Balder (publ), corporate identity number 556525-6905

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 153–158 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

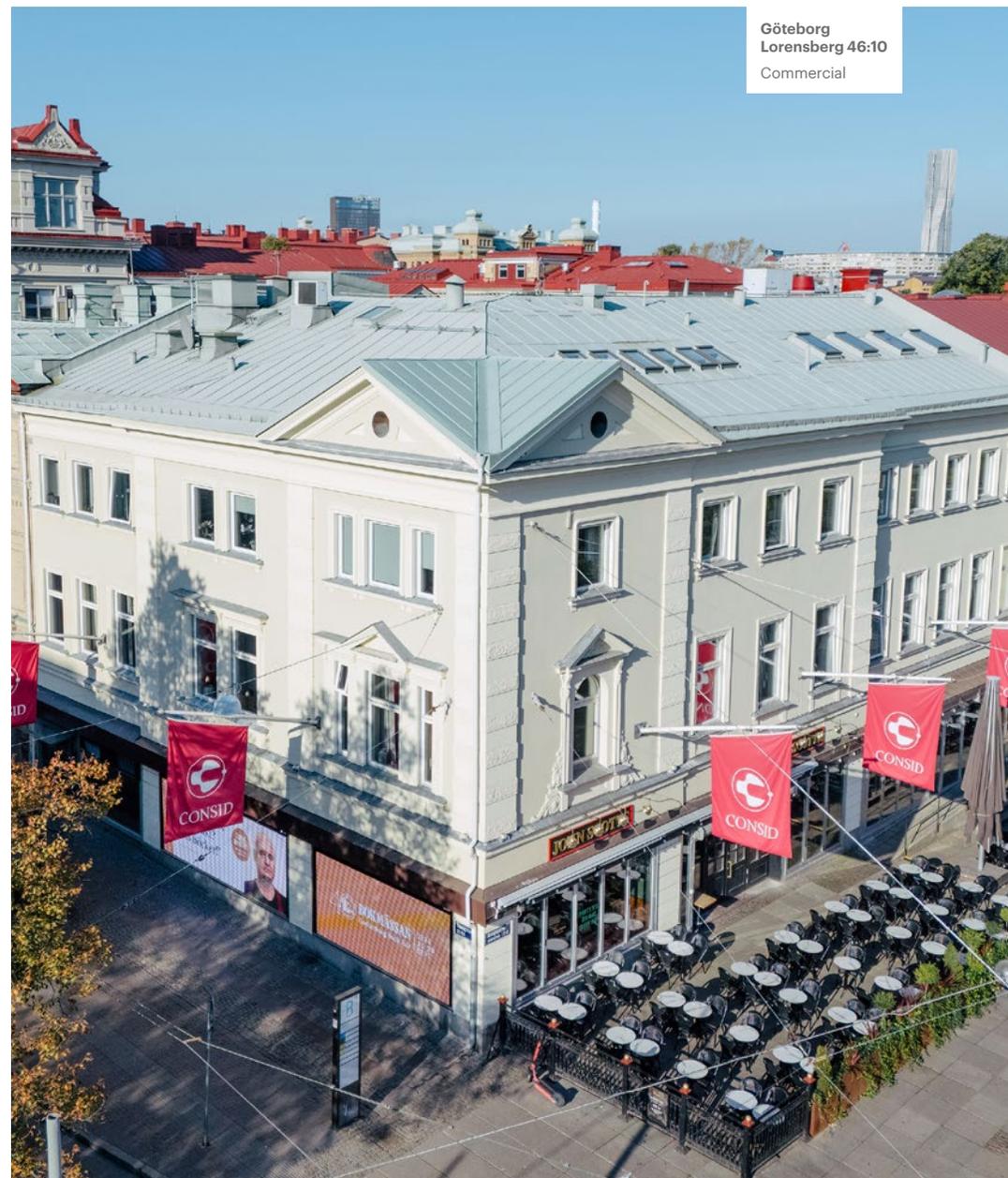
## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg 31 March 2026  
Öhrlings PricewaterhouseCoopers AB

Konstantin Belogorcev  
Authorised Public Accountant  
Auditor in charge

Ulrika Ramsvik  
Authorised Public Accountant



Göteborg  
Lorensberg 46:10  
Commercial

# AUDITOR'S LIMITED ASSURANCE REPORT OF FASTIGHETS AB BALDER'S (PUBL) STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of Fastighets AB Balder (publ), corporate identity number 556525-6905

## Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Fastighets AB Balder (publ) for the financial year 2025. The sustainability statement is included on page 42-108 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described on page 51–53 of the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

## Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

## Other matter

The sustainability statement for the previous financial year has not been subject to a limited assurance

engagement and no review of the comparative figures in the sustainability statement for the year 2025 has therefore been performed.

## Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1-41, 109-161, 169-171. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such inter-

nal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, pro-

fessional standards, and applicable legal and regulatory requirements.

We are independent of Fastighets AB Balder (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

## The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and

- Reviewing the company’s internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process on page 51-53 of the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluated whether the information identified as material by the process implemented by the company to identify the content of the sustainability statement is included;
- Evaluated whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, obtained supporting evidence to the methods for developing significant estimates and forward-looking information and how these methods were applied;

- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
- Evaluated whether the presentation of the taxonomy tables is consistent with the requirements of the EU Green Taxonomy and the corresponding disclosures;
  - Conducted inquiries of management and other relevant personnel to obtain an understanding of the process and sources of information used in the taxonomy disclosures;
  - Performed analytical procedures on selected taxonomy disclosures.

#### **Inherent limitations in preparing the sustainability statement**

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Fastighets AB Balder (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Fastighets AB Balder (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Gothenburg 31 March 2026  
Öhrlings PricewaterhouseCoopers AB

Konstantin Belogorcev  
Authorised Public Accountant  
Auditor in charge

Ulrika Ramsvik  
Authorised Public Accountant



# PROJECT LIST

## PROJECT PROPERTIES FOR OWN MANAGEMENT UNDER CONSTRUCTION

Country	Region	Project	Property category	Environmental certification	Lettable area, sq.m.	Number of apartments	Total estimated investment, SEKm	Estimated completion
Sweden	South	Toyota Kristianstad	Commercial	Miljöbyggnad Silver	2,450	—	63	Q1 2026
Sweden	Gothenburg	Granit	Residential	Miljöbyggnad Silver	6,663	99	283	Q2 2027
Sweden	Stockholm	Basaren	Commercial	Miljöbyggnad Silver	1,448	—	210	Q2 2028
<b>Total</b>					<b>10,561</b>	<b>99</b>	<b>556</b>	

## DEVELOPMENT PROPERTIES FOR SALE UNDER CONSTRUCTION

Country	Region	Project	Property category	Environmental certification	Lettable area, sq.m.	Number of apartments	Total estimated investment, SEKm	Estimated completion
Sweden	Gothenburg	Bohusgatan Rubinen	Residential	Miljöbyggnad Silver	6,074	93	498	Q2 2026
Sweden	Gothenburg	Bohusgatan Safiren	Residential	Miljöbyggnad Silver	5,607	99	456	Q4 2026
Sweden	Gothenburg	Bohusgatan Spinellen	Residential	Miljöbyggnad Silver	6,894	134	551	Q3 2027
Sweden	Stockholm	Garbo district	Residential	Miljöbyggnad Silver	4,825	64	444	Q2 2028
<b>Total</b>					<b>23,400</b>	<b>390</b>	<b>1,950</b>	

**Total under construction**

**33,961**      **489**      **2,506**

## FUTURE PROJECTS, ESTIMATED CONSTRUCTION START 2026 AND ONWARDS

Country	Region	Gross area <sup>1)</sup> , sq.m.	Number of apartments
Sweden	Gothenburg	915,562	6,900
Sweden	Stockholm	505,150	4,143
Finland	Helsinki	241,652	4,552
Finland	East	32,410	660
Norway	Oslo	257,680	1,686
Denmark	Copenhagen	43,000	294
<b>Total</b>		<b>1,995,454</b>	<b>18,235</b>

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

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

## 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, %<sup>1)</sup>

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

### Development properties

Refers to properties constructed with the intention of being 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, SEKm<sup>1)</sup>

Contracted rent and estimated market rent for vacant premises.

### Surplus ratio, %

Net operating income in relation to rental income.

## 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 was treated historically as 50% equity by the rating agencies. As of Q1 2024, the full amount of hybrid capital is treated as an interest-bearing liability.

### Net debt, SEKm

Interest-bearing liabilities minus cash and cash equivalents and financial investments.

### 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 in relation to shareholders' equity, including non-controlling interests.

### Equity/assets ratio, %

Equity including non-controlling interests in relation to total assets at the end of the period.

## OTHER

### Associated companies and joint ventures

For reasons of simplicity, disclosures in running text about transactions linked to associated companies and joint ventures are referred to only as "associated companies". The report refers to holdings that constitute both associated companies and joint ventures. For a complete list, see Note 14.

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

# ANNUAL GENERAL MEETING

The Annual General Meeting of Fastighets AB Balder (publ), (Balder), corp. ID no. 556525-6905, will take place on 8 May, 2026 at 4 p.m. CET at the West Sweden Chamber of Commerce, Parkgatan 49, Gothenburg, Sweden.

Shareholders who wish to participate at the AGM must be listed as shareholders (not trustee-registered) in the share register held by Euroclear Sweden AB as of Tuesday 29 April 2026, and must also give notice of participation no later than 4 May, 2026. Shareholders shall notify the number of accompanying assistants (maximum two) within the same time.

Notification of participation at the AGM shall be made by letter to Computershare AB, "Fastighets AB Balders årsstämma 2026", Box 149, SE-182 12 Danderyd, by email to proxy@computershare.se, by phone to +46 (0)771-24 64 00 or on balder.se.

When giving notice of participation, the shareholder shall state his or her name or firm, personal ID/corporate registration number, address and telephone number and information of representative or proxy, if any.

A shareholder who is exercising his or her rights through a proxy shall provide a written proxy form, valid for a period not exceeding five years calculated from the date of issuance to the day of the AGM. A proxy form is available at Balder's website. A proxy who is representing a legal entity shall submit a certificate of registration or corresponding legitimacy papers showing authorised signatories. The original power of attorney and certified copy of a certificate of registration or corresponding legitimacy papers should be sent to Computershare AB at the above address in good time prior to the AGM.

Shareholders who do not wish or are unable to attend the Annual General Meeting may exercise their voting rights by voting in advance by post. A specific form must be used for postal voting. The form is available on Balder's website, balder.se, and must be received by Computershare AB no later than 4 May 2026. The completed and signed form may be submitted either:

- by letter to Computershare AB, "Fastighets AB Balders årsstämma 2026", Box 149, SE-182 12 Danderyd,
- by email to proxy@computershare.se or
- by a link on Balder's website, balder.se, shareholders may cast their postal vote electronically by verifying their identity with BankID.

Shareholders may not include specific instructions or conditions with their postal vote. If they do so, the postal vote will be invalid in its entirety. Further instructions and conditions are set out in the postal voting form available on Balder's website, balder.se.

If a shareholder votes by post through a proxy, a written and dated power of attorney signed by the shareholder must be enclosed with the postal voting form. A proxy form is available on Balder's website, balder.se. If the shareholder is a legal entity, a certificate of registration or equivalent authorisation document must be attached to the form.

A shareholder who has voted by post and also wishes to attend the meeting venue, either in person or by proxy, must notify this in accordance with "participation at the meeting venue" above. This means that notification solely by postal voting is not sufficient for a person who wishes to attend the meeting venue.

If a shareholder both votes by post and registers to participate at the meeting venue, the postal vote will remain valid to the extent that the shareholder does not participate in a vote during the Annual General Meeting or otherwise withdraw the postal vote. If the shareholder chooses to participate in a vote during the Annual General Meeting, the vote cast at the meeting will replace the previously submitted postal vote in respect of that particular item of business.

A shareholder who has nominee-registered its shares must, in order to have a right to participate on the AGM, through the trustee's care register the shares in its own name, so the person in question is registered in the share register kept by Euroclear Sweden AB on the record date, on Wednesday 29 April, 2026. Such register can be temporary ("rösträttsregistrering"). A shareholder who wishes to register the shares in its own name must, in accordance with the trustee's guidelines, ask the trustee to make such a registration ("rösträttsregistrering"). A registration made by the shareholder within such time that the registration has been made by the relevant trustee no later than Monday 4 May, 2026, will be considered at the presentation of the share register.

This annual and sustainability report is a translation of the Swedish annual and sustainability report 2025. In the event of any disparities between this report and the Swedish version, the latter will have priority.

# CONTACT INFORMATION

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# CALENDAR

Annual General Meeting, 8 May 2026

Interim report, Jan-Mar 2026, 8 May 2026

Interim report, Jan-Jun 2026, 14 July 2026

Interim report, Jan-Sep 2026, 23 October 2026

Year-end report, Jan-Dec 2026, 12 February 2027

Photos: Dino Soldin, Malmö Arena, Artefactorylab, Ian Schemper, Superb, Enviser, Snøhetta, Seul, Kasper Dudzik, Näst Innovation Destination Torslanda, Robert Bratsberg Karlsson, Magnus Cimmerbeck, Brunberg & Forshed, Fredrik Hjerling.  
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