

The image shows the ornate facade of the Berns Salonger building. At the top, the word "BERNS" is written in large, gold-outlined letters. Below it is a circular clock face with Roman numerals. The building features classical architectural elements like columns and statues. The text "FASTIGHETS AB BALDER (PUBL)" is overlaid in white, sans-serif font.

FASTIGHETS AB BALDER (PUBL)

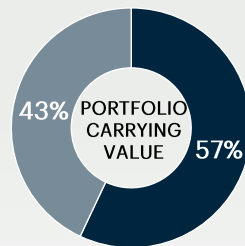
YEAR END REPORT
2022

BERNS SALONGER

BALDER AT A GLANCE

SEK BILLION 217.4 PORTFOLIO VALUE	S&P RATINGS BBB OFFICIAL RATING	% 96.0 OCCUPANCY RATE	YEARS 10.1 AVG. LEASE DURATION 10 LARGEST LEASES	
% 47.9 NET DEBT TO TOTAL ASSETS	TIMES 4.7 INTEREST COVERAGE RATIO	SEK BILLION 25.8 AVAILABLE LIQUIDITY	SEK 92.1 NAV PER SHARE	% 29 NAV GROWTH PER YEAR SINCE 2005

■ Residential ■ Commercial



- One of the largest and most well diversified property companies in the Nordic region both in terms of asset and location
- Solid fundamentals and benign demographics with 80% of the portfolio in capitals and larger cities supported by structural need for housing
- Active property and portfolio management ensures strong financial performance and provides excellent opportunities for a continuation to execute value-added transactions
- Strong property development platform enabling continued growth regardless of the situation on the transaction market
- The Balder share have yielded significant shareholder returns over time with NAV growth per share of +29% per year since 2005

FASTIGHETS AB BALDER

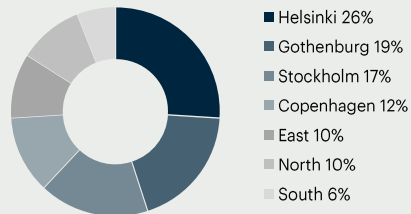
Q4 2022

- Q4: Rental income SEK 2,805m, increase 16%
- Profit from property management SEK 1,537m, decrease 5%
- FY: Rental income SEK 10,521m, increase 17%
- Profit from property management SEK 6,139m, increase 11%
- Profit from property management in current earnings capacity 5.39 SEK/share, increase 4% compared to same period last year
- Net debt to total assets 47.9%
- Like for like rental growth 3.9%
- NAV 92.10 SEK/share

A WELL-DIVERSIFIED PORTFOLIO

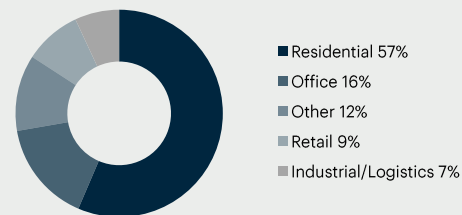
CARRYING AMOUNT DISTRIBUTED BY REGION

Total real estate portfolio, %



CARRYING AMOUNT DISTRIBUTED BY PROPERTY CATEGORY

Total real estate portfolio, %



80%

Of the property portfolio located in capitals and larger cities



PROPERTY DEVELOPMENT

Two categories

- Project properties for own management
- Development properties for sale

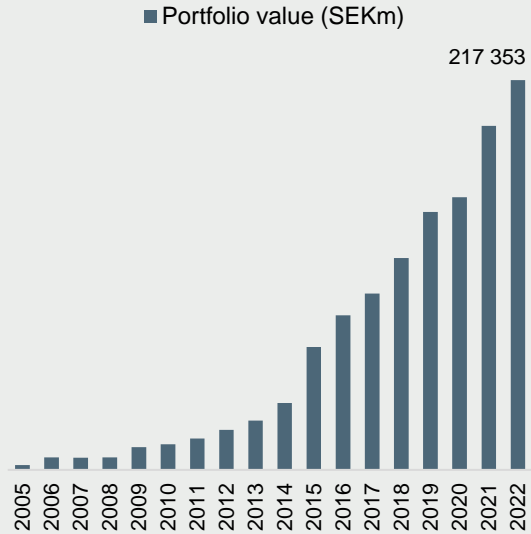
Net investment 2023 and 2024

- Slightly negative
- NOI when project properties are completed SEK 500m per year

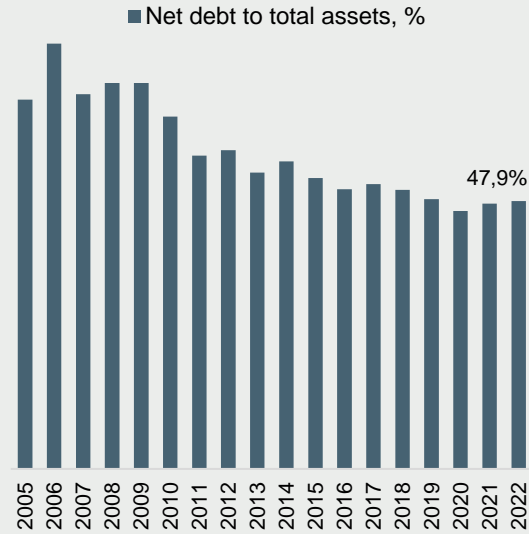
LONG TRACK-RECORD OF DELIVERING VALUE



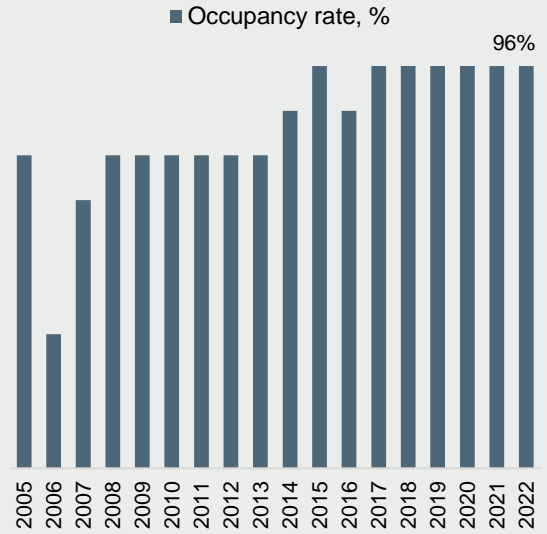
...WHILE IMPROVING OPERATIONAL STABILITY AND REDUCING LEVERAGE



Long track record of value creation through strong operational focus, as well as investments in acquisitions as well as new development.



Continuous leverage reduction and commitment to investment grade rating



Strong population growth and urbanisation offer strong structural support for occupancy rates

CURRENT EARNINGS CAPACITY

	2022	2022	2022	2022	2021	2021	2021	2021	2020
SEKm	31 Dec	30 Sep	30 June	31 March	31 Dec	30 Sep	30 June	31 March	31 Dec
Rental income	11,600	10,750	10,350	10,135	9,710	9,150	9,100	8,505	8,545
Property costs	-2,735	-2,565	-2,470	-2,445	-2,370	-2,230	-2,220	-2,210	-2,225
Net operating income	8,865	8,185	7,880	7,690	7,340	6,920	6,880	6,295	6,320
<i>Surplus ratio</i>	76%	76%	76%	76%	76%	76%	76%	74%	74%
Management and administrative costs	-1,035	-1,000	-990	-980	-830	-780	-770	-720	-675
Profit from property management from associated companies	1,850	1,800	1,780	1,760	1,650	1,500	1,370	1,340	1,110
Operating profit	9,680	8,985	8,670	8,470	8,160	7,640	7,480	6,915	6,755
Net financial items, incl. ground rent	-2,900	-2,550	-2,220	-2,020	-1,750	-1,600	-1,600	-1,580	-1,450
Non-controlling interests	-560	-550	-580	-630	-630	-610	-605	-625	-630
Profit from property management Parent Company	6,220	5,885	5,870	5,820	5,780	5,430	5,275	4,710	4,675
Tax	-1,305	-1,240	-1,250	-1,240	-1,230	-1,130	-1,085	-975	-970
Profit after tax	4,915	4,645	4,620	4,580	4,550	4,300	4,190	3,735	3,705
Profit from property management, per share, SEK	5.39	5.26	5.25	5.20	5.17	4.85	4.71	4.21	4.18

Forecast for 2023

For 2023, the profit from property management, i.e. the profit before changes in value and tax, with the current real estate portfolio, acquisitions and divestments announced, and at current exchange rates, is expected to amount to SEK 6,200m.

ESG IS AN INTEGRATED PART OF OUR STRATEGY & OPERATIONS

EXTERNAL FRAMEWORK

UN SUSTAINABLE DEVELOPMENT GOALS



WE SUPPORT

Balder has signed the Global Compact, the UN's international principles for companies in the area of human rights, labour, the environment and anti-corruption.

> [Read more on unglobalcompact.org](https://unglobalcompact.org)



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

BALDER'S FRAMEWORK



PROPERTIES



AREAS



PARTNERSHIPS



COWORKERS



FINANCES

MATERIAL TOPICS

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

SUSTAINABILITY

2022

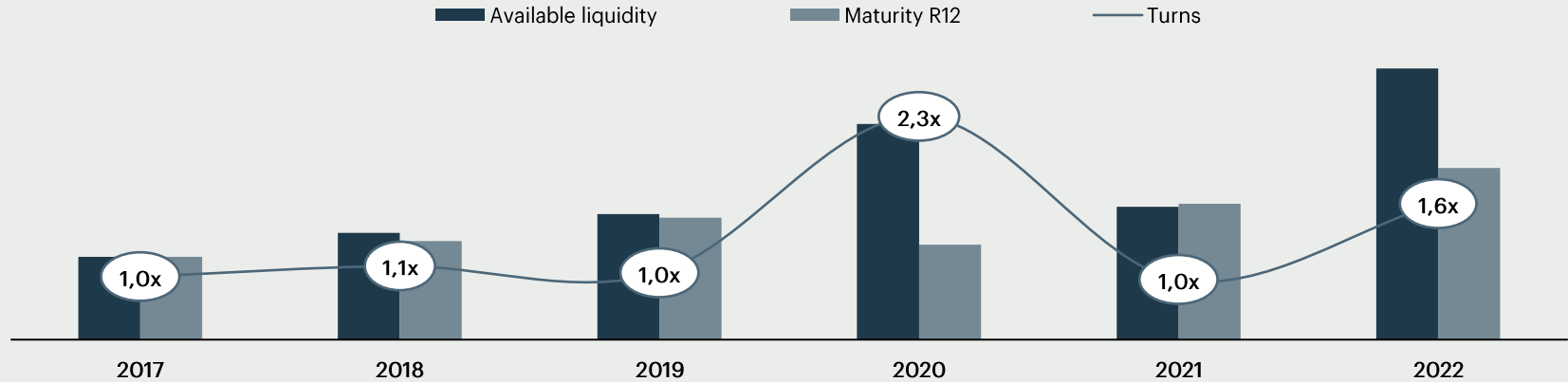
- Reviewed financial activities which aligns with the EU taxonomy
- Extended internal information on business ethics and new whistleblowing function
- Extended coordination of social sustainability and area development
- Climate calculations 2022, Science Based Target (SBTi) baseline, was commenced at group level
- The transition to a fossil-free vehicle fleet has begun

2023

- Green financing framework update
- SBTi validation & Climate roadmap determined
- Continued work with climate risk analyzes and action plans
- Sustainability report update according to new requirements (CSRD)



PRUDENT FINANCIAL STRATEGY WITH A WELL BALANCED RISK MANAGEMENT



- Board committed to an Investment Grade credit profile
- Introduction of a new financial target, net debt/EBITDA to be below 11.0 times.



Proactive balance sheet management through:

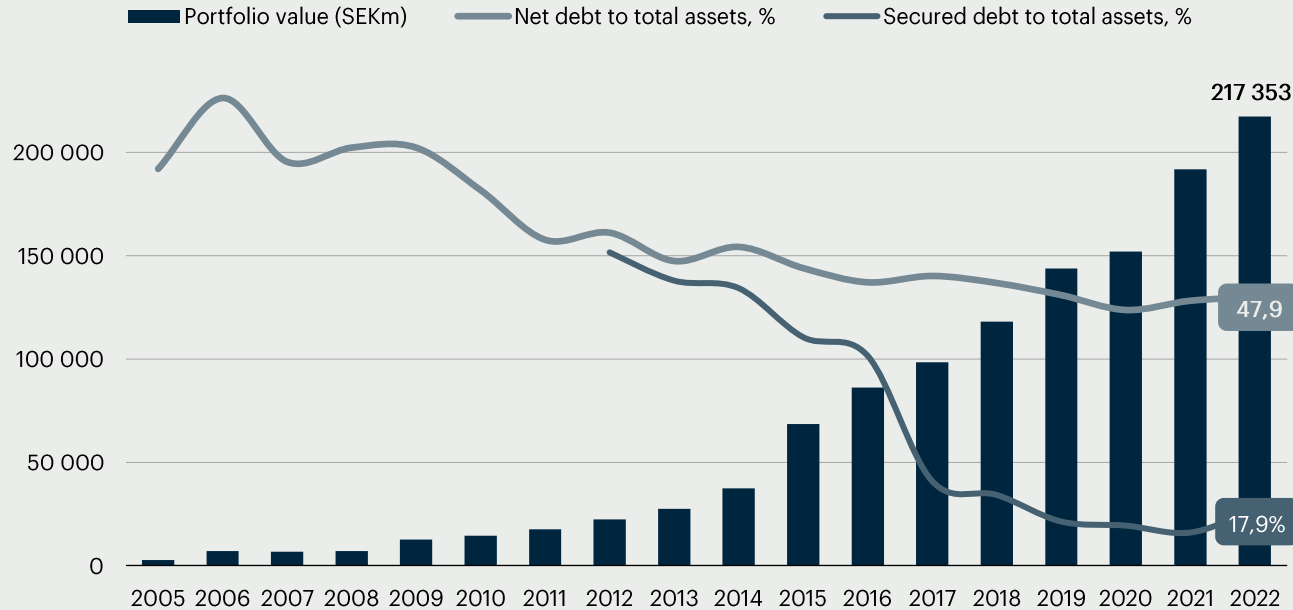
Directed share issue of SEK1.8bn to AMF

Tender offerings for senior bonds maturing in 2023 of SEK 2.5bn and EUR 500m, resulting in buybacks of SEK 1.623bn and EUR 223m

The hybrid with first call date March 2023 of EUR 320m has been called

FINANCING

Portfolio Value (SEKm) and Net Debt to Total Assets (%)



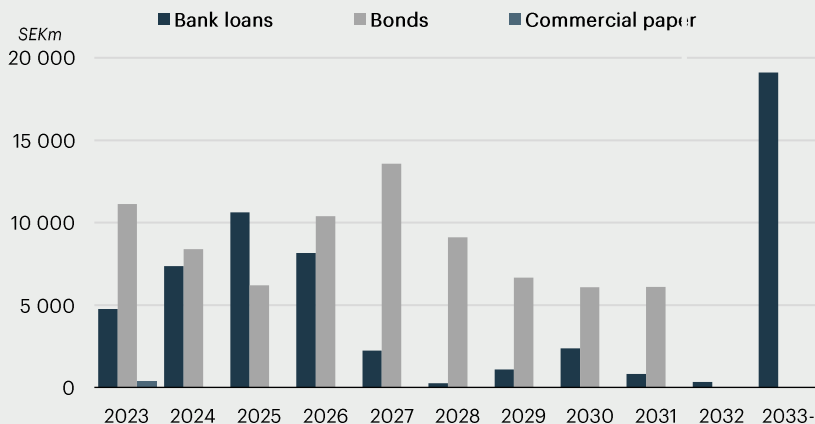
Available liquidity and credit facilities SEK 26 billion

70 % of debt is hedged with interest swaps and fixed-rate loans

All financial targets are met

FINANCING

Debt Maturity Structure



Interest Maturity Structure

Year	SEKm	Interest %	Proportion %
2023	46,188	3.0	34
2024	4,573	1.8	3
2025	9,481	1.9	7
2026	14,451	2.3	11
2027	13,058	1.4	10
2028	8,589	1.6	6
2029	15,939	1.3	12
2030	8,281	1.8	6
2031	8,609	1.7	6
2032	2,804	2.3	2
2033-	3,279	1.4	2
Total	135,252	2.1	100

Equity / Assets Ratio

40.0%

Target 40%

Net Debt to Total Assets

47.9%

Target 50%

Interest-Coverage Ratio

4.7

Target 2.0

Net Debt to EBITDA

13.4

Target 11.0

Fixed Credit Term

5.7 years

n.a

Average Fixed-Rate Period

3.5 years

n.a.

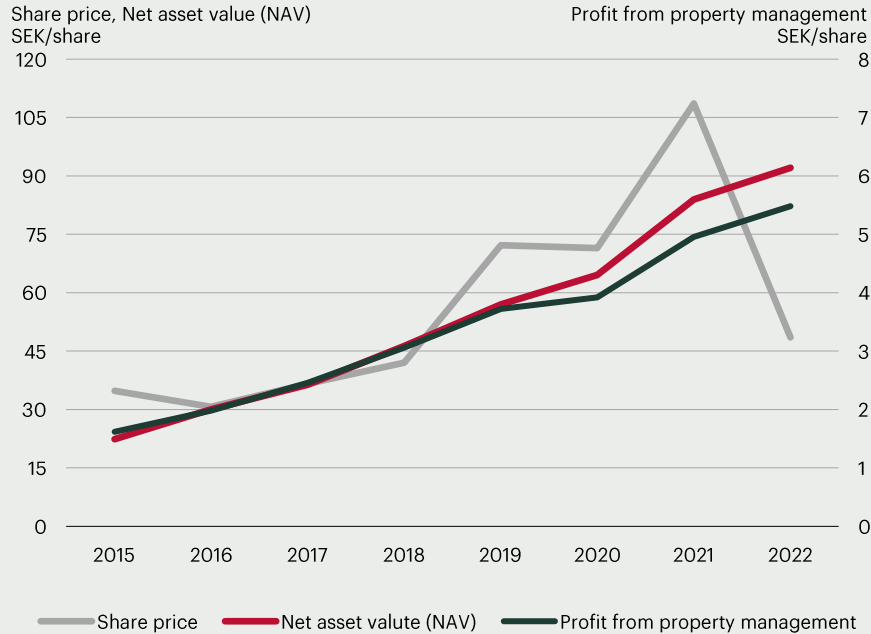
Available Liquidity, SEKm

25,771

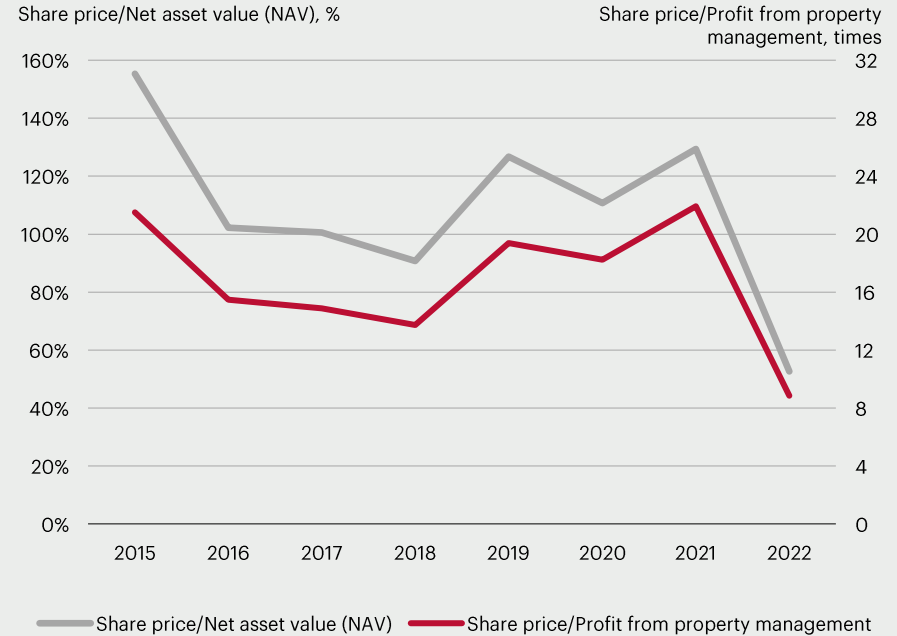
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THE SHARE

Share price development over time



Share price development in relation to NAV and Profit from property management



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	2022 Jan-Dec	2021 Jan-Dec	Deviation, Δ %
Rental income	10,521	8,956	17
Property costs	-2,725	-2,212	
Net operating income	7,796	6,744	16
Management and administrative costs	-1,019	-817	
Participation in the profits of associated companies/joint ventures	1,002	3,521	
Other income/costs	-17	553	
Net financial items	-2,031	-1,067	
- Of which cost of leases/ground rent	-76	-69	
Non-controlling interest	-521	-586	
Profit from property management, Parent Company	6,139	5,543	11
<i>Changes in value</i>			
Changes in value investment properties, realised	111	121	
Changes in value investment properties, unrealised	5,419	12,990	
Profit from development properties	110	225	
Changes in value derivatives	1,617	511	
Changes in value total	7,257	13,847	
Profit before tax	12,988	22,781	
Income tax	-1,999	-3,196	
Net profit for the period	10,989	19,584	
Profit from property management per share, SEK	5.48	4.95	
Profit after tax per share, SEK	9.09	16.54	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	2022 31 December	2021 31 December
Assets		
Investment properties	213,932	189,138
Development properties	3,421	2,697
Lease contract; Right-of-use assets	1,881	1,600
Other fixed assets	272	186
Participations in associated companies/joint ventures	31,620	28,824
Derivatives	1,982	-
Other receivables	4,115	3,359
Cash and cash equivalents and financial investments	6,553	4,130
Total assets	263,775	229,933
Equity and liabilities		
Equity	102,909	88,567
Deferred tax liability	17,769	15,642
Interest-bearing liabilities	135,252	117,426
<i>of which Hybrid capital</i>	<i>4,942</i>	<i>8,693</i>
Derivatives	-	703
Lease contract	1,887	1,606
Other liabilities	5,958	5,989
Total equity and liabilities	263,775	229,933

SHAREHOLDERS AS OF 31 DECEMBER 2022

<u>Owner</u>	<u>A shares</u>	<u>B shares</u>	<u>Total no shares</u>	<u>Capital, %</u>	<u>Votes, %</u>
Erik Selin via company	49,855,968	343,265,400	393,121,368	34.1%	47.8%
Arvid Svensson Invest AB	17,495,352	81,255,240	98,750,592	8.6%	14.6%
AMF Försäkring och Fonder	-	80,155,650	80,155,650	6.9%	4.6%
Swedbank Robur Fonder	-	38,878,023	38,878,023	3.4%	2.2%
Länsförsäkringar Fondförvaltning AB	-	35,807,885	35,807,885	3.1%	2.0%
Handelsbanken Fonder	-	29,763,763	29,763,763	2.6%	1.7%
SEB Investment Management	-	25,271,431	25,271,431	2.2%	1.4%
Lannebo Fonder	-	21,454,474	21,454,474	1.9%	1.2%
CBNY – Norges Bank	-	13,135,014	13,135,014	1.1%	0.7%
Folksam	-	11,933,025	11,933,025	1.0%	0.7%
<u>Other</u>	<u>25,272</u>	<u>405,703,503</u>	<u>405,728,775</u>	<u>35.2%</u>	<u>23.1%</u>
Total	67,376,592	1,086,623,408	1,154,000,000	100%	100%



BERNS



BERNS' SALONGER

