



Balders annual report 2015

The people behind Balder

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Annual General Meeting

The Annual General Meeting of Fastighets AB Balder (publ) will take place on 10 May 2016 at 4.00 p.m. at the Elite Park Avenue Hotel, Kungspartavenyen 36-38 in Gothenburg.

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on Tuesday, 3 May 2016, and must give notice of their attendance to the company by letter to Fastighets AB Balder, Box 53121, 400 15 Gothenburg, by telephone +46 31 10 95 70, by fax +46 31 10 95 99 or by email to eve.knight@balder.se. The company provides a power of attorney form on its website www.balder.se for shareholders who wish to be represented by proxy. The notification must be received by Balder no later than 3 May 2016 at 4.00 p.m.

Notification must include the shareholder's name, Swedish personal identity number or corporate identity number, address, telephone number and the registered shareholding. Shareholders who are represented by proxy must submit a written and dated power of attorney, which may not be more than five years old on the date of the Annual General Meeting. A proxy who is representing a legal entity must submit a certificate of registration or corresponding legitimacy papers showing authorised signatories. Shareholders whose shares are held through nominees must arrange for temporary registration of the shares in their own name in order to have the right to participate in the Meeting. Such registration must be completed at Euroclear Sweden AB by Tuesday, 3 May 2016.

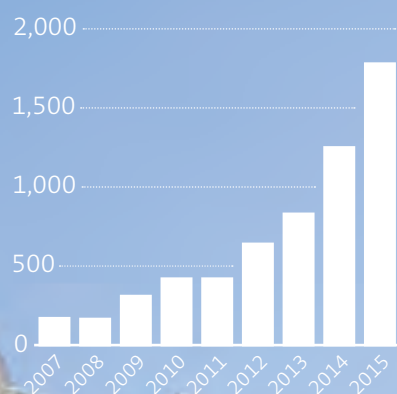
This report is a translation of the Swedish Annual report 2015. In the event of any disparities between this report and the Swedish version, the latter will have priority.



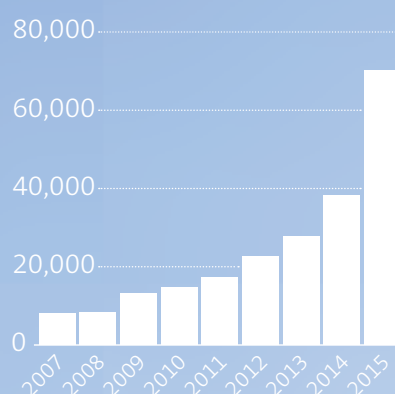
Where, how and why

Balder owns, manages and develops residential and commercial properties and hotels in Sweden, Denmark and Finland. Balder creates attractive and safe areas for people to live in and where new business can be developed. By having our own personnel in each location, we are always close to our tenants. In all of our locations, we want to be a committed, creative and long-term partner - regardless of whether you are a shareholder, business partner or tenant.

Profit from property management, SEKm



Property value, SEKm



Lettable area, %



Comments by the CEO

Creating good new relationships and maintaining existing ones is something that I consider to be invaluable and it is also fun for me and all Balder employees!

Dear shareholder,

Property market and investments

For Balder, 2015 was a very interesting and positive year! The property market continued to perform well (too well?) due to strong interest from investors driven by record low interest rates, a favourable rental market and also in some cases due to a lack of alternative investment opportunities.

Our largest investment by far during the year was our gradual acquisition of just over 50 percent of the shares of the Finnish residential property company Sato. Although Finland has shown a weaker performance than the other Nordic countries in recent years, I am convinced that the long-term development in Finland will be positive again. Through Sato, we gain an excellent organisation and a fantastic network, which will give

us the potential to find good investment opportunities over time. Our Finnish investment is in safe hands.

In Sweden, we were a net seller of investment properties, although on a small scale, and a net investor in residential projects instead, and we are now gradually obtaining a better and better project portfolio. In the short term, this will have a slightly negative impact on earnings but looking ahead, these investments will be important for our future results.

The property market in Copenhagen was also strong during the year and our operations there are gradually improving and expanding through the construction projects, which are being completed now and in the coming years. We have also

initiated our first hotel investment in Copenhagen, which feels great. As you probably know, we are really delighted about our hotels and this division at Balder also advanced its position during 2015.

"Our Finnish investment is in safe hands."

Associated companies

On the associated company side, we gained some fine new additions in the form of Tornet and Brinova. Even though their impact on our comprehensive income and balance sheet is not so large at present, it will give us additional investment opportunities and options over time and, not least, it gives us new relationships.



Creating new relationships and maintaining existing ones is something that I consider to be invaluable and it is also fun and stimulating for me and for the rest of Balder's employees.

In June, Collector was listed on the stock market, which meant that the company's value has become more clearly visible. We regard Collector as an associated company and we expect that Balder will remain as an owner for the foreseeable future. In accounting terms, this means that we should not recognise Collector's shares at market value but at cost value (our share of the profit is added to this). To provide as true and fair view as possible, we also present our balance sheet and key ratios including Collector at market value.

Financial goals and key ratios

To maintain a strong balance sheet, we used part of the authorisation to issue

shares that we received at the Annual General Meeting 2015.

We carried out a directed issue of 10 million shares to Swedish and international institutions and it received a very good response. The offer was strongly oversubscribed.

Balder's Board of Directors has decided to adjust the company's goal for the interest coverage ratio from 1.5 to 2 times. When the interest rate is at prevailing levels, the interest coverage ratio key ratio is not so interesting but who knows what will happen with interest rates over time? (I don't know).

2016 and subsequently

In the short term, the property market fe-

els strong based on the same factors that have prevailed in recent years. However, our focus is completely on the long-term performance for Balder and for its shareholders. Looking ahead, I am very positive about Balder's opportunities due to the fact that our organisation is continually-improving, we are investing in different segments in different markets and

"Looking ahead, I am very positive about Balder's opportunities."

because we have so many partners that help us with everything possible.

Erik Selin
Chief Executive Officer

Comments by the Chairman of the Board

As a property owner, Balder must emphasise that it is a long-term owner, which is prepared to take the necessary measures.

In Paris, just before Christmas, 195 countries signed a historic agreement to try to limit the rise in the global average temperature to 1.5 degrees. It is good that the politicians set long-term targets and then supplement them with laws, rules and other measures. But it will not be enough. The actual change process must be embraced by society as a whole, the business community and individuals. Then the efforts made by Balder, our employees and our tenants will be important for reaching the long-term goal.

The duties of Balder's Board of Directors include working on the Group's long-term development, follow up of the Management's operating activities and to assure order and clarity in the company. When a company has a clear owner like Balder, order and clarity has existed all along since the owner's own money was at stake. Therefore, thriftiness is also a part of the company's DNA.

Sustainability work

These duties also include following up that the company and its Management advance Balder's efforts to help create a sustainable society. It is important to state that sustainability is more than just an environmental issue – it's also about taking social responsibility.

For a number of years, Balder has moved up a gear in terms of strengthening its sustainability work with a strong focus on energy, waste, transports, material and chemicals. This is naturally based

on an environmental management system with clear routines, tools and action plans. The next step has been an ambitious training programme for property caretakers and employees in project development. Last but not least in terms of importance - material such as cement leaves a large carbon footprint on the environment. In this respect, our employees must use smart thinking and be very competent buyers

Risk assessment is another important question that is always part of the Board's discussions. This includes questions such as assessment of market conditions and their impact on different parts of the market, vacancies, the interest rate trend, organising the operations to reduce dependence on individual persons etc.

The company is trying to take its social responsibility in different ways by providing comfort and security in its residential areas. In certain run-down areas, extensive renovations and long-term investments are required in order to reverse the negative development, reduce vandalism, provide security and also build pride among residents in their area. As a property owner, Balder must emphasise that it is a long-term owner, which is prepared to take the necessary measures. Vårby gård and Bergsjön are good examples of this commitment.

Christina Rogestam,
Chairman of the Board



Multi-year summary

*Together with our shareholders, financiers, customers, suppliers
and society at large, we look forward to good business
opportunities for many years to come.*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Rental income, SEKm	2,711	2,525	1,884	1,701	1,466	1,333	854	633	678	524
Profit from property management before tax, SEKm 1)	1,780	1,275	854	691	516	417	315	174	179	160
Changes in value of properties, SEKm	3,388	3,050	854	812	990	1,047	4	-201	642	212
Changes in value of interest rate derivatives, SEKm	227	-624	433	-71	-520	148	-23	-333	7	-
Net profit for the year, SEKm	4,916	3,128	1,738	1,162	812	1,338	248	-388	785	441
Carrying amount of properties, SEKm	68,456	37,382	27,532	22,278	17,556	14,389	12,669	7,086	6,758	6,997

Data per ordinary share, including Collector AB (publ) at market value 2)

Average number of shares, thousands	162,753	161,786	159,537	159,537	158,656	149,487	112,902	95,910	97,318	94,050
Net profit for the year, SEK	28.98	18.10	10.11	6.69	4.87	8.95	2.20	-4.04	8.07	4.69
Profit from property management before tax, SEK	9.71	6.64	4.57	3.73	3.00	2.79	2.79	1.81	1.84	1.70
Outstanding number of shares, thousands	172,397	162,397	159,537	159,537	159,537	149,487	149,487	94,458	97,318	97,318
Shareholders' equity, SEK	128.03	70.10	52.14	42.15	35.57	31.13	22.19	19.63	23.49	15.42
Net asset value (EPRA NAV), SEK	159.14	86.33	60.50	50.37	41.84	32.89	22.16	20.95	22.33	13.06
Share price on the closing date, SEK	208.70	110.25	66.00	37.30	25.30	29.40	12.50	7.00	13.33	17.00
Changes in share price, %	89	67	77	47	-14	135	79	-47	-22	24
Dividend, SEK	-	-	-	-	-	-	-	0.17	-	-

Data per preference share

Share price at year-end, SEK	312.00	350.00	336.00	303.00	267.00	-	-	-	-	-
Total yield, %	-5	10	17	21	11	-	-	-	-	-
Dividend, SEK	20.00	20.00	20.00	20.00	20.00	-	-	-	-	-
Number registered, thousands	10,000	10,000	10,000	6,000	4,000	-	-	-	-	-

Property related

Rental value full-year, SEK/sq.m.	1,508	1,325	1,216	1,247	1,163	1,087	1,072	1,298	1,193	952
Rental income full-year, SEK/sq.m.	1,455	1,254	1,148	1,166	1,088	1,016	1,002	1,218	1,107	859
Economic occupancy rate, %	96	95	94	94	94	94	94	94	93	90
Surplus ratio, %	72	70	68	68	68	66	69	70	70	69
Carrying amount, SEK/sq.m.	18,622	17,172	13,985	14,439	12,467	10,887	10,053	12,805	12,275	8,854
Number of properties	1,177	486	498	432	433	432	419	122	121	128
Lettable area, sq.m. thousands	3,430	2,177	1,969	1,543	1,408	1,322	1,260	553	551	790

Financial, including Collector AB (publ) at market value 2)

Return on equity ordinary share, %	28.2	29.7	21.5	17.0	14.3	33.6	9.6	-18.7	41.5	37.5
Interest coverage ratio, multiple	5.1	3.4	2.9	2.4	2.1	2.1	2.1	1.6	1.7	2.0
Equity/assets ratio, %	37.8	35.5	37.3	34.8	35.2	30.9	24.1	23.3	30.1	20.6
Debt/equity ratio, times	1.4	1.6	1.5	1.7	1.6	2.1	2.9	3.0	2.2	3.7
Net debt to assets excluding cash, %	52.3	55.2	54.2	57.6	56.5	63.3	69.0	69.4	66.5	76.4

EPRA key ratios

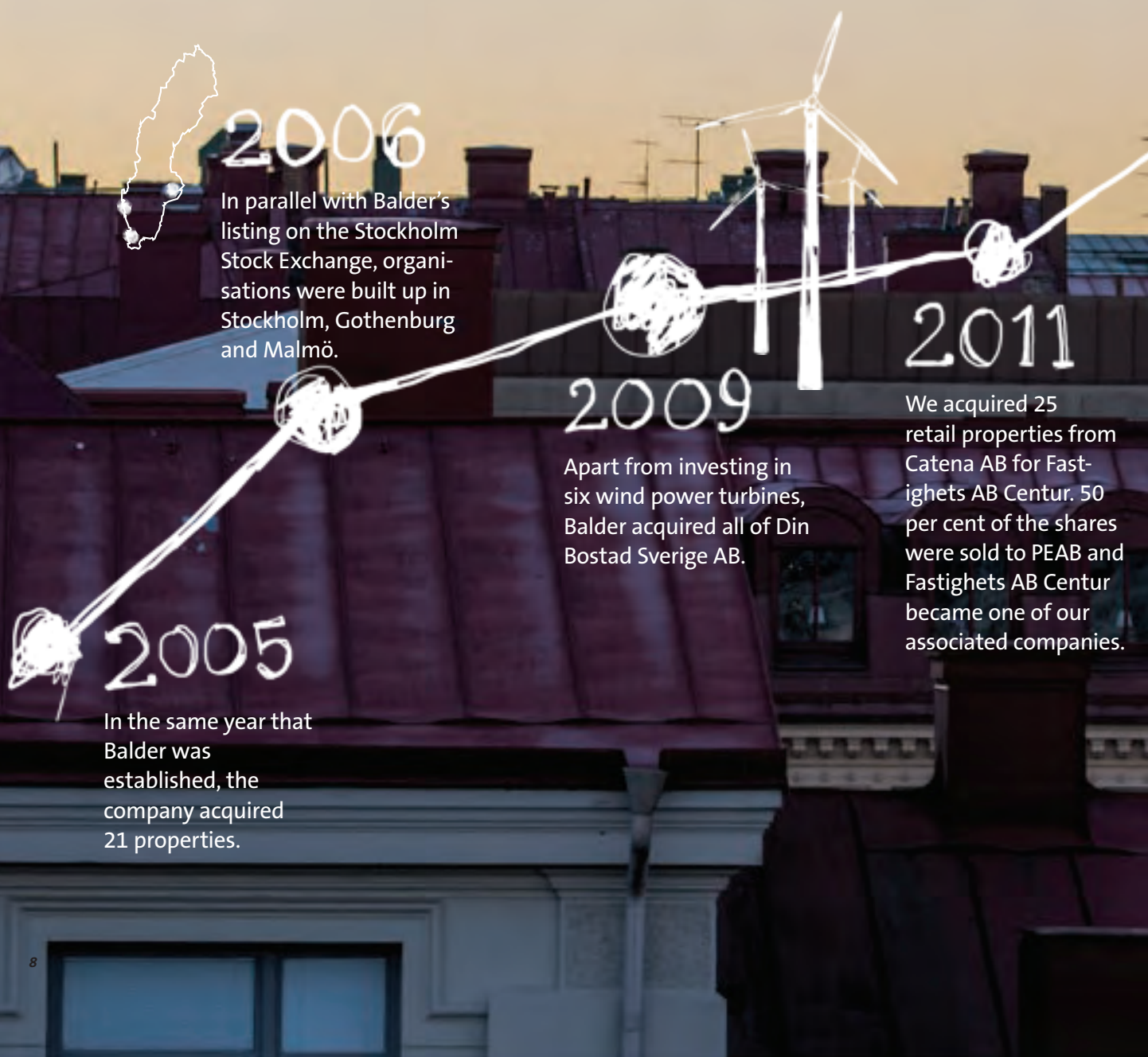
EPRA NAV (Long-term net asset value), SEKm	27,436	14,019
EPRA NAV, SEK per share	159.14	86.33
EPRA Vacancy rate	4	5

1) Attributable to owners of the Parent Company.

2) Key ratios from 2015 have been calculated using Collector AB (publ) at market value.

A lot can happen in 10 years

We have had a very exciting journey since the start in 2005. Our hope is that the next ten years will be at least as exciting, instructive and eventful.



2015

Balder acquired 53 per cent of Sato, which means we are an owner of 24,000 apartments in Finland with a value of about SEK 26 billion.

2014

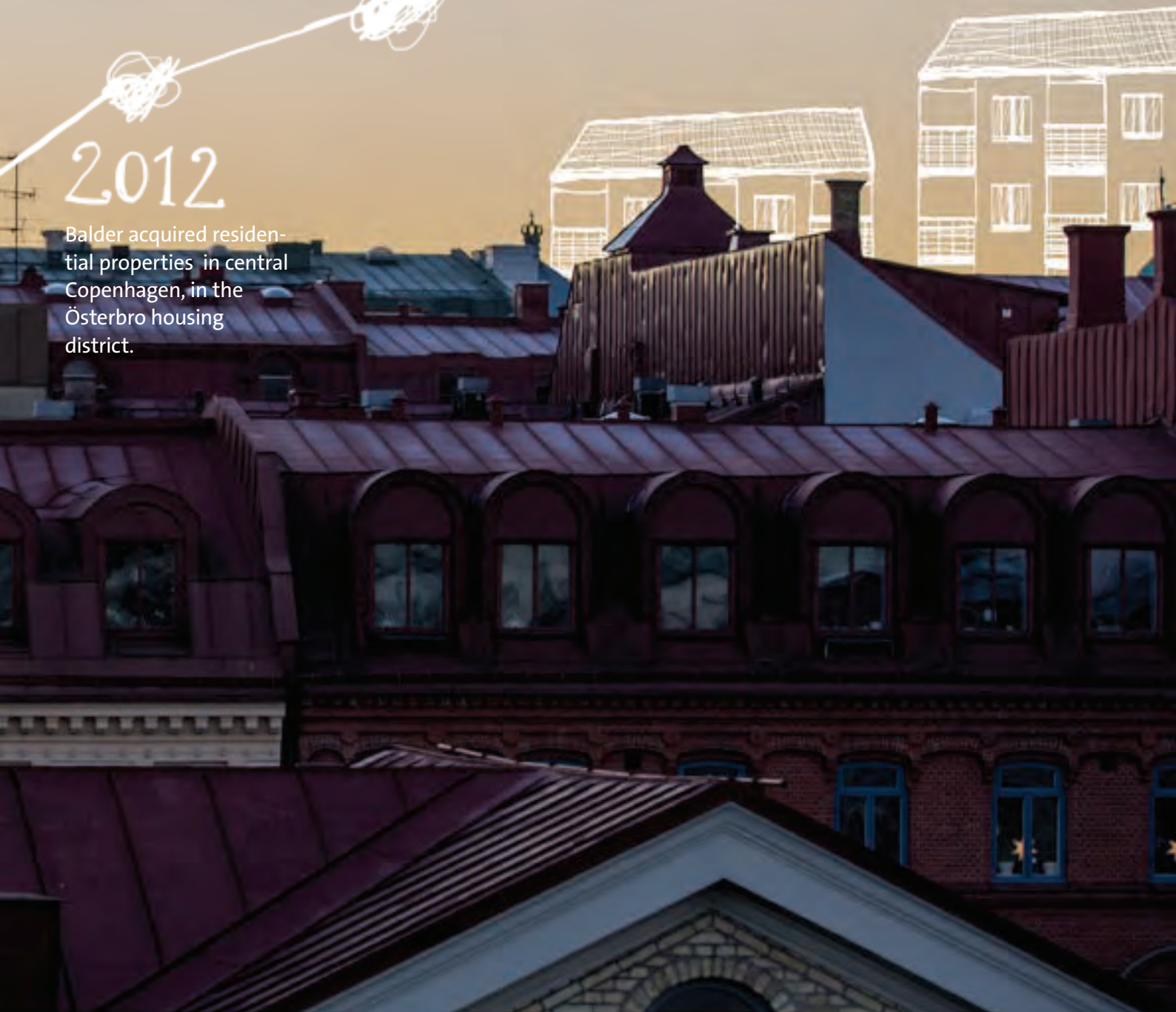
Balder acquired 14 hotel properties. Our 28 hotels means that we are one of Sweden's largest hotel property owners.

2013

Balder acquired Bovista Invest AB, which brought the company 4,300 apartments with a value of about SEK 2 billion.

2012

Balder acquired residential properties in central Copenhagen, in the Österbro housing district.



Where are we going and how will we get there?

Balder's business concept is, through local support, to acquire, develop and manage residential and commercial properties located in places that are growing and developing positively.

Strategy

Balder creates value for its owners, customers, employees and the community. Balder accomplishes this by:

- Meeting and taking care of our customers' needs.
- Having short decision-making procedures.
- Choosing cost effective management solutions.
- Maintaining a high level of activity in all stages.
- Work actively to acquire properties with development potential and create growth by investing, developing, streamline and rationalize the property management.
- Being a long-term owner that bases its operations on stable cash flows and satisfied customers.

Overall goals

Balder's operations are focused on growth, positive cash flows and increased profit from property management. Balder shall achieve a position in each region whereby the company is a natural partner for potential customers.

Financial goals

Balder's goal is to achieve a stable and good return on equity, while the equity/assets ratio over time shall not be less than 35 per cent and the interest coverage ratio shall not be less than 2.0 times.

Operating goals

The company establishes quantitative and qualitative operating goals based on Balder's strategy, overall goals and financial policy. These are set for both the short-term and long-term. The goals relate to financial targets as well as goals relating to the environment and customer/employee satisfaction.

Dividend policy

Since Balder will prioritise growth, capital structure and liquidity during the next few years, the dividend for the ordinary share will be low or may not be declared at all. The dividend for the preference share amounts to SEK 20.00 per year.



Jennie Falk, Controller

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 presents its earning capacity on a twelve-month basis in the table below. It is important to note that the current earning capacity should not be placed on a par with a forecast for the coming 12 months. For instance, the earning capacity contains no estimate of rental, vacancy, currency or interest rate changes.

Balder's income statement is also impacted by the development in the value

of the property portfolio as well as future property acquisitions and/or property divestments. Additional items affecting the operating result are changes in the value of derivatives. None of the above has been considered in the current earning capacity.

The earning capacity is based on the property portfolio's contracted rental income, estimated property costs during

a normal year as well as administrative expenses. The costs of the interest-bearing liabilities are based on the Group's average interest rate level including the effect of derivative instruments. The tax is calculated using the effective tax rate during each period and is estimated to largely consist of deferred tax, which does not affect the cash flow.

Current earning capacity on a twelve-month basis	2015	2014	2013	2012	2011	2010
Rental income	5,045	2,730	2,260	1,800	1,530	1,405
Property costs	-1,635	-800	-735	-560	-465	-430
Net operating income	3,410	1,930	1,525	1,240	1,065	975
Management and administrative expenses	-425	-165	-165	-120	-105	-105
Profit from property management from associated companies	340	220	170	120	90	20
Operating profit	3,325	1,985	1,530	1,240	1,050	890
Net financial items	-880	-585	-535	-495	-445	-440
Profit from property management	2,445	1,400	995	745	605	450
Profit from property management attributable to parent company shareholders	2,035	1,400	995	745	605	450
Tax	-520	-308	-219	-164	-159	-118
Profit after tax	1,925	1,092	776	581	446	332
Profit after tax attributable to						
Ordinary shareholders	1,396	892	576	461	366	332
Preference shareholders	200	200	200	120	80	—
Profit from property management per ordinary share, SEK	10.64	7.39	4.99	3.92	3.29	3.01

Current earnings as of 31 December are excluding properties sold during January 2016.

The share and owners

Balder has two different Classes of shares quoted on Nasdaq Stockholm, Large Cap; an ordinary Class B share and a preference share.

The company's overall market capitalisation as of 31 December amounted to SEK 39,099m (21,404) and the company had 17,200 shareholders (16,300) at year-end. Balder carried out a directed new issue of 10 million ordinary shares in December, which brought in SEK 1,705m after issue costs. After the issue and as of 31 December, the share capital in Balder amounted to SEK 182,396,852 distributed among 182,396,852 shares. Each share has a quota value of SEK 1.00, of which 11,229,432 shares are of Class A, 161,167,420 of Class B and 10,000,000 preference shares.

Balder has no repurchased ordinary shares, which means that the total number of outstanding ordinary shares amounts to 172,396,852. Each Class A share carries one vote, and each Class B share and preference share carries one tenth of one vote.

Price development of the ordinary share

The price of the ordinary share was SEK 208.70 (110.25) at year-end, corresponding to a rise of 89 per cent (67) during the year.

The increase since 1 January 2006 amounts to 1,409 per cent. This may be compared to EPRA's Property index for Sweden, which rose by 122 per cent during the same period. EPRA's property index for European companies rose with 8 per cent during the same period. At year-end, the number of ordinary shareholders amounted to 9,300 (8,900). During the same period, 67.7 million ordinary shares were traded, equivalent to 270,000 shares per trading day (252,000) or SEK 40m (28) based on the average price during the year. The turnover corresponds to an annual turnover rate of 42 per cent (39) and if Erik Selin Fastigheter AB's shares are excluded, the annual turnover exceeded 70 per cent (60) of the outstanding ordinary shares. The proportion of foreign-owned shares increased by 36 per cent during the year and amounted to 22.1 per cent (16.3).

Equity growth

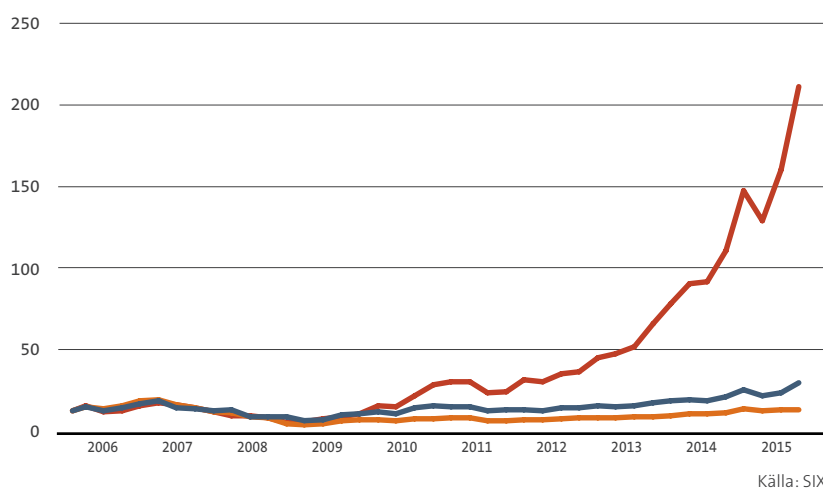
Equity per ordinary share amounted to

SEK 128.03 (70.10) on 31 December corresponding to an increase of 83 per cent (34) during the year. The net asset value per ordinary share (EPRA NAV) increased during the same period by 84 per cent (43) to SEK 159.14 (86.33). The difference between shareholders' equity and net asset value is that in the net asset value, derivatives and the net of deferred tax liabilities and deferred tax assets are reversed. In the past nine years, the net asset value increased by an average of 35 per cent per year (31). The market price/net asset value ratio was 131 per cent (128) at year-end.

Profit from property management before tax amounted to SEK 1,780m (1,275), which corresponds to an increase of 40 per cent (49) compared to the previous year. In the past nine years, the profit from property management increased by an average of 33 per cent per year. The profit from property management per ordinary share increased by 46 per cent (45) and in the past nine years increased by an average of 23 percent.

Share price development 2006-2015

Share price, SEK



Balder's share price closed on 30 December 2015 at SEK 208.70, which corresponds to a percentage growth since 1 January 2006 of 1,409 per cent. This may be compared to EPRA's Property index for Sweden, which rose by 122 per cent during the same period. EPRA's Property index for European companies rose by 8 per cent during the same period.

— Fastighets AB Balder
— EPRA Sweden Index
— EPRA Europe Index



Price development of preference share

The price of the preference share was SEK 312.00 at year-end (350.00), corresponding to a total annual yield, including dividend, of –5.1 per cent. The number of shareholders amounted to about 8,700 (8,400) and 3.3 million shares were traded during the year (3.3), equivalent to just over 13,000 shares per trading day (13,000), corresponding to about SEK 4.5m (4.5), based on the average share price for the year. The annual turnover in the preference share corresponded to 33 per cent (33) of the total number of preference shares.

The preference share carries preferential right over the ordinary share to an annual dividend of SEK 20 with quarterly dividend of SEK 5. Record days for dividend are 10 January, 10 April, 10 July and 10 October. If dividend on the preference share is not paid in time or for a lower amount, the difference shall be added to amounts unpaid, including interest of 14 per cent.

Dividend policy ordinary shareholders

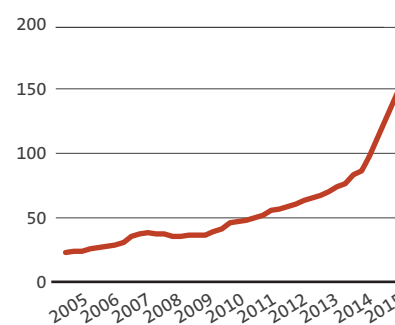
The Board proposes to the Annual General Meeting that no dividend for the ordinary share should be paid for the 2015 financial year. Balder estimates that

the best total yield for the ordinary shareholders will be achieved by the dividend remaining low or not declaring a dividend at all in the next few years. Balder will instead continue to grow by investing in existing properties, new construction and acquisition of new properties.

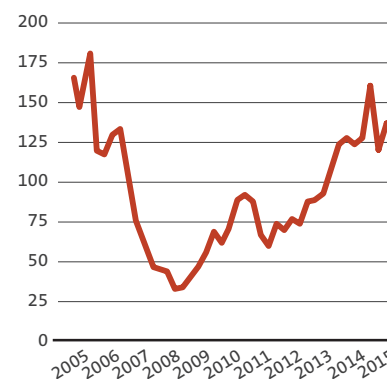
Shareholders

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.9 per cent of the capital and controls 49.5 per cent of the votes. Other large owners are Arvid Svensson Invest AB and Swedbank Robur fonder. At the end of 2015, the total number of shareholders amounted to about 17,200 (16,300). In late 2015, Balder carried out a new issue of 10 million ordinary shares directed towards new shareholders, which brought in SEK 1,705m after issue costs. The issue also provided Balder with a number of new Swedish and foreign shareholders. For existing ordinary shareholders, the issue implied a dilutive effect of 6 per cent of the capital. After the issue, 49 (51) per cent of the capital is held by the Board and Management.

Development of net asset value (EPRA NAV) SEK/ordinary share

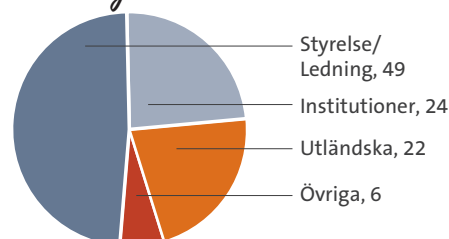


Share price/Net asset value %



Ownership distribution.

ordinary shares %



Analysts following Balder:

Albin Sandberg, Handelsbanken
 Erik Granström, Carnegie
 Fredrik Cyon, ABG Sundal Collier
 Jan Ihrfelt, Swedbank
 Johan Edberg, Pareto
 Jonas Andersson, Danske Bank
 Niclas Höglund, Nordea
 Nicolas McBeath, SEB
 Tobias Kaj, Carnegie

Performance of Balder's share

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Data per ordinary share, including Collector AB (publ) at market value ¹⁾										
Share price at year-end, SEK	208.70	110.25	66.00	37.30	25.30	29.40	12.50	7.00	13.33	17.00
Profit from property management, SEK	9.71	6.64	4.57	3.73	3.00	2.79	2.79	1.81	1.84	1.70
Profit after tax, SEK	28.98	18.10	10.11	6.69	4.87	8.95	2.20	-4.04	8.07	4.69
Shareholders' equity, SEK	128.03	70.10	52.14	42.15	35.57	31.13	22.19	19.63	23.49	15.42
Long-term net asset value (EPRA NAV), SEK	159.14	86.33	60.50	50.37	41.83	32.89	22.16	20.95	22.33	13.06
Total yield, %	89	67	77	47	-14	135	79	-46	-22	24
Dividend, SEK	—	—	—	—	—	—	—	0.17	—	—
Number registered, thousands	172,397	162,397	162,397	162,397	162,397	152,347	152,347	97,318	97,318	97,318
Number outstanding, thousands	172,397	162,397	159,537	159,537	159,537	149,487	149,487	94,458	97,318	97,318

Data per preference share

Share price at year-end, SEK	312.00	350.00	336.00	303.00	267.00	—	—	—	—	—
Total yield, %	-5	10	17	21	11	—	—	—	—	—
Dividend, SEK	20.00	20.00	20.00	20.00	20.00	—	—	—	—	—
Number registered, thousands	10,000	10,000	10,000	6,000	4,000	—	—	—	—	—

Market capitalisation

Market capitalisation, SEKm	39,099	21,404	13,889	7,800	5,104	1,395	1,869	661	1,298	1,654
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1) Key ratios from 2015 have been calculated using Collector AB (publ) at market value.

Ownership list as of 31 December 2015

Owners	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Erik Selin with company	8,309,328	57,210,900	500	65,520,728	35.9	49.5
Arvid Svensson Invest AB	2,915,892	13,542,540	—	16,458,432	9.0	15.1
Swedbank Robur fonder	—	11,433,340	—	11,433,340	6.3	4.0
Länsförsäkringar fondförvaltning AB	—	6,310,867	—	6,310,867	3.5	2.2
Handelsbanken Fonder AB	—	4,972,218	—	4,972,218	2.7	1.8
SEB Investment Management	—	4,612,807	—	4,612,807	2.5	1.6
CBNY Norges Bank	—	3,446,198	—	3,446,198	1.9	1.2
Lannebo fonder	—	2,500,000	—	2,500,000	1.4	0.9
AMF - Försäkring och fonder	—	2,282,507	—	2,282,507	1.2	0.8
Second Swedish National Pension Fund	—	2,215,766	—	2,215,766	1.2	0.8
Other	4,212	52,640,277	9,999,500	62,643,989	34.4	22.1
Total	11,229,432	161,167,420	10,000,000	182,396,852	100	100

Our customers

Property Management

Today Balder has 27 offices, divided into six regions. In each region, property management is handled by the company's own personnel, who are responsible for letting, operations as well as the environment and maintenance,

Balder has its own management organisation, which enables fast decision-making procedures, proximity to the customer, good local knowledge and the possibility of working on a long-term basis with property management. The company offers a large choice of premises and housing in different locations at various rental rates. The development of the properties takes place in consultation with customers, based on their needs and wishes. Balder's management organisation regularly meets tenants in order to obtain a good view of the actual situation in the properties.

Satisfied customers and customer relationships

Balder creates value for its owners, customers, employees and the community. As part of reaching this goal, a new central function called "Customer relations" has been established. One of the duties of the customer relations group is to conduct a survey to measure customer satisfaction index (NKI). In January 2015, Balder carried out its third NKI in collaboration with AktivBo. The survey was sent out to half of the company's residential tenants and to all commercial tenants.

Balder is continually improving its results both in terms of the perceived service and product. More than 90 per cent of our tenants are happy in their premises and housing. Our customers perceive that we are very accessible; it is easy to get hold of the right person and know who to turn to. It is easy to report faults and the work is performed in a reasonable time with good quality. Our tenants are interested in what is happening in their property and area. One of the items we are now concentrating further on is to inform our tenants more frequently. A

majority of our customers are satisfied with the equipment in their apartments but many want to modernise and be able to personally influence the standard of their accommodation. By offering standardenhancing choices, Balder wants to satisfy this need in all of our locations.

Our goal is to improve quality of life for our residents so that they will be happy and want to stay with Balder for a long time. Correspondingly, on the commercial premises side, it is important to work with the customer's requests in order to satisfy operational needs and improve the potential for increased profitability.

Through its customer surveys, Balder wants to offer the requested product and to be an attractive choice and retain its existing tenants.

Customer service

Customer service is an important function at Balder. Here we take care of the contact with customers so that possible defects and deficiencies can be discovered at an early stage. In order to improve the communication between Balder as a landlord and our customers, we have expanded our customer service and error reporting system with employees who have a broad knowledge of languages, such as Arabic and Somali.

Lease structure

Balder considers that the risk of a sudden deterioration in rental income is low. This

is due to the lease structure with a good division between commercial properties and residential properties as well as the geographical spread. In order to offset reduced rental income and a weaker occupancy rate, the company strives for long-term relationships with its existing customers.

Balder's ten largest leases represent 6.1 per cent (9.4) of total rental income and their average lease term amounts to 11.1 years (11.1). No individual lease accounts for more than 0.9 per cent (1.5) of Balder's total rental income and no individual customer accounts for more than 2.7 per cent (4.8) of total rental income. The average lease term for the entire commercial portfolio is 6.3 years (5.9).

The lease structure on 31 December 2015 is shown in the table, in which leases terminated on this date, where removal will or is expected to take place, are recognised as leases maturing within one year.

Balder's 10 largest costumers as of 31 December 2015

- ICA Sverige AB
- Kopparbergs Bryggerier
- ProfilEvents AB
- Rezidor Hotel Group
- Scandic Hotels AB
- SCA Hygiene Products AB
- Sirius International Försäkring AB
- Stockholms municipality
- Stureplansgruppen
- Winn Hotel Group

Lease structure 31 December 2015

Maturity date	Number of leases	Share, %	Contracted rent, SEKm	Share, %
2016	1,079	39	192	4
2017	616	23	264	5
2018	511	19	217	4
2019	294	11	220	4
2020–	234	9	725	14
Total	2,734	100	1,618	32
Residential ¹⁾	37,008		3,401	67
Carpark ¹⁾	5,442		15	0
Garage ¹⁾	4,741		41	1
Total	49,925		5,075	100

1) Lease runs subject to a commitment period of 3 months.



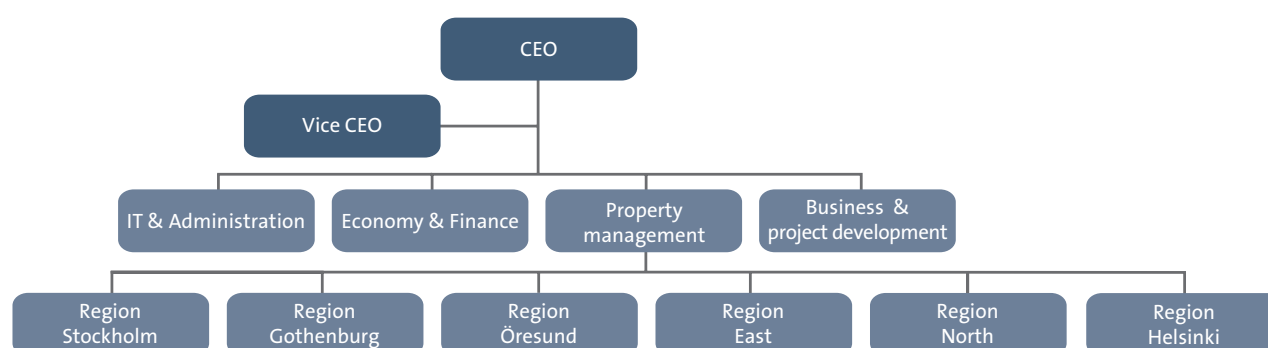
GRAND HOTEL OPERA

LISEBERG

GRAND HOTEL OPERA

Organisation and employees

Fastighets AB Balder is a listed property company. The company's journey began in 2005 with about 10 employees and today, just over 10 years' later, Balder has more than 500 employees in the management organisation.



The company's rapid development, is due, among other things, to Balder's committed and knowledgeable employees who create results based on a team spirit and collaboration. We take advantage of each other's strengths and experience and launch new ideas for further development of both the operations and personnel.

To be part of Balder imposes high demands but also provides good development opportunities. Balder has short decision-making paths and an open atmosphere and promotes respect and honesty. We have shared responsibility for creating confidence among our customers and employees.

Balder as an employer

Balder's employees are characterised by a strong drive to develop in their roles and an interest in working in an organisation which stands for a long-term approach, an entrepreneurial spirit and fellow-feeling. Balder creates work satisfaction by allowing employees to participate in the development of their duties and there is a general sense of well-being at the

workplace.

We are proud of not being like the others. At Balder, a new employee's ideas in a spontaneous meeting with the CEO can lead to changes in our solutions and how we work. Through our employees' commitment, competencies and development, we create a culture of diversity with a pleasant atmosphere. The company offers several unique opportunities for our employees to develop in their existing roles and also gives them the chance of later seeking new challenges internally.

Balder's organisation

Balder is continually developing. The latest events, such as the acquired hotel operations in Stockholm and Malmö and the property acquisitions in Finland, have helped to add about 300 new employees to our Group. The management organisation on 31 December consisted of 485 (278) employees and is geographically divided into regions with local offices, which are responsible for letting, operation as well as the environment and property management. In order to

support the management operations, group-wide resources are located in Malmö and at the head office in Gothenburg. At year-end, 37 people (35) worked within these support functions.

Balder's social engagement

Balder continues to be engaged in improving the living environment. During 2015, about 40 young people were employed, resident in these areas, to together work for a safe and pleasant living environment.

The environmental work in the company is continuing. Through our Technology and Sustainability department, we work on a daily basis with environmental improvement measures in order to contribute to a good environment in the long term and a positive climate development.

Employees	2015-12-31	2014-12-31
Number of employees ¹⁾	647	313
– of which women ²⁾	310	110

1) Of which 170 employees in Sato.

2) Of which 110 women in Sato.

A portrait of a woman with short, wavy blonde hair, wearing glasses and a dark blazer over a white top with a black collar. She is smiling and looking towards the camera. The background is a blurred indoor setting.

Veronica

"I am responsible for the Technology and Sustainability department here at Balder. The department is a driving force in our operational development towards the optimal operation of our properties with respect to the environment, costs and satisfied tenants. Before I started at Balder, I worked abroad for a few years, but I really wanted to continue within property management, so when I got the chance to come on board with Balder I took it. No one day is like another and we are on a really exciting journey right now. Balder is unique in my view since it is still a young company, which has not got stuck in ingrained routines. I have many wonderful colleagues and there is always someone who is prepared to share their experience and knowledge. At Balder, people have a positive attitude to change and I like this!"



Sustainable business

Social engagement is a natural part of Balder's work and a way to help promote sustainable social development. Balder engages in these issues both locally and regionally and strives to ensure that people feel comfortable in and around their housing environments. In order to succeed with this, great commitment is required from the employees but as a company we also collaborate with other players. At Balder, we believe that diversity creates economic and social growth in society and thus we regard it as very important to work to create socially-mixed housing areas.

Balder in Huskvarna Söder

During the year, Balder participated in a collaborative project in Huskvarna Söder, where the company owns 230 apartments. The project was initiated by the municipality in order to promote integration and participation in the area. In August, Balder was invited to a meeting to describe its experiences from Vårby Gård, a similar housing area in Stockholm

where Balder successfully, worked on developing the area based on a resident's perspective and local engagement.

Integration is a broad term and foreign origin is just one of several factors that can lie behind people feeling socially excluded. Unemployment and socio-economic conditions are examples of other factors that can explain a feeling of social exclusion. By creating meeting places and activities for all residents in Huskvarna Söder, it is hoped that the project will improve participation and integration. Two project managers have been employed and several people in the area have been employed during fixed-term periods or to work with special projects aimed at supporting the success of the project. The project is directed towards all residents in Huskvarna Söder but with children and young people aged 10-20 in focus. During the year, collaboration occurred with several organisations in the area and together they have carried out activities and created meeting places so that people can meet across social and

cultural boundaries. Initially, a survey was distributed to the residents in the area to find out if people were happy and what activities were desirable in the area. Based on these answers, a large number of initiatives were started and carried out in the area. In early 2016, statistics were compiled for activities and work performed during 2015. The outcome is intended to be described in the report for the second quarter 2016.

A second chance

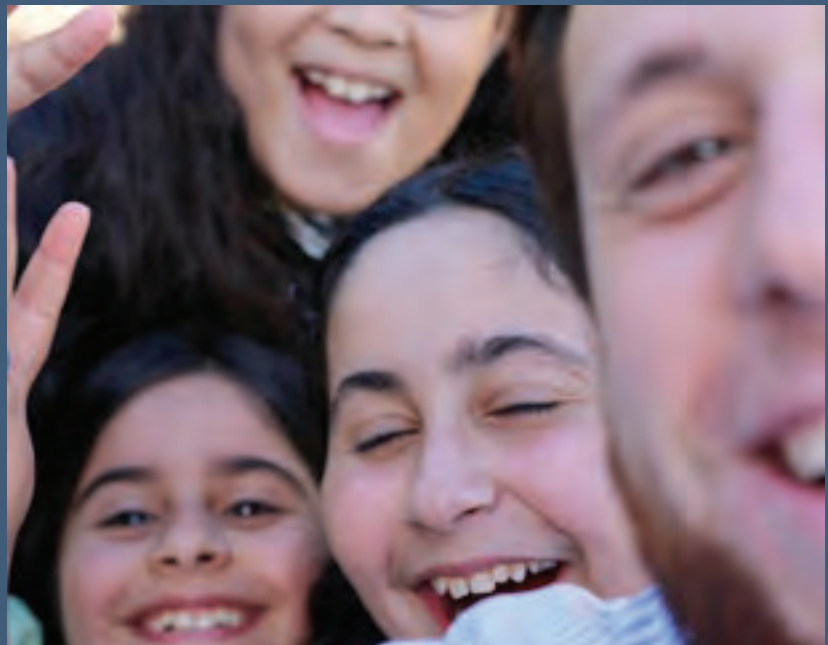
Having your own home is a requirement in order to live a secure and independent life. Balder collaborates with organisations that work actively with integration and treatment programmes directed towards children and young adults. A home of one's own and guidance from people with extensive experience of integration and treatment work improves the possibility for a better future. Examples of organisations that Balder collaborates with include Rebo and UngBo.

We take social responsibility

Balder has been involved for some time in improving residential environments in parts of Stockholm and in Gothenburg. In Bergsjön in, Gothenburg, Balder has employed Amanj Aziz, whose main task is to act as a spokesman and create activities for our tenants in Bergsjön. The participation rate is high and together with the tenants we are working to make Bergsjön more comfortable and secure.

Each Saturday, the door is opened to the gym hall in Backegård school. Some 30 children run in and the mothers come in after them: "Can we stay here a bit longer today?" asks one of them, and of course they can. The gym hall activity started by accident. Some mothers came to us at Balder and pointed out that visits to lekland and other excursions were not financially sustainable every week. They wanted the premises in Bergsjön to be somewhere children could play and parents could see each other, even when it is cold outside. A short telephone call to an incredibly committed management at Backegård school and then the keys were in the hands of our personnel. After that it has progressed smoothly during the autumn and winter.

One autumn Saturday one of the mothers at the same time as the gym doors were about to open said: "My son is looking for a trainee post, is there possibly a place at Balder?" Of course, we were able to help one of our ninth graders in the area. For two weeks he got to join Bergsjöpoolen, a social sustainability project, which Balder operates in Bergsjön. In Bergsjöpoolen, young adults aged from 17-26 are employed and they make huge efforts to help with improvements in the area; they keep order in the refuse room, clean storerooms and garages, seal windows, play with children in the courtyards and much more. "I graduated from high school last summer and was worried about how I would support my family. I have two sons. I was very happy to be able to work so close to home with something I am good at", one of the 15



employees in the project points out.

Bergsjöpoolen has been a huge asset for Balder and at the same time, it has increased the employees' influence and insight into their own housing area. It is not just the employees who appreciate the work but also parents, siblings, friends and acquaintances and they all know that it is part of Balder. This creates a sense of community in the area, which is hard to mistake.

On Tuesday and Thursday evenings, Bergsjöpoolen has to quickly vacate its offices. You see the office is used by the area's very determined girls aged 8-13 who point out that no "boys are allowed to participate". They make bracelets, watch films, bake, have gymnastics evenings and lots of other fun.

And that is what you hear when the gym is opened on Saturday evenings – the girls want to have the hall to themselves and also ask if they can have girls evenings on Mondays and Wednesdays. But then the premises are used for driving licence theory courses for all tenants aged over 17. What about Saturday evenings then? No, then the premises are occupied by those aged 18+, when they play Playstation, have theme evenings, lectures, CV assistance... Sundays must surely work, says a girl. No, because Bergsjön's only book group is underway then in the office.

Her mother then says: "Can you not come to lock up at 9 p.m. instead of 8 p.m.? We really enjoy being together in the hall".

Amanj Aziz
Communicator

We take environmental responsibility

In 2015, the climate conference in Paris entered history as the meeting when the world agreed on a climate agreement. The politicians have thus given the world a clear direction about a future where after 2050 we should have net emissions, which are zero.

The target has been made tougher so that we should keep well under a 2-degree average rise in temperature. Thus climate researchers eventually convinced the politicians about the gravity of the situation. There is another global outlook now from earlier having regarded the environment and sustainability as a sacrifice to now becoming a necessity. In brief, everyone needs to take their responsibility to stabilise the world's climate and environment, for a sustainable future even for Balder.

In spring, Balder's employees participated in environmental and energy training that partly was a step in the implementation of Balder's environmental management system but also to emphasise the importance of reducing energy consumption and what is important to think about. Read more about Sato's environmental responsibility at www.sato.fi

Energy

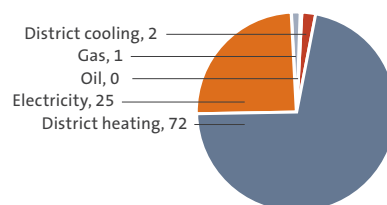
During 2015, Balder had energy consumption of 312 million kWh where district heating consumption was the largest item. Properties with a heating system based on fossil-fuels, represent a small share in relation to total consumption. The goal is that during 2017 at the latest, that these properties will have changed over to sustainable heating systems. The area heated by oil has been reduced by 31 per cent during the year. Balder's 10 wind turbines have generated 22.5 million kWh, which is equivalent to the annual consumption of 900 houses.

To achieve an energy reduction, we have to work with the issue at various levels. During the year, Balder drew up an Energy policy that shall be guiding in

our continual energy work. The energy policy emphasises that comfort may not suffer in the hunt to save kilowatt hours. To maintain the correct indoor temperature is of great importance for tenant comfort but also for energy consumption when each degree's increase means that the energy need rises by 5 per cent. It can prove problematic to maintain an even temperature of 21°C without large fluctuations in older properties, which are only controlled by the current outdoor temperature. Therefore in some properties, indoor temperature sensors have been installed in representative apartments/rooms where the estimated average temperature regulates how much heat should be pumped into the heating system.

Another measure, is that we are working towards the centralisation of all control systems. This means that we control our installations remotely and quickly detect alarms in the units. This enables safer and more energy efficient operation of Balder's properties. Another measure to achieve high operational safety and a long-term approach is that we choose products, which are robust and energy efficient. We also prioritise stable product suppliers in order to ensure that parts are available in the near future, i.e. the product's estimated minimum life cycle.

Total power consumption per source, %



The goal for 2015 was to reduce energy consumption in property operation by 3 per cent. The outcome was 1 per cent, which is equivalent to 1.9 million kWh.

Waste

The goal of good waste sorting is to minimise the quantity of waste going to landfill and maximise recycling. The basis of good waste sorting is partly dependent on the conditions of the property but also on our tenants' ambitions. The long-term goal to achieve a sorting rate of 55 per cent is limited to only apply to commercial properties. The sorting rate for 2015 came in at 58 per cent.

The reason for the limited goal is that far from all municipalities weigh household refuse, which means that it is not possible to obtain any follow up figures. Sweden has become very good at reducing the quantity of waste that goes to landfill. In 1975, 62 per cent of Sweden's household refuse went to landfill compared to today's level of less than 1 per cent. The basis for this is that a large proportion of today's waste goes to incineration, which supplies us with district heating. Even if it is not possible today to follow up the sorting rate in residential properties, Balder has a long-term goal that all residential properties should have sorting solutions for waste.

We are taking concrete measures to ensure that all refuse rooms are designed in a way that encourages and facilitates waste sorting. This means that they should be clean, well-labelled, bright and secure. An important aspect is also to inform our tenants about the waste management in the relevant property.

Phase-out substances

The Swedish Chemicals Agency has defined phase-out substances as a substance with particularly hazardous properties according to approved criteria regarding environmental and health consequences e.g. carcinogens or mutagens. The criteria are in line with the EU's chemicals legislation, REACH, Substances of very high concern - SVHC. These are substances, which may be prohibited in the future and that risk becoming the asbestos or PCB problems of the future.

Balder thus wants to systematically avoid introducing phase-out substances into the properties. In the day-to-day operation, this means that the product should either be eco-labelled or checked against an environmental database. In the case where there is no alternative to a product containing some form of phase-out substance, it should be noted with necessary pertaining information in the digital logbook of the property.

Skills development

Having the right competencies in operations is considered to be an important factor for achieving and ensuring resource-efficient property management. In

order to ensure a good level, all property caretakers have therefore participated in internal training in basic building technology. The goal was that everyone should get a basic understanding of the buildings' different functions and connection and the environmental and cost repercussions of operational errors.

Balder Challenge

In the hunt to reduce kilowatt hours, a challenge was started during the spring, the Balder Challenge. The challenge lies in cost-efficiently reducing the energy need in the property while reducing the reporting of climate errors by tenants. This created a major engagement among property managers and caretakers and 21 properties in total were registered to participate in the Balder Challenge. The challenge will continue during all of 2016.

Environmental requirements during new construction

Balder will carry out a large number of new constructions during the next few years. Each new building naturally gives rise to both short-term and long-term environmental impacts and it is therefore completely reasonable to impose environmental demands at an early stage. The

following items show some of the environmental demands imposed in Balder's new construction projects:

- Energy class B, means 25 per cent under the National Board of Housing's new building standards.
- Material and products shall at least meet the standards "acceptable" in Swedish Building Materials Assessment or "B" in SundaHus.
- Wood and wood-based products shall be certified according to FSC, PEFC or equivalent.
- Sorting of household waste in every apartment.
- Maximum 10 per cent weight of building waste to landfill.
- Water-efficient taps and toilets.
- Projects are designed in a way so that the tenants prioritise environmentally friendly transport alternatives.

Environmental buildings

Balder has a number of environmentally classified buildings in its portfolio which are certified by GreenBuilding, Sweden Green Building Council or LEED. The most recently acquired property is "Park49" of 7,500 sq. m., which will become Balder's new head office in spring 2016. It is being constructed in order to be certified according to the international environmental system LEED's highest level - Platinum.



Park49, Gothenburg



Circus with an entertaining history

The Circus Building in Copenhagen has an exciting history. The building was designed in 1885 by the architect Henrik Wilhelm Brinkopf and was inaugurated in the following year by the German circus king Ernst Renz. The building has a grandiose style and the façade was richly adorned by Fredrik Hammeleff. The motif on the façade pictures horse and racing motifs from ancient Greece and Rome.



"It feels really great to have this distinguished building in our holdings and at the same time we are get to work with a major player in the exciting live entertainment industry"

says Erik Selin, CEO of Fastighets AB Balder.

A popular building under constant change

Until 1910, circus performances were held here but after pressure from the city's theatre owners (that considered that the popular performances were a threat) it was decided that the circus operations could only be conducted during the summer. During the winter months, it housed a cinema instead, by the name World Cinema.

On 17 March 1914, Circus went on fire. The property received severe material damage, but was already renovated in 1915 according to designs by the architect Holger Jacobsen. Not long after that, the Schumann family acquired the building. Under Schumann's management, 1918-1968, the spectacular summer performances were reintroduced, which made the Schumann Circus one of the 20th century's brightest stars on the circus horizon.

In 1963, there were plans to demolish Circus and instead build a department store. The property owner and the hypermarket chain ANVA you see wished to compete with the city's well-established chains Illum and Magasin. However, ANVA faced a wave of protests and since the company lacked capital the plans came to nothing.

Due to the high rental rates in the area and ANVA's plans, this created uncertainty during this period about the future of the Circus building. This resulted in the Schumann family winding up its activities in Circus in 1968.

A protected landmark

From 1970 to 1990, the Benneweis family took over the building. Like Schumann, they conducted circus operations during the summer season, but now under the

name Benneweis Circus. The municipality acquired the building in 1974 but the Benneweis family continued its business as tenants. In 1983, they were granted joint management with Tivoli and in 1988, the property was named a protected landmark.

But times change, even for a summer circus in a city like Copenhagen. After more than one hundred years, demand fell and the public began to seek other forms of entertainment. In 1990, the Benneweis family decided to wind up its operations for financial reasons.

Circus today

Circus continues to offer entertainment but today it is primarily musicals, ballet, music festivals and concerts that characterise the property. For a few days in 1996, a bygone era was resurrected when Germany-based Roncalli offered circus entertainment to celebrate Copenhagen being selected as European City of Culture that year.

Since 2003, the property has been let to the Scandinavian entertainment company Wallmans. They offer a well-known and popular "dinner show" concept in Copenhagen, Oslo and Stockholm.

In 2014, 2E Group sold the circus property to us at Fastighets AB Balder. The continued operations were secured through a long-term lease.

Today Circus accommodates 1,000 guests and the building's foyer is decorated with posters, photos and programmes of some of the circuses and circus performers who appeared on the circus stage for over a century. For Danes, this historic landmark property is famous for its beautiful architecture, its circular shape and for its domed roof.

Sources:

http://www.circopedia.org/Cirkusbygningen_%28Copenhagen%29
<http://www.2egroup.se/>



The property market

The low interest environment is continuing and the gap between property yields and the lending rate means that the investment climate for properties is still extremely favourable and we continue to see a strong performance in the Swedish property market.

The economic upturn in Sweden is broad and the performance in the Swedish economy is still strong due to the expansionary monetary policy. However, inflation is not gaining momentum and because of difficulties in reaching its inflation target, the Riksbank implemented further monetary policy easing and support measures. In February 2016, the Riksbank decided to cut the repo rate further to -0.50 per cent.

A continuing low interest environment is contributing to continued rising prices in the property market. The existing imbalance between demand and supply and pressed yield requirements are making investments more expensive in metropolitan markets and during 2015 we have

seen increasing interest for investments in Sweden's larger cities. In several sub-markets, the residential segment is dominating investment interest.

Property transactions

The transaction volume during 2015 amounted to about SEK 140 billion, which is just under the level in 2014, but still a historically high level. Residential, industry and offices each represents a quarter of the transaction volume. The investment interest in retail and hotels is increasing and we continue to see a high sales volume in the community properties segment. In 2016, the supply of properties in attractive locations will probably continue to be low. The

sales side will probably be dominated by property companies that are refining their property portfolios or funds that are approaching their closing point. This also includes municipalities that will divest all or part of their residential holdings in view of the large maintenance costs in the next few years.

Buyers will basically include everyone; property companies, institutions, Swedish and foreign property funds as well as local property players outside the larger cities.

The volatile stock market performance also points in favour of property and we see a continued strong development in the Swedish property market.

According to IPD Swedish Proper-



Skibbroen Havneholmen, Copenhagen

ty index, the total yield on property investments amounted to about 14.1 per cent during 2015, a total increase of 6.0 per cent compared to 2014. The increase in value was about 8.8 per cent, the highest recorded figure since 2007. The total yield was significantly higher than the average for the past ten years. Offices and residential showed the highest total yields of 16.2 percent and 14.7 per cent, respectively, of which the change in value was just over 10 per cent in both property categories.

Pressed yield requirements together with a positive development in the rental market, with few vacancies in metropolitan areas on the office side and with a housing shortage in most Swedish municipalities, means that investments in new construction have become even more attractive than before.

The services sector is showing stronger growth than industry, which is creating demand for new office properties, particularly in metropolitan areas.

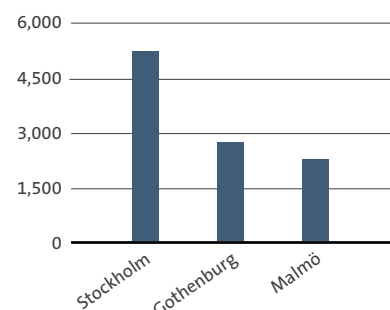
The domestic population increase in Sweden together with the migration of refugees is creating a huge demand for new housing and is further increasing the housing shortage around the country. The regulations surrounding new construction of properties combined with long lead times in planning questions implies a sluggishness that makes it difficult to meet new housing demand in the short term.

The strong investment interest in recent years has meant that many loans have been allocated to properties. The opportunities for property companies to attract capital via stock market listings, new issues, preference share issues, bonds and traditional borrowing are still considered to be good overall despite the uncertain stock market climate. The conditions for property investments in Sweden are still good and a lot of capital is seeking investments in the segment which guarantees another good property year in 2016. Therefore there is also good potential in 2016 to maintain the high transaction volume seen during 2014 and 2015.

Source: NAI Svefa

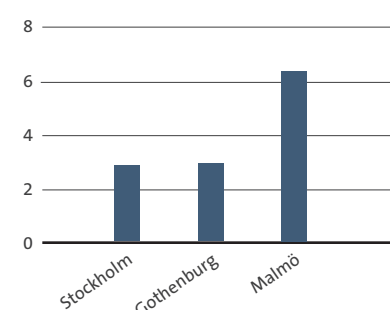
Rental levels (highest rent)

Office CBD, SEK/sq.m.



Vacancy rate

Office CBD, %



CBD = Central Business District

Source: Fastighetsvärlden



The Danish property market

Denmark with its stable economy, fixed-exchange rate policy to the Euro and low interest rates, has proved to be an attractive market for both domestic and foreign capital seeking high security and a positive demographic trend for property investments. Copenhagen occupies a very strong position in the Danish property market.

The overall transaction volume in 2015 amounted to about DKK 51 billion, of which the Copenhagen area accounted for about 75 per cent.

During 2015, the investment interest shifted from the office segment to the residential segment. During 2015, residential properties accounted for 38 per cent of the total transaction volume while office properties came in at 27 per cent.

The housing market

The housing market relating to condominiums showed a very strong price trend in Denmark during 2015. Prices in the entire country rose by 12 per cent in total during 2015 compared to 2014. This is the highest annual price increase since 2006 and prices have now recovered to the level that prevailed before the sharp fall in prices that began in 2007.

The transaction volume rose by almost 23 per cent between 2014 and 2015. This figure is also the highest since 2006.

Copenhagen was the most interesting

area during 2015 and the year was also marked by a new epoch in the apartment market in which prices rose most 17 per cent during 2015. The number of newly constructed apartments also increased sharply during the year.

As the prices of newly constructed apartments are higher than older buildings this has meant a positive overall price trend for all apartments in Copenhagen.

Århus and Ålborg also showed a positive performance in terms of rising prices and construction of new apartments in attractive areas.

The currently low interest rates has great importance for the apartment market and with expectations of continued low interest rates, the condominium market is expected to remain positive, particularly in Copenhagen and other big cities in the next few years.

Average prices in Denmark, DKK/sq. m. (apartment size, 85 sq. m.), 31 December 2015:

Copenhagen	DKK 34,000
Århus	DKK 27,000
All of Denmark	DKK 25,000

Source: Home, Denmark

Condominiums

A condominium is a form of housing where the owner has direct ownership of the apartment. This is unlike cooperati-

ve-, tenant-owner's-, or housing company apartments where the association or company owns the property and has an association loan and the owner of the apartment has a share in the association.

Connected to condominiums is a joint ownership- or condominium association, which is responsible for the common areas in the property.

Condominiums can usually be freely sold or rented out without anyone's approval.

Office market

The rental market in Copenhagen is recovering slowly due to the sluggish increase in employment growth. The vacancy rate for unlet offices in Copenhagen inner city is around 7 per cent and about 10 per cent in greater Copenhagen.

The yield requirement for offices in A locations is about 4.5 per cent, which is lower than ever and reflects the current imbalance between supply and demand for attractive office buildings.

Office rents were stable during 2015 and prime rents tend to lie around 1,500 – 1,800 DKK/sq. m., excluding property tax and operating costs.

Investors are expected to continue to have a strong demand for properties, especially in attractive locations.

The Finnish property market

The Finnish property market differs from the Swedish one in terms of the ownership structure among the larger private players. In Finland, there are currently three large listed property companies compared to about ten large companies in Sweden. The largest property owners in Finland are domestic pension funds and institutions.

The housing market

Urbanisation is increasing rapidly in Finland. Relocation, which is mainly employment-related, means strong housing demand in the larger cities. During the period 1990 – 2014, the population in urban areas increased by 640,000 people.

Living in a rental apartment is a popular form of housing in Finland. In Helsinki, almost half the residents live in a rental apartment. Of the total 2.6 million permanent dwellings in the whole of Finland, rental apartments account for

about 820,000. Of these rental apartments, about half are owned by private investors. Sato, which is a subsidiary of Balder, owns about 7 per cent of all rental apartments in the capital region.

During 2015, the price increase in respect of housing was 3.4 per cent according to KTI Finland.

The prices of apartments and rents have increased in recent years. It is mainly demand for small good value apartments that increased because there is a large proportion of households with one of two persons in the bigger cities. Many housing companies mainly focus on new construction of smaller apartments.

Office market

The sluggish economic growth combined with the increased vacancy rate in most sub-markets is resulting in short-term pressure in the office letting market. De-

mand in the rental market has continued to cause polarisation with the result that there is a risk of even higher vacancy rates for premises and properties in secondary areas while rents in attractive areas have returned to the level they were at before the downturn last year. The investment market is expected to continue to be active thanks to strong international demand and the relatively attractive yields still generated by Finnish properties.

The yield levels for central office properties in Helsinki mainly lie in the range 4.5 – 7.5 per cent.

In combination with better financing conditions, higher liquidity in the market and expectations of increasing economic growth, it is estimated that property investments can reach levels of around EUR 5 billion next year. Finland has not reached this level since the record years 2006 – 2007.



Helsinki, Finland

We shall succeed together

Balder is continuing to grow and develop. The most important explanations behind Balder's positive development include all the property acquisitions, investments and not least the entire Balder organisation, which manages the investments in the best way. Together with our shareholders, financiers, customers, suppliers and society at large, we look forward to good business opportunities for many years to come.

Region Gothenburg

177 employees
200 properties

Region Öresund

46 employees
51 properties

Region North

25 employees
78 properties

Region Stockholm

66 employees
57 properties

Region Helsinki

170 employees
479 properties

Region East

38 employees
312 properties



Balders real estate holdings on 2015-12-31¹⁾

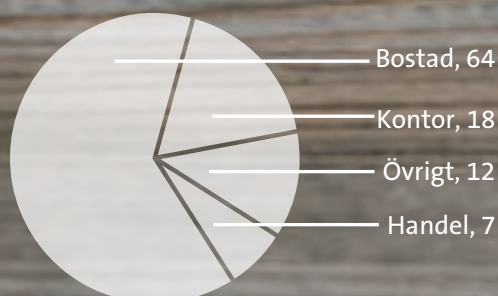
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Helsinki	479	942,551	1,797	1,906	1,764	98	19,595	29
Stockholm	57	456,509	866	1,897	801	93	13,550	20
Gothenburg	200	779,963	954	1,223	919	96	12,887	19
Öresund	51	298,041	439	1,473	408	93	6,581	10
East	312	787,675	951	1,207	935	98	9,085	13
North	78	165,349	167	1,009	163	98	2,178	3
Total	1,177	3,430,088	5,173	1,508	4,990	96	63,876	93
Project			84		84		4,581	7
Total	1,177	3,430,088	5,257	1,508	5,075	96	68,456	100
Distributed by property category								
Residential	1,018	2,471,660	3,511	1,420	3,451	98	39,250	57
Office	70	422,785	812	1,921	727	90	12,095	18
Retail	48	218,077	333	1,528	319	96	4,653	7
Other	41	317,566	517	1,628	494	95	7,878	12
Total	1,177	3,430,088	5,173	1,508	4,990	96	63,876	93
Project			84		84		4,581	7
Total	1,177	3,430,088	5,257	1,508	5,075	96	68,456	100

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

Distributed by region including projects, %



Distributed by property category including projects, %





Residential properties

In 2015, the trend of investing in residential properties has continued to be a very attractive investment. Residential properties generally have a low risk in view of the prevailing housing shortage in essentially all of Sweden and the fact that new apartment construction is not sufficient for current and future needs.

The supply of residential properties in metropolitan areas is low as previously, which has meant that some operators have directed their interest towards properties in the so-called million programme or in residential properties in smaller cities geographically located throughout Sweden. The number of players that have chosen residential properties as an investment object has increased during the year. Foreign buyers have also returned to the Swedish market.

In view of a shrinking transaction market for residential properties and lower yields, Balder has continued its strategy, which means development of existing properties and increased new production of apartments in the longer term. The goal is through the company's own projects to create new and higher property values and better yields than what the existing transaction market can offer in the residential segment.

In Gothenburg and Stockholm, among other cities, work is ongoing with new

detailed development plans, which will mean a broader supply of apartments. Traditional apartment blocks are mixed with other forms of housing, such as smaller terraced houses and tenant-owner's apartments. This means that Balder creates more efficient use of existing land and that areas become more attractive from a residential perspective.

Balder has acquired a property in Mölnådal, Bastuban 1 of 47,000 sq.m. commercial floor space and 90,000 sq. m. ground area. The property is classified in Balder as a real estate project and the goal in the first instance is to plan and convert offices into apartments.

In Copenhagen, about 120 apartments were completed for occupation during 2015 and a further about 1,000 apartments are under construction.

Associated companies

In order to boost the volume of newly constructed apartments, Balder apart from under its own management, wants

to also create the possibility for an even greater increase in the volume of apartments together with a number of strong partners.

Together with the Third Swedish National Pension Fund, Balder has formed a company for investments in new construction of rental properties in the three metropolitan regions and growth areas with a positive population trend.

During the year, Balder became a part-owner of Brinova Properties AB together with Backahill AB, among other players. Brinova Fastigheter AB had property holdings of about SEK 1 billion at year-end. The goal is to expand the property portfolio in residential, public and commercial properties, particularly in southern Sweden.

During the year, Balder became a part-owner of Tornet Bostadsproduktion, which concentrates on construction of tenancy rights for long-term ownership. Other shareholders in Tornet are Peab, Folksam and Riksbyggen. At present,



Stoeryd, Tranås

the property portfolio includes about 700 apartments and there is ongoing projects/construction of a further about 700 apartments.

Together with K-Fastigheter, Balder during 2015 has completed the construction of 128 apartments in Västerhaninge, Stockholm and in Nynäshamn. New construction of apartments is ongoing in Helsingborg, among other places. More information about Balder's associated companies is available on pages 50-52.

While Balder has increased its holdings of residential properties through new production, a number of properties were divested during the year. This mainly occurred in cities where Balder does not have any local management unit or where the property portfolio is too small to get efficient management. Divestments of all properties were completed in Skultorp and Tidaholm and also after year-end of all properties in Skara and Töreboda.

According to the IPD Swedish Property

Index, investments in residential properties displayed an annual, average total yield of about 9.0 per cent during the past five-year period. The total yield includes increases in value together with the annual yield.

In 2015, residential property sales amounted to about SEK 35 billion. The ten largest transactions accounted for approximately SEK 12 billion, in other words 34 per cent.

A more detailed description of the transactions is available on pages 36-38.

Estimated and recorded yield values and price levels for residential properties in A locations were as follows:

Place	Yield, %	Price per sq.m. , SEK
Stockholm	1.25 – 1.50	50,000 – 60,000
Gothenburg	2.25 – 2.50	22,000 – 27,000
Malmö	3.00 – 3.50	20,000 – 22,500
Copenhagen	2.00 – 3.00	36,000 – 41,000
Helsinki	4.20 – 4.60	50,000 – 54,000

Source: Fastighetsvärlden, Association of Danish Mortgage Banks, Red Property Advisors och KTI Finland.

Balder's residential properties

Number of properties	1,018
Lettable area, sq.m. thousands	2,472
Number of apartments	37,008
Rental value, SEKm	3,511
Economic occupancy rate, %	98
Carrying amount, SEKm	39,250

Residential properties, geographical distribution

Area	Sq.m. thousands	%
Helsinki	943	38
Stockholm	137	6
Gothenburg	409	17
Öresund	145	6
East	689	28
North	149	6
Total	2,472	100

Commercial properties

A continued low interest rate level with an expected negative repo rate until late 2017, meant that the market for commercial properties in Sweden was still very good even during 2015.

Yield requirements have fallen further, particularly in big cities. Demand for acquiring properties was greater than supply in the market, as a result of a sharp increase in capital inflows from non-European players, among other factors. The opportunities were also good in Sweden both in terms of traditional bank financing and financing via new issues and bonds.

Balder also continued its strategy of reducing its property holdings in less central areas in the Stockholm region and in locations where Balder does not have representation in the form of a local office or its own property management personnel. For a number of years, the focus instead has been on acquiring and owning commercial properties in central parts of Stockholm, Gothenburg and Malmö. During the year, a central property was acquired in Gothenburg, among other things.

The structural work on refining the commercial property portfolio during 2015 meant that Balder was a net seller of commercial properties. This is a deliberate strategy in view of the fact that it was easier to sell properties in slightly less central areas and locations than to acquire in the priority locations for Balder.

As shown in the Residential properties section on pages 32-33, a shift occurred during the year in relation to investments from commercial properties to more apartment construction projects, collaboration with associated companies and investments in existing property companies such as the Finnish property company Sato Oyj.

The portfolio of hotel properties has been supplemented with a property in Stockholm. In addition, a property was acquired in central Copenhagen, which will be converted to a hotel and is expected to be ready in early 2017. The total number of hotel contracts amounts to 32 and the hotel portfolio now includes about 5,200 rooms in total. For some years Balder has viewed the hotel segment as an attractive investment area. The yield requirement has been higher than most other property categories and interest from other property companies has not been so strong. Balder has grown to become the second largest player in hotel properties in Sweden. During 2015, interest for hotel properties increased very sharply and the number of players that want to invest in hotel properties includes both Swedish and foreign property companies as well as institutional investors. The interest for hotel properties has meant that yields have fallen to levels approaching central office properties in Sweden's metropolitan areas.

Demand for central office properties is still good. Vacancy levels in Stockholm and Gothenburg amount to just under 4 per cent, which means the same levels as during 2014. In Malmö, the vacancy rate is higher and came in at around 8.5 per cent. An increase occurred in 2015 of about 2 percentage points, mainly due to new production of office properties in Västra Hamnen.

Balder has an experienced and competent letting organisation that continually works with letting vacant premises while finding solutions for premises issues for

potential tenants. Balder's economic occupancy rate for commercial properties was 93 per cent (93) at year-end.

According to the IPD Swedish Property Index, investments in commercial properties displayed an annual, average total yield of approximately 9.8 per cent during the past five-year period. The total yield includes increases in value together with the annual yield.

During 2015, the transaction volume did not really meet the same level as in 2014. According to NAI Svefa, commercial property turnover was SEK 105m during 2015, compared to SEK 114m during 2014. The ten largest transactions accounted for approximately SEK 36 billion, in other words almost 34 per cent.

The value of Balder's property holdings in Stockholm's inner city amounted to about SEK 7.4 billion, which corresponds to 67 per cent of the total value of its commercial properties in the region. Balder's average value per sq.m. for office properties with central locations in Stockholm amounts to approximately SEK 58,000.

The equivalent figures in Gothenburg are SEK 6.1 billion and 68 per cent, and SEK 2.2 billion and 68 per cent in Malmö. The average value per sq.m. for office properties with central locations in Gothenburg amounts to approximately SEK 36,000 and to approximately SEK 30,000 in Malmö.

A more detailed description of the transactions is available on pages 36-38.

Estimated and recorded yield values and price levels for residential properties in A locations were as follows:

Place	Yield, %	Price per sq.m., SEK
Stockholm	3.75 – 4.00	80,000 – 100,000
Gothenburg	4.75 – 5.00	32,000 – 42,000
Malmö	5.25 – 5.75	20,000 – 35,000

Source: Fastighetsvärlden

Balder’s commercial properties

Number of properties	159
Lettable area, sq.m. thousands	958
Rental value, SEKm	1,662
Economic occupancy rate, %	93
Carrying amount, SEKm	24,626

Commercial properties, geographical distribution

Area	Sq.m. thousands	%
Helsinki	0	0
Stockholm	319	33
Gothenburg	371	39
Öresund	153	16
East	99	10
North	16	2
Total	958	100



Spårvagnen 4, Stockholm



Lindholmen 39:2 Gothenburg

Transactions

2015 was dominated by the new construction of apartments in Copenhagen and the acquisition of 53 per cent of the shares in the Finnish property company Sato Oyj. Divestments of commercial properties in smaller cities and in suburbs of big cities also continued in 2015.

The transaction market in Sweden was very strong in recent years with rising property prices as a consequence. Balder has therefore chosen to diversify its property holdings to the other Nordic markets in order not to be concentrated towards one market. On 31 December, Balder had about 45 per cent of its property value outside Sweden.

Acquisitions

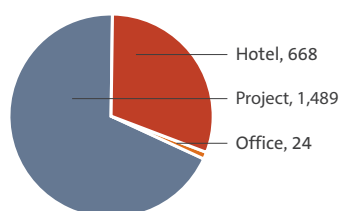
During the year, Balder gradually acquired shares in the residential housing company Sato Oyj and became the majority owner on 30 December with 53 per cent of the capital and votes. Through the majority ownership, Sato's balance sheet is consolidated, corresponding to a property value of about SEK 26 billion. Sato only owns residential properties, of which about 80 per cent are located in Helsinki and the remainder are in Finnish growth regions and in St Petersburg. For more information about Sato Oyj, see page 39. During 2015, Balder also realised the investments in new construction projects that the company initiated some years ago. Balder today has about 1,000 apartments under construction in Copenhagen, equivalent to a project value of about SEK 3,000m. All apartments that are built are divided into condominiums, which means that they can be sold individually. However, Balder has not sold any apartments but will choose to rent them out to create a portfolio of residential properties in Copenhagen. The apartments will be completed between 2016-2018.

Divestments

Balder's strategy is to own commercial properties in the central parts of the Stockholm, Gothenburg and Malmö metropolitan areas. In 2015, Balder thus continued to divest properties in the suburbs of big cities and in smaller cities. During 2015, Balder sold commercial properties in these areas for a sales total of SEK 1,613m. Balder has also elected to divest residential properties in places where the company cannot sustain a sufficiently large management unit. During the year, Balder agreed to sell all its properties in Skara and Töreboda. The divestments carried out generated a profit of SEK 65m, equivalent to a selling price of 5 per cent above the carrying amount.

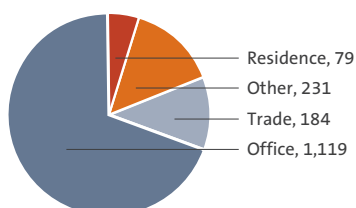
Acquisitions

per property category, SEKm



Divestments

per property category, SEKm





Property transactions 2015

Acquisitions	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
Quarter					
One	1	Snöflingan 3	Stockholm	Hotel	22,000
One	1	Inom Vallgraven 54:10	Gothenburg	Office	875
One	1	Sundby Overdrev (Lavetten)	Copenhagen	Project	0
Two	4	Bovieran		Project	0
Three	1	954 b Sundby Overdrev (321)	Copenhagen	Project	0
Three	1	1041 Sundbyoster (Öresund Strandpark)	Copenhagen	Project	0
Three	1	273 Vestervold kvarter (Niels Brocks Gade)	Copenhagen	Project	0
Three	1	Bastuban 1	Möndal	Project	47,054
Four	712	Acquisition of Sato Oyj	Finland	Residential	1,334,595
Total	723				1,404,524

Divestments	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
Quarter					
One	1	Murmästaren 3	Stockholm	Office	16,086
One	1	Skultorp 1:58	Skövde	Residential	3,229
One	1	Skultorp 36:1	Skövde	Residential	1,229
Two	13	All properties	Tidaholm	Residential	6,768
Two	1	Jakobsberg 2:2583	Järfälla	Other	22,054
Two	1	Eken 14	Sundbyberg	Office	8,913
Two	1	Vreten 8	Stockholm	Office	11,919
Two	1	Vreten 17	Stockholm	Office	6,550
Two	1	Vreten 25	Stockholm	Office	12,610
Three	1	Oden 7	Trollhättan	Retail	16,253
Four	1	Dingersjö 3:135	Sundsvall	Other	1,677
Total	23				107,288





Sato, Finland

Sato Oyj

In 2015, Balder gradually acquired shares in Sato Oyj and reached 53 per cent as of 30 December, which means that Sato is consolidated in Balder's balance sheet for 2015.

On 1 April 2015, Balder carried out its first acquisition of shares in Sato Oyj, which is Finland's second largest housing company, equivalent to 21 per cent of the outstanding shares and voting rights.

Balder has subsequently gradually acquired more shares in Sato. On 30 December, Balder acquired a further 22.9 per cent of the outstanding shares and votes, and together with the previous total holdings of shares and votes, which amounted to 30.4 per cent, means that Balder owns 53.3 per cent in total of the outstanding shares and votes and therefore has consolidated Sato from 31 December 2015. The company's earnings during the year are recognised in Balder as profit from participations in associated companies.

Sato is a property company, which has high-quality properties in excellent locations that complement Balder's existing operations and property portfolio. The number of employees in Sato amounted to 170 people on 31 December, of which

110 were women. Sato owns just over 23,000 apartments. 80 per cent of the properties are located in Helsinki and the remainder in Tampere, Oulu, Turku, Jyväskylä and St. Petersburg. Sato's property value has developed positively in recent years through acquisitions and construction under its own management. Sato has more than 1,200 rental apartments under construction and 545 rental apartments were completed during 2015.

The housing market in Finland consists of 2.6 million apartments, of which two thirds are condominiums and one third are rental apartments. Sato's share of the rental market is about 3 per cent. The largest owners in the Finnish market are insurance companies, pension funds and municipalities, where the municipalities usually own apartments for social purposes. Demand for smaller apartments exceeds supply, especially in the Helsinki region. Sato's apartments have an average area of 57 sq. m. For more information, visit Sato's website www.sato.fi



Sato, Finland



Bovieran

Bovieran's housing is a unique concept for those aged 55+ that stands for experience, security and social fellowship.

The Riviera as a source of inspiration

Bovieran plans, develops and builds concept properties in the form of tenant-owner's apartments for senior residents.

The company was founded in 2005 and the first tenant-owners moved in to Bovieran in Partille during summer 2009. In 2013, the collaboration with Balder began and from spring 2015, Bovieran AB became 100%-owned by Balder. The winter garden is Bovieran's natural meeting place and offers a shared space without rain and snow clearing.

Security in focus

All Bovieran facilities are completely identical and consist of 48 tenant-owner's apartments. The property is built in a U-shape featuring a 1,600 sq.m. glazed-in winter garden in the middle.

Since its inception, 13 Bovieran facilities have been built throughout central Sweden. To date, the concept has been a success and more establishments are in progress. For more information, visit Bovieran's website www.bovieran.se

Quick facts 2015

Ongoing construction projects:

Enköping, Helsingborg, Falun, Sala and Skövde

Occupation:

Haninge, Linköping, Järfälla and Norrköping

Sales in progress:

Falun, Sala, Skövde and Örebro II

Planned projects:

Borgholm, Karlstad, Kalmar II, Landskrona, Oskarshamn, Stenungssund, Strängnäs, Svedala, Södertälje, Trelleborg, Viken-Höganäs, Växjö and Ystad





Property and project development

Balder considers that it is important in property development transactions to be able to control the entire value chain, from acquisition of land to completion of the project.

During the year, Balder continued the work on building up its operations and expanding the property development organisation. A large number of detail development plans are ongoing, including densification and development of the existing property portfolio, externally acquired real estate projects and municipal land allocations. The ambition over time is to create an extensive portfolio of building rights relating to development properties and real estate projects, with the goal of producing a large number of new apartments annually – both rental apartments and tenant-owner's apartments in Stockholm, Gothenburg and the Öresund region.

In 2015, we started construction of

650 apartments and we have more than 1,000 apartments in total under construction.

Property development will mainly concentrate on residential projects. Commercial property development will concentrate on supporting housing projects and will be a part of the requirements for new detailed development plans. Through active property development, the ambition is to participate in changes to city districts, as well as individual property's conditions or use and thereby create value. By improving the existing property portfolio, land allocations and acquisitions, Balder wants to be a long-term player in property and urban development.

Where Balder is already a property owner, the company will focus on creating new building rights on existing land. Where there are opportunities for conversions to tenant-owner's associations, they will be evaluated. Our ambition is to invest in areas where we already operate, with a main emphasis on Stockholm, Gothenburg and the Öresund region, including Copenhagen.

Balder considers that it is important in property development transactions to be able to control the entire value chain, from acquisition of land to completion of a project. The development process occurs in different phases and can take several years, and therefore it is important that it proceeds in close cooperation with municipalities and other stakeholders.

Planned projects

Stockholm

In the property Gladan 3 on Kungsholmen in Stockholm, Balder plans to replace the existing office property with about 100 new tenant-owner's apartments, premises and a pleasant inner courtyard on the ground floor. The design of the building is in harmony with the existing character of the building and will be horseshoe-shaped with various ceiling heights up to 11 floors. The strategic position in Stockholm, the good communications and proximity to the water creates an exclusive form of housing. The detailed development plan is expected to be adopted in early 2017.



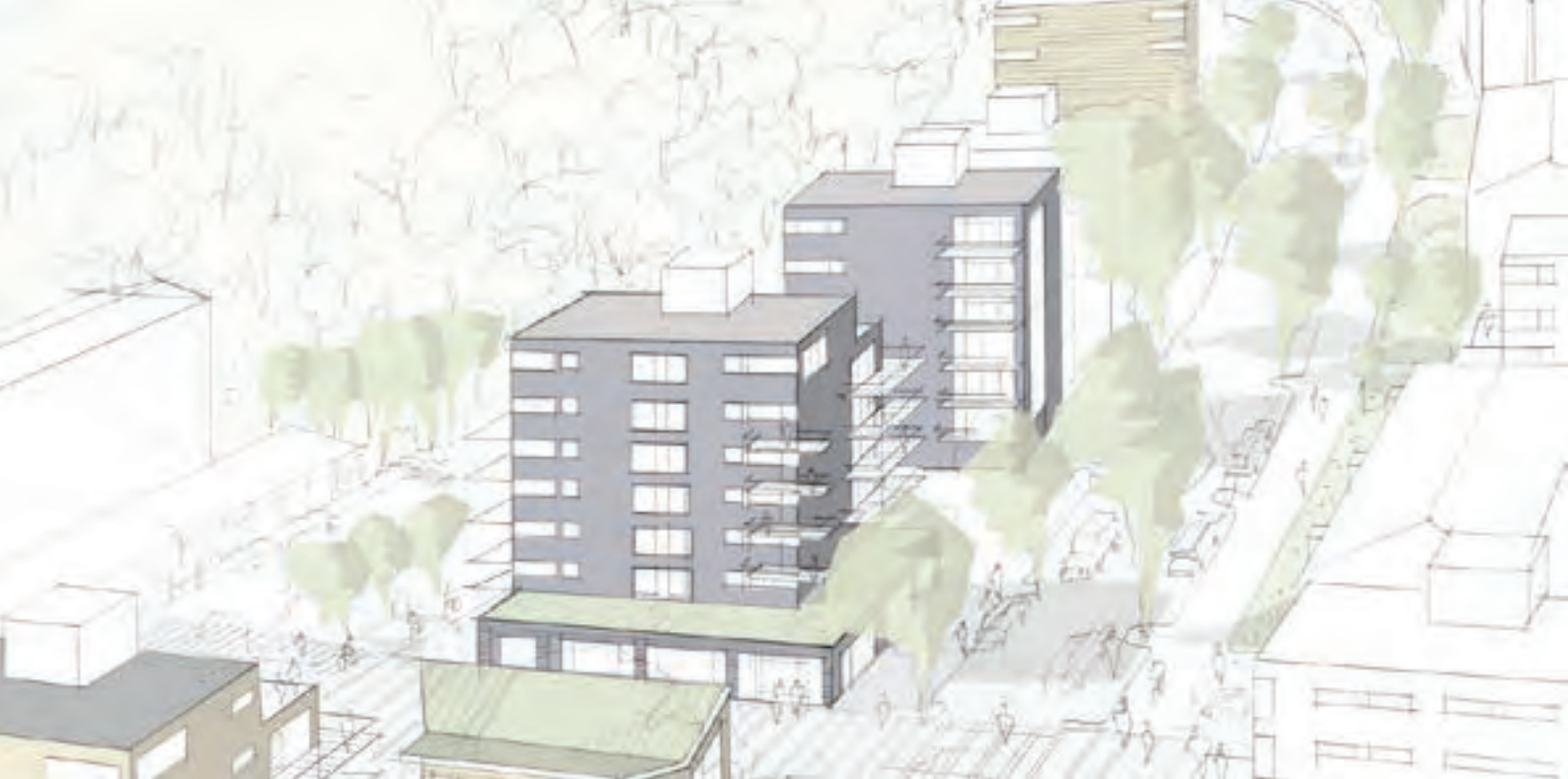
Copenhagen

Only a stone's throw from Amager Strand, Balder is constructing 450 apartments in the new Øresunds Park district, which is also called Copenhagen's Riviera. Construction of the project has started and will be completed in phases featuring a mixed development. The design is characterised by good Danish architecture.

The proximity to the seashore and lagoon offers both relaxation and an active life where a multitude of sporting activities and cultural activities are arranged. Meanwhile, Copenhagen's rich urban life is within a walking distance an exclusive and unique form of housing. The district is expected to be finished in 2018.

During 2015, Balder acquired a real estate project in Ørestad "Ørestad 321", which is located in Copenhagen's most modern and expansive area. There is also an extensive view from the apartments over green meadows and pastures. Construction of the 156 rental apartments has begun and the project is expected to be ready for occupation during summer 2017.





Gothenburg

When Gothenburg celebrates 400 years in 2021, 7,000 new apartments will be ready, apart from the regular housing construction.

The initiative has been named BoStad2021 and is part of Gothenburg 400-year jubilee with the aim of making Gothenburg into an even better city. The initiative is a unique collaborative project where the City of Gothenburg and the business community are partnering to increase the construction rate, achieve a better mix, more accessibility and create good value apartments in a children-friendly, dense and green city.

Of the 7,000 apartments, which is the adopted target for the initiative, Balder's share is just over 1,000 apartments, distributed among four areas – Södra Bergsjön, Svartedalen, Västra Frölunda and Majorna.

In Södra Bergsjön, Balder will construct about 150 apartments, of which about 75 are terraced houses. One of the goals is to increase comfort in the area and create opportunities for getting on the housing ladder through varied development. The detailed development plan is expected to be adopted during 2017.

In Svartedalen along Långströmsgatan, Balder is planning to construct about 350 apartments in varied development in the form of tower and slab blocks. The area borders the spacious Långström park area and has a central and attractive location at Hisingen. Nursery schools will be built

in the area. The detailed development plan is expected to be adopted during 2017.

At Munspelegatan i Västra Frölunda, Balder is planning to construct about 450 apartments, mainly tenant-owner's rights adjacent to Balder's existing property holdings, the so-called Stjärnhusen (star-shaped buildings). Proximity to the sea towards the west and Frölunda Torg make the area attractive. The detailed development plan is expected to be adopted during 2017.

ted during 2017.

Next to Älvsborgsbron in Majorna, Balder in collaboration with HSB is developing the old Fixfabriken, which is a well-known landmark in Gothenburg. Part of the area is included in the Jubilee initiative with 500 tenant-owner's apartments in a picturesque environment where half of the apartments are Balder's. The area is located in one of the most attractive areas of Gothenburg.



Property valuation

Balder's property portfolio consists of almost 1,200 properties, of which over 1,000 are residential properties.

The market value of Balder's properties reflects the future cash flow that is computed at present value using a yield requirement. The more predictable the future cash flow, of course 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 tenants, which makes it easy to determine at what rent it will be let out at again in the event of a vacancy. Balder's commercial leases have an average lease term of 6.3 years. The 10 largest leases represent 6.1 per cent of the total rental income, with an average lease term of 11.1 years. These circumstances mean that a large number of Balder's future cash flows that make up the future market value are known.

The properties in Balder where the future cash flow is least predictable are mainly concentrated towards the central areas of the large cities of Stockholm, Gothenburg and Malmö. It is in those properties that we are most dependent on future lettings. But it is also there that we have to make an estimate in our valuations of what rent a premises can be let out for again in the event it becomes vacant. The big cities offer good transparency with comparative rental rates, which means that rental rates can be determined with great certainty. However, the time of further letting is more difficult to determine, which means that we have to make an assessment based on market demand, historical interest, similar premises etc. An estimate is also made of the future development of the immediate surroundings as well as the position of the property within its market segment.

The value of the properties is based on internal valuations. The rental trend for the property portfolio is expected to follow inflation over time. Commercial leases include indexation, which means that the rent develops at the same rate

as the CPI, consumer price index, during the leasing period. Residential properties have historically developed a little better than the CPI, but in its valuations, Balder has assumed that the rent develops in line with inflation. The total rental value amounted to SEK 5,257m on 31 December 2015.

Operating and maintenance payments

Assumptions have been made regarding future operating and maintenance payments. These assumptions are based on historic outcomes and future projections as well as estimated standardised costs. Operating and maintenance costs are adjusted upwards each year by inflation.

Yield requirement and cost of capital

Yield requirements and the cost of capital used in the valuation model have been derived from comparable transactions in the property market. Important factors in choosing a yield requirement are location, rental rate, vacancy rate and the condition of the property. Market assessments of properties always involve a certain amount 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 per cent. Balder continually monitors the transactions that are completed in the market in order to substantiate and guarantee internal valuations. Balder also conducts continual discussions with external actors regarding acquisition and divestment of properties, which provides additional guidance.

On 31 December, Balder's average yield amounted to 5.4 per cent (5.5). The yield requirement for commercial properties amounted on average to 5.3 per cent (5.7) and to 5.4 per cent (5.1) for residential properties.

Change in value of the property portfolio

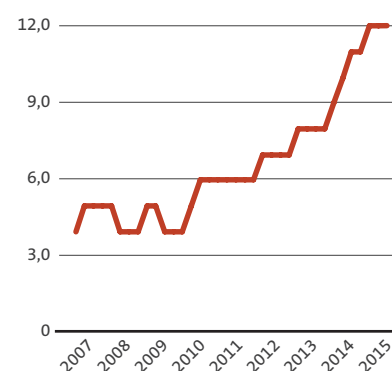
In 2015, Balder acquired properties for SEK 2,183m (7,059) in total. In addition to this, the acquisition of Sato Oyj contributed to an increase in the property portfolio of SEK 26,477m. Divestments during the year amounted to SEK 1,613m (1,114), which generated a profit of SEK 65m (144). According to Balder's internal valuation, the carrying amount of the properties at year-end amounted to SEK 68,456m (37,382), which corresponds to an unrealised change in value of SEK 3,323m (2,906). The largest share of the market value is found in the Stockholm, Helsinki and Gothenburg regions, which combined represent a property value of SEK 46,032m.

External valuations

In order to quality-assure its internal valuations, Balder regularly allows parts of the portfolio to be externally valued during the year. During the fourth quarter of 2015, Balder externally valued about one third of its properties including Sato's property holdings. The external valuations were less than 1 per cent lower than Balder's internal valuation at year-end. The external valuations were carried out during the year by Newsec and JLL. Historically, deviations between Balder's internal and external valuations have been insignificant.

Net operating income

Rolling annual value, SEK/share

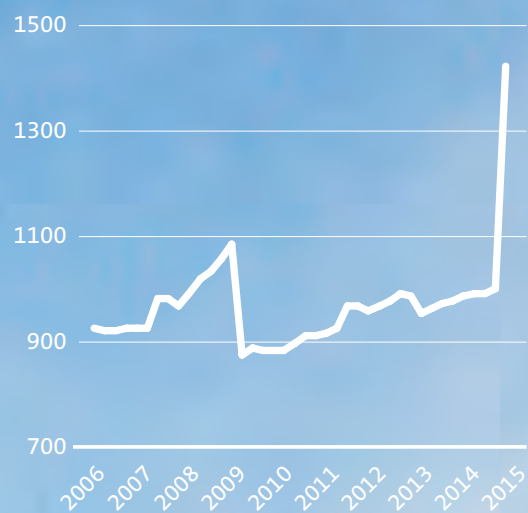


Region	Residential	Commercial properties	The mean value of yield requirements for estimation of residual value, %
	Yield requirement for estimating residual value, %	Yield requirement for estimating residual value, %	
Helsinki	5.25 – 6.50	—	5.70
Stockholm	2.75 – 4.75	4.00 – 7.00	4.72
Gothenburg	3.00 – 8.00	4.00 – 10.00	5.26
Öresund	3.45 – 5.50	4.50 – 6.50	4.92
East	4.25 – 6.50	5.75 – 10.00	5.94
North	4.00 – 5.75	5.50 – 6.50	4.90



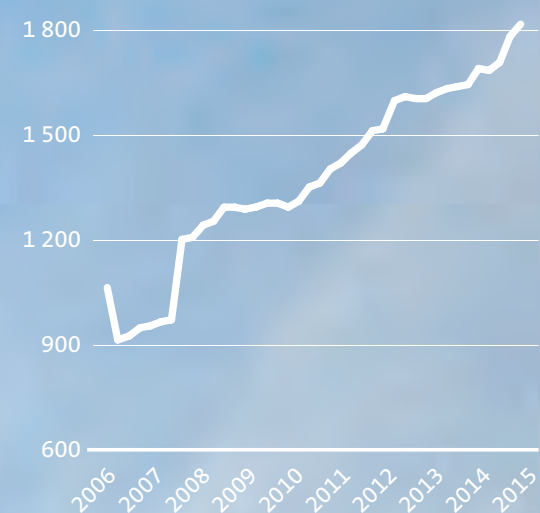
Rental value, Residential

SEK/sq.m.



Rental value, Commercial

SEK/Sq.m.





Financing

Balder finances itself through loan capital and equity. The goal is that the equity/assets ratio shall exceed 35 per cent over time, which means that we finance ourselves with at least 35 per cent equity and not more than 65 per cent loan capital.

Balder's largest asset class is residential properties, which are characterised by stable cash flows over time as the tenant risk is spread over a large number of payers. This also means that residential properties can be pledged to a higher degree than commercial properties by virtue of security in the cash flow. Today Balder has more than 60 per cent of its property value in residential properties and the majority of the other properties are commercial properties located in the central parts of the Stockholm, Gothenburg and Malmö metropolitan areas. The location of the assets forms a central part of lenders' credit risk assessments. Other important factors include diversification in the form of geography and asset class. Balder has chosen to own residential properties in Copenhagen and Helsinki in order not to be concentrated towards one market. Today about 45 per cent of the

property value is located in these cities and a few other growth areas in Finland. Although we so far have chosen to concentrate to date on residential properties outside Sweden, the assets in Sweden are more diversified in the form of office, hotel, retail and residential properties.

Balder has no official assessment of its credit risk through an external rating, but Balder's subsidiary Sato has an external rating from Moody's of Baa3, which corresponds to Investment Grade.

Interest-bearing liabilities

Of Balder's total financing, about 25 per cent consists of capital market financing and the remainder is bank financing and state subsidised loans, where the latter are raised in Finland. Balder's interest-bearing liabilities amounted to SEK 41,063m on 31 December. The secured liabilities in relation to total assets amounted to

42.2 per cent (50.6) as of 31 December. On the same date, the net loan-to-value ratio was 52.3 per cent (55.2). The net loan-to-value ratio is calculated as net interest-bearing liabilities divided by net total assets. Balder's fixed credit term amounted to 4.4 years (4.3), the interest rate refixing period was 2.9 years (2.3) and the average interest rate amounted to 2.2 per cent including the effect from interest rate derivatives

Net financial items

Net financial items, excluding changes in the value of interest rate derivatives, amounted to SEK -437m (-531), which was a result of larger average debt, however, the average interest rate was lower during the year. At year-end, Balder's average interest rate was 2.2 per cent (2.6).



Interest maturity structure 2015-12-31

Year	Interest rate refixing period		
	SEKm	Interest, %	Proportion, %
Within one year	21,512	1.1	52
1–2 years	304	3.3	1
2–3 years	4,470	4.5	11
3–4 years	1,631	3.1	4
4–5 years	4,012	2.6	10
>5 years	9,134	3.2	22
Total	41,063	2.2	100

Financial policy

The financial operations at Balder are conducted in accordance with the goals that the Board establishes annually in the financial policy. The goals are set in order to limit the financial risks that Balder is exposed to, which mainly relate to interest, refinancing and liquidity risk. The overall goals of the financial policy are:

- to secure the supply of short-term and long-term capital,
- that the equity/assets ratio should not be less than 35 per cent over time,
- that the interest coverage ratio should not be less than 2.0 times.

Liquidity

Balder utilises credit facilities in order to balance its liquidity needs. At year-end, Balder's available liquidity amounted to SEK 1,339m (806), which was composed of cash and cash equivalents, unutilised

credit facilities and financial investments. Apart from the available liquidity, Balder, at year-end had credit facilities of SEK 4,745m, of which SEK 4,545m were unutilised. Balder also has credit facilities that fully cover future payments for ongoing new construction projects. Balder's cash flow is relatively evenly distributed during the year as about 70 per cent of the rental income relates to residential rents, which are paid monthly. Remaining rents are mainly paid quarterly.

Financial goals

	Outcome		
	Goals	2015 ¹⁾	2014
Equity/assets ratio, %	35.0	37.8	35.5
Interest coverage ratio, times	2.0	5.1	3.4

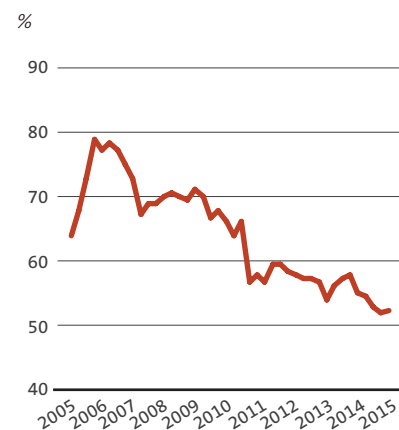
1) Key ratios including Collector AB at market value.

Key ratios

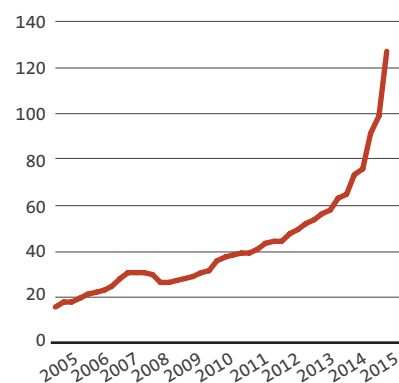
	2015 ¹⁾	2014
Return on equity ordinary share, %	28.2	29.7
Return on total assets, %	10.5	12.4
Net debt to assets excluding cash, %	52.3	55.2
Debt/equity ratio, times	1.4	1.6
Interest coverage ratio, times	5.1	3.4
Equity/assets ratio, %	37.8	35.5
Average fixed credit term, years	4.4	4.3
Average interest rate refixing period, years	2.9	2.3

1) Key ratios including Collector AB at market value.

Net debt to assets including cash



Development equity SEK/ordinary share



Associated companies

Balder's part-owned associated companies together own 55 investment properties, where our share of the carrying amount is SEK 3,701m. Balder also holds shares in the listed bank Collector, where the participating interest amounts to approximately 44 per cent.

Balder is a part-owner in property-managing associated companies, in associated companies that conduct project development and in the bank Collector, see Note 15, Participations in associated companies.

Sato Oyj, where the first shares were acquired in April, was an associated company for most of the year but became a subsidiary on 31 December, as the participating interest reached more than 53 per cent.

During the year, Balder established cooperation with three new partners. Balder currently owns 50 per cent of the shares in Murbruket Holding Fastighets AB, 31 per cent in Tornet Bostadsproduktion AB and 35 per cent in Brinova Fastigheter AB all property-managing companies.

The property-managing associated companies also include Centur, Tulia, Balder Skåne and Första Långgatan Fastig-

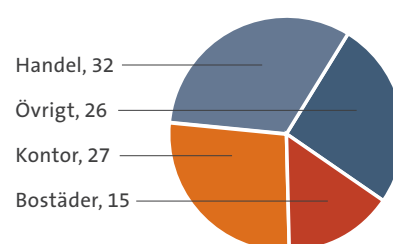
heter while Fix Holding works with project development.

The property-managing associated companies together own 55 investment properties (51) and real estate projects with a total carrying amount of SEK 8,828m (6,792), a total lettable area of about 367,000 sq.m. (317,000) and a rental value amounting to SEK 552m (400). Profit from property management, i.e. profit excluding changes in value and tax, amounted to SEK 1,193m (427), of which Balder's participation amounted to SEK 457m (195). The companies' profit after tax amounted to SEK 1,777m (646), of which Balder's participation amounted to SEK 831m (317).

Balder's results were affected by changes in value in respect of properties and derivatives of SEK 410m (178) before tax. For more information about Balder's associated companies, see Note 15, Participations in associated companies.

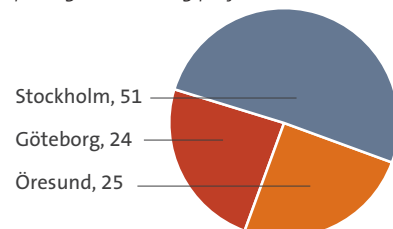
Carrying amount

per property category including projects, %



Carrying amount

per region including projects, %



Balder's participation in the property holdings of property-managing associated companies ¹⁾

2015-12-31	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/s.q.m.	Rental income, SEK	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	36	100,846	156	1,548	152	98	2,248	51
Gothenburg	11	47,401	55	1,171	52	93	800	18
Öresund	8	35,073	48	1,382	47	97	654	15
Total	55	183,320	260	1,419	251	97	3,701	84
Project			16		16		713	16
Total	55	183,320	276	1,419	267	97	4,414	100
Distributed by property category								
Residential	6	8,228	11	1,329	11	97	210	5
Office	10	35,026	69	1,966	64	92	953	22
Retail	31	91,434	99	1,081	96	97	1,396	32
Other	8	48,632	81	1,675	81	99	1,142	26
Total	55	183,320	260	1,419	251	97	3,701	84
Project			16		16		713	16
Total	55	183,320	276	1,419	267	97	4,414	100

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

2) Refers to the entire associated companies portfolio.



Talo 1, Finland

Fastighets AB Centur

The company is 50%-owned by Peab and Balder and it concentrates on property management, project development and property investments. Project development mainly focuses on construction of new retail and office premises and residential apartments but also improvements in real estate projects.

The company's largest real estate project is Varvsstaden in Malmö, which holds future building rights for about 350,000 sq.m. of residential and commercial space, on the site where Kockums once conducted shipbuilding operations.

At year-end, Centur owned 28 investment properties (29) with a lettable area of 202,000 sq.m. (213,000) and a rental value of SEK 246m (232) and 4 real estate projects (3). The carrying amount of the properties amounted to SEK 4,355m (4,061). The properties are located in Stockholm, Gothenburg and the Öresund region.

Tulia AB

Balder owns 50% of Tulia and the remaining part is owned by André Åkerlund AB. At year-end, Tulia owned 22 properties (21) with mainly central locations in Stockholm. The company's total lettable area at year-end amounted to 73,000 sq.m. (71,000) and the carrying amount of the properties totalled SEK 2,227m

(1,999) with a rental value amounting to SEK 140m (131).

Första Långgatan Fastigheter i Gbg HB

Balder together with Elof Hansson owns the company Första Långgatan Fastigheter i Gbg HB, which is the owner of the property Göteborg Masthugget 11:13. The property is located, adjacent to Masthuggstorget and the lettable area amounted to 32,000 sq.m. of premises and apartments. The rental value amounts to SEK 48m (44).

Fix Holding AB

The company is owned in equal shares by Balder and HSB Göteborg and it owns Fixfabriken in Majorna, which is a fully let building. Fix Holding will develop almost 500 new apartments here with complementary business premises.

The new Fixfabriken will be a sensation among residential areas in Gothenburg, and will feature distinctive architecture and excellent housing quality. Equally important is the fact that Fixfabriken will become a vital new addition and a dynamo for continued development, both in the area and in the city as a whole. It will be fantastic housing and it is also intended to serve a model for urban renewal, where participation, transparency and collaboration are not just fine words but firm reality. The objective is to have a

Balder's participation in the property holdings of property-managing associated companies

SEKm	2015	2014	2013
Rental income	244	180	179
Property costs	-53	-35	-40
Net operating income	191	145	140
	2015	2014	2013
Carrying amount properties, SEKm	4,414	3,396	2,543
Number of properties	55	57	49
Lettable area, sq.m. thousands	183	158	142

Balder's participation in the balance sheets of property-managing associated companies

	2015-12-31	2014-12-31
Assets		
Properties	4,414	3,396
Other assets	247	27
Cash and cash equivalents	61	24
Total assets	4,723	3,447
Equity and liabilities		
Equity/ shareholders' loan	1,726	1,230
Interest-bearing liabilities	2,501	2,032
Other liabilities	496	185
Total equity and liabilities	4,723	3,447



detailed development plan ready by 2017. Also see www.fixfabriken.se

Balder Skåne AB

The company is owned in equal shares by Balder and K-Fastigheter and mainly consists of residential properties.

At year-end, the company owned 3 investment properties (3) and 1 real estate project (1) with a value of SEK 322m (304).

The company's total lettable area amounted to 12,000 sq.m. (12,000) with a rental value amounting to SEK 20m (20).

Murbruket Holding Fastighets AB

Balder together with Oscar Properties owns Murbruket Holding Property AB, which owns the office property Murmästaren 3 on Kungsholmen in Stockholm.

Tornet Bostadsproduktion AB

Balder's participating interest amounts to 31 per cent and the other owners are Peab, Folksam and Riksbyggen. Tornet is a company that concentrates on property management, project development and

property investments. The property development projects relate to new construction of residential properties.

At year-end, the company owned 13 investment properties and 7 real estate projects with a value of SEK 1,845m. The properties are located in Stockholm, Gothenburg and the Öresund region.

The company's total lettable area amounted to 45,000 sq.m. with a rental value amounting to SEK 78m. Also see www.tornet.se

Brinova Fastigheter AB

The principal owners in the new company are Balder with 35 per cent, and Backahill with 45 per cent. The property holdings are geographically concentrated towards southern Sweden and the goal is to create a new company with community and residential properties in focus.

At year-end, the company owned 38 investment properties with a value of SEK 976m. The properties are located in the Öresund area.

The company's total lettable area amounted to 117,000 sq.m. with a rental

value amounting to SEK 117m. Also see www.brinova.se

Collector AB

The company was listed in June and Balder, which is the principal owner, owns about 44 per cent. Collector is a successful bank which is displaying rapid organic growth. The company received its banking licence during the year and has offices in Gothenburg, Stockholm, Malmö, Oslo and Helsinki.

The company is a partner focusing on overall solutions in financing, credit management and the legal field. The balance sheet total at year-end amounted to SEK 10,057m (6,561), sales amounted to SEK 1,187m (916) and profit before tax to SEK 371m (244) and the market capitalisation was SEK 11,856m.

Balder also recognises consolidated statement of financial position including Collector at market value, in order to clarify Collector's value in Balder. Also see www.collector.se

Opportunities and risks

All business activity is associated with risks and these may affect the company negatively but they may also create opportunities. Balder works actively with diversification of risks as regards type of property, geographical distribution and customer composition in order to limit the company's risk exposure.

Sensitivity analysis

Factor	Change	Earnings effect before tax, SEKm
Rental income	+/- 1 %	+/- 51
Economic occupancy rate	+/- 1 percentage unit	+/- 53
Interest-rate level of interest-bearing liabilities	+ 1 percentage unit	- 187
Property costs	+/- 1 %	-/+ 16
Changes in value of properties	+/- 5 %	+/- 3,423

Rental income, rental trend and occupancy rate

Of Balder's contracted rental income, 64 per cent relates to residential properties and 36 per cent to premises. The company's income is affected by the occupancy rate of the properties, the possibility of charging market-related rents as well as customers' payment capacity. If the occupancy rate or rental rates change, irrespective of the reason, Balder's results are affected. Naturally, the risk of large fluctuations in vacancies and loss of rental income increases the more large individual tenants a property company has. Balder's ten largest leases represent 6.1 per cent of total rental income and their average lease term amounts to 11.1 years. No individual lease accounts for more than 0.9 per cent of Balder's total rental income and no individual customer accounts for more than 2.7 per cent of total rental income. There are no guarantees that Balder's major tenants will renew or extend their leases when they expire, which in the longer term can lead to altered rental income and vacancies. The dependence on individual tenants decreases in line with Balder's continued growth through acquisitions. In order to limit the risk of falling rental income and a weakened occupancy rate, Balder strives to develop long-term relationships

with the company's existing customers. Balder's leases are normally wholly or partly linked to the consumer price index, in other words, wholly or partly adjusted for inflation.

Balder is dependent on tenants paying agreed rents in time. In some leases, the tenant's obligations are guaranteed by the parent company or through bank guarantees. The risk still remains that tenants will suspend their payments or in other respects will not fulfil their obligations. If this happens, Balder's results could be affected negatively.

Unlike commercial properties, residential properties are covered by regulations which among other things mean that the so-called utility value principle determines the setting of the rent.

At year-end, Balder had an economic occupancy rate of 96 percent, which means that the vacancy at year-end amounted to SEK 182m and represents an opportunity for potential new lettings. The table above shows how profit before tax would be affected by a change of +/- 1 per cent in the rental level and +/- 1 per cent in the economic occupancy rate.

Operating and maintenance costs

Operating costs mainly consist of costs that are based on usage such as electricity, cleaning, water and heating costs.

Several of these goods and services can only be purchased from one supplier, which can affect the price. To the extent that possible cost increases are not compensated by adjustments of leases or increases in rent through renegotiation of leases, Balder's results can be affected negatively. Maintenance costs include measures aimed at maintaining the standard of the properties in the long term. These costs are expensed to the extent they constitute repairs and replacement of smaller areas. Other additional expenses of a maintenance character are capitalised in connection with the expense arising. Unforeseen and extensive repair needs may also affect the results negatively.

Property development

One way to increase returns is to construct new properties and develop existing ones through investments. The risks in property development projects include assessments about the rental market trend, but also the design of the product and the execution of the project itself. These risks are limited by only making investments in markets where Balder has good market knowledge, and where there is a strong demand for residential and commercial properties. Quality-assured internal processes and a high level of competency in the project organisation ensure that high quality is maintained in the execution and product and that sustainability requirements are met. During new construction of buildings, demands are always imposed that a large part of the property should be let before the investment begins. The majority of ongoing projects therefore have a high occupancy rate.



Change in value of the properties

83 per cent of the value of Balder's property portfolio is found in the four metropolitan regions Helsinki, Stockholm, Gothenburg and Öresund. Balder's investment properties are recognised at fair value in the balance sheet and changes in value are recognised in profit or loss. Unrealised changes in value do not affect the cash flow. Balder carries out an internal valuation of the property portfolio in connection with quarterly reports. Parts of the property portfolio are also externally valued and compared to the internal valuation.

The value of the properties is affected by a number of factors including property-specific factors such as occupancy rate, rental value and operating costs as well as market-specific factors such as yield requirements and the cost of capital.

Both property-specific and market-specific changes affect the value of investment properties, which in turn impacts the Group's financial position and results.

Dependence on key people

Balder's future growth is dependent on the knowledge, experience and commitment of the Management team and other key people. The company could be affected negatively if one or more of these people would leave the Group.

Operational risks

Balder can incur losses within the framework of its operating activities due to defective routines or irregularities. Good internal control, appropriate administrative systems, skills development and good access to reliable valuation and risk models provide a good basis for reducing operational risks. Balder continually works on monitoring the company's administrative security and control.

Taxes and changed legislation

Changes in corporate and property taxes, as well as other government levies, rent allowance and interest allowance can affect the basis for Balder's operations. It cannot be ruled out that tax rates will change in the future or that other changes will occur in the state system that affect real estate ownership. In most leases, the customer pays his share of the currently charged property tax. Changes in corporate taxation and other governmental levies, may affect Balder's results. A change in tax legislation or practice which implies changes in possibilities of making tax write-offs or utilising loss carry-forwards, for example, can mean a change in Balder's future tax situation and can thereby also impact results.

Financial risks

Balder's operations are mainly financed by equity and loans from external lenders. The relationship between equity and liabilities is managed on the basis of the chosen level of financial risk and the amount of equity needed to meet lenders' requirements for securing loans at market-related conditions. The financing via loans means that Balder is exposed to financing, interest rate and credit risks. Financing conditions include requirements as regards the equity/assets ratio, loan-to-value ratio and interest coverage ratio.

Refinancing risk

Refinancing risk refers to the risk that financing cannot be secured at all, or only at a significantly increased cost. Balder conducts continual discussions with banks and credit institutions aimed at securing the long-term financing. Balder cooperates closely with a handful of lenders in order to secure the company's long-term capital requirements.

Interest rate risk

Interest rate risk is defined as the risk that changes in the level of interest rates will affect Balder's financing expense. The interest expense is Balder's single



Balder's head office, Gothenburg

largest cost item. Interest expenses are mainly affected by the current level of the market rate of interest and the credit institutions' margins and by what strategy Balder chooses for interest rate refixing periods. Market rates of interest are mainly affected by the expected inflation rate. In times of rising inflation expectations, the interest rate level can be expected to rise, which immediately increases the interest expense on loans with short maturities.

Balder has a large proportion of loans which run according to short interest rate refixing periods. Balder deploys interest rate derivatives as part of its interest risk management, in order to achieve preferred interest rate refixing periods.

Credit risk

Credit risk is defined as the risk that Balder's counterparties cannot fulfil their financial obligations towards Balder. Credit risk in the financial operations arises during investment of excess liquidity, on entering into interest rate swap contracts and in connection with issued credit agreements. As regards Balder's trade receivables, customary credit checks are carried out before a new lease is entered into.

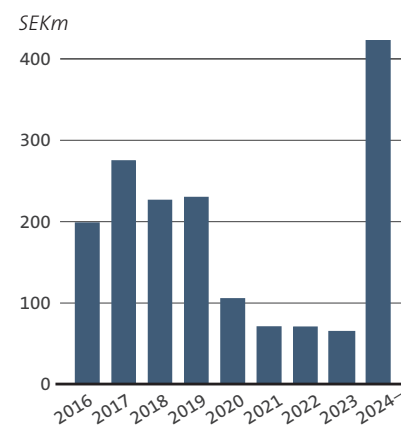
Currency risk

Balder owns properties via subsidiaries in Denmark and in Finland. Companies' revenue and costs are in local currency and are thereby exposed to fluctuations in exchange rates from a Group standpoint. Currency risk also arises in translation of the assets and liabilities of foreign subsidiaries to the currency of the parent company.

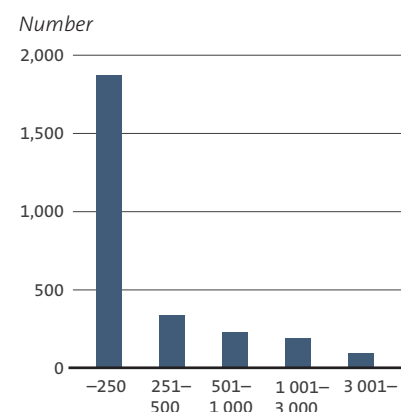
Environmental risk

Property management and property development have an environmental impact. Balder has established an environmental policy and works actively with environmental issues. Under the Environmental Code, the party conducting an activity which has contributed to pollution is also responsible for after-treatment. If the party conducting the activity cannot carry out or pay for the after-treatment of a property, the party acquiring the property and that on the acquisition date was aware of or that should have then discovered the pollution, is responsible. Since Balder mainly owns residential, office and retail properties, this risk is considered limited.

Maturity structure of commercial lease contracts



Number of commercial leases per rental value



-4% $5^6 8^8 + v$ 25% $y^1 + 5y = 0$

17 6%
 $x^2 - 4$

$\frac{3x+2}{10} = \frac{10+2}{10}$



Balders annual report 2015

The numbers behind Balder

Definitions

Financial

Return on equity, ordinary share, %

Profit after tax reduced by preference share dividend for the period in relation to average equity after deduction of the preference capital. 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 balance sheet total. 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.

Profit from property management, SEKm

Profit before tax with reversal of changes in value. Reversal of changes in value and tax as regards participation in profits of associated companies also takes place.

Net loan-to-value ratio, %

Interest-bearing liabilities less cash and cash equivalents and financial investments in relation to total assets less cash and cash equivalents and financial investments.

Interest coverage ratio, times

Profit before tax with reversal of net financial items, changes in value and changes in value and tax as regards participation in profits of associated companies, in relation to net financial items.

Debt/equity ratio, times

Interest-bearing liabilities in relation to equity.

Equity/assets ratio, %

Shareholders' equity in relation to total assets at the end of the period.

Calendar

Annual General Meeting	10 May 2016
Interim report January – March 2016	10 May 2016
Interim report January – June 2016	23 August 2016
Interim report January – September 2016	3 November 2016
Year-end report January – December 2016	22 February 2017

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Printing: Billes Tryckeri

Share-related

Equity per ordinary share, SEK

Shareholders' equity in relation to the number of outstanding ordinary shares at the end of the period after deduction of the preference capital.

Equity per preference share, SEK

Equity per preference share is equivalent to the average issue price of the preference share of SEK 287.70 per share.

Profit from property management per ordinary share, SEK

Profit from property management reduced by preference share dividend for the period divided by the average number of outstanding ordinary 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.

Non-current net asset value per ordinary share (EPRA NAV), SEK

Shareholders' equity per ordinary share with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per ordinary share, SEK

Profit attributable to the average number of ordinary shares after consideration of the preference share dividend for the period..

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Property-related

Yield, %

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

Net operating income, SEKm

Rental income less property costs.

Economic occupancy rate, %

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

Property category

Classified according to the principal use of the property. The break-down is made into office, retail, residential and other properties. Other properties include hotel, educational, care, industrial/warehouse and mixed-use properties. The property category is determined by what the largest part of the property is used for.

Property costs, SEKm

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

Rental value, SEKm

Contracted rent and estimated market rent for vacant premises.

Surplus ratio, SEKm %

Net operating income in relation to rental income.

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Letting
 +46 20 151 151

Customer service
 +46 774 49 49 49

The consolidated statement of financial position including Collector AB (publ) at market value

Under IFRS, Collector AB (publ) should not be recognised at market value when Balder reports its participation in the profit from associated companies from Collector. In order to clarify Collector's market value, Collector is reported below at the share price as of 31 December.

SEKm	31 dec 2015
Assets	
Investment properties	68,456
Other fixed assets	122
Participations in associated companies ¹⁾	6,549
Other receivables ²⁾	1,497
Cash and cash equivalents and financial investments	1,025
Total assets	77,649
Shareholders' equity and liabilities	
Shareholders' equity ³⁾	29,325
Deferred tax liability	4,071
Interest-bearing liabilities	41,063
Derivatives	1,294
Other liabilities	1,896
Total equity and liabilities	77,649
1) Including Balder's marketable value of Collector AB (publ).	5,224
2) Of which most part refers to receivables in associated companies.	
3) Of which non-controlling interests.	4,377

Consolidated statement of changes in equity

SEKm	31 dec 2015
Opening equity	14,261
Dividend preference shares	-200
Net profit for the year	4,909
Share issue after issue costs	1,705
Non-controlling interests arising on the acquisition of subsidiary	4,377
Adjustment of Collector AB (publ) to market value	4,273
Closing equity	29,325

The numbers behind Balder

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Report of the Board of Directors

The Board of Directors and CEO of Fastighets AB Balder (publ), corporate identity number 556525-6905, hereby submit the accounts of the Group and the Parent Company for the financial year 2015. Fastighets AB Balder is listed on Nasdaq Stockholm, Large Cap segment. The company has approximately 17,200 shareholders (16,300). 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 support and to create customer value by meeting the needs of different customer groups for premises and housing.

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

Financial goals

Balder's goal is to achieve a stable and good return on equity, while the equity/assets ratio over time shall not be less than 35 per cent and the interest coverage ratio shall not be less than 2.0 times. The outcome in 2015 was 34.1 per cent and 5.1 times, respectively. Including Collector at market value, the equity/assets ratio was 37.8 per cent.

Organisation

Balder's business areas consist of the regions Helsinki, Stockholm, Gothenburg, Öresund, East and North, which are made up of 17 areas. The regional organisations follow the same basic principles but differ depending on the size and property holdings of each region. Regional offices are responsible for letting, operation, 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 compa-

nies. Balder's operational organisation is supported by central accounting, property management and finance functions. The Group had a total of 647 employees (313) on 31 December, of whom 310 (110) were women.

Balder's Management team is composed of six people, of whom one is a woman. For information regarding approved guidelines for remuneration to senior executives, see Note 4, Employees and personnel expenses. The Board will not propose any changes in the guidelines to the Annual General Meeting 2016.

Significant events during the financial year

During the year, Balder acquired 53.3 per cent of Sato Oyj, Finland's second largest housing company. Collector AB, an associated company to Balder, was listed during the summer. Balder's participating interest amounted to 44.1 per cent after the listing.

Acquisitions

The largest transaction during the year was the gradual acquisition of shares in the housing company Sato Oyj. On 30 December, Balder became the majority owner with 53.3 per cent of the capital and votes. Through the majority ownership, Sato's balance sheet is consolidated, corresponding to a property value of about SEK 26 billion. Sato only owns residential properties, of which about 80 per cent are located in Helsinki and the remainder in growth regions in Finland and in St Petersburg, see Note 32, Business combinations. The acquisition was partly financed by a directed new issue of 10 million ordinary shares.

At the start of the year, the property Stockholm Snöflingan 3 was acquired for SEK 668m. The property was completed in 2009 and has a lettable area of about 22,000 sq. m. distributed among 280 rooms and a restaurant. Courtyard by Marriott Stockholm runs the operations.

During the third quarter, the property Mölndal Bastuban 1 was acquired, which today has SCA as the main tenant. The property is classified as a real estate project and Balder's ambition is to develop the property together with Mölndals Stad, for residential purposes in the first instance. It was acquired for SEK 365m and the lettable area is 47,000 sq. m. The site area amounts to almost 90,000 sq. m.

During the year, a number of properties were acquired for project development in Copenhagen.

Divestments

Balder's strategy for a number of years has been to divest properties in places where the company cannot sustain a sufficiently large management unit. During the year, all 13 properties in Tidaholm were divested and a further 10 properties around Sweden. Balder divested properties for about SEK 1,613m during the year. The divestments carried out generated a profit of SEK 65m, equivalent to 5 per cent above the carrying amount.

Other

A directed new issue of 10 million ordinary shares was completed in December, which brought in SEK 1,705 million after issue costs.

The property portfolio

Balder's commercial properties are mainly located in the central areas of big cities and the residential properties are located in big cities and in places that are growing and developing positively.

On 31 December, Balder owned 1,177 investment properties (486) with a lettable area of 3,430,000 sq.m (2,177,000) with a carrying amount of SEK 68.5 billion (37.4), including project real estate. During the year, 714 investment properties (37) with a lettable area of approximately 1,405,000 sq.m. (330,000) were acquired for SEK 28,660m (7,059). 23 properties (41) were divested during the year with a total lettable area of 108,000 sq.m. (139,000) for SEK 1,613m (1,114), which generated a profit of SEK 65m (144). In 2016, Balder will continue the work on consolidating its property portfolio.

When allocating carrying amounts by region, Helsinki amounted to 31 per cent (–), Stockholm to 20 per cent (34), Gothenburg 20 per cent (33), Öresund 12 per cent (18), East 14 per cent (11) and North 3 per cent (5). Of the carrying amounts, 36 per cent (62) related to commercial properties and 64 per cent (38) to residential properties.

Earnings

Profit from property management for the year amounted to SEK 1,780m (1,275), which corresponds to SEK 9.71 per ordinary share (6.64). The increase was primarily due to changes in the property portfolio. The profit from property management includes SEK 457m (195) in respect of associated companies, which is included in the income statement in participations in profits from associated companies. Net profit for the year after tax amounted to SEK 4,916m (3,128), corresponding to SEK 28.98 per ordinary share (18.10).

The result was impacted by realised changes in value in respect of properties of SEK 65m (144), unrealised changes in value of properties of SEK 3,323m (2,906), changes in value in respect of interest rate derivatives of SEK 227m (–624) and profit from participations in associated companies of SEK 831m (317).

The Group's rental income amounted to SEK 2,711m (2,525) during the year. The leasing portfolio was estimated to

have a rental value on 31 December of SEK 5,257m (2,885) on a full-year basis. The average rental level for the entire property portfolio amounted to 1,508 SEK/sq.m. (1,325). The increase in the average rental level was mainly due to changes in the property portfolio. The rental income shows a considerable diversification of risks as regards tenants, sectors and locations.

The economic occupancy rate amounted to 96 per cent (95) on the closing date. On 31 December, the total rental value for unlet areas amounted to SEK 182m (155) on a full-year basis.

Property costs amounted to SEK 767m (760) during the year. The increase in property costs was mainly due to the change in the property portfolio and a mild winter with very little snow. Net operating income increased by 10 per cent to SEK 1,944m (1,766), which provided a surplus ratio of 72 per cent (70).

Net financial items, excluding changes in value of derivatives amounted to SEK –437m (–531) and changes in value of interest rate derivatives amounted to SEK 227m (–624). The positive change in value during the year was due to a rise in the level of interest rates which means that the difference in relation to the contracted interest rate level of interest rate derivatives has decreased.

Derivatives are continually recognised at fair value in the balance sheet and changes in value are recognised in the income statement without using hedge accounting. Changes in value from derivatives arise in the event of changed interest-rate levels and do not affect cash flow, as long as they are not sold during the period. Balder has hedged against higher levels of interest rates, which means that the market value of derivatives decreases during a period of downward interest rates. The deficit in respect of interest rate derivatives amounted to SEK 1,294m (1,086) at

year-end. The deficit on derivatives will be released during the remaining term and recognised as income. This means that Balder has a reserve of SEK 1,294m that will be reversed to equity in its entirety, adjusted by deferred tax, in line with the maturity of the interest rate derivatives.

Net financial items are equivalent to an average interest rate of 1.8 per cent (2.7) including the effect of accrued interest from Balder's interest rate derivatives.

Multi-year summary

See page 7.

Value of the properties

Balder carried out an internal valuation on 31 December of the property portfolio, based on a ten-year cash flow model. Each property is individually valued by computing the present value of future cash flows, in other words future rent payments less estimated operating and maintenance payments. The cash flow is adjusted to the market by taking account of changes in letting levels and occupancy rates as well as operating and maintenance payments.

The valuation is based on an individual assessment of each property, as well as future cash flows and the yield requirement. For a more detailed description of Balder's property valuation see Note 13, Investment properties.

Market assessments of properties always involve a certain amount of uncertainty in the assumptions and estimates made. In order to quality-assure its internal valuations, Balder regularly allows parts of the portfolio to be externally valued during the year. During the fourth quarter, Balder externally valued about one third of its property portfolio. The externally valued properties are located in Helsinki, Skåne, Gothenburg and Stockholm. The external valuation was less than 1 per cent lower than Balder's internal valuation at year-end

Sensitivity analysis

Factor	Change	Earnings effect before tax, SEKm
Rental income	+/- 1 %	+/- 51
Economic occupancy rate	+/- 1 percentage unit	+/- 53
Interest-rate level of interest-bearing liabilities	+ 1 percentage unit	– 187
Property costs	+/- 1 %	–/+ 16
Changes in value of properties	+/- 5 %	+/- 3 423

On 31 December, Balder's average yield requirement amounted to 5.4 per cent (5.5), excluding project real estate and property development projects, which was 0.1 percentage units lower than at the start of the year. The reduction in the yield requirement is attributable to the strong prevailing demand for properties. Our assessment is that the new yield requirement better reflects the market's determination of prices.

On 31 December, the carrying amount of the investment properties amounted to SEK 68,456m (37,382), according to the individual internal valuation, which implied an unrealised change in value of SEK 3,323m (2,906).

Taxes

Balder reported current tax revenue of SEK 4m (–11) and a deferred tax expense of SEK –866 (–682).

Current tax and deferred tax have been calculated based on the applicable tax rate for 2015. Current tax only arises in exceptional cases on account of the possibilities of making tax write-offs, tax deductions for certain investments in properties and use of existing loss carry-forwards. For the small number of subsidiaries where no group contributions for tax purposes exist, current tax can arise. Current tax for the year mainly relates to companies acquired and divested during the year.

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 differences between the carrying amounts and values for tax purposes of properties and interest rate derivatives. Deferred tax liabilities amounted to SEK 4,071m (1,549). For more detailed information, see Note 11, Taxes.

Cash flow and financial position

Balder's assets amounted to SEK 73,376m (40,185) on 31 December. These have been financed by equity of SEK 25,052m (14,261) and by liabilities of SEK 48,324m (25,923) of which SEK 41,063m (22,378) are interest-bearing.

Cash flow from operating activities be-

fore changes in working capital amounted to SEK 1,193m (1,038). Investing activities have burdened the cash flow by SEK 5,635m (6,708). During the year, acquisition of properties of SEK 2,097m (6,835), investments in existing properties and projects of SEK 791m (700), investments in property, plant and equipment, financial investments, associated companies and subsidiaries of SEK 4,857m (570) and dividends paid of SEK 200m (200) totalled SEK 7,945m (8,305). These were financed through cash flow from operating activities of SEK 762m (1,340), through property divestments of SEK 1,606m (1,114) and financial investments of SEK 504m (219), a new issue of SEK 1,705m (–) and net borrowing of SEK 3,788m (5,338), totalling SEK 8,365m (8,011).

Total cash flow for the year amounted to SEK 421m (–8). The Group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 1,339m (806) on 31 December.

Equity

Shareholders' equity amounted to SEK 25,052m (14,261) on 31 December, corresponding to SEK 103.24 per ordinary share (70.10). The equity/assets ratio amounted to 34.1 per cent (35.5). Including Collector at market value, the equity/assets ratio was 37.8 per cent and equity per ordinary share was SEK 128.03.

Interest-bearing liabilities

The Group's interest-bearing liabilities amounted to SEK 41,063m (22,378) on 31 December. The proportion of loans with interest dates during the coming 12-month period amounted to 52 per cent (62) and the average fixed credit term amounted to 4.4 years (4.3). Derivatives contracts have been entered into in order to limit the impact of a higher market rate of interest.

The above-mentioned derivatives are continually recognised at fair value in the balance sheet with changes in value recognised in net financial items in the income statement without using hedge accounting. Changes in value during the year amounted to SEK 227m (–624). Interest-bearing liabilities are described in greater detail in Note 21, Financial risks and financial policies.

Liquidity

At year-end, the Group's financial investments, cash and cash equivalents and unutilised credit facilities amounted to SEK 1,339m (806).

Investments

Property investments amounted to SEK 2,974m (7,759) during the year, of which SEK 2,183m (7,059) related to acquisitions and SEK 791m (700) related to investments in existing properties and projects. In addition to this, the acquisition of Sato Oyj contributed to an increase in the property portfolio of SEK 26,477m. Of the total changes in the property portfolio, SEK 21 291m (–) related to Helsinki, 1,117m (2,545) related to Stockholm, SEK 597m (2,615) to Gothenburg, SEK 1,176m (1,227) to Öresund, SEK 5,243m (788) to East, and SEK 27m (583) to North.

Associated companies

Balder owns 50 per cent of a number of companies where Balder takes care of management and administration, for further information see Note 15, Participations in associated companies. Apart from the 50%-owned associated companies, Balder owns 44.1 per cent (48) of Collector AB (publ), 31 per cent (–) of Tornet Bostadsproduktion AB and 35 per cent (–) of Brinova AB. On pages 50-51, Balder's participations in the balance sheets and property holdings of the 50%-owned property-managing associated companies are reported and presented according to IFRS accounting policies.

The associated companies own a total of 55 investment properties (51) and 5 real estate projects (6). Balder's participation in the lettable area of the property holdings amounts to approximately 183,000 sq.m. (158,000) with a rental value of SEK 276m (200). The economic occupancy rate amounted to 97 per cent (97).

Parent company

The parent company's operations mainly consist of performing 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. Sales

in the parent company amounted to SEK 147m (124) during the year, of which intra-group services represented SEK 117m (97) and the remainder mostly related to management assignments for associated companies.

Net profit after tax during the year amounted to SEK 1,061m (302). The profit was impacted by changes in value in respect of interest rate derivatives of SEK 199m (–585).

The parent company's financial investments, cash and cash equivalents, including unutilised credit facilities amounted to SEK 658m (722) on 31 December. Receivables from group companies amounted to SEK 21,676m (15,777) on the closing date. Investments in property, plant and equipment and financial investments amounted to SEK 1m (1) and SEK 846m (144) respectively during the year. The net change in non-current liabilities of SEK 3,119m (2,154) was mainly related to acquisitions during the year.

Opportunities and risks

Balder's operations, financial position and results may be affected by a number of risk factors.

Rents and customers

Balder's income is affected by the occupancy rate of the properties, the possibility of charging market-related rents as well as customers' payment capacity. The occupancy rate and rental levels are largely determined by the general and regional economic trends. Naturally, the risk of large fluctuations in vacancies and loss of rental income increases when there are more large individual customers in the property portfolio.

In order to limit the risk of lower rental income and a weakened occupancy rate, Balder strives to develop long-term relationships with the company's existing customers. Balder's distribution between commercial and residential properties and the geographical spread in the portfolio means that the risk relating to rental income is low.

At year-end, Balder had an economic occupancy rate of 96 per cent (95). Balder's ten largest leases represented 6.1 per cent (9.4) of total rental income and their average lease term amounted to 11.1 years

(11.1). No individual lease accounted for more than 0.9 per cent (1.5) of Balder's total rental income and no individual customer accounts for more than 2.7 per cent (4.8) of total rental income. The average lease term in the overall commercial portfolio amounted to 6.3 years (5.9).

A change of \pm 1 per cent in rental income would affect the profit before tax by \pm SEK 51m.

Debt and risk management

Balder's greatest financial risk is a lack of financing. To limit refinancing risk, Balder works continually to renegotiate loans and to diversify the maturity structure of loans. Meanwhile, this work ensures that competitive long-term financing is maintained. Balder's average fixed credit term amounted to 4.4 years (4.3).

Interest risk arises through fluctuations in the market rate of interest, which affects results and cash flow. A higher market rate of interest means an increased interest expense but this often also coincides with higher inflation and economic growth. This means that higher interest expenses are partly offset by lower vacancy rates and higher rental income through increased demand and by the fact that rents are indexed. Balder has elected to use interest rate derivatives to limit the risk of financing costs increasing significantly in the event of a higher market rate of interest.

In the event of an immediate increase in the market rate of interest of one percentage unit and the assumption of an unchanged loan and derivative portfolio, the interest expense would increase by SEK 187m. Of Balder's total loan stock at year-end, 48 per cent (38) had an interest rate refixing period of more than one year. The holdings in Denmark and Finland have given rise to a currency position. For more information see Note 21, Financial risks and financial policies.

Property costs

Property costs include direct costs such as operating and media expenses, maintenance costs, ground rent and property tax. Each region is responsible for ensuring that the property portfolio is well-maintained and in good condition. Through a local presence, knowledge

improves about each property's need for preemptive work, which is more cost-effective in the long-term than extensive repairs.

Balder works continually on improving cost efficiency using rational technical solutions, practical efforts and continuous follow up.

A change of \pm 1 per cent in property costs would affect the property costs by SEK \pm 16m.

Changes in value of investment properties

Balder reports its investment properties at fair value with changes in value in the income statement. Market assessments of properties always involve a certain amount of uncertainty in the assumptions and estimates made. The uncertainty in respect of individual properties is normally considered to be in the range of \pm 5–10 per cent. The uncertainty varies according to the type of property, geographical location and real estate market conditions. Balder continually monitors the transactions that are completed in the market in order to substantiate and guarantee valuations. In addition, Balder conducts continual discussions with external participants on acquisition and divestment of properties and regularly allows external parties to value parts of the portfolio, which provides additional guidance. Also see Note 13, Investment properties.

Profit before tax would be affected by SEK \pm 3,423m in the case of a change in value of the investment properties of \pm 5 per cent. The equity/assets ratio in the event of a positive change in value would amount to 36.1 per cent and in the event of a negative change in value it would amount to 32.0 per cent..

Environment

Balder has not carried out any comprehensive study of possible environmental pollution in the property portfolio but estimates that neither the properties nor the customers' operations give rise to any material environmental risks, which could affect the company's position. Acquisitions of properties where a risk of an environmental impact is deemed to exist, are preceded by environmental inspections.

The company's ownership of wind turbines is part of Balder's environmental work. Balder's 10 wind turbines generated 22.5 million kWh, which is equivalent to the average annual consumption of 900 houses.

The share and owners

In December, a directed new issue was completed of 10 million Class B ordinary shares. The issue was carried out at a price of SEK 172 per share and brought in SEK 1,705 million after issue costs.

At year-end, the share capital amounted to 182,396,852 distributed among 182,396,852 shares. Each share has a quota value of SEK 1, whereof 11,229,432 are of Class A, 161,167,420 of Class B and 10,000,000 preference shares. Each Class A share carries one vote, and each Class B share and preference share carries one tenth of one vote.

The Annual General Meeting 2015 resolved to authorise the Board during the period until the next AGM to decide on a new issue of shares of Class B and preference shares corresponding to not more than 10 per cent of the existing share capital. The largest owners are Erik Selin with company, which holds 49 per cent of the votes and Arvid Svensson Invest AB with 15 per cent of the votes. There are no restrictions in the articles of association as to the form of transfer of shares or voting rights at the general meeting.

Since Balder will prioritise growth, capital structure and liquidity during the next few years, the dividend for the ordinary share will be low or may not be declared at all. The quarterly dividend for the preference share amounts to SEK 20.00 per year.

Report on the Board work during the year

The Board held 9 board meetings during the financial year of which one was the statutory meeting. The work follows a formal work plan approved by the Board. The formal work plan governs the Board's working methods and the division of responsibility between the Board and CEO as well as the forms for the day-to-day financial reporting. During the year, strategic questions and other important matters for the company's development were discussed, apart from day-to-day financial reporting and decision-making. The company's auditors participate in at least one board meeting and report on their 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 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 of the Swedish Stock Exchange, the Swedish Code of Corporate Governance as well as other rules and guidelines. Some of the Code's principles involve creating a good basis for exercise of an active balance of power among owners, the Board and Management, which Balder views as a natural element in the principles of the operations.

Remuneration to the CEO and other senior executives

Guidelines for remuneration of senior executives were resolved upon at the preceding Annual General Meeting. Above all, the guidelines mean that market-related salaries and other terms of employment should be applicable for the company management. The remuneration should be paid in the form of a fixed salary. Taken together, dismissal pay and termination benefits should not exceed the equivalent of 18 monthly salaries. The company management refers to the CEO and other members of the Group Management.

The Board's proposed guidelines to the next Annual General Meeting correspond to the present guidelines.

Significant events after the end of the financial year

See Note 28, Significant events after the end of the financial year.

Expectations regarding the future trend

Balder's goal is to grow by means of direct or indirect acquisitions together with our partners in locations, which are considered interesting.

Proposed distribution of earnings

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

Retained earnings	7,819,739,407
Net profit for the year	1,060,941,923
Total¹⁾	8,880,681,329

1) See change in the Parent Company's equity, page 70.

The Board proposes that the amount be allocated as follows:

Dividend SEK 20.00 per preference share	200,000,000
Carried forward	8,680,681,329
Total	8,880,681,329

The Board's statement regarding the proposed distribution of profits.

The Board considers that full coverage exists for the company's restricted equity after the proposed distribution of profits.

The Board considers that the proposed distribution of profits is reasonable taking account of the assessment criteria prescribed in Chapter 17. Section 3 second and third paragraphs of the Swedish Companies Act (the type, scale, risks, need to strengthen the balance sheet, liquidity and general financial position of the operations).

The Board estimates that the company's equity after the proposed distribution of profits will be sufficiently large in relation to the type, scale and risks of the operations. The Board's assessment of the parent company's and the Group's financial position means that the dividend is defensible in relation to the Group's need to strengthen the balance sheet, liquidity and unexpected events.

The proposed distribution of profits will not affect the company's and the Group's ability to meet their payment obligations at the right time.

The proposed dividend for preference shares accounts for 2.2 per cent (3.1) of the company's equity and 0.8 per cent (1.4) of the Group's equity.

Balder's declared goal for the Group's capital structure is that the equity/assets ratio should not be less than 35 per cent over time and that the interest coverage ratio should not be less than 2.0 times, and should also be met after the proposed dividend. In light of this, the Board considers that the company and the Group have a good basis for taking advantage of future business opportunities and also for managing possible losses. Planned investments have been considered in determination of the proposed distribution of profits.

Record days for the quarterly dividend of SEK 5.00 to the preference shareholders are 8 July, 10 October, 10 January and 10 April.

Gothenburg, 6 April 2016
Board of Directors

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	2015	2014
Rental income	2, 3	2,711	2,525
Property costs	3, 6, 7, 8	-767	-760
Net operating income		1,944	1,766
Changes in value of investment properties, realised	13	65	144
Changes in value of investment properties, unrealised	13	3,323	2,906
Other income/costs	33	11	—
Management and administrative expenses	5, 6	-185	-154
Participation in profits of associated companies	15	831	317
Operating profit	3, 4, 5, 6, 7	5,988	4,977
Financial items			
Financial income	9	166	108
Financial costs	10	-603	-640
Changes in value of derivatives	21	227	-624
Net financial items		-210	-1,156
Profit before tax		5,778	3,822
Income tax	11	-862	-693
Net profit for the year		4,916	3,128
Other comprehensive income - Items that may be subsequently reclassified to profit or loss			
Translation difference regarding foreign operations		3	16
Participation in other comprehensive income from associated companies		-10	1
Comprehensive income for the year		4,909	3,145
Net profit for the year attributable to			
The parent company's shareholders		4,916	3,128
Non-controlling interests		—	—
Total comprehensive income for the year attributable to			
The parent company's shareholders		4,909	3,145
Non-controlling interests		—	—
Profit from property management before tax		1,780	1,275
Profit from property management before tax per ordinary share, SEK ¹⁾		9.71	6.64
Profit after tax per ordinary share, SEK ¹⁾	12	28.98	18.10

1) There is no dilutive effect as no potential shares arise.

Consolidated statement of financial position

SEKm	Note	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets			
Investment properties	13	68,456	37,382
Other property, plant and equipment	14	122	96
Participations in associated companies	15	2,276	1,489
Other long-term receivables	17	1,173	616
Total non-current assets		72,027	39,584
Current assets			
Trade receivables	16	130	19
Other receivables		87	80
Prepaid expenses and accrued income	18	107	45
Financial investments	19	405	257
Cash and cash equivalents	25	620	199
Total current assets		1,349	600
Total assets		73,376	40,185
Shareholders' Equity and liabilities			
Equity			
Share capital	20	182	172
Other paid-up capital		6,034	4,339
Translation difference		-7	1
Retained earnings including net profit for the year		14,465	9,749
Equity attributable to owners of the Parent Company		20,675	14,261
Non controlling interest		4,377	-
Total equity		25,052	14,261
Provisions			
Deferred tax liability	11	4,071	1,549
Total provisions		4,071	1,549
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	21	39,095	22,157
Other non-current liabilities		331	-
Credit facilities	21, 22	36	-
Derivatives	21	1,294	1,086
Total non-current liabilities		40,755	23,243
Current liabilities			
Current interest-bearing liabilities	21	1,933	221
Trade payables		179	74
Other liabilities		542	297
Accrued expenses and deferred income	23	845	538
Total current liabilities		3,498	1,131
Total liabilities		48,324	25,923
Total Equity and liabilities		73,376	40,185
Pledged assets and contingent liabilities			
Pledged assets	24	45,322	24,613
Contingent liabilities	24	1,916	1,486

Consolidated statement of changes in equity

Attributable to the parent company's shareholders

SEKm	Share capital ¹⁾	Other paid-up capital	Translation difference	Retained earnings including net profit for the year	Total	Non-controlling interests	Total equity
Equity at 1 Jan 2014	172	4,339	-16	6,701	11,196	-	11,196
Net profit for the year				3,128	3,128		3,128
Other comprehensive income			17		17		17
Total comprehensive income	-	-	17	3,128	3,145	-	3,145
Disposal of treasury shares				220	220		220
Dividend on preference shares booked as a liability but still unpaid				-100	-100		-100
Dividend paid preference shares				-200	-200		-200
Total transactions with the company's owners	-	-	-	-80	-80	-	-80
Equity at 31 Dec 2014	172	4,339	1	9,749	14,261	-	14,261
Equity at 1 Jan 2015	172	4,339	1	9,749	14,261	-	14,261
Net profit for the year				4,916	4,916		4,916
Other comprehensive income			-7		-7		-7
Total comprehensive income	-	-	-7	4,916	4,909	-	4,909
Non-controlling interests, arising on the acquisition of subsidiary ²⁾						4,377	4,377
Share issue, after issue costs	10	1,695			1,705		1,705
Dividend for preference shares				-200	-200		-200
Total transactions with the company's owners	10	1,695	-	-200	1,505	4,377	5,882
Equity at 31 Dec 2015	182	6,034	-7	14,465	20,675	4,377	25,052

1) For further information, see note 20 Share capital.

2) For further information, see note 32 Business combination.

Consolidated statement of cash flows

SEKm	Note	2015	2014
Operating activities			
Operating profit		1,944	1,766
Other income/costs		2	–
Management and administrative expenses		–185	–154
Reversal of depreciation and amortisation		15	18
Other adjustments		0	11
Interest received	25	32	27
Interest paid	25	–618	–617
Tax paid		4	–11
Cash flow from operating activities before change in working capital		1,193	1,038
Cash flow from changes in working capital			
Change in operating receivables		–660	148
Change in operating liabilities		228	155
Cash flow from operating activities		762	1,340
Investing activities			
Acquisition of properties		–2,097	–6,835
Acquisition/Divestment of property, plant and equipment		–4	–6
Purchase of financial investments		–542	–144
Acquisition of shares in associated companies		–92	–420
Investment in existing properties and projects		–791	–700
Acquisition of subsidiary ¹⁾	32	–4,219	19
Sale of properties		1,606	1,114
Sale of financial investments		504	219
Dividend paid from associated companies		–	45
Cash flow from investing activities		–5,635	–6,708
Financing activities			
Share issue, after issue costs		1,705	–
Dividend paid for preference shares		–200	–200
Loans raised		5,209	6,575
Disposal of treasury shares		–	220
Amortisation/redemption of loans		–1,457	–1,232
Change in credit facilities		36	–4
Cash flow from financing activities		5,293	5,359
Cash flow for the year		421	–8
Cash and cash equivalents at beginning of year		199	208
Cash and cash equivalents at end of year	25	620	199
Unutilised credit facilities	22	314	350
Financial investments	19	405	257

1) The item in 2015 represents a net outflow of cash for the acquisition of Sato Oyj. For further information, see note 32 Business combination.

Parent Company income statement

SEKm	Note	2015	2014
Net sales	2	147	124
Administrative expenses		-167	-139
Operating profit	4, 5	-20	-16
Profit from financial items			
Dividend from subsidiaries		800	700
Interest income and similar profit/loss items	9	1,125	877
Interest expenses and similar profit/loss items	10	-633	-539
Changes in value of derivatives	21	199	-585
Profit before appropriations and taxes		1,470	438
Appropriations			
Group contributions paid		-340	-250
Profit before tax		1,130	188
Income tax	11	-69	115
Net profit for the year/comprehensive income ¹⁾		1,061	302

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

Parent Company balance sheet

SEKm	Note	31 Dec 2015	31 Dec 2014
Assets			
Non-current assets			
Property, plant and equipment	14	20	22
<i>Financial assets</i>			
Participations in group companies	26	1,822	1,822
Participations in associated companies	15	536	536
Other non-current receivables	17	1,036	616
Receivables from group companies	27	21,676	15,777
<i>Total financial assets</i>		25,070	18,751
Deferred tax assets	11	144	213
Total non-current assets		25,233	18,985
Current assets			
<i>Current receivables</i>			
Other receivables		6	8
Prepaid expenses and accrued income	18	4	7
<i>Total current receivables</i>		10	15
Financial investments	19	390	257
Cash and cash equivalents	25	4	165
Total current assets		404	437
Total assets		25,637	19,422
Shareholders' equity and liabilities			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital	20	182	172
<i>Unrestricted equity</i>			
Share premium reserve		5,460	3,765
Retained earnings		2,359	2,257
Net profit for the year		1,061	302
Total equity		9,063	6,497
Non-current liabilities			
Liabilities to credit institutions	21	10,887	7,806
Other non-current liabilities		126	–
Credit facilities	21, 22	36	–
Derivatives	21	737	936
Liabilities to group companies	27	4,507	3,952
Total non-current liabilities		16,292	12,694
Current liabilities			
Liabilities to credit institutions	21	45	37
Trade payables		4	5
Other liabilities		187	145
Accrued expenses and deferred income	23	47	44
Total current liabilities		282	231
Total equity and liabilities		25,637	19,422
Pledged assets and contingent liabilities			
Pledged assets	24	6,819	5,898
Contingent liabilities	24	15,582	15,028

Parent Company statement of changes in equity

SEKm	Number of shares	Restricted equity		Unrestricted equity		Total equity
		Share capital ¹⁾	Share premium reserve	Retained earnings	Net profit for the year	
Equity at 1 Jan 2014	172,396,852	172	3,765	1,972	365	6,274
Net profit for the year/comprehensive income	–	–	–	–	302	302
Distribution of earnings				365	–365	–
Disposal of treasury shares				220		220
Dividend on preference shares booked as a liability but still unpaid				–100		–100
Dividend paid preference shares				–200		–200
Total transactions with the company's owners	–	–	–	285	–365	–80
Equity at 31 Dec 2014	172,396,852	172	3,765	2,257	302	6,497
Equity at 1 Jan 2015	172,396,852	172	3,765	2,257	302	6,497
Net profit for the year/comprehensive income	–	–	–	–	1,061	1,061
Distribution of earnings				302	–302	–
Share issue, after issue costs	10,000,000	10	1,695			1,705
Dividend paid preference shares				–200		–200
Total transactions with the company's owners	10,000,000	10	1,695	102	–302	1,505
Equity at 31 Dec 2015	182,396,852	182	5,460	2,359	1,061	9,063

1) For further information, see note 20 Share capital.

Parent Company cash flow statement

SEKm	Note	2015	2014
Operating activities			
Operating profit		-20	-16
Reversal of depreciation		3	3
Changes in value of derivatives, realised		-	-11
Interest received	25	18	16
Interest paid	25	-333	-308
Cash flow from operating activities before change in working capital		-333	-316
Cash flow from change in working capital			
Change in operating receivables		-2	13
Change in operating liabilities		72	41
Cash flow from operating activities		-262	-262
Investing activities			
Acquisition of property, plant and equipment		-1	-1
Purchase of financial investments		-542	-148
Change in lending to group companies		-4,070	-2,099
Change in lending to associated companies		-413	190
Sale of financial investments		504	219
Acquisition of associated companies		-1	-52
Cash flow from investing activities		-4,522	-1,891
Financing activities			
Share issue, after issue costs		1,705	-
Dividend paid preference shares		-200	-200
Loans raised		3,972	3,075
Disposal of treasury shares		-	220
Amortisation/Redemption of loans		-889	-921
Change in credit facilities		36	-
Cash flow from financing activities		4,623	2,174
Cash flow for the year		-161	21
Cash and cash equivalents at beginning of year		165	144
Cash and cash equivalents at end of year	25	4	165
Unutilised credit facilities	22	264	300
Financial investments	19	390	257

Notes to the financial statements

Note 1 • Accounting policies

General information

The financial statements for Fastighets AB Balder, as of 31 December 2015, were approved by the Board of Directors and Chief Executive Officer on 6 April 2016 and will be submitted for adoption by the Annual General Meeting on 10 May 2016. Fastighets AB Balder (publ), corporate identity number 556525-6905, with registered office in Gothenburg, constitutes the parent company of a Group with subsidiaries according to Note 26, Group companies. The company is 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 Vasagatan 54. Balder is a listed property company which shall meet the needs of different customer groups for premises and housing based on local support.

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 interpretations by the International Financial Interpretations Committee (IFRIC), as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups is applied.

The annual accounts of the parent company have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities) and statements of the Swedish Financial Reporting Board. The parent company applies the same accounting policies as the Group apart from the instances described below in the section "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 on account 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.

The financial statements are presented in Swedish krona rounded off to millions of kronor unless otherwise stated.

Assets and liabilities are recognised at historical cost, with the exception of investment properties, financial investments and derivative instruments, which are measured at fair value.

Preparation of financial statements in conformity with IFRS requires the 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 experience and other factors that appear reasonable under the existing circumstances. The result of these judgments and assumptions is then used to judge the carrying

amounts of assets and liabilities that would not be evident 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 the 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 30, Critical estimates and judgements.

The accounting policies set out for the Group have been consistently applied for all periods presented in the Group's financial statements, unless otherwise stated below. The Group's accounting policies have been applied consistently in the reporting and consolidation of subsidiaries.

Segment reporting

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. The Group's internal reporting of the operations is divided into the segments Helsinki, Stockholm, Gothenburg, Öresund, East and North, which are harmonised with the Group's internal reporting system. See further in Note 3, Segment reporting.

Classification etc.

Non-current assets and non-current receivables largely 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 largely 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 amortisation agreed for one year. The company's interest-bearing liabilities are non-current in character, as they are continually extended, see Note 21. In the parent company, receivables and liabilities from/to group companies are recognised as non-current, when there is no approved amortisation plan.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to or has the right to a variable return from its holding in the entity and can affect the return through its control of the entity. When

determining whether control exists, potential voting shares that can be called upon or converted without delay should be considered.

Subsidiaries are accounted for according to the purchase 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 acquisition 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. Costs related to the acquisition are expensed 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 acquiree'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, it 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 asset acquisition is identified if the acquired company only owns one or more properties. There are leases for these properties, but no personnel 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 financial statements from the date control arises until the date control ceases.

Transactions eliminated on consolidation

Transactions with non-controlling interests that do not lead to a loss of control are recognised as transactions in equity, that is, as transactions with shareholders in their role 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 disposals to non-controlling interests are also recognised in equity.

Intra-group receivables and liabilities, revenue or expenses, and unrealised gains or losses arising from transactions between group companies, are eliminated in full on preparation of the consolidated financial statements.

Recognition of associated companies

Associated companies are considered to be those companies that are not subsidiaries but where the parent company directly or indirectly holds between 20 and 50 per cent of the votes of all shares. Participations in associated companies are recognised according to the equity method. The equity method means that participations in an associated company 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 net assets.

Participating interests in associated companies are recognised separately in the consolidated statement of comprehensive income and consolidated statement of financial position. Participations in the profits of associated companies are recognised after tax.

Foreign currency

Financial statements of foreign operations

Assets and liabilities in foreign operations are translated to Swedish kronor, at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated to 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 translated to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency, which applies in the primary economic environments in which companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the prevailing year-end exchange rate. 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, which are recognised at historical cost are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities, which are recognised at fair value are translated to the functional currency at the rate prevailing on the date of fair value measurement.

Rental income

Rental income is recognised in the consolidated income statement on a straight-line basis according to the terms of the leasing agreement. The aggregate cost of benefits provided is reported as a reduction of rental income on a straight-line basis over the term of the lease.

Rental income is recorded in the period it refers to.

Other income

Other income is recognised on a straight-line basis in the consolidated income statement.

Costs for operating lease contracts

Costs relating to operating lease contracts and benefits received in connection with the signing of an agreement are recognised in the consolidated income statement on a straight-line basis over the term of the lease.

Financial income and expenses

Financial income and expenses consists of interest income on bank balances and receivables as well as interest expenses on liabilities.

Interest income on receivables and interest expense on liabilities are calculated using the effective rate method. The effective rate is the interest rate, which means that the present value of all future incoming and outgoing payments during the interest rate refixing period will be the same as the carrying amount of the receivable or liability. 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 construction or production of an asset, which 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 instruments

Financial instruments are measured and recognised in the Group in accordance with the rules in IAS 39. 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 long-term security holdings as well as derivatives with positive value. Liabilities include trade payables, borrowings and derivatives with negative value. Financial instruments are initially recognised at the cost of acquisition corresponding to the fair value of the instrument plus transaction costs for all financial instruments, apart from those classified as financial assets recognised at fair value via the consolidated statement of comprehensive income, such as derivative instruments, which are recognised at fair value excluding transaction costs. The financial instruments are classified on initial recognition based on the purpose for which the instrument was acquired, which affects the subsequent recognition.

A financial asset or financial liability is carried in the consolidated statement of financial position when the company becomes a party to the contractual terms of the instrument. Trade receivables are carried in the balance sheet when the invoice has been sent. Rental 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 prevails, 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 holds true for a part 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.

Acquisition and disposal of financial assets are recognised on the transaction date, which represents the day when the company committed to acquire or dispose of 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 IAS 39.

Financial assets measured at fair value through profit or loss

This category consists of two subcategories: financial assets held for trading and other financial assets that the company initially elected to place in this category, under the so-called Fair Value Option. Financial instruments in this category are measured on a continual basis at fair value with changes in value recognised through profit or loss. The first subcategory includes the Group's derivatives with positive fair value.

Loans and receivables

Receivables, which do not constitute derivatives, are recognised after initial recognition at amortised cost under the effective interest method. A receivable is examined individually as regards estimated risk of loss and is carried at the amount which is expected to be received. Impairments are made for doubtful receivables and are recognised in operating costs.

Financial assets available for sale

The category financial assets available for sale includes financial assets, which are not classified in any other category or financial assets that the company initially elected to classify in this category. Holdings of shares and participations that are not recognised as subsidiaries or associated companies are recognised here. Assets in this category are continually measured at fair value with changes in value recognised in other comprehensive income, however, not those that are due to impairments and dividend income, which are recognised through profit or loss. In the event of disposal of the asset, accumulated gains or losses, which were previously recognised in equity, are recognised in the consolidated statement of comprehensive income. This category includes unlisted shares which are recognised in the item other securities held as non-current assets.

Financial liabilities measured at fair value through profit or loss

This category consists of two sub-categories,

financial liabilities held for trading and other financial liabilities that the company elected to place in this category, the so-called Fair Value Option. The first category includes the Group's derivatives with negative fair value. Changes in fair value are recognised in profit or loss.

Other financial liabilities

Borrowing is reported initially at the amount received less transaction costs. After the date of acquisition, the loan is measured at amortised cost under the effective interest method. Non-current liabilities have an expected maturity of more than 1 year while current liabilities have maturities of less than 1 year. Declared dividends are recognised as liabilities after the 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 include interest rate swaps that are deployed to cover the risk of changes in interest rates. Derivatives are also terms of agreement which are embedded in other agreements. Embedded derivatives should be accounted for separately if they are not closely related to the host contract. Derivative instruments are measured at fair value. Changes in the value of derivative instruments, stand-alone as well as embedded, are recognised in the consolidated income statement. Hedge accounting is not applied.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions as well as short-term highly liquid investments with original maturities of less than three months which are only subject to an insignificant risk of fluctuation in value.

Impairment testing of financial assets

On each reporting date, the company assesses whether there is objective evidence that a financial asset or group of assets is impaired. Objective evidence consists partly of observable circumstances that occurred and which have a negative impact on the possibility to recover the cost, and partly of a significant or protracted decline in the fair value of an investment in a financial investment classified as a financial asset available for sale.

In the event of impairment of an equity instrument which is classified as a financial asset available for sale, any previously recognised accumulated loss in equity is transferred to profit or loss.

The recoverable amount of loans and trade receivables, which are recognised at amortised cost, is measured as the present value of future cash flows discounted by the effective rate that applied upon initial recognition of the asset. Assets with short maturities are not discounted. An impairment loss is recognised as a cost in the consolidated income statement.

Property, plant and equipment

Owned assets

Property, plant and equipment 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.

Property, plant and equipment are recognised in the Group at cost less 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 an item of property, plant and equipment is derecognised on retirement or disposal 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 less directly related selling expenses. Gains and losses are recognised as other operating income/expenses.

Leased assets

Leases are classified in the consolidated financial statements either as financial or operating leases. Financial leasing exists when the economic risks and rewards associated with ownership have been essentially transferred to the lessee; if this is not the case, it is a matter of an operating lease.

Operating leases mean that leasing fees are expensed over the term of the lease, based on use, which may differ in practice from the amount of leasing fees paid during the year.

The Group has no financial leases.

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 expensed on an ongoing basis.

Depreciation methods

Assets are depreciated on a straight-line basis over their estimated useful lives:

Property, plant and equipment	Useful life
Equipment	3–10 years
Wind turbines	10–20 years

Assessment of the residual value and period of use of assets is made on an annual basis.

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 valuers. 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.

Income from property sales is normally recognised on the date of possession unless the risks and rewards have been transferred to the purchaser on an earlier date. Control of the asset may have been transferred on an earlier date than the date of possession and if this is the case the property sale is recognised as income on this earlier date. The assessment of the date of revenue recognition takes into consideration what was agreed between the parties as regards risks and rewards as well as involvement in the day-to-day management.

In addition to this, circumstances that can affect the outcome of the transaction are considered which lie outside the seller's and/or purchaser's control. If the Group starts a conversion 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 property, plant and equipment 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.

Impairment losses

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 sheet date to determine if there is any indication of an impairment need. If such indications exist, the recoverable amount of the asset concerned is calculated. 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 – a so-called cash generating unit. An impairment loss is recognised when the carrying amount of the asset or cash generating unit exceeds its recoverable amount. Any impairment loss is recognised in the income statement.

The recoverable amount of assets in the category loan and receivables, which are recognised at amortised cost, is measured as the present value of future cash flows discounted by the effective rate that applied upon initial

recognition of the asset. Assets with short maturities are not discounted.

The recoverable amount on other assets is the higher of the fair value less 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.

Reversal of impairment losses

Impairments of loans and receivables recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was made.

Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. If this right does not exist, the preference shares are recognised as equity. Balder's preference shares are not mandatorily redeemable on a specific date and are thus recognised as equity.

Repurchase of own shares

Purchases of own shares are recognised as a deduction from equity. The proceeds from disposal are recognised as an increase in equity. Any transaction expenses are recognised directly against equity.

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 costs attributable to investing or financing activities.

Employee benefits

Short-term employee benefits

Short-term employee benefits are calculated without discounting and are recognised as a cost when the related services are received.

Pensions

Pension plans are classified as either defined benefit or defined contribution plans. The plans are predominantly defined contribution plans. Defined benefit plans only exist in exceptional cases.

Defined contribution plans

For defined contribution plans, the Group pays contributions to privately managed pension insurance plans on a voluntary basis. The Group has no further payment obligations once the contributions have been paid; that is, the individual carries the risk. The contributions are recognised as employee benefit expenses when they are due for payment. Prepaid contributions are recognised as an asset to the extent that a cash refund or decrease in future payments could accrue to the Group.

Remuneration upon termination of employment

A provision is recognised in connection with terminating the employment of personnel only if the company is demonstrably obligated to end employment before the normal time or

when remuneration is provided as an offer to encourage voluntary retirement.

Provisions

Provisions are 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.

Taxes

Income taxes consist of current tax and deferred tax. Income tax is recognised in the income statement except when underlying transactions are recognised in other comprehensive income or directly against equity, whereupon the associated tax effect is recognised in other comprehensive income or in equity. Current tax is tax that shall 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 includes adjustments of current tax relating 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. Temporary differences not taken into consideration; 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 carryforwards 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 asset acquisition is identified if the acquired company only owns one or more properties. There are leases for these properties, but no personnel are employed in the company that can conduct business. In case of recognition as an asset acquisition, no deferred tax is recognised. All of Balder's completed acquisitions, apart from Sato Oyj, have been classified as an asset acquisition and therefore no deferred tax is recognised relating to properties in respect of these acquisitions. Nor has the acquisition of Sato Oyj, which is classified as a business combination, given rise to any deferred taxes on the acquisition date.

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.

New and amended standards adopted by the Group

The following interpretations are applied by the Group for the first time for annual periods beginning on 1 January 2015 and have an impact on the consolidated financial statements:

IFRIC 21 "Levies" is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IFRIC 21 addresses the recognition of levies, i.e. various types of levies that may be imposed on an entity by a governmental, or equivalent body, by law and/or regulation, which for the Group impacts the recognition of property tax. The obligating event that gives rise to a liability is the event that triggers the payment of a levy. The interpretation will become effective for annual periods beginning after 17 June 2014 according to the EU. The interpretation has not affected the Group on a full-year basis, however, the liability for property tax has been recognised as of 1 January in its entirety and the cost has subsequently been allocated on a straight-line basis during the year.

Other standards, amendments and interpretations that became effective for annual periods beginning on 1 January 2015 have not had any material impact on the consolidated financial statements.

New standards and interpretations that have not yet been applied by the Group

A number of new standards and interpretations have been published, which have still not entered into effect and thus have not been adopted on preparation of these financial statements. None of these are expected to have any material impact on the consolidated financial statements with the exception of the following:

IFRS 9 "Financial instruments" deals with classification, measurement and accounting of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014. It replaces the parts of IAS 39 that deal with classification and measurement of financial instruments. The standard will be applied for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Group has still not evaluated the effects of introducing the standard.

IFRS 15 "Revenue from Contracts with Customers" prescribes how revenue recognition should occur. The principles that IFRS 15 is based on should provide users of financial statements with more useful information about the company's revenue. The expanded disclosure requirements means that information about about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer should be reported. Under IFRS 15, revenue should be recognised when the customer obtains control over the sold good or service and is able to use and obtain the benefit of the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11

Construction Contracts and the related interpretations (IFRIC and SIC). IFRS 15 will become effective on 1 January 2018 with mandatory application. Earlier application is permitted. The Group has still not evaluated the effects of introducing the standard.

None of the other IFRS or IFRIC interpretations which have not yet become effective, are expected to have any material impact on the group.

Parent Company accounting policies

The parent company has prepared its annual accounts according to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The recommendation implies that the parent company in the annual accounts for the legal entity should apply all International Financial Reporting Standards and interpretations approved by the EU as far as possible within the framework of the Annual Accounts Act, and taking into account the connection between recognition and taxation. The recommendation states which exemptions and amendments apply with respect to IFRS.

Differences between the Group and the Parent Company accounting policies

The accounting policies set out for the parent company have been applied consistently for all periods presented in the parent company's financial statements.

Classification and format

The parent company's income statement and balance sheet are prepared according to the Swedish Annual Accounts Act's layout. The

difference from IAS 1 Presentation of Financial Statements, which is applied in the presentation of the consolidated financial statements, is mainly related to recognition of financial income and expenses and shareholders' equity.

Subsidiaries and associated companies

Holdings in subsidiaries and associated companies are recognised in the parent company financial statements according to 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.

Revenue

The parent company's net sales consist of management services for subsidiaries. This income is reported in the period it concerns.

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.

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 72, which implies relief compared to the rules in IAS 39 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.

Leased assets

All lease agreements in the parent company are recognised in accordance with the rules for operating leases.

Taxes

In the parent company, untaxed reserves are recognised including deferred tax. However, in the consolidated accounts, untaxed reserves are allocated between deferred tax liabilities and equity.

Group contributions and shareholders' contributions

The company recognises group contributions and shareholders' contributions in accordance with the Swedish Financial Reporting Board's recommendation RFR 2. Shareholders' contributions are recorded directly in equity in the case of the receiver and capitalised in shares and participations by the grantor, to the extent that impairment is not required. Group contributions are recognised as income in the income statement of the receiver and as a cost for the grantor. The tax effects are recognised according to IAS 12 in the income statement.

Note 2 • Revenue distribution

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Rental income	2,711	2,525	—	—
Rendering of services	—	—	147	124
Total	2,711	2,525	147	124

Rental income is distributed among countries

SEKm	Group	
	2015	2014
Sweden	2,519	2,379
Denmark	119	100
Finland	74	47
Total	2,711	2,525

Rental income is distributed among property category

SEKm	Group	
	2015	2014
Residential	1,109	1,030
Office	717	755
Retail	314	348
Other	487	393
Project	83	—
Total	2,711	2,525

Rental income is distributed among regions

SEKm	Group	
	2015	2014
Helsinki	—	—
Stockholm	843	765
Gothenburg	938	858
Öresund	414	402
East	352	345
North	164	156
Total	2,711	2,525

Note 3 • Segment reporting

Balder's operating segments consist of the regions Helsinki, Stockholm, Gothenburg, Öresund, East and North. This division is aligned with the Group's internal reporting. The Management

primarily follows up operating segments based on their net operating income, where common property administration expenses have been

allocated according to the cost principle. Also see Note 1, Accounting policies applied.

Regions SEKm	Helsinki		Stockholm		Gothenburg		Öresund		East		North		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rental income	—	—	843	765	938	857	414	402	352	345	164	156	2,711	2,525
Property costs	—	—	−200	−191	−288	−276	−99	−108	−119	−126	−61	−59	−767	−760
Net operating income	—	—	643	574	650	582	315	294	233	219	103	97	1,944	1,766

Note 3 • Continued

Regions	Helsinki		Stockholm		Gothenburg		Öresund		East		North		Group	
SEKm	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Changes in value of properties														
Commercial properties	–	–	1,298	921	593	588	144	111	93	17	27	–13	2,156	1,625
Residential properties	–	–	188	252	320	366	387	270	181	391	156	145	1,232	1,424
Profit incl. changes in value	–	–	2,129	1,747	1,563	1,536	846	675	507	628	286	229	5,331	4,815
<i>Non-allocated items:</i>														
Other income/costs													11	–
Management and administrative expenses													–185	–154
Participations in the profits of associated companies													831	317
Operating profit													5,988	4,977
Net interest income/expense													–437	–532
Changes in value of derivatives													227	–624
Income tax													–862	–693
Net profit for the year													4,916	3,128
Translation difference/participation in comprehensive income of associated companies													–7	17
Comprehensive income for the year													4,909	3,145
Assets														
Commercial properties	–	–	10,981	10,232	8,774	8,402	3,500	3,241	1,159	1,096	308	299	24,722	23,269
Residential properties	21,291	–	2,852	2,316	4,687	3,778	4,698	3,419	8,313	2,914	1,893	1,687	43,734	14,113
Investment properties	21,291	–	13,833	12,548	13,461	12,179	8,197	6,659	9,472	4,010	2,201	1,986	68,456	37,382
<i>Non-allocated items:</i>														
Property, plant and equipment													122	96
Other long-term receivables													1,173	616
Participations in associated companies													2,276	1,489
Current assets													1,349	600
Total assets													73,376	40,185
Shareholders' equity and liabilities														
<i>Non-allocated items:</i>														
Equity													25,052	14,261
Deferred tax liability													4,071	1,549
Interest-bearing liabilities, non-current													39,131	22,157
Derivatives													1,294	1,086
Interest-bearing liabilities, current													1,933	221
Non-interest-bearing liabilities													1,896	910
Total equity and liabilities													73,376	40,185
Investments (including acquisitions of companies)														
Commercial properties	–	–	733	2,496	90	2,528	127	775	7	740	1	564	958	7,103
Residential properties	21,291	–	384	49	507	87	1,049	452	5,236	48	26	19	28,493	655
Investment properties	21,291	–	1,117	2,545	597	2,615	1,176	1,227	5,243	788	27	583	29,451	7,759

The Group's registered office is in Sweden. Revenue from external customers in Sweden amounted to SEK 2,519m (2,379) and total revenue from external customers in Denmark and Finland amounted to SEK 193m (147). Total non-current assets, other than financial instruments and deferred tax receivables that are located in Sweden amounted to SEK 37,676m (34,349) and the total of such non-current assets located in other countries amounted to SEK 30,902m (3,130).

Note 4 • Employees and personnel expenses

At year-end, the Group had a total of 647 employees (313), of whom 310 (110) were women. The number of employees in the parent company at year-end was 196 (160), of whom

70 (58) were women. During 2015, Fastighets AB Balder had 5 Board members (5) including the Chairman, of whom 1 (1) was a woman. The Group as well as the parent company had

6 senior executives (6) including the CEO, of whom 1 (1) was a woman.

Number of employees

	Group		Parent Company	
	2015	2014	2015	2014
Average number of employees	474	294	185	136
Of which women	199	101	69	51

Salaries, fees and benefits

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Chairman of the Board	0.2	0.2	0.2	0.2
Other Board members	0.3	0.3	0.3	0.3
Chief Executive Officer				
Basic salary	0.9	0.9	0.9	0.9
Benefits	–	–	–	–
Other senior executives				
Basic salary	5.4	5.1	5.4	5.1
Benefits	0.3	0.3	0.3	0.3
Other employees				
Basic salary	121.6	101.8	61.9	47.7
Benefits	1.7	1.4	1.0	0.8
Total	130.4	110.0	70.0	55.3

Statutory social security contributions including payroll tax

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Board of Directors	0.1	0.1	0.1	0.1
Chief Executive Officer	0.4	0.4	0.4	0.4
Other senior executives	1.9	1.8	1.9	1.8
Other employees	39.8	32.9	20.1	15.1
Total	42.2	35.2	22.5	17.4

Contractual pension expenses

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Chief Executive Officer	0.3	0.3	0.3	0.3
Other senior executives	0.8	0.7	0.8	0.7
Other employees	7.5	6.5	3.1	2.1
Total	8.6	7.5	4.2	3.1
Total	181.2	152.7	96.7	75.8

Remuneration to senior executives and other benefits during the year

SEKm	2015-01-01–2015-12-31				2014-01-01–2014-12-31			
	Basic salary directors' fees	Benefits	Pension expense	Total	Basic salary directors' fees	Benefits	Pension expense	Total
Chairman of the Board Christina Rogestam	0.2	–	–	0.2	0.2	–	–	0.2
Board member Fredrik Svensson	0.1	–	–	0.1	0.1	–	–	0.1
Board member Sten Dunér	0.1	–	–	0.1	0.1	–	–	0.1
Board member Anders Wennergren	0.1	–	–	0.1	0.1	–	–	0.1
CEO	0.9	–	0.3	1.2	0.9	–	0.3	1.2
Management team (5 persons)	5.4	0.3	0.8	6.5	5.1	0.3	0.7	6.1
Total	6.8	0.3	1.1	8.2	6.5	0.3	1.0	7.8

No variable remuneration is paid to any of the company's senior executives.

Note 4 • Continued

A defined benefit pension plan agreement has been entered into with the CEO which means that an amount of SEK 0.4m (0.4) will be paid out annually to the CEO when he reaches 55 until he is 65. Future payments will be limited by the fund's assets by agreement. The payments are not dependent on future employment. The present value of the commitment amounted to SEK 3.0m (3.0). The commitment has been secured by a provision to a pension fund, whose plan assets amounted to SEK 3.0m (3.0). The value of the pension commitment has been calculated in accordance with the Pension Obligations Vesting Act, which does

not accord with IAS 19. The difference in cost under the two methods of calculation is not significant.

Remuneration to senior executives follows the guidelines resolved upon at the latest Annual General Meeting. The remuneration should be market-related and competitive. The remuneration should be paid in the form of a fixed salary. Pension terms should be market-related and based on defined contribution pension solutions. Total dismissal pay and termination benefits should not exceed 18 monthly salaries. 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, termination benefits of 12 monthly salaries are payable (not qualifying for pension or holiday pay). A mutual period of notice of six months applies to other members of the Management team. No termination benefits are payable.

The Board has the right to depart from the guidelines resolved upon by the Annual General Meeting for remuneration to senior executives, if special grounds exist.

Note 5 • Audit fees and reimbursements

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	
	2015	2014	2015	2014
PwC				
The audit assignment in Sweden	2.5	2.0	2.5	1.7
The audit assignment in Denmark	0.7	0.5	–	–
The audit assignment in Finland	0.1	0.1	–	–
Tax consultancy	0.8	0.1	0.8	0.1
Other services	–	0.2	–	0.2
Total	4.1	2.9	3.3	2.0

Note 6 • Operating costs distributed according to function and type of cost

Group, SEKm	2015	2014
Property costs	767	760
Management and administrative expenses	185	154
Total	953	914
Group, SEKm	2015	2014
Personnel expenses	181	153
Depreciation/amortisation	15	16
Media expenses	285	295
Property tax	122	113
Ground rent	21	15
Maintenance and other costs ¹⁾	327	323
Total	953	914

1) Refers to operating costs and administration excluding personnel expenses.

Note 7 • Specification of property costs

Group, SEKm	2015	2014
Operating and maintenance cost ¹⁾	332	331
Media expenses ²⁾	291	301
Property tax	122	113
Ground rent	21	15
Total	767	760

1) Operating costs include personnel expenses relating to property maintenance.

2) Includes depreciation of wind turbines.

Note 8 • Operating leases

Leases where the Group is the lessee

The Group has a number of site leasehold rights and leases under operating leases. The lease payments are renegotiated at the end of the leases to reflect market rents. Leases are mostly due for renegotiation in more than 5 years and amount to SEK 652m (470) in total. In the annual accounts for 2015, an expense of SEK 21m (15) was recognised in respect of operating leases in the Group. The future non-cancellable lease payments are as follows:

Group, SEKm	2015	2014
Within one year	21	21
1–5 years	80	81
>5 years	551	368
Total	652	470

No leasing expenses were recognised in the parent company. However, there are a small number of insignificant operating leases, where Balder is lessee, mainly relating to private cars. Payments made during the lease term are expensed in the income statement on a straight-line basis over the term of the lease.

Leases where the Group is lessor

The Group lets out its investment properties under operating leases. The future non-cancellable lease payments are as follows in the table to the right.

Leases for commercial premises are normally entered into for 3–5 years with a period of notice of 9 months. Leases for residential properties normally run subject to a period of notice of 3

months.

The average lease term in the portfolio's commercial leases amounted to 6.3 years (5.9).

Group, SEKm	2015	2014
Residential, parking etc. (within one year)	3,457	1,094
Commercial premises		
Within one year	1,615	1,635
1–5 years	4,245	4,333
>5 years	4,570	4,206
Total	13,887	11,268

Note 9 • Financial income

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Interest income	67	75	54	57
Interest income, subsidiaries	–	–	974	767
Other financial income	99	33	97	53
Total	166	108	1,125	877

Interest income is mainly related to receivables from associated companies. Other financial income mainly relates to changes in value of financial investments and dividends on quoted shares.

Note 10 • Financial costs

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Interest expenses, borrowings	294	407	110	148
Interest expenses, interest rate derivatives	288	198	242	161
Interest expenses, subsidiaries	–	–	271	216
Other financial expenses	21	35	11	15
Total	603	640	633	539

Interest expenses and other financial expenses are related to interest-bearing liabilities.

Note 11 • Taxes

Recognised in the income statement		Group		Parent Company	
SEKm		2015	2014	2015	2014
Current tax expense (–)/tax revenue (+)					
Current tax		4	–11	–	–
Deferred tax expense (–)/tax revenue (+)					
Deferred tax related to temporary differences		–853	–665	–58	121
Deferred tax on changes in loss carry-forwards		–62	–53	–11	–7
Released deferred tax in respect of temporary differences on sale		76	40	–	–
Change in other temporary differences		–27	–5	–	–
Total deferred tax		–866	–682	–69	115
Total recognised tax		–862	–693	–69	115
Reconciliation of effective tax					
Group, SEKm	2015, %	2015	2014, %	2014	
Profit before tax		5,778		3,822	
Tax according to current tax rate in Parent Company	22	–1,271	22	–841	
Difference between profit for tax purposes and recognised profit on sale of property	–2	89	–2	59	
Tax on participation in profits of associated companies	–3	183	–2	70	
Tax pertaining to prior years	–0	4	0	4	
Acquired loss carry-forwards	–2	116	–	–	
Non-taxable income/non-deductible expenses etc.	–0	18	0	15	
Recognised effective tax		15	–862	18	–693
Parent Company, SEKm	2015, %	2015	2014, %	2014	
Profit before tax		1,130		188	
Tax according to current tax rate in Parent Company	22	–249	22	–41	
Non-taxable income/non-deductible expenses	–0	3	1	–1	
Tax-exempt dividends	–16	176	–84	157	
Tax pertaining to prior years	–0	0	–	–	
Recognised effective tax	6	–69	–61	115	

Note 11 • Continued

Recognised in the balance sheet

Deferred tax assets and tax liabilities

Group 2015, SEKm	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax assets and tax liabilities relate to the following:			
Properties	–	–4,674	–4,674
Derivative instruments	263	–	263
Loss carry-forwards	343	–	343
Other temporary differences	–	–2	–2
Set-off	–606	606	–
Total	–	–4,071	–4,071

No non-capitalised loss carry-forwards exist.

Parent Company 2015, SEKm	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax assets and tax liabilities relate to the following:			
Derivative instruments	162	–	162
Loss carry-forwards	5	–	5
Other temporary differences	–	–23	–23
Set-off	–23	23	–
Total	144	–	144

No non-capitalised loss carry-forwards exist in Sweden.

Change in deferred tax in temporary differences and carryforwards

Group, SEKm	Balance on 1 Jan 2014	Recognised in statement of comprehensive income	Acquisitions and disposals of companies	Balance on 31 Dec 2014
Properties	–1,359	–759	–1	–2,119
Derivative instruments	104	135	–	239
Capitalisation of the value of loss carry-forwards	432	–53	0	380
Other temporary differences	–39	–5	–5	–49
Total	–862	–682	–6	–1,549

Group, SEKm	Balance on 1 Jan 2015	Recognised in statement of comprehensive income	Acquisitions and disposals of companies	Balance on 31 Dec 2015
Properties	–2,119	–727	–1,828	–4,674
Derivative instruments	239	–50	74	263
Capitalisation of the value of loss carry-forwards	380	–62	25	343
Other temporary differences	–49	–27	74	–2
Total	–1,549	–866	–1,656	–4,071

Parent Company, SEKm	Balance on 1 Jan 2014	Recognised in statement of comprehensive income		Balance on 31 Dec 2014
Derivative instruments	79	126		206
Capitalisation of the value of loss carry-forwards	23	–7		16
Other temporary differences	–4	–5		–9
Total	98	–115		213

Parent Company, SEKm	Balance on 1 Jan 2015	Recognised in statement of comprehensive income	Acquisitions and disposals of companies	Balance on 31 Dec 2015
Derivative instruments	206	–44		162
Capitalisation of the value of loss carry-forwards	16	–11		5
Other temporary differences	–9	–14		–23
Total	213	–69		144

Note 12 • Earnings per ordinary share

Earnings per ordinary share are calculated as follows:

Parent Company, SEKm	2015	2014
Net profit attributable to owners of the Parent Company	4,916	3,128
Departs - dividend preference shares	–200	–200
Total	4,716	2,928

Weighted average number of outstanding ordinary shares

Total number of shares, 1 January	162,396,852	159,537,252
Effect of disposal of treasury shares	–	2,248,507
Weighted average number of outstanding ordinary shares before dilution	162,396,852	161,785,759
Effect of newly issued shares	356,164	–
Weighted average number of outstanding ordinary shares after dilution	162,753,016	161,785,759
Earnings per ordinary share before dilution	29.04	18.10
Earnings per ordinary share after dilution	28.98	18.10

The calculation of earnings per ordinary share has been based on the net profit for the year attributable to holders of ordinary shares in the parent company amounting to SEK 4,716m (2,928), after taking account of the participation of preference shares in net profit for the period and on a weighted average number of shares during the year amounting to 162,753,016 shares (161,785,759).

Note 13 • Investment properties

Group, SEKm	2015	2014
Opening fair value	37,382	27,532
Acquisitions	2,183	7,059
Acquisitions Sato Oyj	26,477	–
Investments in existing properties and projects	791	700
Changes in value	3,323	2,906
Divestments	–1,542	–971
Currency changes	–158	157
Closing fair value	68,456	37,382

Investment properties are recognised at fair value in the consolidated statement of financial position and the 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 Balder's property portfolio is based on internal valuations. Fair value is the estimated amount that would be recovered in a transaction on the date of measurement 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.

On the closing date, Balder carried out an internal valuation, based on a ten-year cash flow model, of the entire property portfolio. Each property is individually valued by computing the present value of future cash flows, in other words future rent payments less estimated operating and maintenance payments and the residual value in ten years. 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 cash flow is adjusted to the market by taking account of any changes in the occupancy rate and letting levels as well as operating and maintenance payments. An inflation rate of 2 per cent has been assumed in

all cash flow calculations.

Market assessments of properties always involve a certain amount 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 per cent and should be regarded as the uncertainty that is part of the assumptions and calculations made. In a less liquid market, the range can be greater.

For Balder, a range of uncertainty of +/- 5 per cent means a value range of SEK +/- 3,423m, equivalent to SEK 65,033–71,879m.

In order to quality-assure its internal valuations, Balder allows parts of the portfolio to be externally valued regularly during the year. During the fourth quarter, Balder externally valued about one third of its properties including Sato's property holdings. The external valuation was less than 1 per cent lower than Balder's internal valuation at year-end. Historically, deviations between external and internal valuations have been insignificant.

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 conditions.

Operating and maintenance payments

Outcomes, budgetary and projection data as well as estimated standardised costs have been used in the assessment of the property's future property costs.

Yield

Yield requirements and cost of capital used in the calculations have been derived from comparable transactions in the property

market. Important factors in choosing a yield requirement are location, rental level, vacancy rate and the condition of the property. The yield requirement and cost of capital used are shown in the table on page 83.

The average yield on the closing date amounted to 5.4 per cent (5.5).

On 31 December 2015, after Balder's valuation, the company's total property value amounted to SEK 68,456m (37,382). For more information see the Report of the Board of Directors and Sensitivity analysis on page 60.

Future investments

On 31 December, Balder had ongoing residential projects with an expected total investment of SEK 8,000m, of which about SEK 4,400m was already invested. The most large-scale investments are in Copenhagen and Helsinki and mainly relate to condominiums that are let. In Copenhagen, there are currently about 1,000 apartments under construction as well as about 1,100 apartments in Finland and about 350 tenant-owner's apartments in Sweden. We expect to complete about 500 apartments during the first half of 2016.

On 31 December 2015, Balder's investment undertakings amounted to approximately SEK 3,600m (570), of which Sato Oyj's investment undertakings amounted to about SEK 1,500m.

Note 13 • Continued

Sensitivity analysis $\pm 1/-1$ percentage Impact on the value, SEKm	Residential properties	Commercial properties	The sensitivity analysis on the left shows how a \pm one percentage point change in cash flow and yield requirement will affect the valuation. One parameter in the sensitivity analysis rarely changes in isolation, but different assumptions are interconnected as regards cash flow and yield requirement.
Rental value	± 638	± 296	
Economic occupancy rate	± 638	± 296	
Property costs	± 234	± 57	
Yield	$-6,581/+9,575$	$-3,925/+5,738$	

Region	Residential properties		Commercial properties		The average yield requirement for assessment of residual value, %
	Cost of capital requirement for discounting of future cash flows, %	Yield requirement for assessment of residual value, %	Cost of capital requirement for discounting of future cash flows, %	Yield requirement for assessment of residual value, %	
Helsingfors	7.25–8.50	5.25–6.50	–	–	5.70
Stockholm	4.75–6.75	2.75–4.75	6.00–9.00	4.00–7.00	4.72
Gothenburg	5.00–10.00	3.00–8.00	6.00–12.00	4.00–10.00	5.26
Öresund	5.45–7.50	3.45–5.50	6.50–8.50	4.50–6.50	4.92
East	6.25–8.50	4.25–6.50	7.75–12.00	5.75–10.00	5.94
North	6.00–7.75	4.00–5.75	7.50–8.50	5.50–6.50	4.90

The yield requirement is the single most important parameter during valuation. Generally speaking, residential has a lower yield requirement, mainly due to a secure cash flow and low risk.

Note 14 • Other property, plant and equipment

Equipment SEKm	Group		Parent Company	
	2015	2014	2015	2014
Cost				
Opening balance	59	53	9	8
Acquisitions during the year	4	6	0	1
Increase by business combination (Sato Oyj)	37	–	–	–
Closing balance	100	59	9	9
Depreciation				
Opening balance	–40	–29	–7	–6
Retirements	–	–2	–	–
Depreciation during the year	–9	–10	–1	–1
Closing balance	–50	–40	–7	–7
Carrying amount	50	18	1	2
Wind turbines				
SEKm				
Cost				
Opening balance	164	164	30	30
Closing balance	164	164	30	30
Depreciation and impairments				
Opening balance	–86	–80	–10	–8
Depreciation during the year	–6	–6	–2	–2
Closing balance	–93	–86	–12	–10
Carrying amount	72	78	18	20
Total carrying amount	122	96	20	22

Depreciation is recognised in administrative expenses and media expenses.

Note 15 • Participations in associated companies

Participations in associated companies are recognised in the Group using the equity method and in the Parent Company using the cost method.

Accumulated cost, SEKm	Group		Parent Company	
	2015	2014	2015	2014
Opening balance	1,489	1,020	536	483
Acquisition of associated companies ¹⁾	261	420	1	153
Disposal of associated Companies	–0	–224	–	–100
Associated companies reclassified to subsidiaries ²⁾	–300	–	–	–
Dividend associated companies	–1	–45	–	–
Participations in the profits of associated companies after tax	831	317	–	–
Change in shareholders' equity of associated companies	–5	1	–	–
Closing balance	2,276	1,489	536	536
Participating interest in associated companies' statements of comprehensive income				
Group, SEKm			2015	2014
Rental income			789	180
Property costs			–266	–35
Net operating income			523	145
Changes in value of properties, unrealised			318	176
Changes in value of properties, realised			85	–
Management and administrative costs			–77	–13
Other operating income ³⁾			289	131
Operating profit			1,138	439
Net interest income/expenses			–153	–68
Changes in value of derivatives, unrealised			1	–
Profit before tax			987	371
Tax			–155	–54
Net profit for the year			831	317
Profit from property management before tax			457	195
Summary of participating interest in associated companies' statements of financial position ⁴⁾				
Group, SEKm			2015	2014
Assets			6,034	3,717
Shareholders' equity including shareholders' loan			2,276	1,489
Liabilities			3,758	2,228

1) Acquisitions of associated companies refers to shares in Tornet Bostadsproduktion AB, Brinova Fastigheter AB, Murbruket Holding Fastighets AB, Balder 24 AB samt Balder Administration ApS.

2) This item refers to Sato Oyj and Bovieran Holding AB.

3) The majority relates to Collector AB. Including income from property management amounted to 163 SEKm.

4) The items do not include Sato Oyj samt Bovieran Holding AB which during 2015 has gone from being associated companies to being subsidiaries.

Group holdings of participations in associated companies in 2015

Company	Corporate identity number	Registered office	Number of shares	Share, %	Value of share of equity in the Group, SEKm	Carrying amount in Parent Company, SEKm
Collector AB ¹⁾	556560-0797	Gothenburg	41,136,900	44	951	517
Tulia AB	556712-9811	Gothenburg	50,000	50	331	–
Fastighets AB Centur	556813-6369	Stockholm	500	50	371	4
Mötesplatsen Intressenter AB	556859-0417	Alingsås	320	32	11	15
Bergsspiran AB	556736-4475	Gothenburg	250	25	0	0
Fix Holding AB	556949-3702	Gothenburg	50,000	50	0	–
Proximion Holding AB	556915-7331	Stockholm	50,000	34	6	–
Balder Skåne AB	556899-9230	Gothenburg	1,000	50	46	–
Första Långgatan Fastigheter i GBG HB	916851-7259	Gothenburg	–	50	259	–

Note 15 • Continued

Company	Corporate identity number	Registered office	Number of shares	Share, %	Value of share of equity in the Group, SEKm	Carrying amount in Parent Company, SEKm
Tornet Bostadsproduktion AB	556796-2682	Stockholm	1,550,000	31	102	–
Brinova Fastigheter AB	556840-3918	Skåne	14,778,978	35	188	–
Murbruket Holding Fastighets AB	556940-2877	Gothenburg	250	50	6	–
Balder 24 AB	559008-2912	Gothenburg	500	50	4	–
Balder Administration ApS	31585457	Copenhagen	20,000	40	0	–
Total					2,276	536

1) Balders market value of Collector AB (publ) as of December 31, 2015 amounted to SEKm 5,224.

Group holdings of participations in associated companies in 2014

Company	Corporate identity number	Registered office	Number of shares	Share, %	Value of share of equity in the Group, SEKm	Carrying amount in Parent Company, SEKm
Collector AB	556560-0797	Gothenburg	41,136,900	48	698	517
Tulia AB	556712-9811	Gothenburg	50,000	50	243	–
Bovieran Holding AB	556813-3168	Gothenburg	8,070	80	68	–
Fastighets AB Centur	556813-6369	Stockholm	500	50	195	4
Mötesplatsen Intressenter AB	556859-0417	Alingsås	320	32	12	15
Bergsspiran AB	556736-4475	Gothenburg	250	25	0	0
Fix Holding AB	556949-3702	Gothenburg	50,000	50	0	–
Proximion Holding AB	556915-7331	Stockholm	50,000	34	6	–
Balder Skåne AB	556899-9230	Gothenburg	1,000	50	36	–
Första Långgatan Fastigheter i GBG HB	916851-7259	Gothenburg	–	50	231	–
Total					1,489	536

Note 16 • Trade receivables

Trade receivables are carried at the amount which is expected to be received less individually estimated doubtful receivables. The individual assessment is made on all trade receivables, which have fallen due for 90 days or more. Earnings in 2015 were charged with SEK 8m (9) in respect of actual and expected bad debt losses. The trade receivables are of a short-term character and this means that they are recognised as current assets and at fair value.

Age distribution of trade receivables

Group, SEKm	2015	2014
–30 days	109	10
31–60 days	20	9
61–90 days	1	0
91 days–	24	17
Total	155	36
Doubtful trade receivables	–24	–17
Trade receivables, net	130	19

Doubtful trade receivables

Group, SEKm	2015	2014
Opening balance	–17	–25
Acquired opening balance	–9	–
Debt losses of the year	5	9
Doubtful trade receivables during the year	–3	–0
Closing balance	–24	–17

Note 17 • Other longterm receivables

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Receivables associated companies	894	616	894	616
Other receivables	279	–	141	–
Total	1 173	616	1 036	616

Note 18 • Prepaid expenses and accrued income

	Group		Parent Company	
SEKm	2015	2014	2015	2014
Insurance	2	4	–	–
Interest income	3	2	2	2
Rental income	27	16	–	–
Property expenses	60	14	–	–
Other items	15	9	2	5
Total	107	45	4	7

Note 19 • Financial investments

	Group		Parent Company	
SEKm	2015	2014	2015	2014
<i>Quoted securities</i>				
Shares and bonds	405	257	390	257
Total	405	257	390	257

Financial investments are measured at fair value through profit and loss (see Note 9).

Note 20 • Share capital

On 31 December 2015, the registered share capital consisted of 182,396,852 shares, of which 11,229,432 were ordinary shares of Class A and 161,167,420 ordinary shares of Class B, and 10,000,000 preference shares. Balder carried out a directed new issue of 10 million ordinary shares, in December, which brought in SEK 1,705 million after issue costs of SEK 15m. The issue has

provided Balder with a number of new Swedish and foreign shareholders. For existing ordinary shareholders, the issue implied a dilutive effect of 6 per cent of the capital. After the issue and as of 31 December, the share capital in Balder thus amounted to SEK 182,396,852, distributed among 182,396,852 shares. Each Class A share

carries one vote, and each Class B share and preference share carries one tenth of one vote. An ordinary share entitles its holder to a dividend that is determined in due course while a preference share entitles its holder to an annual dividend of SEK 20.00 per share. All shares entitle holders to voting rights at the Annual General Meeting.

Share capital trend

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	2006	Issue in kind	1,380,000	16,219,640	16,219,640	1.00	1,380,000	16,219,640
		2008	Repurchase, treasury shares	–476,600	16,219,640	15,743,040	1.00	–	16,219,640
28	August	2009	Issue in kind	9,171,502	25,391,142	24,914,542	1.00	9,171,502	25,391,142
4	June	2010	Bonus issue	76,173,426	101,564,568	99,658,168	1.00	–	101,564,568
1	February	2011	New 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
16	June	2011	Directed new issue of preference shares	4,000,000	166,396,852	163,537,252	1.00	4,000,000	166,396,852
31	January	2012	Set-off issue 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 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 shares	500,000	168,896,852	166,037,252	1.00	500,000	168,896,852
22	October	2013	Directed new issue of preference shares	3,500,000	172,396,852	169,537,252	1.00	3,500,000	172,396,852
19	March	2014	Disposal 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 shares	10,000,000	182,396,852	182,396,852	1.00	10,000,000	182,396,852
31	December	2015			182,396,852	182,396,852	1.00		182,396,852

The Group has made the assessment that the outstanding preference shares constitute equity instruments. This assessment is based on the fact that both the dividend and redemption of preference shares require a resolution of the general meeting of shareholders where the

ordinary shareholders have a majority. Thus for the company it is discretionary whether payment or redemption of these preference shares occurs and consequently no contractual obligation exists to pay out funds, which means that the instrument should be classified as equity.

The Board will propose to the Annual General Meeting for the financial year 2015 that no dividend on ordinary shares (–) should be declared and a dividend of SEK 20.00 per share for preference shares should be declared (20.00). All issued shares are fully paid-up.

Note 21 • Financial risks and financial policies

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 market-related financing. Balder's long-term goals for the capital structure are that the equity/assets ratio should not be less than 35 per cent over time and that the interest coverage ratio should not be less than 2.0 times.

Financial 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 financial 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 financial policy require the approval of the Board. Responsibility for the Group's financial transactions and risks is managed centrally by the parent company's financial 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 risk.

Financial policy goals:

- the equity/assets ratio should exceed 35 per cent over time,
- the interest coverage ratio should not be less than 2.0 times,

- secure the short-term and long-term supply of capital,
 - obtain a stable long-term capital structure.
- The Group has market-related covenants for its funding. These were fulfilled during the financial year.

The goals are followed up regularly in reports to the Board prior to presentation of the company's interim reports.

Financial goals	Goal	Outcome	
		2015	2014
Equity/assets ratio, %		34.1	35.5
Equity/assets ratio (including Collector AB at market value), %	35.0	37.8	35.5
Interest coverage ratio, times	2.0	5.1	3.4

Capital risk

The Group's goal as regards the capital structure is to secure the Group's ability to continue its operations, so that it can continue to generate a return to shareholders and value for other stakeholders.

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. At year-end, Balder had credit facilities of SEK 4,745m, of which SEK 4,545m were unutilised. Balder also has credit facilities that fully cover future payments for ongoing construction projects. Balder works continually on raising new loans and on renegotiating existing loans. Over time, 50 per cent of the loan portfolio should have a credit term of more than two years and not more than 35 per cent of the loans should mature during a single year.

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, amortisation and dividend on preference shares. According to the financial 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 goals, the Board can decide to temporarily boost liquidity, for example, to be better prepared for Mayor transactions. On the closing date, Balder's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 1,339m (806). Balder's financial 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 limits for risk.

Duration analysis of financial liabilities

The tables on the right above show the cash flow per year as regards 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 less interest income.

Refinancing occurs on a regular basis, so no interest expense for a longer period than 10 years is indicated.

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

Group 2015-12-31

SEKm	Within one year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Maturity structure, loans	11,201	10,269	3,190	2,150	5,763	8,491
Interest expenses ¹⁾	878	873	868	863	858	4,231
Trade payables	179	–	–	–	–	–
Other liabilities	542	–	–	–	–	–
Total	12,799	11,141	4,058	3,013	6,620	12,704

Group 2014-12-31

SEKm	Within one year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Maturity structure, loans	11,363	1,107	4,270	600	600	4,438
Interest expenses ¹⁾	582	576	570	564	558	2,701
Trade payables	74	–	–	–	–	–
Other liabilities	297	–	–	–	–	–
Total	12,316	1,683	4,841	1,164	1,158	7,139

Parent Company 2015-12-31

SEKm	Within one year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Maturity structure, loans	3,733	5,246	600	600	433	356
Interest expenses ¹⁾	241	240	239	238	237	1,168
Trade payables	4	–	–	–	–	–
Other liabilities	187	–	–	–	–	–
Total	4,165	5,485	839	838	670	1,524

Parent Company 2014-12-31

SEKm	Within one year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Maturity structure, loans	4,208	500	1,146	600	600	789
Interest expenses ¹⁾	203	203	202	201	200	983
Trade payables	5	–	–	–	–	–
Other liabilities	145	–	–	–	–	–
Total	4,561	703	1,348	801	800	1,772

1) Refers to interest expenses during the period 0–10 years.

Sensitivity analysis

Factor	Change	Earnings effect before tax, SEKm
Rental income	+/- 1 %	+/- 51
Economic occupancy rate	+/- 1 percentage unit	+/- 53
Interest-rate level of interest-bearing liabilities	+ 1 percentage unit	– 187
Property costs	+/- 1 %	–/+ 16
Changes in value of properties	+/- 5 %	+/- 3,423

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 carried out as required to achieve the desired interest risk in the overall

Maturity structure derivatives

Year	Nominal amount, SEKm	Interest, %
2016	571	3.15
2017	610	2.04
2018	3,953	3.62
2019	650	1.53
2020	822	2.04
2021	4,485	2.53
2022	457	2.18
2023	1,011	1.39
2024	274	0.74
2025	1,820	1.39
2026	1,000	2.69
Total	15,653	

borrowing.

Balder has mainly used swaps and interest rate ceilings to manage its interest rate risk, which matures between 2016 and 2026. Fluctuations in market interest rates give rise to theoretical surpluses or deficits in respect of these financial instruments, which do not directly affect cash flow. Derivatives are continually recognised 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. The changes in value during 2015 amounted to SEK 227m (–624). The fair value of

Note 21 • Continued

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 sensitivity analysis above.

Currency risk

Balder owns properties via subsidiaries in Denmark and in Finland. External financing always occurs in local currency, which means that the remaining currency risk corresponds to equity. At year-end, Balder had hedged the Majority of its own equity exposure via basis swaps, which means that the currency risk is relatively limited.

Price risk

Balder's income is affected by the occupancy rate for its properties, the level of market-related rents and customers' payment capacity. A +/- 1 percentage point change in the rent level or the economic occupancy rate has an effect on profit before tax of +/- SEK 51m and +/- 53m, 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 guaran-

tees, advance rental 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 financial 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 with credit institutions totalling SEK 41,063m (22,378). Loans are raised in Swedish kronor, Danish krone and euro. At year-end, loans in Danish krone amounted to DKK 1,881m and loans in euro amounted to EUR 1,824m. The credit agreements mainly consist of bilateral contracts with Nordic banks as well as a certificate programme for SEK 3,827m (1,500). On 31 December, the outstanding certificate volume was SEK 2,680m (675). Net interest-bearing liabilities less cash and cash equivalents and financial investments of SEK 1,025m (456) amounted to SEK 40,038m (21,922).

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,
- certificate programme,
- bond loan

Interest-bearing liabilities for the most part are formally current but are non-current in character, as they are continually extended. One year of agreed amortisation is recognised as current interest-bearing liabilities.

In certain cases, the security is augmented by guarantees relating to interest coverage ratios, equity/assets ratios and loan-to-value ratios. Balder satisfied all of its guarantees at year-end. Credit agreements contain customary termination conditions.

The average fixed credit term in loan agreements amounted to 4.4 years (4.3) on 31 December 2015. The maturity structure of loan agreements, presented in the table showing the loan terms, indicates when loan agreements are due for renegotiation or repayment. The average effective interest on the closing date amounted to 2.2 per cent (2.6) including the effect of accrued interest from Balder's interest rate derivatives. The average interest rate refixing period on the same date was 2.9 years (2.3). The proportion of loans with interest dates during the coming 3-year period amounted to 64 per cent (65).

The fair value of financial liabilities, which are not derivative instruments has been estimated by discounting the future cash flow using the current market rate of interest at the end of the reporting period. The discount rate used in the estimation of fair value is in the range 1.5 and 3.8 per cent.

Interest rate refixing period

Year	Carrying amount, SEKm		Interest, %		Share, %		Fair value, SEKm ³⁾	
	2015	2014	2015	2014	2015	2014	2015	2014
Within one year	21,512	13,960	1.1	1.8	52	62	21,522	13,960
1–2 years	304	500	3.3	4.3	1	2	304	500
2–3 years	4,470	–	4.5	–	11	–	4,507	–
3–4 years	1,631	3,000	3.1	4.7	4	13	1,689	3,000
4–5 years	4,012	–	2.6	–	10	–	4,068	–
>5 years	9,134	4,918	3.2	3.6	22	22	9,143	4,918
Total	41,063	22,378	2.2	2.6	100	100	41,234	22,378

Carrying amount and fair value of financial instruments

Group, SEKm	Trade and loan receivables		Financial assets/liabilities measured at fair value through profit or loss ⁴⁾		Other liabilities		Total carrying amount		Total fair value	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Trade receivables	130	19	–	–	–	–	130	19	130	19
Other long-term trade receivables ³⁾	1,173	616	–	–	–	–	1,173	616	1,173	616
Cash and cash equivalents	620	199	–	–	–	–	620	199	620	199
Financial investments ³⁾	–	–	405	257	–	–	405	257	405	257
Total receivables	1,923	834	405	257	–	–	2,328	1,091	2,328	1,091
Non-current interest-bearing liabilities ³⁾	–	–	–	–	39,095	22,157	39,095	22,157	39,266	22,157
Other long-term liabilities ³⁾	–	–	–	–	331	–	331	–	331	–
Credit facilities	–	–	–	–	36	–	36	–	36	–
Derivatives ^{2,5)}	–	–	1,294	1,086	–	–	1,294	1,086	1,294	1,086
Current interest-bearing liabilities ³⁾	–	–	–	–	1,933	221	1,933	221	1,933	221
Trade payables	–	–	–	–	179	74	179	74	179	74
Total liabilities	–	–	1,294	1,086	41,573	22,452	42,867	23,538	43,038	23,538

Note 21 • Continued

Parent Company, SEKm	Trade and loan receivables		Financial assets/liabilities measured at fair value through profit or loss ⁴⁾		Other liabilities		Total carrying amount		Total fair value	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Receivables from group companies ³⁾	21,676	15,777	—	—	—	—	21,676	15,777	21,676	15,777
Other long-term trade receivables ³⁾	1,036	616	—	—	—	—	1,036	616	1,036	616
Cash and cash equivalents	4	165	—	—	—	—	4	165	4	165
Financial investments ¹⁾	—	—	390	257	—	—	390	257	390	257
Total receivables	22,715	16,558	390	257	—	—	23,106	16,815	23,106	16,815
Non-current liabilities to credit institutions ³⁾	—	—	—	—	10,887	7,806	10,887	7,806	10,887	7,806
Other long-term liabilities ³⁾	—	—	—	—	126	—	126	—	126	—
Credit facilities	—	—	—	—	36	—	36	—	36	—
Derivatives ^{2,5)}	—	—	737	936	—	—	737	936	737	936
Liabilities to group companies ³⁾	—	—	—	—	4,507	3,952	4,507	3,952	4,507	3,952
Current liabilities to credit institutions ³⁾	—	—	—	—	45	37	45	37	45	37
Trade payables	—	—	—	—	4	5	4	5	4	5
Total liabilities	—	—	737	936	15,604	11,801	16,341	12,736	16,341	12,736

1) Level 1 – measured at fair values obtained from quoted market prices in active markets for identical assets.

2) Level 2 – measured at fair values obtained from inputs other than quoted market prices included within Level 1 that are observable for the assets and liabilities.

3) Level 3 – measured at fair values obtained from information and data for the assets and liabilities which is not based on observable market inputs.

4) Financial assets/liabilities held for trading.

5) Derivative instruments have been recognised net as a liability. This liability includes positives values in Group of 20 SEKm (–) in Parent Company of 10 SEKm (–).

Note 22 • Credit facilities

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Granted credit facility	350	350	300	300
Utilised portion	–36	—	–36	—
Unutilised portion	314	350	264	300

Note 23 • Accrued expenses and deferred income

SEKm	Group		Parent Company	
	2015	2014	2015	2014
Personnel expenses	63	22	8	7
Interest expenses	166	70	35	34
Prepaid rents	392	361	—	—
Property costs	186	69	—	—
Other items	38	17	3	2
Total	845	538	47	44

Note 24 • Pledged assets and contingent liabilities

Pledged assets SEKm	Group		Parent Company	
	2015	2014	2015	2014
Real estate mortgages	31,945	22,358	—	—
Shares in group companies	13,377	2,255	—	—
Promissory notes	—	—	6,819	5,898
Total	45,322	24,613	6,819	5,898
Contingent liabilities SEKm	Group		Parent Company	
	2015	2014	2015	2014
Guarantees for subsidiaries	—	—	13,986	13,542
Guarantees for associated companies	1,596	1,486	1,596	1,486
Other guarantees	321	—	—	—
Total	1,916	1,486	15,582	15,028

Note 25 • Cash flow statement

Cash and cash equivalents SEKm	Group		Parent Company	
	2015	2014	2015	2014
The following sub-components are included in cash and cash equivalents:				
Cash and bank balances	620	199	4	165
Total according to the balance sheet	620	199	4	165
Total according to the cash flow statement	620	199	4	165

Interest and derivative expenses paid SEKm	Group		Parent Company	
	2015	2014	2015	2014
Interest received	32	27	18	16
Interest paid	–330	–419	–92	–147
Derivative expense paid	–288	–198	–242	–161
Total	–586	–591	–315	–292

Intra-group interest income and interest expenses for 2015 and 2014 did not affect the cash flow.

Note 26 • Participations in group companies

Specification of the Parent Company's direct holdings of participations in subsidiaries					Carrying amount	
Subsidiaries	Corporate identity number	Registered office	Number of shares	Share, %	2015	2014
Balder Storstad AB	556676-4378	Gothenburg	1,172,306	100	1,046	1,046
Balder Mellanstad AB	556514-4291	Gothenburg	1,938,000	100	150	150
Din Bostad Sverige AB	556541-1898	Gothenburg	18,500,000	100	626	626
Egby Vindkraftverk AB	556760-5919	Gothenburg	1,000	100	0	0
Balder Danmark ApS	34058016	Copenhagen	80,000	100	0	0
Total					1,822	1,822

The Balder Group owns 100 per cent in 263 companies (238) via the above-mentioned subsidiaries, as presented in each subsidiary's annual accounts.

Parent Company, SEKm	2015	2014
Accumulated cost		
Opening balance	1,822	1,822
Change for the year	–	–
Closing balance	1,822	1,822

Note 27 • Receivables from/liabilities to Group companies

Parent Company, SEKm	Receivables		Liabilities	
	2015	2014	2015	2014
Opening balance	15,777	11,506	3,952	2,782
Change in lending to subsidiaries	5,900	4,271	555	1,170
Closing balance	21,676	15,777	4,507	3,952

There is no fixed amortisation plan.

Note 28 • Significant events after the end of the financial year

Fastighets AB Balder's cooperation with the Third Swedish National Pension Fund was conditional upon approval from the Swedish Competition Authority. This approval was given and the deal was completed. After the end of the financial year, Balder also acquired

49 per cent of Sjaelsö Management Aps in Denmark. Sjaelsö Management is one of the largest players within project development and construction management in Denmark. In January, all properties in Skara and Töreboda were divested as well as the property Miklaholt 2 in Stockholm.

Note 29 • Related parties

Related parties

Group

The Group is under the control of Erik Selin Fastigheter AB, which holds 49.5 per cent (51.3) of the votes in the parent company Fastighets AB Balder. The parent company in the largest group of which Balder is part is Erik Selin Fastigheter AB.

Parent Company

Apart from the related parties shown for the Group, the parent company exercises control over subsidiaries according to Note 26, Participations in group companies.

Summary of related party transactions

Group

Erik Selin Fastigheter AB purchased property-related administrative services from Balder

for SEK 2m (2). The services were priced based on market-related terms.

Parent Company

The parent company performed property-related administrative services on behalf of its subsidiaries amounting to SEK 117m (98). The parent company functions as an internal bank. On the closing date, receivables from subsidiaries amounted to SEK 21,676m (15,777). The price of the administrative and financial services is based on market-related terms.

Associated companies

Apart from the related parties described above, the Balder Group owns associated companies according to Note 15, Participations in associated companies.

During the financial year, the associated companies have purchased management and

administrative services for their organisations from Balder amounting to SEK 27m (23). In addition to this, services were purchased from Collector AB (publ). Net receivables from associated companies amounted to SEK 910m (616) on the closing date. The price of the administrative and financial services is based on market-related terms.

Transactions with key people in executive positions

The company's Board members and companies owned by these members control 65.3 per cent (66.9) 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 termination benefits, see Note 4, Employees and personnel expenses.

Note 30 • Critical estimates and judgements

The company management and the Board have discussed the development, the choice of and the disclosures in respect of the Group's key accounting policies and estimates, as well as their application.

Investment properties

For important assumptions and estimates in connection with valuation of investment properties see Note 13, Investment properties.

Balder reports its properties according to the fair value method which means that changes in value are recognised in the income statement. Thus the results can be affected significantly.

Balder performs an internal valuation of the properties in connection with each quarterly report. In order to quality-assure its internal valuations, Balder regularly allows parts of the portfolio to be externally valued during the year.

Taxes

Balder has loss carry-forwards 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 carry-forwards.

Classification of acquisitions

The accounting standard IFRS 3 contains a rule that acquisitions must be classified as business combinations or asset acquisitions, which means that an individual assessment must be made of each particular transaction. The assessments of acquisitions made during the year resulted in all transactions being classified as asset acquisitions, with the exception of the acquisition of Sato Oyj, which is classified as a business combination.

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 Vasagatan 54.

The consolidated accounts for 2015 include the parent company and its subsidiaries, together referred to as the Group.

Note 32 • Business combination

Information about purchase price and acquired net assets is presented below:

SEKm

Purchase price

Cash and cash equivalents	444
Ordinary shares issued, after issue expenses	1,705
Total purchase price paid for 22.9 per cent of the outstanding shares in Sato	2,149
Fair value of the participations acquired in Q2 and Q3 (30.4 per cent) (before the business combination resulting in control) ¹⁾	2,855
Purchase price	5,004

1) The remeasurement effect amounted to SEK 9m and is recognised in the line Non-recurring items in the consolidated statement of comprehensive income.

On 1 April 2015, Balder carried out its first acquisition of shares in Sato Oyj equivalent to about 21 per cent of the outstanding shares and voting rights. Balder subsequently acquired additional shares and the total holding of shares and voting rights in Sato amounted to 30.4 per cent before the acquisition of a controlling influence. On 30 December 2015, Balder took possession of a further 22.9 per cent of the outstanding shares, and after that Balder's ownership in Sato amounted to 53.3 per cent. As control was obtained; Sato was consolidated in the Group's balance sheet as of 31 December 2015. Sato is one of Finland's largest residential property companies with high-quality properties in excellent locations that complement Balder's existing operations and property portfolio. The number of employees in Sato amounted to 170 people on 31 December, of which 110 were women.

Note 32 • Continued

The assets and liabilities recognised as a consequence of the acquisition were as follows:

SEKm

Assets and liabilities in Sato ¹⁾	
Investment properties	26,477
Other property, plant and equipment	37
Current receivables	236
Cash and cash equivalents and financial investments	569
Deferred tax liability	-1,691
Interest-bearing liabilities	-15,312
Derivatives	-435
Other liabilities	-499
Acquired identifiable net assets	9,382
Non-controlling interests	-4,377
Acquired net assets	5,004

1) Carrying amount in the Group, 31 December 2015.

Cash flow to acquire subsidiary, after addition of acquired cash and cash equivalents:

SEKm

Cash purchase price	-3,068
Ordinary shares issued, after issue costs	-1,705
Total cash flow to acquire subsidiary	-4,773
Less: Acquired balances	
Acquired cash and cash equivalents	554
Total acquired cash and cash equivalents	554
Net outflow of cash and cash equivalents, investing activities	-4,219

Choice of accounting policy for non-controlling interests

The Group recognises non-controlling interests in an acquired entity, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. This choice of policy is made for every individu-

al business combination. For non-controlling interests in Sato, the Group has chosen to recognise non-controlling interests at the fair value of the acquired identifiable net assets.

Revenue and profit in acquired operations

If the acquisition had been carried out on 1 January 2015, the consolidated pro-forma financial statements as of 31 December 2015 would show rental income of SEK 5,044m and net profit for the year of SEK 5,873m. These amounts were calculated using the subsidiary's results while adjusting for any differences in accounting policies between the Group and the subsidiary.

Acquisition-related costs

Acquisition-related costs of SEK 94m (of which Finnish stamp duty SEK 83m), that were not directly related to the new issue, are included in the line Non-recurring items in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Note 33 • Other income/expenses

The item Other income/expenses includes SEK 9m related to the business combination of Sato

Oyj, for more information See Note 32 relating to Business combinations.

The annual accounts and the consolidated financial statements were approved for publication by the Board of Directors and CEO on 6 April 2016. 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 10 May 2016. The Board will propose to the AGM that no dividend (–) be declared for ordinary shares and that a dividend of SEK 20.00 per share (20.00) be declared for prefe-

rence shares for the financial year 2015.

The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS referred to in the European Parliament's and Council's regulation (EC) No. 1606/2002 from 19 July 2002 on application of the international accounting standards. The annual accounts and consolidated financial

statements 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.

Gothenburg, 6 April 2016

Christina Rogestam
Chairman of the Board

Sten Dunér
Board member

Fredrik Svensson
Board member

Anders Wennergren
Board member

Erik Selin
Board member and CEO

Our audit report was submitted on 6 April 2016
Öhrlings PricewaterhouseCoopers AB

Helén Olsson Svärdröm
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Fastighets AB Balder (publ), corporate identity number 556525-6905

Report on the annual accounts and consolidated financial statements

We have audited the annual accounts and consolidated financial statements of Fastighets AB Balder (publ) for 2015. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 59–92.

The Board of Directors and the Managing Director are responsible for the annual accounts and consolidated financial statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we adhere to professional ethics and that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor determines which actions to perform, in part by assessing the risk of material misstatement in the annual accounts and consolidated financial statements, whether resulting from fraud or er-

ror. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

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 the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements 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 2015 and of its financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed allocation of the company's

profit or loss and the administration of the Board of Directors and the Managing Director of Fastighets AB Balder (publ) for the year 2015.

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, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' explanatory statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated financial statements, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend that the Annual General Meeting allocate the earnings in accordance with the proposal in the Report of the Board of Directors and discharge the members of the Board and the Managing Director from liability for the financial year.

Gothenburg, 6 April 2016

Öhrlings PricewaterhouseCoopers AB

Helén Olsson Svärdröm

Authorised Public Accountant

Corporate governance

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 Code of Corporate Governance and through self-regulation. The Code is based on the principle comply or explain, which means that all rules need not always 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 exercise of an active and responsible ownership role and to create a well-adjusted balance of power between owners, the Board and the executive management, which Balder views as a natural element of the principles for the operations. The Code also means that certain information should be made available on the company's website. The Swedish Code of Corporate Governance is administered by the Swedish Corporate Governance Board and is available on 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.

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 objects shall be directly or indirectly, through wholly-owned or part-owned companies, to acquire, manage, own and divest real property and securities and carry on other activities connected therewith.

The articles of association, which are available on Balder's website, among other things, contain 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.

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 com-

pany are elected by the AGM according to the proposal of the nomination committee. The AGM also passes resolutions regarding amendments of the articles of association and regarding change in the share capital. 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.

Resolutions at general meetings of shareholders are normally passed by 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 2015

At the AGM on 6 May 2015 in the Radisson BLU Scandinavia Hotel in Gothenburg, 239 shareholders were represented, holding 75 per cent of the total number of votes. All Board members and the company's auditor were present at the general meeting. The AGM adopted the financial statements for 2014 and discharged the Board and CEO from liability for the financial year 2014.

The following resolutions were passed by the AGM on 6 May 2015;

- not to declare any dividend to ordinary shareholders and to declare a quarterly dividend to preference shareholders of SEK 5 per share, however, a maximum of SEK 20,
- the Board shall, during the period until

the next AGM has been held, be composed of five ordinary members without deputies,

- directors' fees of a fixed amount of SEK 460,000 should be paid to the Board, of which SEK 160,000 to the Chairman of the Board and SEK 100,000 to the other Board members who are not permanently employed by the company. The amount includes remuneration for committee work,

- Re-election of the Board members Christina Rogestam, Erik Selin, Fredrik Svensson, Sten Dunér and Anders Wernergren. All members are elected until the AGM 2016. Christina Rogestam was re-elected as Chairman of the Board.

- approval of the Board's proposed guidelines for remuneration to senior executives,

- mandate for the Board to decide on new issue of not more than 5,000,000 preference shares and/or shares of Class B corresponding to not more than 10 per cent of the existing share capital. The new 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.

- 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. Minutes taken at the AGM on 6 May 2015 are available on the company's website. The AGM will take place on 10 May 2016 at 4 p.m. at Elite Park Avenue Hotel, Kungsportsavenyn 36–38 in Gothenburg. Information concerning the AGM is published on www.balder.se.

The share and owners

The Balder share is listed on Nasdaq Stockholm, Large Cap. At year-end, the number of shareholders amounted to 17,155. Balder carried out a directed new issue of 10 million ordinary shares in December, which brought in SEK 1,705 million after issue costs. For existing ordinary shareholders, the issue implies a dilutive effect of 6 per cent of the capital. Balder's share capital after the new issue and on 31 December 2015 amounted to SEK 182,396,852 distributed among 182,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 161,167,420 of Class B and 10,00,000 preference shares. Each Class A share carries one vote, and each Class B share and preference share carries one tenth of one vote. Each shareholder at the general meeting is entitled to vote for the number of shares held and represented by him/her. Further information regarding shares and share capital is found on pages 13–15, The share and owners.

Board of Directors

The Board of Directors is elected by the AGM and according to the articles of association shall 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 2015, the Board was composed of five members and is responsible for the company's organisation and administration (more information about the company's Board is available on www.balder.se). 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 in the event of the

same number of votes.

The Board 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 real estate sector, business development 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 any two jointly of Chairman Christina Rogestam, CEO Erik Selin and CFO Magnus Björndahl.

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. The Board shall perform the 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 are 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. Compensation and remuneration questions for the CEO are prepared by the Chairman and presented to the rest of the Board prior to 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,
- choosing 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 com-

pliance 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 that company shall publish,
- 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 include, but are not limited to the following:

- organising and leading the Board's work and creating the best possible basis for the Board's work,
- ensuring that the Board's work occurs 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 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 CFO shall as a general rule present a report to the Board. The company's employees, auditor or other external consultants shall be called in to board meetings in order to participate and report on matters as required.

The Board constitutes a quorum when more than half of the Board members are present. The Chairman has the casting vote in the event of the same number of votes

The Board of Directors' work

Balders' Board held nine board meetings during 2015 of which one was the statutory meeting. Under the current formal work plan, the Board shall hold at least five ordinary Board meetings, including the statutory meeting, per calendar year. The Board meetings are held in connection with the company's reporting. Matters of significant importance 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. Among the regular matters dealt with by the Board in 2015, included acquisition strategies, capital structure and financing position, common corporate policies and formal work plan for the Board. At the extraordinary Board meetings, decisions were taken about the new issue and acquisition of shares in Sato Oyj, among other things.

Evaluation of the Board's work

The Board conducted an evaluation of its work during the year. 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 competencies and knowledge in the Board. During the completion of the annual evaluation, Board members were asked, based on their own perspective, to discuss various areas relating to the Board's work with other Board members. These conclusions have been documented in a report. The areas discussed and evaluated in 2015, related to the Board's composition, competencies, efficiency and focus areas going forward. The areas covered by the Board evaluation may

Board members, meetings and attendance

Name	Elected	Independent ¹⁾	Attendance at meetings		
			Board meetings	Audit committee	Remuneration-committee
Christina Rogestam	2006	Yes	9/9	1/1	1/1
Erik Selin	2005	No	9/9	—	—
Fredrik Svensson	2005	No	9/9	1/1	1/1
Sten Dunér	2007	Yes	8/9	1/1	1/1
Anders Wennergren	2009	Yes	9/9	1/1	1/1

1) Independence is based both on independent of the company, corporate management as on the major shareholders (>10 %).

vary from one year to another to reflect the development of the Board's work.

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, the Board shall propose 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 remuneration committee is composed of all independent Board members and should meet at least once every year. For further information see Note 4, Employees and personnel expenses.

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 committee 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. During 2015, the audit committee, which was composed of all independent Board members, met the company's auditor on one occasion and received a report on the performed audit.

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.

Nomination Committee

The AGM resolves on the procedure for election of the Board, and when applicable, auditors. The AGM 2015 resolved that a nomination committee should be established before the 2016 AGM in order to submit proposals on the number of Board members, election of Board members including the Chairman of the Board 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. All shareholders are given the opportunity to submit nomination proposals to the nomination committee.

The AGM 2015 adopted the nomination committee's proposal that the nomination committee should be composed of one representative for each of the two largest shareholders or ownership spheres in addition to Lars Rasin, who represents the other shareholders. The chairman of the nomination committee shall be Lars Rasin. The names of the other two members and the owners they represent shall be announced not later than six months before the AGM. The nomination committee's term of office extends until a new nomination committee has been appointed. If Lars Rasin resigns as chairman of the nomination committee, the company's Chairman shall appoint a new chairman of the nomination committee until the next general meeting of the company.

The nomination committee ahead of

the AGM 2016 is composed of Christian Hahne, representing Erik Selin Fastigheter AB, Rikard Svensson, representing Arvid Svensson Invest AB, and chairman Lars Rasin.

The nomination committee has decided to propose the re-election of the current Board members Christina Rogestam, Fredrik Svensson, Sten Dunér, Anders Wennergren and Erik Selin. It is proposed to re-elect Christina Rogestam as Chairman of the Board.

CEO and Management

The CEO is responsible for the day-to-day administration pursuant to the guidelines and policies determined 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 normally meets once every month with a standing agenda, including property transactions, finance and overall management issues. The Group Management consists of six persons and includes resources such as the CEO, accounting, finance, management, property transactions and personnel. More information about the company's CEO and Management is found on page 100.

Audit

The company's annual accounts and the administration of the CEO and Board are reviewed by the company's auditor who submits an audit report for the financial year to the AGM.

The auditor reports to the Board on her audit plan for the year and her views on the accounts and annual accounts.

Öhrlings PriceWaterhouseCoopers AB was elected at the AGM on 7 May 2013 as auditor for a period of four years until the AGM 2017. The auditor in charge is Helén Olsson Svärdröm.

Ahead of the Annual General Meeting 2016

Ahead of the AGM on 10 May 2016, the Board of Directors proposes:

- that no share dividend shall be declared to the ordinary shareholders,
- A quarterly dividend of SEK 5 per share shall be declared to the preference

shareholders, however, a maximum of SEK 20,

- guidelines for remuneration of senior executives,
- a renewed mandate for the Board until the next AGM, to repurchase and transfer B shares in Balder equivalent to not more than 10 per cent of all shares in the company,
- a renewed mandate for the Board until the next AGM, on one or more occasions, to resolve on new issue of preference shares and/or ordinary shares of Class B equivalent to not more than 10 per cent of the existing share capital. It shall be possible to subscribe for the shares in cash, in kind or through right of set-off.

Ahead of the AGM on 10 May 2016, the Nomination Committee proposes:

- re-election of the current Board members Christina Rogestam, Fredrik Svensson, Sten Dunér, Anders Wennergren and Erik Selin. It is proposed to re-elect Christina Rogestam as Chairman of the Board,
- it is proposed to pay directors' fees of SEK 160,000 to the Chairman of the Board and SEK 100,000 to the other Board members who are not permanently employed by the company. Amounts include remuneration for committee work,
- that the general meeting resolves that the nomination committee shall be composed of one representative for each of the two largest shareholders or ownership spheres in addition to Lars Rasin, who represents the other shareholders. The chairman of the nomination committee shall be Lars Rasin. The names of the other two members and the owners they represent shall be announced not later than six months before the AGM. The nomination committee's term of office extends until a new nomination committee has been appointed.

Information to the stock market

Balder issues interim reports for the operations three times per year; on 31 March, on 30 June and on 30 September. In addition to this, Balder's reports its full-year accounts on 31 December in its year-end report and publishes its annual accounts in good time before the AGM.

The annual accounts for 2015 are now

available for distribution and on Balder's website. All documents as well as press releases and presentations in connection with reports are available on www.balder.se.

Internal control over financial reporting

The Board is responsible for the internal control under the Swedish Companies Act and under the Code. This account 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 annual accounts. This report 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 as well as monitoring.

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 1,177 properties, each with its own profit centre, which is administered 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 profit/loss and balance sheet items in the financial reporting and what measures can reduce these risks. The

risk management is built 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 annual 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 the financial reporting provides a true and fair view at each point of time. These activities involve different levels in the organisation, from the Board and company management to other employees. 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 of decisions and approved policies of the Board, general and application-specific IT controls, checking of external counterparties and follow up of results at various levels in the organisation. Other activities

are follow up of the reporting procedures including the annual accounts and consolidated financial statements 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 the basic control, follow up and analysis in each region. To ensure the quality of the regions' financial reporting, an evaluation is made in conjunction with the Group's controllers.

The follow up at a regional level combined with the controls and analyses at a Group level are an important part of the internal control, to ensure that the 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 the financial information should be communicated between the Management and other employees. 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.

Monitoring

There is an appropriate process for continual follow up and annual evaluation of the observance of internal policies, guidelines, manuals 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 Balder's current policies and rules. The Group's accounting and controller function has the day-to-day responsibility for follow up and reporting to the company management with regard to possible shortcomings. Follow-up occurs on both a property level and a Group level.

The Board regularly evaluates the information submitted by the company management and the auditors. The company's auditors report on at least one occasion per year their observations from the audit and their opinion about the internal control over the financial reporting.

Need of internal audit

Balder has a decentralised organisation that manages 1,177 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 monitors the administration of the regional offices and the financial operations in the parent company. Balder's size and decentralised organisation together with the controller function in the parent company mean that a special internal audit function is not motivated at present.

Gothenburg, 6 April 2016

Christina Rogestam
Chairman of the Board

Sten Dunér
Board member

Fredrik Svensson
Board member

Anders Wennergren
Board member

Erik Selin
Board member and CEO

Auditor's statement regarding the Corporate Governance Report

To the Annual General Meeting of Fastighets AB Balder (publ) Corporate identity no. 556525-6905

The Board of Directors is responsible for the corporate governance report for 2015 on pages 94-98 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

We have read the corporate governance report and based on this review and on

our knowledge of the company and the Group, we believe we have a sufficient basis for our opinion. This statutory review has another aim and direction, and is substantially less exhaustive in scope, than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden.

We consider that a corporate gover-

nance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated financial statements.

Gothenburg, 6 April 2016

Öhrlings PricewaterhouseCoopers AB

Helén Olsson Svärdröm
Authorised Public Accountant

Board of Directors



Christina Rogestam

Born 1943.
Chairman of the Board since 2006.

Education and experience

Bachelor of Arts, Social studies Previously President and CEO of Akademiska Hus AB, board member of Fastighets AB Stenvalvet.

Shareholding in Balder

66,000 B shares, 3,000 B shares and 2,080 preference shares via company.



Anders Wennergren

Born 1956.
Board member since 2009.

Education and experience

Bachelor of Laws Lawyer and partner at Advokatfirman Glimstedt. Board member of Serneke Group AB.

Shareholding in Balder

2,050 B shares and 245 000 B shares via company.



Sten Dunér

Born 1951.
Board member since 2007.

Education and experience

Bachelor of Science (Econ.). CEO of Länsförsäkringar AB. chairman of Länsförsäkringar Bank, Länsförsäkringar Sak and Länsförsäkringar Fondliv. Board member of Länsförsäkringar Liv and Svensk Försäkring and the Employers' Organisation of the Swedish Insurance Companies

Shareholding in Balder

No shareholding in Balder.



Fredrik Svensson

Born 1961.
Board member since 2005.

Education and experience

Bachelor of Science (Econ.). CEO of AB Arvid Svensson, chairman of Klövern AB.

Shareholding in Balder

2,915,892 A shares and 13,542,540 B shares, all via company.



Erik Selin

Born 1967.
Board member since 2005.

Education and experience

Business school economist CEO of Fastighets AB Balder. Chairman of Skandrenting AB, board member and vice chairman of Collector Banks AB (publ), board member of Västsvenska Retailskammaren, Astrid Lindgrens värld and Hexatronic Scandinavia AB.

Shareholding in Balder

10,500 B shares and 500 preference shares and 8,309,328 A shares and 57,200,400 B shares via company.

Balder's Board of Directors

Balder's Board of Directors is composed of five people, including the Chairman. Board members are elected annually at the AGM for the period up to the end of the next AGM.

Auditor

Öhrlings PricewaterhouseCoopers AB Auditor in charge: Helén Olsson Svärström, born 1962. Auditor in the company since 2015. Öhrlings PriceWaterhouseCoopers AB was elected at the AGM on 7 May 2013 as auditor for a period of four years.

Management



Erik Selin

Born 1967.
CEO of Fastighets AB Balder.

Education and experience
Business school economist. Employed since 2005.

Shareholding in Balder
10,500 B shares and 500 preference shares and 8,309,328 A shares and 57,200,400 B shares via company.



Magnus Björndahl

Born 1957.
CFO.

Education and experience
Bachelor of Science (Econ.). Employed since 2008.

Shareholding in Balder
21,000 B shares.



Petra Sprangers

Born 1965.
Head of Personnel and Administration.

Education and experience
Business school economist Employed since 2007.

Shareholding in Balder
No shareholding in Balder.



Benny Ivarsson

Born 1955.
Head of Property.

Education and experience
Bachelor of Science (Econ.). Employed since 2006.

Shareholding in Balder
12,494 B shares and 8,500 preference shares and 12,720 B shares via company.



Sharam Rahi

Born 1973.
Head of Property Management and Vice CEO.

Education and experience
Compulsory school Employed since 2005.

Shareholding in Balder
737,822 B shares and 788,978 B shares and 20,000 preference shares via company.



Marcus Hansson

Born 1974.
Head of Finance.

Education and experience
Bachelor of Science (Econ.). Employed since 2007.

Shareholding in Balder
156,500 B shares.

Property list

Property list

Lettable area, sq.m.													Tax assessment value, SEKm	
Municipality	Name of property	Address	Year of construc- tion	Property category	Site leasehold right	Office	Industrial/ Retail Warehouse	Education/ Care	Hotel	Residential	Other	Total		
Region Helsinki														
● FI, Sato	Several properties			Residential						942,551		942,551		
Total Helsinki										942,551		942,551		
Region Stockholm														
Botkyrka	Freja 2	Balders väg 10	1973	Residential						7,060	220	7,280	51	
Botkyrka	Freja 3	Balders väg 1	1973	Residential						7,060	220	7,280	50	
Botkyrka	Hallunda 4:11	Iduns väg 1-16	1900	Other	Yes									
Botkyrka	Hallunda 4:9	Balders väg 1-16	1900	Other	Yes									
Botkyrka	Idun 2	Iduns väg 10	1972	Residential						7,060	256	7,316	51	
Botkyrka	Idun 3	Iduns väg 1	1972	Residential			255			6,795		7,050	52	
Huddinge	Bäckgården 8	Vårby Centrum	1974	Office	Yes	2,719	2,550	381			2,238	7,888	49	
Huddinge	Vårby Gård 1:16	Krongårdsvägen 1	1973	Residential		352	37	439		49,688	4,262	54,778	375	
Järfälla	Säby 3:29	Korpralsvägen 10	2008	Residential		10		372		4,962	8	5,352	81	
Lidingö	Fjällräven 1	Karins Allé 3-7, Vesslevägen 3	1900	Residential			100	4,300		2,561		6,961		
Nacka	Sicklaön 354:1	Ektorpsvägen 2	1979	Office		6,111	3,925	1,134	5,726	1,385	320	18,601	113	
Nacka	Sicklaön 363:2	Värmdövägen 84	1986	Hotel		2,368			8,365			10,733	94	
Nacka	Älta 9:130	Ältavägen 170	1992	Retail			960			880		1,840	19	
Nynäshamn	Musköten 1	Björn Barkmans väg 1	1968	Residential		206	132			21,275	1,204	22,817	140	
Solna	Banken 14	Hotelgatan 11	1965	Hotel		93			11,444			11,537	113	
Solna	Puman 1	Bangatan 21	1972	Office		2,004	131					2,135	16	
Stockholm	Berget 2	Västmannagatan 13	1929	Hotel					1,176	339		1,515	31	
Stockholm	Doggen 1	Vinthundsvägen 157	1974	Office		1,650						1,650	7	
Stockholm	Doggen 2	Vinthundsvägen 159	1984	Office	Yes	4,721						4,721	28	
Stockholm	Fiskaren Större 3	Götgatan 21	1929	Residential		235	993			1,375		2,603	53	
Stockholm	Gladan 3	Sankt Göransgatan 159	1948	Office	Yes	5,346	124					5,470	83	
Stockholm	Granen 21	Floragatan 13	1972	Office		4,295	9					4,304	161	
Stockholm	Göta Ark 18	Göta Ark 100	1985	Office	Yes	17,835	300	640				18,775	376	
Stockholm	Havsfrun 26	Artillerigatan 42	1929	Office		3,267	239					3,506	83	
Stockholm	Holar 3	Skalholtsgatan 10	1985	Other		6,133	1,072					7,205	77	
Stockholm	Islandet 4	Adolf Fredriks Kyrkogata 13	1908	Office		1,845	245	125				2,215	48	
Stockholm	Järnplåten 23	Kungsgatan 37	1937	Office		4,496					2,048	6,544	237	
Stockholm	Katthavet 8	Näckströmsgatan 8	1929	Retail					8,022			8,022	212	
Stockholm	Kilaberg 1	Kilabergsvägen	1975	Office	Yes	8,193	4,709					12,902	73	
Stockholm	Kungsbacken 8	Drottninggatan 108	1929	Office		1,787	563	56			25	2,431	55	
Stockholm	Kvasten 8	Mäster Samuelsgatan 10	1929	Office		1,336	614	81			10	2,041	159	
Stockholm	Lindansaren 23	Flaggstång, Holländargatan 22	1929	Office		7,126	863	603		293		8,885	181	
Stockholm	Luftspringaren 10	Saltmätargatan 10	1900	Office		498	18					516		
Stockholm	Luftspringaren 16	Saltmätargatan 19A	1929	Office		615	372	88		613	794	2,482	37	
Stockholm	Lärflet 2	Brommaplan 407	1941	Residential	Yes	204	530	120		895		1,749	22	
Stockholm	Magneten 32	Voltavägen 13	1982	Office	Yes	7,196	450	2,461				10,107	81	
Stockholm	Meteorologen 4	Finn Malmgrens Väg 9	1991	Residential	Yes		399			725		1,124	17	
Stockholm	Meteorologen 5	Finn Malmgrens Väg 11	1991	Residential	Yes		1,090	74		1,235		2,399	34	
Stockholm	Miklaholt 2	Haukadalsgatan 10	1981	Office	Yes	1,128	788					1,916		
Stockholm	Murmästaren 7	Hantverkargatan 31	1929	Office		2,448	462	89			83	3,082	75	
Stockholm	Prästgårdsängen 3	Götalandsvägen 218	1986	Office	Yes	5,385	847	15				6,247	47	
Stockholm	Silket 2	Brommabågen 4	1941	Retail	Yes	174	602	94		555	7	1,432	19	
Stockholm	Singeln 9	Sorterargatan 8	1970	Office	Yes	5,072	170					5,242	26	
Stockholm	SkeppsRetailn 1	Hammarby Allé 45	2013	Retail		2,143	3,033	210	8,550			13,936	331	
● Stockholm	Snöflingan 3	Drottningsholmsvägen 59	2009	Hotel					22,000			22,000	382	
Stockholm	Spelbomskan 14	Gyldéngatan 6, Sandåsgatan 2	1939	Other			147	2,553				2,700		
Stockholm	Spårvagnen 4	Birger Jarlsgatan 57	1995	Office		18,893	3,084	1,106			191	23,274	761	
Stockholm	Tråden 1	Brommaplan 418-420	1941	Retail	Yes	555	41			537		1,133	14	
Stockholm	Vattenkraften 1	Solkraftsvägen 13	1989	Office	Yes	6,408	734	3,689			4	10,835	4	
Stockholm	Vilunda 6:48	Hotelvägen 1	1986	Hotel					6,955			6,955	50	
Stockholm	Årstaäng 4 & 6	Fredsborgsgatan 24	1900	Office	Yes	28,011	930	5,173			19	34,133	28	
Södertälje	Yxan 8	Täppgatan 15	1975	Hotel					14,115			14,115	75	
Uppsala	Berthåga 53:1	Naturstensvägen 101	2007	Residential						3,814		3,814	48	
Uppsala	Dragarbrunn 16:4	Dragarbrunns torg 18	1962	Hotel			680	51	5,275			6,006	64	
Uppsala	Kvarngärdet 3:2	Gamla Uppsalagatan 50	1983	Hotel					7,518			7,518	38	
Uppsala	Årsta 94:1	Stålgatan 101	1988	Residential						5,274	39	5,313	67	
● Uppsala	Uppsala 2015	Stålgatan 35	2005	Residential						4,117	8	4,125	51	
Total Stockholm						160,858	24,263	21,247	16,268	94,805	127,113	11,956	456,509	5,076

			Year of	Site								Tax assess-		
Municipality	Name of property	Address	construc-	Property	leasehold	Office	Industrial/		Education/	Hotel	Residential	Other	Total	ment value, SEKm
			tion	category	right		Retail	Warehouse	Care					
Region Gothenburg														
Ale	Nödinge 38:14	Ale Torg 10	2007	Retail		3,920	10,399	30					14,349	112
Ale	Surte 1:245	Gothenburgsvägen 64 B	1967	Residential		215	337				1,216	90	1,858	12
Ale	Surte 1:293	Gothenburgsvägen 93 A	1946	Residential					424		356		780	4
Ale	Surte 1:294	Brattåsstigen 6	1992	Residential					455		330		785	
Ale	Surte 4:119	Gothenburgsvägen 64	1987	Retail		808	1,560	272			457	114	3,211	15
Alingsås	Bagaren 14	Hantverksgatan 2	1991	Residential							556		556	5
Alingsås	Bagaren 2	Hantverksgatan 4	1992	Residential							424	9	433	4
Alingsås	Björkhagen 1	Björkhagegatan 2 A	2008	Residential							3,212		3,212	41
Alingsås	Bolltorp 4:13	Bolltorp	2003	Residential							14,166		14,166	168
Alingsås	Dryckeshornet 1	Bankgatan 1	1929	Hotel			219			5,362			5,581	29
Falköping	Agaten 11	Peter Ryttings väg 20	1962	Residential							880	51	931	4
Falköping	Agaten 6	Sigurd Kochs Gata 4	1964	Residential							466		466	2
Falköping	Anden 16	Banérgatan 16	1929	Residential			135				568		703	3
Falköping	Ansgar 1	Sankt Sigfridsgatan 45	1965	Residential				9			2,022	247	2,278	9
Falköping	Apotekaren 2	Sankt Olofsgatan 9 A-B	1991	Residential		515					710		1,225	5
Falköping	Avenboken 1	Idrottsgatan 49	1961	Residential				7			1,234		1,241	6
Falköping	Avenboken 2	Idrottsgatan 47	1961	Residential							1,234		1,234	6
Falköping	Bagaren 7	Nygatan 2	1995	Residential		994					2,409		3,403	22
Falköping	Byggmästaren 9	Odengatan 16 A	1959	Residential		100					2,240		2,340	9
Falköping	Draken 8	Dotorpsgatan 28	1929	Residential							660		660	2
Falköping	Ejdern 14	Banérgatan 1 A	1962	Residential							2,236	69	2,305	11
Falköping	Flugsnapparen 1	Kapellsgatan 1	1959	Residential							570	30	600	3
Falköping	Flugsnapparen 2	Allégatan 3	1959	Residential							570		570	3
Falköping	Flugsnapparen 6	Kapellsgatan 3	1959	Residential							570		570	3
Falköping	Guldsmeden 21	Trädgårdsgatan 22	1939	Office		325	78				220		623	2
Falköping	Guldsmeden 7	Ekmansgränd	1987	Retail		220	827				468	20	1,535	6
Falköping	Göken 12	Allégatan 11	1952	Residential							423		423	1
Falköping	Hammarén 7	Eriksgratan 33	1943	Residential							376		376	2
Falköping	Hovslagaren 16	Jakobsgratan 18 / Höga- rensgratan 9	1960	Residential							2,082	87	2,169	10
Falköping	Hytten 1	Storgatan 34	Saknas	Ground										
Falköping	Kemisten 1	Stora Torget 7	1929	Retail			316				215		531	2
Falköping	Lejonet 2	Hjelmarsrörsg 24-32, 43-46	1971	Residential				118			6,640		6,758	30
Falköping	Mejseln 4	Sankt Sigfridsgatan 20	1942	Residential				18			312		330	1
Falköping	Muraren 15	Sigurd Kochs gata 16	1964	Residential							1,536	15	1,551	7
Falköping	Muraren 3	Hwassgatan 7 A	1960	Residential							960		960	5
Falköping	Muraren 4	Hwassgatan 5 A	1952	Residential							745		745	4
Falköping	Muraren 5	Gärdesgatan 18	1959	Residential							787		787	7
Falköping	Muraren 6	Gärdesgatan 18 A	1959	Residential							787		787	
Falköping	Oxeln 1	Idrottsgatan 51	1952	Residential							1,357	25	1,382	7
Falköping	S:t Lars 1	Per Larsgratan 4	1961	Residential		69					810		879	4
Falköping	Sankt Jakob 14	Sankt Sigfridsgatan 27	1940	Residential							316		316	2
Falköping	Sankt Jakob 18	Eriksgratan 29	1940	Residential							293		293	1
Falköping	Sankt Johannes 18	Sankt Sigfridsgatan 5	1939	Residential							400		400	2
Falköping	Sankt Olof 17	Sankt Olofsgatan 10	Saknas	Ground										
Falköping	Sankt Olof 18	Sankt Olofsgatan 14	1990	Residential		432					1,599		2,031	9
Falköping	Sankt Staffan 13	Bryngelsgatan 6	1929	Office		1,691						698	2,389	7
Falköping	Sankt Tomas 13	Warenbergsgatan 11	1938	Residential							393		393	2
Falköping	Skalbaggen 1	Scheelegatan 21 A	1957	Residential							748	108	856	3
Falköping	Skalbaggen 11	Kapellsgatan 19	1959	Residential							434		434	2
Falköping	Skalbaggen 12	Kapellsgatan 27	1954	Residential							540		540	3
Falköping	Skalbaggen 5	Danska vägen 148	1954	Residential				8			540		548	3
Falköping	Skogslinden 3	Idrottsgatan 39	1948	Residential				24			716		740	4
Falköping	Skogslinden 4	Idrottsgatan 37	1946	Residential				18			712		730	4
Falköping	Spettet 1	Grönelundsgatan 14	1952	Residential				27			1,308	27	1,362	6
Falköping	Svanen 24	Danska vägen 129	1970	Residential							1,099		1,099	5
Falköping	Trädgårdsmästaren 18	Groundnadsgatan 7	1971	Residential				66			1,272	28	1,366	6
Falköping	Trädgårdsmästaren 19	Höga-rensgratan 8 A	1989	Residential							1,018		1,018	5
Falköping	Trädgårdsmästaren 22	Groundnadsgatan 11	1969	Residential							2,020		2,020	10
Falköping	Urd 3	Odengatan 19	1965	Residential		745	1,186				1,844		3,775	11
Falköping	Vargen 1	Wetterlingsgatan 13	1955	Residential				10			1,441		1,451	7
Falköping	Vargen 2	Dotorpsgatan 67	1955	Residential							1,163	43	1,206	6
Falköping	Vargen 3	Wetterlingsgatan 13 F	1955	Residential		242					832		1,074	5
Falköping	Vargen 4	Wetterlingsgatan 11 G	1957	Residential							1,130	521	1,651	6
Falköping	Vargen 5	Wetterlingsgatan 11 A	1956	Residential				19			1,086	357	1,462	6
Falköping	Vargen 6 & 8	Wetterlingsgatan 11	1956	Residential				20			1,503	23	1,546	7
Falköping	Vargen 7	Wetterlingsgatan 11 F	1957	Residential							981	51	1,032	5
Falköping	Vitsippan 2	Hagbergsgatan 4	1956	Residential							532		532	2

Lettable area, sq.m.

			Year of construction	Property category	Site leasehold right	Office	Retail	Industrial/Ware-house	Education/Care	Hotel	Residential	Other	Total	Tax assessment value, SEKm
forts. Region Gothenburg														
Gothenburg	Askim 243:20	Askims torg	1972	Office		1,923	638	553	1,251			39	4,404	25
Gothenburg	Backa 169:3	Södra Deltavägen 3 A	2006	Retail			1,975						1,975	40
Gothenburg	Backa 171:3	Backavägen 1	1955	Retail			4,417						4,417	50
Gothenburg	Backa 21:14	Exportgatan 47 B	1989	Other		608		1,784				108	2,500	11
Gothenburg	Bagaregården 5:8	Kungälvsgatan 6 A	1929	Residential							584		584	8
Gothenburg	Bagaregården 5:9	Kungälvsgatan 6 A	1929	Residential							581		581	8
Gothenburg	Bergsjön 34:1	Atmosfärgatan 1	1970	Residential		115		281			22,271		22,667	103
Gothenburg	Bergsjön 9:6	Kosmosgatan 1	1967	Residential		77	162	350			41,817	3,523	45,929	200
Gothenburg	Biskopsgården 7:1	Långströmsgatan 26	1967	Residential	Yes			377			15,378		15,755	82
Gothenburg	Biskopsgården 7:2	Långströmsgatan 14 C	1967	Residential	Yes	1,130		215			13,842		15,187	75
Gothenburg	Biskopsgården 7:3	Långströmsgatan 10 A	1968	Residential	Yes			278			13,887		14,165	73
Gothenburg	Brämaregården 72:4	Hisingsgatan 28	1959	Office	Yes	2,495	889	42				20	3,446	22
Gothenburg	Bur 134:1	Oxholmsgatan 28	1989	Residential								302	302	
Gothenburg	Bö 93:2	Sofierogatan 1	1940	Office		8,302		472				316	9,090	81
Gothenburg	Gamelestaden 25:11	Marieholmsgatan 4	1990	Office	Yes	3,058	681	178					3,917	24
Gothenburg	Gamelestaden 26:13	Vassgatan 3	1988	Office	Yes	3,484		6,840				3,937	14,261	64
Gothenburg	Gullbergsvass 11:2	Gullbergs Strandgata 40	1977	Other	Yes			5,865					5,865	24
Gothenburg	Gårda 15:1	Fabriksgatan 7	1929	Office		7,158	207	487					7,852	122
Gothenburg	Gårda 15:1 (15:12)	Drakegatan 2	1937	Residential		1,587	87				6,717		8,391	150
Gothenburg	Heden 24:11	Engelbrektsgatan 73	1964	Hotel	Yes					17,875			17,875	218
Gothenburg	Högsbo 1:1	J A Wettergrens gata 7	1967	Office		11,149		3,836				70	15,055	60
Gothenburg	Högsbo 11:10	Victor Hasselblads gata 8	1982	Office		4,050							4,050	18
Gothenburg	Högsbo 38:17	Sisjö Kullegata 5	1986	Office		1,680						26	1,706	12
Gothenburg	Högsbo 38:20	Sisjö Kullegata 6	1989	Office		2,010		780					2,790	19
Gothenburg	Högsbo 38:8	Sisjö Kullegata 8	1990	Office		4,837		2,190				1	7,028	41
Gothenburg	Inom Vallgraven 1:13	Drottninggatan 62	1986	Hotel						26,656			26,656	271
Gothenburg	Inom Vallgraven 14:1	Södra Hamngatan 2	1929	Retail			2,637			2,190			4,827	80
Gothenburg	Inom Vallgraven 15:3	Drottninggatan 30	1980	Office		3,847	379	108					4,334	86
Gothenburg	Inom Vallgraven 16:21	Drottninggatan 10	1929	Retail		2,365	321	86				200	2,972	55
Gothenburg	Inom Vallgraven 19:6	Drottninggatan 35	1929	Office		525	597						1,122	17
Gothenburg	Inom Vallgraven 2:2	Drottninggatan 69	1929	Office		1,038	254						1,292	21
Gothenburg	Inom Vallgraven 22:6	Kungsgatan 41	1869	Office		405	468						873	32
Gothenburg	Inom Vallgraven 33:7	Magasinsgatan 26	1929	Office		2,189	897				258	387	3,731	46
Gothenburg	Inom Vallgraven 36:4	Kaserntorget 11 A	1912	Office		2,447		10	9,494			4,859	16,810	
Gothenburg	Inom Vallgraven 4:2	Lilla Kungsgatan 1	1929	Office		2,068	630	62				1,001	3,761	61
Gothenburg	Inom Vallgraven 4:4	Lilla Kungsgatan 3	1929	Office		5,819							5,819	68
Gothenburg	Inom Vallgraven 54:10	Lilla Torget 3	1929	Office		700	175						875	11
Gothenburg	Inom Vallgraven 54:9	Lilla Torget 4	1929	Office		802		8					810	14
Gothenburg	Inom Vallgraven 58:6	Kungsgatan 34	1989	Retail		1,767	230	10				2,728	4,735	106
Gothenburg	Inom Vallgraven 8:1	Kyrkogatan 29-31	1850	Retail		1,526	1,668					10	3,204	110
Gothenburg	Inom Vallgraven 8:19	Kungsgatan 56	1962	Office		712	409						1,121	47
Gothenburg	Inom Vallgraven 8:20	Kyrkogatan 33	Saknas	Retail			803						803	17
Gothenburg	Järnbrott 145:6	Svängrumsgatan 45	1963	Residential							3,844	13	3,857	29
Gothenburg	Kobbegården 6:725	Datavägen 12 A	1988	Office		3,268							3,268	22
Gothenburg	Kyrkbyn 147:1	Almquistgatan 1	1967	Other	Yes				520				520	
Gothenburg	Källtorp 36:7	Solrosgatan 13 A	1935	Residential							769	105	874	11
Gothenburg	Källtorp 39:1	Råstensgatan 2 A	1936	Residential							791		791	10
Gothenburg	Lindholmen 39:2	Lindholmospiren 4	2013	Hotel						13,299			13,299	188
Gothenburg	Lorensberg 46:1	Storgatan 45	1929	Retail		299	1,288	42				316	1,945	30
Gothenburg	Lorensberg 46:10	Kungsportsavenyn 17	1944	Office		983	572						1,555	32
Gothenburg	Lorensberg 46:11	Teatergatan 18	1929	Retail								1,203	1,203	19
Gothenburg	Lorensberg 46:12	Kungsportsavenyn 11	1929	Retail			2,394						2,394	55
Gothenburg	Lorensberg 46:5	Kungsportsavenyn 7	1929	Retail		201	766						967	20
Gothenburg	Lorensberg 46:6	Kungsportsavenyn 9	1950	Retail								1,176	1,176	31
Gothenburg	Nordstaden 10:15	Köpmansgatan 27	1900	Office		1,031	590					812	2,433	64
Gothenburg	Nordstaden 10:16 & 10:17	Köpmansgatan 29	1929	Hotel			113			7,753			7,866	117
Gothenburg	Olskroken 10:5	Olskroksgatan 30	1985	Office		1,974			2,501				4,475	
Gothenburg	Olskroken 25:11	Falkgatan 7	1932	Other					1,969			292	2,261	
Gothenburg	Rud 8:10	Munspelsgatan 10	1962	Residential		255		614			43,673	805	45,347	331
Gothenburg	Sannegården 25:1	Säterigatan 20	1971	Other		2,912		222					3,134	18
Gothenburg	Sannegården 28:5	Sjöporten 1	1945	Office		69	307		1,161				1,537	23
Gothenburg	Tingstadsvassen 3:6	Krokegårdsgatan 3	1944	Retail		65	3,493	230				6	3,794	77
Gothenburg	Tingstadsvassen 3:7	Krokegårdsgatan 7	1987	Retail			5,243						5,243	91
Gothenburg	Torslanda 153:1	Mossfyndsgatan 15	1989	Residential	Yes	362							362	
Gothenburg	Torslanda 155:3	Mossfyndsgatan 10	1989	Residential	Yes	300							300	
Gothenburg	Torslanda 95:1	Torslanda torg 2	1973	Retail		231	4,578	26			871	968	6,674	48
Gothenburg	Utby 39:11	Västra Tvärskedet 3	1990	Residential					116		351		467	

● Acquisitions during 2015.

			Year of	Property	Site								Tax assess-	
Municipality	Name of property	Address	construc-	category	leasehold	Office	Retail	Industrial/ Warehouse	Education/ Care	Hotel	Residential	Other	Total	ment value, SEKm
forts. Region Gothenburg														
Kungälv	Klocktornet 36	Västra gatan 57	1972	Retail				3,351				423	3,774	28
Kungälv	Krabbetornet 1&35	Västra Gatan 84	1938	Retail		391	840				272		1,503	12
Kungälv	Nedre Platt 1	Eastra Gatan 1	Saknas	Ground										
Kungälv	Rhodin 19	Strandgatan 77	1967	Retail				2,822	91			7	2,920	27
Kungälv	Skomakaren 10	Fabriksgatan 10	1988	Office		1,781	478	79	1,474			312	4,124	31
Kungälv	Slottsträdgården 5	Gamla torget	1958	Hotel						6,100			6,100	26
Lerum	Floda 3:121	Gamla Vägen 26	1991	Residential							1,016		1,016	11
Lerum	Lerum 43:21	Skattegårdsbacken 10	1991	Residential							1,383		1,383	3
Lerum	Torp 1:328	Lindvägen 34 A	1988	Residential							428	11	439	4
Mariestad	Enen 23	Viktoriegatan 16	1985	Retail			3,889				1,952		5,841	40
Mariestad	Furan 11	Stockholmsvägen 23	1962	Residential		121					1,620	637	2,378	32
Mariestad	Furan 12	Stockholmsvägen 25	1962	Residential				6			4,254		4,260	
Mariestad	Fårtickan 1	Bergsgatan 20	1968	Residential							4,632		4,632	24
Mariestad	Granen 8	Viktoriegatan 17	1900	Other										
Mariestad	Hunden 3	Nya Torget 1	1900	Retail			2,187	260			158	1,251	3,856	14
Mariestad	Murklan 1	Bergsgatan 18	2005	Residential							12,599		12,599	60
Mariestad	Staren 8	Nygatan 14	1900	Retail		355	1,621				86		2,062	9
Mölnadal	Stockrosen 10	Northa Ågatan 26 C	1973	Office		1,648		53				35	1,736	10
Mölnadal	Stockrosen 3	Northa Ågatan 38	1964	Office		604	408	5,017				190	6,219	17
Mölnadal	Stockrosen 6	Northa Ågatan 34	1948	Office		551	1,212	252					2,015	10
Skara	Almen 4	Sankta Annagatan 12 m fl	1986	Residential				17			602	90	709	
Skara	Aspen 1	Malmgatan 9 A-C m fl	1929	Residential							1,415	50	1,465	
Skara	Bisittaren 2	Stenåsgatan 4	1900	Residential							354		354	
Skara	Bisittaren 6	Härlundagatan 41 m fl	1990	Residential							300		300	
Skara	Boken 38	Brinkagatan 2 A-C m fl	1929	Residential							967		967	
Skara	Bromsen 5	Richertsgatan 1	1990	Residential							534		534	
Skara	Fjärilen 6	Folkungagatan 15 m fl	1929	Residential							350		350	
Skara	Frigga 4	Mariebergsgatan 4 A-B	1900	Residential							824		824	
Skara	Frigga 5	Mariebergsgatan 6 A-B	1900	Residential							828		828	
Skara	Heimdal 1	Hindsbogatan 43 A-B m fl	1900	Residential							632	50	682	
Skara	Heimdal 4	Hindsbogatan 37 A-B m fl	1900	Residential							647	25	672	
Skara	Plymen 4, 5	Vallgatan 36 A-B	1900	Residential							705		705	
Skara	Rådhuset 40	Nicolai Gränd 1-3 m fl	1900	Residential		198					1,905		2,103	
Skara	Sländan 1	Borggatan 8 A-C	1954	Residential							1,434		1,434	
Skara	Smörberget 2	Stenåsgatan 10	1900	Residential							410		410	
Skara	Svärdet 11	Vallgatan 30	1990	Residential							412		412	
Skara	Tallen 7	Hindsbogatan 20	1937	Residential							852		852	
Skara	Tor 10	Hindsbogatan 17	1929	Residential							689		689	
Skara	Tor 6	Marumsgatan 16	1900	Residential			312				829		1,141	
Skara	Tyr 1	Hindsbogatan 45 A-B m fl	1947	Residential							623	57	680	
Skövde	Dagsländen 10	Bakvägen 2-32	1972	Residential		165					22,212		22,377	71
Skövde	Ekoxen 10	Barkvägen 32	1974	Residential		2,453	180				21,826	6,166	30,625	96
Skövde	Mellomkvarn 1	Mellomkvarnsvägen 2	1972	Retail				10,959					10,959	32
Skövde	Smeden 5	Petter Heléns Gata 2	1900	Office	Yes	2,598							2,598	15
Skövde	Storängen 13	Kåsatorpsvägen 5	1900	Office		2,181		70					2,251	9
Trollhättan	Hoppet 1	Drottningg 13, Staveredsg 19	1992	Residential		295					2,341	265	2,901	21
Trollhättan	Plogen 1	Lantmannavägen	1969	Residential	Yes	32		316			11,156		11,504	43
Trollhättan	Plogen 2	Lantmannavägen	1967	Residential	Yes						10,555		10,555	32
Trollhättan	Propellern 7	Saabvägen 1	1992	Office		4,759						9	4,768	21
Trollhättan	Sjöfrun 5	Magasinsg 4A-4B, Storgatan 35	1936	Residential			193				1,367	161	1,721	11
Trollhättan	Strandpiparen 12	Slättbergsvägen 22	1952	Residential							654	110	764	6
Trollhättan	Svan 7	Storgatan 47	1989	Hotel						11,632			11,632	53
Trollhättan	Venus 9	Föreningsg 10A-10C, Easterlångg 44-46	1989	Residential		1,250	475				1,594		3,319	22
Trollhättan	Verkmästaren 14	Ekholmmsg 11, Wallströmsg 9	1910	Other					1,421			75	1,496	
Töreboda	Advokaten 1	Northa Torggatan 7	1985	Retail	Yes		1,286				842		2,128	
Töreboda	Byggmästaren 5	Northa Torggatan 10	1929/1992	Residential			239				1,142		1,381	
Töreboda	Plåtslagaren 9	Stora Bergsgatan 4 A-B	1947-48/1992	Residential							1,849		1,849	
Töreboda	Rönnen 11	Stora Bergsgatan 20 A-B	1957	Residential		217					822		1,039	
Töreboda	Sotaren 12	Vadsbogatan 10 A-12 B	1947	Residential							976		976	
Uddevalla	Bagge 7	Kungsgatan 10	1968	Retail		1,239	1,380	103					2,722	22
Uddevalla	Kålgården 51	Kyrkogårdsgatan 1, 3, 5	1930	Hotel		1,189	590	500	294	6,500		10	9,083	42
Uddevalla	Sälghugget 1	Lillbräckeagatan	1972	Residential	Yes	243	239	206			14,420		15,108	95
Vänersborg	Resedan 15	Kungsgatan 5	1994	Residential			1,168				1,203	35	2,406	15
Total Gothenburg						124,368	75,795	44,521	19,919	98,528	381,028	35,804	779,963	5,448

Municipality	Name of property	Address	Year of construction	Property category	Site leasehold right	Lettable area, sq.m.							Tax assessment value, SEKm	
						Office	Retail	Industrial/ Warehouse	Education/ Care	Hotel	Residential	Other		Total
Region Öresund														
DK, Greve	Ventrupparken 6	Ventrupparken 6	1900	Retail				4,723					4,723	
DK, Copenhagen	Stævnem	Robert Jacobsens Vej	2009	Residential						6,807			6,807	
DK, Copenhagen	Vestervold Kvarter	Jernbanegade 8	1900	Retail			5,300						5,300	
DK, Copenhagen	Easterfaelled	Marskensgade 13	1996	Residential						43,528			43,528	
Helsingborg	Amerika Södra 28	Bryggaregatan 7	1950	Residential		561	501	20		5,163	1,363	7,608		
Helsingborg	Skalbaggen 15	Gustav Adolfs Gata 13	1939	Residential						762	19	781	82	
Helsingborg	Skalbaggen 16	Gasverksgatan 32 A	1935	Residential			195			2,155	65	2,415	5	
Helsingborg	Skalbaggen 17	Gasverksgatan 34	1935	Residential			83			712	32	827	6	
Helsingborg	Skalbaggen 18	Gasverksgatan 36	1933	Residential			34			818	66	918	18	
Helsingborg	Skalbaggen 19	Gasverksgatan 38	1935	Residential						708	57	765	6	
Helsingborg	Skalbaggen 20	Gasverksgatan 40	1935	Residential			83			632	109	824	6	
Helsingborg	Skalbaggen 21	Gasverksgatan 42	1935	Residential						711	103	814	5	
Helsingborg	Skalbaggen 22	Gasverksgatan 44 A	1930	Residential			143			1,905		2,048	5	
Helsingborg	Skalbaggen 23	Gustav Adolfs Gata 17	1967	Residential						3,685	60	3,745	2	
Helsingborg	Skalbaggen 24	Gustav Adolfs Gata 15	1983	Residential						2,134		2,134	15	
Helsingborg	Skalbaggen 7	Drakegatan 5	1929	Residential						688	111	799	24	
Helsingborg	Verdandi 1	Bifrostgatan 71	2006	Residential			62			3,763		3,825	17	
Helsingborg	Württemberg 20	Furutorpsgatan 29	1937	Retail		1,589	6,176	15		4,786	1,314	13,880	43	
Kristianstad	Hovrätten 41	Västra Storgatan 13	1985	Hotel			380			7,075		7,455	117	
Lund	Dioriten 1	Brunnsgård, Råbyvägen 1	2001	Office		3,080						3,080	34	
Lund	Jöns Petter Borg 14	Hedvig Möllers gata 2	2013	Hotel						8,462		8,462	36	
Lund	Kalkstenen 1	Kalkstensvägen 32	2000	Retail			2,180					2,180	103	
Lund	Lagfarten 1 & 2	Magistratvägen 10	1968	Office		3,472	1,005	289				4,766	18	
Lund	Porfyren 2	Glimmervägen 3	1991	Hotel						15,711		15,711	30	
Lund	Rügen 1	Stralsundsvägen 1-25	2006	Residential							3,083		104	
Lund	Rügen 2	Stralsundsvägen 29	2006	Residential						5,264	528	5,792	41	
Malmö	Ledebur 15	Amiralsgatan 20	1990	Office		6,135					1,300	7,435	76	
Malmö	Lejonet 2	Lilla Torg 1	1929	Office		4,896	39	68		314	504	5,821	61	
Malmö	Rosen 9	Engelbrektsgatan 2	1960	Hotel			1,430			9,777		11,207	112	
Malmö	Spinneriet 8	Baltzarsgatan 20	1957	Office		12,487	3,053	2,137		5,540	1,454	24,671	225	
Malmö	Spännbucklan 12 & 13	Agnesfridsvägen 180	1983	Retail	Yes		5,320					5,320	479	
Malmö	Von Conow 54	Baltzarsgatan 31	1964	Office		9,316	4,398	491			2,584	4,185	20,974	
Trelleborg	Lavetten 41	Hedvägen 167-173	1987	Retail			990					990	284	
Växjö	Elden Södra 17	Biblioteksgatan 7	1985	Hotel			65			6,888	57	7,010	4	
Växjö	Kocken 3	Hejaregatan 19	1969	Hotel						3,982		3,982	37	
Åstorp	Asken 14	Esplanaden 15	1952	Residential		167	239	53			771	1,230	5	
Åstorp	Blåkllockan 9	Fågelsångsgatan 32 A	1966	Residential						808		808	4	
Åstorp	Boken 4	Esplanaden 19 A	1945	Residential		235	1,207	154		7,606		9,202	39	
Åstorp	Ekorren 27	Skolgatan 7	1929	Residential			337			639		976	4	
Åstorp	Hyllinge 5:122	Postgatan 12 A	1963	Residential				164	120	7,431	134	7,849	22	
Åstorp	Hästhoven 12	Fabriksgatan 19 A	1960	Residential			704	103		2,633		3,440	14	
Åstorp	Kastanjen 16	Esplanaden 7	1972	Residential		1,873	833			3,458	156	6,320	27	
Åstorp	Linden 11	Nyvångsgatan 1 A	1961	Residential						340		340	3	
Åstorp	Lotusblomman 15	Nyvångsgatan 31	1961	Residential						340		340	3	
Åstorp	Lungörten 1	Nyvångsgatan 2 A	1961	Residential						792		792	4	
Åstorp	Lärksoppen 10	Ekebrogatan 100	1972	Residential				42		8,030	165	8,237	17	
Åstorp	Lärkrädet 10	Ekebrogatan 1	1970	Residential				42		5,799	142	5,983	33	
Åstorp	Moröten 10	Torggatan 35 A	1954	Residential						776		776	24	
Åstorp	Resedan 1	Northa Storgatan 10 A	1964	Residential				28		1,061		1,089	4	
Åstorp	Svärdsliljan 7	Eastergatan 16 A	1958	Residential		245	457			6,457		7,159	5	
Åstorp	Tranan 1	Fjällvägen 10 A	1991	Residential						3,820		3,820	30	
Total Öresund						44,056	35,214	8,329	120	57,435	140,963	11,924	298,041	2,251
Region East														
Arboga	Gesällen 15	Bergsgränd 3 A	1958	Residential		436		230		5,048		5,714	18	
Arboga	Getingen 1	Västermovägen	1969	Residential						9,515	20	9,535	30	
Arboga	Hjulumakaren 25	Vikingagatan	1978	Residential						3,497		3,497	14	
Arboga	Ringsborg 1	Kapellgatan 29	1981	Office		1,488						1,488	5	
Arboga	Riskan 1	Trädgårdsgatan	1963	Residential		283		71		3,846		4,200	15	
Arboga	Vilsta 10	Jädersvägen	1965	Residential		59		48		8,264		8,371	31	
Arboga	Vilsta 21	Lundborgsesplanaden	1970	Residential				40		6,532		6,572	24	
Arboga	Vilsta 9	Jädersvägen 1	1961	Residential		200	835	46		7,439		8,520	30	
FI, Keminmaa	Joulantie 1-3		2001/2002	Retail			12,337					12,337		
FI, Kuopio	Leväsentie 2B		2006	Retail			20,123					20,123		
FI, Kuusamo	Loumantie 1-3			Retail			12,623					12,623		

● Acquisitions during 2015.

Municipality	Name of property	Address	Year of construction	Property category	Site leasehold right	Lettable area, sq.m.						Total	Tax assessment value, SEKm
						Office	Retail	Industrial/ Ware- house	Education/ Care	Hotel	Residential	Other	
Fi, Kuusamo	Ouluntaival 1		1978	Retail			3,718						3,718
Fi, Mäntsälä	Mäntsäläntie 1		1989	Retail			3,574						3,574
Fi, Nurmijärvi	Isoseppälä 14		1996	Retail			2,777						2,777
Fi, Raisio	Kauppakatu 2		1995	Retail			5,786						5,786
Fi, Seinäjoki	Kauppakatu 4		1971/1982	Retail			4,591						4,591
Gotland	Soldaten 1	Volontärgatan	2005	Residential				29			3,050	50	3,129
Gotland	Västerhejde Vibble 1:457	Tvinnaregatan 10	1989	Residential							7,734	127	7,861
Jönköping	Björnen 6	Tormenäsgatan 15	1991	Office		773					176		949
Jönköping	Hålan 6:2	Bågvägen 1	1972	Residential				89			9,692	187	9,968
Jönköping	Lejoninnan 10	Nygatan 2	1965	Residential				14			11,113		11,127
Jönköping	Mjälaryd 3:300	Mickels väg 10 A	1991	Residential							2,611	337	2,948
Jönköping	Tigern 7	Backgatan 2 A	1968	Residential				16			5,985		6,001
Köping	Disa 1	Stora Torget	1929	Residential			662				924		1,586
Köping	Fenja 10	Västra Åpromenaden 20	1965	Retail		1,548	1,958				1,169	578	5,253
Köping	Freja 11	Stora G. 8, Ö:A Långg. 8-10	1929	Residential		124	876				1,612	69	2,681
Köping	Freja 3	Stora Gatan	1979	Residential			416				1,324		1,740
Köping	Immanuel 2	Tunadalsgatan 28	1965	Residential		120					11,131	273	11,524
Köping	Inga 1	Sankt Olofsgatan 52	1947	Residential		177	97				2,271	179	2,724
Köping	Tunadal 6-8	Tunadalsgatan	1971	Residential		330					8,226	990	9,546
Northköping	Gärdet 1	Rågången 71	1958	Residential			491				4,609		5,100
Northköping	Lammet 2	Kungstorget 2	1939	Residential		173	1,950				2,379	60	4,562
Northköping	Lokatten 12	Hosp.Gat9-11,Olai Kyr- kog12,Trädg.G 8b,10	1992	Residential		1,693	380				5,364	533	7,970
Northköping	Planket 20	Bråddgatan 54	1983	Residential							1,139		1,139
Northköping	Planket 23	Plankgatan 46	1940	Residential		25	60				940	600	1,625
Northköping	Prinsen 18	Hospitalsgatan 42	1967	Residential			30	99			9,453	11	9,593
Northköping	Sprutan 8	Gamla Rådstugugatan 52	1940	Residential			370				1,241	145	1,756
Northköping	Stenhuggaren 25	Sandgatan 28	1960	Residential							2,914		2,914
Northköping	Storgatan 10	Drottninggatan 10	1929	Residential		484					1,146	755	2,385
Northköping	Storgatan 9	Drottn.G14,G:A Rådst.G3-7,Nya Rådst.G2-4	1985	Residential		252	355	15			5,953	231	6,806
Northköping	Stävan 2	Rösgången 32	1959	Residential	Yes						3,639		3,639
Northköping	Tullhuset 1	Gamla Rådstugugatan 11	1929	Residential			273				1,320		1,593
Nyköping	Brandholmen 1:72	Idrottsvägen 12 E	2014	Other								16,324	16,324
Tranås	Bågskytten 4	Grännavägen 21	1949	Residential							478		478
Tranås	Bågskytten 5	Stjärngatan 13	1991	Residential							500		500
Tranås	Falkberget 24	Vallgatan 6	1969	Residential							1,017	70	1,087
Tranås	Flundran 2	Granitgatan 2	1966	Other									
Tranås	Forellen 3	Beckhemsvägen	1972	Residential		56		55			5,577	95	5,783
Tranås	Forellen 4	Beckhemsvägen 21	1930	Other							150	250	400
Tranås	Forellen 5	Beckhemsvägen 14	1969	Residential		348					6,019	10	6,377
Tranås	Gäddan 2	Beckhemsvägen 2	1966	Residential							3,402		3,402
Tranås	Jupiter 17	Plangatan	1988	Residential							476		476
Tranås	Kometen 10	Nämndemansgatan 8	1944	Residential							708		708
Tranås	Kullen 1	Västra vägen 7 A	1946	Residential							670	34	704
Tranås	Laxen 2	Beckhemsvägen 10	1967	Residential		324		65			9,114	290	9,793
Tranås	Laxen 3	Beckhemsvägen 8	1973	Retail								575	575
Tranås	Lejonet 5	Sveagatan 4	1940	Residential							1,279	63	1,342
Tranås	Lindkullen 11	Majorsgatan 18 A	1929	Residential							814		814
Tranås	Lindkullen 12	Majorsgatan 20	1949	Residential							943	128	1,071
Tranås	Lindkullen 13	Majorsgatan 22	1946	Residential							999	10	1,009
Tranås	Nordstjärnan 7	Storgatan 38	1965	Residential		265	966				1,504	216	2,951
Tranås	Northa Gyllenfors 9	Missionsgatan 10	1950	Residential		369	4,938	45			5,613	65	11,030
Tranås	Oden 12	Nygatan 18	1992	Residential		367	1,213				1,997	110	3,687
Tranås	Sutaren 2	Beckhemsvägen 12 A	1968	Residential		496					2,752	551	3,799
Tranås	Södra Framnäs 20	Framnäsgatan 2	1984	Residential							402		402
Tranås	Tigern 14	Götgatan 29	1960	Residential							736		736
Tranås	Tjädern 23	Framnäsgatan 1	1983	Residential							684		684
Tranås	Tornsvälan 3	Eastra Järnvägsgratan 1	1985	Residential							2,073	10	2,083
Tranås	Västermalm 23	Storgatan 15	1955	Residential			3,310	15			2,913	617	6,855
Tranås	Öringen 1	Granitgatan 5	1971	Residential							3,040		3,040
Västerås	Fälmössan 1	Rönnergagatan 1	1963	Residential			150	106			14,331		14,587
Västerås	Klockarkärleken 2	Rönnergagatan 4	1962	Residential				260			5,778		6,038
Västerås	Rödklinten 2	Bangatan 15	1957	Residential			133	120			7,003	30	7,286
Västerås	Sågen 1	Pilgatan 33	1980	Hotel						8,317			8,317
Västerås	Vallmon 6	Bangatan 1 A	1968	Residential				84			13,914		13,998
Västerås	Vapenrocken 1	Regementsgatan 62	1963	Residential		441		114			19,194	2	19,751
● Fi, Sato	Several properties			Residential							392,044		392,044
Total East						10,831	84,992	1,561		8,317	657,379	24,595	787,675

Lettable area, sq.m.

			Year of construction	Property category	Site leasehold right	Industrial/							Tax assessment value, SEKm	
Municipality	Name of property	Address				Office	Retail	Ware-house	Education/Care	Hotel	Residential	Other	Total	
Region North														
Gävle	Holmsund 11:1 mfl	Korsnäsvägen 108 m fl	1958	Residential							1,200	260	1,460	3
Gävle	Holmsund 7:6	Holmsundsvägen 7, 17–29	1929	Residential							2,948		2,948	10
Gävle	Kastet 8:1, 12:1 m fl	Forskarvägen 27 m fl	1929	Residential		1,271	104				12,467	1,781	15,623	45
Gävle	Lillhagen 5:3	Torkarvägen 2–14	1958	Residential							2,871		2,871	10
Gävle	North 18:6	Nygatan 37–39 m fl	1985	Residential		42	408				2,641	385	3,476	30
Gävle	North 27:2	Stora Esplanadgatan 9 m fl	1920	Residential		127	480				2,185	40	2,832	23
Gävle	Söder 58:7	Södra Kungsgatan 44 m fl	1969	Residential		289	941	252			2,004		3,486	23
Gävle	Sörby 10:9	Falkvägen 5 A–B	1994	Residential							512		512	4
Gävle	Valbo-Backa 6:12	Johanneslötsvägen 6	1981	Other						7,382			7,382	31
Karlstad	Anden 9	Ättkantslunden 1 A–B, 3 A–B	1983	Residential							1,472	20	1,492	13
Karlstad	Braxen 34	Eastra Kanalgatan 8 m fl	1944	Residential			321				1,198	521	2,040	13
Karlstad	Druvan 1	Drottninggatan 22 m fl	1929	Residential			459				1,443	681	2,583	30
Karlstad	Ekorren 9	Sandbäcksgatan 5 m fl	1929	Residential		715	46				1,811		2,572	18
Karlstad	Furan 5	Gillbergsgatan 3 A–D	1951	Residential		,	119				1,710		1,829	16
Karlstad	Furan 7	Jössegatan 3 A–B	1968	Residential		,					925	97	1,022	9
Karlstad	Granatkastaren 4	Artillerigatan 1–5	1945	Residential		,					748		748	6
Karlstad	Gruvan 12	Västra Kanalgatan 3	1991	Residential			126				2,525		2,651	25
Karlstad	Gruvan 2	Eastra Kyrkogatan 4	1929	Residential		,					1,064	102	1,166	10
Karlstad	Grävlingen 3	Sundbergsgatan 20 m fl	1929	Residential		,	138				1,030		1,168	10
Karlstad	Höken 1	Hamngatan 16	1929	Other		,				5,890			5,890	52
Karlstad	Pilbågen 1	Sandelsgatan 2, 4, 6, 8	1942	Residential		,					2,184		2,184	16
Karlstad	Registratorn 1	Northa Allén 26 A–B	1949	Residential		,					502	56	558	4
Karlstad	Registratorn 8	Northa Allén 30 A–B	1948	Residential		,					456	61	517	4
Karlstad	Registratorn 9	Northa Allén 28	1946	Residential		100					466	29	595	4
Karlstad	Spiran 1-6	Lignellsgatan 1 m fl	1940	Residential		,	95				4,456	59	4,610	40
Karlstad	Trätälja 11	Drottninggatan 37 m fl	1959	Residential		,	259				4,567	35	4,861	42
Karlstad	Tusenskönan 1	Älvdalsgatan 8 A–C	1950	Residential	Yes	,	69				1,288		1,357	12
Karlstad	Väduren 3	Rudsvägen 1 A–D	1942	Residential		,					1,344	24	1,368	12
Sundsvall	Aeolus 1	Nybrogatan 19 m fl	1944	Residential		89	501				872		1,462	8
Sundsvall	Bredsand 1:13	Appelbergsvägen 3		Ground		,								
Sundsvall	Bredsand 1:14	Appelbergsvägen 4		Ground		,								
Sundsvall	Bredsand 1:3 mfl	Appelbergsvägen 1 A–B	1950	Residential		,					7,127	82	7,209	21
Sundsvall	Bredsand 1:4 mfl	Appelbergsvägen 14–18	1950	Residential		,					4,479		4,479	12
Sundsvall	Dingersjö 28:27 mfl	Appelbergsvägen 26–32 m fl	1989	Residential		,					9,464	50	9,514	27
Sundsvall	Dingersjö 3:131 m fl	Bergsvägen 3 A–J	1964	Residential		,					20,176	5,077	25,253	52
Sundsvall	Fliten 10	Skolhusallén 9	1990	Office		3,125						36	3,161	25
Sundsvall	Fliten 11	Rådhusgatan 39 A–B m fl	1992	Residential		272					3,371		3,643	29
Sundsvall	Kvissle 2:53 & 2:43	Affärsgatan 26 A–D	1962	Residential		,					1,468		1,468	3
Sundsvall	Kvissle 22:2 & 39:1	Affärsgatan 22–24 m fl	1968	Residential		192	137				6,311	45	6,685	15
Sundsvall	Lagmannen 10	Esplanaden 18–22 m fl	1962	Residential		757	240	70			3,980	1,099	6,146	32
Sundsvall	Nolby 1:48, 40:1, 1:108	Skolgatan 4	1983	Residential		1,070					4,079	766	5,915	15
Sundsvall	Nolby 3:268	Brovägen 9	1988	Residential		,					997		997	3
Sundsvall	Nolby 40:2	Affärsgatan 18 A–C	1964	Residential		,	866				2,166	207	3,239	8
Sundsvall	Nolby 41:3 & 37:1	Affärsgatan 14 A–H, 16 A–N	1974	Residential		,	1,006				5,328	43	6,377	16
Total North						7,957	6,351	1,083		13,873	126,947	9,139	165,349	783
Total Fastighets AB Balder						348,070	226,614	76,740	36,307	272,958	2,375,980	93,418	3,430,088	15,146