

# **Balder Finland Oyj**

## **FINANCIAL STATEMENTS AND ANNUAL REPORT 1 January - 31 December 2023**

**Business ID 2667238-2  
Domicile Helsinki**

**Balder Finland Oyj**  
2667238-2

## **FINANCIAL STATEMENTS 1 Jan - 31 Dec 2023**

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The financial statements must be stored for at least ten (10) years from the end of the financial year (Accounting Act, Section 2:10).

## ANNUAL REPORT 31 DECEMBER 2023

### Board of Directors' report

During the financial year, the company recorded EUR 38.8 million worth of interest income on intra-Group loans and other financial income and EUR 34.3 million worth of financial expenses.

During the financial year, a credit loss provision, as referred to in IFRS 9, of EUR 13 million was reversed and a new credit loss provision of EUR 3 million was recognised. To correct the negative shareholders' equity as at the end of the previous financial year, an investment of EUR 7.2 million was made in the reserve for invested unrestricted equity on 2 May 2023. The investment has been recorded as a receivable, whose payment schedule will be specified later. Shareholders' equity at the end of the financial year was EUR 11.7 million.

### Events during the financial year

In June 2023, the EUR 277.5 million repayment and EUR 2.5 million interest on the EUR 500 million bond issued by Balder Finland Oyj matured, totalling EUR 280 million.

### Material events after the financial year and an estimate of future developments

Balder Finland Oyj monitors the geopolitical tensions in Europe, which may have a significant impact on the performance of long-term investments.

### Related party transactions

The Company acts as the issuer of the parent company's bond. The parent company makes repayments and pays interest on the bonds directly to creditors. Payments made by the parent company on behalf of the company are netted against the parent company's receivable. One bond matured in 2023, resulting in a repayment of EUR 280 million.

According to the Balder Group's internal loan agreement, the debtor (parent company Fastighets AB Balder (publ)) pays quarterly interest and the loan is in effect until further notice. However, the debtor may repay the loan early in full or in part, including any accumulated loan fees, without any sanctions.

The company's intra-group loan receivables involve a credit loss risk. The company has no other activities than a loan receivable from the parent company Fastighets AB Balder. Fastighets AB Balder is dependent on its lease contracts and on payments it receives from tenants, among other things. Failure by tenants to make payments or otherwise meet their obligations, or early termination of lease contracts for whatever reason may have a negative impact on the parent company's financial result and cash flow. In this case, Balder Finland Oyj might be forced to record receivables from the parent company as credit losses, making it unable to repay the bond loan as agreed.

Receivables and liabilities are subject to the risk of changes in fair value for reasons such as fluctuating interest rates. Both the bond issued during the financial year and the long-term loan given to the parent company constitute fixed borrowing costs and are unsecured. Currency fluctuations have no impact on the company's operations. No impact on profit or loss is expected in 2024, since the borrowing costs for both liabilities and receivables are fixed.

Balder Finland Oyj's parent company is Fastighets AB Balder (publ). It is domiciled in Gothenburg and owns 100% of the company's shares.

**Board of Directors**

Chairman of the Board  
Erik Selin  
Ordinary member  
Malin Johannesson  
Kristofer Osberg

The company auditor is PricewaterhouseCoopers Oy  
Principal auditor:  
Olli-Pekka Salonen, APA

**Shares**

The company's share capital is EUR 80,000 and the number of shares is 1,000. The share capital is divided into 1,000 shares, each with a nominal value of EUR 80.

**Board's proposal on the disposal of retained earnings**

The Board of Directors proposes that the profit for the financial year be transferred to the profit and loss account and that no dividend be distributed.

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**STATEMENT OF COMPREHENSIVE INCOME**

EUR 1,000	<i>Notes</i>	<b>1.1.2023- 31.12.2023</b>	<b>1.1.2022- 31.12.2022</b>
			Adjusted
Interest income	<i>9,16</i>	38 850,1	33 708,5
Interest expenses	<i>8</i>	-34 264,4	-31 350,0
<b>Net interest income</b>		<b>4 585,7</b>	<b>2 358,5</b>
Income from early bond repurchase	<i>9,16</i>	0,0	1 668,7
Expected credit losses	<i>5</i>	10 000	-13 000,0
Administrative expenses	<i>10</i>	-63,9	-75,6
<b>Profit/loss before taxes</b>		<b>14 521,8</b>	<b>-9 048,3</b>
Income taxes for the financial year	<i>11</i>	-2 906,7	1 894,4
<b>PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>		<b>11 615,1</b>	<b>-7 153,9</b>
 <b>COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		 <b>11 615,1</b>	 <b>-7 153,9</b>
 <b>Breakdown of profit or loss for the financial year</b>			
To parent company shareholders		11 615,1	-7 153,9
To minority shareholders		0,0	0,0
<b>Total</b>		<b>11 615,1</b>	<b>-7 153,9</b>

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## BALANCE SHEET

EUR 1,000	Notes	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Receivables from the parent company	5	2 101 144,9	2 103 825,5
Deferred tax assets	11	600,0	2 600,0
<b>Total non-current assets</b>		2 101 744,9	2 106 425,5
<b>Current assets</b>			
Receivables from the parent company	5	24 161,6	289 318,3
Cash and cash equivalents		266,0	22,1
<b>Total current assets</b>		24 427,6	289 340,4
<b>TOTAL ASSETS</b>		2 126 172,5	2 395 766,0
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Equity attributable to parent company shareholders			
Share capital	14	80,0	80,0
Reserve for invested unrestricted equity	14	7 605,0	405,0
Retained earnings	14	-7 560,2	-406,3
Profit or loss for the financial year	14	11 615,1	-7 153,9
<b>Total shareholders' equity</b>		11 739,9	-7 075,2
<b>Liabilities</b>			
<b>Long-term</b>			
Bonds	5, 6, 12	2 090 175,2	2 124 632,4
<b>Total long-term liabilities</b>		2 090 175,2	2 124 632,4
<b>Short-term</b>			
Bonds	6	24 144,7	277 502,0
Accounts payable		0,0	1,2
Tax debt		112,7	705,6
<b>Total short-term liabilities</b>		24 257,4	278 208,7
<b>Total liabilities</b>		2 114 432,6	2 402 841,1
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		2 126 172,5	2 395 766,0

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## Statement of changes in equity

### Equity attributable to parent company shareholders

<i>EUR 1,000</i>	Notes	Share capital	Invested unrestricted equity	Retained earnings	Total	Total share- holders' equity
Shareholders' equity 1 Jan 2023	14	80,0	405,0	-7 560,2	-7 075,2	-7 075,2
Transactions with the owner			7 200,0			
Profit or loss for the financial year	14			11 615,1	11 615,1	11 615,1
<b>Shareholders' equity 31 Dec 2023</b>		<b>80,0</b>	<b>7 605,0</b>	<b>4 054,9</b>	<b>11 739,9</b>	<b>11 739,9</b>

### Equity attributable to parent company shareholders

<i>EUR 1,000</i>	Notes	Share capital	Invested unrestricted equity	Retained earnings	Total	Share-holders' equity
Shareholders' equity 1 Jan 2022	14	80,0	405,0	-46,7	38,3	38,3
Profit or loss for the financial year	14			-7 153,9	-7 153,9	-7 153,9
<b>Shareholders' equity 31 Dec 2022</b>		<b>80,0</b>	<b>405,0</b>	<b>-7 560,2</b>	<b>-7 075,2</b>	<b>-7 075,2</b>

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## Cash flow statement

EUR 1,000	Notes	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Cash flows from operating activities</b>			
Profit before taxes	14	14 521,8	-9 048,3
Adjustments to the profit or loss for the financial year:			
Expected credit losses	16	-10 000,0	13 000,0
Other adjustments		-4,0	-6,3
Interest income and expenses	8, 9	-4 573,9	-2 358,5
Income from early bond repurchase		0,0	-1 668,7
Cash flow before change in receivables		-56,1	-81,9
Repayment of loan receivables from the parent company		1 800,0	100,0
Cash flow from operating activities before financial items and taxes		1 743,9	18,1
Direct taxes paid		-1 500,0	0,0
<b>Net cash flow from operating activities</b>		<b>243,9</b>	<b>18,1</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flow from investing activities</b>		<b>0,0</b>	<b>0,0</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flow from financing activities</b>		<b>0,0</b>	<b>0,0</b>
<b>Change in cash and cash equivalents</b>		<b>243,9</b>	<b>18,1</b>
Cash and cash equivalents at the beginning of the financial year		22,1	4,0
Cash and cash equivalents at the end of the financial year		266,0	22,1



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## NOTES TO THE FINANCIAL STATEMENTS 31 December 2023

### 1. BASIC COMPANY INFORMATION

The financial statements include the information of Balder Finland Oyj (business ID 2667238-2). The company is domiciled in Helsinki.

The company was set up for the purpose of raising capital for the Group's needs and has no activities of its own. The Company acts as the issuer of the parent company's bond. The parent company makes repayments and pays interest on the bonds directly to creditors. Payments made by the parent company on behalf of the company are netted against the parent company's receivable. With respect to the bonds issued, Balder Finland Oyj is the debtor and this debt is guaranteed by the parent company. In loan repayment, priority is given to the guarantee provided by the parent company, followed by the loan receivable from the parent company.

The company is a wholly owned subsidiary of Balder Otas Holding AB (domiciled in Gothenburg). The parent company of Balder Otas Holding AB is Fastighets AB Balder.

The company has no subsidiaries. Subsidiaries refer to companies over which the parent company exercises direct or indirect control.

### 2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). In the Finnish Accounting Act and regulations issued thereunder, the International Financial Reporting Standards refer to the standards and interpretations adopted for application in the EU in line with the procedure laid down in the EU Regulation (EC 1606/2002).

Assets and liabilities are measured at their original acquisition cost. Interest receivables and interest liabilities have been calculated using the effective interest method. Financial income and expenses are recorded for the relevant period.

The income tax for the financial period is calculated at the applicable tax rate in force at the balance sheet date, which was 20% at the balance sheet date 31 December 2023. The tax reported and the tax payable may differ due to non-deductible expenses and tax-free income. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Receivables with a maturity of more than 12 months after the balance sheet date are reported as long-term receivables, others as current assets. Receivables are recorded at the estimated recoverable amount. Cash and cash equivalents include cash, bank accounts and short-term investments.

Financial liabilities are measured at accumulated cost. Expenses directly attributable to loans are added to the cost of the loan and accumulate in line with the effective interest method.

Cash flow statement has been prepared in accordance with the indirect method. All amounts are expressed in euros. The financial statements have been prepared using the going concern basis of accounting.

#### **Expected credit loss provision ("ECL")**

Expected credit losses are calculated for all receivables from the parent company measured at amortised cost. Parent company receivables are classified in two different stages, reflecting a theoretical deterioration in credit quality. Stage 1 agreements include those with no significant increase in credit risk since initial recognition, and for which a 12-month ECL is calculated. Stage 2 agreements include those with a significant increase in credit risk since initial recognition, and for which a lifetime ECL is calculated. Expected credit losses are calculated using modelled risk parameters and the following formula: probability of default (PD) x loss given default (LGD) x exposure at default (EAD) per agreement. They reflect expectations of future credit losses at the reporting date.

A counterparty is classified as insolvent when it is considered unlikely that the counterparty will repay, for example when the customer is in public default. The counterparty is no longer classified as insolvent when it no longer meets the definition of insolvency.

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### **Classification into current and non-current assets and liabilities**

Assets and liabilities are classified in the balance sheet as current or non-current on the following basis:

An asset is current if the following conditions are met:

- Expected to be sold or consumed during a normal operating cycle
- Realised within 12 months from the balance sheet date
- Cash or deposit

All other assets are classified as non-current.

A liability is classified as current if it:

- is realised during a normal operating cycle
- is intended to be paid within 12 months of the balance sheet date

Or

- The company has no right to defer payment of liability beyond 12 months

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company's financial assets and liabilities are measured at amortised cost. The company has not measured any balance sheet item at fair value in the financial statements.

All assets and liabilities whose fair value is determined or presented in the financial statements are classified in a fair value hierarchy as described below, based on the lowest level input that is significant for fair value determination:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Valuation techniques in which the most significant input for fair value determination is the lowest measurement and is directly or indirectly observable
- Level 3 - Valuation techniques in which the most significant input for fair value determination is unobservable

### **Taxes**

The company complies with Finnish tax laws and tax rates.

Income tax related to equity items is recognised in equity and not in the income statement.

### **Deferred tax**

A deferred tax asset is recognised for all temporary differences. It has been calculated at the tax rate applicable in Finland at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that they can be utilised against future taxable profit.

### **Currency**

The company presents its financial statements in euros, which is also its functional currency.

### **Hedging instruments**

The bonds have interest rates of 1%, 1.375% and 2%. The company has no derivative contracts. Hedge accounting is not applied. Fastighets AB Balder has guaranteed all the bonds.

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### Changes in accounting principles

Amendments to IFRS do not have a material effect on the company's financial statements.

### Changes in the presentation of the statement of comprehensive income

The income statement format was changed in the financial year 2023. As a result, financial statements provide more reliable and meaningful information about the effects of transactions, other events or circumstances on an entity's financial position, financial performance and cash flows. The previous income statement format used in 2022 and the new one used in 2022 are shown below.

Earlier format:

#### STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.1.2022- 31.12.2022
<b>Financial income and expenses</b>	
Other financial income	1 668,7
Interest income	33 708,5
Interest expenses	-31 350,0
<b>Total financial income and</b>	<b>4 027,3</b>
Expected credit losses	-13 000,0
Administrative expenses	-75,6
<b>Profit/loss before taxes</b>	<b>-9 048,3</b>
Income taxes for the fiscal year	1 894,4
<b>PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>	<b>-7 153,9</b>

New format:

#### STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1.1.2022- 31.12.2022
Interest income	33 708,5
Interest expenses	-31 350,0
<b>Net interest income</b>	<b>2 358,5</b>
Income from early bond repurchase	1 668,7
Expected credit losses	-13 000,0
Administrative expenses	-75,6
<b>Profit/loss before taxes</b>	<b>-9 048,3</b>
Income taxes for the financial year	1 894,4
<b>PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>	<b>-7 153,9</b>

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### 3. SIGNIFICANT ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the Board of Directors is required to make certain estimates and assumptions that affect the reported assets and liabilities, income and expense items, and other disclosures. Estimates are based on experience and assumptions that the Board deems reasonable in the circumstances. Actual results may differ from these estimates. Estimates of critical importance for the preparation of the company's financial statements are described below.

Assessing the correlation between past default rates, projected economic conditions and expected credit losses is very important. Credit loss estimates are sensitive to changes in circumstances and economic forecasts. The company's previous credit loss risk experience and economic forecasts are no guarantee of the parent company's actual solvency in the future.

Deferred tax assets are recognised only to the extent that it is probable that they can be utilised against taxable profit in future financial years. If the tax position is challenged or ceases to be in effect, the results may be different and may have a significant impact on the figures reported in the financial statements.

The company does not report cash flows flowing through the parent company in the cash flow statement because the company is unable to direct money to or receive money from third parties, and is unable to control the timing of the payment or the amount to be paid or received. Therefore, transaction settlements are considered non-cash transactions and are not reported in the cash flow statement.

### 4. CAPITAL MANAGEMENT

The company's capital consists of a share capital of EUR 80,000, a reserve for invested unrestricted equity of EUR 7.605 million, retained earnings of EUR -7,560,194.74 and a profit of EUR 11,615,073.09 for the financial year. The Balder Group manages the capital structure of its subsidiary by monitoring the net debt-equity ratio (gearing) and adjusting the amount of equity so that it would not be lost through invested unrestricted equity or similar.

In June 2023, EUR 277,502,000 of the bond, originally in the amount of EUR 500 million, matured, thus decreasing the receivable from the parent company Fastighets AB Balder.

#### Net debt

EUR 1,000	31.12.2023	31.12.2022
Interest-bearing liabilities	2 114 320	2 402 134
Cash and cash equivalents and short-term deposits	-266	-22
<b>Net debt</b>	<b>2 114 054</b>	<b>2 402 112</b>

The bonds involve covenants that are binding on the Balder Group. The covenants are related to the Balder Group's solvency and the debt to asset ratio. The terms of the covenants have been met, and there were no violations during the financial year.

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## 5. FINANCIAL ASSETS AND LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
<b>Financial assets</b>		
Long-term receivable, Fastighets AB Balder*	2 101 145	2 103 826
Short-term receivable, Fastighets AB Balder	24 162	289 318
<b>Total</b>	<b>2 125 307</b>	<b>2 393 144</b>

\*includes a receivable of EUR 7,200,000 from the reserve for invested unrestricted equity.

### Financial liabilities

Financial liabilities are initially recognised at fair value. Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are measured at amortised cost using the effective interest method.

In January 2021, the company set up an EUR 4,000 million Euro Medium Term Note programme that will allow the company to issue bonds. All bonds issued by Balder Finland Oyj are backed up by a full guarantee of Fastighets AB Balder. The arranger was Deutsche Bank. The programme is listed on the Euronext Dublin.

The following banks act as dealers:

Deutsche Bank Aktiengesellschaft  
Skandinaviska Enskilda Banken AB (publ)  
Nykredit  
Nordea

Balance sheet value 31 December 2023	1,00 %	20.1.2029	600 000	600 000
	1,375 %	24.5.2030	500 000	500 000
	1,00 %	18.1.2027	500 000	500 000
	2,00 %	18.1.2031	500 000	500 000
Accrued interest on bonds			24 144	24 472
			<u>2 124 144</u>	<u>2 124 472</u>
<b>Short-term interest-bearing financial liabilities</b>				
Balance sheet value 31 December 2023	float	14.6.2023	0	277 502
Accrued interest on bonds			0	161
			<u>0</u>	<u>277 663</u>
<b>Total interest-bearing financial liabilities</b>			<b>2 124 144</b>	<b>2 402 134</b>

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Note 5 continued

**Financial assets and liabilities**

EUR 1,000	Carrying amount	Fair value
<b>Financial assets</b>		
Long-term receivables from parent company	2 101 145	1 599 813
Short-term receivables from parent company	24 162	24 162
<b>Total</b>	<b>2 125 307</b>	<b>1 623 975</b>

EUR 1,000	Carrying amount	Fair value
<b>Financial liabilities</b>		
Long-term bonds	2 090 175	1 591 435
Short-term bonds	24 145	24 145
<b>Total</b>	<b>2 114 320</b>	<b>1 615 580</b>

Fair values differ significantly from carrying amounts because bonds and receivables have fixed rates, and market interest rates have increased significantly since the bond drawdown and granting of loans. The credit margin has remained substantially at the same level, and according to the company's management, the credit risk of the receivable has not significantly increased since the initial recognition.

**Credit loss provision**

EUR 1,000	Stage 1	Stage 2
<b>Receivable from parent company</b>		
Gross receivables	2 128 307	0
Credit loss provision	3 000	0
<b>Net receivables 31 December 2023</b>	<b>2 125 307</b>	<b>0</b>

EUR 1,000	Stage 1	Stage 2
<b>Receivables from the parent company</b>		
Gross receivables	2 388 536	0
Credit loss provision	13 000	0
<b>Net receivables 31 December 2022</b>	<b>2 375 536</b>	<b>0</b>

EUR 1,000	Stage 1	Stage 2
<b>Credit loss provision</b>		
Credit loss provision 1 January 2023	12 months	full duration
Changes in risk parameters	13 000	0
<b>Total net effect on profit or loss</b>	-10 000	0
<b>Credit loss provision 31 December 2023</b>	<b>10 000</b>	<b>0</b>

EUR 1,000	Stage 1	Stage 2
<b>Credit loss provision</b>		
Credit loss provision 1 January 2022	12 months	full duration
Changes in risk parameters	0	0
<b>Total net effect on profit or loss</b>	13 000	0
<b>Credit loss provision 31 December 2022</b>	<b>-13 000</b>	<b>0</b>

Assets and liabilities are denominated in euro. There are four bonds. The duration of the first bond is 4.9 years. Interest is paid once a year on 20 January, the first payment date was 20 January 2022. The duration of the second bond is 6.3 years. Interest is paid once a year on 24 May, the first payment date being on 24 May 2022. The duration of the third bond is 2.9 years. The first interest payment was on 18 January 2023, and thereafter once a year on 18 January. The duration of the fourth bond is 6.9 years. The first interest payment was on 18 January 2023, and thereafter once a year on 18 January.

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Note 5 continued

**Interest rate risk**

The company's receivable from the parent company and the bonds have a fixed interest rate. Therefore, the company's profit or loss is not exposed to the risk of interest rate fluctuations. Due to the fixed interest rate, the company is exposed to fair value interest rate risk, but this is not considered significant because the interest rate risk of the bonds has been

During the year, the company has had a floating rate bond with a nominal value of EUR 277 million outstanding. If interest rates had been one percentage point higher (lower), profit before taxes for the financial year would have been approximately EUR 1.3 million lower (higher).

**Credit risk**

Failure by the other party to meet obligations related to a financial instrument or customer relationship results in a financial loss, i.e. the realisation of credit risk. In operating activities, receivables from the parent company involve a credit risk.

Financial receivables involve a risk of the borrower not being able to meet their obligations, as a result of which the company would suffer credit losses. The company has a mutual receivable from the parent company Fastighets AB Balder (publ). The company decreased its credit loss provision by EUR 10 million during the financial year, and the provision stood at EUR 3 million at the end of the financial year. The credit risk involved in the parent company loan has not increased significantly since the initial issuance, since the amount of the loan has decreased. Therefore, the expected credit loss has been calculated based on expected credit losses for 12 months. The credit loss provision has been reduced during the year as a result of the following changes: improved general economic conditions and a decrease in the receivable from the parent

**Liquidity risk**

The company's income is generated from transactions with the parent company and thus the company's liquidity depends on the parent company's ability to meet its obligations to the company. The parent company is responsible for ensuring the company's liquidity. Liquidity risk involves a company's inability to meet its financial payment obligations. If the company's sources of liquidity prove insufficient, it could have a material adverse impact on the company's operations, financial performance and financial position. It also entails a risk of a significant increase in the cost of raising cash to meet the company's payment obligations. Balder Finland Oyj is also exposed to risks arising from the potential illiquidity of the entire Balder Group portfolio. Property types owned or potentially acquired in the future by the entire Balder Group may be illiquid. In case of a sudden sale, there may be a significant difference between the fair value of the property and its acquisition price. An illiquid market may result in a lower than expected selling price, or delay sales. Any such factors could have a material adverse impact on the business, financial performance or financial position of both the Balder Group and Balder Finland. In addition, restrictions may be imposed on the Balder Group's ability to sell properties under covenants and commitments that restrict the sale of assets. Refinancing may prove impossible or involve a significant cost increase. Refinancing risk is the risk of financing costs being higher and / or refinancing opportunities being limited or non-existent upon the maturity of a debt of Balder Finland or another Balder Group company. The Balder Group's business is partly financed by external capital. Buying and developing properties requires large amounts of capital, which is usually provided by banks, credit institutions or other lenders. There is a risk that lenders will not offer credit to the Balder Group or that credit will be offered at significantly higher costs than planned. In addition, certain loan agreements and the terms of the debt instruments contain terms that may limit the Balder Group's eligibility for new loans.

**Maturities 2023**

	on demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Bonds			0	500 000	1 600 000	2 100 000
Interest			24 144	105 625	8 713	138 482
Other short-term liabilities		1,2	113			114
<b>Total</b>			<b>24 257</b>	<b>605 625</b>	<b>1 608 713</b>	<b>2 238 596</b>

**Maturities 2022**

	on demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Bonds			277 502	500 000	1 600 000	2 377 502
Interest			24 442	131 882	33 348	189 672
Other short-term liabilities		1	25 177			25 178
<b>Bonds</b>			<b>327 121</b>	<b>631 882</b>	<b>1 633 348</b>	<b>2 592 352</b>

Debt-related financial transactions are conducted using the parent company's bank account.

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## 6. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy on 31 December 2023:

EUR 1,000	Date of assessment	Total	Level 1	Level 2	Level 3
<b>Assets</b>					
Receivables from the parent company					
Carrying amount	31.12.2023	2 125 307	0	0	2 125 307
Fair value	31.12.2023	1 623 975	0	0	1 623 975
<b>Liabilities</b>					
Bonds					
Carrying amount	31.12.2023	2 114 320	2 114 320	0	0
Fair value	31.12.2023	1 615 580	1 615 580	0	0

Fair value hierarchy on 31 December 2022:

EUR 1,000	Date of assessment	Total	Level 1	Level 2	Level 3
<b>Assets</b>					
Receivables from the parent company					
Carrying amount	31.12.2022	2 395 744	0	0	2 395 744
Fair value	31.12.2022	1 839 682	0	0	1 839 682
<b>Liabilities</b>					
Bonds					
Carrying amount	31.12.2022	2 402 134	2 402 134	0	0
Fair value	31.12.2022	1 684 588	1 684 588	0	0

At Level 1, the valuation of the instrument is based on quoted price in active markets, which is used for identical financial assets and liabilities.

At Level 2, input used in the valuation of the instrument includes verifiable prices other than those quoted in an active market, either directly or derived from them using valuation techniques.

At Level 3, valuation is based on prices other than verifiable market prices.

## 7. SEGMENT REPORTING

The company's highest operational decision-making body is the Board of Directors.  
The company has only one reportable operating segment.

<u>Geographical distribution of interest income</u>	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
EUR 1,000		
Sweden	38 689,4	33 353,0
Total	38 689,4	33 353,0

The company's only customer is the parent company Fastighets AB Balder, which is listed in Sweden.



**8. INTEREST EXPENSES**

EUR 1,000	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Interest expenses</b>		Adjusted
Interest expenses, bonds	-32 891,0	-30 205,0
Other interest and financial expenses	-1 373,3	-1 145,0
<b>Total interest expenses</b>	<b>-34 264,3</b>	<b>-31 350,0</b>

**9. INTEREST INCOME**

EUR 1,000	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Other interest income</b>		Adjusted
Interest income on receivables from the parent company	38 689,4	33 353,0
Other	160,7	355,5
<b>Total interest income</b>	<b>38 850,1</b>	<b>35 377,3</b>

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## 10. ADMINISTRATIVE EXPENSES

EUR 1,000	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Administrative expenses</b>		Adjusted
Audit fees	-40,3	-62,7
Banking and cash transaction expenses	-0,9	-0,7
Other office and administrative expenses	-22,6	-12,2
<b>Total administrative expenses</b>	<b>-63,9</b>	<b>-75,6</b>

## 11. INCOME TAXES

The company had deferred tax assets during the financial year. During the financial year, the corporate tax rate in Finland was 20.0 percent. The company is not registered for VAT.

EUR 1,000	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Income taxes in the profit and loss account</b>		
Tax based on taxable income for the financial year	-906,7	-705,6
Change in deferred taxes	-2 000,0	2 600,0
<b>Total income taxes</b>	<b>-2 906,7</b>	<b>1 894,4</b>

EUR 1,000	1.1.2023- 31.12.2023	1.1.2022- 31.12.2022
<b>Reconciliation of the effective tax rate</b>		
Profit before taxes	14 521,82	-9048,3
Tax at the company's tax rate	2 904,36	-1809,7
Use of previously unrecognised tax losses	0,0	-84,7
<b>Taxes recorded for the financial year</b>	<b>-2 906,7</b>	<b>1 894,4</b>

EUR 1,000	1.1.2023	Recorded in the p/l account	31.12.2023
<b>Deferred tax assets 2023</b>			
Credit loss provision	2 600,0	-2 000,0	600,0
	2 600,0	-2 000,0	600,0

EUR 1,000	1.1.2022	Recorded in the p/l account	31.12.2022
<b>Deferred tax assets 2022</b>			
Credit loss provision	0,0	2 600,0	2 600,0
	0,0	2 600,0	2 600,0

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## 12. CHANGES IN DEBTS DUE TO FINANCING ACTIVITIES

EUR 1,000	1.1.2023	Repayment	31.12.2023
Bonds	2 365 549	-275 374	2 090 175
<b>Total</b>			2 090 175

EUR 1,000	1.1.2022	Early buyback	Issuance	31.12.2022
Bonds	1 600 516	-198 382	1 000 000	2 402 134
<b>Total</b>				2 402 134

The cash transfers related to the bond were conducted using the parent company's account. Therefore this debt is not shown in the cash flow statement.

## 13. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

EUR 1,000	31.12.2023	31.12.2022
<b>Short-term receivables</b>		
Bank account Nordea FI59 1820 3000 0566 22	266,0	22,1
<b>Total</b>	266,0	22,1

## 14. SHAREHOLDERS' EQUITY

### Share capital

The company's share capital is EUR 80,000 and the number of shares is 1,000.

	31.12.2023	31.12.2022
<b>Share capital</b>		
Share capital at the beginning of the financial year	80,0	80,0
Share capital on 31 December	80,0	80,0
Reserve for invested unrestricted equity	7 605,0	405,0
Retained earnings	-7 560,2	-406,3
Profit or loss for the financial year	11 615,1	-7 153,9
<b>Total shareholders' equity</b>	11 739,9	-7 075,2

The company has not paid any dividends during the financial year. There were no translation or other currency related differences during the financial year.

## 15. PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND AND DISPOSAL OF RETAINED EARNINGS

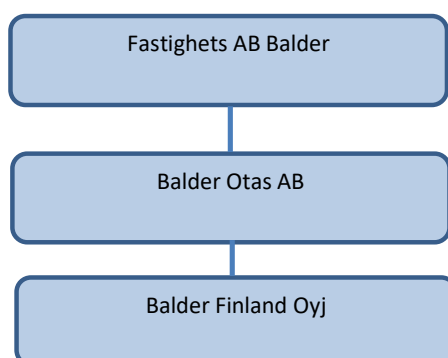
	31.12.2023
<b>Breakdown of distributable funds</b>	
Retained earnings	-7 560,2
Profit or loss for the financial year	11 615,1
Reserve for invested unrestricted equity	7 605,0
Reserve for invested unrestricted equity, receivable	-7 200,0
<b>Total distributable unrestricted equity</b>	4 459,9

The Board of Directors proposes that the profit for the financial year be transferred to retained earnings and that no dividend be distributed.

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## 16. RELATED PARTY TRANSACTIONS AND GROUP STRUCTURE

Balder Finland Oyj's related parties include the company's parent company Balder Otas AB (publ, domiciled in Gothenburg), which owns 100% of the company's shares, and other companies in the Fastighets AB Balder Group. In addition, related parties include Fastighets AB Balder's Board members Christina Rogestam (Chairman of the Board of Directors), Sten Dunér, Fredrik Svensson, Anders Wennergren and Erik Selin (CEO).



### Related party transactions

The company has issued bonds with a total nominal value of EUR 2.1 billion. The related financial transactions were conducted using the parent company's bank account. As a result, the company had a long-term receivable and related interest receivables from the parent company at the end of 2023. The parent company has guaranteed the company's debt.

The interest rate is based on external financing rates plus a margin of 0.07%. No exact repayment date has been set, but the repayment of receivables will follow the same schedule the bond repayments.

The parent company has invested a total of EUR 7.605 million in the company's reserve for invested unrestricted equity, of which EUR 7.2 million was invested in 2023. The investment has been recorded as a long-term receivable, whose payment schedule will be specified later.

### Reserve for invested unrestricted equity

EUR 1,000	31.12.2023	31.12.2022
Fastighets AB Balder	7 605	405
<b>Total</b>	<b>7 605</b>	<b>405</b>

**Interest income from parent company**

EUR 1,000	31.12.2023	31.12.2022
Fastighets AB Balder	38 689	33 353
<b>Total</b>	<b>38 689</b>	<b>33 353</b>

**Receivables from the parent company**

EUR 1,000	31.12.2023	31.12.2022
Long-term, Fastighets AB Balder (publ)	2 101 145	2 103 826
Short-term, Fastighets AB Balder (publ)	24 162	289 318
<b>Total</b>	<b>2 125 307</b>	<b>2 393 144</b>

EUR 1,000	31.12.2023	31.12.2022
Credit loss provision for receivables from the parent company	3 000	13 000
Impact on p/l of the credit loss provision for receivables from the parent company during	10 000	-13 000

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## **17. EVENTS AFTER THE BALANCE SHEET DATE**

No bonds have been issued after the balance sheet date. No bonds will mature in the financial year 2024 or the following financial year.

Balder Finland Oyj monitors the unstable geopolitical situation in Europe, which may have significant implications for long-term interest rates and profitable property ownership.

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## **SIGNATURES**

Gothenburg 16 May 2024

*Electronically signed*

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Erik Selin  
Chairman of the Board

*Electronically signed*

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Malin Johannesson  
Ordinary member

*Electronically signed*

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Kristofer Osberg  
Ordinary member

## **AUDITOR'S NOTE**

A report on the audit has been issued today.

In Helsinki, on the date of electronic signature

PricewaterhouseCoopers Oy  
Authorised Public Accountants

*Electronically signed*

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Olli-Pekka Salonen  
Authorised Public Accountant