BASE PROSPECTUS

FASTIGHETS AB BALDER

(incorporated with limited liability under the laws of the Kingdom of Sweden)

BALDER FINLAND OYJ

(incorporated with limited liability under the laws of the Republic of Finland)

Guaranteed by
(*in respect of Notes issued by Balder Finland Oyj only)*
FASTIGHETS AB BALDER

EUR 4,000,000,000

Euro Medium Term Note Programme

Under this EUR 4,000,000,000 Euro Medium Term Note Programme (the **Programme**), Fastighets AB Balder and Balder Finland Oyj (**Balder Finland**) (the **Issuers** and each an **Issuer**) may from time to time issue notes (**Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). Notes under the Programme may be issued by either Issuer. Notes issued by Balder Finland will be unconditionally and irrevocably guaranteed by Fastighets AB Balder (in its capacity as guarantor only, the **Guarantor**).

Notes may be issued in bearer form or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 4,000,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Dealer Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority for the purposes of Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuers nor as an endorsement of the quality of the Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on Markets in Financial Instruments (as amended, **EU MiFID II**) and/or which are to be offered to the public in any member state of the European Economic Area (the **EEA**).

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus

to be admitted to the official list (the **Official List**) and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of EU MiFID II.

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation. This Base Prospectus is valid for a period of twelve months from the date of approval. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy will not apply when the Base Prospectus is no longer valid.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

Fastighets AB Balder has been rated BBB (stable) by S&P Global Ratings Europe Limited (**S&P**). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, on credit rating agencies (the **EU CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. S&P is not established in the United Kingdom (the **UK**). The rating S&P has given to the Notes to be issued under the Programme is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by S&P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) No 2016/1011 (the **EU Benchmarks Regulation**). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuers and the Guarantor to fulfil their obligations under the Notes are discussed under "Risk Factors" below.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States, and Bearer Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in certain transactions exempt from the registration requirements of the Securities Act.

Arranger

Deutsche Bank

Dealers

Barclays	**Danske Bank**
Deutsche Bank	**Handelsbanken Capital Markets**
NatWest Markets	**Nordea**
SEB	**Swedbank**

4 June 2021

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuers and the Guarantor accept responsibility for the information contained in this Base Prospectus and any Final Terms and declare that, the information contained in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the **Conditions**) as completed by a document specific to such Tranche called final terms (the **Final Terms**) or as supplemented in a separate prospectus specific to such Tranche (the **Drawdown Prospectus**) as described under "Final Terms and Drawdown Prospectuses" below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuers and the Guarantor have confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the relevant Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuers or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuers and the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection

with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the relevant Issuer, the Guarantor (if applicable) and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale".

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Bearer Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained (or incorporated by reference) in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT - UK RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MIFID II PRODUCT GOVERNANCE/TARGET MARKET – The Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the EU MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **EU MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but

otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The relevant Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 4,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a **Member State** are references to a Member State of the EEA, references to the **UK** are references to the United Kingdom, references to **EUR**, **€** or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to **GBP** or "pounds sterling" are to the lawful currency for the time being of the United Kingdom and Northern Ireland, references to **SEK** or **Swedish krona** are to the lawful currency of the Kingdom of Sweden, references to **NOK** and **Norwegian kroner** are to the lawful currency of the Kingdom of Norway, references to **DKK** or **Danish kroner** are to the lawful currency of the Kingdom of Denmark and references to **U.S.$**, **USD** and **U.S. dollars** are to the lawful currency of the United States. References to **billions** are to thousands of millions.

References to **Balder** and the **Group** are to Fastighets AB Balder and its consolidated subsidiaries, including Balder Finland.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Presentation of Financial Information

The audited consolidated financial statements of Fastighets AB Balder as at and for the years ended 31 December 2020 and 2019 have been prepared according to International Financial Reporting Standards (**IFRS**) in accordance with Regulation (EC) no 1606/2002.

The audited financial statements of Balder Finland as at and for the year ended 31 December 2020 have been prepared according to IFRS in accordance with Regulation (EC) no 1606/2002. The audited financial statements of Balder Finland as at and for the year ended 31 December 2020 contain figures from the financial

year ended 31 December 2019 which have also been prepared in accordance with IFRS for comparative purposes. The audited financial statements of Balder Finland as at and for the year ended 31 December 2019 have been prepared according to the Finnish Accounting Act (1336/1997, as amended), Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking (1753/2015), Accounting Ordinance (1339/1997, as amended) and the general guidelines and statements issued by the Accounting Board operating under the auspices of the Ministry of Economic Affairs and Employment (the **Finnish Accounting Standards**).

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Alternative Performance Measures

Certain terms used in this Base Prospectus and financial measures presented in the information incorporated by reference are not recognised financial measures under IFRS (**Alternative Performance Measures** or **APMs**) and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Issuers present APMs because they believe that these and similar measures are used by certain investors, securities analysts and other interest parties as supplemental measures of performance and liquidity. The APMs may differ from company to company and therefore may not be comparable to other similarly titled measures of other companies. The APMs may also have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Issuers' operating results as reported under IFRS.

For definitions and further explanations of Alternative Performance Measures, please refer to the "Glossary of Terms" section of the Base Prospectus.

Forward Looking Statements

This Base Prospectus includes statements that are, or may be deemed to be, 'forward looking statements'. These forward looking statements can be identified by the use of forward looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuers or the Guarantor concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of the Issuers or Guarantor and the industries in which the Issuers or Guarantor operate.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Issuers' and Guarantor's operations, financial condition and liquidity, and the development of the industries in which the Issuers and Guarantor operate may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and liquidity, and the development of the industries in which the Issuers and Guarantor operate, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

These and other factors are discussed in more detail under "Risk Factors" and "*Description of Fastighets AB Balder*". Many of these factors are beyond the control of the Issuers and the Guarantor. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuers and the Guarantor do not intend, and do not assume any obligation, to update any forward looking statements set out in this Base Prospectus.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation, or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview unless otherwise defined herein.

Issuers:	Fastighets AB Balder Balder Finland Oyj
Guarantor:	Fastighets AB Balder, in respect of Notes issued by Balder Finland Oyj only
Legal Entity Identifier (LEI)s:	Fastighets AB Balder: 549300GHKJCEZOAEUU82 Balder Finland Oyj: 5493007P4MCJM21IB748
Description:	Euro Medium Term Note Programme
Programme Amount:	Up to EUR 4,000,000,000 (or the equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Arranger:	Deutsche Bank Aktiengesellschaft (the **Arranger**)
Dealers:	Barclays Bank Ireland PLC Barclays Bank PLC Danske Bank A/S Deutsche Bank Aktiengesellschaft NatWest Markets N.V. Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ) Svenska Handelsbanken AB (publ) Swedbank AB (publ) (together with the Arranger and any other Dealers appointed in accordance with the Dealer Agreement,, the **Dealers**)
Trustee:	Deutsche Trustee Company Limited (the **Trustee**)
Principal Paying Agent:	Deutsche Bank AG, London Branch (the **Principal Paying Agent**)
Registrar:	Deutsche Bank Luxembourg S.A. (the **Registrar**)
Currencies:	Notes may be denominated in euros or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be

	subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Denominations:	The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that the minimum denomination of each Note will be €100,000 (or the equivalent in any other currency).
Maturities:	Any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Listing and Trading:	Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.
Status of the Notes:	The Notes are direct, general, unsecured (subject to Condition 5.1 (Covenants – Negative Pledge)), unsubordinated and unconditional obligations of the relevant Issuer.
Status of the Guarantee:	The guarantee is a direct, general, unconditional and unsecured (subject to Condition 5.1 (Covenants – Negative Pledge)) obligation of the Guarantor.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either: (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, as supplemented, amended and/or replaced by the relevant Drawdown Prospectus.
Issue Price:	Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Interest:	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant series.
Forms of Notes:	Notes may be issued in bearer form or in registered form, in each case as specified in the relevant Final Terms. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note (the **Temporary Global Note**) or a permanent global note (the **Permanent Global Note**), in each case as specified in the relevant Final Terms (each a **Global Note**). Each Global Note which is not intended to be issued in new global note form (**NGN**), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note.

Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by a Global Registered Note which may be exchangeable for Individual Note Certificates as specified in the relevant Final Terms. Each Tranche of Notes represented by a Global Registered Note which is not intended to be held under the new safekeeping structure (**New Safekeeping Structure** or **NSS**), as specified in the relevant Final Terms, will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary. Each Global Registered Note intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Cross Default: The Notes will have the benefit of a cross default clause. See Condition 13(e) (Events of Default – Cross-default).

Covenants: The Notes will have the benefit of a negative pledge, financial covenants and certain other covenants. See Condition 5 (Covenants).

Redemption: The Notes may be redeemable at par or at such other redemption amount as may be specified in the relevant Final Terms.

Optional Redemption by Noteholders: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders.

If a Change of Control Put Option is specified as applicable in the relevant Final Terms, following the occurrence of a Change of Control Put Event, the

	Noteholders will be entitled to request the relevant Issuer to redeem or, at the relevant Issuer's option, procure the purchase of, all or part of their Notes. See Conditions 9.5 (Redemption and Purchase – Redemption at the option of Noteholders) and Condition 9.6 (Redemption and Purchase – Change of Control Put Option).
Issuer Call:	If specified in the relevant Final Terms, the relevant Issuer will have the option to redeem all or some only of the Notes prior to the Maturity Date of the Notes at the Make Whole Redemption Price (as defined in the Conditions) or at the Optional Redemption Amount (Call) (as may be specified in the relevant Final Terms). See Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer). If specified in the relevant Final Terms, the relevant Issuer may redeem on the date specified in such notice all, but not some only, of the remaining Notes in that Series at their Early Redemption Amount (as specified in the relevant Final Terms) together with any interest accrued to but excluding the date set for redemption. See Condition 9.7 (Redemption and Purchase - Clean-up Call Option)
Tax Redemption:	The relevant Issuer may at its option redeem the Notes, in whole, but not in part, at their principal amount plus accrued interest in the event of certain changes affecting taxation in the Kingdom of Sweden or the Republic of Finland, as applicable.
Taxation:	All payments in respect of the Notes will be made without withholding or deduction for or on account of Swedish or Finnish withholding taxes unless required by law. If such withholdings are required by Swedish law or Finnish law the relevant Issuer or the Guarantor (where applicable) will in certain circumstances pay certain additional amounts as described in, and subject to exceptions set out in, Condition 12 (Taxation).
Clearing Systems:	Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg** and together with Euroclear, the **ICSDs**) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuers and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.
Governing Law:	The Notes, the Trust Deed, the Agency Agreement and the Dealer Agreement and any non-contractual obligations arising out of or in connection with them will be governed by English law.
Ratings:	Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the relevant Issuer or, as the case may be, the Guarantor or to Notes already issued. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation will be disclosed in the relevant Final Terms. The relevant Issuer cannot assure

investors that any such ratings will not change in the future. A rating reflects only the views of the relevant rating agency and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Norway, Sweden, Finland, Singapore, Japan and Belgium, see "Subscription and Sale" below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Issuers and the Guarantor and the industry in which they operate, together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

In purchasing Notes, investors assume the risk that the Issuer and, if applicable, the Guarantor, may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer, or as the case may be, the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and, if applicable, the Guarantor, may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer and, as the case may be, the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUERS' AND, AS THE CASE MAY BE, THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks Relating to Macroeconomic Conditions

The ongoing uncertainty and volatility in the financial markets and the state of the global economic recovery may adversely affect Balder's operations

Global financial markets continue to experience disruptions, including increased volatility and diminished liquidity and credit availability. Concerns about credit risk (including that of sovereigns) and the Eurozone crisis have increased recently, especially with the presence of significant sovereign debts and/or fiscal deficits in a number of European countries and the United States. This has raised concerns regarding the financial condition of financial institutions and other corporates located in these countries, having direct or indirect exposure to these countries, and/or whose banks, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which Balder operates and the businesses and economic condition and prospects of Balder's counterparties or customers, directly or indirectly, in ways which it is difficult to predict.

The property industry, and therefore Balder, is affected to a large extent by macroeconomic factors such as general economic trends, growth, employment, the rate of production of new housing and commercial premises, changes in infrastructure, population growth, inflation and interest rate levels. As a result, Balder may also be affected by public health epidemics or outbreaks of diseases that may negatively affect the global economy, including the recent coronavirus (**COVID-19**) outbreak which was declared a global pandemic by the World Health Organisation in March 2020. The rapid spread of COVID-19, first identified in China in December 2019, and has subsequently spread around the world, including Europe, resulting in a rapid deterioration of the political, socio-economic and financial situation globally, including in Sweden. Subsequent

waves of COVID-19 are being experienced across the world with many states enforcing a further round of lockdown measures alongside an increase in border closures between nations. New and more contagious strains of the COVID-19 virus have been discovered in the UK, Brazil and South Africa (among other nations), which have begun to spread globally and are likely to increase pressure to close borders. Recent roll outs of COVID-19 vaccines have raised hopes that immunisation of the general population in developed economies by the end of 2021 may be feasible. However, there can be no assurance that production of such vaccines will be sufficient to achieve this goal and already delays in promised delivery schedules have been experienced by certain nations. There remains little certainty as to the prolonged effectiveness of such vaccines, particularly in the light of the mutation of the virus into new strains that existing vaccines may be less effective, or wholly ineffective, against.

Balder continues to monitor the impact which the COVID-19 outbreak could have on its business and more broadly on the macro-economic outlook. Whilst it is difficult to predict the extent to which COVID-19 may further escalate and the situation continues to change rapidly, both the direct public health impact of the virus and pre-emptive measures adopted with a view to containing its spread (such as travel bans, quarantines, elective self-isolation and temporary business shut-downs) could have a material adverse effect on Balder's results of operations and financial condition.

The impact of any of these conditions could be detrimental to Balder and could adversely affect its business, results of operations, financial condition and/or prospects; its solvency and the solvency of its counterparties and customers; the value and liquidity of its assets and liabilities; the value and liquidity of the Notes and/or the ability of the relevant Issuer or, as the case may be, the Guarantor to meet its obligations under the Notes and under its debt obligations more generally.

Negative economic developments and conditions in Scandinavia may affect Balder's operations and customers, as well as the prices of Balder's real property and tenant-owned apartments

The Swedish, Danish, Norwegian and Finnish economies have been adversely affected by the uncertain global economic and financial market conditions, including as a result of the coronavirus pandemic. An economic slowdown or a recession, regardless of its depth, or any other negative economic developments in these principal countries of operation and involvement may affect Balder's business in a number of ways, including, among other things, the income, wealth, liquidity, business and/or financial condition of Balder, its customers and other business partners. Balder may not be able to utilise the opportunities created by economic fluctuations, the value of the real property owned by Balder may decrease, and Balder may not be able to adapt to a long-term economic recession or stagnation. Negative economic development may also adversely affect the sales prices of Balder's tenant-owned apartments. Further, although historically, economic slowdowns and recessions have increased the demand for rental apartments in these countries, there can be no assurance that Balder will not experience declines in the demand for rental apartments during periods of economic slowdown or recession. Balder may also experience increased defaults on rent payments as a result of negative economic developments in Sweden, Denmark, Norway and Finland. Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Risks Relating to Balder's Business Operations

Property valuation is subjective and uncertain to a certain extent

Balder's properties are internally revalued each calendar quarter however the appropriateness of sources of information used and the credibility of such valuations are, to a certain extent, subjective and, thus, subject to uncertainty. Two different valuation methods are used primarily in the internal valuations. These are the yield method and the acquisition cost method. Properties in Sweden, Denmark, Finland, Norway, Germany and the United Kingdom are valued using the yield method. In Finland, the acquisition cost method is used in addition to the yield method. The properties in Russia are valued using the sales comparison method. Rental prices in the property portfolio are expected to follow inflation over time. Commercial leases include indexation, which

means that rent increases at the same rate as the Consumer Price Index (the **CPI**) during the leasing period. In its valuations, Balder has assumed that the rent develops in line with inflation.

Assumptions have also 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 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. Housing valuations are based on historical Swedish, Danish, Norwegian, German, British and Finnish housing purchase price data and certain assumptions at a specified date. In the event of significant and rapid market changes, such historical data may not accurately reflect the current market value of Balder's properties. Furthermore, the assumptions may prove to be inaccurate, and adverse market changes since the date when such assumptions were made may cause significant declines in the value of Balder's properties. In addition, the use of different assumptions or valuation models would likely produce different valuation results.

As a result of the factors above, there can be no assurance that such valuations accurately reflect the current market value of Balder's properties and property-related assets as at the date of valuation or any other date. Incorrect assumptions or flawed assessments underlying the valuations, or materialisation of any of the above risks, could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Decreases in the occupancy rate and increases in the tenant turnover may weaken Balder's results

Balder's occupancy rate and tenant turnover depend on general economic factors and the level of new-build construction activity. The occupancy rate of Balder's properties has a significant impact on Balder's business. Balder aims to secure a high occupancy rate by, among other things, actively developing its property portfolio to meet the demand for residential and commercial premises. If the vacancy rate increases, Balder will lose rental income while having to cover the maintenance costs.

Tenant turnover is an integral part of the housing investment business, and results in costs to Balder, for example, related to the signing of rental agreements and minor renovations typically made in connection with a tenant moving out of the apartment. In recent years, Balder has tried to reduce tenant turnover in Sweden, Denmark, and Finland through, for example, repairs enhancing the attractiveness of the apartments that it owns.

The risk of large fluctuations in vacancies and loss of rental income increases in line with the number of large individual tenants a property company has. Balder's ten largest leases represent 4.5 per cent. of total rental income and their average lease term amounts to 10.9 years. No individual lease accounts for more than 0.7 per cent. of Balder's total rental income and no individual customer accounts for more than 4.0 per cent. of total rental income. However, 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. If Balder fails to maintain the occupancy rate at a satisfactory level or the tenant turnover of its apartments increases significantly, this could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Increasing refurbishment and maintenance costs may result in a decreased profit margin or increased rents and thus decreased demand for properties

Balder continuously carries out refurbishment and maintenance repairs in its properties, which mainly result from their condition and regulatory requirements for energy efficiency. The costs related to the refurbishment and maintenance of properties are significant and relate mainly to plumbing, external walls and roofs, window and balcony renovations. Residential buildings must typically have their plumbing refurbished within certain time intervals, which usually covers renewal of both water and sewage pipes. External walls, roofs and balconies must also be renovated periodically.

Balder expects the cost for refurbishment and maintenance repairs in the future to remain at approximately the same level in proportion to the size of Balder's property portfolio in the future. However, increasing refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy efficiency, and there can therefore be no assurance that the amount spent on refurbishment and maintenance repair by Balder could not significantly increase from the level currently expected by Balder.

If such risk materialises, the profit margin of Balder's properties may decrease or Balder may be required to increase rents, which may, in turn, result in a decreased demand for Balder's properties. As a result, Balder may not be able to fully pass on the costs of refurbishment and maintenance to its customers and Balder's investments in refurbishment and maintenance may not generate the expected return. Any of these risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Variations in supply and demand on the housing market and the market for commercial premises may affect the value of properties and rental levels

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

The housing market is sensitive to fluctuations in supply and demand. Housing prices in Scandinavia have historically followed macroeconomic development in a cyclical manner, while the demand for rental apartments has historically been countercyclical. The value of properties and rental levels are affected by a number of factors, including events related to domestic and international politics, interest rates, economic growth, the availability of credit and taxation. Changes in supply and demand on the property market of specific areas in Sweden, Denmark, Norway, Germany, the United Kingdom and Finland, resulting from new construction, investor supply and demand and other factors, may also materially affect the values of properties regardless of the overall development in the Swedish, Danish, Norwegian, German, British and Finnish housing markets.

In addition, an oversupply of rental apartments or commercial premises could lead to rent decreases, which could have an adverse effect on Balder's rental income. A decrease in the prices of apartments and commercial properties is likely to have a direct impact on the fair value of Balder's property portfolio. The required return may increase in the future, which could lead to a reduction in the value of Balder's property portfolio.

Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Decrease in fair value of Balder's properties may result in revaluation losses

Any change in the fair value of Balder's properties is recorded in the income statement for the period during which the revaluation of Balder's properties occurs. Fair value of investment properties represents the price in the local primary market, taking into account the condition and location of the property. Decreases in the fair value of Balder's properties could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects. In addition, decreases in the fair value of Balder's properties would have negative effects on Balder's performance indicators, particularly the net asset value, which could have a negative influence on the rating of the Issuer and the Issuer's solvency covenant levels.

Balder's property development and sales of tenant-owned apartments may give rise to liabilities that can have significant effects

Balder's property development and sales of tenant-owned apartments may expose it to potential liabilities based on defects in the buildings, materials, design or the quality of the work. Standard form contracts that are used

by construction designers limit the designer's liability to the value of the properties constructed, so Balder is liable for defects that exceed this amount. As a rule, standard terms are used also in the building agreements with construction companies, so Balder is liable to homebuyers for the defects caused by the construction companies if the construction companies are incapable of meeting their obligations, for example, due to insolvency. Materialisation of Balder's liabilities for construction defects, based on its own actions or based on the actions of the external designers or construction companies, could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Balder could fail in the management of its reputation and brand

Balder's success is partially dependent Balder's reputation and on the value of the Balder brand. Balder's brand holds a great significance for both its business operations and implementation of its strategies. The integrity of the Balder brand is important in all parts of the business (both for residential and commercial properties) and to Balder's business partners, such as municipalities, construction companies and lenders. In addition, corporate social and environmental responsibility is part of Balder's customary long-term activities. Negative publicity or negative customer experience could have an adverse effect on Balder's brand and its development. Should the Balder brand lose value, regaining any lost brand value might prove impossible or require incurrence of significant costs. This, in turn, could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Fastighets AB Balder is a holding company; it is reliant on dividend upstreaming

Fastighets AB Balder is a holding company. As is common with property groups, its material assets are its shareholdings in its subsidiaries and its associated companies. Fastighets AB Balder will use some of the proceeds of the sale of any Notes to repay certain of its own debts and may on-lend proceeds under intercompany loans to its subsidiaries for them to repay or refinance certain of their indebtedness. Other than the receivables under intercompany loans and any other intra-group loans made in connection with other financing transactions, Fastighets AB Balder depends on distribution of dividends and other payments from its subsidiaries. In meeting its payment obligations under the Notes, Fastighets AB Balder (or, as the case may be, the Guarantor) is dependent on the profitability and cash flow of its subsidiaries, whose ability to make dividend distributions may be subject to restrictions as a result of factors such as low profitability, restrictive covenants contained in loan agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. If Balder for any reason does not receive the anticipated dividends from its subsidiaries this may impact its liquidity and its ability to meet its obligations under any Notes.

Balder Finland is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Fastighets AB Balder and the Group in addition to that of Balder Finland

As at the date of this Base Prospectus, Balder Finland is a company within the Group without significant business activities or holdings and accordingly, Balder Finland's ability to pay interest and repay principal in respect of its borrowings, including the Notes issued by it, depends upon the financial condition and liquidity of Fastighets AB Balder and the Group. Notes issued by Balder Finland will be guaranteed by Fastighets AB Balder. The Group further intends to provide Balder Finland with liquidity by way of intra-group arrangements or other transfers of value in order for Balder Finland to fulfil its obligations under the Notes issued by it. However, if the Group does not provide liquidity, or due to other circumstances, conditions, laws or regulations is prevented from providing liquidity to Balder Finland, there is a risk that Balder Finland will not fulfil its obligations under the Notes. Therefore, investors in the Notes issued by Balder Finland should consider the risk factors, financial condition and liquidity of Fastighets AB Balder and the Group in addition to that of Balder Finland.

Loss of key personnel or failure in recruiting new key personnel may undermine the Group's operations

As at 31 December 2020, Balder employed 824 people. Balder's financial performance is dependent on the contribution of its key personnel. Key personnel include Balder's senior management and a number of other

employees in key positions. Balder's success is, to a large extent, dependent on its ability to recruit, motivate and retain highly skilled staff at every level of its organisation. Balder views the recruitment of new employees as key to both its development and the strengthening of the organisation and works continuously to create the conditions for both retaining existing colleagues and recruiting new employees to contribute to the Group's continued growth and development, however Balder may fail to retain key personnel and/or to recruit skilled staff that are needed to deliver the business objectives of the Group. Any loss of senior management or other employees with special expertise could cause significant business disruption and/or have a material adverse effect on Balder's ability to deliver its strategy and therefore on its business, financial condition, results of operations and future prospects which in turn may adversely affect the value of the Noteholders' investment.

Erik Selin

The principal shareholder of Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.1 per cent. of the capital and 48.8 per cent. of votes. Erik Selin is the founder and CEO of Balder and controls 100 per cent. of Erik Selin Fastigheter AB. Erik Selin Fastigheter AB may therefore be able to prevent or delay a change of control or take other actions that may be contrary to the interests of Balder's other shareholders. Further, the personal connections and business relationships of Erik Selin are important to the conduct of Balder's business. While Balder has an employment contract with Erik Selin, no assurance can be given that he will continue to make his services available to Balder indefinitely. Balder does not maintain any 'key-man' insurance on Erik Selin.

Changes in legislation may adversely affect the value of Balder's properties or results, increase its expenses and/or slow or halt the development of its investments

Balder must comply with a wide variety of laws, regulations and provisions, including urban planning regulations, construction and operating permits, health, safety, environmental, competition and labour laws, laws relating to rent levels and the rights of tenants as well as corporate, accounting and tax laws in each of the jurisdictions in which it operates. Changes in such laws, regulations and provisions or their interpretations could require Balder to adapt its business operations, assets or strategy, potentially leading to a negative impact on the value of its properties or its results, an increase in its expenses and/or slowing or even halting of the development of certain investments. In particular, requirements for energy efficiency have become more stringent in recent years, which results, among other things, in increased construction prices.

Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Balder is subject to future possible change in tax laws and regulations

Balder's operations are affected by the applicable corporation tax, value added tax and property tax rules in force from time to time in Sweden, Denmark, Finland, Norway, Germany and the United Kingdom. This is also the case as regards other governmental and municipal charges and contributions. Notwithstanding that Balder's operations are conducted in accordance with Balder's interpretation of applicable laws and rules in respect of taxes, there is a risk that its interpretation is incorrect or that applicable tax laws and rules may be amended with possible retroactive effect resulting in additional unforeseen tax liabilities. In addition, future changes to applicable tax laws and rules may affect Balder's operations, financial position and earnings.

Legal or regulatory proceedings or claims could have a material adverse effect on Balder

Balder may become involved in, or a subject of, legal or regulatory proceedings or claims relating to its operations. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims, and there can be no assurance as to the outcome of such proceedings or claims, whether existing or arising in the future. In the normal course of its business operations, Balder could be involved in legal proceedings relating, for example, to alleged breaches of contract by Balder and employers' liabilities and be subject to tax and administrative audits. Any unfavourable judgment against Balder in relation to any

legal or regulatory proceedings or claims, or the settlement thereof, could have a material adverse effect on its brand, business, financial condition, results of operations and future prospects.

State subsidies in Finland result in extensive regulation and supervision, and new or stricter restrictions may be imposed

Approximately 4.2 per cent. (as measured by fair value) of Balder's property portfolio as at 31 December 2020 are held by Balder's indirect subsidiaries in Finland (via SATO) in so-called Generally Non-profit Companies (as defined below) or Financially Non-profit Companies (as defined below) and are, therefore, subject to restrictions, extensive regulation and supervision by the Finnish housing authorities. Generally non-profit companies are Group companies that are obliged to comply with certain specific limitations and restrictions relating to distribution of profit, lending and provision of collateral, the divestment of assets as well as fixed-term restrictions of use of the subsidised property, including, among others, selection of residents and setting of rent ("**Generally Non-profit Companies**"). Financially non-profit companies are Group companies that are obliged to comply with certain specific provisions and restrictions relating to lending and provision of collateral, the divestment of assets as well as fixed-term restrictions on the use of subsidised property, including, among others, selection of residents ("**Financially Non-profit Companies**"). Due to numerous amendments, the Finnish legislation regarding state-subsidised properties has become very complex and, therefore, difficult to manage, and it often allows for various interpretations. As regards state-subsidised properties, Balder is subject to the risk that new laws or regulations will be adopted, which could, for example, increase or tighten the restrictions on the appropriation of profits and/or ownership applicable to such properties. Furthermore, amendments to the legislation governing state-subsidised loans may be enacted retroactively and may affect such loans that have already been granted and affect the operations of the owner-entity. Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Apartment renting and construction are highly competitive businesses

Renting apartments and constructing tenant-owned apartments is a highly competitive business in Sweden, Denmark, and Finland. Balder's main competitors in the rental apartments business are private households, municipalities, parishes, foundations and corporate investors. In the construction of tenant-owned apartments, Balder's main competitors are construction firms and other property development companies. The competition for attractive plots has led to a steep increase in plot prices. Furthermore, an upward trend in construction usually increases construction costs, which, in turn, decreases the profitability of construction projects and delays the commencement of new projects. There can be no assurance that Balder can meet the intensifying competition in the apartment-renting and the tenant-owned apartment markets. Increasing competition could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Balder's operations may contaminate the environment

Balder must comply with all local regulations in relation to the environment and health and safety in respect of its properties. Balder has established an environmental policy and works actively to address environmental issues. The main environmental impacts caused by Balder's operations relate to energy consumption, hazardous substances used in the construction of properties such as PCB, asbestos and radon and transportation of materials to and from the properties. The company works continuously to minimize the environmental impacts of the operations, for example through optimisation to minimize energy consumption and inventories regarding hazardous substances.

As the owner of the properties and land, Balder can be held liable for deterioration, damage, encumbrance or other hazardous causes originating from the operation of the properties. Any such event or material decrease in the value of the properties not known or not recognisable at the time of the purchase or occurring at a later date, could have a material adverse effect on Balder.

In recent years, there has been an increased focus on rising sea levels, higher rainfall and increased risks of landslides as climate risks and reducing the risk of such phenomena causing damage to properties and infrastructure needs to be factored into the planning stage of property development. Local municipalities currently have responsibility for investigating what climate adaptation measures may be needed during new construction and for managing these risks via zoning plans. In addition to such considerations when planning new developments, existing properties that may fall into newly designated "risk zones" will need to undergo a future risk inventory and action plans will need to be prepared.

Under Swedish, Danish, Norwegian, German and Finnish legislation, the party conducting an activity which has contributed to pollution is also responsible for treating it. If the party conducting the activity cannot carry out or pay for the treatment of a property, and the party acquiring the property was aware of, or should have discovered the pollution, then the acquirer is responsible. The costs of any removal or clean-up that may be necessary as a result of any deterioration, contamination, damage, encumbrance or hazardous materials may be higher than anticipated by Balder. Failure to comply with environmental regulations, or the need to comply with stricter new environmental regulations that may be introduced, could lead to higher costs or hinder the development of Balder's operations. There can be no assurance that Balder could not become liable for material environmental damage or other environmental liabilities in the future. Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Potential illiquidity of the property market could make it difficult for Balder to dispose of properties

In accordance with its strategy, Balder makes selective divestments of properties. Such divestments may be affected by many factors beyond Balder's control, such as the availability of bank financing to potential buyers, interest rates and the supply of, and demand for, properties. A possible lack of liquidity in the property market may limit Balder's ability to sell its properties or modify its property portfolio in a timely manner in response to changes in economic or other conditions. Should Balder be required to divest part of its properties due to, for example, its inability to obtain financing, there can be no assurance that such divestments will be profitable or that such divestments will be possible at all, if the market functions inadequately or is illiquid. Unsuccessful divestments of properties could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

System malfunctions in Balder's operations may decrease the efficiency and/or profitability of Balder's operations

Balder's operations are dependent on information systems and on its ability to operate such information systems efficiently and to introduce new services, technologies, systems and safety and back-up systems. Such information systems include telecommunication systems as well as software applications that Balder uses to control business operations, manage its property portfolio and risks, prepare operating and financial reports and to execute treasury operations. The operation of Balder's information systems may be interrupted due to, among other things, power cuts, public cloud malfunctions, computer or telecommunication malfunctions, computer viruses, defaults by IT suppliers, crime targeted at information systems, such as security breaches and cyber-attacks from unauthorised persons outside and inside Balder, or major disasters, such as fires or natural disasters, as well as human errors made by Balder's own staff. Material interruptions or serious malfunctions in the operation of the information systems may impair and weaken Balder's business, financial condition and the profitability of its operations. Balder may also face difficulties when developing new systems and maintaining or updating current systems in order to maintain its competitiveness. In particular, malfunctions in its IT systems could delay Balder in issuing rental invoices to its customers and/or prevent Balder from renting available apartments. Materialisation of any of the above risks could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Balder could incur losses not covered by, or exceeding the coverage limits of, its insurance

Actual losses suffered by Balder could exceed its insurance coverage and could be material. The realisation of one or more damaging events for which Balder has no insurance coverage or for which Balder's insurance coverage is insufficient could have a material adverse effect on Balder's business, financial condition and results of operations and future prospects.

Interests of Fastighets AB Balder's shareholders may conflict with those of the holders of the Notes

The interests of Fastighets AB Balder 's shareholders, in certain circumstances, may conflict with those of the holders of the Notes, particularly if Fastighets AB Balder encounters financial difficulties or is unable to pay its debts when due. In addition, Fastighets AB Balder 's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgement, could enhance their equity investments, even though such transactions might involve risks to the Noteholders. Any of these actions could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Financial Risks

Balder may not receive financing at competitive terms or at all and may fail in repaying/refinancing its existing debt

Uncertainty in the financial markets or tightening regulation of banks could mean that the price of financing needed to carry out Balder's business, in particular its growth strategy, will increase and that such financing will be less readily available. As a result of Balder's intentions to raise additional debt from the capital markets, Balder is exposed to future adverse changes in those markets. The level of Balder's leverage may also affect its ability to refinance its existing debt, which, in turn, could also affect its competitiveness and limit its ability to react to market conditions and economic downturns.

Balder's target equity/assets ratio is at least 40 per cent., calculated on the basis of the fair value of its properties. As at 31 December 2020, Balder's equity ratio was 38.6 per cent. based on the fair value of the properties. Balder conducts continual discussions with banks and credit institutions aimed at securing its long-term financing. Balder cooperates closely with a handful of lenders in order to secure Balder's long-term capital requirements. However, no assurance can be given that Balder may not have difficulty in raising new debt, repaying its existing debt or fulfilling its equity ratio target in the future. Any failure to repay the principal or pay interest in respect of Balder's existing debt, the inability to refinance existing debt, or to raise new debt at corresponding or more favourable financial and other terms than currently in force, could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Fastighets AB Balder is dependent on its current long-term credit rating to pursue its financing strategy

Fastighets AB Balder intends to raise additional debt from the capital markets in the future. To facilitate the issuance of unsecured bonds and notes, Fastighets AB Balder has a long-term issuer credit rating of "BBB" from S&P. If Fastighets AB Balder's long-term credit rating were to be downgraded, future issuances of unsecured bonds and notes may become significantly more expensive or may not be possible in the targeted amounts. S&P could downgrade Fastighets AB Balder's long-term issuer credit rating if, for example, the value of Fastighets AB Balder's unencumbered assets were not to reach certain levels, or Fastighets AB Balder's effective leverage (adjusted total debt divided by total assets) or fixed charge cover ratios were to exceed certain levels, both on a sustainable basis, or if Fastighets AB Balder was unable to maintain an adequate liquidity profile at all times. If any of the risks described above were to materialise, it would be more difficult for Fastighets AB Balder to pursue its current financing strategy, which could have a material adverse effect on Fastighets AB Balder's and the Group's business, financial condition, results of operations and future prospects.

Balder's financings/insurance arrangements involve counterparty risk

Financial institutions are counterparties to Balder's long-term bank loans and insurance arrangements. During the financial crisis, many banks and insurance companies in the United States and Europe experienced financial difficulties, resulting in numerous mergers, acquisitions and bankruptcies among financial institutions, including the government takeover of certain financial institutions. Balder's principal counterparties in financing transactions are Nordic financial institutions which have avoided serious financial problems. However, there is no assurance that Balder's financing or insurance counterparties will not experience any financial difficulties in the future. If Balder's counterparties were to experience financial difficulties it could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Fluctuations in interest rates may adversely affect Balder's business

Interest rate fluctuations affect Balder's profit through changes in interest expenses and the market values of interest rate hedging. As at 31 December 2020, approximately 67 per cent. of Balder's loans were fixed interest rate loans or floating rate loans hedged with interest rate derivatives. Despite the relatively high hedging level, the positions are not completely hedged. Further, fluctuations in interest rates may affect the rental apartment business and the valuation of properties. Although a significant increase in interest rates may considerably affect house owners' ability to pay interest on housing loans, it may also affect private consumption and decrease the value of properties. In addition, an increase in interest rates could have a material adverse effect on the cost of financing and Balder's current financing expenses. There can be no assurance that Balder could not fail in managing its interest rate risk properly. This could, in turn, have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Fluctuations in currency exchange rates may adversely affect Balder's profit and property value

Balder is exposed to indirect foreign exchange translation risk due to its investment in Denmark, Norway, Germany, the United Kingdom and Finland through SATO (and more indirectly through the valuation of SATO's Russian properties). Balder's most significant exchange rate risk relates currently to euro-denominated rental income, maintenance costs and property valuation. Balder's reporting currency is Swedish Krona, and all balance sheet items for foreign properties as well as all income and expenses generated by them are converted to Swedish Krona. Materialisation of the translation risk could have a material adverse effect on Balder's business, financial condition, results of operations and future prospects.

Fastighets AB Balder 's historical earnings and other historical financial data are not necessarily predictive of earnings or other key financial figures of Balder going forward

The financial information provided for and discussed in this Base Prospectus and the financial statements of Fastighets AB Balder and Balder Finland included in this Base Prospectus relate to their past performance, and that of the Group. Balder's future development could deviate significantly from past results due to a large number of internal and external factors. The historical earnings, historical dividends and other historical financial data of the Group are, therefore, not necessarily predictive of earnings or other key financial figures for Balder going forward.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially

above the price at which they can be redeemed. This may also be true prior to any redemption period. The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

The market values of any specific Series of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Usually, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Any such price volatility may have an adverse effect on the market value of any specific Series of Notes issues at a substantial discount of premium to their nominal amount.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

The claims of holders of the Notes are structurally subordinated

As is usual for property companies, Balder's operations are principally conducted through subsidiaries. Accordingly, Fastighets AB Balder is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes and the Guarantee (if applicable). Moreover, Balder Finland is a special purpose financing vehicle that exists for the purpose of raising debt for the Group. For more information see "*Risk Factors – Fastighets AB Balder is a holding company; it is reliant on dividend upstreaming*". The Notes issued by Fastighets AB Balder and the Guarantee (if applicable) are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Fastighets AB Balder's subsidiaries and structurally and/or effectively subordinated to the extent of the value of collateral to all Fastighets AB Balder's and its subsidiaries' secured creditors. The Notes issued by Fastighets AB Balder are not guaranteed by any of Fastighets AB Balder's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of Fastighets AB Balder's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application generally will have the right to be paid in full before any distribution is made to Fastighets AB Balder. As at 31 December 2020, the book value of interest-bearing debt of the Group was SEK 88,989 million of which SEK 42,623 million represents interest-bearing liabilities of Fastighets AB Balder's subsidiaries which corresponds to 48 per cent. of the Group's total interest-bearing liabilities.

The Notes and the Guarantee (if applicable) will be effectively subordinated to any of the relevant Issuer's or, as the case may be, the Guarantor's existing secured and future secured indebtedness

The Notes are unsecured obligations of the relevant Issuer and the Guarantee (if applicable) is an unsecured obligation of the Guarantor. As at 31 December 2020, Fastighets AB Balder had approximately SEK 28,200 million of secured external interest-bearing indebtedness outstanding at book value, representing 32 per cent. of their total external interest-bearing liabilities. The Notes and the Guarantee are, therefore, effectively subordinated to Fastighets AB Balder's existing secured indebtedness and future secured indebtedness of Fastighets AB Balder or Balder Finland. Accordingly, holders of Fastighets AB Balder's or Balder Finland's secured indebtedness will have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness. In the event of a bankruptcy, liquidation or dissolution of Fastighets AB Balder or Balder Finland, the assets that serve as collateral for any secured indebtedness of Fastighets AB Balder or Balder Finland would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes. Other than as set out in Condition 5.1 (Covenants – Negative Pledge) and Condition 5.2(a) (Covenants – Financial Covenants – Limitations on the Incurrence of Indebtedness), the Conditions do not prohibit the Issuers or the Guarantor from incurring and securing future indebtedness. To the extent that the Issuers or the Guarantor were to secure any of their future indebtedness, to the extent not required to secure the Notes in accordance with the terms of the Trust Deed governing the Notes, the Issuers' obligations, in respect of the Notes, and the Guarantor's obligations, in respect of the Guarantee, would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

Modification, waivers, substitution of an Issuer

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or determine, without the consent of the Noteholders, that any Event of Default or Potential Event of Default (each as defined in the Trust Deed) shall not be treated as such in the circumstances described in Condition 17 (Meetings of Noteholders; Modification and Waiver; Substitution) of the Notes.

The Conditions provide that the Trustee shall, at the request of the relevant Issuer but without the consent of the Noteholders, agree to the substitution of any Subsidiary of the Issuer as the principal debtor in relation to the Trust Deed and the Notes, all in the circumstances described in the Trust Deed and the Conditions of the Notes.

Notes where denominations involve integral multiples and definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of

Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If definitive bearer Notes are issued, holders should be aware that definitive bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and/or activities that promote climate friendly and other environmental purposes (either in those words or otherwise) (**Green Projects**). The criteria for qualification as a Green Project under Balder's framework for Green Bonds may change from time to time, including after the issue date of a particular issue of Green Bonds. Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the relevant Issuer or the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Green Project). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect

environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Issuer or any Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the relevant Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the relevant Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

The value of the Notes could be adversely affected by changes in laws or administrative practices

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus. In particular, potential investors should note that any new statutes, ordinances and regulations, amendments to legislation or any change in applicable law or administrative practice or the application of the same (including any amendments to or changes in application of tax laws or regulations) may affect the Notes and/or have a material adverse effect on the Group's business, financial condition, results of operations and future prospects, and, thereby, on the relevant Issuer's and/or Guarantor's ability to fulfil its obligations under the Notes and the Guarantee as well as the market price and value of the Notes, including on the secondary market value of the Notes.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

Exchange rates and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a holder of the Notes' financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes, such as the market interest rates subsequently increasing above the rate paid on the Fixed Rate Notes, resulting in the equivalent investment issued at the current market interest rate may be more attractive to investors. In such circumstances a holder of a Fixed Rate Note issued by the relevant Issuer may face difficulties should they need to sell their Note in the secondary market.

Regulation and reform of "benchmarks" could adversely affect any Notes referencing such "benchmarks"

The Euro Interbank Offered Rate (**EURIBOR**), London Interbank Offered Rate (**LIBOR**) and other rates and indices which are deemed to be "benchmarks" are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks (and others including CIBOR, NIBOR or STIBOR) to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the EU Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the EU Benchmarks Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete.

As an example of such benchmark reforms the UK Financial Conduct Authority announced on 27 July 2017 that it would no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark

after 2021 and the FCA confirmed on 5 March 2021 by way of a published statement (the **FCA announcement**) that most LIBOR benchmark tenors would cease or cease to be representative benchmarks from 31 December 2021 or (in the case of certain tenors of USD LIBOR only) from 30 June 2023. On 5 March 2021, the administrator for LIBOR (the ICE Benchmark Administration or IBA) similarly announced (the **IBA announcement**) that it would cease the publication of the relevant LIBOR settings on 31 December 2021 or 30 June 2023, unless the FCA exercises its proposed new powers (which are included in the current UK Financial Services Bill as proposed amendments to the UK Benchmarks Regulation) to require the IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis). Such announcements indicate that LIBOR will not continue in its current form and the UK Financial Conduct Authority announcement of 5 March 2021 indicated that it is currently contemplating that any "synthetic" basis, if adopted, would be limited to a small number of currencies and settings.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 25 November 2020, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates. The final recommendations are expected to be published during the second quarter of 2021.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to such benchmark (including but not limited to Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark which is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs. The IBA announcement and FCA announcement referred to above may each constitute such a Benchmark Event. This will have triggered certain of the fallback arrangements although, the consequences of such fallbacks being triggered are not immediately effective under the Terms and Conditions. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate, with or without an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Advisor appointed by the relevant Issuer. An adjustment spread, if applied could be positive or negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a successor rate or alternative rate may nonetheless be used to determine the rate of interest. The use of a successor rate or alternative rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, the relevant Issuer is unable to appoint an independent advisor or no successor rate or alternative rate is determined, the ultimate fallback for the purposes of calculation of the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the

uncertainty concerning the availability of successor rates and alternative rates and the involvement of an independent adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consider these matters when making their investment decision with respect to Floating Rate Notes.

Credit Ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Enforceability of judgments

Since the UK ceased to be a Member State of the European Union there is uncertainty concerning the enforcement of English court judgments in Sweden or Finland as the regulation concerning the recognition and enforcement of judgments that previously applied between the UK and EU Member States, namely the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) (the **Recast Regulation**) has now ceased to apply to the UK (and UK court judgments).

Further, the UK is no longer a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states. As a result, a judgment entered against the relevant Issuer in an English court may not be recognised or enforceable in Sweden or Finland as a matter of law without a re-trial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden or Finland).

INFORMATION INCORPORATED BY REFERENCE

The following documents which have been filed with the Central Bank and Euronext Dublin shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2020, as set out on the following pages of the 2020 annual report of Fastighets AB Balder:

	Page(s)
Current Earnings Capacity	20
Consolidated statement of comprehensive income	46
Consolidated statement of financial position	47
Consolidated statement of changes in equity	48
Consolidated statement of cashflows	49
Notes on the financial statements	54 to 82
Auditors' Report	84 to 86

which can be viewed on Fastighets AB Balder's website at:

https://en.balder.se/sites/balder/files/annual_report_2020.pdf

(b) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2019, as set out on the following pages of the 2019 annual report of Fastighets AB Balder:

	Page(s)
Current Earning Capacity	26
Consolidated statement of comprehensive income	49
Consolidated statement of financial position	50
Consolidated statement of changes in equity	51
Consolidated statement of cashflows	52
Notes to the financial statements	57 to 85
Auditors' Report	87 to 89

which can be viewed on Fastighets AB Balder's website at:

https://en.balder.se/sites/balder/files/balder_ar19_eng_200406.pdf

(c) the audited financial statements (including the notes thereto) of Balder Finland (formerly Balder Otas i Finland Oy) in respect of the year ended 31 December 2020, including the information set out on the following pages:

	Page(s)
Income statement	4
Balance sheet	5
Notes to the financial statements	8

which can be viewed on Fastighets AB Balder's website at:

https://www.balder.se/sites/balder/files/balder_finland_oyj_-_financial_statements_2020.pdf

(d) the auditors' report to the financial statements of Balder Finland (formerly Balder Otas i Finland Oy) for the year ended 31 December 2020 which can be viewed on Fastighets AB Balder's website at:

https://www.balder.se/sites/balder/files/balder_finland_oyj_-_auditors_report_2020.pdf

(e) the audited financial statements (including the notes thereto) of Balder Finland (formerly Balder Otas i Finland Oy) in respect of the year ended 31 December 2019, as set out on the following pages:

	Page(s)
Income Statement	1
Balance Sheet	1
Notes to the financial statements	2

which can be viewed on Fastighets AB Balder's website at:

https://en.balder.se/sites/balder/files/balder_finland_oyj_-_financial_statements_2019.pdf

(f) the auditors' report to the financial statements of Balder Finland (formerly Balder Otas i Finland Oy) for the year ended 31 December 2019 which can be viewed on Fastighets AB Balder's website at:

https://en.balder.se/sites/balder/files/balder_finland_oyj_-_auditors_report_2019.pdf

(g) the unaudited interim consolidated financial statements of Fastighets AB Balder in respect of the three month period ended 31 March 2021, as set out on the following pages of the Q1 2021 report of Fastighets AB Balder:

	Page
Current Earning Capacity	4
Consolidated statement of comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	21

Consolidated statement of cash flow 22

which can be viewed on Fastighets AB Balder's website at:

https://en.balder.se/sites/balder/files/1416362.pdf

(h) the Base Prospectus dated 17 June 2019 (pages 37-79 inclusive) (which is available for viewing at https://en.balder.se/sites/balder/files/base_prospectus_emtn_programme_17_june_2019.pdf); and

(i) the Base Prospectus dated 15 July 2020 (pages 40-84 inclusive) (which is available for viewing at https://en.balder.se/sites/balder/files/base_prospectus_emtn_programme_15_july_2020.pdf).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of Fastighets AB Balder and on the websites specified above.

Any parts of the documents specified above which are not incorporated by reference in this Base Prospectus are either deemed not relevant to investors or are otherwise covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and Guarantor and of the rights attaching to the Notes and the reasons for the issuance of the Notes and its impact on the relevant Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuers and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus in order to obtain all the relevant information. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the Base Prospectus as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Issuer and the Guarantor, if applicable, and the relevant Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form (**Bearer Notes**) will initially be in the form of either a temporary global note in bearer form (the **Temporary Global Note**), without interest coupons, or a permanent global note in bearer form (the **Permanent Global Note**), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a **Global Note**) which is not intended to be issued in new global note (**NGN**) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the **ECB**) announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the **Eurosystem**), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the **TEFRA C Rules**) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the **TEFRA D Rules**) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(b) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Bearer Notes in definitive form (**Definitive Notes**) not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances specified in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) any of the circumstances described in Condition 13 (Events of Default) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.*"

Registered Notes

Each Tranche of Notes in registered form (**Registered Notes**) will be represented by a global registered note (**Global Registered Note**), which may be exchangeable for individual Note Certificates in registered form (**Individual Note Certificates**) as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new safekeeping structure (the **New Safekeeping Structure** or **NSS**) would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the **Eurosystem**), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

If the relevant Final Terms specifies the form of Notes as being "*Individual Note Certificates*", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note exchangeable for Individual Note Certificates

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Registered Note each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances specified in the Global Registered Note", then if either of the following events occurs:

(i) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and

(ii) in any case, if any of the circumstances described in Condition 13 (Events of Default) occurs.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note must provide the Registrar (through the relevant clearing system) with such information as the relevant Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 1.4 of the EU Prospectus Regulation) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below.

1. INTRODUCTION

1.1 Programme

Fastighets AB Balder and Balder Finland Oyj (the **Issuers** and each an **Issuer**) have established a Euro Medium Term Note Programme (the **Programme**) for the issuance of up to EUR 4,000,000,000 in aggregate principal amount of notes (the **Notes**) unconditionally and irrevocably guaranteed by Fastighets AB Balder, in respect of Notes issued by Balder Finland Oyj only (in such capacity, the **Guarantor**).

1.2 Final Terms

Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a final terms (the **Final Terms**) which completes these terms and conditions (the **Conditions**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

1.3 Trust Deed

The Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 4 June 2021 (as amended, supplemented or restated from time to time, the **Trust Deed**) between the Issuers, the Guarantor and Deutsche Trustee Company Limited as trustee (the **Trustee**, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed). The Notes issued by Balder Finland Oyj are the subject of a guarantee provided by the Guarantor in the Trust Deed.

1.4 Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated 4 June 2021 (as amended, supplemented or restated from time to time, the **Agency Agreement**) between the Issuers, the Guarantor, Deutsche Bank AG, London Branch as principal paying agent (the **Principal Paying Agent**, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), Deutsche Bank Luxembourg S.A. as registrar (the **Registrar**, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agent named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agent named therein (together with the Registrar, the **Transfer Agents**, which expression includes any successor or additional transfer agents appointed from time to

time in connection with the Notes) and the Trustee. In these Conditions references to the **Agents** are to the Paying Agents and the Transfer Agents and any reference to an **Agent** is to any one of them.

1.5 The Notes

The Notes may be issued in bearer form (**Bearer Notes**), or in registered form (**Registered Notes**). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the specified office of the Principal Paying Agent.

1.6 Summaries

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. INTERPRETATION

2.1 Definitions

In these Conditions the following expressions have the following meanings:

Accrual Yield has the meaning given in the relevant Final Terms;

Additional Business Centre(s) means the city or cities specified as such in the relevant Final Terms;

Additional Financial Centre(s) means the city or cities specified as such in the relevant Final Terms;

Associated Companies means the associated companies whose participations are recognised in the notes to the most recently published consolidated financial statements of the Group;

Authorised Signatory means any director or any other person or persons notified to the Trustee by any director as being an Authorised Signatory pursuant to Clause 6.16 (*Authorised Signatories*) of the Trust Deed;

Business Day means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

Business Day Convention in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) **FRN Convention**, **Floating Rate Convention** or **Eurodollar Convention** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) **No Adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

Calculation Agent means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

Calculation Amount has the meaning given in the relevant Final Terms;

Change of Control has the meaning ascribed to it in Condition 9.6 (Redemption and Purchase – Change of Control Put Option);

Change of Control Put Event has the meaning ascribed to it in Condition 9.6 (Redemption and Purchase – Change of Control Put Option);

Change of Control Period has the meaning ascribed to it in Condition 9.6 (Redemption and Purchase – Change of Control Put Option);

Change of Control Put Event Notice has the meaning ascribed to it in Condition 9.6 (Redemption and Purchase – Change of Control Put Option);

CIBOR means, in respect of Danish Kroner and for any specified period, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently Nasdaq Copenhagen A/S) in accordance with the requirements from time to time of the Danish Financial Benchmark Facility based on estimated interbank borrowing rates for Danish

Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic CIBOR rates can be obtained from the designated distributor);

Consolidated Adjusted EBITDA means, in respect of any Testing Date, the number set out under the heading "*Profit before Tax*" (or any equivalent line item) in the Consolidated Financial Statements of the Group, from which should be deducted items (a) to (e) below:

(a) the number set out under the heading "*Changes in value of properties, realised*" (or any equivalent line item) in the Consolidated Financial Statements of the Group;

(b) the number set out under the heading "*Changes in value of properties, unrealised*" (or any equivalent line item) in the Consolidated Financial Statements of the Group;

(c) the number set out under the heading "*Changes in value of derivatives*" (or any equivalent line item) in the Consolidated Financial Statements of the Group;

(d) the number set out under the heading "*Participations in the profits of associated companies*" (or any equivalent line item) in the Consolidated Financial Statements of the Group;

(e) the number set out under the heading "*Net financial items*" (or any equivalent line item), excluding ground rents, in the Consolidated Financial Statements of the Group;

and the following item (f) should be added:

(f) the amount for "*profit from property management from Balder's participation in associated companies*" (or any equivalent item) as referred to in the Consolidated Financial Statements of the Group (if any);

Consolidated Coverage Ratio means, in respect of any Testing Date, the ratio of (i) the aggregate amount of Consolidated Adjusted EBITDA for the period of the most recent four consecutive financial quarters ending on such Testing Date to (ii) the aggregate amount of Net Interest Charges, for the period of the most recent four consecutive financial quarters ending on such Testing Date;

Consolidated Financial Statements of the Group means the consolidated financial statements and notes to those financial statements of the Group prepared in accordance with IFRS;

Consolidated Solvency Ratio means (i) the Indebtedness (on a consolidated basis) of the Group (less cash and cash equivalents) and any Guarantee in respect of any Indebtedness (except for any Guarantee in respect of any Indebtedness that Balder has directly or indirectly accounted for, and any Guarantee in respect of any Indebtedness of associated companies); divided by (ii) Consolidated Total Assets, in each case as set out in the most recent Consolidated Financial Statements of the Group;

Consolidated Total Assets means the value of the consolidated total assets of the Group, as reflected in the most recent Consolidated Financial Statements of the Group;

continuing for the purposes of Condition 13 (Events of Default) is an Event of Default that has not been waived or remedied;

Coupon Sheet means, in respect of a Note, a coupon sheet relating to the Note;

DA Selected Bond means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date), that would be utilised, at the time of selection and in accordance with

customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date);

Day Count Fraction means, in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if **Actual/Actual (ICMA)** is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if **Actual/Actual (ISDA)** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if **30/360** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

(f) if **30E/360** or **Eurobond Basis** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

if **30E/360 (ISDA)** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

Determination Agent means an investment bank or financial institution of international standing selected by the relevant Issuer;

Early Redemption Amount (Tax) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Early Termination Amount means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

EURIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

Extraordinary Resolution has the meaning given in the Trust Deed;

Final Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

First Interest Payment Date means the date specified in the relevant Final Terms;

Fitch means Fitch Ratings Limited;

Fixed Coupon Amount has the meaning given in the relevant Final Terms;

Gross Redemption Yield means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*"(published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

Group means Fastighets AB Balder and its consolidated Subsidiaries taken as a whole;

Guarantee means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

Guarantee of the Notes means the guarantee of the Notes given by the Guarantor in the Trust Deed;

Holder in the case of Bearer Notes, has the meaning given in Condition 3.2 (Form, Denomination, Title and Transfer – Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3.4 (Form, Denomination, Title and Transfer – Title to Registered Notes);

IFRS means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time) as adopted by the European Union;

Indebtedness means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(e) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and

(g) any amount raised by the issue of redeemable shares (including but not limited to redeemable preference shares), which are classified as borrowings under IFRS;

Interest Amount means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

Interest Commencement Date means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

Interest Determination Date has the meaning given in the relevant Final Terms;

Interest Payment Date means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

Interest Period means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

Investment Grade Rating Change means if any rating previously assigned to Fastighets AB Balder by any Rating Agency is changed from an investment grade rating (being at least Baa3 by Moody's, BBB- by Fitch or BBB- by S&P) to a non-investment grade rating (being Ba1 or lower by Moody's, or BB+ or lower by Fitch or BB+ or lower by S&P);

ISDA Benchmarks Supplement means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

ISDA Definitions means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and, if ISDA Benchmarks Supplement is specified in the relevant Final Terms as being applicable, as supplemented by any applicable supplement to the ISDA Definitions) as published by the International Swaps and Derivatives Association, Inc.;

Issue Date has the meaning given in the relevant Final Terms;

LIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

Make Whole Redemption Price has the meaning given in Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer);

Margin has the meaning given in the relevant Final Terms;

Maturity Date has the meaning given in the relevant Final Terms;

Maximum Redemption Amount has the meaning given in the relevant Final Terms;

Minimum Redemption Amount has the meaning given in the relevant Final Terms;

Moody's means Moody's Investors Service Limited;

Net Interest Charges means the number set out under the heading "*Net financial items*" (or any equivalent line item), excluding ground rents, in the Consolidated Financial Statements of the Group;

NIBOR means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (currently Global Rate Set System) in accordance with the requirements from time to time of Norske Finansielle Referanser (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for Norwegian Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor);

Non-Sterling Make Whole Redemption Amount has the meaning given in Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer);

Noteholder in the case of Bearer Notes, has the meaning given in Condition 3.2 (Form, Denomination, Title and Transfer – Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3.4 (Form, Denomination, Title and Transfer – Title to Registered Notes);

Optional Redemption Amount (Call) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Optional Redemption Amount (Put) means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

Optional Redemption Date (Call) has the meaning given in the relevant Final Terms;

Optional Redemption Date (Change of Control) has the meaning given in Condition 9.6 (Redemption and Purchase - Change of Control Put Option);

Optional Redemption Date (Put) has the meaning given in the relevant Final Terms;

Par Call Commencement Date has the meaning given in the relevant Final Terms;

Payment Business Day means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

Permitted Refinancing Indebtedness means any Indebtedness of Fastighets AB Balder or any of its Subsidiaries raised or issued in exchange for, or the net proceeds of which are used to renew, refund,

refinance, replace, exchange or discharge other Indebtedness of Fastighets AB Balder or any member of the Group (other than intergroup/intercompany Indebtedness (other than the Notes)); **provided that**:

(a) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed at the option of Fastighets AB Balder, either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;

(c) if the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and

(d) if Fastighets AB Balder was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged, such Indebtedness is incurred by Fastighets AB Balder;

Permitted Security Interest means a Security Interest on the undertaking or assets of any Person existing at the time such Person is acquired by and becomes a Subsidiary of an Issuer or the Guarantor, provided such Security Interest was not created in contemplation of such acquisition and the principal amount secured has not been increased in contemplation of or since such acquisition;

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government (or any agency or political subdivision thereof) or other entity;

Principal Financial Centre means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

Put Option Notice means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Put Option Receipt means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Quarterly Consolidated Financial Statements means the financial statements published by Fastighets AB Balder for the periods ended 31 March, 30 June, 30 September and 31 December of each year;

Quotation Time has the meaning given in the relevant Final Terms;

Rate of Interest means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

Rating Agency means each of Fitch, Moody's and S&P;

Redemption Amount means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

Redemption Margin has the meaning given in the relevant Final Terms;

Reference Banks has the meaning given in the relevant Final Terms or, if none, four major banks selected by the relevant Issuer in the market that is most closely connected with the Reference Rate;

Reference Bond shall be as specified in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

Reference Bond Price means, with respect to any Reference Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if fewer than four such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

Reference Date has the meaning given in the relevant notice of redemption;

Reference Government Bond Dealer means each of five banks selected by the relevant Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues**;**

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

Reference Price has the meaning given in the relevant Final Terms;

Reference Rate means CIBOR, EURIBOR, LIBOR NIBOR, or STIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

Regular Period means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first

Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Financial Centre has the meaning given in the relevant Final Terms;

Relevant Indebtedness means any Indebtedness (whether being principal, premium or other amounts) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over the counter market) (and includes for the purposes of these Conditions any Guarantee in respect of any such Indebtedness) but does not include, for the avoidance of doubt, any Security Interests that SATO Oyj provides in respect of its existing Secured Notes in order to meet its obligation to maintain the minimum collaterisation level under the Secured Notes (and including, any replacement of such Security Interests in accordance with the terms and conditions of the Secured Notes);

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the relevant Final Terms;

Reporting Date means a date falling no later than 30 days after the publication of each of (a) Fastighets AB Balder's audited annual consolidated financial statements; and (b) Fastighets AB Balder's unaudited Quarterly Consolidated Financial Statements;

Reserved Matter means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment; to effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds, or other obligations or securities of the relevant Issuer or any other person or body corporate formed or to be formed (other than as permitted under Clause 7.3 (*Substitution*) of the Trust Deed); to change the currency of

payments under the Notes; or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

S&P means S&P Global Ratings Europe Limited;

Secured Indebtedness means any Indebtedness, or any Guarantee in respect of such Indebtedness (without double counting in respect of a secured Guarantee of secured Indebtedness, and excluding any Guarantee of the Indebtedness of any Associated Company), in each case which is secured in whole or in part by the assets of any member of the Group;

Secured Notes means the EUR 25 million and EUR 24 million senior secured notes issued by SATO Oyj under its EUR 500,000,000 programme for the issuance of notes under its base prospectus dated 6 March 2013;

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

Specified Currency has the meaning given in the relevant Final Terms;

Specified Denomination(s) has the meaning given in the relevant Final Terms;

Specified Office has the meaning given in the Agency Agreement;

Specified Period has the meaning given in the relevant Final Terms;

Sterling Make Whole Redemption Amount has the meaning given in Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer);

STIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of the Swedish Financial Benchmark Facility (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

Subsidiary means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

(a) whose affairs and policies the first Person controls or has the power to control (directly or indirectly), whether by ownership of more than 50 per cent. of the share capital, contract, the power to appoint or remove the majority of members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

and includes any Person that is a Subsidiary of a Subsidiary;

Talon means a talon for further Coupons;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

Testing Date means each of 31 March, 30 June, 30 September and 31 December in each year from the first of such date following the Issue Date to the Maturity Date; and

Zero Coupon Note means a Note specified as such in the relevant Final Terms;

2.2 Interpretation

In these Conditions:

(a) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(b) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(c) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(d) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (Taxation), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(e) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;

(f) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(g) if an expression is stated in Condition 2.1 (Definitions) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(h) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. FORM, DENOMINATION, TITLE AND TRANSFER

3.1 Bearer Notes

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

3.2 Title to Bearer Notes

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, **Holder** means the holder of such Bearer Note and **Noteholder** and **Couponholder** shall be construed accordingly.

3.3 Registered Notes

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

3.4 Title to Registered Notes

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a **Note Certificate**) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, **Holder** means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and **Noteholder** shall be construed accordingly.

3.5 Ownership

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

3.6 Transfers of Registered Notes

Subject to Condition 3.9 (Closed periods) and 3.10 (Regulations concerning transfers and registration) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

3.7 Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with paragraph 3.6 (Transfers of Registered Notes) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3.7, **business day** means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

3.8 No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

3.9 Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

3.10 Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. STATUS AND GUARANTEE

4.1 Status of the Notes

The Notes constitute direct, general, unsecured (subject to Condition 5.1 (Covenants – Negative Pledge)), unsubordinated and unconditional obligations of the relevant Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4.2 Guarantee of the Notes

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by Balder Finland Oyj in respect of the Notes and any Coupons. This Guarantee of the Notes constitutes direct, general, unconditional and unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. COVENANTS

5.1 Negative Pledge

So long as any Note remains outstanding, neither of the Issuers nor the Guarantor shall, and each of the Issuers and Guarantor shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without at the same time or prior thereto (a) securing the Notes or the Guarantee of the Notes (as applicable) equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes or the Guarantee of the Notes (as applicable) as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

5.2 Financial Covenants

(a) **Limitations on the Incurrence of Indebtedness**

So long as any Note remains outstanding Fastighets AB Balder will not, and will not permit any Subsidiary to incur directly or indirectly, any Indebtedness or any Guarantee in respect of any Indebtedness (excluding for the purposes of this Condition 5.2(a), any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds) the Consolidated Solvency Ratio would exceed 65 per cent.;

(b) **Maintenance of the Consolidated Coverage Ratio**

So long as any Note remains outstanding Fastighets AB Balder undertakes that on each Testing Date the Consolidated Coverage Ratio is not less than 1.8:1; and

(c) **Limitations on the Incurrence of Secured Indebtedness**

So long as any Note remains outstanding Fastighets AB Balder will not, and will not permit any Subsidiary to incur directly or indirectly, any Secured Indebtedness (excluding, for the purposes of this Condition 5.2(c), any Permitted Refinancing Indebtedness relating to the same previously secured assets) if, on the date of such incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds) the total value of Secured Indebtedness of the Group (on a consolidated basis) would exceed 45 per cent. of Consolidated Total Assets.

Fastighets AB Balder will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the covenants in this Condition 5.2 (Financial Covenants) are breached at any time.

5.3 Certificates

(a) So long as any Note remains outstanding Fastighets AB Balder will deliver a certificate to the Trustee within three days of each Reporting Date signed by two Authorised Signatories of Fastighets AB Balder certifying that as at the most recent Testing Date Fastighets AB Balder was in compliance with the undertakings set out in paragraph 5.2 (Financial Covenants).

(b) Any certificate addressed to the Trustee by two Authorised Signatories of Fastighets AB Balder as to any of the amounts of any defined term or figure referred to in Condition 5.2 (Financial Covenants) (unless expressly stated otherwise) may, in the absence of manifest error, be relied upon by the Trustee, and shall be conclusive and binding on Fastighets AB Balder and Noteholders.

6. FIXED RATE NOTE PROVISIONS

6.1 Application

This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

6.2 Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of *Interest* payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes).

6.3 Cessation of Interest

Each Note will cease to bear interest from the due date for final redemption unless, *upon* due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

6.4 Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

6.5 Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. FLOATING RATE NOTE PROVISIONS

7.1 Application

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

7.2 Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7.3 Screen Rate Determination

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(b) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the relevant Issuer determines appropriate and notifies to it;

(c) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(d) if, in the case of (a) above, such rate does not appear on that page or, in the case of (c) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(A) the relevant Issuer will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) the Calculation Agent will determine the arithmetic mean of such quotations; and

(e) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the relevant Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

7.4 ISDA Determination

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

(c) the relevant Reset Date (as defined in the ISDA Definitions) is either (i) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the relevant Final Terms; and

(d) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

7.5 Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

7.6 Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a **sub-unit**

means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7.7 Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

7.8 Notifications etc

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (in the absence of wilful default and fraud) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7.9 Benchmark Replacement

Notwithstanding the provisions above in this Condition 7, if the relevant Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event has occurred in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(a) **Independent Adviser**

The relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments (each as defined and as further described below) no later than 5 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 7.9 during any other future Interest Period(s)).

(b) **Successor Rate or Alternative Rate**

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7.9(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7.9); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7.9(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7.9.

(c) **Adjustment Spread**

If the Independent Adviser acting in good faith determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 7.9.

(d) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7.9 and the Independent Adviser acting in good faith determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 7.9(e), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the request and expense of the relevant Issuer, agree to effect such consequential amendments to the Trust Deed, the Paying Agency Agreement and these Conditions as the relevant Issuer determines and certifies to the Trustee may be required in order to give effect to this Condition 7.9 regardless of whether or not effecting such Benchmark Amendments would constitutes a Reserved Matter or one or more provisos under Condition 17 (Meetings of Noteholders; Modification and Waiver; Substitution) **provided, however, that** neither the Trustee nor the Principal Paying Agent (as applicable) shall be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee or the Principal Paying Agent (as applicable), have the effect of (i) exposing it to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing its obligations or duties or decreasing its rights and/or the protective provisions afforded to it in the Trust Deed and/or these Conditions and/or the Paying Agency Agreement (as applicable).

In connection with any such variation in accordance with this Condition 7.9(d), the relevant Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading.

(e) **Notices, etc.**

The relevant Issuer shall promptly notify the party responsible for determining the Rate of Interest (or any component part thereof) (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 20 (Notices), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 7.9(e). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Trustee of the same, the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the relevant Issuer confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or Alternative Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to sub-paragraph (d) above.

(f) **Survival of Original Reference Rate**

Without prejudice to the obligations of the relevant Issuer under this Condition 7.9, the Original Reference Rate and the fallback provisions provided for in Condition 7.3 will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable), in accordance with Condition 7.9(e).

(g) **Fallbacks**

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest (or any component part thereof) on the immediately following Interest Determination Date, the relevant Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) is determined or a Successor Rate or Alternative Rate (as applicable) is determined but is not notified to the Calculation Agent not less than ten Business Days prior to the next Interest Determination Date pursuant to this provision prior to the IA Determination Cut-off Date and the Relevant Screen Page is no longer available for use, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

(h) **Calculation Agent**

Notwithstanding any other provision of this Condition 7.9, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7.9, the Calculation Agent shall promptly notify the relevant Issuer thereof and the relevant Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the relevant Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the avoidance of doubt, this Condition 7.9 shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent

Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.9.

For the purposes of this Condition 7.9:

Adjustment Spread means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(c) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith determines to be appropriate;

Alternative Rate means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith determines in accordance with Condition 7.9(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith determines is most comparable to the Original Reference Rate;

Benchmark Amendments has the meaning given to it in Condition 7.9(d);

Benchmark Event means:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing permanently to be calculated, administered and published;

(b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (b)(i) above;

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date,

be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (d)(i) above;

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above; or

(f) it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable);

(g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

in each case, as determined by the relevant Issuer, or in the case of (f) above, the relevant Issuer in consultation with the Calculation Agent or the relevant person responsible for calculating payments.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the relevant Issuer at its own expense;

Original Reference Rate means the originally-specified Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 7.9(b), such Successor Rate or Alternative Rate, as applicable, used to determine the Rate of Interest (or any component part thereof) on the Notes;

Relevant Nominating Body means, in respect of an Original Reference Rate:

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

8. ZERO COUPON NOTE PROVISIONS

8.1 Application

This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

8.2 Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(a) the Reference Price; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. REDEMPTION AND PURCHASE

9.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes).

9.2 Redemption for tax reasons

The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

(a) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or

(b) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 20 (Notices) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the relevant Issuer satisfies the Trustee that:

(i) the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (Taxation) or the Guarantor is unable to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor, taking reasonably measures available to it (but at no material cost) to mitigate the effects of the occurrence of the relevant events described in sub-paragraph (i) above,

provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the relevant Issuer or,

as the case may be, the Guarantor would be obliged to pay such additional amounts or the Issuer or, as the case may be, the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts or the Issuer or, as the case may be, the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Trustee (I) a certificate signed by two Authorised Signatories of the relevant Issuer or, as the case may be, two Authorised Signatories of the Guarantor, stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so as to redeem have occurred and (II) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 9.2, the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

9.3 Redemption at the option of the relevant Issuer

If Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the relevant Issuer's giving not less than 10 nor more than 60 days' notice, or such other period(s) as may be specified in the relevant Final Terms, to the Noteholders in accordance with Condition 20 (Notices) (which notice shall be irrevocable (other than in the circumstances set out below) and shall oblige the relevant Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

(a) the Optional Redemption Amount (Call); or

(b) the Make Whole Redemption Price.

The **Make Whole Redemption Price** will, in respect of Notes to be redeemed, be:

(i) if **Sterling Make Whole Redemption Amount** is specified as being applicable in the relevant Final Terms an amount equal to the higher of (A) 100 per cent. of the principal amount of such Notes to be redeemed and (B) the principal amount of such Notes to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the relevant Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, as determined by the Determination Agent; or

(ii) if **Non-Sterling Make Whole Redemption Amount** is specified in the relevant Final Terms an amount equal to the higher of (A) 100 per cent. of the principal amount of such Notes to be redeemed and (B) the principal amount of such Notes to be redeemed multiplied by the price (expressed as a percentage), as reported in writing to the relevant Issuer by the Determination Agent (if applicable), at which the yield to maturity on such Notes (or, if a Par Call Commencement Date is specified in the relevant Final Terms, the period to the Par Call Commencement Date) on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, as determined by the Determination Agent.

If Make Whole Redemption Price is specified in the relevant Final Terms as being applicable, any notice of redemption may, at the relevant Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the relevant Issuer's discretion, the Optional Redemption Date (Call) may be delayed until such time as any or all such conditions shall be satisfied (or waived by the relevant Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the relevant Issuer in its sole discretion) by the Optional Redemption Date (Call), or by the Optional Redemption Date (Call) so delayed.

9.4 Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 9.3 (Redemption at the option of the relevant Issuer), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9.3 (Redemption at the option of the relevant Issuer) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) shall specify the serial numbers of the Notes so to be redeemed (which will be published by the relevant Issuer in accordance with Condition 20 (Notices) not less than 15 days prior to the date fixed for redemption), and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as specified in the applicable Final Terms.

9.5 Redemption at the option of Noteholders

If Put Option is specified in the relevant Final Terms as being applicable, the relevant Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5, the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9.5, may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail

notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9.5, the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

9.6 Change of Control Put Option

If Change of Control Put Option is specified as applicable in the relevant Final Terms, if at any time while any Note remains outstanding, there occurs:

(a) (i) Change of Control (as defined below), and, (ii) within the Change of Control Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Change of Control Period); or

(b) a Change of Control (as defined below), and, on the occurrence of the Change of Control, Fastighets AB Balder is not rated by any Rating Agency and, within the Change of Control Period a Negative Rating Event occurs,

(each, a **Change of Control Put Event**), each Noteholder will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the relevant Issuer gives notice to redeem the Notes under Condition 9.2 or 9.3), at any time during the Change of Control Put Period, to require the relevant Issuer to redeem or, at the relevant Issuer's option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date (Change of Control) at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date (Change of Control).

Immediately upon the relevant Issuer becoming aware that a Change of Control Put Event has occurred, the relevant Issuer shall give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 20 (Notices) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option contained in this Condition 9.6.

To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Principal Paying Agent specified in the Change of Control Put Option Notice (as defined below) for the account of the relevant Issuer, together with a duly signed and completed notice of exercise in the then current form obtainable from the Principal Paying Agent (a **Change of Control Put Option Notice**) within the Change of Control Put Period and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 9.6.

A Change of Control Put Option Notice once given shall be irrevocable. The relevant Issuer shall redeem or, at the option of the relevant Issuer procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Principal Paying Agent for the account of the relevant Issuer as described above, on the Optional Redemption Date (Change of Control). Payment in respect of such Notes will be made on the Optional Redemption Date (Change of Control) by transfer to the bank account specified in the Change of Control Put Option Notice.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 9.6, the relevant Issuer may, on not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 20 (Notices) given within 30 days after the

Optional Redemption Date (Change of Control), redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred or to notify the Noteholders of the same and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

For the purpose of this Condition 9.6:

A **Change of Control** shall be deemed to have occurred if at any time following the Issue Date, a person or persons, acting together, acquires (i) the beneficial ownership (directly or indirectly) of more than 50 per cent. of the total voting rights represented by shares of Fastighets AB Balder, or (ii) the power to appoint or remove the majority of the members of the board of directors of Fastighets AB Balder;

Change of Control Period means the period (i) beginning on the date that is the earlier of (A) the first public announcement of the relevant Change of Control; and (B) the date of the earliest Potential Change of Control Announcement, if any, and (ii) ending on the date which is the 120th day after the date of the first public announcement of the relevant Change of Control (such 120th day, the **Initial Longstop Date**); **provided that**, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Event in respect of its rating of Fastighets AB Balder, if a Rating Agency publicly announces that it has placed its rating of Fastighets AB Balder under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall end on the later of (i) the Initial Longstop Date and (ii) the date falling 60 days after such public announcement;

Change of Control Put Period means the period from and including the date on which a Change of Control Put Event occurs (whether or not the relevant Issuer has given a Change of Control Put Event Notice (as applicable) in respect of such event) to and including the date falling 60 days after the date on which such Change of Control Put Event Notice is given, **provided that** if no Change of Control Put Event Notice (as applicable) is given, the Change of Control Put Period shall not terminate;

A **Negative Rating Event** shall be deemed to have occurred if (i) Fastighets AB Balder does not, prior to or not later than 21 days after the occurrence of the relevant Change of Control, seek, and thereafter throughout the Change of Control Period use reasonable endeavours to obtain, a rating of the Notes or (ii) if Fastighets AB Balder does so seek and use such reasonable endeavours, it is unable to obtain such rating of at least the rating assigned to the Notes or Fastighets AB Balder on the Issue Date of the Notes by the end of the Change of Control Period and the relevant Rating Agency announces publicly or confirms in writing to the relevant Issuer and, as the case may be, the Guarantor that the failure to issue a rating of at least the rating assigned to the Notes or Fastighets AB Balder on the Issue Date of the Notes was as a result, directly or indirectly, of the Change of Control (whether or not the Change of Control had occurred at such time).

Optional Redemption Date (Change of Control) means, in respect of any Note, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with Condition 9.6 (Redemption and Purchase - Change of Control Put Option);

Potential Change of Control Announcement means any public announcement or statement by Fastighets AB Balder, any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by Fastighets AB Balder, any

such actual or potential bidder or any such designated adviser to be intended to occur, within 120 days of the date of such announcement of statement); and

A **Rating Event** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (i) the rating previously assigned to Fastighets AB Balder by any Rating Agency solicited by (or with the consent of) Fastighets AB Balder is withdrawn and not subsequently reinstated within the Change of Control Period or (ii) the non-investment grade rating previously assigned to Fastighets AB Balder by any Rating Agency is lowered one rating category (for example, from Ba1/BB+ to Ba2/BB or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period or (iii) an Investment Grade Rating Change occurs and is not subsequently reinstated within the Change of Control Period, **provided that** a Rating Event otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control.

9.7 Clean-up Call Option

If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, in the event that Notes representing an aggregate amount equal to or exceeding 75 per cent. of the principal amount of the Notes have been purchased and cancelled or redeemed by the relevant Issuer (other than as a result of the exercise by the relevant Issuer of its redemption right under Condition 9.3 (Redemption at the Option of the Relevant Issuer)) the relevant Issuer may, on giving not less than 10 nor more than 60 days' irrevocable notice to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 20 (Notices) (or such other notice period as may be specified in the applicable Final Terms), redeem on the date specified in such notice all, but not some only, of the remaining Notes in that Series at their Early Redemption Amount (as specified in the relevant Final Terms) together with any interest accrued to but excluding the date set for redemption.

9.8 No other redemption

The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 9.1 (Redemption and Purchase – Scheduled redemption) to Condition 9.7 (Redemption and Purchase - Clean-up Call Option) above.

9.9 Early redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(a) the Reference Price; and

(b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9.9 or, if none is so specified, a Day Count Fraction of 30E/360.

9.10 Purchase

The relevant Issuer, the Guarantor or any of their respective Subsidiaries, may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, or resold (**provided that** such resale is outside the United States and is otherwise in compliance with all applicable laws) or surrendered for cancellation at the option of the relevant Issuer or otherwise, as the case may be in compliance with Condition 9.11 (Redemption and Purchase – Cancellation). The Notes so purchased, while held by or on behalf of the relevant Issuer, the Guarantor or any such Subsidiary shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17 (Meetings of Noteholders; Modification and Waiver; Substitution).

9.11 Cancellation

All Notes which are redeemed pursuant to Condition 9.2 (Redemption and Purchase – Redemption for tax reasons), Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer), Condition 9.5 (Redemption and Purchase – Redemption at the option of Noteholders), Condition 9.6 (Redemption and Purchase – Change of Control Put Option), 9.7 (Redemption and Purchase - Clean-up Call Option) or submitted for cancellation pursuant to Condition 9.10 (Redemption and Purchase – Purchase) will be cancelled and may not be reissued or resold. If the Notes are admitted to trading on a stock exchange, then for so long as the Notes are admitted to trading on such exchange and if the rules of such exchange so require, the relevant Issuer shall promptly inform such exchange of the cancellation of any Notes under this Condition 9.11.

10. PAYMENTS – BEARER NOTES

This Condition 10 is only applicable to Bearer Notes.

10.1 Principal

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

10.2 Interest

Payments of interest shall, subject to Condition 10.8 (Payments – Bearer Notes – Payments other than in respect of matured Coupons) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10.1 (Payments – Bearer Notes – Principal) above.

10.3 Payments in New York City

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

10.4 Payments subject to fiscal laws

All payments in respect of the Bearer Notes are subject in all cases to (a) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (Taxation)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

10.5 Deductions for unmatured Coupons

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(a) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(b) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the Relevant Coupons) being equal to the amount of principal due for payment; provided, however, that where this Condition 10.5(b)(A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10.1 (Payments – Bearer Notes – Principal) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

10.6 Unmatured Coupons void

On the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9.2 (Redemption and Purchase – Redemption for tax reasons), Condition 9.3 (Redemption and Purchase – Redemption at the option of the relevant Issuer), Condition 9.5 (Redemption and Purchase – Redemption at the option of Noteholders), Condition 9.6 (Redemption and Purchase – Change of Control Put Option), 9.7 (Redemption and Purchase - Clean-up Call Option) or Condition 13 (Events of Default), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

10.7 Payments on business days

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

10.8 Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10.3 (Payments – Bearer Notes – Payments in New York City) above).

10.9 Partial payments

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

10.10 Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (Prescription)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. PAYMENTS – REGISTERED NOTES

This Condition 11 is only applicable to Registered Notes.

11.1 Principal

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

11.2 Interest

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part

payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

11.3 Payments subject to fiscal laws

All payments in respect of the Registered Notes are subject in all cases to (a) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation) and (b) any withholding or deduction required pursuant to an agreement described in the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (Taxation)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.4 Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (a) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for a payment not being a Payment Business Day or (ii) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

11.5 Partial payments

If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

11.6 Record date

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the **Record Date**). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. TAXATION

12.1 Gross up

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the relevant Issuer or, if applicable, the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Sweden, the Republic of Finland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would

have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Kingdom of Sweden or the Republic of Finland (as applicable) other than the mere holding of the Note or Coupon; or

(b) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

12.2 Taxing jurisdiction

If Fastighets AB Balder becomes subject at any time to any taxing jurisdiction other than the Kingdom of Sweden, references in these Conditions to the Kingdom of Sweden shall be construed as references to the Kingdom of Sweden and/or such other jurisdiction.

If Balder Finland Oyj becomes subject at any time to any taxing jurisdiction other than the Republic of Finland, references in these Conditions to the Republic of Finland shall be construed as references to the Republic of Finland and/or such other jurisdiction.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 12 or any undertaking given in addition to or in substitution of this Condition 12 pursuant to the Trust Deed.

13. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by the holders of not less than one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in the case of the happening of any of the events described in paragraphs 13(d) and 13(g) to (j) inclusive below, only if the Trustee shall have certified in writing to the relevant Issuer and the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders and, in all cases, to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction) shall give notice to the relevant Issuer and the Guarantor that the Notes are and they shall immediately become due and repayable in each case at their principal amount together with accrued interest if any of the following events (each, subject to where applicable to certification by the Trustee as aforesaid, an **Event of Default**) occurs and is continuing:

(a) **Non-payment of principal***:* the relevant Issuer or, as the case may be, the Guarantor fails to pay any amount of principal payable in respect of any of the Notes when due and such default continues for a period of seven days; or

(b) **Non-payment of interest**: the relevant Issuer or, as the case may be, the Guarantor fails to pay any amount of interest payable in respect of any of the Notes when due and such default continues for a period of 14 days; or

(c) **Breach of covenants**: Fastighets AB Balder fails to meet the Consolidated Coverage Ratio set out in Condition 5.2(b) (Covenants – Financial Covenants – Maintenance of the Consolidated Coverage Ratio) on any Testing Date and such failure is not remedied or waived by the following Testing Date; or

(d) **Breach of other obligations***:* the relevant Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of their respective other obligations under the Notes or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereafter mentioned will be required) such default continues unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the relevant Issuer and the Guarantor requiring the same to be remedied; or

(e) **Cross-default:**

(i) any Indebtedness of the relevant Issuer, the Guarantor or any of their Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of:

(A) the relevant Issuer;

(B) the Noteholders (pursuant to Condition 9.5 (Redemption and Purchase – Redemption at the Option of Noteholders) and Condition 9.6 (Redemption and Purchase – Change of Control Put Option);

(C) the relevant Subsidiary; or

(D) (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

(iii) the Issuers, the Guarantor or any of their Subsidiaries fail to pay when due any amount payable by it under any Guarantee of any Indebtedness and remains unpaid;

provided that the amount of Indebtedness referred to in Condition 13(e)(i) and (ii) above and/or the amount payable under any Guarantee referred to in Condition 13(e)(iii) above individually or in the aggregate exceeds 1 per cent. of Consolidated Total Assets and **provided further that** no default shall occur under Condition 13(e)(ii) above where such default occurs as a direct result of a change in legislation or regulations in Sweden or Finland, whereby either of the Issuers, the Guarantor or any of their respective Subsidiaries are prohibited from holding state subsidised loans and either of the Issuers, the Guarantor and/or any Subsidiary (as applicable) therefore is required to redeem such loans prior to their original maturity as a result thereof; or

(f) **Judgment default**: one or more final judgments or orders or arbitration awards for the payment of an amount, whether individually or in aggregate, in excess of 1 per cent. of Consolidated Total Assets is rendered or granted against either of the Issuers, the Guarantor or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date thereof or, if later, the date therein specified for payment; or

(g) **Security enforced***:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial (in the opinion of the Trustee) part of the undertaking, assets and revenues of any member of the Group; or

(h) **Insolvency etc:**

(i) the relevant Issuer, the Guarantor or any of their Material Subsidiaries become insolvent or are unable to pay their debts as they fall due save for any proceedings or actions which are

contested in good faith and discharged, stayed or dismissed within twenty-eight (28) days of its commencement;

(ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the relevant Issuer, the Guarantor or any of their Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the relevant Issuer, the Guarantor or any of their Material Subsidiaries, save for any proceedings or actions which are contested in good faith and discharged, stayed or dismissed within twenty-eight (28) days of its commencement; or

(iii) the relevant Issuer, the Guarantor or any of their Material Subsidiaries take any action for a readjustment or deferment of any of their obligations or make a general assignment or an arrangement or composition with or for the benefit of their creditors or declare a moratorium in respect of any of their Indebtedness or any Guarantee of any Indebtedness given by either of the Issuers, the Guarantor or any of their Material Subsidiaries.

In this Condition 13(h), **Material Subsidiary** means, at any particular time, a Subsidiary of Fastighets AB Balder whose consolidated total assets or consolidated pre-tax profits as shown in the most recent consolidated audited financial statements represent 5 per cent. or more of the consolidated total assets or consolidated pre-tax profits of Fastighets AB Balder as calculated by reference to Fastighets AB Balder 's most recent consolidated audited financial statements.

(i) **Invalidity or unenforceability:**

(A) any action, condition or thing (including any consent approvals, registration or filing) at any time required to be taken, fulfilled, obtained or done in order (A) to enable the relevant Issuer or the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes or the Trust Deed or the Agency Agreement, (B) to ensure that those obligations are legal, valid, binding and enforceable and (C) to make the Notes, the Guarantee of the Notes, the Trust Deed and the Agency Agreement admissible as evidence in the courts of England, Sweden or Finland is not taken, fulfilled or done; or

(B) it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any of their respective obligations under or in respect of the Notes, the Guarantee of the Notes, the Trust Deed or the Agency Agreement;

(j) **Balder Finland Oyj**: in the case of Notes issued by Balder Finland Oyj, if the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Guarantor;

(k) **Substantial Change in Business**: the relevant Issuer or the Guarantor or any member of the Group ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Subsidiary of an Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent by the Group); or

(l) **Guarantee not in force**: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect.

14. PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five

years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. TRUSTEE AND AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuers, the Guarantor and any entity relating to the Issuers or the Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes or Coupons as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuers and the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuers and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or calculation agent and additional or successor paying agents; **provided, however, that***:*

(a) the relevant Issuer shall at all times maintain a principal paying agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the relevant Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER; SUBSTITUTION

17.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to their interests, the Notes, the Agency Agreement or the Trust Deed. Such a meeting may be convened by the relevant Issuer and, if applicable, the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing not less than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of not less than three-quarters of Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trust Deed provides that an Extraordinary Resolution or a request to the Trustee by the holders of at least one-quarter in nominal amount of the Notes then outstanding which in the opinion of the Trustee affects the Notes of more than one Series:

(a) but does not give rise (in the opinion of the Trustee) to an actual or potential conflict of interest between the holders of Notes of any of the Series so affected, shall be deemed to have been duly passed at a single meeting of the holders of the Notes of all Series so affected or given by a request by the holders of at least one-quarter in nominal amount of all the Notes then outstanding of all Series so affected (taken together); and

(b) and gives rise or may give rise (in the opinion of the Trustee) to a conflict of interest between the holders of Notes of one or more Series so affected shall be deemed to have been duly passed or given only if passed at separate meetings of the holders of the Notes of each Series so affected or, as the case may be, if given by a request by the holders of at least one-quarter in nominal amount of each separate Series of Notes then outstanding so affected.

17.2 Modification and waiver

The Trustee may, without the consent of the Noteholders or the Couponholders, agree to any modification of these Conditions, the Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee not materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Agency Agreement or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders or the Couponholders, authorise or waive any proposed breach or breach of any Condition of the Notes, the Agency Agreement or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) or determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby. Any such authorisation, waiver, modification or determination shall be binding

on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter unless the Trustee agrees otherwise. With respect to any such waiver, the Trustee shall not exercise any powers conferred upon it in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 per cent. in aggregate principal amount of the Notes then outstanding.

Additionally, the Issuers may, subject to Condition 7.9, vary or amend these Conditions, the Trust Deed and/or the Paying Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders of the relevant Notes or Coupons, as described in Condition 7.9 (Benchmark Replacement) and the Trustee shall agree to such variations or amendments on the basis set out in Condition 7.9.

17.3 Substitution

The Trust Deed contains provisions requiring the Trustee, subject to such other conditions as the Trust Deed sets out but without the consent of the Noteholders to substitute any company in place of the relevant Issuer (or of any previous substitute under Clause 7.3 (*Substitution*) of the Trust Deed), as principal debtor under the Trust Deed and the Notes. No Noteholder shall, in connection with any such substitution, be entitled to claim from the relevant Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders, except to the extent provided in Condition 12 (Taxation) (or any undertaking given in addition to or substitution of it pursuant to the provisions of the Trust Deed).

Any such substitution shall be binding on the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter unless the Trustee agrees otherwise.

18. ENFORCEMENT

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Holders of at least one-fifth of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the relevant Issuer or, if applicable, the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

19. FURTHER ISSUES

The relevant Issuer may from time to time, without the consent of the Noteholders or the Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the outstanding Notes.

20. NOTICES

20.1 Bearer Notes

Notices to the Holders of Bearer Notes shall be valid if published in a leading newspaper having general circulation in the Republic of Ireland (which is expected to be the Irish Times or if such

publication is not practicable, in a leading English language daily newspaper having general circulation in Europe). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

20.2 Registered Notes

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Republic of Ireland (which is expected to be the Irish Times or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe). Any such notice shall be deemed to have been given on the second day after the date of mailing.

20.3 Global Note or a Global Registered Note

So long as any of the Notes are represented by a Global Note or a Global Registered Note, notices required to be published in accordance with Condition 20 (Notices) may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the relevant accountholders, **provided that** in the case of Notes that are admitted to Euronext Dublin: (a) such notice is also delivered to Euronext Dublin; and (b) so long as the relevant Notes are admitted to trading on Euronext Dublin and the rules of Euronext Dublin so require, publication will also be made in a leading daily newspaper having general circulation in the Republic of Ireland (which is expected to be the Irish Times). Any such notice shall be deemed to be given on the date of delivery to the relevant clearing system.

20.4 Currency Indemnity

If any sum due from the relevant Issuer or the Guarantor in respect of the Notes or the Guarantee of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under these Conditions or such order or judgment into another currency (the **second currency**) for the purpose of (a) making or filing a claim or proof against the relevant Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes or the Guarantee of the Notes, the relevant Issuer or, if applicable, the Guarantor, shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the relevant Issuer or, if applicable, the Guarantor and delivered to the relevant Issuer or if, applicable, the Guarantor or to the Specified Office of the Principal Paying Agent against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency on the date of receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the relevant Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

21. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be

rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. GOVERNING LAW AND JURISDICTION

22.1 Governing law

The Notes, the Agency Agreement and the Trust Deed and any non-contractual obligations arising out of or in connection with the any of them, are governed by, and shall be construed in accordance with, English law.

22.2 Jurisdiction

The Issuers and the Guarantor have each irrevocably agreed for the benefit of the Trustee and the Noteholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and/or the Notes or any non-contractual obligation arising out of or in connection with them and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuers and the Guarantor waive any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the Noteholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed and the Notes against the Issuers and the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions if and to the extent permitted by law.

22.3 Appointment of process agent

Fastighets AB Balder appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings.

Balder Finland Oyj appoints Law Debenture Corporate Services at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

FORM OF FINAL TERMS OF THE NOTES

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended **EU MiFID II**); (b) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.][1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the Financial Services and Markets Act 2000, as amended (**FSMA**) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[EU MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **EU MiFID II**)][EU MiFID II]; and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] Any person subsequently offering, selling or recommending the Notes (a **distributo**r) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own

[1] Include where Part B item 6(v) of the Final Terms specifies "Applicable".

target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA that the Notes [are]/[are not] "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [●]

[FASTIGHETS AB BALDER / BALDER FINLAND OYJ]
Legal Entity Identifier (LEI): [549300GHKJCEZOAEUU82/5493007P4MCJM21IB748]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by FASTIGHETS AB BALDER][2]

under the EUR 4,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated 4 June 2021 [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the EU Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

The Base Prospectus and the Final Terms are available for viewing on the website of [The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) (https://live.euronext.com/) and] the [Issuer/Guarantor] (https://en.balder.se/).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [17 June 2019]/[15 July 2020] which is incorporated by reference in the Base Prospectus dated 4 June 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 4 June 2021 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus and the Final Terms are available for viewing on the website of [The Irish Stock Exchange plc trading as Euronext Dublin (Euronext Dublin) (https://live.euronext.com/) and] the [Issuer/Guarantor] (https://en.balder.se/).

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case*

[2] To be deleted for issuances by Fastighets AB Balder.

the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1.	(i)	Issuer:	[Fastighets AB Balder / Balder Finland Oyj]
	[(ii)	Guarantor:	Fastighets AB Balder][3]
2.	Series Number:		[●]
	(a)	Tranche Number:	[●]
	(b)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [●]].
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(a)	Series:	[●]]
	(b)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6.	(a)	Specified Denominations:	[●] (*NB – Notes must have a minimum denomination of EUR100,000 (or equivalent)*) (*If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination and integral multiples thereof*)
	(b)	Calculation Amount:	[●]
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8.	Maturity Date:		[●]
9.	Interest Basis:		[[●] per cent. Fixed Rate] [CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR+/– [●] per cent. Floating Rate]

[3] To be deleted for issuances by Fastighets AB Balder.

			[Zero Coupon] (see paragraph [14/15/16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●]/[100] per cent. of their nominal amount.
11.	Change of Interest or Redemption/Payment Basis:		[*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there*/Not Applicable]
12.	Put/Call Options:		[Investor Put] [Change of Control Put] [Issuer Call] [Clean-Up Call] [(See paragraph [17./18./19 below))]
13.	(a)	Status of the Notes:	Senior
	(b)	[Status of the Guarantee:	Senior]
	(c)	[[Date [Board] approval for issuance of Notes] [and Guarantee] obtained:]	[●] [and [●], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 14*)
	(a)	Rate[(s)] of Interest:	[The Initial Rate of Interest is] [●] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[●] in each year
	(c)	Fixed Coupon Amount[(s)]:	[[●] per Calculation Amount/Not Applicable]
	(d)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph [15])*

(a)	Specified Period:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (d) below/not subject to any adjustment, or the Business Day Convention in (d) below is specified to be Not Applicable]
(b)	Specified Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (d) below/not subject to any adjustment, or the Business Day Convention in (d) below is specified to be Not Applicable]
(c)	First Interest Payment Date:	[●]
(d)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
(e)	Additional Business Centre(s):	[Not Applicable/[●]]
(f)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(g)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	Not Applicable/[●] (the **Calculation Agent**)
(h)	Screen Rate Determination:	
	• Reference Rate:	[CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[●]
	• Relevant Time:	[●]
	• Relevant Financial Centre:	[●]
	• Reference Banks:	[●]
(i)	ISDA Determination:	
	• Floating Rate Option:	[●]

	•	Designated Maturity:	[●]
	•	Reset Date:	[●]
	•	ISDA Benchmarks Supplement:	[Applicable/Not Applicable]
(j)	Linear interpolation		Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(k)	Margin(s):		[+/-][●] per cent. per annum
(l)	Minimum Rate of Interest:		[●] per cent. per annum
(m)	Maximum Rate of Interest:		[●] per cent. per annum
(n)	Day Count Fraction:		[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph 16*)
(a)	Accrual Yield:		[●] per cent. per annum
(b)	Reference Price:		[●]
(c)	Day Count Fraction in relation to Early Redemption Amount:		[30/360/Actual/Actual (ICMA/ISDA)]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option		[Applicable/Not Applicable]
			(If not applicable, delete the remaining subparagraphs of this paragraph)
(a)	Optional Redemption Date(s) (Call):		[●]/[Any date from and including [*date*] to be excluding [*date*]]
(b)	Par Call Commencement Date:		[[●]/Not Applicable]

(c)	Optional Redemption Amount(s) (Call) of each Note:		[●] per Calculation Amount/Make Whole Redemption Price] [in the case of the Optional Redemption Date(s) (Call) falling [on [●]]/in the period from and including [*insert date 3 months prior to maturity*]/[*other date*] to but excluding [*date*]] [and [[•] per Calculation Amount/Make Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]/in the period from and including [*date*] to but excluding [*date*]]
(d)	Make Whole Redemption Price:		[Non-Sterling Make Whole Redemption Amount/Sterling Make Whole Redemption Amount/Not Applicable] (*If not applicable delete the remaining sub paragraphs (a) – (c) of this paragraph 17*)
	(i)	[Redemption Margin:	[●] per cent.
	(ii)	[Reference Bond:	[●] (*If a Par Call Commencement Date is included, the Reference Bond should mature on the Par Call Commencement Date rather than the Maturity Date*)
	(iii)	[Quotation Time:	[●]
(e)	Redeemable in part:		[Applicable/Not Applicable/[*provide details*]]
	(i)	Minimum Redemption Amount:	[●]
	(ii)	Maximum Redemption Amount	[●]
(f)	Notice period:		
18.	Put Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(a)	Optional Redemption Date(s) (Put):		[●]
(b)	Optional Redemption Amount(s) (Put) of each Note:		[●] per Calculation Amount
(c)	Notice period:		[●]

19.	Change of Control Put Option	Applicable/Not Applicable
20.	Clean-up Call Option	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Notice Period:	Minimum period: [●] days Maximum period: [●] days (*N.B. When setting notice periods, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Principal Paying Agent or Trustee.*)
21.	Final Redemption Amount of each Note:	[●]/[Par] per Calculation Amount
22.	Early Termination Amount: Early Termination Amount(s) per Calculation Amount payable on redemption on event of default or other early redemption:	[[●]/[Par] per Calculation Amount/Not Applicable]
23.	Early Redemption Amount (Tax) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, exercise of a Clean-Up Call Option:	[Specify number of days' notice][[●] /[Par] per Calculation Amount/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	**[Bearer Notes:]** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

		[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] (*The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000".* *Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Bearer Global Notes exchangeable for Definitive Notes.)* **[Registered Notes**:] [Global Registered Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances specified in the Global Registered Note] [Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]
25.	New Global Note:	[Yes] [No]
26.	Additional Financial Centre(s):	[Not Applicable/*give details*. *Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(e) relates*]
27.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of [Fastighets AB Balder / Balder Finland Oyj]:

By: .....
Duly authorised

[Signed on behalf of Fastighets AB Balder:

By: .....
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●].] [Not Applicable.] (*When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(b)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [S&P Global Ratings Europe Limited: [●]]

[*Include a brief summary of the meaning of the ratings if this has previously been published by the ratings provider*.]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**).]

[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).]/ [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of

domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(a)	Reasons for the offer:	The proceeds of the issue will be [used by the Issuer for general corporate purposes]/[●]/[Green Projects]
(b)	Estimated net proceeds:	[●]

5. [*Fixed Rate Notes only* – YIELD

Indication of yield:	[●]
	[*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

6. OPERATIONAL INFORMATION

ISIN:	[●]
Common Code:	[●]
FISN:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
CFI Code:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN /Not Applicable/Not Available] *(If the CFI Code and/or FISN is not required or requested, it/they should be specified to be "Not Applicable".)*

Any clearing system(s) other than Euroclear or Clearstream, Luxembourg:	[●]/Not Applicable
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]/Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

(a)	Method of Distribution:		[Syndicated/Non-syndicated]
(b)	If syndicated:		
	(i)	Names of Dealers	[Not Applicable/*give names*]
	(ii)	Stabilisation Manager(s), if any:	[Not Applicable/*give names*]

(c)	If non-syndicated, name of Dealer:	[Not Applicable/*give names*]
(d)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; [(*In the case of Bearer Notes*) – [TEFRA C/TEFRA D/TEFRA not applicable]
(e)	Prohibition of Sales to EEA Retail Investors:	[Applicable]/[Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(f)	Prohibition of Sales to UK Retail Investors:	[Applicable]/[Not Applicable] (*If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)*]
(g)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)
(h)	Relevant Benchmark[s]	[CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR] is provided by [administrator legal name]][*repeat as necessary*]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation]]/[As far as the Issuer is aware, as at the date hereof, [CIBOR/EURIBOR/LIBOR/NIBOR/STIBOR] does not fall within the scope of the EU Benchmarks Regulation]/[Not Applicable]]

8. PROVISIONS RELATING TO GREEN BONDS

(a)	Green Bonds:	[Yes/No]
(b)	[Reviewer(s):]	[Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s)
(c)	[Date of third party opinion(s):]	[Not Applicable/give details]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to **Noteholder** are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a Classic Global Note (**CGN**), or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to **Noteholder** are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an **Accountholder**) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day

In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day

on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date

Each payment in respect of a Global Registered Note will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the **Record Date**) where **Clearing System Business Day** means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of Put Option or Change of Control Put Option

In order to exercise the option contained in Condition 9.5 (Redemption and Purchase – Redemption at the option of Noteholders) or Condition 9.6 (Redemption and Purchase – Change of Control Put Option) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice give written notice of such exercise to the Principal Paying Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9.3 (Redemption at the option of the relevant Issuer) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 9.3 and notice to that effect shall be given by the relevant Issuer to the Noteholders in accordance with Condition 20 at least five days prior to the Selection Date.

Notices

Notwithstanding Condition 20 (Notices), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (Notices) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuers for general corporate purposes, or as may otherwise be disclosed in the relevant Final Terms.

In particular, if so specified in the relevant Final Terms, the relevant Issuer intends to apply the net proceeds from an offer of Notes specifically for Green Projects as set out in Balder's Green Bond Framework (the **Framework**). Such Notes may also be referred to as **Green Bonds**.

Green Projects have been (or will be, as the case may be) selected by Balder from time to time in accordance with the categorisation of eligibility for Green Bonds set out in the Framework which sets out the added environmental criteria required for such issuances (the **Green Terms**). The criteria for qualification as a Green Project under the Framework may change from time to time.

The Framework is aligned with the Green Bond Principles published in 2018 by the International Capital Markets Association. Recognising that the Green Bond market and best practices are still evolving, Balder will follow market developments and, when deemed necessary, make appropriate updates to the Framework. Balder has established a committee (the **Green Bond Committee**) consisting of the Head of Finance and the Head of Sustainability which will oversee and update the Framework when such market developments require. All proceeds from Green Bonds issued under the Framework will be invested in compliance with Balder's list of eligible assets and projects as noted in the Green Terms, namely, green and energy efficient buildings, energy efficiency and renewable energy. If an asset or project financed by a Green Bond no longer qualifies as eligible during the life of the bond, the asset or project will be replaced by other assets or projects that meet the definitions set out in the Framework. Balder has a process in place to ensure that green assets and projects are continuously added to Balder's list of eligible assets and projects and the Green Bond Committee will be responsible for the evaluation and selection of such assets or projects.

Balder has obtained a second-party opinion from Cicero Shades of Green to confirm the Framework's alignment with the ICMA Green Bond Principles 2018. Cicero Shades of Green has awarded the Framework with a medium green shading. The second opinion and the Framework are, and any updates to the Framework will be, available for viewing on Balder's website at https://en.balder.se/investor-relations/green-bond-framework.

Balder provides transparency on the impact related to investments made with proceeds from its Green Bond issuances by means of an impact report (the **Impact Report**). The Impact Report, which will include details of allocation as well as impact, will be published annually and be generally available on Balder's website at https://en.balder.se/investor-relations/green-bond-framework so long as Balder has Green Bonds outstanding.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Balder) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by Balder or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. See further information under the risk factor above headed, "*Risk Factors - In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*."

DESCRIPTION OF FASTIGHETS AB BALDER

General

Fastighets AB Balder (publ) (the **Issuer** or the **Company**) is a public limited company incorporated under the Swedish Companies Act of the Kingdom of Sweden (**Sweden**) and registered in Sweden with registration number 556525-6905. Its registered address is Box 531 21, 400 15 Gothenburg, Sweden, and its telephone number is +46 31 109 570. The Issuer was formed on 15 June 1995 and registered with the Swedish Companies Registration Office on 7 December 1995. The Issuer has been listed on Nasdaq Stockholm, Large cap, since 1 January 2015.

The Issuer, along with its subsidiaries (together referred to as **Balder** or the **Group**), owns and manages a diversified property portfolio in Sweden, Denmark, Norway, Germany, United Kingdom and Finland (in Finland through a 56.0 per cent. equity stake in SATO Oyj (**SATO**)). The Group portfolio generated a rental income of SEK 8,134 million for the year ending 31 December 2020, and had an estimated fair value of SEK 152.0 billion and a lettable area of 4,501,566 sq. m. as of 31 December 2020. As of 31 December 2020, residential properties generated 61 per cent. of the rental income of the Group, and commercial properties generated 39 per cent. (comprising offices at 17 per cent., retail at 10 per cent. and other properties including hotels at 12 per cent.).

Balder's residential portfolio comprises approximately 11,000 apartments in Sweden, 3,000 apartments in Denmark, and 30,000 apartments in Finland. The commercial portfolio is mainly concentrated in Sweden's largest cities in the central business district areas and comprises 101 office properties, 113 retail properties, and 80 other properties, including approximately 50 hotel properties.

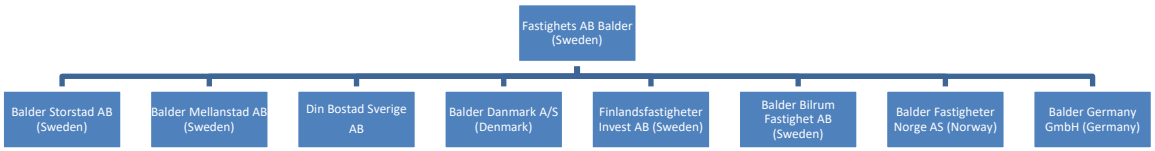
Apart from Balder's direct real estate holdings, it also has minority holdings in several property management companies (the **Real Estate Companies**) and certain investment assets, including 44 per cent. of the listed niche bank Collector AB (publ) (**Collector**, and together with the other investment assets and the Real Estate Companies, the **Associated Companies**). The Associated Companies are not consolidated in Balder's annual financial statements, as Balder's holding in each of these companies is 50 per cent. or less. The Real Estate Companies together own 188 properties and Balder's ownership stake equates to a lettable area of 599,357 sq. m. and an estimated fair value of SEK 15.3 billion as at 31 December 2020. Balder's equity holdings in the Associated Companies equate to a rental income of SEK 0.8 billion as at 31 December 2020, a profit from property management of SEK 0.8 billion for 2019 and SEK 0.7 billion for 2020 and a profit after tax of SEK 0.9 billion for 2019 and SEK 0.9 billion for 2020. The Group and the Associated Companies together generated a gross profit from property management activities of SEK 4.6 billion and a net profit after tax of SEK 11.5 billion for 2019 and a gross profit from property management activities of SEK 4.9 billion and a net profit after tax of SEK 7.3 billion for 2020.

Balder has its head office in Gothenburg, Sweden and has several regional offices in Sweden, Finland and Copenhagen. This decentralised geographic presence enables it to develop relationships with many of its customers.

Group Structure

The legal structure of the Group is typical of property companies. Most properties are owned by special purpose vehicle (**SPV**) companies, which are in turn owned by the Issuer. The Issuer has approximately 490 companies that are directly and indirectly 100 per cent. owned by it.

The chart below shows the simplified legal structure for the Issuer and its directly owned subsidiaries.



History of Balder

2005-2008

Balder was first established and listed on Nasdaq Stockholm in 2005. During this period, the organisation established itself in Gothenburg, Stockholm and Malmö. The Company's focus was to develop a presence in growth regions in Sweden where there was a long-term demand for commercial properties. By the end of 2008, Balder owned 122 properties with a fair value of SEK 7.1 billion.

2009

Balder acquired Din Bostad Sverige AB (**Din Bostad**), a listed residential company. The acquisition of Din Bostad transformed Balder from being solely a commercial property company to having an equal split in its portfolio between residential and commercial properties. By the end of 2009, Balder owned 419 properties with a fair value of SEK 12.7 billion.

2010-2012

Balder made its first acquisition in Denmark in 2010 and also invested in wind power turbines. The Company decided to exit the industrial property market and as a result, sold all of its warehouse properties. By the end of 2012, Balder owned 432 properties with a fair value of SEK 22.3 billion.

2013-2015

During 2013 and 2014, Balder continued to expand its property portfolio in Denmark and Sweden. By the end of 2015, Balder owned 1,177 properties with a fair value of SEK 68.5 billion in Denmark and Sweden. In 2015 Balder also acquired 53.3 per cent. of SATO, which at the time owned over 24,000 apartments in Finland.

2016

In 2016, Balder acquired its first property in Norway. In 2016, Balder also acquired a portfolio of properties for SEK 4.2 billion, the main tenant of which remains Hedin Bil (a Swedish automobile company). As of 31 December 2019, the average length of the leases contained in this portfolio was approximately nine years. Balder completed a directed issue of ordinary shares of SEK 1.7 billion to part–finance the deal. See 'Share Structure and Shareholders' below.

2017

During the first quarter of 2017, Balder obtained a credit rating of 'BBB' from S&P and issued its first bonds in the European capital markets with a total principal amount of EUR 1 billion. During that year Balder issued a further EUR 850 million of bonds in the European capital markets. During 2017, Balder also acquired four hotels in Copenhagen as well as one hotel in Helsinki.

2018

During the second quarter of 2018, Balder signed a loan agreement for EUR 100 million with the European Investment Bank (**EIB**) for the development of two residential projects in Copenhagen which meet the "Nearly Zero-Energy Building" standard of the European Union. During 2018, Balder acquired a German property portfolio consisting of seven hotel properties, for EUR 57.5 million. The properties have a lettable area of just over 40,000 sq. m. and approximately 850 hotel rooms. Balder has signed a 20-year lease for all properties with Ligula Hospitality Group, which is already a tenant of Balder in a number of its hotels.

2019

Balder's very first acquisition in London was completed at the beginning of the year, and was followed by another acquisition later in the year. This is in line with Balder's strategy and the trend in recent years to diversify the property portfolio. During the year Balder continued to acquire centrally located properties, including a number of objects and building rights in Gothenburg, one hotel property in Helsinki and a number of properties in Stockholm were also acquired.

2020

In November 2020, a directed share issue of 6,500,000 Series B shares was carried out, which provided Balder with approximately SEK 2,945 million before issue costs. In December 2020, Balder and Serneke Group entered into a structural transaction whereby Balder acquired 50 per cent. of the shares in Karlatornet AB, became a shareholder in Serneke Group and agreed on the acquisition of almost 1,400 rental apartments and just over 12,000 sq.m. of commercial premises. During the year, 50 per cent. of the share capital in Norwegian company Anthon B Nilsen Eiendom AS and 18 per cent. of the share capital in the Norwegian listed real estate company Entra ASA were also acquired.

DESCRIPTION OF BALDER FINLAND OYJ

Overview

Balder Finland Oyj (**Balder Finland**) is an indirect wholly-owned subsidiary of Fastighets AB Balder. Balder Finland is incorporated under the laws of the Republic of Finland with business identity code 2667238-2. Balder Finland was incorporated pursuant to a memorandum of association dated 12 January 2015 and was established upon a registration with the Finnish Trade Register Authority on 27 January 2015 under the Finnish Act on Limited Liability Companies (624/2006, as amended) as a limited liability company. Balder Finland's registered address is c/o Navigator Partners Oy, Skillnadsgatan 11 A 20, 00130 Helsinki, Finland and its telephone number is +46 31 109570.

The corporate form of Balder Finland was changed from a limited liability company to a public limited liability company on 4 June 2020. At the same time, the name of Balder Finland was changed from Balder Otas i Finland Oy to Balder Finland Oyj.

All transactions between Fastighets AB Balder and Balder Finland are carried out on an arm's length basis.

The issued share capital of Balder Finland is ultimately beneficially owned and controlled by Fastighets AB Balder (through its shareholding in Balder Otas Holding AB). The rights of Balder Otas Holding AB as a direct shareholder in Balder Finland are regulated in the Finnish Act on Limited Liability Companies and in the articles of association of Balder Finland. The management of Balder Finland is organised in accordance with its articles of association and the laws of the Republic of Finland.

Business of Balder Finland

According to Article 2 of its articles of association, Balder Finland engages in the business of directly or indirectly through wholly or partly owned companies acquiring, managing and holding participations and shares in subsidiaries. Further, Balder Finland may also engage in financing activities of group companies, such as borrowing and lending, and grant guarantees or provide collateral on behalf of group companies' obligations. Balder Finland may also own securities and real estate in Finland and abroad, issue securities and take part in other financing arrangements. Balder Finland also engages in group administration and acts as a financing company on behalf of Fastighets AB Balder and the Group.

Board of Directors

As at the date of this Base Prospectus, the members of the Board of Directors of Balder Finland are as follows:

Name	Position
Erik Selin	Chairperson of the Board of Directors
Malin Johannesson	Member of the Board of Directors
Kristofer Osberg	Member of the Board of Directors

None of the members of the Board of Directors listed above have any activities outside the Group which are significant with respect to the Group.

The business address of each member of the Board of Directors is Parkgatan 49, Box 531 21, 400 15 Göteborg, Sweden.

There are no potential conflicts of interest between the duties to Balder Finland of any of the members of the Board of Directors listed above and their private interests and/or other duties.

Share Capital

As at the date of this Base Prospectus, the authorised share capital of Balder Finland is EUR 80,000 divided into 1,000 ordinary shares. The shares have no nominal value. Balder Finland's issued and fully paid up share capital is EUR 80,000 as at the date of this Base Prospectus.

Financial Information

Balder Finland's annual financial year-end date is 31 December. Balder Finland's latest annual audited financial statements are for the year ended 31 December 2020. Balder Finland has prepared its financial statements for the year ended 31 December 2019 according to the Finnish Accounting Standards and its financial statements for the year ended 31 December 2020 according to IFRS.

SELECTED FINANCIAL INFORMATION AND KEY FINANCIAL RATIOS OF THE GROUP

Financial Summary 2011-2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	SEK (in millions)									
Rental Income	1,466	1,701	1,884	2,525	2,711	5,373	5,915	6,714	7,609	8,134
Profit from property management before tax	516	691	854	1,275	1,780	2,653	3,284	3,877	4,604	4,900
Changes in value of properties	990	812	854	3,050	3,388	4,932	5,336	8,007	9,577	3,453
Changes in value of interest rate derivatives	–520	–71	433	–624	227	-114	144	–34	-180	-141
Net profit for the year	812	1,162	1,738	3,128	4,916	6,093	7,769	10,169	11,526	7,275
Carrying amount[(1)] of properties	17,556	22,278	27,532	37,382	68,456	86,177	98,360	118,140	143,736	151,982
Key Financial Ratios										
Return on equity (per cent.)	14.3	17.0	21.5	29.7	32.3	24.6	24.7	26.1	20.1	12.4
Interest coverage ratio (times)	2.1	2.4	2.9	3.4	5.1	3.7	4.3	4.6	5.2	5.3
Equity/ assets ratio (per cent.)	35.2	34.8	37.3	35.5	34.1	36.1	35.5	38.4	38.3	38.6
Debt/equity ratio (times)	1.6	1.7	1.5	1.6	1.6	1.5	1.5	1.4	1.4	1.3
Net debt to total assets (per cent.)	56.0	57.3	53.3	54.6	54.6	51.8	51.8	50.1	48.4	46.1

Notes:

(1) Market value of properties

BUSINESS MODEL AND STRATEGY

Balder's business strategy is to acquire, develop and manage commercial properties in capital cities, as well as residential properties in metropolitan areas and in places that are growing and developing positively. Over the past few years, the Company has achieved diversification of its portfolio to countries including Denmark, Finland, Norway, Germany, United Kingdom and Sweden. The Company has been focussed on concentrating its residential portfolio in large cities in these countries, namely Stockholm, Copenhagen, Helsinki and Gothenburg. The focus on commercial properties, meanwhile, has been in Stockholm and Gothenburg, where there is a stronger demand for office space.

Balder's aim is to create value for its owners, employees and the communities in which it operates. Balder attempts to accomplish this by:

- establishing swift decision-making procedures;
- implementing cost-efficient management solutions;
- working actively to acquire properties and land with development potential and creating growth by investing, developing, streamlining and rationalising its business; and
- meeting tenants' needs.

Balder's operations are focused on long-term growth, positive cash flows and increasing profit from its property management activities.

Financial Goals

Balder's financial goals are to achieve:

(a) a stable and consistent return on equity;

(b) an equity-to-assets ratio of not less than 40 per cent.;

(c) a net debt/total assets ratio of not higher than 50 per cent.; and

(d) an interest coverage ratio of not less than 2.0.

See "*Finance and Capital Structure*" for further information.

The financial outcomes for the years ending 31 December 2019 and 31 December 2020 are set out below.

Financial Targets

	Target	***31 December 2019***	***31 December 2020***
Equity/Total Assets (per cent.)	***40***	***38.3***	***38.6***
Interest Coverage Ratio (times)	***2.0***	***5.2***	***5.3***
Net Debt/ Total Assets (per cent.)	***50***	***48.4***	***46.1***

Dividend Policy

Balder prioritises growth, capital structure and liquidity in its business, and accordingly, the dividend for shareholders is either set at a nominal level or not declared at all in order for funds to be retained within the

Company. The Company has not declared a dividend to ordinary shareholders since 2008 and all profits have been re-invested in the business.

Management Structure

Balder currently has several administrative offices, which are divided into seven regions. In each region, all aspects of property management are handled in-house by Balder's personnel, who are responsible for letting and operations as well as the environment and maintenance. This facilitates fast decision-making procedures, close proximity to the customer and in-depth local knowledge, which assists the Company in fostering long-term relationships with its customers. Balder offers a wide range of commercial premises and residential housing in a number of locations for rent at varying rates. Property development is undertaken in consultation with customers based on their requirements.

Customer Relationships

Balder continuously looks to improve the Group's service and product offering. The Customer Relations department, which manages relationships with customers, is central in achieving this and is responsible for a number of initiatives, including conducting surveys to measure individual customers' experiences against a customer satisfaction index.

Having satisfied customers is one of Balder’s most important goals, and there is a major focus on this work in the organisation. The objective is that commercial customers shall develop in Balder’s properties and that their various needs in terms of the size of premises and geographical location shall be met over time. For residential customers, the objective is that they shall be happy in both their homes and in their residential area, and will live in Balder’s properties for a long time. Every other year a CSI (**Customer Satisfaction Index**) survey is conducted, the results of which form the basis of future activities and prioritisations. CSI surveys are also conducted among new occupants in completed projects. In addition to this, Balder has continuous dialogues with customers, for example in the form of regular meetings with tenants.

Project Development

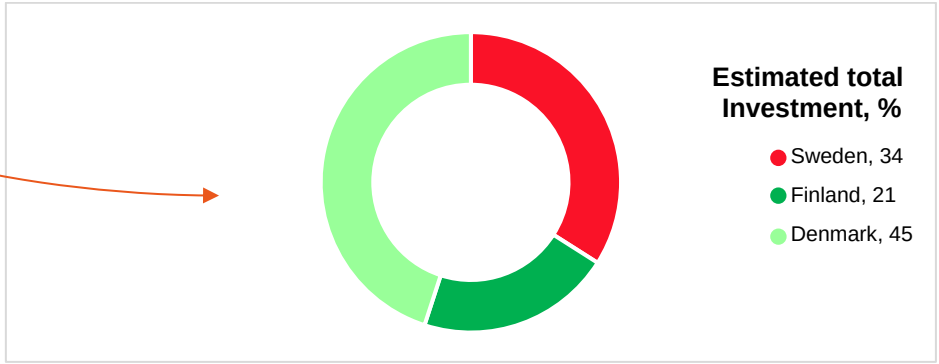
As a large, long-term property owner, Balder develops both small projects involving individual properties as well as larger areas and city districts. Within the framework of property development there is both the new production of homes and premises and a large number of projects involving the renovation of existing properties. For Balder, it is important to control the whole value chain from land acquisition to the long-term management of completed projects. Development takes place in the form of long-term work in close collaboration with municipal authorities and other stakeholders. The development process extends over different phases and often takes several years. During the year, Balder has continued to strengthen its organisation, not only in production, but also in sales and marketing. The company has built up a significant portfolio of building rights for the production of not only rental and tenant-owner’s apartments, but also commercial properties. In many areas, new homes are being built where Balder already owns properties, contributing to a densification of areas and an increased mix of housing, thus contributing towards sustainable and responsible urban development. In 2020, Balder completed just over 1,850 homes, of which 1,420 were for own management and 430 for sale. At year-end approximately 2,900 homes were under construction in Sweden, Denmark and Finland as well as a total of approximately 44,000 sq.m. of commercial properties.

Projects under construction

The tables below shows a summary of projects under construction, divided by project properties for own management and properties for sale.

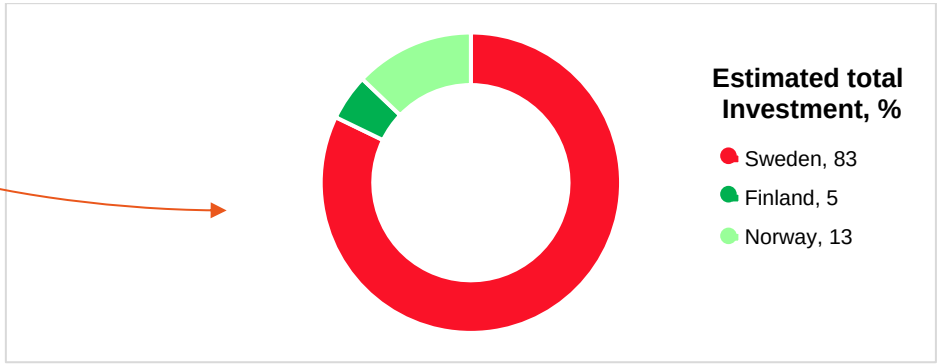
PROJECT PROPERTIES FOR OWN MANAGEMENT

	Lettable area, sq.m.	Number of apartments	Estimated total Investment, SEKm
Sweden commercial	44,293	-	1,841
Sweden residential	14,149	265	470
Finland	33,329	958	1,439
Denmark	85,691	1,053	3,108
Total	**177,462**	**2,276**	**6,859**



DEVELOPMENT PROPERTIES FOR SALE

	Lettable area, sq.m.	Number of apartments	Estimated total Investment, SEKm
Sweden	39,233	556	1,892
Finland	2,277	55	105
Norway	6,793	46	292
Total	**48,303**	**657**	**2,288**

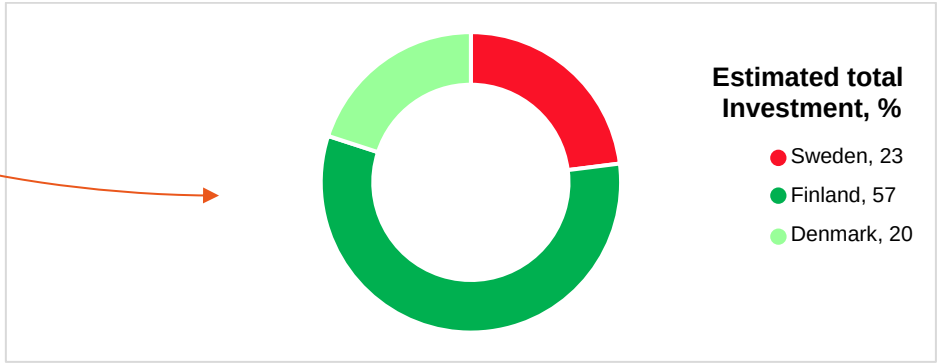


Future projects Q1 2021-Q1 2022

The tables below shows a summary of future projects, divided by project properties for own management and properties for sale.

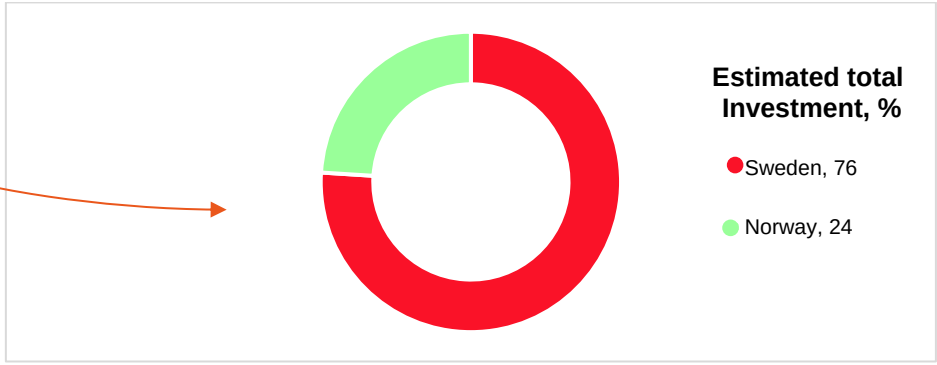
PROJECT PROPERTIES FOR OWN MANAGEMENT

	Lettable area, sq.m.	Number of apartments	Estimated total Investment, SEKm
Sweden commercial	14,899	-	306
Sweden residential	26,858	454	1,015
Finland	71,054	1,926	3,242
Denmark	30,978	456	1,170
Total	**143,789**	**2,836**	**5,734**



DEVELOPMENT PROPERTIES FOR SALE

	Lettable area, sq.m.	Number of apartments	Estimated total Investment, SEKm
Sweden	64,722	938	3,819
Norway	24,776	276	1,207
Total	**89,498**	**1,214**	**5,026**



Sustainability at Balder

As a long-term property owner, Balder aims to be economically, socially and environmentally responsible, basing its operations on stable cash flows and satisfied customers and employees. In order to achieve this, high demands are imposed internally, but also on Balder's external partners.

During investments in existing or new properties, resource efficiency and social factors are considered, in order to contribute to the development of city districts and areas. Through continually streamlining and improving working methods, negative environmental impacts can be minimised, for example through reduced energy and water use or lower quantities of waste.

In addition, Balder aims to run its operations ethically. Balder tries to ensure this through its internal steering documents such as its Code of Conduct, as well as other policies and protocols. For example, as a property company, processes for letting, recruitment and the choice of suppliers are particularly important. Policies and procedures are intended to guide and ensure respectful and professional relations, while minimising risks such as discrimination and corruption.

Sustainable development goals

Balder has signed the Global Compact, the UN's international principles for companies in the area of human rights, labour, the environment and anticorruption. The principles are based on the UN's Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN's Convention Against Corruption.

Balder also strives to contribute to achieving the UN's Sustainable Development Goals and has selected six of the 17 goals that are considered most relevant to the Company's business activities and where Balder has the greatest opportunity to have an influence.

Sustainability framework

Balder's framework for sustainability comprises five general elements that bring together the Company's material topics in respect of social, environmental and economic sustainability. The elements – Properties, Areas, Partnerships, Co-workers and Finances – are briefly described below:

Properties

Balder's largest environmental impact takes place through the properties' energy consumption. This is the top priority from an environmental perspective, and Balder is working continuously to reduce energy consumption in its properties. All electricity purchased for the properties in Sweden is green electricity from renewable sources. Balder also owns wind farms, producing approximately 21,000 MWh yearly.

Other measures implemented to reduce consumption include window replacements, supplementary insulation of façades, adjustment or replacement of ventilation units and the replacement of light fittings. Balder has also made good progress in the installation and use of smart technical control systems that improve both comfort and energy consumption.

Balder has environmental certificates for some of its buildings, including Miljöbyggnad, BREEAM, LEED and Green Building, and several buildings are constructed according to Nearly zero-energy building (NZEB) standard. The goal is for all new constructions to meet the requirements of Miljöbyggnad Silver or equivalent certification.

Areas

For Balder, it is important to contribute to developing entire areas and city districts where it owns properties, and in doing so to create security and well-being among tenants. In order to increase security in the areas where it is present, Balder is involved in a number of different projects, often together with local actors such as municipal authorities, schools, the police, local associations and the local business community. The purpose is to work actively with integration, security and well-being in the city districts and areas where Balder owns properties.

Examples include various kinds of projects with security patrols, neighbourhood partnerships and security staff, as well as activities of a more social nature such as communal barbecue evenings and cultivation projects. Every year Balder also hires a large number of young people as summer workers in the Company's areas.

Partnerships

Social engagement is a natural element of Balder's work and a way of contributing to sustainable development. To succeed with this, it requires a high level of engagement among employees, but also that the Company collaborates with municipal authorities and other actors. Balder also collaborates with different actors in order to increase employment by offering work placements and mentoring. These initiatives are often linked to specific areas, to support young adults who find themselves outside the labour market.

Co-workers

Balder's employees contribute to continuously developing the Company. A precondition for this being possible is good working conditions that promote diversity, innovation and collaboration, while at the same time supporting the Company's values.

Balder must be an attractive employer, which demands that the Company has an ability to recruit and retain co-workers with the right competence. It is also crucial that these co-workers are happy and feel a sense of engagement with Balder and feel that they have an opportunity to develop within the Company. Balder works continuously to create the conditions to make this possible.

Finances

Balder aims to generate a good profit from property management through a high level of activity and efficient management. Having customers who are happy and stay in Balder's properties is crucial for long-term financial sustainability.

Balder secures financing that is sustainable in the long term through a diversified financing structure. Thanks to a strong cash flow, Balder has the opportunity for flexibility, for example in terms of choice of letting form and when construction starts. Good financing is founded on a stable income statement and a stable balance sheet. Balder also has a goal that net debt to total assets shall not exceed 50% over time.

PROPERTY MARKET OVERVIEW

The Nordic Property Market

There was a very high level of interest in the Nordic property market in 2020. A continued low interest rate environment, a high level of liquidity in the global capital market, increased rental levels for office and logistics properties as a consequence of profitable enterprise and demand for high standards, low vacancy rates and a very strong residential market (including a housing shortages in virtually all major cities) are expected features of the Nordic property market in 2021. Another important reason for a strong property market is the volatility prevailing on the stock market as well as very low capital returns from interest-bearing securities. This is contributing to investments in directly-owned properties being viewed as a favourable, more secure alternative to capital investment. The market was affected by the ongoing pandemic during the year. The biggest effect was seen among hotel and retail properties, the latter category also being affected by the increase in e-commerce in both the food and non-food retail sectors.

The residential market

A high rate of population growth and virtually non-existent vacancies in strong sub-markets has caused demand to invest in both newly produced residential properties and existing property portfolios to increase strongly in recent years. Overall, market conditions for residential properties continue to appear good, providing that the properties are located within a growth region. Stricter repayment requirements and tougher rules on providing credit have had a major impact on the market for tenant-owner's homes, even though demand remains strong in many markets. This, combined with the general housing shortage and urbanisation, has increased the demand for newly renovated and newly produced rental apartments with relatively high rent levels.

The office market

Demand in the office rental market was considered good at the end of 2020, with a high level of activity, strong rental growth and low vacancy rates, especially in the major cities. The objects that attract both tenants and investors are characterised by flexible, space-efficient, environmentally certified buildings with high technical standards and proximity to public transportation. The strong rental development in recent years in attractive city centre locations has also affected rents outside central business districts. As rental levels rise in more central locations, so does interest among tenants to locate outside city centres. This is in turn resulting in increased interest among investors who see rental potential in properties in locations on the edge of cities.

Outlook

The good rental development of recent years in the office market in central locations is expected to level out as a consequence of an economy that is slowing down and due to the ongoing pandemic. One possible scenario is a transition to other ways of utilising the premises, for example by creating more open, creative spaces combined with cellular offices for individual work. As far as demand for housing is concerned, it is adjustments to the availability of credit that may continue to change the market for both owned and rented housing. Interest rates are expected to remain at historically low levels during the years ahead. Access to capital remained good at the end of 2020, underpinning high demand for property investments, despite the ongoing pandemic.

GROUP PROPERTY PORTFOLIO

As at 31 December 2020, Balder owned 1,362 properties with a lettable area of 4,501,566 sq. m. and a value of SEK 151,982 million, including development properties. Balder's total rental value (excluding development properties) amounted to SEK 8,590 million. This includes properties owned by SATO, which was consolidated with Balder from 1 January 2016.

In the following section, "South" includes the properties in Germany, United Kingdom and Malmö, "North" includes Norway, Karlstad, Sundsvall and Gävle and "East" includes Finland (excluding Helsinki) and the Eastern part of Sweden.

The information included in this section “Group Property Portfolio” relating to Balder’s property portfolio has been extracted from the 2020 annual report of Fastighets AB Balder.

Balder's real estate holding per region, as at 31 December 2020

REGION	Number of properties	Lettable area (sq. m.)	Rental value (MSEK)	Rental value (SEK/sq. m.)	Rental income (MSEK)	Economic occupancy rate (per cent.)	Carrying amount[(1)] (MSEK)	Carrying amount (per cent.)
Helsinki	601	1,144,971	2,671	2,333	2,601	97	40,938	27
Stockholm	83	698,543	1,391	1,992	1,321	95	27,364	18
Gothenburg	185	1,064,183	1,690	1,588	1,606	95	30,863	20
Copenhagen	19	270,404	703	2,601	659	94	15,272	10
South	80	404,432	636	1,573	583	92	10,439	7
East	308	711,294	1,125	1,582	1,081	96	14,448	10
North	86	207,739	303	1,458	293	97	5,238	3
Total excluding projects	**1,362**	**4,501,566**	**8,520**	**1,893**	**8,144**	**96**	**144,562**	**95**
Projects for own management			70		70		4,617	3
Total investment properties	**1,362**	**4,501,566**	**8,590**	**1,893**	**8,214**	**96**	**149,179**	**98**
Development properties							2,803	2
Total real estate portfolio	**1,362**	**4,501,566**	**8,590**	**1,893**	**8,214**	**96**	**151,982**	**100**

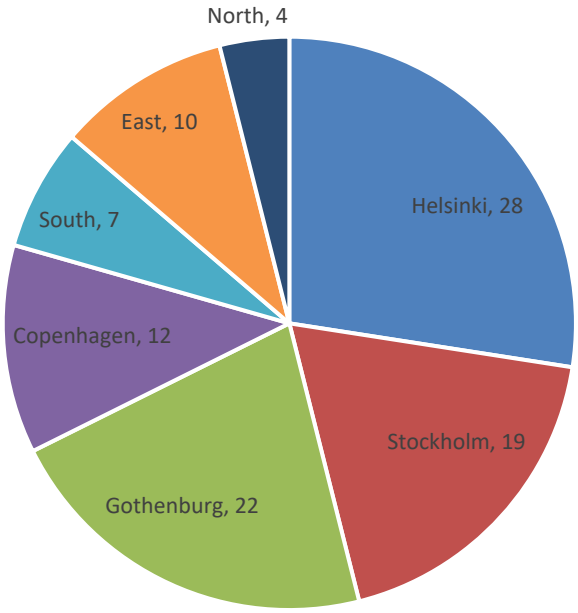
(1) "Carrying amount" means the market value of the properties

Balder's real estate holding per property category, as at 31 December 2020

PROPERTY CATEGORY	Number of properties	Lettable area (sq. m.)	Rental value (MSEK)	Rental value (SEK/sq. m.)	Rental income (MSEK)	Economic occupancy rate (per cent.)	Carrying amount (MSEK)	Carrying amount (per cent.)
Residential	1,068	2,658,192	5,127	1,929	4,947	96	83,021	55
Office	101	617,472	1,508	2,441	1,379	91	28,208	19
Retail	113	660,673	847	1,283	811	96	12,478	8
Other[1]	80	565,229	1,038	1,837	1,007	97	20,855	14
Total	**1,362**	**4,501,566**	**8,520**	**1,893**	**8,144**	**96**	**144,562**	**95**
Projects for own management			70		70		4,617	3
Total investment properties	**1,362**	**4,501,566**	**8,590**	**1,893**	**8,214**	**96**	**149,179**	**98**
Development properties							2,803	2
Total real estate portfolio	**1,362**	**4,501,566**	**8,590**	**1,893**	**8,214**	**96**	**151,982**	**100**

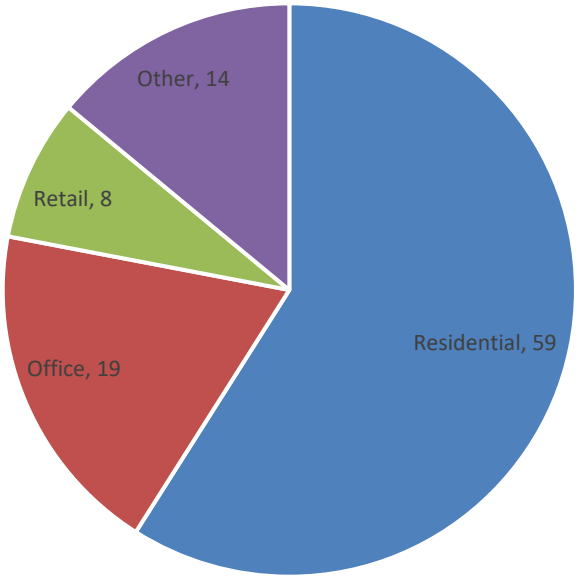
(1) Other property categories include hotels, education, nursing, industry and mixed used properties.

Carrying amount (including projects) per region, as at 31 December 2020 (per cent.)



The diagram above illustrates the distribution by region of the market value of the properties Balder owns, including its property development projects.

Carrying amount (including projects) per property category, as at 31 December 2020 (per cent.)



The diagram above illustrates the distribution of Balder's properties by property category. 'Other' includes hotels, education, nursing, industry and mixed used properties.

Strategy for Residential Properties

In view of a shrinking transaction market for residential properties and lower yields, Balder has continued to pursue its strategy of development of existing properties and increased construction of new apartments in the longer term. Balder's goal is to create new property developments with higher values and better yields than the existing transaction market can offer in the residential segment.

In Gothenburg and Stockholm, among other cities in Sweden, work on new zoning plans is ongoing, and this will likely result in a broader supply of apartments. Traditional apartment blocks will be mixed with other forms of housing, such as smaller terraced houses and tenant-owned apartments. This will mean a more efficient use of existing land and that these areas become more attractive from a residential perspective.

Key data for Residential properties as at 31 December 2020	
Number of properties	1,068
Lettable area (sq. m. thousands)	2,658
Number of apartments	44,000
Rental value (MSEK)	5,127
Economic occupancy rate (per cent.)	96

Carrying amount (MSEK)	83,021

Residential properties distribution per region as at 31 December 2020		
Area	**Sq. m. thousands**	**per cent.**
Helsinki	1,114	42
Stockholm	175	7
Gothenburg	342	13
Copenhagen	224	8
South	95	4
East	543	20
North	164	6
Total	2,658	100

Strategy for Commercial Properties (Retail, Office and Other)

Balder is focused on acquiring and maintaining commercial properties in capital cities. The ongoing structural refinement of Balder's commercial property portfolio is a deliberate concentration strategy aimed at improving the quality and location of the properties. Balder has an experienced in-house lettings department that lets vacant premises and finds solutions to premises issues for tenants. As a result, Balder's economic occupancy rate for commercial properties was 94 per cent. as at 31 December 2020.

The value of Balder's commercial property holdings in Stockholm's inner city as at 31 December 2020 amounted to SEK 14 billion, which corresponds to 68 per cent. of the total value of its commercial properties in the region. Balder's average value per sq. m. for centrally located office properties in Stockholm amounts to approximately SEK 80,000. The equivalent figure in Gothenburg is SEK 15 billion, and SEK 3 billion in Malmö.

Key data for Commercial properties as at 31 December 2020	
Number of properties	294
Lettable area (sq. m. thousands)	1,843
Rental value (MSEK)	3,393
Economic occupancy rate (per cent.)	94
Carrying amount (MSEK)	61,541

Commercial properties distribution per region as at 31 December 2020		
Area	**Sq. m. thousands**	**per cent.**
Helsinki	31	2
Stockholm	523	28
Gothenburg	722	39
Copenhagen	46	2
South	310	17
East	168	9
North	43	2
Total	1,843	100

Associated Companies

In order to boost the volume of newly constructed apartments in the locations in which it operates, Balder, in addition to its own projects, also works with a number of strong partners, both property-related (the Real Estate Companies) and investment related (including Collector).

Trenum AB

Trenum AB (**Trenum**), is a company that invests in residential properties in Sweden. It is 50 per cent. owned by Balder, with the remaining 50 per cent. owned by AP3, the Third Swedish National Pension Fund. Trenum's focus is mainly on investments in the new production of rental properties in Swedish growth regions. In addition to Stockholm, Gothenburg and Malmö, growth areas with positive population trends are also in focus.

Trenum owned 37 investment properties as at 31 December 2020 with a lettable area of 225,000 sq. m. and a rental value of SEK 381 million. The carrying amount of the properties amounted to SEK 8,774 million. The properties are located in the Stockholm, Gothenburg and Öresund regions.

Fastighets AB Centur

Fastighets AB Centur (**Centur**) is 50 per cent-owned by Balder (the remaining 50 per cent. is owned by Peab) and concentrates on property management, project development and property investments. As at 31 December 2020, Centur owned 35 investment properties with a lettable area of 327,000 sq. m. and a rental value of SEK 402 million. The carrying amount of the properties amounted to SEK 7,011 million. The properties are located in the Stockholm, Gothenburg and Öresund regions.

Tulia AB

Balder owns 50 per cent. of Tulia AB (**Tulia**). The remaining 50 per cent. is owned by André Åkerlund AB. As at 31 December 2020, Tulia owned 39 properties in mainly central locations in Stockholm. Tulia's total lettable area as at 31 December 2020 amounted to 115,000 sq. m. and the carrying amount of the properties totalled SEK 5,174 million, with a rental value amounting to SEK 261 million.

Collector AB

Collector AB (**Collector**) is listed on Nasdaq Stockholm, Large Cap, and Balder is the principal owner with a participating interest of approximately 44 per cent. Collector is a niche bank offering financing solutions for private and corporate customers. Collector has offices in Gothenburg, Stockholm, Helsinki and Oslo. The balance sheet total as at 31 December 2020 amounted to SEK 37,977 million; sales amounted to SEK 2,529 million; profit after tax totalled SEK 291 million, and the market capitalisation was SEK 4,980 million.

Brinova Fastigheter AB

Balder, together with Backahill, is the principal owner in Brinova Fastigheter AB (**Brinova**). Brinova is listed on Nasdaq Stockholm Mid Cap and Balder's participating interest is 21.8 per cent. The goal was to create a company with a focus on public buildings and residential properties. As at 31 December 2020, Brinova owned 111 investment properties with a value of SEK 6,048 million. The properties are located in the southern Sweden and the Öresund region. The total lettable area amounted to 305,000 sq. m., with a rental value amounting to SEK 404 million.

Serena Properties AB

Balder owns 56 per cent. of Serena Properties AB (**Serena**), 43 per cent. of its shares are owned by the Finnish pension insurance company Varma and 1 per cent. by the investment company Redito AB. Serena is a Swedish property company that focuses on property investments in the Nordic region with a focus on properties in strong retail locations. As at 31 December 2020, Serena owned 30 investment properties with a value of SEK 3,974 million. The properties are mainly located in Finland. The total lettable area amounted to 260,000 sq. m., with a rental value amounting to SEK 305 million. Serena is recognised as an associated company of Balder since the owners exercise joint control.

Tornet Bostadsproduktion AB

Balder, Peab and Folksam acquired Tornet Bostadsproduktion AB (**Tornet**) during 2018 and each party owns one third each. Tornet concentrates on property management, project development and property investments. The project development relates to new construction of residential properties. As at 31 December 2020, Tornet owned 24 investment properties with a value of SEK 5,019 million. The properties are located in the Stockholm, Gothenburg and Öresund regions. The total lettable area amounted to 106,000 sq. m., with an annual rental value amounting to SEK 214 million in 2020.

Sjaelsö Management ApS

Balder owns 49 per cent. of Sjaelsö Management ApS (**Sjaelsö**). The remaining 51 per cent. is owned by Sjaelsö's CEO, Flemming Joseph Jensen, and a number of Sjaelsö's other key people. Sjaelsö is one of the largest market participants within project development and construction management in Denmark. Sales amounted to SEK 103 million and profit after tax amounted to SEK 35 million in 2020.

SHH Bostad AB

Balder owns approximately 20 per cent. of SHH Bostad AB (**SHH Bostad**) and the other owners mainly consist of SHH Bostad's management team. SHH Bostad is a nationwide housing development company, which creates efficient and cost-effective housing in places that require affordable rental and tenant-owned apartments. Its operations cover the entire value chain from the acquisition of land, planning and design, production, sales of rental and tenant-owned apartments and long-term management of internally produced rental apartments for third parties. Sales amounted to SEK 382 million and profit amounted to SEK 7 million in 2020.

Rosengård Fastigheter AB

Rosengård Fastigheter AB (**Rosengård Fastigheter**) is owned in equal shares of 25 per cent. by Fastighets AB Balder, Heimstaden AB, MKB Fastighets AB and Victoria Park AB. Rosengård Fastigheter AB owns homes in the city district of Rosengård in Malmö. As at 31 December 2020, Rosengård Fastigheter owned 10 investment properties with a value of SEK 1,639 million. The total lettable area amounted to 134,000 sq. m., with an annual rental value amounting to SEK 150 million in 2020.

Sinoma Fastighets AB

Balder owns 49 per cent. of Sinoma Fastighets AB (**Sinoma Fastighets**), 50 per cent. of its shares are owned by Folksam and 1 per cent. by the investment company Redito AB. Sinoma Fastighets AB concentrates on office, warehouse and logistics properties. As at 31 December 2020 the lettable area amounts to 187,000 sq. m., an annual rental value amounting to SEK 195 million and a value of SEK 2,363 million.

Anthon B Nilsen Eiendom AS

Balder owns 50 per cent. of Anthon B Nilsen Eiendom AS. The company concentrates on commercial properties and project development. As at 31 December 2020, Anthon B Nilsen Eiendom AS owned 6 investment properties with a value of SEK 2,789 million. The properties are located in Norway. The total lettable area amounted to 57,000 sq.m., with a rental value amounting to SEK 113 million.

Entra ASA

Entra ASA is listed on Oslo börs. As at 31 December 2020, Balder owned 18 per cent. of the company. Entra ASA owns and manages commercial properties in Norway. As at 31 December 2020, Entra ASA owned 73 investment properties with a value of SEK 54,252 million. The total lettable area amounted to 1,053,000 sq.m., with a rental value amounting to SEK 2,392 million.

Karlatornet AB

Balder owns 50 per cent. of Karlatornet AB and the remaining 50 per cent. is owned by Serneke Group. The company concentrates on project development and construction management and is the owner of the properties where the highest skyscraper in the Nordic region, 245 metres high with 73 floors, is going to be built.

Balder's participation in the 50 per cent. owned Associated Companies', as well as Balder's participation in Sinoma Fastighets AB and Serena Properties AB's, real estate holdings and balance sheets as of 31 December 2020 are shown in the tables below.

Balder's participation in the 50 per cent. owned Associated Companies' real estate holdings, as at 31 December 2020[(1)]

Distributed by region	Number of properties[(2)]	Lettable area (sq. m.)	Rental value (MSEK)	Rental value (SEK/sq. m.)	Rental income (MSEK)	Economic occupancy rate (per cent.)	Carrying amount (MSEK)	Carrying amount (per cent.)
Stockholm	89	227,125	346	1,522	327	95	6,276	41
Gothenburg	42	157,259	184	1,167	172	94	2,399	16
Öresund	22	65,058	101	1,551	88	88	1,587	10
East	29	121,232	157	1,291	154	98	2,144	14
Oslo	6	28,684	57	1,965	55	97	1,239	8

Total excluding projects	188	599,357	843	1,406	796	94	13,646	89
Projects for own management			1		1		1,611	11
Total real estate portfolio	188	599,357	844	1,406	796	94	15,257	100
Distributed by property category								
Residential	45	78,027	152	1,942	148	98	3,208	21
Office	35	123,178	197	1,600	183	93	3,574	23
Retail	65	266,781	323	1,212	310	96	4,313	28
Other	43	131,371	171	1,301	155	91	2,551	17
Total excluding projects	188	599,357	843	1,406	796	94	13,646	89
Projects for own management			1		1		1,611	11
Total real estate portfolio	188	599,357	844	1,406	796	94	15,257	100

(1) Refers to Balder's holding in Trenum AB, Fastighets AB Centur, Tulia AB, Sinoma Fastighets AB, Serena Properties AB and Anthon B Nilsen Eiendom AS.

(2) Refers to the entire portfolio of the associated companies.

Balder's participation in the balance sheets of 50 per cent. owned Associated Companies, as at 31 December 2019 and 2020		
MSEK	**31 December 2019**	**31 December 2020**
Assets		
Properties	12,004	15,257
Other assets	243	361
Cash and cash equivalents	204	202
Total assets	12,450	15,819
Equity/shareholder loan	5,635	7,290
Deferred tax liability	657	898
Interest-bearing liabilities	5,671	6,875

Balder's participation in the balance sheets of 50 per cent. owned Associated Companies, as at 31 December 2019 and 2020		
Other liabilities	488	756
Total equity and liabilities	12,450	15,819

Divestments

While Balder has increased its holdings of residential properties through construction, a number of properties are divested every year. Divestments are usually focused on cities where Balder does not have any local management, or where the property portfolio is too small to enable efficient management.

Lease Structure

Balder's property portfolio has a diversified structure, with a total of approximately 56,000 contracts that are balanced between commercial and residential tenants, as well as having a geographical spread. In order to offset the risk of reduced rental income and a weak occupancy rate, Balder strives for long-term relationships with its existing tenants.

Balder's ten largest individual leases represent 4.5 per cent. of its total rental income and the average lease term amounts to 10.9 years. No individual lease accounts for more than 0.7 per cent. of Balder's total rental income and no individual tenant accounts for more than 4.0 per cent. of total rental income. The average lease term for the entire commercial portfolio is 6.7 years.

The spread of Balder's leases as at 31 December 2020 is shown in the table below. Leases terminated as at 31 December 2020 (or where termination will or is expected to take place) are recognised as leases maturing within one year.

Commercial Lease maturity structure as at 31 December 2020[4]				
Maturity date	**Number of leases**	**Proportion (per cent.)**	**Contracted annual rent (MSEK)**	**Proportion (per cent.)**
2021	1,276	37	342	4
2022	834	24	409	5
2023	559	16	370	5
2024	418	12	318	4
2025 and beyond	399	11	1,809	22
Total	**3,486**	**100**	**3,247**	**40**

[4] Subject to rounding adjustments

Lease Property Type as at 31 December 2020[5]				
Property Type	**Number of leases**	**Proportion (per cent.)**	**Contracted annual rent (MSEK)**	**Proportion (per cent.)**
Residential	41,296	74	4,872	59
Car park	5,503	10	23	0
Garage	5,249	9	72	1
Commercial	3,486	6	3,247	40
Total	**55,534**	**100**	**8,214**	**100**

Tenants

Balder's 10 largest customers as at 31 December 2020 are shown in the table below.

Tenant	**Annual rent (MSEK)**	**Number of leases**	**Proportion (per cent.)**
The municipality of Gothenburg	34	1	0.4
I.A Hedin Bil AB	329	58	4.0
ICA Sverige AB	50	7	0.6
Kesko Oyj	79	2	1.0
Ligula Hospitality Group	173	15	2.1
Scandic Hotels AB	251	15	3.1
City of Stockholm	106	4	1.3
Stureplansgruppen	36	2	0.4
The municipality of Sundbyberg	52	6	0.6
Winn Hotel Group	68	3	0.8

Recent Developments

On 5 May 2021 Balder announced that it had signed an agreement to acquire Asset Buyout Partners (**ABP**). ABP is a Norwegian industrial real estate company, and a portfolio company of HitecVision, with an investment strategy aimed towards mission critical real estate and infrastructure assets located in major

[5] Subject to rounding adjustments

Norwegian energy and maritime clusters (principally the Bergen, Stavanger, Kristiansund and Hammerfest areas of Norway). ABP's portfolio consists of approximately 264,000 square metres of lettable area and 1,781,000 square meters of land, with a property value of approximately NOK 9 billion (after deduction of deferred tax). The transaction is expected to complete on 1 July 2021, subject to customary approval from the Norwegian Competition Authority.

FINANCIAL AND CAPITAL STRUCTURE

Financial operations at Balder are conducted in accordance with the targets that the Board decides upon annually as the Company's financial policy. The targets are set in order to limit the financial risks that Balder is exposed to, namely interest, refinancing and liquidity risk. The overall goals of Balder's financial policy are:

- to secure the supply of short-term and long-term capital;
- that the equity/assets ratio should not be less than 40 per cent. at any time;
- that the interest coverage ratio should not be less than 2.0 times; and
- that the net debt/total assets ratio should not exceed 50 per cent.

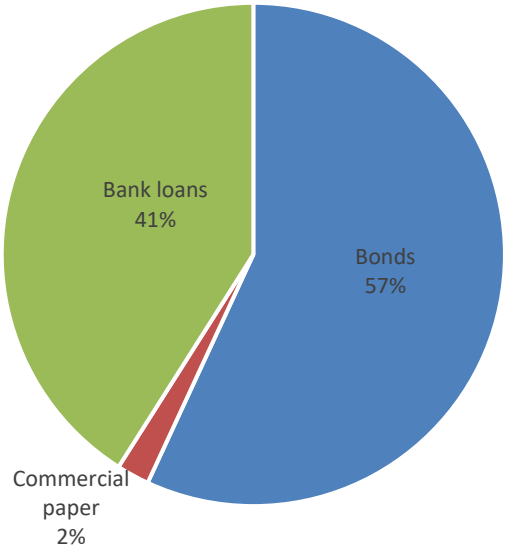
59 per cent. of Balder's funding consists of capital markets financing and the remainder is comprised of bank financing with several different Nordic and European banks and state-subsidised loans (the latter being raised in Finland by SATO). As at 31 December 2020, Balder had outstanding bonds totalling SEK 50,636 million and outstanding commercial paper totalling SEK 1,870 million.

Balder's interest-bearing liabilities amounted to SEK 88,989 million as at 31 December 2020. The secured liabilities in relation to total assets amounted to 16 per cent. as at 31 December 2020. On the same date, the net debt to total assets ratio was 46.1 per cent. (the net debt to total assets ratio is calculated as net debt divided by total assets). Balder's fixed credit term amounted to 5.9 years, the fixed interest term was 3.5 years and the average interest rate amounted to 1.5 per cent. (including interest rate derivatives).

Balder's financial goals			
	Goals	**Outcome 2020**	**Outcome 2019**
Equity/assets (per cent.)	40.0	38.6	38.3
Interest coverage ratio (times)	2.0	5.3	5.2
Net Debt/Total Assets (per cent.)	50.0	46.1	48.4

Key ratios	**2020**	**2019**
Return on equity (per cent.)	12.4	19.8
Return on total assets (per cent.)	6.1	10.7
Net debt to total assets (per cent.)	46.1	48.4
Debt/equity ratio (times)	1.3	1.4
Interest coverage ratio (times)	5.3	5.2
Equity/assets ratio (per cent.)	38.6	38.3

Average fixed credit term (years)	5.9	5.8
Average interest rate refixing period (years)	3.5	3.1



Fixed interest term, as at 31 December 2020

Year	MSEK	Interest, per cent.	Proportion, per cent.
2021	34,277	1.0	39
2022	6,556	1.4	7
2023	9,548	2.4	11
2024	4,126	1.6	5
2025	7,566	2.1	9
2026	7,063	2.3	8
2027	6,169	1.2	7
2028	6,503	0.6	7
2029	2,875	1.6	3
2030	1,174	1.4	1
2031-	3,133	1.8	4
Total	88,989	1.5	100

Fixed credit term, as at 31 December 2020

Year	MSEK	Proportion, per cent.
2021	9,038	10
2022	12,029	14
2023	11,602	13
2024	11,170	13
2025	9,567	11
2026	7,717	9
2027	5,234	6
2028	6,647	7
2029	928	1
2030	2,792	3
2031-	12,265	14
Total	88,989	100

Credit Rating

Balder has an investment grade rating from S&P of BBB with a stable outlook. The rating reflects, among other things, the fact that Balder has a large property portfolio that is well-diversified in terms of both property types and geography, and that Balder has stable rental income, a high and stable occupancy rate and a well-diversified loan maturity structure with a modest proportion of secured debt.

SHARE STRUCTURE AND SHAREHOLDERS

Balder has approximately 22,000 shareholders and is listed on Nasdaq Stockholm, Large cap. The Company has two different classes of shares: Class A shares and Class B shares.

Balder's overall market capitalisation as at 31 December 2020 amounted to SEK 79,990 million. As at 31 December 2020, the share capital of the Company amounted to SEK 186,500,000 comprising 186,500,000 shares. Each share has a quota value of SEK 1.00, of which 11,229,432 shares are Class A shares and 175,270,568 are Class B shares. Balder has no repurchased shares, which means that the total number of outstanding shares amounts to 186,500,000. Each Class A share carries one vote, and each Class B share carries one-tenth of one vote.

The Class A shares are not listed, but the Class B shares are listed on Nasdaq Stockholm, Large Cap. The price of the Class B share was SEK 428.90 as at 31 December 2020, corresponding to a decrease of 1 per cent. since 31 December 2019. As at 31 December 2020, the number of shareholders totalled 22,000. The proportion of foreign shareholders increased by eight percentage points during 2020 and, as at 31 December 2020, amounted to 33 per cent. of the total number of shareholders.

Shareholders

The majority shareholder of the Company is Erik Selin Fastigheter AB, which holds 35.1 per cent. of the capital and controls 48.8 per cent. of the voting rights. Erik Selin Fastigheter AB is the holding company of the CEO, Erik Selin, who is also the founder of the Company.

Other large shareholders include Arvid Svensson Invest AB and Swedbank Robur fonder, and 45 per cent. of the capital is also held by the Board and the Senior Management team.

The following table shows the largest shareholders in the Company as at 31 December 2020:

Owner	Class A shares	Class B shares	Total number of shares	Capital (per cent.)	Votes (per cent.)
Erik Selin Fastigheter AB	8,309,328	57,210,900	65,520,228	35.1	48.8
Arvid Svensson Invest AB	2,915,892	13,542,540	16,458,432	8.8	14.8
Swedbank Robur fonder	-	8,123,128	8,123,128	4.4	2.8
SEB Investment Management	-	6,846,649	6,846,649	3.7	2.4
Handelsbanken Fonder AB	-	5,649,972	5,649,972	3.0	2.0
Länsförsäkringar fondförvaltning AB	-	5,326,134	5,326,134	2.9	1.9
AMF Försäkring och Fonder	-	3,674,461	3,674,461	2.0	1.3

Owner	Class A shares	Class B shares	Total number of shares	Capital (per cent.)	Votes (per cent.)
Vanguard	-	3,303,843	3,303,843	1.8	1.1
CBNY – Norges Bank	-	2,338,549	2,338,549	1.3	0.8
Livförsäkringsbolaget Skandia	-	1,857,429	1,857,429	1.0	0.6
Other	4,212	67,396,963	67,401,175	36.1	23.5
Total	11,229,432	175,270,568	186,500,000	100	100

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

The Board of Directors is elected at the annual general meeting (**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 2020, the Board was composed of five members and is responsible for Balder's organisation and administration. The rules of the Swedish Companies Act apply to resolutions of the Board, to the effect that more than half of the members present and more than one third of the total number of members must vote for resolutions. The Chairman has the casting vote if there is no majority.

The Board's work is governed by the Swedish Companies Act, the articles of association, the Swedish Corporate Governance Code (the **Code**) and the formal work plan that the Board has adopted for its work. Balder's Board of Directors is composed of persons who possess broad experience and competence from the property sector, business development, sustainability issues and financing. Most of the Board members have experience of board work from other listed companies. Both of the major owners Erik Selin Fastigheter AB and Arvid Svensson Invest AB are represented on the Board through Erik Selin and Fredrik Svensson.

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 may be found in the instructions to the CEO drawn up by the Board. The Board members shall not be responsible for different lines of business or functions. Matters relating to compensation and remuneration for the CEO are prepared by the Chairman and presented to the rest of the Board prior to decision.

The Board's duties include, but are not limited to, the following:

- establishing business plans, strategies, significant policies and goals for the Company and the Group that the Company is parent Company of,
- determining the Company's and Group's overall organisation,
- appointing and dismissing the CEO,
- ensuring that there is a functioning reporting system,
- ensuring that there is satisfactory control of the Company's and Group's compliance with laws and other regulations that apply to the operations,
- approving a new formal work plan and instruction to the CEO annually,
- approving financial reporting in the form of interim reports, year-end reports and annual accounts that the Company must publish,
- 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.

The formal work plan of the Board of Directors

The Board adopts a formal work plan for the Board's work each year. This formal work plan describes the duties of the Board and the division of responsibilities between the Board and the CEO. The formal work plan also describes what matters shall be dealt with at each board meeting and instructions regarding financial reporting to the Board. The formal work plan also prescribes that the Board shall have an audit committee and a remuneration committee. The Chairman of the Board shall serve as the chairman of the committees.

Board meetings

The Board shall, in addition to the statutory meeting, hold Board meetings on at least four occasions annually. The CEO and/or the Director of Economy shall, as a general rule, present a report to the Board. The Company's 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 is quorate if more than half of the Board members are present. The Chairman has the casting vote in the event that there is no clear majority.

Board Members

Christina Rogestam

Born 1943. Chairperson of the Board since 2006.

Education and experience: Bachelor of Arts, Social studies. Previously President and CEO of Akademiska Hus AB.

Shareholding in Balder: 20,000 Class B shares.

Anders Wennergren

Born 1956. Board member since 2009.

Education and experience: Bachelor of Laws, Lawyer and partner at Advokatfirman Glimstedt.

Shareholding in Balder: 210,000 class B shares via Bassholmen AB.

Sten Dunér

Born 1951. Board member since 2007.

Education and experience: Bachelor of Science (Econ.). Chairman of the Board at Länsförsäkringar Liv. Board member at Garbo and Humlegården. Shareholding in Balder: None.

Fredrik Svensson

Born 1961. Board member since 2005.

Education and experience: Bachelor of Science (Econ.), Chairman of the Board at Arvid Svensson Invest AB, board member of SBB, Samhällsbyggnadsbolaget, Chairman of ABB-gymnasiet.

Shareholding in Balder: 2,915,892 Class A shares and 13,542,540 Class B shares via Arvid Svensson Invest AB.

Erik Selin

Born 1967. Board member since 2005. CEO since 2005.

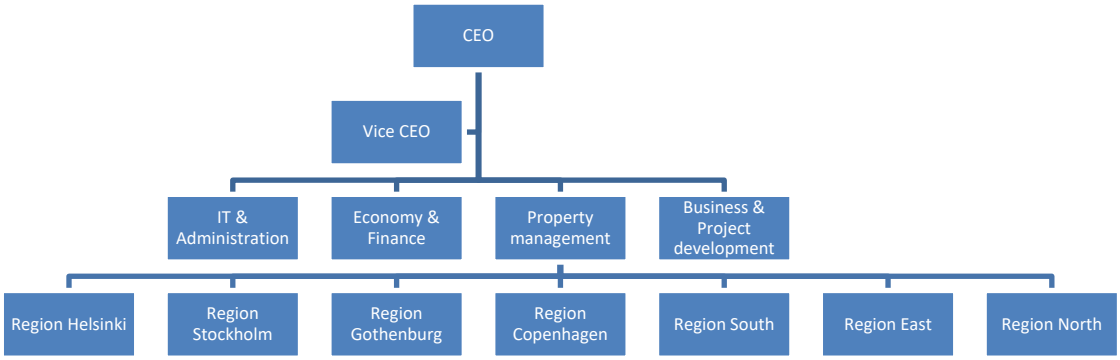
Education and experience: Business school economist, CEO of Fastighets AB Balder, Chairman of the Board at Brinova Fastigheter AB, K-fast Holding AB and Collector Bank AB (publ), board member at Hexatronic Group AB (publ), I.A. Hedin Bil AB and Ernström & Co AB.

Shareholding in Balder: 10,500 Class B shares privately held, 8,309,328 Class A shares and 57,200,400 Class B shares via Erik Selin Fastigheter AB.

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 team normally meets once every month with a standing agenda, including property transactions, finance and general management issues. Group Management consists of five persons and includes resources such as the CEO, CFO, management, property transactions and HR.



As at the date of this Base Prospectus, the Senior Management Group consists of the following persons:

Name	Year of birth	Position
Erik Selin	1967	CEO
Eva Sigurgeirsdottir…….	1974	Director of Economy
Petra Sprangers.....	1965	Head of Personnel and Administration
Benny Ivarsson	1955	Head of Property
Sharam Rahi.....	1973	Vice CEO
Marcus Hansson.....	1974	Head of Finance

On 26 May 2020, Marcus Hansson (Head of Finance) and Magnus Björndahl (then Director of Economy but whose employment was terminated by mutual agreement with Balder in July 2020), were arrested by the Swedish Economic Crime Authority on suspicion of insider trading and following a decision of the Stockholm District Court were detained on 29 May 2020. Balder has been informed that the allegations do not relate to any trading in financial instruments issued by Balder. Both Marcus Hansson and Magnus Björndahl were released from detention on 24 June 2020. Following their release from detention, the prosecutor of the Swedish Crime Authority has stated that the allegations concerning insider trading remain and that the investigation is ongoing. As at the date of this Base Prospectus the allegations remain. The Swedish Prosecutor has not yet announced whether or not formal charges will be brought against Marcus Hansson and/or Magnus Björndahl.

Board Committees

The Board of Directors has established two permanent committees, the Audit Committee and the Remuneration Committee.

Remuneration Committee

The remuneration committee has a preparatory function in relation to the Board in questions regarding principles for remuneration and other terms of employment for the CEO and other senior executives. The remuneration committee shall monitor and evaluate the application of the guidelines for remuneration and levels of compensation to senior executives that the AGM has determined and shall also draw up proposals for new guidelines for principles of remuneration and other terms of employment. Before the resolution of the AGM, at least every four years the Board shall propose new principles for remuneration and other terms of employment for the CEO and other senior executives. Based on the resolution of the AGM, it is the duty of the remuneration committee to decide on remuneration to the CEO and other officers. The Board shall be entitled to deviate from the guidelines if there are special reasons in an individual case to justify this. The remuneration committee is composed of all independent Board members and shall meet at least once every year.

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 and have the opportunity to meet with the auditors without any members of Company management being present. During 2020, the audit committee, which was composed of all independent Board members, met the Company's auditor on one occasion and received an audit plan for 2020 and a report on the audit performed.

Business Address

The business address of the members of the Board of Directors, the Chairperson and CEO and the Senior Management Group is Parkgatan 49, Box 531 21, 400 15 Gothenburg, Sweden.

Absence of Conflicts of Interest

The members of the Board of Directors, the Senior Management Group, the Chairperson and CEO do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

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 Code and through self-regulation.

The Code is based on the principle of "comply or explain", which means that all rules do not always have to be complied with if there is a reason for not complying, and it is explained. Some of the Code's principles exist to create a good basis for exercising an active and responsible ownership role and to create a well-adjusted balance of power between owners, the Board and the executive management, which Balder views as a natural part of the principles for its operations. The Code also means that certain information should be made available on Balder's website.

The Code 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. In the view of the Board, there are no deviations to report or explain.

Articles of Association

The Company's name is Fastighets AB Balder and the Company is a public company (publ). Balder's registered office is in Gothenburg. The Company's purpose shall be directly or indirectly, through wholly-owned or part-owned companies, to acquire, manage, own and divest real property and securities, and to conduct other associated activities.

The articles of association, which are available on Balder's website, contain, among other things, information regarding share capital, number of shares, class of shares and preferential rights, number of Board members and auditors as well as provisions regarding notice and agenda for the annual general meeting.

Annual General Meeting

The AGM is the Company's highest decision-making body in which the shareholders exercise their rights to decide on the affairs of the Company. The Board and auditors of the Company are elected by the AGM according to the proposal of the nomination committee. The annual AGM also passes resolutions, including on amendments of the articles of association, on change of the share capital and decides on the Company's distribution of profits and discharge from liability for the Board and the CEO.

To participate in passing resolutions, the shareholder must be present at the meeting, either personally or by proxy. In addition, the shareholder must be registered in the share register on a certain date prior to the meeting and notification of participation must be given to the Company within a certain determined period. Shareholders who wish to have a special matter dealt with at the AGM can normally request this if the request is made in good time to Balder's Board of Directors prior to the meeting.

Notice to attend the Annual General Meeting is given through the Official Swedish Gazette (Post-och Inrikes Tidningar) and on Balder's website. It shall also be announced in Svenska Dagbladet that notice has been given.

Resolutions at the general meeting are normally passed by a simple majority. In certain questions, the Swedish Companies Act prescribes that proposals must be approved by a larger proportion of the shares represented and cast at the meeting.

Nomination Committee

The AGM passes resolutions on the procedure for election of the Board and, when applicable, auditors. The 2020 AGM resolved that a nomination committee should be established before the 2021 AGM in order to submit proposals on the number of Board members, election of Board members including the Chairman of the Board and election of auditors and remuneration for Board members as well as for auditors. The nomination committee's proposals shall be announced no later than in conjunction with the notice convening the AGM. Shareholders are given the opportunity to submit nomination proposals to the nomination committee.

The 2020 AGM 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 no 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 2021 AGM is composed of Jesper Mårtensson, representing Erik Selin Fastigheter AB, Rikard Svensson, representing Arvid Svensson Invest AB, and chairman Lars Rasin.

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.

Litigation

As of the date of this Base Prospectus, Balder is not currently engaged in any material ongoing disputes or litigation.

Related Party Transactions

During 2020, Erik Selin Fastigheter AB purchased property-related administrative services from Balder for SEK 4 million. Balder has purchased services from the law firm Glimstedt for SEK 1 million, where the board member Anders Wennergren is partner. During the year, construction services were purchased from Tommy Byggare AB to the order of SEK 4 million, which is a related company to Erik Selin Fastigheter AB. The services were priced based on competitive market conditions.

Balder also performed property-related administrative services on behalf of its subsidiaries amounting to SEK 251 million. Balder functions as an internal bank. As at 31 December 2020, receivables from subsidiaries amounted to SEK 57,787 million. The price for the administrative and financial services provided was based on competitive market conditions.

In addition to the related party transactions described above, Balder also has shares in the Associated Companies. During 2020, the Associated Companies purchased management and administrative services for their organisations from Balder. Balder also purchased services from Collector AB (publ). Net receivables from the Associated Companies amounted to SEK 2,077 million as at 31 December 2020. The price for the administrative and financial services provided was based on competitive market conditions.

GLOSSARY OF TERMS

Financial

Return on equity (per cent.)

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

Return on total assets (per cent.)

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

Net debt to total assets (per cent.)

Net debt in relation to total assets.

EBITDA

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

Profit from property management (SEKm)

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

Average interest, %

Interest expenses in the period recalculated to annual value in relation to the average interest-bearing liabilities.

Hybrid capital

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

Net debt (SEKm)

Interest-bearing liabilities decreased by cash and cash equivalents, financial investments and 50 per cent. of Hybrid capital which is treated as 50 per cent. equity by the rating agencies.

Interest coverage ratio (times)

Net profit including changes in value and tax in associated companies with reversal of net financial items, excluding ground rent and changes in value and tax in participations in profits from associated companies, in relation to net financial items excluding ground rent.

Debt/equity ratio (times)

Interest-bearing liabilities decreased by 50 per cent. of hybrid capital, in relation to equity.

Equity/assets ratio (per cent.)

Equity including non-controlling interests plus 50% of hybrid capital in relation to the balance sheet total at the year-end.

Share-related

Equity per share (SEK)

Shareholders' equity in relation to the number of outstanding shares at year-end.

Profit from property management per share (SEK)

Profit from property management attributable to the parent company shareholders divided by the average number of outstanding shares.

Average number of shares

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

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

Equity per share with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per share (SEK)

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

Property-related

Yield (per cent.)

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

Net operating income (SEKm)

Rental income less property costs.

Economic occupancy rate (per cent.)

Contracted rent for leases which are running at year-end in relation to rental value.

Development properties

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

Property portfolio

Refers to both investment properties and development properties.

Property category

Classified according to the principal use of the property. The breakdown 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 and property tax.

Investment properties

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

Rental value (SEKm)

Contracted rent and estimated market rent for vacant premises.

Surplus ratio (per cent.)

Net operating income in relation to rental income.

TAXATION

The tax laws of the investor's state and of the Issuers' state of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain tax considerations relating to the Notes in certain countries. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Swedish Taxation

The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Base Prospectus and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. In addition, the summary does not address Notes that are held on an "investment savings account" (investeringssparkonto) or through a "capital insurance" (kapitalförsäkring). Investors should consult their professional tax advisers regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no and has not had any connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden and which does not carry out any business activities from a permanent establishment in Sweden.

Payments of any principal amount under a Note or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are attributable. Under Swedish tax law, no withholding tax is imposed on payments of principal amounts under Notes or interest to a non-resident holder of Notes.

Notwithstanding the above, a private individual may be liable to pay taxes in Sweden on a limited basis even if he/she is not resident in Sweden, providing that he/she has been resident in Sweden or has lived permanently in Sweden at any time during the calendar year of, or the ten calendar years preceding, a disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes. This liability may, however, be limited by tax treaties between Sweden and other countries.

Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes and thereby liable to pay taxes on an unlimited basis, ie on all income regardless of source, or (b) an entity organized under the laws of Sweden.

Generally, all capital income (eg amounts that are considered to be interest for Swedish tax purposes and capital gains on Notes) obtained by individuals (and estates by of deceased individuals) resident in Sweden for tax purposes will be taxable at a rate of 30 per cent.

Limited liability companies and other legal entities (except partnerships and estates of deceased persons) are normally taxed on all income (including income from the disposal of the Notes) as income from business operations at a flat rate of 20.6 per cent.

Swedish tax law does not impose withholding tax on payments of principal amounts under Notes or interest. However, if amounts that are considered to be interest for Swedish tax purposes are paid to an individual (or an estate of a deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

Finnish taxation

The following summary is based on the tax laws of Finland as in effect on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not purport to be a comprehensive description of all Finnish tax law considerations that could be relevant for holders of the Notes and does not take into account or discuss the tax laws of any country other than Finland. This summary addresses neither Finnish gift nor inheritance tax consequences. Prospective investors are advised to consult their own professional tax advisors as to the tax consequences relating to investments in the Notes.

Withholding Tax

All payments made by Fastighets AB Balder under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied withheld or assessed by Finland.

All payments made by Balder Finland Oyj under the Notes to other than Finnish resident individuals may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied withheld or assessed by Finland.

Finnish Resident Individuals

If the recipient of interest paid on the Notes is a resident individual or an undistributed estate of a deceased Finnish resident, such interest is subject to advance withholding tax in accordance with the Finnish Withholding Tax Act (20.12.1996/1118, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (30.12.1992/1535, as amended) (the Finnish Income Tax Act). The current withholding tax rate is 30 per cent. The advance tax withheld by the company is credited against the final tax payable by the recipient of interest paid on the Notes. The final capital income tax rate is 30 per cent (34 per cent of the capital income exceeding EUR 30,000).

A tax at source, in accordance with the Act on Tax at Source of Interest Income (1341/1990, as amended), has to be withheld from the interest paid to a resident individual or an undistributed estate of deceased Finnish resident, unless otherwise indicated below. The tax at source is currently 30 per cent of the amount of interest paid. The Finnish Act on Source Tax on Interest Income is not applicable, inter alia, if a prospectus does not have to be prepared with respect to the Notes due to (i) the Notes being provided to qualified investors only, (ii) the offer being addressed in each country belonging to the EEA to a maximum number of under 150

investors who are not qualified investors, or (iii) the Notes not being offered for a consideration of less than EUR 100,000 per investor and for each separate offer or in denomination of less than EUR 100,000 per unit.

If the Notes are disposed of during the loan period, any capital gain received is taxed as capital income at a flat rate of 30 per cent (34 per cent of the capital income exceeding EUR 30,000). Capital losses are deductible from all capital income. If the losses cannot be deducted from capital gains and/or other capital income incurred during the loss year, the undeducted portion would be used as the basis for confirming the capital losses for that tax year, and those confirmed losses would be deductible from capital gains and other capital income for the next five years.

Eventual interests, capital gains or losses shall be reported in the annual tax return.

Finnish Resident Corporations

If the recipient of interest paid on the Notes is a corporation residing in Finland as further defined in the Finnish Income Tax Act, such interest is not subject to any preliminary withholding. The interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (24.6.1968/360, as amended). The current rate of corporate income tax is 20 per cent.

Capital gains are currently taxed at a flat rate of 20 per cent. Generally, a capital loss is deductible from the resident corporations' income arising in the same year and during the following ten fiscal years.

Eventual interests, capital gains or losses shall be reported in the annual tax return.

Non-Residents

Non-residents are not subject to taxation in Finland under the Notes.

The interest paid to an individual or a corporation not residing in Finland may be subject to tax regulations in their state of residence.

Transfer Tax

Generally, the transfer tax amounting 1.6 per cent is payable on transfers or sales of the securities. However, the Notes are not classified as securities within the meaning of the Finnish Transfer Tax Act (29.11.1996/931, as amended) and, thus, transfer tax is not payable, provided that the yield of the Note is not determined by the profit of the Issuer or by the amount of dividend or otherwise entitles to the share of annual profit or surplus of the Issuer.

No transfer tax is payable in Finland on transfers or sales of the securities admitted to trading on the regulated market or other multi-lateral trading facility.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a **participating Member State**). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined in FATCA) may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuers may be a foreign financial institution for these purposes. A number of jurisdictions including the Kingdom of Sweden have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payment" are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of substitution of the relevant Issuer). However, if additional notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by each of the Issuers to any one or more of the Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the relevant Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 4 June 2021 (the **Dealer Agreement**) and made between the Issuers, the Guarantor and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer, the Guarantor (if applicable) and a single Dealer for that Tranche to be issued by the relevant Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer, the Guarantor (if applicable) and more than one Dealer for that Tranche to be issued by the relevant Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the EU Prospectus Regulation

Prohibition of Sales to EEA Retail Investors

If the relevant Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**);

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction Under the EU Prospectus Regulation

If the relevant Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) *Fewer than 150 offerees:* at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) *Other exempt offers:* at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors: If the relevant Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes incudes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction Under the UK Prospectus Regulation

If the relevant Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, , and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Norway

The Notes have not been registered with the Norwegian Central Securities Depositary (the **VPS**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes denominated in Norwegian Kroner within Norway or in any other circumstance which would require the Notes to be registered with the VPS pursuant to Norwegian law and regulations. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes within Norway or to or for the account or benefit of persons domiciled in Norway.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (a) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Member State and such

competent authority has certified to the competent authority in Sweden that the Base Prospectus has been approved with respect to the EU Prospectus Regulation and the Swedish Financial Instruments Trading Act; or (b) an exemption from the requirement to prepare a prospectus is available under the Swedish Financial Instruments Trading Act.

Finland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not underwrite the issue of, or offer, sell advertise or otherwise market or place the Notes, in the Republic of Finland otherwise than in conformity with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the EU Prospectus Regulation and the Finnish Securities Markets Act (in Finnish *arvopaperimarkkinalaki* 746/2012, as amended) as well as the regulations issued pursuant thereto and that the Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute an offer of the Notes to the public under the EU Prospectus Regulation and the Finnish Securities Markets Act and that any offers of the Notes in Finland will only be made in accordance with the restrictions and qualifications as set forth above in "*Prohibition of Sales to EEA Retail Investors*".

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Financial Instruments and Exchange Act**). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the relevant Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not advertised, offered, sold or delivered and will not advertise, offer, sell or deliver, directly or indirectly, Notes to any Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer. For these purposes, a "Belgian Consumer" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Drawdown Prospectus (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. Authorisation

The update of the Programme was authorised by a resolution of the Board of Directors of Fastighets AB Balder passed on 31 May 2021 and a resolution of the Board of Directors of Balder Finland Oyj passed on 27 May 2021. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee of the Notes.

2. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened, of which the Issuers or the Guarantor are aware, which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Group.

3. Significant/Material Change

There has been no material adverse change in the prospects of Fastighets AB Balder since 31 December 2020 and nor has there been any significant change in the financial position or performance of Fastighets AB Balder or the Group since 31 March 2021.

There has been no material adverse change in the prospects of Balder Finland Oyj since 31 December 2020 and there has been no significant change in the financial position or performance of Balder Finland Oyj since 31 December 2020.

4. Auditors

The financial statements of Fastighets AB Balder have been audited without qualification for the years ended 31 December 2020 and 31 December 2019 by Öhrlings PricewaterhouseCoopers AB (PwC), chartered accountants and members of the Swedish Organisation of Certified Public Accountants (*Foreningen for Auktoriserade Revisorer*, or FAR) and the Swedish Organisation of Auditors (*Svenska Revisorsamfundet* or SRS).

The financial statements of Balder Finland Oyj have been audited without qualification for the years ended 31 December 2020 and 31 December 2019 by PricewaterhouseCoopers Oy, with Panu Vänskä, Authorised Public Accountant, as the auditor with principal responsibility for the year ended 31 December 2020 and Maria Merne, Authorised Public Accountant, as the auditor with principal responsibility for the year ended 31 December 2019. PricewaterhouseCoopers Oy is an audit firm approved and supervised by the Finnish Patent and Registration Office (PRH), Audit Oversight Unit. Panu Vänskä and Maria Merne are registered in the auditor register in accordance with Chapter 6 Section 9 in the Finnish Auditing Act (1141/2015, as amended).

5. Listing Agent

Walkers Listing Services Ltd is acting solely in its capacity as listing agent for the Issuers in relation to Notes issued under the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the EU Prospectus Regulation.

6. Documents on Display

Copies of the following documents are available for viewing at Fastighets AB Balder's website (https://en.balder.se/investor-relations/prospectuses) for 12 months from the date of this Base Prospectus:

(a) the constitutive documents of the Issuers and the Guarantor;

(b) the Agency Agreement;

(c) the Trust Deed (which contains the forms of the Notes in global and definitive form);

(d) the Programme Manual; and

(e) the Issuer-ICSDs Agreements.

7. Material Contracts

No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuers that are, or may be, material or contain provisions under which the Issuers or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuers to meet their obligations in respect of the Notes.

8. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN), Financial Instrument Short Name (as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, **FISN**) and Classification of Financial Instruments (as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, **CFI**) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

9. Notes Having a Maturity of Less Than One Year

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of FSMA by the relevant Issuer.

10. Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the relevant Final Terms. In the case of different Tranches of a

Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

11. The Legal Entity Identifiers

The Legal Entity Identifier (LEI) code of Fastighets AB Balder is 549300GHKJCEZOAEUU82 and the LEI of Balder Finland Oyj is 5493007P4MCJM21IB748.

12. Conflicts of Interest

Certain of the Dealers have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Issuers, the Guarantor and their affiliates from time to time, for which they have received monetary compensation. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuers, the Guarantor and their affiliates. In addition, certain of the Dealers and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Issuers, the Guarantor or their affiliates.

13. Group Websites

The website of the Issuers and the Guarantor is https://www.balder.se/. Unless specifically incorporated by reference into this Base Prospectus, information contained on these websites does not form part of this Base Prospectus.

14. Validity of prospectus and prospectus supplements

For the avoidance of doubt, the Issuers and the Guarantor shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

REGISTERED OFFICES OF THE ISSUERS

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