

# PREMISES THAT MAKE A DIFFERENCE

20

22

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*This Annual Report is an in-house translation of Stendörrens Swedish Annual Report. In the event of discrepancies, the Swedish original will supersede the translation.*



# PREMISES THAT MAKE A DIFFERENCE

Stendörren Fastigheter AB (publ) is an expansive property company listed on Nasdaq Stockholm Mid Cap. Our business concept is to create profitable growth in net asset value by managing, developing and acquiring properties and building rights within logistics, warehouse and light industry in Nordic growth regions. When commercially viable, we rezone such existing properties to create residential building rights for further in-house development and management, mainly in Greater Stockholm and the rest of the Mälardalen region.

KEY RATIOS	2022	2021	2020
Lettable area, sqm thousand	795	793	742
No. of properties	148	135	123
Fair value properties, SEK million	12,418	11,693	9,533
Letting ratio, by area, %	90	88	87
Economic occupancy rate, %	92	89	87
NOI yield, total portfolio, last twelve months, %	4.5	4.7	5.2
NOI yield, excluding projects and land, last twelve months, %	5.5	5.6	6.3
Total return, 12 last twelve months, %	3.3	16.5	6.2
Weighted average unexpired lease term, years	3.8	3.7	3.8
Average annual rent, SEK/sqm	1,069	992	910



SEK 733

MILLION RENTAL INCOME

SEK 287

MILLION INCOME FROM  
PROPERTY MANAGEMENT

SEK 548

MILLION NET  
OPERATING INCOME

SEK 271

MILLION PROFIT AFTER TAX

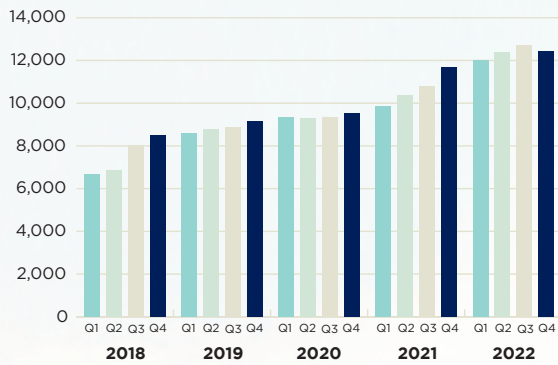
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EQUITY RATIO, %



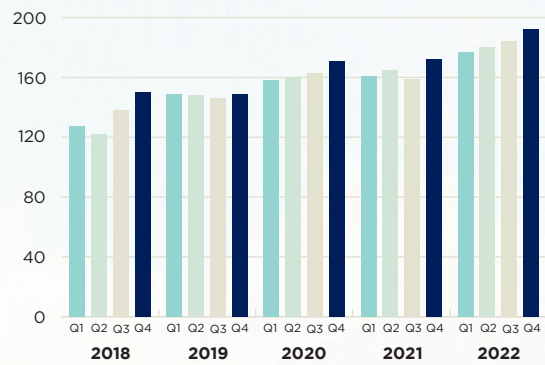
## MARKET VALUE

SEK million



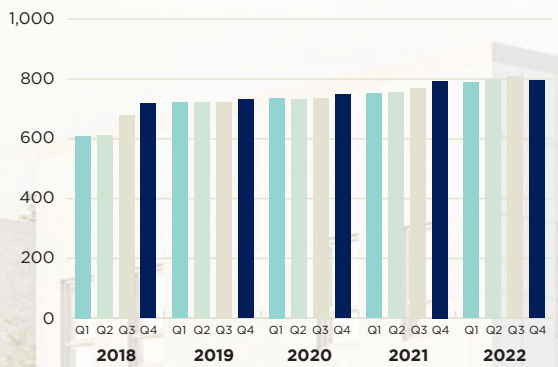
## TOTAL INCOME

SEK million



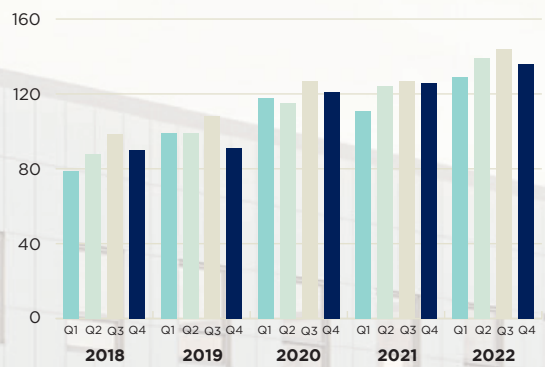
## LETTABLE AREA

Thousand sqm

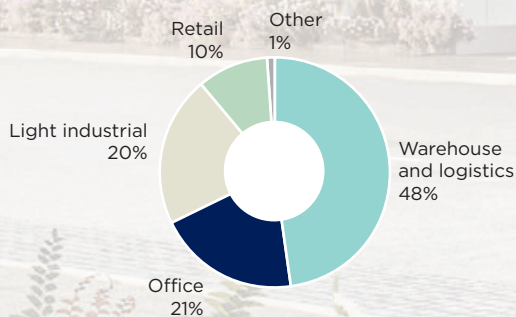


## NET OPERATING INCOME

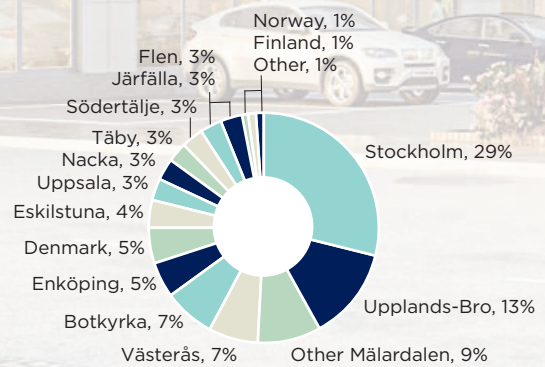
SEK million



## LETTABLE AREA, % OF TOTAL AREA



## RENTAL INCOME BY GEOGRAPHY



## THE PAST YEAR

STABLE GROWTH DESPITE CHALLENGING  
BUSINESS ENVIRONMENT

Q1

Net letting amounted to approximately SEK 15 million and new lease agreements with a total annual rental value of approximately SEK 21 million were signed.

Lease agreements that were renegotiated led to an average increase in rental values of 20%.

Three new building permits were announced in press releases relating to new production for logistics and light industry in Södertälje, Västerås, and Uppsala. Construction had also begun for all of these.

The company received its first building permit for residential units, two residential neighborhoods comprising a total of 326 apartments and a parking garage in Botkyrka.

Stendörren completed its fourth acquisition in the Copenhagen region and its second acquisition in the Oslo region.

Q2

Net letting amounted to approximately SEK 17 million and new lease agreements with a total annual rental value of approximately SEK 24 million were signed.

Lease agreements that were renegotiated led to an average increase in rental values of 22%.

A further three acquisitions took place in Copenhagen.

Three properties in Gothenburg were acquired.

10-year lease agreements were signed with Willys and Jula in the Tegelbruket property in the Botkyrka Handel area.

One industrial property in Eskilstuna was divested.

Q3

Net letting amounted to approximately SEK 4 million and new lease agreements with a total annual rental value of approximately SEK 21 million were signed.

Lease agreements that were renegotiated led to an average increase in rental values of 21%.

In July, the first acquisition took place in Finland, when three properties were acquired in the Helsinki region.

Two building permits were obtained for two light industrial buildings encompassing about 11,500 sqm in Stockholm South – in Almnäs, Södertälje.

Four new lease agreements were signed with Myrorna, Beans in Cup, Hedin Bil and gop Sverige.

A positive plan decision was received for changes to the zoning plan to residential area at the Skrubba 1:2 property in southern Stockholm with a view over the natural beauty of Lake Drevviken to the south.

In September, Stendörren was included in the EPRA index.

Q4

Net letting amounted to approximately SEK 4 million and new lease agreements with a total annual rental value of approximately SEK 18 million were signed.

Lease agreements that were renegotiated led to an average increase in rental values of 21%.

A further three acquisitions took place in the Copenhagen region.

A warehouse asset was completed and transferred in Eskilstuna.

A building permit for four new buildings was applied for and obtained, two of which for logistics and two for light industry.

A property in Täby was divested and a property in Eskilstuna was vacated.

## EVENTS AFTER THE END OF THE YEAR

In January 2023, the rating agency Nordic Credit Rating (NCR) announced that Stendörren had retained its rating of BB-, outlook stable.

In March 2023, tenders for a total SEK 287.5 million were accepted and completed under a tender offer of up to SEK 300 million for outstanding hybrid bonds.

In January 2023, a 5-year lease agreement was signed, with a 5-year extension option, regarding logistics premises of 2,200 sqm in Brunna, Upplands-Bro.

# FOUR GOOD REASONS TO INVEST IN STENDÖRREN

## STABLE CASH FLOW

Stendörren's portfolio comprises high-yield logistics, warehouse and light industrial properties with long-term leases. The tenant base is diversified and consists of well-established small to medium-sized companies and large multinational businesses from various industries.

## STRONG GROWTH

Stendörren's properties are strategically located in growth areas (in terms of population and economy) in Greater Stockholm, the Mälardalen region and other Nordic growth regions. Rent levels are rising as demand for logistics and light industrial premises in urban areas increases, while supply is declining through urbanization, leading to the conversion of properties for other uses. E-commerce growth is boosting demand for logistics and warehouse properties, particularly in urban locations, in response to consumer demand for short delivery times. Further growth is achieved through acquisitions and operational improvements.

## VALUE GROWTH IN PROJECT

Stendörren's project portfolio contains opportunities for new developments of first-rate premises in logistics and light industrial properties. Moreover, the conversion of properties for alternative uses, primarily residential purposes, offers further potential.

## STABLE FINANCIAL POSITION

Stendörren has a stable financial position with a carefully considered mix of equity and bank loans from several of the leading Nordic banks and capital market financing as a complement (senior unsecured bonds and hybrid bonds). The company's financial policy means that the risks (lending and refinancing risks) are well balanced.



## STATEMENT FROM THE CEO

# STABLE GROWTH DESPITE CHALLENGING BUSINESS ENVIRONMENT

Stendörren's operations performed well in 2022, posting continued positive net letting, continued progress in the project portfolio and an expanded footprint in new markets. Like many others in our industry, we were also affected by the slowdown in the economy, rising interest rates and higher yield requirements, which affected the value of our property portfolio. However, we enter 2023 with stable finances and a well-balanced business. We will continue to focus on growth as well as on increased financial flexibility so that we have manoeuvrability regardless of the economic climate and market sentiment on the financial market.

The past year showed continuing growth in rental income and net operating income, despite a deterioration in external business conditions. The economic occupancy rate continued to increase and was 92% at the end of the year. Taking into account contracted new letting and vacancies forward-looking

12 months from the end of the year, the economic occupancy rate increased to 93%. As we summarize 2022 as a whole, we can conclude that rental income increased 12%, net operating income 12% and income from property management 7%. We can therefore see a continuing strong and solid performance from our business.



Image: Erik Ranje, CEO



### ROBUST LEASING ACTIVITIES

Given the recent difficult conditions in our business environment, we are particularly proud that we have been successful in terms of both new letting and renegotiating leases. We also successfully implemented with full effect rent increases resulting from inflation linked index clauses contained in our lease agreements. Stendörren operates in a segment of the property market that to date has only been affected to a limited extent by a weaker economy. Our tenants are in the logistics, warehouse and light industrial sectors and the underlying macro trends of urbanization, e-commerce and effective distribution provide stability for such operations and thus also for Stendörren.

### STRATEGIC TRANSACTIONS

Activity in the transaction market softened in the latter part of 2022 and we have also been more restrictive in our pace of acquisitions. However, during the year we passed a new strategic milestone by establishing operations in Helsinki. In less than a year we have thereby established operations in all Nordic capitals - sub-markets that are driven by the same macro trends as the Stockholm/Mälardalen region. And naturally we continue to see potential in all of these markets. We also completed supplementary acquisitions in Copenhagen of properties in strategic locations, meaning that we are approaching a critical mass in this sub-market. We also sold a property in the Stockholm area high above its book value, which also added to our liquidity.

### LOWER PROPERTY VALUES BUT STRONGER PROJECT PORTFOLIO

As for almost all players in our industry, the value of our property portfolio was negatively affected by higher market interest rates at the end of 2022 since the yield requirement in the valuation models

was adjusted upward. The future trend in property values remains to be seen, but we are focusing our operations on factors that we can control. For this reason, we are continuing to make carefully considered yet clear steps forward in our property development strategy by applying for and securing building permits. This means that we can market well-defined projects with shorter lead times to the start of construction. What sets Stendörren apart from many of its industry colleagues is that in addition to 795,000 sqm of lettable area, we also have an extensive building rights portfolio of approximately 657,000 sqm for logistics, warehouse, light industry and residential use. Our building rights portfolio is thus a unique asset.

### STRONG FINANCIAL FLEXIBILITY

During the year and after the end of the year, we carried out several risk-mitigating measures, such as refinancing, hedging interest rates and hedging prices for expected electricity consumption. After the end of the year, we also launched a tender offer of up to SEK 300 million for our outstanding SEK hybrid bonds - a program with an approximately 95% acceptance rate. This means that we are now continuing 2023 with a strong financial position and well-balanced operations, but also favorable liquidity, despite the tender offer. Over the remainder of the year we will also concentrate intensely on maintaining our financial preparedness, given the tougher financing market. This will allow us to continue to grow and to capitalize on attractive business opportunities that always emerge as market conditions change.

Stockholm, April 28, 2023

Erik Ranje

## MISSION AND OBJECTIVES

# PREMISES THAT MAKE A DIFFERENCE

Stendörren's focus is to invest in warehouse, logistics and light industrial properties in growth regions, primarily in Greater Stockholm and the Mälardalen region. By managing, developing and acquiring properties in such areas, the company helps to create new jobs and a pleasant society. This is how the properties and premises can make a difference. Not only for the activities and business of our tenants, but also the neighborhoods, and the people that live and work there – while simultaneously creating a high, risk-adjusted return for Stendörren's shareholders.

### MISSION

Stendörren Fastigheter AB (publ) is an expansive property company listed on Nasdaq Stockholm Mid Cap. Our business concept is to create profitable growth in net asset value by managing, developing and acquiring properties and building rights within logistics, warehouse and light industry in Nordic growth regions. When commercially viable, we rezone such existing properties to create residential building rights for further in-house development and management, mainly in Greater Stockholm and the rest of the Mälardalen region.

### OBJECTIVES:

Stendörren shall create a high, risk-adjusted return for its shareholders by managing, developing and acquiring properties.

### FINANCIAL OBJECTIVES

Stendörren has four financial objectives:

- the long-term average return on equity shall amount to at least 12%
- achieve growth in long-term net asset value amounting to at least 15%
- the long-term interest coverage ratio shall amount to at least 2.0 times
- the long-term equity ratio shall be 35% (and never less than 20%)

### DIVIDEND

Stendörren's assessment is that the best long-term total return is generated by reinvesting the profits in the business to create further profitable growth. The company will thus continue to grow by investing in existing assets, new acquisitions, and the development of new assets. Accordingly, the dividend paid will be low or zero over the next few years.

FINANCIAL OBJECTIVES

**ROE  
(AVERAGE)**

The long-term average return on equity shall amount to at least 12%.

**NAV GROWTH**

Growth in long-term net asset value shall amount to at least 15%.

**ICR**

Long-term ICR shall amount to at least 2.0 times.

**EQUITY RATIO**

The long-term equity ratio shall be 35% (and never be below 20%).

OUTCOME

5%

The return on equity (calculated as 12 month average) amounted to 5% at the end of the period.

1%

At the end of the period, growth in net asset value (over the last 12 months) amounted to 1%.

2.6 times

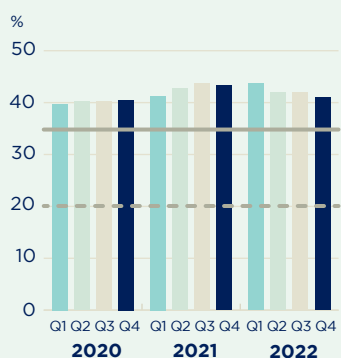
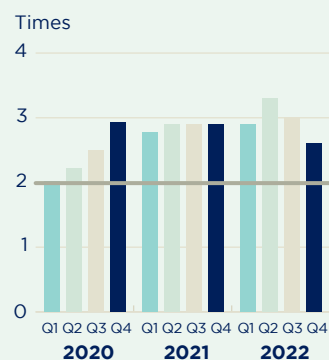
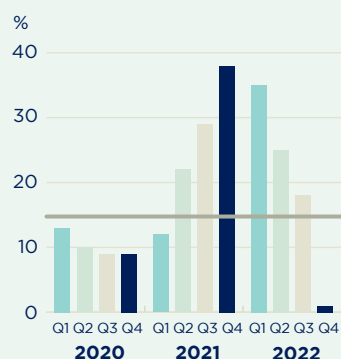
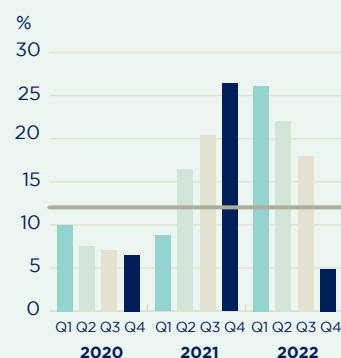
The interest coverage ratio amounted to 2.6 times.

41%<sup>1)</sup>

The equity ratio amounted to 41% at the end of the period.

1) The stated equity ratio is calculated excluding the lease liability resulting from the application of IFRS 16. If this liability item were to be included in the calculation, the equity ratio would be negatively impacted by approximately 0.8%.

HISTORICAL PERFORMANCE



## BUSINESS MODEL AND STRATEGIES

# LONG-TERM CUSTOMER FOCUS AND A WELL-BALANCED PROPERTY PORTFOLIO

Stendörren intends to fulfill its mission and achieve its objectives through strategies that promote a long-term customer focus and a well-balanced property portfolio. The aim is to create value over time, whereby Stendörren, through the interaction of management, development and acquisition, owns a property portfolio that, at any given time, fulfills the business needs and requirements of customers in a longer perspective, and creates long-term, high, risk-adjusted returns for shareholders.

### **BALANCED PORTFOLIO**

Good balance between investment properties and project properties with a low level of development risk provides high, secure and long-term returns.

### **OVERALL CUSTOMER STRATEGY**

Through an attentive, committed and long-term customer focus, support the long-term needs of our tenants for premises that sustainably foster the development of their operations.



Image: Almnäs, Stockholm

# SUSTAINABLE VALUE CREATION

## OUR BUSINESS MODEL CREATES VALUE

### ... for our customers

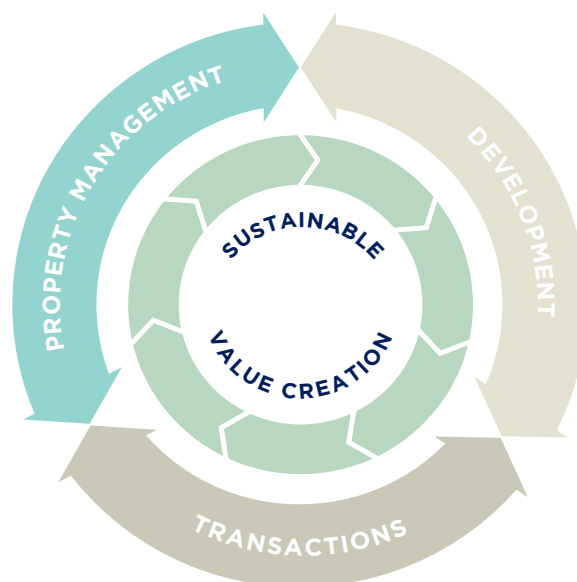
by allowing their businesses to develop sustainably, in attractive premises with an attentive and long-term property owner that strives for satisfied and close customer relationships.

### ... for the areas in which we operate

by being a committed and responsible party in urban development and working together with municipalities and customers to create premises that make a difference: for businesses, people and the local area.

### ... for our owners

by maintaining a well-balanced portfolio with a stable financial foundation and efficient property management which creates a favorable total return.



### PROPERTY MANAGEMENT

- Strive for long-term and close customer relationships as well as customer care through proactive management of the property portfolio via the own property management and maintenance organization.
- Retain and strengthen customer relationships with many reputable tenants.
- Have a clear contract-oriented strategy which, based on prevailing market conditions, promotes secure and long-term cash flows and opportunities for rental growth.
- Focus on sustainable properties that can be developed through active work for environmentally sound buildings, reduced vacancies, rent increases and alterations for tenants.

### DEVELOPMENT

- Work with development in the form of resource-conscious new production on land with existing building rights.
- Actively pursue work on zoning plans with owned properties to create building rights and/or modify a property's areas of use with the aim of adding value.

### TRANSACTIONS

- Continually evaluate new geographic markets that are considered to have good future development prospects.
- Acquire warehouse, logistics and light industrial properties that over time are expected to meet the company's yield requirement taking into account climate and transition risks.
- Acquire properties in the logistics and light industry segments in growth regions, where we already conduct operations. With a particular focus on markets where we have not achieved a critical mass.
- Acquire properties with a flexible area of use.
- Acquire developed or undeveloped properties with development potential.

# STENDÖRREN'S OPERATIONS



## MARKET AND MACRO ENVIRONMENT

# GRADUAL INCREASE IN FINANCIAL TURBULANCE IN 2022

2022 was a turbulent year in many respects, when Russia's invasion of Ukraine and the general geopolitical tension quickly became the focus of attention in the wake of the pandemic. In Sweden, the high prices for raw materials, food and energy resulted in inflation in December of a full 10.2% and 7.7% on an annual basis. This provided central banks around the world with a reason to implement widespread key interest rate raises and in Sweden the rate at the end of the year was 2.5%. Inflation remains well above the Riksbank target of 2%.

As a result of inflation and the Riksbank's rate increases, purchasing power fell sharply during the year, which in turn led to lower GDP growth. In 2022, this was at 2.4%, a clear decline from 5.25% in 2021. GDP growth is expected to slow further in 2023 and a number of forecasts indicate negative growth.

The labor market remained strong despite the many setbacks during the year, though the redundancy rate rose toward the end of the year and unemployment amounted to 7.5%, which however is lower year-on-year. As economic activities slows, the employment rate is also expected to fall, which in turn will lead to an increase in unemployment in 2023.

The continuing climate of uncertainty and unstable global situation make it difficult to foresee the future, but with the current monetary policy and declining household purchasing power a recession cannot be excluded. The length and depth of this will be influenced by several factors, not least the geopolitical situation and the impact of the central banks' measures.

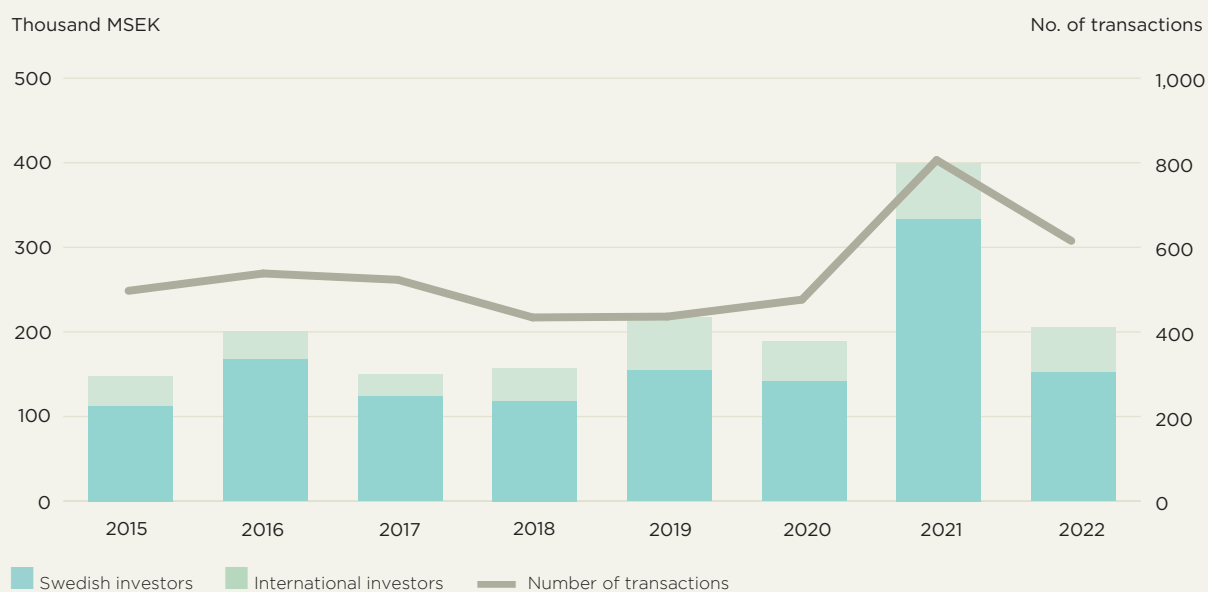
### SWEDISH PROPERTY MARKET

2022 could not match the record year in 2021 and the transaction market gradually cooled, largely due to the macro-economic and geopolitical situation. The situation resulted in cautious buyers and the gap between the expectations of buyers and sellers grew sharply during the year. The segments that in recent years have experienced a strong yield compression, which includes residential, have faced difficulties and transactions have been terminated or paused as a result. The transaction volume amounted to SEK 219.6 billion, which was a clear decline from 2021 when the volume totaled SEK 400 billion. However, the year can still be considered a historically strong, largely due to the first half of the year. August, on the other hand, was the weakest for three years and the third quarter as a whole reported an abnormally low transaction volume. The fourth quarter was slightly stronger and can be seen as a normal period. The number of transactions during the year was 608, which was a very strong figure and only 2021 reported a stronger year historically. The percentage of foreign players rose during the year to 24%, compared with a low figure of 16% in 2021.

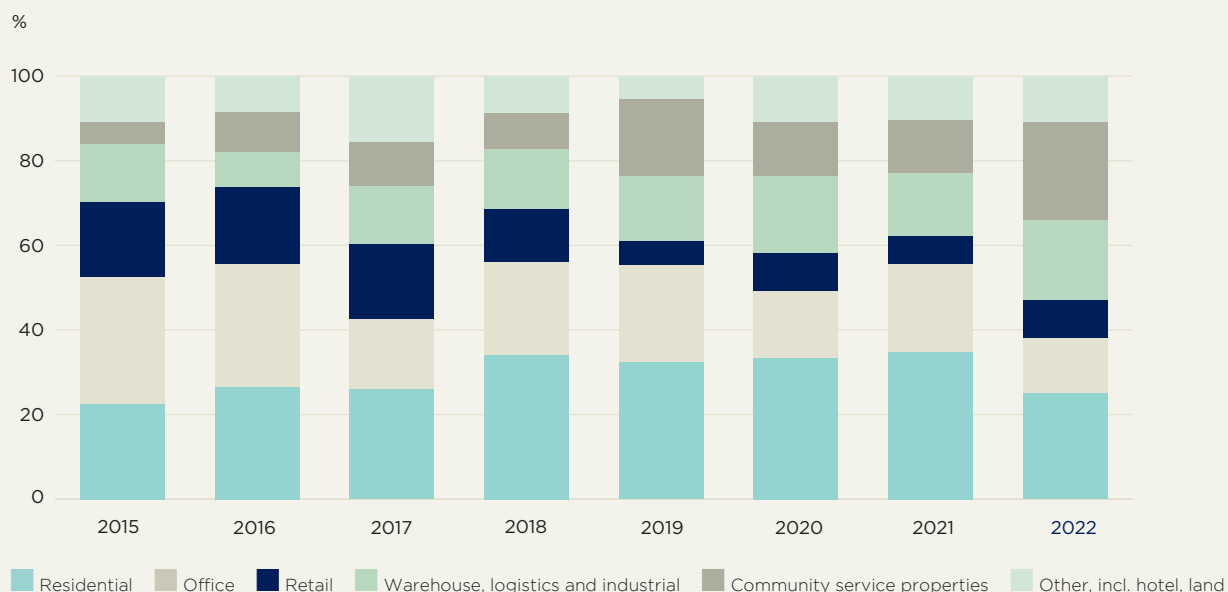
Following on from a strong 2021, residential was one segment that saw a declining share in 2022. In 2021, residential accounted for 35% of transaction volume, but declined to 28% in 2022. The office segment noted a similar trend and

declined from 21% in 2021 to 13% in 2022. The segment with the second largest percentage increase was the warehouse, logistics and industrial segment, which grew from 15% in 2021 to 21% in 2022.

### TOTAL TRANSACTION VOLUME, SWEDISH AND INTERNATIONAL INVESTORS, AND NUMBER OF TRANSACTIONS



### TRANSACTION VOLUME SWEDEN, BY SEGMENT





## MARKET FOR WAREHOUSE, LOGISTICS AND INDUSTRIAL PROPERTIES

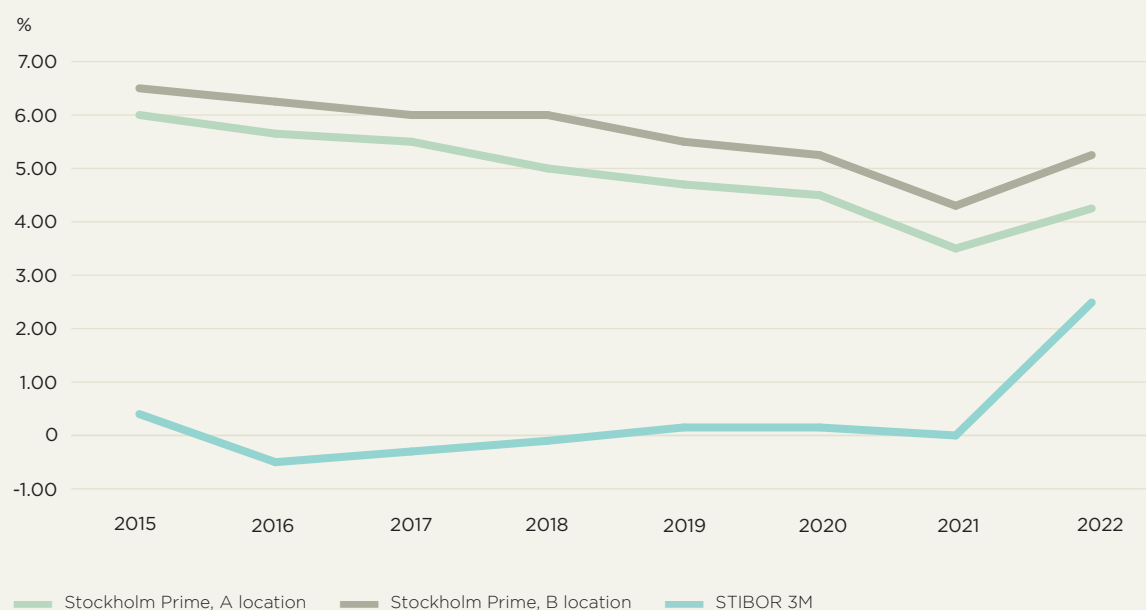
In recent years, the market for warehouse, logistics and industrial properties has been strong, largely due to the growth in e-commerce, which in turn has increased the need for these types of properties. However, the current geopolitical and macroeconomic situation has led to rising construction costs, high energy prices and rising financing costs. Nonetheless, the warehouse, logistics and industrial segment performed well in 2022. During the first three quarters, the segment accounted for SEK 33 billion, which was a historically strong start to the year. For the full-year, the warehouse, logistics and industrial segment accounted for 21% of total transaction volume, which meant the segment was the third strongest segment after residential and community service properties.

Warehouse, logistics and industrial properties are considered one of the more long-term types of property investment, with creditworthy

tenants and long leases that are often five to ten years. More people therefore look to this type of property in uncertain times. E-commerce is also driving demand, and accounted for 15% of retail sales in 2022. Demand for warehouse, logistics and industrial properties in attractive locations has also risen as e-commerce has grown, something that is pushing up property values.

Following on from a strong 2022, the warehouse, logistics and industrial segment is facing an uncertain future, as a recession could lead to declining demand and reduced momentum for e-commerce. Yield in prime logistics locations in Stockholm amounted to 4.25% in 2023, while prime warehouse/light industrial was roughly 100 points higher. Properties in the segment are still considered a good investment, particularly modern logistics space with a high level of automation in last-mile locations, and warehouse/light industrial in growth locations with a shortage of such space.

## DEVELOPMENT MARKET YIELD REQUIREMENT, WAREHOUSE, LOGISTICS AND INDUSTRIAL



# TRENDS

## URBANIZATION

### GROWTH AREAS AND URBANIZATION

A growing number of people are moving to the Stockholm area and the Mälardalen region. This is a trend that is set to continue, and Stockholm is one of the European cities that is expected to grow fastest in the coming years. The population growth is placing heavy demands on city infrastructure, service, residential and workplaces.

### STENDÖRREN'S BUSINESS POTENTIAL

Stendörren is working actively to capitalize on opportunities offered by growth in the region. By owning and developing properties in Stockholm and the Mälardalen region in the warehouse, logistics and light industry segments as well as residential, the company is well-positioned to meet customer demands for modern, efficient and attractive commercial premises. An organization under own management provides good, local market knowledge and a unique presence that allows the company to identify new business opportunities in existing buildings and in development land.

## DIGITALIZATION

### DIGITALIZATION AND AUTOMATION

New digital technology is influencing society, individuals, companies and services, and is driving change in most fields and also creating conditions for new, smart solutions. For example, this could entail the automation of functions, the creation of new services or behavioral changes. Growing demand for swift cargo management and fast deliveries is creating completely new requirements on property owners.

### STENDÖRREN'S BUSINESS POTENTIAL

Through the proactive development of new logistics areas, Stendörren is creating the necessary conditions to provide attractive, customized and modern premises for warehouse, logistics and light industrial use, which meet the rising and long-term demand from Stendörren's customers. The operation of Stendörren's properties is optimized through the use of digital monitoring and property management systems.

## E-COMMERCE

### FAST-GROWING E-COMMERCE

The digitalization of society has changed our way of communicating and consuming. It has led to strong growth in e-commerce and thereby a thorough adjustment for the logistics and transport sector, and has created new demands on properties to live up to consumer expectations for fast, secure and flexible deliveries. Delivering products for retail and consumers the last mile to the consumer's doorstep is a growing challenge in expanding cities and areas.

### STENDÖRREN'S BUSINESS POTENTIAL

Stendörren's portfolio comprises a mix of properties in the area of local logistics and land that is ripe for development of warehouse and logistics in the country's largest growth regions. These also have easy access to key road and rail links. This creates favorable conditions that allow Stendörren to meet new demand from e-commerce, and provide existing and future customers in various industries with efficient solutions that meet the needs of their operations.

## SUSTAINABILITY

### SUSTAINABILITY AT EVERY STAGE OF THE BUSINESS

Awareness of, and attention to, climate-related, economic and social sustainability issues are increasing in society, and the property sector is no exception. The construction and management of properties also has a major impact on the climate, as does transportation to and from properties, which are also workplaces for thousands of people who are to thrive and enjoy using our properties. This is a great responsibility and also a tremendous opportunity to be involved in moving society in the right direction.

### STENDÖRREN'S BUSINESS POTENTIAL

Stendörren strives to create sustainable premises and workplaces. This is achieved by actively and continuously monitoring, evaluating and reducing the carbon footprint of the company's properties by optimizing operations. We also place great importance on sustainable choices of materials and on creating pleasant workplaces with good peripheral services, that help to make the workplaces attractive. The strategic placement of properties also facilitates sustainable transportation to and from the properties by road and rail.

## STENDÖRREN'S PROPERTIES

# OUR PROPERTY PORTFOLIO

Stendörren's properties are located in Nordic cities with growth potential. As demand for warehouse, logistics and light industrial premises in urban areas increases, rent levels are also rising while supply is declining due to urbanization, leading to the conversion of properties, such as residential buildings. The growth in e-commerce is boosting demand for logistics and warehouse properties, particularly in peri-urban locations, in response to consumer demand for short delivery times.

Stendörren can see continued positive growth opportunities in Nordic metropolitan regions and in 2022 continued to develop and acquire properties in the Mälardalen region, Gothenburg region, Copenhagen, Oslo and Helsinki. Focus is on warehouse, logistics and light industrial since this type of property offers stable and long-term returns. The areas' geographic locations and high growth rates enable refinements and further development which also creates long-term value for the company's tenants, their operations and the regions in which Stendörren is active.

### OUR PROPERTY PORTFOLIO - A STABLE PORTFOLIO IN WAREHOUSE, LOGISTICS AND LIGHT INDUSTRY

At the end of 2022, Stendörren owned 148 properties, with a lettable area of approximately 795,000 sqm and a total market value of SEK 12,418 million (11,693). Rental income increased by approximately 12% to SEK 733 million (653) and net operating income increased by approximately 12% to SEK 548 million (488). Over the past ten years, the occupancy rate for warehouse, logistics and light industrial premises in the Stockholm area has fluctuated between 90% and 95%. The area weighted occupancy rate in Stendörren's portfolio was 90% (88) at December 31, 2022, and the economic occupancy rate was 92% (89).

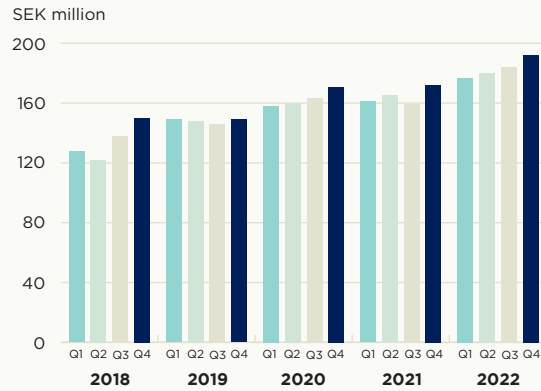
### ACTIVE MANAGEMENT

Stendörren is a long-term property owner focusing on the proactive management of existing properties. The portfolio comprises high-yield warehouse, logistics and light industrial properties. The purpose is to create long and strong relationships with our tenants by satisfying their needs for premises that help them to develop their businesses. The diversified base of tenants ranges from well-established small and medium-sized companies to large international businesses in various industries. This provides long-lasting strong cash flows. During the year, net operating income amounted to SEK 548 million (488).

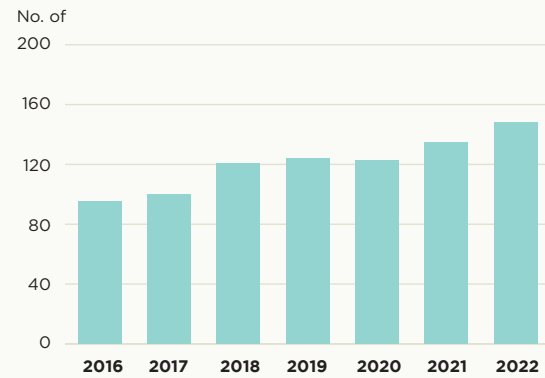
### OUR OWN MANAGEMENT

The starting point for Stendörren is to manage its property portfolio, in terms of economic and technical management, using its own personnel. Conducting our own active management creates the prerequisites for long-term customer relationships. The aim is to identify a customer's changing needs at an early stage and offer high-quality, personalized service. Having your own organization helps to create a presence and availability for tenants and the neighborhood as well as extensive market insight and good knowledge about the properties. This enables the company to optimize the operation of properties and implement cost-efficient maintenance plans and preventive measures that reduce the need for corrective maintenance support for tenants, which also leads to greater well-being.

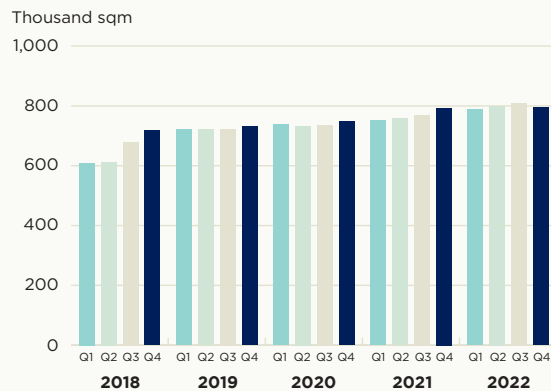
## INCOME



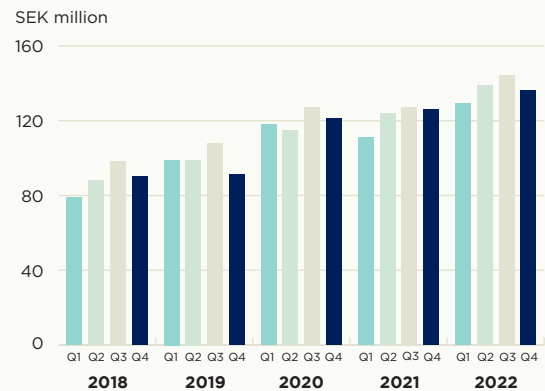
## NO. OF PROPERTIES



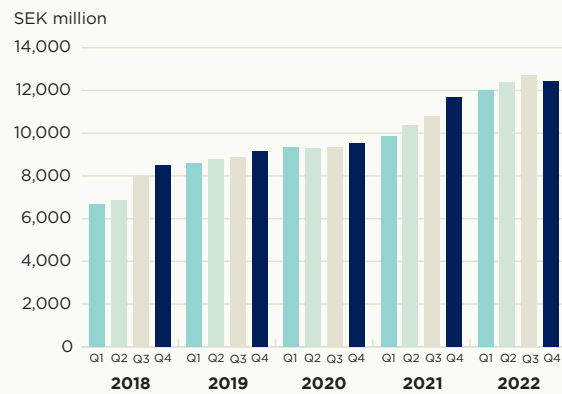
## LETTABLE AREA



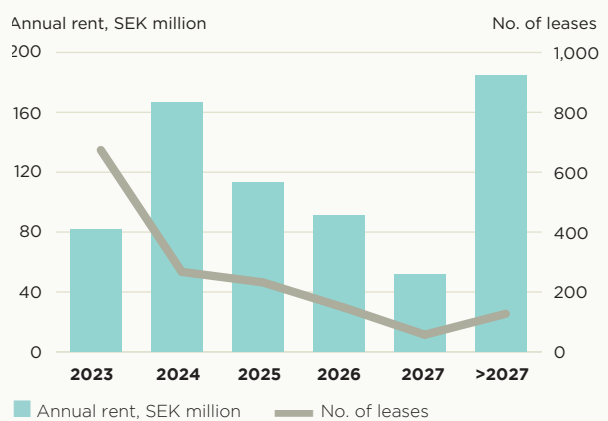
## NET OPERATING INCOME



## MARKET VALUE PROPERTY PORTFOLIO



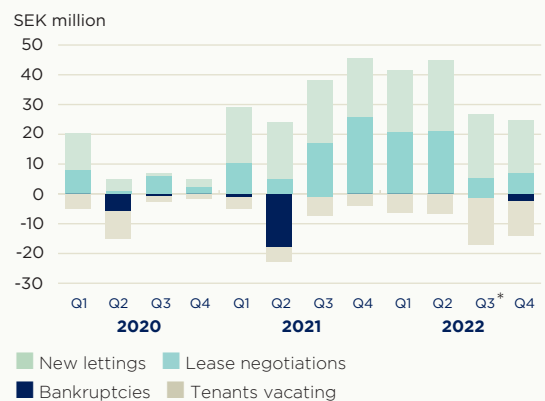
## ANNUAL LEASE EXPIRY



Market value: The property portfolio is reported quarterly at fair value. All properties are externally valued at least once for every 12-month period (though not all at the same time). For intervening quarters, properties are valued internally based on an updated analysis of the rental market, expected costs and an assessment of the market yield requirement. Along with a close dialog with the appraisal institutes, the external valuations always guiding in our internal valuations.

\* Excludes the letting in the new construction project Viby 19:66 to Gop Sverige AB concerning 2,700 sqm and preliminary access July 1, 2023.

## CONTRACTUAL CHANGES INVESTMENT PROPERTIES



### RESPONSIBLE AND LONG-TERM CONTRACT-ORIENTED STRATEGY

Stendörren strives to sign long leases with tenants that have good credit ratings and to achieve a lettings portfolio with a balanced maturity structure. Always taking into account the market situation and prevailing rent levels. Stockholm's strong performance has meant that rental growth in central parts of the region has been robust in recent years. The impact of urbanization on rental growth is expected to remain in the long term. This is also the case for other selected Nordic growth cities. In certain sub-markets, this could mean that Stendörren signs shorter leases assuming the investments are small, which allows it to quickly adapt to rising market rents.

Stendörren is constantly evolving its work processes, internal controls and procedures. The goal is to work smarter, more efficiently, more climate-smart and more economically, and to ensure a high level of control over the company's rental flows and good business ethics to create the conditions for long-term customer relationships and responsible business.

The company often signs rental agreements that exclude charges for heating, water, electricity, etc., or triple net leases to contribute to cost-efficient management and low operational risk.

### LEASE RENEGOTIATIONS - CONTINUATION OF A CLOSE CUSTOMER RELATIONSHIP

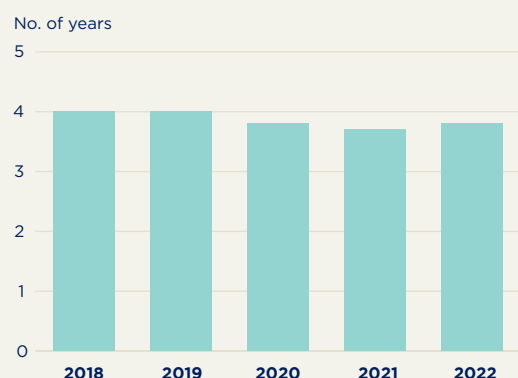
The work of property management related to lease renegotiations and early review of leases takes place on a continuous basis. Lease renegotiations include an assessment of the market situation and customer needs and wishes. The continuous dialog with the tenant creates good conditions for shared expectations and continued favorable relationships.

Leases corresponding to an annual rental value of SEK 54 million were renegotiated during the year. These lease renegotiations led to rent increases averaging 21%. In the majority of these lease renegotiations, Stendörren also transferred the responsibility for operating expenses, some upkeep, and maintenance of the properties and premises to the tenants, which will have a positive impact on current operating surplus in the long term.

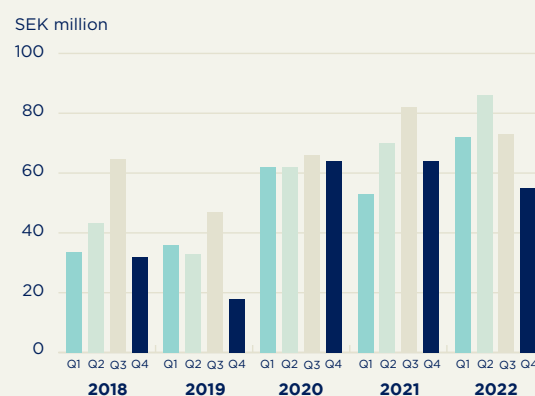
### PROACTIVE APPROACH TO REDUCE RENTAL LOSSES

In 2022, rental losses amounted to approximately SEK 3.3 million. Stendörren maintains a continuous dialog with tenants to identify possible financial weaknesses at an early stage and thereby minimize rental losses. This was particularly important during the pandemic and is again relevant as a result of a weaker economy, rising inflation and higher electricity prices. Through proactive leasing activities, we ensure the company's credit ratings and history, which thereby reduces the risk of rental losses.

### WEIGHTED AVERAGE UNEXPIRED LEASE TERM



### INCOME FROM PROPERTY MANAGEMENT



## STENDÖRREN'S PROPERTIES

GROWTH REGIONS WITH  
GOOD INFRASTRUCTURE**GROWTH REGIONS  
- THE HUB OF THE GEOGRAPHIC LOCATION**

The growth curve in Stockholm and the Mälardalen region, where Stendörren primarily operates, has displayed a strongly positive trend for many years, even through the transaction market and the pace of Stendörren's acquisitions in the region have declined slightly during the year. During 2022, the company instead focused on the acquisition of properties in other Swedish and Nordic cities with growth potential, such as Copenhagen, Oslo, Gothenburg and Helsinki. The focus looking ahead will be on developing and strengthening the company's presence in these areas. This will result in both management and leasing synergies and enable a rational and cost-efficient management of the properties.

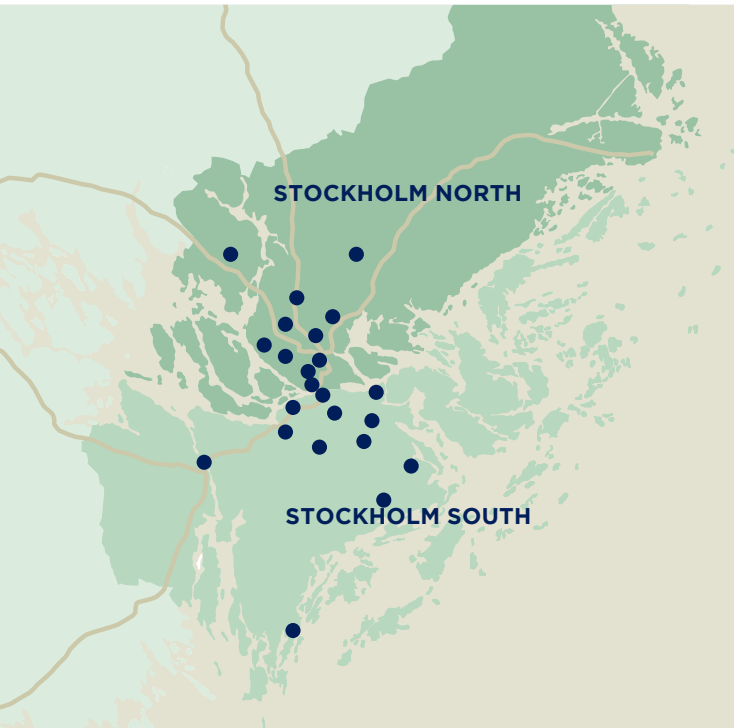
**INFRASTRUCTURE**

Infrastructure in the Stockholm region is constantly expanding with improvements in communications and traffic flows. One important part of the puzzle to improve the north-south link is the E4 Stockholm Bypass, which will increase accessibility for transportation in the county. The new stretch of the E4 motorway is approximately 21 kilometers long and joins the north and south parts of the county, while in parallel the road will also reduce pressure on Essingeleden and the city center. Construction is expected to take about 14 years and the road is scheduled to open to traffic in 2030.

The railway network is also undergoing improvements to increase capacity and allow freight trains to take a larger share of the growth in transport volume. The Stockholm Bypass and Södertörn Crosslink infrastructure projects are expected to redraw the map for the warehouse and logistics segment and have a positive impact on north and south Stockholm.



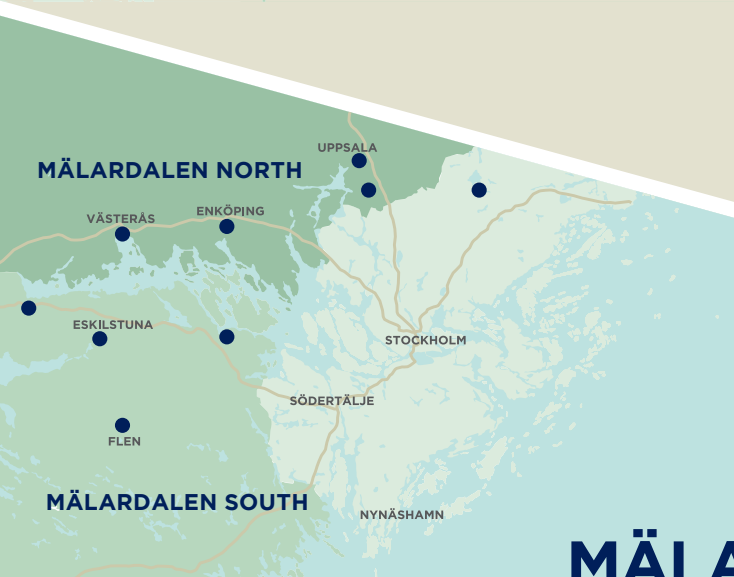
Image: Almnäs, Södertälje



## STOCKHOLM

The Stockholm region is at the heart of the Swedish economy, which means the economic development of the capital has an impact on the entire country. Greater Stockholm is responsible for about one third of the country's GDP and together with Mälardalen, the region represents Sweden's demographic hub. Similar to other Nordic capitals, Stockholm was impacted by the geopolitical and macroeconomic situation in 2022. The rate of inflation in December was 10.2%, and 7.7% for the full year. During the year, the Riksbank therefore decided to raise the key interest rate, which was at 2.5% at the end of the year. Over the past ten years, Greater Stockholm has accounted for more than half of jobs created in the labor market and during the same period accounted for about 40% of the country's total GDP growth. Yield in prime logistics locations in Stockholm amounted to 4.25% in 2022.

Source: Newsec, Stockholm Chamber of Commerce



## MÄLARDALEN

The Mälardalen region including Södertälje is situated in close geographical proximity to Greater Stockholm and from a demographic perspective also offers good conditions for distribution since a large portion of the population is located nearby. The area has several world-leading and distinguished companies, and the strategic location with excellent communications mean that it is viewed as one of the country's best locations for warehouse and logistics facilities. The good infrastructure across the Mälardalen region creates a complete

Source: Newsec

range of transportation that enables deliveries not only to Stockholm and Gothenburg but also to Norway and Denmark. The Mälardalen region is gradually expanding to merge with Stockholm and the population growth is substantial, which is positive for property owners in the area. Despite the turbulent market situation, demand remains strong for newly constructed, modern spaces in the Mälardalen region resulting in low vacancy rates. Yield in prime logistics locations in the Mälardalen region amounted to 4.75% in 2022.

## BORÅS

Borås is located in south-west Sweden, near Gothenburg and with just over 115,000 inhabitants, the municipality is the 13th largest in Sweden. Over the past decade, the municipality has established a strong position in the market for logistics, warehouses and industry. Borås has an favorable geographic location and excellent communications to Jönköping, Helsingborg and Gothenburg. Borås therefore has a large catchment area across south-west Sweden and also communications opportunities to the east. Even if the market as a whole has cooled due to the geopolitical and macroeconomic situation, Borås is still considered attractive in the investor market and the upward yield adjustment was less compared with similar municipalities in the country. Prime yield was recorded at 5% in 2022.

Source: Newsec, SCB, Intelligent Logistik



GOTHENBURG

BORÅS

## OSLO

Similar to other Nordic countries, Norway was also impacted by the global situation in 2022. This meant high inflation, though slightly lower than in Sweden and Denmark. The rate of inflation peaked in October at 7.5%. This gave the central bank of Norway a reason to raise the key interest rate to 2.5% in December. The Norwegian capital accounts for a large share of the economy and about one third of the country's GDP. Although the catchment area

for industry, logistics and warehouses is somewhat limited in Oslo, the city and its local area, including Fredrikstad, are home to a large portion of the population. In addition, the location is attractive given that Oslo is a port city and has good communications with Sweden. The yield requirement in Oslo CBD for warehouse, logistics and industrial rose by 50 points to 4.50%.

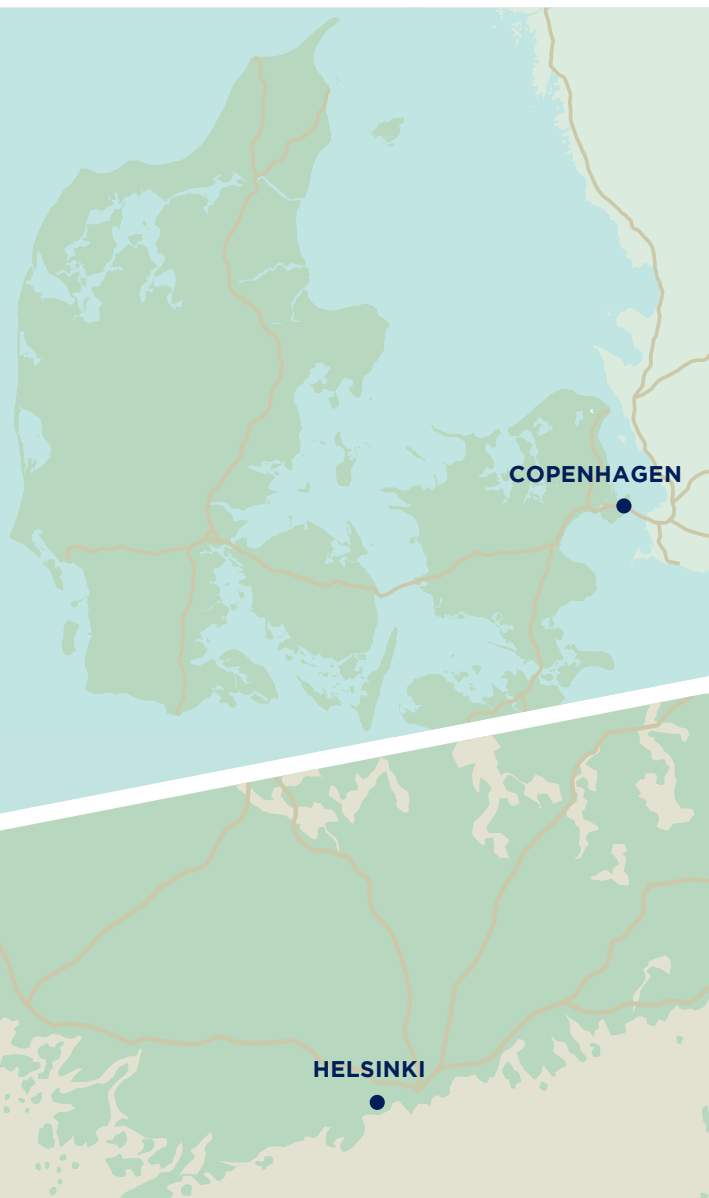
Source: Newsec, OECD



## COPENHAGEN

The geopolitical and macroeconomic situation has also impacted Denmark. Inflation was, as in Sweden, exceptionally high during the year and peaked at 10.1% in October. For the full year, the figure amounted to 3.4%. The central bank of Denmark also raised its key interest rate during the year, similar to the Riksbank in Sweden, and the rate was at 1.4% as recently as December. Denmark's interest rate policy is governed to some extent indirectly by the European Central Bank, since the Danish Krone is pegged to the Euro. Copenhagen accounts for a large share of Denmark's economy and almost half of the country's GDP. Copenhagen was also impacted by the global situation and all segments of the city's prime locations witnessed an upward adjustment of yield requirements. The segment that was most affected in percentage terms was the residential segment, where prime yield rose by 50 points to 3.50% in 2022. Warehouse, logistics and industrial properties, on the other hand, less in percentage terms, and the yield adjustment in prime locations was 50 points to 4.75% in 2022.

Source: Newsec, OECD



## HELSINKI

Finland stood strong in the face of the pandemic and demonstrated continued economic strength despite the turbulent global situation. This could be seen in the property market, when the first half of the year noted record transaction volumes. However, Finland has been impacted by the war in Ukraine, partly as the country is slightly more dependent on Russian gas and trade than its Nordic neighbors. Toward the end of the year, inflation rose to high levels and in November and Decem-

Source: Newsec

ber was 9.1%. On an annual basis, inflation was 7.1%. Approximately 12% of Finland's population lives in Helsinki and it is an important part of the country's economy. Half of the country's property transactions took place in the Helsinki metropolitan area in 2022. The proportion of foreign investors in Finland has historically been high, and 2022 was no exception, when foreign players accounted for 51% of transaction volume. Prime yield in the Helsinki metropolitan area rose by 70 points to 4.6% in 2022.

## STENDÖRREN'S PROPERTIES

PROPERTY ACQUISITIONS  
AND SALES

During 2022, Stendörren acquired 14 properties in nine separate transactions, with a total lettable area of about 36,000 sqm. The total agreed property value of these acquisitions amounted to SEK 507 million.

As part of Stendörren's growth target, the company is to acquire properties in existing markets, such as the Greater Stockholm-Mälaren region, and also expand to selected new Swedish and Nordic markets. In 2021, Stendörren completed its first acquisitions in Oslo and Copenhagen, and its acquisitions in these markets continued in 2022. In addition, in 2022 Stendörren also expanded to Helsinki, where three properties were acquired during the year.

In the Swedish market, Stendörren acquired three properties in Gothenburg during the year. Two properties were divested, one in Täby and one in Eskilstuna.

Stendörren intends to continue acquisitions of properties in light industry, warehouse and logistics to leverage the company's collective competence and experience in these types of premises. When expanding further in new markets, the ambition is for the company to achieve a critical mass over time, in order to enable effective property management and leasing activities using its own personnel.

## ACQUISITIONS DURING THE YEAR

MUNICIPALITY	PROPERTY	LETTABLE, AREA, SQM	AGREED PROPERTY VALUE SEK MILLION	PROPERTY TYPE	DATE
Ølstykke	Svalehøjvej 17	5,325	69	Warehouse	Nov 3, 2022
Glostrup, Farum	Farverland 7, Farum Gydevej 62	4,255	73	Warehouse, light industrial	Nov 1, 2022
Vantaa	Tiilitie 8, Tiilitie 10, Pyymosantie 4	6,451	75	Warehouse, light industrial	Jul 5, 2022
Gothenburg	Kärra 72:1, Kärra 72:4 and Kärra 72:19-31	2,919	46	Warehouse	Jun 23, 2022
Kastrup	Kirstinehøj 12	1,716	28	Warehouse	May 3, 2022
Glostrup	Paul Bergsøes Vei 8	2,664	34	Warehouse	May 2, 2022
Hillerød	Rønnevangsalle 8	3,089	31	Warehouse	Apr 11, 2022
Oslo	Bjørnerudveien 24	4,823	109	Warehouse	Mar 25, 2022
Kastrup	Kirstinehøj 3	4,772	42	Light industrial	Jan 4, 2022
<b>Total</b>		<b>36,014</b>	<b>507</b>		

## SALES DURING THE YEAR

MUNICIPALITY	PROPERTY	LETTABLE, AREA, SQM	AGREED PROPERTY VALUE SEK MILLION	PROPERTY TYPE	DATE
Täby	Åkerby 8	9,600	203	Warehouse, light industrial	Dec 22, 2022
Eskilstuna	Kälby 1:55	19,682	195	Light industrial	Apr 4, 2022
<b>Total</b>		<b>29,282</b>	<b>398</b>		



Image: Hjulsmeden, Västerås

## STENDÖRREN'S PROPERTIES

## STENDÖRREN'S PREMISES

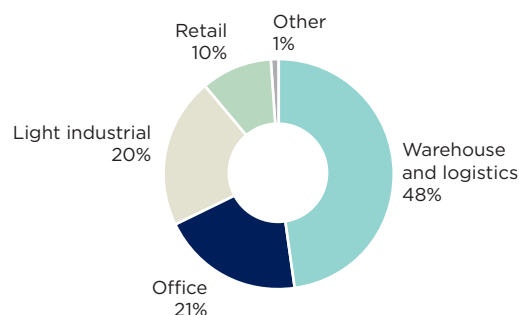
Since the beginning of the 2000s, warehouse, logistics and industrial properties have grown to become a separate segment in the property market. The available exploitable land in peri-urban locations is virtually non-existent and many commercial districts are being converted into, for example, residential buildings. In parallel, demand is increasing for commercial premises, which in turn is leading to a general positive upward pressure on rent levels and very low vacancy rates.

As e-commerce has grown, consumers have begun to make greater demands on short delivery times, which has meant retail and logistics companies are more interested in establishing operations in peri-urban areas. Demand from tenants in light industry and other service functions is expected to rise as the population grows and traditional industrial areas are converted into alternative uses, such as residential. As a result of the above factors, market conditions for peri-urban locations remain good, with rising rent levels and continued low vacancies.

Properties in the immediate suburbs often have better access to major roads and/or the railway network than properties in peri-urban locations. Similar to peri-urban locations, there is a general shortage of land in the immediate suburbs and some existing areas are being converted into more vibrant urban neighborhoods with a mix of residential, office and retail space. Tenants in the immediate suburbs often have lower requirements for swift deliveries to customers, which is reflected in the slightly lower rent levels. Properties in the suburban locations differ from the other locations as there is a greater availability of exploitable land and accessibility to these areas is not restricted by traffic and bottlenecks to the same extent as in more central areas. Most new development in

Stockholm will be in suburban locations. Opportunities for new development create potential for purpose-built properties that are modern, flexible and with low operating expenses. This means that rent levels in these areas are often limited to new development levels. The trends referred to above also apply to Copenhagen, Helsinki and Oslo, where Stendörren acquired properties in 2021 and 2022.

Stendörren's warehouse, logistics and light industrial premises together accounted for about 68% of the total lettable area. 21% of the company's range of office space comprises lettable area. Most of Stendörren's buildings contain a mix of different spaces.

LETTABLE AREA,  
% OF TOTAL AREA

## CASE STUDY: PROPERTIES AND PROPERTY MANAGEMENT

In 2022, Stendörren completed 160 new lettings, an average of four leases each week. Most leases concern vacant premises in existing properties. Work to fill vacancies with the right customer often involves adapting the premises to the needs of the customer. In most cases, the changes are marginal and could be a matter of painting a few walls or installing a new front door.

However, some agreements signed during the year required larger modifications. For example leasing to Willys, Jula and Myrorna in Botkyrka Handel retail area. The companies represent low-price retail and re-use, markets that were strong in 2022. The establishment shows that Stendörren's premises are present in attractive and strategic locations.

Modifications were made for all three of these before prior to occupancy. Myrorna required modern spaces for warehouse, store and office in the 5,000 sqm premises. Willys 3,700-sqm premises needed to be adapted to contain a modern supermarket, where customers can also purchase food online. Jula's 3,100 sqm prepared in accordance with Jula's store concept with a wide range in home and leisure.

The modifications were carried out according to each store concept and involved upgrading technical installations, the surface finish of the premises, accessibility, fire protection and layout. Similarly, flows to the property were changed, both internally between tenants and also external flows that influence suppliers and visitors.



Anders Nilsson,  
Head of Property Management  
and Vice President of Stendörren

### ANDERS NILSSON

### ANSWERS THREE QUESTIONS

#### HOW DOES THE EXAMPLE ABOVE DESCRIBE HOW YOUR MANAGEMENT ORGANIZATION WORKS?

One of the most important operations in property management is to develop customer relationships. A customer relationship is begun when a lease agreement is signed and in many cases with the subsequent modification of leased premises. The success of our modifications and ability to meet the customers premises requirements are essential elements in our customer relationship. It provides a good start and the prerequisites for the customer to be successful in their business.

#### COULD YOU PROVIDE ANOTHER EXAMPLE OF THE TYPES OF MODIFICATIONS DO YOU DO?

Another large modification is the adjustments we are making to premises in Ulvsunda for Hedin Bil. The premises are being prepared to include a showroom and workshop.

#### WHAT ELSE WOULD YOU LIKE TO HIGHLIGHT FROM THIS YEAR'S PROPERTY MANAGEMENT AND LEASING ACTIVITIES?

Work to fill our vacancies while we in parallel enhance the efficiency of our property operations has continued to progress well. We have also developed a concept we call EasyOffice, a simple way for small businesses to lease an office with service and great flexibility. I think it shows our strong focus and willingness to develop our business and that we are carrying out large and small initiatives to fill vacancies.



## STENDÖRREN'S PROPERTIES

## STENDÖRREN'S TENANTS

Being a landlord involves a great deal of responsibility but also exciting opportunities. With a broad and diversified base of tenants, Stendörren engages in a dialog with companies from a range of different industries and can participate in their development. Stendörren has an important role to play in the growth and development of these companies.

The tenants in Stendörren's property portfolio range from well-established small and medium-sized companies to large multinational businesses. The property portfolio also has a wide distribution between industries. At the end of the year, there were approximately 1,100 lease agreements. The risk of large-scale vacancies and rental losses due to bankruptcies is greatly reduced by the diversification and number of lease agreements combined with the fact that 85% of the properties (in terms of rental value) have at least two tenants. As at December 31, 2022, the ten largest leases made up 21% of the total annual basic rent from tenants in the portfolio. Stendörren's largest lease agreement, with Coop Sverige Logistik AB, represents almost

10% of the total annual rent and will expire on September 30, 2024, when it will vacate the premises in Upplands-Bro.

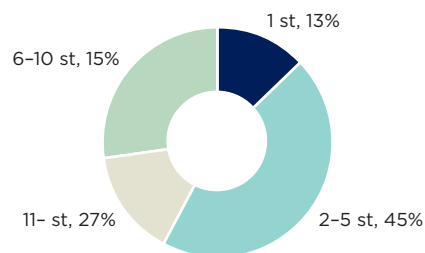
NUMBER OF TENANTS PER PROPERTY  
BASED ON AREA

Image: GreenHub Bro, Upplands-Bro



Image: GreenHub Bro, Upplands-Bro

## STENDÖRREN'S PROPERTIES

## OUR TEN LARGEST TENANTS

**BACTIGUARD AB**

Bactiguard AB is a Swedish medical technology company that develops and supplies infection prevention solutions. It is a tenant at the Biologen 10 property in Tullinge in premises built in 2014. The premises, which are just over 4,000 sqm, include Bactiguard's head office and primary research facility.

**COOP LOGISTIK AB**

Coop Logistik AB supports the Coop Group with premises and property issues for the daily consumer goods operations of Coop and other cooperative retail in Sweden. Coop leases just over 129,000 sqm mainly comprising warehouses and offices at the Nygård 2:14 property in Upplands-Bro. Since it was built in the 1970s, the property has been Coop's main Swedish warehouse for colonial goods and acts as a hub in the company's logistics network. Current lease agreement expires September 30, 2024.

**INFOCARE SERVICE AB**

InfoCare Service AB is a service provider of technical equipment that offers onsite service, installations, transportation and software services to companies. It has 60 service locations and 1,100 employees in Sweden, Norway, Denmark and Finland. InfoCare leases approximately 5,300 sqm in the Båglampan 35 property.

**LEASEPLAN SVERIGE AB**

LeasePlan is one of the world's leading leasing companies, with 1.7 million vehicles in more than 30 countries. The company manages everything from vehicle purchasing and maintenance to selling returned leasing vehicles. The tenant leases 5,500 sqm of Stendörren's Skälby 2:2 property on Truckvägen 2 in Upplands Väsby, which offers a unique signage location towards the E4 motorway and contains LeasePlan's new flagship car showroom.

**MOUNTAIN TOP**

Mountain Top is an international market-leader in the development and production of equipment and accessories for pickup trucks. It manufactures orders, and its partners and customers include the car manufacturers Ford, VW, Toyota, Nissan, Hyundai, etc. The company leases Pedersholmparken 10 and 13 in the Copenhagen region and the leased area is approximately 9,500 sqm.

**NACKA VATTEN OCH AVFALL AB**

Nacka vatten och avfall AB supplies safe water and waste services for everyone who visits, lives or works in Nacka Municipality. Nacka vatten och avfall works with waste management, recycling, water supply and wastewater and currently leases approximately 2,800 sqm. Nacka vatten och avfall AB are located at the Sicklaön 107:3 property.

**STOCKHOLM VATTEN OCH AVFALL**

Stockholm Vatten och Avfall supplies clean drinking water to 1.5 million Stockholmers every day, cleans their wastewater and ensures that they can take care of their waste in an environmentally responsible manner. The company is also creating an ultramodern sorting and food waste facility, HSMA, in the property. The lease for the Fotocellen 2 and Stillbilden 6 properties comprises an area of just over 6,000 sqm.

**SÄTRA MOTORCENTER AB**

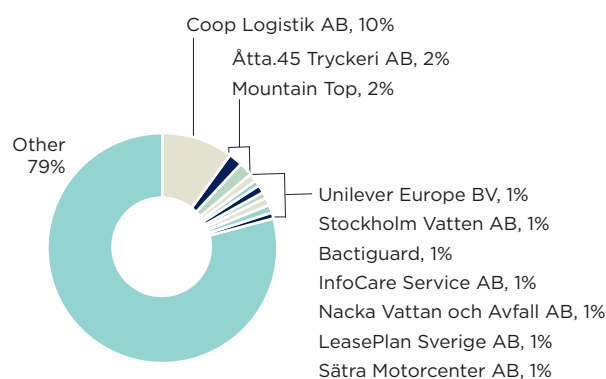
Sätra Motorcenter AB is a car dealer operating in Skärholmen. Its range of cars includes Peugeot, Opel, DS and Citroën. The company also sells second-hand cars and has over 20 years of experience in the industry. Sätra Motorcenter AB leases premises of approximately 6,000 sqm in the Hällsättra 1 property on Strömsättravägen 15.

**UNILEVER EUROPE B.V.**

Unilever is a retail and food company that manufactures and sells products under 400 brands worldwide. A selection of the leading brands includes Linton, GB Glace, Via, Axe, Ben & Jerry's, Dove, etc. Unilever leases an office and warehouse property in Flen totaling 13,000 sqm. The Talja 1:36 property includes a freezer and heated warehouse as well as office space.

**ÅTTA.45 TRYCKERI AB**

Åtta.45 tryckeri AB was founded in 1999 and is one of Sweden's largest printing companies. In its premises of just over 11,000 sqm in Stendörren's Veddesta 2:53 property on Bruttovägen 11 in Järfälla, it operates one of the country's largest printing production facilities. The premises also include the company's head office, warehouse, etc.

**LARGEST TENANTS  
BY INCOME**

## PROJECTS

# PROPERTY DEVELOPMENT

Stendörren's three sub-areas in property development are property refinements, new production and residential development.

### PROPERTY REFINEMENTS

Upgrading properties allows Stendörren to capitalize on a property's potential to meet customer needs for purpose-built premises. Developing, improving quality and modernizing create the conditions for maintaining long-term customer relationships. This generates stable cash flow and value growth. See also page 33.

### NEW PRODUCTION

Stendörren works actively to capitalize on existing building rights and to create new ones. The current portfolio includes building rights with detailed development plans and future building rights that are created through active detailed development planning. The development of building rights is driven on the basis of market demand. See also pages 34–35.

### RESIDENTIAL DEVELOPMENT

As the Stockholm region grows, land use is changing in many of the areas where Stendörren owns property. As a result of urbanization, there is pressure to convert many traditional warehouse and industrial areas into residential areas. Stendörren strives to identify conversion opportunities and development potential in the property portfolio. When the right prerequisites exist, Stendörren works to help to prepare new zoning plans for residential buildings for further development and management. See also page 39.





## PROJECTS

# PROPERTY DEVELOPMENT

## PROPERTY REFINEMENTS

The ongoing development of society affects both the areas in which we operate and our customers' operations. Stendörren strives to address the changing conditions and in the best possible way to leverage the potential of properties in the areas where development is taking place and where growth exists.

Stendörren carries out property refinements within the scope of its development and project activities. Refinement projects are identified through careful analysis of existing properties, using parameters such as geographic location, developments in the local area, demand for premises, types of tenants and businesses, rent levels and investment needs. Work is conducted in close collaboration between employees in property management, leasing, development and transactions.

Investments are often carried out in connection with signing new lease agreements, both for new customers with new needs and for existing customers when their needs change.

During the year, Stendörren signed new lease agreements on an ongoing basis, which resulted in projects where premises have been adapted to specific requirements. One example of this is the leased signed with Beans in Cup AB in September for premises in the Filmremsan 9 property in the Högdalen industrial area. The premises were modified prior to occupancy to contain a central warehouse and offices.

Property potential is developed as existing buildings and premises are refined, which creates additional values. Increased modernity, efficiency and improved sustainability performance in the property portfolio contribute to higher rental income, higher occupancy rates and reduced costs.



## PROJECTS

# PROPERTY DEVELOPMENT

## NEW DEVELOPMENT

During 2022, Stendörren continued its work to develop existing building rights and create new building rights through active detailed development planning. The objective is to gradually rebuild and develop these properties to create attractive, sustainable and modern buildings.

As of December 31, 2022, Stendörren had 28 properties wholly or partly consisting of building rights totaling 657,000 sqm, mainly for logistics, light industrial and residential use. The potential in the building rights portfolio is considered strong since the building rights are concentrated in expansive municipalities and areas in Greater Stockholm and growth locations in the Mälardalen region and in other selected growth locations. For some properties, work is also underway on creating new building rights within existing areas of use or converting the properties to another area of use, such as residential. In recent years, the market for warehouse, logistics and industrial properties has been strong.

Demand remained strong during the year for newly constructed, modern warehouse and logistics premises in the Mälardalen region, where most of Stendörren's projects and development takes place. The region's strategic location and well-considered communications opportunities mean that the area is seen as one of the country's best locations for warehouse and logistics facilities.

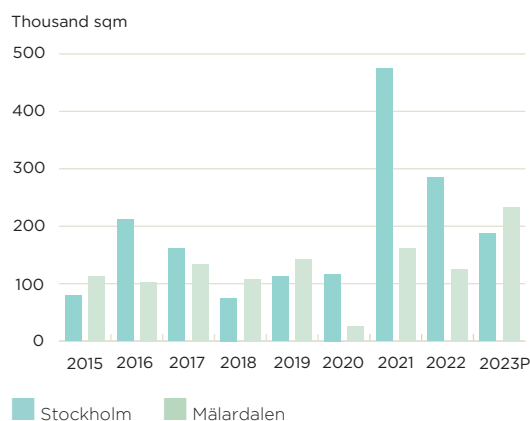
In 2022, the pandemic, the ongoing war in Ukraine and the global situation in general impacted the conditions for new production and property development. Construction costs were abnormally high and there have been delivery problems regarding materials. For planned projects, the pace of new construction starts is affected by both high construction prices and potentially also lower demand resulting from a weaker economic climate. However, the impact on Stendörren's ongoing projects and production has been limited.

Stendörren offers the market sustainable, modern and tailored premises and has ongoing projects that are located in well-established and expansive areas where there is a strong demand. The development of building rights and project properties is primarily customer-driven. The focus is on identifying both new and existing customer with a new or changed premises requirements that can be satisfied in a newly constructed building.

During 2022, Stendörren applied for and received several building permits and started the construction of new buildings in Stockholm and the Mälardalen region. Three building permit applications concern logistics and six pertain to smaller light industrial buildings.

Ongoing projects for new production of logistics, warehousing and light industry where construction is ongoing or for which legally valid building permits have been obtained jointly comprised 57,000 sqm at the end of the year.

### NEW DEVELOPMENT LOGISTICS/WAREHOUSE/INDUSTRIAL



## PROJECT PIPELINE DEC 31, 2022

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT (GFA SQM <sup>2</sup> ) <sup>1</sup>	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START <sup>2</sup>
Upplands-Bro	Logistics	400,000	Within current zoning	2023-2024
Södertälje	Logistics	44,500	Within current zoning	2023-2024
Nynäshamn	Light industrial	10,000	Within current zoning	2023-2024
Enköping	Logistics	8,000	Within current zoning	2023-2024
Eskilstuna	Logistics	5,000	Within current zoning	2023-2024
Upplands-Bro	Light industrial	2,500	Within current zoning	2023-2024
Upplands-Bro	Logistics	2,000	Within current zoning	2023-2024
Västerås	Light industrial	2,000	Within current zoning	2023-2024
Upplands-Bro	Light industrial	1,500	Within current zoning	2023-2024
Flen	Logistics	55,000	Within current zoning	2024-2025
Botkyrka	Residential	54,500	Within current zoning	2024-2025
Sollentuna	Residential	7,000	Rezoning ongoing	2024-2025
Frederikssund	Light industrial	3,700	Within current zoning	2024-2025
Uppsala	Light industrial	1,500	Within current zoning	2024-2025
Stockholm	Residential	30,000	Rezoning required	2026-2027

1) GFA may deviate from what is technically and commercially viable.

2) Start of first phase, projects may include several phases. Note that Stendörren aims to commence construction on a partially or fully pre-let basis, which is why the timing of construction start depends on pace of leasing activities

## ONGOING PROJECTS DEC 31, 2022

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION <sup>1</sup>	SIZE SQM <sup>2</sup>	ESTIMATED INVESTMENT <sup>3</sup> SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q1 2023	11,900	175	Construction started
Hjulsmeden 1	New light industrial	Q1 2023	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q2 2023	2,300	44	Construction started
Viby 19:66	New logistics	Q1 2023	6,300	116	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,700	48	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	5,100	44	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	31	Construction started
Elementet 1	Tenant improvement	Q3 2023	3,400	41	Construction started
Almnäs 5:24	New light industrial	Q3 2023	2,300	44	Construction started
Almnäs 5:24	New light industrial	Q1 2024	2,300	44	Construction started
Båglampan 25	New light industrial	Q3 2024	4,300	109	Design and planning <sup>4</sup>
Viby 19:66	New logistics	Q2 2024	5,200	104	Design and planning <sup>4</sup>
Almnäs 5:23	New logistics	Q4 2024	17,000	324	Design and planning <sup>4</sup>
Romberga 23:17	New light industrial	Q3 2024	2,700	47	Design and planning <sup>4</sup>
Tegelbruket 1	New residential	-	25,500	-	Design and planning <sup>4</sup>
<b>Total ongoing projects</b>			<b>97,700</b>	<b>&gt;1,219</b>	
<b>Total excluding tenant improvement</b>			<b>82,500</b>	<b>1,055</b>	

1) Note that Stendörren primarily aims to commence construction on a partially or fully pre-let basis, which is why the estimated date of completion depends on the date of leasing and the start of construction.

2) GFA (new production), NLA (tenant improvement).

3) Includes book value of land for new production. Estimated investment for Tegelbruket not disclosed due to ongoing procurement

4) Building permit has been obtained

## CASE STUDY: PROJECT

In August, Stendörren announced that it had signed a lease agreement with gop Sverige AB. The agreement concerns premises of 2,700 sqm in a logistics building that at the time was under construction. Stendörren began constructing the logistics building speculatively at the end of 2021. Brunna in Upplands-Bro is a well-established area in a strategic location, so it was a natural decision to start the speculative construction and thereafter modify the premises to meet the requirements of the customer.

The standardized solutions as regards the character of the premises, such as dimensions and functionality, high sustainability performance and also the inherent flexibility enabled the premises to be adapted to gop's specific requirements. gop Sverige AB is an expert in all types of plastic materials and works with customers in construction, gardening, contractors and industry across Scandinavia.

"gop has been searching for some time for a new facility that can address our growing market in as productive and effective manner as possible. We are therefore delighted to have found a place that meets all of our criteria," said Petra Carnbäck, CEO of gop Sverige AB at the signing of the agreement.



Maria Jonsson,  
Head of Development at Stendörren

### MARIA JONSSON ANSWERS THREE QUESTIONS

#### TELL US A LITTLE ABOUT THE PROJECT AND THE LEASE FOR GOP SVERIGE?

We had unused building rights in a well-established area. Initially, we conducted an analysis and feasibility study of market demand and what we could build at the site. Work progressed with design and planning and this eventually meant we could start this project. Long-term, sustainable and flexible thinking offers good potential to create value for us and our customers. When the partnership with gop started, we had significant potential to modify the premises to suit their needs and operations.

#### HOW DOES THIS LEASE EXEMPLIFY STENDÖRREN'S APPROACH IN ITS PROJECT ACTIVITIES?

It is a good example of how our value chain works. We have unutilized building rights in strategic locations and identify the potential of these and match them to market and customer needs. When we construct, we use standards and draw on our own experiences of long-term ownership – we create flexible and sustainable buildings. This enables us to create assets with a long-term value.

#### TELL US MORE ABOUT HOW YOU WORKED WITH SUSTAINABILITY IN THIS PROJECT?

Early on, we chose to certify the project and are aiming for an Excellent rating according to BREEAM-SE. This imposes high standards on us and requires a great deal of commitment to make sustainable choices throughout the process. In addition, we invested in a geothermal heat facility to both heat and cool the building. We also invested in solar cells to provide solar energy to the building. Together, these measures provide us and our customers with an energy-efficient building with high sustainability performance that we are very proud of.



Bild: Brunna, Upplands-Bro



Image: Brunna, Upplands-Bro



**ALMNÄS 5:23**

MUNICIPALITY: Södertälje

PROJECT: New logistics

AREA: 11,900 sqm

**HJULSMEDEN 1**

MUNICIPALITY: Västerås

PROJECT: New light industrial

AREA: 2,700 sqm



**LIBROBÄCK 21:3**

MUNICIPALITY: Uppsala

PROJECT: New light industrial

AREA: 2,300 sqm

**VIBY 19:66**

MUNICIPALITY: Upplands-Bro

PROJECT: New logistics

AREA: 6,300 sqm



**ALMNÄS 5:24**

MUNICIPALITY: Södertälje

PROJECT: New light industrial

AREA: 2,300 sqm



**ALMNÄS 5:24**

MUNICIPALITY: Södertälje  
PROJECT: New light industrial  
AREA: 2,300 sqm

**BÅGLAMPAN 25**

MUNICIPALITY: Stockholm  
PROJECT: New light industrial  
AREA: 4,300 sqm



**VIBY 19:66**

MUNICIPALITY: Upplands-Bro  
PROJECT: New logistics  
AREA: 5,200 sqm

**ALMNÄS 5:23**

MUNICIPALITY: Södertälje  
PROJECT: New logistics  
AREA: 17,000 sqm



**ROMBERGA 23:17**

MUNICIPALITY: Enköping  
PROJECT: New light industrial  
AREA: 2,700 sqm

## PROJECTS

# PROPERTY DEVELOPMENT

## RESIDENTIAL DEVELOPMENT

The ongoing social development, expansion and growing population in the Stockholm region are creating long-term demand for residential properties. To address the housing situation, municipalities surrounding Stockholm must increase development density and increasingly plan for residential construction on, for example, industrial land. Within our existing property portfolio, we are taking a long-term approach and preparing new zoning plans for residential properties in such locations.

The masterplans for Stockholm and several other municipalities pave the way to initiate and start more planning processes for residential construction. Stendörren pursues long-term efforts to identify new areas and properties to plan for residential construction. Residential building rights can either be created on undeveloped land, adjacent to an existing building or by converting existing buildings. In Botkyrka, Stendörren has a zoning plan to develop approximately 800 residential units and approximately 10,000 sqm of commercial premises. During the year, building permits were obtained for two residential neighborhoods with a total of 326 apartments and a parking garage. Due to the current situation for residential development, construction is yet to start.

Stendörren has taken an initiative for residential development in Skrubba Allé in Stockholm. A positive planning notification was received from the City of Stockholm in 2022 for the Skrubba 1:2 property. This property is located in southern Stockholm with a view over the natural beauty of Lake Drevviken to the south. The work on the zoning plan is expected to start in 2023 and create about 30,000 sqm GFA building rights for residential purposes.

In Sollentuna, Stendörren had a proposal for rezoning to residential use out for review in 2022. The proposed plan is for the Traversen 14 & 15 properties and entails the conversion of existing small-scale industry into a neighborhood with approximately 100 residential units and some retail. The potential approval is expected to be granted in the first quarter of 2024.

MUNICIPALITY	NAME OF PROPERTY	POTENTIAL TO DEVELOP UP TO	STATUS
Botkyrka	Tegelbruket 1	Approx. 800 apartments	Building permit gained legal force for two residential neighborhoods of a total 326 apartments has been obtained
Sollentuna	Traversen 14 and Traversen 15	Approx. 100 apartments	Zoning plan expected to gain legal force in 2024
Järfälla	Veddesta 2:54	Approx. 130	Application for planning decision
Stockholm	Stenskärven 4 and Stenskärven 5	Approx. 300 apartments	Program work is in progress
Stockholm	Skrubba Allé 1:2	Approx. 300 apartments	Positive planning notification received
Other		Approx. 700 apartments	Feasibility study in progress

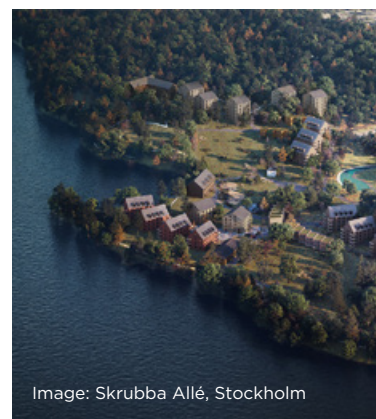


Image: Skrubba Allé, Stockholm

## FINANCING

## FINANCING

Investment in commercial properties is a capital-intensive activity that requires considerable access to both risk-bearing capital and borrowed capital. Access to capital varies over time and is influenced by both company-specific factors (the outlook for healthy returns over time for the risk-bearing capital and the capacity to repay the borrowed capital) and external factors such as changed market conditions, business environment and the macroeconomic situation. Stendörren's largest item of expenditure in the income statement is for interest on borrowed capital while one of our most important financial objectives is to deliver a high risk-adjusted return on the risk-bearing capital. To minimize the financing, interest-rate and credit risks, which are described in more detail in the "Risk" section (pages 74–77), the Board has defined a financial policy with certain intervals for the permitted spread of loan maturity periods and interest rate exposure.

**BACKGROUND AND SUMMARY**

As of December 31, 2022, Stendörren's total assets amounted to SEK 13,344 million (12,290). The company's operations are financed using equity, interest-bearing liabilities and other liabilities. Equity and interest-bearing liabilities are the two most important sources of capital and accounted for 46% (48) and 54% (52), respectively, of the company's total financing as of December 31, 2022.

The company strives for relatively long interest and loan maturities. Interest maturity reduces interest-rate sensitivity and, in parallel, a spread of loan maturities over several years reduces the refinancing risk. According to the company's financial policy, no more than 33% of all loan maturities may fall due for refinancing during a single year. The maturity structure of Stendörren's interest-bearing liabilities at the end of 2022 are presented in the table on page 42.

Stendörren also has financial obligations (covenants) in its loan agreements. The financial obligations are cash flow based or related to the loan-to-value ratio and equity ratio. Stendörren fulfills all of these obligations.

**INTEREST-BEARING LIABILITIES**

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,290 million (5,624) corresponding to a loan-to-value ratio of 47% (46). The liabilities consist of loans from credit institutions of SEK 5,018 million (4,339), two bonds totaling SEK 1,300 million (1,300) and seller notes of SEK 5 million (10). Loan arrangement costs of SEK -33 million (-25) have been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 821 million (755) and consisted of loans and repayments that are due within the next 12 months.

**LIABILITIES TO CREDIT INSTITUTIONS**

Stendörren's interest-bearing liabilities to credit institutions comprise bilateral bank loans raised using properties owned by subsidiaries as collateral. The bank loans are provided by six banks.



## BOND LOANS

On the reporting date, the company had one outstanding bond of SEK 700 million with a nominal interest rate of Stibor 90 plus 3.65%, maturing in April 2024 and a bond of SEK 600 million with an interest rate of Stibor 90 plus 3.90% with a final maturity in August 2025, and a hybrid bond of SEK 800 million with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

## LOAN MATURITY

As of December 31, 2022, non-current interest-bearing liabilities amounted to SEK 5,469 million (4,868), corresponding to approximately 87% (87) of total interest-bearing liabilities. Current interest-bearing liabilities amounted to SEK 821 million (755). Current interest-bearing liabilities express the Group's financing needs in the short term and influence the company's refinancing risk. Routine repayments pertain to, in addition to conventional bank loans that are contractually bound to be repaid within 12 months, typical current interest-bearing liabilities in the balance sheet.

As of December 31, 2022, the average loan maturity of interest-bearing liabilities to credit institutions amounted to 3.1 years (2.4) and for total interest-bearing liabilities to 2.9 years (2.5), see table on page 42.

## INTEREST MATURITY

The company's loan agreements mainly carry an interest rate of three month Stibor. At the end of 2022, Stendörren had a portfolio of interest caps and interest-rate swaps with a total nominal value of SEK 5.1 billion (accounting for approximately 80% of the company's total interest-bearing liabilities), see table on page 124. Interest caps constitute an insurance that enters into force if Stibor were to exceed a certain level ("cap level"). The average cap level in the company's portfolio of interest caps is 1.80%.

The remaining term for the interest caps averaged 3.2 years at the end of the year. An interest-rate swap is an agreement between two parties to exchange interest payments for a specified period. By combining a loan with floating interest rate and interest-rate swaps, it becomes possible to ensure a predetermined interest rate during the term of the interest-rate swap. The agreement means that Stendörren obtains a floating interest rate (corresponding to the rate for the loan agreement) while a fixed rate (swap interest rate) is paid concurrently. Stendörren's interest-rate swap had a remaining term of 1.7 years on the balance sheet date. Including the unhedged portion of the relevant IBOR and the hedged portion via swaps and interest caps, the average interest maturity of interest-bearing liabilities was 2.6 years (3.7) as of December 31, 2022.

## OTHER LIABILITIES

Deferred tax liabilities amounted to SEK 1,001 million (925) at December 31, and related mainly to the tax on properties, derivatives, untaxed reserves and unutilized loss carryforwards.

In addition to the short-term portion of interest-bearing liabilities, current liabilities include accounts payable, accrued expenses and deferred income, tax liabilities and other current liabilities, amounting to a total of SEK 330 million (261).

## WORKING CAPITAL

The company is of the opinion that the available cash flow from operating activities in combination with the unutilized credit facilities at the end of the year are sufficient to meet its liquidity requirements for the next 12-month period. Working capital refers here to Stendörren's supply of cash and cash equivalents to fulfill its payment obligations as and when they fall due for payment. The company's operating activities tie up a limited amount of working capital since most rental income is received in advance while expenditures are primarily paid retroactively.

At the end of the year, Stendörren had cash and cash equivalents of SEK 315 million and undrawn and available credits of SEK 560 million.

**MATURITY STRUCTURE INTEREST-BEARING LIABILITIES, DECEMBER 31, 2022, SEK MILLION**

	2023	2024	2025	2026	2027	2028	2029	>2029	TOTAL	SHARE OF TOTAL, %
Swedbank	0	563	1,126	0	564	0	0	0	2,253	36
Danske Bank	413	0	0	335	669	0	0	0	1,418	22
Nordea	231	0	0	0	0	0	0	0	231	4
Sörmlands Sparbank	29	0	54	0	186	0	0	0	269	4
Sparbanken Enköping	0	0	0	0	0	0	0	10	10	0
SEB	34	101	0	0	703	0	0	0	838	13
Bond	0	700	600	0	0	0	0	0	1,300	21
Promissory note	5	0	0	0	0	0	0	0	5	0
<b>Total</b>	<b>712</b>	<b>1,364</b>	<b>1,780</b>	<b>335</b>	<b>2,122</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>6,323</b>	<b>100</b>
Share of total, %	11	22	28	5	34	0	0	0	100.0	

**INTEREST-RATE DERIVATIVES**

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALU, SEK MILLION	CAP LEVEL %	YEARS REMAINING
Danske Bank	Interest cap	300	16.3	2.00	3.68
Danske Bank	Interest cap	600	39.8	1.00	2.77
Danske Bank	Interest cap	300	19.9	1.00	2.77
Swedbank	Interest cap	1,100	61.8	2.00	3.96
Swedbank	Interest cap	750	42.4	2.00	3.98
Swedbank	Interest cap	250	1.9	2.25	0.74
Swedbank	Interest cap	250	5.3	2.25	1.75
Swedbank	Interest cap	550	28.9	2.00	3.68
Nordea	Interest cap	184	3.3	1.50	0.96
<b>Total</b>		<b>4,284</b>	<b>219.7</b>	<b>1.80</b>	<b>3.21</b>

**INTEREST-RATE DERIVATIVES**

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALUE, SEK MILLION	CAP LEVEL %	YEARS REMAINING
Swedbank	Interest-rate swap	800	48.0	-0.0875	1.72
<b>Total</b>		<b>800</b>	<b>48.0</b>	<b>-0.0875</b>	<b>1.72</b>

## CASE STUDY: FINANCING

In September 2022, the European Public Real Estate Association (EPRA) announced that Stendörren had been included in the EPRA Nareit Global Real Estate Index (EPRA index), which is well-known to the finance industry. The EPRA index is a leading global index for listed real estate investments and comprises about 500 property companies. These include some 20 Swedish companies.

To be included in the index, the company must achieve four different criteria: a minimum free-float market capitalization, a minimum liquidity requirement, a minimum percentage of EBITDA from relevant real estate and a full set of audited English Annual Accounts.

Many investors rely on EPRA's expertise and professionalism in monitoring the European market and use the index to compare portfolio returns. As part of the index, the company may therefore receive greater exposure and therefore may attract more interest from foreign investors.



Per-Henrik Karlsson,  
CFO of Stendörren

### PER-HENRIK KARLSSON ANSWERS THREE QUESTIONS

#### WHAT HAS IT MEANT FOR STENDÖRREN TO BE INCLUDED ON THE EPRA INDEX?

On the one hand, it is great that we have grown so much in different ways that we can now be part on this type of global index. In addition, we also completed our first acquisitions outside of Sweden which has meant we have begun to communicate more in English. Together, this has led to greater interest abroad.

#### HOW IS STENDÖRREN'S FINANCIAL PREPAREDNESS IN THESE UNCERTAIN TIMES?

Over the past two years, we have taken several measures to reduce Stendörren's financial risks. We expanded our interest-rate hedges and about 80% of our interest-bearing liabilities are now hedged. We have also undertaken refinancing with several of the company's banks. In addition, our lease agreements are essentially fully inflation-indexed, meaning that higher inflation leads to higher rental income. In the first quarter of 2023, we also implemented a program to repurchase bonds outstanding, which further reduces our financial risk.

#### WHAT ARE STENDÖRREN'S MAIN FINANCIAL STRENGTHS CURRENTLY?

Given the current situation worldwide, it is a sign of strength that we have been proactive over the past one to two years and acted early with respect to our balance sheet. Something we will continue to do. We now have a robust financial situation and strong cash flow through our high-yield property portfolio. We also have growth potential that is not fully visible in our quarterly figures and this is our holding of undeveloped building rights of approximately 650,000 sqm GFA.

## FINANCING

## ASSESSED EARNINGS CAPACITY\*

Previously, Stendörren used the closing date (corresponding to December 31, 2022 in this report) when assessing the earnings capacity. In order to provide a more relevant assessment of the earnings capacity, Stendörren has in this report chosen to use the first day of the current 12-month period (January 1, 2023) and thus include the index-related rent increases, as a result of increased inflation, that were implemented on the same date. As of January 1, 2023, the company's property portfolio comprised 148 wholly owned properties with approximately 795,000 sqm of lettable area. According to the company's assessment, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately

SEK 824 million. The company also estimates that current property expenses amount to approximately SEK 179 million on an annual basis, thus the Group is expected to produce a net operating income of approximately SEK 645 million. This information is only the company's own assessment of the present earnings capacity as of January 1, 2023 without considering new letting, vacancies, index-related rental changes that have not yet had an effect, or other future measures that may have an effect on net operating income. Any additional acquisitions or sales announced by the company, but which have not yet been entered into or resigned, are also not included. This data should therefore not be seen as a forecast of future profit development for Stendörren.

\* This is the Company's best assessment of current earnings capacity on an annual basis as of December 31, 2022 and not a forecast of future expected earnings.



Image: Romberga, Enköping

# STENDÖRREN'S SUSTAINABLE PRACTICES

*“Running a sustainable and equitable business is strategically crucial for Stendörren and a natural part of our day-to-day activities and decision-making. In parallel, it is important that we gradually raise our ambitions and we made significant progress in 2022. Work in the company’s Sustainability Council has been intensified and we now have methods to monitor all of the company’s sustainability targets.”*



## STENDÖRREN'S SUSTAINABLE PRACTICES

## A SUSTAINABLE BUSINESS

During 2022, Stendörren has worked in accordance with the sustainability strategy that was launched in the 2021 Annual Report. 2022 is the first year when all of the targets set were measured. Stendörren's activities in line with the company's strategy are presented in this year's report.

96%

PERCENTAGE OF FOSSIL  
FREE ENERGY

29%

EMISSIONS REDUCTION  
PER SQM

61/39%

DISTRIBUTION MEN/WOMEN

42%

PERCENTAGE OF  
ENVIRONMENTALLY  
CERTIFIED LETTABLE AREA

21%

REDUCTION IN ENERGY  
CONSUMPTION PER SQM

Image: Almnäs, Södertälje

## STENDÖRREN'S SUSTAINABLE PRACTICES

SUSTAINABILITY CONTEXT  
AND GOVERNANCE

Stendörren has a sustainability strategy that is based on long-term work to gradually raise ambitions by 2030. These efforts are headed and coordinated by the company's Sustainability Council, whose work is governed by the guidelines and policies adopted by the company's Board and CEO.

Stendörren's business concept is to create profitable growth in net asset value by managing, developing and acquiring properties and building rights within logistics, warehouse and light industry in Nordic growth regions. When commercially viable, the company rezones such existing properties and thereby creates residential building rights for further in-house development and management, mainly in Greater Stockholm and the rest of the Mälardalen region. For more information about the company's business concept and objectives, refer to page 13.

Since the company was founded in 2014, Stendörren has actively pursued sustainable practices and a reworked sustainability strategy was adopted in 2021 that will extend until 2030. The materiality analysis forms the foundation of the company's sustainability strategy and is based on Stendörren's potential and actual impact on its surroundings and its stakeholders.

The outcome of this work is followed up in various ways on a quarterly and annual basis.

**POLICIES AND GOVERNANCE**

The company's policies are regularly updated, at least once annually. The policies that are to be adopted by the Board are approved at the inaugural Board meeting, which is held immediately after the AGM. The policies adopted by the company's CEO are updated and approved, normally during the spring. All employees at Stendörren receive an introduction to the company's policies and handbooks. Every year, all employees must attest that they have read and understood all of the policies. If the policies and documents are significantly changed, the company provides training for employees.

**CODE OF CONDUCT**

Stendörren's Code of Conduct is based on international conventions, codes and laws. Its point of departure is the UN Global Compact's Ten Principles for sustainable development and include how Stendörren works with issues related to human rights, labor, environment and anti-corruption.

**ORGANIZATIONS AND MEMBERSHIPS**

Stendörren is involved in a number of organizations aimed at strengthening the industry's sustainability activities and local communities where the company has operations. In 2022, Stendörren was involved in the following organizations:

- Sweden Green Building Council
- Sustainable Stockholm 2030
- Confederation of Swedish Enterprise
- Spånga företagarförening AB

**GOVERNANCE MODEL****FOCUS AREAS AND POLICIES**

OPERATIONAL EXCELLENCE	RESOURCE EFFICIENCY	ATTRACTIVE EMPLOYER	FUTURE PROOFING	SOCIAL RESPONSIBILITY
<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Supplier Code of Conduct</li> <li>• Purchasing policy</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Employee manual</li> <li>• Policy for equality, diversity and equal opportunity</li> <li>• Manager manual</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability strategy</li> </ul>

## STENDÖRREN'S SUSTAINABLE PRACTICES

# AN ACTIVE SUSTAINABILITY COUNCIL

Stendörren has a Sustainability Council with representatives from all of the company's different parts. The Sustainability Council is responsible for coordinating Stendörren's sustainable practices, based on the adopted strategy. The Council holds monthly meetings with a focus on the progress made with respect to sustainable practices. Specific sustainability projects are managed in small teams and involve

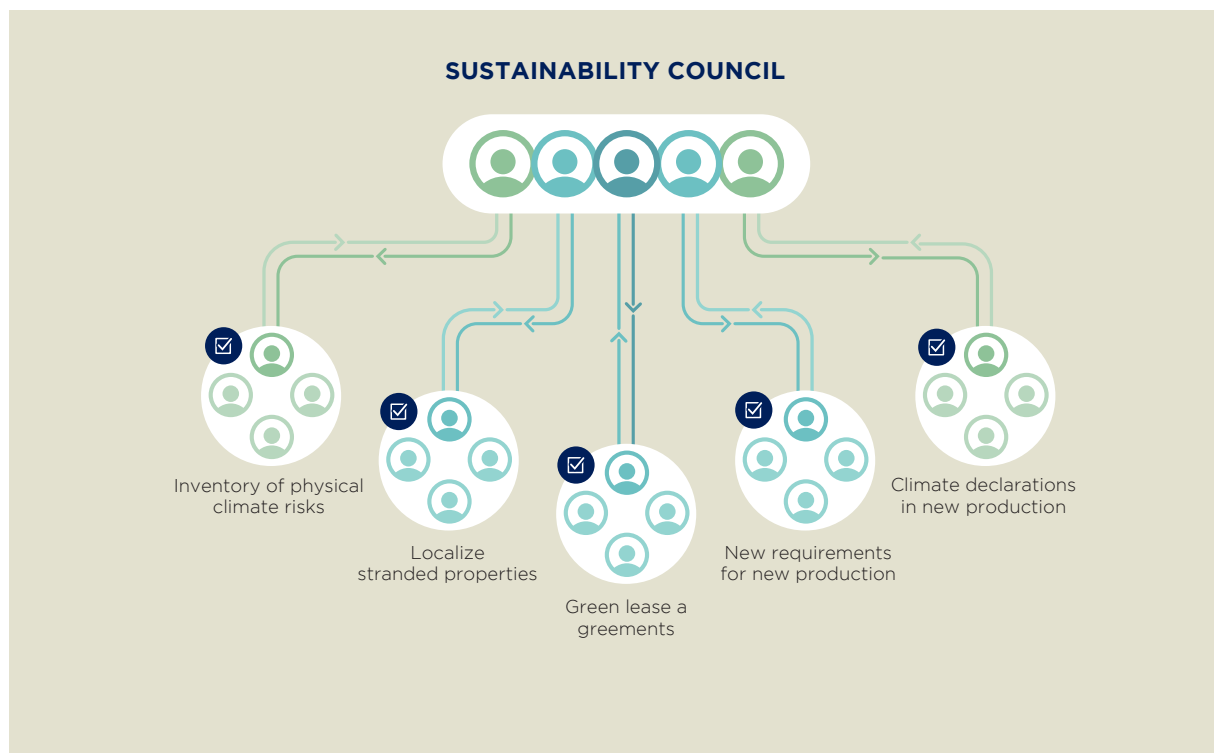
additional people from the organization whenever necessary. In 2022, the Council was a driving force behind the following projects: continuous employee satisfaction surveys, sustainable loans, certification of properties, energy efficiency, solar cell expansion and environmental markers in new production. Refer to the model below for examples of projects carried out during the year.

### SUSTAINABILITY COUNCIL

- Coordinates sustainable practices based on the adopted strategy.
- Represented by employees and managers from the organization's various functions.

### Specific sustainability projects

- Managed in small teams and involve additional people from the organization. Refer to the model below for examples of projects carried out during the year.





## STENDÖRREN'S SUSTAINABLE PRACTICES

STENDÖRREN AND  
THE UNSUSTAINABLE  
DEVELOPMENT GOALS

The nations of the world united in 2015 in Paris to sign the 2030 Agenda, which includes the UN's 17 Sustainable Development Goals (SDGs). To achieve these SDGs, a collective effort is required on an international, national and local level. Consequently, all companies are called on to include the SDGs in both strategy and reporting.

Stendörren supports the goals of the 2030 Agenda and has identified seven SDGs that are directly or indirectly connected to the company's sustainability strategy, and in areas where Stendörren's business has an fundamental impact:



The company's slogan "Premises that make a difference" is based on Stendörren's mission; together with tenants and other business partners, we develop the future of premises with efficient use of resources and energy and sustainable logistics solutions. Stendörren's greatest carbon footprint comes from developing and managing its properties. To reduce the climate footprint, it is vital for Stendörren to focus on resource efficiency across the value chain, including facility management, renovation, choice of material, new production and type of energy use.

Health and wellness are priority areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the "Attractive Employer" section.



Image: GreenHub Bro, Upplands-Bro



Fredrik Holmström,  
Head of Sustainability at Stendörren

## FREDRIK HOLMSTRÖM ANSWERS THREE QUESTIONS

### WHAT WERE STENDÖRREN'S MAIN ACHIEVEMENTS IN 2022 IN THE AREA OF SUSTAINABILITY?

We took important steps in our climate reporting during 2022, which included mapping the material parts of our GHG emissions in the value chain, referred to as Scope 3. The real estate industry has an extensive carbon footprint and it is therefore important that we as property manager are proactive in reducing our emissions and continue to make demands in the value chain.

### DESCRIBE HOW WORK WITH SUPPLIERS AND BUSINESS PARTNERS HAS BEEN DURING THE YEAR?

We continued to have a good dialog with our suppliers and a further 12 agreements were signed in 2022 that included Stendörren's Code of Conduct. We believe close collaboration with our suppliers is highly valuable, as it strengthens mutual trust in the relationship and increases the stability of the transaction.

### WHAT DO YOU BELIEVE WILL SHAPE STENDÖRREN'S SUSTAINABILITY ACTIVITIES IN THE FUTURE?

Based on rising demands from the EU regarding sustainability reporting, we can see how there is greater focus on sustainability issues even from a financial perspective. In addition, the climate issue will remain a priority so that we are able to achieve the global target of limiting global warming to below 2°C.



Image: GreenHub Bro, Upplands-Bro

## STENDÖRREN'S SUSTAINABLE PRACTICES

MATERIALITY ASSESSMENT AND  
STAKEHOLDER ENGAGEMENT**STAKEHOLDER DIALOG**

During the year, Stendörren continued its active dialog with its stakeholders. This creates a solid platform for the company to conduct relevant sustainable practices close to business operations. Stakeholder groups provide valuable aspects and perspectives that are important for Stendörren to consider.

**MATERIALITY ANALYSIS**

During 2022, Stendörren updated its materiality analysis to the GRI 2021 standard. The update was based on the materiality analysis conducted in 2020. The stakeholders are deemed to be the same. The point of departure for the model used in updating the materiality analysis is a discussion with external specialists. Thereafter, Stendörren's management has analyzed and ranked important

issues and indicators that are considered material, and assessed them based on impact, scope, probability and possibility to remediate.

The result (see figure below) differs only marginally from the previous materiality analysis and categorized in this report in the same five focus areas as previously. A new feature for 2022 is that the five indicators below are deemed material in addition to the existing indicators. These will be integrated into the existing focus areas over the next few years.

- Tenant well-being and health
- Choice of materials in properties
- Re-use
- Pollution in properties
- Waste management

**MEDIUM-HIGH MATERIALITY**

- Good corporate culture
- Neighborhood watch
- Safe properties and neighborhoods
- Suppliers' review
- Loneliness in the home
- Carbon footprint in existing properties
- Local communities
- Transparent communication
- Digitalization
- Areas surrounding properties
- Corporate governance
- Environmental certification of properties
- Innovation
- Involvement in associations and schools
- Occupational health and safety

**MEDIUM****HIGH MATERIALITY**

- Tenant requirements
- Climate risks
- Equality
- Carbon footprint from new production
- Energy efficiency in properties
- Green financing
- Anti-corruption
- Tenant well-being and health
- Choice of materials in properties
- Re-use
- Diversity
- Equity
- Human rights
- Attractive business partner
- Pollution in properties
- Waste management
- Unemployment in the local area

**HIGH**

## STENDÖRREN'S SUSTAINABLE PRACTICES

## STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	CONTACT POINTS	FOCUS FOR STENDÖRREN 2022
<b>OWNER, FINANCIER, ADVISOR, BOARD</b>	<ul style="list-style-type: none"> <li>• Seminar</li> <li>• Investor presentations</li> <li>• Interim reports</li> <li>• Continuous dialog/meetings</li> <li>• Contact with CEO, CFO</li> <li>• E-mail, phone</li> <li>• Board meetings 6–8 times/year</li> </ul>	<ul style="list-style-type: none"> <li>• Linked sustainability strategy more clearly to Stendörren's business strategy and follow-up</li> <li>• Clarified climate risks and transition risks and incorporated these into the business plans for each property</li> <li>• Follow-up of green and sustainability-linked loans and financing</li> </ul>
<b>EMPLOYEES INCLUDING MANAGEMENT TEAM</b>	<ul style="list-style-type: none"> <li>• Department meetings weekly</li> <li>• Information meetings monthly</li> <li>• Conferences with various themes</li> <li>• Breakfasts and informal meetings with colleagues</li> </ul>	<ul style="list-style-type: none"> <li>• Follow-up of the new sustainability targets</li> <li>• Reporting in the Global Real Estate Sustainability Benchmark (GRESB) and improvement of GRESB result</li> <li>• Training in the Code of Conduct</li> <li>• Implementation of analysis and budget tools</li> <li>• eNPS continued with improved result</li> </ul>
<b>TENANTS/ TENANT REPRESENTATIVES</b>	<ul style="list-style-type: none"> <li>• Customer meetings</li> <li>• Negotiations</li> <li>• Dialog via established personal contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of green contracts fully for all contracts with annual rent exceeding SEK 100,000.</li> <li>• Renewed customer satisfaction survey distributed to largest tenants up to the top 50% of rental value</li> <li>• Continued active management with a customer dialog focus</li> <li>• Resource efficiency in property management</li> </ul>
<b>MUNICIPALITY</b>	<ul style="list-style-type: none"> <li>• Planning processes</li> <li>• Dialog via established contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Renewed and supplemented Green Map</li> <li>• Several building permits submitted and obtained</li> </ul>

## SUSTAINABILITY STRATEGY

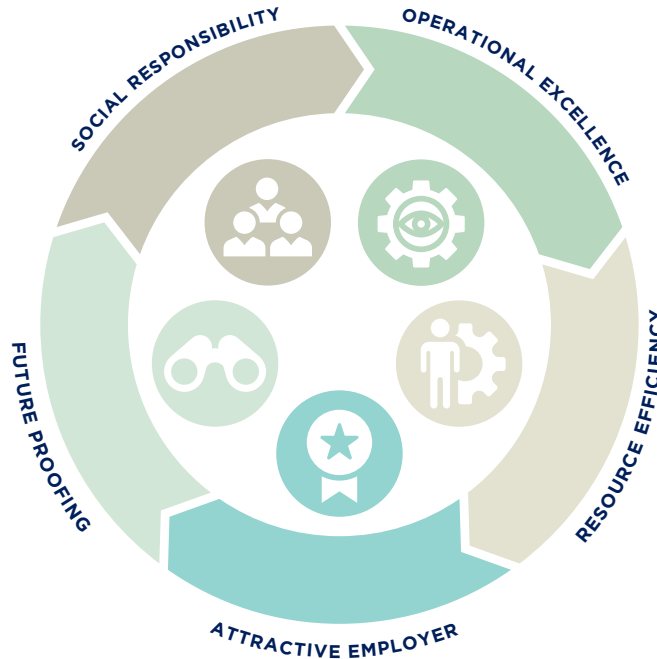
# CONTROLLED RISK AND SUSTAINABLE DEVELOPMENT

Stendörren's sustainability strategy features two complementary perspectives. The first is to ensure that the company acts responsibly with controlled risk and in line with expectations and requirements. The second is that Stendörren shall conduct sustainability activities that contribute to sustainable development in a way that promotes engagement both internally and externally, while also strengthening Stendörren's operations.

In 2022, work progressed to develop the sustainability strategy, which also included additional reporting of the company's sustainability targets. This year's report includes a presentation of the results of the measures from each focus area. The aim of this report is to offer a general picture of how Stendörren conducts its approach to sustainability and the priorities that are made.

The company's sustainability activities are reported in accordance with the 2021 Global Reporting Initiative standards (GRI), a framework that guides companies and organizations in what to include in their reporting. This also includes Stendörren's sustainability activities in relation to the UN's 17 Sustainable Development Goals (SDGs). See page 49. The company's sustainability risks are assessed annually as part of the routine risk assessment process. The company's management of these sustainability risks are described on page 62 and in the Board of Director's Report on pages 74–76.

# FIVE FOCUS AREAS



## OPERATIONAL EXCELLENCE



**TARGET:**

Large suppliers are to sign the company's code of conduct

100% of all vehicles are to be fossil-free by 2025

Avoid flying wherever practically possible

## RESOURCE EFFICIENCY



**TARGET:**

Reduce energy intensity (kwh/sqm) by at least 20% by 2030 from the baseline year 2020

70% of the property portfolio in sqm is to be environmentally certified by 2025

New developments and major conversions shall be environmentally certified

Enable increased recycling of tenants' waste and minimize construction waste from major new developments and refurbishments

Reduce carbon footprint by having 100% fossil-free energy by 2030 (for energy purchased by Stendörren)

Reduce carbon footprint in new production projects to achieve net zero emissions by 2030

## ATTRACTIVE EMPLOYER



**TARGET:**

Strive for equality and diversity among all professional categories and aim to have a 40/60 gender distribution for senior positions by 2025

Annual follow-up and feedback on equality and non-discrimination

Achieve an eNPS of at least 20 in the semi-annual employee survey

100% of employees are to have completed training in the Code of Conduct

## FUTURE PROOFING



**TARGET:**

Task Force On Climate-Related Financial Disclosures (TCFD) reporting from 2023

## SOCIAL RESPONSIBILITY



**TARGET:**

Create job opportunities for people outside the labor force

## FOCUS AREAS

## 1. OPERATIONAL EXCELLENCE



For Stendörren, Operational Excellence refers to understanding the market and social trends in order to develop a forward-looking strategy and to position Stendörren for the future. It also involves monitoring market risk and uncertainty as well as building an organization with well-functioning support processes, procedures and policies. A risk assessment of Stendörren's most material sustainability topics is evaluated annually as part of the company's routine risk assessment process. Identified risks and how these are managed are described on pages 74–77.

**TARGETS**

- Large suppliers are to sign the company's Code of Conduct
- 100% of all vehicles are to be fossil-free by 2025
- Avoid flying wherever possible

**GOVERNANCE OF SUPPLY CHAIN**

In 2022, a further 12 supplier agreements were signed that included Stendörren's Code of Conduct. The Code of Conduct has been introduced as an appendix to contracts in the tender procedure when procuring major contracts to ensure there is a mutual view of how to conduct responsible business.

**BUSINESS TRAVEL**

The number of vehicles in the company that are fossil-free currently amounts to 50% of the company's total vehicle fleet. Over the next few years, further updates are planned for the vehicle fleet, when fully electric cars will be used in operations. Other cars in the fleet will be gradually phased out in line with the stricter requirements in the company's vehicle policy.

Stendörren's ambition is to avoid flying and recommends that travel within Sweden should be by train. In 2022, two journeys were by train and 29 by air. Only 11 of the flights were within Sweden, while the remainder were to cities where Stendör-

ren owns properties. Stendörren will continuously review the number of journeys and is striving to minimize the company's carbon footprint.

**ANTI-CORRUPTION AND HUMAN RIGHTS**

Stendörren works actively to minimize all forms of corruption, bribery and fraud, in its own operations and in the value chain. The company has procedures whereby suppliers must sign the Code of Conduct when performing a contract or service when the value exceeds SEK 1 million. To ensure the proper management of transactions within the company, the processes for starting up projects have been reinforced. Projects are now approved through several approval stages before a project number is generated, similar to the existing process for internal payments.

Stendörren respects the universal human rights and imposes equivalent requirements on all business partners. As suppliers and employees take note of the Code of Conduct this reduces the risk of violations, both in own operations and in the value chain. A whistleblower system is available on the company's website and in 2022 no reports were received in the whistleblower system or in other channels.

NUMBER OF REPORTED INCIDENTS	2022	2021	2020
Whistleblower system	0	0	0
Other channels	0	0	0

## FOCUS AREAS

## 2. RESOURCE EFFICIENCY



Resource efficiency is one of the focus areas where Stendörren has the greatest opportunity to reduce its carbon footprint, primarily by reducing energy consumption in the existing portfolio and above all by reducing the environmental footprint of the company's property development, both in terms of new production and extending and redeveloping existing properties. In 2022, Stendörren's proactive work led to the continued reduction of energy consumption in the properties and the percentage of fossil free energy increased further. There was also a focus on reduced waste management.

## TARGETS

- Reduce energy intensity (kwh/sqm) by at least 20% by 2030 from the baseline year 2020
- 70% of the property portfolio (Standing assets) in sqm will be environmentally certified in 2025
- New developments and major conversions shall be environmentally certified
- Enable reduction of tenant waste and minimize construction waste from major new developments and refurbishments
- Reduce carbon footprint by having 100% fossil-free energy by 2030 (for energy purchased by Stendörren)
- Reduce carbon footprint in new production projects to achieve net zero emissions by 2030

## ENERGY

One of Stendörren's most important sustainability targets is energy consumption, expressed as the properties' energy intensity (energy consumption per sqm/year). The target is to reduce energy intensity by 20% or more by 2030. Energy consumption is also a key ratio monitored in the sustainability-linked loans signed by the company in 2021 and 2022. In 2022, energy intensity fell to 88 kWh/sqm (112), a reduction of approximately 21%. Stendörren's structured efforts to reduce its energy consumption has therefore demonstrated excellent benefits and the long-term goal is already considered to be within reach.

Property management has monthly follow-ups of the activities carried out in each property to reduce energy consumption. The follow-ups involve both technical and commercial management. Stendörren's own technicians conduct routine checks to ensure all systems are set to minimize unnecessary operations and night rounds are performed to check lighting and reduce energy consumption. The properties that still have oil and wood chip boilers are under continued evaluation but the plan is to phase out this type of heating. Guarantee of Origin-certified renewable electricity is purchased to Stendörren's properties and existing contracts for district heating are reviewed on a continuous basis. Stendörren's goal is to purchase 100% fossil



free energy by 2030. This goal has become easier to monitor and measure since 2021, when the company began to use CREEM (Carbon Risk Real Estate Monitor). Properties referred to in the future-proofing chapter will be processed in 2023 and thereafter in order to identify solutions for fossil free energy deliveries to each property. The prospects are good as district heating suppliers are increasingly active in meeting the needs of property owners. For example, Stendörren immediately improves the values of its properties when the district heating supplier opts to change the fuel mix to more fossil free energy sources.

### CERTIFICATION OF EXISTING PROPERTIES

Stendörren's activities to environmentally certify the portfolio is monitored in the sustainability-linked loans entered into by the company in 2021 and 2022. Stendörren has chosen to certify its existing properties in accordance with BREEAM In-Use. In 2022, certification work progressed and the company has therefore certified a total of approximately 42% of area in the portfolio and maintained a pace of approximately 20% of area (sqm) per year. Stendörren's long-term goal is to certify at least 70% of the area by 2025.

### CERTIFICATION OF NEW PRODUCTION

Stendörren works actively to environmentally certify its new production. For its commercial properties, the company has decided to use the BREEAM-SE certification system. The company's ambition is at least to achieve the Very Good level of certification but

the aim is to achieve Excellent for several of the projects. For the company's relatively new business area, housing construction, Stendörren has decided to use the Nordic Swan Ecolabel for these properties since the company believes this is the best suited system for residential tenants. The company has implemented the Nordic Swan Ecolabel for its most advanced housing projects. The company's environmental specifications have been supplemented with certification requirements for extensions and refurbishments. The specifications are referred to as the Green Map. The Green Map includes the requirements from the EU Taxonomy Regulation, materials requirements, energy requirements, ecosystem services, etc.

### WASTE

During the year, a number of activities were performed to improve the collection of waste from tenants. Since large parts of waste management handled by each tenant the collection of data and measurements are often complex. Stendörren is striving to implement green lease agreements and thereby intends to gain access to waste data. Currently, Stendörren only has some of the information required to obtain a full picture of the volumes of waste handled by tenants. The need to identify suitable solutions to reduce tenant waste and minimize construction waste remains as a target for 2023. Data presented by Stendörren in this year's report (see page 68) is based on a combination of actual waste data and a calculation of household waste in the property portfolio.

## RESOURCE EFFICIENCY - OUTCOME

KPI	2022	2021
<b>Energy</b>		
Percentage of purchased fossil-free energy, %	96	98
Total energy consumption, absolute terms MWh	44,970	54,960
- of which from renewable sources, absolute terms MWh	42,964	54,021
- of which from non-renewable sources, absolute terms MWh	2,006	936
Heating from district heating	30,165	35,429
Heating from electricity: heat pumps and direct electric heating, etc.	759	832
Heating from heating oil	58	99
Energy intensity, kWh/sqm	89	112
<b>Intensities<sup>1)</sup></b>		
Absolute terms, kWh/sqm	89	112
Absolute terms, kg CO <sub>2</sub> /sqm	2.2	3.1
<b>Certification</b>		
No. of environmentally certified properties	45	10
Percentage of environmentally certified lettable area, %	42	22
No. of certified new developments and conversions	0	0

1) Intensity based on Scope 1 and 2. Will be adjusted in future reporting as data collection has begun for Scope 3.

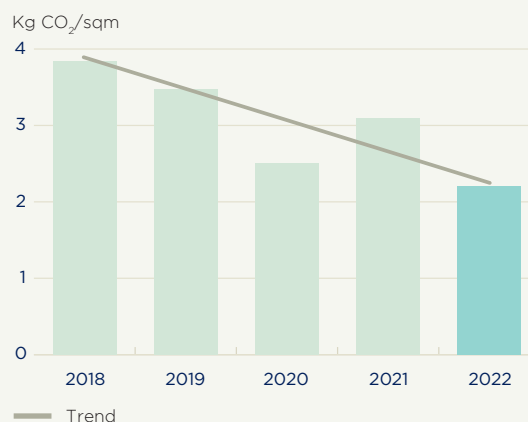
## CARBON EMISSIONS

In 2022, new laws came into effect with an obligation to report the embodied carbon in buildings in a climate declaration. In 2021, these declarations were part of Stendörren's Green Map. In 2022, Stendörren prepared reporting that shows GHG emissions in Scope 1, 2 and 3 in material topics. The ambition with the reporting is to shed light on all of the emissions occurring in the company's value chain and not only those that are directly linked to the company's property management. The largest emissions were identified in Stendörren's new developments, extensions and refurbishments of existing properties. Stendörren's long-term goal is to reduce emissions to net zero by 2030. This endeavor will require a significant effort by the company as property developer and owner of a property portfolio that includes some older properties.

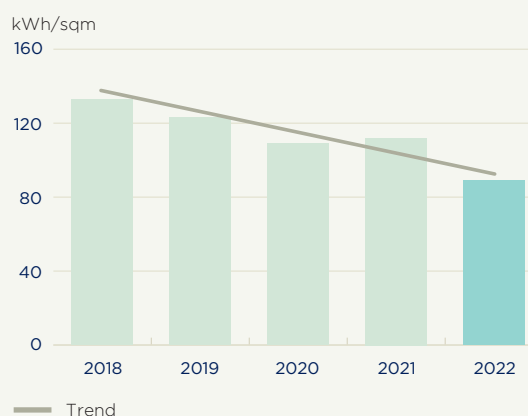
In its internal project requirements, Stendörren has set targets for GHG emissions per sqm in the company's new developments. Through regular follow-up, Stendörren will have an opportunity over time to improve its project development from an emissions perspective. During the company's extension and refurbishments, materials are re-used in an attempt to reduce the carbon footprint. The current stage of Stendörren's climate activities mainly involves engaging and raising the awareness of employees that are directly involved in project activities with respect to emission reductions.

In 2022, Stendörren's operations had a carbon footprint equivalent to 1,425 tons (1,539). This includes Scope 1 and 2. In the 2021 sustainability report, some Scope 3 emissions were included in Scope 2, such as road and air travel in the organization. These emissions accounted for approximately 8% of total consumption in 2021, which was corrected in the 2022 sustainability report. The new carbon footprint reporting on pages 66-67 shows the distribution of the company's total emissions and the emissions the company intends to investigate further.

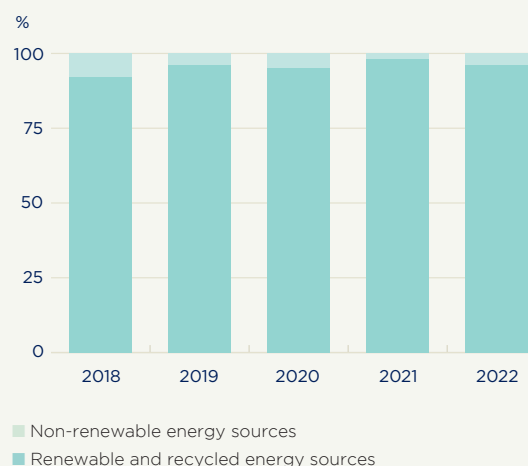
## CARBON FOOTPRINT



## ENERGY INTENSITY



## RENEWABLE AND RECYCLED ENERGY SOURCES IN OPERATIONS



## FOCUS AREAS

## 3. ATTRACTIVE EMPLOYER



Both internal and external stakeholders are crucial for Stendörren's success and growth. The business is built and developed by motivated and talented employees, together with suppliers and partners.

**TARGETS**

- Achieve a Net Promoter Score (eNPS) of at least 20 in the semi-annual employee survey
- Strive for equality and diversity among all professional categories and aim to have a 40/60 gender distribution for senior positions
- Annual follow-up and feedback on equality and non-discrimination
- 100% of employees are to have completed training in Stendörren's Code of Conduct

**WELL-BEING AND HEALTH**

Stendörren carried out a large number of staff activities in 2022. After the pandemic, there was an increased need to hold physical meetings, which also benefits Stendörren's internal cooperation processes and creativity. Internal events and meetings have been organized to further strengthen the corporate culture and build on the new organization Stendörren has implemented in recent years. The reorganization has meant the day-to-day management of properties, which was previously performed by external partners, is again managed internally. Working practices and internal processes were rationalized and work duties redistributed. The reorganization, changes to the technical management as well as the fact that the company's employees are attractive in the current market, led to employee

turnover of 34% in 2022, which is slightly higher than in the preceding year when turnover was 33%.

The company has continued to measure the outcome of the employee-promoting measures using pulse surveys that are conducted at least twice per year. The pulse surveys are conducted in the form of a questionnaire where employees estimate stress, workload and well-being. An element that has been added is to measure employee satisfaction using the Net Promoter Score method (eNPS). The first measurement took place at the end of 2021 and measurements carried out in 2022 have shown a significant improvement. This is partly a result of the employee-promoting measures arranged to create greater unity and well-being in the organization.

The goal remains to reach an eNPS score of more than 20, compared with the score of 11 achieved in the most recent survey. The company's efforts to improve this score are continuing in 2023. In 2022, the average sickness absence rate (long and short-term sick leave) was 2.4%, divided between 2.9% for women and 2.2% for men.

In 2022, Stendörren again participated in the Spring för livet charity race. The race was held in collaboration with the Companies for Malawi project and raised a total of approximately SEK 782,000 for UNICEF's activities at the One Stop Centre in Malawi. Five people from Stendörren participated. A health competition was also held for all employees during the autumn. The roughly 30 people who opted to take part were divided into groups and competed together, giving each other encouragement and logging their workouts. The winning group could decide which organization would receive the prize money, and the Swedish Childhood Cancer Fund was chosen.

Training was provided during the year for all employees in Stendörren's Code of Conduct. In addition, other training was provided, including cardio-pulmonary resuscitation and other more industry specific training.

### EQUALITY AND DIVERSITY

In 2022, the percentage of women in senior positions at Stendörren was 38%, compared with 26% in 2021. The company has a target for both equality and diversity, but only gender distribution is presented in this report. Stendörren's approach to following up diversity takes place internally by ensuring that no discrimination takes place in the organization. To this end, a question is included in the company's pulse survey, which is conducted twice per year. It is also possible to use the company's whistleblower function. No reports were submitted to the whistleblower system in 2022, nor other reporting such as direct contact with a responsible manager or HR. No occupational injuries or occupational accidents were reported in 2022.

KPI	2022	2021	2020
Gender distribution senior positions women/men	5/8 <sup>1)</sup>	4/11	5/9
<b>New employee hires during the year</b>			
- Women, no.	5	6	6
- Men, no.	8	10	7
<b>Total</b>	<b>13</b>	<b>16</b>	<b>13</b>
Employee turnover, %	34	33	35
employee Net Promoter Score	+11	-8	n.a.
<b>Occupational injuries and illnesses, no. days of absence<sup>2)</sup></b>			
- Women	2.9	1.0	3.8
- Men	2.2	5.0	4.4
<b>Total</b>	<b>2.4</b>	<b>3.4</b>	<b>4.3</b>

KPI	2022	2021	2020
Average hours of training per year	166 <sup>3)</sup>	376	119
Percentage of employees receiving regular performance and career development reviews, %	100	100	100
<b>Diversity of employees, no.</b>			
- Women <30 years	5	5	3
- Women 31-50 years	8	10	12
- Women >50 years	6	4	6
<b>Total women</b>	<b>19</b>	<b>19</b>	<b>21</b>
- Men <30 years	4	2	4
- Men 31-50 years	19	23	15
- Men >50	6	11	9
<b>Total men</b>	<b>29</b>	<b>36</b>	<b>28</b>
<b>Total number of employees</b>	<b>48</b>	<b>55</b>	<b>49</b>

1) Based on managers with line management responsibility or managers who are part of the management team.

2) Average number of days of absence based on total number of employees in December 2022.

3) The number of hours is based on training in OHS, CPR and the Code of Conduct. Other training was not logged.

## FOCUS AREAS

## 4. FUTURE PROOFING



In order to make informed decisions about its property portfolio, Stendörren is preparing a report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Stendörren has conducted analyses of the Swedish portfolio and will continue to document the company's climate and transition risks in 2023. Stendörren's management of the risks in the company's property portfolio will be easier to measure and monitor when this basic process and method of reporting has been established within the company.

## TARGETS

- Task Force on Climate-Related Financial Disclosures (TCFD) reporting from 2023

## CLIMATE RISK ASSESSMENT

In 2022, the company worked to summarize climate risks for its Swedish portfolio by using data from the Swedish Meteorological and Hydrological Institute (SMHI) to map climate risks. The company thereby obtained an overview of the magnitude of the risks and how they may change over time.

Climate change may have both a direct and indirect impact on the properties and thereby also the property owner's financial risks. The size of the risks depends on levels of greenhouse gases in the atmosphere.

The analyses used results from two different potential future development paths for our planet which are described through emissions scenarios prepared by the UN Intergovernmental Panel on Climate Change (IPCC). The analysis of change in indi-

cators compares the periods 2011–2040, 2041–2070 and 2071–2100 with the reference period 1971–2000. The Swedish portfolio's energy performance was used to understand the properties in relation to Sweden's climate roadmap. The roadmap comprises the promises given by Sweden to reduce its footprint by 2045. The tool used shows whether a property will be stranded on the intended reduction curve and what year this will occur. The tool helped Stendörren to understand which properties may have a climate risk and when this will take place.

Properties in Norway, Denmark and Finland are yet to be included in the reporting data. Properties that are currently located outside of Sweden will be studied when a suitable model for this has been developed.

**TCFD**

Work with TCFD reporting continued in 2022 though some parts are yet to be finalized to enable complete reporting for the company. Work will continue in 2023 with the ambition to present a complete report during the year. A large part of the groundwork is in place and scenario analyses are being prepared but not yet complete. Governance and strategies will be clarified from a sustainability perspective.

**GOVERNANCE**

Every year, a review is conducted of risks in the company. The management team estimates the various risks in terms of impact and probability. The company has divided the risks into the following five categories: strategic, operational, regulatory, financial and sustainability. Based on this work, the risks are sorted into high risk and black swans<sup>1)</sup>. All risks have a responsible individual from the management team. Each responsible individual prepares an activity plan to identify how Stendörren is to work to minimize its impact and completely eliminate the risk. The CEO reviews risk management twice per year. Work is reported to the Board every year.

**STRATEGY**

As part of its sustainability strategy, Stendörren compiles all climate risks, physical and transition risks and places these in both a short-term and long-term perspective. The initial analysis phase shows that the Swedish portfolio has both physical climate risks and transition risks, albeit to a limited extent. The impact of the climate risks on Stendörren's business model and financial strength is considered limited in the short-term perspective but this may change over time. First and foremost, a warmer climate will result in a number of additional factors that will impact the company's properties. Stendörren will continue this work with risk assessments in 2023.

**CLIMATE RISKS**

The result of the analysis phase indicates that 24 properties have a potential climate risk by 2040. Several of these require a more detailed review to verify whether or not the risk exists in reality. The risks are linked to hydrology and cooling degree days. Cooling degree days will increase after 2040 while the hydrology risks do not increase to the same extent. Cooling degree days are strongly linked to the rising temperature and a scenario for accelerated climate change (RCP8.5<sup>2)</sup>) could increase the number of properties with a substantial risk from 3 to 59 by 2040.

**TRANSITION RISK**

Stendörren has also studied energy data available to the company concerning the Swedish portfolio. The study identified 16 properties that touch or will touch the curve for Sweden's emissions reduction ambitions by 2045. Stendörren works according to a scenario of a 1.5 °C temperature increase with respect to transition risk. The number will rise to 39 properties based on the above scenario by 2050. Of the 16 properties Stendörren has initially considered, several will be remediated by replacing deliveries of district heating with a mix containing a greater share of renewable energy.

For properties in Stendörren's portfolio that do not change district heating deliveries, plans will be prepared to transition each property. Continuous mapping is being conducted of properties located in other Nordic countries and these will gradually be included in Stendörren's environmental efforts. Energy data was collected in 2022 and updates will be carried out in 2023.

1) A black swan is an unlikely and unpredictable event that may have potentially severe consequences.

2) RCP8.5 refers to a climate scenario with sustained high GHG emissions. Characterized by GHG emissions that are three times higher than today's, rising methane gas emissions and continuing heavy dependence on fossil fuels.

## FOCUS AREAS

## 5. SOCIAL RESPONSIBILITY



Stendörren shall be a committed and responsible participant in urban development that works together with municipalities and customers to create premises that make a difference. The company is involved in local business with the aim of creating the right type of pleasant premises and specify requirements for projects to create safe and green surroundings for residential tenants. Stendörren has identified great benefits from maintaining a close dialog with tenants, as this provides a good understanding of their needs and expectations on the company as landlord.

**TARGETS**

- Create job opportunities for people outside the labor force

**COMMUNITY INVOLVEMENT**

Stendörren's operations for residential development are closely linked to how the company can contribute to social sustainability. Due to the current economic and financial conditions for residential development, construction has not yet begun but only work on zoning plans was conducted, focusing on creating building rights for residential purposes. However, the company is engaged in long-term work with various KPIs to measure the impact of social sustainability for forthcoming projects. Stendörren continued to play an active part in Sustainable Stockholm 2030 (HS30) industry initiative to provide a better foundation for social sustainability, particularly in respect of residential buildings but also other property segments.

Stendörren's goal in this focus area is to create job opportunities for people outside the labor force. Stendörren has in recent years been happy to provide traineeships and practical learning for people outside the labor force. During the year, three

trainees and two seasonal workers were employed in property management. A student was employed at the company's financial department. Stendörren's property development activities include requirements that suppliers help to create traineeships and two trainees were employed in 2022. Stendörren actively makes demands on its suppliers in conjunction with procurement and follows this up annually. The goal for creating job opportunities was launched in 2021, which means comparative data is not available for the previous years. In 2022, ten people were employed as trainees, of whom two worked in Stendörren's new production projects, two at the financial department and six in property management.

The company intends to identify more KPIs to measure its social sustainability activities and has routine contact with stakeholders, including financiers, to ensure that its requirements in the area are being met.

## SUSTAINABILITY

## GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	GRI REFERENCE	DEVIATIONS		
		REQUIRE- MENTS PAGE	OMISSION	REASON
<b>GENERAL DISCLOSURES</b>				
<b>GRI 2: General disclosures 2021</b>	2-1	Organizational details	3, 22-26, 108	
	2-2	Entities included in the organization's sustainability reporting	108, 127	
	2-3	Reporting period, frequency and contact point	71-73, 108	
	2-4	Restatements of information	58, 108	
	2-5	External assurance	69, 135-138	
	2-6	Activities, value chain and other business relationships	13	
	2-7	Employees	72, 114-115	
	2-8	Workers who are not employees	114	
	2-9	Governance structure and composition	83-84, 91-94	
	2-10	Nomination and selection of the highest governance body	83	
	2-11	Chair of the highest governance body	84, 91	
	2-12	Role of the highest governance body in overseeing the management of impacts	47	
	2-13	Delegation of responsibility for managing impacts	47	
	2-14	Role of the highest governance body in sustainability reporting	47	
	2-15	Conflicts of interest	83-84	
	2-16	Communication of critical concerns	86	
	2-17	Collective knowledge of the highest governance body	86	
	2-18	Evaluation of the performance of the highest governance body	86, 89-90	
	2-19	Remuneration policies	87-88, 114-116	
	2-20	Process to determine remuneration	87-88	
	2-21	Annual total compensation ratio	114-115	
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	2-23	Policy commitments	47,76	
	2-24	Embedding policy commitments	47	
	2-25	Processes to remediate negative impacts	55	
	2-26	Mechanisms for seeking advice and raising concerns	55	
	2-27	Compliance with laws and regulations	55	
	2-28	Membership associations	47	
	2-29	Approach to stakeholder engagement	51-52	
	2-30	Collective bargaining agreements	72	



GRI STANDARD/ OTHER SOURCE	GRI REFERENCE	REQUIRE- MENTS PAGE	DEVIATIONS		
			OMISSION	REASON	
<b>MATERIAL TOPICS</b>					
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	51		
	3-2	List of material topics	51		
	3-3	Management of material topics	51		
<b>ECONOMIC PERFORMANCE</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51		
<b>GRI 201: Economic performance 2016</b>	201-1	Direct economic value generated and distributed	68		
	201-3	Defined benefit plan obligations and other retirement plans	87,111		
<b>ANTI-CORRUPTION</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51,55		
<b>GRI 205: Anti-corrup- tion 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	60		
	205-3	Confirmed incidents of corruption and actions taken	55		
<b>ENERGY</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51, 56-57		
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organization	56-57		
	302-3	Energy intensity	57-58		
	302-4	Reduction of energy consumption	56-57		
<b>EMISSIONS</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51, 58, 66-67		
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	66		
	305-2	Energy indirect (Scope 2) GHG emissions	66		
	305-3	Other indirect (Scope 3) GHG emissions	66-67		
	305-4	GHG emissions intensity	57-58		
<b>WASTE MANAGEMENT</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51, 57, 68		
<b>GRI 306: Waste 2022</b>	306-3	Waste generated	57, 68		
	306-4	Waste diverted from disposal	57, 68		
	306-5	Waste directed to disposal	57,68		
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	51, 59-60		
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1	Diversity of governance bodies and employees	60		
	405-2	Ratio of basic salary and remuneration of women to men		a,b	No information available Data exists but not compiled in the relevant format

# SUSTAINABILITY NOTES

## STENDÖRREN'S GREENHOUSE GAS EMISSIONS

Stendörren annually measures the company's emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol). These emissions are reported in Scopes 1, 2 and 3. The calculations for Scope 3 were adjusted in 2022 and now include more climate items than in previous years.

TONS CO <sub>2</sub> E	2020	2021	2022	EMISSION FACTOR	SOURCE OF EMISSION FACTOR
<b>SCOPE 1</b>					
Purchased energy fuel (natural gas, oil, pellets)	192	29	16	Oil: 0.268 kg CO <sub>2</sub> e/kWh	Swedenergy
Fuel for company cars and machinery	386	110	84	Gasoline: 2,114 kgCO <sub>2</sub> e/l Diesel: 1,958 kgCO <sub>2</sub> e/l Biodiesel (HVO 100%): 0.00 kgCO <sub>2</sub> e/l E85: 0.463 kgCO <sub>2</sub> e/l Gas: 0.358 kgCO <sub>2</sub> e/l Biogas: 0.00 kgCO <sub>2</sub> e/l	Swedish Environmental Protection Agency
Refrigerant leakage	-	71	151		
<b>Total Scope 1</b>	<b>578</b>	<b>210</b>	<b>251</b>		
<b>SCOPE 2</b>					
District heating	941	1,268	1,080	Emission factor from each supply (1-year delay)	Swedenergy
Purchased electricity (location based) <sup>1</sup>		1,222	1,060	Nordic electricity mix: 0.072 kgCO <sub>2</sub> e/kWh	IVL Swedish Environmental Research Institute
Purchased electricity (market based)		1	1	Electricity hydropower: 0.0000383 kgCO <sub>2</sub> e/kWh	EPD Vattenfall hydropower
<b>Total Scope 2 (location based)</b>	<b>941</b>	<b>2,490</b>	<b>2,140</b>		
<b>Total Scope 2 (market based)</b>	<b>941</b>	<b>1,269</b>	<b>1,081</b>		
<b>SCOPE 3</b>					
Major purchases and maintenance (3.1) <sup>2</sup>	-	-	0		
New production (Refers to A1-A5 in the climate declaration) (3.2) <sup>3</sup>	-	-	5,529	Generic representative values according to Swedish National Board of Housing, Building and Planning's climate database  EPDs for each specific material where	Construction sector's  Environmental Calculation Tool (BM) EPD International is available
New production (in addition to climate declaration) (3.2) <sup>4</sup>	-	-	2,088	Standard construction stage 7 and 8 depending on type of building <sup>7</sup>  Earthwork under building: 30 kgCO <sub>2</sub> e/sqm  Asphalted area: 0.049 kgCO <sub>2</sub> e/kg	Standard construction stage 7, 8 and earthwork IVL Swedish Environmental Research Institute  Asphalt: Swedish Transport Administration Code BM (from BM)
ROT (Repairs, Conversion, Extension) (value adding) (3.2)	-	-	2,058	Standard Small: 29 kgCO <sub>2</sub> e/sqm Standard Medium: 55 kgCO <sub>2</sub> e/sqm  Standard Large: 80 kgCO <sub>2</sub> e/sqm	Standard prepared together with IVL Swedish Environmental Research Institute <sup>8</sup>

TONS CO <sub>2</sub> E	2020	2021	2022	EMISSION FACTOR	SOURCE OF EMISSION FACTOR
<b>SCOPE 3, FORTS.</b>					
Upstream: Purchased energy fuel (natural gas, oil, pellets) (3.3.)	-	2	1	Heating oil: 0.022 kgCO <sub>2</sub> e/kWh	Värmeforsk
Upstream: District heating (3.3)	-	159	132	Emission factor for each supplier (1-year delay)	Swedenergy
Upstream: Purchased electricity (location based) (3.3)	-	361	314	Nordic electricity mix: 0.0213 kgCO <sub>2</sub> e/kWh	IVL Swedish Environmental Research Institute
Upstream: Purchased electricity hydropower (market based) (3.3) <sup>1</sup>	-	45	40	Electricity hydropower: 0.00295 kgCO <sub>2</sub> e/kWh	EPD Vattenfall hydropower
Upstream impact fuel	-	16	20	Gasoline: 0.49 kgCO <sub>2</sub> e/l Diesel: 0.46 kgCO <sub>2</sub> e/l Biodiesel (HVO 100%): 0.46 kgCO <sub>2</sub> e/l E85: 0.563 kgCO <sub>2</sub> e/l Biogas: 0.563 kgCO <sub>2</sub> e/l	Swedish Environmental Protection Agency (3.3)
Procured transportation (3.4) <sup>5</sup>					
Waste management in own operations (3.5) <sup>6</sup>					
Business travel (3.6)	-	5	10	Air travel: approximately 0.315 kgCO <sub>2</sub> e/km No travel using private cars Other modes of transport: 0 kgCO <sub>2</sub> e	Zero emissions
Employee commuting (3.7)	-	-	17	Gasoline: 0.154 kgCO <sub>2</sub> e/km: Diesel: 0.131 kgCO <sub>2</sub> e/km Diesel (100%bio): 0.00 kgCO <sub>2</sub> e/km Electric car: 0.00 kgCO <sub>2</sub> e/km Plug-in hybrid: 0.066 kgCO <sub>2</sub> e/km Other modes of transport: 0 kgCO <sub>2</sub> e/km	Swedish Environmental Protection Agency
Leased assets (3.8)	-	0	0	Nordic electricity mix: 0.072 kgCO <sub>2</sub> e/kWh Emission factor for district heating supplier	
Downstream transportation and distribution (3.9)					Not applicable
Product processing (3.10)					Not applicable
Use of sold products (3.11)					No data available
End-of-life treatment of sold products (3.12)					No data available
Leased assets (3.13)					No data available
Franchise (3.14)					Not applicable
Investments (3.15)					Not applicable
<b>Total Scope 3 (location based)</b>	<b>0</b>	<b>543</b>	<b>10,169</b>		
<b>Total Scope 3 (market based)</b>	<b>0</b>	<b>227</b>	<b>9,895</b>		
<b>Total carbon footprint (location based energy)</b>	<b>1,519</b>	<b>3,243</b>	<b>12,560</b>		
<b>Total carbon footprint (market based energy)</b>	<b>1,519</b>	<b>1,706</b>	<b>11,227</b>		

1) No relevant data available for Norway, Denmark or Finland

2) No data available

3) Based on four projects and the annual consumption of materials in projects.

The calculation shows stage A1-A5 which refers to the GHG emissions in the construction phase

4) Asphalted area amounts to 22,611 sqm. The remainder refers to completed projects

5) Transportation in connection with construction projects is included in 2, capital goods

6) Waste in connection with construction projects is included in 2, capital goods

7) Construction stage 7 refers to interior surface finish and furnishing, construction stage 8 refers to technical installations excluding solar panels.

8) The standards are based on project costs per area that are then multiplied by the corresponding standard for carbon dioxide. Standards refer to three different cost intervals

**TENANT WASTE**

YEAR	RECYCLING TONS	ENERGY RECYCLING TONS	DESTRUCTION* TONS	LANDFILL TONS	HAZARDOUS WASTE TONS
2022	75	328	0	10	31

\* It was not possible to break down the amounts allocated to destruction but not energy recycling.

**DIRECTLY GENERATED ECONOMIC VALUE PER DEC 31, 2022**

YEAR	2017	2018	2019	2020	2021	2022
Total income	452.30	537.40	591.58	631.03	652.87	732.82
Operations	124.30	167.20	171.45	149.77	150.41	158.95
Salary and remuneration of employees	42.33	67.49	62.35	59.42	63.80	67.80
Payment to financiers	105.20	131.30	166.35	133.58	135.43	207.86
Payment to public sector	23.10	23.80	30.01	31.68	28.99	58.51
Retained economic value	157.38	147.61	161.41	256.58	274.25	239.71
Dividend	49.70	59.20	31.53	-	-	-

# INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE GROUP SUSTAINABILITY REPORT OF STENDÖRREN FASTIGHETER AB (PUBL)

To the Board of Directors of Stendörren Fastigheter AB (publ)  
Org.no. 556825-4741

## INTRODUCTION

We have been engaged by the Board of Directors of Stendörren Fastigheter AB (publ) to provide limited assurance on the group sustainability report of Stendörren Fastigheter AB (publ) for the year 2022.

## THE RESPONSIBILITY OF BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors is responsible to present the sustainability report in accordance with relevant criteria. The criteria are set out in pages 53 and 64-65 of the sustainability report, and consist of the parts of the sustainability reporting framework published by GRI (Global Reporting Initiative) that are applicable to the sustainability report, as well as the company's own developed accounting and calculation principles. This responsibility also includes the internal control deemed necessary to prepare a sustainability report that is free from material misstatement, whether due to fraud or error.

## THE RESPONSIBILITY OF THE AUDITOR

Our responsibility is to express a conclusion on the sustainability report based on our limited review.

We have conducted our limited review in accordance with ISAE 3000 Assurance engagements other than audits and reviews of historical financial information. A limited review consists of making inquiries, primarily to persons responsible for preparing the sustainability statement, performing analytical reviews and performing other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in general.

The audit firm applies ISQM 1 (International Standard on Quality Management) and thus has a comprehensive quality control system, which inclu-

des documented policies and procedures regarding compliance with professional ethics, standards for professional practice and applicable requirements in laws and regulations. We are independent in relation to Stendörren Fastigheter AB (publ) and their subsidiaries in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

The audit procedures taken in a limited review do not allow us to obtain sufficient assurance to be aware of all the important facts that could have been identified if an audit had been carried out. Therefore, the stated conclusion based on a limited review does not have the certainty of an explicit conclusion based on an audit.

Our limited review of the sustainability report is based on the criteria selected by the Board of Directors, as defined above. We believe that these criteria are appropriate for the preparation of the sustainability report.

We believe that the evidence obtained during our limited review is sufficient and appropriate to support our opinions below.

## STATEMENTS

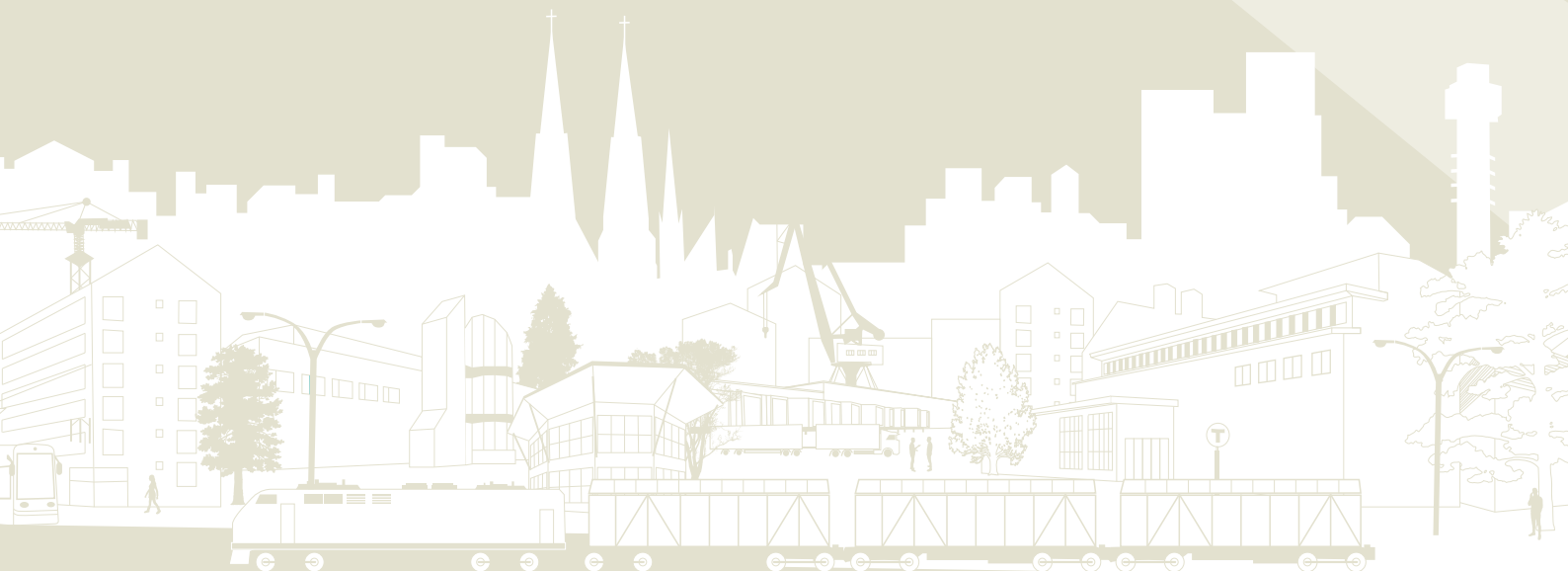
Based on our limited review, no circumstances have emerged that give us reason to believe that the sustainability report has not, in all material respects, been prepared in accordance with the criteria set out above by the Board of Directors.

Stockholm the 24th of april 2023

BDO Mälardalen AB

Markus Håkansson  
Authorized Public Accountant

# BOARD OF DIRECTOR'S REPORT



## BOARD OF DIRECTOR'S REPORT 2022

# THE BUSINESS

### SIGNIFICANT EVENTS DURING THE YEAR

- Rental income increased 12% to SEK 733 million (653) and net operating income increased to SEK 548 million (488).
- Income from property management increased 7% to SEK 287 million (267).
- Profit for the year amounted to SEK 268 million (1,209), corresponding to SEK 7.42 per share (40.75) before dilution and 7.41 per share (40.67) after dilution.
- The Board proposes to the Annual General Meeting that no dividend be paid, and profit instead be reinvested in the business.
- Net letting during the year amounted to a total of approximately SEK 40 million and new lease agreements with a total annual rental value of approximately SEK 84 million were signed.
- Lease agreements that were renegotiated during the year led to an increase in rental values of 21% on weighted average.
- Properties were acquired and closed on for a total value of approximately SEK 581 million during the year.

The Board and the CEO of Stendörren Fastigheter AB (publ) ("Stendörren" or the "company"), Corp. Reg. No. 556825-4741, with its registered offices in Stockholm, Sweden, hereby submit the Annual Report for the Group and the Parent Company for the 2022 fiscal year. The Annual Report has been prepared in SEK million. Numerical data in parentheses refers to the preceding fiscal year.

### THE BUSINESS IN BRIEF

Stendörren Fastigheter AB (publ) is an expansive property company listed on Nasdaq Stockholm Mid Cap. Our business concept is to create profitable growth in net asset value by managing, developing and acquiring properties and building rights

within logistics, warehouse and light industry in Nordic growth regions. When commercially viable, we rezone such existing properties and thereby create residential building rights for further in-house development and management, mainly in Greater Stockholm and the rest of the Mälardalen region.

### STENDÖRREN HAS FOUR FINANCIAL OBJECTIVES:

- exhibit a long-term average annual return on equity of at least 12%
- achieve growth in long-term net asset value of at least 15%
- the long-term interest coverage ratio shall amount to at least 2.0 times
- maintain a long-term equity ratio of 35% (and never less than 20%)

At December 31, 2022, the Group comprised 162 companies (140) in which Stendörren Fastigheter AB (publ) is the Parent Company. All properties are owned via subsidiaries.

### PROPERTY PORTFOLIO

As of December 31, 2022, the property portfolio of Stendörren consisted of 148 properties, primarily located in the Greater Stockholm and Mälardalen region with a market value of SEK 12,418 million. The ten largest lease agreements accounted for about 21% of the total annual rent and the company's largest lease agreement with Coop Sweden represented approximately 10% of the total annual rent.

The total property portfolio comprised approximately 795,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 68% of the total lettable area.

At the end of the year, the company had 28 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 657,000 sqm (GFA but may differ from what is technically and commercially

possible to develop), mainly for logistics, warehouse, light industrial and residential use. The market value of the building rights portfolio amounted to SEK 1,564 million (1,634) on the reporting date.

Within the existing property portfolio, the company is working with the development of new zoning plans for residential assets. The development and planning processes, which are at different stages, are likely to result in building rights for up to 1,500 new units on completion. The status of respective rezoning process was considered when determining the market value of the building rights. The company's residential building rights represent approximately one third of the valuation of the entire building rights portfolio.

## FINANCING

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216) and the Group's interest-bearing liabilities amounted to SEK 6,290 million (5,624), corresponding to a loan-to-value ratio of 47% (46).

The average time to maturity of interest-bearing liabilities amounted to 2.9 years (2.5) and the average interest maturity to 2.6 years (3.7). The average interest rate on the company's total interest-bearing loans including derivatives amounted to 4.0% (2.3) on the reporting date. On the reporting date, the company had one outstanding bond of SEK 700 million with a nominal interest rate of Stibor 90 plus 3.65%, maturing in April 2024 and a bond of SEK 600 million with an interest rate of Stibor 90 plus 3.90% with a final maturity in August 2025. Stendörren also has a hybrid bond of SEK 800 million that is recognized as equity, with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

## ORGANIZATION

Stendörren had 54 employees (55), of whom 31 men (37) and 23 women (18) on December 31, 2022. In order for Stendörren to continue to grow as a company, the company must offer a healthy work environment featuring transparency and respect, openness and ample development opportunities. In its operations, Stendörren wants those working at the company to remain in good health and not be injured due to their work, to ensure high job satisfaction among employees and to provide opportunities for employees to develop both professionally and individually. Occupational health and safety is to be integrated into all decisions and all activities that are carried out. Equal opportunity in the workplace is not only a matter of justice but also a matter of business. It means making use of employees' skills and attracting the most talented people when recruiting, no matter their gender. 100% of all employees, excluding the CEO, have a collective agreement.

## SUSTAINABILITY

Stendörren has had the aim of actively integrating sustainable practices into the business since the company was founded in 2014. The company's mission is to create long-term growth and value generation by acquiring, developing and managing properties in a responsible manner. To achieve this, the company must meet future stakeholder demands for economic, environmental and social sustainability. Stendörren accelerated its work on sustainability in 2017 with a systematic stakeholder dialog, materiality analysis and extensive strategy activities. Stendörren continued to develop its sustainability agenda in 2021 with a number of activities to advance the company's position in the area. Energy efficiency and property certifications have continued and sustainability linked financing has been carried out.



In February 2022, Stendörren also renewed its strategic framework by deciding on new focus areas and sustainability targets. The aim is to continue to deliver public benefit through its core business.

### **STENDÖRREN'S SUSTAINABILITY REPORTING PURSUANT TO THE SWEDISH ANNUAL ACCOUNTS ACT**

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Stendörren Fastigheter AB has elected to prepare the Sustainability Report as a separate document to the Annual Report. The Sustainability Report pertains to Stendörren Fastigheter AB and its subsidiaries (refer to Note 21 for a list of subsidiaries) and can be found on pages 45–69 of this printed document. The Sustainability Report is prepared every year and was submitted to the auditor together with the Annual Report. Evaluation and follow-up of the sustainability performance, its targets and priorities are continuously monitored by the management team. The management team is responsible for managing material sustainability risks and more information can be found in the Board of Director's Report on pages 70–95. The strategic priorities for Stendörren's sustainable practices and material topics are described in the "Materiality assessment and stakeholder engagement" section on page 51. The sustainability strategy on page 54 describes how social conditions, labor, the environment, human rights and anti-corruption are integrated with Stendörren's sustainable practices.

In addition to the information above, Stendörren's sustainable practices and outcomes are described on the following pages, divided into the sustainability areas described in the Annual Accounts Act:

- Social conditions, labor and human rights, pages 55, 59–60, 63
- Environment, pages 56–58, 66–67
- Anti-corruption, page 55
- Diversity Policy for the Board of Directors, page 84

Any questions may be directed to Stendörren's Head of Sustainability:

Fredrik Holmström  
fredrik.holmstrom@stendorren.se

### **PARENT COMPANY**

Operations in the Parent Company consist of management functions for all of the Group's companies and properties. These functions include property management, project management and financing. All staff are employed by the Parent Company. No properties are owned directly by the Parent Company. The Parent Company's income during the period mainly comprised SEK 125 million in recharged services rendered by its own staff. Net interest income consists of net interest charged on intra-Group loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of December 31, 2022 amounted to SEK 21 million (54) and equity amounted to SEK 1,692 million (1,709).

## BOARD OF DIRECTOR'S REPORT 2022

## RISKS AND RISK MANAGEMENT

Stendörren is continuously exposed to a variety of risks that could have an impact on the company's earnings and financial position. A number of factors affect, or could affect, the company's operations both directly and indirectly. Effective internal control, appropriate administrative systems, procedures, policies and skills development are methods for controlling and minimizing the risks to which the operations are exposed. To ensure that Stendörren has appropriate risk management and effective internal control, the company has, in addition to such governing documents as the Rules of Procedure for the Board, the Rules of Procedure for the CEO and the related Delegation of Signing Authority, also adopted a number of internal guidelines, work processes and procedures. The Board has ultimate responsibility for risk management and internal control, while the operational responsibility has been delegated to the CEO. To ensure as far as possible that the right risks have been identified and that the company's control procedures adequately address these risks, every year the company analyzes and rates the financial, operational, strategic and regulatory risks to which the company is exposed. Some of the main reasons for these activities are to identify risks and potential sources of error, to identify and document existing control procedures and, as deemed necessary, to assign new procedures and/or IT-based controls.

Some of the risk areas that the company believes could, if they were to arise, result in a significant impact on the company's future operations, earnings and financial position are described below. These factors are not presented in any order of priority and do not claim to be exhaustive.

**FINANCIAL RISKS**

The company has identified the following significant risk areas within the group of financial risks:

- **Property valuations**

Stendörren measures its holdings of investment properties at fair value, which means that the consolidated carrying amount of the properties corresponds to the estimated market value according to IAS 40 Investment Property. Accordingly, a decline in the market value of the properties has a direct negative impact on the Group's earnings and financial position, even though the Group's cash flow is not affected until the property is sold. To ensure that the assessment of the properties' market values is fair and credible, the company engages external, independent and reputable appraisers that carry out market valuations of all of the Group's properties every year.

- **Financing**

Besides equity, Stendörren's operations are based on externally contributed capital. The cost of capital is the company's single largest expense. As a result of this, the company is exposed to financing, interest-rate and credit risks. Furthermore, it is likely that most of the capital required for financing both the development of existing properties and additional acquisitions will be provided by banks, credit institutions or other lenders. Accordingly, the rising cost of capital risk would entail a negative impact on Stendörren's cash flow, earnings and financial position. It cannot be guaranteed that the lenders will extend the company's credit facilities at maturity. Neither can it be guaranteed that alternative credit facilities will be available.

The Group's primary financing comprises bilateral financing agreements with Swedish banks and credit institutions. These agreements normally include covenants to maintain a minimum interest coverage ratio and loan-to-value ratio. This means that creditors have the right to demand early repayment of credits provided or request a change to the conditions if these specific covenants are not fulfilled by the borrower. Stendörren endeavors to sign loan agreements with long loan maturity periods in order to minimize the risk of signed loan agreements not being renewed on reasonable terms. In addition, the company strives to evenly distribute the maturity dates of its various loan facilities over time so that only a small portion of its credits are to be renegotiated every year. At the end of the fiscal year, the company met all of the financial covenants in its existing credit agreements by a high margin. The maturity structure of the company's interest-bearing liabilities at December 31, 2022 is presented in Note 17 and Note 18.

- **Tax risks**

A change in tax legislation, or a change in legal practice, could result in a changed future tax situation for the company. Incorrectly calculated and thus incorrectly declared income tax could also entail significant tax surcharges and penalties. To ensure compliance with changes in tax legislation and that the calculation and declaration of income tax are correct and made in time, the company makes significant efforts to ensure that the organization has the right skills. External assistance from tax advisors is engaged when deemed necessary.

## OPERATIONAL RISKS

The company has identified the following significant risk areas within the group of operational risks:

- **Project development**

Stendörren regularly conducts many small and large-scale projects. SEK 624 million was invested in the existing property portfolio during the fiscal year, mainly in the form of modifying premises to meet tenant needs and in the form of renovations and improvements to the technical performance of the properties. Significant amounts are invested in conversions, extensions and new developments. Risks that can be identified in connection with project development comprise purely incorrect

calculation risks, whereby the cost of the projects is incorrectly assessed, unforeseen circumstances that result in negative economic consequences, and a risk of significant delays to projects that could lead to penalties and other unforeseen costs. Stendörren strives to minimize these risks by having well-defined project procedures and regular controls and follow-ups. It is also very important that the initial project planning and cost calculations are carried out carefully and that realistic timeframes are taken into account when the agreement is signed.

- **Organizational risks**

The group of operational risks also includes a number of HR-related risks, such as heavy dependence on key personnel, high employee turnover that could lead to a lack of job satisfaction at the workplace and a higher risk of wrong decisions made by people with a lack of experience, and higher levels of stress that could result in a high psychosocial strain (stress/burn-out). Stendörren manages these risks by increasing its focus on care of employees and preventive health care as well as regular employee appraisals and an annual employee satisfaction survey that addresses opinions and suggestions from the organization. The company has used half-yearly employee surveys since January 2020 instead of the previous annual employee satisfaction survey so that Stendörren can more frequently receive opinions and suggestions from the organization.

- **IT risks**

A lack of IT availability and an unclear IT strategy risk leading to lower efficiency and cost increases. Stendörren is a relatively young company that replaced all its main IT systems in 2017–2018 and 2022 with modern and appropriate systems for property management, accounting and reporting.

## STRATEGIC RISKS

Strategic risks refer to risks associated with both macroeconomic factors and developments in the local property markets – circumstances that are outside the company's control. These factors include, but are not limited to, growth in gross domestic product (GDP), inflation, interest-rate levels, population growth and employment. Trends in macroeconomic conditions directly and indirectly impact the Swedish property market, demand for commercial

properties and thus the company's occupancy rate, rental levels, market value of its assets and access to, and cost of, financing.

A decline or fluctuations in growth in local markets in which the company operates could affect rental levels and the occupancy rate, which could have a negative impact on the company's earnings for its operating segments and could negatively affect the company's overall operations, financial position and earnings. Demand for the company's properties could also decrease, which could have a material negative effect on the company's operations, financial position and earnings.

### REGULATORY COMPLIANCE

The company's operations are regulated by, and must fulfill, the requirements of a number of laws and regulations. There is a risk that the company's interpretation of applicable laws and rules is incorrect or that regulations could be changed in the future. The company may also need to apply for various permits and registrations with municipalities or authorities for conducting its operations. Although Stendörren believes that the company has adequate skills and internal processes to be able to identify, quantify and manage these risk, there is nevertheless a risk that the company will not secure the necessary permits or decisions or that such decisions will be appealed or otherwise associated with conditions that could lead to higher costs and delays for planned property development projects or otherwise have a negative impact on the company's operations and performance.

The company also risks being involved in legal or administrative proceedings that could involve extensive claims for damages or other types of payment, including claims for damages from customers or competitors for breaching competition laws. Preparations for, contesting and the outcome of initiated proceedings could be lengthy and costly. The outcome of such proceedings is difficult to predict. In the event of a negative outcome in major legal or administrative proceedings, regardless of whether it is based on a judgment or settlement, Stendörren could be instructed to make significant payments. Costs in connection with disputes and arbitration proceedings may also be significant.

### SUSTAINABILITY RISKS

Stendörren's most significant sustainability risks are found in the following areas: occupational health and safety, human rights, business ethics, anti-corruption, environment, climate risk and change, and risks related to biodiversity and ecosystems.

In addition to policies and governing documents, Stendörren also has a separate code of conduct for suppliers, customers and business partners that the company developed in 2018. In 2021, this code was sent out to be signed by the company's most important suppliers, based on volume and sustainability-related risks. A brief description of the risks addressed in the code of conduct is provided below:

- **Occupational health and safety and human rights**

Being a property owner entails a responsibility for the people who use the premises, from employees to tenants and suppliers. Negligence could mean that the company causes both physical damage and mental harm. Stendörren manages these risks by pursuing preventive and systematic occupational health and safety activities, and related assessments in each property. Suppliers and sub-suppliers engaged by Stendörren are also regularly evaluated. Poor follow-ups of health and safety conditions and human rights could entail a risk of rumors being spread, badwill and an impact on the brand.

- **Business ethics and anti-corruption**

Serious violations such as incidents of corruption, bribery and breaches could result in long-term damage to confidence in the company and its ability to operate in the market. Combined with the company's employee manual, the code of conduct regulates the standpoints and actions to be taken to prevent bribery and corruption.

- **Environment**

According to the Swedish Environmental Code, the party conducting operations that have caused pollution is also responsible for remediation and any decontamination. The company is held responsible if it is unable to perform or pay for the necessary remediation that the company should have known about or discovered when the property was acquired. To minimize this potential environmental risk, Stendörren carries out environmental surveys, where necessary, as part of the acquisition process. There are currently

no ongoing or previously known environmental claims of any kind made against any of the Group companies. Pollution may also be discovered on properties and in buildings in their existing condition, for example, in connection with renovations or when buildings are upgraded for environmental certification. Measures to address pollution are part of Stendörren's ongoing operations and the company believes that it has sufficient know-how and processes for assessing and quantifying risks in connection with this. It is Stendörren's responsibility as part of conducting its operations to observe applicable regulations regarding, for example, occupational health and safety, handling asbestos and decontamination, and laws regulating greenhouse gas emissions, such as by the use of energy and electricity. Non-compliance with such laws and regulations could result in the company being issued enforcement measures, fees or fines. In certain cases, this may result in restrictions to the company's operations, which could be substantial.

- **Climate risks**

*The effect of climate change on the property portfolio*

Climate change is placing new demands on property portfolios. Stendörren considers the climate and works proactively to minimize the risk that the properties in its portfolio will become obsolete or that costs for repairing damage will be too high. In addition to its work on existing properties, Stendörren must also future-proof its development projects and ensure a sustainable climate risk over time. A rise in temperatures, extreme weather and higher sea levels mean that property assets could be damaged. Properties located close to the sea represent a permanent risk in the long term.

*Climate change in relation to property valuations*

If Stendörren fails to minimize climate change risks in its portfolio, the property valuation of each affected property asset will decrease. Inadequate climate activities could also lead to difficulties in financing properties.

- **Risks related to biodiversity and ecosystems**

A changeable and hotter world entails a clear risk for biodiversity and ecosystem services. There is the risk that Stendörren's reputation could be tarnished and that the company could become less competitive if the risks related to biodiversity and ecosystem services are not minimized. Accordingly, Stendörren needs to improve the biodiversity of its property portfolio over time, particularly in the development projects it is carrying out.

## SHARE AND OWNERS

## STENDÖRREN SHARE AND OWNERS

Stendörren is a real estate company with a market capitalization of SEK 5,453 million at the end of 2022. The company's Class B share is listed on Nasdaq Stockholm Mid Cap.

**SHARE**

The share capital in Stendörren amounts to SEK 17,056,959, split between 2,500,000 Class A shares and 25,928,265 Class B shares. Each share has a quotient value of SEK 0.60. Class A shares in Stendörren entitle the holder to ten votes at a General Meeting, and Class B shares to one vote at a General Meeting. Class A shares can be converted to Class B shares at a ratio of 1:1. All shares provide equal rights to share the company's assets and profits. According to the Articles of Association, the company also has the option of issuing preference shares.

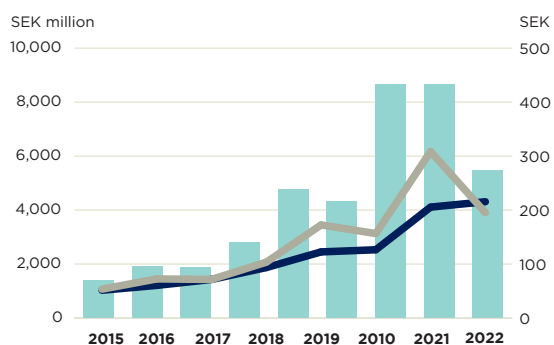
**STOCK PRICE TREND AND RETURNS**

The stock price fell 37% to SEK 191.80, meaning that the market capitalization declined a total of 37%. The real estate index on the Stockholm Stock Exchange fell 45% in the same period. The price on the final trading day of the year (December 30) was SEK 191.80. The lowest price paid for the share during the year was SEK 144.8.

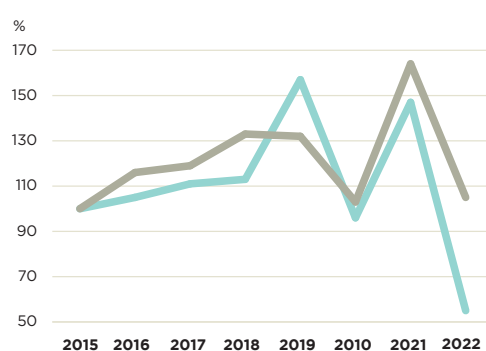
**STOCK EXCHANGE AND TURNOVER**

The Stendörren Class B share is traded on Nasdaq Stockholm Mid Cap. The company's ticker is STEF B. The company's ISIN is SE0006543344. A trading unit corresponds to one (1) share.

In 2022, a total of 7.2 million shares were traded at a value of SEK 1,520 million (excluding shares traded outside the stock exchange)

**STOCK PRICE**

■ Stock price, year-end  
■ Stock price, year-end  
■ Average price for the year

**INDEX**

■ Average price for the year STEF-B (2015 = index 100)  
■ Carnegie Real Estate Index (2015 = index 100)

## STENDÖRREN'S SHAREHOLDERS

The AGM resolved on May 24, 2022 to authorize the Board of Directors to, on one or more occasions prior to the next AGM, with or without deviation from the shareholders' preferential rights, against cash payment or through payment by set-off or contribution in kind, or otherwise with conditions, resolve to issue shares of Class A or B, convertibles for shares of Class A or B or warrants for shares of Class A or B, as well as preference shares, provided that issues with deviation from the shareholders' preferential rights do not result in the number of

shares in the company increasing by more than a total of 10% calculated on the date of the AGM.

If the Board of Directors resolves on an issue without preferential rights for shareholders, the reason must be to broaden the ownership base, acquire or facilitate the acquisition of working capital, increase the liquidity of the share, carry out company acquisitions or acquire or facilitate the acquisition of capital for company acquisitions. An issue without preferential rights for shareholders must be conducted on market terms.

## SIZE OF SHAREHOLDERS, DECEMBER 31, 2022

SHARE-HOLDING	NUMBER OF SHARE-HOLDERS	% OF NUMBER OF SHARES	CLASS A SHARES	CLASS B SHARES	HOLDING SHARES %	VOTES %	MARKET VALUE (SEK THOUSAND)
1 - 500	3,229	90	-	151,910	1	0	29,136
501 - 1,000	109	3	-	86,274	0	0	16,547
1,001 - 5,000	136	4	-	330,162	1	1	63,325
5,001 - 10,000	32	1	-	235,476	1	0	45,164
10,001 - 15,000	16	0	-	193,575	1	0	37,128
15,001 - 20,000	6	0	-	104,322	0	0	20,009
20,001 -	48	1	2,500,000	24,826,546	96	98	5,241,232
<b>Total</b>	<b>3,576</b>	<b>100</b>	<b>2,500,000</b>	<b>25,928,265</b>	<b>100</b>	<b>100</b>	<b>5,452,541</b>

## LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2022

SHAREHOLDERS <sup>1)</sup>	TOTAL SHARES	CLASS A SHARES	CLASS B B-AKTIER	% OF CAPITAL	% OF VOTES
Stendörren Real Estate AB	11,532,606	2,000,000	9,532,606	40.6	58.0
Altira AB	2,551,720	500,000	2,050,000	9.0	13.8
Länsförsäkringar Fastighetsfond	2,938,134	0	2,938,134	10.3	5.8
SEB Investment Management	2,593,909	0	2,593,909	9.1	5.1
Verdipapirfondet Odin Eiendom	1,077,914	0	1,077,914	3.8	2.1
Third Swedish National Pension Fund	990,000	0	990,000	3.5	1.9
Handelsbanken Fonder	823,543	0	823,543	2.9	1.6
Didner & Gerge Fonder Aktiebolag	600,000	0	600,000	2.1	1.2
Carnegie Fonder	346,024	0	346,024	1.2	0.7
SEB Luxembourg Branch	310,000	0	310,000	1.1	0.6
Other shareholders	4,664,415	0	4,666,135	16.4	9.2
<b>Total</b>	<b>28,428,265</b>	<b>2,500,000</b>	<b>25,928,265</b>	<b>100.0</b>	<b>100.0</b>

1) The total number of shareholders on the reporting date was 3,576.

Source: Euroclear Sweden AB

### INCENTIVE PROGRAM FOR STENDÖRREN EMPLOYEES

Stendörren has one incentive program that was resolved on at the Extraordinary General Meeting in September 2020. The program was targeted towards the company's employees and include issues of warrants, which the participants in the program acquired for cash payment to the Parent Company. The warrants were acquired at market value calculated in accordance with the Black & Scholes valuation method performed by independent valuers.

Each warrant carries entitlement, during a period of two weeks from the date of publication of the interim financial report for the period January 1–September 30, 2025, to subscribe for one new Class B common share in the company at a subscription price of SEK 175 per share. Upon full exercise of the warrants in the outstanding program, the share capital will increase by SEK 151,350 by issuing 252,250 Class B shares, each with a quotient value of SEK 0.6. The dilution on full utilization corresponds to approximately 0.9% of the capital and 0.5% of the number of votes based on the number of outstanding shares as of the reporting date.

### DIVIDEND POLICY

Stendörren's assessment is that the best long-term total return is generated by reinvesting the profits in the business to create further profitable growth.

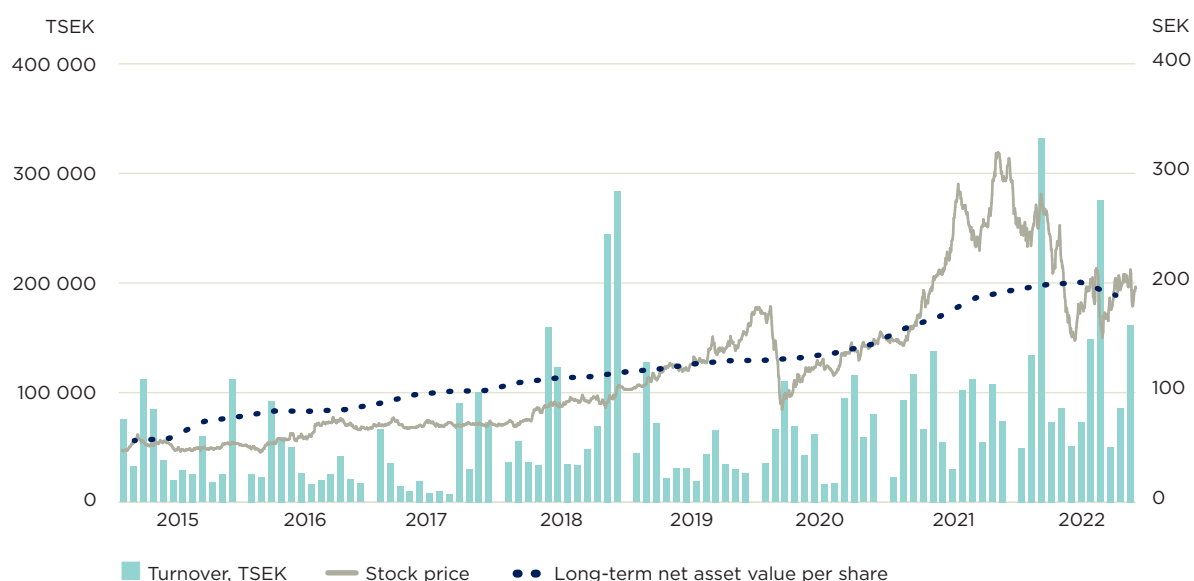
The company will thus continue to grow by investing in existing assets, new acquisitions, and the development of new assets. Accordingly, the dividend paid will be low or zero over the next few years.

### INFORMATION TO THE STOCK MARKET

Stendörren's primary information channel is the company's website, [www.stendorren.se](http://www.stendorren.se). All financial reports, company presentations and press releases are published on the website. Stendörren's reporting calendar for 2022 has the following dates:

- Year-end Report Jan–Dec 2022, February 22, 2023
- 2022 Annual Report, April 28, 2023
- Interim Financial Report Jan–Mar 2023, May 5, 2023
- Interim Financial Report Jan–Jun 2023, July 20, 2023
- Interim Financial Report Jan–Sep 2023, November 8, 2023
- Year-end Report Jan–Dec 2023, February 23, 2024

### STOCK PRICE, LONG-TERM NET ASSET VALUE AND TRADING VOLUME





## CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE  
STATEMENT

Corporate governance refers to the rules and structure by which a limited liability company is directed and controlled. Good corporate governance enables Stendörren to assure its shareholders that the company is managed in a responsible, efficient and sustainable manner.

Stendörren is a Swedish public limited liability company, and the company's Class B shares are listed on Nasdaq Stockholm, Mid Cap. Corporate governance at Stendörren is based on laws, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code (the "Code") and other external governing documents and recommendations and internally established rules and guidelines, such as the Articles of Association and Rules of Procedure for the Board.

The Code is based on the "comply or explain" approach, which means that the Code is not a rigid set of rules and that companies may choose other solutions if they can be justified in particular circumstances. However, companies that decide to depart from the Code must provide a meaningful explanation for each departure, the alternative solution and a justification. The Code is available at [www.bolagsstyrning.se/\\_3701](http://www.bolagsstyrning.se/_3701) where the Swedish model for Swedish corporate governance is also presented.

In 2022, Stendörren departed from the Code in one respect, in that the company did not use measurable criteria when determining variable remuneration for senior executives in 2022. Instead, and based on the remuneration guidelines for senior executives adopted by the 2021 AGM, the Board assessed that it was more appropriate in 2022 to evaluate whether the senior executives had contributed to an improvement of, for example, the company's internal control and budgetary controls, reporting quality and punctuality, the implementation of new and improved IT systems, collaboration between the company's various departments, the development of leadership skills for department

heads and the company's overall sustainability performance. This was deemed important for promoting the company's long-term interests and the long-term development of each senior executive.

This Corporate Governance Statement presents Stendörren's corporate governance in 2022 and has been prepared in accordance with the Swedish Annual Accounts Act and the Code.

**SHARES AND OWNERSHIP**

At fiscal year-end, the company's share capital amounted to SEK 17,056,959, comprising 2,500,000 Class A shares and 25,928,265 Class B shares. Class A shares in Stendörren entitle the holder to ten votes at a General Meeting, and Class B shares to one vote at a General Meeting. All shares provide equal rights to share the company's assets and profits.

At December 31, 2022, the number of shareholders was 3,576 and the quotient value per share was SEK 0.60. For more information about the ownership structure at the end of 2022, refer to page 76 of this Annual Report.

**ARTICLES OF ASSOCIATION**

The name of the company in the Articles of Association is Stendörren Fastigheter AB (publ) and the company is a public company. The Board has its registered office in Stockholm. The company shall directly or through subsidiaries own, manage and trade in real estate, and conduct any other activities compatible therewith. Stendörren's Articles of Association do not contain any specific provisions on the appointment and dismissal of Board members, or on amendments to the Articles of Association.

## GENERAL MEETING

The General Meeting is the company's highest governing body. The Annual General Meeting (AGM) shall be held within six months of fiscal year-end. At the AGM, the shareholders exercise their voting rights on issues that are important to the company such as dividends, the adoption of income statements and balance sheets, discharge from liability for Board members and the CEO, the election of Board members, the Chairman of the Board and auditor, as well as the fees paid to Board members and the auditor. In addition to the AGM, the company may also convene an Extraordinary General Meeting (EGM).

Resolutions are normally passed at General Meetings by a simple majority vote. Under the Swedish Companies Act, some resolutions, such as an amendment of the Articles of Association, must be passed by a qualified majority vote.

Stendörren's Articles of Association do not contain any restrictions on the number of votes that each shareholder may cast at a General Meeting. According to the Articles of Association, notice of a General Meeting shall be given by advertising in the Swedish Official Gazette and by publishing the notice on the company's website. Information that notice has been given shall be advertised in Svenska Dagbladet.

### 2022 ANNUAL GENERAL MEETING

The 2022 AGM was held on May 24, 2022 in Stockholm. At the AGM, a total 91.07% of the company's votes and 83.99% of the company's capital was represented. The AGM resolved to authorize the Board of Directors to, on one or more occasions prior to the next AGM, with or without deviation from the shareholders' preferential rights, against cash payment or through payment by set-off or contribution in kind, or otherwise with conditions, resolve to issue shares of Class A or B, convertibles for shares of Class A or B or warrants for shares of Class A or B, as well as preference shares, provided that issues with deviation from the shareholders' preferential rights do not result in the number of shares in the company increasing by more than a total of 10% calculated on the date of the AGM. If the Board of Directors resolves on an issue without preferential rights for shareholders, the reason must be to broaden the ownership base, acquire or facilitate the acquisition of working capital, increase the liquidity of the share, carry out company acqui-

sitions or acquire or facilitate the acquisition of capital for company acquisitions. The issue must be conducted on normal market terms.

In addition, the AGM passed the following resolutions:

- Appropriation of the company's profits.
- Discharge from liability for the Board members and CEO.
- Resolution on the number of Board members and auditors.
- Re-election of Andreas Philipson, Seth Lieberman, Helena Levander, Carl Mörk, Henrik Orrbeck and Nisha Raghavan to the Board.
- Re-election of Andreas Philipson as Chairman of the Board.
- New election of BDO Mälardalen AB as the company's auditor with Johan Pharmanson as the Auditor-in-Charge.
- Adoption of fees for Board members and auditors.
- Adoption of principles for appointment of the Nomination Committee.
- Approval of the Remuneration Report.

### EXTRAORDINARY GENERAL MEETING ON FEBRUARY 4, 2022

Stendörren convened an EGM on February 4, 2022. At the EGM, a total 74.13% of the company's votes and 53.46% of the company's capital were represented. The EGM resolved that the Board shall consist of six members with no deputies. In addition, Board member Andreas Philipson was elected to chair the Board for the period up to the end of the next AGM, succeeding the former Chairman, Anders Tägt, who had resigned from his position. The EGM also addressed Board fees and remuneration for committee work.

The minutes from the 2022 AGM and the EGM on February 4, 2022 as well as the related meeting documents are available on the company's website.

The 2023 AGM will be held on May 23, 2023.

### NOMINATION COMMITTEE

To ensure that elections and the determination of fees to Board members and the auditor are prepared in a structured, clearly stated, shareholder-governed process, every company that applies the Code must have a Nomination Committee. The role of the Nomination Committee is to make recommendations

regarding the Chairman of General Meetings, the Board, the Chairman of the Board, the auditor, fees and other remuneration of Board assignments for each Board member, remuneration for committee work and fees to the company's auditor and, to the extent deemed necessary, recommendations on changed principles for appointments to the Nomination Committee.

At the AGM on May 24, 2022, Stendörren's shareholders adopted the following principles for appointment to the Nomination Committee prior to the 2023 AGM:

*"Prior to each Annual General Meeting, the Nomination Committee shall consist of the Chairman and representatives of the three largest shareholders in terms of voting rights at August 31 of the immediately preceding year in the shareholder register maintained by Euroclear Sweden AB. Should one or more of these three shareholders choose not to appoint a representative to the Nomination Committee, a member shall be appointed by the next largest shareholder/s. The Chairman shall convene the first meeting of the Nomination Committee. The members of the Nomination Committee shall elect one of themselves to chair the committee, however, not the Chairman of the Board or any other Board member.*

*Should one or more shareholders who have appointed representatives to the Nomination Committee no longer be among the company's three largest shareholders at a point in time of more than two months before the next AGM, the representatives of these shareholders shall resign and new members shall be appointed by the new shareholders who are now among the three largest shareholders. Should a member of the Nomination Committee resign before the Committee's work has ended, the same shareholder who appointed the resigning member shall, if deemed necessary, have the right to appoint a new member, or should that shareholder no longer be among the three largest shareholders, the next largest shareholder. Changes in the composition of the Nomination Committee must be immediately announced. The composition of the Nomination Committee for AGMs must be announced no later than six months prior to the meeting.*

*No remuneration is paid to members of the Nomination Committee. The company shall pay*

*the necessary expenses that the Nomination Committee may incur within the Rules of Procedure for its duties.*

*The term of office for the Nomination Committee ends when the subsequent Nomination Committee has been announced."*

Stendörren's Nomination Committee prior to the AGM on May 23, 2023 consists of Johannes Wingborg, Chairman (appointed by Länsförsäkringar Fondförvaltning AB), Henrik Orrbeck (appointed by Stendörren Real Estate AB and also Board member of Stendörren), Oscar Christensson (appointed by Altira AB) and Andreas Philipson (Chairman of the Board).

## **BOARD** **THE ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors is the company's highest governing body after the General Meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the company's management and organization. The Board's duties include setting overall objectives and strategies for the company as well as significant policies and strategic plans for the company and the Group to which the company belongs. The Board shall continuously monitor compliance with these.

The Board shall ensure that appropriate systems are in place for monitoring and control of the company's activities, and of the risks associated with these activities. The Board shall also present interim financial reports and financial statements. The Board shall monitor the financial performance, oversee the quality of internal controls over financial reporting, and evaluate the company's operations based on the objectives and policies established by the Board. The Board also resolves on major investments and organizational and operational changes in the company and identifies how sustainability issues impact the company's risks and business opportunities.

The Board follows written Rules of Procedure adopted at the inaugural Board meeting each year. The Rules of Procedure document is continuously updated. The Rules of Procedure for the Board regulate the Board's duties and the division of responsibilities between the Board and the CEO. The Rules of Procedure for the Board include the Rules of Procedure for the CEO and the financial reporting instructions.

**COMPOSITION OF THE BOARD**

NAME	POSITION	BOARD MEMBER SINCE	INDEPENDENT OF THE COMPANY AND COMPANY MANAGEMENT	INDEPENDENT OF THE COMPANY'S LARGEST SHAREHOLDERS
Andreas Philipson	Chairman	2016	Yes	Yes
Seth Lieberman	Board member	2014	Yes	No
Helena Levander	Board member	2017	Yes	Yes
Henrik Orrbeck	Board member	2019	Yes	No
Carl Mörk	Board member	2016	Yes	No
Nisha Raghavan	Board member	2020	Yes	No

**BOARD FEES AND ATTENDANCE IN 2022**

NAME	POSITION	ATTENDANCE AT BOARD MEETINGS IN 2022	BOARD FEES SEK <sup>1), 2)</sup>
Andreas Philipson	Chairman (from Feb 2022, previously Board member)	16 of 16	560,000
Seth Lieberman	Board member	15 of 16	250,000
Helena Levander	Board member	15 of 16	330,000
Henrik Orrbeck	Board member	15 of 16	0 <sup>3)</sup>
Carl Mörk	Board member	15 of 16	300,000
Nisha Raghavan	Board member	13 of 16	0 <sup>3)</sup>
Anders Tägt	Chairman (until Feb 2022)	1 of 1	N/A
<b>Total</b>			<b>1,440,000</b>

1) The fee stated was paid for the period between the 2022 AGM and 2023 AGM. The amount stated includes committee fees.

2) From, and as resolved by, the 2022 AGM.

3) Henrik Orrbeck and Nisha Raghavan declined Board fees for the period between the 2022 AGM and 2023 AGM.

**COMPOSITION OF THE BOARD**

According to Stendörren's Articles of Association, the Board shall consist of at least three and no more than eight members, with no deputies. No representative of the Group is a member of the Board and no employee representatives have been appointed to the Board. For more information about the Board members' experience and background, their shareholding in the company and their significant assignments outside the company, refer to the "Board of Directors" section on pages 88-89.

The Nomination Committee applied Rule 4.1 of the Code as a diversity policy when determining its recommendation for the election of Board members. The objective has been to ensure that the Board has an appropriate composition, characterized by diversity and breadth, and consist of individuals with the skills and experience required by the Board, primarily with consideration for the

company's activities and stage of development. Continuity is also considered highly valuable.

The importance of an even gender distribution was given special consideration and it was noted that 33% of the Board's members are women. As shown in the presentation of Board members in the "Board of Directors" section on pages 87-88, the composition of the Board reflects a diversity and breadth of skills, experience and backgrounds.

According to the Code, a majority of the elected Board members must be independent of the company and its Executive Management. At least two of these members must also be independent of the company's largest shareholders. The company's Board meets the provisions of the Code regarding independence. As shown in the table above, all six elected members are independent of the company and its management. Of these, two members are independent of the company's largest shareholders.

## BOARD FEES

The 2022 AGM resolved that a Board fee of SEK 500,000 would be paid to the Chairman of the Board, and SEK 250,000 to each of the other members. The AGM also resolved that a fee of SEK 80,000 would be paid to the Chairman of the Audit Committee and SEK 30,000 to each of the other members of the Audit Committee, and that a fee of SEK 60,000 would be paid to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

The table on page 81 shows the fee that will be paid to each Board member for the period between the 2022 AGM and the 2023 AGM.

## THE ROLE OF THE CHAIRMAN

The Chairman of the Board is responsible for ensuring that the Board carries out its work effectively and fulfills its obligations. The Chairman organizes and leads the Board's work with the aim of creating the best possible conditions for the Board's duties. The Chairman also ensures that new Board members complete introduction training and any other training deemed appropriate.

The Chairman consults with the company's CEO on strategic matters and ensures that the Board receives sufficient information and documentation to carry out its work. The Chairman is also responsible for contact with the shareholders on matters of shareholder concern and ensures that the Board's performance is evaluated annually.

## BOARD COMMITTEES

### **Audit Committee**

Stendörren has an Audit Committee consisting of Helena Levander (Chairman), Nisha Raghavan and Carl Mörk. The role and powers of the Audit Committee are regulated in the Rules of Procedure for the Audit Committee. The role of the Audit Committee is to, on behalf of the Board, oversee the company's financial reporting, monitor the effectiveness of the company's internal control and risk management, remain informed about the audit of the annual accounts and consolidated financial statements, oversee and monitor the auditor's impartiality and independence, and assist in drawing up proposals for the General Meeting's election of the auditor.

Members of the Audit Committee must not be employed by the company. At least one member must have competence in accounting or auditing.

In 2022, the Audit Committee held five minuted meetings. The Chairman of the Audit Committee, Helena Levander, attended all meetings, Nisha Raghavan attended four meetings and Carl Mörk four meetings.

The matters addressed at the meetings included the company's financial statements and policies, the external audit, and the company's risk evaluation and internal controls.

### **Remuneration Committee**

Stendörren has a Remuneration Committee consisting of Andreas Philipson (Chairman), Nisha Raghavan and Carl Mörk.

The principal role of the Remuneration Committee is to prepare the Board's decisions on matters regarding remuneration principles, remuneration and other terms of employment for company management, to monitor and evaluate variable remuneration programs for company management that are ongoing or were completed during the year, to monitor and evaluate the application of the remuneration guidelines for senior executives to be resolved by the AGM, and to monitor and evaluate the company's remuneration structures and remuneration levels. The Remuneration Committee shall also analyze and monitor market-based salaries for senior executives, including fixed and variable components.

The role and discretionary powers of the Remuneration Committee are regulated in Rules of Procedure established by the Board.

In 2022, the Remuneration Committee held one minuted meeting where such matters as remuneration of senior executives and the company's Remuneration Report were discussed. All members of the Remuneration Committee were present at this meeting.

## THE BOARD'S WORK IN 2022

In 2022, the Board held 16 Board meetings, of which eight were scheduled (including the inaugural Board meetings). The company's CEO and the company's chief legal counsel, who is also the Board secretary, were also present at the Board's meetings. In addition, other members of the management team attended those parts of the Board's meetings that affected their specific area of responsibility.

Board meetings follow an annual meeting schedule, which is broadly an annual cycle established

by the Board that is reviewed and determined at each inaugural Board meeting. A brief description of the annual cycle for 2022/2023 is presented below. In addition to the information in the table, several items of business are generally addressed at each scheduled Board meeting. For example, the company's CEO presents a financial report at each meeting and provides information about the business situation and outlook. When necessary, decisions are made on acquisitions and divestments, other investment decisions, financing decisions and decisions regarding structural and organizational matters.

Since the Board approves the financial statements, each financial report is preceded by a Board meeting where the relevant report is approved. At these meetings, the Audit Committee presents an account of its work.

In addition to scheduled Board meetings, extra Board meetings are held when required, such as when a business decision requires the Board's approval.

### **Annual cycle for Board meetings in 2022/2023**

#### *1. Inaugural Board meeting*

The Board's work year commences with the inaugural Board meeting, which is held immediately after the AGM. At this meeting, the Board establishes the relevant corporate governance documents and Rules of Procedure documents.

#### *2. Meeting in July*

Meeting to adopt the interim report for the second quarter of the year. Report from the Audit Committee.

#### *3. Scheduled meeting in August*

A scheduled Board meeting is held after the summer. Matters related to the internal control environment are addressed.

#### *4. Scheduled meeting in September*

A scheduled Board meeting is held in September to make decisions about the company's objectives and long-term strategic plan.

#### *5. Scheduled meeting in November*

A scheduled meeting to adopt the interim report for the third quarter of the year. Matters related to the audit are also addressed, and the company's audi-

tors report on the review performed on the interim report for the third quarter of the year. In addition, the company's auditors present their review of the company's internal controls over financial reporting. The company's risks and internal controls are evaluated.

#### *6. Scheduled meeting in December*

The budget for the coming year is adopted at this scheduled meeting. The Board's work is also evaluated, including an evaluation of the Board's committees and the performance of the CEO.

#### *7. Scheduled meeting in February*

Scheduled meeting to approve the annual financial statements. The meeting also addresses matters related to the audit, the audit report and the AGM. Matters related to the internal control environment are addressed.

#### *8. Scheduled meeting in May*

Scheduled meeting to adopt the interim report for the first quarter of the year. Report from the Audit Committee. Matters related to the internal control environment are addressed.

### **BOARD EVALUATION**

The Board evaluates the performance of its members and the CEO every year to ensure that the Board has fulfilled its role effectively and that the performance of Board members and the CEO is continuously developed. This takes the form of a systematic and structured process. The performance of the Board and the CEO in 2022 was evaluated using an internal process. A questionnaire related to the performance of the Board and the CEO was distributed to Board members, with a request to respond to the questions. The results were then compiled and presented to the Board at a Board meeting. No members of company management were present when the results of the evaluation were presented and discussed by the Board. The results were also presented to the Nomination Committee.

### **CEO AND EXECUTIVE MANAGEMENT**

The CEO is responsible for managing the company, overseeing the day-to-day operations and leading the company in accordance with the Board's instructions. The CEO's responsibilities and relationship with the Board are regulated by the Rules of

The CEO - Erik Ranje - has an Executive Management team to assist him in this role, which currently comprises the following:

- Erik Ranje, CEO
- Anders Nilsson, Head of Property Management and Deputy CEO
- Per-Henrik Karlsson, CFO
- Johan Malmberg, CIO and Head of Business Development
- Maria Jonsson, Head of Development
- Caroline Gebauer, Legal Counsel
- Åsa Thorell, Human Resources Manager
- Fredrik Holmström, Head of Sustainability

For more information about Executive Management, refer to pages 91-94.

Procedure for the CEO as adopted by the Board. According to the financial reporting instructions, the CEO is responsible for the company's financial reporting and must therefore ensure that the Board receives sufficient information to enable a continuous evaluation of the company's financial position. The company's CEO shall keep the Board up-to-date with the company's development and the Group's operations, sales, price trends, the company's earnings and financial position, liquidity and credit situation, major company events, as well as the outcomes of any events, circumstances or conditions of material importance to the company's shareholders.

The Board has instructed the company's CEO to ensure that the company complies with applicable rules and regulations, including the company's obligations to disclose inside information and to maintain an insider list recording all people with access to inside information about the company.

#### **REMUNERATION GUIDELINES FOR SENIOR EXECUTIVES (ADOPTED AT THE 2021 AGM)**

The company applies the remuneration guidelines for senior executives presented below that were adopted at the 2021 AGM.

These guidelines cover the company's CEO and other senior managers. The guidelines shall be applied to remuneration that is agreed, and any changes to remuneration that has already been agreed, after the guidelines were adopted by the 2021 AGM. The guidelines do not apply to remuneration adopted by the General Meeting. Since members of the company's Board only receive fees decided by the General Meeting, these guidelines do not apply to the Board's members.

neration adopted by the General Meeting. Since members of the company's Board only receive fees decided by the General Meeting, these guidelines do not apply to the Board's members.

#### **HOW THE GUIDELINES PROMOTE THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY**

The company's business strategy is briefly as follows. Stendörren is a real estate company with a focus on creating long-term growth and value generation by managing, developing and acquiring properties for warehousing, logistics and light industry and, in some cases, residential purposes in Stockholm, Mälardalen and other geographic markets across the Nordic region. By offering our customers the right premises for their operations, our sustainable approach creates long-term relationships that can generate high, risk-adjusted returns for our shareholders.

For more information about the company's business strategy, visit [www.stendorren.se](http://www.stendorren.se).

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability performance, presume that the company is able to recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The aim of these guidelines is that senior executives can be offered competitive total remuneration.

The company has previously established share-based incentive programs. Since they were decided by the General Meeting, they are not covered by these guidelines. For more information about earlier programs, including the outcome-specific criteria, visit <https://www.stendorren.se/en/incentive-programs/>

Any future share-based incentive programs will be resolved by General Meetings. The aim of variable cash remuneration covered by these guidelines is to promote the company's business strategy and long-term interests, including its sustainability performance.

#### **FORMS OF REMUNERATION, ETC.**

Remuneration shall be market-based and may include the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. In addition, the General Meeting may - and independently of these guidelines - make decisions regarding, for example, share-based remuneration.

The Board may apply discretionary factors to decisions regarding variable cash remuneration in accordance with these guidelines. Variable cash remuneration may not exceed 200% of fixed annual salary. An assessment of the extent to which the criteria for payment of variable cash remuneration have been met shall take place annually and pertain to a period of one year.

For the CEO, pension benefits, including health insurance, shall be defined-contribution. Variable cash remuneration shall not be pensionable. Pension contributions for a defined-contribution pension shall not exceed 30% of fixed annual salary.

Pension benefits, including health insurance, for other senior executives shall be defined-contribution unless the senior executive is covered by a defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall not be pensionable unless otherwise stipulated by mandatory collective agreement provisions. Pension contributions for a defined-contribution pension shall not exceed 30% of fixed annual salary.

Other benefits may include life insurance, health insurance and a company car. Such benefits may not exceed 20% of fixed annual salary.

#### TERMINATION OF EMPLOYMENT

Upon termination by the company, a maximum notice period of six months applies. Fixed salary during the notice period plus severance pay may not exceed an amount corresponding to fixed salary for two years for the CEO, and one year for other senior executives. Upon termination by the senior executive, a maximum notice period of six months applies.

#### CRITERIA FOR PAYMENT OF VARIABLE CASH REMUNERATION, ETC.

The variable cash remuneration shall be linked to predetermined criteria – measurable financial and/or non-measurable non-financial. The criteria may be general and/or personal quantity or quality goals based on, for example, the company's internal controls, budgetary controls, quality and punctuality of financial reports, implementation of new and improved IT systems, collaboration between the company's various departments, the development of leadership skills for department heads, and the company's overall sustainability performance. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability performance by, for example,

having a clear link to the business strategy or promoting the senior executive's long-term development. The Board shall be able, in accordance with the law or agreements and subject to any restrictions that may follow thereof, to recover some or all of the variable remuneration that has been paid on incorrect grounds.

The Remuneration Committee is responsible for the assessment with regard to variable cash remuneration paid to the CEO. Regarding variable cash remuneration of other senior executives, the Remuneration Committee and the CEO are jointly responsible for the assessment. The Remuneration Committee then submits the remuneration proposal to the Board for a decision.

#### SALARY AND TERMS OF EMPLOYMENT FOR EMPLOYEES

When preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the company's employees have been taken into account in that information about employees' total remuneration, remuneration components, and the increase and rate of increase in remuneration over time have formed part of the decision-making basis for the Remuneration Committee and the Board when evaluating the reasonableness of the guidelines and the limitations resulting thereof.

#### DECISION-MAKING PROCESS FOR DETERMINING, OVERSEEING AND IMPLEMENTING THE GUIDELINES

The Board has established a Remuneration Committee. The role of this Committee includes preparing the Board's proposal on remuneration guidelines for senior executives. The Board shall prepare a proposal for new guidelines at least every four years and present the proposal to the AGM for a decision. The guidelines shall apply until new guidelines have been adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for senior executives, the application of remuneration guidelines for senior executives, and the applicable remuneration structures and levels in the company. The Remuneration Committee's members are independent of the company and the company's senior executives. When the Board addresses and makes decisions on matters related to remuneration, neither the CEO nor other senior executives are present, to the extent they are affected by these matters.



**DEPARTURE FROM THE GUIDELINES**

The Board may decide to make a temporary departure from the guidelines, in whole or in part, if an alternative can be justified in particular circumstances and a departure is necessary for meeting the company's long-term interests, including its sustainability performance, or to secure the financial viability of the company. As described above, the role of the Remuneration Committee includes preparing the Board's decisions on matters related to remuneration, which includes decisions on non-compliance with the guidelines.

**DESCRIPTION OF SIGNIFICANT CHANGES TO THE GUIDELINES**

The Remuneration Committee and the Board have assessed that it is appropriate for the company that senior executives may be evaluated on the basis of, and that variable remuneration may be linked to, non-financial criteria that are not measurable. The above remuneration guidelines have therefore been updated accordingly.

**AUDITOR**

The role of the auditor is to examine the company's annual accounts and financial statements, and to evaluate whether the Board and the CEO have fulfilled their roles effectively. After each fiscal year, the auditor shall present an auditor's report on the consolidated financial statements to the AGM.

At the AGM on May 24, 2022, accounting firm BDO Mälardalen AB was elected as the new auditor with Johan Pharmanson as Auditor-in-Charge. Prior to that, Ernst & Young AB had been the company's auditor, with Oskar Wall as Auditor-in-Charge.

Johan Pharmanson is a member of FAR (institute for the accountancy profession in Sweden). The auditor's term of office expires at the end of the AGM to be held on May 23, 2023.

In 2022, the company did not engage BDO Mälardalen AB for any non-audit services. Also, the company did not engage Ernst & Young AB for any non-audit services during the period in 2022 that Ernst & Young AB was the company's auditor.

**INTERNAL CONTROL ENVIRONMENT**

The Board has ultimate responsibility for ensuring that the company has adequate and effective risk assessment and internal control in place. Internal control is a process designed to provide reasonable assurance that the company is run effectively and appropriately and that its financial reporting is reliable. Internal control also ensures that the company complies with the applicable laws and regulations.

**CONTROL ENVIRONMENT**

The internal allocation and delegation of responsibilities in Stendörren is set out in governing documents, including the Rules of Procedure for the Board, the Rules of Procedure for the CEO and the related Delegation of Signing Authority. To ensure appropriate risk management and effective internal control, the company has also adopted a number of internal policies, guidelines and instructions for internal control. All internal governing documents are regularly updated. These formalized procedures ensure compliance with established principles for internal control over financial reporting. The com-

**AUDITOR****BDO MÄLARDALEN AB****JOHAN PHARMANSON**

Authorized Public Accountant and member of FAR.

The company's auditor since 2022.

Other significant assignments: Anoto AB, Björn Borg AB, Fingerprint Cards AB, Seafire AB, SensysGatso AB.

Shareholdings in Stendörren: None



pany provides training for its employees to ensure that all employees have the necessary knowledge of internal policies, guidelines and instructions.

#### **RISK ASSESSMENT AND CONTROL ACTIVITIES**

A precondition for establishing effective internal control over financial reporting is awareness of the risks to which the company is exposed. Stendörren's Executive Management performs a continuous risk assessment, and at least once a year, in which the company's risks are identified and assessed. For each individual risk, the probability of an occurrence and the impact of an occurrence are estimated. Based on the outcome of the risk assessment, it is ensured that the company has adequate and effective control activities in place to minimize the probability that identified significant risks will occur. The company's key controls are described in process descriptions and, where appropriate, in checklists with step-by-step instructions for the controls that must be carried out. The controls are documented systematically.

The results of Executive Management's risk assessment and evaluation of the company's internal controls are reported to the Board, which, according to its Rules of Procedure, is required to assess the company's risks and internal controls every year. At this Board meeting, the outcome of the review of the company's internal controls performed by the company's auditors is presented.

To further strengthen the company's internal controls, the Board has also adopted an internal control plan. The internal control plan lists the company's key controls together with a specification of how the company's internal testing of these processes is carried out. The internal control plan states the identified risk that each control is intended to address, the person responsible for testing whether the control activity has worked, and the design and frequency of the testing. The internal control plan is regularly updated, at least once annually. The outcome of the self-assessment is reported half-yearly to the Board.

#### **INFORMATION AND COMMUNICATION**

The Board has adopted an information policy that sets out the guidelines for all internal and external communication. The aim of the information policy is to clarify how the responsibility for information has been delegated, and to help create unified communication both inside and outside the company. In addition, Stendörren's communication also aims to achieve effective and accurate disclosures of information in relation to financial reporting and other company events.

The company's information policy ensures that disclosures of the company's information are accurate and that the information is communicated at the appropriate time. Executive Management receives regular financial information about the company at its minuted meetings.

#### **MONITORING**

The Board has ultimate responsibility for monitoring internal control. Activities and results are monitored regularly at several levels of the company, at both property and Group level. The results are analyzed by the responsible people within the organization and reported to Executive Management, the Board and the auditor. The company's auditor reports their observations from the audit of the company's internal control over financial reporting directly to the Audit Committee. The Board monitors the financial performance in connection with the audit and the adoption of each interim report.

#### **EVALUATION OF THE NEED FOR A SEPARATE INTERNAL AUDIT FUNCTION**

Stendörren has no need for an internal audit function at present. The Board has evaluated the issue and concluded that the company's internal control system is appropriate and effective for an organization of the company's size. The need to establish an internal audit function has not therefore been considered. The Board reviews this decision annually.

## THE BOARD OF DIRECTORS



### ANDREAS PHILIPSON

Chair of Stendörren's Board since February 4, 2022 and Chairman of the Remuneration Committee. Andreas was also a member of the company's Board from 2016 to February 4, 2022.

Born in 1958.

**Education:** Civil Infrastructure Engineer, Chalmers University of Technology.

**Other current positions:**

Andreas is founder and a Board member of TAM Group AB, and a Board member of Besqab AB and subsidiaries of TAM Group.

**Professional experience:** Andreas has over 30 years of experience in senior positions in the construction and real estate industry. He has previously served as CEO and Board member of Catena AB, CEO of Temaplan AB and Property Director at Närkebro AB. During his career, Andreas has participated in several major projects with international real estate investors who have successfully elected to make real estate investments in Sweden.

**Independence:** Independent of Stendörren and its company management and largest shareholders.

**Holding<sup>1)</sup>:** 2,000 Class B shares.



### HELENA LEVANDER

Board member of Stendörren since 2017. Chairman of the Audit Committee.

Born in 1957.

**Education:** BSc in Business & Economics from Stockholm School of Economics.

**Other current positions:**

Chairman of the Board of Factoringgruppen AB, Caroline Svedbom AB and Board member of Rejlers AB, Occlutech AG and Cinclus Pharma AB.

**Professional experience:** Many years of experience in various operational roles in finance and equity markets, and Board experience from several listed state and private companies and finance companies. Founder of Nordic Investor Services AB. Previously employed at Neonet AB, Odin Management, Nordea Asset Management and SEB Asset Management.

**Independence:** Independent of Stendörren and its company management and largest shareholders.

**Holding<sup>1)</sup>:** 3,000 Class B shares.



### SETH LIEBERMAN

Board member of Stendörren since 2014. Seth was also the Chairman of the Board of the company from 2014 to May 23, 2018 and from January 23, 2019 to January 22, 2020.

Born in 1961.

**Education:** BA in Economics from Tufts University, US.

**Other current positions:**

Chairman of the Board of Kvalitena AB (publ) and several of Kvalitena's portfolio companies, including Huski Chocolate and Svenskt Industriflyg AB. Seth is also a member of EQT Real Estate Funds I & II's Investment Advisory Committees, and a Board member of Maha Energy AB.

**Professional experience:** Seth has international experience from the real estate industry, primarily in the US and Europe. Seth also has broad experience of business development, private equity investments, debt investment and financing from a large number of real estate companies and property types. Previous roles include senior positions at Advanced Capital's Real Estate Fund, UBS Investment Bank, Hypo Real Estate, Lehman Brothers International, Credit Suisse and GE Capital. Seth has been actively involved in Urban Land Institute Europe as the Interim CEO in 2015 and former member of the European Executive Committee.

**Independence:** Independent of Stendörren and its company management, but not to the largest shareholders.

**Holding<sup>1)</sup>:** 20,000 Class B shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

## THE BOARD OF DIRECTORS



### HENRIK ORRBECK

Board member of Stendörren since 2019.

Born in 1976.

**Education:** MSc in Management and Administrative Sciences from University of Texas and MSc in Economics from Jönköping International Business School.

**Other current positions:** Partner of EQT Real Estate. Henrik is the Chairman of the Board of Stendörren Real Estate AB, Hönsfodret Investment AB, Hönsfodret Bygg AB and Förvaltningsaktiebolaget Svenska Verksamhetsfastigheter and related subsidiaries. Henrik is also a Board member of Maiden Lane Holdings AB.

**Professional experience:** Henrik has previously worked for The Carlyle Group and General Electric.

**Independence:** Independent of Stendörren and its company management, but not to the largest shareholders.

**Holding<sup>1)</sup>:** None.



### NISHA RAGHAVAN

Board member of Stendörren since 2020. Member of the Remuneration Committee and Audit Committee.

Born in 1974.

**Education:** Nisha has a Bachelor of Commerce from the University of Madras and is also a member of the Institute of Chartered Accountants of India and the Association of Taxation Technicians in the UK.

**Other current positions:** Nisha serves as Global COO for Actic.

**Professional experience:** Nisha has over 20 years of experience in the real estate sector. Nisha was Global COO for EQT Exeter until February 2023. Prior to that, she was a director of Clearbell Capital LLP, a real estate fund manager based in the UK, and before that held similar roles at Pears Global Real Estate Investors and Delancey Real Estate Asset Management.

**Independence:** Independent of Stendörren and its company management, but not to the largest shareholders.

**Holding<sup>1)</sup>:** None.



### CARL MÖRK

Board member of Stendörren since 2016. Member of the Audit Committee and Remuneration Committee.

Born in 1969.

**Education:** MSc in Civil Engineering from the Royal Institute of Technology in Stockholm and MSc in Real Estate Economics and Finance from London School of Economics.

**Other current positions:** Chairman of the Board, and employed at Altira AB.

**Professional experience:** More than 30 years of experience in real estate transactions and property management in Sweden and Europe. Previously employed at Securum, as an analyst at Parkes & Co and as Head of Nordic Asset Management at Doughty Hanson & Co. Founded Altira in 2003.

**Independence:** Independent of Stendörren and its company management, but not to the largest shareholders.

**Holding<sup>1)</sup>:** Altira AB, a company related to Carl Mörk, owns 500,000 Class A shares and 2,050,000 Class B shares in Stendörren Fastigheter AB (publ). In addition, Carl Mörk, together with related parties, holds 20,000 Class B shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

## MANAGEMENT TEAM



### ERIK RANJE

Erik has been CEO of Stendörren since 2020. Born in 1972.

**Education:** Erik holds an MSc in Economics and Business Administration from Stockholm School of Economics.

**Other significant assignments:** None.

**Professional experience:** Prior to joining Stendörren, Erik served as Head of Real Estate Investment Banking at Danske Bank, where he worked for more than two years with capital markets and bank finance, and real estate transaction advisory services. Erik also worked at SEB for 20 years in Structured Real Estate Finance and Corporate Finance.

**Holding<sup>1)</sup>:** 100,000 warrants.



### ANDERS NILSSON

Anders has been Head of Property Management and Vice President of Stendörren since 2020. Born in 1967.

**Education:** Anders holds an MSc in Civil Engineering (Surveying Program) specialized in Real Estate Economics and Management from the Royal Institute of Technology in Stockholm.

**Other significant assignments:** None.

**Professional experience:** Prior to joining Stendörren, Anders ran his own consulting business. He has also served as Regional CEO at Castellum, where he was a member of the Executive Management Group. His other roles at Castellum included CEO of Fastighets AB Brostaden, and Business Area Manager. He has more than 25 years of experience in the real estate industry, mainly in senior positions.

**Holding<sup>1)</sup>:** 95,000 warrants.



### JOHAN MALMBERG

Johan has been CIO and Head of Business Development at Stendörren since February 2022. Johan previously served as Head of Transactions at Stendörren from 2020 to February 2022. Born in 1974.

**Education:** Economics graduate from the University of Gävle and qualified real estate broker.

**Other significant assignments:** None.

**Professional experience:** When Johan joined Stendörren in 2020, he had most recently served as Head of Business Development at Fastighets AB Förvaltaren (a real estate company). Prior to that, Johan worked as an independent advisor for two listed real estate companies, Hemfosa and Diös. Johan has also worked as an advisor at the real estate consulting service providers Tenzing and Catella, and at Swedbank Corporate Finance. Johan has participated in a large number of real estate and capital market transactions for more than 20 years in the market.

**Holding<sup>1)</sup>:** 3,000 shares and 10,000 warrants.



### CAROLINE GEBAUER

Caroline is Legal Counsel at Stendörren since 2017. Caroline is responsible for the company's legal matters and is the Board secretary. Born in 1980.

**Education:** Master of Laws from Uppsala University.

**Other significant assignments:** None.

**Professional experience:** Caroline was previously employed at Advokatfirman Vinge (2006-2017) and as a clerk at the Stockholm District Court (2005-2006).

**Holding<sup>1)</sup>:** 11,474 Class B shares and 30,000 warrants.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

## MANAGEMENT TEAM



### PER-HENRIK KARLSSON

CFO at Stendörren since 2020. Born in 1977.

**Education:** Per-Henrik holds an MSc in Economics and Business Administration from Växjö University.

**Other significant assignments:** None.

**Professional experience:** Prior to joining Stendörren as CFO, Per-Henrik was the company's Chief Accountant for almost one year and was previously Head of Nordic Accounting & Financial Control at NREP. Per-Henrik has also served as Nordic CFO at Aberdeen Standard Investments, was a member of the management team for one of their real estate funds, and was employed at Ernst & Young as an authorized public accountant.

**Holding<sup>1)</sup>:** 46 Class B shares and 5,000 warrants.



### MARIA JONSSON

Head of Development at Stendörren since 2020. Born in 1974.

**Education:** Maria holds an MSc in Civil Engineering (Surveying Program) specialized in Real Estate Economics from the Royal Institute of Technology in Stockholm.

**Other significant assignments:** None.

**Professional experience:** Prior to joining Stendörren, Maria worked at Castellum as Head of Project Development for Stockholm-North Region. Maria's other roles at Castellum include Head of Property Development, Head of Property, Interim Head of Business Development and Interim Regional Managing Director. Maria has 25 years of experience from the property industry in various roles including property development and new projects, property management, letting, property acquisitions and management team work.

**Holding<sup>1)</sup>:** 1,600 Class B shares and 9,000 warrants.



### FREDRIK HOLMSTRÖM

Fredrik has been Head of Sustainability at Stendörren Fastigheter since 2021. Born in 1975.

**Education:** Fredrik is a Sustainable Building Engineer from Mid Sweden University in Östersund.

**Other significant assignments:** None.

**Professional experience:** From working with his own consulting business, Fredrik has extensive experience of assisting real estate companies with environmental sustainability – from creating strategies to certification and sustainability reporting. Customers include both public companies and fund companies that manage pension assets. Fredrik has also served as Head of Sustainability at Hifab AB.

**Holding<sup>1)</sup>:** Fredrik does not hold any shares in Stendörren Fastigheter AB (publ). Sustracon AB, a company related to Fredrik Holmström, owns 400 Class B shares.



### ÅSA THORELL

Åsa Thorell has been Human Resources Manager at Stendörren Fastigheter since 2023. Born in 1963.

**Education:** Åsa has a BA in HR and Professional Life from Uppsala University

**Other significant assignments:** None.

**Professional experience:** She previously served in various HR roles at Dustin AB (2015-2022) and prior to that was HR Business Partner at ÅF AB (2007-2015).

**Holding<sup>1)</sup>:** Åsa does not hold any shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

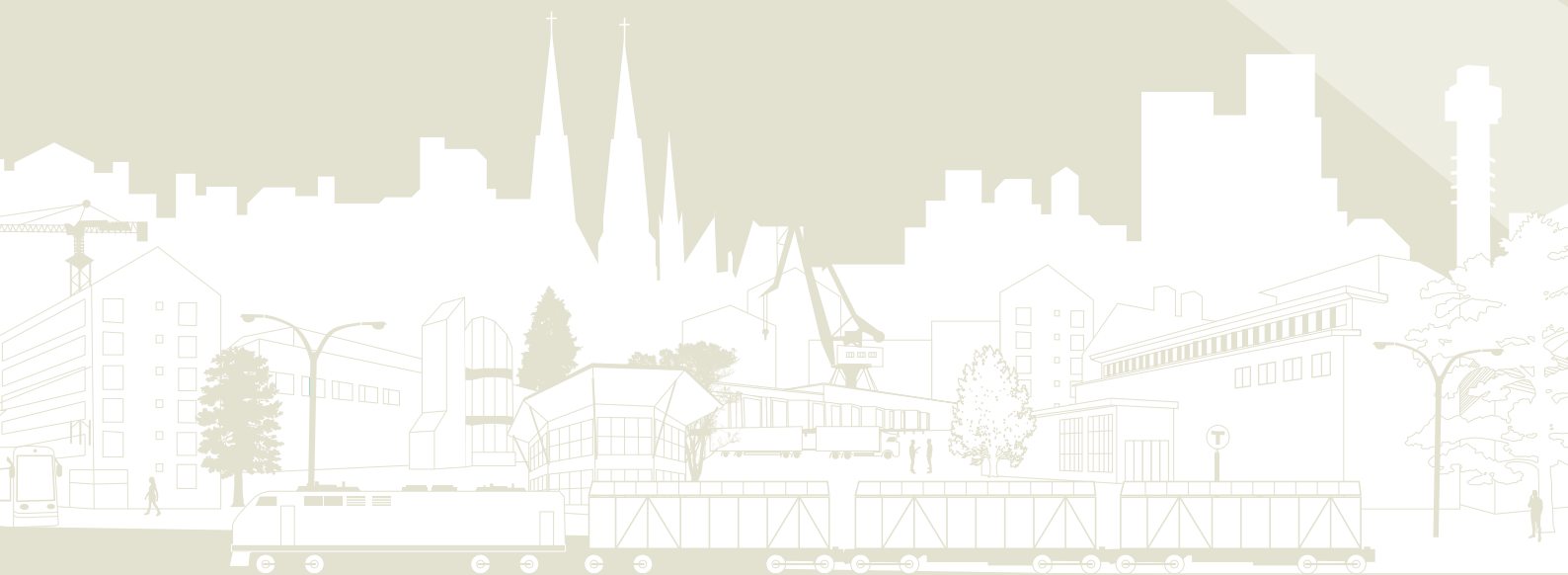
## MULTI-YEAR OVERVIEW AND KEY RATIOS

	2022 JAN-DEC	2021 JAN-DEC	2020 JAN-DEC	2019 JAN-DEC	2018 JAN-DEC
<b>Property-related</b>					
Lettable area, thousand m <sup>2</sup>	795	793	742	731	718
No. of properties	148	135	123	124	121
Fair value properties, SEK million	12,418	11,693	9,533	9,147	8,476
Letting ratio, by area, %	90	88	87	88	90
Economic occupancy rate, %	92	89	87	88	89
NOI yield, total portfolio, last twelve months, %	4.5	4.7	5.2	4.5	4.9
Total return, last twelve months, %	3.3	16.5	6.2	7.2	9
Weighted average unexpired lease term, years	3.8	3.7	3.8	4.0	4.0
Average annual rent, SEK/m <sup>2</sup>	1,069	992	910	904	846
<b>Financial</b>					
Rental income, SEK million	733	656	651	592	537
Net operating income, SEK million	548	488	481	397	355
Income from property management, SEK million	287	267	254	135	174
Surplus ratio, last twelve months, %	75	74	74	67	66
Total assets, SEK million	13,344	12,290	10,233	9,608	8,735
Average interest rate, total liabilities incl. derivatives, %	4.0	2.3	2.2	2.2	2.4
Average interest maturity at end of period, years	2.6	3.7	2.5	2.4	2.0
Average loan maturity at end of period, years	2.9	2.5	2.6	2.3	2.6
Interest coverage ratio, 12 month average, times	2.6	3.0	2.9	1.8	2.3
Equity ratio at end of period, %	41	43	40	41	32
Return on equity, last twelve months, %	5	26	6.5	9	16
Loan-to-value ratio at end of period, %	47	46	50	50	61
Loan-to-value ratio, property level at end of period, %	40	37	47	46	46
<b>Stock-related</b>					
Market capitalization, SEK million	5,453	8,656	4,327	4,758	2,816
Stock price at end of period, SEK	191.80	304.50	152.50	169.00	100.00
Book equity per share, SEK	163.35	155.84	115.16	108.91	98.74
Long-term net asset value, SEK million	5,377	5,310	3,875	3,556	3,195
Long-term net asset value per share, SEK	189.14	186.80	136.59	126.29	113.47
Current net asset value, SEK million	4,918	4,852	3,533	3,218	2,920
Current net asset value per share, SEK	173.01	170.67	124.53	114.30	103.71
Earnings per average number of shares before dilution, SEK	7.42	40.75	7.1	9.84	15.00
Earnings per average number of shares after dilution, SEK	7.41	40.67	7.17	9.80	14.923
Cash flow from operating activities per share, SEK	13.02	7.87	9.68	5.07	5.11
Earnings per share	0.0	0.0	0.0	0.0	0.0
No. of shares, at end of period	28,428,265	28,428,265	28,371,441	28,155,641	28,155,641
Average no. of shares	28,428,265	28,385,141	28,281,230	28,155,641	27,950,184
<b>Other ratios</b>					
No. of employees at end of period	54	55	54	55	51

For definitions, please see page 140.

Explanations of the key ratios used can also be found at [www.stendorren.se](http://www.stendorren.se).

# FINANCIAL STATEMENTS





## FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME

Amounts in SEK million

	NOTES	2022	2021
Rental income	1, 24		
Other income	3	733	653
		0	3
<b>Total income</b>		<b>733</b>	<b>656</b>
Operating expenses	4	-137	-123
Maintenance costs	4	-22	-27
Property tax	4	-26	-18
<b>Net operating income</b>		<b>548</b>	<b>488</b>
Central administration	5, 6	-76	-77
Financial income	7	32	1
Financial expenses	8	-208	-135
Lease expenses/Ground rent	4	-10	-9
<b>Net financial items</b>		<b>-186</b>	<b>-143</b>
<b>INCOME FROM PROPERTY MANAGEMENT</b>		<b>287</b>	<b>267</b>
Change in value of investment properties		-143	1,235
Change in value of financial instruments		223	20
<b>Profit before tax</b>		<b>367</b>	<b>1,523</b>
Deferred tax	9	-75	-311
Current tax	9	-23	-2
<b>Profit for the year</b>		<b>268</b>	<b>1,209</b>
Translation differences		3	-
Other comprehensive income		3	-
<b>Total comprehensive income for the year</b>		<b>271</b>	<b>1,209</b>
Comprehensive income for the year attributable to:			
Parent Company's shareholders		271	1,209
Earnings per share, before dilution, SEK		7.42	40.75
Earnings per share, after dilution, SEK		7.41	40.67
Average number of shares outstanding during the period, millions		28.43	28.39
Average number of shares during the period, after dilution, millions		28.47	28.44

## FINANCIAL STATEMENTS

COMMENTS ON THE CONSOLIDATED  
INCOME STATEMENT**RESULT**

Compared with 2021, Stendörren reported an increase of approximately SEK 77 million in income and of approximately SEK 60 million in net operating income for the January to December 2022 period. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 287 million (267), which represents an increase of approximately 7% compared with last year. Profit for the year amounted to SEK 268 million (1,209), corresponding to SEK 7.42 per share (40.75).

**RENTAL INCOME**

Rental income increased during the year by approximately 12% to SEK 733 million (653). The increased income was driven by higher rents in the portfolio (increase of approximately 6% in comparable portfolio compared to the corresponding period in 2021) as well as income from the properties acquired and closed during the reporting period.

**PROPERTY EXPENSES**

Recognized property expenses increased to SEK 185 million (168). Total property expenses in the comparable portfolio increased approximately SEK 9 million, which corresponds to about 6%. The increase in expenses was mainly due to higher energy prices, even though lower maintenance costs and an intense focus on energy-optimization measures limited this increase. Retroactive tax reassessments were carried out last year, which is the primary reason that the property tax in the comparable portfolio is about SEK 6 million higher this year.

**CENTRAL ADMINISTRATION**

Costs for central administration for the period amounted to SEK 76 million (77) and comprised costs for central administration, company management, Board and auditors.

**NET FINANCIAL ITEMS**

Net financial items for the period amounted to SEK -176 million (-134). The change (31%) compared with the year-earlier period was mainly due to higher lending and rising interest levels. Financial expenses (including lease expenses) increased SEK 73 million compared with last year. Financial income of SEK 32 million (1), mainly related to exchange rate gains and interest-rate derivatives, was also recognized for the period.

**INCOME FROM PROPERTY MANAGEMENT**

Income from property management increased by approximately 7% to SEK 287 million (267) during the reporting period, mainly due to higher rental income.

**CHANGES IN VALUE**

The company reported a change in the value of investment properties of SEK -143 million (1,235) for the period, which corresponds to -1% of the total market value of the property portfolio at the beginning of the year. The changes in the value of the property portfolio for the period were driven by adjusted yield requirements, changed cash flows based on new and renegotiated leases, as well as changes to assumptions regarding market rents, for details see Note 11. The market valuation of the interest-rate derivatives resulted in a change in value of SEK 223 million (20) as per the reporting date. The main reason for the positive changes in value is that interest rates on longer maturities rose during the period.

**TAX**

The tax expense in profit or loss consists of current tax of SEK -23 million (-2) and deferred tax of SEK -75 million (-311).

## FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION

Amounts in SEK million

	NOTES	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>	1, 24		
<b>Non-current assets</b>			
Intangible assets	10	2	3
Investment properties	11	12,418	11,693
Right-of-use assets land leases		254	238
Equipment	12	2	3
Non-current receivables		2	2
Interest-rate derivative		268	45
<b>Total non-current assets</b>		<b>12,947</b>	<b>11,984</b>
<b>Current assets</b>			
Rental receivables	13	17	19
Tax assets		0	1
Other current receivables	14	23	85
Prepaid expenses and accrued income	15	43	41
Cash and cash equivalents		315	160
<b>Total current assets</b>	18	<b>397</b>	<b>306</b>
<b>TOTAL ASSETS</b>		<b>13,344</b>	<b>12,290</b>
<b>EQUITY AND LIABILITIES</b>	16		
Share capital		17	17
Other capital contributed		1,796	1,855
Retained earnings including profit for the year		3,616	3,344
<b>Equity attributable to Parent Company's owners</b>		<b>5,429</b>	<b>5,216</b>
<b>TOTAL EQUITY</b>		<b>5,429</b>	<b>5,216</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	17	5,469	4,868
Other non-current liabilities		36	22
Leaseholds land leases		254	238
Deferred tax liabilities	9	1,001	925
Other provisions	19	4	4
<b>Total non-current liabilities</b>	18	<b>6,764</b>	<b>6,058</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	17	821	755
Accounts payable		64	22
Tax liabilities		19	-
Other current liabilities		15	7
Accrued expenses and deferred income	20	232	232
<b>Total current liabilities</b>	18	<b>1,151</b>	<b>1,016</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,344</b>	<b>12,290</b>

## FINANCIAL STATEMENTS

# COMMENTS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## NON-CURRENT ASSETS

Stendörren's non-current assets mainly consist of investment properties. As of December 31, 2022, the value of the total property portfolio amounted to SEK 12,418 million (11,693). See also Note 11.

## CURRENT ASSETS

Current assets amounted to SEK 397 million (306) on the balance sheet date, consisting of cash and cash equivalents of SEK 315 million (160) and rental receivables and other current receivables of SEK 83 million (146).

## EQUITY

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216) and the equity ratio to 41% (43).

## INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,290 million (5,624) corresponding to a loan-to-value ratio of 47% (46). The liabilities consist of loans from credit institutions of SEK 5,018 million (4,339), two bonds totaling SEK 1,300 million (1,300) and seller notes of SEK 5 million (10). Loan arrangement costs of SEK -33 million (-25) have been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 821 million (755) and consisted of loans and repayments that are due within the next 12 months.

## INTEREST AND LOAN MATURITIES

Stendörren aims to reduce interest and refinancing risks in its operations by spreading the maturity structure for interest rates and loan maturities over several years. Interest-rate risks are managed mainly through interest-rate derivatives. See also Note 17 for information on interest-bearing liabilities.

## DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to SEK 1,001 million (925) at December 31, and related mainly to the tax on properties, untaxed reserves and unutilized loss carryforwards.

## OTHER CURRENT LIABILITIES

In addition to the short-term portion of interest-bearing liabilities, current liabilities include accounts payable, accrued expenses and deferred income, tax liabilities and other current liabilities, amounting to a total of SEK 330 million (261).

## FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY

Amounts in SEK million

	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	TRANSLATION DIFFERENCES	RETAINED EARNINGS INCLUDING PROFIT FOR THE PERIOD	HYBRID BOND	TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY'S OWNERS
<b>Opening balance equity, Jan 1, 2020</b>	<b>17</b>	<b>1,165</b>	-	<b>1,872</b>	<b>786</b>	<b>3,840</b>
Repurchase employee stock options		-8				-8
Share option program		18				18
Interest/dividend hybrid bond				-54		-54
Comprehensive income Jan-Dec 2020				256		256
<b>Closing balance equity, Dec 31, 2020</b>	<b>17</b>	<b>1,175</b>	-	<b>2,075</b>	<b>786</b>	<b>4,053</b>
Share option program		6				6
Interest/dividend hybrid bond				-52		-52
Comprehensive income Jan-Dec 2021				1,209		1,209
<b>Closing balance equity, Dec 31, 2021</b>	<b>17</b>	<b>1,181</b>	-	<b>3,232</b>	<b>786</b>	<b>5,216</b>
Interest/dividend hybrid bond				-58		-58
Comprehensive income Jan-Dec 2022			3	268		271
<b>Closing balance equity, Dec 31, 2022</b>	<b>17</b>	<b>1,181</b>	<b>3</b>	<b>3,442</b>	<b>786</b>	<b>5,429</b>

## COMMENTS ON CONSOLIDATED CHANGES IN EQUITY

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216). The 2022 AGM resolved on a dividend totaling SEK 0 million (0).

## FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT  
OF CASH FLOWS

Amounts in SEK million

	NOTES	2022	2021
<b>Cash flow from operating activities</b>			
Income from property management		287	267
Adjustment for non-cash items	24	-5	20
Income tax paid		-1	-1
<b>Cash flow from operating activities before changes in working capital</b>		<b>281</b>	<b>287</b>
<b>Changes in working capital</b>			
Change in operating receivables		42	-52
Change in operating liabilities		47	-12
<b>Cash flow from operating activities</b>		<b>370</b>	<b>223</b>
<b>Investing activities</b>			
Investments in existing properties		-624	-256
Other investments and divestments		1	2
Acquisitions of Group companies/properties		-581	-668
Divestments of Group companies/properties		386	-
<b>Cash flow from investing activities</b>		<b>-818</b>	<b>-922</b>
<b>Financing activities</b>			
New share issue, employee stock options		-	6
Dividend hybrid bond		-58	-52
Raised interest-bearing liabilities		2,566	1,635
Repayment and exercise of interest-bearing liabilities		-1,919	-1,101
Deposits		13	10
<b>Cash flow from financing activities</b>		<b>603</b>	<b>498</b>
<b>Cash flow for the year</b>		<b>155</b>	<b>-201</b>
Cash and cash equivalents at the beginning of the year		160	361
Cash flow for the year		155	-201
<b>Cash and cash equivalents at the end of the year</b>		<b>315</b>	<b>160</b>

## FINANCIAL STATEMENTS

COMMENTS ON THE CONSOLIDATED  
STATEMENT OF CASH FLOWS**CASH FLOW FROM OPERATING ACTIVITIES**

Cash flow from operating activities before changes in working capital amounted to SEK 281 million (287) for the period. After a net change in working capital of SEK 89 million (-64), cash flow from operating activities before changes in working capital amounted to SEK 370 million (223).

**CASH FLOW FROM INVESTING ACTIVITIES**

Cash flow from investing activities amounted to SEK -818 million (-922) and comprised the liquidity effect of acquisitions of properties, direct and indirect, amounting to SEK -581 million (-668) and investments in existing properties of SEK -624 million (-256). The impact on cash flow from the sale of properties amounted to SEK 370 million (0) for the period.

**CASH FLOW FROM FINANCING ACTIVITIES**

Cash flow from financing activities amounted to SEK 603 million (498) for the period, comprising the raising of property loans of SEK 2,566 million (1,635) and repayment and settlement of existing credits of SEK -1,919 million (-1,101).

**CASH FLOW FOR THE PERIOD**

Net cash flow for the period amounted to SEK 155 million (-201) and cash and cash equivalents at the end of the period amounted to SEK 315 million (160).

## PARENT COMPANY'S INCOME STATEMENT

Operations in the Parent Company consist of management functions for all of the Group's companies and properties. All staff are employed by the Parent Company. No properties are owned directly by the Parent Company. The Parent Company's income during the period mainly comprised SEK 125 million in recharged services rendered by its own staff. Net interest income consists of net interest charged on intra-Group loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of December 31, 2022 amounted to SEK 21 million (54) and equity amounted to SEK 1,692 million (1,709).

Amounts in SEK million

	NOTES	2022	2021
Net sales	1, 24	125	109
Operating expenses	5.6	-123	-114
<b>Profit/loss before financial items</b>		<b>2</b>	<b>-5</b>
<b>Financial items</b>			
Income from shares in subsidiaries		-1	-
Interest income and similar profit/loss items	7	160	95
Interest expense and similar profit/loss items	8	-119	-75
<b>Profit after financial items</b>		<b>42</b>	<b>15</b>
<b>Appropriations</b>			
Group contributions received		49	123
Group contributions paid		-49	-119
<b>Total appropriations</b>		<b>-</b>	<b>4</b>
<b>Profit before tax</b>		<b>42</b>	<b>19</b>
Deferred tax	9	-1	0
Current tax	9	0	0
<b>Profit for the year</b>		<b>41</b>	<b>19</b>

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million

	NOTES	2022	2021
Profit for the year according to income statement		41	19
Other comprehensive income		-	-
<b>Comprehensive income for the year</b>		<b>41</b>	<b>19</b>



## FINANCIAL STATEMENTS

PARENT COMPANY'S  
BALANCE SHEET

Amounts in SEK million

	NOTES	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	10	2	3
Equipment	12	9	4
Shares/participations in subsidiaries	21	964	929
Receivables from Group companies		3,348	2,894
Deferred tax assets	9	0	1
<b>Total non-current assets</b>		<b>4,323</b>	<b>3,831</b>
<i>Current assets</i>			
Receivables from Group companies		142	124
Other current receivables	14	2	2
Prepaid expenses and accrued income	15	3	2
Cash and cash equivalents		21	54
<b>Total current assets</b>	18	<b>168</b>	<b>182</b>
<b>TOTAL ASSETS</b>		<b>4,492</b>	<b>4,013</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity			
Share capital	16	17	17
<b>Total restricted equity</b>		<b>17</b>	<b>17</b>
<i>Non-restricted equity</i>			
Share premium reserve		1,789	1,846
Retained earnings		-155	-173
Profit for the year		41	19
<b>Total non-restricted equity</b>		<b>1,675</b>	<b>1,691</b>
<b>Total equity</b>		<b>1,692</b>	<b>1,709</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	17	1,291	1,286
Liabilities to subsidiaries		1,292	886
<b>Total non-current liabilities</b>	18	<b>2,583</b>	<b>2,173</b>
<i>Current liabilities</i>			
Accounts payable		3	2
Liabilities to subsidiaries		178	97
Other current liabilities		2	2
Accrued expenses and deferred income	20	33	31
<b>Total current liabilities</b>		<b>217</b>	<b>132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,492</b>	<b>4,013</b>

## FINANCIAL STATEMENTS

PARENT COMPANY'S  
CHANGES IN EQUITY

Amounts in SEK million

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS INCLUDING PROFIT FOR THE YEAR	TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY'S OWNERS
<b>Opening balance equity, Jan 1, 2020</b>	<b>17</b>	<b>1,935</b>	<b>-237</b>	<b>1,714</b>
Repurchase employee stock options			-8	-8
Share option program			18	18
Interest/dividend hybrid bond		-54		-54
Other adjustments			6	6
Comprehensive income January–December 2020			60	60
<b>Opening balance equity, Jan 1, 2021</b>	<b>17</b>	<b>1,881</b>	<b>-162</b>	<b>1,736</b>
Share option program			6	6
Interest/dividend hybrid bond		-52		-52
Comprehensive income January–December 2021			19	19
<b>Closing balance equity, Dec 31, 2021</b>	<b>17</b>	<b>1,830</b>	<b>-138</b>	<b>1,709</b>
Interest/dividend hybrid bond		-58		-58
Comprehensive income January–December 2022			41	41
<b>Closing balance equity, Dec 31, 2022</b>	<b>17</b>	<b>1,773</b>	<b>-98</b>	<b>1,692</b>

## FINANCIAL STATEMENTS

PARENT COMPANY'S  
STATEMENT OF CASH FLOWS

Amounts in SEK million

	NOTES	2022	2021
<b>Cash flow from operating activities</b>			
Profit/loss before financial items		2	-5
Adjustment for non-cash items	24	3	3
Interest received		0	0
Interest paid		-55	-59
Income tax paid		0	0
<b>Cash flow from operating activities before changes in working capital</b>		<b>-50</b>	<b>-61</b>
<b>Changes in working capital</b>			
Change in operating receivables		189	128
Change in operating liabilities		-29	-195
<b>Cash flow from operating activities</b>		<b>110</b>	<b>-128</b>
<b>Investing activities</b>			
Acquisition of equipment		-6	-2
Acquisition/divestments of subsidiaries		-36	49
Lending to subsidiaries		-454	-723
<b>Cash flow from investing activities</b>		<b>-496</b>	<b>-676</b>
<b>Financing activities</b>			
Capital contributed		-	6
Raised interest-bearing liabilities		655	1,287
Repayment and exercise of interest-bearing liabilities		-650	-650
Dividend hybrid bond		-58	-52
Loans raised from subsidiaries		406	166
<b>Cash flow from financing activities</b>		<b>353</b>	<b>757</b>
<b>Cash flow for the year</b>		<b>-33</b>	<b>-47</b>
Cash and cash equivalents at the beginning of the year		54	101
Cash flow for the year		-33	-47
<b>Cash and cash equivalents at the end of the year</b>		<b>21</b>	<b>54</b>

## NOTES

### NOTE 1

#### ACCOUNTING POLICIES

##### GENERAL INFORMATION ABOUT THE COMPANY

Stendörren Fastigheter AB (publ), Corp. Reg. No. 556825-4741, is a Swedish registered limited liability company domiciled in Stockholm. The postal address of the Parent Company is Linnégatan 87B, SE-115 23 Stockholm, Sweden. The Parent Company's Class B share is on Nasdaq Stockholm Mid Cap (Ticker: STEF B). The consolidated financial statements for 2022 comprise the Parent Company and its subsidiaries, which are jointly referred to as the "Group." This Annual Report and consolidated financial statements were approved by the Board on April 28, 2023. The consolidated statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet will be adopted at the AGM on May 23, 2023.

##### COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations from the IFRS Interpretations Committee (IFRIC) as endorsed by the EU. Furthermore, the consolidated financial statements were prepared in accordance with Swedish law through the application of the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The Parent Company applies the same accounting policies as the Group, except in the cases listed below under "Parent Company's accounting policies." The deviations between the Parent Company's and the Group's policies are due to limitations in the ability to apply IFRS in the Parent Company due to the Swedish Annual Accounts Act and, in certain cases, due to applicable tax rules.

##### NEW STANDARDS AND INTERPRETATIONS THAT CAME INTO FORCE IN 2022

No standards or interpretations that came into force during the year had a material effect on the Group.

##### NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO FORCE

No standards or interpretations that have not yet come into force are expected to have a material effect on the Group. No future standards were applied in advance.

##### CONDITIONS FOR PREPARATION OF PARENT COMPANY'S AND GROUP'S FINANCIAL STATEMENTS

The Parent Company's functional currency is Swedish kronor, which also constitutes the presentation currency for the Parent Company and the Group. Unless otherwise stated, all amounts are rounded to the nearest million. Rounding may mean that financial statements, notes and tables do not tally. The Group's accounting policies were applied consistently to the reporting and consolidation of the Parent Company and subsidiaries. The Annual Report was prepared based on the going concern assumption.

##### CLASSIFICATION

Income from property management is recognized as rental income less operating expenses and other property related costs including financial expenses. Changes in value regarding investment properties and financial instruments are recognized at the level according to income from property management. Non-current assets and non-current liabilities in the Parent Company and the Group comprise only amounts that are expected to be recovered or paid more than 12 months after the balance sheet date, while current assets and current liabilities in the Parent Company and Group comprise only amounts that are expected to be recovered or paid within 12 months from the balance sheet date.

##### CONSOLIDATION POLICIES

###### SUBSIDIARIES

Subsidiaries are companies over which the Parent Company Stendörren Fastigheter AB exercises a controlling influence. Subsidiaries are all the companies (including special purpose vehicles) in which the Group is exposed to variable returns from its involvement and has the ability to affect those returns through its power over the investee. This is usually the case with a shareholding of more than half of the number of votes. The existence and effect of potential voting rights that are currently possible to utilize or convert are taken into account in the assessment of whether the Group exercises a controlling influence over another company. Subsidiaries are consolidated from the date on which the controlling influence is achieved and consolidation ceases on the date on which the controlling interest ceases. When a company is acquired, an assessment is made of whether the acquisition is a business combination or an asset acquisition (property). A business combination means that the acquisition is the purchase of one or more companies containing properties, which also includes taking over personnel and internal processes. Any business combinations are recognized according to the acquisition method. The surplus, which comprises the difference between the consideration transferred and the fair value of the Group's share of the identifiable acquired net assets, is recognized as goodwill. When acquisitions of subsidiaries entail an acquisition of assets, the cost is distributed between the acquired assets and liabilities based on their fair values on the acquisition date. Stendörren's operations have only had asset acquisitions to date.

###### TRANSACTIONS ELIMINATED

###### ON CONSOLIDATION

Intra-Group receivables and liabilities, income or expenses, and unrealized gains or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

## INCOME

### RENTAL INCOME

Rental income from investment properties is recognized in profit or loss based on the terms and conditions in the lease. Rental discounts are allocated over the term of the lease. Rental surcharges are recognized in the period to which the surcharge refers. Surcharges based on consumption are preliminarily charged to and recognized in income in the period to which the surcharge refers and are regularly reconciled with actual costs.

### INCOME FROM SALES OF PROPERTY

Income from sales of property are normally recognized on the transfer date unless the risks and rewards have been transferred to the purchaser at an earlier date. Control of the asset may have been passed at a date that was earlier than the transfer date, and if this is the case, the sale of property is recognized in income at this earlier date. When assessing the point in time for recognizing income, the terms of agreement between the parties regarding risks and rewards are taken into account, as is involvement in ongoing management. In addition, circumstances outside the purchaser's or seller's control that could impact the outcome of the transaction are also taken into account. The realized change in value of sold properties is based on the difference between the fair value of the properties on the most recent closing date and the price at which the properties were sold. Prior years' accrued unrealized changes in value are included in the fair value of the properties and thus cannot be seen in the realized change in value.

### SEGMENT REPORTING

An operating segment is a part of the Group that engages in business activities from which it may earn income and incur expenses, and for which discrete financial information is available. Stendörren conducts business activities in only one segment, management of properties for light industry, warehousing and logistics. Accordingly, accounting takes place in the same segment. Stendörren focuses on the Greater Stockholm and Mälardalen region in its investments in order to ensure that there is high demand for its premises. The company seeks out growth locations within reasonable distance from Stockholm to leverage the growth in the capital city. Given this focus on Stockholm and the Mälardalen region, it is not relevant to divide the company's operations into regions based on monitoring. The factors governing whether Stendörren acquires new properties are the quality of the property, the initial value per sqm and the potential for increasing cash flow through active management. In terms of monitoring, the region in which the property is situated is not of interest, rather it is more important whether it falls within the scope of the mission.

## OPERATING EXPENSES AND FINANCIAL INCOME AND EXPENSES

### PROPERTY EXPENSES

Comprises expenses pertaining to operation, upkeep, leasing, administration and maintenance of the property holdings.

### CENTRAL ADMINISTRATION

Comprises expenses for Group-wide functions and ownership of the Group's subsidiaries.

## LEASES

When a contract is signed, Stendörren establishes whether the contract is or contains a lease based on the substance of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Stendörren applies the practical expedient for short-term leases and low-value leases. Costs arising in connection with these leases are recognized straight-line over the term as Central administration in profit or loss.

### THE GROUP AS LESSEE

#### GROUND RENT

Stendörren has site leaseholds that meet the definition of a lease. Since the lessee cannot cancel these leases, they are recognized as perpetual leases. Both right-of-use assets and lease liabilities attributable to site leaseholds are initially measured according to IFRS 16. The liability is not repaid since it is deemed to be perpetual. Instead the lease payments are recognized as interest expense in their entirety. According, the value of the lease liability is unchanged until the site leasehold is next renegotiated. After initial measurement according to IFRS 16, the Group measures right-of-use assets attributable to site leaseholds at fair value as part of investment properties in accordance with IAS 40. The lease liability is remeasured if the ground rent changes and the same adjustments is made to the right-of-use asset.

### THE GROUP AS LESSOR

In its capacity as lessor, the Group has operating leases with customers. The accounting policies for recognizing rental income are described in the section Income - Rental income above.

## FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income on bank balances and receivables and interest expense on loans. Interest expense and interest income are recognized using the effective interest method. The effective interest includes allocated amounts of issue costs and similar direct transaction costs for raising loans. Dividend income is recognized when the right to receive payment has been established. Realized and unrealized gains and losses on financial investments and derivative instruments used in the financial operations are recognized as changes in value under a separate heading in the income statement.

## TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except when the tax relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or equity.

### CURRENT INCOME TAX

Current tax is calculated based on recognized earnings plus non-deductible items and less non-taxable income. Current tax assets and tax liabilities for current or prior periods are determined at the amount expected to be recouped from or paid to the Swedish Tax Agency.

### DEFERRED INCOME TAX

Deferred tax is recognized on the balance sheet date in accordance with the balance sheet method for temporary differences between the tax and carrying amounts of assets and liabilities. The tax rates and laws applied for calculating the amount are those that have been enacted or announced on the balance sheet date. For business combinations including property, deferred tax is recognized at the nominal amount of the temporary differences. If asset (property) acquisitions take place via companies, no deferred tax is recognized on the acquisition date. Deferred tax assets on deductible temporary differences and loss carry-forwards are only recognized to the extent that it is probable they can be utilized. The value of the deferred tax assets is reduced when it is no longer likely that they can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legal right to offset current tax assets against current tax liabilities and the deferred tax is attributable to the same tax authority.

### FINANCIAL INSTRUMENTS

Financial instruments comprise three groups: financial assets measured at amortized cost (including the balance sheet items of rental receivables, receivables from Group companies, other current receivables, and cash and cash equivalents), financial assets and liabilities measured at fair value (including the balance sheet item of interest-rate derivatives) and financial liabilities measured at amortized cost (including the balance sheet items of interest-bearing liabilities, other non-current liabilities, accounts payable, liabilities to subsidiaries, and other liabilities).

Financial instruments are initially measured at cost corresponding to the instrument's fair value on the acquisition date, plus transaction costs for all financial instruments except for those in the category of financial assets and liabilities measured at fair value through profit or loss. A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms and conditions. Accounts receivable are recognized in the balance sheet when the invoice has been sent. Liabilities are recognized when the counterparty has performed and a contractual obligation exists to pay even if an invoice has not yet been received. Accounts payable are recognized when an invoice has been received. A financial asset and a financial liability are offset and the net amount recognized in the balance sheet only when there is a legally enforceable right to offset the amount, and there is an intent to settle the items on a net basis or to realize the asset and settle the liability simultaneously. A financial asset is derecognized from the balance sheet when the rights in the contract have been realized, expire or the company loses control of them. The same applies to portions of a financial asset. A financial liability is derecognized from the balance sheet when the contractual obligation is discharged or otherwise extinguished. The same applies to part of a financial liability. At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset or group of financial assets needs

to be impaired. Derivative instruments are measured at fair value in the consolidated financial statements with changes in value recognized in profit or loss. To determine the fair value of interest-rate derivatives, market rates for each term listed on the balance sheet date and generally accepted calculations methods are used, which means that fair value is determined in accordance with Level 2 of IFRS 13. No reclassifications within the different IFRS measurement hierarchies took place in 2022. There is no hedge accounting.

### STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method. Cash flows from recognized changes in value in connection with the sale of property are recognized together with other sales proceeds under investing activities. Purchases and sales of properties via companies that are asset acquisitions are recognized on a separate line as acquisitions of Group companies/properties and sales of Group companies/properties, respectively. Selling expenses are recognized under investing activities as a deduction from the sales consideration in the year that the flow of proceeds takes place. Correspondingly, acquisition costs are recognized in investing activities.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash as well as readily available balances in banks and similar institutions.

### NON-CURRENT RECEIVABLES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Non-current receivables and other receivables are receivables held within the intention of trading in the claim right. They are non-current receivables if the expected holding period is longer than one year, and if shorter they are current receivables, and accounts receivable are recognized at the amount expected to be received less doubtful debts. Since the expected maturity of the accounts receivable is short, the value is recognized at the nominal amount without discounting. Impairment of accounts receivable is recognized in operating expenses.

### LIABILITIES

Liabilities refer to loans and operating liabilities. Loans are raised at cost. Costs such as fees and arrangement fees may arise when new credit facilities are raised or existing facilities renegotiated, in which case the costs are allocated over the term of the loan. Operating liabilities are recognized when the counterparty has delivered a service or good, even if the invoice has not been received. Accounts payable have a short expected term and are measured at their nominal amount without discounting.

### INTANGIBLE ASSETS

Intangible assets comprise capitalized expenditure and were recognized at cost less accumulated amortization. Intangible assets are amortized straight-line according to plan over five years.

**TANGIBLE ASSETS****INVESTMENT PROPERTIES**

Investment properties are properties held for the purpose of collecting rental income or appreciation in value, or a combination of these purposes. Investment properties are initially recognized at cost, which includes expenses directly related to the acquisition. Investment properties are measured at fair value in the consolidated balance sheet in accordance with Level 3 of IFRS 13. Refer also to Note 11. Each quarter, Stendörren performs a fair value assessment of 100% of the property portfolio. Approximately 20-30% of the portfolio is valued by external valuation firms and the remainder is valued internally. This means that every property in the portfolio is externally valued at least once during a rolling twelve-month period. The valuation model used by both the external valuation firms and Stendörren is based on a discounted cash flow model. The fair value of the property before deductions for selling expenses is determined based on the cash flow model. Both unrealized and realized changes in value are recognized in profit or loss. Rental income and income from property sales are recognized in accordance with the policies described in the section on income recognition. Additional expenses that add value are capitalized. All other additional expenses are recognized as an expense in the period in which they arise. Repairs and maintenance are expensed when the costs arise. For larger projects, interest expense is capitalized during the development period.

**EQUIPMENT**

Equipment is recognized at cost less depreciation and any impairment. Depreciation takes place straight-line over the estimated useful life and commences when the asset is ready to be used in the operations. For recognition of equipment, any residual value in the asset is taken into account when the depreciable amount is determined. Additional expenses are added to the carrying amount only when it is probable that the future economic benefits associated with the asset will accrue to the company. All other additional expenses are recognized as an expense in the period in which they arise. Equipment is derecognized from the balance sheet when it is divested or if it is no longer expected to add any economic benefits in the future, either through use or sale. Gains and losses are calculated as the difference between the selling price and the carrying amount of the asset. Gains or losses are recognized in the statement of comprehensive income in the reporting period when the asset is divested as other expenses or other income. The residual value, useful life and depreciation method of the asset are reviewed at the end of each fiscal year and, if required, are adjusted prospectively at the end of every reporting period. Standard costs for maintenance and repairs are expensed when they arise, but expenses for significant new renovations and improvements are recognized in the balance sheet and depreciated over the remaining useful life of the underlying asset.

**DEPRECIATION PRINCIPLES FOR EQUIPMENT**

Depreciation takes place straight-line over the estimated useful life of the asset. The estimated useful lives for machinery and equipment are three to ten years. The residual value and useful life of an asset is assessed annually.

**DIVIDENDS****DIVIDENDS PAID**

Dividends are recognized as a reduction of equity and liabilities after the AGM/EGM has approved the dividends.

**DIVIDENDS RECEIVED**

See below under Parent Company accounting policies.

**EMPLOYEE BENEFITS**

Employee benefits in the form of cash salaries, bonuses and pension payments are recognized in line with the employees rendering their services in exchange for remuneration. The same also applies to social security contributions such as employer's contributions, vacation pay, paid sick leave, etc.

Pensions and other post-employment benefits are classified as either defined-contribution plans or defined-benefit plans. Stendörren's pension commitments comprise defined-contribution plans, which are fulfilled by making regular payments to independent authorities or bodies that administer the plans. The obligations regarding fees for defined-contribution plans are recognized as an expense in profit or loss as they arise. There were only defined-contribution plans as of the balance sheet date.

**PROVISIONS**

A provision is recognized in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated. Where the effect of when a payment is made is significant, provisions are calculated by discounting the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

**HYBRID BOND**

Bonds are classified as liabilities or equity based on whether a contractual obligation exists to settle the contract by paying in cash or another financial target. This assessment applies for both nominal amounts and payments of interest. On initial recognition, an assessment was made that the hybrid bond is to be classified as an equity instrument and not as a liability. Interest on the hybrid bond is recognized directly in equity.

**FOREIGN CURRENCY**

Transactions in foreign currencies are translated into SEK at the exchange rate on the transaction date. Monetary assets and liabilities are translated at the exchange rate on the balance sheet date.

**CONTINGENT LIABILITIES**

A contingent liability is recognized when there is a possible obligation deriving from occurred events and whose existence is confirmed only by one or more uncertain event(s) in the future or when there is an obligation that has not been recognized as a liability or provision since it is not likely that an outflow of resources will be required.

**PARENT COMPANY ACCOUNTING POLICIES**

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (SFS 1995:1554) and Swedish Financial Reporting Board recommendation RFR2, Accounting for Legal Entities. RFR 2 requires that the Parent Company, in the Annual Report for the legal entity, applies all IFRSs and statements endorsed by the EU to the extent that this is possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation states the exceptions and additions to IFRS that are required. The accounting policies stated below for the Parent Company have been consistently applied in all periods presented in the Parent Company's financial statements.

**LEASES**

The rules on recognizing leases in accordance with IFRS 16 were not applied by the Parent Company. This means that lease payments are recognized as an expense straight-line over the lease term and right-of-use assets and lease liabilities are not included in the Parent Company's balance sheet. However, leases are identified in accordance with IFRS 16, meaning that a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**INVOICED PROPERTY MANAGEMENT TO SUBSIDIARIES**

In its capacity as Parent Company, Stendörren regularly provides its subsidiaries with such services as management, and legal and financial advice, in its operations. These amounts are recognized in accordance with IFRS 15 and are invoiced to the subsidiaries every quarter in arrears and are based on the property holdings of each subsidiary.

**SUBSIDIARIES**

Participations in subsidiaries are recognized in the Parent Company in accordance with the cost method. The Parent Company always recognizes dividends received from subsidiaries as income when the right to receive a dividend had been established. The value of participations in subsidiaries is tested continuously. If the carrying amount of the participations exceeds the consolidated amount, impairment is recognized that is charged to profit or loss.

**GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS FOR LEGAL ENTITIES**

Group contributions are recognized in accordance with the alternative rule, meaning as appropriations in accordance with RFR 2/IAS 27. Shareholders' contributions are recognized directly against equity in the recipient and are capitalized as shares in subsidiaries of the donor to the extent that impairment is not required.

**DIVIDENDS RECEIVED**

Dividends are recognized as financial income in the recipient. According to RFR 2, the Parent Company is permitted to recognize anticipated dividends from subsidiaries if the Parent Company has the sole right to determine the amount of the value transfer and the Parent Company, before its financial statements are published, has made a decision on the amount of the value transfer.



## NOTE 2 IMPORTANT ESTIMATES AND JUDGMENTS

To prepare the accounts in accordance with IFRS and generally accepted accounting principles, judgments and assumptions must be made that impact the assets, liabilities, income and expenses in the accounts as well as other information. These judgments and assumptions are based on historical experience and on various factors considered reasonable under the prevailing circumstances. Actual outcomes may differ from these judgments if other assumptions are made or other circumstances are in place. The accounts are particularly sensitive to

the judgments and assumptions used in the valuation of investment properties. The value of the properties is regularly assessed individually per property during the year based on a number of judgments and estimates regarding future cash flows and yield requirement in the event of a transaction. The value interval between the estimated value and the sales price is usually +/-5-10% in a functioning market. Information about this and the assumptions and judgments made is provided in Note 11.

## NOTE 3 RENTAL INCOME

GROUP, SEK MILLION	2022	2021
Rental income, premises	813	740
Rental income, other	17	13
Vacancy, rental income, premises	-85	- 91
Rental discounts, premises	-12	- 9
<b>Total</b>	<b>733</b>	<b>653</b>

For the 2022 fiscal year, the Group's rental income amounted to SEK 733 million (653), which corresponded to the rent charged for leased premises. Rental income includes the supplements charged to the tenant, such as costs for heating, electricity, property tax and indexation of basic rent. The Group has no material percentage rent. The Group's largest tenant, Coop Sverige Fastigheter AB, accounted for 10% of the total annual rental income.

### MATURITY STRUCTURE

The maturity structure of existing leases is presented in the table below with contracted annual rent corresponding to the annual value of signed leases. The remaining term of all valid leases as of December 31, 2022 was an average of 3.8 years (3.7).

YEAR OF MATURITY	NO. OF AGREEMENTS	AREA SQM	ANNUAL RENT, SEK MILLION	SHARE %
2022	830	114,036	106	16
2023	282	205,783	142	23
2024	191	81,200	88	14
2025	118	67,795	73	12
2026	53	70,269	61	10
>2026	95	141,713	155	25
<b>TOTAL</b>	<b>1,569</b>	<b>680,796</b>	<b>625</b>	<b>100</b>

The total future contracted rents are presented in the table below, specified by year of maturity.

CONTRACTED FUTURE RENTAL INCOME THOUSAND	ANNUAL RENT 2022, SEK THOUSAND	ANNUAL RENT 2021, SEK THOUSAND
Contracted rental income, year 1	799,630	669,498
Contracted rental income between years 2 and 5	2,028,715	1,296,549
Contracted rental income after 5 years	819,732	777,593
<b>Total</b>	<b>3,648,077</b>	<b>2,743,640</b>

## NOTE 4 PROPERTY EXPENSES

Property expenses in 2022 amounted to SEK 185 million (168). This amount includes direct property expenses, such as costs for operation, maintenance and property tax, and indirect property expenses for property administration, such as rent administration, management costs and lease costs. It is agreed in most of Stendörren's leases that the tenant pays for certain property expenses. Stendörren also has triple net leases in certain cases, which means that the tenants themselves are a contractual party and pay all operating and maintenance costs.

GROUP, SEK MILLION	2022	2021
Electricity and heating costs	-60	- 55
Operating expenses	-56	- 47
Repairs and maintenance	-22	- 27
Property tax	-26	- 18
Other property expenses	-21	- 21
<b>Total</b>	<b>-185</b>	<b>- 168</b>

### OPERATING AND MAINTENANCE COSTS

Operating and maintenance costs include costs for electricity, heating, water, property upkeep, insurance and maintenance. If Stendörren signs a contract for operating and maintenance costs, these are, in most cases, charged on to the tenant in form of rental surcharges. Operating expenses (electricity and heating costs, operating expenses and other property expenses in the table above) amounted to SEK 137 million (123) in 2022 and maintenance costs to SEK 22 million (27).

## NOTE 5 EMPLOYEES AND PERSONNEL COSTS

### BOARD, CEO AND OTHER SENIOR EXECUTIVES

During the fiscal year, the Parent Company had 6 (7) Board members, 2 (2) of whom were women. At the end of the fiscal year, the company had 8 senior executives (8), of whom 3 (3) women, and the total number of employees was 54 (55), of whom 23 (17) women. The average number of employees in 2022 was 54, of whom 31 men. This includes 5 people (2 women and 3 men) who were contracted consultants. The cost for these contracted consultants is reported as consultancy costs and is not included in the personnel costs presented below. Remuneration to the Board in 2022 amounted to SEK 1,440 thousand (1,590). Remuneration totaling SEK 5,374 thousand (5,103) was paid to

### LAND LEASE

Ground rent is the annual rent that Stendörren pays for the tenure of land owned by another party. At the end of the year, the number of properties with ground rent was 26 (26). Ground rent in 2022 amounted to SEK 8 million (8) and mainly comprised Stendörren's ground rent to the City of Stockholm. The average remaining term of the site leaseholds, weighted based on the annual rent, is 28 years (30) and the ground rent is normally recalculated every ten years. According to the current contracted ground rent, the total future ground rent for the remaining average term amounts to SEK 254 million (238).

CONTRACTED FUTURE GROUND RENT, SEK MILLION	2022	2021
Contracted ground rent, year 1	8	8
Contract ground rent between years 2 and 5	33	31
Contract ground rent after 5 years	213	199
<b>Total</b>	<b>254</b>	<b>238</b>

### PROPERTY TAX

In Sweden, property tax is a national tax paid every year as a percentage of the assessed value. For Stendörren, property tax varies between 0.5 and 1.0% depending on whether the property is classified as warehouse/industrial premises (0.5%) or office/retail premises (1.0%). Property tax in 2022 totaled SEK 26 million (18).

the CEO. Remuneration of SEK 12,653 thousand (11,349) was paid to other senior executives and SEK 20,298 thousand (18,788) to other employees. Total social security contributions for the fiscal year amounted to SEK 23,183 thousand (21,817), of which SEK 8,071 thousand (8,088) was pension provisions including payroll tax. The CEO receives pension provisions corresponding to 30% of his monthly salary. The period of notice from both sides is six months. In addition, the CEO is entitled to six months' severance pay if the company terminates his employment. The period of notice for the Vice President is six months. The principles for remuneration and benefits to the CEO, company management and other senior executives are decided by the Board.

SEK THOUSAND	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Average number of employees	54	54	54	54
<i>Of whom, men</i>	31	34	31	34
<b>Gender distribution among senior executives</b>				
Board members	6	7	6	7
<i>Of whom women</i>	2	2	2	2
CEO and senior executives	8	8	8	8
<i>Of whom women</i>	3	3	3	3
<b>Cash salaries, benefits and remuneration</b>				
Board Chair	560	500	560	500
Board members:				
Helena Levander	330	320	330	320
Andreas Philipson	0	240	0	240
Carl Mörk	300	290	300	290
Seth Lieberman	250	240	250	240
Henrik Orrbäck	-	-	-	-
Nisha Raghavan	-	-	-	-
	<b>1,440</b>	<b>1,590</b>	<b>1,440</b>	<b>1,590</b>
<b>CEO</b>	<b>5,374</b>	<b>5,103</b>	<b>5,374</b>	<b>5,103</b>
<i>Of which bonuses</i>	3,000	2,970	3,000	2,970
<b>Vice CEO</b>	<b>3,367</b>	<b>3,150</b>	<b>3,367</b>	<b>3,150</b>
<i>Of which bonuses</i>	1,700	1,500	1,700	1,500
<b>Other senior executives</b>	<b>9,286</b>	<b>8,199</b>	<b>9,286</b>	<b>8,199</b>
<i>Of which bonuses</i>	3,400	2,825	3,400	2,825
<b>Other employees</b>	<b>20,298</b>	<b>18,788</b>	<b>20,298</b>	<b>18,788</b>
<b>Social security contributions</b>				
Board, CEO and other senior executives	15,155	12,105	15,155	12,105
<i>Of which pension costs</i>	6,580	4,244	6,580	4,244
Other employees	7,891	9,711	7,891	9,711
<i>Of which pension costs</i>	1,564	3,843	1,564	3,843

The Board members did not receive any bonuses according to Chapter 5, Section 40 of the Annual Accounts Act.

### INCENTIVE PROGRAMS

Stendörren has one incentive program that was resolved on at the Extraordinary General Meeting in September 2020. The program was targeted towards the company's employees and include issues of warrants, which the participants in the program acquired for cash payment to the Parent Company. The warrants were acquired at market value calculated in accordance with the Black & Scholes valuation method performed by independent valuers.

Each warrant carries entitlement, during a period of two weeks from the date of publication of the interim financial report for the period January 1-September 30, 2025, to subscribe for one new Class B common share in the company at a subscription price of SEK 175 per share.

Upon full exercise of the warrants in the outstanding program, the share capital will increase by SEK 151,350 by issuing 252,250 Class B shares, each with a quotient value of SEK 0.6. The dilution on full utilization corresponds to approximately 0.9% of the capital and 0.5% of the number of votes based on the number of outstanding shares as of the reporting date.

SHARE RIGHTS	GROUP	PARENT COMPANY
<b>Program 2020–2025</b>		
Outstanding at beginning of period	254,000	254,000
Allotted during the period	-	-
Repurchased during the period	- 1,750	- 1,750
Outstanding at end of period	252,250	252,250
<b>Fair value</b>		
Stock price at end of period, SEK	191.80	191.80
<b>Program 2020–2025</b>		
Fair value on valuation date, SEK thousand	4,238	4,238
Strike price of options	175.00	175.00
Term of share rights, years <sup>1)</sup>	2.9	2.9

1) The share rights can be redeemed for subscription rights after publication of the interim financial report for January 1–September 31, 2025.

## NOTE 6 REMUNERATION OF AUDITORS

The following remuneration was paid to the Group's auditors.

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>BDO Mälardalen AB</b>				
Audit engagement	-3	-	-2	-
Other services	-	-	-	-
<b>Total</b>	<b>-3</b>	<b>-</b>	<b>-2</b>	<b>-</b>
<b>Ernst &amp; Young AB</b>				
Audit engagement	-	-2	-	-2
Other services	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-2</b>	<b>-</b>	<b>-2</b>

Audit engagement refers to the auditor's work on the statutory audit, and auditing activities refer to various types of quality-assurance activities. Other services are such services as are not included in the audit engagement, auditing activities or tax advisory services.

## NOTE 7 FINANCIAL INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Financial income</b>				
Interest income, Group companies	-	-	160	95
Exchange rate gains	24	-	-	-
Interest income, other	8	1	-	-
<b>Total</b>	<b>32</b>	<b>1</b>	<b>160</b>	<b>95</b>

The Group's financial income derives from receivables in foreign currency and the Group's cash and cash equivalents.

## NOTE 8 FINANCIAL EXPENSES

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Financial expenses</b>				
Interest expenses to Group companies	-	-	-54	- 35
Interest expense, bond	-62	- 30	-59	- 30
Interest expense	-128	- 86	-	-
Mortgage costs and other financial expenses	-18	- 19	-6	- 10
<b>Total</b>	<b>-208</b>	<b>- 135</b>	<b>-119</b>	<b>- 75</b>

Interest expense and financial expenses are expenses arising on the Group's interest-bearing loans. The Group's interest expense of SEK 208 million (135) includes direct interest expense of SEK 190 million (116) and SEK 18 million (19) in allocated borrowing costs.

## NOTE 9

### TAX

Income tax comprises current tax and deferred tax. Current and deferred tax were calculated based on a tax rate of 20.6% for Sweden, 20.0% for Finland and 22.0% for Denmark and Norway. Current tax refers to the tax payable or due on taxable earnings for the current year. Taxable earnings for the year differ from reported earnings for the year since they have been adjusted for non-taxable and non-deductible items. Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amount and tax base of assets and

liabilities. However, for property acquisitions that have been deemed to be asset acquisitions no deferred tax is recognized on such temporary differences that have arisen prior to the acquisition date. The aim is to take future tax consequences into account upon, for example, future sales of assets or use of loss carry-forwards.

RECOGNIZED TAX EXPENSE OR TAX INCOME, SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Current tax expense:				
Tax income/tax expense for the year	-18	- 2	-	-
Tax due to changed tax assessment	-5	0	-	-
<b>Total current tax</b>	<b>-23</b>	<b>- 2</b>	<b>-</b>	<b>-</b>

RECONCILIATION OF RECOGNIZED TAX BASED ON TAX EXPENSES, SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Profit before tax	367	1,523	42	19
<b>Reconciliation of effective tax</b>				
Tax at applicable tax rate 20.6% (20.6)	-76	-314	-9	-4
Tax effect of non-deductible expenses	-11	-4	-	0
Tax effect of non-recognized expenses	0	-	8	4
Tax effect on non-taxable income	3	2	-	-
Tax reduction on equipment	2	-	-	-
Tax due to changed tax assessment	-5	-	-	-
Temporary differences, properties	-21	-	-	-
Other tax adjustments	11	3	-	-
Effect of different tax rate	-1	-	-	-
<b>Recognized tax</b>	<b>-98</b>	<b>- 313</b>	<b>-1</b>	<b>0</b>
Effective tax rate, %	26.7	20.6	2.4	0.0

The items affecting income that impacted the Group's reporting of current tax and for the 2022 fiscal year are presented below.

TAX CALCULATION, SEK MILLION	2022	2021
Income from property management	287	267
Tax deductible depreciation/amortization and investments	-220	-193
Non-deductible expenses	53	19
Non-taxable income	-15	-10
Other tax adjustments	-23	-75
<b>Taxable income from property management</b>	<b>82</b>	<b>8</b>
Property sales	-	-
<b>Taxable earnings before loss carry-forwards</b>	<b>82</b>	<b>8</b>
Increase/decrease in loss carry-forwards	-	-
Changed tax assessment	24	-
<b>Taxable earnings</b>	<b>106</b>	<b>8</b>
<b>20.6% tax</b>	<b>-23</b>	<b>- 2</b>

**DEFERRED TAX**

Loss carry-forwards comprise tax losses in prior years. These losses are not limited in time and are rolled over to the next year, and are utilized by being offset against future taxable profit. Deferred tax were calculated based on a tax rate of 20.6% for Sweden, 20.0% for Finland and 22.0% for Denmark and Norway. Tax loss carry-forwards in the Group amounted to

SEK 12 million (17). Loss carry-forwards in the Group, which have not been valued, amounted to SEK 0 million (0) on December 31, 2022. The Parent Company's tax loss carry-forwards amounted SEK 2 million (6). Deferred tax assets and tax liabilities are recognized net in the consolidated statement of financial position, as presented below.

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
<i>Loss carry-forwards</i>				
Opening carrying amount	3	4	1	1
Change for the year	-1	-1	-1	-
Closing carrying amount	2	3	0	1
<b>Total deferred tax assets</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>
<b>Deferred tax liabilities</b>				
<i>Temporary differences in properties</i>				
Opening carrying amount	-906	-606	-	-
Change in profit or loss for the year	-22	-301	-	-
Currency effects	-2	-	-	-
Closing carrying amount	-930	-907	-	-
<i>Derivatives</i>				
Opening carrying amount	-5	-1	-	-
Change for the year	-47	-4	-	-
Closing carrying amount	-52	-5	-	-
<i>Temporary differences on environmental remediation reserve</i>				
Opening carrying amount	1	1	-	-
Change in profit or loss for the year	-	-	-	-
Closing carrying amount	1	1	-	-
<i>Untaxed reserves</i>				
Opening carrying amount	-17	-11	-	-
Change for the year	-4	-6	-	-
Purchases/sales	-1	0	-	-
Closing carrying amount	-22	-17	-	-
<b>Total deferred tax liabilities</b>	<b>-1,003</b>	<b>-928</b>	<b>-</b>	<b>-</b>
<b>Deferred tax, net carrying amount</b>	<b>-1,001</b>	<b>-925</b>	<b>0</b>	<b>1</b>

The tax residual value for the Group's properties amounted to SEK 4,676 million (3,948).

## NOTE 10 INTANGIBLE ASSETS

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening purchase value	8	8	8	8
<b>Closing accumulated purchase value</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Opening accumulated amortization	-5	-4	-5	-4
Amortization for the year	-1	-1	-1	-1
<b>Closing accumulated amortization</b>	<b>-6</b>	<b>-5</b>	<b>-6</b>	<b>-5</b>
<b>Closing carrying amount</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>

Intangible assets consist of capitalized expenditure for the website and software.

## NOTE 11 INVESTMENT PROPERTIES

GROUP, SEK MILLION	2022	2021
<b>Investment properties</b>		
Opening balance	11,693	9,533
Acquisitions of new properties via acquisitions of subsidiaries	581	668
Sales	-370	-
Investments in existing properties	624	256
Currency effects	33	-
Realized changes in value	16	-
Value changes in existing properties	-160	1,235
<b>Closing carrying amount</b>	<b>12,418</b>	<b>11,693</b>

No financial expenses were capitalized in 2022 or 2021.

All of Stendörren's properties are valued by external appraisers at a maximum of 12-month intervals and are internally valued every quarter between these intervals.

On the balance sheet date, the portfolio of investment properties was valued at SEK 12,418 million based on a combination of external and internal valuations. The external property valuations were carried out by Newsec Sweden and CBRE. Realized and unrealized changes in the value of investment properties in 2022 amounted to SEK -143 million (1,235). Of the total change in value for the period, SEK 16 million (0) referred to realized changes in value attributable to property sales. The changes in value of the property portfolio during the period were driven by adjusted yield requirements, changes in cash flows based on indexation, new and renegotiated leases and changed assumptions of market rents.

### VALUATION METHODS

Stendörren's market valuations (both external and internal valuations) were carried out as valuations of returns according to the cash flow model in line with IPD Svenskt Fastighetsindex valuation guidance. The valuations are based on cash flow analyses entailing that the value of properties is based on the present value of forecast cash

flows and residual value during the calculation periods that vary between 5 and 15 years for each valuation object according to the following principles:

Expected future cash flow for the selected calculation period according to:

+ Rental payments
- Operating expenses paid
- Maintenance costs
<u>= Net operating income</u>
- Investments
<u>= Cash flow</u>

Assumptions regarding the expected flow cash flows are made based on an analysis of:

- Future development of market/local area
- The market conditions and market position of the property
- Market-based rental terms and conditions
- Operating and maintenance costs in similar properties compared with those in the property at hand
- Known and expected investment requirements for the property (tenant improvements and large investment requirements are not included in ongoing maintenance)

The parameters affecting the value used in the valuation correspond to the external appraiser's interpretation of how a presumptive buyer in the market would reason and the total of the present value of the net operating income and residual value that can thus be regarded as an expression of market value. All properties are physically inspected by an appraiser the first time that they are valued, and reinspected when necessary (for example, following conversions and extensions or major tenant improvements). However, the longest interval between inspections is three years. Building rights and potential building rights were valued based on location price studies, stage of the planning process and established divestment values.

All of Stendörren's properties were valued according to Level 3 of the fair value hierarchy of IFRS 13. None of the properties were transferred to different levels of the fair value hierarchy. On each balance sheet date, management analyzes changes in unobservable inputs during the period applied to the valuations against internally available information, information from completed/planned transactions and information from the external appraisers. The valuations took into account the best and maximum use of the properties.

### VALUATION PARAMETERS

The cash flow analyses are based on assumptions regarding future performance according to the following parameters:

- Long-term inflation assumption
- Assumption regarding market interest for all lettable areas
- Estimated operating expenses based on past expenses and statistics available for comparable properties
- Estimated expenses for tenant improvements per premises
- Estimated vacancy period between tenants
- Estimated long and short-term maintenance requirements
- Assessment of the market's yield requirement for the specific property

The inflation assumption is based on the current inflation level and is adjusted during the calculation period to the Riksbank's long-term inflation target of 2% annually. The calculation period for each property to be valued is adapted to the remaining term of the existing lease and varies between five and 20 years. The analysis of future net operating income is based on the current lease and an analysis of the applicable rental market. If the rental terms and conditions are deemed to be market-based, it is deemed possible to extend these terms and conditions unchanged or extend them based on similar conditions. If the contracted rent is deemed to deviate from current market rent, it is assumed that it is adjusted to a market-based level at the end of the contract. Correspondingly, the occupancy rate of the properties is assumed over time to be adjusted to an estimated market-based level.

Operating and maintenance costs are based on an analysis of each property's historical and budgeted cost level, and on experience and statistics from similar properties, such as statistics reported by IPD.

### SUMMARY OF STENDÖRREN'S PROPERTY VALUATIONS

A summary of parameters affecting valuations in all properties used in the market valuation on the balance sheet date is provided below

VALUATION PARAMETERS ON DEC 31, 2022	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement	4.6%	8.5%	5.9%
Discount rate, cash flow	6.2%	10.9%	8.0%
Discount rate, residual value	7.0%	10.9%	8.0%
Long-term vacancy assumption	2.0%	29.4%	6.0%

VALUATION PARAMETERS ON DEC 31, 2021	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement	4.8%	8.0%	5.7%
Discount rate, cash flow, %	6.0%	10.2%	7.6%
Discount rate, residual value, %	6.8%	10.2%	7.7%
Long-term vacancy assumption	3.0%	30.0%	6.1%

### BUILDING RIGHTS

As of December 31, 2022, Stendörren had 28 properties wholly or partly consisting of building rights totaling 657,000 sqm, mainly for logistics, light industrial and residential use. The potential in the building rights portfolio is considered strong since the building rights are concentrated in expansive municipalities and areas in Greater Stockholm and growth locations in the Mälardalen region. For some properties, work is also underway on creating new building rights within existing areas of use or converting the properties to another area of use, such as residential. The market value of the building rights portfolio amounted to approximately SEK 1,564 million (1,634) on the reporting date.

### SENSITIVITY ANALYSIS

Changes in cash flows and the market yield requirement are of major importance to the market values of the properties. Based on Stendörren's estimated current earnings capacity on December 31, 2022, a 5% upward or downward change in net operating income would impact the market value by approximately SEK +/-621 million. Correspondingly, a 0.5-percentage-point upward or downward shift in the market yield requirement would impact the estimated market value by approximately SEK -1,090 million upwards and SEK 1,322 million downwards (all other assumptions that affect value are assumed to be unchanged in the sensitivity analysis) as stated below (amounts in SEK million):

CHANGES IN NET OPERATING INCOME, 2022		- 5.0 %	- 2.5 %	0.0 %	2.5 %	5.0 %
CHANGE IN MARKET YIELD REQUIREMENT	- 0.50 %	635	978	1,322	1,665	2,009
	- 0.25 %	-25	301	627	954	1,280
	0.00 %	-621	-310	0	310	621
	0.25 %	-1,162	-866	-570	-274	23
	0.50 %	-1,656	-1,373	-1,090	-807	-523

CHANGES IN NET OPERATING INCOME, 2021		-5.0 %	-2.5 %	0.0 %	2.5 %	5.0 %
CHANGE IN MARKET YIELD REQUIREMENT	- 0.50 %	745	1,072	1,399	1,726	2,054
	- 0.25 %	42	351	660	969	1,278
	0.00 %	-585	-292	0	292	585
	0.25 %	-1,148	-871	-593	-316	-38
	0.50 %	-1,657	-1,393	-1,129	-865	-601



## NOTE 12 EQUIPMENT

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening purchase value	10	13	11	9
Investments	-	6	6	2
Reclassification	-	-9	-	-
<b>Closing accumulated purchase value</b>	<b>10</b>	<b>10</b>	<b>17</b>	<b>11</b>
Opening accumulated depreciation	-7	-7	-7	-5
Depreciation for the year	-1	-2	-1	-2
Reclassification	0	2	-	-
<b>Closing accumulated depreciation</b>	<b>-8</b>	<b>-7</b>	<b>-8</b>	<b>-7</b>
<b>Closing carrying amount</b>	<b>2</b>	<b>3</b>	<b>9</b>	<b>4</b>

## NOTE 13 FINANCIAL ASSETS MEASURED AT AMORTIZED COST

GROUP, SEK MILLION	2022	2021	GROUP, SEK MILLION	2022	2021	
Rental and accounts receivable	61	64	<b>Maturity structure of rental and accounts receivable</b>			
Provisions for doubtful rental receivables	-44	-45		Overdue 0-29 days	2	7
<b>Closing carrying amount</b>	<b>17</b>	<b>19</b>		Overdue 30-89 days	2	1
				Overdue 90 days	57	56
				Provisions for doubtful rental receivables	-44	-45
				<b>Total</b>	<b>17</b>	<b>19</b>

Accounts receivable are valued every quarter and all accounts receivable more than 30 days overdue are individually assessed. Impairment of credit losses in accordance with IFRS 9 are forward-looking, and a loss allowance is made when there is an exposure to credit risk. The receivable is recognized as a bad debt loss in the event of bankruptcy or other confirmed credit loss. For new lettings, tenants are subject to a credit assessment.

## NOTE 14 OTHER CURRENT RECEIVABLES

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Deduction of taxes and fees	5	3	0	0
Value-added tax receivable	16	9	2	1
Other current receivables	2	73	-	1
<b>Closing carrying amount</b>	<b>23</b>	<b>85</b>	<b>2</b>	<b>2</b>

## NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Prepaid insurance premiums	6	4	1	-
Prepaid rental discounts	24	28	-	-
Other prepaid expenses and accrued income	13	9	2	2
<b>Closing carrying amount</b>	<b>43</b>	<b>41</b>	<b>3</b>	<b>2</b>

## NOTE 16 EQUITY

At fiscal year-end, the company's share capital amounted to SEK 17,056,959, comprising 2,500,000 Class A shares and 25,928,265 Class B shares. On full exercise of all of the warrants that can be issued under the share option program described in Note 5, the number of Class B shares outstanding will increase by 252,250, which will result in 0.9% dilution of the capital and 0.5% of the number of votes. The company's share capital will thereby increase by SEK 151,350.

EVENT	REGISTRATION WITH SWEDISH COMPANIES REGISTRATION OFFICE	NUMBER OF CLASS A SHARES	NUMBER OF CLASS B SHARES	SHARE CAPITAL SEK <sup>1)</sup>
New formation	November 15, 2010	-	83,333	50,000
New share issue, Class B shares, 3 occasions	Dec 2010 - March 2014	-	1,207,816	774,689
Offset issue	Nov 20, 2014	2,500,000	14,653,837	11,066,991
New share issue, Class B shares, 21 occasions	Dec 2014 - March 2015	-	9,175,001	16,571,992
New share issue, Class B shares, share subscription based on warrants	May 15, 2018	-	535,655	16,893,385
New share issue, Class B shares, share subscription based on warrants	June 1, 2020	-	215,800	17,022,865
New share issue, Class B shares, share subscription based on warrants	October 4, 2021	-	56,824	17,056,959
<b>Total events</b>		<b>2,500,000</b>	<b>25,928,265</b>	<b>17,056,959</b>

1) The quotient value per share amounted to SEK 0.60 at year-end.

### VOTING RIGHTS AND SHARES OF EQUITY

SHARE CLASS	NUMBER OF SHARES	VOTES	TOTAL NUMBER OF VOTES	% OF VOTES	SHARE OF EQUITY
Class A shares	2,500,000	10	25,000,000	49%	9%
Class B shares	25,928,265	1	25,928,265	51%	91%
<b>Totalt</b>	<b>28,428,265</b>	<b>11</b>	<b>50,928,265</b>	<b>100 %</b>	<b>100 %</b>

### THE GROUP'S EQUITY

Share capital corresponds to the Parent Company's share capital. Other capital contributed refers to capital contributed from the owners. Earned profit refers to profit earned in the Group.

### PARENT COMPANY'S RESTRICTED AND NON-RESTRICTED EQUITY

According to the Swedish Companies Act, equity comprises restricted (non-distributable) and non-restricted (distributable) equity. Dividends may only be paid to shareholders as long as there is full coverage for restricted equity after the dividend. Furthermore, profit may only be distributed if it is justifiable considering the requirements which the type of operations, size and risks place on the size of the equity, and the company's and Group's consolidation requirements, liquidity and position in general. Dividends are proposed by the Board in accordance with the provisions of the Swedish Companies Act and determined by the AGM.

### DIVIDEND

The Board of Stendörren proposes to the AGM that dividends be paid for the 2022 fiscal year in a total amount of SEK 0 per share and instead be reinvested in the project portfolio.

### PROPOSED APPROPRIATION OF PROFIT

THE FOLLOWING FUNDS IN THE PARENT COMPANY ARE AT THE DISPOSAL OF THE AGM:

Retained earnings	SEK 1,634,000,355
Profit for the year	SEK 40,811,362

**Total** **SEK 1,674,811,717**

THE BOARD OF DIRECTORS PROPOSES THAT THE PROFIT BE APPROPRIATED AS FOLLOWS:

To be paid in dividends to shareholders	SEK 0
To be carried forward	SEK 1,674,811,717

**Total** **SEK 1,674,811,717**

### EARNINGS PER SHARE

Recognized earnings per share correspond to profit after tax for the Group divided by the average number of shares outstanding for the year (28,428,265 shares). Earnings per share after dilution are calculated by considering the maximum number of subscription rights that the share option program may give rise to (calculated in accordance with IAS 33). The average number of shares after dilution amounted to 28,472,433.

## NOTE 17

### INTEREST-BEARING LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Non-current interest-bearing liabilities</b>				
Bonds	1,300	1,300	1,300	1,300
Loans from banks and other credit institutions	4,197	3,584	-	-
Other interest-bearing liabilities	5	10	1,292	886
Allocated borrowing costs	-33	-25	-9	-13
<b>Total interest-bearing non-current borrowing</b>	<b>5,469</b>	<b>4,868</b>	<b>2,583</b>	<b>2,173</b>
<b>Current interest-bearing liabilities</b>				
Loans from banks and other credit institutions	821	755	-	-
<b>Total interest-bearing current borrowing</b>	<b>821</b>	<b>755</b>	<b>0</b>	<b>0</b>
<b>Total interest-bearing liabilities</b>	<b>6,290</b>	<b>5,624</b>	<b>2,583</b>	<b>2,173</b>
<b>Credit facility</b>				
Construction loan, amount granted	-	-	-	-
Overdraft facility, amount granted	560	510	-	-

The Group's interest-bearing liabilities, which are mainly denominated in SEK, amounted to SEK 6,290 million (5,624) at year-end, of which allocated arrangement fees and loan arrangement costs amounted to SEK -33 million (-25). Excluding this allocation, the total interest-bearing liabilities amounted to SEK 6,323 million (5,649), corresponding to a loan-to-value ratio of 47% (46). Interest-bearing liabilities consist of liabilities to credit institutions of SEK 5,018 million (4,339), bonds totaling SEK 1,300 million (1,300) and seller notes of SEK 5 million (10). Interest-bearing loans thus comprise Stendörren's primary source of financing. Loans from credit institutions comprise bilateral loan agreements with banks with collateral provided by Stendörren's property-owning subsidiaries in the form of mortgages for the properties owned. The Parent Company had two bonds outstanding at year-end. One bond (2021-2024) amounts to SEK 700 million with interest of Stibor 90 plus 3.65% and Stendörren's second bond (2021-2025) amounts to SEK 600 million with interest rate of Stibor 90 plus 3.90%. The bank loans have been raised with Swedbank, Danske Bank, SEB, Nordea, Sörmlands Sparbank and Sparbanken i Enköping. On December 31, 2022, there were available and unutilized credit frameworks of a total of SEK 560 million. Stendörren's non-current interest-bearing liabilities on December 31, 2022 amounted to SEK 5,469 million (4,868), less allocated borrowing costs of SEK -33 million (-25). The current portion of interest-bearing liabilities on the same date amounted to SEK 821 million (755). Current interest-bearing liabilities in Stendörren's balance sheet comprise contractual

repayment over the next 12-month period plus loans that fall due for repayment in the same period. Accordingly, current liabilities can be considered to be a measure of the company's short-term liquidity requirement. This liquidity requirement is normally covered by current cash flow and, if necessary, refinancing. Stendörren endeavors to have long maturities on its loans so as to thereby minimize its short-term refinancing risk. As of December 31, 2022, Stendörren's average time to maturity of interest-bearing liabilities to credit institutions amounted to 3.1 years (2.4), according to the table below.

#### INTEREST AND LOAN MATURITIES, DECEMBER 31, 2022

Interest and loan maturities for all interest-bearing liabilities are distributed over years according to the table below

YEAR OF MATURITY	INTEREST MATURITY/YEAR <sup>1)</sup>			LOAN MATURITY	
	SEK MILLION	INTEREST RATE %	SHARE OF TOTAL %	SEK MILLION	SHARE OF TOTAL %
2023	1,239		20	712	11
2024	434		7	1,364	22
2025	1,050		17	1,780	28
2026	900		14	335	5
2027	2,700		43	2,122	34
>2027	0		0	10	0
<b>Total/ average</b>	<b>6,323</b>	<b>4.0</b>	<b>100</b>	<b>6,323</b>	<b>100</b>

1) The interest maturity for 2023 includes all loans that carry Stibor as base interest and that are not covered by interest-rate derivatives.

## INTEREST-RATE DERIVATIVES, DECEMBER 31, 2022

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	VALUE SEK MILLION	CAP LEVEL %	YEARS REMAINING
Danske Bank	Interest cap	300	16.3	2.00	3.68
Danske Bank	Interest cap	600	39.8	1.00	2.77
Danske Bank	Interest cap	300	19.9	1.00	2.77
Swedbank	Interest cap	1,100	61.8	2.00	3.96
Swedbank	Interest cap	750	42.4	2.00	3.98
Swedbank	Interest cap	250	1.9	2.25	0.74
Swedbank	Interest cap	250	5.3	2.25	1.75
Swedbank	Interest cap	550	28.9	2.00	3.68
Nordea	Interest cap	184	3.3	1.50	0.96
<b>Total</b>		<b>4,284</b>	<b>219.7</b>	<b>1.80</b>	<b>3.21</b>

## INTEREST-RATE DERIVATIVES, DECEMBER 31, 2022

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	MARKET VALUE SEK MILLION	INTEREST %	YEARS REMAINING
Swedbank	Interest-rate swap	800	48.0	-0.0875	1.72
<b>Total</b>		<b>800*</b>	<b>48.0</b>	<b>-0.0875</b>	<b>1.72</b>

## CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES, 2022

GROUP, SEK MILLION	2021	NOMINAL CASH FLOWS	ACQUI- SITIONS	CHANGES IN FAIR VALUE	2022
Non-current liabilities to credit institutions	3,584	613	-	-	4,197
Current liabilities to credit institutions	755	66	-	-	821
Derivatives	-45	-	-	-223	-268
Other non-current interest-bearing liabilities	1,309	-5	-	-	1,305
<b>Total interest-bearing liabilities and derivatives</b>	<b>5,603</b>	<b>675</b>	<b>-</b>	<b>-223</b>	<b>6,054</b>

PARENT COMPANY, SEK MILLION	2021	NOMINAL CASH FLOWS	ACQUI- SITIONS	CHANGES IN FAIR VALUE	2022
Other non-current interest-bearing liabilities	2,189	403	-	-	2,592
<b>Total interest-bearing liabilities and derivatives</b>	<b>2,189</b>	<b>403</b>	<b>-</b>	<b>-</b>	<b>2,592</b>

## CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES, 2021

GROUP, SEK MILLION	2020	NOMINAL CASH FLOWS	ACQUI- SITIONS	CHANGES IN FAIR VALUE	2021
Non-current liabilities to credit institutions	3,437	147	-	-	3,584
Current liabilities to credit institutions	1,018	-263	-	-	755
Derivatives	-6	-	-19	-20	-45
Other non-current interest-bearing liabilities	650	660	-	-	1,310
<b>Total interest-bearing liabilities and derivatives</b>	<b>5,099</b>	<b>544</b>	<b>-19</b>	<b>-20</b>	<b>5,604</b>

PARENT COMPANY, SEK MILLION	2020	NOMINAL CASH FLOWS	ACQUI- SITIONS	CHANGES IN FAIR VALUE	2021
Other non-current interest-bearing liabilities	1,367	819	-	-	2,186
<b>Total interest-bearing liabilities and derivatives</b>	<b>1,367</b>	<b>819</b>	<b>-</b>	<b>-</b>	<b>2,186</b>

## NOTE 18

### FINANCIAL RISKS

SEK MILLION	FINANCIAL ASSETS MEASURED AT AMORTIZED COST		FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT MORTIZED COST	
	2022	2021	2022	2021	2022	2021
Rental receivables	17	19	-	-	-	-
Other current receivables	23	85	-	-	-	-
Cash and cash equivalents	315	160	-	-	-	-
Interest-bearing liabilities	-	-	-	-	-6,290	-5,623
Other non-current liabilities	-	-	-	-	-36	-22
Interest-rate derivative	-	-	268	45	-	-
Accounts payable	-	-	-	-	-64	-22
Other liabilities	-	-	-	-	-15	-7
<b>Total</b>	<b>355</b>	<b>264</b>	<b>268</b>	<b>45</b>	<b>-6,405</b>	<b>-5,674</b>

Accounts payable and other liabilities fall due between 30 days and one year.

#### FAIR VALUES

Considering that non-current liabilities carry variable interest and the interest effect for current receivables and liabilities is marginal, all carrying amounts correspond to their fair values.

The fair value of financial instruments is determined and categorized in the manner described under Classification in Note 1.

#### FINANCING

Besides equity, Stendörren's operations are based on externally contributed capital. The cost of capital is Stendörren's single largest expense. As a result of this, the company is exposed to financing, interest-rate and credit risks. Furthermore, it is likely that most of the capital required for financing both the development of existing properties and additional acquisitions will be provided by banks, credit institutions or other lenders. The company's financing risk is defined as a cost of capital risk and as a loan maturity risk. The cost of capital risk refers to the risk of rising borrowing costs (loan margins), which would entail a negative impact on Stendörren's cash flow, earnings and financial position. The loan maturity risk refers to the lack of guarantees that lenders will extend Stendörren's credits on final maturity. Neither can it be guaranteed that alternative credit facilities will be available. The Group's primary financing comprises bilateral financing agreements with Swedish banks and credit

institutions. These agreements normally include covenants to maintain a minimum interest coverage ratio and loan-to-value ratio. This means that creditors have the right to demand early repayment of credits provided or request a change to the conditions if these specific covenants are not fulfilled by the borrower. At the end of the fiscal year, the company met all of the financial covenants in its existing credit agreements. Stendörren endeavors to sign loan agreements with long loan maturity periods in order to minimize the risk of signed loan agreements not being renewed on reasonable terms.

#### CREDIT RISK

Credit risk refers to the risk that a counterparty with whom Stendörren has a receivable is unable to fulfill its payment commitment. This risk is reduced in Stendörren since the Group actively works, where possible, on ensuring that the Group's tenants have their own contracts for their media consumption. The credit risk with tenants is also diversified by having a large distribution in the number of leases. Other than the Group's largest tenant, no individual tenant accounted for more than 2% (2) of the Group's total annual rents as of December 31, 2022. The Group's cash and cash equivalents are deposited with the Swedish large established banks and are subject to the deposit insurance from the Swedish government. There is not deemed to be any credit risk in cash and cash equivalents.

## INTEREST RATES

Interest expense is Stendörren's single largest expense item. Based on the company's capital structure at December 31, 2022, interest expense amounts to about SEK 251 million on an annual basis. At that time, most borrowing from credit institutions was raised with short-term interest maturities (three months). This means that the payable interest is consistently low but that the Group is thus exposed to a potential increase in interest rates. To minimize this interest-rate risk, the company has entered into derivative agreements to hedge approximately 80% of the interest rates on all interest-bearing loans with long maturities. The Group's sensitivity to interest rates at December 31, 2022 means that a 1% increase in the interest base would entail an increase in interest expense (before tax) of SEK 10 million. Sensitivity to interest rates is partly affected

by the fact that all loans have a floor for which the IBOR of the loan agreement may not fall below zero, and partly by the above-mentioned interest hedges. See the sensitivity analysis below for more information. A summary of interest-rate derivatives can be found in the table in Note 17.

CHANGE, STIBOR	(+)	(-)
	OUTCOME SEK MILLION	OUTCOME SEK MILLION
+/-1.00%	-10	21
+/-2.00%	-21	67
+/-3.00%	-31	106

The sensitivity analysis does not claim to be exact, rather it is only indicative and aims to present the company's assessment of amounts in the context stated.

## MATURITY ANALYSIS INCLUDING INTEREST RATES

The table below shows the total of all interest rates, repayment and settlement of loans if all loans were to extend until their maturities (assuming that the interest rate is constant for the entire analysis period).

YEAR	LOAN MATURITY SEK MILLION <sup>1)</sup>	ANNUAL REPAYMENT UNTIL MATURITY SEK MILLION <sup>1)</sup>	INTEREST EXPENSE/YEAR SEK MILLION	TOTAL LIQUIDITY EFFECT UNTIL MATURITY SEK MILLION
2023	589	123	251	963
2024	1,265	99	204	1,568
2025	1,724	56	118	1,898
2026	283	52	85	420
2027	2,107	14	54	2,175
>2027	9	0	0	10
<b>TOTAL</b>	<b>5,978</b>	<b>345</b>	<b>712</b>	<b>7,035</b>

1) Comprises the total interest-bearing liability.

PARENT COMPANY, SEK MILLION	FINANCIAL ASSETS MEASURED AT AMORTIZED COST		FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	
	2022	2021	2022	2021
Receivables from Group companies	3,490	3,018	-	-
Other current receivables	2	2	-	-
Cash and bank balances	21	54	-	-
Interest-bearing liabilities	-	-	-1,291	-1,286
Accounts payable	-	-	-3	-2
Liabilities to subsidiaries	-	-	-1,470	-983
Other current liabilities	-	-	-2	-2
<b>Total</b>	<b>3,513</b>	<b>3,074</b>	<b>-2,766</b>	<b>- 2,273</b>

Accounts payable and other liabilities fall due between 30 days and one year.

## NOTE 19 OTHER PROVISIONS

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening carrying amount	4	4	-	-
Provision, environmental remediation reserve	-	-	-	-
<b>Closing carrying amount</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>

Refer to estimated remediation costs for land on the Kalvö 1:24 property.

## NOTE 20 ACCRUED EXPENSES AND DEFERRED INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Accrued salary-related expenses	9	8	9	8
Accrued interest	23	14	11	7
Prepaid rental income	156	138	-	-
Other items	44	72	13	16
<b>Closing carrying amount</b>	<b>232</b>	<b>232</b>	<b>33</b>	<b>31</b>

## NOTE 21 SHARES/PARTICIPATIONS IN SUBSIDIARIES

PARENT COMPANY, SEK MILLION	2022	2021
Opening carrying amount	929	978
Acquisitions and contributions	36	204
Divestments	-	-253
Impairment	-1	-
<b>Closing carrying amount</b>	<b>964</b>	<b>929</b>

## SPECIFICATION OF PARENT COMPANY'S HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

All subsidiaries in the sub-Group are wholly owned.

SEK MILLION	CORP. REG. NO.	REGISTERED OFFICE	NO. OF SHARES/PARTICIP.	OWNED SHARE %	CARRYING AMOUNT		NO. OF INDIRECTLY OWNED SUBSIDIARIES	
					2022	2021	2022	2021
Byggnads AB Dörrstenen	559145-5182	Stockholm	1,000	100	5	1	-	-
Fastighets AB Kvartersgatan 11	556790-8347	Stockholm	1,000	100	5	5	-	-
Fastighets AB Skyttbrink 15	556873-2209	Stockholm	1,000	100	-	0	-	-
Stendörren Ljusbågen 7 AB	556803-0364	Eskilstuna	2,500	100	-	0	-	-
Stendörren Option AB	556989-1434	Stockholm	50,000	100	0	0	-	-
Stendörren Servitrisen 3 AB	559086-2438	Stockholm	1,000	100	0	39	-	-
Stendörren Stockholm 1 AB	556942-1679	Stockholm	50,000	100	754	754	65	68
Stendörren Stockholm 2 AB	556409-2434	Stockholm	10,000	100	57	57	9	11
Stendörren Stockholm 3 AB	559320-6112	Stockholm	25,000	100	0	0	21	-
Stendörren Stockholm 4 AB	556972-6630	Stockholm	50,000	100	46	46	9	13
Stendörren Stockholm 5 AB	556993-3012	Stockholm	50,000	100	24	13	10	10
Stendörren Stockholm 6 AB	556993-3020	Stockholm	50,000	100	5	6	3	3
Stendörren Stockholm 7 AB	556993-3038	Stockholm	50,000	100	27	6	12	12
Stendörren Stockholm 8 AB	559338-6005	Stockholm	25,000	100	13	2	9	6
Stendörren Stockholm 9 AB	559338-6336	Stockholm	25,000	100	1	0	5	3
Stendörren Stockholm 10 AB	559383-4053	Stockholm	25,000	100	2	-	4	-
Fastighets AB Grönsta 2:65	559277-6180	Stockholm	50 000	100	25	-	-	-
<b>Total</b>					<b>964</b>	<b>929</b>	<b>147</b>	<b>126</b>

## NOTE 22 PLEGDED SECURITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Collateral for credit facilities, interest-bearing liabilities</b>				
Property mortgages	5,785	5,397	-	-
Pledged shares in subsidiaries	5,485	4,986	884	903
<b>Total</b>	<b>10,553</b>	<b>10,383</b>	<b>884</b>	<b>903</b>

## NOTE 23 CONTINGENT LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Guarantees for subsidiaries' credits	0	0	5,018	4,339
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5,018</b>	<b>4,339</b>

## NOTE 24 SUPPLEMENTARY DISCLOSURES TO THE CASH-FLOW STATEMENT

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Cash flows</b>				
Interest received	9	1	-	-
Interest paid	-181	-108	-55	-59
<b>Adjustment for non-cash items</b>				
Depreciation, amortization and impairment of assets	3	3	3	3
Accrued, unpaid interest	16	17	-	-
Exchange rate gains	-24	-	-	-
<b>Total</b>	<b>-5</b>	<b>20</b>	<b>3</b>	<b>3</b>

### ACQUISITION OF ASSETS VIA SUBSIDIARIES

No business acquisitions were made; instead, acquisitions of shares in subsidiaries for the year have been classified as asset acquisitions and the net proceeds consisted of the following items:

GROUP, SEK MILLION	2022	2021
<b>Acquired assets and liabilities</b>		
Investment properties	580	668
Operating receivables	5	9
Cash and cash equivalents	1	6
Non-current liabilities	-1	-220
Current operating liabilities	-70	-29
<b>Total net assets</b>	<b>515</b>	<b>434</b>
Settlement of loans, swaps, and new loans, net	-67	-240
Less: Cash and cash equivalents in the acquired entity	1	6
<b>Impact on cash and cash equivalents</b>	<b>-581</b>	<b>-668</b>



## NOTE 25 RELATED PARTY TRANSACTIONS

SEK MILLION	SALE OF GOODS AND SERVICES TO RELATED PARTIES		PURCHASES OF GOODS AND SERVICES FROM RELATED PARTIES	
	2022	2021	2022	2021
<b>Parent Company</b>				
<i>Related party relationship</i>				
Group companies	125	108	-	-
<b>Total</b>	<b>125</b>	<b>108</b>	<b>-</b>	<b>-</b>

SEK MILLION	RECEIVABLES FROM RELATED PARTIES		LIABILITIES TO RELATED PARTIES	
	2022	2021	2022	2021
<b>Parent Company</b>				
<i>Related party relationship</i>				
Group companies	3,490	3,018	1,470	983
<b>Total</b>	<b>3,490</b>	<b>3,018</b>	<b>1,470</b>	<b>983</b>

SEK MILLION	INTEREST FROM RELATED PARTIES		INTEREST TO RELATED PARTIES	
	2022	2021	2022	2021
<b>Parent Company</b>				
<i>Related party relationship</i>				
Group companies	159	96	54	35
<b>Total</b>	<b>159</b>	<b>96</b>	<b>54</b>	<b>35</b>

The transactions above were made with related companies. For information regarding salaries, remuneration, costs and agreements for pensions and similar benefits and agreements regarding severance pay for the Board, CEO and other executives, refer to Note 5.

## NOTE 26 IMPORTANT EVENTS AFTER THE END OF THE FISCAL YEAR

- In January 2023, the rating agency Nordic Credit Rating (NCR) announced that Stendörren has retained its rating of BB-, outlook stable.
- In March 2023, tenders for a total SEK 287.5 million were accepted and completed under a tender offer of up to SEK 300 million for outstanding SEK capital securities.
- In January 2023, a 5-year lease agreement was signed, with a 5-year extension option, regarding logistics premises of 2,200 sqm in Upplands-Bro.

# PROPOSED APPROPRIATION OF PROFIT

The Parent Company's non-restricted equity is at the disposal of the AGM. The Board proposes that SEK 0 per share be paid in dividends and non-restricted equity in its entirety be carried forward.

<b>SEK</b>	
Non-restricted equity brought forward	1,634,000,355
Profit for the year	40,811,362
Non-restricted equity at the disposal of the AGM	1,674,811,717
<hr/>	
<b>Proposed</b>	
To be paid in dividends to shareholders	0
<hr/>	
To be carried forward	1,674,811,717

# PROPERTY PORTFOLIO

NAME OF PROPERTY	COUNTRY	MUNICIPLITY	TOTAL AREA EXCL. LAND	BUILDINGS RIGHTS GFA
Almnäs 5-23 (4411)	Sweden	Södertälje	7,657	30,172
Almnäs 5-24 (4412)	Sweden	Södertälje	9,881	27,906
Armaturen 5 (4131)	Sweden	Kungsör	9,829	7,000
Ateljén 1 (4961)	Sweden	Västerås	3,466	0
Avedöreholmen 51 (5196)	Denmark	Copenhagen	2,046	0
Bergklacken 5 & 6 (4311)	Sweden	Stockholm (Traneberg)	11,493	0
Biologen 10 (4361)	Sweden	Botkyrka	4,077	0
Björnerudveien 24 (5202)	Norway	Oslo	4,821	0
Blixtlampan 1 (3461)	Sweden	Stockholm (Högdalen)	5,887	0
Blixtljuset 14 (4381)	Sweden	Stockholm (Högdalen)	932	0
Blästerugnen 2 (4841)	Sweden	Västerås	1,894	0
Bolmängen 1 (4111)	Sweden	Flen	7,831	0
Boländerna 35-4 (4471)	Sweden	Uppsala	1,685	0
Boländerna 35-5 (4472)	Sweden	Uppsala	994	0
Brånberget 2 (3451)	Sweden	Stockholm (Bromma)	2,464	0
Båglampan 25 (4591)	Sweden	Stockholm (Johannesfred)	0	8,000
Båglampan 35 (4031)	Sweden	Stockholm (Johannesfred)	8,088	0
Bällsta 5-133 (4351)	Sweden	Vallentuna	1,954	0
Centrum 26-7 (4051)	Sweden	Enköping	5,397	0
Danmarks-Säby 14-2 (4511)	Sweden	Uppsala	1,251	0
Degeln 1 (4901)	Sweden	Västerås	6,530	0
Diamantsliparen 2 (3491)	Sweden	Stockholm (Västberga)	1,405	0
Elementet 1 (4691)	Sweden	Stockholm (Bromma)	9,389	0
Fallhammaren 1 (4861)	Sweden	Västerås	4,507	0
Farum Gydevej 62 (5334)	Denmark	Copenhagen	1,561	0
Farverland 7 (5335)	Denmark	Copenhagen	2,964	0
Filmremsan 1 (3462)	Sweden	Stockholm (Högdalen)	3,807	0
Filmremsan 2 (3463)	Sweden	Stockholm (Högdalen)	3,846	0
Filmremsan 9 (3464)	Sweden	Stockholm (Högdalen)	7,650	0
Flygeleven 2 (4261)	Sweden	Stockholm (Skarpnäck)	10,797	0
Fotocellen 2 (3471)	Sweden	Stockholm (Högdalen)	4,418	0
Fotocellen 5 (3465)	Sweden	Stockholm (Högdalen)	3,150	0
Fysikern 1 (4561)	Sweden	Botkyrka	2,930	1,750
Gjutjärnet 7 (4821)	Sweden	Västerås	2,617	0
Glädjen 1-56 (4801)	Sweden	Upplands Väsby	1,645	0
Grimsta 60-2 (3631)	Sweden	Upplands Väsby	2,955	0
Gräddö 2 (4181)	Sweden	Stockholm (Larsboda)	8,244	0
Gräddö 4 (4182)	Sweden	Stockholm (Larsboda)	5,672	0
Grönsta 2-55 (3781)	Sweden	Eskilstuna	19,528	5,000
Grönsta 2-65 (5351)	Sweden	Eskilstuna	4,999	0
Hangaren 1 (3481)	Sweden	Täby	3,245	0
Heiasvingen 33 (5201)	Norway	Oslo	2,850	0
Hjulsmåden 1 (4881)	Sweden	Västerås	0	3,250
Hovmästaren 2 (5111)	Sweden	Västerås	8,629	0
Husbyborg 12-5 (4501)	Sweden	Uppsala	1,223	0
Husbyborg 12-6 (4502)	Sweden	Uppsala	1,236	0
Husbyborg 15-1 (4981)	Sweden	Uppsala	4,438	1,000
Hällsättra 1 (3791)	Sweden	Stockholm (Sätra)	9,205	0

NAME OF PROPERTY	COUNTRY	MUNICIPLITY	TOTAL AREA EXCL. LAND	BUILDINGS RIGHTS GFA
Jakobsberg 18-30 (6201)	Sweden	Järfälla	1,296	0
Jursta 3-8 (4661)	Sweden	Upplands-Bro	6,300	1,900
Kalvsvik 16-17 (4621)	Sweden	Haninge	3,804	0
Kalvsvik 16-23 (5001)	Sweden	Haninge	3,484	0
Kalvö 1-24 (4541)	Sweden	Nynäshamn	13,000	5,000
Kirstinehøj 12 (5212)	Denmark	Copenhagen	1,716	0
Kirstinehøj 3 (5195)	Denmark	Copenhagen	4,772	0
Kokillen 1 (4921)	Sweden	Västerås	2,871	0
Korsräven 1 (4161)	Sweden	Stockholm (Spånga)	6,077	0
Kärra 72-28 (5221)	Sweden	Gothenburg (Tagene)	2,919	0
Lagersberg 1-6 (5121)	Sweden	Eskilstuna	6,298	0
Librobäck 18-1 (4581)	Sweden	Uppsala	2,300	0
Librobäck 21-3 (4991)	Sweden	Uppsala	4,175	1,300
Linjalen 63 (4341)	Sweden	Täby	2,338	0
Ljusbågen 7 (5101)	Sweden	Eskilstuna	7,925	0
Lufthammaren 1 (4931)	Sweden	Västerås	7,836	0
Luna 1 (4011)	Sweden	Huddinge	6,723	0
Magneten 12 (4711)	Sweden	Stockholm (Bromma)	6,892	0
Magneten 18 (4731)	Sweden	Stockholm (Bromma)	12,030	0
Magneten 30 (4751)	Sweden	Stockholm (Bromma)	8,285	0
Magneten 33 (4681)	Sweden	Stockholm (Bromma)	7,072	0
Mörtö 7 (4641)	Sweden	Stockholm (Bromma)	2,692	0
Nygård 2-14 (3711)	Sweden	Upplands-Bro	130,912	195,000
Nygård 2-17 (4531)	Sweden	Upplands-Bro	0	120,000
Nygård 2-19 (4631)	Sweden	Upplands-Bro	0	75,000
Olhamra 1-60 (4291)	Sweden	Vallentuna	2,050	0
Passaren 1 (4331)	Sweden	Täby	3,606	0
Paul Bergsøes Vej 8 (5198)	Denmark	Copenhagen	2,597	0
Pedersholmparken 10 & 13 (5191 & 5192)	Denmark	Copenhagen	9,511	5,864
Pilbågen 1 (4433)	Sweden	Södertälje	2,482	0
Pyymosantie 4 (5331)	Finland	Helsinki	2,849	0
Rapsbaggen 3 (3751)	Sweden	Västerås	7,739	0
Romberga 23-17 (4571)	Sweden	Enköping	0	2,700
Romberga 23-52 (5031)	Sweden	Enköping	3,048	0
Roskildevej 157A (5193)	Denmark	Copenhagen	0	0
Rymdhunden 1 (5021)	Sweden	Södertälje	5,214	0
Rønnevangsalle 8 (5197)	Denmark	Copenhagen	3,089	0
Sandvadsvej 7 (5194)	Denmark	Copenhagen	3,054	0
Sankt Ilian 23-4 (4052)	Sweden	Enköping	1,720	0
Servitrisen 3 (5181)	Sweden	Västerås	4,302	0
Sicklaön 107-3 (4241)	Sweden	Nacka	14,488	0
Sjöhjälten 2 (4021)	Sweden	Sollentuna	3,867	0
Skonerten 2 (5151)	Sweden	Västerås	4,689	0
Skrubba 1-2 (4221)	Sweden	Stockholm (Tyresö)	3,521	0
Skyttbrink 15 (5061)	Sweden	Botkyrka	6,452	0
Skälby 2-2 (3681)	Sweden	Upplands Väsby	5,306	0
Sotaren 1 (4251)	Sweden	Täby	10,156	0
Stenskärven 4 (4171)	Sweden	Stockholm (Vinsta)	8,628	0
Stenskärven 5 (4172)	Sweden	Stockholm (Vinsta)	2,369	0
Stenvreten 5-68 (4371)	Sweden	Enköping	1,803	0
Stenvreten 6-1 (4061)	Sweden	Enköping	14,451	0
Stenvreten 7-51 (4071)	Sweden	Enköping	1,500	0
Stenvreten 7-60 (4791)	Sweden	Enköping	4,357	0

NAME OF PROPERTY	COUNTRY	MUNICIPLITY	TOTAL AREA EXCL. LAND	BUILDINGS RIGHTS GFA
Stenvreten 7-70 (3761)	Sweden	Enköping	1,815	0
Stenvreten 7-74 (4971)	Sweden	Enköping	1,764	2,000
Stenvreten 7-94 (4041)	Sweden	Enköping	1,080	0
Stenvreten 8-37 (4054)	Sweden	Enköping	480	8,000
Stillbilden 6 (3466)	Sweden	Stockholm (Högdalen)	3,761	0
Strängnäs 2-34 (4091)	Sweden	Strängnäs	4,289	0
Svalehøjvej 17 (5336)	Denmark	Copenhagen	5,325	0
Sågaren 2 (4141)	Sweden	Flen	1,096	0
Säby 4-1 (3611)	Sweden	Järfälla	1,820	1,500
Söderbymalm 7-35 (4651)	Sweden	Haninge	4,107	0
Talja 1-36 (3771)	Sweden	Flen	13,281	55,000
Tegelbruket 1 (4421)	Sweden	Botkyrka	21,618	80,000
Tiilitie 10 (5332)	Finland	Helsinki	1,760	0
Tiilitie 8 (5333)	Finland	Helsinki	1,972	0
Traversen 14 (4522)	Sweden	Sollentuna	372	1)
Traversen 15 (4521)	Sweden	Sollentuna	1,701	5,500
Tunaängen 10 (4431)	Sweden	Södertälje	2,046	0
Tunaängen 6 (4432)	Sweden	Södertälje	291	0
Vakten 15 (4671)	Sweden	Eskilstuna	6,492	0
Varvet 1 (4231)	Sweden	Botkyrka	14,803	3,700
Vattnet 6 (5141)	Sweden	Borås	3,700	1,000
Vattnet 7 (5131)	Sweden	Borås	6,340	1,300
Veddesta 2-53 (3521)	Sweden	Järfälla	11,287	0
Veddesta 2-54 (4281)	Sweden	Järfälla	1,382	0
Viby 19-13 (3651)	Sweden	Upplands-Bro	2,700	0
Viby 19-27 (4271)	Sweden	Upplands-Bro	2,886	0
Viby 19-28 (4272)	Sweden	Upplands-Bro	2,889	0
Viby 19-30 (4121)	Sweden	Upplands-Bro	2,200	1,800
Viby 19-66 (3501)	Sweden	Upplands-Bro	0	6,782
Vindkraften 2 (3221)	Sweden	Stockholm (Tyresö)	6,715	0
Vitgröet 12 (4771)	Sweden	Stockholm (Spånga)	13,771	0
Ånghammaren 2 (4941)	Sweden	Västerås	14,250	0
Årsta 72-4 (4451)	Sweden	Uppsala	1,997	0
Årsta 72-5 (4461)	Sweden	Uppsala	1,304	0
Öja 1-65 (4112)	Sweden	Flen	8,476	0
Örnäs 1-14 (4551)	Sweden	Upplands-Bro	4,840	0
Östhamra 4-33 (3467)	Sweden	Knivsta	5,000	0
			<b>795,261</b>	<b>657,424</b>

1) Co-valued with Traversen 15

# SIGNING OF THE ANNUAL REPORT

The undersigned give their assurance that the consolidated financial statements and Annual Report have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and with generally accepted accounting policies in Sweden and provide a true and fair view of the Group's and the Parent Company's financial position and earnings, and that the Board of Director's Report provides a true and fair view of the Group's and the Parent Company's operations, financial position and earnings and describe the material risks and uncertainties faced by the companies that form the Group.

Stockholm, April 28, 2023

Andreas Philipson  
*Chairman of the Board*

Carl Mörk  
*Board member*

Helena Levander  
*Board member*

Henrik Orrbeck  
*Board member*

Seth Lieberman  
*Board member*

Nisha Raghavan  
*Board member*

Erik Ranje  
*CEO*

Our auditor's report on this Annual report and the consolidated financial statements was submitted on April 28, 2023.

BDO Mälardalen AB

Johan Pharmanson  
*Authorized Public Accountant*

Carl-Johan Kjellman  
*Authorized Public Accountant*

# AUDITOR'S REPORT

To the general meeting of the shareholders of Stendörren Fastigheter AB (publ), corporate identity number 556825-4741

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### OPINIONS

We have audited the annual accounts and consolidated accounts of Stendörren Fastigheter AB (publ) for the financial year 2022. With the exception of the corporate governance report on pages 81-94. The annual accounts and consolidated accounts of the company are included on pages 70-134 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### OTHER MATTERS

The audit of the report for the financial year 2021 has been performed by another auditor, who has issued an auditor's report dated April 29th 2022, with unqualified opinions in the Report of annual accounts and consolidated accounts

### KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### VALUATION OF INVESTMENT PROPERTIES

The fair value of the groups investment properties amounted, as per December 31st, 2022 to MSEK 12 418 and the changes in fair value over the period to MSEK 143. The group's investment properties amount to 93 % of total assets as of December 31st 2022. A description of the valuation of the property portfolio is stated in the note 11 Investment Properties, note 1 Accounting Policies, and note 2 Important Estimates and Judgments. We have identified this as a key audit matter in our audit due to the high degree of assumptions and assessments which are made in conjunctions with valuation of investments properties.

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit procedures included but were not limited to: Initially we evaluated and reviewed the group's process for property valuation, including by evaluation the valuation methodology and input data in the established valuations. We have evaluated the company's, and the external valuers competence. We have made a comparison against known market information. For a sample of properties we have examined the reasonableness of assumptions such as yield requirements, vacancy rate, rental income and operation costs as well as control calculated the valuation model. Our review has partially been conducted by valuations experts. Our selection has mainly included the largest properties in terms of value in the portfolio, properties with ongoing projects or future development

opportunities in the form of development rights and those properties where there have been the largest variations in value compared to the previous year. We have reviewed the disclosures provided in the annual report.

#### OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-68 and pages 140-141. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to

cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to



events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS THE AUDITOR'S AUDIT OF THE ADMINISTRATION OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Stendörren Fastigheter AB (publ) for the financial year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are con-

trolled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

### OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Stendörren Fastigheter AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Stendörren Fastigheter AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the

auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Stendörren Fastigheter AB (publ) by the general meeting of the shareholders on 24 May 2022 and has been the company's auditor since 2022.

Stockholm April 28, 2023

BDO Mälardalen AB

Johan Pharmanson  
Authorized Public Accountant

Carl-Johan Kjellman  
Authorized Public Accountant

## DEFINITIONS

The European Securities and Markets Authority (ESMA) has issued guidelines for the use of Alternative Performance Measures, (APMs) related to companies with securities that are listed on a regulated market. The guidelines have been developed in order to increase the transparency and the comparability in APMs commonly used in prospectuses and other compulsory information submitted by listed companies. Stendörren provides more detailed definitions and explanations of the APMs it uses. These definitions and explanations, along with a reconciliation table, are in accordance with the ESMA guidelines and can be found on [www.stendorren.se](http://www.stendorren.se), investor relations.

### CURRENT NET ASSET VALUE

Book equity net of hybrid capital adjusted for actual deferred tax liability, calculated at an effective tax rate of 5.9% and adjusted for interest-rate derivatives.

### AREA WEIGHTED OCCUPANCY RATE

Area contractually leased to tenants in relation to total lettable area.

### AVERAGE RETURN ON EQUITY

Profit for the period in relation to average equity the last 12 months.

### LOAN-TO-VALUE RATIO

Interest-bearing liabilities in relation to total assets.

### LOAN-TO-VALUE RATIO AT PROPERTY LEVEL

Interest-bearing liabilities secured in properties in relation to the fair value of the properties.

### NOI YIELD

Property NOI the last 12 months in relation to the fair value of the properties.

### NET OPERATING INCOME

Total rental income from the properties reduced by property operating expenses.

### ECONOMIC OCCUPANCY RATE

Contractual annual rent in relation to rental value.

### INCOME FROM PROPERTY MANAGEMENT

Profit for the period before value changes and tax.

### NET FINANCIAL ITEMS

Net financial items are the difference between interest income and interest expenses as well as leasing costs.

### AVERAGE INTEREST RATE

The weighted average interest rate on all interest-bearing liabilities.

### WEIGHTED AVERAGE UNEXPIRED LEASE TERM

The weighted average remaining lease term on all existing property leases. Expressed in terms of years remaining until expiry.

### LOAN MATURITY

The weighted average remaining time to maturity for interest-bearing liabilities, expressed in years.

### CASH FLOW PER SHARE

Cash flow from operating activities before changes in working capital according to the cash flow statement divided by the average number of shares outstanding before dilution.

### LONG-TERM NET ASSET VALUE

Book equity net of hybrid capital adjusted for deferred tax and the derivatives value (+/-).

### NET LETTING

Annual rent for new signed leases reduced by annual rent for terminations and annual rent for bankruptcies.

### EARNINGS PER SHARE

Net profit after hybrid interest divided by the average number of shares outstanding, before and after dilution.

### AVERAGE INTEREST MATURITY INCLUDING DERIVATIVES

The weighted average remaining time to interest adjustment on interest-bearing liabilities including the effect of interest derivatives. Expressed in years remaining.

### INTEREST COVERAGE RATIO (ICR)

Income from property management the last 12 months adding back net financial expenses, in relation to net financial expenses (excluding the rights of use of land lease properties that in accordance with IFRS 16 is accounted for as a financial cost).

### EQUITY RATIO

Book equity in relation to total balance sheet (excluding the leasing liability for the rights of use of land lease properties that, in accordance with IFRS 16, is accounted for as a long term liability).

### TOTAL RETURN

Property NOI increased by change in value of investment properties during the last 12 months divided by the average fair value of the properties during the same period.

### SURPLUS RATIO

Properties' NOI divided by total income during the same period.

## OTHER INFORMATION

# CALENDAR

Interim Financial Report Jan-Mar 2023, May 5, 2023  
2023 Annual General Meeting, May 23, 2023  
Interim Financial Report Jan-Jun 2023, July 20, 2023  
Interim Financial Report Jan-Sep 2023, November 8, 2023  
Year-end Report 2023, February 23, 2024

## 2023 ANNUAL GENERAL MEETING

The Board has given notice to the company's shareholders of the AGM to be held on Wednesday, May 23, 2023. The Board proposes that no dividends be paid to the shareholders for the 2022 fiscal year and that the available capital be reinvested.

For more information, please contact:

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**Per-Henrik Karlsson, CFO**  
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Image: Bäckby, Västerås