

# **PREMISES THAT MAKE A DIFFERENCE**

**2021 ANNUAL AND SUSTAINABILITY REPORT**

**STENDÖRREN**

# TABLE OF CONTENTS

## ABOUT STENDÖRREN

Stendörren Fastigheter overview .....	3
The past year .....	6
4 good reasons to own Stendörren shares .....	7
CEO's statement.....	8
Mission and objectives .....	10
Business model and strategies .....	12

## STENDÖRREN'S OPERATIONS

Market and macro environment .....	14
Stendörren's properties.....	18
Projects .....	32
Financing .....	42

## SUSTAINABILITY

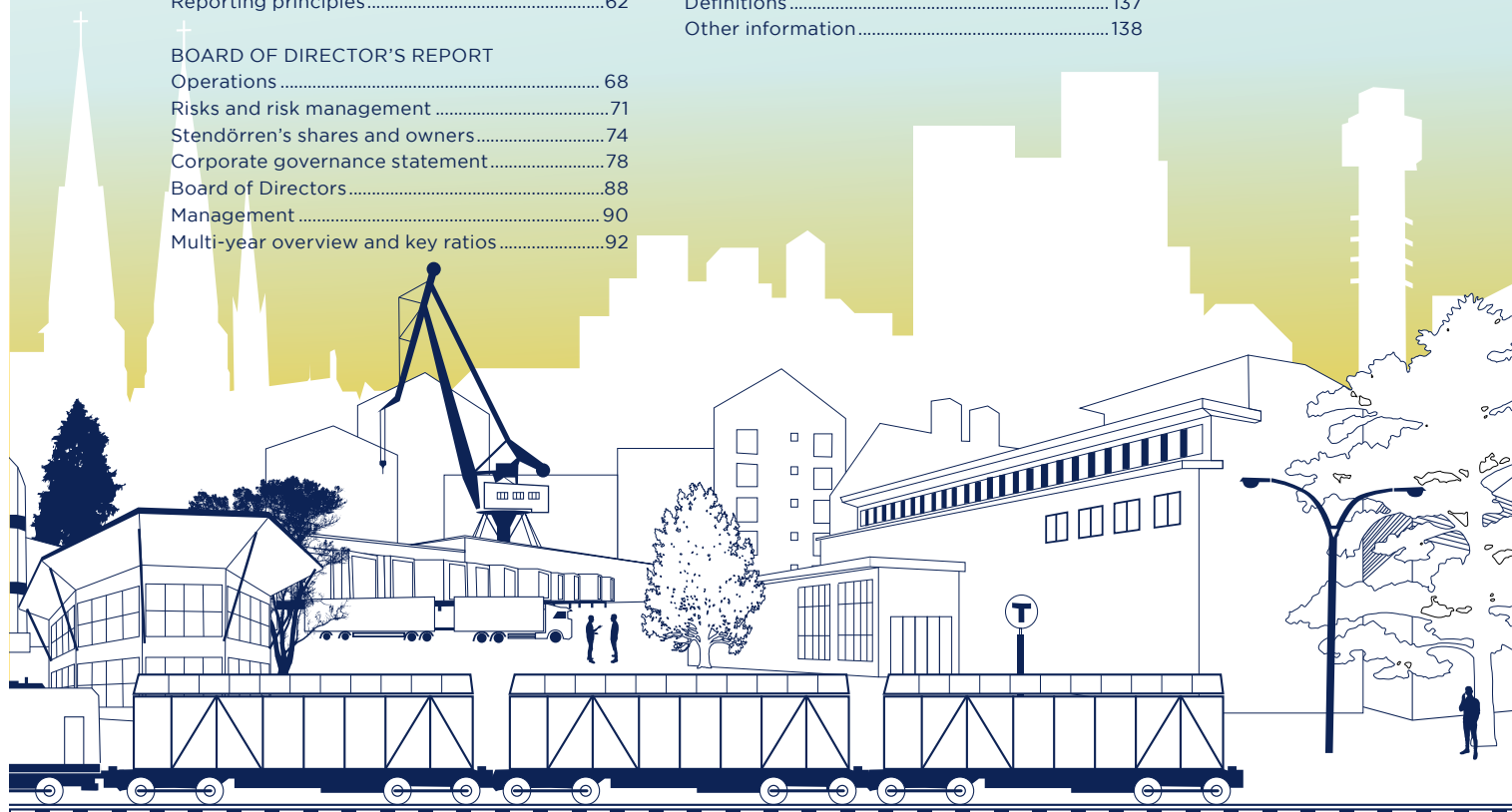
Stendörren's sustainable practices.....	46
Gradually increasing ambitions.....	48
Materiality assessment and stakeholder engagement .....	50
Renewed sustainability strategy.....	52
Focus areas.....	54
Reporting principles.....	62

## BOARD OF DIRECTOR'S REPORT

Operations .....	68
Risks and risk management .....	71
Stendörren's shares and owners.....	74
Corporate governance statement.....	78
Board of Directors.....	88
Management .....	90
Multi-year overview and key ratios.....	92

## FINANCIAL STATEMENTS

Consolidated statement of comprehensive income .....	94
Consolidated statement of financial position.....	96
Consolidated changes in equity.....	98
Consolidated statement of cash flows.....	99
Parent Company's income statement.....	101
Parent Company's statement of comprehensive income.....	101
Parent Company's balance sheet .....	102
Parent Company's changes in equity .....	103
Parent Company's statement of cash flows... ..	104
Notes .....	105
Proposed appropriation of profit .....	129
Property portfolio .....	130
Signing of the Annual Report.....	131
Auditor's report .....	132
Definitions .....	137
Other information.....	138



Pages 66–136 constitute the formal Annual Report. This report may contain discrepancies in totals in some tables due to rounding. In this Annual and Sustainability Report, “Stendörren”, “the company”, “the Group” or “we/our” refers to Stendörren Fastigheter AB (publ). Information pursuant to the Swedish Annual Accounts Act that must be presented in the sustainability report is provided in this Annual Report in the sections on the Business model on page 12, Sustainability on page 46 and Sustainability risks on page 72.

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.

# STENDÖRREN OVERVIEW

Stendörren Fastigheter AB (publ) is an expansive real estate company listed on Nasdaq Stockholm Mid Cap. Our mission is to create long-term profitable growth in net asset value by managing, developing and acquiring properties and building rights for logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating residential rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region.

SWEDEN  
DENMARK  
NORWAY

LETTABLE AREA:  
**793,000 SQM**

PROFIT AFTER TAX:  
**SEK 1,209** MILLION

NO. OF PROPERTIES:  
**135**

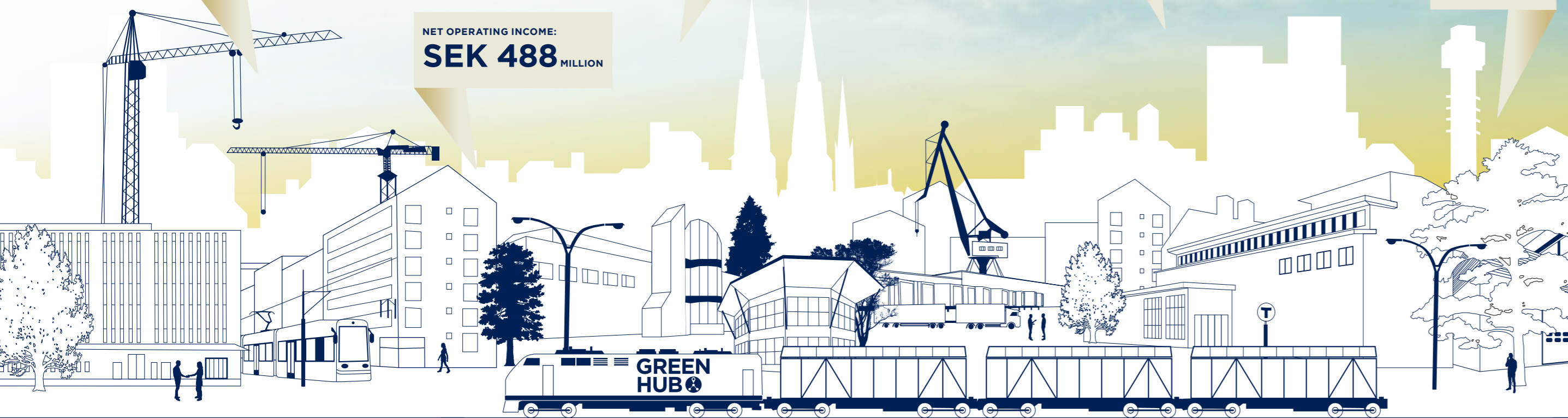
PROPERTY VALUE:  
**SEK 11,693** MILLION

EMPLOYEES:  
**55**

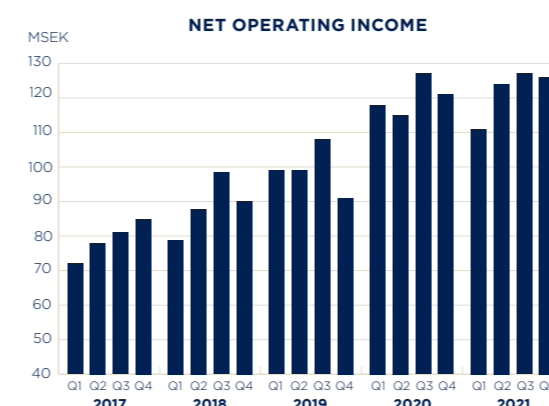
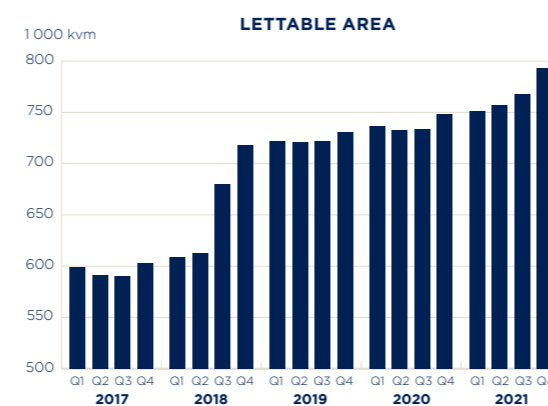
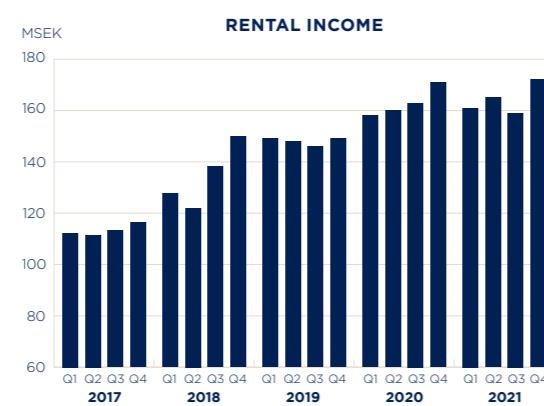
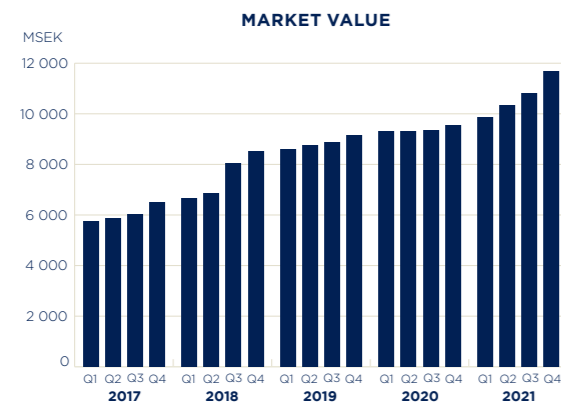
OCCUPANCY RATE:  
**89%**

RENTAL INCOME:  
**SEK 653** MILLION

NET OPERATING INCOME:  
**SEK 488** MILLION



STENDÖRREN FASTIGHETER MANAGES, DEVELOPS AND ACQUIRES PROPERTIES AND BUILDING RIGHTS.



WAREHOUSE,  
LOGISTICS AND LIGHT  
INDUSTRIAL PROPERTIES  
ACCOUNT FOR **67%** OF THE  
TOTAL LETTABLE AREA.

LOAN-TO-VALUE RATIO:

**46%**

EQUITY RATIO:

**43%<sup>1)</sup>**

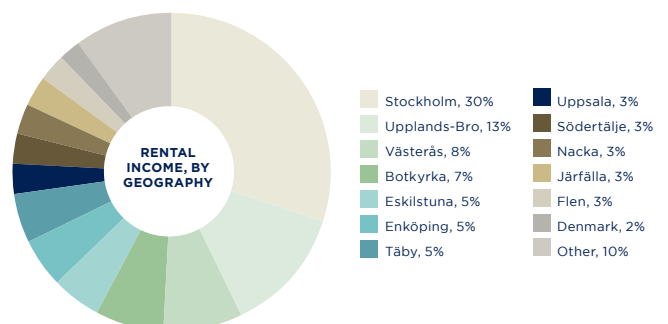
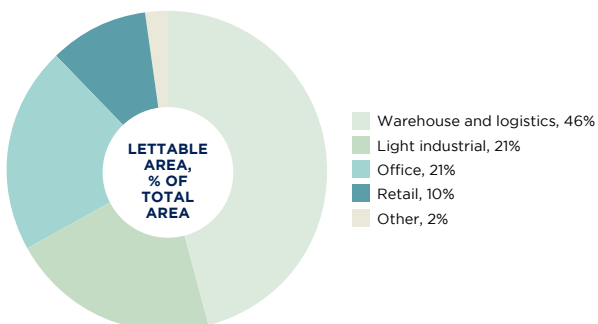
THE STENDÖRREN CLASS B  
SHARE (STEF-B) IS LISTED ON  
NASDAQ STOCKHOLM MID CAP.

NO. OF LEASES:

**approx. 1,050**



<sup>1)</sup> 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%.



# THE PAST YEAR

## INCREASED ACTIVITY ON SEVERAL FRONTS

On January 18, Stendörren receives its first rating from the rating agency Nordic Credit Rating (NCR). NCR awards Stendörren a rating of BB-, outlook stable.

On October 6, Stendörren announces that it is developing a logistics property in a fast-growing logistics area – Brunna, in Upplands-Bro – which marks the beginning of the development of the company's building rights in the area.

On December 3, Stendörren makes its first acquisition in Norway, with an industrial and warehouse property for SEK 55 million in the Oslo region.

On December 20, Stendörren enters into an agreement regarding sustainability-linked financing of a total of SEK 1.7 billion.



On May 6, Stendörren announces that it is developing approximately 350 residential units in Botkyrka under its own management.

On July 1 and 2, Stendörren establishes operations in a new market, Viared in Borås, through the acquisition of warehouse properties for SEK 84 million and SEK 45 million, respectively. "We can see excellent growth opportunities in western Sweden," comments CEO Erik Ranje.

On November 19, the first acquisition outside Sweden takes place, with the acquisition of an industrial property for SEK 135 million in the Copenhagen region. Two additional properties are acquired in Copenhagen on December 15 and 22, respectively.

### EVENTS AFTER THE END OF THE YEAR

- On January 4, Stendörren makes its fourth acquisition in the Copenhagen region.
- On January 20, Stendörren announces that it has obtained three additional building permits for warehouse and logistics properties.
- In January, Stendörren retains its rating from the rating agency Nordic Credit Rating (NCR) of BB-, outlook stable.

On July 19, Stendörren adjusts its dividend policy and adds a new financial objective: annual growth in long-term net asset value is to exceed 15%.



ABOUT STENDÖRREN

# 4 GOOD REASONS TO OWN STENDÖRREN SHARES

### STABLE CASH FLOW

Stendörren's portfolio comprises high-yield warehouse, logistics and light industrial properties with long-term leases.

The diversified base of tenants range from well-established small to medium-sized companies and large international businesses in various industries.

### SUSTAINABLE GROWTH

Stendörren's properties are strategically located in Greater Stockholm and Mälardalen's growth regions (in terms of population and economy).

As demand for 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 for other uses, such as residential.

### VALUE GROWTH IN PROJECT

Stendörren's project portfolio contains opportunities for new developments of attractively located logistics properties and the further development of light industrial properties.

Moreover, the conversion of properties for alternative uses, primarily residential purposes, creates further development potential.

### HIGH AND ROBUST RETURNS

Stendörren has bank financing from several of the leading Nordic banks.

Bond financing as a complement (senior unsecured bonds and hybrid bonds).

Financial policy to balance risk (loan and refinancing risk).

# STATEMENT FROM THE CEO

## A YEAR WITH A CLEAR INCREASE IN ACTIVITY AND VALUE GROWTH

*In many ways, 2021 was a successful year for Stendörren as key ratios improved, demonstrating strong growth for our operations. The value of our property portfolio grew 23% to SEK 11.7 billion – a result of acquisitions, improved cash flow, the identification of additional project opportunities within the existing portfolio and some instances of adjusted yield requirements. We accelerated the pace of acquisitions and the trend for net lettings and assessed earnings capacity has been strongly positive. We also passed several strategically important milestones, both within property development and through acquisitions in new growth markets in Denmark and Norway. Despite growing uncertainty in our business environment, we believe the necessary conditions are in place to continue along this path in 2022.*

**THE POSITIVE DEVELOPMENT** of our leasing activities is a result of the implementation of new work procedures just over a year ago and of certain changes made to strengthen our organization. These measures have gradually had an impact during the year and resulted in net lettings of SEK 40 million. If the bankruptcy of the former tenant Exploria AB is excluded, net lettings amounted to approximately SEK 57 million. In total, new lease agreements with an annual rental value of approximately SEK 79 million were signed. Rental income from our 135 properties therefore amounted to SEK 653 million, with net operating income of SEK 488 million. Income from property management rose 5% to SEK 267 million. We can therefore see a strong and solid performance from our core business.

**DESPITE INCREASED UNCERTAINTY IN OUR BUSINESS ENVIRONMENT, WE HAVE EXCELLENT OPPORTUNITIES TO CONTINUE ALONG THE DECIDED PATH, WITH INCREASED ACTIVITY IN LEASING, ACQUISITIONS AND NOT LEAST PROPERTY DEVELOPMENT**

### PROPERTY DEVELOPMENT WITH POTENTIAL

During 2021, we took several important steps in our property development operations. At the end of the year, we had building rights that when fully developed could create up to 650,000 sqm of lettable area for logistics, warehouse, light industrial and residential use. This is an interesting asset that distinguishes us from many of our industry colleagues. In May 2021, we decided on the initial development of about 350 of a total of 800 residential units at the Tegelbruket 1 property in Botkyrka under our own management, and in March 2022, the building permit was obtained.

Additionally, a building permit application was submitted and obtained for a number of warehouse, logistics and light industrial facilities across Mälardalen. In Brunna in Upplands-Bro, north of

Stockholm, we obtained a building permit for a logistics property of approximately 6,000 sqm. The project marks the beginning of the development of the company's building rights in the area. The building has a distinct sustainability profile and will be certified with an Excellent rating according to BREEAM, prepared for both geothermal heat and solar energy. We own a total of six properties in Brunna and several of these have unutilized building rights with potential for further development.

At the beginning of 2022, we also obtained a building permit for the first stage of one of Stendörren's largest development areas in Almnäs, Södertälje, which relates to approximately 11,500 sqm of logistics space. This project also has high sustainability ambitions and will be certified with an Excellent rating according to BREEAM.

The project is expected to be completed by year-end 2022.

At roughly the same time, we obtained building permits for two warehouse and light industrial facilities in Uppsala and Västerås of 2,200 and 2,700 sqm, respectively, both of which are expected to be completed this year. Many indicators therefore suggest that we will have completed property development projects on an entirely different level in 2022 compared with in recent years.

### MORE ACQUISITIONS AND NEW GROWTH MARKETS

Our acquisition activity also increased during the year, particularly in the fourth quarter. During the year, properties for SEK 788 million (150) were acquired and we passed an important milestone with

our first acquisitions outside the Mälardalen region. We established operations in western Sweden through the acquisition of two warehouse properties in Viared in Borås. The properties are modern and fully leased with long lease agreements, strategically located in the "logistics triangle." In addition, we acquired a total of five industrial and warehouse properties in Copenhagen and Oslo.

The acquisitions were a result of an analysis in autumn 2020 of markets that could be attractive for a possible expansion outside Mälardalen and we are continuously assessing new markets with the right characteristics.

### STABLE FINANCIAL POSITION AND INCREASED MACROECONOMIC CONCERN

Stendörren continues to have a stable and solid financial position. The equity ratio at the end of the year totaled 43%, up 3 percentage points on the preceding year. During the year, we continued to finance our growth with loans from credit institutions and bonds, including sustainability-linked financing of SEK 1.7 billion. The average loan maturity for our entire loan portfolio is 2.5 years.

In early 2022, the rating agency Nordic Credit Rating (NCR) announced an update to its rating for Stendörren when we were awarded a BB-, outlook stable. The rating is a confirmation of our financial stability and strengthens the prospects for the long-term financing of Stendörren's growth on favorable terms. We are naturally monitoring the increased macroeconomic concern in the world due to the war in Ukraine, and its impact on interest rates, property values and operating expenses.

### HIGHER SUSTAINABILITY AMBITIONS

In 2021, we continued to develop our sustainable practices and raised the level of ambition in terms of our economic, environmental and social sustainability. Read more on pages 46–65. Compared with 2017, when we actively began to measure sustainability data, Stendörren's carbon footprint (KgCO<sub>2</sub>e/sqm) has fallen a full 43% and during the year we worked with energy efficiency, certified a substantial share of our property portfolio and undertook sustainability-linked financing. During 2021 and at the beginning of 2022, we also prepared a new sustainability strategy with new focus areas and sustainability targets that entail even higher ambitions.

We also continued our efforts to be an attractive employer and the decision by the authorities to discontinue restrictions due to the pandemic should offer greater opportunities for activities that foster well-being and engagement.



### FOCUS 2022

Although society has now opened up, Stendörren will continue to offer its employees the option to work remotely. I am truly impressed by how well all of our colleagues have handled the challenges posed over the past year due to the pandemic. I look forward to working together to continue developing Stendörren to its full potential during the current year. Despite increased uncertainty in our business environment, we have excellent opportunities to continue along the decided path, with increased activity in leasing, acquisitions and not least property development. Thanks to the methodical review of our property portfolio over the past two years, we have identified many value-adding projects and investment opportunities within the existing portfolio. Against the background of this potential, we resolved last year to adjust our dividend policy and increase our focus on growth, with the new financial objective to add growth in long-term net asset value of at least 15% per year. In 2021, our net asset value grew 37% – clear proof that we are on the right path.

Stockholm, April 28, 2022

Erik Ranje  
CEO  
Stendörren Fastigheter AB (publ)

# MISSION AND OBJECTIVES

Stendörren's focus is to invest in warehouse, logistics and light industrial properties in growth regions, primarily in the Greater Stockholm and Mälardalen regions. 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 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 real estate company listed on Nasdaq Stockholm Mid Cap. Our mission is to create long-term profitable growth in net asset value by managing, developing and acquiring properties and building rights for logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating residential rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region.

## OBJECTIVES

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

## FINANCIAL OBJECTIVES

Stendörren has four financial objectives:

- exhibit a long-term average annual return on equity of at least 12%
- achieve annual growth in long-term net asset value exceeding 15%
- achieve a long-term interest coverage ratio of at least 2.0 times
- maintain a long-term equity ratio of 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 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 annual return on equity shall exceed 12%.

# 26%

The return on equity (calculated as 12 month average) amounted to 26% at the end of the period.



#### NAV GROWTH

Achieve annual growth in long-term net asset value exceeding 15%.

# 37%

At the end of the period, growth in long-term net asset value amounted to 37%.



#### INTEREST COVERAGE RATIO

The long-term interest coverage ratio shall exceed 2.0 times.

# 3.0 TIMES

The interest coverage ratio amounts to 3.0.



#### EQUITY RATIO

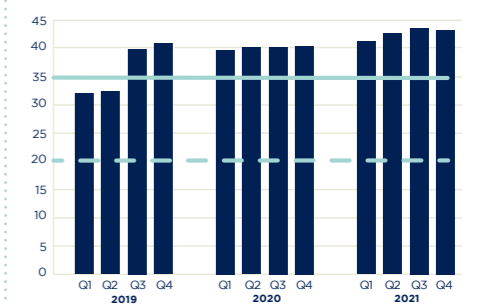
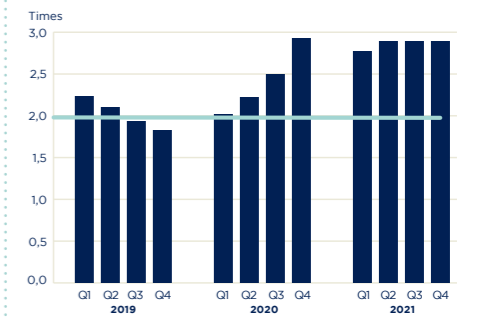
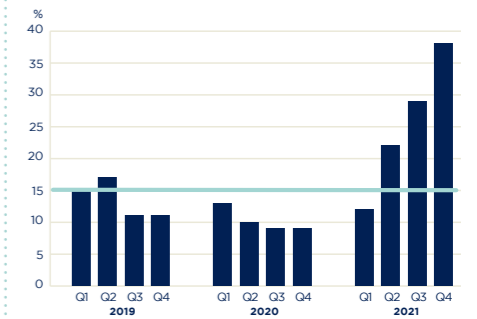
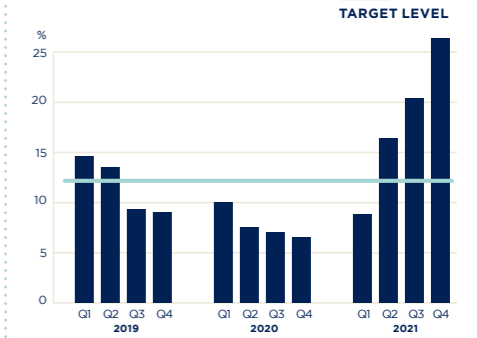
The long-term equity ratio shall be 35% (and never be below 20%).

# 43%<sup>1)</sup>

The equity ratio amounted to 43% at the end of the period.



### HISTORIC PERFORMANCE



<sup>1)</sup> 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%.

# BUSINESS MODEL AND STRATEGIES

*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.*

## 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.

## BALANCED PORTFOLIO

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

## STENDÖRREN'S BUSINESS MODEL CREATES VALUE

### ... for our customers

by allowing the company's customers to develop their businesses in a sustainable manner, in attractive premises adapted for warehouse, logistics and light industrial use 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, not only for the businesses operating there but also for the people and the surrounding neighborhood.

### ... for our owners

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



## MANAGEMENT AND DEVELOPMENT

- 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 properties that can be developed through active work to reduce vacancies, rent increases and alterations for tenants, but also development in the form of new builds, and through active detailed development planning with owned properties create building rights and/or modify a property's areas of use with the aim of creating added value.

## ACQUISITIONS

- 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.
- Acquire properties in the logistics and light industry segments in growth regions, primarily in the Greater Stockholm and Mälardalen regions.
- Acquire properties with a flexible area of use.
- Acquire developed or undeveloped properties with development potential.

## ACCOUNTING AND FINANCE

- Maintain a clear focus on increasing income from property management and strong cash flows.
- Act proactively when it comes to the company's capital requirements to constantly maintain a balanced level of risk in operations and remain positioned for new acquisitions.
- Act proactively to minimize capital and interest-rate risk.
- Uphold a high standard in external reporting to lenders, stock markets, the Board of Directors, authorities and other external parties.



# MARKET AND MACRO ENVIRONMENT

*The global economy made a strong recovery in 2021, following on from a weaker 2020. Global GDP growth in 2021 is expected to be 6%, while the average in Europe is expected to be roughly 5%. Economic growth worldwide in 2021 was in part driven by the comprehensive stimulus packages implemented by many governments around the world in response to the ongoing pandemic and by a general easing of restrictions.*

**GROWTH IN SWEDEN FOR FULL-YEAR 2021** was a full 4.7%. The resilience demonstrated by the Swedish economy in 2020 and the subsequent formidable growth in 2021 mean that Sweden is one of the economies worldwide that reported the highest cumulative growth during the years of the pandemic. 2021 was also marred by rising inflation concern around the world. Very strong inflation figures were reported in many countries worldwide towards the end of the year.

Although to some extent the rise in inflation is expected to be temporary, inflation rates exceeding 6% forced the US Federal Reserve to act and reduce its bond purchasing. Many central banks, including in the UK and Norway, also chose to raise reference rates in an attempt to reduce inflation. Sweden noted lower inflation figures than many other countries, but in the autumn also reported its highest inflation rates for 30 years.

In 2021, there was again a particular focus on climate change. The high-profile COP 26 conference in Glasgow resulted in a number of new undertakings among countries of the world, aimed at minimizing the effects of climate change on the global community.

## SWEDISH PROPERTY MARKET

In many ways, 2021 was a record year for the Swedish property market. The transaction volume in 2021 amounted to SEK 400 billion, which is almost double that of the previous record from 2019, when the volume was SEK 218 billion. This was driven in part by a large number of structural transactions during the year, which accounted for 39% of the total transaction volume. Many transactions also took place during the year with individual portfolios and with individual properties and a total of 799

transactions were completed, also a record. The previous record was 531 transactions from 2016. The average volume per transaction in 2021 was SEK 498 million, which was slightly up on 2020 but weaker than in 2019. During the fourth quarter, transactions were completed for SEK 153 billion, which is on par with full-year volumes in transaction markets in 2017 and 2018.

In 2021, the share of foreign investors fell slightly. International investors accounted for only 17% of the total transaction volume during the year, which was down from 26% of the volume in 2020. Over the past ten years, international investors have usually accounted for 25–30% of the volume.

The strong volume in the transaction market in 2021 made this the strongest year for international investments in the Swedish transaction market in absolute terms since the financial crisis.

This is a clear indication of sustained international interest in the Swedish property market. International investors active in the Swedish market in 2021 were primarily German, US and Norwegian companies.

The strong transaction volume during the year resulted in records in all segments, with the exception of the retail segment. Residential, which accounted for 35% of the total transaction volume, was the segment with the highest investments. It is considered a highly attractive investment due to the secure cash flows provided by the low vacancy rate in the Swedish residential market. The second strongest segment during the year was office, which accounted for 21% of the total transaction volume. Investors are exhibiting strong optimism about the office segment, which also benefited from two major structural transactions during the year. The year's third strongest segment was warehouse, logistics and industrial properties.

The segment noted significant yield compression during the year and is attracting a growing number of investors.

## MARKET FOR WAREHOUSE, LOGISTICS AND INDUSTRIAL PROPERTIES

Yield compression was noted in essentially all property segments in 2021, but no segment had greater yield compression than warehouse, logistics and industrial properties. In some areas, yield declines of up to 100 points were seen, which are among the strongest yield decreases ever for an individual segment in a single year. For Stockholm's Prime A location, the yield decline amounted to 100 points, with prime yield at 3.50% at year-end. On the other hand, Stockholm's Prime B location noted a yield decline of 95 points, with prime yield at 4.30% at year-end.

The market for warehouse, logistics and industrial properties is being driven by the strong growth in e-commerce, which continued to grow sharply in 2021. The segment has attracted strong interest from abroad, primarily in logistics properties. In actual fact, the segment has now passed office as the segment that attracts most international investors in the Swedish property market. The strong development for logistics worldwide, and in continental Europe in particular, has led to greater interest in logistics in Sweden and the Nordic region. Despite strong compression this year, the yields remain slightly higher in Sweden than in many parts of Europe, which has contributed to the strong interest in the industrial segment in Sweden.

In parallel, many Swedish companies, and certain foreign companies, have chosen to invest in warehouses and light industrial properties. These sub-segments are also benefiting from the strong interest in the industrial segment as a whole. In fact, 2021 was the strongest year ever for the light industry and warehouse sub-segments in terms of both transaction volume and yield development. Industrial properties in large and mid-size industrial areas are seen by investors as highly attractive investments. This is partly because industry in many ways still forms the backbone of the Swedish economy. There is also strong global demand for goods, which favors production operations. The segment also has substantial potential for long-term refurbishments to other areas of use, should this become necessary. These factors have led to significant yield compression and strong transaction volumes throughout the entire industrial segment.

## MARKET FOR OFFICES

The office market has experienced two highly turbulent years since the outbreak of the pandemic. Restrictions and recommendations on working from home have taken a heavy toll on capacity at many offices, which was at historically low levels during certain months of 2020 and 2021. However, the easing of restrictions in autumn 2021 led to a strong return to offices.

Despite varied capacity, the office market as a whole fared well in 2021. The rental market was initially cautious but became ever more optimistic as the year progressed, and rent increases were seen in certain areas of the office market toward the end of the year. The vacancy rate has not increased drastically during the year and remains at a historically low level, despite the pandemic. Slightly fewer transactions were completed compared with previous years, but the completed transactions were at highly robust levels. The market yield requirement for office properties in the Stockholm CBD also fell during the year to 3% at the end of 2021.

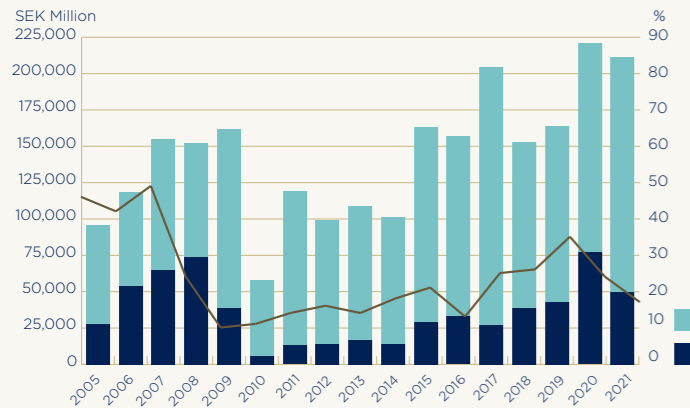
Offices located adjacent to industrial and commercial districts were generally less affected by the pandemic than premises in traditional office clusters.

## DRAMATIC CHANGE IN MACROECONOMIC SITUATION SINCE EARLY 2022

Russia invaded Ukraine on February 24, 2022. The invasion resulted in a change in the macroeconomic situation and created a major challenge for Europe, which reacted swiftly against Russia with tough sanctions. Inflation rose at the beginning of the year. The increase is currently being driven by energy and fuel prices, but is expected to continue as food prices rise in Europe due to the war. GDP growth is expected to slow to lower levels than forecast for 2022 as whole. Europe finds itself in a state of stagflation. It should be noted that it remains very difficult to predict the effects of the war, as the situation changes from one day to the next and forecasts grow obsolete very rapidly.

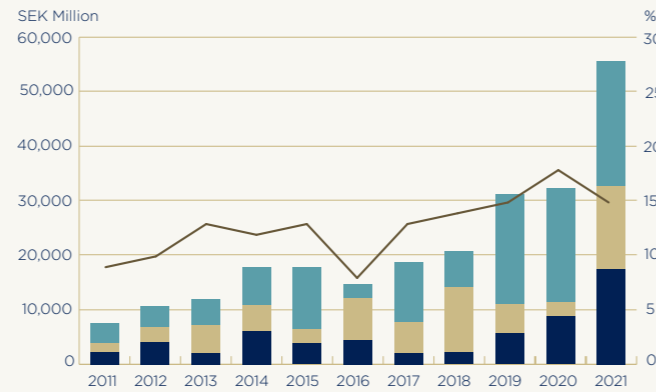
The property market remained strong at the beginning of the year. Russian investors have a limited exposure to the Swedish property market and sanctions against Russian companies have had no direct impact on the market. Interest in property is expected to remain strong as this is an asset protected from inflation. However, there is a greater risk that the Riksbank will raise the repo rate earlier than stated and finance markets may as a result become sluggish during the year, which could influence demand and opportunities to do business. Ultimately, the property market is expected to remain strong and continue to be highly liquid.

### TRANSACTION VOLUME



■ Swedish investors  
■ Foreign investors  
— Share of foreign investors (%)

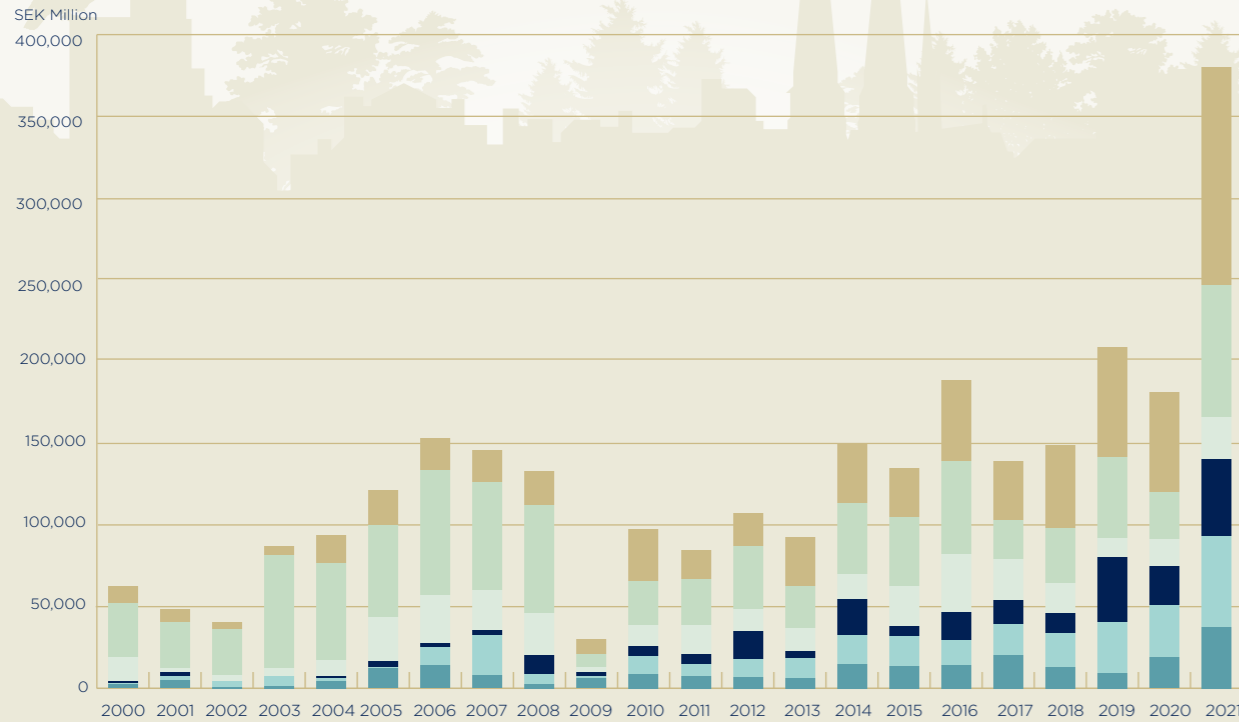
### TRANSACTION VOLUME WAREHOUSE AND INDUSTRY



■ Industry/production  
■ Warehouse  
■ Logistics  
— Share of total volume (%)

Source: Newsec

### TRANSACTION VOLUME BY TYPE OF PROPERTY



■ Other, hotel, land  
■ Logistics, warehouse and industry  
■ Community service properties  
■ Office  
■ Retail  
■ Residential

Source: Newsec

## TRENDS

### URBANIZATION

#### GROWTH AREAS AND URBANIZATION

A growing number of people are moving to the Stockholm area and the cities in 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. This rapid 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.

### 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.

### 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.

### 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

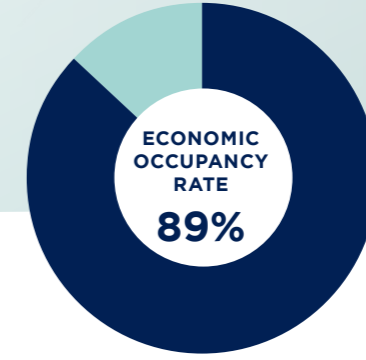
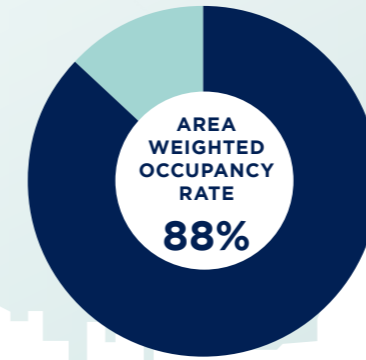
Stendörren strives to create sustainable premises and workplaces. This is achieved by actively and continuously monitoring, evaluating and reducing the carbon footprint of the company's properties by optimizing operations. We also place great importance on sustainable choices of materials and on creating 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

Stendörren's properties are ideally located in one of Europe's strongest growth regions, the Stockholm-Mälaren region. As demand increases for properties in warehouse, logistics and light industrial premises in urban areas, rent levels are also rising while supply is declining due to urbanization, leading to the conversion of properties, primarily for residential purposes. 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. The company can see continued positive growth opportunities in the region. During 2021, the company also acquired properties in other selected Swedish and Nordic cities with growth potential, such as Copenhagen, Oslo and Borås – with a continued focus on warehouse, logistics and light industry. This type of property offers stable and long-term returns, while the areas' geographic locations and high growth rates enable refinements and further development. This creates long-term value for the company's customers, their operations and the regions in which Stendörren is active.

*Stendörren's property list. see page 130*

THE FOLLOWING PAGES CONTAIN STENDÖRREN'S BUSINESS STRATEGY IN THE CHAPTERS:  
 Active management, pages 20-21  
 Our areas, pages 22-25  
 Stendörren's premises, page 28  
 Stendörren's tenants, pages 29-31  
 Property development, pages 32-41  
 Property list, page 131



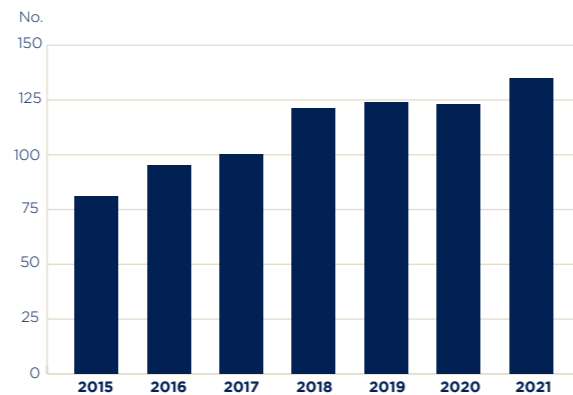
**OUR PROPERTY PORTFOLIO – A STABLE PORTFOLIO IN WAREHOUSE, LOGISTICS AND LIGHT INDUSTRY**

At the end of 2021, Stendörren owned 135 properties, a lettable area of approximately 793,000 sqm and a total market value of SEK 11,693 million (9,533). Rental income increased approximately 3% to SEK 653 million (631) and net operating income increased approximately 1% to SEK 488 million (481).

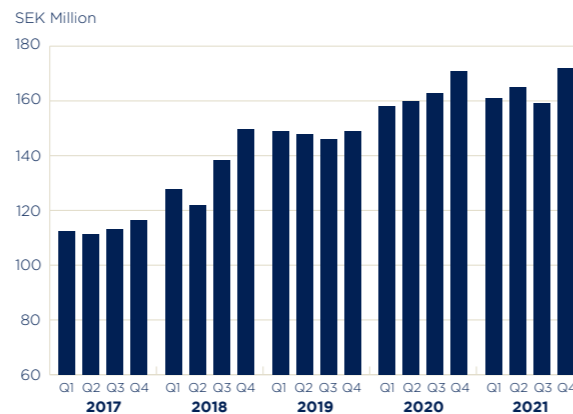
Over the past ten years, the occupancy rate in the Stockholm area for warehouse, logistics and light industrial premises has fluctuated between 90% and 95%. The area weighted occupancy rate in Stendörren's portfolio was 88% (87) at December 31, 2021, and the economic occupancy rate was 89% (87).

*Rental income increased 3%*

**NO. OF PROPERTIES**



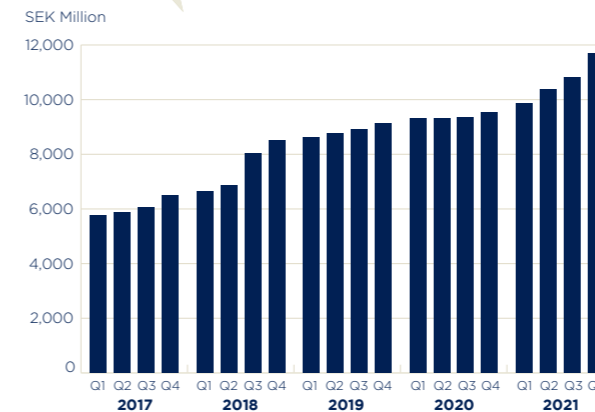
**RENTAL INCOME**



THE PROPERTIES HAVE A TOTAL MARKET VALUE OF APPROXIMATELY

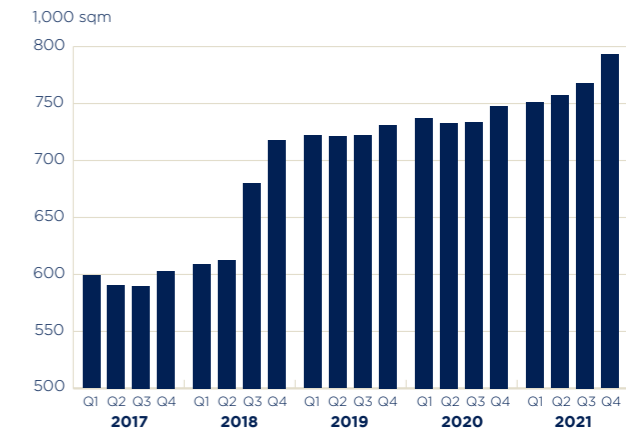
**SEK 11,7**  
BILLION

**MARKET VALUE**

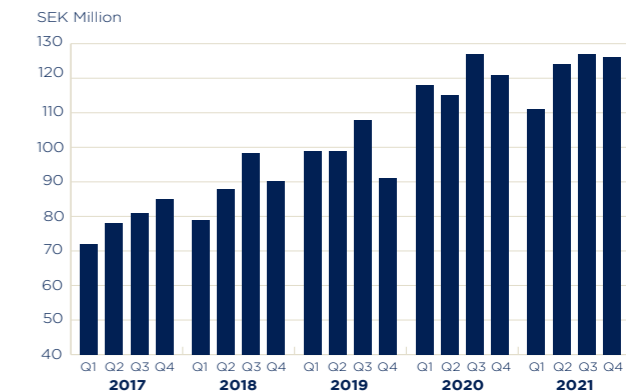


**MARKET VALUE:** The property portfolio is reported quarterly at fair value. All properties are externally valued at least once for every 12-month period (though not all at the same time). For intervening quarters, properties are valued internally based on an updated analysis of the rental market, expected 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.

**LETTABLE AREA**



**NET OPERATING INCOME**



# 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 with long-term leases. The purpose is to create long and strong relationships with our customers 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 488 million (481).

## 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 and support. 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 in turn leads to greater well-being.

## 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. Naturally, always taking into account the market situation and prevailing rent levels. Stockholm's strong expansion has meant that rental growth in central parts of the region has been much higher than inflation in recent years. 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 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 normally 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 ongoing dialog with the tenant creates good conditions for shared expectations and continued favorable relationships.

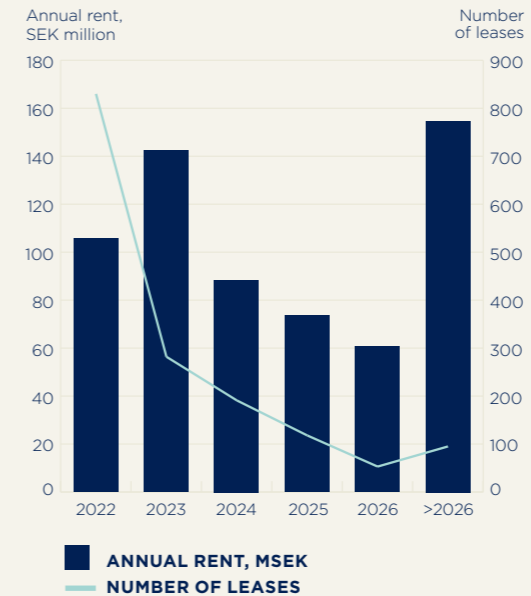
Leases corresponding to an annual rental value of SEK 59 million were renegotiated during the year. These lease renegotiations led to rent increases averaging 2.2%. In the majority of these lease renegotiations, Stendörren also transferred the responsibility for operating expenses, some upkeep, and maintenance 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

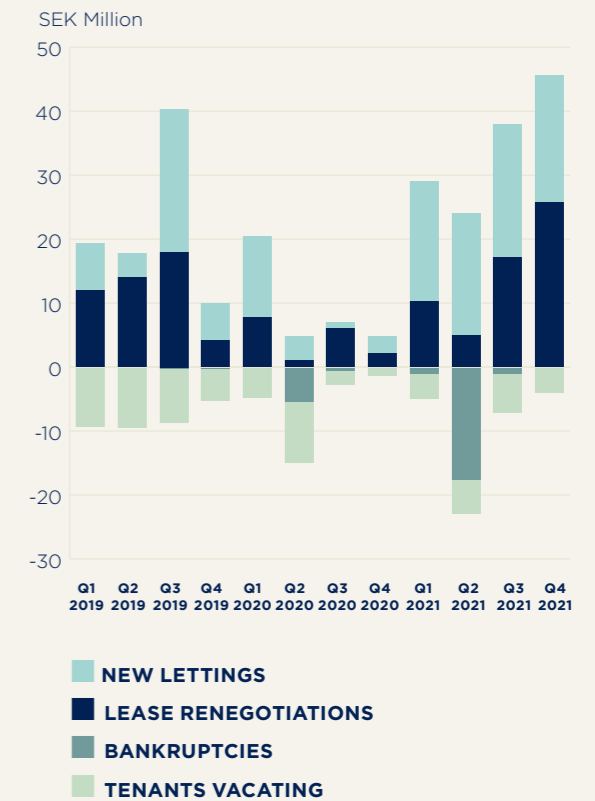
In 2021, confirmed rental losses amounted to approximately SEK 2.1 million. At the end of the year, SEK 4.7 million in provisions for uncertain rental receivables had been recognized.

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. Through proactive rental work, most of the company's risks related to rental losses and vacancies can be dealt with before they arise.

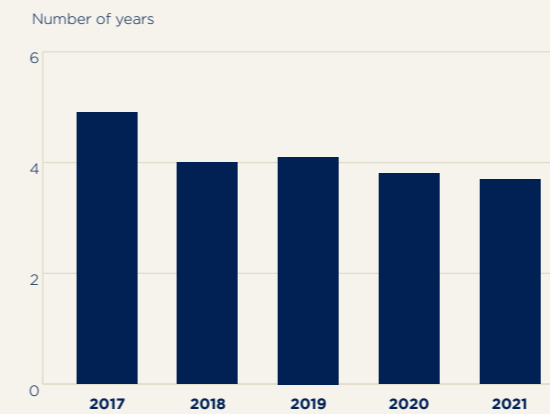
ANNUAL LEASE EXPIRY AT DECEMBER 31, 2021, ANNUAL RENT



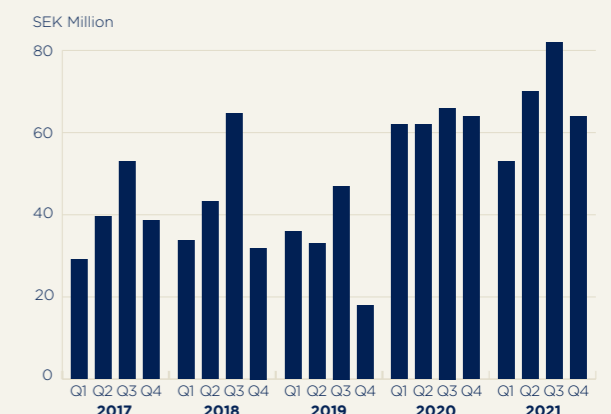
NET LETTING



WEIGHTED AVERAGE UNEXPIRED LEASE TERM



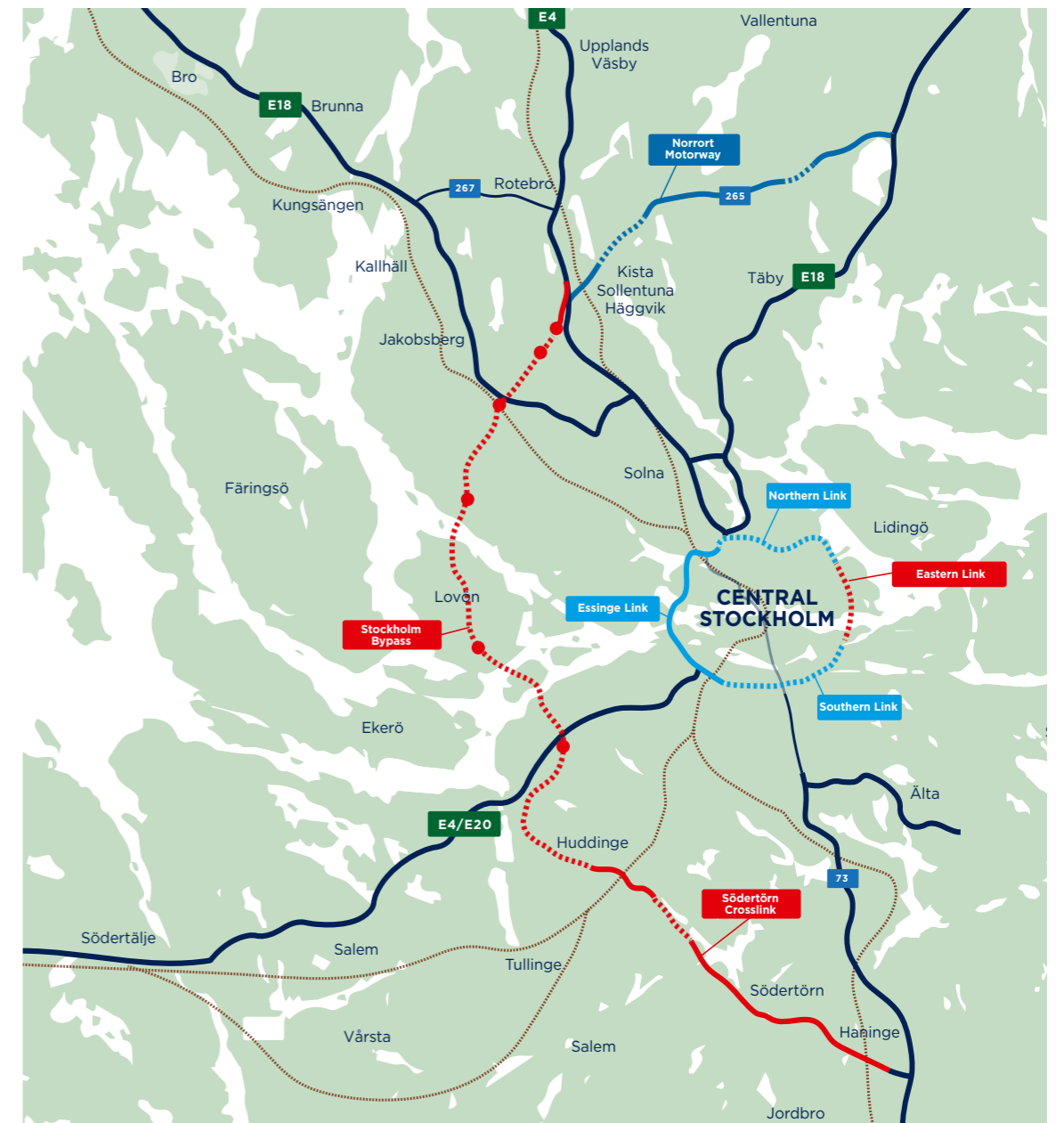
INCOME FROM PROPERTY MANAGEMENT



# STENDÖRREN'S AREAS

## GROWTH REGIONS - THE HUB OF THE GEOGRAPHIC LOCATION

The growth curve in Stockholm and Mälardalen, where Stendörren primarily operates, has displayed a strongly positive trend for many years. This is why Stendörren has continued to devote a great deal of effort to identifying interesting industrial areas with potential in Greater Stockholm and the rest of the Mälardalen region. During 2021, the company also acquired properties in other Swedish and Nordic cities with growth potential, such as Copenhagen, Oslo and Borås. 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 upkeep 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.

Concurrently, 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.

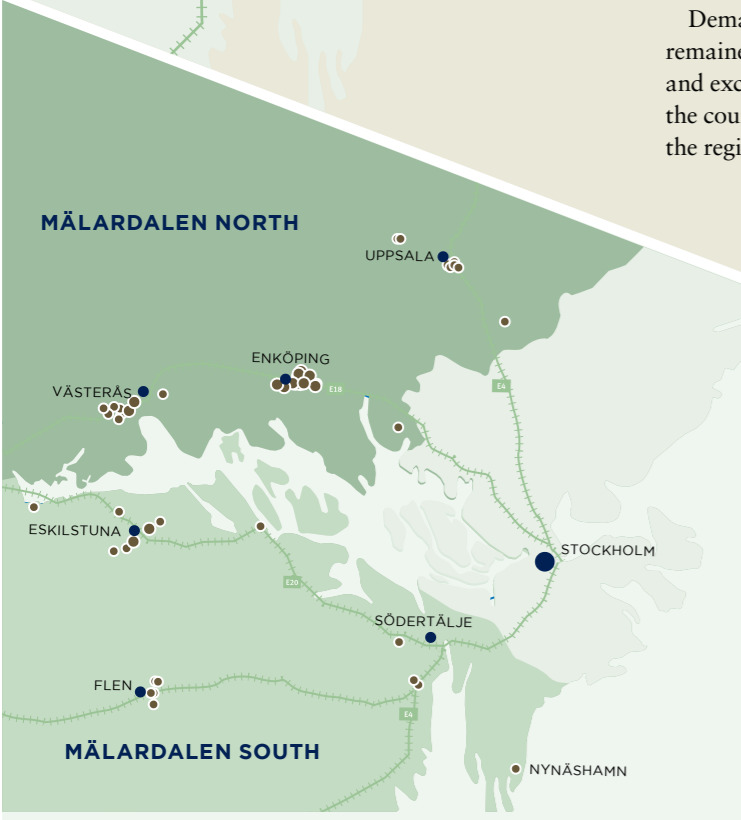


# STOCKHOLM

**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. Together with the Mälardalen region, Stockholm represents Sweden's demographic hub.

Stockholm county accounts for one third of the country's GDP, a share that has noted stable growth for some time and is expected to increase as we move forward. Over the past ten years, the county has accounted for about 40% of the country's total GDP growth and more than half of all jobs created during the period were attributable to the Stockholm region. The forecast GRP in Stockholm is stronger than the GDP forecast for Sweden as a whole.

Demand for premises in warehouse, logistics and light industry remained high in the Stockholm region. The region's strategic location and excellent communications mean that Stockholm is viewed as one of the country's best locations from a logistics perspective. Prime yield in the region is noted between 3.00% and 3.25%.

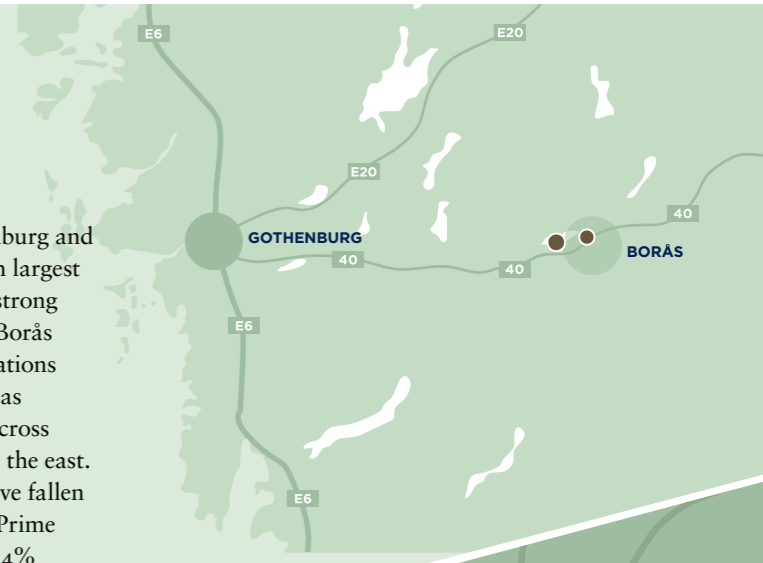


# MÄLARDALEN

UPPSALA, ENKÖPING, VÄSTERÅS, ESKILSTUNA, FLEN AND SÖDERTÄLJE

**MÄLARDALEN 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 region has world-leading companies, leading universities and a population base of about three million people. The region's strategic location and excellent communications mean that it is viewed as one of the country's best locations for warehouse and logistics facilities. The excellent infrastructure across Mälardalen creates a complete range of transportation that enables deliveries not only to Stockholm

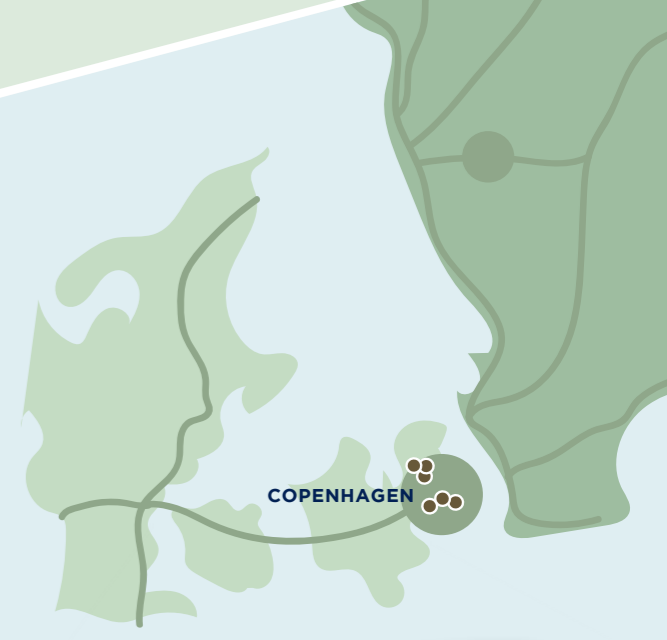
and Gothenburg but also to Norway and Denmark. Speculative construction increased in 2021 but remains at a low level. Rent levels experienced upward pressure toward the end of the year in conjunction with rising construction costs. However, the rental market for existing premises was more fragmented, with higher vacancy rates and lower rent in locations suffering from industrial closures and restructuring. Newly constructed, modern spaces have very low vacancy rates and downward pressure has been noted on yield during the year.



# 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. In recent years, the municipality has established a strong position in the market for logistics, warehouses and industry. Borås has an attractive geographic location and excellent communications to Jönköping, Helsingborg and Gothenburg. Borås therefore has an excellent south-west location with a large catchment area across south-west Sweden, but also communications opportunities to the east. The area is very attractive in the investor market and yields have fallen during the year, which is a trend that is expected to continue. Prime yield was noted at 4.1% and is expected to fall to levels below 4% during next year. The area also has low vacancies, with vacancies in Viared, for example, at just below 2%.

Source: Newsec, SCB



# COPENHAGEN

**COPENHAGEN ACCOUNTS FOR A LARGE SHARE** of Denmark's economy and almost half of its GDP. The city is therefore the main driver for the Danish economy, although the area is only occupied by about one third of the population. Copenhagen has a strategically important location near Germany and Malmö. Consequently, the city has a high level of flows and the location is attractive for warehouse, logistics and light industrial use. There is high demand in the property segment, which also increased its share of the total transaction volume, where the segment now accounts for 13% compared with an average of 7% over the past five years. The segment has noted yield compression in recent years and prime yield is just over 4% in Copenhagen. Yields are therefore still higher than in Sweden and Stockholm.

Source: Newsec, SCB

**OUR NEW MARKETS**  
 During 2021, Stendörren entered three selected markets outside the Stockholm-Mälaren region through property acquisitions in Borås, Copenhagen and Oslo. These cities are also characterized by strong growth and the acquired properties are in excellent logistics locations.



# OSLO

**THE NORWEGIAN CAPITAL** accounts for a large share of the economy and about one third of the country's GDP. The city is an important driver for the economy but not individually dominant. 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 city's investor market remains strong and Oslo accounts for about 40% of the transaction volume. Industry has continued to be a hot segment in the country and the city has noted yield declines. Prime yield was noted around 4% in Oslo and is forecast to continue to fall below 4% in 2022.

Source: Newsec, SCB



## ACQUISITIONS AND DIVESTMENTS

### PROPERTY ACQUISITIONS AND SALES

During 2021, Stendörren acquired 14 properties in 12 separate transactions, with a total lettable area of about 61,187 sqm. However, all of the properties acquired were not transferred in 2021. The total agreed property value of these acquisitions amounted to SEK 788 million.

As part of Stendörren's growth target, the company is to acquire properties in existing markets, such as the Stockholm-Mälaren region, and also expand to new Swedish and international markets. In addition to acquiring properties in two of the company's existing markets, Eskilstuna and Västerås, Stendörren also expanded into three new markets in 2021. One in Sweden (Borås/Viared) and the two first markets

outside Sweden (Copenhagen and Oslo). All three markets are in attractive regions. Stendörren will continue to evaluate additional new markets with the aim of achieving the company's long-term growth targets.

Furthermore, Stendörren wishes to acquire properties where the portion of premises for industry, warehouse and logistics is as high as possible. This is intended to leverage the company's collective competence and experience in these types of premises. When expanding to new markets, the ambition is for the company to achieve a critical mass over time, in order to obtain its own organization for effective property management and leasing activities.

### ACQUISITIONS DURING THE YEAR

MUNICIPALITY	PROPERTY	LETTABLE AREA, SQM	PROPERTY TYPE	PURCHASE PRICE SEK MILLION	TRANSFER DATE
Västerås	Hovmästaren 2	8,629	Light industrial	102	Mar 1, 2021
Eskilstuna	Lagersberg 1:6	6,298	Light industrial	75	May 10, 2021
Borås	Vattnet 7	6,341	Warehouse, light industrial	84	Jul 1, 2021
Borås	Vattnet 6	3,700	Warehouse, light industrial	45	Jul 2, 2021
Västerås	Skonerten 2	4,685	Industry, office, warehouse	48	Oct 1, 2021
Fredrikssund	Pedersholmsparken 10	7,924	Warehouse, light industrial, land	137	Dec 1, 2021
Fredrikssund	Pedersholmsparken 13	1,587	Warehouse, light industrial	0	Dec 1, 2021
Fredrikssund	Roskildevej 157A	0	Land	0	Dec 1, 2021
Västerås	Servitrisen 3	4,302	Warehouse, light industrial	66	Dec 8, 2021
Køge	Sandvadsvej 7	3,054	Warehouse, light industrial	41	Dec 15, 2021
Lillestrøm	Heiasvingen 33	2,850	Warehouse, light industrial	55	Dec 17, 2021
Hvidovre	Avedøreholmen 51	2,046	Warehouse, light industrial	29	Dec 22, 2021
Kastrup	Kirstinehøj 3	4,772	Light industrial	42	Jan 4, 2022
Eskilstuna	Grönsta 2:65	4,999	Warehouse, light industrial	64	Sep 1, 2022
		<b>61,187</b>		<b>788</b>	

# STENDÖRREN'S PREMISES

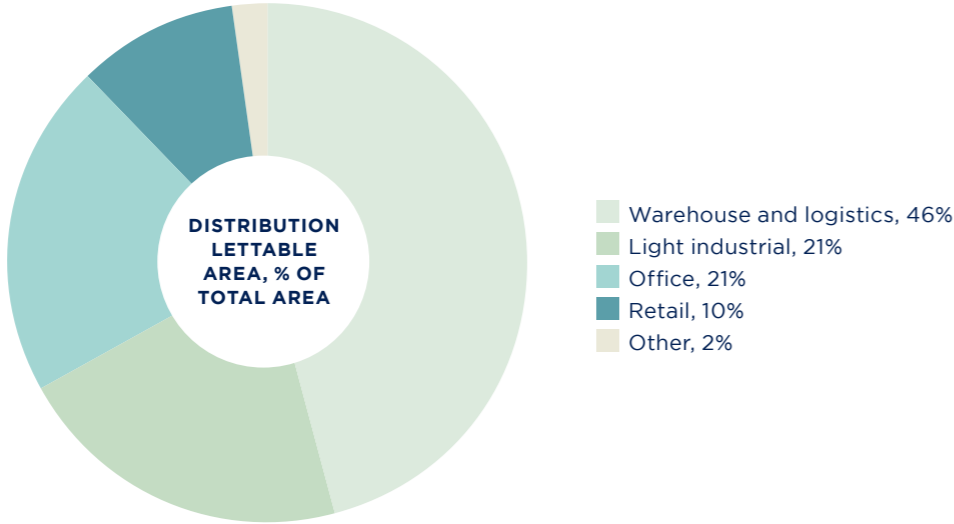
Since the beginning of the 2000s, warehouse, logistics and industrial properties have grown to become a separate segment in the property market. The available exploitable land in peri-urban locations is virtually non-existent and many commercial districts are being converted into, for example, residential 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 matured, accelerated by the pandemic, consumers have begun to make greater demands on short delivery times. This has increased demand from the retail sector and logistics to establish 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, market conditions for peri-urban locations remain very 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 much 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 has been, and will continue to 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 and Oslo, where Stendörren acquired properties in 2021.

Stendörren's warehouse, logistics and light industrial premises together accounted for about 67% 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.



# STENDÖRREN'S TENANTS

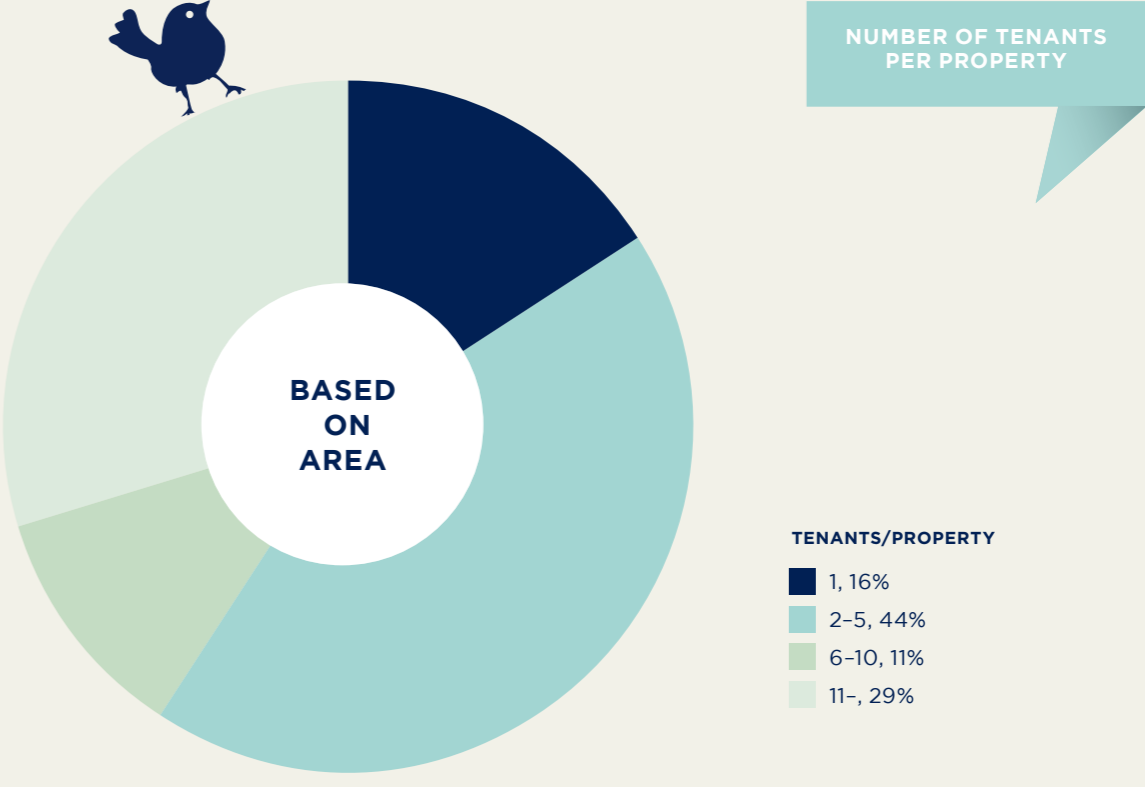
Being a landlord involves a great deal of responsibility but also exciting opportunities. With a broad and diversified base of tenants, Stendörren engages in a dialog with companies from a range of different industries and can participate in their development. Stendörren has an important role to play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

The tenants in the 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. We are pleased and proud to have had more than 1,050 lease agreements at the end of the year.

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 84% of the properties (in terms of rental value) have at least two tenants.

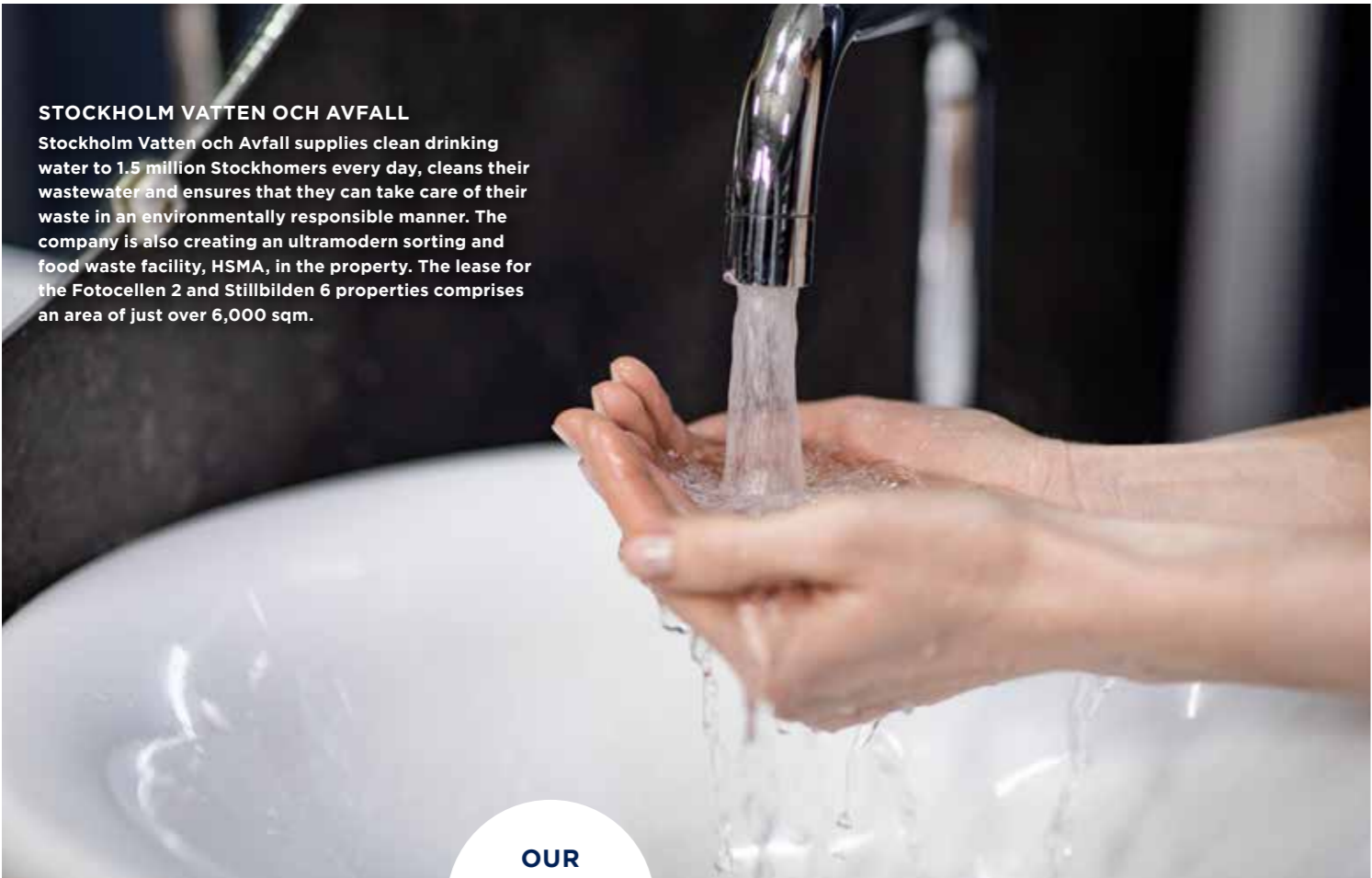
As of December 31, 2021, the ten largest leases accounted for just under one quarter of the total annual basic rent from tenants in the portfolio. Stendörren's largest lease agreement with Coop Sverige Logistik AB represents almost 11% of the total annual rent.





**STOCKHOLM VATTEN OCH AVFALL**

Stockholm Vatten och Avfall supplies clean drinking water to 1.5 million Stockhomers 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.



**OUR  
TEN  
LARGEST  
TENANTS**

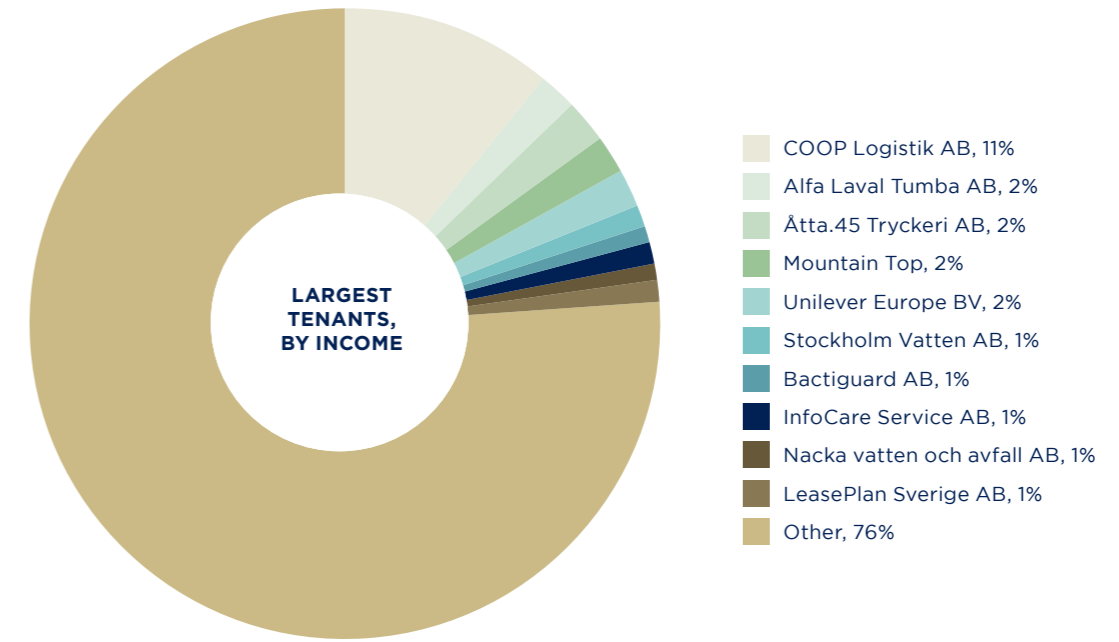
**UNILEVER EUROPE B.V.**

Unilever is a retail and food company that manufactures and sells products under 400 brands worldwide. A selection of the leading brands includes Lipton, GB Glace, Via, Axe, Ben & Jerry's, Dove, etc. Unilever leases an office and warehouse property in Flen totaling 13,121 sqm. The Talja 1:36 property includes a freezer and heated warehouse as well as office space of just over 13,000 sqm.



**COOP LOGISTIK AB**

Coop Logistik AB supports the Coop Group with premises and property issues for the day-to-day 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 Dec 31, 2023.



**ÄTTA.45 TRYCKERI AB**

Ätta.45 tryckeri AB has one of the country's largest printing businesses. Ätta.45 leases office and production premises in the Veddesta 2:53 property in Järfälla totaling 11,200 sqm.

**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 and the leased area is approximately 9,500 sqm.

**ALFA LAVAL TUMBA AB**

Alfa Laval is a leading global supplier of products and solutions in heat transfer and fluid handling, separators and pumps/valves. The company is listed on Nasdaq Stockholm with a market capitalization of about SEK 55 billion. Alfa Laval leases 19,607 sqm of the Kälby 1:55 property in Eskilstuna.

**BACTIGUARD AB**

Bactiguard AB is a Swedish medical technology company listed on Nasdaq Stockholm. The 4,077 sqm property, which was built in 2014, includes Bactiguard's head office and primary research facility.

**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 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.

**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 block.

**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.

# PROJECTS

## PROPERTY DEVELOPMENT

*The company's three sub-areas in property development are property refinements, new development 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. Pages 34–35.



### NEW DEVELOPMENT

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. Pages 36–39.



### 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, and when the right prerequisites exist to help to prepare new zoning plans for residential buildings. Pages 40–41.



PROPERTY REFINEMENTS

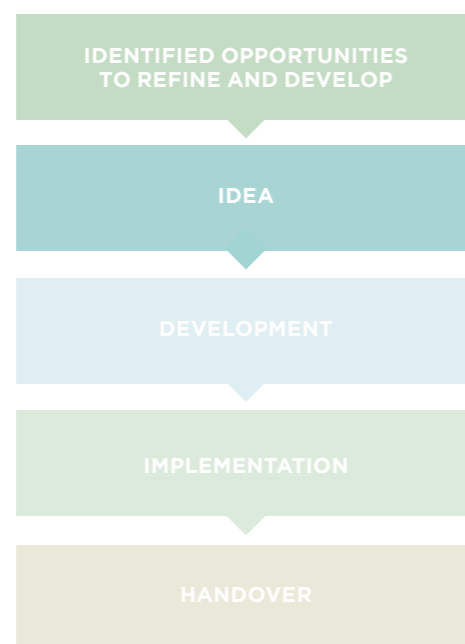
## PROPERTY DEVELOPMENT - PROPERTY REFINEMENTS

*The ongoing development of society affects both the areas in which we operate and our customers' operations. To address changing conditions in the best possible way, Stendörren leverages 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. In 2021, Stendörren invested SEK 256 million (200) in the existing property portfolio. Investments are often carried out in connection with

signing new lease agreements, either because the tenant is new and has different requirements than the previous tenant or when an existing tenant's needs have changed. During the year, Stendörren signed new lease agreements on an ongoing basis with new customers and existing customers with changing needs, which resulted in projects where premises have been adapted to specific requirements. Property potential is developed as existing buildings and premises are refined, which creates additional values. This in turn leads to an increase in future rental income, achieving higher average rent and also to new areas of use in the refined premises.



PROJECT  
UPPSALA  
VATTEN

### UPPSALA VATTEN MOVES INTO HUSBYBORG 15:1

In autumn 2021, Stendörren Fastigheter signed a ten-year agreement with Uppsala Vatten och Avfall. In April 2022, the municipal company moved into the premises, which encompass a total of 2,779 sqm with an accompanying courtyard of 9,000 sqm.

The aim of the Husbyborg 15:1 property, which is located at Libro Ringväg 31 in Uppsala, is to offer a purpose-built and long-term solution to the company's premises requirements.

Uppsala Vatten och Avfall supplies drinking water, cleans wastewater, collects household waste, produces biogas and recycles waste and was interested in finding combined premises with office, workshop and warehouse space.

Since the contract was signed, Stendörren has adapted the premises to Uppsala Vatten och Avfall's needs, enabling the company to co-locate several of its departments in the premises. In conjunction with occupancy, the heating plant was also converted from wood chips to district heating.





NEW DEVELOPMENT

## PROPERTY DEVELOPMENT - NEW DEVELOPMENT

During 2021, Stendörren continued work with existing building rights and with planning issues for new building rights for warehouse, logistics and light industrial properties, and also residential properties. The objective is to continuously rebuild and develop these properties to create attractive, sustainable and modern buildings.

**DEMAND FOR MODERN WAREHOUSE AND LOGISTICS PREMISES** increased during the year. This was due to rising demand in the Stockholm and Mälardalen region, and to changed purchasing behavior among consumers, which has increased requirements for fast deliveries from e-commerce.

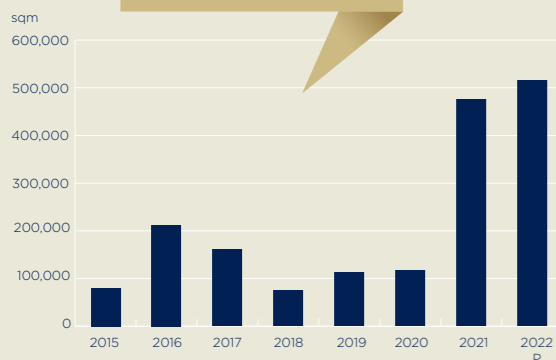
Development of building rights and project properties is primarily customer-driven. The focus is on finding existing and new tenants in need of changed or entirely new premises and satisfying that need through the new development of existing assets or by developing entirely new assets. During 2021, Stendörren applied for and received several building permits and also started the construction of new buildings. Two building permit applications concern logistics and three pertain to smaller buildings for light industrial use. All ongoing projects are located in well-established and expansive areas where there is

a clear demand. The company will offer the market sustainable, modern and built-to-suit premises. During 2021, two projects with a project value in excess of SEK 25 million each were completed. These projects pertained to two conversions for customers, one in Bromma, Stockholm and one in Eskilstuna.

As of December 31, 2021, Stendörren had 28 properties wholly or partly consisting of building rights totaling 651,702 sqm, mainly for warehouse, 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.

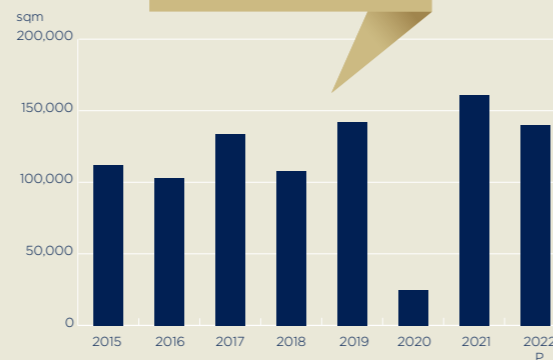
MARKET  
OUTLOOK:  
NEW DEVELOPMENT

NEW DEVELOPMENT  
LOGISTICS, WAREHOUSE AND  
INDUSTRIAL PROPERTIES,  
STOCKHOLM



In 2021, the new development volume for warehouse, logistics and industrial properties totaled 475,000 sqm in Stockholm. This compares with an average in Stockholm for the past five years of 126,000 sqm. Speculative construction increased during the year in the capital city and accounted for a larger share of the total new development volume, which reflected a strong investor market and substantial demand from tenants. However, by international standards the share of speculative construction remains relatively low. Newsec forecasts that 515,000 sqm will be completed in Stockholm in 2022, which is slightly higher than in 2021 and far higher than the average between 2015 and 2020.

NEW DEVELOPMENT  
LOGISTICS, WAREHOUSE AND  
INDUSTRIAL PROPERTIES,  
MÄLARDALEN



In 2021, a total of 161,000 sqm of warehouse, logistics and industrial properties were completed in Mälardalen. This was a substantial increase on 2020, when new development was unusually low. There are a large number of planned projects, and the new development volume in the coming years is expected to be in line with the levels in 2019 and 2021.

Source: Newsec



NEW DEVELOPMENT

### PROJECT PIPELINE

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT* (GROSS SQM)	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START**
Upplands-Bro	Logistics	400,000	Within current zoning	2022-2023
Södertälje	Logistics	61,800	Within current zoning	2022-2026
Eskilstuna	Logistics	10,000	Within current zoning	2022-2024
Stockholm	Light industrial	8,000	Within current zoning	2022-2023
Enköping	Logistics	8,000	Within current zoning	2022-2023
Upplands-Bro	Logistics	7,400	Within current zoning	2022-2023
Upplands-Bro	Light industrial	2,500	Within current zoning	2022-2023
Enköping	Light industrial	4,500	Within current zoning	2022-2023
Enköping	Light industrial	2,000	Within current zoning	2022-2024
Upplands-Bro	Light industrial	1,500	Within current zoning	2022-2023
Botkyrka	Residential	57,000	Within current zoning	2023-2024
Sollentuna	Residential	7,000	Zoning change required	2023-2024
Västerås	Light industrial	2,000	Within current zoning	2023-2024
Uppsala	Light industrial	1,500	Within current zoning	2023-2024

### ONGOING PROJECTS

PROPERTY	TYPE OF DEVELOPMENT	ESTIMATED COMPLETION	SIZE, SQM	ESTIMATED INVESTMENT*, SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q4 2022	11,400	166	Construction started***
Hjulsmöden 1	New light industrial	Q4 2022	2,600	42	Design and planning***
Librobäck 21:3	New light industrial	Q4 2022	2,100	36	Design and planning***
Viby 19:66	New logistics	Q4 2022	5,600	100	Construction started***
Almnäs 5:24	New light industrial	Q1 2023	2,100	39	Design and planning**
Almnäs 5:24	New light industrial	Q3 2023	2,100	39	Design and planning**
Tegelbruket 1	New residential	Q3 2024	18,000	-	Design and planning**
<b>Total</b>			<b>43,900</b>	<b>&gt;422</b>	

\* Includes carrying amount of land. Estimated investment for Tegelbruket not disclosed due to ongoing procurement

\*\* Application for building permit submitted

\*\*\* Ground or building permit have been obtained

### FINALIZED PROJECTS

PROPERTY	DESCRIPTION	COMPLETION	SIZE, SQM	INVESTMENT, SEK MILLION
Båglampan 35	Tenant improvement	Q1 2021	5,300	35
Kälby 1:55	Tenant improvement	Q1 2021	19,607	36
<b>Total</b>			<b>24,907</b>	<b>71</b>



ONGOING PROJECTS



NEW DEVELOPMENT

**HJULSMEDEN**

Stendörren is developing functional spaces at the Bäckby industrial estate near Västerås with an excellent signage location for various types of operations. The property offers flexible premises for small or medium-sized operations focusing on warehouse, light industry or retail.

**PROJECTS:** New development light industrial  
**LOCATION:** Bäckby industrial estate, Västerås  
**ADDRESS:** Gjutjärnsgatan 8  
**AREA:** approximately 2,600 sqm  
**CONSTRUCTION START:** Year-end 2021



ONGOING PROJECTS



NEW DEVELOPMENT

**LIBROBÄCK**

At Librobäck near Uppsala, Stendörren is developing functional commercial premises in attractive sizes. The objective for the Librobäck project is to offer flexible and modern commercial premises for companies that need small to medium-sized premises for warehouses or basic production.

**PROJECTS:** New development light industrial  
**LOCATION:** Librobäck, Uppsala  
**ADDRESS:** Libro ringväg 27, Uppsala  
**AREA:** approximately 2,100 sqm  
**CONSTRUCTION START:** Year-end 2021



ONGOING PROJECTS



NEW DEVELOPMENT

**VIBY 19:66**

Stendörren owns and manages six properties in Brunna, which are partially or fully developed. The plan is to develop the undeveloped land in response to demand for built-to-suit premises for one or more tenants who wish to take advantage of the excellent logistics location. At Viby 19:66, Stendörren is developing a new logistics building of approximately 6,000 sqm. This is the first stage of two at the property.

**PROJECTS:** New development logistics  
**LOCATION:** Brunna, Upplands-Bro  
**ADDRESS:** Symmetrivägen 9-11  
**AREA:** approximately 12,000 sqm, of which 6,000 in the first stage  
**CONSTRUCTION START:** Autumn 2021



ONGOING PROJECTS



NEW DEVELOPMENT

**ALMNÄS**

In Almnäs in Stockholm South, one of Stockholm's most attractive and expansive logistics locations, Stendörren is developing its properties with high ambitions for sustainability, function and flexibility. New development of logistics properties is in progress in the area, but there are also plans for the new development of premises for small warehouses or light industrial activities. Stage 1 consists of a logistics building of approximately 11,500 sqm which is being built with ambitious sustainability targets.

**PROJECTS:** New development logistics  
**LOCATION:** Almnäs, Södertälje  
**ADDRESS:** Regementsgatan  
**AREA:** approximately 11,500 sqm  
**CONSTRUCTION START:** Autumn 2021



RESIDENTIAL DEVELOPMENT

## PROPERTY DEVELOPMENT - RESIDENTIAL DEVELOPMENT

*The ongoing development, expansion and growing population in the Stockholm region are creating growing 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 also taking a long-term approach and preparing new zoning plans for residential properties in such locations.*

**DURING THE YEAR, STENDÖRREN** continued the development of existing and new residential rights. In Botkyrka, Stendörren has a zoning plan to develop approximately 800 residential units and about 10,000 sqm of commercial premises. In June, Stendörren received a building permit for the first stage comprising two residential neighborhoods. At present, program or planning work is ongoing in Stockholm and Sollentuna, and the processes are at different

stages. The new central plan in Stockholm and other municipalities pave the way to initiate and start more planning processes for residential construction. During the year, Stendörren has worked 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.

### GREATER POTENTIAL RESIDENTIAL RIGHTS

MUNICIPALITY	NAME OF PROPERTY	POTENTIAL TO DEVELOP UP TO	STATUS
Botkyrka	Tegelbruket 1	Approx. 800 apartments	Building permit gained legal force for two residential blocks of 326 apartments
Sollentuna	Traversen 14 Traversen 15	Approx. 85 apartments	Zoning plan expected to gain legal force in 2023
Järfälla	Veddesta 2:54	Approx. 130 apartments	Application for planning decision
Stockholm	Stenskarven 4, 5	Up to 300 apartments	Feasibility study in progress, program work
Other		Up to 1,200 apartments	Feasibility study in progress



# 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 71–73), 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, 2021, Stendörren's total assets amounted to SEK 12,290 million (10,233). 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 42% (40) and 46% (50), respectively, of the company's total financing as of December 31, 2021.

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 2021 are presented in the table on the following page.

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 5,624 million (5,099), corresponding to a loan-to-value ratio of 46% (50). The liabilities consist of loans from credit institutions of SEK 4,339 million (4,455), two bonds totaling SEK 1,300 million (650) and seller notes of SEK 10 million (10). Loan arrangement costs of SEK –25 million (16) have

been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 755 million (1,018) 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

Stendörren has one bond (2021–2024) of SEK 700 million with an interest of Stibor 90 plus 3.65% and Stendörren's second bond (2021–2025) amounts to SEK 600 million with an interest rate of Stibor 90 plus 3.90%.

## LOAN MATURITY

As of December 31, 2021, non-current interest-bearing liabilities amounted to SEK 4,868 million (4,081), corresponding to 87% (80) of total interest-bearing liabilities. Current interest-bearing liabilities amounted to SEK 755 million (1,018). 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, 2021, the average loan maturity of interest-bearing liabilities to credit institutions amounted to 2.4 years (3.0) and for total interest-bearing liabilities to 2.5 years (2.6), see table on page 45.

## INTEREST MATURITY

The company's loan agreements mainly carry an interest rate of three month Stibor. At the end of 2021, Stendörren had a portfolio of interest caps and interest-rate swaps with a total nominal value of SEK 5.1 billion (accounting for approximately 90% of the company's total interest-bearing liabilities), see table on page 45. 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 4.2 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 predetermine 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 2.7 years on the balance sheet date. As of December 31, 2020, the average interest maturity on interest-bearing liabilities to credit institutions, including the effect of interest-rate derivatives, was 3.7 years (2.5).

## OTHER LIABILITIES

Deferred tax liabilities amounted to SEK 925 million (613) on December 31, and related mainly to the tax on properties, untaxed reserves and unutilized loss carry-forwards.

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 261 million (227).

## 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 160 million and undrawn credits of SEK 510 million.



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES, DECEMBER 31, 2021, SEK MILLION

	2022	2023	2024	2025	2026	2027	2028	>2028	TOTAL	SHARE OF TOTAL, %
Swedbank	0	577	675	1,234	0	0	0	0	2,486	44
Danske Bank	461	575	0	0	222	0	0	0	1,258	22
Nordea	0	239	0	0	0	0	0	0	239	4
Sörmlands Sparbank	188	30	0	55	0	0	0	0	272	4
Sparbanken Enköping	0	0	0	0	0	0	0	10	10	0
SEB	0	74	0	0	0	0	0	0	74	1
Bond Promissory notes	0	0	700	600	0	0	0	0	1,300	23
	10	0	0	0	0	0	0	0	10	0
<b>Total</b>	<b>659</b>	<b>1,494</b>	<b>1,375</b>	<b>1,889</b>	<b>222</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>5,649</b>	<b>100</b>
Share of total, %	12	26	24	33	4	0	0	0	100.0	

INTEREST-RATE DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, SEK million	MARKET VALUE, SEK million	CAP LEVEL	YEARS REMAINING
Danske Bank	Interest cap	300	2.8	2.00%	4.68
Danske Bank	Interest cap	600	5.9	1.00%	3.77
Danske Bank	Interest cap	300	2.9	1.00%	3.77
Swedbank	Interest cap	1,100	10.0	2.00%	4.96
Swedbank	Interest cap	750	6.9	2.00%	4.98
Swedbank	Interest cap	250	0.0	2.25%	1.74
Swedbank	Interest cap	250	0.3	2.25%	2.75
Swedbank	Interest cap	550	4.3	2.00%	4.68
Nordea	Interest cap	184	0.1	1.50%	1.96
<b>Total</b>		<b>4,284</b>	<b>33.3</b>	<b>1.80%</b>	<b>4.21</b>

INTEREST-RATE DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, SEK MILLION	MARKET VALUE, SEK MILLION	INTEREST	YEARS REMAINING
Swedbank	Interest-rate swap	800	11.3	-0.0875%	2.72
<b>Total</b>		<b>800</b>	<b>11.3</b>	<b>-0.0875%</b>	<b>2.72</b>

## ASSESSED EARNINGS CAPACITY\*

AS OF DECEMBER 31, 2021, the company's property portfolio comprised 135 wholly owned properties with approximately 793,000 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 705 million. The company also estimates that current property expenses amount to approximately SEK -158 million on an annual basis. The portfolio is thus expected to generate net operating income of approximately SEK 547 million

at Group level. This data is only the company's own assessment of the present earnings capacity as of December 31, 2021 without considering ongoing new lettings, possible vacancies, index-related rental changes, or other future measures that may have an effect on net operating income. Nor does the data include any additional acquisitions or disposals announced by the company which have not yet closed. This data should therefore not be seen as a forecast of future earnings development for Stendörren.

\* This is the Company's best assessment of current earnings capacity on an annual basis as of December 31, 2021 and not a forecast of future expected earnings.





# STENDÖRREN'S SUSTAINABILITY WORK

*As part of Stendörren's sustainability work, a sustainability strategy was developed in 2017 and subsequently implemented in the operations. The company has gradually developed its approach to sustainability and in 2021, a number of activities were carried out that advanced the company's position in this area. The company has continued to focus on energy efficiency, accelerated its efforts to certify properties and obtained sustainability-linked financing.*

**"ALL ASPECTS OF SUSTAINABLE BUSINESS ARE OF THE UTMOST STRATEGIC IMPORTANCE TO STENDÖRREN. THAT CANNOT BE EMPHASIZED ENOUGH. TENANTS, EMPLOYEES, FINANCIERS AND ALL OTHER STAKEHOLDERS EXPECT US TO DO OUR UTMOST EVERY DAY TO CONTRIBUTE TO A MORE LONG-TERM DEVELOPMENT OF SUSTAINABILITY AND SOCIAL EQUITY. WE HAVE COME A LONG WAY, BUT WE ARE NOW RAISING THE BAR EVEN HIGHER."**

**ERIK RANJE, CEO STENDÖRREN**

**98%**  
RENEWABLE AND RECYCLED ENERGY IS USED IN THE OPERATIONS

**41%**  
REDUCED EMISSIONS BETWEEN 2017 AND 2021 (KGCO2E/SQM)

**17%**  
MORE ENERGY-EFFICIENT PREMISES BETWEEN 2017 AND 2021 (KWH/SQM)

**35% 65%**  
DISTRIBUTION OF WOMEN AND MEN AT STENDÖRREN

**22%**  
OF LETTABLE AREA CERTIFIED AT YEAR-END

**1,599**  
TONNES CO<sub>2</sub>e  
STENDÖRREN COMPENSATES FOR ITS TOTAL CARBON FOOTPRINT BY SUPPORTING THE GODAWARI GREEN ENERGY LIMITED PROJECT IN INDIA. THE PROJECT HAS BEEN CERTIFIED BY GOLD STANDARD, A NEW STANDARD LAUNCHED IN COLLABORATION WITH THE UNFCCC SECRETARIAT, AND IS DISTRIBUTED BY SOUTH POLE.



# GRADUALLY RAISED AMBITIONS

Stendörren has been actively integrating sustainable practices since the company was founded in 2014. The company's mission is to create long-term growth and value generation by managing, developing and acquiring properties in a responsible manner.

Stendörren developed and implemented a sustainability strategy in 2017. In 2021 and 2022, a renewed sustainability strategy, including sustainability targets, has been developed.

The aim of this Sustainability Report is to describe how Stendörren conducts and renews its approach to sustainability and the priorities that are made. The report presents the results for 2021 and describes the road forward.

### AN ACTIVE SUSTAINABILITY COMMITTEE

Stendörren has a Sustainability committee with representatives from all of the company's different parts. The Sustainability committee is responsible for coordinating the company's sustainable practices, based on the adopted strategy. The committee holds monthly meetings with a focus on the progress made with respect to sustainable practices. In 2021, the committee was a driving force behind the following projects: continuous employee satisfaction surveys, sustainable loans, certification of properties and green leases.



### SUSTAINABILITY COMMITTEE

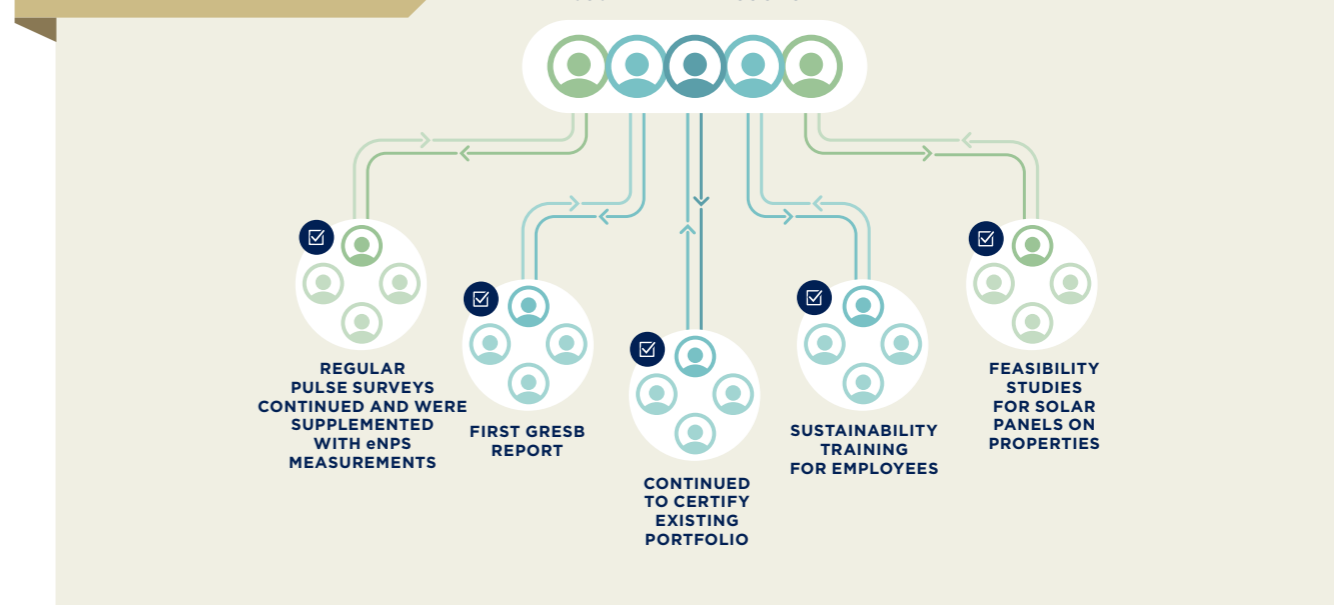
- Coordinates sustainable practices based on the adopted strategy.
- Represented by employees and managers from the organization's various functions.

#### SPECIFIC SUSTAINABILITY PROJECTS

- Managed in small teams and involve additional people from the organization.

Refer to the model for examples of projects carried out during the year.

### SUSTAINABILITY COUNCIL



### STENDÖRREN AND THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, world leaders signed the 2030 Agenda, which includes the UN's 17 Sustainable Development Goals (SDGs). To achieve these goals, collective efforts are required at global, national and local levels. All companies are therefore urged to include the SDGs in both their strategy and reporting. Stendörren supports the goals of the 2030 Agenda and has identified eight SDGs with a direct or indirect connection to the company's sustainability strategy, and where Stendörren's activities will make a significant contribution:



The company's slogan "Premises that make a difference" is based on Stendörren's mission to develop tomorrow's premises, together with tenants and other partners, in terms of efficient use of resources, energy-efficient premises and sustainable logistics solutions. Most of Stendörren's emissions are derived from the development and management of its properties. To reduce the company's carbon footprint, it is paramount that Stendörren focuses on resource efficiency across the entire value chain, from management, refurbishment and choice of materials to new development and choice of energy source.

Health and well-being are prioritized areas for Stendörren. It's not just about creating conditions for a safe and healthy internal work environment for employees; this value must also be created for tenants and suppliers. Read more in the "Attractive Employer" section.

Other SDGs with an indirect link to Stendörren's sustainability strategy and operations.

# MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

## STAKEHOLDER DIALOG

In connection with the development of the renewed sustainability strategy, a stakeholder dialog was conducted where the company's stakeholders, including advisors, banks, employees, Board members, management and tenants, were asked, using a questionnaire, how the company could best contribute to sustainable development. In addition, the company has considered how other companies in the industry approach these issues. The results of the stakeholder dialog show that many of the previous sustainability issues are still relevant, while some new indicators were highlighted as important for the company.

## MATERIALITY ASSESSMENT

The stakeholder dialog was followed by a materiality assessment, in which the focus areas for the company's approach to sustainability were selected. The materiality assessment resulted in five (previously four) focus areas for Stendörren with several new material topics in each focus area. These five focus areas are: Operational Excellence, Resource Efficiency, Attractive Employer, Future Proofing and Social Responsibility.

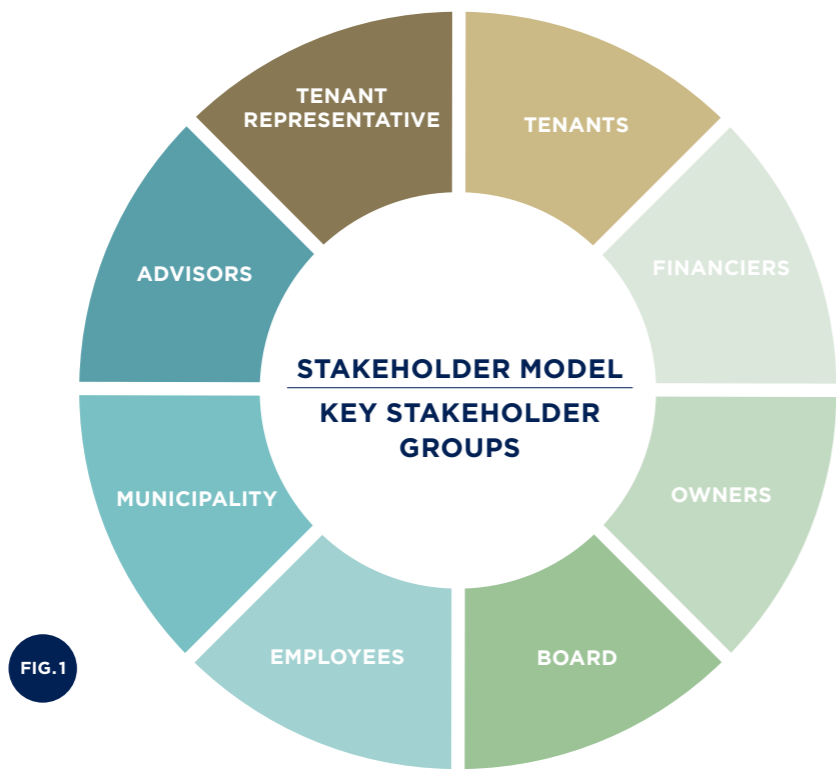
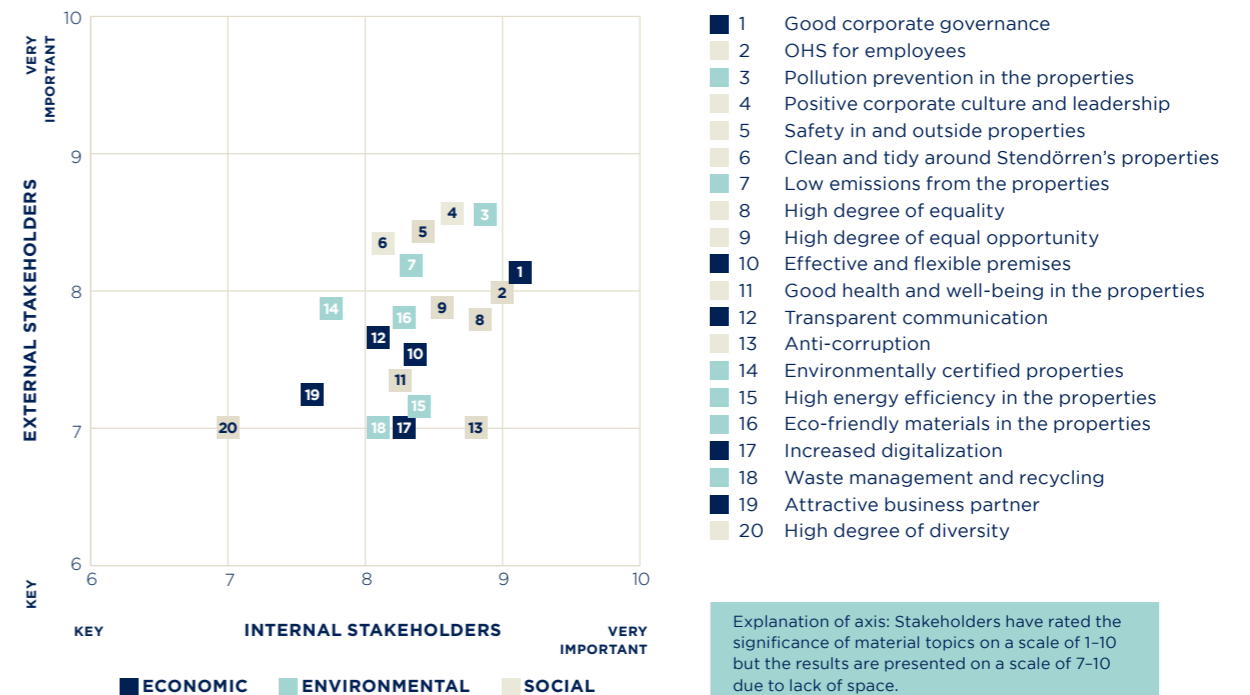


FIG.1

FIG.2 STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	MATERIAL TOPICS	CONTACT POINTS	FOCUS FOR STENDÖRREN 2021
<b>OWNER, FINANCIER, ADVISOR, BOARD</b>	<ul style="list-style-type: none"> <li>Good corporate governance in the economic, environmental and social area</li> <li>Financing</li> <li>Transparency and communication</li> <li>Anti-corruption</li> <li>Tenant focus</li> <li>Attractive market partner</li> <li>Growth</li> <li>Yield</li> </ul>	<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>A new sustainability strategy was developed during the year.</li> <li>Stendörren participated in GRESB for the first time</li> <li>Implemented digital systems for remote control, monitoring and resource optimization</li> <li>Quarterly pulse surveys for more frequent dialog with employees continued in 2021</li> <li>eNPS was measured during the year</li> <li>A new CRM system and project management system were acquired</li> <li>New budgeting and analytics tool was acquired for financial planning and control</li> </ul>
<b>EMPLOYEES INCL. MANAGEMENT TEAM</b>	<ul style="list-style-type: none"> <li>Professional development</li> <li>Corporate culture and leadership</li> <li>Internal communication</li> <li>Occupational health and safety (OHS)</li> <li>Work planning and resource planning</li> <li>Resource efficiency</li> </ul>	<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>Continued active management with a customer dialog focus</li> <li>Improvements for resource efficiency in property management</li> <li>Implemented Fastighetsägarna's template for green appendix to Stendörren's leases</li> <li>Customer satisfaction survey distributed to tenants representing 50% of the rental value</li> </ul>
<b>TENANTS/TENANT REPRESENTATIVES</b>	<ul style="list-style-type: none"> <li>Seek positive collaboration and dialog</li> <li>Good communication</li> <li>Regulatory compliance</li> <li>Professionalism</li> <li>A long-term approach</li> <li>Transparency in negotiations</li> <li>Diversity issues</li> </ul>	<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>In projects, both large and small, the company works to refine and develop its property portfolio in line with both municipal plans and market demand.</li> <li>Stendörren has implemented a Green Map for the company's projects.</li> </ul>
<b>MUNICIPALITY</b>	<ul style="list-style-type: none"> <li>Seek positive collaboration and dialog</li> <li>A long-term approach</li> <li>Attractive partner for sustainable community development</li> </ul>	<ul style="list-style-type: none"> <li>Planning processes</li> <li>Dialog via established contacts</li> </ul>	

FIG.3 MATERIALITY ASSESSMENT



# RENEWED SUSTAINABILITY STRATEGY 2022

## RENEWED SUSTAINABILITY STRATEGY 2022

As before, Stendörren's new sustainability strategy is permeated by 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 to contribute to sustainable development in a way that promotes engagement both internally and externally, while also strengthening Stendörren's operations.

The company reports its sustainability performance in accordance with the Global Reporting Initiative (GRI) standards, a framework that guides companies and organizations in what to include in

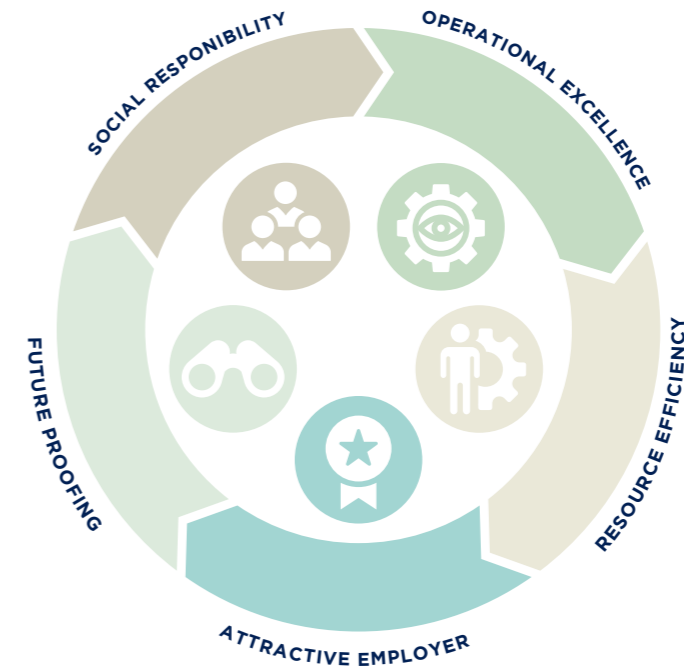
their reporting. The reporting also includes how Stendörren's sustainability performance is helping to meet the UN's 17 SDGs. See page 57.

A risk assessment of Stendörren's most material sustainability issues was carried out in 2021. The company's sustainability risks are assessed annually as part of the company's routine risk assessment process. The complementary sustainability risks identified have been added and the management of these risks is described in the Board of Director's Report on pages 72–73. The company's sustainability performance is continuously evaluated.

### A MATERIALITY ASSESSMENT IN ACCORDANCE WITH THE GRI GUIDELINES MUST INCLUDE THE FOLLOWING REPORTING PRINCIPLES:

- Stakeholder Inclusiveness** – The reporting organization shall identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.
- Sustainability Context** – The report shall present the reporting organization's performance in the wider context of sustainability that is relevant for properties.
- Materiality** – The report shall cover topics that reflect the reporting organization's significant economic, environmental and social impacts.
- Completeness** – The report shall include coverage of material topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period.

## FOCUS AREAS



OPERATIONAL EXCELLENCE	RESOURCE EFFICIENCY	ATTRACTIVE EMPLOYER	FUTURE PROOFING	SOCIAL RESPONSIBILITY
<p><b>TARGET:</b></p> <p>LARGE SUPPLIERS ARE TO SIGN THE COMPANY'S CODE OF CONDUCT</p> <p>100% OF ALL VEHICLES ARE TO BE FOSSIL-FREE BY 2025</p> <p>AVOID FLYING WHENEVER PRACTICALLY POSSIBLE</p>	<p><b>TARGET:</b></p> <p>REDUCE ENERGY INTENSITY (KWH/SQM) BY AT LEAST 20% BY 2030 FROM THE BASELINE YEAR 2020</p> <p>70% OF THE PROPERTY PORTFOLIO IN SQM SHALL BE ENVIRONMENTALLY CERTIFIED BY 2025</p> <p>NEW DEVELOPMENTS AND MAJOR REFURBISHMENTS SHALL BE ENVIRONMENTALLY CERTIFIED</p> <p>ENABLE INCREASED RECYCLING OF TENANTS' WASTE AND MINIMIZE CONSTRUCTION WASTE FROM MAJOR NEW DEVELOPMENTS AND REFURBISHMENTS</p> <p>REDUCE CARBON FOOTPRINT BY HAVING 100% FOSSIL-FREE ENERGY BY 2030 (FOR ENERGY PURCHASED BY STENDÖRREN)</p> <p>REDUCE CARBON FOOTPRINT IN NEW DEVELOPMENT PROJECTS TO ACHIEVE NET ZERO EMISSIONS BY 2030</p>	<p><b>TARGET:</b></p> <p>STRIVE FOR DIVERSITY AND EQUAL OPPORTUNITY AMONG ALL PROFESSIONAL CATEGORIES AND AIM FOR A 40/60 GENDER DISTRIBUTION IN SENIOR POSITIONS BY 2025</p> <p>ANNUAL FOLLOW-UP AND FEEDBACK ON EQUAL OPPORTUNITY AND NON-DISCRIMINATION</p> <p>ACHIEVE AN eNPS OF AT LEAST 20 IN THE HALF-YEARLY EMPLOYEE SATISFACTION SURVEY</p> <p>ALL EMPLOYEES ARE TO COMPLETE CODE OF CONDUCT TRAINING</p>	<p><b>TARGET:</b></p> <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORTING FROM 2023</p>	<p><b>TARGET:</b></p> <p>CREATE JOB OPPORTUNITIES FOR PEOPLE OUTSIDE THE LABOR FORCE</p>

# FOCUS AREAS



## OPERATIONAL EXCELLENCE

POLICY: CODE OF CONDUCT, SUPPLIER CODE OF CONDUCT, PURCHASING POLICY

For Stendörren, Operational Excellence refers to understanding the market and social trends in order to develop a forward-looking strategy and to position the company 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 is described on pages 69–71 of this Annual Report. The company’s sustainability performance is continuously evaluated.

**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 WHENEVER PRACTICALLY POSSIBLE

### FOCUS 2021

In 2021, Stendörren’s Sustainability Council intensified its work. The Council consists of representatives from all parts of the company and is the hub for moving sustainability topics forward. Stendörren has also continued to pursue the launch of green leases as part of strengthening relationships with tenants and identifying improvement potential in the property portfolio. A green lease contains an agreement between the two parties to work together on sustainability and improvements. This process will continue in 2022. From a financing perspective, sustainability-linked loans totaling SEK 1.7 billion

were granted by two of the company’s major lenders, tied to the company’s sustainability targets. The loan facilities are accommodated within the existing loan volume. Green and sustainability-linked loans will be sought moving forward in step with efforts to certify the properties.

In 2021, 61 of our largest suppliers signed our Code of Conduct. The Code of Conduct has been introduced as an appendix when procuring major contracts to ensure that major partners share our view of responsible business.

#### OPERATIONAL EXCELLENCE - OUTCOME GRI (disclosure)

		2021	2020
Own follow-up target	Number of major suppliers that have signed our Code of Conduct	61	10
305-3	Percentage of fossil-free vehicles	33.3%	n/a
305-3	Number of flights	26	1



## RESOURCE EFFICIENCY

POLICY: ENVIRONMENTAL POLICY

Stendörren’s slogan “Premises that make a difference” is based on the company’s mission to develop tomorrow’s premises, together with tenants and other stakeholders, by accounting for efficient use of resources, energy-efficient premises and sustainable logistics solutions.

**TARGETS:**

- REDUCE ENERGY INTENSITY (KWH/SQM) BY AT LEAST 20% BY 2030 FROM THE BASELINE YEAR 2020
- 70% OF THE PROPERTY PORTFOLIO IN SQM SHALL BE ENVIRONMENTALLY CERTIFIED BY 2025
- NEW DEVELOPMENTS AND MAJOR REFURBISHMENTS 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 DEVELOPMENT PROJECTS TO HELP ACHIEVE NET ZERO EMISSIONS BY 2030

### FOCUS 2021

#### ENERGY PROJECTS

Stendörren’s measurement of energy intensity (energy consumption per sqm/year) in the properties is one of two KPIs monitored in the sustainability-linked loans signed by the company during the year. The target\* is to reduce energy intensity by 20% or more by 2030. In 2021, energy intensity increased to 112 kWh/sqm (108). The increase was attributable to tenants’ business electricity, which is the electricity consumed by tenants for their operations. For property energy alone, which is the energy that Stendörren controls, consumption declined year-on year. A new feature for the year was that Stendörren began to measure heating from heat pumps separately from direct electric heating.

In 2021, Stendörren continued its dialog with tenants with the aim of reducing their business electricity consumption where possible. The management organization holds monthly meetings to monitor consumption levels and can thereby act fast if consumption increases. The properties that still have oil and wood chip boilers are under continued surveillance, with a plan to phase them out.

#### CERTIFICATION OF EXISTING PROPERTIES

The other KPI for Stendörren’s sustainability-linked loans is BREEAM In-Use certification of properties. This process commenced in 2021, with the aim of certifying 70% or more of the property portfolio in sqm by 2025. With a gradually growing property portfolio, this entails extensive work for the company. At the end of 2021, 22% of the lettable area was certified.

#### CERTIFICATION OF NEW DEVELOPMENTS

Stendörren is also working proactively to obtain environmental certification for its new developments. For its commercial properties, the company has decided to use the BREEAM-SE certification system. The lowest level of certification is Very Good but the aim is to achieve Excellent for several of the projects. For the company’s relatively new business area, residential construction, the company has decided to use the Nordic Swan Ecolabel. The company is planning to implement the Nordic Swan Ecolabel for its most advanced residential projects. The certifications have been complemented with the company’s previously implemented Green Map\*, which includes the environmental objectives of the EU’s Taxonomy Regulation and other sustainability requirements.

\*The target consists of property electricity and normal year adjusted heating.

## WASTE

Waste has become an increasingly important sustainability issue for Stendörren and is also a key topic in the materiality assessment. In 2022, Stendörren will focus on this issue and identify appropriate activities and targets to monitor moving forward.

## CARBON EMISSIONS/REDUCED EMISSIONS

Activities to reduce Stendörren's carbon emissions are increasingly becoming a priority. In 2022, new laws have come into effect with an obligation to report the embodied carbon in buildings in a climate declaration. In 2021, these declarations were included in Stendörren's Green Map.

In 2021, Stendörren's total CO<sub>2</sub> emissions amounted to 1,539 tonnes (1,245). This includes Scope 1, 2 and 3 emissions, of which Scope 3 includes business travel and transportation. The increase in total emissions was attributable to an increase in tenants' energy consumption and CO<sub>2</sub> emissions, while property-related consumption decreased. CO<sub>2</sub> emissions

from air travel increased slightly compared with the first year of the pandemic. On the other hand, the company's car travel decreased considerably. The amount of heating oil used decreased significantly.

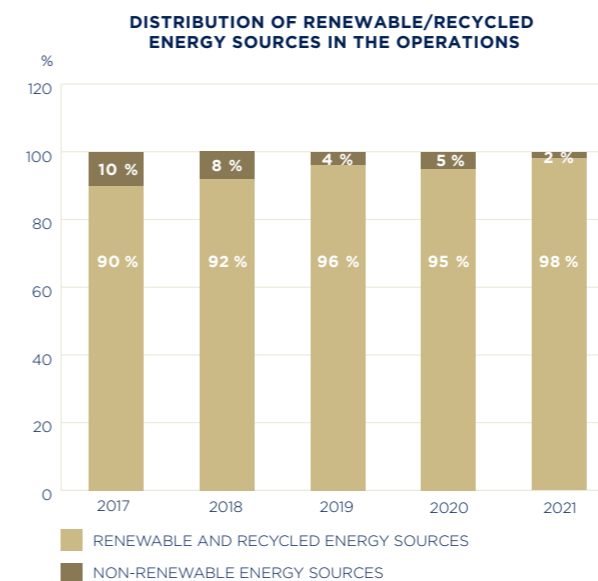
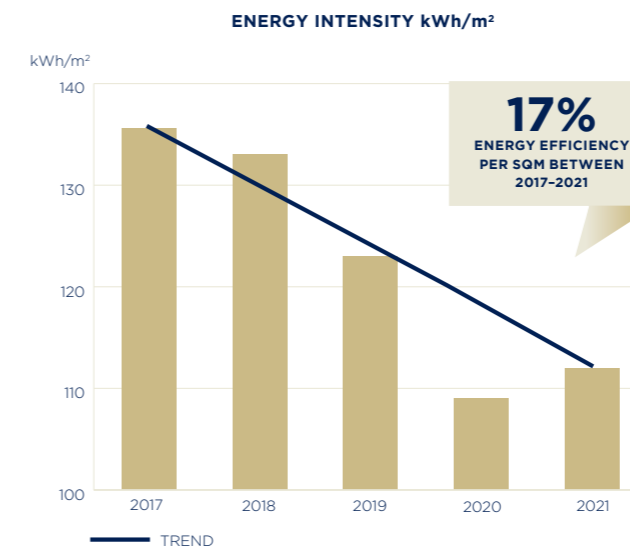
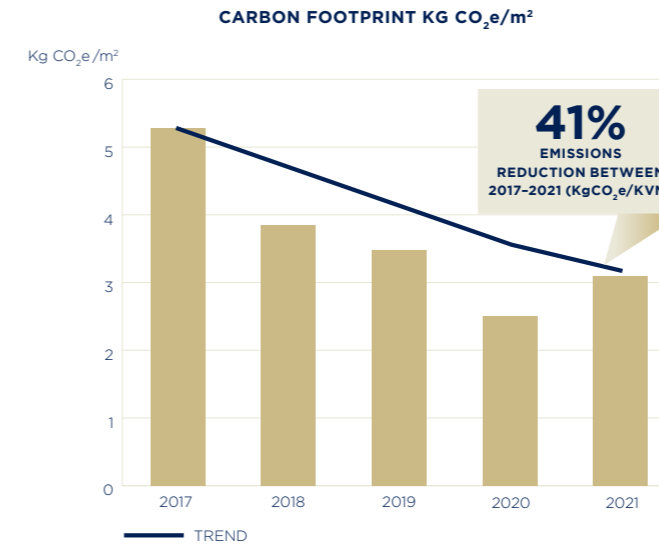
Stendörren has decided to offset the company's total CO<sub>2</sub> emissions. In addition, the company will offset an additional 60 tonnes of CO<sub>2</sub>, which was pledged in connection with the stakeholder dialog. Therefore, carbon credits representing 1,599 tonnes of CO<sub>2</sub> were purchased for full-year 2021. Stendörren has elected to buy carbon credits from South Pole and support the Godawari Green Energy Limited project. Read more on page 57.

In 2021, Stendörren compiled a GHG inventory together with Söderberg & Partners. The inventory was completed in 2021 and contains a more in-depth analysis of those parts of the operations that account for the most extensive CO<sub>2</sub> emissions, such as construction and civil engineering activities in new developments. The analysis will provide a basis for Stendörren's ongoing efforts to reduce its emissions.

## RESOURCE EFFICIENCY - OUTCOME

GRI (disclosure)	Indicator	2021	2020
<b>Energy</b>			
302-1	Percentage of purchased fossil-free energy	98%	95%
302-1	Total energy consumption, absolute terms MWh	54,960	53,602
302-1	- of which from renewable sources, absolute terms MWh	54,021	50,700
302-1	- of which from non-renewable sources, absolute terms MWh	936	2,902
302-1	Heating from district heating	35,429	33,979
302-1	Heating from electricity: heat pumps and direct electric heating, etc.	832	
302-1	Heating from heating oil	99	719
305-1, 305-3	Business travel by car and air	116	112
302-3	Energy intensity	112 kWh/sqm	108 kWh/sqm
<b>Greenhouse gases</b>			
Summary			
305-1, 305-3	Total tonnes GHG emissions	1,539	1,245
305-2	- of which heating from district heating	1,395	941
305-1	- of which heating from heating oil	29	192
305-2	- of which electricity	0	0
305-1, 305-3	- of which business travel by car and air	116	112
302-3	Absolute terms, kWh/sqm	112	108
305-4	Absolute terms, kg CO <sub>2</sub> /sqm	3.1	2.5
<b>Certification</b>			
CRE 8			
	Environmentally certified properties	10	0
	Percentage of environmentally certified lettable area	22%	n/a
	No. of certified new developments and refurbishments	0	0

\*The Green Map is Stendörren's own sustainability checklist for property projects.



## GODAWARI GREEN ENERGY LIMITED SOLAR THERMAL POWER

India has a constantly growing need for energy with a rapidly growing population and economy, and about half of the country's electricity generation currently comes from coal. The percentage of solar energy is increasing, however, and the solar thermal power project in the Jaisalmer district in North India is helping to meet India's growing needs. The project generates up to 119,000 MWh of clean electricity every year for the regional power grid. In addition to increasing the percentage of fossil-free electricity in India's energy mix, the owner of the project donates 2% from sales of Carbon Emission Reductions (CER) to other welfare projects. In this way, the project is also contributing to socio-economic gains by creating new jobs, improving existing infrastructure and bringing modern technology for solar power generation to India. The project has been certified by Gold Standard, a new standard launched in collaboration with the UNFCCC secretariat, and is distributed by South Pole.

**7** ATTRIBUTABLE AND ADDITIONAL  
**118,866**  
 MWH OF RENEWABLE ENERGY IS GENERATED ANNUALLY ON AVERAGE FOR INDIA'S REGIONAL POWER GRID

**113,160**  
 TCO<sub>2</sub>E AVERAGE REDUCTION EACH YEAR

**8** DECENT WORK AND ECONOMIC GROWTH  
**60** LOCAL RESIDENTS FROM NEARBY COMMUNITIES HAVE BEEN EMPLOYED TO HELP MAINTAIN THE FACILITIES. THIS HELPS TO GROW THE LOCAL ECONOMY AND REDUCE POVERTY IN THE REGION



## ATTRACTIVE EMPLOYER

POLICY: OHS POLICY, DIVERSITY AND EQUAL OPPORTUNITY POLICY, EMPLOYEE HANDBOOK, MANAGER MANUAL

For Stendörren, employees, suppliers and other partners are critical to the company's success and growth. The business is built and developed by motivated and talented employees, together with suppliers and partners. The "Attractive Employer" focus area is therefore both essential and self-evident for the company.

### TARGETS:

- STRIVE FOR DIVERSITY AND EQUAL OPPORTUNITY AMONG ALL PROFESSIONAL CATEGORIES AND AIM FOR A 40/60 GENDER DISTRIBUTION IN SENIOR POSITIONS BY 2025
- ANNUAL FOLLOW-UP AND FEEDBACK ON EQUAL OPPORTUNITY AND NON-DISCRIMINATION
- ACHIEVE AN eNPS OF AT LEAST 20 IN THE HALF-YEARLY EMPLOYEE SATISFACTION SURVEY
- ALL EMPLOYEES ARE TO COMPLETE CODE OF CONDUCT TRAINING

### FOCUS 2021

Stendörren aims to be an attractive employer, even though the employee-related activities that took place in 2021 were still affected by the ongoing pandemic. Stendörren has followed the recommendations and guidance issued by authorities, which has essentially meant allowing employees to work mainly from home and only coming into the office occasionally and for specific purposes. For employees who work out in the properties, they have avoided crowds as far as possible, kept their distance and met as few people as possible.

To promote employee health, a health challenge was arranged in spring 2021 where employees could challenge their colleagues via an app and get inspiration for making healthier everyday choices.

In May 2021, 17 employees represented the company in the charity run Spring för livet (Run for your life). Participation was voluntary. The entry fee was donated to the Företag för Malawi (Companies for Malawi) project.

Activities such as pulse surveys and health checks continued in 2021.

A large workshop was arranged for employees in autumn 2021 with a focus on Stendörren's OHS (Occupational Health and Safety) management and the theme of victimization and discrimination. In

addition, 376 hours of training were completed, divided between all employees, including one sustainability course.

During the year, 98% of employees read and confirmed that they understand Stendörren's Code of Conduct. In 2022, the company will successively provide a Code of Conduct follow-up course for employees.

In 2021, the percentage of women in senior positions at Stendörren was 26.6%, compared with the target of 40–60%.

No occupational injuries were reported during the year, but two minor occupational accidents were reported. In 2021, the average sickness absence rate (long and short-term sick leave) was 3.4%, divided between 1% for women and 5% for men.

A first Employee Net Promoter Score (eNPS) survey was carried out during the autumn, with a resulting metric of -8. This type of measurement is new for the company and deviates from the company's set target of eNPS >20. Stendörren intends to work proactively to achieve a better result in 2022.

No reports were received via the whistleblower system for 2021. Stendörren has added its whistleblower system to the website.



GRI (DISCLOSURE)	INDICATOR	2021	2020
405-1	Gender distribution senior positions women/men	4/11	5/9
401-1	Employment – New employee hires and employee turnover		
	Women (no.)	6	6
	Men (no.)	10	7
	<b>Total</b>	<b>16</b>	<b>13</b>
	Employee turnover, %	33%	35%
Employee (eNPS)	Net Promoter Score	-8	n/a
403-2	Types of injuries, occupational diseases, lost days, absenteeism		
	Women	1%	3.8%
	Men	5%	4.4%
	<b>Total</b>	<b>3.40%</b>	<b>4.3%</b>
404-1	Average hours of training per year	376	119
404-3	Percentage of employees receiving regular performance and career development reviews	100%	100%
405-1	Diversity of employees (no.)		
	Women <30 years	5	3
	Women 31-50 years	10	12
	Women >50 years	4	6
	<b>Total women</b>	<b>19</b>	<b>21</b>
	Men <30 years	2	4
	Men 31-50	23	15
	Men >50	11	9
	<b>Total men</b>	<b>36</b>	<b>28</b>



## FUTURE PROOFING

POLICY: SUSTAINABILITY STRATEGY 2022

In order to make informed decisions about its properties, Stendörren has begun preparing a report aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Stendörren will start to assess the portfolio and document the company's climate-related and transition risks in 2022. 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.

TARGET:

- TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORTING FROM 2023

FOCUS 2021

The "Future Proofing" focus area is new for Stendörren and the assessment of climate-related risks in the portfolio has just begun. No historical data is therefore available. Stendörren's property portfolio is currently focused on the Stockholm-Mälaren region and selected growth markets such as Copenhagen, Oslo and Borås. Working with climate-related risks, both physical and transition risks, will become increasingly important due to global warming. In 2022, the physical climate-related risks will be assessed, starting with the Swedish portfolio.

Properties in Norway and Denmark will gradually be added. The aim is to perform a comprehensive mapping of the entire portfolio. Transition risks will be mapped internally using a tool and method called Carbon Risk Real Estate Monitor (CRREM). That will give Stendörren an overview of the emissions arising from energy use in the properties in the operational stage. Stendörren will gradually be able to rank and plan measures for each property in the company's operational and business plans.



## SOCIAL RESPONSIBILITY

POLICY: ENVIRONMENTAL POLICY

Stendörren has previously included the focus area of "Active partner for sustainable community development" in the company's sustainability reporting. In the renewed approach to sustainability, and based on the materiality assessment, the company has now changed the name of this area to "Social Responsibility," since it also includes the key social dimension of sustainability. Stendörren will naturally continue its efforts to promote sustainable community development.

TARGET:

- CREATE JOB OPPORTUNITIES FOR PEOPLE OUTSIDE THE LABOR FORCE

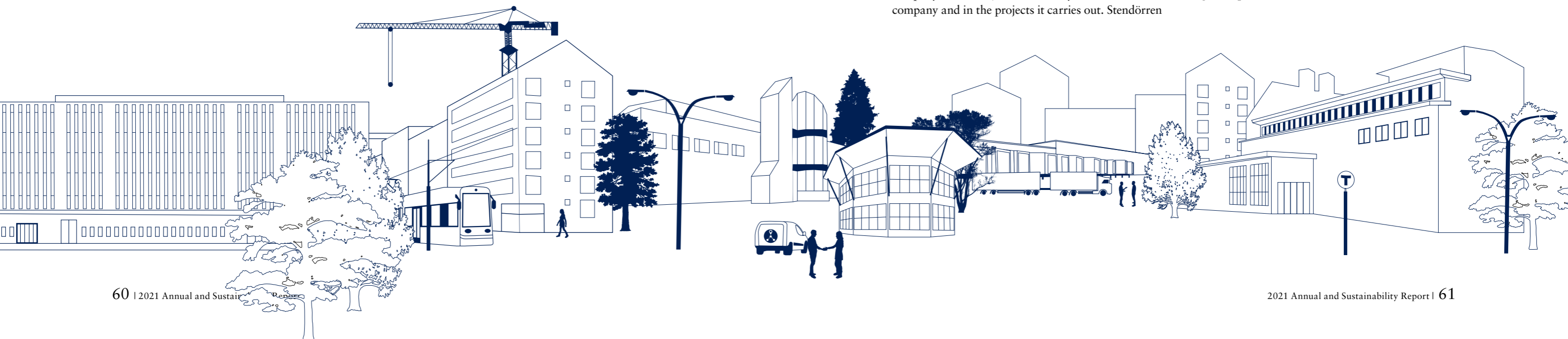
FOCUS 2021

In connection with Stendörren's residential development projects, the company's focus on the social aspects of its property portfolio has increased. To deepen its knowledge and commitment to social sustainability, Stendörren became a member of Sustainable Stockholm 2030 (HS30). This is an industry organization for property and construction companies in Mälardalen, where sustainability issues are discussed and knowledge is shared between players with experience of work with social sustainability.

Stendörren has always been happy to offer traineeships and work-based learning, creating opportunities for people outside the labor force. Moving forward, Stendörren will measure the number of jobs the company can create, both internally within the company and in the projects it carries out. Stendörren

sees opportunities to gradually add more social sustainability measures, primarily in connection with property development, but also in relation to the existing portfolio.

This focus area also includes the development of properties and surrounding areas that are safe to live in. A typical example is the Tegelbruket development project, where the aim is to create a safe and attractive neighborhood. Building permits were obtained during the year for the construction of residential properties, a car park, a shopping center and outdoor environments with the aim of creating a safe and attractive neighborhood. In all projects, both large and small, Stendörren works to ensure that buildings and activities are aligned with the respective municipality's long-term plans and meet market demand.





# REPORTING PRINCIPLES

## AND AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

**THIS SUSTAINABILITY REPORT** is Stendörren's fifth report in accordance with the GRI Standards and covers the 2021 fiscal year. The Global Reporting Initiative (GRI) has developed a sustainability reporting framework that is widely used around the world for the reporting of non-financial information. The aim of this Sustainability Report is to give Stendörren's stakeholders a comprehensive view of the company's performance. The company conducted its first materiality assessment in 2017, and a new stakeholder dialog and materiality assessment were carried out in 2021. In the Sustainability Report, Stendörren describes the company's approach to sustainability and how the strategy, and the focus areas it includes,

**STENDÖRREN REPORTS IN ACCORDANCE WITH THE CORE LEVEL OF THE GRI STANDARDS FOR THE KPIS SELECTED FOR EACH FOCUS AREA.**

have been developed. A balance of both the negative and positive impacts of the company's results has been included in the presentation of the company's sustainability performance in 2021. The company reports in accordance with the CORE level of the GRI standards for the KPIS selected for each focus area. In the event of omissions from the reporting guidelines, these are stated in the GRI Content Index, together with information on the reasons for the omission.

The sustainability data has largely been collected from the information and processes in existing business systems. In some cases, data has been updated retrospectively, but this is stated as a comment where relevant.

### 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 was submitted to the auditor together with the Annual Report. The Sustainability Report can be found on pages 46-65 of this published document. Together with the governing documents created when the sustainability strategy was formulated, Stendörren's Code of Conduct provides the framework for the company's approach to sustainability. 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 66-70. The strategic priorities for Stendörren's

sustainable practices and the areas that are important to Stendörren's stakeholders are described in the "Materiality assessment and stakeholder engagement" section on pages 52-53. The sustainability strategy on pages 50-51 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 50, 51, 53
- Environment, pages 50, 51, 53
- Anti-corruption, page 60
- Diversity Policy for the Board of Directors, page 82

# GRI CONTENT INDEX

GRI CONTENT INDEX	PAGE	COMMENTS
<b>GENERAL DISCLOSURES</b>		
<b>1. ORGANIZATIONAL PROFILE</b>		
102-1 Name of the organization		Stendörren Fastigheter AB
102-2 Primary brands, products, and/or services	14-61	
102-3 Location of organization's headquarters		Linnégatan 87B, SE-115 23 Stockholm, Sweden
102-4 Location of operations	22-27	
102-5 Ownership and legal form	74-77	
102-6 Markets served	14-17	
102-7 Scale of the organization	68-69	
102-8 Information on employees and other workers	58-59, 69	
102-9 Supply chain	54, 58, 72	
102-10 Significant changes to the organization and its supply chain	68-69	
102-11 Precautionary Principle or approach	48-51	
102-12 External initiatives	48-49, 53, 56, 57, 61	
102-13 Membership of associations. A list of the main memberships of industry or other associations, and national or international advocacy organizations		Fastighetsägarna, Almega branschförbund Fastighetsarbetsgivarna, Stockholms Byggmästareförening
<b>2. STRATEGY</b>		
102-14 Statement from senior decision-maker. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	8-9	
<b>3. ETHICS AND INTEGRITY</b>		
102-16 Values, principles, standards, and norms of behavior		Refer to the sustainability strategy and various policies in each focus area
<b>4. GOVERNANCE</b>		
102-18 Governance structure		Corporate Governance Statement
<b>5. STAKEHOLDER ENGAGEMENT</b>		
102-40 List of stakeholder groups	50-51	
102-41 Collective bargaining agreements		<a href="https://www.stendorren.se/investor-relations/bolagsstyrning/ersattningar/">https://www.stendorren.se/investor-relations/bolagsstyrning/ersattningar/</a>
102-42 Identifying and selecting stakeholders	50-51	
102-43 Approach to stakeholder engagement	50	
102-44 Key topics and concerns raised. Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded to those key topics and concerns, including through its reporting	50	
<b>6. REPORTING PRACTICE</b>		
102-45 Entities included in the consolidated financial statements		All entities are included in the consolidated financial
102-46 Defining report content and topic Boundaries	50-51	
102-47 List of material topics	51	
102-48 Restatements of information. The effect of any restatements of information given in previous reports, and the reasons for such restatements	62	
102-49 Changes in reporting		No changes from the preceding year
102-50 Reporting period		January 1, 2021 - December 31, 2021
102-51 Date of most recent report		April 27, 2021
102-52 Reporting cycle		Calendar year
102-53 Contact point for questions regarding the report		info@stendorren.se
102-54 Claims of reporting in accordance with the GRI Standards	62	
102-55 GRI content index	63-65	<a href="https://www.stendorren.se/arsredovisning/digital-arsredovisning-2020/hallbarhet-2020/">https://www.stendorren.se/arsredovisning/digital-arsredovisning-2020/hallbarhet-2020/</a>
102-56 External assurance	62	The Sustainability Report has not been externally assured in accordance with the GRI Standards, but there is an auditor's statement pursuant to the Annual Accounts Act.

GRI CONTENT INDEX	PAGE	COMMENTS
<b>GRI 103: MANAGEMENT APPROACH LINKED TO SUSTAINABLE DEVELOPMENT</b>		
103-1 Explanation of the material topic and its Boundary	46-62	Stendörren bases its sustainability strategy on five material focus areas with a number of material topics in each focus area.
103-2 The management approach and its components	46-62	Priorities and strategy, including risks and opportunities are considered and integrated into the development of the company's sustainability strategy.
103-3 Evaluation of the management approach	46-62	The management approach is continuously evaluated by the management team, the Sustainability Council and in consultation with external advisors.

#### TOPIC SPECIFIC DISCLOSURES

##### OPERATIONAL EXCELLENCE

201-3 Defined benefit plan obligations and other retirement plans		4.5% of a base amount + 30% of amount and an additional pension provision for each employee. In addition, a special employer's contribution of 24.26% of the pension amount is also paid.
205-1 Operations assessed for risks related to corruption	54	
407 Freedom of association and collective bargaining		Stendörren is covered by collective agreements. All employees are free to form and/or join a trade union or similar external representative organization of their choice, and to bargain collectively.
409 Forced or compulsory labor		Stendörren Fastigheter rejects and has zero tolerance for all forms of forced labor.
412-1 Operations that have been subject to human rights reviews or impact assessments	54	
UNGC		Stendörren Fastigheter supports the Ten Principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption. The Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. Stendörren Fastigheter integrates the United Nations Framework Convention on Climate Change (the Paris Agreement) and the Sustainable Development Goals into its own operations.
<i>Own target</i> – operational excellence and good leadership		
201-1 Direct economic value generated and distributed	92	

##### RESOURCE EFFICIENCY

##### ENERGY

302-1 Energy consumption within the organization	55-57	
302-2 Energy consumption outside of the organization		Stendörren has not measured or assessed the GHG emissions of its suppliers or sub-contractors for new developments or refurbishments.
302-3 Energy intensity	55-57	
305-1 Direct (Scope 1) GHG emissions	55-57	
305-2 Energy indirect (Scope 2) GHG emissions	55-57	CO <sub>2</sub> emissions from use of district heating are manuellt utifrån respektive fjärrvärmeverks bränslemix för 2020. Elen är ursprungsmärkt vattenkraft.
305-3 Other indirect (Scope 3) GHG emissions	55-57	Stendörren Fastigheter has not measured or assessed the GHG emissions of its suppliers or sub-contractors for new developments, tenant adaptations or refurbishments. Only business travel within the organization is calculated.
305-4 GHG emissions intensity	55-57	Measured in kg of CO <sub>2</sub> e per lettable sqm in the company's property portfolio. CO <sub>2</sub> e emissions from heating oil, fuel, district heating and business travel are included in the calculation.
CRE8 Environmental certifications	56	

GRI CONTENT INDEX	PAGE	COMMENTS
<b>ATTRACTIVE EMPLOYER</b>		
<b>EMPLOYMENT</b>		
401-1 New employee hires and employee turnover	59	Calculation does not include fixed-term/summer jobs.
401-2 Benefits provided to full-time employees inte omfattar tillfälligt eller deltidsanställda		Largely regulated by the collective agreement (similar to benefits that are not provided to temporary or part-time employees pension and insurances). Temporary employees do not have access to the benefits with a well-being allowance, travel card and so forth. Nor are they offered health checks.
401-3 Parental leave		Nine people took parental leave in 2021 (two men and seven women). A total of 535 working days and 759 calendar days.
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
403-2 Hazard identification, risk assessment, and incident investigation	59	At present, Stendörren only follows up sickness absence within the organization.
403-4 Worker participation, consultation, and communication on occupational health and safety		The collective agreement contains rules on special health insurance, group life insurance and occupational injury insurance. The collective agreement stipulates that access to occupational health care must be adapted to needs. Stendörren has assessed that such a need exists and has agreements with occupational health services for both preventive and rehabilitative interventions.
<b>TRAINING AND EDUCATION/UTBILDNING</b>		
404-1 Average hours of training per year per employee	59	Some employee categories, such as property technicians, have a more formal training plan than other categories, based on formal requirements and guidelines.
404-3 Percentage of employees receiving regular performance and career development reviews	59	The company has performance reviews, including annual career development reviews for employees with their line manager. This is mandatory.
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
405-1 Diversity of governance bodies and employees	55	The statistics are based on the number of employees at December 31, 2021, and include all employees with a current employment contract regardless of their position.
405-2 Ratio of basic salary and remuneration of women to men differentials		The salary survey did not find any unreasonable pay between men and women in any current employment contract regardless of their position.
406-1 Incidents of discrimination and corrective actions taken	58, 65	No reports were received via the whistleblower system. Pulse surveys have revealed cases of perceived discrimination, which is why the management team has created an action plan.

#### AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT TO THE GENERAL MEETING OF SHAREHOLDERS

##### ASSIGNMENT AND DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for ensuring that the sustainability report for 2021 on pages 46–65 has been prepared in accordance with the Annual Accounts Act.

##### FOCUS AND SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

##### OPINION

A sustainability report has been prepared.

Stockholm, April 29, 2022  
Ernst & Young AB

Oskar Wall  
Authorized Public Accountant

# BOARD OF DIRECTOR'S REPORT AND FINANCIAL STATEMENTS 2021

## THE BUSINESS

RENTAL INCOME:

**SEK 653** MILLION

NET OPERATING INCOME:

**SEK 488** MILLION

INCOME FROM PROPERTY MANAGEMENT:

**SEK 267** MILLION

PROFIT AFTER TAX:

**SEK 1,209** MILLION

### SIGNIFICANT EVENTS DURING THE YEAR

- Rental income increased 3% to SEK 653 million (631) and net operating income increased to SEK 488 million (481).
- Income from property management increased 5% to SEK 267 million (254).
- Profit for the year increased to SEK 1,209 million (256), corresponding to SEK 40.75 per share (7.17) before dilution and 40.67 per share (7.17) after dilution.
- The Board proposes to the Annual General Meeting that no dividend be paid, and any profit instead be reinvested in the business.
- Net letting during the year amounted to a total of approximately SEK 40 million (net letting for the year excluding Exploria AB's bankruptcy amounted to approximately SEK 57 million) and new lease agreements with an annual rental value of approximately SEK 79 million were signed.
- Lease agreements that were renegotiated during the year led to an increase in rental values of 22% on weighted average.
- Properties were acquired and closed on for a total value of approximately SEK 670 million during the year. During the fourth quarter, Stendörren established itself in the Copenhagen region through three acquisitions and in the Oslo region through one acquisition, with a total property value of about SEK 260 million.

**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 2021 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 real estate company listed on Nasdaq Stockholm Mid Cap. Our mission is to create long-term profitable growth in net asset value by managing, developing and acquiring properties and building rights for logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating residential rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region.

Stendörren has four financial objectives:

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

At December 31, 2021, the Group comprised 140 companies (109) in which Stendörren Fastigheter AB (publ) is the Parent Company. All properties are owned via subsidiaries.

### PROPERTY PORTFOLIO

As of December 31, 2021, the property portfolio of Stendörren consisted of 135 properties, primarily located in the Greater Stockholm and Mälardalen region with a market value of SEK 11,693 million. The ten largest lease agreements accounted for about 24% of the total annual rent and the company's largest lease agreement with Coop Sweden represents approximately 11% of the total annual rent.

The total property portfolio comprised approximately 793,000 sqm, of which warehouse, logistics and light industrial properties accounted for approximately 67% 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 652,000 sqm of total building area (although this may differ from what is technically and commercially feasible), mainly for warehouse, logistics, light industrial use as well as for residential use. The market value of the building rights portfolio amounts to SEK 1,634 million (1,363) 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 the planning was considered in determining the market value of these 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, 2021, the company's equity amounted to SEK 5,216 million (4,053) and the Group's interest-bearing liabilities amounted to SEK 5,624 million (5,099), corresponding to a loan-to-value ratio of 46% (50).

The average time to maturity of interest-bearing liabilities amounted to 2.5 years (2.6) and the average interest maturity to 3.7 years (2.5). The average

interest rate on the company's total interest-bearing loans amounted to 2.3% (2.2) and the average interest rate on loans from credit institutions, on the reporting date, was 1.9% (1.9). 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.

### ORGANIZATION

Stendörren had 55 employees (54), of whom 37 men (33) and 18 women (21) on December 31, 2021. 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.

The 2021 AGM resolved, in accordance with the Board's proposal, on the following remuneration of senior executives that will apply until the 2022 AGM.

Remuneration matters are addressed by the Board's Remuneration Committee and decided by the Board as a whole. Senior executives are to be offered market-based remuneration that is to take into account the area of responsibility and the experience of the individual. Remuneration is to comprise fixed salary, variable remuneration, pension and other customary benefits. Variable remuneration is to be linked to predetermined and measurable criteria, designed for the purpose of promoting long-term valuation creation in the company, and is to amount to a maximum of 24 monthly salaries. To encourage a long-term alignment of interests with the company's shareholders, incentives can also be offered in the form of share-based instruments, in addition to salary, pension and other remuneration. The resolved guidelines are presented on pages 84–86. >

## > 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.

## 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 109 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, 2021 amounted to SEK 54 million (101) and equity amounted to SEK 1,709 million (1,736).

# 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, 2021 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 256 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 and 2018 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 refined 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 quanti-

fying 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.

# STENDÖRREN SHARE AND OWNERS

Stendörren is a real estate company with a market capitalization of SEK 8,656 million at the end of 2021. The company's Class B share is listed on Nasdaq Stockholm Mid Cap.

## SHARE

Stendörren's share capital amounts to SEK 17,056,959, comprising 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.

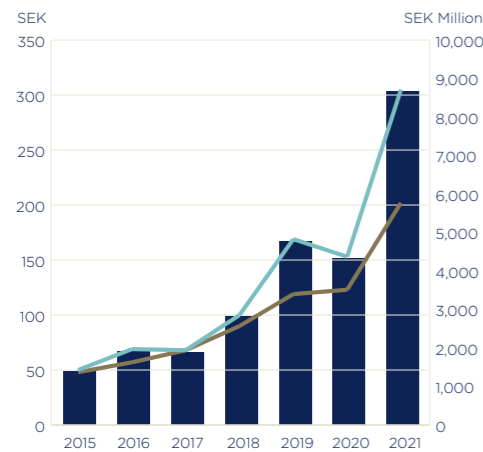
## STOCK PRICE TREND AND RETURNS

The stock price increased 100% to SEK 304.5, meaning that the market capitalization increased a total of 100%. The real estate index on the Stockholm Stock Exchange increased 46% in the same period. The all-time high stock price was SEK 320 on November 25. The price on the final trading day of the year (December 30) was SEK 304.5. The lowest price paid for the share during the year was SEK 141.0.

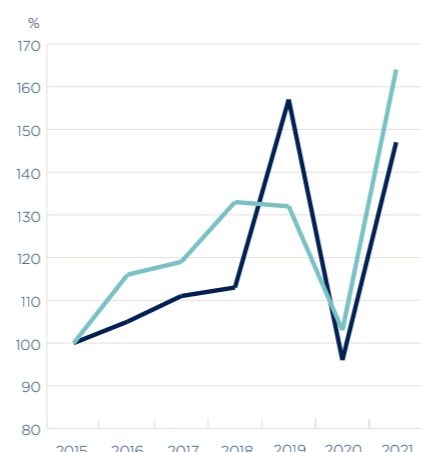
## STOCK EXCHANGE AND TURNOVER

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 2021, a total of 4.8 million shares were traded at a value of SEK 971 million (excluding shares traded outside the stock exchange).

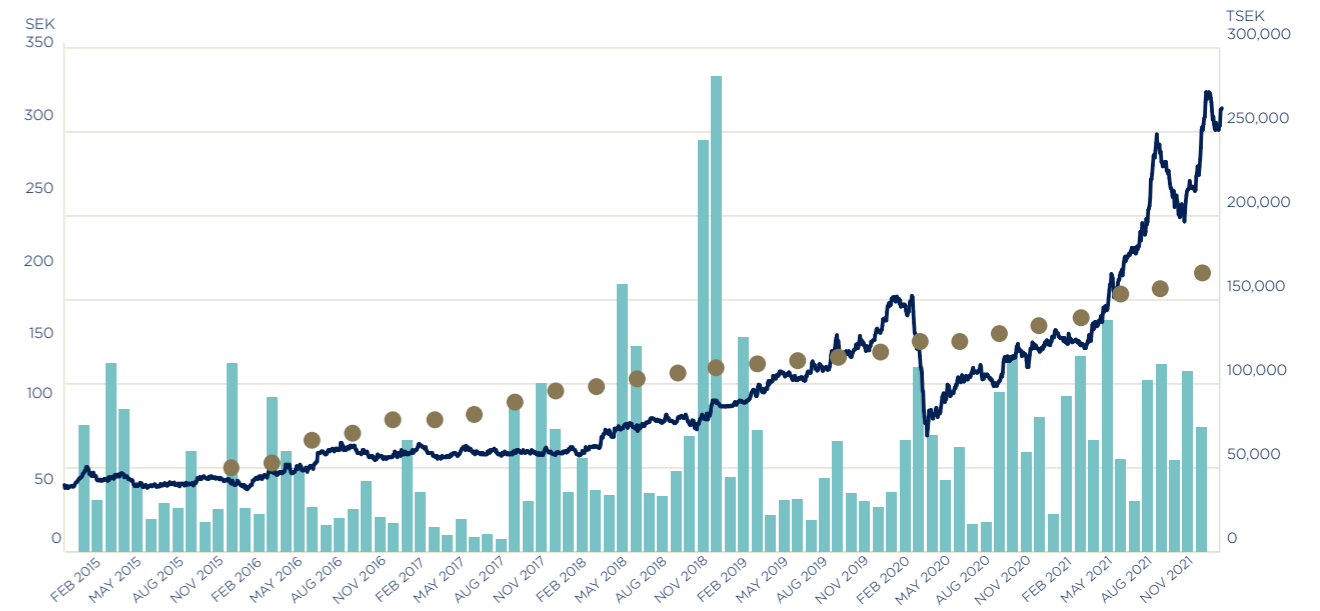


■ Market capitalization, year-end, SEK million  
 ■ Stock price, year-end, SEK  
 ■ Average price for the year, SEK



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

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



■ Turnover, SEK thousand ■ Stock price ● Long-term net asset value per share

## > STENDÖRREN'S SHAREHOLDERS

The AGM resolved on May 20, 2021 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.

Should the Board resolve on an issue without preferential rights for the shareholders, the reason must be to diversify the shareholder base, raise or facilitate the raising of working capital, increase the liquidity of the share, carry out acquisitions or raise or facilitate the raising of capital for acquisitions. An issue without preferential rights for shareholders must be conducted on market terms.

### SIZE OF SHAREHOLDERS, DECEMBER 31, 2021

SHAREHOLDING	NUMBER OF SHARE HOLDERS	SHARE OF NUMBER OF	CLASS A SHARES	CLASS B SHARES	HOLDINGS (%)	VOTES (%)	MARKET VALUE (SEK THOUSAND)
1 - 500	3,438	92%	-	161,384	1%	0%	49,141
501 - 1,000	105	3%	-	80,460	0%	0%	24,500
1,001 - 5,000	120	3%	-	300,404	1%	1%	91,473
5,001 - 10,000	23	1%	-	160,373	1%	0%	48,834
10,001 - 15,000	15	0%	-	178,954	1%	0%	54,491
15,001 - 20,000	11	0%	-	197,607	1%	0%	60,171
20,001 -	40	1%	2,500,000	24,849,083	96%	98%	8,327,796
<b>Total</b>	<b>3,752</b>	<b>100%</b>	<b>2,500,000</b>	<b>25,928,265</b>	<b>100%</b>	<b>100%</b>	<b>8,656,407</b>

### THE LARGEST SHAREHOLDERS BASED ON DATA FROM EUROCLEAR SWEDEN AB AS OF DECEMBER 31, 2021

SHAREHOLDER <sup>1)</sup>	TOTAL SHARES	CLASS A SHARES	CLASS B SHARES	% OF CAPITAL	% OF VOTES
STENDÖRREN REAL ESTATE AB	11,532,606	2,000,000	9,532,606	40.6	58.0
ALTIRA AB	3,050,000	500,000	2,550,000	10.7	14.8
LÄNSFÖRSÄKRINGAR FASTIGHETFOND	4,879,683	0	4,879,683	17.2	9.6
SEB INVESTMENT MANAGEMENT	2,709,095	0	2,709,095	9.5	5.3
VERDIPAPIRFONDET ODIN EIENDOM	1,060,672	0	1,060,672	3.7	2.1
THIRD SWEDISH NATIONAL PENSION FUND	750,000	0	750,000	2.6	1.5
CARNEGIE FONDER	453,684	0	453,684	1.6	0.9
ALFRED BERG	329,213	0	329,213	1.2	0.7
WARMLAND, BODIL	249,975	0	249,975	0.9	0.5
SEB LUXEMBOURG BRANCH	248,000	0	248,000	0.9	0.5
Other shareholders	3,165,337	0	3,165,337	11.1	6.1
<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 3,752.

## INCENTIVE PROGRAM FOR STENDÖRREN EMPLOYEES

At the beginning of the reporting period, Stendörren had two incentive programs that were resolved on at the 2018 AGM and the EGM in September 2020, respectively. Both programs were aimed at the company's employees and include issues of warrants, which the participants in the programs acquired in exchange for a 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.

In the incentive program 2018-2021, there were 56,824 warrants that all holders decided to redeem on September 15-30, 2021 for the same number of newly issued Class B shares, and were then registered with Euroclear.

In the incentive program 2020-2025, there were 254,000 warrants at the end of the period that the holders, for a period of two weeks from the date of publication of the interim financial report for the period January 1-September 30, 2025, are entitled to redeem against the same number of Class B shares 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 152,400 by issuing 254,000 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 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:

- 2021 Annual and Sustainability Report Stockholm, week beginning April 25, 2022
- Interim Financial Report Jan-Mar 2022, May 6, 2022
- 2022 AGM, May 24, 2022
- Interim Financial Report Jan-Jun 2022, July 20, 2022
- Interim Financial Report Jan-Sep 2022, November 8, 2022
- Year-end Report 2022, February 22, 2023





# 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 share has been listed on Nasdaq Stockholm, Mid Cap, since April 10, 2018. Since the company's shares were admitted to trading on Nasdaq Stockholm, Stendörren's corporate governance has been 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 2021, 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 2021. Instead, and based on the remuneration guidelines for senior executives adopted by the 2021 AGM, the Board assessed that it was more appropriate during the year 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 2021 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, 2021, the number of shareholders was 3,752 and the quotient value per share was SEK 0.60. For more information about the ownership structure at the end of 2021, 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 Chair 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.



> 2021 Annual General Meeting

The 2021 AGM was held on May 20, 2021 in Stockholm. At the AGM, a total 92.02% of the company's votes and 85.68% 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. Should the Board resolve on an issue without preferential rights for the shareholders, the reason must be to diversify the shareholder base, raise or facilitate the raising of working capital, increase the liquidity of the share, carry out acquisitions or raise or facilitate the raising of capital for 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 Anders Tägt, Seth Lieberman, Helena Levander, Carl Mörk, Henrik Orrbeck, Andreas Philipson and Nisha Raghavan to the Board.
- Re-election of Anders Tägt as Chair of the Board.
- Re-election of Ernst & Young AB as the company's auditor, with Oskar Wall as Auditor-in-Charge.
- Adoption of fees for Board members and auditors.
- Resolution to adopt principles for appointment of the Nomination Committee.
- Resolution to approve the Remuneration Report.
- Resolution on remuneration guidelines for senior executives.

*Extraordinary General Meeting on Feb. 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 Chair, Ander Tägt, who had resigned from his position. The EGM also addressed

Board fees and remuneration for committee work.

The minutes from the 2021 AGM and the EGM on February 4, 2022 as well as the related meeting documents are available on the company's website.

The 2022 AGM will be held on May 24, 2022.

**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 Chair of General Meetings, the Board, the Chair of the Board, the auditor, Board fees divided between the Chair and other members, 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 20, 2021, Stendörren's shareholders adopted the following principles for appointment to the Nomination Committee prior to the 2022 AGM:

*"Prior to each Annual General Meeting, the Nomination Committee shall consist of the Chair 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 shareholders. The Chair 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 Chair 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."*

The Nomination Committee originally appointed prior to the AGM on May 24, 2022 consisted of Johannes Wingborg, Chair (appointed by Länsförsäkringar Fondförvaltning AB), Henrik Orrbeck (appointed by Stendörren Real Estate AB), Oscar Christensson (appointed by Altira AB) and Anders Tägt (Chair of the Board at that time). When Andreas Philipson was appointed as the new Chair of the Board at the EGM on February 4, 2022, he also succeeded Anders Tägt on the Nomination Committee.

Stendörren's Nomination Committee prior to the AGM on May 24, 2022 therefore consists of Johannes Wingborg, Chair (appointed by Länsförsäkringar Fondförvaltning AB), Henrik Orrbeck (appointed by Stendörren Real Estate AB), Oscar Christensson (appointed by Altira AB) and Andreas Philipson (Chair of the Board).

**BOARD OF DIRECTORS**

*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 identify how sustainability issues affect the company's risks and opportunities. In addition, 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. Finally, the Board shall also resolve on major investments as well as organizational and operational changes in the company.

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 BETWEEN MAY 20, 2021 AND THE EGM ON FEBRUARY 4, 2022**

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

**COMPOSITION OF THE BOARD AS OF THE EGM ON FEBRUARY 4, 2022**

NAME	POSITION	BOARD MEMBER SINCE	INDEPENDENT OF THE COMPANY AND COMPANY MANAGEMENT	INDEPENDENT OF THE COMPANY'S LARGEST SHAREHOLDERS
Andreas Philipson	Chair of the Board	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 2021

NAME	POSITION	ATTENDANCE AT BOARD MEETINGS IN 2021	BOARD FEES (SEK) <sup>1)</sup> <small>(FROM, AND AS RESOLVED BY, THE 2021 AGM AND THE EGM ON FEBRUARY 4, 2021)</small>
Andreas Philipson	Chair of the Board (from Feb 2022, previously Board member)	18 of 19	342,575
Seth Lieberman	Board member	16 of 19	243,205
Helena Levander	Board member	19 of 19	323,205
Henrik Orrbeck	Board member	18 of 19	0 <sup>2)</sup>
Carl Mörk	Board member	19 of 19	293,205
Nisha Raghavan	Board member	16 of 19	0 <sup>2)</sup>
Anders Tägt	Chair of the Board (until Feb 2022)	18 of 19	339,726
<b>Total</b>			<b>1,541,918</b>

1) The fee stated was paid for the period between the 2021 AGM and 2022 AGM. The amount stated includes committee fees.

2) Henrik Orrbeck and Nisha Raghavan declined Board fees for the period between the 2021 AGM and 2022 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 (29% prior to the EGM on February 4, 2022). As shown in the presentation of Board members in the "Board of Directors" section on pages 88–89, 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 on page 81, all six (seven prior to the EGM on February 4, 2022) elected members are independent of the company and its management. Of these, two members (three prior to the EGM on February 4, 2022) are independent of the company's largest shareholders.

### Board fees

The 2021 AGM resolved that a Board fee of SEK 440,000 would be paid to the Chair of the Board, and SEK 240,000 to each of the other members. The AGM also resolved that a fee of SEK 80,000 would be paid to the Chair 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 Chair of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

The EGM on February 4, 2022 resolved that a Board fee of SEK 500,000 would be paid to the Chair of the Board and SEK 250,000 to each of the other members. The EGM also addressed fees for committee work and resolved that fees for such work would be paid in the same amount resolved by the 2021 AGM.

The table above shows the fee that will be paid to each Board member for the period between the 2021 AGM and the 2022 AGM.

### The role of the Chair

The Chair of the Board is responsible for ensuring that the Board carries out its work effectively and fulfills its obligations. The Chair organizes and leads the Board's work with the aim of creating the best

possible conditions for the Board's duties. The Chair also ensures that new Board members complete introduction training and any other training deemed appropriate.

The Chair 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 Chair 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 (Chair), 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 2021, the Audit Committee held five minuted meetings. All of the elected committee members were present at four of these meetings. At one meeting, only Helena Levander and Carl Mörk were present. The matters addressed at the meetings included the company's financial statements and policies, the focus of the external audit, and the company's internal controls.

#### REMUNERATION COMMITTEE

Stendörren has a Remuneration Committee that has consisted of Andreas Philipson (Chair), Nisha Raghavan and Carl Mörk since the inaugural Board meeting on February 4, 2022. Prior to that date, the Remuneration Committee consisted of Anders Tägt (Chair), 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 2021, the Remuneration Committee held three minuted meetings 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 all three meetings.

### The Board's work in 2021

In 2021, the Board held 19 Board meetings, of which nine were scheduled (including the inaugural Board meeting). 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 2021/2022 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 or divestments, other investment decisions, financing decisions and decisions regarding structural or 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 2021/2022

##### 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. ➤

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#### 2. Meeting in July

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

#### 3. Scheduled meeting in August

A scheduled Board meeting is held after the summer. No specific main theme.

#### 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 auditors report on the review normally 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. Matters related to remuneration are addressed.

#### 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 and remuneration are addressed.

#### 8. Extra Board meeting in April

Extra Board meeting to address the draft of the Annual Report.

#### 9. Scheduled meeting in May

Scheduled meeting to adopt the interim report for the first quarter of the year. Report from the Audit Committee.

#### 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 2021 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 compa-

ny 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 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.

The CEO – Erik Ranje – has an executive management team to assist him in this role. Executive Management currently consists of the following people:

- 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
- Agnes Peet, Head of HR
- Fredrik Holmström, Head of Sustainability

For more information about Executive Management, refer to pages 90–91.

#### REMUNERATION GUIDELINES FOR SENIOR EXECUTIVES ADOPTED AT THE 2021 AGM

At the AGM on May 20, 2021, the following remuneration guidelines for senior executives were adopted.

These guidelines cover the company's CEO and other senior managers. The guidelines shall be ap-

plied 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.

#### 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 [www.stendorren.se/investor-relations/bolagsstyrning/incitamentsprogram/](http://www.stendorren.se/investor-relations/bolagsstyrning/incitamentsprogram/).

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, and so forth

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, and so forth

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 20, 2021, accounting firm Ernst & Young AB was re-elected with Oskar Wall as Auditor-in-Charge. Previously, Ingmar Rindstig was also the company's auditor together with Ernst & Young AB.

Oskar Wall 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 24, 2022.

In 2021, the company did not engage Ernst & Young AB for any non-audit services.

#### **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 company 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.

## **AUDITOR**

**ERNST & YOUNG AB**

### **OSKAR WALL**

The company's auditor since 2016.  
Authorized Public Accountant and member of FAR.  
Other significant assignments: Sagax, Arlandastad Group Estea, Karolinska Development and Stockholmshem.



# BOARD OF DIRECTORS



## ANDREAS PHILIPSON

Chair of Stendörren's Board since February 4, 2022. 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 Näckebro 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 Fastigheter and its company management and largest shareholders.

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



## HELENA LEVANDER

Board member of Stendörren since 2017. Chair of the Audit Committee. Born in 1957.

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

**Other current positions:** Chair of the Board of Factoringgruppen AB, Caroline Svedbom AB and Board member of Concordia Maritime AB, Rejlers AB, Occlutech AG and Cinclus AB.

**Professional experience:** Many years of experience in various operational roles in finance and equity markets, and Board experience from several listed 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 Fastigheter 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 also chaired the company's Board 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:** Chair of the Board of Kvalitena AB (publ) and several of Kvalitena's portfolio companies, including Huski Chocolate and Svenskt Industrifyg 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 Fastigheter and its company management, but not the largest shareholders.

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



## 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 chairs the Board of Stendörren Real Estate AB, Hönsfodret Realty 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, Portgås Fastighets AB and Sågtorp Utveckling AB.

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

**Independence:** Independent of Stendörren Fastigheter AB (publ) and its company management, but not 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 EQT Exeter.

**Professional experience:** Nisha has over 20 years of experience in the real estate sector. She previously served as Director at Clearbell Capital LLP, a UK real estate fund manager, and held similar roles at Pears Global Real Estate Investors and Delancey Real Estate Asset Management.

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

**Holding<sup>1)</sup>:** 500,000 Class A shares and 2,521,720 Class B shares.

<sup>1)</sup>The holding stated includes the holding in the company held by both the individual and any related parties.

# MANAGEMENT



## 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>9</sup>:** 100,000 warrants.



## ANDERS NILSSON

Anders has been Head of Property Management and Deputy CEO 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>9</sup>:** 95,000 warrants.



## JOHAN MALMBERG

CIO and Head of Business Development at Stendörren since 2020. Previously 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:** Most recently served as Head of Business Development at Fastighets AB Förvaltaren (a real estate company). Prior to joining Stendörren, Johan worked as an independent advisor for two listed real estate companies, Hemfosa and Diös. He has also worked as an advisor at the real estate consulting service providers Tenzing and Catella, and at Swedbank Corporate Finance. He has participated in a large number of real estate and capital market transactions in over 20 years in the market.

**Holding<sup>9</sup>:** 3,000 shares and 10,000 warrants.



## CAROLINE GEBAUER

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

**Education:** Candidate of Law 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>9</sup>:** 11,474 shares and 30,000 warrants.



## PER-HENRIK KARLSSON

Per-Henrik has been 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 Fastigheter 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>9</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 the listed real estate company 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. Experience from more than 20 years in various roles including property development and new projects, property management, letting, property acquisitions and management team work.

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



## AGNES PEET

Head of HR at Stendörren since March 2022. Born in 1989.

**Education:** BA in Pedagogy (Personnel, work and organization program) from Stockholm University.

**Other significant assignments:** None.

**Professional experience:** Agnes has been employed as an HR consultant (at PeopleProvide) since spring 2022. She has HR experience from working in large and small companies, most recently as an HR business partner with a focus on occupational health and safety.

**Holding<sup>9</sup>:** None.



## FREDRIK HOLMSTRÖM

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

**Education:** 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>9</sup>:** 400 Class B shares.

<sup>9</sup>The holding stated includes the holding in the company held by both the individual and any related parties.

## MULTI-YEAR OVERVIEW AND KEY RATIOS

For definitions, please see page 137.

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

MULTI-YEAR OVERVIEW AND KEY RATIOS	2021 JAN-DEC	2020 JAN-DEC	2019 JAN-DEC	2018 JAN-DEC	2017 JAN-DEC
<b>Property-related key ratios</b>					
Lettable area, sqm thousand	793	742	731	718	603
No. of properties	135	123	124	121	100
Market value, SEK million	11,693	9,533	9,147	8,476	6,494
Area weighted occupancy rate, %	88%	87%	88%	90%	92%
Economic occupancy rate, %	89%	87%	88%	89%	91%
NOI yield, total portfolio, 12 month average, %	4.7%	5.2%	4.5%	4.9%	5.3%
Total return, 12 month average, %	16.5%	6.2%	7.2%	9%	11%
Weighted average unexpired lease term, years	3.7	3.8	4.0	4.0	4.9
Average annual rent, SEK/sqm	992	910	904	846	803
<b>Financial key ratios</b>					
Rental income, SEK million	656	651	592	537	453
Net operating income, SEK million	488	481	397	355	316
Income from property management, SEK m.	267	254	135	174	161
Excess ratio, 12 month average, %	74%	74%	67%	66%	70%
Total assets, SEK million	12,290	10,233	9,608	8,735	6,624
Average interest rate, total liabilities incl. derivatives, %	2.3%	2.2%	2.2%	2.4%	2.3%
Average interest maturity at end of period, years	3.7	2.5	2.4	2.0	2.2
Average loan maturity at end of period, years	2.5	2.6	2.3	2.6	2.4
Interest coverage ratio, 12 month average, times	3.0	2.9	1.8	2.3	2.5
Equity ratio at end of period, %	43%	40%	41%	32%	36%
Return on equity, 12 month average, %	26%	6.5%	9%	16%	18%
Loan-to-value ratio at end of period, %	46%	50%	50%	61%	56%
Loan-to-value ratio, property level at end of period, %	37%	47%	46%	46%	45%
<b>Stock-related key ratios</b>					
Market capitalization, SEK million	8,656	4,327	4,758	2,816	1,878
Stock price at end of period, SEK	304.50	152.50	169.00	100.00	68.0
Book equity per share, SEK	155.84	115.16	108.91	98.74	86.9
Long-term net asset value, SEK million	5,310	3,875	3,556	3,195	2,719
Long-term net asset value, per share, SEK	186.80	136.59	126.29	113.47	98.5
Current net asset value, SEK million	4,852	3,533	3,218	2,920	2,497
Current net asset value, per share, SEK	170.67	124.53	114.30	103.71	90.4
Earnings per average number of shares outstanding before dilution, SEK	40.75	7.17	9.84	15.00	14.32
Earnings per average number of shares outstanding after dilution, SEK	40.67	7.17	9.80	14.92	14.23
Cash flow from operating activities per share, SEK	7.87	9.68	5.07	5.11	7.8
Dividend per share	0.0	0.0	0.0	0.0	2.2
No. of shares, at end of period	28,428,265	28,371,441	28,155,641	28,155,641	27,619,986
Average no. of shares	28,385,141	28,281,230	28,155,641	27,950,184	27,619,986
<b>Other ratios</b>					
No. of employees at end of period	55	54	55	51	39





# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK MILLION	NOTE	2021	2020
Rental income	1, 24 3	653	631
Other income		3	20
<b>Total income</b>		<b>656</b>	<b>651</b>
Operating expenses	4	-123	-114
Maintenance costs	4	-27	-36
Property tax	4	-18	-21
<b>Net operating income</b>		<b>488</b>	<b>481</b>
Central administration	5, 6	-77	-86
Financial income	7	1	2
Financial expenses	8	-135	-134
Lease expenses/ground rent	4	-9	-9
<b>Net financial items</b>		<b>-143</b>	<b>-141</b>
<b>INCOME FROM PROPERTY MANAGEMENT</b>		<b>267</b>	<b>254</b>
Change in value of investment properties		1,235	98
Change in value of financial instruments		20	-10
<b>Profit before tax</b>		<b>1,523</b>	<b>342</b>
Deferred tax	9	-311	-84
Current tax	9	-2	-1
<b>Profit for the year</b>		<b>1,209</b>	<b>256</b>
Other comprehensive income		-	-
Total other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,209</b>	<b>256</b>
Comprehensive income for the year attributable to Parent Company's shareholders		1,209	256
Earnings per share, before dilution, SEK		40.75	7.17
Earnings per share, after dilution, SEK		40.67	7.17
Average number of shares outstanding during the period, millions		28.39	28.28
Average number of shares during the period, after dilution, millions		28.44	28.31

## COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

### RESULT

Compared with 2020, Stendörren reported an increase of approximately SEK 5 million in income and of approximately SEK 7 million in net operating income for the January to December 2021 period. Higher costs for heating and snow removal in the first quarter compared with 2020 and non-recurring remuneration of approximately SEK 20 million in the preceding period, recognized as other income, offset the increase in net operating income. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 267 million (254), which represents an increase of approximately 5% compared with last year. Profit for the year also increased due to increases in the values of properties and derivatives, and amounted to SEK 1,209 million (256) corresponding to SEK 40.75 per share (7.17).

### RENTAL INCOME

Rental income increased during the year by approximately 3% to SEK 653 million (631). The increased income was driven by higher rents in the portfolio (increase of approximately 1% in comparable portfolio compared to the corresponding period in 2020) as well as income from the properties acquired and closed during the year.

### PROPERTY EXPENSES

Recognized property expenses decreased to SEK 168 million (170). Total property expenses in the comparable portfolio decreased by approximately SEK 4 million, which corresponds to about 2%. Lower maintenance costs compared with the previous year, together with a greater focus on energy savings in the property portfolio, reduced total property expenses. Costs for heating and snow removal as a result of a colder year compared with last year, but also higher energy prices, offset the reduction.

### CENTRAL ADMINISTRATION

Costs for central administration for the year amounted to SEK 77 million (86) and comprised costs for central administration, company management, the Board and auditors.

### NET FINANCIAL ITEMS

The net of financial income and financial expenses increased by approximately 2% to SEK -134 million (-132) during the year, mainly due to a non-recurring item of approximately SEK 6 million for early repayment of a bond during the first quarter of 2021. Lower interest rates for the period offset the increase.

### INCOME FROM PROPERTY MANAGEMENT

Income from property management increased during the year by approximately 5% to SEK 267 million (254), mainly due to lower costs for central administration.

### CHANGES IN VALUE

The company reported a change in the value of the investment properties of SEK 1,235 million (98) for 2021, which corresponds to 13.0% of the fair value of the property portfolio at the beginning of the year. The changes in the value of the property portfolio for the year were driven by changed cash flows based on new and renegotiated leases as well as changes to assumptions regarding market rents and yield requirements. The change in the value of the building rights portfolio was due to such factors as the identified increase in project potential, for example in Almnäs. The market valuation of the interest-rate derivatives resulted in a change in value of SEK 20 million (-10) as of the reporting date.

### TAX

The tax expense in profit or loss consists of current tax of SEK -2 million (-1) and deferred tax of SEK -311 million (-84).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AMOUNTS IN SEK MILLION	NOTE	DEC 31, 2021	DEC 31, 2020
<b>ASSETS</b>	1, 24		
<i>Non-current assets</i>			
Intangible assets	10	3	4
Investment properties	11	11,693	9,533
Right-of-use assets		238	225
Equipment	12	3	6
Non-current receivables		2	3
Interest-rate derivatives		45	6
<b>Total non-current assets</b>		<b>11,984</b>	<b>9,777</b>
<i>Current assets</i>			
Rental receivables	13	19	10
Tax assets		1	0
Other current receivables	14	85	40
Prepaid expenses and accrued income	15	41	45
Cash and cash equivalents		160	361
<b>Total current assets</b>	<b>18</b>	<b>306</b>	<b>456</b>
<b>TOTAL ASSETS</b>		<b>12,290</b>	<b>10,233</b>
<b>EQUITY AND LIABILITIES</b>	16		
Share capital		17	17
Other capital contributed		1,855	1,904
Retained earnings including profit for the year		3,344	2,132
<b>Equity attributable to Parent Company's owners</b>		<b>5,216</b>	<b>4,053</b>
<b>TOTAL EQUITY</b>		<b>5,216</b>	<b>4,053</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	17	4,868	4,081
Other non-current liabilities		22	12
Lease liabilities		238	225
Deferred tax liabilities	9	925	613
Other provisions	19	4	4
<b>Total non-current liabilities</b>	<b>18</b>	<b>6,058</b>	<b>4,935</b>
<i>Current liabilities</i>			
Interest-bearing liabilities	17	755	1,018
Accounts payable		22	47
Tax liabilities		-	-1
Other current liabilities		7	25
Accrued expenses and deferred income	20	232	157
<b>Total current liabilities</b>	<b>18</b>	<b>1,016</b>	<b>1,245</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,290</b>	<b>10,233</b>

## 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, 2021, the value of the total property portfolio amounted to SEK 11,693 million (9,533). See also Note 11.

### CURRENT ASSETS

Current assets amounted to SEK 306 million (456) on the balance sheet date, consisting of cash and cash equivalents of SEK 160 million (361) and rental receivables and other current receivables of SEK 146 million (95).

### EQUITY

As of December 31, 2021, the Group's equity amounted to SEK 5,216 million (4,053) and the equity ratio to 43% (40).

### INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 5,624 million (5,099), corresponding to a loan-to-value ratio of 46% (50). The liabilities consist of loans from credit institutions of SEK 4,339 million (4,455), two bonds totaling SEK 1,300 million (650) and seller notes of SEK 10 million (10). Loan arrangement costs of SEK -25 million (16) have been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 755 million (1,018) 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 925 million (613) on December 31, and related mainly to the tax on properties, untaxed reserves and unutilized loss carry-forwards.

### 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 261 million (227).

## CONSOLIDATED CHANGES IN EQUITY

AMOUNTS IN SEK MILLION	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	RETAINED EARNINGS INCLUDING PROFIT FOR THE PERIOD	HYBRID BOND	TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY'S OWNERS
<b>Opening balance equity, Jan 1, 2019</b>	<b>17</b>	<b>1,167</b>	<b>1,596</b>	<b>-</b>	<b>2,780</b>
Dividend adjustment			-1		-1
Repurchase share option program		-2			-2
Issued capital hybrid bond				800	800
Issue costs hybrid bond				-14	-14
Interest/dividend hybrid bond			-13		-13
Comprehensive income Jan-Dec 2019			290		290
<b>Closing balance equity Dec 31, 2019</b>	<b>17</b>	<b>1,165</b>	<b>1,872</b>	<b>786</b>	<b>3,840</b>
Repurchase share option program		-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>2,074</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>

### COMMENTS ON CONSOLIDATED CHANGES IN EQUITY

As of December 31, 2021, the Group's equity amounted to SEK 5,216 million (4,053). The 2021 AGM resolved on a dividend totaling SEK 0 million (0)

## CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN SEK MILLION	NOTE	2021	2020
<b>Cash flow from operating activities</b>			
Income from property management		267	254
Adjustment for non-cash items	24	20	2
Income tax paid		-1	-2
<b>Cash flow from operating activities before changes in working capital</b>		<b>287</b>	<b>254</b>
<i>Changes in working capital</i>			
Change in operating receivables		-52	-11
Change in operating liabilities		-12	30
<b>Cash flow from operating activities</b>		<b>223</b>	<b>274</b>
<i>Investing activities</i>			
Investments in existing properties		-256	-200
Other investments and divestments		2	-1
Acquisitions of Group companies/properties		-668	-150
Divestments of Group companies/properties		-	62
<b>Cash flow from investing activities</b>		<b>-922</b>	<b>-288</b>
<i>Financing activities</i>			
New share issue		6	10
Dividend hybrid bond		-52	-54
Raised interest-bearing liabilities		1,635	1,793
Repayment and exercise of interest-bearing liabilities		-1,101	-1,509
Deposits		10	-2
<b>Cash flow from financing activities</b>		<b>498</b>	<b>238</b>
<b>Cash flow for the year</b>		<b>-201</b>	<b>224</b>
Cash and cash equivalents at the beginning of the year		361	138
Cash flow for the year		-201	224
<b>Cash and cash equivalents at the end of the year</b>		<b>160</b>	<b>361</b>

## 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 287 million (254) for the period. After a net change in working capital of SEK -64 million (20), cash flow from operating activities before changes in working capital amounted to SEK 223 million (274).

### CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities amounted to SEK -922 million (-288) and comprised the liquidity effect of acquisitions of properties, direct and indirect, amounting to SEK -668 million (-150) and investments in existing properties of SEK -256 million (-200). The impact on cash flow from the sale of properties amounted to SEK 0 million (62) for the period.

### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities amounted to SEK 498 million (238) for the period, comprising the raising of property loans of SEK 1,635 million (1,793) and repayment and settlement of existing credits of SEK -1,101 million (-1,509).

### CASH FLOW FOR THE PERIOD

Net cash flow for the period amounted to SEK -201 million (224) and cash and cash equivalents at the end of the period amounted to SEK 160 million (361).

## 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 109 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, 2021 amounted to SEK 54 million (101) and equity amounted to SEK 1,709 million (1,736).*

AMOUNTS IN SEK MILLION	NOTE	2021	2020
Net sales	1, 24	109	106
Operating expenses	5-6	-114	-106
<b>Profit/loss before financial items</b>		<b>-5</b>	<b>0</b>
Financial items			
Interest income and similar profit/loss items	7	95	72
Interest expense and similar profit/loss items	8	-75	-72
<b>Profit after financial items</b>		<b>15</b>	<b>0</b>
<b>Appropriations</b>			
Group contributions received		123	181
Group contributions paid		-119	-106
<b>Total appropriations</b>		<b>4</b>	<b>75</b>
<b>Profit before tax</b>		<b>19</b>	<b>75</b>
Deferred tax	9	0	-15
Current tax	9	0	0
<b>Profit for the year</b>		<b>19</b>	<b>60</b>

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK MILLION	NOTE	2021	2020
Profit for the year according to income statement		19	60
Other comprehensive income		-	-
<b>Comprehensive income for the year</b>		<b>19</b>	<b>60</b>

## PARENT COMPANY'S BALANCE SHEET

AMOUNTS IN SEK MILLION	NOTE	DEC 31, 2021	DEC 31, 2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	10	3	4
Equipment	12	4	4
Shares/participations in subsidiaries	21	929	978
Receivables from subsidiaries		2,894	2,171
Deferred tax assets	9	1	1
<b>Total non-current assets</b>		<b>3,831</b>	<b>3,159</b>
<i>Current assets</i>			
Receivables from subsidiaries		124	33
Other current receivables	14	2	3
Prepaid expenses and accrued income	15	2	2
Cash and cash equivalents		54	101
<b>Total current assets</b>	<b>18</b>	<b>182</b>	<b>139</b>
<b>TOTAL ASSETS</b>		<b>4,013</b>	<b>3,298</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital	16	17	17
<b>Total restricted equity</b>		<b>17</b>	<b>17</b>
<i>Non-restricted equity</i>			
Share premium reserve		1,846	1,899
Retained earnings		-173	-240
Profit for the year		19	60
<b>Total non-restricted equity</b>		<b>1,691</b>	<b>1,719</b>
<b>Total equity</b>		<b>1,709</b>	<b>1,736</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	17	1,286	649
Liabilities to subsidiaries		886	720
<b>Total non-current liabilities</b>	<b>18</b>	<b>2,173</b>	<b>1,369</b>
<i>Current liabilities</i>			
Accounts payable		2	3
Liabilities to subsidiaries		97	169
Other current liabilities		2	2
Accrued expenses and deferred income	20	31	18
<b>Total current liabilities</b>		<b>132</b>	<b>192</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,013</b>	<b>3,298</b>

## 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, 2019</b>	<b>17</b>	<b>1,161</b>	<b>-214</b>	<b>964</b>
Dividend			-1	-1
Repurchase share option program			-2	-2
Issued capital hybrid bond	0	800		800
Issue costs hybrid bond		-14		-14
Interest/dividend hybrid bond		-13		-13
Comprehensive income Jan-Dec 2019			-20	-20
<b>Opening balance equity, Jan 1, 2020</b>	<b>17</b>	<b>1,935</b>	<b>-237</b>	<b>1,714</b>
Repurchase share option program			-8	-8
Share option program			18	18
Interest/dividend hybrid bond		-54		-54
Other adjustments			6	6
Comprehensive income Jan-Dec 2020			60	60
<b>Closing balance equity Dec 31, 2020</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 Jan-Dec 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>

# PARENT COMPANY'S STATEMENT OF CASH FLOWS

AMOUNTS IN SEK MILLION	NOTE	2021	2020
<b>Cash flow from operating activities</b>			
Loss before financial items		-5	-5
Adjustment for non-cash items	24	3	-3
Interest received		0	0
Interest paid		-59	-32
Income tax paid		0	0
<b>Cash flow from operating activities before changes in working capital</b>		<b>-61</b>	<b>-40</b>
<b>Changes in working capital</b>			
Change in operating receivables		128	72
Change in operating liabilities		-195	163
<b>Cash flow from operating activities</b>		<b>-128</b>	<b>195</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-	-1
Acquisition of equipment		-2	-1
Acquisition/divestments of subsidiaries		49	-88
Lending to subsidiaries		-723	0
<b>Cash flow from investing activities</b>		<b>-676</b>	<b>-90</b>
<b>Financing activities</b>			
Capital contributed		6	10
Raised interest-bearing liabilities		1,287	-
Repayment and exercise of interest-bearing liabilities		-650	-
Interest/dividend hybrid bond		-52	-53
Dividend paid		166	-
<b>Cash flow from financing activities</b>		<b>757</b>	<b>-43</b>
<b>Cash flow for the year</b>		<b>-47</b>	<b>62</b>
Cash and cash equivalents at the beginning of the year		101	39
Cash flow for the year		-47	62
<b>Cash and cash equivalents at the end of the year</b>		<b>54</b>	<b>101</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 2021 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 13, 2021. 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 24, 2022.

#### 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 2021

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.

#### JOINT ARRANGEMENTS

A joint arrangement is an arrangement in which two or more parties have joint control. Joint arrangements are classified as either a joint venture or a joint operation. Holdings in a joint operation are consolidated according to proportionate consolidation, meaning that Stendörren recognizes its share of the joint operation's assets and liabilities as well as income and expenses.

#### 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 fair value (including the balance sheet items of interest-bearing liabilities, other non-current liabilities, accounts payable, liabilities to Group companies, 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 2021. 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 12-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.

##### **LEASES**

Finance leases, whereby the Group substantially assumes all the risks and rewards of ownership of the leased item, are recognized in the statement of financial position at the fair value of the leased item or, if this value is lower, the fair value of future minimum lease payments. The lease payments are recognized as financing costs and repayment of the liability. Finance lease assets are depreciated over the expected useful life. The Group does not currently have any finance

lease assets. Leases under which the lessor substantially retains all the risks and rewards of ownership are classified as operating. Lease payments are expensed straight-line in profit or loss over the lease term. Any incentives received when signing the lease are considered initially.

#### **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

SEK MILLION	GROUP 2021	GROUP 2020
Rental income, premises	740	713
Rental income, other	13	11
Absent rental income, premises	-91	-79
Rental discounts, premises	-9	-14
<b>TOTAL</b>	<b>653</b>	<b>631</b>

For the 2021 fiscal year, the Group's rental income amounted to SEK 653 million (631), 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 11% 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, 2021 was an average of 3.7 years (3.8).

YEAR OF MATURITY	NO. OF AGREEMENTS	AREA, SQM	ANNUAL RENT, MSEK	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	ANNUAL RENT, SEK THOUSAND, 2021	ANNUAL RENT, SEK THOUSAND, 2020
Contracted rental income, year 1	669,498	593,149
Contracted rental income between years 2 and 5	1,296,549	1,106,633
Contracted rental income after 5 years	777,593	699,721
<b>TOTAL</b>	<b>2,743,640</b>	<b>2,399,503</b>

## NOTE 4 PROPERTY EXPENSES

Property expenses in 2021 amounted to SEK 168 million (170). 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.

SEK MILLION	GROUP 2021	GROUP 2020
Electricity and heating costs	-55	-49
Operating expenses	-47	-52
Repairs and maintenance	-27	-36
Property tax	-18	-21
Other property expenses	-21	-12
<b>TOTAL</b>	<b>-168</b>	<b>-170</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 123 million (112) in 2021 and maintenance costs to SEK 27 million (36).

## GROUND RENT

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 (25). Ground rent in 2021 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 30 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 238 million (225).

CONTRACTED FUTURE GROUND RENT, SEK MILLION	2021	2020
Contracted ground rent, year 1	8	8
Contract ground rent between years 2 and 5	31	32
Contract ground rent after 5 years	199	185
<b>TOTAL</b>	<b>238</b>	<b>225</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 2021 totaled SEK 18 million (21).

## NOTE 5 EMPLOYEES AND PERSONNEL COSTS

### BOARD, CEO AND

### OTHER SENIOR EXECUTIVES

During the fiscal year, the Parent Company had 7 (7) Board members, 2 (2) of whom were women. At the end of the fiscal year, the company had 8 senior executives (7), of whom 3 (3) women, and the total number of employees was 55 (54), of whom 17 (21) women. The average number of employees in 2022 was 54, of whom 37 men. This includes 4 people (1 woman 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 2021 amounted to SEK 1,590 thousand (1,736). Remuneration totaling SEK 5,103 thousand (8,138) was paid to the CEO. Remuneration of SEK 11,349 thousand (10,459) was paid to other senior executives and SEK 18,788 thousand (19,788) to other employees. Total social security contributions for the fiscal year amounted to SEK 21,817 thousand (18,789), of which SEK 8,088 thousand (5,984) 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 Deputy CEO 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	
	2021	2020	2021	2020
Average number of employees	54	54	54	54
Of whom, men	34	33	34	33
<b>GENDER DISTRIBUTION AMONG SENIOR EXECUTIVES</b>				
Board members	7	7	7	7
Of whom, women	2	2	2	2
CEO and senior executives	8	7	8	7
Of whom, women	3	3	3	3
<b>CASH SALARIES, BENEFITS AND REMUNERATION</b>				
Board Chair	500	652	500	652
Board members				
Helena Levander	320	318	320	318
Andreas Philipson	240	237	240	237
Carl Mörk	290	286	290	286
Seth Lieberman	240	243	240	243
Henrik Orrbeck	-	-	-	-
Nisha Raghavan	-	-	-	-
	<b>1,590</b>	<b>1,736</b>	<b>1,590</b>	<b>1,736</b>
<b>CEO</b>	5,103	8,138	5,103	8,138
Of which bonuses	2,970	2,589	2,970	2,589
<b>VICE CEO</b>	3,150	1,922	3,150	1,922
Of which bonuses	1,500	-	1,500	-
<b>OTHER SENIOR EXECUTIVES</b>	8,199	8,537	8,199	8,537
Of which bonuses	2,825	909	2,825	909
Other employees	18,788	19,788	18,788	19,788
<b>SOCIAL SECURITY CONTRIBUTIONS</b>				
Board, CEO and other senior executives	12,105	9,905	12,105	9,905
Of which pension costs	4,244	3,782	4,244	3,782
Other employees	9,711	8,884	9,711	8,884
Of which pension costs	3,843	2,202	3,843	2,202

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

#### INCENTIVE PROGRAMS

At the beginning of the reporting period, Stendörren had two incentive programs that were resolved on at the 2018 AGM and the EGM in September 2020, respectively. Both programs were aimed at the company's employees and include issues of warrants, which the participants in the programs acquired in exchange for a 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. In the incentive program 2018-2021, there were 56,824 warrants that all holders decided to redeem on September 15-30, 2021 for the same number of newly issued Class B shares, and were then registered with Euroclear.

In the incentive program 2020-2025, there were 254,000 warrants at the end of the period that the holders, for a period of two weeks from the date of publication of the interim financial report for the period January 1-September 30, 2025, are entitled to redeem against the same number of Class B shares 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 152,400 by issuing 254,000 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 2018-2021</b>		
Outstanding at beginning of period	64,772	64,772
Allotted during the period	-	-
Repurchased during the period	-64,772	-64,772
Outstanding at end of period	-	-
<b>Program 2020-2025</b>		
Outstanding at beginning of period	-	-
Allotted during the period	254,000	254,000
Repurchased during the period	-	-
Outstanding at end of period	254,000	254,000
<b>FAIR VALUE</b>		
Stock price at end of period, SEK	304.50	304.50
<b>Program 2020-2025</b>		
Fair value on valuation date, SEK thousand	32,893	32,893
Strike price of options	175.00	175.00
Term of share rights, years <sup>1)</sup>	3.9	3.9

<sup>1)</sup> 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	
	2021	2020	2021	2020
Ernst & Young AB				
Audit engagement	-2	-2	-2	-2
Other services	0	0	0	0
<b>TOTAL</b>	<b>-2</b>	<b>-2</b>	<b>-2</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	
	2021	2020	2021	2020
<b>FINANCIAL INCOME</b>				
Interest income, Group companies	-	-	95	72
Interest income, other	1	2	-	-
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>95</b>	<b>72</b>

The Group's financial income derives from the Group's cash and cash equivalents.

**NOTE 8 FINANCIAL EXPENSES**

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>FINANCIAL EXPENSES</b>				
Interest expenses to Group companies	-	-	-35	-35
Interest expense, bond	-30	-29	-30	-29
Interest expense	-86	-92	-	-
Mortgage costs and other financial expenses	-19	-13	-10	-8
<b>TOTAL</b>	<b>-135</b>	<b>-134</b>	<b>-75</b>	<b>-72</b>

Interest expense and financial expenses are expenses arising on the Group's interest-bearing loans. The Group's interest expense of SEK 135 million (134) includes direct interest expense of SEK 116 million (120) and SEK 19 million (14) 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 and 22.0% for Norway and Denmark. 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	
	2021	2020	2021	2020
Current tax expense:				
Tax income/tax expense for the year	-2	-1	-	-
Tax due to changed tax assessment	0	0	-	-
<b>TOTAL CURRENT TAX</b>	<b>-2</b>	<b>-1</b>	<b>-</b>	<b>-</b>

RECONCILIATION OF RECOGNIZED TAX BASED ON TAX EXPENSES, SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Profit before tax	1,523	342	19	75
<b>RECONCILIATION OF EFFECTIVE TAX</b>				
Tax at applicable tax rate 20.6% (21.4)	-314	-73	-4	-16
Tax effect of non-deductible interest	0	-16	0	-
Tax effect of non-deductible expenses	-4	-5	0	-
Tax effect of non-recognized expenses	0	0	4	-
Tax effect on non-taxable income	2	0	0	-
Other tax adjustments	3	8	0	1
<b>RECOGNIZED TAX</b>	<b>-313</b>	<b>-86</b>	<b>0</b>	<b>-15</b>
Effective tax rate, %	20.6	25.1	0.0	20.0

The items affecting income that impacted the Group's reporting of current tax and for the 2021 fiscal year are presented below.

TAX CALCULATION, SEK MILLION	2021	2020
Income from property management	267	254
Tax deductible depreciation/amortization and investments	-193	-211
Non-deductible interest	-	73
Non-deductible expenses	19	26
Non-taxable income	-10	0
Other tax adjustments	-75	-39
<b>TAXABLE INCOME FROM PROPERTY MANAGEMENT</b>	<b>8</b>	<b>103</b>
Property sales	-	-
<b>TAXABLE EARNINGS BEFORE LOSS CARRY-FORWARDS</b>	<b>8</b>	<b>103</b>
Increase/decrease in loss carry-forwards	-	-96
Changed tax assessment	-	0
<b>TAXABLE EARNINGS</b>	<b>8</b>	<b>7</b>
<b>20.6%/21.4% TAX</b>	<b>-2</b>	<b>-1</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. The deferred tax was calculated based on a tax rate of 20.6% for Sweden and 22.0% for Norway and Denmark. Tax loss carry-forwards

in the Group amounted to SEK 17 million (21). Loss carry-forwards in the Group, which have not been valued, amounted to SEK 0 million (0) on December 31, 2021. The Parent Company's tax loss carry-forwards amounted SEK 6 million (5). Deferred tax assets and tax liabilities are recognized net in the consolidated statement of financial position, as presented below.

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>DEFERRED TAX ASSETS</b>				
<i>Loss carry-forwards</i>				
Opening carrying amount	4	19	1	16
Change for the year	-1	-15	-	-15
Closing carrying amount in profit or loss	3	4	1	1
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>1</b>
<b>DEFERRED TAX LIABILITIES</b>				
<i>Temporary differences in properties</i>				
Opening carrying amount	-606	-522	-	-
Change in profit or loss for the year	-301	-73	-	-
Purchases/sales	-	-11	-	-
Closing carrying amount	-907	-606	-	-
<i>Derivatives</i>				
Opening carrying amount	-1	-4	-	-
Change for the year	-4	3	-	-
Closing carrying amount	-5	-1	-	-
<i>Temporary differences on environmental remediation reserve</i>				
Opening carrying amount	1	-1	-	-
Change in profit or loss for the year	-	2	-	-
Closing carrying amount	1	1	-	-
<i>Untaxed reserves</i>				
Opening carrying amount	-11	-11	-	-
Change for the year	-6	-	-	-
Purchases/sales	0	-	-	-
Closing carrying amount	-17	-11	-	-
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>-928</b>	<b>-617</b>	<b>-</b>	<b>-</b>
<b>DEFERRED TAX, NET CARRYING AMOUNT</b>	<b>-925</b>	<b>-613</b>	<b>1</b>	<b>1</b>

The tax residual values for the Group's properties amount to SEK 3,948 million (3,755).

## NOTE 10 INTANGIBLE ASSETS

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening cost	8	7	8	7
Investments	-	1	-	1
Closing accumulated cost	8	8	8	8
Opening accumulated amortization	-4	-3	-4	-3
Amortization for the year	-1	-1	-1	-1
Closing accumulated amortization	-5	-4	-5	-4
<b>CLOSING CARRYING AMOUNT</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>

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

## NOTE 11 INVESTMENT PROPERTIES

SEK MILLION	GROUP 2021	GROUP 2020
<b>INVESTMENT PROPERTIES</b>		
Opening balance	9,533	9,147
New acquisitions of properties via acquisitions of subsidiaries	668	150
Investments in existing properties	256	200
Sales	-	-62
Changes in value	1,235	98
<b>CLOSING CARRYING AMOUNT</b>	<b>11,693</b>	<b>9,533</b>

No financial expenses were capitalized in 2021 or 2020. 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 11,693 million based on a combination of external and internal valuations. All properties were also externally valued in the third or fourth quarter of 2021. The external property valuations were carried out by Nordier Property Advisors, Newsec Sweden and CBRE. Realized and unrealized changes in the value of investment properties in 2021 amounted to SEK 1,235 million (98). Of the total change in value for the period, SEK 0 million (30) referred to realized changes in value attributable to property sales. The changes in the value of the property portfolio during the period were driven partly by changes in cash flow based on renegotiated leases or changed costs and partly by changed assumptions of market rents as well as adjusted yield requirements.

### 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  
= Net operating income  
- Investments  
= Cash flow

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 adaptations 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 adaptations). However, the longest interval between inspections is three years. Buildings 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 adaptations 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, 2021	MIN	MAX	WEIGHTED CUT
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%

VALUATION PARAMETERS ON DEC 31, 2020	MIN	MAX	WEIGHTED CUT
Market yield requirement	4.8%	13.5%	6.0%
Discount rate, cash flow	4.8%	15.2%	8.1%
Discount rate, residual value	7.1%	15.8%	8.2%
Long-term vacancy assumption	4.0%	30.0%	6.4%

#### BUILDING RIGHTS

As of December 31, 2021, Stendörren had 28 properties wholly or partly consisting of building rights totaling 651,702 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 1,634 million (1,363) 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, 2021, a 5% upward or downward change in net operating income would impact the market value by approximately SEK +/-585 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 -1,129 million upwards and SEK 1,399 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, 2021						
CHANGE IN MARKET YIELD REQUIREMENT		-5.0%	-2.5%	0.0%	-2.5%	5.0%
	-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

CHANGES IN NET OPERATING INCOME, 2020						
CHANGE IN MARKET YIELD REQUIREMENT		-5.0%	-2.5%	0.0%	-2.5%	5.0%
	-0.50%	531	796	1,061	1,325	1,590
	-0.25%	1	251	502	753	1,004
	0.00%	-477	-238	0	238	477
	0.25%	-908	-681	-454	-227	-1
	0.50%	-1,301	-1,084	-868	-651	-434

#### NOTE 12 EQUIPMENT

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening cost	13	12	9	8
Investments	6	1	2	1
Reclassification	-9	-	-	-
<b>CLOSING ACCUMULATED COST</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>9</b>
Opening accumulated depreciation	-7	-5	-5	-3
Depreciation for the year	-2	-2	-2	-2
Reclassification	2	-	-	-
<b>CLOSING ACCUMULATED DEPRECIATION</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>	<b>-5</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>4</b>

#### NOTE 13 FINANCIAL ASSETS MEASURED AT AMORTIZED COST

SEK MILLION	GROUP	
	2021	2020
Rental and accounts receivable	64	51
Provisions for doubtful rental receivables	-45	-41
<b>CLOSING CARRYING AMOUNT</b>	<b>19</b>	<b>10</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.

SEK MILLION	GROUP	
	2021	2020
Maturity structure of rental and accounts receivable		
Overdue 0-29 days	7	5
Overdue 30-89 days	1	6
Overdue 90 days	56	40
Provisions for doubtful rental receivables	-45	-41
<b>TOTAL</b>	<b>19</b>	<b>10</b>

#### NOTE 14 OTHER CURRENT RECEIVABLES

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Deduction of taxes and fees	3	2	0	1
Value-added tax receivable	9	36	1	1
Other current receivables	73	2	1	2
<b>CLOSING CARRYING AMOUNT</b>	<b>85</b>	<b>40</b>	<b>2</b>	<b>4</b>

#### NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Prepaid insurance premiums	4	-	-	-
Prepaid rental discounts	28	31	-	-
Other prepaid expenses and accrued income	9	13	2	2
<b>CLOSING CARRYING AMOUNT</b>	<b>41</b>	<b>45</b>	<b>2</b>	<b>2</b>

#### NOTE 16 EQUITY

##### SHARE CAPITAL

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 254,000, 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 152,400.

EVENT	REGISTRATION WITH SWEDISH COMPANIES REGISTRATION OFFICE	NO. OF CLASS A SHARES	NO. 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–Mar 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–Apr 2015	-	9,175,001	16,571,992
New share issue Class B share, share subscription based on warrants	May 15, 2018	-	535,655	16,893,385
New share issue Class B share, share subscription based on warrants	Jun 1, 2020	-	215,800	17,022,865
New share issue Class B share, share subscription based on warrants	Oct 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	NUMBER OF VOTES	TOTAL NUMBER OF VOTES	PERCENTAGE 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>TOTAL</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 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 2021 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 1,672,056,656
Profit for the year	SEK 19,422,287
<b>TOTAL</b>	<b>SEK 1,691,478,943</b>

##### 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 1,691,478,943
<b>TOTAL</b>	<b>SEK 1,691,478,943</b>

#### 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 (28,385,141 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 28,438,714.

#### NOTE 17 INTEREST-BEARING LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Non-current interest-bearing liabilities				
Bonds	1,300	650	1,300	650
Loans from banks and other credit institutions	3,584	3,437	-	-
Other interest-bearing liabilities	10	10	886	717
Allocated borrowing costs	-25	-16	-13	-1
<b>TOTAL INTEREST-BEARING NON-CURRENT BORROWING</b>	<b>4,868</b>	<b>4,081</b>	<b>2,173</b>	<b>1,366</b>
Current interest-bearing liabilities				
Loans from banks and other credit institutions	755	1,018	-	-
<b>TOTAL INTEREST-BEARING CURRENT BORROWING</b>	<b>755</b>	<b>1,018</b>	<b>0</b>	<b>0</b>
<b>TOTAL INTEREST-BEARING LIABILITIES</b>	<b>5,624</b>	<b>5,099</b>	<b>2,173</b>	<b>1,366</b>
<b>CREDIT FACILITY</b>				
Construction loan, amount granted		-	-	-
Overdraft facility, amount granted	510	210	-	-

The Group's interest-bearing liabilities, which are mainly denominated in SEK, amounted to SEK 5,624 million (5,099) at year-end, of which allocated arrangement fees and loan arrangement costs amounted to SEK -25 million (-16). Excluding this allocation, the total interest-bearing liabilities amounted to SEK 5,649 million (5,115), corresponding to a loan-to-value ratio of 46% (50). Interest-bearing liabilities consist of liabilities to credit institutions of SEK 4,339 million (4,455), bonds totaling SEK 1,300 million (650) and seller notes of SEK 10 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, Nordea, Sörmlands Sparbank and Sparbanken i Enköping. On December 31, there were unutilized credit frameworks of a total of SEK 510 million. Stendörren's non-current interest-bearing liabilities on December 31, 2021 amounted to SEK 4,868 million (4,081), less allocated borrowing costs of SEK -25 million (-16). The current portion of interest-bearing liabilities on the same date amounted to SEK 755 million (1,018). 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, 2021, Stendörren's average time to maturity of interest-bearing liabilities to credit institutions amounted to 2.4 years (3.0), according to the table below.

#### INTEREST AND LOAN MATURITIES, DECEMBER 31, 2021

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

YEAR OF MATURITY	SEK MILLION	INTEREST RATE	SHARE OF TOTAL	SEK MILLION	SHARE OF TOTAL
2022	565		18%	659	12%
2023	434		4%	1,494	26%
2024	1,050		16%	1,375	24%
2025	900		62%	1,889	33%
2026	2,700		0%	222	4%
>2026	0		0%	10	0%
<b>Total/average</b>	<b>5,649</b>	<b>2.28%</b>	<b>100%</b>	<b>5,649</b>	<b>100%</b>

1) The interest maturity for 2022 includes all loans that carry Stibor as base interest and that are not covered by interest-rate derivatives.

**INTEREST-RATE DERIVATIVES, DECEMBER 31, 2021**

COUNTERPART	TYPE	NOMINAL VALUE, SEK MILLION	FAIR VALUE, SEK MILLION	CAP LEVEL	YEARS REMAINING
Danske Bank	Interest cap	300	2.8	2.00%	4.68
Danske Bank	Interest cap	600	5.9	1.00%	3.77
Danske Bank	Interest cap	300	2.9	1.00%	3.77
Swedbank	Interest cap	1,100	10.0	2.00%	4.96
Swedbank	Interest cap	750	6.9	2.00%	4.98
Swedbank	Interest cap	250	0.0	2.25%	1.74
Swedbank	Interest cap	250	0.3	2.25%	2.75
Swedbank	Interest cap	550	4.3	2.00%	4.68
Nordea	Interest cap	184	0.1	1.50%	1.96
<b>Total</b>		<b>4,284</b>	<b>33.3</b>	<b>1.80%</b>	<b>4.21</b>

**INTEREST-RATE DERIVATIVES, DECEMBER 31, 2021**

COUNTERPART	TYPE	NOMINAL VALUE, SEK MILLION	MARKET VALUE, SEK MILLION	INTEREST	YEARS REMAINING
Swedbank	Interest-rate swap	800	11.3	-0.0875%	2.72
<b>Total</b>		<b>800</b>	<b>11.3</b>	<b>-0.0875%</b>	<b>2.72</b>

**CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES, 2021**

GROUP	NON-CASH CHANGES				
	2020	CASH FLOWS	ACQUISITIONS	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
Total 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	NON-CASH CHANGES				
	2020	CASH FLOWS	ACQUISITIONS	CHANGES IN FAIR VALUE	2021
Total 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>

**CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES, 2020**

GROUP	NON-CASH CHANGES			
	2019	CASH FLOWS	ACQUISITIONS	CHANGES IN FAIR VALUE
Non-current liabilities to credit institutions	2,890	547	-	-
Current liabilities to credit institutions	1,281	-263	-	-
Derivatives	-17	-	-	11
Total non-current interest-bearing liabilities	662	-11	-	-
<b>Total interest-bearing liabilities and derivatives</b>	<b>4,816</b>	<b>273</b>	<b>0</b>	<b>11</b>

PARENT COMPANY	NON-CASH CHANGES			
	2019	CASH FLOWS	ACQUISITIONS	CHANGES IN FAIR VALUE
Total non-current interest-bearing liabilities	1,367	-	-	-
<b>Total interest-bearing liabilities and derivatives</b>	<b>1,367</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 18 FINANCIAL RISKS**

GROUP	FINANCIAL ASSETS MEASURED AT AMORTIZED COST		FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	
	2021	2020	2021	2020	2021	2020
Rental receivables	19	10	-	-	-	-
Other current receivables	85	40	-	-	-	-
Cash and cash equivalents	160	361	-	-	-	-
Interest-bearing liabilities	-	-	-	-	-5,623	-5,323
Other non-current liabilities	-	-	-	-	-22	-
Interest-rate derivatives	-	-	45	6	-	-
Accounts payable	-	-	-	-	-22	-47
Other liabilities	-	-	-	-	-7	-25
<b>TOTAL</b>	<b>264</b>	<b>412</b>	<b>45</b>	<b>6</b>	<b>-5,674</b>	<b>-5,395</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% (9) of the Group's total annual rents as of December 31, 2021. 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, 2021, interest expense amounts to about

SEK 129 million on an annual basis. At that time, all borrowing from credit institutions was raised with short-term interest maturities (three months) except for two small promissory notes of SEK 10 million (10). 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 90% of the interest rates on all interest-bearing loans with long maturities. The Group's sensitivity to interest rates at December 31, 2021 means that a 0.5% increase in the interest base (Stibor 90) would entail an increase in interest expense (before tax) of SEK 22 million. Sensitivity to interest rates is partly affected by the fact that about 99% of all Stibor-based loans have a floor for which the Stibor of the loan agreement may not fall below zero (while other loan agreements do not have such a floor), 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.

SEK MILLION	CHANGE, STIBOR	(+) OUTCOME, SEK MILLION	(-) OUTCOME, SEK MILLION
	+/-0.5%	22	2
	+/-1.0%	43	5
	+/-1.5%	60	7
	+/-2.0%	74	10

#### 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	AVERAGE INTEREST RATE	TOTAL LIQUIDITY EFFECT UNTIL MATURITY, SEK MILLION
2022	547	112	130	2.3%	789
2023	1,416	79	107	2.1%	1,601
2024	1,318	57	77	2.2%	1,452
2025	1,873	16	30	1.4%	1,918
2026	218	4	4	1.9%	226
>2026	10	0	0	2.0%	10
<b>TOTAL</b>	<b>5,381</b>	<b>268</b>	<b>347</b>	<b>1.9%</b>	<b>5,996</b>

1) Comprises the total interest-bearing liability.

PARENT COMPANY SEK MILLION	FINANCIAL ASSETS MEASURED AT AMORTIZED COST		FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	
	2021	2020	2021	2020
Receivables from subsidiaries	3,018	2,204	-	-
Other current receivables	2	3	-	-
Cash and bank balances	54	101	-	-
Interest-bearing liabilities	-	-	-1,286	-649
Accounts payable	-	-	-2	-3
Liabilities to subsidiaries	-	-	-983	-886
Other current liabilities	-	-	-2	-2
<b>TOTAL</b>	<b>3,074</b>	<b>2,308</b>	<b>-2,273</b>	<b>-1,540</b>

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

NOTE 19

#### OTHER PROVISIONS

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Opening carrying amount	4	-	-	-
Provision, environmental remediation reserve	-	4	-	-
<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	
	2021	2020	2021	2020
Accrued salary-related expenses	8	7	8	7
Accrued interest	14	6	7	1
Prepaid rental income	138	119	-	-
Other items	72	25	16	10
<b>CLOSING CARRYING AMOUNT</b>	<b>232</b>	<b>157</b>	<b>31</b>	<b>18</b>

NOTE 21

#### SHARES/PARTICIPATIONS IN SUBSIDIARIES

SEK MILLION	PARENT COMPANY	
	2021	2020
Opening carrying amount	978	875
Acquisitions and contributions	204	103
Divestments	-253	-
<b>CLOSING CARRYING AMOUNT</b>	<b>929</b>	<b>978</b>

#### SPECIFICATION OF PARENT COMPANY'S HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

All subsidiaries in the sub-Group are wholly owned.

DIRECTLY OWNED SUBSIDIARIES	CORP. REG. NO. /REGISTERED OFFICE	NO. OF SHARES/PARTICIPATIONS	OWNED SHARE, %	CARRYING AMOUNT		NO. OF INDIRECTLY OWNED SUBSIDIARIES		
				2021	2020	2021	2020	
Stendörren Stockholm 1 AB	556942-1679	Stockholm	50,000	100%	754	754	68	53
Stendörren Stockholm 2 AB	556409-2434	Stockholm	10,000	100%	57	57	11	6
Stendörren Stockholm 4 AB	556972-6630	Stockholm	50,000	100%	46	46	13	15
Stendörren Stockholm 5 AB	556993-3012	Stockholm	50,000	100%	13	10	10	11
Stendörren Stockholm 6 AB	556993-3020	Stockholm	50,000	100%	6	6	3	3
Stendörren Stockholm 7 AB	556993-3038	Stockholm	50,000	100%	6	5	12	12
Fastighets AB Kvartersgatan 11	556790-8347	Stockholm	1,000	100%	5	5	-	-
Stendörren Option AB	556989-1434	Stockholm	50,000	100%	0	0	-	-
Byggnads AB Dörrstenen	559145-5182	Stockholm	1,000	100%	1	0	-	-
Stendörren Stockholm 3 AB	559320-6112	Stockholm	25,000	100%	0	-	-	-
Stendörren Stockholm 8 AB	559338-6005	Stockholm	25,000	100%	2	-	6	-
Stendörren Stockholm 9 AB	559338-6336	Stockholm	25,000	100%	0	-	3	-
Stendörren Servitrisen 3 AB	559086-2438	Stockholm	1,000	100%	39	-	-	-
Fastighets AB Skyttbrink 15	556873-2209	Stockholm	1,000	100%	-	45	-	-
Stendörren Ljusbågen 7 AB	556803-0364	Eskilstuna	2,500	100%	-	50	-	-
<b>TOTAL</b>					<b>929</b>	<b>978</b>	<b>126</b>	<b>100</b>



NOTE 22 PLEDGED SECURITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Collateral for credit facilities, interest-bearing liabilities				
Property mortgages	5,397	5,135	-	-
Pledged shares in subsidiaries	4,986	4,852	903	957
<b>TOTAL</b>	<b>10,383</b>	<b>9,987</b>	<b>903</b>	<b>957</b>

NOTE 23 CONTINGENT LIABILITIES

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Guarantees for subsidiaries' credits	0	0	4,339	4,508
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>4,339</b>	<b>4,508</b>

NOTE 24 SUPPLEMENTARY DISCLOSURES TO THE CASH FLOW STATEMENT

SEK MILLION	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<b>CASH FLOWS</b>				
Interest received	1	2	-	-
Interest paid	-108	-123	-59	-32
<b>ADJUSTMENT FOR NON-CASH ITEMS</b>				
Depreciation, amortization and impairment of assets	3	4	3	3
Accrued, unpaid interest	17	-2		-6
<b>TOTAL</b>	<b>20</b>	<b>2</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:

SEK MILLION	GROUP	
	2021	2020
<i>Acquired assets and liabilities</i>		
Investment properties	668	147
Operating receivables	9	6
Cash and cash equivalents	6	6
Non-current liabilities	-220	-59
Current operating liabilities	-29	-3
<b>TOTAL NET ASSETS</b>	<b>434</b>	<b>96</b>
Settlement of loans, swaps, and new loans, net	-240	-59
Less: Cash and cash equivalents in the acquired entity	6	6
<b>IMPACT ON CASH AND CASH EQUIVALENTS</b>	<b>-668</b>	<b>-150</b>

NOTE 25 RELATED PARTY TRANSACTIONS

SEK MILLION	SALE OF GOODS AND SERVICES TO RELATED PARTIES		PURCHASE OF GOODS AND SERVICES FROM RELATED PARTIES	
	2021	2020	2021	2020
<b>GROUP</b>				
<i>Related party relationship</i>				
Group companies	-	-	-	-
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

SEK MILLION	SALE OF GOODS AND SERVICES TO RELATED PARTIES		PURCHASE OF GOODS AND SERVICES FROM RELATED PARTIES	
	2021	2020	2021	2020
<b>PARENT COMPANY</b>				
<i>Related party relationship</i>				
Group companies	108	106	-	-
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>108</b>	<b>106</b>	<b>-</b>	<b>-</b>

SEK MILLION	RECEIVABLES FROM RELATED PARTIES		LIABILITIES TO RELATED PARTIES	
	2021	2020	2021	2020
<b>GROUP</b>				
<i>Related party relationship</i>				
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

SEK MILLION	RECEIVABLES FROM RELATED PARTIES		LIABILITIES TO RELATED PARTIES	
	2021	2020	2021	2020
<b>PARENT COMPANY</b>				
<i>Related party relationship</i>				
Group companies	3,018	2,204	983	889
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>3,018</b>	<b>2,204</b>	<b>983</b>	<b>889</b>

SEK MILLION	INTEREST FROM RELATED PARTIES		INTEREST TO RELATED PARTIES	
	2021	2020	2021	2020
<b>GROUP</b>				
<i>Related party relationship</i>				
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PARENT COMPANY</b>				
<i>Related party relationship</i>				
Group companies	96	72	35	35
Associated companies	-	-	-	-
<b>TOTAL</b>	<b>96</b>	<b>72</b>	<b>35</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.

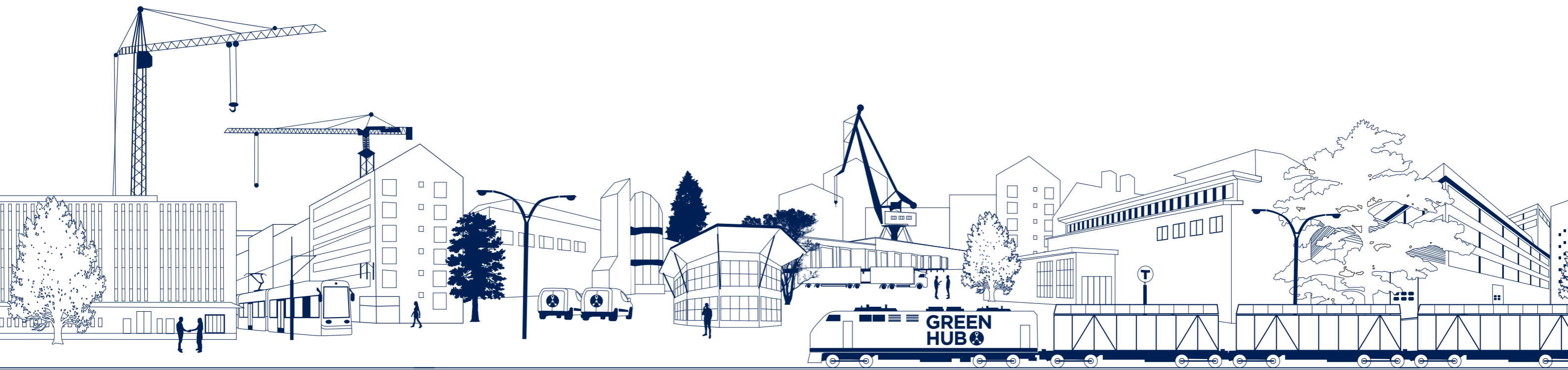
**NOTE 26** **IMPORTANT EVENTS AFTER THE END OF THE FISCAL YEAR**

- On January 4, 2022, the company made its fourth acquisition in the Copenhagen region when the industrial property Kirstinehøj 3 in Kastrup was acquired. The underlying property value amounted to approximately SEK 42 million and the total lettable area amounted to 4,772 sqm. The property is fully rented.
- On January 11, 2022, the shareholders of Stendörren Fastigheter AB (publ) were given notice of an EGM to be held on February 4, 2022. The Meeting appointed Board member Andreas Philipson as the new Chair of the Board since the former Board member and Chairman Anders Tägt had stepped down from the Board.
- On January 20, 2022, a building permit for logistics in Almnäs, Södertälje, was obtained.
- On January 24, 2022, a ten-year lease was signed for the Viby 19:13 property in Brunna, in Upplands-Bro municipality. The tenant will move in to premises of about 2,700 sqm and land of about 11,500 sqm in May 2022.
- On March 9, 2022, 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.
- On March 25, 2022, the company's second acquisition in the Oslo region took place with the acquisition of the Bjørnerudveien 24 warehouse property in Oslo. The underlying property value amounted to approximately SEK 109 million and the total lettable area amounted to 4,819 sqm.
- On April 11, 2022, the company's fifth acquisition in the Copenhagen region took place with the acquisition of the Rønnevangsalle 8 warehouse property in Hillerød. The underlying property value amounted to approximately SEK 31 million and the total lettable area amounted to 3,089 sqm.
- Russia's invasion of Ukraine created turmoil in many economies around the world. It is currently too early to determine the long-term consequences of the conflict but it has not impacted the company's operations at the current time.

## PROPOSED APPROPRIATION OF PROFIT

**THE PARENT COMPANY'S NON-RESTRICTED EQUITY** is at the disposal of the AGM. Stendörren's dividend policy is that the long-term dividend is to be a maximum of 50% of the company's income from property management less standard tax. The Board proposes that SEK 0 per share be paid in dividends and non-restricted equity in its entirety be carried forward.

SEK	
Non-restricted equity brought forward	1,672,056,656
Profit for the year	19,422,287
Non-restricted equity at the disposal of the AGM	1,691,478,943
PROPOSED	
To be paid in dividends to shareholders	0
To be carried forward	1,691,478,943



# PROPERTY PORTFOLIO

NAME OF PROPERTY	COUNTRY/MUNICIPALITY	TOTAL AREA	BUILDING RIGHT, GROSS	NAME OF PROPERTY	COUNTRY/MUNICIPALITY	TOTAL AREA	BUILDING RIGHT, GROSS
Almnäs 5:23 & 5:24	SE/Södertälje	21,332	78,000*	Nygård 2:19	SE/Upplands-Bro	0	140,000
Armaturen 5	SE/Kungsör	8,996	7,000	Olhamra 1:60	SE/Vallentuna	2,046	0
Ateljén 1	SE/Västerås	3,466	0	Passaren 1	SE/Täby	3,606	0
Avedöreholmen 51	DK/Hvidovre	2,046	0	Pedersholmparken 10 & 13	DK/Frederikssund	9,511	3,688
Bergklacken 5 & 6	SE/Stockholm	11,493	0	Pilbågen 1	SE/Södertälje	2,482	2,250
Blixtlampan 1	SE/Stockholm	5,887	0	Rapsbaggen 3	SE/Västerås	7,674	0
Blixtljuset 14	SE/Stockholm	932	0	Romberga 23:17	SE/Enköping	0	5,213
Blästerugnen 2	SE/Västerås	1,894	0	Romberga 23:52	SE/Enköping	3,048	0
Bolmängden 1	SE/Flen	7,738	0	Roskildeväg 157A	DK/Frederikssund	0	0
Boländerna 35:4	SE/Uppsala	1,885	0	Rymdhunden 1	SE/Södertälje	5,214	0
Boländerna 35:5	SE/Uppsala	994	0	Sandvadsvej 7	DK/Køge	3,054	0
Brånberget 2	SE/Stockholm	2,464	0	Sankt Ilian 23:4	SE/Enköping	1,720	0
Båglampan 25	SE/Stockholm	0	8,000	Servitrisen 3	SE/Västerås	4,302	0
Båglampan 35	SE/Stockholm	8,088	0	Sicklaön 107:3	SE/Nacka	14,153	0
Bällsta 5:133	SE/Vallentuna	1,954	0	Sjöhjälten 2	SE/Sollentuna	3,815	0
Centrum 26:7	SE/Enköping	5,397	0	Skonerten 2	SE/Västerås	4,689	0
Danmarks-Säby 14:2	SE/Uppsala	1,251	0	Skrubba 1:2	SE/Stockholm	3,521	0
Degeln 1	SE/Västerås	6,530	0	Skyttbrink 15	SE/Botkyrka	6,452	0
Diamantsliparen 2	SE/Stockholm	1,405	0	Skälby 2:2	SE/Upplands Väsby	5,306	0
Elementet 1	SE/Stockholm	9,312	0	Sotaren 1	SE/Täby	10,160	0
Fallhammaren 1	SE/Västerås	4,409	0	Stenskarven 4	SE/Stockholm	8,628	0
Filmremsan 1	SE/Stockholm	3,795	0	Stenskarven 5	SE/Stockholm	2,435	0
Filmremsan 2	SE/Stockholm	3,846	0	Stenvreten 5:68	SE/Enköping	2,863	0
Filmremsan 9	SE/Stockholm	7,664	0	Stenvreten 6:1	SE/Enköping	14,450	0
Flygeleven 2	SE/Stockholm	10,774	0	Stenvreten 7:51	SE/Enköping	1,500	0
Fotocellen 2	SE/Stockholm	4,418	0	Stenvreten 7:60	SE/Enköping	4,538	0
Fotocellen 5	SE/Stockholm	3,150	0	Stenvreten 7:70	SE/Enköping	1,815	0
Fysikern 1	SE/Botkyrka	2,929	1,750	Stenvreten 7:74	SE/Enköping	1,764	2,000
Gjutjärnet 7	SE/Västerås	2,617	0	Stenvreten 7:94	SE/Enköping	1,080	0
Glädjen 1:56	SE/Upplands Väsby	1,645	0	Stenvreten 8:37	SE/Enköping	480	7,400
Grimsta 60:2	SE/Upplands Väsby	2,955	0	Stillbilden 6	SE/Stockholm	3,761	0
Gräddö 2	SE/Stockholm	8,263	0	Strängnäs 2:34	SE/Strängnäs	4,289	0
Gräddö 4	SE/Stockholm	5,672	0	Sågaren 2	SE/Flen	1,096	0
Grönsta 2:55	SE/Eskilstuna	19,261	15,000	Säby 4:1	SE/Järfälla	2,090	0
Hangaren 1	SE/Täby	3,245	0	Söderbymalm 7:35	SE/Haninge	4,107	0
Heiasvingen 33	NO/Lillestrøm	2,850	0	Talja 1:36	SE/Flen	13,281	0
Hjulsmeden 1	SE/Västerås	0	3,250	Tegelbruket 1	SE/Botkyrka	21,999	80,000
Hovmästaren 2	SE/Västerås	8,629	0	Traversen 14	SE/Sollentuna	372	0**
Husbyborg 12:5	SE/Uppsala	1,223	0	Traversen 15	SE/Sollentuna	1,701	5,500
Husbyborg 12:6	SE/Uppsala	1,236	0	Tullinge 19:653	SE/Botkyrka	4,077	1,500
Husbyborg 15:1	SE/Uppsala	4,507	0	Tunaängen 10	SE/Södertälje	1,984	0
Hällsättra 1	SE/Stockholm	9,205	0	Tunaängen 6	SE/Södertälje	291	0
Jakobsberg 18:30	SE/Järfälla	1,296	0	Vakten 15	SE/Eskilstuna	6,492	0
Jursta 3:8	SE/Upplands-Bro	6,300	3,500	Varvet 1	SE/Botkyrka	14,803	3,700
Kalvsvik 16:17	SE/Haninge	3,781	0	Vattnet 6	SE/Borås	3,700	1,000
Kalvsvik 16:23	SE/Haninge	3,484	0	Vattnet 7	SE/Borås	6,340	1,300
Kalvö 1:24	SE/Nynäshamn	13,000	0	Veddesta 2:53	SE/Järfälla	11,287	0
Kokillen 1	SE/Västerås	2,871	0	Veddesta 2:54	SE/Järfälla	1,382	0
Korsräven 1	SE/Stockholm	6,077	0	Viby 19:13	SE/Upplands-Bro	7,700	0
Kälby 1:55	SE/Eskilstuna	19,607	0	Viby 19:27	SE/Upplands-Bro	2,886	0
Lagersberg 1:6	SE/Eskilstuna	6,298	0	Viby 19:28	SE/Upplands-Bro	2,889	0
Librobäck 18:1	SE/Uppsala	2,300	0	Viby 19:30	SE/Upplands-Bro	2,200	4,586
Librobäck 21:3	SE/Uppsala	4,008	3,500	Viby 19:66	SE/Upplands-Bro	960	13,565
Linjalen 63	SE/Täby	2,338	0	Vindkraften 2	SE/Stockholm	6,715	0
Hjulsmeden 7	SE/Eskilstuna	7,925	0	Vitgröet 12	SE/Stockholm	13,446	0
Lufthammaren 1	SE/Västerås	7,825	0	Åkerby 8	SE/Upplands-Bro	9,721	0
Luna 1	SE/Huddinge	6,723	0	Ånghammaren 2	SE/Upplands-Bro	14,250	0
Magneten 12	SE/Stockholm	6,892	0	Årsta 72:4	SE/Upplands-Bro	1,997	0
Magneten 18	SE/Stockholm	12,030	0	Årsta 72:5	SE/Upplands-Bro	1,304	0
Magneten 30	SE/Stockholm	8,303	0	Öja 1:65	SE/Stockholm	8,476	0
Magneten 33	SE/Stockholm	7,072	0	Örnäs 1:14	SE/Stockholm	4,840	0
Mörtö 7	SE/Stockholm	2,692	0	Östhamra 4:33	SE/Knivsta	5,000	0
Nygård 2:14	SE/Upplands-Bro	130,912	150,000				
Nygård 2:17	SE/Upplands-Bro	0	110,000				
						<b>792,832</b>	<b>651,702</b>

\* The building right is divided between the two Almnäs properties

\*\* 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, 2022

Andreas Philipson  
Chair 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 29, 2022.

Ernst & Young AB

Oskar Wall  
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) except for the corporate governance statement on pages 78–91 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 66–131 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 the parent company as of 31 December 2021 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 2021 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. Our opinions do not cover the corporate governance statement on pages 78–91. 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 statement of comprehensive income and the statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) 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) 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.

### 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### 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 2–65 and 137–138. 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

## Valuation of investment properties

DESCRIPTION	HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER
The fair value of the Groups investment properties amounted to SEK 11 693 million on 31 December 2021 and changes in fair value over the period to SEK 1 234 millions. The Group's investment properties account for 95% of total assets as of December 31, 2021.	In our audit we have evaluated and reviewed the company's process for property valuation, including by evaluating the valuation methodology and input data in the established valuations. We have evaluated the company and the competence of the external experts. We have made a comparison against known market information. For a sample of properties, we have examined the reasonableness of assumptions made such as yield requirements, vacancy rate, rental income and operating costs, as well as control-calculated the valuation model. Our review has been conducted in part with the help of a valuation specialist. 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 greatest variations in value compared to the previous year. We have reviewed the disclosures provided in the annual accounts.
A description of the valuation of the property portfolio is stated in note 11 Investment Properties, note 1 Accounting policies and note 2 Important estimates and judgments. Based on the high degree of assumptions and assessments which are made in connection with the property valuations, we believe that this area is a particularly important area in our audit.	

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 Director's 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 skepticism 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

### 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 year 2021 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 controlled 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 skepticism 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 whether the proposal is in accordance with the Companies Act.

### The auditor's examination of the ESEF report

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 2021. Our examination and our opinion relate only to the statutory requirements. In our opinion, the ESEF report #[checksum] 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 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 requires 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, 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 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

#### *The auditor's examination of the corporate governance statement*

The Board of Directors is responsible for that the corporate governance statement on pages 78-91 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

#### *The auditor's mandate*

Ernst & Young AB, Box 7850, 103 99 Stockholm, was elected as auditors by the annual general meeting May 23, 2018 and has been the company's auditor since November, 2014.

Stockholm 29 April, 2022

Ernst & Young AB

Oskar Wall  
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 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 (NOI)**

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 expense as well as leasing costs.

#### **AVERAGE INTEREST RATE**

The weighted average interest rate on all interest-bearing liabilities.

#### **WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)**

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**

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 divided by total income during the same period.

#### **EXCESS RATIO**

Properties' NOI divided by total income during the same period.

# OTHER INFORMATION

## CALENDAR

- Interim Financial Report Jan-Mar 2022, May 6, 2022
- 2022 AGM, May 24, 2022
- Interim Financial Report Jan-Jun 2022, July 20, 2022
- Interim Financial Report Jan-Sep 2022, November 8, 2022
- Year-end Report 2022, February 22, 2023

## 2022 AGM

The Board has given notice to the company's shareholders of the AGM to be held on Wednesday, May 24, 2022. The Board proposes that no dividends be paid to the shareholders for the 2021 fiscal year and that the available capital be reinvested.

*For more information, please contact:*

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*Stendörren Fastigheter AB (publ) is an expansive real estate company listed on Nasdaq Stockholm Mid Cap. Our mission is to create long-term profitable growth in net asset value by managing, developing and acquiring properties and building rights for logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating residential rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region.*

STENDÖRREN

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