

STENDÖRREN

Lokaler som gör skillnad.



INTERIM FINANCIAL REPORT
JANUARY -
MARCH 2021

THE QUARTER IN SHORT

RENTAL INCOME:

161 MSEK

NET OPERATING INCOME:

111 MSEK

NET PROFIT:

53 MSEK



JANUARY-MARCH 2021

(January-March 2020 in brackets)

- Rental income increased by 2 % to SEK 161 million (158) and net operating income decreased by 6 % to SEK 111 million (118), due to higher costs for heating, snow removal and rental losses.
- Income from Property Management decreased by 15 % to SEK 53 million (62), as the period is further charged with costs amounting to SEK 6 million for early repayment of bonds during the quarter.
- Net rentals during the quarter amounted to a total of approximately SEK 14 million and new lease agreements with an annual rental value of approximately SEK 29 million were signed.
- Lease renegotiations during the period led to an increase in rental values of 9 % on average.
- Cash flow from operating activities amounted to SEK 56

million (52), corresponding to SEK 1,96 per share (1,83).

- Changes in the value of investment properties for the period amounted to SEK 169 million (49).
- Profit for the period increased to SEK 186 million (88), corresponding to SEK 6,12 per share (2,66).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Covid-19 has had limited impact on the performance of Stendörren during Q1 2021.
- During January 2021, Stendörren issued bonds with a nominal value of SEK 700 million with a term of 3,25 years and a variable interest rate of 3 months STIBOR plus 365 base points which entails a positive effect of approximately SEK 4 million per year. At the same time the opportunity was used for early redemption of outstanding Bond loan of 650 million with regular maturity is in June 2021.

LETTABLE AREA:

751 000 M²

FAIR VALUE:

9 868 MSEK

LTV:

49%

EQUITY RATIO:

41%¹⁾



- In January, the Rating Institute Nordic Credit Rating (NCR) published its rating of Stendörren Fastigheter AB. NCR awarded Stendörren the grade BB-, stable outlook.
- During the first quarter, the company's management team was supplemented with Fredrik Holmström as Head of sustainability.
- Stendörren's tenant Exploria AB was declared bankrupt on 2021-03-15. Exploria was already before covid-19 a weak tenant why the financial effects are limited.
- The property Hovmästaren 2, comprising approximately 8,600 square meters, were acquired. The underlying property value was SEK 102 million.
- During the quarter, a 7-year lease agreement was signed with Ljud och Bildmedia BT AB regarding new warehouse and office premises in the Magneten 33 property of approximately 3 900 square meters and a 3-year lease agreement

with Yrkesakademin for education premises in the Mörtö 7 property of approximately 2 700 square meters.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On April 14, the notice of the Annual General Meeting was announced, which will be held on May 20, 2021
- On April 27, the Annual Report for 2020 was published on the company's website.
- Stendörren decided on 6 May 2021 to develop in a first stage about 350 of a total of about 800 apartments within the property Tegelbruket 1 in Botkyrka within its own organisation. The company intends to submit an application for a building permit before midsummer 2021.

1) The stated equity ratio is calculated excluding the leasing debt brought by the application of IFRS 16. If this item would be included in the calculation the equity ratio would be negatively impacted by approximately 0,9%.

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In this report there may be found summation deviations in individual tables due to roundings.

Stendörren Fastigheter AB (publ) is a real estate company active in the segment of warehousing, logistics and light industrial properties. The company is listed on Nasdaq Stockholm (Ticker: STEF B)

STENDÖRREN OVERVIEW

BACKGROUND

Stendörren Fastigheter AB (publ) ("Stendörren", or "the company") is a real estate company that invests primarily in warehousing, logistics and light industrial real estate in the Greater Stockholm and Mälardalen region. The company was listed in 2014 and since April 10, 2018, the share is traded on Nasdaq Stockholm's medium-sized list, Mid Cap.

MISSION & OBJECTIVES

Stendörren creates long-term and a high risk-adjusted return by acquiring, developing and managing properties. The company will operate primarily in Greater Stockholm and the Mälardalen region, with an emphasis on warehouses, logistics and light industrial buildings. As previously announced, the company is also evaluating new markets.

FINANCIAL OBJECTIVES

- Exhibit a long-term average annual return on equity of at least 12 %
- Achieve a long-term interest coverage ratio of at least 2,0 times
- Maintain a long-term equity / assets ratio of 35 % (and never less than 20 %)

PROPERTY PORTFOLIO

As at March 31, 2021, the property portfolio of Stendörren consisted of 124 properties. All properties are located in the greater Stockholm and Mälardalen region with a total market value of SEK 9 868 million. The ten largest lease agreements accounted for about one quarter of the total annual rent and the company's largest lease agreement with Coop Sweden represents 11 % of the total annual rent.

The total estate portfolio comprised a total of approximately 751 000 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 25 properties, wholly or partly consisting of building rights which, when

fully developed, are expected to create approximately 606 000 sqm of total building area, mainly for warehouse, logistics, light industrial use as well as residential use. The market value of the building rights portfolio amounts to SEK 1 410 million at quarter end.

Within the existing real estate portfolio, the company is working with the development of new detailed plans for residential assets. The new plans, which are at different stages of the planning process, are likely to result in building rights for up to 1 500 new units at completion. The status of the planning has been 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 March 31, 2021, the company's equity amounted to SEK 4 226 million (3 907) and the Group's interest-bearing liabilities amounted to SEK 5 125 million (5 163), corresponding to a loan-to-value ratio of 49 % (51).

The average time to maturity of interest-bearing liabilities amounted to 2,8 years (3,4) and the average fixed-interest term to 2,3 years (2,4). The average interest rate on the company's total interest-bearing loans amounted to 2,1 % (2,4) and the average interest rate on loans from credit institutions was 1,9 % (2,1). At quarter end, 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.

DIVIDEND

Given the significant investment opportunities that exist within the company's project portfolio, the 2020 Annual General Meeting decided, in accordance with the Board's proposal, that the dividend be abolished in favor of reinvestment in the project portfolio. For the same reason, the Board of Directors has decided to propose to the 2021 Annual General Meeting not to pay any dividend.

KEY RATIOS

	2021 JAN-MAR	2020 JAN-MAR	2020 JAN-DEC
PROPERTY RELATED KEY RATIOS			
Lettable area, sqm thousand	751	737	742
No. of properties	124	125	123
Fair value properties, SEK million	9 868	9 323	9 533
Letting ratio, by area	89%	89%	87%
Letting ratio, economic	88%	89%	87%
NOI yield, total portfolio, 12 month average	5,0%	4,6%	5,2%
NOI yield, excluding projects and land, 12 month average	6,1%	5,5%	6,3%
Total return, 12 month average	7,3%	7,8%	6,2%
Weighted Average Unexpired Lease Term, years	3,7	4,0	3,8
Average annual rent, SEK/Sqm	971	905	910
FINANCIAL KEY RATIOS			
Rental income, SEK million	161	158	651
Net Operating Income, SEK million	111	118	481
Income from property management, SEK million	53	62	254
Excess ratio, 12 month average	73%	69%	74%
Total assets, SEK million	10 469	10 051	10 233
Average interest rate, total debt	2,1%	2,4%	2,2%
Average interest maturity, years	2,3	2,4	2,5
Average loan maturity, years	2,8	3,4	2,6
Interest Cover Ratio, 12 month average	2,8	2,0	2,9
Loan to Value, total assets	49%	51%	50%
Loan to Value, property level	45%	48%	47%
Equity ratio	41%	40%	40%
Return on Equity, 12 month average	8,8%	10,0%	6,5%
STOCK RELATED KEY RATIOS			
Market capitalization, SEK million	4 426	2 748	4 327
Stock price, SEK	156,00	97,60	152,50
Book equity per share, SEK ¹⁾	121,27	110,85	115,16
Long term net asset value, SEK million	4 088	3 646	3 875
Long term net asset value, per share, SEK	144,10	129,50	136,59
Actual net asset value, SEK million	3 715	3 322	3 533
Actual net asset value, per share, SEK	130,95	118,0	124,53
Profit per share, SEK	6,12	2,66	7,17
Cash flow from operations per share, SEK	1,96	1,83	9,68
No. of outstanding shares, end of period	28 371 441	28 155 641	28 371 441
No. of outstanding shares, average in period	28 371 441	28 155 641	28 281 230
OTHER RATIOS			
No. of employees, end of period	54	55	54
No. of employees, average in period	54	54	54

¹⁾ Book equity excluding hybrid capital per share.

For definitions, please see page 28. Explanations to the used key ratios can also be found on www.stendorren.se

BALANCED PORTFOLIO

Good balance between investment properties with stable cash flows and project properties with great value potential give a high, safe and long-term return.

FINANCIAL TARGETS

CURRENT PERFORMANCE

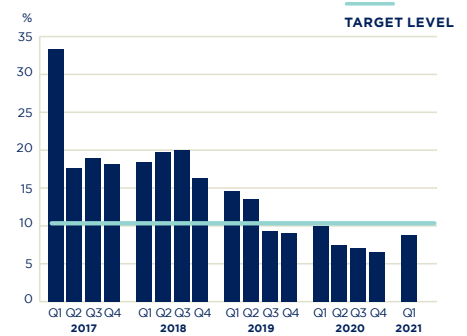
HISTORIC PERFORMANCE

ROE (AVERAGE)

The long term average Return On Equity should exceed 12%

9%

The Return On Equity (calculated as 12 month average) amounted to 9%, mainly influenced by items linked to specific projects which reduced the change in market values during the 12 month period.

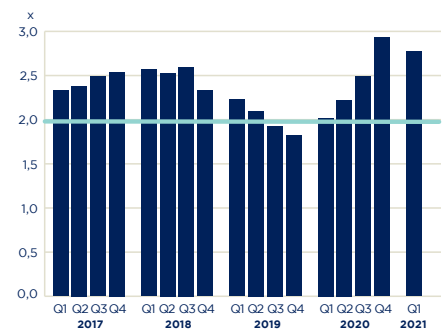


ICR

Long term ICR should exceed 2,0x.

2,8x

The interest coverage ratio exceeds 2,0.

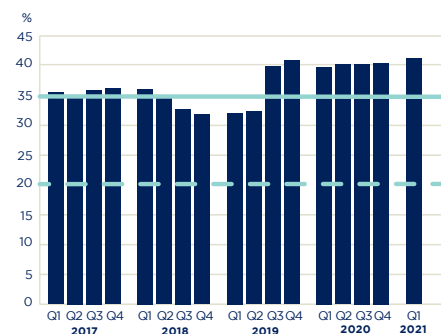


EQUITY RATIO

The long term Equity Ratio shall be at 35% (and never be below 20%).

41%

The equity ratio is well above 35%.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONDENSED

AMOUNTS IN SEK MILLION	2021 JAN-MAR	2020 JAN-MAR	2020 JAN-DEC
Rental income	161	158	631
Other income	0	0	20
Total income	161	158	651
Operating expenses	-40	-29	-114
Maintenance costs	-5	-5	-36
Property tax	-5	-6	-21
Net operating income	111	118	481
Central administration	-18	-21	-86
Financial income	0	0	2
Financial expenses	-38	-32	-134
Leasing cost, ground rent	-2	-3	-9
Profit from property management	53	62	254
Change in value of investment properties	169	49	98
Change in value of financial instruments	5	-7	-10
Income before tax	227	104	342
Deferred tax	-41	-16	-84
Current tax	0	0	-1
Net income for the period	186	88	256
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	186	88	256
<i>Comprehensive income for the period attributable to parent company's shareholders</i>	186	88	256
Earnings per share, SEK	6,12	2,66	7,17
Earnings per share, after dilution, SEK	6,11	2,65	7,17
Average number of shares during the period, millions	28,37	28,16	28,28
Average number of shares during the period, after dilution, millions	28,39	28,23	28,31

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with 2020, Stendörren reports for January to March 2021 approximately 2 % higher revenues. Net operating income decreased by 6 %. After deduction of financing costs and central administrative expenses income from property management sums up to approximately SEK 53 million (62), which represents an decrease of approximately 15 % compared with the same period 2020. Profit for the year amounts to SEK 186 million (88) corresponding to SEK 6,12 per share (2,66).

RENTAL INCOME

Rental income increased by during the period by 2 % to SEK 161 million (158). The increased rental income is driven by income from properties acquired since the comparison period (about 0,1 % decrease in Comparable Portfolio mainly due to the increase of vacancies compared with the same period 2020).

OPERATING EXPENSES

Property expenses increased to SEK 50 million (40) compared with the same period the previous year. Property costs in the Comparable Portfolio increased by approximately SEK 10 million (ca 23 % increase). It is mainly higher costs for heating (SEK 2 million) and snow removal (SEK 4 million) compared to the corresponding period last year (Q1 2021 was much colder and saw increased snow when compared to the same period in the previous year). Furthermore, costs attributable to rental losses (SEK 3 million) have increased compared with the previous year. The company's assessment is that these are not related to covid-19.

CENTRAL ADMINISTRATION

The costs for central administration during the period amounted to SEK 18 million (21) and are comprised of costs for central administration, company management, board and auditors.

NET FINANCE COSTS

The net finance costs increased during the period by 20 % to -38 SEK million (-32) on account of additional costs of approximately SEK 6 million for early repayment of bonds. For details on interest rates, see pages 18.

INCOME FROM PROPERTY MANAGEMENT

The income from property management during the period decreased by 15 % to SEK 53 million (62) compared with previous year, mainly due to higher costs for heating, electricity and snow removal but also rent losses and costs for early redemption of bonds as described in the preceding paragraphs.

VALUE CHANGES

The reported change in the fair value of the properties amounts to SEK 169 million (49) for the period, which corresponds to 1,8 % of the fair value of the portfolio at the beginning of the year (the corresponding fair value change in 2020 amounted to 0,5 %). The value changes in the property portfolio in the period are driven partly by improved cash flows through renegotiated leases, increased project costs for certain properties as well as changes to assumptions regarding market rents and yield requirements. The market valuation of the interest rate derivatives resulted in a change in value of SEK 5 million (-7).

TAX

The tax expense in the income statement consists of current tax of SEK 0 million (0) and deferred tax of SEK -41 million (-16).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

AMOUNTS IN SEK MILLION	31 MAR 2021	31 MAR 2020	31 DEC 2020
ASSETS			
<i>Non-current assets</i>			
Intangible assets	3	4	4
Investment properties	9 868	9 323	9 533
Land leases	225	225	225
Equipment	6	7	6
Other long-term receivables	3	3	3
Interest rate derivatives	11	10	6
Total non-current assets	10 115	9 572	9 777
<i>Current assets</i>			
Other current receivables	77	81	95
Cash and bank balances	278	398	361
Total current assets	355	479	456
TOTAL ASSETS	10 469	10 051	10 233
EQUITY AND LIABILITIES			
Equity	4 226	3 907	4 053
<i>Non-current liabilities</i>			
Interest-bearing liabilities	4 757	5 054	4 081
Other non-current liabilities	17	13	12
Leaseholds land leases	225	225	225
Deferred tax liability	654	535	613
Provisions	4	4	4
Total non-current liabilities	5 657	5 831	4 935
<i>Current liabilities</i>			
Interest-bearing liabilities	368	109	1 018
Other current liabilities	219	204	227
Total current liabilities	586	313	1 245
TOTAL EQUITY AND LIABILITIES	10 469	10 051	10 233
<i>Equity attributable to</i>			
Parent company shareholders	4 226	3 907	4 053
Non-controlling interests	-	-	-

COMMENTS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FIXED ASSETS

The property's fixed assets mainly consist of investment properties. As of March 31, 2021, the value of the total property portfolio amounted to SEK 9 868 million (9 323). For analysis and comments on the property portfolio, see pages 14-16.

CURRENT ASSETS

Current assets amount to SEK 355 million (479) consisting of cash and cash equivalent funds of SEK 278 million (398) and rental receivables and other current receivables of 77 million SEK (81).

EQUITY

As of March 31, 2021, the Group's equity amounted to SEK 4 226 million (3 907) and the equity ratio to 41 % (40).

INTEREST-BEARING LIABILITIES

The reported value of the Group's interest bearing liabilities at the end of the reporting period amounts to SEK 5 125 million (5 163) corresponding to a loan-to-value ratio of 49 % (51). The liabilities consist of loans from credit institutions of SEK 4 439 million (4 526), bonds of SEK 700 million (650) and seller notes of SEK 10 million (10). Loan arrangement costs of -24 million (-23) have been deducted from the interest bearing liabilities in accordance with the company's accounting principles. The short term part of the interest bearing liabilities amount to SEK 368 million (109) and consists of loans and amortizations that are due within the next 12 months.

INTEREST AND DEBT 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. For a more detailed description of the loan portfolio, see page 18.

DEFERRED TAX LIABILITY

Deferred tax liabilities amounted to SEK 654 million (535) on March 31, and relate mainly to the tax on properties, untaxed reserves and unutilized loss carried forward.

OTHER CURRENT LIABILITIES

In addition to the short term interest bearing liabilities, current liabilities include accounts payable, accrued expenses and prepaid income, tax liabilities and other current liabilities, together amounting to SEK 219 million (204).

CONSOLIDATED CHANGES IN EQUITY

As of March 31, 2020, the Group's equity amounted to SEK 4 226 million (2 811).

CONDENSED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK MILLION	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	RETAINED EARNINGS	HYBRID BOND	TOTAL SHARE-HOLDERS' EQUITY
Opening balance equity 2019-01-01	17	1 167	1 596	-	2 780
Dividend adjustment			-1		-1
Share option programme		-2			-2
Issued capital hybrid bond				800	800
Transaction costs hybrid bond				-14	-14
Dividend hybrid bond			-13		-13
Comprehensive income Jan-Dec 2019			290		290
Opening balance equity 2020-01-01	17	1 165	1 872	786	3 840
Dividend adjustment					0
Repurchase share option programme		-8			-8
Share option programme		18			18
Dividend hybrid bond			-54		-54
Comprehensive income Jan-Dec 2020			256		256
Closing equity 2019-12-31	17	1 175	2 075	786	4 053
Dividend hybrid bond			-13		-13
Comprehensive income Jan-Mar 2021			186		186
Closing equity 2020-03-31	17	1 175	2 248	786	4 226

CONSOLIDATED CASH FLOW STATEMENT

CONDENSED

AMOUNTS IN SEK MILLION	2021 JAN-MAR	2020 JAN-MAR	2020 JAN-DEC
Cash flow from operating activities			
Profit from property management	53	62	254
Adjustment for other non-cash items	12	6	2
Income tax paid	-2	-2	-2
Cash flow from operating activities before change in working capital	62	66	254
<i>Changes in working capital</i>			
Change in operating receivables	18	-14	-11
Change in operating liabilities	-24	0	30
Cash flow from operating activities	56	52	274
<i>Investment activities</i>			
Investments in existing properties	-63	-44	-200
Other investments and sales	1	0	-1
Property acquisitions	-102	-79	-150
Property sales	0	-	62
Cash flow from investment activities	-164	-123	-288
<i>Financing activities</i>			
Issued capital	0	-8	10
Issued hybrid capital (net of costs)	-	-	-
Dividend hybrid bond	-13	-13	-54
Raised interest bearing liabilities	760	1 703	1 793
Repayment of interest bearing liabilities	-726	-1 350	-1 509
Interest rate derivatives, net	-	-	-
Deposits	4	-1	-2
Dividend	-	-	0
Cash flow from financing activities	25	331	238
Cash flow for the period	-84	260	224
Cash and cash equivalents at the beginning of period	361	138	138
Cash flow for the period	-84	260	224
Cash and cash equivalents at the end of the period	278	398	361

PROPERTY PORTFOLIO SUMMARY

PROPERTY PORTFOLIO 31 MARCH

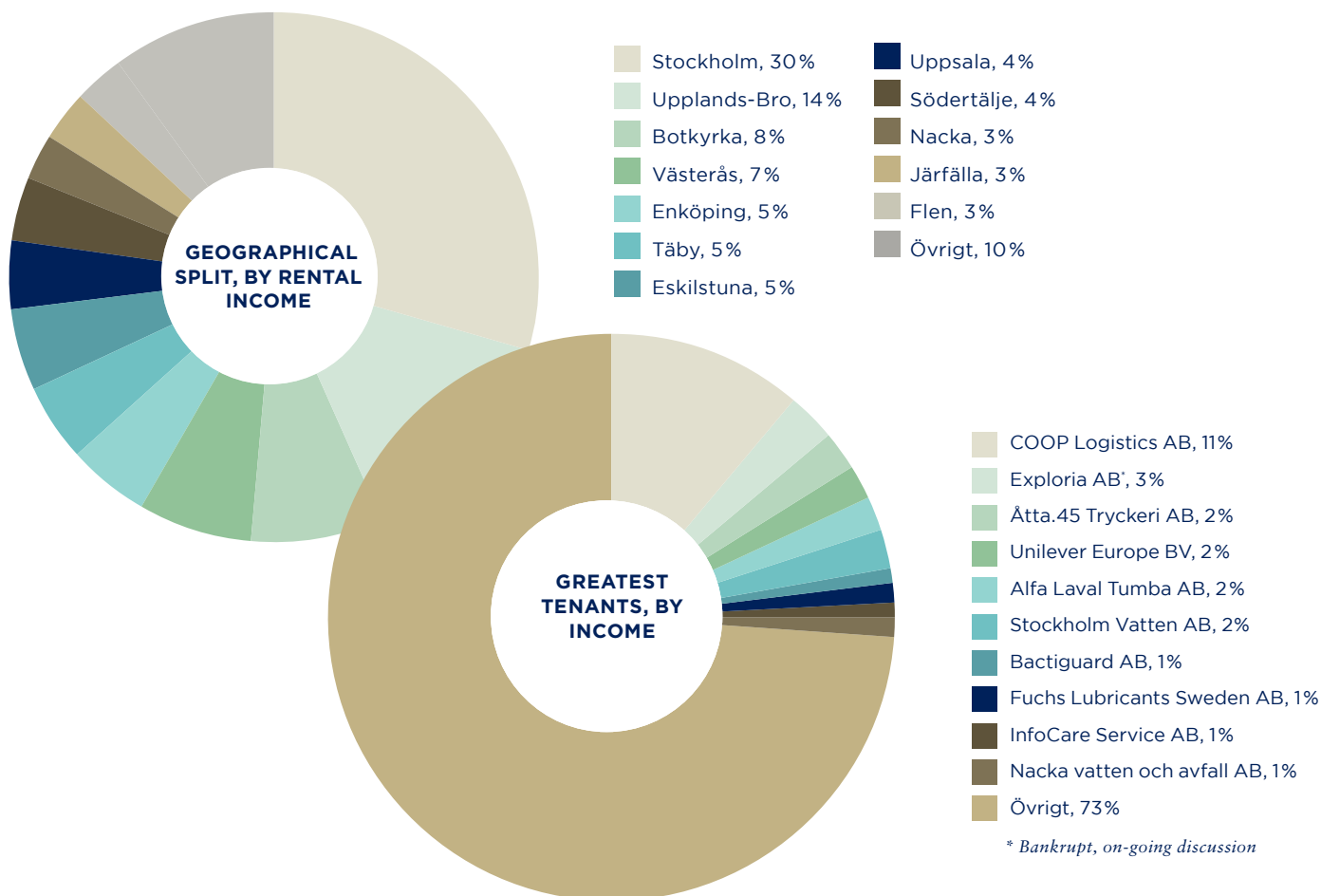
Stendörren's property portfolio consists of 124 properties as at 31 March 2021. All properties are located in the Stockholm and Mälardalen region with a total market value of SEK 9 868 million. The property portfolio is reported quarterly at fair value. All properties are valued internally each quarter based on an updated analysis of actual cash flow, market rental levels, expected costs and an assessment of the market yield. All properties are externally valued at least once a year.

At the end of the reporting period, the total property portfolio comprised of approximately 751 000 sqm of lettable area. The corresponding area for the portfolio of investment properties amounts to approximately 725,000 sqm, where project properties are excluded. Warehouse, logistics and light industrial properties accounted for approximately 67 % of the total lettable area. The office space held in the portfolio (22 % of lettable area) is mainly office space leased in combination with light industrial properties. A distribution based on rental income would give a higher proportion of offices due to the average rent for this area being higher than for the rest of the portfolio. The risk of rental losses due to bankruptcies is greatly reduced by the diversification and number of tenants combined with the fact that 82 % of the properties have at least two tenants. During the period, the property portfolio increased by SEK 335 million. The increase is due to property acquisitions amounting to SEK 102

million, and there were no divestments during the period. In addition, a total of SEK 64 million was invested in existing properties while unrealized changes in value totalling SEK 169 million were reported. (see table on page 17).

GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

Stendörren puts a lot of effort into identifying interesting industrial areas with potential in Greater Stockholm and the rest of the Mälardalen region. The focus is on developing and strengthening the presence in these areas. The total rental income consists of 67 % of rental income from properties in Greater Stockholm. Stendörren's largest investments are in Högdalens industrial area, which results in synergies in both management and leasing. In Veddesta the company has large and efficient properties resulting in property management. Locations including Upplands-Väsby and Sollentuna along the E4 towards Arlanda, Brunna in Upplands-Bro northwest of Stockholm and Stockholm-Syd in Södertälje are other areas which Stendörren intends to develop further in the upcoming years. In addition to the Greater Stockholm area the company has invested in a number of locations in Mälardalen situated in strong locations projected to benefit from Stockholm's future growth. ➤



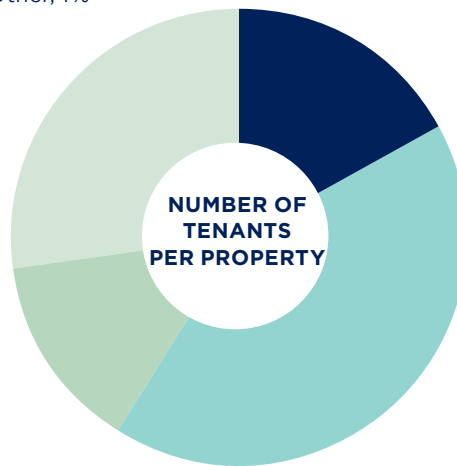
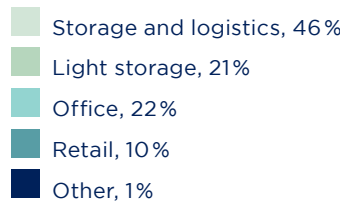
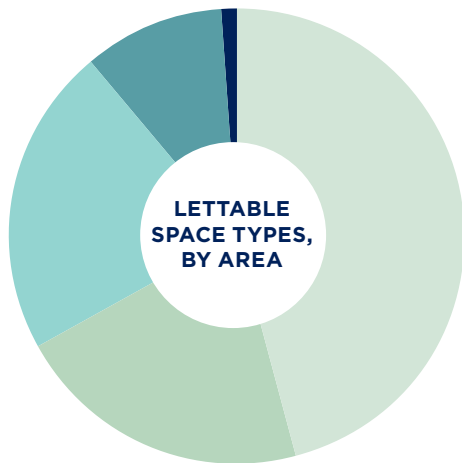
TENANTS AND RENTAL AGREEMENTS

The tenants in the property portfolio range from well-established small to medium sized companies and large multinational businesses. As at March 31, the ten largest leases made up 27 % of the total annual rent in the portfolio. The company's largest lease agreement with Coop Sweden, represents about 11 % of the total annual rent. A combination of long leases with staggered maturities helps to reduce the risk of vacancies and rental losses. The WAULT was 3,7 at year end. During the reporting period, actual rental losses amounting to SEK 1,8 million have been reported. During the period SEK 2,4 million of provisions for uncertain rent receivables have been booked.

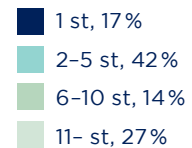
Stendörren is a proactive manager and works continuously to renegotiate the leases in line with current market rents. The occupancy rate in the Stockholm area for warehouse and light industrial premises has been stable over the past 10

years at approximately 90 %. The area-weighted occupancy rate in Stendörren's investment properties is at 89 % as of March 31, 2020, and the economic occupancy rate was 88 %. The occupancy rate is a static measure of the rental situation on the report date and may vary a few percentage points up or down depending on temporary relocation vacancies or projects that have commenced or terminated at different times. In general, the demand for Stendörren assets remains strong. The net lettings during the period amounts to a total of approximately SEK 14 million. Lease agreements that were renegotiated during the quarter led to an increase in rental values of 9 % on average. During the quarter, new lease agreements with an annual rental value of approximately SEK 29 million were signed. These consists of both renegotiated lease agreements and lease agreements with new tenants signed.

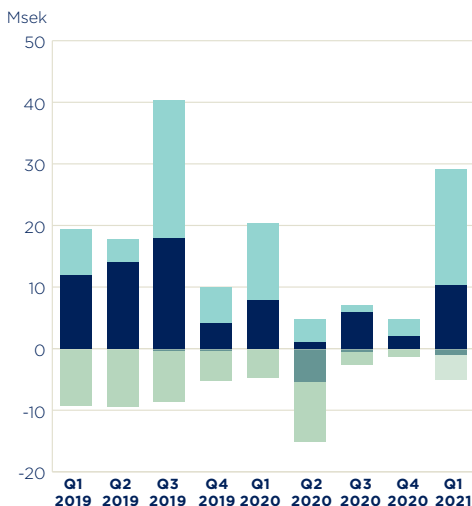
* Exploria bankruptcy not included



TENANTS/PROPERTY (area)

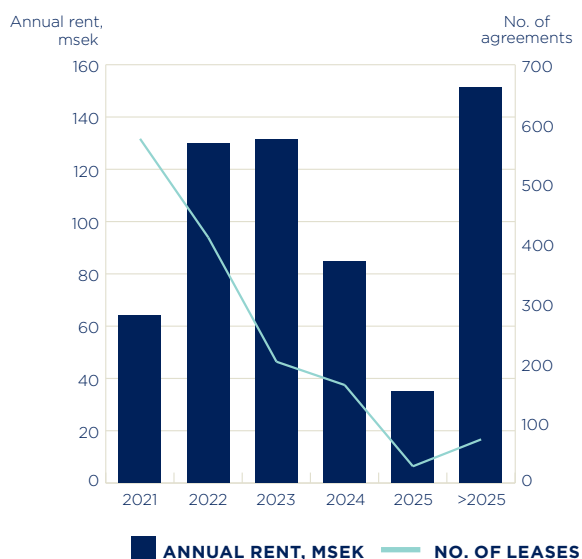


NET LETTING

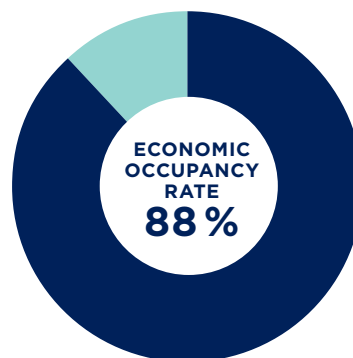
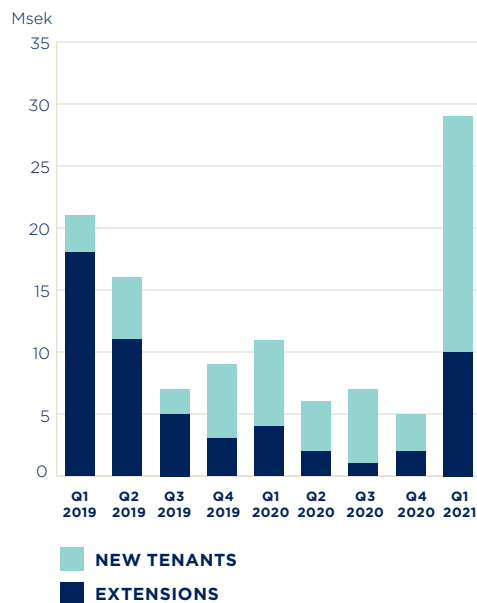


*Exploria bankrupt, ongoing discussion.

ANNUAL LEASE EXPIRY AT 31 MARCH 2020, ANNUAL RENT



NEWLY SIGNED LEASES, ANNUAL RENT



➤ BUILDING RIGHTS AND PROJECTS

As at March 31, 2021, Stendörren had 25 properties wholly or partly consisting of building rights. When these building rights have been fully exploited it is estimated that up to 606 000 sqm of building area can be created, mainly for light industrial, logistics and retail. In some of these properties, the planning is under way to convert the building rights to another use, such as residential. The building rights are concentrated in several of Greater Stockholm's most attractive areas such as the Stockholm municipality, Botkyrka, Södertälje (Stockholm-Syd), Västerhaninge, Upplands-Bro and Sollentuna and represent very attractive opportunities for further growth of the portfolio. Development within building rights and

project properties are primarily driven by demand. The focus is on finding existing and new tenants that are in need of larger or entirely new premises and meeting these needs by customized additional investments or developing an entirely new construction. Negotiations are ongoing with potential tenants for the company's project properties. The discussions are proceeding well and the company is positive about the future potential that these areas have. In order to minimize risk exposure, long leases are usually signed with customers before the investments are initiated. The company intends to continuously develop a large part of these properties over the next few years.

PROPERTY VALUATION

Each quarter Stendörren performs a fair value assessment of 100% of the real estate portfolio. In average 20-30% of the portfolio is valued by external valuation firm and the remainder is valued internally. This means that every property in the portfolio is externally valued at least once during a rolling twelve-month period.

The valuation model used by both the external valuation firms and in the internal Stendörren valuations is based on a discounted cash flow model, supplemented with local price analyses. The valuation model and parameters used are reported in accordance with the principles described in Note 11 (Investment Properties) to the Annual Report 2020. All properties are classified to level 3 in accordance with IFRS 13. Additional expenses which are value increasing are activated. All other expenses are reported as an expense in the period in which they arise. For larger development projects, interest expense is capitalized during the development.

All of the company's 124 properties have been externally evaluated during the period April 2020 to March 2021.

The combined market value of the property portfolio per March 31, 2021 amounts to SEK 9 868 million. A summary of the valuation parameters is found in the table below. The external evaluations carried out during the year have been carried out by mainly Nordier Property Advisors and Newsec Sweden. The building rights within the property portfolio, totally valued at SEK 1 410 million (1 282), are valued based on local price analysis and comparison to others similar properties recently sold. Unrealized changes in value of the property portfolio during the period amounted to SEK 169 million (49). The value changes in the real estate portfolio during the period are driven partly by changes to cash flows through renegotiated leases or changed costs and partly by changed assumptions of market rents and yield requirements. Average yield requirements have been reduced slightly compared to the previous quarter and the average yield requirement as of March 31, 2021 amounted to 5,9% (see table of valuation parameters below).

VALUATION PARAMETERS (PREVIOUS YEAR IN BRACKETS)	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement	4,8% (5,0%)	13,5% (13,5%)	5,9% (6,2%)
Discount rate, cash flow	4,8% (5,0%)	15,2% (15,8%)	7,8% (8,1%)
Discount rate, residual value	6,8% (7,1%)	15,8% (15,8%)	8,0% (8,3%)
Long term vacancy assumption	4,0% (4,0%)	30,0% (30,0%)	6,3% (6,2%)

CHANGE IN REPORTED VALUE, PROPERTIES, MSEK	JAN-MAR 2021	JAN-DEC 2020
Investment properties, beginning of period	9 533	9 147
Property acquisitions	102	150
Property sales	-	-62
Investments in existing properties	64	200
Fair value changes of properties	169	98
Investment properties, end of period	9 868	9 533

FINANCING

As of March 31, 2021, the average time to maturity of the interest bearing liabilities to credit institutions amounted to 2,7 years (3,7). Including the bond loan, the average time to maturity amounted to 2,8 years (3,4). Stendörren uses interest derivatives to hedge against rise in the reference rate Stibor 90. Hence a portfolio of interest-caps have been acquired with average Stibor cap-level of 1,93 %. The total nominal value of the cap portfolio was SEK 3 034 million. During 2019, the company entered into a 5-year interest rate swap agreement with 800 million SEK in nominal amount

hedged at the rate -0,1%. Including the effect of the portfolio of interest caps and swap the average fixed interest term on interest-bearing liabilities amounted to 2,3 years (2,4).

The average interest rate on the company's loans from credit institutions was 1,9 % (2,1) and average interest on total interest bearing debt amounted to 2,1 % (2,4). Stendörren has a bond loan (2021-2024) of SEK 700 million with a nominal interest of Stibor 90 plus 3,65 %.

INTEREST- AND LOAN MATURITY

YEAR OF MATURITY	MSEK	INTEREST MATURITY/YEAR ¹⁾		LOAN MATURITY/YEAR	
		INTEREST RATE	SHARE OF TOT	MSEK	SHARE OF TOT.
2021	1 310		25 %	267	5 %
2022	855		17 %	854	17 %
2023	1 034		20 %	1 511	29 %
2024	1 050		20 %	1 388	27 %
2025	900		17 %	1 118	22 %
>2025	0		0 %	10	0 %
Total/average	5 149	2,11 %	100 %	5 149	100 %

1) The interest maturity for 2021 includes all loans that run with Stibor as base interest and that are not covered by interest derivatives.

INTEREST DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, Msek	FAIR VALUE, Msek	CAP LEVEL	YEARS REMAINING
Danske Bank	Interest cap	300	-	2,50 %	0,88
Danske Bank	Interest cap	600	2,7	1,00 %	4,52
Danske Bank	Interest cap	300	1,3	1,00 %	4,52
Swedbank	Interest cap	300	-	2,50 %	0,88
Swedbank	Interest cap	300	0,0	2,50 %	1,88
Swedbank	Interest cap	300	0,0	2,50 %	1,88
Swedbank	Interest cap	250	0,0	2,25 %	2,50
Swedbank	Interest cap	250	0,1	2,25 %	3,50
Swedbank	Interest cap	250	0,0	2,25 %	1,50
Nordea	Interest cap	184	0,0	1,50 %	2,72
Total		3 034	4,1	1,93 %	2,67

INTEREST DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, Msek	FAIR VALUE, Msek	INTEREST	YEARS REMAINING
Swedbank	Interest rate swap	800	6,5	-0,0875 %	3,47
Total		800	6,5	-0,0875 %	3,47

SUSTAINABILITY

Stendörren's sustainability strategy is underpinned by 2 complementary principles. The first one is about ensuring that the company acts responsibly with controlled risk and in line with expectations and requirements. The second principle is to contribute to sustainable development in a way that engages internally as externally and at the same time strengthens Stendörren's long-term business.

AS PART OF THE PROCESS OF systematizing and formulating Stendörren's sustainability work, a sustainability strategy was developed in 2017. During the process, the business was highlighted from several perspectives. Partly from the outside-inside perspective to understand the societal challenges from a macro perspective, and how these and opportunities at the same level are translated into significance for the company and its market. Another step was to look at how the real estate industry answered these questions, as well as how the company's competitors worked. From the outside-inside perspective together with the stakeholder dialogue and the materiality analysis then formed the basis for Stendörren's sustainability strategy, which is integrated throughout the business.

During 2020, the focus has remained on co-ordinating and initiating the implementation of the sustainability strategy internally within the organization while also starting to work from the laid foundation. *Read more in Sustainability Report 2020 at www.stendorren.se*

A risk analysis related to Stendörren's most significant sustainability issues was also conducted in 2017 and is evaluated annually within the regular risk assessment in the company. Identified risks and management of these can be found in the Annual Report, pages 65-67. Evaluation of the sustainability work is done on a continuous basis.

STENDÖRREN AND THE UN GLOBAL GOALS

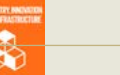
The nations of the world united 2015 in Paris to sign the Agenda 2030, which includes the UN's 17 goals for sustainable development (SDG). To achieve these goals, a collective effort is required on an international, national and local level. Consequently, all companies are called on to include the global goals in both strategy and reporting. Stendörren supports the Agenda 2030 and has identified 7 global goals which have direct or indirect connection to the company's sustainability strategy and mission. These 7 goals are also the goals that Stendörren's business has an fundamental impact on:



The accelerating societal development means exciting possibilities within digitalisation and new technology. But the expected future also calls for increased demands on environmentally friendly, efficient and secure deliveries. The logistics industry is facing increased demands for sustainable transports. The importance of central location of warehouses and logistics premises as well as railway connection becomes even more evident. One of Stendörren's strategic commitment areas is called Active Partner for Sustainable Cities. By actively driving and supporting sustainability within the industry, together with strategic partners, the company can create modern and sustainable work environments for tenants and their customers. Consequently, this is how Stendörren is contributing to and developing sustainable production, distribution and logistics for the future.



The company's slogan "Lokaler som gör skillnad" is based on Stendörrens mission; together with tenants and other business partners we develop the future of industrial premises with efficient use of resources and energy and "smart" logistics solutions. Stendörren's greatest sustainability impact comes from owning and managing its properties. To reduce the climate footprint, it is vital for Stendörren to focus on resource efficiency through the whole value chain, including facility management, renovation, choice of material, new production and type of energy use.

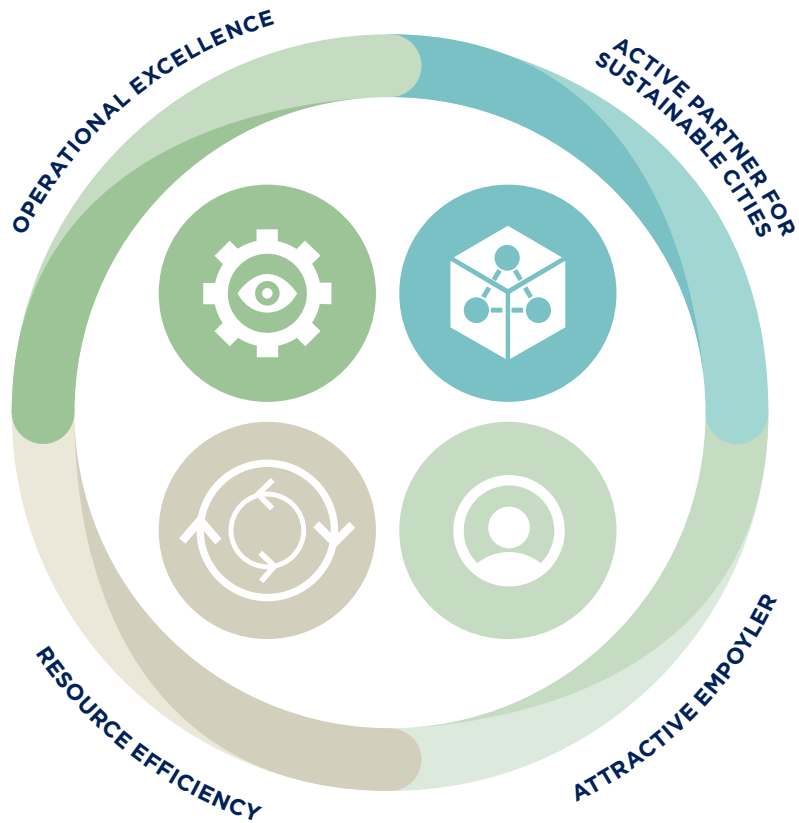


Health and wellness are prioritised areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the section Attractive Employer.



Other global goals that are identified as having an indirect connection to Stendörren's sustainability strategy and business.

SUSTAINABILITY STRATEGY





- CORPORATE GOVERNANCE
- COMMUNICATION / TRANSPARENCY
- ANTI-CORRUPTION
- SET REQUIREMENTS AND FOLLOW UP OF SUPPLIERS, TENANTS AND PARTNERS
- GREEN FINANCING
- HUMAN RIGHTS



- INNOVATION
- EFFICIENT AND FLEXIBLE PREMISES
- BE PROACTIVE WITHIN THE INDUSTRY
- ATTRACTIVE BUSINESS PARTNER
- COMMUNITY ENGAGEMENT



- ENERGY EFFICIENCY
- CONSCIOUS CHOIC OF MATERIAL
- WASTE MANAGEMENT
- ENVIRONMENTALLY CERTIFIED PROPERTIES
- PREVENT POLLTION AT TENANTS PRMISES
- REDUCE CLIMATE FOOTPRINT



- WORK ENVIRONMENT FOR EMPLOYEES, TENANTS AND SUPPLIERS
- DIVERSITY AND EQUALITY
- CORPORATE CULTURE AND LEADERSHIP
- SATISFIED EMPLOYEES

CONDENSED PARENT COMPANY

Operations in the Parent Company consist of management functions of the Group's all companies and properties. These functions include, among other things, property management, project management and finance. All staff are employed by the parent company. No properties are owned directly by the parent company. The parent company's revenues during the period mainly comprise SEK 25 million in recharged services rendered by own staff. Net interest income consists of net charged interest on inter-company loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of March 31, 2021 amounted to SEK 59 million (85) and the Equity amounted to SEK 1 722 million (1 698).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	2021 JAN-MAR	2020 JAN-MAR	2020 JAN-DEC
Net sales	25	25	106
Operating expenses	-25	-26	-106
Profit before financial items	0	-1	0
<i>Financial items</i>			
Net financial items	0	5	0
Profit after financial items	0	4	0
Allocations	0	-	75
Profit before tax	0	4	75
Deferred tax	0	-	-15
Current tax	0	-	-
Profit for the period	0	4	60

BALANCE SHEET PARENT COMPANY IN SUMMARY

AMOUNTS IN SEK MILLION	31 MAR 2021	31 MAR 2020	31 DEC 2020
ASSETS			
<i>Non-current assets</i>			
Intangible assets	3	4	4
Equipment	4	6	4
Shares and participations in subsidiaries	1 015	922	978
Receivables from subsidiaries	2 071	2 073	2 171
Non-current receivables and securities	0	0	0
Deferred tax assets	1	16	1
Total non-current assets	3 094	3 021	3 159
<i>Current assets</i>			
Receivables from subsidiaries	46	172	33
Current receivables	3	5	5
Cash and equivalents	59	85	101
Total current assets	109	262	139
TOTAL ASSETS	3 203	3 283	3 298
EQUITY AND LIABILITIES			
Equity	1 722	1 698	1 736
<i>Non-current liabilities</i>			
Interest bearing liabilities	690	646	649
Liabilities to subsidiaries	735	717	720
Total non-current liabilities	1 426	1 363	1 369
<i>Current liabilities</i>			
Liabilities to subsidiaries	26	196	169
Other current liabilities	29	26	23
Total current liabilities	55	222	192
TOTAL EQUITY AND LIABILITIES	3 203	3 283	3 298

SHARE CAPITAL AND OWNERSHIP

SHARE CAPITAL

The share capital in Stendörren amounts to SEK 17 022 864,60, divided between 2 500 000 Series A shares and 25 871 441 Series B shares. Each share has a quota value of SEK 0,60. A-shares in Stendörren are entitled to ten votes at a general meeting and B-shares one vote. A shares can be converted to B shares at a ratio of 1:1. All shares carry the same right to share in the company's assets and profits. According to the Articles of Association, the company also has the option of issuing preference shares.

AUTHORIZATIONS

On 20 May 2020, the annual shareholders' meeting resolved to authorize the board of directors to, up until the next annual shareholders' meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, with cash payment or payment through set-off or in kind, or otherwise on special 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 preferential shares. However, an issue without preferential rights for the shareholders may not result in an increase of the company's shares of more than in total 10 percent calculated as at the date for the annual shareholders' meeting 2020. If the board of directors resolves on an issue without preferential rights for shareholders, the reason must be to broaden the ownership base, acquire or facilitate the acquisition of working capital, increase the liquidity of the share, carry out company acquisitions or acquire or facilitate the acquisition of capital for company acquisitions. An issue without preferential rights for shareholders must be conducted on market terms.

The annual shareholders' meeting 2020 also resolved to authorize the board of directors to, up until the next annual shareholders' meeting, on one or several occasions, resolve to purchase own shares so that the company's holding, at any given time, does not exceed 10 percent of the total number of shares in the company. Further, the annual shareholders' meeting resolved to authorize the board of directors to, up until the next annual shareholders' meeting, on one or several occasions, resolve to transfer own shares. Purchases of own shares shall be carried out on Nasdaq Stockholm and the shares may only be acquired to a price per share within the applicable share price range, i.e. the range between the highest purchase price and the lowest selling price. Transfers of own shares may be carried out both on Nasdaq Stock-

holm or in other ways (which is further described in the notice to the annual shareholders' meeting). The purpose of the authorization to purchase own shares is to give the board of directors an increased flexibility with regard to the company's capital structure as well as to enable flexibility regarding the company's ability to distribute capital to shareholders. The purpose of the authorization to transfer own shares is to enable corporate and real estate acquisitions, raise working capital or broaden the shareholder base.

INCENTIVE SCHEMES

At the beginning of the reporting period, Stendörren had two incentive programs which were decided on at the 2018 Annual General Meeting and the Extraordinary General Meeting in September 2020. Both programs were aimed at the company's employees and include issues of warrants, which the participants in the programs acquired for cash payment to the Parent Company. The warrants were acquired at market value calculated in accordance with the Black & Scholes valuation method performed by independent valuers.

In the incentive program 2018 - 2021, there were 60 798 warrants at the end of the period the holders, during the period 15-30 September 2021, have the right to redeem against the same number of Series B shares at a subscription price of SEK 111,60 per share. In the incentive program 2020 - 2025, there were 254 000 warrants at the end of the period the holders, for a period of two weeks from the date of publication of the interim report for the period 1 January - 31 September 2025, are entitled to redeem against the same number of Series B shares at a subscription price of SEK 175 per share. Upon full exercise of the warrants in the two outstanding programs, the share capital will increase by SEK 188 879 by issuing 314 798 Series B shares, each with a quota value of SEK 0,6. The dilution effect at full utilization corresponds to approximately 1,1% of the capital and 0,6% of the number of votes based on the number of outstanding shares as of the reporting date.

STOCK EXCHANGE

The Stendörrens B-share is traded on Nasdaq Stockholm, on the list for medium-sized companies. The company's short name is STEF B. The company's ISIN-code is SE0006543344.

**THE LARGEST SHAREHOLDERS BASED ON DATA FROM
EUROCLEAR SWEDEN AB PER 31 MARCH 2021**

SHAREHOLDER ¹⁾	TOTAL SHARES	A-SHARES	B-SHARES	% OF CAPITAL	% OF VOTES
Stendörren Real Estate AB	11 532 606	2 000 000	9 532 606	40,65	58,05
Altira AB	3 050 000	500 000	2 550 000	10,75	14,84
Länsförsäkringar Fastighetsfond	4 513 991	0	4 513 991	15,91	8,87
SEB Sverigefond Småbolag	1 002 151	0	1 002 151	3,53	1,97
Verdipapirfondet Odin Eiendom	920 129	0	920 129	3,24	1,81
SEB SV Småbol Chans/Risk	827 340	0	827 340	2,92	1,63
Tredje AP-fonden	750 000	0	750 000	2,64	1,47
Carnegie Fastighetsfond Norden	427 213	0	427 213	1,51	0,84
Carnegie Småbolagsfond	361 091	0	361 091	1,27	0,71
Malmer, Staffan	339 517	0	339 517	1,2	0,67
Övriga ägare	4 647 403	0	4 647 403	16,38	9,14
TOTAL	28 371 441	2 500 000	25 871 441	100	100

1) The total number of shareholders at the reporting date was 3 309.

OTHER INFORMATION

CALENDAR

- Annual General Meeting, 20 May 2021
- Interim Financial Report Jan-Jun 2020, 20 July 2021
- Interim Financial Report Jan-Sep 2020, 9 November 2021
- Year-end report 2021, 23 February 2022

RELATED PARTY TRANSACTIONS

All transactions with related parties take place on market terms. In 2021 the company has not been party to any business transaction, loan, guarantee or guarantee connection with any of the board members, leading senior executives, major shareholders or related parties to any of these.

RISKS

Risks and uncertainties are, among other things, related to changes in macroeconomic factors affecting demand for premises and the price of capital. Stendörren is also exposed to the risk of unforeseen increases in operating- or maintenance costs which cannot fully be compensated for in leases with tenants. There is also a risk that the Company's lenders do not extend credit facilities at maturity. Real estate transactions are a core part of the company's business model and is, by its nature, associated with uncertainties and risks. More information about these risks can be found on pages 65-67 in the company's annual report for the fiscal year 2020. With regard to covid-19, Stendörren has so far seen only limited consequences, but is following developments closely. In addition to this, no other significant risks have been identified during the reporting period.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim reporting and the Annual Accounts Act. The same accounting and valuation principles as well calculation methods have been applied as in the latest financial information submitted, see note 1 to the annual report 2020. Investment properties are reported according to IFRS 13 in accordance with level 3. Fair value for financial instruments are in all substantial aspects in accordance with reported values. Derivatives are valued in the consolidated financial statements at fair value and in accordance with level 2 of IFRS 13. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for legal entities. The company applies IFRS 16 Leasing as of Jan. 1, 2019 and is using the simplified method (not retroactive). Utilization rights are assigned the same value as the reported leasing debt as of December 31, 2020.

AUDITOR'S REVIEW

This interim report has not been reviewed by the company's auditors.

THE BOARD OF DIRECTORS

The Board of Directors and the CEO assure that the report provides a fair overview of the parent company and the group's operations, position and results and describe the most significant risks and uncertainties that the parent company and the Group companies are facing

STOCKHOLM 6 MAY 2021

Anders Tägt
Chairman

Andreas Philipson
Board member

Carl Mörk
Board member

Seth Lieberman
Board member

Henrik Orrbeck
Board member

Helena Levander
Board member

Erik Ranje
Chief Executive Officer

Nisha Raghavan
Board member

This information is such that Stendörren Fastigheter AB is required to publish according to the EU Market Abuse Regulation and the Act on securities market. The information was provided, by the following contact person's office, for publication on May 7, 2021 at. 07.00 CET

APPENDIX 1

ASSESSED EARNINGS CAPACITY*

AS OF 31 MARCH 2021, the company's property portfolio comprised 124 wholly owned properties with approximately 751 000 sqm of lettable areas. 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 630 million. The company also estimates that current property costs amount to approximately SEK – 151 million on an annual basis, the portfolio is thus expected to produce an operating net of approximately SEK 479 million

on Group level. These data are only the company's own assessment on the present earning capacity as of 31 March 2021 without regard to ongoing lettings, upcoming vacancies, index-related rental changes, or other future measures that may have an effect on net operating income. Any additional acquisitions or disposals announced by the company which have not yet closed are also not included. These data should therefore not be seen as a forecast of future earnings development for Stendörren.

** This is managements best assessment of current earnings capacity and not a forecast of future expected earnings.*



DEFINITIONS

The European Securities and Markets Authority (ESMA) have issued guidelines for the use of Alternative Performance Measures, APM's related to companies with securities which are listed on a regulated market. The guidelines are developed in order to increase the transparency and the comparability in APM's used in prospectuses and other compulsory information submitted by listed companies. Stendörren issues closer definitions and explanations to the APM's it uses. These definitions and explanations, along with a reconciliation table, are in accordance with the ESMA guidelines can be found on www.stendorren.se, investor relations.

ACTUAL 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.

AREAWEIGHTED OCCUPANCY RATE

Area contractually leased to tenants in relation to total lettable area.

AVERAGE INTEREST MATURITY INCLUDING DERIVATIVES

The weighted average remaining time to interest adjustment on interest bearing loans including the effect of interest derivatives. Expressed in years remaining.

AVERAGE INTEREST RATE

The weighted average interest rate on all interest bearing debt

AVERAGE RETURN ON EQUITY

Net earnings in relation to average equity the last 12 months

DEBT MATURITY

The weighted average remaining time to maturity for interest bearing loans, 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.

ECONOMIC OCCUPANCY RATE

Contractual rental income in relation to Rental Value

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).

EXCESS RATIO

Property NOI divided by property income during the last 12 months.

INCOME FROM PROPERTY MANAGEMENT

Net earnings before value changes and tax.

INTEREST COVER RATIO (ICR)

Profit 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).

LOAN TO VALUE

Interest bearing debt in relation to total assets.

LOAN TO VALUE ON PROPERTY LEVEL

Interest bearing debt secured in properties in relation to the fair value of the properties.

LONG TERM NET ASSET VALUE

Book equity net of hybrid capital adjusted for deferred tax and the derivatives value (+/-).

NET OPERATING INCOME (NOI)

Total rental income from the properties reduced by property operating expenses

NET PROFIT PER SHARE

Net profit after hybrid interest divided by the average number of shares outstanding, before and after dilution.

NET LETTING

Annual rent new signed leases reduced by annual rent for leases vacating and annual rent on bankruptcy.

PROPERTY YIELD

Property NOI the last 12 months in relation to the fair value of the properties.

RENTAL VALUE

Contractual rental income increased by the assumed market rent for vacant, lettable area.

TOTAL RETURN

Property NOI increased by the recorded valuation change divided by the average fair value of the properties in the last 12 months.

WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WALT)

The weighted average remaining lease term on all existing property leases. Expressed in terms of years remaining until expiry.

Stendörren Fastigheter AB (publ) is a real estate company active in the segment of logistics, warehouse and light industrial properties. The company is listed on Nasdaq Stockholm (Ticker: STEF B).

**FOR MORE INFORMATION,
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