

STENDÖRREN

*Lokaler som gör skillnad.*

# INTERIM FINANCIAL REPORT JANUARY – JUNE 2021

*Picture: Property Vattnet 7 in Borås*

# THE QUARTER IN SHORT

RENTAL INCOME:

**326 MSEK**

NET OPERATING INCOME:

**234 MSEK**

NET PROFIT:

**122 MSEK**



## JANUARY-JUNE 2021

(January-June 2020 in brackets)

- Rental income increased by 2 % to SEK 326 million (318) and net operating income increased to SEK 234 million (233), due to higher costs for heating and snow removal during the period which to some extent counteracts the increase of rental income.
- Income from Property Management decreased by 1 % to SEK 122 million (124), as the period is further charged with costs for early repayment of bonds during the period.
- Net rentals during the period amounted to a total of approximately SEK 10 million (net lettings if Exploria AB's bankruptcy is excluded amounts to SEK 27 million) and new lease agreements with an annual rental value of approximately SEK 53 million were signed.
- Lease renegotiations during the period led to an increase in rental values of 25 % on average.
- Cash flow from operating activities amounted to SEK 129 million (70), corresponding to SEK 4,53 per share (2,47).

- Changes in the value of investment properties for the period amounted to SEK 539 million (20).
- Profit for the period increased to SEK 535 million (109), corresponding to SEK 17,94 per share (2,92).

## SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- On April 14, the notice of the Annual General Meeting was announced, which was held on May 20, 2021.
- On April 27, the Annual Report for 2020 was published on the company's website.
- The property Eskilstuna Lagersberg 1:6, comprising approximately 6 300 sq.m, was acquired. The underlying property value was SEK 75 million.
- Stendorren decided in May 2021 to develop about 350 of a total of about 800 residential apartments within the property Tegelbruket 1 in Botkyrka on its own as the first stage development of the project. The building permit application was submitted on 15 June 2021.



LETTABLE AREA:

757 000 M<sup>2</sup>

FAIR VALUE:

10 356 MSEK

LTV:

47%

EQUITY RATIO:

43%<sup>1)</sup>



- On June 10, an agreement was entered into for the acquisition of the property Västerås Skonerten 2 comprising approximately 4 700 sq.m and an underlying property value of SEK 48 million. Closing is expected to take place on October 1, 2021.
- During the quarter, a number of new lease agreements were signed, including a 12-year lease agreement with Servicexperten Skadecenter i Sverige AB regarding warehouse and workshop premises in the Stenvreten 6:1 property comprising approximately 2 600 sq.m.
- Stendörrens tenant Exploria AB was declared bankrupt during the first quarter and moved out during the second quarter. At the end of the reporting period, the premises are vacant. Exploria was already before covid-19 a weak tenant why the financial effects are limited.

#### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On July 1, Stendörren established itself in the new market

Viared located in Borås municipality through the acquisition of the property Vattnet 7. The property comprises approximately 6,300 sq.m and has a property value of SEK 84 million.

- On July 2, the company's second acquisition in Viared, Borås municipality, was completed. Underlying property value was SEK 45 million comprising approximately 3 700 sq.m.
- Stendörren decided on 19 July to adjust the dividend policy, see further on page 5. Furthermore, a new financial target was decided on 19 July. The new target, which complements the existing ones, adds growth in long-term net asset value as a financial target, see further on page 5 and 7.
- After the reporting period four building permit applications have been submitted, of which two for light industrial and two for logistics, totaling approximately 21 800 sq.m.

*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 warehouse, logistics and light industrial real estate in primarily 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 operates 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 %)
- Achieve a growth in long term net asset value exceeding 15 %

## PROPERTY PORTFOLIO

As at June 30, 2021, the property portfolio of Stendörren consisted of 125 properties, all located in the greater Stockholm and Mälardalen region with a total market value of SEK 10 356 million. The ten largest lease agreements accounted for about 25 % 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 757 000 sq.m of which warehouse, logistics and light industrial properties accounted for approximately 66 % of the total lettable area.

At the end of the period, the company had 25 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 606 000 sq.m 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 1 393 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 June 30, 2021, the company's equity amounted to SEK 4 561 million (3 933) and the Group's interest-bearing liabilities amounted to SEK 5 148 million (5 139), corresponding to a loan-to-value ratio of 47 % (51).

The average time to maturity of interest-bearing liabilities amounted to 2,5 years (2,8) and the average fixed-interest term to 2,1 years (2,3). The average interest rate on the company's total interest-bearing loans amounted to 2,1 % (2,5) and the average interest rate on loans from credit institutions was 1,9 % (2,2). 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

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 into existing assets, new acquisitions, and the development of new assets. The dividend will therefore be low or absent in the coming years.

# KEY RATIOS

	2021 JAN-JUN	2020 JAN-JUN	2020 JAN-DEC
<b>PROPERTY RELATED KEY RATIOS</b>			
Lettable area, sq.m thousand	757	733	742
No. of properties	125	124	123
Fair value properties, SEK million	10 356	9 308	9 533
Letting ratio, by area	87 %	89 %	87 %
Letting ratio, economic	87 %	89 %	87 %
NOI yield, total portfolio, 12 month average	5,0 %	4,7 %	5,2 %
NOI yield, excluding projects and land, 12 month average	6,0 %	5,6 %	6,3 %
Total return, 12 month average	11,3 %	6,6 %	6,2 %
Weighted Average Unexpired Lease Term, years	3,8	3,8	3,8
Average annual rent, SEK/Sq.m	976	903	910
<b>FINANCIAL KEY RATIOS</b>			
Rental income, SEK million	326	318	651
Net Operating Income, SEK million	234	233	481
Income from property management, SEK million	122	124	254
Excess ratio, 12 month average	73 %	70 %	74 %
Total assets, SEK million	10 912	10 002	10 233
Average interest rate, total debt	2,1 %	2,5 %	2,2 %
Average interest maturity, years	2,1	2,3	2,5
Average loan maturity, years	2,5	2,8	2,6
Interest Cover Ratio, 12 month average	2,9	2,2	2,9
Loan to Value, total assets	47 %	51 %	50 %
Loan to Value, property level	43 %	48 %	47 %
Equity ratio	43 %	40 %	40 %
Return on Equity, 12 month average	16 %	8 %	7 %
<b>STOCK RELATED KEY RATIOS</b>			
Market capitalization, SEK million	5 816	3 419	4 327
Stock price, SEK	205,00	120,50	152,50
Book equity per share, SEK <sup>1)</sup>	133,09	110,95	115,16
Long term net asset value, SEK million	4 514	3 685	3 875
Long term net asset value, per share, SEK	159,09	129,90	136,59
Actual net asset value, SEK million	4 128	3 360	3 533
Actual net asset value, per share, SEK	145,50	118,41	124,53
Profit per share, SEK	17,94	2,92	7,17
Cash flow from operations per share, SEK	4,53	2,47	9,68
No. of outstanding shares, end of period	28 371 441	28 371 441	28 371 441
No. of outstanding shares, average in period	28 371 441	28 190 027	28 281 230
<b>OTHER RATIOS</b>			
No. of employees, end of period	54	53	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](http://www.stendorren.se)

## FINANCIAL TARGETS

## CURRENT PERFORMANCE

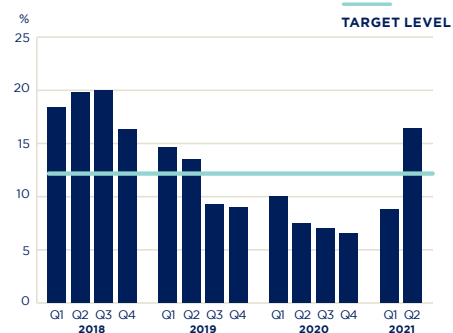
## HISTORIC PERFORMANCE

### ROE (AVERAGE)

The long term average Return On Equity shall exceed 12%

# 16%

The Return On Equity (calculated as 12 month average) amounted to 16%,

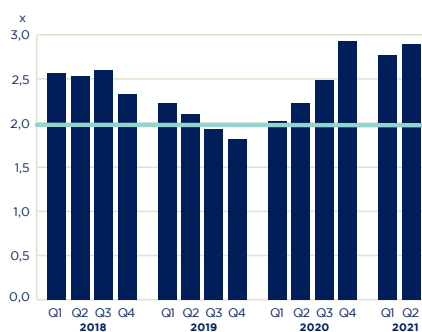


### ICR

Long term ICR shall exceed 2,0X.

# 2,9x

The interest coverage ratio exceeds 2,0.

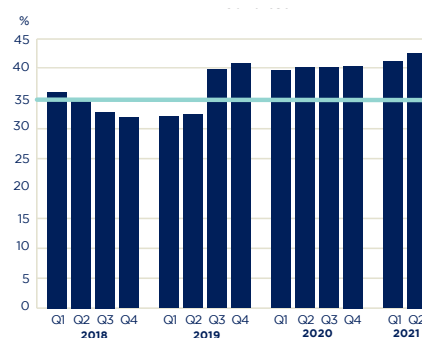


### EQUITY RATIO

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

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

The equity ratio is well above 35%.

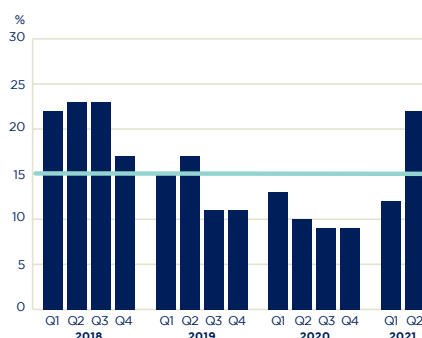


### NAV GROWTH

Growth in long term net asset value shall exceed 15%.

# 22%

At the end of the period growth in long term net asset value amounted to 22%.



<sup>1)</sup> 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%.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## CONDENSED

AMOUNTS IN SEK MILLION	2021 JAN-JUN	2020 JAN-JUN	2021 APR-JUN	2020 APR-JUN	2020 JAN-DEC
Rental income	326	318	165	160	631
Other income	0	0	0	0	20
<b>Total income</b>	<b>326</b>	<b>318</b>	<b>165</b>	<b>160</b>	<b>651</b>
Operating expenses	-68	-52	-28	-23	-114
Maintenance costs	-13	-21	-8	-16	-36
Property tax	-10	-11	-5	-6	-21
<b>Net operating income</b>	<b>234</b>	<b>233</b>	<b>124</b>	<b>115</b>	<b>481</b>
Central administration	-38	-38	-20	-17	-86
Financial income	0	1	0	1	2
Financial expenses	-70	-68	-32	-36	-134
Leasing cost, ground rent	-5	-5	-3	-2	-9
<b>Profit from property management</b>	<b>122</b>	<b>124</b>	<b>70</b>	<b>62</b>	<b>254</b>
Change in value of investment properties	539	20	370	-29	98
Change in value of financial instruments	6	-11	1	-4	-10
<b>Income before tax</b>	<b>667</b>	<b>133</b>	<b>441</b>	<b>29</b>	<b>342</b>
Deferred tax	-132	-23	-91	-8	-84
Current tax	0	0	0	0	-1
<b>Net income for the period</b>	<b>535</b>	<b>109</b>	<b>350</b>	<b>21</b>	<b>256</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>535</b>	<b>109</b>	<b>350</b>	<b>21</b>	<b>256</b>
<i>Comprehensive income for the period attributable to parent company's shareholders</i>	535	109	349	21	256
Earnings per share, SEK	17,94	2,92	11,86	0,25	7,17
Earnings per share, after dilution, SEK	17,92	2,92	11,84	0,25	7,17
Average number of shares during the period, millions	28,37	28,19	28,37	28,22	28,28
Average number of shares during the period, after dilution, millions	28,39	28,19	28,41	28,22	28,31



# COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

## RESULT

Compared with 2020, Stendörren reports for January to June 2021 approximately SEK 8 million higher revenues and net operating income increased with SEK 1 million. After deduction of financing costs and central administrative expenses income from property management sums up to approximately SEK 122 million (124), which represents an decrease of approximately 1 % compared with the same period 2020. Profit for the year amounts to SEK 535 million (109) corresponding to SEK 17,94 per share (2,92).

## RENTAL INCOME

Rental income increased during the period by 2 % to SEK 326 million (318). The increased rental income is driven by an increase in rents in the portfolio (about 1% increase in Comparable Portfolio compared to the same period 2020) as well as income from the properties acquired during the reporting period.

## OPERATING EXPENSES

Property expenses increased to SEK 91 million (85) compared with the same period the previous year. Property costs in the Comparable Portfolio increased by approximately SEK 3 million (ca 7 % increase). It is mainly higher costs for heating (SEK 2 million) and snow removal (SEK 4 million) compared to the corresponding period last year (Q2 2021 was much colder and saw increased snow when compared to the same period in the previous year).

## CENTRAL ADMINISTRATION

The costs for central administration during the period amounted to SEK 38 million (38) 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 3 % to -74 SEK million (-71) on account of additional costs of approximately SEK 6 million for early repayment of bonds. Lower interest levels during the period counteracts the increase. For details on interest rates, see pages 20.

## INCOME FROM PROPERTY MANAGEMENT

The income from property management during the period decreased by 1 % to SEK 122 million (124) compared with previous year, mainly due to higher costs for heating, electricity and snow removal 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 539 million (20) for the period, which corresponds to 5,6 % of the fair value of the portfolio at the beginning of the year. 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 6 million (-11).

## TAX

The tax expense in the income statement consists of current tax of SEK 0 million (0) and deferred tax of SEK -132 million (-23).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## CONDENSED

AMOUNTS IN SEK MILLION	30 JUN 2021	30 JUN 2020	31 DEC 2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	3	4	4
Investment properties	10 356	9 308	9 533
Land leases	225	225	225
Equipment	5	7	6
Other long-term receivables	3	3	3
Interest rate derivatives	11	4	6
<b>Total non-current assets</b>	<b>10 602</b>	<b>9 551</b>	<b>9 777</b>
<i>Current assets</i>			
Other current receivables	68	67	95
Cash and bank balances	242	384	361
<b>Total current assets</b>	<b>310</b>	<b>451</b>	<b>456</b>
<b>TOTAL ASSETS</b>	<b>10 912</b>	<b>10 002</b>	<b>10 233</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4 561</b>	<b>3 933</b>	<b>4 053</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	4 682	4 380	4 081
Other non-current liabilities	18	13	12
Leaseholds land leases	225	225	225
Deferred tax liability	745	542	613
Provisions	4	4	4
<b>Total non-current liabilities</b>	<b>5 674</b>	<b>5 164</b>	<b>4 935</b>
<i>Current liabilities</i>			
Interest-bearing liabilities	467	759	1 018
Other current liabilities	210	146	227
<b>Total current liabilities</b>	<b>677</b>	<b>905</b>	<b>1 245</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10 912</b>	<b>10 002</b>	<b>10 233</b>
<i>Equity attributable to</i>			
Parent company shareholders	4 561	3 932	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 June 30, 2021, the value of the total property portfolio amounted to SEK 10 356 million (9 308). For analysis and comments on the property portfolio, see pages 14-18.

## CURRENT ASSETS

Current assets amount to SEK 310 million (451) consisting of cash and cash equivalent funds of SEK 242 million (384) and rental receivables and other current receivables of 68 million SEK (67).

## EQUITY

As of June 30, 2021, the Group's equity amounted to SEK 4 561 million (3 933) and the equity ratio to 43 % (40).

## INTEREST-BEARING LIABILITIES

The reported value of the Group's interest bearing liabilities at the end of the reporting period amounts to SEK 5 148 million (5 139) corresponding to a loan-to-value ratio of 47 % (51). The liabilities consist of loans from credit institutions of SEK 4 461 million (4 500), bonds of SEK 700 million (650) and seller notes of SEK 10 million (10). Loan arrangement costs of -23 million (-21) 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 467 million (759) 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 20.

## DEFERRED TAX LIABILITY

Deferred tax liabilities amounted to SEK 745 million (542) on June 30, 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 210 million (146).

# CONSOLIDATED CHANGES IN EQUITY

As of June 30, 2020, the Group's equity amounted to SEK 4 561 million (3 933).

## CONDENSED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK MILLION	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	RETAINED EARNINGS	HYBRID BOND	TOTAL SHAREHOLDERS' EQUITY
<b>Opening balance equity 2019-01-01</b>	<b>17</b>	<b>1 167</b>	<b>1 596</b>	<b>-</b>	<b>2 780</b>
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
<b>Closing balance equity 2019-12-31</b>	<b>17</b>	<b>1 165</b>	<b>1 872</b>	<b>786</b>	<b>3 840</b>
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
<b>Closing balance equity 2020-12-31</b>	<b>17</b>	<b>1 175</b>	<b>2 075</b>	<b>786</b>	<b>4 053</b>
Dividend hybrid bond			-26		-26
Comprehensive income Jan-Jun 2021			535		535
<b>Closing balance equity 2021-06-30</b>	<b>17</b>	<b>1175</b>	<b>2 584</b>	<b>786</b>	<b>4 561</b>

# CONSOLIDATED CASH FLOW STATEMENT

## CONDENSED

AMOUNTS IN SEK MILLION	2021 JAN-JUN	2020 JAN-JUN	2021 APR-JUN	2020 APR-JUN	2020 JAN-DEC
<b>Cash flow from operating activities</b>					
Profit from property management	122	124	70	62	254
Adjustment for other non-cash items	14	4	3	-2	2
Income tax paid	-5	-2	-3	0	-2
<b>Cash flow from operating activities before change in working capital</b>	<b>132</b>	<b>125</b>	<b>70</b>	<b>59</b>	<b>254</b>
<i>Changes in working capital</i>					
Change in operating receivables	27	0	9	14	-11
Change in operating liabilities	-30	-55	-6	-55	30
<b>Cash flow from operating activities</b>	<b>129</b>	<b>70</b>	<b>73</b>	<b>18</b>	<b>274</b>
<i>Investment activities</i>					
Investments in existing properties	-107	-80	-44	-36	-200
Other investments and sales	2	1	1	1	-1
Property acquisitions	-177	-79	-75	0	-150
Property sales	0	25	0	25	62
<b>Cash flow from investment activities</b>	<b>-282</b>	<b>-133</b>	<b>-118</b>	<b>-10</b>	<b>-288</b>
<i>Financing activities</i>					
Issued capital	0	10	0	18	10
Dividend hybrid bond	-26	-27	-13	-14	-54
Raised interest bearing liabilities	805	1 703	45	0	1 793
Repayment of interest bearing liabilities	-750	-1 376	-23	-26	-1 509
Deposits	6	-1	1	-	-2
<b>Cash flow from financing activities</b>	<b>34</b>	<b>309</b>	<b>9</b>	<b>-22</b>	<b>238</b>
<b>Cash flow for the period</b>	<b>-119</b>	<b>245</b>	<b>-36</b>	<b>-14</b>	<b>224</b>
Cash and cash equivalents at the beginning of period	361	138	278	398	138
Cash flow for the period	-119	245	-36	-14	224
<b>Cash and cash equivalents at the end of the period</b>	<b>242</b>	<b>384</b>	<b>242</b>	<b>384</b>	<b>361</b>



# PROPERTY PORTFOLIO SUMMARY

## PROPERTY PORTFOLIO JUNE 30

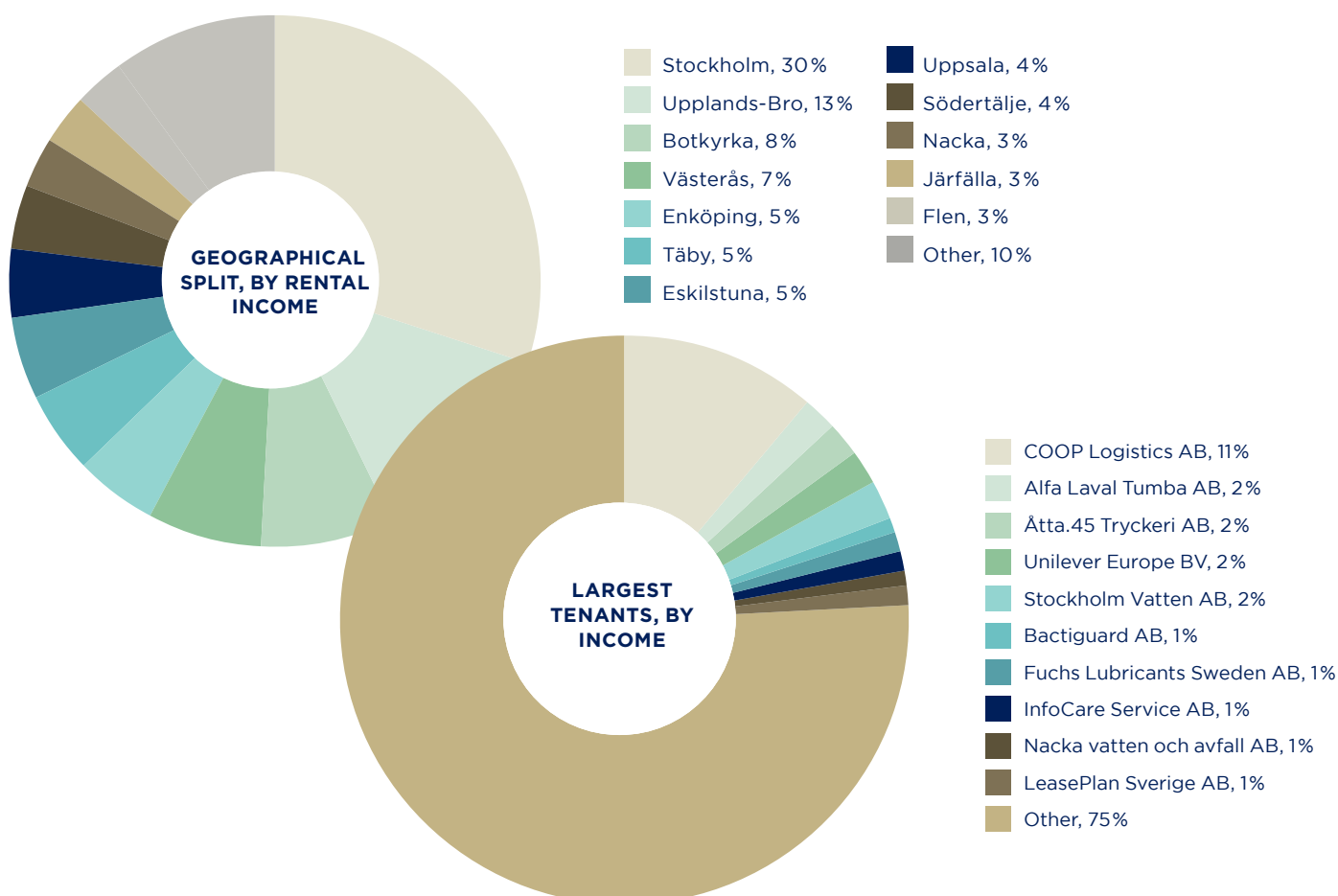
Stendörren's property portfolio consists of 125 properties as at June 30 2021, all located in the Stockholm and Mälardalen region with a total market value of SEK 10 356 million. The property portfolio is reported quarterly at fair value. All properties are valued internally each quarter based on an 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 757 000 sq.m of lettable area. The corresponding area for the portfolio of investment properties amounts to approximately 731 000 sq.m, where project properties are excluded. Warehouse, logistics and light industrial properties accounted for approximately 66 % 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 83 % of the properties have at least two tenants. During the period, the property portfolio increased by SEK 823 million. The increase is due to property acquisitions amounting to SEK

177 million. In addition, a total of SEK 107 million was invested in existing properties while unrealized changes in value totalling SEK 539 million were reported. (see table on page 19).

## 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 approximately 75 % of rental income from properties in The Stockholm region. Stendörren is the largest landlord in Högdalens industrial area, resulting 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, Brunnåsa in Upplands-Bro northwest of Stockholm and Stockholm-Syd in Södertälje are 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.

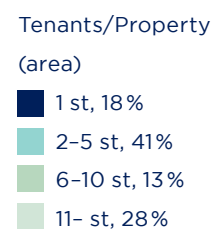
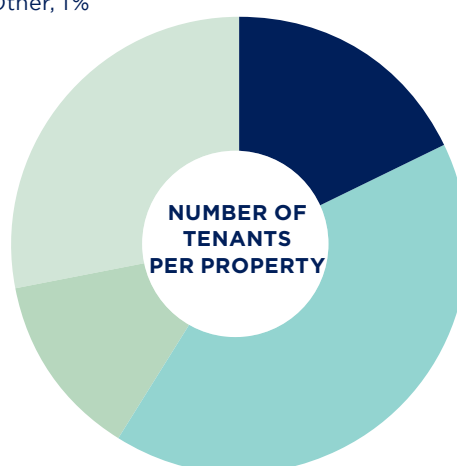
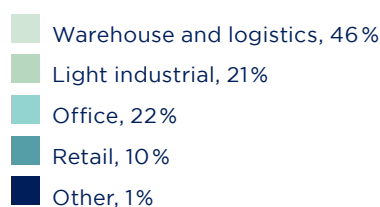
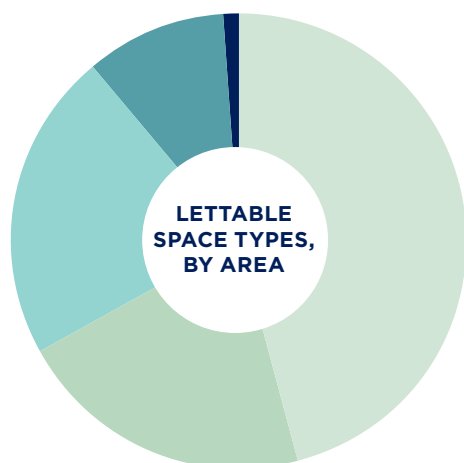


## TENANTS AND RENTAL AGREEMENTS

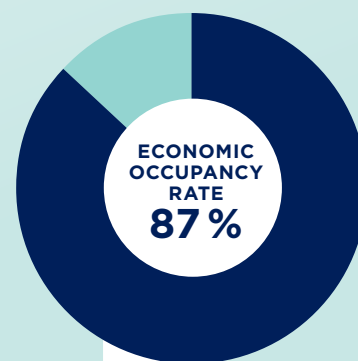
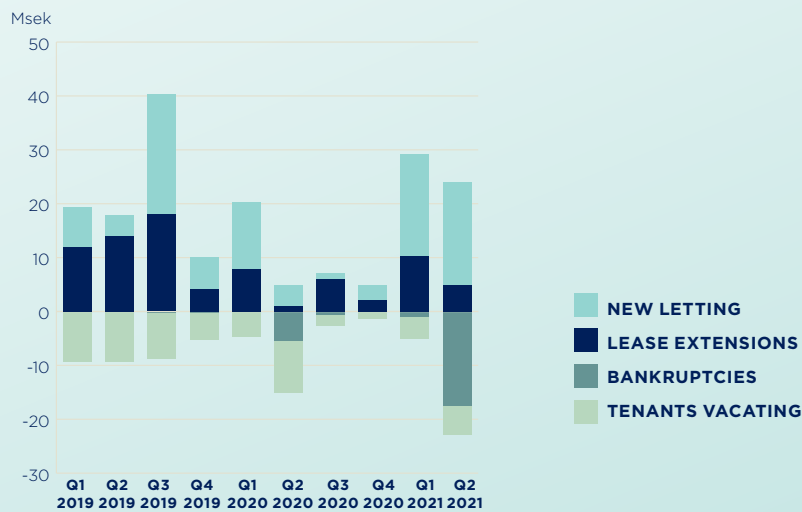
The tenants in the property portfolio range from well-established small to medium sized companies and large multinational businesses. As at June 30, the ten largest leases made up 25 % of the total annual rent in the portfolio. The company's largest lease agreement with Coop Sweden, represents about 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 3,8 at period end. During the reporting period, actual rental losses amounting to SEK 1,8 million have been reported. During the period SEK 8,1 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 87 % as of June 30, 2020, and the economic occupancy rate was 87 %.

Stendörren's tenant Exploria AB was declared bankrupt on 2021-03-15 and at the end of the reporting period the premises are vacant. Exploria was already before covid-19 a weak tenant why the financial effects are limited. 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 -4 million (net lettings if Exploria AB is excluded amounts to SEK 13 million). Lease agreements that were renegotiated during the quarter led to an increase in rental values of 25 % on average. During the quarter, new lease agreements with an annual rental value of approximately SEK 24 million were signed. These consists of both renegotiated lease agreements and lease agreements with new tenants signed.

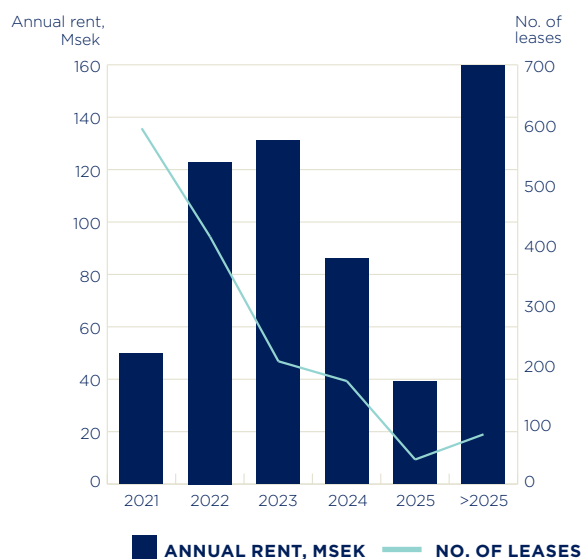


## NET LETTING

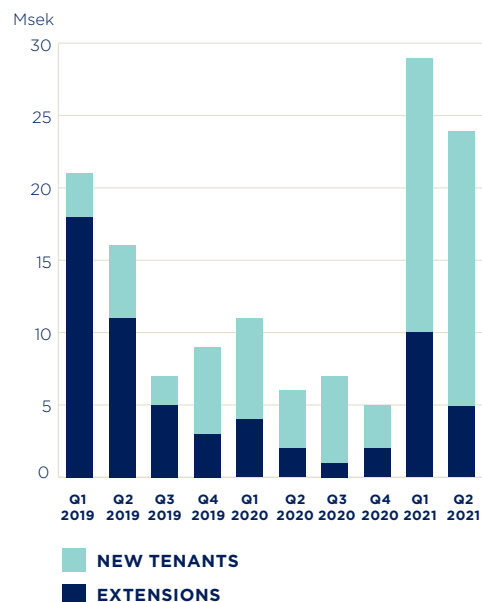


*Exploria AB is considered as vacant as of Q2, if Exploria AB had not gone bankrupt, the economic occupancy rate would have been 90%.*

## ANNUAL LEASE EXPIRY AT 30 JUNE 2021, ANNUAL RENT



## NEWLY SIGNED LEASES, ANNUAL RENT



# PROJECTS PORTFOLIO SUMMARY

## OVERVIEW

As of 30th June 2021, Stendörren had 25 properties wholly or partly consisting of building rights in total amounting to 606 000 sq.m, mainly for logistics, light industrial and residential. The potential in the building rights portfolio is considered strong as the building rights are concentrated in expansive municipalities and areas in Greater Stockholm or in the Mälardalen region. For some properties, work is also underway with creating new building rights in existing portfolio and converting the buildings to another area of use, such as residential.

## PROJECT PIPELINE

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 the need by redeveloping existing assets or developing entirely new assets. In order to minimize risk exposure, Stendörren aims for signing long leases with customers before the construction process is initiated. The company intends to continuously capture the potential in the property portfolio over the next coming years and has a positive view on the market conditions. The company will be able to offer the market sustainable, modern and built-to-suit premises as well as provide sustainable residential in attractive locations.

## PROJECT PIPELINE

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT* (GROSS SQ.M.)	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START**
Södertälje	Logistics	66 000	Within current zoning	2021-2026
Botkyrka	Residential	59 000	Within current zoning	2021-2022
Upplands-Bro	Logistics	7 400	Within current zoning	2021-2022
Upplands-Bro	Light industrial	2 500	Within current zoning	2021-2022
Uppsala	Light industrial	1 500	Within current zoning	2021-2024
Upplands-Bro	Logistics	400 000	Within current zoning	2022-2023
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
Enköping	Light industrial	4 500	Within current zoning	2022-2023
Upplands-Bro	Light industrial	1 500	Within current zoning	2022-2023
Sollentuna	Residential	7 000	Zoning change required	2023-2024

\* May deviate from what is technically and commercially viable

\*\* Start of first phase, project may include several phases. Note that Stendörren aims to construct on a pre-let basis, why the timing of construction start depends on pace of leasing activities

## ONGOING PROJECTS

The company has several projects each with a project value in excess of SEK 25 million where planning and design have started. The projects are all new production. During the period one building permit application has been submitted for residential purposes. After the reporting period four building permit applications have been submitted, of which two for light industrial and two for logistics. All projects are located in well-established and expansive areas where there is an explicit demand. The intention and assessment is that construction of the logistics and light industrial projects can start in

2021 to be completed in 2022. However Stendörren aims to construct on a pre-let basis why the timing of construction start depends on pace of leasing activities.

## FINALIZED PROJECTS

During the period, two projects each with a project value in excess of SEK 25 million have been completed. These are two tenant improvements for customers, one in Stockholm, Bromma and one in Eskilstuna.

## ONGOING PROJECTS

PROPERTY	TYPE OF DEVELOPMENT	ESTIMATED COMPLETION	SIZE, NET SQ. M.	ESTIMATED INVESTMENT*, SEK M	CURRENT PHASE
Almnäs 5:20	New logistics	Q3 2022	11 200	138	Design and planning**
Hjulsmeden 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	5 900	93	Design and planning**
Tegelbruket 1	New residential	Q4 2023	16 000	-	Design and planning**
<b>Total ongoing projects</b>			<b>37 800</b>	<b>&gt;309</b>	

\* Includes book value of land. Estimated investment for Tegelbruket not disclosed due to planned procurement

\*\* Application for building permit submitted

## FINALIZED PROJECTS

PROPERTY	DESCRIPTION	COMPLETION	SIZE, NET SQ. M.	INVESTMENT, SEK M
Båglampan 35	Tenant improvement	Q1 2021	5 300	35
Kälby 1:55	Tenant improvement	Q1 2021	19 607	36
<b>Total finalized projects</b>			<b>24 907</b>	<b>71</b>



# 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 firms and the remainder is valued internally. This means that every property in the portfolio is externally valued at least once during a rolling twelve-month period.

The valuation model used by both the external valuation firms and 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 125 properties have been externally evaluated during the period July 2020 to June 2021. The

combined market value of the property portfolio per June 30, 2021 amounts to SEK 10 356 million. A summary of the valuation parameters is found in the table below. The external valuations carried out during the year have been carried out by mainly Nordier Property Advisors, CBRE and Newsec Sweden. The building rights within the property portfolio, totally valued at SEK 1 393 million (1 261), 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 539 million (20). 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 June 30, 2021 amounted to 5,8% (see table of valuation parameters below).

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

CHANGE IN REPORTED VALUE, PROPERTIES, MSEK	JAN-JUN 2021	JAN-DEC 2020
<b>Investment properties, beginning of period</b>	<b>9 533</b>	<b>9 147</b>
Property acquisitions	177	150
Property sales	-	-62
Investments in existing properties	107	200
Fair value changes of properties	539	98
<b>Investment properties, end of period</b>	<b>10 356</b>	<b>9 533</b>

# FINANCING

As of June 30, 2021, the average time to maturity of the interest bearing liabilities to credit institutions amounted to 2,5 years (3,1). Including the bond loan, the average time to maturity amounted to 2,5 years (2,8). 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 2,1 years (2,3).

The average interest rate on the company's loans from credit institutions was 1,9 % (2,2) and average interest on total interest bearing debt amounted to 2,1 % (2,5). 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 <sup>1)</sup>		MSEK	LOAN MATURITY/YEAR SHARE OF TOT.
		INTEREST RATE	SHARE OF TOT		
2021	1 332		26 %	266	5 %
2022	855		17 %	848	16 %
2023	1 034		20 %	1 546	30 %
2024	1 050		20 %	1 383	27 %
2025	900		17 %	1 118	22 %
>2025	0		0 %	10	0 %
<b>Total/average</b>	<b>5 171</b>	<b>2,11 %</b>	<b>100 %</b>	<b>5 171</b>	<b>100 %</b>

1) The interest maturity for 2021 includes all loan amounts 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	0,0	2,50 %	0,63
Danske Bank	Interest cap	600	2,2	1,00 %	4,27
Danske Bank	Interest cap	300	1,1	1,00 %	4,27
Swedbank	Interest cap	300	0,0	2,50 %	0,63
Swedbank	Interest cap	300	0,0	2,50 %	1,63
Swedbank	Interest cap	300	0,0	2,50 %	1,63
Swedbank	Interest cap	250	0,0	2,25 %	2,25
Swedbank	Interest cap	250	0,0	2,25 %	3,25
Swedbank	Interest cap	250	0,0	2,25 %	1,25
Nordea	Interest cap	184	0,0	1,50 %	2,47
<b>Total</b>		<b>3 034</b>	<b>3,4</b>	<b>1,93 %</b>	<b>2,42</b>

## INTEREST DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, Msek	FAIR VALUE, Msek	INTEREST	YEARS REMAINING
Swedbank	Interest rate swap	800	3,4	-0,0875 %	3,22
<b>Total</b>		<b>800</b>	<b>3,4</b>	<b>-0,0875 %</b>	<b>3,22</b>

# SUSTAINABILITY

*Stendörren's sustainability strategy is underpinned by two 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, partly how these 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](http://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.

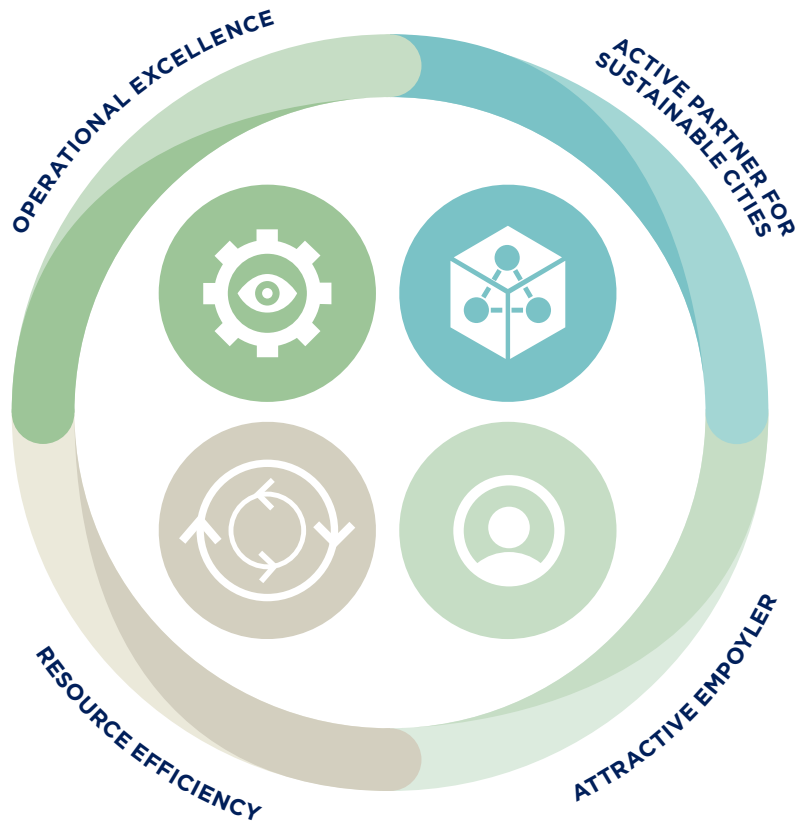


Health and wellness are prioritised areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the section Attractive Employer.



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

# SUSTAINABILITY STRATEGY



# 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 52 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 June 30, 2021 amounted to SEK 39 million (140) and the Equity amounted to SEK 1 716 million (1 708).

## CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	2021 JAN-JUN	2020 JAN-JUN	2021 APR-JUN	2020 APR-JUN	2020 JAN-DEC
Net sales	52	50	27	26	106
Operating expenses	-53	-48	-28	-23	-106
<b>Profit before financial items</b>	<b>-1</b>	<b>2</b>	<b>-1</b>	<b>3</b>	<b>0</b>
<i>Financial items</i>					
Net financial items	7	9	7	4	0
<b>Profit after financial items</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>0</b>
Allocations	0	-	0	-	75
<b>Profit before tax</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>75</b>
Deferred tax	0	-	0	-	-15
Current tax	0	-	0	-	-
<b>Profit for the period</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>60</b>



## BALANCE SHEET PARENT COMPANY IN SUMMARY

AMOUNTS IN SEK MILLION	30 JUN 2021	30 JUN 2020	31 DEC 2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	4	4	4
Equipment	3	5	4
Shares and participations in subsidiaries	1 053	923	978
Receivables from subsidiaries	2 071	2 073	2 171
Non-current receivables and securities	0	0	0
Deferred tax assets	1	16	1
<b>Total non-current assets</b>	<b>3 132</b>	<b>3 021</b>	<b>3 159</b>
<i>Current assets</i>			
Receivables from subsidiaries	172	171	33
Current receivables	4	3	5
Cash and equivalents	39	140	101
<b>Total current assets</b>	<b>215</b>	<b>314</b>	<b>139</b>
<b>TOTAL ASSETS</b>	<b>3 347</b>	<b>3 335</b>	<b>3 298</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1 716	1 708	1 736
<i>Non-current liabilities</i>			
Interest bearing liabilities	690	647	649
Liabilities to subsidiaries	735	717	720
<b>Total non-current liabilities</b>	<b>1 426</b>	<b>1 364</b>	<b>1 369</b>
<i>Current liabilities</i>			
Liabilities to subsidiaries	177	245	169
Other current liabilities	29	18	23
<b>Total current liabilities</b>	<b>206</b>	<b>263</b>	<b>192</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 347</b>	<b>3 335</b>	<b>3 298</b>

# 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 2021, the annual shareholders' meeting resolved to authorize the board of directors to, up until the next annual shareholders' meeting, 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 2021. 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.

## 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 30 JUNE 2021

SHAREHOLDER <sup>1)</sup>	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	4 875 992	0	4 875 992	17,19	9,58
Verdipapirfondet Odin Eiendom	1 035 129	0	1 035 129	3,65	2,03
Seb Sverigefond Småbolag	1 020 938	0	1 020 938	3,6	2,01
Seb Sv Småbol Chans/Risk	908 340	0	908 340	3,2	1,79
Tredje Ap-Fonden	750 000	0	750 000	2,64	1,47
Carnegie Småbolagsfond	506 091	0	506 091	1,78	0,99
Carnegie Fastighetsfond Norden	427 213	0	427 213	1,51	0,84
Warmland, Bodil	249 975	0	249 975	0,88	0,49
Övriga ägare	4 015 157	0	4 015 157	14,15	7,91
<b>SUMMA</b>	<b>28 371 441</b>	<b>2 500 000</b>	<b>25 871 441</b>	<b>100</b>	<b>100</b>

<sup>1)</sup> The total number of shareholders at the reporting date was 3 458.

# OTHER INFORMATION

## CALENDAR

- Interim Financial Report Jan-Sep 2021, 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 19 JULY 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 July 20, 2021 at. 07.00 CET*

## APPENDIX 1

### ASSESSED EARNINGS CAPACITY\*

**AS OF 30 JUNE 2021**, the company's property portfolio comprised 125 wholly owned properties with approximately 757 000 sq.m of lettable ares. 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 648 million. The company also estimates that current property costs amount to approximately SEK – 152 million on an annual basis, the portfolio is thus expected to produce an operating net of approximately SEK 496 million

on Group level. These data are only the company's own assessment on the present earning capacity as of 30 June 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](http://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 (WAULT)**

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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