

STENDÖRREN

Lokaler som gör skillnad.

INTERIM FINANCIAL REPORT
JANUARY -
DECEMBER
2021

Photo: Property Heiasvingen 33, Lillestrøm in Norway

THE YEAR IN SHORT

NET PROFIT:
MSEK 267

RENTAL INCOME:
MSEK 653

NET OPERATING INCOME:
MSEK 488



JANUARY-DECEMBER 2021 (January-December 2020 in brackets)

- Rental income increased by 3 % to SEK 653 million (631) and net operating income increased to SEK 488 million (481).
- Income from property management increased by 5 % to SEK 267 million (254).
- Net letting during the year amounted to a total of approximately SEK 40 million (net lettings if Exploria AB's bankruptcy is excluded amounts to SEK 57 million) and new lease agreements with an annual rental value of approximately SEK 79 million were signed.
- Lease renegotiations during the period led to an increase in rental values of 22 % on a weighted average.
- Cash flow from operating activities amounted to SEK 223 million (274), corresponding to SEK 7.87 per share (9.68).
- Changes in value of investment properties for the period amounted to SEK 1,235 million (98).
- Profit for the period increased to SEK 1,209 million (256), corresponding to SEK 40.75 per share (7.17) before dilution and 40.67 per share (7.17) after dilution.
- The Board's proposal to the Annual General Meeting is no dividend in favor of reinvestment in the business.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- On October 1, 2021, the property Västerås Skonerten 2 was closed, comprising of approximately 4,700 sqm of premises and an underlying property value of SEK 48 million.
- During the quarter, building permits were obtained for Viby 19:66, Hjulsmeden 1 in Västerås and Librobäck 21:3 in Uppsala regarding logistics and light industrial.
- During the quarter, a number of new leases were signed, including a 10-year lease agreement with Uppsala Vatten och Avfall AB regarding the Husbyborg 15: 1 property in Uppsala, which covers a total of 2,779 sqm.
- During November 2021, Stendörren issued bonds with a nominal value of SEK 600 million with a maturity of 3.75 years and a variable interest rate of 3 months STIBOR plus 390 basis points.
- During the fourth quarter Stendörren made its first three acquisitions in the Copenhagen region. In November, the industrial and warehouse property Pedersholmparken 10 and 13, Frederikssund in Copenhagen was acquired. Property value amounts to SEK 135 million and lettable area to 9,511 sqm. In December, the warehouse property Sandvadsvej 7, Køge, was acquired. Property value amounts to SEK 41 million and lettable area 3,054 sqm. In December, the warehouse property Avedöreholmen 51,

SWEDEN
DENMARK
NORWAY

LETTABLE AREA:

793,000 SQM

EQUITY RATIO:

43%¹⁾

FAIR VALUE:

MSEK 11,693

LTV:

46%



Hvidovre was also acquired. The property value amounts to SEK 29 million and lettable area to 2046 sqm. All properties are fully rented.

- On December 8, 2021, the warehouse property Servitrisen 3 in the Långängarna district in Västerås was closed. The property covers 4,302 sqm and the property value amounts to SEK 65.5 million. The property is fully rented until February 28, 2026.
- On December 1, 2021, Stendörren's Chairman of the Board Anders Tägt announced that he would decline re-election at the 2022 Annual General Meeting.
- On December 17, 2021, the industrial and warehouse property Heiasvingen 33, Lillestrøm in Oslo was closed. The property became Stendörren's first acquisition in the Oslo region. Property value amounts to approximately SEK 55 million and lettable area to 2,850 sqm. The property is fully rented until July 31, 2031.
- On December 20, 2021 an agreement was entered into, along with two of the company's major lenders, an agreement regarding sustainability-linked loan facilities of a total of SEK 1.7 billion, linked to the company's sustainability goals. The loan facilities fit within the existing loan volume.
- On December 21, 2021, the Grönsta 2:65 warehouse property in the Svista area in Eskilstuna was acquired, in direct connection to existing and future logistics establishments, with access in 2022. Property value amounts to SEK 64.3 million and lettable area to approximately 5,000

sqm. The property is fully rented with a lease agreement running for 10 years from the date of occupancy.

- In December, interest-caps were acquired with a Stibor cap level of 2% and a total nominal value amounting to SEK 1,850 million.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On January 4, 2022, the company's fourth acquisition was made in the Copenhagen region when the industrial property Kirstinehøj 3 in Kastrup was acquired. Underlying property value amounted to approximately SEK 42 million and the total lettable area amounted to 4,772 sqm. The property is fully rented.
- On January 11, 2022, the shareholders of Stendörren Fastigheter AB (publ) were summoned to an Extraordinary General Meeting on February 4, 2022. The AGM appointed board member Andreas Philipson as the new chairman of the board, following the resignation of former board member and chairman of the board Anders Tägt.
- On January 20, 2022, a legally valid building permit was obtained in logistics in Almnäs, Södertälje.
- On January 24, 2022, a 10-year lease was signed for the property Viby 19:13 in Brunna in Upplands-Bro municipality. The tenant will access the property, in May 2022, to premises of approximately 2,700 sqm and land areas of approximately 11,500 sqm.

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 0.8%.

TABLE OF CONTENT

| | |
|--|----|
| Stendörren overview | 5 |
| Key ratios | 6 |
| THE BUSINESS | |
| Consolidated statement of comprehensive income | 8 |
| Comments to the consolidated income statement | 9 |
| Consolidated statement of financial position | 10 |
| Comments to the consolidated statement of financial position | 11 |
| Consolidated changes in equity | 12 |
| Consolidated cash flow statement | 13 |
| Property portfolio summary | 14 |
| Projects portfolio summary | 17 |
| Property valuation | 19 |
| Financing | 20 |
| Sustainability | 21 |
| Condensed parent company | 23 |
| Share capital and ownership | 25 |
| Other information | |
| The board of directors | 26 |
| Appendix 1, Assessed earnings capacity | 27 |
| Definitions | 28 |
| | 29 |

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

Stendörren Fastigheter AB (publ) is an expansive real estate company listed on Nasdaq Stockholm Mid Cap. Our business concept is to create long-term profitable substance growth by managing, developing and acquire properties and building rights in logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating housing rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region. (Ticker: STEF B).

STENDÖRREN OVERVIEW

MISSION & OBJECTIVES

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

FINANCIAL OBJECTIVES

- Exhibit a long-term average annual return on equity of at least 12 %
- Achieve a growth in long term net asset value exceeding 15 %
- Achieve a long-term interest coverage ratio of at least 2.0 times
- Maintain a long-term equity / assets ratio of 35 % (and never less than 20 %)

PROPERTY PORTFOLIO

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

The total estate portfolio comprised a total of approximately 793,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 67 % of the total lettable area.

At the end of the year, the company had 28 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 652,000 sqm of total building area (but may differ from

what is technically and commercially feasible), mainly for warehouse, logistics, light industrial use as well as for residential use. The market value of the building rights portfolio amounts to SEK 1,634 million (1,363) at quarter end.

Within the existing real estate portfolio, the company is working with the development of new detailed plans for residential assets. The development and planning work, which are at different stages of the 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 December 31, 2021, the company's equity amounted to SEK 5,216 million (4,053) and the Group's interest-bearing liabilities amounted to SEK 5,624 million (5,099), corresponding to a loan-to-value ratio of 46 % (50).

The average time to maturity of interest-bearing liabilities amounted to 2.5 years (2.6) and the average fixed-interest term to 3.7 years (2.5). The average interest rate on the company's total interest-bearing loans amounted to 2.3 % (2.2) and the average interest rate on loans from credit institutions was 1.9 % (1.9). At year 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 and a bond loan of SEK 600 million with an interest rate of Stibor 90 plus 3.90 % with a final maturity in August 2025.

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-DEC | 2020 JAN-DEC |
|--|-----------------|-----------------|
| PROPERTY RELATED KEY RATIOS | | |
| Lettable area, sqm thousand | 793 | 742 |
| No. of properties | 135 | 123 |
| Fair value properties, SEK million | 11,693 | 9,533 |
| Letting ratio, by area | 88% | 87% |
| Letting ratio, economic | 89% | 87% |
| NOI yield, total portfolio, 12 month average | 4.7% | 5.2% |
| NOI yield, excluding projects and land, 12 month average | 5.6% | 6.3% |
| Total return, 12 month average | 16.5% | 6.2% |
| Weighted Average Unexpired Lease Term, years | 3.7 | 3.8 |
| Average annual rent, SEK/sqm | 992 | 910 |
| FINANCIAL KEY RATIOS | | |
| Rental income, SEK million | 656 | 651 |
| Net Operating Income, SEK million | 488 | 481 |
| Income from property management, SEK million | 267 | 254 |
| Excess ratio, 12 month average | 74% | 74% |
| Total assets, SEK million | 12,290 | 10,233 |
| Average interest rate, total debt | 2.3% | 2.2% |
| Average interest maturity, years | 3.7 | 2.5 |
| Average loan maturity, years | 2.5 | 2.6 |
| Interest Cover Ratio, 12 month average | 3.0 | 2.9 |
| Loan to Value, total assets | 46% | 50% |
| Loan to Value, property level | 37% | 47% |
| Equity ratio | 43% | 40% |
| Return on Equity, 12 month average | 26% | 7% |
| STOCK RELATED KEY RATIOS | | |
| Market capitalization, SEK million | 8,656 | 4,327 |
| Stock price, SEK | 304.50 | 152.50 |
| Book equity per share, SEK ¹⁾ | 155.84 | 115.16 |
| Long term net asset value, SEK million | 5,310 | 3,875 |
| Long term net asset value, per share, SEK | 186.80 | 136.59 |
| Actual net asset value, SEK million | 4,852 | 3,533 |
| Actual net asset value, per share, SEK | 170.67 | 124.53 |
| Profit per share before dilution, SEK | 40.75 | 7.17 |
| Profit per share after dilution, SEK | 40.67 | 7.17 |
| Cash flow from operations per share, SEK | 7.87 | 9.68 |
| No. of outstanding shares, end of period | 28,428,265 | 28,371,441 |
| No. of outstanding shares, average in period | 28,385,141 | 28,281,230 |
| OTHER RATIOS | | |
| No. of employees, end of period | 55 | 54 |
| No. of employees, average in period | 54 | 54 |

¹⁾ Book equity excluding hybrid capital per share.

For definitions, please see page 29. Explanations to the used key ratios can also be found on www.stendorren.se

FINANCIAL TARGETS

OUTCOME Q4 2021

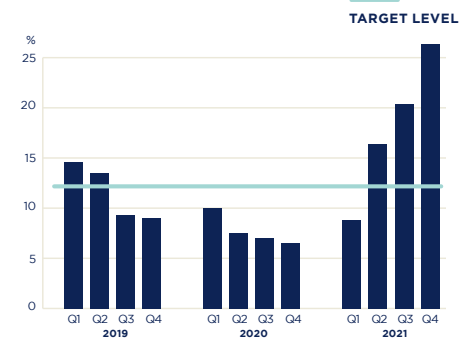
HISTORIC PERFORMANCE

ROE (AVERAGE)

The long term average Return On Equity shall exceed 12%

26%

The Return On Equity (calculated as 12 month average) amounted to 26%,

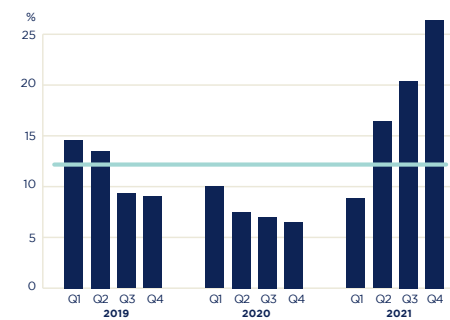


NAV GROWTH

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

37%

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

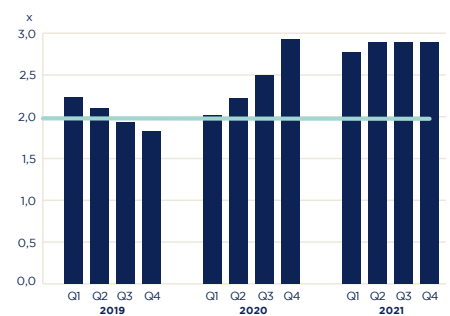


ICR

Long term ICR shall exceed 2.0X.

3.0

The interest coverage ratio amounts to 3.0.

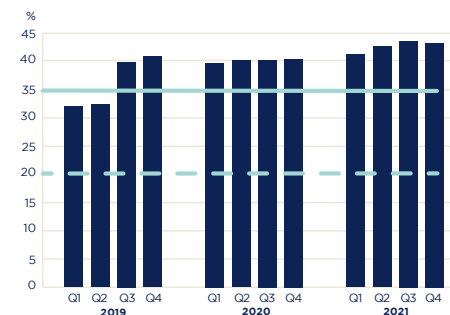


EQUITY RATIO

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

43%¹⁾

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



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 0.8%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| AMOUNTS IN SEK MILLION | 2021 JAN-DEC | 2020 JAN-DEC | 2021 OKT-DEC | 2020 OKT-DEC |
|--|-----------------|-----------------|-----------------|-----------------|
| Rental income | 653 | 631 | 169 | 162 |
| Other income | 3 | 20 | 2 | 9 |
| Total income | 656 | 651 | 172 | 171 |
| Operating expenses | -123 | -114 | -35 | -36 |
| Maintenance costs | -27 | -36 | -7 | -10 |
| Property tax | -18 | -21 | -3 | -4 |
| Net operating income | 488 | 481 | 126 | 121 |
| Central administration | -77 | -86 | -27 | -23 |
| Financial income | 1 | 2 | 1 | 0 |
| Financial expenses | -135 | -134 | -34 | -32 |
| Leasing cost, ground rent | -9 | -9 | -2 | -2 |
| Profit from property management | 267 | 254 | 64 | 64 |
| Change in value of investment properties | 1,235 | 98 | 457 | 66 |
| Change in value of financial instruments | 20 | -10 | 12 | 1 |
| Income before tax | 1,523 | 342 | 533 | 131 |
| Deferred tax | -311 | -84 | -110 | -38 |
| Current tax | -2 | -1 | -2 | -1 |
| Net income for the period | 1,209 | 256 | 421 | 92 |
| Other comprehensive income | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,209 | 256 | 421 | 92 |
| <i>Comprehensive income for the period attributable to parent company's shareholders</i> | 1,209 | 256 | 421 | 92 |
| Earnings per share, SEK | 40.75 | 7.17 | 14.35 | 2.79 |
| Earnings per share, after dilution, SEK | 40.67 | 7.17 | 14.30 | 2.79 |
| Average number of shares during the period, millions | 28.39 | 28.28 | 28.43 | 28.37 |
| Average number of shares during the period, after dilution, millions | 28.44 | 28.31 | 28.53 | 28.38 |

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with 2020, Stendörren reports for January to December 2021 approximately SEK 5 million higher revenues and net operating income increased with SEK 7 million.

Higher heating and snow removal costs in the first quarter compared to the corresponding period in 2020 and one-off compensations of approximately SEK 20 million were received during the previous period, which was recognized as other revenues, counteracts increase in net operating income. After deduction of financing costs and central administrative expenses income from property management sums up to approximately SEK 267 million (254), which represents an increase of approximately 5 % compared with the same period 2020. Profit for the year amounts to SEK 1,209 million (256) corresponding to SEK 40.75 per share (7.17).

RENTAL INCOME

Rental income increased during the period by 3 % to SEK 653 million (631). The increased 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 decreased to SEK 168 million (170) compared with the same period the previous year. Property costs in the Comparable Portfolio decreased by approximately SEK 4 million which corresponds to about 2 %. Lower maintenance costs compared with the previous year, together with a greater focus on energy savings in the property portfolio, have reduced total property costs. Costs for heating and snow removal as a result of a colder year compared with the previous year, but also higher energy prices, counteract the reduction.

CENTRAL ADMINISTRATION

The costs for central administration during the period

amounted to SEK 77 million (86) 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 2 % to -134 SEK million (-132) on account of additional costs of approximately SEK 6 million for early repayment of bonds during the first quarter of 2021. Lower interest levels during the period counteracts the increase. For details on interest rates, see page 20.

INCOME FROM PROPERTY MANAGEMENT

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

VALUE CHANGES

The reported change in the fair value of the properties amounts to SEK 1,235 million (98) for the period, which corresponds to 13.0 % 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 by improved cash flows through new and renegotiated leases, as well as changes to assumptions regarding market rents and yield requirements, for details see page 19. The change in value of the building rights portfolio is explained, among other things, by the identified increase in project potential, for example in Almnäs, see further under section The Projects Portfolio on page 17. The market valuation of the interest rate derivatives resulted in a change in value of SEK 20 million (-10).

TAX

The tax expense in the income statement consists of current tax of SEK -2 million (-1) and deferred tax of SEK -311 million (-84).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

| AMOUNTS IN SEK MILLION | 31 DEC 2021 | 31 DEC 2020 |
|--------------------------------------|---------------|---------------|
| ASSETS | | |
| <i>Non-current assets</i> | | |
| Intangible assets | 3 | 4 |
| Investment properties | 11,693 | 9,533 |
| Land leases | 238 | 225 |
| Equipment | 3 | 6 |
| Other long-term receivables | 2 | 3 |
| Interest rate derivatives | 45 | 6 |
| Total non-current assets | 11,984 | 9,777 |
| <i>Current assets</i> | | |
| Other current receivables | 146 | 95 |
| Cash and bank balances | 160 | 361 |
| Total current assets | 306 | 456 |
| TOTAL ASSETS | 12,290 | 10,233 |
| EQUITY AND LIABILITIES | | |
| Equity | 5,216 | 4,053 |
| <i>Non-current liabilities</i> | | |
| Interest-bearing liabilities | 4,868 | 4,081 |
| Other non-current liabilities | 22 | 12 |
| Leaseholds land leases | 238 | 225 |
| Deferred tax liability | 925 | 613 |
| Provisions | 4 | 4 |
| Total non-current liabilities | 6,058 | 4,935 |
| <i>Current liabilities</i> | | |
| Interest-bearing liabilities | 755 | 1 018 |
| Other current liabilities | 261 | 227 |
| Total current liabilities | 1,016 | 1,245 |
| TOTAL EQUITY AND LIABILITIES | 12,290 | 10,233 |
| <i>Equity attributable to</i> | | |
| Parent company shareholders | 5,216 | 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 December 31, 2021, the value of the total property portfolio amounted to SEK 11,693 million (9,533). For analysis and comments on the property portfolio, see pages 14-16.

CURRENT ASSETS

Current assets amount to SEK 306 million (456) at the end of the accounting period, consisting of cash and cash equivalent funds of SEK 160 million (361) and rental receivables and other current receivables of 146 million SEK (95).

EQUITY

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

INTEREST-BEARING LIABILITIES

The reported value of the Group's interest bearing liabilities at the end of the reporting period amounts to SEK 5,624 million (5,099) corresponding to a loan-to-value ratio of 46 % (50). The liabilities consist of loans from credit institutions of SEK 4,339 million (4,455), bonds of SEK 1,300 million (650) and seller notes of SEK 10 million (10). Loan arrangement

costs of -25 million (16) 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 755 million (1,018) 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 925 million (613) on December 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, amounting to SEK 261 million (227).



CONSOLIDATED CHANGES IN EQUITY

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

| AMOUNTS IN SEK MILLION | SHARE CAPITAL | OTHER CAPITAL CONTRIBUTED | RETAINED EARNINGS | HYBRID BOND | TOTAL SHAREHOLDERS' 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 |
| Closing balance equity 2019-12-31 | 17 | 1,165 | 1,872 | 786 | 3,840 |
| Repurchase share option programme | | -8 | | | -8 |
| Share option programme | | 18 | | | 18 |
| Dividend hybrid bond | | | -54 | | -54 |
| Comprehensive income Jan-Dec 2020 | | | 256 | | 256 |
| Closing balance equity 2020-12-31 | 17 | 1,175 | 2,075 | 786 | 4,053 |
| Share option programme | | 6 | | | 6 |
| Dividend hybrid bond | | | -52 | | -52 |
| Comprehensive income Jan-Dec 2021 | | | 1,209 | | 1,209 |
| Closing balance equity 2021-12-31 | 17 | 1,181 | 3,232 | 786 | 5,216 |

CONSOLIDATED CASH FLOW STATEMENT

CONDENSED

| AMOUNTS IN SEK MILLION | 2021 JAN-DEC | 2020 JAN-DEC | 2021 OKT-DEC | 2020 OKT-DEC |
|---|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | | | | |
| Profit from property management | 267 | 254 | 64 | 64 |
| Adjustment for other non-cash items | 20 | 2 | 9 | -1 |
| Income tax paid | -1 | -2 | 12 | 13 |
| Cash flow from operating activities before change in working capital | 287 | 254 | 86 | 76 |
| <i>Changes in working capital</i> | | | | |
| Change in operating receivables | -52 | -11 | -81 | 12 |
| Change in operating liabilities | -12 | 30 | 18 | 12 |
| Cash flow from operating activities | 223 | 274 | 23 | 99 |
| <i>Investment activities</i> | | | | |
| Investments in existing properties | -256 | -200 | -68 | -85 |
| Other investments and sales | 2 | -1 | 4 | -3 |
| Property acquisitions | -668 | -150 | -365 | -64 |
| Property sales | - | 62 | - | 37 |
| Cash flow from investment activities | -922 | -288 | -429 | -114 |
| <i>Financing activities</i> | | | | |
| Issued capital | 6 | 10 | - | - |
| Dividend hybrid bond | -52 | -54 | -12 | -13 |
| Raised interest bearing liabilities | 1,635 | 1,793 | 780 | 89 |
| Repayment of interest bearing liabilities | -1,101 | -1,509 | -321 | -108 |
| Deposits | 10 | -2 | 3 | 0 |
| Cash flow from financing activities | 498 | 238 | 450 | -32 |
| Cash flow for the period | -201 | 224 | 43 | -47 |
| Cash and cash equivalents at the beginning of period | 361 | 138 | 117 | 407 |
| Cash flow for the period | -201 | 224 | 43 | -47 |
| Cash and cash equivalents at the end of the period | 160 | 361 | 160 | 361 |

PROPERTY PORTFOLIO SUMMARY

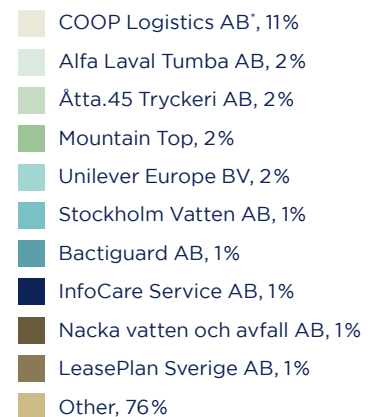
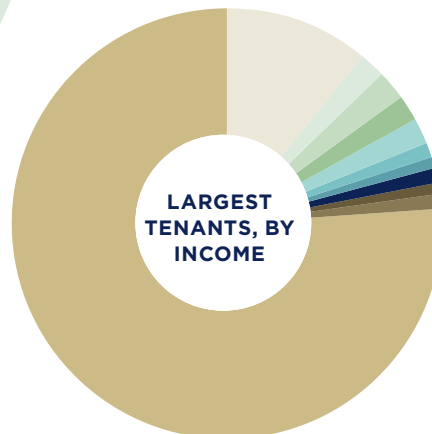
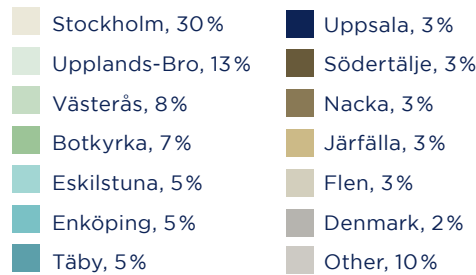
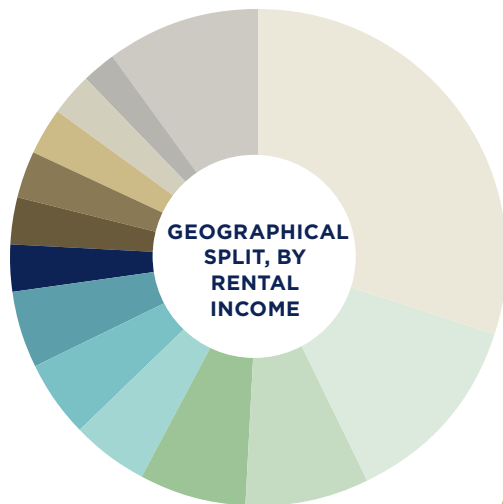
PROPERTY PORTFOLIO DECEMBER 31

Stendörren's property portfolio consists of 135 properties as at December 31 2021, primarily located in the Stockholm and Mälardalen region with a total market value of SEK 11,693 million. The property portfolio is reported quarterly at fair value. All properties are externally valued at least once a year. 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. At the end of the reporting period, the total property portfolio comprised of approximately 793,000 sqm of lettable area. The corresponding area for the portfolio of investment properties amounts to approximately 749,000 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 (21 % 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 84 % of the properties have at least two tenants. During the period, the property portfolio increased by SEK 2,160 million. The increase is due to property acquisitions amounting to SEK 668 million. In addition, a total of SEK 256 million was invested in existing properties while unrealized changes in

value totalling SEK 1,235 million were reported (see table on page 19).

GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

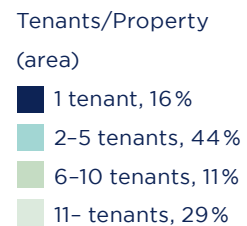
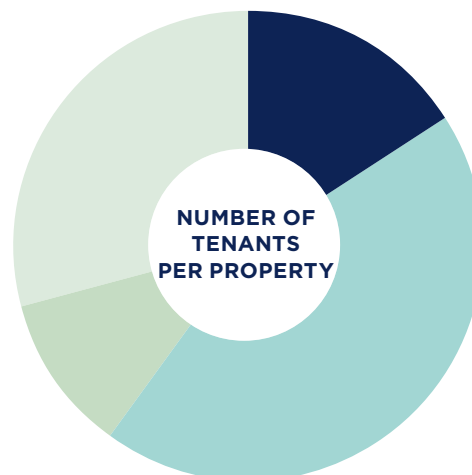
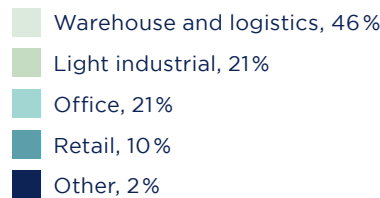
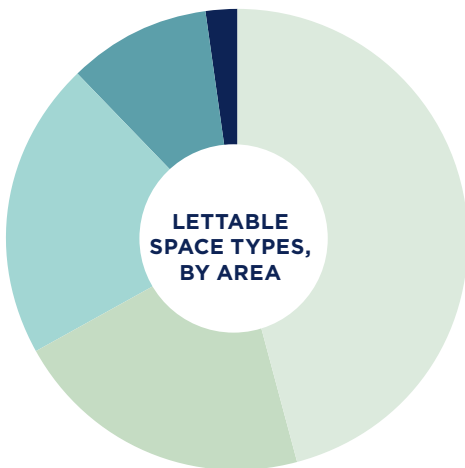
Stendörren puts a lot of effort into identifying interesting industrial areas with potential in Greater Stockholm and the rest of the Mälardalen region. The focus is on developing and strengthening the presence in these areas. The total rental income for Stendörren consists of approximately 68 % of rental income from properties in the Stockholm region. In Högdalen's industrial area, Stendörren has a larger concentrated property portfolio, which entails synergies both in terms of 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 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 transport routes and future growth. During 2021 Stendörren acquired properties in two of the company's existing markets, Eskilstuna and Västerås, but also expanded to the three new markets; Borås / Viared, Copenhagen and Oslo.



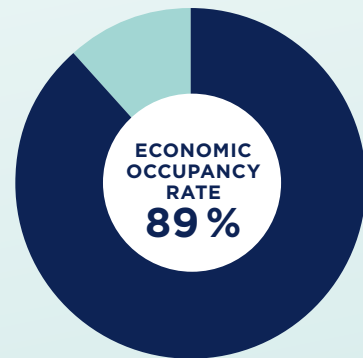
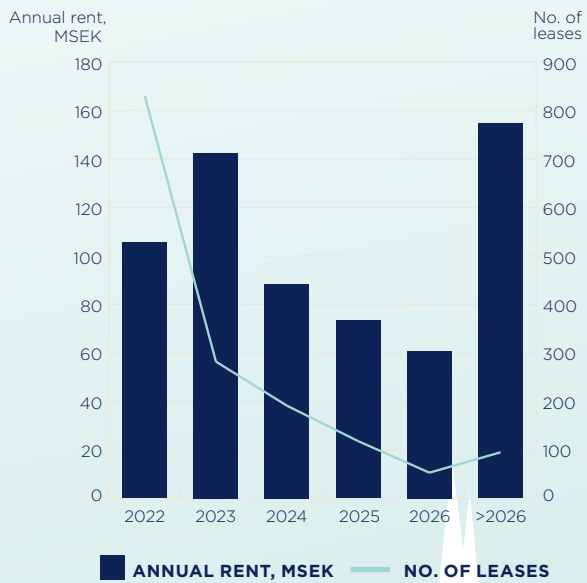
TENANTS AND RENTAL AGREEMENTS

The tenants in the property portfolio range from well-established small to medium sized companies and large multinational businesses in several sectors. As at December 31, 2021, the ten largest leases made up 24 % 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. Stendörren strives to sign long-term leases with its tenants and the average lease duration as of the balance sheet date was 3,7 years. The company also strives for a diversified maturity structure. A combination of long leases with staggered maturities helps to reduce the risk of vacancies and rental losses. During the reporting period, actual rental losses amounting to SEK 2.1 million have been reported. During the period SEK 4.7 million of provisions for uncertain rent receivables have been booked. Stendörren works proactive and continuously to renegotiate the leases in line

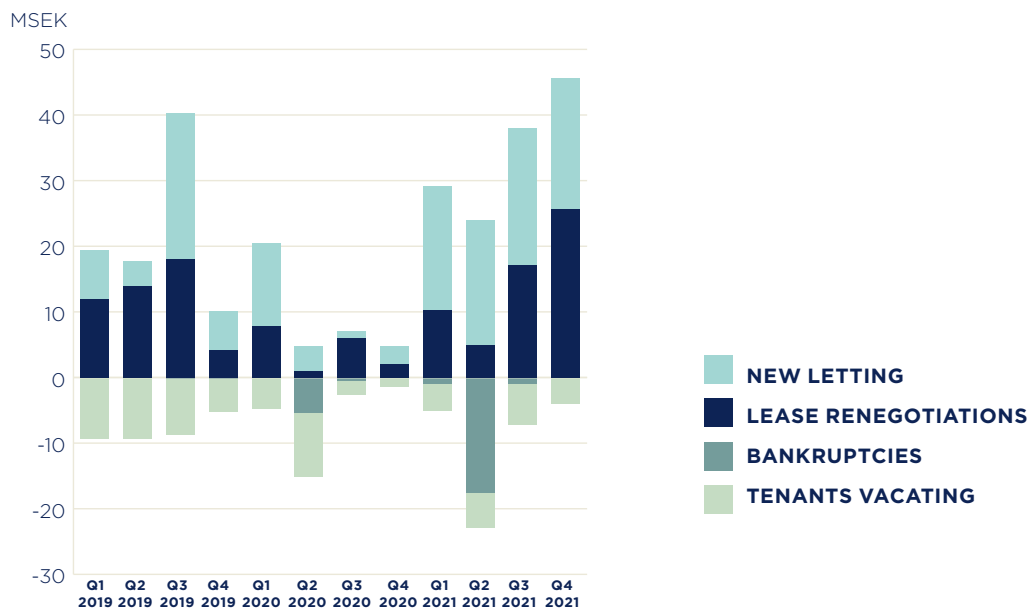
with current market rents. The area-weighted occupancy rate in Stendörren's investment properties is at 88 % as of December 31, 2021, and the economic occupancy rate was 89 %. The occupancy rate is a static measure of the rental situation on the report date and may vary a few percentage points up or 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 quarter amounts to a total of approximately SEK 16 million. Lease agreements that were renegotiated during the quarter led to an increase in rental values of 28 % on weighted average. During the quarter, new lease agreements with an annual rental value of approximately SEK 46 million were signed. These consists of both renegotiated lease agreements and lease agreements with new tenants signed.



ANNUAL LEASE EXPIRY AT 31 DECEMBER 2021, ANNUAL RENT



NET LETTING



PROJECTS PORTFOLIO SUMMARY

OVERVIEW

As of December 31, 2021, Stendörren had 28 properties wholly or partly consisting of building rights in total amounting to 651,702 sqm, 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 and growth locations 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 will 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 SQM.) | STATUS ZONING | ESTIMATED POSSIBLE CONSTRUCTION START** |
|--------------|--------------------|--|------------------------|---|
| Upplands-Bro | Logistics | 400,000 | Within current zoning | 2022-2023 |
| Södertälje | Logistics | 61,800 | Within current zoning | 2022-2026 |
| Eskilstuna | Logistics | 10,000 | Within current zoning | 2022-2024 |
| Stockholm | Light industrial | 8,000 | Within current zoning | 2022-2023 |
| Enköping | Logistics | 8,000 | Within current zoning | 2022-2023 |
| Upplands-Bro | Logistics | 7,400 | Within current zoning | 2022-2023 |
| Upplands-Bro | Light industrial | 2,500 | Within current zoning | 2022-2023 |
| Enköping | Light industrial | 4,500 | Within current zoning | 2022-2023 |
| Enköping | Light industrial | 2,000 | Within current zoning | 2022-2024 |
| Upplands-Bro | Light industrial | 1,500 | Within current zoning | 2022-2023 |
| Botkyrka | Residential | 57,000 | Within current zoning | 2023-2024 |
| Sollentuna | Residential | 7,000 | Zoning change required | 2023-2024 |
| Västerås | Light industrial | 2,000 | Within current zoning | 2023-2024 |
| Uppsala | Light industrial | 1,500 | Within current zoning | 2023-2024 |

* May deviate from what is technically and commercially viable

** Start of first phase, projects 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 three last quarters, six applications for building permit have been submitted, one for residential purposes, three for stock-warehouse and light industrial and two for logistics. During the third quarter, a legally valid building permit was obtained for logistics within the Viby property at 19:66. During the fourth quarter, the company received two more legally valid building permits regarding Hjulsmeden 1 in Västerås and Librobäck 21: 3 in Uppsala. At the beginning of the first quarter of 2022, a building permit for Almnäs 5:23

also came into legal force. Rental work is in progress and the assessment is that ongoing projects with legally binding building permits can be completed in 2022. All projects are located in well established and expansive areas where there is a clear demand.

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* SEKM | CURRENT PHASE |
|-------------------------------|----------------------|----------------------|------------------|----------------------------|-------------------------|
| Almnäs 5:23 | New logistics | Q4 2022 | 11,400 | 166 | Construction started*** |
| 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 | 5,600 | 100 | Construction started*** |
| Almnäs 5:24 | New light industrial | Q1 2023 | 2,100 | 39 | Design and planning** |
| Almnäs 5:24 | New light industrial | Q3 2023 | 2,100 | 39 | Design and planning** |
| Tegelbruket 1 | New residential | Q3 2024 | 18,000 | - | Design and planning** |
| Total ongoing projects | | | 43,900 | 422 | |

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

**Application for building permit submitted

***Ground or building permit are obtained

FINALIZED PROJECTS

| PROPERTY | DESCRIPTION | COMPLETION | SIZE, NET SQ. M. | INVESTMENT, SEKM |
|---------------------------------|--------------------|------------|------------------|------------------|
| Båglampan 35 | Tenant improvement | Q1 2021 | 5,300 | 35 |
| Kälby 1:55 | Tenant improvement | Q1 2021 | 19,607 | 36 |
| Total finalized projects | | | 24,907 | 71 |

PROPERTY VALUATION

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

The valuation model used by both the external valuation firms and Stendörren is based on a discounted cash flow model, supplemented with local price analyses. The valuation model and parameters 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 projects, interest expense is capitalized during the development period.

The combined market value of the property portfolio as of December 31, 2021 amounts to SEK 11,693 million. A summary of the valuation parameters is found in the table below. The external valuations carried out during the year have been performed mainly by Nordier Property Advisors, CBRE and Newsec Sweden. The building rights within the property

portfolio, totally valued at SEK 1,634 million (1,363), are valued based on local price analysis and comparison to other similar properties recently sold. The change in value of the building rights portfolio is explained, among other things, by the identified increase in project potential in Almnäs, see further under the section Project portfolio on page 17. Changes in value of the property portfolio during the period amounted to SEK 1,235 million (98). The changes in value of the real estate portfolio during the period are driven partly by changes in cash flow through new and renegotiated leases or changed costs and partly by changed assumptions of market rents as well as adjusted yield requirements. Average yield requirements have been reduced slightly compared to the previous quarter and the average yield requirement of the property valuations as of December 31, 2021 amounted to 5.7% (see table of valuation parameters below).

| CHANGE IN VALUE, PROPERTIES | JAN-DEC 2021 |
|-------------------------------|--------------|
| Change in yield requirements | 577 |
| Change in operating net, etc. | 398 |
| Building rights | 261 |
| Total | 1,235 |

| VALUATION PARAMETERS (PREVIOUS YEAR IN BRACKETS) | MIN | MAX | WEIGHTED AVERAGE |
|---|-------------|---------------|---------------------|
| Market yield requirement | 4.8% (4.8%) | 8.0% (13.5%) | 5.7% (6.0%) |
| Discount rate, cash flow | 6.0% (4.8%) | 10.2% (15.2%) | 7.6% (8.1%) |
| Discount rate, residual value | 6.8% (7.1%) | 10.2% (15.8%) | 7.7% (8.2%) |
| Long term vacancy assumption | 3.0% (4.0%) | 30.0% (30.0%) | 6.1% (6.4%) |

| CHANGE IN REPORTED VALUE, PROPERTIES | JAN-DEC 2021 | JAN-DEC 2020 |
|---|---------------|--------------|
| Investment properties, beginning of period | 9,533 | 9,147 |
| Property acquisitions | 668 | 150 |
| Property sales | - | -62 |
| Investments in existing properties | 256 | 200 |
| Value changes in existing properties | 1,235 | 98 |
| Investment properties, end of period | 11,693 | 9,533 |

FINANCING

As of December 31, 2021, the average time to maturity of the interest bearing liabilities to credit institutions amounted to 2.4 years (3.0). Including the bond loans, the average time to maturity amounts to 2.5 years (2.6). Stendörren uses interest derivatives to hedge against sharp rise in the reference rate Stibor 90, through a portfolio of interest-caps with an average Stibor cap-level of 1.80% and a total nominal value of SEK 4,284 million. Stendörren also has an 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 3.7 years (2.5).

The average interest rate on the company's loans from credit institutions was 1.9% (1.9) and the average interest on total interest bearing debt amounted to 2.3% (2.2). Stendörren has one bond loan (2021-2024) of SEK 700 million with an interest of Stibor 90 plus 3.65% and Stendörren's second bond loan (2021-2025) amounts to SEK 600 million with an interest rate of Stibor 90 plus 3.90%. Interest and capital maturities for all interest-bearing liabilities are distributed over years according to the table below (the amounts constitute nominal amounts and exclude prepaid financing fees).

INTEREST- AND LOAN MATURITY

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

1) The interest maturity for 2022 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 | 2,8 | 2.00% | 4.68 |
| Danske Bank | Interest cap | 600 | 5,9 | 1.00% | 3.77 |
| Danske Bank | Interest cap | 300 | 2,9 | 1.00% | 3.77 |
| Swedbank | Interest cap | 1,100 | 10,0 | 2.00% | 4.96 |
| Swedbank | Interest cap | 750 | 6,9 | 2.00% | 4.98 |
| Swedbank | Interest cap | 250 | 0,0 | 2.25% | 1.74 |
| Swedbank | Interest cap | 250 | 0,3 | 2.25% | 2.75 |
| Swedbank | Interest cap | 550 | 4,3 | 2.00% | 4.68 |
| Nordea | Interest cap | 184 | 0,1 | 1.50% | 1.96 |
| Total | | 4,284 | 33.3 | 1.80% | 4.21 |

INTEREST DERIVATIVES

| COUNTERPART | TYPE OF DERIVATIVE | NOMINAL VALUE, MSEK | FAIR VALUE, MSEK | INTEREST | YEARS REMAINING |
|--------------|--------------------|---------------------|------------------|-----------------|-----------------|
| Swedbank | Interest rate swap | 800 | 11,3 | -0.0875% | 2.72 |
| Total | | 800 | 11.3 | -0.0875% | 2.72 |

SUSTAINABILITY

Stendörren's sustainability strategy is permeated by two complementary perspectives. One perspective is about ensuring that the company acts responsibly with controlled risk and in line with expectations and requirements. The second perspective is about contributing to a sustainable development in a way that engages both internally and externally and at the same time strengthens Stendörren's operations.

Stendörren's sustainability work was developed in 2017 resulting in a sustainability strategy for the period 2018–2022. Read more in the Sustainability Report 2020 at www.stendorren.se. In practice, the same sustainability strategy also applied in 2021. In parallel a renewed sustainability strategy, including sustainability targets, was developed.

During the process, the operations has been scrutinized in multiple perspectives. Partly from the outside in and with a macro perspective, to understand how societal challenges affect the company and its market, and partly through a stakeholder dialogue where the company's advisers, banks, employees, board and management as well as tenants have answered questions about how the company best may contribute to sustainable development. In addition, the company has benchmarked its sustainability reporting with other

companies in the industry. Subsequently, a materiality analysis has been performed. The outside-in perspective together with the stakeholder dialogue and materiality analysis have formed the basis for Stendörren's renewed sustainability strategy and sustainability targets, which have been presented to the Board of directors in early 2022. A complete sustainability report, including decided new strategy and new targets, will be presented in full in the upcoming Annual Report 2021.

A risk analysis related to Stendörren's most material sustainability areas are evaluated annually, within the company's regular risk assessment. Identified risks and risk management are to be found in the Annual Report 2020 and will be updated in the Annual Report 2021. An 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, in areas where Stendörren's business has an fundamental impact:



The accelerating societal development means exciting possibilities within digitalisation and new technology. But the future also calls for increased demands on environmentally friendly, efficient and secure deliveries. The logistics industry is facing increased demand 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, we can create modern and sustainable work environments for our tenants and their customers. Consequently, this is how Stendörren is contributing to and developing sustainable production, distribution and logistics for the future.



Our 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.

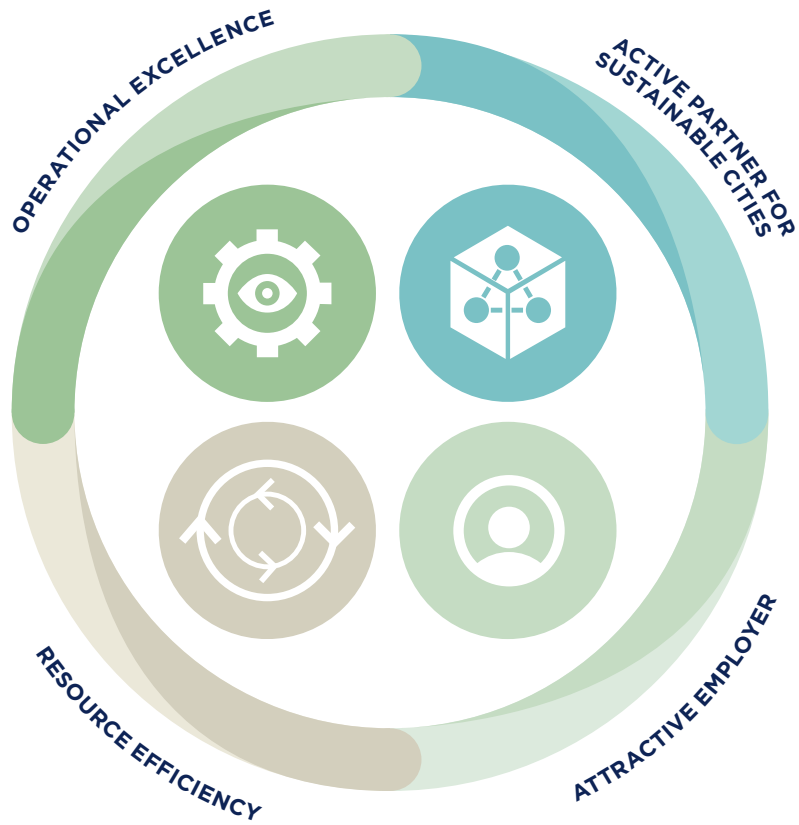


Health and wellness are prioritised areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the section Attractive Employer.



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
- FINANCING
- HUMAN RIGHTS

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

- ENERGY EFFICIENCY
- CONSCIOUS CHOICE OF MATERIAL
- WASTE MANAGEMENT
- ENVIRONMENTALLY CERTIFIED PROPERTIES
- PREVENT POLLUTION AT TENANTS PREMISES
- 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. 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 109 million in recharged services rendered by own staff. Net interest income consists of net charged interest on intercompany loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of December 31, 2021 amounted to SEK 54 million (101) and the equity amounted to SEK 1,709 million (1,736).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

| AMOUNTS IN SEK MILLION | 2021 JAN-DEC | 2020 JAN-DEC | 2021 OCT-DEC | 2020 OCT-DEC |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 109 | 106 | 38 | 33 |
| Operating expenses | -114 | -106 | -40 | -33 |
| Profit before financial items | -5 | 0 | -2 | 0 |
| <i>Financial items</i> | | | | |
| Net financial items | 20 | 0 | 7 | -15 |
| Profit after financial items | 15 | 0 | 5 | -15 |
| Allocations | 4 | 75 | 4 | 75 |
| Profit before tax | 19 | 75 | 9 | 60 |
| Current tax | 0 | -15 | 0 | -15 |
| Profit for the period | 19 | 60 | 9 | 45 |

BALANCE SHEET PARENT COMPANY IN SUMMARY

| AMOUNTS IN SEK MILLION | 31 DEC 2021 | 31 DEC 2020 |
|---------------------------------------|--------------|--------------|
| ASSETS | | |
| <i>Non-current assets</i> | | |
| Intangible assets | 3 | 4 |
| Equipment | 4 | 4 |
| Shares/participations in subsidiaries | 929 | 978 |
| Receivables from subsidiaries | 2,894 | 2,171 |
| Deferred tax assets | 1 | 1 |
| Total non-current assets | 3,831 | 3,159 |
| <i>Current assets</i> | | |
| Receivables from subsidiaries | 124 | 33 |
| Current receivables | 4 | 5 |
| Cash and cash equivalents | 54 | 101 |
| Total current assets | 182 | 139 |
| TOTAL ASSETS | 4,013 | 3,298 |
| EQUITY AND LIABILITIES | | |
| Equity | 1,709 | 1,736 |
| <i>Non-current liabilities</i> | | |
| Interest bearing liabilities | 1,286 | 649 |
| Liabilities to subsidiaries | 886 | 720 |
| Total non-current liabilities | 2,173 | 1,369 |
| <i>Current liabilities</i> | | |
| Liabilities to subsidiaries | 97 | 169 |
| Other current liabilities | 35 | 23 |
| Total current liabilities | 132 | 192 |
| TOTAL EQUITY AND LIABILITIES | 4,013 | 3,298 |

SHARE CAPITAL AND OWNERSHIP

SHARE CAPITAL

The share capital in Stendörren amounts to SEK 17,056,959, split between 2,500,000 Class A shares and 25,928,265 Class B shares. Each share has a quotient value of SEK 0.60. A–shares in Stendörren are entitled to ten votes at a general meeting and B–shares are entitled to one vote at a general meeting. 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 May 20, 2021, the Annual General Meeting resolved to authorize the Board of Directors to, up until the next Annual General Meeting, with or without deviation from the shareholders’ preferential rights, with cash payment or payment through set–off or through capital contributed in kind, or otherwise with certain 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 a total of 10 percent calculated at the date for the Annual General 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 December 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 56,824 warrants that all holders, during the period 15–30 September 2021, chose to redeem against the same number of newly issued Class B shares which were subsequently registered by Euroclear. In the incentive program 2020–2025, there were 254,000 warrants at the end of the period that the holders, for a period of two weeks from the date of publication of the interim report for the period January 1–September 30 2025, are entitled to redeem against the same number of Class B shares at a subscription price of SEK 175 per share. Upon full exercise of the warrants in the outstanding program, the share capital will increase by SEK 152,400 by issuing 254,000 Class B shares, each with a quota value of SEK 0.6. The dilution at full utilization corresponds to approximately 0.9 % of the capital and 0.5 % of the number of votes based on the number of outstanding shares as of the reporting date.

STOCK EXCHANGE

The Stendörren Class B–share is traded on Nasdaq Stockholm Mid Cap. The company’s short name is STEF B. The company’s ISIN–code is SE0006543344. A trading item corresponds to one (1) share.

THE LARGEST SHAREHOLDERS BASED ON DATA FROM EUROCLEAR SWEDEN AB PER 31 DECEMBER 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 | 40.6 | 58.0 |
| ALTIRA AB | 3,050,000 | 500,000 | 2,550,000 | 10.7 | 14.8 |
| LÄNSFÖRSÄKRINGAR FASTIGHETFOND | 4,879,683 | 0 | 4,879,683 | 17.2 | 9.6 |
| SEB INVESTMENT MANAGEMENT | 2,709,095 | 0 | 2,709,095 | 9.5 | 5.3 |
| VERDIPAPIRFONDET ODIN EIENDOM | 1,060,672 | 0 | 1,060,672 | 3.7 | 2.1 |
| TREDJE AP-FONDEN | 750,000 | 0 | 750,000 | 2.6 | 1.5 |
| CARNEGIE SMÅBOLAGSFOND | 453,684 | 0 | 453,684 | 1.6 | 0.9 |
| ALFRED BERG | 329,213 | 0 | 329,213 | 1.2 | 0.7 |
| WARMLAND, BODIL | 249,975 | 0 | 249,975 | 0.9 | 0.5 |
| SEB LUXEMBOURG BRANCH | 248,000 | 0 | 248,000 | 0.9 | 0.5 |
| Other shareholders | 3,165,337 | 0 | 3,165,337 | 11.1 | 6.1 |
| TOTAL | 28,428,265 | 2,500,000 | 25,928,265 | 100.0 | 100.0 |

1) The total number of shareholders at the reporting date was 3,752.

OTHER INFORMATION

CALENDAR

- 2021 Annual- and Sustainability Report, week 17, April 2022
- Interim Financial Report Jan-Mar 2022, May 6 2022
- Annual General Meeting, May 24 2022
- Interim Financial Report Jan-Jun 2022, July 20 2022
- Interim Financial Report Jan-Sep 2022, November 8 2022
- Year-end Report 2022, February 22 2023

RELATED PARTY TRANSACTIONS

All transactions with related parties are conducted 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, primarily, 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 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. Regarding covid-19, Stendörren has been only slightly affected but follows developments. 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. Equivalent accounting and valuation principles as well as calculation methods have been applied as in the latest financial information submitted, see note 1 of 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.

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 describes the most significant risks and uncertainties that the parent company and the Group companies are facing.

STOCKHOLM FEBRUARY 22 2022

Andreas Philipson
Chairman

Seth Lieberman
Board member

Carl Mörk
Board member

Helena Levander
Board member

Henrik Orrbeck
Board member

Nisha Raghavan
Board member

Erik Ranje
Chief Executive Officer

This information is such that Stendörren Fastigheter AB is required to publish according to the EU Market Abuse Regulation. The information was provided, by the following contact person's office, for publication on February 23, 2022 at. 07.00 CET

APPENDIX 1

ASSESSED EARNINGS CAPACITY*

AS OF DECEMBER 31, 2021, the company's property portfolio comprised 135 wholly owned properties with approximately 793,000 sqm of lettable area. According to the company's assessment, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately SEK 705 million. The company also estimates that current property costs amount to approximately SEK -158 million on an annual basis. The portfolio is thus expected to produce an operating net of approximately

SEK 547 million on Group level. These data are only the company's own assessment on the present earning capacity as of 31 December 2021 without regard to ongoing lettings, possible 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 the management's 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 and 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.

AREA WEIGHTED 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 before dilution.

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 total income during the same period.

NET FINANCIAL COSTS

Net financial costs are the difference between interest income and interest expenses as well as leasing costs.

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 for new signed leases reduced by annual rent for terminations and annual rent on for bankruptcies.

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 an expansive real estate company listed on Nasdaq Stockholm Mid Cap. Our business concept is to create long-term profitable substance growth by managing, developing and acquire properties and building rights in logistics and light industry in growth regions. In addition, we refine commercial and industrial properties by creating housing rights for further development and management in attractive locations, primarily in Greater Stockholm and the Mälardalen region.

**FOR MORE INFORMATION,
PLEASE CONTACT:**

ERIK RANJE, CEO

erik.ranje@stendorren.se
+46 8 518 331 00

PER-HENRIK KARLSSON,

CFO

per-henrik.karlsson@stendorren.se
+46 8 518 331 00

STENDÖRREN

Stendörren Fastigheter AB
Linnégatan 87B
115 23 Stockholm
Tel +46 8 518 331 00
stendorren.se