

INTERIM FINANCIAL REPORT

JANUARY- SEPTEMBER 2022



THE QUARTER IN BRIEF

INCOME FROM PROPERTY MANAGEMENT:

SEK 232 MILLION

RENTAL INCOME:

SEK 541 MILLION

NET OPERATING INCOME:

SEK 412 MILLION



JANUARY–SEPTEMBER 2022

(January–September 2021 in parenthesis)

- Rental income increased by 12% to SEK 541 million (484) and net operating income increased by 14% to SEK 412 million (361).
- Income from property management increased by 14% to SEK 232 million (203).
- Net letting during the period amounted to a total of approximately SEK 36 million and new lease agreements with an annual rental value of approximately SEK 66 million were signed.
- Lease agreements that were renegotiated during the period led to an increase in rental values of 21% on weighted average.
- Cash flow from operating activities amounted to SEK 266 million (200), corresponding to SEK 9.36 per share (7.04).
- Changes in value of investment properties for the period amounted to SEK 210 million (779).
- Profit for the period amounted to SEK 547 million (788), corresponding to SEK 17.78 per share (26.39) before dilution and 17.75 per share (26.36) after dilution.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- On July 5, Stendörren made its first acquisition in Finland and acquired three industrial properties for a total of SEK 75 million in the Helsinki region.
- On July 8, Stendörren received a building permit for two buildings for light industry encompassing about 11,500 sqm in Stockholm Syd – in Almnäs, Södertälje.
- On September 8, the European Public Real Estate Association (EPRA) announced that Stendörren had been included in the EPRA index.
- During the quarter, Stendörren signed four new lease agreements with Myrorna, Beans in Cup, Hedin Bil and gop Sverige. The lease agreements concern about 10,900 sqm of premises in Botkyrka, Södertälje, Bromma and Upplands-Bro.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- At the beginning of November, Stendörren acquired three warehouse assets in the Copenhagen region. The total agreed property value amounts to approximately SEK 142 million and the total lettable area amounts to 9,852 sqm.

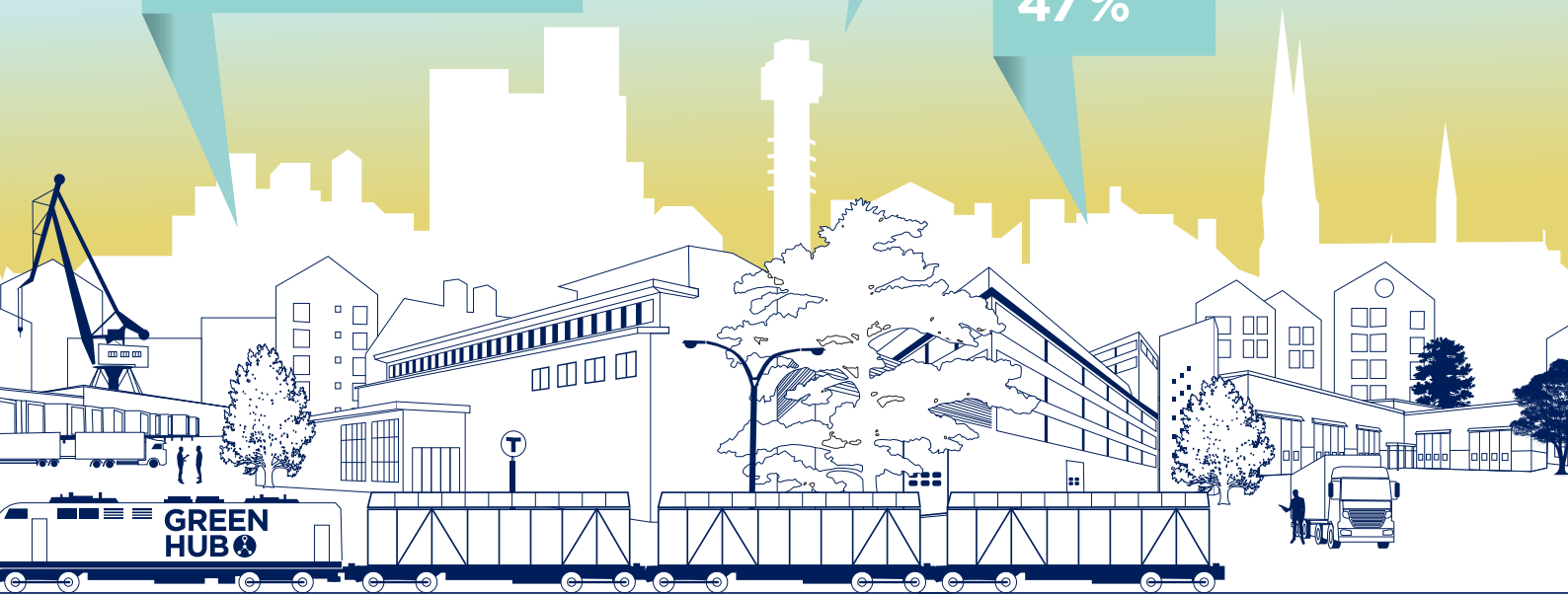
SWEDEN
DENMARK
NORWAY
FINLAND

EQUITY RATIO:
42%¹

LETTABLE AREA:
810,000 SQM

PROPERTY VALUE:
SEK 12,728 MILLION

LTV:
47%



1) The stated equity ratio is calculated excluding the lease liability resulting from the application of IFRS 16. If this liability item were to be included in the calculation, the equity ratio would be negatively impacted by approximately 0.7%.

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This report may contain discrepancies in totals in some tables due to rounding.

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

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

STATEMENT FROM THE CEO

STRONG OPERATIONAL PERFORMANCE AND RISK-REDUCING ACTION TAKEN

Despite greater uncertainty in the world, Stendörren reported favorable operational performance for the quarter with continuing strong net letting, a sustained positive trend in our project portfolio and the establishment of our operations in Finland. Our key ratios continued to strengthen and the Stendörren share was included in the EPRA index, which is well-established in the sector. In hindsight, we are also very pleased that even at the end of last year and the beginning of the year, we reduced risk in the company by refinancing loans – which resulted in stronger liquidity and longer maturities – extended interest-rate hedging and hedged electricity agreements at price levels that are significantly lower than those currently applicable in the market.

The value of our property portfolio amounted to SEK 12.7 billion at the end of the period, which is slightly higher than at the start of the year. The property value was positively impacted by strengthened cash flows, but adversely affected by slightly higher yield requirements.

Stendörren operates in a segment of the property market that to date has only been affected to a limited extent by a weaker economy. As we know, our tenants are in the logistics, warehouse and light industrial sectors and the underlying macro trends of urbanization, e-commerce and effective distribution provide stability for such operations and thus also for Stendörren. In addition, our lease agreements are essentially fully inflation-indexed, meaning that higher inflation leads to higher rental income. However, higher rent together with rising energy prices could present a challenge for many tenants, but we believe that we will nonetheless be able to implement these contractual rent increases for 2023. Furthermore, net letting remained strong and the economic occupancy rate increased 91% and – taking into account contracted new letting and vacancies forward-looking 12 months from the end of the reporting period – the rate amounted to 93%. Rental income, net operating income and income from property management increased by 12%, 14% and 14%, respectively, during the period. We can therefore see a continuing strong and solid performance from our business.

We also passed a new strategic milestone by establishing operations in Helsinki during the quarter. In less than a year we have thereby established operations in all Nordic capitals – sub-markets that are driven by the same macro trends as the Stockholm/Mälardalen region. And naturally we continue to see potential in all of these markets.

PROPERTY DEVELOPMENT WITH POTENTIAL

We are also continuing to take clear steps forward in our property development. What sets Stendörren apart from many of its industry colleagues is that in addition to 800,000 sqm of lettable area, we also have an extensive portfolio of 600,000 sqm in building rights for logistics, warehouse, light industry and residential use. We see huge potential in our business model whereby, for example, urban densification presents development opportunities in both commercial and residential properties. Our portfolio of building rights is thus a unique asset.

A prime example is the Viby 19:66 property in Brunna, Upplands-Bro, where we signed a seven-year lease with gop Sverige AB for premises of 2,700 sqm in a logistics building of a total of about 5,800 sqm during the period. We initially started the project speculatively but rapid leasing has demonstrated that we have a strong offering whereby we build sustainable and flexible premises that are modified to customer preferences in the final stages.

Market trends and rising inflation mean that we are currently prioritizing projects focusing on warehouse and logistics ahead of the residential projects that we have in our pipeline. But the residential side remains interesting given the current housing shortage. An exciting example in residential development is our initiative at the Skrubba 1:2 property in southern Stockholm with a view over the natural beauty of Lake Drevviken to the south. Our proposed changes to the zoning plan, from industrial area to residential area, that we submitted to the City of Stockholm recently resulted in a positive planning decision. The work on the zoning plan is expected to start in 2023 and create about 30,000 sqm gross building rights for residential purposes.



STABLE FINANCES AND LOWER RISK

Stendörren continues to have a stable and solid financial position. The equity ratio amounted to 42% at the end of the period. At the end of last year and during the first half of this year, we decided to reduce the company's financial risk in two stages, which in hindsight we are naturally very pleased about. We have carried out refinancing with several of the company's banks, which has led to a considerable strengthening of liquidity and also a significant extension of the average remaining maturity for our interest-bearing liabilities. In addition, we expanded our interest-rate hedges, thereby hedging about 80% of interest-bearing liabilities. We also decided to hedge about 80% of our expected electricity consumption during the current year and for 2023, and 50% of the expected electricity consumption for 2024 at favorable electricity prices.

BALANCED GROWTH

Due its healthy growth and stronger finances over the past two years, Stendörren has also started to garner international attention. At the start of September, the well-known industry organization EPRA announced that the Stendörren share had been included in the EPRA index. This resulted in the company receiving greater interest from international investors.

Despite increased uncertainty in our business environment, we have favorable opportunities to continue along the decided path, with healthy activity in leasing, property development and acquisitions. Naturally, we will closely follow market developments and remain flexible in our priorities, with a focus on striking a good balance between operational progress and growth on the one hand and risk in the other. A stable financial position provides us with many opportunities to do good business regardless of the economic climate.

Stockholm, November 8 2022

Erik Ranje
CEO
Stendörren Fastigheter AB (publ)

STENDÖRREN OVERVIEW

MISSION & OBJECTIVES

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

FINANCIAL OBJECTIVES

Stendörren has four financial objectives:

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

PROPERTY PORTFOLIO

As at September 30, 2022, the property portfolio of Stendörren consisted of 146 properties, primarily located in the Greater Stockholm and Mälardalen region with a total market value of SEK 12,728 million. The ten largest lease agreements accounted for about 22% of the total annual rent and the company's largest lease agreement with Coop Sweden represents approximately 10% of the total annual rent.

The total property portfolio comprised approximately 810,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 68% of the total lettable area.

At the end of the quarter, the company had 27 properties wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 615,000 sqm of the total building area (but may differ from what is technically and commercially viable), mainly for warehouse, logistics, light industrial use as well as for residential use. The market value of the building rights portfolio amounted to SEK 1,662 million (1,609) on the reporting date.

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

FINANCING

As of September 30, 2022, the company's equity amounted to SEK 5,722 million (4,807) and the Group's interest-bearing liabilities amounted to SEK 6,484 million (5,170), corresponding to a loan-to-value ratio of 47% (46).

The average time to maturity of interest-bearing liabilities amounted to 3.0 years (2.4) and the average interest maturity to 2.7 years (2.5). The average interest rate on the company's total interest-bearing loans including derivatives amounted to 3.7% (2.1) and the average interest rate on loans from credit institutions, on the reporting date, was 3.7% (1.9). On the reporting date, the company had one outstanding bond of SEK 700 million with a nominal interest rate of Stibor 90 plus 3.65%, maturing in April 2024 and a bond of SEK 600 million with an interest rate of Stibor 90 plus 3.90% with a final maturity in August 2025, and a hybrid bond of SEK 800 million with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

DIVIDEND

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

KEY RATIOS

	2022 JAN-SEP	2021 JAN-SEP	2021 JAN-DEC
Lettable area, sqm thousand	810	768	793
No. of properties	146	127	135
Fair value properties, SEK million	12,728	10,803	11,693
Letting ratio, by area, %	90	88	88
Economic occupancy rate, %	91	88	89
NOI yield, total portfolio, 12 month average, %	4.5	4.8	4.7
NOI yield, excluding projects and land, 12 month average, %	5.5	5.8	5.6
Total return, 12 month average, %	10.1	13.3	16.5
Weighted average unexpired lease term, years	3.7	3.6	3.7
Average annual rent, SEK/sqm	1,045	978	992
FINANCIAL KEY RATIOS			
Total income, SEK million	541	484	656
Net operating income, SEK million	412	361	488
Income from property management, SEK million	232	203	267
Surplus ratio, 12 month average, %	75	74	74
Total assets, SEK million	13,794	11,235	12,290
Average interest rate total liabilities, %	3.7	2.1	2.3
Average interest maturity at end of period, years	2.7	2.5	3.7
Average loan maturity at end of period, years	3.0	2.4	2.5
Interest coverage ratio, 12 month average, times	3.0	3.0	3.0
Loan-to-value ratio at end of period, %	47	46	46
Loan-to-value ratio, property level at end of period, %	41	41	37
Equity ratio at end of period, %	42	44	43
Return on equity, 12 month average, %	18	20	26
STOCK-RELATED KEY RATIOS			
Market capitalization, SEK million	4,918	6,554	8,656
Stock price at end of period, SEK	173.00	231.00	304.50
Book equity per share, SEK ¹⁾	173.66	141.76	155.84
Long-term net asset value, SEK million	5,713	4,829	5,310
Long-term net asset value per share, SEK	200.96	170.20	186.80
Current net asset value, SEK million	5,219	4,419	4,852
Current net asset value per share, SEK	183.58	155.74	170.67
Earnings per average number of shares before dilution, SEK	17.78	26.39	40.75
Earnings per average number of shares after dilution, SEK	17.75	26.36	40.67
Cash flow from operating activities per share, SEK	9.36	7.04	7.87
No. of shares, at end of period	28,428,265	28,371,441	28,428,265
Average no. of shares	28,428,265	28,371,441	28,385,141
OTHER RATIOS			
No. of employees at end of period	53	54	55
No. of employees, average for period	54	54	54

¹⁾ Book equity excluding hybrid capital per share.

For definitions, please see page 30. Explanations to the used key ratios can also be found on www.stendorren.se

FINANCIAL OBJECTIVES

OUTCOME Q3 2022

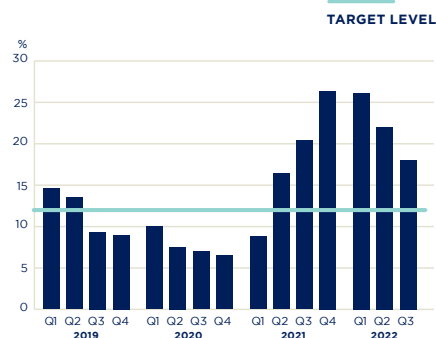
HISTORICAL PERFORMANCE

ROE (AVERAGE)

The long-term average return on equity shall exceed 12%.

18%

The return on equity (calculated as 12 month average) amounted to 18% at the end of the period.

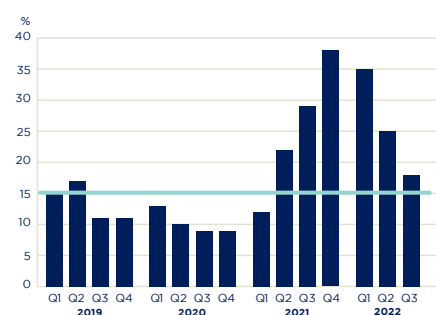


NAV GROWTH

Achieve growth in long-term net asset value amounting to at least 15%.

18%

At the end of the period, growth in long-term net asset value amounted to 18%.

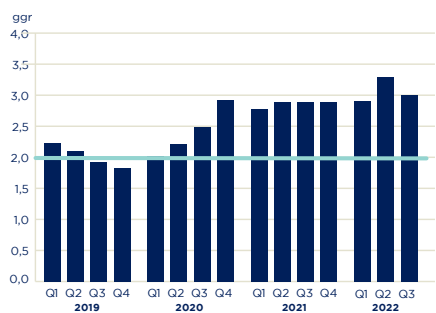


ICR

Long-term ICR shall exceed 2.0 times.

3.0 times

The interest coverage ratio amounted to 3.0 times.

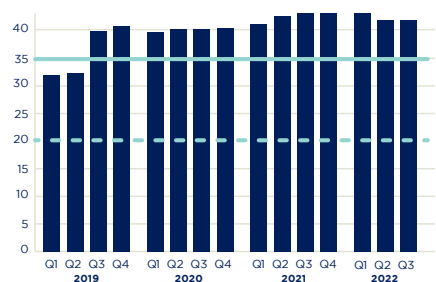


EQUITY RATIO

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

42%¹

The equity ratio amounted to 42% at the end of the period.



¹⁾ The stated equity ratio is calculated excluding the lease liability resulting from the application of IFRS 16. If this liability item were to be included in the calculation, the equity ratio would be negatively impacted by approximately 0.7%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONDENSED

AMOUNTS IN SEK MILLION	2022 JAN-SEP	2021 JAN-SEP	2022 JUL-SEP	2021 JUL-SEP	2021 JAN-DEC
Rental income	541	484	184	158	653
Other operating income	0	1	0	1	3
Total income	541	484	184	159	656
Operating expenses	-96	-88	-27	-20	-123
Maintenance costs	-15	-20	-5	-7	-27
Property tax	-19	-14	-8	-4	-18
Net operating income	412	361	144	127	488
Central administration	-57	-50	-20	-12	-77
Financial income	21	0	12	0	1
Financial expenses	-136	-102	-60	-32	-135
Lease expenses/Ground rent	-7	-7	-2	-2	-9
Income from property management	232	203	73	82	267
Change in value of investment properties	210	779	3	240	1,235
Change in value of financial instruments	250	8	66	2	20
Profit before tax	693	990	142	324	1,523
Deferred tax	-144	-202	-28	-70	-311
Current tax	-2	0	0	0	-2
Profit for the period	547	788	114	254	1,209
Translation differences	2	-	2	-	-
Other comprehensive income	2	-	2	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	548	788	115	254	1,209
<i>Comprehensive income for the period attributable to</i>					
Parent Company's shareholders	548	788	115	254	1,209
Earnings per share, before dilution, SEK	17.78	26.39	3.48	8.49	40.75
Earnings per share, after dilution, SEK	17.75	26.36	3.48	8.46	40.67
Average number of shares outstanding during the period, millions	28.43	28.37	28.43	28.37	28.39
Average number of shares during the period, after dilution, millions	28.48	28.41	28.44	28.48	28.44

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with 2021, Stendörren reported an increase of approximately SEK 57 million in income and of approximately SEK 51 million in net operating income for the January to September 2022 period. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 232 million (203), which represents an increase of approximately 14% compared with last year. Profit for the period amounted to SEK 547 million (788), corresponding to SEK 17.78 per share (26.39).

RENTAL INCOME

Rental income increased during the period by approximately 12% to SEK 541 million (484). The increased income was driven by higher rents in the portfolio (increase of approximately 5% in comparable portfolio compared to the corresponding period in 2021) as well as income from the properties acquired and closed during the reporting period.

PROPERTY EXPENSES

Recognized property expenses increased slightly to SEK 129 million (123). Total property expenses in the comparable portfolio decreased by approximately SEK 2 million, which corresponds to about 1%. Costs for higher energy prices offset the effect of a greater focus on energy savings together with lower maintenance costs in the property portfolio compared with last year.

CENTRAL ADMINISTRATION

Costs for central administration for the period amounted to SEK 57 million (50) and comprised costs for central administration, company management, Board and auditors.

NET FINANCIAL ITEMS

Net financial items for the period amounted to SEK -123 million (-108). The change (14%) compared with the year-earlier period was mainly due to higher lending and rising interest levels. Interest expense (including lease expenses) increased SEK 34 million compared with the year-earlier period. Financial income of SEK 21 million (0), mainly related to exchange rate gains, was also recognized for the period.

INCOME FROM PROPERTY MANAGEMENT

Income from property management increased by approximately 14% to SEK 232 million (203) during the reporting period, mainly due to higher rental income.

CHANGES IN VALUE

The company reported a change in the value of investment properties of SEK 210 million (779) for the period, which corresponds to 1.8% of the total market value of the property portfolio at the beginning of the year. The changes in the value of the property portfolio for the period were driven by changed cash flows based on new and renegotiated leases, as well as changes to assumptions regarding market rents and yield requirements, for details see page 21. The market valuation of the interest-rate derivatives resulted in a change in value of SEK 250 million (8) as per the reporting date. The main reason for the positive changes in value is that interest rates on longer maturities rose during the period.

TAX

The tax expense in profit or loss consists of current tax of SEK -2 million (0) and deferred tax of SEK -144 million (-202).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

AMOUNTS IN SEK MILLION	30 SEP 2022	30 SEP 2021	31 DEC 2021
ASSETS			
<i>Non-current assets</i>			
Intangible assets	2	2	3
Investment properties	12,728	10,803	11,693
Land leases	238	225	238
Equipment	2	7	3
Non-current receivables	4	3	2
Interest-rate derivative	295	14	45
Total non-current assets	13,269	11,054	11,984
<i>Current assets</i>			
Current receivables	76	65	146
Cash and cash equivalents	448	117	160
Total current assets	525	182	306
TOTAL ASSETS	13,794	11,235	12,290
EQUITY AND LIABILITIES			
Equity	5,722	4,807	5,216
<i>Non-current liabilities</i>			
Interest-bearing liabilities	5,728	4,256	4,868
Other non-current liabilities	31	20	22
Leaseholds land leases	238	225	238
Deferred tax liabilities	1,071	815	925
Other provisions	4	4	4
Total non-current liabilities	7,072	5,320	6,058
<i>Current liabilities</i>			
Interest-bearing liabilities	756	913	755
Other current liabilities	243	195	261
Total current liabilities	1,000	1,108	1,016
TOTAL EQUITY AND LIABILITIES	13,794	11,235	12,290
<i>Equity attributable to</i>			
Parent Company's owners	5,722	4,807	5,216
Non-controlling interests	-	-	-

COMMENTS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

Stendörren's non-current assets mainly consist of investment properties. As of September 30, 2022, the value of the total property portfolio amounted to SEK 12,728 million (10,803). For analysis and comments, see pages 15–17.

CURRENT ASSETS

Current assets amounted to SEK 525 million (182) on the balance sheet date, consisting of cash and cash equivalents of SEK 448 million (117) and rental receivables and other current receivables of SEK 76 million (65).

EQUITY

As of September 30, 2022, the Group's equity amounted to SEK 5,722 million (4,807) and the equity ratio to 42% (44).

INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,484 million (5,170) corresponding to a loan-to-value ratio of 47% (46). The liabilities consist of loans from credit institutions of SEK 5,214 million (4,480), two bonds totaling SEK 1,300 million (700) and seller notes of SEK 5 million (10). Loan arrange-

ment costs of SEK -35 million (-20) have been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 756 million (913) and consisted of loans and repayments that are due within the next 12 months.

INTEREST AND LOAN MATURITIES

Stendörren aims to reduce interest and refinancing risks in its operations by spreading the maturity structure for interest rates and loan maturities over several years. Interest-rate risks are managed mainly through interest-rate derivatives. For a more detailed description of the interest and loan maturity portfolio, see page 21.

DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities amounted to SEK 1,071 million (815) on September 30, and related mainly to the tax on properties, untaxed reserves and unutilized loss carry-forwards.

OTHER CURRENT LIABILITIES

In addition to the short-term portion of interest-bearing liabilities, current liabilities include accounts payable, accrued expenses and deferred income, tax liabilities and other current liabilities, amounting to a total of SEK 243 million (195).



CONSOLIDATED CHANGES IN EQUITY

As of September 30, 2022, the Group's equity amounted to SEK 5,722 million (4,807).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK MILLION	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	TRANSLATION DIFFERENCES	RETAINED EARNINGS INCLUDING PROFIT FOR THE PERIOD	HYBRID BOND	TOTAL EQUITY ATTRIBUTABLE TO COMPANY'S OWNERS
Opening balance equity, Jan 1, 2020	17	1,165	-	1,872	786	3,840
Repurchase share option program		-8				-8
Share option program		18				18
Interest/dividend hybrid bond				-54		-54
Comprehensive income Jan-Dec 2020				256		256
Closing balance equity, Dec 31, 2020	17	1,175	-	2,075	786	4,053
Share option program		6				6
Interest/dividend hybrid bond				-52		-52
Comprehensive income Jan-Dec 2021				1,209		1,209
Closing balance equity, Dec 31, 2021	17	1,181	-	3,232	786	5,216
Interest/dividend hybrid bond				-41		-41
Comprehensive income Jan-Sep 2022			2	547		548
Closing balance equity, Sep 30, 2022	17	1,181	2	3,738	786	5,722

CONSOLIDATED STATEMENT OF CASH FLOWS

CONDENSED

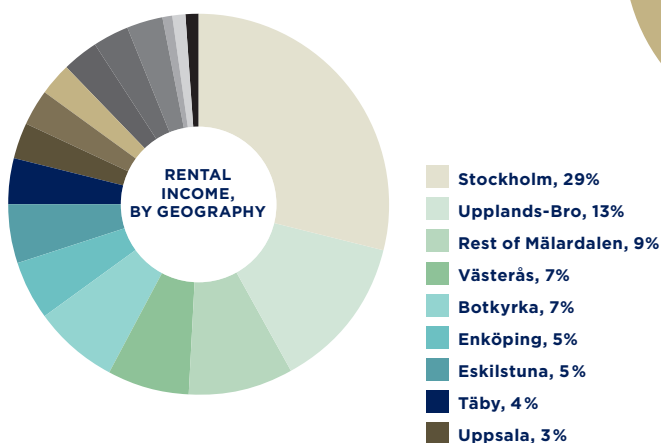
AMOUNTS IN SEK MILLION	2022 JAN-SEP	2021 JAN-SEP	2022 JUL-SEP	2021 JUL-SEP	2021 JAN-DEC
Cash flow from operating activities					
Income from property management	232	203	73	82	267
Adjustment for non-cash items	17	11	7	-4	20
Income tax paid	-4	-13	-2	-8	-1
Cash flow from operating activities before changes in working capital	245	201	79	70	287
<i>Changes in working capital</i>					
Change in operating receivables	65	30	122	3	-52
Change in operating liabilities	-44	-31	-42	-1	-12
Cash flow from operating activities	266	200	159	72	223
<i>Investing activities</i>					
Investments in existing properties	-428	-188	-171	-81	-256
Other investments and divestments	0	-2	1	-4	2
Acquisition of Group companies/properties	-366	-303	-143	-126	-668
Cash flow from investing activities	-794	-493	-313	-211	-922
<i>Financing activities</i>					
New share issue, employee stock options	-	6	-	6	6
Dividend hybrid bond	-41	-40	-15	-14	-52
Raised interest-bearing liabilities	2,463	855	80	50	1,635
Repayment and exercise of interest-bearing liabilities	-1,614	-780	-	-30	-1,101
Deposits	9	7	8	2	10
Cash flow from financing activities	817	48	73	13	498
Cash flow for the period	289	-245	-81	-125	-201
Cash and cash equivalents at the beginning of period	160	361	530	242	361
Cash flow for the period	289	245	-81	-125	-201
Cash and cash equivalents at the end of the period	448	117	448	117	160

PROPERTY PORTFOLIO SUMMARY

PROPERTY PORTFOLIO SEPTEMBER 30

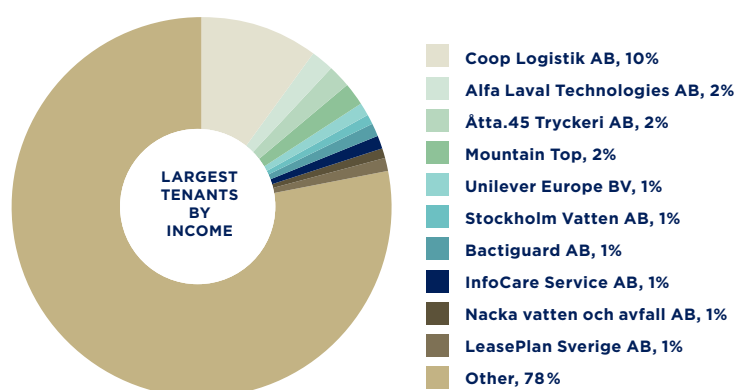
As at September 30, 2022, the property portfolio of Stendörren consisted of 146 properties, primarily located in the Greater Stockholm and Mälardalen region and with a total market value of SEK 12,728 million. The property portfolio is reported quarterly at fair value. All properties are externally valued 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 requirement.

At the end of the reporting period, the total property portfolio comprised approximately 810,000 sqm of lettable area. The corresponding area for the portfolio of investment properties amounted to approximately 777,000 sqm, excluding project properties. Warehouse, logistics and light industrial properties jointly accounted for approximately 68% of the total lettable area. The office space held in the company's portfolio (21% of lettable area) is mainly office space leased in combination with warehouse or 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 large-scale vacancies and rental losses due to bankruptcies is greatly reduced by the diversification and number of tenants combined with the fact that 86% of the properties have at least two tenants. During the period, the value of the property portfolio increased by SEK 1,035 million. This change in value was due to property acquisitions amounting to SEK 366 million. In addition, a total of SEK 428 million was invested in existing properties while currency effects of SEK 30 million and changes in value totaling SEK 210 million were recognized (see table on page 20).



GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

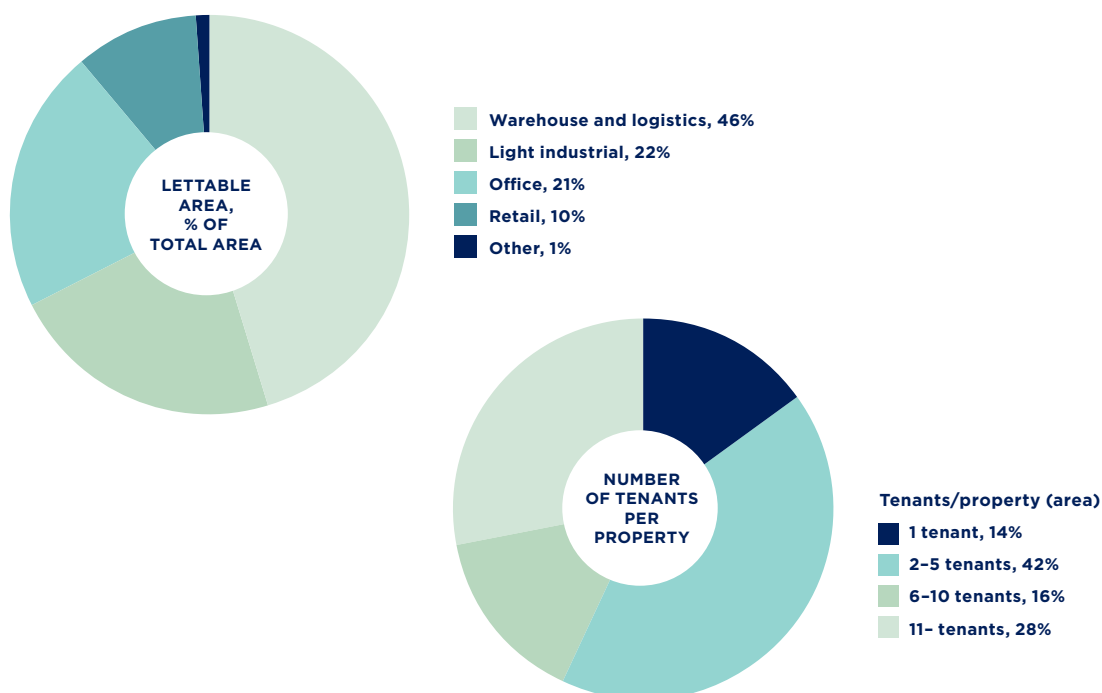
Stendörren puts a great deal of effort into identifying attractive industrial areas with potential in Nordic growth regions. The focus is on developing and strengthening the company's presence in these areas. The total rental income for Stendörren consists of approximately 66% of rental income from properties in the Stockholm region. Stendörren has a large concentrated property portfolio in the Högdalen industrial area, which entails synergies both in terms of management and leasing. In Veddesta, the company has large and efficient properties, also resulting in efficient property management. Locations including Upplands-Väsby and Sollentuna along the E4 highway toward Arlanda airport, Brunna in Upplands-Bro northwest of Stockholm and Stockholm Syd in Södertälje are areas which Stendörren intends to develop further in the years ahead. In addition to the Greater Stockholm area, the company has invested in a number of other locations in the Mälardalen region situated in attractive locations projected to benefit from major transport routes and Stockholm's future growth. Since 2021, the company has also acquired properties in other selected Swedish and Nordic cities with growth potential, such as the Gothenburg region, Oslo, Copenhagen and most recently Helsinki – with a continued focus on warehouse, logistics and light industry.



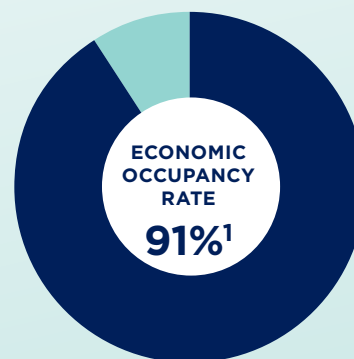
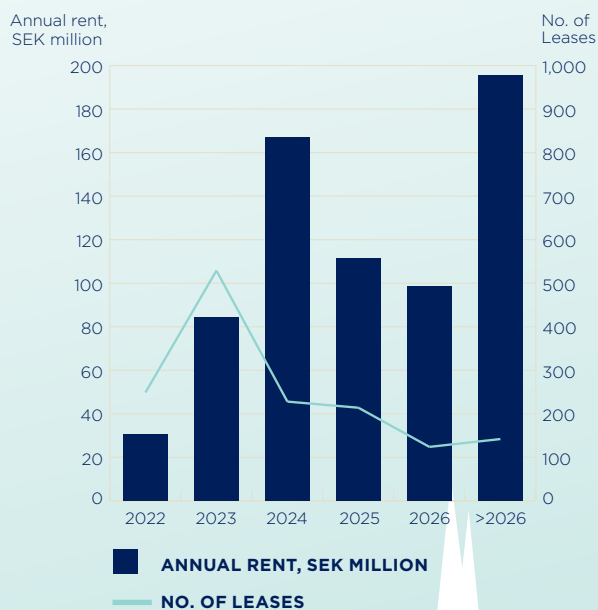
TENANTS AND LEASE AGREEMENTS

The tenants in the property portfolio range from well-established small to medium sized companies and large multinational businesses in several sectors. As at September 30, 2022, the ten largest leases made up 22% of the total annual rental income from tenants in the portfolio. The company's largest lease agreement with Coop Sweden represents about 10% 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. Combined with a range of different tenants and industries, this helps to reduce the risk of vacancies and rental losses. Rental losses amounting to SEK 1.9 million were recognized for the reporting period.

Stendörren works proactive and continuously to renegotiate leases in line with current market rents. The economic occupancy rate in Stendörren's investment properties was 91% at September 30, 2022, and the area weighted occupancy rate was 90%. The occupancy rate is a static measure of the rental situation on the reporting date and may vary a few percentage points up or down depending on temporary relocation vacancies or projects that have commenced or been terminated at different times. Taking into account contracted new letting and vacancies forward-looking 12 months from the date of the report, the economic occupancy rate amounted to 93%. In general, the demand for Stendörren assets remains strong. Net letting during the quarter amounted to approximately SEK 4 million. Lease agreements that were renegotiated during the quarter led to a weighted average increase in rental values of 21%. During the quarter, new lease agreements with an annual rental value of approximately SEK 27 million were signed. These consist of both renegotiated lease agreements and lease agreements signed with new tenants.

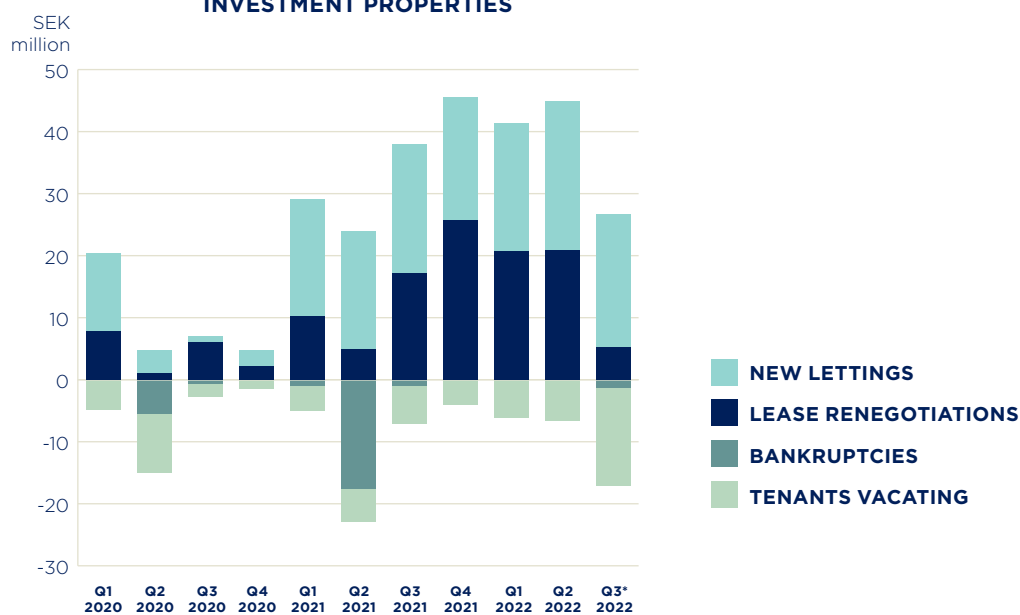


ANNUAL LEASE EXPIRY ANNUAL RENT AT SEPTEMBER 30, 2022



1) Taking into account contracted new letting and vacancies forward-looking 12 months from the end of the reporting period, the economic occupancy rate amounted to 93%.

CONTRACTUAL CHANGES INVESTMENT PROPERTIES



* Excludes the letting in the new construction project Viby 19:66 to Gop Sverige AB concerning 2,700 sqm and preliminary access 2023-07-01.

PROJECTS PORTFOLIO SUMMARY

OVERVIEW

As of September 30, 2022, Stendörren had a total of 27 properties, wholly or partly, consisting of building rights. Unutilized building rights amounted to approximately 615,000 sqm and were primarily for logistics, light industry and residential use. The potential in the building rights portfolio is considered strong since the building rights are concentrated in expansive municipalities and areas in Greater Stockholm and the Mälardalen region as well as other selected growth locations. Additional building rights are created and added to the existing areas of use by actively conducting development activities and in connection with acquisitions. When commercially viable, existing properties are rezoned thereby creating residential building rights for further in-house development and management. This takes place in areas with potential for residential use, mainly in Greater Stockholm and the rest of the Mälardalen region.

The pandemic, the ongoing war in Ukraine and the global situation in general have had repercussions on the construction market. Price increases are abnormally high and there are delivery problems regarding materials. Stendörren's ongoing and planned projects are being affected to varying degrees. Stendörren assesses,

however, that the impact on projects already in production is limited. The focus is on managing the challenges presented by the situation in order to minimize the risk of consequences. The pace of construction starts may be affected.

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 that need by redeveloping existing assets or by developing entirely new assets. In order to minimize risk exposure, Stendörren intends to sign long leases with customers before the construction process is initiated. The company will offer the market sustainable, modern and built-to-suit premises and will also be able to provide sustainable residential units in attractive locations.

The central plan for the City of Stockholm and other municipalities paves the way to initiate and start more rezonings for residential purposes. Stendörren pursues long-term efforts to identify new areas and properties to plan for residential construction. Residential building rights can either be created on undeveloped land, adjacent to an existing building or by converting existing

PROJECT PIPELINE

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT (GROSS SQM ¹)	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START ²
Upplands-Bro	Logistics	400,000	Within current zoning	2023-2024
Södertälje	Logistics	44,500	Within current zoning	2023-2024
Nynäshamn	Light industrial	10,000	Within current zoning	2023-2024
Enköping	Logistics	8,000	Within current zoning	2023-2024
Eskilstuna	Logistics	5,000	Within current zoning	2023-2024
Enköping	Light industrial	4,500	Within current zoning	2023-2024
Upplands-Bro	Light industrial	2,500	Within current zoning	2023-2024
Upplands-Bro	Logistics	2,000	Within current zoning	2023-2024
Enköping	Light industrial	2,000	Within current zoning	2023-2024
Västerås	Light industrial	2,000	Within current zoning	2023-2024
Upplands-Bro	Light industrial	1,500	Within current zoning	2023-2024
Botkyrka	Residential	54,500	Within current zoning	2024-2025
Sollentuna	Residential	7,000	Rezoning	2024-2025
Frederikssund	Light industrial	3,700	Within current zoning	2024-2025
Uppsala	Light industrial	1,500	Within current zoning	2024-2025

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

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

buildings. One of Stendörren's initiatives for residential development can be found at the Skrubba 1:2 property in an area of natural beauty in southern Stockholm, with a south-facing view over Lake Drevviken. The proposal submitted to the City of Stockholm recently resulted in a positive planning decision. The work on the zoning plan is expected to start in 2023 and create about 30,000 sqm gross building rights for residential purposes.

ONGOING PROJECTS

The company has several projects with a project value in excess of SEK 25 million for which 79,800 sqm refers to new production and 15,200 sqm refers to refurbishment for customers. The projects are in stages from started design and planning to ongoing construction. During the second quarter of 2022, a building permit for two light industrial buildings within Almnäs

5:23 in Södertälje was obtained and preparatory groundwork has started. In addition, Stendörren has applied in 2022 for a building permit for three new projects, two for logistics purposes in Södertälje and Upplands-Bro and one for light industry in Stockholm. Ongoing projects for new production of logistics, warehousing and light industry for which legally valid building permits have been obtained jointly comprise 27,800 sqm. Rental work is in progress and all projects are located in well-established and expansive areas where there is a clear demand. Dialog is ongoing with potential contractors ahead of the procurement process for the Tegelbruket project, with a major focus on the prevailing situation in the construction market.

FINALIZED PROJECTS

No projects of more than SEK 25 million were finalized during the period.

ONGOING PROJECTS

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION	SIZE SQM ¹	ESTIMATED INVESTMENT ² SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q1 2023	11,900	177	Construction started
Hjulsmeden 1	New light industrial	Q4 2022	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q1 2023	2,300	44	Construction started
Viby 19:66	New logistics	Q1 2023	6,300	114	Construction started
Tegelbruket 1	Tenant improvement	Q4 2022	3,700	41	Construction started
Tegelbruket 1	Tenant improvement	Q4 2022	5,100	33	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	28	Construction started
Elementet 1	Tenant improvement	Q3 2023	3,400	41	Construction started
Almnäs 5:24	New light industrial	Q3 2023	2,300	44	Construction started
Almnäs 5:24	New light industrial	Q1 2024	2,300	44	Construction started
Båglampan 25	New light industrial	Q1 2024	4,300	109	Design and planning
Viby 19:66	New logistics	Q1 2024	5,200	104	Design and planning
Almnäs 5:23	New logistics	Q2 2024	17,000	324	Design and planning
Tegelbruket 1	New residential	-	25,500	-	Design and planning ³
Total ongoing projects			95,000	>1,151	
Total excluding tenant improvement			79,800	1,008	

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

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

3) Building permit has been obtained

PROPERTY VALUATION

Each quarter, Stendörren performs a fair value assessment of 100% of the property portfolio. On 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) of the 2021 Annual Report. All properties are classified at Level 3 in accordance with IFRS 13. Additional expenses which are value increasing are activated. All other expenses are recognized 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 September 30, 2022 amounted to SEK 12,728 million. A summary of the valuation parameters is found in the table below. The external valuations carried out during the year were mainly performed

by CBRE and Newsec Sweden. The building rights within the property portfolio, valued at a total of SEK 1,662 million (1,772 on June 30, 2022), are measured 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 declining value of building rights and building rights in ongoing projects close to completion being valued as property, for more information see the section Project portfolio on page 18. Changes in value of the property portfolio during the period amounted to SEK 210 million (779). The changes in value of the property portfolio during the period were driven partly by changes in cash flow based on new and renegotiated leases, increased tenant improvement due to strong letting or changed costs, and partly by changed assumptions of market rents as well as adjusted yield requirements. Average yield requirements are in line with the preceding quarter and the average yield requirement of the property valuations as of September 30, 2022 amounted to 5.7% (see table of valuation parameters below).

CHANGE IN VALUE, PROPERTIES	JAN-SEP 2022
Change in yield requirements	-184
Cash flow	366
Building rights	28
Total	210

VALUATION PARAMETERS (PREVIOUS YEAR IN PARENTHESIS)	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement, %	4.6 (4.9)	8.5 (10.0)	5.7 (5.7)
Discount rate, cash flow, %	6.9 (6.0)	10.5 (12.0)	7.8 (7.7)
Discount rate, residual value, %	6.9 (6.8)	10.5 (12.2)	7.8 (8.0)
Long-term vacancy assumption, %	2.0 (3.0)	30.0 (30.0)	5.9 (6.0)

CHANGE IN CARRYING AMOUNT, PROPERTIES	JAN-SEP 2022	JAN-DEC 2021
Property portfolio, beginning of period	11,693	9,533
Property acquisitions	366	668
Investments in existing properties	428	256
Currency effects	30	0
Value changes in existing properties	210	1,235
Property portfolio, end of period	12,728	11,693

FINANCING

As of September 30, 2022, the average time to maturity of interest-bearing liabilities to credit institutions amounted to 3.2 years (2.4). Including bonds, the average time to maturity amounted to 3.0 years (2.4). Stendörren uses interest derivatives to hedge against a 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 a nominal SEK 800 million hedged at the rate of -0.1%. At the end of the reporting period, about 80% of the interest rates in the company's interest-bearing liabilities were hedged. Including the effect of the portfolio of interest caps and swaps, the average interest maturity on interest-bearing liabilities amounted to 2.7 years (2.5).

INTEREST AND LOAN MATURITIES

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

YEAR OF MATURITY	INTEREST MATURITY/YEAR ¹⁾			LOAN MATURITY	
	SEK MILLION	INTEREST RATE %	SHARE OF TOTAL %	SEK MILLION	SHARE OF TOTAL %
2022	1,435		22	191	3
2023	434		7	712	11
2024	1,050		16	1,420	22
2025	900		14	1,787	27
2026	2,700		41	334	5
>2026	0		0	2,073	32
Total/ average	6,519	3.72	100	6,519	100

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

INTEREST-RATE DERIVATIVES

YEAR OF MATURITY	TYPE	NOMINAL SEK MILLION	FAIR VALUE SEK MILLION	CAP LEVEL, %	YEARS REMAINING
Danske Bank	Interest cap	300	17.8	2.00	3.93
Danske Bank	Interest cap	600	41.1	1.00	3.02
Danske Bank	Interest cap	300	20.5	1.00	3.02
Swedbank	Interest cap	1,100	71.7	2.00	4.21
Swedbank	Interest cap	750	49.2	2.00	4.23
Swedbank	Interest cap	250	2.0	2.25	0.99
Swedbank	Interest cap	250	5.7	2.25	2.00
Swedbank	Interest cap	550	33.2	2.00	3.93
Nordea	Interest cap	184	3.3	1.50	1.22
Total		4,284	244.3	1.80	3.46

INTEREST-RATE DERIVATIVES

YEAR OF MATURITY	TYPE	NOMINAL SEK MILLION	FAIR VALUE SEK MILLION	INTEREST, %	YEARS REMAINING
Swedbank	Interest-rate swap	800	50.5	-0.0875%	1.97
Swedbank		800	50.5	-0.0875%	1.97

The average interest rate on the company's loans from credit institutions on September 30, 2022 was 3.7% (1.9) and the average interest on total interest-bearing liabilities including derivatives amounted to 3.7% (2.1). One of Stendörren's bonds (2021-2024) amounts to SEK 700 million with interest of Stibor 90 plus 3.65% and Stendörren's second bond (2021-2025) amounts to SEK 600 million with interest rate of Stibor 90 plus 3.90%. Interest and loan 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). Stendörren also has a hybrid bond of SEK 800 million that is recognized as equity, with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

SENSITIVITY ANALYSIS

The sensitivity analysis below presents the estimated effect on interest expense if the interest-rate base (primarily STIBOR 3M and NIBOR 3M) were to increase or decrease by 1, 2 or 3 percentage points.

CHANGE INTEREST-RATE BASE	(+) CHANGE SEK MILLION	(-) CHANGE SEK MILLION
+/-1.00%	-19	48
+/-2.00%	-31	92
+/-3.00%	-43	99

The sensitivity analysis does not claim to be exact, rather it is only indicative and aims to present the company's assessment of amounts in the context stated.

SUSTAINABILITY

As part of Stendörren’s sustainability efforts, a sustainability strategy was prepared in 2017 that was subsequently implemented in the operations. The company has gradually developed its sustainability agenda and in 2021 a number of activities were carried out that advanced the company’s position in sustainability. The company continued to focus on energy efficiency, accelerated its work on certifying properties and secured sustainability-related financing. New focus areas and sustainability targets with even higher ambitions were decided in the beginning of 2022.

In 2021, the company conducted new discussions with stakeholders and a materiality analysis, which resulted in new focus areas and sustainability goals set in early 2022. This materiality analysis resulted in five focus areas for Stendörren and a number of new targets in each focus area. These five focus areas are: Operational Excellence, Resource Efficiency, Attractive Employer, Future Proofing and Social Responsibility.

Read more about Stendörren’s new sustainability strategy and targets in the company’s complete sustainability report in the 2021 Annual Report.

The company’s sustainability activities are reported in accordance with the Global Reporting Initiative standards (GRI), a framework that guides companies and organizations in what to include in their reporting. The reporting also includes Stendörren’s sustainability activities in relation to the UN’s 17 Sustainable Development Goals (SDGs).

STENDÖRREN AND THE UN SUSTAINABLE DEVELOPMENT GOALS

The nations of the world united in 2015 in Paris to sign the 2030 Agenda, which includes the UN’s 17 Sustainable Development Goals (SDGs). To achieve these SDGs, a collective effort is required on an international, national and local level. Consequently, all companies are called on to include the SDGs in both strategy and reporting. Stendörren supports the goals of the 2030 Agenda and has identified eight SDGs which have a direct or indirect connection to the company’s sustainability strategy, in areas where Stendörren’s business has an fundamental impact:



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

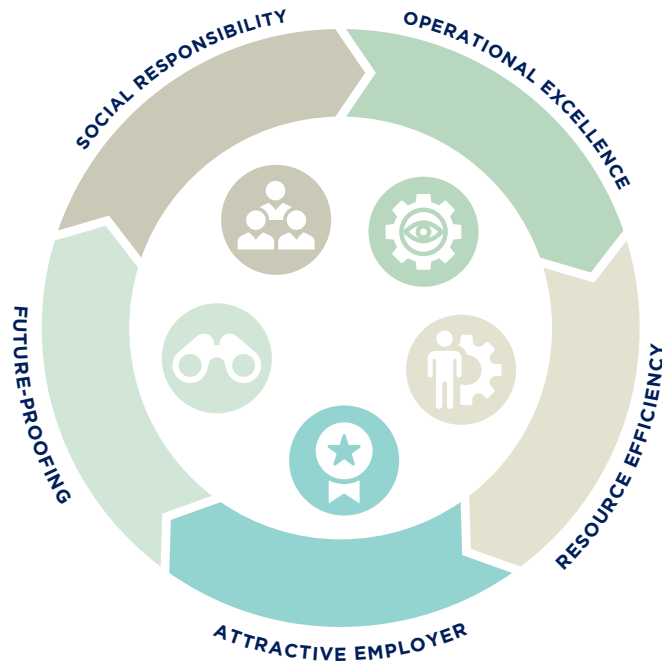


Health and wellness are priority areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the “Attractive Employer” section.



Other SDGs that are identified as having an indirect connection to Stendörren’s sustainability strategy and business.

FOCUS AREAS



OPERATIONAL EXCELLENCE



TARGET:

- LARGE SUPPLIERS ARE TO SIGN THE COMPANY'S CODE OF CONDUCT
- 100% OF ALL VEHICLES ARE TO BE FOSSIL-FREE BY 2025
- AVOID FLYING WHEREVER PRACTICALLY POSSIBLE

RESOURCE EFFICIENCY



TARGET:

- REDUCE ENERGY INTENSITY (KWH/SQM) BY AT LEAST 20% BY 2030 FROM THE BASELINE YEAR 2020
- 70% OF THE PROPERTY PORTFOLIO IN SQM IS TO HAVE ENVIRONMENTAL CERTIFICATION BY 2025
- NEW DEVELOPMENTS AND MAJOR CONVERSIONS SHALL BE ENVIRONMENTALLY CERTIFIED
- ENABLE INCREASED RECYCLING OF TENANTS' WASTE AND MINIMIZE CONSTRUCTION WASTE FROM MAJOR NEW DEVELOPMENTS AND REFURBISHMENTS
- REDUCE CARBON FOOTPRINT BY HAVING 100% FOSSIL-FREE ENERGY BY 2030 (FOR ENERGY PURCHASED BY STENDÖRREN)
- REDUCE CARBON FOOTPRINT IN NEW PRODUCTION PROJECTS TO ACHIEVE NET ZERO EMISSIONS BY 2030

ATTRACTIVE EMPLOYER



TARGET:

- STRIVE FOR EQUALITY AND DIVERSITY AMONG ALL PROFESSIONAL CATEGORIES AND AIM TO HAVE A 40/60 GENDER DISTRIBUTION FOR SENIOR POSITIONS BY 2025
- ANNUAL FOLLOW-UP AND FEEDBACK ON EQUALITY AND NON-DISCRIMINATION
- ACHIEVE AN eNPS OF AT LEAST 20 IN THE SEMI-ANNUAL EMPLOYEE SURVEY
- 100% OF EMPLOYEES ARE TO HAVE COMPLETED TRAINING IN THE CODE OF CONDUCT

FUTURE PROOFING



TARGET:

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

SOCIAL RESPONSIBILITY



TARGET:

- CREATE JOB OPPORTUNITIES FOR PEOPLE OUTSIDE THE LABOR FORCE

CONDENSED PARENT COMPANY

Operations in the Parent Company consist of management functions for all of the Group's companies and properties. All staff are employed by the Parent Company. No properties are owned directly by the Parent Company. The Parent Company's income during the period mainly comprised SEK 91 million in recharged services rendered by its own staff. Net interest income consists of net interest charged on intra-Group loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of September 30, 2022 amounted to SEK 139 million (76) and equity amounted to SEK 1,698 million (1,712).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	2022 JAN-SEP	2021 JAN-SEP	2022 JUL-SEP	2021 JUL-SEP	2021 JAN-DEC
Net sales	91	71	29	19	109
Operating expenses	-88	-74	-29	-21	-114
Profit/loss before financial items	3	-3	0	-2	-5
<i>Financial items</i>					
Net financial items	27	13	11	6	20
Profit after financial items	30	10	11	4	15
Appropriations	-	-	-	-	4
Profit before tax	30	10	11	4	19
Deferred tax	0	0	0	0	0
Profit for the period	30	10	11	4	19

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	30 SEP 2022	30 SEP 2021	31 DEC 2021
ASSETS			
<i>Non-current assets</i>			
Intangible assets	2	2	3
Equipment	8	4	4
Shares/participations in subsidiaries	900	1,104	929
Receivables from subsidiaries	2,929	2,071	2,894
Deferred tax assets	1	1	1
Total non-current assets	3,841	3,183	3,831
<i>Current assets</i>			
Receivables from subsidiaries	346	163	124
Current receivables	5	3	4
Cash and cash equivalents	139	76	54
Total current assets	490	241	182
TOTAL ASSETS	4,331	3,424	4,013
EQUITY AND LIABILITIES			
Equity	1,698	1,712	1,709
<i>Non-current liabilities</i>			
Interest-bearing liabilities	1,290	691	1286
Liabilities to subsidiaries	886	735	886
Total non-current liabilities	2,176	1,427	2,173
<i>Current liabilities</i>			
Liabilities to subsidiaries	420	261	97
Other current liabilities	37	24	35
Total current liabilities	457	285	132
TOTAL EQUITY AND LIABILITIES	4,331	3,424	4,013

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. Class A shares in Stendörren carry entitlement to ten votes at a general meeting and Class B shares carry entitlement to one vote at a general meeting. Class A shares can be converted to Class B shares at a ratio of 1:1. All shares carry the same right to shares 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 24, 2022, 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 preference 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% calculated at the date for the 2022 Annual General Meeting. 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 PROGRAMS

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

Each warrant carries entitlement, during a period of two weeks from the date of publication of the interim financial report for the period January 1–September 30, 2025, to subscribe for one new Class B common share in the company at a subscription price of SEK 175 per share. Upon full exercise of the warrants in the outstanding program, the share capital will increase by SEK 151,350 by issuing 252,250 Class B shares, each with a quotient value of SEK 0.6. The dilution 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 ticker is STEF B. The company's ISIN is SE0006543344. A trading unit corresponds to one (1) share.

THE LARGEST SHAREHOLDERS BASED ON DATA FROM EUROCLEAR SWEDEN AB AS OF SEPTEMBER 30, 2022

SHAREHOLDER	TOTAL SHARES	CLASS A SHARES	CLASS B SHARES	% OF CAPITAL	% OF VOTES
Stendörren Real Estate AB	11,532,606	2,000,000	9,532,606	40.6	58.0
Altira AB	3,051,720	500,000	2,551,720	10.7	14.8
Länsförsäkringar Fastighetsfond	2,939,387	0	2,939,387	10.3	5.8
SEB Investment Management	2,601,013	0	2,601,013	9.2	5.1
Verdipapirfondet Odin Eiendom	1,077,914	0	1,077,914	3.8	2.1
Third Swedish National Pension Fund	990,000	0	990,000	3.5	1.9
Didner & Gerge Fonder Aktiebolag	600,000	0	600,000	2.1	1.2
Carnegie Fonder	402,982	0	402,982	1.4	0.8
Malmer, Staffan	323,568	0	323,568	1.1	0.6
SEB Luxembourg Branch	310,000	0	310,000	1.1	0.6
Other shareholders	4,599,075	0	4,599,075	16.2	9.1
	28,428,265	2,500,000	25,928,265	100.00	100.00

1) The total number of shareholders on the reporting date was 3,665.

OTHER INFORMATION

CALENDAR

- Year-end Report 2022, February 22, 2023

RELATED PARTY TRANSACTIONS

During the period, the company carried out a transaction with a senior executive for the lease of two garage spaces. All transactions with related parties are conducted on market terms. Other than what is stated above, the company is not and has not been party to any business transaction, loan, guarantee or guarantee connection with any of the Board members, senior executives, major shareholders or related parties to any of these in 2022.

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 expenses 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 are, by their nature, associated with uncertainties and risks. More information about these risks can be found on pages 71–73 in the company's Annual Report for the 2021 fiscal year. In addition to the risks that are outlined in the Annual Report, the risks related to the uncertain macroeconomic climate have been described in greater detail in this report, for example, in the Statement from the CEO on pages 4–5 and the sensitivity analysis for changes in interest rates on page 21.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The same accounting policies, valuation principles and calculation methods were applied as in the most recently published financial information, see Note 1 of the 2021 annual report. Investment properties are measured at Level 3 of the fair value hierarchy according to IFRS 13. Derivatives are measured at fair value in the consolidated financial statements and at Level 2 in accordance with IFRS 13. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

AUDITOR'S REVIEW

This interim report was reviewed by the company's auditors (see the review report on page 29).

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, financial position and results and describes the most significant risks and uncertainties faced by the Parent Company and the Group companies.

STOCKHOLM, NOVEMBER 8, 2022

Andreas Philipson
Chairman

Carl Mörk
Board member

Helena Levander
Board member

Henrik Orrbeck
Board member

Seth Lieberman
Board member

Nisha Raghavan
Board member

Erik Ranje
CEO

This information is such that Stendörren Fastigheter AB is required to publish according to the EU Market Abuse Regulation. The information was provided, through the agency of the contact person below, for publication on November 8, 2022 at 7.00 a.m. CET.

REVIEW REPORT

Stendörren Fastigheter AB (publ), corporate identity number 556825-4741

INTRODUCTION

We have reviewed the condensed interim report for Stendörren Fastigheter AB (publ) as at September 30, 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and

applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

STOCKHOLM, NOVEMBER 8, 2022

BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Carl-Johan Kjellman
Authorized Public Accountant

ASSESSED EARNINGS CAPACITY¹

As of September 30, 2022, the company's property portfolio comprised 146 wholly owned properties with approximately 810,000 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 755 million. The company also estimates that current property expenses amount to approximately SEK 171 million on an annual basis. The portfolio is thus expected to generate net operating income of approximately SEK 584 million at Group level. This data is only the company's own assessment of the

present earnings capacity as of September 30, 2022 without considering ongoing new lettings, vacancies, index-related rental changes that have not yet had an effect, or other future measures that may have an effect on net operating income. Nor does the data include any additional acquisitions or disposals announced by the company which have not yet closed. This data should therefore not be seen as a forecast of future earnings development for Stendörren. Furthermore, the company believes that with the current inflation level of approximately 9% rental income in the earnings capacity will increase by about SEK 50 million.

1) This is the Company's best assessment of current earnings capacity on an annual basis as of September 30, 2022 and not a forecast of future expected earnings.



DEFINITIONS

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

CURRENT NET ASSET VALUE

Book equity net of hybrid capital adjusted for actual deferred tax liability, calculated at an effective tax rate of 5.9% and adjusted for interest-rate derivatives.

AREA WEIGHTED OCCUPANCY RATE

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

AVERAGE RETURN ON EQUITY

Profit for the period in relation to average equity the last 12 months.

LOAN-TO-VALUE

Interest-bearing liabilities in relation to total assets.

LOAN-TO-VALUE RATIO AT PROPERTY LEVEL

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

NOI YIELD

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

NET OPERATING INCOME (NOI)

Total rental income from the properties reduced by property operating expenses.

ECONOMIC OCCUPANCY RATE

Contractual annual rent in relation to rental value.

INCOME FROM PROPERTY MANAGEMENT

Profit for the period before value changes and tax.

NET FINANCIAL ITEMS

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

AVERAGE INTEREST RATE

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

WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)

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

LOAN MATURITY

The weighted average remaining time to maturity for interest-bearing liabilities, expressed in years.

CASH FLOW PER SHARE

Cash flow from operating activities before changes in working capital according to the cash flow statement divided by the average number of shares outstanding before dilution.

LONG-TERM NET ASSET VALUE

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

NAV GROWTH

Percentage change in the long-term net asset value the last 12 months.

NET LETTING

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

EARNINGS PER SHARE

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

AVERAGE INTEREST MATURITY INCLUDING DERIVATIVES

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

INTEREST COVERAGE RATIO

Income from property management the last 12 months adding back net financial expenses, in relation to net financial expenses (excluding the rights of use of land lease properties that in accordance with IFRS 16 is accounted for as a financial cost).

EQUITY RATIO

Book equity in relation to total balance sheet (excluding the leasing liability for the rights of use of land lease properties that, in accordance with IFRS 16, is accounted for as a long term liability).

TOTAL RETURN

Property NOI increased by change in value of investment properties during the last 12 months divided by the average fair value of the properties during the same period.

SURPLUS RATIO

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

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

**FOR MORE INFORMATION,
PLEASE CONTACT:**

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STENDÖRREN

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