

STENDÖRREN

Lokaler som gör skillnad.

INTERIM FINANCIAL REPORT

JANUARY -

DECEMBER 2019

THE YEAR IN SHORT

RENTAL INCOME:

592 MSEK

NET PROFIT:

397 MSEK

NET OPERATING INCOME:

135 MSEK



JANUARY-DECEMBER 2019 (JANUARY-DECEMBER 2018 in brackets)

- Rental income increased by 10% to SEK 592 million (537) and net operating income increased by 12% to SEK 397 million (355).
- Lease agreements that were renegotiated during the period led to an increase in rental values of 30% on average.
- Income from Property Management decreased slightly to SEK 135 million (174) due to finance- and administrative costs specific to the period.
- Cash flow from operating activities amounted to SEK 143 million (143), corresponding to SEK 5,07 per share (5,11).
- Changes in the value of investment properties for the period amounted to SEK 237 million (326), mainly attributable to improved cash flows and slightly changed assumptions about market rents

and yield requirements.

- Profit for the period decreased to SEK 290 million (419), corresponding to SEK 10,30 per share (15,00).
- The Board's proposal to the Annual General Meeting is that the dividend be canceled in favor of reinvestment in the business.

SIGNIFICANT EVENTS DURING THE FORTH QUARTER

- Two properties in Enköping and Södertälje, comprising approximately 8,300 square meters of premises for light industrial and warehousing activities were acquired in October. The underlying property value in the transactions amounted to just under SEK 87 million.
- During the quarter, Ted Mattsson started as Head of Development.



LETTABLE AREA:

731 000 M²

FAIR VALUE:

9 147 MSEK

LTV:

50%

EQUITY RATIO:

41%¹⁾

- During the quarter, Erik Ranje was appointed Vice President and CIO. In addition, Per-Henrik Karlsson was appointed Finance Director. Both started their respective positions in January 2020.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- The property Botkyrka Skyttbrink 15, comprising approximately 6,500 square meters, were acquired. The underlying property value was SEK 83 million.
- On the 21 of October Stendörren moved to new suitable office premises in Garnisonen.
- On January 22, an Extraordinary General Meeting was held in Stendörren Fastigheter AB, whereby the Board was expanded with one member to a total of seven members. To Chairman of the Board Anders Tägt was appointed and as new board member was appointed Nisha Raghavan. Other members were re-elected until the end of the next AGM.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On January 22, 2020, an Extraordinary General Meeting was held in Stendörren Fastigheter AB at which Nisha Raghavan was appointed new board member and Anders Tägt was appointed new Chairman of the Board. The previous Chairman of the Board Seth Lieberman took the position as board member. Further, the General Meeting resolved upon an increased board fee.
- On February 5, 2020, the Board appointed Erik Ranje as new CEO of Stendörren. Erik Ranje replaces Mikael Nicander who has been the CEO of the Company since the beginning of 2019.

1) The stated equity ratio is calculated excluding the leasing debt of 225 SEK million brought by the application of IFRS 16. If this item would be included in the calculation the equity ratio would be negatively impacted by approximately 0,9%.



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

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

STENDÖRREN FASTIGHETER OVERVIEW

BACKGROUND

Stendörren Fastigheter AB (publ) ("Stendörren", or "the company") is a real estate company that invests primarily in warehousing, logistics and light industrial real estate in the Greater Stockholm and Mälardalen region.

Stendörren originates from one of two main business areas within Kvalitena AB (publ) ("Kvalitena"), a company founded in the mid-1990's. In November 2014, Kvalitena chose to list a portfolio of industrial properties under the name Stendörren Fastigheter AB.

The B-shares in Stendörren were traded on First North, Nasdaq Stockholm from 6 November 2014 and First North Premier, Nasdaq Stockholm from May 7, 2015.

On April 10, 2018, the listing was moved to Nasdaq Stockholm's medium-sized list, Mid Cap.

On November 27, 2019, EQT Real Estate announced that it had acquired the majority of the voting rights in Stendörren and at the same time published a public bid for all outstanding shares in the company. On February 26, 2018, the extended deadline expired, whereby EQT announced it's holding of more than 58 % of the votes and just under 41 % of the capital in Stendörren.

MISSION

Stendörren creates long-term and value add growth by acquiring, developing and managing properties. The company will operate primarily in Greater Stockholm and the Mälardalen region, with an emphasis on warehouses, logistics and light industrial buildings. As previously announced, the Company evaluates new markets.

OBJECTIVES

Stendörren will create a high risk-adjusted return for its shareholders by acquiring, developing and managing properties in the Stockholm and the Mälardalen region.

FINANCIAL OBJECTIVES

Stendörren has three stated financial objectives:

- to exhibit a long-term average annual return on equity of at least 12 %
- to achieve a long-term interest coverage ratio of at least 2,0 times

The goal fulfilment is shown in the graphs on page 9.

- to maintain a long-term equity / assets ratio of 35 % (and never less than 20 %)

PROPERTY PORTFOLIO

As at December 31, 2019, the property portfolio of Stendörren consisted of 124 properties. All properties are located in the greater Stockholm and Mälardalen region and has a with a total market value of SEK 9 147 million. The ten largest lease agreements accounted for about one quarter of the total annual rent and the company's largest lease agreement with Coop Sweden represents just under 9 % of the total annual rent.

The real estate portfolio comprised a total of approximately 731 000 sqm of which warehouse, logistics and light industrial accounted for approximately 66 % of the total lettable area.

At the end of the quarter, the company had 25 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 627 000 sqm of total building area, mainly for warehouse, logistics light industrial use as well as residential. The market value of the building rights portfolio amounts to SEK 1 282 million as at quarter end.

Within the existing real estate portfolio, the company is working with the development of new detailed plans for residential assets. The new plans, which are at different stages of the planning process, are expected to be able to result in building rights for up to 1 500 new units at completion. During the market valuation of the company's building rights, these ongoing planning processes have been taken into account. The company's residential building rights represent approximately one quarter of the valuation of the entire building rights portfolio.

FINANCING

As of December 31, 2019, the Group's equity amounted to SEK 3 840 million (2 780), and the Group's interest-bearing liabilities amounted to SEK 4 816 million (5 288), corresponding to a loan-to-value ratio of 50 % (61).

The average time to maturity of interest-bearing liabilities amounted to 2,3 years (2,6) and the average fixed-interest term to 2,4 years (2,3). The average interest rate on the company's total interest bearing debt amounted to 2,4% (2,3) and the interest rate



on loans in credit institutions amounted to 1,9 % (1,8). As of the reporting date the Company had an outstanding bond loan of SEK 650 million with an interest coupon of Stibor 90 plus 4,25% with final maturity in June 2021

DIVIDEND

The company's dividend policy thus far has been that the dividend should, in the long term, amount to a maximum of 50 % of the company's management result after deduction of nominal tax. Given the significant investment opportunities that exist in the company's project portfolio, the 2019 Annual General

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



KEY RATIOS

	2019 JAN-DEC	2018 JAN-DEC
PROPERTY RELATED KEY RATIOS		
Lettable area, sqm thousand	731	718
No. of properties	124	121
Fair value properties, SEK million	9 147	8 476
Letting ratio, by area	88%	90%
Letting ratio, economic	88%	89%
NOI yield, total portfolio, 12 month average	4,5%	4,9%
NOI yield, excluding projects and land, 12 month average	5,3%	5,7%
Total return, 12 month average	7,2%	9,3%
Weighted Average Unexpired Lease Term, years	4,0	4,0
Average annual rent, SEK/Sqm	904	846
FINANCIAL KEY RATIOS		
Rental income, SEK million	592	537
Net Operating Income, SEK million	397	355
Income from property management, SEK million	135	174
Excess ratio, 12 month average	67%	66%
Total assets, SEK million	9 608	8 735
Average interest rate, total debt	2,2%	2,4%
Average interest maturity, years	2,4	2,0
Average loan maturity, years	2,3	2,6
Interest Cover Ratio, 12 month average	1,8	2,3
Loan to Value, total assets	50%	61%
Loan to Value, property level	46%	46%
Equity ratio	41%	32%
Return on Equity, 12 month average	9,0%	16%
STOCK RELATED KEY RATIOS		
Market capitalization, SEK million	4 758	2 816
Stock price, SEK	169,00	100,00
Book equity per share, SEK ¹⁾	108,91	98,74
Long term net asset value, EPRA NAV, SEK million	3 568	3 195
Long term net asset value, EPRA NAV per share, SEK	126,72	113,47
Actual net asset value, EPRA NNNAV, SEK million	3 252	2 920
Actual net asset value, EPRA NNNAV per share, SEK	115,49	103,71
Profit per share, SEK	10,30	15,00
Cash flow from operations per share, SEK	5,07	5,11
No. of outstanding shares, end of period	28 155 641	28 155 641
No. of outstanding shares, average in period	28 155 641	27 950 184
OTHER RATIOS		
No. of employees, end of period	55	51
No. of employees, average in period	54	45

¹⁾ Book equity excluding hybrid capital per share.

For definitions, please see page 35. Explanations to the used key ratios can also be found on www.stendorren.se

BALANCED PORTFOLIO

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

FINANCIAL TARGETS

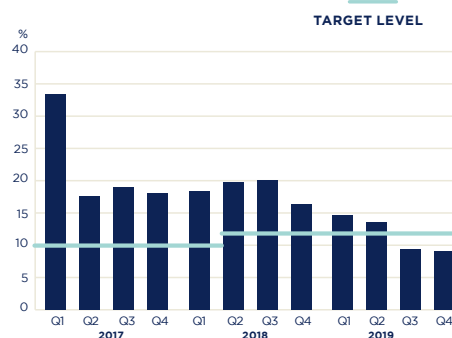
ROE (AVERAGE)

The long term average Return On Equity should exceed 12%

9%

Through contributions from all parts of the business the Return On Equity (calculated as 12 month average) amounted to 9.0%, mainly influenced by one-off items linked to specific projects which reduced the change in market values during the period.

HISTORIC PERFORMANCE

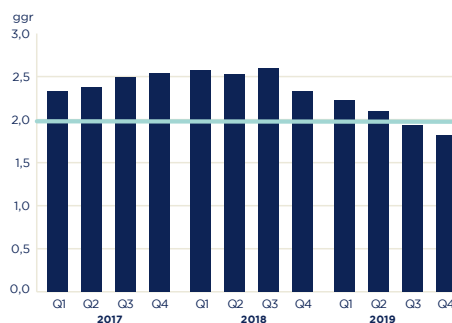


ICR

Long term ICR should exceed 2.0x.

1,8x

The interest coverage ratio was affected by a one-off item of SEK 21 million in connection with early repayment of a bond loan, which was replaced by a hybrid bond. If the hybrid bond had been outstanding throughout the year, the interest coverage ratio would have amounted to 2.4.

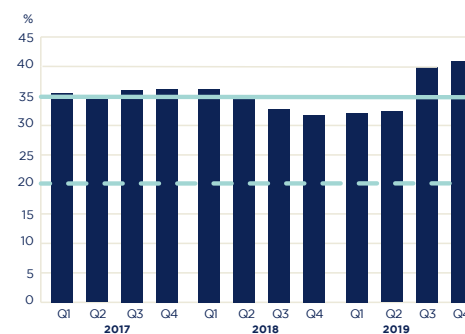


EQUITY RATIO

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

41%

The equity / assets ratio rises from the previous quarter, mainly driven by the issue of hybrid capital and amounts to 41%.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONDENSED

AMOUNTS IN SEK MILLION	2019 JAN-DEC	2018 JAN-DEC	2019 OKT-DEC	2018 OKT-DEC
Rental income	592	537	148	150
Total income	592	537	148	150
Operating expenses	-122	-127	-38	-37
Maintenance costs	-50	-33	-17	-16
Property tax	-23	-15	-6	-5
Ground rent	-	-7	0	-2
Net operating income	397	355	87	90
Central administration	-88	-51	-23	-12
Financial income	1	1	0	0
Financial expenses	-166	-131	-44	-46
Leasing cost, ground rent	-9	-	-2	-
Profit from property management	135	174	18	32
Change in value of investment properties	237	326	114	93
Change in value of financial instruments	16	-12	18	-10
Income before tax	388	488	150	115
Deferred tax	-100	-68	-44	-34
Current tax	2	-1	0	-1
Net income for the period	290	419	106	80
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	290	419	106	80
<i>Comprehensive income for the period attributable to parent company's shareholders</i>	290	419	106	80
Earnings per share, SEK	10,30	15,00	3,78	2,85
Earnings per share, after dilution, SEK	10,26	14,92	3,76	2,84
Average number of shares during the period, millions	28,16	27,95	28,16	28,16
Average number of shares during the period, after dilution, millions	28,27	28,09	28,32	28,22

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with the corresponding period 2018 Stendörren reports 10 % higher rental income and net operating income increased by approximately 12 %. Profit for the year amounts to SEK 290 million (419) corresponding to SEK 10.30 per share (15.00).

RENTAL INCOME

Rental income increased by about 10 % during the period to SEK 592 million (537). The increased rental income is driven by an increase in rents in the portfolio (about 4 % increase in Comparable Portfolio compared to the same period 2018) as well as income from the properties acquired during the reporting period.

OPERATING EXPENSES

Reported property costs rose about 6 % to SEK 195 million (182) compared with the same period the previous year (adjusting for the effect of land lease payments being accounted for as financial costs from 2019 the increase in property costs is 11 %). Property costs in the Comparable Portfolio increased by approximately SEK 18 million, which corresponds to approximately 16 %. Significant items driving this cost increase consists of major maintenance and repair costs (for example, two major repairs of water damages, one fire, roofing and facade renovations), completed and expensed projects as well as a larger provision for uncertain rent receivables.

CENTRAL ADMINISTRATION

Central administration costs amounted during the period to SEK 88 million (51) and consists of central management costs and administration and costs for company management, Board of Directors and auditors. The comparison with the previous years is affected, among other things, by the growth in the company's organization of about 21 % on average. The recharging of transaction and letting fees have decreased with about SEK 16 million due to lower transaction volumes compared to the previous year. During the period extraordinary costs of about SEK 11 million have been incurred due to the replacement of the CEO and other staff changes, recruitment, relocation of head office and other costs attributable to ownership and board changes.

FINANCIAL NET

The net between financial income and financial costs increased during the period by 26 % to -165 SEK million (-130) while the average interest-bearing debt decreased during the reporting period by 9 % compared to the same period in 2018 (of which larger part of the decrease occurred during the third and the fourth quarter). The period is also burdened by costs for early repayment of Bonds of approximately SEK 21 million.

INCOME FROM PROPERTY MANAGEMENT

The income from property management during the period decreased by 22 % to SEK 135 million (174) compared with previous year. Excluding the additional costs incurred in connection with early repayment of Bonds the decrease in income from property management amounts to about 10 %.

VALUE CHANGES

The company reports an increase in value of the investment properties of SEK 237 million (326) which corresponds to 2,8 % of the market value at the beginning of the year. The value changes in the property portfolio during the period are partly due to changed cash flows through renegotiated leases or amended market rental assumptions and adjusted yield assumptions. To some extent, increased adaptation and project costs amounting to SEK 173 million connected to two project have affected individual properties valuation negatively (see also page 22 for further details about the property valuations). The market valuations of the interest derivatives resulted in value changes of SEK 16 million (-12).

TAX

The tax expense in the income statement consist of current tax of SEK 2 million (-1) and deferred tax of SEK -100 million (68). The new corporate taxation, which began to apply from 1 January 2019, affected the Group with non-deductible interest amounting to SEK 98 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

AMOUNTS IN SEK MILLION	31 DEC 2019	31 DEC 2018
ASSETS		
<i>Non-current assets</i>		
Intangible assets	4	6
Investment properties	9 147	8 476
Land leases	225	-
Equipment	7	3
	3	-
Interest rate derivatives	17	4
Total non-current assets	9 403	8 489
<i>Current assets</i>		
Other current receivables	67	83
Cash and bank balances	138	163
Total current assets	205	246
TOTAL ASSETS	9 608	8 735
EQUITY AND LIABILITIES		
Equity	3 840	2 780
<i>Non-current liabilities</i>		
Interest-bearing liabilities	3 535	4 251
Other non-current liabilities	14	11
Leaseholds land leases	225	-
Deferred tax liability	519	419
Provisions	4	4
Total non-current liabilities	4 297	4 685
<i>Current liabilities</i>		
Interest-bearing liabilities	1 281	1 037
Other current liabilities	190	233
Total current liabilities	1 473	1 270
TOTAL EQUITY AND LIABILITIES	9 608	8 735
<i>Equity attributable to</i>		
Parent company shareholders	3 840	2 780
Non-controlling interests	-	-

COMMENTS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FIXED ASSETS

The Company's fixed assets consist mainly of investment properties. As of December 31 2019, the value of the investment properties amounted to SEK 9 147 million (8 476). All properties were acquired during the period 5 November 2014 until December 31, 2019. For further analysis and comments on fixed assets, see pages 20-23.

CURRENT ASSETS

Current assets amounted to SEK 205 million (246) consisting of cash and cash equivalents assets of SEK 138 million (163) and rental receivables and other current receivables of 67 million (83).

EQUITY

As of December 31 2019, the group's equity amounted to SEK 3 840 million (2 780) and the equity / assets ratio to 40% (32%). The increase includes the issue of hybrid capital of SEK 785 million (net after transaction costs) completed during the period.

INTEREST-BEARING LIABILITIES

The reported value of the group's interest bearing liabilities at the end of the reporting period amounted to SEK 4 816 million (5 287) corresponding to a loan-to-value ratio of 50% (61). The liabilities consist of loans from credit institutions of SEK 4 171 million (3 940), bond loan totaling SEK 650 million (1 360) and seller-notes of SEK 11 million (15). SEK -16 million (-27) consists of prepaid loan fees. The short-term interest bearing liabilities amounted to SEK 1 281 million (1 037), consisting of loans and amortizations that fall 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 the acquisition of interest rate derivatives. For a more detailed description of the loan portfolio, see page 25.

DEFERRED TAX LIABILITY

Deferred tax liability amounted to SEK 519 million (419) and mainly relates to the tax on the temporary difference between the fair value of the properties and their tax residual value and deferred tax on un-taxed reserves and unused loss carryforwards.

OTHER CURRENT LIABILITIES

In addition to the current portion of interest-bearing debt, current liabilities consist of accounts payable, accrued expenses and prepaid income, tax liabilities and other current liabilities, totaling SEK 190 million (233)

CONSOLIDATED CHANGES IN EQUITY

As of December 31, 2019, the Group's equity amounted to SEK 3 840 million (2 780). During the year, a hybrid bond at a nominal value of SEK 800 million was issued, which in accordance with IFRS is reported as equity. After deduction of SEK 14 million in issue costs, the Group's equity was allocated SEK 786 million.

CONDENSED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK MILLION	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	RETAINED EARNINGS	HYBRID BOND	TOTAL SHAREHOLDERS' EQUITY
Opening equity 01-01-2017	17	1 140	898	-	2 054
Dividend			-55		-55
Share option programme		4			4
Comprehensive income Jan-Dec 2017			396		396
Opening balance equity 01-01-2018	17	1 144	1 239	-	2 399
Dividend			-62		-62
Share option programme		1			1
Emission of shares	0	22			22
Comprehensive income Jan-Dec 2018			419		419
Closing equity 12-31-2018	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			277	13	290
Closing equity 12-31-2019	17	1 165	1 872	786	3 840

CONSOLIDATED CASH FLOW STATEMENT

CONDENSED

AMOUNTS IN SEK MILLION	2019 JAN-DEC	2018 JAN-DEC	2019 OKT-DEC	2018 OKT-DEC
Cash flow from operating activities				
Profit from property management	135	174	22	32
Adjustment for other non-cash items	-10	16	-6	18
Income tax paid	-2	-15	0	17
Cash flow from operating activities before change in working capital	123	175	16	67
<i>Changes in working capital</i>				
Change in operating receivables	17	10	53	14
Change in operating liabilities	3	-42	-11	-59
Cash flow from operating activities	143	143	58	22
<i>Investment activities</i>				
Investments in existing properties	-267	-296	-53	-80
Other investments and sales	-4	-2	-3	-
Property acquisitions	-156	-1 626	-85	-596
Property sales	-	349	-	349
Cash flow from investment activities	-427	-1 575	-141	-327
<i>Financing activities</i>				
Issued capital	-2	24	0	1
Issued hybrid capital (net of costs)	786	-	1	-
Dividend hybrid bond	-13	-	-13	-
Raised interest bearing liabilities	632	2 690	301	645
Repayment of interest bearing liabilities	-1 114	-1 099	-442	-268
Interest rate derivatives, net	-	-6	-	-2
Deposits	2	7	-1	4
Dividend	-32	-59	0	-16
Cash flow from financing activities	259	1 557	-154	364
Cash flow for the period	-25	125	-237	59
Cash and cash equivalents at the beginning of period	163	38	375	104
Cash flow for the period	-25	125	-237	59
Cash and cash equivalents at the end of the period	138	163	138	163

COMMENTS TO THE CASH FLOW STATEMENT

CASH FLOW FROM OPERATIONS

Cash flow from operating activities before change in working capital during the period was SEK 123 million (175). After a net change of working capital of SEK 20 million (-32) the reported cash flow from operating activities amounted to SEK 143 million (143).

CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flow from investment activities amounted to SEK -427 million (-1 575), primarily consisting of acquisition of properties, directly and indirectly, amounting to -156 SEK million (-1 626), and investments in existing properties of SEK -267 million (-296). No properties were sold during the period (349).

CASH FLOW FROM FINANCING OPERATIONS

Cash flow from financing activities amounted to SEK 259 million (1 557), made up SEK 632 million (2 690) of new loans and amortization and repayment of existing loans amounting to SEK -1 114 million (-1 099). SEK 786 million was raised through the issue of hybrid bonds (net of transaction costs). Dividend of SEK -32 million has been paid during the reporting period referring to the last two quarterly payments decided by the Annual General Meeting 2018.

CASH FLOW IN PERIOD

Net cash flow for the period was SEK -25 million (125) and cash and cash equivalents at the end of the period amounted to SEK 138 million (163).



PROPERTY PORTFOLIO SUMMARY

PROPERTY PORTFOLIO 31 DECEMBER

Stendörren's property portfolio consists of 124 properties as at 31 December 2019. All properties are located in the Stockholm and Mälardalen region with a total market value of SEK 9 147 million. The property portfolio is reported quarterly at fair value. All properties are valued internally each quarter based on, among other things, an updated analysis of actual cash flow, market rental levels, expected costs and an assessment of the market yield. All properties are externally valued at least once a year.

At the end of the reporting period, the property portfolio comprised of approximately 731 000 sqm of lettable area. Warehouse, logistics and light industrial properties accounted for approximately 66% of the total lettable area. The office space held in the portfolio (23% 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 the tenants combined with the fact that that 76% of the properties are made have at least two tenants. During the period, the value of the property portfolio increased with a total of SEK 670 million (1 982). The increase in value is due to property acquisitions amounting to SEK 160 million (1 687), investments in existing properties of SEK 267 million (296) while unrealized changes in value amounting to SEK 243 million (366) were reported (see table on page).

GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

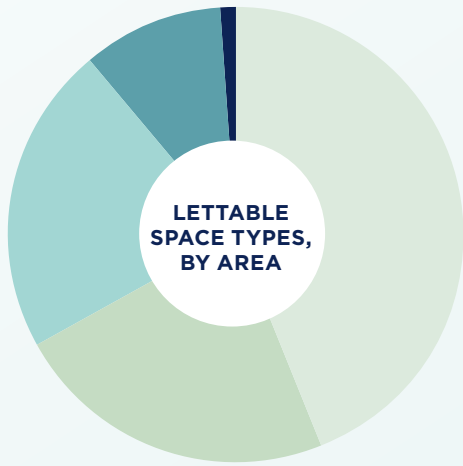
Stendörren puts a lot of effort into identifying interesting industrial areas with potential in Greater Stockholm and the rest of the Mälardalen region. The total rental income of Stendörren consists of 66% of rental income from properties in Greater Stockholm. Stendörren's largest investments are in Högdalens industrial area, which results in synergies in both management and leasing. In Veddesta the company has large and efficient properties resulting in efficient management. Locations including Upplands-Väsby and Sollentuna along the E4 towards Arlanda, Brunna in Upplands-Bro northwest of Stockholm and Stockholm-Syd in Södertälje are other areas which Stendörren intends to develop further in the upco-

ming years. In addition to the Greater Stockholm the company has invested in a number of locations in Mälardalen in strong locations projected to benefit from Stockholm's future growth. (see diagram of geographical distribution on page 21).

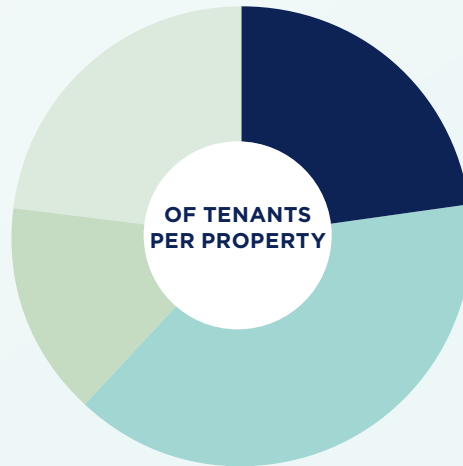
TENANTS AND RENTAL AGREEMENTS

The tenants in the property portfolio consist of both well-established small to medium sized companies and large multinational businesses. Rent losses in the property portfolio have been small. During the reporting period, no actual rental losses have been reported. During the period SEK 9,3 million of provisions for uncertain rent receivables have been booked. As at December 31, the ten largest leases made up for just over one quarter of the total annual rent in the portfolio. The company's largest lease agreement with Coop Sweden, represents about 9% of the total annual rent. Stendörren strives to achieve long leases with their tenants and the weighted average unexpired lease term (WAULT) was 4,0 years at quarter end. The company also strives for a scattered maturity structure. These factors in combination with the spread multiple tenants and multiple industries reduces this risk for vacancies and rental losses. Stendörren is a proactive manager and works continuously to renegotiate the leases in line with current market rent levels.

The company has a relatively high occupancy rate and low vacancies. The occupancy rate in the Stockholm area for warehouse and light industrial premises has been stable over the past 10 years and amounted to approximately 90%. The area-weighted occupancy rate in Stendörren's portfolio amounted to 88% (90) as of December 31, 2019, and the economic occupancy rate was 88% (89). ➤



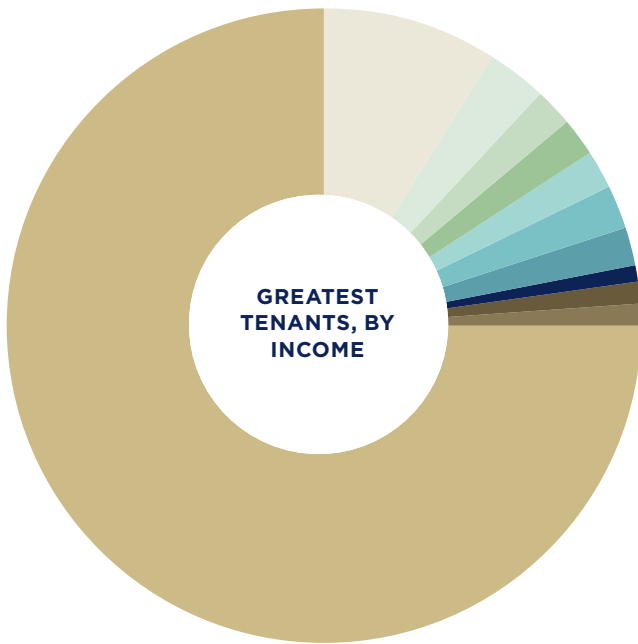
- Storage and logistics, 44%
- Office, 23%
- Light storage, 22%
- Retail, 10%
- Other, 1%



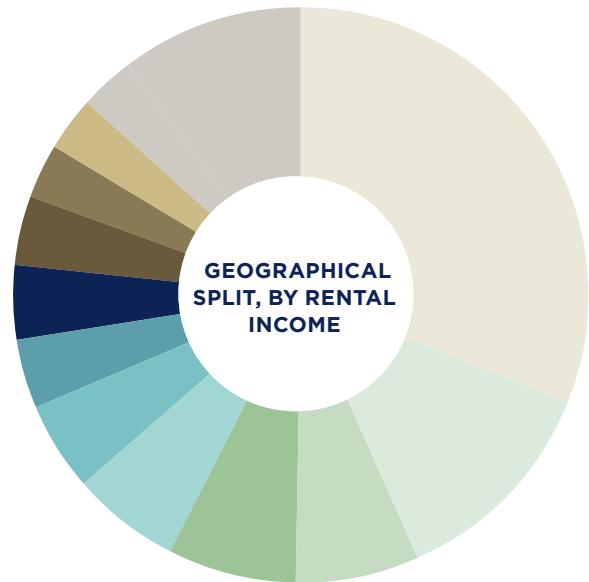
TENANTS/PROPERTY

(area)

- 1 st, 23%
- 2-5 st, 39%
- 6-10 st, 15%
- 11- st, 23%



- COOP Logistics AB, 9%
- Exploria AB, 3%
- Åtta.45 Tryckeri AB, 2%
- Unilever Europe BV, 2%
- Alfa Laval Tumba AB, 2%
- Stockholm Vatten AB, 2%
- Bactiguard AB, 2%
- Fuchs Lubricants Sweden AB, 1%
- Enköpings kommun, 1%
- PostNord Sverige AB, 1%
- Other, 75%

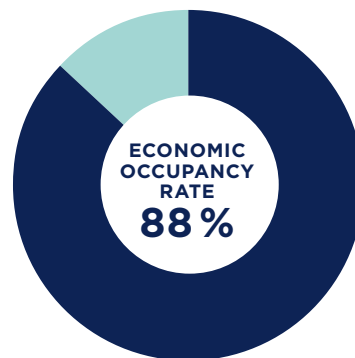
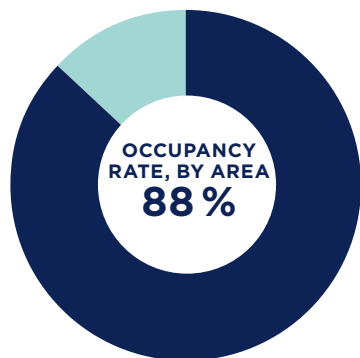
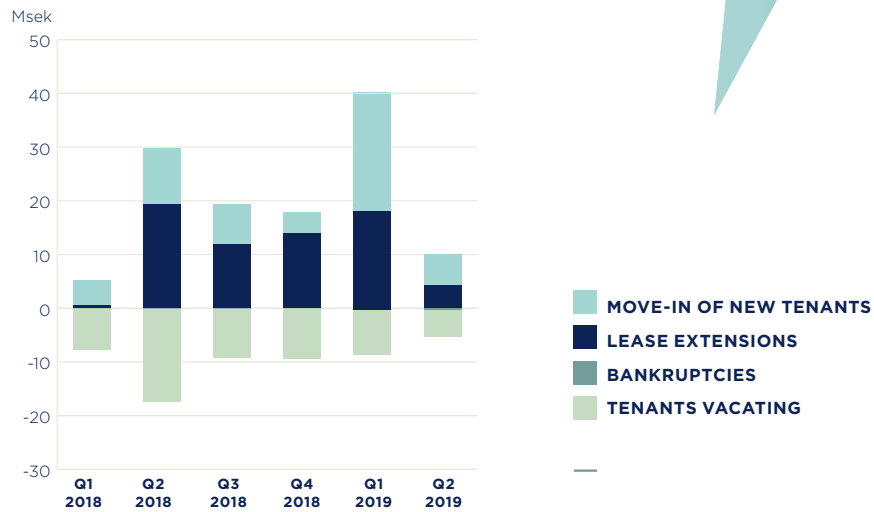


- Stockholm, 31%
- Uppsala, 4%
- Upplands-Bro, 12%
- Eskilstuna, 4%
- Botkyrka, 7%
- Nacka, 3%
- Västerås, 7%
- Järfälla, 3%
- Enköping, 6%
- Flen, 3%
- Täby, 5%
- Other, 10%
- Södertälje, 4%

NET LETTING:

0,6 MSEK

NET LETTING



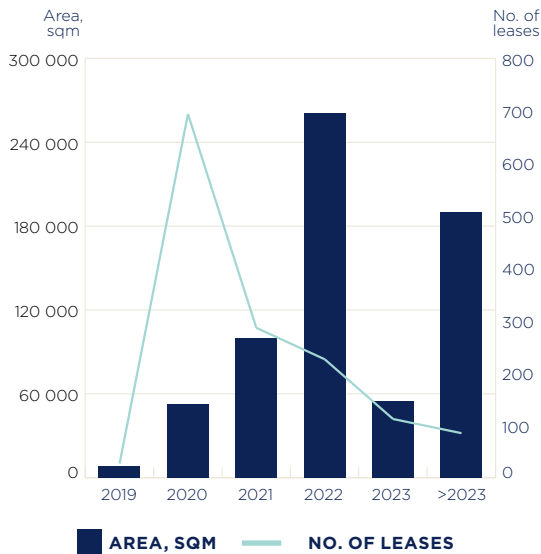
➤ The occupancy rate is a static measure of the rental situation on the report date and may vary a few percentage points up or down depending on temporary relocation vacancies or projects that have commenced or terminated at different times. In general, demand for premises remains strong. Of the total vacancy, approximately 2 140 sqm (corresponding to approximately 0,3 % of the total lettable area) is contracted with new tenants that have not yet taken up the premises. Lease agreements that were renegotiated during the quarter led to an increase in rental values of 29 % on average. During the quarter, new lease agreements with an annual rental value of approximately SEK 10 million have commenced. These

consist of both renegotiated lease agreements and lease agreements with new tenants signed in earlier periods. The net letting (new tenants moving in less tenants vacating and bankruptcies) during the quarter amounted to SEK 0,6 million.

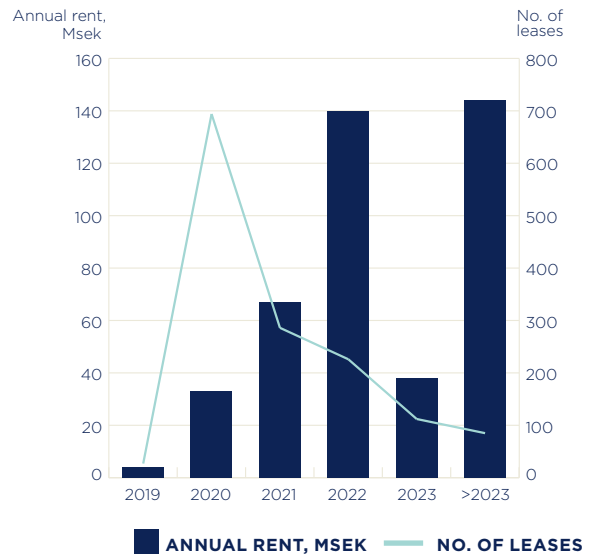
BUILDING RIGHTS AND PROJECTS

As at December 31, 2019, Stendörren had 25 properties wholly or partly consisting of building rights. When these building rights have been fully exploited it is estimated that up to 622 000 sqm of building area can be created, mainly for light industrial, logistics and retail.

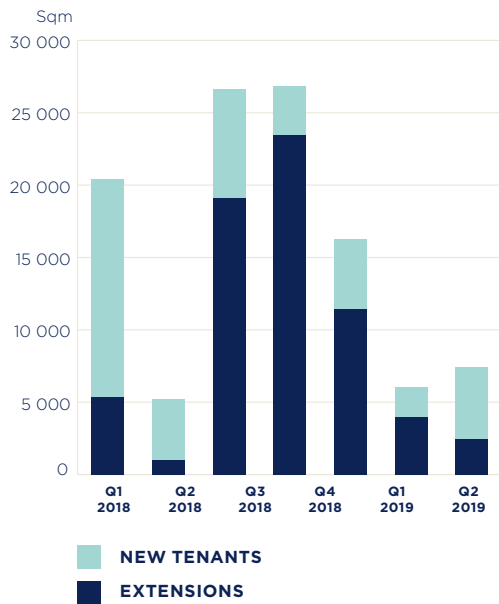
ANNUAL LEASE EXPIRY AT 31 DECEMBER 2019, BY AREA



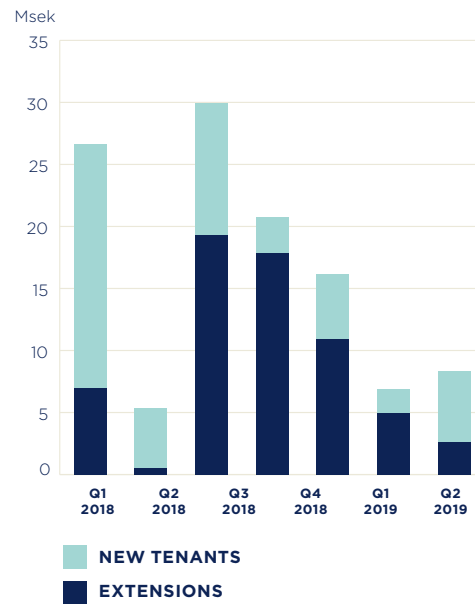
ANNUAL LEASE EXPIRY AT 31 DECEMBER 2019, ANNUAL RENT



NEWLY SIGNED LEASES AREA



NEWLY SIGNED LEASES, ANNUAL RENT



In some of these properties, the planning is under way to convert the building rights to another area of use, such as residential. The opportunities are considered very good as the building rights are concentrated in several of Greater Stockholm's most attractive areas such as the Stockholm municipality, Botkyrka, Södertälje (Stockholm-Syd), Upplands-Bro and Sollentuna. Development within building rights and project properties are primarily driven by demand. The focus is on finding existing and new tenants that are in need of larger or entirely new premises and meeting these needs by customized additional investments or developing an entirely new construction.

Negotiations are ongoing with potential tenants for the company's project properties. The discussions are proceeding well and the company is positive about the future potential that these areas have. In order to minimize risk exposure, long leases are usually signed with customers before the investments are initiated. The company intends to continuously develop a large part of these properties over the next few years.

PROPERTY VALUATION

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

The valuation model used by both the external valuation firms and in the internal Stendörren valuations is based on a discounted cash flow model, supplemented with local price analyses. The valuation model and parameters used are reported in accordance with the principles described in Note 11 (Investment Properties) to the Annual Report 2018. 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. In larger projects, interest expense is capitalized during the production time.

All of the company's 124 properties have been externally evaluated during the period december 2018 to december 2019. The combined market value of the property portfolio per december 31, 2019 amounts to SEK 9 147 million. A summary of the valuation parameters is found in the table below. The external evaluations carried out during the year have been

carried out by mainly Nordier Property Advisors and Newsec Sweden. The building rights within the property portfolio, totally valued at SEK 1 282 million (1 054), are valued based on local price analysis and comparison to others similar properties recently sold. Unrealized changes in value of the property portfolio during the period amounted to SEK 237 million (366), corresponding to 2,8% of market value at the beginning of the period. The value changes in the real estate portfolio during the period are driven partly by changed cash flows through renegotiated leases or changed costs and partly by changed assumptions of market rents and yield requirements. Increased adaptation and project costs have affected the valuation of individual properties negatively where the two the project properties Upplands Väsby Skälby 2: 2 and Nacka Sicklaön 107: 3 together account for about SEK 173 million in value-reducing project overruns in the period. Average yield requirements have been reduced slightly compared to the previous quarter and the average yield requirement as of December 31, 2019 amounted to 6,2% (6,3) (see table of valuation parameters below).

VALUATION PARAMETERS (PREVIOUS YEAR IN BRACKETS)	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement	5,0% (5,2%)	13,5% (13,8%)	6,2% (6,3%)
Discount rate, cash flow	5,0% (5,0%)	15,8% (16,0%)	8,1% (8,2%)
Discount rate, residual value	7,1% (7,3%)	15,8% (16,0%)	8,3% (8,4%)
Long term vacancy assumption	4,0% (3,0%)	30,0% (25,0%)	6,2% (6,1%)

CHANGE IN REPORTED VALUE, PROPERTIES, MSEK	JAN-DEC 2019	JAN-DEC 2018
Investment properties, beginning of period	8 476	6 494
Property acquisitions	160	1 687
Property sales	-	-367
Investments in existing properties	267	296
Fair value changes of properties	243	366
Investment properties, end of period	9 147	8 476

**BALANCED
PORTFOLIO**

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



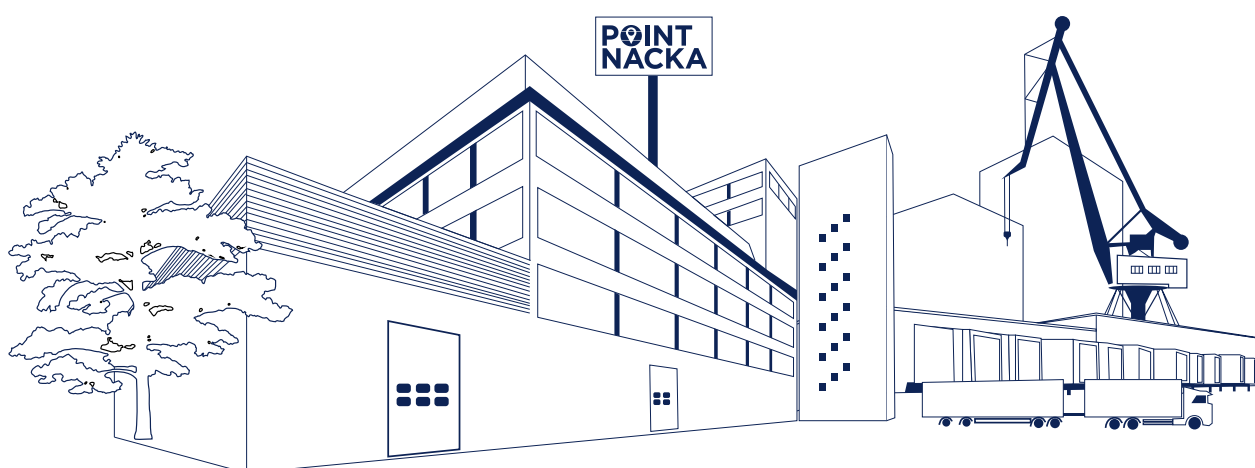
FINANCING

As of December 31, 2019, the average time to maturity of the interest bearing liabilities to credit institution amounted to 2,3 years (2,6). Including the bond loan, the average time to maturity amounted to 2,2 years (2,5). Stendörren uses interest derivatives to hedge against a sharp rise in the reference rate Stibor 90. Hence a portfolio of interest-caps has been acquired with average Stibor cap-level of 2,25 %. The total nominal value of then cap portfolio amounts to SEK 2 734 million. During the period, the company entered into a 5-year interest rate swap agreement with 800 million SEK in nominal amount hedged at the rate -0.1%. Including the effect of the portfolio of interest caps the average fixed interest term on interest-bearing liabilities amounted to 2,4 years (2,3) years.

The average interest rate on the company's loans from credit institutions was 1,9 % (1,8) and average interest on total interest bearing debt amounted to 2,2 % (2,4). At the beginning of the period, Stendörren had two outstanding bond loans. The first bond

loan (2017-2020) amounts to a total of SEK 477 million and ran at a nominal interest rate of Stibor 90 plus 4.00 % for which early repayment was called for on October 11, 2019. The second bond loan (2018-2021) amounts to SEK 650 million and it runs with a nominal interest of Stibor 90 plus 4,25 %.

During the third quarter, the company issued hybrid bonds totaling SEK 800 million in nominal value, which are reported as equity under IFRS (see further under equity on page 16). Of the current short-term interest liabilities of SEK 1 281 million at the end of the reporting period after the end of the reporting period, short-term interest rate current liabilities of SEK 603 million were repaid in connection to property sales and refinancing. Interest and loan maturity for all interest bearing liabilities are distributed over years as shown in the table below (amounts are 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 TOT.	MSEK	SHARE OF TOT.
2020	1 293		27%	1 206	25%
2021	600		12%	1 056	22%
2022	855		18%	790	16%
2023	1 034		21%	1 522	32%
2024	1 050		22%	111	2%
>2024	0		0%	146	3%
Total	4 832	2,20%	100%	4 832	100%

1) The interest maturity for 2019 includes all loans that run with Stibor as base interest and that are not covered by interest derivatives.

INTEREST DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, Msek	FAIR VALUE, Msek	CAP LEVEL	YEARS REMAINING
Danske Bank	Interest-cap	300	-	2,00%	1,13
Danske Bank	Interest-cap	300	0,0	2,50%	2,13
Danske Bank	Interest-cap	300	-	2,00%	1,13
Swedbank	Interest-cap	300	0,0	2,50%	2,13
Swedbank	Interest-cap	300	0,0	2,50%	3,13
Swedbank	Interest-cap	300	0,0	2,50%	3,13
Swedbank	Interest-cap	250	0,0	2,25%	3,75
Swedbank	Interest-cap	250	0,1	2,25%	4,75
Swedbank	Interest-cap	250	0,0	2,25%	2,75
Nordea	Interest-cap	184	0,1	1,50%	3,97
Total		2 734	0,3	2,25%	2,70

INTEREST DERIVATIVES

COUNTERPART	TYPE OF DERIVATIVE	NOMINAL VALUE, Msek	FAIR VALUE, Msek	CAP LEVEL	YEARS REMAINING
Swedbank	Interest rate swap	800	Msek	-0,0875%	4,72
Total		800	17,1	-0,0875%	4,72

SUSTAINABILITY

OUR SUSTAINABILITY JOURNEY

Stendörren has, since its establishment as a company 2014, had the ambition to actively incorporate sustainability issues into the business. The company's business model is about creating long term growth and value creation through acquisitions, property development and property management in a responsible manner. In order to do so the company needs to meet expectations from stakeholders today and in the future, looking through the lenses of economic, environmental and social perspectives. During 2017, a comprehensive sustainability strategy was developed with the purpose of integrating sustainability into the core of the business. Four strategic commitment areas were formed, see below.

Stendörrens overarching objective, with its corporate sustainability work, is not only to meet the expectations from different stakeholder groups. There is also an ambition to contribute to positive societal impact. By staying in the forefront of providing sustainable solutions for tenants and their businesses,

the company hopes to create impact beyond its own business. The company has developed a strategy for proactivity and value creation that stems from the commitment area Active Partner for Sustainable Cities:

- Stendörren collaborates with municipalities to create positive impact in areas where the company operates. Thereby, the company contributes to more sustainable and future-oriented municipalities.
- Through active collaboration and dialogue, Stendörren creates sustainable and local solutions for tenants.
- Stendörren seeks partnerships with transportation companies and infrastructure companies to create "smart" services and logistics solutions for Stendörren's properties.
- Stendörren shall cooperate with trade organisations that share the vision of a more sustainable and efficient real estate industry in terms of industrial, warehouse and logistics properties.



FOCUS

During 2018 an implementation plan has been developed which spans over three phases between 2018-2020. Stendörren has also established a sustainability

committee with key people representing different functions in the organisation. The committee meets on a regular basis to coordinate the work.



STENDÖRREN AND THE UN GLOBAL GOALS

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



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



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



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



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

CONDENSED PARENT COMPANY

Operations in the Parent Company consist of management functions of the Group's all companies and properties. These functions include, among other things, property management, project management and finance. All staff are employed by the parent company. No properties are owned directly by the parent company. The parent company's revenues during the period mainly comprise SEK 75 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. During the quarter, a hybrid bond was issued, which in accordance with IFRS is reported as equity. The issue totaled SEK 800 million. After deduction of SEK 14 million in issue costs, the parent company's equity was thus increased by SEK 786 million. Cash and cash equivalents as of december 31, 2019 amounted to SEK 39 million (42) and the Equity amounted to SEK 1 712 million (964).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	2019 JAN-DEC	2018 JAN-DEC	2019 OKT-DEC	2018 OKT-DEC
Net sales	102	91	28	32
Operating expenses	-102	-93	-27	-33
Profit before financial items	0	-2	0	-1
<i>Financial items</i>				
Net financial items	-16	12	-6	17
Profit after financial items	-16	10	-6	16
Allocations	-5	-83	-5	-83
Profit before tax	-21	-73	-11	-67
Deferred tax	1	12	1	12
Current tax	0	0	0	0
Profit for the period	-20	-61	-10	-55

BALANCE SHEET PARENT COMPANY IN SUMMARY

AMOUNTS IN SEK MILLION	31 DEC 2019	31 DEC 2018
ASSETS		
<i>Non-current assets</i>		
Intangible assets	4	6
Equipment	5	2
Shares and participations in subsidiaries	875	870
Receivables from subsidiaries	2 039	1 594
Non-current receivables and securities	0	0
Deferred tax assets	16	15
Total non-current assets	2 939	2 487
<i>Current assets</i>		
Receivables from subsidiaries	173	517
Current receivables	4	5
Cash and equivalents	39	42
Total current assets	216	564
TOTAL ASSETS	3 155	3 051
EQUITY AND LIABILITIES		
Equity	1 714	964
<i>Non-current liabilities</i>		
Interest bearing liabilities	645	1 344
Liabilities to subsidiaries	717	518
Total non-current liabilities	1 362	1 862
<i>Current liabilities</i>		
Liabilities to subsidiaries	54	147
Other current liabilities	25	78
Total current liabilities	79	225
TOTAL EQUITY AND LIABILITIES	3 155	3 051

SHARE CAPITAL AND OWNERSHIP

SHARE CAPITAL

The share capital in Stendörren amounts to SEK 16 893 384,60, divided between 2 500 000 Series A shares and 25 655 641 Series B shares. Each share has a quota value of SEK 0,60. A-shares in Stendörren are entitled to ten votes at a general meeting and B-shares one vote. A shares can be converted to B shares at a ratio of 1:1. All shares carry the same right to share in the company's assets and profits. According to the Articles of Association, the company also has the option of issuing preference shares.

AUTHORIZATIONS

The Annual General Meeting resolved on May 22, 2019 to authorize the board, for the time until the end of the next Annual General Meeting and on one or several occasions, without deviation from the existing shareholders' preferential rights, to make decisions to issue new shares in the parent company. The mandate also covers issuance of preference shares, warrants or convertibles. New issues may be made with cash payment or with provision for non-payment or set-off. The number of common shares and / or preference shares, warrants or convertibles to be issued with support of the authorization should not be limited to other than what follows from the limitations in the articles of association that apply at any given time to share capital and the number of shares.

The Annual General Meeting 2019 also decided to authorize the board of directors up to the next annual general meeting, on one or several occasions, to make decisions about the acquisition of Stendörren shares (own shares) so that the company's holdings at any given time does not exceed 10% of all outstanding shares in the company. Furthermore, the Annual General Meeting decided to authorize the Board of Directors to, until the next Annual General Meeting and on one or more occasions, make decisions on the disposal of own shares. Acquisition of own shares shall take place on Nasdaq Stockholm and may only be done at a price per share within the current price range, which means the interval between highest purchase price and lowest selling price. Disposal of own shares may take place both on Nasdaq Stockholm and in another way (which is described in more detail in the notice to the AGM). The authorization

to acquire own shares is intended to give the board increased room to work with the company's capital structure and create flexibility regarding the company's ability to distribute capital to shareholders. The authorization to dispose of own shares is intended to facilitate property acquisitions and broadening of the owner base.

INCENTIVE SCHEMES

Stendörren has two incentive schemes that were decided by the AGM in 2017 and 2018. Both programs are targeted to the company employees and includes issues of warrants which the participants in the programs acquired in exchange 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. The first of the two programs have 345 800 warrants outstanding. During the period 1-31 May 2020 the owners of the warrants have the right to redeem the warrants for the same number of B shares in exchange for a subscription price of SEK 83,87 per share, corresponding to 125% of the trade-weighted average price during the measurement period May 9-22, 2017.

In the second program there are 87 608 warrants outstanding which, during the period September 15-30 2021, can be redeemed for the same number of B shares at a subscription price of SEK 111,60 per share, corresponding to 125% of the trade-weighted average price during the measuring period 15-22 August 2018. If all warrants in both these programs are redeemed, 433 408 new B-shares will be issued, each with a quota value of SEK 0,6 and the share capital will increase by SEK 260 045. The dilution at full utilization corresponds about 1,5% of the capital and 0,9% of the voting rights based on the number of outstanding shares as of the reporting date.

STOCK EXCHANGE

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

**THE LARGEST SHAREHOLDERS BASED ON DATA FROM
EUROCLEAR SWEDEN AB PER 31 DECEMBER 2019**

SHAREHOLDER ¹⁾	TOTAL SHARES	A-SHARES	B-SHARES	% OF CAPITAL	% OF VOTES
Stendörren Real Estate AB	11 451 606	2 000 000	9 451 606	40,67%	58,14%
Länsförsäkringar fondförvaltning AB	4 453 941	-	4 453 941	15,82%	8,79%
Altira AB	2 901 720	500 000	2 401 720	10,31%	14,61%
SEB Investment Management	1 558 286	-	1 558 286	5,53%	3,08%
Verdipapirfond Odin Ejendom	999 036	-	999 036	3,55%	1,97%
Humle Kapitalförvaltning AB	636 379	-	636 379	2,26%	1,26%
Jp Morgan Bank Luxembourg S.a.	613 551	-	613 551	2,18%	1,21%
Anders Ivarsson Aktiebolag	463 349	-	463 349	1,65%	0,91%
Alfred Berg	367 213	-	367 213	1,3%	0,72%
Skagen M2 Verdipapirfondet	353 194	-	353 194	1,25%	0,7%
Other shareholders	4 305 766	-	4 305 766	15,29%	8,50%
TOTAL	28 155 641	2 500 000	25 655 641	100,00%	100,00%

1) The total number of shareholders at the reporting date was 3 509.



OTHER INFORMATION

CALENDAR

- 2019 Annual- and Sustainability Report, week 17, April 2020
- Interim Financial Report Jan-Mar 2020, 7 May 2020
- Annual General Meeting, 20 May 2020
- Interim Financial Report Jan-Jun 2020, 20 July 2020
- Interim Financial Report Jan-Sep 2020, 6 November 2020
- Year-end report 2020, 23 February 2021

RELATED PARTY TRANSACTIONS

During the period, the company carried out a transaction with Kvalitena AB whereby a right to a future acquisition of a property was acquired. The acquisition price for this right was determined after external valuation to SEK 2,5 million. In addition, the company has rented premises for its head office by a subsidiary of Kvalitena. On the 21 of October Stendörren moved to new suitable office premises in Garnisonen. The company has also entered into a consultancy agreement for project consulting with TamGroup AB. TamGroup AB is a company related to the board member Andreas Philipson. The consultant who performs the work for TamGroup AB is married to Andreas Philipson. All transactions with related parties take place on market terms. In addition to what is stated above the company has not been party to any business transaction, loan, guarantee or guarantee connection with any of the board members, leading senior executives, major shareholders or related parties to any of these.

RISKS

Risks and uncertainties are, among other things, related to changes in macroeconomic factors affecting demand for premises and the price of capital. Stendörren is also exposed to the risk of unforeseen increases in operating- or maintenance costs which cannot fully be compensated for in leases with tenants. There is also a risk that the Company's lenders do not extend credit facilities at maturity. Real estate transactions are a core part of the company's business model and is, by its nature, associated with uncertainties and risks. More information about these risks can be found on pages 97-99 in the company's annual report for the fiscal year 2018. In addition to this, no other significant risks have been identified during

the reporting period.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim reporting and the Annual Accounts Act. The same accounting and valuation principles as well calculation methods have been applied as in the latest financial information submitted, see note 1 to the annual report 2018. Investment properties are reported according to IFRS 13 in accordance with level 3. Fair value for financial instruments are in all substantial aspects in accordance with reported values. Derivatives are valued in the consolidated financial statements at fair value and in accordance with level 2 of IFRS 13. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for legal entities. The company applies IFRS 16 Leasing as of Jan. 1, 2019 and is using the simplified method (not retroactive). Utilization rights are assigned the same value as the reported leasing debt as of December 31, 2019. A detailed review and analysis of the Group's leasing agreements (where Stendörren is a lessee) has been made, whereby property leasehold agreements were identified as the single most significant. Leasing debt related to property leaseholds as of December 31, 2019 amounts to SEK 225 million, with the equivalent reported value for the utilization rights. The company reports the utilization rights for the property leasehold agreements at fair value as it is considered to be an investment property. As a result of the transition to IFRS 16, the cost of leasehold payments is reported as a financial cost, which is a difference compared to previous principle where it is reported as an operating cost. Furthermore, a review has been made of how the Group's applied principles in terms IFRS 16 is affecting Stendörren as a lessor, whereby the company found that IFRS 16 does not have a material effect on the Group's reported rental income.

AUDITOR'S REVIEW

These annual accounts have not been subject to review by the Company's auditors.

DIVIDEND

The Board's proposal to the Annual General Meeting is that the dividend be canceled in favor of reinvestment in the business.

THE BOARD OF DIRECTORS

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

STOCKHOLM 20 FEBRUARI 2020

Anders Tägt
Chairman

Andreas Philipson
Board member

Carl Mörk
Board member

Seth Lieberman
Board member

Henrik Orrbeck
Board member

Helena Levander
Board member

Erik Ranje
Chief Executive Officer

Nisha Raghavan
Board member

This information is such that Stendörren Fastigheter AB is required to publish according to the EU Market Abuse Regulation and the Act on securities market. The information was provided, by the following contact person's office, for publication on February 21, 2019 at 07.00 CET

APPENDIX 1

ASSESSED EARNINGS CAPACITY*

AS OF 31 DECEMBER 2019, the company's property portfolio comprised 124 wholly owned properties with approximately 731 000 sqm of lettable areas. According to the company's assessment, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately SEK 635 million. The company also estimates that current property costs amount to approximately SEK -170 million⁽¹⁾ on an annual basis, the portfolio is thus expected to produce an operating net of approximately SEK 460 million on Group level.

These data are only the company's own assessment on the present earning capacity as of 31 december 2019 without regard to ongoing lettings, upcoming vacancies, index-related rental changes, or other future measures that may have an effect on net operating income. Any additional acquisitions or disposals announced by the company which have not yet closed are also not included. These data should therefore not be seen as a forecast of future earnings development for Stendörren.

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

(1) Estimated property costs on an annual basis including adjustment of SEK 9 million regarding property leasehold payments in accordance with IFRS 16.

DEFINITIONS

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

ACTUAL NET ASSET VALUE; EPRA NNAV

Book equity net of hybrid capital adjusted for actual deferred tax liability, calculated at an effective tax rate of 5,9%.

AREAWEIGHTED OCCUPANCY RATE

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

AVERAGE INTEREST MATURITY INCLUDING DERIVATIVES

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

AVERAGE INTEREST RATE

The weighted average interest rate on all interest bearing debt

AVERAGE RETURN ON EQUITY

Net earnings in relation to average equity the last 12 months

DEBT MATURITY

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

CASH FLOW PER SHARE

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

ECONOMIC OCCUPANCY RATE

Contractual rental income in relation to Rental Value

EQUITY RATIO

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

EXCESS RATIO

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

INCOME FROM PROPERTY MANAGEMENT

Net earnings before value changes and tax.

INTEREST COVER RATIO (ICR)

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).

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, EPRA NAV

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 divided by the average number of shares outstanding, before and after dilution.

PROPERTY YIELD

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

RENTAL VALUE

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

TOTAL RETURN

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

WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)

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

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

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