

STENDÖRREN

Premises that make a difference.

THIRD QUARTER 2022
STENDÖRREN



INTRODUCTION

BUSINESS IDEA, MARKET OPPORTUNITY AND FINANCIAL OBJECTIVES

BUSINESS IDEA

Stendörren creates profitable growth in net asset value by actively managing, developing and acquiring properties.

Focus on logistics, warehouse and light industrial properties, primarily within Stockholm region and other markets that are considered to be attractive over time.

In addition, Stendörren develops residential building rights in the existing portfolio, for in-house development and management.

MARKET OPPORTUNITY

The properties are strategically located in growth areas (population and economic), mainly in Greater Stockholm and the Mälardalen region.

Stendörren is continuously evaluating acquisitions in new markets, such as the recent entry into Copenhagen, Oslo and Helsinki.

Growing e-commerce increases the demand for logistic and warehouse properties, especially in urban locations, to meet consumer demand on short delivery times.

Rent levels are increasing, as demand for logistics and light industrial premises in urban locations increases, while supply is decreasing due to conversions to other use.

FINANCIAL OBJECTIVES

Return on equity of at least 12%

EPRA NAV shall grow with at least 15% p.a.

Interest coverage ratio of at least 2.0x

Equity ratio shall be 35%
(never lower than 20%)

OPERATIONAL HIGHLIGHTS Q3

✓ CONTINUED STRONG NET LETTING

- Strong net letting in 7 consecutive quarters - vacancy below 10%.
- Continued strong renegotiation of lease agreements - 21% average increase in rent on renegotiated leases in Q3 2022.

✓ CONTINUED STRONG DEVELOPMENT OF SURPLUS RATIO

- 75% during Q3 2022.

✓ STRONG TRACTION WITHIN PROJECT DEVELOPMENT

- ~25.000 sqm soon to be completed.
- Projects added to pipeline (building permits obtained).

✓ CONTINUED EXPANSION IN THE NORDICS

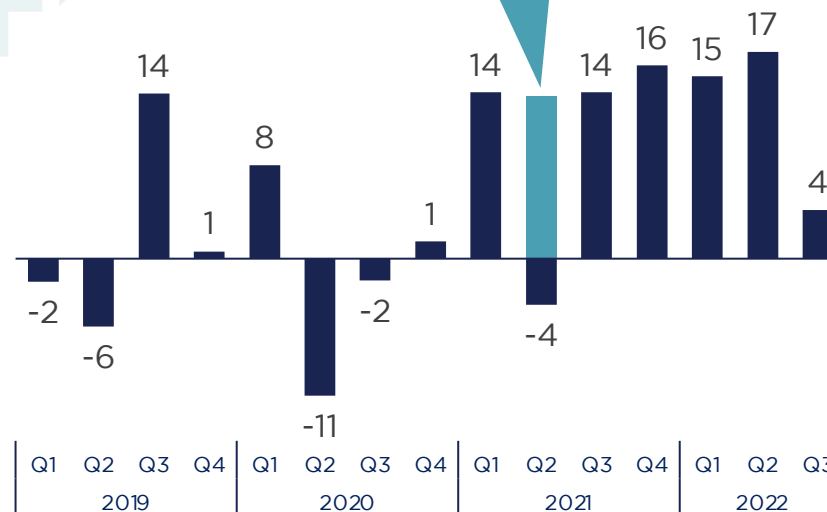
- First acquisition in Helsinki in July 2022.
- Established in all Nordic countries.

✓ NEW SUSTAINABILITY STRATEGY 2022

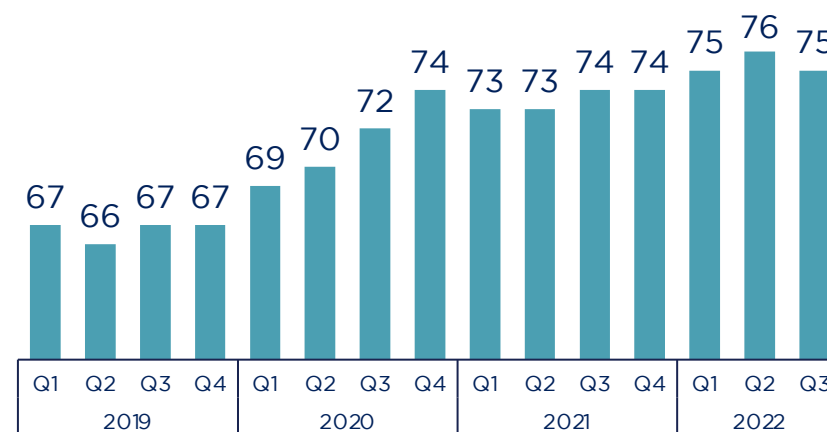
- Higher sustainability ambitions.

Excluding bankruptcy of second largest tenant Exploria

NET LETTING (MSEK)



SURPLUS RATIO (%)



FINANCIAL HIGHLIGHTS Q3

✓ FINANCIAL KEY FIGURES WELL ABOVE TARGET

- ROE 18%
- NAV growth 18%

✓ REFINANCINGS OF SECURED BANK DEBT

- Substantially strengthened liquidity.
- Substantially extended average remaining tenor on interest bearing debt (3.0 years).

✓ INCREASED INTEREST-RATE HEDGING LATE 2021

- 80% of interest-bearing debt.
- Including the unhedged portion of relevant Ibor and the hedged portion via swap and caps the average interest fixing was 2.7 years.

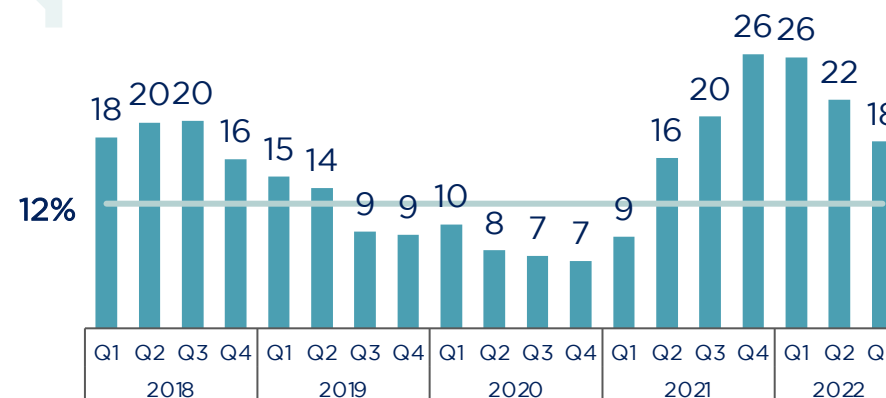
✓ INCREASED ENERGY PRICE HEDGING EARLY 2022

- ~80% of forecasted consumption 2022-2023, ~50% for 2024.

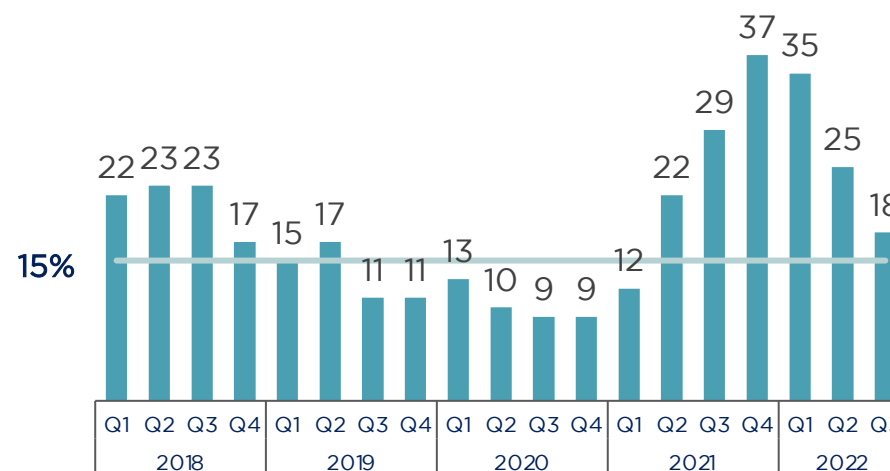
✓ GREEN- AND SUSTAINABILITY LINKED LOANS

- 5% Green loans.
- 37% Sustainability Linked Loans

ROE (%)



NAV GROWTH (%)



SNAPSHOT OF STENDÖRREN

PROPERTY VALUE¹

SEK
12.7 bn

RENTAL VALUE²

SEK
755 m

NOI YIELD³

5.5%

LTV⁴

47%

LETTABLE AREA¹

SQ.M.
810,000

NAV⁵

SEK
5,219 million

LEASE DURATION⁶

3.7 years

BUILDING RIGHTS¹

SQ.M.
615,000

1) Property portfolio as per September 30, 2022

2) Estimated earnings capacity as of September 30, 2022

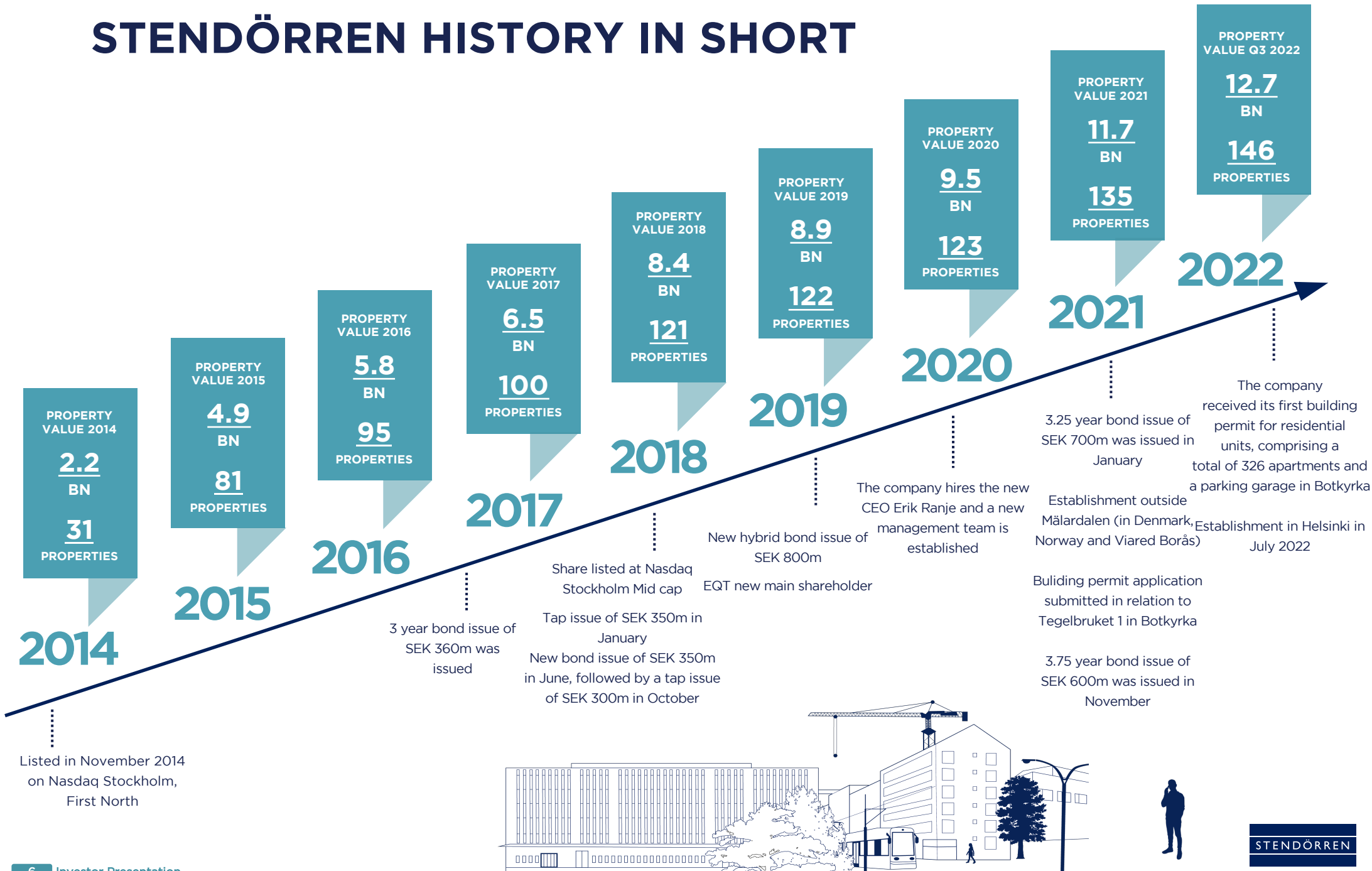
3) Excluding projects and land, 12 months average

4) Interest bearing debt in relation to total assets

5) Actual NAV

6) Average unexpired lease term – economically weighted

STENDÖRREN HISTORY IN SHORT



4 GOOD REASONS TO OWN A STENDÖRREN SHARE

1.

STABLE CASH FLOW

- High yielding logistics, warehouse and light industrial properties with long leases.
- The tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from different industries.

2.

SUSTAINABLE GROWTH

- Properties strategically located in growth areas (population and economic) in the Greater Stockholm and the Mälardalen region.
- Rent levels are increasing as demand for logistics and light industrial premises in urban locations increases. While supply is decreasing with urbanization leading to conversions to other use.
- Growing e-commerce increases the demand for logistic and warehouse properties, especially in urban locations, to meet consumer demand on short delivery times.
- Further growth via acquisitions and operational improvements.

3.

VALUE GROWTH IN PROJECTS

- The Stendörren project pipeline contains opportunities for green field development of prime logistics, as well as infill development of light industrial assets.
- In addition, the conversion of properties for alternative use, primarily residential purposes, provides further upside potential.

4.

FINANCE

- Bank debt from several of the leading Nordic banks.
- Capital market based financing as complement (senior unsecured bonds and hybrid bonds).
- Finance policy to balance risk (leverage and refinancing risks).

1. STABLE CASH FLOW

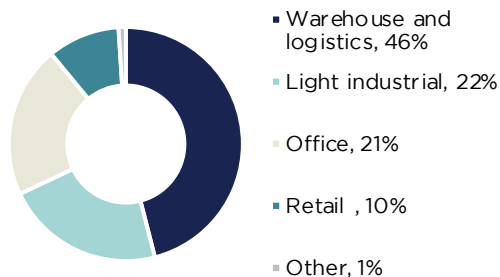
DIVERSIFICATION WITH FOCUS ON GREATER STOCKHOLM

PROPERTY PORTFOLIO OVERVIEW

- Stendörren has a property portfolio of SEK 12,728m, with a property yield of 5.5%¹ as per 30 September 2022.
- Rental value² of SEK 755m with an economic occupancy rate of 91% as per 30 September 2022.
- Lease agreements that were renegotiated during the period led to an increase in rental values of 21%, on weighted average (Q3 2022).

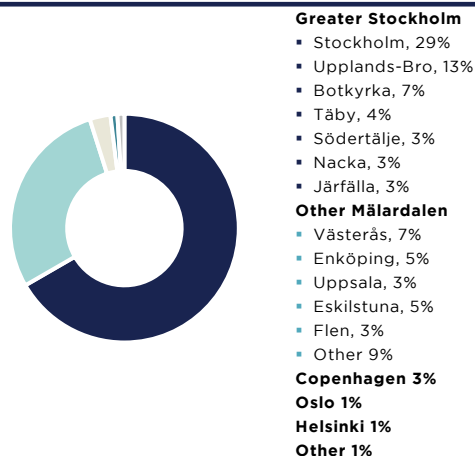
PROPERTY DISTRIBUTION

SEGMENT (area)



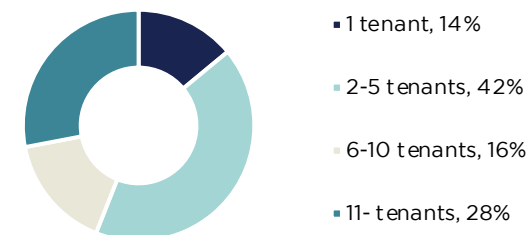
The majority (68 %) of the property portfolio area consists of warehouse, logistics and light industrial properties.

GEOGRAPHY (rental income)



The main part of the property portfolio, by rental income, is located in Greater Stockholm and the surrounding regions.

TENANTS/PROPERTY (area)



The tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from different industries.

1) Excluding projects and land, 12 months average 2) Estimated earnings capacity as of September 30, 2022 3) Capital goods e.g car dealerships

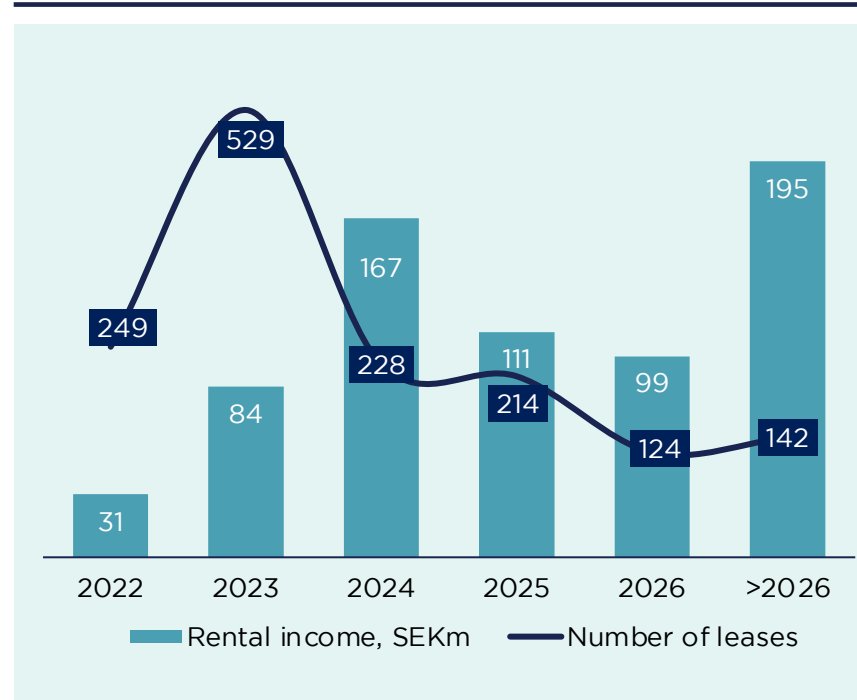
1. STABLE CASH FLOW - CONTINUED

DIVERSIFIED TENANT BASE

LARGEST TENANTS AS PER Q3 2022

Tenant	Rental income, SEKm	Rental area, th. sq.m.	Share of total rental income
Coop Logistics AB	66	130	10%
Alfa Laval Tumba AB	14	20	2%
Åtta.45 Tryckeri AB	12	11	2%
Montain Top	11	10	2%
Unilever Europe BV	10	13	1%
Stockholm Vatten AB	10	6	1%
Bactiguard AB	9	4	1%
InfoCare Service AB	8	5	1%
Nacka Vatten och Avfall AB	7	3	1%
LeasePlan Sverige AB	7	5	1%
Sum	154	207	22%

LEASE MATURITY BY RENTAL INCOME

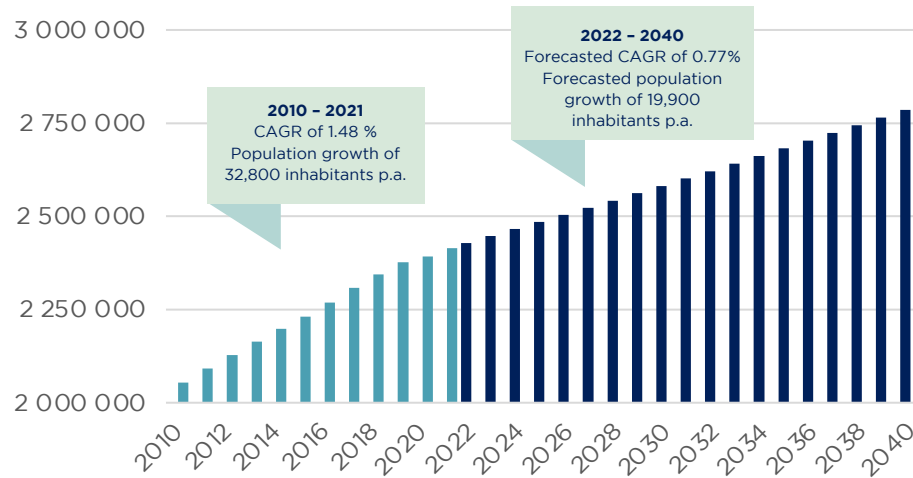


- Stendörren has an attractive and well-diversified tenant base
 - some 800 individual tenants
 - well-established small to medium sized companies and large multinational companies
 - tenants represent a variety of industries
- Largest tenant is Coop that contributes 10% of total rental income.
- Top ten tenants contribute 22% of total rental income.
- The weighted average unexpired lease term is 3.7 years.

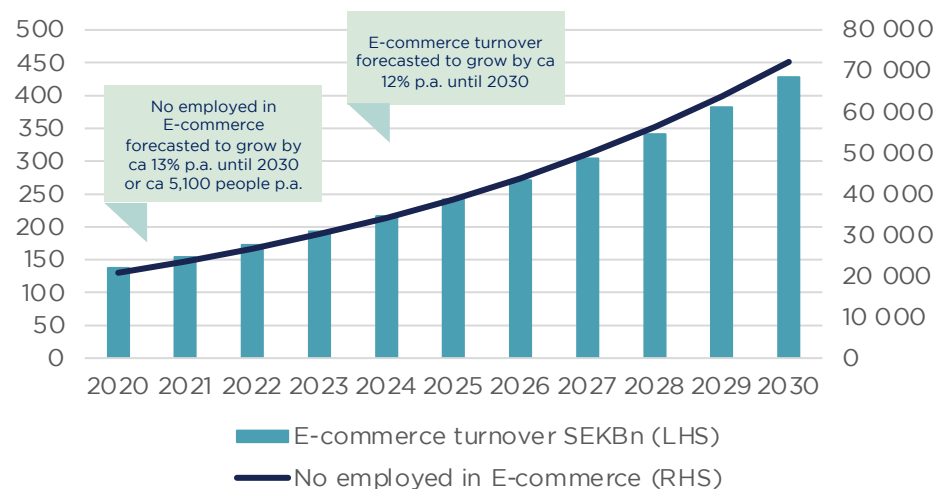
2. SUSTAINABLE GROWTH

WHY FOCUS ON THE STOCKHOLM REGION?

POPULATION STOCKHOLM REGION



Forecasted E-commerce turnover & employment - Sweden



STOCKHOLM REGION

- By 2040 a total of 11.3m inhabitants are expected to live in Sweden.
- The highest growth in absolute numbers and percent is in the Stockholm county, with a forecasted growth of approx. 360,000 inhabitants or 15 % for the period up until 2040.
- In addition to being the most populous region, Stockholm has the highest gross regional product in Sweden, approx. 40 % above the national average.
- The gross regional product in Stockholm declined 1.5%, which is however significantly better than Sweden with a decline of -2.8%
- The Stockholm county has the highest portion of the population nationwide shopping on-line, as well the highest average spend.

E-commerce & Real estate market implications

- E-commerce accounted for 16% of total retail turnover in 2021, up from 14 % in 2020.
- E-commerce is forecasted to account for 40% of retail turnover by 2040 (nationwide) with E-commerce logistics expected to need 2.4x the logistics space versus traditional logistics for brick-and-mortar retail.
- Over the last 20 years the available stock of light industrial, logistics and warehouse assets has remained stable in the wider Stockholm region, whilst significantly reduced in city-fringe locations, whilst the population has grown with approx. 30 %.
- Growing demand coupled with lagging supply are factors that could continue to push rent higher.

Sources: SCB, Swedish Trade Federation, PostNord/HUI, CBRE

2. SUSTAINABLE GROWTH - CONTINUED

STRONG GROWTH PROSPECTS



FUTURE

- Continued expansion in greater Stockholm and Mälardalen.
- Continue to build critical mass in new markets.
- Furthermore, new markets are continuously being evaluated, with the most recent acquisitions being three industrial assets in Helsinki, Finland.
- Continued focus on off market acquisitions of cash flow generating assets.
- Further investments in the existing portfolio of building rights and developments, including residential.

3. VALUE GROWTH IN PROJECTS

PROJECT PORTFOLIO WITH LARGE POTENTIAL

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT (GROSS SQM ²) 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

- Fully developed up to an additional 615,000 sqm can be created, evidencing a substantial increase to the current portfolio of standing assets.
- The vast majority of the building rights are located in the greater Stockholm region.
- The aim is to develop the project pipeline on a pre-let basis why the timing of possible construction start depends on the pace of leasing activities.

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

3. VALUE GROWTH IN PROJECTS - CONTINUED

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	

- Development projects within logistics, light industrial, and residential ongoing.
- First estimated construction completion estimated for Q4 2022.

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

3. VALUE GROWTH IN PROJECTS - CONTINUED

TEGELBRUKET IN BOTKYRKA

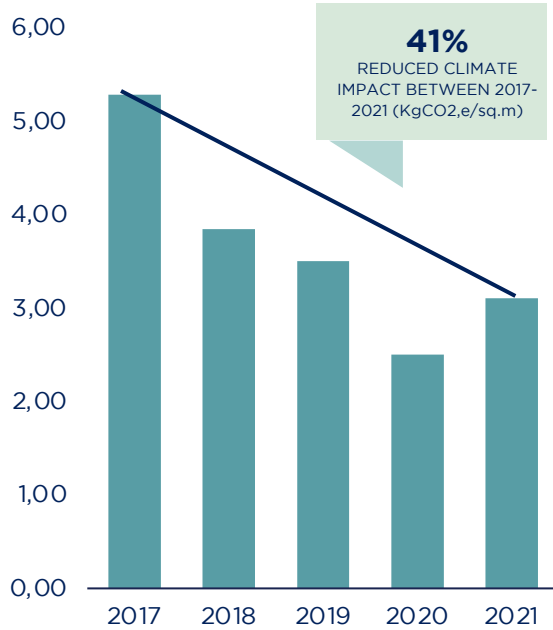


TEGELBRUKET

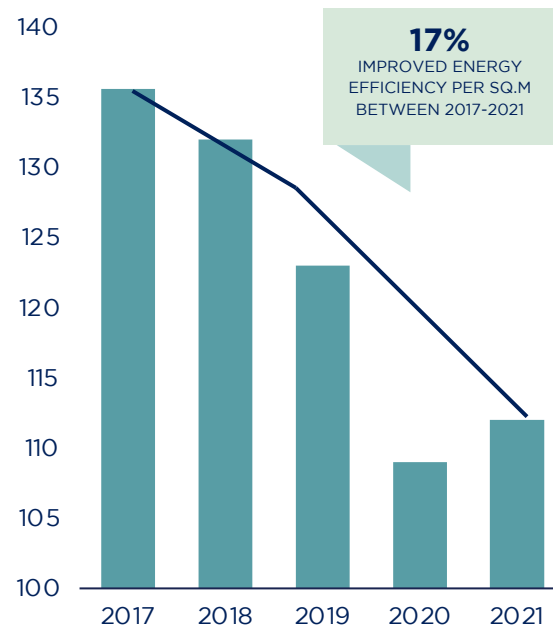
- Example of underutilized asset in urban location.
- Acquired in 2016 as a cash flow generating property, significant value unlocked through rezoning allowing for residential construction on underutilized parking lot.
- Building permit application submitted regarding first phase.
- Post completed development the area will comprise approx. 800 apartments and some additional commercial premises, primarily to service the new residents.

SUSTAINABILITY - ACHIEVEMENTS

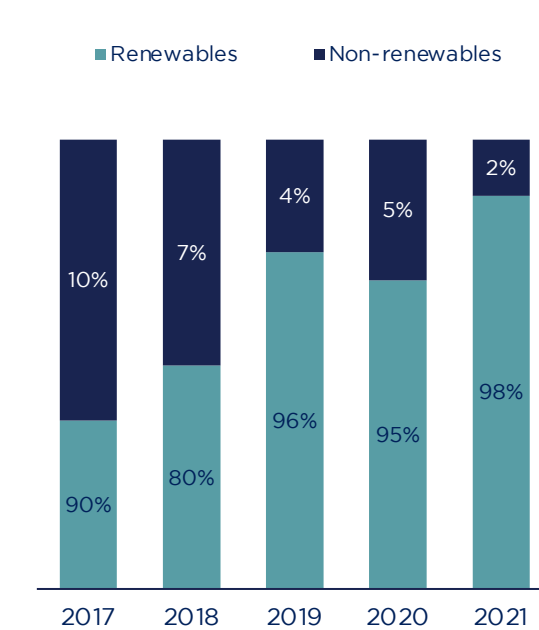
CLIMATE IMPACT KG CO₂/SQ.M



ENERGY INTENSITY KWH/SQ.M.



DISTRIBUTION OF ENERGY SOURCES



SDG FOCUS



NEW SUSTAINABILITY STRATEGY ADOPTED 2022

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 BASE YEAR 2020

70% OF THE PROPERTY PORTFOLIO IN SQM IS TO HAVE ENVIRONMENTAL CERTIFICATION BY 2025

NEW BUILDINGS AND LARGE-SCALE TENANT IMPROVEMENTS ARE TO HAVE ENVIRONMENTAL CERTIFICATION

ENABLE INCREASED RECYCLING OF TENANTS' WASTE AND MINIMIZE CONSTRUCTION WASTE FROM NEW BUILDINGS, EXTENSIONS AND TENANT IMPROVEMENTS.

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 SCORE 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:

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

SOCIAL RESPONSIBILITY



TARGET:

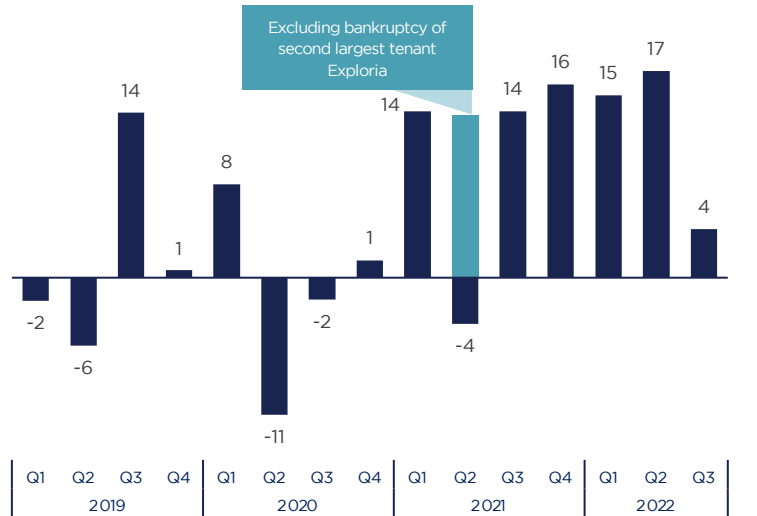
CREATE JOB OPPORTUNITIES FOR PEOPLE FAR OUTSIDE THE LABOR FORCE

- ✓ Added focus areas (Future proofing)
- ✓ Generally increased ambitions

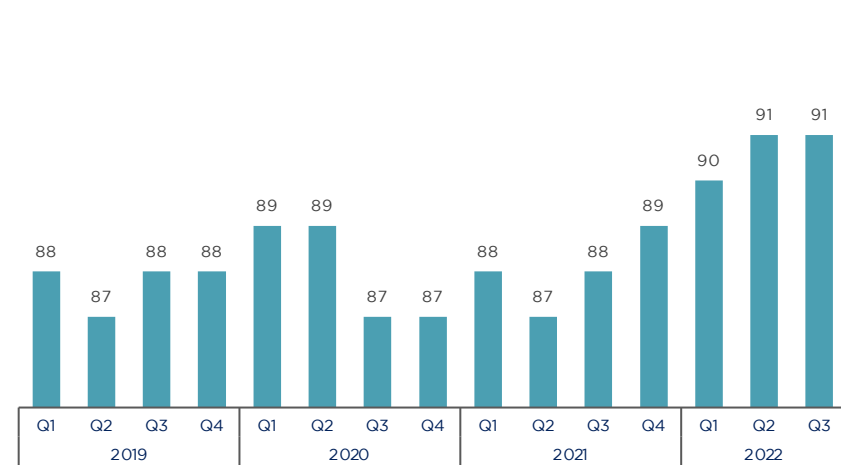
4. FINANCE

HIGHLIGHTS FROM Q3 REPORT

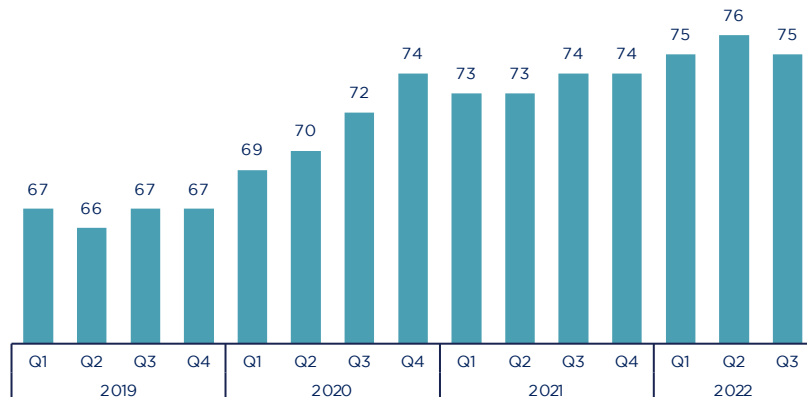
NET LETTING (MSEK)



ECONOMIC OCCUPANCY (%)



SURPLUS RATIO (%)



COMMENTS

- ✓ Substantial refinancings together with recently increased interest-rate hedging (approx. 80% of interest-bearing debt in the balance sheet) give strong financial resilience
- ✓ Net letting of SEK 36 million during January - September 2022.
- ✓ New lease agreements with an annual rental value of SEK 66 million.
- ✓ Lease renegotiations led to an increase in rental values of 21%.

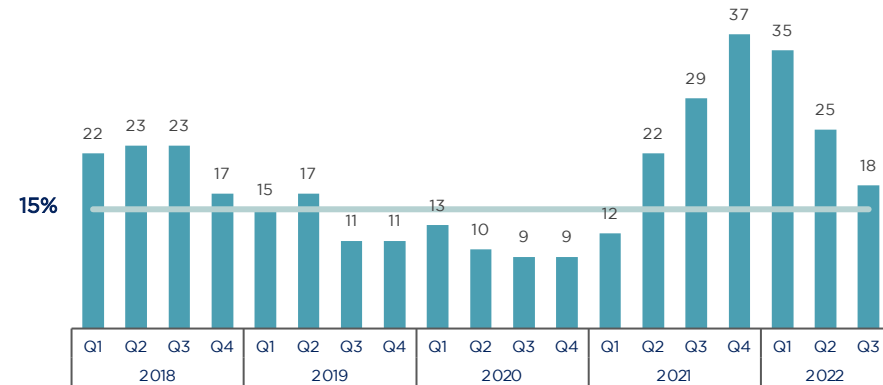
4. FINANCE - CONTINUED

FINANCIAL TARGETS

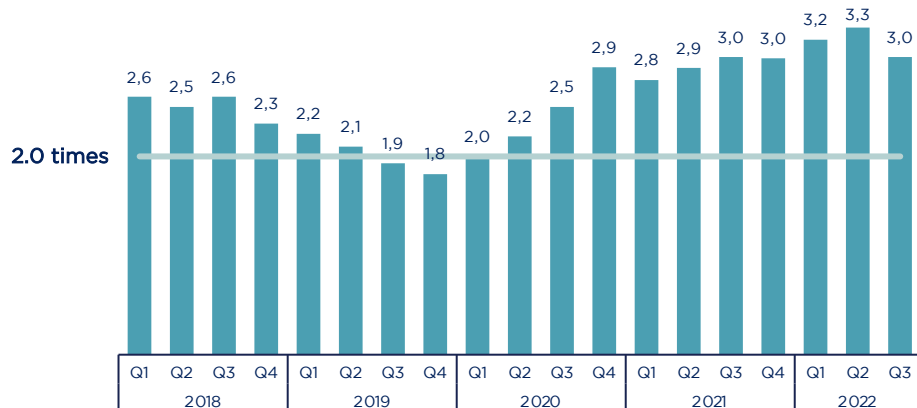
ROE (%)



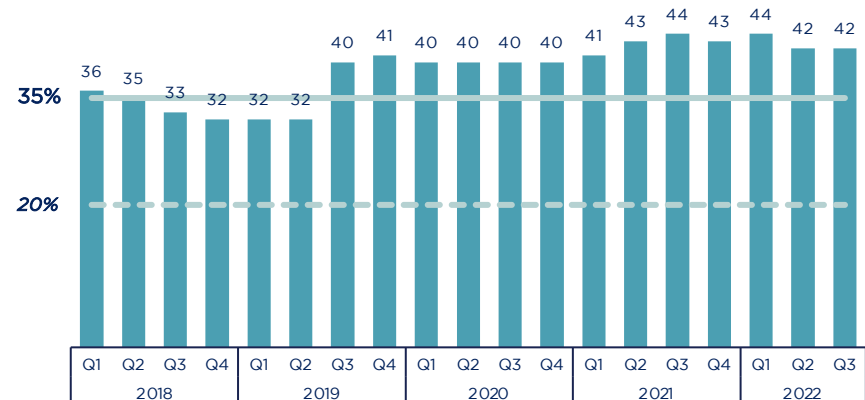
NAV GROWTH (%)

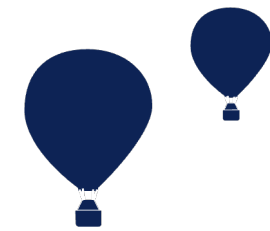


ICR (times)



EQUITY RATIO (%)

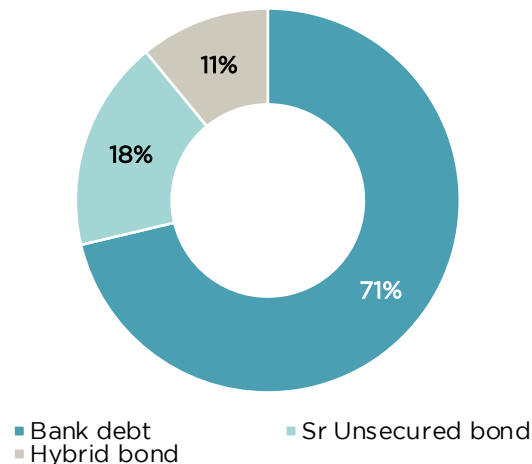




4. FINANCE - CONTINUED

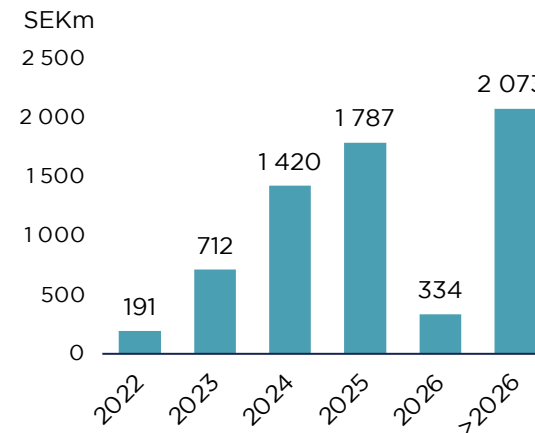
DEBT FUNDING

DEBT FUNDING OVERVIEW



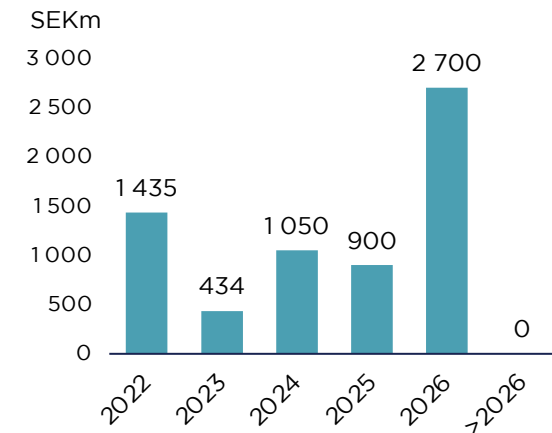
- Total interest-bearing debt amounts to SEK 6,484m
 - Bank debt of SEK 5,214m
 - Senior unsecured bond debt of SEK 1,300m
 - Vendor note of SEK 5m
- Stendörren uses several of the leading Nordic banks for debt sourcing. Typically, approximately 60% bank financing on acquisitions.
- Hybrid bond of SEK 800 million recognized as equity according to IFRS, with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

LOAN MATURITY



- During the second quarter refinancings was accomplished with several of the company's banks, which has led to substantially strengthened liquidity and also substantially extended average remaining tenor on interest bearing debt.
- Average loan maturity of interest-bearing debt of approximately 3.0 years.
- Average interest rate of approximately 3.7% on total interest-bearing debt including derivatives as of September 30, 2022.

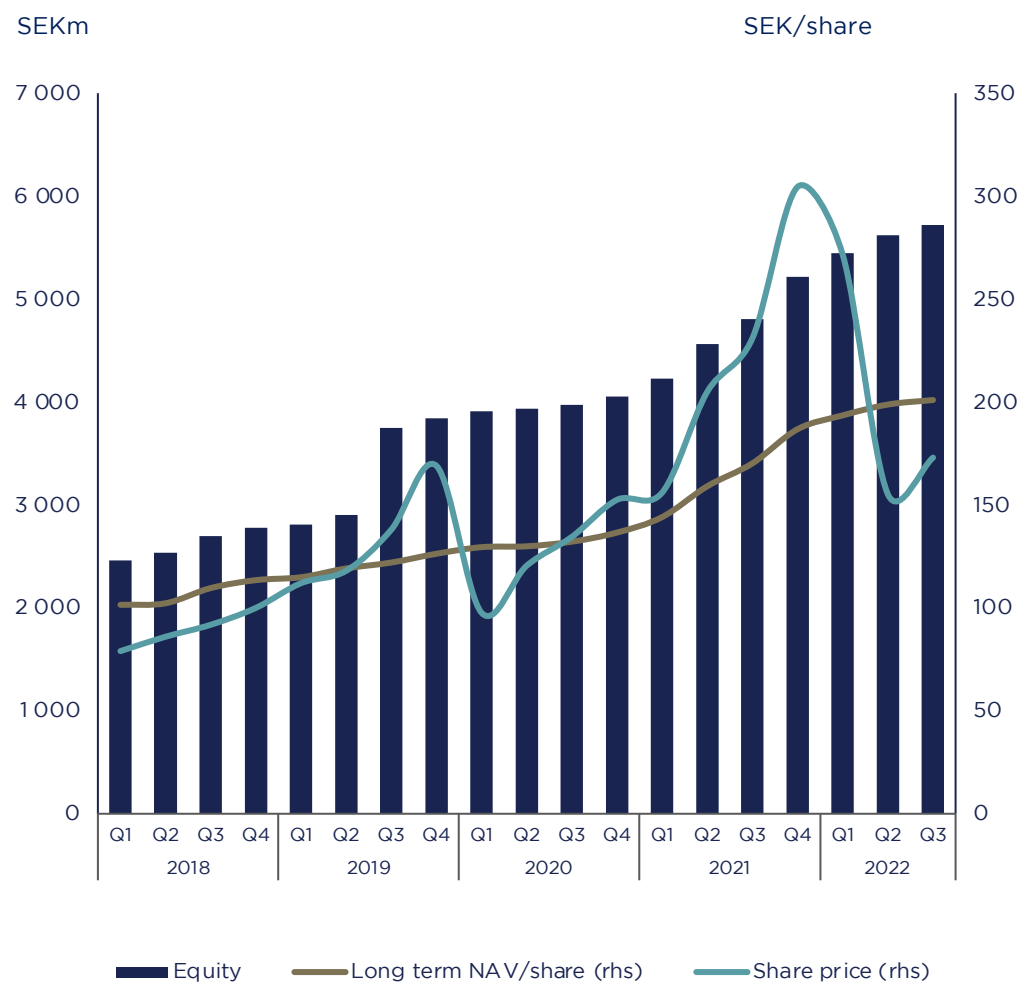
INTEREST FIXING



- Including the unhedged portion of relevant lbor and the hedged portion via swap and caps the average interest fixing was 2.7 years.
- Already before year-end 2021, to the concern regarding inflation and interest rates at the end of the last year, the company expanded its interest-rate hedging.
- Total interest hedging with a total nominal amount of SEK 5,084m, approximately 80% of interest-bearing debt.

4. FINANCE - CONTINUED

KEY EQUITY RATIOS AND OWNERSHIP OVERVIEW



SHAREHOLDER	% OF CAPITAL	% OF VOTES
STENDÖRREN REAL ESTATE AB	40,6	58,0
ALTIRA AB	10,7	14,8
LÄNSFÖRSÄKRINGAR FASTIGHETFOND	10,3	5,8
SEB INVESTMENT MANAGEMENT	9,2	5,1
VERDIPAPIRFONDET ODIN EIENDOM	3,8	2,1
TREDJE AP-FONDEN	3,5	1,9
DIDNER & GERGE FONDER AKTIEBOLAG	2,1	1,2
CARNEGIE FONDER	1,4	0,8
MALMER, STAFFAN	1,1	0,6
SEB LUXEMBOURG BRANCH	1,1	0,6
OTHER SHAREHOLDERS	16,2	9,1

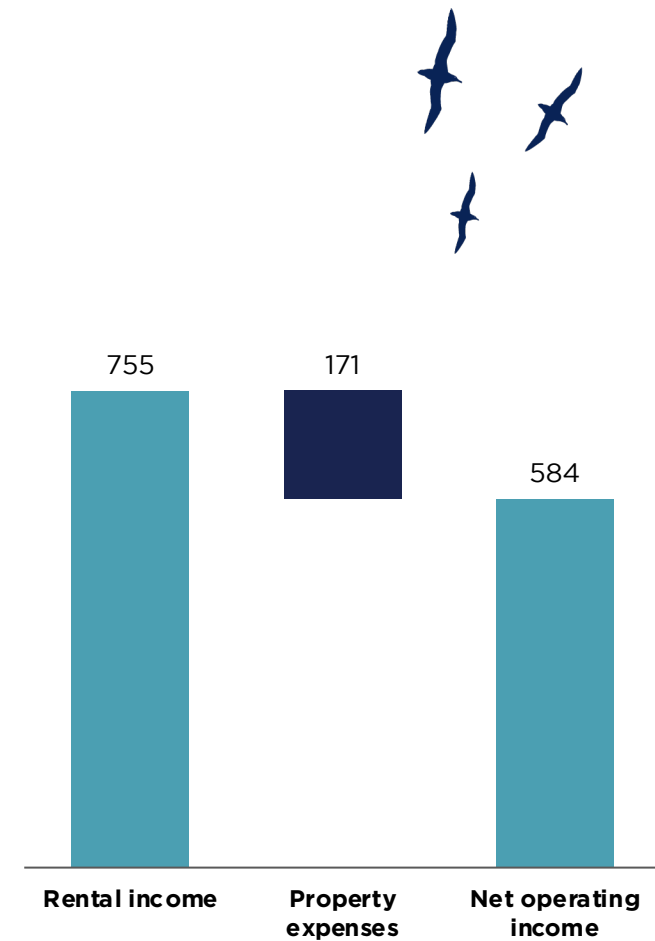
Source: Euroclear Sweden & Bloomberg 30 September 2022

- The 3 largest shareholders EQT, Altira and Länsförsäkringar, have together 61,6% of the capital and 78,6% of the votes.
- Market cap as per 30 September 2022: SEK 4,918m
- The class B-share is currently trading at Nasdaq Stockholm Mid Cap
- Stendörren had 3,665 shareholders as per 30 September 2022
- Stendörren Real Estate AB is a company wholly owned by EQT Real Estate II

4. FINANCE - CONTINUED

ASSESSED EARNINGS CAPACITY

- According to the company's assessment as of Q3 2022, 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 costs amount to approximately SEK - 171 million on an annual basis.
- The portfolio is thus expected to produce an operating net of approximately SEK 584 million.



THANK YOU!

STENDÖRREN

Premises that make a difference.