

YEAR-END REPORT

JANUARY- DECEMBER 2022

THE YEAR IN BRIEF

INCOME FROM PROPERTY MANAGEMENT:

SEK 287 MILLION

RENTAL INCOME:

SEK 733 MILLION

NET OPERATING INCOME:

SEK 548 MILLION



JANUARY–DECEMBER 2022

(January – December 2021 in parentheses)

- Rental income increased by 12% to SEK 733 million (653) and net operating income increased 12% to SEK 548 million (488).
- Income from property management increased 7% to SEK 287 million (267).
- Net letting during the year amounted to a total of approximately SEK 40 million and new lease agreements with a total annual rental value of approximately SEK 84 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 370 million (223), corresponding to SEK 13.02 per share (7.87).
- Changes in value of investment properties for the period amounted to SEK -143 million (1,235).
- Profit for the year amounted to SEK 268 million (1,209), corresponding to SEK 7.42 per share (40.75) before dilution and 7.41 per share (40.67) after dilution.
- The Board proposes to the Annual General Meeting that no dividend be paid, and any profit instead be reinvested in the business.

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- On November 1, Stendörren acquired two warehouse assets in the Copenhagen region for SEK 73 million.
- On November 3, Stendörren acquired one warehouse asset in the Copenhagen region for SEK 69 million.
- On December 22, Stendörren divested an industrial asset in Täby, Stockholm for SEK 203 million.
- On December 30, Stendörren vacated a property in Vilsta industrial area, Eskilstuna.
- In the fourth quarter, Stendörren applied for and received a building permit for four new buildings, two logistics buildings and two light industrial buildings.
- In the fourth quarter, a warehouse property in Eskilstuna is completed and occupied, and the transaction was closed. Total lettable area amounts to approximately 5,000 sqm. The property is fully let to two tenants on 10 year leases, starting the date of occupancy.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In January 2023, Stendörren signed a five-year lease agreement, with the possibility of a five-year extension, concerning premises of 2,200 sqm in Brunna, Upplands-Bro with access from February 2023.

SWEDEN
DENMARK
NORWAY
FINLAND

LETTABLE AREA:

795,000 SQM

EQUITY RATIO:

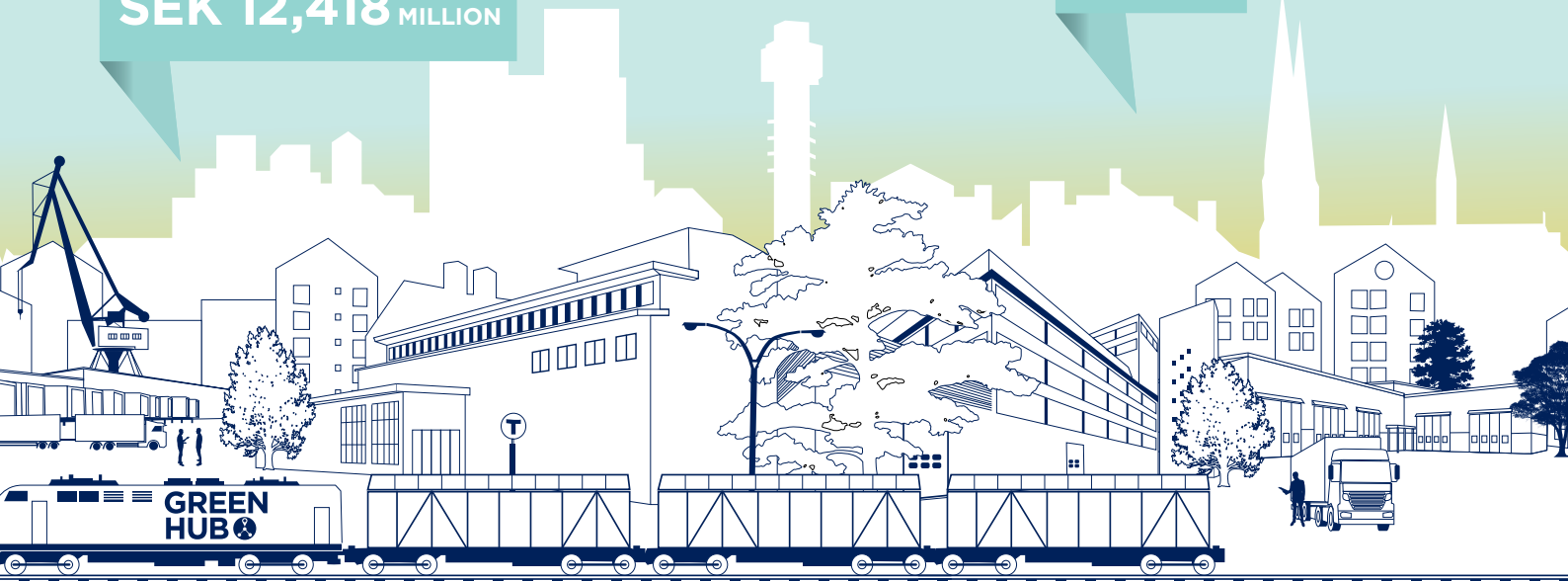
41%¹

LTV:

47%

PROPERTY VALUE:

SEK 12,418 MILLION



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 0.8%.

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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

STABLE GROWTH DESPITE CHALLENGING BUSINESS ENVIRONMENT

Stendörren's operations performed well during the fourth quarter, posting continued positive net letting, continued progress in the project portfolio and an expanded footprint in new markets. Like many others in our industry, we were also effected by the slowdown in the economy, rising interest rates and higher yield requirements, which affected the value of our property portfolio. However, we enter 2023 with stable finances and a well-balanced business. We will continue to focus on growth as well as on increased financial flexibility so that we have maneuverability regardless of the economic climate and sentiment on the financial market.

Stendörren's fourth quarter shows continuing growth in rental income and net operating income, despite a deterioration in external business conditions. The economic occupancy rate rose further to 92% at the end of the year. Taking into account contracted new letting and vacancies forward-looking 12 months from the end of the reporting period, the economic occupancy increased to 93%. As we summarize 2022 as a whole, we can conclude that rental income increased 12%, net operating income 12% and income from property management 7%. We can therefore see a continuing strong and solid performance from our business.

ROBUST LEASING ACTIVITIES

A particular take-away from the past quarter is that despite the difficult conditions in our business environment, we have been successful in terms of both new lettings and renegotiating leases. We also successfully implemented rent increases resulting from inflation linked index clauses contained in our lease agreements. Stendörren operates in a segment of the property market that to date has only been affected to a limited extent by a weaker economy. Our tenants are in the logistics, warehouse and light industrial sectors and the underlying macro trends of urbanization, e-commerce



Erik Ranje, CEO

and effective distribution provide stability for such operations and thus also for Stendörren.

STRATEGIC TRANSACTIONS

Activity in the transaction market softened in the latter part of 2022 and we have also been more restrictive in our pace of acquisitions. However, we completed supplementary acquisitions in Copenhagen of properties in strategic locations, meaning that we are approaching a critical mass in this sub-market. We also sold a property in the Stockholm area at high above its book value, which also added to our liquidity.

LOWER PROPERTY VALUES

BUT STRONGER PROJECT PORTFOLIO

As for almost all players in our industry, the value of our property portfolio was negatively impacted by higher market interest rates since the yield requirement in the valuation models was adjusted upward. The future trend in property values remains to be seen, but we are focusing our operations on factors that we can control. For this reason, we are continuing to make carefully considered yet clear steps forward in our property development strategy by applying for and securing building permits. This means that we can market well-defined projects with shorter lead times to the start of construction. What sets Stendörren apart from many of its industry colleagues is that in addition to 795,000 sqm of lettable area, we also have an extensive portfolio of 657,000 sqm in building rights for logistics, warehouse, light industry and residential use. Our portfolio of building rights is thus a unique asset.

STRONG FINANCIAL POSITION

AHEAD OF 2023

At the end of 2021 and throughout 2022 we carried out several risk-mitigating measures, such as refinancing, hedging interest rates and hedging prices for expected electricity consumption. This means that we are now entering 2023 with a strong financial position and well-balanced operations. Clear proof of this is that in January we retained our rating BB-, outlook stable from Nordic Credit Rating (NCR). Over the next year we will also concentrate intensely on maintaining our financial preparedness, given the more challenging situation on the financing market. This will allow us to continue to grow and to capitalize on attractive business opportunities that always emerge as market conditions change.

Stockholm, February 22, 2023

Erik Ranje
CEO

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

PROPERTY PORTFOLIO

As of December 31, 2022, the property portfolio of Stendörren consisted of 148 properties, primarily located in the Greater Stockholm and Mälardalen region with a market value of SEK 12,418 million. The ten largest lease agreements accounted for about 21% of the total annual rent, of which the company's largest lease agreement with Coop Sweden represented approximately 10%.

The total property portfolio comprised approximately 795,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 68% of the total lettable area.

At the end of the year, the company had 28 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 657,000 sqm (GFA but may differ from what is technically and commercially possible to develop), mainly for logistics, warehouse, light industrial and residential use. The market value of the building rights portfolio amounted to SEK 1,564 million (1,634) 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 residential units on completion. The status of respective rezoning process was considered when determining the market value of the building rights. The company's residential building rights represent approximately one third of the valuation of the entire building rights portfolio.

FINANCING

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216) and the Group's interest-bearing liabilities amounted to SEK 6,290 million (5,624), corresponding to a loan-to-value ratio of 47% (46).

The average time to maturity of interest-bearing liabilities amounted to 2.9 years (2.5), and including the unhedged portion of the relevant IBOR and the hedged portion via interest-rate derivatives the average interest maturity was 2.6 years (3.7). The average interest rate on the company's total interest-bearing loans including derivatives amounted to 4.0% (2.3). 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 absent over the next few years.

KEY RATIOS

	2022 JAN-DEC	2021 JAN-DEC
Lettable area, sqm thousand	795	793
No. of properties	148	135
Fair value properties, SEK million	12,418	11,693
Letting ratio, by area, %	90	88
Economic occupancy rate, %	92	89
NOI yield, total portfolio, 12 month average, %	4.5	4.7
NOI yield, excluding projects and land, 12 month average, %	5.5	5.6
Total return, 12 month average, %	3.3	16.5
Weighted average unexpired lease term, years	3.8	3.7
Average annual rent, SEK/sqm	1,069	992
FINANCIAL KEY RATIOS		
Total income, SEK million	733	656
Net operating income, SEK million	548	488
Income from property management, SEK million	287	267
Surplus ratio, 12 month average, %	75	74
Total assets, SEK million	13,344	12,290
Average interest rate total liabilities, %	4.0	2.3
Average interest maturity at end of period, years	2.6	3.7
Average loan maturity at end of period, years	2.9	2.5
Interest coverage ratio, 12 month average, times	2.6	3.0
Loan-to-value ratio at end of period, %	47	46
Loan-to-value ratio, property level at end of period, %	40	37
Equity ratio at end of period, %	41	43
Return on equity, 12 month average, %	5	26
STOCK-RELATED KEY RATIOS		
Market capitalization, SEK million	5,453	8,656
Stock price at end of period, SEK	191.80	304.50
Book equity per share, SEK ¹	163.35	155.84
Long-term net asset value, SEK million	5,377	5,310
Long-term net asset value per share, SEK	189.14	186.80
Current net asset value, SEK million	4,918	4,852
Current net asset value per share, SEK	173.01	170.67
Earnings per average number of shares before dilution, SEK	7.42	40.75
Earnings per average number of shares after dilution, SEK	7.41	40.67
Cash flow from operating activities per share, SEK	13.02	7.87
No. of shares, at end of period	28,428,265	28,428,265
Average no. of shares	28,428,265	28,385,141
OTHER RATIOS		
No. of employees at end of period	54	55
No. of employees, average for period	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 Q4 2022

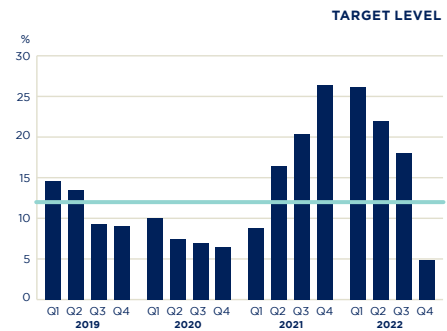
HISTORICAL PERFORMANCE

ROE (AVERAGE)

The long-term average return on equity shall amount to at least 12%.

5%

The return on equity (calculated as 12 month average) amounted to 5% at the end of the period.

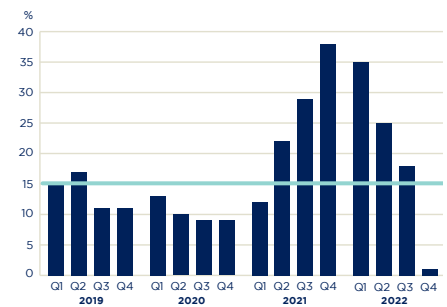


NAV GROWTH

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

1%

At the end of the period, growth in net asset value (over the last 12 months) amounted to 1%.

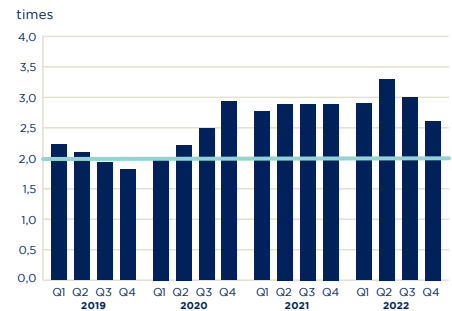


ICR

Long-term ICR shall amount to at least 2.0 times.

2.6 times

The interest coverage ratio amounted to 2.6 times.

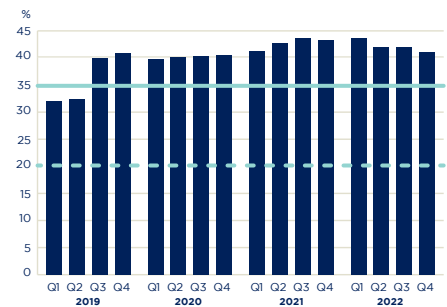


EQUITY RATIO

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

41%¹

The equity ratio amounted to 41% 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 0.8%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONDENSED

AMOUNTS IN SEK MILLION	2022 JAN-DEC	2021 JAN-DEC	2022 OCT-DEC	2021 OCT-DEC
Rental income	733	653	192	169
Other operating income	0	3	0	2
Total income	733	656	192	172
Operating expenses	-137	-123	-42	-35
Maintenance costs	-22	-27	-7	-7
Property tax	-26	-18	-7	-3
Net operating income	548	488	136	126
Central administration	-76	-77	-19	-27
Financial income	32	1	12	1
Financial expenses	-208	-135	-71	-34
Lease expenses/Ground rent	-10	-9	-3	-2
Income from property management	287	267	55	64
Change in value of investment properties	-143	1,235	-354	457
Change in value of financial instruments	223	20	-27	12
Profit/loss before tax	367	1,523	-326	533
Deferred tax	-75	-311	70	-110
Current tax	-23	-2	-22	-2
Profit/loss for the period	268	1,209	-278	421
Translation differences	3	-	1	--
Other comprehensive income	3	-	1	--
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	271	1,209	-277	421
<i>Comprehensive income for the period attributable to Parent Company's shareholders</i>	271	1,209	-277	421
Earnings per share, before dilution, SEK	7.42	40.75	-10.36	14.35
Earnings per share, after dilution, SEK	7.41	40.67	-10.35	14.30
Average number of shares outstanding during the period, millions	28.43	28.39	28.43	28.43
Average number of shares during the period, after dilution, millions	28.47	28.44	28.46	28.53

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with 2021, Stendörren reported an increase of approximately SEK 77 million in income and of approximately SEK 60 million in net operating income for the January to December 2022 period. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 287 million (267), which represents an increase of approximately 7% compared with last year. Profit for the period amounted to SEK 268 million (1,209), corresponding to SEK 7.42 per share (40.75).

RENTAL INCOME

Rental income increased during the period by approximately 12% to SEK 733 million (653). The increased income was driven by higher rents in the portfolio (increase of approximately 6% 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 to SEK 185 million (168). Total property expenses in the comparable portfolio increased approximately SEK 9 million, which corresponds to about 6%. The increase in expenses was mainly due to higher energy prices, even though lower maintenance costs and an intense focus on energy-optimization measures limited this increase. Retroactive tax reassessments were carried out last year, which is the primary reason that the property tax in the comparable portfolio is about SEK 6 million higher this year.

CENTRAL ADMINISTRATION

Costs for central administration for the period amounted to SEK 76 million (77) and comprised costs for central administration, company management, Board and auditors.

NET FINANCIAL ITEMS

Net financial items for the period amounted to SEK -176 million (-134). The change (31%) compared with the year-earlier period was mainly due to higher debt and rising interest levels. Financial expenses (including lease expenses) increased SEK 73 million compared with last year. Financial income of SEK 32 million (1), mainly related to exchange rate gains and interest-rate derivatives, was also recognized for the period.

INCOME FROM PROPERTY MANAGEMENT

Income from property management increased by approximately 7% to SEK 287 million (267) 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 -143 million (1,235) for the period, which corresponds to -1% 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 adjusted yield requirements, changed cash flows based on new and renegotiated leases, as well as changes to assumptions regarding market rents, for details see page 20. The market valuation of the interest-rate derivatives resulted in a change in market value of SEK 223 million (20) 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 -23 million (-2) and deferred tax of SEK -75 million (-311).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

AMOUNTS IN SEK MILLION	31 DEC 2022	31 DEC 2021
ASSETS		
<i>Non-current assets</i>		
Intangible assets	2	3
Investment properties	12,418	11,693
Land leases	254	238
Equipment	2	3
Non-current receivables	2	2
Interest-rate derivative	268	45
Total non-current assets	12,947	11,984
<i>Current assets</i>		
Current receivables	83	146
Cash and cash equivalents	315	160
Total current assets	397	306
TOTAL ASSETS	13,344	12,290
EQUITY AND LIABILITIES		
Equity	5,429	5,216
<i>Non-current liabilities</i>		
Interest-bearing liabilities	5,469	4,868
Other non-current liabilities	36	22
Leaseholds land leases	254	238
Deferred tax liabilities	1,001	925
Other provisions	4	4
Total non-current liabilities	6,764	6,058
<i>Current liabilities</i>		
Interest-bearing liabilities	821	755
Other current liabilities	330	261
Total current liabilities	1,151	1,016
TOTAL EQUITY AND LIABILITIES	13,344	12,290
<i>Equity attributable to</i>		
Parent Company's owners	5,429	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 December 31, 2022, the value of the total property portfolio amounted to SEK 12,418 million (11,693). For analysis and comments, see pages 15-17.

CURRENT ASSETS

Current assets amounted to SEK 397 million (306) on the balance sheet date, consisting of cash and cash equivalents of SEK 315 million (160) and rental receivables and other current receivables of SEK 83 million (146). On balance sheet date, there were also unutilized and available credit facilities of a total of SEK 560 million.

EQUITY

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216) and the equity ratio to 41% (43).

INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,290 million (5,624) corresponding to a loan-to-value ratio of 47% (46). The liabilities consist of loans from credit institutions of SEK 5,018 million (4,339), two bonds totaling SEK 1,300 million (1,300)

and seller notes of SEK 5 million (10). Loan arrangement costs of SEK -33 million (-25) have been allocated in accordance with the company's accounting principles. The short-term portion of the interest-bearing liabilities amounted to SEK 821 million (755) and consisted of loans and amortizations 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 1,001 million (925) at December 31, and related mainly to the tax on properties, derivatives, untaxed reserves and unutilized losses carried forward.

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 330 million (261).



CONSOLIDATED CHANGES IN EQUITY

As of December 31, 2022, the Group's equity amounted to SEK 5,429 million (5,216).

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 employee stock options		-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				-58		-58
Comprehensive income Jan-Dec 2022			3	268		271
Closing balance equity, Dec 31, 2022	17	1,181	3	3,442	786	5,429

CONSOLIDATED STATEMENT OF CASH FLOWS

CONDENSED

AMOUNTS IN SEK MILLION	2022 JAN-DEC	2021 JAN-DEC	2022 OCT-DEC	2021 OCT-DEC
Cash flow from operating activities				
Income from property management	287	267	55	64
Adjustment for non-cash items	-5	20	-22	9
Income tax paid	-1	-1	3	12
Cash flow from operating activities before changes in working capital	281	287	36	86
<i>Changes in working capital</i>				
Change in operating receivables	42	-52	-22	-81
Change in operating liabilities	47	-12	91	18
Cash flow from operating activities	370	223	105	23
<i>Investing activities</i>				
Investments in existing properties	-624	-256	-196	-68
Other investments and divestments	1	2	1	4
Acquisitions of Group companies/properties	-581	-668	-215	-365
Divestment of Group companies/properties	386	-	386	-
Cash flow from investing activities	-818	-922	-24	-429
<i>Financing activities</i>				
New share issue, employee stock options	-	6	-	-
Dividend hybrid bond	-58	-52	-17	-12
Raised interest-bearing liabilities	2,566	1,635	104	780
Repayment and exercise of interest-bearing liabilities	-1,919	-1,101	-306	-321
Deposits	13	10	4	3
Cash flow from financing activities	603	498	-214	450
Cash flow for the period	155	-201	-133	43
Cash and cash equivalents at the beginning of period	160	361	448	117
Cash flow for the period	155	-201	315	43
Cash and cash equivalents at the end of the period	315	160	315	160

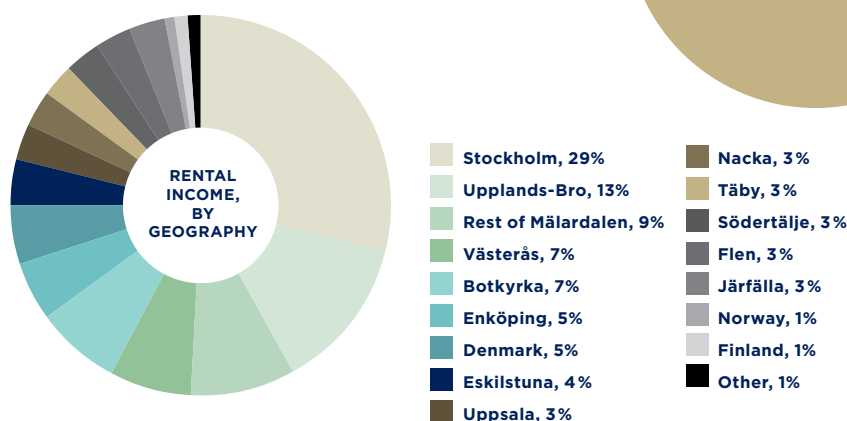
PROPERTY PORTFOLIO SUMMARY

PROPERTY PORTFOLIO DECEMBER 31

As at December 31, 2022, the property portfolio of Stendörren consisted of 148 properties, primarily located in the Greater Stockholm and Mälardalen region and with a total market value of SEK 12,418 million. The property portfolio is reported quarterly at fair value. All properties are externally valued regularly, at least once a year. The remaining 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.

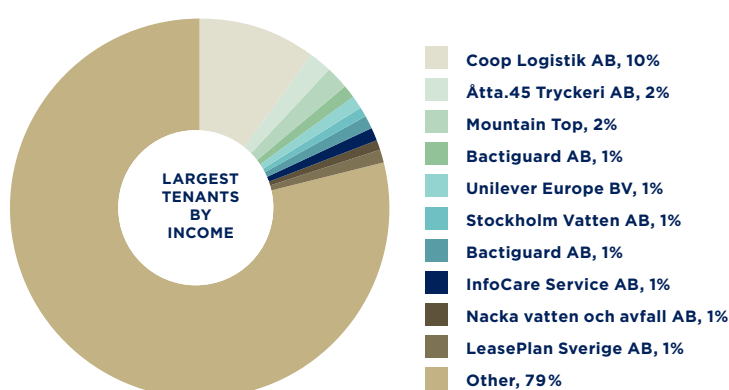
At the end of the reporting period, the total property portfolio comprised approximately 795,000 sqm of lettable area. The corresponding area for the portfolio of investment properties amounted to approximately 762,000 sqm, excluding project properties. Warehouse, logistics and light industrial premises together accounted for about 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 type 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 87% of the properties have at least two tenants.

During the period, the value of the property portfolio increased by SEK 725 million. This change in value was due to property acquisitions amounting to SEK 581 million, and disposals amounting to SEK 370 million. In addition, a total of SEK 624 million was invested in existing properties while currency effects of SEK 33 million and changes in value totaling SEK -143 million were recognized (see table on page 20).



GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

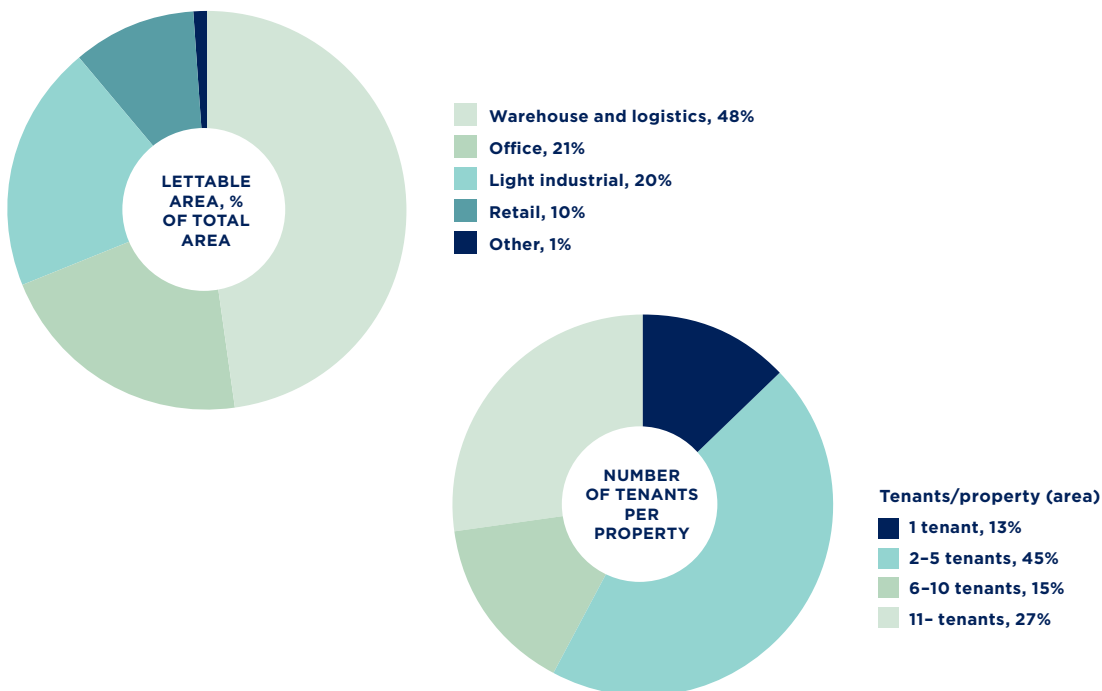
Stendörren puts significant effort into identifying attractive geographical industrial areas with potential in Nordic growth regions. The focus is on developing and strengthening the company's presence in these areas. The total rental income for Stendörren consists of approximately 65% of rental income 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 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 Helsinki – with a continued focus on warehouse, logistics and light industry.



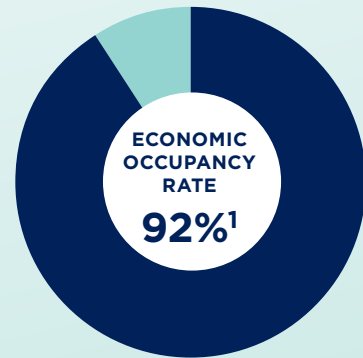
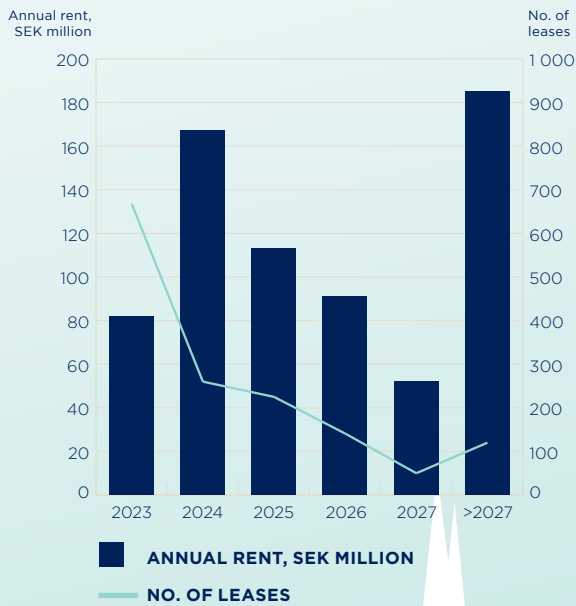
TENANTS AND LEASE AGREEMENTS

The tenants in the property portfolio operate in a variety of sectors and range from well-established small to medium-sized companies and large multinational businesses in several sectors. As at December 31, 2022, the ten largest leases made up 21% 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 3.8 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 3.3 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 92% at December 31, 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 25 million were signed. These consist of both renegotiated lease agreements and lease agreements with new tenants.

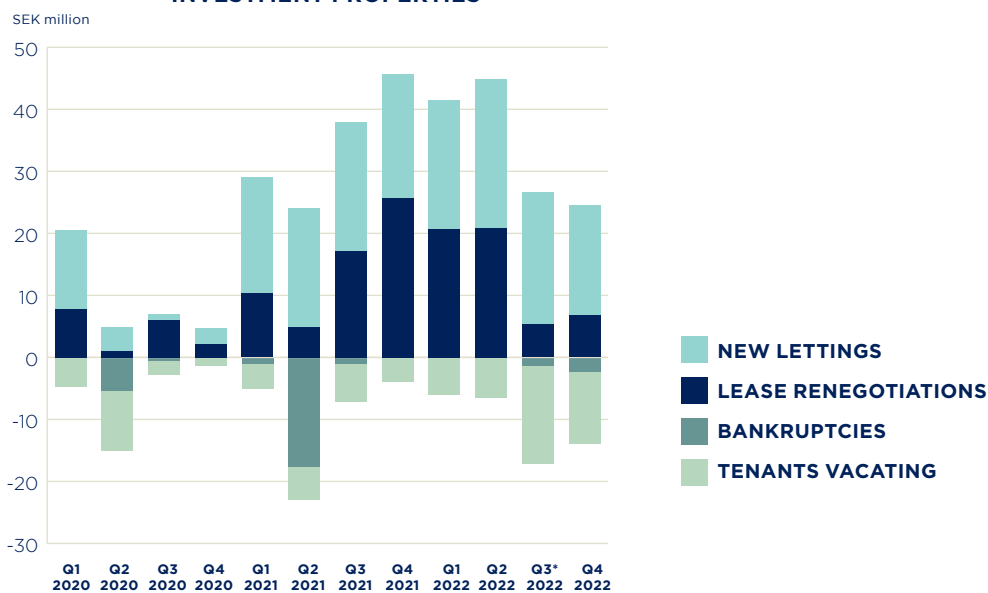


ANNUAL LEASE EXPIRY ANNUAL RENT AT DECEMBER 31, 2022



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 July 1, 2023.

PROJECT PORTFOLIO SUMMARY

OVERVIEW

As of December 31, 2022, Stendörren had a total of 28 properties, wholly or partly, consisting of building rights. Unutilized building rights amounted to approximately 657,000 sqm and were primarily for logistics, light industry and residential use. Additional building rights are created and added to Stendörren's existing types of buildings right by active development work and acquisitions. When commercially viable, existing properties are rezoned thereby creating residential building rights for further development and management. This takes place in areas with potential for residential use, mainly in Greater Stockholm and the rest of the Mälardalen region. Changes in the number of square meters of building rights are due to additional potential in the building rights portfolio being identified, but also due to certain building rights being re-categorized as property area when projects are completed. 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.

In 2022, the pandemic, the ongoing war in Ukraine and the global situation in general impacted the conditions for property development. Construction costs are and have been abnormally high and there are

delivery problems regarding materials. Stendörren's ongoing and planned projects are being affected to varying degrees. The impact on Stendörren's ongoing projects that are already under construction is limited. For planned projects, there is an impact on the pace of construction starts due to both high construction prices and potentially also lower demand resulting from a weaker economic climate. There are however positive signals indicating a slight decline in construction prices.

PROJECT PIPELINE

Stendörren's 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 strives to sign long leases with customers before the construction process is initiated. The company offers the market sustainable, modern and tailored premises and will also be able to provide sustainable residential units in attractive locations.

The masterplan for the City of Stockholm and other municipalities paves the way to initiate and start more zonings for residential purposes. Stendörren pursues long-term efforts to identify new areas and

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
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
Flen	Logistics	55,000	Within current zoning	2024-2025
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
Stockholm	Residential	30,000	Zoning change required	2026-2027

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

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 buildings. In 2022, Stendörren had a proposal for rezoning to residential use out for review. The proposed plan is for the Traversen 14 & 15 properties in Sollentuna and potential approval is expected to be granted in the first quarter of 2024. A positive planning notification was received from the City of Stockholm in 2022 for the Skrubba 1:2 property. This property is located in southern Stockholm with a view over the natural beauty of Lake Drevviken to the south. The work on the zoning plan is expected to start in 2023 and create about 30,000 sqm GFA building rights for residential purposes.

ONGOING PROJECTS

The company has several ongoing projects with a project volume in excess of SEK 25 million for which 82,500 sqm refers to new construction 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 construction of one of the buildings has been started. In addition, in the fourth quarter Stendörren applied for and received a building permit for four new buildings, two of which were logistics buildings and

two were light industrial buildings. Building permits for logistics mean it is possible to build another phase of about 17,000 sqm GFA in Almnäs, Södertälje, and the second phase of two of about 5,200 sqm GFA at the Viby 19:66 property in Brunna, Upplands-Bro. The building permits for light industrial are in prime locations in the Mälardalen region. On the property Romberga 23:17 in central Enköping there is a possibility to construct a new building of about 2,700 sqm GFA. A building permit for about 4,300 sqm GFA was obtained for Ulvsunda in Stockholm. Ongoing projects for new production of logistics, warehousing and light industry where construction is ongoing or for which legally valid building permits have been obtained jointly comprise 57,000 sqm. Leasing activities are in progress, with a number of signed leases in the second half of 2022. All projects are located in well-established and expansive areas where there is a clear demand. With project concepts that already have building permits, it is possible to quickly commence construction and meet customer needs. Due to the prevailing circumstances for residential development, Stendörren does not intend to initiate the construction of residential properties in the Tegelbruket 1 property in the near future.

FINALIZED PROJECTS

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

ONGOING PROJECTS

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION ¹	SIZE SQM ²	ESTIMATED INVESTMENT ³ SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q1 2023	11,900	175	Construction started
Hjulsmeden 1	New light industrial	Q1 2023	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q2 2023	2,300	44	Construction started
Viby 19:66	New logistics	Q1 2023	6,300	116	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,700	48	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	5,100	44	Construction started
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	31	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	Q3 2024	4,300	109	Design and planning ⁴
Viby 19:66	New logistics	Q2 2024	5,200	104	Design and planning ⁴
Almnäs 5:23	New logistics	Q4 2024	17,000	324	Design and planning ⁴
Romberga 23:17	New light industrial	Q3 2024	2,700	47	Design and planning ⁴
Tegelbruket 1	New residential	-	25,500	-	Design and planning ⁴
Total ongoing projects			97,700	>1,219	
Total excluding tenant improvement			82,500	1,055	

1) Note that Stendörren primarily aims to commence construction on a partially or fully pre-let basis, which is why the estimated date of completion depends on the date of leasing and the start of construction.

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

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

4) 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 comparable sales method. 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 December 31, 2022 amounted to SEK 12,418 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 1,564 million (1,662 on September 30, 2022), are valued based on comparable sales method 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 now 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 -143 million (1,235).

The changes in value of the property portfolio during the period were driven by adjusted yield requirements, changes in cash flows based on indexation, new and renegotiated leases and changed assumptions of market rents. Average yield requirements increased by about 0.2 percentage points from the preceding quarter and the average yield requirement of the property valuations as of December 31, 2022 amounted to 5.9% (see table of valuation parameters below).

CHANGE IN VALUE, PROPERTIES	JAN-DEC 2022
Change in yield requirements	-602
Cash flows	512
Building rights	-69
Total	-160

VALUATION PARAMETERS (PREVIOUS YEAR IN PARENTHESIS)	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement, %	4.6 (4.8)	8.5 (8.0)	5.9 (5.7)
Discount rate, cash flow, %	6.2 (6.0)	10.9 (10.2)	8.0 (7.6)
Discount rate, residual value, %	7.0 (6.8)	10.9 (10.2)	8.0 (7.7)
Long-term vacancy assumption, %	2.0 (3.0)	29.4 (30.0)	6.0 (6.1)

CHANGE IN CARRYING AMOUNT, PROPERTIES	JAN-DEC 2022	JAN-DEC 2021
Property portfolio, beginning of period	11,693	9,533
Acquisitions of new properties	581	668
Property sales	-370	-
Investments in existing properties	624	256
Currency effects	33	0
Realized changes in value	16	-
Value changes in existing properties	-160	1,235
Property portfolio, end of period	12,418	11,693

FINANCING

As of December 31, 2022, the average time to maturity of interest-bearing liabilities to credit institutions amounted to 3.1 years (2.4). Including bonds, the average time to maturity amounted to 2.9 years (2.5). 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 unhedged portion of the relevant IBOR and the hedged portion via swaps and interest caps, the average interest maturity of interest-bearing liabilities was 2.6 years (3.7).

The average interest rate on total interest-bearing liabilities including derivatives amounted to 4.0% (2.3). 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%.

On December 31, there were also unutilized and available credit facilities of a total of SEK 560 million.

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.

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 %
2023	1,239		20	712	11
2024	434		7	1,364	22
2025	1,050		17	1,780	28
2026	900		14	335	5
2027	2,700		43	2,122	34
>2027	0		0	10	0
Total/ average	6,323	4.0	100	6,323	100

1) The interest maturity for 2023 includes all loan amounts that carry STIBOR as base interest and that are not covered by interest derivatives.

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%	-10	21
+/-2.00%	-21	67
+/-3.00%	-31	106

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.

INTEREST-RATE DERIVATIVES

YEAR OF MATURITY	TYPE	NOMINAL SEK MILLION	FAIR VALUE SEK MILLION	CAP LEVEL, %	YEARS REMAINING
Danske Bank	Interest cap	300	16.3	2.00	3.68
Danske Bank	Interest cap	600	39.8	1.00	2.77
Danske Bank	Interest cap	300	19.9	1.00	2.77
Swedbank	Interest cap	1100	61.8	2.00	3.96
Swedbank	Interest cap	750	42.4	2.00	3.98
Swedbank	Interest cap	250	1.9	2.25	0.74
Swedbank	Interest cap	250	5.3	2.25	1.75
Swedbank	Interest cap	550	28.9	2.00	3.68
Nordea	Interest cap	184	3.3	1.50	0.96
Total		4,284	219.7	1.80	3.21

INTEREST-RATE DERIVATIVES

YEAR OF MATURITY	TYPE	NOMINAL SEK MILLION	FAIR VALUE SEK MILLION	INTEREST, %	YEARS REMAINING
Swedbank	Interest-rate swap	800	48.0	-0.0875%	1.72
Swedbank		800	48.0	-0.0875%	1.72

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 linked 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 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.

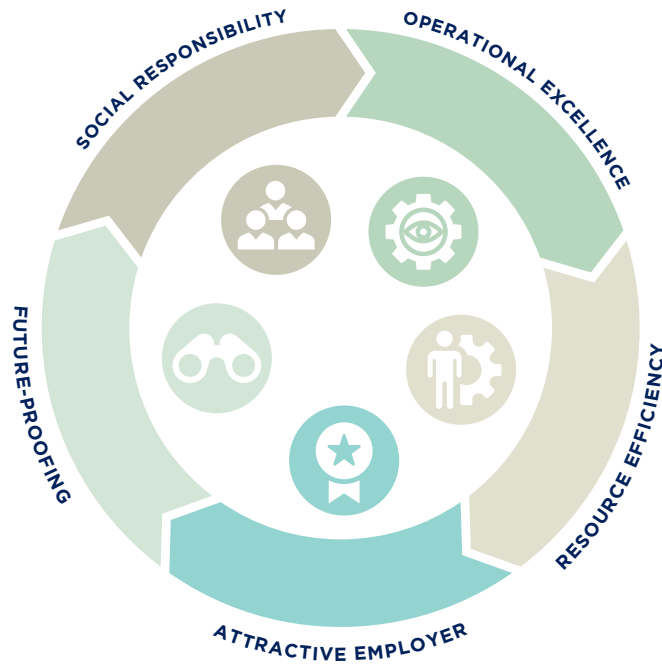


Health and wellness are priority areas for Stendörren. It is important to create the prerequisites for a safe, healthy and sound work environment internally for employees but also for tenants and suppliers. Read more in the “Attractive Employer” section.



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 125 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 December 31, 2022 amounted to SEK 21 million (54) and equity amounted to SEK 1,692 million (1,709).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	2022 JAN-DEC	2021 JAN-DEC	2022 OCT-DEC	2021 OCT-DEC
Net sales	125	109	34	38
Operating expenses	-123	-114	-35	-40
Profit/loss before financial items	2	-5	-1	-2
<i>Financial items</i>				
Income from shares in subsidiaries	-1	-	-1	-
Net financial items	41	20	14	7
Profit after financial items	42	15	12	5
Appropriations	-	4	-	4
Profit before tax	42	19	12	9
Deferred tax	-1	0	-1	0
Profit for the period	41	19	11	9

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

AMOUNTS IN SEK MILLION	31 DEC 2022	31 DEC 2021
ASSETS		
<i>Non-current assets</i>		
Intangible assets	2	3
Equipment	9	4
Shares/participations in subsidiaries	964	929
Receivables from Group companies	3,348	2,894
Deferred tax assets	0	1
Total non-current assets	4,323	3,831
<i>Current assets</i>		
Receivables from Group companies	142	124
Current receivables	5	4
Cash and cash equivalents	21	54
Total current assets	168	182
TOTAL ASSETS	4,492	4,013
EQUITY AND LIABILITIES		
Equity	1,692	1,709
<i>Non-current liabilities</i>		
Interest-bearing liabilities	1,291	1,286
Liabilities to subsidiaries	1,292	886
Total non-current liabilities	2,583	2,173
<i>Current liabilities</i>		
Liabilities to subsidiaries	178	97
Other current liabilities	38	35
Total current liabilities	217	132
TOTAL EQUITY AND LIABILITIES	4,492	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 has one incentive program that was resolved on at the Extraordinary General Meeting in September 2020. The program was targeted towards 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.

LARGEST SHAREHOLDERS AS OF 31 DEC 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	2,551,720	500,000	2,050,000	9.0	13.8
Länsförsäkringar Fastighetsfond	2,938,134	0	2,938,134	10.3	5.8
SEB Investment Management	2,593,909	0	2,593,909	9.1	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
Handelsbanken Fonder	823,543	0	823,543	2.9	1.6
Didner & Gerge Fonder Aktiebolag	600,000	0	600,000	2.1	1.2
Carnegie Fonder	346,024	0	346,024	1.2	0.7
SEB Luxembourg Branch	310,000	0	310,000	1.1	0.6
Other shareholders	4,664,415	0	4,666,135	16.4	9.2
	28,428,265	2,500,000	25,928,265	100.0	100.0

1) The total number of shareholders on the reporting date was 3,576.

OTHER INFORMATION

CALENDAR

- 2022 Annual Report, April 28, 2023
- Interim Financial Report Jan-Mar 2023, May 5, 2023
- Annual General Meeting, May 23, 2023
- Interim Financial Report Jan-Jun 2023, July 20, 2023
- Interim Financial Report Jan-Sep 2023, November 8, 2023
- Year-end Report Jan-Dec 2023, February 23, 2024

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 Year-End Report has not been reviewed by the company's auditors.

THE BOARD OF DIRECTORS

The Board of Directors and the CEO assure that the report provides a fair overview of the parent company and the Group's operations, financial position and results and describes the most significant risks and uncertainties faced by the Parent Company and the Group companies.

STOCKHOLM, FEBRUARY 22, 2023

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 February 22, 2023 at 7.00 a.m. CET.

ASSESSED EARNINGS CAPACITY¹

Previously, Stendörren used the closing date (corresponding to December 31, 2022 in this report) when assessing the earning capacity. In order to provide a more relevant assessment of the earning capacity, Stendörren has in this report chosen to use the first day of the current 12-month period (January 1, 2023) and thus include the index-related rent increases, as a result of increased inflation, that were implemented on the same date. As of January 1, 2023, the company's property portfolio comprised 148 wholly owned properties with approximately 795,000 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 824 million. The company also estimates that

current property expenses amount to approximately SEK 179 million on an annual basis. The portfolio is thus expected to generate net operating income of approximately SEK 645 million at Group level. This data is only the company's own assessment of the present earnings capacity as of January 1, 2023 without considering 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.

1) This is the Company's best assessment of current earnings capacity on an annual basis as of January 1, 2023 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 RATIO

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,
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