

# INTERIM FINANCIAL REPORT

JANUARY-MARCH 2023



STENDÖRREN

# THE QUARTER IN BRIEF

## JANUARY–MARCH 2023\*

- Rental income increased by 20% to SEK 212 million (177) and net operating income increased 21% to SEK 157 million (129).
- Income from property management declined 12% to SEK 63 million (72).
- Net letting during the period amounted to a total of approximately SEK 0.7 million and new lease agreements with an annual rental value of approximately SEK 34 million were signed.
- Lease agreements that were renegotiated during the period led to an increase in rental values of 17% on a weighted average basis.
- Cash flow from operating activities amounted to SEK 80 million (123), corresponding to SEK 2.80 per share (4.33).
- Realized and unrealized changes in value of the property portfolio for the period amounted to SEK -3 million (129).
- Profit for the period amounted to SEK 44 million (241), corresponding to SEK 0.91 per share (8.05) before dilution and 0.91 per share (8.03) after dilution.

## SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- In March 2023, tenders for a total SEK 287.5 million were accepted and completed under a tender offer of up to SEK 300 million for outstanding hybrid bonds.
- Three projects have been completed for a total of approximately 12,000 sqm regarding three major tenant improvements within the property Tegelbruket 1.
- During the reporting period, customer demand driven new construction has started on a total of 2,300 sqm in Almnäs, Södertälje.

## SIGNIFICANT EVENTS AFTER THE PERIOD

- On April 10, ABG Sundal Collier commenced as liquidity provider for the Stendörren's shares listed on Nasdaq Stockholm.
- On April 28, Stendörren published its 2022 Annual and Sustainability Report.

KEY RATIOS	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
Rental income	212	177	733
Net operating income	157	129	548
Income from property management	63	72	287
Fair value properties	12,534	11,986	12,418
Lettable area	793,000	789,000	795,000
LTV, %	49	45	47
Equity ratio, %	40	44	41

212

MILLION RENTAL INCOME

157

MILLION NET OPERATING INCOME

63

MILLION INCOME FROM PROPERTY MANAGEMENT

\* (January–March 2022 in parenthesis)



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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.



# SOLID GROWTH DESPITE TOUGHER ECONOMIC CLIMATE AND STRONG PROGRESS IN PROJECT DEVELOPMENT

Stendörren's operations performed well during the first quarter of 2023, with continued positive net letting and continued progress in the project portfolio. We can therefore continue to report a healthy trend in our business and stable finances, despite economic slowdown and high interest rates. We are continuing to focus on growth as well as on increased financial flexibility so that we have manoeuvrability regardless of the economic climate and market sentiment on the financial market.

Rental income and net operating income increased by 20% and 21%, respectively. The economic occupancy rate continued to increase and was 94% at the end of the quarter. During the quarter, we saw the full effects of the rent increases that we made at the end of the year based on the index clauses, related to inflation, contained in the lease agreements. Furthermore, the lease agreements that were renegotiated during the

period have led to an increase in rental values of 17 percent. As for most all players in our industry, the value of our property portfolio was negatively affected by higher market interest rates at the end of 2022 and early 2023 since the yield requirement in the valuation models was adjusted upward. However, property values during the reporting period were only marginally affected by rising yield requirements thanks to the



## CEO'S STATEMENT

operational progress of our portfolio and thus higher cash flow. The future trend in property values remains to be seen, but we are focusing on factors that we can control. For this reason, we are continuing to make carefully considered yet clear steps forward with our property development strategy.

### **PROGRESS IN PROJECT PORTFOLIO**

We have gradually added project concepts in recent years and are now clearly in the implementation phase, from initiated project planning to ongoing construction, for an extensive project volume. Of these ongoing projects, 57,000 sqm are new production and 3,400 sqm are major refurbishments for customers. New production was also started during the reporting period since the pace of leasing activities was good, despite an economic slowdown. Three projects were completed amounting to approximately 12,000 sqm during the reporting period.

Ongoing projects are expected to add approximately SEK 70 million in net operating income, depending on the pace of leasing and completion. In addition, we have an extensive portfolio of future projects in earlier stages.

### **STRONG FINANCIAL FLEXIBILITY**

During the quarter, we continued to carry out financial risk-reducing measures, such as a tender offer of up to SEK 300 million for our outstanding SEK hybrid bonds – a program with an approximately 95% acceptance rate. This means that we are continuing 2023 with a lower cost of capital, a stronger financial position but also favorable liquidity, despite the tender offer. Over the remainder of the year we will also concentrate intensely on maintaining our financial flexibility, given the tougher financing market. This will allow us to continue to grow and to capitalize on attractive business opportunities that always emerge as market conditions change.

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

Stockholm, May 5, 2023

Erik Ranje, CEO

# STENDÖRREN IN BRIEF

## 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 at March 31, 2023, the property portfolio of Stendörren consisted of 148 properties, primarily located in the Greater Stockholm and Mälardalen region with a market value of SEK 12,534 million. The ten largest lease agreements accounted for about 20% of the total annual rent, of which the company's largest lease agreement with Coop Sweden represented approximately 9%.

The total property portfolio comprised approximately 793,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 68% of the total lettable area.

At the end of the period, the company had 30 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 1,595 million (1,696) on the reporting date.

Within the existing property portfolio, the company is working with the development of new zoning plans for residential assets. The development and planning processes, which are at different stages, are likely to result in building rights for up to 1,500 new units on completion. The status of 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 March 31, 2023, the group's equity amounted to SEK 5,168 million (5,445) and the Group's interest-bearing liabilities amounted to SEK 6,510 million (5,667), corresponding to a loan-to-value ratio of 49% (45).

The average time to maturity of interest-bearing liabilities amounted to 2.7 years (2.3), and including the unhedged portion of the relevant IBOR and the hedged portion via interest-rate derivatives the average interest maturity was 2.3 years (3.5). The average interest rate on the company's total interest-bearing loans including derivatives amounted to 4.1%. 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 513 million with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

## DIVIDEND

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

# KEY RATIOS

	2023 JAN-MAR	2022 JAN-MAR	2022 JAN-DEC
<b>PROPERTY-RELATED</b>			
Lettable area, thousand sqm	793	789	795
No. of properties	148	136	148
Fair value properties, SEK million	12,534	11,986	12,418
Letting ratio, by area, %	92	89	90
Economic occupancy rate, %	94	90	92
NOI yield, total portfolio, 12 month average, %	4.6	4.9	4.5
NOI yield, excluding projects and land, 12 month average, %	5.7	6.0	5.5
Total return, 12 month average, %	2.5	15.5	3.3
Weighted average unexpired lease term, years	3.9	3.7	3.8
Average annual rent, SEK/sqm	1,182	1,019	1,069
<b>FINANCIAL</b>			
Total income, SEK million	212	177	733
Net operating income, SEK million	157	129	548
Income from property management, SEK million	63	72	287
Surplus ratio, 12 month average, %	75	75	75
Total assets, SEK million	13,319	12,703	13,344
Average interest rate, total liabilities incl. derivatives, %	4.1	2.3	4.0
Average interest maturity at end of period, years	2.3	3.5	2.6
Average loan maturity at end of period, years	2.7	2.3	2.9
Interest coverage ratio, 12 month average, times	2.3	3.2	2.6
Loan-to-value ratio at end of period, %	49	45	47
Loan-to-value ratio, property level at end of period, %	42	36	40
Equity ratio at end of period, %	40	44	41
Return on equity, 12 month average, %	1	26	5
<b>STOCK-RELATED</b>			
Market capitalization, SEK million	4,924	7,718	5,453
Stock price at end of period, SEK	173.20	271.50	191.80
Book equity per share, SEK <sup>1</sup>	164.28	163.89	163.35
Long-term net asset value, SEK million	5,421	5,500	5,377
Long-term net asset value per share, SEK	190.70	193.46	189.14
Current net asset value, SEK million	4,966	5,032	4,918
Current net asset value per share, SEK	174.68	177.01	173.01
Earnings per average number of shares before dilution, SEK	0.91	8.05	7.42
Earnings per average number of shares after dilution, SEK	0.91	8.03	7.41
Cash flow from operating activities per share, SEK	2.80	4.33	13.02
No. of shares, at end of period	28,428,265	28,428,265	28,428,265
Average no. of shares	28,428,265	28,428,265	28,428,265
<b>OTHER RATIOS</b>			
No. of employees at end of period	55	55	54
No. of employees, average in period	54	54	54

1) Book equity excluding hybrid capital per share.

For definitions, please see page 32. Explanations to the used key ratios can also be found on [www.stendorren.se](http://www.stendorren.se)

# TARGETS

## FINANCIAL OBJECTIVES

### ROE (AVERAGE)

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

### NAV GROWTH

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

### ICR

Long-term ICR shall exceed 2.0 times.

### EQUITY RATIO

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

## OUTCOME

# 1 %

The return on equity (calculated as 12 month average) amounted to 1% at the end of the period.

# -1 %

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

# 2.3 times

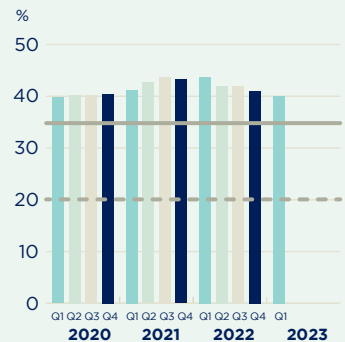
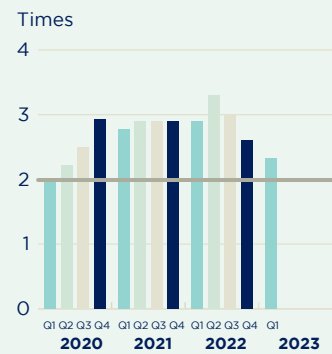
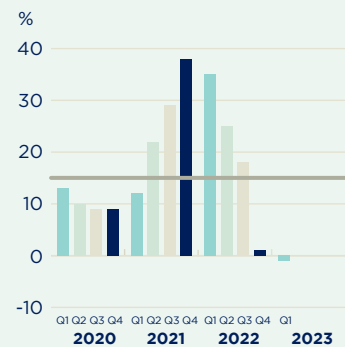
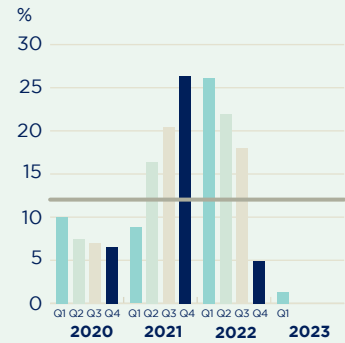
The interest coverage ratio amounted to 2.3 times.

# 40%<sup>1)</sup>

The equity ratio amounted to 40% 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%.

## HISTORICAL PERFORMANCE





## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million

	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
Rental income	212	177	733
Other income	0	0	0
<b>Total income</b>	<b>212</b>	<b>177</b>	<b>733</b>
Operating expenses	-44	-39	-137
Maintenance costs	-5	-4	-22
Property tax	-6	-5	-26
<b>Net operating income</b>	<b>157</b>	<b>129</b>	<b>548</b>
Central administration	-20	-19	-76
Financial income	16	0	32
Financial expenses	-87	-36	-208
Lease expenses/Ground rent	-2	-2	-10
<b>INCOME FROM PROPERTY MANAGEMENT</b>	<b>63</b>	<b>72</b>	<b>287</b>
Change in value of investment properties	-3	129	-143
Change in value of financial instruments	-23	108	223
<b>Profit before tax</b>	<b>38</b>	<b>309</b>	<b>367</b>
Deferred tax	6	-68	-75
Current tax	1	0	-23
<b>Profit for the period</b>	<b>44</b>	<b>241</b>	<b>268</b>
Translation differences	0	-	3
Total other comprehensive income	0	-	3
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>44</b>	<b>241</b>	<b>271</b>
Comprehensive income for the period attributable to:			
Parent Company's shareholders	44	241	271
Earnings per share, before dilution, SEK	0.91	8.05	7.42
Earnings per share, after dilution, SEK	0.91	8.03	7.41
Average number of shares outstanding during the period, millions	28.43	28.43	28.43
Average number of shares during the period after dilution, millions	28.45	28.51	28.47

# COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

## RESULT

Compared with Jan-March 2022, Stendörren reported an increase of approximately SEK 35 million in income and of approximately SEK 27 million in net operating income during January-March 2023. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 63 million (72), which represents a decrease of approximately 12% compared with the same period in 2022. Profit for the period amounted to SEK 44 million (241), corresponding to SEK 0.91 per share (8.05).

## RENTAL INCOME

Rental income increased during the period by approximately 20% to SEK 212 million (177). The increased income was driven by higher rents in the portfolio (increase of approximately 14% in comparable portfolio compared to the corresponding period in 2022) as well as income from the properties acquired and closed since the end of the comparative period.

## PROPERTY EXPENSES

Recognized property expenses increased to SEK 56 million (48). Total property expenses in the comparable portfolio increased by approximately SEK 3 million, which corresponds to about 9%. The increase in expenses was mainly due to higher energy prices and increased energy consumption as a result of a colder quarter compared to the previous year.

## CENTRAL ADMINISTRATION

Costs for central administration for the period amounted to SEK 20 million (19) and comprised of costs for central administration, company management, Board and auditors.

## NET FINANCIAL ITEMS

Net financial items for the period amounted to SEK -71 million (-36). The change compared with the year-earlier period was mainly due to rising interest levels. Financial expenses (including lease expenses) increased SEK 52 million compared with last year. Financial income of SEK 16 million (0), mainly related to exchange rate gains and interest-rate derivatives, was also recognized for the period.

## INCOME FROM PROPERTY MANAGEMENT

Income from property management fell by approximately 12% to SEK 63 million (72) during the reporting period, mainly due to higher interest expense.

## CHANGES IN VALUE

The company reported realized and unrealized changes in value of the property portfolio of SEK -3 million (129). The changes in 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 21. The market valuation of the interest-rate derivatives resulted in a change in value of SEK -23 million (108) as per the reporting date.

## TAX

The tax expense in profit or loss consists of current tax of SEK 1 million (0) and deferred tax of SEK 6 million (-68).

## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK million

	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
<b>ASSETS</b>			
<i><b>Non-current assets</b></i>			
Intangible assets	1	2	2
Investment properties	12,534	11,986	12,418
Right-of-use assets	254	238	254
Equipment	2	3	2
Non-current receivables	2	2	2
Interest-rate derivative	245	152	268
<b>Total non-current assets</b>	<b>13,039</b>	<b>12,384</b>	<b>12,947</b>
<i><b>Current assets</b></i>			
Current receivables	93	168	83
Cash and cash equivalents	187	151	315
<b>Total current assets</b>	<b>280</b>	<b>319</b>	<b>397</b>
<b>TOTAL ASSETS</b>	<b>13,319</b>	<b>12,703</b>	<b>13,344</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>5,168</b>	<b>5,445</b>	<b>5,429</b>
<i><b>Non-current liabilities</b></i>			
Interest-bearing liabilities	5,693	4,483	5,469
Other non-current liabilities	37	21	36
Lease liabilities	254	238	254
Deferred tax liabilities	996	993	1,001
Other provisions	4	4	4
<b>Total non-current liabilities</b>	<b>6,984</b>	<b>5,739</b>	<b>6,764</b>
<i><b>Current liabilities</b></i>			
Interest-bearing liabilities	817	1,184	821
Other current liabilities	349	335	330
<b>Total current liabilities</b>	<b>1,167</b>	<b>1,519</b>	<b>1,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,319</b>	<b>12,703</b>	<b>13,344</b>
<b>Equity attributable to</b>			
Parent Company's shareholders	5,168	5,445	5,429
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 March 31, 2023, the value of the total property portfolio amounted to SEK 12,534 million (11,986). For analysis and comments, see page 15-17.

## CURRENT ASSETS

Current assets amounted to SEK 280 million (319) on the balance sheet date, consisting of cash and cash equivalents of SEK 187 million (151) and rental receivables and other current receivables of SEK 93 million (168). On balance sheet date, there were also unutilized and available credit facilities of a total of SEK 360 million. Available liquidity, in the form of cash and cash equivalents of SEK 187 million and available credit facilities totaling SEK 360 million, thus amounted to SEK 547 million at the end of the reporting period.

## EQUITY

As of March 31, 2023, the Group's equity amounted to SEK 5,168 million (5,445) and the equity ratio to 40% (44).

## INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,510 million (5,667) corresponding to a loan-to-value ratio of 49% (45). The liabilities consist of loans from credit institutions of SEK 5,235 million

(4,380), two bonds totaling SEK 1,300 million (1,300) and seller notes of SEK 5 million (10). Loan arrangement costs of SEK -30 million (-23) have been allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 817 million (1,184) and consisted of loans and repayments that are due within the next 12 months.

## INTEREST AND LOAN MATURITIES

Stendörren aims to reduce interest and refinancing risks in its operations by spreading the maturity structure for interest rates and loan maturities over several years. Interest-rate risks are managed mainly through interest-rate derivatives. For a more detailed description of the interest and loan maturity portfolio, see page 23.

## DEFERRED TAX LIABILITIES (NET)

Deferred tax liabilities amounted to SEK 996 million (993) on March 31, and related 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 349 million (335).





## GROUP SUMMARY

# CONSOLIDATED 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 THE COMPANY'S OWNERS
<b>Opening balance equity, Jan 1, 2021</b>	<b>17</b>	<b>1,175</b>	<b>-</b>	<b>2,075</b>	<b>786</b>	<b>4,053</b>
Share option program		6	-	-	-	6
Interest/dividend hybrid bond	-	-	-	-52	-	-52
Comprehensive income January–December 2021	-	-	-	1,209	-	1,209
<b>Closing balance equity, Dec 31, 2021</b>	<b>17</b>	<b>1,181</b>	<b>-</b>	<b>3,232</b>	<b>786</b>	<b>5,216</b>
Interest/dividend hybrid bond			-	-58	-	-58
Comprehensive income January–December 2022	-	-	3	268	-	271
<b>Closing balance equity, Dec 31, 2022</b>	<b>17</b>	<b>1,181</b>	<b>3</b>	<b>3,442</b>	<b>786</b>	<b>5,429</b>
Interest/dividend hybrid bond	-	-	-	-18	-	-18
Repurchase hybrid bond	-	-	-		-288	-288
Comprehensive income January–March 2023	-	-	-	44	-	44
<b>Closing balance equity, Mar 31, 2023</b>	<b>17</b>	<b>1,181</b>	<b>3</b>	<b>3,468</b>	<b>498</b>	<b>5,168</b>

### COMMENTS ON CONSOLIDATED CHANGES IN EQUITY

As of March 31, 2023, the Group's equity amounted to SEK 5,168 million (5,445).  
The 2022 AGM resolved on a dividend totaling SEK 0 million (0)

## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK million

	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
<b>Cash flow from operating activities</b>			
Income from property management	63	72	287
Adjustment for non-cash items	1	-2	-5
Income tax paid	-5	0	-1
<b>Cash flow from operating activities before changes in working capital</b>	<b>59</b>	<b>72</b>	<b>281</b>
<b>Changes in working capital</b>			
Change in operating receivables	-10	-21	42
Change in operating liabilities	30	75	47
<b>Cash flow from operating activities</b>	<b>80</b>	<b>123</b>	<b>370</b>
<b>Investing activities</b>			
Investments in existing properties	-120	-115	-624
Other investments and divestments	0	-	1
Acquisitions of Group companies/properties	-	-44	-581
Divestments of Group companies/properties	-	-	386
<b>Cash flow from investing activities</b>	<b>-120</b>	<b>- 159</b>	<b>- 818</b>
<b>Financing activities</b>			
Dividend hybrid bond	-18	-12	-58
Repurchase hybrid bond	-288	-	-
Raised interest-bearing liabilities	251	69	2,566
Repayment of interest-bearing liabilities	-34	-28	-1,919
Deposits	1	-1	13
<b>Cash flow from financing activities</b>	<b>-87</b>	<b>27</b>	<b>603</b>
<b>Cash flow for the period</b>	<b>-128</b>	<b>-8</b>	<b>155</b>
Cash and cash equivalents at the beginning of period	315	160	160
Cash flow for the period	-128	-8	155
<b>Cash and cash equivalents at the end of the period</b>	<b>187</b>	<b>151</b>	<b>315</b>

# PROPERTY PORTFOLIO

## PROPERTY PORTFOLIO MARCH 31

As at March 31, 2023, 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 12,534 million. The property portfolio is reported quarterly at fair value. All properties are externally valued regularly, at least once a year. All properties are valued internally each quarter based on an updated analysis of actual cash flow, market rental levels, expected costs and an assessment of the market yield requirement.

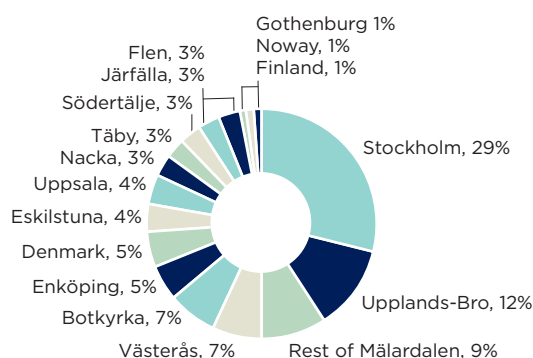
At the end of the reporting period, the total property portfolio comprised approximately 793,000 sqm of lettable area. The corresponding area for the portfolio of properties under management amounted to approximately 759,000 sqm, excluding project properties. Warehouse, logistics and light industrial 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 86% of the properties have at least two tenants.

During the period, the value of the property portfolio increased by SEK 115 million. The change in value consists of investments in existing properties of SEK 120 million, currency effects of SEK -2 million and realized and unrealized changes in value totaling SEK -3 million (see table on page 22).

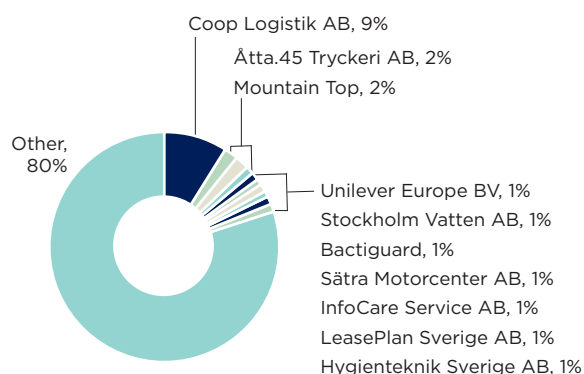
## GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

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. Approximately 65% of Stendörrens total rental income comes from properties located 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

RENTAL INCOME BY GEOGRAPHY



LARGEST TENANTS BY INCOME



## PROPERTY PORTFOLIO SUMMARY

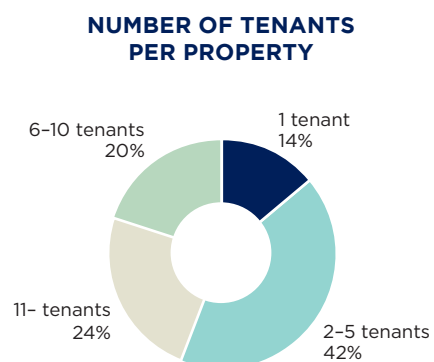
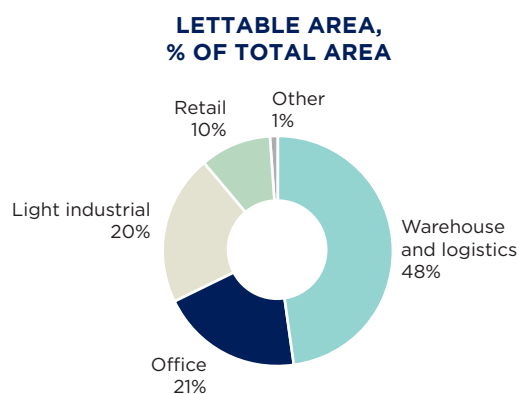
Stockholm's future growth. Since 2021, the company has also acquired properties in other selected Swedish and Nordic cities with growth potential, such as the Gothenburg region, Oslo, Copenhagen and Helsinki – with a continued focus on warehouse, logistics and light industrial assets.

### 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 March 31, 2023, the ten largest leases made up 20% of the total annual rental income in the portfolio. The company's largest lease agreement with Coop Sweden represents about 9% of the total annual rent. Stendörren strives to sign long-term leases with its tenants and the average lease duration as of the reporting date was 3.9 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 2.3 million were recognized for the reporting period.

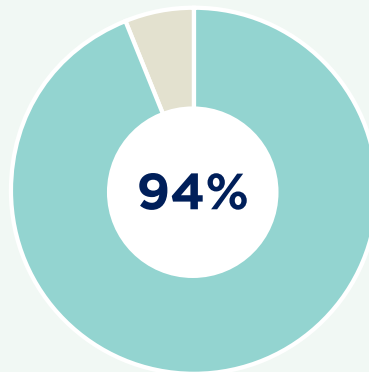
Stendörren works proactively and continuously to renegotiate leases in line with current market rents. The economic occupancy rate for Stendörren's investment properties was 94% at March 31, 2023, and the area weighted occupancy rate was 92%. The occupancy rate is a static measure of the rental situation 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 completed at different times. In general, the demand for Stendörren assets remains strong. Net letting during the quarter amounted to approximately SEK 0.7 million. Lease agreements that were renegotiated during the quarter led to a weighted average increase in rental values of 17%. During the quarter, new lease agreements with an annual rental value of approximately SEK 34 million were signed. These consist of both renegotiated lease agreements and lease agreements with new tenants.



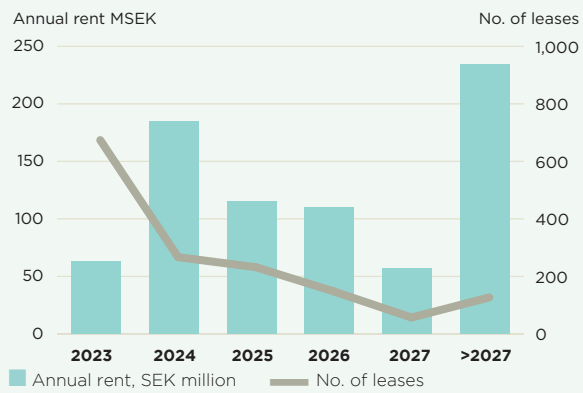


## PROPERTY PORTFOLIO SUMMARY

### ECONOMIC OCCUPANCY RATE



### ANNUAL LEASE EXPIRY



### CONTRACTUAL CHANGES INVESTMENT PROPERTIES



1) 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.

# PROJECTS PORTFOLIO SUMMARY

## OVERVIEW

As of March 31, 2023, Stendörren had a total of 30 properties, wholly or partly, consisting of building rights. Unutilized building rights amounted to approximately 657,000 sqm and were primarily for logistics, light industrial and residential use. Additional building rights are created and added to Stendörren's existing types of building rights 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.

The pace of new construction starts is affected by both high construction prices and potentially also lower demand resulting from a weaker economic climate.

The ongoing projects are expected to add approximately SEK 70 million in net operating income, depending on the pace of leasing and completion. In addition, we have an extensive portfolio of future projects in earlier stages.



Image: Almnäs, Södertälje

## PROJECTS

### FUTURE PROJECTS

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 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. The work on the zoning plan for residential properties for Traversen 14 & 15 continued during the quarter, with an expected approval of a new plan in the first quarter of 2025.

Stendörren received a positive planning notification in 2022 on a zoning plan for residential purposes regarding Skrubba 1:2 in the city of Stockholm. The aim is to initiate a formal work with a new zoning plan during 2023

### FUTURE PROJECTS MAR 31, 2023

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT (GFA SQM <sup>2</sup> ) <sup>1</sup>	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START <sup>2</sup>
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	80,000	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
Botkyrka	Light industrial	2,000	Within current zoning	2024-2025
Egedal	Light industrial	3,300	Within current zoning	2024-2025
Stockholm	Residential	30,000	Rezoning 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

## PROJECTS

### ONGOING PROJECTS

The company has several ongoing projects with a project volume in excess of SEK 25 million out of which 57,000 sqm represents new construction and 3,400 sqm represents refurbishments for new 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 5:24 in Södertälje was obtained and construction of one of the buildings was started. Construction of the second building has now also been ordered since the pace of leasing has been favorable. In addition, Stendörren received building permits for four new buildings during the fourth quarter 2022, 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 industrial 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 and the first quarter of 2023. 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.

### FINALIZED PROJECTS

Three projects were completed during the period. All are tenant improvements for new customers in the Tegelbruket 1 property.

### ONGOING PROJECTS MARCH 31, 2023

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION <sup>1</sup>	SIZE SQM <sup>2</sup>	ESTIMATED INVESTMENT <sup>3</sup> SEK MILLION	CURRENT PHASE
Almnäs 5:23	New logistics	Q2 2023	11,900	175	Construction started
Hjulsmeden 1	New light industrial	Q2 2023	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q3 2023	2,300	44	Construction started
Viby 19:66	New logistics	Q2 2023	6,300	116	Construction started
Elementet 1	Tenant improvement	Q3 2023	3,400	44	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	97	Design and planning <sup>4</sup>
Viby 19:66	New logistics	Q3 2024	5,200	104	Design and planning <sup>4</sup>
Almnäs 5:23	New logistics	Q4 2024	17,000	324	Design and planning <sup>4</sup>
Romberga 23:17	New light industrial	Q3 2024	2,700	47	Design and planning <sup>4</sup>
<b>Total ongoing projects</b>			<b>60,400</b>	<b>&gt;1,087</b>	
<b>Total excluding tenant improvement</b>			<b>57,000</b>	<b>1,043</b>	

### COMPLETED PROJECTS MARCH 31, 2023

PROPERTY	DESCRIPTION	COMPLETION	SIZE SQM <sup>2</sup>	ESTIMATED INVESTMENT <sup>3</sup> SEK MILLION
Tegelbruket 1	Tenant improvement	Q1 2023	3,700	48
Tegelbruket 1	Tenant improvement	Q1 2023	5,100	44
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	31
<b>Total completed projects</b>			<b>11,800</b>	<b>&gt;123</b>

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.

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 2022 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 March 31, 2023 amounted to SEK 12,534 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 1,595 million (1,564 on December 31, 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 by active development work in terms of an identified increase in project potential in the building rights portfolio as well as investments made during the quarter which are partially offset by falling building rights values. Realized and unrealized changes in value of the entire property portfolio during the period amounted to SEK -3 million (129).

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 0.1 of a percentage point from the preceding quarter and the average yield requirement of the property valuations as of March 31, 2023 amounted to 6.0% (see table of valuation parameters below).

## UNREALIZED CHANGE IN VALUE

CHANGE IN VALUE, PROPERTIES	JAN-MAR 2023
Change in yield requirements	-191
Cash flows	158
Building rights	31
<b>Total</b>	<b>-2</b>

## SENSITIVITY ANALYSIS

The sensitivity analysis below shows the assessed effect on the assessed market value if the operating net and/or market yield requirement increases or decreases by 0.25 or 0.5 percentage points.

		CHANGES IN NET OPERATING INCOME				
		- 5,0 %	- 2,5 %	0,0 %	2,5 %	5,0 %
CHANGES IN NOI YIELD	- 0,50 %	383	681	978	1 276	1 574
	- 0,25 %	-102	183	468	753	1 039
	0,00 %	-547	-273	0	273	547
	0,25 %	-957	-694	-431	-169	94
	0,50 %	-1 335	-1 083	-830	-577	-325

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.

## PROPERTY VALUATION

VALUATION PARAMETERS (PREVIOUS YEAR IN PARENTHESIS)	MIN	MAX	WEIGHTED AVERAGE
Market yield requirement, %	4.6 (4.7)	8.6 (8.0)	6.0 (5.5)
Discount rate, cash flow, %	6.1 (6.4)	10.6 (10.0)	8.1 (7.5)
Discount rate, residual value, %	7.0 (6.8)	10.6 (10.9)	8.1 (7.6)
Long-term vacancy assumption, %	3.0 (3.0)	30.0 (30.0)	6.0 (6.2)

CHANGE IN CARRYING AMOUNT, PROPERTIES	JAN-MAR 2023	JAN-DEC 2022
<b>Property portfolio, beginning of period</b>	<b>12,418</b>	<b>11,693</b>
Acquisitions of new properties	-	581
Property sales	-	-370
Investments in existing properties	120	624
Currency effects	-2	33
Realized changes in value	-1	16
Unrealized changes in value	-2	-160
<b>Property portfolio, end of period</b>	<b>12,534</b>	<b>12,418</b>



Image: Almnäs, Södertälje

# FINANCING

As of March 31, 2023, the average time to maturity of interest-bearing liabilities to credit institutions amounted to 3.0 years (2.2). Including bonds, the average time to maturity amounted to 2.7 years (2.3). 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 2.3 years (3.5).

The average interest rate on total interest-bearing liabilities including derivatives amounted to 4.1%. One of Stendörren's bonds, maturing on 2024-04-28, amounts to SEK 700 million with interest of Stibor 90 plus 3.65% and Stendörren's second bond, maturing on 2025-08-18, amounts to SEK 600 million with interest rate of Stibor 90 plus 3.90%.

As of March 31, there was available liquidity of SEK 547 million, in terms of cash and cash equivalents of SEK 187 million, and available credit facilities totaling SEK 360 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 513 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 <sup>1)</sup>			LOAN MATURITY	
	SEK M.	INTEREST RATE %	SHARE OF TOTAL %	SEK M.	SHARE OF TOTAL %
2023	1,890		29	705	11
2024	1,050		16	1,357	21
2025	900		14	1,773	27
2026	2,700		41	335	5
2027	0		0	2,310	35
>2027	0		0	61	1
<b>Total/ average</b>	<b>6,540</b>	<b>4.1</b>	<b>100</b>	<b>6,540</b>	<b>100</b>

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%	-13	13
+ / - 2.00%	-26	47
+ / - 3.00%	-38	98

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.



## FINANCING

### INTEREST-RATE DERIVATIVES

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALUE, SEK MILLION	CAP LEVEL %	YEARS REMAINING
Danske Bank	Interest cap	300	14.8	2.00	3.43
Danske Bank	Interest cap	600	38.1	1.00	2.52
Danske Bank	Interest cap	300	19.0	1.00	2.52
Swedbank	Interest cap	1,100	56.0	2.00	3.71
Swedbank	Interest cap	750	38.1	2.00	3.73
Swedbank	Interest cap	250	1.6	2.25	0.50
Swedbank	Interest cap	250	5.2	2.25	1.50
Swedbank	Interest cap	550	26.2	2.00	3.43
Nordea	Interest cap	184	2.9	1.50	0.72
<b>Total</b>		<b>4,284</b>	<b>202.0</b>	<b>1.80</b>	<b>2.96</b>

### INTEREST-RATE DERIVATIVES

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALUE, SEK MILLION	CAP LEVEL %	YEARS REMAINING
Swedbank	Interest-rate swap	800	43.0	-0.0875%	1.47
<b>Total</b>		<b>800</b>	<b>43.0</b>	<b>-0.0875</b>	<b>1.47</b>



# SUSTAINABILITY FOR STENDÖRREN

Stendörren's sustainability strategy means that the company will conduct its operations in a way that contributes to sustainable development and engages both internally and externally. The company's governance of working methods, routines and processes must ensure that the company acts responsibly, with controlled risk and in line with expectations as well as regulatory guidelines and requirements. The company has five focus areas for its sustainability work, all with linked goals to each area.

## OPERATIONAL EXCELLENCE



### TARGET:

Large suppliers are to sign the company's code of conduct

100% of all vehicles to be fossil fuel independent 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 (Standing assets) in sqm will be environmentally certified in 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 occupational categories and aim to have a 40/60 gender distribution in management 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 categories of individuals that tend to have difficulties to find employment

**-16.5%**

Reduction of energy intensity (kvh/kvm) as of 31 March 2023, compared with base year 2020

Target of at least 20% reduction from base year 2020 to year 2030

**44.3%**

Environmentally certified area out of total area as of March 31, 2023

Target of 70% certified area by 2025

Stendörren supports Agenda 2030 and the UN's global goals and has identified seven of them that are directly or indirectly connected to the company's sustainability strategy and in areas where Stendörren's business has a fundamental impact.



# PARENT COMPANY SUMMARY

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 of SEK 29 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 March 31, 2023 amounted to SEK 29 million (27) and equity amounted to SEK 1,400 million (1,704).

## CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million

	2023 JAN-MAR	2022 JAN-MAR	2022 JAN-DEC
Net sales	29	27	125
Operating expenses	-29	-27	-123
<b>Profit/loss before financial items</b>	<b>0</b>	<b>0</b>	<b>2</b>
<i>Financial items</i>			
Income from shares in subsidiaries	-	-	-1
Net financial items	14	8	41
<b>Profit after financial items</b>	<b>14</b>	<b>8</b>	<b>42</b>
Appropriations	-	-	-
<b>Profit before tax</b>	<b>14</b>	<b>8</b>	<b>42</b>
Deferred tax	-	0	-1
<b>Profit for the period</b>	<b>14</b>	<b>8</b>	<b>41</b>



## PARENT COMPANY SUMMARY

### CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million

	MAR 31, 2023	MAR 31, 2022	DEC 31, 2022
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	1	2	2
Equipment	10	7	9
Shares/participations in subsidiaries	970	931	964
Receivables from subsidiaries	3,348	2,894	3,348
Deferred tax assets	0	1	0
<b>Total non-current assets</b>	<b>4,330</b>	<b>3,835</b>	<b>4,323</b>
<i>Current assets</i>			
Receivables from subsidiaries	185	191	142
Current receivables	4	4	5
Cash and cash equivalents	29	27	21
<b>Total current assets</b>	<b>218</b>	<b>222</b>	<b>168</b>
<b>TOTAL ASSETS</b>	<b>4,547</b>	<b>4,056</b>	<b>4,492</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,400</b>	<b>1,704</b>	<b>1,692</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	1,293	1,288	1,291
Liabilities to subsidiaries	1,592	886	1,292
<b>Total non-current liabilities</b>	<b>2,884</b>	<b>2,174</b>	<b>2,583</b>
<i>Current liabilities</i>			
Liabilities to subsidiaries	219	148	178
Other current liabilities	45	29	35
<b>Total current liabilities</b>	<b>263</b>	<b>178</b>	<b>217</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,547</b>	<b>4,056</b>	<b>4,492</b>

# 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 MARCH 31, 2023

SHAREHOLDERS <sup>1)</sup>	TOTAL SHARES	NO. OF CLASS A SHARES	NO. OF 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	2,550,000	500,000	2,050,000	9.0	13.8
Länsförsäkringar Fastighetsfond	2,936,540	0	2,936,540	10.3	5.8
SEB Investment Management	2,633,998	0	2,633,998	9.3	5.2
Verdipapirfondet Odin Eiendom	1,076,300	0	1,076,300	3.8	2.1
Third Swedish National Pension Fund	990,000	0	990,000	3.5	1.9
Handelsbanken Fonder	876,577	0	876,577	3.1	1.7
Didner & Gerge Fonder Aktiebolag	600,000	0	600,000	2.1	1.2
SEB Luxembourg Branch	551,600	0	551,600	1.9	1.1
Malmer, Staffan	323,604	0	323,604	1.1	0.6
Other shareholders	4,357,040	0	4,357,040	15.3	8.5
<b>Total</b>	<b>28,428,265</b>	<b>2,500,000</b>	<b>25,928,265</b>	<b>100.00</b>	<b>100.00</b>

1) The total number of shareholders on the reporting date was 3,466.

# OTHER INFORMATION

## CALENDAR

- Annual General Meeting, May 23, 2023
- Interim Financial Report Jan-Jun 2023, July 20, 2023
- Interim Financial Report Jan-Sep 2023, Nov. 8, 2023
- Year-end Report Jan-Dec 2023, Feb. 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 2023.

## 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

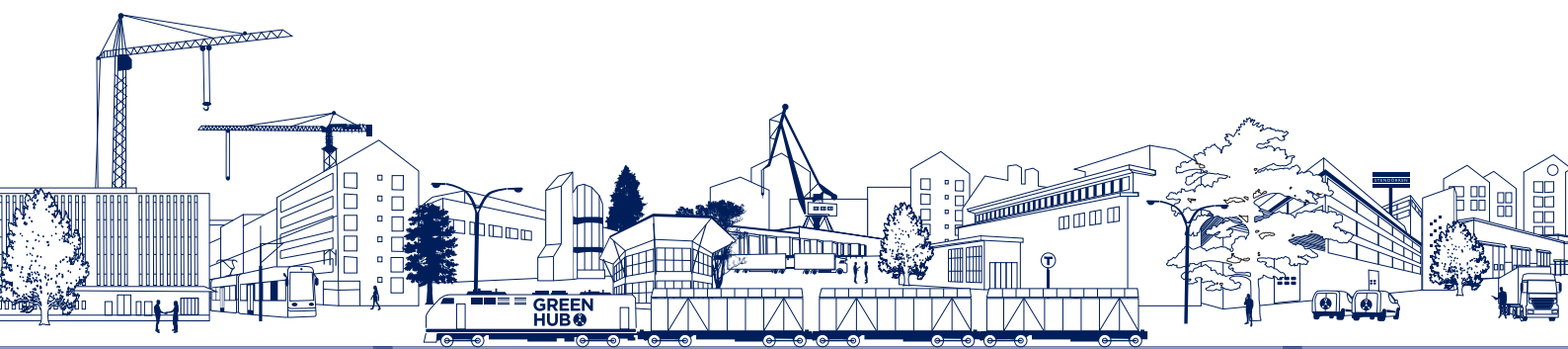
their nature, associated with uncertainties and risks. More information about these risks can be found on page 74-77 in the company's Annual Report for the 2022 fiscal year. In addition to the risks that are outlined in the Annual Report, the risks related to the uncertain macroeconomic climate have 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 2022 annual report. Investment properties are measured at Level 3 of the fair value hierarchy according to IFRS 13. Derivatives are measured at fair value in the consolidated financial statements and at Level 2 in accordance with IFRS 13. The Parent Company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

## AUDITOR'S REVIEW

This interim financial 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, May 5, 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 May 5, 2023 at 7.00 a.m. CEST

# ASSESSED EARNINGS CAPACITY<sup>1</sup>

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 846 million. The company also assesses that current property costs amount to approximately SEK 180 million on an annual basis, thus the group is expected to produce an annual operating net of approximately SEK 666 million. This information is only the company's own assessment of the current earning capacity as of April 1, 2023, without taking into account new lettings, vacancies or index-related rent

changes that have not yet had an effect or other, not yet implemented measures that may have an effect on the operating net. Furthermore, the earnings capacity does not take into account the ongoing projects, which at the pace of leasing and completion, will be able to add approximately SEK 70 million in net operating income. Any additional acquisitions or sales announced by the company, but which have not yet been entered into or resigned, are also not included. These data should therefore not be seen as a forecast of future profit development for Stendörren.

1) This is the Company's best assessment of current earnings capacity on an annual basis as of April 1, 2023 and not a forecast of future expected earnings.



Image: Bäckby, Västerås

# 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](http://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

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

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.

## 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).

## EQUITY RATIO

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

## TOTAL RETURN

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

## SURPLUS RATIO

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



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

**FOR MORE INFORMATION,  
PLEASE CONTACT:**

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CFO**

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