STENDÖRREN

Lokaler som gör skillnad.

STENDÖRREN

CREDIT INVESTOR PRESENTATION

NOVEMBER 2021

DISCLAIMER

IMPORTANT INFORMATION

Acceptance of limitations: The information in this presentation (the “Material”) is furnished by Stendörren Fastigheter AB (publ), 556825-4741 (the “Company”) solely for the recipient’s information and shall not be distributed to anyone else. The intended recipients are determined solely by Danske Bank A/S, Danmark, Sverige Filial and Skandinaviska Enskilda Banken AB (publ) (the "Managers"). By attending a meeting where the Material is presented, or by reading the Material, you agree to be bound by the limitations and notifications described below. The Material is strictly confidential and may not be disclosed or distributed to any other person unless expressly agreed by the Managers.

Use of the Material: This Material does neither constitute an offer to sell nor a solicitation of an offer to buy any securities, and it does not constitute any form of commitment or recommendation in relation thereto. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information in the Material.

No financial advice and no legal, investment or tax advice: The Managers are not giving and are not intending to give financial advice to any potential investor, and this Material shall not be deemed to be financial, legal, investment or tax advice from the Managers to any potential investor. Investors should not subscribe for or purchase any financial instruments or securities only on the basis of the information provided herein. Investors are encouraged to request from the Company and other sources such additional information as they require to enable them to make informed investment decisions, to seek advice from their own legal, tax and financial advisors and to exercise an independent analysis and judgment of the merits of the Company.

An investment in the securities involves a credit risk: Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Material, including, among others, risk or uncertainties associated with the Company's business, segments, developments, growth, management, financing and market acceptance, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rate and interest rates and other factors. Each potential investor in the securities must determine the suitability of that investment in light of its own circumstances.

No liability: Although the Company has endeavored to give a correct and complete picture of the Company, neither the Company nor the Managers can be held liable for any loss or damage of any kind arising from the use of the Material.

Information sources: The information in this Material is presented by the Company or constitutes publicly available material and has been produced by the Company assisted by the Managers exclusively for information purposes. This Material may contain forward-looking statements that reflect the Company’s current views with respect to certain future events and potential financial performance. Such statements are only forecasts and no guarantee can be given that such expectations are correct. No information in this Material has been independently verified by the Managers or its advisors. The information relating to the Company does not constitute a complete overview of the Company and must be supplemented by the reader wishing such completeness.

Actuality: The Material is dated 09 November 2021. Neither the Company nor the Managers can guarantee that there has been no change in the affairs of the Company since such date, nor do they intend to, and assume no obligation to, update or correct any information included in the Material. The Material may however be changed, supplemented or corrected without notification.

Conflicts of interest: The Managers and the Managers’ clients and/or employees may hold shares, options or other securities of any issuer referred to in this material and may, as principal or agent, buy or sell such securities. It should be noted that the Company may have interests that conflict with other noteholders particularly if the Company encounters difficulties or is unable to pay its debts as they fall due.

Prospectus: The Material does not constitute a prospectus for purposes of the Prospectus Regulation (EU) 2017/1129. Accordingly, the Material has not been approved by any supervisory authority.

Distribution: The information in this Material is not for release, publication or distribution, directly or indirectly, in or into the United States or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. No securities referred to in this Material have been or will be registered by the Company under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States. This Material may not be distributed into or in the United States or to any “US person” (as defined in Rule 902 of Regulation S under the Securities Act). Further, the distribution of this Material and any purchase of or application/subscription for securities may be restricted by law in certain jurisdictions, and persons into whose possession this Material comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws of any such jurisdiction.

In so far the information in this Material is made or would cause any effect in the United Kingdom, this Material is only addressed to and directed at persons in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom this Material may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). This Material must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this Material relates is available only to Relevant Persons in the United Kingdom and will be engaged in only with such persons.

Applicable law: The Material is subject to Swedish law, and any dispute arising in respect of the Material is subject to the exclusive jurisdiction of Swedish courts (with District court of Stockholm as court of first instance).

TRANSACTION OVERVIEW

KEY TERMS FOR STENDÖRREN'S CONTEMPLATED NEW ISSUE

Issuer	Stendörren Fastigheter AB (publ)	
Issuer rating	BB- from Nordic Credit Rating	
Status	Senior Unsecured bonds	
Use of proceeds	(i) amortisations on existing revolving credit facilities in the Group and (ii) general corporate purposes (including acquisitions and investments) of the Group	
Volume	SEK 600 expected, under a framework of SEK 1,200m	
Tenor	3.75 years, maturity in August 2025	
Coupon	3M Stibor (no floor) + [•] bps	
Financial covenants	LTV ≤ 70% at all times (maintenance) ICR ≥ 1.75x at all times (maintenance) Equity Ratio ≥ 25% at all times (maintenance)	
Dividend restrictions	Up to 50% of Profit from property management (Sw. "Förvaltningsresultat") less tax (dividends on preference shares and interest/principal on hybrid bonds excluded)	
Call Structure	12 months before final maturity date @ 100% + 40% of spread 6 months before final maturity date @ 100% + 20% of spread 90 days before final maturity date @ 100 subject to refinancing with a new market loan (in whole or in part)	
Other undertakings	• Disposals • Merger • Change of business • Pari Passu ranking • Maintenance of properties • Insurance	• Valuation of properties • Listing (of bonds) • Compliance with laws and regulations • Dealing with related parties
Change of control	Put option @ 101% upon either a Change of Control Event or a Listing Failure Event (60 days)	
Governing Law/ documentation	Swedish law, standalone documentation	
Admission to trading	Nasdaq Stockholm Corporate Bond list	
Agent	Nordic Trustee & Agency AB (publ)	
Arrangers	Danske and SEB	

STENDÖRREN
Lokaler som gör skillnad.

TODAY'S PRESENTERS

ERIK RANJE

CHIEF EXECUTIVE OFFICER

- CEO of Stendörren Fastigheter since 2020
- Experience: Previously Head of Real Estate Investment Banking at Danske Bank. Prior to that Erik held various positions at SEB within Structured Real Estate Finance and Corporate Finance for 20 years

PER-HENRIK KARLSSON

CHIEF FINANCIAL OFFICER

- CFO of Stendörren Fastigheter since 2020
- Experience: Previously Head of Accounting at Stendörren. Prior to that Per-Henrik held the position as Head of Nordic Accounting & Financial Control at NREP. Other experience includes, among others, Nordic CFO and member of the management team for one of the real estate funds at Aberdeen Standard Investments and Chartered Accountant at EY

AGENDA

1. INTRODUCTION

2. REASONS TO INVEST IN STENDÖRREN
   - 2.1 STABLE CASH FLOW
   - 2.2 SUSTAINABLE GROWTH
   - 2.3 VALUE GROWTH IN PROJECTS
   - 2.4 FINANCE

3. INVESTMENT HIGHLIGHTS

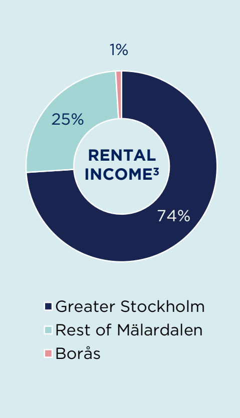
4. APPENDIX

STENDÖRREN AT A GLANCE

FAST FACTS[1]

SEK bn **10.8** PROPERTY VALUE	SEK m **744** RENTAL VALUE	SQ.M **768,000** LETTABLE AREA	% **88.0** OCCUPANCY RATE
% **5.8** PROPERTY YIELD[2]	% **46.0** LOAN-TO-VALUE	YEARS **3.6** LEASE DURATION	SQ.M **c.621,000** BUILDING RIGHTS

BUSINESS OVERVIEW



BUSINESS RATIONALE
To manage, develop and acquire properties with focus on logistics, warehouse and light industry in growth regions, mainly urban areas, while developing residential building rights in existing properties. Properties are high yielding with long leases, generating strong and stable cash flow

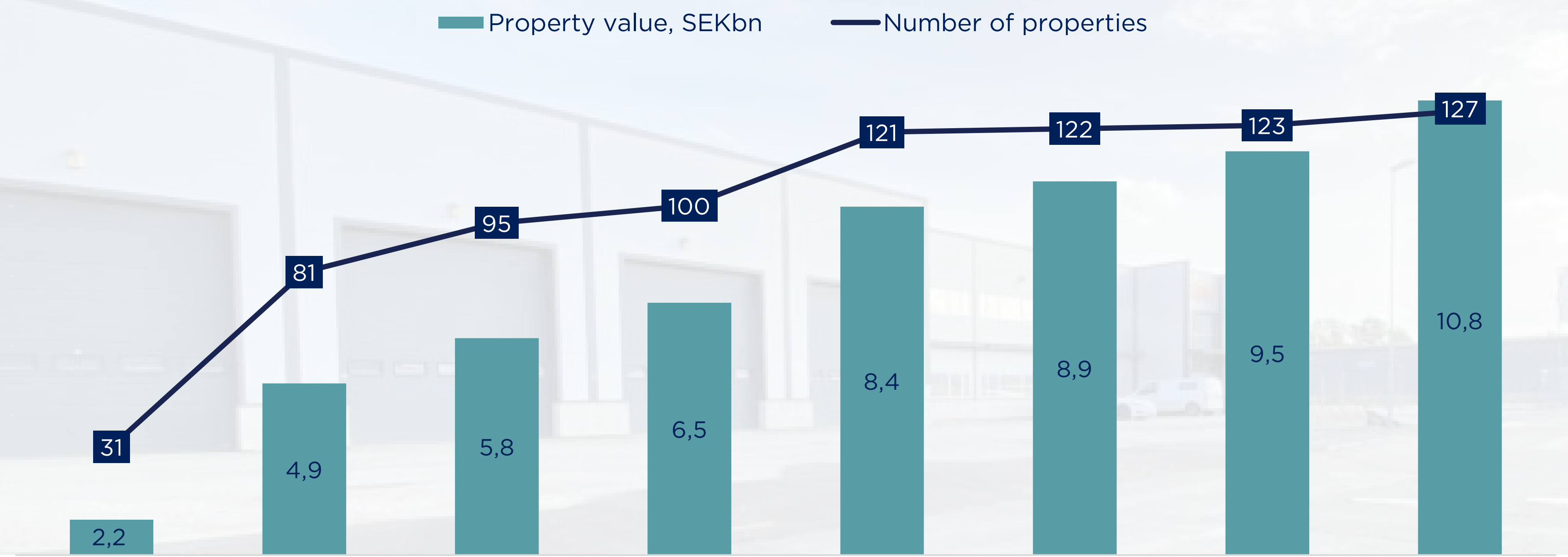
TENANT BASE
Tenant base is diversified and consists of both well-established small to medium sized companies and large multinational businesses from various industries

SUSTAINABILITY
Sustainability in all aspects of the business together with a hands-on asset management and dialogue with tenants to reduce environmental footprint, as well as a clear green focus on the development portfolio

1) Per LTM Q3 2021
2) NOI yield, excluding projects and land, 12-month average
3) Per Q3 2021

STENDÖRREN
Lokaler som gör skillnad.

STRONG PROPERTY VALUE GROWTH SINCE 2014

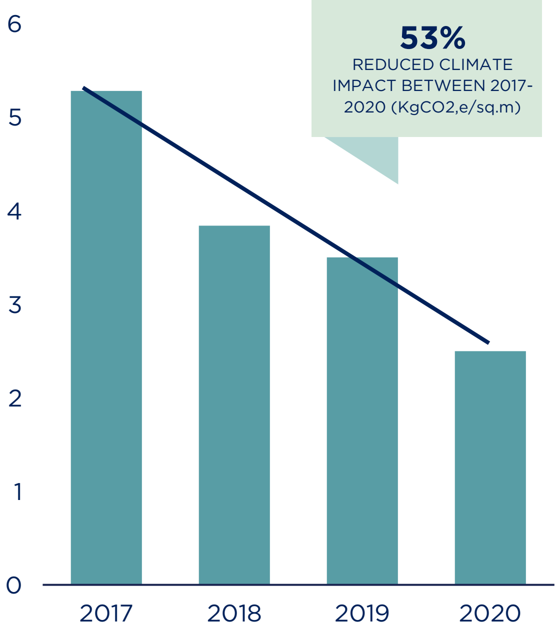


2014	Listed in Nov 2014 on Nasdaq Stockholm, First North
2015	
2016	
2017	SEK 360m, 3-year bond issued by Stendörren
2018	Shares listed at Nasdaq Stockholm Mid cap SEK 350m tap issue in Jan SEK 350m new bond issue in Jun, followed by a tap issue of SEK 300m in Oct
2019	New hybrid bond issue of SEK 800m EQT new main shareholder
2020	The company hires the new CEO Erik Ranje and a new management team is established
YTD-21	3.25 year bond issue of SEK 700m was issued Rating by NCR obtained (BB-) Establishment outside Mälardalen (in Viared Borås) Buliding permit application submitted in relation to Tegelbruket 1 in Botkyrka

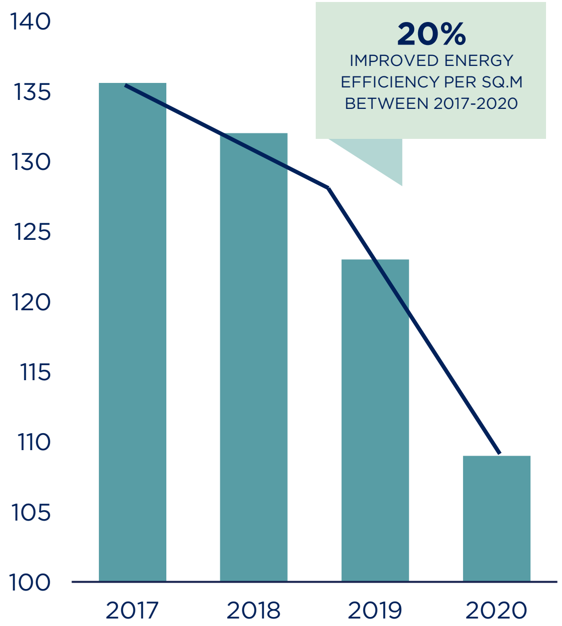
STENDÖRREN
Lokaler som gör skillnad.

ACTIVELY WORKING TOWARDS A LOW CARBON FOOTPRINT

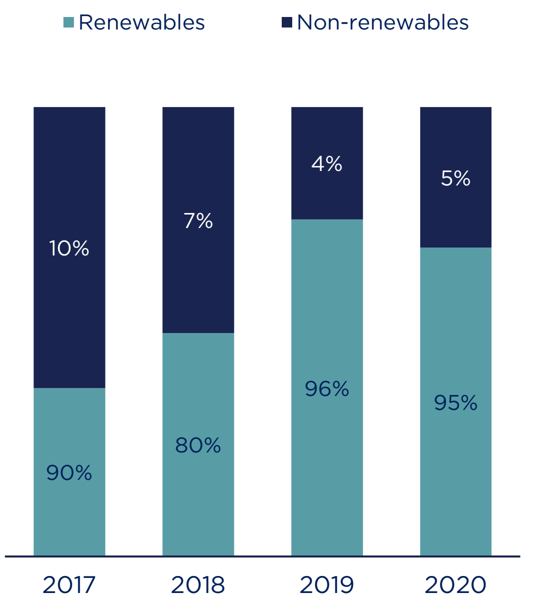
CLIMATE IMPACT KG CO2/SQ.M



ENERGY INTENSITY KWH/SQ.M.



DISTRIBUTION OF ENERGY SOURCES



SDG FOCUS

Stendörren is currently working on a new sustainability strategy to be delivered in 2022

REASONS TO INVEST IN STENDÖRREN

1 STABLE CASH FLOW

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

2 SUSTAINABLE GROWTH

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

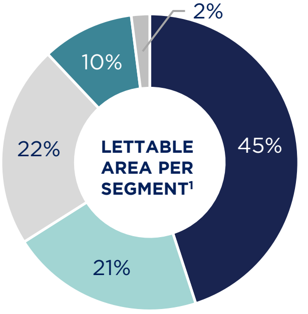
3 VALUE GROWTH IN PROJECTS

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

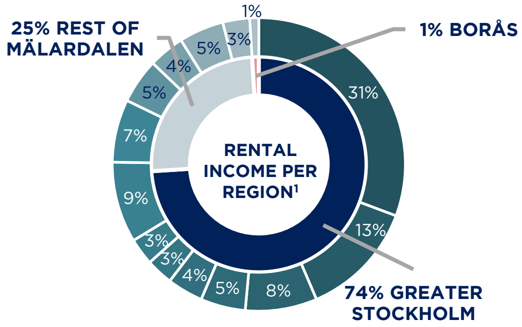
4 FINANCE

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

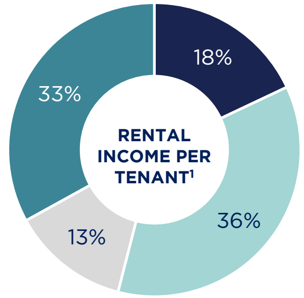
STABLE CASH FLOW THROUGH A WELL-DIVERSIFIED PORTFOLIO



- Storage and logistics
- Light industry
- Office
- Retail[2]
- Other



- Stockholm
- Täby
- Järfälla
- Enköping
- Flen
- Mälardalen
- Upplands-Bro
- Södertälje
- Other
- Uppsala
- Borås
- Borås
- Botkyrka
- Nacka
- Västerås
- Eskilstuna
- Stockholm



- 1 tenant
- 2-5 tenants
- 6-10 tenants
- 11- tenants

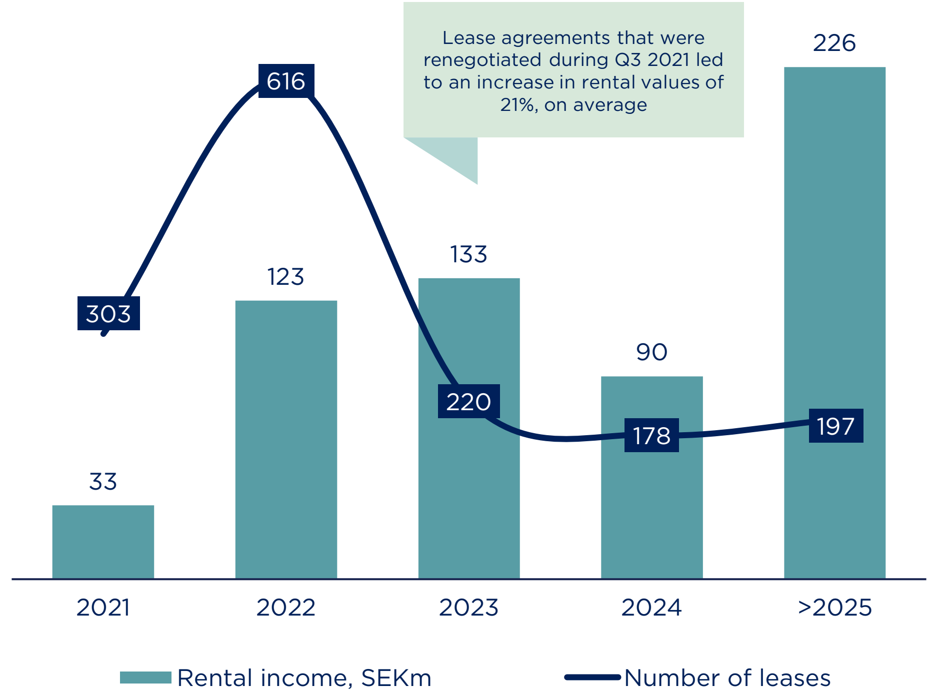
1) Per Q3 2021
2) Capital goods e.g. car dealerships

TOP 10 TENANTS REPRESENTS 24% OF TOTAL RENTAL INCOME

LARGEST TENANTS PER Q3 2021[1]

Tenant	Rental income (SEKm)	Rental area, ('000 Sq.m.)	% of total rental income
Coop	64.8	129.8	11%
Alfa Laval	13.4	19.6	2%
ÅTTA.45 TRYCKERI	11.5	11.3	2%
Unilever	9.7	13.1	2%
Stockholm Vatten	9.1	6.1	2%
Bactiguard	8.4	4.1	1%
FUCHS	8.4	13.0	1%
INFOCARE Technology Services	7.7	5.4	1%
Nacka Vatten Avfall	6.8	2.8	1%
LeasePlan	6.8	5.3	1%
Sum	147	210	24%

LEASE MATURITY BY RENTAL INCOME



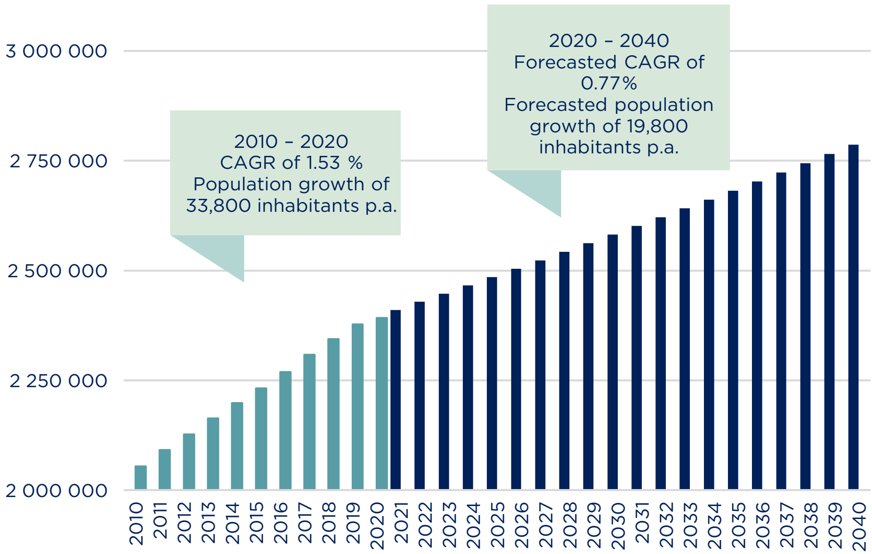
- The weighted average unexpired lease term is 3.6 years
- Net rentals during the period amounted to a total of approximately SEK 24 million[2]
- New lease agreements with an annual rental value of approximately SEK 59 million were signed

1) Base rent excluding other rental income
1) Net lettings if Exploria AB´s bankruptcy is excluded amounts to c. SEK 41 million

STENDÖRREN
Lokaler som gör skillnad.

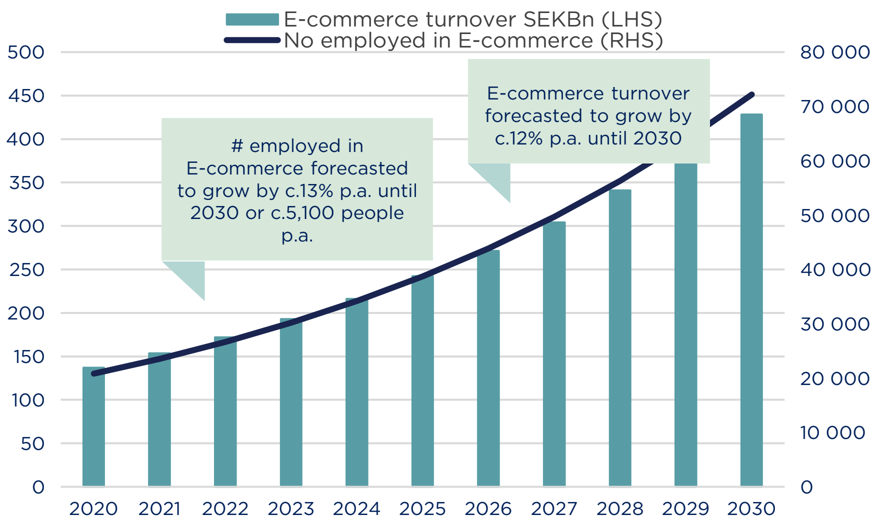
FAVOURABLE MACRO ENVIRONMENT

POPULATION GROWTH IN STOCKHOLM



- By 2040 a total of 11.3m inhabitants are expected to live in Sweden
- The highest growth in absolute numbers and percent is in the Stockholm county, with a forecasted growth of approx. 400,000 inhabitants or 16.5% for the period up until 2040
- In addition to being the most populous region, Stockholm has the highest gross regional product in Sweden, approx. 40% above the national average
- Stockholm gross regional product grew by 4.2% in 2019
- The Stockholm county has the highest portion of the population nationwide shopping on-line, as well the highest average spend

SWEDISH E-COMMERCE TURNOVER AND EMPLOYMENT



- E-commerce accounted for 14% of total retail turnover in 2020, up from 11% in 2019
- E-commerce is forecasted to account for 40% of retail turnover by 2040 (nationwide) with E-commerce logistics expected to need 2.4x the logistics space versus traditional logistics for brick-and-mortar retail
- Over the last 20 years the available stock of light industrial, logistics and warehouse assets has remained stable in the wider Stockholm region, whilst significantly reduced in city-fringe locations, whilst the population has grown with approx. 30%
- Growing demand coupled with lagging supply are factors that could continue to push rent higher

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

STENDÖRREN
Lokaler som gör skillnad.

PROJECT PORTFOLIO WITH LARGE POTENTIAL

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT* (GROSS SQ.M.)	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START**
Södertälje	Logistics	63 900	Within current zoning	2022-2026
Botkyrka	Residential	59 000	Within current zoning	2023-2024
Upplands-Bro	Logistics	7 400	Within current zoning	2022-2023
Upplands-Bro	Light industrial	2 500	Within current zoning	2022-2023
Uppsala	Light industrial	1 500	Within current zoning	2022-2024
Upplands-Bro	Logistics	400 000	Within current zoning	2022-2023
Eskilstuna	Logistics	10 000	Within current zoning	2022-2024
Stockholm	Light industrial	8 000	Within current zoning	2022-2023
Enköping	Logistics	8 000	Within current zoning	2022-2023
Enköping	Light industrial	4 500	Within current zoning	2022-2023
Enköping	Light industrial	2 000	Within current zoning	2022-2024
Upplands-Bro	Light industrial	1 500	Within current zoning	2022-2023
Sollentuna	Residential	7 000	Zoning change required	2023-2024

** May deviate from what is technically and commercially viable*
*** Start of first phase, project may include several phases. Note that Stendörren aims to construct on a pre-let basis, why the timing of construction start depends on pace of leasing activities*

- Fully developed an additional up to c.621,000 sqm can be created, evidencing a substantial increase to the current portfolio of standing assets
- The vast majority of the building rights are located in the greater Stockholm region
- The aim is to develop the project pipeline on a pre-let basis why the timing of possible construction start depends on the pace of leasing activities

STENDÖRREN
Lokaler som gör skillnad.

WELL-BALANCED PROJECT PORTFOLIO

ONGOING PROJECTS PER Q3 2021

PROPERTY	TYPE OF DEVELOPMENT	ESTIMATED COMPLETION	SIZE, NEWT SQ.M	ESTIMATED INVESTMENT* (SEKM)	CURRENT PHASE
Almnäs 5:20	New logistics	Q4 2022	11,200	166	Pre-construction work***
Hjulsmeden 1	New light industrial	Q4 2022	2,600	42	Design and planning **
Libroback 21:3	New light industrial	Q4 2022	2,100	36	Design and planning **
Viby 19:66	New logistics	Q4 2022	5,900	100	Pre-construction work***
Almnäs 5:24	New light industrial	Q1 2023	2,100	39	Design and planning
Tegelbruket 1	New residential	Q2 2024	16,000	-	Design and planning **
Total ongoing projects			39,900	>380	

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

* Includes book value of land. Estimated investment for Tegelbruket not disclosed due to planned procurement
** Application for building permit submitted
*** Land- or building permit approved

FINANCIAL TARGETS

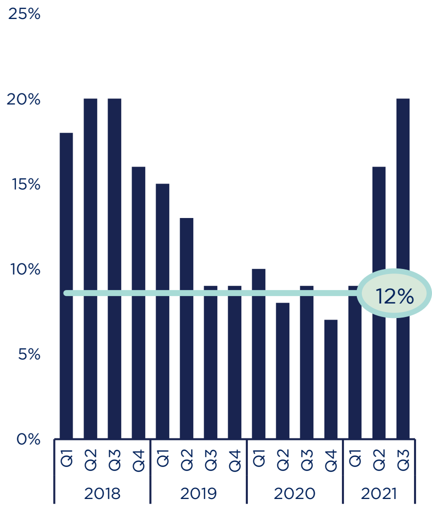
20 %

3.0x

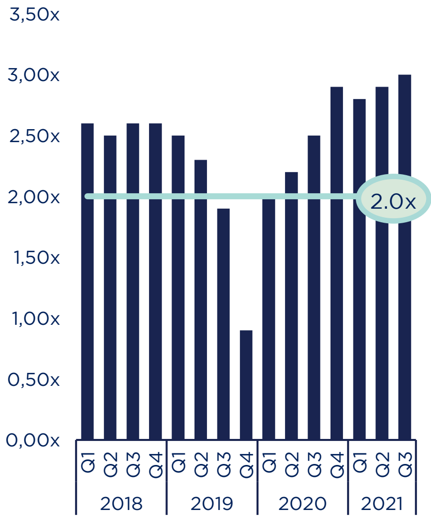
44 %

29 %

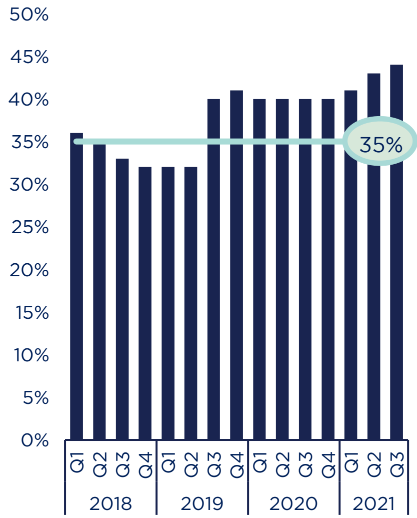
ROE (LTM Q3 2021, AVERAGE)



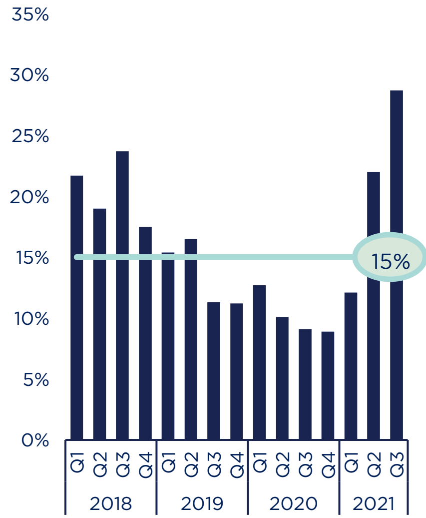
ICR (LTM Q3 2021)



EQUITY RATIO (Q3 2021)



NAV GROWTH (LTM Q3 2021)

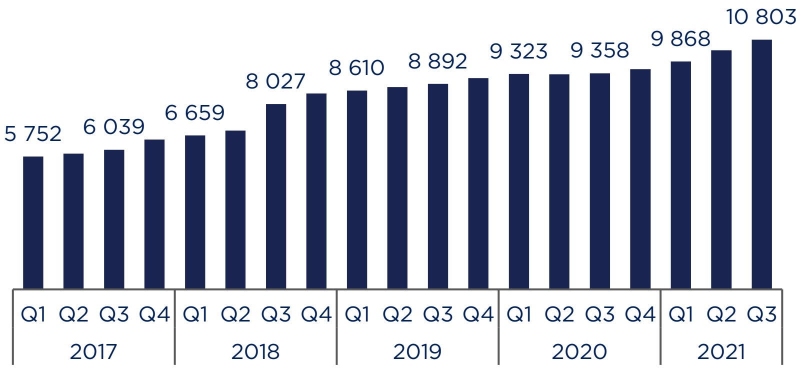


STENDÖRREN
Lokaler som gör skillnad.

FINANCIAL KEY METRICS

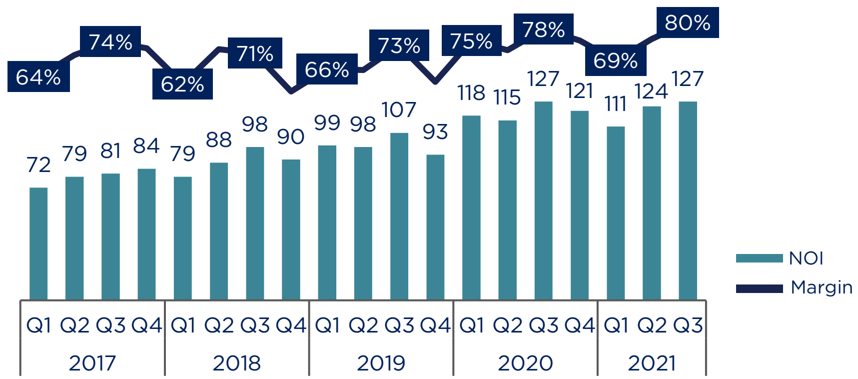
GROWING PROPERTY PORTFOLIO

PROPERTY VALUE, SEKm



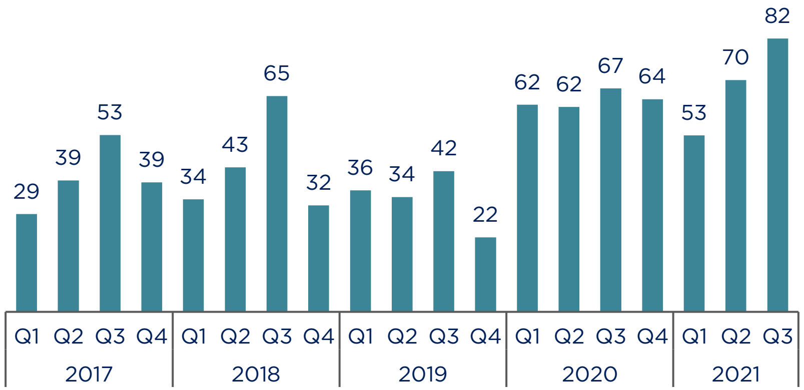
STABLE AND IMPROVING DEBT SERVICE CAPACITY

NET OPERATING INCOME, SEKm



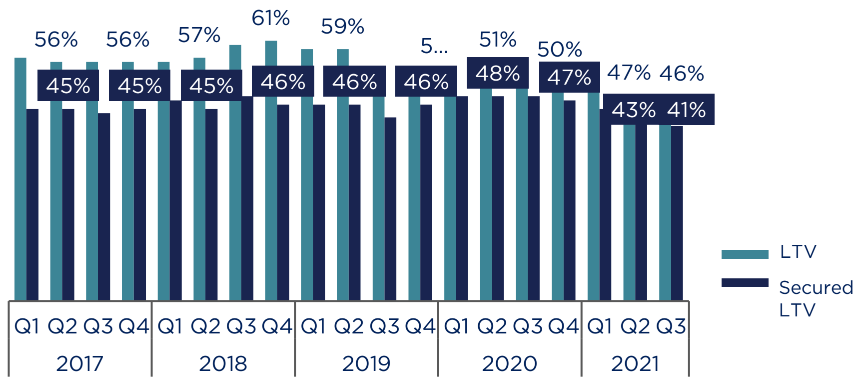
IMPROVED AND STABILISED PROFITABILITY

PROFIT FROM PROPERTY MANAGEMENT, SEKm



SOLID BALANCE SHEET

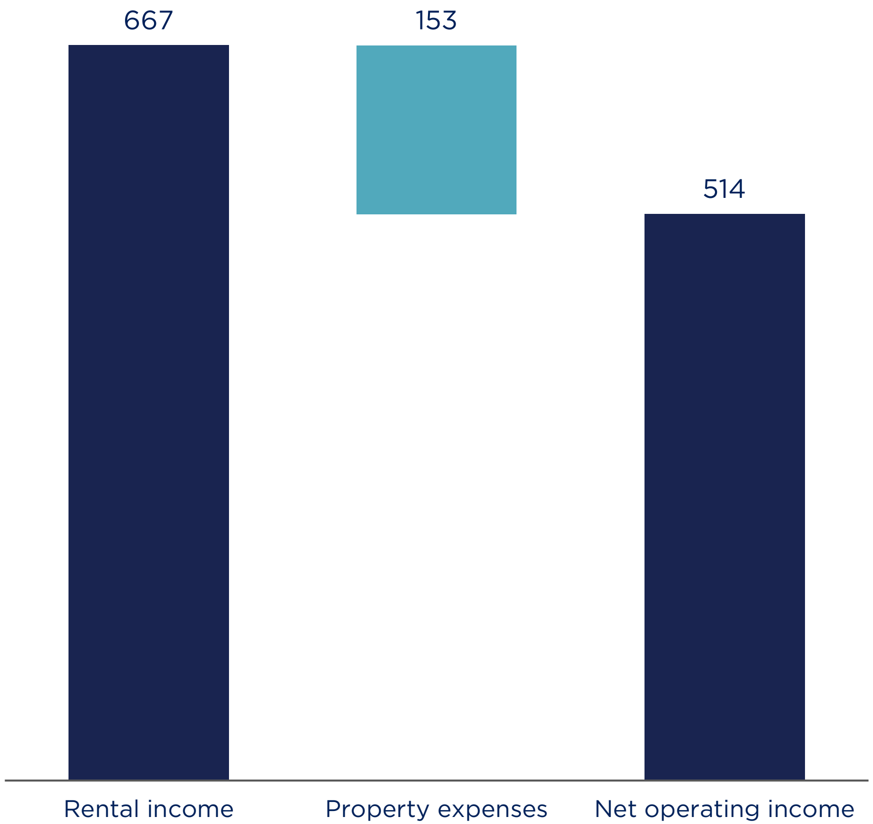
LOAN TO VALUE



STENDÖRREN
Lokaler som gör skillnad.

ASSESSED EARNINGS CAPACITY

BASED ON CURRENT PORTFOLIO OF 127 PROPERTIES

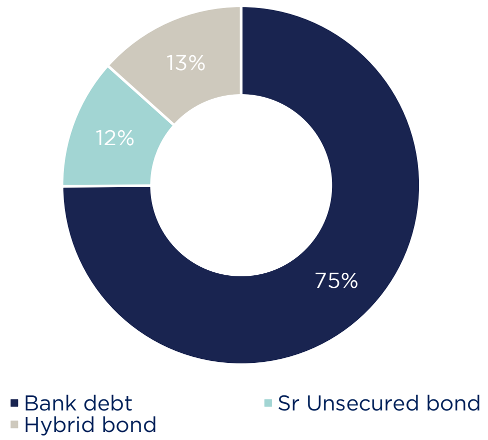


- According to the company's assessment as of Q3 2021, the total rental income (after deductions for vacancies and discounts) on a rolling 12-month basis amounts to approximately SEK 667 million
- The company also estimates that current property costs amount to approximately SEK – 153 million on an annual basis
- The portfolio is thus expected to produce a net operating income of approximately SEK 514 million

STENDÖRREN
Lokaler som gör skillnad.

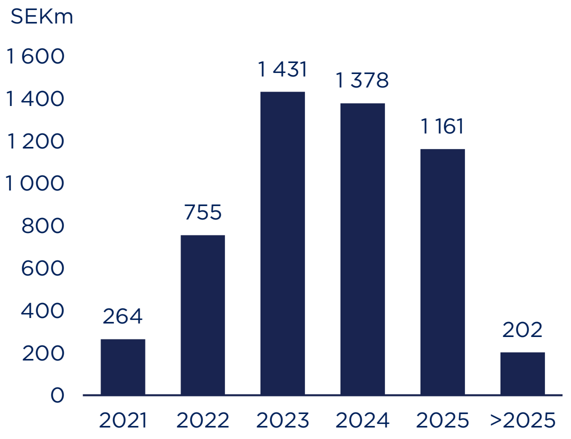
DEBT FUNDING

DEBT FUNDING OVERVIEW



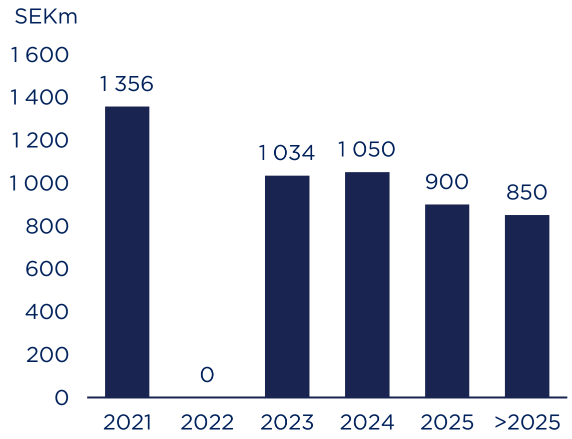
- Total interest-bearing debt amounts to SEK 5,170m
  - Bank debt of SEK 4,480m
  - Senior unsecured bond debt of SEK 700m
  - Vendor note of SEK 10m
- Stendörren uses several of the leading Nordic banks for debt sourcing. Typically, approximately 60% bank financing on acquisitions
- During 2019, the company issued a SEK 800m hybrid bond of which 100% of the amount counts as equity according to IFRS

LOAN MATURITY



- Stendörren has a well distributed maturity profile on its financial indebtedness
- Average loan maturity of interest-bearing debt to credit institutions of approximately 2.4 years
- Average interest rate of approximately 2.1% on financing from credit institutions

INTEREST FIXING



- Including the interest caps and swap, the average interest fixing was 2.5 years

INTRODUCTION
STENDÖRREN
STABLE CASH FLOW
SUSTAINABLE GROWTH
VALUE GROWTH IN PROJECTS
FINANCE
INVESTMENT HIGHLIGHTS
APPENDIX

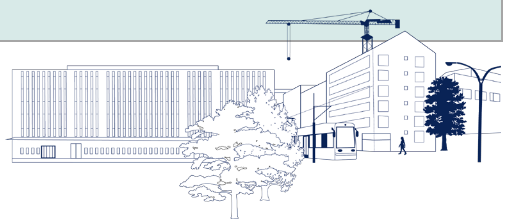
STENDÖRREN
Lokaler som gör skillnad.

INVESTMENT HIGHLIGHTS

WELL-EQUIPED FOR THE FUTURE

BALANCED PORTFOLIO IN SUSTAINABLE GROWTH AREAS	• As of Q3 2021 the property portfolio was valued at SEK 10.8bn consisting of 127 individual properties with an average remaining lease term duration of 3.6 years • All properties are strategically located in sustainable growth areas in the Greater Stockholm and Mälardalen region • Diversified tenant base of both well-established small to medium sized companies and large multinational businesses
STRONG PROPERTY MARKET WITH INCREASED DEMAND FOR LOGISTICS	• The Swedish commercial property market is strong, especially in the Stockholm area • Continued high demand in the Stockholm area which is largely attributable to the region's population increase and economic growth • The continued rapidly growing e-commerce increases the demand for logistic and warehouse properties
PROJECT PIPELINE SUPPORTING FURTHER VALUE GROWTH	• Project pipeline contains opportunities for green field development of prime logistics, as well as infill development of light industrial assets • Potential in conversion of properties for alternative use, primarily for residential purposes
SOLID FINANCIAL POSITION AND STABLE CASH FLOWS	• Stendörren has a strong balance sheet with LTV of 46% and secured LTV of 41% • Strong debt service capacity with 5.8%[1] yield, ICR of 3.0x and abolished dividend • BB- credit rating with stable outlook by Nordic Credit Rating
EXTENSIVE TRACK RECORD	• Long track record and committed management • Listed on Nasdaq Stockholm Mid Cap with well-reputed EQT as active main owner

1) Excluding projects and land, 12 months average



STENDÖRREN
Lokaler som gör skillnad.




Q&A

STENDÖRREN




PUBLIC CREDIT RATING[1]

RATING OVERVIEW

LONG-TERM RATING:

BB-

OUTLOOK:

Stable

SHORT-TERM RATING:

N-2

RATING RATIONALE

Nordic Credit Rating ("NCR") has assigned Stendörren with a 'BB-' long-term issuer rating, with a stable outlook and a short-term rating of N-2

STABLE OUTLOOK:

According to NCR, the stable outlook reflects the expectations that Stendörren will take a proactive approach to upcoming maturities, ensuring sustainable liquidity, increased cost focus and improved EBITDA, a proactive approach to lease maturities, and most tenants will prove resilient to COVID-19. According to NCR, Stendörren is likely to accelerate growth while taking a prudent approach to its development pipeline

POTENTIAL POSITIVE RATING DRIVERS

- Successful transformation from project to cash-generating properties
- Sustainable deleveraging resulting in an NCR-adjusted LTV ratio below 55% and EBITDA/net interest above 2.2x
- Reduced vacancy rates, positively affecting revenues, liquidity and credit metrics

POTENTIAL NEGATIVE RATING DRIVERS

- Unsuccessful refinancing of debt maturities
- Excess project risk through engagement in speculative projects
- Increased leverage leading to tight covenant headroom

1) Stendörren's credit rating was published on 18 January 2020

STENDÖRREN
Lokaler som gör skillnad.

CORPORATE GOVERNANCE

MANAGEMENT

Erik Ranje
CEO of Stendörren Fastigheter since 2020
Experience: Previously Head of Real Estate Investment Banking at Danske Bank. Prior to that Erik held various positions at SEB within Structured Real Estate Finance and Corporate Finance for 20 years
Stendörren holding: -

Per-Henrik Karlsson
CFO of Stendörren Fastigheter since 2020
Experience: Per-Henrik was previously Head of Accounting at Stendörren. Prior to that he held the position as Head of Nordic Accounting & Financial Control at NREP. Other previous experience includes, among others, Nordic CFO and member of the management team for one of the real estate funds at Aberdeen Standard Investments and Chartered Accountant at EY
Stendörren holding: 46 B-shares (together with closely related persons)

ORGANISATION

- Stendörren has a lean and efficient organisation led by an experienced management team supported by a top-class board of directors
- Stendörren has 54 employees and the head office is located in Stockholm
- Key functions[1] are located in-house and property management is carried out by Stendörren

1) Investor relations is conducted externally

BOARD OF DIRECTORS

Anders Tägt – *Chairman of the board*
Experience: Board member of AB Granudden Konsult and Brunswick Real Estate Capital Advisory AB. Mr Tägt has more than 35 years of experience within real estate, construction and finance. Previous experiences include positions at NCC, Fastighetsaktiebolaget Regnbågen, Enskilda, Doughty Hanson & Co, Sagax and various German banks and most recently as Nordic manager of PBB.
Stendörren holding:-

Seth Lieberman
Experience: 30 years of international experience from the real estate sector. Previously held senior positions at UBS Investment Bank, Hypo Real Estate, Lehman Brothers, Credit Suisse and GE Capital
Stendörren holding: -

Henrik Orrbeck
Experience: Managing Director at EQT Real Estate and chairman of Hönsfodret Realty AB, Hönsfodret Investment AB and Stendörren Real Estate AB. Mr. Orrbeck is also a board member of Maiden Lane Holdings AB, Portgås Fastighets AB och Sågtorp Utveckling AB. Previous experiences include positions at The Carlyle Group and General Electric.
Stendörren holding: -

Helena Levander
Experience: Founder and Chairman of Nordic Investor Services AB. Chairman of Ativo Finans AB. Board member of Recipharm AB, Medivir AB, Concordia Maritime AB, Rejlers AB and Lannebo Fonder AB. Previous experiences include various positions within asset management, including positions at Nordea AM and SEB AM.
Stendörren holding: 3,000 B-shares

Carl Mörk
Experience: Founder and Chairman of Altira AB and board member of Vreten Fastigheter. Mr. Mörk has more than 25 years of experience from the real estate sector in Sweden and Europe and has previously held positions at Securum, Parkes & Co and Doughty Hanson & Co.
Stendörren holding: Altira AB, closely related to Mr Mörk, owns 500,000 A-shares and 2,550,000 B-shares.
No privately owned shares

Andreas Philipson
Experience: CEO and board member of TAM Group AB. Board member of Besqab AB and subsidiaries of TAM Group. Mr. Philipson has more than 30 years of experience from the construction and real estate sector. Previously CEO and board member of Catena AB, CEO of Temaplan AB and real estate director at Näckebro AB.
Stendörren holding: 2,000 B-shares

Nisha Raghavan
Experience: CFO EQT and director for EQT Real Estate Advisory Team. 20 years of experience within real estate. Previous include positions at Clearbell Capital LLP, Pears Global Real Estate Investors and Delancey Real Estate Asset Management
Stendörren holding: -

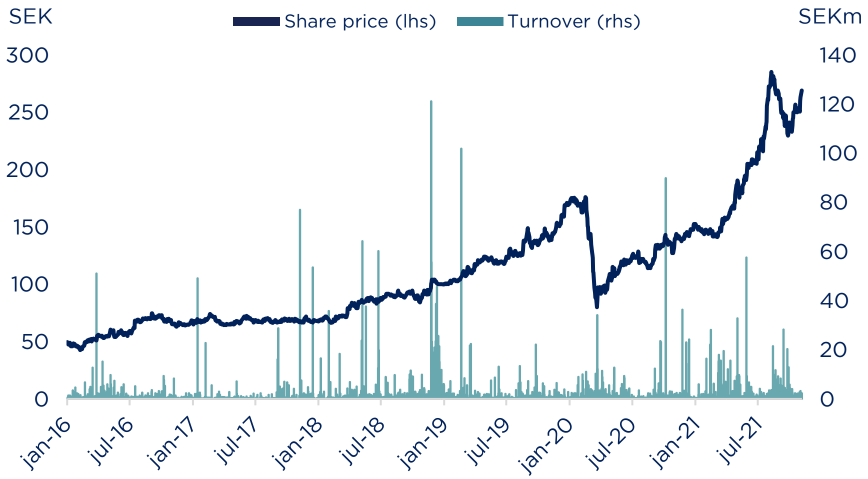
STENDÖRREN
Lokaler som gör skillnad.

SHARE PERFORMANCE AND OWNERSHIP OVERVIEW

MAIN SHAREHOLDER AS PER 2021-09-30

	Ownership				
	Number of shares			% of	
Owners	A-shares	B-shares	Total	Votes	Capital
Stendörren Real Estate AB (EQT)	2,000,000	9,532,606	11,532,606	58.1%	40.7%
Altira AB	500,000	2,551,720	3,051,720	14.8%	10.8%
Länsförsäkringar Fondförvaltning AB	-	4,935,992	4,935,992	9.7%	17.4%
SEB Investment Management[1]	-	2,616,003	2,616,003	5.1%	9.2%
Verdipapirfondet Odin Eiendom	-	995,129	995,129	2.0%	3.5%
Tredje AP-Fonden	-	750,000	750,000	1.5%	2.6%
Carnegie Fonder	-	453,684	453,684	0.9%	1.6%
Alfred Berg	-	327,213	327,213	0.6%	1.2%
Bodil Warmland	-	249,975	249,975	0.5%	0.9%
SEB Nanocap	-	242,000	242,000	0.5%	0.9%
10 largest shareholders	2,500,000	22,654,322	25,154,322	93.7%	88.8%
Other shareholders	-	3,217,119	3,217,119	6.3%	11.2%
Total	2,500,000	25,871,441	28,371,447	100%	100%

SHARE PRICE DEVELOPMENT



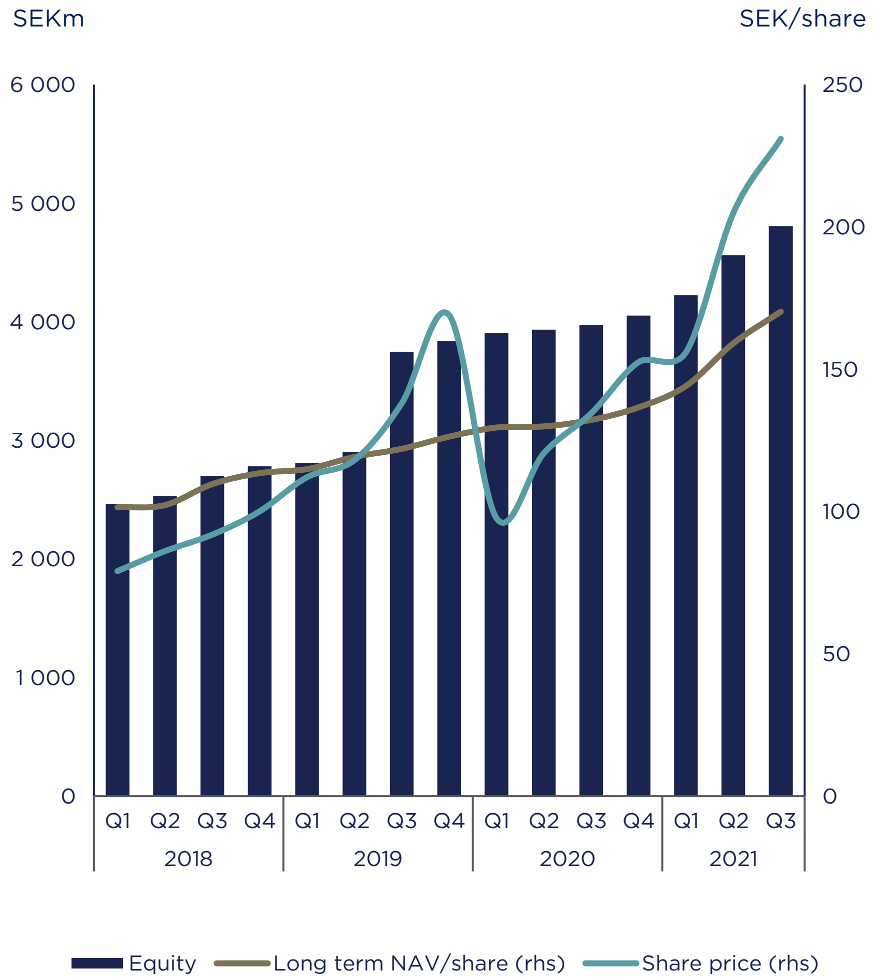
- Share price as per 08 November 2021: SEK 269
- Market cap as per 08 November 2021: SEK 7,632m
- The class B-share is currently trading at Nasdaq Stockholm Mid Cap
- Stendörren has approximately 3,623 shareholders (as per 30 September 2021)
- Stendörren Real Estate AB is a company wholly owned by EQT Real Estate II

Source: Euroclear Sweden & Bloomberg

1) SEB Investment Management increased its ownership as of 2021-10-01 and holds now 5.7% of the votes and 10.2% of the capital

STENDÖRREN
Lokaler som gör skillnad.

SHARE VALUE AND KEY EQUITY RATIOS



KEY EQUITY RATIOS	SEPTEMBER2021	SEPTEMBER 2020
Share price, SEK	231.00	134.50
Equity per share, SEK 1)	141.76	112.41
Long term nav per share, SEK	170.20	132.16

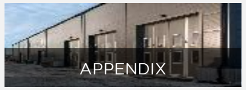
1) Book equity excluding hybrid capital per share

INCOME STATEMENT

	2018	2019	2020	LTM Q3-21
Rental income	537	591	631	645
Other income		1	20	10
Total income	537	592	652	655
Operating expenses	-127	-122	-114	-124
Maintenance expenses	-33	-50	-36	-30
Property tax	-15	-23	-21	-18
Site leasehold rent	-7	-	-	-
Net operating income	355	397	481	482
Central administration	-51	-88	-86	-73
Financial income	1	1	2	0
Financial expenses	-131	-166	-134	-135
Leasing cost / Site leasehold cost	-	-9	-9	-9
Profit from property management	174	135	254	266
Changes in value of investment properties	326	237	98	845
Changes in value of financial instruments	-12	16	-10	9
Earnings before tax	488	388	342	1121
Deferred tax expenses	-68	-100	-84	-239
Tax	-1	2	-1	-1
Net profit	419	290	256	880

COMMENTARY

- LTM Q3 2021, rental income amounted to SEK 645m while the NOI amounted to SEK 482m
- Profit from property management amounted to SEK 266m with financial expenses of SEK -135m
- Net profit for the period amounted to SEK 880m with positive value changes of SEK 845m for investment properties and SEK 9m for financial instruments



STENDÖRREN
Lokaler som gör skillnad.

BALANCE SHEET

	2018	2019	2020	Q3-21
Assets				
Intangible assets	6	4	4	2
Investment properties	8,476	9,147	9,533	10,803
Land leases		225	225	225
Inventory	3	7	6	7
Long-term receivables	0	3	3	3
Interest rate derivatives	4	17	6	14
Fixed assets	8,489	9,403	9,777	11,054
Short-term receivables	83	67	95	65
Cash and cash equivalents	163	138	361	117
Current assets	246	205	456	182
Total assets	8,735	9,608	10,233	11,235
Equity	2,780	3,840	4,053	4,807
Long-term interest bearing debt	4,251	3,535	4,081	4,256
Other long-term liabilities	11	14	12	20
Financial leasing debt	-	225	225	225
Deferred taxes	419	519	613	815
Other provisions	4	4	4	4
Long-term liabilities	4,685	4,297	4,935	5,320
Short-term interest-bearing debt	1,037	1,281	1,081	913
Other short-term liabilities	233	190	227	195
Short-term liabilities	1,270	1,471	1,245	1,108
Total equity and liabilities	8,735	9,608	10,233	11,235

COMMENTARY

- As of 30 September 2021, total assets amounted to SEK 11,235m
- At the end of the period, total equity amounted to SEK 4,807m, corresponding to an equity ratio of 44%
- Investment properties amounted to SEK 10,803m, corresponding to 96% of Stendörren's total asset value

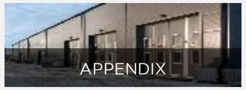
STENDÖRREN
Lokaler som gör skillnad.

CASH FLOW STATEMENT

	2018	2019	2020	LTM Q3-21
Profit from property management	174	135	254	266
Adjustments for non-cash flow affecting items	16	-10	2	11
Taxes paid	-15	-2	-2	-
Cash flow from operating activities before changes in working capital	175	123	254	277
Changes in receivables and other working capital assets	10	17	-11	41
Changes in payables and other working capital liabilities	-42	3	30	-20
Cash flow from operating activities	143	143	274	300
Investments in existing investment properties	-296	-267	-200	-273
Other investments and divestments, net	-2	-4	-1	-5
Acquisitions of subsidiaries/investment properties	-1,626	-156	-150	-367
Divestments of subsidiaries/investment properties	349	-	62	37
Cash flow from investment activities	-1,575	-427	-288	-607
Share issue	24	-2	10	6
Hybrid bond issue	-	786	-	-
Dividend hybrid bond	-	-13	-54	-54
Net new loans raised (raised loans minus repayment of loans)	1,591	-482	284	58
Financial instruments, net	-6	-	-	-
Deposits	7	2	-2	7
Dividend	-59	-32	0	-
Cash flow from financing activities	1,557	259	238	17
Cash flow for the period	125	-25	224	-291
Ingoing cash	38	163	138	407
Outgoing cash	125	-25	224	-291
Cash and cash equivalents at the end of the period	163	138	361	117

COMMENTARY

- LTM Q3 2021 cash flow from operating activities amounted to SEK 300m
- Cash flow from investment activities amounted to SEK -607m, driven by investments in existing investment properties and acquisitions
- Cash flow from financing activities amounted to SEK 17m
- Cash and cash equivalents as per 30 September 2021 amounted to SEK 117m



RISK FACTORS

In this section, material risk factors are illustrated and discussed, including the Issuer's economic and market risks, business risks, legal and regulatory risks, as well as structural risks relating to the Notes, risks relating to the Notes and risks related to debt instrument such as the Notes. The Issuer's assessment of the materiality of each risk factor is based on its assessment of the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.

The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factors in a category is presented first under that category, the assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact is disclosed by rating the relevant risk as low, medium or high. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

Risks relating to the Issuer

Economic and market risks

Market value risk
The Issuer is operating within the real estate business and owned, as of 30 September 2021, 127 properties with a rentable space of 768,000 square meters. Furthermore, as of 30 September 2021, the value of the property portfolio totalled SEK 10,803 million and the rental income totalled SEK 484 million. The market value of the Group's real properties and site leasehold rights from time to time (the "Properties") and its rental income is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new premises, changes of infrastructure, inflation and interest rates. A negative development of the economy would have a material adverse effect on supply and demand on the real estate market and accordingly affect vacancy and rental rates for the Properties. An increased vacancy rate for the Properties would, as a consequence, have a negative impact on the Issuer's financial position as increased vacancy rates will result in higher costs for the Issuer.

Expectations regarding inflation also affect the interest rate and therefore affect the Issuer's net financial income. In addition, changes in the interest rate and inflation also affect the markets yield requirements and thus the market value of the Properties. The market value of the Properties will also be affected, positively or negatively, by the general investment climate on the relevant investment market. The investment climate relevant for the Issuer will, among other things, be heavily influenced by the risk sentiment among investors, access to capital and the relative investment yield that can be expected from other, competing investment alternatives.

Negative changes in macroeconomic factors such as the risks described above will, if the risks materialise, affect the value of the Properties, the vacancy rate and the rental level of the Issuer's Properties and as a result, its rental and net financial income.

Risk rating: High

Interest rate risk
Interest rate risk is the risk that changes in interest rates affect the Group's interest expense. For example, other than equity, the Group's operations are mainly financed by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items and an increase in interest rates would lead to higher financing costs since the Issuer's level of debt creates an exposure to interest rate risk, where an increase in the STIBOR rate would lead to higher financing costs.

For example, as per the end of 2020 an interest sensitivity test indicated that, if there would be an increase in STIBOR amounting to 0.5 per cent., such change would have an impact of approximately SEK 22 million in increased interest expenses (before taxes) for the Group on a yearly basis, and if STIBOR would increase with 2.0 per cent., the Group's interest expenses (before taxes) would increase with SEK 65 million on a yearly basis. Through the CPI-indexation of all rental contracts, there is a natural hedge against high inflation and thus increasing interest rates.

RISK FACTORS (CONT'D)

According to the Issuer's finance policy, between 40 per cent. and 70 per cent. of all interest bearing liabilities should always be hedged through interest derivatives or fixed rate contracts. For example, the Group has entered into interest rate swap agreements with respect to credit agreements with floating interest rates. The derivatives constitute a hedging against higher interest rates, but this also implies that the market value of the Group's interest rate derivatives decreases if the market interest rates decrease, which in turn has a negative impact on the Issuer's financial position and result. In certain cases, the Group has also entered into credit agreements providing for an interest rate floor. The consequence of these provisions is, for example, that the Group will be unable to in full benefit a negative 3-months STIBOR rate.

As some the Issuer's operations concern residential properties which is inherently associated with rigid rent levels, it may cause difficulties for the Issuer to increase its revenues to compensate for higher interest costs in respect of such properties. This could result in that the Issuer will have less opportunity to pay interest and amortisation costs related to its financings, resulting in a risk that the Issuer is in breach of its or a Group Company's loan facility agreements.

If the risks materialise and there would be an increase in the STIBOR rate, this increase will affect the Issuer's interest expenses and net financial income.

Risk rating: Medium

Rental income and rental development

Rental income is the Issuer's main source of income. The rental income is affected by the vacancies of the Properties, contracted rental rates and the tenants paying their rents on time. Rental rates are affected by, *inter alia*, the supply and demand on the market and the level of the market rental rates. Increased vacancies and/or decreased rental rates will negatively affect the Issuer's earnings. For example, the Group's total rental income amounted to SEK 631 million for the financial year 2020 and a potential decrease in the Group's total rental income of 15 per cent., due to fluctuations in vacancies could therefore have a material negative impact on the Group's total earnings, corresponding to the decrease in rental income.

The risk of fluctuations in vacancies increases with more single large tenants. For example, the ten largest tenants as of 30 September 2021 accounted for approximately one fourth (1/4) of the total contracted rental income. There is a risk that the Issuer's larger tenants do not renew or extend their lease agreements upon expiry and that the Issuer does not find new tenants, which in the long term could lead to a decrease in rental income and an increase in vacancies. For example, the largest tenant, being Coop Sverige, accounted for approximately eleven (11 per cent., of the total contracted rental income as of 30 September 2021, has indicated that it will not renew or extend its lease agreement. If the Issuer during a longer period of time is not able to find a replacing tenant for Coop Sverige, it could result in a material decrease in the Issuer's rental income which could have a negative impact on the Issuer's total rental income and hence the Issuer's earnings.

Even if the Issuer deems the likelihood of a material decrease in rental income as described above to be relatively low, if any of these risks materialise, it may have a material negative impact on the Group's total rental income and hence adversely affect the Issuer's earnings and financial position.

Risk rating: Medium

Geographical risks

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Issuer's Properties are located in the Greater Stockholm area (*Storstockholm*) and Mälaren Valley (*Mälardalen*).

The demand for commercial premises of the type that the Issuer invests in is however positively impacted by the long term growth of the Greater Stockholm region. The market supply of premises for light industry, warehouse and logistics use has for many years been lagging behind the demand for such space whereby the effective market rent has been climbing steadily. Given that the average lease term in the Group's portfolio of Properties is approximately 5 years, approximately 20-25 per cent. of all leases will come up for renewal in each of the coming 4 years. When these leases come up for renewal they will be on average 3-7 years old thus implying that there is a substantial catch-up of rental increase that can be expected. For the full year 2020, the rental contracts that were renewed and extended resulted in an average rental increase of 29 per cent.

If the demand for premises to lease declines in the Greater Stockholm region and Mälardalen, it could adversely affect the Issuer's business in that market, which in turn would have an negative effect of the Issuer's earnings and financial position since the Greater Stockholm region is the Issuer's main market.

Risk rating: Medium

RISK FACTORS (CONT'D)

Risks relating to the Issuer's business

Property transactions
The Issuer's Property portfolios may vary over time and acquisition and sale of additional Properties and Property owning companies are an important part of the Issuer's and the Group's ordinary business. The Group acquired Properties for SEK 150 million and sold Properties for SEK 62 million during the financial year of 2020. Inefficiencies in connection with the Issuer's property transactions may lead to attractive Properties or Property owning companies being disposed of whereas less attractive Properties or Property owning companies may be acquired, which could lead to a decrease in the market value of the Issuer's Property portfolios. The disposal of Properties within the Group could also, due to the value of the specific Properties, have a significant negative effect on the Issuer's cash flow, if such Properties are sold at a too low price. For example, if the Properties are sold to a lower price than expected or if the market value of the Properties decreases, this could have a negative effect on the Issuer's earnings and financial position.

The Issuer's acquisitions and divestments of Properties, are associated with risks and uncertainties. When the Issuer is acquiring real estate there is always uncertainty in relation to future loss of tenants, potential environmental impact from activities carried out on the Property as well as decisions from authorities. For example, before an acquisition agreement is signed the Issuer always conduct thorough investigation in respect of technical deficiencies, environmental contamination (ongoing or historic), financial issues in a company that is to be acquired or any other matter that could have a negative impact on the value of the acquired Property (or Property owning company). There is however always a risk that the Issuer's investigation does not uncover all the potential issues and problems, whereby the Issuer could be negatively affected if an unexpected issue arise after the acquisition of the Property.

When acquiring real estate companies, there are risks relating to, *inter alia*, tax, environmental issues and disputes. In real estate transactions such as the transactions the Issuer participates in, the seller usually leaves guarantees regarding, for example, environmental risks and the validity of lease agreements. In transactions with real estate companies such as the Issuer, it is also generally guaranteed that no tax disputes or other legal disputes exist. Certain warranties may be unlimited, such as tax warranties, which could imply warranty claims towards the Issuer on significant amounts, even to the extent that the claim exceeds the value of the underlying Property object.

Furthermore, as the Group has and is continually acquiring companies, the Group is exposed to integration risks due to the high number of acquisitions of new companies. The integration risks for the Group could, for example consist of increased merging costs, organisational costs and risks related to unexpected costs related to management of new tenants. Such increased costs could negatively affect the Group's operations and in turn the performance of the Issuer under the Notes.

Risk rating: High

Risks relating to development and renovating projects
Developing new Properties as well as renovating existing Properties or acquiring vacant Properties involves risks for the Issuer, such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet of the Issuer. When developing new Property or renovating existing Properties, there is a risk that the Issuer is unable to lease vacant Properties it has acquired or that such development or renovation turns out less profitable than expected, or that premises remain unsold and the Issuer has undesired tied-up capital on the balance sheet, which could have a negative effect on the Issuer's earnings and financial position.

For example, during 2020 the Issuer's invested SEK 200 million in development, renovations and tenant improvements in their Properties. If the costs for developing or renovating Properties requires more capital than expected by the Issuer, or if there should be any delays in the projects, there is a risk that the planned developments or renovations have to be suspended or reduced, which could lead to increased costs for the Issuer, which in turn would have a negative impact on the Issuer's business and hence a negative effect on the Issuer's results of operation.

Risk rating: High

Risks relating to local plans and permits for new construction and re-construction
Property development projects (including new construction, re-construction of buildings or change of use) is subject to zoning plans, permits and decisions from authorities unless such are already in place. Such permits and decisions may not always be granted when expected or at all, which can cause delays, increased costs and even jeopardise project realisation. Further, modified municipal planning may lead to local plans not being approved when expected or at all, causing delays and increased costs pertaining to necessary restructuring of the project. If necessary permits or approvals are not obtained when expected or at all, this could, for example, cause delays, increase costs or even jeopardise the project's realisation, which in turn could have a negative effect on the Issuer's earnings and financial position.

RISK FACTORS (CONT'D)

For example, the Issuer owns in excess of 120 properties and as a part of the active management of the Property portfolio there are approximately 8 properties where there is an ongoing process to update or change the existing zoning plan to fit the business plan for those properties.
Even though the Issuer deems the likelihood for a material change in the principles for granting permits for new construction and re-construction to be low, a change in the current principles for granting such permits significantly may affect the Issuer's ability to pursue with its business.

Risk rating: High

Dependency on members of management and other key personnel
The knowledge, experience and commitment of the Issuer's employees are important for the Issuer's future development. For example, the Issuer is dependent on a number of key persons such as the members of the management team, which all have important knowledge about the Issuer's business and operations. Should the key persons decide to leave the Issuer, it could impact the future development of the Issuer as new members of the management team lack the experience from the Issuer's business compared to the current members of the management team.

Furthermore, if the Issuer is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Issuer at reasonable compensation levels, it may have a negative impact on the Issuer's costs and therefore as a result, affect the Issuer's operations and financial position.

Risk rating: Medium

Environmental risks
Property management, which is a part of the Issuer's business, includes environmental risks. According to Swedish legislation, the party that has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the Properties should be put forward to the Group, this may have a negative effect on the Issuer's earnings and financial position.

For example, out of the 127 properties and land leases owned by the Issuer, there is one property with a documented environmental contamination. When acquired in 2016 the investigation concluded that the environmental liability could be set at SEK 5 million for this contamination (which is fully reserved in the balance sheet of the Issuer).

As some the Group's properties are used for residential purposes only, the Issuer must normally – in respect of such residential properties - conduct its operations in accordance with higher environmental requirements than what would be the case if the properties were used for other purposes. Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Issuer with respect to sanitation or remediation regarding currently held or future acquired properties, as well as increased costs for carrying out planned real estate development, both of which may have a negative effect on the Issuer's earnings and financial position.

As of 31 December 2020, 66 per cent. of the Issuer's lettable area consisted of warehouse, logistics and light industrial properties. As the Issuer's business operations therefore mainly consists of owning and managing warehouse, logistics and light industrial properties in which the tenants are conducting business, the risk for environmental issues could be higher than compared to other types of commercial properties.

Risk rating: Medium

Competition
The Issuer operates in a competitive industry. For example, the Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. The Issuer's two major types of competitors are other real estate management companies within the real estate business with the same business focus as the Issuer, and real estate developers which are mainly focusing on leasing new-built properties directly to customers instead of selling them to companies as the Issuer.

It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition. For example, the Group's competitors may have greater resources and capabilities than the Issuer to better withstand downturns in the market, compete more effectively, retain skilled personnel and react faster to changes in local markets.

RISK FACTORS (CONT'D)

Financially strong competitors may use price reductions with the purpose of quickly gaining market shares or to establish themselves on the market. If such competitors decides to enter into the markets of Greater Stockholm (*Storstockholm*) and the Mälaren Valley (*Mälardalen*) where the Issuer's Properties are located, this could lead to a decline in the demand for the Issuer's Properties. Although the Issuer deems the likelihood of the establishment of such financially strong competitor which establishment on the abovementioned markets could adversely affect the demand for the Issuer's Properties and hence weaken the Issuer's position in the markets to be low, if the risk described above materialise it would have a material negative impact on the Issuer's earnings and financial position.

Further, if the Group has to make significant investments, restructurings or price reductions due to increased competition, such changes may have a negative effect on the Issuer's business, which in turn might affect the financial position negatively.

Risk rating: Medium

Reputational risk
The Issuer is dependent on its good reputation. The Issuer's reputation is important from many different aspects. It is for example important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Issuer's reputation, which in turn could lead to difficulties obtaining new or keeping current tenants. The Issuer's reputation is also important in relation to banks, note investors and other sources of capital as well as in relation to recruitment of key personnel. Furthermore, damage to the Issuer's reputation could lead to loss of income or loss of growth potential, which in turn may have a negative effect on the Issuer's business and its position at the real estate market.

Risk rating: Medium

Disputes and litigation
The Issuer faces the risk of litigation and other proceedings in relation to its business. For example, the Issuer focuses on owing and managing warehouse, logistics and light industrial properties (although the Issuer also develop some residential building rights in existing properties for the purpose of in-house development and management). As a result, the tenants are mainly conducting business in the Issuer's Properties. If there would be a stoppage in the tenant's operating activities due to the Property's technical design or standard, this could result in a claim for damages from the tenant, which, if the described risk materialises, could affect the Issuer's earnings and financial position.

The outcome of any litigation may expose the Issuer to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Issuer's reputation may be impacted in a way which adversely affects its future earnings and its possibility to reach out to new tenants in the future.

Risk rating: Medium

Holding company risks
The Issuer is a holding company and the Group's operations are mainly run through its subsidiaries. The Issuer is hence dependent on its subsidiaries to be able to fulfil its obligations under the Notes. For example, the subsidiaries intend to provide the Issuer with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Issuer to fulfil its obligations under the Notes. However, if the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes.

Even if the Issuer deems the likelihood of a negative cash flow in the Issuer due to the fact that its subsidiaries have not provided the Issuer with liquidity to be low, every investor shall be aware that their investment is dependent not solely on the Issuer's earnings, but also the subsidiaries earnings.

Risk rating: Low

RISK FACTORS (CONT'D)

Risks relating to inadequate insurance
The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two where damages are caused by negligence, wilful misconduct or criminal acts). Further, most of the Issuer's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. Also, if a tenant is revoking its lease agreement due to a damage to the leased property, there is a risk that the Issuer's insurance policies are not covering the lost rental income. In the event that a loss is not covered or only partially covered by the Issuer's insurance policies or that an incurred loss exceeds the maximum amount covered by the relevant insurance policy, or upon the occurrence of consequential loss, this may have a material negative effect on the earnings and financial position due to increased costs as a consequence of such loss.

Risk rating: Low

Financial risks related to the Issuer

Refinancing risk
Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Issuer or the Group falls due and/or needs to be refinanced. This could in turn affect the Issuer's and/or the Group's liquidity and consequently affect the possibility to repay debt as it falls due.

The Issuer's business is partly financed by externally provided capital. The bulk of the required capital for financing of both development of existing Properties and future acquisitions is and will be provided by banks, credit institutions or other lenders. As of 30 September 2021, the Group's net indebtedness amounted to SEK 5,170 million, of which SEK 913 million will be due within twelve months.

During the financial crisis, the volatility and the disruptions in the financial and credit markets were substantial, with reduction in liquidity and higher credit risk premiums for many credit institutions. Although the turmoil in the market has ceased due to central banks' quantitative easing programs and amended regulations from agencies, there is still an element of uncertainty and volatility. If the Issuer cannot refinance itself or only may refinance itself at much higher costs, this could have a negative effect on the Issuer's business, earnings and financial position.
If the Issuer is unable to refinance existing financial indebtedness on the relevant due dates it may lead to its creditors taking action against it, for example by initiating court proceedings or filing for bankruptcy for the Issuer, which in turn would have a negative impact on the Issuer's business and financial position.

Risk rating: High

Liquidity risk
Liquidity risk is the risk that the liquid assets of the Issuer are not sufficient to meet its payment obligations at the relevant maturity date or that the Issuer cannot issue new securities at a fair price. The Issuer is dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. As the payment obligations under the current liabilities in general is covered by the Issuer's cash flow, or the issue of new securities, there is a risk that the Issuer does not have sufficient liquidity to meet the payment obligations if the cash flow is negatively affected by, for example, the results of the property transactions (as described above). If the Issuer does not have sufficient liquidity to fulfil its obligations, this could have a negative effect on the Issuer's results and hence affect the Issuer's financial position.

Risk rating: High

Changes in value of Properties
The Issuer's Properties are reported at fair value (Sw. *verkligt värde*) in the balance sheet and with changes in value in the profit and loss account. Different factors, for example changes in cash flow or the markets profitability requirements, could have a material effect on the value of the Properties, which may cause the Issuer to record a write down of the fair value of the affected Properties. A possible result of such write down is that it would adversely affect the Issuer's earnings and financial position.

Furthermore, factors affecting the reported fair value of the Properties could both be property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as market yield requirements, macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates.

STENDÖRREN
Lokaler som gör skillnad.

RISK FACTORS (CONT'D)

If the value of the Properties decreases, causing the Issuer to write down their value, it could result in a number of consequences, such as a breach of the covenants of the Notes and other loans owed by the Group from time to time, which in turn could result in the Notes and such loans being accelerated prior to maturity. For example, an increase or decrease in the net operating income (Sw. *driftnetto*) of +-2.5 per cent., would, as of 31 December 2020, affect the estimated market value of the Properties with by approximately +- SEK 238 million.

Furthermore, a material decrease of the market value of the Properties would also have a negative impact on the Issuer's possibilities to dispose of its Properties without incurring losses, which in turn may have a negative effect on the Issuer's earnings and financial position. For example, an increase or decrease of the markets yield requirements of 0.5 per cent., would, as of 31 December 2020, result in a decrease in the value of the Properties with SEK 868 million, and an increase in the value of the Properties amounting to SEK 1,061 million.

If any of these risks materialise, it may have a material negative effect on the Issuer's income statement and hence a material negative effect on the Issuer's earnings, which in turn could have a negative impact on the Issuer's financial position.

Risk rating: High

Covenants in credit agreements
If the Group is in breach of any of its covenants (e.g. financial covenants such as loan to value ratio or equity ratio) in its loan agreements, it could lead to loans being accelerated which means that they fall due for payment prior to their specified maturity. If the Group is unable to repay such loan following an acceleration it may further give the creditor under such loan the right to enforce security granted for such loan. Such breach could adversely affect the Issuer's business, earnings and financial position. As of 30 September 2021, the interest-bearing liabilities of the Group amounted to SEK 5,170 million, of such interest-bearing liabilities, SEK 4,480 million were made out by loans from credit institutions. Most of the Group's agreements with credit institutions regarding such loans contain financial covenants.

Furthermore, the financial covenants could have consequences for the Issuer in relation to its ability to obtain additional financing in the longer term, including its ability to refinance its bank borrowings on comparable terms. Also, in the event of a downturn in revenue, the Issuer's leverage could have a disproportionately adverse effect on its profitability. Even though the Issuer deems the likelihood of the described risks to materialises to be low, if the risks materialises this could affect the Issuer's ability to seize business opportunities in the future which in turn could have a negative effect on the Issuer's business and future development.

Risk rating: Medium

Legal and regulatory risks relating to the Issuer

New or amended legislation
The Issuer's business is regulated by and must be conducted in accordance with several laws and regulations, *inter alia* the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Swedish Land Code (Sw. *Jordabalken (1970:994)*), the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*) and the Swedish Planning and Building Act (Sw. *Plan- och bygglagen (2010:900)*), but also for example detailed development plans, building standards and security regulations, and there is a risk that the Issuer's interpretation of applicable laws and regulations may be incorrect or may change in the future.

New legislation or regulations or changes regarding the application of existing legislation or regulations, regarding for example building permits or other matters applicable to the Group's operations or its clients or the Notes, may adversely affect the Issuer's business, possibly with retroactive effect.

Risk rating: Medium

STENDÖRREN
Lokaler som gör skillnad.

RISK FACTORS (CONT'D)

Taxation risks
During the financial year of 2020, Stendörren's total tax costs amounted to SEK 86 million and the effective tax rate was 25.1 per cent. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group should the tax risk not be covered by the guarantees provided in the share purchase agreements entered into in connection with the Issuer's property transactions. This is especially important in relation to the Issuer, since the Issuer's business normally contains substantial element of property transactions as described above. The value of the guarantees provided in the share purchase agreements is also dependent on the financial position of the sellers.

In the event that the Issuer's interpretation of tax laws or their applicability is incorrect, or if a governmental authority successfully makes negative tax adjustments or changes its interpretations in relation thereto, the Issuer's past or current tax positions may be challenged. A challenged tax position could result in an increased tax cost, which could have a negative impact on the Issuer's business, earnings and financial position.

Since the laws, treaties and other regulations on taxation, as well as other financial charges, have historically been subject to frequent changes, further changes are expected in the future, possibly with a retroactive effect. A change in the current tax legislation resulting in increased property tax or reduced possibilities for interest deductions would result in the Group facing an increased tax burden which could affect the Issuer's earnings and financial position.

For example, in 30 in March 2017, a committee proposal was submitted to the Swedish Government on certain issues within the real estate and stamp duty area. The main proposal aims at ensuring that the tax consequences of an indirect sale of real estate (through the sale of the shares in the company that owns the real estate) to the greatest extent possible correspond to those arising from direct sale of the same real estate. At the date of this Prospectus it is unclear to what extent it will result in new legislation.

Risk rating: Medium

Accounting risks
The International Accounting Standards Board ("IASB") published the discussion paper "*Financial Instruments with Characteristics of Equity*" in June 2018 (the "Discussion Paper"). The Discussion Paper sets out the IASB's preferred approach to classification of a financial instrument, such as certain capital securities previously issued by the Issuer, as a financial liability or an equity instrument from the perspective of an issuer. The changes to the accounting standards addressed in the Discussion Paper would, if implemented, most likely lead to financial instruments, such as the Issuer's outstanding capital securities, being classified as financial liabilities rather than equity as per the current accounting standards. At the date of this Prospectus it is unclear to what extent the proposals in the Discussion Paper will result in changes to the accounting standard.

If the changes to the accounting standard proposed in the Discussion Paper would be implemented as currently proposed in the Discussion Paper, it would most likely lead to certain of the Issuer's financial instruments being classified as financial liabilities of the Issuer which in turn would have a negative impact on the Issuer's financial position. Further, such change of accounting standards would most likely entitle, but not obligate, the Issuer to redeem its outstanding capital securities. If such redemption would occur within five years from the first issue date of the capital securities (being 18 September 2019), the redemption rate would exceed the nominal amount of the capital securities, while a redemption occurring thereafter would be made at the nominal amount.

Risk rating: Medium

Risks relating to the Notes

Risks relating to the value of the Notes and the secondary market

Risks related to the Notes' floating rate structure
The value of the Notes depends on several factors, one of the most significant in the long term being the market interest rates. The Notes bear a floating rate interest at the rate of 3-month STIBOR plus a margin. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. There is a risk that an increase in the general interest rate levels will adversely affect the value of the Notes.

Further, the process for determining interest-rate benchmarks, such as STIBOR, is subject to a number of statutory rules and other regulations. Some of these rules and regulations have already been implemented, whilst some are due to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) (the "Benchmark Regulation"). The Benchmark Regulation regulates the provision of benchmarks, the contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the European Union.

RISK FACTORS (CONT'D)

Since the Benchmark Regulation has only been applicable for a limited period of time, the effects of the regulation are difficult to assess. There is a risk that the Benchmark Regulation may affect how certain benchmarks are calculated and how they will develop which, in turn, could lead to increased volatility in relation to STIBOR and any other Alternative Base Rate and/or Successor Base Rate, and, thus, in relation to the interest rate of the Notes. There is also a risk that increased administrative requirements may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of STIBOR and any other Alternative Base Rate and/or Successor Base Rate it could potentially be detrimental to the Noteholders. More specifically, should STIBOR be discontinued or cease to be provided, the Terms and Conditions provides for an alternative calculation of the interest rate for the Notes. There is a risk that such alternative calculation results (including the determination of any Alternative Base Rate and/or Successor Base Rate) in interest payments less advantageous for the Noteholders or that such interest payment do not meet market interest rate expectations.

Risk rating: Medium

Credit risk towards the Issuer

The Notes constitute unsecured debt obligations of the Issuer and the Noteholders carry a credit risk relating to the Issuer and the Group. The Noteholders' ability to receive payment under the Notes is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position and also, the availability of capital. A significant part of the Group's financing consists of the Notes. As of 30 September 2021, the interest-bearing liabilities of the Group amounted to SEK 5,170 million. Based on the figures on 30 September 2021, the Notes constitute approximately 14 per cent. of the total interest-bearing liabilities of the Group. Thus, there is a risk that the Issuer will not have sufficient funds at the time of repayment of the Notes, or e.g. in case of mandatory repurchase of any or all Notes upon the occurrence of a Change of Control Event or a Listing Failure Event (as defined in the Terms and Conditions). The Issuer's failure to repay or repurchase the Notes could in turn adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Noteholders and, in case of mandatory repurchase of the Notes, not only those that choose to exercise the put option.

Further, an increased credit risk is likely to cause the market to charge the Notes a higher risk premium, which can affect the Notes' value negatively. Further, if the Issuer's financial position deteriorates, it is likely to affect the Issuer's possibility to receive debt financing at the time of the maturity of the Notes. There is a risk that this could have a material adverse effect on the value of the Notes.

Risk rating: Medium

Risk related to the Notes being unsecured

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents. Thus, a Noteholder will normally receive payment after any creditor with secured assets or other creditor with higher ranking claims in the event of the Issuer's liquidation, company reorganisation or bankruptcy. Consequently, a Noteholder may not recover any or full value in the event of the Issuer's liquidation, bankruptcy or company reorganisation. Each investor should be aware that by investing in the Notes, it risk losing the entire, or part of, its investment.

Risk rating: Medium

Risks relating to the insolvency of subsidiaries and structural subordination

A significant part of the Issuer's revenues relates to the Issuer's subsidiaries. In the event of the insolvency or liquidation of (or a similar event relating to) one of the Issuer's subsidiaries all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer (as a shareholder) would be entitled to any payments. Thus, the Notes are structurally subordinated to the liabilities of the subsidiaries and there is a significant risk, should a subsidiary be subject to, *inter alia*, an insolvency or liquidation proceeding, that the Issuer will not be entitled to any payments.

The Issuer and its assets may not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Risk rating: Medium