

INTERIM FINANCIAL REPORT JANUARY – JUNE 2023



STENDÖRREN

THE HALF-YEAR IN BRIEF

JANUARY–JUNE 2023*

- Rental income increased by 18% to SEK 421 million (357) and net operating income increased by 25% to SEK 334 million (268).
- Income from property management increased by 3% to SEK 164 million (159).
- Net letting during the period amounted to a total of approximately SEK 8.3 million and new lease agreements with an annual rental value of approximately SEK 64 million were signed (includes both renegotiated leases and leases with new tenants).
- Lease agreements that were renegotiated during the period led to an increase in rental values of 21% on a weighted average basis.
- Cash flow from operating activities amounted to SEK 125 million (107), corresponding to SEK 4.41 per share (3.78).
- Realized and unrealized changes in value of the property portfolio for the period amounted to SEK -157 million (208).
- Profit for the period amounted to SEK -1 million (433), corresponding to SEK -1.11 per share (14.30) before dilution and -1.11 per share (14.26) after dilution.

SIGNIFICANT EVENT DURING THE SECOND QUARTER

- In May 2023, Stendörren signed a 5.5-year lease agreement with Södertälje Industriservice AB regarding 11,300 sqm of newly completed logistics premises in Almnäs, Södertälje.
- During the second quarter, Stendörren signed new leases at a total annual rent of SEK 4.5 million in the property Vitgröet 12 in Spånga, Stockholm.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- No significant events after the quarter.

KEY RATIOS	JAN – JUN 2023	JAN – JUN 2022	JAN – DEC 2022
Rental income	421	357	733
Net operating income	334	268	548
Income from property management	164	159	287
Fair value properties	12,513	12,395	12,418
Lettable area	804,000	800,000	795,000
LTV, %	49	47	47
Equity ratio, %	39	42	41

421

MILLION RENTAL INCOME

334

MILLION NET OPERATING INCOME

164

MILLION INCOME FROM PROPERTY MANAGEMENT

* (January–June 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.

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INCREASED OCCUPANCY RATE AND STRONG PROGRESS IN PROJECT DEVELOPMENT WHILE MAINTAINING FINANCIAL FLEXIBILITY

In the second quarter, Stendörren reported continued positive development in net letting, occupancy rate and net operating income. Given the economic climate, we are particularly proud of our progress in project development, with the first half of the year showing significant volumes of let and completed projects. We have also identified additional new projects and initiated new projects.



Erik Ranje, CEO

CEO'S STATEMENT

In the second quarter, Stendörren's rental income and net operating income continued to trend in a positive direction, increasing 18% and 25%, respectively. This increase was partly the effect of inflation-related rent increases that were made at the start of the year, in addition to lease agreements that were renegotiated during the period and that led to an increase in rental values of 21% for renegotiated leases. The economic occupancy rate increased to 95% at the end of the quarter, meaning that we have more than halved vacancies in recent years.

PROGRESS IN PROJECT PORTFOLIO

What sets Stendörren apart from many peers in the industry is that we hold an extensive portfolio of building rights in relation to our total volume of properties. This is a key component in our business model. With a high number of project ideas, many of which already have building permits, it is possible to quickly commence new construction and adapt to customer needs. It means that we can effectively achieve customer-driven growth through both refurbishments and new production at a balanced and low financial risk. We can also selectively start projects on a speculative basis in prime locations for which we sign leases with tenants during the project on an ongoing basis. A specific example is Almnäs in Södertälje, where we completed and signed a lease with a tenant at the end of the quarter for a new logistics property of 11,300 sqm. In total, we completed five projects encompassing a total of 30,000 sqm GFA in the first half of the year

with a total contracted annual rent of SEK 30 million.

We have gradually added project concepts in recent years and are now clearly in the implementation phase of a significant volume of ongoing projects totaling 51,700 sqm. All projects are located in well-established and expansive areas where there is a clear demand. Ongoing and recently completed projects that have not yet started to generate income during the reporting period are expected – as they are leased, completed and occupied – to add approximately SEK 80 million in net operating income. In addition, we have an extensive portfolio of future projects in earlier stages.

STRONG FINANCIAL FLEXIBILITY

We continued to work on our balance sheet and financial flexibility during the quarter. Despite the payment of the tender offer for part of a hybrid bond of SEK 288 million in the first quarter, we have both a strong financial position and also high liquidity. Following renegotiations and refinancings of certain bank facilities, we expanded our available liquidity in the form of cash and cash equivalents and credit frameworks to SEK 700 million during the second quarter. This allows us to continue to grow and to capitalize on attractive business opportunities that always emerge as market conditions change, and also take defensive and risk-reducing action when necessary.

We are continuing to focus on growth as well as on increased financial flexibility so that we have maneuverability regardless of the economic climate and sentiment on the financial market.

Stockholm, July 20, 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 June 30, 2023, the property portfolio of Stendörren consisted of 151 properties, primarily located in the Greater Stockholm and Mälardalen region with a market value of SEK 12,513 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 804,000 sqm of which warehouse, logistics and light industrial properties accounted for approximately 67% of the total lettable area.

At the end of the period, the company had 41 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 658,000 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 1,528 million (1,772) 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 each 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 June 30, 2023, the Group's equity amounted to SEK 5,115 million (5,622) and the Group's interest-bearing liabilities amounted to SEK 6,546 million (6,387), corresponding to a loan-to-value ratio of 49% (47).

The average time to maturity of interest-bearing liabilities amounted to 2.7 years (3.2) and including the unhedged portion of the relevant IBOR and hedged portion via interest-rate derivatives, the average interest maturity was 2.1 years (2.9). The average interest rate on the company's total interest-bearing loans, including derivatives amounted to 4.2%. 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, one outstanding bond of SEK 600 million with an interest rate of Stibor 90 plus 3.90% with final maturity in August 2025, and one outstanding 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-JUN	2022 JAN-JUN	2022 JAN-DEC
PROPERTY-RELATED			
Lettable area, thousand sqm	804	800	795
No. of properties	151	141	148
Fair value properties, SEK million	12,513	12,395	12,418
Letting ratio, by area, %	93	89	90
Economic occupancy rate, %	95	91	92
NOI yield, total portfolio, 12 months average, %	4.9	4.6	4.5
NOI yield, excluding projects and land, 12 month average, %	6.0	5.5	5.5
Total return, 12 month average, %	0.9	12.5	3.3
Weighted average unexpired lease terms, years	3.8	3.8	3.8
Average annual rent, SEK/sqm	1,182	1,037	1,069
FINANCIAL KEY RATIOS			
Total income, SEK million	432	357	733
Net operating income, SEK million	334	268	548
Income from property management, SEK million	164	159	287
Surplus ratio, 12 month average, %	76	76	75
Total assets, SEK million	13,276	13,541	13,344
Average interest rate, total liabilities incl. derivatives, %	4.2	3.0	4.0
Average interest maturity at end of period, years	2.1	2.9	2.6
Average loan maturity at end of period, years	2.7	3.2	2.9
Interest coverage ratio, 12 month average, times	2.3	3.3	2.6
Loan-to-value ratio end of period, %	49	47	47
Loan-to-value ratio, property level at end of period, %	42	41	40
Equity ratio at end of period, %	39	42	41
Return on equity, 12 month average %	-3	22	5
STOCK RELATED KEY RATIOS			
Market capitalization, SEK million	4,622	4,412	5,453
Stock price at end of period, SEK	162.60	155.20	191.80
Book equity per share, SEK ¹	162.40	170.15	163.35
Long-term net asset value, SEK million	5,359	5,651	5,377
Long-term net asset value per share, SEK	188.50	198.76	189.14
Current net asset value, SEK million	4,902	5,167	4,918
Current net asset value per share, SEK	172.45	181.76	173.01
Earnings per average number of shares before dilution, SEK	-1.11	14.30	7.42
Earnings per average number of shares after dilution, SEK	-1.11	14.26	7.41
Cashflow from operating activities per share, SEK	4.41	3.78	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
OTHER RATIOS			
No. of employees at end of period	55	53	54
No. of employees, average in period	54	54	54

1) Book equity excluding hybrid capital per share.

For definitions, please see page 33. Explanations of the key ratios used can also be found at www.stendorren.se.

TARGETS

FINANCIAL TARGETS

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

-3%

The return on equity (calculated as 12 month average) amounted to -3% at the end of the period.

-5%

At the end of the period, growth in net asset value (over the last 12 months) amounted to -5%.

2.3 times

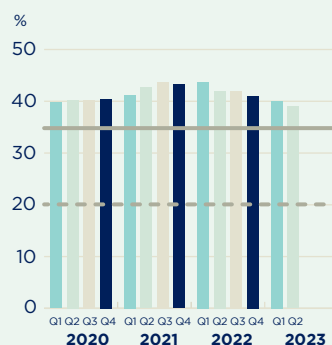
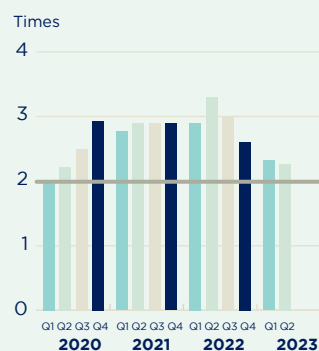
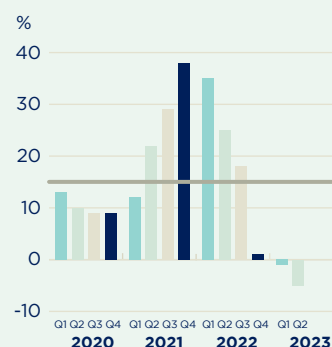
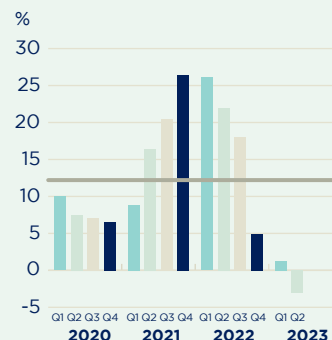
The interest coverage ratio amounted to 2.3 times.

39%¹

The equity ratio amounted to 39% 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-JUN 2023	JAN-JUN 2022	APR-JUN 2023	APR-JUN 2022	JAN-DEC 2022
Rental income	421	357	209	180	733
Other income	10	0	10	0	0
Total income	432	357	219	180	733
Operating expenses	-75	-68	-31	-30	-137
Maintenance costs	-9	-10	-4	-5	-22
Property tax	-13	-11	-7	-6	-26
Net operating income	334	268	178	139	548
Central administration	-41	-38	-22	-18	-76
Financial income	59	9	43	9	32
Financial expenses	-184	-76	-96	-40	-208
Leasing expenses/ Ground rent	-4	-5	-2	-2	-10
INCOME FROM PROPERTY MANAGEMENT	164	159	101	86	287
Change in value of investments properties	-157	208	-153	79	-143
Change in value of financial instrument	-1	184	22	77	223
Profit before tax	7	551	-31	242	367
Deferred tax	-7	-117	-12	-49	-75
Current tax	-1	-1	-2	-1	-23
Profit for the period	-1	433	-45	191	268
Translation differences	3	-	3	-	3
Total other comprehensive income	3	-	3	-	3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2	433	-42	191	271
<i>Comprehensive income for the period attributable to:</i>					
Parent Company's shareholders	2	433	-42	191	271
Earnings per share, before dilution, SEK	-1.11	14.30	-2.02	6.25	7.42
Earnings per share, after dilution, SEK	-1.11	14.26	-2.02	6.24	7.41
Average number of shares outstanding during the period, millions	28.43	28.43	28.43	28.43	28.43
Average number of shares during the period after dilution, millions	28.44	28.50	28.43	28.48	28.47

COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

RESULT

Compared with 2022, Stendörren reported an increase of approximately SEK 75 million in income and of approximately SEK 66 million in net operating income during January-June 2023. After deduction of financing costs and central administration costs, income from property management totaled approximately SEK 164 million (159), which represents an increase of approximately 3% compared with the same period in 2022. Profit for the period amounted to SEK -1 million (433), corresponding to SEK -1.11 per share (14.30).

RENTAL INCOME

Rental income increased during the period by approximately 18% to SEK 421 million (357). The increased income was driven by higher rents in the portfolio (increase of approximately 13% 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. In addition to rental income, the company also reports electricity support for the period October 1, 2021 to September 30, 2022 as an other income amounting to approximately SEK 10 million.

PROPERTY EXPENSES

Recognized property expenses increased to SEK 97 million (89). Total property expenses in the comparable portfolio increased by approximately SEK 4 million, which corresponds to about 6%. The increase in expenses was mainly due to higher energy prices and increased energy consumption as a result of a colder first quarter compared to the previous year.

CENTRAL ADMINISTRATION

Costs for central administration for the period amounted to SEK 41 million (38) and comprised of costs for central administration, company management, Board and auditors.

NET FINANCIAL ITEMS

Net financial items for the period amounted to SEK -124 million (-67). The change compared with the year- earlier period was mainly due to rising interest levels. Financial expenses (including lease expenses) increased by SEK 107 million compared with last year. Financial income of SEK 59 million (9), mainly related to interest-rate derivatives and exchange rate gains, was also recognized for the period.

INCOME FROM PROPERTY MANAGEMENT

Income from property management increased by approximately 3% to SEK 164 million (159) during the reporting period, mainly due to higher rental income.

CHANGES IN VALUE

The company reported realized and unrealized changes in value of the property portfolio of SEK -157 million (208). Value changes in the property portfolio during the period were primarily driven by adjusted yield requirements and market rent assumptions as well as changed cash flows due to new leases, renegotiated but also terminated agreements. Exchange rates had a positive value change on the property portfolio during the period, for details see page 21. The market valuation of the interest-rate derivatives resulted in a change in value of SEK -1 million (184) as per the reporting date.

TAX

The tax expense in profit or loss consists of current tax of SEK -1 million (-1) and deferred tax of SEK -7 million (-117).

GROUP SUMMARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK million

	JUN 30 2023	JUN 30 2022	DEC 31 2022
ASSETS			
<i>Non-current assets</i>			
Intangible assets	3	2	2
Investment properties	12,513	12,395	12,418
Right-of-use assets	254	238	254
Equipment	2	2	2
Non-current receivables	2	4	2
Interest-rate derivative	267	229	268
Total non-current assets	13,041	12,871	12,947
<i>Current assets</i>			
Current receivables	92	141	83
Cash and cash equivalents	143	529	315
Total current assets	235	670	397
TOTAL ASSETS	13,276	13,541	13,344
EQUITY AND LIABILITIES			
Equity	5,115	5,622	5,429
<i>Non-current liabilities</i>			
Interest-bearing liabilities	5,423	6,070	5,469
Other non-current liabilities	42	23	36
Lease liabilities	254	238	254
Deferred tax liabilities	1,009	1,042	1,001
Other provisions	4	4	4
Total non-current liabilities	6,732	7,378	6,674
<i>Current liabilities</i>			
Interest bearing liabilities	1,123	317	821
Other current liabilities	306	223	330
Total current liabilities	1,429	540	1,151
TOTAL EQUITY AND LIABILITIES	13,276	13,541	13,344
<i>Equity attributable to</i>			
Parent Company's shareholders	5,115	5,622	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 June 30, 2023, the value of the total property portfolio amounted to SEK 12,513 million (12,395). For analysis and comments, see page 15-17.

CURRENT ASSETS

Current assets amounted to SEK 235 million (670) on the closing date, consisting of cash and cash equivalents of SEK 143 million (529) and rental receivables and other current receivables of SEK 92 million (141). On the closing date, there were also unutilized and available credit facilities of a total of SEK 560 million. Available liquidity, in the form of cash and cash equivalents of SEK 143 million and available credit facilities totaling SEK 560 million, thus amounted to SEK 703 million at the end of the reporting period.

EQUITY

As of June 30, 2023, the Group's equity amounted to SEK 5,115 million (5,622) and the equity ratio to 39% (42).

INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,546 million (6,387) corresponding to a loan-to-value ratio of 49% (47). The liabilities consisted of loans from credit institutions of SEK 5,268 million

(5,119), two bonds totaling SEK 1,300 million (1,300) and seller notes of SEK 5 million (5). Loan arrangement costs of SEK -27 million (-37) were allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 1,123 million (317) 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 1,009 million (1,042) on June 30, 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 306 million (223).



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
Opening balance equity, Jan 1, 2021	17	1,175	-	2,075	786	4,053
Share option program	-	6	-	-	-	6
Interest/dividend hybrid bond	-	-	-	-52	-	-52
Comprehensive income Jan–Dec 2021	-	-	-	1,209	-	1,209
Closing balance equity, Dec 31, 2021	17	1,181	-	3,232	786	5,216
Interest/dividend hybrid bond	-	-	-	-58	-	-58
Comprehensive income Jan–Dec 2022	-	-	3	268	-	271
Closing balance equity, Dec 31, 2022	17	1,181	3	3,442	786	5,429
Share option program	-	1	-	-	-	1
Interest/dividend hybrid bond	-	-	-	-31	-	-31
Repurchase hybrid bond	-	-	-	-	-288	-288
Comprehensive income Jan–Jun 2023	-	-	3	-1	-	2
Closing balance equity, Jun 30, 2023	17	1,182	6	3,410	498	5,115

COMMENTS ON CONSOLIDATED CHANGES IN EQUITY

As of June 30, 2023, the Group's equity amounted to SEK 5,115 million (5,622). The 2023 AGM resolved on a dividend totaling SEK 0 million (0).

GROUP SUMMARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK million

	JAN-JUN 2023	JAN-JUN 2022	APR-JUN 2023	APR-JUN 2022	JAN-DEC 2022
Cash flow from operating activities					
Income from property management	164	159	101	86	287
Adjustment for non-cash items	-15	9	-17	12	-5
Income tax paid	-6	-2	-1	-2	-1
Cash flow from operating activities before changes in working capital	143	166	83	96	281
<i>Changes in working capital</i>					
Changes in operating receivables	-6	-57	4	-36	42
Changes in operating liabilities	-11	-1	-41	-76	47
Cash flow from operating activities	125	107	46	-16	370
<i>Investing activities</i>					
Investments in existing properties	-220	-257	-100	-142	-624
Other investments and divestments	0	-2	0	-2	1
Acquisitions of Group companies/properties	-	-223	-	-179	-581
Divestments of Group companies/properties	-	-	-	-	386
Cash flow from operating activities	-220	-482	-100	-323	-818
<i>Financing activities</i>					
Issued employee stock options	1	-	1	-	-
Dividend hybrid bond	-31	-26	-13	-14	-58
Repurchase hybrid bond	-288	-	-	-	-
Raised interest-bearing liabilities	491	2,383	240	2,314	2,566
Repayment of interest-bearing liabilities	-257	-1,614	-224	-1,586	-1,919
Deposits	6	1	6	2	13
Cash flow from financing activities	-77	744	10	717	603
Cash flow for the period	-172	370	-44	378	155
Cash and cash equivalents at the beginning of period	315	160	187	151	160
Cash flow for the period	-172	370	-44	378	155
Cash and cash equivalents at the end of the period	143	529	143	529	315

PROPERTY PORTFOLIO

PROPERTY PORTFOLIO JUNE 30

As at June 30, 2023, the property portfolio of Stendörren consisted of 151 properties, primarily located in the Greater Stockholm and Mälardalen region and with a total market value of SEK 12,513 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.

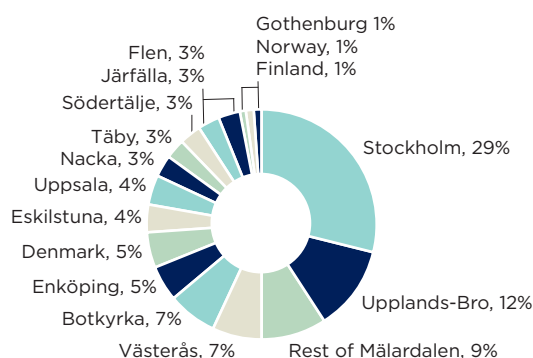
At the end of the reporting period, the total property portfolio comprised approximately 804,000 sqm of lettable area. Warehouse, logistics and light industrial premises together accounted for about 67% of the total lettable area. The office space held in the company's portfolio (20% of lettable area) 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 94 million. The change in value consists of investments in existing properties of SEK 220 million, currency effects of SEK 31 million and realized and unrealized changes in value totaling SEK -157 million (see table on page 22).

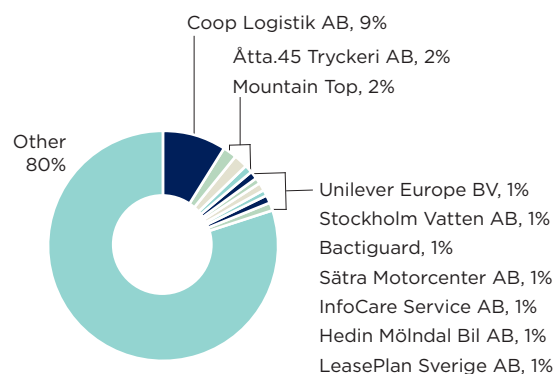
GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

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 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.

RENTAL INCOME BY GEOGRAPHY



LARGEST TENANTS BY INCOME



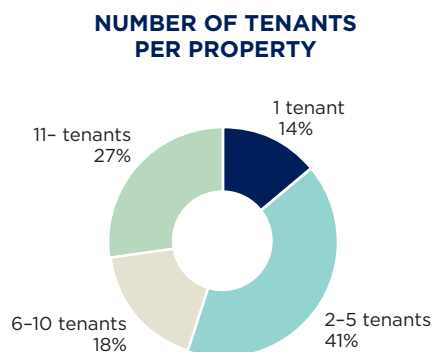
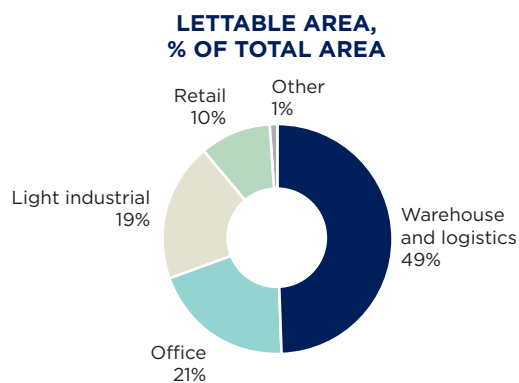
PROPERTY PORTFOLIO SUMMARY

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 June 30, 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 3.8 years. The company also strives for a diversified maturity structure.

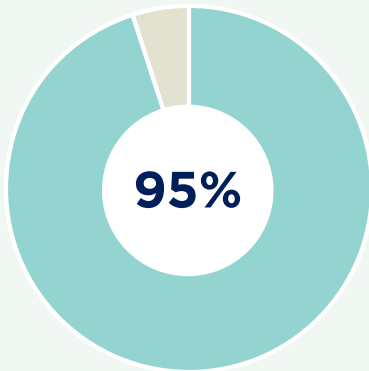
Combined with a range of different tenants and industries, this helps to reduce the risk of vacancies and rental losses. Rental losses amounting to SEK 5.5 million were recognized for the reporting period. Stendörren works proactively and continuously to renegotiate leases in line with current market rents.

The economic occupancy rate for Stendörren's property portfolio was 95% at June 30, 2023, and the area weighted occupancy rate was 93%. 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 7.5 million. Lease agreements that were renegotiated during the quarter led to a weighted average increase in rental values of 39% (excluding the contract with the greatest weight, the weighted average is 25%). During the quarter, new lease agreements with an annual rental value of approximately SEK 30 million were signed. These consist of both renegotiated lease agreements and lease agreements with new tenants.

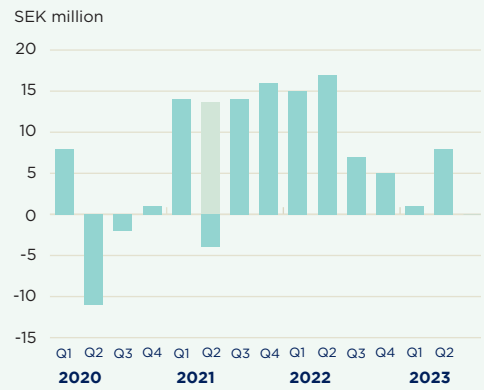


PROPERTY PORTFOLIO SUMMARY

ECONOMIC OCCUPANCY RATE

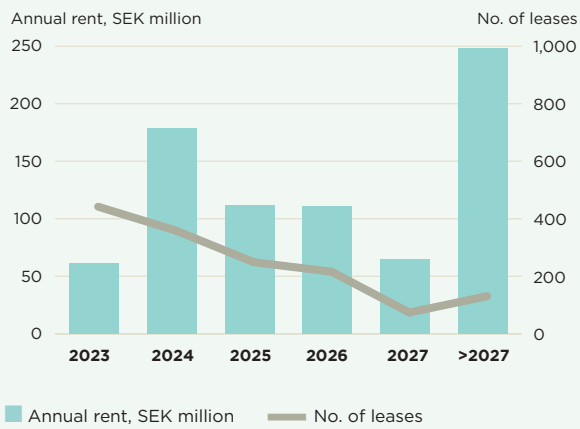


NET LETTING

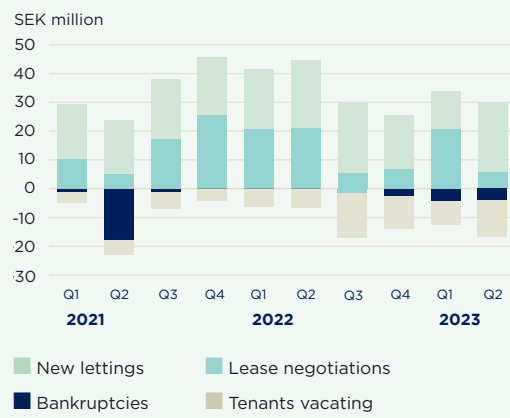


- Net Letting
- Excluding bankruptcy of, at the time, second largest tenant Exploria

ANNUAL LEASE EXPIRY



CONTRACTUAL CHANGES PROPERTY PORTFOLIO*



*) Including letting of new construction

PROJECTS PORTFOLIO SUMMARY

OVERVIEW

As of June 30, 2023, Stendörren had a total of 41 properties, wholly or partly, consisting of building rights. Unused building rights amounted to approximately 658,000 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. The potential in the building rights

portfolio is considered strong since the building rights are located 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. Ongoing and recently completed projects that have not yet generated revenue during the reporting period are expected, at the rate of leasing, completion and occupancy, to be able to add approximately SEK 80 million in net operating income. In addition, we have an extensive portfolio of upcoming projects, which are at an earlier stage.



Photo: Brunna, Stockholm

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. Stendörren has ongoing work regarding the new zoning plan for residential purposes in Sollentuna, Traversen 14 and 15. The work continues and the assessment is that a new zoning plan can be adopted in 2024. Additionally, our aim is that the positive planning notification received regarding the new zoning plan for residential purposes in Stockholm, Skrubba 1:2, will lead to a formal work with a new zoning plan being able to start 2023.

FUTURE PROJECTS 2023-06-30

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT SQM ¹	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START ²
Upplands-Bro	Logistics	400,000	Within current zoning	2023-2024
Södertälje	Logistics	44,500	Within current zoning	2023-2024
Nynäshamn	Light industrial	10,000	Within current zoning	2023-2024
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
Göteborg	Light industrial	2,000	Within current zoning	2024-2025
Järfälla	Light industrial	2,000	Within current zoning	2024-2025
Flen	Logistics	55,000	Within current zoning	2024-2025
Botkyrka	Residential	80,000	Within current zoning	2024-2025
Sollentuna	Residential	7,000	Zoning change ongoing	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	Zoning change required	2026-2027

1) GFA, may deviate from what is technically and commercially viable

2) Start of first phase, projects may include several phases. Note that Stendörren aims to commence construction on a partially or fully pre-let basis, which is why the timing of construction start depends on pace of leasing activities

PROJECTS

ONGOING PROJECTS

The company has several ongoing projects with a project volume in excess of SEK 25 million out of which 48,300 sqm represents new construction and 3,400 sqm represents refurbishments for new customers. The projects are in different stages from started design and planning to ongoing construction. 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 38,800 sqm. All projects are located in well-established and expansive areas where there is a clear demand. Leasing activities are in progress, with several signed leases for projects in ongoing construction. With project concepts that already have building permits, it is possible to quickly commence construction and meet customer needs.

COMPLETED PROJECTS

Five projects were completed during the period. Three projects concern major tenant improvements for changed use for new customers in the Tegelbruket 1 property and two projects concern new construction of logistics.

Most of the newly produced logistics premises are leased. In September 2022, Stendörren communicated a lease of 2,700 sqm to gop Sverige AB in Viby 19:66 and in May 2023 it was communicated that Stendörren had let 11,300 sqm in Almnäs 5:23 to Södertälje Industriservice AB.

ONGOING PROJECTS 2023-06-30

PROPERTY	DESCRIPTION	ESTIMATED COMPLETION ¹	SIZE SQM ²	ESTIMATED INVESTMENT ³ SEK MILLION	CURRENT PHASE
Hjulsmeden 1	New light industrial	Q3 2023	2,700	48	Construction started
Librobäck 21:3	New light industrial	Q4 2023	2,300	51	Construction started
Elementet 1	Tenant improvement	Q3 2023	3,400	44	Construction started
Almnäs 5:24	New light industrial	Q3 2023	2,300	46	Construction started
Almnäs 5:24	New light industrial	Q1 2024	2,300	47	Construction started
Båglampan 25	New light industrial	Q4 2024	4,300	97	Design and planning ⁴
Viby 19:66	New logistics	Q1 2025	5,200	104	Design and planning ⁴
Almnäs 5:23	New logistics	Q2 2025	17,000	308	Design and planning ⁴
Romberga 23:17	New light industrial	Q4 2024	2,700	47	Design and planning ⁴
Stenvreten 8:37	New logistics	Q4 2024	9,500	152	Design and planning
Total ongoing projects			51,700	944	
Total excluding tenant improvements			48,300	900	

COMPLETED PROJECTS 2023-06-30

PROPERTY	DESCRIPTION	COMPLETION	SIZE SQM ²	INVESTMENT ³ SEK MILLION	%
Tegelbruket 1	Tenant improvement	Q1 2023	3,700	51	100
Tegelbruket 1	Tenant improvement	Q1 2023	5,100	47	100
Tegelbruket 1	Tenant improvement	Q1 2023	3,000	34	100
Almnäs 5:23	New logistics	Q2 2023	11,900	175	100
Viby 19:66	New logistics	Q2 2023	6,300	116	46
Total completed projects			30,000	423	
Total excluded tenant improvements			18,200	291	

1) Note that Stendörren aims to start construct on a pre-let basis, why estimated completion depends on leasing activities and time for construction start.

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

3) Includes book value of land when new development.

4) Building permit 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 June 30, 2023 amounted to SEK 12,513 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 1,528 million (1,595 on March 31, 2023), are valued based on comparable sales method and comparison to other similar properties recently sold. The change in value of the building rights portfolio is explained, among other things, by the declining value of building rights and building rights in projects completed or close to completion being valued as property. Realized and unrealized changes in value of the entire property portfolio during the period amounted to SEK -157 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 June 30, 2023 amounted to 6.1% (see table of valuation parameters below).

UNREALIZED CHANGE IN VALUE

CHANGE IN VALUE, PROPERTIES	JAN-JUN 2023
Change in yield requirements	-410
Cash flows	290
Building rights	-36
Total	-156

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 %	580	925	1,269	1,614	1,958
	- 0.25 %	-52	276	604	932	1,260
	0.00 %	-626	-313	0	313	626
	0.25 %	-1,149	-850	-551	-252	47
	0.50 %	-1,628	-1,342	-1,055	-769	-482

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, %	5.3 (4.7)	8.8 (8.0)	6.1 (5.5)
Discount rate, cash flow, %	7.3 (6.5)	10.8 (10.0)	8.3 (7.6)
Discount rate, residual value, %	7.3 (6.7)	10.8 (10.0)	8.3 (7.7)
Long-term vacancy assumption, %	3.0 (2.0)	30.0 (30.0)	5.8 (6.0)

CHANGE IN CARRYING AMOUNT, PROPERTIES	JAN-JUN 2023	JAN-DEC 2022
Property portfolio, beginning of period	12,418	11,693
Acquisitions of new properties	-	581
Property sales	-	-370
Investments in existing properties	220	624
Currency effects	31	33
Realized changes in value	-1	16
Unrealized changes in value	-156	-160
Property portfolio, end of period	12,513	12,418



Photo: Hjulsmeden, Bäckby

FINANCING

As of June 30, 2023, the average time to maturity of interest-bearing liabilities to credit institutions amounted to 3.1 years (3.4). Including bonds, the average time to maturity amounted to 2.7 years (3.2). Stendörren uses interest-rate derivatives to hedge against a rise in the reference rate Stibor 90, through a portfolio of interest-rate 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%. The combined effect of the interest hedging gives a reference interest level of 1.50% on the interest hedged part of the interest-bearing liabilities. 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 2.1 years (2.9).

The average interest rate on total interest-bearing liabilities including derivatives amounted to 4.2%. One of Stendörren's bonds, maturing on April 28, 2024, amounts to SEK 700 million with interest of Stibor 90 plus 3.65% and Stendörren's second bond, maturing on August 18, 2025, amounts to SEK 600 million with interest rate of Stibor 90 plus 3.90%.

As of June 30, there was available liquidity of SEK 703 million, in terms of cash and cash equivalents of SEK 143 million, and available credit facilities totaling SEK 560 million.

Interest and loan maturities for all interest-bearing liabilities are distributed over years according to the table below (the amounts constitute nominal amounts and exclude prepaid financing fees). Stendörren also has a hybrid bond of SEK 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 ¹⁾			LOAN MATURITY	
	INTEREST RATE	SHARE OF TOTAL		SHARE OF TOTAL	
	SEK M.	%	%	SEK M.	%
2023	1,923		29	32	0
2024	1,050		16	1,493	23
2025	900		14	1,712	26
2026	2,700		41	977	15
2027	0		0	2,028	31
>2027	0		0	330	5
Total/ average	6,573	4.2	100	6,573	100

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

SENSITIVITY ANALYSIS

The sensitivity analysis below presents the estimated effect on interest expense if the interest-rate base (primarily STIBOR 3M and NIBOR 3M) were to increase or decrease by 1, 2 or 3 percentage points.

CHANGE INTEREST-RATE BASE	(+) CHANGE SEK MILLION	(-) CHANGE SEK MILLION
+ / - 1.00%	-14	14
+ / - 2.00%	-29	35
+ / - 3.00%	-43	83

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 DERIVATES

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALUE, SEK MILLION	CAP LEVEL %	YEARS REMAINING
Danske Bank	Interest cap	300	16.7	2.00%	3.18
Danske Bank	Interest cap	600	41.3	1.00%	2.27
Danske Bank	Interest cap	300	20.6	1.00%	2.27
Swedbank	Interest cap	1100	64.0	2.00%	3.46
Swedbank	Interest cap	750	43.6	2.00%	3.48
Swedbank	Interest cap	250	1.0	2.25%	0.25
Swedbank	Interest cap	250	5.8	2.25%	1.25
Swedbank	Interest cap	550	30.5	2.00%	3.18
Nordea	Interest cap	184	2.3	1.50%	0.47
Total		4,284	225.7	1.80%	2.71

INTEREST-RATE DERIVATES

COUNTERPARTY	TYPE	NOMINAL SEK MILLION	FAIR VALUE SEK MILLION	CAP LEVEL %	YEARS REMAINING
Swedbank	Interest-rate swap	800	41.1	-0.0875	1.22
Total		800	41.1	-0.0875	1.22

The combined effect of the interest hedging gives a reference interest level of 1.50% on the interest hedged part of the interest-bearing liabilities. At the end of the reporting period, approximately 80% of the company's interest-bearing liabilities were interest-hedged.



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

-19.3%

Reduction of energy intensity (kWh/sqm) as of June 30, 2023, compared with base year 2020

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

46.8%

Environmentally certified area out of total area as of June 30, 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 62 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 30 June, 2023 amounted to SEK 46 million (150) and equity amounted to SEK 1,400 million (1,700).

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million

	JAN-JUN 2023	JAN-JUN 2022	APR-JUN 2023	APR-JUN 2022	JAN-DEC 2022
Net sales	62	62	33	35	125
Operating expenses	-60	-59	-31	-32	-123
Profit/loss before financial items	2	3	2	3	2
<i>Financial items</i>					
Income from shares in subsidiaries	-	-	-	-	-1
Net financial items	23	16	9	8	41
Profit after financial items	25	19	11	11	42
Appropriations	-	-	-	-	-
Profit before tax	25	19	11	11	42
Deferred tax	-	-	-	-	-1
Profit for the period	25	19	11	11	41

PARENT COMPANY SUMMARY

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million

	30 JUN 2023	30 JUN 2022	31 DEC 2022
ASSETS			
<i>Non-current assets</i>			
Intangible assets	3	2	2
Equipment	9	8	9
Shares/participations in subsidiaries	995	898	964
Receivables from subsidiaries	3,477	2,929	3,348
Deferred tax assets	0	1	0
Total non-current assets	4,484	3,839	4,323
<i>Current assets</i>			
Receivables from subsidiaries	262	292	142
Current receivables	4	3	5
Cash and cash equivalents	46	150	21
Total current assets	311	445	168
TOTAL ASSETS	4,796	4,284	4,492
EQUITY AND LIABILITIES			
Equity	1,400	1,700	1,692
<i>Non-current liabilities</i>			
Interest-bearing liabilities	1,294	1,289	1,291
Liabilities to subsidiaries	1,720	886	1,292
Total non-current liabilities	3,014	2,175	2,583
<i>Current liabilities</i>			
Liabilities to subsidiaries	338	378	178
Other current liabilities	43	30	35
Total current liabilities	382	408	217
TOTAL EQUITY AND LIABILITIES	4,796	4,284	4,492

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 23, 2023, 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. 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 have two incentive programs that were resolved on the Extraordinary General Meeting in September 2020, and on the Annual General Meeting 2023. Both programmes 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.

Under the incentive program 2020-2025, there were by the end of the period 252,250 warrants and each warrant entitles the holder, 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.

Under the incentive programme 2023 - 2028, there were by the end of the period 50,110 warrants and each warrant entitles the holder, during a period of two weeks from the date of publication of the interim financial report for the period January 1-March 31, 2028, to subscribe for one new Class B common share in the company at a subscription price of SEK 285 per share.

Upon full exercise of the warrants in the two outstanding programs, the share capital will increase by SEK 181,416 through the issuance of 302,360 class B shares, each with a quotient value of SEK 0.6. The dilution effect at full utilization corresponds to approximately 1.1% of the capital and 0.6% of the number of votes based on the number of outstanding shares as of the report 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.

SHARE CAPITAL AND OWNERSHIP

LARGEST SHAREHOLDERS AS OF JUNE 30 2023

SHAREHOLDERS ¹⁾	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	2,601,720	500 000	2,101,720	9.2	13.9
Länsförsäkringar Fastighetsfond	2,864,612	0	2,864,612	10.1	5.6
Seb Investment Management	2,559,584	0	2,559,584	9.0	5.0
Verdipapirfondet Odin Eiendom	1,055,894	0	1,055,894	3.7	2.1
Tredje AP-Fonden	990,000	0	990,000	3.5	1.9
Handelsbanken Fonder	734,422	0	734,422	2.6	1.4
Seb Luxembourg Branch	728,600	0	728,600	2.6	1.4
Didner & Gerge Fonder Aktiebolag	600,000	0	600,000	2.1	1.2
Malmer, Staffan	312,234	0	312,234	1.1	0.6
Other shareholders	4,448,593	0	4,448,593	15.6	8.8
Total	28,428,265	2,500,000	25,928,265	100.00	100.00

1) The total number of shareholders on the reporting date was 3,379.



Photo: Romberga, Enköping

OTHER INFORMATION

CALENDAR

- 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.

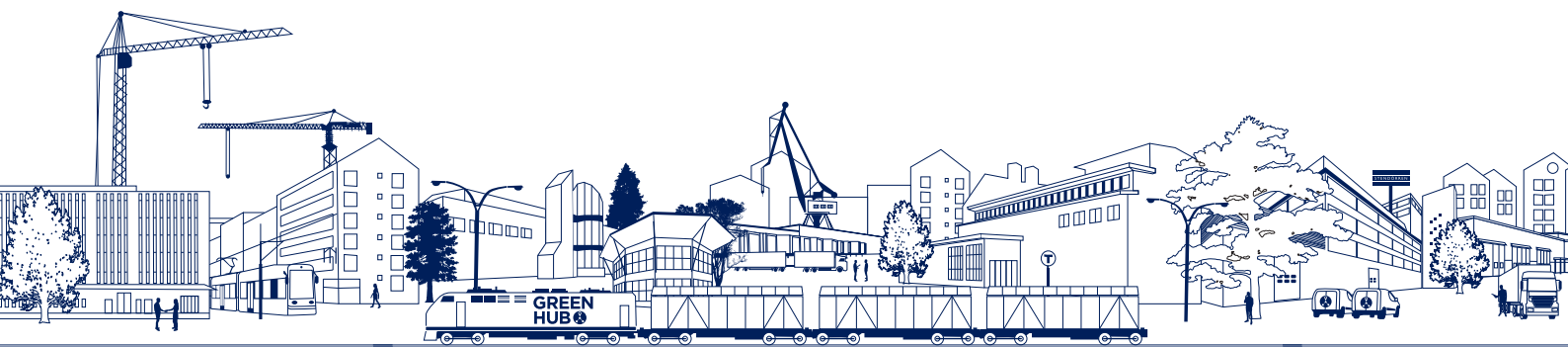
More information about these risks can be found on page 74–77 in the company's Annual Report for the 2022 fiscal year. In addition to the risks that are outlined in the Annual Report, the risks related to the uncertain macroeconomic climate have been described in greater detail in this report, for example, in the Statement from the CEO on pages 4–5 and the sensitivity analysis for changes in interest rates on page 23.

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, July 20, 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 July 20, 2023 at 7.00 a.m. CEST.

ASSESSED EARNINGS CAPACITY¹

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 860 million. The company also assesses that current property costs amount to approximately SEK 181 million on an annual basis, thus the group is expected to produce an annual operating net of approximately SEK 679 million. This information is only the company's own assessment of the current earning capacity as of July 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 80 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 July 1, 2023 and not a forecast of future expected earnings.



Photo: Hjulsmeden, 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, 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, excluding properties not lettable at the end of the period due to demolition and/or major project development.

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,
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