

CORPORATE GOVERNANCE STATEMENT

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STATEMENT

Corporate governance refers to the rules and structure by which a limited liability company is directed and controlled. Good corporate governance enables Stendörren to assure its shareholders that the company is managed in a responsible, efficient and sustainable manner.

Stendörren is a Swedish public limited liability company, and the company's Class B shares are listed on Nasdaq Stockholm, Mid Cap. Corporate governance at Stendörren is based on laws, the Nordic Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code (the "Code") and other external governing documents and recommendations and internally established rules and guidelines, such as the Articles of Association and Rules of Procedure for the Board.

The Code is based on the "comply or explain" approach, which means that the Code is not a rigid set of rules and that companies may choose other solutions if they can be justified in particular circumstances. However, companies that decide to depart from the Code must provide a meaningful explanation for each departure, the alternative solution and a justification. The Code is available at www.bolagsstyrning.se/_3701 where the Swedish model for Swedish corporate governance is also presented.

In 2022, Stendörren departed from the Code in one respect, in that the company did not use measurable criteria when determining variable remuneration for senior executives in 2022. Instead, and based on the remuneration guidelines for senior executives adopted by the 2021 AGM, the Board assessed that it was more appropriate in 2022 to evaluate whether the senior executives had contributed to an improvement of, for example, the company's internal control and budgetary controls, reporting quality and punctuality, the implementation of new and improved IT systems, collaboration between the company's various departments, the development of leadership skills for department

heads and the company's overall sustainability performance. This was deemed important for promoting the company's long-term interests and the long-term development of each senior executive.

This Corporate Governance Statement presents Stendörren's corporate governance in 2022 and has been prepared in accordance with the Swedish Annual Accounts Act and the Code.

SHARES AND OWNERSHIP

At fiscal year-end, the company's share capital amounted to SEK 17,056,959, comprising 2,500,000 Class A shares and 25,928,265 Class B shares. Class A shares in Stendörren entitle the holder to ten votes at a General Meeting, and Class B shares to one vote at a General Meeting. All shares provide equal rights to share the company's assets and profits.

At December 31, 2022, the number of shareholders was 3,576 and the quotient value per share was SEK 0.60. For more information about the ownership structure at the end of 2022, refer to page 76 of this Annual Report.

ARTICLES OF ASSOCIATION

The name of the company in the Articles of Association is Stendörren Fastigheter AB (publ) and the company is a public company. The Board has its registered office in Stockholm. The company shall directly or through subsidiaries own, manage and trade in real estate, and conduct any other activities compatible therewith. Stendörren's Articles of Association do not contain any specific provisions on the appointment and dismissal of Board members, or on amendments to the Articles of Association.

GENERAL MEETING

The General Meeting is the company's highest governing body. The Annual General Meeting (AGM) shall be held within six months of fiscal year-end. At the AGM, the shareholders exercise their voting rights on issues that are important to the company such as dividends, the adoption of income statements and balance sheets, discharge from liability for Board members and the CEO, the election of Board members, the Chairman of the Board and auditor, as well as the fees paid to Board members and the auditor. In addition to the AGM, the company may also convene an Extraordinary General Meeting (EGM).

Resolutions are normally passed at General Meetings by a simple majority vote. Under the Swedish Companies Act, some resolutions, such as an amendment of the Articles of Association, must be passed by a qualified majority vote.

Stendörren's Articles of Association do not contain any restrictions on the number of votes that each shareholder may cast at a General Meeting. According to the Articles of Association, notice of a General Meeting shall be given by advertising in the Swedish Official Gazette and by publishing the notice on the company's website. Information that notice has been given shall be advertised in Svenska Dagbladet.

2022 ANNUAL GENERAL MEETING

The 2022 AGM was held on May 24, 2022 in Stockholm. At the AGM, a total 91.07% of the company's votes and 83.99% of the company's capital was represented. The AGM resolved to authorize the Board of Directors to, on one or more occasions prior to the next AGM, with or without deviation from the shareholders' preferential rights, against cash payment or through payment by set-off or contribution in kind, or otherwise with 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, provided that issues with deviation from the shareholders' preferential rights do not result in the number of shares in the company increasing by more than a total of 10% calculated on the date of the AGM. 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 acqui-

sitions or acquire or facilitate the acquisition of capital for company acquisitions. The issue must be conducted on normal market terms.

In addition, the AGM passed the following resolutions:

- Appropriation of the company's profits.
- Discharge from liability for the Board members and CEO.
- Resolution on the number of Board members and auditors.
- Re-election of Andreas Philipson, Seth Lieberman, Helena Levander, Carl Mörk, Henrik Orrbeck and Nisha Raghavan to the Board.
- Re-election of Andreas Philipson as Chairman of the Board.
- New election of BDO Mälardalen AB as the company's auditor with Johan Pharmanson as the Auditor-in-Charge.
- Adoption of fees for Board members and auditors.
- Adoption of principles for appointment of the Nomination Committee.
- Approval of the Remuneration Report.

EXTRAORDINARY GENERAL MEETING ON FEBRUARY 4, 2022

Stendörren convened an EGM on February 4, 2022. At the EGM, a total 74.13% of the company's votes and 53.46% of the company's capital were represented. The EGM resolved that the Board shall consist of six members with no deputies. In addition, Board member Andreas Philipson was elected to chair the Board for the period up to the end of the next AGM, succeeding the former Chairman, Anders Tägt, who had resigned from his position. The EGM also addressed Board fees and remuneration for committee work.

The minutes from the 2022 AGM and the EGM on February 4, 2022 as well as the related meeting documents are available on the company's website.

The 2023 AGM will be held on May 23, 2023.

NOMINATION COMMITTEE

To ensure that elections and the determination of fees to Board members and the auditor are prepared in a structured, clearly stated, shareholder-governed process, every company that applies the Code must have a Nomination Committee. The role of the Nomination Committee is to make recommendations

regarding the Chairman of General Meetings, the Board, the Chairman of the Board, the auditor, fees and other remuneration of Board assignments for each Board member, remuneration for committee work and fees to the company's auditor and, to the extent deemed necessary, recommendations on changed principles for appointments to the Nomination Committee.

At the AGM on May 24, 2022, Stendörren's shareholders adopted the following principles for appointment to the Nomination Committee prior to the 2023 AGM:

"Prior to each Annual General Meeting, the Nomination Committee shall consist of the Chairman and representatives of the three largest shareholders in terms of voting rights at August 31 of the immediately preceding year in the shareholder register maintained by Euroclear Sweden AB. Should one or more of these three shareholders choose not to appoint a representative to the Nomination Committee, a member shall be appointed by the next largest shareholder/s. The Chairman shall convene the first meeting of the Nomination Committee. The members of the Nomination Committee shall elect one of themselves to chair the committee, however, not the Chairman of the Board or any other Board member.

Should one or more shareholders who have appointed representatives to the Nomination Committee no longer be among the company's three largest shareholders at a point in time of more than two months before the next AGM, the representatives of these shareholders shall resign and new members shall be appointed by the new shareholders who are now among the three largest shareholders. Should a member of the Nomination Committee resign before the Committee's work has ended, the same shareholder who appointed the resigning member shall, if deemed necessary, have the right to appoint a new member, or should that shareholder no longer be among the three largest shareholders, the next largest shareholder. Changes in the composition of the Nomination Committee must be immediately announced. The composition of the Nomination Committee for AGMs must be announced no later than six months prior to the meeting.

No remuneration is paid to members of the Nomination Committee. The company shall pay

the necessary expenses that the Nomination Committee may incur within the Rules of Procedure for its duties.

The term of office for the Nomination Committee ends when the subsequent Nomination Committee has been announced."

Stendörren's Nomination Committee prior to the AGM on May 23, 2023 consists of Johannes Wingborg, Chairman (appointed by Länsförsäkringar Fondförvaltning AB), Henrik Orrbeck (appointed by Stendörren Real Estate AB and also Board member of Stendörren), Oscar Christensson (appointed by Altira AB) and Andreas Philipson (Chairman of the Board).

BOARD **THE ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors is the company's highest governing body after the General Meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the company's management and organization. The Board's duties include setting overall objectives and strategies for the company as well as significant policies and strategic plans for the company and the Group to which the company belongs. The Board shall continuously monitor compliance with these.

The Board shall ensure that appropriate systems are in place for monitoring and control of the company's activities, and of the risks associated with these activities. The Board shall also present interim financial reports and financial statements. The Board shall monitor the financial performance, oversee the quality of internal controls over financial reporting, and evaluate the company's operations based on the objectives and policies established by the Board. The Board also resolves on major investments and organizational and operational changes in the company and identifies how sustainability issues impact the company's risks and business opportunities.

The Board follows written Rules of Procedure adopted at the inaugural Board meeting each year. The Rules of Procedure document is continuously updated. The Rules of Procedure for the Board regulate the Board's duties and the division of responsibilities between the Board and the CEO. The Rules of Procedure for the Board include the Rules of Procedure for the CEO and the financial reporting instructions.

COMPOSITION OF THE BOARD

NAME	POSITION	BOARD MEMBER SINCE	INDEPENDENT OF THE COMPANY AND COMPANY MANAGEMENT	INDEPENDENT OF THE COMPANY'S LARGEST SHAREHOLDERS
Andreas Philipson	Chairman	2016	Yes	Yes
Seth Lieberman	Board member	2014	Yes	No
Helena Levander	Board member	2017	Yes	Yes
Henrik Orrbeck	Board member	2019	Yes	No
Carl Mörk	Board member	2016	Yes	No
Nisha Raghavan	Board member	2020	Yes	No

BOARD FEES AND ATTENDANCE IN 2022

NAME	POSITION	ATTENDANCE AT BOARD MEETINGS IN 2022	BOARD FEES SEK ^{1), 2)}
Andreas Philipson	Chairman (from Feb 2022, previously Board member)	16 of 16	560,000
Seth Lieberman	Board member	15 of 16	250,000
Helena Levander	Board member	15 of 16	330,000
Henrik Orrbeck	Board member	15 of 16	0 ³⁾
Carl Mörk	Board member	15 of 16	300,000
Nisha Raghavan	Board member	13 of 16	0 ³⁾
Anders Tägt	Chairman (until Feb 2022)	1 of 1	N/A
Total			1,440,000

1) The fee stated was paid for the period between the 2022 AGM and 2023 AGM. The amount stated includes committee fees.

2) From, and as resolved by, the 2022 AGM.

3) Henrik Orrbeck and Nisha Raghavan declined Board fees for the period between the 2022 AGM and 2023 AGM.

COMPOSITION OF THE BOARD

According to Stendörren's Articles of Association, the Board shall consist of at least three and no more than eight members, with no deputies. No representative of the Group is a member of the Board and no employee representatives have been appointed to the Board. For more information about the Board members' experience and background, their shareholding in the company and their significant assignments outside the company, refer to the "Board of Directors" section on pages 88-89.

The Nomination Committee applied Rule 4.1 of the Code as a diversity policy when determining its recommendation for the election of Board members. The objective has been to ensure that the Board has an appropriate composition, characterized by diversity and breadth, and consist of individuals with the skills and experience required by the Board, primarily with consideration for the

company's activities and stage of development. Continuity is also considered highly valuable.

The importance of an even gender distribution was given special consideration and it was noted that 33% of the Board's members are women. As shown in the presentation of Board members in the "Board of Directors" section on pages 87-88, the composition of the Board reflects a diversity and breadth of skills, experience and backgrounds.

According to the Code, a majority of the elected Board members must be independent of the company and its Executive Management. At least two of these members must also be independent of the company's largest shareholders. The company's Board meets the provisions of the Code regarding independence. As shown in the table above, all six elected members are independent of the company and its management. Of these, two members are independent of the company's largest shareholders.

BOARD FEES

The 2022 AGM resolved that a Board fee of SEK 500,000 would be paid to the Chairman of the Board, and SEK 250,000 to each of the other members. The AGM also resolved that a fee of SEK 80,000 would be paid to the Chairman of the Audit Committee and SEK 30,000 to each of the other members of the Audit Committee, and that a fee of SEK 60,000 would be paid to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

The table on page 81 shows the fee that will be paid to each Board member for the period between the 2022 AGM and the 2023 AGM.

THE ROLE OF THE CHAIRMAN

The Chairman of the Board is responsible for ensuring that the Board carries out its work effectively and fulfills its obligations. The Chairman organizes and leads the Board's work with the aim of creating the best possible conditions for the Board's duties. The Chairman also ensures that new Board members complete introduction training and any other training deemed appropriate.

The Chairman consults with the company's CEO on strategic matters and ensures that the Board receives sufficient information and documentation to carry out its work. The Chairman is also responsible for contact with the shareholders on matters of shareholder concern and ensures that the Board's performance is evaluated annually.

BOARD COMMITTEES

Audit Committee

Stendörren has an Audit Committee consisting of Helena Levander (Chairman), Nisha Raghavan and Carl Mörk. The role and powers of the Audit Committee are regulated in the Rules of Procedure for the Audit Committee. The role of the Audit Committee is to, on behalf of the Board, oversee the company's financial reporting, monitor the effectiveness of the company's internal control and risk management, remain informed about the audit of the annual accounts and consolidated financial statements, oversee and monitor the auditor's impartiality and independence, and assist in drawing up proposals for the General Meeting's election of the auditor.

Members of the Audit Committee must not be employed by the company. At least one member must have competence in accounting or auditing.

In 2022, the Audit Committee held five minuted meetings. The Chairman of the Audit Committee, Helena Levander, attended all meetings, Nisha Raghavan attended four meetings and Carl Mörk four meetings.

The matters addressed at the meetings included the company's financial statements and policies, the external audit, and the company's risk evaluation and internal controls.

Remuneration Committee

Stendörren has a Remuneration Committee consisting of Andreas Philipson (Chairman), Nisha Raghavan and Carl Mörk.

The principal role of the Remuneration Committee is to prepare the Board's decisions on matters regarding remuneration principles, remuneration and other terms of employment for company management, to monitor and evaluate variable remuneration programs for company management that are ongoing or were completed during the year, to monitor and evaluate the application of the remuneration guidelines for senior executives to be resolved by the AGM, and to monitor and evaluate the company's remuneration structures and remuneration levels. The Remuneration Committee shall also analyze and monitor market-based salaries for senior executives, including fixed and variable components.

The role and discretionary powers of the Remuneration Committee are regulated in Rules of Procedure established by the Board.

In 2022, the Remuneration Committee held one minuted meeting where such matters as remuneration of senior executives and the company's Remuneration Report were discussed. All members of the Remuneration Committee were present at this meeting.

THE BOARD'S WORK IN 2022

In 2022, the Board held 16 Board meetings, of which eight were scheduled (including the inaugural Board meetings). The company's CEO and the company's chief legal counsel, who is also the Board secretary, were also present at the Board's meetings. In addition, other members of the management team attended those parts of the Board's meetings that affected their specific area of responsibility.

Board meetings follow an annual meeting schedule, which is broadly an annual cycle established

by the Board that is reviewed and determined at each inaugural Board meeting. A brief description of the annual cycle for 2022/2023 is presented below. In addition to the information in the table, several items of business are generally addressed at each scheduled Board meeting. For example, the company's CEO presents a financial report at each meeting and provides information about the business situation and outlook. When necessary, decisions are made on acquisitions and divestments, other investment decisions, financing decisions and decisions regarding structural and organizational matters.

Since the Board approves the financial statements, each financial report is preceded by a Board meeting where the relevant report is approved. At these meetings, the Audit Committee presents an account of its work.

In addition to scheduled Board meetings, extra Board meetings are held when required, such as when a business decision requires the Board's approval.

Annual cycle for Board meetings in 2022/2023

1. Inaugural Board meeting

The Board's work year commences with the inaugural Board meeting, which is held immediately after the AGM. At this meeting, the Board establishes the relevant corporate governance documents and Rules of Procedure documents.

2. Meeting in July

Meeting to adopt the interim report for the second quarter of the year. Report from the Audit Committee.

3. Scheduled meeting in August

A scheduled Board meeting is held after the summer. Matters related to the internal control environment are addressed.

4. Scheduled meeting in September

A scheduled Board meeting is held in September to make decisions about the company's objectives and long-term strategic plan.

5. Scheduled meeting in November

A scheduled meeting to adopt the interim report for the third quarter of the year. Matters related to the audit are also addressed, and the company's audi-

tors report on the review performed on the interim report for the third quarter of the year. In addition, the company's auditors present their review of the company's internal controls over financial reporting. The company's risks and internal controls are evaluated.

6. Scheduled meeting in December

The budget for the coming year is adopted at this scheduled meeting. The Board's work is also evaluated, including an evaluation of the Board's committees and the performance of the CEO.

7. Scheduled meeting in February

Scheduled meeting to approve the annual financial statements. The meeting also addresses matters related to the audit, the audit report and the AGM. Matters related to the internal control environment are addressed.

8. Scheduled meeting in May

Scheduled meeting to adopt the interim report for the first quarter of the year. Report from the Audit Committee. Matters related to the internal control environment are addressed.

BOARD EVALUATION

The Board evaluates the performance of its members and the CEO every year to ensure that the Board has fulfilled its role effectively and that the performance of Board members and the CEO is continuously developed. This takes the form of a systematic and structured process. The performance of the Board and the CEO in 2022 was evaluated using an internal process. A questionnaire related to the performance of the Board and the CEO was distributed to Board members, with a request to respond to the questions. The results were then compiled and presented to the Board at a Board meeting. No members of company management were present when the results of the evaluation were presented and discussed by the Board. The results were also presented to the Nomination Committee.

CEO AND EXECUTIVE MANAGEMENT

The CEO is responsible for managing the company, overseeing the day-to-day operations and leading the company in accordance with the Board's instructions. The CEO's responsibilities and relationship with the Board are regulated by the Rules of

The CEO - Erik Ranje - has an Executive Management team to assist him in this role, which currently comprises the following:

- Erik Ranje, CEO
- Anders Nilsson, Head of Property Management and Deputy CEO
- Per-Henrik Karlsson, CFO
- Johan Malmberg, CIO and Head of Business Development
- Maria Jonsson, Head of Development
- Caroline Gebauer, Legal Counsel
- Åsa Thorell, Human Resources Manager
- Fredrik Holmström, Head of Sustainability

For more information about Executive Management, refer to pages 91-94.

Procedure for the CEO as adopted by the Board. According to the financial reporting instructions, the CEO is responsible for the company's financial reporting and must therefore ensure that the Board receives sufficient information to enable a continuous evaluation of the company's financial position. The company's CEO shall keep the Board up-to-date with the company's development and the Group's operations, sales, price trends, the company's earnings and financial position, liquidity and credit situation, major company events, as well as the outcomes of any events, circumstances or conditions of material importance to the company's shareholders.

The Board has instructed the company's CEO to ensure that the company complies with applicable rules and regulations, including the company's obligations to disclose inside information and to maintain an insider list recording all people with access to inside information about the company.

REMUNERATION GUIDELINES FOR SENIOR EXECUTIVES (ADOPTED AT THE 2021 AGM)

The company applies the remuneration guidelines for senior executives presented below that were adopted at the 2021 AGM.

These guidelines cover the company's CEO and other senior managers. The guidelines shall be applied to remuneration that is agreed, and any changes to remuneration that has already been agreed, after the guidelines were adopted by the 2021 AGM. The guidelines do not apply to remuneration adopted by the General Meeting. Since members of the company's Board only receive fees decided by the General Meeting, these guidelines do not apply to the Board's members.

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HOW THE GUIDELINES PROMOTE THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

The company's business strategy is briefly as follows. Stendörren is a real estate company with a focus on creating long-term growth and value generation by managing, developing and acquiring properties for warehousing, logistics and light industry and, in some cases, residential purposes in Stockholm, Mälardalen and other geographic markets across the Nordic region. By offering our customers the right premises for their operations, our sustainable approach creates long-term relationships that can generate high, risk-adjusted returns for our shareholders.

For more information about the company's business strategy, visit www.stendorren.se.

A successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability performance, presume that the company is able to recruit and retain qualified employees. This requires that the company can offer competitive remuneration. The aim of these guidelines is that senior executives can be offered competitive total remuneration.

The company has previously established share-based incentive programs. Since they were decided by the General Meeting, they are not covered by these guidelines. For more information about earlier programs, including the outcome-specific criteria, visit <https://www.stendorren.se/en/incentive-programs/>

Any future share-based incentive programs will be resolved by General Meetings. The aim of variable cash remuneration covered by these guidelines is to promote the company's business strategy and long-term interests, including its sustainability performance.

FORMS OF REMUNERATION, ETC.

Remuneration shall be market-based and may include the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. In addition, the General Meeting may - and independently of these guidelines - make decisions regarding, for example, share-based remuneration.

The Board may apply discretionary factors to decisions regarding variable cash remuneration in accordance with these guidelines. Variable cash remuneration may not exceed 200% of fixed annual salary. An assessment of the extent to which the criteria for payment of variable cash remuneration have been met shall take place annually and pertain to a period of one year.

For the CEO, pension benefits, including health insurance, shall be defined-contribution. Variable cash remuneration shall not be pensionable. Pension contributions for a defined-contribution pension shall not exceed 30% of fixed annual salary.

Pension benefits, including health insurance, for other senior executives shall be defined-contribution unless the senior executive is covered by a defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall not be pensionable unless otherwise stipulated by mandatory collective agreement provisions. Pension contributions for a defined-contribution pension shall not exceed 30% of fixed annual salary.

Other benefits may include life insurance, health insurance and a company car. Such benefits may not exceed 20% of fixed annual salary.

TERMINATION OF EMPLOYMENT

Upon termination by the company, a maximum notice period of six months applies. Fixed salary during the notice period plus severance pay may not exceed an amount corresponding to fixed salary for two years for the CEO, and one year for other senior executives. Upon termination by the senior executive, a maximum notice period of six months applies.

CRITERIA FOR PAYMENT OF VARIABLE CASH REMUNERATION, ETC.

The variable cash remuneration shall be linked to predetermined criteria – measurable financial and/or non-measurable non-financial. The criteria may be general and/or personal quantity or quality goals based on, for example, the company's internal controls, budgetary controls, quality and punctuality of financial reports, implementation of new and improved IT systems, collaboration between the company's various departments, the development of leadership skills for department heads, and the company's overall sustainability performance. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability performance by, for example,

having a clear link to the business strategy or promoting the senior executive's long-term development. The Board shall be able, in accordance with the law or agreements and subject to any restrictions that may follow thereof, to recover some or all of the variable remuneration that has been paid on incorrect grounds.

The Remuneration Committee is responsible for the assessment with regard to variable cash remuneration paid to the CEO. Regarding variable cash remuneration of other senior executives, the Remuneration Committee and the CEO are jointly responsible for the assessment. The Remuneration Committee then submits the remuneration proposal to the Board for a decision.

SALARY AND TERMS OF EMPLOYMENT FOR EMPLOYEES

When preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the company's employees have been taken into account in that information about employees' total remuneration, remuneration components, and the increase and rate of increase in remuneration over time have formed part of the decision-making basis for the Remuneration Committee and the Board when evaluating the reasonableness of the guidelines and the limitations resulting thereof.

DECISION-MAKING PROCESS FOR DETERMINING, OVERSEEING AND IMPLEMENTING THE GUIDELINES

The Board has established a Remuneration Committee. The role of this Committee includes preparing the Board's proposal on remuneration guidelines for senior executives. The Board shall prepare a proposal for new guidelines at least every four years and present the proposal to the AGM for a decision. The guidelines shall apply until new guidelines have been adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for senior executives, the application of remuneration guidelines for senior executives, and the applicable remuneration structures and levels in the company. The Remuneration Committee's members are independent of the company and the company's senior executives. When the Board addresses and makes decisions on matters related to remuneration, neither the CEO nor other senior executives are present, to the extent they are affected by these matters.

DEPARTURE FROM THE GUIDELINES

The Board may decide to make a temporary departure from the guidelines, in whole or in part, if an alternative can be justified in particular circumstances and a departure is necessary for meeting the company's long-term interests, including its sustainability performance, or to secure the financial viability of the company. As described above, the role of the Remuneration Committee includes preparing the Board's decisions on matters related to remuneration, which includes decisions on non-compliance with the guidelines.

DESCRIPTION OF SIGNIFICANT CHANGES TO THE GUIDELINES

The Remuneration Committee and the Board have assessed that it is appropriate for the company that senior executives may be evaluated on the basis of, and that variable remuneration may be linked to, non-financial criteria that are not measurable. The above remuneration guidelines have therefore been updated accordingly.

AUDITOR

The role of the auditor is to examine the company's annual accounts and financial statements, and to evaluate whether the Board and the CEO have fulfilled their roles effectively. After each fiscal year, the auditor shall present an auditor's report on the consolidated financial statements to the AGM.

At the AGM on May 24, 2022, accounting firm BDO Mälardalen AB was elected as the new auditor with Johan Pharmanson as Auditor-in-Charge. Prior to that, Ernst & Young AB had been the company's auditor, with Oskar Wall as Auditor-in-Charge.

Johan Pharmanson is a member of FAR (institute for the accountancy profession in Sweden). The auditor's term of office expires at the end of the AGM to be held on May 23, 2023.

In 2022, the company did not engage BDO Mälardalen AB for any non-audit services. Also, the company did not engage Ernst & Young AB for any non-audit services during the period in 2022 that Ernst & Young AB was the company's auditor.

INTERNAL CONTROL ENVIRONMENT

The Board has ultimate responsibility for ensuring that the company has adequate and effective risk assessment and internal control in place. Internal control is a process designed to provide reasonable assurance that the company is run effectively and appropriately and that its financial reporting is reliable. Internal control also ensures that the company complies with the applicable laws and regulations.

CONTROL ENVIRONMENT

The internal allocation and delegation of responsibilities in Stendörren is set out in governing documents, including the Rules of Procedure for the Board, the Rules of Procedure for the CEO and the related Delegation of Signing Authority. To ensure appropriate risk management and effective internal control, the company has also adopted a number of internal policies, guidelines and instructions for internal control. All internal governing documents are regularly updated. These formalized procedures ensure compliance with established principles for internal control over financial reporting. The com-

AUDITOR**BDO MÄLARDALEN AB****JOHAN PHARMANSON**

Authorized Public Accountant and member of FAR.

The company's auditor since 2022.

Other significant assignments: Anoto AB, Björn Borg AB, Fingerprint Cards AB, Seafire AB, SensysGatso AB.

Shareholdings in Stendörren: None



pany provides training for its employees to ensure that all employees have the necessary knowledge of internal policies, guidelines and instructions.

RISK ASSESSMENT AND CONTROL ACTIVITIES

A precondition for establishing effective internal control over financial reporting is awareness of the risks to which the company is exposed. Stendörren's Executive Management performs a continuous risk assessment, and at least once a year, in which the company's risks are identified and assessed. For each individual risk, the probability of an occurrence and the impact of an occurrence are estimated. Based on the outcome of the risk assessment, it is ensured that the company has adequate and effective control activities in place to minimize the probability that identified significant risks will occur. The company's key controls are described in process descriptions and, where appropriate, in checklists with step-by-step instructions for the controls that must be carried out. The controls are documented systematically.

The results of Executive Management's risk assessment and evaluation of the company's internal controls are reported to the Board, which, according to its Rules of Procedure, is required to assess the company's risks and internal controls every year. At this Board meeting, the outcome of the review of the company's internal controls performed by the company's auditors is presented.

To further strengthen the company's internal controls, the Board has also adopted an internal control plan. The internal control plan lists the company's key controls together with a specification of how the company's internal testing of these processes is carried out. The internal control plan states the identified risk that each control is intended to address, the person responsible for testing whether the control activity has worked, and the design and frequency of the testing. The internal control plan is regularly updated, at least once annually. The outcome of the self-assessment is reported half-yearly to the Board.

INFORMATION AND COMMUNICATION

The Board has adopted an information policy that sets out the guidelines for all internal and external communication. The aim of the information policy is to clarify how the responsibility for information has been delegated, and to help create unified communication both inside and outside the company. In addition, Stendörren's communication also aims to achieve effective and accurate disclosures of information in relation to financial reporting and other company events.

The company's information policy ensures that disclosures of the company's information are accurate and that the information is communicated at the appropriate time. Executive Management receives regular financial information about the company at its minuted meetings.

MONITORING

The Board has ultimate responsibility for monitoring internal control. Activities and results are monitored regularly at several levels of the company, at both property and Group level. The results are analyzed by the responsible people within the organization and reported to Executive Management, the Board and the auditor. The company's auditor reports their observations from the audit of the company's internal control over financial reporting directly to the Audit Committee. The Board monitors the financial performance in connection with the audit and the adoption of each interim report.

EVALUATION OF THE NEED FOR A SEPARATE INTERNAL AUDIT FUNCTION

Stendörren has no need for an internal audit function at present. The Board has evaluated the issue and concluded that the company's internal control system is appropriate and effective for an organization of the company's size. The need to establish an internal audit function has not therefore been considered. The Board reviews this decision annually.

THE BOARD OF DIRECTORS



ANDREAS PHILIPSON

Chair of Stendörren's Board since February 4, 2022 and Chairman of the Remuneration Committee. Andreas was also a member of the company's Board from 2016 to February 4, 2022.

Born in 1958.

Education: Civil Infrastructure Engineer, Chalmers University of Technology.

Other current positions:

Andreas is founder and a Board member of TAM Group AB, and a Board member of Besqab AB and subsidiaries of TAM Group.

Professional experience: Andreas has over 30 years of experience in senior positions in the construction and real estate industry. He has previously served as CEO and Board member of Catena AB, CEO of Temaplan AB and Property Director at Närkebro AB. During his career, Andreas has participated in several major projects with international real estate investors who have successfully elected to make real estate investments in Sweden.

Independence: Independent of Stendörren and its company management and largest shareholders.

Holding¹⁾: 2,000 Class B shares.



HELENA LEVANDER

Board member of Stendörren since 2017. Chairman of the Audit Committee.

Born in 1957.

Education: BSc in Business & Economics from Stockholm School of Economics.

Other current positions:

Chairman of the Board of Factoringgruppen AB, Caroline Svedbom AB and Board member of Rejlers AB, Occlutech AG and Cinclus Pharma AB.

Professional experience: Many years of experience in various operational roles in finance and equity markets, and Board experience from several listed state and private companies and finance companies. Founder of Nordic Investor Services AB. Previously employed at Neonet AB, Odin Management, Nordea Asset Management and SEB Asset Management.

Independence: Independent of Stendörren and its company management and largest shareholders.

Holding¹⁾: 3,000 Class B shares.



SETH LIEBERMAN

Board member of Stendörren since 2014. Seth was also the Chairman of the Board of the company from 2014 to May 23, 2018 and from January 23, 2019 to January 22, 2020.

Born in 1961.

Education: BA in Economics from Tufts University, US.

Other current positions:

Chairman of the Board of Kvalitena AB (publ) and several of Kvalitena's portfolio companies, including Huski Chocolate and Svenskt Industriflyg AB. Seth is also a member of EQT Real Estate Funds I & II's Investment Advisory Committees, and a Board member of Maha Energy AB.

Professional experience: Seth has international experience from the real estate industry, primarily in the US and Europe. Seth also has broad experience of business development, private equity investments, debt investment and financing from a large number of real estate companies and property types. Previous roles include senior positions at Advanced Capital's Real Estate Fund, UBS Investment Bank, Hypo Real Estate, Lehman Brothers International, Credit Suisse and GE Capital. Seth has been actively involved in Urban Land Institute Europe as the Interim CEO in 2015 and former member of the European Executive Committee.

Independence: Independent of Stendörren and its company management, but not to the largest shareholders.

Holding¹⁾: 20,000 Class B shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

THE BOARD OF DIRECTORS



HENRIK ORRBECK

Board member of Stendörren since 2019.

Born in 1976.

Education: MSc in Management and Administrative Sciences from University of Texas and MSc in Economics from Jönköping International Business School.

Other current positions: Partner of EQT Real Estate. Henrik is the Chairman of the Board of Stendörren Real Estate AB, Hönsfodret Investment AB, Hönsfodret Bygg AB and Förvaltningsaktiebolaget Svenska Verksamhetsfastigheter and related subsidiaries. Henrik is also a Board member of Maiden Lane Holdings AB.

Professional experience: Henrik has previously worked for The Carlyle Group and General Electric.

Independence: Independent of Stendörren and its company management, but not to the largest shareholders.

Holding¹⁾: None.



NISHA RAGHAVAN

Board member of Stendörren since 2020. Member of the Remuneration Committee and Audit Committee.

Born in 1974.

Education: Nisha has a Bachelor of Commerce from the University of Madras and is also a member of the Institute of Chartered Accountants of India and the Association of Taxation Technicians in the UK.

Other current positions: Nisha serves as Global COO for Actic.

Professional experience: Nisha has over 20 years of experience in the real estate sector. Nisha was Global COO for EQT Exeter until February 2023. Prior to that, she was a director of Clearbell Capital LLP, a real estate fund manager based in the UK, and before that held similar roles at Pears Global Real Estate Investors and Delancey Real Estate Asset Management.

Independence: Independent of Stendörren and its company management, but not to the largest shareholders.

Holding¹⁾: None.



CARL MÖRK

Board member of Stendörren since 2016. Member of the Audit Committee and Remuneration Committee.

Born in 1969.

Education: MSc in Civil Engineering from the Royal Institute of Technology in Stockholm and MSc in Real Estate Economics and Finance from London School of Economics.

Other current positions: Chairman of the Board, and employed at Altira AB.

Professional experience: More than 30 years of experience in real estate transactions and property management in Sweden and Europe. Previously employed at Securum, as an analyst at Parkes & Co and as Head of Nordic Asset Management at Doughty Hanson & Co. Founded Altira in 2003.

Independence: Independent of Stendörren and its company management, but not to the largest shareholders.

Holding¹⁾: Altira AB, a company related to Carl Mörk, owns 500,000 Class A shares and 2,050,000 Class B shares in Stendörren Fastigheter AB (publ). In addition, Carl Mörk, together with related parties, holds 20,000 Class B shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

MANAGEMENT TEAM



ERIK RANJE

Erik has been CEO of Stendörren since 2020. Born in 1972.

Education: Erik holds an MSc in Economics and Business Administration from Stockholm School of Economics.

Other significant assignments: None.

Professional experience: Prior to joining Stendörren, Erik served as Head of Real Estate Investment Banking at Danske Bank, where he worked for more than two years with capital markets and bank finance, and real estate transaction advisory services. Erik also worked at SEB for 20 years in Structured Real Estate Finance and Corporate Finance.

Holding¹⁾: 100,000 warrants.



ANDERS NILSSON

Anders has been Head of Property Management and Vice President of Stendörren since 2020. Born in 1967.

Education: Anders holds an MSc in Civil Engineering (Surveying Program) specialized in Real Estate Economics and Management from the Royal Institute of Technology in Stockholm.

Other significant assignments: None.

Professional experience: Prior to joining Stendörren, Anders ran his own consulting business. He has also served as Regional CEO at Castellum, where he was a member of the Executive Management Group. His other roles at Castellum included CEO of Fastighets AB Brostaden, and Business Area Manager. He has more than 25 years of experience in the real estate industry, mainly in senior positions.

Holding¹⁾: 95,000 warrants.



JOHAN MALMBERG

Johan has been CIO and Head of Business Development at Stendörren since February 2022. Johan previously served as Head of Transactions at Stendörren from 2020 to February 2022. Born in 1974.

Education: Economics graduate from the University of Gävle and qualified real estate broker.

Other significant assignments: None.

Professional experience: When Johan joined Stendörren in 2020, he had most recently served as Head of Business Development at Fastighets AB Förvaltaren (a real estate company). Prior to that, Johan worked as an independent advisor for two listed real estate companies, Hemfosa and Diös. Johan has also worked as an advisor at the real estate consulting service providers Tenzing and Catella, and at Swedbank Corporate Finance. Johan has participated in a large number of real estate and capital market transactions for more than 20 years in the market.

Holding¹⁾: 3,000 shares and 10,000 warrants.



CAROLINE GEBAUER

Caroline is Legal Counsel at Stendörren since 2017. Caroline is responsible for the company's legal matters and is the Board secretary. Born in 1980.

Education: Master of Laws from Uppsala University.

Other significant assignments: None.

Professional experience: Caroline was previously employed at Advokatfirman Vinge (2006-2017) and as a clerk at the Stockholm District Court (2005-2006).

Holding¹⁾: 11,474 Class B shares and 30,000 warrants.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

MANAGEMENT TEAM



PER-HENRIK KARLSSON

CFO at Stendörren since 2020. Born in 1977.

Education: Per-Henrik holds an MSc in Economics and Business Administration from Växjö University.

Other significant assignments: None.

Professional experience: Prior to joining Stendörren as CFO, Per-Henrik was the company's Chief Accountant for almost one year and was previously Head of Nordic Accounting & Financial Control at NREP. Per-Henrik has also served as Nordic CFO at Aberdeen Standard Investments, was a member of the management team for one of their real estate funds, and was employed at Ernst & Young as an authorized public accountant.

Holding¹⁾: 46 Class B shares and 5,000 warrants.



MARIA JONSSON

Head of Development at Stendörren since 2020. Born in 1974.

Education: Maria holds an MSc in Civil Engineering (Surveying Program) specialized in Real Estate Economics from the Royal Institute of Technology in Stockholm.

Other significant assignments: None.

Professional experience: Prior to joining Stendörren, Maria worked at Castellum as Head of Project Development for Stockholm-North Region. Maria's other roles at Castellum include Head of Property Development, Head of Property, Interim Head of Business Development and Interim Regional Managing Director. Maria has 25 years of experience from the property industry in various roles including property development and new projects, property management, letting, property acquisitions and management team work.

Holding¹⁾: 1,600 Class B shares and 9,000 warrants.



FREDRIK HOLMSTRÖM

Fredrik has been Head of Sustainability at Stendörren Fastigheter since 2021. Born in 1975.

Education: Fredrik is a Sustainable Building Engineer from Mid Sweden University in Östersund.

Other significant assignments: None.

Professional experience: From working with his own consulting business, Fredrik has extensive experience of assisting real estate companies with environmental sustainability – from creating strategies to certification and sustainability reporting. Customers include both public companies and fund companies that manage pension assets. Fredrik has also served as Head of Sustainability at Hifab AB.

Holding¹⁾: Fredrik does not hold any shares in Stendörren Fastigheter AB (publ). Sustracon AB, a company related to Fredrik Holmström, owns 400 Class B shares.



ÅSA THORELL

Åsa Thorell has been Human Resources Manager at Stendörren Fastigheter since 2023. Born in 1963.

Education: Åsa has a BA in HR and Professional Life from Uppsala University

Other significant assignments: None.

Professional experience: She previously served in various HR roles at Dustin AB (2015-2022) and prior to that was HR Business Partner at ÅF AB (2007-2015).

Holding¹⁾: Åsa does not hold any shares.

1) The holding stated includes the holding in the company held by both the individual and any related parties as of April 20, 2023.

MULTI-YEAR OVERVIEW AND KEY RATIOS

	2022 JAN-DEC	2021 JAN-DEC	2020 JAN-DEC	2019 JAN-DEC	2018 JAN-DEC
Property-related					
Lettable area, thousand m ²	795	793	742	731	718
No. of properties	148	135	123	124	121
Fair value properties, SEK million	12,418	11,693	9,533	9,147	8,476
Letting ratio, by area, %	90	88	87	88	90
Economic occupancy rate, %	92	89	87	88	89
NOI yield, total portfolio, last twelve months, %	4.5	4.7	5.2	4.5	4.9
Total return, last twelve months, %	3.3	16.5	6.2	7.2	9
Weighted average unexpired lease term, years	3.8	3.7	3.8	4.0	4.0
Average annual rent, SEK/m ²	1,069	992	910	904	846
Financial					
Rental income, SEK million	733	656	651	592	537
Net operating income, SEK million	548	488	481	397	355
Income from property management, SEK million	287	267	254	135	174
Surplus ratio, last twelve months, %	75	74	74	67	66
Total assets, SEK million	13,344	12,290	10,233	9,608	8,735
Average interest rate, total liabilities incl. derivatives, %	4.0	2.3	2.2	2.2	2.4
Average interest maturity at end of period, years	2.6	3.7	2.5	2.4	2.0
Average loan maturity at end of period, years	2.9	2.5	2.6	2.3	2.6
Interest coverage ratio, 12 month average, times	2.6	3.0	2.9	1.8	2.3
Equity ratio at end of period, %	41	43	40	41	32
Return on equity, last twelve months, %	5	26	6.5	9	16
Loan-to-value ratio at end of period, %	47	46	50	50	61
Loan-to-value ratio, property level at end of period, %	40	37	47	46	46
Stock-related					
Market capitalization, SEK million	5,453	8,656	4,327	4,758	2,816
Stock price at end of period, SEK	191.80	304.50	152.50	169.00	100.00
Book equity per share, SEK	163.35	155.84	115.16	108.91	98.74
Long-term net asset value, SEK million	5,377	5,310	3,875	3,556	3,195
Long-term net asset value per share, SEK	189.14	186.80	136.59	126.29	113.47
Current net asset value, SEK million	4,918	4,852	3,533	3,218	2,920
Current net asset value per share, SEK	173.01	170.67	124.53	114.30	103.71
Earnings per average number of shares before dilution, SEK	7.42	40.75	7.1	9.84	15.00
Earnings per average number of shares after dilution, SEK	7.41	40.67	7.17	9.80	14.923
Cash flow from operating activities per share, SEK	13.02	7.87	9.68	5.07	5.11
Earnings per share	0.0	0.0	0.0	0.0	0.0
No. of shares, at end of period	28,428,265	28,428,265	28,371,441	28,155,641	28,155,641
Average no. of shares	28,428,265	28,385,141	28,281,230	28,155,641	27,950,184
Other ratios					
No. of employees at end of period	54	55	54	55	51

For definitions, please see page 140.

Explanations of the key ratios used can also be found at www.stendorren.se.

AUDITOR'S REPORT

To the general meeting of the shareholders of Stendörren Fastigheter AB (publ), corporate identity number 556825-4741

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Stendörren Fastigheter AB (publ) for the financial year 2022. With the exception of the corporate governance report on pages 81-94. The annual accounts and consolidated accounts of the company are included on pages 70-134 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER MATTERS

The audit of the report for the financial year 2021 has been performed by another auditor, who has issued an auditor's report dated April 29th 2022, with unqualified opinions in the Report of annual accounts and consolidated accounts

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

VALUATION OF INVESTMENT PROPERTIES

The fair value of the groups investment properties amounted, as per December 31st, 2022 to MSEK 12 418 and the changes in fair value over the period to MSEK 143. The group's investment properties amount to 93 % of total assets as of December 31st 2022. A description of the valuation of the property portfolio is stated in the note 11 Investment Properties, note 1 Accounting Policies, and note 2 Important Estimates and Judgments. We have identified this as a key audit matter in our audit due to the high degree of assumptions and assessments which are made in conjunctions with valuation of investments properties.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit procedures included but were not limited to: Initially we evaluated and reviewed the group's process for property valuation, including by evaluation the valuation methodology and input data in the established valuations. We have evaluated the company's, and the external valuers competence. We have made a comparison against known market information. For a sample of properties we have examined the reasonableness of assumptions such as yield requirements, vacancy rate, rental income and operation costs as well as control calculated the valuation model. Our review has partially been conducted by valuations experts. Our selection has mainly included the largest properties in terms of value in the portfolio, properties with ongoing projects or future development

opportunities in the form of development rights and those properties where there have been the largest variations in value compared to the previous year. We have reviewed the disclosures provided in the annual report.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-68 and pages 140-141. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to

cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to

events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS THE AUDITOR'S AUDIT OF THE ADMINISTRATION OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Stendörren Fastigheter AB (publ) for the financial year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are con-

trolled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Stendörren Fastigheter AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Stendörren Fastigheter AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the

auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Stendören Fastigheter AB (publ) by the general meeting of the shareholders on 24 May 2022 and has been the company's auditor since 2022.

Stockholm April 28, 2023

BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Carl-Johan Kjellman
Authorized Public Accountant