

YEAR-END REPORT  
**JANUARY-  
DECEMBER  
2023**



**STENDÖRREN**

# THE YEAR IN BRIEF

## JANUARY – DECEMBER 2023

- Rental income increased by 15% to SEK 843 million (733) and net operating income increased by 22% to SEK 672 million (548).
- Income from property management amounted to SEK 287 million (287).
- Net letting during the year amounted to a total of approximately SEK 5.1 million and new lease agreements with an annual rental value of approximately SEK 190 million were signed (includes both renegotiated leases and leases with new tenants).
- Lease agreements that were renegotiated during the year led to an increase in rental values of 24% on a weighted average basis.
- Cash flow from operating activities amounted to SEK 307 million (370), corresponding to SEK 10.79 per share (13.02).
- Realized and unrealized changes in value of the property portfolio for the year amounted to SEK -355 million (-143).
- Loss for the year amounted to SEK -246 million (268), corresponding to SEK -10.54 per share (7.42) before dilution and -10.54 per share (7.41) after dilution.
- The Board proposes to the Annual General Meeting that no dividend be paid, and any profit instead be reinvested in the business.

## SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- In October, Stendörren press released that a ten-year lease agreement was signed with Advania Sverige AB for a 9,500 sqm logistics facility at the Stenvreten 8:37 property in Enköping, with possession of the premises expected to take place on January 1, 2025. The facility is thus fully let.
- In December, a six-year lease agreement was signed with the Swedish Fortifications Agency regarding the property Nygård 2:14 in Upplands-Bro. The agreement covers both the property’s entire warehouse and office spaces, as well as service buildings, with a total leasable area of approximately 129,000 sqm, and the adjacent land area. Possession of the premises will take place on 1 October 2024, immediately after the lease with the existing tenant Coop has expired.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- In January 2024, the rating institute Nordic Credit Rating (NCR) published an updated rating of Stendörren. Just like last year, the rate was BB- but now with upgraded outlook, from stable to positive.

KEY RATIOS	JAN-DEC 2023	JAN-DEC 2022
Rental income	843	733
Net operating income	672	548
Income from property management	287	287
Fair value properties	12,566	12,418
Lettable area	824,000	795,000
LTV, %	50	47
Equity ratio, %	37	41

843

SEK MILLION RENTAL INCOME

672

SEK MILLION NET OPERATING INCOME

287

SEK MILLION INCOME FROM PROPERTY MANAGEMENT

\* (January–December 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 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.



# LEASE AGREEMENT SIGNED WITH THE SWEDISH FORTIFICATIONS AGENCY, INCREASED PROJECT PIPELINE AND HEDGED COST OF CAPITAL GIVE US THE COURAGE TO INCREASE OUR FOCUS ON GROWTH

During the fourth quarter, we signed a lease agreement with the Swedish Fortifications Agency in Upplands-Bro for approximately 129,000 sqm. The lease starts at the end of 2024 immediately following lease expiry with the current tenant Coop. Furthermore, we took advantage of the situation that arose in the interest market and entered into additional interest rate hedging, ensuring a reasonable costs of capital for the company for the foreseeable future. These events both increase earnings in the company going forward and reduce operating and financial risk in the company. This gives us the courage to increase our focus on capitalizing on the growth potential in the company, particularly in our project development to which we added more attractive projects during the quarter.



Erik Ranje, CEO

## CEO'S STATEMENT

The full-year 2023 was challenging for many property companies in several ways, with rising interest rates and a weaker economic climate. However, the market for logistics, warehouse and light industry continued to perform relatively well, compared with other parts of the property industry. Further, we are active in urban areas in metropolitan regions facing both economic and population growth. A long-term, gradual increase in e-commerce is also fueling the need for properties in our segment. But naturally our business has also been affected, primarily in the form of higher interest rates, although we saw a shift toward falling rates in the fourth quarter. For Stendörren, we clearly concentrated our efforts during the year on factors that we can control, such as leasing of the existing portfolio, project development and strengthening our financial position. This has generated results. For the full-year, our net operating income increased by 22% compared with previous year.

### **KEY LEASE IN GREENHUB - OUR SINGLE LARGEST AGREEMENT**

Stendörren's total lettable area is currently approximately 824,000 sqm. In the fourth quarter, a six-year lease agreement was signed with the Swedish Fortifications Agency, with the option of a four-year extension, for the Nygård 2:14 property (Greenhub) in Upplands-Bro, encompassing approximately 129,000 sqm – a property that is currently leased to our single largest tenant Coop. Lease start is on October 1, 2024, immediately following lease expiry with Coop and the property is thus fully let. The annual rental value is approximately SEK 74 million and is fully index-adjusted. The lease was completed after active marketing during the past six months that resulted in significant interest from potential tenants, well exceeding the 500,000 sqm in offered volume.

### **CONTINUED PROGRESS IN THE PROJECT PORTFOLIO**

Stendörren's unique potential is found in our building rights portfolio of approximately 652,000 sqm. This means that we have the potential to expand by about 80% within our existing portfolio. With a high number of project ideas, many of which already have building permits, it is possible to commence new construction

and extensions that can be modified to customer needs. We will continue to build on this strength in 2024. We have gradually added projects in recent years and are now clearly in the implementation phase. In 2023, we completed approximately 40,000 sqm, of which 90% has already been leased.

During the quarter, a ten-year lease agreement was signed with Advania Sverige AB for a 9,500 sqm logistics facility at the Stenvreten 8:37 property in Enköping. With the lease with Advania Sverige AB, the facility is fully let. New construction has already begun and hand over of the premises will take place on January 1, 2025. This is an illustrative example that, despite the turbulent market situation, there is healthy demand for newly developed logistics and other industrial premises. We also successfully developed properties during the year that were leased to tenants late in the process.

Ongoing and recently completed projects that did not yet generate revenue during the reporting period are expected to add approximately SEK 75 million in annual net operating income, in pace with leasing and completion. This is a relevant addition to our current earnings capacity of a net operating income of SEK 711 million.

### **FURTHER RISK REDUCTION OF BALANCE SHEET**

In 2023, we continued to strengthen our balance sheet by reducing the share of relatively costly financing in the capital markets by about half a billion SEK. At the end of 2023, we also took the opportunity to hedge interest rates using derivatives, which shifted the average interest hedge maturity from 2.3 to 3.6 years into the future. These derivatives were acquired in a situation when the yield curve, which illustrates the relationship between the interest rates and maturities of the loans, was U-shaped and we hedged, on a forwards start basis, when the curve was at its lowest. This means that Stendörren has ensured reasonable capital costs for the next few years with about 85% of liabilities interest hedged.

### **FOCUS ON GROWTH IN 2024**

With the lease with the Swedish Fortifications Agency, an attractive project pipeline and adjusted capital structure with a high share of interest rate hedged liabilities, we have the confidence to focus on growth as we look ahead to the rest of 2024.

Stockholm, February 23, 2024

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 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 December 31, 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 12,566 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 represented approximately 9%.

The total property portfolio comprised approximately 824,000 sqm of lettable premises, of which warehouse, logistics and light industrial properties accounted for approximately 69% of the total lettable area.

At the end of the period, the company had 40 properties, wholly or partly consisting of building rights which, when fully developed, are expected to create approximately 652,000 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 1,370 million (1,564) on the reporting date.

When commercially viable, Stendörren rezone such existing properties and thereby create residential building rights for further development and management, mainly in Greater Stockholm and the rest of the Mälardalen region. The development and rezoning processes, which are at different stages, are likely to result in building rights for up to 700 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 December 31, 2023, the Group's equity amounted to SEK 4,838 million (5,429) and the Group's interest-bearing liabilities amounted to SEK 6,651 million (6,290), corresponding to a loan-to-value ratio of 50% (47).

The average time to maturity of interest-bearing liabilities amounted to 2.6 years (2.9) and including the unhedged portion of the relevant IBOR and hedged portion via interest-rate derivatives, the average interest maturity was 3.3 years (2.6). The average interest rate on the company's total interest-bearing loans, including derivatives amounted to 4.1% on the closing date.

On the reporting date, the company had one bond of SEK 600 million with an interest rate of Stibor 90 plus 3.90% with final maturity in August 2025, one green bond of SEK 500 million with an interest rate of Stibor 90 plus 5.25% with final maturity in December 2026 and one 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-DEC	2022 JAN-DEC
<b>PROPERTY-RELATED</b>		
Lettable area, thousand sqm	824	795
No. of properties	151	148
Fair value properties, SEK million	12,566	12,418
Letting ratio, by area, %	91	90
Economic occupancy rate, %	94	92
NOI yield, total portfolio, 12 month average, %	5.4	4.5
NOI yield, excluding projects and land, 12 month average, %	6.5	5.5
Total return, 12 month average, %	2.5	3.3
Weighted average unexpired lease term, years	4.3	3.8
Average annual rent, SEK/sqm	1,173	1,069
<b>FINANCIAL KEY RATIOS</b>		
Total income, SEK million	854	733
Net operating income, SEK million	672	548
Income from property management, SEK million	287	287
Surplus ratio, 12 month average, %	79	75
Total assets, SEK million	13,193	13,344
Average interest rate, total liabilities incl. derivatives, %	4.1	4.0
Average interest maturity at end of period, years	3.3	2.6
Average loan maturity at end of period, years	2.6	2.9
Interest coverage ratio, 12 month average, times	2.0	2.6
Loan-to-value ratio at end of period, %	50	47
Loan-to-value ratio, property level at end of period, %	44	40
Equity ratio at end of period, %	37	41
Return on equity, 12 month average, %	-5	5
<b>STOCK RELATED KEY RATIOS</b>		
Market capitalization, SEK million	5,214	5,453
Stock price at end of period, SEK	183.40	191.80
Book equity per share, SEK <sup>1</sup>	152.68	163.35
Long-term net asset value, SEK million	5,192	5,377
Long-term net asset value per share, SEK	182.62	189.14
Current net asset value, SEK million	4,740	4,918
Current net asset value per share, SEK	166.72	173.01
Earnings per average number of shares before dilution, SEK	-10.54	7.42
Earnings per average number of shares after dilution, SEK	-10.54	7.41
Cash flow from operating activities per share, SEK	10.79	13.02
No. of shares, at end of period	28,428,265	28,428,265
Average no. of shares	28,428,265	28,428,265
<b>OTHER RATIOS</b>		
No. of employees at end of period	54	54
No. of employees, average in period	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](http://www.stendorren.se).

# TARGETS

## FINANCIAL TARGETS

### ROE (AVERAGE)

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

### NAV GROWTH

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

# -5%

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

# -3%

Growth in net asset value (over the last 12 months) amounted to -3%, at the end of the period,

# 2.0 times

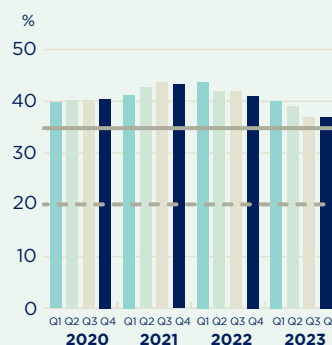
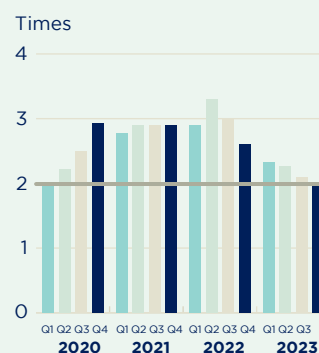
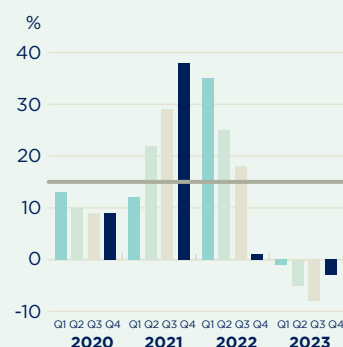
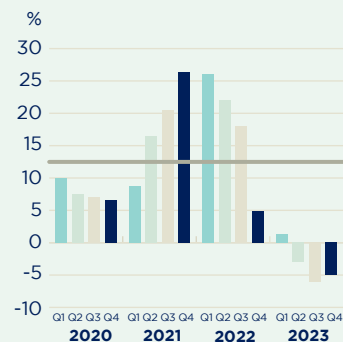
The interest coverage ratio amounted to 2.0 times.

# 37%<sup>1</sup>

The equity ratio amounted to 37% 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 0.7 percentage points.

## HISTORICAL PERFORMANCE





## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million

	JAN-DEC 2023	JAN-DEC 2022	OCT-DEC 2023	OCT-DEC 2022
Rental income	843	733	208	192
Other income	11	0	0	0
<b>Total income</b>	<b>854</b>	<b>733</b>	<b>208</b>	<b>192</b>
Operating expenses	-139	-137	-35	-42
Maintenance costs	-19	-22	-4	-7
Property tax	-24	-26	-6	-7
<b>Net operating income</b>	<b>672</b>	<b>548</b>	<b>163</b>	<b>136</b>
Central administration	-77	-76	-18	-19
Financial income and expenses	-298	-199	-78	-66
Unrealized changes in exchange rates	1	24	-11	6
Lease expenses/Ground rent	-10	-10	-3	-3
<b>INCOME FROM PROPERTY MANAGEMENT</b>	<b>287</b>	<b>287</b>	<b>54</b>	<b>55</b>
Change in value of investment properties	-355	-143	-71	-354
Change in value of financial instruments	-173	223	-152	-27
<b>Profit/loss before tax</b>	<b>-241</b>	<b>367</b>	<b>-169</b>	<b>-326</b>
Tax	-5	-98	-12	48
<b>Profit/loss for the period</b>	<b>-246</b>	<b>268</b>	<b>-181</b>	<b>-278</b>
Translation differences	0	3	-2	1
Total other comprehensive income	0	3	-2	1
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-247</b>	<b>271</b>	<b>-183</b>	<b>-277</b>
<i>Comprehensive income for the period attributable to:</i>				
Parent Company's shareholders	-247	271	-183	-277
Earnings per share, before dilution, SEK	-10.54	7.42	-6.85	-10.36
Earnings per share, after dilution, SEK	-10.54	7.41	-6.85	-10.35
Average number of shares outstanding during the period, millions	28.43	28.43	28.43	28.43
Average number of shares during the period after dilution, millions	28.43	28.47	28.43	28.46

# COMMENTS TO THE CONSOLIDATED INCOME STATEMENT

### RESULT

Compared with 2022, Stendörren reported an increase of approximately SEK 121 million in income and of approximately SEK 123 million in net operating income for the full-year 2023. After deduction of financing costs and central administration costs, income from property management totaled SEK 287 million (287), which is in line with the same period in 2022. Loss for the period amounted to SEK -246 million (268), corresponding to SEK -10.54 per share (7.42).

### RENTAL INCOME

Rental income increased during the period by approximately 15% to SEK 843 million (733). 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 an improved occupancy rate and completed and leased projects. In addition to rental income, the company also reports other income of SEK 11 million, of which electricity support for the period October 1, 2021 to September 30, 2022 amounts to approximately SEK 10 million.

### PROPERTY EXPENSES

Recognized property expenses declined by approximately SEK 2 million to SEK 183 million (185). Total property expenses in the comparable portfolio decreased by approximately SEK 3 million, which corresponds to about 2%. The main reason for the decline in expenses was the continued focus on cost-effective property management and continuous efforts to reduce the energy consumption of the properties, which was partly offset by rising inflation during the year. Increases in expenses during the year, for example, for clearing snow and slightly higher rental losses were offset by lower expenses for maintenance and property tax compared with the same period last year.

### CENTRAL ADMINISTRATION

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

### NET FINANCIAL ITEMS

Financial income amounted to SEK 112 million (9) and primarily referred to income attributable to interest-rate derivatives. Financial expenses, excluding lease expenses, rose to SEK -411 million (-208), mainly due to rising interest levels but also non-recurring items of approximately SEK -12 million attributable to the early redemption of a bond in the third and fourth quarters of 2023. Lease expenses (pertaining to IFRS 16 Leases) amounted to SEK -10 million (-10). The expense mainly comprised ground rent and rent.

### INCOME FROM PROPERTY MANAGEMENT

Income from property management amounted to SEK 287 million (287) during the reporting period, mainly due to higher income that offset higher financing costs.

### CHANGES IN VALUE

The company reported realized and unrealized changes in value of the property portfolio of SEK -355 million (-143). 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, for example, new leases, renegotiated but also terminated agreements. Exchange rates had a negative 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 -173 million (223) as per the reporting date.

### TAX

The tax expense in profit or loss consists of current tax of SEK -7 million (-23) and deferred tax of SEK 2 million (-75).

## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK million

	DEC 31 2023	DEC 31 2022
<b>ASSETS</b>		
<i>Non-current assets</i>		
Intangible assets	3	2
Investment properties	12,566	12,418
Right-of-use assets	259	254
Equipment	1	2
Non-current receivables	3	2
Interest-rate derivatives	148	268
<b>Total non-current assets</b>	<b>12,981</b>	<b>12,947</b>
<i>Current assets</i>		
Current receivables	79	83
Cash and cash equivalents	134	315
<b>Total current assets</b>	<b>213</b>	<b>397</b>
<b>TOTAL ASSETS</b>	<b>13,193</b>	<b>13,344</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>4,838</b>	<b>5,429</b>
<i>Non-current liabilities</i>		
Interest-bearing liabilities	5,826	5,469
Other non-current liabilities	57	36
Lease liabilities	259	254
Deferred tax liabilities	999	1,001
Other provisions	4	4
<b>Total non-current liabilities</b>	<b>7,145</b>	<b>6,764</b>
<i>Current liabilities</i>		
Interest-bearing liabilities	825	821
Other current liabilities	384	330
<b>Total current liabilities</b>	<b>1,210</b>	<b>1,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,193</b>	<b>13,344</b>
<i>Equity attributable to</i>		
Parent Company's shareholders	4,838	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 December 31, 2023, the value of the total property portfolio amounted to SEK 12,566 million (12,418). For analysis and comments, see page 15-17.

### CURRENT ASSETS

Current assets amounted to SEK 213 million (397) on the closing date, consisting of cash and cash equivalents of SEK 134 million (315) and rental receivables and other current receivables of SEK 79 million (83). On the closing date, there were also unutilized and available credit facilities of a total of SEK 160 million. Available liquidity, in the form of cash and cash equivalents of SEK 134 million and available credit facilities totaling SEK 160 million, thus amounted to SEK 294 million at the end of the year.

### EQUITY

As of December 31, 2023, the Group's equity amounted to SEK 4,838 million (5,429) and the equity ratio to 37% (41).

### INTEREST-BEARING LIABILITIES

The carrying amount of the Group's interest-bearing liabilities at the end of the reporting period amounted to SEK 6,651 million (6,290) corresponding to a loan-to-value ratio of 50% (47). The liabilities con-

sisted of loans from credit institutions of SEK 5,582 million (5,018), two bonds totaling SEK 1,100 million (1,300). Loan arrangement costs of SEK -31 million (-33) were allocated in accordance with the company's accounting policies. The short-term portion of the interest-bearing liabilities amounted to SEK 825 million (821) 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 999 million (1,001) on December 31, and related to the tax on properties, derivatives, untaxed reserves and unutilized losses carried forward.

### OTHER CURRENT LIABILITIES

In addition to the short-term portion of interest-bearing liabilities, current liabilities include accounts payable, accrued expenses and deferred income, tax liabilities and other current liabilities, amounting to a total of SEK 384 million (330).



## GROUP SUMMARY

# CONSOLIDATED CHANGES IN EQUITY

Amounts in SEK million

	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTED	TRANSLATION DIFFERENCES	RETAINED EARNINGS INCLUDING PROFIT FOR THE PERIOD	HYBRID BOND	TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY'S OWNERS
<b>Opening balance equity, Jan 1, 2021</b>	<b>17</b>	<b>1,175</b>	<b>-</b>	<b>2,075</b>	<b>786</b>	<b>4,053</b>
Share option program	-	6	-	-	-	6
Interest/dividend hybrid bond	-	-	-	-52	-	-52
Comprehensive income Jan–Dec 2021	-	-	-	1,209	-	1,209
<b>Closing balance equity, Dec 31, 2021</b>	<b>17</b>	<b>1,181</b>	<b>-</b>	<b>3,232</b>	<b>786</b>	<b>5,216</b>
Interest/dividend hybrid bond	-	-	-	-58	-	-58
Comprehensive income Jan–Dec 2022	-	-	3	268	-	271
<b>Closing balance equity, Dec 31, 2022</b>	<b>17</b>	<b>1,181</b>	<b>3</b>	<b>3,442</b>	<b>786</b>	<b>5,429</b>
Share option program	-	1	-	-	-	1
Interest/dividend hybrid bond	-	-	-	-59	-	-59
Repurchase hybrid bond	-	-	-	-	-288	-288
Comprehensive income Jan–Dec 2023	-	-	0	-246	-	-246
<b>Closing balance equity, Dec 31, 2023</b>	<b>17</b>	<b>1,182</b>	<b>3</b>	<b>3,137</b>	<b>498</b>	<b>4,838</b>

### COMMENTS ON CONSOLIDATED CHANGES IN EQUITY

As of December 31, 2023, the Group's equity amounted to SEK 4,838 million (5,429). The 2023 AGM resolved on a dividend totaling SEK 0 million (0).

## GROUP SUMMARY

# CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in SEK million

	JAN-DEC 2023	JAN-DEC 2022	OCT-DEC 2023	OCT-DEC 2022
<b>Cash flow from operating activities</b>				
Income from property management	287	287	54	55
Adjustment for non-cash items	0	-5	-15	-22
Income tax paid	-13	-1	-6	3
<b>Cash flow from operating activities before changes in working capital</b>	<b>274</b>	<b>281</b>	<b>32</b>	<b>36</b>
<i>Changes in working capital</i>				
Changes in operating receivables	4	42	-8	-22
Changes in operating liabilities	28	47	36	91
<b>Cash flow from operating activities</b>	<b>307</b>	<b>370</b>	<b>60</b>	<b>105</b>
<i>Investing activities</i>				
Investments in existing properties	-516	-624	-140	-196
Other investments and divestments	0	1	0	1
Acquisitions of Group companies/properties	-	-581	-	-215
Divestments of Group companies/properties	-	386	-	386
<b>Cash flow from investing activities</b>	<b>-516</b>	<b>-818</b>	<b>-140</b>	<b>-24</b>
<i>Financing activities</i>				
Issued employee stock options	1	-	0	-
Dividend hybrid bond	-59	-58	-14	-17
Repurchase hybrid bond	-288	-	-	-
Raised interest-bearing liabilities	1,379	2,566	134	104
Repayment of interest-bearing liabilities	-1,026	-1,919	-280	-306
Deposits	21	13	13	4
<b>Cash flow from financing activities</b>	<b>28</b>	<b>603</b>	<b>-147</b>	<b>-214</b>
<b>Cash flow for the period</b>	<b>-181</b>	<b>155</b>	<b>-227</b>	<b>-133</b>
Cash and cash equivalents at the beginning of period	315	160	361	448
Cash flow for the period	-181	155	-227	-133
<b>Cash and cash equivalents at the end of the period</b>	<b>134</b>	<b>315</b>	<b>134</b>	<b>315</b>

# PROPERTY PORTFOLIO

## PROPERTY PORTFOLIO DECEMBER 31

As at December 31, 2023, the property portfolio of Stendörren consisted of 151 properties, primarily located in the Greater Stockholm and Mälardalen region, with a total market value of SEK 12,566 million. The property portfolio is reported quarterly at fair value. All properties are externally valued regularly, at least once a year. When not externally valued, each property is internally valued each quarter based on an updated analysis of actual cash flow, market rental levels, expected costs and an assessment of the market yield requirement.

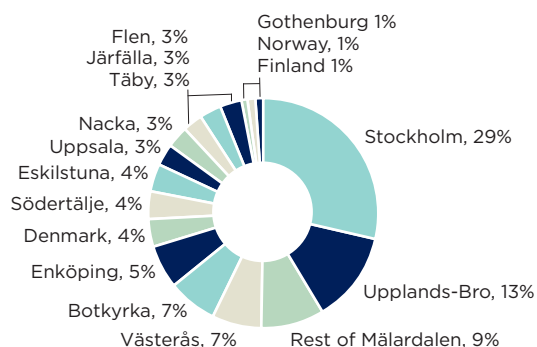
At the end of the reporting period, the total property portfolio comprised approximately 824,000 sqm of lettable area. Warehouse, logistics and light industrial premises together accounted for about 69% of the total lettable area. The office space held in the company's portfolio (about 20% of lettable 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 80% of the properties have at least two tenants.

During the period, the value of the property portfolio increased by SEK 148 million. The change in value consists of investments in existing properties of SEK 516 million, currency effects of SEK -13 million and realized and unrealized changes in value totaling SEK -355 million (see table on page 22).

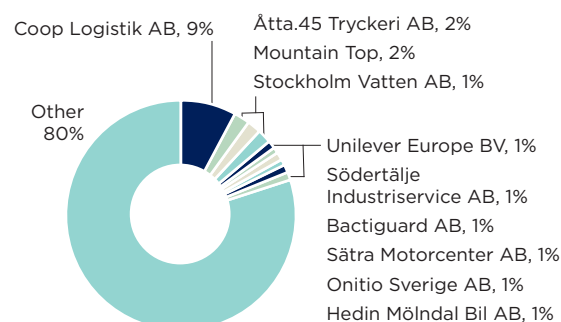
## GEOGRAPHIC DISTRIBUTION OF PROPERTY PORTFOLIO

Stendörren puts significant effort into identifying attractive geographical industrial areas with potential in Nordic growth regions. Special focus is on developing and strengthening the company's presence in such areas where Stendörren is already established. Approximately 61% of Stendörren's 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 forecasted 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 RENTAL INCOME



# PROPERTY PORTFOLIO SUMMARY

## TENANTS AND LEASE AGREEMENTS

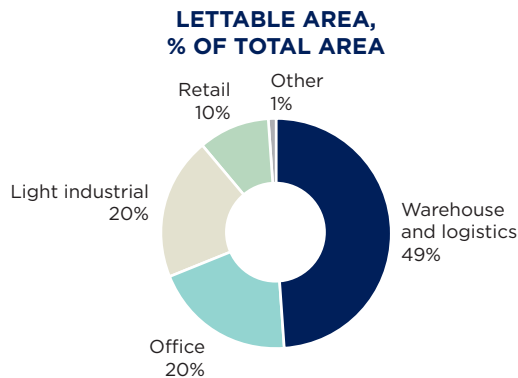
The tenants in the property portfolio operate in a variety of sectors and range from well-established small to medium-sized companies to large multinational businesses. As at December 31, 2023, the ten largest leases made up about 20% of the total annual rental income in the portfolio. The company's largest lease agreement with Coop represents about 9% of the total annual rent. Coop will leave these premises in September 2024, after which the Swedish Fortifications Agency takes over as new tenant. Stendörren strives to sign long-term leases with its tenants and the average lease duration as of the reporting date was 4.3 years. The company also strives for a diversified maturity structure.

The combination with a range of different tenants and industries, helps to reduce the risk of extensive vacancies and rental losses. Rental losses amounting to SEK 7.3 million were recognized for the reporting period.

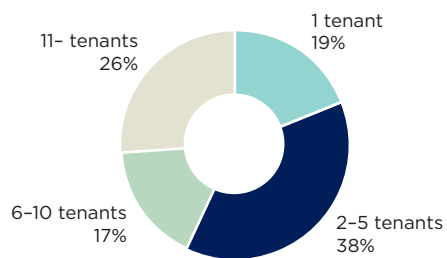
Stendörren works proactively and continuously to renegotiate leases in line with current market rents. The economic occupancy rate for Stendörren's property

portfolio was 94% at December 31, 2023, and the area weighted occupancy rate was 91%. The occupancy rate is a static measure of the rental situation on the reporting date and may vary depending on temporary relocation vacancies or projects that have commenced or been completed at different times.

In general, the demand for Stendörren's assets remains strong. Stendörren's largest tenant, Coop, will vacate the premises in Q3 2024 which is immediately offset as the Swedish Fortifications Agency, will move in directly after Coop moves out, meaning that the property remains fully let. Net letting for the quarter totaled approximately SEK -2.2 million and for the full-year 2023 totaled approximately SEK 5.1 million. Lease agreements that were renegotiated during the quarter led to an increase in rental values of 25% on a weighted average basis. During the quarter, new lease agreements with an annual rental value of approximately SEK 93 million were signed. These consist of both renegotiated lease agreements and lease agreements with new tenants.



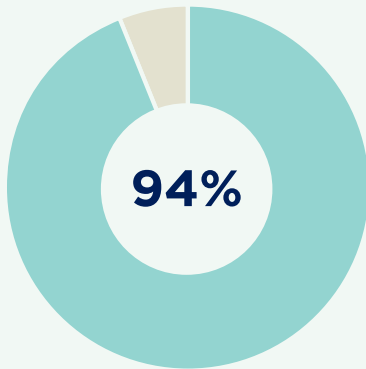
### NUMBER OF TENANTS PER PROPERTY



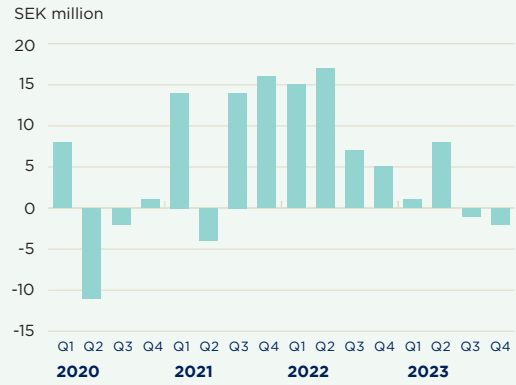


# PROPERTY PORTFOLIO SUMMARY

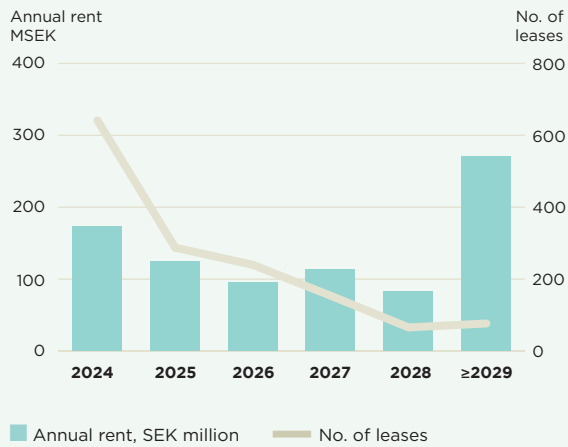
## ECONOMIC OCCUPANCY RATE



## NET LETTING

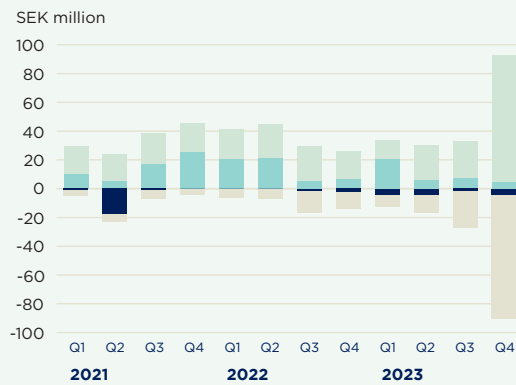


## ANNUAL LEASE EXPIRY\*



\* Does not take into account current agreements where the tenant has not yet taken possession of the premises, with the exception of the Swedish Fortifications Agency, which takes office on 10/01/2024.

## CONTRACTUAL CHANGES PROPERTY PORTFOLIO\*



\*) Including letting of new construction

# PROJECT PORTFOLIO SUMMARY

## OVERVIEW

As of December 31, 2023, Stendörren had a total of 40 properties, wholly or partly consisting of building rights. Unutilized building rights amounted to approximately 652,000 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 75 million in net operating income. In addition, we have an extensive portfolio of upcoming projects, which are at an earlier stage.



Photo: Librobäck

## 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. 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. Work is ongoing regarding the new zoning plan for residential purposes in Sollentuna, Traversen 14 and 15, and is investigating the conditions for pursuing a zoning plan for residential purposes in, for example, the part of GreenHub in Upplands-Bro that looks out over Lake Mälaren and in Skrubba in southern Stockholm that looks out over Lake Drevviken.

### ONGOING PROJECTS

The company has several ongoing projects with a project volume in excess of SEK 25 million out of which 53,100 sqm represents new construction and extensions and 2,400 sqm represents refurbishments.

In October, it was announced that Stendörren will build a fully let 9,500 sqm logistics facility in Enköping after having signed a lease agreement with Advania Sverige AB. Construction has commenced and the new logistics facility has high sustainability aims. The goal is to certify the building's sustainability performance according to BREEAM-SE level Excellent and NollCO2 (net-zero climate impact).

In December, Stendörren signed a lease agreement with the Swedish Fortifications Agency regarding 129,000 sqm of warehouse space in the GreenHub development area in Upplands-Bro. With this, the entire existing logistics facility will be fully let and the new tenant will move in immediately after the current tenant's lease expires. Some modernizations and tenant improvements will be carried out in close dialogue with the Swedish Fortifications Agency. The gradual development of adjacent building rights in GreenHub also started in 2023, focusing on small-scale operations. In the first stage, a building permit was obtained for two buildings comprising a total of 6,500 sqm.

Another two projects were started in the fourth quarter. The Filmremsan 2 property in Högdalen in Stockholm is being developed by means of extensive refurbishment, and in the Copenhagen region the Svalehøjvej 17 property is being extended to meet the current tenant's expansion needs.

### FUTURE PROJECTS DEC 31, 2023

MUNICIPALITY	ENVISAGED MAIN USE	ESTIMATED BUILDING RIGHT SQM) <sup>1</sup>	STATUS ZONING	ESTIMATED POSSIBLE CONSTRUCTION START <sup>2</sup>
Upplands-Bro	Logistics	377,000	Within current zoning	2024-2025
Södertälje	Logistics	42,200	Within current zoning	2024-2025
Nynäshamn	Light industrial	5,000	Within current zoning	2024-2025
Eskilstuna	Logistics	5,000	Within current zoning	2024-2025
Upplands-Bro	Light industrial	2,000	Within current zoning	2024-2025
Enköping	Light industrial	2,000	Within current zoning	2024-2025
Västerås	Light industrial	2,000	Within current zoning	2024-2025
Upplands-Bro	Light industrial	1,500	Within current zoning	2024-2025
Gothenburg	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	2025-2026
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

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

In addition, Stendörren has many project concepts that already have building permits, and that are in the design and planning stage or for which other preparations are being made. This will enable the company to quickly commence construction and adapt these concepts to meet customer needs. All ongoing projects are located in well-established and expansive areas where there is a clear demand and where leasing activities are in progress.

### COMPLETED PROJECTS

Nine projects encompassing a total area of 40,700 sqm were completed in 2023. Four projects refer to major tenant improvements for new customers in the Tegelbruket 1 property in Botkyrka and Elementet 1 in Bromma. The others refer to new construction of logistics and light industrial assets, for which most space has been let. The two logistics projects that started on a speculative basis in 2022 and were completed in 2023 are fully let.

### ONGOING PROJECTS DEC 31, 2023

PROPERTY	DESCRIPTION	EARLIEST POSSIBLE COMPLETION <sup>1</sup>	SIZE SQM <sup>2</sup>	INDICATIVE INVESTMENT <sup>3</sup> SEK MILLION	CURRENT PHASE
Almnäs 5:24	New light industrial	Q1 2024	2,300	49	Construction started
Stenvreten 8:37	New logistics	Q4 2024	9,500	152	Construction started
Båglampan 25	New light industrial	Q2 2025	4,300	105	Design and planning <sup>4</sup>
Viby 19:66	New logistics	Q2 2025	5,200	115	Design and planning <sup>4</sup>
Almnäs 5:23	New logistics	Q2 2025	17,000	272	Design and planning <sup>4</sup>
Romberga 23:17	New light industrial	Q2 2025	2,700	54	Design and planning <sup>4</sup>
Nygård 2:17 (GreenHub)	New light industrial	Q2 2025	2,500	50	Design and planning <sup>4</sup>
Nygård 2:17 (GreenHub)	New light industrial	Q3 2025	4,000	80	Design and planning <sup>4</sup>
Filmremsan 2	Reconstruction	Q3 2024	2,400	37	Construction started
Svalehøjvej 2, Copenhagen	Extension light industrial	Q4 2024	3,300	50	Design and planning <sup>4</sup>
Almnäs 5:23	New light industrial	Q1 2025	2,300	52	Design and planning
<b>Total ongoing projects</b>			<b>55,500</b>	<b>1,016</b>	
<b>Total excluding tenant improvements and refurbishments</b>			<b>53,100</b>	<b>979</b>	

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

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

3) Includes book value of land in connection with new development.

4) Building permit obtained.

### COMPLETED PROJECTS DURING THE REPORTING PERIOD

PROPERTY	DESCRIPTION	COMPLETION	SIZE SQM <sup>1</sup>	INVESTMENT <sup>2</sup> SEK MILLION	OCCUPANCY RATE %
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	121	100
Hjulsmeden 1	New light industrial	Q3 2023	2,700	48	16
Almnäs 5:24	New light industrial	Q3 2023	2,300	47	100
Librobäck 21:3	New light industrial	Q4 2023	2,300	51	0
Elementet 1	Tenant improvement	Q4 2023	3,400	47	100
<b>Total completed projects</b>			<b>40,700</b>	<b>621</b>	
<b>Total excluding tenant improvements</b>			<b>25,500</b>	<b>442</b>	

1) GFA (new production, extension), NLA (tenant improvement, refurbishment).

2) Includes book value of land in connection with new development.

# 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 December 31, 2023 amounted to SEK 12,566 million. A summary of the valuation parameters is presented in the table on page 22. 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 1,370 million (1,530 on September 30, 2023), are valued based on comparable sales method and comparison to other similar properties recently sold. The main reasons for the change in the value of the building rights portfolio during the quarter were the declining value of building rights and the value of building rights in ongoing projects close to completion now being valued as properties. For further information, refer to the section Project portfolio summary on pages 18–20. Realized and unrealized changes in value of the entire property portfolio during the period amounted to SEK -355 million (-143).

Value changes in the property portfolio during the year were primarily driven by adjusted yield requirements and market rent assumptions as well as changed cash flows due to e.g. new leases, and renegotiated but also terminated agreements. Exchange rates had a negative value change on the property portfolio during the year. The average yield requirement of the property valuations as of December 31, 2023 amounted to 6.2% and was unchanged compared with the preceding quarter (see table of valuation parameters on page 22).

## UNREALIZED CHANGE IN VALUE

CHANGE IN VALUE, PROPERTIES	JAN-DEC 2023
Change in yield requirements	-450
Cash flows	288
Building rights	-195
<b>Total</b>	<b>-356</b>

## SENSITIVITY ANALYSIS

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

		CHANGES IN NET OPERATING INCOME				
		-5.0%	-2.5%	0.0%	2.5%	5.0%
CHANGES IN NOI YIELD	-0.50%	529	873	1,218	1,563	1,907
	-0.25%	-76	252	581	910	1,238
	0.00%	-628	-314	0	314	628
	0.25%	-1,133	-833	-532	-231	70
	0.50%	-1,598	-1,309	-1,020	-732	-443

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, residual value %	5.3 (4.6)	9.0 (8.5)	6.2 (5.9)
Discount rate, cash flow, %	6.8 (6.2)	11.2 (10.9)	8.2 (8.0)
Discount rate, residual value, %	7.4 (7.0)	11.2 (10.9)	8.3 (8.0)
Long-term vacancy assumption, %	3.0 (2.0)	15.1 (29.4)	5.7 (6.0)

CHANGE IN CARRYING AMOUNT, PROPERTIES	JAN-DEC 2023	JAN-DEC 2022
<b>Property portfolio, beginning of period</b>	<b>12,418</b>	<b>11,693</b>
Acquisitions of new properties	-	581
Property sales	-	-370
Investments in existing properties	516	624
Currency effects	-13	33
Realized changes in value	1	16
Unrealized changes in value	-356	-160
<b>Property portfolio, end of period</b>	<b>12,566</b>	<b>12,418</b>



Photo: Bäckby

# FINANCING

As of December 31, 2023, the average time to maturity of interest-bearing liabilities to credit institutions amounted to 2.6 years (3.1). Including bonds, the average time to maturity also amounted to 2.6 years (2.9). 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 1.6% and a total nominal value of SEK 4,850 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 1.4% on the interest hedged part of the interest-bearing liabilities. In the fourth quarter, Stendörren entered into forward starting interest-rate swap agreements, which extended the average term of the derivative portfolio, for more details refer to the table on page 24. At the end of the reporting period, approximately 85% of the company's interest-bearing liabilities were interest-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 3.3 years (2.6). The average interest rate on total interest-bearing liabilities including derivatives amounted to 4.1%.

Stendörren's first bond, maturing on August 18, 2025, amounts to SEK 600 million with interest of Stibor 90 plus 3.90% and Stendörren's second bond, maturing on December 21, 2026, is a green bond and amounts to SEK 500 million with interest of Stibor 90 plus 5.25%.

As of December 31, there was available liquidity of SEK 294 million, in form of cash and cash equivalents of SEK 134 million, and available credit facilities totaling SEK 160 million.

Interest and loan maturities for all interest-bearing liabilities are distributed over years according to the table below (the amounts constitute nominal amounts and exclude prepaid financing fees). Stendörren also has a hybrid bond of SEK 513 million that is recognized as equity, with an interest rate of Stibor 90 plus 6.50% with a first redemption date in September 2024.

## INTEREST AND LOAN MATURITIES

Interest and loan maturities for all interest-bearing liabilities are distributed over years according to the table below.

YEAR OF MATURITY	INTEREST MATURITY/YEAR <sup>1</sup> INTEREST SHARE			LOAN MATURITY SHARE	
	SEK M	%	%	SEK M	%
2024	2,082		31	715	11
2025	0		0	1,784	27
2026	2,700		40	1,531	23
2027	0		0	2,288	34
2028	0		0	355	5
>2028	1,900		28	9	0
<b>Total/ average</b>	<b>6,682</b>	<b>4.1</b>	<b>100</b>	<b>6,682</b>	<b>100</b>

1) The interest maturity for 2024 includes all loan amounts that carry Stibor as base interest and that are not covered by interest derivatives.

## SENSITIVITY ANALYSIS

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

CHANGE INTEREST-RATE BASE	(+) CHANGE SEK MILLION	(-) CHANGE SEK MILLION
+/-1.00%	-10	10
+/-2.00%	-20	20
+/-3.00%	-30	58

The sensitivity analysis does not claim to be exact, rather it is only indicative and aims to present the company's assessment of amounts in the context stated.

## FINANCING

### INTEREST-RATE DERIVATIVES - ACTIVE

COUNTERPARTY	TYPE	START DATE	MATURITY DATE	NOMINAL VALUE SEK MILLION	FAIR VALUE SEK MILLION	CAP LEVEL %	YEARS REMAINING
Nordea	Interest-rate cap	2021-09-03	2026-09-03	300	8.1	2.00	2.68
Danske Bank	Interest-rate cap	2020-10-07	2025-10-07	600	25.8	1.00	1.77 <sup>1</sup>
Danske Bank	Interest-rate cap	2020-10-07	2025-10-07	300	12.9	1.00	1.77 <sup>1</sup>
Danske Bank	Interest-rate cap	2023-11-10	2025-11-10	600	24.8	1.00	1.86 <sup>1</sup>
Danske Bank	Interest-rate cap	2023-11-10	2025-11-10	400	16.6	1.00	1.86 <sup>1</sup>
Swedbank	Interest-rate cap	2021-12-14	2026-12-14	1,100	30.8	2.00	2.96
Swedbank	Interest-rate cap	2021-12-23	2026-12-23	750	20.6	2.00	2.98
Swedbank	Interest-rate cap	2018-09-28	2024-09-28	250	2.7	2.25	0.75
Swedbank	Interest-rate cap	2021-09-03	2026-09-03	550	14.7	2.00	2.68
Swedbank	Interest-rate swap	2019-10-07	2024-09-18	800	23.0	-0.09	0.72
<b>Total</b>				<b>5,650</b>	<b>179.9</b>	<b>1.38</b>	<b>2.12<sup>2</sup></b>

1) Upon maturity, the derivative is replaced with a derivative (see table below) with a delayed start date at the same nominal amount.  
2) Including derivatives with a delayed start date, the average maturity amounts to 3.64 years.

### INTEREST-RATE DERIVATIVES - WITH DELAYED START DATE

COUNTERPARTY	TYPE	START DATE	MATURITY DATE	NOMINAL VALUE SEK MILLION	FAIR VALUE SEK MILLION	CAP LEVEL %	YEARS REMAINING
Danske Bank	Interest-rate swap	2025-10-07	2030-10-07	600	-10.4	2.45	6.77
Danske Bank	Interest-rate swap	2025-10-07	2029-10-07	300	-4.0	2.39	5.77
Swedbank	Interest-rate swap	2025-11-10	2029-11-10	600	-9.1	2.41	5.87
Swedbank	Interest-rate swap	2025-11-10	2030-11-10	400	-8.1	2.49	6.87
<b>Total</b>				<b>1,900</b>	<b>-31.6</b>	<b>2.44</b>	<b>6.35</b>

The combined effect of the interest hedging gives a reference interest level of 1.4% on the interest hedged part of the interest-bearing liabilities. At the end of the reporting period, approximately 85% of the company's interest-bearing liabilities were interest-hedged.

Photo: Nygård 2:14



# 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 shall 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

**-21.4%**

Reduction of energy intensity (kWh/sqm) as of December 31, 2023, compared with base year 2020

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

**58%**

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

Target of 70% certified area by 2025

Stendörren supports 2030 Agenda 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 123 million in recharged services rendered by its own staff. Net interest income consists of net interest charged on intra-Group loans and external interest expense for the corporate bond programs. Cash and cash equivalents as of December 31, 2023 amounted to SEK 30 million (21) and equity amounted to SEK 1,329 million (1,692).

## CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY

Amounts in SEK million

	JAN-DEC 2023	JAN-DEC 2022	OCT-DEC 2023	OCT-DEC 2022
Net sales	123	125	33	34
Operating expenses	-121	-123	-33	-35
<b>Profit/loss before financial items</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-1</b>
<i>Financial items</i>				
Income from shares in subsidiaries	-38	-1	-38	-1
Net financial items	20	41	-1	14
<b>Profit/loss after financial items</b>	<b>-16</b>	<b>42</b>	<b>-39</b>	<b>12</b>
Appropriations	-3	-	-3	-
<b>Profit/loss before tax</b>	<b>-19</b>	<b>42</b>	<b>-42</b>	<b>12</b>
Tax	0	-1	0	-1
<b>Profit/loss for the period</b>	<b>-19</b>	<b>41</b>	<b>-42</b>	<b>11</b>

## PARENT COMPANY SUMMARY

### CONDENSED BALANCE SHEET FOR THE PARENT COMPANY

Amounts in SEK million

	DEC 31, 2023	DEC 31, 2022
<b>ASSETS</b>		
<i>Non-current assets</i>		
Intangible assets	3	2
Equipment	10	9
Shares/participations in subsidiaries	979	964
Receivables from subsidiaries	3,459	3,348
Deferred tax assets	0	0
<b>Total non-current assets</b>	<b>4,450</b>	<b>4,323</b>
<i>Current assets</i>		
Receivables from subsidiaries	25	142
Current receivables	6	5
Cash and cash equivalents	30	21
<b>Total current assets</b>	<b>62</b>	<b>168</b>
<b>TOTAL ASSETS</b>	<b>4,512</b>	<b>4,492</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>1,329</b>	<b>1,692</b>
<i>Non-current liabilities</i>		
Interest-bearing liabilities	1,091	1,291
Liabilities to subsidiaries	2,061	1,292
<b>Total non-current liabilities</b>	<b>3,152</b>	<b>2,583</b>
<i>Current liabilities</i>		
Liabilities to subsidiaries	-	178
Other current liabilities	30	38
<b>Total current liabilities</b>	<b>30</b>	<b>217</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,512</b>	<b>4,492</b>

# SHARE CAPITAL AND OWNERSHIP

### SHARE CAPITAL

The share capital in Stendörren amounts to SEK 17,056,959, split between 2,500,000 Class A shares and 25,928,265 Class B shares. Each share has a quotient value of SEK 0.60. Class A shares in Stendörren carry entitlement to ten votes at a general meeting and Class B shares carry entitlement to one vote at a general meeting. Class A shares can be converted to Class B shares at a ratio of 1:1. All shares carry the same right to shares in the company's assets and profits. According to the Articles of Association, the company also has the option of issuing preference shares

### AUTHORIZATIONS

On May 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. However, an issue without preferential rights for the shareholders may not result in an increase of the company's shares of more than a total of 10% calculated at the date for the 2023 Annual General Meeting. If the Board of Directors resolves on an issue without preferential rights for shareholders, the reason must be to broaden the ownership base, acquire or facilitate the acquisition of working capital, increase the liquidity of the share, carry out company acquisitions or acquire or facilitate the acquisition of capital for company acquisitions. An issue without preferential rights for shareholders must be conducted on market terms.

### INCENTIVE PROGRAMS

Stendörren have two incentive programs that were resolved on the Extraordinary General Meeting in September 2020 and on the Annual General Meeting 2023, respectively. Both programs were targeted toward the company's employees and include issues of warrants, which the participants in the relevant 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 program 2023 – 2028, there were by the end of the period 50,060 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 181,386 through the issuance of 302,310 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 reporting date.

### STOCK EXCHANGE

The Stendörren Class B share is traded on Nasdaq Stockholm Mid Cap. The company's ticker is STEF B. The company's ISIN is SE0006543344. A trading unit corresponds to one (1) share.

## SHARE CAPITAL AND OWNERSHIP

### LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2023

SHAREHOLDERS <sup>1)</sup>	TOTAL SHARES	NO. OF CLASS A SHARES	NO. OF CLASS B SHARES	% OF CAPITAL	% OF VOTES
Stendörren Real Estate AB	11,532,606	2,000,000	9,532,606	40.6	58.0
Altira AB	2,801,720	500,000	2,301,720	9.9	14.3
SEB Investment Management	3,279,570	0	3,279,570	11.5	6.4
Länsförsäkringar Fastighetsfond	2,507,355	0	2,507,355	8.8	4.9
Tredje AP-Fonden	1,171,394	0	1,171,394	4.1	2.3
Verdipapirfondet Odin Eiendom	856,660	0	856,660	3.0	1.7
Handelsbanken Fonder	791,896	0	791,896	2.8	1.6
Didner & Gerge Fonder Aktiebolag	666,712	0	666,712	2.4	1.3
SEB Luxembourg Branch	557,345	0	557,345	2.0	1.1
Staffan Malmer	331,528	0	331,528	1.2	0.7
Other shareholders	3,931,479	0	3,931,479	13.8	7.7
<b>Total</b>	<b>28,428,265</b>	<b>2,500,000</b>	<b>25,928,265</b>	<b>100.00</b>	<b>100.00</b>

1) The total number of shareholders on the reporting date was 3,316.



# OTHER INFORMATION

## CALENDAR

- 2023 Annual Report, April 29, 2024
- Interim Report Jan–March 2024, May 3, 2024
- 2024 Annual General Meeting, May 23, 2024
- Interim Report Jan–June 2024, July 19, 2024
- Interim Report Jan–Sep 2024, October 25, 2024
- Year-end Report Jan–Dec 2024, February 18, 2025

## 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 Year-end Report is unaudited.

# THE BOARD OF DIRECTORS

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

Stockholm, February 23, 2024

Andreas Philipson  
*Chairman*

Carl Mörk  
*Board member*

Helena Levander  
*Board member*

Henrik Orrbeck  
*Board member*

Seth Lieberman  
*Board member*

Nisha Raghavan  
*Board member*

Erik Ranje  
*CEO*

This information is such that Stendörren Fastigheter AB is required to publish according to the EU Market Abuse Regulation. The information was provided, through the agency of the contact person below, for publication on February 23, 2024 at 7:00 am CET.

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

According to the company's assessment, the total annual rental income (after deductions for vacancies and discounts) amounts to approximately SEK 901 million on January 1, 2024. The company also assesses that current property expenses amount to approximately SEK 190 million. Accordingly, the Group is expected to generate an annual net operating income of approximately SEK 711 million.

Costs for central administration amounted to approximately SEK 77 million, net financial items to approximately SEK 285 million and leasing costs to approximately SEK 10 million. This totals annual income from property management of approximately SEK 339 million on January 1, 2024.

This information is only the company's own assessment of the earnings capacity as of January 1, 2024, without taking into account new letting, 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 income from property management.

Costs for central administration were based on actual outcome for the past 12 months and net financial items were calculated based on interest-bearing liabilities and assets on the closing date. Costs for interest-bearing liabilities were based on the Group's reported average interest rate on the closing date plus allocated financing costs and costs for unutilized credit facilities on the closing date. Leasing costs essentially refer to ground rent, based on actual outcome for the past 12 months adjusted for the holding period.

Any additional acquisitions or sales announced by the company, but which have not yet been entered into or resigned, are also not included.

The earnings capacity also does not take into account 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 75 million in net operating income.

These data should therefore not be seen as a forecast of future profit development for Stendörren.

ASSESSED EARNINGS CAPACITY <sup>1</sup>	
Rental income	901
<b>Total income</b>	<b>901</b>
Operating expenses	-137
Maintenance costs	-27
Property tax	-27
<b>Net operating income</b>	<b>711</b>
Central administration	-77
Financial income and expenses	-288
Lease expenses/Ground rent	-10
<b>Income from property management</b>	<b>336</b>

<sup>1)</sup> This is the Company's best assessment of current earnings capacity on an annual basis as of January 1, 2024 and not a forecast of future expected earnings.



# DEFINITIONS

The European Securities and Markets Authority (ESMA) has issued guidelines for the use of Alternative Performance Measures, (APMs) related to companies with securities that are listed on a regulated market. The guidelines have been developed in order to increase the transparency and the comparability in APMs commonly used in prospectuses and other compulsory information submitted by listed companies. Stendörren provides more detailed definitions and explanations of the APMs it uses. These definitions and explanations, along with a reconciliation table, are in accordance with the ESMA guidelines and can be found on [www.stendorren.se](http://www.stendorren.se), investor relations.

## CURRENT NET ASSET VALUE

Book equity net of hybrid capital adjusted for actual deferred tax liability, calculated at an effective tax rate of 5.9% and adjusted for interest-rate derivatives.

## AREA WEIGHTED OCCUPANCY RATE

Area contractually leased to tenants in relation to total lettable area.

## AVERAGE RETURN ON EQUITY

Profit for the period in relation to average equity the last 12 months.

## LOAN-TO-VALUE RATIO

Interest-bearing liabilities in relation to total assets.

## LOAN-TO-VALUE RATIO AT PROPERTY LEVEL

Interest-bearing liabilities secured in properties in relation to the fair value of the properties.

## NOI YIELD

Property NOI the last 12 months in relation to the fair value of the properties.

## NET OPERATING INCOME

Total rental income from the properties reduced by property operating expenses.

## ECONOMIC OCCUPANCY RATE

Contractual annual rent in relation to rental value, 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 INCL. 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 development and management, mainly in Greater Stockholm and the rest of the Mälardalen region.

**FOR MORE INFORMATION,  
PLEASE CONTACT:**

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