

GREEN FINANCE REPORT 2023

STENDÖRREN



INTRODUCTION

Stendörren Fastigheter AB (publ) (“Stendörren” or the “Company”) is an expansive property company, listed on Nasdaq Stockholm Mid Cap. Stendörren manages, develops and acquires properties and building rights within logistics, warehouse and light industry in Nordic growth regions. When commercially viable Stendörren has an intention to rezone existing properties and thereby create residential building rights for further development and management, mainly in Greater Stockholm and the rest of the Mälardalen region.

As of December 31, 2023, the property portfolio consisted of 151 properties, primarily located in Greater Stockholm and the Mälardalen region with a rentable area of 824 000 sqm and a market value of SEK 12,566 million. Warehouse, logistics and light industrial properties accounted for approximately 69% of the total

rentable area. Roughly 61% of total rental income consisted of rental income from properties in the Stockholm region. The Company had 40 properties, wholly or partly consisting of building rights, which mainly will be used for logistics, warehouse, light industrial and residential properties. The building rights portfolio had a market value of SEK 1,370 million.

KPI AS PER DECEMBER 31 2023	2023
Rental income, SEK m	843
Number of properties	151
Lettable area, sqm	824,000
Fair value properties, SEK m	12,566
Building rights, sqm	652,000

843

SEK MILLION
RENTAL INCOME

672

SEK MILLION
NET OPERATING
INCOME

287

SEK MILLION INCOME
FROM PROPERTY
MANAGEMENT

INTRODUCTION

BACKGROUND

Stendörren strives to gradually raise the level of ambition within the defined sustainability-related focus areas identified by the company. For the company, it is important that sustainability work is implemented in all parts of the organization and that all employees work to contribute to the company's goals in all focus areas. To achieve this, Stendörren has established a sustainability committee that is led and coordinated by the company's head of sustainability and includes representatives from different parts of the company. Based on the company's Sustainability strategy & targets, the committee coordinates and makes priorities accordingly. The committee holds monthly meetings where the focus is the progress within sustainability.

Sustainable real estate is crucial to ensure a well-functioning society. Our properties must both meet our tenants' premises needs while at the same time providing a safe and pleasant environment for those who occupy them on a daily basis. Furthermore, it is a balancing act between accommodating need and to take into account the environment and biodiversity.

Climate adaptation is one of the crucial factors for a sustainable future, but also for future profitability and growth. For Stendörren, this means above all that the expansion of properties needs to take place within the planetary boundaries and that existing buildings need

to be adapted to the changing climate. Doing so, the market value is maintained or increased, as the risk of them being damaged by climate change is reduced. Climate-proofing properties is a good example of when economics and sustainability pull in the same direction. This is one of the reasons why Stendörren focuses on future-proofing all our properties. The company is working in line with an energy strategy to manage the transition to a changing climate and has initiated a climate risk strategy to adapt the portfolio to possible climate change.

EU TAXONOMY

Stendörren welcomes the EU's green taxonomy and reports voluntarily, as a proactive measure. Stendörren will be subject to the EU taxonomy through the Corporate Sustainable Reporting Directive (CSRD). The company has identified that 100 percent of Stendörren's operations come under the construction and property sector. Stendörren strives to align the Green Use of proceeds with the EU Taxonomy to the extent possible.

ENERGY CONSUMPTION

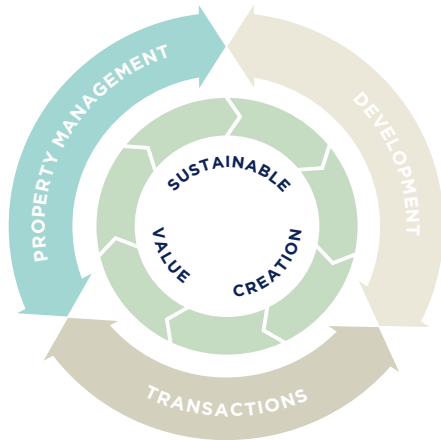
From an operational perspective, the energy consumption of the properties is the factor that has the greatest climate impact, and it is the reason why reducing energy consumption is a prioritized environmental issue for Stendörren. The company has set a target on energy consumption to less than 30 percent (kWh/m² lettable area) by 2030 compared with the baseline year of 2020.

GREENHOUSE GAS EMISSIONS

From a climate perspective greenhouse gas emission is the most important to reduce. For Stendörren this means to set target and to actively work on reduction of emissions, in project and within assets. Since most of our emissions fall within Scope 3, it is crucial that we adopt a strategic approach to reduce them effectively. Stendörren has set a target to reduce the embodied emissions to less than 40 percent (kgCO₂/sqm GFA) by 2030 compared with the baseline year of 2022.



SUSTAINABLE VALUE CREATION



OUR BUSINESS MODEL CREATES VALUE

... for our customers

by allowing their businesses to develop sustainably, in attractive premises with an attentive and long-term property owner that strives for satisfied and close customer relationships.

... for the areas in which we operate

by being a committed and responsible party in urban development and working together with municipalities and customers to create premises that make a difference: for businesses, people and the local area.

... for our owners

by maintaining a well-balanced portfolio with a stable financial foundation and efficient property management which creates a favorable total return.

PROPERTY MANAGEMENT

- Strive for long-term and close customer relationships as well as customer care through proactive management of the property portfolio via the own property management and maintenance organization.
- Retain and strengthen customer relationships with many reputable tenants.
- Have a clear contract-oriented strategy which, based on prevailing market conditions, promotes secure and long-term cash flows and opportunities for rental growth.
- Focus on sustainable properties that can be developed through active work to environmentally sound buildings, reduced vacancies, rent increases and alterations for tenants.

DEVELOPMENT

- Work with development in the form of resource-conscious new production on land with existing building rights.
- Actively pursue work on zoning plans to create building rights and/or modify a property's areas of use with the aim of adding value.

TRANSACTIONS

- Continually evaluate new geographic markets that are considered to have good future development prospects.
- Acquire warehouse, logistics and light industrial properties that over time are expected to meet the company's yield requirement taking into account climate and transition risks.
- Acquire properties in the logistics and light industry segments in growth regions, where we already conduct operations. With a particular focus on markets where we have not yet achieved a critical mass.
- Acquire properties with a flexible area of use.
- Acquire developed or undeveloped properties with development potential.

SUSTAINABILITY ACTIVITIES

During the year a new head of sustainability has been appointed. New constructions with focus on reducing embodied emission has increased, and the company's energy strategy has resulted in decreased amount of energy consumption overall. The executive management team has clarified short-term targets, increased measurability, increased ambitious and revised the goals that have already been achieved. The company, through keyperson in the organization and external experts has identified five focus areas with targets within each area.

Stendörren has set a long-term goal of net-zero carbon emissions by 2040 through the whole value chain.



OPERATIONAL EXCELLENCE

- Monitoring risks and uncertainty factors in the market and make sure to build an organization with well-functioning support processes, routines and policy documents.
- Strive to become fossil fuel independent and make sustainable choices when traveling on business.
- Ensure that all major suppliers sign our code of conduct.

Stendörren works actively to minimize all forms of corruption, bribery and irregularities, both in its own operations and in the value chain, by having robust processes and routines in place. The company's properties consist of high-yield properties and therefor stable cash flow. The company's growth is based on long-term sustainability.



RESOURCE EFFICIENCY

- Within the framework of resource efficiency, energy efficiency measures and optimizations are constantly being implemented.
- Only fossil-free electricity is acquired, which means that the proportion of fossil-free energy within the company is constantly increasing.
- We collaborate with our tenants through green leases, which creates good collaboration opportunities to reduce the total environmental impact of the properties as well as the operations consumption and impact on the climate.



ATTRACTIVE EMPLOYER

- Well-being and health within the organization is something we strongly care about. Pulse surveys are done twice a year to catch any negative trends in good time.
- All our employees read and sign the company's Code of Conduct when starting employment and further on once a year.

A successful business is built by motivated and competent people who, together with external parties, develop Stendörren's operations.



FUTURE PROOFING

- Well-founded decisions regarding the property portfolio, a good understanding of how the properties will be affected by climate change is required.
- Climate risk analysis carried out in line with Task Force on Climate-related Financial Disclosure (TCFD) framework.
- List both physical and transition risks for the Swedish portfolio.

Furthermore, in 2023, a strategy for the most climate-risk-exposed properties has been initiated, including through pilot projects and help from external experts. This is an ongoing work and essential for the company to make smart investments in the future.



SOCIAL RESPONSIBILITY

- Stendörren is a committed and an accountable actor in urban development, where the company has the opportunity to create buildings that make a difference together with municipalities and customers.
- We see great advantages in having a close dialogue with the tenants, as it provides a good understanding of their needs and expectations of Stendörren as a landlord.
- Within the framework of our community engagement, we work to create job opportunities for people who are far from the labour market.

THE GREEN FINANCE FRAMEWORK

GREEN FINANCING

In May 2023, Stendörren established its own green financing framework. On the accounting reference date, a SEK 500 million green bond was outstanding, with interest of Stibor 90 plus 5.25% and maturity date December 21, 2026.

All green financing raised within the context of our own framework is managed at portfolio level. This means that a green loan within the framework is not necessarily directly linked to a specific green asset within our own framework. The allocation of the equivalent of the liquidity from outstanding green financing within our own framework is distributed to the green pool of qualified investments. Stendörren keeps a record of all assets and investments that qualify and ensures that there are sufficient green assets at all times to cover outstanding green loans.

For more information see Stendörren's [Green Finance Framework](#).

STENDÖRREN'S RATIONALE FOR GREEN FINANCING

The real estate sector has a large impact on the environment. According to the National Board of Housing, Building and Planning's environmental indicators, it accounts for 34% of Sweden's energy use and 21% of domestic greenhouse gas (GHG) emissions. The ongoing transition of the property sector requires large investments and increases opportunities for external financing. Stendörren is committed to continue investing in green and energy efficient buildings to further accelerate the Company's ESG efforts.

The establishment of this Green Finance Framework (the "Framework") has been developed in alignment with the Green Bond Principles from 2021 ("GBP") and the Green Loan Principles ("GLP") from 2023 and it thus follows the core components of the principles:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework is applicable for issuance of green bonds and other types of debt instruments such as loans, revolving credit facilities, hybrid bonds and commercial papers where the equivalent to the net proceeds will be applied to finance or re-finance, in part or in full, new and/or existing projects with clear environmental benefits.

Swedbank has acted as advisor to Stendörren in the establishment of Stendörren's framework. Further, the Framework is reviewed by an impartial firm, which has provided a second opinion to confirm its alignment with the applicable principles.

"The Issuer's green categories align with the project categories as proposed by the GBP and GLP. Criteria are defined in a clear and transparent manner. Disclosure of proceeds to the project category financed is provided and Environmental benefits are described. The Issuer defines exclusion criteria for harmful projects categories, in line with best market practice."

ISS ESG, Second Party Opinion of Stendörren's green framework.

For more information see the complete [Second Party Opinion](#).

OUR GREEN FINANCING

ALLOCATIONS

MKR	DECEMBER 31, 2023
Total amount of Green Financing Instruments issued – ISIN SE0020848653	SEK 500 m
Share of proceeds used for financing/re-financing	SEK 500 m
Share of unallocated proceeds	-

PROPERTIES QUALIFIED ACCORDING TO THE GREEN FINANCE FRAMEWORK

NAME OF PROPERTY	EXISTING / PROJECT	MUNICIPALITY	CATEGORY	ENVIRONMENTAL CERTIFICATION	ENERGY PERFORMANCE CERTIFICATE (EPC) A & B	REDUCTION OF GREENHOUSE GAS EMISSIONS, %
Librobäck 21:3	Existing	Uppsala	Light industrial	Breeam-VG	EPC-B	-13,20
Servitrisen 3	Existing	Västerås	Light industrial		EPC-A	-29,04
Magneten 33	Existing	Stockholm	Logistics		EPC-A	-67,15
Stenvreten 6:1	Existing	Enköping	Light industrial		EPC-B	-2,28
Kalvsvik 16:17	Existing	Haninge	Light industrial	Breeam-VG	EPC-B	0 ¹⁾
Hjulsmeden 1	Project	Västerås	Light industrial	Breeam-VG	EPC-B	N/A ²⁾

METHOD FOR DATA COLLECTION

This table is based on energy declarations, showing energy class and regulatory requirements for new Swedish buildings, per BBR at the time of the approved building permit. It includes energy performance based on primary energy values. Emissions from energy use

(Scopes 1 and 2) are presented, along with tenants' energy consumption (Scope 3), where available. Calculations follow the Greenhouse Gas Protocol. The emissions from electricity use are location-based and use the Swedish Environmental Research Institute's/ the Swedish National Board of Housing, Building and

Planning's conversion factor for the Swedish electricity mix³⁾. District heating factors are sourced from energy companies with a one-year delay. Avoidable emissions are based on improved energy performance over regulatory standards.

1) 100% renewable energy source. No emissions 2) New Building 3) 0.072 kg CO₂e/kWh.

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.

CONTACT

ERIK RANJE
CEO

erik.ranje@stendorren.se
+46 8 518 331 00

PER-HENRIK KARLSSON
CFO

per-henrik.karlsson@stendorren.se
+46 8 518 331 00

LINDA SCHUUR
HEAD OF SUSTAINABILITY

linda.schuur@stendorren.se
+46 8 518 331 41

STENDÖRREN

www.stendorren.se

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE GREEN INVESTORS REPORT 2023 FOR STENDÖRREN FASTIGHETER AB (PUBL)

TO THE BOARD OF DIRECTORS OF STENDÖRREN FASTIGHETER AB (PUBL)
ORG.NO. 556825-4741

We have been engaged by the Board of Directors of Stendörren Fastigheter AB (publ) to provide limited assurance on the Green Financing report 2023 of Stendörren Fastigheter AB (publ) for the financial year 2023.

THE RESPONSIBILITY OF BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors is responsible to present the Green Investors report in accordance with their Green Finance Framework. The Green Investors report is stated in accordance with Stendörren's Green Finance Framework, and it is based on the Green Bonds Principles. The Board of Director's responsibility also includes the internal control deemed necessary to prepare the Green Investors report that is free from material misstatement, whether due to fraud or error.

THE RESPONSIBILITY OF THE AUDITOR

Our responsibility is to express a conclusion on the Green Investors report based on our limited review.

We have conducted our limited review in accordance with ISAE 3000 Assurance engagements other than audits and reviews of historical financial information. A limited review consists of making inquiries, primarily to persons responsible for preparing the Green Investors

report, performing analytical reviews, and performing other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in general.

The audit firm applies ISQM 1 (International Standard on Quality Management) and thus has a comprehensive quality control system, which includes documented policies and procedures regarding compliance with professional ethics, standards for professional practice and applicable requirements in laws and regulations. We are independent in relation to Stendörren Fastigheter AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

The audit procedures taken in a limited review do not allow us to obtain sufficient assurance to be aware of all the important facts that could have been identified

if an audit had been carried out. Therefore, the stated conclusion based on a limited review does not have the certainty of an explicit conclusion based on an audit.

Our limited review of the Green Investors report is based on the criteria selected by the Board of Directors, as defined above. We believe that these criteria are appropriate for the preparation of the Green Investors report 2023.

We believe that the evidence obtained during our limited review is sufficient and appropriate to support our opinions below.

STATEMENTS

Based on our limited review, no circumstances have emerged that give us reason to believe that the Green Investors report 2023 has not, in all material respects, been prepared in accordance with the criteria set out above by the Board of Directors.

Stockholm on the date of the electronic signature
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Markus Håkansson
Authorized Public Accountant